NATIONAL DAIRY MARKET NEWS AT A GLANCE

CME GROUP CASH MARKETS (04/21):
BUTTER: Grade AA closed at $2.0000. The weekly average for Grade AA is $2.0000 (+.0105).
CHEESE: Barrels closed at $1.5800 and 40# blocks at $1.6000. The weekly average for barrels is $1.5875 (-.0095) and blocks, $1.6119 (-.0101).

BUTTER HIGHLIGHTS: The CME Group cash butter price held at $2.00. For the 16th week of the year, the current butter weekly average price on the CME Group at $2.00 is the highest since 2004, when it was over $2.30. Increased production of holiday specialties such as dips, whipping, and sour cream used larger cream volumes early in the week. However by midweek, cream offerings were higher and multiples are lower for late week cream sales. Many cream users, such as ice cream, will be closed for a long holiday weekend, backing extra supplies into churns. A larger share of the butter being churned is being packaged as bulk for later year use.

CHEESE HIGHLIGHTS: The cheese market is weaker and prices declined during the holiday abbreviated week at the CME Group cash cheese market. Blocks closed the week (April 21) at $1.6000, down 2.75 cents from the April 15 session close. Barrels closed at $1.5800, down 4.5 cents from April 15. The steady to slight improvement in finished product orders is not able to clear the supply of product available. While hot and dry conditions in the Southwest may impact local production slightly, increased milk volumes though much of the rest of the country have most plants operating on heavier schedules. Cheese yields remain good seasonally. With many schools closed on a spring/holiday break, Class I use is lower, leaving more milk for cheese production.

FLUID MILK: Milk production is trending higher across most regions of the country. The upcoming holiday weekend is slowing demand for milk and milk handling. Bottled milk demand is lower due to school holidays with a limited increase in retail demand. Many ice cream and mid class products manufacturers are taking extra days off over the upcoming weekend. Processors are expecting more milk to land in local balancing plants. In the West, milk output is above year ago levels in most states. California and New Mexico production is building higher, while Arizona output is coming off what is thought to be the seasonal peak normally seen in April. In the Northwest, milk volumes are increasing, while the Mountain states await more seasonal temperatures to advance milk output. Cooler temperatures are limiting milk production growth in the Northeast. Moving south, milk is building in the mid -Atlantic region into Florida. Milk output is building seasonally in the upper Midwest. Some drought and fire related issues are impacting dairying in Texas and surrounding states.

DRY PRODUCTS: Nonfat dry milk prices are trending slightly higher. Demand is fair to good with some additional export contracting taking place and committing future production. Domestic U.S. pricing levels are mostly consistent with current EU pricing. Drying schedules are higher and active to process growing milk supplies and extra milk hitting butter/powder plants ahead of the upcoming holiday weekend. Dry buttermilk markets are steady to firm with activity centered around contracted volumes and a limited spot trade. Dry whey prices are steady to lower. Offerings remain light, especially at the producer level. Some resistance is noted to higher prices in the resale market. Whey protein concentrate 34% prices are unchanged with most current movements centered on contract fulfillment. Lactose prices are steady to higher in a firm market. Producers testing the spot market are finding willing buyers at increased pricing levels. Demand is good from domestic and export accounts with infant formula and pharmaceutical needs impacting the top end of the price series.

ORGANIC DAIRY MARKET NEWS (DMN): AMS reports Total Organic Milk Products sales for February 2011, 157 million pounds, were up 23.0% from February 2010 sales. Organic Whole Milk sales for February 2011, 38 million pounds, were up 30.3% compared with February 2010. Organic dairy weekly supermarket newspaper advertising levels continue to swing widely this period to the second lowest level of 2011. The Northeast region dominates other regions in organic dairy newspaper advertising, with 38.2% of total ads. The national weighted average advertised price for half gallons of organic milk increased 31 cents to $3.27. The top of the range increased 20 cents to $3.89 while the bottom declined 19 cents to $2.50. The national weighted average advertised price for organic gallons is $4.99, 6 cents lower than two weeks ago. Organic yogurt in 6 ounce containers has a weighted average advertised price of 62 cents, 29 cents below two weeks ago, with a range from 50 cents to $1.00. Yogurt ad numbers remained only slightly below last period's 919, at 863 this week; still the second highest level of 2011.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for May 2011 is $19.75, up 32 cents from April. This price is derived from the advanced Class IV skim milk pricing factor of $12.49 and the advanced butterfat pricing factor of $2.1984 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for May is $13.19 and the Class II nonfat solids price is $1.4656 per pound. The following are the two-week product price averages: butter $1.9869, nonfat dry milk $1.5698, cheese $1.6788, and dry whey $0.4775.

INTERNATIONAL UPDATE (DMN): The April 19 g/DT session 42 results showed mixed trends from the previous event. For the nearby June 2011 period, prices and changes from the previous session are: anhydrous milk fat, $5,977/MT, +0.1%; buttermilk powder, N.A.; skim milk powder, $3,900/MT, -2.8%; and whole milk powder, $3,986, -0.2%.

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

CME GROUP CASH TRADING

COMMODITY	MONDAY APR 18	TUESDAY APR 19	WEDNESDAY APR 20	THURSDAY APR 21	FRIDAY APR 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.6050 (-.0200)	$1.5825 (-.0225)	$1.5825 (N.C.)	$1.5800 (-.0025)	HOLIDAY	(-.0450)	$1.5875 (-.0095)
40# BLOCKS	$1.6275 (N.C.)	$1.6200 (-.0075)	$1.6000 (-.0200)	$1.6000 (N.C.)	CME	(-.0275)	$1.6119 (-.0101)
NONFAT DRY MILK							
EXTRA GRADE	$1.8000 (N.C.)	$1.8000 (N.C.)	$1.8000 (N.C.)	$1.8000 (N.C.)	CLOSED	(N.C.)	$1.8000 (N.C.)
GRADE A	$1.6200 (N.C.)	$1.6125 (-.0075)	$1.6125 (N.C.)	$1.6100 (-.0025)	NO	(-.0100)	$1.6138 (-.0342)
BUTTER							
GRADE AA	$2.0000 (N.C.)	$2.0000 (N.C.)	$2.0000 (N.C.)	$2.0000 (N.C.)	TRADING	(N.C.)	$2.0000 (+.0105)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE

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COLD STORAGE (NASS): On March 31, U.S. cold storage holdings of butter totaled 144.4 million pounds, 4.1% more than a month ago but 26.3% less than last March. Natural American cheese holdings total 614.1 million pounds, 1.0% less than a month ago, but 2.0% more than a year ago. Total cheese stocks totaled 1.03 billion pounds, 0.1% lower than at the end of February 2011, but 2.8% higher than a year ago.

MARCH MILK PRODUCTION (NASS): Milk production in the 23 major states during March totaled 15.8 billion pounds, up 2.4% from March 2010. Production per cow averaged 1,872 pounds for March, 24 pounds above March 2010. The number of milk cows on farms was 8.42 million head, 93,000 head more than March 2010, and 17,000 head more than February 2011. Milk production in the U.S. during the January-March quarter totaled 48.4 billion pounds, up 2.2% from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.16 million head, 70,000 head more than the same period last year.

FMMO MARKETING AND UTILIZATION HIGHLIGHTS (FMMO): During March, about 10.3 billion pounds of milk were received from producers. This volume of milk is 7.2% lower than the March 2010 volume. In March 2010 and March 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. About 3.9 billion pounds of producer milk were used in Class I products, 0.4% lower than the previous year. Calendar composition likely had a negative impact on milk used in Class I in 2011 as compared to 2010. The all-market average Class utilization percentages were: Class I = 38%, Class II =15%, Class III = 37% and Class IV = 10%. The weighted average statistical uniform price was $19.93 per cwt., $1.80 higher than last month and $5.25 higher than last year.

ANNUAL 2011 MAILBOX MILK PRICES (AMS & CDFA): For 2010, mailbox milk prices for selected reporting areas in Federal milk orders averaged $16.29 per cwt., $3.47 higher than the all-area average reported for 2009. The component tests of producer milk in 2010 averaged: butterfat, 3.66%; protein 3.05%; and other solids, 5.74%. On an individual reporting area basis, mailbox prices increased in all Federal milk orders reporting areas, and ranged from $19.40 in Florida to $14.77 in New Mexico.

CME GROUP

MONDAY, APRIL 18, 2011

CHEESE -- SALES: 2 CARS BARRELS: 1 @ $1.6250, 1 @ $1.6075; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.6050
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.6200
BUTTER -- SALES: 9 CARS GRADE AA: 6 @ $2.0050, 1 @ $2.0025, 2 @ $2.0000; LAST BID UNFILLED: 2 CARS GRADE AA @ $2.0000; LAST OFFER UNCOVERED: NONE

TUESDAY, APRIL 19, 2011

CHEESE -- SALES: 2 CARS BARRELS: 1 @ $1.5875, 1 @ $1.5825; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.5900; 1 CAR 40# BLOCKS @ $1.6200
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.6125
BUTTER -- SALES: NONE; LAST BID UNFILLED: 2 CARS GRADE AA @ $2.0000; LAST OFFER UNCOVERED: NONE

WEDNESDAY, APRIL 20, 2011

CHEESE -- SALES: 5 CARS BARRELS: 2 @ $1.5825, 2 @ $1.5850, 1 @ $1.5825; 11 CARS 40# BLOCKS: 1 @ $1.6200, 2 @ $1.6100, 2 @ $1.6075, 2 @ $1.6050, 2 @ $1.6025, 2 @ $1.6000; LAST BID UNFILLED: 2 CARS BARRELS @ $1.5825; 1 CAR 40# BLOCKS @ $1.5950; LAST OFFER UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.6125
BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ $1.9900; LAST OFFER UNCOVERED: NONE

THURSDAY, APRIL 21, 2011

CHEESE -- SALES: 1 CAR BARRELS @ $1.6000; 2 CARS 40# BLOCKS @ $1.6000; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ $1.5800; 1 CAR 40# BLOCKS @ $1.6000
NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ $1.6100; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE A @ $1.6125
BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

FRIDAY, APRIL 22, 2011

HOLIDAY, CME CLOSED

BUTTER MARKETS

NORTHEAST

The butter price on the CME Group held steady Tuesday and closed at $2.0000. Since declining to $1.9700 on April 4, daily butter prices have been either steady or increasing in an active trade with 58 loads transacted. Cream availability ahead of the Easter weekend holiday has increased, prompting increased churning schedules. Most butter makers anticipated the increased cream supply and have orders to fill with little being added to inventories. Export demand remains fairly strong. Cream demand has declined as cream cheese and ice cream production has slowed. Cream multiples ranged from 123-132. Prices for bulk butter range from 5-8 cents over the market, based on the CME Group with various time frames and averages used.

CENTRAL

During the past week, the CME Group cash butter price increased to $2.00 per pound. Some traders feel prices may weaken after the holiday. Holiday specialty products output, such as dips, whipping, and sour cream, remained strong at least early this week. This reduced churning schedules early this week. However, with additional operations including ice cream, closed for a long holiday weekend, cream volumes moving to churns will likely increase. Cream prices are expected to decline over the weekend as a result. Holiday print orders have aided sales in recent weeks due to promotions. There were even retail print butter promotions yet this week. A larger share of the fresh butter churned is again being packaged as bulk and frozen for use later in the year. Bulk butter prices range from 2 - 4 cents over various pricing bases and averages per pound.

WEST

The CME Group butter price for Wednesday is unchanged at $2.0000. Prices for the week are unchanged. Monday recorded sales of nine loads with no further sales reported for Tuesday or Wednesday. Western butter prices are holding at $2.0000 this week after showing gains in the previous week. The market continues to speculate on the direction of prices after this holiday weekend. Buyers had hoped for breaks in the market, but continue to purchase for immediate needs. Manufacturers are busy with extra cream volumes over the Easter weekend. Sales for the holiday were good in spite of higher than expected prices. Export demand is clearing some supplies. Active butter churning schedules are building inventories above current needs. Prices for bulk butter range from 1 cent over to 3 cents under the market, based on the CME with various time frames and averages used. According to the CME Group, weekly butter stocks in CME approved warehouses increased (+100,000 pounds) to a warehouse adjusted 22.5 million pounds. The total of 22.5 million pounds compares to 57.7 million pounds in 2010 and 78.2 million pounds in the comparable week in 2009. According to the FAS, quota imports of butter for January-March 2011 total 2.1 million pounds, 27.4% more than the same period in 2010. Imports for 2011 account for 13.7% of the total quota for 2011.

