

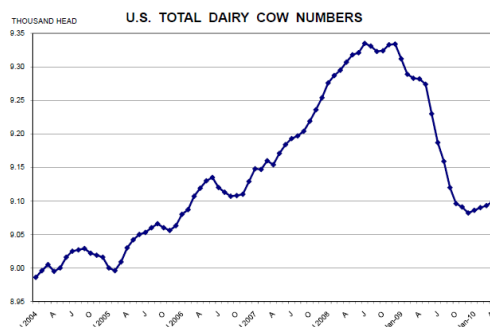
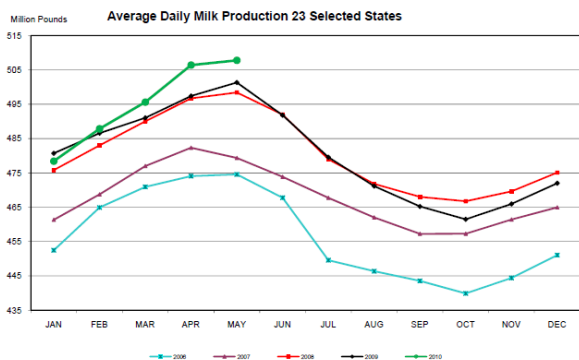


Milk Market News and Summary

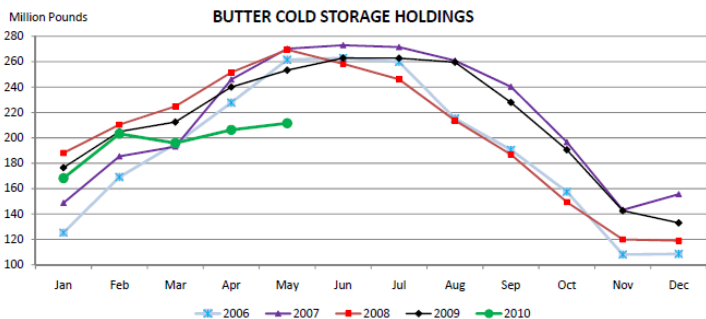
July 4, 2010

June Class IV - \$ 15.45/cwt. Up \$ 0.16 from last month. - Class IV projection for July is \$15.65

June Class III - \$13.62/cwt. Up \$0.24 from last month. - Class III projection for July is \$13.40



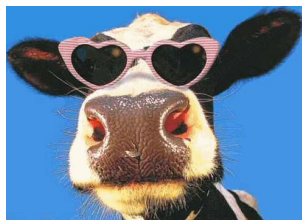
Milk production in the 23 major states during May totaled 15.7 billion pounds, up (1.3%) from May 2009. Production per cow in the 23 major states averaged 1,889 pounds for May, (3.0%) above May 2009. The number of cows on farms in the 23 major states was 8.33 million head, 143,000 head (-1.6%) less than May 2009, but 4,000 head more than April 2010..



BUTTER-- the NASS butter price average for June was \$1.5946/lb. up \$0.014 from last months average price, however the week ending June 26th. , NASS butter price was \$1.65/lb. over 5 cent higher than June's average price. The CME spot Butter price on June 1 was \$1.75. Both the NASS weekly price and the CME price indicate a higher market going forward. The NASS butter price for July is forecasted to be \$1.72/lb. According to the CME Group, weekly butter stocks in CME approved warehouses

decreased 3.1 million pounds from the previous week to stand at 63.8 million pounds. This compares to 98.9 million pounds in 2009 and 124.9 million pounds in the comparable week in 2008

NONFAT--The June average NASS price was \$1.2631/lb. up \$0.0111 from the previous month's average price. The June 26 week ending NASS nonfat price was \$1.22/lb. \$0.04 cents lower than June's average The CME spot price on July 1th, 2010, was \$1.245/lb. for Extra Grade indicating a steady to softening market. The projected July Nonfat average price is \$1.23/lb.



This months forecast show the slight softening of class IV price in the 2nd half of 2010 as compared with last months forecast.

Class IV forecast for the remainder of 2010 and first half of 2011

July \$15.65, August \$15.80, September \$15.85, October \$16.05, November \$15.95, December \$15.80,

2011

January \$15.45, February \$15.09, March \$14.52, April \$14.40, May \$14.36

Have a great summer!!
Dale Johnson.