

## NATIONAL DAIRY MARKET NEWS AT A GLANCE

**CME GROUP CASH MARKETS (02/24):**

**BUTTER:** Grade AA closed at \$1.4175. The weekly average for Grade AA is \$1.4156 (+.0151).

**CHEESE:** Barrels closed at \$1.4700 and 40# blocks at \$1.4675. The weekly average for barrels is \$1.4738 (-.0042) and blocks, \$1.4750 (-.0070).

**BUTTER HIGHLIGHTS:** Butter prices have leveled off at the CME Group over the past week and closed the week at \$1.4175. The steady pricing levels at the CME Group have also resulted in averages and basing points trending slightly above week ago prices. The trade is assessing what the effects the end of "old crop" butter trading (after February 29th) will have, when all butter made prior to December 1, 2011 can no longer be sold at the CME Group. The active butter output in the past three months and the end of January cold storage holdings, at 171.2 million pounds and a 64.3 million pound gain during the month, would indicate that butter supplies are available and there could be no or limited effects. Butter production is active at heavy levels across the country as cream supplies are heavy and building. Demand for both bulk and print butter is fair to good. For bulk, some buyers are in the market to establish inventories at what they consider favorable prices. For prints, buying interest has improved to position for upcoming feature activity. There have been some increases in cream usage in Class II product manufacturing for ice cream, sour cream, cream cheese, and dips, ahead of upcoming needs for Easter and Passover holiday needs. This is taking additional cream supplies and is a welcome reprieve for butter makers. Export activity continues to be reported, aided by CWT export assistance. For the fourth consecutive week, nearly 1 million pounds of butter received export assistance from the CWT program. These awards bring the total butter assistance to nearly 20 million pounds thus far in 2012.

**CHEESE HIGHLIGHTS:** Cheese production continues to be active as increased milk supplies are arriving at manufacturing facilities. Higher than anticipated milk supplies and favorable yields are adding to current cheese production. Retailers are featuring increased cheese ads in many parts of the country. This is helping to clear inventories as cut and wrap operations are busy filling orders. Increased pizza sales and retail features have combined to support Mozzarella sales. Buyers looking to build stocks for aging programs

are also showing better interest. Excess production is being offered to the export market. Cooperatives Working Together (CWT) assisted with sales of 1.3 million pounds of cheese this week. Daily closing prices at the CME Group this week trended lower. Barrels closed the week at \$1.4700 down one cent compared to last Friday's finish. Blocks closed at \$1.4675 on Friday, two cents lower compared to last week. Sales for the holiday-shortened week were light to moderate with five loads of barrels and nineteen loads of blocks sold.

**FLUID MILK:** Milk production patterns continue to trend higher across most of the United States. Class I interest is mainly flat with accounts taking planned volumes of fluid milk. Processors and handlers are seeing unusually heavy milk supplies in the Northeast and Mid-Atlantic states. The Southeast is also seeing milk output build and the seasonal balancing plants are active. Farm milk supplies in the Midwest are building on a week-to-week basis. Surplus milk offerings are available and continue to trade at a discount to Class price. Milk output continues to build in the Southwest and stretch plant capacity in Arizona and California. In the Northwest and Mountain States, milk production is building higher with better than normal weather conditions a contributing factor.

**DRY PRODUCTS:** Nonfat dry milk prices were mixed this week as spot sales lowered the low end of price ranges, while high end price increases were the result of index-based purchases. The undertone for the nonfat dry milk market remains weak. Increasing milk production continues to expand manufacturing milk supplies, which has ultimately added to dryer volumes. Dryer times favor low heat production and needed throughput. Many buyers are keeping inventories tightly coordinated with near term needs and expected contract loads. A dryer fire at a Western plant has created more condensed skim offerings in the region. Export interest is light to firm with new interest slow to develop. Dry buttermilk prices are unchanged to slightly lower. Production of dry buttermilk in the East and Central regions has marginally declined as ice cream mix manufacturers have increased production and their purchases of condensed buttermilk. Production levels of dry buttermilk in the West are active. Buying interest for dry buttermilk is light to fair for

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY FEB 20	TUESDAY FEB 21	WEDNESDAY FEB 22	THURSDAY FEB 23	FRIDAY FEB 24	:: ::	WEEKLY CHANGE*	:: ::	WEEKLY AVERAGE#
CHEESE									
BARRELS	CME	\$1.4800 (N.C.)	\$1.4750 (-.0050)	\$1.4700 (-.0050)	\$1.4700 (N.C.)	:: ::	(-.0100)	:: ::	\$1.4738 (-.0042)
40# BLOCKS	CLOSED	\$1.4850 (-.0025)	\$1.4800 (-.0050)	\$1.4675 (-.0125)	\$1.4675 (N.C.)	:: ::	(-.0200)	:: ::	\$1.4750 (-.0070)
NONFAT DRY MILK									
EXTRA GRADE		\$1.2975 (N.C.)	\$1.2975 (N.C.)	\$1.2975 (N.C.)	\$1.2975 (N.C.)	:: ::	(N.C.)	:: ::	\$1.2975 (N.C.)
GRADE A	HOLIDAY	\$1.2925 (N.C.)	\$1.2925 (N.C.)	\$1.2925 (N.C.)	\$1.2925 (N.C.)	:: ::	(N.C.)	:: ::	\$1.2925 (-.0325)
BUTTER									
GRADE AA		\$1.4150 (N.C.)	\$1.4150 (N.C.)	\$1.4150 (N.C.)	\$1.4175 (+.0025)	:: ::	(+.0025)	:: ::	\$1.4156 (+.0151)

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**

current, moderate to heavy producer offerings. The dry whey market continues to have an uncertain undertone, due to the increased availability of product in the Western region. The Western range continued to widen as numerous spot transactions at lower prices were reported. The market is operating on a two tier pricing structure for at least the short term. Index based prices are slower to adjust as the market reflects weaker prices. The lower spot prices are mostly reflected in bulk purchases. With cheese production moving higher as a method of clearing both farm milk and condensed skim, dry whey production is climbing. The mostly price series for whey protein concentrate 34% was unchanged in a mixed market. Lactose prices are unchanged for the mostly price range on a steady market.

**ORGANIC DAIRY MARKET (DMN):** AMS reports Total Organic Milk Products sales for December 2011, 182 million pounds, were up 8.1% from December 2010 sales and up 14.3% January through December 2011 compared with the same period of 2010. Organic Whole Milk sales for December 2011, 44 million pounds, were up 5.0% compared with December 2010 and up 14.9% January through December 2011 compared with the same period of 2010. Organic Fat-Reduced Milk sales for December 2011, 138 million pounds, were up 9.1% compared with December 2010 and up 14.2% January through December 2011 compared with the same period of 2010. Organic dairy advertising volume increased from two weeks ago, reaching the second highest level of the year, as well as the second highest since mid-October last year. Almost 55% of organic dairy ads this period were for organic butter, an exceptionally high percentage for a reporting period. The organic butter price range throughout all regions was \$4.29 to \$4.99, with a national weighted average advertised price of \$4.52. The national weighted average advertised price for organic milk half gallons increased 64 cents to \$3.41. The top of this period's price range, \$3.89, is a \$0.90 increase from the high price last period. The range bottom, \$2.99, was the top of the range last period. There are no ads for gallon containers of organic milk this period among surveyed newspapers for the third consecutive reporting period. Ads for 4-6 ounce organic yogurt appeared in newspapers in all regions except the Southwest and South Central. The national weighted average advertised price remained unchanged at \$0.70, with an advertised price range from \$0.60 to \$0.99. The national weighted average advertised price of organic Greek yogurt in 4-6 ounce containers was \$1.22, with advertised prices ranging from \$1.09 to \$1.25. A natural foods grocery chain is helping to facilitate loans for members of an organic dairy cooperative supplying organic milk, to add calves and cows to expand organic milk production.

**COLD STORAGE (NASS):** On January 31, U.S. cold storage holdings of butter totaled 171.2 million pounds, 60.2% more than a month ago and 45.0% than last January. Natural American cheese holdings totaled 612.5 million pounds, 0.2% more than a month ago, but 4.0% less than a year ago.

**JANUARY MILK PRODUCTION (NASS):** Milk production in the 23 major States during January totaled 15.8 billion pounds, up 3.7% from January 2011. Production per cow averaged 1,857 pounds for January, 46 pounds (2.5%) above January 2011. The number of milk cows on farms was 8.50 million head, 93,000 head (1.1%) more than January 2011, and 13,000 head more than December 2011.

**JANUARY PRICE AND POOL STATISTICS (NASS):** During January, more than 11.3 billion pounds of milk were received from producers. This volume of milk is 4.8 percent higher than the January 2011 volume. In January 2011 and January 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships.

More than 3.8 billion pounds of producer milk were used in Class I products, 2.1 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 34%, Class II = 11%, Class III = 43% and Class IV = 12%. The weighted average statistical uniform price was \$18.61 per cwt., \$0.52 lower than last month and \$2.67 higher than last year.

**MARCH ANNOUNCED COOPERATIVE CLASS I PRICES (FMMO):** For March 2012, the all-city average announced cooperative Class I price was \$21.40, \$2.46 higher than the Federal milk order (FMO) Class I price average for these cities. The March 2012 Cooperative Class I price was \$0.75 lower than the February 2012 price. The March 2012 Federal order Class I price was \$0.73 lower than the February 2012 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.51 in Phoenix, AZ, to \$4.21 in Miami, FL. For March 2011, the all-city average announced cooperative Class I price was \$23.38, \$2.51 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

## CME GROUP

MONDAY, FEBRUARY 20, 2012  
CLOSED - Holiday

TUESDAY, FEBRUARY 21, 2012

CHEESE -- SALES: 10 CARS 40# BLOCKS: 9 @ \$1.4900, 1 @ \$1.4850; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4150; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4200

WEDNESDAY, FEBRUARY 22, 2012

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.4800, 1 @ \$1.4750; 3 CARS 40# BLOCKS: 2 @ \$1.4850, 1 @ \$1.4800; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4750; 1 CAR 40# BLOCKS @ \$1.4825  
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
BUTTER -- SALES: 1 CAR GRADE AA @ \$1.4150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4200

THURSDAY, FEBRUARY 23, 2012

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.4750, 1 @ \$1.4725, 1 @ \$1.4700; 3 CARS 40# BLOCKS: 1 @ \$1.4775, 2 @ \$1.4675; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.4750; 1 CAR 40# BLOCKS @ \$1.4800  
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.2900; LAST OFFER UNCOVERED: NONE  
BUTTER -- SALES: 3 CARS GRADE AA @ \$1.4150; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, FEBRUARY 24, 2012

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.4675; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.4700; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4675  
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
BUTTER -- SALES: 5 CARS GRADE AA: 4 @ \$1.4150, 1 @ \$1.4175; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.4150; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.4200

## BUTTER MARKETS

## NORTHEAST

The CME Group butter price was unchanged Tuesday and closed at \$1.4150. The butter price increased to the \$1.4150 level Friday, after dipping below \$1.4000 earlier in the week. Trading activity was fairly active in the last 5 sessions with 10 loads sold. As a reminder to the industry, February is the last month that "old crop", butter made prior to December 1, 2011, can be transacted on the CME Group. Butter production is very active with cream readily available and demand for butter increasing. Some plants are churning at near capacity. Seasonal domestic demand increases are being reflected in expanded private label orders. Very good export demand has increased the volume of 82% butter production. Bulk butter production has slightly declined. Retail features show price declines from recent weeks with private label butter as low as \$2.00 a pound, while branded butter mostly in the \$3.50-\$3.99 range. Recent bulk, print and export sales have significantly decreased inventories at some plants. Export interest is very good with some plants receiving export queries almost daily. Current bulk butter prices range from 4-8 cents over the market based on the CME Group with various time frames and averages used.

