

NATIONAL DAIRY MARKET AT A GLANCE**CME GROUP CASH MARKETS (11/12):**

BUTTER: Grade AA closed at \$1.9900. The weekly average for Grade AA is \$1.9980 (-.1120).

CHEESE: Barrels closed at \$1.3700 and 40# blocks at \$1.4100. The weekly average for barrels is \$1.4050(-.1585) and blocks, \$1.4040 (-.1270).

BUTTER HIGHLIGHTS: The CME Group AA butter price declined sharply on Friday, November 5, but rebounded 12 cents to \$2.00 per pound on Monday, November 8 before declining 1 cent on November 12 to \$1.99. Producers and customers are confused by the price gyrations. With the exception of November 5, butter prices have been at or above \$2.00 per pound since August 19. Manufacturers continue to make and ship print butter orders for holiday use but are trying to minimize inventory, expecting butter prices to weaken before yearend. Good seasonal orders for holiday high-fat items including eggnog, dips, and sour cream are helping to balance cream supply and demand and reduce offerings to churns. September butter and milk fat exports totaled 16.3 million pounds, up over 10 times the level of September 2009. Cumulative 2010 butter and milk fat exports total 95.7 million pounds; triple the volume during the same period in 2009.

CHEESE HIGHLIGHTS: CME Group cheddar block and barrel prices continued to move lower early in the week but blocks closed the week at \$1.4100. Barrels fell to \$1.3700 per pound on November 12, providing a 4 cents spread. More traders are expecting orders to increase as buyers take advantage of current lower price levels. However, the window of opportunity for new orders for customer use before the yearend holidays is shrinking rapidly. More overtime is needed to fill natural orders. Process demand is about steady seasonally. Orders for aged cheddar are reducing inventory positions. Current cheese production is fairly steady, though some operations have tried to minimize production to limit inventory devaluation in the declining market. Cheese yields have returned to more typical seasonal levels. September U.S. cheese and curd exports totaled 28.3 million pounds, up 46% from September 2009. Cumulative 2010 cheese and curd exports total 279 million pounds, 64% above the same period last year.

FLUID MILK: Milk production is steady to slightly higher for most regions of the country with intakes above year ago levels.

Florida has begun to export an increasing number of loads, 99 thisweek, to northern regions. Class I demand is unchanged from recent weeks. Class II output has increased, reflecting stronger pre-holiday specialty product orders, resulting in lighter manufacturing milk supplies in some areas. Cream markets were rattled by the sharp decline in the butter market at the CME Group last week. Most butter producers are trying to keep stocks in check and selling cream. The exception being in the East, where larger later holiday orders have increased some churning schedules. Concerns are increasing over the possible affects higher grain prices may have on milk production.

DRY PRODUCTS: Nonfat dry milk prices are steady to slightly higher. Production is trending seasonally higher in the Central and Western regions, but light in the East. Domestic and export demand is fair to good with generally light stocks, giving the NDM market a firm undertone. Dry buttermilk prices are trending lower. Production is steady to slightly higher adding to inventories. Demand is light beyond contract offers with sellers offering lower prices to stimulate spot market buyer interest. Dry whole milk prices remain unchanged from last week. Dry whey prices are steady to firm with fairly tight supplies, especially for spot loads. Domestic and export demand is good. Whey protein concentrate prices are steady to firm with spot load offerings from brokers/traders more numerous. 2011 contract negotiations are moving forward. Lactose and casein prices were unchanged this week.

INTERNATIONAL DAIRY MARKET NEWS (DMN): Milk production in **Western Europe** is at or near the low point of the seasonal schedule. There are gains beginning to be seen in the fat and protein levels of milk. Milk output is mixed in Germany with some regions showing slight declines whereas other regions are seeing gains. Overall output is tracking 1-2% higher than a year ago. Milk production in France is gauged at 8% higher than a year ago. The gains are from quota increases, better weather and feed, and higher returns. Prices are steady and untested for butter and whey, servicing mainly local demand with exports being slow to develop. Intervention butter stock have now all been sold or

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PRODUCT	MONDAY NOVEMBER 8	TUESDAY NOVEMBER 9	WEDNESDAY NOVEMBER 10	THURSDAY NOVEMBER 11	FRIDAY NOVEMBER 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.4425 (-.0675)	\$1.4200 (-.0225)	\$1.4000 (-.0200)	\$1.3925 (-.0075)	\$1.3700 (-.0225)	(-.1400)	\$1.4050 (-.1585)
40# BLOCKS	\$1.4050 (-.0750)	\$1.4050 (N.C.)	\$1.4000 (-.0050)	\$1.4000 (N.C.)	\$1.4100 (+.0100)	(-.0700)	\$1.4040 (-.1270)
NONFAT DRY MILK EXTRAGRADE	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	(N.C.)	\$1.2250 (N.C.)
GRADE A	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	\$1.2250 (N.C.)	(N.C.)	\$1.2250 (N.C.)
BUTTER GRADE AA	\$2.0000 (+.1200)	\$2.0000 (N.C.)	\$2.0000 (N.C.)	\$2.0000 (N.C.)	\$1.9900 (-.0100)	(+.1100)	\$1.9980 (-.1120)

CHEESE: carload = 40-44,000 lbs., BUTTER: carlot = 40-43,000 lbs., NDM 42-45,000lbs. *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

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committed. Pricing levels for skim milk powder and whole milk powder are lower and reflect weaker markets with low demand for exporting at current levels. International buyers are slow to make future commitments and taking a more wait-and-see attitude. No intervention bids for SMP were accepted for the lasted rounds of sellback bids. Milk production in Eastern Europe is trending seasonally lower and expected to be at or near the bottom of the cycle soon. Total milk intakes are fair to good for the time of year. Milk production in most Eastern European countries is below quota levels by at least several percentage points. Dairy products are available from the region, yet international interest is spotty and not clearing all offerings. Milk production in the **OCEANIA** region is generally at or coming down from the seasonal peak levels. Weather conditions are currently very favorable for milk output and recoveries from early season issues have occurred. **NEW ZEALAND** milk volumes are steady and are at what could be the peak for the production year. Processing plants are running on heavy schedules to process the milk and components. The seasonal peak was likely put in last week, when a new record peak for daily milk intakes was recorded. Conditions are improving for milk output. Very unfavorable factors early in the start of the season (snow, rain, cold) eased and forecasts are coming back on track with expectations. Milk production levels are running about 3% higher than a year ago currently with forecasts to finish the season 1-2% higher. Processors are welcoming the stable milk patterns and hoping for factors to remain stable. **AUSTRALIA** milk production is following similar weekly patterns, at or near the peak of seasonal output. Levels are tracking on budget, expecting a flat to 1% growth rate for the full production year, assuming normal factors. Cow numbers are expected to remain steady. Conditions have been favorable for cows as the pasture grass is green and growing, while temperatures are moderate. Irrigation ponds remain full for future needs. Milk prices are holding steady with no add-ons seen at the current time. The higher valued Australian Dollar is working against returns for exports and suppressing the potential for added revenues to be paid to farmers. With milk production heavy and product price returns similar, there are few options or few reasons for shifting of finished products output. World market prices are weaker for butter and cheese in the United States, at levels below Oceania prices. There are competitive concerns noted because of the levels and because of the strength of local currencies versus the U.S. Dollar and the disadvantage that creates in global competition. The November 2nd g/DT session results came in along expected levels. The weighted average for all traded products was unchanged. Anhydrous milk fat averaged \$5,394 per MT, +4.5% from the previous event; Buttermilk powder averaged \$3,011, down 1.8%; skim milk powder averaged \$3,021, down 1.1%; and whole milk powder averaged \$3,495, marginally higher. The next g/DT trading event will be on Tuesday, November 16.

NOVEMBER SUPPLY AND DEMAND ESTIMATES

(WAOB): Forecast milk production for 2010 is unchanged from last month. However, 2011 production is lowered from last month as forecast cow numbers are reduced from last month. Milk per cow is adjusted slightly higher in early 2011 but higher feed prices and lower forecast milk prices limit the rate of growth in 2011. Exports in 2010 are forecast higher due to strong growth in butter, cheese, and fluid milk/cream. For 2011, continued global economic recovery and a favorable exchange rate should support exports. Revisions have been made to historical export aggregations, resulting in higher estimated exports. Import forecasts are raised on the strong pace of imports. Cheese and butter prices for both 2010 and 2011 are forecast lower. The 2010 forecast for nonfat dry milk is unchanged from last month but stronger expected exports support a higher forecast for 2011. The whey price forecast is unchanged. Both Class III and Class IV price forecasts for 2010 are lowered due to the lower cheese and butter price forecasts. The Class III price forecast is lowered for 2011 but the Class IV price forecast is raised as the higher nonfat price more than offsets the lower butter price forecast. The all milk price is forecast to average \$16.30 to \$16.40 per cwt for 2010 and \$15.95 to \$16.85 per cwt for 2011.

SEPTEMBER FLUID MILK DALES (AMS): During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.5 percent lower than September 2009. After adjusting for calendar composition, sales in September 2010 were 1.1 percent lower than September 2009. Estimated sales of total conventional fluid milk products decreased 2.0 percent from September 2009 and estimated sales of total organic fluid milk products increased 17.2 percent from a year earlier.

MAILBOX MILK PRICES (AMS&CDFA): In August 2010, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.51 per cwt., up \$0.69 from the revised July 2010 average, and up \$4.47 from August 2009. The component tests of producer milk in August 2010 were: butterfat, 3.52%; protein, 2.96%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased from the previous revised month in all Federal milk order reporting areas except Western Pennsylvania, Ohio, and Indiana. Mailbox prices in August 2010 ranged from \$21.11 in Florida to \$14.94 in New Mexico.

