

NATIONAL DAIRY MARKET AT A GLANCE**CME GROUP CASH MARKETS (04/23):**

BUTTER: Grade AA closed at \$1.5700. The weekly average for Grade AA is \$1.5700 (+.0330).

CHEESE: Barrels closed at \$1.3475 and 40# blocks at \$1.3675. The weekly average for barrels is \$1.3480 (-.0400) and blocks, \$1.3705 (-.0590).

BUTTER HIGHLIGHTS: The CME cash butter price remains firm and held steady at \$1.5700 for the week. Churning schedules across the country remain active with most butter producers taking advantage of available cream offerings. Class II cream demand is not overly strong as ice cream production is slow to increase in many markets. Cream offerings vary from one region to another, but for the most part are seasonally adequate to maintain steady churning schedules. Cream prices are mixed as pricing multiples are often lower, but basing points are generally higher. Butter demand is gaining momentum following the recent holiday period. Buyers are once again returning to the marketplace to replenish stock levels.

CHEESE HIGHLIGHTS: CME Group cash cheese prices continued to decline early this week though with a fractional rebound at midweek. On April 23 at the CME Group cash cheese market, block closed at \$1.3675 and barrels at \$1.3475. The volume sold in Chicago was higher with 59 loads of blocks and 23 loads of barrels traded. Regular cheese varieties are available from manufacturers as milk and cheese volumes climb seasonally. Interest is often sluggish as recent swings in price have many would be promoters wondering what prices will do next. Some specialties are reportedly having better sales. Some increased orders are noted from summer resort locations and for Memorial Day promotions, mainly on process. The CWT program announced it will facilitate exports on another 4.5 million pounds of cheddar and announced it is adding Gouda, Colby, and Monterey Jack to cheddar as eligible varieties under the program.

FLUID MILK: Milk production is increasing across the country. Weather patterns across the country were conducive to spring milk production increases. Pastures have greened up and new forages have helped to stimulate production. Milk solid levels are starting to trend lower as production increases. NASS's March Milk Production report showed less cows producing more milk. Monthly per cow milk production levels for the 23 states were 51 pounds more than the same period last year. Overall production was 0.9% higher with 162,000 less cows. Eastern milk supplies are taxing some balancing plants. Central and Western facilities are operating on busier schedules and are able to handle available supplies. Cheese and butter manufacturers are busy handling additional supplies of milk. Dryers are running heavy

schedules for NDM production. Cream supplies are increasing and pricing multiples are showing weakness in some instances.

DRY PRODUCTS: Prices for NDM moved higher for the week. Recent international auction price increases influenced domestic markets. Export and domestic interest remains strong. Some older powder from recent swap programs is being offered and purchased in addition to current production. California NDM production was reported lower for the week with higher pricing. Increased intakes of milk from the spring flush have dryers operating at busier schedules. Stocks of powder are being held with confidence as prices are steady to firm. Stocks of low heat are light to moderate with high heat supplies described as tight. Dry buttermilk prices moved higher. Supplies are reported as tight with increased demand. Direct sales of condensed buttermilk have reduced drying schedules in some cases. Most production is being moved under contract. Dry whole milk prices were unchanged in limited spot sales. Whey prices for the week ranged steady to weak. Production is increasing with cheese plants operating busy schedules. Current supplies are adequate to fulfill contracted domestic and export demand. Whey Protein Concentrate 34% markets were steady with good supplies. Lactose supplies were tight for spot needs, with contracts absorbing most production.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for May 2010 is \$13.80, up 58 cents from April. This price is derived from the advanced Class IV skim milk pricing factor of \$8.53 and the advanced butterfat pricing factor of \$1.5920 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for May is \$9.23 and the Class II nonfat solids price is \$1.0256 per pound. The following are the two-week product price averages: butter \$1.4861, nonfat dry milk \$1.1250, cheese \$1.3900, and dry whey \$0.3636.

ORGANIC DAIRY MARKET OVERVIEW (DMN): Organic milk production continues to increase seasonally. Retail fluid sales have continued to show the strength not expected earlier in the Spring. Some processors have experienced higher margins for several months and continue to work toward price levels seeking to maintain margins. Even with the relative concentration of organic producers in parts of some Eastern states, some processors believe that regional production is strained to meet regional demand. The

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**CME GROUP
CASH TRADING**

PRODUCT	MONDAY APRIL 19	TUESDAY APRIL 20	WEDNESDAY APRIL 20	THURSDAY APRIL 22	FRIDAY APRIL 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.3500 (-.0150)	\$1.3450 (-.0050)	\$1.3500 (+.0050)	\$1.3475 (-.0025)	\$1.3475 (N.C.)	(-.0175)	\$1.3480 (-.0400)
40# BLOCKS	\$1.3850 (-.0125)	\$1.3650 (-.0200)	\$1.3675 (+.0025)	\$1.3675 (N.C.)	\$1.3675 (N.C.)	(-.0300)	\$1.3705 (-.0590)
BUTTER							
GRADE AA	\$1.5700 (+.0100)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	\$1.5700 (N.C.)	(+.0100)	\$1.5700 (+.0330)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.
Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET AT A GLANCE

seasonal increase in production has helped, but milk continues to move from other regions to meet demand, according to some processors. Retail half gallon organic reduced fat (2%) milk prices in the 30 City Series increased in 8 cities, fell in 10 cities, and remained unchanged in 12 cities. The largest increase was 34 cents in Cincinnati, taking prices to \$3.24, still short of Minneapolis, the highest priced city at \$4.59. For the first three months of 2010 Chicago had been the city with the highest 2% organic milk half gallon price until April's 15 cent decline in Chicago and 25 cent increase in Minneapolis. This is the first month that Minneapolis has had the highest retail price since this data began to be tracked in April, 2008. Denver experienced the largest decrease, 70 cents, taking the retail price to \$2.94. The simple average of all 30 cities decreased 3 cents to \$3.71. For the period April 10 through April 23, 2010, the number of surveyed newspaper ads containing organic dairy content increased to 3,793 of 9,124 surveyed ads, well above 1,847 ads with organic dairy content two weeks ago. Not since the last week in January has organic dairy content been at this level. The Southwest region topped all regions with 27.2% of total organic dairy ads placed, followed closely by the Northeast, 20.4%, having been the leader two weeks ago. Third is the Northwest, 19.3%, having been sixth out of six with 7.2% two weeks ago. The organic dairy ad percentage for other regions is: Midwest, 14.2%; Southeast, 11%; and South Central region, 7.9%. Organic milk topped the count with 3,139 total ad listings, up from 2,052 two weeks ago and 1,867 four weeks ago. Organic yogurt was second, tripling to 2,744 listings from 915 ad listings two weeks ago. Remaining ad listings totaled 157 for butter. There were no ads for cheese, half and half, cream cheese, sour cream, or ice cream.

ANNUAL MAILBOX PRICES (AMS & CDF): For 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.82 per cwt., \$5.58 lower than the all-area average reported for 2008. The component tests of producer milk in 2009 averaged: butterfat, 3.67%; protein 3.06%; and other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all Federal milk orders reporting areas and ranged from \$15.79 in Florida to \$11.13 in New Mexico.

MARCH MILK PRODUCTION (NASS): Milk production in the 23 major States during March totaled 15.4 billion pounds, up 0.9% from March 2009. February revised production at 13.7 billion pounds, was up 0.3% from February 2009. The February revision represented an increase of 17 million pounds or 0.1% from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,846 pounds for March, 51 pounds above March 2009. The number of milk cows on farms in the 23 major States was 8.32 million head, 162,000 head less than March 2009, but 1,000 head more than February 2010. Milk production in the U.S. during the January - March quarter totaled 47.3 billion pounds, down 0.1% from the January - March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.09 million head, 206,000 head less than the same period last year.

DAIRY OUTLOOK (ERS): The Nation's dairy herd continues to contract on a year-over-year basis. However, milk per cow continues to rise incrementally. The April *Milk Production* report indicated that milk per cow was 51 pounds (lbs) higher in March compared with a year ago. Moderating feed prices for 2009/10 and the prospect of continued moderate feed prices into the next crop year have provided an incentive to increase output. However, lower milk prices have kept the milk-feed profitability ratio below 2.5. A milk-feed price ratio above 2.5 is considered necessary to begin any expansion. Although the U.S. dairy herd continues to decline, the rate of decline appears to be moderating. The March *Livestock Slaughter* report showed 223,000 dairy cows slaughtered under Federal inspection in February, the second lowest total since last May. Meanwhile, producers added 3,000 cows in both January and February. For 2010, the U.S. dairy herd is expected to average 9,065,000 cows, a 1.5 percent decline from 2009, but somewhat higher than recent USDA estimates. Output per cow is projected at 20,950 lbs resulting in a forecast 189.9 billion lbs of milk in 2010. Higher forecast milk production and relatively high cheese stocks suggest a scaleback in prices. Cheese prices could strengthen in the second half, if recovery continues and stocks are drawn down. Cheese prices are expected to average \$1.490 to \$1.540 per lb this year. Butter sales have been at least reasonable, and production will likely tighten seasonally as cream supplies move to production of ice cream. Butter prices are forecast to rise over the course of the year as demand improves despite second-half increases in milk production. Butter prices are expected to average \$1.420 to \$1.500 per lb in 2010. NDM prices should climb in the second half of 2010 as exports increase. NDM prices are forecast to average \$1.110 to \$1.150 a lb in 2010. Whey prices have already rebounded from last year and are expected to remain near present levels for the balance of 2010. Prices will likely average 37.5 to 40.5 cents a lb this year. As milk production increases encounter expected increases in demand, prices are likely to be higher than 2009 but not rise to 2007 or 2008 levels. The Class IV price is forecast at \$13.40 to \$14.00 per cwt in 2010. The Class III price is expected to average \$14.10 to \$14.60 per cwt, and the all milk price is forecast to average \$15.45 to \$15.95 per cwt.

COLD STORAGE (NASS): On March 31, 2010, U.S. cold storage holdings of butter totaled 196.6 million pounds, -3% than a month ago and -7% than last year. Natural American cheese holdings total 600.8 million pounds, equal to a month ago and +10% than a year ago. Total cheese stocks were 1 billion pounds, +2% than last month and +9% more than March 2009.

MARCH PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During March, about 11.1 billion pounds of milk were received from producers. This volume of milk is 7.3 percent higher than the March 2009 volume. About 3.9 billion pounds of producer milk were used in Class I products, 0.4 percent higher than the previous year. The all-market average Class utilization percentages were: Class I = 35%, Class II = 11%, Class III = 44% and Class IV = 10%. The weighted average statistical uniform price was \$14.69 per cwt., \$0.90 lower than last month and \$3.55 higher than last year.

CME GROUP

MONDAY, APRIL 19, 2010

CHEESE — SALES: 7 CARS BARRELS: 1 @ \$1.3650, 1 @ \$1.3625, 2 @ \$1.3600, 2 @ \$1.3550, 1 @ \$1.3500; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3400; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3500; 1 CAR 40# BLOCKS @ \$1.3850
 NONFAT DRY MILK — SALES: 1 CAR GRADE A @ \$1.2925; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.2500; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5700; LAST OFFER UNCOVERED: NONE

TUESDAY, APRIL 20, 2010

CHEESE — SALES: 22 CARS 40# BLOCKS: 13 @ \$1.3850, 4 @ \$1.3825, 1 @ \$1.3775, 1 @ \$1.3750, 1 @ \$1.3725, 2 @ \$1.3675; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3200; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3450; 5 CARS 40# BLOCKS @ \$1.3650
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5800

WEDNESDAY, APRIL 21, 2010

CHEESE — SALES: 5 CARS BARRELS: 1 @ \$1.3450, 1 @ \$1.3475, 3 @ \$1.3500; 11 CARS 40# BLOCKS: 5 @ \$1.3650, 1 @ \$1.3700, 1 @ \$1.3750, 1 @ \$1.3725, 1 @ \$1.3700, 2 @ \$1.3675; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3475; 5 CARS 40# BLOCKS @ \$1.3675; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

THURSDAY, APRIL 22, 2010

CHEESE — SALES: 3 CARS BARRELS: 2 @ \$1.3500, 1 @ \$1.3475; 13 CARS 40# BLOCKS: 7 @ \$1.3675, 1 @ \$1.3700, 5 @ \$1.3675; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.3350; 5 CARS 40# BLOCKS @ \$1.3600; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5700; LAST OFFER UNCOVERED: NONE

FRIDAY, APRIL 23, 2010

CHEESE — SALES: 8 CARS BARRELS: 2 @ \$1.3475, 2 @ \$1.3500, 4 @ \$1.3475; 13 CARS 40# BLOCKS @ \$1.3675; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3450; 5 CARS 40# BLOCKS @ \$1.3675; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK — SALES: 1 CAR GRADE A @ \$1.2975; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5700; LAST OFFER UNCOVERED: NONE

CME GROUP CASH NONFAT DRY MILK: Extra Grade closed the week at \$1.2500 and Grade A at \$1.2975. The last price change for Extra Grade was on 04/19/10 and Grade A was on 4/23/10. The weekly average for Extra Grade is \$1.2500 (+.0525) and Grade A is \$1.2935 (+.0200).

