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# Dairy Week In Review

Dated  
May 27, 2010



## Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (May) **	\$15.12/cwt.	▲ 0.1 %	▲ 2.5 %	▲ 37.2 %
Corn (July)	\$3.71/bushel	—	▲ 1.6 %	▼ 14.2 %
SBean Meal (July)	\$271.3/ton	▲ 2.9 %	▼ 5.5 %	▲ 37.2%
Milk Margin*	\$10.76/cwt.	—	▼ 4.0 %	▲ 66.6 %

\*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, which is an estimate of what you can expect to see on your milk check for the coming month.

- The Class I base price for June is \$15.28, up \$1.48 from May, and the highest price since January 2009.
- The USDA "Cold Storage" report shows an 8-percent increase in total cheese stocks, at 1.012 billion lbs. on April 30, with American cheese inventories are up 6 percent to 614 million lbs. Butter inventories are down 14 percent to 207.6 million pounds in April, the lowest for that month since 2005.
- USDA's "Livestock Slaughter" report shows culling activity up in April, with dairymen sending 234,700 cows to slaughter during the month, the highest figure for April since 2003. However, for the first four months of the year, culling is down 3.2 percent, or 31,600 head, from a year ago.
- Retail milk prices fell 1.6 percent in April, while retail cheese prices were down 0.5 percent, according to the latest Bureau of Labor Statistics Consumer Price Index data. Retail prices for butter increased 5.1 percent during the same time period.
- Commercial disappearance of total cheese is up 2.0 percent from 2009, according to latest USDA data. American cheese disappearance is down 3.2 percent, while usage of other varieties is up 5.8 percent. Cheese exports grew by 33 percent in the first quarter. Butter disappearance is up 2.0 percent in the first quarter, with exports up 83 percent. Commercial disappearance of nonfat and skim milk powder increased 9.6 percent, while whey usage fell 4 percent. Fluid milk sales dropped 0.8 percent during the time period.

## Government/Industry:

- The USDA Dairy Industry Advisory Committee will hold its second meeting in Washington, D.C., next week to discuss farm gate milk prices, dairy farm profitability, USDA programs, federal dairy policy, and proposals from the industry. The meeting is open to the public.
- CWT awarded two export bonuses last week on 239,000 pounds of cheddar and Monterey Jack exports, with delivery taking place in June and July 2010.



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