

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (05/06):**

BUTTER: Grade AA closed at \$2.0950. The weekly average for Grade AA is \$2.0895 (+.0605).

CHEESE: Barrels closed at \$1.6600 and 40# blocks at \$1.6475. The weekly average for barrels is \$1.6375 (+.0460) and blocks, \$1.6390 (+.0345).

BUTTER HIGHLIGHTS: The CME Group cash butter price continues to show more strength than many producers and handlers anticipated following the recent holiday period. The cash price increased \$0.0950 during the past two weeks to settle at \$2.0950 by weeks' end. The current cash price compares to \$1.6000 last year at this time and \$1.2350 in 2009. Churning activity across the country is mixed as some butter producers continue to exercise caution with their cream purchases and churning activities, while others are taking advantage of available cream volumes and generating butter for current and future needs. In most instances, butter inventories are much lighter than recent years at this time and are lighter than most butter producers desire. Producers and handlers have varying opinions on their inventory levels at this time of the spring. Although lower than desired, some will continue to limit their clearances until inventory valuation is more in line with their management strategies. During the week, butter orders have improved as buyers have had a chance to review their holiday carryover volumes and are returning to the market for future needs.

CHEESE HIGHLIGHTS: The cheese market remains generally firm on the CME Group cash cheese market. Buyers have been more aggressive in recent weeks. More cheese manufacturers are seeing improved bulk cheese orders. Interest in barrels and other processing solids has improved as process orders strengthen seasonally. Some natural packaged orders have also improved. The unusually cool weather in parts of the country has helped keep pizza demand stronger. Cheese yields remain strong seasonally with overall cheese output trending higher. Cumulative January – March 2011 estimated cheddar cheese production totals 784.1 million pounds, down 13.1 million pounds (-1.6%) from the same period in 2010. 2011 mozzarella production totals 882.7 million pounds, up 49.8 million pounds (5.9%) from 2010. Total cheese output in 2011 is put at 2.610 billion pounds, up 95.3 million pounds (3.8%) from the first quarter of 2010 (see page G1).

FLUID MILK: In most all regions of the country, milk production continues to build toward seasonal peak levels, although in the southern most parts of the U.S., from Florida to Arizona and Southern California, milk handlers are speculating that peak levels might be at hand. In some of the Southern areas, milk receipts are starting to edge lower. In areas of the Upper Midwest, wet and unseasonably cool temperatures continue to hamper spring tillage and planting operations. Water is standing in many low spots. Further south in the Midwest, wet conditions also persist and flooding issues are noted along the Mississippi River. Class I sales are typical for the first of a month. Some bottlers are already talking about reducing bottling schedules as schools,

especially universities, recess for the summer. Spot milk and cream premiums may be higher for this time of the year in many areas of the country due to higher trucking rates/fuel surcharges as well as difficulty in finding trucks/truckers to move product. Cream markets are steady to firm as the cash butter price at the CME continues to increase. Some pricing multiples and overages are also on the increase. Cream demand is fair to good with more cream moving into other class items, with surplus cream continuing to clear to churns.

DRY PRODUCTS: Nonfat dry milk powder markets are generally firm, although prices did adjust higher and lower, reflecting changes in various pricing indices. Producer offerings are light to moderate with most current product moving to commitments. Dry buttermilk markets are steady to firm with prices generally higher. Production of dry buttermilk is increasing at several plants as churning schedules expand. Most dry buttermilk supplies are moving through contracts with lighter volumes making their way to the spot market. Whey powder markets and prices are generally firm. Stocks of whey powder are in very close balance to often short of full needs with whey powder moving from one region to another to augment shortages. Dry whey supplies are generally committed to contractual needs. Whey protein markets and prices are firm. Some in the industry project that interference from the nonfat dry milk market, which is currently above the WPC 34% market, may exert downward price pressure on the WPC 34% market in the near term.

ORGANIC DAIRY MARKET NEWS(DMN): Organic dairy weekly supermarket newspaper advertising levels reached the highest level of 2011 this period, following one of the lowest levels two weeks ago. Nevertheless, through this week of 2011, cumulative organic ad numbers are only 73.9% of the cumulative level for the same period of 2010. The national weighted average advertised price for half gallons of organic milk increased 29 cents to \$3.56. The top of the range declined 20 cents to \$3.69 while the bottom increased 99 cents to \$3.49. All ad placements listed a price of either the range high of \$3.69, or the range low of \$3.49. Through this week of 2011, cumulative organic half gallon ads number only 48.8% of the cumulative level for the same period of 2010. The national weighted average advertised price for organic gallons is \$4.99, the same as two weeks ago. Newspaper advertising for organic gallons remains well below 2010 levels. Through this week of 2011, cumulative organic gallon ads number only 43.6% of the cumulative level for the same period of 2010. The 1,430 ads are spread through all regions. The weighted average advertised price for 8 ounce organic milk is \$1.00, with all ads reflecting that price. Through this week of 2011, cumulative ads for organic milk in 8 ounce containers number 430% of the cumulative level for the same period of 2010. There has been a shift in emphasis in the organic milk category toward advertising 8 ounce containers of organic milk. Organic yogurt ad numbers are at the highest level of 2011.

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CME GROUP CASH TRADING

COMMODITY	MONDAY MAY 02	TUESDAY MAY 03	WEDNESDAY MAY 04	THURSDAY MAY 05	FRIDAY MAY 06	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.6175 (+.0150)	\$1.6175 (N.C.)	\$1.6400 (+.0225)	\$1.6525 (+.0125)	\$1.6600 (+.0075)	:: (+.0575)	:: \$1.6375 (+.0460)
40# BLOCKS	\$1.6225 (+.0100)	\$1.6350 (+.0125)	\$1.6400 (+.0050)	\$1.6500 (+.0100)	\$1.6475 (-.0025)	:: (+.0350)	:: \$1.6390 (+.0345)
NONFAT DRY MILK							
EXTRA GRADE	\$1.8000 (N.C.)	\$1.8000 (N.C.)	\$1.7200 (-.0800)	\$1.6800 (-.0400)	\$1.6400 (-.0400)	:: (-.1600)	:: \$1.7280 (-.0720)
GRADE A	\$1.6450 (N.C.)	\$1.6450 (N.C.)	\$1.6400 (-.0050)	\$1.6400 (N.C.)	\$1.6400 (N.C.)	:: (-.0050)	:: \$1.6420 (+.0225)
BUTTER							
GRADE AA	\$2.0750 (N.C.)	\$2.0875 (+.0125)	\$2.0950 (+.0075)	\$2.0950 (N.C.)	\$2.0950 (N.C.)	:: (+.0200)	:: \$2.0895 (+.0605)

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CONTINUED FROM PAGE 1**

Organic yogurt in 6 ounce containers has a weighted average advertised price of 82 cents, 20 cents above two weeks ago, with a range from 50 cents to \$1.00.

INTERNATIONAL UPDATE (DMN): The May 3 g/DT, session 43, results showed mixed trends from the previous event. For the nearby July 2011 period, prices and changes from the previous session are: anhydrous milk fat, \$5,669/MT, -4.9%; buttermilk powder, N.A.; skim milk powder, \$4,374/MT, +11.5%; and whole milk powder, \$4,008, -0.1%.

APRIL AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2011 advanced 3 points to 204. Compared with April 2010, the index was up 23 points (12.7%). The index of prices received by farmers for dairy products declined 5 points during the month of April 2011 to 151. Compared with April 2010, the index was up 39 point (34.8%). The All Milk price received by farmers in April was \$19.70, down \$0.70 from March.

2010 MILK PRODUCTION, DISPOSITION, AND INCOME (NASS): Milk production increased 1.8% in 2010 to 193 billion pounds. The rate per cow, at 21,149 pounds, was 576 pounds above 2009. The annual average number of milk cows on farms was 9.12 million head, down 86,000 head from 2009. Cash receipts from marketings of milk during 2010, totaled \$31.4 billion, 28.9% higher than 2009. Producer returns averaged \$16.35 per hundredweight, 26.5% above 2009. Marketings totaled 191.8 billion pounds, 1.9% above 2009. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers. An estimated 991 billion pounds of milk were used on farms where produced, 2.0% less than 2009. Calves were fed 89 percent of this milk, with the remainder consumed in producer households.

2010 ANNUAL DAIRY PRODUCTS SUMMARY (NASS): Butter production in the United States during 2010 totaled 1.56 billion pounds, 0.5% below 2009. California accounted for 35.6% of the production. Total cheese production, excluding cottage cheeses, was 10.4 billion pounds, 3.6% above 2009 production. Wisconsin was the leading State with 25.0% of the production, followed by California with 21.1% and Idaho with 8.1%. Regular ice cream totaled 912 million gallons, down 0.6% from 2009. Lowfat ice cream, at 380 million gallons, was down 4.9%. Nonfat dry milk for human food totaled 1.56 billion pounds, up 3.4% from 2009. California was the leading state with 56.2% of the production. Skim milk powders totaled 254 million pounds, up 14.4%. Dry whey for human food production, at 961 million pounds, was up 1.1% from 2009. Lactose, Human and Animal production was 907 million pounds, up 25.6%. Dairy plants: during 2010, there were 1,273 dairy plants in the U.S. manufacturing one or more dairy products, 25 more than in 2009.

MARCH DAIRY PRODUCTS (NASS): Butter production was 156.5 million pounds in March, 12.4% above March 2010 and 4.8% above February 2011. American type cheese production totaled 365.1 million pounds, 0.3% above March 2010 and 11.0% above February 2011. Total cheese output (excluding cottage cheese) was 915.9 million pounds, 2.4% above March 2010 and 13.4% above February 2011. Nonfat dry milk production, for human food, totaled 126.0 million pounds, 8.9% below March 2010, but 14.1% above February 2011. Dry whey production, for human food, was 83.1 million pounds, 4.5% below March 2010, but 4.6% above February 2011. Ice cream (hard) production totaled 74.7 million gallons, 5.7% below March 2010, but 20.9% above February 2011.

MILK FEED COST ISSUES (NASS, DMN): According to NASS, the average corn price used to calculate the feed cost to produce 100 pounds of milk in April was \$6.40, up 87 cents per bushel from March. The comparable soybean price was \$12.80, up 10 cents a bushel. The hay price was \$155/ton, up \$19. The calculated feed cost was \$10.71 for 100 pounds of milk, a new record high price. The April All Milk price was \$19.70, down 70 cents from last month. Therefore, the return over feed cost calculates to a net figure of \$8.99, down \$1.88 from the past month and the lowest since August 2009. The Milk-feed ratio had leveled off in the early part of the year after declining sharply from last October. The ratio had even increased in March to 2.14, but it declined sharply in April to 1.84, also the lowest since August of 2009.

CME GROUP

MONDAY, MAY 2, 2011

CHEESE -- SALES: 2 CARS BARRELS @ \$1.6175; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6025; 2 CARS 40# BLOCKS @ \$1.6225; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0000; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0850

TUESDAY, MAY 3, 2011

CHEESE -- SALES: 2 CARS BARRELS @ \$1.6175; 1 CAR 40# BLOCKS @ \$1.6350; LAST BID UNFILLED: 11 CARS 40# BLOCKS @ \$1.6250; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 3 CARS GRADE AA @ \$2.0850; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0875; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.0950

WEDNESDAY, MAY 4, 2011

CHEESE -- SALES: 7 CARS BARRELS: 5 @ \$1.6350, 2 @ \$1.6375; 2 CARS 40# BLOCKS: 1 @ \$1.6425, 1 @ \$1.6400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6400;
 4 CARS 40# BLOCKS @ \$1.6375; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.6400; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.6350; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.7200
 BUTTER -- SALES: 5 CARS GRADE AA: 3 @ \$2.1000, 1 @ \$2.0975, 1 @ \$2.0950; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0900; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1000

THURSDAY, MAY 5, 2011

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.6525, 2 @ \$1.6600, 1 @ \$1.6525; 2 CARS 40# BLOCKS @ \$1.6500; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6525;
 1 CAR 40# BLOCKS @ \$1.6450; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.6800; 1 CAR GRADE A @ \$1.6400
 BUTTER -- SALES: 5 CARS GRADE AA @ \$2.0950; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.0950; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$2.1000

FRIDAY, MAY 6, 2011

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.6600, 1 @ \$1.6625, 1 @ \$1.6600; 1 CAR 40# BLOCKS @ \$1.6475; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6575; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.6400; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.6400; 1 CAR GRADE A @ \$1.6400
 BUTTER -- SALES: 15 CARS GRADE AA: 10 @ \$2.0850, 1 @ \$2.0800, 2 @ \$2.0850, 1 @ \$2.0900, 1 @ \$2.0950; LAST BID UNFILLED: 1 CAR GRADE AA @ \$2.0925; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.1000

BUTTER MARKETS

NORTHEAST

The butter price on the CME Group increased \$.0125 Tuesday and closed at \$.0875. In the last 5 trading sessions butter prices have increased \$.0850. Butter makers have attempted to limit production to current orders, remaining very hesitant to build inventories at the current price levels. Butter inventories expanded marginally this week as cream supplies were readily available. Butter future prices have moved into a positive position for those hedging portions of their current inventories. Some butter makers continue to lower bulk prices in hopes of stimulating additional sales. Cream multiples ranged from 121-132. According to ERS, commercial disappearance of butter for the Dec. 2010 – Feb. 2011 period totals 408.3 million pounds, up 4.0% compared to the same period a year ago. DAIRY PRODUCTS - According to NASS, cumulative 2011 butter production through March was 6.8% above cumulative year production for the same period for 2010. March 2011 monthly U.S. butter production totaled 156.5 million pounds, up 4.8% from February and 12.4% more when compared to March 2010. Atlantic region butter production in March 2011 totaled 15.7 million pounds, up 3.1% from February and 11.0% more than March, 2010. Prices for bulk butter range from 3-8 cents over the market, based on the CME Group with various time frames and averages used.

