

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (09/23):**

**BUTTER:** Grade AA closed at \$1.7700. The weekly average for Grade AA is \$1.8150 (-.0895).

**CHEESE:** Barrels closed at \$1.7075 and 40# blocks at \$1.7275. The weekly average for barrels is \$1.6780 (-.0465) and blocks, \$1.7250 (-.0575).

**BUTTER HIGHLIGHTS:** The cash butter price continues to edge lower and closed the week at \$1.7700, \$0.1325 lower than a week ago. The current cash price compares to \$2.2250 last year at this time and \$1.2600 in 2009. Churning is active across the country, although many butter producers are cautious with their additional cream purchases. Pricing additional cream is the most significant factor at this time. Volumes are generally readily available and churning schedules are often reflective of the additional cream availability. Butter demand is seasonally steady for this time of the year. Orders continue to develop for upcoming 4th quarter and yearend holiday needs. According to NASS, the U.S. August 31 cold storage figure for butter totaled 165.6 million pounds. This figure is 11.8% lighter than last month, 6.7% heavier than a year ago, but 36.2% lighter than August 31, 2009.

**CHEESE HIGHLIGHTS:** The cheese market is rebounding from recent lows. Cheese interest is steady to improved on natural varieties with process typically steady to lighter seasonally. Some shorting or delayed orders are occurring on selected varieties from preferred suppliers. Class I interest remains at the higher levels that occur when schools are in session. Milk intakes are uneven though steady to higher milk components are improving cheese yields. Estimated August 31 total cheese inventory, at 1.059 billion pounds is down 24.1 million pounds (-2.2%) from July, but up 190,000 pounds (N.C.) from August 2010. American cheese stocks was put at 641.8 million pounds, down 5.3 million pounds (-0.8%) from July, but 8.2 million pounds (1.3%) above last August. Only other natural cheese was below both month and year ago levels. August cheese imports (subject to quota) totaled 13.0 million pounds, down 7.5 million pounds (-36.5%) from August 2010. Cumulative 2011 quota cheese imports total 102.2 million pounds, 2.7 million pounds (2.7%) above 2010. High Tier cheese imports thus far in 2011 total 16.0 million pounds up 607,500 pounds (4%) from 2010 with the largest poundage increase in Italian type varieties. The 2011 combined cheese import total is 118.2 million pounds compared to 299.5 million pounds of cheese exports during the same period in 2011.

**FLUID MILK:** Milk production across the country is settling into fall trends. Weather patterns and temperatures are basically conducive to late season milk output, although milk volumes are declining to the point that balancing plants and surplus operations are greatly reducing processing schedules. Schools are now back in session, thus the school bottling pipeline is full and milk volumes are less stressed to maintain capacities. The fall harvest is well underway in many regions of the country for corn silage, although many corn and soybean fields still need drying time before

combining. In some northern areas, a killing frost recently occurred which came earlier than crops in the region were ready for. Speculation is that the frost will reduce yields and crop maturity will be challenged. Cream markets are unsettled as cream volumes build and buyers are hesitant to purchase. The sharp drops in daily pricing and falling weekly price averages of CME butter, are affecting the basing points used for most cream sales. Cream buyers are negotiating for the lowest basing point. As pricing multiples and basing prices continue to fluctuate, butter producers are very cautious with their additional cream purchases and churning schedules. Often, butter producers are limiting their cream purchases to contractual commitments. Class II cream demand has eased as ice cream production declines seasonally, although other cream based product production (cream cheese, sour cream, and bottled cream) is seasonally active.

**DRY PRODUCTS:** Nonfat dry milk powder markets are mixed as prices fluctuate higher and lower. Limited production in the East is causing NDM prices to firm, although Western manufactured NDM is being sold in the East at favorable prices, even with transportation. Elsewhere in the country, buyers are hesitant to enter the marketplace as many feel that prices will weaken. Buttermilk powder markets are weak as prices edge lower. Churning activity across the country is seasonally active, thus inventories continue to expand and weaker prices are not encouraging buyers to purchase outside of contractual commitments. Those that are purchasing outside of contracts are occasionally finding delivered offerings from other regions at lower prices than local offerings. Whey powder prices are mixed, although the market undertone is firm. Current whey stocks are light to moderate and generally committed for future needs.

**ORGANIC DAIRY MARKET NEWS (DMN):** Total Organic Milk Products sales for July 2011, 167 million pounds, were up 10.7% from July 2010 sales and up 18.6% January through July 2011 compared with the same first seven months of 2010. Organic Whole Milk sales for July 2011, 41 million pounds, were up 13.7% compared with July 2010 and up 22.2% January through July this year compared with the same period of 2010. Organic Fat-Reduced Milk sales for July 2011, 126 million pounds, were up 9.8% compared with July 2010 and up 17.5% January through July 2011 compared with the same months of 2010. The 2011 record Summer strength of organic dairy advertising declined as summer ended. Four significant measures of organic dairy advertising all declined this week below levels of the last twelve weeks: total organic dairy ads, total organic milk ads, total organic half gallon milk ads, and total organic yogurt ads. Organic dairy newspaper advertising for this two week period of 2011 contains a bit over

CONTINUED ON PAGE 1A

## \*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\*

ORGANIC DAIRY MARKET NEWS (PAGES 8 - 8B)

AUGUST COLD STORAGE (PAGES 9 - 10)

AUGUST MILK PRODUCTION (PAGE 11)

CORRECTED SEPTEMBER MILK SUPPLY AND DEMAND ESTIMATES (PAGE 12)

FMMO MARKETING AND UTILIZATION (PAGE 13)

FMMO OCTOBER ADVANCE PRICING (PAGE 14)

DAIRY GRAPHS (PAGES G1 - G3)

CME GROUP CASH TRADING

COMMODITY	MONDAY SEP 19	TUESDAY SEP 20	WEDNESDAY SEP 21	THURSDAY SEP 22	FRIDAY SEP 23	WEEKLY CHANGE *	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.6775 (-.0425)	\$1.6500 (-.0275)	\$1.6550 (+.0050)	\$1.7000 (+.0450)	\$1.7075 (+.0075)	:: (-.0125)	:: \$1.6780 (-.0465)
40# BLOCKS	\$1.7400 (-.0375)	\$1.7200 (-.0200)	\$1.7125 (-.0075)	\$1.7250 (+.0125)	\$1.7275 (+.0025)	:: (-.0500)	:: \$1.7250 (-.0575)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.6100 (N.C.)	\$1.5800 (-.0300)	\$1.5800 (N.C.)	:: (-.0300)	:: \$1.5980 (-.0120)
GRADE A	\$1.4900 (N.C.)	\$1.4900 (N.C.)	\$1.4900 (N.C.)	\$1.4900 (N.C.)	\$1.4900 (N.C.)	:: (N.C.)	:: \$1.4900 (N.C.)
<b>BUTTER</b>							
GRADE AA	\$1.8750 (-.0275)	\$1.8450 (-.0300)	\$1.8000 (-.0450)	\$1.7850 (-.0150)	\$1.7700 (-.0150)	:: (-.1325)	:: \$1.8150 (-.0895)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE

## CONTINUED FROM PAGE 1

twice as many ads for organic milk as organic yogurt. Advertised pricing for organic milk half gallons increased this period by 88 cents, to a weighted average advertised price of \$3.87, the second highest weighted average advertised price of 2011. Advertising for organic gallons in 2011 is well below 2010 levels. There were no organic gallon ads this report period. The national weighted average advertised price of organic milk in 8 ounce containers is \$0.70, the lowest national weighted average advertised price of 2011. The national weighted average advertised price for 6 ounce organic yogurt is down 23 cents to 63 cents.

**AUGUST COLD STORAGE (NASS):** On August 31, U.S. cold storage holdings of butter totaled 165.6 million pounds, 11.8% less than a month ago, 6.7% more than August last year, but 36.2% less than August 2009. Natural American cheese holdings total 641.8 million pounds, 0.1% less than a month ago, but 1.3% more than a year ago. Total cheese stocks were 1.1 billion pounds, 2.2% less than last month and basically unchanged from August 2010.

**AUGUST MILK PRODUCTION (NASS):** Milk production in the 23 major States during August totaled 15.3 billion pounds, up 2.2% from August 2010. July revised production at 15.4 billion pounds, was up 0.5% from July 2010. The July revision represented a decrease of 45 million pounds or 0.3% from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,810 pounds for August, 18 pounds above August 2010. The number of milk cows on farms in the 23 major States was 8.47 million head, 102,000 head more than August 2010 and 3,000 head more than July 2011.

**INTERNATIONAL UPDATE (DMN):** The September 20 g/DT session #52 results showed mixed average prices for all contracting periods and products. For this auction and for all subsequent auctions, an additional contracting period was added. The new contracting period will be the month following the auction with the balance of contracts unchanged. Now there will be 4 contracting periods: 1 month, 2 months, 3 - 5 months, and 6 - 8 months following any given auction. During this auction, there was no activity in the new Contract #1 (October) with Contract #2 (November) prices and changes from the previous session being: anhydrous milk fat, \$3,737/MT, -13.1%; buttermilk powder, \$2,935, +1.4%; skim milk powder, \$3,173/MT, -5.6%; whole milk powder, \$3,289, +1.7%; milk protein concentrate \$6,920/MT +10.9%; rennet casein \$8,733/MT -7.4%; and cheese \$4,019/MT, +1.0%.

**FMMO MARKETING AND UTILIZATION SUMMARY (FMMO):** During August, more than 10.7 billion pounds of milk were received from producers. This volume of milk is 2.9% higher than the August 2010 volume. In August 2010 and August 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.7 billion pounds of producer milk were used in Class I products, 1.2% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2011 as compared to 2010. The all-market average Class utilization percentages were: Class I = 34%, Class II = 14%, Class III = 43% and Class IV = 9%. The weighted average statistical uniform price was \$22.64 per cwt., \$0.45 higher than last month and \$5.72 higher than last year.

**FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS):** Under the Federal milk order pricing system, the Class I price for October 2011 is \$19.56. This price is derived from the Class IV skim milk pricing factor of \$12.28 and the advanced butterfat pricing factor of \$2.2014. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. The advanced Class III skim milk pricing factor is \$11.52. Thus, the Class II skim milk price for October is \$12.98. The two-week product price averages for October are: butter \$1.9893, nonfat dry milk \$1.5461, cheese \$1.8347, and dry whey \$0.5900.

