DAIRY MARKET NEWS ANNOUNCES NEW NATIONAL DAIRY RETAIL REPORT

March 23, 2012

USDA, AMS, Dairy Market News releases the first National Dairy Retail Report, a biweekly report containing conventional and organic dairy product retail pricing information. The report lists data for conventional and organic dairy products, divided into four main sections: (1) Narrative and graphs; (2) National tables; (3) Regional tables; and (4) a breakdown between national and store branded products. The report lists a selected market basket of dairy products and will provide summarized data for advertised dairy products. The price information is collected one time every two weeks by the staff of Dairy Market News. Data is summarized, analyzed, and disseminated from the Madison, Wisconsin office.

The National Dairy Retail Report will be attached to the back of the Dairy Market News report on the release week. The current retail report and archived reports will be available at:

http://www.ams.usda.gov/AMSv1.0/DairyRetailReport

Customer Survey Notice

USDA Market News is interested in knowing how we can best meet your information needs. To do this, we are conducting an online survey of our customers.

We have asked the CFI Group, a third party research and consulting firm, to confidentially administer the survey. The survey will take approximately 10 minutes of your time. Please assist us in assessing our performance by completing the survey at:

https://svy.cfigroup.com/surveys/VHCVKW

NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (03/23):
BUTTER: Grade AA closed at $1.5225. The weekly average for Grade AA is $1.5225 (+.0220).
CHEESE: Barrels closed at $1.4600 and 40# blocks at $1.4950. The weekly average for barrels is $1.5830 (+.0275) and blocks, $1.5900 (+.0555).

BUTTER HIGHLIGHTS: The CME cash butter price remains firm and closed the week at $1.5225, $0.0075 higher than a week ago. The current cash price compares to $1.5150 last Friday, $1.4150 a month ago, and $2.0600 a year ago. Many butter producers and handlers still feel that the cash price will ease once the upcoming Easter/Passover holidays have passed. Churning schedules remain seasonally active, although some butter producers are indicating that cream supplies are a little less available due to enhanced Class II demand. Class II demand is stronger as cream cheese, sour cream, whipping cream and other cream based product production are heavier prior to the upcoming holiday period. Warmer temperatures are encouraging ice cream consumption, but for the most part, ice cream production remains seasonally limited. Retail butter demand has eased now that most orders for the upcoming holiday period have been shipped. Suppliers indicate that orders are still occurring for basically fill-in needs. Retail feature activity across the country is occurring and is projected to increase during the next two weeks. Food service orders have also been stronger in anticipation of the upcoming holidays. This week, Cooperatives Working Together (CWT) announced that they awarded export assistance for 1.5 million pounds of butter for shipment now through September 2012.

CHEESE HIGHLIGHTS: Higher than expected milk supplies are driving increased cheese manufacturing. Cheese plants across the United States have access to all the milk they need and then some in many cases. Surplus production is leaning towards Cheddar production. The higher production has led to increased retail featuring of cheese. The Cooperatives Working Together (CWT) program continued in its assistance of export sales, now totaling 34.2 million pounds for 2012. Cheese trading at the CME Group this week had been driven by bids with little to no sales of product being made. Blocks closed the week at $1.4950, while barrels closed at $1.4600. Until Friday's trade, since March 7 of this year, the barrel market had increased 15 ¼ cents, while blocks increased 15 cents. The increase had been fueled by unfilled bids with only one sale of barrels reported for the time period. Friday saw sharply lower prices as sellers came to the barrel market. The market was 16 ½ cents lower on barrels for Friday, while blocks were 14 cents lower. Barrels sold 11 loads on Friday's market with no blocks sold.

FLUID MILK: The market is awash with milk as increased production is noted across the U.S. Typical spring flush for the southern tier of states continues, while mild winter/spring weather in the northern areas has increased milk supplies. February milk production compared to last year in the 23 reported states was announced to be up 4.6% after being adjusted for the extra leap year day. Cream demand has increased due to higher ice cream demand combined with better cream based production for the Easter/Passover features. Several processors in the West are preparing to implement financial assessments on producers for milk marketed above established volumes. Discounts for milk above basis are reported to be severe.

DRY PRODUCTS: Nonfat dry milk prices are trending lower across the country. Increased production schedules due to heavy milk supplies are weighing on prices. Low heat NDM production is responsible for most of the increased supplies as processors try to keep up with incoming volumes of solids. High heat production is being balanced to fill mostly immediate needs. Spot market buyers are looking to make large purchases only when offered discounts to the market. Dry buttermilk prices are unchanged to lower on a weak market. Increased supplies are being utilized by ice cream mix producers and helping to clear inventories. Edible dry whey markets are finding more stability after recent price reductions. Spot loads of whey are available with some discounting still offered although the market remains mostly contract driven. Whey protein concentrate 34% prices are unchanged to lower. WPC34% is finding competition from lower NDM prices for those that are able to modify their ingredient mix. Lactose prices are mostly unchanged with a steady to firm undertone. Demand for high mesh lactose is surpassing available supplies. Contract negotiations are ongoing for both monthly and quarterly deals. Casein markets are mostly unchanged.

ORGANIC DAIRY MARKET (DMN): AMS reports Total Organic Milk Products sales for January 2012, 193 million pounds,

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*****SPECIALS THIS ISSUE*****

CME GROUP CASH TRADING

COMMODITY	MONDAY MAR 19	TUESDAY MAR 20	WEDNESDAY MAR 21	THURSDAY MAR 22	FRIDAY MAR 23	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.5925 (+.0100)	$1.6125 (+.0200)	$1.6250 (+.0125)	$1.6250 (N.C.)	$1.4600 (-.1650)	(-.1225)	$1.5830 (+.0275)
40# BLOCKS	$1.5825 (N.C.)	$1.6025 (+.0200)	$1.6350 (+.0325)	$1.6350 (N.C.)	$1.4950 (-.1400)	(-.0875)	$1.5900 (+.0555)
NONFAT DRY MILK							
EXTRA GRADE	$1.2575 (N.C.)	$1.2575 (N.C.)	$1.2575 (N.C.)	$1.2575 (N.C.)	$1.2575 (N.C.)	(N.C.)	$1.2575 (N.C.)
GRADE A	$1.2675 (N.C.)	$1.2675 (N.C.)	$1.2675 (N.C.)	$1.2675 (N.C.)	$1.2675 (N.C.)	(N.C.)	$1.2675 (N.C.)
BUTTER							
GRADE AA	$1.5225 (+.0075)	$1.5225 (N.C.)	$1.5225 (N.C.)	$1.5225 (N.C.)	$1.5225 (N.C.)	(+.0075)	$1.5225 (+.0220)

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

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were up 18.3% from January 2011. Organic Whole Milk sales for January 2012, 48 million pounds, were up 12.2% compared with January 2011. Organic Fat-Reduced Milk sales for January 2012, 145 million pounds, were up 29.9% compared with January 2011. Comparing the January and March 2012 average non-advertised cooler price for retail half gallon organic reduced fat (2%) milk prices surveyed in thirty cities, shows the largest two month national average price increase since this data series began in April 2008. With the substantial reporting of organic milk supply tightness during these months, unprecedented retail price increases supply a quantifiable dimension to the situation. The national average price increased from $3.87 in January 2012 to $4.01 in March 2012, a $.14 increase. Fourteen cities have higher prices for March compared with January, 4 lower and 4 unchanged. Advertising volume for organic half gallons is the highest level of 2012 and higher than most of 2011. The Weighted average advertised price, $2.88, is above two periods of this year and below the other two. It is a relatively low weighted average advertised price weighed against the results of this survey dating to the fall of 2009. The AMS Dairy Market News Survey which generated the national organic half gallon milk weighted average advertised price of $2.88, also determined the price for non-organic half gallons as $2.10, a $.78 price spread. A national organic brand recently rolled-out a new product offering organic milk from 100% grass fed cows. Initially the sales effort will be in California.

INTERNATIONAL UPDATE (DMN): At the March 20 g/DT session #64, the all contract price averages indicated weakness for all traded products. Contract #1 (April) had activity only in U.S. sourced skim milk powder which averaged $2,786/MT, +1.1% from the previous session and is the only product and contracting period that realized an increase of all of the products traded at the 64th event. Contract #2 (May 2012) prices per MT and changes from the previous session were reported at: anhydrous milk fat, $3,148, -9.5%; buttermilk powder, no trading; skim milk powder, $3,105, -2.9%; whole milk powder, $3,316, -1.5%; milk protein concentrate $4,160, -15.0%; rennet casein $6,412, -14.9%; and cheddar cheese $3,094, -10.6%.

FEBRUARY COLD STORAGE (NASS): On February 29, U.S. cold storage holdings of butter totaled 205.3 million pounds, 21% more than a month ago and 48% more than last February. Natural American cheese holdings totaled 606.3 million pounds, 1% less than a month ago, and 2% less than a year ago.

FEBRUARY MILK PRODUCTION (NASS): Milk production in the 23 major States during February totaled 15.2 billion pounds, up 8.3% from February 2011. However, adjusting production for the additional day due to leap year causes February milk production to be up 4.6% on a per day basis. January revised production at 15.8 billion pounds, was up 3.9% from January 2011. The January revision represented an increase of 24 million pounds or 0.2% from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,782 pounds (unadjusted) for February, 117 pounds above February 2011. The number of milk cows on farms in the 23 major States was 8.51 million head, 102,000 head more than February 2011, and 8,000 head more than January 2012.

FEBRUARY PRICE AND POOL STATISTICS (NASS): During February, more than 10.9 billion pounds of milk were received from producers. This volume of milk is 6.8% higher than the February 2011 volume after factoring for the extra leap year day in 2012. In February 2011 and February 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.5 billion pounds of producer milk were used in Class I products, 2.9% lower than the previous year after factoring for the extra leap year day in 2012. Calendar composition likely had a negative impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 32%, Class II =11%, Class III = 45% and Class IV = 12%. The weighted average statistical uniform price was $17.34, $1.28 lower than last month and $0.79 lower than last year.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the Class I base price for April 2012 is $15.66. This price is derived from the Class III skim milk pricing factor of $10.70 and the advanced butterfat pricing factor of $1.5239. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. Compared to March 2012, the Class I base price decreased $0.64. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -$0.62 per cwt., -$0.053 per gallon; reduced fat milk (2%), -$0.48 per cwt., -$0.041 per gallon; fat-free (skim milk), -$0.31 per cwt., -$0.027 per gallon. The advanced Class IV skim milk pricing factor is $10.39. Thus, the Class II skim milk price for April is $11.09, and the Class II nonfat solids price is $1.2322. Product Price Averages. The two-week product price averages for April are: $1.4299, nonfat dry milk $1.3334, cheese $1.5186, and dry whey $0.6117.

CME GROUP

MONDAY, MARCH 19, 2012
CHEESE -- SALES: NONE; LAST BID UNFILLED: 2 CARS BARRELS @ $1.5925; 1 CAR 40# BLOCKS @ $1.5825; 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 @ $1.5225; LAST OFFER UNCOVERED: NONE

TUESDAY, MARCH 20, 2012
CHEESE -- SALES: 1 CAR BARRELS @ $1.6100; LAST BID UNFILLED: 1 CAR BARRELS @ $1.6125; 1 CAR 40# BLOCKS @ $1.6025; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: 4 CARS GRADE AA: 1 @ $1.5275, 1 @ $1.5300, 1 @ $1.5250, 1 @ $1.5225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, MARCH 21, 2012
CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ $1.6250; 1 CAR 40# BLOCKS @ $1.6350; 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: NONE

THURSDAY, MARCH 22, 2012
CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ $1.6250; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ $1.2400; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.5225; LAST OFFER UNCOVERED: NONE

FRIDAY, MARCH 23, 2012
CHEESE -- SALES: 11 CARS BARRELS: 1 @ $1.6250, 1 @ $1.6275, 2 @ $1.4900, 1 @ $1.4800, 6 @ $1.4600; LAST BID UNFILLED: 5 CARS BARRELS @ $1.4500; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.4600; 1 CAR 40# BLOCKS @ $1.4950
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ $1.2450; LAST OFFER UNCOVERED: NONE
BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The CME Group butter price was unchanged on Tuesday and closed at $1.5225. In the last 5 trading sessions butter prices have increased $0.0250. Easter butter orders are in and manufacturers have churns operating at increased levels to fill those orders. Private label orders for some manufacturers have been especially active this year. This week's retail price survey revealed Northeastern butter prices ranging from $1.99-$3.99 with a weighted average price of $2.69. Production of 82% for export has also increased as a result of the CWT export assistance program. Butter inventories in the East continue to be limited due to the seasonal uptick in domestic demand and recent export orders. Cooperatives Working Together (CWT) has accepted 15 requests for export assistance to sell 1.5 million pounds of butter and 3.77 million pounds of Cheddar and Monterey Jack cheese to customers in Asia, the Middle East and North Africa. Delivery of product will be from March through September 2012. 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

During the past week, the CME cash butter price continued to firm and is $1.5225 at midweek. This price compares to $1.5075 last week at this time, $1.4150 a month ago, and $2.0600 last year at this time. Many feel that the cash price will ease once the upcoming holidays are concluded. Current churning schedules remain active, although some butter producers are indicating that cream supplies are less available than they have been in recent weeks. Much of the lighter availability is being attributed to increased Class II cream based holiday products being generated for the upcoming Easter/Passover holiday period. Butter demand remains good for upcoming holiday needs, but for the most part, holiday orders have been filled and current sales are for fill-in needs. Some retail features are starting to appear and are projected to become more prevalent during the next two weeks. The CWT program continues to extend butter export assistance. Last week, 678 metric tons (1.5 million pounds) of domestically produced butter received export assistance through the CWT program. This butter will be exported now through September 2012. Domestic butter producers are indicating that the CWT assistance is becoming more of a factor in finalizing international sales as some international buyers are cautious with their purchases as the cash price firms. Bulk butter prices range from flat to 3 cents over various pricing bases and averages per pound.