CENTRAL

The CME cash butter price continues to firm at unusually high levels for this time of the season. Since midweek last week, the cash price has increased 8 cents to settle at \$2.0950 at midweek. This early May price level compares to \$1.6400 last year at this time and \$1.2300 in 2009. Most butter producers and handlers continue to question the strength in the current cash price. Many anticipated that the cash price would ease following the recent holiday, but that is not occurring. Most were hoping that a lower price would help with inventory replenishment. Butter inventories continue to run well below last year at this time and much lower than most butter handlers desire. Some butter producers are clearing more butter to inventory than prior to the recent holiday. Of those that are building inventories, many are stating that they are taking a gamble, but also state that they will have butter for future needs versus going without and then looking for butter stocks when needed in the future. Butter producers and handlers are projecting that butter prices will remain firmer than typically is the case for much of 2011. Cream volumes are readily available to Class II and IV users. Class II product production, especially ice cream,

is strengthening, thus absorbing increasing volumes of cream, although sufficient volumes continue to clear to butter churns. Some butter producers are choosing to idle their churns for their needs and receiving cream and churning for other butter producers. Butter demand eased following the Easter/Passover holiday, as buyers took inventory of holiday carryover volumes. Also, some buyers pulled back from the market in anticipation of lower prices. In the past 10 days, inventory reviews were completed and the cash price has not eased, thus some buyers are returning to the market place for current and near term needs. 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 up \$.0075 at \$2.0950. Prices for the week are up \$.0200. The butter market has advanced five of the last six trading sessions. Sales activity for the week has been moderate with eight loads sold. Western butter prices are stronger. The market is adjusting to higher prices at a time that typically sees producers building inventory. Buyers are purchasing cautiously to beat further price increases. Churns are busy as cream is available. Transportation costs are affecting movement of cream out of the region. According to the CME Group, weekly butter stocks in CME approved warehouses increased 3.1 million pounds to a warehouse adjusted 30.2 million pounds. The total of 30.2 million pounds compares to 61.9 million pounds in 2010 and 81.5 million pounds in the comparable week in 2009. The announcement was accompanied with a disclaimer from the CME Group this week. "This report includes an adjustment of 2,856,617 lbs. of stocks held by warehouses that have not been previously reported, due to prior reporting errors at those warehouses. As a result, CME Group is conducting a review to determine if there are other unresolved reporting issues." 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, March butter production for the U.S. totals 156.5 million pounds, up 12.4% or 17.3 million pounds from March of last year. Production was up 4.8% or 7.2 million pounds from February 2011. Cumulative output for the year for the U.S. is 472.3 million pounds, up 6.8% or 30.2 million pounds from the same period in 2010. March output in the Western region totals 83.6 million pounds, up 9.6% or 7.4 million pounds more than March 2010. The West produced 53.4% of the butter in the U.S. in March.

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

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
April 30	1.6173 10,978,145	1.6225 8,910,661	1.5987 11,938,993	2.0071 4,191,051	0.4764 11,101,179

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group were mixed Tuesday as barrels were unchanged and closed at \$1.6175, while blocks advanced \$.0125 and closed at \$1.6350. The weekly average prices were also mixed with barrel advancing and blocks declining, resulting in a \$.0050 increase in wholesale prices for Process 5# Sliced cheese and a \$.0075 decline in Cheddar 40# Block and Muenster. Wholesale prices for Swiss Cuts increased \$.2650 following the Class III price release Friday. The beginning of the spring flush has increased milk supplies, prompting increases in cheese production. Cream cheese production is seasonally steady. Orders and sales of mozzarella, provolone and aged cheddars remain good with little being added to current inventories. According to ERS, Commercial Disappearance of American cheese for the Dec. 2010 – Feb. 2011 period totals 1,069.3 million pounds, up 6.0% compared to the same period a year ago. Disappearance of cheese in the Other category totals 1,597.1 million pounds, up 6.2% for the same period a year ago. DAIRY PRODUCTS - According to the latest NASS report, the total of all cheese production for March in the Atlantic region was 113.7 million pounds, up 11.8% from February, but 5.8% less compared to the same period last year. Atlantic region cheese production accounted for 12.4% of total U.S. production. Total U.S. cheese production in March 2011 totaled 915.9 million pounds, 13.4% more than February and 2.4% more than March 2010. Cumulative 2011 U.S. Cheese production through March was 3.8% greater than comparable 2010 production. Focusing on Italian cheese, in March, New York produced 31.6 million pounds, 16.7% more than February, but 3.8% less than March 2010. Pennsylvania produced 21.9 million pounds in March 2011, 8.4% more than February, but 10.3% less than March 2010. The Atlantic region in March, produced 61.1 million pounds of Italian cheese, 15.6% more than February, but 5.9% less than for the same period last year.

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

Cheddar 40# Block	:	1.9225-2.1975
Process 5# Sliced	:	1.7000-2.0100
Muenster	:	1.9425-2.1475
Grade A Swiss Cuts 10 - 14#	:	3.6675-3.9900

MIDWEST

Current orders seem steady to occasionally improved from recent weeks. A few more buyers are trying to build inventory at current prices. Process interest has improved for more processors, typical for spring. Natural orders are occasionally improved but not for all product lines and packagers. Overtime still seems limited though with recent added packaging capacity, less overtime is likely. Some tightening of bulk supplies is occurring but current production is still strong. The price spread between Class III and IV has kept milk flowing toward butter/powder where possible. Cheese yields remain solid, seasonally. Overall milk intakes are increasing seasonally, causing plant operating schedules to also advance. In March, NASS estimated cheddar production was below March 2010 (-6.1%) while total American output was higher (+0.3%), meaning plants had better orders for other varieties and did not make as much cheddar that provides more age options. March production was also heavier for Italian type cheese (+5.1%), particularly parmesan (+11.7%). Hard Italian varieties need to be aged for several months for the usually stronger cold weather consumer demand.

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

Process American 5# Loaf	:	1.9525-2.2400
Brick And/Or Muenster 5#	:	2.1150-2.3300
Cheddar 40# Block	:	2.1150-2.8650
Monterey Jack 10#	:	2.0775-2.8650
Blue 5#	:	2.4325-3.0500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9475-2.9650
Grade A Swiss Cuts 6 - 9#	:	2.9500-3.3550

WEST

Cheddar barrels on Wednesday at the CME Group are up \$.0225 at \$1.6400. 40 pound blocks are \$.0050 higher Wednesday also at \$1.6400. Sales of barrels are moderate to good with eleven loads traded. Blocks had lighter sales of three loads for the week. Western cheese prices are mostly steady with a firm undertone noted. Wholesale Swiss prices firmed as new Class III prices were announced. Cheese production continues to surpass year ago production levels. Increased milk intakes in the West are keeping facilities busy. Inventories are described as manageable. The bulk of production is dedicated to contract fulfillment. According to the NASS Dairy Products report, total cheese production in the U.S. in March reached 915.9 million pounds, up 2.4% or 21.4 million pounds from last year. Cumulative total cheese output for the U.S. for the year is 2.6 billion pounds, up 3.8% or 95.3 million pounds from the same period in 2010. March total cheese production in the Western region was 388 million pounds, up 2.9% or 10.9 million pounds from March 2010. The West produced 42.4% of all the cheese in the U.S. in March. Swiss output for the U.S. in March is 29.3 million pounds, up 6.8% or 1.9 million pounds from last year.

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

Process 5# Loaf	:	1.7175-1.9750
Cheddar 40# Block	:	1.7325-2.0850
Cheddar 10# Cuts	:	1.9125-2.1325
Monterey Jack 10#	:	1.9225-2.0825
Grade A Swiss Cuts 6 - 9#	:	3.2450-3.6750

FOREIGN

The CME Group weekly average block price declined, resulting in a \$.0075 decrease in wholesale prices for all domestic varieties. Swiss cuts increased \$.2650 following Friday's release of the Class III price. Prices for imported varieties remained unchanged. DAIRY PRODUCTS - According to the latest NASS report, domestic Parmesan production during March 2011 totaled 24.5 million pounds, 7.6% more than February and 11.7% more than March 2010. Provolone production during March totaled 31.2 million pounds, 15.4% more than February and 5.4% more than March 2010. Romano production during March 2011 totaled 4.8 million pounds, 27.0% more than February and 67.0% more than March 2010. Swiss production during March 2011 totaled 29.3 million pounds, 19.4% more than February and 6.8% more than March 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	: 2.0625-3.5500*
Gorgonzola	: 3.6900-6.3900	: 2.5650-2.8250*
Parmesan (Italy)	: -0-	: 3.1800-3.5950*
Provolone (Italy)	: 3.4400-6.2900	: 2.1050-2.2625*
Romano (Cows Milk)	: -0-	: 3.2525-5.3950*
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-	: 3.7600-4.0825*
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
	:	:
05/02/11	8,013	128,079
04/01/11	7,608	126,483
CHANGE	405	1,596
% CHANGE	5	1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	320	0	260	0	203
SOUTHEAST STATES	0	0	0	0	0	0

Milk production increases have been noted in the Northeast and are generally following the seasonal trend. Another week of cool wet weather limited field work opportunities and pastures are too wet to use without causing damage. The Mid-Atlantic region is rapidly approaching the spring flush peak, but not overwhelming manufacturing plants. Class I demand is about normal for this time of year. Milk intakes in the Southeast were interrupted this week, due to severe weather and flooding. Areas of Kentucky and Tennessee have numerous producers isolated with haulers unable to make their scheduled pick-ups. Milk production is declining in the most southern regions. Auxiliary cheese plants were utilized to handle milk volumes, but not as heavily as in previous weeks. Class I demand is at normal levels for this time of year. Florida milk exports increased significantly to 320 loads this week. Profitable milk prices in Florida are prompting producers to try and maintain current production, resulting in only marginal declines from near peak levels. Cow comfort levels are not deteriorating as quickly as expected as day time high temperatures are being offset with mild night time lows. Class I demand has declined as higher temperatures are moving consumers to non-dairy thirst quenchers. Drought conditions continue in Florida, limiting pasture and forage growth, which contributes to higher feed costs for producers. According to NASS, the April corn price averaged \$6.40/bu, 87 cents higher than March and \$2.99 higher than April 2010. The All Hay price for April was \$141.00/ton, up \$17.00 from March and \$33.00 above April 2010. Cream supplies continue to be readily available. Production of bottled cream and whipping cream were unusually strong and accounted for the upper end of the multiple range. Ice cream production remains somewhat sluggish in most areas, due to the cool spring in the Northeast. Cream multiples ranged from 121-134. Condensed skim supplies increased as most areas in the East are experiencing varying degrees of milk production increases. Class II and III demand has increased due to production increases in yogurt and cheese. Increases in condensed skim volumes are being readily handled via condensed skim sales and nonfat dry milk production. DAIRY PRODUCTS - Ice Cream production in the Atlantic region in March totaled 15.1 million gallons, 18.4% more than February, but 8.1% less than March 2010. Yogurt production (plain and flavored) for March totaled 396.4 million pounds, up 13.4% from February, but 0.7% below the same period last year. Cumulative 2010 production through March totaled 1,106 million pounds, 3.5% higher than through March 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	-	2.4550-2.7188
F.O.B. producing plants: Upper Midwest	-	2.4551-2.5363

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices	-	1.61 - 1.68
Northeast - Class III - spot prices	-	1.20 - 1.27

MIDWEST

Class I interest was back to more normal non-holiday retail and school milk demand. Orders for non-ice cream Class II products were steady to slightly improved. Ice cream and mix interest was stronger with some operations increasing cream purchases as orders improve in anticipation of warmer temperatures. Cream supplies remain heavy as cream yields remain strong seasonally. Churning remains active though churn operators' comments range from nervous to bullish about churning and storing extra butter at current butter prices. A few comments were noted from contacts that buyers were searching for extra milk to help fill orders for specialty products, including ice cream. Certainly, it is

unusual for handlers in the upper Midwest to be very tight on milk this late in spring. Some cream premiums may be higher than usual for spring due to higher trucking rates/fuel surcharges as well as difficulty in finding trucks/truckers to move product. Manufacturing milk interest is also improved as cheese prices rebound, generating improved cheese demand. Wet and unseasonably cool temperatures continue to hamper spring planting and tillage operations though more planters and drills were moving this week, though often on sandier soils and hillsides. Water is standing in many low spots. Some northern sections even received small quantities of snow. More cattle are starting to appear on pastures though low areas may be too wet to graze. Further south in the midsection, wet conditions also persist and flooding issues noted around the Mississippi River. While some rain fell in parts of the Southwest, the drought areas remain.

WEST

The April 4a price (butter/powder) in CALIFORNIA is \$19.45, up \$0.39 from March and \$5.96 higher than last year. This compares to the Federal Order Class IV price for April 2011 at \$19.78. The April 4b price (cheese) is \$14.34, \$2.42 lower than March but \$2.04 more than last year. This compares to the Federal Order Class III price for April 2011 at \$16.87. The wide gap between the 4a and 4b prices is noted to be a record. CALIFORNIA milk production is reported to be mostly steady with recent weeks. There are some thoughts that overall output in the state is at the peak. Increased production costs are limiting producers' response to higher milk prices. Processing plants in the state are running on heavy schedules, but performing well. Transportation costs are influencing the movement of milk and components. NEW MEXICO milk production is steady to higher. Weather conditions are generally more favorable where windy conditions have subsided. Plants are running on extended schedules to handle current heavy milk supplies. Milk shipments to other areas are seasonally slow. ARIZONA milk output ranges from steady to lower. Farm level output is trending down from the recent peak levels. Weather conditions are starting to move into the 90-degree range. While this is only affecting volumes slightly, the bigger impact of the conditions and cows' time in milk is that fat and protein levels are trending lower. Class I needs are steady. CREAM prices are moving higher, reflecting higher butter prices and some increases in multiples and overages. Demand for cream is fair to good with more cream moving this week into other class items. There is still an active butter making pattern with excess cream ending up in the churn. Ice cream demand is uneven. Transportation costs are playing more of a factor into placing cream. Tankers are available, longer haul deals are more difficult to make work because of the costs. The CME Group, Grade AA butter price closed at \$2.0950 on Wednesday, May 4, up 8 cents from a week ago. Cream multiples are up slightly in the range 105-124 and vary based on class usage and basing point. Milk production in the PACIFIC NORTHWEST is increasing slowly. Warmer temperatures are drying pastures and allowing for grazing to begin. Milk volumes are being distributed amongst various plants and balancers are busy directing milk supplies. Transportation costs have become a larger issue as fuel prices increase. Dairy farmers are beginning spring planting. New crop alfalfa is behind schedule and is eagerly awaited to replenish forage supplies. UTAH and IDAHO milk volumes are steady to higher as warmer weather arrives. Manufacturing facilities within the region are busy processing the increased volumes. Transportation costs are becoming increasingly important when moving product. Forage supplies in the area are tight and priced increasingly higher as this year's alfalfa crop is behind schedule. Increased feed costs are driving replacement heifer prices lower at some auctions. Recent sales for heifers in Idaho were reported \$75 to \$150 lower. According to the NASS *Agricultural Prices* report for April, mid-month U.S. prices for baled alfalfa hay were \$155/ton, \$43/ton more than last year. Prices for selected Western states and the change from last year are as follows: Arizona \$180, +\$60; California \$226, +\$107; Colorado \$140, +\$15; Idaho \$175, +\$73; Nevada \$160, +\$63; New Mexico \$175, +\$27; Oregon \$184, +\$58; Utah \$134, +\$39; and Washington \$150, +\$35. Month to month price changes for the region were mostly up \$9.00-\$25.00 per ton as old crop hay is used up. For the United States, alfalfa prices went up \$19.00 per ton from March's value to \$155 per ton.

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.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Nonfat dry milk prices in the Central adjusted higher and lower, reflecting changes in various pricing indices. The market tone is mostly firm. Manufacturers are offering spot loads of NDM on a more regular basis, with interest steady. Resale offers are also clearing to good interest, and Western NDM continues to supplement regional offerings. NDM production is mostly level as condensed skim sales into Classes II and III are active. Central condensed skim volumes are being augmented by Eastern spot loads. Plants are operating with capacity to spare. The April 2011 Dairy Market News average of the mostly price series for Central and East nonfat dry milk, low/medium heat, was \$1.5898 compared to \$1.6200 one month ago and \$1.2403 in April 2010. The April 2011 Dairy Market News average of the range price series for Central and East nonfat dry milk, high heat, was \$1.7098 compared to \$1.7050 one month ago and \$1.3184 in April 2010. According to NASS, NDM production in the Central region totaled 14.1 million pounds during March 2011, 25.1% more than one month ago but 9.4% less than one year ago.

