



Dairy Week In Review

Dated July 15, 2010

Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July) **	\$15.48/cwt.	▲ 1.5 %	▲ 1.8 %	▲ 23.8 %
Corn (July)	\$3.75/bushel	▲ 1.4 %	▲ 9.9 %	▲ 9.9 %
SBean Meal (July)	\$313.0/ton	▲ 2.9 %	▲ 9.8 %	▼ 28.0 %
Milk Margin*	\$11.20/cwt.	—	▲ 3.32 %	▲ 67.16 %

*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.

- In the latest "World Agricultural Supply & Demand" report, USDA increased its 2010 milk production by 800 million pounds to 191.4 billion pounds. Estimated 2011 milk production was increased 500 million pounds to 193.5 billion pounds. The All-Milk price was projected slightly higher than in June, now at \$15.90 - \$16.90 per hundredweight, up 45 cents from this year's forecast average.
- A bid from Foremost Farms was accepted into the CWT Export Assistance Program last week, bringing the total in export sales CWT assisted with to 37.7 million pounds of cheese since March.
- 73 percent of the nation's corn crop is in good or excellent condition, up 2 percent from a week ago and 2 percent better than a year ago, according to the weekly USDA "Crop Report." The condition of the soybean crop weakened, down 1 percent with only 65 percent in the good/excellent condition category.
- Recent USDA/FAS data shows that the value of U.S. dairy exports in May increased \$66.3 million from April to \$357.4 million. This reflects an increase of more than 100 percent from a year ago, with the average value increasing nearly \$5.8 million per day from a year ago. Year-to-date, exports are up 62 percent compared to the same period in 2009.

Government & Industry:

- All 16 private insurance companies that participate in a federal crop insurance program have signed off on a plan that will cut their subsidies by \$6 billion over the next 10 years. The USDA says \$4 billion of the savings will go toward reducing the federal deficit, while \$2 billion will support risk management and conservation programs for farmers. Farmers' premiums won't change.
- A coalition of 42 agricultural and food organizations urged Congress last week to finalize pending trade agreements with Columbia, Panama, and South Korea. The three free trade pacts were negotiated more than three years ago, but are awaiting final congressional approval.
- The Center for Dairy Excellence hosted its first of three "Open House and Dairy Tours" this week, with the event held at Central Manor Dairy in Washington Boro, Lancaster County. The Harnish family served as the host for the day, which drew 250 people who came to tour the farm and gain new resources for their dairies. The next open houses are scheduled for July 27 at Woodedge Farm, owned by the Kauffmans, in Mifflin County and Zylstra Dairy, owned by the Zylstras. More details on the open houses can be found at www.centerfordairyexcellence.org.