WEST

Western butter production continues at an active pace as fluid milk supplies put pressure on manufacturers. Increased interest from ice cream manufacturers has eased cream supplies. Sales of print butter for the upcoming Easter holiday are reported good with the bulk of that product being shipped this week. Export assistance from Cooperatives Working Together this week helped with sales of 1.5 million pounds of butter. Prices for bulk butter range from even to $.0400 cents under the market, based on the CME with various time frames and averages used. Wednesday's close on the CME Group exchange for butter is unchanged at $1.5225. The market was bid higher on Monday and has remained steady since then. There was a small flurry of trading activity on Tuesday with four loads changing hands.

U.S. Butter Imports (USDA-FAS)

	2012 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Feb. Quota Imports	0.59	+ 25.3	3.9
Jan. – Feb.			
High Tier	.01	- 96.1	N.A.
Quota Imports	1.15	+ 17.3	7.5

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
March 17, 2012	1.4955	1.5056	1.3261	1.4425	0.6044
	10,257,090	11,921,822	23,438,045	4,876,999	8,424,669

Further data and revisions may be found on the internet at: http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1450

CHEESE MARKETS

NORTHEAST

Barrel and block cheese prices on the CME Group advanced 2 cents Tuesday with barrels closing at $1.6125 and blocks at $1.6025. In the last 5 trading sessions barrels have increased $0.0600 and blocks $0.0950 in very light trading. Milk production increases continues to put more milk in the cheese vat. The expanding cheese inventories are prompting increased retail promotions. The Northeast retail survey saw thousands of stores with multiple cheese ads. Most prevalent were 8 ounce shredded and block cheeses. The shredded cheeses ranged in price from $1.99-$3.99 with a weighted average price of $2.38. 8 ounce block cheeses ranged from $1.49-$3.33 with a weighted average price of $2.36. Export interest remains fairly good when assistance is provided. Cooperatives Working Together (CWT) has accepted 15 requests for export assistance to sell 3.77 million pounds of Cheddar and, Monterey Jack cheese and 1.5 million pounds of butter to customers in Asia, the Middle East and North Africa. Delivery of product will be from March through September 2012.

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

Cheddar 40# Block	:	1.9375-2.2225
Process 5# Sliced	:	1.7750-1.8950
Muenster	:	1.9575-2.3175
Grade A Swiss Cuts 10 - 14#	:	3.4075-3.7300

MIDWEST

Cheese manufacturing throughout the region remains strong, not surprising considering continuing heavy milk production and somewhat weaker recent Class I sales. The combination of “June weather in March”, with cool nights, and spring school vacations, has resulted in heavy milk supplies. Manufacturers with committed milk intakes and capacity to manufacture either cheese or dry milk to utilize milk not required for bottled milk, are trending toward cheese over powder. Cheese production for uncommitted product favors cheddar over other varieties which do not age as well. Most bulk cheese production is committed when manufactured. Inventory of Colby and pepper jack remains “comfortable”, as well as overall inventory levels. Retail cheese print advertising in the Midwest is up slightly over two weeks ago, based on analysis of the same stores. The most advertised retail cheese product regionally this week is 8 ounce blocks of natural cheese. Nationally, 8 ounce shredded cheese tops the list for advertising intensity. CME Group trading for the last 12 consecutive sessions has yielded only increases when prices changed, moving prices to the highest level of 2012. Yet for 10 trading days through Wednesday, the upward price movement has almost entirely occurred on unfilled bids, the sole exception being 1 car of barrels sold this Tuesday. Earlier in the trend, this price strength trend in the face of almost non-existent sales initially puzzled observers. Now potential sellers increasingly do not seem to feel pressure to complete sales. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell a total of 3.770 million pounds (1,710 metric tons) of Cheddar and Monterey Jack cheese to customers in Asia, the Middle East and Africa. The product will be delivered March through September 2012. In 2012, CWT has assisted member cooperatives in making export sales of Cheddar, Monterey Jack and Gouda cheese totaling 34.2 million pounds.

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

Process American 5# Loaf	:	1.7475-2.3600
Brick And/Or Muenster 5#	:	1.9250-2.4400
Cheddar 40# Block	:	1.9250-2.8650
Monterey Jack 10#	:	1.8950-2.8650
Blue 5#	:	2.1900-3.1300

U.S. Cheese Imports (USDA-FAS)

	2012 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Feb. Quota Imports	11.4	- 15.2	3.8
Jan. – Feb.			
High Tier	4.5	+ 28.8	N.A.
Quota Imports	22.5	- 5.6	7.5

WEST

Western wholesale cheese prices adjusted higher this week as higher bids at the CME Group moved the market up. Production of cheese continued at increased levels with strong supplies of milk moving to manufacturers. Demand for cheese is mixed as buyers look to stay ahead of price increases. Some buyers feel that the increased cheese production will weigh on the market and lower prices in the near future. The Cooperatives Working Together program assisted with sales of 3.8 million pounds of cheese into the export market this week. Cheese trading at the CME Group has been driven recently by higher bids, although sellers are hard to find. Barrels were $.0125 higher on Wednesday to close at $1.6250. Blocks closed up $.0325 higher at $1.6350. Since the last significant day of sales two weeks ago, only one load of barrels has sold with no sales at all reported on the blocks. The market has increased $.1525 cents on barrels and $.1500 on blocks since March 7.

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

Process 5# Loaf	:	1.6800-1.9375
Cheddar 40# Block	:	1.6600-2.0125
Cheddar 10# Cuts	:	1.8400-2.0600
Monterey Jack 10#	:	1.8500-2.0100
Grade A Swiss Cuts 6 - 9#	:	2.9850-3.4150

FOREIGN

The weekly average block price on the CME Group increased significantly, resulting in a $0.0575 increase in domestic wholesale prices. Prices for domestic wholesale Swiss cuts were unchanged. Importers adjusted wholesale prices for Provolone, Reggianito and Jarlsberg cheeses. Imported Italian type cheese sales have shown improvement as the strong U.S. dollar, compared to the Euro, has provided price advantages for a number of months. According to FAS, imports of high tier and quota Italian-type cheese from January through February this year totaled 4.4 million pounds, up 9.4% for the same period last year. Imports of quota Italian-type cheese January through February totaled 1.8 million pounds, 16.2% above the same period last year and 6.0% of the annual quota. Imports of high tier Italian-type cheese January through February totaled 2.7 million pounds, up 5.3% from the same period in 2011. Quota imports of Swiss/Emmenthaler varieties from January through February 2012 totaled 5.8 million pounds, 25.4% less than the same period last year. Norway and Finland, the two top sources, account for 61.7% of Swiss/Emmenthaler imports January through February 2012.

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

VARIETY	NEW YORK IMPORTED	NEW YORK DOMESTIC
Blue	2.6400-5.2200	2.0775-3.5650*
Gorgonzola	3.6900-6.3900	2.5800-2.8400*
Parmesan (Italy)	-0-	3.2000-3.7550*
Provolone (Italy)	3.4400-6.1800*	2.1200-2.2775*
Romano (Cows Milk)	-0-	3.2675-5.4175*
Sardo Romano (Argentine)	2.8500-3.9800	-0-
Reggianito (Argentine)	3.2900-4.1900*	-0-
Jarlsberg-(Brand)	2.9500-5.2900*	-0-
Swiss Cuts Switzerland	-0-	3.5000-3.8225
Swiss Cuts Finnish	2.5900-2.8500	-0-

* = Price change.

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

	BUTTER	CHEESE
03/19/12	9,224	134,540
03/01/12	8,277	135,544
CHANGE	947	-1,004
% CHANGE	11	-1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	210	0	190	0	260
SOUTHEAST STATES	0	0	0	0	0	0

The early spring with record warm temperatures continues to induce milk production increases in the Northeast and Mid-Atlantic regions. Class I demand remains sluggish and will not improve next week when many schools are scheduled to go on spring break. Cream based product production in the two regions has increased, but condensed skim milk supplies quickly exceed demand, resulting in heavy volumes going to Class IV production. The peak flush period for milk production has begun in Florida. Class I demand has increased marginally as some schools on spring break resumed classes. The increase in production prompted an increase in export spot loads, which totaled 210. This is the highest number of export loads since June, 2011. Drought conditions continue in the state, but recent rains have brought some relief to a few areas. Pastures are greening up, but are not yet suitable for grazing. Southeast milk production continues to increase with many areas at previous year's peak levels with more increases to come. All auxiliary manufacturing plants are being utilized with most being utilized to capacity. Schools are cycling through their spring break periods with Class I demand remaining sluggish at best. Strong butter exports, Easter product pulls and an early start to the ice cream mix season have all combined to increase cream demand and tighten up supplies. Demand for cream depends greatly on day of the week with strong pulls early in the week, but late week demand drops off significantly as most manufacturers have their supply needs met. The result of the varying demand is a wide multiple range of 120-135. Converse to the increase in demand for butterfat has been the decline in demand for skim solids. Condensed skim supplies continue to be very heavy with heavy volumes going to Class IV production. Trading is light on the spot market with only a few sales beyond contracted orders. Some areas have reported price discounts on a few sales in order to clear their heavy condensed skim supplies. Higher freight costs are also hampering the efforts of plants needing to clear supplies. According to NASS, milk production for February 2012 in the 23 reported states totaled 15.2 billion pounds, up 4.6%, when adjusted for the extra day due to leap year, from February 2011. Milk production increased in all 5 listed states in the Eastern region and resulted in Eastern region production increasing 5.3% (unadjusted) over the same month last year to 2,465 million pounds. The 5 states showed the following (unadjusted) percentage changes in milk production from February 2011 to February 2012 and total milk production this February: Florida, +6.5%, 212 million pounds; New York, +6.8%, 1,055 million pounds; Pennsylvania, +3.5%, 849 million pounds; Vermont, +3.0%, 204 million pounds; and Virginia, +5.8% at 145 million pounds. Milk cow numbers for February 2012 increased in 2 of the 5 listed states of the Eastern region with 2 states declining and one state unchanged. As a region, cow numbers were 1,000 head (+0.07%) more compared to the same period last year. Individual state cow numbers compared to February 2011 and cows remaining as of this February are: Florida, 4,000 increase, 122,000 remaining; New York, unchanged, 610,000 remaining; Pennsylvania, 2,000 decrease, 541,000 remaining; Vermont, 2,000 decrease, 133,000 remaining; and Virginia, 1,000 increase, 96,000 remaining.

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 -	1.8006-2.0257
F.O.B. producing plants: Upper Midwest -	1.8456-1.9056

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 -	1.36 - 1.41

MIDWEST

February 2012 milk production increased compared to February 2011 in all ten Central region states included in the NASS 23 Selected States Milk Production report. Unadjusted for the additional day in February, Central region milk production increases ranged from 4.6% in Missouri to 10% in Indiana. On an adjusted, national basis, February 2012 milk production showed a 4.6% increase over one year ago. Cow numbers in the Central states decreased and increased from state to state, with a net gain of 17,000 dairy cows compared to February 2011. Farm milk intakes continue to inch higher according to milk handlers, with trucks routinely delivering 2,000 – 5,000 pounds more of farm milk per load, which quickly adds up to additional full loads. Class I demand is flat. Interregional spot milk loads are offering price competitive solids to Central buyers, displacing some Central spot milk at $2 under Class. Condensed skim contract sales into ice cream and cultured product plants are steady to climbing incrementally. Cream offerings tightened slightly this week. The range on cream multiples widened, with a cent or two added to the high side. Planned plant shutdowns for maintenance caused some rerouting of milk loads, but all milk reportedly found processing capacity within the region. Market information contributors indicate heifer numbers on Central farms are generally strong, with some farmers planning to add heifers to increase production versus culling aggressively. Spring field work on higher ground was evident this week, with tillage and some direct seeding underway.