DAIRY PRODUCTS: NASS's Dairy Products report shows production of human food NONFAT DRY MILK during March 2011 totaled 126.0 million pounds, up 14.1% from February 2011 production but 8.9% lower than March 2010. Month ending stocks, at 123.9 million pounds, are 0.2% higher than a month ago but 17.5% lower than one year ago. Cumulative 2011 nonfat dry milk powder production totals 353.4 million pounds, compared to 387.0 million pounds in 2010, an 8.7% decrease in production. March 2011 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 42.0 million pounds, 15.9% higher than one month ago and 51.3% higher than production one year ago. Cumulative 2011 skim milk powder production totals 118.3 million pounds, compared to 70.4 million pounds during the same time span in 2010, a 68.0% increase in production.

EAST: Price ranges for nonfat dry milk were mixed this week with the low heat average of the mostly range advancing 3 cents, while the average of the high heat range declined 1 cent. Nonfat dry milk production expanded as additional milk volumes made their way to dryers, reflecting milk production increases in the East. Nonfat dry milk production is not at the level achieved last year, due to increased condensed skim sales to yogurt and cheese manufacturers. Drying schedules are geared to mostly low heat production to better handle the increased milk supplies with some high heat production occurring when milk volumes allow. Supplies are moving through contracts with some additions to inventories as some manufacturers attempt to expand inventories for future commitments. The market tone as described by a broker is steady.

DAIRY PRODUCTS: The latest NASS Dairy Products report indicates nonfat dry milk production for March in the Atlantic region totaled 11.2 million pounds, 8.9% of the nation's total. The Atlantic region production was 43.7% less than one year ago and 24.1% less than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.5900 - 1.7000 MOSTLY: 1.5900 - 1.6400
HIGH HEAT: 1.6500 - 1.7500

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are steady to higher for the mostly series. The market tone is slightly firm. Producer offerings are light to moderate with most current product moving to commitments. Additional loads are actively trading in resale channels this week. Domestic demand is fair. Some buyers are opting for condensed skim. Export accounts are clearing NDM and SMP. Production levels are seasonally heavy as milk volumes build. Higher fuel prices are leading to higher shipping costs and becoming more of a concern. High heat prices are slightly higher with a wide price range. Demand is fair for the current light to moderate demand. Seasonal accounts are slow to develop with limited needs being filled on spot markets. U.S. NDM production in March 2011

totaled 126.0 million pounds, 8.9% less than last year. Cumulative YTD output through March totals 353.4 million pounds, down 8.7% from the same period in 2010. NDM production in the Western region in March totaled 100.7 million pounds, down 2.1% from last year. The West produced 80% of the U.S. total in March. U.S. manufacturers' stocks of NDM at the end of March were 123.9 million pounds, 17.5% lower than a year earlier but 0.2% higher than February. U.S. skim milk powder (SMP) production in March totaled 42.0 million pounds, 51.3% more than last year and 15.9% more than February. Cumulative YTD output for SMP through March totals 118.3 million pounds, up 68.0% from the same period in 2010.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.5400 - 1.6500 MOSTLY: 1.5900 - 1.6100
HIGH HEAT: 1.6000 - 1.8100

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: The Central dry buttermilk market is unchanged on the top of the range, but higher on the bottom of the range on a mixed market. Production of dry buttermilk is increasing at several plants. Cream supplies are seasonally higher and spot cream prices are trending lower. This combination of market conditions is indicating to some plants that butter/dry buttermilk production is more advantageous in the near term. Some spot cream loads from the West cleared into Central churns, which increased dry buttermilk production midweek. Dry buttermilk offers to the spot market, F.O.B., are clearing to steady interest. The April 2011 Dairy Market News average of the range price series for Central and East dry buttermilk was \$1.4925 compared to \$1.5104 one month ago and \$1.0623 in April 2010.

DAIRY PRODUCTS: NASS Dairy Products reports production of dry buttermilk during March totaled 9.4 million pounds, 8.2% more than one month ago and 31.8% more than production one year ago. Cumulative 2011 dry buttermilk production totals 29.5 million pounds, 21.9% more than during the same time span of 2010. Month ending stocks of dry buttermilk, at 16.4 million pounds, are 9.1% higher than one month ago and 69.6% higher than the stock levels of one year ago.

EAST: Eastern dry buttermilk prices advanced the low end of the range this week in light trading. Dry buttermilk production was spotty as butter makers attempted to make butter for orders only, hesitant to build inventories at current price levels. Some condensed buttermilk sales were made to ice cream producers, additionally limiting dry buttermilk production. Most dry buttermilk supplies are moving through contracts with only small volumes making their way to the spot market. Demand for dry buttermilk remains flat in the East.

F.O.B. CENTRAL/EAST: 1.4400 - 1.6200

DRY BUTTERMILK - WEST

Western dry buttermilk prices are mostly steady with a slight price adjustment higher on the top end of the range. Buying interest is light to fair. Demand from ice cream accounts is below expectations. There are more offerings of dry buttermilk being made. Production levels remain seasonally active. Stocks are available. Buttermilk powder production in March 2011 for the U.S. totals 9.4 million pounds, up 31.8% from last year. Buttermilk stocks at the end of March are 16.4 million pounds, 69.6% higher than a year ago and 9.1% higher than last month.

F.O.B. WEST: 1.5000 - 1.5675 MOSTLY: 1.5100 - 1.5400

CONTINUED ON PAGE 5A

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 lower on a mixed market. Manufacturers indicate interest in dry whole milk is active, with end users and the broker/trader community showing interest in negotiating contracts for upcoming production. In contrast, the latest Oceania auction results show prices trending lower for the next three contract periods. New Zealand regular dry whole milk average prices per pound for the various contract periods and percent change in price from the previous auction are: Contract 1, \$1.8180, -0.1%; Contract 2, \$1.7826, -1.5%; Contract 3, \$1.6974 -2.7%. Domestic dry whole milk production is mostly lower for the week as milk supplies clear into alternate balancing operations and/or are funneled to other end products. The April 2011 Dairy Market News average of the mostly price series for dry whole milk was \$1.9374 compared to \$1.9074 one month ago and \$1.4859 in April 2010.

DAIRY PRODUCTS: The NASS Dairy Products report shows production of dry whole milk during March 2011 totaled 7.1 million pounds, a 30.8% increase from February 2011 and 9.1% higher than March 2010. Cumulative 2011 dry whole milk production totals 18.8 million pounds, compared to 17.0 million pounds in 2010, a 10.5% increase in production. Manufacturers' month ending stocks, at 7.8 million pounds, are 7.0% higher than one month ago and 9.3% more than one year ago.

F.O.B. PRODUCING PLANT: 1.9000 - 1.9700

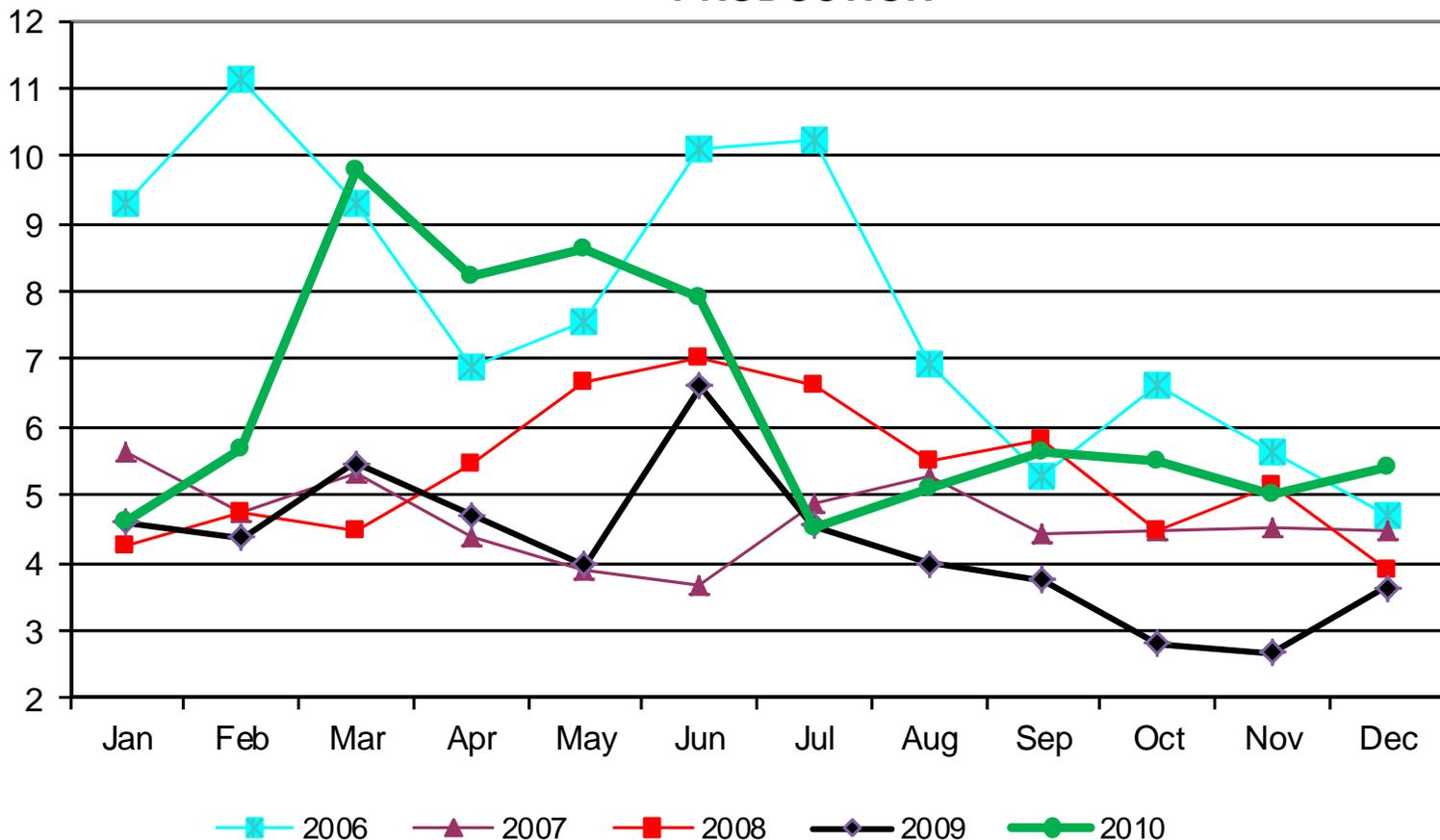
CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 29	\$1.5219	10,442,490	0
April 22	\$1.5270	12,637,731	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.

MILLION POUNDS

U.S. CONDENSED or EVAPORATED 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

Some producers indicated contract pricing based on variable indices translated into higher prices on loads shipping this week. Central dry whey prices are steady to higher, and the market is firm. Cheese plant operators indicate that the seasonal growth in milk intakes that registered a few weeks ago flattened over the last two weeks. Success in getting spot loads of milk has been limited by tight supplies within the region. Intermittent tanker shortages and climbing fuel surcharges have priced some milk out of cheese plants. Due to these circumstances, several plants in the Central region are operating below capacity. Loads of condensed whey from some Central and Eastern plants were available this week, however few Central plants mentioned taking advantage of these spot offers. Plant managers often limit their list of eligible condensed whey suppliers to those whose plants have been inspected or certified in some way. F.O.B. dry whey spot offers are light. As an additional indication of tight Central dry whey supplies, some Western dry whey is clearing into the Central region to augment regional stocks. Offers of dry whey loads from the resale market are reported as more active this week, with finalized resale prices reportedly covering the \$0.60 - \$0.70 range. A few plants indicate that dry whey contract sales into some Class II accounts are lagging, but sales into other accounts have kept dry whey inventories light. The ANIMAL FEED DRY WHEY price range adjusted higher, reflecting pricing based on various adjustable indices and active interest. Human food dry whey production during March 2011 in the Central region totaled 41.2 million pounds. This dry whey production is 12.7% more than February 2011 production but 0.1% lower than March 2010. The April 2011 Dairy Market News average of the mostly price series for Central dry whey was \$0.4508 compared to \$0.4173 one month ago and \$0.3482 in April 2010. The April 2011 Dairy Market News average of the range price series for ANIMAL FEED Central milk replacer dry whey was \$0.3789 compared to \$0.3403 one month ago and \$0.2926 in April 2010.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of HUMAN AND ANIMAL FOOD dry whey during March 2011 totaled 85.3 million pounds, 4.3% more than February 2011, but 7.8% less than production 1 year ago. Cumulative 2011 dry whey production, human and animal, is 0.6% higher than 2010 production during the same time span, totaling 258.1 million pounds

March ending stocks of HUMAN FOOD dry whey totaled 48.5 million pounds, 4.3% higher than 1 month ago and 2.6% higher than March 2010. ANIMAL FEED dry whey month ending stocks totaled 2.1 million pounds, 7.5% lower than one month ago and 36.5% lower than the stocks of one year ago.

F.O.B. CENTRAL: .4500 - .5150 MOSTLY: .4550 - .5100
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3500 - .4800

DRY WHEY - NORTHEAST

Dry whey prices in the East moved higher as formula pricing based on the Central region price average increased the lower end of the range, while spot sales moved the upper end of the range. Dry whey production expanded following increased cheese production as milk production is beginning to build towards its seasonal peak. Supplies remain very tight with most current production moving through contracts, but some spot sales were noted. Brokers are indicating prices in resale activity are in the low 60's. Domestic and export demand continue to be very good, giving the dry whey market a very firm undertone.

DAIRY PRODUCTS: The latest NASS Dairy Products report shows production of dry whey for human consumption for March 2011, in the Atlantic area totaled 21.4 million pounds, or 25.8% of the nation's total for March of 83.1 million pounds. The Atlantic area's production is 8.6% above February and 7.7% above production one year ago.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4925 - .5775

DRY WHEY - WEST

Western dry whey prices are mostly higher this week. Tight supplies and good domestic demand are feeding increases in asking price for spot whey. Resale prices from brokers are reported at or above \$.6000. Supplies of human dry whey are tighter in the West as one manufacturer has gone to feed grade production. Dry whey supplies are mostly committed to contract needs. Whey protein concentrates continue to reduce available dry whey supplies. According to the NASS *Dairy Products* report, total dry whey production in March totaled 85.3 million pounds, down 7.8% or 7.2 million pounds compared to March 2010. The Western region produced 20.5 million pounds of human dry whey in March, down 20.9% or 5.4 million pounds from last year. The West produced 24.6% of the human dry whey in the U.S. in March. Cumulative total dry whey production for the year in the U.S. is 258.1 million pounds, up 0.6% or 1.7 million pounds from 2010. Manufacturers' stocks at the end of March for total dry whey are 50.5 million pounds, unchanged from last year.