BUTTER MARKETS

NORTHEAST

The CME Group butter price continues to advance, moving \$.0650 higher in the last five trading sessions and closing Tuesday at \$1.5700. The last time the CME Group butter price closed this high was on November 24, 2008. Churns remain fairly active as cream supplies continue to increase due to the spring flush. Current butter production is moving through contracts and adding to inventories. Manufacturers are comfortable building inventories, believing cream supplies will tighten, resulting in higher butter prices later in the year. Some plants are opting to sell cream in the current multiple range of 128-135. As reported by NASS, imports of high tier and quota butter for the period January through March 2010, totaled 1.8 million pounds, 47.8% more than the same period last year. Imports of quota butter through March totaled 1.6 million pounds, 10.6% of the annual quota. Prices for bulk butter range 4-6 cents over the market, based on the CME Group with various time frames and averages used.

CENTRAL

The cash butter price at the CME remains firm and settled at \$1.5700 at midweek, 36 3/4 cents higher than last year at this time. Churning schedules in the Central part of the country are seasonally active, with butter producers generating additional stock for future use. In most instances, those producers that are currently putting additional volumes into inventory indicate that they feel there is minimal risk in doing this at this time at current price levels. In many instances, inventories are lower than last year at this time and are lower than desired by most butter producers. Many feel that milk and cream volumes will be snug in the fall, thus sufficient butter production at that time may be challenging. Buying interest is seasonally active as most buyers are now back in the market. In some instances, manufacturers and handlers are stating that orders appear to be heavier than usual for this time of the season. Typically

in years past, orders were for near term needs and base prices were lower. Suppliers are also indicating that they are relaying supply concerns for later this summer and fall to customers which may be causing some buyers to procure heavier, especially if they have cooler/freezer warehousing facilities. Spot bulk butter prices range from 2 - 4 cents over various pricing bases and averages per pound.

WEST

Wednesday's butter trading at the CME Group was unchanged at \$1.5700. Sales activity is very light with no sales reported over the last five sessions. The activity at the exchange has been limited to a few unfulfilled offers and bids. The price of \$1.5700 at the exchange was last reached on November 24, 2008. Butter churns continue to seek out any available cream supplies. Any surpluses are targeted for inventory as producers report tighter supplies in cold storage than is usual for this time of year. Ice cream demand is increasing and competing for available cream supplies. Supplies are adequate for contract needs. Demand is good for current needs with some buyers looking to obtain additional volumes to hedge against future price hikes. Futures markets at the CME Group in Chicago are positive to current prices. International butter prices continue to increase on tight supplies. According to the CME Group, weekly butter stocks were reduced 165,000 pounds last week to stand at 57.7 million pounds. This total compares to 78.2 million pounds in 2009 and 120.9 million pounds in the comparable week in 2008. Stocks in storage for this week at the CME Group have not been this low since 2001. According to the FAS, quota imports of butter for the first three months of the year total 1.6 million pounds, 51.9% more than the same period in 2009. Imports for 2010 account for 10.6% of the total quota for 2010. Imports of High-Tier butter (above quota and with a penalty) are 118,600 pounds, 7.7% above last year.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS</u> 38% MOISTURE	<u>NDM</u>	<u>BUTTER</u>	<u>DRY WHEY</u>
APRIL 17	1.3917	1.4330	1.1428	1.4958	0.3648
	11,549,817	10,235,845	17,480,718	5,391,648	11,504,558

Further data and revisions may be found on the internet at: <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1450>

NORTHEAST

CHEESE MARKETS

WEST

The CME Group cheese prices have done an about face. After a string of trading sessions without declines, 24 for barrels and 19 for blocks, both barrels and blocks have declined in each of the last eight trading sessions. During the current run of declines, barrels have dropped \$.1100, closing Tuesday at \$1.3450 and blocks declined \$.1450 closing at \$1.3650. Even with these declines, barrels are \$.2350 above year ago levels with blocks \$.1950 higher. Wholesale cheese prices, with the exception of Swiss Cuts, reflected the downward trend with lower prices. Cheese production continues to be fairly active with the influx of increased milk volumes due to the flush, but some plants are limiting production due to cheese inventory concerns. Cream cheese production is slowing along seasonal trends. The increased milk volumes continue to necessitate the utilization of auxiliary cheese plants. Mozzarella and aged cheddar sales are steady.

Cheese prices at the CME Group on Wednesday reversed an eight day decline. Cheddar Barrels on Wednesday closed \$.0050 higher to settle at \$1.3500. 40 Pound Blocks were \$.0025 higher to close at \$1.3675. Lower prices have increased trading activity for the week. Barrels had sales of 12 loads for the week and Blocks traded heavily with 33 loads sold in the last two sessions. Cooperatives Working Together (CWT) continued to accept bids for export assistance to help clear cheese inventories. This is the third week with bids accepted totaling over 13.5 million pounds for the period. Initially the program was designed to assist cheddar stocks, but has now expanded to include bonuses for Gouda, Colby and Monterey Jack. Lower prices domestically have increased interest in bulk cheese purchases for manufacturing. Retail sales are showing increased activity with some featured sale prices in selected grocery stores. Demand is good for most varieties. Cheese production schedules remain busy in the West as the spring flush of milk moves up the country. Demand has improved as prices weakened due to extra supplies. Stocks are not described as burdensome, but remain above year ago levels. According to FAS, quota imports of cheese for the January-March 2010 total 31.6 million pounds, down 42.3% from a year ago. The imports stand at 10.6% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) for the same period are estimated to total 2.9 million pounds, 59.1% of the volume imported in 2009. Imports of quota Swiss cheese for 2010 total 9.9 million pounds, down 11.9% from last year. The two main countries for the Swiss imports are Norway and Finland, and they account for 6.8 million pounds or 68.7% of the year's total import of Swiss.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 40# Block	:	1.7575-2.0325
Process 5# Sliced	:	1.4800-1.7900
Muenster	:	1.7775-1.9750
Grade A Swiss Cuts 10 - 14#	:	3.1375-3.4600

MIDWEST

The CME Group cash cheese market continues to decline. In the falling market, many spot buyers are waiting for the bottom before reordering. Recent price volatility makes it difficult for retail and food service buyers to plan future promotions. More traders are starting to realize that peak annual milk and cheese production is still a month or two away and extra product will be available until summer heat reduces milk receipts appreciably. Few packaging operations need overtime to fill orders. Plants have supplies of regular varieties available for purchase. Process orders for Memorial Day weekend and the reopening of summer vacation locations are aiding sales for some producers. A few manufacturers are seeing stronger pizzeria and/or food service sales, helping mozzarella movement. Generally, milk and cheese production are growing seasonally though lower milk components are reducing yields. The CWT program announced it will facilitate exports on another 4.5 million pounds of cheddar and announced it is adding gouda, colby, and Monterey Jack to cheddar as eligible varieties under the program.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5125-1.7700
Cheddar 40# Block	:	1.5625-1.9150
Cheddar 10# Cuts	:	1.7425-1.9625
Monterey Jack 10#	:	1.7525-1.9125
Grade A Swiss Cuts 6 - 9#	:	2.6850-3.1150

FOREIGN

The CME Group cheese prices have declined in each of the last eight trading sessions. The weekly average prices for blocks and barrels reflected this trend with \$.0575 and \$.0500 declines respectively. Prices for all domestic varieties of foreign-type cheese, with the exception of Swiss Cuts Switzerland, also moved lower. Imports of high tier -and quota cheese from January through March this year totaled 34.5 million pounds. Imports of quota cheese January through March totaled 31.6 million pounds, 42.3% below the same period last year and 10.6% of the annual quota. According to NASS, imports of high tier cheese January through March totaled 2.9 million pounds, down 41.1% from the same period in 2009. Imports of Swiss/Emmentaler varieties from January through March 2010 totaled 9.9 million pounds, 11.9% less than the same period last year. Norway and Finland, the two top sources, account for 68.7% of Swiss/Emmentaler imports January through March 2010.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.7475-1.9275
Brick And/Or Muenster 5#	:	1.9400-1.9600
Cheddar 40# Block	:	1.8000-2.5650
Monterey Jack 10#	:	1.8900-2.5650
Blue 5#	:	2.2300-2.6800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7750-2.6650
Grade A Swiss Cuts 6 - 9#	:	2.5100-3.3300

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3900	: 1.8975-3.3850*
Gorgonzola	: 3.6900-6.6900	: 2.4000-2.6600*
Parmesan (Italy)	: -0-	: 3.3050-3.5075*
Provolone (Italy)	: 3.4400-5.9900	: 1.9400-2.0975*
Romano (Cows Milk)	: -0-	: 3.0875-5.2300*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-3.5300	: -0-
Jarlsberg-(Brand)	: 2.9500-4.6900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.2300-3.5525
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

**WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS**

	BUTTER	:	CHEESE
		:	
04/19/10	10,229	:	131,831
04/01/10	11,157	:	125,771
CHANGE	-928	:	6,060
% CHANGE	-8	:	5

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	204	0	203	0	145
SOUTHEAST STATE	0	0	0	0	0	0

Increased milk production, generally sluggish Class I sales and increased manufacturing milk supplies taxing balancing plants to their operational capacities are the overall dairy themes in the East. The flush is expanding and strengthening in the Northeast with even northern Vermont and southern Maine experiencing greener pastures and into the early stages of the flush. Balancing plants in the Northeast and the Mid Atlantic regions are operating at capacity. Unloading delays are occurring at plants that have experienced interruptions in production. Sluggish Class I sales and push backs from bottling plants and limited production schedules at some cheese plants are adding to the already heavy balancing plant milk supplies. The increase in manufacturing milk supplies is more due to lack of demand rather than an increase in milk supplies over year ago levels. Manufacturers are producing almost entirely low heat nonfat dry milk to more readily clear increased supplies. In the Southeast, Georgia has had long running features for Class I and as a result, is one of the few states in the East to report steady to improving Class I sales. Increased milk volumes, due to the flush, continue to necessitate the utilization of auxiliary cheese plants. Unloading delays are at a minimum as long as manufacturing plants can avoid any major interruptions in production. The Southeast neither imported nor exported any spot loads of milk. Florida milk production remains strong with improving pastures and the lack of extreme temperatures reducing cow comfort levels. NASS reports 77% of Florida pastures as either fair or good. Some hay and supplemental feeding continues in some areas. Milk shipments out of Florida this week totaled 204. Cream supplies are increasing with the expanding and strengthening flush. Most churns are active, but some plants are opting to sell their cream. Multiples are ranging from 128-135 with a few sales over and under the range. Condensed skim demand is improving as Class II production is steady to increasing. Long running promotions in the South for ice cream and dips have prompted and increased sales. Some spot loads of condensed skim were noted as ice cream production has increased in some areas. According to "Milk Production" (NASS), national milk production for March 2010 in the 23 reported states totaled 15.4 billion pounds, up 0.9% from March, 2009. Milk production increased in 3 of the 5 listed states of the eastern region, but as a region, was unchanged for the same period last year at 2,552 million pounds. The 5 states showed the following percentage changes in milk production from March 2009 to March 2010 and total milk production this March: Florida, -6.8%, 192 million pounds; New York, +0.2%, 1,061 million pounds; Pennsylvania, +1.6%, 934 million pounds; Vermont, +1.9%, 217 million pounds; and Virginia, -4.5, 148 million pounds. Milk cow numbers for March 2010 declined in all 5 listed states of the eastern region and the region declined by 30,000 head or 2.0% compared to the same period last year. Individual state decreases in cow numbers from March 2009 and cows remaining as of this March are: Florida, 4,000 decline, 113,000 remaining; New York, 13,000 decline, 610,000 remaining; Pennsylvania, 10,000 decline, 540,000 remaining; Vermont, 1,000 decline, 135,000 remaining; and Virginia, 2,000 decline, 95,000 remaining.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.9673-2.0749
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.9674-1.9981

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:		
NORTHEAST - CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.10 - 1.14
NORTHEAST - CLASS III - SPOT PRICES	-	1.00 - 1.05

M I D W E S T

Milk production trends in the Central part of the country continue to increase as weather patterns are nearly ideal for spring production. Handlers are stating that components within milk are starting to ease, typical during the spring flush. Milk production figures for March were recently released which indicated that

output for the month was up 0.9% from the comparable period in 2009 in the 23 survey states. Estimated milk production in selected Midwestern states compared with March 2009 is: Wisconsin, 2.237 billion pounds, up 133 million pounds (6.3%); Minnesota, 797 million pounds, an increase of 29 million pounds (3.8%); Texas, 775 million pounds, down 21 million pounds (-2.6%); Michigan, 703 million pounds, up 30 million pounds (4.5%); and Iowa, 373 million pounds, up 1 million pounds (0.3%). All these states had increases in output per cow but only Wisconsin, Minnesota, and Michigan had more cows than last March. In many instances, milk producers and handlers were pleasantly surprised to see the strength of milk output in the Central part of the country. Current Class I sales are mixed this week as some bottlers are reporting surprisingly good sales while other report typical late month demand. Milk handlers are stating that milk volumes are increasing thus manufacturing schedules are building. There appears not to be a lot of excess milk looking for a home at this time. In most instances, volumes are being kept within plants and manufacturers are trying to build inventories for future needs, especially on the dry side. For those looking for milk, many are finding it difficult to locate volumes, with available milk securing prices in the \$.50 - \$1.50 over class range. Some manufacturing facilities are already getting phone calls regarding available capacity during the upcoming Memorial Day holiday weekend. For many, it is still too early to commit taking on additional volumes at this time until they see how the milk production season is developing. Cream pricing multiples eased slightly this week and some cream suppliers indicating it was harder to clear available offerings. Class II cream demand is not overly aggressive as ice cream production is still in the early stages of production increases. Other Class II cream based product production has slowed now that the recent holiday period is over and no significant sales potential is in the near future.

