

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (4/12):****CME GROUP CASH MARKETS (4/12):**

BUTTER: Grade AA closed at \$1.7400. The weekly average for Grade AA is \$ 1.7340 (+.0695).

CHEESE: Barrels closed at \$ 1.7550 and 40# blocks at \$ 1.8375. The weekly average for barrels is \$ 1.7385 (+.0950) and blocks, \$ 1.8090 (+.0935).

BUTTER HIGHLIGHTS: Retail butter demand is good in the West and the market tone is positive. Some buyers wish to increase orders but they face a situation of butter stocks being managed carefully to ensure sufficient product availability later in the year. Northeast butter domestic demand is better than expected and export demand remains strong. Central butter manufacturers report that domestic and international interest for 80% and 82% butter is steady. Bulk butter prices in the West range from 3 to 4 cents under market. Central bulk butter pricing is reportedly carrying premiums of up to 10 cents over market. In that region, some pending international butter orders await fulfillment so cream is being kept in house to fill those contracts despite a recent increase in spot cream multiples. NASS's Dairy Products report shows nationwide butter production in February 2013 totaled 171.3 million pounds, an 8.9% decrease from January, but a 1.1% increase from the unadjusted February 2012 total. According to the Foreign Agricultural Service, exports of butter and milk fat for January-February 2013 total 20.0 million pounds, up 34% or 5.0 million pounds from the same period a year ago. The butter and milk fat exports account for 5.6% of butter production in the U.S. for the time period.

CHEESE HIGHLIGHTS: Cheese prices moved higher again this week, continuing an increase that started last week. Spot prices at the CME Group have been on the rise for most of the sessions since Easter. Recent reports of tighter than expected worldwide milk supplies have helped to increase demand for U.S. cheese. The Foreign Agriculture Service export report for January-February 2013 stated that cheese exports for the period were up 9% from the same time a year ago. The higher prices and good demand have cheese plants increasing production. Many plants are operating at full production to fill orders. Increasing milk supplies in many parts of the country are finding a willing home at cheese plants. At the CME Group, prices for barrels have increased 15.75 cents since March 28. Blocks have increased 14.5 cents over the same time period.

FLUID MILK: Many Central Region dairy farmers and manufacturing operations dealt with early spring snow, hail, wind and rain during the week. Milk pickups were delayed to some degree in many

areas of the northern tier of states when driving conditions deteriorated on Tuesday and Wednesday. Cream loads heading east from the Mountain States stalled overnight in Nebraska because of the shutdown of Interstate 80. Spot milk movement was limited, although one cheese plant is reportedly seeking numerous loads per week in the near term to fill cheese orders. Eastern cream loads are clearing into Central churns. Milk output continues to move slowly higher in California towards the seasonal peak. In the northern Sierra region, there has been only 5.5 inches of precipitation since January 1. The previous recorded low event was in 1923 when only 8.4 inches fell. Arizona milk output remains very near peak levels and is expected to remain there until heat stress takes the top off the seasonal output. Temperatures are getting into the 90s occasionally, but only for brief periods and nights remain cool. Contacts note an average spring developing in New Mexico. Temperatures are into the 80s and moisture is very short. The first cutting of alfalfa should start coming off in about two weeks. That will mean some additional milk supplies as the new feed hits the dairies. Normal spring weather conditions continued in the Pacific Northwest this week. Milk production is building slowly across the region. There were no major interruptions reported at manufacturing plants and processors are able to handle current supplies with ease. Idaho and Utah milk supplies are increasing as they build towards spring flush production. Processing capacity in the region is sufficient for current milk supplies. Snow packs in the mountains are reported at near 80% of normal and are not expected to restrict farm irrigation supplies. Northeast and Mid-Atlantic region milk supplies have marginally increased compared to last week. Milk production continues to increase along the seasonal trend. Pastures are beginning to green up with 61% rated as fair to good. Drought conditions continue to worsen in Florida with many areas 4-8 inches below normal rainfall, since the beginning of the year. Milk production is past the peak and has shown some marginal declines as hot weather has lowered cow comfort levels. Warm weather and green pastures have significantly increased milk production in the Southeast with current production at or near the peak of the spring flush. Cream supplies are readily available with good volumes of standardized cream coming from Class I plants with additional volumes coming from yogurt production.

DRY PRODUCTS: Prices for Central region nonfat dry milk are higher on a firm market. A few producers indicate that April NDM spot supplies are exhausted. End users indicate resellers are actively offering NDM loads at prices near the top of the range. Northeast nonfat dry milk

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CME GROUP CASH TRADING

COMMODITY	MONDAY APR 08	TUESDAY APR 09	WEDNESDAY APR 10	THURSDAY APR 11	FRIDAY APR 12	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7125 (+.0200)	\$1.7325 (+.0200)	\$1.7400 (+.0075)	\$1.7525 (+.0125)	\$1.7550 (+.0025)	:: (+.0625)	:: \$1.7385 (+.0950)
40# BLOCKS	\$1.7850 (+.0225)	\$1.7950 (+.0100)	\$1.8050 (+.0100)	\$1.8225 (+.0175)	\$1.8375 (+.0150)	:: (+.0750)	:: \$1.8090 (+.0935)
NONFAT DRY MILK							
EXTRA GRADE	\$1.6100 (+.0200)	\$1.6100 (N.C.)	\$1.6300 (+.0200)	\$1.6600 (+.0300)	\$1.6800 (+.0200)	:: (+.0900)	:: \$1.6380 (+.0680)
GRADE A	\$1.7125 (+.0300)	\$1.7225 (+.0100)	\$1.7500 (+.0275)	\$1.7700 (+.0200)	\$1.7800 (+.0100)	:: (+.0975)	:: \$1.7470 (+.0980)
BUTTER							
GRADE AA	\$1.7300 (+.0200)	\$1.7325 (+.0025)	\$1.7325 (N.C.)	\$1.7350 (+.0025)	\$1.7400 (+.0050)	:: (+.0300)	:: \$1.7340 (+.0695)

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

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CONTINUED FROM PAGE 1**

prices moved higher as spot sales, though fairly light, moved both ends of the price ranges significantly higher. Market conditions have changed dramatically over the past few weeks and have brought about the unusual situation of rising prices in the face of expanding production schedules with the onset of the spring flush. Western low/medium heat powder prices moved sharply higher this week. The turnaround from just a few weeks ago is amazing to most in the market. They are not doubting that it is happening, just surprised at the speed of the change in direction. Spot sales are again leading the market, though higher rather than lower as was the case three weeks ago. The market is becoming very untested because of very limited spot activity available from manufacturers. Central dry buttermilk prices are stepped higher as the market benefits from tighter supplies and steady to increasing interest. Churning is active in the region at several locations. Northeast dry buttermilk prices moved higher again this week as prices for both spot sales and sales based on various price indices advanced. Ample cream supplies and good export demand for butter continue to keep churns very active and, as a result, dry buttermilk production remains steady. Prices continue to move sharply higher for Western buttermilk powder. The market is firm. Offerings from manufacturers are declining as they make marketing decisions related to holding any stocks on hand for future sale. Central dry whey prices are mixed, with basis prices inching lower and F.O.B. spot prices moving higher. According to several Central market participants, the time for buyers to enter the market at the bottom is in the rearview mirror. The market floor is in place. A few Central dry whey manufacturers confirmed sales into China and Southeast Asia. Western dry whey prices were marginally higher this week as the range and the mostly series narrowed. The overall trend is firming in the whey market with many participants expressing a belief that the bottom is in for whey for at least the near future. Northeast dry whey prices on the upper end of the range increased, while the low end of the range was unchanged. Export demand and spot market sales have been very active in recent weeks and have tightened up supplies in the region. Central and West lactose prices are unchanged to higher on the top of the mostly as quarterly pricing on market-based contracts begin this week. Lactose inventories are uneven from manufacturer to manufacturer. The range and mostly whey protein concentrate 34% price series widened on a firmer market. Some buyers are noting the comparative value of WPC 34%, on a protein basis, when viewed alongside nonfat dry milk and dry buttermilk. Prices for dry whole milk stepped higher on a firm market having support from both the nonfat and butterfat markets. Buyer interest is steady to higher. Prices are unchanged for both casein types. The start to Q2 saw the pricing levels adjust higher. The market tone is firm.

INTERNATIONAL DAIRY MARKET NEWS (DMN): EUROPEAN OVERVIEW: WESTERN OVERVIEW: Milk production levels in Western European continue to trend below a year ago in the majority of countries. The biggest factor is the lingering wintry weather conditions across most of the major milk producing countries. Germany, Ireland, France, and the United Kingdom are noted to be tracking lower. The impacts of higher dairy product prices and the subsequent milk price gains are welcomed by milk producers. Fresh milk product sales are indicated to be hampered by cold weather. Prices for skim and whole milk powders are again higher to sharply higher. The impact of higher prices in other regions has buyers searching for countries with offerings. Local buyer interest has also increased as those buyers seek coverage. Butter prices moved higher with good demand noted for local buying needs. Current pricing levels are limiting exports. In March, butter movements into the Private Storage Assistance (PSA) program totaled 17,000 MT, down from nearly 32,000 MT a year earlier. The current high pricing points and good demand are major reasons for the downturn in shipments into the PSA. Dry whey pricing is higher. Buyer interest is good for the food quality, but met with lighter offering volumes. Demand is also good for feed quality and those prices are nearly equal. **EASTERN OVERVIEW:** Milk production in Eastern Europe remains at below year

ago levels for most countries and has limited growth for others. Snow and cold conditions are reported to be impacting the milk flow in Poland. High feed costs are restricting supplemental feeding. Higher dairy product prices are being welcomed. Offering of finished dairy products are most often light. **OCEANIA OVERVIEW: NEW ZEALAND** milk production continues to be impacted by drought conditions on the North Island and overall dry conditions elsewhere. At the farm level, the growing conditions for pastures remains poor and cows are being dried off earlier than desired. Other producers are giving supplemental feeding, which is increasing costs of production. Farmers are concerned about cow conditions for the start of the next milk season. News accounts are noting step-ups in milk prices. Pasture conditions are dry and the stands stressed. Rainfalls are needed to replenish water supplies. Some forecast models are showing rains in the next few weeks. The decline in milk is creating increased management of accounts on the books assessed against holdings and future production. Traders and handlers are being strategic to meet customer requirements. **AUSTRALIAN** milk production continues to be impacted by dry conditions and the effects of hot weather in recent months. The milk budgets are being forecast lower as the milk season progresses. The impact on product mix at the end of the season will be seen, but the sentiment is that the orders on the books will be serviced. Meeting the local demand is moving more milk towards those needs. Consumer interest is good and clearing expected volumes. Milk production is running below year ago levels as the season winds down. From July - February, the seasonal totals reported by Dairy Australia are running 1.1% lower (unadjusted for leap day in 2012) than during the same timeframe a year earlier. Season through February, unadjusted figures are: New South Wales, -0.6%; Victoria, -0.6%; Queensland -5.5%; South Australia -3.6%; Western Australia -1.5%; and Tasmania -2.0%. Dairy product prices are higher to sharply higher. The impacts of the gDT auction results are creating reactions in the marketplace. Higher prices are creating more tension in the marketplace. Some ingredient buyers are seeking coverage and willing to pay the prices with the ability to cost average the impact of the current market prices against other holdings. Other buyers are out of the market at the current pricing levels. gDT: At the April 2nd gDT session #89, average prices for the majority of products traded and contracting periods were higher and were sharply higher for skim milk powder. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,695 +6.7%; butter, \$4,425 -2.7%; buttermilk powder, \$4,595 +0.8%; cheddar cheese, \$4,622 +6.6%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$9,489 +4.4%; skim milk powder, \$5,142 +27.8%; and whole milk powder, \$5,100 +7.0%. The next event, #90, will be on April 16.