NONHYGROSCOPIC: .4800 - .5600

MOSTLY: .4875 - .5275

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are mostly higher as intermittent F.O.B. spot offerings clear and contract pricing adjusts to variable indices. Interest for spot loads of WPC 34% continues to be avid. Some in the industry project that interference from the nonfat dry milk market, which is currently above the WPC 34% market, may exert downward price pressure on the WPC 34% market in the near term. However, diverse interest in the total whey stream from makers of specialty nutrition and/or dietary component substitution products continue to support the whey stream price. This interest in condensed whey stream goods also continues to provide an outlet for condensed whey/WPC spot loads. Whey protein concentrate 34% production is steady to lower: some plants are alternating whey stream end products, others are selling condensed WPC 34% more actively to fulfill contract requirements, and scheduled plant maintenance has curtailed production at a few locations. The April 2011 Dairy Market News average of the mostly price series for whey protein concentrate 34% Central and West was \$1.3686 compared to \$1.2404 one month ago and \$0.9102 in April 2010.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during March 2011 totaled 21.1 million pounds, 16.6% more than one month ago, but 4.6% lower than production of one year ago. Cumulative 2011 HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) production totals 58.5 million pounds, compared to 61.2 million pounds in 2010, a 4.3% decrease in production. Manufacturers' end-of-month stocks of HUMAN AND ANIMAL WPC (25.0 - 49.9% PROTEIN) totaled 13.7 million pounds, 4.9% less than February 2011 and 43.7% less than March 2010.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.4200 - 1.7500 MOSTLY: 1.4300 - 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 ON PAGE 6A

LACTOSE - CENTRAL AND WEST

The lactose market is unchanged. Participants describe the market as firm, with limited spot load availability. Some manufacturers are allocating contract shipments to balance immediate needs with supplies on hand. Production at a few plants slowed this week to accommodate maintenance schedules. The April 2011 Dairy Market News average of the mostly price series for Central and West lactose was \$0.4464 compared to \$0.3820 one month ago and \$0.3358 in April 2010.

DAIRY PRODUCTS: NASS's Dairy Products report shows HUMAN and ANIMAL lactose production during March 2011 increased 13.6% compared to February 2011 to 84.9 million pounds and was 11.3% higher than April 2010 production. Cumulative 2011 lactose production totals 241.1 million pounds, 16.8% more than during the same time span in 2010. Month ending stocks, at 74.2 million pounds, are 1.3% less than one month ago, but 9.6% higher than one year ago.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .3600 - .5600 MOSTLY: .4300 - .4800

CASEIN - NATIONAL

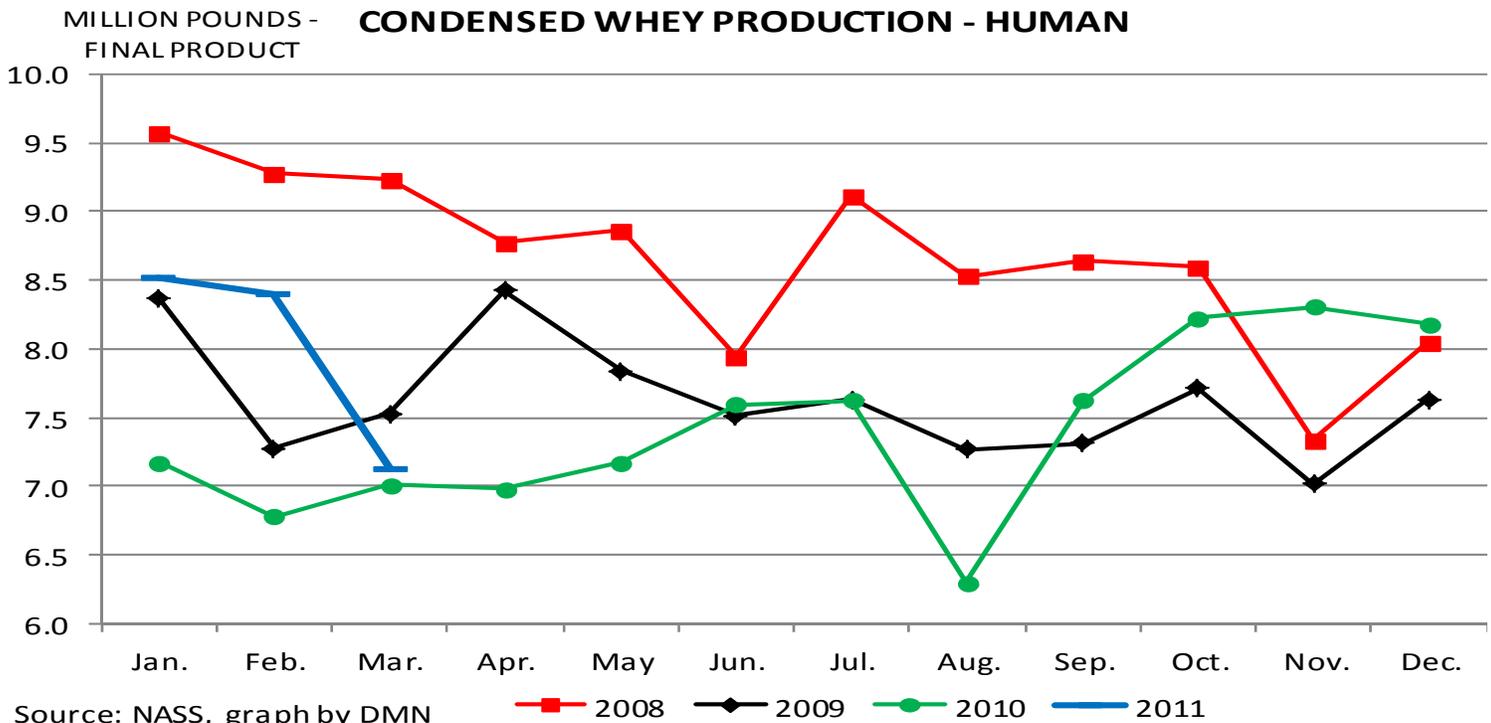
Casein markets and prices remain firm. Supply availability remains the main question of buyers to suppliers. Oceania suppliers continue to fill orders from inventoried stock that has basically been fully committed. Oceania spot availability is very limited. The European milk production season continues to expand, thus casein production is also on the increase. At this time, milk volumes are clearing to most all manufactured dairy products as previously projected, although the distribution to these products could be in jeopardy if limited moisture conditions continue and pastures deteriorate early. Many casein manufacturers indicate that they are in the business to produce casein for customer needs, but also state that when milk supplies tighten, casein production is often the first product that milk is moved away from and redirected towards other products of more need or better return.

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 March 2011 totaled 47.3 million pounds, an increase of 19.3% from February 2011 and 19.4% higher than March 2010. Manufacturers' end-of-month stocks totaled 53.3 million pounds, 9.0% higher than one month ago but 33.7% lower than one year ago.



CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 2 - 6, 2011			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 04/22/11	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-

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

NEW DATA WAS UNAVAILABLE BUT WILL BE UNDATED WHEN AVAILABLE

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

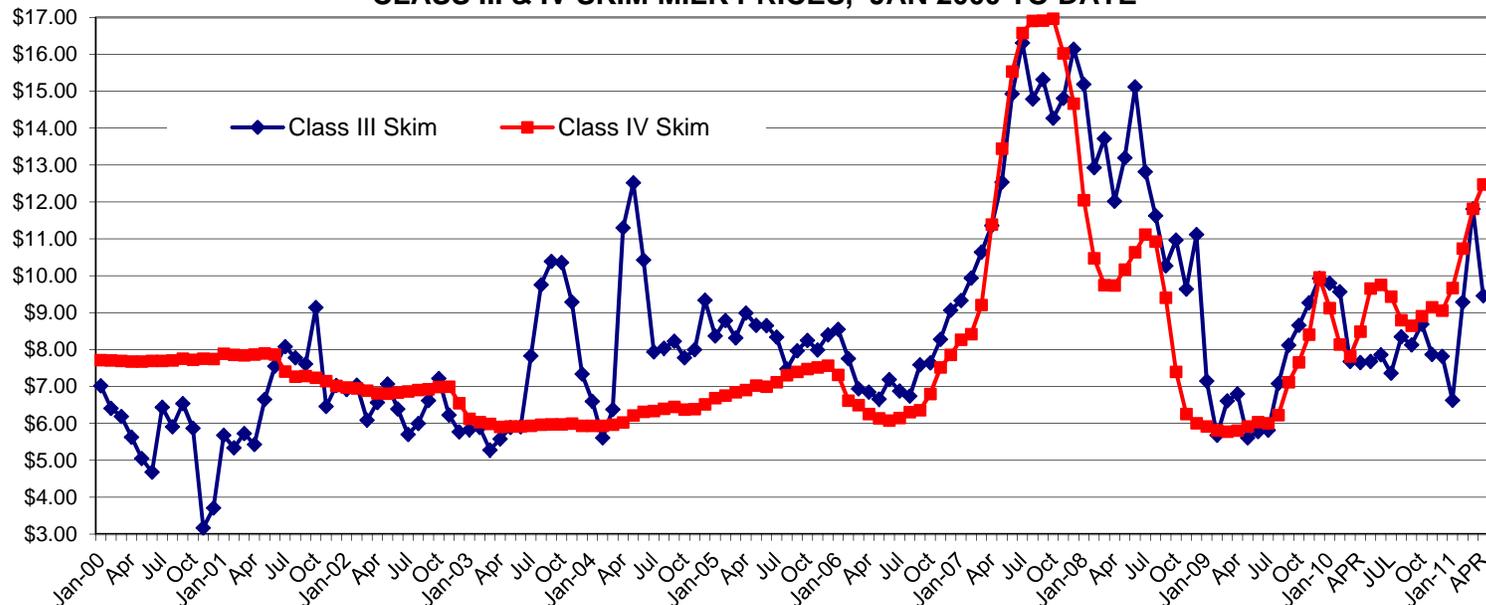
FEDERAL MILK ORDER CLASS PRICES FOR 2011 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.20	15.89	18.23	19.43	19.75							
II	16.79	17.97	18.83	19.66								
III	13.48	17.00	19.40	16.87								
IV	16.42	18.40	19.41	19.78								

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

PER CWT

CLASS III & IV SKIM MILK PRICES, JAN 2000 TO DATE



ORGANIC DAIRY MARKET NEWS

Information gathered April 23 - May 6, 2011

ORGANIC DAIRY FLUID OVERVIEW

Sales of organic milk have increased faster than many organic processors expected beginning late last year into 2011. Sales were expected to increase but increases have been quite strong. This continues to generate a vigorous effort to get dairy producers to commit to the process of converting to organic production. Dairy animals must be under organic management for at least one year prior to production of organic milk and land for three years. There has also been increasing focus in some areas to recruit existing organic farmers from their present sales commitments. As detailed in another portion of this week's DMN Organic Report, cumulative 2011 organic dairy weekly newspaper ad numbers are lower than for the same period of 2010. Yet, organic dairy sales are at a higher level. This is considered to reflect on the role of increasing consumer concern with factors other than relative prices as a motivating factor in selecting organic dairy products.

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON:

Overview. Organic dairy weekly supermarket newspaper advertising levels continue to swing widely, to among the highest levels of 2011 this period, following one of the lowest levels two weeks ago. Nevertheless, through this week of 2011, cumulative organic ad numbers are only 73.9% of the cumulative level for the same period of 2010.

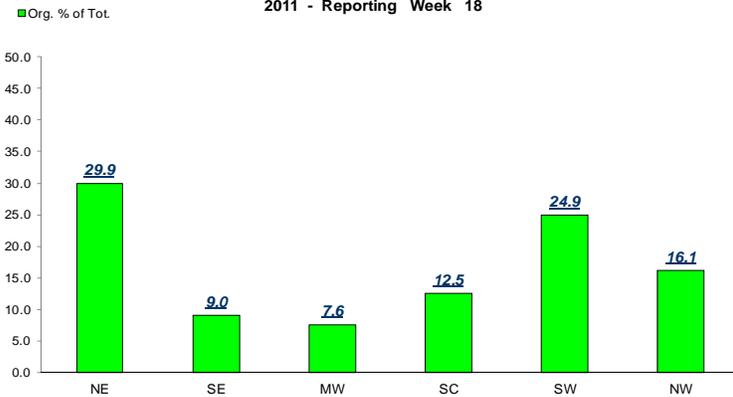
Organic butter and yogurt ads stood out the most this reporting period. There are no organic butter ads for the first time since October 2010 in contrast with four weeks ago when organic butter ads reached the highest number since this report began during the Fall of 2009.

Organic yogurt advertising remains strong and has reached the highest number of supermarket ads during 2011.

Information presented is compiled from newspaper supermarket ads for the period April 23, 2011 to May 6, 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. The Northeast region leads other regions in organic dairy newspaper advertising, with 29.9% of total ads, just as it led two weeks ago. The percentage of total national ads in other regions includes the Southwest, 24.9%; Northwest, 16.1%; South Central, 12.5%; Southeast, 9.0%; and Midwest, 7.6%. A total of 2,690 of 9,210 surveyed weekly newspaper ads contained organic dairy content.

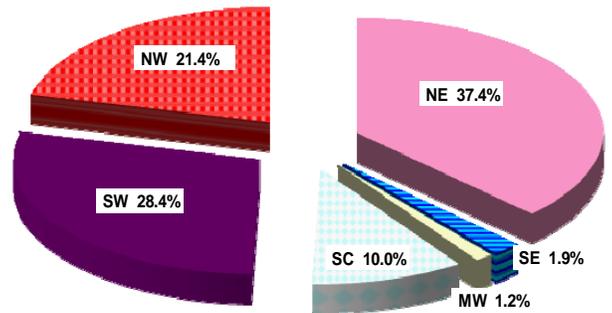
Regional Organic Dairy Ads As A Percentage of Total Surveyed National Organic Dairy Ads 2011 - Reporting Week 18



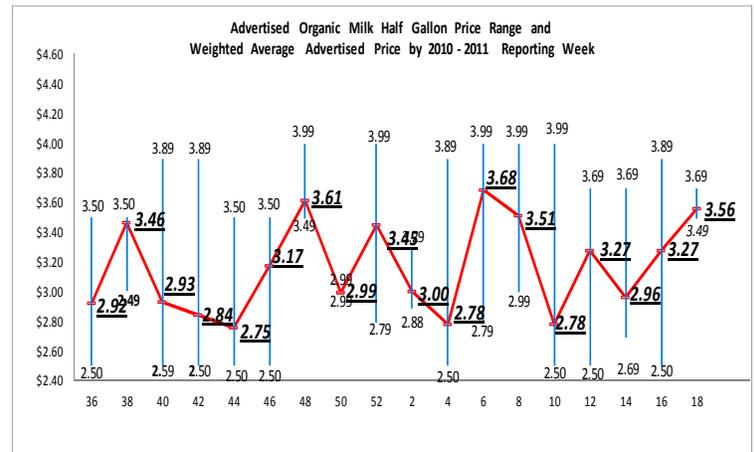
Product Emphasis. This report's 2,366 organic milk ad placements are within a few ads of being the second highest level of 2011. Ads for organic milk in 8 ounce containers dominated the milk category, with 1,430 ad placements. There are also 621 half gallon organic ads and 315 ads for organic gallons of milk.

Milk. Organic milk ads appeared in every region. Regional percentages of total organic milk newspaper advertising include: Northeast, 37.4%; Southwest, 28.4%; Northwest, 21.4%; South Central, 10.0%; Southeast, 1.9%; and Midwest, 1.2%.