U.S. Butter Imports (USDA-FAS)

	2011 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Jan. – Mar.			
High Tier	unavailable	unavailable	N.A.
Quota	2.10	+ 27.4	13.7
Mar Quota	1.14	+114.4	-

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
April 16	1.6453	1.6220	1.5766	1.9730	0.4838
	11,248,728	10,532,280	20,501,659	5,703,959	10,305,511

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

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group declined Tuesday with barrels dropping $.0225 and closing at $1.5825, while blocks declined $.0075 and closed at $1.6200. In the last three trading sessions barrels have declined $.0475, while blocks have declined $.0075. The recent price declines were not severe enough to keep the CME weekly price averages from increasing and raising wholesale prices for all varieties, except Swiss Cuts which remained unchanged. Cheese production has increased as milk supplies have increased ahead of the Easter holiday weekend. Mozzarella and provolone sales remain good with inventories in balance. Cheddar and cream cheese sales have slowed with nearly all orders filled for the upcoming holiday.

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

Cheddar 40# Block	:	1.9400-2.2150
Process 5# Sliced	:	1.7050-2.0150
Muenster	:	1.9600-2.1650
Grade A Swiss Cuts 10 - 14#	:	3.4025-3.7250

MIDWEST

The cheese market is unsettled to weak. Overall, demand seems unable to clear offerings. Some segments are seeing demand improvement as buyers rebuild depleted volumes. Many packagers and/or processors will be on an abbreviated operating schedule this week, reducing bulk cheese needs. Overtime is “the exception rather than the rule” for packaged and process orders. Process interest is steady to occasionally improved. Additions to planned cheddar aging programs continue to lag as buyers are not confidant that the spring price low has been reached. Mozzarella interest is uneven though supplies range from about in balance to occasionally tight. Milk intakes are steady to higher in northern sections of the region. Milk components remain seasonally good, providing solid seasonal yields. Some extra milk volumes may be available over the holiday weekend due to schools closed for a spring/holiday break this week or next.

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

Process American 5# Loaf	:	1.9575-2.1700
Brick And/Or Muenster 5#	:	2.1325-2.3100
Cheddar 40# Block	:	2.1325-2.8650
Monterey Jack 10#	:	2.0950-2.8650
Blue 5#	:	2.4500-3.0300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9650-2.9650
Grade A Swiss Cuts 6 - 9#	:	2.8900-3.3300

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

	BUTTER	:	CHEESE
04/18/11	7,867	:	125,669
04/01/11	7,608	:	126,483
CHANGE	259	:	-814
% CHANGE	3	:	-1

WEST

Cheddar barrels on Wednesday at the CME Group are unchanged at $1.5825. 40 pound blocks are $.0200 lower Wednesday at $1.6000. For the week so far, barrels are $.0425 lower and blocks are $.0275 lower. Sales of barrels are active with nine loads traded and blocks traded eleven loads on Wednesday. Wholesale cheese prices in the West firmed for the week. Buyers are more cautious with large scale purchases as many had purchased cheese lower over the past week. Barrels for processing met lighter demand. Contract sales into retail channels continued at expected levels. Lower prices are increasing demand for export. CWT assistance is aiding sales for export. Stocks of cheese are heavy although not burdensome. According to FAS, quota imports of cheese for January-March 2011 total 39.8 million pounds, up 27.5% from a year ago. The imports stand at 13.3% of the annual quota. Imports of quota Swiss cheese for January-March 2011 total 12.0 million pounds, up 21.4% from last year. The two main countries for the Swiss imports are Norway and Finland, and they account for 7.2 million pounds or 59.9% of the year's total import of Swiss.

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

Process 5# Loaf	:	1.7225-1.9800
Cheddar 40# Block	:	1.7500-2.1025
Cheddar 10# Cuts	:	1.9300-2.1500
Monterey Jack 10#	:	1.9400-2.1000
Grade A Swiss Cuts 6 - 9#	:	2.9800-3.4100

FOREIGN

The CME Group weekly average block price increased, resulting in a $.0425 increase in wholesale prices for all domestic varieties. Imported varieties and domestic Swiss Cut prices were unchanged. Swiss cheese makers in the Northeast are increasing production and rebuilding inventories after good first quarter sales. According to FAS, quota imports of Swiss/Emmenthaler varieties from January through March 2011 totaled 12.0 million pounds, 21.4% more than the same period last year. Norway and Finland, the two top sources, account for 59.9% of Swiss/Emmenthaler imports January through March 2011.

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

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Blue	2.6400-4.6900	2.0800-3.5675*
Gorgonzola	3.6900-6.3900	2.5825-2.8425*
Parmesan (Italy)	-0-	3.1975-3.6125*
Provolone (Italy)	3.4400-6.2900	2.1225-2.2800*
Romano (Cows Milk)	-0-	3.2700-5.4125*
Sardo Romano (Argentine)	2.8500-3.6900	-0-
Reggianito (Argentine)	3.2900-3.8300	-0-
Jarlsberg-(Brand)	2.9500-4.8900	-0-
Swiss Cuts Switzerland	-0-	3.4950-3.8175
Swiss Cuts Finnish	2.5900-2.8500	-0-

* = Price change.

U.S. Cheese Imports (USDA-FAS)

	2011 Imports (Million Lb.)	% Change From 1 Year Ago	% of Yearly Quota
Jan. – Mar.			
High Tier	unavailable	unavailable	N.A.
Quota	39.8	+27.5	13.3
Mar. Quota	15.9	+19.3	N.A.

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	220	0	280	0	204
SOUTHEAST STATES	0	0	0	0	0	0

Cool wet weather in the Northeast region has spring field work activities off to a slow start and limiting milk production increases. Class I demand declined in the Northeast and Mid-Atlantic regions as numerous schools closed prior to the upcoming holiday weekend and as a result, manufacturing milk supplies increased. Warmer temperatures in the Mid-Atlantic are greening up pastures and prompting milk production increases, but wet conditions are limiting spring field work. Milk intakes in the Southeast are on the rise and rapidly approaching peak levels. Some producers are culling marginal producing cows in response to high feed costs. Class I demand has declined from recent weeks as some schools are closing for various periods around the holiday weekend. A major cheese plant has returned to regular production after being closed for maintenance. Florida continues to experience warm days and cool nights, maintaining good cow comfort levels and keeping milk production declines at a minimum. Pasture improvement slowed as dry weather returned to most areas of the state. Pasture conditions were rated as 10% poor, 60% fair and 27% good. Supplemental hay feeding continues as pasture forages are insufficient to maintain livestock. Class I demand remains sluggish. Cream availability has increased as manufacturing milk supplies have increased ahead of the upcoming holiday. Cream demand has for the most part declined as ice cream and cream cheese production has slowed, but demand for bottled cream products remains strong in the metropolitan areas. Cream multiples ranged from 123-132. Condensed skim supplies moving through contracts slowed this week as various Class II production schedules are planning limited shut downs over the holiday weekend. Increased volumes of condensed skim are being channeled to dryers, which is a welcome occurrence for numerous plant managers as they attempt to catch up on their nonfat dry milk contracts and/or build inventories for future commitments. According to NASS, milk production for March 2011 in the 23 reported states totaled 15.8 billion pounds, up 2.4% from March, 2010. Milk production increased in 4 of the 5 listed states in the Eastern region and as a region, increased production 1.9% over the same period last year at 2,628 million pounds. The 5 states showed the following percentage changes in milk production from March 2010 to March 2011 and milk production this March: Florida, +6.3%, 219 million pounds; New York, +3.1%, 1,104 million pounds; Pennsylvania, -0.7%, 929 million pounds; Vermont, +1.8%, 221 million pounds; and Virginia, +4.0%, 155 million pounds. Milk cow numbers for March 2011 increased in 3 of the 5 listed states of the Eastern region with 1 state declining and 1 state unchanged. The region increased by 7,000 head or 0.5% compared to the same period last year. Individual state cow numbers compared to March 2010 and cows remaining as of this March are: Florida, 5,000 increase, 118,000 remaining; New York, unchanged, 610,000 remaining; Pennsylvania, 2,000 increase, 543,000 remaining; Vermont, 1,000 decrease, 135,000 remaining; and Virginia, 1,000 increase, 96,000 remaining.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast	-	2.4470-2.6261
F.O.B. producing plants: Upper Midwest	-	2.4073-2.5068

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS, F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices	-	1.52 - 1.58
Northeast - Class III - spot prices	-	1.45 - 1.52

MIDWEST

Class I demand was steady to occasionally lighter, particularly where schools were closed for spring/holiday break. Orders for Class II holiday specialties were often lighter than anticipated last week. Churning was about steady with recent weeks. Many operations, including ice cream, will take a long holiday weekend or are closed for some maintenance so additional cream volumes will back up to churns. As a result, most cream buyers and sellers expect cream multiples to decline for holiday weekend cream sales. Manufacturing milk interest is steady, at least prior to the holiday weekend. For milk handlers, the holiday this weekend usually causes minimal disruptions/backups to regular manufacturing operations. Early week weather stopped spring planting operations as snow, sleet, rain, and possibly hail, blanketed parts of at least a few northern states. Due to wet and cool conditions, corn planting is lagging in major producing states. The soil temperature in northern states is still likely too low for corn to germinate (50 degrees). Delayed corn planting could result in lower yields, shifting acreage from corn, as well as higher corn prices. Seasonally cool temperatures have also slowed grass growth, slowing pasturing until conditions improve. In Texas and nearby states, drought, wildfires, and high temperatures, are cutting into milk receipts. Estimated March milk production in selected Central states compared with March 2010 is: Wisconsin, 2.260 billion pounds, +30 million pounds (1.3%); Texas, 829 million pounds, +54 million pounds (7.0%); Minnesota, 775 million pounds, -12 million pounds (-1.5%); Michigan, 715 million pounds, +5 million pounds (0.7%); and Iowa, 381 million pounds, +8 million pounds (2.1%). Of these states, only Iowa had fewer cows than a year ago. The estimated U.S. milk output number for March was 16.979 billion pounds, only 61 million pounds below the highest month, May, last year.

WEST

CALIFORNIA milk production is trending higher with weekly variations noted in some areas. New crop alfalfa and green chop feeding are creating some spikes, yet sporadic rain events are causing some challenges for harvesting. Processing plants are generally running well and have capacity for current and expected milk intakes. Heaviest volumes are clearing into butter/powder operations. Producers are often in a cautious mode; bolstered by higher milk prices but tempered by growing input costs. Fuel price increases in recent months have further impacted freight and delivery cost of all items that are shipped to/from farms. NEW MEXICO milk output continues to move seasonally higher at levels a few percentage points above a year ago at this time. There have been some issues around wildfires in the state with one fire shutting down a plant for several hours. This caused milk to be shipped to other facilities. Overall, the situation was minor and contingency plans worked well. ARIZONA milk volumes are steady to declining slightly from the recent peak level. In general, statewide totals reach the peak for the production year in April. Weather conditions are ideal for cows and helping to let milk volumes hold at current levels. Class I demand is about steady with some adjustments made around school holidays and for retailers ahead of the Easter holiday. CREAM markets are generally weak ahead of the Easter weekend. Additional cream volumes are coming back to butter plants as the production of other cream based items has slowed. Shipping is also an issue around the holiday and forcing more cream to stay local. At the CME Group, Grade AA butter price closed at $2.0000 on Wednesday, April 20, up .25 cent from a week ago. Cream multiples are lower on both ends of the 103-122 range with many changes lower within the range.