WEST

CALIFORNIA milk production levels remain at high and heavy levels. Processing plants are running at or near capacity to handle the milk supplies. Processors are also selling milk and components to balance the load. News is circulating that several processors are implementing financial assessments on producers for milk produced above established base volumes. Details are evolving, but the assessments are indicated to be severe. Wetter conditions have been common over a major part of the milk producing regions of the state, but milk output is not being affected. Class 1 milk interest is uneven. ARIZONA milk output is generally steady, seeing a slight decline due to cooler and wet weather conditions. Handlers in the state continue to juggle the milk supply to process the milk. The dip is welcome and is giving some plants a little room that is being used to help other nearby areas balance their supplies. Demand for Class I milk is lighter. NEW MEXICO milk supplies continue to be heavy. Processing plants are running on extended schedules to handle the milk. Conditions have been favorable for milk cows. There are concerns about the lower trending milk prices. CREAM markets in the West are steady to firm. Demand for cream has improved across categories. More cream is moving to ice cream accounts as those operations ramp up production schedules. There is still good interest from higher class product producers who, in turn, are seeing good seasonal interest for their finished products ahead of the Easter/Passover holiday season. Increases in advertisements that are based on NCAA basketball interest are noted. The CME Group, Grade AA butter price closed at $1.5225 on Wednesday, up 1.5 cents from last week. Cream multiples are unchanged at 106-123 and vary based on class usage and basing points. Milk production in the PACIFIC NORTHWEST is reported well above year ago levels. Mild winter weather and increased cow numbers combined to boost production above expected levels. Milk handlers are utilizing all production facilities to process the added supplies. Repairs to a drying facility have added to processing capacity difficulties. Milk pooled on the Pacific Northwest Order 124 totaled 665.6 million pounds in February 2012; approximately 625 producers delivered milk to the market. The average daily delivery per producer was 36,725 pounds. Class I utilization was 178.0 million pounds and accounted for 26.7 percent of producer milk. The producer price differential (PPD) for the Pacific Northwest Order was $0.58, resulting in a statistical uniform price of $16.64. The statistical uniform price for the Pacific Northwest Order was $1.12 below last month, and $1.14 below the same month last year, a decrease of 6.4 percent. UTAH and IDAHO milk production levels are

CONTINUED ON PAGE 4A

FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

above expectations due to many of the same reasons as the far West. Processing capacity in the area is adequate for most of the current supply, although some condensed products are moving out of the region. Dairy farmers are currently assessing production goals for the upcoming summer. High feed costs and lower farm milk prices are curtailing some expansion plans. Cull cow prices well above traditional prices have increased the opportunities to switch out lower producing animals with younger stock. According to NASS, February Milk Production for the 23 surveyed states totals 15.2 billion pounds, up 8.3% from last year. Adjusting production for the additional day due to leap year causes February milk production to be up 4.6% on a per day basis. February milk production changes from a year ago for selected Western states unadjusted are as follows: Arizona +11.9%, California +10.9%, Colorado +12.2%; Idaho +7.9%, New Mexico +8.7%, Oregon +6.5%, Utah +12.4%, and Washington +9.0%. Monthly milk production per cow unadjusted for the 23 surveyed states was 117 pounds (+7.0%) more than February 2011. Compared to February 2011, the Arizona herd is up 7,000 head, California +28,000, Colorado +10,000; Idaho +8,000, New Mexico +11,000, Oregon +4,000, Utah +5,000, and Washington +12,000. These 8 states are up 85,000 cows and the 23 surveyed states are up 102,000. February cow numbers in these 8 states were 3,000 more than January 2012.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices declined for Central region nonfat dry milk. Spot market interest is mostly light and limited to single loads unless block offers include discounts to the market. Although upcoming contracts will need fulfillment during lower NDM production periods, most manufacturers expect those NDM quantities will be provided through production in the second and third quarters. Thus, the active Q1 NDM production represents both an opportunity to reach out to new customers and a test of inventory management. Nonfat dry milk production is expected to continue in the short term at near capacity levels at most Central facilities. In addition, the opening of a new Central nonfat dry milk production facility is expected to come online within the next month. Low heat NDM continues as the main production focus, with high heat NDM scheduled intermittently to maintain sufficient stocks for near term contract needs. Seasonally increasing Class II interest in condensed skim is noted at some facilities, with load outs filling all schedule slots up to COB Friday.
EAST: Heavy manufacturing milk supplies are making their way to dryers and increasing nonfat dry milk inventories in the East. The expanding inventories are pressuring prices lower. The primary factor behind the increase in the manufacturing milk supplies is the increase in milk production. Manufacturing facilities are focusing on low heat NDM production in order to more quickly clear their increased milk supply. NDM production is very heavy with the peak flush period still a number of weeks out. Manufacturers are offering spot loads at discounts below contract pricing in order to clear some of their expanding inventory. Potential buyers continue to purchase for immediate needs only with the expectation that future price declines are a possibility. Domestic and export demand remain weak.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.1800 - 1.4050 MOSTLY: 1.2100 - 1.3500
HIGH HEAT: 1.3600 - 1.4500

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are trending lower. The market tone remains weak for both domestic and international markets. Production continues at high, seasonal levels with processing plants running on extended schedules to handle the supplies of milk and condensed skim. Buyers are looking for trades at lower prices and there are some more opportunity buying occurring this week. Pricing based off the national or state pricing indices is holding steadier at the top end of the ranged. Buyers pulling loads at those numbers are finding it harder to move those loads onto their customers. Export demand has been lighter than expectations for new business. There are volumes moving to established accounts. Domestic resale activity is uneven, but pricing points are under pressure to be competitive. Producers' stock levels are moderate to heavy and available from a wide array of sources in the region. Western high heat NDM pricing levels are trending lower. The main factors affecting the weaker market tone are the uneven demand and lower spot pricing on low heat. Production schedules are irregular and trending lower as production runs need to concentrate on low heat NDM to maximize throughput. Sellers basing sales prices off national or state indices are seeing prices stable at the top end of the range. Regular account business is still moving along expected volumes. Processors have stocks to service accounts.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.1500 - 1.3750 MOSTLY: 1.2000 - 1.3400
HIGH HEAT: 1.3200 - 1.4250

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Dry buttermilk prices in the Central region are unchanged to lower on a weak market. While interest in condensed buttermilk is growing from Class II manufacturers, spot market interest in dry buttermilk is at typically stale levels for this time of year, according to market participants. Contract sales continue into various baking concerns. Dry buttermilk production is steady at most facilities as churning to clear cream intakes is active, although futures prices at this time offer little incentive to build butter inventories speculatively.
EAST: Increased export demand for butter has expanded butter and dry buttermilk production in the Eastern region. The increased production is adding to inventories as current production is quickly out pacing demand. The lower prices for nonfat dry milk and increasing dry buttermilk supplies are pressuring prices lower. Buyers are purchasing hand to mouth, unwilling to make major purchases with the possibility of lower prices in the future. Movement of product through contracts remains steady, but spot sales activity is light. Ice cream mix production has gotten off to an early start in the Northeast and some condensed buttermilk has been purchased by those manufacturers. Domestic and export demand for dry buttermilk has declined as competition has increased from lower priced alternative products. The market undertone remains weak.

F.O.B. CENTRAL/EAST: 1.2000 - 1.3300

DRY BUTTERMILK - WEST

Western dry buttermilk prices continue to drift lower. The market tone is weak in a light test. Buying interest has slowed as buyers assess their needs against where they perceive the market price to be heading. Production levels remain at seasonally high levels as butter output is heavy. The conflicts over dryer times are intensifying as milk production trends higher and processing plants have limited excess dryer times. Some increases in condensed buttermilk sales are helping to alleviate the congestion, but the situation is tight. Dry buttermilk stocks are heavy and available in the region.

F.O.B. WEST: 1.1600 - 1.2800 MOSTLY: 1.2000 - 1.2600

DRY WHOLE MILK - NATIONAL

Dry whole milk prices are unchanged to lower on a weak market that reflects the price pressure on nonfat solids. Dry whole milk production is intermittent as plant operators evaluate inventories, contract commitments, farm milk intakes, and dryer schedules.

F.O.B. PRODUCING PLANT: 1.5800 - 1.6400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
March 16	$1.3439	16,578,307	0
March 9	$1.3445	13,976,893	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

With the release of Dairy Market News Central dry whey prices and NASS weekly Dairy Products Prices last week, the Central dry whey market regained some stability. Some international buyers reportedly resubmitted bids on resale dry whey loads, upping prices to correlate with current market conditions. Cheese production remains active in the Central region as for some milk handlers, the question is not whether to make cheese but where to send milk for processing room. Availability of condensed whey is ample with some loads being offered just for providing processing capacity. Contract pricing on dry whey remains steady and there are reportedly few instances of pushback by end users or resellers on accepting contract dry whey loads at established prices. A few spot loads of dry whey cleared during the week at discounts to the market as manufacturers evaluate/moderate inventories. ANIMAL FEED DRY WHEY prices are unchanged to lower on a weaker market. Some feed blenders indicate that interest is mostly steady in the Central region where farm milk intakes and overall processing capacity are on par. However, in some Western states, the latest round of availability of milk/milk byproducts that could not find processing room may be presenting lower cost feeding alternatives to livestock raisers and eventually supplanting blended feed in calves' diets.

F.O.B. CENTRAL:	.5700 - .6775	MOSTLY:	.5950 - .6400
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER:			.4800 - .5400

DRY WHEY - NORTHEAST

Dry whey sales activity in the East was restricted to sales based on price indices. The lack of spot sales activity resulted in a significant increase on the low end of the price range, while the upper end of the range marginally declined. Some manufacturers have reduced their inventories recently via multiple load spot sales at discounted prices and are now more comfortable with their supplies and are no longer offering price discounts. Dry whey is less available than it has been with most supplies moving through contracted orders. Demand has picked up as ice cream and ice cream mix manufacturers have increased production, due to the warm summer like spring weather. Production of dry whey is mostly steady with recent weeks. Additional loads of condensed whey are being offered, but actual transactions are limited. More and more members of the industry have a clearer picture of the market and are of the opinion that the recent market declines were an adjustment in prices and as a result the market undertone has moved from weak to steady. Resale offers were very limited this week.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .6625 - .6825

DRY WHEY - WEST

Western dry whey prices are somewhat unsettled this week. The range series of prices expanded slightly as some pricing indices adjusted higher. The lower end of the range remained steady. The mostly series for the West was lower as some weaker spot sales were reported. Whey production is running heavier than expected as cheese plants are busy with added milk supplies. Increased supplies of whey and price uncertainty have buyers looking to reduce costs. Contracted whey orders are moving well with manufacturers reporting some pushback. Demand for spot whey is moderate with price affecting order size.

NONHYGROSCOPIC: .3000 - .6375 MOSTLY: .4800 - .5850

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices on the range and mostly are unchanged to lower. The market tone is mixed, with steady interest exhibited by infant nutrition, salty snack and cheese manufacturers and sharply lower interest and/or contract load pushback from feed blending customers. Nonfat dry milk pricing and availability continue to offer cost savings to WPC 34% end users with the ability to modify formula ingredients. Spot load availability of WPC 34% improved from last week, and discounts to the market helped clear some loads to end users and resellers. WPC 34% production is steady at most locations, higher at a few others as milk intakes and cheese production trends dictate.

F.O.B. EXTRA GRADE 34% PROTEIN:1.2500 - 1.6700 MOSTLY: 1.4700 - 1.5400

LACTOSE - CENTRAL AND WEST

Lactose prices on the mostly are unchanged for the week. Prices of some spot sales knocked a few pennies off the bottom of the range price series while other spot sales supported the top of that series. Overall, the market trend appears to point toward steady to firm prices. Contract negotiations continue for both monthly and quarterly contracts. According to some market participants, price counteroffers by customers are more likely than in the last round of contract negotiations when there seemed to be more concern over lactose availability. Lactose production is steady at most locations. While milk for cheese manufacturing is plentiful, slow cheese ordering has kept lactose production below capacity at some facilities.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .7400 - .9950 MOSTLY: .8200 - .9000

CASEIN - NATIONAL

Current casein markets and prices are unchanged, although the market undertone is weak as the second quarter nears. Traders and handlers are reporting that prices will generally be easing for second quarter, but not as significantly as previously projected. Domestic buyers continue to purchase on basically a quarterly basis, with longer term commitments by both buyers and suppliers minimal. The new milk production season is underway in Europe and is reported to be developing very well. Casein output is gearing up and early production reports are that the season is off to a positive start. Many European casein suppliers are again gearing their upcoming season production schedules to closely mirror commitments, thus surplus or uncommitted stocks will generally be limited. The Oceania casein production season has ended, thus casein commitments from this region are being filled from inventoried stock. Oceania suppliers are indicating that casein volumes should be sufficient to meet 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:	4.3000 - 4.9000
ACID:	4.8200 - 5.1000

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

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

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
03/03/2012	61.2	551.2	62.3	564.8

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

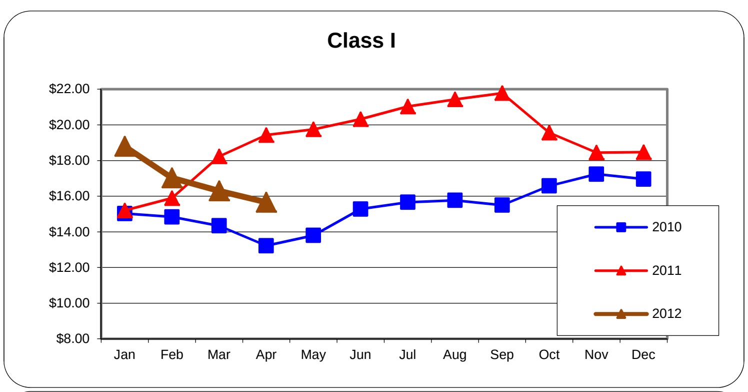
CLASS IV MILK PRICES (3.5% BF)

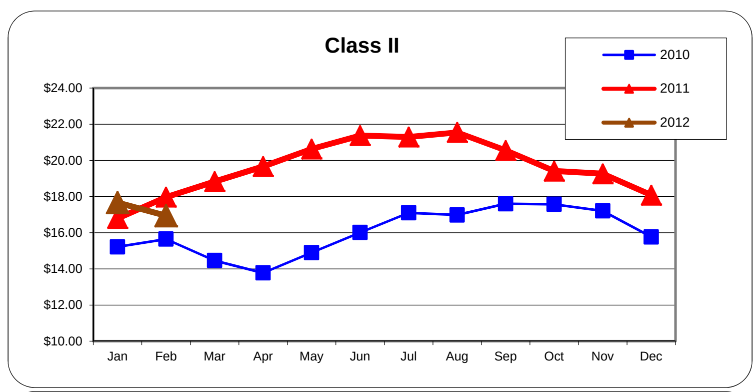
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87

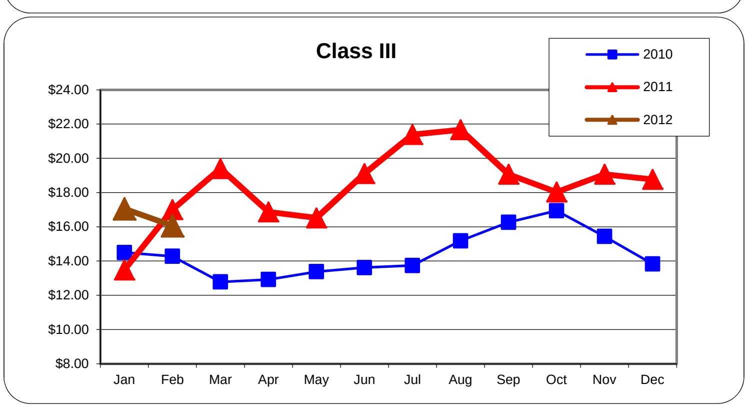
FEDERAL MILK ORDER CLASS PRICES FOR 2012 (3.5%)

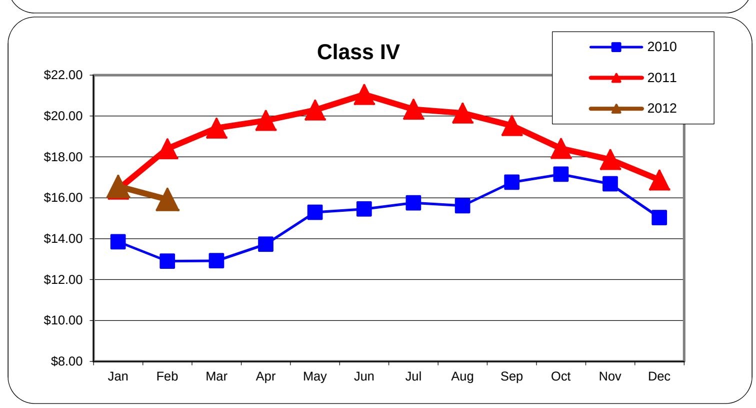
CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.80	17.03	16.30	15.66								
II	17.67	16.94										
III	17.05	16.06										
IV	16.56	15.92										

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









ORGANIC DAIRY MARKET NEWS

Information gathered March 12 - 23, 2012

ORGANIC DAIRY FLUID OVERVIEW

Milk Product Sales: AMS reports Total Organic Milk Products sales for January 2012, 193 million pounds, were up 18.3% from January 2011.

