

NATIONAL DAIRY MARKET AT A GLANCE**CME GROUP CASH MARKETS (05/28):**

BUTTER: Grade AA closed at \$1.5575. The weekly average for Grade AA is \$1.5525 (-.0310).

CHEESE: Barrels closed at \$1.4300 and 40# blocks at \$1.4650. The weekly average for barrels is \$1.4575 (+.0105) and blocks, \$1.4895 (+.0090).

BUTTER HIGHLIGHTS: Pricing levels at the CME Group continued to decline to levels not seen since early April and regained some of that decline later in the week to settle at \$1.5575 at week's end. Churning activity across the country is mixed, fully dependent on cream availability. Cream offerings for the upcoming holiday weekend were starting to increase by midweek and will continue into the weekend. Early next week, these offerings will decrease as Class II demand and Class II product production resumes. Current churning activity is keeping pace with demand and additional butter stocks are clearing to inventory. In most instances, butter stocks are lighter than desired for this time of the season. Butter demand slowed this week as retail and food service outlets were prepared for the holiday weekend. Manufacturers and handlers anticipate that orders will resume early next week after buyers have had a chance to review their weekend carryover supply.

CHEESE HIGHLIGHTS: On the CME Group cash cheese market, prices turned lower this week. Supplies of regular cheese varieties are mostly readily available. Most processors and packagers will be down an extra day for the holiday, reducing bulk cheese needs. Spot interest was steady to generally lighter as buyers react to higher prices. The strong U.S. Dollar, especially compared to other currencies, hurts export interest. Cheese production is seasonally active. Most plants are operating on extended schedules to process milk backed up from other uses during the holiday weekend. Also, as schools close for summer recess, Class I use declines, leaving more milk in manufacturing channels.

FLUID MILK: Milk production is nearing the annual peak in central and northern parts of the country. Volumes in Florida, the Southeast, Arizona, New Mexico, and much of California have been slow to decline from their peak. Manufacturing plant schedules are heavy and most operations are expected to be at capacity as extra milk is sent to manufacturing from other uses over Memorial Day weekend. Cream supplies were tight as orders were improved for dips, sour cream, as well as ice cream for various holiday weekend activities. Churning is likely to be heavier over the holiday weekend as many other cream users will close for an extra day. At least in the Upper

Midwest, most tankers/truckers are committed, so finding one to move a spot load is difficult.

DRY PRODUCTS: The NDM market is under pressure after the EU announced that it would be releasing part of their skim milk intervention stocks, especially with a strong U.S. Dollar compared to the Euro and other currencies. Most buyers are purchasing only for immediate needs. Drying schedules are active and concentrated on low heat powder to allow the largest plant throughput over the long Memorial Day weekend. Producers generally have low heat powder available. The buttermilk market is at least steady though many buyers are unable to find spot product to purchase. Many operations are concentrating on drying condensed skim over buttermilk. Whey prices are mostly unchanged. Production is seasonally active. Producers have product available for buyers except for some in the West. Until the trade issue with China is resolved, many exporters have stopped new shipments to China. The WPC market is steady to firm. Inventories are generally in balance with needs. Lactose prices are steady though interest was often light for spot product.

INTERNATIONAL OVERVIEW (DMN): The major topic of discussion within European markets, and internationally for that matter, is the release of butter and skim milk powder intervention stocks under a tendering system effective June 1. Sales of these volumes are above and beyond already committed volumes for the Deprived Persons Feeding program which will be clearing around 51,000 MT of butter and 65,000 MT of skim milk powder during the period of May – September. The first round of tenders is due by June 1 with the results probably known later in the week after the Dairy Management Committee meeting on June 3. Initially, skim milk powder entered into storage before May 1, 2009 (around 120,000 MT) and butter entered into storage before October 1, 2009 (over 80,000 MT) are eligible. This leaves about half of the available skim milk powder and 30,000 MT of butter for tendering (less the Deprived Persons Feeding Program commitments). The volume of butter is considerably lighter than the skim milk powder possibilities, thus butter producers and handlers are feeling that butter releases from intervention will be more positive than negative. European butterfat volumes are limited, butter stocks are tight, and intervention volumes will be welcomed into the marketplace. Opinions are mixed as to the impact skim milk powder releases will have on the market. Reports are indicating that some of the recent export milk powder tender for

CONTINUED ON PAGE 1A

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)
DAIRY FUTURES (PAGE 9)
APRIL COLD STORAGE (PAGES 10 - 11)
CONSUMER PRICE INDEX (PAGE 12)

****SPECIALS THIS ISSUE****

COMMERCIAL DISAPPEARANCE (PAGE 12)
JUNE ANNOUNCED COOPERATIVE CLASS I PRICES (PAGE 13)
DAIRY GRAPHS (PAGES G1 - G3)

**CME GROUP
CASH TRADING**

PRODUCT	MONDAY MAY 24	TUESDAY MAY 25	WEDNESDAY MAY 26	THURSDAY MAY 27	FRIDAY MAY 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4775 (N.C.)	\$1.4600 (-.0175)	\$1.4600 (N.C.)	\$1.4600 (N.C.)	\$1.4300 (-.0300)	(-.0475)	\$1.4575 (+.0105)
40# BLOCKS	\$1.5000 (N.C.)	\$1.5000 (N.C.)	\$1.4950 (-.0050)	\$1.4875 (-.0075)	\$1.4650 (-.0225)	(-.0350)	\$1.4895 (+.0090)
BUTTER GRADE AA	\$1.5650 (-.0150)	\$1.5375 (-.0275)	\$1.5500 (+.0125)	\$1.5525 (+.0025)	\$1.5575 (+.0050)	(-.0225)	\$1.5525 (-.0310)

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

CONTINUED FROM PAGE 1

skim milk powder may have been cancelled. Thus these volumes committed to that tender are now available in the marketplace for other buyer interest. Along with these volumes are those stocks that were being held with confidence for firmer prices. Within the past two weeks, skim milk powder prices have eased, which now have some manufacturers and handlers questioning if they made the right move. For the most part, sales activity is centered around internal or domestic needs with international sales reported as quiet. Cheese production remains strong in Europe and continues to absorb a significant portion of available milk volumes. Whole milk powder output is getting the next share of milk with butter/skim milk powder and other milk derivatives garnering the balance, which is much lighter than desired for this time of the season. Heavy rainfall in some areas of **Eastern Europe** and subsequent flooding, especially in Poland, may be impacting dairy production, but no official accounting of these conditions are known at this time. The Oceania milk production season has basically ended. In **New Zealand**, the drought, especially on the North Island earlier in the fall, quickly diminished late season milk output. Farmers reduced their daily milkings to once a day much earlier than usually is the case. Herds were also completely dried off earlier than usual. With this situation occurring, early season projections of a 2 – 3% production increase over the previous season were quickly adjusted lower. With just a few days left of the 2009 – 2010 fiscal year season (June – May) milk handlers are now projecting that the current season's volumes will be very close to last year. In the past week to 10 days, considerable rainfall has occurred in the parched regions of New Zealand and, for the most part, milk handlers and manufacturers state that the drought is over. Water tables are once again being replenished and the outlook for the upcoming winter season is good. For a significant portion of milk producers in New Zealand, an earlier than usual announcement of a positive opening farm gate milk price for the upcoming season has been reported. This will add a degree of confidence for producers for the upcoming year. In **Australia**, the milk production season still has another month to go before the official end to their season (July – June). At this point, late season milk volumes continue to run heavier than last year comparables. An early estimate of milk output in April is that milk volumes will be 2 1/2% above April 2009. As late season milk volumes are positive over last season, cumulative 2009 – 2010 milk production estimates are being pegged at 4% behind last year versus the 6 – 7% decline projection earlier in the season. Although milk volumes at this time of the season are low, positive gains against last season are what dairy producers and handlers were hoping for. It has been a number of years since the conclusion of the season has been positive. A positive end to a season typically enhances herd health and

conditioning for the upcoming season. Current market conditions are mixed. Traders and handlers report that there is no real direction to current markets at this time, although a weaker undertone appears to be developing. Financial unsettledness in many parts of the world is one factor leading to market uncertainty. Oceania traders and handlers will be closely monitoring what potential impact the release of intervention stocks of butter and skim milk powder in Europe might have on prices. Most feel that butter stocks are minimal enough that no significant impact will be realized, but are curious about the 200,000 plus metric tons of skim milk powder. The next round of the global/Dairy Trading event will be held early next week. Traders and handlers are projecting that the trends of the most recent event will continue.

COLDSTORAGE (NASS): On April 30, 2010, U.S. cold storage holdings of butter totaled 207.6 million pounds, 6% more than March, but 14% less than last year. April Natural American cheese holdings total 614.0 million pounds, 2% more than a month ago, and 6% more than a year ago. Total cheese stocks were 1.011 billion pounds, 2% more than last month, and 8% more than April 2009.

CONSUMER PRICE INDEX (BLS): The April CPI for all food is 219.2, up 0.5% from April 2009. The dairy products index is 197.3, up 0.1% from a year ago. The following are the April to April changes for selected products: fresh whole milk is +2.6%; cheese, -0.8%; and butter, +8.6%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first three months of 2010 totals 46.1 billion pounds, 1.7% above the same period in 2009. Comparing disappearance levels with year earlier levels: butter is +2.0%; American cheese, -3.2%; other cheese, +5.8%; NDM, +9.8%; and fluid milk products, -0.8%.

JUNE FEDERAL MILK ORDERS COOPERATIVE CLASS I PRICES (AMS): For June 2010, the all-city average announced cooperative Class I price was \$20.48, \$2.56 higher than the Federal milk order (FMO) Class I price average for these cities. The June cooperative Class I price was \$1.47 higher than the May revised price, while the Federal order Class I price was \$1.48 higher. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.50 in Phoenix, AZ, to \$3.89 in Miami, FL. For June 2009, the all-city average announced cooperative Class I price was \$15.07, \$2.35 higher than the Federal order Class I price average for these cities.