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FLUID MILK AND CREAM

CONTINUED FROM PAGE 4

Multiples vary based on class usage and basing point. Milk production in the PACIFIC NORTHWEST is increasing as spring advances. Milk handlers are especially busy on weekends processing increased supplies. The Easter weekend is taxing processors with extra milk. Class I milk utilization for March in the Pacific Northwest Order 124 accounted for 28.7% of producer milk according to the Market Administrator. UTAH and IDAHO milk producers are awaiting warmer weather to kickstart the spring flush. Currently, rains and snow melt are causing some local flooding, although milk handling is unaffected in most cases. Regional manufacturers are able to process current milk supplies with no difficulties. Dairy farmers are balancing higher milk prices against increased costs of production. According to NASS, March *Milk Production* for the 23 surveyed states totals 15.8 billion pounds, up 2.4% from last year. Monthly milk production per cow for the 23 surveyed states was 24 pounds (+1.3%) more than March 2010. March milk production for selected Western states is as follows: Arizona +8.6%, California +3.1%, Colorado +8.6%; Idaho +3.7%, New Mexico +3.4%, Oregon +3.5%, Utah unchanged, and Washington +2.0%. Compared to March 2010, the Arizona herd is up 17,000 head, California +1,000, Colorado +9,000; Idaho +21,000, New Mexico +4,000, Oregon +4,000, Utah +2,000, and Washington +5,000. These 8 states are up 63,000 and the 23 surveyed states are up 93,000. February cow numbers in these 8 states were 17,000 more than last month.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: The NDM market is steady. Current buyer demand is light. Drying schedules are steady to heavier within the region. Most dryers are producing low heat, to maximize plant throughput until milk volumes decline in warmer weather. Dryers will be operating on steady to heavier schedules over the holiday weekend. High heat powder sold is coming from inventory.
EAST: Price ranges for nonfat dry milk were unchanged this week in fairly light trading ahead of the holiday weekend. Nonfat dry milk production expanded as increased volumes of condensed skim are being channeled to dryers, due to increased manufacturing milk supplies and reduced spot sales of condensed skim. The increased nonfat dry milk production is a welcome occurrence for numerous plant managers as they attempt to catch up on their nonfat dry milk contracts and/or build inventories for future commitments. Drying schedules are geared to mostly low heat production to better handle the increased holiday milk supplies. Brokers reported light trading this week and weakening demand as numerous buyers are taking a wait and see attitude and desire a clearer picture of the market prior to making additional purchases.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.5500 - 1.750 MOSTLY: 1.5500 - 1.6200
HIGH HEAT: 1.6000 - 1.8200

NONFAT DRY MILK - WEST

Western low/medium heat nonfat dry milk prices are trending slightly higher. The market tone is firmer. Current spot prices are moving higher. Demand is moderate and keeping offerings cleared. Western prices are at pricing levels of Europe, where their milk production season is also starting to develop. Export interest is fair to good for nonfat dry milk and skim milk powders. Current deals are committing more powder with some producers now covered for the next several months. Pricing indices are trending higher and are moving towards current spot pricing levels. The nature and math of the weighted average indices are moving upwards as higher priced sales transactions are included and fewer, lower priced transactions for loads shipped during the specified week. Resale interest has shown slight gains in volumes this week. Milk production is strong in the region and at levels above a year ago. Condensed skim demand is also lower this week. Drying schedules at production plants are higher to handle the additional intake of milk and condensed. The CME Group NDM markets closed at midweek at \$1.8000 for Extra Grade and \$1.6125 for Grade A with one sale recorded last week, but none this week. Western high heat nonfat dry milk prices are steady to higher. The market tone is firm. Buying interest is fair to good. Current offerings remain light with most stocks being in a committed position.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.5200 - 1.6500 MOSTLY: 1.5800 - 1.5900
HIGH HEAT: 1.6000 - 1.8000

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: The buttermilk market is steady. Current interest is steady to lighter with many ice cream operations taking a longer holiday weekend. Producers are drying extra supplies to cover commitments later in the year and for when dryers will be needed for just drying condensed skim. Most buttermilk continues to move as condensed.
EAST: Eastern dry buttermilk prices were unchanged this week in light trading. Dry buttermilk production expanded following increases in butter production, due to increased cream availability as Class I demand declined ahead of the upcoming holiday. Declining condensed buttermilk sales also added to dryer volumes as ice cream production declined, due to various plant closures around the holiday weekend. Most supplies are moving through contracts with only small volumes making their way to the spot market. Demand for dry buttermilk has declined giving the market a weak undertone.

F.O.B. CENTRAL/EAST: 1.3650 - 1.6200

DRY BUTTERMILK - WEST

Dry buttermilk prices in the West are steady to slightly higher. The market undertone is steady to firm. Demand is fair to good across buying sectors. Spot interest is generally light ahead of a holiday week for some buyers. Offerings are light to moderate with availability noted from several producers. There are also limited offerings from resale accounts. Drying schedules remain active with a steady to slightly higher flow from butter plants, where cream volume intakes are increasing this week. Producers' inventories are light to moderate and remain adequate to fill current interest.

F.O.B. WEST: 1.5000 - 1.5400 MOSTLY: 1.5100 - 1.5300

DRY WHOLE MILK - NATIONAL

The whole milk market is steady with current interest light. Production is generally light as dryers are being used to dry condensed skim to maximize plant throughput. One manufacturer is running heavier to build inventory for sales later in the year. Most current deliveries are coming out of storage.

F.O.B. PRODUCING PLANT: 1.8200 - 2.0400

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 15	\$1.5511	12,890,486	0
April 8	\$1.5170	12,532,456	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

Central dry whey prices are mostly steady this week. Production in many cases is geared to contract needs with additional product proving to be difficult to source. Spot loads from resellers are being offered although some price resistance is being met. Some manufacturers report increased whey production as cheese production is increasing. The increased supplies are being utilized to catch up on contracted back orders. Whey production is limited as producers balance sweet whey production against concentrated whey protein manufacturing. ANIMAL FEED DRY WHEY supplies are reported to be increasing slightly. Milk replacer manufacturers are reporting that orders are being curtailed due to lack of profitability in the veal industry. Higher feed costs are not being matched with increased veal prices. Prices for whey to feed companies are showing some weakness as demand is declining.

F.O.B. CENTRAL: .4000 - .5125 MOSTLY: .4150 - .4700
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .3050 - .4525

DRY WHEY - NORTHEAST

Whey prices in the East declined this week as the lack of spot sales activity lowered the upper end of the range to the contract formula levels. Dry whey production expanded this week following increased cheese production, due to increased milk supplies ahead of the holiday. Supplies remain very tight with most current production moving through contracts. Buyers on the spot market are finding the product a little easier to source with resale prices mostly under $.6500. Domestic and export demand continue to be very good.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .4575 - .5425

DRY WHEY - WEST

Western whey prices are steady to weaker, with the upper limits of the full range and the mostly series exhibiting the lower pricing. Supplies of whey continue to be described as tight. Production schedules are steady with most volumes dedicated to contract fulfillment. Increased milk production in the West is going into higher cheese production in some areas. This is creating an increased whey stream and allowing for some whey producers to catch up with contract loads. Domestic spot loads are in good demand and are priced at the upper end of the range. Weaker European whey prices are tempering demand at the high end of the range for export markets.

NONHYGROSCOPIC: .4525 - .5975 MOSTLY: .4550 - .5150

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Whey protein concentrate 34% prices are unchanged. Contract fulfillment is accounting for the bulk of trading with tight supplies of spot loads. Availability of WPC34% is affected by increased production of higher protein concentrates. The market tone is firm with spot loads trading at the high end of the mostly range. Export demand is good and being met through mostly contracts. Feed grade WPC34% is trading at food grade prices with occasional sales at reduced prices.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1500 - 1.5800 MOSTLY: 1.1800 - 1.5100

LACTOSE - CENTRAL AND WEST

Lactose prices are steady to firm as most production is servicing second quarter contracts. Demand is good and supplies are reported to be short of demand for some producers. Spot loads are pushing the higher end of the range in some cases. Sales of 200 mesh product for infant formula and pharmaceutical needs are garnering the upper end of the market. Export demand for feed products into Asian markets continues to absorb lower mesh lactose.

Including spot sales and up to 3 month contracts.
F.O.B. EDIBLE, NON PHARMACEUTICAL .3500 - .5500 MOSTLY: .4200 - .4800

CASEIN - NATIONAL

Price series for both casein types are unchanged. There are some changes within the price ranges as adjustments are made following recent quarterly price movements higher. The market supply is steady. Shipments out of Oceania are consistent with projections with production there at the end of the season. There are some uncertainties for the marketing season supply levels in the EU. Product considerations are still being determined and the total production levels of casein are uncertain beyond initial contracted commitments. The general upward movements of dairy protein prices are supporting casein and caseinatte markets. Lower domestic natural cheese market prices are not affecting the demand for analog cheese with that sector experiencing fair to good demand.

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

RENNET: 4.7600 - 5.1400
ACID: 4.7000 - 5.1200

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF APRIL 18 – 22, 2011			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/10	SAME PERIOD LAST YEAR	WEEK ENDING 04/15/11	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfat	-0-	-0-	-0-	-0-	132,276	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	132,276	-0-	-0-

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

BUTTER Bulk $1.05 per pound

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

NONFAT DRY MILK $.80 per pound

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/02/11 & Comparable Week 2010

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK	U.S. TOTAL SINCE JAN 1	% DAIRY OF ALL WEEK	% DAIRY OF ALL SINCE JAN 1
2011-Dairy	N.A.	0.6	8.2	2.9	20.2	4.0	N.A.	N.A.	14.5	3.8	56.1	789.7	48.0	48.9
2010-Dairy	N.A.	0.6	6.9	2.4	16.2	4.8	0.3	N.A.	16.6	3.5	52.4	774.2	45.7	45.6
2011-All cows	0.0	0.7	10.3	12.9	31.2	20.8	N.A.	N.A.	16.5	7.0	116.8	1,729.1		
2010-All cows	N.A.	0.7	8.7	12.7	30.7	20.1	13.1	N.A.	18.7	6.2	114.6	1,699.6		

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

CLASS III MILK PRICES,(3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2007	13.56	14.18	15.09	16.09	17.60	20.17	21.38	19.83	20.07	18.70	19.22	20.60
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83

CLASS IV MILK PRICES,(3.5% BF)

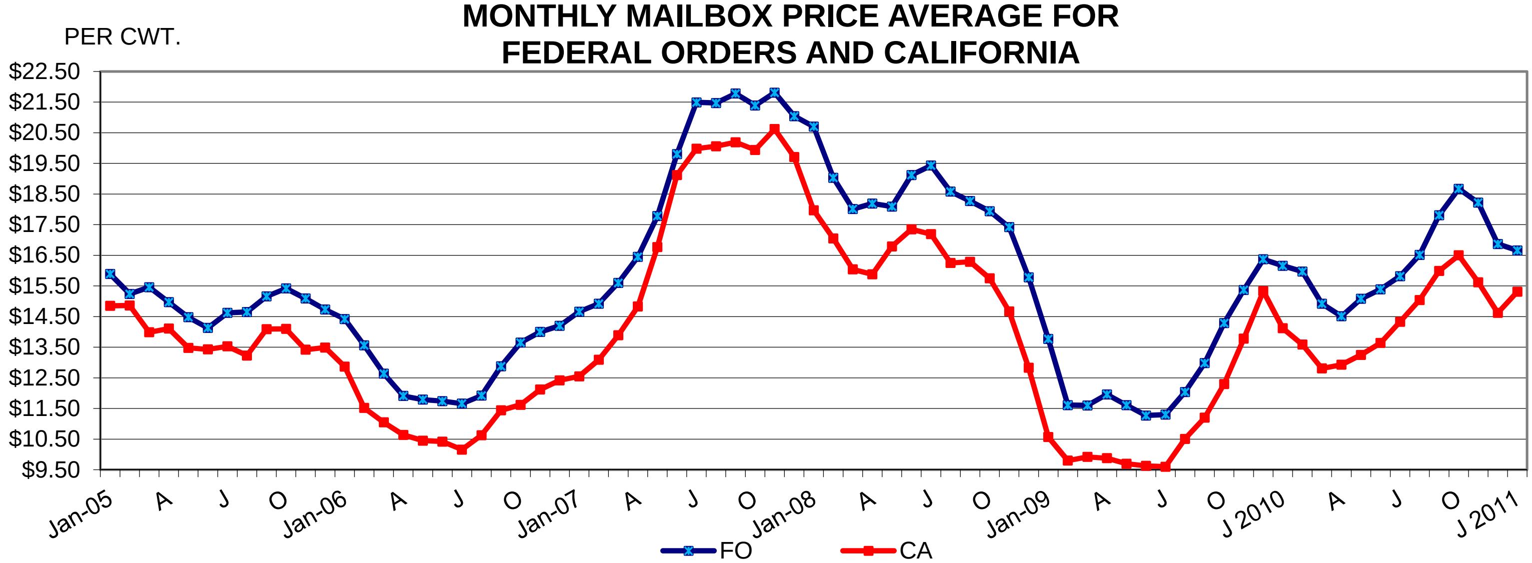
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2007	12.53	12.71	13.71	16.12	18.48	20.76	21.64	21.87	21.61	21.31	20.40	19.18
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03

FEDERAL MILK ORDER CLASS PRICES FOR 2011 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	15.20	15.89	18.23	19.43	19.75							
II	16.79	17.97	18.83									
III	13.48	17.00	19.40									
IV	16.42	18.40	19.41									

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

MONTHLY MAILBOX PRICE AVERAGE FOR FEDERAL ORDERS AND CALIFORNIA



ORGANIC DAIRY MARKET NEWS

Information gathered April 11 - April 22, 2011

ORGANIC DAIRY FLUID OVERVIEW

AMS reports Total Organic Milk Products sales for February 2011, 157 million pounds, were up 23.0% from February 2010 sales.

Organic Whole Milk sales for February 2011, 38 million pounds, were up 30.3% compared with February 2010.

This contrasts with a 1.9% February 2011 decline for Total Fluid Milk Products Adjusted (which includes organic and non-organic) compared with one year ago. This total Fluid Milk products data is adjusted for calendar year composition.