## CENTRAL

Late last week, the CME cash butter prices increased 1 3/4 cents to \$1.4150 and remains at that level at midweek. Butter producers and handlers are wondering if the cash price might have attained a level that is sustainable for the time being. Some feel that there is still downside possibility, especially as milk volumes increase towards seasonal peak levels. Butter producers continue to report readily available cream volumes from both local and out of area sources. As has been the case for recent weeks, current churning activity has surpassed demand, thus increasing volumes of butter are clearing to inventory. Many butter producers and handlers see minimal disadvantages of putting butter away for future needs at this level. Current demand for butter is gaining momentum as fairly stable cash price levels are causing buyers to return

to the marketplace for current and near term needs. Many buyers are not placing large orders as they feel that current prices will be maintained for the foreseeable future. Easter/Passover orders are developing quite well with some feature activity being scheduled during the upcoming holiday period. Some recent feature activity in the Central part of the country had 1# store brand prints for \$1.89 per pound with a 3# limit. Food service establishments continue to place fairly good orders as traffic flow through their operations is stronger than projected. Export activity continues to be reported, aided by CWT export assistance. For the fourth consecutive week, nearly 1 million pounds of butter have received export assistance from the CWT program. These awards bring the total butter assistance to nearly 20 million pounds thus far in 2012. Some butter handlers are wondering if assistance will continue to be awarded. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

## WEST

Butter production in the West remains heavy as increased farm milk supplies and increased butterfat volumes are appearing. Cream is readily available throughout the West, although some contacts are expressing tighter than expected volumes recently. Manufacturers report that orders for the Easter holiday are beginning and helping to clear inventories. Increased retail featuring is helping to move print butter at both club and supermarket outlets. The Cooperatives Working Together program is continuing to assist members with export incentives. Wednesday's trading on the CME Group exchange for butter was unchanged at \$1.4150. The market was closed for the President's Day holiday on Monday. After finishing last week on a stronger note, the market has shown very light activity and no movement at midweek. There was only one sale reported at the exchange so far this week. Prices for bulk butter range from even to \$.0600 cents under the market, based on the CME with various time frames and averages used.

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

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
February 18, 2012	1.5046 10,758,264	1.5251 11,773,595	1.3637 19,973,007	1.4417 3,893,451	0.6395 9,174,670

## CHEESE MARKETS

## NORTHEAST

CME Group cheese prices were mixed Tuesday with barrels unchanged, closing at \$1.4800, while blocks declined \$0.0025 to close at \$1.4850. Trading of block cheese has been active in the last 5 trading sessions with 22 sales. Barrel trading activity has been quiet with only 2 sales in the last 5 sessions. Cheese production remains steady. Inventories continue to increase, but at a lower rate compared to recent weeks as cheddar cheese sales, in some areas, have picked up. Mozzarella sales have also increased to retail outlets and pizza makers. A retail survey of Northeast grocery store chains revealed increasing ads at lower prices for 8 ounce block and shredded cheeses. There continues to be good export demand.

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

Cheddar 40# Block	:	1.8850-2.1700
Process 5# Sliced	:	1.7000-1.8200
Muenster	:	1.9050-2.2650
Grade A Swiss Cuts 10 - 14#	:	3.6025-3.9250

## MIDWEST

Some manufacturers and brokers report having been waiting for an uptick in retail advertising with more price focus, to help move sales. That may now be in the works, as this week has yielded a noticeable increase in retailers negotiating orders for cheese to stock retail advertising and promotions now planned for mid-March and the end of March. This anticipated increase in advertising and promotions has been attributed to more frequent expression of confidence by retail buyers that there will not be significant upward cheese price "surprises" in the coming weeks before ads can run. This feeling of relative price constancy extends more widely throughout the cheese industry, with cheese storage facilities reporting little activity toward "stocking up" on inventory in anticipation of near term price increases. A feeling expressed in some quarters is that the horizon for cheese price increases out of the current trading range is "a little ways down the road". Nevertheless, some cheese manufacturing and aging programs are still underway, where price is not the controlling factor. Hard Italian varieties, which sell well in the last months of each year and which typically require about 9 months of aging, are being manufactured and stored regionally to be ready for seasonal sales in October through December. There is also some addition of Cheddar to aging programs, attributed to replenishing inventories which were sold last year when cheese prices rose above \$2.10 or so. Regional milk supplies remain heavy and some surplus milk sales below class continue to be reported. With the capacity of some cheese manufacturers in the Midwest already nearing limits, some Midwest milk has also been shipped to the Southeast for use in cheese plants operated only part of each year to accommodate heavy milk supplies. CME activity last week into mid this week has generated heavy sales of blocks. Last week and through this Wednesday, 26 loads of blocks sold on CME trading. By mid this week, both blocks and barrels had closed slightly below where they closed last week, with blocks at \$1.4800 on Wednesday and barrels \$1.4750. Cheese exporters report steady levels of recent inquiries about U. S. manufactured cheese available for export. Cooperatives Working Together (CWT) this Tuesday announced accepting requests for export assistance to sell a total of 1.281 million pounds (581 metric tons) of Cheddar, Gouda and Monterey Jack cheese. The product will be delivered February through June 2012. In 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 24.5 million pounds.

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

Process American 5# Loaf	:	1.8375-2.3600
Brick And/Or Muenster 5#	:	1.9875-2.4400
Cheddar 40# Block	:	1.9875-2.8650
Monterey Jack 10#	:	1.9575-2.8650
Blue 5#	:	2.2525-3.1300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8325-2.9650
Grade A Swiss Cuts 6 - 9#	:	3.0125-3.3300

## WEST

As the cheese prices have stabilized, at least for the short term, there is some increased buying interest from domestic concerns. Retail accounts are being restocked at lower prices than were available at the end of last year. Some increased featuring at the retail level is helping to move stocks. The market is unsettled in that buyers looking to purchase on the low side are not fully convinced that this is a floor for prices. Block sales are showing the bulk of the activity. Increased milk supplies in the West are bringing more manufacturing milk to the cheese plants. Export demand is being aided by CWT (Cooperatives Working Together) assistance. Stocks are building but are still described as manageable. Cash trading of cheese at the CME Group on Wednesday was \$.0050 lower for both blocks and barrels. The activity kept prices within the narrow range of the past four weeks. Both barrels and blocks are trading from \$1.4750 to \$1.5100 over that time period. The market was closed on Monday. Barrel sales are light this week with two loads sold on Wednesday. Blocks saw moderate sales with thirteen loads trading hands by midweek.

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

Process 5# Loaf	:	1.6050-1.8625
Cheddar 40# Block	:	1.6075-1.9600
Cheddar 10# Cuts	:	1.7875-2.0075
Monterey Jack 10#	:	1.7975-1.9575
Grade A Swiss Cuts 6 - 9#	:	3.1800-3.6100

**\*INFORMATION FROM WEEK 7 WAS OMITTED LAST WEEK\***  
February 15, 2012 (REPORT 7)

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

	BUTTER	:	CHEESE
		:	
02/13/12	7,415	:	133,109
02/01/12	6,822	:	134,200
CHANGE	593	:	-1,091
% CHANGE	9	:	-1

February 22, 2012 (REPORT 8)

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

	BUTTER	:	CHEESE
		:	
02/20/12	7,748	:	136,544
02/01/12	6,822	:	134,200
CHANGE	926	:	2,344
% CHANGE	14	:	2

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## CHEESE MARKETS

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## FOREIGN

The CME Group weekly average block price increased for the first time in 4 weeks, causing domestic wholesale prices to increase \$0.0050. Prices for Swiss cuts remained unchanged. The continuing milk production increases are prompting increases in production of most domestic varieties of foreign type cheese. Some Swiss cheese makers are selling some of their milk supply, in lieu of making more cheese that would add to their already heavy inventories. Domestic Swiss cheese sales remain sluggish due to the competition provided by lower priced imports.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.0250-3.5125*
Gorgonzola	: 3.6900-6.3900	: 2.5275-2.7875*
Parmesan (Italy)	: -0-	: 3.1475-3.7025*
Provolone (Italy)	: 3.4400-6.3900	: 2.0675-2.2250*
Romano (Cows Milk)	: -0-	: 3.2150-5.3650*
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-	: 3.6950-4.0175
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

= Price change.

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	131	0	133	0	180
SOUTHEAST STATES	4	0	0	0	0	0

Manufacturing milk supplies continue to be unusually heavy for this time of year in the Northeast and Mid-Atlantic regions. The lack of any major winter storms has caused Class I demand to be flat and below year ago levels. Milk continues to move into the Mid-Atlantic region from the Southeast and the Midwest at discounted prices. Milk production in Florida continues to increase with the seasonal peak still a number of weeks out. Hay supplies remain very tight and feed prices are high. Some producers, where feasible, are attempting to graze more cows in lieu of purchasing additional hay and/or feed supplies. Rains over the central and southern portions of the state improved some pastures, but in the northern areas of the state most pastures were in very poor to fair condition. Class I demand remains sluggish, causing exported spot loads to remain close to last week's total with 131 spot loads exported this week. The Southeast region is also seeing increases in milk production. Nearly all auxiliary manufacturing facilities are receiving milk with some plants near capacity. The Southeast region received just a few imports this week as they attempted to assist other regions with excess supplies. Milk is being shipped at discounts under Class prices in order to find a home. Numerous plant managers are voicing concerns about the early seasonal rise in milk production this year and are not sure how they're going to handle increased supplies when the seasonal flush arrives. Class I demand is significantly down from last week with no apparent explanation for the downturn. Cream supplies are readily available, but continue to be better handled than previous weeks, due to increased demand. Cream cheese makers are receiving increased orders for the upcoming holiday. Ice cream and ice cream mix manufacturers have also increased their production schedules. Cream multiples range from 115 to 125. Condensed skim supplies are heavy with limited spot sales activity. AMS's Friday announcement of Advance Prices and Pricing Factors for March saw the Class II nonfat solids price decline \$0.0222 to \$1.2911. The nonfat solids price is used as a factor in determining Class II spot sales and the decline effectively lowered prices. Class II demand is improving with good pulls from yogurt manufacturers and increased demand from ice cream makers. Class IV production remains at increased levels and heavier than desired. According to NASS, milk production for 2011 in the 23 reported states totaled 182.7 billion pounds, up 2.0% from 2010. Milk production increased in 3 of the 5 listed states in the Eastern region and resulted in Eastern region production increasing 0.5% over last year to 30.0 billion pounds. The 5 states showed the following percentage changes in milk production from 2010 to 2011 and total milk production for 2011: Florida, +6.7%, 2.3 billion pounds; New York, +0.9%, 12.8 billion pounds; Pennsylvania, -1.2%, 10.6 billion pounds; Vermont, +0.7%, 2.5 billion pounds; and Virginia, unchanged at 1.7 billion pounds. Milk production for January 2012, followed the trend established in 2011 as milk production in the 23 reported states totaled 15.8 billion pounds, up 3.7% from January 2011.