CME GROUP

MONDAY, NOVEMBER 8, 2010

CHEESE — SALES: 3 CARS BARRELS: 1 @ \$1.4775, 1 @ \$1.4675, 1 @ \$1.4525; 5 CARS 40# BLOCKS: 1 @ \$1.4650, 1 @ \$1.4600, 1 @ \$1.4450, 1 @ \$1.4300, 1 @ \$1.4050; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4425; 1 CAR 40# BLOCKS @ \$1.4050
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.2250
 BUTTER — SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: NONE

TUESDAY, NOVEMBER 9, 2010

CHEESE — SALES: 5 CARS BARRELS: 2 @ \$1.4425, 1 @ \$1.4400, 2 @ \$1.4200; 8 CARS 40# BLOCKS: 1 @ \$1.4050, 1 @ \$1.4075, 3 @ \$1.4050, 1 @ \$1.4075, 2 @ \$1.4050; LAST BID UNFILLED: 2 CARS 40# BLOCKS @ \$1.4000; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4200
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.2250
 BUTTER — SALES: 1 CAR GRADE AA @ \$2.0000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0100

WEDNESDAY, NOVEMBER 10, 2010

CHEESE — SALES: 3 CARS BARRELS: 1 @ \$1.4100, 2 @ \$1.4000; 5 CARS 40# BLOCKS: 1 @ \$1.4050, 2 @ \$1.4000, 1 @ \$1.4050, 1 @ \$1.4000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4000; 1 CAR 40# BLOCKS @ \$1.4050
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.2250
 BUTTER — SALES: 3 CARS GRADE AA @ \$2.0000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0100

THURSDAY, NOVEMBER 11, 2010

CHEESE — SALES: 3 CARS BARRELS @ \$1.4000; 4 CARS 40# BLOCKS @ \$1.4000; LAST BID UNFILLED: 5 CARS BARRELS @ \$1.3600; 1 CAR 40# BLOCKS @ \$1.3975; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3925
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.2250
 BUTTER — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.0000

FRIDAY, NOVEMBER 12, 2010

CHEESE — SALES: 12 CARS BARRELS: 1 @ \$1.3800, 11 @ \$1.3700; 7 CARS 40# BLOCKS: 3 @ \$1.4000, 1 @ \$1.4025, 2 @ \$1.4050, 1 @ \$1.4100; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.3650; 2 CARS 40# BLOCKS @ \$1.4100; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.3800
 NONFAT DRY MILK — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.2250
 BUTTER — SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.9900

NORTHEAST

BUTTER MARKETS

WEST

After declining 27 cents Friday, butter prices rebounded 12 cents on Monday and closed unchanged on Tuesday at \$2.00. Cream supplies were more readily available over the weekend with good demand causing some tightening of supplies during the week. Best demand for cream is coming from seasonal dips and cream cheese. Cream multiples range from 130-136. Butter production is mixed with some churns operating to fill only current orders, while other manufacturers are making as much butter as their cream supply will allow. This year's seasonal butter orders are being placed later and in larger volumes than last year, which is causing some plants to microfix inventories to fill the larger orders. This situation is seen as a result of the recently high CME Group butter market. According to FAS, exports of Butter and Milkfat for January-September totaled 95.7 million pounds, up 201% from January-September 2009.

Wednesday's butter price at the CME Group was unchanged at \$2.0000. Last Friday saw a precipitous drop of \$.2700 on one sale, while the market rebounded on Monday with a \$.1200 cent gain to settle at the \$2.0000 figure. This price has remained steady for the week with light sales of four loads. Lower butter prices had been anticipated throughout the industry, but buyers and sellers were taken aback somewhat by the timing. Sales for Thanksgiving orders had been placed with end of year holiday buying lagging behind. Buyers hoping to catch some lower price levels are meeting production and delivery constraints in some cases. Butter manufacturers remain cautious and are keeping conservative churning schedules to monitor inventories. Prices for bulk butter range from flat to 4 cents under the market, based on the CME with various time frames and averages used. According to the CME Group, weekly butter stocks in CME approved warehouses decreased 1 million pounds last week to 13 million pounds. This total compares to 61.6 million pounds in 2009 and 46 million pounds in the comparable week in 2008. Butter held in storage at the CME approved warehouses has been decreasing weekly since the first week of June 2010. According to the Foreign Agricultural Service, exports of butter and milkfat for January-September 2010 total 95.7 million pounds, up 201% from January-September 2009. The exports account for 8.4% of production in the U.S. for January-September.

CENTRAL

The CME butter price fluctuation has captured the trades' collective attention. A sharp, 27 cent decline on Friday, November 5, dropped the Grade AA price to \$1.8800. On Monday, the price was bid up 12 cents to close at \$2.0000 even. The changes were perplexing to many in the trade because butter demand had been fair to good as buyers pulled butter ahead of Thanksgiving holiday needs. The price changes and the volatility created are atypical for the first few weeks in November. Producers have been aware of keeping inventories in balance to on the low side, expecting prices to drop when holiday orders were completed. Futures markets supported that theory. Now, with the butter price volatility, the butter churners are even more concerned about the price, and are making very low offers for cream. Some buyers were contemplating adjusting print orders, but producers are warning them they might not get all the print butter they need for the Thanksgiving holiday. Butter churning remains active at moderate to high levels as printers service holiday demand. Additional butter is being pulled from cold storage to fill print needs as well as attempting to clear stocks. Bulk butter interest remains slow as the unsettled pricing landscape has cooled the pace as buyers await lower basing averages/points to work through. Class II item demand is seasonally active at good levels and pulling decent volumes of cream. Bulk butter prices range from 0 - 4 cents over various pricing bases and averages per pound.

U.S. Butter and Milkfat Exports, (USDA-FAS)

	2010 Exports Jan.- Sep (Million Lb.)	% Change From 1 Year Ago
World	95.7	+201
Saudi Arabia	16.1	+ 32
Mexico	12.2	+111
Egypt	9.5	+234
Russia	9.3	+7,317
Canada	6.8	+271
Monthly Exports		
September	16.3	+1053

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEKENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
November 6	1.7291	1.7256	1.1888	2.1286	0.3719
	12,033,579	9,103,555	16,953,758	4,098,686	8,797,355

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

Cheese prices on the CME Group continued their downward trend with hefty declines on Monday, as barrels dropped 6 3/4 cents and blocks declined 7 1/2 cents. Tuesday's close saw barrels decline 2 1/2 cents to \$1.42 with blocks unchanged at \$1.4050. Since November 1st, barrels have declined 24 1/2 cents and blocks have declined 23 1/2 cents. The CME Group weekly average prices declined significantly last week. These declines lowered wholesale cheese prices, except for Swiss Cuts. Swiss Cuts increased in price following Friday's release of the Class III milk price. Cheese production in the East remains very active. Demand and orders are good for cream cheese, mozzarella and aged cheddar.

Cheddar Barrels on Wednesday at the CME Group were \$0.0200 lower at \$1.4000. Blocks were \$0.0050 lower at \$1.4000. Trading continues to be active with 11 loads of Barrels changing hands and 18 loads of Blocks sold so far this week. Cheese markets continued their retreat to lower price levels. Last week's losses were in the double digit range. Weekly averages for last week saw Barrels down \$.1105 and Blocks down \$.1270. Production remains active as most plants continue to clear inventories through contract sales. Buyers looking to fill late holiday sales will find lower prices as weekly and monthly average prices drop. Sales remain good into retail and club accounts. Food service sales are improving, led by increased sales for pizza accounts with new promotions. According to FAS, exports of cheese and curd for January-September 2010 total 279 million pounds, up 64% from January-September 2009. The exports account for 3.6% of total cheese production in the U.S. for the period.

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

Cheddar 40# Block	:	1.8475-2.1225
Process 5# Sliced	:	1.6675-1.9775
Muenster	:	1.8675-2.0725
Grade A Swiss Cuts 10 - 14#	:	3.3275-3.6500

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

Process 5# Loaf	:	1.6900-1.9475
Cheddar 40# Block	:	1.6600-2.0125
Cheddar 10# Cuts	:	1.8400-2.0600
Monterey Jack 10#	:	1.8500-2.0100
Grade A Swiss Cuts 6 - 9#	:	2.9050-3.3350

MIDWEST

The cheese market is weak though a steadier undertone seems underway. Prices on the CME Group cash market declined again early this week after sharp declines (15.5 - 16 cents cumulative) last week. Packagers are seeing orders increase as lower prices get passed on to customers. Orders are starting to show improvement toward the usual "busy holiday" season at more locations. The turnaround time from actual cheese production to finished product delivery for even the yearend holiday season is limited and shrinking fast. Some traders speculate that if prices stabilize, orders will improve further next week. Some packaging operations have been using overtime to make up for the lost line time during Thanksgiving week. Supplies are at least adequate though producers may not be able to cover sizeable orders on fresh and specialty varieties quickly. Buyers looking for extra product are usually able to secure needed supplies though shipments may not be as fast as preferred. Process movement is fairly steady around seasonal levels. High meat prices have made food service price promotions difficult. Aged cheddar and hard Italian are continuing to exit storage though most buyers avoid "the high priced stuff". A few reports indicate that prices are low enough for bulk hard Italian buyers to resume purchases for aging programs. On November 4, the Kansas City Commodity Office announced contracts were awarded under Solicitation DNAC2-001 for between 5,870,050 - 74,792,500 pounds of natural American cheese for January 1 - December 31, 2011 delivery.

FOREIGN

The CME Group weekly average price declined significantly last week, lowering domestic varieties with the exception of Swiss Cuts by \$.1275. Swiss Cuts increased in price as a result of Class III milk price released Friday.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-4.6900	: 1.9875-3.4750*
Gorgonzola	: 3.6900-5.9900	: 2.4900-2.7500*
Parmesan (Italy)	: -0-	: 3.3275-3.5200*
Provolone (Italy)	: 3.4400-5.8900	: 2.0300-2.1875*
Romano (Cows Milk)	: -0-	: 3.1775-5.3200*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggiano (Argentine)	: 3.2900-3.8300	: -0-
Jarlsberg-(Brand)	: 2.9500-4.6900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.4200-3.7425*
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

* = Price change.

