

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (04/08):**

**BUTTER:** Grade AA closed at \$1.9725. The weekly average for Grade AA is \$1.9715 (-.0555).

**CHEESE:** Barrels closed at \$1.5400 and 40# blocks at \$1.5900. The weekly average for barrels is \$1.5295 (-.0850) and blocks, \$1.5795 (-.0640).

**BUTTER HIGHLIGHTS:** During the week, the CME cash butter price decreased to \$1.9700, the lowest point since early January, but closed the week at \$1.9725. Churning schedules across the country are building, although most butter producers remain cautious with their cream purchases. Most butter producers are churning for current and near term needs with clearances of surplus production continuing. Although butter is clearing to inventory, levels are lighter than last year at this time and much lighter than most butter handlers would desire. Butter orders have been quite good for this pre-holiday period of the year. Many retailers are indicating that scattered butter feature activities will be occurring during the next two weeks at varying levels. Food service orders are also stronger as away from home eating patterns are often higher with the upcoming holiday.

**CHEESE HIGHLIGHTS:** The cheese market is unsettled. Offerings and sale volumes on the CME Group cash cheese market remained heavy again this week with 35 loads of blocks and 39 loads of barrels trading hands. The CME Group current weekly averages for both blocks and barrels are above the comparable weeks in both 2010 and 2009 but not 2008. Current buying interest is often light though some larger bulk cheese buyers are reportedly rebuilding depleted stocks. Lower prices have some buyers starting to rebuild aging program stocks. Cheese yields remains at very good seasonal levels, at least in Federal Order areas. Finished product orders remains light. Cumulative January – February 2011 cheddar production is estimated at 517.8 million pounds, up 6.8 million pounds (1.3%) from the same period in 2010. Mozzarella output in the early 2011 is placed at 582.4 million pounds, an increase of 38.3 million pounds (7.0%) and total cheese 1.694.0 billion pounds, up 77.1 million pounds (4.8%).

**FLUID MILK:** Milk receipts are increasing across the country as warmer weather arrives. The spring flush is in full swing in the southern regions of the nation. Florida is shipping loads out of state at a higher rate than last year. Arizona milk production is also at peak and manufacturing plants are operating at moderate to heavy

schedules. Seasonal production increases in the northern states are slowly developing as dairy farmers await green grass and new crop forages. Increased cream supplies are meeting mixed demand. Class II users are finishing Lenten orders. Milk solid yields are reported to be at higher levels than previous years with butterfat and protein levels increased for this time of year.

**DRY PRODUCTS:** The NDM market is trending steady to weak as more skim product is going into dryers. Increased production has allowed buyers to acquire product and fill immediate needs. Weaker international prices have slowed short term demand. Manufacturers are increasing drying schedules to handle increased supplies of milk. Inventories of NDM are tight and processors are hoping to build stocks. Increased production of SMP for export has tightened availability of nonfat dry milk supplies. Dry buttermilk prices are mostly unchanged. Weaker NDM pricing has restrained price increases. Condensed buttermilk sales are increasing as ice cream production ramps up for summer use. Whey prices across the country narrowed. Production remains geared to contract fulfillment in most cases, with light activity in spot markets. Resale prices have weakened although still at a premium to most contract pricing. Supplies are reported tight for additional product. Whey protein concentrate 34% prices are steady to firm. Buyer interest remains active. Second quarter pricing for lactose contracts became effective this week. Prices for 2Q are mostly higher than the previous quarter. Current prices are competitive for export deliveries. Casein prices are firmer into the new quarter as buyers look to secure domestic needs.

**ORGANIC DAIRY MARKET OVERVIEW (DMN):** Organic dairy weekly supermarket newspaper advertising rebounded from the record 2010 – 2011 low level set two weeks ago. Ads for organic milk half gallons and 6 ounce yogurt reached the highest level of 2011, while ad numbers for 8 ounce organic milk set a 2011 record low. Butter advertising was at the highest level since data began being tracked during the fall of 2009. While the last report found the lowest number of organic dairy ads than during any period of 2010 or 2011, advertising during this two week period rebounded strongly, tripling to 2,988 ads. This is the second highest number of organic ads during 2011.

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COMMODITY	MONDAY APR 04	TUESDAY APR 05	WEDNESDAY APR 06	THURSDAY APR 07	FRIDAY APR 08	WEEKLY CHANGE*	AVERAGE
CHEESE BARRELS	\$1.5525 (-.0200)	\$1.5225 (-.0300)	\$1.5225 (N.C.)	\$1.5100 (-.0125)	\$1.5400 (+.0300)	:: (-.0325)	:: (-0850)
40# BLOCKS	\$1.5775 (-.0175)	\$1.5775 (N.C.)	\$1.5775 (N.C.)	\$1.5750 (-.0025)	\$1.5900 (+.0150)	:: (-.0050)	:: (-0640)
NONFAT DRY MILK EXTRA GRADE	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.8000 (N.C.)	:: (N.C.)	:: (N.C.)
GRADE A	\$1.6800 (-.0200)	\$1.6700 (-.0100)	\$1.6700 (N.C.)	\$1.6700 (N.C.)	\$1.6700 (N.C.)	:: (-.0300)	:: (-0550)
BUTTER GRADE AA	\$1.9700 (-.0200)	\$1.9700 (N.C.)	\$1.9725 (+.0025)	\$1.9725 (N.C.)	\$1.9725 (N.C.)	:: (-.0175)	:: (-0555)

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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The national weighted average advertised price for half gallons of organic milk declined 31 cents to \$2.96. The top of the range remained unchanged at \$3.69 while the bottom increased 19 cents to \$2.69. The national weighted average advertised price for organic gallons is \$5.05. Organic yogurt in 6 ounce containers has a weighted average advertised price of 91 cents, with a range from 85 cents to \$1.00.

**INTERNATIONAL UPDATE (DMN):** The April 5 g/DT session results showed mixed trends from the previous event. For the nearby June 2011 period, prices and changes from the previous session are: anhydrous milk fat, \$5,958/MT, -2.8%; buttermilk powder, N.A.; skim milk powder, \$3,980/MT, 6.7%; and whole milk powder, \$3,984, -7.9%.

**FEBRUARY 2011 DAIRY PRODUCTS (NASS):** BUTTER production was 150.1 million pounds in February, 6.4% above February 2010 but 9.8% below January 2011. AMERICAN TYPE CHEESE production totaled 328.8 million pounds, 2.6% above February 2010, but 8.5% below January 2011. TOTAL CHEESE output (excluding cottage cheese) was 807.1 million pounds, 4.1% above February 2010, but 9.0% below January 2011. NONFAT DRY MILK production, for human food, totaled 109.6 million pounds, 6.9% below February 2010 and 6.4% below January 2011. DRY WHEY production, for human food, was 79.5 million pounds, 5.6% above February 2010, but 8.1% below January 2011. ICE CREAM (hard) production totaled 62.3 million gallons, 1.4% below February 2010, but 11.3% above January 2011.

**APRIL MILK SUPPLY AND DEMAND ESTIMATES (WAOB):** The milk production forecast for 2011 is reduced slightly from last month. Relatively high milk prices are being offset by high feed costs and only slight growth is expected in the herd for the remainder of the year. Fat-basis imports are lowered from last month but skim-solids imports are forecast higher. Both skim and fat-basis exports are raised largely on the strength of first-quarter butter, cheese, and nonfat dry milk (NDM) sales. Butter and cheese prices are forecast lower this month, reflecting recent price declines but NDM and whey price forecasts are raised. The Class III price forecast is lowered as the weaker cheese price more than offsets higher whey prices. The Class IV price forecast is raised as higher NDM prices more than offset the lower forecast butter price. The all milk price is forecast to average \$18.15 to \$18.65 per cwt. for 2011.

CME GROUP

MONDAY, APRIL 4, 2011

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.5850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5525; 1 CAR 40# BLOCKS @ \$1.5775  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6800  
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.9700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9900

TUESDAY, APRIL 5, 2011

CHEESE -- SALES: 16 CARS BARRELS: 1 @ \$1.5275, 1 @ \$1.5250, 1 @ \$1.5200, 13 @ \$1.5225; 11 CARS 40# BLOCKS: 7 @ \$1.5750, 4 @ \$1.5775; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5225; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.6150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6700  
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.9700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, APRIL 6, 2011

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.5775; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5200; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.5775  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.6150; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6700  
 BUTTER -- SALES: 8 CARS GRADE AA: 1 @ \$1.9700, 1 @ \$1.9800, 1 @ \$1.9725, 3 @ \$1.9750, 2 @ \$1.9725; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.9700; LAST OFFER UNCOVERED: NONE

THURSDAY, APRIL 7, 2011

CHEESE -- SALES: 16 CARS BARRELS: 4 @ \$1.5225, 1 @ \$1.5200, 1 @ \$1.5175, 2 @ \$1.5125, 1 @ \$1.5100, 3 @ \$1.5125, 4 @ \$1.5100; 18 CARS 40# BLOCKS: 7 @ \$1.5775, 1 @ \$1.5750, 2 @ \$1.5775, 1 @ \$1.5750, 5 @ \$1.5775, 2 @ \$1.5750; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.5800  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6700  
 BUTTER -- SALES: 10 CARS GRADE AA: 4 @ \$1.9725, 1 @ \$1.9750, 5 @ \$1.9725; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.9725; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9800

FRIDAY, APRIL 8, 2011

CHEESE -- SALES: 5 CARS BARRELS @ \$1.5400; 4 CARS 40# BLOCKS: 2 @ \$1.5925, 2 @ \$1.5900; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5400; 4 CARS 40# BLOCKS @ \$1.5900; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.6700  
 BUTTER -- SALES: 3 CARS GRADE AA @ \$1.9725; LAST BID UNFILLED: 3 CARS GRADE AA @ \$1.9700; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.9725

BUTTER MARKETS

NORTHEAST

Butter prices on the CME Group were unchanged Tuesday and closed at \$1.9700. In the last 6 trading sessions the CME Group butter market has been active, trading 20 loads and declining 11 cents. Butter production is fairly steady as butter makers are finishing up their Easter orders, while other butter makers are churning and adding to inventories in order to handle increased cream supplies on or near the weekend. Cream demand is picking up as ice cream and ice cream mix operations are increasing production schedules. The range for cream multiples expanded this week, ranging from 124-135. According to NASS, cumulative 2011 butter production through February was 4.4% above cumulative year production for the same period for 2010. February 2011 monthly U.S. butter production totaled 150.1 million pounds, down 9.8% from January, but 6.4% more when compared to February 2010. Atlantic region butter production in February 2011 totaled 15.3 million pounds, down 14.6% from January, but 5.0% more than February, 2010. Prices for bulk butter range from 5-8 cents over the market, based on the CME Group with various time frames and averages used.

CENTRAL

During the past week, the CME Group cash butter price dipped below the \$2.0000 level for the first time since early January and settled at \$1.9725 at midweek. Most butter producers and handlers are wondering where this price will settle as churning activity heads into the spring milk flush. The cash price declined to \$1.9700 early in the week but increased 1/4 cent on Wednesday. Churning schedules this week were about steady with recent weeks as butter producers continue to fill Easter/Passover orders. Butter producers remain cautious with their cream purchases. Some churning schedules are stronger than current demand can clear, thus clearances to inventory continue. Overall, inventories are much lighter than last year at this time and lighter than most butter handlers desire. Cream volumes tightened somewhat as Class II users prepare cream based products for the

holiday. Most butter handlers are quite surprised at the good volume of butter that has and will clear to accounts prior to the upcoming holiday. Suppliers indicate that orders from the retail end of the market are good, stimulated by scattered feature activity. Many retailers that have not run features as of yet are indicating that they will be featuring at some level during the next two weeks. Food service orders are also stronger as away from home eating patterns are often higher with these holidays. Bulk butter prices range from 2 - 4 cents over various pricing bases and averages per pound.

WEST

The CME Group butter price for Wednesday is \$.0025 higher at \$1.9725. Prices this week are unsettled with the market trying to find an equilibrium. Sales of butter at the CME Group exchange have been active this week with fourteen loads sold for the week. Western butter prices continued to trend lower although the price firmed marginally on Wednesday. Holiday orders continue to clear print butter supplies into retail outlets. Butter churns are seeing increased cream supplies and are running on busy schedules. Inventories are building slowly as manufacturers decide whether to build or clear stocks. Demand remains good with export orders handling some volumes. Prices for bulk butter range from 1 cent over to 3 cents under the market, based on the CME with various time frames and averages used. According to the NASS Dairy Products report, February butter production for the U.S. totals 150.1 million pounds, up 6.4% or 9.1 million pounds from February of last year. Production was down 9.8% or 16.3 million pounds from January 2011. Cumulative output for the year for the U.S. is 316.5 million pounds, up 4.4% or 13.4 million pounds from the same period in 2010. February output in the Western region totals 75.4 million pounds, up 2.8% or 2 million pounds more than February 2010. The West produced 50.3% of the butter in the U.S. in February. According to the CME Group, weekly butter stocks in CME approved warehouses increased (+900,000 pounds) to a warehouse adjusted 23.3 million pounds. The total of 23.3 million pounds compares to 55.5 million pounds in 2010 and 80.3 million pounds in the comparable week in 2009. CME Group average price for March 2011 for butter is \$2.0863 compared to \$1.4641 for March 2010.

