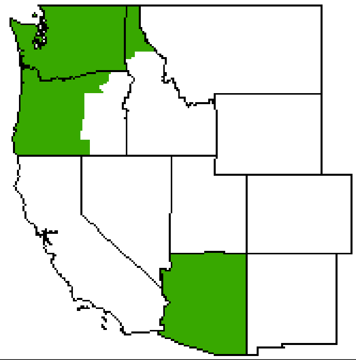
The Market Administrator's Report

Pacific Northwest & Arizona Marketing Areas

1930 – 220th Street SE, Suite 102
Bothell, Washington 98021-8471
Phone (425) 487-6009
Fax (425) 487-2775
Homepage: fmmaseattle.com
E-mail: fmmaseattle@fmmaseattle.com

James R. Daugherty
Market Administrator



10050 N 25th Avenue, Suite 302
Phoenix, Arizona 85021-1664
Phone (602) 547-2909
Fax (602) 547-2906
E-mail: ma@fmma.net

February 2010

MARKET SUMMARIES FOR JANUARY 2010

Comparisons to a year ago can be found in the tables on pages 6 and 7.

Pacific Northwest

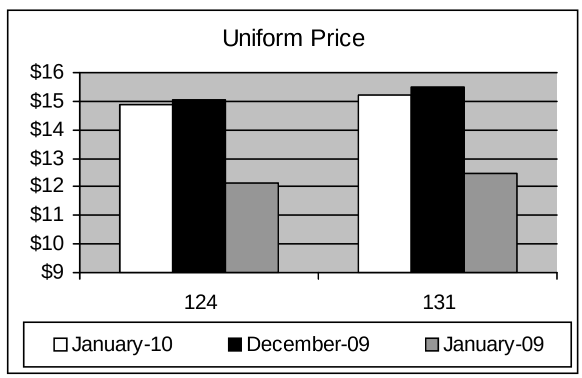
Producers delivered a total of 685.5 million pounds of milk to the market during January. Daily deliveries averaged 22.1 million pounds, up 10.8 percent from December. An estimated 628 producers delivered milk to the market during the month. Comparisons to December 2009 are biased due to eligible milk not pooled. Daily deliveries per producer averaged 35,209 pounds, up 10.0 percent from December.

Class I producer milk during January totaled 193.0 million pounds, 28.2 percent of total producer receipts. Daily usage averaged 6.2 million pounds, down 3.8 percent from December.

Arizona

Producers delivered a total of 356.8 million pounds of milk to the market during January. Daily deliveries averaged 11.5 million pounds, up 3.2 percent from December. An estimated 94 producers delivered milk to the market during the month. Daily deliveries per producer averaged 122,455 pounds, up 3.2 percent from December.

Class I producer milk during January totaled 119.1 million pounds, 33.4 percent of total producer receipts. Daily usage averaged 3.8 million pounds, down 3.5 percent from December. ♦



Federal Order Producer Prices and Component Levels: January 2010

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	14.88	15.21	Butterfat	3.783	3.595
Butterfat 2/	1.4405	1.4709	Protein	3.147	N/A
Protein 2/	2.7916	N/A	Other Solids	5.692	N/A
Other Solids 2/	0.1946	N/A	Nonfat Solids	8.839	N/A
PPD 1/*	0.38	N/A			
Skim 1/	N/A	10.43			

N/A = not applicable. * Subject to applicable location adjustments. 1/ $ per cwt. 2/ $ per pound.

JANUARY 2010 CLASS PRICES

January 2010 non-advanced Class Prices were calculated using NASS commodity price surveys from January 2, 9, 16, 23, and 30, 2010. Component prices for the month are $2.7916 per pound of protein, $1.4405 per pound of butterfat, $0.1946 per pound of other solids, and $1.0148 per pound of nonfat solids.

January 2010 Class III and IV prices at 3.5% butterfat are $14.50 and $13.85 per hundredweight, respectively. The January Class III price compared to December 2009 is down $0.48. The Class III price is $3.72 higher than in January 2009.

Class II butterfat was announced at $1.4475 per pound. Class I skim and butterfat and Class II skim prices for January 2010 were announced on December 18, 2009. The Class II price at 3.5% butterfat is $15.22 for January 2010.

FINAL: NASS COMMODITY PRICES

	December	January	Change
Cheese*	$1.5969	$1.5374	-$0.0595
Butter	$1.4459	$1.3610	-$0.0849
Nonfat Dry Milk	$1.2858	$1.1929	-$0.0929
Whey	$0.3668	$0.3880	$0.0212

* The weighted average of barrels plus 3 cents and blocks.