COOPERATIVES WORKING TOGETHER (CWT): On May 27, CWT announced a new dairy herd retirement program (the tenth). Bids will be accepted starting May 28 and must be postmarked by June 25 to be considered. The maximum bid is \$3.75 per cwt. Further details are available at www.cwt.coop

CME GROUP

MONDAY, MAY 24, 2010

CHEESE — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4900
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.2900; 2 CARS GRADE A @ \$1.3000
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5650

TUESDAY, MAY 25, 2010

CHEESE — SALES: 2 CARS BARRELS @ \$1.4600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4600; 1 CAR 40# BLOCKS @ \$1.5000
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5250; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5375

WEDNESDAY, MAY 26, 2010

CHEESE — SALES: 1 CAR BARRELS @ \$1.4600; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4700; 1 CAR 40# BLOCKS @ \$1.4950
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.2900
 BUTTER — SALES: 1 CAR GRADE AA @ \$1.5500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: NONE

THURSDAY, MAY 27, 2010

CHEESE — SALES: 1 CAR BARRELS @ \$1.4600; 3 CARS 40# BLOCKS: 1 @ \$1.4900, 2 @ \$1.4875; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4900
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.2900
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5525; LAST OFFER UNCOVERED: NONE

FRIDAY, MAY 28, 2010

CHEESE — SALES: 10 CARS BARRELS: 3 @ \$1.4600, 3 @ \$1.4575, 1 @ \$1.4525, 1 @ \$1.4500, 1 @ \$1.4450, 1 @ \$1.4400; 5 CARS 40# BLOCKS: 4 @ \$1.4875, 1 @ \$1.4750; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 10 CARS BARRELS @ \$1.4300; 10 CARS 40# BLOCKS @ \$1.4650
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.2900
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5575; LAST OFFER UNCOVERED: NONE

CME GROUP CASH NONFAT DRY MILK: Extra Grade closed the week at \$1.2900 and Grade A at \$1.3000. The last price change for Extra Grade was on 05/21/10 and Grade A was on 5/20/10. The weekly average for Extra Grade is \$1.2900 (-.0080) and Grade A is \$1.3200 (-.0210).

BUTTER MARKETS

NORTHEAST

Butter prices on the CME Group have declined \$.0775 in the last 7 sessions, closing Tuesday at \$1.5375. Butter production has declined as Class II production is pulling cream away from churns. Export demand has weakened as the dollar has strengthened, compared to other currencies. Demand for cream is good as ice cream plants ready for increased production schedules after the Memorial Day holiday. Cream cheese production has remained fairly active for this time of year. Cream supplies are tight and multiples are increasing, ranging mostly from 136-141 with some instances above and below the range. The latest NASS Cold Storage report released Friday; shows butter in storage in all warehouses on April 30 totals 207.6 million pounds, 11.7 million pounds (6%) more than the prior month stocks, but 14% less than April 2009 stocks. Prices for bulk butter range 6-8 cents over the market, based on the CME Group with various time frames and averages used.

CENTRAL

The CME butter price declined 3 1/2 cents over the past five trading sessions, but recovered 1 1/4 cents at midweek to settle at \$1.5500. On Tuesday, the cash price dipped to \$1.5375 which was the lowest cash price since early April. The current cash price of \$1.5500 compares to \$1.2650 last year at this time and \$1.4900 in 2008. For most butter producers, butter stocks are lighter than desired for this time of the season. Butter producers anticipate that cream supplies will tighten and become more competitive following the Memorial Day holiday weekend when ice cream production will presumably gain momentum. Some increased Class II cream demand occurred late last week as temperatures hit or neared record highs in the Midwest, thus ice cream orders were heavier. This week, cream demand for ice cream and mix production eased as plants prepare for some down time over the upcoming holiday weekend, but will resume more active production schedules next week. Butter producers are looking forward to taking advantage of available cream offerings during the holiday period as they know that offerings will tighten once June arrives. Standardized cream offerings are declining as school milk needs decrease and schools close for the summer. In most instances, butter inventories are lighter than desired for this time of the season. Butter producers continue to generate as much butter as they can for current and future needs. Many still comment on how high the cash price is in relationship to

inventorying surplus butter stocks, but remain confident that they are making the right move at this time. Butter demand has slowed this week as holiday retail and food service orders are in place for the Memorial Day holiday weekend and the unofficial opening of the summer vacation season. Current 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 reversed three days of lower trades. The market had moved lower on offers for the previous three sessions. Butter closed up on Wednesday \$.0125 to \$1.5500 on light trading of one sale and two unfilled bids. Butter pricing was unsettled over the last week. News of possible intervention butter stocks being tendered from the European Union have international buyers and sellers rethinking supply and demand strategies. (See graphs on pages 10 and G2) Production remains steady although domestic inventories are slow to build. Cream supplies are tight as ice cream production ramps up for the summer. Export sales have slowed as the dollar gains strength against the Euro. Current supplies are adequate to fulfill contracted needs with excess supplies being held for later use. According to the NASS Cold Storage report, stocks of butter as of April 30, 2010, total 207.6 million pounds, -14% or 32.5 million pounds less than April last year. Stocks were 6% higher or 11.7 million pounds more than March 2010. The Commercial Disappearance for selected Dairy Products for January-March 2010 for butter stood at 384.7 million pounds, up 2% from the same period last year on a daily average basis as reported by the Economic Research Service. According to the CME Group, weekly butter stocks in CME approved warehouses decreased 4.1 million pounds last week to stand at 61 million pounds. This total compares to 92.6 million pounds in 2009 and 130.2 million pounds in the comparable week in 2008. Stocks in storage for this week at the CME Group have been above this level since 1998. Over the last 5 weeks, stocks have increased only 3.3 million pounds. The 10 week period saw an increase of only 1.6 million pounds this year. This is the smallest increase during this time period in the last 10 years. Prices for bulk butter range from flat to 3.5 cents under the market, based on the CME with various time frames and averages used.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

<u>WEEK ENDING</u>	<u>CHEESE 40# BLOCKS</u>	<u>CHEESE BARRELS</u> <u>38% MOISTURE</u>	<u>NDM</u>	<u>BUTTER</u>	<u>DRY WHEY</u>
MAY 22	1.3988	1.4155	1.2722	1.5837	0.3646
	11,954,234	11,322,101	11,793,936	4,616,874	13,273,699

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 recorded a price decline, the first in 13 trading sessions, on Tuesday. Barrels declined \$.0175, closing at \$1.4600 and blocks closed unchanged at \$1.500. The weekly average prices continued their upward trend, resulting in higher wholesale cheese prices. Cheese production continues at increased levels, as mozzarella production remains very active following national features. Cream cheese production also remains fairly active for this time of year with good sales activity to food service, hotels and restaurants. Cheddar production for aging programs remains steady. Cooperatives Working Together announced Friday, May 21 the acceptance of two bids for 239,000 pounds of cheese for their Export Assistance program. The cheddar and Monterey Jack cheese, destined for the Middle East and Asia are scheduled for delivery in June and July. The latest NASS Cold Storage report shows stocks of natural cheese in cold storage as of April 30, 2010 total 1.0 billion pounds, 2% above one month ago and 8% higher than one year ago. A majority of the holdings are in the form of American cheese (60.7%) totaling 614.0 million pounds, 2% more than one month ago and 6% higher than one year ago. The next highest natural cheese holdings in cold storage are in the form of Other Natural Cheese, (36.7%) totaling 371.4 million pounds, 2% more than one month ago, and 10% higher than one year ago. Swiss cheese accounts for 2.6% of holdings at 26.2 million pounds, 3% less than one month ago, but 15% more than one year ago.

Cheddar Barrels on Wednesday at the CME Group closed unchanged at \$1.4600. 40 Pound Blocks were \$.0050 lower to close at \$1.4950. Sales for the week are light with only three Barrels being sold and no Blocks. Cheese price at the CME Group have stalled after last week's advances pushed Blocks to \$1.5000. Milk supplies have increased as the spring flush arrives in the Northwest and manufacturers are running cheese plants on busy schedules to handle extra deliveries. Further south, the flush is ending and milk supplies are near year ago levels. Contract demand continues to handle most production increases and cheese inventories are not described as burdensome. Processing demand remains good, as does demand for cut and wrap into retail accounts. The strength of the U.S. dollar has slowed export interest, but assistance from the CWT program is continuing to clear some supplies. According to NASS, Cold Storage stocks of cheese (total) at the end of April 2010 are 1,011.7 million pounds, up 8% or 72.7 million pounds from last year. American stocks were up 6%, and Other Natural stocks were up 10% higher than last year. Swiss stocks at the end of April total 26.3 million pounds, up 15% or 3.4 million pounds more than April 2009. USDA's Economic Research Service reports that *Commercial Disappearance* of American Cheese for January-March 2010 stood at 1,018.9 million pounds, 3.2% less or down 34 million pounds from the same period last year on a daily average basis. Disappearance of Other Cheese for January-March 2010 was 1,516.3 million pounds, 5.8% higher or 82.9 million pounds more than the same period last year. Overall cheese disappearance for the period was up 2% or 48.9 million pounds.

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

Cheddar 40# Block	:	1.8075-2.0825
Process 5# Sliced	:	1.5400-1.8500
Muenster	:	1.8275-2.0250
Grade A Swiss Cuts 10 - 14#	:	2.9675-3.2900

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

Process 5# Loaf	:	1.5725-1.8300
Cheddar 40# Block	:	1.6125-1.9650
Cheddar 10# Cuts	:	1.7925-2.0125
Monterey Jack 10#	:	1.8025-1.9625
Grade A Swiss Cuts 6 - 9#	:	2.5150-2.9450

MIDWEST

The CME Group cash cheese market is steady at best. Many traders are surprised at the current CME Group block price reaching and holding for a few sessions at \$1.50. Spot interest has slowed. Supplies of regular cheese varieties, particularly cheddar, are readily available, at least off the market. For specialty varieties, lead times are still needed. Some buyers have backed off on American type purchases as sales are not clearing product to consumers. Overtime is generally limited for both processors and packagers. A retail promotional effort by a large branded company to regain market share is cutting into private label movement. Cheese manufacturing plants are operating on longer late May schedules in the upper Midwest due to the milk supply. Milk is also flowing in from other states. Hot temperatures (90+) starting in the past weekend and into midweek in parts of the upper Midwest may not have reduced peak milk volumes but early reports indicate components seem to be lower, reducing manufactured product yields. Also, with schools out for the Memorial Day weekend, extra fluid loads are available from fluid accounts.

