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# Dairy Week In Review

Dated  
July 22, 2010



## Markets:

Dairy Prices	Price	Chge. from Week Ago	Chge. from Month Ago	Chge. from Year Ago
Milk Price (July) **	\$15.50/cwt.	▲ 0.1 %	▲ 1.3 %	▲ 24.2 %
Corn (July)	\$3.75/bushel	▲ 20 %	▲ 9.9 %	▲ 9.9 %
SBean Meal (July)	\$313.0/ton	▲ 6.3 %	▲ 9.8 %	▲ 8.8 %
Milk Margin*	\$11.20/cwt.	—	▲ 6.54 %	▲ 91.98 %

\*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.

- Milk production in the U.S. is up 2.4 percent from a year ago, according to the latest USDA Milk Production Report. Production was at 16.324 billion pounds, marking the fourth straight year-over-year expansion and the largest percentage increase since June 2008. Cow numbers were at 9.122 million head, up 11,000 head from May and up 40,000 since December. Milk production per cow was up 2.1 pounds to 59.7 pounds in June. In Pennsylvania, milk production grew 1.1 percent year-over-year to 898 million pounds. Cow numbers were down 4,000 head, with daily milk production per cow up 2 pounds.
- Fluid milk sales during May totaled 4.5 million lbs, 0.9 percent lower than a year earlier.
- CWT approved 4 bids to provide bonuses on exports of 388,014 lbs. of cheddar and monterey jack. Delivery is to take place in July and August.

## Government & Industry:

- The USDA announced one-year allocations under the Dairy Export Incentive Program (DEIP) for the July – June 2010/11 year. DEIP allocations of 68,201 metric tons of nonfat dry milk, 21,097 tons of butterfat, and 3,030 tons of various cheeses may be made available through Invitations of Offers. The invitations will not immediately be available because of current international and domestic market conditions.
- The Center for Dairy Excellence will host two "Open House and Dairy Tours" next week in Somerset and Mifflin County. The Kauffmans of Woodedge Farm in Reedsville, Mifflin County, will host an open house on Tuesday, July 27, and the Zylstras at Zylstra Dairy Farm in Friedens, Somerset County, will host one on Thursday, July 29.



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