W E S T

CALIFORNIA milk production is steady to higher. Some areas were experiencing wetter and cooler temps that were mitigating milk growth while pasture grass, new hay, and green chop were stimulating milk growth in other areas. Wet conditions are delaying hay cutting and harvesting in the northern Central Valley. Hay tests are running lower than expectations. In general, plant milk intakes are below a year ago levels and plants are running on planned schedules. Some producers continue to shift milk to butter/powder plants away from cheese plants. NEW MEXICO milk production is trending higher weekly with total output trailing year ago levels. Windy conditions are common over the state and only having limited to no impact on milk cows. Fluid milk demand is about steady with recent weeks with buyers closely matching orders to needs. Processing plants are running as expected and able to handle current milk supplies. ARIZONA milk output is at or very close to the seasonal peak that is usually seen during mid April. Weather conditions remain good for milk cows. Fluid milk orders are mostly steady. Plants are running on normal schedules. Western CREAM markets are mainly steady. Butter prices and basing points are moving slightly higher, whereas some multiples are lower. Demand is fair from ice cream accounts and remains good from butter producers, who welcome any extra cream offerings to make additional butter. CME Group butter prices were a penny higher from a week ago to close at \$1.5700 on Wednesday, April 21. Cream multiples are steady to slightly lower at a range of 114-127 FOB and vary depending on class usage and basing points. Comfortable temperatures in the PACIFIC NORTHWEST this week were conducive to increases in milk production. Cow comfort levels were very good with warm days and cool nights. Intermittent spring rains helped soil moisture levels and many farmers are beginning to plant early crops. Hay fields are nearing first cutting. Prices for new crop forages have yet to be finalized, but negotiations are ongoing. Some manufacturers expressed surprise as Washington milk cow numbers were reported 10,000 cows higher than year ago levels. Increased milk production levels were handled within regional processors. UTAH and IDAHO experienced rain this week again, easing water supply concerns in those states. First cutting of hay crops is still one or two weeks away and farmers are happy with the moisture. Idaho cow numbers were reported above year ago levels. High cull cow prices are encouraging more farmers to increase turnover for younger cattle in their herds. Heifer prices at auctions were mostly steady with recent sales. A recent Idaho auction had a top heifer price of \$1625 with the top 50 heifers averaging \$1340. Top heifer prices are increasing in some instances while the bulk of sales remain mostly steady.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Central nonfat dry milk prices continued to move higher on a firm market. Production is increasing at most locations due to heavier milk intakes; however some condensed skim continues to be sold to Class III plants due to pricing advantages when compared to nonfat dry milk. Domestic and export interest remains strong supporting the firm undertone of the market. Availability is somewhat limited due to producers filling current contracts and export orders. Spot market activity was somewhat limited as some cheese makers purchased loads of nonfat dry milk ahead of this week's International Cheese Technology Expo in Madison, Wisconsin. According to the latest Foreign Agricultural Service report, January – March 2010 imports of dried skim milk in the high tier category totals about 38,000 pounds. This is a decrease of about 82% compared to the same months of 2009. There were no quota dried skim milk imports during the first three months of 2009 or 2010.

EAST: Prices for nonfat dry milk moved higher in the East with limited spot sale activity. Domestic and export demand remains strong. Production is increasing as dryers are running heavy schedules in order to clear the influx of milk due to the flush. Most plants are producing only low heat nonfat dry milk in order to more quickly clear increased milk volumes. Brokers report low heat supplies are tight and high heat nonfat dry milk is very hard to find. Some plants are holding inventories with confidence expecting the market to strengthen.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.2250 - 1.3500 MOSTLY: 1.2250 - 1.3350
 HIGH HEAT: 1.2950 - 1.4200

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are continuing to move higher and reflect increases in world pricing as well as steady to higher demand in some domestic sectors and world markets. The market undertone is firm and although current U.S. pricing is still well below recent trading levels in Oceania, the upwards price trend is creating additional market demand. Domestic cheese buyers are not active in taking loads beyond contracted levels, yet some are making speculative purchases. Exports are along expected levels and those buyers are unaggressive in securing additional product. Older powder from recent swap programs is being offered and purchased in the mid 120's range, indicating good demand. Drying schedules are seasonally active at higher levels as milk production increases and some processors are directing milk from cheese plants into butter/powder operations. Demand for condensed skim is light to moderate and some additional loads are moving into ice cream production. Stocks of low heat are light to moderate and being held with a higher degree of confidence than just a month ago. High heat prices are moving steadily higher and reflect the market tone of the low heat market for pricing changes. Buyers are finding supplies tighter as demand has increased and impacted offerings. Several producers are scheduling increases in production in order to be able to fill current needs. Seasonally, demand for high heat is mainly light and not a big factor in impacting prices or supplies at this time of year. High heat stocks are light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1100 - 1.3000 MOSTLY: 1.1500 - 1.2500
 HIGH HEAT: 1.1500 - 1.3200

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk production is declining in the region as sales of condensed buttermilk to Class II plants limits supplies available for drying. Supplies are reported as tight with current production filling current contracts and export orders. The market has a firm undertone supported by limited supplies and good domestic and export demand. Producers are comfortable with increasing inventories due to the strength of the current market.

EAST: Prices for dry buttermilk in the East are steady to firm with very light spot market activity. Available supplies are difficult to find with those seeking to fill spot orders having to look to the West for available supplies. Production in the East is steady to lower with some condensed buttermilk being sold directly to ice cream concerns. Domestic and export demand is good, providing the market with a firm undertone with additional support coming from the strength in the nonfat dry milk market. Inventories are held with confidence in light of the firm market.

F.O.B. CENTRAL/EAST: .9800 - 1.1400

DRY BUTTERMILK - WEST

Western dry buttermilk prices are moving higher to sharply higher and the market tone is firm. Demand is fair to good for current light offerings and clearing when available. Buying interest is mainly for immediate needs with speculative demand also noted. Production levels are active seasonally as butter output remains strong. Much of current production is being moved under contract and not able to be shown on the spot market. Resale offerings are light with those pricing levels moving higher if offered at all. Producers' stocks remain light and are being held with confidence.

F.O.B. WEST: .9900 - 1.2000 MOSTLY: 1.0000 - 1.0700

DRY WHOLE MILK - NATIONAL

Prices for dry whole milk are unchanged in very limited spot sale activity. Production of dry whole milk continues to be limited as milk processors focus on clearing milk intakes and prefer to produce nonfat dry milk to more readily clear supplies. Inventories of dry whole milk are reported as tight. According to the latest Foreign Agricultural Service report, January – March 2010 imports of dry whole milk in the high tier category total about 76,000 pounds, about seven times more than the same time span one year ago. Quota imports of dry whole milk during January – March 2010 total about 1.7 million pounds, about 18% higher than during the same time span of 2009. March 2010 dry whole milk imports total 0.4 million pounds, a 32% increase over March 2009. All 2010 quota import product originated in Australia, the Netherlands, or New Zealand. Total quota imports through the end of March represent about 23% of the tariff-rate quota for this commodity.

F.O.B. PRODUCING PLANT: 1.4300 - 1.5500

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 16	\$1.1112	11,546,196	0
April 9	\$1.0704	15,162,936	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 19 - 23, 2010			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/09	SAME PERIOD LAST YEAR	WEEK ENDING 04/16/10	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	4,639,010	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	4,639,010	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfat	-0-	-0-	-0-	132,276	225,795,602	-0-	-0-
TOTAL	-0-	-0-	-0-	132,276	225,795,602	-0-	-0-

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 19 - 23, 2010 =	0.0	0.0	COMPARABLE PERIOD IN 2009 =	1.7	88.2
CUMULATIVE SINCE OCTOBER 1, 2009 =	0.0	1.5	CUMULATIVE SAME PERIOD LAST YEAR =	150.8	2,628.8
CUMULATIVE JAN. 1 - APR. 23, 2010 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2009 =	125.6	1,295.3

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
 **Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 19 - 23, 2010 (POUNDS)

REGION	BUTTER		CHEESE		NONFAT DRY MILK	
	BULK	BLOCK	BARREL	NONFORTIFIED		
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/09 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	4,639,010	-0-	-0-	132,276	225,795,602	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	4,639,010	-0-	-0-	132,276	225,795,602	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

BUTTER Bulk \$1.05 per pound

CHEESE 40# Blocks \$1.13 per pound; 500# Barrels \$1.10

NONFAT DRY MILK \$.80 per pound

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/03/10 & Comparable Week 2008

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL			
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2010-Dairy	N.A.	0.6	6.9	2.4	16.2	4.8	0.3	N.A.	16.6	3.5	52.4	774.1	45.7	45.6
2009-Dairy	N.A.	0.6	7.1	2.6	15.4	3.6	0.4	N.A.	13.9	4.7	49.9	828.4	47.8	49.4
2010-All cows	N.A.	0.7	8.7	12.7	30.7	20.1	13.1	N.A.	18.7	6.2	114.6	1,699.4		
2009-All cows	N.A.	0.6	8.9	11.4	28.0	15.0	13.5	N.A.	15.5	7.6	104.3	1,676.3		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CANADIAN DAIRY BREEDING FEMALE IMPORTS

WEEK ENDING	WEEKLY TOTAL	2010 CUMULATIVE TOTAL	SOURCE: USDA, APHIS
APRIL 10	327	4,211	

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2006	13.39	12.20	11.11	10.93	10.83	11.29	10.92	11.06	12.29	12.32	12.84	13.47
2007	13.56	14.18	15.09	16.09	17.60	20.17\$	21.38	19.83	20.07	18.70	19.22	20.60
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98

FEDERAL MILK ORDER CLASS PRICES FOR 2010 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.03	14.84	14.34	13.22	13.80							
II	15.22	15.65	14.46									
III	14.50	14.28	12.78									
IV	13.85	12.90	12.92									

1/ Specific order differentials to be added to this base price can be found by going to:

www.ams.usda.gov/DairyMarketingStatistics; then select "Prices"; and then select "Principal Pricing Points." \$ Revised