NASS DAIRY PRODUCT PRICES  
 U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
April 2	1.7934 11,511,959	1.7914 8,679,074	1.5593 15,209,578	2.0334 4,615,295	0.4875 8,332,600

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were mixed Tuesday with barrels declining 3 cents and closing at \$1.5225, while blocks were unchanged and closed at \$1.5775. In the last 6 trading sessions barrels have declined \$.1300 and blocks have declined \$.1225. The weekly price averages have also been mixed, resulting in higher wholesale prices for Cheddar 40# Blocks and Muenster, while Process 5# Slice prices declined. The wholesale price for Swiss Cuts moved higher following Friday's Class III price release. Cheese production in the Northeast remains fairly steady. Orders and sales are picking up for mozzarella cheese after buyers held off recent purchases awaiting recent CME Group price declines to fully take effect. Increased volumes of cheddar cheese are moving into aging programs. Cream cheese is in good demand ahead of the upcoming Easter holiday. According to the latest NASS report, February 2011 total cheese production in New York was 54.9 million pounds, 3.5% less than January and 0.8% less than February 2010. Pennsylvania produced 31.0 million pounds in February, 10.6% less than one month earlier and 5.1% less than one year ago. Vermont produced 8.7 million pounds, 11.9% less than last month and 1.4% less than February 2010. The total of all cheese production for January in the Atlantic region was 101.7 million pounds, down 7.1% from January and 1.0% less compared to the same period last year. Atlantic region cheese production accounted for 12.6% of total U.S. production. Total U.S. cheese production in February 2011 totaled 807.1 million pounds, 9.0% less than January, but 4.1% more than February 2010. Cumulative 2011 U.S. Cheese production through February was 4.8% greater than comparable 2010 production. Focusing on Italian cheese, in January, New York produced 27.1 million pounds, 11.0% less than January and 5.1% less than February 2010. Pennsylvania produced 20.2 million pounds in February 2011, 14.4% less than January and 6.0% less than February 2010. The Atlantic region in February, produced 52.8 million pounds of Italian cheese, 12.4% less than January and 4.9% less than for the same period last year.

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

Cheddar 40# Block	:	1.9625-2.2375
Process 5# Sliced	:	1.7225-2.0325
Muenster	:	1.9825-2.1875
Grade A Swiss Cuts 10 - 14#	:	3.4025-3.7250

## MIDWEST

The cheese market may be at least nearing a short term price floor. Offerings and sale volumes remains heavy on the CME Group cash cheese market as still sluggish commercial interest has problems keeping up with production (along with recent plant inventory additions). A slight improvement was noted in orders from customers using weekly averages that have seen a substantial decline in prices in the past few weeks. Customers are again considering at least retail promotions but little, if any new, for Lent. Process orders remain steady to just occasionally improved. Natural orders are mixed, mainly fair at best. Interest is good for some mozzarella producers and so-so for others, depending on weather and schools on break. A few customers are comfortable at current prices to replacing depleted stocks but not for building a larger inventory. Some slight increase is noted in cheddar volumes entering planned aging programs. Current production remains seasonally strong, bolstered by generally higher seasonal increases in milk intakes and strong cheese yields. The February all Federal Order combined butterfat test was 3.80%, down from January's 3.83%, but the highest February average back through 2000. The February protein test for the 6 Federal Orders using milk components tied for the highest since 2000 at 3.11%.

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

Process American 5# Loaf	:	1.9750-2.1700
Brick And/Or Muenster 5#	:	2.1550-2.3100
Cheddar 40# Block	:	2.1500-2.8650
Monterey Jack 10#	:	2.1175-2.8650
Blue 5#	:	2.4750-3.0300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9875-2.9650
Grade A Swiss Cuts 6 - 9#	:	2.8900-3.3300

## WEST

Cheddar barrels on Wednesday at the CME Group are unchanged at \$1.5225. 40 pound blocks are also unchanged Wednesday at \$1.5775. For the week, barrels are down \$.0500 and blocks are down \$.0175. Sales of barrels are heavy this week with sixteen sales on Tuesday. Blocks are seeing heavy sales for the week with fifteen sales. Lower prices for cheese have brought increased activity to clear inventories of cheese. Process buyers are expressing greater demand to acquire product and sellers are determining how much volume needs to be cleared. Milk volumes are increasing slowly and cheese manufacturers are running heavy schedules. Mozzarella demand is said to be increasing as prices are rolled back. Export interest is also on the rise. Stocks are heavy but not considered to be burdensome. CME Group monthly average price for March 2011 for Barrels is \$1.8049 compared to March 2010 at \$1.2782. Blocks averaged \$1.8125 for March 2011 compared to \$1.2976 for last year. According to the NASS Dairy Products report, total cheese production in the U.S. in February reached 807.1 million pounds, up 4.1% or 31.9 million pounds from last year. Cumulative total cheese output for the U.S. for the year is 1.7 billion pounds, up 4.8% or 77.1 million pounds from the same period in 2010. February total cheese production in the Western region was 344.5 million pounds, up 6.3% or 20.3 million pounds from February 2010. The West produced 42.7% of all the cheese in the U.S. in February. Swiss output for the U.S. in February is 24.5 million pounds, unchanged from last year.

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

Process 5# Loaf	:	1.7400-1.9975
Cheddar 40# Block	:	1.7725-2.1250
Cheddar 10# Cuts	:	1.9525-2.1725
Monterey Jack 10#	:	1.9625-2.1225
Grade A Swiss Cuts 6 - 9#	:	2.9800-3.4100

## FOREIGN

The CME Group average block price reversed its recent downward trend and increased last week \$.0080. The increase resulted in higher wholesale prices for all varieties. Swiss Cuts wholesale prices also moved higher following Friday's release of the Class III price. Imported varieties remained unchanged. According to the latest NASS report, domestic Parmesan production during February 2011 totaled 22.8 million pounds, 0.8% more than January and 20.4% more than February 2010. Provolone production during February totaled 27.4 million pounds, 1.8% more than January and 4.0% more than February 2010. Romano production during February 2011 totaled 3.7 million pounds, 10.3% more than January and 11.2% more than February 2010. Swiss production during February 2011 totaled 24.5 million pounds, 9.4% less than January and unchanged from February 2010.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-4.6900	: 2.1025-3.5900*
Gorgonzola	: 3.6900-6.3900	: 2.6050-2.8650*
Parmesan (Italy)	: -0-	: 3.2200-3.6350*
Provolone (Italy)	: 3.4400-6.2900	: 2.1450-2.3025*
Romano (Cows Milk)	: -0-	: 3.2925-5.4350*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-3.8300	: -0-
Jarlsberg-(Brand)	: 2.9500-4.8900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.4950-3.8175*
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

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

	BUTTER	CHEESE
04/04/11	7,635	126,351
04/01/11	7,608	126,483
CHANGE	27	-132
% CHANGE	N.C.	N.C.

## FLUID MILK AND CREAM

## EAST

SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	280	0	280	0	220
SOUTHEAST STATES	0	0	0	0	0	0

Milk production increases have been noted in the Northeast as temperatures are beginning to move higher and rain has replaced snow. Most pastures have not greened up enough and are too wet to allow cattle to graze. Farmers in some areas are beginning early field work, hauling manure and applying fertilizer. Temperatures in some areas of the Mid Atlantic reached the mid to upper 70's this week and pastures are greening up nicely. Milk production has increased and is adding to the manufacturing milk supply. Class I demand has declined in the Northeast and Mid-Atlantic regions. The spring flush continues in the Southeast and milk intakes are increasing with nearly all auxiliary cheese plants being utilized to assist with the additional milk volumes. Class I sales have picked up due to features by a major grocery chain. Milk production in Florida continues at peak levels. Conditions are near perfect for dairy production with warm days and cool nights. Significant rainfalls covered much of Florida this past week and greatly improved pasture conditions. Class I sales remain sluggish as winter residents are beginning to return home and nondairy beverage consumption has increased, due to warmer daytime temperatures. Producers are keeping a close eye on individual production data and culling lower producing animals in order to take advantage of the current good cull cow prices. Cream demand increased this week as ice cream and ice cream mix production has increased. Cream cheese production remains fairly steady as final orders for Easter are being filled this week. The range for cream multiples expanded as end of the week cream supplies brought the low end of the range lower, while increased ice cream interest during the week moved the upper end of the range higher. Cream multiples ranged from 124-135. Condensed skim continues to move well through contracts with increased demand from Class II manufacturers, Class III demand declined after Friday's Class III price release. Some manufacturers are limiting spot load sales of condensed skim and channeling more volumes to the dryers as a way to catch up on their nonfat dry milk contracts and/or building inventories for future commitments. Ice Cream production in the Atlantic region in February totaled 12.8 million gallons, 15.9% more than January, but 7.7% less than February 2010. Pennsylvania's ice cream production for February totaled 2.2 million gallons, down 27.5% from January, but 12.3% more than one year ago. Yogurt production (plain and flavored) for February totaled 351.5 million pounds, down 2.3% from January, but 11.8% higher compared to the same period last year. Cumulative 2011 production through February totaled 711.3 million pounds, 8.8% higher than through February 2010.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast	-	2.5134-2.7364
F.O.B. producing plants: Upper Midwest	-	2.4527-2.4932

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices	-	1.52 -1.58
Northeast - Class III - spot prices	-	1.45 -1.52

## MIDWEST

Class I interest is little changed from recent weeks. Some slight increase was noted in Class II product output, generally those associated with holidays such as dips, sour cream, and whipping cream. Churning remains active as cream supplies are readily available. The February all Federal Order combined butterfat test average was 3.80%, down from January's 3.83%, but the highest February average back through 2000. The February protein test average for the 6 Federal Orders using milk components tied for

the highest February since 2000 at 3.11%. Both February component averages are well above year ago levels (see page G3 of this report). Churning remains seasonally active, with a good portion of the butter volume currently being put up as prints to fill late Lenten/Passover orders. Ice cream/mix production is about steady, best where warmer weather or holiday orders are stimulating demand. Condensed skim interest is a bit lighter from Class III accounts, many trying to limit inventory accumulation. Other cheese operations may be willing to part with some extra milk. A few other cheese operations are back looking for a few loads of milk after a brief absence. Milk intakes are steady to slightly higher seasonally. In southernmost sections, intakes are around annual peak levels and manufacturing plants are operating on heavy schedules. Cows are often getting more outdoor time but grass growth has been very limited in northern states. Wet fields and cool temperatures have slowed the planting of spring crops in northern and next tier states. Flooding remains a spring concern in several states.

## WEST

The March 4a price (butter/powder) in CALIFORNIA is \$19.06, up \$1.18 from February and \$6.22 higher than last year. This compares to the Federal Order Class IV price for March 2011 at \$19.41. The March 4b price (cheese) is \$16.76, \$0.16 lower than February but \$5.63 more than last year. This compares to the Federal Order Class III price for March 2011 at \$19.40. CALIFORNIA milk production is trending higher. Conditions continue to improve for milk cows. More new crop hay and green chop are being fed in the southern half of the state. As new crop hay is harvested, alfalfa prices are trending lower and buyers are securing stocks from nearby growers. The dairy buyers are still looking to buy alfalfa in spite of the relatively high price. Increased milk prices in recent months have created more farm revenues, but more recent declines in dairy product prices point to lower farm milk prices. Processing plants are running on tighter schedules with several plants on reduced production runs as they are performing maintenance projects. The NEW MEXICO milk situation is building seasonally higher. Processing plants are receiving more milk each week. Class I orders are level. ARIZONA milk production is steady to higher and approaching the peak level for the year. Total intakes are above year ago levels in the state. Weather conditions have been very conducive for milk cows to make milk. Higher input costs, especially feed, are creating obstacles for more growth. Plant schedules are moderate to heavy to handle the milk supplies. Class I interest is steady and has returned to more predictable levels following recent school vacation schedules. CREAM markets are weaker. The declining butter market pricing and subsequent drops for averages and basing points are causing declines in total cream values as multiple and overages are steady to lower. Buying interest for cream is fair at best. There are needs for higher class, cream based products for upcoming holiday orders. Yet there is reluctance among some buyers to fully put in orders. The upside is lower prices, but the downside is not being able to secure products. At the CME Group, the Grade AA butter price closed at \$1.9725 on Wednesday, April 6, down 2.75 cents from a week ago. Cream multiples are lower, ranging 105-123 and vary based on class usage and basing point. Milk production levels in the PACIFIC NORTHWEST are increasing slowly. Temperatures are improving and cow comfort levels are allowing for increased milk flow. Milk handlers are reporting a late start for spring flush in the region. Most of the increase in milk supplies is related to increased herd size and higher production per cow. Milk is being moved within the region to maximize use of the milk volumes. Production facilities are operating busy schedules. Additional volumes are anticipated as greener pastures and forages are getting closer. High feed costs continue to challenge dairy farmer's profitability. UTAH and IDAHO saw improved temperatures, although snow is still a possibility in higher elevations. Milk production levels are steady to increasing slowly. Manufacturing plants in the region are handling the supplies with ease. Farmers are beginning to prepare fields for spring planting. Recent price increases in the corn market and high forage costs are worrisome as dairy farmers hope to maintain profitability.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Central nonfat dry milk prices are trending lower. The weaker market undertone that was hinted at during recent weeks continued this week, although some Central plants are too tight on NDM inventories to participate in spot market sales. Farm milk is being moved from plant to plant, depending on temporary capacity and processing constraints. Plant-based NDM sellers indicate they are responding to more interest from members of the resale community with no previous association to the plants. Many plant managers are focusing on direct-to-sizeable end user sales as that method decreases the frequency of competing with the plants' production in the spot market. Some resale market participants indicated some end-users are offering NDM for resale. According to NASS, NDM production in the Central region totaled 11.1 million pounds during February 2011, 14.7% more than one month ago but 0.5% less than one year ago. The March 2011 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.6200 compared to \$1.5703 one month ago and \$1.1130 in March 2010. The March 2011 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, high heat, was \$1.7050 compared to \$1.6221 one month ago and \$1.2384 in March 2010.