ORGANIC MILK FEATURES
Regional % of Nationally Surveyed Supermarket Ads
Report - Week 18, 2011



Half Gallons. The national weighted average advertised price for half gallons of organic milk increased 29 cents to \$3.56. The top of the range declined 20 cents to \$3.69 while the bottom increased 99 cents to \$3.49. All ad placements listed a price of either the range high of \$3.69, or the range low of \$3.49. Through this week of 2011, cumulative organic half gallon ads number only 48.8% of the cumulative level for the same period of 2010.



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	95.5	3.56
SE	00.0	----
MW	04.5	3.69
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		3.56

Gallons. There are 315 ad placements for organic gallons, the second highest level of the year. However, advertising for organic gallons remains well below 2010 levels. Through this week of 2011, cumulative organic gallon ads number only 43.6% of the cumulative level for the same period of 2010.

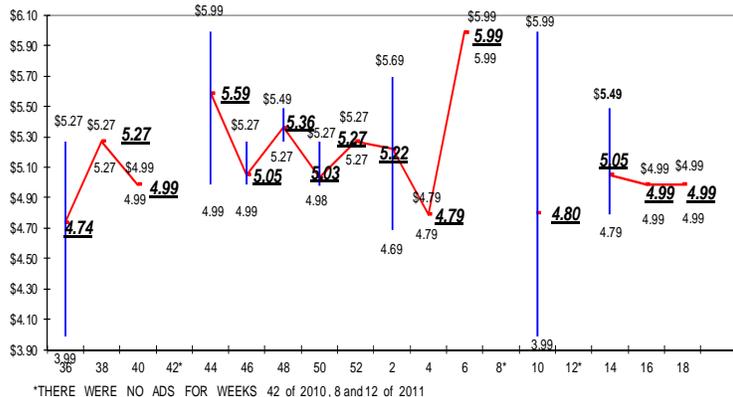
The national weighted average advertised price for organic gallons is \$4.99, the same as two weeks ago. Just as with two weeks ago, all ads reflect a price of \$4.99 so there is no price range.

ORGANIC DAIRY MARKET NEWS

Information gathered April 23 - May 6, 2011

CONTINUED FROM PAGE 8

Advertised Organic Milk Gallon Range and Weighted Average Advertised Price by 2010-2011 Reporting Week*



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	62.2	4.99
SE	00.0	----
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	37.8	4.99
US		4.99

8 Ounce Milk. The 1,430 ads for 8 ounce organic milk are spread through all regions. The weighted average advertised price is \$1.00, with all ads reflecting that price. Through this week of 2011, cumulative ads for organic milk in 8 ounce containers number 430% of the cumulative level for the same period of 2010. There has been a shift in emphasis in the organic milk category toward advertising 8 ounce containers of organic milk. Where a national brand has typically dominated advertising, there is beginning to be more advertising by another national brand.

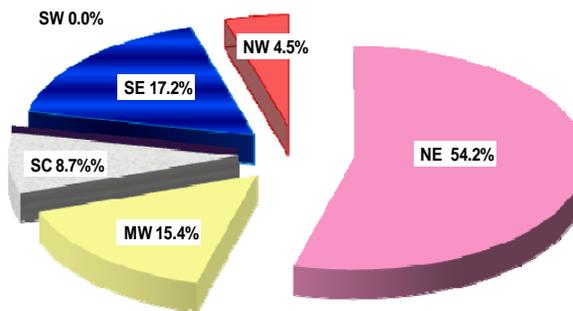
The following table shows the percentage of national 8 ounce organic milk ads by region and the regional weighted average advertised price.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	06.7	1.00
SE	03.1	1.00
MW	----	----
SC	16.6	1.00
SW	46.9	1.00
NW	26.6	1.00
US		1.00

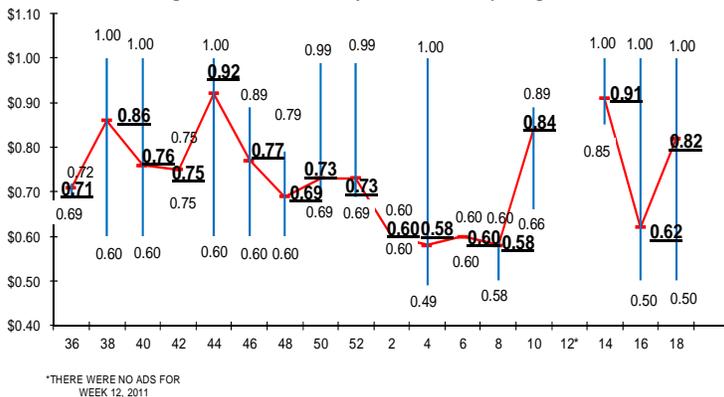
Yogurt. Organic yogurt ad numbers are at the highest level of 2011. Ads appeared in all regions except the Southwest. The region with the highest percentage of ads is the Northeast, with 54.2%. Other regions with organic yogurt ads are the Southeast, 17.2%; Midwest, 15.4%; South Central, 8.7%; and Northwest, 4.5.

ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 18, 2010



Organic yogurt in 6 ounce containers has a weighted average advertised price of 82 cents, 20 cents above two weeks ago, with a range from 50 cents to \$1.00.

Advertised 6 Oz. Organic Yogurt Price Range and Weighted Average Advertised Price by 2010-2011 Reporting Week



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	37.8	0.82
SE	23.9	1.00
MW	21.4	0.60
SC	12.2	0.89
SW	00.0	----
NW	04.7	0.75
US		0.82

There are also 321 ads for 5.3 ounce organic Greek Yogurt, 309 in the Northeast all priced \$1.25 and 12 in the Northwest, all priced \$1.50.

Through this week of 2011, cumulative organic yogurt ads for all types and sized containers number only 37.9% of the cumulative level for the same period of 2010.

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

CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered April 23 - May 6, 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 18**

MADISON, WI
LOW HIGH RANGE
(In Dollars)

GALLONS:

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

HALF GALLONS:

Whole	2.50*	4.19	1.69
Reduced Fat (2%)	2.50*	4.19	1.69
Low Fat (1%)	2.50*	4.19	1.69
Nonfat (Skim)	2.50*	4.19	1.69

CHOCOLATE HALF GALLON:

	3.39	5.69	2.30
--	-------------	-------------	-------------

YOGURT

	.50	1.59	1.09
--	------------	-------------	-------------

CHEESE – 8 OUNCE BLOCKS:

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

CHEESE – 6 OUNCE STRING

Mozzarella	3.00	5.09	2.09
Colby Jack	3.89	5.39	1.40

BUTTER – 1 POUND

	4.50	6.19	1.69
--	-------------	-------------	-------------

*=Price change from prior reporting period

This report, the low price for half gallons of milk declined 50 cents to \$2.50, the lowest shelf non-advertised price for half gallons of organic milk during 2011. This price movement was for a national brand sold in a natural foods store. 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 steady with moderate demand on feed grade corn and soybeans, and good demand for feed grade barley and oats. Offerings of corn are growing reportedly tighter as supplies become more limited in some areas, while offerings of alternative feed grains are gaining momentum in light of the increasing corn prices, with the highest prices reported in the northeastern United States. Feed grade white milo was reported from \$9.50-\$10.00/bu. Trades of feed grade rye were reported this period, but an accurate test of the market was not determined. Premium organic alfalfa hay in Nevada was reported from \$270.00-\$280.00, and good quality alfalfa hay in Oregon for \$120.00.

Eastern organic grain and feedstuff prices were mostly steady. Trading activity was slow with light organic grain movement for this reporting period. Producers are more focused on the planting season than marketing grain.

Upper Midwest organic grain and feedstuffs were higher, with moderate to good demand for alternative feed grains and moderate demand for corn and soybeans. Offerings of feed grade corn and peas were reportedly lighter due to limited supply. The price range of feed grade corn was steady to firm this period. However, the weighted average was higher than the previous week due to increased volume of corn at the higher end of the range late in the reporting period. As conventional corn prices drive producers to demand higher organic prices, increased prices and use of alternative grains is growing. Recent snow and rain in the Dakotas as well as flooding in several states is weighing heavy on the minds of farmers and grain buyers alike. Some organic farmers have reportedly switched from small grain production to corn and/or soybean production in light of the recent availability of organic crop insurance for those commodities.

Additional livestock and grain market news information is available at: www.ams.usda.gov/LMarketNews.

MONTHLY SUMMARY AND AVERAGES FOR APRIL 2011 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 13	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	2011	2010
	APR 01	APR 04 - 08	APR 11 - 15	APR 18 - 22	APR 25 - 29	or Total	or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 2.0325 - 2.2250	:: 1.9750 - 2.1700	:: 1.8900 - 2.1700	:: 1.9575 - 2.1700	:: 1.9475 - 2.2400	:: 2.0680	: 1.8244
-- Brick And/Or Muenster 5#	:: 2.1475 - 2.3100	:: 2.1550 - 2.3100	:: 2.0900 - 2.3100	:: 2.1325 - 2.3100	:: 2.1225 - 2.3300	:: 2.2204	: 1.9378
-- Cheddar 40# Block	:: 2.1475 - 2.8650	:: 2.1500 - 2.8650	:: 2.0900 - 2.8650	:: 2.1325 - 2.8650	:: 2.1225 - 2.8650	:: 2.4949	: 2.1825
-- Monterey Jack 10#	:: 2.1100 - 2.8650	:: 2.1175 - 2.8650	:: 2.0525 - 2.8650	:: 2.0950 - 2.8650	:: 2.0850 - 2.8650	:: 2.4768	: 2.2129
-- Blue 5#	:: 2.4650 - 3.0300	:: 2.4750 - 3.0300	:: 2.4075 - 3.0300	:: 2.4500 - 3.0300	:: 2.4400 - 3.0500	:: 2.7395	: 2.4428
-- Mozzarella 5 - 6#	:: 1.9800 - 2.9650	:: 1.9875 - 2.9650	:: 1.9225 - 2.9650	:: 1.9650 - 2.9650	:: 1.9550 - 2.9650	:: 2.4618	: 2.2076
-- Grade A Swiss Cuts 6 - 9#	:: 2.7000 - 3.3300	:: 2.8900 - 3.3300	:: 2.8900 - 3.3300	:: 2.8900 - 3.3300	:: 2.9500 - 3.3300	:: 3.1126	: 2.9211

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 1.9550 - 2.2300	:: 1.9625 - 2.2375	:: 1.8975 - 2.1725	:: 1.9400 - 2.2150	:: 1.9300 - 2.2050	:: 2.0711	: 1.8707
-- Process 5# Sliced	:: 1.7800 - 2.0900	:: 1.7225 - 2.0325	:: 1.6375 - 1.9475	:: 1.7050 - 2.0150	:: 1.6950 - 2.0050	:: 1.8493	: 1.6201
-- Muenster	:: 1.9750 - 2.1800	:: 1.9825 - 2.1875	:: 1.9175 - 2.1225	:: 1.9600 - 2.1650	:: 1.9500 - 2.1550	:: 2.0561	: 1.8519
-- Grade A Swiss Cuts 10 - 14#	:: 3.0125 - 3.3350	:: 3.4025 - 3.7250	:: 3.4025 - 3.7250	:: 3.4025 - 3.7250	:: 3.4025 - 3.7250	:: 3.5452	: 3.3010

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.7975 - 2.0550	:: 1.7400 - 1.9975	:: 1.6550 - 1.9125	:: 1.7225 - 1.9800	:: 1.7125 - 1.9700	:: 1.8405	: 1.6264
-- Cheddar 40# Block	:: 1.7650 - 2.1175	:: 1.7725 - 2.1250	:: 1.7075 - 2.0600	:: 1.7500 - 2.1025	:: 1.7400 - 2.0925	:: 1.9198	: 1.7144
-- Cheddar 10# Cuts	:: 1.9450 - 2.1650	:: 1.9525 - 2.1725	:: 1.8875 - 2.1075	:: 1.9300 - 2.1500	:: 1.9200 - 2.1400	:: 2.0336	: 1.8282
-- Monterey Jack 10#	:: 1.9550 - 2.1150	:: 1.9625 - 2.1225	:: 1.8975 - 2.0575	:: 1.9400 - 2.1000	:: 1.9300 - 2.0900	:: 2.0136	: 1.8082
-- Grade A Swiss Cuts 6 - 9#	:: 2.5900 - 3.0200	:: 2.9800 - 3.4100	:: 2.9800 - 3.4100	:: 2.9800 - 3.4100	:: 2.9800 - 3.4100	:: 3.1764	: 2.9023

FLUID PRODUCTS

SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)

-- Northeast - f.o.b	:: 2.5812 - 2.7258	:: 2.5134 - 2.7364	:: 2.4249 - 2.5629	:: 2.4470 - 2.6261	:: 2.4600 - 2.6400	:: 2.5562	: 2.0019
-- Upper Midwest - f.o.b	:: 2.5400 - 2.6019	:: 2.4527 - 2.4932	:: 2.4249 - 2.5630	:: 2.4073 - 2.5068	:: 2.4000 - 2.5800	:: 2.4829	: 1.9850

PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.