MARCH MILK SUPPLY AND DEMAND ESTIMATES (WAOB): The milk production forecast for 2013 is reduced on lower milk per cow in the first quarter. Cow numbers are unchanged from last month. Fat-basis imports are reduced mostly on lower imports of anhydrous products. The skim solids import forecast is reduced largely on lower expected imports of milk protein concentrates. Export forecasts are unchanged from last month. Fat-basis ending stocks are forecast higher, but skim-basis stocks are lowered. With slightly lower forecast 2013 milk production and improved domestic product demand, price forecasts for cheese, butter, NDM, and whey are raised. As a result, both Class III and Class IV price forecasts are higher than last month. The All Milk price for 2013 is higher at \$19.45-\$19.95.

CME GROUP

MONDAY, APRIL 8, 2013

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7825; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.7125; 2 CARS 40# BLOCKS @ \$1.7850; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.6100; 1 CAR GRADE A @ \$1.7125; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7300; LAST OFFER UNCOVERED: NONE

TUESDAY, APRIL 9, 2013

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7325; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7325; 1 CAR 40# BLOCKS @ \$1.7950; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7500
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.7225; LAST OFFER UNCOVERED: NONE
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.7325; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7500

WEDNESDAY, APRIL 10, 2013

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.8000; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7400; 2 CARS 40# BLOCKS @ \$1.8050; LAST OFFER UNCOVERED: 5 CARS BARRELS @ \$1.8000
 NONFAT DRY MILK -- SALES: 9 CARS GRADE A @ \$1.7500; LAST BID UNFILLED: 2 CARS EXTRA GRADE @ \$1.6300; LAST OFFER UNCOVERED: 4 CARS GRADE A @ \$1.7550
 BUTTER -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7500

THURSDAY, APRIL 11, 2013

CHEESE -- SALES: 7 CARS BARRELS: 4 @ \$1.7400, 1 @ \$1.7500, 2 @ \$1.7525; 5 CARS 40# BLOCKS: 1 @ \$1.8100, 3 @ \$1.8250, 1 @ \$1.8225; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE
 NONFAT DRY MILK -- SALES: 2 CARS GRADE A @ \$1.7700; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.6600; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7800
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.7325, 1 @ \$1.7350; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7400

FRIDAY, APRIL 12, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.7550; 3 CARS 40# BLOCKS @ \$1.8375; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.7800
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.7800; LAST BID UNFILLED: 1 CAR EXTRA GRADE @ \$1.6800; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.7800
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.7400; LAST OFFER UNCOVERED: 1 CAR GRADE AA @ \$1.7500

BUTTER MARKETS

NORTHEAST

The CME Group butter price increased \$0.0025 on Tuesday and closed at \$1.7325. Butter prices have increased in each of the last 6 sessions with a cumulative total net increase of \$0.1025. Trading activity has been fairly light during that same period with only 4 loads sold. Cream supplies are readily available with good volumes going to churns, keeping butter production on par with last week. Domestic demand for butter is better than expected as recent price increases have prompted some buyers to expand inventories, prior to further possible price hikes. Export demand remains strong with some butter makers continuing to make 82% unsalted butter to fill export orders. DAIRY PRODUCTS: Atlantic region butter production in February totaled 18.6 million pounds, down 11.6% from January, but 2.7% more than February 2012 (unadjusted for leap year).

CENTRAL

Butter makers in the Central region report domestic and international interest for 80% and 82% butter is steady. Many cream loads that are not clearing into Class II plants under contracts are moving through the churns and into bulk butter storage. A few manufacturers indicate they have international orders waiting for fulfillment. They are keeping cream in house to fill those contracts despite a recent increase in spot cream multiples. Central bulk butter pricing is reportedly carrying premiums of up to 10 cents over market.

DAIRY PRODUCTS: Central butter production showed a 7.6% decrease from January, but a 9.6% increase from the unadjusted February 2012 total. According to NASS records, this is the highest level of Central region butter production for any February in the last 9 years.

WEST

Western butter prices continued to firm this week as spot prices at the CME Group were higher. The market tone is positive with U.S. prices in a favorable position against international prices. Butter production schedules are busy with cream prices firming after the holidays. Retail demand is good with some buyers reported to be looking to increase orders. Butter

stocks are being managed carefully to insure sufficient product for later in the year. Butter prices at the CME Group exchange are unchanged on Wednesday at \$1.7325. Butter prices had gone higher the previous six sessions for over a ten cent gain. Sales at the CME Group are light with only one sale by midweek. 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.

DAIRY PRODUCTS: According to the NASS *Dairy Products* report, February butter production for the U.S. totals 171.3 million pounds, up 1.1% or 1.8 million pounds from February of 2012, unadjusted for the leap year. Cumulative output for the year for the U.S. is 359.3 million pounds, up 2.7% or 9.3 million pounds from the same unadjusted period in 2012. February output in the Western region totals 82.3 million pounds, down 5.5% or 4.8 million pounds less than unadjusted February of 2012. The West produced 48.1% of the butter in the U.S. in February. According to the Foreign Agricultural Service, exports of butter and milkfat for January-February 2013 total 20.0 million pounds, up 34% or 5.0 million pounds from the same period a year ago. Saudi Arabia, at 8.6 million pounds for the year, is the largest importer with a 65% increase above 2012. The butter and milkfat exports account for 5.6% of butter production in the U.S. for the year.

2013 U.S. Butter and Milkfat Exports, (USDA-FAS)		
	(Million Lb.)	% Change From
		1 Year Ago
Feb. Total	10.4	+ 25
Total, Jan - Feb.	19.9	+ 34
1 Saudi Arabia	8.6	+ 65
2 Iran	4.5	+ 32
3 UAE	1.4	-
4 Egypt	0.8	- 40
5 Morocco	0.7	+ 41

NATIONAL DAIRY PRODUCTS SALES REPORT

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	BUTTER	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	DRY WHEY	NDM
April 6, 2013	1.6446 5,046,600	1.6593 10,410,803	1.6412 10,435,677	0.5873 6,713,056	1.4920 28,639,848

CHEESE MARKETS

NORTHEAST

Cheese prices on the CME Group moved higher Tuesday with barrels increasing \$0.0200 to close at \$1.7325, and blocks advancing \$0.0100 to close at \$1.7950. Barrel prices have increased in each of the last 7 sessions with net increases totaling \$0.1350. Blocks have increased in each of the last 4 sessions with prices advancing a total of \$0.1025. Weekly average prices for barrels and blocks increased last week, which caused wholesale prices for cheddar blocks and Muenster to increase \$0.0200 and Process 5# sliced cheese to advance \$0.0375. Wholesale prices for Swiss cuts declined \$0.1000 following last Wednesday's Class III price release. Substantial milk volumes continue to make their way to cheese vats, supported by seasonal increases in milk production, keeping cheese makers on 6-7 day production schedules. Pizza promotions and sales continue to make up the majority of domestic cheese demand in the region. Export interest continues to be active and export sales are good. DAIRY PRODUCTS: According to the latest NASS report, total cheese production for February in New York was 59.4 million pounds, 3.9% less than January, but 1.6% more than February 2012 (unadjusted for leap year). Pennsylvania produced 34.7 million pounds in February, 5.5% less than one month earlier, but 3.3% more than one year ago (unadjusted for leap year). Vermont produced 10.0 million pounds, 4.1% less than last month and 0.9% less than February 2012 (unadjusted for leap year). The total of all cheese production for February in the Atlantic region was 111.7 million pounds, down 5.0% from January and 1.3% more compared to the same period last year (unadjusted for leap year). Atlantic region cheese production accounted for 13.0% of total U.S. production. Total U.S. cheese production in February totaled 857.4 million pounds, 8.4% less than January, but unchanged from February 2012 (unadjusted for leap year). Cumulative 2013 U.S. Cheese production was 1.4% greater than 2012 (unadjusted for leap year). Focusing on Italian cheese, New York production in February totaled 28.5 million pounds, 0.6% less than January, but 1.0% more than January 2012 (unadjusted for leap year). Pennsylvania produced 22.4 million pounds in February, 3.1% more than January and 2.7% more than February 2012 (unadjusted for leap year). The Atlantic region in February, produced 56.5 million pounds of Italian cheese, 1.5% less than January and 0.2% less than last year (unadjusted for leap year).

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

Cheddar 40# Block	:	2.1150-2.4000
Process 5# Sliced	:	1.8650-2.3450
Muenster	:	2.1350-2.4950
Grade A Swiss Cuts 10 - 14#	:	3.4300-3.7525

MIDWEST

Regional cheese production is continuing at a level that is keeping intermittent production facilities in operation awhile longer. There is enough milk available and orders are strong enough to warrant current production. Some plants report orders up a "good amount". CME prices have moved up sharply last week into this Wednesday. International factors are widely believed to be contributing to price movements. Last week there was what was described as a "buying frenzy" involving exporters who needed supply coverage to meet cheese export commitments. The drought and related drought anxiety focused on Oceania, are driving exports and positioning for

exports. Obviously this impacts domestic prices. Some Midwestern states, especially Wisconsin, have a growing population of cheese makers using only milk from cows grazed on pasture. The grazing season is weather dependent and this year the hope is to have cows on pasture by April 15. Last year the early spring had cows in some herds on pasture by March 23. Herds in the region usually stay on pasture until October and occasionally early November. A typical minimum requirement of some coops making this cheese is, accepting milk only from cows obtaining at least 60% of nutrients from grazing. Many producers reach 85% or so. The resulting cheese is often described as having a "creamier flavor" and a "brighter finish" than cheese from cows with less pasture grazing opportunity. This tends to lead to cheese price premiums and more profitability to producers of qualifying milk. Nationally, total February 2013 cheese production, 857 million pounds, is slightly below February 2012 and 8.4% below January 2013. (Bear in mind that February comparisons with January involve 28 days compared with 31 days, 9.7% fewer days to make cheese). Total Central Region cheese production for February, 391.5 million pounds, is down 7.5% from January but 1.5% over February last year. Focusing on Cheddar, the Central Region's February production of 122.8 million pounds is a 7.7% decrease from January compared with a 10.9% national decrease. Central Region American cheese production for February, 169.1 million pounds, is down 6.4% from January compared with -7.8% nationally. Total Central Region Italian cheese production for February, 149.4 million pounds, is down 8.1% from January compared with -9.7% nationally.

