

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (07/01):**

BUTTER: Grade AA closed at \$2.0400. The weekly average for Grade AA is \$2.0300 (-.0710).

CHEESE: Barrels closed at \$2.0975 and 40# blocks at \$2.1250. The weekly average for barrels is \$2.0855 (+.0160) and blocks, \$2.1290 (-.0010).

BUTTER HIGHLIGHTS: The CME Group butter price began to firm at midweek and reversed last week's trend. The market had lowered 12 cents in four sessions before holding steady early this week and slowly gaining 2 cents to end the week at \$2.0400. Buyers and producers continue to try to determine the best strategy for marketing butter into the third quarter and end of the year. Churning activity will be active over the holiday weekend as additional supplies of cream become available. This will add to reduced inventories at lower prices. Sales have been slower this week as most orders are currently in place.

CHEESE HIGHLIGHTS: The cheese market is unsettled with the block price fractionally lower but barrels increasing to narrow the spread. Compared with recent weeks of tight supplies, natural American cheese offerings are increasing. Sluggish summer pizza sales have some producers discounting mozzarella to clear product. Most bulk cheese packagers and processors will operate on abbreviated schedules at least next week with a few already on shortened ones this week, a factor in bulk cheese needs. Many of these operations have built extra finished product stocks in recent weeks. For some traders, the question is how monthly average based customers will react to a 41+ cents (24.5%) increase in most natural cheese prices (June CME Group block at \$2.0995) and a 35+ cents (21.2%) increase in barrels (\$2.0483). The Kansas City Commodity Office announced on June 28 that all bids under Solicitation AG-DPPC-S-11-0176-P001 (Process) and AG-DNAC-S-11-0175 (Natural American) were rejected due to price and the Solicitations were cancelled.

FLUID MILK: Seasonal declines in farm milk production due to emerging summer weather conditions prevail across most of the country, but comfortable climate conditions in the northwest are helping sustain milk production above last year's level in that region. Component values in farm milk are trending lower. Fluid milk demands are lower as most schools are operating under reduced hours

or closed for the summer, thus drawing less upon the fluid milk supplies for planned meal offerings. Sales of milk into Class II are uneven, with condensed skim for ice cream running up against limited production schedules planned by some ice cream manufacturers during the holiday weekend. However, sales of condensed skim and cream for dips and various cream products are building. Some milk has been crossing state lines to find room in manufacturing plants and processors expect heavy intakes and milk coming in from many directions during the upcoming holiday weekend.

DRY PRODUCTS: Most dry product markets are unchanged in prices, but market tones are somewhat unsettled. Central/East and West nonfat dry milk mostly price series are steady. Most activity is contract based as many spot buyers are sitting out for the week. Dry buttermilk prices are steady. Spot loads are available from many manufacturers and inventories are building. Dry whey prices moved higher as some prices adjusted to various indices. Interest is above dry whey spot load availability from many manufacturers, and discussions for 2012 dry whey contracts have started as buyers try to strengthen supply positions for the upcoming year. Whey protein concentrate 34% prices are steady on the mostly price series, but F.O.B. spot sale offerings ran into some price resistance. Inventories are steady to higher, with a few plants planning to bring in spot loads of condensed whey or WPC 34% for additional production during the holiday weekend. The lactose market is mostly steady, with few spot loads offered prior to many third quarter contracts activating next week.

ORGANIC DAIRY MARKET NEWS (DMN): Comparing retail half gallon organic reduced fat (2%) milk prices surveyed in January 2011 with June 2011, 17 cities have higher prices, 11 lower prices, and 2 the same price. Louisville has the lowest June 2011 average price of any city, \$2.79. Indianapolis has the highest June 2011 average price, \$4.64. The overall June 2011 average price for the 30 cities combined, \$3.75, is 9 cents higher than the combined average for January 2011. Comparing cumulative total organic dairy newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, the numbers are very close. 2011 organic dairy supermarket ads numbered 98.6% of the 2010 cumulative total. As for total organic milk category newspaper supermarket ads year-to-date

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CME GROUP CASH TRADING

COMMODITY	MONDAY JUN 27	TUESDAY JUN 28	WEDNESDAY JUN 29	THURSDAY JUN 30	FRIDAY JUL 01	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$2.0775 (N.C.)	\$2.0775 (N.C.)	\$2.0875 (+.0100)	\$2.0875 (N.C.)	\$2.0975 (+.0100)	:: (+.0200)	:: \$2.0855 (+.0160)
40# BLOCKS	\$2.1300 (N.C.)	\$2.1300 (N.C.)	\$2.1300 (N.C.)	\$2.1300 (N.C.)	\$2.1250 (-.0050)	:: (-.0050)	:: \$2.1290 (-.0010)
NONFAT DRY MILK							
EXTRA GRADE	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	:: (N.C.)	:: \$1.6100 (N.C.)
GRADE A	\$1.6250 (N.C.)	\$1.6250 (N.C.)	\$1.6250 (N.C.)	\$1.6250 (N.C.)	\$1.6250 (N.C.)	:: (N.C.)	:: \$1.6250 (-.0125)
BUTTER							
GRADE AA	\$2.0200 (-.0400)	\$2.0200 (N.C.)	\$2.0300 (+.0100)	\$2.0400 (+.0100)	\$2.0400 (N.C.)	:: (-.0200)	:: \$2.0300 (-.0710)

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

for 2011 compared with 2010, the first half of each year, 2011 lags 2010. 2011 organic milk supermarket ads year-to-date numbered 82.5% of the 2010 cumulative year-to-date total. Advertised pricing for organic milk in half gallons increased this period by 44 cents to a weighted average advertised price of \$3.48. The top of the price range remained unchanged at \$3.99 while the range bottom increased 10 cents to \$2.79. There were no newspaper supermarket ads for gallon containers of organic milk. For this two week period of 2011, organic yogurt in 6 ounce containers has a weighted average advertised price of 83 cents, 2 cents above two weeks ago. Comparing cumulative total organic yogurt newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 lags 2010. 2011 organic yogurt supermarket ads are 55% of the 2010 cumulative year-to-date total for organic yogurt.

JUNE CLASS AND COMPONENT PRICES (DAIRY PROGRAMS): The following are the June 2011 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$21.37 (+\$0.74), Class III \$19.11 (+\$2.59), and Class IV \$21.05 (+\$0.76). Product price averages used in computing Class prices are: butter \$2.1287, NDM \$1.6520, cheese \$1.8999, and dry whey \$0.5233. The Class II butterfat price is \$2.3772 and the Class III/IV butterfat price is \$2.3702. Further information may be found at: www.ams.usda.gov/AMSV1.0/PriceFormulas2011

JUNE AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2011 remained unchanged at 204 from the previous month. Compared with June 2010, the index was up 23 points (12.7%). The index of prices received by farmers for dairy products increased 11 points during the month of June 2011 to 161. Compared with June 2010, the index was up 43 points (36.4%).

CME GROUP

MONDAY, JUNE 27, 2011

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.1300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$2.1300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA @ \$2.0300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0200

TUESDAY, JUNE 28, 2011

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS GRADE AA @ \$2.0200; LAST BID UNFILLED: 5 CARS GRADE AA @ \$2.0200; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0300

WEDNESDAY, JUNE 29, 2011

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0875; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$2.1300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0300; LAST BID UNFILLED: 4 CARS GRADE AA @ \$2.0200; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0400

THURSDAY, JUNE 30, 2011

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$2.1300; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$2.0400; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.0400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0500

FRIDAY, JULY 1, 2011

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$2.1250; LAST BID UNFILLED: 1 CAR BARRELS @ \$2.0975; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$2.1300
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ \$2.0400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$2.0500

BUTTER MARKETS

NORTHEAST

After a series of price declines, the CME Group butter price held steady Tuesday and closed at \$2.0200. Prior to Tuesday's trading, butter prices declined a total of 12 cents in the previous 4 trading sessions. Butter production has increased as demand for cream has eased as some manufacturers using cream began to lower their production schedules ahead of the holiday weekend, which channels more cream to churns. The plant that recently experienced an electrical fire has returned to near full production. The additional churning schedules will expand existing inventories. Cream multiples range from 132-142, but discounts below the range may occur over the long holiday weekend. Private label and food service butter demand is steady and export interest remains good. Prices for bulk butter range from 6-8 cents over the market, based on the CME Group with various time frames and averages used. According to the latest NASS Cold Storage report, butter in storage on May 31, totaled 170.4 million pounds, 28.7 million pounds (20%) more than the prior month stocks and 42.1 million pounds (20%) less than May 2010 stocks.

CENTRAL

The CME cash butter price continued the weak trend early in the week but closed back up 1 cent at \$2.0300 at midweek. Producers and handlers are not quite sure how low the current weaker trend will go. In most instances, producers are becoming more comfortable with the weakness as the upcoming 4th of July holiday nears. Most butter producers are anticipating that cream supplies will be more available to them at that time as most Class II cream operations will be running at greatly reduced production schedules or completely shut down. This will allow butter producers time to generate butter stocks to fill current needs and also additional volumes for inventory at lower values. Up to this time, butter producers have been very cautious with their inventory management

strategies. Often, butter inventory levels are at much lower levels than are typical for this time of the summer. Butter orders for this week prior to the holiday are lighter as most holiday orders have been placed and delivered before now. Orders that are occurring at this time are for last minute fill-in needs. Butter producers and handlers are anticipating that orders will be slow in developing early next week as most buyers return to work on Tuesday. 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 \$.0100 to \$2.0300. The market had seen a loss of 12 cents over the previous five trading sessions. On Tuesday, the market held steady and moved higher on Wednesday. Sales of butter for the week are active with nine loads trading so far. The Western butter market is unsettled as buyers and sellers attempt to determine the best strategies. The holiday weekend will see increased churning as cream is available and various Class II manufacturers are closed for part of the holiday. Increased milk volumes are turning to Class IV use as cheese plants are slowing production schedules. Buying interest is increased with the lower prices. Many end users continue to buy for current needs. Retail sales are good with club stores experiencing increased demand. Food service sales are flat in many cases. Overall inventories are well below typical levels for this time of year. Buyers are caught trying to determine price and supply levels for butter into the end of the year. Prices for bulk butter range from 1 cent over to 3 1/2 cents under the market, based on the CME with various time frames and averages used. According to the NASS Cold Storage report, stocks of butter as of May 31, 2011, total 170.4 million pounds, -20% or 42.1 million pounds less than May last year. Stocks were 20% higher or 28.7 million pounds more than April 2011.