**CME GROUP**

MONDAY, SEPTEMBER 19, 2011

CHEESE -- SALES: 4 CARS BARRELS: 2 @ \$1.7000, 1 @ \$1.6800, 1 @ \$1.6775; 4 CARS 40# BLOCKS: 1 @ \$1.7700, 1 @ \$1.7600, 1 @ \$1.7500, 1 @ \$1.7400; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.6700; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.8750

TUESDAY, SEPTEMBER 20, 2011

CHEESE -- SALES: 6 CARS BARRELS @ \$1.6500; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6500; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7200  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8450; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 21, 2011

CHEESE -- SALES: 4 CARS BARRELS @ \$1.6500; 8 CARS 40# BLOCKS: 1 @ \$1.7100, 2 @ \$1.7025, 5 @ \$1.7125; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.6550; 1 CAR 40# BLOCKS @ \$1.7050; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6700; 1 CAR 40# BLOCKS @ \$1.7150  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.8000; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7800; LAST OFFER UNCOVERED: NONE

THURSDAY, SEPTEMBER 22, 2011

CHEESE -- SALES: 6 CARS BARRELS: 2 @ \$1.6800, 1 @ \$1.6900, 3 @ \$1.7000; 7 CARS 40# BLOCKS: 2 @ \$1.7125, 1 @ \$1.7150, 1 @ \$1.7175, 1 @ \$1.7200, 1 @ \$1.7225, 1 @ \$1.7250; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7000; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7275  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR EXTRA GRADE @ \$1.5800  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7850

FRIDAY, SEPTEMBER 23, 2011

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.7100, 1 @ \$1.7075; 6 CARS 40# BLOCKS: 2 @ \$1.7250, 4 @ \$1.7300; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7000; LAST OFFER UNCOVERED: 2 CARS 40# BLOCKS @ \$1.7275  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7700; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS**

**NORTHEAST**

Early week downward CME Group butter price movement was cited as a factor giving pause to some potential butter and cream buyers, as they evaluate market factors. Tuesday's \$1.8450 close was down 5 3/4 cents from Friday's close. While some plants report a bit more milk tightness than last week, buyers were confident enough in overall cream availability that they readily "shopped around" until often finding sellers at prices lower in the overall price range. More often than not, the perception was that the supply/demand balance was slightly tipped toward cream supply rather than demand, in driving the market. Early in the week, the range was 122-135 at the extremes, with sales moving toward lower range multiples. A seller referenced "struggling" to get 130. There is an increase in cream cheese manufacturing by some plants. Ice cream plants took some spot cream following focused price shopping yielding transactions at lower multiples.

**CENTRAL**

The CME cash butter price continues to decline and settled at \$1.8000 at midweek, 10 1/4 cents lower than midweek last week. The current cash price is the lowest since January 6 with 2011 beginning at \$1.6900 per pound. Churning schedules in the Central region are seasonally active, but often not at desired levels. Cream supplies are readily available, but many butter producers are very cautious with their additional cream purchases. Butter producers are taking contracted volumes, but are hesitant to take on additional volumes, especially as butter prices drop at the rate of recent declines. Butter stocks often remain lighter than desired and recent cash butter price declines have encouraged some producers to enhance churning to build inventory. Others are still holding off with enhanced churning and inventory building. Butter orders for upcoming yearend needs continue to build. Current retail orders are stronger as butter prices decline and occasional feature activity is being scheduled. Bulk butter prices range from 2 - 4 cents over various pricing bases and averages per pound.

**WEST**

Butter trading on the CME Group for Wednesday closed \$.0450 lower at \$1.8000. Settlement prices have been lower each day this week. Prices are \$.1025 lower than Friday's close. Wednesday's price is the lowest since the first week of January. Sales have been light with only two loads trading for the week. The market tone for butter has reversed from tight supplies and higher prices, to prices retreating and production increases. There are currently ample supplies of cream with only moderate demand before most holiday production begins. Butter churns are busy and inventories are increasing. Butter sales for most end users are following expected contract orders with little demand for additional supplies. Some manufacturers are offering discounts for bulk sales. Prices for bulk butter range from even to ten cents under the market, based on the CME with various time frames and averages used. According to the FAS, quota imports of butter for January-August 2011 total 5.0 million pounds, 21.2% more than the same period in 2010. Imports for 2011 account for 32.3% of the total quota for 2011. Imports of High-Tier butter (above quota and with a penalty) are 0.6 million pounds, 171.2% above last year's amount in the same time period.

U.S. Butter Imports (USDA-FAS)			
	2011 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly
Aug. Quota Imports	0.47	- 21.7	3.0
Quota Jan. - August			
High Tier	.65	+171.2	N.A.
Quota Imports	4.97	+ 21.2	32.3

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

<u>WEEK ENDING</u>	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
September 17	1,8159 9,224,658	1,7815 9,207,314	1,5364 18,171,288	1,9393 4,396,890	0,5908 8,143,601

## CHEESE MARKETS

## NORTHEAST

Most prices were adjusted fractionally lower. Demand is increasing seasonally for mozzarella as pizza demand typically improves in fall. Lower cream/butter prices and increased cream offerings are available for the usually stronger fall cream cheese production season. Some of the hardest hit storm areas are still returning to normal though some transportation delays remain. Schools are back in session, impacting the milk volume available for manufacturing. August milk production estimates in most selected Eastern states were below August 2010: New York -0.5%, Pennsylvania -2.1%, Vermont -1.4%, Virginia -0.7%, though Florida +9.9%.

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

Cheddar 40# Block	:	2.1000-2.3750
Process 5# Sliced	:	1.8350-2.1450
Muenster	:	2.1200-2.3250
Grade A Swiss Cuts 10 - 14#	:	3.9000-4.2225

## MIDWEST

The cheese market is unsettled to weak. Continued strong milk and cheese output in the West and Southwest offsets seasonal declines in traditional Upper Midwest plants. Some plants continue to short or delay orders due to lack of milk. Some also may be slowed by larger orders to build fall inventory at lower market prices. Deliveries of muenster and some hard Italian varieties may be delayed. For some packagers, orders have improved with the lower prices but generally less so from monthly average price buyers. Overtime is still minimal at best. Process is steady to occasionally stronger, boosted by lower prices. Aged cheddar interest is steady to slightly improved. Milk intakes are steady to slightly higher seasonally in the Upper Midwest though school milk supplies are reducing the volume actually making it to the cheese vat. Milk components are steady to just slightly higher, increasing yields.

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

Process American 5# Loaf	:	2.0850-2.4800
Brick And/Or Muenster 5#	:	2.2950-2.6000
Cheddar 40# Block	:	2.2925-2.8650
Monterey Jack 10#	:	2.2550-2.8650
Blue 5#	:	2.5475-3.2700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.1275-2.9650
Grade A Swiss Cuts 6 - 9#	:	3.1900-3.3300

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

	BUTTER	:	CHEESE
	:	:	:
09/19/11	7,530	:	137,961
09/01/11	7,138	:	139,664
CHANGE	392	:	-1,703
% CHANGE	5	:	-1

## U.S. Cheese Imports (USDA-FAS)

	2011 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Aug. Quota Imports	13.0	- 36.5	-
Jan. - Aug.			
High Tier	16.0	+ 4.0	N.A.
Quota Imports	102.2	+ 2.7	34.2

## WEST

Trading was mixed at the CME Group on Wednesday. Barrels closed \$.0050 higher at \$1.6550. Blocks were \$.0075 lower at \$1.7125. Barrels reversed two days of lower sales, while blocks continued lower each day this week. Overall the market is \$.0650 lower for barrels and blocks at midweek. Sales have been active with fourteen loads of barrels and twelve loads of blocks changing hands. Western cheese prices are under pressure as cash markets in Chicago continue to move lower. Production schedules in the West are steady with ample supplies of milk for current needs. Contract orders are clearing the bulk of production. Demand for spot cheese is lower while buyers try to guess where the market will stabilize. Export interest is better as prices become more in line with world markets. Stocks are adequate for immediate needs. According to FAS, quota imports of cheese for January-August 2011 total 102.2 million pounds, up 2.7% from a year ago. The imports stand at 34.2% of the annual quota. Imports of High-Tier cheese (above quota and with a penalty) for the same period are estimated to total 16.0 million pounds, compared to 15.4 million pounds imported for January-August of 2010. Imports of quota Swiss cheese for January-August 2011 total 29.5 million pounds, up 3.5% from last year. The two main countries for the Swiss imports are Norway and Finland, and they account for 18.7 million pounds or 63.3% of the year's total import of Swiss.

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

Process 5# Loaf	:	1.8500-2.1075
Cheddar 40# Block	:	1.9125-2.2650
Cheddar 10# Cuts	:	2.0925-2.3125
Monterey Jack 10#	:	2.1025-2.2625
Grade A Swiss Cuts 6 - 9#	:	3.4775-3.9075

## FOREIGN

Some fractional adjustments are noted on domestic product. Seasonal improvement is noted in aged hard Italian types to prepare for colder weather when demand and use usually improve consumption. August cheese imports (subject to quota) totaled 13.0 million pounds, down 7.5 million pounds (-36.5%) from August 2010. Cumulative 2011 imports total 102.2 million pounds, 2.7 million pounds (2.7%) above 2010. High Tier cheese imports thus far in 2011 total 16.0 million pounds up 607,500 pounds (4%) from 2010 with the largest poundage increase in Italian type varieties.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.0400	: 2.2400-3.7275*
Gorgonzola	: 3.6900-6.3900	: 2.7425-3.0025*
Parmesan (Italy)	: -0-	: 3.3625-3.7725*
Provolone (Italy)	: 3.4400-6.3900	: 2.2825-2.4400*
Romano (Cows Milk)	: -0-	: 3.4300-5.5725*
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-	: 3.9925-4.3150
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	38	0	0	0	0	0
SOUTHEAST STATES	0	0	0	0	16	0

From the Northeast to the Southeast, while there is milk to meet fluid demand and most constant year around manufacturing orders, less milk is flowing into balancing plants and little activity is occurring in surplus plants. A comment was that plants are "getting enough milk to survive", but little more. New England plants report no significant growth in regional milk production but increasing demand for regional manufacturing, particularly yogurt, generated by steady sales growth. This has been a constant trend for regional yogurt manufacturing. Plants are drying NDM almost entirely to fill existing contracts, due to the milk supply/demand situation. Some plants also report very tight condensed skim availability, prompting potential buyers to look around for alternate sources. Regional spot market condensed skim availability is tight. In the Southeast, some trucking tightness has resulted in creative scheduling to maintain adequate milk supplies for bottling. In this region with some surplus plants available to handle heavy supplies, most are not presently needed for this week's milk. Florida is hot and farm milk production is down. This resulted in imports of 38 tankers this week, compared with none last week, or this time last year. Cream markets are weaker following an early week decline of butter prices. Multiples remain similar to last week, with a range of 122-135, with an increased percentage of transactions moving lower within the range. August milk production in the 23 surveyed states increased 2.2% to reach 15.3 million pounds. Changes in milk production in Eastern states is as follows: Florida is up 9.9%, New York declined 0.5%, Pennsylvania declined 2.1%, Vermont was off 1.4%, and Virginia declined 0.7%. Cow numbers for these states were mixed and the survey numbers are as follows: Florida up 5,000 head; New York down 1,000; Pennsylvania down 2,000; Vermont down 3,000; and Virginia up 1,000. In contrast, the survey for the 23 states was up 1.2% or 102,000 head. Production per cow was also mixed in the East with three states higher and two lower. The percentage changes are as follows: Florida up 4.9%; New York down 0.3%; Pennsylvania down 1.8%; Vermont up 0.6%; and Virginia up 1.7%.

## 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 -	2.3234-2.5710
F.O.B. producing plants: Upper Midwest -	2.2140-2.3806

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.63 - 1.68
Northeast - Class III - spot prices -	1.72 - 1.77

## MIDWEST

Class I interest is generally at good "school open" levels with the usual mixture of retail feature activity to stimulate sales. Class II product interest (outside of ice cream) is steady to occasionally improved. Ice cream demand continues at generally lighter levels. Churning remains active as larger cream volumes are generated from standardized cream as butterfat test recovers seasonally. Increased churning and fewer market options for cream have caused weakness in butter prices and therefore cream prices. Manufacturing milk interest is generally lighter as some cheese makers are less interested in filling orders at expected

September Class III prices with a premium attached. Reported spot milk prices are steady to often fractionally lower as a result. The fall harvest is well underway on corn silage though corn and soybeans still need to dry before combining. Estimated August milk production in selected Midwestern states compared with August 2010 as follows: Wisconsin, 2.206 billion pounds, +27 million pounds (1.2%); Texas, 781 million pounds, +78 million pounds (11.1%); Michigan, 719 million pounds, +17 million pounds (2.4%); Minnesota, 716 million pounds, -34 million pounds (-4.5%); Ohio, 423 million pounds, -12 million pounds (-2.8%); and Iowa, 350 million pounds, -2 million pounds (-0.6%). In these selected states, cow numbers were only lower in Ohio and Iowa.

