



UPPER MIDWEST DAIRY NEWS

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Cheese Prices Rebound, Butter Rallies

Prices for cheddar cheese on the Chicago Mercantile Exchange (CME) declined in June and the first part of July, but by mid-July had rebounded. On July 20, the CME barrel price closed at \$1.15 per pound, up 8¢ from a month earlier, while the block price of \$1.16 per pound was up 4½¢ from early July. Barrel and block prices are about 80¢ below year-earlier levels.

The CME butter price continued to fall in early July, but by the middle of the second week it began to rally, reversing the downward trend that began in early June. On July

20, the butter price was \$1.26 per pound, up 6¾¢ from early July, but about 25¢ below a year earlier.

The June Federal order Class III price was \$9.97 per cwt., up \$0.13 from May, but \$10.28 below June 2008.

The July CME Class III futures price is currently at around \$10.00 per cwt., with August and September trading above \$10.00 and \$12.00 per cwt., respectively. The CME Class III futures prices for the rest of 2009 range from \$13.00 to \$15.00 per cwt.

Where's The Milk.....???

United States milk production for 2008 increased by 2.1% on an average daily basis from 2007 to a record 190 billion pounds. The 2008 total was 4.3 billion pounds greater than 2007's record 185.7 billion pounds. Milk production has exceeded year earlier levels in nine of the last ten years, with the lone exception occurring during 2001. Since 1991, there have only been

three years during which total milk production decreased from year earlier levels -- 1993, 1996, and 2001.

This article addresses the question, "Where's The Milk?", in terms of geographic production and dairy product manufacturing. The map graphics contained in this article illustrate regional production of

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Pool Summary

- In June, producer milk totaled 2.8 billion pounds, down 127 million pounds from May, but 811 million pounds above June 2008.
- Class I utilization totaled 340 million pounds, down 2% on a daily basis from May. Class I usage accounted for 12.3% of producer milk.
- Class III utilization totaled 2.3 billion pounds and accounted for 83.9% of producer milk.
- The June Producer Price Differential (PPD) is \$0.32 per cwt.
- The Statistical Uniform Price is \$10.29 per cwt., down \$0.01 from May, but \$9.50 below June 2008.
- Market statistics for June are shown on Pages 4 and 5.

June 2009 Producer Milk by Class

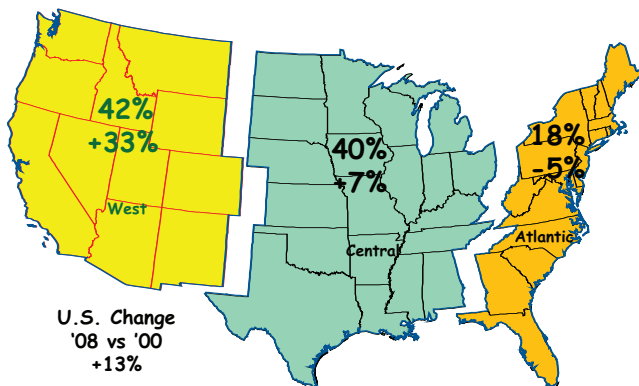
| | Percent | Product Pounds | Price \$/cwt. |
|-----------|---------|----------------|---------------|
| Class I | 12.3 | 339,916,262 | 11.88 |
| Class II | 2.3 | 63,861,631 | 10.79 |
| Class III | 83.9 | 2,313,246,760 | 9.97 |
| Class IV | 1.5 | 41,644,904 | 10.22 |
| Total | | 2,758,669,557 | |

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milk, cheese, butter, nonfat dry milk, and ice cream. The top number shown in each region provides the proportion of total 2008 U.S. production for the product depicted by the respective map. The bottom number provides the percentage change in production of the product comparing 2008 with 2000.

Milk Production

Regional Milk Production as a Percentage of 2008 Total U.S. Milk Production with Percentage Change in Production: 2008 vs 2000 ^{1/}



The *West and Central Regions* increased milk production by 33% and 7%, respectively, from 2000 levels. Conversely, the *Atlantic Region's* production decreased by 5%. The *West Region* accounted for 42% of U.S. milk production in 2008, up 6.2 percentage points compared with 2000. The *Central Region* accounted for 40% of total U.S. production, but this region's percentage of the U.S. total decreased by 2.5 percentage points versus 2000. The *Atlantic Region* accounted for the smallest portion of the 2008 total at 18%, and this proportion was down 3.7 percentage points compared with 2000.

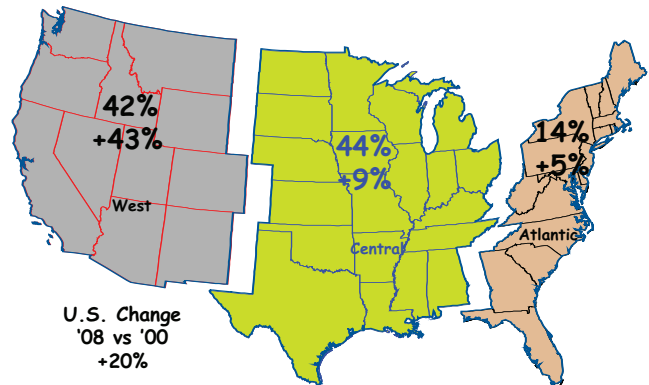
U.S. milk production in 2008 increased 22.4 billion pounds compared with 2000. The additional milk required to meet increased cheese production during the same period was approximately 16.9 billion pounds.

