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Dairy Week In Review

Dated February 24, 2011



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Feb) **	\$18.79/cwt.	▲ 1.8 %	▲ 23.4 %	▲ 18.0 %
Corn (Mar)	\$6.91/bushel	▼ 1.1 %	▲ 7.3 %	▲ 90.3 %
SBean Meal (Mar)	\$351.8/ton	▼ 10.2%	▲ 8.4 %	▲ 25.1 %
Milk Margin*	\$10.23/cwt.	—	▼ 15.94%	▼ 14.11%

*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 futures price for the next month plus a basis of \$1.75, an estimate of what you can expect to see on your milk check next month.

- Milk production in the U.S. in January was up 2.3 percent from a year ago to 16.385 billion pounds, according to the USDA's "Milk Production" report. Cow numbers were up 16,000 head to 9.157 million, the largest number since the summer of 2009. Production per cow was up 1.5 percent or 0.8 pounds to 57.7 pounds per day. In Pennsylvania, milk production was up 1.02 percent, with 2,000 more cows and 1 pound more milk per day per cow.
- The March Class I Mover price is \$18.23 per hundredweight, up \$2.34 from February and up \$3.89 from last year. This is the highest Class I Mover price since August 2008, with the Class IV price continuing to be the driver.
- Both cheese and butter stocks increased seasonally in January, according to the latest USDA "Cold Storage" report. However, butter stocks are still at historically lows, with inventories at 118.9 million pounds, down 29 percent from a year ago but up 46 percent from December. The current inventories are equivalent to about 26 days of use. Total cheese inventories were up 7 percent from a year ago to 1.052 billion pounds on Jan. 31. American cheese stocks were up 9 percent from a year ago and up 1 percent from December.

Industry:

- USDA's Dairy Industry Advisory Committee has scheduled another public meeting on March 3 at 1 p.m. to vote on the final dairy policy recommendations the committee will present to U.S. Secretary of Agriculture Tom Vilsack. The meeting will be teleconferenced, with available call-in lines for public listeners limited to the first 100 registered attendees. To register, you must e-mail DIAC@wdc.usda.gov by March 2 at 11:59 p.m.



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