## WEST

Milk production across the major producing regions of CALIFORNIA is holding mostly steady to slightly higher than in recent weeks. Conditions have been neutral to more favorable for the milking herds across the state. Costs of production are the major concern as input costs remain high and counter otherwise high milk prices. Producers are also aware of declining finished product prices and are calculating upcoming milk prices that will squeeze profitability. Plant schedules are active to handle the milk supply. There are some plants taking some maintenance downtime, but there are no major issues being disclosed. ARIZONA milk production is trending higher on a week-to-week basis. Weather conditions have been ideal for cow comfort and allowed for producers to reestablish positive milk gains. Processing plants are running on longer schedules. Class I interest is fair to good and entrenched into a pattern. NEW MEXICO milk output is mostly steady to occasionally higher. Farm conditions are generally favorable for milk cows. Milk supplies in the state are moderate to heavy and often above projections for this time of year. Shipments of milk to other regions are slow to develop. Plants are running on longer schedules to balance the milk supplies. Additional dairy products are also subsequently available because of extra milk. CREAM markets remain weak. Buyer interest continues to be light and surplus cream volumes move towards the churn. Higher class, cream based items are not actively being made now. Those producers are often waiting for the lower butter prices to work through the system before ramping up seasonal output. At the CME, the butter price was \$1.8000 on Wednesday, September 21, down 10.25 cents from a week earlier. The sharp drops in the daily pricing and falling averages, the basing points used for cream sales, are also being negotiated with buyers wanting the lowest basing point. Cream multiples are trading in a wide range of 108 -123, and vary based on class usage and basing point. Milk production in the PACIFIC NORTHWEST is following expected volumes. Manufacturing capacity in the region is adequate to process the additional volumes. Dairy farmers are finishing hay harvest and looking to chop corn silage for winter feed. Harvest pressure in the Midwest is moderating grain prices and some opportunities to purchase feed grains at lower prices are being researched. According to the Federal Milk Marketing Office, milk pooled on the Pacific Northwest Order 124 totaled 664.4 million pounds in August 2011; approximately 627 producers delivered milk to the market. The average daily delivery per producer was 34,184 pounds. Class I utilization was 184.4 million pounds and accounted for 27.8 percent of producer milk. The producer price differential (PPD) for the Pacific Northwest Order was a negative \$0.01 per cwt., resulting in a statistical uniform price of \$21.66 per cwt. The statistical uniform price for the Pacific Northwest Order was \$0.32 above last month, and \$5.50 above the same month last year, an increase of 34.0 percent. Milk production in UTAH and IDAHO is

CONTINUED ON PAGE 4A

## FLUID MILK AND CREAM

## CONTINUED FROM PAGE 4

above year ago levels, yet well within the areas manufacturing capacities. Fall weather has arrived with cooler temperatures and comfortable conditions for dairy cows. Early harvest of corn silage has begun. Dairy farmers are looking at feed supplies and determining feed needs for the upcoming winter. According to NASS, August *Milk Production* for the 23 surveyed states totals 15.3 billion pounds, up 2.2% from last year. Monthly milk production per cow for the 23 surveyed states was 18 pounds (+1.0%) more than August 2010. August milk production changes from a year ago for selected Western states are as follows: Arizona +6.3%, California +2.9%, Colorado +6.2%; Idaho +3.9%, New Mexico +4.9%, Oregon +3.8%, Utah +2.6%, and Washington +6.7%. Compared to August 2010, the Arizona herd is up 7,000 head, California +24,000, Colorado +9,000; Idaho +11,000, New Mexico +12,000, Oregon +2,000, Utah +3,000, and Washington +13,000. These 8 states are up 81,000 cows and the 23 surveyed states are up 102,000. August cow numbers in these 8 states were 4,000 more than last month.

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** The NDM market is quiet. Few buyers are venturing into the market as some still expect price weakness may occur. Drying remains seasonally active in the region. Skim prices were lower on this week's gDT auction which some buyers watch as a prelude to what may occur to U.S. prices.

**EAST:** Nonfat dry milk low heat prices advanced on the range while high heat NDM prices declined at the bottom of the range. Production of nonfat dry milk was generally limited to contract fulfillment. Milk supply tightness left plants with little inclination to dry, especially because demand for available condensed skim was high. NDM manufactured in the West was being sold in the East at favorable prices, even with transportation costs.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4600 - 1.6375 MOSTLY: 1.4800 - 1.6100  
 HIGH HEAT: 1.5900 - 1.7000

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices are mostly unchanged this week and continue to reflect a weak market undertone. Pricing based on indices are fluctuating and are often reflected near the top end of both the range and mostly series. Buying interest is somewhat subdued on the first-sale market. Buyers are taking what their contracts require, yet continue to struggle to move these loads unless there are discounts made. Other producers have to discount further to be competitive with the resale market. More offerings are being shown as producers seek to keep product moving. Sales of skim milk powder continue to be utilized, but those deals are running into more competition and lower priced SMP on the world market. NDM drying remains active and stocks are readily available. Western high heat prices are down slightly on the top end of the range. Buying interest is light to fair with some buyer resistance noted. Producers are making high heat mainly to fill orders with concern over the weakness in the low heat market. Holdings are adequate for all needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.4000 - 1.5875 MOSTLY: 1.4200 - 1.5600  
 HIGH HEAT: 1.5100 - 1.6900

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** The buttermilk market is unsettled to weak with most activity occurring toward the lower half of the price range. Current interest is generally light. Slower condensed sales have caused most churns to increase drying as a result. Churning remains seasonally active as interest from alternative cream users, including ice cream, are limited.

**EAST:** The Eastern dry buttermilk market is characterized as "depressed". Prices are lower at each end of the price range. This is partly driven by a number of sellers from the West Coast offering powder in the East, delivered, at lower prices than some existing Eastern contract prices. Some Eastern brokers have fulfilled contract purchase obligations, only to sell at a loss to continuing Eastern customers being tempted by undercutting prices offered from the West Coast. Inventories continue to expand, which builds downward price pressure.

F.O.B. CENTRAL/EAST: 1.2700 - 1.4800

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are trending slightly lower and the market tone remains weak. Buying interest is limited and lower priced offerings needed to stimulate spot interest. Drying remains active beyond expected levels as a strong stream of buttermilk solids are coming off the heavy paced, butter churns. Stocks remain moderate to heavy.

F.O.B. WEST: 1.2200 - 1.3000 MOSTLY: 1.2500 - 1.2700

**DRY WHOLE MILK - NATIONAL**

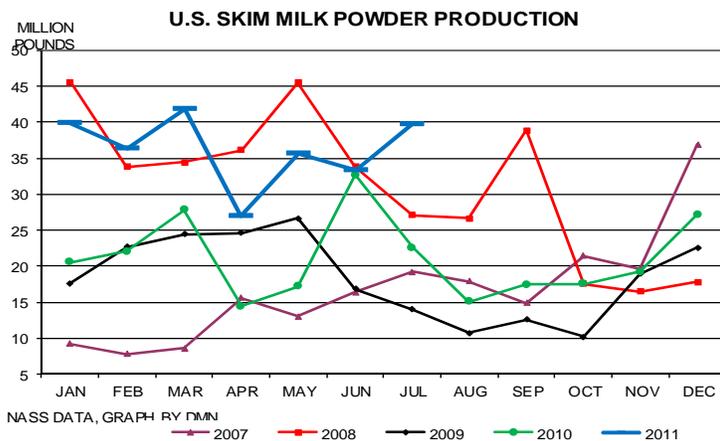
The whole milk market is about steady. Most current production is geared toward covering contracted volumes with spot drying still limited. Recent weakness in most gDT auction prices was not the case for whole milk prices.

F.O.B. PRODUCING PLANT: 1.9200 - 2.0400

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
September 16	\$1.5581	11,947,642	0
September 9	\$1.5619	9,419,892	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.



**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**

Prices for Central dry whey continue to move higher in light trading. The market undertone is firm. Whey production has been uneven and reflecting the cheese production in the region. Demand remains good and is clearing offerings. Most loads are clearing under contract and buying activity in the resale channels remains at higher pricing levels. There are some concerns about what effect the decline in world whey prices will have on future U.S. pricing levels moving into the fall season. Current whey stocks are light to moderate and most often committed for future needs. Central ANIMAL FEED DRY WHEY pricing levels continue to trade in a wide range and reflect a steady to firm market tone. Buying interest is good for the light to moderate trade offerings. Whey drying conditions have been favorable and only normal levels of off grade powders are coming out of the dryers.

F.O.B. CENTRAL: .5600 - .6200 MOSTLY: .5650 - .6100  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4275 - .5800

**DRY WHEY - NORTHEAST**

Dry whey supplies are tight, leading to upward price movement at each end of the range. Supply tightness is not helped by shipment delays in the region. Re-sellers are seeking prices above market, but finding some buyer resistance. Nevertheless, the supply tightness is sufficient to leave a number of re-sellers, not inclined to lower asking prices, to elect to hold-out for buyers who may be more motivated to buy, with some confidence that motivated buyers will appear.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5925 - .6125

**DRY WHEY - WEST**

Western whey prices are mixed. Domestic prices are fractionally higher as contract indices continue steady to firm. Export sale prices are steady to lower. Some cheese plants are increasing production schedules for fall orders. Additional whey supplies are being utilized for contract fulfillment. Concentrated whey protein products continue to absorb much of the additional supply. Supplies of whey continue to be in balance with contract fulfillment. Demand for dry whey is good as buyers begin to procure supplies for the upcoming fall needs. Demand is tempered in some cases due to significantly higher than year ago prices.

NONHYGROSCOPIC: .5600 - .6375 MOSTLY: .6000 - .6325

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Pricing levels for whey protein concentrate 34% are trending lower this week for the range and mostly series. The market undertone remains mixed. Overall, the WPC 34% producer offerings and holdings are on the light side with a few additional loads being shown. The positive aspect to the market is that WPC80 and whey protein isolate pricing and demand are robust. The negative aspect would be that nonfat dry milk prices are weaker. Buyers looking for substitutions and/or lower priced alternatives are finding edible and off spec NDM. Drying schedules for WPC 34% are mostly steady.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.4000 - 1.5700 MOSTLY: 1.4600 - 1.5100

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged for both the range and mostly price series. The market tone remains firm. Fourth quarter contracting prices are being established at higher prices than for the third quarter and those prices will take effect after October 1. Some negotiations are still taking place with some sellers waiting to see the full effect of changes before settling on a price. Demand remains good for any spot offerings. Lactose production is trending along at projected levels with most orders being filled on a timely schedule.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4700 - .7400 MOSTLY: .5500 - .6700

**CASEIN - NATIONAL**

Casein markets and prices are holding unchanged as the third quarter winds down. Buyers and suppliers are indicating that fourth quarter prices are edging lower, but most of fourth quarter needs and commitments have been previously contracted at prices very near current quotations. Many buyers are indicating that 2012 prices will be lower. At the recent g/DT auction event in New Zealand, November contract prices averaged \$8,733 per MT (\$3.96 per pound) FOB New Zealand, with December - February contract prices averaging \$4.04 per pound. The Oceania casein production year is just getting underway and it is too early to project how the season is developing, but manufacturers and handlers are very optimistic about the upcoming season. In Europe, the casein production season is coming to a close. Most operations have shuttered their doors for the year. For the most part, the 2011 casein production season met projections. Casein manufacturers are indicating that production throughout the season was surprisingly stable. Stocks are in good balance with known needs and should be adequate to fulfill contractual commitments.