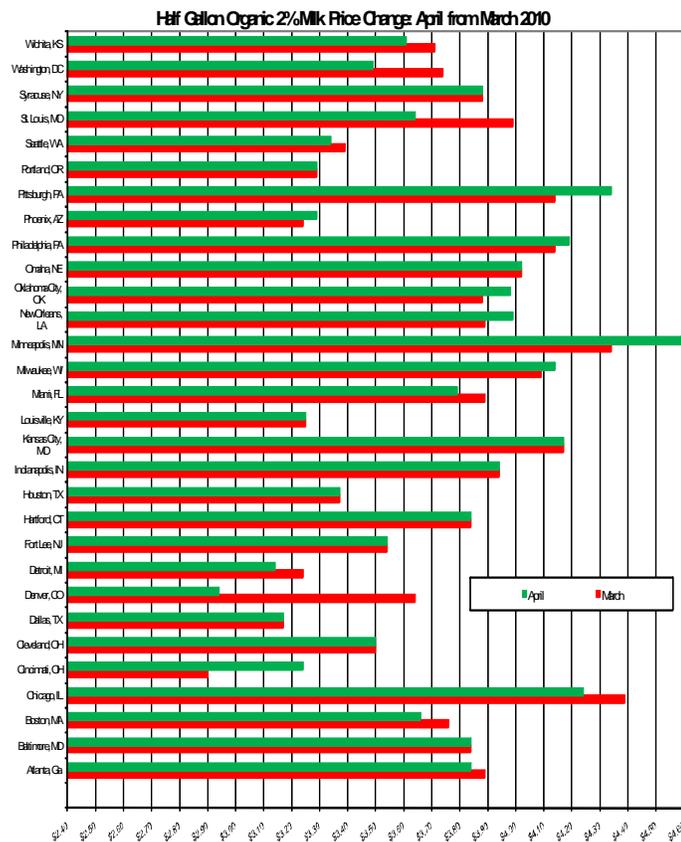
ORGANIC DAIRY MARKET NEWS

Information gathered April 12 - 23, 2010

ORGANIC DAIRY RETAIL OVERVIEW

MONTHLY RETAIL MILK PRICE COMPARISON FOR 30 CITIES:

Retail half gallon organic reduced fat (2%) milk prices in the 30 City Series increased in 8 cities, fell in 10 cities, and remained unchanged in 12 cities. The largest increase was 34 cents in Cincinnati, taking prices to \$3.24, still short of Minneapolis, the highest priced city at \$4.59. For the first three months of 2010, Chicago had been the city with the highest 2% organic milk half gallon price until April's 15 cent decline in Chicago and 25 cent increase in Minneapolis. This is the first month that Minneapolis has had the highest retail price since this data began to be tracked in April 2008. Denver experienced the largest decrease, 70 cents, taking the retail price to \$2.94. The simple average of all 30 cities decreased 3 cents to \$3.71.



The elevation of Minneapolis organic reduced fat (2%) half gallon milk prices to the highest level among surveyed cities is not explained with a sense of confidence by any market participant. One tentative suggestion is recent intense competitive bidding for area milk, which has resulted in a localized increase in price. This price situation has been noticed and is being examined in more depth by various participants.

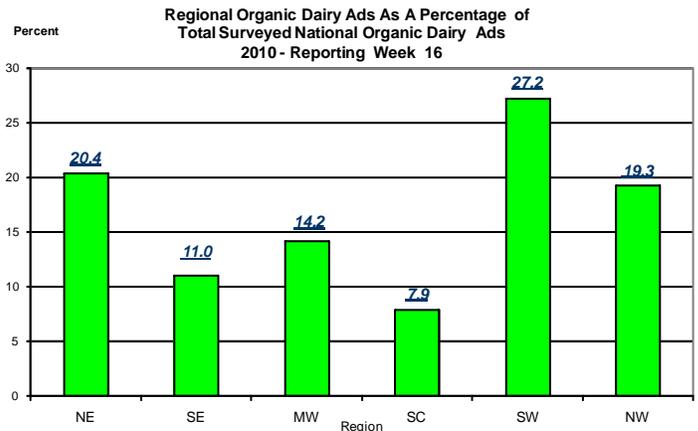
This comparison is derived from prices collected by Federal Milk Market Administrators during the first non-Friday or weekend 10 days of each month in 1 outlet of each of the 2 largest food store chains on 30 cities or metropolitan areas. The price listed represents the simple average of the 2 prices.

NATIONALLY ADVERTISED PRICE COMPARISON:

For the period April 10 through April 23, 2010, the number of surveyed newspaper ads containing organic dairy content increased to 3,793 of 9,124 surveyed ads, well above 1,847 ads with organic dairy content two weeks ago. Not since the last week in January has organic dairy content been at this level.

The Southwest region topped all regions with 27.2% of total organic dairy ads placed, followed closely by the Northeast, 20.4%, having been the leader two weeks ago. Third is the Northwest, 19.3%, having been sixth out of six

with 7.2% two weeks ago. The organic dairy ad percentage for other regions is: Midwest, 14.2%; Southeast, 11%; and South Central region, 7.9%.



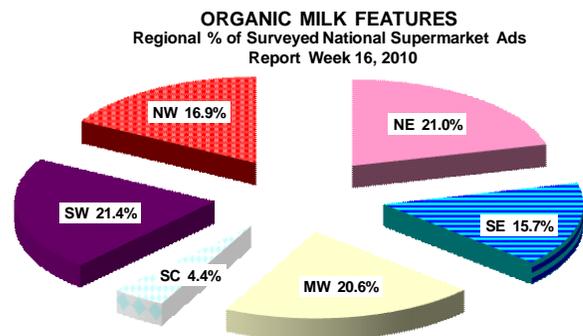
Product Emphasis. Individual store ads may contain more than one type of organic dairy featured item, or multiple brands of the same item and size. Thus, numbers shown for product emphasis exceed total ad numbers.

Organic milk topped the count with 3,139 total ad listings, up from 2,052 two weeks ago and 1,867 four weeks ago. This included: 2,536 for half gallons, up from 1,139 two weeks ago; 326 for gallons, up from 285 two weeks ago; and 277 for 8 ounce containers, down from 314 two weeks ago.

Organic yogurt was second, tripling to 2,744 listings from 915 ad listings two weeks ago. The yogurt category listing increase was primarily driven by 6 ounce containers, up to 2,321 from 757 two weeks ago; but contributed to by 247 ads for 32 ounce containers, up from 49 two weeks ago and 176 ads for 4 ounce baby yogurt.

Remaining ad listings totaled 157 for butter. There were no ads for cheese, half and half, cream cheese, sour cream, or ice cream.

Organic milk ads appeared in each region. Of total milk ads, three regions were nearly identical in percentage but narrowly led by the Southwest with 21.4%. The Northeast had 21% of organic milk ads and the Midwest had 20.6%. The other regions' percentages were: Northwest, 16.9%; Southeast, 15.7%; and South Central Region, 4.4%.



Half Gallons. The weighted average advertised price for half gallons of organic milk decreased to \$2.84, 38 cents lower than two weeks ago. The top of the range fell 40 cents to \$3.59 while the bottom fell only 1 cent to \$2.49. An increased concentration of offerings of milk toward the lower end of the price range drove the lower weighted average advertised price.

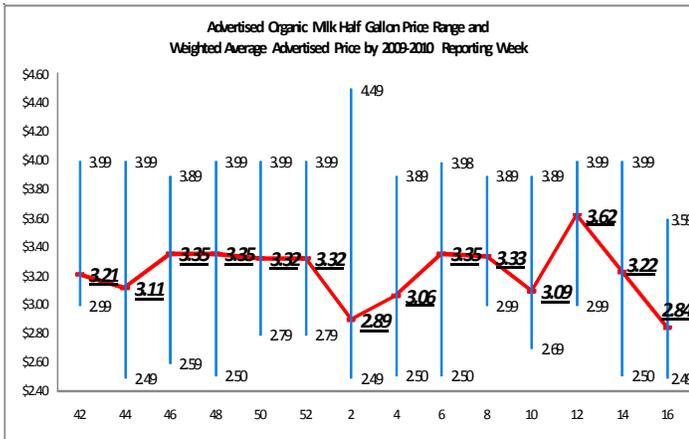
CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered April 12 - 23, 2010

CONTINUED FROM PAGE 8

REGIONAL ORGANIC GALLON MILK ADS
AVERAGE ADVERTISED RETAIL PRICE AND % - WEEK 16

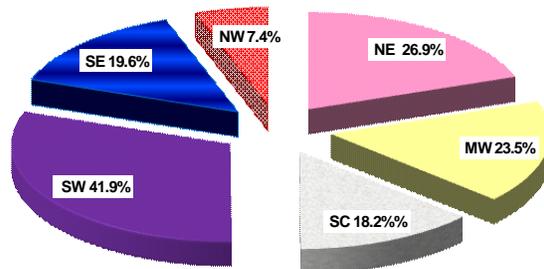


Region	Price	Percentage
Northeast	\$5.43	54.6%
Southeast	\$5.90	11.7%
Midwest	\$5.49	33.7%
South Central	—	0%
Southwest	—	0%
Northwest	—	0%

Yogurt. The Southwest maintained the highest regional concentration of total yogurt ad placements, 41.9%, down from 68.6% two weeks ago. The declining percentage was driven by an increase in numbers in other regions. The Northeast increased slightly to 26.9% of placements from 22.6% two weeks ago, retaining the second highest concentration. Yogurt placements in other regions included the Midwest, 23.5%; Southeast, 19.6%; South Central Region, 18.2%; and Northwest, 7.4%.

The following chart shows the percentage of national half gallon organic milk ads by region and the regional weighted average advertised price.

ORGANIC YOGURT FEATURES
Regional % of Surveyed National Newspaper Ads
Report Week 16, 2010

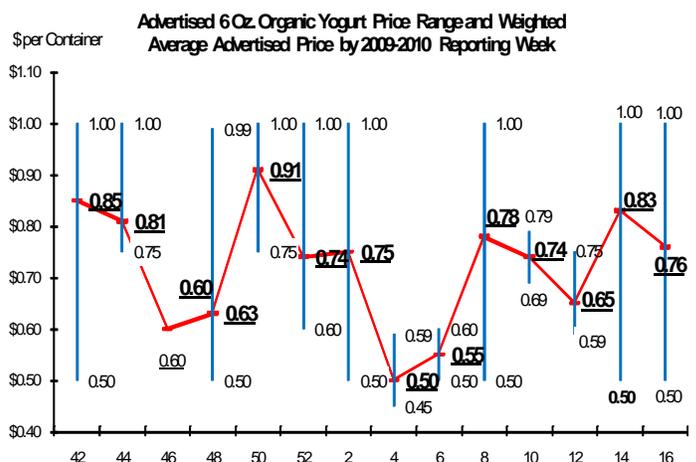
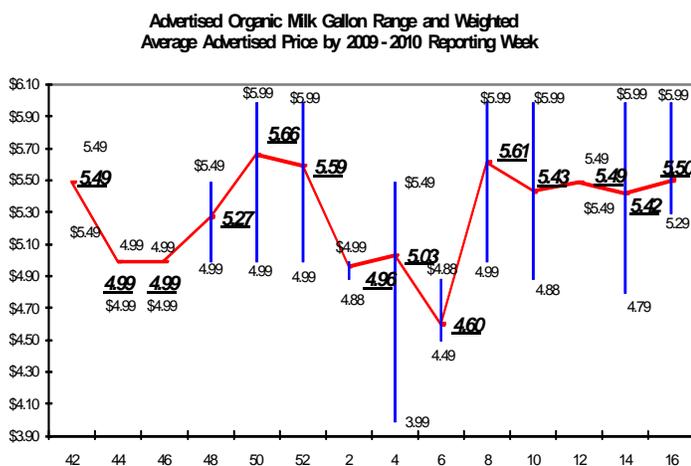


Yogurt prices are down slightly. The weighted average advertised price of 6 ounce yogurt, 76 cents, is 7 cents below two weeks ago. The range is unchanged at 50 cents; with a top of range price of \$1.00 and a bottom range price of 50 cents.

REGIONAL ORGANIC HALF GALLON MILK ADS
AVERAGE ADVERTISED RETAIL PRICE AND % - WEEK 16

Region	Price	Percentage
Northeast	\$3.10	19.0%
Southeast	\$3.30	10.1%
Midwest	\$3.12	21.2%
South Central	\$2.49	5.4%
Southwest	\$2.49	26.5%
Northwest	\$2.62	17.8%

Gallons. The weighted average advertised price for organic milk gallons increased 8 cents to \$5.50. However, the range contracted 50 cents, with an unchanged top of \$5.99 and a bottom of \$5.29. The increased bottom of the range accounted for all range contraction.



The following chart shows the percentage of national organic gallon milk ads by region and the regional weighted average advertised price.

Butter. Organic butter in 1 pound boxes was uniformly advertised at \$3.49, 98 cents below the weighted average advertised price two weeks ago and 50 cents below the lowest advertised price four weeks ago. All but 2 of the 157 butter ads were in the Northeast compared with two weeks ago, when all butter ads were in the South Central Region.

ORGANIC DAIRY MARKET NEWS

Information gathered April 12 - 23, 2010

CONTINUED FROM PAGE 8-A

SUPERMARKET PRICE COMPARISON:

Madison Wisconsin and Washington, D.C. Prices. Non-advertised organic milk sold in a range of food stores in Madison, Wisconsin is compared for the period April 10 through April 23, 2010 and contrasted with stores in Washington, D.C., all within 3 miles of the White House. Prices are compared for organic milk in both 1 gallon and 1/2 gallon sizes of whole milk; reduced fat (2%); lowfat (1%); nonfat (skim); and 1/2 gallons of chocolate milk.

