University of Idaho
Agricultural Economics and Rural Sociology

PNW Dairy Monitor

EXTENSION

22-Jun-09

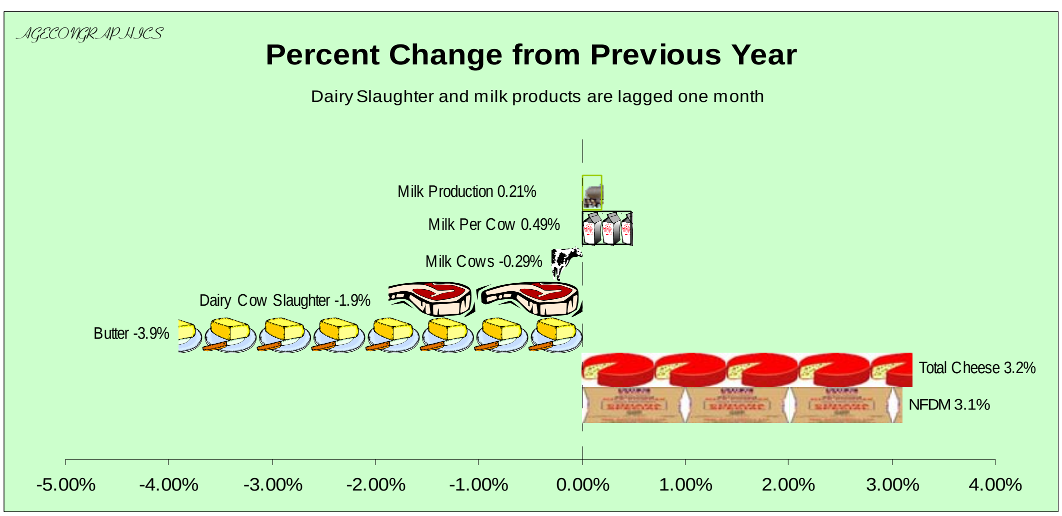
Monthly Market Indicators for May

Production	Current	Year Ago	Prices	May	Previous Month	Year Ago
Milk Prod. 23 St. (Mill. Lb.)	15,483	15,451	Milk, Class III ($/cwt.)	9.84	10.78	18.18
Idaho (Mill. Lb.)	1,047	1,062	Milk, Class IV ($/cwt.)	10.14	9.82	15.26
Oregon (Mil. Lb.)	200	197	CME Cheese 40# (Lb.)	1.1394	1.2045	2.0976
Washington (Mill. Lb.)	487	494	CME Cheese Barrels (Lb.)	1.0763	1.1506	2.0708
Per Cow Production – 23 St. (Lb.)	1,828	1,819	CME Butter (Lb.)	1.2526	1.2042	1.4750
Idaho (Lb.)	1,900	1,930	NFDM West (LB.)	0.8645	0.8501	1.4286
Oregon (Lb.)	1,755	1,745	NFDM Cent. & East (Lb.)	0.8836	0.8660	1.4044
Washington (Lb.)	2,020	2,025	Whey Powder Western(LB.)	0.2156	0.2699	0.1478
Cow Numbers – 23 St. (Thou HD)	8,471	8,496	WPC-Central & West (LB.)	0.5543	0.5470	1.0955
Idaho (Thou HD)	551	550				
Oregon (Thou HD)	114	113	Springer Heifers ($/HD)	1,226.00	1,483.33	2,071.00
Washington (Thou HD)	241	244	Cull Cows ($/cwt.)	50.08	51.72	55.78
			Milk - Feed Ratio	1.47	1.58	1.81
Total Cheese (Mil. Lb.)	846,375	820,401	Premium Hay ($/Ton)	100.00	125.00	187.00
Italian Cheese (Mil. Lb.)	350,098	349,049	Fair Hay ($/Ton)	82.92	100.05	140.00
Butter (Mil. Lb.)	144,086	149,984	Y. Corn #2, Omaha (BU)	4.07	3.83	5.64
NFDM (Mil. Lb.)	139,042	134,861	S Meal 48% Cent. IL(Ton)	386.38	328.18	322.38
Dry Whey - Total (Mil. Lb.)	92,778	98,668	Iowa DDG 10% mstr (Ton)	130.40	120.00	173.45

Milk production in the 23 major States during May totaled 15.5 billion pounds, up 0.2 percent from May 2008. April revised production at 14.9 billion pounds, was up 0.1 percent from April 2008. The April revision represented an increase of 10 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,828 pounds for May, 9 pounds above May 2008. The number of milk cows on farms in the 23 major States was 8.47 million head, 25,000 head less than May 2008, and 10,000 head less than April 2009. Eight states added cows while 13 reduced numbers including a 1.7 percent (31,000 head) reduction in California. Fifteen states averaged a 32 lb increase in per cow production.

Still too much?



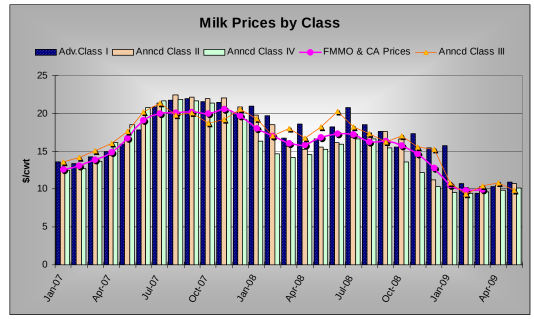
Total cheese output was 846 million pounds, 3.2 percent above April 2008 but 2.8 percent below March 2009. For the respective periods California production was down -2.1% and down -4%, Idaho was up 3.4% and down -2.3%, Utah was down -4.6% and down -8.3%, while Wisconsin production was up 4.1% and down -3.6%.