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

Process American 5# Loaf	:	1.8900-2.1200
Brick And/Or Muenster 5#	:	2.0375-2.3400
Cheddar 40# Block	:	2.0550-2.5650
Monterey Jack 10#	:	1.9975-2.5650
Blue 5#	:	2.3750-3.0600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8700-2.6650
Grade A Swiss Cuts 6 - 9#	:	2.7350-3.3300

U.S. Cheese and Curd Exports, (USDA-FAS)

	2010 Exports		% Change From 1 Year Ago
	Jan.-	Sep.	
	(Million Lb.)		
World	279.0		+64
Mexico	81.2		+22
South Korea	29.4		+75
Japan	23.1		+127
Canada	17.9		+18
Egypt	13.6		+1,458
	Monthly Exports		
Sep.	28.3		+45.6

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

	BUTTER	:	CHEESE
		:	
11/08/10	8,274	:	133,544
11/01/10	10,107	:	131,995
CHANGE	-1,833	:	1,549
% CHANGE	-18	:	1

FLUID MILK AND CREAM

EAST

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	99	0	0	0	20
SOUTHEAST STATE	10	0	10	0	28	0

Manufacturing milk supplies in the Northeast and Mid Atlantic regions are somewhat mixed with most supplies remaining light, but some areas are receiving increased volumes from Florida. Milk production in the East has yet to rebound significantly from the seasonal low point. Class I demand continues to be good. Milk production in Florida continues to increase along the seasonal trend. Export loads out of Florida totaled 99. This is the highest number of export loads since early August. Over 55% of the pastures in Florida are rated fair at best with cattle producers feeding supplemental hay. In the Southeast, cattle producers in Tennessee are also feeding supplemental hay with over 65% of that state's pastures rated as poor or very poor. Supplemental feeding has started a month early causing concerns about available hay stocks for the winter. The Southeast region imported a marginal number of loads this week, under a previously established contract. Class I demand in the Southeast and Central Florida has firmed, while demand in South Florida remains flat. Cream supplies are for the most part readily available for prospective buyers. Demand is good with best interest coming from seasonal dips, egg nog and cream cheese manufacturers. Off farm butterfat levels are improving and milk production is increasing in some areas. Cream multiples range from 130-136. Most condensed skim supplies are moving through contracts with few spot sales. Drying activity remains fairly light. Class II and III demand is good, supported by active cheese sales and expanding Class II product production schedules.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

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

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.7430-2.8696
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.4800-2.7219

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:		
NORTHEAST - CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.23 - 1.26
NORTHEAST - CLASS III - SPOT PRICES	-	1.11 - 1.16

MIDWEST

Class I and II output were steady to generally heavier, reflecting stronger pre-holiday specialty product orders such as dips, sour cream and eggnog along with regular fluid interest. Typically for many bottlers, the week or two before Thanksgiving are among the biggest throughput weeks of the year. Churning interest in cream is light as churners do not want any more butter inventory than needed to fill holiday orders. After the larger butter market price changes in the past week, a few cream buyers/sellers were pricing cream on market date of ship rather than the weekly average. Ice cream production is light seasonally as manufacturers want to work down as much inventory as possible and are just making fill-in orders and holiday flavors. Manufacturing milk interest is often weaker as more plants would rather get rid of milk than manufacture more in a weak

cheese market. Early November high temperatures in the 60s in upper tier states are conducive to cows. Current milk intakes are steady to slightly higher and milk component levels are around normal fall levels. Milk quality has also improved. Some debate continues over the affect current corn and soybean prices may have on milk output, especially as milk prices weaken due to declines in cheese and butter prices. Most of the crops have been harvested though some low, wet areas remain to be harvested or tilled.

WEST

The December 2010 Class 1 prices in CALIFORNIA range from \$18.28 in the north to \$18.55 in the south. The statewide average Class 1 price based on production is \$18.30. The average is \$0.43 lower than November 2010 but \$2.24 more than December 2009. CALIFORNIA milk production is trending mostly steady to slightly higher on a weekly basis, at levels above a year ago when conditions were poor by comparison. Processing plants are running on expected schedules and there is very little shifting of milk occurring as cheese and butter prices decline. The sharp declines in cheese and butter prices were noticed by the dairy trade. Producers are still recovering from the latest round of low milk prices. They know the impact that the cheese prices will have on their milk prices with the current high input costs. ARIZONA milk output is steady to seasonally higher. Conditions are favorable for milk cows and growth of milk and solids is noted. Class I demand is unchanged from recent weeks. CREAM markets were shook by the declining butter price at the CME Group last week. The Grade AA price lost 30.5 cents last week to close at \$1.88. By midweek, the price had regained traction to close at \$2.00. The fluctuations are causing changes in basing points and averages. Butter producers are trying to keep stocks in check and selling cream when they can. Higher class item production is active and taking heavy cream volumes. Pricing is lower. Cream multiples range from 104-118 and vary based on class usage and basing point. Milk production in the PACIFIC NORTHWEST continues to follow expected volumes. Class I needs are at seasonal norms and manufacturing plants continue to balance milk supplies within the region. Lower butter and cheese prices are a concern, but cheese production continues to run busy schedules. Butter churns are active to fill some increased orders due to lower pricing. Manufacturers are filling orders and trying to balance needs without building excess inventory. Increased milk supplies are being handled with busier drying schedules in some areas. UTAH and IDAHO milk production is above last year with some expansion in dairy cow numbers being noted. Processing capacity in the region is able to handle the additional milk without difficulty. Feed costs in the area have increased as some hay production land is being switched to grain and supplies of dairy quality forage tighten. Lower cheese and butter prices reported this week have farm milk producers looking at future Class III prices for next year. Replacement heifer prices were steady to weak at auctions recently.

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: Nonfat dry milk prices are unchanged to slightly higher for the week. A few brokers note some buyers are breaking away from their previous once-per-month purchasing pattern to purchasing loads more frequently. Nonfat dry milk production is unchanged to slightly higher as fluid demand adjusts slightly lower to mid month levels. However, some operations are shunting milk into cheese production to close the gap between product on hand and near term contract commitments. Spot loads of NDM are available from some Central producers, while other producers are building inventory to meet November and December contract commitments. According to the latest Foreign Agricultural Service report, January – October 2010 imports of dried skim milk in the high tier category totals about 49,000 pounds. Quota dried skim milk imports during October totaled about 43,000 pounds and January through October quota imports total 86,000 pounds.

EAST: Eastern low heat nonfat dry milk prices advanced this week on the low end of the range, while high heat held steady. Manufacturing milk supplies remain fairly light resulting in limited drying schedules. Demand has picked up and inventories are being worked lower. Supplies are tight in the East with those looking for extra loads having to source from other regions. These factors have changed a once weak market undertone to a firm market undertone in a short period of time. According to FAS, January-September Nonfat Dry Milk exports totaled 588 million pounds, 45% higher than the same period last year.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1800 - 1.2800 MOSTLY: 1.2200 - 1.2500
 HIGH HEAT: 1.3400 - 1.4500

U.S. NDM Exports, H.S. Code 0402100000 (FAS)

	2010 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-SEP	588.0	+ 45
1 Mexico	160.2	- 6
2 Philippines	82.1	+ 99
3 Indonesia	73.1	+118
4 Vietnam	54.2	+ 85
5 Malaysia	32.7	+ 79
September Total	95.5	+116.8

NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are holding mostly steady to higher on the top end of the range. The market tone is mostly steady. Several pricing indices are moving higher, mostly reflecting changes in the volumes of export sales being included in particular weeks. Domestic NDM demand is fair and exports are fair to good in clearing current production. Producer spot offerings are light and being met with limited interest. The weaker cheese market prices create a concern about how active and competitive those producers will be for milk, condensed skim, and NDM for cheese production needs. NDM drying levels are trending higher seasonally and reflect the growing regional milk supply. Stocks are light to moderate. High heat prices are steady to lower. The market tone is steady to weaker and remains lightly tested in limited trading. Production levels are active seasonally to meet current contract and spot needs. Stocks are generally light. According to the FAS, exports of NDM/SMP during January to September 2010 total 588.0 million pounds, up 45% from the same period in 2009.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.1500 - 1.2500 MOSTLY: 1.1700 - 1.2050
 HIGH HEAT: 1.2000 - 1.3900

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are steady to slightly lower with market participants describing the undertone as weakening. Some are attributing the weaker market undertone for dry buttermilk to recent changes in butterfat values on the cash market and building inventories at various plants. Dry buttermilk production schedules are variable as some producers report condensed buttermilk sales are clearing silos readily. Manufacturers' offers to the spot market are uneven as some current production is earmarked for contract fulfillment.

EAST: Dry buttermilk prices declined on the lower end of the range this week. Overall buttermilk production has increased as some churns have increased operating schedules in advance of the upcoming holiday. Increased butter production and a decline of condensed buttermilk sales to ice cream concerns are increasing drying schedules, resulting in increased inventories and product availability. Expanding inventories and a lessening of demand from ice cream and baking concerns is giving the market a weak undertone. Spot market activity remains very light.

F.O.B. CENTRAL/EAST: 1.2000 - 1.4000

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West are trending lower and the market undertone is weaker. Additional offerings are being made and offering prices are being lowered to stimulate buying interest. Demand is light beyond contracted volumes with some resistance noted. Dry buttermilk production is mostly steady. There are some butter producers cutting back on output because of the unsettled butter market, thus creating less buttermilk solids. Stocks are light to moderate.

F.O.B. WEST: 1.1500 - 1.2600 MOSTLY: 1.1700 - 1.2450

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged for the week. Resale LTL's continue to fill current needs for many end users. According to the latest Foreign Agricultural Service report, January – October 2010 imports of dry whole milk in the high tier category total about 183,000 pounds. Quota imports of dry whole milk during January – October 2010 total about 2.3 million pounds, about 67% lower than during the same time span of 2009. Total quota imports represent about 32% of the allowable imports under licensing requirements. October 2010 quota dry whole milk imports total about 84,000 pounds, an 80% decrease from October 2009. All 2010 quota import product originated in the Netherlands, Denmark, Australia, or New Zealand.