Organic Whole Milk sales for January 2012, 48 million pounds, were up 12.2% compared with January 2011.

Organic Fat-Reduced Milk sales for January 2012, 145 million pounds, were up 29.9% compared with January 2011.

This contrasts with a 2.7% January 2012 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 5.5% decline in sales comparing January 2012 with January 2011.

ESTIMATED TOTAL U.S. SALES OF FLUID MILKPRODUCTS, JANUARY 2012, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	January	Y-T-D	Prev Yr.	Y-T-D
	Mil. Lbs.		Percent	
Whole Milk	1,157	1,157	-4.6	-4.6
Flavored Whole Milk	40	40	-5.8	-5.8
Reduced Fat Milk (2%)	1,550	1,550	-3.4	-3.4
Low Fat Milk (1%)	639	639	2.5	2.5
Fat-Free Milk (Skim)	652	652	-4.8	-4.8
Flavored Fat-Reduced Milk	372	372	0.2	0.2
Buttermilk	40	40	1.0	1.0
Tot. Conv. Milk Products	4,452	4,452	-5.5	-5.5
Organic Whole Milk	48	48	12.2	12.2
Organic Reduced Fat Milk	58	58	18.5	18.5
Organic Low Fat Milk	41	41	23.7	23.7
Organic Fat-Free Milk Skim	39	39	-0.3	-0.3
Organic Flavored Milk	7	7	-10.1	-10.1
Organic Fat-Reduced Milk 4/	145	145	29.9	29.9
Tot. Organic Milk Products.	193	193	18.3	18.3
Tot. Fluid Milk Prod. 5/	4,645	4,645	-2.7	-2.7
Tot Fluid Milk Prod Adj 5/6/	4,697	4,697	-2.7	-2.7

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; 3/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 4/ Total fluid milk products include the products listed price plus miscellaneous products and eggnog. 5/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELDEV3023272

Current Market Factors: Organic milk production volume is seasonally increasing, particularly in the Midwest and Northeast, helped by unusually early moderate weather. Increasing supplies are helping to address recent milk supply tightness. Due to unique logistical issues not expected to be recurring, a small volume of organic milk in the Northeast was offered for conventional use, rather than bear the higher expense of transport some distance for organic use. A national organic brand recently rolled-out a new product offering organic milk from 100% grass fed cows. Initially the sales effort will be in California.

ORGANIC DAIRY RETAIL OVERVIEW

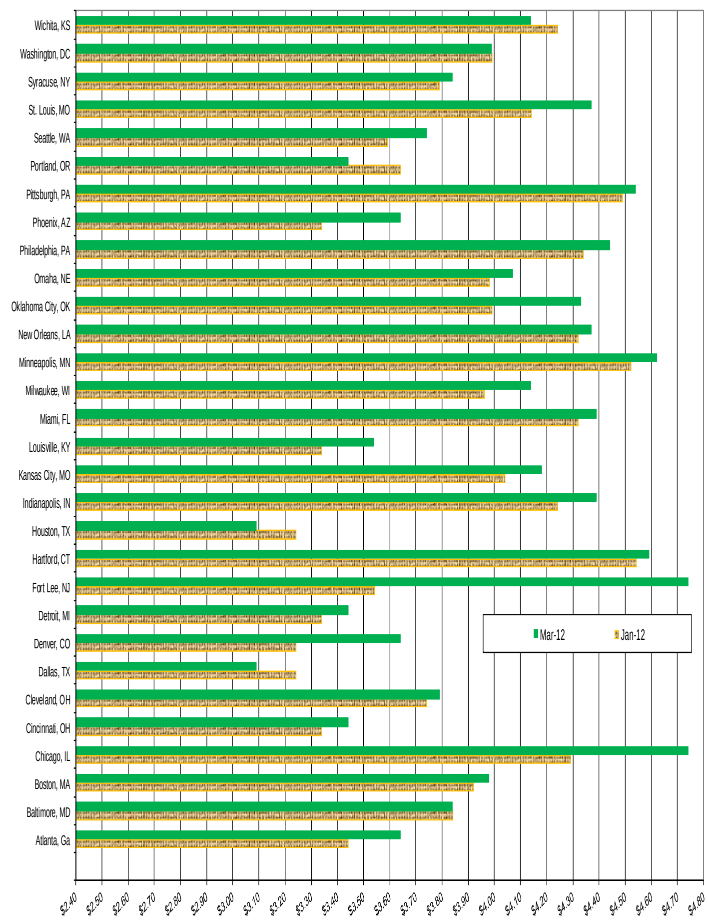
Monthly Retail Milk Price Comparison For 30 Cities: Comparing the January and March 2012 average price for retail half gallon organic reduced fat (2%) milk prices surveyed in thirty cities, shows the largest two month national average price increase since this data series began in April 2008. With the substantial reporting of organic milk supply tightness during these months, unprecedented retail price increases supply a quantifiable dimension to the situation.

The national average price increased from $3.87 in January 2012 to $4.01 in March 2012, a $.14 increase. Fourteen cities have higher prices for March compared with January, 4 lower and 4 unchanged.

The greatest increase by several multiples over the second highest, is Fort Lee, New Jersey, proximate to Manhattan, with a $1.20 increase from $3.54 to$4.74. This ties Fort Lee with Chicago for the highest price.

With Dallas and Houston each reflecting a $.15 price decline from January to March, they are tied for the lowest price, $3.09.

Half Gallon Organic 2% Milk Price Change: January 2012 - March 2012



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

NATIONALLY ADVERTISED PRICE COMPARISON

Organic Dairy Overview. Organic dairy advertising volume increased by nearly 50% from two weeks ago, reaching the highest level for the year.

CONTINUED ON PAGE 8-A

ORGANIC DAIRY MARKET NEWS

Information gathered March 12 - 23, 2012

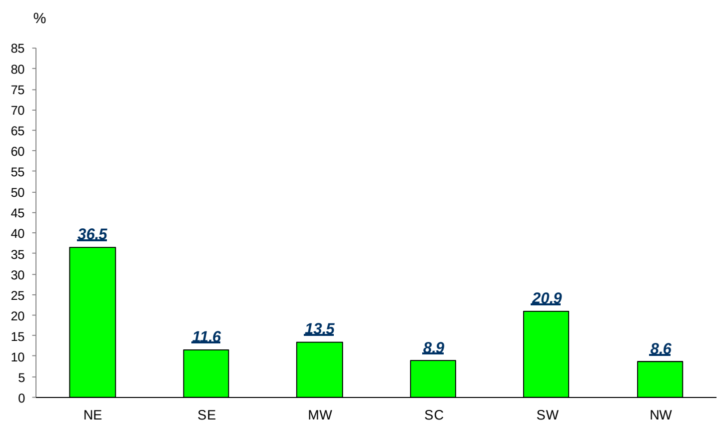
CONTINUED FROM PAGE 8

Organic milk ads comprised nearly 48% of the total, followed by organic yogurt, 34.0%, organic butter, 10.2%, organic cheese, 3.4%, organic sour cream, 3.0%, and organic cottage cheese, 1.5%.

Advertising information presented is compiled from nearly 16,000 surveyed newspaper supermarket ads for the period March 10, 2012, to March 23, 2012, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of non-advertised supermarket cooler prices.

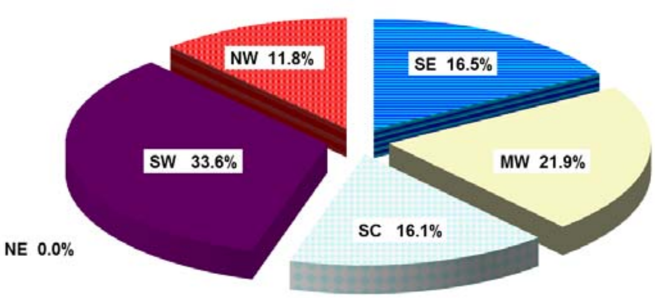
Regional Organic Dairy Ad Trends – Current Period. Organic dairy ads continued to be dominated by the Northeast with 36.5% of ads and the Southwest, with 20.9%. The remaining regions were the Midwest, 13.5%, Southeast, 11.6%, South Central, 8.9%, and Northwest, 8.6%.

Organic Dairy Newspaper Ads Regionally As A Percentage of Surveyed Organic Dairy Ads 2012 - Week 12, 2012



Organic Milk. Organic milk ads are the leading category of organic dairy advertising and half gallons constitute nearly all organic milk ads. The ads appeared in all regions except the Northeast.

ORGANIC MILK FEATURES
Regional % of Nationally Surveyed Supermarket Ads
Report - Week 12, 2012

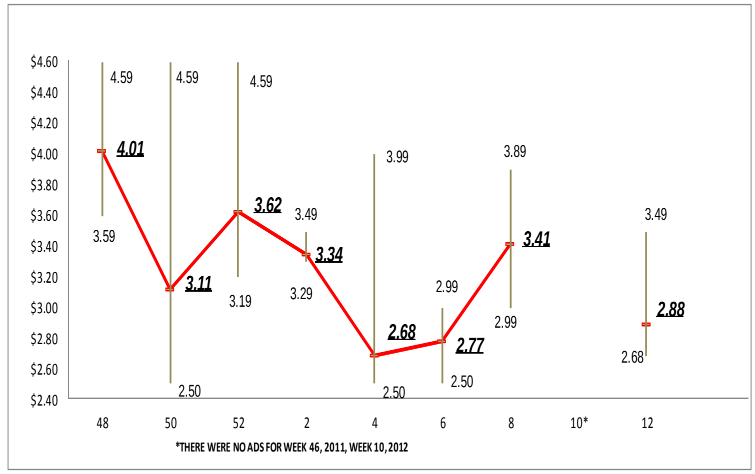


Similarly with six and eight weeks ago, the volume of ads and price level is generated primarily by a single national grocery chain featuring its store brand of organic milk, bottled in Kansas and distributed throughout its store network.

Organic Milk Half Gallons. Advertising volume for organic half gallons is the highest level of 2012 and higher than most of 2011. The Weighted average advertised price, $2.88, is above two periods of this year and below the other two. It is a relatively low weighted average advertised price weighed against the results of this survey dating to the fall of 2009.

The survey which generated the national organic half gallon milk weighted average advertised price of $2.88 also determined the price for non-organic half gallons as $2.10, a $.78 price spread.

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



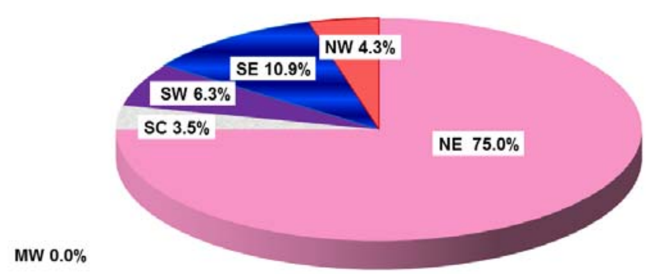
ORGANIC MILK HALF GALLON ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE $
NE	0.0	----
SE	17.1	3.01
MW	22.6	2.79
SC	16.6	2.79
SW	34.7	2.94
NW	9.0	2.78
US		2.88

Organic Milk 8 Ounce. About 3% of organic milk ads were for 8 ounce containers. All of these ads ran in the Northwest, for a national brand at an advertised price of $1.00.

Organic Yogurt. Three fourths of organic yogurt ads ran in the Northeast. Except for the Midwest with no ads, organic yogurt ads ran in the other regions at a far lower percentage, as is shown on the following chart.

ORGANIC YOGURT FEATURES
Regional % of Surveyed National Newspaper Ads
Report Week 12, 2012



4-6 Ounce Organic Yogurt. Nearly 70% of organic yogurt ads were for 4-6 ounce organic yogurt. These ads appeared mostly in the Northeast, with a relative few in the Northwest. The national weighted average advertised price decreased 24 cents, from last report, the high since this report series began during fall 2009, to $0.69. The price range, compared to the previous reporting period, was 11 cents lower on the upper end of the range with the full range being $0.89 to $.60.