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

Process American 5# Loaf	:	1.8375-2.5425
Brick And/Or Muenster 5#	:	2.1025-2.6625
Cheddar 40# Block	:	2.1025-2.9750
Monterey Jack 10#	:	2.0725-2.9750
Blue 5#	:	2.3650-3.3525
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9450-3.0750
Grade A Swiss Cuts 6 - 9#	:	2.9500-3.0675

WEST

Prices for Western cheese moved higher as weekly average prices at the CME Group pushed higher. The market tone is very firm as U.S. prices are competitive in the international market. Retail demand continues to be strong with export markets showing increased interest. The CWT program assisted with sales of only 50,000 pounds this week. Production of cheese is heavy as inventories are at manageable levels. The barrel cheese price at the CME Group was \$.0075 higher on Wednesday at \$1.7400. Blocks closed up \$.0100 at \$1.8050. Barrel prices have moved higher for the last eight consecutive sessions as blocks continue to move higher also. Sales activity is light for barrels with one load sold and light to moderate with four loads of blocks by Wednesday. According to the NASS Dairy Products report, total cheese production in the U.S. in February reached 857.4 million pounds, unchanged from the unadjusted total for the leap year, February of 2012. Cumulative total cheese output for the U.S. for the year is 1.8 billion

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CHEESE MARKETS

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pounds, up 1.4% or 25.0 million pounds from unadjusted 2012. February total cheese production in the Western region was 354.2 million pounds, down 2.0% or 7.4 million pounds from unadjusted February 2012. The West produced 41.3% of all the cheese in the U.S. in February. Swiss output for the U.S. in February is 23.4 million pounds, down 8.7% or 2.2 million pounds from a year ago. According to FAS, exports of cheese and curd for January-February 2013 total 96.1 million pounds, up 9% from the same period a year ago. The exports account for 5.4% of total cheese production in the U.S. for January-February of 2013. Mexico is the largest importer of cheese with 22.0 million pounds so far this year or 22.9% of U.S. cheese exports.

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

Process 5# Loaf	:	1.7725-2.0300
Cheddar 40# Block	:	1.8350-2.1875
Cheddar 10# Cuts	:	2.0150-2.2350
Monterey Jack 10#	:	2.0250-2.1850
Grade A Swiss Cuts 6 - 9#	:	3.0075-3.4375

FOREIGN

The CME Group weekly average block price increased last week, causing domestic wholesale foreign type cheese prices to increase \$0.0200. Domestic Swiss cuts declined \$0.1000 as a result of last Wednesday's Class III price release. Imported cheeses saw increased prices for Gorgonzola and Reggiano with the balance of the other imported varieties unchanged. Imported cheese prices, in their country of origin, have seen increases of 3-4%, due to higher milk prices. The recent stronger dollar, compared to the euro, has offset the price increases for most imported varieties. DAIRY PRODUCTS: According to the latest NASS report, domestic Parmesan production during February totaled 25.3 million pounds, 15.5% less than January, but 3.1% more than February 2012 (unadjusted for leap year). Provolone production during February totaled 27.4 million pounds, 1.0% less than January and 3.4% less than February 2012 (unadjusted for leap year). Romano production during February totaled 4.8 million pounds, 31.2% more than January and 41.6% more than February 2012 (unadjusted for leap year). Swiss production during February totaled 23.4 million pounds, 8.4% less than January and 8.7% less than February 2012 (unadjusted for leap year).

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

VARIETY	:	NEW YORK	
	:	IMPORTED	DOMESTIC
Blue	:	2.6400-5.2200	2.2550-3.7425*
Gorgonzola	:	3.4900-6.4700*	2.7575-3.2125*
Parmesan (Italy)	:	-0-	3.6450-5.7350*
Provolone (Italy)	:	3.4400-5.4500	2.2975-2.4550*
Romano (Cows Milk)	:	-0-	3.4450-5.5950*
Sardo Romano (Argentine)	:	2.8500-3.6900	-0-
Reggiano (Argentine)	:	3.2900-4.4600*	-0-
Jarlsberg-(Brand)	:	2.9500-5.2900	-0-
Swiss Cuts Switzerland	:	-0-	3.5275-3.8500*
Swiss Cuts Finnish	:	2.5900-2.8500	-0-

* = Price change.

2013 U.S. Cheese and Curd Exports, (USDA-FAS)

	(Million Lb.)	% Change From 1 Year Ago
Feb. Total	47.7	+ 5
Total Jan.-Feb.	96.1	+ 9
1 Mexico	22.0	+ 9
2 South Korea	14.7	+ 30
3 Japan	12.9	+ 44
4 Egypt	5.1	+ 292
5 Canada	4.4	unchanged

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

BUTTER : CHEESE

	:	
04/08/13	13,366	: 112,271
04/01/13	12,285	: 113,292
CHANGE	1,081	: -1,021
% CHANGE	9	: -1

FLUID MILK AND CREAM

EAST

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

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	105	0	130	0	250
SOUTHEAST STATES	0	0	0	0	0	0

Manufacturing milk supplies in the Northeast and Mid-Atlantic regions have marginally increased compared to last week, as milk production continues to increase along the seasonal trend. Class I demand has leveled off as schools have resumed classes following their spring breaks. Field work is beginning in both regions with activities mostly limited to hauling manure, top dressing fields and some spring plowing. Pastures are beginning to green up with 61% rated as fair to good. Drought conditions continue to worsen in Florida with many areas 4-8 inches below normal rainfall, since the beginning of the year. The dry conditions are limiting forage growth, prompting supplementary hay feeding in those areas with the poorest pasture conditions. 70% of Florida's pastures are rated as either poor or fair. Milk production is past the peak and has shown some marginal declines as hot weather has lowered cow comfort levels. Class I demand increased this week, lowering exports to 105 spot loads. Warm weather and green pastures have significantly increased milk production in the Southeast with current production at or near the peak of the spring flush. Manufacturing milk volumes are heaviest on or around weekends. Class I demand has increased as nearly all schools have completed their spring break vacations. Cream supplies are readily available with good volumes of standardized cream coming from Class I plants with additional volumes coming from yogurt production. Demand for cream has improved as ice cream and whipping cream production are showing seasonal production increases. Multiples for all Classes ranged from 1.16-1.28. Interest for spot loads of condensed skim has increased as prospective buyers compare and contrast prices with nonfat dry milk. Last Wednesday's Class and Component Price release saw the Class III Skim Milk price decline, which lowered the value of Class III nonfat solids, which is used to price spot loads of condensed skim for cheese production. A majority of the condensed skim supplies continue to be channeled to Class IV production. According to NASS, ice Cream production in the Atlantic region for February totaled 11.9 million gallons, 2.7% less than January and 5.0% less than February 2012(unadjusted for leap year). U.S. Yogurt production (plain and flavored) for February totaled 361.4 million pounds, down 8.4% from January and 1.2% less than for February 2012 (unadjusted for leap year).

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 -	1.9974-2.0806
F.O.B. producing plants: Upper Midwest -	1.9641-2.0806

PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.52 - 1.59
Northeast - Class III - spot prices -	1.35 - 1.42

MIDWEST

Many dairy farmers and manufacturing operations dealt with early spring snow, hail, wind and rain during the week. Milk pickups were delayed to some degree in many areas of the northern tier of states as

driving conditions deteriorated on Tuesday and Wednesday. Cream loads heading east from the Mountain States stalled overnight in Nebraska because of the shutdown of Interstate 80. One - two inch hail pelted the plains states, with accumulations in a few areas of 2 inches. Corn planting is complete and plants emerging in South Central states. Field scouting is ongoing between snow and rain storms in the North Central. Inspectors in some areas report alfalfa winter kill losses may reach 85% in some limited areas of southern Wisconsin, and extended areas may experience 60% losses. Field work is at a standstill due to wet conditions and/or snow cover. Milk production is steady in the North Central region to inching seasonally higher. South Central states are reportedly cresting on milk production to slowly receding. Fluid demand ticked up late last week to accommodate the reactivation of school lunch programs and is now steady. Spot milk movement was limited, although one cheese plant is reportedly seeking numerous loads per week in the near term to fill cheese orders. Spot milk price offers, though, were reportedly below asking prices of neighboring coops that have ample room to process their own intakes. No spot milk prices were reported this week. East cream loads are clearing into Central churns as several butter makers report they have domestic and international commitments awaiting fulfillment. Cream cheese production is seasonally active. Class II cream multiples reported this week range from 1.18 - 1.25.

WEST

A storm front moved through CALIFORNIA over the weekend and into Monday is bringing some light rain and heavy winds. The storm did not add much to the water supply for agriculture and did not disturb milk production trends. The final monthly snow survey for the state has been completed and the January through March period in the Northern Sierra Nevada Mountains is the driest period since California began the survey in the 1920s. The survey found that the snowpack is just 52% of the average statewide. Also, in the northern Sierra region, there has been only 5.5 inches of precipitation since January 1. The previous recorded low event was in 1923 when only 8.4 inches fell. Milk output continues to move slowly higher in California towards the seasonal peak. It is increasing a bit faster now that new crop hay is becoming available. Hay prices range from \$230-236 for Supreme hay in southern California and \$212-230 for Premium hay, fob the stack. The May 2013 Class 1 prices in CALIFORNIA range from \$19.39 in the north to \$19.66 in the south. The statewide average Class 1 price based on production is \$19.41. The average is \$0.10 lower than April 2013 but \$2.45 higher than May 2012. ARIZONA milk output remains very near peak levels and is expected to remain there until heat stress takes the top off the seasonal output. Temperatures are getting into the 90s occasionally, but only for brief periods and nights remain cool. A storm moved through the state over the weekend and into early this week. Moisture was limited, but winds in the 45-60 mph range were noted. Milk production was not affected. Contacts note an average spring developing in NEW MEXICO. Temperatures are into the 80s and moisture is very short. Alfalfa growers will be relying on deep wells as opposed to surface water for irrigation. The first cutting should start coming off in about two weeks. That will mean some additional milk supplies as the new feed hits the dairies. Seasonal cream demand is beginning to develop. Ice cream plants are taking additional supplies of cream. However, churns continue to absorb heavy volumes of butterfat. At the CME Group, Grade AA butter

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pricing closed at \$1.7325 on Wednesday, April 10, up \$.0825 from a week earlier. Cream multiples range from 1.08 to 1.22, even with last week. Normal spring weather conditions continued in the PACIFIC NORTHWEST this week. Milk production is building slowly across the region. There were no major interruptions reported at manufacturing plants and processors are able to handle current supplies with ease. Feed costs are moderating and forage supplies are adequate for those dairies needing additional supplies. IDAHO and UTAH milk supplies are increasing as they build towards spring flush production. Processing capacity in the region is sufficient for current milk supplies. Signs of higher dairy product prices are being noted by dairy farms. If feed costs follow current trends, expansion plans may become possible for some dairies. Snow packs in the mountains are reported at near 80% of normal and are not expected to restrict farm irrigation supplies.