F.O.B. PRODUCING PLANT: 1.6400 - 1.7400

U.S. Dry Whole Milk Exports, H.S. Code 0402210000 (FAS)

	2010 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-SEP	66.9	+ 205
1 Vietnam	19.1	+4,206
2 Mexico	17.8	+ 26
3 Russia	13.7	-
4 Egypt	2.2	+ 502
5 Canada	1.9	+ 13
September Total	6.9	+ 390.0

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 5	\$1.1591	15,166,429	0
October 29	\$1.1381	11,321,308	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 Central dry whey market is steady to firm and spot load availability from manufacturers remains uncertain from week to week. Broker-based spot loads are intermittently available, with prices reflecting the current tight supply/demand conditions. Delays in shipping are occurring from plant to plant on contract loads to brokers, traders and end users. Contracting activities for 2011 continue and producer premiums to various market indices are firm. ANIMAL FEED DRY WHEY prices are unchanged. Some feed manufacturers are fielding offers of aged edible NDM, off-specification WPC 34% and other dairy protein sources. Reclaimed fluid milk products are moving readily to the feed industry.

F.O.B. CENTRAL: .3325 - .3900 MOSTLY: .3375 - .3725
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2600 - .3525

DRY WHEY - NORTHEAST

The Northeast dry whey market remains tight as prices moved marginally higher on the upper end of the range. Most supplies are moving through contracts with little available for the spot market and as a result, buyers looking for additional loads are sourcing from other regions. Domestic and export demand is good, giving the market a firm undertone. According to FAS, January-September Dry Whey exports totaled 412.9 million pounds, 28% more than for the same period last year.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3675 - .3925

DRY WHEY - WEST

Western whey prices are steady to firm. Prices were marginally higher at the top of both the range and mostly series. The market is considered to be mostly in balance with contracted needs. Spot loads continue to be in tight supply as most production is geared to contracted needs. As cheese and butter prices have recently lowered, some buyers feel powder prices will ease for future needs. This is contradicted by tight available supplies. According to the Foreign Agricultural Service, exports of whey for January-September total 412.9 million pounds, up 28% from January-September 2009. The exports account for 53.6% of the total whey production in the U.S. for January-September.

NONHYGROSCOPIC: .3550 - .4175 MOSTLY: .3725 - .4075

U.S. Dry Whey Exports. H.S. Code 0404104000 (FAS)

	2010 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-SEP	412.9	+28
1 China	79.6	+ 9
2 Mexico	41.1	+32
3 Japan	39.8	+11
4 Canada	36.0	+ 5
5 Vietnam	27.2	+53
September Total	41.7	+21.2

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are unchanged on a firm market. Various end uses report spot load offerings from brokers/traders are more numerous this week, and prices steady. Interest is active for resale loads as manufacturers' WPC 34% holdings are tight. Contract negotiations for 2011 WPC 34% inputs are moving forward. Various end users indicate that product offers from suppliers tend to replicate 2010 contracts on volume amounts while price quotes are generally higher. Buyer volume interest is steady to higher for 2011 needs. Offers of 2011 Canadian WPC 34% are noted as following the same volume/price trend as the domestic market. As whey stream products shift, a few plants are clearing trial runs of WPC 34% into animal feed uses.

F.O.B. EXTRA GRADE 34% PROTEIN: .9700 - 1.0600 MOSTLY: .9800 - 1.0100

U.S. WPC 34% Exports, H.S. Code 0404100500 (FAS)

	2010 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-SEP	208.1	+ 52
1 China	81.6	+113
2 Mexico	49.5	- 12
3 Canada	29.6	+100
4 Japan	15.3	+ 52
September Total	24.2	+48.5

LACTOSE - CENTRAL AND WEST

Central and West lactose prices are unchanged for the week. Edible grade lactose offers to the spot market from manufacturers are tight. Lactose inventories are uneven and shipping delays are occurring as some manufacturers juggle contract and spot load commitments. Some cheese manufacturers indicate milk intakes are trending higher seasonally, allowing for increased cheese/lactose production.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .2500 - .4350 MOSTLY: .3100 - .3600

U.S. Lactose Exports, H.S. Code 1702110000 (FAS)

	2010 Exports (Million Lb.)	% Change From 1 Year Ago
TOTAL, JAN-SEP	250.4	+ 23
1 Mexico	33.6	+ 50
2 Japan	31.1	+ 13
3 China	26.2	- 53
4 Brazil	20.6	+122
5 New Zealand	16.8	+ 51
September Total	33.3	+ 39.7

CASEIN - NATIONAL

Both acid and rennet casein price series are unchanged. Most current activity is centered around filling existing contracts with very little casein trading on the spot market. Most orders are being filled on a timely basis with some delays noted. Milk production is seasonally low in the EU, seasonally high in Oceania region. Output of casein is generally along projections with orders for upcoming periods being committed. The trade is assessing what the impact of lower U.S. cheese market prices will have on the analog market.

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: 3.9000 - 4.3000
ACID: 3.9000 - 4.2500

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF NOVEMBER 8 - 12, 2010			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 11/05/10	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-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-	-0-	132,276	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	132,276	-0-	-0-

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

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 8 - 12, 2010 =	0.0	0.0	COMPARABLE PERIOD IN 2009 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 2010 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	1.5
CUMULATIVE JAN. 1 - NOV. 12, 2010 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2009 =	136.7	1,883.0

* 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 NOVEMBER 8 - 12, 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 10/1/10 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	132,276	-0-	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	132,276	-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 10/23/10 & Comparable Week 2009

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	8.4	3.3	20.0	3.4	0.2	N.A.	14.8	2.7	55.0	2,284.8	40.9	43.9
2009-Dairy	N.A.	0.6	7.9	2.8	16.4	3.6	0.4	N.A.	15.7	2.8	51.6	2,357.0	40.5	47.2
2010-All cows	N.A.	0.7	10.6	14.6	37.2	25.2	14.8	N.A.	20.1	6.7	134.4	5,209.7		
2009-All cows	N.A.	0.6	9.9	13.4	34.6	23.0	14.0	N.A.	20.4	7.5	127.4	4,993.6		

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

WEEKS ENDING	WEEKLY TOTAL	2010 CUMULATIVE TOTAL
OCTOBER 9, 16, 23	0	7,490

SOURCE: USDA, APHIS

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	15.66	15.77	15.50	16.58	17.24	
II	15.22	15.65	14.46	13.78	14.90	16.01	17.10	16.98	17.60	17.57		
III	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94		
IV	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15		

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 November 1 - 12, 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 is at or near the low point of the seasonal schedule. There are gains beginning to be seen in the fat and protein levels of milk. Milk output is mixed in Germany with some regions showing slight declines whereas other regions are seeing gains. Overall output is tracking 1-2% higher than a year ago. Milk production in France is gauged at 8% higher than a year ago. The gains are from quota increases, better weather and feed, and higher returns. Prices are steady and untested for butter and whey, servicing mainly local demand with exports being slow to develop. Intervention butter stocks have now all been sold or committed. Pricing levels for skim milk powder and whole milk powder are lower and reflect weaker markets with low demand for exporting at current levels. International buyers are slow to make future commitments and taking a more wait-and-see attitude. No intervention bids for SMP were accepted for the lasted rounds of sellback bids.

BUTTER/BUTTEROIL: European butter prices are unchanged this period and the market is lightly tested. Demand is fair to good from internal customers; yet remains weak into international markets as pricing is at high levels. The remaining light intervention butterfat volumes have been committed. Butteroil market demand is very light and internal prices are proving too high to gather export interest. There are limited stocks available.

82% BUTTERFAT:	5,025 - 5,450
99% BUTTERFAT:	5,500 - 5,900

SKIM MILK POWDER (SMP): European skim milk powder prices are trending lower and reflect a weak market tone. Buyers are reluctant to make purchases at the current time as they await further developments. Lower prices in other regions are also impacting European markets. Production levels are steady with recent periods at seasonal levels. At the latest Dairy Management Committee meeting, all offers to buy intervention stocks were rejected.

1.25% BUTTERFAT:	2,675 - 3,000
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WHOLE MILK POWDER (WMP): Whole milk powder pricing levels are moving lower. The market activity is limited with exports slow. Buyers are watching market developments and are cautious. Drying of product is steady. WMP remains available for internal and export interest.

26% BUTTERFAT:	3,550 - 3,775
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SWEET WHEY POWDER: European dry whey prices are unchanged with the market tone stable to slightly weak. Buyer interest is fair for internal customers and remains a challenge to export because of relatively high prices. Whey production is steady and reflects good cheese production schedules.

NONHYGROSCOPIC:	800 - 1,050
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OCEANIA

OVERVIEW: Milk production in the OCEANIA region is generally at or coming down from the seasonal peak levels. Weather conditions are currently very favorable for milk output and recoveries from early season issues have occurred. NEW ZEALAND milk volumes are steady and are at what could be the peak for the production year. Processing plants are running on heavy schedules to process the milk and components. The seasonal peak was likely put in last week, when a new record peak for daily milk intakes was recorded. Conditions are improving for milk output. Very unfavorable factors early in the start of the season (snow, rain, cold) eased and forecasts are coming back on track with expectations. Milk production levels are currently running about 3% higher than a year ago with forecasts to finish the season 1-2% higher. Processors are welcoming the stable milk patterns and hoping for factors to remain stable. AUSTRALIA milk production is following similar weekly patterns, at or near the peak of seasonal output. Levels are tracking on budget, expecting a flat to 1% growth rate for the full production year, assuming normal factors. Cow numbers are expected to remain steady. Conditions have been favorable for cows as the pasture grass is green and growing, while temperatures are moderate. Irrigation ponds remain full for future needs. Milk prices are holding steady with no add-ons seen at the current time. The higher valued Australian Dollar is working against returns for exports and suppressing the potential for added revenues to be paid to farmers. With milk production heavy and product price returns similar, there are few options or few reasons for shifting of finished products output. World market prices are weaker for butter and cheese in the United States, at levels below Oceania prices. There are competitive concerns noted because of the levels and because of the strength of local currencies versus the U.S. Dollar and the disadvantage that creates in global competition. The November 2nd g/DT session results came in along expected levels. The weighted average for all traded products was unchanged. Anhydrous milk fat averaged \$5,394 per MT, +4.5% from the previous event; Buttermilk powder averaged \$3,011, down 1.8%; skim milk powder averaged \$3,021, down 1.1%; and whole milk powder averaged \$3,495, marginally higher. The next g/DT trading event will be on Tuesday, November 16.