**DAIRY PRODUCTS:** NASS's *Dairy Products* report shows production of human food NONFAT DRY MILK during February 2011 totaled 109.6 million pounds, down 6.4% from January 2011 production and 6.9% lower than February 2010. Month ending stocks, at 99.7 million pounds, are 2.0% higher than a month ago but 34.3% lower than one year ago. Cumulative 2011 nonfat dry milk powder production totals 226.6 million pounds, an 8.0% decrease in production. February 2011 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 36.2 million pounds, 9.5% lower than one month ago, but 64.4% higher than production one year ago. Cumulative 2011 skim milk powder production totals 76.2 million pounds, compared to 42.6 million pounds during the same time span in 2010, a 78.8% increase in production.

**EAST:** Price ranges for nonfat dry milk changed this week, resulting in a narrowing of the price ranges for both high and low heat. Trading is fairly light. Production is steady to increasing as manufacturers are attempting to increase drying schedules in order to catch up on contracts and/or build supplies for future commitments. Both low heat and high heat nonfat dry milk were being manufactured this week. Supplies are fairly tight with most supplies moving through contracts with limited volumes available for the spot market. The fairly tight Eastern supplies are forcing prospective buyers to source product from other regions. The latest NASS Dairy Products report indicates the Atlantic region's production of nonfat dry milk was 14.7 million pounds, 4.4% less than one year ago, but 14.3% more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.5500 - 1.7500 MOSTLY:  
 1.5500 - 1.6500  
 HIGH HEAT: 1.6000 - 1.8200

**NONFAT DRY MILK - WEST**

Pricing for Western low/medium heat nonfat dry milk are unchanged for both the range and mostly series. The market undertone is steady to slightly firm. Several market price indices are trending higher. International prices are also in the range of current U.S. prices with offerings becoming more available out of the EU. U.S. demand is light to fair for current offerings. Buyers are not aggressive for new business, yet with past sales, NDM offerings are limited for immediate needs. NDM is also available in resale channels, in which pricing levels have recently cooled. Utilization in cheese production has slowed with those producers opting for condensed skim and/or additional milk to extend output when desired. Drying schedules are seasonally active and more milk is coming across from some cheese plants performing scheduled maintenance this week. Stocks are light to moderate with the majority committed in the short term. The CME Group NDM

markets closed at midweek at \$1.8000 for Extra Grade and \$1.6700 for Grade A, yet with no sales. U.S. NDM production in February 2011 totaled 109.6 million pounds, 6.9% less than last year. Cumulative YTD output through February totals 226.6 million pounds, down 8% from the same period in 2010. NDM production in the Western region in February totaled 83.8 million pounds, down 8.2% from last year. The West produced 76% of the U.S. total in February. U.S. manufacturers' stocks of NDM at the end of February were 99.7 million pounds, 34.3% lower than a year earlier but 2% higher than January. U.S. skim milk powder (SMP) production in February totaled 36.2 million pounds, 64.4% more than last year but 9.5% less than January. Cumulative YTD output for SMP through February totals 76.2 million pounds, up 78.8% from the same period in 2010.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4600 - 1.6500 MOSTLY:  
 1.5350 - 1.5850  
 HIGH HEAT: 1.5600 - 1.7700

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices are unchanged, with the spot market mostly untested. Some plant operators report selling cream into the spot market for Class II end uses, although demand is slightly sluggish for this time of year. Equipment maintenance is also temporarily limiting some dry buttermilk production this week. The March 2011 Dairy Market News average of the mostly price series for Central and East dry buttermilk was \$1.5104 compared to \$1.4150 one month ago and \$1.0192 in March 2010.

**DAIRY PRODUCTS:** NASS Dairy Products reports production of dry buttermilk during February 2011 totaled 8.6 million pounds, 25.2% less than January 2011 production, but 10.0% more than production one year ago. Month ending stocks of dry buttermilk, at 10.4 million pounds, are 7.2% higher than one month ago, but 32.0% lower than the stock levels of one year ago.

**EAST:** Eastern dry buttermilk prices remained unchanged this week in light trading. Condensed buttermilk sales are increasing as ice cream and ice cream mix manufacturers are increasing production, which is limiting dry buttermilk production. Most supplies are moving through contracts with only small volumes making their way to the spot market or adding to inventories. Demand for dry buttermilk is slightly lower.

F.O.B. CENTRAL/EAST: 1.3650 - 1.6200

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are unchanged. The market undertone is steady. The leveling off for the nonfat dry milk markets is affecting further appreciation of dry buttermilk prices. Dry buttermilk demand has been light to moderate for contracted loads, yet light at best for spot orders. Production levels continue to trend slightly higher and reflect active butter output. Sales of condensed buttermilk have been fair to good and along expected levels. Dry buttermilk stocks are light to moderate and available to fill contract and spot needs. Buttermilk powder production in February 2011 for the U.S. totals 8.6 million pounds, up 10.0% from last year. Buttermilk stocks at the end of February are 10.4 million pounds, 32.0% lower than a year ago but 7.2% higher than last month.

F.O.B. WEST: 1.4300 - 1.5400 MOSTLY: 1.4800 - 1.5200

NONFAT DRY MILK, 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.

CONTINUED FROM PAGE 5

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged to higher and F.O.B. spot market offerings are light. Production is trending seasonally lower at plants with regular milk supplies that must be cleared timely. Although production is lower, some plants indicate they are marketing for the next push in production scheduled for late summer to early fall, as farm milk intakes taper down seasonally. The latest globalDairyTrade auction results show prices trending lower for whole milk powder from that source. New Zealand regular dry whole milk winning prices per pound for the various contract periods and percent change in price from the previous auction are: Contract 1, \$1.7985, -8.0%; Contract 2, \$1.7645, -9.2%; Contract 3, \$1.7123, -2.1%. New Zealand maximum supply by contract for the three contract periods were 1,750 MT, 2,250 MT and 3,500 MT, respectively. The March 2011 Dairy Market News average of the range price series for dry whole milk was \$1.9074 compared to \$1.8413 one month ago and \$1.4809 in March 2010.

DAIRY PRODUCTS: NASS's Dairy Products report shows dry whole milk production during February 2011 totaled 5.0 million pounds, down 2.4% from February 2010 and 19.7% less than January 2011. Manufacturers' month end stocks total 7.3 million pounds, a 5.5% decrease from January 2011, but 10.9% above February 2010.

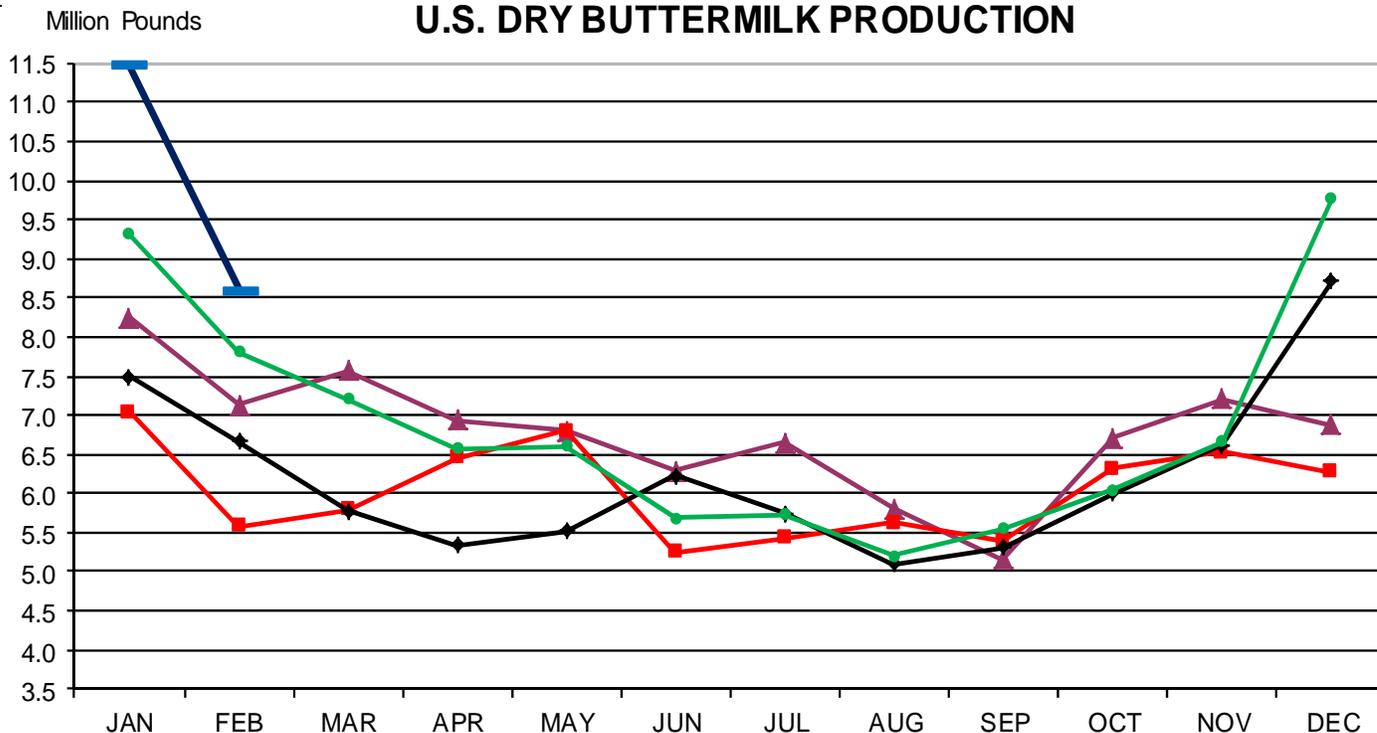
F.O.B. PRODUCING PLANT: 1.8200 - 2.0400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 1	\$1.5185	13,065,367	0
March 25	\$1.4940	12,199,973	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.

U.S. DRY BUTTERMILK PRODUCTION



**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**

Central dry whey prices are mostly steady this week. Spot load availability from some manufacturers is light. Buyers of edible dry whey seem less eager to jump at F.O.B. dry whey spot load offers carrying prices near the top of last week's range. Resale activity is slower compared to last week although several resellers' price offers have backed away from the \$0.65 - \$0.70 range of previous weeks. With the current strong demand, though, some end users have also entered the resale market to clear redundant inventories. Dry whey production is both higher and lower for the week from plant to plant. Cheese orders are less of a limiting factor now than milk supply or maintenance shutdowns. Availability of F.O.B. based spot loads of ANIMAL FEED DRY WHEY improved marginally from some manufacturers this week. Spot market prices linked to various adjustable indices moved the price series higher. Manufacturers indicate interest for animal feed dry whey product remains active both from their traditional stable of customers and prospective buyers. Recent movement of some higher protein product into the animal feed sector is keeping interest in dry whey active for blend down purposes. Human food dry whey production during February 2011 in the Central region totaled 36.6 million pounds. This dry whey production is 11.0% less than January 2011 production, but 0.7% higher than February 2010. The March 2011 Dairy Market News average of the mostly price series for Central dry whey was \$0.4173 compared to \$0.3905 one month ago and \$0.3707 in March 2010. The March 2011 Dairy Market News average of the price series for animal feed dry whey Central - milk replacer was \$0.3403 compared to \$0.3246 one month ago and \$0.2976 in March 2010.

DAIRY PRODUCTS: NASS's Dairy Products report shows production of HUMAN FOOD dry whey during February 2011 totaled 79.5 million pounds, 8.1% less than January 2011, but 5.6% more than production 1 year ago. February ending stocks of HUMAN FOOD dry whey totaled 47.0 million pounds, 4.0% higher than 1 month ago and 10.7% more than February 2010. Production of ANIMAL FEED dry whey during February 2011 totaled 2.3 million pounds, 49.3% less than January 2011 and 22.0% less than production 1 year ago. ANIMAL FEED dry whey month ending stocks totaled 2.2 million pounds, 40.7% lower than one month ago, but 40.5% higher than the stocks of one year ago.