NONFAT DRY MILK, BUTTERMILK & WHOLE MILK

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

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices for Central region nonfat dry milk are higher on a firm market. Manufacturers note buyers quickly filled the price gap up to \$1.75 in the Central region, but attempts to breach that pricing did not go forward this week. A few producers indicate that April NDM supplies are exhausted. End users indicate resellers are actively offering NDM loads at prices near the top of the range, especially into accounts that could not get NDM from their traditional manufacturer relationships. Many end users and resellers are partaking in the current buying, but others stepped out of the market as they feel the current price rebound embodies a measure of enthusiasm instead of supply/demand basics. Manufacturers are dealing with improved contracting interest for Q2 and beyond, recognizing there are unfilled NDM needs, with price sensitivity, through the balance of the year. Several Central region plants are operating at capacity. Some Central operations indicate their cheese and butter/powder plants are receiving milk based on location or which plant has room versus which end product is more desirable. This is not unusual for areas undergoing the flush season, and will self-repair as the flush recedes. According to NASS, NDM production in the Central region totaled 26.2 million pounds during February 2013, 0.8% less than one month ago, but 57.8% more than the unadjusted February 2012 total. Cumulative nonfat dry milk production for 2013 in the Central region totals 52.7 million pounds, 61.4% higher compared to 2012 production during the same time span.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of human food NONFAT DRY MILK during February 2013 totaled 137.5 million pounds, down 3.7% from January 2013 production and 20.0% lower than the unadjusted February 2012 total. Cumulative nonfat dry milk production for 2013 totals 280.3 million pounds, 14.0% lower than 2012 production during the same time span. Month ending stocks, at 225.2 million pounds, are 13.6% higher than a month ago, and 16.5% higher than one year ago. February 2013 production of SKIM MILK POWDERS, which includes protein standardized and blended product, totaled 43.2 million pounds, 10.0% lower than one month ago but 136.8% more than the unadjusted February 2012 total. Cumulative 2012 skim milk powder production totals 91.2 million pounds, a 57.3% increase in production compared to production during the same time span in 2012.

EAST: Nonfat dry milk prices moved higher as spot sales, though fairly light, moved both ends of the price ranges significantly higher. Market conditions have changed dramatically over the past few weeks and have brought about the unusual situation of rising prices in the face of expanding production schedules with the onset of the spring flush. This situation has many market participants somewhat perplexed as to how best to position themselves in the market place. The primary contributing factor in the strong demand for nonfat dry milk has been exports with concerns of limited product availability from Oceania. Domestic buyers have found themselves chasing supplies and prices as numerous export sales have tightened supplies. Inventories are being held with confidence as demand, at least in the near term, is greater than product availability. Market activity has slowed as many are awaiting the results of next week's g/DT auction, which has been the primary price mover, to see if pricing trends and demand have changed overseas. The market undertone remains very firm. Atlantic Dairy Products - The latest NASS Dairy Products report indicates nonfat dry milk production for February in the Atlantic region totaled 19.2 million pounds,

13.9% of the nation's total. The Atlantic region production was 2.7% more than one year ago (unadjusted for leap year) and 4.5% more than the previous month.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.5500 - 1.7500 MOSTLY: 1.5500 - 1.6600
 HIGH HEAT: 1.6250 - 1.6850

U.S. NDM Exports, H.S. Code 0402100000(FAS)

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	77.5	- 12
TOTAL, JAN - FEB	147.3	- 15
1 Mexico	70.0	N.C.
2 Indonesia	16.0	+ 4
3 Vietnam	13.3	+ 20
4 Philippines	11.6	- 29
5 Malaysia	8.5	- 6

NONFAT DRY MILK - WEST

Western low/medium heat powder prices moved sharply higher this week. The turnaround from just a few weeks ago is amazing to most in the market. They are not doubting that it is happening, just surprised at the speed of the change in direction. Spot sales are again leading the market, though higher rather than lower as was the case three weeks ago. The market is becoming very untested because of very limited spot activity available from manufacturers. Many have sold up close enough to current that they have nothing left to offer and are holding anything that is left with great confidence. Most contacts feel that this situation will remain until at least the end of the month. Sales activity was surprisingly heavy at the CME at midweek with 9 loads changing hands. The strength in the market continues to emanate from the international front. Some in the domestic market are wondering if the current phenomenon may be close to running the course, or is it a very real situation that will continue until the new marketing year starts in Oceania.

DAIRY PRODUCTS: NDM production for the U.S. for February totals 137.5 million pounds, down 20.0% from February 2012 on an unadjusted basis. Production has been sharply below last year for the last two months. Cumulative output for 2013 has reached 280.3 million pounds, down 14.0% (unadjusted) from last year or about 45.7 million pounds. February output in the Western region totals 92.1 million pounds, down 32.6% from a year earlier (unadjusted). For comparison, output in the Central region was up more than 57%. February output of SMP for the U.S. was up almost 137% from a year earlier (unadjusted) to 43.2 million pounds. Cumulative SMP production for 2013 has reached 91.2 million pounds, up 57% from last year (unadjusted). Stocks of NDM at the end of January for the U.S. were revised downward by about 50 million pounds to 198.2 million pounds. Stocks at the end of February are 225.2 million pounds, about 16.5% above one year ago.

NDM exports for the first two months of the year total 147.3 million pounds, down 15% from the same time period in 2012.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: 1.5100 - 1.7175 MOSTLY: 1.5300 - 1.6200
 HIGH HEAT: 1.5600 - 1.7000

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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.

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DRY WHOLE MILK - NATIONAL

DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: Central dry buttermilk prices are stepped higher as the market benefits from tighter supplies and steady to increasing interest. Churning is active in the region at several locations. Eastern cream loads are also finding processing room in Central churns as a few churns in that region take some needed down time. Dry buttermilk production is steady, but condensed buttermilk sales into Class II plants are increasing as the ice cream season approaches. Manufacturers are building inventories with confidence.

DAIRY PRODUCTS: NASS *Dairy Products* reports production of dry buttermilk during February 2013 totaled 12.2 million pounds, 12.6% less than one month ago but 14.4% more than the unadjusted February 2012 total. Cumulative 2013 dry buttermilk production totals 26.2 million pounds, 12.1% more than during the same time span of 2012. Month ending stocks of dry buttermilk, at 22.4 million pounds, are 3.1% higher than one month ago and 13.9% higher than one year ago.

EAST: Dry buttermilk prices moved higher again this week as prices for both spot sales and sales based on various price indices advanced. Ample cream supplies and good export demand for butter continue to keep churns very active and, as a result, dry buttermilk production remains steady. Available supplies of dry buttermilk have tightened up considerably in recent weeks as many buyers have chosen to expand inventories. Ice cream production expansion has factored into demand increases for dry buttermilk, but so has the increase in the nonfat dry milk market. Dry buttermilk prices often shadow the nonfat dry milk market and, with recent significant price increases in that market, numerous buyers have purchased dry buttermilk supplies to hedge against possible future price increases. Spot market activity has slowed as supplies have tightened with the remaining inventories held in firm hands. The market undertone is firm.

F.O.B. CENTRAL/EAST: 1.4250 - 1.5000

DRY BUTTERMILK - WEST

Prices continue to move sharply higher for Western buttermilk powder. The market is firm. Offerings from manufacturers are declining as they make marketing decisions related to holding any stocks on hand for future sale. Current production remains seasonally heavy as much of the available cream continues to enter the churns in the region. Buyers are noting that it is getting harder to find the supplies that they need in a timely fashion. Some of the market strength is seasonal, but the rest is certainly related to the sharp run up in prices for NDM related to the current international situation.

Buttermilk powder production for the U.S. in February totals 12.2 million pounds, 12.6% below January 2013. Output is 14.4% above February 2012 on an unadjusted basis. Production has been sharply ahead of a year earlier for the last three months. Manufacturer's stocks at the end of February total 22.4 million pounds, 13.9% above one year earlier.

F.O.B. WEST: 1.4050 - 1.4900 MOSTLY: 1.4100 - 1.4300

Prices for dry whole milk stepped higher on a firm market having support from both the nonfat and butterfat solids markets. Buyer interest is steady to higher and some manufacturers are scouting for milk supplies to fill upcoming dry whole milk orders. Inventories are light and manufacturers are scheduling production intermittently to coincide with established contract needs.

DAIRY PRODUCTS: NASS's Dairy Products report shows dry whole milk production during February 2013 totaled 5.2 million pounds, up 11.1% from January 2012 and 16.9% higher than the unadjusted February 2012 total. Cumulative 2013 production totals 9.9 million pounds, a 1.2% decrease from 2012 production during the same time period. Month ending stocks, at 6.9 million pounds, are 2.5% higher than one month ago but 6.1% lower than one year ago.

F.O.B. PRODUCING PLANT: 1.7500 - 1.9300

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 5	\$1.4651	17,867,560	0
March 29	\$1.4982	19,067,843	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 mixed, with basis prices inching lower and F.O.B. spot prices moving higher. The market is gradually firming. Various end users and resellers indicate dry whey prices are attractive right now and they are shopping to fill single and block load needs. Manufacturers, too, note that the price checking phase of phone inquiries, which has been active during the first quarter, is steadily changing into active buying. A few Central dry whey manufacturers confirmed sales into China and Southeast Asia. In some cases, buyers doubled volumes within a few days of placing initial orders. According to several Central market participants, the time for buyers to enter the market at the bottom is in the rearview mirror. The market floor is in place. Central dry whey production is steady to higher. A few cheese/dry whey producers report food service interest in Italian cheese is rebounding. Vat fortification is taking place once again, to allow manufacturers to yield a little more cheese out of their current milk intakes, as well as additional dry whey. Animal feed dry whey interest is steady into feed blending accounts. ANIMAL FEED DRY WHEY prices are steady. A few producers anticipate animal feed dry whey production will increase in the short term as new/refurbished drying facilities restart. Some animal feed blenders indicate their product lines are set to expand in the near future with the upcoming availability of a larvicide feed additive. Human food dry whey production during February 2013 in the Central region totaled 39.5 million pounds. This dry whey production is 6.9% lower than one month ago, but 5.8% higher than the unadjusted February 2012 total. Cumulative 2013 human food dry whey production in the Central region totals 82.0 million pounds, 5.5% higher than 2012 production during the same time span.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows production of HUMAN FOOD dry whey in February 2013 totaled 77.5 million pounds, 10.2% lower than one month ago and 9.0% lower than the unadjusted February 2012 total. Month ending stocks of HUMAN FOOD dry whey totaled 65.0 million pounds, 9.2% more than one month ago and 38.7% more than one year ago. Production of ANIMAL FEED dry whey during February 2013 totaled 3.3 million pounds, 24.3% less than one month ago and 22.0% less than the unadjusted February 2012 total. ANIMAL FEED dry whey month ending stocks totaled 3.5 million pounds, 22.2% lower than one month ago and 28.8% lower than one year ago.