BUTTER: Oceania butter prices are steady to higher and reflect increased interest and higher prices for fat at the most recent g/DT event. Local demand for Oceania butter is improved for holiday needs with cream also moving towards ice cream, cream cheese, and blend production. Butter demand for industrial usage is along projections for seasonal accounts. There are concerns about pricing levels and export accounts, especially with recent declines in other global markets. U.S. domestic butter markets eroded late last week, losing (\$672 per MT) before regaining some of the decline. At the November 2nd g/DT event, anhydrous milk fat contracts for all contract periods averaged \$5,394 per MT, 4.5% higher than the previous event average. Near term contracts (January 2011) averaged \$5,412, +5.1%; February - April contracts averaged \$5,380, +5.7%; and May - July contracts averaged \$5,400, marginally lower from the previous event.

82% BUTTERFAT:	4,200 - 4,800
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COMMENTS AND PRICES CONTINUED ON PAGE 8A

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INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 1 - 12, 2010

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WESTERN AND EASTERN EUROPE
COMMENTS AND PRICES CONTINUED
FROM PAGE 8

EASTERN OVERVIEW: Milk production in Eastern Europe is trending seasonally lower and expected to be at or near the bottom of the cycle soon. Total milk intakes are fair to good for the time of year. Milk production in most Eastern European countries is below quota levels by at least several percentage points. Dairy products are available from the region, yet international interest is spotty and not clearing all offerings.

Exchange rates for selected foreign currencies: November 8, 2010

.9974 Canadian Dollar	.0226 Indian Rupee
.2523 Argentina Peso	.7883 New Zealand Dollar
.0817 Mexican Peso	1.0139 Australian Dollar
.3539 Polish Zloty	.0123 Japanese Yen
	1.3923 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0817) = 12.2400 Mexican Pesos. Source: "Wall Street Journal"

OCEANIA
COMMENTS AND PRICES CONTINUED
FROM PAGE 8

SKIM MILK POWDER (SMP): Oceania skim milk powder prices are steady to lower. The market tone remains unsettled as demand has softened over the last month and pricing levels are adjusting lower. Production levels are seasonally high and reflect heavy milk supplies in the region. The declining g/DT indices and the stronger local currencies are impacting overall returns. Contract orders are committing more SMP to expected customers. At the November 2nd g/DT event, the average price for all contracts of skim milk powder was \$3,021 per MT, down 1.1% from the previous average. January 2011 contracts were down 0.1%, averaging \$2,925; February – April contracts were down 3.6% to \$2,989; whereas May – July contracts averaged \$3,325, +2.0%.

1.25% BUTTERFAT: 2,900 - 3,200

WHOLE MILK POWDER (WMP): Prices for whole milk powder are mostly steady with some adjustment both higher and lower on the ends of the range noted. Production is in full swing across the region with milk supplies heavy and some early season losses are being recovered. Supplies are being made to service fair to good sales projections. Buyer interest is along expected levels. At the November 2nd g/DT event, whole milk powder averaged, for all contracting periods, \$3,495 per MT, marginally higher. The near term contract (January 2011) averaged \$3,516, +0.9%; February – April contracts averaged \$3,521, +0.9%; and May – July contracts averaged \$3,316, -6.7%.

26% BUTTERFAT: 3,350 - 3,650

CHEDDAR CHEESE: Cheese prices are steady to firm with good demand for local accounts. Good economic conditions are favorable for cheese business. Negotiations are or soon will be resuming for export accounts in Asia. The expectations are for normal volumes and pricing levels. Production of cheese is good and tracking along budgeted volumes. The extent of the recent decline in cheese prices in the U.S. is being noted by traders and handlers.

39% MAXIMUM MOISTURE: 4,000 - 4,300

November 2, 2010 Global/Dairy Trading (g/DT) event recap US \$ per metric ton				
Average prices and Changes in price Indices from Previous event	Contract #1 January 2011	Contract #2 February - April 2011	Contract #3 May – July 2011	All Contracts
Anhydrous Milk Fat	\$5,412	\$5,380	\$5,400	\$5,394
	+5.1%	+5.7%	0.0%	+4.5%
Buttermilk Powder	\$2,900	\$3,160	N.A.	\$3,011
	-3.3%	+1.1%	N.A.	-1.8%
Skim Milk Powder	\$2,925	\$2,989	\$3,325	\$3,021
	-0.1%	-3.6%	+2.0%	-1.1%
Whole Milk Powder	\$3,516	\$3,521	\$3,316	\$3,495
	+0.9%	+0.9%	-6.7%	0.0%

CHICAGO MERCANTILE EXCHANGE FUTURES

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

Month	10/28	10/29	11/01	11/02	11/03	11/04	11/05	11/08	11/09	11/10
CME - CLASS III MILK FUTURES (Pit-Traded)										
OCT 10	16.86 (4692) 0	16.92 (4717) 0	16.93 (4711) 0	16.93 (4711) 0	16.93 (4711) 0	16.93 (4706) 0	16.94 (4263) 0			
NOV 10	15.70 (4993) 0	15.65 (5006) 0	15.58 (4958) 0	15.58 (4940) 0	15.45 (4955) 0	15.69 (4943) 0	15.45 (4981) 0	15.38 (4971) 0	15.45 (4942) 0	15.45 (4943) 0
DEC 10	14.69 (5742) 0	14.32 (5799) 9	14.13 (5819) 5	14.22 (5816) 0	13.98 (5810) 0	14.29 (5757) 0	13.56 (5943) 1	13.32 (5897) 18	13.51 (5886) 2	13.38 (5969) 0
JAN 11	14.10 (2669) 0	13.86 (2713) 9	13.72 (2796) 5	13.78 (2802) 2	13.69 (2790) 0	13.93 (2842) 7	13.54 (2950) 3	13.41 (3099) 7	13.70 (3112) 0	13.56 (3151) 0
FEB 11	14.12 (2113) 0	13.92 (2197) 9	13.83 (2245) 5	13.81 (2244) 2	13.73 (2312) 0	13.91 (2384) 7	13.58 (2479) 3	13.52 (2551) 7	13.70 (2567) 1	13.67 (2587) 0
MAR 11	14.20 (1982) 0	14.08 (1996) 9	14.01 (2045) 5	13.98 (2049) 2	13.85 (2138) 0	14.02 (2187) 7	13.74 (2245) 3	13.75 (2313) 7	13.90 (2360) 0	13.90 (2378) 0
APR 11	14.15 (1270) 0	14.12 (1356) 9	14.06 (1380) 2	14.05 (1405) 2	13.99 (1440) 0	14.12 (1452) 0	14.00 (1511) 0	14.03 (1544) 9	14.08 (1592) 4	14.11 (1601) 1
MAY 11	14.18 (1149) 0	14.04 (1232) 7	14.07 (1264) 4	14.12 (1253) 2	14.05 (1302) 0	14.17 (1310) 0	14.10 (1326) 0	14.11 (1356) 9	14.11 (1404) 4	14.15 (1399) 1
JUN 11	14.39 (935) 0	14.25 (963) 9	14.25 (995) 11	14.35 (1006) 2	14.30 (1043) 0	14.44 (1063) 0	14.34 (1076) 0	14.35 (1102) 10	14.35 (1141) 4	14.40 (1148) 1
CME - CLASS IV MILK FUTURES (Pit-Traded)										
OCT 10	17.00 (89) 0	17.00 (89) 0	17.14 (89) 0	17.14 (89) 0	17.14 (89) 0	17.14 (89) 0	17.15 (89) 0			
NOV 10	16.65 (83) 0	16.65 (83) 0	16.91 (83) 0	16.91 (83) 0	16.91 (83) 0	16.91 (83) 0	16.50 (83) 0	16.50 (83) 0	16.50 (83) 0	16.50 (83) 0
DEC 10	15.65 (46) 0	15.65 (46) 0	15.66 (46) 0	15.66 (46) 0	15.64 (46) 0	15.63 (46) 0	15.63 (46) 0	15.50 (46) 0	15.50 (46) 0	15.50 (46) 0
CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
OCT 10	219.58 (688) 0	219.25 (688) 0	219.25 (688) 0	219.25 (688) 0	219.25 (688) 0	219.25 (688) 0	218.93 (688) 0			
NOV 10	213.00 (493) 19	212.00 (503) 14	212.00 (503) 0	213.00 (517) 27	210.75 (515) 26	212.00 (515) 11	207.00 (518) 3	205.50 (518) 12	205.00 (518) 2	205.00 (518) 2
DEC 10	187.00 (477) 8	186.50 (475) 3	188.50 (475) 0	188.00 (476) 1	183.00 (482) 6	180.00 (484) 12	175.00 (486) 25	117.00 (487) 1	175.00 (490) 3	175.00 (490) 0
CME - NONFAT DRY MILK FUTURES (Pit-Traded)										
OCT 10	116.75 (342) 0	116.50 (342) 0	116.50 (342) 0	116.50 (342) 0	116.50 (342) 0	116.50 (342) 0	116.74 (342) 0			
NOV 10	117.15 (300) 0	117.15 (297) 0	117.50 (297) 0	117.50 (297) 0	117.55 (297) 0	117.55 (297) 0	117.55 (297) 0	119.00 (297) 0	120.50 (297) 0	120.75 (297) 0
DEC 10	115.50 (341) 0	115.50 (341) 0	114.50 (357) 0	114.50 (356) 0	114.50 (356) 0	114.50 (356) 0	115.50 (359) 0	115.50 (359) 0	116.00 (359) 0	116.50 (360) 0
CME - WHEY (Electronic-Traded)										
OCT 10	36.75 (285) 0	36.75 (285) 0	36.75 (285) 0	36.75 (285) 0	36.75 (285) 0	36.75 (285) 0	36.76 (285) 0			
NOV 10	37.00 (306) 3	36.75 (306) 2	36.75 (306) 0	36.75 (306) 0	36.75 (306) 0	36.75 (306) 0	37.50 (306) 5	37.50 (306) 0	37.50 (306) 0	37.50 (306) 0
DEC 10	35.50 (315) 11	36.25 (320) 5	36.50 (320) 0	37.00 (317) 4	37.00 (313) 4	37.00 (313) 0	37.50 (313) 1	37.50 (313) 0	37.25 (319) 8	37.03 (321) 2
CME - CHEESE CSC (Electronic-Traded)										
OCT 10	1.76 (96) 0	1.76 (96) 2	1.76 (96) 0	1.76 (96) 0	1.76 (96) 0	1.76 (96) 0	1.77 (96) 0			
NOV 10	1.63 (56) 12	1.64 (62) 6	1.62 (63) 2	1.62 (63) 0	1.62 (63) 0	1.63 (63) 0	1.62 (63) 0	1.62 (63) 0	1.62 (63) 0	1.62 (63) 0
DEC 10	1.56 (75) 4	1.52 (114) 39	1.50 (114) 0	1.50 (114) 0	1.49 (114) 1	1.49 (114) 1	1.45 (114) 0	1.43 (114) 0	1.45 (144) 32	1.43 (154) 15
JAN 11	1.50 (38) 2	1.49 (40) 2	1.47 (40) 0	1.47 (46) 6	1.47 (50) 15	1.48 (51) 1	1.45 (52) 3	1.43 (53) 10	1.47 (78) 31	1.45 (78) 0
FEB 11	1.50 (10) 0	1.49 (10) 1	1.48 (15) 5	1.48 (21) 6	1.47 (33) 12	1.48 (37) 4	1.46 (45) 8	1.45 (55) 11	1.46 (71) 17	1.46 (82) 12
MAR 11	1.51 (32) 0	1.50 (33) 2	1.50 (35) 2	1.50 (41) 6	1.48 (53) 14	1.49 (53) 0	1.47 (66) 13	1.47 (86) 20	1.49 (113) 27	1.48 (123) 12