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

Process American 5# Loaf	:	1.8000-1.9900
Brick And/Or Muenster 5#	:	1.9900-1.9925
Cheddar 40# Block	:	1.8300-2.5650
Monterey Jack 10#	:	1.9200-2.5650
Blue 5#	:	2.3300-2.7100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8250-2.6650

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

	BUTTER	:	CHEESE
05/24/10	9,603	:	126,026
05/01/10	10,944	:	131,509
CHANGE	-1,341	:	-5,483
% CHANGE	-12	:	-4

FOREIGN

The CME Group block cheese prices closed Friday at \$1.5000, advancing \$.0375 for the week. Monday and Tuesday saw very little activity and prices remained unchanged. The weekly average price for blocks continued to increase, raising the prices for all domestic varieties of foreign type cheese, except for Swiss Cuts. The strength of the dollar is providing imported cheeses a price advantage.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.3900	: 1.9475-3.4350*
Gorgonzola	: 3.6900-6.6900	: 2.4500-2.7100*
Parmesan (Italy)	: -0-	: 3.3550-3.5575*
Provolone (Italy)	: 3.4400-5.9900	: 1.9900-2.1475*
Romano (Cows Milk)	: -0-	: 3.1375-5.2800*
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-	: 3.0600-3.3825
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

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	287	0	258	0	172
SOUTHEAST STATE	0	0	0	0	0	0

Northeast milk production continues to increase and the Mid Atlantic region remains at peak levels. The first spell of hot weather with highs in the upper 80's and low 90's, has yet to affect milk production in these areas. Manufacturing milk supplies continue to be heavy. Drying schedules are slightly reduced, for some plants, as more condensed skim is moving through Class II contracts with a few out of region Class III sales being noted. Most dryers continue with the production of low heat nonfat dry milk in order to better clear milk supplies. High heat nonfat dry milk production occurs when milk volumes allow or by necessity due to contract commitments. Milk production in the Southeast and Florida is steady. Already sluggish Class I sales have declined going into the holiday weekend, adding additional volumes to manufacturing supplies. Florida exported 287 loads out of state and may need to add to that total over the coming weekend. Manufacturing plants and auxiliary cheese plants are being utilized to their capacities in the Southeast. Unloading delays are occurring at some plants and hot weather has caused temperature issues/rejections with some loads. Cream supplies are tight with good demand from ice cream plants as they increase production or prepare to increase production after the Memorial Day holiday. Cream cheese and other Class II production schedules remain fairly active increasing the demand for cream. Cream multiples are mostly in a range of 135-141 with a few sales above and below the range.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.1377-2.2327
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.0269-2.1536

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:		
NORTHEAST - CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.20 - 1.30
NORTHEAST - CLASS III - SPOT PRICES	-	1.00 - 1.05

M I D W E S T

Class I demand was generally steady at best though a few retail features were stimulating some longer runs for a couple bottlers. For most handlers, extra volumes were pushed back from bottlers this week rather than added. Class II (besides ice cream) production was heavier as orders were good for dips, sour cream, and even occasionally for cottage cheese for the upcoming holiday weekend events along with graduations and/or weddings. Ice cream, mix and novelty production remains good though many are taking an extra day off over the holiday weekend. Competition is strong for available cream supplies. Churning is generally lighter though many churns are forecasted to be active over the holiday weekend. Cream prices are sharply higher and if availability is not an issue, finding a truck to haul milk and/or cream is, and reports indicate higher trucking rates are also being charged. School demand is also starting to ratchet down in some areas with more declines occurring over the next few weeks. Manufacturing plants are operating on extended schedules and expect to remain so until after the holiday. As usual with Memorial Day weekend, plants are full and surplus milk is being discounted to find a manufacturing home. Early numbers of discounts from around -\$1.00 to around -\$3.00 below class have been received. The bigger problem is finding unused plant capacity and trucks. Hot, muggy weather with highs in the 90s did little, if anything, to slow down milk intakes thus far in northern and several lower tier

states. However, an early report noted components had dropped after the heat started. Milk volumes are higher seasonally and above year ago levels in many Central to Upper Midwest states.

W E S T

April 2010 POOL RECEIPTS of milk in CALIFORNIA total 3.15 billion pounds, 0.6% lower than last year. Cumulative January-April 2010 receipts are 1.8% lower than the same months in 2009. The April blend price, at a fat test of 3.59%, is \$13.25, 13 cents higher than March and \$2.83 more than April 2009. The percentage of receipts used in Class I products 15.75%. The April quota price is \$14.33 and the over quota price is \$12.63. These prices are 22 cents higher than March and \$2.76 higher than a year earlier. CALIFORNIA milk production is overall steady. Milk intakes are often trending lower in the south. In the Central Valley, milk is steady with recent weeks. Milk is steady to higher in the more northern milk producing areas. Some wet conditions have developed, but have not impacted milk cows. No problems are being foreseen handling the milk supplies over the upcoming holiday weekend. There is plant capacity available to handle any milk volumes needing to be balanced. Bottled milk demand has slowed as more colleges and schools recess for the summer and because of uneven retail demand. ARIZONA milk production remains steady with weather conditions not stressing milk cows. Temperatures have been moderate and cool at nights. Class I needs are lower with most school terms done. Retail interest is light to fair. More milk is moving to processing plants, although no issues are expected in balancing the milk over the holiday weekend. NEW MEXICO milk output trended slightly higher over the past week after several weeks of holding steady. The uptick is helped by decent weather in the state, the addition of some new heifers, and new hay being fed. Milk utilizations are shifting as more schools close for the summer. Class I sales are down as retail accounts are not picking up what school accounts are dropping. Cheese plants are balancing more milk supplies in the interim and are expected to handle even more milk over the weekend. The added volumes are not expected to create any issues. Western CREAM prices are steady to trending higher ahead of the holiday weekend. Buying interest remains good and ice cream accounts are taking more loads. Butter makers are taking any extra cream loads they can get. Cream is being brought into the region to supplement local needs and to take advantage of some pricing issues. The CME butter price continues to fluctuate in a limited range and closed at \$1.5500 at midweek, down 3.25 cents from a week ago. Cream multiples are higher and range 115-133 and vary due to class usage and basing points. The PACIFIC NORTHWEST experienced more cool, wet weather this week. Rains have delayed first cutting of alfalfa and there are worries as to the quality of the crop as harvest is delayed. Farm milk production is above year ago levels and balancing plants are busy with the increased supply. Class I usage is lower due to schools letting out for the summer. Production levels on the farm are increasing as marginal cows are sold to be replaced by heifers. Cull cow prices are attractive and heifers can be put into the herd at levels not far above cull prices. Recent milk price increases have encouraged some producers to increase herd size also. UTAH and IDAHO production levels are above year ago. The increased supplies are being handled by local manufacturing capacity. Farmers are hoping for warmer temperatures combined with dry weather, to get first crop hay into storage. The crop is behind typical harvest dates. Heifer replacement sales in Utah recently were steady to weak. The top 25 head at one sale averaged \$1255. Idaho sales were reported steady with one barn reporting the top 50 average price at \$1360. This combined with higher cull cow prices has encouraged herd growth and increased production.

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: The NDM market is quiet as many buyers are limiting purchases just to immediate needs. The announcement from the EU concerning selling at least some of their skim powder inventory has caused buyers to question current price levels, especially with a strong \$U.S. compared to the Euro. Drying is active with limited, if any, high heat production as producers try to maximize dryer throughput with low heat. Drying schedules are expected to be active over the long holiday weekend as extra fluid volumes back up from other users including Class I.

EAST: Prices for nonfat dry milk have leveled off and held steady. Heavy manufacturing milk volumes are working dryers at, or near capacity. Increased sales of condensed skim have been offset by sluggish Class I sales, adding to the manufacturing supplies. Manufacturing plants are producing mostly low heat nonfat dry milk, allowing them to more quickly clear milk supplies. High heat production is limited and supplies are tight. Brokers in the East report that low heat demand is weakening and they are encountering price resistance at the \$1.35 level. Going into the holiday weekend, spot sales are light with many in the industry "sitting on the sidelines" waiting for a clearer picture of the export trade and what possible impact that will have on the domestic supply. High heat demand is good, but available supplies are difficult to locate.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.2800 - 1.3700 MOSTLY: 1.3000 - 1.3700
 HIGH HEAT: 1.3700 - 1.4700

NONFAT DRY MILK - WEST

Prices for Western low/medium heat nonfat are mostly steady to lower on the top end of the range. The market tone is trending more towards the steady mark. Demand is slowing as buyers are taking a more cautious look at the current market conditions with many having enough product coverage for nearby needs. The world situation is presenting some challenges to U.S. powders. The tendering of EU intervention skim milk powder stocks is being assessed as to what effects that will have on demand. The stronger U.S. Dollar is making domestic powder more expensive on the world market. Export buying interest has slowed for new business. Past orders continue to be shipped. Production levels are steady to higher as more milk is moving to be balanced over the holiday weekend. No issues are expected in handling the milk supplies. Western high heat prices narrowed slightly in the reported range in a light market test. Buying interest is light for the limited offerings. Production is light to moderate for needs with producers often wanting to make more high heat for upcoming needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.2100 - 1.3600 MOSTLY: 1.2600 - 1.3200
 HIGH HEAT: 1.2700 - 1.3800

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: The buttermilk market is at least steady. Most buyers are having difficulty finding buttermilk powder to purchase so prices are nominal. Most producers are doing limited buttermilk drying as NDM production takes priority in dryers and condensed buttermilk sales remain solid. Churning is also lighter seasonally though churns are likely to be more active over the holiday weekend as manufacturing plants try to handle the extra fluid volumes available. EAST: Dry buttermilk prices held steady with very tight supplies. Class II demand continues to pull cream away from churns, lessening dry buttermilk production. Production is also limited due to sales of condensed buttermilk to ice cream concerns. Most supplies are moving through contracts with very little available for the spot market. Users seeking additional supplies have to consider or opt for product alternatives, due to the tight supply.

F.O.B. CENTRAL/EAST: 1.2200 - 1.3175

DRY BUTTERMILK - WEST

The Western dry buttermilk market is mostly steady and lightly tested. Producer offerings are limited and delays in shipping product are common. Many producers have become oversold as drying schedules become lighter than projections. Limited offerings from the resale channels are available. Demand is fair to good for current conditions. Ice cream producers are attempting to pull more buttermilk, if and when possible. Overall, stocks are light.

F.O.B. WEST: 1.2000 - 1.3200 MOSTLY: 1.2100 - 1.2700

DRY WHOLE MILK - NATIONAL

The whole milk market is quiet and prices unchanged. Most dryers are prioritized toward NDM as plants try to process as much milk as possible with NDM favored over whole milk. Interest is quiet.