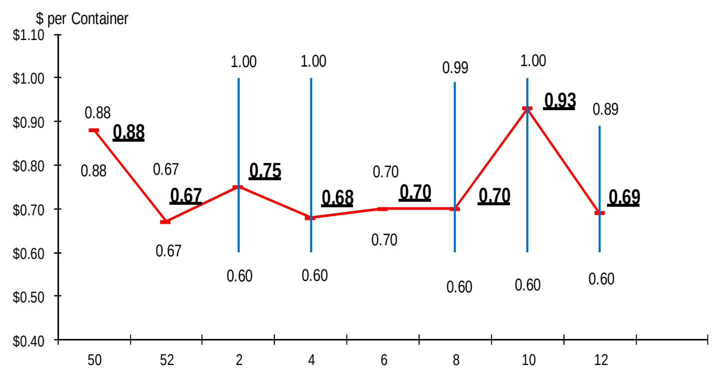
CONTINUED ON PAGE 8-B

ORGANIC DAIRY MARKET NEWS

Information gathered March 12 - 23, 2012

CONTINUED FROM PAGE 8-A

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	93.9	0.67
SE	0.0	----
MW	0.0	----
SC	0.0	----
SW	0.0	----
NW	06.2	0.89
US		0.69

4-6 Ounce Organic Greek Yogurt. All organic Greek yogurt ads ran in newspapers in the Southwest and South Central. The national weighted average advertised price was $1.00, with all advertised prices also $1.00. Nearly 10% of organic yogurt ads were in this category.

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

REGION	%	WTD. AV. ADV. PRICE $
NE	0.0	----
SE	0.0	----
MW	00.0	----
SC	35.7	1.00
SW	64.3	1.00
NW	00.0	----
US		1.00

Other Organic Yogurt. The remaining organic yogurt ads were for yogurt in 32 ounce containers, comprising about 20% of all organic yogurt ads. with ads appearing in the Midwest and Southwest regions. Prices ranged from $2.50-$3.00 with a weighted national average price of $2.75.

Organic Butter. Ads for organic butter comprised slightly over 10% of total organic dairy ads, the third highest product category. A majority of the organic butter ads appeared in the Northeast, with some also in the Southwest. All ads in the Northeast were priced $4.99 while all ads in the Southwest were $3.99, resulting in a national weighted average advertised price of $4.73.

Organic Cheese. Ads for organic cheese appeared in 186 stores, 124 in the Northeast for 6 ounce string cheese priced $3.99 and 62 in the Northeast for 8 ounce cheese blocks priced $3.99. Total ads for cheese comprised a bit over 3% of organic dairy ads.

Organic Sour Cream. Ads for organic sour cream in 16 ounce containers appeared in 165 stores in the Midwest. All ads stated a price of $2.49. This represents 3% of total organic dairy ads.

Organic Cottage Cheese. Ads for organic cottage cheese appeared in 80 stores in the Northwest. All of the ads were for a 16 ounce container, priced at $2.99.

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.

ORGANIC MILK, YOGURT, CHEESE, BUTTER PRICE RANGE
2012 REPORTING WEEK 12

	MADISON, WISCONSIN		
	LOW	HIGH	RANGE
	(in Dollars)		
MILK - gallon			
Whole	5.49	6.99	1.50
Nonfat (Skim)	5.49	6.99	1.50
Low fat (1%)	5.49	6.99	1.50
Reduced fat (2%)	5.49	6.99	1.50
MILK - half gallon			
Whole	3.49*	4.49*	1.00*
Nonfat (Skim)	3.49*	4.49*	1.00*
Reduced fat (2%)	3.49*	4.49*	1.00*
Low fat (1%)	3.49*	4.49	1.00*
FLAVMILK - half gallon			
All fat tests	3.09	5.69	2.60
YOGURT			
Yogurt - 4-6 oz			
Yogurt	0.79	1.29	0.50
CHEESE			
Cheese - 8 oz block			
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 oz string			
Mozzarella	3.99	5.09	1.10
Colby Jack	3.89	4.99	1.10
BUTTER			
Butter - 1 Pound	3.79*	6.19	2.40*

* = Price change from prior reporting period.

Organic butter's lower price range decreased from $4.99, to $3.79 for a store brand. The low price for half gallons increased from $3.19 to $3.49.

Anaheim California area Organic Milk and Butter. As a special addition to this report, Dairy Market News surveyed retail organic milk and butter prices and bottling/manufacturing locations in the Anaheim California area to provide a West Coast comparison with Madison. The surveyed Anaheim area stores included two national natural food store outlets, a

CONTINUED ON PAGE 8-C

ORGANIC DAIRY MARKET NEWS

Information gathered March 12 - 23, 2012

CONTINUED FROM PAGE 8-B

national discount store selling dairy products, and outlets of two separate national supermarket chains.

The price range for half gallons of organic milk was $3.29 to $4.69, a price spread of $1.40. This is a $.20 cent lower range bottom price than Madison as well as a $.20 higher top price. The lowest price was for a store brand of a natural food store and was bottled approximately 15 miles from the store. The Anaheim high price was for a national brand sold in an outlet of a national supermarket chain. This milk was bottled about 17 miles from the store.

While half gallons of organic milk sold in the Anaheim area were predominately bottled in California, some milk in area stores was also bottled and transported from an Upper Midwest plant nearly 2,000 miles away, as well as a Central Region plant about 1,400 miles distant.

The price range for gallons of organic milk was $5.79 to $7.69, a price spread of $1.90. This is a $.30 cent higher range bottom price than Madison as well as a $.70 higher top price. The lowest price was for a local brand sold in an outlet of a national supermarket chain and was bottled approximately 37 miles from the store. The Anaheim high price was for a national brand sold in an outlet of a national supermarket chain. This milk was bottled across the state line, about 500 miles from the store.

Organic butter sold in a range from $4.99 to $5.99. The Anaheim low price is $1.20 above the lowest price in Madison and is a private label brand sold in an outlet of a national supermarket chain. The highest price in Anaheim, $5.99, for a national brand sold in an outlet of a national natural food store, is $.20 below Madison's high price. Ironically both the lowest priced private label butter and highest priced national brand are manufactured in the same Midwest plant about 1,960 miles from Anaheim.

ORGANIC GRAIN AND FEEDSTUFFS MARKETS:

National organic grain and feedstuffs were mostly higher this period with light to moderate offerings of feed grade grains reported. Good demand was reported for corn and soybeans, while feed grade wheat and barley were in very good demand due to rising corn prices. Feed corn in the Upper Midwest was mostly 13.50-14.00 this period. Feed corn in the Eastern Cornbelt was reported from 12.22-14.00, with the lower priced corn in very limited amounts, leaving the bulk of the market reported at 13.25-14.00. Feed grade soybeans were reported to be in tight supply throughout the Upper Midwest and Eastern Cornbelt due in part to farmers holding onto beans in hopes of higher prices. Some organic operations are still reportedly importing beans from Argentina as needed, along with actively seeking out alternative grains, as maintaining a sustainable market is becoming more difficult every week given higher prices demanded by farmers and lower prices demanded by end users--especially those not near a large city where organic is a predominant stakeholder in the marketplace.

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

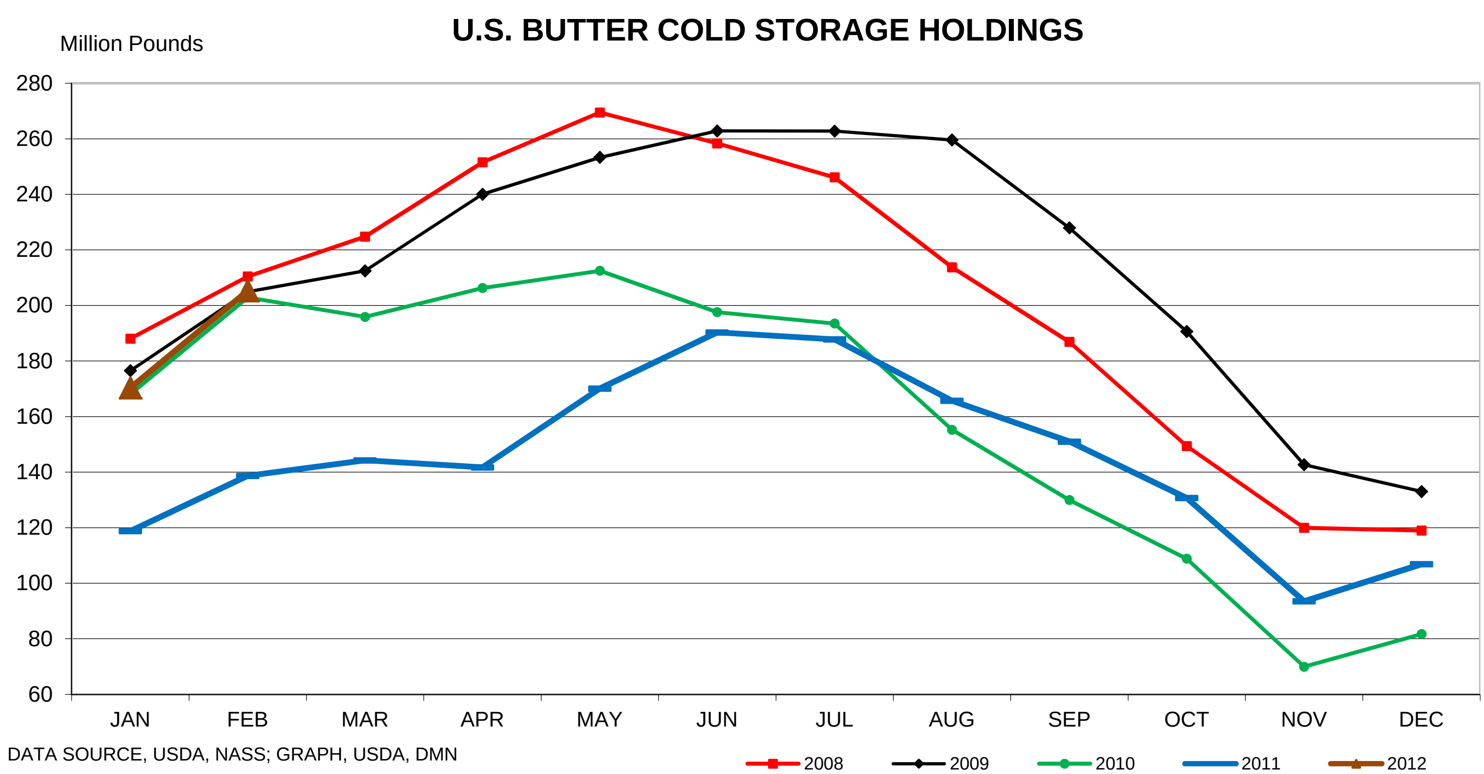
U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	JAN 31, 2010	JAN 31, 2011	REVISED JAN 31, 2012	FEB 28, 2010	FEB 28, 2011	FEB 29, 2012
Butter	168,092	118,784	170,348	202,896	138,672	205,315
Cheese, Natural American	588,186	637,935	612,034	599,152	621,023	606,297
Cheese, Swiss	26,188	36,320	25,909	27,379	34,611	26,993
Cheese, Other Natural	367,234	378,142	340,838	369,384	379,698	354,101
Total Cheese	981,608	1,052,397	978,781	995,915	1,035,332	987,391

FEBRUARY STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
New England	39,081	38,775	41150	---	---	---	618	743	885
Middle Atlantic	35,413	53,798	50,863	---	---	---	19,709	19,193	16,287
East North Central	255,262	262,319	261,792	---	---	---	250,334	257,838	268,936
West North Central	98,990	98,292	103,127	---	---	---	70,244	65,472	35,801
South Atlantic	6,621	326	60	---	---	---	105	7,052	5,809
East South Central	1,976	2,016	1,785	---	---	---	2,426	152	299
West South Central	2,906	5,736	2,017	---	---	---	1,048	1,154	883
Mountain	54,898	58,100	46,240	---	---	---	6,860	5,090	4,870
Pacific	104,005	101,661	99,263	---	---	---	18,040	23,004	20,331
TOTAL	599,152	621,023	606,297	168,092	118,784	171,183	369,384	379,698	354,101

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



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2011 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total 1/		Commercial		Government	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Million Pounds		Million Pounds		Million Pounds					
January	170	119	612	638	159	98	159	98	0	0
February	205	139	606	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

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, January 2012*. National Agricultural Statistics Service. *Cold Storage* and *Dairy Products, March 2012*.

FEBRUARY MILK PRODUCTION

Milk production in the 23 major States during February totaled 15.2 billion pounds, up 8.3 percent from February 2011. However, adjusting production for the additional day due to leap year causes February milk production to be up 4.6 percent on a per day basis. January revised production at 15.8 billion pounds, was up 3.9 percent from January 2011. The January revision represented an increase of 24 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,782 pounds for February, 117 pounds above February 2011.

The number of milk cows on farms in the 23 major States was 8.51 million head, 102,000 head more than February 2011, and 8,000 head more than January 2012.