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

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
June 25	1.9861 11,666,740	2.0478 8,565,379	1.6629 16,374,071	2.1272 2,398,402	0.5306 6,407,431

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group Tuesday, saw barrels and blocks both hold steady and closed with barrels at \$2.0775 and blocks at \$2.1300. Weekly average prices were mixed as barrels declined, while blocks increased. As a result of the weekly price changes, wholesale prices for Process 5# Sliced cheese declined \$.0025, while Cheddar 40# Block and Muenster increased \$.0175. Wholesale prices for Swiss Cuts were unchanged. Cheese production is declining as cheese makers have adequate inventories and are scaling back production. Cream cheese production is the exception to the trend with active production and building inventories. The continued higher CME Group cheese prices remain a concern among some cheese makers that the higher prices will cause a decline in domestic demand. Export demand for cheese continues to be good. The latest NASS Cold Storage report shows stocks of natural cheese in cold storage as of May 31, 2011 totaled 1.05 billion pounds, 1% more than one month ago and 2% higher than one year ago. A majority of the holdings are in the form of American cheese (59.2%) totaling 620.5 million pounds, slightly less (.02%) than the amount one month ago, but 1% higher than one year ago. The next highest natural cheese holdings in cold storage are in the form of Other Natural Cheese, (37.6%) totaling 393.9 million pounds, 2% more than one month ago and 2% more than one year ago. Swiss cheese accounts for 3.2% of holdings at 34.2 million pounds, 9% more than one month ago and 25% more than one year ago.

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

Cheddar 40# Block	:	2.4475-2.7225
Process 5# Sliced	:	2.1775-2.4875
Muenster	:	2.4675-2.6725
Grade A Swiss Cuts 10 - 14#	:	3.3875-3.7100

MIDWEST

The cheese market is relatively steady though with some short term nervousness about current cheese prices. Extra loads of natural American varieties are starting to be offered to customers, though seemingly not in large quantities. Extra mozzarella was cleared at a discount to the current market as pizza sales normally slow in summer without the current "high" cash prices. Most packagers and processors will be down at least 1 day for the holiday observance, reducing bulk cheese needs. Some operations have been running overtime in recent weeks to build finished product inventory or to replace cheese affected by the recent plant production issue. The big question for the industry is how will new orders be in July from buyers using monthly average based prices? A few operations are looking ahead to likely tighter fall cheese supplies and are reviewing their "working inventory" needs before school milk needs reduce manufacturing milk supplies. Cheese production is easing seasonally although some extra milk and/or condensed skim may be available over the long holiday weekend as some operations rearrange/reduce operating schedules. Components are easing seasonally so cheese yields are slipping.

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

Process American 5# Loaf	:	2.4300-2.6200
Brick And/Or Muenster 5#	:	2.6300-2.6400
Cheddar 40# Block	:	2.4700-2.8650
Monterey Jack 10#	:	2.5800-2.8650
Blue 5#	:	2.9575-3.3500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.4725-2.9650
Grade A Swiss Cuts 6 - 9#	:	2.7900-3.3300

WEST

Cheddar barrels on Wednesday at the CME Group are up \$.0100 at \$2.0875. 40 pound blocks are unchanged at \$2.1300. Barrels are firming over the last week as the block market is steady over the same period. Blocks have not changed in the last eight trading sessions. Sales activity was light with no sales reported for barrels and only one sale of blocks for the week. Western wholesale cheese prices are uneven. The market tone is good overall with sales reported to be steady for most varieties. Demand for some pizza varieties is seasonally slower and some production is being curtailed. Export demand has slowed as the price has increased except for those that qualify for CWT assistance. Milk supplies for manufacturing are nearing or past the peak in many areas. Some increased interest is being shown for buyers using monthly basing averages before the end of the month. Stocks of cheese are adequate for current demand. According to NASS, Cold Storage stocks of cheese (total) at the end of May 2011 are 1,048 million pounds, up 2% or 21.7 million pounds from last year. American stocks were up 1%, and Other Natural stocks were 2% higher than last year. Swiss stocks at the end of May total 34.2 million pounds, up 25% or 6.9 million pounds more than May 2010.

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

Process 5# Loaf	:	2.1950-2.4525
Cheddar 40# Block	:	2.2600-2.6125
Cheddar 10# Cuts	:	2.4400-2.6600
Monterey Jack 10#	:	2.4500-2.6100
Grade A Swiss Cuts 6 - 9#	:	2.9650-3.3950

FOREIGN

The weekly average CME Group block cheese price increased, causing wholesale prices to increase \$.0175 for all domestic varieties. Prices for Swiss cuts were unchanged. Prices for most imported varieties moved higher due to the continuing weak U.S. Dollar when compared to the Euro. Cheese importers are preparing for August 1, when they will be required to pay the dairy import assessment, a fee equivalent to 7.5 cents per hundredweight of milk solids for imported products.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.0400*	: 2.5875-4.0750*
Gorgonzola	: 3.6900-6.3900	: 3.0900-3.3500*
Parmesan (Italy)	: -0-	: 3.7100-4.1200*
Provolone (Italy)	: 3.4400-6.3900*	: 2.6300-2.7875*
Romano (Cows Milk)	: -0-	: 3.7775-5.9200*
Sardo Romano (Argentine)	: 2.8500-3.9800*	: -0-
Reggianito (Argentine)	: 3.2900-4.2400*	: -0-
Jarlsberg-(Brand)	: 2.9500-4.9900*	: -0-
Swiss Cuts Switzerland	: -0-	: 3.4800-3.8025
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

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

	BUTTER	CHEESE
06/27/11	9,131	128,785
06/01/11	8,187	124,401
CHANGE	944	4,384
% CHANGE	12	4

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	153	0	199	0	264
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk supplies are increasing in the East due to milk production bounce backs from previous periods of hot weather. Lower production schedules by some manufacturers prior to the upcoming holiday and decreased Class I demand are also contributing to the increases in manufacturing milk supplies. One plant manager expects manufacturing milk volumes this weekend to be comparable with Christmas holiday volumes. A balancing plant that experienced a recent electrical fire has resumed nearly full production schedules. The Northeast and Mid-Atlantic regions are experiencing weather conducive to good cow comfort levels and milk production is steady with some declines in components. Milk production declines are continuing in the Southeast, with steep declines being especially noted in the Deep South. Class I sales are sluggish, adding to milk volumes with all auxiliary manufacturing plants expected to be utilized over the extended holiday weekend. Hot, muggy weather continues in Florida and milk production is declining. The danger of wild fires remains high. Scattered rains over the past week improved some pastures, but a majority of pastures (70%) continue to be rated as poor to fair. Livestock is under stress due to the lack of quality forages. Demand for cream has declined as some ice cream makers are beginning to reduce production schedules ahead of the holiday weekend. Ice cream sales have been spotty and less than anticipated causing some ice cream manufacturers to limit production schedules and additions to inventories. Multiples range from 132-142, but discounts below the range are likely over the holiday weekend. Demand for condensed skim has declined as some Class II manufacturers are shutting down for portions of the holiday weekend. Supplies are moving through contracts with little spot market activity and, as a result, more condensed skim is being channeled to nonfat dry milk production.

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 -	2.7733-2.9834
F.O.B. producing plants: Upper Midwest -	2.6683-2.8364

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.69 - 1.74
Northeast - Class III - spot prices -	1.15 - 1.20

MIDWEST

Class I interest is about steady with recent weeks, at lighter summer levels. Class II (non-ice cream) was generally improved as manufacturers prepare extra July 4th weekend supplies of dips, sour cream, and whipping cream. Ice cream interest continues seasonally lackluster for some producers but solid for others. Weather and promotional activity used have been big factors keeping ice cream and mix sales strong recently. Churning is generally about steady though more cream is expected to back up to churns over the holiday weekend as some others operations will be down for the holiday. The holiday weekend may be one of the last big opportunities to churn and build needed fall butter stocks. Manufacturing milk through most of the upper Midwest is limited and operators are unable to secure discounted prices on available offerings. Even going into the holiday weekend, handlers are getting a premium on any spot supplies. Some operations will be adjusting production schedules in order to have extra down time for the

holiday weekend or to balance supplies with demand. Milk intakes are turning lower in the region with projected heat and humidity (100+ heat index) for the weekend expected to cause further declines. Crops still lag usual late June levels with some acreage not planted due to wet conditions in many central and northern states. Other acreage has been flooded out. Good progress has been made on second cutting alfalfa. Further south, dry conditions in Texas and adjoining states may cause increased culling down the road as feed stocks may be limited by transportation costs. In the Upper Midwest, recent plant additions have some competitors wondering where all the milk will come from to fill these operations.

WEST

May 2011 POOL RECEIPTS of milk in CALIFORNIA total 3.53 billion pounds, 8.7% higher than last year, according to CDFA. The May blend price, at a fat test of 3.65%, is \$18.10, \$0.22 higher April and \$4.56 more than May 2010. The percentage of receipts used in Class 1 products is 13.9%. The May quota price is \$18.97 and the over quota price is \$17.27. These prices are \$0.27 higher than April and \$4.32 more than a year ago. CALIFORNIA weather was cooler this week and helped maintain milk production levels after the recent hot weather. Forecasts for hot weather to return to the area have manufacturers anticipating lower volumes. Fluid demand is softer with some cheese plants turning back loads to butter/powder facilities. High feed costs continue to negatively affect the bottom line of many dairy operations. High temperatures have returned to ARIZONA with temperatures in the 115 degree range. Higher humidity levels will add to the monsoon feel and are expected to adversely affect production in the area. Milk and condensed skim from California are being imported to help fill production schedules. NEW MEXICO milk production is following expected volumes. Temperatures are nearing highs in the 100 degree mark on a regular basis. Fans and misters are aiding in cow comfort levels. CREAM markets are steady for the early part of the week, with some weakness noted for the holiday weekend due to limited demand. Ice cream manufacturing is reported to be less than anticipated and is adding to available supplies. The CME butter price closed at \$2.0300 at midweek, 3.5 cents lower than a week ago. The market showed a gain of 1 cent on Wednesday to reverse the lower trend. Cream multiples are mostly steady, ranging from 113-135, and vary based on class usage and basing point. Milk production in the PACIFIC NORTHWEST is reported to be well above last year. The holiday weekend will put additional stress on milk processing facilities within the region. Class I sales are following expected levels. Some Class II plants are working reduced schedules for the holiday weekend, thus adding to volumes at both butter/powder and cheese plants. Harvesting of first crop alfalfa is ongoing and the influx of new forage is adding to overall milk volumes. Temperatures are comfortable for the cows. UTAH and IDAHO milk levels are also higher than last year. Production continues to be handled locally in most cases, with limited shipments out of the region. Cow numbers are up in Idaho and adding to production. Higher feed costs are holding back additional growth. These higher costs of production are being reflected in prices for replacement heifers at auction. Recent sales in Idaho were reported weaker for the average of the top 50 head. Announced prices were for a top of \$1580 and the top 50 head averaging \$1350. According to the NASS Agricultural Prices report, June mid-month U.S. prices for baled alfalfa hay were \$180/ton, \$61/ton more than last year. Prices for selected Western states and the change from last year are as follows: Arizona \$230, +\$100; California \$238, +\$117; Colorado \$170, +\$45; Idaho \$191, +\$84; Nevada \$175, +\$84; New Mexico \$235, +\$80; Oregon \$213, +\$79; Utah \$173, +\$68; and Washington \$165, +\$40. Month to month price changes for the region were from \$1.00 lower to up \$23.00 per ton as new crop hay is showing up in the market. For the United States, alfalfa prices went down \$6.00 per ton from May's value.