F.O.B. PRODUCING PLANT: 1.5100 - 1.6300

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
May 21	\$1.2350	6,320,323	0
May 14	\$1.0702	25,511,322	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.

WHEY, WPC 34%, LACTOSE & CASEIN

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.

DRY WHEY - CENTRAL

The market for Central dry whey was steady for the week ending in the Memorial Day Holiday. Production is at capacity in many plants as milk volumes in the upper Midwest begin to reach increased levels. Plants are operating at near peak levels and are attempting to handle available supplies. Some instances are calling for sales to other processing facilities to handle volumes. Holiday staffing for the weekend has added to these difficulties. Producers report good demand for available supplies of spot offerings. Some processors are reporting inventories of dry product are moving as fast as they are certified. Export demand to Mexico is good with Asian destinations also showing good interest. Some questions remain as to the status of imports into China as trade negotiations continue for sales there. Negotiations for third quarter contracts are ongoing. Plant maintenance issues were described as the reason for some discount spot sales over the week. Contract deliveries are being made on schedule in most cases. The range for the ANIMAL FEED DRY WHEY price series was steady to weak with some discount product being offered that lowered the range slightly. Overall prices remained mostly steady. Buyers were shopping for prices from brokers in some cases, as most felt inventories were sufficient and prices could moderate. Feed manufacturers were in position to wait and see if discounts were available.

F.O.B. CENTRAL: .3100 - .3700 MOSTLY: .3250 - .3650
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2425 - .3250

DRY WHEY - NORTHEAST

Prices for dry whey moved marginally lower on the upper end of the range. Dry whey production remains steady, following steady cheese production. Domestic demand remains good with increased volumes of product being pulled through contracts. Export demand has eased as traders await a resolution with China over trade issues and also due to a stronger dollar. Supplies continue to be fairly tight in the Northeast with only limited amount of product available for the spot market. Spot market activity is light as traders and users are unwilling to increase inventories at this time.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3550 - .3900

DRY WHEY - WEST

Western dry whey prices showed little movement for the week ahead of the holiday weekend. The market was described by most producers to be holding steady for the week. Production schedules are expected to be heavy over the Memorial Day weekend as extra Class I supplies are diverted to manufacturing and balancing plants. Contract fulfillment for both domestic and export markets is being handled in an orderly and timely fashion. Demand for dry whey is moderate to good with spot offers of product hard to come by in some cases. Negotiations for third quarter contracts are ongoing and both buyers and sellers are taking a look at supplies.

NONHYGROSCOPIC: .3450 - .4275 MOSTLY: .3775 - .4150

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices for the week preceding the Memorial Day weekend were mostly steady to higher in some instances. WPC 34% saw some increased interest as some higher protein level concentrates were in tight supply and had price levels pushing higher. High protein level users were showing some interest in WPC 34% in cases where substitution was an option. Most supplies were accounted for by contract obligations with spot offerings at a slight premium in some instances. Inventories were in balance for most needs. As schools begin to let out for summer break, some extra milk is becoming available for manufacturing. This is adding to whey protein streams in some areas.

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST
F.O.B. EXTRA GRADE 34% PROTEIN: .8900 - .9950 MOSTLY: .9100 - .9600

LACTOSE - CENTRAL AND WEST

Lactose trading was quiet before the Memorial Day weekend. Prices were mostly steady. Domestic demand was termed fair to good in some instances with light activity in the spot markets. Contract obligations were filled in a timely manner. Producers and buyers were taking a wait and see approach as to market direction. China's policy on U.S. imports has yet to be cleared up sufficiently to invite extra activity. Resolution of the issue after the holiday weekend will determine available supplies for domestic markets. Quarterly contracts are still in the negotiation stage in most cases. Quality and mesh size are determining price levels over the range.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .2200-.4000 MOSTLY: .3000-3600

CASEIN - NATIONAL

Casein markets and prices are firm. In the past few weeks, more domestic buyers are hearing of discussions occurring on the possibility of a landscape change in casein output. Milk volumes are becoming more competitive in many casein sourcing regions of the world and a re-direction of available milk volumes might soon be occurring. Casein suppliers are stating to domestic buyers that their contractual needs will continue to be filled, but that spot availability might be a thing of the past. Some suppliers may be tightening their production schedules to basically be limited to contractual commitments and nothing more. At this point, most suppliers are keeping pace with their commitments, although the Oceania production season is concluded with stocks lighter than desired and the European production is underway, but a view of their supply situation is still unclear.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.6000 - 4.2000
ACID: 3.6000 - 4.1500

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 24 - 28, 2010			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/09	SAME PERIOD LAST YEAR	WEEK ENDING 05/21/10	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	239,809,256	-0-	-0-
TOTAL	-0-	-0-	-0-	132,276	239,809,256	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MAY 24 - 28, 2010 =	0.0	0.0	COMPARABLE PERIOD IN 2009 =	0.3	16.1
CUMULATIVE SINCE OCTOBER 1, 2009 =	0.0	1.5	CUMULATIVE SAME PERIOD LAST YEAR =	153.9	2,791.9
CUMULATIVE JAN. 1 - MAY 28, 2010 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2009 =	128.7	1,458.4

* 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 MAY 24 - 28, 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	239,809,256	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	4,639,010	-0-	-0-	132,276	239,809,256	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 05/08/10 & 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	6.7	2.5	19.0	3.3	0.2	N.A.	14.8	3.4	51.9	1,041.2	41.6	44.9
2009-Dairy	N.A.	0.5	6.9	2.8	15.7	3.8	0.2	N.A.	15.0	4.0	50.5	1,073.8	44.6	48.3
2010-All cows	N.A.	0.7	8.4	13.7	33.9	22.9	14.5	N.A.	19.8	7.0	124.7	2,317.0		
2009-All cows	N.A.	0.7	8.8	13.1	29.6	18.2	13.8	N.A.	17.9	7.3	113.3	2,221.6		

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
MAY 15	323	5,582	

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	15.28						
II	15.22	15.65	14.46	13.78								
III	14.50	14.28	12.78	12.92								
IV	13.85	12.90	12.92	13.73								

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

INTERNATIONAL DAIRY MARKET NEWS

Information gathered MAY 17 - 28, 2010

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN OVERVIEW: Milk production in Western Europe continues to increase with some areas being reported as at peak levels. The European milk production season got off to a slower start than usual due to a winter season that was colder and wetter which extended further into early spring. Milk production development at that time was very slow to increase, although for the most part, has now caught up and is basically on track with previous years at this time. Although milk volumes are in line with projections, milk handlers state that they are more accustomed to a gradual build up versus the rapid increase this season. The major topic of discussion with European markets, and internationally for that matter, is the release of butter and skim milk powder intervention stocks under a tendering system effective June 1. Sales of these volumes are above and beyond already committed volumes for the Deprived Persons Feeding program which will be clearing around 51,000 MT of butter and 65,000 MT of skim milk powder during the period of May – September. The first round of tenders is due by June 1 with the results probably known later in the week after the Dairy Management Committee meeting on June 3. Initially, skim milk powder entered into storage before May 1, 2009 (around 120,000 MT) and butter entered into storage before October 1, 2009 (over 80,000 MT) are eligible. This leaves about half of the available skim milk powder and 30,000 MT of butter for tendering (less the Deprived Persons Feeding Program commitments). The volume of butter is considerably lighter than the skim milk powder possibilities, thus butter producers and handlers are feeling that butter releases from intervention will be more positive than negative. European butterfat volumes are limited, butter stocks are tight, and intervention volumes will be welcomed into the marketplace. Opinions are mixed as to the impact skim milk powder releases will have on the market. Reports are indicating that some of the recent export milk powder tender for skim milk powder may have been cancelled. Thus these volumes committed to that tender are now available in the marketplace for other buyer interest. Along with these volumes are those stocks that were being held with confidence for firmer prices. Within the past two weeks, skim milk powder prices have eased, which now have some manufacturers and handlers questioning if they made the right move. Currency fluctuations, with many currencies declining against the U.S. dollar, are causing potential buyers to be hesitant with their purchases. For the most part, sales activity is centered around internal or domestic needs with international sales reported as quiet. Traders and handlers state that stocks of most products are available for buyer interest. Cheese production remains strong and continues to absorb a significant portion of available milk volumes. Whole milk powder output is getting the next share of milk with butter/skim milk powder and other milk derivatives garnering the balance, which is much lighter than desired for this time of the season.

BUTTER/BUTTEROIL: European butter markets and prices remain firm. Lack of butterfat continues to plague those markets that procure cream for their needs. Cheese and whole milk production continue to pull a significant portion of available milk volumes even though milk output is at or very near peak levels. Butter stocks are often lighter than desired for this time of the season. Most traders and handlers are pleased to hear that intervention stocks will be made available to them after June 1 via a tendering system. Stocks which entered intervention prior to October 2009 will be made available. These volumes total over 80,000 MT and are virtually all intervention volumes, although around 51,000 MT of the total has already been committed to the Deprived Feeding Program, thus leaving around 30,000 MT for the tendering opportunity.

82% BUTTERFAT:	4,500 - 4,800
99% BUTTERFAT:	5,000 - 5,300

EUROPEAN COMMENTS AND PRICES CONTINUED
ON PAGE 8A

OCEANIA

OCEANIA OVERVIEW: The Oceania milk production season has basically ended. In New Zealand, the drought, especially on the North Island, earlier in the fall, quickly diminished late season milk output. Farmers reduced their daily milkings to once a day much earlier than usually is the case. Herds were also completely dried off earlier than usual. With this situation occurring, early season projections of a 2 – 3% production increase over the previous season were quickly adjusted lower. With just a few days left of the 2009 – 2010 fiscal year season (June – May) milk handlers are now projecting that the current season's volumes will be very close to last year. In the past week to 10 days, considerable rainfall has occurred in the parched regions of New Zealand and for the most part, milk handlers and manufacturers state that the drought is over. Water tables are once again being replenished and the outlook for the upcoming winter season is good. For a significant portion of milk producers in New Zealand, an earlier than usual announcement of a positive opening farm gate milk price for the upcoming season has been reported. This will add a degree of confidence for producers for the upcoming year. In Australia, the milk production season still has another month to go before the official end to their season (July – June). At this point, late season milk volumes continue to run heavier than last year comparables. An early estimate of milk output in April is that milk volumes will be 2 1/2% above April 2009. As late season milk volumes are positive over last season, cumulative 2009 – 2010 milk production estimates are being pegged at 4% behind last year versus the 6 – 7% decline projection earlier in the season. Although milk volumes at this time of the season are low, positive gains against last season are what dairy producers and handlers were hoping for. It has been a number of years since the conclusion of the season has been positive. A positive end to a season typically enhances herd health and conditioning for the upcoming season. Current market conditions are mixed. Traders and handlers report that there is no real direction to current markets at this time, although a weaker undertone appears to be developing. Financial unsettledness in many parts of the world is one factor leading to market uncertainty. Oceania traders and handlers will be closely monitoring what potential impact the release of intervention stocks of butter and skim milk powder in Europe might have on prices. Most feel that butter stocks are minimal enough that no significant impact will be realized, but are curious about the 200,000 plus metric tons of skim milk powder. The next round of the global/Dairy Trading event will be held early next week. Traders and handlers are projecting that the trends of the most recent event will continue.