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: 4.8100 - 5.1400  
ACID: 5.1000 - 5.2600

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

	FOR THE WEEK OF SEPTEMBER 19 – 23, 2011			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 09/16/11	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfat	-0-	-0-	-0-	-0-	132,276	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	132,276	-0-	-0-

**SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009**

**BUTTER** Bulk \$1.05 per pound

**CHEESE** 40# Blocks \$1.13 per pound; 500# Barrels \$1.10

**NONFAT DRY MILK** \$.80 per pound

**U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 09/03/11 & Comparable Week 2010**

Regions* (000 HEAD)											U.S. TOTAL		% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2011-Dairy	N.A.	0.6	8.3	3.4	19.0	3.4	N.A.	N.A.	14.1	2.6	53.5	1,985.9	39.4	44.8
2010-Dairy	N.A.	0.6	7.7	5.2	21.2	3.9	0.2	N.A.	13.9	2.6	57.1	1,903.8	44.1	44.0
2011-All cows	0.0	0.8	10.3	15.7	37.3	28.8	N.A.	N.A.	19.6	3.8	135.7	4,437.7		
2010-All cows	N.A.	0.8	9.7	14.5	36.8	25.5	13.6	N.A.	18.4	6.6	129.5	4,328.6		

**SOURCE:** The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

**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)**

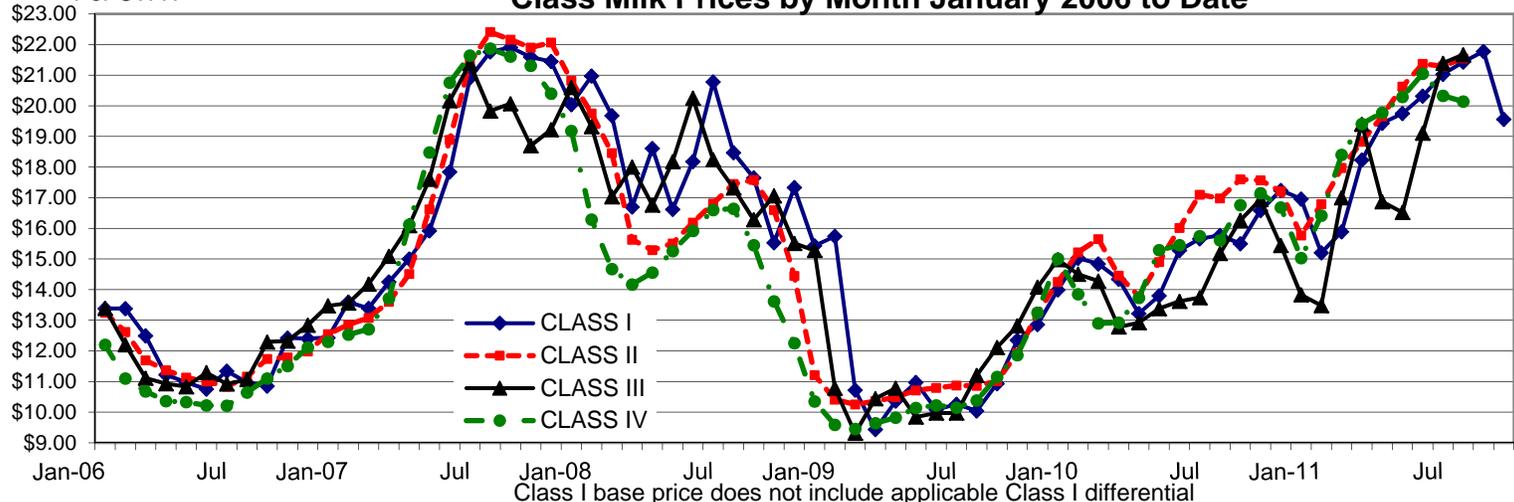
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.20	15.89	18.23	19.43	19.75	20.32	21.03	21.43	21.78	19.56		
II	16.79	17.97	18.83	19.66	20.63	21.37	21.29	21.55				
III	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67				
IV	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14				

1/ Specific order differentials to be added to this base price can be found by going to:

[www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points." \$ Revised

Per CWT.

**Class Milk Prices by Month January 2006 to Date**



ORGANIC DAIRY MARKET NEWS

Information gathered September 10 - September 23, 2011

ORGANIC DAIRY FLUID OVERVIEW

AMS reports Total Organic Milk Products sales for July 2011, 167 million pounds, were up 10.7% from July 2010 sales and up 18.6% January through July 2011 compared with the same first six months of 2010.

Organic Whole Milk sales for July 2011, 41 million pounds, were up 13.7% compared with July 2010 and up 22.2% January through July this year compared with the same period of 2010.

Organic Fat-Reduced Milk sales for July 2011, 126 million pounds, were up 9.8% compared with July 2010 and up 17.5% January through July 2011 compared with the same months of 2010.

This contrasts with a 1.6% July 2011 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

Total Conventional Milk Products, which does not include organic milk, fared even worse by comparison. That category has a 4.5% decline in sales comparing July 2011 with July 2010, and a 2.6% decline January through July 2011, compared with the same period of 2010.

Itemized data compared with prior reporting periods is not yet available for organic categories reduced fat milk, low fat milk, fat-free milk, flavored milk or fat-reduced milk because data analysis recently expanded these categories and data for a full year has not yet accumulated.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS, JULY 2011, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	July Mil. Lbs.	Y-T-D	Prev Yr. Percent	Y-T-D
Whole Milk	1,133	7,934	-5.1	-3.2
Flavored Whole Milk	40	303	-7.7	-4.3
Reduced Fat Milk (2%)	1,494	10,521	-3.4	-2.2
Low Fat Milk (1%)	528	4,038	-2.8	-0.7
Fat-Free Milk (Skim)	616	4,497	-6.0	-3.8
Flavored Fat-Reduced Milk	133	2,148	-8.3	-1.4
Buttermilk	37	271	-5.9	0.3
Tot. Conv. Milk Products	3,983	29,733	-4.5	-2.6
Organic Whole Milk	41	286	13.7	22.2
Organic Reduced Fat Milk	48	334	3/	3/
Organic Low Fat Milk	35	238	3/	3/
Organic Fat-Free Milk (Skim)	37	268	3/	3/
Organic Flavored Milk	6	55	3/	3/
Organic Fat-Reduced Milk 4/	126	897	9.8	17.5
Tot. Organic Milk Products.	167	1,184	10.7	18.6
Tot. Fluid Milk Prod. 5/	4,150	30,917	-4.0	-1.9
Tot Fluid Milk Prod Adj 5/6/	4,195	31,011	-1.6	-1.4

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

ORGANIC DAIRY RETAIL OVERVIEW

NATIONALLY ADVERTISED PRICE COMPARISON:

**Overview.** The 2011 record Summer strength of organic dairy advertising declined as summer ended. Four significant measures of organic dairy advertising all declined this week below levels of the last twelve weeks: total organic dairy ads, total organic milk ads, total organic half gallon milk ads, and total organic yogurt ads.

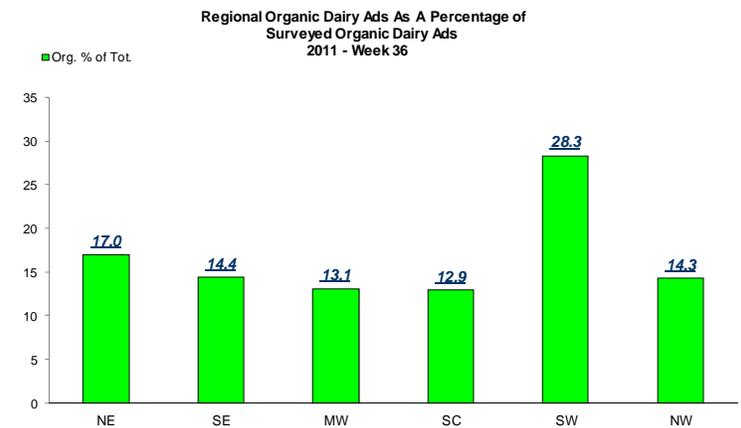
Organic dairy weekly newspaper advertising levels over most of this summer, have led any other period of 2011. This report, total organic dairy weekly

supermarket advertising was just under 30% of total surveyed ads, lower than any time during the summer. For example, this is down from 37.9% two weeks ago and 42.1% four weeks ago.

Organic dairy newspaper advertising for this two week period of 2011 contains a bit over twice as many ads for organic milk as organic yogurt, about the same ratio as two weeks ago.

Information presented is compiled from 9,124 newspaper supermarket ads for the period September 10, 2011, to September 23, 2011, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

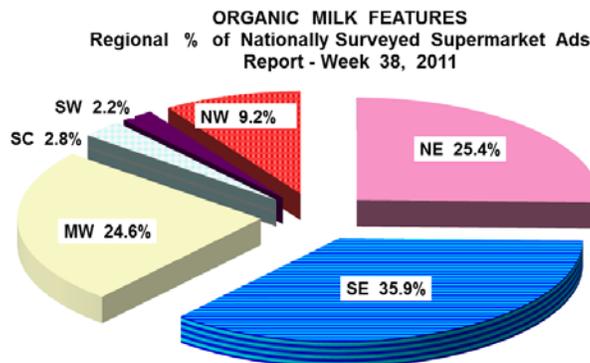
**Regional Organic Dairy Ad Trends – Current Period.** The Southeast and Midwest led the six regions in organic dairy advertising, with 33.5% and 30.0% respectfully, of all organic dairy ads in the survey. Other regional percentages of organic dairy weekly newspaper advertising include the Northeast, 23.5%; Northwest, 8.5%; South Central, 2.6%; and Southwest, 2.0%.



**Product Emphasis.** Organic milk ad numbers were relatively even between ads for organic half gallons and 8 ounce organic milk, also similar with two weeks ago.

Ads for organic gallons were absent for the second consecutive two week period. Almost all organic yogurt ads were for 6 ounce containers.

**Organic Milk.** Organic milk ads appeared in all of the six regions. Regional percentages included the Southeast, 35.9%; Northwest, 25.4%; Midwest, 24.6%; Northwest, 9.2%; South Central, 2.8%; and Southwest, 2.2%.