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: Central nonfat dry milk prices are unchanged on the low and medium heat price series, unchanged to lower on high heat price series. The market tone is unsettled. Traders indicate buyer interest in pursuing spot loads of low/medium heat NDM is close to a standstill. There are expectations, on the part of some buyers, of lower priced offerings being just around the corner. Those offers have yet to materialize beyond scattered instances versus a general reset of the NDM market trend. Conversely, some brokers/traders point to recent futures market activity, which is typically light, but recently recorded over 100 transactions one day and more than 50 transactions on another day. With the futures market prices below current Dairy Market News prices, the flurry of futures activity seems to indicate disagreement regarding the near term direction of the cash market. Production of NDM is keeping most dryers running steadily, but generally below regional capacity. Farm milk intakes are steady to decreasing seasonally. Component values in farm milk are declining, yielding less NDM as a result. Class II condensed skim orders are unchanged to higher, and reportedly relate more to the calendar advancing and the anticipation of, rather than actual, "summer" weather. Movement of condensed skim into Class III is active at several handler locations, which is keeping NDM output a few notches below peak during midweek. A few plants are taking advantage of higher midweek farm milk intakes to build high heat NDM inventories for sales as well as internal use during the third quarter. Plants are also arranging for handling milk intakes over the long holiday weekend. With some end users closed for up to 3 days, NDM dryers are expected to be fully utilized. Manufacturers describe NDM inventories as in balance, neither short nor long for filling contract needs.

EAST: Prices for nonfat dry milk held steady for low heat with a marginal decline for high heat on the upper end of the range. Nonfat dry milk production is increasing as manufacturing milk supplies are increasing, due to decreased Class I and II demand, ahead of the holiday weekend. The plant that recently experienced an electrical fire has returned to near full production schedules. Nonfat dry milk manufacturers will focus on primarily low heat production in order to better handle this week's increase in milk volumes. Some plant managers are expecting this weekend's milk volumes to be comparable to the Christmas holiday period and expect dryers to be running at capacity. Buyers are viewing the market, at least in the short term, with a bearish eye and are awaiting lower prices. Sellers are viewing the market in the long term and see more ups to the market than downs. As a result of the differing market views, trading is very light with purchases for immediate needs only. Domestic demand is generally flat with export demand remaining fairly strong, giving the market a firm undertone. Supplies are more available in the Western region of the country, but high trucking rates and the seasonal movements of produce are continuing obstacles for the movement of nonfat dry milk from West to East.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.6400 - 1.7300 **MOSTLY:** 1.6600 - 1.7000
HIGH HEAT: 1.7300 - 1.7800

NONFAT DRY MILK - WEST

The Western nonfat dry milk market tone is trending more unsettled for low/medium heat. Prices are unchanged for both price series. State and national pricing indices are flattening off and giving pause to the market. In addition, U.S. pricing levels are higher than several European offerings. Sales and clearances are often slower than expected. Production runs remain heavy and above projections for the end of June. Buyers perceive the increased production as an opportunity for lower pricing. Reports of lower priced offers for both direct and resale product are noted. The milk flow in the region remains strong and solids levels are high. Demand for condensed skim is light to moderate with product available throughout the region. The holiday weekend also will push more milk and condensed into

drying plants. High heat prices are mostly steady to slightly higher on the top end of the range in a light test. Demand is light to moderate and mainly centered on contracted volumes. Production is mostly light and based on scheduled runs. Stocks are light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.6100 - 1.7125 **MOSTLY:** 1.6200 - 1.6550
HIGH HEAT: 1.6750 - 1.8300

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices, Central region, are unchanged on a steady market. Buyers are languid in their pursuit of dry buttermilk. Spot loads are available on both F.O.B. and resale bases. Manufacturers indicate buyers are looking for pricing that indicates a softening of the market, in keeping with some near term price expectations for nonfat dry milk. Production of dry buttermilk is steady midweek, but expected to increase during the holiday weekend.

EAST: Dry buttermilk prices held steady this week in continued light trading. Butter and dry buttermilk production increased as Class II manufacturing slowed ahead of the holiday, channeling more cream to churns. Churns at an Eastern plant that experienced an electrical fire have resumed normal operating schedules. Some brokers continue to have interest in dry buttermilk as end users explore reformulation possibilities, using lower priced dry buttermilk in lieu of nonfat dry milk or whey protein concentrates. Current dry buttermilk supplies are moving through contracts with limited spot sales activity.

F.O.B. CENTRAL/EAST: 1.5000 - 1.6300

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged. The market tone is unsettled to weak, reflecting increasing producer offerings and lower demand. There are reports of lower priced offerings from both producers and resellers. Production remains active beyond seasonal expectations and reflects high butter output. Demand into ice cream interests is lighter than expected. Dry buttermilk stocks are moderate to heavy and often building.

F.O.B. WEST: 1.4800 - 1.5400 **MOSTLY:** 1.4800 - 1.5175

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged this week. Availability of spot loads is light. Manufacturers are scheduling production intermittently to accommodate the clearing of farm milk intakes on a timely basis. Dry whole milk inventories are mostly steady to building incrementally to meet upcoming contract needs.

F.O.B. PRODUCING PLANT: 1.9400 - 2.0600

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
June 24	\$1.6068	12,997,272	0
June 17	\$1.6033	10,388,936	0

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

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

Dry whey prices in the Central region are unchanged to higher, reflecting a few spot sales as well as pricing adjusted according to various indices. Interest for dry whey is steady from both domestic and international buyers. Some end users indicate they are already scouting for 2012 dry whey. A few manufacturers also reported customers are queuing up for 2012 contract agreements, often with an interest in increasing dry whey volumes compared to 2011. However, as the use of the whey stream trends toward products containing higher protein levels, some customers are instead being offered lower 2012 dry whey contract volumes. Production of Central dry whey for the week is steady during midweek, and moving higher at some plants over the long weekend as additional milk is expected to clear to various Class III plants. ANIMAL FEED DRY WHEY prices are unchanged to higher. Several dry blend animal feed operations indicate they are only taking contract loads of dry whey, but a few spot loads did clear. Spot loads from the West are reportedly available at prices within the edible range, but interest is slow.

F.O.B. CENTRAL: .4800 - .5900 MOSTLY: .5000 - .5400
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3800 - .5600

DRY WHEY - NORTHEAST

The dry whey price series moved higher this week. Supplies are very tight with nearly all production committed. Cheese makers are scaling back production, due to adequate inventories and lower milk intakes, causing declines in dry whey production. Resale prices eased ahead of the holiday weekend. Virtually zero supplies are available on the spot market with those buyers looking for additional product having to opt for resale opportunities or look outside the region. Domestic demand has softened in the short term as some ice cream makers are shutting down for portions of the holiday weekend. Export interest remains good.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5250 - .5450

DRY WHEY - WEST

Western dry whey prices are steady to marginally higher as pricing indices continue to adjust higher. Spot activity is very light with the bulk of production geared to contract fulfillment. Production schedules are uneven depending on cheese plant activity. A few spot loads were reported as end of the month inventories were measured. Resale loads of whey are available at prices above the producer market. Overall sales activity was slow preceding the extended holiday weekend.

NONHYGROSCOPIC: .5200 - .6100 MOSTLY: .5400 - .5725

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

WPC 34% prices are unchanged to lower on a mixed market. End users in the WPC 34% marketplace indicate there are spot resale offers aplenty this week, with some finalized sales concluding with price premiums that were lower than in previous weeks. Buyers note this is a departure from the last few months, during which F.O.B. and resale spot loads were infrequent to nonexistent and price premiums increased from week to week. Market participants speculate resellers may be less inclined to build holdings at current prices and are interested in keeping inventories at manageable levels as the end of the month approaches. Several WPC 34% facilities indicate production is unchanged at midweek, but a few plants will ramp up WPC 34% production over the extended holiday weekend as the availability of spot loads of condensed whey increases. Some sellers of liquid or condensed WPC 34% indicate sales into animal feed accounts have been lower during the month and interest for near term buying interest is below historical levels.

F.O.B. EXTRA GRADE 34% PROTEIN:1.5000 - 1.6400 MOSTLY: 1.5400 - 1.5900

LACTOSE - CENTRAL AND WEST

Prices are unchanged for the lactose mostly price series on a firm market. Third quarter contracting has concluded for most sellers and buyers, with the majority of contracts beginning next week. A few lactose contracts commenced this week and that pricing is contained within the current lactose range price series. Domestic interest for lactose is strong, and a few buyers indicate they have not secured all the volumes of lactose required for the upcoming quarter. Off shore interest is also active from Southeast Asia and Central America. Lactose production is steady midweek, but some opportunities for increased production exist over the long holiday weekend where spot loads of condensed whey are clearing to lactose/WPC production facilities.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .3600 - .6500 MOSTLY: .4300 - .5100

CASEIN - NATIONAL

Casein markets and prices remain firm as the second quarter comes to a close. The milk production season in the Oceania region is at seasonally low levels, thus there is no casein output at this time. Current commitments are being filled from the 2010 - 2011 production season. Suppliers and handlers are stating that stock available is very limited for spot buyer needs with most all casein volumes fully committed through contractual commitments. The European production season is well underway with milk volumes now trending lower from the seasonal high levels. At this point, milk volumes are generally in line with projections, especially now that moisture has returned and parched pastures are once again greening. Some reports are indicating that acid supplies are tightening and domestic buyers are sometimes scrambling to secure spot offerings.

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

RENNET: 4.7600 - 5.1400
ACID: 4.7000 - 5.1200

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JUNE 27 – JULY 1			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 06/24/11	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

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 06/11/11 & Comparable Week 2010

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1			
2011-Dairy	N.A.	0.6	6.3	3.0	16.0	2.9	N.A.	N.A.	14.1	2.5	47.1	1,372.0	40.2	46.7
2010-Dairy	N.A.	0.6	6.9	2.3	17.9	3.0	0.3	N.A.	13.3	3.3	48.9	1,287.3	41.1	44.1
2011-All cows	0.1	0.7	7.9	13.0	29.8	26.2	N.A.	N.A.	18.5	3.5	117.1	2,936.5		
2010-All cows	N.A.	0.7	8.6	12.4	32.4	21.2	13.4	N.A.	19.4	7.2	119.0	2,919.9		