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.

Tentative Release Dates for 2011 Federal Milk Order Price Data

Based on current Federal milk order rules, listed below are the release dates for the Federal milk order program for price data applicable to January through December 2011. These release dates are subject to change. The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDT no later than the 23rd of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23rd. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDT no later than the 5th of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5th. Due to the Federal holiday on December 24, 2010, the release date and time for the January Advanced Prices and Pricing Factors is Thursday, December 23, 2010, at 2:00 p.m. EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	Dec. 23, 2010	12/11, 18	Feb. 4, 2011	1/1, 8, 15, 22, 29
February	Jan. 21, 2011	1/8, 15	Mar. 4	2/5, 12, 19, 26
March	Feb. 18	2/5, 12	Apr. 1	3/5, 12, 19, 26
April	Mar. 18	3/5, 12	Apr. 29	4/2, 9, 16, 23
May	Apr. 22	4/9, 16	Jun. 3	4/30, 5/7, 14, 21, 28
June	May 20	5/7, 14	Jul. 1	6/4, 11, 18, 25
July	Jun. 17	6/4, 11	Aug. 5	7/2, 9, 16, 23, 30
August	Jul. 22	7/9, 16	Sep. 2	8/6, 13, 20, 27
September	Aug. 19	8/6, 13	Sep. 30	9/3, 10, 17, 24
October	Sept. 23	9/10, 17	Nov. 4	10/1, 8, 15, 22, 29
November	Oct. 21	10/8, 15	Dec. 2	11/5, 12, 19, 26
December	Nov. 18	11/5, 12	Dec. 30	12/3, 10, 17, 24

1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by NASS on Friday of the following week.

USDA/AMS/DA/MIB
November 5, 2010

2011 OFFICIAL MONTHLY AVERAGE RELEASE TIMES

<u>MONTH</u>	<u>RELEASE DAY*</u>
JANUARY	FRIDAY, FEBRUARY 4
FEBRUARY	FRIDAY, MARCH 4
MARCH	FRIDAY, APRIL 1
APRIL	MONDAY, MAY 2
MAY	FRIDAY, JUNE 3
JUNE	FRIDAY, JULY 1
JULY	MONDAY, AUGUST 1
AUGUST	FRIDAY, SEPTEMBER 2
SEPTEMBER	MONDAY, OCTOBER 3
OCTOBER	FRIDAY, NOVEMBER 4
NOVEMBER	FRIDAY, DECEMBER 2
DECEMBER	TUESDAY, JANUARY 3, 2012

*Release time: 9:00 am Central time

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES*

Forecast milk production for 2010 is unchanged from last month. However, for 2011 production is lowered from last month as forecast cow numbers are reduced from last month. Milk per cow is adjusted slightly higher in early 2011 but higher feed prices and lower forecast milk prices limit the rate of growth in 2011. Exports in 2010 are forecast higher due to strong growth in butter, cheese, and fluid milk/cream. For 2011, continued global economic recovery and a favorable exchange rate should support exports. Revisions have been made to historical export aggregations, resulting in higher estimated exports. Import forecasts are raised on the strong pace of imports. Cheese and butter prices for both 2010 and 2011 are forecast lower. The 2010 forecast for nonfat dry milk is unchanged from last month but stronger expected exports support a higher forecast for 2011. The whey price forecast is unchanged. Both Class III and Class IV price forecasts for 2010 are lowered due to the lower cheese and butter price forecasts. The Class III price forecast is lowered for 2011 but the Class IV price forecast is raised as the higher nonfat price more than offsets the lower butter price forecast. The all milk price is forecast to average \$16.30 to \$16.40 per cwt for 2010 and \$15.95 to \$16.85 per cwt for 2011.

U.S. MILK SUPPLY AND USE					
Commodity	2009	2010 Projected		2011 Projected	
		October	November	October	November
BILLION POUNDS					
MILK PRODUCTION	189.3	192.8	192.8	196.0	195.6
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.1	11.3	11.3	10.0	10.1
MARKETINGS	188.3	191.8	191.9	195.0	194.6
IMPORTS	5.6	4.1	4.6	4.0	4.1
TOTAL COMMERCIAL SUPPLY	204.0	207.2	207.8	209.0	208.9
FAT BASIS USE					
COMMERCIAL EXPORTS	4.5	6.6	7.7	5.4	6.2
ENDING COMMERCIAL STOCKS	11.3	10.0	10.1	10.2	10.6
CCC NET REMOVALS <u>1/</u>	0.7	0.2	0.2	0.0	0.0
COMMERCIAL USE <u>2/</u>	187.3	190.3	189.7	193.4	192.1
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.9	11.3	11.3	11.5	11.8
MARKETINGS	188.3	191.8	191.9	195.0	194.6
IMPORTS	5.5	4.5	5.1	4.3	4.9
TOTAL COMMERCIAL SUPPLY	204.7	207.6	208.2	210.8	211.3
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	22.4	29.3	29.8	28.3	29.5
ENDING COMMERCIAL STOCKS	11.3	11.5	11.8	11.2	11.5
CCC NET REMOVALS <u>1/</u>	2.9	0.0	0.0	0.0	0.0
COMMERCIAL USE <u>2/</u>	168.6	167.1	167.0	171.3	170.3
MILLION POUNDS					
CCC PRODUCT NET REMOVALS <u>1/</u>					
BUTTER	30	8	8	0	0
CHEESE	3	2	0	0	0
NONFAT DRY MILK	248	2	0	0	0
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding. 1/ Includes products exported under the Dairy Export Incentive Program.
2/ Includes commercial exports.

Continued on page 13

NOVEMBER MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2009	2010 Projected		2011 Projected	
		October	November	October	November
DOLLARS PER POUND					
PRODUCT PRICES <u>1/</u> CHEESE	1.2963	1.550-1.560	1.515-1.525	1.540-1.630	1.530-1.620
BUTTER	1.2094	1.720-1.750	1.710-1.740	1.505-1.625	1.500-1.620
NONFAT DRY MILK	0.9222	1.155-1.175	1.155-1.175	1.175-1.245	1.185-1.255
DRY WHEY	0.2584	0.365-0.375	0.365-0.375	0.355-0.385	0.355-0.385
DOLLARS PER CWT					
MILK PRICES <u>2/</u> CLASS III	11.36	14.65-14.75	14.35-14.45	14.50-15.40	14.40-15.30
CLASS IV	10.89	15.10-15.30	15.05-15.25	14.35-15.35	14.45-15.45
ALL MILK <u>3/</u>	12.83	16.45-16.55	16.30-16.40	16.00-16.90	15.95-16.85
QUARTERLY					
	2010 III	2010 IV <u>4/</u>	2011 I <u>4/</u>	2011 II <u>4/</u>	2011 III <u>4/</u>
BILLION POUNDS					
MILK PRODUCTION	48.1	47.6	48.6	50.4	48.5
DOLLARS PER CWT.					
ALL MILK PRICE <u>2/</u> <u>3/</u>	16.80	17.85-18.15	16.35-16.95	15.65-16.55	15.60-16.60
CLASS III PRICE <u>2/</u>	15.06	15.25-15.55	14.10-14.70	14.45-15.35	14.55-15.55
CLASS IV PRICE <u>2/</u>	16.04	16.35-16.75	15.00-15.70	14.20-15.20	14.20-15.30

1/ Simple average of monthly prices calculated by AMS from NASS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." 2/ Annual and quarterly Class III and Class IV prices are the simple average of monthly minimum Federal order milk prices paid by regulated plants for milk used in the respective classes. All milk price is the simple average of monthly prices received by farmers for milk at average test. 3/ Does not reflect any deductions from producers as authorized by legislation. 4/ Projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-488, World Agricultural Outlook Board, USDA, November 9, 2010.

