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For comments and questions –
call 1-888-589-6455, ext. 5515

THE FRIDAY FACTS

Weekly Market Prices

Date	Butter	NDM		Cheese	
		West - Mostly*	Blocks	Barrels	
08/27/10	\$2.1800	\$1.0800-\$1.1550	\$1.6950	\$1.6650	
08/20/10	\$2.0400	\$1.0800-\$1.1550	\$1.6475	\$1.6150	
08/13/10	\$1.9175	\$1.0800-\$1.1550	\$1.6200	\$1.5850	

*Largest proportion of U.S. NDM sales fall into this category.

CME Class III Futures

Price Settlement

Delivery	08/27/10	08/20/10
August	\$15.15	\$15.14
September	\$15.88	\$15.55
October	\$15.60	\$15.21
November	\$15.01	\$14.76
December	\$14.56	\$14.46
January	\$14.17	\$14.20
February	\$13.98	\$14.05
March	\$14.04	\$14.00
April	\$14.00	\$14.00
May	\$14.10	\$14.21
June	\$14.12	\$14.20
July	\$14.40	\$14.49
August	\$14.60	\$14.78

Dairylea's fixed price contract recorded price line can be reached daily at 1-800-654-8838, ext. 5481. To place an order, request ext. 5581. DFA members can call Beth Dahl at 1-800-926-2667, ext. 5481.

Planning for 2011? Let RMS Help

Class III prices for the first half of 2011 are hovering around \$14.00. While prices continue to change, now is the time to begin planning your 2011 risk management strategy. If you're interested in learning more, contact Beth Dahl at beth.dahl@dairymarketingservices.com or 1-888-589-6455, ext. 5481, to schedule a webinar to review the programs available. RMS can help you develop a strategy for forward contracting your milk price or protecting your margins.

NY Farm Bureau Offers Scholarships

The NY Farm Bureau is now offering their Agricultural Youth Scholarship. Students applying must have a Family or Student Farm Bureau membership. Deadline is November 19, 2010. For information, visit www.nyfb.org.

September Class I Price

The Class I price for September was announced at \$18.75 per hundredweight for the Boston, MA zone. That is a decrease of 27 cents from August but \$4.57 higher than September 2009. The Class I average for 2010 is \$18.20.

Cheese Market Update

Cheese prices continued to increase this week. The CME cash Cheddar 40-pound block price settled today at \$1.685 per pound – the highest price since a mid-December settlement of \$1.7025, and \$0.31 per pound higher than a year ago. September's Class III futures price is approaching \$16. Seasonal factors and export activity have tightened Cheddar cheese markets over the last few weeks. Butter prices increased as well, settling at \$2.18 per pound – the highest price since spring 2004.

July 2010 Cold Storage Report

The July Cold Storage report from US Department of Agriculture (USDA) reported butter stocks are 24 percent lower than their July 2009 level, but up 1 percent from June's report. American cheese stocks were reported higher for the ninth consecutive month, with an increase of 1.8 percent from June and 5.6 percent higher than a year ago. Total cheese stocks were again reported in excess of 1 billion pounds at 1.05 billion pounds – this is 2.3 percent higher than June and up 4.9 percent from July 2009.

Commercial Disappearance

This week, the USDA's Economic Research Services released June's *Livestock, Dairy and Poultry Outlook* tables. Commercial disappearance for all milk in products was reported at 16.7 billion pounds, an increase of 754.3 million pounds (4.7 percent). Year-to-date, milk in all products has increased 2.6 billion pounds (2.7 percent) more than the same period last year.

CWT Export Assistance: 4.1 Million Pounds This Week

On Monday, CWT announced that it has accepted six bids for assistance in selling cheese and butter, including one from DFA for 240,300 pounds of cheese. Since CWT reactivated the Export Assistance program on March 18, it has assisted export sales of 19,019 metric tons (41.9 million pounds) of cheese, as well as 14,886 metric tons of butter and anhydrous milkfat (AMF) (32.8 million pounds).

Weekly Grain Review

Market fluctuation (+/- \$/ton) compared to:

Commodity	1 year ago	6 months ago	1 month ago	1 week ago
Corn Meal	+ 32	+ 23	+ 10	+ 2
Soybean Meal	- 112	+ 56	+ 8	+ 5
Canola Meal	- 65	N/A	- 27	+ 10
Whole Cottonseed	+ 56	+ 54	+ 6	+ 12

CBOT Close

Corn: \$4.21 (-\$0.0025)
Soybean Meal: \$307.80 (+\$7.00)
Whole Cottonseed (CNY): \$296 - \$298
Oct.-Nov.-Dec.: \$198 - \$200
Jan.-Aug. 2011: \$215 - \$218

- **Corn Meal** - Buying interest from commercial and non-commercial sectors. Strong new crop demand. A quick start to the harvest is expected, unless September is wet.
- **Soybean Meal** - There is outside market support. Old and new crop exports are above expectations. Record yield is still expected and harvest should be early.
- **Canola Meal** - Old crop is adequate to plentiful. New crop production is questionable. Aggressive basis selling from last summer is non-existent. The salmonella problem that plagued the crop last year should be resolved.
- **Whole Cottonseed** - Old crop prices are rallying slightly as inventory has dwindled. New crop exports are selling at decent pace. The 2010/11 crop is faring well, and the crop size should give farmers more affordable cottonseed this year.

Regional Livestock Report

Good Cows	\$0.60 - \$0.66/lb.
Lean Cows	\$0.49 - \$0.59/lb.
Heavy Beef Bulls	\$0.64 - \$0.73/lb.
Grower Type Bull Calves (back to feed)	\$0.70 - \$1.70/lb.
Heifer Calves	\$0.75 - \$2.00/lb.
Bob Veal	\$0.05 - \$0.30/lb.

Cull Cows: 84% – over \$0.40; 9% – between \$0.32 - \$0.39; 3% – between \$0.26 - \$0.31; 4% – under \$0.25

Calves: 36% – between \$1.00 - \$1.99; 11% – between \$0.70 - \$0.99; 15% – between \$0.40 - \$0.69; 38% – under \$0.40

Springing Heifers:	\$1050 - \$1450
Bred Heifers:	\$975 - \$1150
Fresh Heifers:	\$800 - \$1175
Open Heifers:	\$600 - \$850
Service Bulls:	\$450 - \$800
Started Heifers:	\$350 - \$600