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

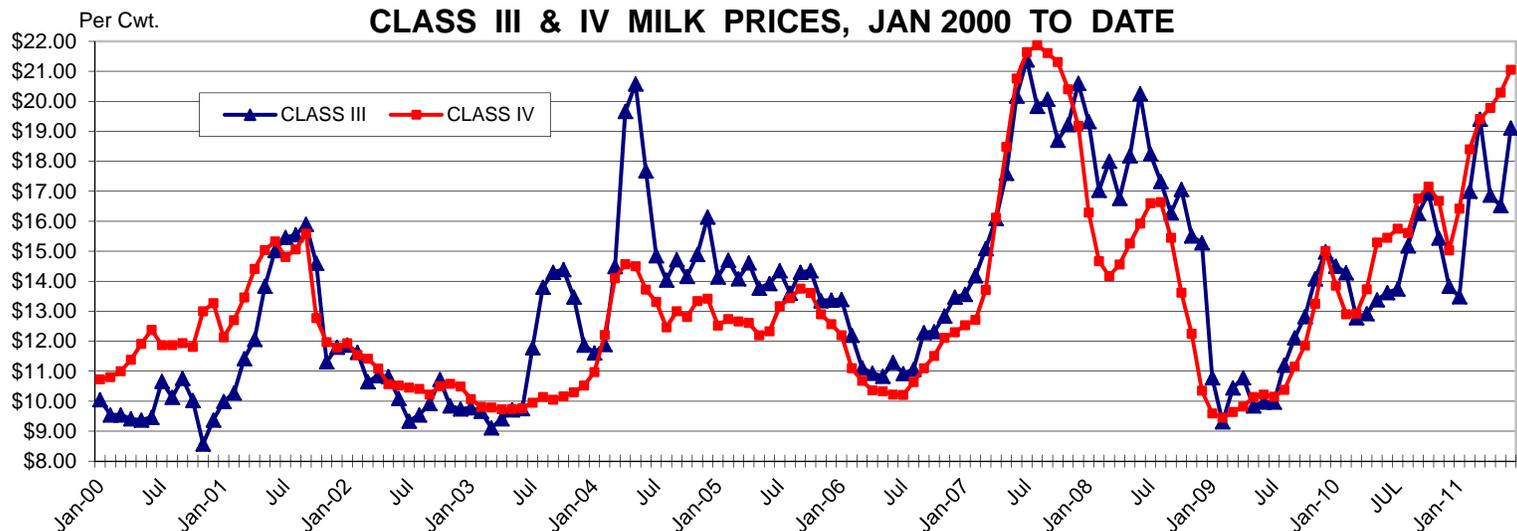
CLASS IV MILK PRICES, (3.5% BF)

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	20.32	21.03					
II	16.79	17.97	18.83	19.66	20.63	21.37						
III	13.48	17.00	19.40	16.87	16.52	19.11						
IV	16.42	18.40	19.41	19.78	20.29	21.05						

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

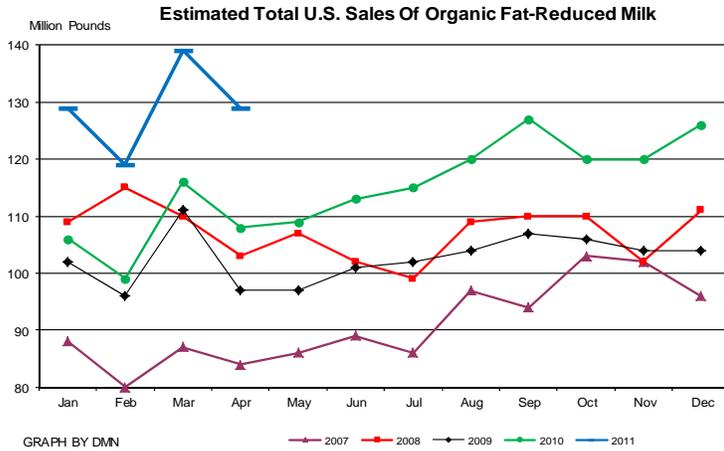


ORGANIC DAIRY MARKET NEWS

Information gathered June 18 - July 1, 2011

ORGANIC DAIRY FLUID OVERVIEW

2011 sales of organic milk have been strong and estimated total U.S. sales of organic milk have been increasing for some time. Organic fat-reduced milk sales through April 2011, reflect continuous increases over the prior year since January 2010, as is shown on the following graph.



ORGANIC DAIRY RETAIL OVERVIEW

MONTHLY RETAIL MILK PRICE COMPARISON FOR 30 CITIES:

Comparing retail half gallon organic reduced fat (2%) milk prices surveyed in January 2011 with June 2011, 17 cities have higher prices, 11 lower prices, and 2 the same price.

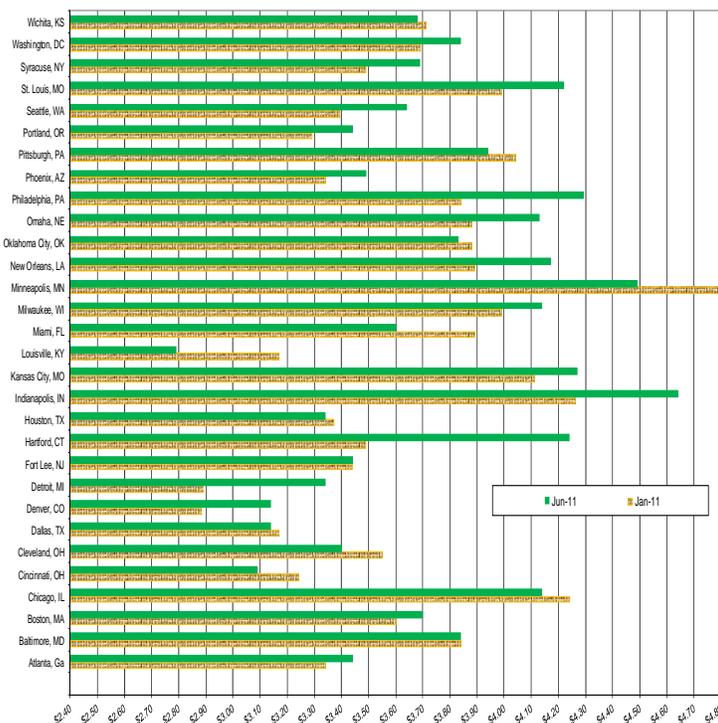
Minneapolis, at \$4.49, is the city with mid-year prices most below January, being 50 cents lower. Hartford, at \$4.24, is the city with mid-year prices most above January, being 75 cents higher.

Louisville has the lowest June 2011 average price of any city, \$2.79, which is the first month during 2011 this has been the case.

Indianapolis has the highest June 2011 average price, \$4.64. Indianapolis also had the highest price in January, 2011, but not again during 2011 until June.

The overall June 2011 average price for the 30 cities combined, \$3.75, is 9 cents higher than the combined average for January 2011.

Half Gallon Organic 2% Milk Price Change: January 2011 - June 2011



The price listed represents the simple average of two prices, the price of the single most common brand in non-returnable paper cartons in one outlet of each of the two largest food store chains in each of the 30 thirty cities. Not all brands of organic milk in each surveyed store are included and higher or lower prices of milk offered by other than the most common brand in each of the two stores are not included. Prices are collected by Federal Milk Market Administrators during the first non-Friday or weekend 10 days of each month.

NATIONALLY ADVERTISED PRICE COMPARISON:

Overview. Organic dairy weekly supermarket newspaper advertising volume during 2011 continues to fluctuate and not represent a clear trend. Total numbers of organic dairy supermarket ads in newspapers was at the second lowest level of 2011 during this two week period preceding the 4th of July Holiday Weekend, in contrast with two weeks ago when organic dairy newspaper ads reached the highest level since this data series began in the fall of 2009. Of 9,210 surveyed newspaper supermarket ads across the United States, for this reporting period, 1,379 contained organic dairy advertising; 23.9% of the number of organic dairy ads two weeks ago.

Focusing specifically on organic dairy supermarket newspaper advertising for the two week period preceding the 4th of July Holiday this year and during 2010, this year has lower advertising intensity as to: (1) total ads; (2) milk ads; and (3) yogurt ads. Pre 4th 2011 organic dairy ad totals are 52.7% of the same pre-holiday period in 2010. 2011 organic milk for the pre-holiday period is 68.7% of 2010 and 2011 yogurt ads are 27.8% of 2010. The constant for each year is half gallons of organic milk, with 1,103 pre 4th ads in 2011 and 1,132 in 2010.

Comparing cumulative total organic dairy newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, the numbers are very close. 2011 organic dairy supermarket ads numbered 98.6% of the 2010 cumulative total.

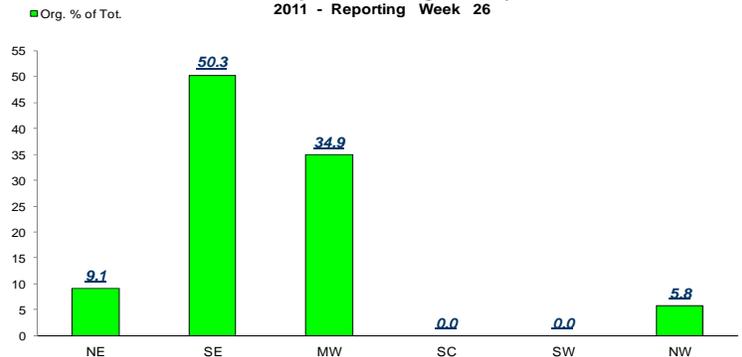
Organic dairy newspaper advertising for this two week period of 2011 reflects slightly over three times the ads for organic milk as for organic yogurt, with a smattering of ads for organic cheese, butter and cream cheese.

Information presented is compiled from newspaper supermarket ads for the period June 18, 2011, to July 1, 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 Southeast retained first place in organic dairy newspaper advertising relative to all six regions, reaching 50.3% of ads placed nationally. This is up from 34.3% of organic dairy ads two weeks ago when the Southeast also led. This is also the first time since the fall of 2009 that any single region has achieved over 50% of organic dairy ads placed nationally.

Other regions and percentages are the Midwest, 34.9%; Northeast, 9.1%; Northwest, 5.8%; and no organic dairy ads in either the Southwest or South Central Regions.

Regional Organic Dairy Ads As A Percentage of Total Surveyed National Organic Dairy Ads 2011 - Reporting Week 26



Product Emphasis. Unlike two weeks ago when organic yogurt advertising in the Southeast drove the regional dominance, this report organic milk in half gallons drives the outcome. There were 1,183 ad placements for organic milk in contrast with 335 for organic yogurt.

Milk. Organic milk ads appeared in four of the six regions and half gallon ads comprise almost all organic milk ads. Of 1,183 total organic milk ad placements, 1,103 were for half gallons and 80 were for organic milk in 8 ounce containers. In a reversal of two weeks ago, almost all milk ad placements were

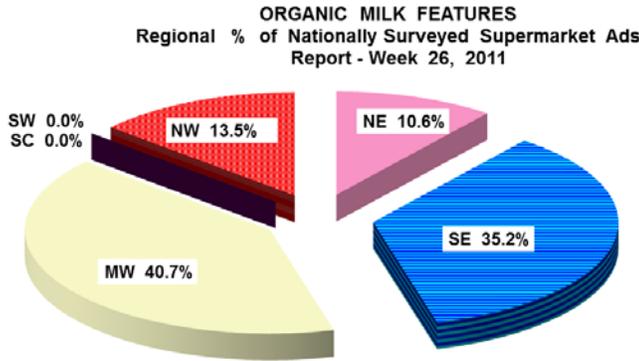
ORGANIC DAIRY MARKET NEWS

Information gathered June 18 - July 1, 2011

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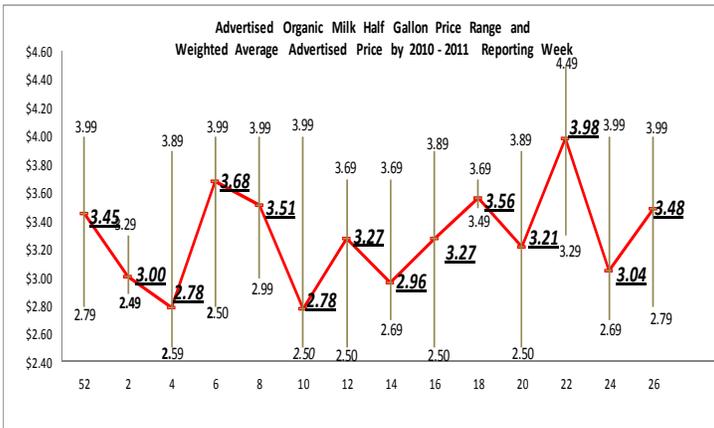
for a national brand of organic milk, rather than a private label or store brand.