## 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 -	1.6106-1.7506
F.O.B. producing plants: Upper Midwest -	1.5546-1.7226

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.43 - 1.48
Northeast - Class III - spot prices -	1.41 - 1.46

## MIDWEST

January milk production, as reported by NASS, shows growth over year ago volumes, with Central states tacking on 0.5% to 5.8% in volume over January 2011. On an annual basis, comparing 2010 to 2011, some Central states show signs of herd consolidation as the number of licensed herds decreased while total cow numbers in the region grew by about 14,000. Farm milk production in the Central region continues to grow weekly as mild weather patterns linger. Light snow in the early to midweek generally melted within a day as daytime temperatures continue to hover in the mid 30's to 40's in the Northern tier of states. Fluid demand is steady for the week. Intrastate sales of spot load milk are running into price competition from interstate milk loads. Regional spot milk load prices reportedly range from flat Class to -\$4. Cream in the Central region is readily available. Cream multiples firmed slightly this week as Class II interest reawakened with increasing production of dips, whipping cream, and frozen desserts. Those items are claiming a larger volume of cream for the week compared to last week, although the ice cream plants are still hesitant to build too much inventory ahead of the summer peak consumption season. Churns are actively clearing cream into storable bulk butter. Sales of condensed skim are very active, climbing above sales activity of last week. Much of the additional sales activity is based on holiday-related, frozen dessert menu offerings by fast food restaurants.

## WEST

California milk production continues to build and the overall level is well over last year's pace. January milk estimates by NASS pegged California at 6.6% more than a year ago. Processors and handlers are feeling the effects of the extra milk, working harder to balance the milk flow. The solids levels of incoming milk are also increasing. Plants are running well on longer schedules. At the farm level, higher feed costs and lower milk prices remain top concerns. ARIZONA milk production trends continue to build. January milk estimates had the state at 7.0% higher than a year earlier. Milk intakes are taxing the processing capacity of plants in the state. Some relief was gained with milk and component sales to out-of-state interests, but the overall situation will remain tough until the farm level supplies decline. Some handlers are expecting the peak to be two to three weeks out. Class I demand is flat and unaggressive. NEW MEXICO milk output is higher on a week-to-week basis. The January milk estimates were 0.7% above year ago levels. Plants are running on extended schedules to process local milk supplies. Milk shipments to other regions are mostly centered around contracts and with volumes at contract minimums. Local, Class I needs are light. Western CREAM supplies remain heavy, yet the trade is reporting fewer loads being offered at low prices. Demand is improving for higher class products ahead of the Easter/Passover holidays. Surplus cream continues to clear to butter churns. Butter demand is improving. Butter pricing and averages have moderated in recent weeks. The CME Group, Grade AA butter closed at \$1.4150 on Wednesday, February 22, up 1.75 cents from a week earlier. Creams multiples are higher and returning to more normal levels, ranging from 105-120 and vary based on class usage and basing points. Favorable weather in the PACIFIC NORTHWEST is contributing to increased milk flow. Increased cow numbers are adding to milk production as handlers are dealing with above expected volumes for this time of year. Manufacturing facilities are operating on extended schedules to accommodate the increased supplies. Some milk is being diverted to alternate plants as a regional manufacturer experienced some plant operation difficulties. UTAH and IDAHO milk production is also being positively influenced by the mild winter weather. Higher than expected cull cow prices have helped dairy farmers to lower their costs to replace cows in the herd. High feed costs and higher trending replacement costs are moderating some expansion plans. According to NASS, 2011 Annual Milk Production for the United States totals 196.2 billion pounds, up 1.8% or 3.4 billion pounds from 2010. Annual milk production per cow for the United States was 21,345 pounds, 197 pounds more than 2010. Milk cow numbers nationally averaged at 9.19 million cows, up 75,000 head compared to 2010. 2011 milk production for selected Western states is as follows: Arizona +6.3%, California +2.7%, Colorado +6.5%; Idaho +3.7%, New Mexico +3.8%, Oregon +3.3%, Utah +1.9%, and Washington +4.5%.

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

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Central NDM prices are mostly lower on a weak market. Steady to higher production and tepid end user interest in NDM are keeping the Central NDM market sluggish. Many buyers are keeping inventories tightly coordinated with near term needs and expected contract load deliveries. Market participants indicate several resellers are offering discounts to the market, but buyers are content to wait. Condensed skim sales into Class II facilities are providing some relief to Central dryer schedules. Holiday-related fast food items returned to some menus this week, sparking additional condensed skim sales to ice cream mix facilities. Hard ice cream production is still in low gear, but yogurt production and sales are building, requiring more condensed skim from Central region outlets. NDM production throughout the Central region is active as farm milk intakes continue climbing. Low heat NDM inventories are building steadily.

**EAST:** Nonfat dry milk prices were mixed this week as spot sales activity moved prices lower, while contract formulations based on NASS basis moved prices higher. Increasing milk production continues to expand manufacturing milk supplies, which has ultimately added to dryer volumes. Plant managers are focusing on low heat production on the weekends in order to clear the increasing milk supply with some high heat runs during midweek. Domestic demand in the East has increased as candy manufacturers have increased production and pulls of NDM ahead of the Easter holiday. Other manufacturers have been able to move numerous loads at prices significantly under current contract prices. Export demand is still active, but some brokers are indicating that demand has declined, partly due to increased competition from overseas producers. The overall market undertone remains weak.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.2700 - 1.4900 MOSTLY: 1.3100 - 1.4200  
 HIGH HEAT: 1.4400 - 1.5350

**NONFAT DRY MILK - WEST**

Prices for Western low/medium heat nonfat dry milk are mixed, lower on the low end and higher on the high end of the range. The mostly price series is lower on the bottom end, but unchanged on the top end. Price increases are the result of changes made to index-based purchases; whereas the declines are reflecting reduced sales prices for producers clearing excess NDM. The market tone remains weak. Domestic buying interest is uneven and lower than projections. Some buyers are attempting to push back contract loads because they do not have needs or sales. Export interest is light to fair with new interest slow to develop. Drying schedules are heavy and are reflective of the strong milk flow in the region. There was a dryer fire at a plant in the region that created more condensed skim offerings in the region. Holdings are moderate to heavy. Western high heat prices are lower, reflecting weaker market conditions. Buying interest is light and unaggressive. Product is moving on contract, but spot sales are limited. The market undertone remains weak. Drying schedules are becoming more sporadic as completion for dryer times favors low heat production and needed throughput. High heat stocks are light to moderate and available for current trade needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.2500 - 1.4250 MOSTLY: 1.2800 - 1.3750  
 HIGH HEAT: 1.3775 - 1.5025

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** Dry buttermilk prices in the Central region are unchanged to fractionally lower on a weak market. Sales of condensed buttermilk into hard ice cream production facilities are increasing gradually, letting a few buttermilk loads bypass the dryers. Cream in the Central region is readily available and augmented by cream loads from the East. Even with Class II facilities drawing more heavily on cream supplies than in the recent past, the pressure on churns to clear cream is steady. Many churning operations are operating at capacity for the week. Various plant operators indicate the current butterfat price is supportive of building butter inventories. Also, international butter interest is increasing and some Central 82% butter sales negotiations with the Middle East finalized this week.

**EAST:** Dry buttermilk prices marginally declined as spot sales and contract formulations lowered prices on the upper end of the range. Production of dry buttermilk has declined as ice cream and ice cream mix manufacturers have expanded their purchases of condensed buttermilk. Supplies are moving through contracts with limited spot market activity. Domestic demand remains sluggish as baking product manufacturers have yet to expand their production schedules ahead of the upcoming holiday. Potential buyers are holding off major purchases waiting to see if prices will continue to decline.

F.O.B. CENTRAL/EAST: 1.2600 - 1.3450

**DRY BUTTERMILK - WEST**

Pricing levels are trending slightly lower for the Western dry buttermilk range and mostly series. Production levels are active to process the solids coming off the butter churns. With dryer schedules becoming fuller, the push is on to move more condensed buttermilk into other channels, with mixed results. Buying interest for powder is light to fair for current moderate to heavy producer offerings. Seasonal demand is mostly light and the general market unsettledness has created more of a cautious tone on the buyer side.

F.O.B. WEST: 1.2300 - 1.3200 MOSTLY: 1.2500 - 1.3000

**DRY WHOLE MILK - NATIONAL**

Dry whole milk prices are lower on a weak market. Some plants are still in strong production mode for dry whole milk, which is helping clear both cream and condensed skim into storage. Dry whole milk inventories are mostly steady as contract-based interest from the confectionary industry is steady to higher.

F.O.B. PRODUCING PLANT: 1.6200 - 1.7000

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
February 17	\$1.3401	17,024,275	0
February 10	\$1.3790	10,666,725	0

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

**WHEY, WPC 34%, LACTOSE & CASEIN**

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

**DRY WHEY - CENTRAL**

The decrease on the bottom of the Central range price series in Week 7 of Dairy Market News prompted concern in the Central dry whey market, as this level of price decrease reportedly was not experienced by a majority of market participants. The lower prices were not replicated this week. This week, the range series regained some lost ground on the bottom end while prices in the mostly series shifted lower in a mixed market. While most contract loads are still shipping regularly, some customers are more reluctant to take contract loads. In some cases, buying decisions are delayed until after the release of weekly market information. A few manufacturers moderated price premiums to keep dry whey loads moving on a spot basis to control near term inventories. Dry whey production is active as Central dairy manufacturers apportion milk intakes to their various plants. With cheese production moving higher as a method of clearing both farm milk and condensed skim, dry whey production is climbing.