A selection of organic cheese varieties with the most shelf placements is also compared. Varieties include 8 ounce chunks of Mozzarella, Mild Cheddar, Monterey Jack, and Pepper Jack; as well as 6 ounce string cheese including Colby Jack and Mozzarella.

Madison stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big-box chain store also selling food; and a large local cooperative grocery store.

Washington stores included an outlet of each of the two largest chains operating in the area, an outlet of each of two natural food store chains, and an outlet of a national discount big-box store chain also selling food.

Milk available at Madison stores included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheesemakers.

Milk available in Washington, D.C. included the same two national brands as Madison, the same two natural food store brands, the same national discount store brand, a regional brand, and two store brands. A table summarizing the survey results appears below.

Analysis reveals that Madison had both lower and higher prices for gallons than Washington. Because lower prices were slightly lower but higher prices were more noticeably higher, the relative small 30 cent gallon price spread between high and low prices in Washington was eclipsed by the much wider Madison range, varying between \$1.47 and \$1.93. Three of the brands of gallons sold in Washington were priced identically. However, only three of the five stores in Washington offered gallons, reflecting the lower general demand for gallons in metropolitan areas than in smaller cities such as Madison.

A similar price pattern prevailed for half gallons except for chocolate. Half gallons were more intensively offered in Washington than gallons. For non-chocolate half gallons, the range for each variety was 80 cents, compared with a greater range in Madison varying from \$1.35 to \$1.65.

For chocolate half gallons the relative position of each city reversed. Washington had lower low and high prices than Madison, as well as a smaller range.

The close pricing and less concentrated offerings of gallons in Washington compared with Madison complicates making a comparison of relative price levels between cities by type of store. As for half gallons, Washington's highest prices were for a national brand in a supermarket chain store while the high in Madison was for another national brand, also in a chain supermarket. Madison's low prices were in a cooperative grocery for a local creamery brand while Washington's low was for a store brand in a national discount chain store also selling food.

As for cheese, offerings in Washington were thinner than in Madison. Washington stores surveyed offered no 8 ounce Mozzarella or Pepper Jack. Fewer stores offered fewer brand options for the remaining varieties than in Madison. Three of four varieties offered in Washington had low prices that were only somewhat higher than lows in Madison. However, Monterey Jack had a lower low price in Washington than in Madison.

All high prices in Madison were higher than high prices in Washington. All of Madison's high prices were for a national brand. Two of Washington's high prices were for the same national brand as in Madison's high. The other two highs in Washington were for a natural food store brand.

Thus, in two instances, the same two varieties of cheese manufactured by the same national brand, manufactured closer to Madison than Washington, were offered at retail for 70 cents less in Washington than Madison.

Price aside, there are also differences between milk offered in Washington and Madison, as to the distance milk travels to retail outlets from bottling plants. Distance is determined by using Food and Drug Administration assigned plant code numbers imprinted on milk containers. In general, milk travels further from plant to store in Washington, than in Madison.

While 27.2% of Madison's shelf placements were bottled 100 miles or less from Madison, that applies to only 10% of Washington's shelf placements. 92.6% of Madison's shelf placements came from milk plants 375 miles or less away, compared with 46.3% for Washington. 24.1% of Washington's milk shelf placements are bottled over 900 miles away, compared with 1.5% in Madison. The greatest plant distance from Madison is slightly over 1,600 miles, compared with almost 2,400 miles for Washington.

Thus, even though more retail milk shelf placements in Madison are bottled closer to stores and transported a lower distance overall than Washington, while Madison has lower low prices, it also has more higher prices and a wider price range than in Washington. Moreover, according to USDA's recently released Survey of Agriculture, Wisconsin leads all states in the number of organic dairy farms, 479, while Washington has none and the surrounding states of Maryland with 12 organic dairy farms and Virginia with 14, are well behind Wisconsin.

In this situation, there is no strict correlation between retail organic milk prices, store to bottling plant distance, and store proximity to organic dairy herd concentrations.

ORGANIC MILK AND CHEESE PRICE RANGE
REPORTING WEEK 16

	MADISON, WI			WASHINGTON, D.C.		
	LOW	HIGH	RANGE	LOW	HIGH	RANGE
	(In Dollars)					
GALLONS:						
Whole	5.36	7.29	1.93	5.69	5.99	.30
2%	5.22	6.69	1.47	5.69	5.99	.30
1%	5.22	6.69	1.47	5.69	5.99	.30
Nonfat	5.04	6.69	1.65	5.69	5.99	.30
HALF GALLONS:						
Whole	3.04	4.39	1.35	3.19	3.99	.80
2%	2.74	4.39	1.65	3.19	3.99	.80
1%	3.04	4.39	1.35	3.19	3.99	.80
Nonfat	2.88	4.39	1.51	3.19	3.99	.80
CHOCOLATE HALF GALLON:						
	3.49	5.39	1.90	2.99	4.29	1.30
CHEESE - 8 OUNCE CHUNKS:						
Mozzarella	3.07	5.69	2.62	—	—	—
Mild Cheddar	3.50	5.99	2.49	3.99	3.99	0
Monterey Jack	3.50	5.99	2.49	2.99	3.99	1.00
Pepper Jack	3.89	5.69	1.80	—	—	—
CHEESE - 6 OUNCE STRING						
Mozzarella	3.49	5.09	1.60	3.99	4.39	.40
Colby Jack	3.89	5.09	1.20	3.99	4.39	.40

ORGANIC DAIRY FLUID OVERVIEW

Organic milk production continues to increase seasonally. Retail fluid sales have continued to show the strength not expected earlier in the Spring. Some processors have experienced higher margins for several months and continue to work toward price levels seeking to maintain margins.

Even with the relative concentration of organic producers in parts of some Eastern states, some processors believe that regional production is strained to meet regional demand. The seasonal increase in production has helped, but milk continues to move from other regions to meet demand, according to some processors.

Some more localized focused processors with marketing strategies incorporating market proximity to producers, less regularly involved with product manufacturing or regular spot market sales, are using increased seasonal production to build inventory of products such as ice cream or cheese for sales that can stretch later into the year. Because more organic ice cream is regularly manufactured and moves from the West to the East, than from the East to the West, there is increasing interest in using some seasonally strong Eastern

CONTINUED ON PAGE 8-C

ORGANIC DAIRY MARKET NEWSInformation gathered April 12 - 23, 2010

CONTINUED FROM PAGE 8-B

organic milk production for ice cream manufacturing; particularly expecting to be able to be more price competitive with non-organic ice cream due to not having to pay transportation costs from the West Coast to Eastern retail outlets.

According to USDA Livestock and Grain Market news, national organic grain and feedstuff prices were lower on light demand and moderate offerings. Sales were weak to moderate as end users already have adequate supplies. In the Eastern Cornbelt, compared to two weeks ago, organic grain and feedstuffs traded mixed with feed grade soybean prices slightly higher. Cash sales were slow for organic grains due to end users with heavy supplies of organic corn and wheat. Upper Midwest organic grain and feedstuff prices were lower with light demand. Trade activity was weak to moderate. Offerings of grain were moderate with good availability, while farmers continued to report an excess of old crop wheat and corn. Additional information is available at: www.ams.usda.gov/LMarketNews.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2009 ANNUAL AVERAGES, WITH COMPARISONS

For 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.82 per cwt., \$5.58 lower than the all-area average reported for 2008. The component tests of producer milk in 2009 averaged: butterfat, 3.67%; protein 3.06%; and other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all Federal milk orders reporting areas, and ranged from \$15.79 in Florida to \$11.13 in New Mexico.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/ 3/</u>		
	2008	2009	Change 2009 from 2008
	Dollars per hundredweight		
New England States <u>4/</u>	19.16	13.59	-5.57
New York	18.09	12.75	-5.34
Eastern Pennsylvania <u>5/</u>	18.60	13.07	-5.53
Appalachian States <u>6/</u>	20.11	13.97	-6.14
Southeast States <u>7/</u>	20.90	14.52	-6.38
Southern Missouri <u>8/</u>	18.80	12.39	-6.41
Florida	22.39	15.79	-6.60
Western Pennsylvania <u>9/</u>	18.76	13.00	-5.76
Ohio	18.83	13.39	-5.44
Indiana	18.76	12.94	-5.82
Michigan	18.14	12.63	-5.51
Wisconsin	18.63	12.88	-5.75
Minnesota	18.65	12.90	-5.75
Iowa	18.26	13.03	-5.23
Illinois	18.52	12.95	-5.57
Corn Belt States <u>10/</u>	17.76	12.52	-5.24
Western Texas <u>11/</u>	17.19	11.96	-5.23
New Mexico	16.32	11.13	-5.19
Northwest States <u>12/</u>	17.37	12.10	-5.27
All Federal Order Areas <u>13/</u>	18.40	12.82	-5.58
California <u>14/</u>	16.17	11.02	-5.15

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

MARCH MILK PRODUCTION

Milk production in the 23 major states during March totaled 15.4 billion pounds, up 0.9 percent from March 2009. February revised production at 13.7 billion pounds, was up 0.3 percent from February 2009. The February revision represented an increase of 17 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,846 pounds for March, 51 pounds above March 2009. The number of milk cows on farms in the 23 States was 8.32 million head, 162,000 head less than March 2009, but 1,000 head more than February 2010. Milk production in the U.S. during the January-March quarter totaled 47.3 billion pounds, down 0.1 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.09 million head, 206,000 head less than the same period last year.

STATE	MILK COWS ^{1/ 2/}				MILK PRODUCTION ^{1/ 3/}			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2009	2010	2009	2010	2010	% CHANGE FROM 2009	2010	% CHANGE FROM 2009
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	11	11	--	--	44	-8.3
AK	--	--	0.6	0.6	--	--	1.5	---
AZ	189	170	189	170	371	-7.0	1,046	-7.1
AR	--	--	13.5	13	--	--	41	-4.7
CA	1,821	1,758	1,826	1,759	3,481	-0.7	9,940	-1.6
CO	128	116	128	116	232	-8.3	665	-9.0
CT	--	--	18.5	18.5	--	--	92	1.1
DE	--	--	6.5	5.5	--	--	23	-17.9
FL	117	113	117	113	192	-6.8	553	-5.0
GA	--	--	74	78	--	--	365	-3.4
HI	--	--	1.5	1.9	--	--	6.3	18.9
ID	550	554	551	553	1,042	3.0	3,003	3.0
IL	102	101	102	101	173	1.2	491	0.4
IN	167	169	167	169	298	2.1	846	1.2
IA	215	210	215	212	373	0.3	1,079	0.7
KS	122	116	124	116	213	-4.9	611	-6.6
KY	--	--	86	79	--	--	296	-5.4
LA	--	--	24	20	--	--	67	-19.3
ME	--	--	33	32	--	--	144	-1.4
MD	--	--	56	53	--	--	248	-4.6
MA	--	--	14.5	14.5	--	--	64	3.2
MI	355	356	354	355	703	4.5	2,002	3.5
MN	468	470	468	470	797	3.8	2,280	2.9
MS	--	--	19	17	--	--	63	-14.9
MO	108	101	108	101	131	-8.4	366	-9.2
MT	--	--	15	15	--	--	73	-2.7
NE	--	--	61	59	--	--	295	0.3
NV	--	--	28	28	--	--	151	-0.7
NH	--	--	15	15	--	--	75	2.7
NJ	--	--	9.5	8.5	--	--	37	-14.0
NM	333	321	333	319	676	-3.8	1,912	-4.5
NY	623	610	623	610	1,061	0.2	3,050	-0.3
NC	--	--	46	43	--	--	216	-7.7
ND	--	--	25	21	--	--	94	-4.1
OH	277	268	277	270	450	0.9	1,287	1.3
OK	--	--	62	57	--	--	249	-6.0
OR	114	115	114	114	200	2.6	571	2.3
PA	550	540	550	541	934	1.6	2,638	---
RI	--	--	1.1	1.1	--	--	4.9	-2.0
SC	--	--	17	17	--	--	80	-7.0
SD	--	--	94	93	--	--	466	1.3
TN	--	--	58	53	--	--	222	-9.0
TX	430	410	430	410	775	-2.6	2,187	-3.7
UT	85	83	85	83	148	--	430	0.7
VT	136	135	136	134	217	1.9	622	0.8
VA	97	95	97	95	148	-4.5	427	-3.6
WA	239	249	240	247	503	7.9	1,439	6.6
WV	--	--	11	10	--	--	39	-4.9
WI	1,256	1,260	1,255	1,260	2,237	6.3	6,401	5.7
WY	--	--	5	6	--	--	28.6	22.7
20 STATE TOTAL	8,482	8,320	--	--	15,355	0.9	--	--
U.S. ^{4/ 5/}	--	--	9,295	9,089	--	--	47,331	-0.1

^{1/} Preliminary. ^{2/} Includes dry cows, excludes heifers not yet fresh. ^{3/} Excludes milk sucked by calves. ^{4/} Includes states for which individual monthly estimates are not available. ^{5/} Milk cows will not add due to rounding. SOURCE: "Milk Production," Da 1-1 (4-10), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

THE DAIRY OUTLOOK

Continued Increases in Milk Production in 2010 Are Likely To Limit Price Increases

The Nation's dairy herd continues to contract on a year-over-year basis. However, milk per cow continues to rise incrementally. The April *Milk Production* report indicated that milk per cow was 51 pounds (lbs) higher in March compared with a year ago. Moderating feed prices for 2009/10 and the prospect of continued moderate feed prices into the next crop year have provided an incentive to increase output. However, lower milk prices have kept the milk-feed profitability ratio below 2.5. A milk-feed price ratio above 2.5 is considered necessary to begin any expansion. Although the U.S. dairy herd continues to decline, the rate of decline appears to be moderating. The March *Livestock Slaughter* report showed 223,000 dairy cows slaughtered under Federal inspection in February, the second lowest total since last May. Meanwhile, producers added 3,000 cows in both January and February. For 2010, the U.S. dairy herd is expected to average 9,065,000 cows, a 1.5 percent decline from 2009, but somewhat higher than recent USDA estimates. Output per cow is projected at 20,950 lbs resulting in a forecast 189.9 billion lbs of milk in 2010.