The Midwest leads the organic milk category, with 40.7% of ads. The remaining regional totals include the Southeast, 35.2%; Northwest, 13.5%; and Northeast, 10.6%. No ads for organic milk appeared in either the Southwest or South Central Regions.



Comparing cumulative total organic milk newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 lags 2010. 2011 organic dairy supermarket ads numbered 82.5% of the 2010 cumulative year-to-date total.

Half Gallons. Advertised pricing for organic milk in half gallons increased this period by 44 cents to a weighted average advertised price of \$3.48. The top of the price range remained unchanged at \$3.99 while the range bottom increased 10 cents to \$2.79. Comparing regional weighted average advertised prices, there is a spread of 97 cents between the Northeast with the highest weighted average advertised price and the Northwest, with the lowest.



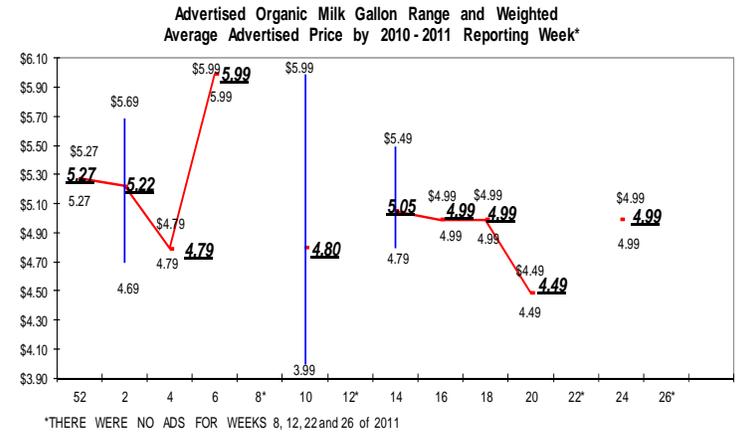
The following table shows the percentage of national half gallon organic milk ads by region and the regional weighted average advertised price.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	11.3	3.76
SE	37.8	3.49
MW	43.6	3.51
SC	00.0	----
SW	00.0	----
NW	07.3	2.79
US		3.48

Comparing cumulative total organic half gallon milk newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 lags 2010 just as with total milk category ads. 2011 organic dairy half gallon supermarket ads numbered 68.9% of the 2010 cumulative year-to-date total for half gallons.

Gallons. There were no newspaper supermarket ads for gallon containers of organic milk. This is the fourth two week period of 2011 with no newspaper supermarket ads for organic gallons during 2011, in contrast with 2010 when organic gallon ads appeared during every surveyed period to this same point of 2010.



Comparing cumulative total organic gallon milk newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 significantly lags 2010. 2011 organic dairy gallon supermarket ads numbered 40.3% of the 2010 cumulative year-to-date total for gallons.

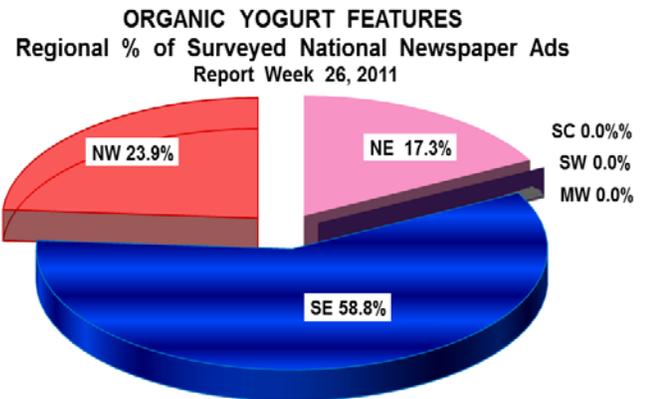
8 Ounce Milk. There were only 80 ads for organic milk in 8 ounce containers this period. Still, that ends the previous six week absence of newspaper supermarket ads for organic milk in 8 ounce containers. All ads were in the Northwest for a national brand with a \$1.00 price.

Comparing cumulative total 8 ounce organic milk newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 significantly leads 2010 unlike the other organic milk categories. 2011 organic dairy 8 ounce organic milk supermarket ads numbered 228% of the 2010 cumulative year-to-date total for 8 ounce containers of organic milk.

Yogurt. Organic yogurt ad numbers declined from two weeks ago, which reported the highest level ever since this data series began during the fall of 2009, to the current period's second lowest level of 2011, 335 ads.

Organic yogurt ad placements are split between 138 for 6 ounce yogurt, and 197 for 5.3 ounce Greek Yogurt.

Organic yogurt ads ran in three of the six regions. The region with the highest percentage of ads is the Southeast, with 58.8%, down from 63.4% two weeks ago. Other regions with organic yogurt ads are the Northwest, 23.9%; and Northeast, 17.3%.



Comparing cumulative total organic yogurt newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 lags 2010. 2011 organic yogurt supermarket ads are 55% of the 2010 cumulative year-to-date total for organic yogurt.

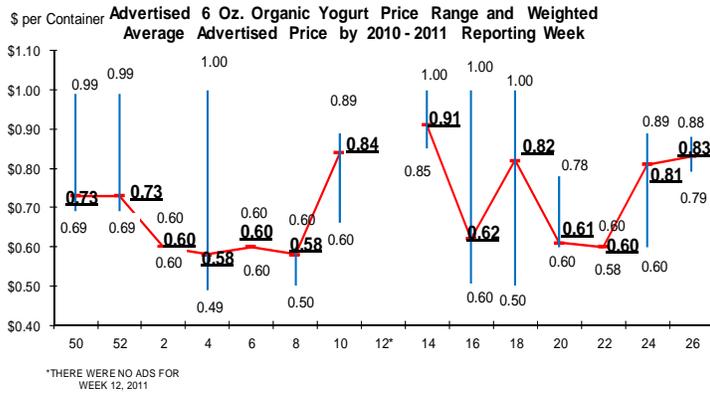
For this two week period of 2011, organic yogurt in 6 ounce containers has a

ORGANIC DAIRY MARKET NEWS

Information gathered June 18 - July 1, 2011

CONTINUED FROM PAGE 8-A

weighted average advertised price of 83 cents, 2 cents above two weeks ago. The range is from 79 cents to 88 cents in contrast with two weeks ago when the range was from 60 cents to 89 cents.



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	42.0	0.88
SE	00.0	----
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	58.0	0.79
US		0.83

All 197 supermarket ad placements for 5.3 ounce organic Greek yogurt ran in newspapers in the Southeast and reflected a price of \$1.00.

Butter. All organic butter ad placements stated a price of \$3.99. There were 79 in the Southeast and 24 in the Midwest, totaling 103. All organic butter ads were for a private label brand.

Comparing cumulative total organic butter newspaper supermarket ads year-to-date for 2011 with 2010, the first half of each year, 2011 leads 2010. 2011 organic butter supermarket ads are 151% of the 2010 cumulative year-to-date total.

Cheese. Of 140 organic cheese ads, 116 appeared in the Northeast and 24 in the Midwest. 6 ounce organic string cheese was priced \$3.50 in 58 Northeast ads and \$4.39 in the Midwest ads. Each region featured one or the other of the two national organic dairy brands. There were also 58 ad placements in the Northeast for 8 ounce organic sliced American Cheese.

Cream Cheese. Organic cream cheese ads appeared in 58 newspaper supermarket ads in the Northeast, all stating a price of \$2.50 and all for a national brand.

No other organic dairy products were advertised in the surveyed newspapers this two week period.

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 26

MADISON, WI
LOW HIGH RANGE
(In Dollars)

GALLONS:

Whole	5.29	6.49	1.20
Reduced Fat (2%)	5.29	6.49	1.20
Low Fat (1%)	5.29	6.49	1.20
Nonfat (Skim)	5.29	6.49	1.20

HALF GALLONS:

Whole	2.99*	4.19	1.20
Reduced Fat (2%)	2.99*	4.19	1.20
Low Fat (1%)	2.99*	4.19	1.20
Nonfat (Skim)	2.99*	4.19	1.20

CHOCOLATE HALF GALLON:

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

YOGURT

	.50	1.25	0.75
--	-----	------	------

CHEESE – 8 OUNCE BLOCKS:

Mozzarella	3.59	5.75	2.16
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	4.99	5.99	1.00
Pepper Jack	3.59	5.99	2.40

CHEESE – 6 OUNCE STRING

Mozzarella	3.49	5.09	1.60
Colby Jack	3.89	5.39	1.40

BUTTER – 1 POUND

	4.19	6.19	2.00
--	------	------	------

*=Price change from prior reporting period

This report, the low price for half gallons of milk decreased 50 cents to \$2.99. This city low price was for a national brand in a natural foods store. Other price changes occurred at various stores 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 the weighted averages on a national level trending slightly lower. Very light to light offerings of corn were reported with good demand, while light to moderate offerings of all other grains were reported with light to moderate demand. Currently, corn is the biggest concern reported by grain buyers, farmers and producers. Implementation of barley and millet into feed rations is becoming commonplace across all regions. Supreme alfalfa hay in the Klamath Basin of Oregon was \$270.00/ton this period, while supreme alfalfa hay in Nevada was \$255.00/ton. Premium alfalfa/grass mix hay was reportedly \$280.00/ton in Nevada.

Eastern organic grain and feedstuffs were mostly steady. Light to moderate offerings were reported on all grains except for corn, of which offerings were very light. Demand was reportedly moderate to good. While moisture concerns are still on the minds of many, supplies of corn are also on the minds of most producers who use feed grains on a regular basis. Volumes of feed grade barley being traded are increasing as a result of the current corn situation, with a wide range reported due in part to many cleaning out their bins.

Upper Midwest organic feed grade corn was slightly higher with good demand and light offerings. Feed grade soybeans and barley were slightly lower on the weighted average, but mostly steady throughout the price range. Moderate demand and offerings were reported for those grains. Most grain buyers and producers alike are in a "wait-and-see" mode, with much anticipation about the upcoming acreage report from USDA to gain a better understanding of crops this year.