F.O.B. CENTRAL: .6650 - .7550 MOSTLY: .6850 - .7150  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .5200 - .6400

**DRY WHEY - NORTHEAST**

The dry whey price range expanded this week as the low end of the range declined on spot trading, while the upper end of the range marginally increased due to index-based purchases. Milk production increases are prompting marginal increases in cheese and dry whey production. The market continues to have an uncertain undertone, due to the increased availability of dry whey outside the region. Product availability in the Eastern region remains fairly tight with only a few loads becoming available on the spot market as manufacturers remain very comfortable with their current inventories. Resale loads continue to be offered under market prices as some brokers are rotating inventories. Ice cream and ice cream mix production has increased, which in turn has marginally increased demand for dry whey, but these manufacturers also sense the uncertain undertone of the market and are limiting purchases to their current needs. Brokers have indicated that other dry whey end users have also backed away from purchases above current needs, wanting a clearer picture of the market. Overall demand for dry whey remains sluggish. Dutch prices released this week had Edible Grade Whey priced at \$0.5220 in U.S. Dollars, maintaining a weak undertone in the export market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6850 - .7450

**DRY WHEY - WEST**

Western dry whey markets are lower for both the range and mostly series this week. The range continued to widen as numerous spot transactions at lower prices were reported. The market is operating on a two tier pricing structure for at least the short term. Index based prices are slower to adjust as the market reflects weaker prices. The lower spot prices are reflected mostly in bulk purchases. Buyers that are tied to various indices saw limited adjustments. Spot availability is increasing as manufacturers and brokers are offering whey at lower prices. Spot buyers are anticipating lower prices and are buying on an as-needed basis while prices are adjusting. Whey futures markets at the CME Group are trending lower into the second quarter. March and April futures are in the .50's, while May and beyond are currently in the .40's. Whey stocks and production are increasing as cheese plants are operating at heavier than usual schedules.

NONHYGROSCOPIC: .3900 - .6900 MOSTLY: .5000 - .6900

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Whey protein concentrate 34% prices on the bottom of the range retreated a few cents in response to F.O.B. sales clearing to resellers. The top of the range gained one cent on the strength of spot sales to buyers in need of additional WPC 34% from approved manufacturers. The mostly price series is unchanged, but the market tone is mixed. Interest in spot load offerings tend to favor those manufacturers with approved supplier status. Whey protein concentrate 34% production is variable. With cheese orders to some cheesemakers still somewhat soft, a few manufacturers are opting to take minimal volumes of milk, as supply contracts allow. This generally results in light to nominal WPC 34% inventories and those manufacturers are just focusing on WPC 34% contract commitments. Other manufacturers have built some cushion into their holdings and found mostly steady interest for spot loads as they become available.

F.O.B. EXTRA GRADE 34% PROTEIN:1.4600 - 1.6775 MOSTLY: 1.5100 - 1.5450

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged for the mostly price range on a steady market. A few manufacturers indicate price resistance is heating up in Southeast Asia, spurred by improved EU-based lactose availability as well as a few bouts of price competition between U.S. suppliers. Several U.S. manufacturers indicate their lactose inventories are light to comfortable, with some domestic spot load offers clearing readily. Lactose production is steady at most plants. Availability of Class III milk remains strong, but cheese demand has yet to revive for some cheesemakers. Therefore, those plants with lagging cheese sales and the ability to moderate milk intakes are generally keeping cheese and lactose production at below capacity levels.

Including spot sales and up to 3 month contracts.  
F.O.B. EDIBLE, NON PHARMACEUTICAL .7900 - .9950 MOSTLY: .8200 - .9000

**CASEIN - NATIONAL**

Casein markets are generally stable, but the undertone is unsettled and weak. Prices are unchanged. Most domestic buyers are getting their contractual commitments on a timely basis. Suppliers indicate that stocks are sufficient to maintain timely shipments, but many European suppliers are indicating that their supply situation is nearing seasonally low levels. The new European casein production season is about to resume, thus most suppliers are confident that there will be minimal, if any, disruptions in delivery schedules for the foreseeable future. The Oceania production season is winding down and for many manufacturers, the season has ended. Many Oceania manufacturers are indicating that the recent casein production was extended a little further than projected and the additional output will help cushion existing stock levels.

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: 4.3000 - 4.9000  
ACID: 4.8200 - 5.1000

The CCC Purchase table will no longer be shown unless purchases occur. Last CCC purchase: October 2009.

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 Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2010

WEEK ENDING	WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS	2011 WEEKLY DAIRY COWS	2011 CUMULATIVE DAIRY COWS
02/04/2012	63.4	304.3	59.1	313.3

**WEBSITE**

**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
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
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77

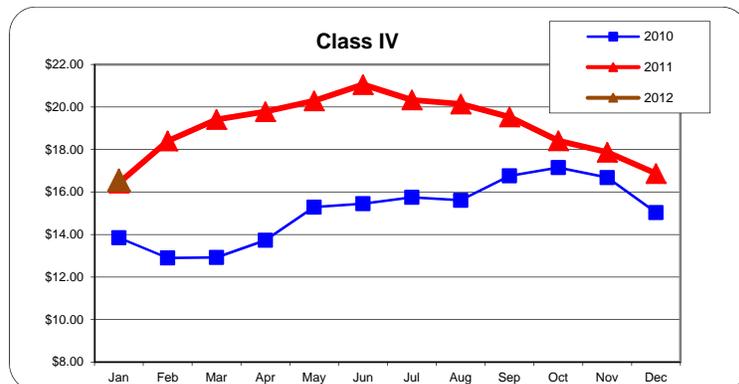
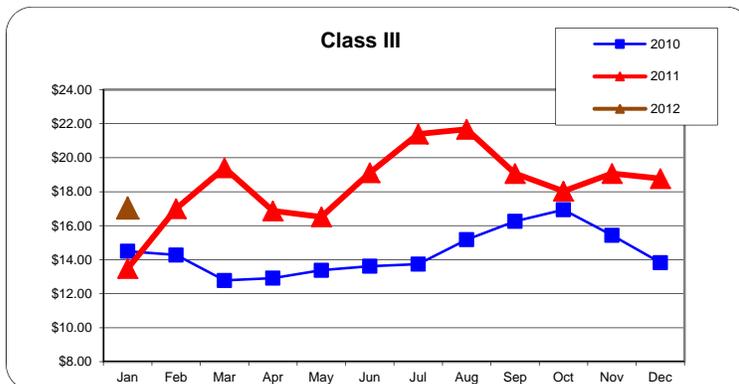
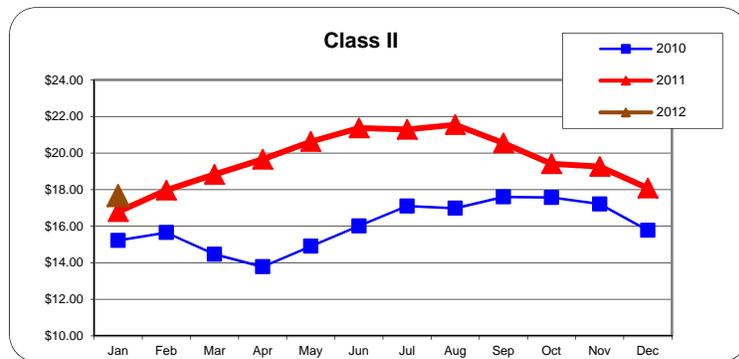
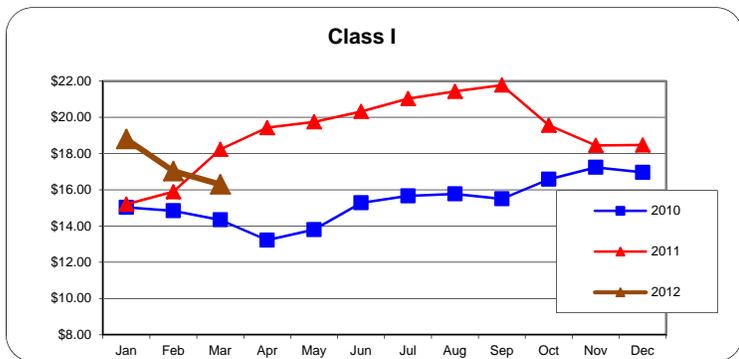
**CLASS IV MILK PRICES (3.5% BF)**

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
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
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87

**FEDERAL MILK ORDER CLASS PRICES FOR 2012 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.80	17.03	16.30									
II	17.67											
III	17.05											
IV	16.56											

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."



ORGANIC DAIRY MARKET NEWS

Information gathered February 13 - 24, 2012

ORGANIC DAIRY FLUID OVERVIEW

**Milk Product Sales:** AMS reports Total Organic Milk Products sales for December 2011, 182 million pounds, were up 8.1% from December 2010 sales and up 14.3% January through December 2011 compared with the same period of 2010.

Organic Whole Milk sales for December 2011, 44 million pounds, were up 5.0% compared with December 2010 and up 14.9% January through December 2011 compared with the same period of 2010.

Organic Fat-Reduced Milk sales for December 2011, 138 million pounds, were up 9.1% compared with December 2010 and up 14.2% January through December 2011 compared with the same period of 2010.

This contrasts with a 3.9% December 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, has a 3.7% decline in sales comparing December 2011 with December 2010 and a 2.3% decline January through December 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, DECEMBER 2011, WITH COMPARISONS 1/**

Product Name	Sales December Y-T-D Mil. Lbs.	Change from: 2/ Prev Yr. Y-T-D Percent		
Whole Milk	1,194	13,689	-5.3	-3.1
Flavored Whole Milk	46	525	-5.9	-5.7
Reduced Fat Milk (2%)	1,579	18,191	-3.5	-1.9
Low Fat Milk (1%)	602	7,096	0.9	0.7
Fat-Free Milk (Skim)	641	7,717	-5.3	-3.7
Flavored Fat-Reduced Milk	294	3,814	-2.8	-2.4
Buttermilk	43	481	-2.6	0.2
Tot. Conv. Milk Products	4,459	51,665	-3.7	-2.3
Organic Whole Milk	44	498	5.0	14.9
Organic Reduced Fat Milk	55	598	3/	3/
Organic Low Fat Milk	38	423	3/	3/
Organic Fat-Free Milk (Skim)	38	458	3/	3/
Organic Flavored Milk	6	90	3/	3/
Organic Fat-Reduced Milk 4/	138	1,575	9.1	14.2
Tot. Organic Milk Products.	182	2,074	8.1	14.3
Tot. Fluid Milk Prod. 5/	4,641	53,739	-3.3	-1.8
Tot Fluid Milk Prod Adj 5/6/	4,575	53,724	-3.9	-1.7

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 Market News.** A natural foods grocery chain is helping to facilitate loans for members of an organic dairy cooperative supplying organic milk, to add calves and cows to expand organic milk production. Organic milk production has recently increased in parts of the Northeast.