F.O.B. CENTRAL: .4700 - .6375 MOSTLY: .5200 - .5600
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4000 - .5200

DRY WHEY - NORTHEAST

Prices for dry whey moved marginally higher this week as prices on the upper end of the range increased, while the low end of the range was unchanged. Higher CME cheese prices in combination with ample milk supplies are maintaining and in some cases expanding cheese and dry whey production schedules. Export demand and spot market sales have been very active in recent weeks and have tightened up supplies in the region. Domestic demand has also increased, following the demand increases for other dry dairy products as buyers sense little downside risk in expanding inventories of lower priced proteins. This developing market situation appears to have put in a price floor for dry whey. Other regions have also noted a tightening of dry whey supplies. Manufacturers are much more comfortable with their current

inventory levels. The undertone is steady to firm.

DAIRY PRODUCTS: The latest NASS Dairy Products report shows production of dry whey for human consumption for the nation in February, totaled 77.5 million lbs. The Atlantic region totaled 20.4 million pounds, or 26.4% of the nation's total. The Atlantic region production was 1.7% less than February 2012 (unadjusted for leap year) and down 2.4% compared to the previous month.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5200 - .6300

DRY WHEY - WEST

Western dry whey prices were marginally higher this week as the range and the mostly series narrowed. The overall trend is firming in the whey market with many participants expressing a belief that the bottom is in for whey for at least the near future. Heavier than expected stocks earlier in the year are clearing and the supply has tightened. Higher prices for competing protein sources are helping to move whey prices higher. According to the NASS *Dairy Products* report, edible U.S. whey production in February totals 77.5 million pounds, down 9.0% (-7.7 million pounds) from last year's unadjusted Leap Year total. The Western region produced 17.5 million pounds of whey in February, down 35.1% (-9.5 million pounds) from last year's unadjusted level. The West produced 22.6% of the whey in the U.S. in February. Cumulative U.S. total dry whey production for the year is 171.4 million pounds, down 7.6% or 14.0 million pounds from the unadjusted period in 2012. Manufacturers' stocks at the end of February for edible whey are 65.0 million pounds, up 38.7% from last year's unadjusted total. According to the Foreign Agricultural Service, exports of dried whey for January-February 2013 total 77.4 million pounds, down 9% (7.9 million pounds) from the same period a year ago. The exports account for 45.2% of the total dry whey production in the U.S. for January-February 2013. China remains the leading U.S. export destination for whey with 29.8% of the total U.S. whey export market. Chinese imports of U.S. whey this year are currently 56% above year ago amounts.

NONHYGROSCOPIC: .5350 - .6025 MOSTLY: .5350 - .5900

U.S. Dry Whey Exports. H.S. Code 0404104000(FAS)

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	36.1	- 3
TOTAL, JAN - FEB	77.4	- 9
1 China	23.1	+ 56
2 Canada	9.1	+ 33
3 Japan	8.2	+ 9
4 Philippines	4.1	+ 24
5 Korea, South	4.1	+ 114

CONTINUED ON PAGE 6A

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.

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The range and mostly whey protein concentrate 34% price series widened on a firmer market. Manufacturers indicate interest reemerged soon after the global Dairy Trade auction results of last week. Some buyers are noting the comparative value of WPC 34%, on a protein basis, when viewed alongside nonfat dry milk and dry buttermilk. Domestic interest is steady to modestly higher. Some manufacturers indicate the recent market reset in WPC 34% regenerated international interest from Southeast Asia. Active reentry into the market by international buyers has sewn up many of the uncommitted WPC 34% spot loads manufacturers thought they would have throughout Q2 and beyond. For one or two manufacturers, recent mid-range sales agreements incorporate slight discounts to the weekly market, but provide stable outlets for projected production and the opportunity to parallel market price trends. Pricing structures on some spot sales changed this week, with producers abandoning fixed pricing and switching to market based prices.

DAIRY PRODUCTS: The NASS *Dairy Products* report shows production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during February 2013 totaled 16.1 million pounds, 11.3% lower than one month ago, and 20.9% lower than the unadjusted February 2012 total. Cumulative WPC 34% HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) production for 2013 totals 34.2 million pounds, 18.7% lower than 2012 production during the same time span. Manufacturers' end-of-month stocks of HUMAN AND ANIMAL WPC (25.0 - 49.9% PROTEIN) totaled 26.5 million pounds, 0.8% lower than one month ago but 15.3% higher than one year ago.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1600 - 1.4000 MOSTLY: 1.2200 - 1.2500

U.S. WPC ≤ 80% Exports, H.S. Code 0404100500(FAS)

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	18.6	+ 33
TOTAL, JAN - FEB	37.8	+ 43
1 Mexico	12.6	+ 297
2 China	6.7	+ 15
3 Canada	5.2	+ 22
4 Japan	2.3	- 16
5 Australia	2.3	+ 126

LACTOSE - CENTRAL AND WEST

Central and West lactose prices are unchanged to higher on the top of the mostly as quarterly pricing on market-based contracts begin this week. Lactose inventories are uneven from manufacturer to manufacturer. Interest in higher mesh size lactose is steady to improving from established customers. Availability of 200 mesh lactose is tight from producers. Unground lactose demand is unchanged and availability is immediate from several manufacturers. With the market tone being mixed, buyers are looking for some assurances from manufacturers on pricing. Several producers are delivering that assurance via pricing structures that will follow the market as needed to keep buyer interest viable.

DAIRY PRODUCTS: NASS's *Dairy Products* report shows HUMAN and ANIMAL lactose production during February 2013

decreased 11.7% compared to January 2013 to 78.3 million pounds and decreased 3.7% compared to the unadjusted February 2012 total. Cumulative 2013 lactose production totals 166.9 million pounds, 0.6% less than during the same time span in 2012. Month ending stocks, at 89.0 million pounds, are 0.7% lower than one month ago, but 26.5% higher than one year ago.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL: 4500 - .7500 MOSTLY: .5800 - .7100

U.S. Lactose Exports, H.S. Code 1702110000(FAS)

	2013 Exports (Million Lb.)	% Change From 1 Year Ago
February Total	41.6	+ 56
TOTAL, JAN - FEB	81.6	+ 37
1 New Zealand	14.8	+ 40
2 China	12.3	- 5
3 Mexico	9.9	+ 19
4 Brazil	7.4	+ 155
5 Japan	6.3	+ 56

CASEIN - NATIONAL

Prices are unchanged for both casein types. The start to Q2 saw the pricing levels adjust higher. The market tone is firm. Buying interest is fair to good. Buyers are seeking coverage for upcoming needs and there are more concerns about coverage in the latter half of the year. The slow start to the milk season in Europe and milk output being below a year ago in the major casein producing countries is being watched.

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

RENNET: 4.3000 - 4.7000
ACID: 4.5500 - 4.9500

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

	WEEKLY	2013	2012 WEEKLY	2012
<u>WEEK ENDING</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>	<u>DAIRY COWS</u>	<u>CUMULATIVE DAIRY COWS</u>
03/23/2013	64.4	776.5	61.5	739.7

WEBSITE: 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)

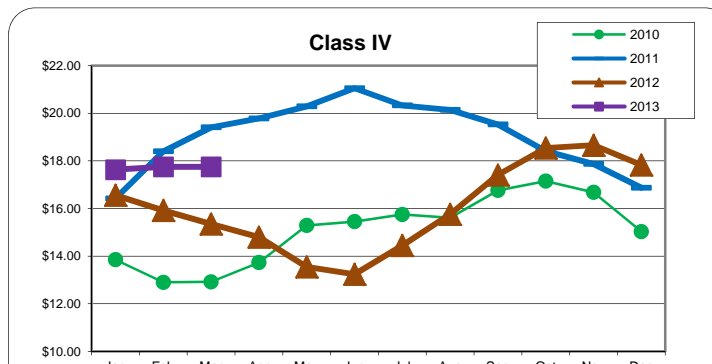
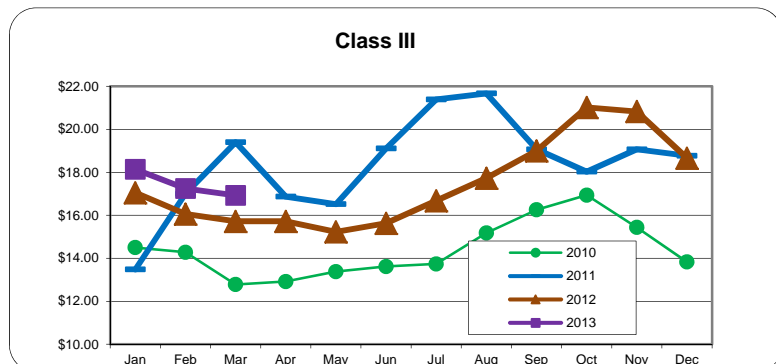
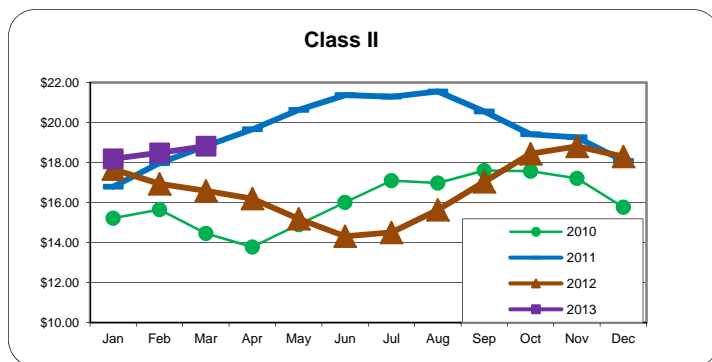
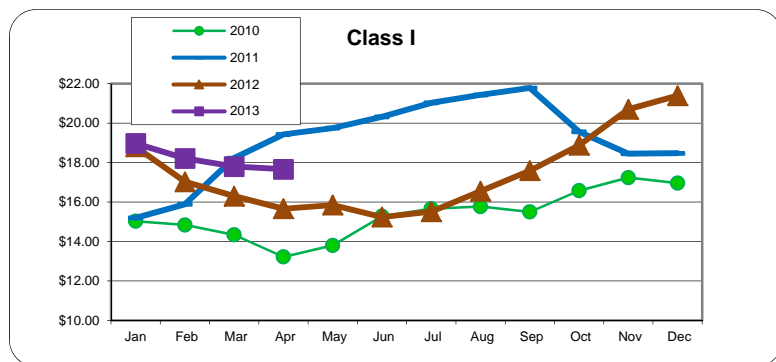
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41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

[illegible]

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."



INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered April 1 - 12, 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 levels in Western European continue to trend below a year ago in the majority of countries. The biggest factor is the lingering wintry weather conditions across most of the major milk producing countries. Germany, Ireland, France, and the United Kingdom are noted to be tracking lower. The impacts of higher dairy product prices and the subsequent milk price gains are welcomed by milk producers. Fresh milk product sales are indicated to be hampered by cold weather. Prices for skim and whole milk powders are again higher to sharply higher. The impact of higher prices in other regions has buyers searching for countries with offerings. Local buyer interest has also increased as those buyers seek coverage. Butter prices moved higher with good demand noted for local buying needs. Current pricing levels are limiting exports. In March, butter movements into the Private Storage Assistance (PSA) program totaled 17,000 MT, down from nearly 32,000 MT a year earlier. The current high pricing points and good demand are major reasons for the downturn in shipments into the PSA. Dry whey pricing is higher. Buyer interest is good for the food quality, but met with lighter offering volumes. Demand is also good for feed quality and those prices are nearly equal.

BUTTER/BUTTEROIL: European butter prices are higher and the market undertone is firm. Buying interest is fair to good for internal needs. There were some expectations that pricing could fall after the spring holiday. Those buyers that had been waiting are in the marketplace and being met with higher pricing levels. Offerings are very tight. Export interest is limited at current rates. Butter placements into the Private Storage Assistance (PSA) program remain limited when compared to year ago volumes. The main reason is the market value of the current product and the salability. In March, about 17,000 MT have been placed into PSA, about 15,000 MT less than a year ago. Butteroil prices are appreciating in value based on improving fat values. The market is untested and remains at levels limiting activity into export channels. Output is minimal.

82% BUTTERFAT:	4,625 - 5,450
99% BUTTERFAT:	5,500 - 6,100

SKIM MILK POWDER (SMP): European SMP prices continue to move sharply higher over the recent reporting period, with gains noted within the period as the industry digested market information and needs. With steep SMP gains noted in Oceania and with limited offerings from that region, buyers were looking at alternative sources. Interest also has built from internal customers, especially those who had waited for buying opportunities. They now are facing higher prices and limited offerings for European SMP. Other buyers are taking a more cautious approach, uncertain of the holding power of the recent price increases. Other customers are finding current pricing levels just too expensive to make work for market segments. SMP production is tending to be below projections, often mirroring the milk flow. Holdings are limited and held with confidence. European SMP offered at the April 2nd g/DT trading event traded at \$3,990 per MT for June shipment.

1.25% BUTTERFAT:	3,700 - 4,350
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SWEET WHEY POWDER: Dry whey prices are rising higher this reporting period. The market tone is firm. Buying interest is good from domestic and international accounts. Higher pricing and currency gains are making exporting more challenging. There are also gains noted in the feed whey sector. Whey production is often below projections as the milk supplies are coming in lower. Some companies are keeping cheese a priority and the subsequent whey stream is steady to higher.

NONHYGROSCOPIC:	1,275 - 1,625
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WHOLE MILK POWDER (WMP): Pricing levels continue to trend higher for European WMP. Higher international prices in other regions remain a strong factor in increased interest for European WMP. Buying interest is also fair to good from local, food industry buyers seeking to secure product. Some of these buyers had been waiting before making purchases and are now finding reduced offerings and higher prices. Offerings are limited beyond contracts. Traders/handlers are seeing light activity. WMP output is mostly steady to slightly higher, depending on where milk supplies are being placed. Returns on WMP sales are good and producers/sellers are taking advantage of the current situation as much as they can. If they are able, more milk is being moved to WMP production.

26% BUTTERFAT:	4,350 - 5,100
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EASTERN OVERVIEW: Milk production in Eastern European remains at below year ago levels for most countries and has limited growth for others. Snow and cold conditions are reported to be impacting the milk flow in Poland. High feed costs are restricting supplemental feeding. Higher dairy product prices are being welcomed. Offering of finished dairy products are most often light.

**Exchange rates for selected foreign currencies:
April 8, 2013**

.1947 Argentina Peso	.0101 Japan Yen
1.0413 Australian Dollar	.0820 Mexican Peso
.9835 Canadian Dollar	.8460 New Zealand Dollar
1.3008 Euro	.3156 Polish Zloty
.0183 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0820)
= 12.1951 Mexican Pesos.
Source: "Wall Street Journal"

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered April 1 - 12, 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 continues to be impacted by drought conditions on the North Island and overall dry conditions elsewhere. At the farm level, the growing conditions for pastures remains poor and cows are being dried off earlier than desired. Other producers are giving supplemental feeding, which is increasing costs of production. Farmers are concerned about cow conditions for the start of the next milk season. News accounts are noting step-ups in milk prices. Pasture conditions are dry and the stands stressed. Rainfalls are needed to replenish water supplies. Some forecast models are showing rains in the next few weeks. The decline in milk is creating increased management of accounts on the books assessed against holdings and future production. Traders and handlers are being strategic to meet customer requirements. **AUSTRALIAN** milk production continues to be impacted by dry conditions and the effects of hot weather in recent months. The milk budgets are being forecast lower as the milk season progresses. The impact on product mix at the end of the season will be seen, but the sentiment is that the orders on the books will be serviced. Meeting the local demand is moving more milk towards those needs. Consumer interest is good and clearing expected volumes. Milk production is running below year ago levels as the season winds down. From July - February, the seasonal totals reported by Dairy Australia are running 1.1% lower (unadjusted for leap day in 2012) than during the same timeframe a year earlier. Season through February, unadjusted figures are: New South Wales, -0.6%; Victoria, -0.6%; Queensland -5.5%; South Australia -3.6%; Western Australia -1.5%; and Tasmania -2.0%. Dairy product prices are higher to sharply higher. The impacts of the gDT auction results are creating reactions in the marketplace. Higher prices are creating more tension in the marketplace. Some ingredient buyers are seeking coverage and willing to pay the prices with the ability to cost average the impact of the current market prices against other holdings. Other buyers are out of the market at the current pricing levels. gDT: At the April 2nd gDT session #89, average prices for the majority of products traded and contracting periods were higher and were sharply higher for skim milk powder. The all contracts price averages (US\$ per MT) and percent changes from the previous average are: anhydrous milk fat, \$4,695 +6.7%; butter, \$4,425 -2.7%; buttermilk powder, \$4,595 +0.8%; cheddar cheese, \$4,622 +6.6%; lactose, not traded; milk protein concentrate, not traded; rennet casein, \$9,489 +4.4%; skim milk powder, \$5,142 +27.8%; and whole milk powder, \$5,100 +7.0%. The next event, #90, will be on April 16.

BUTTER: Oceania butter market prices are slightly higher and generally more stable than other dairy markets. Butter production has moved lower seasonally and is down more than projected because of lower milk receipts. Export volumes for new business are becoming more limited. Competition with other fat in the world market is more keen and butterfat can be more substitutable across country of origin for more buyers. Local demand is fair to good for the Australian market and butter is also being reserved for later commercial needs. There is good demand for consumer products in Australia. At the April 2 gDT event, butter averaged \$4,385/MT for the June contracts, -2.4%, and \$4,425/MT for all contract periods, -2.7%. AMF prices averaged \$4,742/MT for the nearby June contracts, +8.3% from the prior event. The AMF price average was \$4,695/MT for all contract periods, +6.7%.

SKIM MILK POWDER (SMP): Oceania pricing levels for skim milk powder continue to trend sharply higher. The market tone is very strong, characterized by the impact of reduced supplies and unmet demand. The market prices continue to react to the changes at the gDT auction. While some buyers are still in the market, others are waiting or checking options. Spot offering volumes are generally limited and being priced at higher levels. Production levels are trending lower. The drought conditions are impacting the milk volume allotments to SMP output. Milk is also being placed across product categories for additional needs. The April 2nd gDT auction saw additional sharply higher pricing levels across all contracting periods. Lower auction offerings, coupled with unfilled demand, have created a situation where prices are being bid higher for New Zealand produced SMP. The gap between NZ produced medium heat SMP pricing levels and the prices for U.S. and European products widened at the recent event. The June gap is \$2525/MT for U.S. MH SMP and \$2320/MT for E.U. MH SMP. The levels suggest that certain buyers are willing to bid on the gDT to secure SMP from country specific sources and for the specifications they need. SMP pricing at the April 2nd gDT event for all contracting periods averaged \$5,142 per MT, up 27.8% from the previous average. For the nearby trading in contract period 2, (June 2013), prices averaged \$6,310 for NZ sourced medium heat product.

1.25% BUTTERFAT: 4,800 - 6,325

CHEDDAR CHEESE: Oceania cheddar cheese pricing is slightly higher on the top end of the price range. The pricing movements are less dramatic than seen for the dry product markets. Buyer interest is fair to good and clearing contracted volumes on the planned basis. Demand is good for domestic accounts in Australia. Cheese output is declining seasonally. Cheese holdings are available to fill current local and export needs.

39% MAXIMUM MOISTURE: 4,200 - 4,600

WHOLE MILK POWDER (WMP): Oceania whole milk powder prices continue to trend higher and the market undertone remains firm to strong. Demand is fair for the currently limited offerings. Market prices are moving quickly to reflect higher gDT prices after events. There are buyers that are at the auction to secure their needs. Other spot interest is light and met with light offerings at high pricing levels. Some buyers are priced out of the market at current pricing levels. Producers are having less WMP for offers. WMP drying schedules are trending lower seasonally, compounded by lower milk receipts related to the drought conditions. Product is being shipped to buyers to fill contract-based sales. At the April 2nd gDT event, WMP pricing index, across all contracting periods was up 7.0%, averaged \$5,100 per MT. Contract 2 (June 2013) pricing averaged \$5,998 per MT, up 12.8%.