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

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

COMMODITY	:::REPORT NUMBER 22	:::REPORT NUMBER 23	:::REPORT NUMBER 24	:::REPORT NUMBER 25	:::REPORT NUMBER 26	::: 2011	: 2010
	:::-----	:::-----	:::-----	:::-----	:::-----	::: Average	: Average
	::: JUN 01 - 03	::: JUN 06 - 10	::: JUN 13 - 17	::: JUN 20 - 24	::: JUN 27 - 30	::: or Total	: or Total

CHEESE

WISCONSIN (WSP, Delivered, LTL)

-- Process American 5# Loaf	:: 2.1225 - 2.3125	:: 2.2400 - 2.4475	:: 2.2400 - 2.6100	:: 2.4325 - 2.6225	:: 2.4300 - 2.6200	:: 2.4197	: 1.8278
-- Brick And/Or Muenster 5#	:: 2.2750 - 2.3300	:: 2.3300 - 2.4525	:: 2.3300 - 2.6200	:: 2.6225 - 2.6300	:: 2.6300 - 2.6400	:: 2.4959	: 1.9578
-- Cheddar 40# Block	:: 2.1700 - 2.8650	:: 2.1700 - 2.8650	:: 2.1700 - 2.8650	:: 2.4700 - 2.8650	:: 2.4700 - 2.8650	:: 2.5789	: 2.1989
-- Monterey Jack 10#	:: 2.2375 - 2.8650	:: 2.2800 - 2.8650	:: 2.2800 - 2.8650	:: 2.5800 - 2.8650	:: 2.5800 - 2.8650	:: 2.6310	: 2.2228
-- Blue 5#	:: 2.5925 - 3.0500	:: 2.7700 - 3.0500	:: 2.9375 - 3.0500	:: 2.9400 - 3.3500	:: 2.9575 - 3.3500	:: 3.0147	: 2.4883
-- Mozzarella 5 - 6#	:: 2.1075 - 2.9650	:: 2.2400 - 2.9650	:: 2.2400 - 2.9650	:: 2.4550 - 2.9650	:: 2.4725 - 2.9650	:: 2.6390	: 2.2119
-- Grade A Swiss Cuts 6 - 9#	:: 2.9500 - 3.3550	:: 2.7900 - 3.3300	:: 2.7900 - 3.3300	:: 2.7900 - 3.3300	:: 2.7900 - 3.3300	:: 3.0726	: 2.8432

NORTHEAST (WSP, Delivered, LTL)

-- Cheddar 40# Block	:: 2.0825 - 2.3575	:: 2.2600 - 2.5350	:: 2.4275 - 2.7025	:: 2.4300 - 2.7050	:: 2.4475 - 2.7225	:: 2.4841	: 1.8768
-- Process 5# Sliced	:: 1.8700 - 2.1800	:: 2.0050 - 2.3150	:: 2.1675 - 2.4775	:: 2.1800 - 2.4900	:: 2.1775 - 2.4875	:: 2.2497	: 1.6257
-- Muenster	:: 2.1025 - 2.3075	:: 2.2800 - 2.4850	:: 2.4475 - 2.6525	:: 2.4500 - 2.6550	:: 2.4675 - 2.6725	:: 2.4691	: 1.8581
-- Grade A Swiss Cuts 10 - 14#	:: 3.6675 - 3.9900	:: 3.3875 - 3.7100	:: 3.3875 - 3.7100	:: 3.3875 - 3.7100	:: 3.3875 - 3.7100	:: 3.5869	: 3.1165

WEST COAST (WSP, Delivered, LTL)

-- Process 5# Loaf	:: 1.8875 - 2.1450	:: 2.0225 - 2.2800	:: 2.1850 - 2.4425	:: 2.1975 - 2.4550	:: 2.1950 - 2.4525	:: 2.2409	: 1.6319
-- Cheddar 40# Block	:: 1.8950 - 2.2475	:: 2.0725 - 2.4250	:: 2.2400 - 2.5925	:: 2.2425 - 2.5950	:: 2.2600 - 2.6125	:: 2.3353	: 1.7206
-- Cheddar 10# Cuts	:: 2.0750 - 2.2950	:: 2.2525 - 2.4725	:: 2.4200 - 2.6400	:: 2.4225 - 2.6425	:: 2.4400 - 2.6600	:: 2.4491	: 1.8343
-- Monterey Jack 10#	:: 2.0850 - 2.2450	:: 2.2625 - 2.4225	:: 2.4300 - 2.5900	:: 2.4325 - 2.5925	:: 2.4500 - 2.6100	:: 2.4291	: 1.8143
-- Grade A Swiss Cuts 6 - 9#	:: 3.2450 - 3.6750	:: 2.9650 - 3.3950	:: 2.9650 - 3.3950	:: 2.9650 - 3.3950	:: 2.9650 - 3.3950	:: 3.2182	: 2.7423

FLUID PRODUCTS

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

-- Northeast - f.o.b	:: 2.6480 - 2.9256	:: 2.7185 - 2.9774	:: 2.7528 - 2.9645	:: 2.8462 - 3.0388	:: 2.7733 - 2.9834	:: 2.8691	: 2.4046
-- Upper Midwest - f.o.b	:: 2.6267 - 2.7334	:: 2.7616 - 2.8911	:: 2.7528 - 2.8375	:: 2.7820 - 2.8890	:: 2.6683 - 2.8364	:: 2.7879	: 2.2906

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

-- Class II	:: 1.65 - 1.72	:: 1.65 - 1.72	:: 1.65 - 1.72	:: 1.69 - 1.74	:: 1.69 - 1.74	:: 1.6973	: 1.3509
-- Class III	:: 1.15 - 1.25	:: 1.15 - 1.20	:: 1.15 - 1.20	:: 1.15 - 1.20	:: 1.15 - 1.20	:: 1.1784	: 1.0250

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

COMMODITY	:::REPORT NUMBER 22	:::REPORT NUMBER 23	:::REPORT NUMBER 24	:::REPORT NUMBER 25	:::REPORT NUMBER 26	::: 2011	: 2010
	:::-----	:::-----	:::-----	:::-----	:::-----	::: Average	: Average
	::: JUN 01 - 03	::: JUN 06 - 10	::: JUN 13 - 17	::: JUN 20 - 24	::: JUN 27 - 30	::: or Total	: or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.6500 - 1.7100	:: 1.6200 - 1.7100	:: 1.6400 - 1.7200	:: 1.6400 - 1.7300	:: 1.6400 - 1.7300	:: 1.6786	: 1.3009
-- Mostly	:: 1.6600 - 1.6900	:: 1.6600 - 1.6950	:: 1.6600 - 1.7000	:: 1.6600 - 1.7000	:: 1.6600 - 1.7000	:: 1.6788	: 1.3095
-- High Heat	:: 1.7300 - 1.8000	:: 1.7300 - 1.8000	:: 1.7300 - 1.8000	:: 1.7300 - 1.8000	:: 1.7300 - 1.7800	:: 1.7632	: 1.4090
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.5800 - 1.6800	:: 1.5900 - 1.6850	:: 1.6000 - 1.7000	:: 1.6100 - 1.7125	:: 1.6100 - 1.7125	:: 1.6490	: 1.2716
-- Mostly	:: 1.6100 - 1.6400	:: 1.6150 - 1.6450	:: 1.6200 - 1.6500	:: 1.6200 - 1.6550	:: 1.6200 - 1.6550	:: 1.6335	: 1.2922
-- High Heat	:: 1.6500 - 1.8200	:: 1.6600 - 1.8200	:: 1.6700 - 1.8250	:: 1.6750 - 1.8250	:: 1.6750 - 1.8300	:: 1.7456	: 1.3469
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.4700 - 0.5300	:: 0.4700 - 0.5300	:: 0.4800 - 0.5550	:: 0.4800 - 0.5600	:: 0.4800 - 0.5900	:: 0.5149	: 0.3406
-- Mostly	:: 0.4750 - 0.5200	:: 0.4875 - 0.5225	:: 0.4900 - 0.5250	:: 0.4900 - 0.5300	:: 0.5000 - 0.5400	:: 0.5084	: 0.3450
-- West (f.o.b.)	:: 0.4925 - 0.5500	:: 0.5075 - 0.5600	:: 0.5100 - 0.5650	:: 0.5100 - 0.6100	:: 0.5200 - 0.6100	:: 0.5445	: 0.3828
-- Mostly	:: 0.5075 - 0.5450	:: 0.5200 - 0.5500	:: 0.5300 - 0.5550	:: 0.5375 - 0.5675	:: 0.5400 - 0.5725	:: 0.5434	: 0.3896
-- Northeast (f.o.b.)	:: 0.5000 - 0.5375	:: 0.5125 - 0.5375	:: 0.5200 - 0.5400	:: 0.5200 - 0.5400	:: 0.5250 - 0.5450	:: 0.5282	: 0.3695
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 1.4700 - 1.6500	:: 1.4800 - 1.7225	:: 1.5000 - 1.7900	:: 1.5000 - 1.7225	:: 1.5000 - 1.6400	:: 1.6022	: 0.9447
-- Mostly	:: 1.5100 - 1.5700	:: 1.5200 - 1.5700	:: 1.5400 - 1.5900	:: 1.5400 - 1.5900	:: 1.5400 - 1.5900	:: 1.5570	: 0.9432
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.3700 - 0.4900	:: 0.3700 - 0.4900	:: 0.3800 - 0.5150	:: 0.3800 - 0.5150	:: 0.3800 - 0.5600	:: 0.4452	: 0.2743
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 1.4600 - 1.6300	:: 1.5000 - 1.6300	:: 1.4900 - 1.6300	:: 1.5000 - 1.6300	:: 1.5000 - 1.6300	:: 1.5611	: 1.3464
-- West (f.o.b.)	:: 1.4800 - 1.5500	:: 1.4500 - 1.5500	:: 1.4800 - 1.5400	:: 1.4800 - 1.5400	:: 1.4800 - 1.5400	:: 1.5084	: 1.2952
-- Mostly	:: 1.4900 - 1.5100	:: 1.4800 - 1.5100	:: 1.4800 - 1.5150	:: 1.4800 - 1.5175	:: 1.4800 - 1.5175	:: 1.4978	: 1.2963
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.9000 - 2.0000	:: 1.9000 - 2.0500	:: 1.9400 - 2.0600	:: 1.9400 - 2.0600	:: 1.9400 - 2.0600	:: 1.9875	: 1.6100
LACTOSE							
-- Central And West (f.o.b.)	:: 0.3600 - 0.5700	:: 0.3600 - 0.6600	:: 0.3600 - 0.6600	:: 0.3600 - 0.6600	:: 0.3600 - 0.6500	:: 0.5030	: 0.3259
-- Mostly	:: 0.4300 - 0.5100	:: 0.4300 - 0.5100	:: 0.4300 - 0.5100	:: 0.4300 - 0.5100	:: 0.4300 - 0.5100	:: 0.4700	: 0.3295
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.7600 - 5.1400	:: 4.9500	: 3.9068
-- Nonrestricted - Acid	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.7000 - 5.1200	:: 4.9100	: 3.8818

