

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (3/01):**

**BUTTER:** Grade AA closed at \$1.5750. The weekly average for Grade AA is \$1.5590 (-.0410).

**CHEESE:** Barrels closed at \$1.5600 and 40# blocks at \$1.5750. The weekly average for barrels is \$1.5780 (-.0520) and blocks, \$1.5970 (-.0461).

**BUTTER HIGHLIGHTS:** Butter production is described as “strong” in the Northeast, “heavy” in the West and “active” in the Central Region. Cream in the East is plentiful enough to more than fulfill regional needs and augment Central region supplies. Western manufacturers are mixed on storing butter for inventory or beginning to clear product. Though butter demand is good in the Northeast, production continues to add to inventories at some plants. Northeastern bulk butter prices held steady this week and range from 4-10 cents over the market. Central manufacturers report bulk butter prices retraced some recent gains, with spot loads clearing within the range of +1 to +5 cents. Western bulk butter buyers are content with contract purchases, but some are looking to save on additional orders. According to the NASS Cold Storage report, stocks of butter as of January 31, 2013, total 206.6 million pounds, +21% or 36.3 million pounds more than the close of January last year. Stocks were 35% higher or 53.6 million pounds more than end of December 2012. Cooperatives Working Together (CWT) has accepted requests for export assistance for 908,305 pounds (412 metric tons) of butter. The product will be delivered February through July 2013.

**CHEESE HIGHLIGHTS:** Cheese markets across the U.S. continue to look for a clear price direction. Wholesale prices last week were both up and down, although the lower trend was more prevalent. Higher than expected milk volumes are headed towards cheese plants in the East and Midwest. This is leading to increased production and inventory. Due to less than hoped for demand, some plants are pushing back on excess intakes to balance inventories. NASS Cold Storage data for January showed total natural cheese stocks up 1% from January 2012 and 1% higher than last months. Processing cheese demand is moderate with buyers looking for price breaks to add to orders. Retail demand is being helped by Easter/Passover ordering. Mozzarella sales are good as promotions from pizza makers increased. Export demand is said to be better and the CWT program is assisting with export sales. Friday's close at the CME Group for barrels was at \$1.5600 down \$.0700 from last week. Blocks closed at \$1.5750 down

\$.0525 from last Friday's close.

**FLUID MILK:** Milk production in the East and Midwest is increasing. Florida production is increasing although not yet into the full spring flush. Manufacturing plants in the East are running busy schedules to fill retail needs for upcoming Easter/Passover specials. Cream demand in the East is improved, but continues to be unable to fully utilize supplies. Excess cream is moving into the Midwest at reduced prices to clear inventories. Dryers are running steadily to clean up condensed skim supplies. Midwest milk volumes are higher than previous year levels. Intermittent winter storms in the region made moving milk more difficult, but did not upset production schedules to any great extent. Cream continues to move into the Midwest at discounted prices. New ice cream production is slow to develop but is not that far off. Western milk supplies are building as Arizona and New Mexico near peak production. Winter storms interrupted movement of milk temporarily in the Southern areas. California milk volumes are below year ago levels but showing some slight increases. Cream remains plentiful in the region and is meeting only moderate demand. Processors are assessing the best course of action for butter and cream decisions.

**DRY PRODUCTS:** Nonfat dry milk prices are lower this week as production across the country is increasing. Inventories are reported to be building and buyers are content to wait for more favorable prices for future needs. Low/medium heat NDM is available as dryers focus on clearing milk supplies quickly. Buttermilk prices are weak as buyer interest is light and butter production remains heavy. Stocks are building and spot sales often need discount pricing to complete sales. Dry whole milk prices are mostly steady with some increases in production reported. The dry whey market is weak to lower in many parts of the country as cheese production continues to send increased whey stream products to the processors. Export sales are increasing, but at the lower end of the price ranges. Whey protein concentrate 34% prices are mostly unchanged with only moderate activity. Lactose prices are unchanged with a weak market undertone. Production remains active.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN EUROPE OVERVIEW:** Milk production for Western Europe countries is mostly steady with past trends. Overall, output is trailing for countries as a whole for the EU-15 totals. Weekly milk receipts are higher than year ago for Germany, but lower for France.

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

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY FEB 25	TUESDAY FEB 26	WEDNESDAY FEB 27	THURSDAY FEB 28	FRIDAY MAR 01	WEEKLY CHANGE*	WEEKLY AVERAGE#
<b>CHEESE</b>							
BARRELS	\$1.6000 (-.0300)	\$1.5800 (-.0200)	\$1.5800 (N.C.)	\$1.5700 (-.0100)	\$1.5600 (-.0100)	:-.0700	:\$1.5780 (-.0520)
40# BLOCKS	\$1.6075 (-.0200)	\$1.6025 (-.0050)	\$1.6050 (+.0025)	\$1.5950 (-.0100)	\$1.5750 (-.0200)	:-.0525	:\$1.5970 (-.0461)
<b>NONFAT DRY MILK</b>							
EXTRA GRADE	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	:(N.C.)	:\$1.5600 (N.C.)
GRADE A	\$1.5050 (N.C.)	\$1.4975 (-.0075)	\$1.4975 (N.C.)	\$1.4975 (N.C.)	\$1.4975 (N.C.)	:-.0075	:\$1.4990 (-.0060)
<b>BUTTER</b>							
GRADE AA	\$1.5700 (-.0200)	\$1.5500 (-.0200)	\$1.5500 (N.C.)	\$1.5500 (N.C.)	\$1.5750 (+.0250)	:-.0150	:\$1.5590 (-.0410)

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

Recent January milk deliveries were slightly lower (-0.1%) for the Netherlands, down 2.0% for Austria, and down 5.3% for the United Kingdom. The declining Euro value against the U.S. Dollar is helping to make pricing more competitive with other world sources, more so for skim milk powder and whey. Additional export interest in the form of tenders and seeking SMP and WMP that EU producers could offer, yet would be price sensitive. The end of February also marks the end of the PSA butter program season/year. Butter moving out of the program has not impacted the butter market. Current butter production is steady. At current pricing levels for butter and for whole milk powder, exporting is very limited. Dry whey prices are under pressure from a slow domestic and export demand from feed and food accounts. **EASTERN EUROPE OVERVIEW:** Eastern European milk production patterns are tending to be holding up well under current seasonal conditions. Some countries are pulling back on milk deliveries to stay within quota year totals. Poland milk production in January was 1.2% below a year earlier. Trends are generally in line with expectations. Reports of lower priced whey out of Poland moving into international outlets is reverberating and being noted by traders sourcing product for other needs. Supplies of whey and other dairy products are available for trade needs and are servicing planned activity. **OCEANIA OVERVIEW: NEW ZEALAND** milk production is trending lower seasonally. Hot and dry conditions are impacting the milk flow on the North Island. The latest official milk statistic for December was 7% higher. Trade sources are noting the pace is well off that number now. Pastures are drying up and producers are drying off milk cows sooner than expected. Higher cow slaughter rates are noted for this time of the season, which are a result of conditions. Milk processing plants are running on reduced schedules with products of greatest need being made. The firmness in pricing at the g/Dt auction was welcomed with the anticipation of allowing additional step ups in milk prices. The offset is that strong currency values have negated part of the gains. **AUSTRALIAN** milk flow is declining and the current rate is trailing last year at this time. Milk intakes are often behind budget for processors. January milk output is 5.5% lower than a year earlier and trailing year ago levels in all but one region. The extension of the decline into February is described as "grim". Lower milk receipts will affect the production of late season products and raising concerns. In the major milk producing regions, weather conditions are dryer and warmer than forecast. Producers continue to feel the squeeze of high feed cost in comparison to the current milk prices. Milk discounts at \$1A/litre continue for retail and petro outlets. The impacts on milk prices and buying patterns remain a concern to producers. Dairy product prices in the Oceania region are steady to firm. Demand is good across product categories. Export interest is active and working stocks are moving on schedule. Processing schedules are trending lower along seasonal patterns and compounded because of drier weather conditions. g/Dt: At the February 19th g/DT session #86, most product categories traded at firm levels. Average prices across all contracting periods and individual products ranged from 0.2% lower to 5.8% higher. The product price averages (per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,635, +4.0%; butter, \$3,726, first event traded; buttermilk powder, \$3,318, +4.1%; cheddar cheese, \$3,554, +1.8%; lactose, no trades; milk protein concentrate, \$6,088, -0.2%; rennet casein, \$8,829, +0.8%; skim milk powder, \$3,592, +1.0%; and whole milk powder, \$3,654, +5.8%. The next event, #87, will be on March 5.

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**JANUARY COLD STORAGE (NASS):** On January 31, U.S. cold storage holdings of butter totaled 206.6 million pounds, 35% higher than a month ago and 21% higher than last year. Natural American cheese holdings total 643.5 million pounds, 1.2% higher than a month ago and 0.2% higher than a year ago. Total natural cheese stocks totaled 1,032.3 million pounds, 0.9% higher than one month ago and 1.2% higher than a year ago.

**FEBRUARY AGRICULTURAL PRICES (NASS):** The All Milk price received by farmers was \$19.40 in February, down \$0.50 from January 2013 but up \$1.70 from February 2012. Alfalfa hay price was \$218.00 in February, up \$24.00 from February 2012. Corn price was \$6.89 in February, up \$.61 from February 2012. Soybean price was \$14.20 in February, up \$2.00 from February 2012. The milk-feed price ratio was 1.54 in February, down 0.02 from February 2012. The index of prices received by farmers for dairy products during the month of February 2013 was down 3 points to 149. Compared with February 2012, the index was up 13 points (9.6%). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2013 was down 1 point to 219. Compared with February 2012, the index was up 8 points (3.8%).

**CONSUMER PRICE INDEX (BLS):** The January CPI for all food is 236.3, up 1.6% from January 2012. The dairy products index is 220.3, down 0.1% from a year ago. The following are the January-to-January changes for selected products: fresh whole milk is +2.0%; cheese, -1.5%; and butter, -3.5%.

**COMMERCIAL DISAPPEARANCE (ERS, AMS):** Commercial disappearance of dairy products during 2012 totaled 201.8 billion pounds, 1.7% above the previous year. Comparing disappearance levels with year earlier levels; butter is +1.6%; American cheese, +2.0%; other cheese, +1.6%; NDM, +17.9%; and fluid milk products, -1.9%.

**MARCH ANNOUNCED COOPERATIVE CLASS I PRICES (DAIRY PROGRAMS):** For March 2013, the all-city average announced cooperative Class I price was \$22.82 per cwt., \$2.38 higher than the Federal milk order (FMO) Class I price average for these cities. The March 2013 Federal order Class I price was \$0.41 lower than the February 2013 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.52 in Phoenix, AZ, to \$4.21 in Miami, FL. For March 2012, the all-city average announced cooperative Class I price was \$21.37, \$2.45 higher than the Federal order Class I price average for these cities. Note: The Announced Cooperative Class I Price includes premiums paid for milk produced without rBST.

**FEBRUARY FMMO CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the February 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$18.49 (+\$0.30), Class III \$17.25 (-\$0.89), and Class IV \$17.75(+\$0.12). Product price averages used in computing Class prices are: butter \$1.5438, NDM \$1.5559, cheese \$1.6623, and dry whey \$0.6393. The Class II butterfat price is \$1.6689 and the Class III/IV butterfat price is \$1.6619. Further information may be found at: [www.ams.usda.gov/AMSV1.0/PriceFormulas2012](http://www.ams.usda.gov/AMSV1.0/PriceFormulas2012)

**CME GROUP**

MONDAY, FEBRUARY 25, 2013

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.6100, 1 @ \$1.6000; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5900; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6200;  
 1 CAR 40# BLOCKS @ \$1.6075  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.4700; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.5700

TUESDAY, FEBRUARY 26, 2013

CHEESE -- SALES: 2 CARS BARRELS: 1 @ \$1.5900, 1 @ \$1.5800; 3 CARS 40# BLOCKS: 2 @ \$1.5975, 1 @ \$1.6025; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5800;  
 1 CAR 40# BLOCKS @ \$1.6025; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.6000  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.4500; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.4975  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.5500

WEDNESDAY, FEBRUARY 27, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5700; 1 CAR 40# BLOCKS @ \$1.6050; LAST OFFER UNCOVERED: 1 CAR 40# BLOCKS @ \$1.6125  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.4600; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 8 CARS GRADE AA @ \$1.5500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5500; LAST OFFER UNCOVERED: 2 CARS GRADE AA @ \$1.5600

THURSDAY, FEBRUARY 28, 2013

CHEESE -- SALES: 2 CARS BARRELS @ \$1.5700; 3 CARS 40# BLOCKS: 2 @ \$1.6050, 1 @ \$1.5950; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5700; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5800  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, MARCH 1, 2013

CHEESE -- SALES: 4 CARS BARRELS: 3 @ \$1.5700, 1 @ \$1.5600; 3 CARS 40# BLOCKS: 2 @ \$1.5800, 1 @ \$1.5775; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5500;  
 LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5800; 1 CAR 40# BLOCKS @ \$1.5750  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.4500; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.5750; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS****NORTHEAST**

The butter price on the CME Group declined \$0.0200 Tuesday to close at \$1.5500. The butter price has declined in each of the previous 4 trading sessions, totaling a net decline of \$0.0550. Strong milk production and good butterfat levels are keeping cream supplies plentiful. Butter production remains strong as cream supplies quickly exceed demand needs and add to volumes going to churns. Domestic butter demand has increased with increased orders from retailers ahead of the Passover/Easter holidays. Production of 82%, unsalted butter remains active as a number of butter plants are filling export orders. Though butter demand is good, production continues to add to inventories at a few plants. Current bulk butter prices held steady this week and range from 4-10 cents over the market based on the CME Group with various time frames and averages used. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 908,305 pounds (412 metric tons) of butter. The product will be delivered February through July 2013. According to the latest NASS Cold Storage report, butter in storage on January 31, totaled 206.6 million pounds, 53.6 million pounds more (+35%) than the prior month stocks and 36.3 million pounds more (+21%) than January 2012 stocks.

