



CENTER FOR
Dairy EXCELLENCE
Dairy Week
 Dated **In Review**
 March 11, 2010



Policy:

- The first in a series of joint workshops hosted by regulators at the U.S. Justice and Agriculture Departments on competition and anti-trust issues in agriculture was held this week in Iowa. The first workshop examined issues facing crop farms, including seed technology, vertical integration, market transparency, and buyer power. This workshop will be followed by four other gatherings held later in the year.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Feb.) **	\$14.57/cwt.	▼ 9.4 %	▼ 8.5 %	▲ 20.1 %
Corn (Mar.)	\$3.55/bushel	▼ 5.3 %	▼ 0.8 %	▲ 3.4 %
SBean Meal (Mar.)	\$258.7/ton	▼ 3.0 %	▼ 4.6 %	▼ 5.9 %
Milk Margin*	\$12.32/cwt.	—	▲ 4.7 %	▲ 29.2 %

**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's 2010 milk price forecast for 2010 is now projected to average \$14.20-\$14.80 for the year, down 75¢ from the range USDA forecast in February. The department raised its projected 2010 milk production by 600 million lbs., to 189.5 billion lbs., up slightly from 2009.
- The February Class III price is \$14.28 per hundredweight, down 22 cents from January, but up \$4.97 from February 2009. The February Class IV price is \$12.90, down 95 cents from January. On March 10, Class III future prices for March, April and May were below \$13.00, reflecting the weakness in the cheese market over the last month.
- International milk powder prices increased for the first time since late November, with Oceania Skim Milk Powder trading at \$1.13 - \$1.44, up 4 cents from February, according to USDA's Dairy Market News. However, the U.S. market is at its lowest level since early October, with Western Nonfat Dry Milk trading at \$1.00 - \$1.07. Last week, USDA sold 23 million pounds of older powder out of CCC stocks, putting further pressure on a faltering market.
- Powder stocks in the US are shrinking, however. In January, nonfat and skim milk powder production in the US was down 13.9 percent from year-earlier levels to 148.5 million pounds. Manufacturer stocks of NDM are down about a third from last year, at 138.1 million pounds as of January 31, says USDA.
- Dairy farm numbers in Pennsylvania fell 3.5 percent in 2009, down to 7,400 farms, according to USDA NASS Statistics. Nationally, farm numbers fell 3.9 percent, with nearly 55,000 commercial dairies remaining in the country. About 91 percent of the dairies that went out of business had less than 100 cows, with those farms larger than 100 cows now responsible for producing 85 percent of the nation's milk supply.

Events:

- The Center for Dairy Excellence will host a "Mastering the Business" conference call with Mike Hogan and Scott Stewart from Stewart and Peterson on Tuesday, March 23, from 12 - 1:30 p.m. The call will address "Marketing with Strategy and Discipline," and participation is free. It is the second in a series of three this spring. For more details, call 717-346-0849.



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