NATIONALLY ADVERTISED PRICE COMPARISON

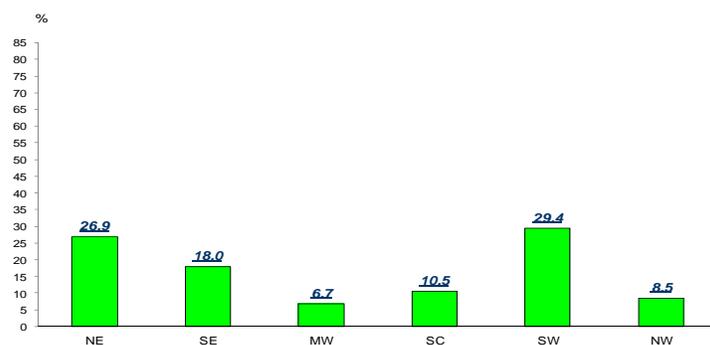
**Organic Dairy Overview.** Organic dairy advertising volume increased from two weeks ago, reaching the second highest level of the year, as well as the second highest since mid-October last year. Almost 55% of organic dairy ads this period were for organic butter, an exceptionally high percentage for a reporting period. 34% of organic dairy ads were for organic yogurt, and 12% for organic milk.

Organic butter ads this period totaled about one-fourth of the total organic butter ads during 2011. The tendency is for organic butter ads to occasionally spike from a much lower 2011 bi-weekly average and this is a spike period. The 2011 bi-weekly average was nearly 223 organic butter ads. The number of organic butter ads this period was only exceeded in two periods of 2011 but was never exceeded during 2010. While the magnitude of organic milk supermarket advertising has declined from last period and national organic milk supplies remain very tight, there was an evident increase in ads featuring organic soy beverage this survey period.

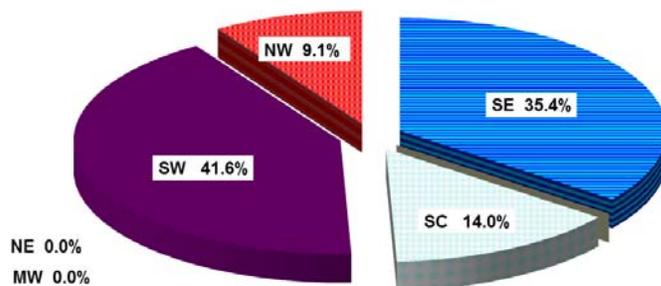
Advertising information presented is compiled from surveyed newspaper supermarket ads for the period February 11, 2012, to February 24, 2012, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

**Regional Organic Dairy Ad Trends – Current Period.** Organic dairy ads shifted from relative regional evenness last period, to dominance by the Southwest with 29.4% of ads and the Northeast, with 26.9%. The remaining regions were the Southeast, 18.0%, South Central, 10.5%, Northwest, 8.5%, and Midwest, 6.7%.

**Organic Dairy Newspaper Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 8, 2012**



**Organic Milk.** Organic milk ads appeared in all regions except the Northeast and Midwest. The Southwest led, with 41.6%, followed by the Southeast, 35.4%, South Central, 14.0% and Northwest, 9.1%.



**Organic Milk Half Gallons.** The national weighted average advertised price for organic milk half gallons increased 64 cents to \$3.41. The top of this period's price range, \$3.89, is a \$0.90 increase from the high price last period. The range bottom, \$2.99, was the top of the range last period. With the phenomenon of a major national supermarket chain featuring its store brand of

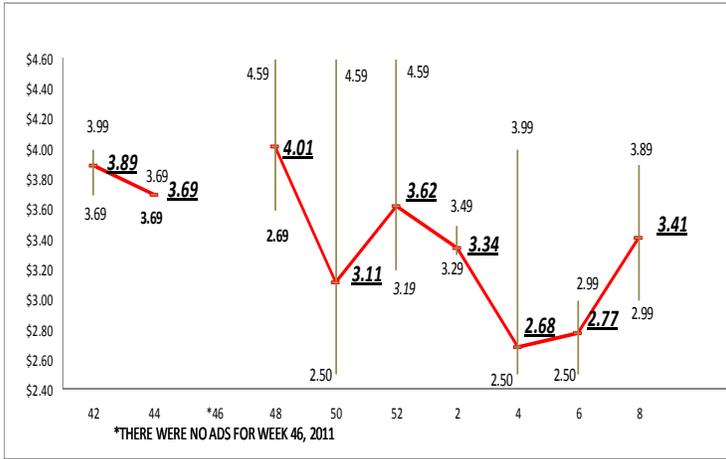
ORGANIC DAIRY MARKET NEWS

Information gathered February 13 - 24, 2012

CONTINUED FROM PAGE 8

organic half gallons for the two prior periods having now generally ended, the weighted average advertised price and range have increased price levels.

Advertised Organic Milk Half Gallon Price Range and Weighted Average Advertised Price by 2011 - 12 Week

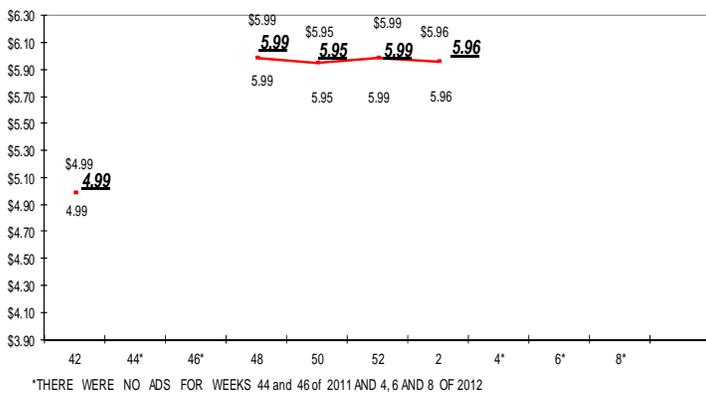


HALF GALLON ORGANIC MILK ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	00.0	----
SE	41.1	3.89
MW	00.0	----
SC	00.0	----
SW	48.3	2.99
NW	10.6	3.50
US		3.41

**Organic Milk Gallons.** There are no ads for gallon containers of organic milk this period among surveyed newspapers for the third consecutive reporting period. The graph which follows shows recent trends of advertising and weighted average retail prices.

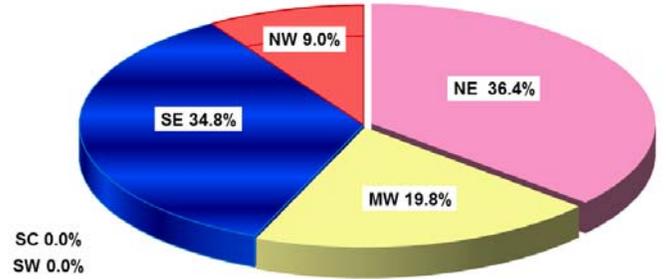
Advertised Organic Milk Gallon Range and Weighted Average Advertised Price by 2011 - 12 Week\*



**8 Ounce Organic Milk.** Ads for 8 ounce organic milk returned after an absence for the last period. However, the number of ads, 43, is the lowest level of ads during periods when ads ran for this year as well as all of 2011 and 2010. All ads this period ran in the South Central region and were priced \$1.00.

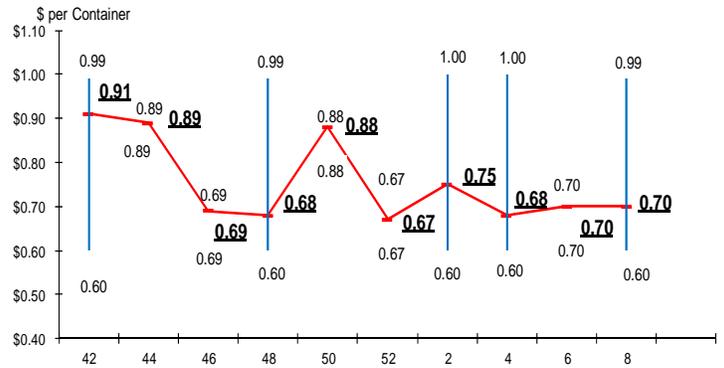
**Organic Yogurt.** The Northeast continues to dominate newspaper advertising for organic yogurt, with 36.4% of ads this period. Close behind is the Southeast with 34.8%, followed by the Midwest with 19.8% and the Northwest with 9.0%.

ORGANIC YOGURT FEATURES Regional % of Surveyed National Newspaper Ads Report Week 8, 2012



**4-6 Ounce Organic Yogurt.** Ads for 4-6 ounce organic yogurt appeared in newspapers in all regions except the Southwest and South Central. The national weighted average advertised price remained unchanged at \$0.70. While there was no price range last period because all organic yogurt in this category was priced the same, this period a price range from \$0.60 to \$0.99 appeared.

Advertised 4-6 Oz. Organic Yogurt Price Range and Weighted Average Advertised Price by 2011 - 12 Week



4-6 OUNCE ORGANIC YOGURT ADS REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	33.5	0.65
SE	29.3	0.63
MW	25.5	0.70
SC	00.0	----
SW	00.0	----
NW	11.6	0.99
US		0.70

**4-6 Ounce Organic Greek Yogurt.** All organic Greek yogurt ads ran in newspapers in the Northeast and Southeast. The national weighted average advertised price was \$1.22, with advertised prices ranging from \$1.09 to \$1.25.

CONTINUED ON PAGE 8-B

## ORGANIC DAIRY MARKET NEWS

Information gathered February 13 - 24, 2012

CONTINUED FROM PAGE 8-A

4-6 OUNCE ORGANIC GREEK YOGURT ADS  
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE \$
NE	46.5	1.18
SE	53.5	1.25
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		1.22

**Organic Butter.** Organic butter advertising intensity reflects an emphasis driven by a national supermarket chain featuring a store brand of organic butter. The organic butter price range throughout all regions was \$4.29 to \$4.99, with a national weighted average advertised price of \$4.52.

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

REGION	%	WTD. AV. ADV. PRICE \$
NE	26.8	4.67
SE	04.0	4.49
MW	00.0	----
SC	16.2	4.39
SW	44.9	4.49
NW	08.0	4.49
US		4.52

## 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 cheese makers.

A table summarizing the survey results follows:

ORGANIC MILK, YOGURT, CHEESE & BUTTER PRICE RANGE  
2012 REPORTING WEEK 08MADISON, WI  
LOW HIGH RANGE  
(In Dollars)

## MILK GALLONS:

Whole	5.49	6.99	1.50
Reduced Fat (2%)	5.49	6.99	1.50
Low Fat (1%)	5.49	6.99	1.50
Nonfat (Skim)	5.49	6.99	1.50

## MILK HALF GALLONS:

Whole	3.15*	4.19	1.04
Reduced Fat (2%)	3.15*	4.19	1.04
Low Fat (1%)	3.15*	4.49	1.34
Nonfat (Skim)	3.15*	4.19	1.04

## FLAVORED MILK HALF GALLON:

	3.09	5.69	2.60
--	------	------	------

## YOGURT

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

## LOW HIGH RANGE

## CHEESE – 8 OUNCE BLOCKS:

Mozzarella	3.40	5.75	2.35
Mild Cheddar	3.79	5.99	2.20
Monterey Jack	3.79	5.99	2.20
Pepper Jack	3.89	5.99	2.10

## CHEESE – 6 OUNCE STRING

Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10

BUTTER – 1 POUND	4.79*	6.19	1.40
------------------	-------	------	------

\*=Price change from prior reporting period

Madison supermarket organic butter's lower price range decreased from \$4.99, to \$4.79. The low price for half gallons decreased from \$3.49 to \$3.15.