-- Class II	:: 1.55 - 1.62	:: 1.52 - 1.58	:: 1.52 - 1.58	:: 1.52 - 1.58	:: 1.61 - 1.66	:: 1.5719	: 1.1134
-- Class III	:: 1.23 - 1.33	:: 1.45 - 1.52	:: 1.45 - 1.52	:: 1.45 - 1.52	:: 1.45 - 1.54	:: 1.4776	: 1.0870

MONTHLY SUMMARY AND AVERAGES FOR APRIL 2011 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 13	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	2011	2010
	APR 01	APR 04 - 08	APR 11 - 15	APR 18 - 22	APR 25 - 29	or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.5200 - 1.8000	:: 1.5500 - 1.7500	:: 1.5500 - 1.7500	:: 1.5500 - 1.7500	:: 1.5500 - 1.7500	:: 1.6505	: 1.2470
-- Mostly	:: 1.5300 - 1.6900	:: 1.5500 - 1.6500	:: 1.5500 - 1.6200	:: 1.5500 - 1.6200	:: 1.5500 - 1.6200	:: 1.5898	: 1.2403
-- High Heat	:: 1.5600 - 1.8500	:: 1.6000 - 1.8200	:: 1.6000 - 1.8200	:: 1.6000 - 1.8200	:: 1.6000 - 1.8200	:: 1.7098	: 1.3184
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.4600 - 1.6500	:: 1.4600 - 1.6500	:: 1.5000 - 1.6500	:: 1.5200 - 1.6500	:: 1.5400 - 1.6500	:: 1.5764	: 1.1807
-- Mostly	:: 1.5350 - 1.5850	:: 1.5350 - 1.5850	:: 1.5500 - 1.5900	:: 1.5800 - 1.5900	:: 1.5800 - 1.6000	:: 1.5755	: 1.1775
-- High Heat	:: 1.5500 - 1.7700	:: 1.5600 - 1.7700	:: 1.5800 - 1.7900	:: 1.6000 - 1.8000	:: 1.6000 - 1.8000	:: 1.6862	: 1.2170
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)							
-- Mostly	:: 0.4150 - 0.4700	:: 0.4150 - 0.4700	:: 0.4150 - 0.4700	:: 0.4150 - 0.4700	:: 0.4450 - 0.5100	:: 0.4508	: 0.3482
-- West (f.o.b.)							
-- Mostly	:: 0.4450 - 0.6100	:: 0.4525 - 0.5975	:: 0.4525 - 0.6000	:: 0.4525 - 0.5975	:: 0.4525 - 0.5600	:: 0.5210	: 0.3898
-- Northeast (f.o.b.)							
-- Mostly	:: 0.4500 - 0.5200	:: 0.4525 - 0.5200	:: 0.4550 - 0.5200	:: 0.4550 - 0.5150	:: 0.4550 - 0.5150	:: 0.4859	: 0.4000
-- Northeast (f.o.b.)							
-- Mostly	:: 0.4500 - 0.6100	:: 0.4575 - 0.5550	:: 0.4575 - 0.5550	:: 0.4575 - 0.5425	:: 0.4575 - 0.5425	:: 0.5044	: 0.3910
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 1.1500 - 1.5800	:: 1.1500 - 1.5800	:: 1.1500 - 1.5800	:: 1.1500 - 1.5800	:: 1.3600 - 1.5800	:: 1.3900	: 0.9101
-- Mostly	:: 1.1800 - 1.4500	:: 1.1800 - 1.5100	:: 1.1800 - 1.5100	:: 1.1800 - 1.5100	:: 1.3900 - 1.5100	:: 1.3686	: 0.9102
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.3050 - 0.4350	:: 0.3050 - 0.4525	:: 0.3050 - 0.4525	:: 0.3050 - 0.4525	:: 0.3100 - 0.4525	:: 0.3789	: 0.2926
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)							
-- West (f.o.b.)							
-- Mostly	:: 1.4800 - 1.5200	:: 1.4800 - 1.5200	:: 1.5000 - 1.5200	:: 1.5100 - 1.5300	:: 1.5100 - 1.5400	:: 1.5131	: 1.0048
WHOLE MILK POWDER							
-- National (f.o.b.)							
	:: 1.8200 - 1.9500	:: 1.8200 - 2.0400	:: 1.8200 - 2.0400	:: 1.8200 - 2.0400	:: 1.9500 - 1.9900	:: 1.9374	: 1.4859
LACTOSE							
-- Central And West (f.o.b.)							
-- Mostly	:: 0.3500 - 0.4500	:: 0.4000 - 0.4800	:: 0.4200 - 0.4800	:: 0.4200 - 0.4800	:: 0.4300 - 0.4800	:: 0.4464	: 0.3358
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 4.1400 - 4.9000	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.9295	: 3.9000
-- Nonrestricted - Acid	:: 4.2800 - 4.8500	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.8936	: 3.8750

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

CME GROUP AVERAGES FOR APRIL 2011

COMMODITY	REPORT NUMBER 13	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	2011 * Monthly Average	2010 * Monthly Average
	APR 1	APR 4 - 8	APR 11 - 15	APR 18 - 21	APR 25 - 29		
BUTTER*							
-- GRADE AA							
--Monday		1.9700	1.9725	2.0000	2.0025		
--Tuesday		1.9700	1.9800	2.0000	2.0025		
--Wednesday		1.9725	1.9975	2.0000	2.0150		
--Thursday		1.9725	1.9975	2.0000	2.0500		
--Friday	1.9900	1.9725	2.0000	1/	2.0750	1.9970	1.5460
--Weekly Average**	2.0270	1.9715	1.9895	2.0000	2.0290		
CHEESE*							
-- BARRELS							
--Monday		1.5525	1.5425	1.6050	1.5800		
--Tuesday		1.5225	1.5900	1.5825	1.5750		
--Wednesday		1.5225	1.5975	1.5825	1.6100		
--Thursday		1.5100	1.6300	1.5800	1.5900		
--Friday	1.5725	1.5400	1.6250	1/	1.6025	1.5756	1.3854
--Weekly Average**	1.6145	1.5295	1.5970	1.5875	1.5915		
-- 40# BLOCKS							
--Monday		1.5775	1.6000	1.6275	1.6000		
--Tuesday		1.5775	1.6275	1.6200	1.6000		
--Wednesday		1.5775	1.6275	1.6000	1.6050		
--Thursday		1.5750	1.6275	1.6000	1.6050		
--Friday	1.5950	1.5900	1.6275	1/	1.6125	1.6036	1.4182
--Weekly Average**	1.6435	1.5795	1.6220	1.6119	1.6045		
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		1.8000	1.8000	1.8000	1.8000		
--Tuesday		1.8000	1.8000	1.8000	1.8000		
--Wednesday		1.8000	1.8000	1.8000	1.8000		
--Thursday		1.8000	1.8000	1.8000	1.8000		
--Friday	1.8000	1.8000	1.8000	1/	1.8000	1.8000	1.2154
--Weekly Average**	1.8000	1.8000	1.8000	1.8000	1.8000		
-- GRADE A							
--Monday		1.6800	1.6700	1.6200	1.6100		
--Tuesday		1.6700	1.6700	1.6125	1.6100		
--Wednesday		1.6700	1.6600	1.6125	1.6100		
--Thursday		1.6700	1.6200	1.6100	1.6225		
--Friday	1.7000	1.6700	1.6200	1/	1.6450	1.6426	1.2749
--Weekly Average**	1.7270	1.6720	1.6480	1.6138	1.6195		

* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

1/ CME GROUP CLOSED

APRIL AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in April 2011 advanced 3 points to 204. Compared with April 2010, the index was up 23 points (12.7 percent). The index of prices received by farmers for dairy products declined 5 points during the month of April 2011 to 151. Compared with April 2010, the index was up 39 point (34.8 percent).

The All Milk price received by farmers in April was \$19.70, down \$0.70 from March.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., APRIL 2011 WITH COMPARISONS

STATE	All-milk price ^{1/} ^{2/}				Milk cows ^{3/}		Cows ^{4/}		Alfalfa hay, baled	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	MARCH		APRIL		APRIL		APRIL		APRIL	
	2011	2010	2011 ^{5/}	2010	2011 ^{5/}	2010	2011	2010	2011 ^{5/}	2010
CA	18.62	13.16	18.30	13.31	1,300	1,300	---	57.90	226.00	119.00
ID	18.70	13.10	17.00	13.70	1,450	1,300	---	61.80	175.00	102.00
MI	21.10	15.70	21.10	15.00	1,550	1,400	---	57.00	105.00	135.00
MN	20.90	14.60	19.10	14.60	1,410	1,250	---	60.50	115.00	115.00
NM	20.30	14.50	20.00	14.10	1,380	1,320	---	63.00	175.00	148.00
NY	21.30	16.10	21.10	15.50	1,400	1,300	---	---	149.00	130.00
PA	22.00	17.00	22.00	16.30	1,450	1,400	---	53.10	165.00	135.00
TX	21.60	15.80	21.20	15.40	1,400	1,270	---	55.30	195.00	183.00
WA	21.10	14.40	19.00	14.30	1,400	1,300	---	---	150.00	115.00
WI	21.00	14.70	19.10	14.50	1,560	1,450	---	56.80	100.00	115.00
U.S.	20.40	14.80	19.70	14.60	1,420	1,330	---	57.50	155.00	112.00

^{1/} Prices are shown at reported butterfat test. ^{2/} Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. ^{3/} Animals sold for dairy herd replacement only. ^{4/} NASS discontinued prices beginning January 2011. ^{5/} Preliminary.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., APRIL 2011 WITH COMPARISONS

ITEM	APRIL 2010	MARCH 2011	APRIL 2011 ^{1/}
PRICES RECEIVED BY FARMERS , dol. per cwt., at reported butterfat test: ^{2/}			
All milk	14.80	20.40	19.70
Fluid grade milk ^{3/}	---	---	---
Manufacturing grade milk ^{3/}	---	---	---
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	138	172	174
Prices received by farmers for dairy products	112	156	151
Prices paid by farmers for commodities and services, interest taxes, and wage rates	181	201	204
Prices paid by farmers for production items	185	211	215
Prices paid by farmers for feed	171	212	220
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk ^{4/}	2.19	2.14	1.84

^{1/} Preliminary. ^{2/} Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

^{3/} NASS discontinued prices beginning January 2011. ^{4/} The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Agricultural Prices, April 2011.*

Milk Production, Disposition, and Income 2010

Milk production increased 1.8 percent in 2010 to 193 billion pounds. The rate per cow, at 21,149 pounds, was 576 pounds above 2009. The annual average number of milk cows on farms was 9.12 million head, down 86,000 head from 2009.

Cash receipts from marketings of milk during 2010, totaled \$31.4 billion, 28.9 percent higher than 2009. Producer returns averaged \$16.35 per hundredweight, 26.5 percent above 2009. Marketings totaled 191.8 billion pounds, 1.9 percent above 2009. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers.

An estimated 991 billion pounds of milk were used on farms where produced, 2.0 percent less than 2009. Calves were fed 89 percent of this milk, with the remainder consumed in producer households.

Milk Cows and Production of Milk: United States, 2008-2010

Year	Number of Milk Cows <u>1/</u> 1,000 head	Production of Milk <u>2/</u>				Total Milk Mil. Lbs.
		Per Milk Cow	Percent of Fat			
		Milk Pounds	Fluid Grade	Manuf. Grade	All Milk	
2008	9,315	20,395	3.68	4.01	3.68	189,982
2009	9,203	20,573	3.67	4.00	3.67	189,334
2010	9,117	21,149	3.65	4.00	3.66	192,819

1/ Average number during year, excluding heifers not yet fresh. 2/ Excludes milk sucked by calves.

Milk Marketings and Income: United States, 2008-2010

Year	Combined Marketings of Milk and Cream			
	Milk Marketed by Producers		Average Returns <u>1/</u>	Cash Receipts from Marketings 1,000 Dollars
	Total <u>2/</u> Mil. lbs.	Fluid Grade <u>3/</u> Percent	Per 100 Pounds of Milk Dollars	
2008	188,917	99	18.45	34,849,113
2009	188,322	98	12.93	24,338,642
2010	191,827	98	16.35	31,361,181

1/ Cash receipts divided by milk marketings. 2/ Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and milk sold directly to consumers. Also includes milk produced by institutional herds. 3/ Percentage of milk sold that is eligible for fluid use (Grade A in most States). Includes fluid grade milk used in manufacturing dairy products.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, Disposition, and Income 2010 Summary*, April 2011.

**ANNUAL MILK MARKETINGS BY PRODUCERS AND CASH RECEIPTS FROM MARKETINGS,
BY STATE, 2010**

State	Milk Marketed by Producers		Cash Receipts from Marketings	
	Quantity <u>1/</u>	Fluid Grade <u>2/</u>	Total	Average Return <u>3/</u>
	Mil. lbs.	Percent	1,000 Dollars	\$/cwt.
AL	158.0	100	30,810	19.50
AK	6.6	100	1,610	24.40
AZ	4136.0	100	657,624	15.90
AR	152.0	100	25,992	17.10
CA	40355.0	95	5,928,150	14.69
CO	2785.0	100	456,740	16.40
CT	363.0	100	65,340	18.00
DE	89.0	100	16,376	18.40
FL	2121.0	100	439,047	20.70
GA	1384.0	100	254,656	18.40
HI	25.0	100	8,750	35.00
ID	12746.0	100	1,899,154	14.90
IL	1905.0	98	325,755	17.10
IN	3408.0	99	589,584	17.30
IA	4322.0	99	713,130	16.50
KS	2488.0	100	430,424	17.30
KY	1140.0	100	204,060	17.90
LA	230.0	100	41,400	18.00
ME	583.0	100	108,438	18.60
MD	993.0	100	182,712	18.40
MA	241.0	100	43,380	18.00
MI	8300.0	100	1,411,000	17.00
MN	9002.0	98	1,449,322	16.10
MS	221.0	100	40,664	18.40
MO	1422.0	97	236,052	16.60
MT	284.0	100	47,996	16.90
NE	1160.0	99	200,680	17.30
NV	614.0	100	103,766	16.90
NH	295.0	100	52,510	17.80
NJ	138.0	100	23,184	16.80
NM	7830.0	100	1,237,140	15.80
NY	12681.0	100	2,206,494	17.40
NC	856.0	100	165,208	19.30
ND	374.0	92	59,466	15.90
OH	5240.0	96	932,720	17.80
OK	950.0	100	171,000	18.00
OR	2379.0	100	411,567	17.30
PA	10680.0	100	1,954,440	18.30
RI	19.4	100	3,492	18.00
SC	283.0	100	56,317	19.90
SD	1877.0	98	309,705	16.50
TN	846.0	100	151,434	17.90
TX	8803.0	100	1,505,313	17.10
UT	1809.0	100	293,058	16.20
VT	2504.0	100	443,208	17.70
VA	1711.0	100	331,934	19.40
WA	5885.0	100	947,485	16.10
WV	155.0	100	26,195	16.90
WI	25759.0	98	4,147,199	16.10
WY	118.9	87	19,500	16.40
US <u>4/</u>	191,827.0	98	31,361,181	16.35

1/ Milk sold to plants and dealers as whole milk and equivalent amounts of milk for cream. Includes milk produced by dealers' own herds and milk sold directly to consumers. Also includes milk produced by institutional herds. 2/ Percentage of milk sold that is eligible for fluid use (Grade A in most States). Includes fluid grade milk used in manufacturing dairy products.

3/ Cash receipts divided by milk marketings. 4/ May not add due to rounding.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, Disposition, and Income 2010 Summary, April 2011.*

DAIRY PRODUCTS 2010 SUMMARY

Butter production in the United States during 2010 totaled 1.56 billion pounds, 0.5 percent below 2009. California accounted for 35.6 percent of the production.

Total cheese production, excluding cottage cheeses, was 10.4 billion pounds, 3.6 percent above 2009 production. Wisconsin was the leading State with 25.0 percent of the production, followed by California with 21.1 percent and Idaho with 8.1 percent.

American type cheese production was 4.28 billion pounds, 1.7 percent above 2009 and accounted for 41.0 percent of total cheese in 2010. Wisconsin was the leading State with 19.5 percent of production, followed by Idaho with 15.9 percent and California with 14.3 percent.

Italian varieties, with 4.42 billion pounds were 5.8 percent above 2009 production and accounted for 42.4 percent of total cheese in 2010. Mozzarella accounted for 78.9 percent of the Italian production followed by Provolone with 8.0 percent and Ricotta with 5.9 percent. California was the leading State in Italian cheese production with 31.1 percent of the production, followed by Wisconsin with 28.8 percent and New York with 8.3 percent

Ice cream, Regular totaled 912 million gallons, down 0.6 percent from 2009. Lowfat ice cream, at 380 million gallons, was down 4.9 percent.

Nonfat dry milk for human food totaled 1.56 billion pounds, up 3.4 percent from 2009. California was the leading state with 56.2 percent of the production. Skim milk powders totaled 254 million pounds, up 14.4 percent.

Dry whey for human food production, at 961 million pounds, was up 1.1 percent from 2009. Lactose, Human and Animal production was 907 million pounds, up 25.6 percent.

