



Dairy Week In Review



Dated May 26, 2011

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (May) **	\$18.24/cwt.	▲ 0.3 %	▼ 1.3 %	▲ 17.8%
Corn (May)	\$7.42/bushel	▼ 0.9 %	▲ 1.5 %	▲ 50.0 %
SBean Meal (May)	\$358.9/ton	▼ 0.8 %	▼ 2.7 %	▲ 24.5%
Milk Margin*	\$13.99/cwt.	—	▼ 0.07%	▲ 29.06%

*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.

- USDA's Cold Storage report shows total cheese use up 6.4 percent from a year ago, with commercial cheese holdings on April 30 at 1.041 billion pounds, up 2 percent from a year ago. American cheese disappearance was up 5.3 percent, and other categories were up 7.2 percent. Commercial holdings of American cheese were up 2 percent to 623.4 million pounds. Butter stocks remain at a 10-year low, with inventories at just 141.4 million pounds, down 31 percent from a year ago. Butter usage was up 7.8 percent, and disappearance of nonfat and skim milk powder was up 12 percent.
- Fluid milk sales continue to be down, according to Federal Order and California data. For the first quarter of 2011, sales were down 1.3 percent from last year and 2.3 percent from two years ago.
- In the first four months of the year, dairymen sent 1.02 million cows to slaughter, up 7.6% from 2010 and the most since 1997, according to the latest USDA Livestock Slaughter Report. In April, 238,000 head were sent to slaughter, down 30,000 head from March but up 3,000 head from last April.
- On May 22, 79 percent of the U.S. corn crop was planted, up 63 percent from the prior week but below the five-year average of 87 percent. In Pennsylvania, only 40 percent of the corn crop was planted, up slightly from the previous week but down significantly from the five-year average of 74 percent.
- The Class I mover for June is \$20.32 per hundredweight, up 57 percent from May and up \$5.04 from a year ago. The Class I price is the highest since July 2008 and is based on the Class IV price, the higher of the two.

Government/Industry:

- Wet weather continues to delay crop planting in many areas. Remember that many crop insurance policies automatically proved preventative and replanting protection. Contact your Insurance agent for details and reporting requirements before evidence is destroyed.
- Senate Agriculture Committee Chairperson Debbie Stabenow said that the committee held its first farm bill hearing on May 26, with testimony from Agriculture Secretary Tom Vilsack and former Secretary Dan Glickman. The senate panel will hold its first Farm Bill field hearing the following week in Michigan on May 31.
- USDA will hold a public on animal health to discuss animal health issues, including the pending proposed rule implementing USDA's traceability framework. The meeting will be held on July 22 from noon to 5 p.m. EDT as a multi-site teleconference. Those who want to listen-in may do so by dialing 1-888-790-3291 and using a public passcode of 1411045. More details can be found at www.aphis.usda.gov/animal_health/akah/.