## ORGANIC GRAIN AND FEEDSTUFFS MARKETS:

National organic grain and feedstuffs were mixed, with very good demand reported for alternative feed grade grains and moderate demand for all other grains. Offerings of grains were moderate for all types, with the exception of domestic soybeans, for which offerings were light. Feed grade corn averaged a lower price this period, with the bulk of the sales throughout the country ranging from \$11.50-12.50/bushel. Argentinian soybeans are still reportedly in use throughout the Eastern United States due to prices demanded by domestic producers that end users cannot currently utilize while maintaining profitability. New crop contracts are in discussion and of great interest to both buyers and producers at this time, but no official contracts were reported by time of publish.

Additional livestock and grain market news information is available at: <http://www.ams.usda.gov/mnreports/lbfnof.pdf>

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.

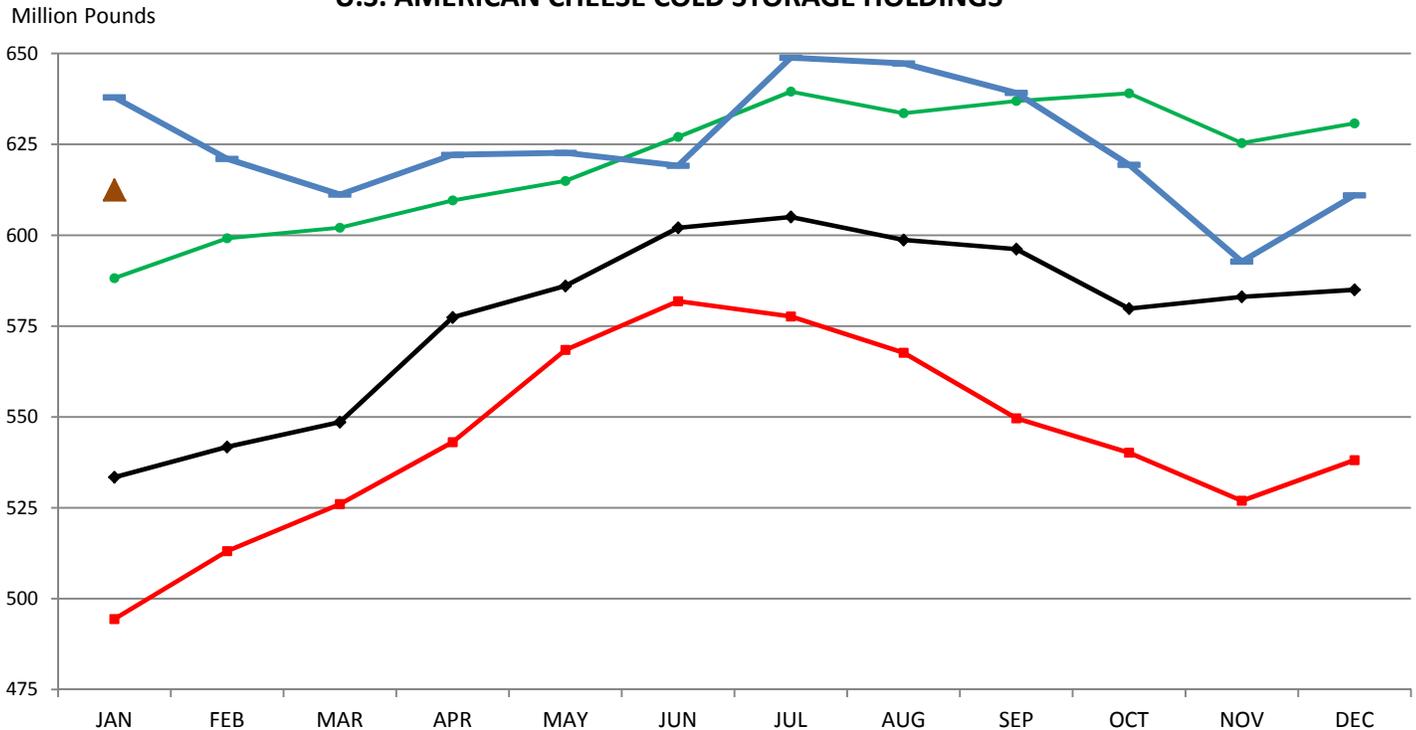
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	DEC 31, 2009	DEC 31, 2010	REVISED DEC 31, 2011	JAN 31, 2010	JAN 31, 2011	JAN 31, 2012
Butter	133,022	81,695	106,856	168,092	118,784	171,183
Cheese, Natural American	584,981	630,789	610,998	588,186	637,935	612,464
Cheese, Swiss	24,791	31,492	27,637	26,188	36,320	26,094
Cheese, Other Natural	356,986	385,645	352,981	367,234	378,142	339,277
Total Cheese	966,758	1,047,926	991,616	981,608	1,052,397	977,835

JANUARY STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
New England	38,627	39,844	41,434	---	---	---	661	717	916
Middle Atlantic	34,718	50,483	48,940	---	---	---	19,771	17,755	16,467
East North Central	248,677	262,011	255,219	---	---	---	245,460	259,649	259,079
West North Central	96,075	108,322	110,760	---	---	---	69,886	63,952	31,013
South Atlantic	6,112	671	57	---	---	---	153	7,500	5,606
East South Central	2,185	2,785	1,453	---	---	---	2,498	148	294
West South Central	2,667	5,388	2,413	---	---	---	1,376	1,158	944
Mountain	51,638	66,148	47,764	---	---	---	6,852	5,677	4,275
Pacific	107,487	102,283	104,424	---	---	---	20,577	21,586	20,683
TOTAL	588,186	637,935	612,464	168,092	118,784	171,183	367,234	378,142	339,277

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

U.S. AMERICAN CHEESE COLD STORAGE HOLDINGS



Graph USDA, DMN; Source USDA, NASS

2008 2009 2010 2011 2012

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2011 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total <sup>1/</sup>		Commercial		Government	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Million Pounds		Million Pounds		Million Pounds					
January	171	119	612	638	NA	98	NA	98	NA	0
February		139		621		124		100		0
March		144		611		124		124		0
April		142		622		150		150		0
May		170		623		166		166		0
June		190		619		190		190		0
July		188		649		193		193		0
August		166		647		167		167		0
September		151		639		151		151		0
October		131		619		143		143		0
November		94		593		146		146		0
December		107		611		165		165		0

NA=Not available.

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

**Source:** U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, December 2011*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, February 2012*.

## JANUARY MILK PRODUCTION

Milk production in the 23 major States during January totaled 15.8 billion pounds, up 3.7 percent from January 2011. December revised production at 15.4 billion pounds, was up 2.7 percent from December 2010. The December revision represented an increase of 1 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,857 pounds for January, 46 pounds above January 2011.

The number of milk cows on farms in the 23 major States was 8.50 million head, 93,000 head more than January 2011, and 13,000 head more than December 2011.

## JANUARY 2012 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2011	2012	2011	2012	2011	2012	% CHANGE FROM 2011
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	185	190	2,015	2,100	373	399	7.0
CA	1,752	1,781	1,935	2,030	3,390	3,615	6.6
CO	123	133	1,975	1,970	243	262	7.8
FL	116	120	1,775	1,740	206	209	1.5
ID	573	581	1,860	1,920	1,066	1,116	4.7
IL	98	100	1,660	1,710	163	171	4.9
IN	172	175	1,710	1,775	294	311	5.8
IA	210	205	1,775	1,860	373	381	2.1
KS	123	123	1,775	1,800	218	221	1.4
MI	363	371	1,960	1,970	711	731	2.8
MN	470	465	1,630	1,655	766	770	0.5
MO	95	93	1,240	1,270	118	118	0.0
NM	323	335	2,105	2,045	680	685	0.7
NY	610	610	1,775	1,780	1,083	1,086	0.3
OH	270	270	1,620	1,640	437	443	1.4
OR	120	123	1,685	1,685	202	207	2.5
PA	543	540	1,640	1,660	891	896	0.6
TX	425	435	1,875	1,900	797	827	3.8
UT	87	91	1,740	1,805	151	164	8.6
VT	135	133	1,605	1,625	217	216	-0.5
VA	95	96	1,545	1,585	147	152	3.4
WA	252	263	1,975	1,995	498	525	5.4
WI	1,265	1,265	1,735	1,800	2,195	2,277	3.7
23 STATE TOTAL	8,405	8,498	1,811	1,857	15,219	15,782	3.7

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, February 2012.*

## ANNUAL MILK COWS AND MILK PRODUCTION, 2010 AND 2011

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2010	2011	2010	2011	2010	2011	CHANGE FROM 2010
	1,000 HEAD		POUNDS		MILLION POUNDS		PERCENT
AL	11.0	11.0	14,455	13,182	159.0	145.0	-8.8
AK	0.6	0.5	11,833	13,800	7.1	6.9	-2.8
AZ	177.0	188.0	23,441	23,468	4,149.0	4,412.0	6.3
AR	12.0	12.0	12,750	11,833	153.0	142.0	-7.2
CA	1,754.0	1,769.0	23,025	23,438	40,385.0	41,462.0	2.7
CO	119.0	128.0	23,664	23,430	2,816.0	2,999.0	6.5
CT	19.0	19.0	19,158	19,000	364.0	361.0	-0.8
DE	5.3	5.0	16,981	18,300	90.0	91.5	1.7
FL	114.0	119.0	18,658	19,067	2,127.0	2,269.0	6.7
GA	79.0	79.0	17,671	18,354	1,396.0	1,450.0	3.9
HI	1.9	1.9	13,316	14,421	25.3	27.4	8.3
ID	564.0	578.0	22,658	22,934	12,779.0	13,256.0	3.7
IL	100.0	98.0	19,170	19,357	1,917.0	1,897.0	-1.0
IN	170.0	172.0	20,094	20,576	3,416.0	3,539.0	3.6
IA	210.0	204.0	20,724	21,309	4,352.0	4,347.0	-0.1
KS	119.0	123.0	20,975	21,057	2,496.0	2,590.0	3.8
KY	78.0	76.0	14,769	14,303	1,152.0	1,087.0	-5.6
LA	20.0	18.0	11,750	12,889	235.0	232.0	-1.3
ME	32.0	32.0	18,344	18,688	587.0	598.0	1.9
MD	54.0	52.0	18,537	18,654	1,001.0	970.0	-3.1
MA	14.0	13.0	17,286	16,923	242.0	220.0	-9.1
MI	358.0	366.0	23,277	23,164	8,333.0	8,478.0	1.7
MN	470.0	468.0	19,366	18,996	9,102.0	8,890.0	-2.3
MS	17.0	14.0	13,118	14,571	223.0	204.0	-8.5
MO	99.0	95.0	14,596	14,611	1,445.0	1,388.0	-3.9
MT	14.0	14.0	20,643	20,571	289.0	288.0	-0.3
NE	59.0	57.0	19,797	20,579	1,168.0	1,173.0	0.4
NV	28.0	29.0	23,500	22,897	658.0	664.0	0.9
NH	15.0	14.0	19,600	20,429	294.0	286.0	-2.7
NJ	8.0	8.0	17,500	17,000	140.0	136.0	-2.9
NM	321.0	329.0	24,551	24,854	7,881.0	8,177.0	3.8
NY	611.0	610.0	20,807	21,026	12,713.0	12,826.0	0.9
NC	44.0	45.0	19,636	20,044	864.0	902.0	4.4
ND	21.0	19.0	18,286	18,105	384.0	344.0	-10.4
OH	271.0	268.0	19,446	19,187	5,270.0	5,142.0	-2.4
OK	56.0	53.0	17,125	17,491	959.0	927.0	-3.3
OR	118.0	121.0	20,331	20,488	2,399.0	2,479.0	3.3
PA	541.0	541.0	19,847	19,601	10,737.0	10,604.0	-1.2
RI	1.1	1.1	17,727	17,909	19.5	19.7	1.0
SC	16.0	16.0	17,875	17,375	286.0	278.0	-2.8
SD	92.0	91.0	20,478	20,549	1,884.0	1,870.0	-0.7
TN	52.0	50.0	16,346	16,200	850.0	810.0	-4.7
TX	413.0	431.0	21,375	22,232	8,828.0	9,582.0	8.5
UT	85.0	88.0	21,400	21,068	1,819.0	1,854.0	1.9
VT	136.0	134.0	18,537	18,940	2,521.0	2,538.0	0.7
VA	95.0	96.0	18,095	17,906	1,719.0	1,719.0	
WA	251.0	260.0	23,510	23,727	5,901.0	6,169.0	4.5
WV	10.0	10.0	15,700	15,600	157.0	156.0	-0.6
WI	1,262.0	1,265.0	20,630	20,646	26,035.0	26,117.0	0.3
WY	6.0	6.0	20,067	20,517	120.4	123.1	2.2
U.S. 3/	9,119.0	9,194.0	21,148	21,345	192,848.0	196,245.0	1.8

