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Dairy Week



Dated February 10, 2011

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Feb) **	\$18.44/cwt.	▲ 20.6 %	▲ 23.5 %	▲ 14.8 %
Corn (Mar)	\$6.98/bushel	▲ 6.1 %	▲ 13.8 %	▲ 93.4 %
SBean Meal (Mar)	\$387.7/ton	▲ 3.5 %	▲ 4.1 %	▲ 40.6 %
Milk Margin*	\$12.18/cwt.	—	▼ 6.90%	▲ 2.61%

*Each issue of "Dairy Week in Review" will report on current "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is paid for, based on data in the latest "PA Dairy Industry Performance Scorecard." Milk margin is affected by both milk & feed prices. ** The milk price reported is the Class III

- USDA reported the year-end stock-to-use ratio for corn to be 5 percent, down from 13.1 percent in 2009/10 and the lowest since 1936/37. Ethanol is projected to take 40 percent of the 2010 corn harvest. Corn futures for May and June jumped to above \$7 per bushel after the news, with soybean futures now close to \$15.00 a bushel for July. USDA forecasts corn prices to average \$5.05 - \$5.75 per bushel in 2010/11, up from \$3.55 in 2009/10.
- Cheese prices are the highest since October 2008, with blocks closing on Tuesday, Feb. 8, at \$1.87 a pound, with Class III milk futures in March—May all above \$18.00 per hundredweight. Butter prices have remained at \$2.10 a pound, with Class IV prices reaching a high of \$20 per hundredweight in June.
- The January Class III price is \$13.48 per hundredweight, down 35 cents from December, \$1.02 below last year, and the lowest price since May. The January Class IV price is \$16.42 per cwt., up \$1.39 from December and \$2.57 above January 2010.

Government & Industry:

- The U.S. Department of Agriculture, and Health and Human Service, jointly released the new Dietary Guidelines for Americans, which maintain recommendations for two to three dairy servings by Americans, stating that most people don't reach that threshold of daily consumption.
- The Pennsylvania House Agriculture and Rural Affairs Committee held a "State of the Dairy Industry" Hearing this week, with Chair John Maher asking dairy producers, processors, and industry representatives to provide testimony on the industry from the cow to the consumer.
- Congratulations to the industry leaders recognized at last week's Pennsylvania Dairy Summit. Three Pacesetter Awards were presented by the Pennsylvania Dairy Stakeholders to Russell Redding, Lolly Leshner, and Rob and Christine Waddell. The Center for Dairy Excellence will continue the Pacesetters Award. Nominations can be sent to info@centerfordairyexcellence.org.



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