Although stock estimates were slightly higher than forecast last month, ending stocks for 2010 on both a fats and skim-solids basis are still expected to be below 2009. Ending stocks on a fats basis are projected to end 2010 at 10.4 billion lbs; stocks on a skim basis are forecast to end the year at 10.8 billion lbs. Most of the drawdown in stocks is likely to occur in the second half of 2010.

Commercial use is projected to reach 188.4 billion lbs in 2010 on a fats basis, up 1.3 percent. Moderating prices for cheese and economic recovery are the basis for stronger domestic commercial use on a fats basis. The higher commercial domestic use should drawdown currently high cheese stocks over the course of the year and firm cheese prices by year's end. Commercial use on a skim-solids basis is expected to reach 167.6 billion lbs, up 0.5 percent from last year. Higher exports of powder, especially later in 2010, are expected to draw powder from the domestic market, strengthening prices for nonfat dry milk in the second half of 2010.

Commercial milk equivalent exports are forecast at 4.75 billion pounds and 25.4 billion pounds on a fats and skim-solid basis, respectively. Most of the expected increases are based on higher expected exports of butter, milk fat, and nonfat dry milk (NDM). While exports have been modest in the first quarter, movement is likely to improve in later quarters due to economic recovery in importing countries and tighter supplies from potential competitors.

Higher forecast milk production and relatively high cheese stocks suggest a scaleback in prices. Cheese prices could strengthen in the second half, if recovery continues and stocks are drawn down. Cheese prices are expected to average \$1.490 to \$1.540 per lb this year. Butter sales have been at least reasonable, and production will likely tighten seasonally as cream supplies move to production of ice cream. Butter prices are forecast to rise over the course of the year as demand improves despite second-half increases in milk production. Butter prices are expected to average \$1.420 to \$1.500 per lb in 2010.

NDM prices should climb in the second half of 2010 as exports increase. NDM prices are forecast to average \$1.110 to \$1.150 a lb in 2010. Whey prices have already rebounded from last year and are expected to remain near present levels for the balance of 2010. Prices will likely average 37.5 to 40.5 cents a lb this year.

As milk production increases encounter expected increases in demand, prices are likely to be higher than 2009 but not rise to 2007 or 2008 levels. The Class IV price is forecast at \$13.40 to \$14.00 per cwt in 2010. The Class III price is expected to average \$14.10 to \$14.60 per cwt, and the all milk price is forecast to average \$15.45 to \$15.95 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-190, April 21, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin, (202) 694-5148.

CORRECTED ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS, APRIL 2010, WITH COMPARISONS 1/

The corrected April 2010, all-city average announced cooperative Class I price was \$18.45 per cwt., \$2.59 higher than the Federal milk order (FMO) Class I price average for these cities. The corrected April cooperative Class I price was \$1.04 lower than the March price, while the Federal order Class I price was \$1.12 lower. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.50 in Phoenix, AZ, to \$4.40 in Miami, FL. For April 2009, the all-city average announced cooperative Class I price was \$15.35, \$2.35 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBSt.

City	April 2010		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	20.75	17.02	3.73
Baltimore, MD	17.89	16.22	1.67
Boston, MA	17.97 *	16.47	1.50 *
Charlotte, NC	19.86	16.62	3.24
Chicago, IL	18.54	15.02	3.52
Cincinnati, OH	18.49	15.42	3.07
Cleveland, OH	18.29	15.22	3.07
Dallas, TX	18.07	16.22	1.85
Denver, CO	17.28	15.77	1.51
Des Moines, IA	17.70	15.02	2.68
Detroit, MI	18.06	15.02	3.04
Hartford, CT	17.87	16.37	1.50
Houston, TX	18.87	16.82	2.05
Indianapolis, IN	18.29	15.22	3.07
Kansas City, MO	17.39	15.22	2.17
Louisville, KY	18.56	15.52	3.04
Memphis, TN	20.06	16.12	3.94
Miami, FL	23.62	19.22	4.40
Milwaukee, WI	18.49	14.97	3.52
Minneapolis, MN	17.20	14.92	2.28
New Orleans, LA	20.96	17.02	3.94
Oklahoma City, OK	18.22	15.82	2.40
Omaha, NE	17.45	15.07	2.38
Philadelphia, PA	19.59	16.27	3.32
Phoenix, AZ	16.07	15.57	0.50
Pittsburgh, PA	18.45	15.32	3.13
St. Louis, MO	17.79	15.22	2.57
Seattle, WA	15.90	15.12	0.78
Springfield, MO	18.02	15.62	2.40
Washington, DC	17.89	16.22	1.67
Simple Average	18.45 *	15.86	2.59 *

* Corrected.

1/ This table contains information from the Class I price announcements sent by the major cooperatives in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

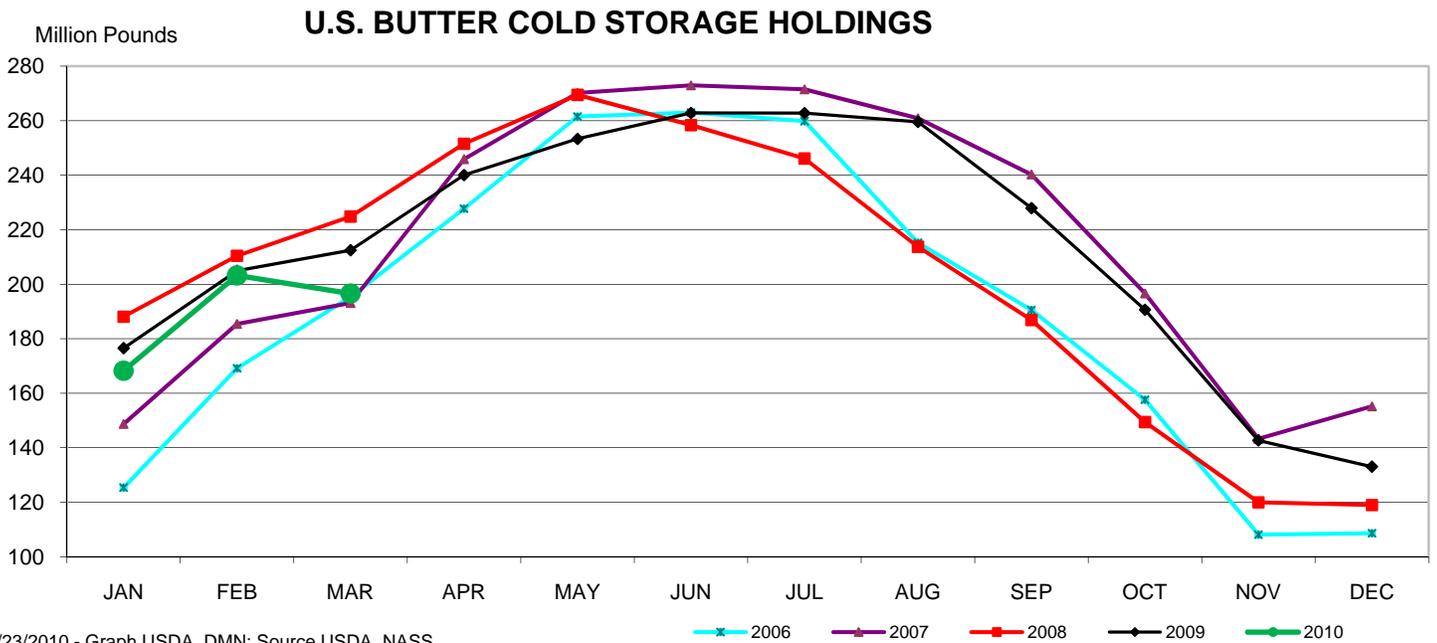
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	FEB 29, 2008	FEB 28, 2009	REVISED FEB 28, 2010	MAR 31, 2008	MAR 31, 2009	MAR 31, 2010
Butter	210,422	204,927	203,235	224,804	212,477	196,585
Cheese, Natural American	513,073	541,739	598,104	526,001	548,568	600,754
Cheese, Swiss	25,891	23,322	27,379	24,533	23,235	26,957
Cheese, Other Natural	262,028	327,480	360,174	273,775	343,386	373,067
Total Cheese	800,992	892,541	985,657	824,309	915,189	1,000,778

U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
COMMODITY	FEB 29, 2008	FEB 28, 2009	REVISED FEB 28, 2010	MAR 31, 2008	MAR 31, 2009	MAR 31, 2010
Butter	#	#	#	#	#	#
Natural American Cheese	#	#	#	#	#	#

#Beginning with the February 22, 2008, Cold Storage release, NASS discontinued published estimates for government owned butter and cheese due to data quality.

MARCH STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
New England	36,283	35,460	38,329	---	---	---	246	423	536
Middle Atlantic	48,135	42,768	37,743	---	---	---	13,647	12,735	19,319
East North Central	234,049	219,622	257,250	---	---	---	165,287	213,236	247,418
West North Central	84,607	95,677	97,961	---	---	---	55,889	67,990	69,996
South Atlantic	3,024	4,329	6,531	---	---	---	142	245	190
East South Central	285	1,983	1,938	---	---	---	2,999	2,989	2,449
West South Central	6,503	4,682	2,996	---	---	---	1,063	1,207	953
Mountain	28,466	52,393	55,385	---	---	---	4,753	6,950	7,479
Pacific	84,649	91,654	102,621	---	---	---	29,749	37,611	24,727
TOTAL	526,001	548,568	600,754	224,804	212,477	196,585	273,775	343,386	373,067

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2009 TO DATE

Month	Butter <u>1/</u>		Natural American Cheese <u>1/</u>		Nonfat Dry Milk					
	Commercial		Commercial		Total <u>2/</u>		Commercial		Government	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Million Pounds		Million Pounds		Million Pounds					
January	168	177	588	533	272	301	138	204	134	97
February	203	205	598	542	195	313	148	189	47	124
March	197	212	601	549		358		187		171
April		240		577		370		175		195
May		253		586		395		190		205
June		263		602		196		196		NA
July		263		605		398		173		225
August		260		599		364		142		222
September		228		596		324		121		203
October		191		580		270		89		181
November		143		583		285		114		171
December		133		585		289		132		157

NA - Not available.

1/ NASS discontinued publishing estimates for government owned butter and cheese. 2/ Includes instant nonfat dry milk.