**CENTRAL**

Prices at the CME Group stairstepped lower on Monday and Tuesday, giving back 4 cents in gains accumulated during the last few weeks. Wednesday trading brought steady prices, \$1.5500, and trading of 8 loads. Butter production is active throughout the region and inventories are building. Cream availability is steady, with Eastern cream still augmenting Central region supplies. Manufacturers report bulk butter prices retraced some recent gains, with spot loads clearing within the range of +1 to +5 cents. Most churn operators are confident butter

interest will strengthen as the spring holidays approach. Cooperatives Working Together(CWT), announced the acceptance of export bids for butter totalling 908,305 pounds. Butter will be delivered between February and July of this year to countries in Asia, the Middle East, and North Africa. CWT will pay export bonuses to the bidders once the butter shipments are verified. These shipments will bring CWT's 2013 total butter export obligations to 12.8 million pounds.

**WEST**

Western butter prices continued higher with last weeks close at the CME Group weekly average price moving higher for the sixth week in a row. Increased supplies of butter due to heavy production are weighing on prices as buyers look for lower prices. Manufacturers are mixed on storing for inventory or beginning to clear product. Demand for print butter is good as retailers order for Easter/Passover features. Bulk butter buyers are content with contract purchases, but some are looking to save on additional orders. Butter prices at the CME Group exchange are unchanged on Wednesday's close at \$1.5500. Prior to the Wednesday close, the market had gone lower at each of the four previous trading days. Sales activity on Wednesday was active with eight loads selling. Prices for bulk butter range from 3 cents under to 4 cents under the market, based on the CME with various time frames and averages used. According to the NASS Cold Storage report, stocks of butter as of January 31, 2013, total 206.6 million pounds, +21% or 36.3 million pounds more than the close of January last year. Stocks were 35% higher or 53.6 million pounds more than end of December 2012.

**NATIONAL DAIRY PRODUCTS SALES REPORT****U.S. AVERAGES AND TOTAL POUNDS**

<b>WEEK ENDING</b>	<b>BUTTER</b>	<b>CHEESE 40# BLOCKS</b>	<b>CHEESE BARRELS 38% MOISTURE</b>	<b>DRY WHEY</b>	<b>NDM</b>
February 23, 2013	1.5793 4,447,018	1.6620 12,189,255	1.6285 10,168,097	0.6305 7,739,873	1.5744 15,347,954

## CHEESE MARKETS

## NORTHEAST

Cheese prices declined on the CME Group Tuesday with barrels down \$0.0200 to close at \$1.5800, while blocks declined \$0.0050 to close at \$1.6025. Barrel prices have declined in each of the last 2 trading sessions, resulting in a net decline of \$0.0500. Block prices have declined in each of the last 6 sessions for a total net decline of \$0.0725. Milk production remains strong in the Northeast with significant volumes going to cheese vats. Current production is exceeding demand needs and adding to inventories. Demand is sluggish with the exception of mozzarella sales, which have been good following promotions by some national pizza makers. Export demand remains fairly good supported by incentive programs. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.122 million pounds of Cheddar and Gouda cheese. The product will be delivered February through July 2013

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

Cheddar 40# Block	:	2.0425-2.3275
Process 5# Sliced	:	1.8500-2.3300
Muenster	:	2.0625-2.4225
Grade A Swiss Cuts 10 - 14#	:	3.5900-3.9125

## MIDWEST

Last week's mixture of price bullishness and bearishness, generally related to whether the source was focused on domestic or international factors, has turned more bearish this week. Comments this week are more often focused on retail sales sluggishness, increasing cheese inventories, and expectations of more milk in the short term. Managers at a number of Central region cheese plants commented about slowing retail orders. Comments were such as "there's very little life in [domestic] retail cheese demand." This has resulted in some plants pushing back milk intakes, or reducing production, as inventories grow. These market factors seem reflected in cheese price weakness. CME block prices closed down each day for six consecutive days through Tuesday, reaching the low for 2013, \$1.6025, before moving up \$.0025 Wednesday. Barrels reached the year's low on January 30, \$1.5300, 5 cents below Wednesday's close, and have not moved up since February 14th. Cold Storage data for January 31 this year, released last Friday, shows total natural cheese stocks nationally up 1% from December and up 1% from January 31, 2012. North Central Region American cheese stocks were even with December 31, 2012 and 99% of January 31, 2012 stocks. Regional Other cheese stocks were 101% of December 31, 2012 and 99% of January 31, 2012 stocks. Cooperatives Working Together (CWT) has accepted 12 requests for export assistance to sell 1.122 million pounds (509 metric tons) of Cheddar and Gouda cheese. The product will be delivered February through July 2013.

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

Process American 5# Loaf	:	1.8225-2.5275
Brick And/Or Muenster 5#	:	2.0300-2.5900
Cheddar 40# Block	:	2.0300-2.9025
Monterey Jack 10#	:	2.0000-2.9025
Blue 5#	:	2.2950-3.2800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.8750-3.0025
Grade A Swiss Cuts 6 - 9#	:	3.1100-3.2275

## WEST

Wholesale prices for cheese in the West are unsettled. Weekly average prices at the CME Group were higher for barrel cheese and lower for blocks. Buyers and sellers continue to look for a clear market direction. Retail sales are active as club stores and grocery accounts plan for Easter/Passover features. The CWT program accepted bids for 1.1 million pounds of export assistance. Cheese stocks are building slowly but are considered to be manageable. Cheese prices at the CME Group for Wednesday settled unchanged for barrels at \$1.5800. Blocks closed up \$.0025 on Wednesday at \$1.6050. Barrels moved five cents lower in the first two days of trading this week. Blocks were two and one half cents lower early in the week. Sales at the CME Group are light to moderate with four loads of barrels and three loads of blocks sold by Wednesday's close. According to NASS, *Cold Storage* stocks of cheese (total) at the end of January 2013 are 1,032.3 million pounds, 1% higher or 12.2 million pounds more than January 31, 2012. American stocks were equal, and Other Natural stocks were 2% higher than last year. Swiss stocks at the end of January total 30.6 million pounds, up 18% or 4.7 million pounds more than January 2012. January Swiss stocks in storage are 4% lower or 1.2 million pounds less than the previous month.

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

Process 5# Loaf	:	1.7575-2.0150
Cheddar 40# Block	:	1.7625-2.1150
Cheddar 10# Cuts	:	1.9425-2.1625
Monterey Jack 10#	:	1.9525-2.1125
Grade A Swiss Cuts 6 - 9#	:	3.1675-3.5975

## FOREIGN

The weekly average CME Group block price declined last week, after 2 weeks of increases, lowering domestic wholesale foreign type cheese prices by \$0.0250. Swiss cut varieties and import cheeses were unchanged. The latest NASS Cold Storage report shows stocks of Swiss cheese in cold storage as of January 31, totaling 30.6 million pounds, down 4% from one month ago, but 18% more than one year ago.

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

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.1825-3.6700*
Gorgonzola	: 3.4900-6.1900	: 2.6850-3.1400*
Parmesan (Italy)	: -0-	: 3.5725-5.6625*
Provolone (Italy)	: 3.4400-5.4500	: 2.2250-2.3825*
Romano (Cows Milk)	: -0-	: 3.3725-5.5225*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.3900	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.6875-4.0100
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

	:	:
02/25/13	12,232	: 117,472
02/01/13	11,947	: 118,060
CHANGE	285	: -588
% CHANGE	2	: -0

## FLUID MILK AND CREAM

## EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	78	0	57	0	150
SOUTHEAST STATES	0	0	0	0	0	0

Milk production continues to expand in the East, adding to the already ample manufacturing milk supplies in the Northeast and Mid-Atlantic regions. The two regions have been hit by a number of storm fronts, but overall this winter is mild compared to the winter experienced 2 years ago. Class I demand has leveled off in both regions. Retail dairy product sales may increase ahead of another major storm front moving through the East. Florida's economy is doing well with a warmer than usual winter prompting tourists and seasonal residents to eat out more often and extend their stays. The improved economy has kept Class I demand strong. Milk production is on the increase, but this year's flush is not as strong as previous years, due to the unwillingness or inability of producers to add high priced grain to their feed rations. Some recent rains in the central and northern portions of the state have helped, but more rain is needed to relieve drought stricken areas. Pasture and forage regrowth remains slow with 80% of the pastures rated as fair or poor. Export spot loads moving out of state this week totaled 78 loads. Milk production in the Southeast continues to increase. Production is exceeding Class I demand with more loads moving to manufacturing plants. Demand for cream, though it has improved, cannot keep up with supply. Spot loads continue to move to the Midwest at significant discounts. Cream cheese and butter production are very active ahead of the Passover/Easter holidays. Multiples held about steady with last week ranging .98-1.15 with the lower end of the range reflective of those loads shipped out of region for Class IV production. Demand for condensed skim remains flat with most dairy product manufacturers covering their needs with contracted supplies. Spot sales are light with a majority of the condensed skim volume going to Class IV production. According to NASS, milk production for January 2013 in the 23 reported states totaled 15.9 billion pounds, up 0.6% from January 2012. Milk production increased in 3 of the 5 listed states in the Eastern region. Eastern region production increased 1.6% over the same month last year to 2,618 million pounds. The 5 states showed the following percentage changes in milk production from January 2012 to January 2013 and total milk production this January: Florida, -2.8%, 211 million pounds; New York, +3.1%, 1,132 million pounds; Pennsylvania, +0.9%, 904 million pounds; Vermont, +2.3%, 221 million pounds; and Virginia, -0.7% at 150 million pounds. Milk cow numbers for January 2013 decreased in 2 of the 5 listed states of the Eastern region with 2 states unchanged and 1 state increasing. As a region, cow numbers were 6,000 head (-0.4%) less compared to the same period last year. Individual state cow numbers compared to January 2012 and cows remaining as of this January are: Florida, unchanged, 122,000 remaining; New York, unchanged, 610,000 remaining; Pennsylvania, 5,000 decrease, 535,000 remaining; Vermont, 1,000 increase, 134,000 remaining; and Virginia, 2,000 decrease, 94,000 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 -	1.6800-1.8400
F.O.B. producing plants: Upper Midwest -	1.7600-1.9360

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

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.56 - 1.61
Northeast - Class III - spot prices -	1.54 - 1.59

## MIDWEST

Various milk handlers in the Central region indicate intakes at some plants are increasing nominally. Milk handling capacity within the region is available, but some farm milk loads were unable to make it to processing plants due to recent snow storms in the South Central area. Several balancing plants experienced pushback from fluid accounts where bottled milk was scheduled for delivery into school systems. Many school systems throughout the Central region closed for snow days. Cream is readily available in the Central region. Some Central balancing plants indicate cream sales into the East region have declined as yogurt plants in the East began spinning off cream. That cream is filling East demand and also spilling into the Central region. Some ice cream manufacturers indicate they are increasing production on a few favorite SKUs as their sales are assured through the upcoming ice cream season. Production of individual consumer products for park concession stands are edging slightly higher. However, the need to clear cream throughout the week prompted a dip in cream pricing. The bottom of the cream multiple range fell this week to 1.10. The top is unchanged at 1.21. Spot milk loads are readily available. Some milk marketers report a few cheese plants are pushing back on milk supplies because of existing cheese inventories. Spot milk prices remain below Class for most transactions.

## WEST

Weather conditions in CALIFORNIA are good for current milk production. Contacts indicate that output is varying almost on a daily basis between just behind last year to just ahead. Possible lower milk prices going forward could push the equation backwards again. Water conditions in the state are below average and continue to be a concern as the next crop year is starting. Manufacturing plants in state are running well with cream supplies remaining heavy. January 2013 POOL RECEIPTS of milk in CALIFORNIA total 3.32 billion pounds, 5.2% lower than last year, according to CDFA. The January blend price, at a fat test of 3.87%, is \$17.85, \$0.72 lower than December but \$1.23 more than January 2012. The percentage of receipts used in Class 1 products is 14.8%. The January quota price is \$18.30 and the over quota price is \$16.60. These prices are \$0.67 lower than December but \$1.05 higher than a year ago. Weather conditions have settled down this week in ARIZONA. Temperatures are more seasonal. Output is back on track to hit the seasonal peak soon. Plant problems from last week have improved and not as much milk or components are moving around. Blizzard conditions have been common this week in the dairy areas of NEW MEXICO. Roads, including I-40, were closed for various time periods because of snow and lack of visibility. I-40 was closed for about 36 hours. Some record or near record daily

## CONTINUED FROM PAGE 4

snowfalls were recorded in the region, but measurement was tough with gale force winds. Truck traffic was certainly disrupted, but the early indications are that problems at dairies were generally short lived. Another storm is expected at midweek with more wind and not much precipitation. Processors have different opinions as to what is the best course of action to take on future butter and cream decisions. Some want to limit additional butter production because they do not want to store additional supplies at this time and are willing to sell some cream, even at a loss. Some operations are also selling some of their stored butter and trying to better balance inventories. Other operations continue to make and store butter for fall needs. Demand for cream from other users has not increased that much seasonally. The butter price for Grade AA at the CME Group closed at \$1.55 on Wednesday, February 27, down 5.5 cents from a week earlier. Multiples are slightly higher than a week ago and range from 1.00 to 1.21, and vary depending on basing points and averages. Milk production in the PACIFIC NORTHWEST is following expected volumes. Processors are able to handle current volumes without difficulty. Weather conditions have not been an issue this week for milk handling. As warmer weather begins to signal that winter weather is not here forever, dairy farmers are looking towards planning spring field activities and assessing feed supplies. UTAH and IDAHO milk volumes are increasing slightly after cold weather in January slowed production. Processors are reporting no difficulties with handling of current supplies. Increased demand in the region for milk has yet to show significant herd building by dairies. Forage growers are anticipating some winterkill on older alfalfa stands due to light snow cover this year. Good snowfall levels in the higher elevations are helping to insure adequate water for irrigation this year. According to NASS, 2012 Annual Milk Production for the United States totals 200.3 billion pounds, up 2.1% or 4.16 billion pounds from 2011. Annual milk production per cow for the United States was 21,697 pounds, 361 pounds (+1.7%) more than 2011. Milk cow numbers nationally stood at 9.23 million cows up 39,000 head (+.5%) compared to 2011. The Western 8 states had an increase of 28,000 head. 2012 milk production for selected Western states is as follows: Arizona +2.2%, California +0.8%, Colorado +7.1%, Idaho +2.3%, New Mexico -0.3%, Oregon +1.4%, Utah +5.2%, and Washington +1.1%.