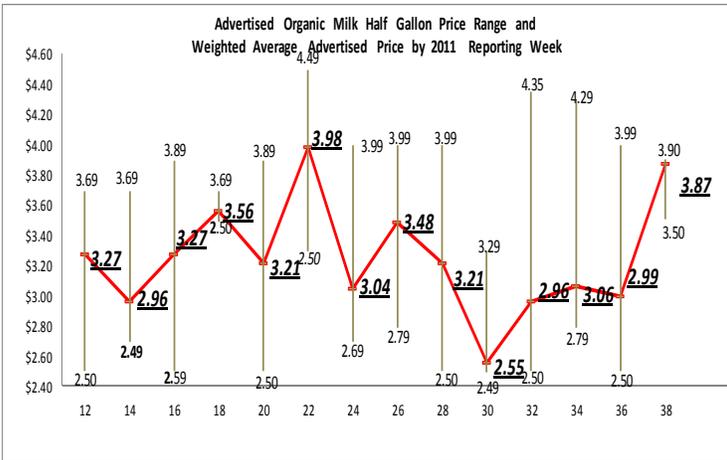


**Organic Half Gallons.** Advertised pricing for organic milk half gallons increased this period by 88 cents, to a weighted average advertised price of \$3.87, the second highest weighted average advertised price of 2011. The highest weighted average advertised price occurred just prior to the surge in organic advertising levels spanning the summer, previously referenced. The price range narrowed, primarily at the bottom of the range which increased by \$1.00 to \$3.50, with the top declining 9 cents to \$3.90. The low range price of \$3.50 occurred only in the Southeast.

ORGANIC DAIRY MARKET NEWS

Information gathered September 10 - September 23, 2011

CONTINUED FROM PAGE 8

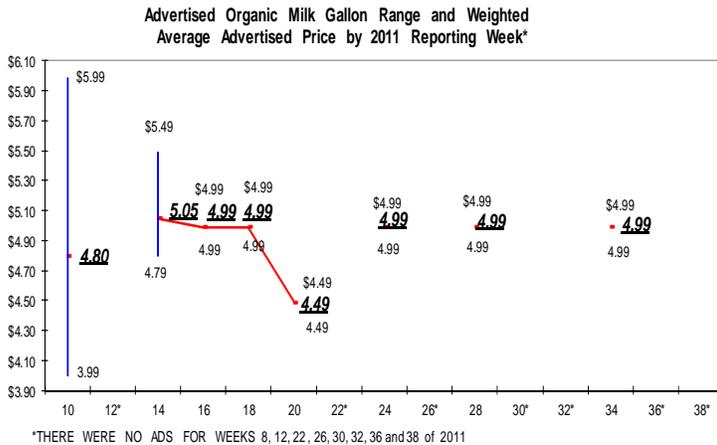


The following table shows the percentage of half gallon organic milk ads by region and the regional weighted average advertised price.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	39.4	3.69
MW	24.7	3.99
SC	05.3	3.99
SW	05.9	3.99
NW	24.8	3.99
US		3.87

**Gallons.** Advertising for organic gallons in 2011 is well below 2010 levels. There were no organic gallon ads this report period, the same as two weeks ago.



\*THERE WERE NO ADS FOR WEEKS 8, 12, 22, 26, 30, 32, 36 and 38 of 2011

**8 Ounce Organic Milk.** Ad numbers for organic milk in 8 ounce containers were slightly over half the level of two weeks ago. The national weighted average advertised price is \$0.70, the lowest national weighted average advertised price of 2011. A large number of ads featuring a 63 cent price, run in the Southeast and Midwest, contributed to this low national weighted average advertised price. All ads were for a national brand.

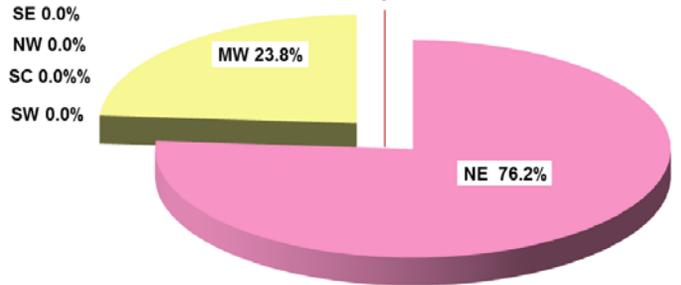
The following table shows the percentage of 8 ounce container organic milk ads by region and the regional weighted average advertised price.

EIGHT OUNCE CONTAINER ORGANIC MILK ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	56.7	0.69
MW	41.1	0.72
SC	02.2	0.67
SW	00.0	----
NW	00.0	----
US		0.70

**Organic Yogurt.** Organic yogurt ads ran in only two regions this report period, the Northeast with 76.2% of ads, and the Midwest, with 23.8%.

ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 38, 2011

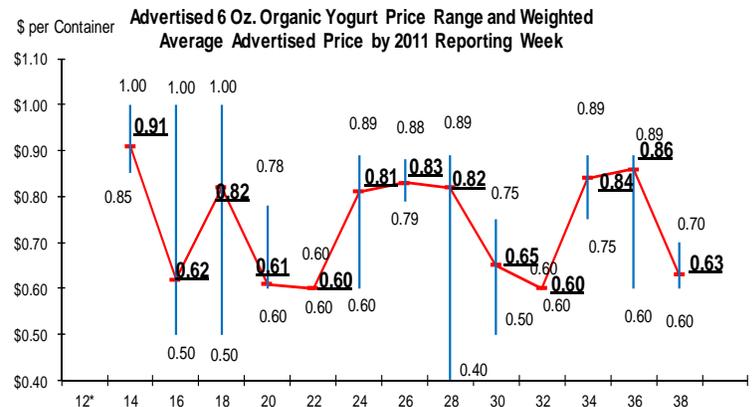


Ads for 6 ounce containers of organic yogurt comprised about 95% of organic yogurt ads.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	74.9	0.60
SE	00.0	----
MW	25.1	0.70
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.63

The national weighted average advertised price for 6 ounce organic yogurt is down 23 cents to 63 cents. The range is 10 cents, from 60 cents to 70 cents.



\*THERE WERE NO ADS FOR WEEK 12, 2011

ORGANIC DAIRY MARKET NEWS

Information gathered September 10 - September 23, 2011

CONTINUED FROM PAGE 8-A

There were no ads for 5.3 ounce Greek yogurt, the first such advertising absence since March, 2011.

Weekly supermarket ads in the Northeast contained 36 ads for organic yogurt smoothies in 10 ounce containers priced at \$1.25.

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

**SUPERMARKET PRICE COMPARISON:**

**Madison, Wisconsin Organic Dairy 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 cheese makers.

A table summarizing the survey results follows:

**ORGANIC MILK, YOGURT, CHEESE & BUTTER PRICE RANGE  
2011 REPORTING WEEK 38**

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

**GALLONS:**

Whole	5.45	6.39	0.94
Reduced Fat (2%)	5.45	6.39	0.94
Low Fat (1%)	5.45	6.39	0.94
Nonfat (Skim)	5.45	6.39	0.94

**HALF GALLONS:**

Whole	3.14	4.19	1.05
Reduced Fat (2%)	3.14	4.19	1.05
Low Fat (1%)	3.14	4.19	1.05
Nonfat (Skim)	3.14	4.19	1.05

**CHOCOLATE HALF GALLON:**

	3.49	5.69	2.20
--	------	------	------

**YOGURT**

	.79	1.29	0.50
--	-----	------	------

**CHEESE – 8 OUNCE BLOCKS:**

Mozzarella	3.59	5.75	2.16
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	3.79	5.99	2.20
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**

	4.25	6.19	1.94
--	------	------	------

\*=Price change from prior reporting period

For this reporting period, no changes occurred in the price ranges, even though prices changed within some of the ranges.

**ORGANIC GRAIN AND FEEDSTUFF MARKETS:**

National organic grain and feedstuffs prices were steady to firm, with corn moving at firmer prices on light to moderate market activity. Soybeans prices trended generally steady on a light test. Offerings of feed grade grains were light, with light to moderate demand. Much needed rain covered most of the cornbelt over the weekend. Concerns regarding the quality and quantity of this years' crop continues to be a focus of the industry.

Eastern organic grain and feedstuffs prices were mixed on light volumes traded. Feed grade corn was weak to lower on limited trading. Feed grade soybeans moved at generally steady prices in narrow trading. Demand for corn and soybeans was light to moderate, with light to moderate supplies and offerings. Concerns regarding the upcoming harvest continue to be reported, especially the quality and quantity that will be available once harvest gets underway.

Upper Midwest organic grain and feedstuffs were firm with light supplies of grain offered in Upper Midwest states. Demand was light to moderate. A firmer undertone was noted this week despite weaker trending futures and conventional grain markets. Trade participants continue to wait for new crop harvest to begin, so they can assess the quality and quantity before making any major purchases.

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

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JULY 31, 2009	JULY 31, 2010	REVISED JULY 31, 2011	AUG 31, 2009	AUG 31, 2010	AUG 31, 2011
Butter	262,782	193,506	187,796	259,578	155,253	165,623
Cheese, Natural American	605,022	639,525	647,105	598,710	633,573	641,791
Cheese, Swiss	23,270	27,702	34,168	23,414	28,379	33,584
Cheese, Other Natural	371,879	402,900	401,925	375,496	397,005	383,772
Total Cheese	1,000,171	1,070,127	1,083,198	997,620	1,058,957	1,059,147

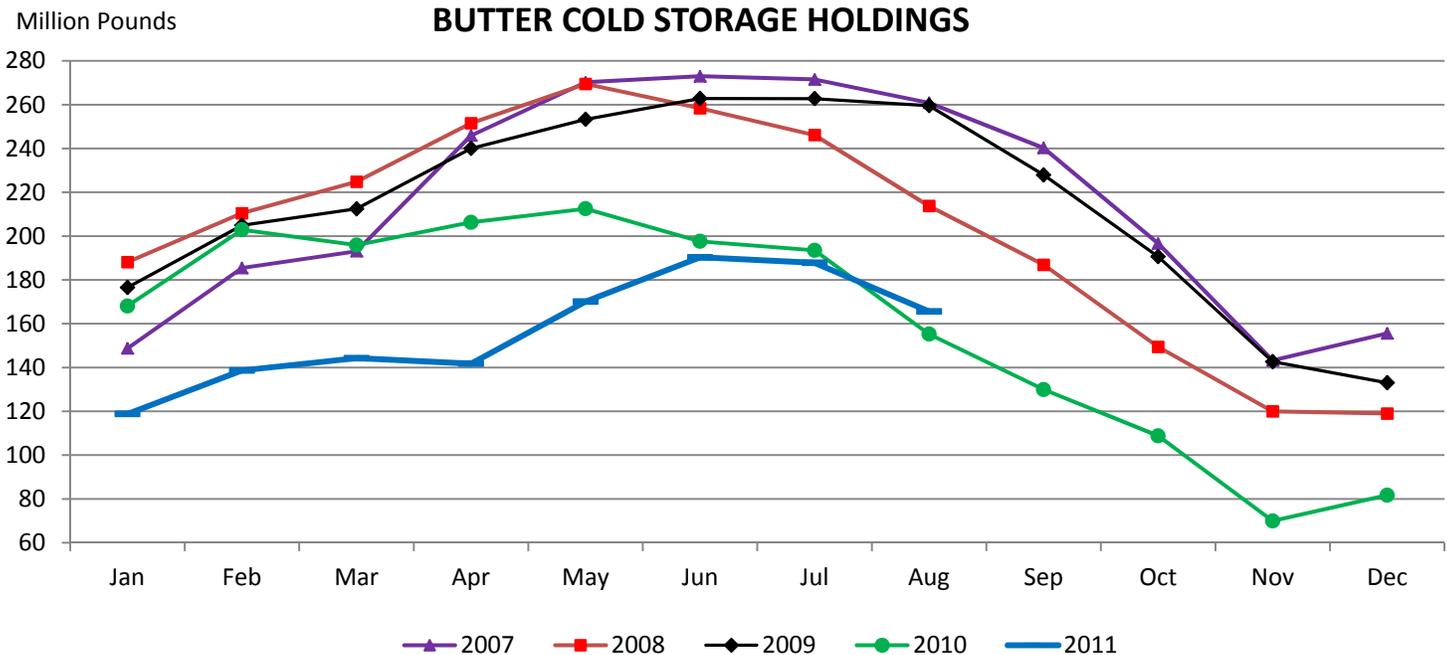
  

U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
COMMODITY	2009	2010	2011	2009	2010	2011
Butter	#	#	#	#	#	#
Natural American Cheese	#	#	#	#	#	#

#Beginning with the February 22, 2008, Cold Storage release, NASS discontinued published estimates for government owned butter and cheese due to data quality.

