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# Dairy Week

Dated  
February 11, 2010

# In Review



## Federal and State Policy:

- USDA announced they were discontinuing the National Animal Identification System (NAIS) to create a new, flexible disease traceability program. This will apply only to animals moved interstate employing lower cost technology.

## Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Dec.) **	\$16.05/cwt.	▼ 1.2 %	▲ 1.5 %	▲ 39.4 %
Corn (Mar.)	\$3.61/bushel	▲ 0.6 %	▼ 15.7 %	▲ 3.0 %
SBean Meal (Mar.)	\$275.8/ton	▲ 1.2 %	▼ 13.4 %	▼ 2.8 %
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 is an estimate of what you can expect to see on your milk check for the coming month.*

- USDA raised its 2010 milk production forecast by 500 million lbs. to 188.9 billion lbs., based on higher-than-expected heifer inventories reported on Jan. 1, according to the "World Agricultural Supply and Demand Estimates" report. Cheese prices were projected at \$1.61 per lb., while butter was projected at \$1.44 and NDM at \$1.2050. Whey was projected at 39 cents, with an average Class III price at \$15.25, Class IV at \$14.35, and the all-milk price at \$16.55.
- The January Class III price is \$14.50, a decrease of 48¢ from December, but \$3.72 above a year ago. The January Class IV price is \$13.85, a decrease of \$1.16 from the previous month, but an increase of \$4.26 from January 2009.
- The latest USDA "Dairy Products" report shows cheese production in December down for the first time in 21 months and cheddar cheese production down 8.3 percent from 2009. Butter production was down 4.3 percent to 149.6 million lbs. Total output for the year was also down 4.3 percent from 2008 levels, to 1.568 billion lbs. Production of nonfat and skim milk powder increased seasonally but remain below last year's levels, down 15 percent from 2008 to 147.2 million lbs.



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