FEBRUARY 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	192	1,915	2,060	354	396	11.9
CA	1,756	1,784	1,800	1,965	3,161	3,506	10.9
CO	123	133	1,795	1,865	221	248	12.2
FL	118	122	1,690	1,740	199	212	6.5
ID	573	580	1,690	1,800	968	1,044	7.9
IL	98	100	1,530	1,630	150	163	8.7
IN	171	175	1,585	1,700	271	298	10.0
IA	208	205	1,630	1,750	339	359	5.9
KS	122	123	1,615	1,710	197	210	6.6
MI	364	374	1,790	1,910	652	714	9.5
MN	470	465	1,485	1,585	698	737	5.6
MO	95	93	1,140	1,215	108	113	4.6
NM	324	335	1,890	1,985	612	665	8.7
NY	610	610	1,620	1,730	988	1,055	6.8
OH	271	270	1,500	1,570	407	424	4.2
OR	119	123	1,555	1,600	185	197	6.5
PA	543	541	1,510	1,570	820	849	3.5
TX	425	436	1,720	1,835	731	800	9.4
UT	86	91	1,590	1,690	137	154	12.4
VT	135	133	1,465	1,535	198	204	3.0
VA	95	96	1,440	1,510	137	145	5.8
WA	251	263	1,820	1,895	457	498	9.0
WI	1,266	1,266	1,585	1,715	2,007	2,171	8.2
23 STATE TOTAL	8,408	8,510	1,665	1,782	13,997	15,162	8.3

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, March 2012.*

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, FEBRUARY 2012

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for February have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During February, more than 10.9 billion pounds of milk were received from producers. This volume of milk is 6.8 percent higher than the February 2011 volume after factoring for the extra leap year day in 2012. In February 2011 and February 2012, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. More than 3.5 billion pounds of producer milk were used in Class I products, 2.9 percent lower than the previous year after factoring for the extra leap year day in 2012. Calendar composition likely had a negative impact on milk used in Class I in 2012 as compared to 2011. The all-market average Class utilization percentages were: Class I = 32%, Class II =11%, Class III = 45% and Class IV = 12%. The weighted average statistical uniform price was $17.34 per cwt., $1.28 lower than last month and $0.79 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 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	1,980.2	0.0	790.5	-6.3	40	25	23	12	18.09
Appalachian (Charlotte)	005	502.1	6.9	348.0	7.2	69	12	9	10	19.22
Florida (Tampa)	006	241.6	-2.1	204.1	-1.8	84	9	1	6	21.34
Southeast (Atlanta)	007	566.3	-3.0	365.0	-4.1	64	8	21	7	19.38
Upper Midwest (Chicago)	030 3/	2,709.5	1.5	308.3	-14.1	11	2	84	3	16.35
Central (Kansas City)	032 3/	1,373.7	26.7	392.7	5.7	29	9	46	16	16.63
Mideast (Cleveland)	033 3/	1,469.7	16.8	509.4	-2.4	35	17	37	11	16.98
Pacific Northwest (Seattle)	124	665.6	4.9	178.0	-2.9	27	6	40	27	16.64
Southwest (Dallas)	126	1,083.7	10.0	352.7	-3.9	33	9	44	14	17.58
Arizona (Phoenix)	131	400.0	6.1	113.1	-7.9	28	8	20	44	16.94
ALL MARKET AVERAGE OR TOTAL	3/	10,992.5	6.8	3,561.7	-2.9	32	11	45	12	17.34

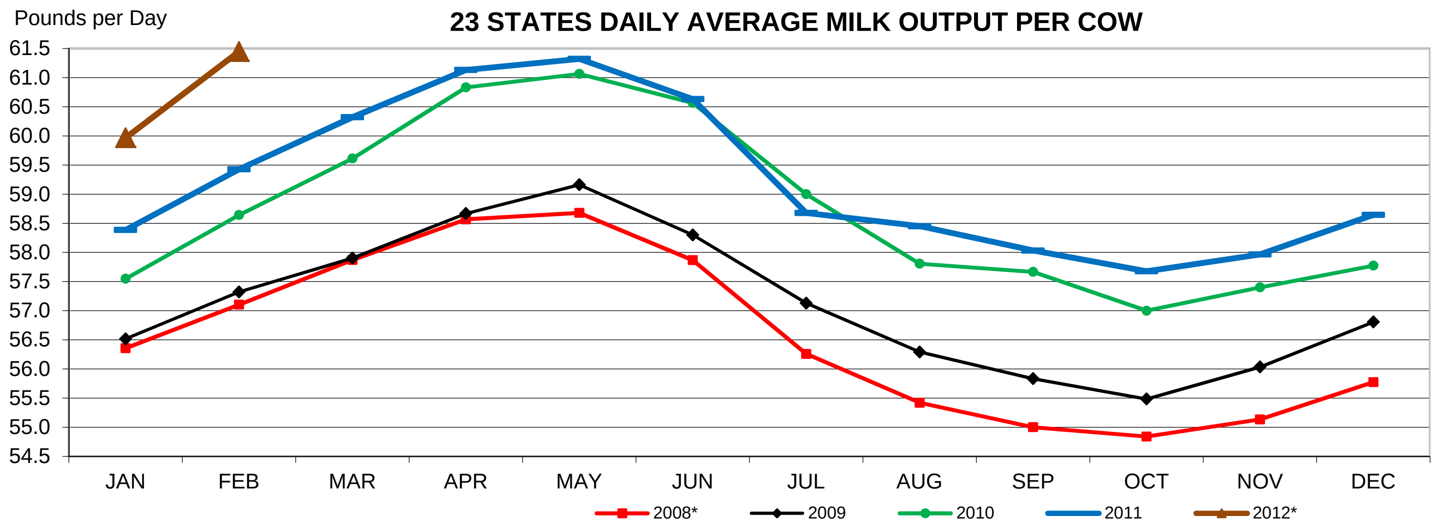
1/ Names in parentheses are the major city in the principal pricing point of the market.
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated billion pounds of milk that normally would have been associated with these markets. In February 2011, the estimated not pooled volume of milk was 314 million pounds, occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is -4.7%.
Report Contact: Randal Stoker, randal.stoker@usda.gov or 202-690-1932.

FEDERAL MILK ORDER ADVANCE PRICES, APRIL

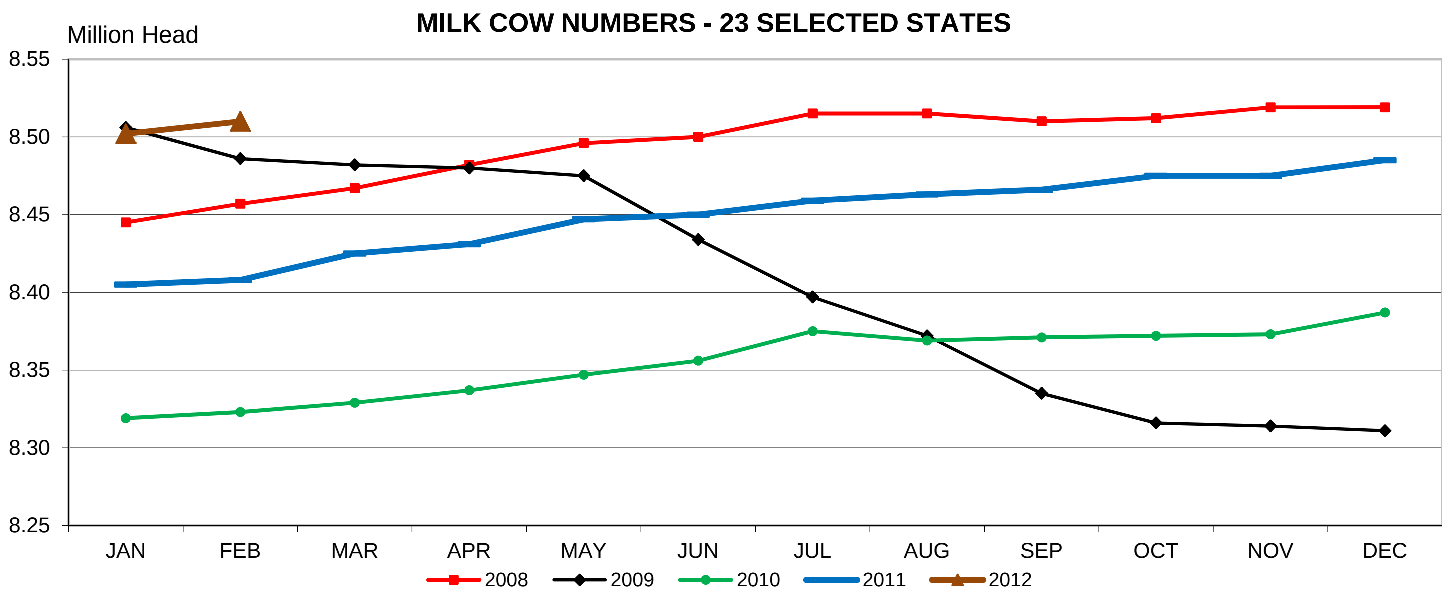
Class I Base Price. Under the Federal milk order pricing system, the Class I base price for April 2012 is $15.66 per cwt. This price is derived from the Class III skim milk pricing factor of $10.70 and the advanced butterfat pricing factor of $1.5239. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month**. Compared to March 2012, the Class I base price decreased $0.64 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), -$0.62 per cwt., -$0.053 per gallon; reduced fat milk (2%), -$0.48 per cwt., -$0.041 per gallon; fat-free (skim milk), -$0.31 per cwt., -$0.027 per gallon. **Class II Price Information**. The advanced Class IV skim milk pricing factor is $10.39. Thus, the Class II skim milk price for April is $11.09 per cwt., and the Class II nonfat solids price is $1.2322. **Product Price Averages**. The two-week product price averages for April are: butter $1.4299, nonfat dry milk $1.3334, cheese $1.5186, and dry whey $0.6117.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION 1/ 2/				
		April 2012		
Federal Milk Order Marketing Area 3/	Order Number	Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		$ per cwt.	$ per cwt.	$ per pound
Northeast (Boston) 4/	001	18.91	13.95	1.5564
Appalachian (Charlotte) 5/ 6/	005	19.06	14.10	1.5579
Southeast (Atlanta) 6/ 7/	007	19.46	14.50	1.5619
Florida (Tampa) 6/ 8/	006	21.06	16.10	1.5779
Mideast (Cleveland) 9/	033	17.66	12.70	1.5439
Upper Midwest (Chicago) 10/	030	17.46	12.50	1.5419
Central (Kansas City) 11/	032	17.66	12.70	1.5439
Southwest (Dallas) 12/	126	18.66	13.70	1.5539
Arizona (Phoenix)	131	18.01	13.05	1.5474
Pacific Northwest (Seattle) 13/	124	17.56	12.60	1.5429
All-Market Average		18.55	13.59	1.5528

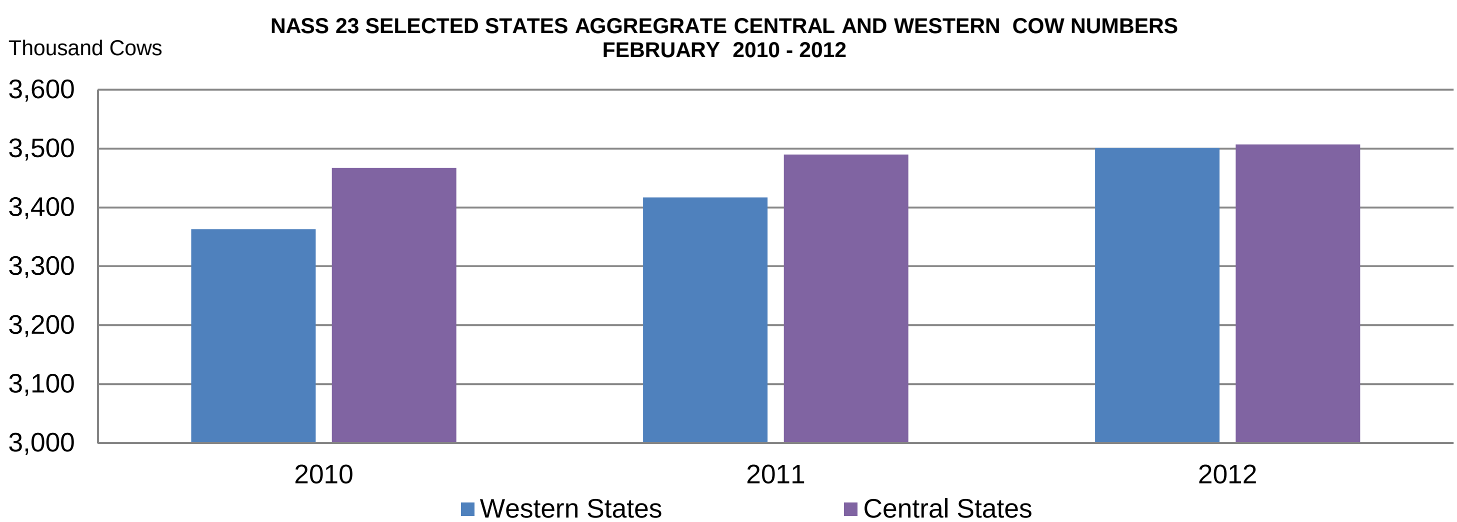
1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory $0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus $0.10; Philadelphia, minus $0.20; Baltimore, minus $0.25, and Washington, DC, minus $0.25. 5/ Class I prices at other cities are: Knoxville, minus $0.20 and Louisville, minus $1.10. 6/ Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted. 7/ Class I prices at other cities are: New Orleans, same; Memphis, minus $0.90; Nashville, minus $0.90; and Springfield, MO, minus $1.40. 8/ Class I prices at other cities are: Orlando, same; Miami, plus $0.60; and Jacksonville, minus $0.40. 9/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus $0.20; Pittsburgh, plus $0.10; and Detroit, minus $0.20. 10/ Class I prices at other cities are: Milwaukee, minus $0.05; and Minneapolis, minus $0.10. 11/ Class I prices at other cities are: Des Moines, minus $0.20; Omaha, minus $0.15; Oklahoma City, plus $0.60; St. Louis, same; and Denver, plus $0.55. 12/ Class I prices at other cities are: Houston, plus $0.60; San Antonio, plus $0.45; Albuquerque, minus $0.65; and El Paso, minus $0.75. 13/ Class I prices at other cities are: Portland, same; and Spokane, same.