Current Commodity Prices - - The NASS survey of cheddar cheese prices showed a net decrease in price received for 40-pound blocks and a net increase for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 4.59 cents between the January 16 and the February 13 surveys, to $1.5024 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 3.04 cents to $1.5098 per pound.

The NASS butter price showed a net increase of 1.12 cents between the weeks ending January 16 and February 13 from $1.3391 per pound to $1.3503 per pound.

The NASS nonfat dry milk showed a net decrease of 14.59 cents since mid-January to $1.1417 per pound. The average price for NASS whey showed a net increase of 0.62 cents since mid-January to $0.3960 per pound. ♦

MARCH'S CLASS I PRICE ANNOUNCEMENT

On February 19, the March 2010 Class I price was announced at $16.24 for the Pacific Northwest Order and $16.69 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of February 6 and 13.

The March Class III and IV advance skim prices are $9.60 and $8.69 per hundredweight, respectively. The butterfat portion of the Class I mover increased 4.25 cents from $1.4090 to $1.4515 per pound.

The March 2010 Class II skim and nonfat solids prices were also announced on February 13. The skim price is $9.39 per hundredweight, and the nonfat solids price is $1.0433 pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	February	March	Change
Cheese*	$1.5578	$1.5174	-$0.0404
Butter	$1.3350	$1.3701	$0.0351
Nonfat Dry Milk	$1.3201	$1.1431	-$0.1770
Whey	$0.3893	$0.3928	$0.0035

* The weighted average of barrels plus 3 cents and blocks.

2009 ANNUAL STATISTICS

This month's Market Administrator's Report includes annual summaries for the Pacific Northwest (FO 124) and Arizona (FO 131) Orders (see pages 4 and 5). Data includes production figures, Class prices, handler counts, as well as selected Class I details. The annual summaries include data for 2006-2009 to provide a historical reference. The following are a few notable highlights:

- Producer milk receipts for FO 124 totaled 7.5 billion pounds, an increase of 8.6 percent from 2008. FO 131's total was 4.0 billion pounds, down 2.7 percent.
- The uniform prices for FO's 124 and 131 were lower in 2009 than the previous three years, averaging $11.76 and 12.10 per cwt., respectively.
- The number of pooled handlers remained relatively constant over the past four years.

More comprehensive data is available on our website, *www.fmmaseattle.com,* in the Historical Data section listed under "Compilation of Statistical Material."♦

ERS DAIRY OUTLOOK

Summary: Milk Production Declines Again in 2010, While Demand—both Domestic and International—Improves, Leading to Higher Milk and Product Prices in 2010.

USDA projects 2009/10 corn and soybean meal prices at $3.40 to $3.85 a bushel and $265 to $315 per ton, respectively. The moderation in forecast feed prices compared with the last 2 years helps boost the milk/feed price ratio and the profit outlook for U.S. dairy producers in the near future. The U.S. dairy herd continues a moderate contraction that is likely to continue throughout 2010. Herd size is forecast to average just below 9 million head this year, down from 9.2 million in 2009. Lower expected feed prices should help boost production per cow that is expected to increase by a relatively robust 1.9 percent this year. The milk-feed price ratio is not expected to reach 2.5, a range that typically signals a steady state in dairy cow numbers, until the end of 2010. While the worst of the economic contraction is over, many producers are not in a financial position to consider herd expansion at this time. After a year of culling, the lower average age of the dairy herd should also help boost output per cow, since it is younger, more productive cows that will remain. USDA projects 2010 milk production at 188.4 billion pounds, which would represent a further decline from the 2009 lower production.

Cheese prices are expected to strengthen throughout 2010 as economic recovery proceeds and milk supplies tighten. Cheese prices are expected to average $1.570 to $1.650 per pound in 2010, a rise from the $1.2966 per pound average posted for 2009. USDA's December *Cold Storage* report placed total cheese stocks at the end of November at 961,376 pounds, 117 percent of year-earlier levels. Butter prices, like cheese prices, are expected to rise through 2010 and are forecast to average $1.390 to $1.500 per pound, well above the $1.2096 average price for 2009. Butter stocks were 142,175 pounds, 119 percent of November 2008's level. Lower expected milk production in 2010 should reduce both cheese and butter production this year compared with last year, helping to support prices and drawing down stocks.