F.O.B. CENTRAL: .4000 - .4800 MOSTLY: .4150 - .4700  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3050 - .4525

**DRY WHEY - NORTHEAST**

Whey prices in the East adjusted this week as contract pricing increased the low end of the range and spot purchase prices lowered the upper end of the range. Dry whey production remains fairly steady and supplies are very tight with most current production volumes moving through contracts. Buyers on the spot market are finding the product difficult to source with resale prices up to \$.6500. Domestic and export demand remain very good. The latest NASS Dairy Products report shows production of dry whey for human consumption for February 2011, in the Atlantic area totaled 19.7 million pounds or 24.8% of the nation's total for February of 79.5 million pounds. The Atlantic area's production is 9.7% above January, but 0.6% below production one year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4575 - .5550

**DRY WHEY - WEST**

Western whey prices narrowed on the full range as formulated contract price indices raised the low end and lack of new spot prices lowered the upper range. Weaker prices for European dry whey have softened the resale market. The mostly series was changed fractionally higher on the low end and steady at the upper end. The bulk of dry whey sales continue to be driven by contract sales with very limited spot market availability. Resale prices showed some weakness. Demand is good for spot loads with product difficult to find. Stocks are reported adequate to tight. According to the NASS Dairy Products report, total dry whey production in February totaled 81.8 million pounds, up 4.6% or 3.6 million pounds compared to February 2010. The Western region produced 23.2 million pounds of human dry whey in February, up 21.7% or 4.1 million pounds from last year. The West produced 29.1% of the human dry whey in the U.S. in February. Cumulative total dry whey production for the year in the U.S. is 172.9 million pounds, up 5.3% or 8.7 million pounds from 2010. Manufacturers' stocks at the end of February for total dry whey are 49.2 million pounds, up 11.8% or 5.2 million pounds from last year.

NONHYGROSCOPIC: .4525 - .5975 MOSTLY: .4525 - .5200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices are unchanged to slightly higher on a firm market. Spot load availability from producers is tight, but buyer interest remains active. Edible loads with slight off specification characteristics are reportedly still clearing within the mostly price series boundaries, indicating end users are actively pursuing inputs for near term production. Regularly scheduled plant maintenance shutdowns have delayed some shipments by 7-10 days from those locations. In Japan, some WPC 34% end users are requesting monthly shipping schedules be moved ahead to help fill supply gaps in that country. Previous reports indicated that product in storage in Japan may have suffered damage from recent events in that country. The March 2011 Dairy Market News average of the mostly price series for Central and West whey protein concentrate 34% was \$1.2404 compared to \$1.0597 one month ago and \$0.9130 in March 2010.

DAIRY PRODUCTS: The NASS Dairy Products report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during February 2011 totaled 18.1 million pounds, 6.8% less than one month ago, and 4.9% lower than production of one year ago. Manufacturers' end-of-month stocks of HUMAN AND ANIMAL WPC (25.0 - 49.9% PROTEIN) totaled 14.5 million pounds, 8.8% less than January 2011 and 32.7% less than February 2011.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1500 - 1.5800 MOSTLY: 1.1800 - 1.5100

CONTINUED ON PAGE 6A

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.

CONTINUED FROM PAGE 6

LACTOSE - CENTRAL AND WEST

The lactose range and mostly price series adjusted to reflect Q2 and monthly pricing effective this week. Although annual sales provide the cashflow bedrock of some lactose operations, quarterly contracting is still actively engaged in by many producers and buyers. Overall, most buyers and manufacturers indicate current monthly and quarterly pricing reset higher compared to last month or last quarter. Interest from both domestic and international buyers remains active for all mesh sizes. Reports on lactose pricing from the EU indicate that domestic lactose is still economically competitive, which is helping support international sales. There are temporary production cutbacks at some locations. The March 2011 Dairy Market News average of the mostly price series for Central and West non pharmaceutical lactose was \$0.3820 compared to \$0.3603 one month ago and \$0.3484 in March 2010.

DAIRY PRODUCTS: NASS's Dairy Products report shows HUMAN and ANIMAL lactose production during February 2011 decreased 8.0% compared to January 2011 to 74.9 million pounds, but was 17.7% higher than February 2010 production. Cumulative 2011 lactose production totals 156.3 million pounds, 19.8% more than during the same time span in 2010. Month ending stocks, at 76.9 million pounds, are 3.3% less than one month ago, but 17.0% higher than one year ago.

Including spot sales and up to 3 month contracts.  
F.O.B. EDIBLE, NON PHARMACEUTICAL .3600 - .5400 MOSTLY: .4000 - .4800

CASEIN - NATIONAL

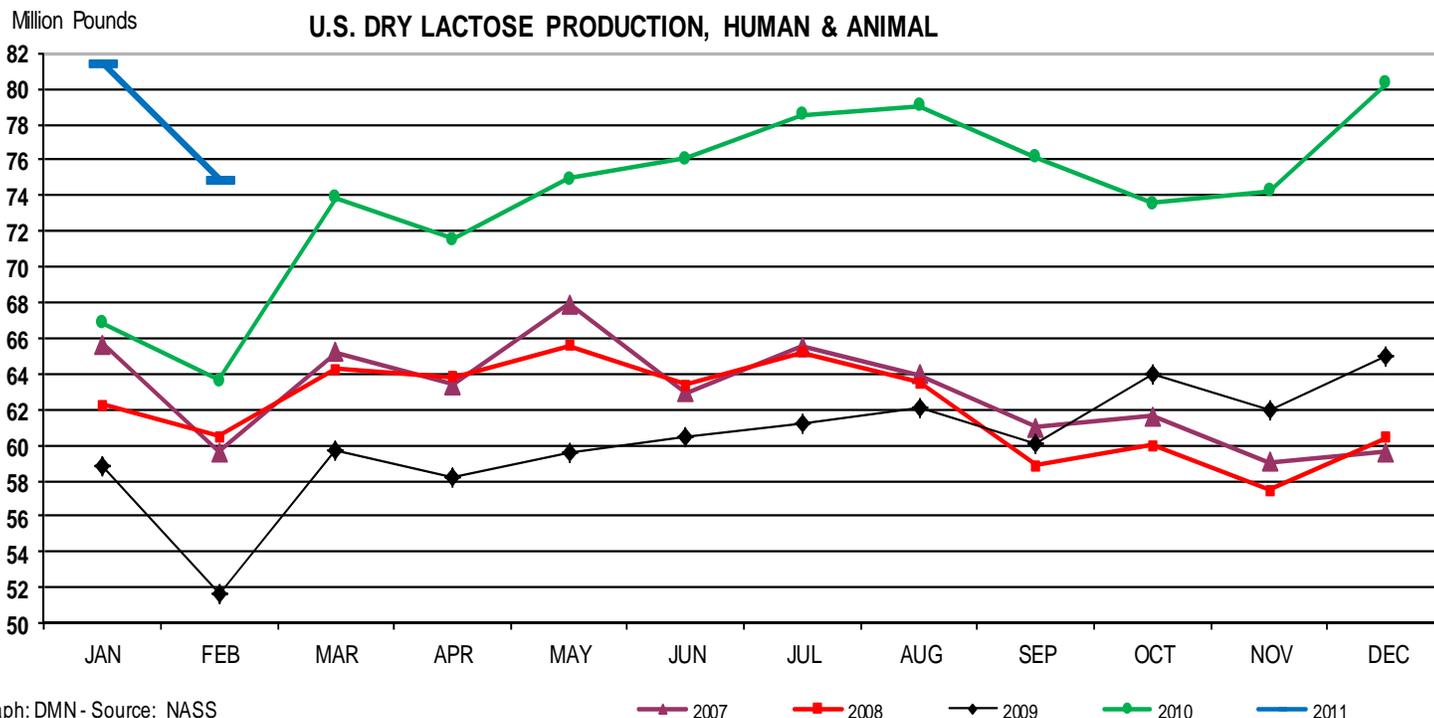
Casein markets and prices are firm. A new contracting quarter has begun, thus prices have adjusted higher. Suppliers remain confident that they will fulfill their commitments to domestic buyers. As prices firm and supply availability remains a significant concern for domestic buyers, many are returning to contracts versus spot purchases. Casein production in the Oceania region has concluded for the season whereas European production is just getting underway. At this point, most domestic buyers are getting their needs filled as scheduled.

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: 4.7600 - 5.1400  
ACID: 4.7000 - 5.1200

EVAPORATED MILK - NATIONAL

Canned evaporated milk production during February 2011 totaled 39.6 million pounds, an increase of 1.7% from January 2011 and 4.8% higher than February 2010. Manufacturers' end-of-month stocks totaled 43.7 million pounds, 28.8% lower than one month ago and 29.0% lower than one year ago.



Graph: DMN - Source: NASS

**CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)**

	FOR THE WEEK OF APRIL 4 - 8, 2011			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 04/01/11	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfat	-0-	-0-	-0-	-0-	132,276	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	132,276	-0-	-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 03/19/11 & Comparable Week 2010**

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		
2011-Dairy	N.A.	0.7	8.3	3.2	19.2	5.0	N.A.	N.A.	15.9	3.3	57.5	733.5	49.4	49.1
2010-Dairy	N.A.	0.6	7.8	2.4	16.2	4.0	0.4	N.A.	18.8	3.9	55.4	667.5	46.9	45.4
2011-All cows	0.1	0.7	10.3	12.7	30.4	19.8	N.A.	N.A.	18.3	5.8	116.3	1,494.2		
2010-All cows	N.A.	0.7	9.7	12.7	30.0	18.4	14.3	N.A.	21.1	7.1	117.8	1,469.1		

**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.

**CLASS III MILK PRICES, (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83

**CLASS IV MILK PRICES, (3.5% BF)**

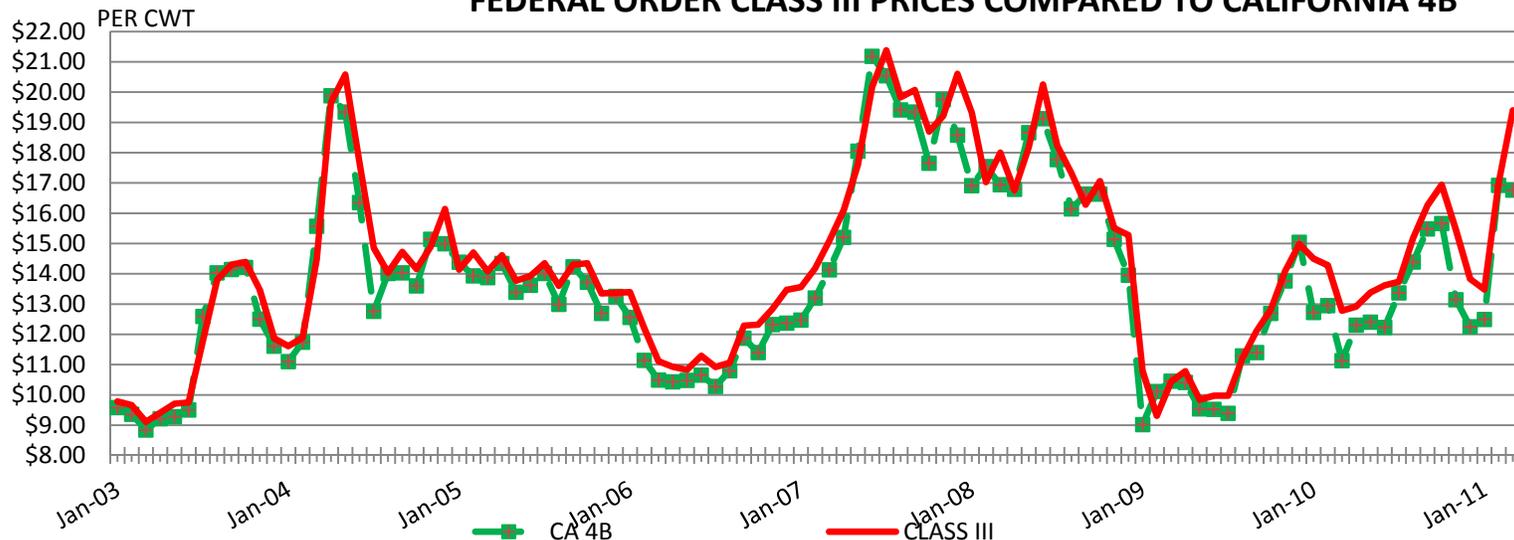
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2007	12.53	12.71	13.71	16.12	18.48	20.76	21.64	21.87	21.61	21.31	20.40	19.18
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03

**FEDERAL MILK ORDER CLASS PRICES FOR 2011 (3.5% BF)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.20	15.89	18.23	19.43								
II	16.79	17.97	18.83									
III	13.48	17.00	19.40									
IV	16.42	18.40	19.41									

1/ Specific order differentials to be added to this base price can be found by going to: [www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points." \$ Revised

**FEDERAL ORDER CLASS III PRICES COMPARED TO CALIFORNIA 4B**

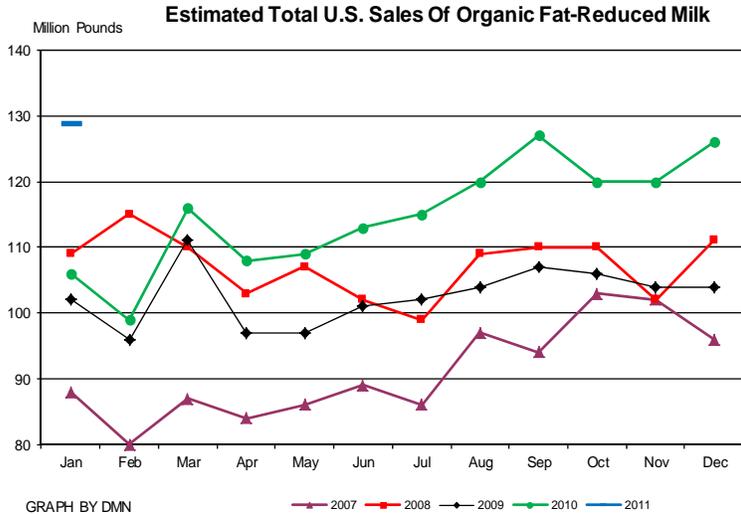


ORGANIC DAIRY MARKET NEWS

Information gathered March 28 - April 8, 2011

ORGANIC DAIRY FLUID OVERVIEW

The following graph shows the trend in U.S. sales of organic fluid reduced milk beginning in 2007 through January, 2011. Sales were higher month after month for 2007 and most of 2008 until November that year. Following a sales increase in December 2008, for most of 2009, sales were below 2008 levels. Monthly growth above year earlier levels resumed in January 2010 and has consistently trended stronger than the prior year since then.



ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON:

**Overview.** Organic dairy weekly supermarket newspaper advertising rebounded from the record 2010 – 2011 low level set two weeks ago. Ads for organic milk half gallons and 6 ounce yogurt reached the highest level of 2011, while ad numbers for 8 ounce organic milk set a 2011 record low. Butter advertising was at the highest level since data began being tracked during the fall of 2009.

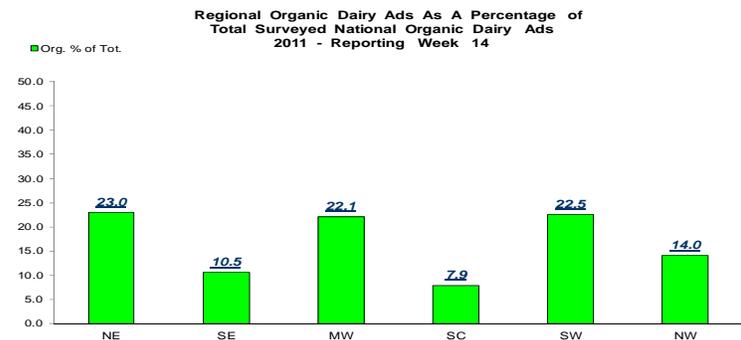
While the last report found the lowest number of organic dairy ads than during any period of 2010 or 2011, 911 of 9,201 surveyed ads, advertising during this two week period rebounded strongly to 2,988 ads. This is the second highest number of organic ads during 2011. You would have to go back ten weeks into 2010 to find a higher number of ads that year.

The 2011 trend of ad placements for 8 ounce organic milk exceeding ads numbers for organic half gallons sharply reversed this two week period. This reports' disparity between 1,872 half gallon ad placements and 67 8 ounce organic milk ad placements, representing the largest number spread during 2011.

Organic yogurt advertising has returned. Two weeks ago for the first time dating to the fall of 2009, there were zero ads for organic yogurt. This period's 919 organic yogurt ads is the highest number of 2011.

Information presented is compiled from newspaper supermarket ads for the period March 26, 2011 to April 7, 2011, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of supermarket cooler prices.

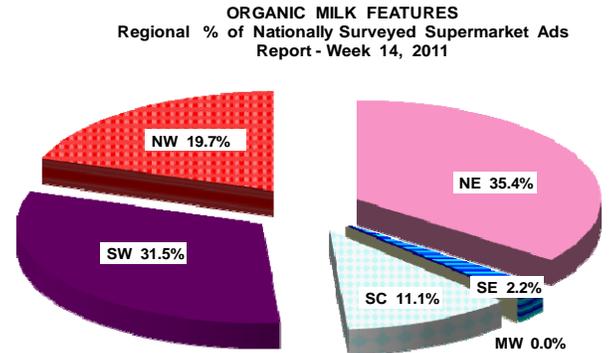
**Regional Organic Dairy Ad Trends – Current Period.** No single region dominates other regions in organic dairy advertising. Three regions have similar relative percentages of total organic dairy ads: the Northeast, 23.0%; Southwest, 22.5%; and Midwest, 22.1%. The remaining regions and percentages are: Northwest, 14.0%; Southeast, 10.5%; and South Central, 7.9%.



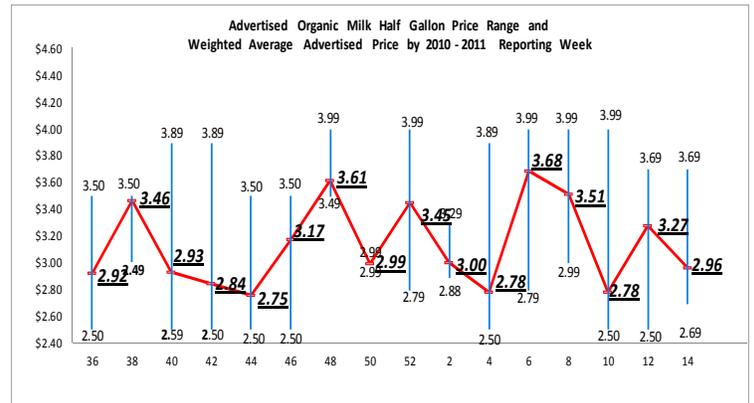
Product Emphasis.

This report's 2,128 organic milk ad placements are well up from 752 two weeks ago, which was the second lowest number during 2010 or 2011. Ads for organic milk in half gallon containers dominated the milk category with 1,872 ads. This is well above 189 gallon organic ads and 67 ads for organic milk in 8 ounce containers.

**Milk.** Organic milk ads appeared in every region except the Midwest. Regional percentages of total organic milk newspaper advertising include: Northeast, 35.4%; Southwest, 31.5%; Northwest, 19.7%; South Central, 11.1%; and Southeast, 2.2%.



**Half Gallons.** The national weighted average advertised price for half gallons of organic milk declined 31 cents to \$2.96. The top of the range remained unchanged at \$3.69 while the bottom increased 19 cents to \$2.69. The reason that the weighted average price declined is due to there being over five times as many ads for half gallons as two weeks ago, coupled with a heavier concentration of prices lower in the range.



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

HALF GALLON ORGANIC MILK ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	33.0	3.50
SE	02.4	2.69
MW	00.0	----
SC	12.7	2.69
SW	35.8	2.69
NW	16.1	2.69
US		2.96

**Gallons.** There were 189 ad placements for organic gallons in contrast with zero two weeks ago. Ad numbers for gallons each two week cycle are typically fewer than for half gallons.

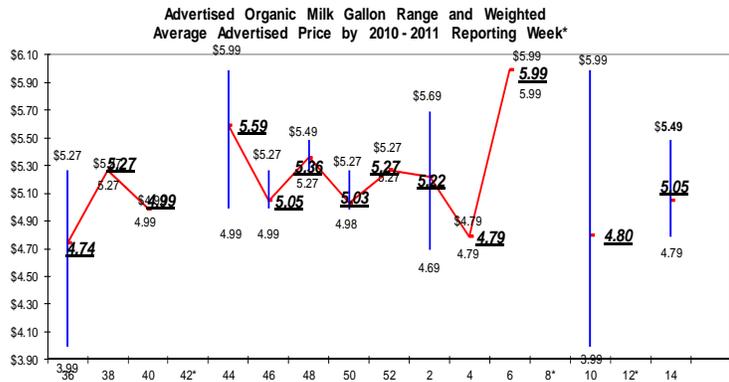
The national weighted average advertised price for organic gallons is \$5.05. Because there were no ads two weeks ago there is no two week price trend comparison. However, this weighted average advertised price is 25 cents higher than four weeks ago, with the range top price, \$5.49, 50 cents below four weeks ago and the bottom, \$4.79, 1 cent below four weeks ago.

CONTINUED ON PAGE 8-A

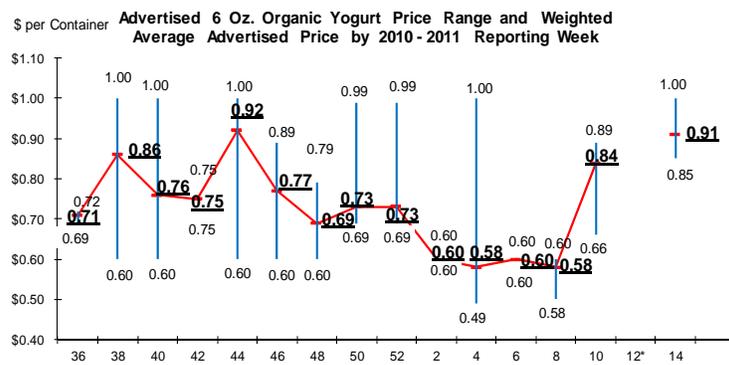
ORGANIC DAIRY MARKET NEWS

Information gathered March 28 - April 8, 2011

CONTINUED FROM PAGE 8



Organic yogurt in 6 ounce containers has a weighted average advertised price of 91 cents, with a range from 85 cents to \$1.00.



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

GALLON ORGANIC MILK ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	36.5	5.49
SE	01.1	5.49
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	62.4	4.79
US		5.05

8 Ounce Milk. All 67 ads for 8 ounce organic milk are in the Northeast and state a price of \$1.50. This is the lowest number of ads for organic milk in 8 ounce containers during 2011.

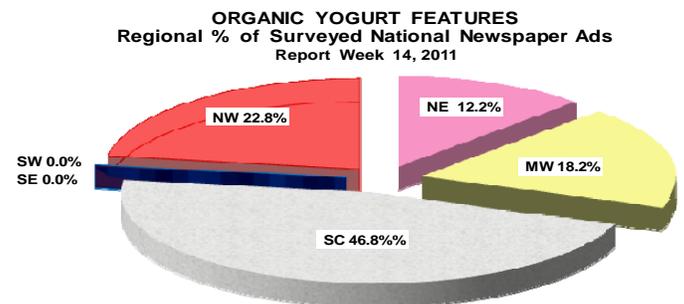
The following table shows the percentage of national 8 ounce organic milk ads by region and the regional weighted average advertised price.

8 OUNCE ORGANIC MILK ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	100.0	1.50
SE	----	----
MW	----	----
SC	----	----
SW	----	----
NW	----	----
US		1.50

Yogurt. Yogurt ad numbers rebounded to 919 from zero two weeks ago; the lowest level since the Fall of 2009. This week's yogurt ad numbers set a 2011 record. Moreover, just over 37% of total ads run during all weeks of 2011 were run this period.

Ads appeared in all regions except the Southwest and Southeast. The region with the highest percentage of ads is the South Central Region, with 46.8%. Other regions with organic yogurt ads are the Northwest, 22.8%; Midwest, 18.2%; and Northeast, 12.2%.



The following table shows the percentage of national organic 6 ounce yogurt ads by region and the regional weighted average advertised price.

6 OUNCE ORGANIC YOGURT ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	15.9	0.86
SE	23.6	0.96
MW	60.5	0.90
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.91

Butter. Organic 1 lb. butter newspaper retail ad numbers have never been as high as this period since data has been tracked beginning during the fall of 2009. There are 1,567 ads for organic butter. The magnitude of current butter advertising is illustrated by noting that the previous high number of ads was just over 1,000 and the third highest was 614. This week's 1,567 ads for organic butter are nearly ten times higher than two weeks ago and nearly twenty times more than the other 2011 weeks. Ads appeared in each region except the Midwest.

Currently advertised organic butter prices are lower than typical during 2011. All stores with butter ads for the last several reports listed an advertised price of \$4.99. The national weighted average advertised price for this report is \$4.47, with a high price of \$4.99 and a low of \$3.99.

The following table shows the percentage of national organic butter ads by region and the regional weighted average advertised price.

1 POUND ORGANIC BUTTER ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	14.8	4.20
SE	08.0	4.80
MW	00.0	----
SC	15.1	4.49
SW	42.8	4.49
NW	19.2	4.49
US		4.47

Cheese. Organic cheese in 8 ounce sized was priced \$3.99 in 67 ads run in the Northeast. In the same ads there were also listings for 6 ounce organic string cheese prices at \$3.99.

Half and Half. Organic 16 ounce half and half was priced at \$2.50 in 67 ads run in the Northeast.

No ads appeared for organic dairy products other than milk, butter, yogurt, cheese and half and half.

CONTINUED ON PAGE 8-B

## ORGANIC DAIRY MARKET NEWS

Information gathered March 28 - April 8, 2011

## CONTINUED FROM PAGE 8-A

## SUPERMARKET PRICE COMPARISON:

**Madison, Wisconsin Prices.** Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period.

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

Organic milk available in Madison stores included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheesemakers.