Cheese Production

U.S. cheese production totaled 9.9 billion pounds during 2008. On a daily basis, the 2008 total was an increase of 1% compared with 2007, and it is 20% greater than the amount produced in 2000. As depicted by the accompanying map, all three regions recorded increases from 2000 to 2008. The *West Region* posted a 43% increase, and accounted for 42% of U.S. cheese production in 2008. This region's percentage of the U.S. total increased from 36% to 42% in that time frame. The *Central Region* accounted for 44% of the 2008 total, and posted a 9% increase over 2000. This region retook the lead in

cheese production from the *West Region* in 2008. The *Atlantic Region* accounted for 14% of the U.S. total in 2008, and this region's cheese production increased by 5% from 2000 to 2008.

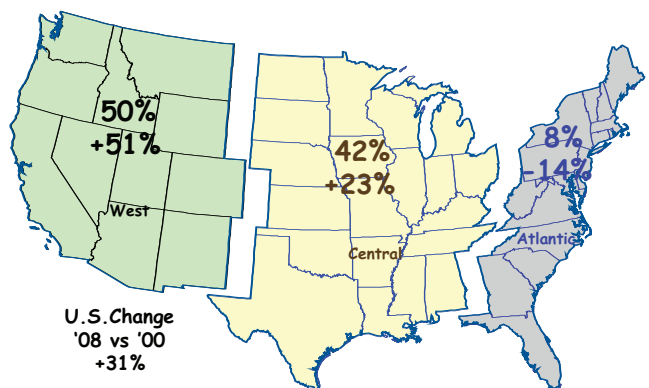
Regional Cheese Production as a Percentage of 2008 Total U.S. Cheese Production with Percentage Change in Production: 2008 vs 2000 ^{2/}



Milk used in cheese production in the West Region increased approximately 12.7 billion pounds from 2000 to 2008. For comparison purposes, Idaho's 2008 milk production totaled about 12.3 billion pounds.

Butter Production

Regional Butter Production as a Percentage of 2008 Total U.S. Butter Production with Percentage Change in Production: 2008 vs 2000 ^{2/}



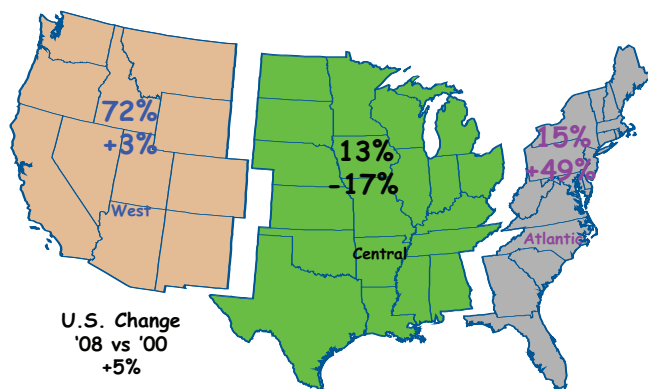
U.S. butter production increased by 31% comparing 2008 with 2000. Butter production totaled 1.6 billion pounds during 2008, up 7% from 2007 on a daily basis. This was the fifth consecutive yearly increase. As depicted by the above map, the *West and Central Regions* posted increases of 51% and 23%, respectively, over 2000. The *West Region* was the largest butter producer accounting for 50% of the 2008 U.S. total, followed by the *Central Region* with 42%. The *Atlantic Region* accounted for only 8% of the U.S. total, and butter production in this region decreased by 14% from 2000 to 2008.

The Atlantic Region's share of U.S. butter production has declined from 12% in 2000 to 8% in 2008, while the West Region has increased its proportion from 43% to 50% during that time frame.

U.S. total, and NFDM production in this region increased 18% from 2007 on a daily basis, but decreased by 17% from 2000 to 2008. This region's percentage of the U.S. total also decreased from 16% to 13% during that period of time.

