

CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	01/22/10	01/29/10	02/05/10	02/12/10	02/19/10	02/26/10	03/05/10	Close
CME Cheddar 40# Blocks	\$ 1.4663	\$ 1.5130	\$ 1.4990	\$ 1.4990	\$ 1.4413	\$ 1.3690	\$ 1.3205	\$ 1.2975
CME Cheddar Barrels	\$ 1.4913	\$ 1.5070	\$ 1.4740	\$ 1.4650	\$ 1.4013	\$ 1.3290	\$ 1.2725	\$ 1.2500
CME Grade "AA" Butter	\$ 1.4844	\$ 1.3790	\$ 1.3310	\$ 1.3420	\$ 1.3513	\$ 1.3990	\$ 1.4335	\$ 1.4500
USDA Western NFD (Mostly)	\$ 1.3350	\$ 1.1950	\$ 1.1100	\$ 1.0700	\$ 1.0700	\$ 1.0450	\$ 1.0350	--
USDA Western Whey (Mostly)	\$ 0.4075	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4038	--
USDA Central Whey (Mostly)	\$ 0.3800	\$ 0.3800	\$ 0.3800	\$ 0.3775	\$ 0.3775	\$ 0.3775	\$ 0.3763	--
NASS Survey For Week Ending:	01/08/10	01/15/10	01/22/10	01/29/10	02/05/10	02/12/10	02/19/10	02/26/10
Cheddar 40# Blocks:	\$ 1.6410	\$ 1.5483	\$ 1.4644	\$ 1.4497	\$ 1.4740	\$ 1.5022	\$ 1.5059	\$ 1.4921
Cheddar Barrels (38% Moisture):	\$ 1.4783	\$ 1.4794	\$ 1.4769	\$ 1.5024	\$ 1.5256	\$ 1.5098	\$ 1.5005	\$ 1.4661
Butter	\$ 1.3302	\$ 1.3391	\$ 1.3854	\$ 1.4031	\$ 1.3922	\$ 1.3503	\$ 1.3407	\$ 1.3592
Nonfat Dry Milk	\$ 1.3502	\$ 1.2875	\$ 1.0920	\$ 1.1325	\$ 1.1447	\$ 1.1417	\$ 1.0697	\$ 1.0448
Whey	\$ 0.3863	\$ 0.3898	\$ 0.3866	\$ 0.3894	\$ 0.3900	\$ 0.3960	\$ 0.3946	\$ 0.3894
Class III Estimator	\$ 14.69	\$ 14.27	\$ 13.86	\$ 13.94	\$ 14.16	\$ 14.24	\$ 14.20	\$ 13.95
Class IV Estimator	\$ 15.08	\$ 14.58	\$ 13.09	\$ 13.51	\$ 13.57	\$ 13.37	\$ 12.71	\$ 12.57

MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
FMMO Prices, 3.5% Fat, 2.99% True Protein								
FMMO Class I Base Price	\$ 10.26	\$ 10.04	\$ 10.93	\$ 12.35	\$ 12.86	\$ 13.99	\$ 15.03	\$ 14.84
FMMO Class II Price	\$ 10.87	\$ 10.86	\$ 11.01	\$ 11.93	\$ 13.24	\$ 14.25	\$ 15.22	\$ 15.65
FMMO Class III	\$ 9.97	\$ 11.20	\$ 12.11	\$ 12.82	\$ 14.08	\$ 14.98	\$ 14.50	\$ 14.28
FMMO Class IV	\$ 10.15	\$ 10.38	\$ 11.15	\$ 11.86	\$ 13.25	\$ 15.01	\$ 13.85	\$ 12.90
FMMO Producer Component Prices Per Pound								
Milkfat	\$ 1.2438	\$ 1.2491	\$ 1.2226	\$ 1.2752	\$ 1.4656	\$ 1.5433	\$ 1.4405	\$ 1.4404
True Protein	\$ 1.6970	\$ 2.1009	\$ 2.4243	\$ 2.5584	\$ 2.6991	\$ 2.8751	\$ 2.7916	\$ 2.7066
Other Solids	\$ 0.0949	\$ 0.0962	\$ 0.1018	\$ 0.1228	\$ 0.1524	\$ 0.1727	\$ 0.1946	\$ 0.1992
California Overbase Fat	\$ 1.2570	\$ 1.2430	\$ 1.2380	\$ 1.2760	\$ 1.4830	\$ 1.4720	\$ 1.4590	
California Overbase SNF	\$ 0.5980	\$ 0.7050	\$ 0.7710	\$ 0.8550	\$ 0.9130	\$ 1.0710	\$ 0.9630	

CHICAGO MERCANTILE EXCHANGE (CME) FUTURES MARKETS

Closing Prices	MAR10	APR10	MAY10	JUN10	JUL10	AUG10	SEP10	OCT10
Cash Settle Butter (¢ / lb.):	145.000	147.000	150.000	151.000	154.000	155.500	158.250	159.000
Change from last Friday (¢ / lb.):	1.750	1.000	1.000	0.500	(1.000)	0.500	1.225	-
Class III Milk Contract, 3.5% Fat	\$ 12.89	\$ 12.89	\$ 13.14	\$ 13.95	\$ 14.55	\$ 15.10	\$ 15.23	\$ 15.20
Change from last Friday:	\$ (0.16)	\$ (0.01)	\$ (0.02)	\$ 0.35	\$ 0.46	\$ 0.45	\$ 0.39	\$ 0.30
Open Interest (Wednesday)	3888	4381	3729	2970	2332	2204	2110	1958
Change from last Friday:	241	304	324	114	78	62	51	24

DAIRY NEWS OF INTEREST

Market Update

Cheese prices continued to fall on the Chicago Mercantile Exchange this week, with heavy trading volume on barrels. Block cheddar cheese lost 4.25 cents per pound on eight completed trades. Barrel cheddar dropped four cents on 34 completed trades, 19 of them during trading on Tuesday.

Cash butter moved about the same amount in the opposite direction this week, gaining 4.5 cents per pound on one completed trade. Cash Grade A nonfat dry milk lost a penny yesterday to close the week at \$1.11 per pound. Extra Grade finished unchanged at \$1.12 per pound. Internationally, milk powder prices rose at auction this week for the first time in three months, according to world's largest dairy exporter Fonterra Cooperative Group Ltd.

Wal-Mart Pledges Emissions Reduction

Wal-Mart Stores Inc. announced a pledge to reduce greenhouse gas emissions by 20 million metric tons through their global supply chain in the next five years. That amount would represent 150% of Wal-Mart's projected carbon footprint increase through 2015. They have also scheduled a sustainability conference focusing on fresh produce.

February Prices Announced

The federal order Class III price was announced this morning at \$14.28 per hundredweight for February milk, 22 cents lower than January but almost \$5.00 above February 2009, the lowest Class III and IV price month last year. The Class IV price dropped \$0.95 compared to January but was still \$3.45 above last February.

The California 4b cheese milk price was announced at \$12.95 per hundredweight, 23 cents higher than January. The Class 4a butter-powder milk price was \$12.84, almost \$1.00 lower than the previous month. The prices were \$2.84 and \$3.44 higher than February 2009, respectively.

Dairy Products Report

Total cheese production fell 2.3% from December to 842 million pounds in January, 2.2% higher than January 2009. American-style cheese accounted for 348 million pounds while Italian-style cheese production totaled 363 million pounds. Output was 0.5% and 2.7% below December for American and Italian-style cheese, respectively. Butter production increased 7.5% from December to 162 million pounds, still 7.2% below January 2009.