

Federal and State Dairy Policy:

- U.S. Senator Blanche Lincoln (D-AR) has been tapped to become chair of the Senate Agriculture, Nutrition, and Forestry Committee, replacing Senator Tom Harkin. Senator Lincoln is the first Arkansan and first woman ever to chair the committee.
- U.S. Representative Joe Pitts and Center for Dairy Excellence Executive Director John Frey met with southeast Pennsylvania dairymen last week to discuss dairy issues impacting profitability. Topics included dairy imports and exports, milk marketing and milk quality.
- The Food and Drug Administration is reviewing enhancements to its current residue monitoring programs, as part of its ongoing efforts to improve food safety. State and industry, in cooperation with the FDA, monitor milk predominantly for residues of beta-lacta antimicrobials and refuse loads that test positive. The Department of Agriculture tests meat and poultry for drug residues and report findings to the FDA.

Markets:

Dairy Prices	Price	Chge. From Week Ago	Chge. from Month Ago	Chge. From Year Ago
Milk Price (Sept.) **	\$14.27/cwt.	▼ 0.8%	▼ 4.4%	▼ 28%
Corn (Dec.)	\$3.14/lb.	▲ 4.3%	▼ 5.4%	▼ 42.9%
SBean Meal (Sept.)	\$310/ton	▼ 3.8%	▼ 10.6%	▼ 5.3%
Milk Margin*	\$6.72/cwt.	—	▲ 5.7%	▼ 46.6%

*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 \$2.25, which provides an estimate of what producers can

- Cheese exports in July were 20.9 million lbs., the most since October 2008. Lactose exports were 40.6 million lbs., up 21 percent from a year ago, and WPC shipments were 22.4 million lbs., up 8 percent. Dry whey exports were 29.9 million lbs., down 46 percent, and butterfat exports were just 1.3 million lbs., down 92 percent and the lowest since January 2007, according to the USDA.
- The USDA did accept 12 bids last week for the Dairy Export Incentive Program (DEIP) subsidies on 4.6 million lbs. of butter at bonuses of 35 cents per pound.

Industry:

- The USDA raised its forecast for both soybeans and corn in its monthly report, projecting that the soybean crop will be the largest in history at 3.245 billion bushels. The corn forecast was raised to 12.954 billion bushels, the second largest in history. However, the agency also indicated increased demand for U.S. corn from both the export and domestic livestock sectors. Weakness in the U.S. dollar has helped make U.S. corn look more attractive on the world market.

Programs and Events:

- A special meeting of the Pennsylvania Dairy Task Force will be held this week in conjunction with the All-American Dairy Show in Harrisburg. The task force is a group of 110 industry volunteers that governs the work of the Center for Dairy Excellence and serves as a sounding board for the PA Department of Agriculture on dairy-related issues.