Nonfat Dry Milk Production

Regional NFDM Production as a percentage of 2008 Total U.S. NFDM Production with Percentage Change in Production: 2008 vs 2000 ^{2/}

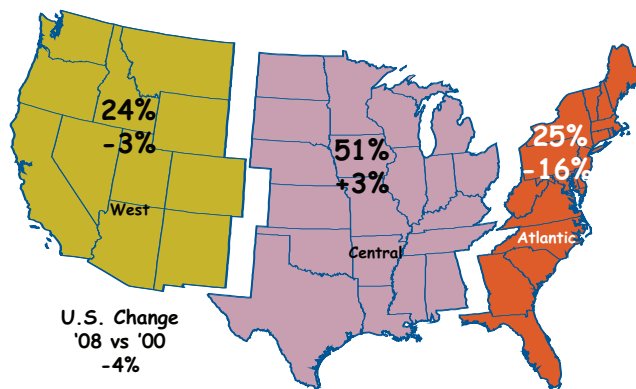


U.S. nonfat dry milk (NFDM) production increased by 5%, comparing 2008 with 2000. Production totaled 1.5 billion pounds in 2008, which was the first year since 2003 that non-fat dry milk production rose above 1.5 billion pounds. NFDM production in 2008 was 17% greater than 2007 on a daily basis, and was the third consecutive yearly increase. As depicted by the above map, the **West and Atlantic Regions** posted NFDM production increases, comparing 2008 with 2000. Production in the **West Region** increased by 3%, while the **Atlantic Region's** production increased by 49%. Together, these two regions accounted for 87% of the NFDM produced in the U.S. in 2008. The **West Region** accounted for the greatest proportion of production at 72% of the U.S. total, and the **Atlantic Region** produced the second most NFDM with 15% of the total. This region's percentage of the U.S. total increased from 11% to 15% from 2000 to 2008.

The **Central Region's** production accounted for 13% of the

Ice Cream Production

Regional Ice Cream Production as a Percentage of 2008 Total U.S. Ice Cream Production with Percentage Change in Production: 2008 vs 2000 ^{2/}



U.S. ice cream production decreased by 4% comparing 2008 with the 0.98 billion gallons produced in 2000. Ice Cream production totaled 0.94 billion gallons in 2008, down 2% from the previous year on a daily basis. As depicted by the above map, the **West and Atlantic Regions** recorded ice cream production decreases comparing 2008 with 2000. The **Atlantic Region** posted the largest percentage decrease with a decline of 16%, and the **West Region** recorded a decrease of about 3% during that time frame. Together, these two regions accounted for 49% of the ice cream produced in the U.S. in 2008. The **Central Region** accounted for the largest proportion of 2008 U.S. ice cream production at 51%, and this region posted an increase of 9% on a daily basis over 2007, and up 3% comparing 2008 with 2000.

1/ Source: NASS: Milk Production February 2008.

2/ Source: NASS: Dairy Products May 2008. The regional totals of ice cream production were based on survey estimates.

Upper Midwest Pool Statistics - June 2009

| Market Class I Differential Rate | Pool Plants | Received at Pool Plants | Diverted to Pool and Nonpool Plants | Total | Location Adjustment to Producers | Class I Differential to Handlers | |
|----------------------------------|-------------|-------------------------|-------------------------------------|----------------------|----------------------------------|----------------------------------|---------------------|
| Cwt. | Number | Pounds | Pounds | Pounds | Value | Pounds | Value |
| \$1.80 | 4 | 75,255,868 | 28,444,051 | 103,699,919 | \$ 0 | 75,686,724 | \$ 1,362,361 |
| \$1.75 | 37 | 162,571,996 | 977,372,609 | 1,139,944,605 | 569,972 | 133,972,545 | 2,344,519 |
| \$1.70 | 30 | 186,627,892 | 1,235,420,344 | 1,422,048,236 | 1,422,049 | 111,955,799 | 1,903,249 |
| \$1.65 | 5 | 23,298,816 | 69,677,981 | 92,976,797 | 139,465 | 18,301,194 | 301,970 |
| Total | 76 | 447,754,572 | 2,310,914,985 | 2,758,669,557 | \$ 2,131,486 | 339,916,262 | \$ 5,912,099 |