Dairy Plants: During 2010, there were 1,273 dairy plants in the U.S. manufacturing one or more dairy products, 25 more than in 2009

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Dairy Products 2010 Summary*, April 2011.

**ANNUAL PRODUCTION OF SELECTED DAIRY PRODUCTS AND NUMBER OF PLANTS MANUFACTURING THESE PRODUCTS,
UNITED STATES, 2009 AND 2010**

Product	2009 Revised		2010		Change from 2009 Percent
	Plants	Production	Plants	Production	
	Number	1,000 pounds	Number	1,000 pounds	
Butter	80	1,572,488	76	1,564,014	-0.5
Cheese Types:					
Cheddar	195	3,205,210	196	3,233,384	0.9
Other American <u>1/</u>	130	997,326	130	1,041,934	4.5
Total American	210	4,202,536	211	4,275,318	1.7
Swiss	53	322,336	54	336,458	4.4
Muenster	42	115,504	44	117,647	1.9
Mozzarella	126	3,267,524	120	3,488,484	6.8
Other Italian	47	913,078	56	935,291	2.4
Total Italian	173	4,180,602	176	4,423,775	5.8
Cream & Neufchatel	31	766,947	32	744,864	-2.9
Hispanic	64	206,892	65	215,313	4.1
Total <u>2/</u>	495	10,074,199	511	10,435,941	3.6
Cottage Cheese, Curd <u>3/</u>	64	432,260	66	428,874	-0.8
Cottage Cheese, Creamed <u>4/</u>	68	342,397	68	331,186	-3.3
Cottage Cheese, Lowfat <u>5/</u>	63	388,977	64	389,027	---
Canned Evaporated &					
Condensed Whole Milk <u>6/</u>	5	526,317	6	502,665	-4.5
Dry Whole Milk	14	59,560	13	69,956	17.5
Milk Protein Concentrate, Total <u>7/</u>	8	92,904	9	90,662	-2.4
Nonfat Dry Milk, Human	52	1,511,522	49	1,562,518	3.4
Skim Milk Powders <u>8/</u>	13	221,910	10	253,804	14.4
Dry Buttermilk	24	74,514	26	82,042	10.1
Sour Cream	115	1,195,006	116	1,226,793	2.7
Yogurt (Plain & Flavored)	109	3,838,593	116	4,180,870	8.9
Condensed Whey, Solids Content, Human Food <u>9/</u>	14	91,496	11	88,962	-2.8
Dry Whey Products					
Dry Whey, Human	32	950,654	31	960,710	1.1
Dry Whey, Animal	25	50,506	26	52,303	3.6
Reduced Lactose and Minerals, Total	7	83,602	8	84,936	1.6
Lactose Total	27	722,559	31	907,490	25.6
Whey Protein Concentrate					
Human Food <u>10/</u>	41	375,336	41	393,246	4.8
Animal Feed <u>10/</u>	18	39,679	18	34,659	-12.7
Total <u>10/</u>	NA	415,015	NA	427,905	3.1
25.0-49.9 Pct <u>11/</u>	26	260,604	26	244,340	-6.2
50.0-89.9 Pct <u>11/</u>	25	154,411	26	183,565	18.9
Protein Isolates <u>12/</u>	12	51,878	13	61,330	18.2
Frozen Products	<u>Number</u>	<u>1,000 gallons</u>	<u>Number</u>	<u>1,000 gallons</u>	<u>Percent</u>
Ice Cream, Regular	NA	918,238	NA	912,369	-0.6
Ice Cream, Lowfat <u>13/</u>	NA	399,667	NA	380,030	-4.9
Sherbet	NA	53,277	NA	49,272	-7.5
Yogurt	NA	46,026	NA	49,740	8.1

NA = Not available.

1/ Includes Colby, Monterey and Jack. 2/ Excluding cottage cheese. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4.0 percent or more. 5/ Fat content less than 4.0 percent, mostly 0.5 to 2.0 fat. 6/ Combined to avoid disclosing individual plant operations. 7/ Dry milk protein concentrate, 40.0-89.9 percent. 8/ Includes protein standardized and blends. 9/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified dry whey products. 10/ Whey Protein Concentrate, 25.0 to 89.9 percent. 11/ Whey Protein Concentrate, Human and Animal. 12/ Whey Protein Isolate, 90.0 percent or higher. 13/ Includes freezer-made milkshake.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Dairy Products 2010 Summary, April 2011.*

MARCH 2011 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 156.5 million pounds in March, 12.4 percent above March 2010 and 4.8 above February 2011. **AMERICAN TYPE CHEESE** production totaled 365.1 million pounds, 0.3 percent above March 2010 and 11.0 percent above February 2011. **TOTAL CHEESE** output (excluding cottage cheese) was 915.9 million pounds, 2.4 percent above March 2010 and 13.4 percent above February 2011. **NONFAT DRY MILK** production, for human food, totaled 126.0 million pounds, 8.9 percent below March 2010 but 14.1 percent above February 2011. **DRY WHEY** production, for human food, was 83.1 million pounds, 4.5 percent below March 2010 but 4.6 percent above February 2011. **ICE CREAM** (hard) production totaled 74.7 million gallons, 5.7 percent below March 2010 but 20.9 percent above February 2011.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAR 2011	PERCENT CHANGE FROM:			PRODUCT	MAR 2011	PERCENT CHANGE FROM:		
	1,000 LBS.	MAR 2010	FEB 2011	YEAR TO DATE 1/		1,000 LBS.	MAR 2010	FEB 2011	YEAR TO DATE 1/
BUTTER	156,510	12.4	4.8	6.8	SOUR CREAM	106,253	-3.0	22.9	-1.7
CHEESE					YOGURT (PLAIN AND FLAVORED)	396,384	-0.7	13.4	3.5
AMERICAN TYPES 2/	365,071	0.3	11.0	1.8	DRY WHEY, HUMAN FOOD	83,094	-4.5	4.6	---
CHEDDAR	266,319	-6.1	9.6	-1.6	DRY WHEY, ANIMAL FEED	2,207	-59.8	-5.4	---
OTHER AMERICAN	98,752	22.5	14.9	---	DRY WHEY, TOTAL 8/	85,301	-7.8	4.3	0.6
BRICK & MUENSTER	12,235	14.0	22.3	---	REDUCED LACTOSE AND MINERALS				
CREAM & NEUFCHATEL	60,153	-6.6	14.5	---	HUMAN FOOD	1,736	-20.1	-22.5	---
HISPANIC	20,827	2.5	18.3	---	ANIMAL FEED	4,653	-10.0	8.8	---
TOTAL ITALIAN TYPES	400,220	5.1	14.0	6.3	LACTOSE, HUMAN FOOD & ANIMAL FEED	84,925	11.3	13.6	16.8
MOZZARELLA	310,986	3.6	13.7	5.9	WHEY PROTEIN CONCENTRATE				
OTHER ITALIAN	89,234	10.5	14.9	---	HUMAN FOOD 9/	34,341	-0.5	15.0	---
SWISS	29,310	6.8	19.4	---	ANIMAL FEED 9/	2,906	-10.8	42.7	---
ALL OTHER TYPES	28,035	5.7	23.3	---	TOTAL 9/	37,247	-1.4	16.8	0.1
TOTAL	915,851	2.4	13.4	3.8	25.0-49.9 PERCENT 10/	21,070	-4.6	16.6	---
COTTAGE CHEESE, CURD 3/	37,561	-5.0	9.5	---	50.0-89.9 PERCENT 10/	16,177	3.2	17.0	---
COTTAGE CHEESE, CREAM 4/	28,547	-4.6	8.2	-1.2	PROTEIN ISOLATES 11/	4,995	17.0	24.9	---
COTTAGE CHEESE, LOWFAT 5/	36,427	0.3	16.0	0.6	FROZEN PRODUCTS	1,000 GALLONS			
CANNED EVAP & CONDSD WHOLE MILK	47,253	19.3	19.3	---	ICE CREAM (HARD)	74,724	-5.7	20.9	-1.9
DRY BUTTERMILK	9,385	31.8	8.2	---	ICE CREAM, LOWFAT (HARD)	14,230	5.4	8.5	---
DRY WHOLE MILK	7,108	9.1	30.8	---	ICE CREAM, LOWFAT (SOFT)	21,664	-1.0	46.3	---
MILK PROTEIN CONC. (MPC), TOTAL 6/	8,856	10.5	23.1	---	ICE CREAM, LOWFAT (TOTAL)	35,894	1.5	28.5	4.0
NONFAT DRY MILK (NDM), HUMAN	125,980	-8.9	14.1	-8.7	SHERBET, HARD	4,455	-10.8	48.2	-10.7
SKIM MILK POWDERS (SMP) 7/	42,048	51.3	15.9	68.0	YOGURT (TOTAL)	6,546	35.6	48.4	29.2

MANUFACTURERS' STOCKS, END OF MONTH 12/							
PRODUCT	MAR 2011	PERCENT OF:		PRODUCT	MAR 2011	PERCENT OF:	
	1,000 LBS.	MAR 2010	FEB 2011		1,000 LBS.	MAR 2010	FEB 2011
DRY WHEY, HUMAN FOOD	48,450	2.6	4.3	WHEY PROTEIN CONCENTRATE			
DRY WHEY, ANIMAL FEED	2,069	-36.5	-7.5	HUMAN FOOD 9/	30,350	-16.4	-4.2
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 13/	3,596	-57.7	-15.8	ANIMAL FEED 9/	1,327	-43.3	-5.7
LACTOSE, HUMAN FOOD & ANIMAL FEED	74,206	9.6	-1.3	TOTAL 9/	31,677	-18.0	-4.3
CANNED EVAP & CONDSD WHOLE MILK	53,254	-33.7	9.0	25.0-49.9 PERCENT 10/	13,721	-43.7	-4.9
DRY BUTTERMILK	16,398	69.6	9.1	50.0-89.9 PERCENT 10/	17,956	26.0	-3.9
NONFAT DRY MILK (NDM), HUMAN FOOD	123,945	-17.5	0.2	PROTEIN ISOLATES 11/	4,155	-60.6	-0.7

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: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. Dairy Products, May 2011.