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

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

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Central nonfat dry milk prices declined. Buyer interest is in neutral, so some manufacturers are deploying price incentives to encourage sales and rebalance nonfat dry milk inventories through spot sales. Index based contract pricing also shifted lower for the week. Strong milk production continues in the Central region. Class III condensed skim interest is light, as few cheese plants are fortifying vats because of mixed signals from the block and barrel markets. Several Central plants also received pushback loads from fluid accounts this week due to school closures. This sent additional milk volumes through the dryers. Balancing plants are clearing farm milk intakes through active drying schedules. Nonfat dry milk inventories are building.

**EAST:** Nonfat dry milk prices moved lower this week. The combination of increased milk production and weak demand for condensed skim are expanding milk volumes going to dryers. Current production is focused on low heat nonfat dry milk, which allows plant managers to better manage the increased milk volumes coming into the plants. Product is moving through contracts. Some spot sales are occurring with price discounts as some manufacturers attempt to reduce the rate of inventory expansion. Most buyers are purchasing for immediate needs only, feeling the market may still move lower. Domestic demand remains weak, but there has been some improved export interest. The market undertone remains weak.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: 1.4500 - 1.6375 MOSTLY: 1.4800 - 1.5800  
HIGH HEAT: 1.6000 - 1.6775

**NONFAT DRY MILK - WEST**

The price range average for Western low/medium heat powder declined again this week. The mostly price series lost ground at a faster pace than the range. Buyers indicate that they see no good reason to make purchases above contract levels at this time in the marketing year. There continues to be downward price pressure in the market. Stocks of powder are building in the region. Production of powder continues to head to the spring seasonal peak with the flush of milk. Resale loads are also readily available in the marketplace. Prices for high heat powder are also weak. Most of the weakness is attributed to the downward movement in the low heat market. Buyers are taking their normal volumes of high heat powder.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
LOW/MEDIUM HEAT: 1.4600 - 1.6075 MOSTLY: 1.4700 - 1.5350  
HIGH HEAT: 1.5700 - 1.6800

**DRY BUTTERMILK - CENTRAL AND EAST**

**CENTRAL:** The Central dry buttermilk market continues to seek buyer interest through price adjustments. The top of the range declined this week. Dry buttermilk production is active throughout the region. Many Central cream loads that used to clear to the East are now remaining in the Central. As Eastern yogurt plants continue to grow, the East region has become a cream surplus area, at least for part of the year. Much of that surplus East cream is clearing through Central churns. Between East and Central sources, cream is readily available, with forward placement of cream for next week

being sought out by some sellers. Class II interest in condensed and dry buttermilk is seasonal at best. Some ice cream manufacturers indicate a few favorite SKUs are moving into production as those sales are assured through the ice cream season. Dry buttermilk inventories are building steadily.

**EAST:** Dry buttermilk prices declined with sales based on price indices moving the upper end of the range lower. Dry buttermilk production is very active as cream volumes going to churns remain heavy. Product movement is largely confined to contract transactions with very limited spot sales activity. Demand is weak as most buyers are purchasing for immediate needs only and unwilling to expand inventories on a downward trending market. The market undertone remains weak.

F.O.B. CENTRAL/EAST: 1.3500 - 1.4500

**DRY BUTTERMILK - WEST**

Both range and mostly prices moved lower this week as the market continues to weaken. Buying interest is seasonally light because buyers believe the market is likely to continue to weaken. Production remains heavy in the region as cream supplies continue to clear to churning facilities. Most contacts believe the current scenario will continue for a while, at least until some seasonal product demand kicks in. Stocks of powder are heavy and building.

F.O.B. WEST: 1.3500 - 1.4500 MOSTLY: 1.3800 - 1.4400

**DRY WHOLE MILK - NATIONAL**

Prices for dry whole milk are unchanged on an lightly tested market. Contract interest is steady. A few manufacturers indicate they are adding production runs of dry whole milk into their dryer schedules this week. This is especially true for a few plants that produce dry whole milk intermittently because of the recent abundance of spot milk loads. Cooperations Working Together(CWT), announced the acceptance of export bids for whole milk powder totalling 44,092 pounds. The whole milk powder will be delivered between February and July of this year to countries in Asia, the Middle East, and North Africa. CWT will pay export bonuses to the bidders once the whole milk powder shipments are verified. These shipments will bring CWT's 2013 total whole milk powder export obligations to 132,277 pounds.

F.O.B. PRODUCING PLANT: 1.6500 - 1.7850

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
February 22	\$1.5660	8,078,002	0
February 15	\$1.5597	11,929,091	0

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

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

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

**DRY WHEY - CENTRAL**

The range and mostly price series for Central dry whey are unchanged to lower. The market tone is weak. Dry whey loads are reportedly readily available from manufacturers and resellers, with some loads carrying production dates from mid – late 2012. Dry whey production is steady at many facilities because of the continued strength in farm milk intakes. Anecdotal reports indicate a few cheese plants are temporarily reducing milk intakes to allow cheese and downstream product inventories to moderate. ANIMAL FEED DRY WHEY prices shifted lower as various indices declined. Interest from feed blenders is steady. They report sales of finished feed to dairy beef continues to be a strong segment of the finished feed market.

F.O.B. CENTRAL: .5100 - .6750 MOSTLY: .5500 - .6100  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4400 - .6000

**DRY WHEY - NORTHEAST**

Dry whey prices declined this week as spot sales lowered the low end of the range. Dry whey production is robust with most cheese plants operating on 6-7 day production schedules. Inventories are expanding and manufacturers are offering block loads at discounts in order to better manage their supplies. Domestic demand remains lackluster with buyers unwilling to greatly expand inventories on a downward trending market. Spot sale activity has increased with improved export interest. Those buyers looking for additional loads are often able to fill their needs through resale transactions at prices at/or near the low end of the range. The price disparity between spot sales and sales based on various price indices adds to the general weak undertone of the market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5400 - .6750

**DRY WHEY - WEST**

Dry whey prices in the West are lower for both the range and mostly price series again this week. The general market tone is described as weak. Export prices continue to dominate the low end of the market. In some cases, contract prices are slower to reflect the significantly lower spot market. Buyers are reluctant to purchase above contracted amounts at the higher end of the market. Spot loads of whey are available, but buyers are looking to lower costs. Cheese production across the region is heavy and adding to the available whey stream products.

NONHYGROSCOPIC: .5100 - .6525 MOSTLY: .5300 - .6000

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices for whey protein concentrate 34% on the mostly are unchanged. The range is unchanged to higher. Buyer interest is light to moderate for F.O.B. spot sales. A few manufacturers report multiple load offers with below market prices have paved the way for some sales. Production of WPC 34% is active at several locations, but reports indicate one or two plants with multiple end products may have shifted away from WPC production. Manufacturers' inventories are uneven, ranging from light to heavy.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1500 - 1.2900 MOSTLY: 1.2300 - 1.2500

**LACTOSE - CENTRAL AND WEST**

Lactose prices are unchanged and the market tone is weak. With strong cheese production continuing in the Central and West, lactose production is also active. One or two manufacturers indicate offers of lactose to the spot market are garnering light interest. Buyers are slow to commit to purchases. A few manufacturers report their sale prices are at the top of the range, with active interest for Q2 volumes expressed.

Including spot sales and up to 3 month contracts.  
F.O.B. EDIBLE, NON PHARMACEUTICAL: .4400 - .8900 MOSTLY: .6300 - .7900

**CASEIN - NATIONAL**

Current quarter one pricing levels for acid and rennet casein are steady. There are adequate supplies to service industry accounts. The longer-term prospects for future offerings and needs are unsettled. The end of season weather conditions are less than favorable for milk products in New Zealand and the upcoming product mix decisions will impact future availability from that region. Casein output is slow to develop in Europe.

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: 3.9000 - 4.6000  
ACID: 4.5000 - 4.8500

**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 2012**

WEEK ENDING	WEEKLY	2013	2012 WEEKLY	2012
	DAIRY COWS	CUMULATIVE DAIRY COWS	DAIRY COWS	CUMULATIVE DAIRY COWS
02/09/2013	67.0	387.3	64.1	368.4

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

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
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66

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

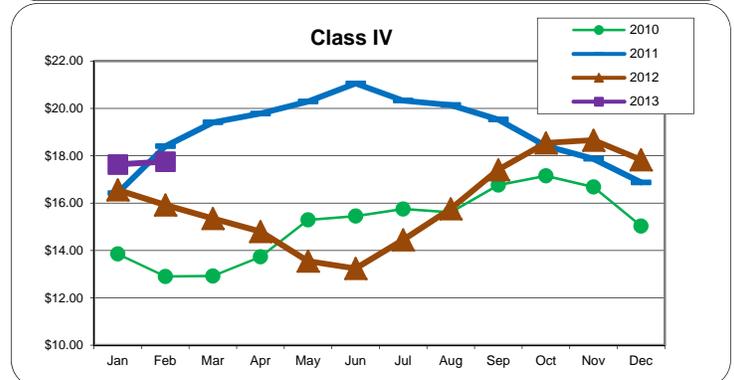
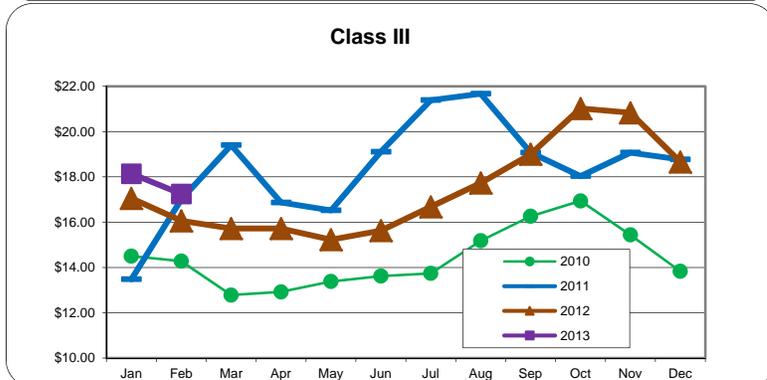
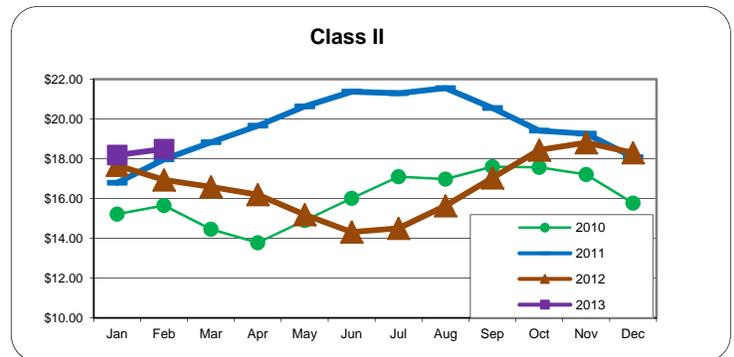
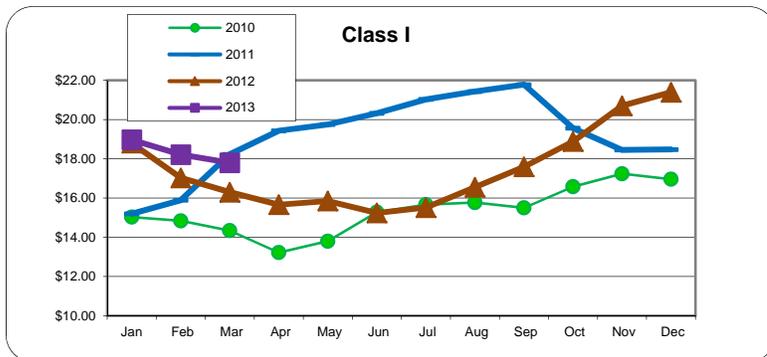
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83

**FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)**

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21	17.80									
II	18.19	18.49										
III	18.14	17.25										
IV	17.63	17.75										

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

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



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered February 18 - March 1, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**WESTERN OVERVIEW:** Milk production for Western Europe countries is mostly steady with past trends. Overall, output is trailing for countries as a whole for the EU-15 totals. Weekly milk receipts are higher than year ago for Germany, but lower for France. Recent January milk deliveries were slightly lower (-0.1%) for the Netherlands, down 2.0% for Austria, and down 5.3% for the United Kingdom. The declining Euro value against the U.S. Dollar is helping to make pricing more competitive with other world sources, more so for skim milk powder and whey. Additional export interest in the form of tenders and seeking SMP and WMP that EU producers could offer, yet would be price sensitive. The end of February also marks the end of the PSA butter program season/year. Butter moving out of the program has not impacted the butter market. Current butter production is steady. At current pricing levels for butter and for whole milk powder, exporting is very limited. Dry whey prices are under pressure from a slow domestic and export demand from feed and food accounts.

**BUTTER/BUTTEROIL:** Pricing levels for European butter are lower and the market tone is steady to lower. Changes in the Euro values are playing into the pricing levels more than any other supply or demand issues at the present time. Traders/handlers continue to find pricing factors too expensive to export any significant volumes of butter into international markets. The current domestic demand is good for cream and butter ahead of upcoming holiday interest. Production of butter is noted to be steady to slightly higher. The PSA butter program is closing this season/year on February 28th, with all stocks set to be cleared. The trade reports no impacts to market conditions due to PSA clearances back onto the market during this season. The butteroil market prices are lower and continue at levels with limited export potential.

82% BUTTERFAT: 4,100 - 4,450  
99% BUTTERFAT: 4,700 - 5,200

**SKIM MILK POWDER (SMP):** European skim milk powder pricing trends are slightly lower. The market tone is steady to weaker. The impact of the lower Euro value compared to the U.S. Dollar is creating more favorable pricing points for export potential from EU countries. Current pricing levels are very comparable to Oceania and U.S. pricing. Export demand is uneven; fair to existing business, yet slow to establish for new business. Export tenders are open and traders/handlers are actively bidding. Production trends are steady. Stocks are light and available to service accounts. European SMP offered at the February 19th g/DT trading event traded at \$3,440-3,470 per MT for April shipment.

1.25% BUTTERFAT: 3,375 - 3,700

**SWEET WHEY POWDER:** Dry whey prices continue to trend lower. The market tone is weaker due to the declines in Euro values and lower traded demand. Internal buyer interest is lower and sometimes quiet from feed and food accounts. Export demand is unstable and variable, even as pricing declines. There is competition with U.S. sourced whey offerings. Lower prices in the Eastern European origin are also being shown. Whey drying is fair to good and matching good cheese output.