Computation of Producer Price Differential-June 2009

| | Utilization Percentage | Product Pounds | Component Pounds | Rate | Value |
|---|---------------------------|----------------------|---------------------|---------------|--------------------------|
| Class I | | | | | |
| Differential Value | | | | | \$ 5,912,098.90 |
| Product | 12.3% | 339,916,262 | | | |
| Skim Milk | | | 334,824,694 | \$ 5.9100 | 19,788,139.44 |
| Butterfat | | | 5,091,568 | 1.2517 | 6,373,115.66 |
| Class II | | | | | |
| Product | 2.3% | 63,861,631 | | | |
| Nonfat Solids | | | 5,075,560 | 0.7344 | 3,727,491.27 |
| Butterfat | | | 7,538,809 | 1.2614 | 9,509,453.68 |
| Class III | | | | | |
| Product | 83.9% | 2,313,246,760 | | | |
| Protein | | | 68,550,536 | 1.7283 | 118,475,891.41 |
| Other Solids | | | 133,199,974 | 0.0723 | 9,630,358.13 |
| Butterfat | | | 81,388,050 | 1.2544 | 102,093,169.93 |
| Class IV | | | | | |
| Product | 1.5% | 41,644,904 | | | |
| Nonfat Solids | | | 3,245,861 | 0.6715 | 2,179,595.68 |
| Butterfat | | | 5,719,079 | 1.2544 | 7,174,012.69 |
| SCC Adjustment (Class II, III, and IV) | | | | | 1,139,786.88 |
| Total Producer Milk * | | 2,758,669,557 | | | \$ 286,003,113.67 |
| Add: | | | | | |
| Overage | | | | | 19,889.37 |
| Inventory Reclassified | | | | | 4,523.76 |
| Other Source Milk \$.60(h) | | | | | 0.00 |
| Other Source Milk \$.60(i) | | | | | 0.00 |
| Subtract: | | | | | |
| Transportation Credit | | | | | 48,623.69 |
| Assembly Credit | | | | | 270,972.29 |
| Credit for Reconstituted FMP | | | | | 0.00 |
| Producer Milk Protein | | | | | 141,017,529.28 |
| Producer Milk Other Solids | | | | | 11,466,947.44 |
| Producer Milk Butterfat | | | | | 125,110,727.52 |
| Producer Milk SCC Adjustment | | | | | 1,305,879.23 |
| Total Milk and Value | | 2,758,669,557 | | | \$ 6,806,847.35 |
| Add: | | | | | |
| Location Adjustment -- Producer and Unregulated Supply Plant Milk | | | | | 2,131,485.88 |
| One-Half Unobligated Balance Producer Settlement Fund | | | | | 1,219,449.27 |
| Total Value | | | | 0.368213 | \$ 10,157,782.50 |
| Subtract: | | | | | |
| Producer Settlement Fund Reserve | | | | 0.048213 | 1,330,039.92 |
| Producer Price Differential ** | | | | \$0.32 | \$ 8,827,742.58 |

* An estimated 78 million pounds of milk was not pooled.

** Producer Price Differential is dollars per cwt. at the Base Zone of Cook County, Illinois.



Utilization and Classification of Milk

| | June 2009 | | May 2009 | June 2008 |
|---|----------------------|-------------------|----------------------|----------------------|
| | Product Pounds | Butterfat Pounds | Product Pounds | Product Pounds |
| Class I Utilization: | | | | |
| Packaged Disposition | | | | |
| Milk | 50,204,289 | 1,583,318 | 49,521,081 | 48,740,161 |
| Flavored Milk | 3,369,800 | 107,986 | 3,909,949 | 3,487,525 |
| Reduced Fat Milk | 136,318,720 | 2,567,663 | 137,011,820 | 131,508,189 |
| Lowfat Milk | 47,850,678 | 455,016 | 51,710,062 | 45,398,071 |
| Fat Free Milk | 82,735,194 | 79,976 | 86,842,572 | 82,587,659 |
| Flavored Reduced and Fat Free Milk | 20,156,493 | 176,355 | 32,115,792 | 17,667,026 |
| Buttermilk | 2,537,236 | 25,601 | 2,509,003 | 2,285,030 |
| Total Packaged Disposition | 343,172,410 | 4,995,915 | 363,620,279 | 331,673,661 |
| Total Ending Inventory | 28,651,114 | 432,350 | 30,188,616 | 25,146,296 |
| Bulk to Nonpool Plants | 1,178,386 | 21,797 | 1,186,683 | 1,984,270 |
| Shrinkage | 1,546,710 | 157,826 | 2,017,198 | 1,480,399 |
| Total Class I Utilization | 374,548,620 | 5,607,888 | 397,012,776 | 360,284,626 |
| Other Order Plants | (3,562,868) | (59,440) | (3,644,553) | (2,463,905) |
| Beginning Inventory | (30,188,616) | (438,589) | (34,564,034) | (31,247,094) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (569,014) | (13,219) | (507,109) | (600,654) |
| Overage | -- | -- | 0 | 0 |
| Interhandler Adjustment | (311,860) | (5,072) | 197,959 | 659,243 |
| Class I Producer Milk | 339,916,262 | 5,091,568 | 358,495,039 | 326,632,216 |
| Class II Utilization: | | | | |
| Total Class II Utilization | 73,836,123 | 7,600,281 | 83,085,527 | 155,489,268 |
| Other Order Plants | -- | -- | -- | 0 |
| Beginning Inventory | (2,607,355) | (35,981) | -- | (885,814) |
| Reused Products | (7,349,945) | (8,299) | (7,334,689) | (11,914,583) |
| Other Source Milk | (17,192) | (17,192) | 0 | (592,337) |
| Overage | 0 | 0 | -- | -- |
| Class II Producer Milk | 63,861,631 | 7,538,809 | 75,750,838 | 142,096,534 |
| Class III Utilization: | | | | |
| Total Class III Utilization | 2,324,008,645 | 81,664,160 | 2,380,859,911 | 1,378,136,503 |
| Other Order Plants | (1,108,740) | (13,191) | (715,816) | -- |
| Beginning Inventory | (7,987,472) | (212,663) | (1,039,107) | (1,711,416) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (1,593,966) | (41,899) | (2,065,200) | (2,614,657) |
| Overage | (71,707) | (8,357) | (48,218) | (66,979) |
| Class III Producer Milk | 2,313,246,760 | 81,388,050 | 2,376,991,570 | 1,373,743,451 |
| Class IV Utilization: | | | | |
| Total Class IV Utilization | 87,079,211 | 7,761,241 | 118,507,657 | 159,756,842 |
| Other Order Plants | (2,582,640) | (118,288) | (2,042,959) | (1,666,565) |
| Beginning Inventory | (16,864,792) | (929,717) | (16,065,281) | (16,516,262) |
| Reused Products | 0 | 0 | 0 | -- |
| Other Source Milk | (25,980,347) | (989,690) | (26,403,056) | (36,396,735) |
| Overage | (6,528) | (4,467) | (44,727) | (71,575) |
| Class IV Producer Milk | 41,644,904 | 5,719,079 | 73,951,634 | 105,105,705 |
| Total Producer Milk -- All Classes | 2,758,669,557 | 99,737,506 | 2,885,189,081 | 1,947,577,906 |

