



Federal and State Policy:

- USDA announced that it had awarded \$48 million in cheese contracts for natural American and mozzarella cheese under the \$60 million that was available in the dairy amendment passed last fall. Deliveries on this cheese will be made between March and December of 2010. Contracts for the remainder of the \$12 million will be awarded later.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Dec.) **	\$16.29/cwt.	▲ 0.8 %	▼ 1.2 %	▲ 51.2 %
Corn (Mar.)	\$3.62/bushel	▼ 6.3 %	▼ 10.1 %	▼ 6.6 %
SBean Meal (Jan.)	\$286.6/ton	▼ 4.7 %	▼ 9.5 %	▼ 10.1 %
Milk Margin*	\$10.47/cwt.	—	▲ 4.9 %	▼ 14.5 %

*Each issue of "Dairy Week in Review" will report on current and projected "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for. Milk margin is affected by both milk & feed prices.

** The milk price reported is the Class III futures price for the next month plus a basis of \$1.75, which provides an estimate of what producers can expect to see on their milk check for the coming month.

- Dairy cattle slaughter in December totaled 231,200 head, an increase of 22,300 head over November according the USDA's Livestock Slaughter report. After two months of trending lower, heavier culling resumed with much of the increase attributed to the latest round of the CWT herd retirement program.
- The latest USDA "Cold Storage" report reported larger stocks of both cheese and butter in 2009, with December American cheese stocks up 48.7 million lbs., or 9 percent, from 2008 to 586.8 million pounds. Butter stocks were up 14.7 million pounds, or 12.4 percent, from a year ago.
- February marks the first time the Class I mover has been above year-earlier levels since 2008, at \$14.84, down 19¢ from January, but up \$4.12 from a year ago.

Industry:

- A video released by an animal rights organization and broadcasted on ABC World News and Nightline is prompting New York lawmakers to propose that New York follow California in banning tail-docking for dairy cows. National Milk Producers Federation says it is urging dairy operators to participate in a voluntary program it's starting this year to help them demonstrate that products are "cruelty free."



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