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# Dairy Week In Review



Dated Oct. 27, 2011

## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (Oct.) **	\$19.75/cwt.	▲ 0.5 %	▼ 4.9 %	▲ 5.7 %
Corn (Dec)	\$6.37/bushel	▼ 0.2 %	▲ 1.2 %	▲ 9.6 %
SBean Meal (Oct)	\$317.0/ton	▼ 0.7 %	▲ 0.6 %	▼ 5.9 %
<b>Milk Margin*</b>	<b>\$15.09/cwt.</b>	—	<b>▲ 5.08 %</b>	<b>▲ 15.90 %</b>

\*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.

- The Class I Mover for November is \$18.45 per cwt., down \$1.11 from October and down \$3.33 from September's high. The price is still \$1.21 higher than last November.
- USDA's *Cold Storage* report shows total natural cheese stocks on Sept. 30 down 2 percent from August and down 2 percent from a year ago to 1.04 billion pounds, still 15 percent above the five-year average for September. American cheese stocks were 10 percent higher than the five-year average. Butter holdings declined by 9 percent in September, barely half the historical rate, to 151.1 million pounds, up 16 percent from a year ago. Butter stocks are equivalent to 34 days of use — three days more than last year but still two weeks less than the five-year average for September.
- European Union milk deliveries were up 3 percent from a year ago in July, with much of the extra milk going into skim milk powder. Milk supplies are also up in New Zealand and Argentina, with NZ's production up 12.1 percent in the first seven months of the year, while Argentina's grew 14.7 percent in the first eight months of the year, according to the CME's *Daily Dairy Report*.
- About 246,800 dairy cows were sent to slaughter in September, the most since 2003. Year-to-date culling is up 4.2 percent from 2010, according to the latest USDA *Slaughter* report.

## Government/Industry:

- Cooperatives Working Together accepted bids for export assistance on 3.9 million pounds of cheese, bringing year-to-date accepted bids to 78.9 million pounds.
- President Obama signed the free trade measures passed by Congress earlier in the month will increase U.S. dairy exports to Panama, Colombia and South Korea.



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