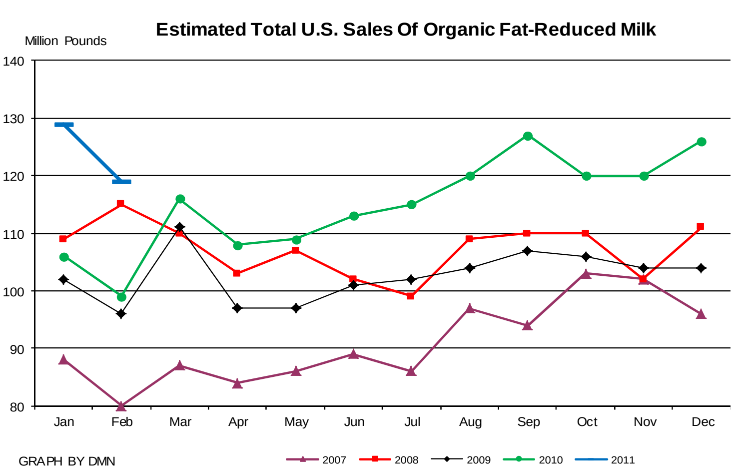
Itemized data compared with prior reporting periods is not yet available for organic categories reduced fat milk, low fat milk, fat-free milk, flavored milk or fat-reduced milk because data analysis recently expanded these categories and data for a full year has not yet accumulated.

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

Product Name	Sales February	Sales Y-T-D	Change from: 2/ Prev Yr.	Change from: 2/ Y-T-D
	Mil. Lbs.		Percent	
Whole Milk	1,076	2,288	-4.0	-2.7
Flavored Whole Milk	42	85	-0.9	-1.7
Reduced Fat Milk (2%)	1,428	3,032	-2.9	-2.2
Low Fat Milk (1%)	560	1,183	-0.5	0.2
Fat-Free Milk (Skim)	621	1,306	-3.8	-3.0
Flavored Fat-Reduced Milk	351	721	1.6	2.2
Buttermilk	38	77	3.9	2.5
Tot. Conv. Milk Products	4,121	8,701	-2.6	-1.8
Organic Whole Milk	38	80	30.3	29.7
Organic Reduced Fat Milk	45	94	3/	3/
Organic Low Fat Milk	31	64	3/	3/
Organic Fat-Free Milk (Skim)	36	75	3/	3/
Organic Flavored Milk	7	15	3/	3/
Organic Fat-Reduced Milk 4/	119	248	20.9	21.6
Tot. Organic Milk Products.	157	328	23.0	23.5
Tot. Fluid Milk Prod. 5/	4,278	9,029	-1.9	-1.1
Tot Fluid Milk Prod Adj 5/6/	4,278	9,092	-1.9	-1.0

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see 4/. 3/ Volume figures are not available for the previous year or all earlier months. Percentage changes are based on combined data under Organic Fat-Reduced Milk. 4/ Total of organic reduced fat, lowfat, skim, flavored, and miscellaneous milk products combined. 5/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 6/ Sales volumes and percent changes have been adjusted for calendar composition; see
http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELDEV3023272

The following graph shows the trend in U.S. sales of organic fluid reduced milk beginning in 2007 through February, 2011.



Sales were higher month after month for 2007 and most of 2008 until November that year. Following a sales increase in December 2008, for most of 2009, sales were below 2008 levels. Monthly growth above year earlier levels resumed in January 2010 and has consistently trended stronger than the prior year since then.

ORGANIC DAIRY RETAIL OVERVIEW

MONTHLY RETAIL MILK PRICE COMPARISON FOR 30 CITIES:

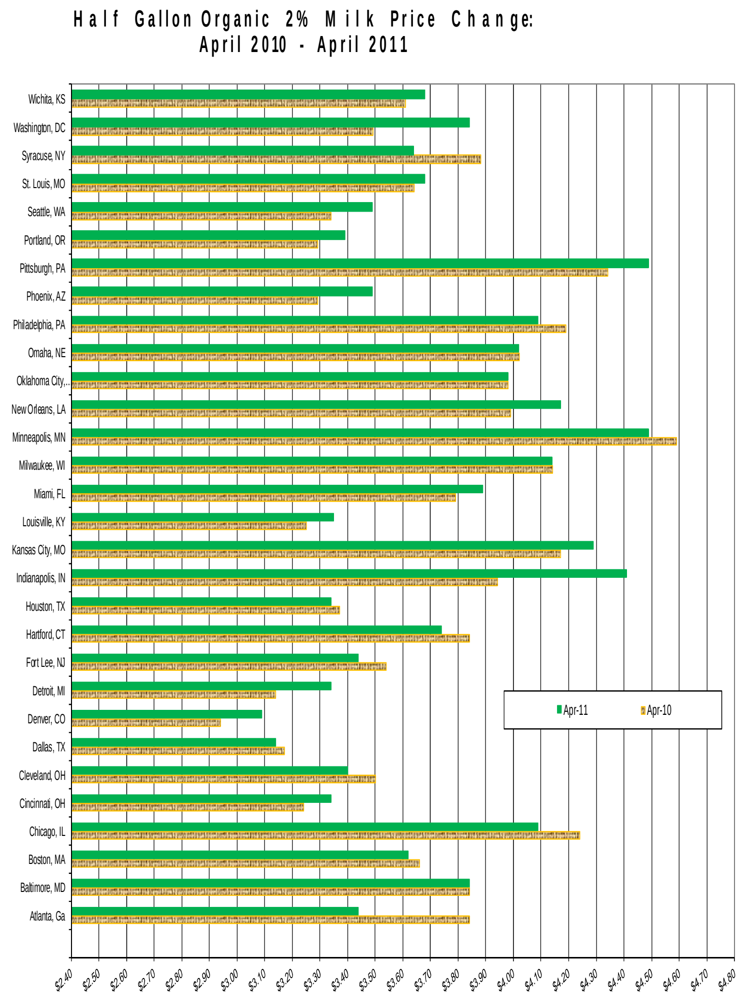
Comparing retail half gallon organic reduced fat (2%) milk prices surveyed in April 2011 with April 2010, 15 cities have higher prices, 11 lower prices, and 4 the same price. Atlanta, at $3.44, is the city with prices most below one year ago, being 40 cents lower. Indianapolis, at $4.41, is the city with prices most above one year ago, being 47 cents higher.

Denver has the lowest April 2011 price of any city, $3.09, which has been true every month since April, 2010 when the price in Denver was $2.94.

Minneapolis and Pittsburgh tie for the highest April 2011 price, $4.49. In April 2010 Minneapolis had the highest price, $4.59

The overall April 2011 average price for the 30 cities combined is 4 cents higher than the combined average for April 2010.

This comparison is derived from prices collected by Federal Milk Market Administrators during the first non-Friday or weekend 10 days of each month in 1 outlet of each of the 2 largest food store chains on 30 cities or metropolitan areas. The price listed represents the simple average of the 2 prices.



NATIONALLY ADVERTISED PRICE COMPARISON:

Overview. Organic dairy weekly supermarket newspaper advertising levels continue to swing widely this period to the second lowest level of 2011.

There are no notably high or low numbers of organic milk ads this period. Organic butter ads stood out the most. While down from two weeks ago when organic butter ads reached the highest number since this report began, ads for

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ORGANIC DAIRY MARKET NEWS

Information gathered April 11 - April 22, 2011

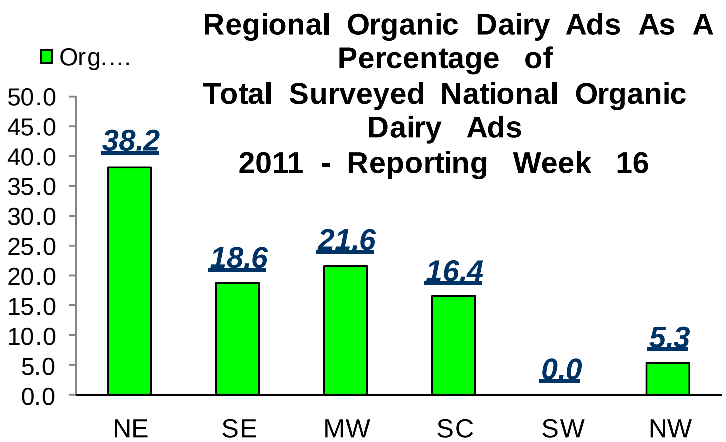
CONTINUED FROM PAGE 8

organic butter this period remain high – the highest number since the end of June 2010 except for two weeks ago.

Organic yogurt advertising remained strong following its' return two weeks ago, reaching the highest level of 2011. Organic yogurt ads this period were at the second highest level of 2011.

Information presented is compiled from newspaper supermarket ads for the period April 9, 2011 to April 21, 2011, identifying weekly "specials" and containing organic dairy content. Surveyed ads reflect advertised "specials" and not the range of supermarket cooler prices.

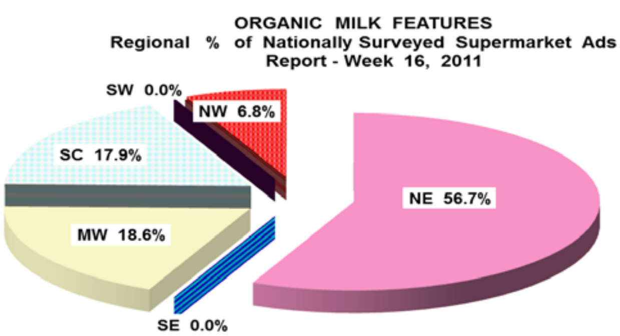
Regional Organic Dairy Ad Trends – Current Period. The Northeast region dominates other regions in organic dairy newspaper advertising, with 38.2% of total ads. The percentage of total national ads in other regions includes the Midwest, 21.6%; Southeast, 18.6%; South Central, 16.4%; and Northwest, 5.3%. There were no organic dairy ads in the Southwest.



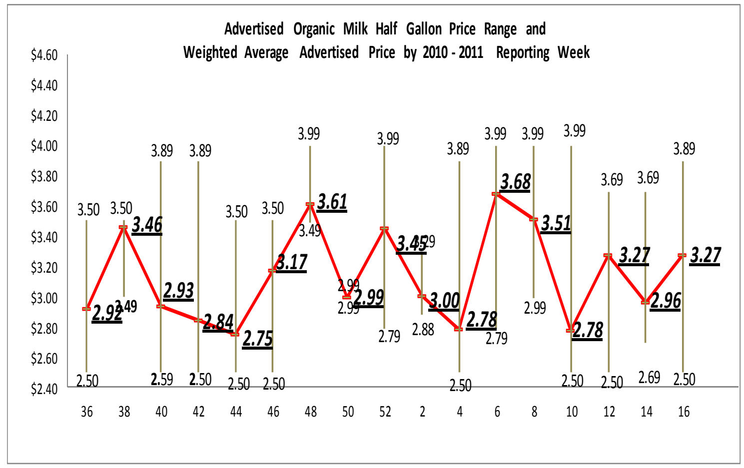
Product Emphasis.

This report's 1,185 organic milk ad placements are well down from 2,128 two weeks ago but up from 752 four weeks ago. Ads for organic milk in half gallon containers dominated the milk category with 709 ads. There are also 196 gallon organic ads, 213 ads for organic milk in 8 ounce containers and 67 ads for organic milk in quart containers.

Milk. Organic milk ads appeared in every region except the Southwest and Southeast. Regional percentages of total organic milk newspaper advertising include: Northeast, 56.7%; Midwest, 18.6%; South Central, 17.9%; and Northwest, 6.8%.



Half Gallons. The national weighted average advertised price for half gallons of organic milk increased 31 cents to $3.27. The top of the range increased 20 cents to $3.89 while the bottom declined 19 cents to $2.50.



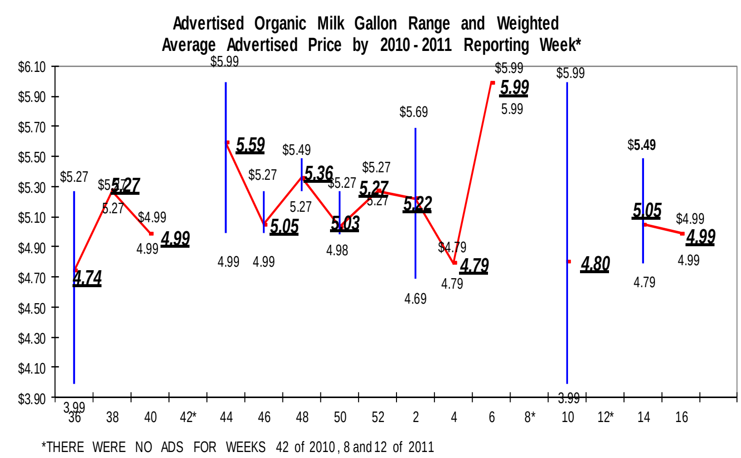
The following table shows the percentage of national half gallon organic milk ads by region and the regional weighted average advertised price.

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

REGION	%	WTD. AV. ADV. PRICE $
NE	27.6	3.49
SE	00.0	----
MW	31.2	3.81
SC	29.9	2.50
SW	00.0	----
NW	11.3	3.29
US		3.27

Gallons. There are 196 ad placements for organic gallons, up slightly from 189 two weeks ago. Ad numbers for gallons each two week cycle are typically well below numbers for half gallons.

The national weighted average advertised price for organic gallons is $4.99, 6 cents lower than two weeks ago. All ads reflect a price of $4.99 so there is no price range, unlike two weeks ago when the range top was $5.49 and the bottom was $4.79.