BUTTER: Oceania butter markets and prices remain firm. The milk production season in Oceania has basically concluded for the year. Butterfat has been tight for much of the season and this trend continues into the winter months. Stocks of butter are limited, although handlers and traders indicate that commitments will be filled with cooperation from both suppliers and buyers.

82% BUTTERFAT:	4,000 - 4,200
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CHEDDAR CHEESE: Oceania cheese markets and prices are generally steady, although some unsettledness is being reported. Some Oceania traders and handlers are reporting that prices may have hit a high and a weaker trend might be developing. Most state that this being the off production season is not helping with market direction for the upcoming commitment season. Contract negotiations for the upcoming milk production season are underway and no real surprises are being reported at this time. Early indications are that orders are in line with previous years and interest for additional volumes is being reported.

39% MAXIMUM MOISTURE:	3,800 - 4,200
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OCEANIA COMMENTS AND PRICES CONTINUED
ON PAGE 8A

INTERNATIONAL DAIRY MARKET NEWS

Information gathered MAY 17 - 28, 2010

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WESTERN AND EASTERN EUROPE

OCEANIA

EUROPEAN COMMENTS AND PRICES CONTINUED FROM PAGE 8

OCEANIA COMMENTS AND PRICES CONTINUED FROM PAGE 8

WHOLE MILK POWDER (WMP): Whole milk powder markets and prices are weak. Milk production is at or very near peak levels and whole milk powder production is seasonally strong, although in instances, not at desired levels. This season, cheese production is garnering most available milk volumes with whole milk next in line. Traders and handlers state that stock levels are often lighter than desired for this time of the season, although volumes are available for near term needs. European traders will be closely monitoring the next round of trading at the global/Dairy Trading event early next week. Most feel that the weakening trend that occurred in May will continue.

26% BUTTERFAT: 3,450 - 3,800

SKIM MILK POWDER (SMP): European skim milk powder markets and prices are weak. The major topic of discussion at this time is the announcement by the Dairy Commission that intervention stocks of skim milk powder will be made available via a tendering system beginning June 1. Powder offered to intervention prior to May 2009 will be available. These volumes total around 120,000 MT although about half of this volume has already been committed to the Deprived Persons Feeding program. Traders and handlers have mixed opinions of how these releases might impact the market, with most stating that they will just have to wait and see.

1.25% BUTTERFAT: 2,975 - 3,200

SWEET WHEY POWDER: Whey powder markets in Europe are weak as prices trend lower. Cheese production remains strong, thus whey volumes are available. Traders and handlers report that sales activity continues to center around an internal market as prices are often too high to attract international buyer interest. Although as price decline, international interest might resume.

NONHYGROSCOPIC: 775 - 1,000

EASTERN OVERVIEW: Milk production in Eastern Europe continues to increase, but remains behind their Western European counterparts by about 4 weeks. Typically, milk volumes peak out in Eastern Europe in later June and it appears that this will probably be the case again this year, even though Eastern producers also realized a slower than usual start to their production season. Heavy rainfall in some areas of Eastern Europe and subsequent flooding, especially in Poland, may be impacting dairy production, but no official accounting of these conditions are known at this time.

SKIM MILK POWDER (SMP): Skim milk powder markets in the Oceania region are unsettled with a weaker undertone developing. Prices are unchanged to lower. Oceania stocks are minimal. Their milk production season has basically ended and orders are being filled from inventoried stocks which are often lighter than desired. Adverse late season milk production in New Zealand has contributed to a supply situation that is causing some suppliers to renegotiate delivery schedules. Suppliers indicate that most customers are receptive to altered delivery schedules. Oceania traders and handlers will be closely monitoring what impact the release of skim milk powder from European intervention stocks may have on their domestic market and potentially international prices. The Commission recently decided to open the sales of butter and skim milk powder in intervention by tendering from June 2010.

1.25% BUTTERFAT: 3,000 - 3,800

WHOLE MILK POWDER (WMP): Oceania whole milk powder markets and prices are weaker. Traders and handlers are projecting that at the upcoming global/Dairy Trading event early next week, prices will continue to trend lower. Most felt that the 25% increase at the April event was unwarranted and that subsequent May trading was lower and will continue to ease.

26% BUTTERFAT: 3,700 - 4,100

Exchange rates for selected foreign currencies: May 24, 2010

.9433 Canadian Dollar	.0213 Indian Rupee
.2563 Argentina Peso	.6713 New Zealand Dollar
.0770 Mexican Peso	.8291 Australian Dollar
.3016 Polish Zloty	.0111 Japanese Yen
	1.2380 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0770) = 12.9870$ Mexican Pesos. Source: "Wall Street Journal"

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	05/13	05/14	05/17	05/18	05/19	05/20	05/21	05/24	05/25	05/26
CME - CLASS III MILK FUTURES (Pit-Traded)										
MAY 10	13.27 (4736) 0	13.33 (4726) 0	13.37 (4691) 0	13.32 (4698) 0	13.36 (4608) 0	13.38 (4573) 0	13.39 (4568) 0	13.36 (4553) 0	13.37 (4555) 0	13.37 (4555) 0
JUN 10	13.88 (4752) 6	13.88 (4558) 5	13.75 (4613) 0	13.52 (4655) 0	13.75 (4555) 0	13.83 (4481) 0	13.88 (4510) 0	13.86 (4520) 0	13.60 (4470) 0	13.72 (4456) 0
JUL 10	14.61 (3910) 0	14.53 (3951) 5	14.31 (3998) 4	14.00 (4186) 19	14.09 (4215) 5	14.07 (4273) 1	14.10 (4248) 1	14.05 (4294) 0	13.50 (4502) 0	13.65 (4513) 0
AUG 10	15.19 (3392) 0	15.06 (3380) 5	14.91 (3402) 4	14.65 (3433) 19	14.61 (3451) 5	14.54 (3461) 1	14.56 (3509) 0	14.53 (3513) 0	14.00 (3675) 0	14.16 (3730) 0
SEP 10	15.35 (3173) 0	15.19 (3172) 8	15.05 (3197) 4	14.85 (3247) 19	14.85 (3321) 5	14.76 (3360) 1	14.85 (3383) 0	14.80 (3406) 0	14.39 (3528) 0	14.54 (3539) 0
OCT 10	15.18 (2945) 0	15.06 (2962) 6	15.04 (2978) 4	14.85 (3056) 18	14.80 (3092) 6	14.78 (3148) 1	14.85 (3162) 0	14.81 (3174) 0	14.48 (3281) 0	14.60 (3286) 0
NOV 10	15.12 (2807) 0	14.98 (2842) 6	14.90 (2875) 4	14.75 (2917) 0	14.70 (2957) 0	14.75 (2990) 1	14.81 (3019) 0	14.77 (3036) 0	14.50 (3122) 0	14.60 (3135) 0
DEC 10	15.07 (2581) 0	14.93 (2614) 9	14.85 (2638) 4	14.71 (2687) 0	14.68 (2732) 0	14.70 (2777) 1	14.75 (2807) 0	14.75 (2822) 0	14.52 (2971) 0	14.65 (3013) 0
CME - CLASS IV MILK FUTURES (Pit-Traded)										
MAY 10	15.08 (60) 0	15.08 (60) 0	15.03 (60) 0	15.03 (60) 0	15.03 (60) 0	15.03 (60) 0	15.05 (60) 0	15.33 (60) 0	15.33 (60) 0	15.33 (60) 0
JUN 10	15.65 (60) 0	15.65 (60) 0	15.61 (60) 0	15.55 (60) 0	15.65 (61) 0	15.60 (64) 0	15.65 (64) 0	15.45 (65) 0	15.45 (69) 0	15.45 (69) 0
JUL 10	15.90 (41) 0	15.90 (41) 0	15.80 (41) 0	15.70 (44) 0	15.60 (45) 0	15.50 (45) 0	15.50 (45) 0	15.45 (45) 0	15.45 (47) 0	15.45 (47) 0
CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
MAY 10	157.03 (558) 22	158.03 (551) 7	158.03 (547) 23	158.03 (547) 0	158.25 (544) 16	158.25 (540) 18	158.30 (536) 19	158.30 (536) 0	158.30 (536) 0	158.30 (536) 0
JUN 10	164.50 (678) 2	164.50 (678) 0	162.00 (678) 9	160.00 (673) 7	160.00 (680) 15	160.00 (680) 0	159.00 (688) 11	158.00 (690) 3	155.00 (693) 7	155.00 (693) 0
JUL 10	166.50 (671) 10	166.00 (679) 9	163.00 (688) 18	162.00 (690) 2	162.50 (689) 4	162.50 (707) 20	162.50 (707) 0	160.75 (716) 9	159.00 (718) 4	158.50 (722) 4
CME - NONFAT DRY MILK FUTURES (Pit-Traded)										
MAY 10	122.25 (182) 0	122.25 (182) 0	122.25 (182) 0	122.25 (182) 0	122.25 (182) 0	122.25 (182) 0	124.00 (182) 0	125.50 (182) 0	125.50 (182) 0	125.50 (182) 0
JUN 10	127.00 (195) 0	127.00 (200) 0	127.00 (200) 0	127.00 (200) 0	127.00 (200) 0	127.00 (200) 0	127.00 (200) 0	127.00 (200) 0	126.00 (196) 0	126.00 (196) 0
JUL 10	128.00 (130) 0	128.00 (130) 0	128.00 (130) 0	127.75 (138) 0	125.25 (138) 0	124.00 (149) 0	124.00 (155) 0	124.00 (155) 0	124.25 (155) 0	124.50 (157) 0
CME - WHEY (Electronic-Traded)										
MAY 10	35.50 (288) 0	35.50 (288) 0	35.50 (288) 0	35.50 (288) 0	35.00 (288) 0	35.50 (288) 0	36.00 (288) 1	36.00 (288) 0	36.00 (288) 0	36.00 (288) 0
JUN 10	34.98 (295) 0	35.00 (295) 2	35.00 (295) 0	35.00 (295) 0	35.00 (295) 0	34.00 (294) 11	34.00 (294) 12	35.00 (295) 1	33.50 (295) 1	33.50 (295) 0
JUL 10	34.23 (210) 0	34.00 (211) 2	33.50 (209) 6	33.00 (211) 4	33.00 (216) 12	33.00 (216) 0	33.00 (216) 0	33.00 (216) 0	33.00 (216) 0	33.00 (216) 0
AUG 10	34.23 (234) 0	34.20 (234) 0	33.50 (232) 6	33.00 (238) 9	33.00 (240) 10	32.50 (238) 2	32.50 (238) 0	32.50 (238) 0	32.50 (238) 0	32.50 (238) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-278-4142.

