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DairyEXCELLENCE

Dairy Week

Dated
March 31, 2010

In Review



Policy:

- Cooperatives Working Together has reactivated its export assistance program for cheddar cheese. Bids for bonuses will be accepted by noon Wednesday each week and awards will be given Thursday. The CWT export assistance program was last used in December 2008.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Mar) **	\$14.53/cwt.	▼ 0.06%	▼ 4.3 %	▲ 7.7 %
Corn (May)	\$3.54/bushel	▼ 4.5 %	▼ 3.8 %	▼ 7.9 %
SBean Meal (May)	\$282.2/ton	▲ 3.9 %	▼ 0.4 %	▼ 4.3 %
Milk Margin*	\$11.88/cwt.	—	▼ 0.3 %	▲ 74.4 %

**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.*

- The U.S. grew its milk production from a year ago in February by 0.1 percent, with 3,000 more cows, according to the USDA *Milk Production Report*. The Class I base price for April is \$13.22, down \$1.12 from March and the lowest price since November. This price yields an MILC payment of 21¢.
- The All-Milk Price this month was estimated at \$15.10, down from \$15.90 in February, according to USDA's "Ag Prices" report." Feed costs to produce a hundredweight of milk were estimated at \$6.61, leaving "Income over feed costs" at \$8.49, down 64¢ from January, the lowest figure since November. The report showed Pennsylvania has the third highest all-milk price out of all of the states, coming in below Florida and Virginia.
- The USDA's "Livestock Slaughter" report shows that dairy farms sent 223,000 cows to slaughter in February, less than last year but up from the monthly average, marking the first time culling increased from Jan. to Feb. since 2004.
- In its six-month financial report, leading global dairy supplier Fonterra reported that increasing global dairy demand and declining milk supplies should keep world dairy prices stable for the next six months.



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