GALLON ORGANIC MILK ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE $
NE	100.0	4.99
SE	00.0	----
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		5.05

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ORGANIC DAIRY MARKET NEWS

Information gathered April 11 - April 22, 2011

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8 Ounce Milk. All 213 ads for 8 ounce organic milk are in the Northeast. The weighted average advertised price is $1.07, with a high price of $1.25 and a low of $1.00.

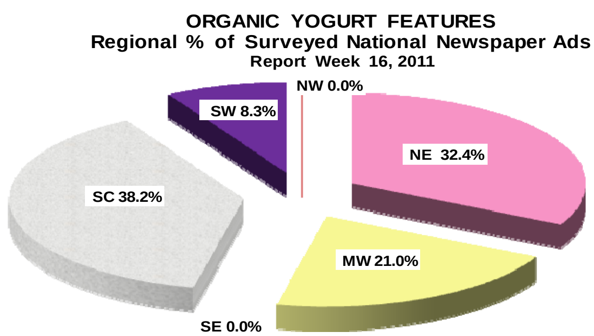
The following table shows the percentage of national 8 ounce organic milk ads by region and the regional weighted average advertised price.

8 OUNCE ORGANIC MILK ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

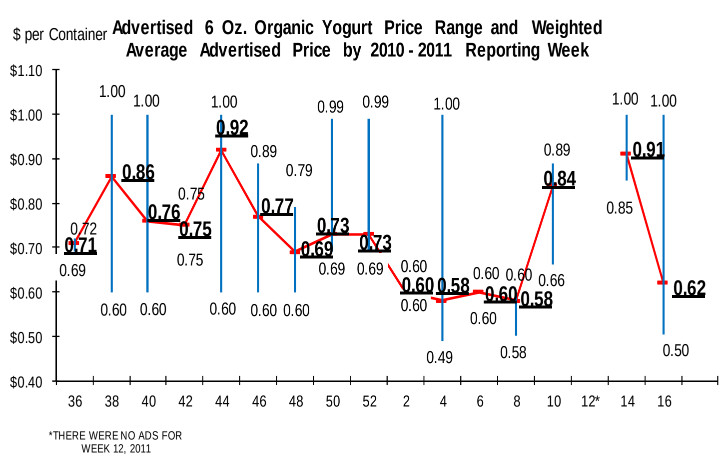
REGION	%	WTD. AV. ADV. PRICE $
NE	100.0	1.07
SE	----	----
MW	----	----
SC	----	----
SW	----	----
NW	----	----
US		1.07

Yogurt. Yogurt ad numbers remained only slightly below last period's 919, at 863 this week; still the second highest level of 2011.

Ads appeared in all regions except the Northwest and Southeast. The region with the highest percentage of ads is the South Central Region, with 38.2%. Other regions with organic yogurt ads are the Northeast, 32.4%; Midwest, 21.0%; and Southwest, 8.3%.



Organic yogurt in 6 ounce containers has a weighted average advertised price of 62 cents, 29 cents below two weeks ago, with a range from 50 cents to $1.00.



The following table shows the percentage of national organic 6 ounce yogurt ads by region and the regional weighted average advertised price.

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

REGION	%	WTD. AV. ADV. PRICE $
NE	60.7	0.70
SE	39.3	0.50
MW	00.0	----
SC	00.0	----
SW	00.0	----
NW	00.0	----
US		0.91

There are also 201 ads for 5.3 ounce organic Greek Yogurt, all priced at $2.00, in both the Midwest and South Central region. Finally, there are 201 ads for 32 ounce Kefir priced at $3.69, also South Central and Midwest.

Butter. Organic 1 lb. butter newspaper retail ads numbering 338 appeared in each region except the Northwest and Southwest. All ads in the Northeast, Southeast, Midwest and South Central regions are priced at $4.99.

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

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

REGION	%	WTD. AV. ADV. PRICE $
NE	17.2	4.99
SE	23.4	4.99
MW	48.8	4.99
SC	10.7	4.99
SW	00.0	----
NW	00.0	----
US		4.99

Cheese. Organic cheese in 8 ounce sizes is priced $3.99 and $4.29 in 201 ads run in the Northeast, Midwest and South Central Regions. The weighted average advertised price is $4.21.

8 OUNCE ORGANIC CHEESE ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE $
NE	27.8	3.99
SE	00.0	----
MW	55.0	4.29
SC	17.2	4.29
SW	00.0	----
NW	00.0	----
US		4.21

Half and Half. Organic 16 ounce half and half is priced between $1.79 and $1.99, for a weighted average advertised price of $1.89. A total of 417 ads ran in the Northeast, Southeast, Midwest and South Central Regions. This is an exceptionally high number of ads for half and half.

16 OUNCE ORGANIC HALF AND HALF ADS
REGIONAL % and WEIGHTED AVERAGE ADVERTISED PRICE

REGION	%	WTD. AV. ADV. PRICE $
NE	24.5	1.79
SE	01.0	1.79
MW	65.9	1.91
SC	08.6	1.99
SW	00.0	----
NW	00.0	----
US		1.89

No ads appeared for organic dairy products other than milk, butter, yogurt, cheese and half and half.

CONTINUED ON PAGE 8-C

ORGANIC DAIRY MARKET NEWS

Information gathered April 11 - April 22, 2011

CONTINUED FROM PAGE 8-B

SUPERMARKET PRICE COMPARISON:

Madison, Wisconsin Prices. Non-advertised organic milk, yogurt, butter and cheese prices in a range of food stores in Madison, Wisconsin are compared for this two week period.

Madison stores included a big-box sized local supermarket; 2 regional chain supermarkets; a smaller but full product line food market; and 2 natural food stores; a national discount big box chain store also selling food; and a large local cooperative grocery store.

Organic milk available in Madison stores included 2 national brands, 4 private label store brands, and 3 small local or near-by creamery brands, one featuring non-homogenized milk. Cheese available included 2 national brands, 2 store brands, and cheese from 5 other cheesemakers.

A table summarizing the survey results follows:

ORGANIC MILK, YOGURT, CHEESE & BUTTER PRICE RANGE 2011 REPORTING WEEK 16

	MADISON, WI LOW	HIGH	RANGE
		(In Dollars)	
GALLONS:			
Whole	5.19	6.49	1.30
Reduced Fat (2%)	5.19	6.49	1.30
Low Fat (1%)	5.19	6.49	1.30
Nonfat (Skim)	5.19	6.49	1.30
HALF GALLONS:			
Whole	3.00	4.19	1.19
Reduced Fat (2%)	3.00	4.19	1.19
Low Fat (1%)	3.00	4.19	1.19
Nonfat (Skim)	3.00	4.19	1.19
CHOCOLATE HALF GALLON:			
	3.39	5.69	2.30
YOGURT	.50	1.59	1.09
CHEESE – 8 OUNCE BLOCKS:			
Mozzarella	3.59	5.75	2.16
Mild Cheddar	3.89	5.99	2.11
Monterey Jack	4.99	5.99	1.00
Pepper Jack	3.59	5.99	2.40
CHEESE – 6 OUNCE STRING			
Mozzarella	3.00	5.09	2.09
Colby Jack	3.89	5.39	1.40
BUTTER – 1 POUND	4.50*	6.19	1.69

***=Price change from prior reporting period**

This report, the low price for 1 pound organic butter declined 25 cents to $4.50, 25 cents below two weeks ago. Other price changes occurred within the ranges, but not so as to change the ranges.

ORGANIC GRAIN AND FEEDSTUFF MARKETS:

National organic grain and feedstuff prices were mostly steady with light to moderate demand and supplies. Trade activity this reporting period was lighter than the previous period, and corn supplies in the Eastern Cornbelt reportedly remain tight. Higher fuel prices along with somewhat higher conventional corn prices have urged end users to use current grain stocks on hand. Increased buyer interest in alternative feed grade grains was noted, given the increasing feed corn prices. Feed grade pea and barley trade was noted, along with food grade cleaned spelt, however an accurate test of the market was not established by the time of publish.

Eastern organic grain and feedstuff prices were mostly steady. Trading activity was slow with light organic grain movement for this reporting period. Feed corn was steady to weak despite tight supplies of old crop corn. Higher fuel cost and lack of buying interest added pressure to organic grain values.

Upper Midwest organic grain and feedstuffs were mostly steady on light to moderate demand and offerings. Feed grade pea, barley and wheat trade was noted this period, but volumes were too light for an accurate test of the market in the Upper Midwest. Alternative feed grains were in greater demand this period, as farmers continue to demand higher prices for corn. Flooding in the Dakotas is reportedly hampering planting times and some organic farmers are not rushing into planting corn as quickly as the prior year, due to moisture concerns, reportedly.

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

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

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

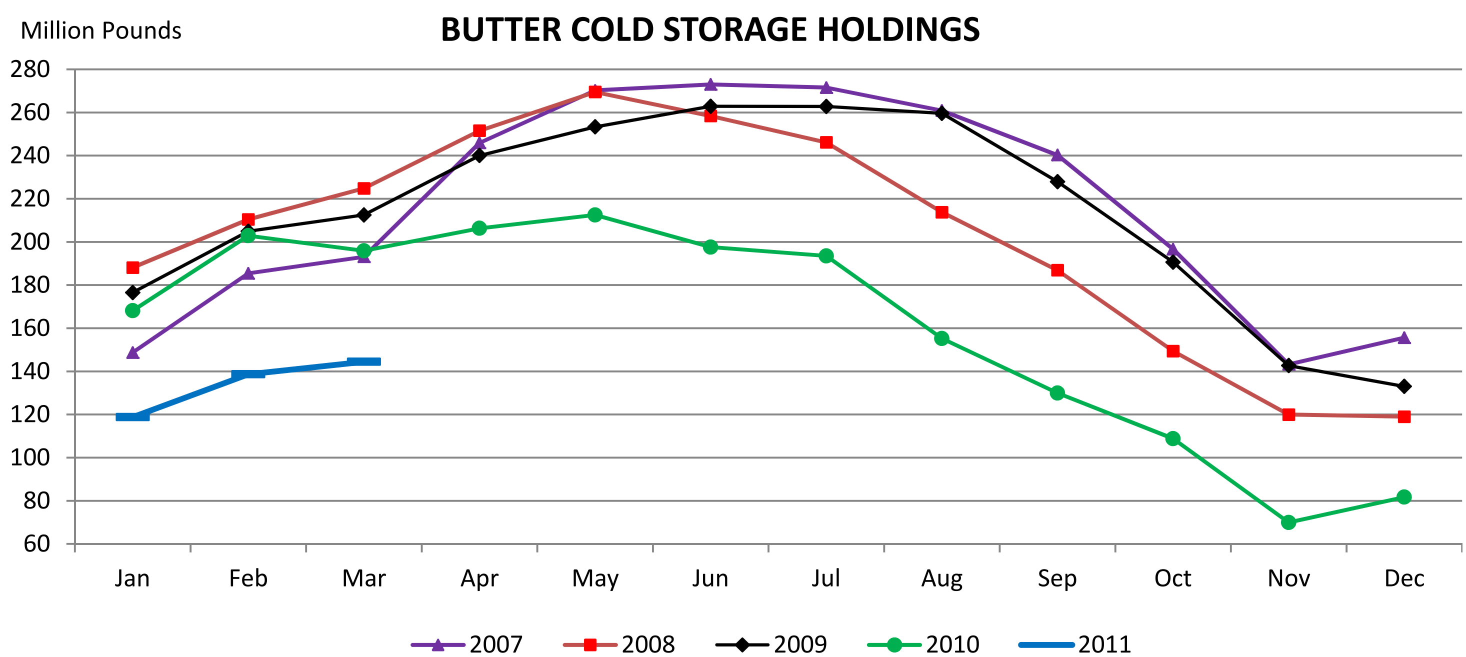
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	FEB 28, 2009	FEB 28, 2010	REVISED FEB 28, 2011	MAR 31, 2009	MAR 31, 2010	MAR 31, 2011
Butter	204,927	202,896	138,672	212,477	195,888	144,439
Cheese, Natural American	541,739	599,152	620,288	548,568	602,077	614,099
Cheese, Swiss	23,322	27,379	34,611	23,235	26,950	32,266
Cheese, Other Natural	327,480	369,384	379,678	343,386	375,736	386,878
Total Cheese	892,541	995,915	1,034,577	915,189	1,004,763	1,033,243
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	#	#	#	#	#	#
Natural American Cheese	#	#	#	#	#	#

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

MARCH STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
New England	35,460	38,329	38,904	---	---	---	423	536	617
Middle Atlantic	42,768	37,743	54,942	---	---	---	12,735	19,319	17,970
East North Central	219,622	257,009	253,744	---	---	---	213,236	250,423	258,383
West North Central	95,677	97,965	97,784	---	---	---	67,990	69,996	66,803
South Atlantic	4,329	6,531	43	---	---	---	245	190	7,242
East South Central	1,983	1,938	2,860	---	---	---	2,989	2,449	162
West South Central	4,682	2,996	2,528	---	---	---	1,207	953	1,131
Mountain	52,393	55,367	67,557	---	---	---	6,950	7,479	5,206
Pacific	91,654	104,199	95,737	---	---	---	37,611	24,391	29,364
TOTAL	548,568	602,077	614,099	212,477	195,888	144,439	343,386	375,736	386,878

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



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2010 TO DATE

Month	Butter		Natural American Cheese		Nonfat Dry Milk					
	Commercial		Commercial		Total 1/		Commercial		Government	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Million Pounds		Million Pounds		Million Pounds					
January	119	168	638	588	98	272	98	138	0	134
February	139	203	620	599	100	199	100	152	0	47
March	144	196	614	602		174		148		26
April		206		610		160		152		8
May		212		615		154		148		6
June		198		627		176		174		2
July		194		639		198		194		4
August		155		634		166		164		2
September		130		637		141		139		2
October		109		639		124		124		2/
November		70		625		128		128		2/
December		82		631		145		145		0

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

Source: U.S. Department of Agriculture. Farm Service Agency. *Summary of Processed Commodities, January 2010 – March 2011*. National Agricultural Statistics Service. *Cold Storage* and *Dairy Products, April 2011*.