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

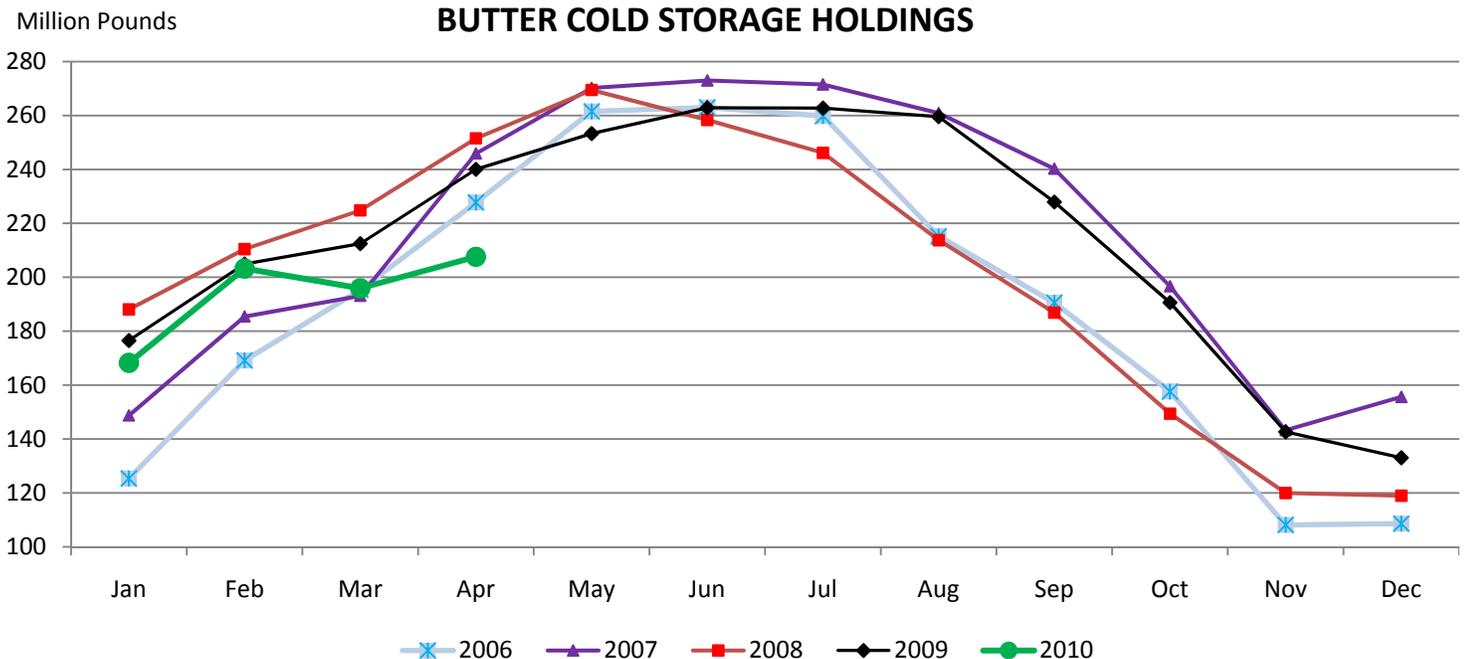
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	MAR 31, 2008	MAR 31, 2009	REVISED MAR 31, 2010	APR 30, 2008	APR 30, 2009	APR 30, 2010
Butter	224,804	212,477	195,888	251,533	240,044	207,578
Cheese, Natural American	526,001	548,568	602,067	543,068	577,391	613,976
Cheese, Swiss	24,533	23,235	26,950	24,375	22,855	26,252
Cheese, Other Natural	273,775	343,386	365,442	288,420	338,668	371,430
Total Cheese	824,309	915,189	994,459	855,863	938,914	1,011,658

U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
COMMODITY	MAR 31, 2008	MAR 31, 2009	REVISED MAR 31, 2010	APR 30, 2008	APR 30, 2009	APR 30, 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.

APRIL STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
New England	38,102	35,830	38,759	---	---	---	334	425	546
Middle Atlantic	52,286	44,770	39,310	---	---	---	14,642	13,666	18,267
East North Central	236,337	235,907	263,077	---	---	---	177,127	214,216	248,501
West North Central	85,688	102,810	99,855	---	---	---	55,945	71,392	69,840
South Atlantic	3,192	3,961	5,886	---	---	---	132	317	178
East South Central	680	2,371	1,717	---	---	---	3,004	3,084	2,398
West South Central	8,445	3,294	4,004	---	---	---	1,108	2,152	1,008
Mountain	30,374	53,002	57,875	---	---	---	7,243	4,931	7,455
Pacific	87,964	95,446	103,493	---	---	---	28,885	28,485	23,237
TOTAL	543,068	577,391	613,976	251,533	240,044	207,578	288,420	338,668	371,430

*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	300	138	203	134	97
February	203	205	598	542	195	316	152	192	47	124
March	196	212	602	549	174	361	148	190	26	171
April	208	240	614	577		375		180		195
May		253		586		403		198		205
June		263		602		201		201		NA
July		263		605		398		173		225
August		260		599		360		138		222
September		228		596		325		122		203
October		191		580		272		91		181
November		143		583		287		116		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 (5-10) and "Dairy Products," Da 2-6 (5-10), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
FEB 2010	218.8	-0.2	198.8	-2.8	189.6	-2.5	203.4	-4.7	170.2	-0.4	202.3	-2.7
MAR 2010	219.0	0.2	198.8	-0.4	189.6	3.5	203.9	-2.8	161.8	-4.0	202.8	-1.7
APR 2010	219.2	0.5	197.3	0.1	186.3	2.6	202.9	-0.8	170.0	8.6	205.2	-0.3
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009		
	Dollars											
FEB	3.203	3.319	2.838	3.033	3.943	4.049	4.608	4.922	4.388	4.349		
MAR	3.188	3.116	2.781	2.914	3.914	3.885	4.708	4.758	4.313	4.165		
APR	3.140	3.084	2.846	2.701	3.939	3.776	4.647	4.759	4.445	4.368		

^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—JANUARY-MARCH 2009-2010 AND YEAR-TO-DATE 2008-2009 ^{1/}

Item	Jan.-Mar. 2009	Percent change ^{2/}	Jan.-Mar. 2010	Percent change ^{2/}	Jan.-Dec. 2008	Percent change ^{2/}	Jan.-Dec. 2009	Percent change ^{2/}
	Million Pounds							
MILK								
Production	47,374	0.6	47,331	-0.1	189,992	4.2	189,320	-0.1
Marketings	47,124	0.6	47,096	-0.1	188,930	4.2	188,308	-0.1
Beginning Commercial Stocks ^{3/}	10,045	-3.0	11,333	12.8	10,355	29.3	10,045	-3.0
Imports ^{3/}	935	-1.5	784	-16.1	3,941	-21.1	4,057	3.2
Total Supply ^{4/}	58,104	0.6	59,213	1.9	203,226	4.4	202,410	0.0
Ending Commercial Stocks ^{3/}	12,635	4.3	13,023	3.1	10,045	5.6	11,284	12.3
Net Removals ^{3/}	122	100.0	91	-25.4	24	71.4	703	2,829.2
Commercial Disappearance ^{4/}	45,347	-1.5	46,099	1.7	193,157	4.6	190,423	-1.2
SELECTED PRODUCTS ^{5/}								
Butter	377.1	-4.1	384.7	2.0	1,710.1	18.8	1,567.6	-8.1
American Cheese	1,052.9	7.4	1,018.9	-3.2	4,064.1	2.2	4,193.4	3.4
Other Cheese	1,433.4	-3.6	1,516.3	5.8	6,080.4	1.9	6,138.9	1.2
Nonfat Dry Milk	335.6	-9.3	368.6	9.8	1,378.0	12.6	1,346.2	-2.0
Fluid Milk Products ^{6/}	14,047.3	1.8	13,933.5	-0.8	55,056.6	-0.2	55,485.9	1.1