NONHYGROSCOPIC: 1,125 - 1,350

**WHOLE MILK POWDER (WMP):** European whole milk powder markets are steady to slightly lower, reflecting market price adjustments made on currency changes. There are few new influences in the market condition for whole milk powder markets with pricing levels being too high to actively export product. There may be future opportunities as supplies slow from other producing countries. Production of WMP is steady at light levels and serving an internal demand.

26% BUTTERFAT: 3,800 - 4,100

**EASTERN OVERVIEW:** Eastern European milk production patterns are tending to be holding up well under current seasonal conditions. Some countries are pulling back on milk deliveries to stay within quota year totals. Poland milk production in January was 1.2% below a year earlier. Trends are generally in line with expectations. Reports of lower priced whey out of Poland moving into international outlets is reverbing and being noted by traders sourcing product for other needs. Supplies of whey and other dairy products are available for trade needs and are servicing planned activity.

**Exchange rates for selected foreign currencies:  
February 25, 2013**

.1987 Argentina Peso	.0109 Japan Yen
1.0258 Australian Dollar	.0781 Mexican Peso
.9745 Canadian Dollar	.8329 New Zealand Dollar
1.3062 Euro	.3141 Polish Zloty
.0185 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos:  
(1/.0781)

= 12.78041 Mexican Pesos.

Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered February 18 - March 1, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**OCEANIA OVERVIEW: NEW ZEALAND** milk production is trending lower seasonally. Hot and dry conditions are impacting the milk flow on the North Island. The latest official milk statistic for December was 7% higher. Trade sources are noting the pace is well off that number now. Pastures are drying up and producers are drying off milk cows sooner than expected. Higher cow slaughter rates are noted for this time of the season, which are a result of conditions. Milk processing plants are running on reduced schedules with products of greatest need being made. The firmness in pricing at the g/Dt auction was welcomed with the anticipation of allowing additional step ups in milk prices. The offset is that strong currency values have negated part of the gains. **AUSTRALIAN** milk flow is declining and the current rate is trailing last year at this time. Milk intakes are often behind budget for processors. January milk output is 5.5% lower than a year earlier and trailing year ago levels in all but one region. The extension of the decline into February is described as "grim". Lower milk receipts will affect the production of late season products and raising concerns. In the major milk producing regions, weather conditions are dryer and warmer than forecast. Producers continue to feel the squeeze of high feed cost in comparison to the current milk prices. Milk discounts at \$1A/litre continue for retail and petro outlets. The impacts on milk prices and buying patterns remain a concern to producers. Dairy product prices in the Oceania region are steady to firm. Demand is good across product categories. Export interest is active and working stocks are moving on schedule. Processing schedules are trending lower along seasonal patterns and compounded because of drier weather conditions. g/Dt: At the February 19th g/DT session #86, most product categories traded at firm levels. Average prices across all contracting periods and individual products ranged from 0.2% lower to 5.8% higher. The product price averages (per MT) and percent changes from the previous average are: anhydrous milk fat, \$3,635, +4.0%; butter, \$3,726, first event traded; buttermilk powder, \$3,318, +4.1%; cheddar cheese, \$3,554, +1.8%; lactose, no trades; milk protein concentrate, \$6,088, -0.2%; rennet casein, \$8,829, +0.8%; skim milk powder, \$3,592, +1.0%; and whole milk powder, \$3,654, +5.8%. The next event, #87, will be on March 5.

**BUTTER:** Oceania butter pricing levels are trending upwards. Demand is fair to good for current offerings. Traders and handlers are assessing the new butter addition to the gDT event. Pricing levels generally fit into where markets have been trading and with other world pricing factors. Strong demand from a number of regions was noted. Butter orders are being filled for business on the books. With stronger whole milk pricing trends developing, there are some shifting back to WMP production versus making butter/SMP. Butter was offered for the first time at the February 19th gDT event, averaging \$3765/MT for the March contracts and \$3726/MT for all contract periods. AMF prices averaged \$3631/MT for the nearby March trading month, +4.0% from the prior event. The price averages \$3635/MT, for all contract periods, +4.0%.

82% BUTTERFAT: 3,400 - 3,900

**SKIM MILK POWDER (SMP):** The price range for Oceania skim milk powder is higher at the bottom end, reflecting higher market sentiment. Demand factors remain very strong from Asia. Additional export tenders are in the marketplace. Seasonally declining milk output is affecting SMP production schedules. Plants are well situated to handle the current milk intakes. There has been some propensity to shift milk to whole milk powder production to take advantage of better returns. The overall impact on current SMP output is limited. Supplies are available to service orders. SMP pricing at the February 19th g/DT event for all contracting periods averaged \$3,592 per MT, up 1.0% from the previous average. For the nearby trading in contract period 2, (April 2013), prices ranged from \$3,730 to \$3,755 for NZ sourced low and medium heat product. April prices for NZ sourced low heat SMP are \$360 above U.S. sourced product and \$285 over European sourced.

1.25% BUTTERFAT: 3,400 - 3,800

**CHEDDAR CHEESE:** Oceania cheddar cheese pricing is steady to slightly higher. The market undertone is mostly steady with recent periods. Production levels are unchanged to slightly lower, reflecting the downward trending milk supplies. Factors are holding to plans. Producers are in comfortable positions. Demand conditions are fair to good. Export orders are moving along planned levels. Direct sales are moving reasonably well. Business through traders and handlers is decent for current offerings. Good, internal demand continues to clear cheese into Australian accounts. Domestic demand remains good.

39% MAXIMUM MOISTURE: 3,900 - 4,200

**WHOLE MILK POWDER (WMP):** Oceania whole milk powder prices continue to trend higher. The recent gains and higher pricing points for the gDT event are influencing other market pricing. Higher trends are creating more optimism for producers and creating potential for increased payouts to farmers. There is still strong demand from regular accounts. Developing countries remain active market participants as they seek to fill their growing nutritional needs. Export potential for new tenders is noted. Pricing and availability of product to offer are consideration for supplies out of Oceania. Overall, production is trending lower with seasonal declines in the milk output being more adversely affected by dry conditions in New Zealand. With higher WMP pricing in recent weeks, some milk is being directed to WMP production to garner better returns than are being realized for SMP/butter or AMF. At the February 19th gDT event, WMP pricing across all contracting periods was up 5.8% at \$3,654 per MT. Contract 2 (April 2013) pricing averaged \$3,639 per MT, up 5.5%.

26% BUTTERFAT: 3,350 - 3,850

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered February 18 - March 1, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

US\$/MT	Global/Dairy Trading (g/DT) Event 86 Recap - February 19, 2013													
	Contract 1 Mar-13		Contract 2 Apr-13		Contract 3 May-13		Contract 4 Jun-13		Contract 5 Jul-13		Contract 6 Aug-13		All Contracts	
Anhydrous Milk Fat	n.a.	\$3,631	4.0%	\$3,650	4.4%	\$3,609	3.5%	\$3,657	3.9%	\$3,657	4.2%	\$3,635	4.0%	
Butter	n.a.	\$3,765	n.a.	\$3,690	n.a.	\$3,685	n.a.	n.a.	n.a.	n.a.	n.a.	\$3,726	n.a.	
Buttermilk Powder	n.a.	\$3,318	4.1%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$3,318	4.1%	
Cheddar	n.a.	\$3,524	1.0%	\$3,574	1.6%	\$3,637	4.8%	n.a.	n.a.	n.a.	n.a.	\$3,554	1.8%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	\$6,195	2.0%	\$6,080	-0.2%	\$5,860	-3.1%	n.a.	n.a.	n.a.	n.a.	\$6,088	-0.2%	
Rennet Casein	n.a.	\$8,829	0.6%	\$8,840	0.7%	\$8,812	1.3%	n.a.	n.a.	n.a.	n.a.	\$8,829	0.8%	
Skim Milk Powder	\$3,425	2.7%	\$3,570	1.0%	\$3,716	0.5%	\$3,696	0.2%	\$3,702	1.1%	\$3,621	-1.0%	\$3,592	1.0%
Whole Milk Powder	n.a.	\$3,639	5.5%	\$3,667	6.2%	\$3,666	5.3%	\$3,734	8.0%	n.a.	n.a.	\$3,654	5.8%	

Average price US\$/MT and % change in indices from previous event.

US\$/Pound	Global/Dairy Trading (g/DT) Event 86 Recap - February 19, 2013													
	Contract 1 Mar-13		Contract 2 Apr-13		Contract 3 May-13		Contract 4 Jun-13		Contract 5 Jul-13		Contract 6 Aug-13		All Contracts	
Anhydrous Milk Fat	n.a.	\$1.6470	4.0%	\$1.6556	4.4%	\$1.6370	3.5%	\$1.6588	3.9%	\$1.6588	4.2%	\$1.6488	4.0%	
Butter	n.a.	\$1.7078	n.a.	\$1.6738	n.a.	\$1.6715	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.6901	n.a.	
Buttermilk Powder	n.a.	\$1.5050	4.1%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	\$1.5050	4.1%	
Cheddar	n.a.	\$1.5985	1.0%	\$1.6212	1.6%	\$1.6497	4.8%	n.a.	n.a.	n.a.	n.a.	\$1.6121	1.8%	
Lactose	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Milk Protein Concentrate	n.a.	\$2.8100	2.0%	\$2.7579	-0.2%	\$2.6581	-3.1%	n.a.	n.a.	n.a.	n.a.	\$2.7615	-0.2%	
Rennet Casein	n.a.	\$4.0048	0.6%	\$4.0098	0.7%	\$3.9971	1.3%	n.a.	n.a.	n.a.	n.a.	\$4.0048	0.8%	
Skim Milk Powder	\$1.5536	2.7%	\$1.6193	1.0%	\$1.6856	0.5%	\$1.6765	0.2%	\$1.6792	1.1%	\$1.6425	-1.0%	\$1.6293	1.0%
Whole Milk Powder	n.a.	\$1.6506	5.5%	\$1.6633	6.2%	\$1.6629	5.3%	\$1.6937	8.0%	n.a.	n.a.	\$1.6574	5.8%	

Average price US\$/pound and % change from previous event.

**CHICAGO MERCANTILE EXCHANGE FUTURES**

Selected settling prices, (open interest), and volume <sup>1/</sup>

Month	02/14	02/15	02/18	02/19	02/20	02/21	02/22	02/25	02/26	02/27
<b>CME - CLASS III MILK FUTURES (Pit-Traded)</b>										
FEB 13	17.23 (3183) 0	17.23 (3179) 0	NO TRADING	17.27 (3165) 0	17.24 (3157) 0	17.25 (3148) 0	17.26 (3147) 0	17.24 (3090) 0	17.22 (3005) 0	17.25 (3374) 0
MAR 13	17.36 (3633) 0	17.30 (3667) 2		17.25 (3633) 0	17.05 (3625) 1	17.23 (3612) 1	17.24 (3606) 0	17.02 (3607) 0	17.09 (3500) 0	17.05 (3515) 3
APR 13	17.49 (2710) 0	17.36 (2852) 2		17.33 (3005) 0	17.16 (3079) 6	17.34 (3102) 1	17.27 (3157) 0	17.01 (3123) 0	17.00 (3189) 2	17.10 (3208) 2
MAY 13	17.78 (2152) 0	17.61 (2194) 2		17.62 (2232) 0	17.48 (2301) 0	17.65 (2319) 6	17.59 (2353) 0	17.35 (2399) 0	17.26 (2439) 2	17.35 (2432) 0
JUN 13	18.15 (1726) 0	18.02 (1739) 2		18.09 (1728) 0	17.87 (1777) 0	17.95 (1793) 6	17.92 (1827) 0	17.71 (1864) 0	17.63 (1897) 2	17.65 (1892) 0
JUL 13	18.51 (1316) 0	18.47 (1314) 2		18.45 (1320) 0	18.32 (1331) 0	18.36 (1344) 8	18.34 (1334) 0	18.10 (1382) 0	18.03 (1393) 2	18.10 (1395) 0
AUG 13	18.58 (1339) 0	18.54 (1349) 2		18.55 (1361) 0	18.48 (1374) 0	18.52 (1367) 8	18.47 (1369) 0	18.35 (1377) 0	18.32 (1422) 2	18.32 (1434) 0
SEP 13	18.58 (1144) 0	18.53 (1153) 0		18.54 (1173) 0	18.51 (1180) 0	18.56 (1191) 8	18.48 (1193) 0	18.39 (1199) 0	18.40 (1236) 2	18.40 (1237) 0
OCT 13	18.40 (1005) 15	18.40 (1011) 0		18.36 (1022) 0	18.32 (1025) 0	18.35 (1030) 8	18.35 (1040) 0	18.30 (1052) 0	18.25 (1077) 4	18.28 (1085) 0
NOV 13	18.22 (997) 15	18.22 (1001) 0		18.25 (1015) 0	18.14 (1017) 0	18.16 (1026) 8	18.12 (1032) 0	18.12 (1044) 0	18.00 (1064) 2	18.02 (1080) 0
<b>CME - CLASS IV MILK FUTURES (Pit-Traded)</b>										
FEB 13	17.55 (182) 0	17.57 (182) 0	NO TRADING	17.57 (182) 0	17.57 (182) 0	17.57 (182) 0	17.57 (182) 0	17.57 (182) 0	17.57 (182) 0	17.75 (183) 0
MAR 13	17.87 (215) 0	17.87 (215) 2		17.87 (215) 0	17.75 (215) 0	17.75 (215) 0	17.75 (215) 0	17.75 (215) 0	17.65 (215) 0	17.65 (215) 0
APR 13	18.10 (264) 0	18.04 (264) 2		18.04 (264) 0	18.04 (264) 0	18.04 (264) 0	17.96 (624) 0	17.70 (264) 0	17.70 (264) 0	17.70 (264) 0
<b>CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)</b>										
FEB 13	155.00 (450) 26	155.05 (450) 0	NO TRADING	155.30 (450) 2	155.30 (450) 9	155.30 (450) 1	154.75 (451) 1	154.60 (452) 1	154.60 (452) 0	154.38 (522) 0
MAR 13	162.00 (410) 21	162.00 (410) 0		163.00 (412) 2	163.00 (412) 1	162.90 (412) 0	162.00 (412) 0	160.00 (412) 4	158.15 (419) 20	158.15 (422) 6
APR 13	166.75 (346) 6	166.50 (346) 2		166.50 (348) 7	166.50 (348) 1	165.00 (350) 2	163.00 (363) 16	162.50 (362) 18	162.00 (374) 17	162.00 (378) 4
<b>CME - NONFAT DRY MILK FUTURES (Pit-Traded)</b>										
FEB 13	154.25 (89) 0	154.25 (89) 0	NO TRADING	154.25 (89) 0	154.25 (89) 0	154.25 (89) 0	154.25 (89) 0	154.25 (89) 0	154.25 (89) 0	155.59 (89) 0
MAR 13	153.00 (158) 0	153.00 (158) 0		152.75 (158) 0	152.75 (158) 0	152.75 (158) 0	152.75 (158) 0	152.75 (158) 0	152.75 (158) 0	152.75 (158) 0
APR 13	152.75 (234) 0	152.25 (234) 0		151.75 (234) 0	151.00 (240) 0	150.00 (239) 0	150.00 (243) 0	150.50 (242) 0	150.50 (249) 0	150.50 (252) 0
<b>CME - WHEY (Electronic-Traded)</b>										
FEB 13	63.98 (227) 1	63.98 (227) 0	NO TRADING	63.98 (227) 0	64.45 (227) 1	64.00 (227) 3	63.75 (227) 7	63.75 (227) 0	63.75 (227) 6	63.93 (229) 0
MAR 13	58.25 (316) 16	58.25 (316) 0		59.00 (312) 18	59.50 (308) 9	59.50 (306) 6	59.00 (305) 1	59.33 (306) 12	58.75 (301) 10	58.75 (301) 7
APR 13	55.00 (250) 15	54.75 (257) 9		54.68 (260) 13	56.45 (263) 3	55.75 (264) 6	55.50 (264) 3	55.20 (273) 14	54.98 (279) 11	55.50 (288) 20
<b>CME - CHEESE CSC (Electronic-Traded)</b>										
FEB 13	1.66 (856) 0	1.66 (856) 0	NO TRADING	1.67 (854) 2	1.66 (854) 1	1.66 (854) 2	1.66 (854) 0	1.66 (855) 1	1.66 (855) 0	1.66 (825) 0
MAR 13	1.70 (1111) 25	1.69 (1112) 12		1.69 (1096) 75	1.67 (1094) 61	1.68 (1097) 3	1.68 (1108) 12	1.66 (1132) 44	1.67 (1139) 15	1.67 (1140) 5
APR 13	1.74 (726) 1	1.72 (755) 62		1.72 (795) 80	1.70 (810) 25	1.71 (810) 12	1.71 (816) 9	1.69 (837) 71	1.69 (836) 47	1.69 (846) 37
MAY 13	1.77 (481) 57	1.75 (500) 27		1.75 (526) 48	1.74 (539) 13	1.75 (562) 33	1.75 (571) 6	1.73 (613) 59	1.72 (624) 56	1.72 (624) 7
JUN 13	1.80 (360) 14	1.79 (372) 18		1.79 (396) 30	1.78 (417) 39	1.78 (434) 37	1.78 (442) 0	1.77 (497) 69	1.75 (511) 53	1.76 (512) 8
JUL 13	1.83 (271) 13	1.83 (271) 0		1.83 (273) 2	1.82 (295) 35	1.83 (308) 22	1.83 (316) 0	1.81 (336) 40	1.80 (338) 3	1.81 (343) 5