1/ Average number during year, excluding 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, February 2012*.

## FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, JANUARY 2012

**HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for January have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During January, more than 11.3 billion pounds of milk were received from producers. This volume of milk is 4.8 percent higher than the January 2011 volume. In January 2011 and January 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.8 billion pounds of producer milk were used in Class I products, 2.1 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 34%, Class II = 11%, Class III = 43% and Class IV = 12%. The weighted average statistical uniform price was \$18.61 per cwt., \$0.52 lower than last month and \$2.67 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF JANUARY 2012										
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/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,068.0	-3.5	852.8	-6.8	41	23	23	13	19.37
Appalachian (Charlotte)	005	541.8	7.1	371.5	5.0	69	12	7	12	20.78
Florida (Tampa)	006	257.0	-3.0	217.1	-2.4	84	8	1	7	23.11
Southeast (Atlanta)	007	602.8	-4.1	399.2	-2.1	66	7	18	9	21.07
Upper Midwest (Chicago)	030 3/	2,874.7	1.1	333.6	-11.6	12	3	82	3	17.44
Central (Kansas City)	032 3/	1,312.1	14.6	431.0	7.1	33	11	41	15	17.93
Mideast (Cleveland)	033 3/	1,522.2	22.2	551.6	-0.8	36	19	35	10	18.24
Pacific Northwest (Seattle)	124	701.1	5.0	194.6	2.7	28	6	39	27	17.76
Southwest (Dallas)	126	1,054.5	5.4	381.6	-3.8	36	9	44	11	18.88
Arizona (Phoenix)	131	410.4	6.7	121.3	-4.3	30	9	22	39	18.12
<b>ALL MARKET AVERAGE OR TOTAL</b>	3/	11,344.7	4.8	3,854.3	-2.1	34	11	43	12	18.61

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 190.4 million pounds of milk that normally would have been associated with these markets. In January 2011, the estimated not pooled volume of milk was 363 million pounds, occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is -3.0%.

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932.

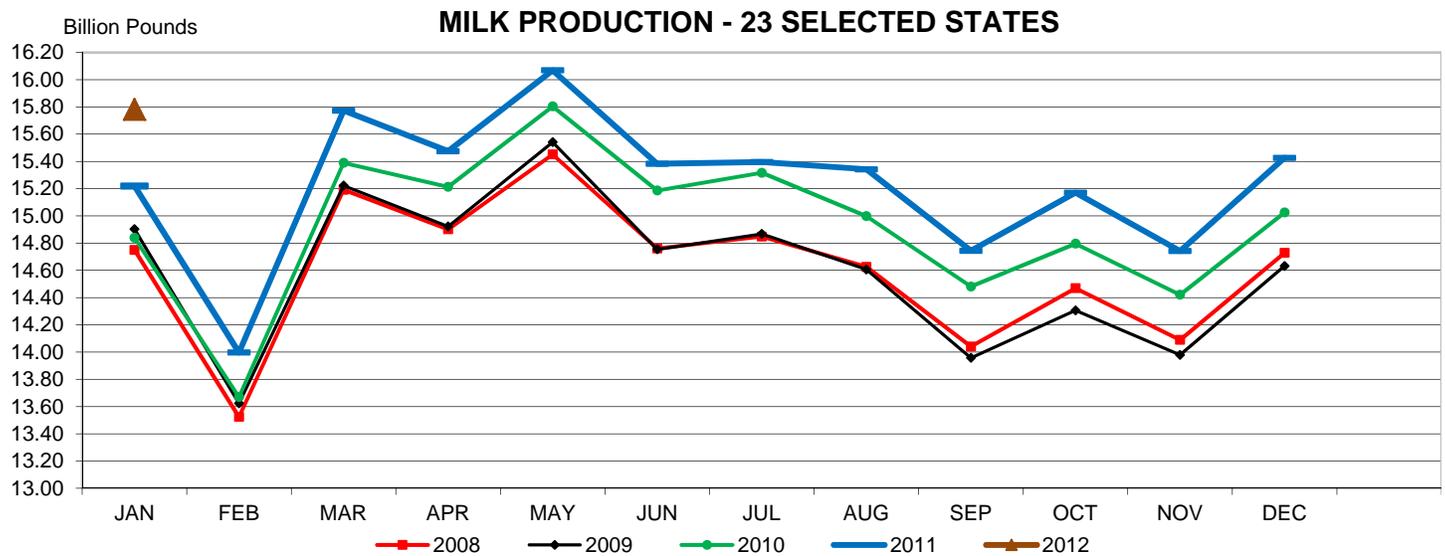
**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS,  
MARCH 2012, WITH COMPARISONS 1/**

For March 2012, the all-city average announced cooperative Class I price was \$21.40 per cwt., \$2.46 higher than the Federal milk order (FMO) Class I price average for these cities. The March 2012 Cooperative Class I price was \$0.75 lower than the February 2012 price. The March 2012 Federal order Class I price was \$0.73 lower than the February 2012 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.51 in Phoenix, AZ, to \$4.21 in Miami, FL. For March 2011, the all-city average announced cooperative Class I price was \$23.38, \$2.51 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

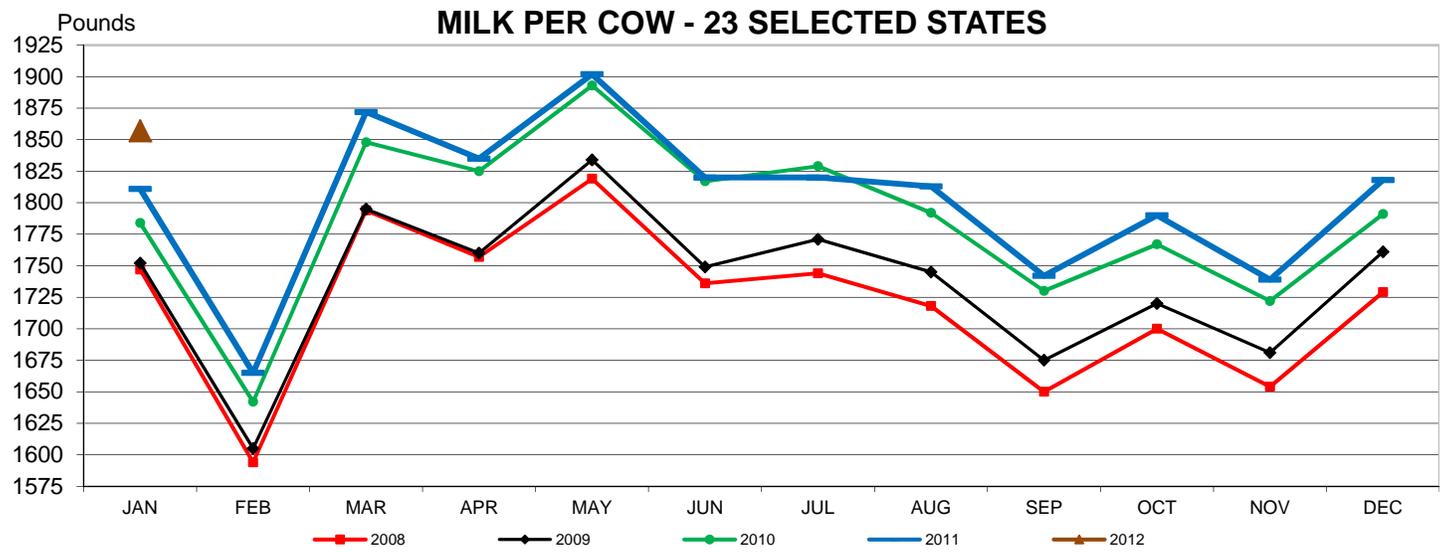
City	MARCH 2012		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	23.40	20.10	3.30
Baltimore, MD	20.97	19.30	1.67
Boston, MA	21.35	19.55	1.80
Charlotte, NC	23.07	19.70	3.37
Chicago, IL	21.71	18.10	3.61
Cincinnati, OH	21.40	18.50	2.90
Cleveland, OH	21.20	18.30	2.90
Dallas, TX	20.05	19.30	0.75
Denver, CO	20.27	18.85	1.42
Des Moines, IA	20.84	18.10	2.74
Detroit, MI	20.97	18.10	2.87
Hartford, CT	21.25	19.45	1.80
Houston, TX	21.30	19.90	1.40
Indianapolis, IN	21.20	18.30	2.90
Kansas City, MO	20.53	18.30	2.23
Louisville, KY	21.77	18.60	3.17
Memphis, TN	22.37	19.20	3.17
Miami, FL	26.51	22.30	4.21
Milwaukee, WI	21.66	18.05	3.61
Minneapolis, MN	20.57	18.00	2.57
New Orleans, LA	22.27	20.10	2.17
Oklahoma City, OK	21.04	18.90	2.14
Omaha, NE	20.59	18.15	2.44
Philadelphia, PA	22.50	19.35	3.15
Phoenix, AZ	19.16	18.65	0.51
Pittsburgh, PA	22.15	18.40	3.75
St. Louis, MO	20.68	18.30	2.38
Seattle, WA	18.98	18.20	0.78
Springfield, MO	21.34	18.70	2.64
Washington, DC	20.97	19.30	1.67
Wichita, KS	20.44	18.50	1.94
Simple Average	21.40	18.94	2.46

1/ This table contains information from the Class I price announcements sent by the major cooperatives in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers.