AUGUST STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
New England	39,328	38,878	39,959	---	---	---	529	584	844
Middle Atlantic	45,268	50,624	52,218	---	---	---	23,533	21,708	24,706
East North Central	257,895	273,206	268,081	---	---	---	236,487	272,188	266,773
West North Central	94,788	93,325	109,898	---	---	---	75,484	65,902	53,006
South Atlantic	8,023	3,680	57	---	---	---	65	4,784	6,416
East South Central	2,026	2,651	1,559	---	---	---	3,088	77	256
West South Central	2,489	1,715	3,392	---	---	---	1,837	1,325	1,280
Mountain	52,029	56,993	61,259	---	---	---	5,987	7,463	6,136
Pacific	96,864	112,501	105,368	---	---	---	28,486	22,974	24,355
TOTAL	598,710	633,573	641,791	259,578	155,253	165,623	375,496	397,005	383,772

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2010 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total <u>1/</u>		Commercial		Government	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Million Pounds		Million Pounds		Million Pounds					
January	119	168	638	588	98	274	98	140	0	134
February	139	203	620	599	124	201	100	154	0	47
March	144	196	611	602	124	176	124	150	0	26
April	142	206	621	610	150	153	150	145	0	8
May	170	212	622	615	166	155	166	149	0	6
June	190	198	618	627	190	179	190	177	0	2
July	188	194	647	640	193	201	193	197	0	4
August	166	155	642	634		166		164		2
September		130		637		141		139		2
October		109		639		123		123		<u>2/</u>
November		70		625		128		128		<u>2/</u>
December		82		631		145		145		0

1/ Includes instant nonfat dry milk. 2/ Less than 500,000 pounds.

**Source:** U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, July 2011*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, September 2011*.

## AUGUST MILK PRODUCTION

Milk production in the 23 major States during August totaled 15.3 billion pounds, up 2.2 percent from August 2010. July revised production at 15.4 billion pounds, was up 0.5 percent from July 2010. The July revision represented a decrease of 45 million pounds or 0.3 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,810 pounds for August, 18 pounds above August 2010.

The number of milk cows on farms in the 23 major States was 8.47 million head, 102,000 head more than August 2010, and 3,000 head more than July 2011.

## AUGUST 2011 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2010	2011	2010	2011	2010	2011	% CHANGE FROM 2010
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	180	187	1,765	1,810	318	338	6.3
CA	1,753	1,777	1,940	1,970	3,401	3,501	2.9
CO	120	129	2,025	2,000	243	258	6.2
FL	114	119	1,335	1,400	152	167	9.9
ID	571	582	2,000	2,040	1,142	1,187	3.9
IL	99	98	1,495	1,540	148	151	2.0
IN	169	171	1,645	1,680	278	287	3.2
IA	207	199	1,700	1,760	352	350	-0.6
KS	120	124	1,725	1,750	207	217	4.8
MI	359	368	1,955	1,955	702	719	2.4
MN	470	471	1,595	1,520	750	716	-4.5
MO	99	96	1,150	1,090	114	105	-7.9
NM	318	330	2,040	2,065	649	681	4.9
NY	611	610	1,790	1,785	1,094	1,089	-0.5
OH	270	266	1,610	1,590	435	423	-2.8
OR	121	123	1,730	1,765	209	217	3.8
PA	541	539	1,670	1,640	903	884	-2.1
TX	415	435	1,695	1,795	703	781	11.1
UT	85	88	1,830	1,820	156	160	2.6
VT	137	134	1,570	1,580	215	212	-1.4
VA	95	96	1,475	1,450	140	139	-0.7
WA	252	265	2,015	2,045	508	542	6.7
WI	1,263	1,264	1,725	1,745	2,179	2,206	1.2
23 STATE TOTAL	8,369	8,471	1,792	1,810	14,998	15,330	2.2

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production, September 2011.*

CORRECTED SEPTEMBER MILK SUPPLY AND DEMAND ESTIMATES

U.S. DAIRY PRICES					
Commodity	2010	2011 Projected		2012 Projected	
		August	September	August	September
<b>DOLLARS PER POUND</b>					
PRODUCT PRICES <u>1/</u>					
CHEESE	1.5226	1.855-1.875	1.825-1.845	1.670-1.770	1.670-1.770
BUTTER	1.7020	1.955-1.995	1.955-1.995	1.615-1.745	1.615-1.745
NONFAT DRY MILK	1.1687	1.500-1.520	1.505-1.525	1.370-1.440	1.375-1.445
DRY WHEY	0.3716	0.480-0.500	0.505-0.525	0.410-0.440	0.415-0.445
<b>DOLLARS PER CWT</b>					
MILK PRICES <u>2/</u>					
CLASS III	14.41	18.40-18.60	18.25-18.45	16.10-17.10	16.10-17.10
CLASS IV	15.09	19.05-19.35	19.05-19.35	16.45-17.55	16.50-17.60
ALL MILK <u>3/</u>	16.29	20.30-20.50	20.15-20.35	17.80-18.80	17.80-18.80
<b>QUARTERLY</b>					
	2011 II	2011 III <u>4/</u>	2011 IV <u>4/</u>	2012 I <u>4/</u>	2012 II <u>4/</u>
<b>BILLION POUNDS</b>					
MILK PRODUCTION	50.4	48.6	48.3	49.8	51.0
<b>DOLLARS PER CWT.</b>					
ALL MILK PRICE <u>2/</u> <u>3/</u>	20.13	21.70-21.90	20.10-20.60	18.35-19.15	17.25-18.25
CLASS III PRICE <u>2/</u>	17.50	20.45-20.65*	18.45-18.95*	16.35-17.15*	15.45-16.45*
CLASS IV PRICE <u>2/</u>	20.37	19.80-20.10*	18.20-18.80*	16.75-17.65*	16.45-17.55*

\*Errata

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

**Source:** U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-498, September 12, 2011.* Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, AUGUST 2011

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for August have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During August, more than 10.7 billion pounds of milk were received from producers. This volume of milk is 2.9 percent higher than the August 2010 volume. In August 2010 and August 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.7 billion pounds of producer milk were used in Class I products, 1.2 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2011 as compared to 2010. The all-market average Class utilization percentages were: Class I = 34%, Class II = 14%, Class III = 43% and Class IV = 9%. The weighted average statistical uniform price was \$22.64 per cwt., \$0.45 higher than last month and \$5.72 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF AUGUST 2011										
FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/ \$ PER CWT.
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			
Northeast (Boston)	001	1,977.6	-3.7	830.6	-0.8	42	27	24	7	23.22
Appalachian (Charlotte)	005	533.3	6.5	378.1	6.4	71	15	7	7	24.03
Florida (Tampa)	006	234.9	0.8	203.7	1.0	87	9	1	3	26.18
Southeast (Atlanta)	007	561.2	2.6	405.3	0.8	72	11	10	7	24.52
Upper Midwest (Chicago)	030 3/	2,880.3	2.5	357.9	0.4	13	5	80	2	21.92
Central (Kansas City)	032 3/	1,164.6	0.9	371.7	-1.4	32	14	39	15	21.97
Mideast (Cleveland)	033	1,412.4	11.7	534.3	1.5	38	20	35	7	22.29
Pacific Northwest (Seattle)	124 3/	664.4	-2.6	184.4	3.3	28	7	35	30	21.66
Southwest (Dallas)	126	953.8	9.9	372.9	1.9	39	8	44	9	23.06
Arizona (Phoenix)	131	351.2	9.3	122.1	4.3	35	10	31	24	22.08
<b>ALL MARKET AVERAGE OR TOTAL</b>	<b>3/</b>	<b>10,733.7</b>	<b>2.9</b>	<b>3,761.0</b>	<b>1.2</b>	<b>34</b>	<b>14</b>	<b>43</b>	<b>9</b>	<b>22.64</b>

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

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 408 million pounds of milk that normally would have been associated with these markets. In August 2010, the estimated not pooled volume of milk was 231 million pounds, occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is -2.1%.

FEDERAL MILK ORDER ADVANCE PRICES, OCTOBER

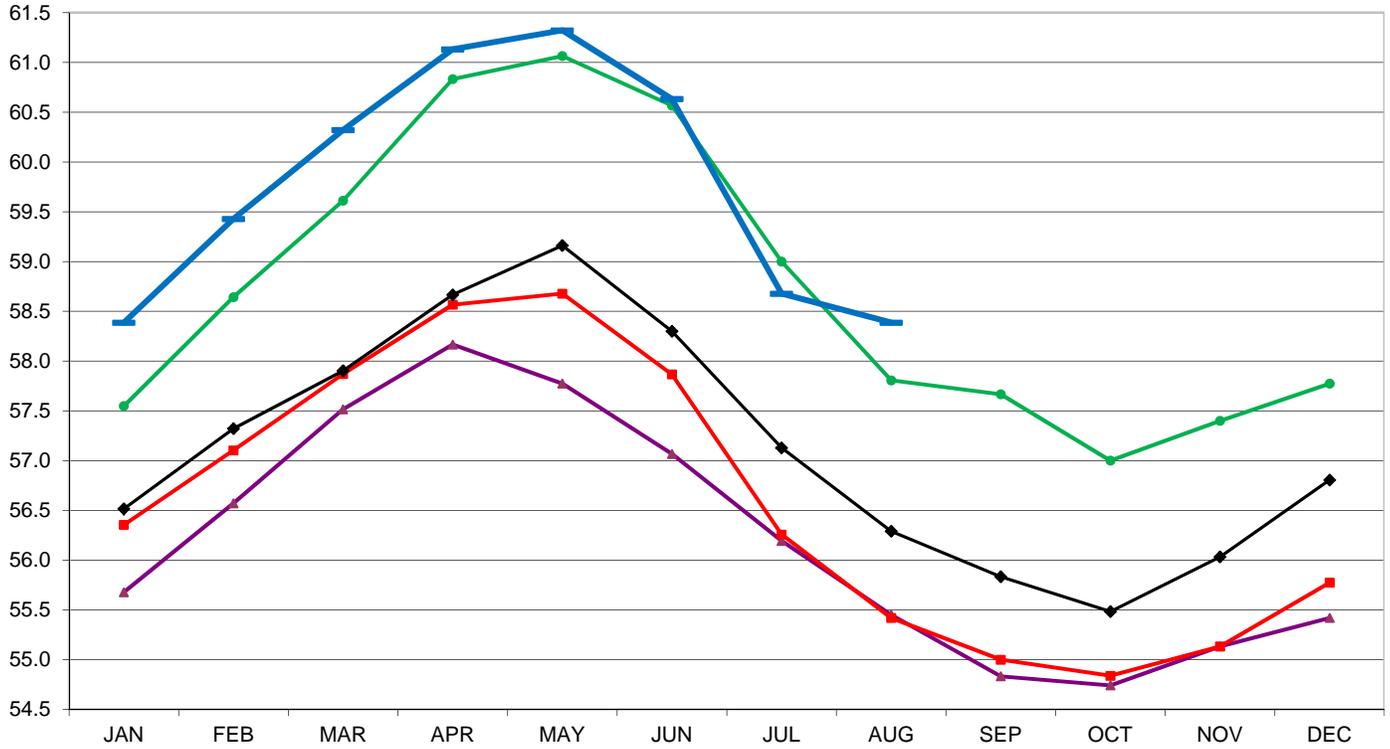
**Class I Base Price.** Under the Federal milk order pricing system, the Class I base price for October 2011 is \$19.56 per cwt. This price is derived from the Class IV skim milk pricing factor of \$12.28 and the advanced butterfat pricing factor of \$2.2014. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** Compared to September 2011, the Class I base price decreased \$2.22 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -\$2.19 per cwt., -\$0.188 per gallon; reduced fat milk (2%), -\$2.07 per cwt., -\$0.178 per gallon; fat-free (skim milk), -\$1.93 per cwt., -\$0.167 per gallon. **Class II Price Information.** The advanced Class IV skim milk pricing factor is \$12.28. Thus, the Class II skim milk price for October is \$12.98 per cwt., and the Class II nonfat solids price is \$1.4422. **Product Price Averages.** The two-week product price averages for October are: butter \$1.9893, nonfat dry milk \$1.5461, cheese \$1.8347, and dry whey \$0.5900.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <sup>1/2/</sup>				
October 2011				
Federal Milk Order Marketing Area <sup>3/</sup>	Order Number	Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <sup>4/</sup>	001	22.81	15.53	2.2339
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	22.96	15.68	2.2354
Southeast (Atlanta) <sup>6/ 7/</sup>	007	23.36	16.08	2.2394
Florida (Tampa) <sup>6/ 8/</sup>	006	24.96	17.68	2.2554
Midwest (Cleveland) <sup>9/</sup>	033	21.56	14.28	2.2214
Upper Midwest (Chicago) <sup>10/</sup>	030	21.36	14.08	2.2194
Central (Kansas City) <sup>11/</sup>	032	21.56	14.28	2.2214
Southwest (Dallas) <sup>12/</sup>	126	22.56	15.28	2.2314
Arizona (Phoenix)	131	21.91	14.63	2.2249
Pacific Northwest (Seattle) <sup>13/</sup>	124	21.46	14.18	2.2204
All-Market Average		22.45	15.17	2.2303

