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Dairy Week In Review



Dated Oct. 19, 2011

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct.) **	\$19.67/cwt.	▲ 0.1 %	▼ 4.9 %	▲ 5.6 %
Corn (Dec)	\$6.38/bushel	▼ 2.8 %	▼ 11.5 %	▲ 12.1 %
SBean Meal (Oct)	\$319.3/ton	▼ 0.6 %	▼ 11.9 %	▼ 2.1 %
Milk Margin*	\$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.

- USDA's *Milk Production* report shows September's total milk production in the U.S. up 1.7 percent from a year ago to 15.803 billion pounds. Cow numbers were up at 9.209 million head, up 1,000 head from June. Production per cow in September was 57.2 pounds per day, up 0.4 lbs. or 0.7 percent from a year ago. Milk production in Pennsylvania was down 2.1 percent to 884 million lbs., with 2,000 less cows and 1 pound less milk per cow per day. New York's production was off by a half percent, while Wisconsin was up by 1.2 percent. California was up by 2.9 percent and Idaho was up by 3.4 percent.
- U.S. dairy exports were up 26 percent in total shipment value from a year ago to \$427 million in August, up 5 percent from July, according to recent USDA/FAS data. Exports of nonfat and skim milk powder were up 1 percent from a year ago, but down 2 percent from July. Total NDM/SMP exports in August were equivalent to 53 percent of NDM/SMP production that month. Butterfat, whey and lactose exports were all up in August, while cheese exports hit a nine-month low, down 10 percent from a year ago and 5 percent from July.

Government/Industry:

- Senator Robert Casey, Jr. (D-Pa.) introduced the Dairy Advancement Act into Congress last week, one of several dairy policy bills currently being circulated around Capitol Hill. The bill contains the key elements of Dairy Policy Action Coalition's Cornerstones for Change. It would create a two-class milk pricing system, repeal the Dairy Product Price Support Program and give dairy producers an option of participating in the Milk Income Loss (MILC) program or in the Livestock Gross Margin-Dairy program. It would also make low-interest loans available to dairy manufacturers to retrofit plants to shift production to products with broader demand.



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