MARCH MILK PRODUCTION

Milk production in the 23 major states during March totaled 15.8 billion pounds, up 2.4 percent from March 2010. February revised production at 14.0 billion pounds, was up 2.3 percent from February 2010. The February revision represented a decrease of 14 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 States averaged 1,872 pounds for March, 24 pounds above March 2010. The number of milk cows on farms in the 23 States was 8.42 million head, 93,000 head more than March 2010, and 17,000 head more than February 2011. Milk production in the U.S. during the January-March quarter totaled 48.4 billion pounds, up 2.2 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.16 million head, 70,000 head more than the same period last year.

STATE	MILK COWS 1/ 2/				MILK PRODUCTION 1/ 3/			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2010	2011	2010	2011	2011	% CHANGE FROM 2010	2011	% CHANGE FROM 2010
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	11.0	11.0	--	--	43.0	-4.4
AK	--	--	0.6	0.6	--	--	1.8	20.0
AZ	170	187	170.0	186.0	403	8.6	1130.0	7.8
AR	--	--	13.0	12.0	--	--	38.0	-7.3
CA	1,758	1,759	1759.0	1755.0	3,588	3.1	10137.0	2.0
CO	116	125	116.0	124.0	252	8.6	716.0	7.7
CT	--	--	18.5	18.5	--	--	92.0	---
DE	--	--	5.5	5.0	--	--	24.3	1.3
FL	113	118	113.0	117.0	219	6.3	624.0	10.1
GA	--	--	78.0	80.0	--	--	380.0	3.0
HI	--	--	1.9	1.9	--	--	6.9	13.1
ID	554	575	553.0	574.0	1,081	3.7	3115.0	3.7
IL	101	98	101.0	98.0	168	-2.9	481.0	-2.0
IN	169	171	169.0	171.0	303	1.7	865.0	2.2
IA	210	209	212.0	209.0	381	2.1	1093.0	1.3
KS	116	121	116.0	122.0	223	5.7	641.0	6.1
KY	--	--	79.0	76.0	--	--	289.0	-2.4
LA	--	--	20.0	19.0	--	--	69.0	3.0
ME	--	--	32.0	32.0	--	--	147.0	2.1
MD	--	--	54.0	53.0	--	--	255.0	-0.8
MA	--	--	14.0	13.5	--	--	58.0	-6.5
MI	357	362	355.0	362.0	715	0.7	2063.0	2.3
MN	470	471	470.0	471.0	775	-1.5	2240.0	-1.3
MS	--	--	17.0	15.0	--	--	58.0	-7.9
MO	101	94	101.0	95.0	126	-3.8	352.0	-3.8
MT	--	--	14.0	14.0	--	--	69.0	-4.2
NE	--	--	59.0	57.0	--	--	290.0	---
NV	--	--	28.0	28.0	--	--	151.0	---
NH	--	--	15.0	15.0	--	--	75.0	---
NJ	--	--	8.5	8.0	--	--	35.0	-5.4
NM	321	325	319.0	324.0	699	3.4	1991.0	4.1
NY	610	610	610.0	610.0	1,104	3.1	3175.0	3.8
NC	--	--	43.0	44.0	--	--	225.0	4.2
ND	--	--	21.0	20.0	--	--	88.0	-6.4
OH	272	271	272.0	271.0	455	-1.1	1299.0	-0.1
OK	--	--	57.0	54.0	--	--	241.0	-3.2
OR	115	119	115.0	119.0	209	3.5	596.0	3.5
PA	541	543	541.0	543.0	929	-0.7	2640.0	---
RI	--	--	1.1	1.1	--	--	4.7	2.2
SC	--	--	17.0	16.0	--	--	77.0	-6.1
SD	--	--	93.0	91.0	--	--	468.0	0.4
TN	--	--	53.0	50.0	--	--	214.0	-3.6
TX	410	426	410.0	425.0	829	7.0	2357.0	7.8
UT	85	87	84.0	87.0	154	--	442.0	-0.2
VT	136	135	135.0	135.0	221	1.8	636.0	2.3
VA	95	96	95.0	95.0	155	4.0	439.0	2.6
WA	249	254	247.0	252.0	514	2.0	1469.0	2.0
WV	--	--	10.0	10.0	--	--	39.0	---
WI	1,260	1,266	1260.0	1266.0	2,260	1.3	6462.0	1.1
WY	--	--	6.0	6.0	--	--	30.4	6.3
23 STATE TOTAL	8,329	8,422	--	--	15,763	2.4	--	---
U.S. 4/ 5/	--	--	9,093.0	9,163.0	--	--	48,432.0	2.2

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding. **Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, April 2011*.

FEDERAL MILK ORDER MARKETING AND UTILIZATION SUMMARY, MARCH 2011

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 10 consolidated orders are being released. During March, about 10.3 billion pounds of milk were received from producers. This volume of milk is 7.2 percent lower than the March 2010 volume. In March 2010 and March 2011, there were volumes of milk not pooled due to intraorder disadvantageous price relationships. About 3.9 billion pounds of producer milk were used in Class I products, 0.4 percent lower than the previous year. Calendar composition likely had a negative impact on milk used in Class I in 2011 as compared to 2010. The all-market average Class utilization percentages were: Class I = 38%, Class II =15%, Class III = 37% and Class IV = 10%. The weighted average statistical uniform price was $19.93 per cwt., $1.80 higher than last month and $5.25 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2011

FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			$ PER CWT.
Northeast (Boston)	001	2,128.7	2.3	880.7	-0.6	42	24	24	10	20.28
Appalachian (Charlotte)	005	509.6	-4.5	353.6	-1.8	69	16	8	7	21.06
Southeast (Atlanta)	007	662.0	3.3	400.5	-2.4	61	10	21	8	21.27
Florida (Tampa)	006	267.9	2.1	220.7	-3.4	83	11	2	4	22.88
Mideast (Cleveland)	033 3/	1,423.1	-3.5	581.4	-1.7	41	19	33	7	19.40
Upper Midwest (Chicago)	030 3/	2,611.0	-11.4	370.7	-3.5	14	7	78	1	19.43
Central (Kansas City)	032 3/	1,004.8	-12.3	390.5	6.6	39	18	28	15	19.21
Southwest (Dallas)	126 3/	600.5	-36.2	377.4	2.6	63	15	3	19	20.33
Arizona (Phoenix)	131	413.1	8.5	121.7	-1.5	29	7	23	41	19.70
Pacific Northwest (Seattle)	124	691.0	-2.2	198.1	2.8	29	7	40	24	19.43
ALL MARKET AVERAGE OR TOTAL	3/	10,311.8	-7.2	3,895.4	-0.4	38	15	37	10	19.93

1/ Names in parentheses are the major city in the principal pricing point of the market.
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform price in these markets, handlers elected not to pool an estimated 1.154 billion pounds of milk that normally would have been associated with these markets. In March 2010, the estimated not pooled volume of milk was 163 million pounds, also occurring in order numbers 030, 032, 033, and 126. After adjusting for non pooled milk, the year-to-year percent change is -1.7%.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, 2010 ANNUAL AVERAGES, WITH COMPARISONS 1/

For 2010, mailbox milk prices for selected reporting areas in Federal milk orders averaged $16.29 per cwt., $3.47 higher than the all-area average reported for 2009. The component tests of producer milk in 2010 averaged: butterfat, 3.66%; protein 3.05%; and other solids, 5.74%. On an individual reporting area basis, mailbox prices increased in all Federal milk orders reporting areas, and ranged from $19.40 in Florida to $14.77 in New Mexico.

Reporting Area 2/	Mailbox Milk Price 3/		
	2009	2010	Change 2010 from 2009
	Dollars per hundredweight		
New England States 4/	13.59	17.48	3.89
New York	12.75	16.33	3.58
Eastern Pennsylvania 5/	13.07	17.01	3.94
Appalachian States 6/	13.97	17.98	4.01
Southeast States 7/	14.52	18.38	3.86
Southern Missouri 8/	12.39	16.33	3.94
Florida	15.79	19.40	3.61
Western Pennsylvania 9/	13.00	17.00	4.00
Ohio	13.39	17.18	3.79
Indiana	12.94	16.83	3.89
Michigan	12.63	16.33	3.70
Wisconsin	12.88	15.89	3.01
Minnesota	12.90	15.71	2.81
Iowa	13.03	16.39	3.36
Illinois	12.95	16.49	3.54
Corn Belt States 10/	12.52	16.03	3.51
Western Texas 11/	11.96	15.68	3.72
New Mexico	11.13	14.77	3.64
Northwest States 12/	12.10	15.71	3.61
All Federal Order Areas 13/	12.82	16.29	3.47
California 14/	11.02	14.37	3.35

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the assessment under the Cooperatives Working Together (CWT) program. 2/ Information is shown for those area for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/ Figures are annual averages -- the weighted average of the monthly figures; except California, which is the simple average. 4/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/ All counties to the east of those listed in 9/. 6/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/ The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8/. 11/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/ Includes Oregon and Washington. 13/ Weighted average of the information for all selected reporting areas in Federal milk orders. 14/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