Measures of Growth in Federal Milk Order Markets, Selected Years, 1947-2010

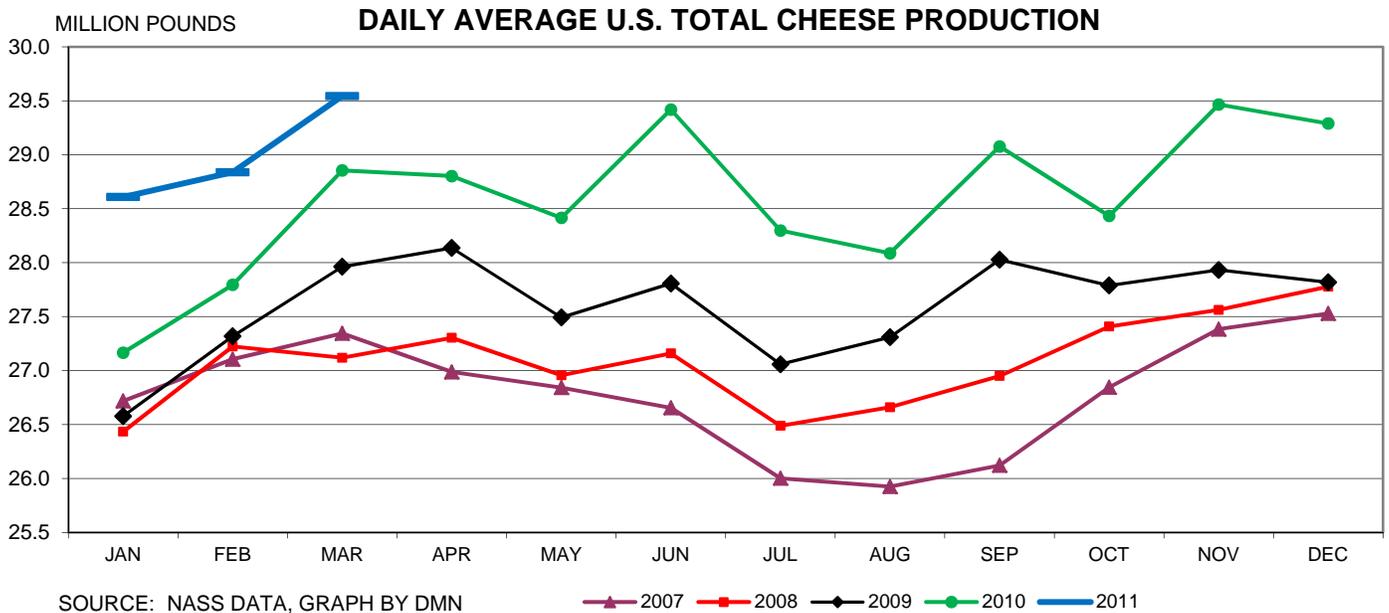
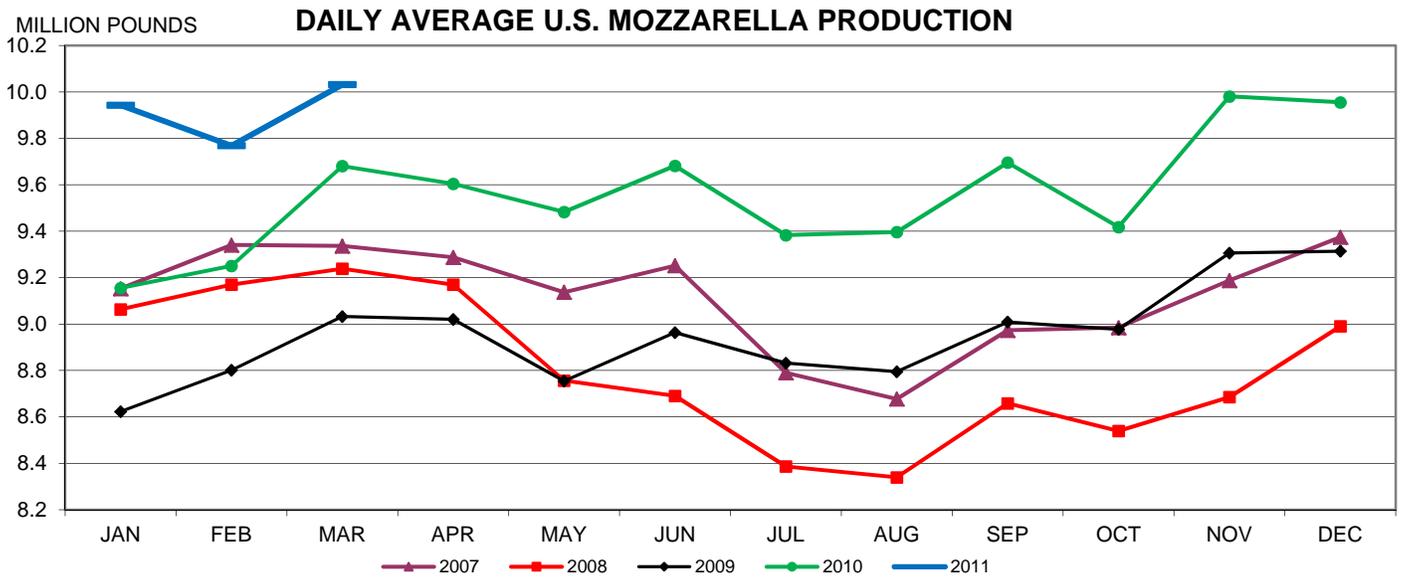
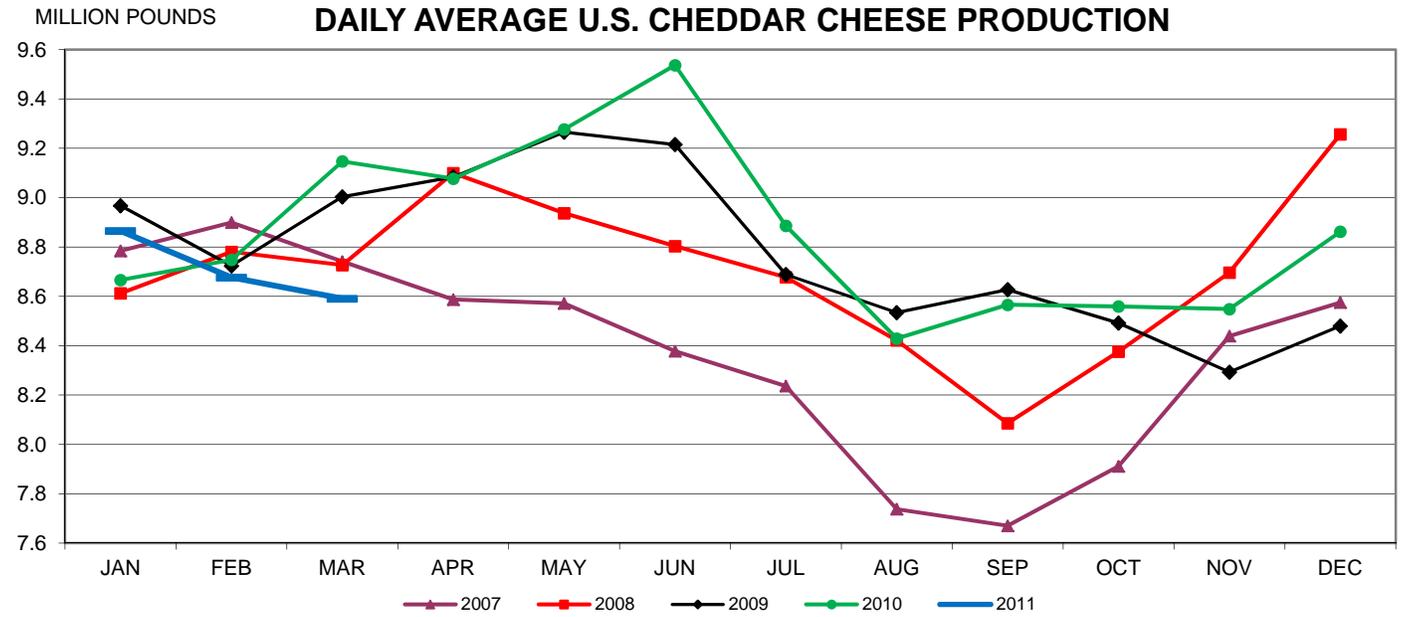
Year	Number of markets <u>1/</u>	Population of Federal milk marketing areas	Number of pool handlers <u>1/</u>	Number of pooled producers <u>2/</u>	Receipts of producer milk <u>3/</u>	Producer milk used in Class I	Percentage of producer milk used in Class I	Prices at 3.5% butterfat content <u>2/</u>		Receipts as percentage of milk sold to plants and dealers		Daily deliveries of milk per producer	Gross value of receipts of producer milk <u>4/</u>	
								Class I	Blend	Fluid grade	All milk		Per producer	All producers
	Number	1,000	Number	Number	Million pounds		Percent	Dol. per cwt.		Percent		Pounds	Dollars	1,000 dol.
1947	29	---	991	135,830	14,980	9,808	65.5	4.65	4.34	---	21	302	5,024	682,407
1950	39	---	1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106	57.9	9.36	8.64	78	63	1,532	49,233	6,097,768
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77	12.86	80	67	1,954	93,685	11,007,001
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	76	71	2,821	121,479	12,180,354
1992	40	200,530	698	97,803	107,947	44,914	41.6	14.57	13.12	77	73	3,017	146,452	14,323,698
1993	38	199,604	675	92,934	103,979	44,805	43.1	14.19	12.89	73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866	41.6	14.75	13.16	75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,004	41.5	14.19	12.79	75	71	3,350	157,754	13,995,454
1996	32	209,599	570	82,947	104,501	45,479	43.5	16.19	14.64	72	69	3,442	187,713	15,570,261
1997	31	208,379	570	78,422	105,224	44,917	42.7	14.36	13.10	71	69	3,676	178,424	13,992,366
1998	31	210,484	522	72,402	99,223	44,968	45.3	16.14	14.92	66	64	3,755	202,770	14,681,340
1999	31	212,118	487	69,008	104,479	45,216	43.3	16.24	14.09	67	65	4,148	216,794	14,960,544
2000	11	228,899	346	69,590	116,920	45,989	39.3	14.24	12.11	72	70	4,590	207,913	14,468,892
2001	11	231,487	350	66,423	120,223	45,887	38.2	16.96	14.90	75	73	4,959	275,642	18,308,968
2002	11	234,256	338	63,856	125,546	46,043	36.7	13.69	11.91	77	76	5,387	239,520	15,294,802
2003	11	236,180	331	58,110	110,581	45,843	41.5	14.10	12.12	67	65	5,178	242,066	14,066,672
2004	10	234,825	306	52,341	103,048	44,939	43.6	17.56	15.74	62	61	5,352	324,119	16,965,368
2005	10	238,428	302	53,036	114,682	44,570	38.9	17.13	15.07	66	65	5,904	334,626	17,747,577
2006	10	239,142	314	52,725	120,618	45,304	37.6	14.59	12.86	68	67	6,264	303,429	15,998,288
2007	10	241,000	345	49,782	114,407	45,226	39.5	20.81	19.19	63	62	6,297	452,097	22,507,219
2008	10	242,988	347	47,859	115,867	44,989	38.8	20.78	18.24	61	62	6,613	453,886	21,722,538
2009	10	245,445	345	46,677	123,430	45,262	36.7	14.40	12.44	66	66	7,242	339,698	15,856,077
2010	10	247,031	341	45,918	126,909	44,970	35.4	18.25	16.07	67	66	7,572	444,038	20,389,201

1/ End of year. The number of markets peaked at 83 in 1962. The number of handlers peaked at 2,314 in 1961.

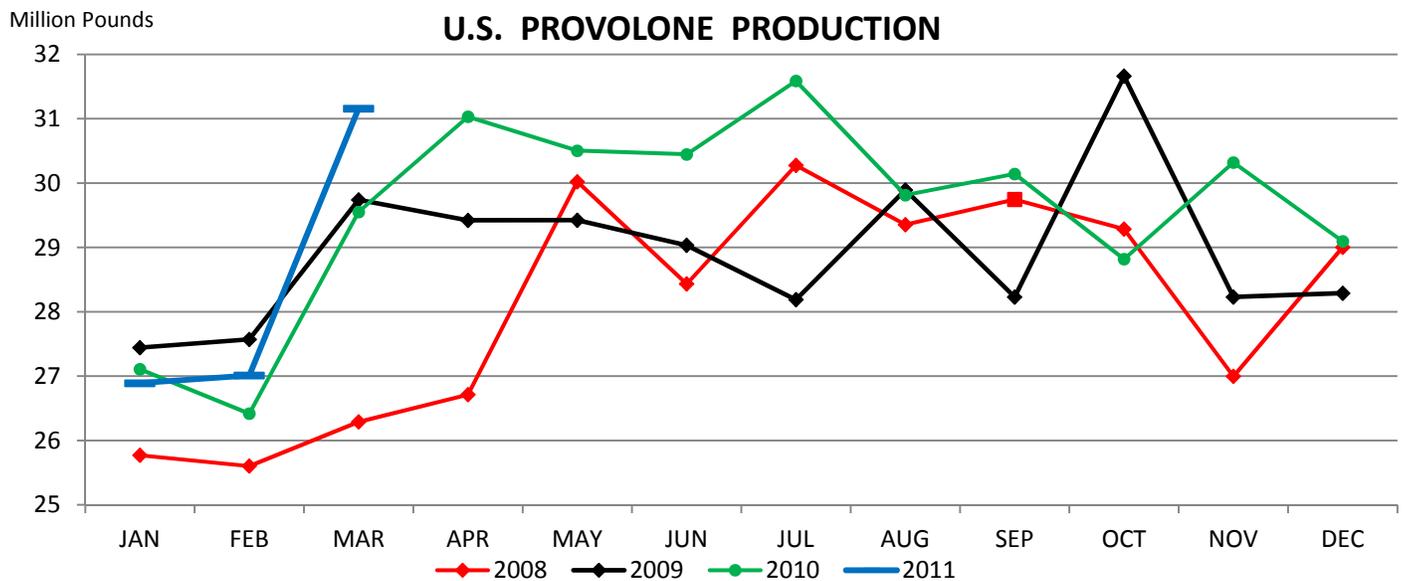
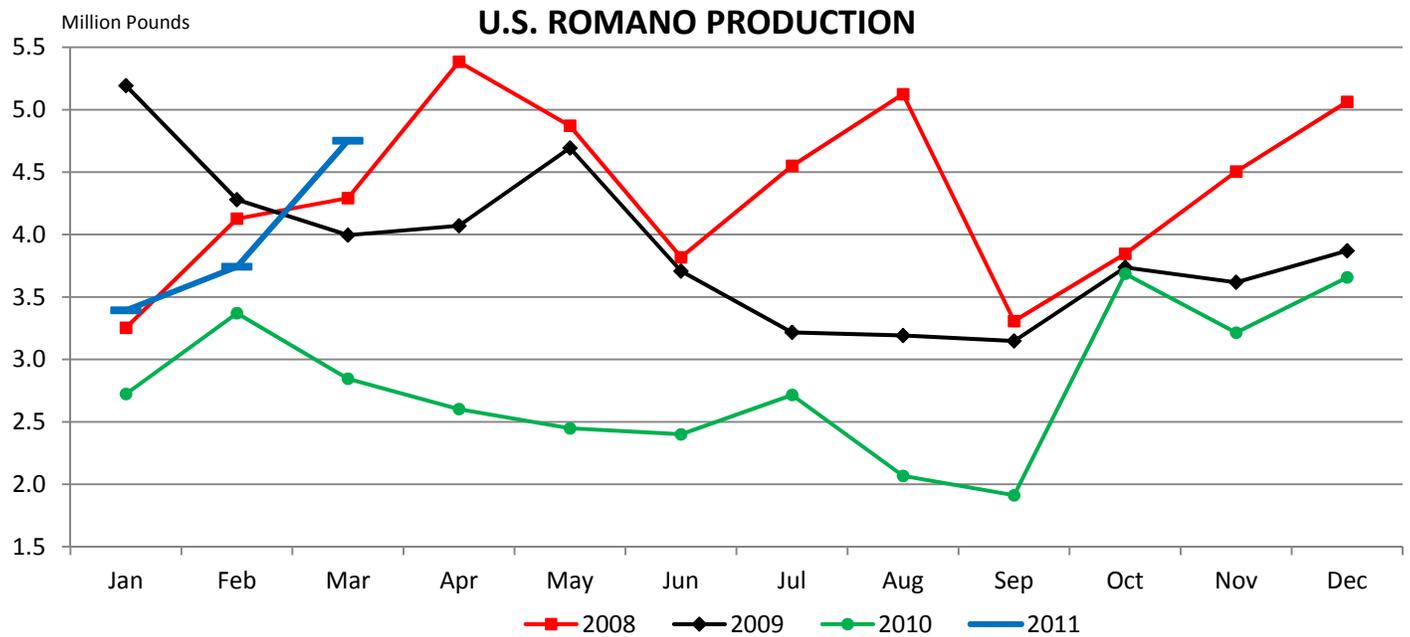
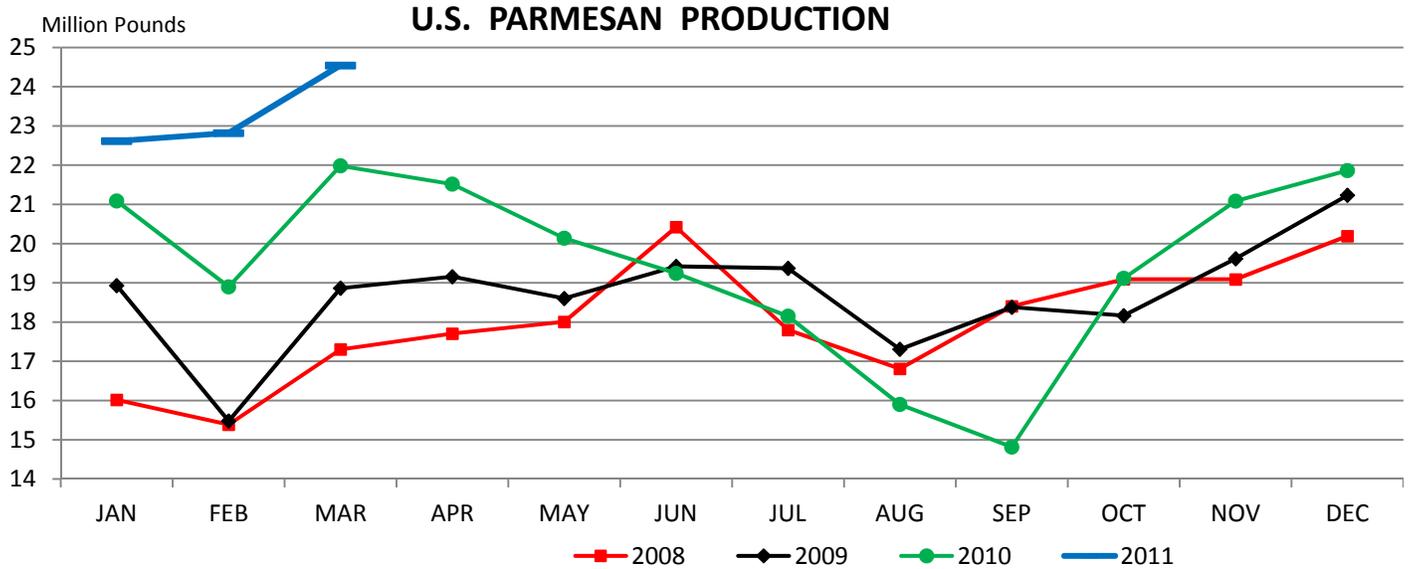
2/ Average for year. The number of producers peaked at 192,947 in 1961.

3/ Beginning in 1989, due to disadvantageous price situations in some markets, handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets. This can also affect significantly the comparability of other "Measures of Growth" based on this statistic.

4/ Based on blend (uniform) price adjusted for the butterfat content, and in later years, other milk components of producer milk.



SOURCE: NASS DATA, GRAPH BY DMN



DAIRY MARKET NEWS

GENERAL NUMBER
(608) 278-4200

VOLUME: 78

REPORT: 18

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