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. <sup>2/</sup> 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. <sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the markets. <sup>4/</sup> 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. <sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10. <sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. <sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40. <sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40. <sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. <sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. <sup>11/</sup> 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. <sup>12/</sup> 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. <sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

Pounds per Day

**23 STATES DAILY AVERAGE MILK OUTPUT PER COW**

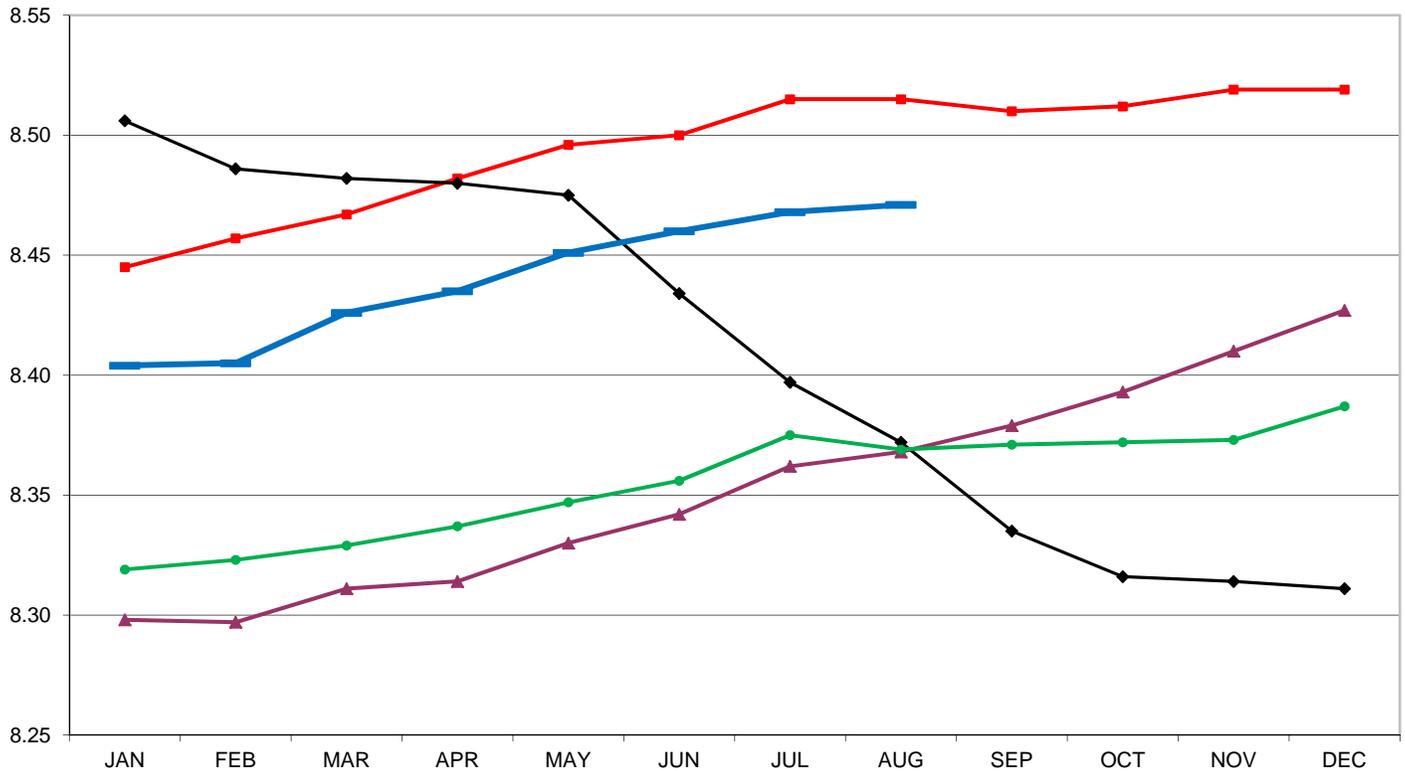


NASS DATA, GRAPH BY DMN

2007 2008 2009 2010 2011

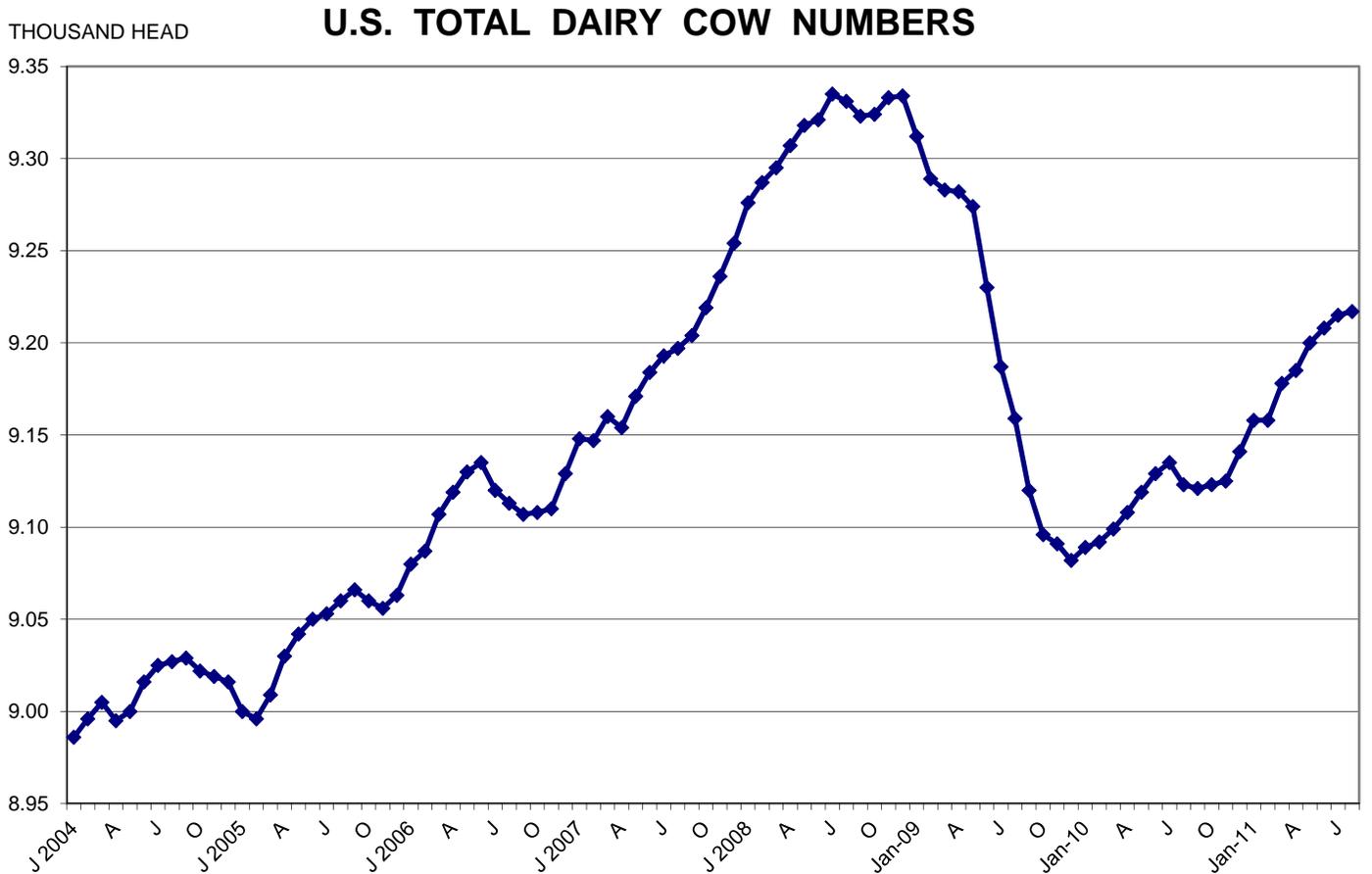
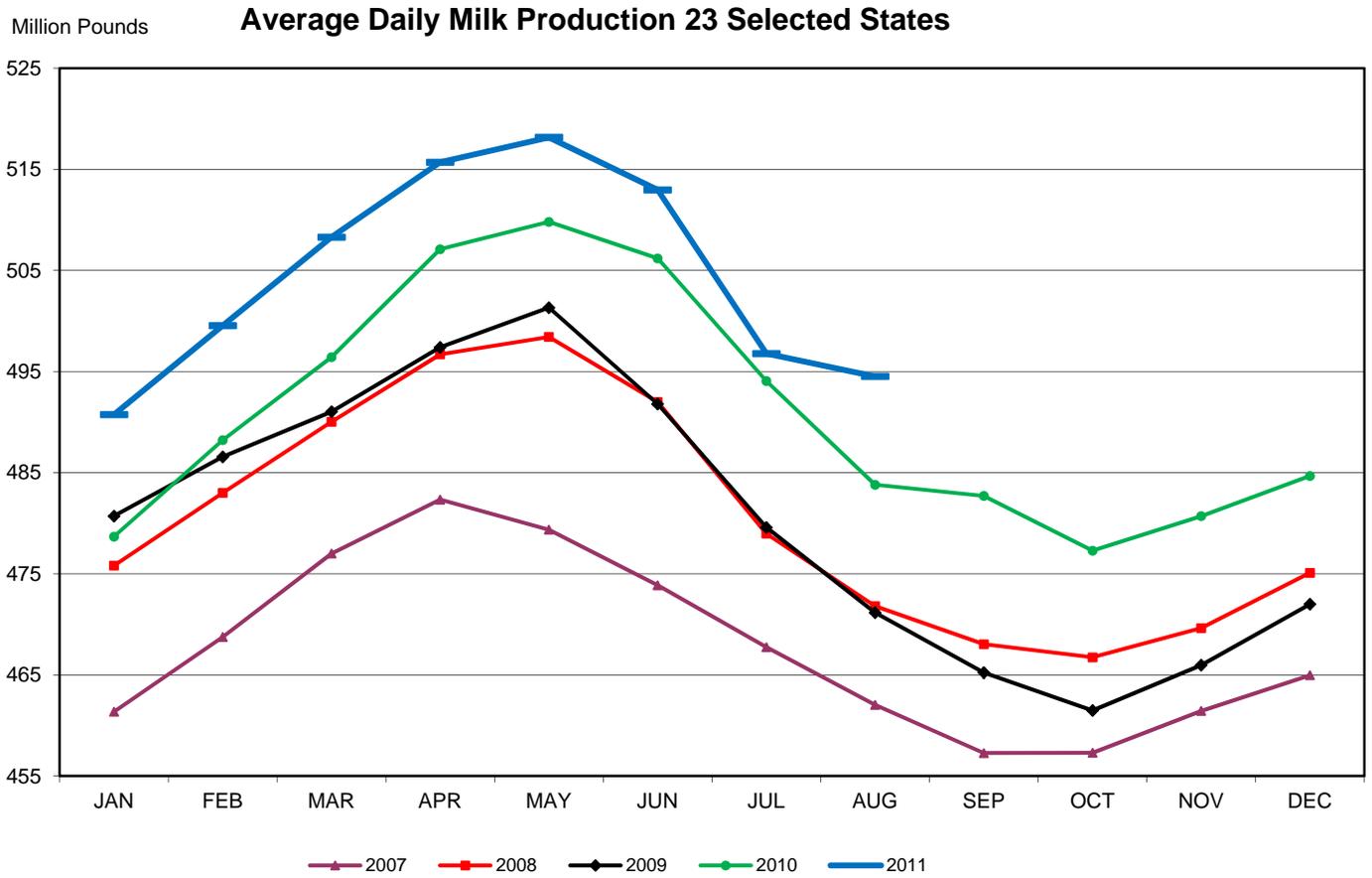
Million Head