A table summarizing the survey results follows:

**ORGANIC MILK, YOGURT, CHEESE & BUTTER PRICE RANGE  
2011 REPORTING WEEK 14**

**MADISON, WI**  
**LOW HIGH RANGE**  
**(In Dollars)**

	LOW	HIGH	RANGE
<b>GALLONS:</b>			
Whole	5.19	6.49	1.30
Reduced Fat (2%)	5.19	6.49	1.30
Low Fat (1%)	5.19	6.49	1.30
Nonfat (Skim)	5.19	6.49	1.30

<b>HALF GALLONS:</b>			
Whole	3.00*	4.19	1.19
Reduced Fat (2%)	3.00*	4.19	1.19
Low Fat (1%)	3.00*	4.19	1.19
Nonfat (Skim)	3.00*	4.19	1.19

<b>CHOCOLATE HALF GALLON:</b>			
	3.39	5.69	2.30

<b>YOGURT</b>	.50	1.59	1.09
---------------	-----	------	------

<b>CHEESE – 8 OUNCE BLOCKS:</b>			
Mozzarella	3.59	5.75	2.16
Mild Cheddar	3.89	5.99	2.11
Monterey Jack	4.99	5.99	1.00
Pepper Jack	3.59	5.99	2.40

<b>CHEESE – 6 OUNCE STRING</b>			
Mozzarella	3.00	5.09	2.09
Colby Jack	3.89	5.39	1.40

<b>BUTTER – 1 POUND</b>	4.75	6.19	1.44
-------------------------	------	------	------

\*=Price change from prior reporting period

This report, the low price for half gallons of non-flavored organic milk increased by 1 cent. This resulted from the store with the previous low increasing prices by more than 1 cent but another store lowering prices. Other price changes occurred within the ranges, but not so as to change the ranges.

## ORGANIC GRAIN AND FEEDSTUFF MARKETS:

National organic grain and feedstuff prices were mostly higher on light to moderate supplies and demand. Tight supplies of feed grade corn in the Eastern Cornbelt region reportedly drove corn prices slightly higher this period, while feed grade barley remained steady. Feed grade oat trade was reportedly more active this period than last. As conventional corn prices continue to rise, organic farmers continue to demand higher prices for organic commodities. Premium organic alfalfa hay in western Nevada was \$270.00-\$280.00/ton this period.

Eastern organic grain and feedstuff prices were steady to firm. Cash sales for organic grains were moderate. Good demand and tight supplies helped to support feed grade corn prices. Feed soybeans were slightly higher due to stronger buying interest.

Upper Midwest organic grain and feedstuffs were mostly steady with a higher undertone noted on feed grade corn and feed grade barley. The range on feed grade corn was wider this reporting period, however, the weighted average denotes a higher average price for the bulk of the market reported. Moderate demand was reported this period on moderate supplies of feed grade grains. The conventional market continues to be the main factor reportedly playing the biggest role in the organic corn market, with producers holding onto their grain and preferring a premium over the conventional market.

Additional livestock and grain market news information is available at: [www.ams.usda.gov/LSMarketNews](http://www.ams.usda.gov/LSMarketNews).

## FEBRUARY 2011 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 150.1 million pounds in February, 6.4 percent above February 2010 but 9.8 below January 2011. **AMERICAN TYPE CHEESE** production totaled 328.8 million pounds, 2.6 percent above February 2010 but 8.5 percent below January 2011. **TOTAL CHEESE** output (excluding cottage cheese) was 807.1 million pounds, 4.1 percent above February 2010 but 9.0 percent below January 2011. **NONFAT DRY MILK** production, for human food, totaled 109.6 million pounds, 6.9 percent below February 2010 and 6.4 percent below January 2011. **DRY WHEY** production, for human food, was 79.5 million pounds, 5.6 percent above February 2010 but 8.1 percent below January 2011. **ICE CREAM** (hard) production totaled 62.3 million gallons, 1.4 percent below February 2010 but 11.3 percent above January 2011.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 2011	PERCENT CHANGE FROM:			PRODUCT	FEB 2011	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 2010	JAN 2011	YEAR TO DATE 1/		1,000 LBS.	FEB 2010	JAN 2011	YEAR TO DATE 1/
BUTTER	150,103	6.4	-9.8	4.4	SOUR CREAM	88,057	3.4	-9.4	6.0
CHEESE					YOGURT (PLAIN AND FLAVORED)	351,524	11.8	-2.3	8.8
AMERICAN TYPES 2/	328,759	2.6	-8.5	3.0	DRY WHEY, HUMAN FOOD	79,491	5.6	-8.1	---
CHEDDAR	242,935	-0.6	-11.6	1.3	DRY WHEY, ANIMAL FEED	2,332	-22.0	-49.3	---
OTHER AMERICAN	85,824	12.9	1.5	---	DRY WHEY, TOTAL 8/	81,823	4.6	-10.2	5.3
BRICK & MUENSTER	10,022	18.6	-5.3	---	REDUCED LACTOSE AND MINERALS				
CREAM & NEUFCHATEL	51,425	-9.3	-5.7	---	HUMAN FOOD	2,240	47.8	-14.8	---
HISPANIC	17,540	10.7	-4.8	---	ANIMAL FEED	4,327	-4.2	-5.3	---
TOTAL ITALIAN TYPES	352,188	6.6	-9.3	6.8	LACTOSE, HUMAN FOOD & ANIMAL FEED	74,872	17.7	-8.0	19.8
MOZZARELLA	274,181	5.8	-11.0	7.0	WHEY PROTEIN CONCENTRATE				
OTHER ITALIAN	78,007	9.4	-2.6	---	HUMAN FOOD 9/	29,876	2.9	-8.3	---
SWISS	24,549	---	-9.4	---	ANIMAL FEED 9/	2,037	-14.1	-11.1	---
ALL OTHER TYPES	22,658	19.8	-20.6	---	TOTAL 9/	31,913	1.7	-8.5	1.1
TOTAL	807,141	4.1	-9.0	4.8	25.0-49.9 PERCENT 10/	18,068	-4.9	-6.8	---
COTTAGE CHEESE, CURD 3/	34,599	6.9	-0.2	---	50.0-89.9 PERCENT 10/	13,845	11.7	-10.6	---
COTTAGE CHEESE, CREAM 4/	26,556	3.0	-0.8	5.1	PROTEIN ISOLATES 11/	4,005	-6.9	-24.5	---
COTTAGE CHEESE, LOWFAT 5/	31,191	3.8	-0.7	5.9	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAP & CONSDSD WHOLE MILK	39,625	4.8	1.7	---	ICE CREAM (HARD)	62,291	-1.4	11.3	-0.3
DRY BUTTERMILK	8,596	10.0	-25.2	---	ICE CREAM, LOWFAT (HARD)	12,941	31.8	26.9	---
DRY WHOLE MILK	4,985	-2.4	-19.7	---	ICE CREAM, LOWFAT (SOFT)	14,926	-15.8	9.6	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	7,196	4.8	-3.2	---	ICE CREAM, LOWFAT (TOTAL)	27,867	1.2	17.0	2.9
NONFAT DRY MILK (NDM), HUMAN	109,585	-6.9	-6.4	-8.0	SHERBET, HARD	3,109	-15.8	-2.5	-11.7
SKIM MILK POWDERS (SMP) 7/	36,209	64.4	-9.5	78.8	YOGURT (TOTAL)	4,226	-5.2	17.2	-5.3

MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	FEB 2011	PERCENT OF:		PRODUCT	FEB 2011	PERCENT OF:	
	1,000 LBS.	FEB 2010	JAN 2011		1,000 LBS.	FEB 2010	JAN 2011
DRY WHEY, HUMAN FOOD	46,972	10.7	4.0	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	2,236	40.5	-40.7	HUMAN FOOD 9/	32,256	-3.7	-0.5
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	4,401	-47.7	-23.4	ANIMAL FEED 9/	1,407	-33.7	-6.6
LACTOSE, HUMAN FOOD & ANIMAL FEED	76,934	17.0	-3.3	TOTAL 9/	33,663	-5.5	-0.8
CANNED EVAP & CONSDSD WHOLE MILK	43,679	-29.0	-28.8	25.0-49.9 PERCENT 10/	14,452	-32.7	-8.8
DRY BUTTERMILK	10,395	-32.0	7.2	50.0-89.9 PERCENT 10/	19,211	36.0	6.2
NONFAT DRY MILK (NDM), HUMAN FOOD	99,689	-34.3	2.0	PROTEIN ISOLATES 11/	4,278	-58.8	-17.7

1/ 2011 cumulative as percent change of 2010 cumulative. 2/ Includes Cheddar, Colby, Monterey and Jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Dry milk protein concentrate, 40-89.9 percent. 7/ Includes protein standardized and blends. 8/ Excludes all modified dry whey products. 9/ Whey protein concentrate, 25.0 to 89.9 percent. 10/ Whey protein concentrate, human and animal. 11/ Whey protein isolates, 90.0 percent or greater. 12/ Stocks held by manufacturers at all points and in transit. 13/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. SOURCE: "Dairy Products," (April 2011), National Agricultural Statistics Service, Agricultural Statistics Board, USDA.

APRIL MILK SUPPLY AND DEMAND ESTIMATES\*

The milk production forecast for 2011 is reduced slightly from last month. Relatively high milk prices are being offset by high feed costs and only slight growth is expected in the herd for the remainder of the year. Fat-basis imports are lowered from last month but skim-solids imports are forecast higher. Both skim and fat-basis exports are raised largely on the strength of first-quarter butter, cheese, and nonfat dry milk (NDM) sales. Butter and cheese prices are forecast lower this month, reflecting recent price declines but NDM and whey price forecasts are raised. The Class III price forecast is lowered as the weaker cheese price more than offsets higher whey prices. The Class IV price forecast is raised as higher NDM prices more than offset the lower forecast butter price. The all milk price is forecast to average \$18.15 to \$18.65 per cwt. for 2011.

U.S. MILK SUPPLY AND USE					
Commodity	2009	2010 Estimated		2011 Projected	
		March	April	March	April
<b>BILLION POUNDS</b>					
MILK PRODUCTION	189.3	192.8	192.8	196.0	195.9
FARM USE	1.0	1.0	1.0	1.0	1.0
<b>FAT BASIS SUPPLY</b>					
BEGINNING COMMERCIAL STOCKS	10.1	11.3	11.3	10.9	10.9
MARKETINGS	188.3	191.9	191.9	195.1	194.9
IMPORTS	5.6	4.1	4.1	3.9	3.7
TOTAL COMMERCIAL SUPPLY	204.0	207.3	207.3	209.9	209.5
<b>FAT BASIS USE</b>					
COMMERCIAL EXPORTS	4.5	8.3	8.3	6.7	7.0
ENDING COMMERCIAL STOCKS	11.3	10.9	10.9	11.4	11.4
CCC NET REMOVALS <u>1/</u>	0.7	0.2	0.2	0.0	0.0
COMMERCIAL USE <u>2/</u>	187.3	187.8	187.8	191.8	191.1
<b>SKIM-SOLIDS BASIS SUPPLY</b>					
BEGINNING COMMERCIAL STOCKS	10.9	11.3	11.3	12.3	12.3
MARKETINGS	188.3	191.9	191.9	195.1	194.9
IMPORTS	5.5	4.8	4.8	4.7	4.8
TOTAL COMMERCIAL SUPPLY	204.7	208.0	208.0	212.0	212.0
<b>SKIM-SOLIDS BASIS USE</b>					
COMMERCIAL EXPORTS	22.4	32.1	32.1	31.1	31.3
ENDING COMMERCIAL STOCKS	11.3	12.3	12.3	12.3	12.2
CCC NET REMOVALS <u>1/</u>	2.9	0.0	0.0	0.0	0.0
COMMERCIAL USE <u>2/</u>	168.6	164.1	164.1	168.6	168.5
<b>MILLION POUNDS</b>					
CCC PRODUCT NET REMOVALS <u>1/</u>					
BUTTER	30	8	8	0	0
CHEESE	3	0	0	0	0
NONFAT DRY MILK	248	0	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 11

APRIL MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES					
Commodity	2009	2010 Projected		2011 Projected	
		March	April	March	April
<b>DOLLARS PER POUND</b>					
PRODUCT PRICES <u>1/</u> CHEESE	1.2963	1.5226	1.5226	1.695-1.755	1.665-1.715
BUTTER	1.2094	1.7020	1.7020	1.735-1.825	1.735-1.815
NONFAT DRY MILK	0.9222	1.1687	1.1687	1.365-1.415	1.375-1.415
DRY WHEY	0.2584	0.3716	0.3716	0.400-0.430	0.410-0.440
<b>DOLLARS PER CWT</b>					
MILK PRICES <u>2/</u> CLASS III	11.36	14.41	14.41	16.35-16.95	16.10-16.60
CLASS IV	10.89	15.09	15.09	16.95-17.65	17.05-17.65
ALL MILK <u>3/</u>	12.83	16.29	16.29	18.10-18.70	18.15-18.65
<b>QUARTERLY</b>					
	2010 IV	2011 I <u>4/</u>	2011 II <u>4/</u>	2011 III <u>4/</u>	2011 IV <u>4/</u>
<b>BILLION POUNDS</b>					
MILK PRODUCTION	47.5	48.5	50.5	48.6	48.3
<b>DOLLARS PER CWT.</b>					
ALL MILK PRICE <u>2/</u> <u>3/</u>	17.70	18.73	18.85-19.25	17.75-18.45	17.15-18.15
CLASS III PRICE <u>2/</u>	15.40	16.63	16.20-16.60	16.00-16.70	15.45-16.45
CLASS IV PRICE <u>2/</u>	16.29	18.08	18.10-18.60	16.55-17.35	15.45-16.55