-- Restricted Information

Commodity Prices

| Month/Year | Weighted Monthly Average NASS Prices * | | | | | | Weighted Two-Week Average NASS Prices * | | | | | |
|------------|--|---------|---------|--------|----------|----------|---|---------|---------|--------|----------|----------|
| | Cheddar Cheese | | | Nonfat | | | Cheddar Cheese | | | Nonfat | | |
| | Blocks | Barrels | Average | Butter | Dry Milk | Dry Whey | Blocks | Barrels | Average | Butter | Dry Milk | Dry Whey |
| | <i>Dollars per Pound</i> | | | | | | <i>Dollars per Pound</i> | | | | | |
| Jun 2008 | 2.1326 | 2.1680 | 2.1609 | 1.4669 | 1.3508 | 0.2758 | 2.1885 | 2.2210 | 2.2156 | 1.4607 | 1.3479 | 0.2774 |
| Jul | 1.9477 | 1.9423 | 1.9585 | 1.5180 | 1.4053 | 0.2642 | 1.9726 | 1.9586 | 1.9792 | 1.5205 | 1.3957 | 0.2690 |
| Aug | 1.8809 | 1.8247 | 1.8699 | 1.5713 | 1.3840 | 0.2470 | 1.9317 | 1.8353 | 1.9041 | 1.5711 | 1.3790 | 0.2487 |
| Sep | 1.7661 | 1.7611 | 1.7773 | 1.6365 | 1.2131 | 0.2183 | 1.7265 | 1.6997 | 1.7279 | 1.6125 | 1.2628 | 0.2241 |
| Oct | 1.8927 | 1.8928 | 1.9065 | 1.6997 | 0.9987 | 0.1945 | 1.9185 | 1.9189 | 1.9323 | 1.6899 | 1.0452 | 0.1970 |
| Nov | 1.7268 | 1.7518 | 1.7511 | 1.6356 | 0.8701 | 0.1895 | 1.7253 | 1.7322 | 1.7420 | 1.6517 | 0.8617 | 0.1896 |
| Dec | 1.7355 | 1.7447 | 1.7544 | 1.2448 | 0.8425 | 0.1730 | 1.7615 | 1.8048 | 1.7989 | 1.3262 | 0.8460 | 0.1716 |
| Jan 2009 | 1.2906 | 1.2728 | 1.2961 | 1.0868 | 0.8318 | 0.1696 | 1.2806 | 1.2700 | 1.2895 | 1.0914 | 0.8333 | 0.1701 |
| Feb | 1.1239 | 1.1495 | 1.1518 | 1.0750 | 0.8215 | 0.1567 | 1.1171 | 1.1342 | 1.1414 | 1.0731 | 0.8195 | 0.1545 |
| Mar | 1.2336 | 1.2636 | 1.2611 | 1.1289 | 0.8166 | 0.1662 | 1.2387 | 1.2446 | 1.2545 | 1.1211 | 0.8152 | 0.1632 |
| Apr | 1.2689 | 1.2566 | 1.2771 | 1.1665 | 0.8195 | 0.1949 | 1.2753 | 1.3086 | 1.3030 | 1.1640 | 0.8181 | 0.1852 |
| May | 1.1681 | 1.1112 | 1.1553 | 1.2159 | 0.8318 | 0.2317 | 1.1720 | 1.1095 | 1.1562 | 1.2051 | 0.8314 | 0.2323 |
| Jun | 1.1472 | 1.1158 | 1.1466 | 1.2073 | 0.8461 | 0.2693 | 1.1451 | 1.1167 | 1.1459 | 1.2187 | 0.8443 | 0.2649 |

