

## CASH DAIRY PRODUCT MARKETS

For Week Ending:	Weekly Average for Week Ending:							Friday's
	01/29/10	02/05/10	02/12/10	02/19/10	02/26/10	03/05/10	03/12/10	Close
CME Cheddar 40# Blocks	\$ 1.5130	\$ 1.4990	\$ 1.4990	\$ 1.4413	\$ 1.3690	\$ 1.3205	\$ 1.2745	\$ 1.2675
CME Cheddar Barrels	\$ 1.5070	\$ 1.4740	\$ 1.4650	\$ 1.4013	\$ 1.3290	\$ 1.2725	\$ 1.2545	\$ 1.2625
CME Grade "AA" Butter	\$ 1.3790	\$ 1.3310	\$ 1.3420	\$ 1.3513	\$ 1.3990	\$ 1.4335	\$ 1.4710	\$ 1.4550
USDA Western NFD (Mostly)	\$ 1.1950	\$ 1.1100	\$ 1.0700	\$ 1.0700	\$ 1.0450	\$ 1.0350	\$ 1.0400	--
USDA Western Whey (Mostly)	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4050	\$ 0.4038	\$ 0.4038	--
USDA Central Whey (Mostly)	\$ 0.3800	\$ 0.3800	\$ 0.3775	\$ 0.3775	\$ 0.3775	\$ 0.3763	\$ 0.3750	--
<b>NASS Survey For Week Ending:</b>	<b>01/15/10</b>	<b>01/22/10</b>	<b>01/29/10</b>	<b>02/05/10</b>	<b>02/12/10</b>	<b>02/19/10</b>	<b>02/26/10</b>	<b>03/05/10</b>
Cheddar 40# Blocks:	\$ 1.5483	\$ 1.4644	\$ 1.4497	\$ 1.4740	\$ 1.5022	\$ 1.5059	\$ 1.4921	\$ 1.4378
Cheddar Barrels (38% Moisture):	\$ 1.4794	\$ 1.4769	\$ 1.5024	\$ 1.5256	\$ 1.5098	\$ 1.5005	\$ 1.4661	\$ 1.3976
Butter	\$ 1.3391	\$ 1.3854	\$ 1.4031	\$ 1.3922	\$ 1.3503	\$ 1.3407	\$ 1.3556	\$ 1.4076
Nonfat Dry Milk	\$ 1.2875	\$ 1.0920	\$ 1.1325	\$ 1.1443	\$ 1.1414	\$ 1.0687	\$ 1.0447	\$ 1.0419
Whey	\$ 0.3898	\$ 0.3866	\$ 0.3894	\$ 0.3900	\$ 0.3960	\$ 0.3946	\$ 0.3894	\$ 0.3839
Class III Estimator	\$ 14.27	\$ 13.86	\$ 13.94	\$ 14.16	\$ 14.24	\$ 14.20	\$ 13.94	\$ 13.34
Class IV Estimator	\$ 14.58	\$ 13.09	\$ 13.51	\$ 13.57	\$ 13.37	\$ 12.70	\$ 12.56	\$ 12.75

## MONTHLY MILK AND MILK COMPONENT PRICES

For Month:	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
<b>FMMO Prices, 3.5% Fat, 2.99% True Protein</b>								
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
<b>FMMO Producer Component Prices Per Pound</b>								
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.):	142.500	146.000	148.000	150.000	152.500	155.000	156.500	157.375
Change from last Friday (¢ / lb.):	(2.500)	(1.000)	(2.000)	(1.000)	(1.500)	(0.500)	(1.750)	(1.625)
Class III Milk Contract, 3.5% Fat	\$ 12.84	\$ 12.78	\$ 13.26	\$ 13.90	\$ 14.24	\$ 14.74	\$ 15.12	\$ 15.12
Change from last Friday:	\$ (0.05)	\$ (0.11)	\$ 0.12	\$ (0.05)	\$ (0.31)	\$ (0.36)	\$ (0.11)	\$ (0.08)
Open Interest (Wednesday)	3908	4602	4043	3171	2503	2371	2203	2078
Change from last Friday:	20	221	314	201	171	167	93	120

## DAIRY NEWS OF INTEREST

### Market Update

The CME cash cheese market was mixed this week, with blocks and barrels moving in opposite directions on heavy volume. Block cheddar cheese lost three cents per pound on 25 completed trades, while barrel cheddar gained 1.25 cents on 35 trades. This is the first week barrel cheese prices have increased since late January.

Cash butter moved up to start the week, then fell back, settling at \$1.455 per pound, up 0.5 cents compared to last Friday. 36 trades were completed. Cash nonfat dry milk prices held unchanged, finishing the week at \$1.12 per pound for Extra Grade and \$1.11 per pound for Grade A.

### World Ag Supply and Demand Estimates

USDA increased the 2010 milk production estimate by 600 million pounds in the most recent WASDE report, now projecting 189.5 billion pounds of milk. To compare, 2009 milk production totaled 189.3 billion pounds. Expected export numbers were lowered due to slowly recovering world product prices which, along with steady cow numbers, raised the estimates for 2010 product inventories. The Class III price is now projected to average between \$14.20 and \$14.80 per hundredweight this year.

### California Class I Price Announced

The April Class I price for Northern California was announced this week at \$14.37 per hundredweight, \$2.07 lower than March. The Southern California Class I price is \$14.64. Both prices are \$2.79 above April 2009.

### Dairy Exports Increase in January

U.S. dairy exports were valued at \$222.8 million dollars in January, 27% higher than January last year. Dry whey exports increased 35% and whey protein concentrate (WPC) shipments jumped 133% compared to the previous year. Cheese exports of 21.2 million pounds were 16% above last January and lactose exports increased 27%. Milk powder exports, on the other hand, suffered in January, falling to 27.8 million pounds, the lowest level in over five years. On the import side, milk protein concentrate (MPC), caseinate, and casein import levels in 2009 were the lowest in five years.

### Animals in Switzerland Not Getting Lawyers

A proposal that would have provided lawyers to represent abused animals was defeated by over 70% of Swiss voters on Sunday. Switzerland already has a 160-page animal protection law, considered one of the strictest in the world.