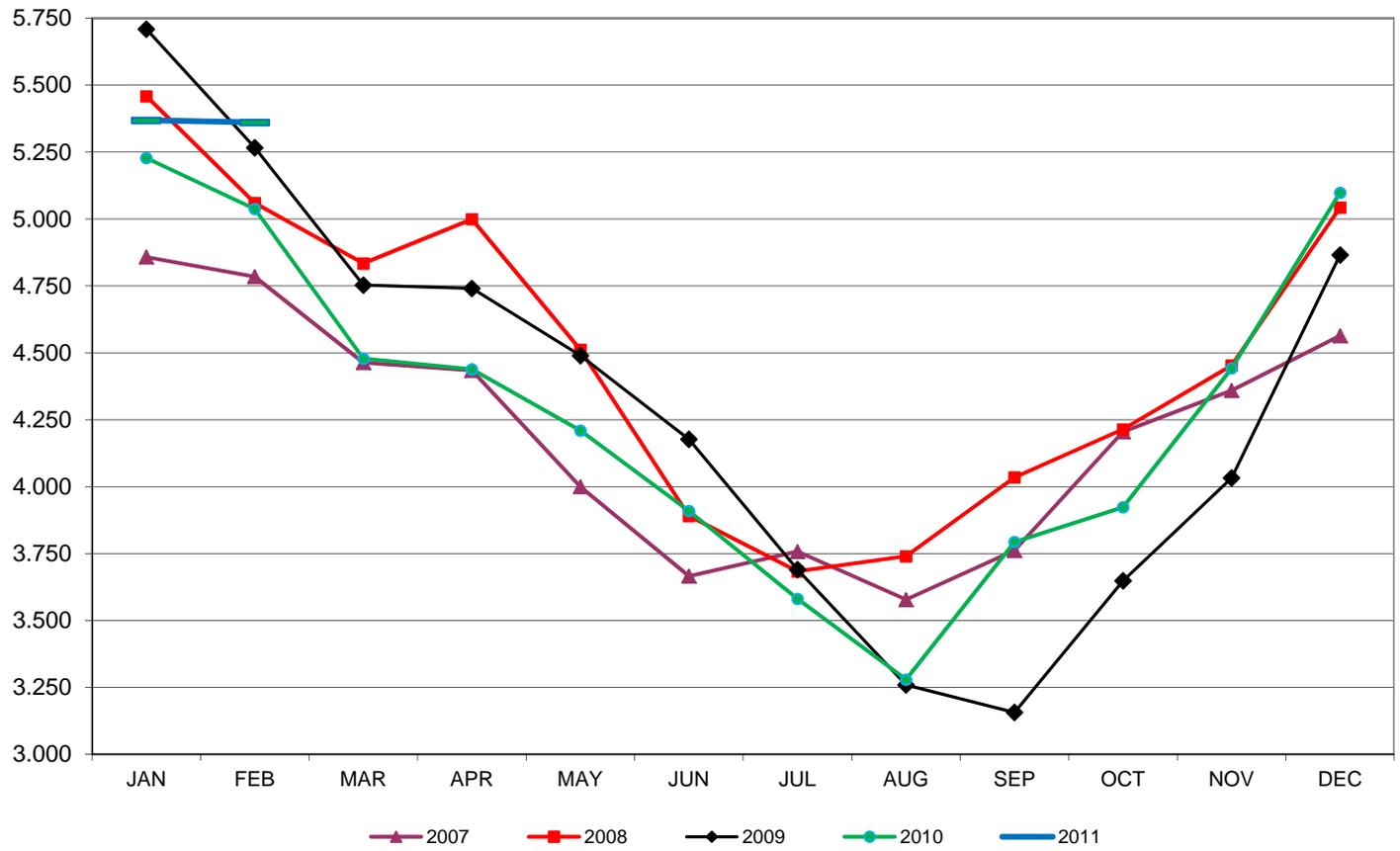
1/ Simple average of monthly prices calculated by AMS from NASS weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." 2/ Annual and quarterly Class III and Class 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-493, World Agricultural Outlook Board, USDA, April 8, 2011.

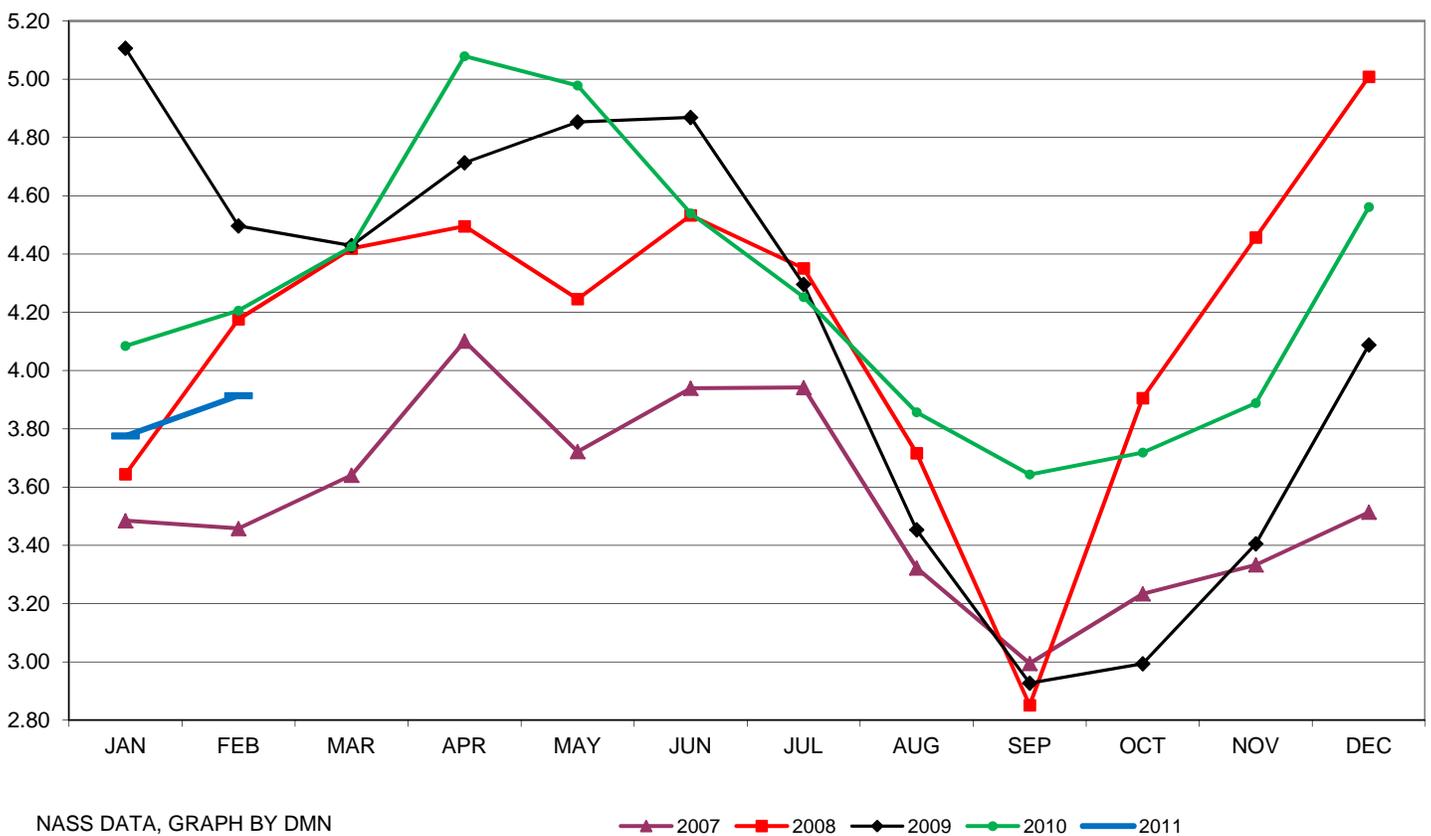
MILLION POUNDS

**DAILY AVERAGE U.S. BUTTER PRODUCTION**

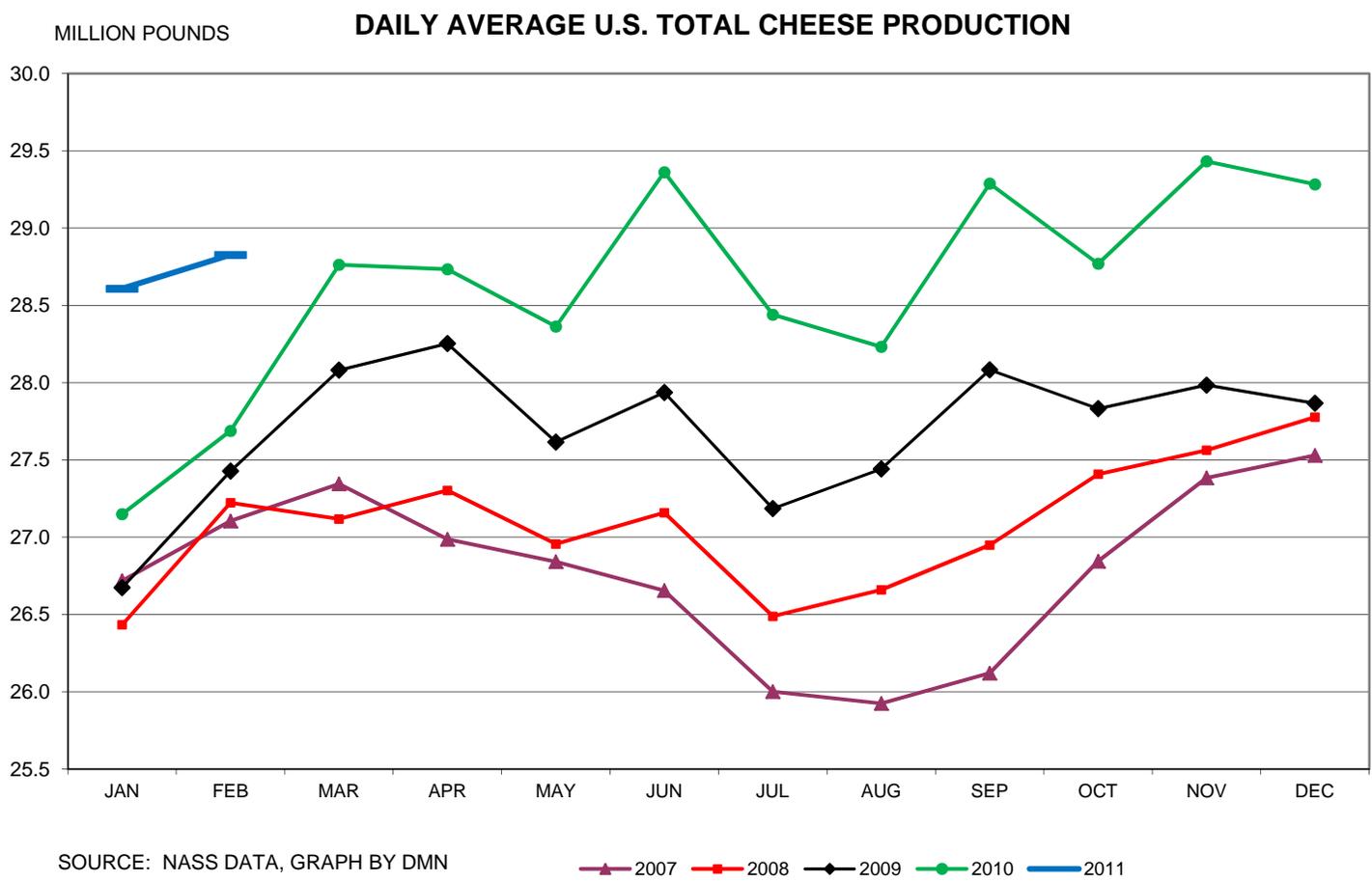
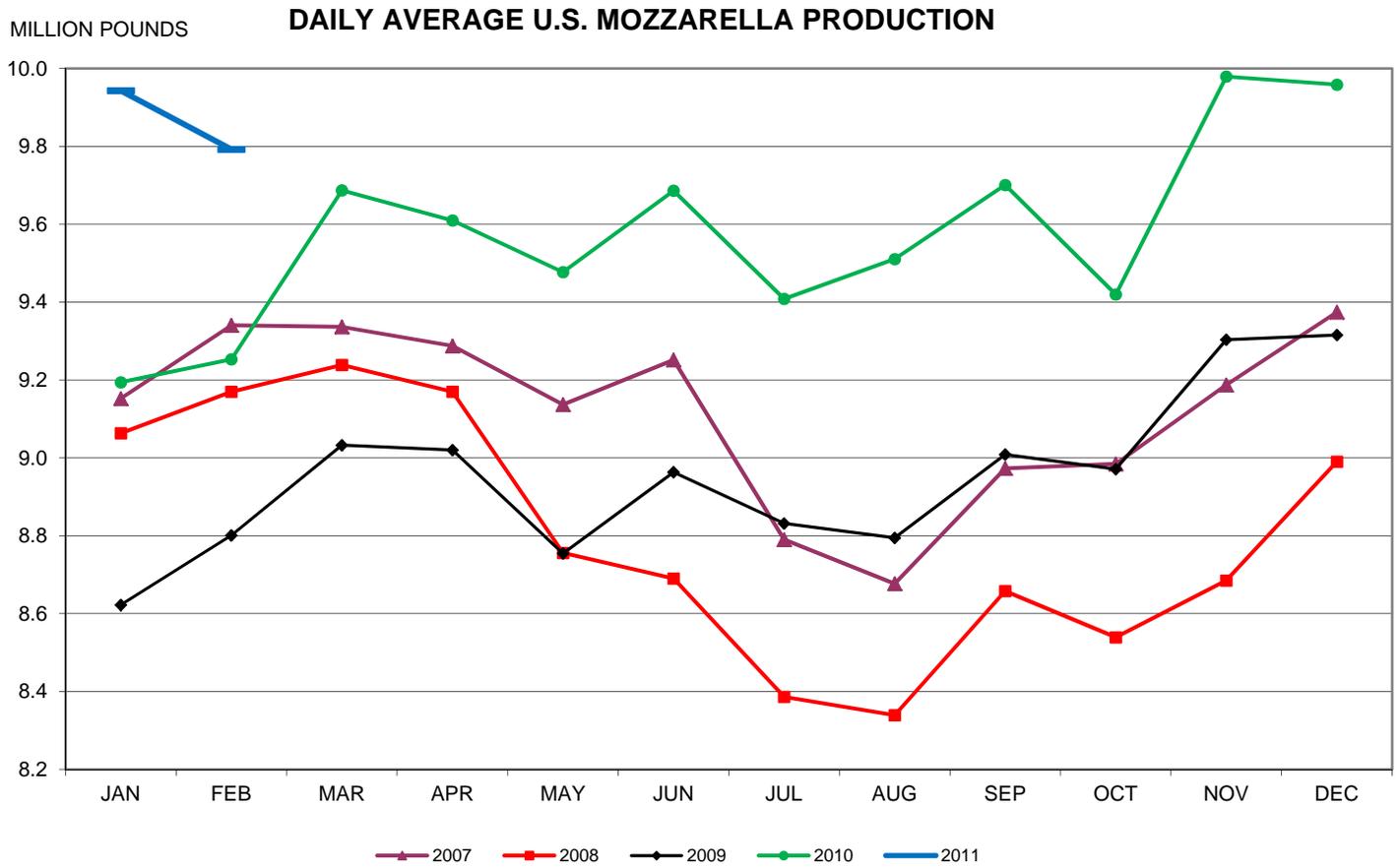