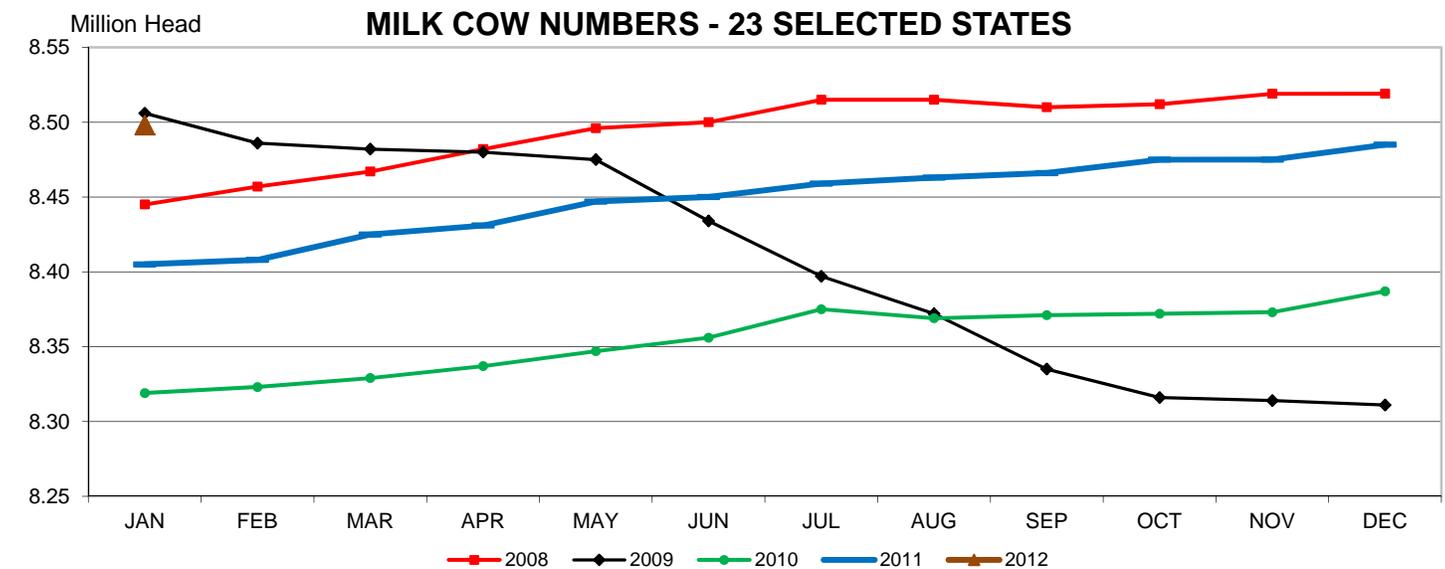
Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932.



Graph USDA, DMN; Source USDA, NASS

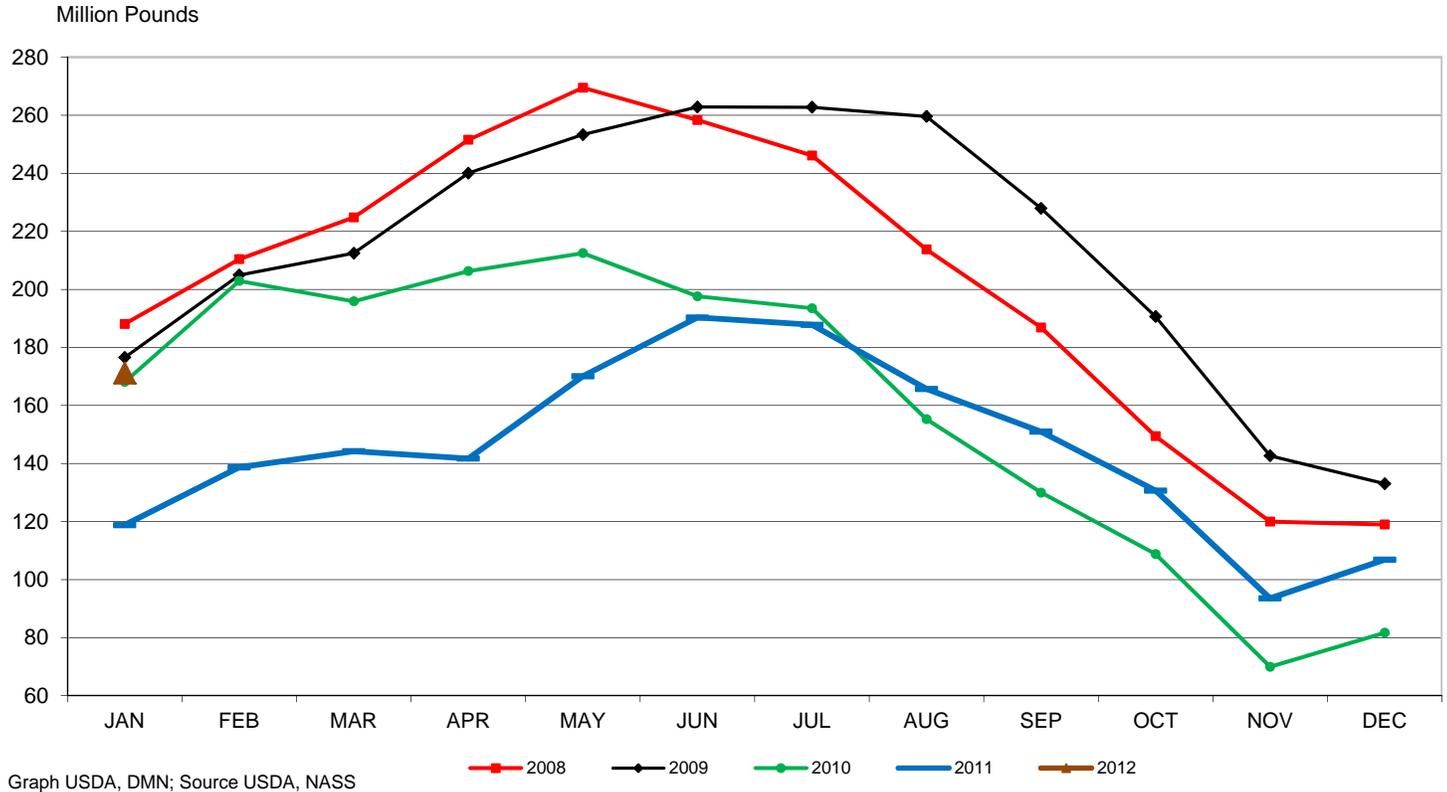


Graph USDA, DMN; Source USDA, NASS

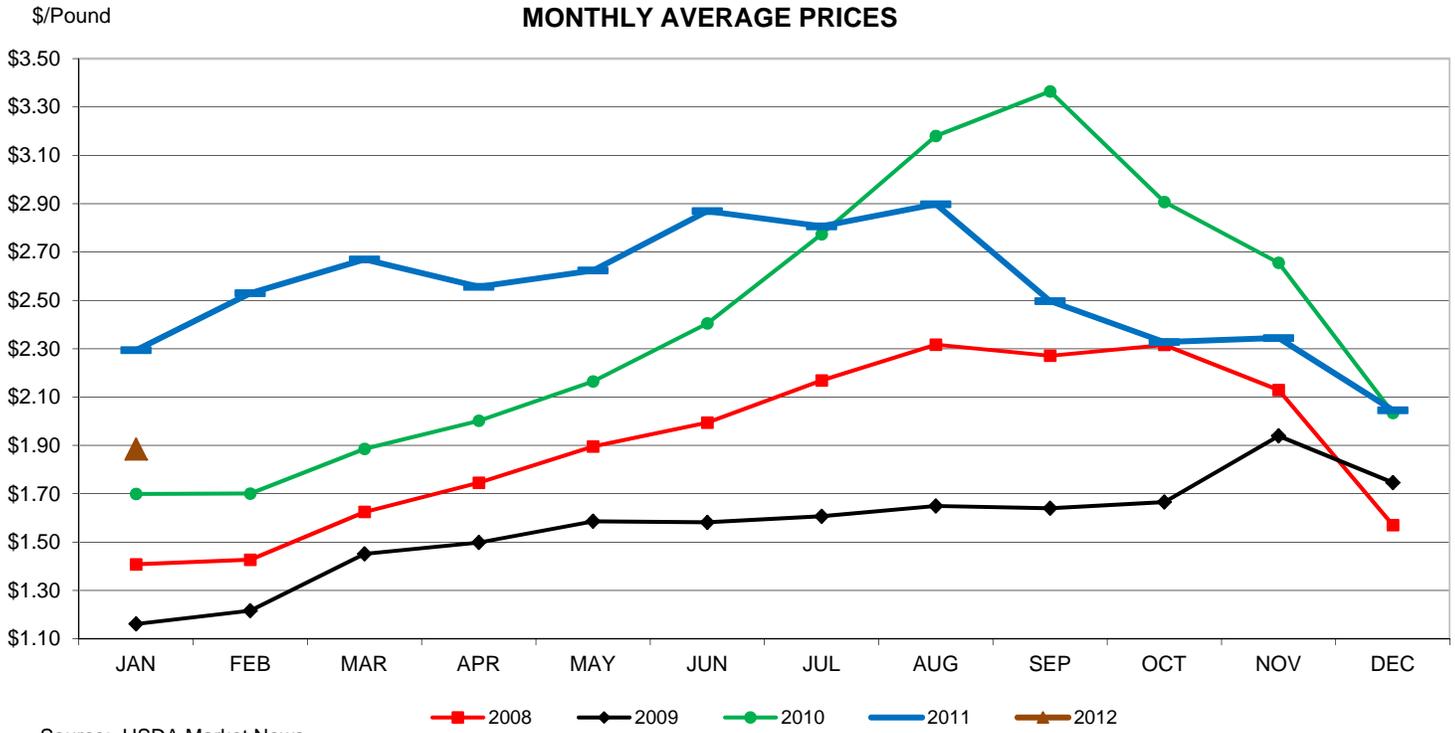


Graph USDA, DMN; Source USDA, NASS

**U.S. BUTTER COLD STORAGE HOLDINGS**



**NORTHEAST CLASS II CREAM MONTHLY AVERAGE PRICES**



# DAIRY MARKET NEWS

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**GENERAL NUMBER**  
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**REPORT:** 08

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