



# Dairy Week In Review

Dated October 15, 2010

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct) **	\$18.57/cwt.	▲ 0.5 %	▲ 2.8 %	▲ 23.8 %
Corn (Dec)	\$5.69/bushel	▲ 16.5 %	▲ 14.9 %	▲ 49.3 %
SBean Meal (Oct)	\$326.0/ton	▲ 10.8 %	▲ 10.6 %	▲ 0.3 %
Milk Margin*	\$12.73/cwt.	—	▲ 5.12 %	▲ 78.54 %

\*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, an estimate of what you can expect to see on your milk check next month.

- USDA's "Crop Production" report showed much lower yields, production levels, and ending stocks of corn than were estimated a month ago. The estimated yield for the 2010/11 crop was lowered 6.7 bushels to 155.8 bushels per acre. Production was dropped nearly 500 million bushels to 12.664 billion bushels, with ending stocks projected at 902 million bushels, down 214 million bushels from last month's forecast. This will be the smallest carryout of corn since 1996/97. Corn prices for the 2010/11 crop are now estimated at \$4.60 - \$5.40/bushel, which is a record high.
- USDA's "World Agricultural Supply & Demand Estimates" report shows an average Class III milk price of \$14.50—\$15.40 per hundredweight, up from last month's estimates. Milk production is forecast at 196.0 billion pounds, up 1.7 percent from this year's estimated output. The USDA cites stronger cheese demand and relatively tight supplies of butter as supporting the higher estimated price.

## Government & Industry:

- **Public meetings will be held in Pennsylvania on the state's proposed Chesapeake Bay Watershed Implementation Plan next week.** Proposed changes in the WIP and the state's Total Maximum Daily Load (TMDL) requirements will affect **all** livestock farms across the state. Dairy producers are encouraged to attend and provide their comments. Meeting dates, times and locations are:
  - ⇒ **Oct. 18**, from 2 - 4 p.m., at the Best Western Eden Resort in Lancaster.
  - ⇒ **Oct. 19**, from 2 - 4 p.m., at the Knights of Columbus in State College.
  - ⇒ **Oct. 20**, from 2 - 4 p.m., a webinar held at Lycoming College in Williamsport.
  - ⇒ **Oct. 21**, from 2 - 4 p.m., at Bentley's of Northern PA in Ashley.
 For more details, call the Center at 717-346-0849.
- The USDA Dairy Industry Advisory Committee met this week in Washington, D.C. Their agenda included discussions on the International marketing and the Federal Milk Marketing Order Program, along with sub-committee reports and an opportunity for public comment.
- Cooperatives Working Together announced export assistance for 2.95 million pounds of American cheese to Middle East and Asia, with delivery planned for Oct.—Feb.