MILLION POUNDS

**DAILY AVERAGE U.S. NDM PRODUCTION**

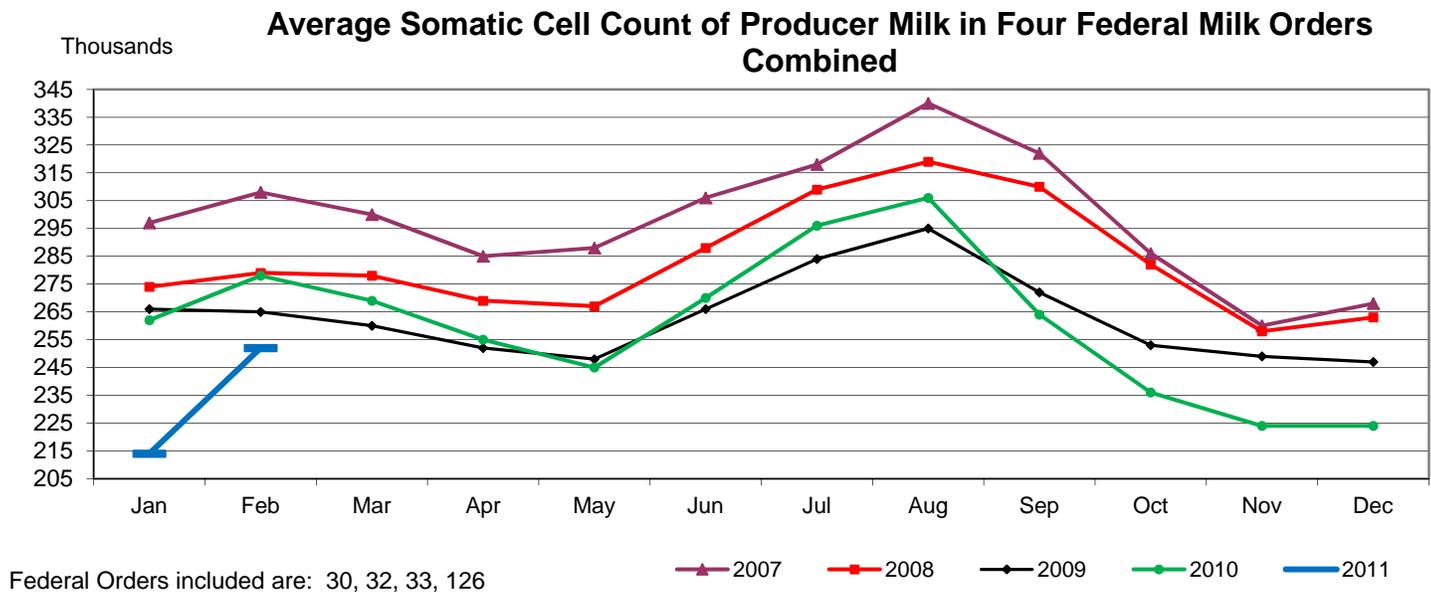
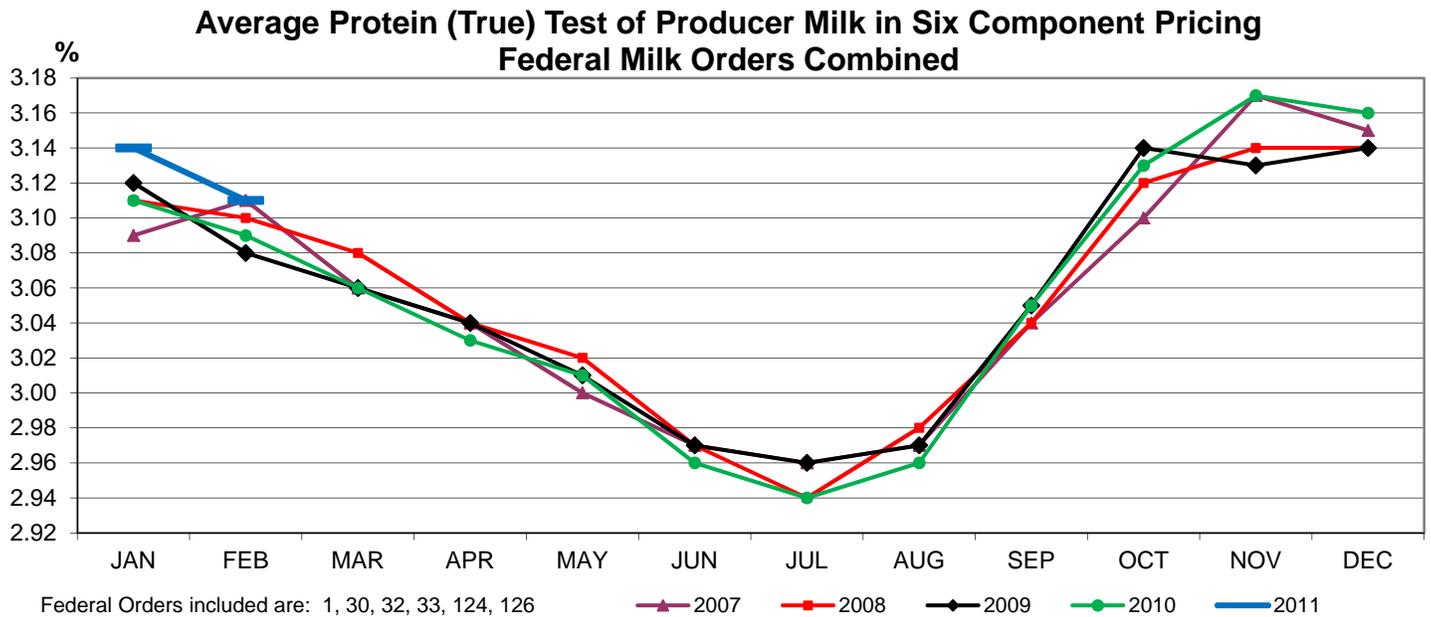
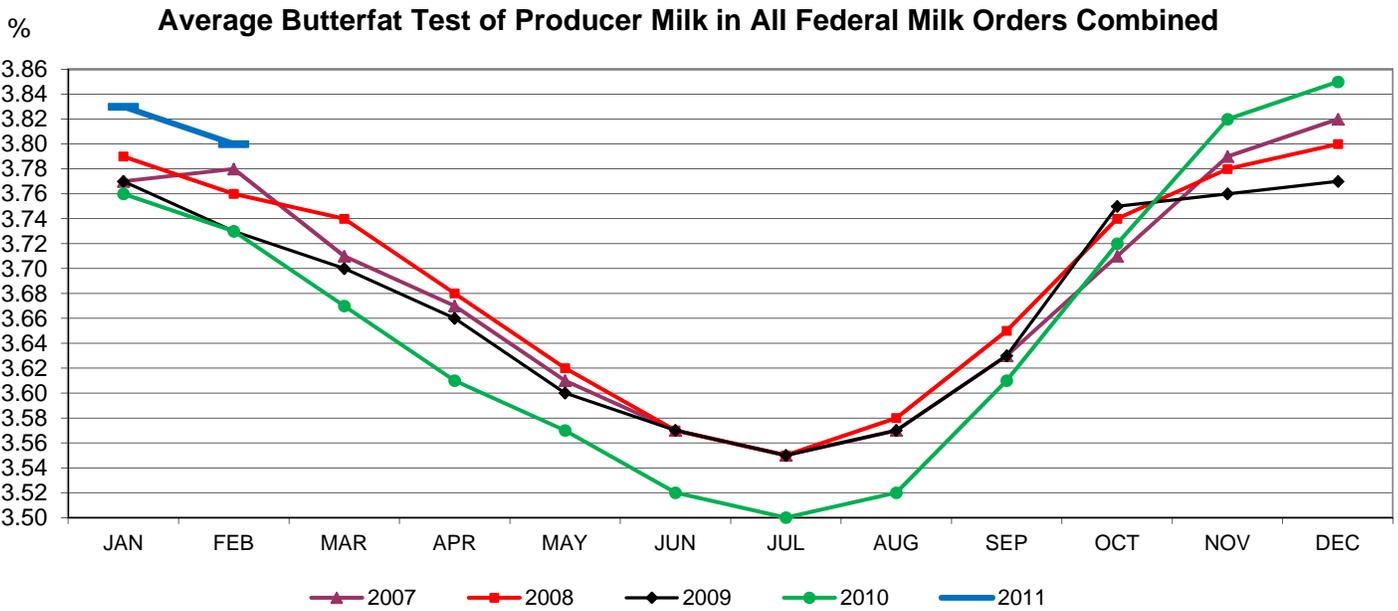


NASS DATA, GRAPH BY DMN



SOURCE: NASS DATA, GRAPH BY DMN

▲ 2007   
 ■ 2008   
 ◆ 2009   
 ● 2010   
 — 2011



# DAIRY MARKET NEWS

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**GENERAL NUMBER**  
(608) 278-4200

**VOLUME:** 78

**REPORT:** 14

Elizabeth Frederick  
(608) 278-4150  
Elizabeth.Frederick@AMS.USDA.GOV

**DATE:** 04/08/2011

**EAST**

Rick Whipp  
(608) 278-4151  
Rick.Whipp@AMS.USDA.GOV

**INTERNATIONAL**

Steven Schneeberger  
(608) 278-4154  
Steven.Schneeberger@AMS.USDA.GOV

**CENTRAL**

George Koerner  
(608) 278-4155  
George.Koerner@AMS.USDA.GOV

**ORGANIC**

Eric Graf  
(608) 278-4153  
Eric.Graf@AMS.USDA.GOV

**CENTRAL/WEST**

Janet Linder  
(608) 278-4157  
Janet.Linder@AMS.USDA.GOV

**INTERNET ADDRESS**

[www.ams.usda.gov/DairyMarketNews](http://www.ams.usda.gov/DairyMarketNews)

**SOUTHWEST**

Butch Speth  
(608) 278-4152  
Butch.Speth@AMS.USDA.GOV

**MARKET NEWS PORTAL**

[www.marketnews.usda.gov](http://www.marketnews.usda.gov)

**NORTHWEST/MOUNTAIN**

Bob Hunter  
(608) 278-4158  
Robert.Hunter@AMS.USDA.GOV

**RECORDED INFORMATION SYSTEM**

(608) 278-4142

**FAX**

(608) 278-4141

**NATIONAL SUPERVISOR**

Donald Nelson  
(608) 278-4156  
DonaldO.Nelson@AMS.USDA.GOV

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USDA, Dairy Market News  
2920 Marketplace Drive, STE 202  
Fitchburg, WI 53719-5337