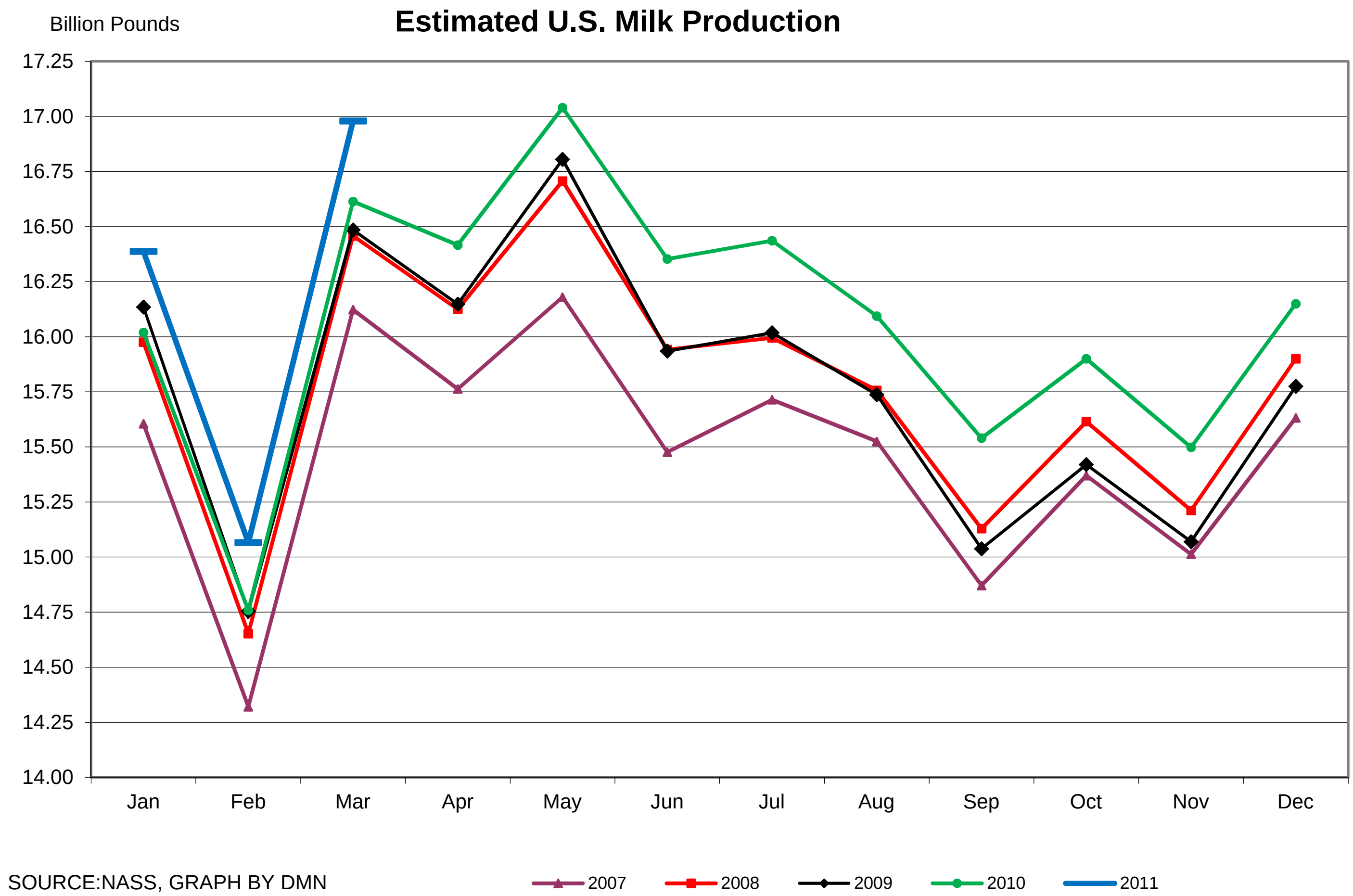
FEDERAL MILK ORDER ADVANCE PRICES, MAY

Class I Base Price. Under the Federal milk order pricing system, the Class I base price for May 2011 is $19.75 per cwt. This price is derived from the Class IV skim milk pricing factor of $12.49 and the advanced butterfat pricing factor of $2.1984. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month**. Compared to April 2011, the Class I base price increased $0.32 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), $0.34 per cwt., $0.029 per gallon; reduced fat milk (2%), $0.42 per cwt., $0.036 per gallon; fat-free (skim milk), $0.52 per cwt., $0.045 per gallon. **Class II Price Information**. The advanced Class IV skim milk pricing factor is $12.49. Thus, the Class II skim milk price for May is $13.19 per cwt., and the Class II nonfat solids price is $1.4656. **Product Price Averages**. The two-week product price averages for May are: butter $1.9869, nonfat dry milk $1.5698, cheese $1.6768, and dry whey $0.4775.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION 1/ 2/

Federal Milk Order Marketing Area 3/	Order Number	May 2011		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		$ per cwt.	$ per cwt.	$ per pound
Northeast (Boston) 4/	001	23.00	15.74	2.2309
Appalachian (Charlotte) 5/ 6/	005	23.15	15.89	2.2324
Southeast (Atlanta) 6/ 7/	007	23.55	16.29	2.2364
Florida (Tampa) 6/ 8/	006	25.15	17.89	2.2524
Mideast (Cleveland) 9/	033	21.75	14.49	2.2184
Upper Midwest (Chicago) 10/	030	21.55	14.29	2.2164
Central (Kansas City) 11/	032	21.75	14.49	2.2184
Southwest (Dallas) 12/	126	22.75	15.49	2.2284
Arizona (Phoenix)	131	22.10	14.84	2.2219
Pacific Northwest (Seattle) 13/	124	21.65	14.39	2.2174
All-Market Average		22.64	15.38	2.2273

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


Billion Pounds
Estimated U.S. Milk Production
17.25
17.00
16.75
16.50
16.25
16.00
15.75
15.50
15.25
15.00
14.75
14.50
14.25
14.00
Jan
Feb
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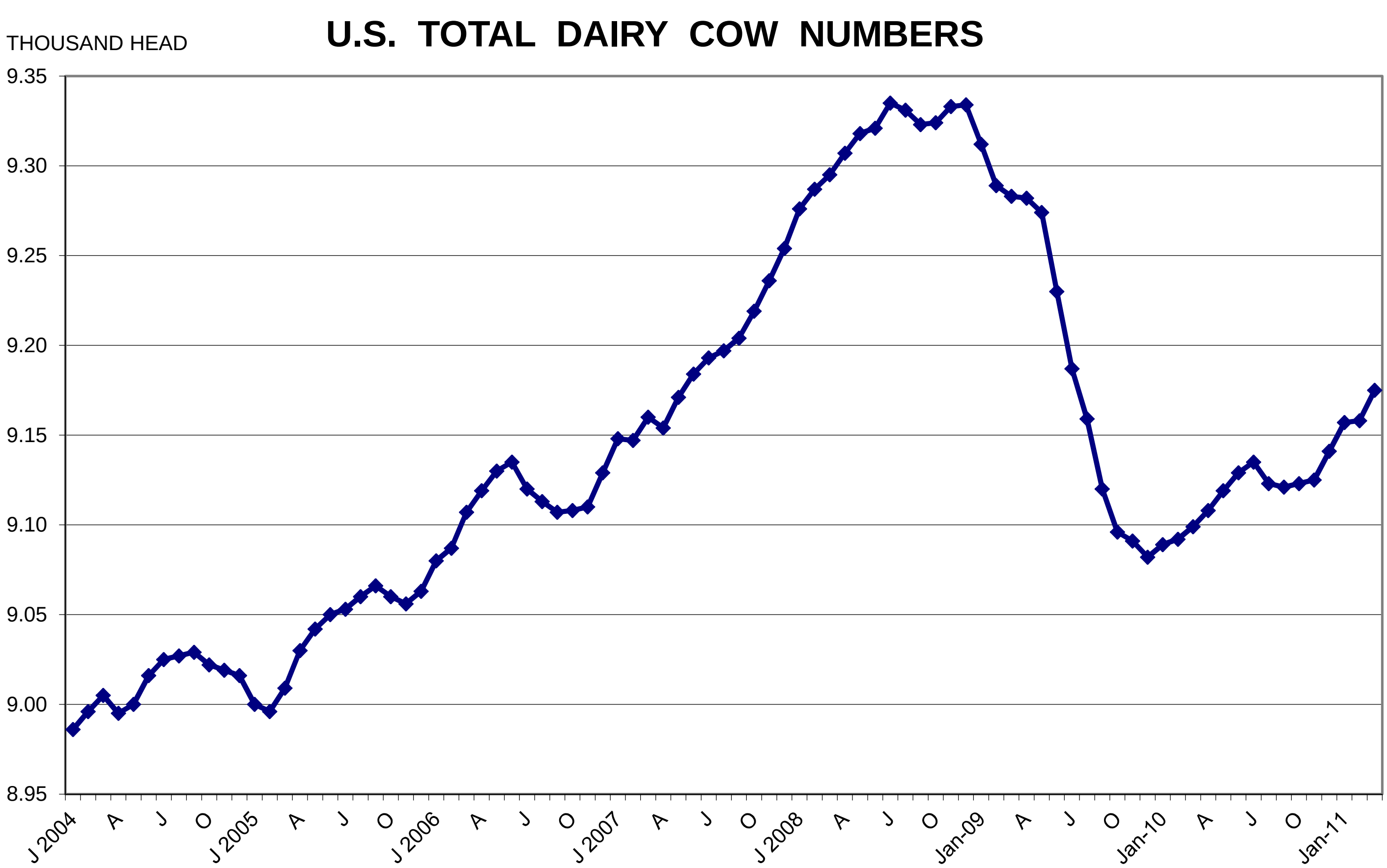
2007
2008
2009
2010
2011