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 JUNE 2011

COMMODITY	REPORT NUMBER 22 JUN 1 - 3	REPORT NUMBER 23 JUN 6 - 10	REPORT NUMBER 24 JUN 13 - 17	REPORT NUMBER 25 JUN 20 - 24	REPORT NUMBER 26 JUN 27 - 30	2011 * Average	2010 * Average
BUTTER*							
-- GRADE AA							
--Monday		2.1250	2.1400	2.1400	2.0200		
--Tuesday		2.1025	2.1400	2.1400	2.0200		
--Wednesday	2.1625	2.1000	2.1400	2.0850	2.0300		
--Thursday	2.1625	2.1300	2.1400	2.0800	2.0400		
--Friday	2.1425	2.1300	2.1400	2.0600		2.1077	1.6380
--Weekly Average**	2.1575	2.1175	2.1400	2.1010			
CHEESE*							
-- BARRELS							
--Monday		2.0500	2.0700	2.0675	2.0775		
--Tuesday		2.0500	2.0725	2.0675	2.0775		
--Wednesday	1.8725	2.0675	2.0750	2.0675	2.0875		
--Thursday	1.8875	2.0675	2.0775	2.0675	2.0875		
--Friday	1.9600	2.0675	2.0675	2.0775		2.0483	1.3647
--Weekly Average**	1.8975	2.0605	2.0725	2.0695			
-- 40# BLOCKS							
--Monday		2.1100	2.1100	2.1300	2.1300		
--Tuesday		2.1100	2.1100	2.1300	2.1300		
--Wednesday	1.9050	2.1125	2.1100	2.1300	2.1300		
--Thursday	1.9500	2.1100	2.1125	2.1300	2.1300		
--Friday	2.0500	2.1100	2.1200	2.1300		2.0995	1.3961
--Weekly Average**	1.9438	2.1105	2.1125	2.1300			
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday		1.6100	1.6100	1.6100	1.6100		
--Tuesday		1.6100	1.6100	1.6100	1.6100		
--Wednesday	1.6100	1.6100	1.6100	1.6100	1.6100		
--Thursday	1.6100	1.6100	1.6100	1.6100	1.6100		
--Friday	1.6100	1.6100	1.6100	1.6100		1.6100	1.2544
--Weekly Average**	1.6100	1.6100	1.6100	1.6100			
-- GRADE A							
--Monday		1.6425	1.6500	1.6500	1.6250		
--Tuesday		1.6425	1.6550	1.6400	1.6250		
--Wednesday	1.6400	1.6425	1.6550	1.6375	1.6250		
--Thursday	1.6425	1.6450	1.6550	1.6350	1.6250		
--Friday	1.6425	1.6500	1.6525	1.6250		1.6410	1.2541
--Weekly Average**	1.6413	1.6445	1.6535	1.6375			

* 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.

JUNE AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$21.00 in June, up \$1.40 from May 2011 and up \$5.60 from June 2010. Alfalfa hay price was \$180.00 in June, up \$61.00 from June 2010. Corn price was \$6.58 in June, up \$3.17 from June 2010. Soybean price was \$13.30 in June, up \$3.85 from June 2010. The milk-feed price ratio was 1.83 in June, down 0.43 from June 2010.

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in June 2011 remained unchanged at 204 from the previous month. Compared with June 2010, the index was up 23 points (12.7 percent). The index of prices received by farmers for dairy products increased 11 points during the month of June 2011 to 161. Compared with June 2010, the index was up 43 points (36.4 percent).

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

State	All-Milk price ^{1/} ^{2/}				Alfalfa hay, baled		Corn		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	May		June		June		June		June	
	2010	2011	2010	2011 ^{3/}	2010	2011 ^{3/}	2010	2011 ^{3/}	2010	2011 ^{3/}
AZ	14.90	19.80	15.60	20.70	130.00	230.00	---	---	---	---
CA	13.60	17.98	13.97	20.40	121.00	238.00	---	---	---	---
CO	15.20	19.60	15.60	20.50	125.00	170.00	3.50	6.74	---	---
ID	14.30	17.80	14.10	19.00	107.00	191.00	---	---	---	---
IN	15.80	20.60	16.60	21.50	---	---	3.55	7.20	---	---
IA	15.30	19.70	15.60	20.70	119.00	125.00	3.42	6.60	9.39	13.30
MI	15.60	20.60	16.30	21.50	115.00	100.00	3.45	6.80	9.49	13.20
MN	14.90	19.40	14.90	21.60	120.00	115.00	3.39	6.00	9.10	12.90
NM	14.50	19.20	14.90	20.30	155.00	235.00	---	---	---	---
NY	16.00	21.30	16.80	22.00	120.00	155.00	---	---	---	---
OH	16.40	21.50	16.80	22.20	144.00	167.00	3.39	7.25	---	---
PA	16.90	22.10	17.50	22.80	145.00	175.00	3.84	7.90	---	---
TX	15.70	20.60	16.10	20.90	183.00	204.00	3.62	7.29	---	---
WA	15.00	20.10	15.60	21.70	125.00	165.00	---	---	---	---
WI	14.90	18.90	15.00	21.00	120.00	100.00	3.38	6.60	9.42	12.80
U.S.	15.00	19.60	15.40	21.00	119.00	180.00	3.41	6.58	9.45	13.30

^{1/} Prices are shown at reported butterfat test. ^{2/} Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

^{3/} Preliminary.

MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., JUNE 2011 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk ^{1/}			
State ^{2/}	June 2010	May 2011	June 2011 ^{3/}
IA	2.29	2.00	2.00
MI	2.41	2.16	2.15
MN	2.20	2.16	2.26
OH	2.29	1.88	1.89
WI	2.21	1.97	2.15
U.S.	2.26	1.73	1.83

^{1/} 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 hay. ^{2/} Available states that provided all necessary data to compute milk feed price ratios.

^{3/} Preliminary.

GENERAL PRICE MEASURES, U.S., JUNE 2011 WITH COMPARISONS

Item	June 2010	May 2011	June 2011 ^{1/}
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for dairy products	118	150	161
Prices paid by farmers for commodities and services, interest taxes, and wage rates	181	204	204

^{1/} Preliminary.

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

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JUNE

Component Price Information: Under the Federal milk order pricing system, the butterfat price for June 2011 is \$2.3702 per pound. Thus, the Class II butterfat price is \$2.3772. The protein and other solids prices for June are \$2.9807 and \$0.3339 per pound, respectively. These component prices set the Class III skim milk price at \$11.21 per cwt. The June Class IV skim milk price is \$13.22 which is derived from the nonfat solids price of \$1.4694 per pound. **Product Price Averages:** The product price averages for June are: butter \$2.1287, nonfat dry milk \$1.6520, cheese \$1.8999, and dry whey \$0.5233.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/						
FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	JUNE 2011				JULY 2011
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	23.57	21.37	19.11	21.05	24.28
Appalachian (Charlotte) 5/ 6/	005	23.72	21.37	19.11	21.05	24.43
Southeast (Atlanta) 6/ 7/	007	24.12	21.37	19.11	21.05	24.83
Florida (Tampa) 6/ 8/	006	25.72	21.37	19.11	21.05	26.43
Midwest (Cleveland) 9/	033	22.32	21.37	19.11	21.05	23.03
Upper Midwest (Chicago) 10/	030	22.12	21.37	19.11	21.05	22.83
Central (Kansas City) 11/	032	22.32	21.37	19.11	21.05	23.03
Southwest (Dallas) 12/	126	23.32	21.37	19.11	21.05	24.03
Arizona (Phoenix)	131	22.67	21.37	19.11	21.05	23.38
Pacific Northwest (Seattle) 13/	124	22.22	21.37	19.11	21.05	22.93
All-Market Average	---	23.21	21.37	19.11	21.05	23.92

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

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

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

6/ Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.

7/ Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

8/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

9/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

10/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

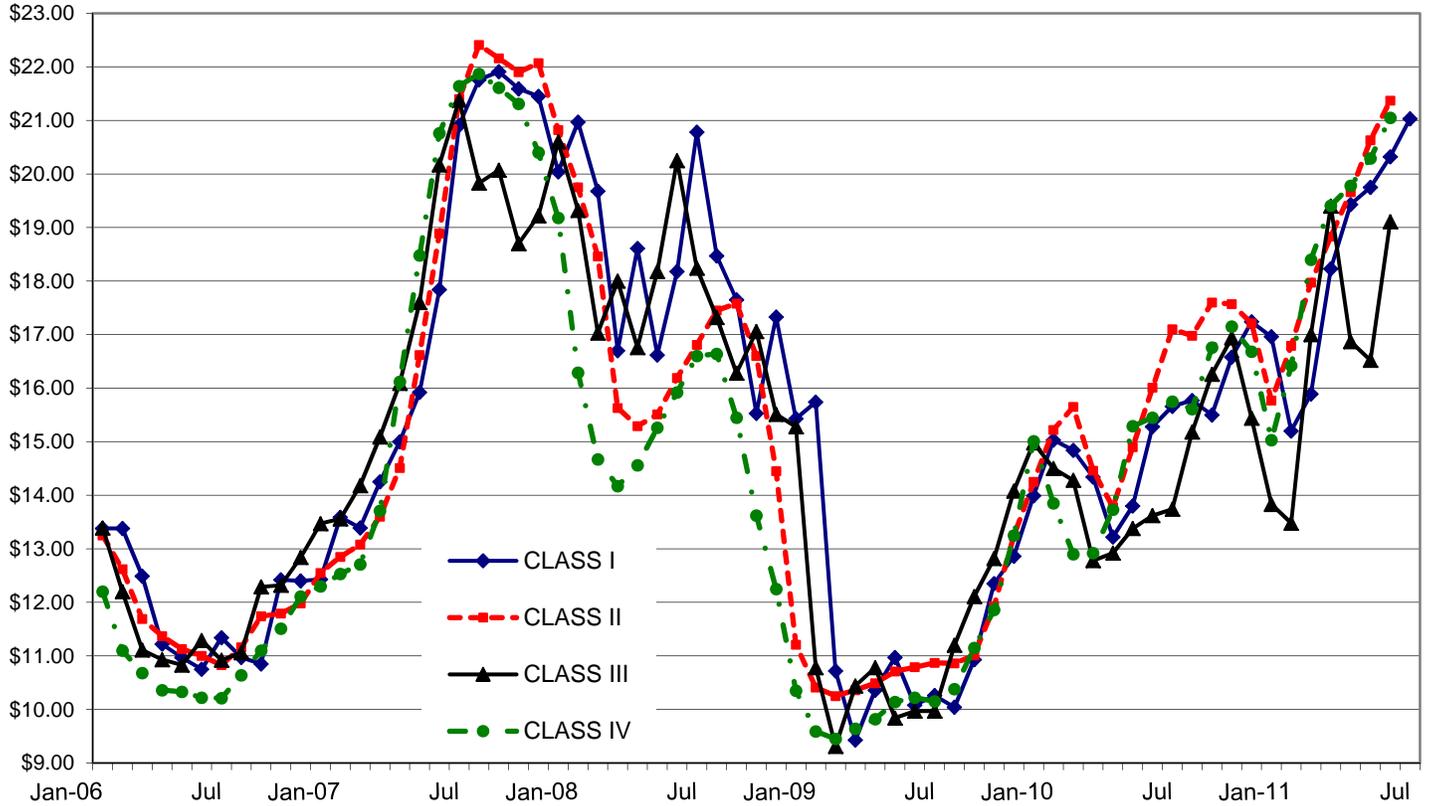
11/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

12/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

13/ Class I prices at other cities are: Portland, same; and Spokane, same.

Per CWT.