SOURCE: "Cold Storage," Co St 1 (4-10) and "Dairy Products," Da 2-6 (4-10), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, MARCH

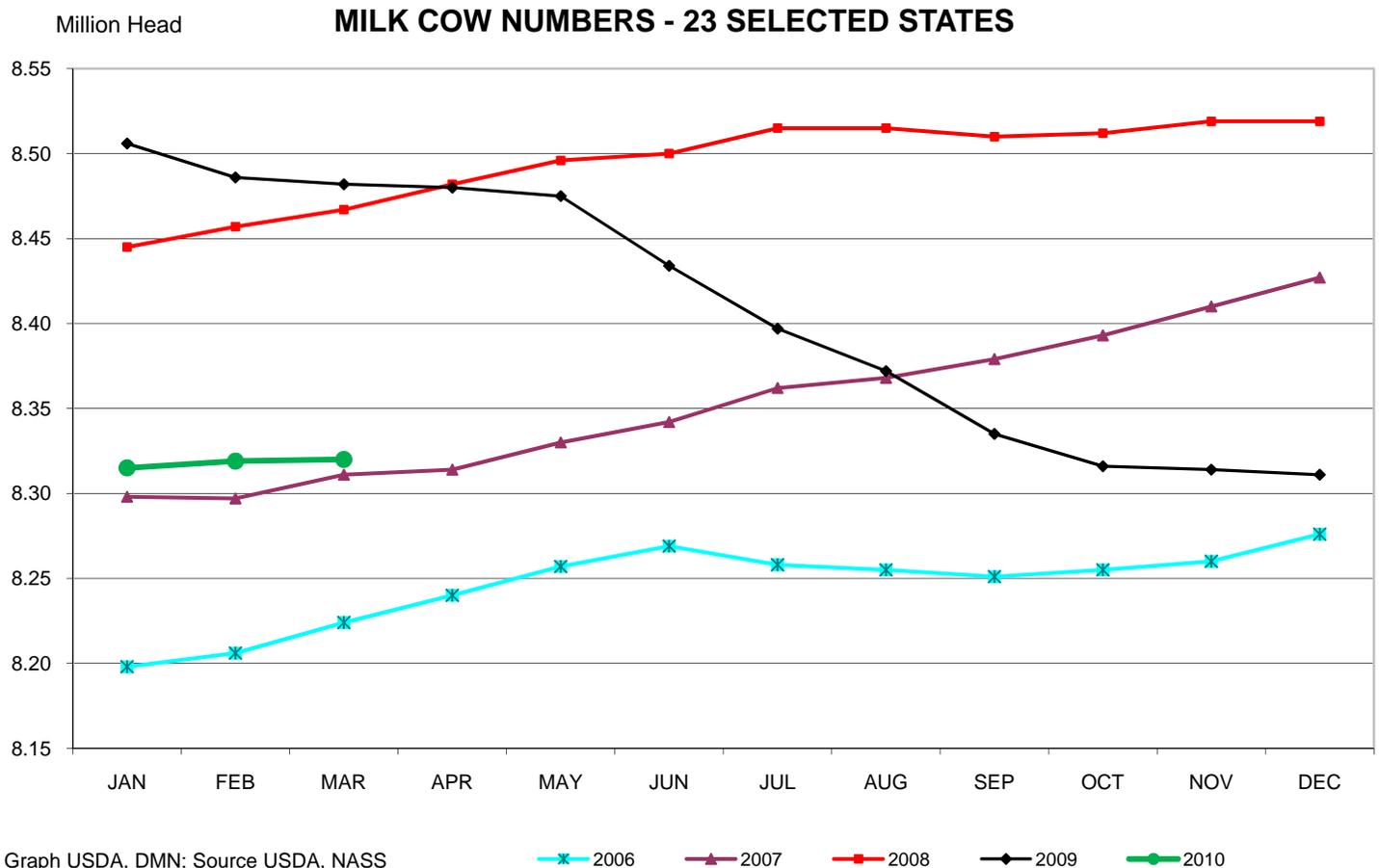
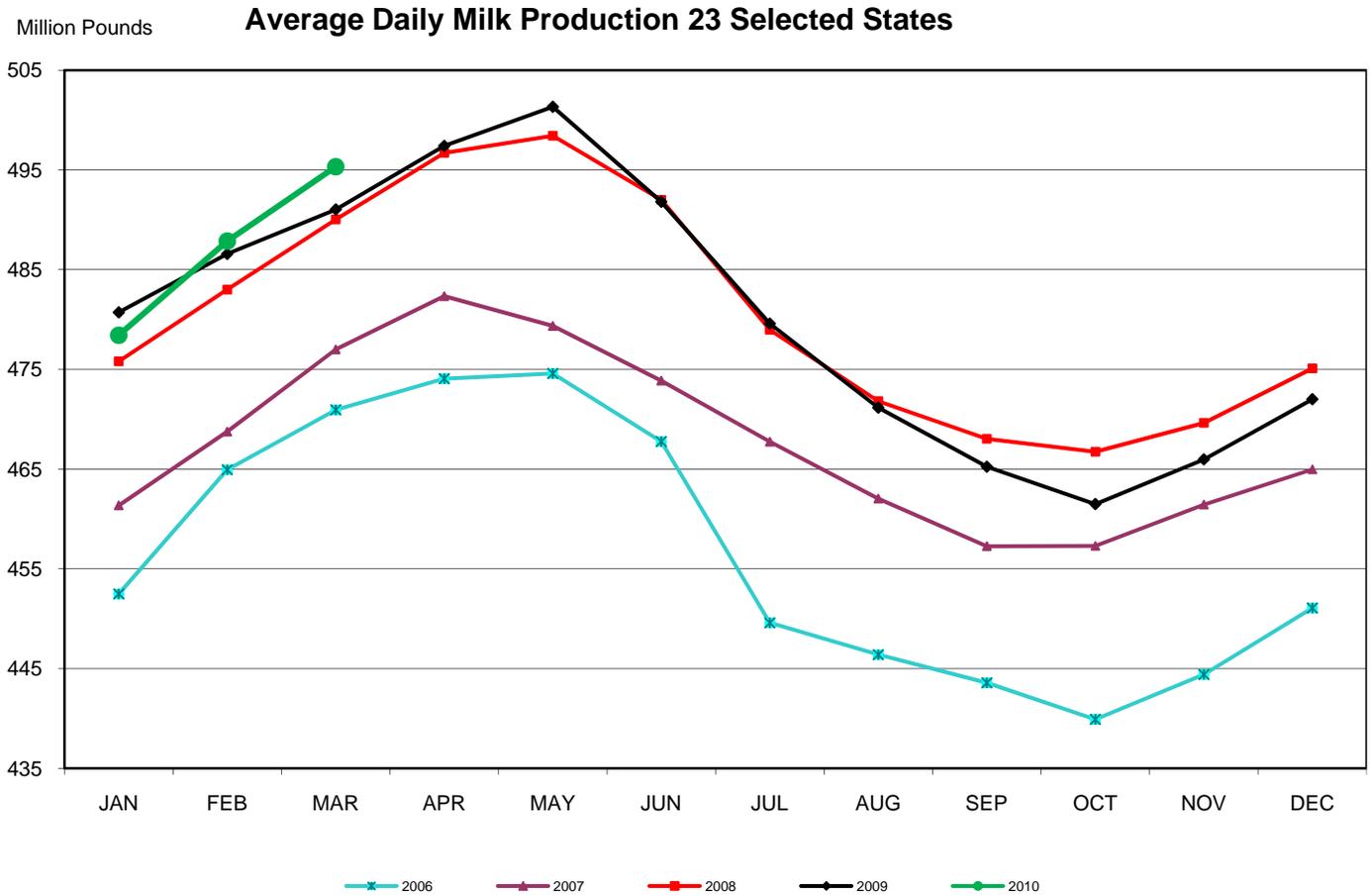
HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, about 11.1 billion pounds of milk were received from producers. This volume of milk is 7.3 percent higher than the March 2009 volume. In March 2009 and March 2010, there were significant volumes of milk not pooled due to intraorder disadvantageous price relationships. About 3.9 billion pounds of producer milk were used in Class I products, 0.4 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2010 compared to 2009. The timing of the Easter holiday likely had a negative impact on milk used in Class I in 2009. The all-market average Class utilization percentages were: Class I = 35%, Class II = 11%, Class III = 44% and Class IV = 10%. The weighted average statistical uniform price was \$14.69 per cwt., \$0.90 lower than last month and \$3.55 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2010										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>2/</u>
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,080.7	0.9	885.6	-0.4	43	21	23	13	15.54
Appalachian (Charlotte)	005	533.4	2.9	360.0	-0.2	67	16	7	10	16.75
Southeast (Atlanta)	007	641.1	-5.4	410.4	-0.3	64	8	20	8	16.80
Florida (Tampa)	006	262.3	-5.8	228.4	-2.2	87	8	2	3	19.13
Mideast (Cleveland)	033 <u>3/</u>	1,474.8	4.8	591.8	3.1	40	19	34	7	14.52
Upper Midwest (Chicago)	030 <u>3/</u>	2,946.0	10.1	384.3	2.1	13	2	83	2	13.32
Central (Kansas City)	032 <u>3/</u>	1,145.1	9.8	366.3	0.1	32	12	39	17	14.03
Southwest (Dallas)	126 <u>3/</u>	940.9	36.8	368.0	-0.2	39	6	46	9	15.06
Arizona (Phoenix)	131	380.8	-1.5	123.5	-0.2	32	8	26	34	14.29
Pacific Northwest (Seattle)	124	706.4	14.8	192.7	0.8	27	7	39	27	13.86
ALL MARKET AVERAGE OR TOTAL	<u>3/</u>	11,111.6	7.3	3,911.0	0.4	35	11	44	10	14.69

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

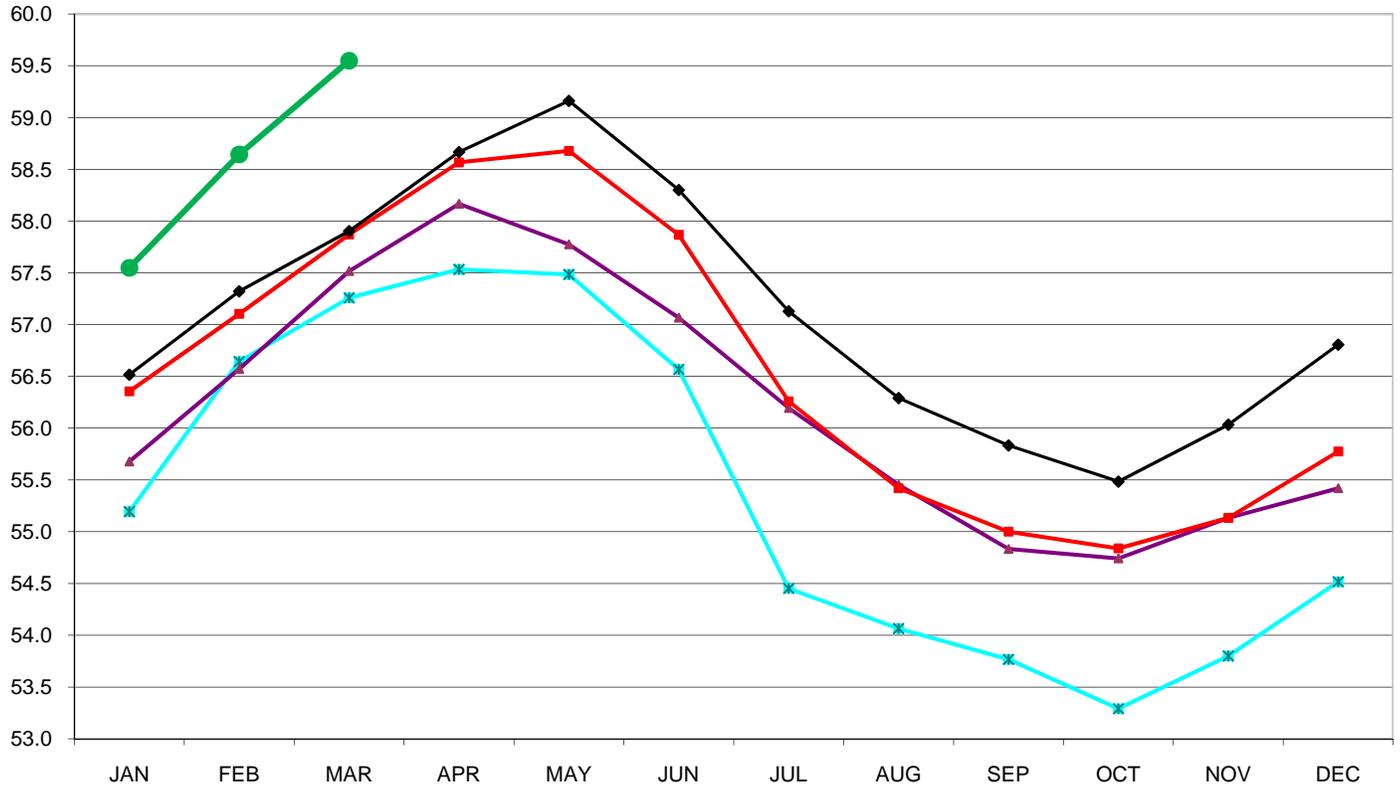
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 165 million pounds of milk that normally would have been associated with these markets. In March 2009, the estimated not pooled volume of milk was 800 million pounds, occurring in Order Nos. 033, 030, 032, 126 and 124. After adjusting for not-pooled milk, the year-to-year percent change is +1.1%.



