



Federal and State Policy:

- USDA raised the milk production forecast to 188.9 billion lbs., according to the latest “World Agricultural Supply and Demand Estimates” report. The forecast was increased by 500 million lbs. based on higher than expected heifer inventories.
- Projections for corn ending stocks for 2009/10 were reduced 45 million bu. to 1.719 billion bu. and an average price of \$3.70/bu. Soybean ending stocks were reduced 35 million bu. to 210 million bu. and an average price of \$9.45/bu.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Feb.) **	\$15.92/cwt.	▼ 0.9 %	▼ 0.5 %	▲ 31.9 %
Corn (Mar.)	\$3.63/bushel	▲ 0.5 %	▼ 1.6 %	▼ 0.5 %
SBean Meal (Mar.)	\$281.2/ton	▲ 1.9 %	▼ 4.9 %	▼ 5.9 %
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.

- In December, exports of Nonfat and Skim Milk Powder were down 29 percent from a year ago, at 31.9 million lbs., the smallest amount since February, according to USDA/FAS trade data. For the year, NDM/SMP exports were down 36.4 percent at 548.6 million lbs.
- Other dairy exports were higher in December. Cheese exports rose 38 percent from 2008 levels to 27.1 million lbs, the highest figure since May 2008. Whey protein exports grew 39 percent to 72.5 million lbs. Butterfat exports were up 124 percent to 9.4 million lbs. Lactose exports were up 27 percent to 39.6 million lbs.
- According to data compiled by NMPF and the U.S. Dairy Export Council, U.S. dairy exports were equivalent to 9.3 percent of U.S. milk production, on a total solids basis, in 2009. This is off almost 2 percent from the 2008 level of 11 percent. U.S. dairy imports were equivalent to 3.4 percent of U.S. production in 2009, down from 4 percent in 2008 and the lowest level since 1997.



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