| Month/Year | Chicago Mercantile Exchange | | | | | | |
|------------|-----------------------------|----------------|---------|-----------------------------------|--------|-------------|--------|
| | Butter | Cheddar Cheese | | Nonfat Dry Milk (Low/Medium Heat) | | Whey Powder | |
| | Grade AA | Blocks | Barrels | Central & East | West | Central | West |
| | <i>Dollars per Pound</i> | | | | | | |
| Jun 2008 | 1.5001 | 2.0350 | 2.0562 | 1.4649 | 1.4215 | 0.2634 | 0.2762 |
| Jul | 1.5385 | 1.9673 | 1.8890 | 1.4498 | 1.4428 | 0.2432 | 0.2732 |
| Aug | 1.6279 | 1.7398 | 1.6983 | 1.4439 | 1.3972 | 0.2170 | 0.2546 |
| Sep | 1.6973 | 1.8762 | 1.8517 | 1.3187 | 1.2379 | 0.1993 | 0.1979 |
| Oct | 1.7320 | 1.7963 | 1.8025 | 1.1032 | 0.9680 | 0.1899 | 0.1791 |
| Nov | 1.6165 | 1.7099 | 1.6975 | 0.9353 | 0.8647 | 0.1770 | 0.1586 |
| Dec | 1.2007 | 1.5132 | 1.5295 | 0.8907 | 0.8424 | 0.1754 | 0.1456 |
| Jan 2009 | 1.1096 | 1.0833 | 1.0832 | 0.8584 | 0.8161 | 0.1638 | 0.1466 |
| Feb | 1.1097 | 1.2171 | 1.1993 | 0.8574 | 0.8007 | 0.1601 | 0.1627 |
| Mar | 1.1770 | 1.2455 | 1.2738 | 0.8693 | 0.8088 | 0.1748 | 0.1906 |
| Apr | 1.2042 | 1.2045 | 1.1506 | 0.8660 | 0.8230 | 0.2060 | 0.2295 |
| May | 1.2526 | 1.1394 | 1.0763 | 0.8836 | 0.8325 | 0.2436 | 0.2518 |
| Jun | 1.2235 | 1.1353 | 1.0884 | 0.9115 | 0.8404 | 0.2718 | 0.2985 |

Market Statistics

| Month/Year | Distributing Plants | Supply Plants | Coop .9(c) Handlers | Producers | Total Producer Milk | Est. Average Daily Delivery Per Producer | Class I Utilization | Butterfat Test | Protein Test | Other Solids Test | Weighted Average SCC |
|------------|------------------------|------------------|------------------------|-----------|---------------------------|--|------------------------|-------------------|-----------------|-------------------------|----------------------------|
| | | | | | Mil. lbs. | Pounds | Percent | Percent | Percent | Percent | |
| | | | | | | | | | | (000) | |
| Jun 2008 | 25 | 53 | 13 | 13,722 | 1,948 | 5,205 | 16.8 | 3.61 | 2.97 | 5.73 | 294 |
| Jul | 25 | 52 | 13 | 15,356 | 2,384 | 5,189 | 14.6 | 3.58 | 2.93 | 5.72 | 311 |
| Aug | 27 | 55 | 13 | 16,125 | 2,627 | 5,207 | 13.4 | 3.59 | 2.95 | 5.71 | 312 |
| Sep | 25 | 53 | 13 | 16,039 | 2,531 | 5,247 | 14.9 | 3.67 | 3.02 | 5.72 | 291 |
| Oct | 27 | 52 | 13 | 14,313 | 2,175 | 5,296 | 18.3 | 3.77 | 3.09 | 5.71 | 271 |
| Nov | 26 | 52 | 13 | 16,091 | 2,625 | 5,392 | 13.9 | 3.82 | 3.12 | 5.71 | 253 |
| Dec | 26 | 53 | 13 | 15,061 | 2,318 | 5,416 | 17.0 | 3.83 | 3.11 | 5.71 | 259 |
| Jan 2009 | 26 | 53 | 12 | 16,118 | 2,751 | 5,499 | 14.1 | 3.81 | 3.09 | 5.71 | 272 |
| Feb | 24 | 54 | 12 | 16,197 | 2,488 | 5,507 | 14.3 | 3.76 | 3.06 | 5.73 | 277 |
| Mar | 26 | 54 | 12 | 15,859 | 2,675 | 5,622 | 14.1 | 3.73 | 3.04 | 5.73 | 275 |
| Apr | 26 | 53 | 12 | 16,364 | 2,794 | 5,662 | 13.3 | 3.72 | 3.03 | 5.72 | 265 |
| May | 24 | 53 | 12 | 16,463 | 2,885 | 5,740 | 12.4 | 3.66 | 3.00 | 5.72 | 258 |
| Jun | 23 | 53 | 13 | | 2,759 | | 12.3 | 3.62 | 2.96 | 5.75 | 267 |

* NASS = National Agricultural Statistics Service, USDA.