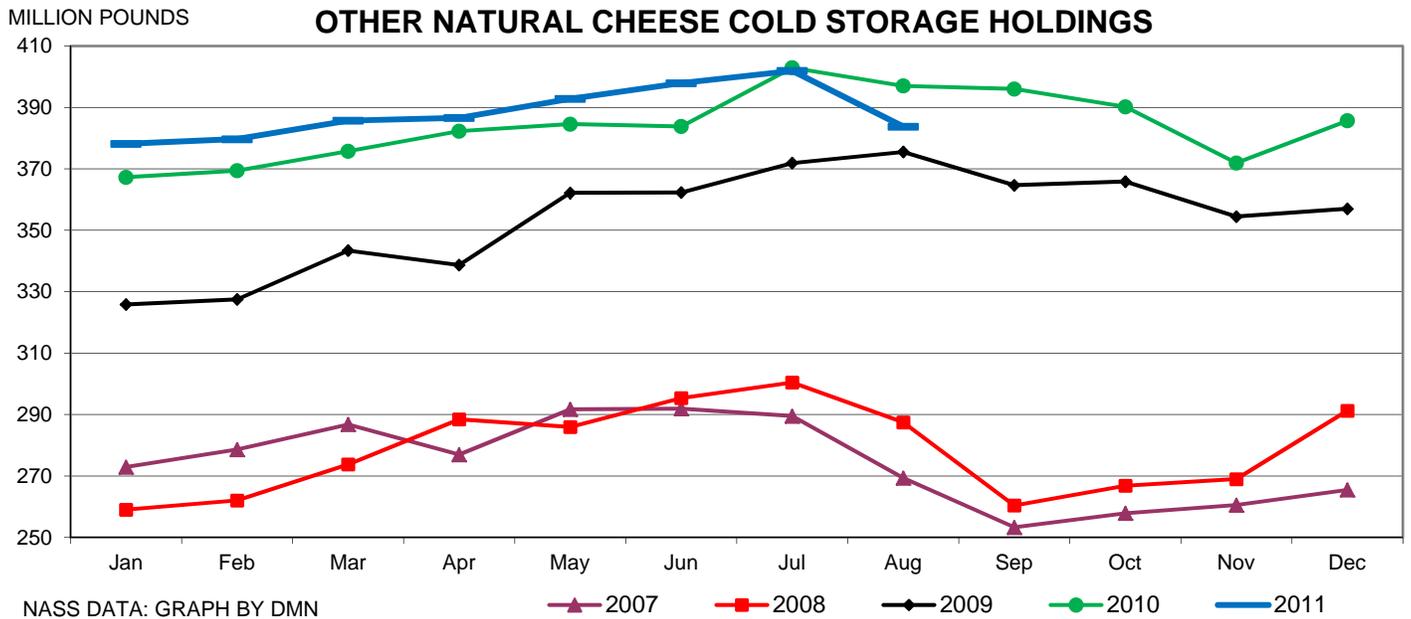
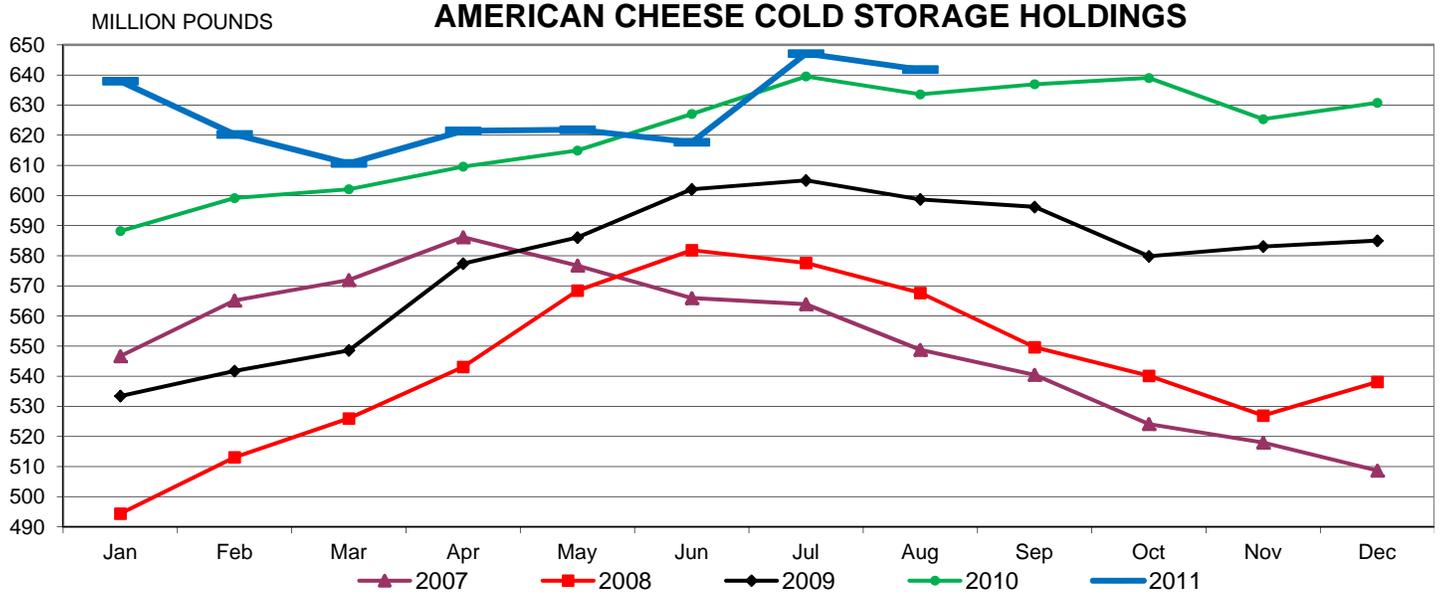
**MILK COW NUMBERS - 23 SELECTED STATES**



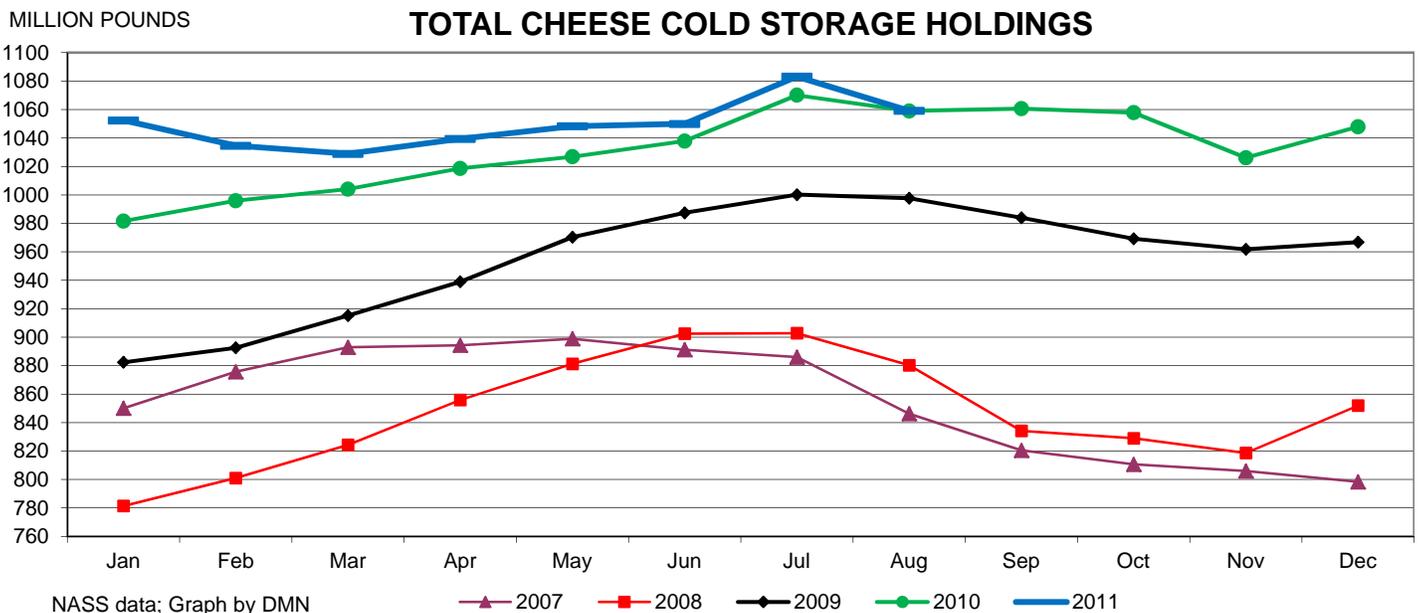
Graph USDA, DMN; Source USDA, NASS

2007 2008 2009 2010 2011





NASS DATA: GRAPH BY DMN



NASS data; Graph by DMN

# DAIRY MARKET NEWS

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