



Dairy Week In Review

Dated Oct. 05, 2011



Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$19.58/cwt.	▼ 5.9 %	▼ 19.5 %	▲ 5.3 %
Corn (Dec)	\$6.05/bushel	▼ 4.1 %	▼ 25.7 %	▲ 6.0 %
SBean Meal (Oct)	\$301.5/ton	▼ 4.2 %	▼ 26.2 %	▼ 8.1 %
Milk Margin (Aug)*	\$14.71/cwt.	—	▲ 5.15 %	▲ 16.93 %

**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.*

- September's Class III milk price is \$19.07, down \$2.06 from August but \$2.81 above Sept.. 2010. The Class IV price in September is \$19.53, down 63 cents from a month ago but up \$2.77 from last year.
- USDA's Dairy Products report shows large volumes of milk moving into butter and powder production in August. Butter production was up 31 percent from a year ago to 133 million lbs., while year-to-date butter production is up 16.1 percent. Nonfat and skim milk powder production is also up 13.1 percent to 152.1 million pounds. Cheese production declined in August, with total output down 0.3 percent from a year ago to 868.1 million pounds.
- Commodity prices on the futures market fell significantly last week, with corn futures falling to their lowest level since March. In September, DEC corn futures lost \$1.75 per bushel, while DEC milk futures lost \$1.66 per hundredweight.
- USDA's Ag Prices report shows farm profitability declining in September, with the All-Milk price estimated at \$20.90 per cwt., down \$1.10 from August. The cost of feed to produce 100 pounds of milk rose 24 cents from August to \$11.99. That left "Income over feed costs" at \$9.03 per cwt., about \$1.33 behind August and below the 10-year average of \$9.09.

Government/Industry:

- Dairy farm families affected by the massive flooding from Hurricane Irene and Tropical Storm Lee can apply for funding through the Center for Dairy Excellence to tap into the center's resources and aid in recovery efforts. For more information, contact the center.