<sup>1/</sup> At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-278-4142.)

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:::REPORT NUMBER 5	:::REPORT NUMBER 6	:::REPORT NUMBER 7	:::REPORT NUMBER 8	:::REPORT NUMBER 9	::: 2013	::: 2012
	:::-----	:::-----	:::-----	:::-----	:::-----	::: Average	::: Average
	::: FEB 01	::: FEB 04 - 08	::: FEB 11 - 15	::: FEB 18 - 22	::: FEB 25 - 28	::: or Total	::: or Total
<b>CHEESE</b>							
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.7775 - 2.4825	:: 1.7325 - 2.4375	:: 1.7400 - 2.4450	:: 1.8000 - 2.5050	:: 1.8225 - 2.5275	:: 2.1225	:: 2.1023
-- Brick And/Or Muenster 5#	:: 2.0400 - 2.6000	:: 2.0325 - 2.5925	:: 2.0350 - 2.5950	:: 2.0550 - 2.6150	:: 2.0300 - 2.5900	:: 2.3178	:: 2.2163
-- Cheddar 40# Block	:: 2.0400 - 2.9125	:: 2.0325 - 2.9050	:: 2.0350 - 2.9075	:: 2.0550 - 2.9275	:: 2.0300 - 2.9025	:: 2.4740	:: 2.4288
-- Monterey Jack 10#	:: 2.0100 - 2.9125	:: 2.0025 - 2.9050	:: 2.0050 - 2.9075	:: 2.0250 - 2.9275	:: 2.0000 - 2.9025	:: 2.4590	:: 2.4138
-- Blue 5#	:: 2.3050 - 3.2900	:: 2.2975 - 3.2825	:: 2.3000 - 3.2850	:: 2.3200 - 3.3050	:: 2.2950 - 3.2800	:: 2.7953	:: 2.6938
-- Mozzarella 5 - 6#	:: 1.8850 - 3.0125	:: 1.8775 - 3.0050	:: 1.8800 - 3.0075	:: 1.9000 - 3.0275	:: 1.8750 - 3.0025	:: 2.4465	:: 2.4013
-- Grade A Swiss Cuts 6 - 9#	:: 3.3575 - 3.4750	:: 3.1100 - 3.2275	:: 3.1100 - 3.2275	:: 3.1100 - 3.2275	:: 3.1100 - 3.2275	:: 3.1818	:: 3.1739
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 40# Block	:: 2.0525 - 2.3375	:: 2.0450 - 2.3300	:: 2.0475 - 2.3325	:: 2.0675 - 2.3525	:: 2.0425 - 2.3275	:: 2.1928	:: 2.0326
-- Process 5# Sliced	:: 1.8050 - 2.2850	:: 1.7600 - 2.2400	:: 1.7675 - 2.2475	:: 1.8275 - 2.3075	:: 1.8500 - 2.3300	:: 2.0375	:: 1.7660
-- Muenster	:: 2.0725 - 2.4325	:: 2.0650 - 2.4250	:: 2.0675 - 2.4275	:: 2.0875 - 2.4475	:: 2.0625 - 2.4225	:: 2.2503	:: 2.0901
-- Grade A Swiss Cuts 10 - 14#	:: 3.8375 - 4.1600	:: 3.5900 - 3.9125	:: 3.5900 - 3.9125	:: 3.5900 - 3.9125	:: 3.5900 - 3.9125	:: 3.7643	:: 3.7690
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.7125 - 1.9700	:: 1.6675 - 1.9250	:: 1.6750 - 1.9325	:: 1.7350 - 1.9925	:: 1.7575 - 2.0150	:: 1.8338	:: 1.7408
-- Cheddar 40# Block	:: 1.7725 - 2.1250	:: 1.7650 - 2.1175	:: 1.7675 - 2.1200	:: 1.7875 - 2.1400	:: 1.7625 - 2.1150	:: 1.9465	:: 1.7889
-- Cheddar 10# Cuts	:: 1.9525 - 2.1725	:: 1.9450 - 2.1650	:: 1.9475 - 2.1675	:: 1.9675 - 2.1875	:: 1.9425 - 2.1625	:: 2.0603	:: 1.9026
-- Monterey Jack 10#	:: 1.9625 - 2.1225	:: 1.9550 - 2.1150	:: 1.9575 - 2.1175	:: 1.9775 - 2.1375	:: 1.9525 - 2.1125	:: 2.0403	:: 1.8826
-- Grade A Swiss Cuts 6 - 9#	:: 3.4150 - 3.8450	:: 3.1675 - 3.5975	:: 3.1675 - 3.5975	:: 3.1675 - 3.5975	:: 3.1675 - 3.5975	:: 3.3955	:: 3.4003
<b>FLUID PRODUCTS</b>							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
-- Northeast - f.o.b	:: 1.5201 - 1.7308	:: 1.6271 - 1.7960	:: 1.6950 - 1.8038	:: 1.6601 - 1.8182	:: 1.6800 - 1.8400	:: 1.7330	:: 1.7170
-- Upper Midwest - f.o.b	:: 1.7007 - 1.8211	:: 1.8113 - 1.8574	:: 1.8349 - 1.8816	:: 1.8656 - 1.9130	:: 1.7600 - 1.9360	:: 1.8512	:: 1.6714
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.							
-- Class II	:: 1.56 - 1.63	:: 1.56 - 1.61	:: 1.56 - 1.61	:: 1.56 - 1.61	:: 1.56 - 1.61	:: 1.5855	:: 1.4680
-- Class III	:: 1.55 - 1.63	:: 1.54 - 1.59	:: 1.54 - 1.59	:: 1.54 - 1.59	:: 1.54 - 1.59	:: 1.5663	:: 1.4628

MONTHLY SUMMARY AND AVERAGES FOR FEBRUARY 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 5 :: FEB 01	::REPORT NUMBER 6 :: FEB 04 - 08	::REPORT NUMBER 7 :: FEB 11 - 15	::REPORT NUMBER 8 :: FEB 18 - 22	::REPORT NUMBER 9 :: FEB 25 - 28	:: 2013 :: or Total	:: 2012 :: or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.5000 - 1.6600	:: 1.5000 - 1.6375	:: 1.4900 - 1.6250	:: 1.4650 - 1.6525	:: 1.4500 - 1.6375	:: 1.5590	:: 1.3760
-- Mostly	:: 1.5100 - 1.6200	:: 1.5100 - 1.6100	:: 1.5000 - 1.6100	:: 1.5000 - 1.6000	:: 1.4800 - 1.5800	:: 1.5505	:: 1.3805
-- High Heat	:: 1.6000 - 1.7100	:: 1.6300 - 1.6875	:: 1.6200 - 1.6750	:: 1.6100 - 1.6825	:: 1.6000 - 1.6775	:: 1.6488	:: 1.4869
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.5000 - 1.6100	:: 1.4600 - 1.5900	:: 1.4600 - 1.5775	:: 1.4600 - 1.6125	:: 1.4600 - 1.6075	:: 1.5291	:: 1.3376
-- Mostly	:: 1.5100 - 1.5650	:: 1.4900 - 1.5575	:: 1.5000 - 1.5425	:: 1.4800 - 1.5500	:: 1.4700 - 1.5350	:: 1.5175	:: 1.3380
-- High Heat	:: 1.5900 - 1.6875	:: 1.5800 - 1.6825	:: 1.5800 - 1.6825	:: 1.5800 - 1.6825	:: 1.5700 - 1.6800	:: 1.6303	:: 1.4463
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.5500 - 0.6900	:: 0.5500 - 0.7000	:: 0.5500 - 0.7000	:: 0.5300 - 0.6800	:: 0.5100 - 0.6750	:: 0.6137	:: 0.6672
-- Mostly	:: 0.5950 - 0.6450	:: 0.5900 - 0.6450	:: 0.5700 - 0.6300	:: 0.5500 - 0.6300	:: 0.5500 - 0.6100	:: 0.5993	:: 0.6961
-- West (f.o.b.)	:: 0.5200 - 0.6650	:: 0.5150 - 0.6700	:: 0.5200 - 0.6675	:: 0.5100 - 0.6650	:: 0.5100 - 0.6525	:: 0.5894	:: 0.5836
-- Mostly	:: 0.5400 - 0.6325	:: 0.5300 - 0.6300	:: 0.5300 - 0.6275	:: 0.5300 - 0.6100	:: 0.5300 - 0.6000	:: 0.5747	:: 0.6402
-- Northeast (f.o.b.)	:: 0.5400 - 0.6950	:: 0.5500 - 0.7025	:: 0.5400 - 0.6975	:: 0.5600 - 0.6750	:: 0.5400 - 0.6750	:: 0.6180	:: 0.7221
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 1.1500 - 1.3200	:: 1.1500 - 1.3200	:: 1.1500 - 1.3200	:: 1.1200 - 1.2900	:: 1.1500 - 1.2900	:: 1.2255	:: 1.5784
-- Mostly	:: 1.2450 - 1.2700	:: 1.2375 - 1.2700	:: 1.2300 - 1.2700	:: 1.2300 - 1.2500	:: 1.2300 - 1.2500	:: 1.2472	:: 1.5271
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.4400 - 0.6275	:: 0.4400 - 0.6275	:: 0.4400 - 0.6200	:: 0.4400 - 0.6100	:: 0.4400 - 0.6000	:: 0.5280	:: 0.5971
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 1.4000 - 1.5200	:: 1.3800 - 1.5000	:: 1.3800 - 1.4800	:: 1.3500 - 1.4700	:: 1.3500 - 1.4500	:: 1.4237	:: 1.3071
-- West (f.o.b.)	:: 1.4100 - 1.4800	:: 1.4000 - 1.4750	:: 1.4000 - 1.4750	:: 1.3700 - 1.4700	:: 1.3500 - 1.4500	:: 1.4263	:: 1.2820
-- Mostly	:: 1.4300 - 1.4775	:: 1.4000 - 1.4725	:: 1.4000 - 1.4600	:: 1.3900 - 1.4500	:: 1.3800 - 1.4400	:: 1.4266	:: 1.2884
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.6500 - 1.8000	:: 1.6500 - 1.8000	:: 1.6500 - 1.7975	:: 1.6500 - 1.7850	:: 1.6500 - 1.7850	:: 1.7215	:: 1.6933
LACTOSE							
-- Central And West (f.o.b.)	:: 0.4700 - 0.9200	:: 0.4600 - 0.9000	:: 0.4600 - 0.9000	:: 0.4400 - 0.8900	:: 0.4400 - 0.8900	:: 0.6745	:: 0.8894
-- Mostly	:: 0.6500 - 0.8000	:: 0.6500 - 0.8000	:: 0.6500 - 0.8000	:: 0.6300 - 0.7900	:: 0.6300 - 0.7900	:: 0.7187	:: 0.8600
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.9000 - 4.5000	:: 3.9000 - 4.6000	:: 3.9000 - 4.6000	:: 3.9000 - 4.6000	:: 3.9000 - 4.6000	:: 4.2474	:: 4.6600
-- Nonrestricted - Acid	:: 4.5000 - 4.7500	:: 4.5000 - 4.8500	:: 4.5000 - 4.8500	:: 4.5000 - 4.8500	:: 4.5000 - 4.8500	:: 4.6724	:: 4.9600