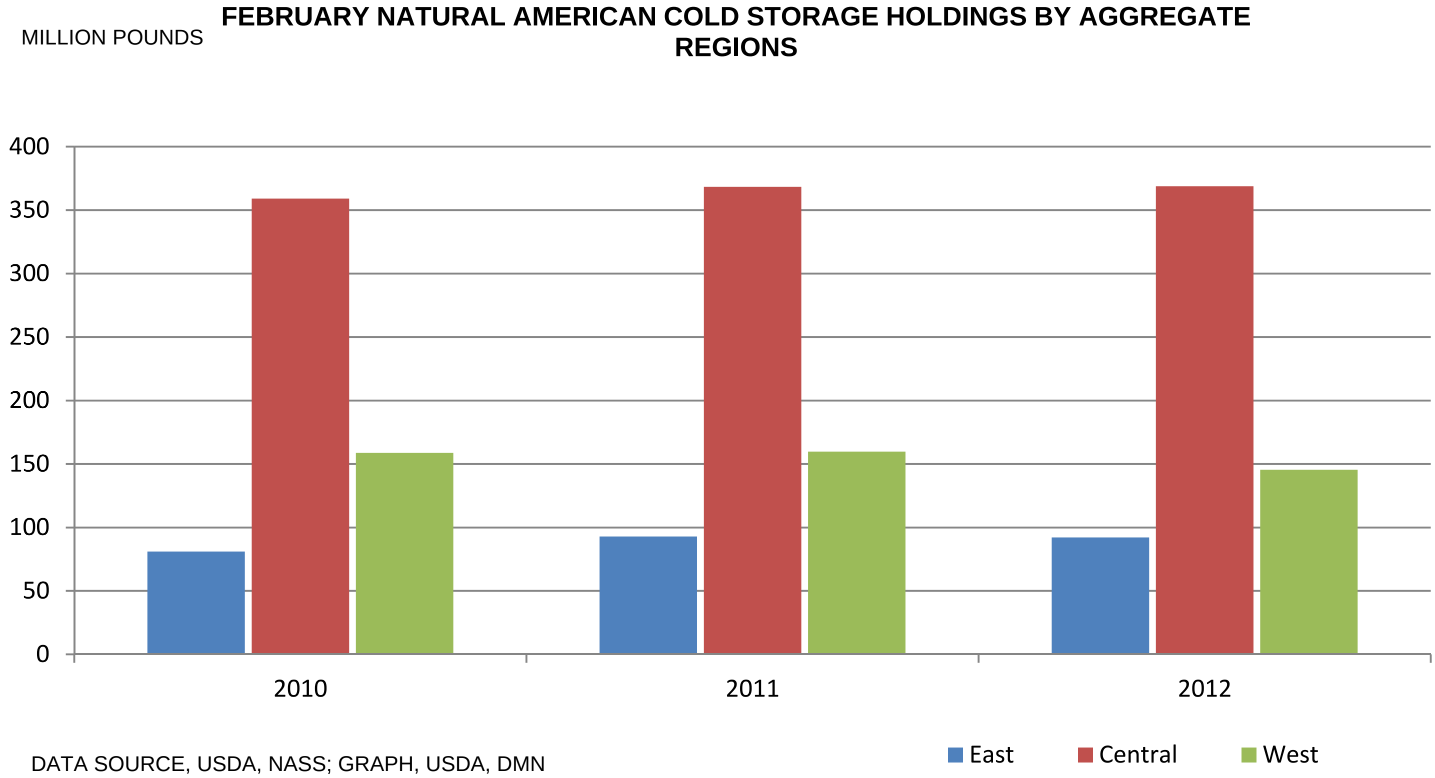
DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN NOTE: 2008* and 2012* February values adjusted to 28 day equivalent

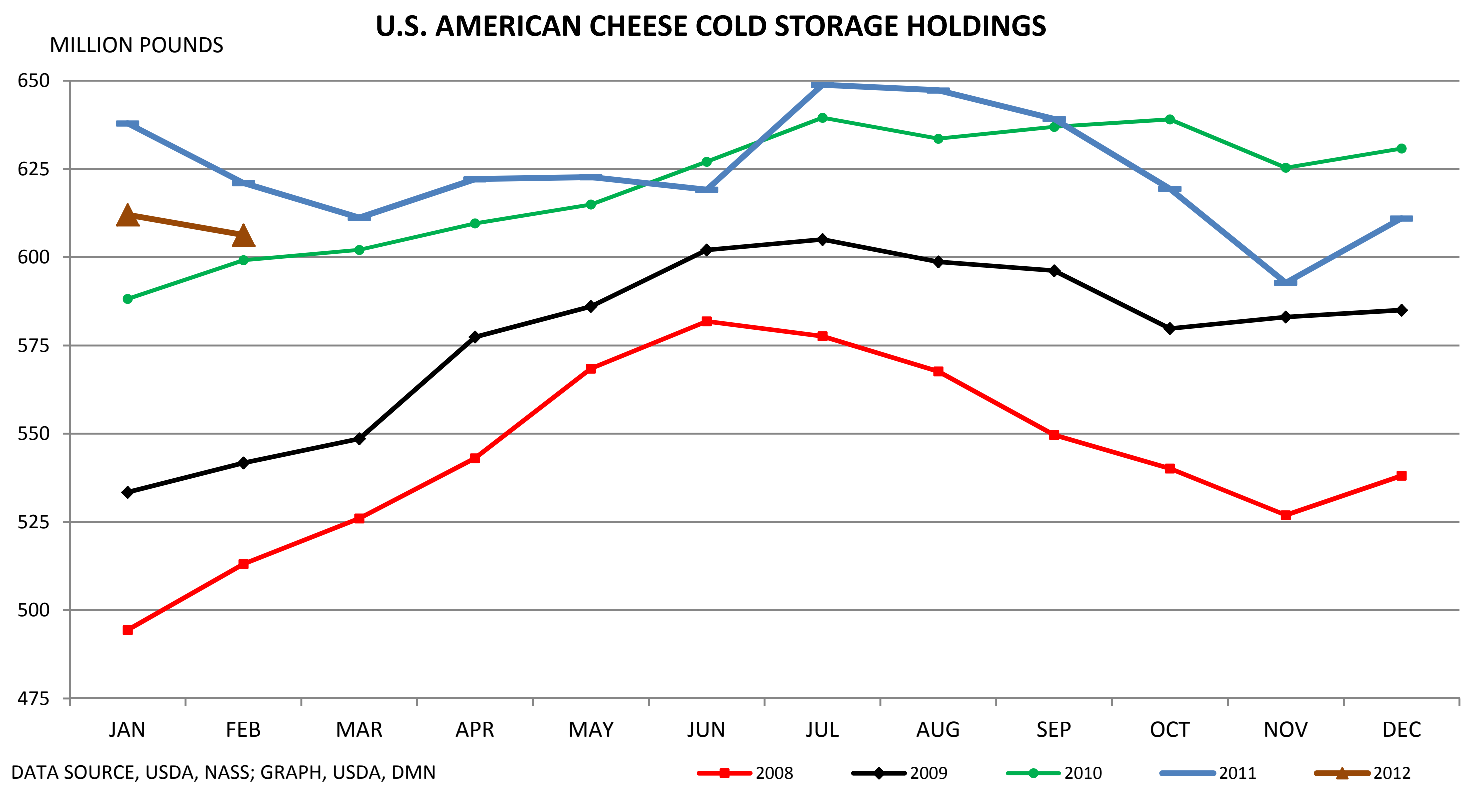


DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN



DATA SOURCE, USDA, NASS: GRAPH, USDA, DMN


FEBRUARY NATURAL AMERICAN COLD STORAGE HOLDINGS BY AGGREGATE REGIONS
MILLION POUNDS
400
350
300
250
200
150
100
50
0
2010
2011
2012
East
Central
West
DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN


U.S. AMERICAN CHEESE COLD STORAGE HOLDINGS
MILLION POUNDS
650
625
600
575
550
525
500
475
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
DATA SOURCE, USDA, NASS; GRAPH, USDA, DMN
2008
2009
2010
2011
2012

DAIRY MARKET NEWS

VOLUME: 79

REPORT: 12

DATE: 03/23/2012

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Websites: http://www.marketnews.usda.gov/portal/da **and** http://www.ams.usda.gov/mnreports/dybretail.pdf

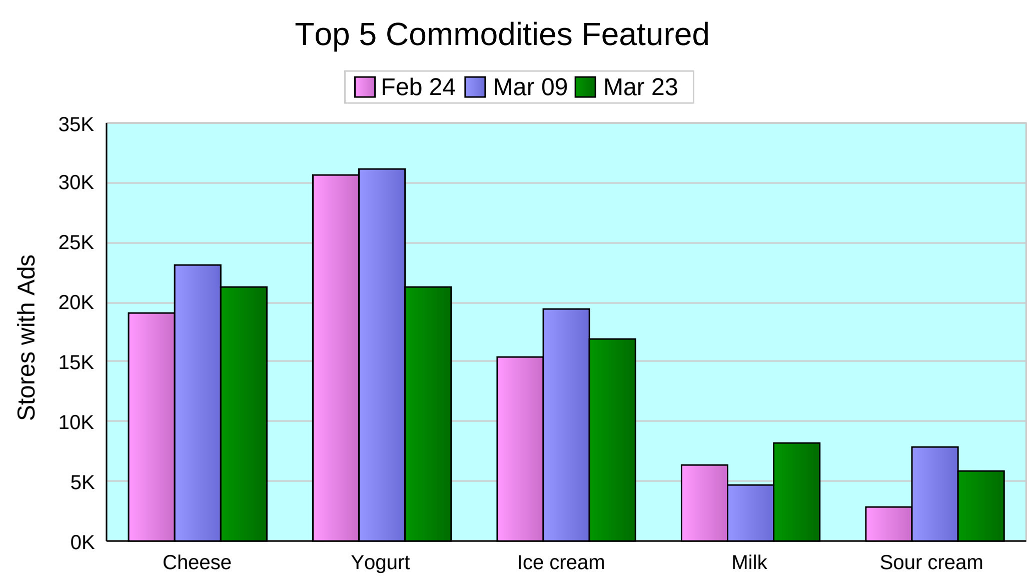
Volume 79- Number 12 | Issued Biweekly | Thursday, March 22, 2012

Advertised Prices for Dairy Products at Major Retail Supermarket Outlets 03/09 to 03/23

This is the first report for Dairy Market New's Retail reporting for Conventional dairy products, now joining the Organic dairy product data in one comprehensive report. The report lists data for conventional and organic dairy products, divided into four main sections: (1) Narrative and graphs; (2) National tables; (3) Regional tables; and (4) a breakdown between national and store branded products. The report lists a selected market basket of dairy products and will provide summarized data for advertised dairy products. The price information is collected one time every two weeks by the staff of Dairy Market News. Data is summarized, analyzed, and disseminated from the Madison, Wisconsin office.

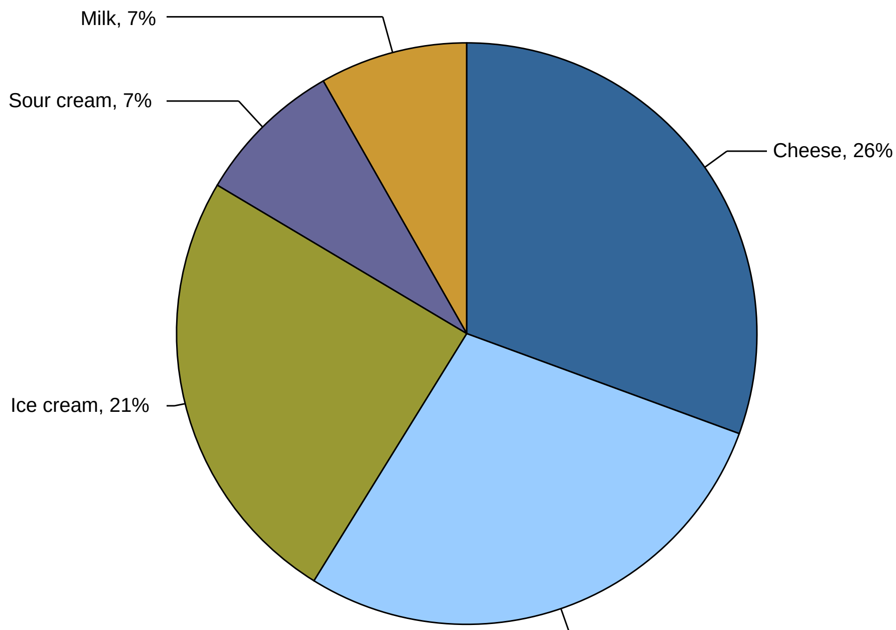
Conventional dairy products: Basketball-themed party ads were featuring cheese and sour cream. Advertising plans centered on the St. Patrick's Day holiday did not include many tie-ins with dairy products. The number of butter ads was lower this period with pricing levels slightly higher at $2.71 for a 1# pack. The number of cheese ads was lower for most sizes, with the exception of 2# block packs. Ice cream features are most common for a single item and many stores are featuring both a national and store brand. This period's pricing level is $3.25, down $.06 from two weeks ago. Yogurt features numbers and prices are lower this reporting period with pricing for 4-6oz Greek yogurt and yogurt down slightly from two weeks ago.

Organic milk's national weighted average advertised price for half gallons, $2.88, compares with $2.10 for conventional milk half gallons, a $.78 price difference. In the organic dairy category, virtually all organic milk ads are for half gallons, with a small number for 8 ounce containers. Organic milk ads lead organic dairy advertising emphasis, followed by organic yogurt, butter, cheese, sour cream, and cottage cheese.