SEPTEMBER FLUID MILK SALES

During September, about 4.6 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 1.5 percent lower than September 2009. After adjusting for calendar composition, sales in September 2010 were 1.1 percent lower than September 2009. Estimated sales of total conventional fluid milk products decreased 2.0 percent from September 2009 and estimated sales of total organic fluid milk products increased 17.2 percent from a year earlier.

Editor's Note: Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYeartoDate>.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,
SEPTEMBER 2010, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,143	10,523	-6.1	-6.1
Flavored Whole Milk	46	408	-0.8	-4.7
Reduced Fat Milk (2%)	1,507	13,806	-1.4	0.0
Low Fat Milk (1%)	601	5,239	1.2	3.0
Fat-Free Milk (Skim)	663	5,995	-1.0	-1.2
Flavored Fat-Reduced Milk	398	2,829	2.1	1.4
Buttermilk	38	345	-2.5	-24.6
Total Conventional Milk Products	4,401	39,202	-2.0	-1.8
Organic Whole Milk	40	312	27.3	13.8
Organic Reduced Fat Milk	41	3/	3/	3/
Organic Low Fat Milk	34	3/	3/	3/
Organic Fat-Free Milk (Skim)	35	3/	3/	3/
Organic Flavored Milk	9	3/	3/	3/
Organic Fat-Reduced Milk 4/	122	986	14.2	7.6
Total Organic Milk Products	163	1,299	17.2	9.0
Total Fluid Milk Products 5/	4,564	40,500	-1.5	-1.5
Total Fluid Milk Products Adjusted 5/ 6/	4,575	40,504	-1.1	-1.5

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Volume figures are not available for the previous year or all earlier months. Percentage changes are based on combined data under Organic Fat-Reduced Milk. 4/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 5/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 6/ Sales volumes and percent changes have been adjusted for calendar composition; see <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3023272>

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS
AND CALIFORNIA, SEPTEMBER 2010, WITH COMPARISONS 1/

Area (Order Number)	Sales		Change from: 2/	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	776	6,886	-1.6	-1.7
Appalachian (005)	307	2,706	0.9	1.2
Southeast (007)	415	3,734	-3.2	-1.8
Florida (006)	236	2,176	-0.2	-1.1
Mideast (033)	515	4,538	-0.8	-1.4
Upper Midwest (030)	361	3,200	-0.7	-0.8
Central (032)	381	3,360	-1.8	-3.1
Southwest (126)	386	3,338	0.8	0.0
Arizona (131)	98	883	-2.9	-1.4
Pacific Northwest (124)	187	1,648	-1.3	0.3
California (---)	535	4,792	-4.0	-3.6

1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 3/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis; see 2/ above.

SOURCE: Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

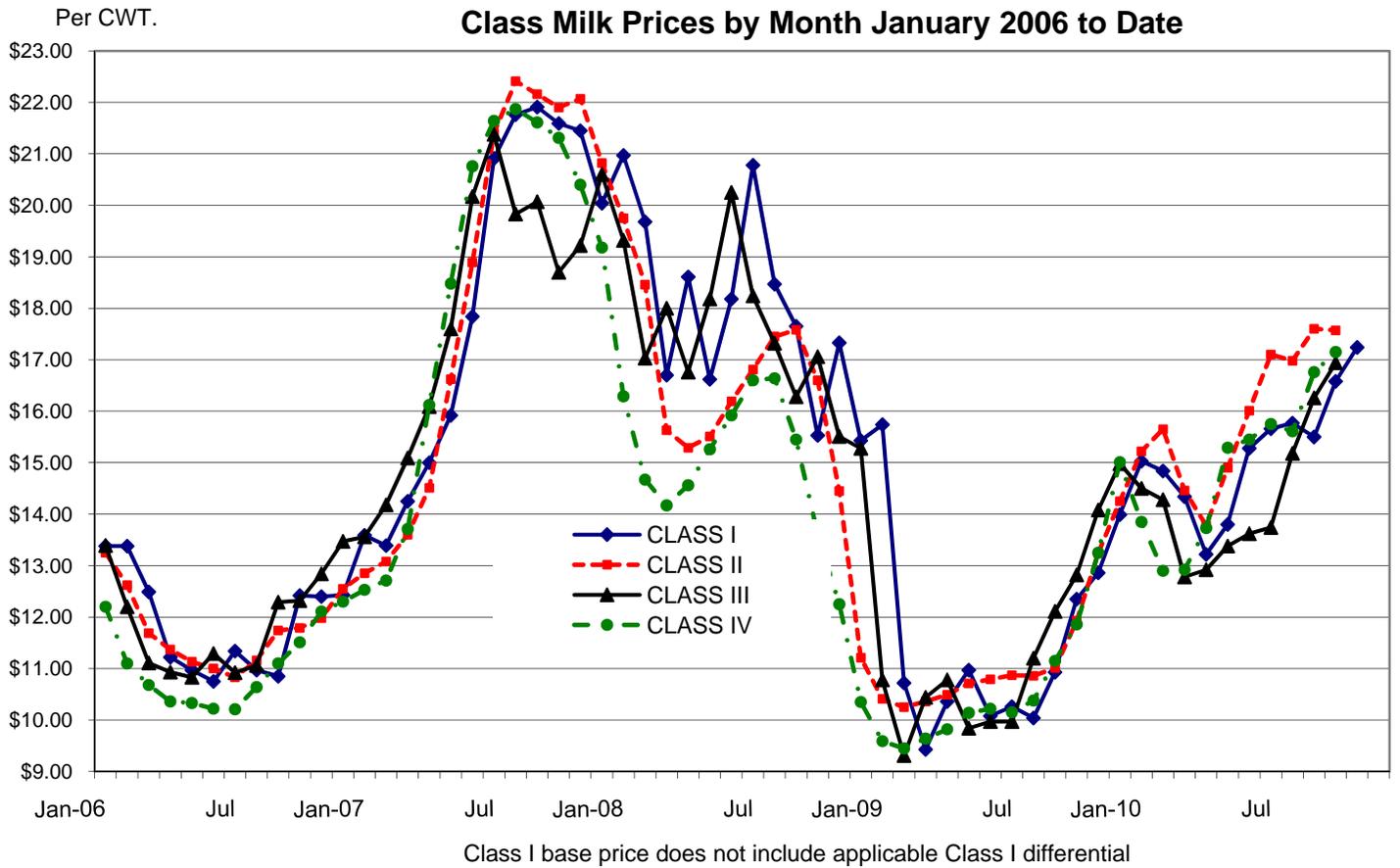
MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, AUGUST 2010, WITH COMPARISONS

In August 2010, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$16.51 per cwt., up \$0.69 from the revised July 2010 average, and up \$4.47 from August 2009. The component tests of producer milk in August 2010 were: butterfat, 3.52%; protein, 2.96%; and other solids, 5.72%. On an individual reporting area basis, mailbox prices increased from the previous revised month in all Federal milk order reporting areas except Western Pennsylvania, Ohio, and Indiana. Mailbox prices in August 2010 ranged from \$21.11 in Florida to \$14.94 in New Mexico.

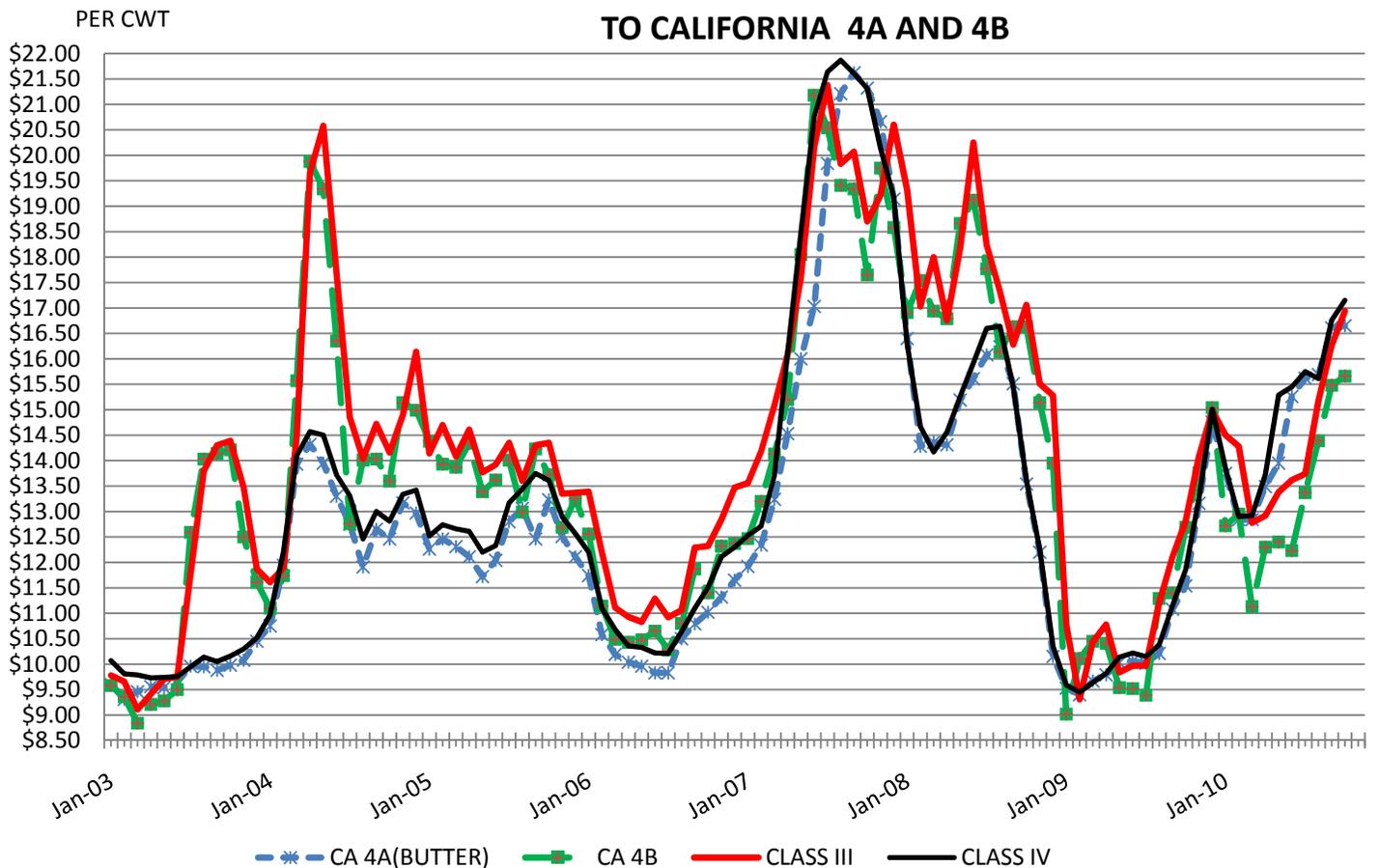
Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	August 2009	July 2010	August 2010
	Dollars per hundredweight		
New England States <u>3/</u>	12.57	17.33	17.82
New York	11.81	16.18	16.59
Eastern Pennsylvania <u>4/</u>	12.12	16.85	17.24
Appalachian States <u>5/</u>	13.04	18.25 *	18.62
Southeast States <u>6/</u>	13.88	18.65 *	19.55
Southern Missouri <u>7/</u>	11.51	16.39 *	17.09
Florida	15.37	19.67 *	21.11
Western Pennsylvania <u>8/</u>	11.97	16.68	16.28
Ohio	12.45	16.72	16.61
Indiana	11.90	16.80 *	16.72
Michigan	11.69	15.93	16.04
Wisconsin	12.25	14.97	16.18
Minnesota	12.57	15.00	16.07
Iowa	12.22	15.93	16.65
Illinois	12.44	15.62 *	16.65
Corn Belt States <u>9/</u>	11.69	15.55 *	16.21
Western Texas <u>10/</u>	11.30	15.20	15.84
New Mexico	10.51	14.30	14.94
Northwest States <u>11/</u>	11.17	15.37	16.08
All Federal Order Areas <u>12/</u>	12.04	15.82 *	16.51
California <u>13/</u>	10.51	14.33	15.04