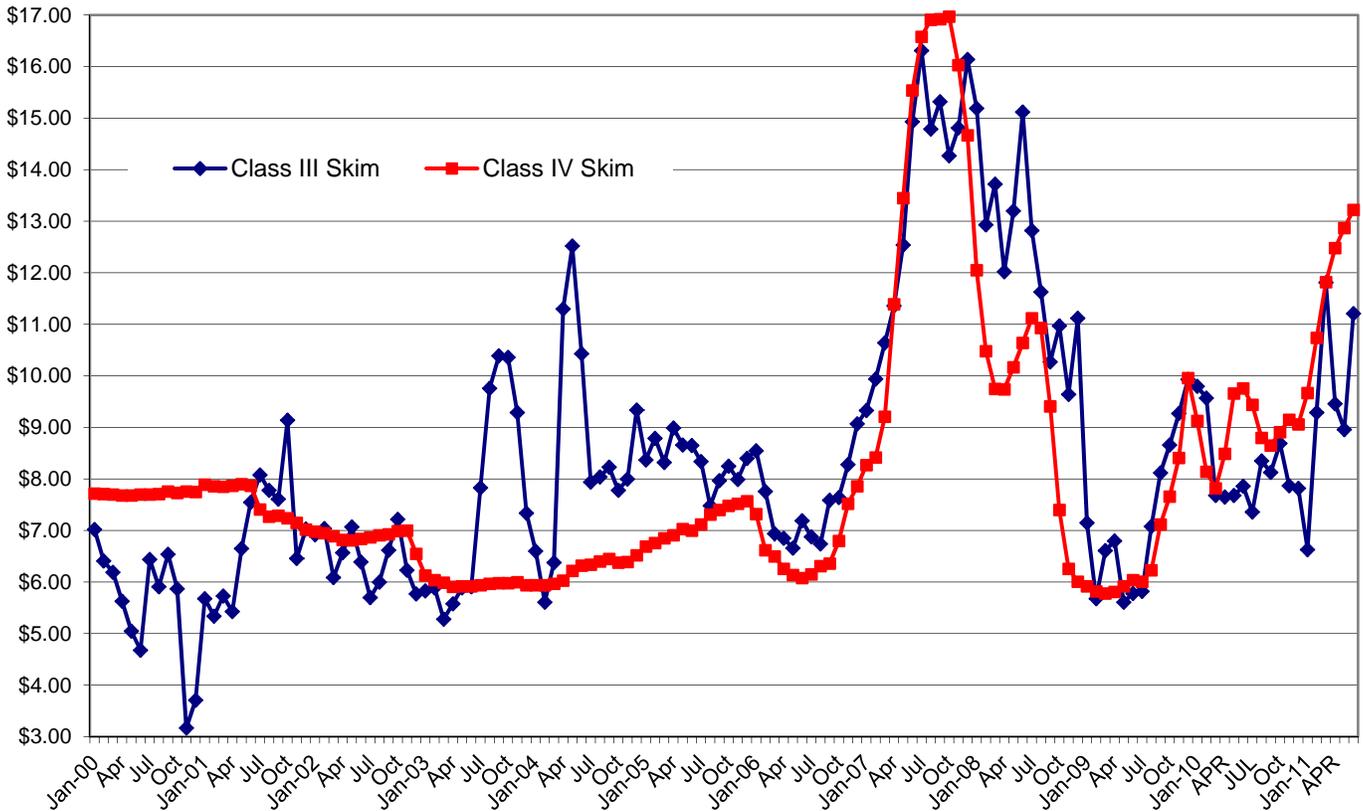
Class Milk Prices by Month January 2006 to Date



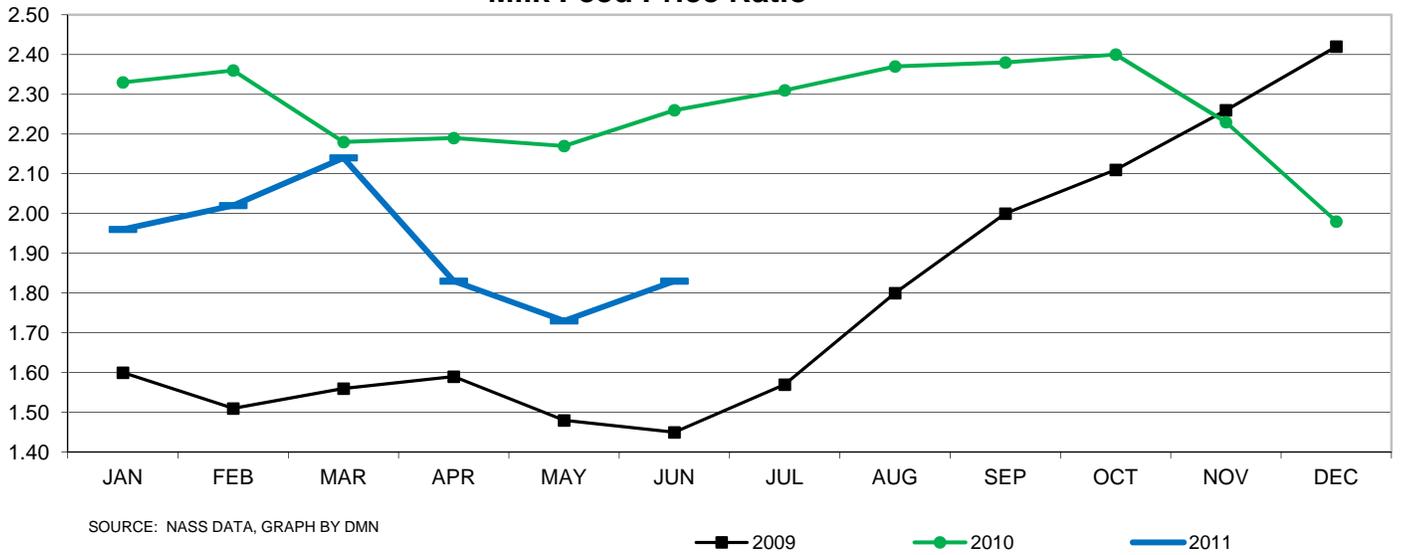
Class I base price does not include applicable Class I differential

PER CWT

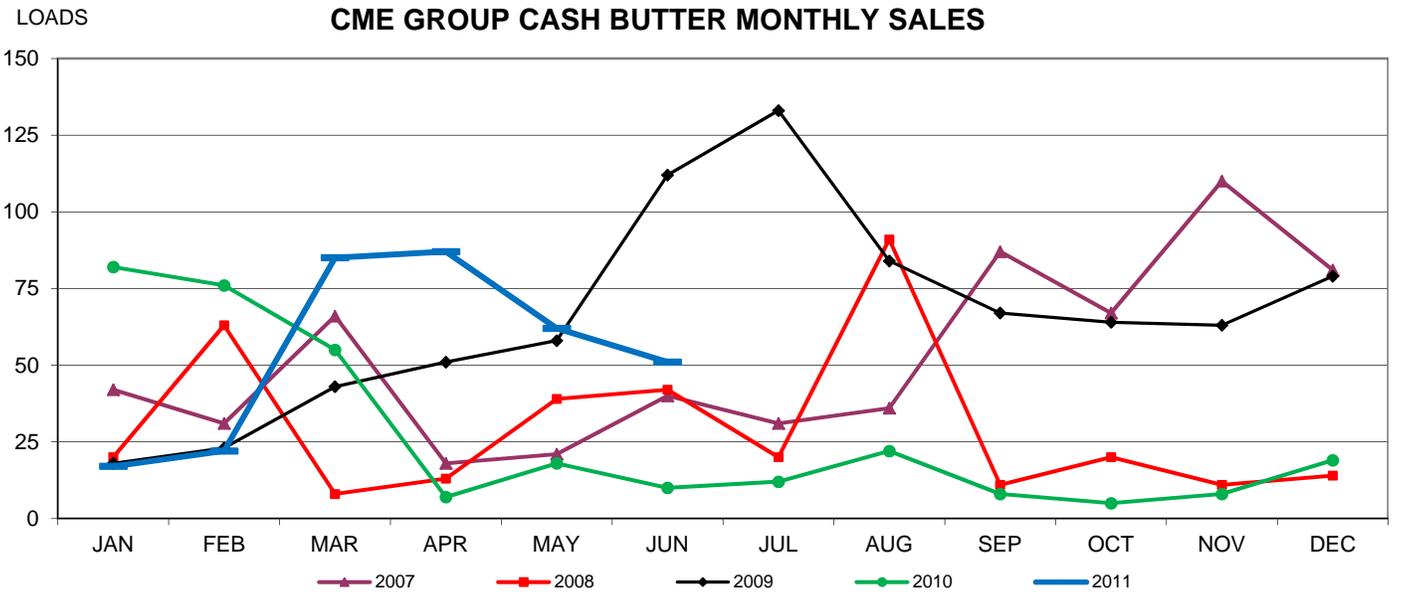
CLASS III & IV SKIM MILK PRICES, JAN 2000 TO DATE



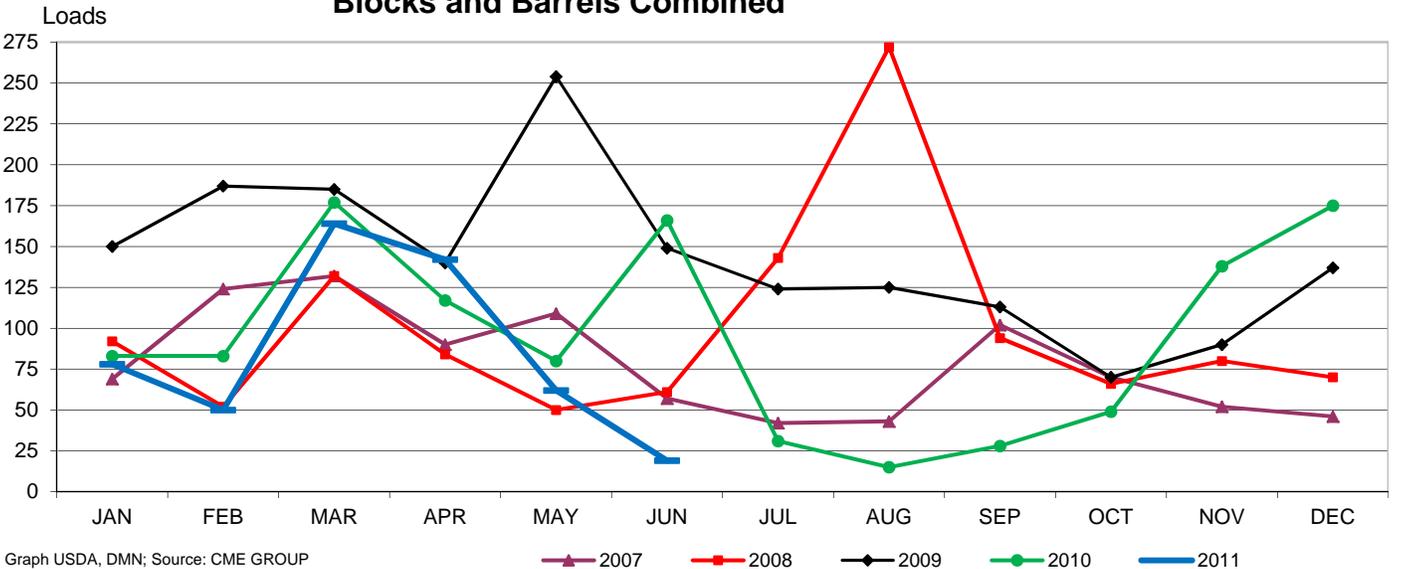
Milk Feed Price Ratio



CME GROUP CASH BUTTER MONTHLY SALES



CME Group Monthly Cash Cheese Sales Blocks and Barrels Combined



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