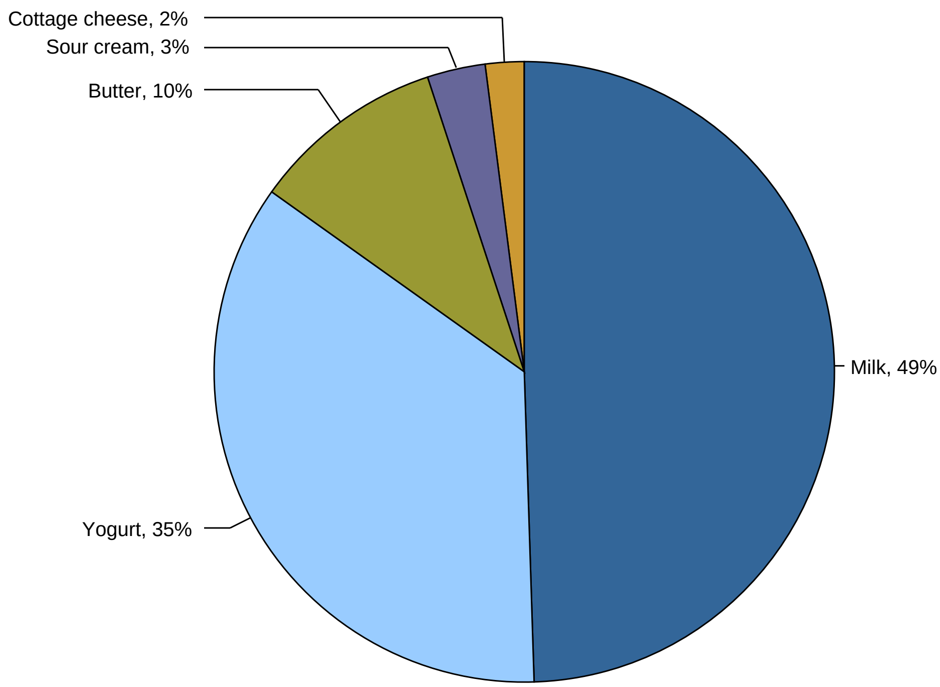


1 -- Dairy Market News surveys more than 150 retailers, comprising nearly 16,000 individual stores, with online weekly advertised features.
2 -- Date range reflects two-week period, however only one data collection per retailer is made during the period.

Top 5 Percentage of Total Conventional Ads



Top 5 Percentage of Total Organic Ads



Wtd Avg - Simple weighted average

NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS WEEK Stores With Ads	THIS WEEK Wtd Avg Price	TWO WEEKS AGO Stores With Ads	TWO WEEKS AGO Wtd Avg Price
Butter		1 #	3714	2.71	7739	2.69
Cheese	Natural Varieties	8 oz block	5210	2.50	6186	2.29
Cheese	Natural Varieties	1 # block	2370	3.28	3704	3.89
Cheese	Natural Varieties	2 # block	2827	6.34	463	6.19
Cheese	Natural Varieties	8 oz shred	8410	2.34	9183	2.35
Cheese	Natural Varieties	1 # shred	2404	3.50	3481	4.29
Cottage cheese		16 oz	2810	2.15	3932	1.75
Cream cheese		8 oz	4546	1.79	3632	1.74
Flavored milk	All fat tests	half gallon	650	2.17	1017	2.13
Flavored milk	All fat tests	gallon	489	2.64	212	2.80
Ice cream		48-64oz	16979	3.25	19391	3.31
Milk	All fat tests	half gallon	935	2.10	441	2.90
Milk	All fat tests	gallon	4646	2.74	4215	2.82
Sour cream		16 oz	5710	1.70	7536	1.60
Yogurt	Greek	4-6 oz	7725	.99	13919	1.03
Yogurt	Greek	32 oz	670	4.47	108	3.99
Yogurt	Yogurt	4-6 oz	7430	.53	10903	.57
Yogurt	Yogurt	32 oz	3558	1.86	3009	2.06

REGIONAL -- CONVENTIONAL DAIRY PRODUCTS

Commodity	Type	Pack Size	NORTHEAST U.S. Price Range	NORTHEAST U.S. Stores with Ads	NORTHEAST U.S. Wtd Avg Price	SOUTHEAST U.S. Price Range	SOUTHEAST U.S. Stores with Ads	SOUTHEAST U.S. Wtd Avg Price	MIDWEST U.S. Price Range	MIDWEST U.S. Stores with Ads	MIDWEST U.S. Wtd Avg Price
Butter		1 #	1.99-3.99	1965	2.69	2.50-3.49	1466	2.82	2.00	120	2.00
Cheese	Natural Varieties	8 oz block	1.49-3.33	2875	2.36	2.00-2.50	665	2.42	1.00-4.99	1221	2.81
Cheese	Natural Varieties	1 # block	1.99-3.99	610	2.79	2.99-3.99	647	3.64	2.99	38	2.99
Cheese	Natural Varieties	2 # block	5.99	149	5.99						
Cheese	Natural Varieties	8 oz shred	1.99-3.99	3673	2.38	2.00-3.49	2150	2.25	1.49-3.99	964	2.31
Cheese	Natural Varieties	1 # shred	3.99	62	3.99	2.99-3.99	407	3.82	2.99-3.99	637	3.20
Cottage cheese		16 oz	1.79-3.00	2269	2.20	1.99-2.19	282	2.02	2.00	31	2.00
Cream cheese		8 oz	0.99-2.50	1829	1.70	1.25-2.00	1963	1.94	0.99-1.99	432	1.45
Flavored milk	All fat tests	half gallon	2.99	46	2.99	2.49-2.50	134	2.49	1.33-1.99	156	1.80
Flavored milk	All fat tests	gallon							2.39-3.49	489	2.64
Ice cream		48-64oz	2.49-3.99	3402	3.17	2.50-5.49	3550	3.70	1.98-4.50	2475	3.05
Milk	All fat tests	half gallon	1.50-3.00	503	2.61	1.67	34	1.67	1.33-2.79	87	1.92
Milk	All fat tests	gallon	2.69-3.99	229	3.75	2.99-4.79	530	3.41	2.29-2.89	870	2.54
Sour cream		16 oz	1.34-2.00	1919	1.58	1.50-2.00	1531	1.92	1.49-1.69	458	1.58
Yogurt	Greek	4-6 oz	0.74-1.33	2336	.99	0.80-1.25	2306	1.04	0.80-1.00	888	.89
Yogurt	Greek	32 oz	3.69-4.49	509	4.35						
Yogurt	Yogurt	4-6 oz	0.39-1.00	3120	.54	0.45-0.60	2194	.50	0.40-0.60	710	.56

Wtd Avg - Simple weighted average

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.99-2.99	769	2.12	1.49-1.99	432	1.76	1.49-3.00	1036	1.86

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				2.00-3.00	163	2.51			
Cheese	Natural Varieties	8 oz block	1.50-2.99	163	2.41	2.49-3.00	286	2.89			
Cheese	Natural Varieties	1 # block	2.99-4.99	128	3.66	2.99-4.49	918	3.26	4.99	29	4.99
Cheese	Natural Varieties	2 # block	4.99-5.99	359	5.68	5.99-6.99	1347	6.35	5.99-8.49	972	6.61
Cheese	Natural Varieties	8 oz shred	1.34-2.99	766	2.41	1.98-3.00	682	2.49	1.25-3.00	175	1.74
Cheese	Natural Varieties	1 # shred	3.34-4.99	380	3.87	2.99-4.69	803	3.34	2.99-4.99	115	3.60
Cottage cheese		16 oz	1.68	135	1.68	1.99	64	1.99	1.99	29	1.99
Cream cheese		8 oz	1.92-2.00	82	1.97	1.19-2.00	211	1.74	1.99	29	1.99
Flavored milk	All fat tests	half gallon	2.49-2.69	196	2.61				1.25	118	1.25
Ice cream		48-64oz	1.99-4.99	1866	3.15	1.99-4.99	4516	3.11	2.50-3.50	1170	3.23
Milk	All fat tests	half gallon	1.00	135	1.00				1.25-2.99	176	1.66
Milk	All fat tests	gallon	1.97-2.88	843	2.37	1.57-3.09	1478	2.78	1.88-2.59	696	2.50
Sour cream		16 oz	0.99-2.18	1064	1.58	0.99-2.00	540	1.86	1.49	198	1.49
Yogurt	Greek	4-6 oz	0.99-1.25	1060	1.10	0.75-1.00	1055	.85	0.80	80	.80
Yogurt	Greek	32 oz	4.49	43	4.49	4.99	118	4.99			
Yogurt	Yogurt	4-6 oz	0.34-0.70	738	.60	0.50-0.60	339	.56	0.34-0.67	329	.48
Yogurt	Yogurt	32 oz	1.49-1.99	386	1.65	1.49-2.79	826	1.77	1.49-2.89	109	1.86

NATIONAL -- ORGANIC DAIRY PRODUCTS

Commodity	Type	Pack Size	THIS WEEK		TWO WEEKS AGO	
			Stores With Ads	Wtd Avg Price	Stores With Ads	Wtd Avg Price
Butter		1 #	556	4.73		
Cheese	Natural Varieties	8 oz block	62	3.99	122	4.99
Cottage cheese		16 oz	80	2.99		
Milk	All fat tests	half gallon	2531	2.88		
Milk	All fat tests	8 oz UHT	80	1.00		
Sour cream		16 oz	165	2.49	271	2.44
Yogurt	Greek	4-6 oz	182	1.00	212	1.20
Yogurt	Yogurt	4-6 oz	1295	.69	2829	.93
Yogurt	Yogurt	32 oz	376	3.00	199	2.75

REGIONAL -- ORGANIC DAIRY PRODUCTS

Wtd Avg - Simple weighted average

Commodity	Type	Pack Size	NORTHEAST U.S.			SOUTHEAST U.S.			MIDWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	413	4.99						
Cheese	Natural Varieties	8 oz block	3.99	62	3.99						
Milk	All fat tests	half gallon				2.99-3.19	432	3.01	2.29-2.99	573	2.79
Sour cream		16 oz							2.49	165	2.49
Yogurt	Yogurt	4-6 oz	0.60-0.80	1215	.67						
Yogurt	Yogurt	32 oz	2.99	174	2.99	3.00	202	3.00			

Commodity	Type	Pack Size	SOUTH CENTRAL U.S.			SOUTHWEST U.S.			NORTHWEST U.S.		
			Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price	Price Range	Stores with Ads	Wtd Avg Price
Butter		1 #				3.99	143	3.99			
Cottage cheese		16 oz							2.99	80	2.99
Milk	All fat tests	half gallon	2.79	421	2.79	2.79-2.99	878	2.94	2.68-3.49	227	2.78
Milk	All fat tests	8 oz UHT							1.00	80	1.00
Yogurt	Greek	4-6 oz	1.00	65	1.00	1.00	117	1.00			
Yogurt	Yogurt	4-6 oz							0.89	80	.89

NATIONAL -- CONVENTIONAL DAIRY PRODUCTS

NATIONAL BRANDS vs STORE BRANDS

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	1.99	3.99	1305	2.83	1.99	3.49	2409	2.64
Cheese	Natural Varieties	8 oz block	1.49	3.99	3044	2.52	1.00	4.99	2166	2.48
Cheese	Natural Varieties	1 # block	1.99	4.99	979	3.14	2.99	4.99	1391	3.38
Cheese	Natural Varieties	2 # block	5.99	6.99	2010	6.28	4.99	8.49	817	6.47
Cheese	Natural Varieties	8 oz shred	1.25	3.99	5486	2.46	1.34	3.99	2924	2.11
Cheese	Natural Varieties	1 # shred	2.99	4.99	440	3.99	2.99	4.99	1964	3.39
Cottage cheese		16 oz	1.68	3.00	1568	2.26	1.99	2.50	1242	2.01
Cream cheese		8 oz	1.49	2.50	1349	2.01	.99	2.00	3197	1.70
Flavored milk	All fat tests	half gallon	1.66	2.99	101	2.49	1.25	2.69	549	2.11
Flavored milk	All fat tests	gallon	3.49	3.49	94	3.49	2.39	2.99	395	2.44
Ice cream		48-64oz	2.49	5.49	12131	3.44	1.98	3.99	4848	2.78
Milk	All fat tests	half gallon	1.66	3.00	432	2.90	1.00	2.79	503	1.41
Milk	All fat tests	gallon	2.29	4.79	259	3.83	1.57	3.99	4387	2.67
Sour cream		16 oz	1.39	2.18	3120	1.82	.99	2.00	2590	1.54
Yogurt	Greek	4-6 oz	.74	1.33	5394	1.01	.75	1.25	2331	.94
Yogurt	Greek	32 oz	3.69	4.99	670	4.47				
Yogurt	Yogurt	4-6 oz	.34	1.00	4799	.58	.34	.50	2631	.45

Wtd Avg - Simple weighted average

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Yogurt	Yogurt	32 oz	1.49	2.89	2664	1.73	1.99	3.00	894	2.23

NATIONAL -- ORGANIC DAIRY PRODUCTS

NATIONAL BRANDS vs STORE BRANDS

			NATIONAL BRANDS				STORE BRANDS			
Commodity	Type	Pack Size	Low Price	High Price	Stores with Ads	Wtd Avg Price	Low Price	High Price	Stores with Ads	Wtd Avg Price
Butter		1 #	4.99	4.99	413	4.99	3.99	3.99	143	3.99
Cheese	Natural Varieties	8 oz block	3.99	3.99	62	3.99				
Cottage cheese		16 oz	2.99	2.99	80	2.99				
Milk	All fat tests	half gallon	3.49	3.49	29	3.49	2.29	3.19	2502	2.87
Milk	All fat tests	8 oz UHT	1.00	1.00	80	1.00				
Sour cream		16 oz					2.49	2.49	165	2.49
Yogurt	Greek	4-6 oz	1.00	1.00	182	1.00				
Yogurt	Yogurt	4-6 oz	.60	.80	1215	.67	.89	.89	80	.89
Yogurt	Yogurt	32 oz	2.99	3.00	376	3.00				

REGIONAL DEFINITIONS

As used in this report, regions include the following states:

NORTHEAST U.S.	Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New jersey, New York, Pennsylvania, Rhode Island and Vermont
SOUTHEAST U.S.	Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia
MIDWEST U.S.	Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, North Dakota, Nebraska, Ohio, South Dakota and Wisconsin
SOUTH CENTRAL U.S.	Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas
SOUTHWEST U.S.	Arizona, California, Nevada and Utah
NORTHWEST U.S.	Idaho, Montana, Oregon, Washington, and Wyoming
NATIONAL	Continental United States

Wtd Avg - Simple weighted average