THOUSAND HEAD
U.S. TOTAL DAIRY COW NUMBERS
9.35
9.30
9.25
9.20
9.15
9.10
9.05
9.00
8.95
J 2004
A
J
O
J 2005
A
J
O
J 2006
A
J
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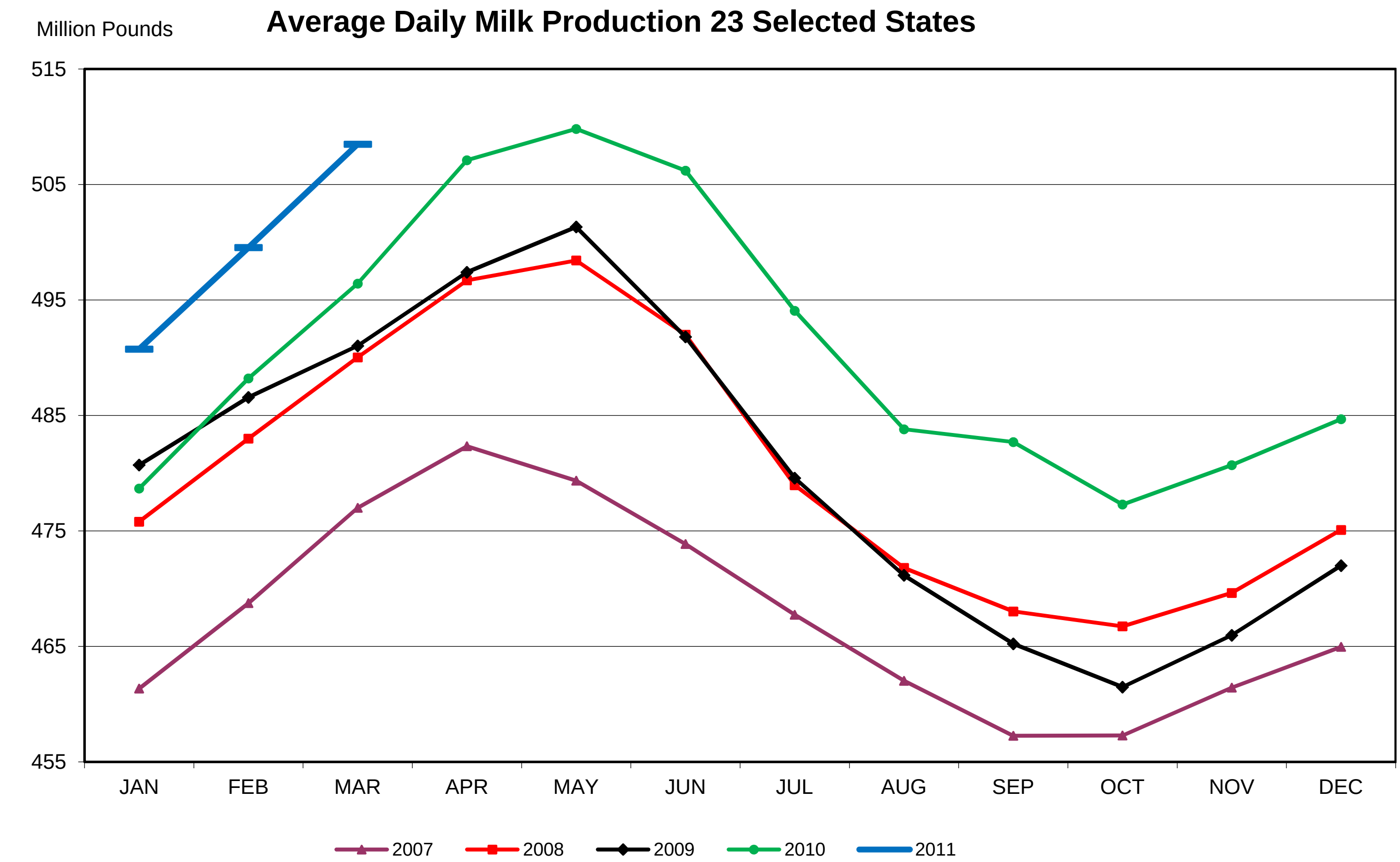
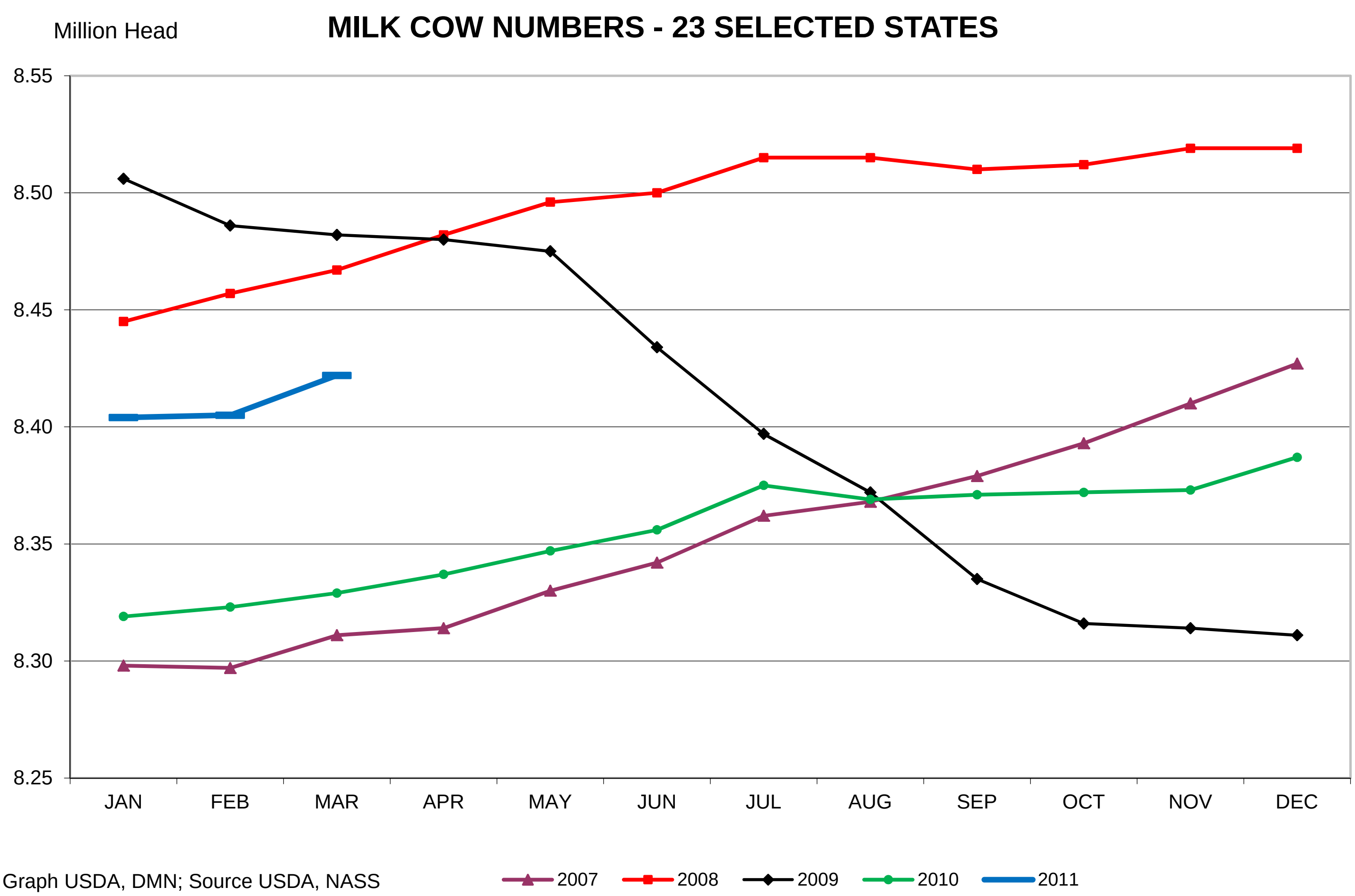
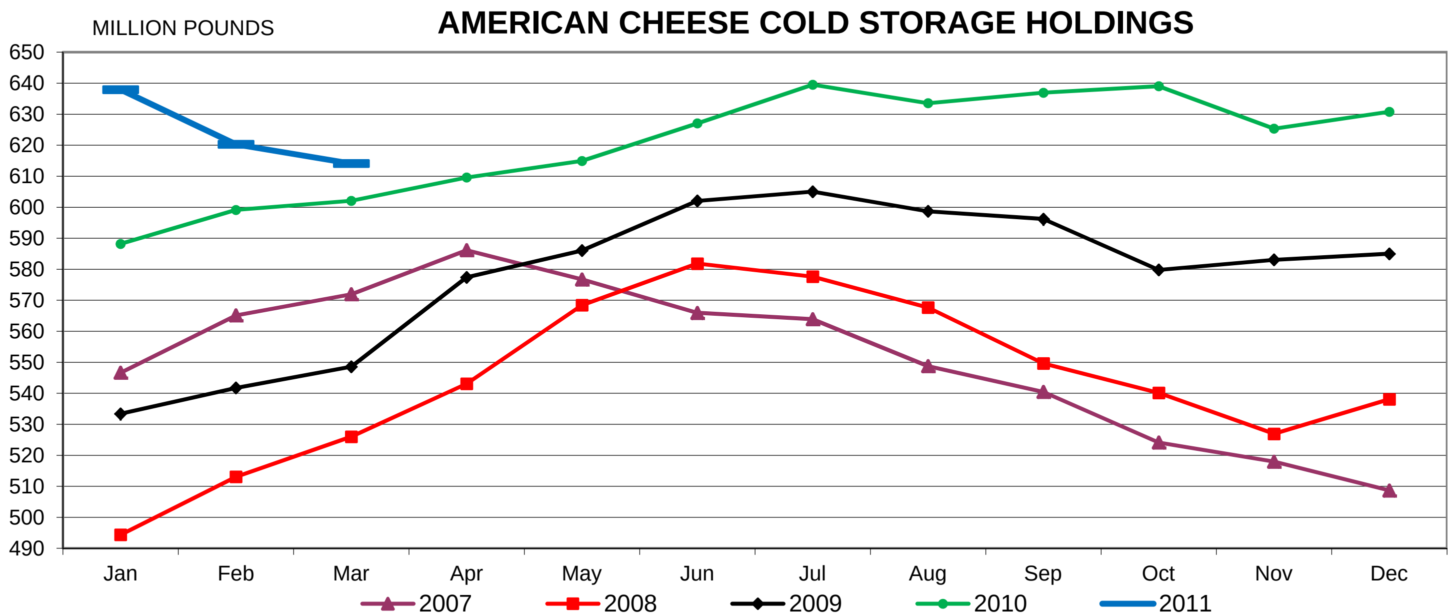
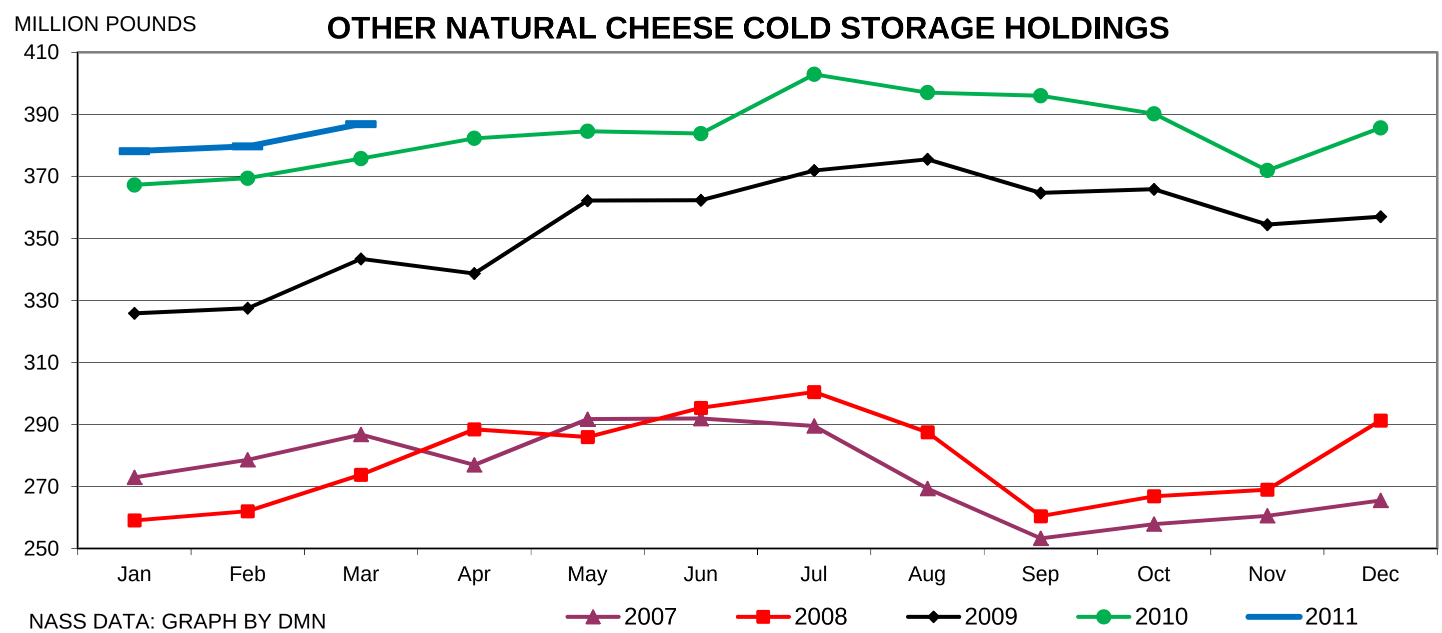
A
J
O
Jan-11

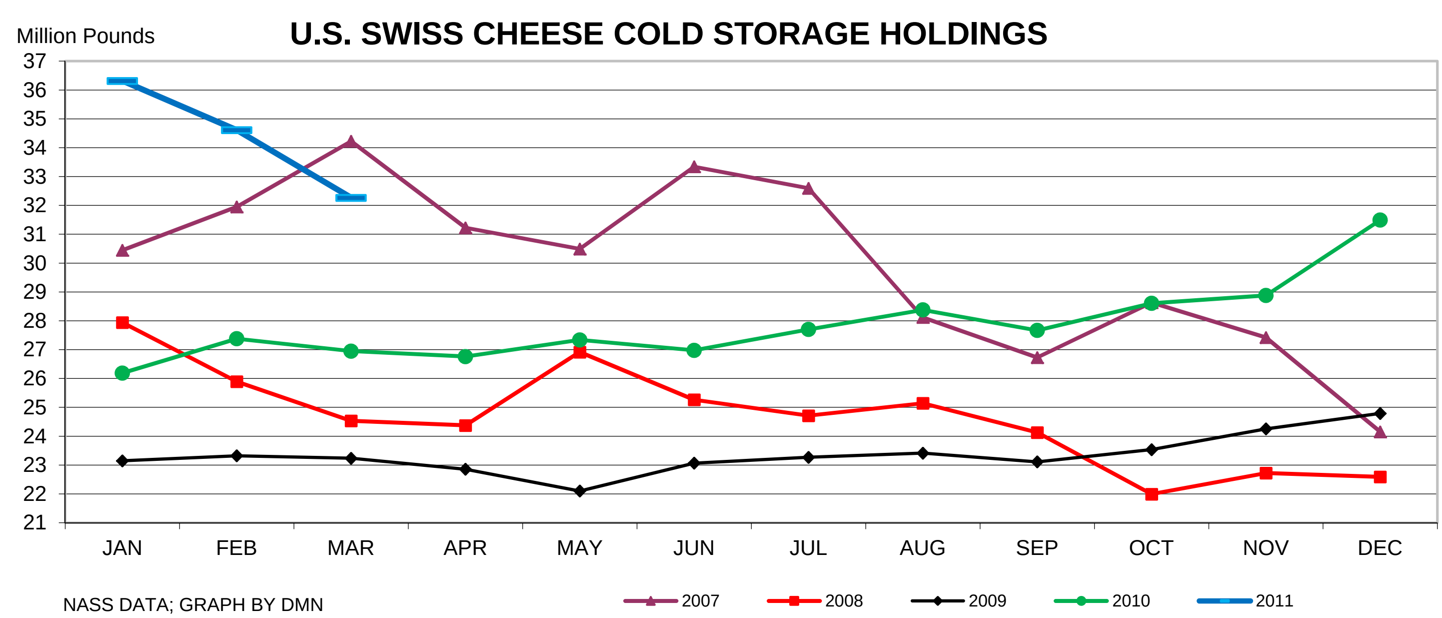




Graph USDA, DMN; Source USDA, NASS


MILLION POUNDS
AMERICAN CHEESE COLD STORAGE HOLDINGS
650
640
630
620
610
600
590
580
570
560
550
540
530
520
510
500
490
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2007
2008
2009
2010
2011


MILLION POUNDS
OTHER NATURAL CHEESE COLD STORAGE HOLDINGS
410
390
370
350
330
310
290
270
250
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
NASS DATA: GRAPH BY DMN
2007
2008
2009
2010
2011


Million Pounds
U.S. SWISS CHEESE COLD STORAGE HOLDINGS
37
36
35
34
33
32
31
30
29
28
27
26
25
24
23
22
21
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
NASS DATA; GRAPH BY DMN
2007
2008
2009
2010
2011

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GENERAL NUMBER
(608)278-4200

Elizabeth Frederick
(608) 278-4150
Elizabeth.Frederick@AMS.USDA.GOV

EAST
Rick Whipp
(608) 278-4151
Rick.Whipp@AMS.USDA.GOV

CENTRAL
George Koerner
(608) 278-4155
George.Koerner@AMS.USDA.GOV

CENTRAL/WEST
Janet Linder
(608) 278-4157
Janet.Linder@AMS.USDA.GOV

SOUTHWEST
Butch Speth
(608) 278-4152
Butch.Speth@AMS.USDA.GOV

NORTHWEST/MOUNTAIN
Bob Hunter
(608) 278-4158
Robert.Hunter@AMS.USDA.GOV

NATIONAL SUPERVISOR
Donald Nelson
(608) 278-4156
DonaldO.Nelson@AMS.USDA.GOV

INTERNATIONAL
Steven Schneeberger
(608) 278-4154
Steven.Schneeberger@AMS.USDA.GOV

ORGANIC
Eric Graf
(608) 278-4153
Eric.Graf@AMS.USDA.GOV

INTERNET ADDRESS

www.ams.usda.gov/DairyMarketNews

MARKET NEWS PORTAL

www.marketnews.usda.gov

RECORDED INFORMATION SYSTEM
(608) 278-4142

FAX
(608) 278-4141

USDA, Dairy Market News
2920 Marketplace Drive, STE 202
Fitchburg, WI 53719-5337