



# Milk Market News and Summary

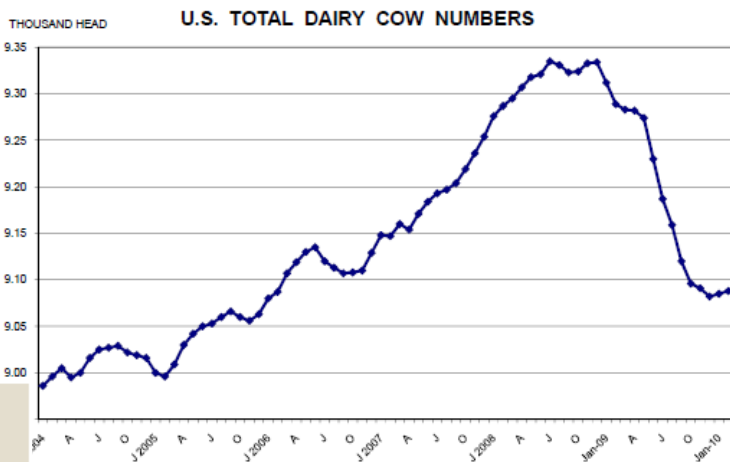
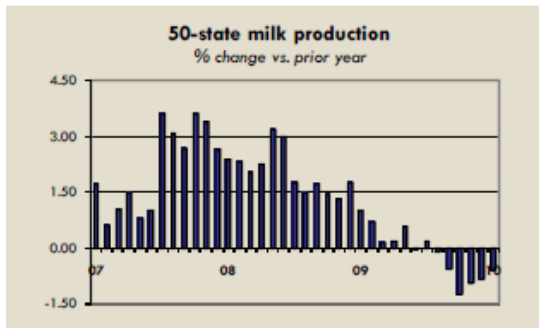
April 5, 2010

**March Class IV - \$ 12.92/cwt.** Up 2 cents from last month. -- Class IV projection for April is \$13.50

**March Class III - \$12.78/cwt.** Dn \$1.50 from last month. - Class III projection for April is \$12.68

## FEBRUARY MILK

**PRODUCTION** Milk production in the 23 major states during February totaled 13.6 billion pounds, up 0.1% from February 2009. Production per cow in the 23 major states averaged 1,640 pounds for February, 35 pounds above February 2009. The number of milk cows on farms in the 23



major states was 8.32 million head, 168,000 head less than February 2009, but 3,000 head more than January 2010. After falling every month in 2009, the nation's herd increased by 3,000 head in January, and 3,000 head in February. If expansion continues it could signal greater supplies in the months ahead.

**BUTTER**-- the NASS butter price average for March was \$1.4388/lb. up 7 cents from last month's average price. The week ending March 27<sup>th</sup>, NASS butter price was \$1.45/lb. 2 cents higher than the March average price. The CME spot Butter price on April 1 was \$1.4950. The NASS weekly price and the CME price indicate a firm market going forward. The butter price is forecasted to be \$1.47/lb for April. Butter inventories continue to be held with confidence in anticipation of stronger prices later in the year.

**NONFAT**--The March average NASS price was \$1.0454/lb. Dn. \$0.348/lb from the previous month's average price. The March 27<sup>th</sup> week ending NASS nonfat price was \$1.05/lb up ½ cent from the March average. The CME spot price on April 1<sup>st</sup> 2010 was \$1.225/lb. for Grade A indicating a firming market. The projected March Nonfat average price is \$1.086/lb. Prices have been moving higher the past few weeks, February typically has been the low point of the year for nonfat powder prices. Potential for future exports, and fall domestic usage has encouraged current demand.

Class IV prices are higher through September of 2010 and unchanged in the fourth quarter of 2010,

### Class IV forecast for 2010

April \$13.50, May \$13.84, June \$14.15, July \$14.29, August \$14.50, September \$14.75, October \$14.98, November 15.10, December \$15.50

Dale Johnson.