Class Prices

| Month/Year | Class I Price Mover | | | Class I Price at Cook County, IL | | | Class II Price | | | |
|------------|---------------------|-------------|-------------|----------------------------------|-------------|-------------|----------------|---------------|-------------|-------------|
| | Butterfat | Skim Milk | 3.50% | Butterfat | Skim Milk | 3.50% | Butterfat | Nonfat Solids | Skim Milk | 3.50% |
| | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> |
| Jun 2008 | 1.5625 | 13.17 | 18.18 | 1.5805 | 14.97 | 19.98 | 1.6230 | 1.2100 | 10.89 | 16.19 |
| Jul | 1.6086 | 15.70 | 20.78 | 1.6266 | 17.50 | 22.58 | 1.6844 | 1.2567 | 11.31 | 16.81 |
| Aug | 1.6804 | 13.05 | 18.47 | 1.6984 | 14.85 | 20.27 | 1.7483 | 1.3044 | 11.74 | 17.45 |
| Sep | 1.7411 | 11.98 | 17.65 | 1.7591 | 13.78 | 19.45 | 1.8266 | 1.2878 | 11.59 | 17.58 |
| Oct | 1.7451 | 9.76 | 15.53 | 1.7631 | 11.56 | 17.33 | 1.8577 | 1.1622 | 10.46 | 16.60 |
| Nov | 1.8388 | 11.29 | 17.33 | 1.8568 | 13.09 | 19.13 | 1.7800 | 0.9467 | 8.52 | 14.45 |
| Dec | 1.7925 | 9.49 | 15.43 | 1.8105 | 11.29 | 17.23 | 1.3068 | 0.7644 | 6.88 | 11.21 |
| Jan 2009 | 1.3983 | 11.24 | 15.74 | 1.4163 | 13.04 | 17.54 | 1.1154 | 0.7489 | 6.74 | 10.41 |
| Feb | 1.1140 | 7.07 | 10.72 | 1.1320 | 8.87 | 12.52 | 1.1011 | 0.7367 | 6.63 | 10.25 |
| Mar | 1.0918 | 5.81 | 9.43 | 1.1098 | 7.61 | 11.23 | 1.1664 | 0.7233 | 6.51 | 10.36 |
| Apr | 1.1500 | 6.56 | 10.36 | 1.1680 | 8.36 | 12.16 | 1.2119 | 0.7189 | 6.47 | 10.49 |
| May | 1.2019 | 7.01 | 10.97 | 1.2199 | 8.81 | 12.77 | 1.2718 | 0.7211 | 6.49 | 10.71 |
| June | 1.2517 | 5.91 | 10.08 | 1.2697 | 7.71 | 11.88 | 1.2614 | 0.7344 | 6.61 | 10.79 |
| Jul | 1.2682 | 6.03 | 10.26 | 1.2862 | 7.83 | 12.06 | | 0.7478 | 6.73 | |

| Month/Year | Class III Price | | | | | Class IV Price | | | |
|------------|-----------------|------------|--------------|-------------|-------------|----------------|---------------|-------------|-------------|
| | Butterfat | Protein | Other Solids | Skim Milk | 3.50% | Butterfat | Nonfat Solids | Skim Milk | 3.50% |
| | <i>lb.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i> | <i>lb.</i> | <i>cwt.</i> | <i>cwt.</i> |
| Jun 2008 | 1.6160 | 4.7193 | 0.0826 | 15.12 | 20.25 | 1.6160 | 1.1819 | 10.64 | 15.92 |
| Jul | 1.6774 | 4.0025 | 0.0707 | 12.82 | 18.24 | 1.6774 | 1.2358 | 11.12 | 16.60 |
| Aug | 1.7413 | 3.6497 | 0.0529 | 11.63 | 17.32 | 1.7413 | 1.2147 | 10.93 | 16.64 |
| Sep | 1.8196 | 3.2689 | 0.0234 | 10.27 | 16.28 | 1.8196 | 1.0455 | 9.41 | 15.45 |
| Oct | 1.8507 | 3.5490 | (0.0047) | 10.97 | 17.06 | 1.8507 | 0.8226 | 7.40 | 13.62 |
| Nov | 1.7730 | 3.1301 | (0.0099) | 9.64 | 15.51 | 1.7730 | 0.6953 | 6.26 | 12.25 |
| Dec | 1.2998 | 3.6390 | (0.0269) | 11.12 | 15.28 | 1.2998 | 0.6680 | 6.01 | 10.35 |
| Jan 2009 | 1.1084 | 2.3638 | (0.0304) | 7.15 | 10.78 | 1.1084 | 0.6574 | 5.92 | 9.59 |
| Feb | 1.0941 | 1.9139 | (0.0437) | 5.68 | 9.31 | 1.0941 | 0.6472 | 5.82 | 9.45 |
| Mar | 1.1594 | 2.1973 | (0.0339) | 6.61 | 10.44 | 1.1594 | 0.6423 | 5.78 | 9.64 |
| Apr | 1.2049 | 2.2009 | (0.0043) | 6.80 | 10.78 | 1.2049 | 0.6452 | 5.81 | 9.82 |
| May | 1.2648 | 1.7454 | 0.0336 | 5.61 | 9.84 | 1.2648 | 0.6574 | 5.92 | 10.14 |
| Jun | 1.2544 | 1.7283 | 0.0723 | 5.78 | 9.97 | 1.2544 | 0.6715 | 6.04 | 10.22 |