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

CME GROUP AVERAGES FOR FEBRUARY 2013

COMMODITY	REPORT NUMBER 5 FEB 1	REPORT NUMBER 6 FEB 4 - 8	REPORT NUMBER 7 FEB 11 - 15	REPORT NUMBER 8 FEB 18 - 22	REPORT NUMBER 9 FEB 25 - 28	2013 * Monthly Average	2012 * Monthly Average
<b>BUTTER*</b>							
-- GRADE AA							
--Monday		1.5550	1.5550	1/	1.5700		
--Tuesday		1.5550	1.5550	1.6050	1.5500		
--Wednesday		1.5550	1.5875	1.6050	1.5500		
--Thursday		1.5550	1.6025	1.6000	1.5500		
--Friday	1.5550	1.5550	1.6050	1.5900		1.5713	1.4273
--Weekly Average**	1.5350	1.5550	1.5810	1.6000			
<b>CHEESE*</b>							
-- BARRELS							
--Monday		1.5325	1.5600	1/	1.6000		
--Tuesday		1.5425	1.5800	1.6300	1.5800		
--Wednesday		1.5500	1.6300	1.6300	1.5800		
--Thursday		1.5550	1.6400	1.6300	1.5700		
--Friday	1.5425	1.5600	1.6300	1.6300		1.5880	1.4823
--Weekly Average**	1.5415	1.5480	1.6080	1.6300			
-- 40# BLOCKS							
--Monday		1.6450	1.6500	1/	1.6075		
--Tuesday		1.6450	1.6600	1.6650	1.6025		
--Wednesday		1.6475	1.6750	1.6450	1.6050		
--Thursday		1.6475	1.6750	1.6350	1.5950		
--Friday	1.6450	1.6500	1.6750	1.6275		1.6420	1.4793
--Weekly Average**	1.6450	1.6470	1.6670	1.6431			
<b>NONFAT DRY MILK*</b>							
-- EXTRA GRADE							
--Monday		1.5600	1.5600	1/	1.5600		
--Tuesday		1.5600	1.5600	1.5600	1.5600		
--Wednesday		1.5600	1.5600	1.5600	1.5600		
--Thursday		1.5600	1.5600	1.5600	1.5600		
--Friday	1.5600	1.5600	1.5600	1.5600		1.5600	1.3011
--Weekly Average**	1.5600	1.5600	1.5600	1.5600			
-- GRADE A							
--Monday		1.5200	1.5200	1/	1.5050		
--Tuesday		1.5200	1.5125	1.5050	1.4975		
--Wednesday		1.5200	1.5125	1.5050	1.4975		
--Thursday		1.5200	1.5050	1.5050	1.4975		
--Friday	1.5200	1.5200	1.5050	1.5050		1.5101	1.3209
--Weekly Average**	1.5260	1.5200	1.5110	1.5050			

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

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

1/ CME closed on February 18.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

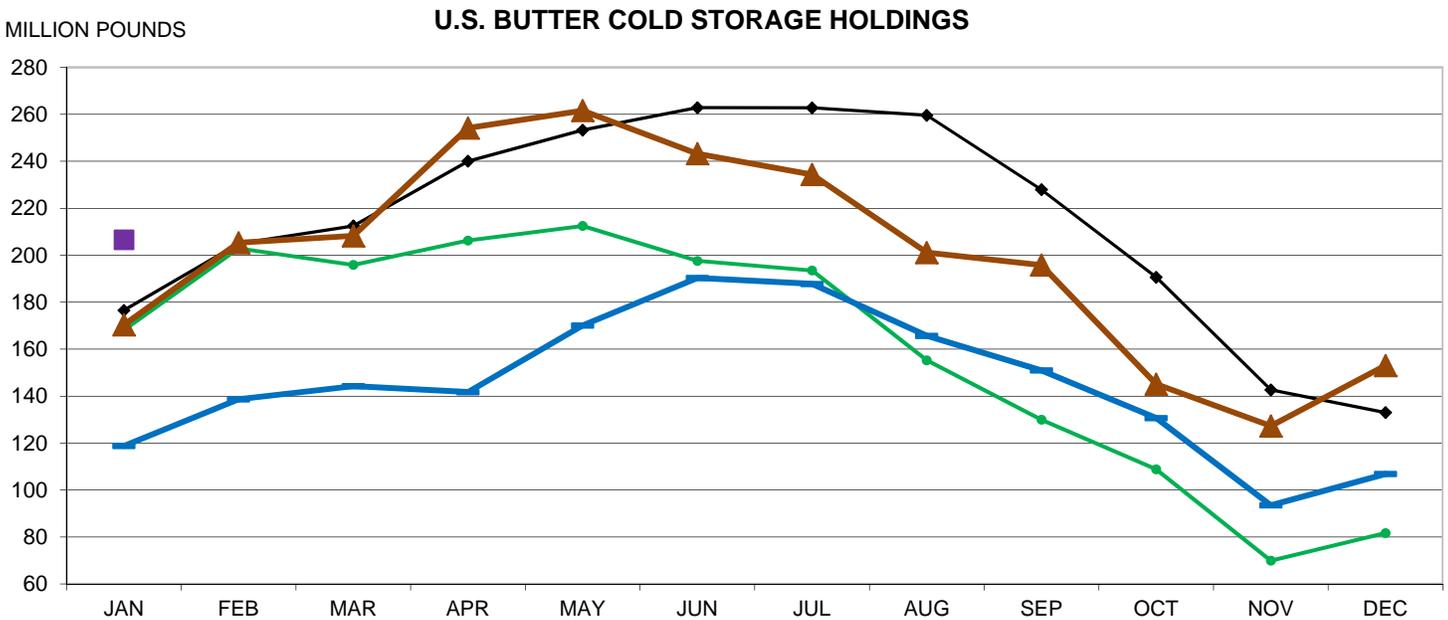
NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under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

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	DEC 31, 2010	DEC 31, 2011	REVISED DEC 31, 2012	JAN 31, 2011	JAN 31, 2012	JAN 31, 2013
Butter	81,695	106,856	153,027	118,784	170,348	206,612
Cheese, Natural American	630,789	610,998	635,590	637,935	642,204	643,466
Cheese, Swiss	31,492	27,637	31,747	36,320	25,909	30,571
Cheese, Other Natural	385,645	352,981	355,765	378,142	351,944	358,228
Total Cheese	1,047,926	991,616	1,023,102	1,052,397	1,020,057	1,032,265

JANUARY STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
New England	39,844	41,434	40,125	---	---	---	717	916	1,025
Middle Atlantic	50,483	48,939	42,935	---	---	---	17,755	16,465	17,526
East North Central	262,011	265,445	263,870	---	---	---	259,649	260,652	257,383
West North Central	108,322	110,760	112,944	---	---	---	63,952	31,047	31,009
South Atlantic	671	57	476	---	---	---	7,500	5,348	5,356
East South Central	2,785	2,748	3,991	---	---	---	148	11,400	13,950
West South Central	5,388	10,718	10,914	---	---	---	1,158	944	1,730
Mountain	66,148	49,034	60,109	---	---	---	5,677	4,489	5,389
Pacific	102,283	113,069	108,102	---	---	---	21,586	20,683	24,860
TOTAL	637,935	642,204	643,466	118,784	170,348	206,612	378,142	351,944	358,228

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



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

—●— 2009    —●— 2010    —●— 2011    —●— 2012    —●— 2013

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2012 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total <sup>1/</sup>		Commercial		Government	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Million Pounds		Million Pounds		Million Pounds					
January	207	170	643	642	N/A	159	N/A	159	N/A	0
February		205		635		193		193		0
March		208		651		210		210		0
April		254		664		226		226		0
May		262		652		215		215		0
June		243		662		144		144		0
July		234		671		129		129		0
August		201		649		106		106		0
September		196		642		118		118		0
October		145		611		104		104		0
November		127		612		127		127		0
December		153		636		180		180		0

N/A = Not available.

<sup>1/</sup> Includes instant nonfat dry milk.

Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, December 2012*. National Agricultural Statistics Service. *Cold Storage and Dairy Products, February 2013*.

## FEBRUARY AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$19.40 in February, down \$0.50 from January 2013 but up \$1.70 from February 2012. Alfalfa hay price was \$218.00 in February, up \$24.00 from February 2012. Corn price was \$6.89 in February, up \$ .61 from February 2012. Soybean price was \$14.20 in February, up \$2.00 from February 2012. The milk-feed price ratio was 1.54 in February, down 0.02 from February 2012.

The index of prices received by farmers for dairy products during the month of February 2013 was down 3 points to 149. Compared with February 2012, the index was up 13 points (9.6 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in February 2013 was down 1 point to 219. Compared with February 2012, the index was up 8 points (3.8 percent).

## SELECTED MILK PRICES, MILK COWS, AND FEED PRICES, SELECTED STATES AND U.S., FEBRUARY 2013 WITH COMPARISONS

State	All-Milk price <sup>1/2/</sup>				Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per ton		Dollars per bushel		Dollars per bushel	
	January		February		February		February		February	
	2012	2013	2012	2013 <sup>3/</sup>	2012	2013 <sup>3/</sup>	2012	2013 <sup>3/</sup>	2012	2013 <sup>3/</sup>
AZ	19.10	19.20	17.10	18.70	255.00	200.00	---	---	---	---
CA	17.40	17.90	15.90	18.00	250.00	209.00	---	---	---	---
CO	19.10	20.30	18.10	19.30	245.00	245.00	6.30	6.95	---	---
ID	18.40	19.20	16.90	18.40	210.00	200.00	---	---	---	---
IN	20.40	20.50	18.30	20.00	---	---	6.46	7.10	12.50	14.40
IA	20.40	20.80	18.30	19.70	152.00	240.00	6.21	6.90	12.10	14.10
MI	20.60	20.40	18.50	19.90	125.00	235.00	6.14	6.70	12.10	13.80
MN	21.00	20.70	18.60	19.90	135.00	255.00	6.05	6.80	12.00	14.20
NM	18.80	19.00	16.30	18.40	301.00	236.00	---	---	---	---
NY	20.70	21.00	19.00	20.10	134.00	208.00	---	---	---	---
OH	21.10	21.20	19.10	20.40	209.00	260.00	6.43	7.07	12.60	14.60
PA	21.40	21.40	19.60	20.40	224.00	209.00	7.07	7.22	---	---
TX	20.00	20.30	17.80	19.80	277.00	242.00	7.03	7.13	---	---
WA	19.90	20.50	18.00	19.90	250.00	230.00	---	---	---	---
WI	20.90	20.50	18.30	19.70	125.00	260.00	6.07	6.90	12.20	14.00
U.S.	19.70	19.90	17.70	19.40	194.00	218.00	6.28	6.89	12.20	14.20

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

<sup>3/</sup> Preliminary.

## MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., FEBRUARY 2013 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk <sup>1/</sup>			
State <sup>2/</sup>	February 2012	January 2013	February 2013 <sup>3/</sup>
IA	1.76	1.59	1.51
MI	1.89	1.60	1.56
MN	1.88	1.59	1.49
OH	1.62	1.55	1.49
WI	1.88	1.57	1.46
U.S.	1.56	1.57	1.54

<sup>1/</sup> The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. <sup>2/</sup> Available states that provided all necessary data to compute milk feed price ratios.

<sup>3/</sup> Preliminary.

## GENERAL PRICE MEASURES, U.S., FEBRUARY 2013 WITH COMPARISONS

Item	February 2012	January 2013	February 2013 <sup>1/</sup>
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for dairy products	136	152	149
Prices paid by farmers for commodities and services, interest taxes, and wage rates	211	220	219

<sup>1/</sup> Preliminary.

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, February 2013*.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
NOV 2012	234.9	1.8	218.9	0.1	217.9	2.6	223.2	-1.1	198.7	-0.9	232.3	2.1
DEC 2012	235.4	1.8	219.4	0.5	219.2	2.9	233.6	0.1	194.5	-2.6	232.3	1.5
JAN 2013	236.3	1.6	220.3	-0.1	217.4	2.0	223.8	-1.5	199.7	-3.5	232.5	1.2
U.S. City Average Retail Prices												
Month	Whole Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Dollars												
NOV	3.536	3.557	N/A	3.323	4.188	4.367	5.833	5.630	5.036	5.218		
DEC	3.580	3.565	N/A	3.320	4.237	4.303	5.867	5.430	5.102	5.251		
Dollars												
JAN	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
JAN	3.526	3.583	N/A	3.501	4.258	4.396	5.832	5.717	5.263	5.290		

N/A = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc). <sup>8/</sup> Per 1/2 gallon prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS – OCTOBER-DECEMBER AND YEAR-TO-DATE 2011-2012 <sup>1/</sup>

Item	Oct.-Dec. 2011	Percent change <sup>2/</sup>	Oct.-Dec. 2012	Percent change <sup>2/</sup>	Jan.-Dec. 2011	Percent change <sup>2/</sup>	Jan.-Dec. 2012	Percent change <sup>2/</sup>
	Million Pounds							
<b>MILK</b>								
Production	48,108	0.5	49,093	2.0	195,674	1.3	200,284	2.1
Marketings	47,859	0.5	48,844	2.1	194,686	1.3	199,297	2.1
Beginning Commercial Stocks <sup>3/</sup>	12,482	2.4	13,236	6.0	10,927	-3.6	10,983	0.5
Imports <sup>3/</sup>	1,175	37.4	1,283	9.2	3,220	3.9	3,673	13.8
Total Supply <sup>4/</sup>	61,516	1.4	63,362	3.0	208,833	1.1	213,953	2.0
Ending Commercial Stocks <sup>3/</sup>	10,983	0.5	12,194	11.0	10,983	0.5	12,194	11.0
Net Removals <sup>3/</sup>	0	0.0	0	0.0	0	-100.0	0	0.0
Commercial Disappearance <sup>4/</sup>	50,533	1.6	51,168	1.3	197,850	1.2	201,759	1.7
<b>SELECTED PRODUCTS <sup>5/</sup></b>								
Butter	527.3	13.3	517.7	-1.8	1,809.9	11.0	1,844.4	1.6
American Cheese	1,102.7	1.7	1,148.4	4.1	4,271.1	0.1	4,369.4	2.0
Other Cheese	1,762.5	4.0	1,788.0	1.4	6,670.2	4.4	6,795.8	1.6
Nonfat Dry Milk	357.0	-2.3	306.4	-14.2	1,494.6	-3.6	1,766.7	17.9
Fluid Milk Products <sup>6/</sup>	13,789.1	-2.6	13,651.4	-1.0	53,714.2	-1.9	52,850.7	-1.9

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> From year earlier on a daily average basis. <sup>3/</sup> Milk-equivalent, milkfat basis. <sup>4/</sup> Totals may not add because of rounding. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

Source: U.S. Department of Agriculture. Economic Research Service. Agricultural Marketing Service. *Fluid Milk Products*.