26% BUTTERFAT: 4,800 - 6,200

82% BUTTERFAT: 4,250 - 4,800

INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered April 1 - 12, 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 89 Recap - April 2, 2013													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	May-13		Jun-13		Jul-13		Aug-13		Sep-13		Oct-13			
Anhydrous Milk Fat		n.a.	\$4,742	8.3%	\$4,789	8.3%	\$4,701	6.1%	\$4,491	1.1%	\$4,500	0.7%	\$4,695	6.7%
Butter		n.a.	\$4,385	-2.4%	\$4,425	-2.6%	\$4,656	-3.9%		n.a.		n.a.	\$4,425	-2.7%
Buttermilk Powder		n.a.	\$4,595	0.8%		n.a.		n.a.		n.a.		n.a.	\$4,595	0.8%
Cheddar		n.a.	\$4,344	4.4%	\$5,180	10.3%		n.a		n.a.		n.a.	\$4,622	6.6%
Lactose		n.a.		n.a.		n.a.		n.a		n.a.		n.a.		n.a.
Milk Protein Concentrate		n.a.		n.a.		n.a.		n.a		n.a.		n.a.		n.a.
Rennet Casein		n.a.	\$9,489	4.4%		n.a.		n.a		n.a.		n.a.	\$9,489	4.4%
Skim Milk Powder	\$3,888	10.0%	\$4,777	24.5%	\$6,025	37.3%	\$5,562	27.8%	\$5,623	33.4%	\$5,537	42.3%	\$5,142	27.8%
Whole Milk Powder		n.a.	\$5,998	12.8%	\$5,943	10.7%	\$6,119	18.6%	\$4,796	-7.9%	\$4,620	7.7%	\$5,100	7.0%

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

US\$/Pound	Global/Dairy Trading (g/DT) Event 89 Recap - April 2, 2013													
	Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		All Contracts	
	May-13		Jun-13		Jul-13		Aug-13		Sep-13		Oct-13			
Anhydrous Milk Fat		n.a.	\$2.1510	8.3%	\$2.1723	8.3%	\$2.1324	6.1%	\$2.0371	1.1%	\$2.0412	0.7%	\$2.1296	6.7%
Butter		n.a.	\$1.9890	-2.4%	\$2.0072	-2.6%	\$2.1119	-3.9%		n.a.		n.a.	\$2.0072	-2.7%
Buttermilk Powder		n.a.	\$2.0843	0.8%		n.a.		n.a.		n.a.		n.a.	\$2.0843	0.8%
Cheddar		n.a.	\$1.9704	4.4%	\$2.3496	10.3%		n.a		n.a.		n.a.	\$2.0965	6.6%
Lactose		n.a.		n.a.		n.a.		n.a		n.a.		n.a.		n.a.
Milk Protein Concentrate		n.a.		n.a.		n.a.		n.a		n.a.		n.a.		n.a.
Rennet Casein		n.a.	\$4.3042	4.4%		n.a.		n.a		n.a.		n.a.	\$4.3042	4.4%
Skim Milk Powder	\$1.7636	10.0%	\$2.1668	24.5%	\$2.7329	37.3%	\$2.5229	27.8%	\$2.5506	33.4%	\$2.5116	42.3%	\$2.3324	27.8%
Whole Milk Powder		n.a.	\$2.7207	12.8%	\$2.6957	10.7%	\$2.7756	18.6%	\$2.1755	-7.9%	\$2.0956	7.7%	\$2.3133	7.0%

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

CHICAGO MERCANTILE EXCHANGE FUTURESSelected settling prices, (open interest), and volume ^{1/}

Month	03/28	03/29	04/01	04/02	04/03	04/04	04/05	04/08	04/09	04/10
CME - CLASS III MILK FUTURES (Pit-Traded)										
MAR 13	16.97 (3526) 0	NO TRADING	16.97 (3525) 0	16.95 (3524) 0	16.93 (3196) 0					
APR 13	17.26 (3662) 6		17.12 (3653) 31	17.33 (3548) 10	17.42 (3483) 2	17.45 (3431) 10	17.52 (3422) 0	17.60 (3401) 0	17.54 (3377) 0	17.52 (3339) 0
MAY 13	18.34 (3411) 4		18.27 (3439) 28	18.44 (3671) 12	18.40 (3796) 2	18.37 (3869) 11	18.34 (3966) 0	18.62 (4004) 0	18.47 (4163) 0	18.31 (4190) 0
JUN 13	18.95 (2537) 0		18.82 (2540) 0	19.15 (2584) 0	19.40 (2657) 5	19.35 (2658) 11	19.33 (2697) 0	19.50 (2775) 2	19.33 (2828) 0	19.05 (2846) 0
JUL 13	19.16 (2218) 3		19.01 (2207) 0	19.32 (2216) 0	19.46 (2383) 5	19.39 (2383) 12	19.37 (2411) 0	19.56 (2490) 2	19.35 (2533) 8	19.01 (2540) 7
AUG 13	19.13 (2137) 0		19.01 (2146) 1	19.30 (2186) 0	19.46 (2272) 5	19.35 (2278) 12	19.38 (2302) 0	19.45 (2325) 2	19.30 (2347) 8	19.07 (2363) 7
SEP 13	19.10 (1674) 0		19.04 (1678) 1	19.29 (1721) 0	19.43 (1858) 9	19.35 (1885) 11	19.38 (1897) 0	19.42 (1946) 2	19.28 (1976) 8	19.02 (1944) 7
OCT 13	18.90 (1388) 0		18.81 (1393) 1	19.03 (1423) 0	19.17 (1494) 26	19.14 (1498) 6	19.22 (1513) 0	19.16 (1536) 2	19.02 (1544) 8	18.92 (1545) 0
NOV 13	18.63 (1353) 0		18.50 (1359) 1	18.68 (1401) 0	18.82 (1455) 31	18.81 (1465) 6	18.86 (1494) 0	18.81 (1512) 2	18.70 (1505) 8	18.70 (1522) 0
DEC 13	18.26 (1236) 0		18.17 (1245) 1	18.29 (1273) 0	18.35 (1349) 32	18.37 (1364) 6	18.46 (1394) 0	18.42 (1409) 2	18.35 (1436) 8	18.34 (1436) 0
CME - CLASS IV MILK FUTURES (Pit-Traded)										
MAR 13	17.81 (200) 0	NO TRADING	17.81 (200) 0	17.81 (200) 0	17.75 (195) 0					
APR 13	18.35 (274) 0		18.35 (274) 0	18.30 (269) 0	18.30 (271) 2	18.30 (281) 10	18.30 (291) 0	18.30 (291) 0	18.30 (291) 0	18.30 (286) 0
MAY 13	18.68 (260) 0		18.68 (260) 0	18.90 (260) 0	18.91 (261) 2	18.91 (273) 13	18.91 (285) 0	18.91 (285) 0	18.91 (285) 0	18.91 (300) 0
CME - CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
MAR 13	162.00 (427) 3	NO TRADING	162.00 (427) 0	162.00 (427) 0	161.46 (435) 0					
APR 13	166.30 (401) 7		166.00 (401) 2	166.00 (393) 10	168.00 (392) 2	168.50 (392) 0	168.53 (392) 2	169.95 (394) 3	169.25 (394) 1	169.25 (394) 1
MAY 13	169.00 (476) 23		168.25 (478) 2	168.25 (477) 7	173.00 (469) 25	173.50 (479) 15	175.25 (494) 15	177.95 (497) 3	180.75 (498) 16	178.00 (500) 10
CME - NONFAT DRY MILK FUTURES (Pit-Traded)										
MAR 13	153.00 (157) 0	NO TRADING	153.00 (157) 0	153.00 (157) 0	152.08 (157) 0					
APR 13	154.53 (265) 0		154.53 (265) 0	155.00 (265) 0	154.45 (273) 0	154.45 (273) 0	154.45 (287) 0	154.45 (287) 0	154.45 (287) 0	153.03 (287) 0
MAY 13	160.25 (231) 0		160.25 (231) 0	160.30 (231) 0	161.00 (231) 0	161.00 (232) 0	159.00 (235) 0	159.00 (235) 0	159.00 (235) 0	158.00 (240) 0
CME - WHEY (Electronic-Traded)										
MAR 13	61.00 (298) 0	NO TRADING	61.00 (298) 0	61.00 (298) 0	60.48 (282) 0					
APR 13	58.00 (258) 3		57.33 (262) 4	58.98 (260) 3	58.98 (260) 3	58.25 (260) 1	58.00 (260) 2	58.00 (260) 0	57.65 (261) 1	57.65 (263) 5
MAY 13	56.80 (239) 7		56.03 (243) 9	58.00 (234) 14	58.75 (224) 15	57.73 (226) 4	57.15 (233) 9	57.15 (235) 5	55.63 (245) 17	55.63 (250) 11
CME - CHEESE CSC (Electronic-Traded)										
MAR 13	1.65 (1146) 2	NO TRADING	1.64 (1147) 1	1.64 (1147) 0	1.65 (1059) 0					
APR 13	1.70 (1097) 24		1.69 (1106) 24	1.70 (1103) 3	1.71 (1099) 10	1.72 (1096) 11	1.72 (1090) 29	1.73 (1085) 18	1.72 (1087) 7	1.72 (1088) 5
MAY 13	1.81 (788) 18		1.80 (785) 21	1.82 (786) 18	1.82 (786) 4	1.82 (790) 37	1.81 (826) 68	1.84 (834) 23	1.83 (866) 79	1.81 (865) 7
JUN 13	1.87 (612) 27		1.86 (617) 25	1.88 (618) 4	1.89 (620) 4	1.90 (618) 8	1.90 (621) 16	1.92 (621) 26	1.90 (621) 23	1.87 (629) 29
JUL 13	1.89 (466) 1		1.89 (470) 4	1.90 (477) 18	1.90 (477) 1	1.90 (477) 1	1.90 (474) 9	1.91 (481) 23	1.90 (487) 25	1.87 (489) 21
AUG 13	1.89 (409) 1		1.86 (409) 0	1.88 (410) 10	1.90 (411) 2	1.89 (413) 2	1.88 (413) 13	1.89 (414) 7	1.89 (411) 17	1.86 (411) 12

^{1/} 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.)

APRIL MILK SUPPLY AND DEMAND ESTIMATES

The milk production forecast for 2013 is reduced on lower milk per cow in the first quarter. Cow numbers are unchanged from last month. Fat-basis imports are reduced mostly on lower imports of anhydrous products. The skim solids import forecast is reduced largely on lower expected imports of milk protein concentrates. Export forecasts are unchanged from last month. Fat-basis ending stocks are forecast higher, but skim-basis stocks are lowered. With slightly lower forecast 2013 milk production and improved domestic product demand, price forecasts for cheese, butter, NDM, and whey are raised. As a result, both Class III and Class IV price forecasts are higher than last month. The all milk price for 2013 is higher at \$19.45-\$19.95 per cwt.