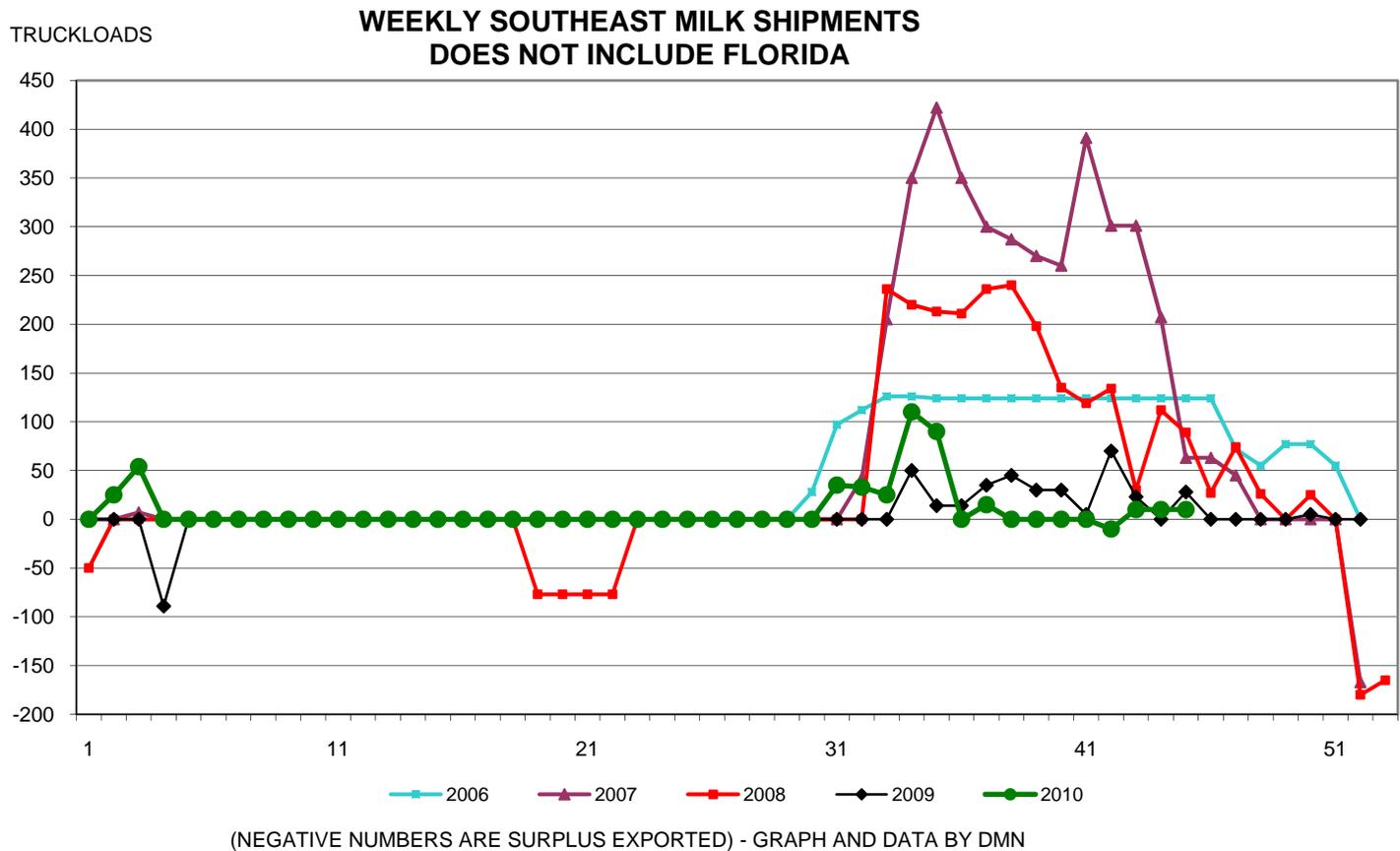
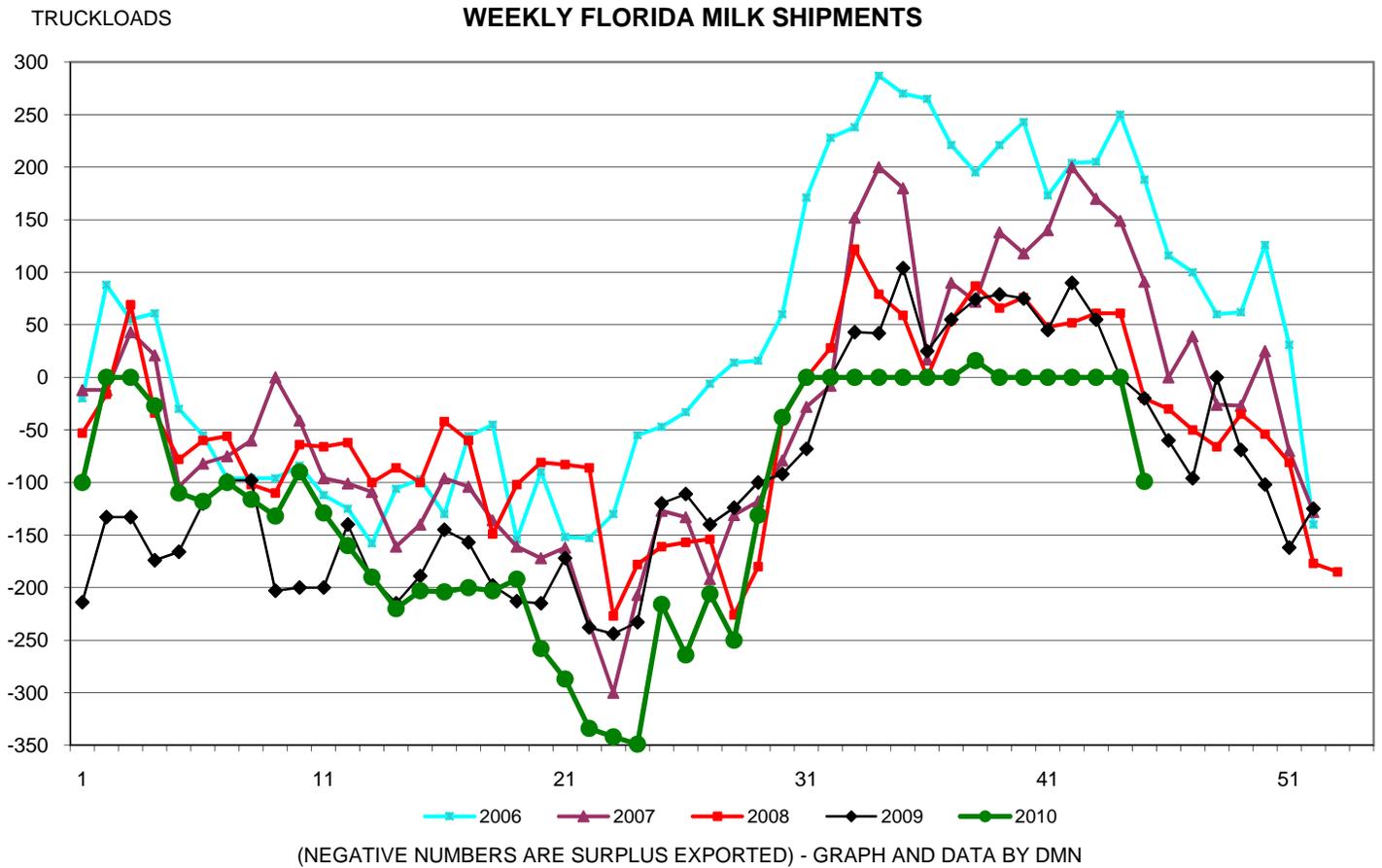
* Revised

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



FEDERAL ORDER CLASS III AND IV PRICES COMPARED TO CALIFORNIA 4A AND 4B





DAIRY MARKET NEWS

GENERAL NUMBER
(608) 278-4200

VOLUME: 77

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REPORT: 45

DATE: 11/12/2010

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