**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS,  
MARCH 2013 WITH COMPARISONS 1/**

For March 2013, the all-city average announced cooperative Class I price was \$22.82 per cwt., \$2.38 higher than the Federal milk order (FMO) Class I price average for these cities. The March 2013 Cooperative Class I price was \$0.56 lower than the February 2013 price. The March 2013 Federal order Class I price was \$0.41 lower than the February 2013 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.52 in Phoenix, AZ, to \$4.21 in Miami, FL. For March 2012, the all-city average announced cooperative Class I price was \$21.37, \$2.45 higher than the Federal order Class I price average for these cities. Note: The Announced Cooperative Class I Price includes premiums paid for milk produced without rBST.

City	MARCH 2013		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	24.90	21.60	3.30
Baltimore, MD	22.47	20.80	1.67
Boston, MA	22.85	21.05	1.80
Charlotte, NC	24.57	21.20	3.37
Chicago, IL	23.03	19.60	3.43
Cincinnati, OH	22.67	20.00	2.67
Cleveland, OH	22.47	19.80	2.67
Dallas, TX	21.55	20.80	0.75
Denver, CO	21.77	20.35	1.42
Des Moines, IA	22.36	19.60	2.76
Detroit, MI	21.99	19.60	2.39
Hartford, CT	22.75	20.95	1.80
Houston, TX	22.80	21.40	1.40
Indianapolis, IN	22.47	19.80	2.67
Kansas City, MO	22.05	19.80	2.25
Louisville, KY	23.27	20.10	3.17
Memphis, TN	23.87	20.70	3.17
Miami, FL	28.01	23.80	4.21
Milwaukee, WI	22.98	19.55	3.43
Minneapolis, MN	21.69	19.50	2.19
New Orleans, LA	23.77	21.60	2.17
Oklahoma City, OK	22.54	20.40	2.14
Omaha, NE	22.11	19.65	2.46
Philadelphia, PA	23.65	20.85	2.80
Phoenix, AZ	20.67	20.15	0.52
Pittsburgh, PA	23.30	19.90	3.40
St. Louis, MO	22.20	19.80	2.40
Seattle, WA	20.54	19.70	0.84
Springfield, MO	22.84	20.20	2.64
Washington, DC	22.47	20.80	1.67
Wichita, KS	21.94	20.00	1.94
Simple Average	22.82	20.44	2.38

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

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

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, FEBRUARY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for February 2013 is \$1.6619 per pound. Thus, the Class II butterfat price is \$1.6689. The protein and other solids prices for February are \$2.9609 and \$0.4534 per pound, respectively. These component prices set the Class III skim milk price at \$11.85 per cwt. The February Class IV skim milk price is \$12.37, which is derived from the nonfat solids price of \$1.3742 per pound. **Product Price Averages:** The product price averages for February are: butter \$1.5438, nonfat dry milk \$1.5559, cheese \$1.6623, and dry whey \$0.6393.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/2/</sup>						
FEDERAL MILK ORDER MARKETING AREAS <sup>3/</sup>	ORDER NUMBER	FEBRUARY 2013				MARCH 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <sup>4/</sup>	001	21.46	18.49	17.25	17.75	21.05
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	21.61	18.49	17.25	17.75	21.20
Southeast (Atlanta) <sup>6/ 7/</sup>	007	22.01	18.49	17.25	17.75	21.60
Florida (Tampa) <sup>6/ 8/</sup>	006	23.61	18.49	17.25	17.75	23.20
Midwest (Cleveland) <sup>9/</sup>	033	20.21	18.49	17.25	17.75	19.80
Upper Midwest (Chicago) <sup>10/</sup>	030	20.01	18.49	17.25	17.75	19.60
Central (Kansas City) <sup>11/</sup>	032	20.21	18.49	17.25	17.75	19.80
Southwest (Dallas) <sup>12/</sup>	126	21.21	18.49	17.25	17.75	20.80
Arizona (Phoenix)	131	20.56	18.49	17.25	17.75	20.15
Pacific Northwest (Seattle) <sup>13/</sup>	124	20.11	18.49	17.25	17.75	19.70
All-Market Average	---	21.10	18.49	17.25	17.75	20.69

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

ANNUAL MILK COWS AND MILK PRODUCTION, 2011 AND 2012

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2011	2012	2011	2012	2011	2012	CHANGE FROM 2011
	1,000 HEAD		POUNDS		MILLION POUNDS		PERCENT
AL	11.0	10.0	13,182	13,200	145.0	132.0	-9.0
AK	0.5	0.4	13,800	14,250	6.9	5.7	-17.4
AZ	188.0	188.0	23,468	23,979	4,412.0	4,508.0	2.2
AR	12.0	10.0	11,833	13,300	142.0	133.0	-6.3
CA	1,769.0	1,782.0	23,438	23,457	41,462.0	41,801.0	0.8
CO	128.0	134.0	23,430	23,978	2,999.0	3,213.0	7.1
CT	19.0	18.0	19,000	19,889	361.0	358.0	-0.8
DE	5.0	4.9	18,300	19,143	91.5	93.8	2.5
FL	119.0	123.0	19,067	19,008	2,269.0	2,338.0	3.0
GA	79.0	80.0	18,354	19,125	1,450.0	1,530.0	5.5
HI	1.9	2.0	14,421	14,200	27.4	28.4	3.6
ID	578.0	580.0	22,934	23,376	13,256.0	13,558.0	2.3
IL	98.0	100.0	19,357	19,510	1,897.0	1,951.0	2.8
IN	172.0	175.0	20,657	21,366	3,553.0	3,739.0	5.2
IA	204.0	204.0	21,309	21,730	4,347.0	4,433.0	2.0
KS	123.0	126.0	21,016	21,675	2,585.0	2,731.0	5.6
KY	76.0	74.0	14,342	15,135	1,090.0	1,120.0	2.8
LA	18.0	17.0	12,889	13,176	232.0	224.0	-3.4
ME	32.0	33.0	18,688	18,576	598.0	613.0	2.5
MD	52.0	51.0	18,654	19,196	970.0	979.0	0.9
MA	13.0	12.0	16,923	18,250	220.0	219.0	-0.5
MI	366.0	375.0	23,164	23,704	8,478.0	8,889.0	4.8
MN	468.0	465.0	18,996	19,508	8,890.0	9,071.0	2.0
MS	14.0	14.0	14,571	14,357	204.0	201.0	-1.5
MO	95.0	94.0	14,611	14,936	1,388.0	1,404.0	1.2
MT	14.0	14.0	20,571	21,357	288.0	299.0	3.8
NE	57.0	56.0	20,579	21,179	1,173.0	1,186.0	1.1
NV	29.0	29.0	23,138	22,966	671.0	666.0	-0.7
NH	14.0	14.0	20,429	19,643	286.0	275.0	-3.8
NJ	8.0	7.0	16,875	18,571	135.0	130.0	-3.7
NM	329.0	330.0	24,854	24,694	8,177.0	8,149.0	-0.3
NY	610.0	610.0	21,046	21,633	12,838.0	13,196.0	2.8
NC	45.0	46.0	20,089	20,435	904.0	940.0	4.0
ND	19.0	18.0	18,158	19,278	345.0	347.0	0.6
OH	268.0	270.0	19,194	19,833	5,144.0	5,355.0	4.1
OK	53.0	48.0	17,415	17,688	923.0	849.0	-8.0
OR	121.0	123.0	20,488	20,431	2,479.0	2,513.0	1.4
PA	541.0	536.0	19,495	19,576	10,547.0	10,493.0	-0.5
RI	1.1	1.0	17,909	18,300	19.7	18.3	-7.1
SC	16.0	16.0	17,438	17,313	279.0	277.0	-0.7
SD	91.0	92.0	20,582	21,391	1,873.0	1,968.0	5.1
TN	50.0	50.0	16,200	16,100	810.0	805.0	-0.6
TX	431.0	436.0	22,232	22,009	9,582.0	9,596.0	0.1
UT	88.0	90.0	21,068	21,678	1,854.0	1,951.0	5.2
VT	134.0	133.0	18,940	19,316	2,538.0	2,569.0	1.2
VA	96.0	96.0	17,906	17,990	1,719.0	1,727.0	0.5
WA	260.0	262.0	23,727	23,794	6,169.0	6,234.0	1.1
WV	10.0	10.0	15,600	15,800	156.0	158.0	1.3
WI	1,265.0	1,270.0	20,599	21,436	26,058.0	27,224.0	4.5
WY	6.0	6.0	20,517	20,817	123.1	124.9	1.5
U.S. 3/	9,194.0	9,233.0	21,336	21,697	196,164.0	200,324.0	2.1

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

SOURCE: U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Milk Production, February 2013.*

## DECEMBER MILK SALES – (REVISED)

During December, 4.4 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 4.3 percent lower than December 2011. After adjusting for calendar composition, sales in December 2012 were 2.2 percent lower than December 2011. Estimated sales of total conventional fluid milk products decreased 4.3percent from December 2011 and estimated sales of total organic fluid milk products decreased 4.3 percent from a year earlier.

**Editor's Note:** Additional data can be found at <http://www.ams.usda.gov/AMSV1.0/FluidMilkSalesDataMonthlyandYearToDate>.

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
DECEMBER 2012, WITH COMPARISONS 1/

Product Name	Sales		Change from: 2/	
	December	Year to Date	Previous Year	Year to Date
	Million Pounds		Percent	
Whole Milk	1,149	13,438	-4.0*	-1.9
Flavored Whole Milk	47	524	2.8	0.1
Reduced Fat Milk (2%)	1,527	17,915	-3.3	-1.6
Low Fat Milk (1%)	577	7,163	-4.2	1.0
Fat-Free Milk (Skim)	585	7,257	-8.7	-6.0
Flavored Fat-Reduced Milk	286	3,761	-2.1	-0.6
Buttermilk	43	481	-0.4	0.8
Total Conventional Milk Products 5/	4,267	50,693	-4.3	-1.8
Organic Whole Milk	48	550	8.2	10.4
Organic Reduced Fat Milk	52	631	-6.6	5.8
Organic Low Fat Milk	36	459	-5.9	7.9
Organic Fat-Free Milk (Skim)	34	437	-11.2	-4.5
Organic Flavored Milk	5	70	-21.3	-22.0
Organic Fat-Reduced Milk 3/	126	1,608	-8.4	0.6
Total Organic Milk Products	174	2,157	-4.3	2.9
Total Fluid Milk Products 4/	4,441	52,851	-4.3	-1.6
Total Fluid Milk Products Adjusted 4/ 5/	4,496	52,897	-2.2	-1.5

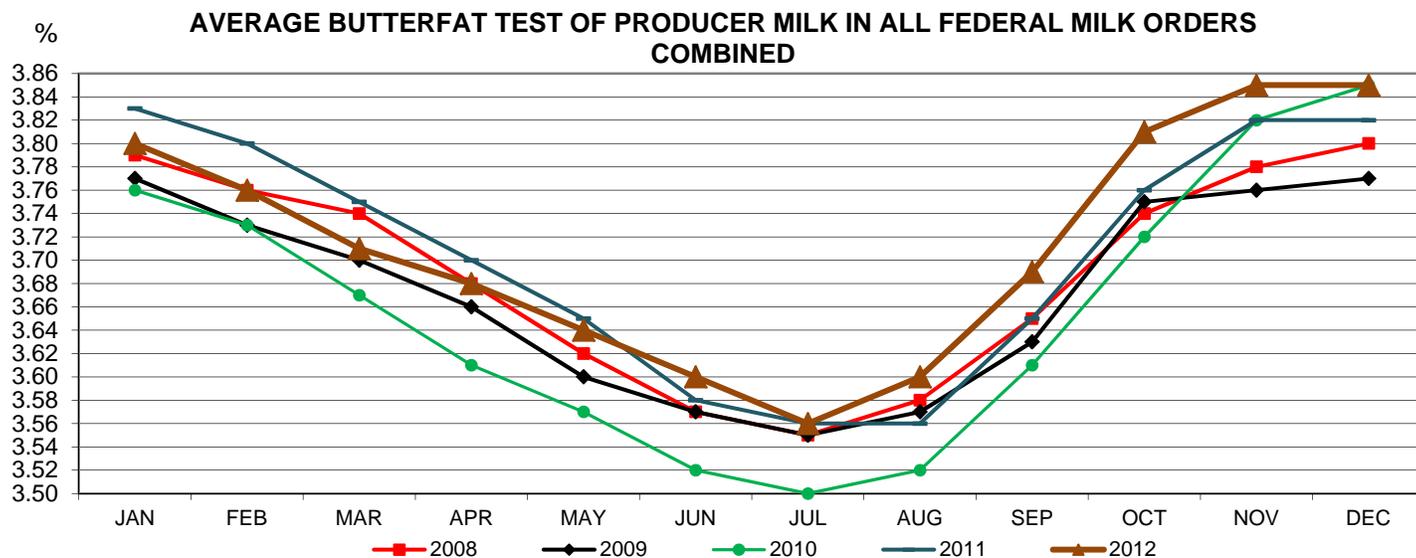
**\*Revision.** 1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which account for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating 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 organic milk products combined. 4/ Total fluid milk products include the products listed 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> Report contact: Daniel Manzoni, [Daniel.manzoni@ams.usda.gov](mailto:Daniel.manzoni@ams.usda.gov) or 202-720-2352

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, DECEMBER 2012, WITH COMPARISONS 1/