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

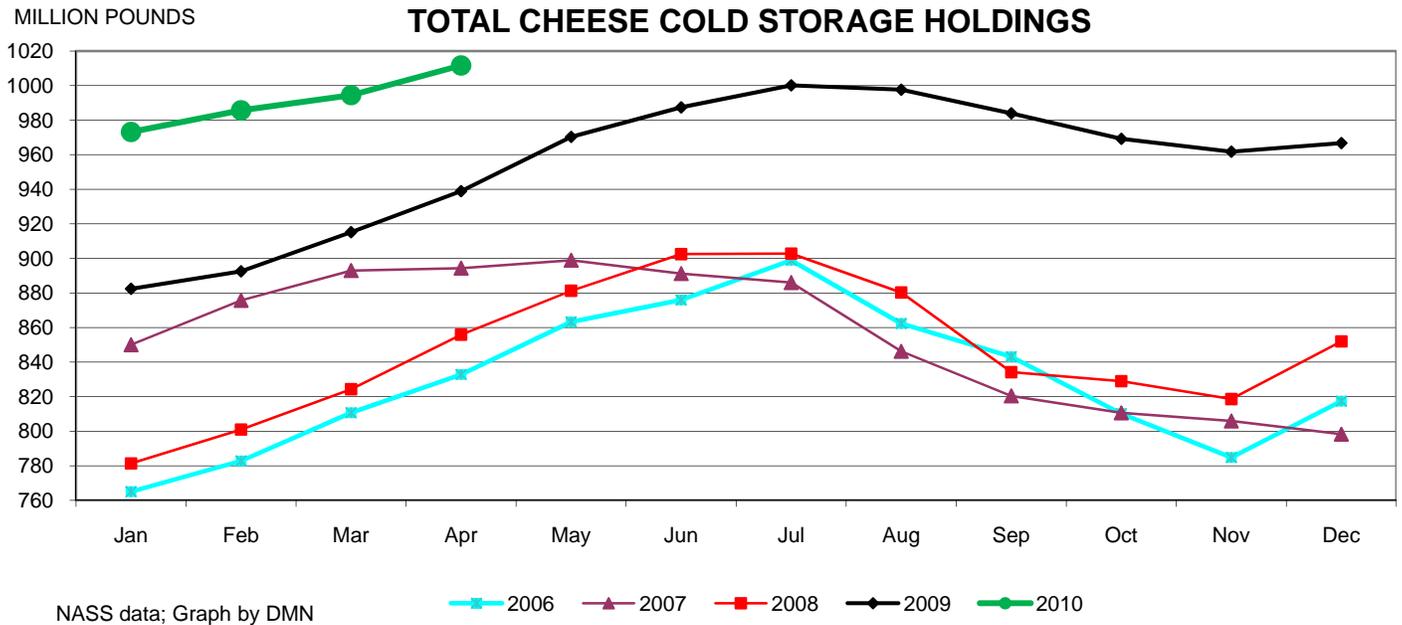
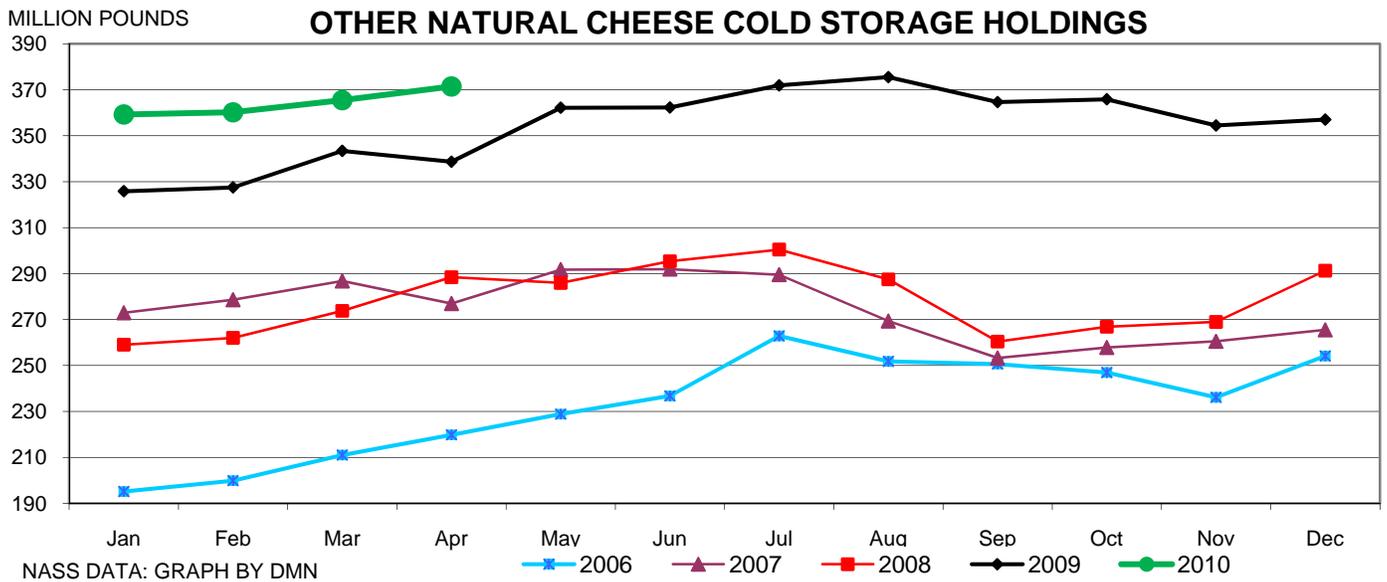
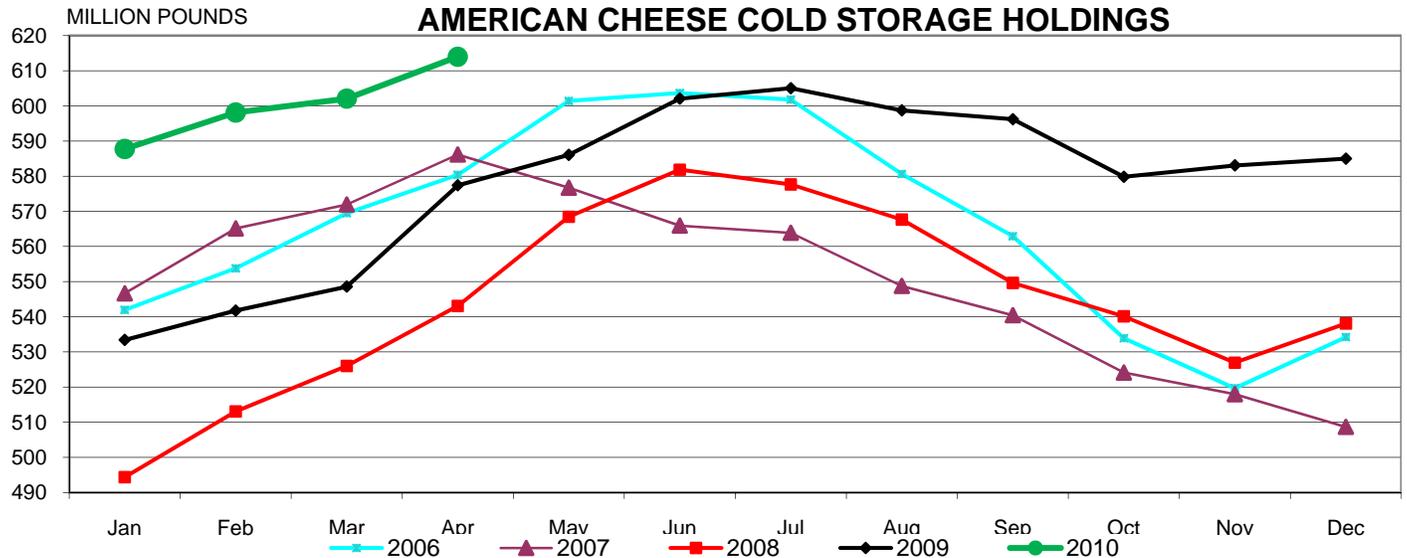
ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS, JUNE 2010, WITH COMPARISONS 1/

For June 2010, the all-city average announced cooperative Class I price was \$20.48 per cwt., \$2.56 higher than the Federal milk order (FMO) Class I price average for these cities. The June cooperative Class I price was \$1.47 higher than the May revised price, while the Federal order Class I price was \$1.48 higher. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.50 in Phoenix, AZ, to \$3.89 in Miami, FL. For June 2009, the all-city average announced cooperative Class I price was \$15.07, \$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	June 2010		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA *	22.41	19.08	3.33
Baltimore, MD	19.95	18.28	1.67
Boston, MA	20.03	18.53	1.50
Charlotte, NC	21.92	18.68	3.24
Chicago, IL	20.65	17.08	3.57
Cincinnati, OH	20.57	17.48	3.09
Cleveland, OH	20.37	17.28	3.09
Dallas, TX	20.20	18.28	1.92
Denver, CO	19.20	17.83	1.37
Des Moines, IA	19.77	17.08	2.69
Detroit, MI	20.14	17.08	3.06
Hartford, CT	19.93	18.43	1.50
Houston, TX	21.00	18.88	2.12
Indianapolis, IN	20.37	17.28	3.09
Kansas City, MO	19.46	17.28	2.18
Louisville, KY	20.62	17.58	3.04
Memphis, TN *	21.72	18.18	3.54
Miami, FL *	25.17	21.28	3.89
Milwaukee, WI	20.60	17.03	3.57
Minneapolis, MN	19.31	16.98	2.33
New Orleans, LA *	22.62	19.08	3.54
Oklahoma City, OK	19.84	17.88	1.96
Omaha, NE	19.52	17.13	2.39
Philadelphia, PA	21.71	18.33	3.38
Phoenix, AZ	18.13	17.63	0.50
Pittsburgh, PA *	21.16	17.38	3.78
St. Louis, MO	19.86	17.28	2.58
Seattle, WA	17.96	17.18	0.78
Springfield, MO	20.14	17.68	2.46
Washington, DC	19.95	18.28	1.67
Simple Average *	20.48	17.92	2.56

