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Dairy Week

Dated
March 3, 2010

In Review



Policy:

- The U.S. Department of Agriculture issued its final decision Friday to limit the unfair pricing exemption enjoyed by large, vertically-integrated farmer-owned bottling plants. The producer-handler definitions in all Federal Milk Marketing Orders will be amended so that only farms with bottled milk sales of three million pounds or less per month remain exempt from the pooling provisions.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago	<i>*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.</i>
Milk Price (Feb.) **	\$15.94/cwt.	▲ 0.2%	▼ 2.2 %	▲ 31.9 %	
Corn (Mar.)	\$3.75/bushel	▲ 3.2 %	▲ 3.5 %	▼ 0.5 %	
SBean Meal (Mar.)	\$266.5/ton	▼ 5.4 %	▼ 8.4 %	▼ 5.9 %	
Milk Margin*	\$12.32/cwt.	—	▲ 4.7 %	▲ 29.2 %	

** 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 All-Milk price for 2010 is expected to be \$16.20 - \$16.90 per hundred-weight, according to the latest "Livestock, Poultry and Dairy Outlook." February's income over feed cost is \$9.22 per hundredweight, up slightly from January's level. Feed costs fell in February, with corn down 21 cents a bushel, soybeans down 39 cents, and alfalfa hay down \$2 a ton.
- The monthly "Livestock Slaughter" report shows that dairy farmers sent 232,000 cows to slaughter in January, up 1,000 head from December but down 49,000 from a year ago.
- The USDA has added domestic production of milk protein concentrates to its monthly "Dairy Products" report. In January, the U.S. produced 7.5 million lbs. of MPC, up 5.2 percent from a year ago. In 2009, U.S. manufacturers produced 92.9 million lbs. of MPC, while MPC imports were at a five year low. Overall cheese production, according to the report, was up 2.2 percent, while butter production was down 7.2 percent.



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