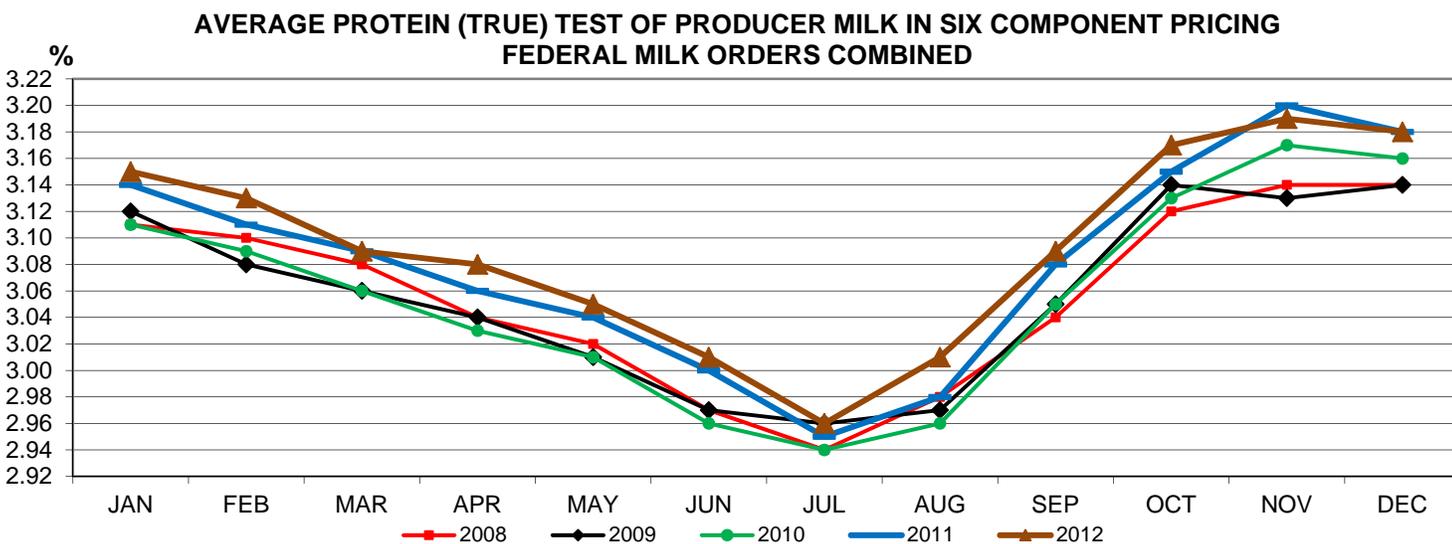
Marketing Area	Order Number	Sales		Change from: 2/	
		December	Year to Date	Previous Year	Year to Date
		Million Pounds		Percent	
Northeast	001	775	9,030	-3.0	-0.9
Appalachian	005	286	3,498	-6.3	-2.3
Florida	006	239	2,865	-4.7	-1.6
Southeast	007	395	4,770	-4.7	-2.6
Upper Midwest	030	350	4,120	-4.0	-2.4
Central	032	376	4,527	-6.2	-0.5
Mideast	033	504	5,874	-4.0*	-1.9
Pacific Northwest	124	172	2,170	-10.9	-2.0
Southwest	126	366	4,442	-5.4	-0.8
Arizona	131	97	1,154	-2.5	-2.1
California	---	525	6,183	-1.3	-1.9

**\*Revision.** 1/ These figures are representative of the consumption of total fluid milk products in the respective area; see 4/ above for the products included. 2/ Percent changes, as well as sales volumes, are shown on an unadjusted basis.

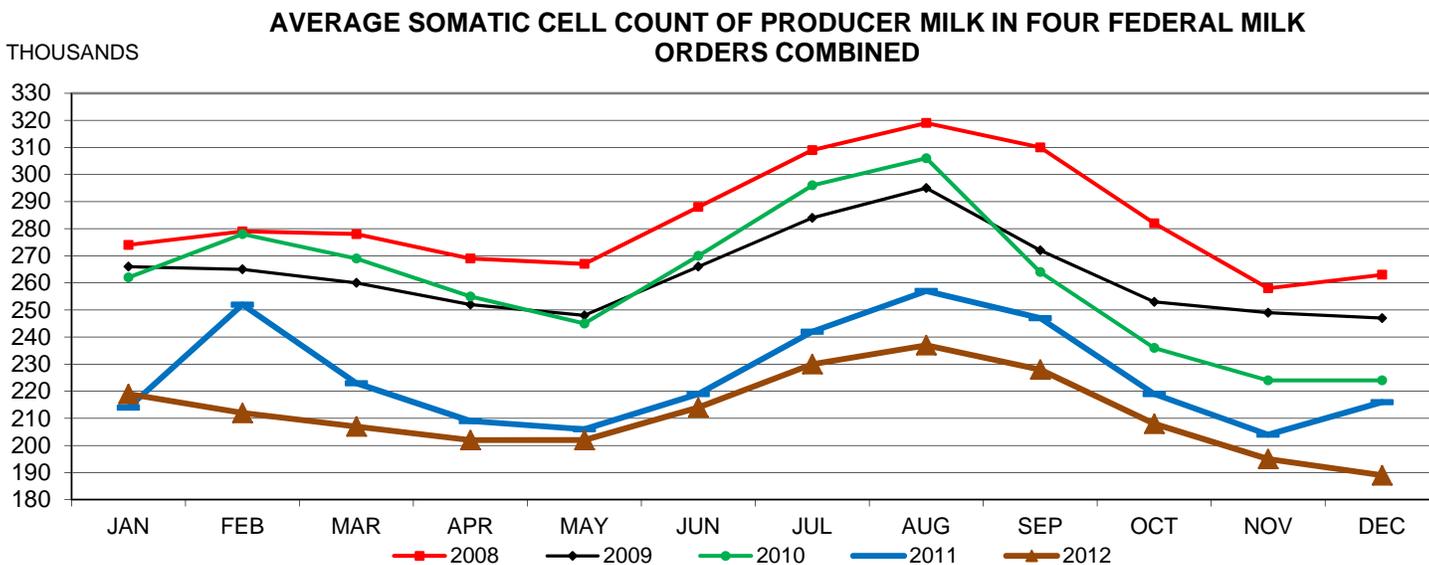
**Source:** U.S. Department of Agriculture. California Department of Food and Agriculture. Milk Stabilization Branch. *California Dairy Information Bulletin*, December 2012.



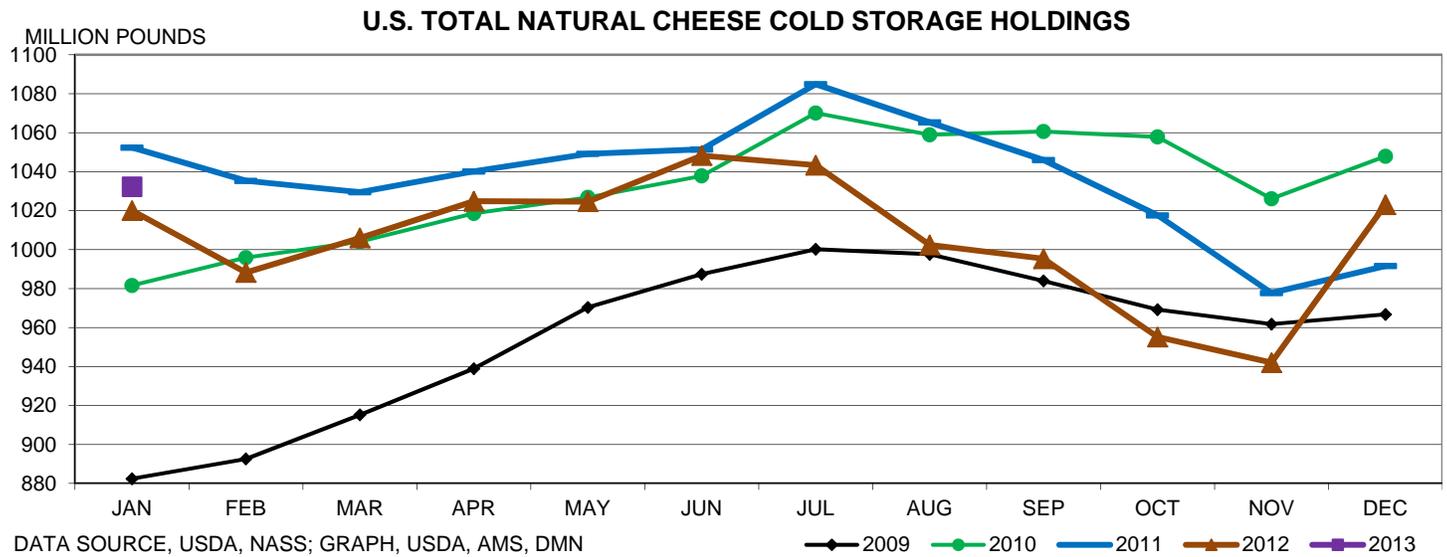
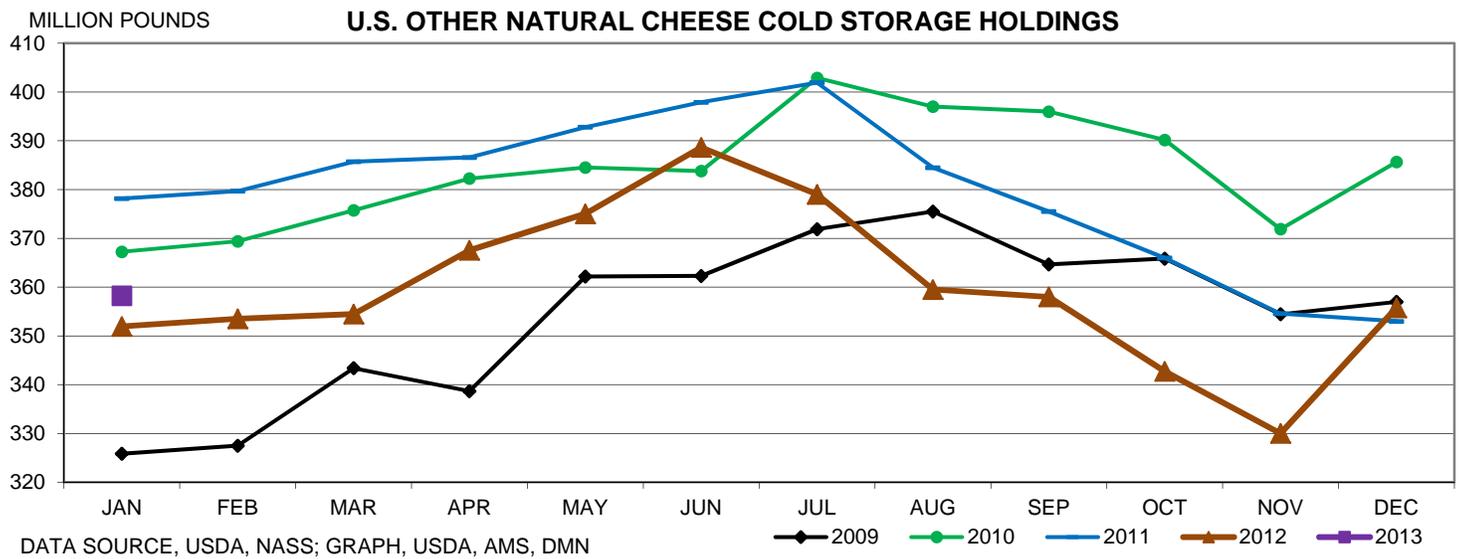
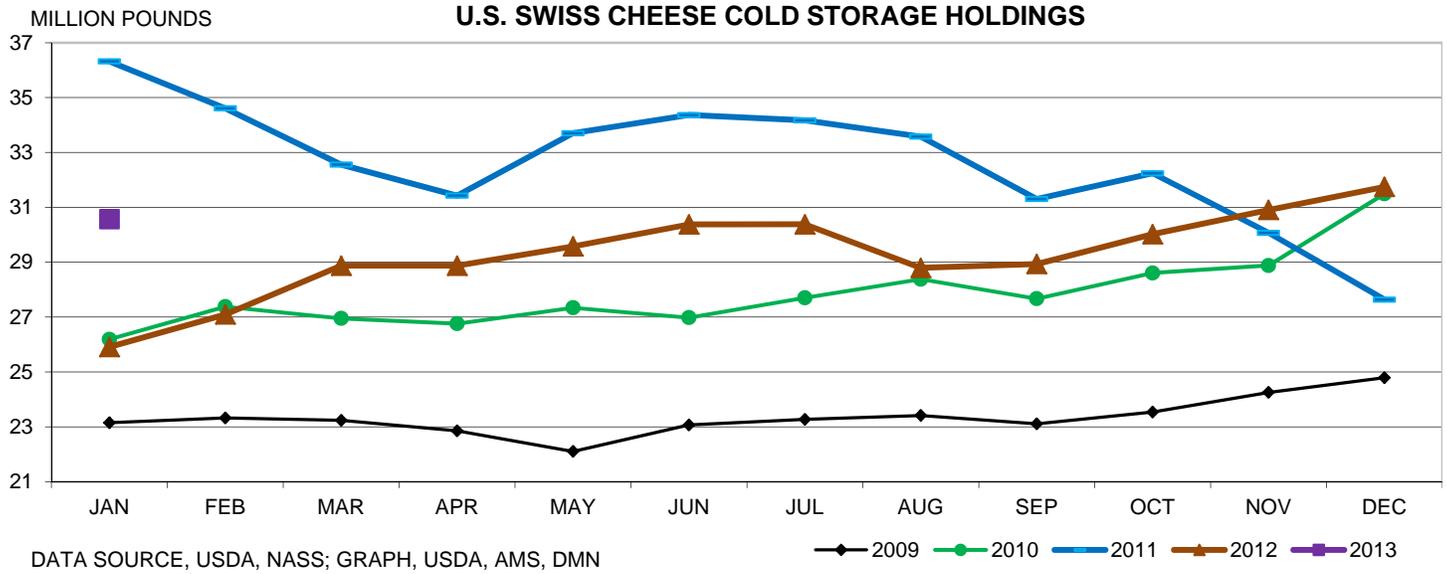
DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN FEDERAL ORDERS INCLUDED ARE: 1, 5, 6, 7, 30, 32, 33,



DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN FEDERAL ORDERS INCLUDED ARE: 1, 30, 32, 33, 124, 126



DATA SOURCE, USDA, AMS, DAIRY PROGRAMS, MIB; GRAPH, USDA, AMS, DMN FEDERAL ORDERS INCLUDED ARE: 30, 32, 33, 126



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