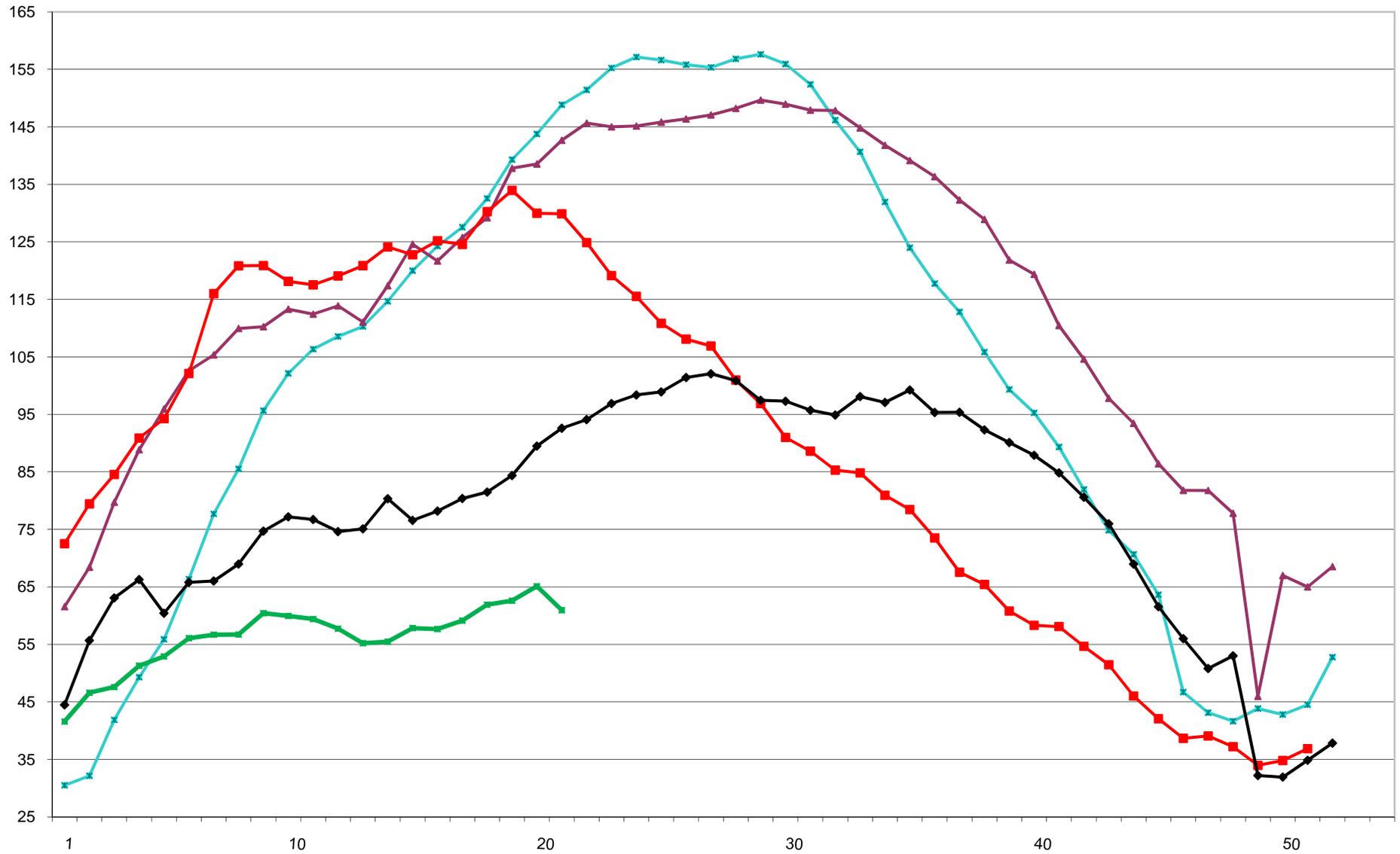
* The announced cooperative Class I prices for these cities were corrected and revised for May 2010. The simple averages were revised. See prior month information at: <http://www.ams.usda.gov/AMSV1.0/AnnouncedCooperativeClassIPrices>.

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.



Million Pounds

CME Butter Inventory by Week

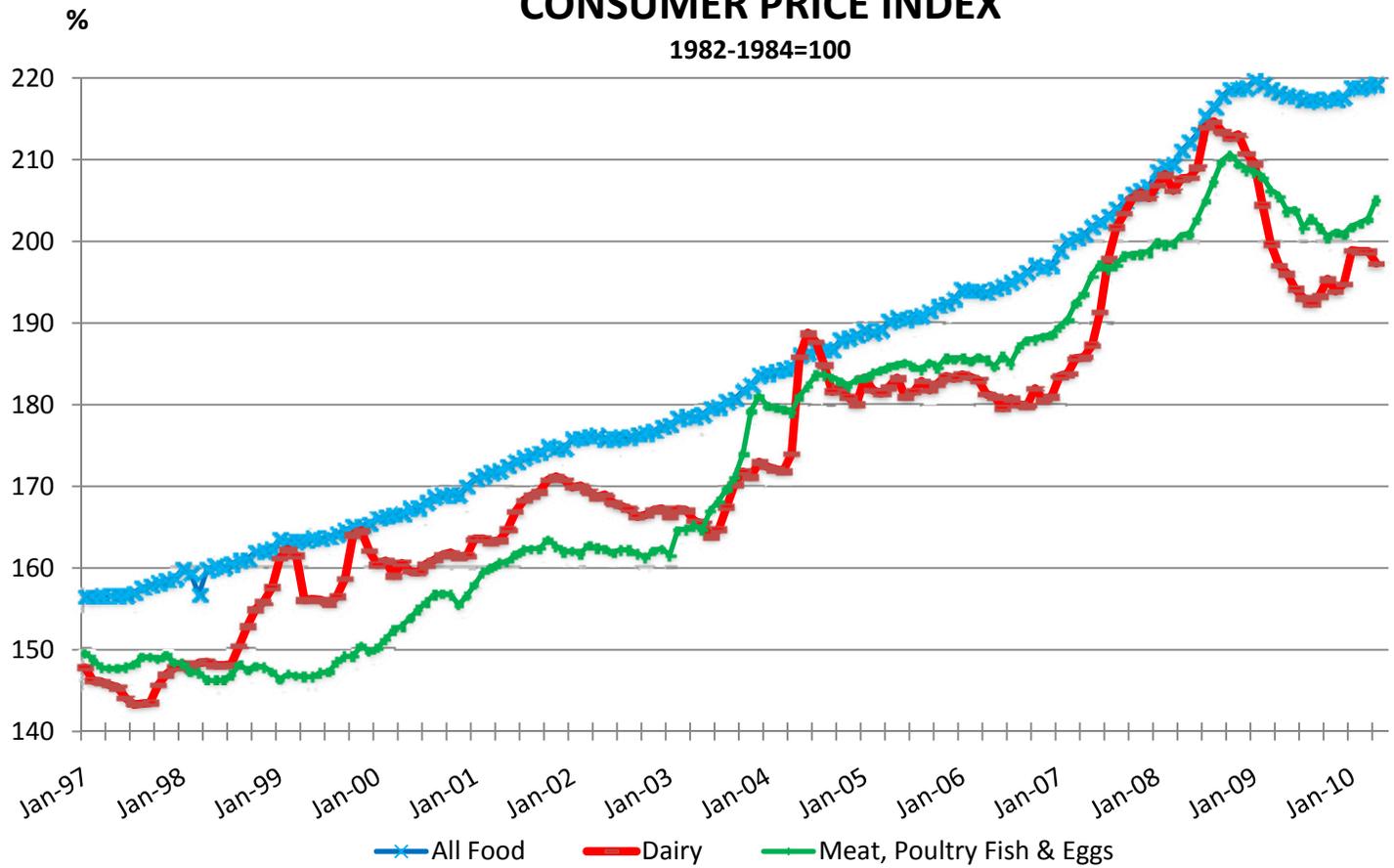


Source: CME, Graph, DMN

2006 2007 2008 2009 2010

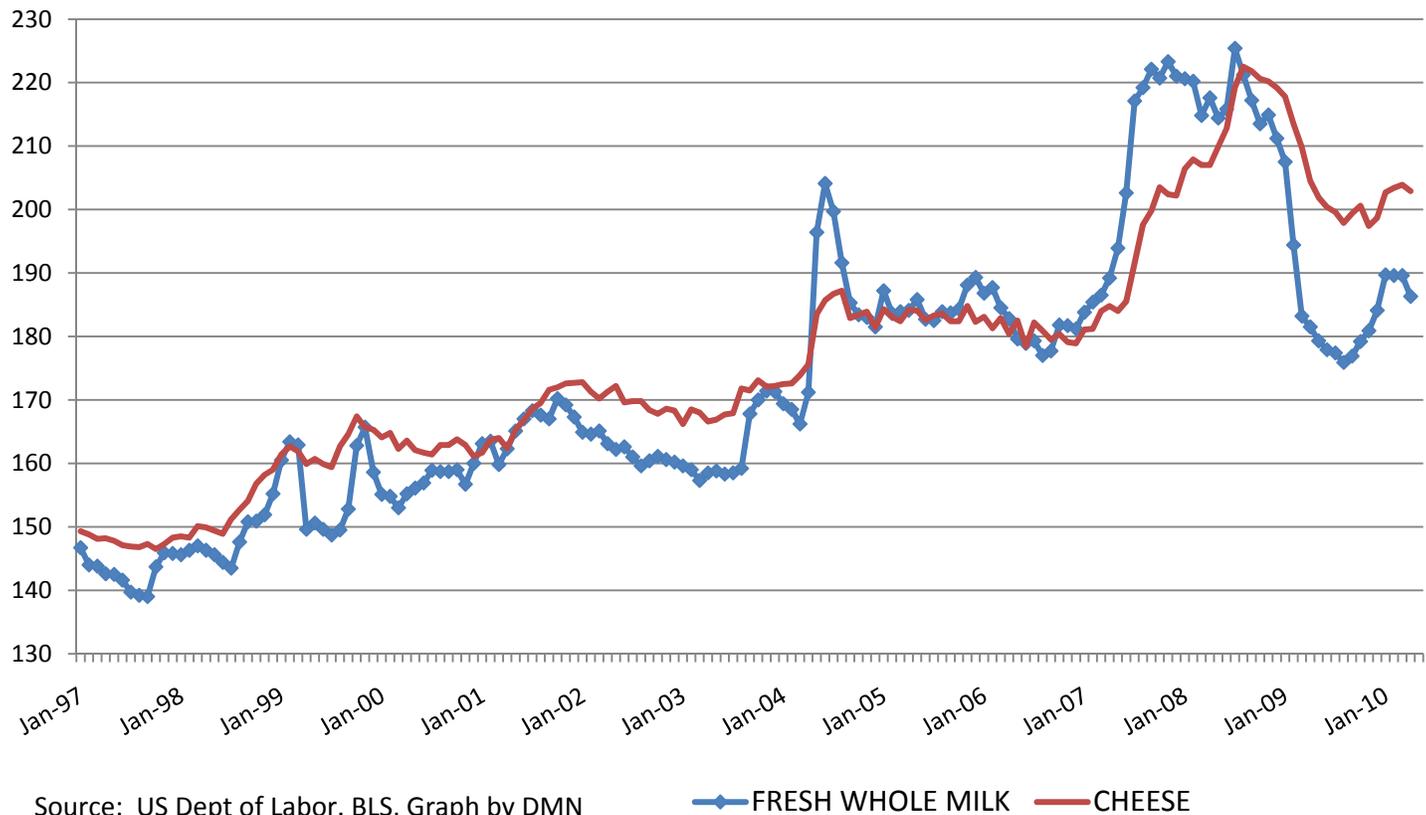
CONSUMER PRICE INDEX

1982-1984=100



CONSUMER PRICE INDEX DAIRY PRODUCTS

1982-1984=100
%



Source: US Dept of Labor. BLS, Graph by DMN

◆ FRESH WHOLE MILK — CHEESE

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