



CENTER FOR DairyEXCELLENCE

Dairy Week In Review

Dated Aug. 25, 2011



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Aug) **	\$23.27/cwt.	▲ 0.1 %	▲ 0.8 %	▲ 37.6 %
Corn (Sept)	\$7.31/bushel	▲ 2.8 %	▲ 5.7 %	▲ 5.2 %
SBean Meal (Aug)	\$367.0/ton	▲ 3.6 %	▲ 3.1 %	▲ 18.6 %
Milk Margin*	\$14.36/cwt.	—	▲ 1.8 %	▲ 18.58 %

*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 Milk Production Report shows milk production in the U.S. up 0.7 percent from a year ago to 16.5 million pounds, up 0.2 percent from a month ago. Milk production per cow was down 4 pounds for the month or 0.2 percent to 1,796 pounds. Cow numbers increased by 80,000 head to 9,215 thousand head. In Pennsylvania, milk production fell 2.2 percent, with cow numbers up 1,000 head and milk production per cow down 40 pounds for the month. New York was flat, while Minnesota and Wisconsin both posted declines. California and Idaho were up 3.5 and 5.6 percent, respectively.
- Cheese stocks are up 3 percent from June and up 1 percent from a year ago, with 1.084 billion pounds of cheese in inventory, according to the USDA Cold Storage Report. American Cheese inventories grew 5 percent or 30.9 million pounds last month, the largest one-month increase in seven years. Inventories of butter were down both year-over-year and month-over-month, with 187.7 million pounds in storage, representing about 42 days of use, about 3 days less than a year ago.
- The September Class I base price is \$21.78 per hundredweight, up 35 cents from August and \$6.28 from a year ago. It is the eighth straight month of increases, with the price being the highest since September 2007.
- July milk prices were at their highest since September 2008, with the consumer price index at 148.4. In April to July, the cheese CPI was up 6.3 percent and the butter CPI was up 22.3 percent.

Government/Industry:

- Cooperatives Working Together accepted bids this week to provide export assistance on sales of 1.8 million pounds of cheese for delivery through the end of the year. 62.3 million pounds were accepted into the program since the beginning of the year.
- On August 31, the center will host a "Mastering the Dairy Business" call on Managing Droughty Corn. Call 717-346-0849 or e-mail info@centerfordairyexcellence.org to register.



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