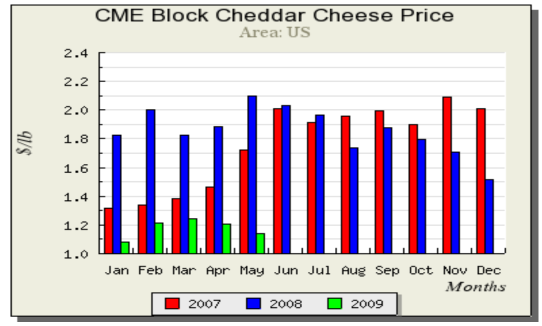
(Continued on page 2)

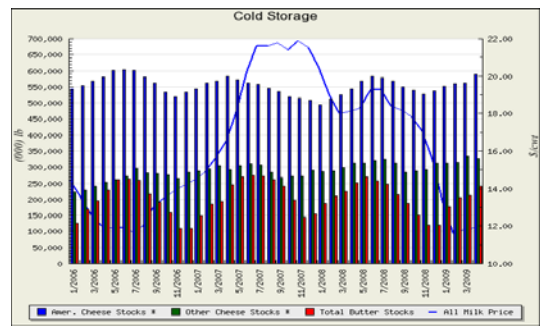
Italian type cheese production totaled 350 million pounds, 0.3 percent above April 2008 but 3.5 percent below March 2009. California Italian Cheese production was down -4.3% and down -6%, Wisconsin Italian Cheese production was up 5.8% and down -3.6%.
American type cheese production totaled 351 million pounds, 3.2 percent above April 2008 but 2.2 percent below March 2009. For the respective periods California was up 1.9% and up 0.6%, Oregon was up 6.5% and down -2.6%, while Wisconsin was down -3.8% and down -4.9%.
Butter production was 144 million pounds, 3.9 percent below April 2008 and 2.1 percent below March 2009. Wisconsin butter production was up 2.6% and up 3.5%.
Dry Milk Powders compared with April 2008:
o Nonfat dry milk, human: 139 million pounds, up 3.1 percent.
o Skim milk powders: 24.6 million pounds, down 31.8 percent.
Whey products compared with April 2008:
Dry whey, total 92.8 million pounds, down 6.0 percent.
Lactose, human and animal 58.5 million pounds, down 8.3 percent.
Whey protein concentrate, total 31.9 million pounds, down 12.1 percent.
Total dairy products in cold storage are up 5 percent compared to April and up 9 percent from a year ago. Butter stocks were up 5 percent from last month but down 7 percent from a year ago. American cheese stocks are up 3 percent from April and up 7 percent from a year ago.
USDA's projected U.S. 2009/10 corn production was decreased 155 million bushels this month to 11.9 billion. The decline reflects lower expected yields due to slow planting progress, slow crop emergence, and persistent, heavy rainfall across the Eastern Corn Belt. Lower supplies are expected to boost prices and lower feed and residual use. Projected U.S. corn ending stocks are down 55 million bushels to 1.09 billion. World coarse grain production in 2009/10 is projected down 7.1 million tons this month, with reduced prospects for EU barley. Foreign coarse grain ending stocks are projected down 4.9million tons to 133.8 million. USDA's National Agricultural Statistics Service will release the first survey-based estimates for U.S. 2009/10 crop acreage at the end of June. Forage prices continue to retreat but concentrate expenses could remain expensive in the near term. New corn crop prices will be driven by weather until harvest.
Replacement costs continue to come down and cow slaughter has picked up again as the CWT program's first round is certified and goes to market. April slaughter was 4 percent under a year ago but May slaughter will be slightly higher and June—July slaughter should show the effects of the CWT buy out.
Although the press has talked more optimistically lately, effects of the auto industry bankruptcies and layoffs are still to come. Cold storage space may be needed for some time to come as increases in demand will be difficult to find for a while.

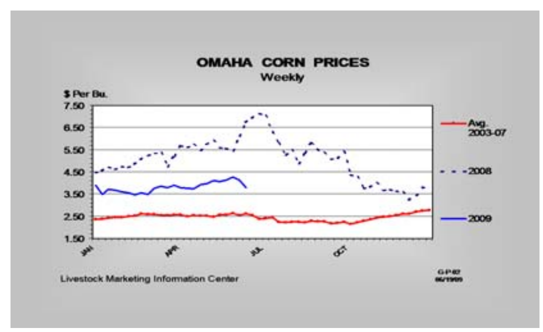
"Clearly, U.S. policy on farm subsidies is far out of step with the preferences of the American public. The vast majority of U.S. subsidies go to large farming businesses on a regular annual basis. However only one in three Americans approve of subsidies to large farming businesses and less than one in six approve doing so on a regular annual basis."

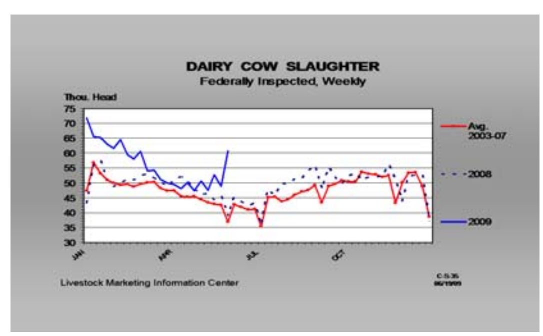
according to a new survey from www.worldpublicopinion.org











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