Producer Prices

| Month/Year | Producer Price | Statistical Uniform Price | Butterfat Price | Protein Price | Other Solids Price | SCC Adjustment Rate | Producer Mailbox Price |
|------------|--------------------|---------------------------|-----------------|---------------|--------------------|---------------------|------------------------|
| | Differential | (at 3.50%) | | | | | |
| | <i>\$ per cwt.</i> | <i>\$ per cwt.</i> | | | | | |
| Apr 2008 | 0.47 | 17.23 | 1.4748 | 3.7579 | 0.0622 | 0.00091 | 18.21 |
| May | (0.19) | 17.99 | 1.5562 | 4.1108 | 0.0766 | 0.00098 | 18.87 |
| Jun | (0.46) | 19.79 | 1.6160 | 4.7193 | 0.0826 | 0.00108 | 20.02 |
| Jul | 0.66 | 18.90 | 1.6774 | 4.0025 | 0.0707 | 0.00098 | 19.11 |
| Aug | 0.49 | 17.81 | 1.7413 | 3.6497 | 0.0529 | 0.00093 | 18.19 |
| Sep | 0.57 | 16.85 | 1.8196 | 3.2689 | 0.0234 | 0.00089 | 17.87 |
| Oct | (0.04) | 17.02 | 1.8507 | 3.5490 | (0.0047) | 0.00095 | 18.47 |
| Nov | 0.34 | 15.85 | 1.7730 | 3.1301 | (0.0099) | 0.00088 | 17.48 |
| Dec | (0.24) | 15.04 | 1.2998 | 3.6390 | (0.0269) | 0.00088 | 16.50 |
| Jan 2009 | 0.82 | 11.60 | 1.1084 | 2.3638 | (0.0304) | 0.00065 | 13.00 |
| Feb | 0.51 | 9.82 | 1.0941 | 1.9139 | (0.0437) | 0.00058 | 11.51 |
| Mar | 0.13 | 10.57 | 1.1594 | 2.1973 | (0.0339) | 0.00063 | 12.06 |
| Apr | 0.20 | 10.98 | 1.2049 | 2.2009 | (0.0043) | 0.00064 | 12.31 |
| May | 0.46 | 10.30 | 1.2648 | 1.7454 | 0.0336 | 0.00058 | |
| Jun | 0.32 | 10.29 | 1.2544 | 1.7283 | 0.0723 | 0.00057 | |

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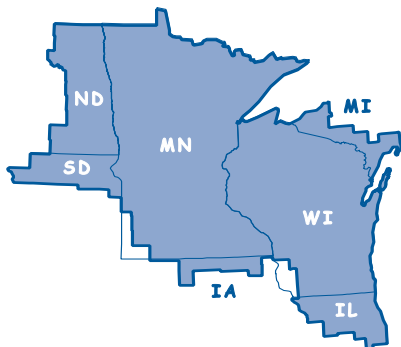
Summary of Federal Order Data - June 2009

| Federal Order Number / Name | Producer Deliveries | Class I Producer Receipts | Class I Utilization | Class I Price | Producer Price Differential | Uniform or Statistical Uniform Price at 3.5% Butterfat | | |
|--------------------------------------|------------------------|---------------------------------|------------------------|-----------------------------|-----------------------------------|---|------------------------------|---------------------------------|
| | | | | | | FOB Market | FOB Cook Cty. Illinois | Change From Previous Year |
| <i>— Thousand Pounds —</i> | | <i>Percent</i> | | <i>— Dollars per Cwt. —</i> | | <i>— Dollars per Cwt. —</i> | | |
| 1 Northeast | 2,002,371 | 825,015 | 41.2 | \$ 13.33 | \$ 1.96 | \$ 11.93 | \$ 10.48 | \$ (7.63) |
| 5 Appalachian | 504,299 | 323,694 | 64.2 | 13.48 | n/a | 12.66 | 11.06 | (7.56) |
| 6 Florida | 221,439 | 196,502 | 88.7 | 15.48 | n/a | 14.96 | 11.36 | (7.40) |
| 7 Southeast | 605,153 | 370,303 | 61.2 | 13.88 | n/a | 12.83 | 10.83 | (7.97) |
| 30 Upper Midwest | 2,758,670 | 339,916 | 12.3 | 11.88 | 0.32 | 10.29 | 10.29 | (9.50) |
| 32 Central | 1,188,631 | 326,474 | 27.5 | 12.08 | 0.73 | 10.70 | 10.50 | (7.80) |
| 33 Mideast | 1,431,002 | 528,269 | 36.9 | 12.08 | 1.02 | 10.99 | 10.79 | (7.97) |
| 124 Pacific Northwest | 670,568 | 180,115 | 26.9 | 11.98 | 0.73 | 10.70 | 10.60 | (7.33) |
| 126 Southwest | 992,686 | 326,664 | 32.9 | 13.08 | 1.67 | 11.64 | 10.44 | (7.38) |
| 131 Arizona | 335,308 | 111,248 | 33.2 | 12.43 | n/a | 10.95 | 10.40 | (7.70) |
| All Market Average or Total * | 10,710,127 | 3,528,200 | 32.9 | | | | | |

n/a = Not applicable. * May not add due to rounding.

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