Graph USDA, DMN; Source USDA, NASS

Pounds per Day

23 STATES DAILY AVERAGE MILK OUTPUT PER COW

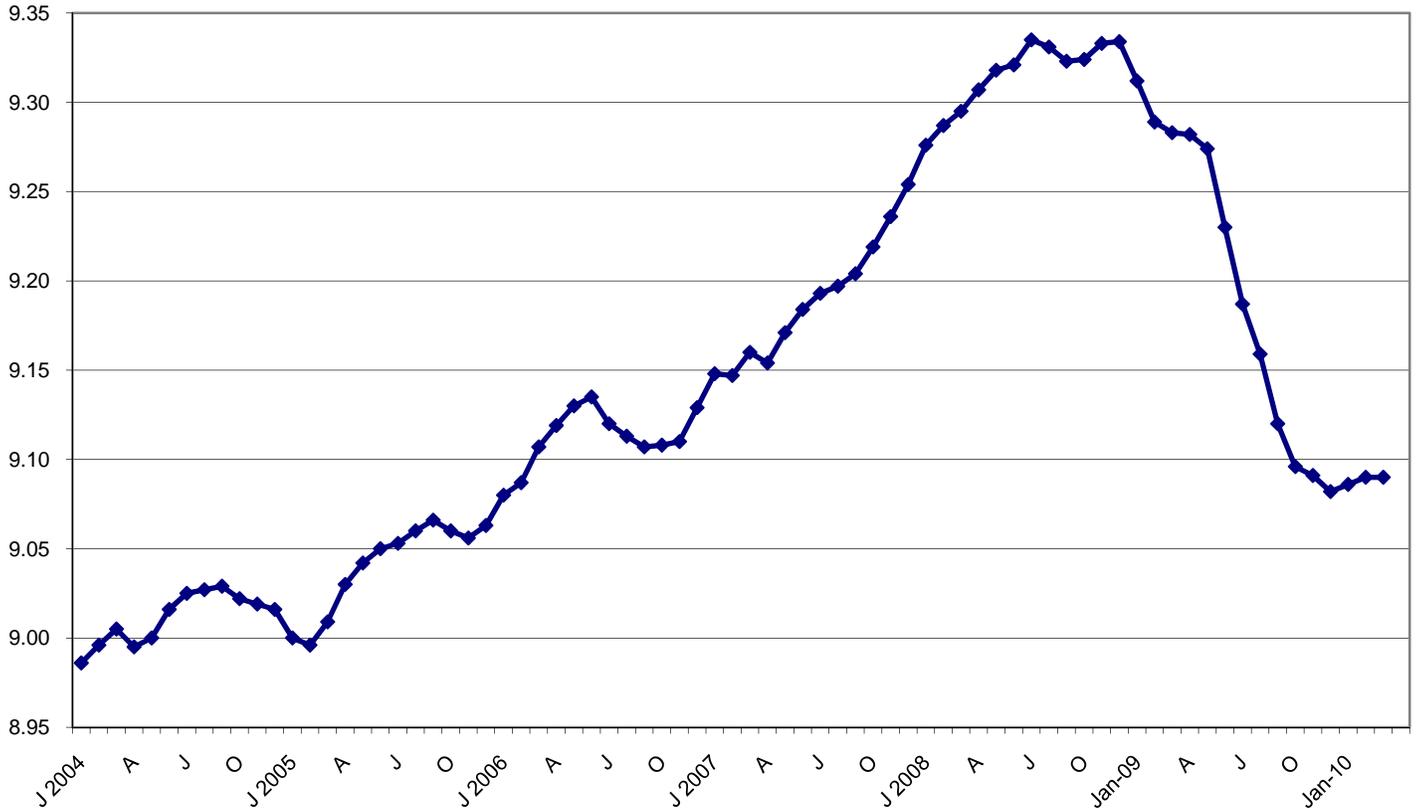


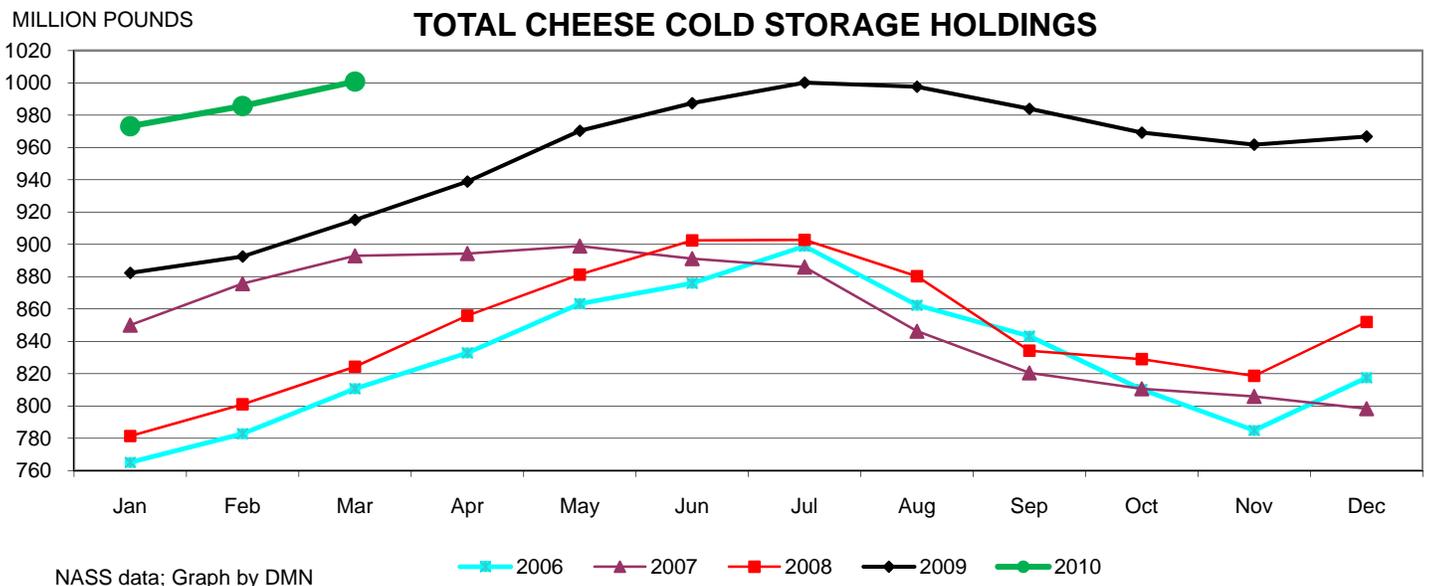
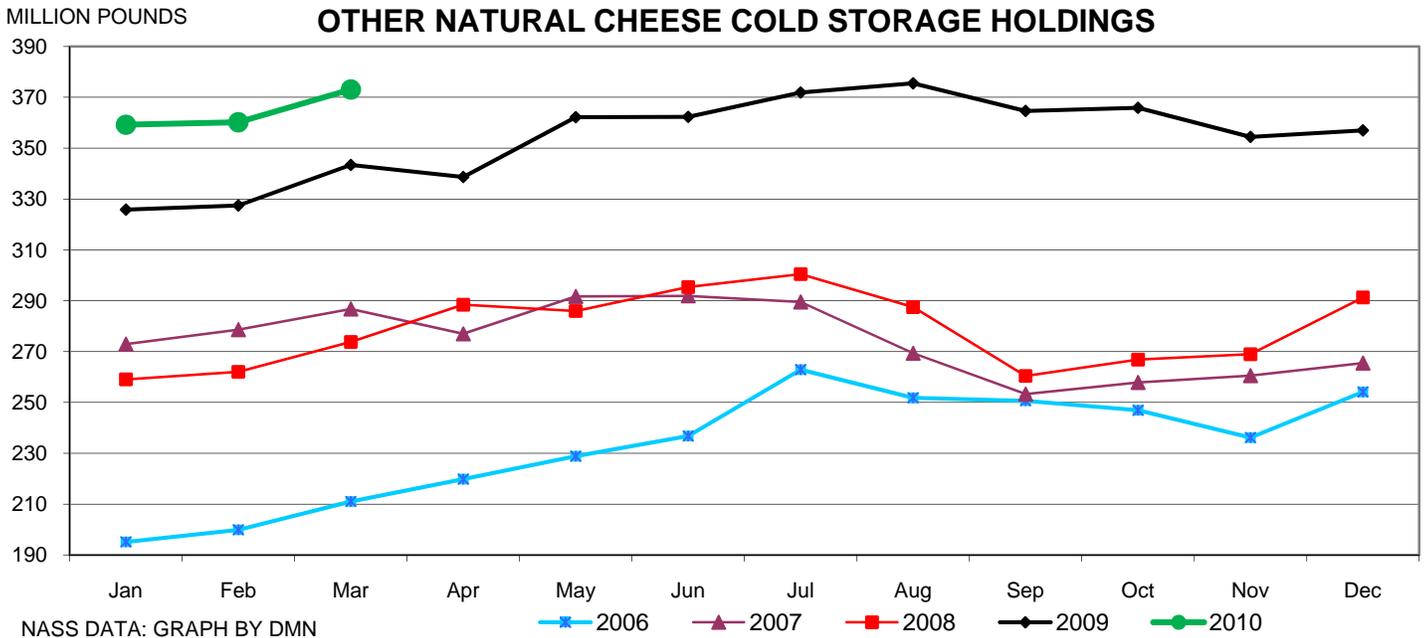
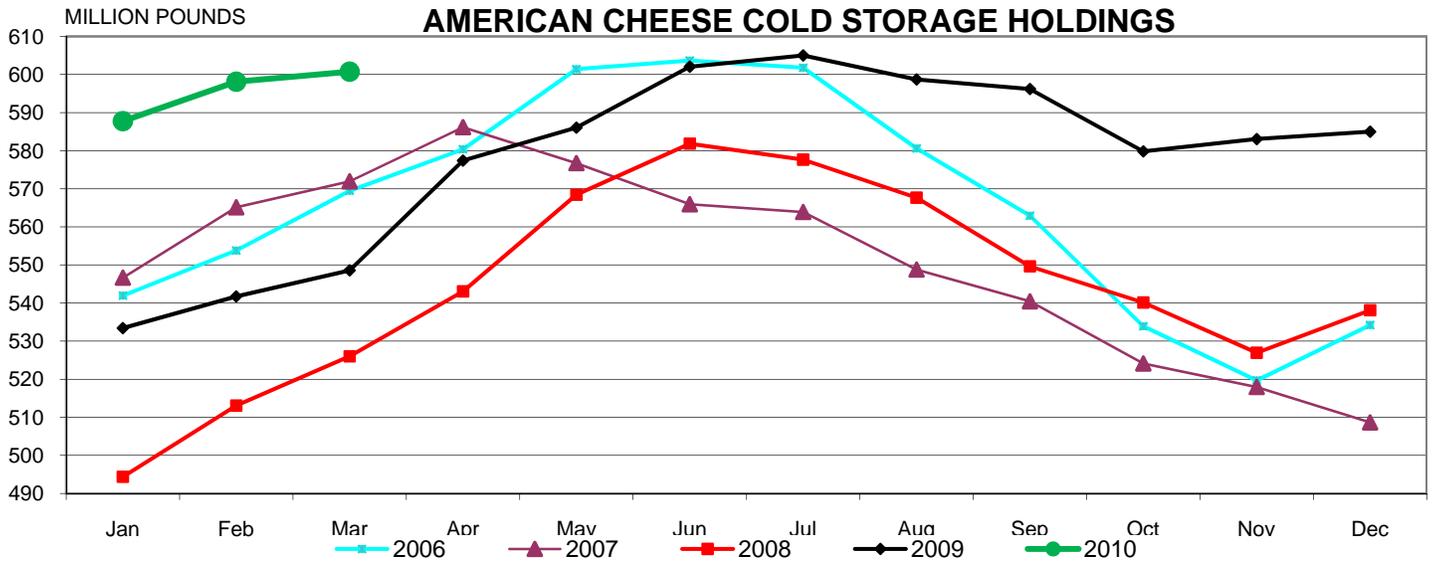
NASS DATA, GRAPH BY DMN

2006 2007 2008 2009 2010

THOUSAND HEAD

U.S. TOTAL DAIRY COW NUMBERS





DAIRY MARKET NEWS

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