U.S. MILK SUPPLY AND USE					
Commodity	2011	2012 Estimated		2013 Projected	
		March	April	March	April
MILK	BILLION POUNDS				
PRODUCTION	196.2	200.3	200.3	201.9	201.8
FARM USE	1.0	1.0	1.0	1.0	1.0
FAT BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	10.8	10.9	10.9	12.2	12.2
MARKETINGS	195.2	199.3	199.3	200.9	200.8
IMPORTS	3.5	4.1	4.1	4.0	3.9
TOTAL COMMERCIAL SUPPLY	209.5	214.3	214.3	217.1	216.9
FAT BASIS USE					
COMMERCIAL EXPORTS	9.4	8.8	8.8	9.4	9.4
ENDING COMMERCIAL STOCKS	10.9	12.2	12.2	11.1	11.4
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	189.2	193.3	193.3	196.6	196.1
SKIM-SOLIDS BASIS SUPPLY					
BEGINNING COMMERCIAL STOCKS	12.2	11.8	11.8	12.3	12.3
MARKETINGS	195.2	199.3	199.3	200.9	200.8
IMPORTS	5.3	5.7	5.7	5.4	5.3
TOTAL COMMERCIAL SUPPLY	212.6	216.9	216.9	218.6	218.4
SKIM-SOLIDS BASIS USE					
COMMERCIAL EXPORTS	32.5	33.3	33.3	34.4	34.4
ENDING COMMERCIAL STOCKS	11.8	12.3	12.3	11.6	11.5
CCC NET REMOVALS ^{1/}	0.0	0.0	0.0	0.0	0.0
COMMERCIAL USE ^{2/}	168.2	171.2	171.2	172.7	172.5
	MILLION POUNDS				
CCC PRODUCT NET REMOVALS ^{1/}					
BUTTER	0	0	0	0	0
CHEESE	0	0	0	0	0
NONFAT DRY MILK	0	0	0	0	0
DRY WHOLE MILK	0	0	0	0	0

NOTE: Totals may not add due to rounding.

^{1/} Includes products exported under the Dairy Export Incentive Program.

^{2/} Domestic commercial use only.

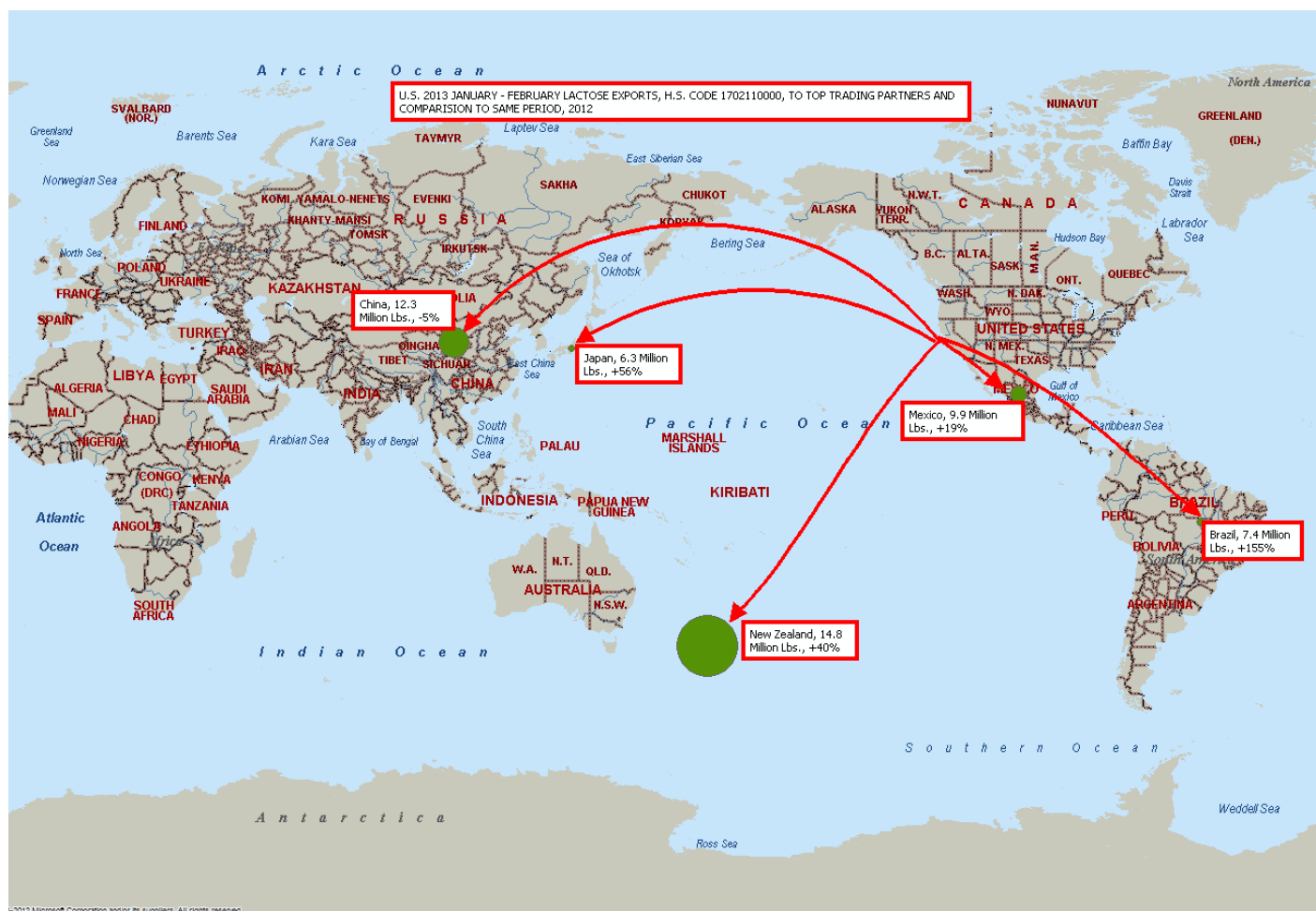
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APRIL MILK SUPPLY AND DEMAND ESTIMATES-cont'd

U.S. DAIRY PRICES						
Commodity	2011	2012 Projected		2013 Projected		
		March	April	March	April	
PRODUCT PRICES ¹	DOLLARS PER POUND					
	CHEESE	1.8246	1.7076	1.7076	1.710-1.770	1.735-1.785
	BUTTER	1.9498	1.5943	1.5943	1.540-1.630	1.560-1.640
	NONFAT DRY MILK	1.5058	1.3279	1.3279	1.505-1.555	1.585-1.625
	DRY WHEY	0.5325	0.5935	0.5935	0.600-0.630	0.605-0.635
MILK PRICES ^{2/}	DOLLARS PER CWT					
	CLASS III	18.37	17.44	17.44	17.55-18.15	17.85-18.35
	CLASS IV	19.04	16.01	16.01	17.35-18.05	18.10-18.70
	ALL MILK ^{3/}	20.14	18.51	18.51	19.00-19.60	19.45-19.95
	QUARTERLY					
	2012 IV	2013 I ^{4/}	2013 II ^{4/}	2013 III ^{4/}	2013 IV ^{4/}	
MILK PRODUCTION	BILLION POUNDS					
	49.1	50.5	51.8	49.8	49.7	
	DOLLARS PER CWT.					
	ALL MILK PRICE ^{2/ 3/}	21.47	19.50	19.00-19.40	19.55-20.25	19.70-20.70
	CLASS III PRICE ^{2/}	20.17	17.44	17.60-18.00	18.30-19.00	18.10-19.10
CLASS IV PRICE ^{2/}	18.34	17.71	18.05-18.55	18.50-19.30	18.15-19.25	

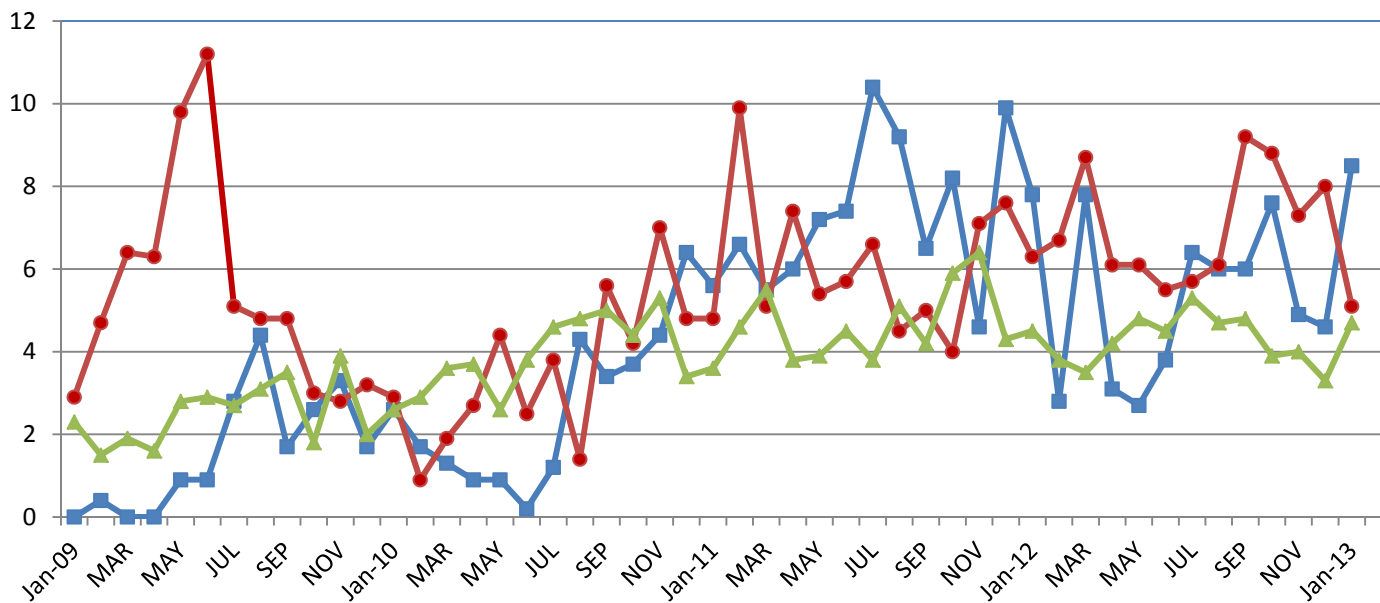
^{1/} Simple average of monthly prices calculated from AMS (formerly NASS) weekly average dairy product prices for class price computations. Details may be found by going to <http://www.ams.usda.gov/DairyMarketStatistics>; then select "Prices;" then select "Description." ^{2/} Annual and quarterly Class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

Source: U.S. Department of Agriculture. World Agricultural Outlook Board. *World Agricultural Supply and Demand Estimates, WASDE-517, April 10, 2013*. Approved by the Interagency Commodity Estimates Committee [members for Dairy are: Shayle Shagam, Chairperson, WAOB; Jerry Cessna, AMS; Paul Kiendl, FAS; Roger Hoskin, ERS; and Milton Madison, FSA].



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

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