Exports on a skims basis are forecast to rise to 25.5 million pounds and reach 4.8 billion pounds on a fats basis. Exports of nonfat dry milk (NDM) and skim milk powder (SMP) are expected to rise in 2010 to 660 million pounds, a recovery from 2009, but still below 2008. Cheese and cheese product exports are expected to rise in 2010 to about 245 million pounds, and butter and butter fat exports are expected to climb to 71 million pounds. Continued improvement in exports will be a significant factor in the price outlook, especially for skim milk powders. In addition, domestic use on both a fat and skims-solids basis is expected to rise just over 1 percent in 2010. Higher demand, both foreign and domestic, along with reduced production should tighten milk equivalent stock on both a fats and skims basis by year's end. Year-end stocks are expected to fall to 8.85 billion pounds from 11.1 billion pounds milk equivalent on a fat basis. On a skims basis, ending stocks are projected to tighten to 9.5 billion pounds from 11.0 billion at the end of 2009.

The strengthening in dairy product prices translates into higher prices for milk in all classes in 2010 compared with 2009. The Class IV price is forecast at $14.75 to $15.60 per cwt, substantially above 2009's average of $10.89 per cwt. The Class III price is expected to rise to $14.75 to $15.55 per cwt, up from 2009's $11.36 per cwt average. The all milk price is forecast to average $16.20 to $17.00 per cwt, up from $12.79 per cwt in 2009.♦

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-187, January 2010, Economic Research Service, USDA.

USDA 2010 AGRICULTURAL OUTLOOK FORUM: DAIRY OUTLOOK

The 2010 Agricultural Outlook Forum was held February 18 and 19 in Arlington, Virginia. In the closing session on February 19, Jerry Cessna, Senior Agricultural Economist for USDA's Dairy Programs, delivered the Dairy Outlook.

The presentation covered two decades of statistical data including milk production and milk production per cow, U.S. population and consumption, and historical All-Milk Prices, which showed decade "lows" in 1991 and 2002.

Mr. Cessna presented the 2009 dairy situation, addressing the topic "Why did milk prices plunge so low in 2009." The bulk of the presentation focused on the 2010 and long-term projections. Both domestic and international conditions were extensively referenced.

To view the full presentation, see http://www.usda.gov/oce/forum/2010_Speeches/Presentations/CessnaJ.pdf.♦

ANNUAL SELECTED STATISTICS

	PACIFIC NORTHWEST				ARIZONA 2/			
Minimum Class Prices (3.5% B.F.)	2009	2008	2007	2006	2009	2008	2007	2006
Class I Milk ($/cwt.)	$13.38	$19.90	$20.04	$13.78	$13.83	$20.35	$20.49	$14.23
Class II Milk ($/cwt.)	11.26	16.24	18.36	11.76	11.26	16.24	18.36	11.76
Class III Milk ($/cwt.)	11.36	17.44	18.04	11.89	11.36	17.44	18.04	11.89
Class IV Milk ($/cwt.)	10.89	14.65	18.36	11.06	10.89	14.65	18.36	11.06
Producer Prices								
Producer Price Differential ($/cwt.)	$ 0.41	$(0.57)	$ 0.63	$ 0.19	+	+	+	+
Butterfat ($/pound)	1.2571	1.5668	1.4693	1.3252	+	+	+	+
Protein ($/pound)	2.2087	3.8898	3.5121	2.0912	+	+	+	+
Other Solids ($/pound)	0.0612	0.0555	0.4201	0.1746	+	+	+	+
Uniform Skim Price ($/cwt.) . . .	+	+	+	+	7.98	12.39	14.39	8.22
Uniform Butterfat Price ($/pound)	+	+	+	+	1.2593	1.5739	1.4762	1.3326
Statistical Uniform Price ($/cwt.) . .	$11.76	$16.87	$18.67	$12.07	$12.10	$17.46	$19.05	$12.60
Producer Data								
Number of Producers	624	610	705	779	97	99	93	92
Avg. Daily Production (lbs.) . . .	32,799	30,824	27,343	26,625	114,171	114,693	111,912	100,758
Producer Milk Ratios								
Class I	30.35%	33.07%	32.07%	29.52%	35.31%	33.67%	36.65%	37.50%
Class II	6.53%	7.20%	7.32%	6.43%	8.64%	6.46%	9.10%	8.62%
Class III	37.78%	23.62%	29.95%	27.45%	28.63%	28.65%	27.81%	34.61%
Class IV	25.34%	36.10%	30.67%	36.60%	27.42%	31.21%	26.43%	19.27%

+ Not Applicable.

ANNUAL SUPPLEMENTAL STATISTICS

Number of Handlers	2009	2008	2007	2006	2009	2008	2007	2006
Pool Handlers	27	26	27	28	7	7	7	6
Distributing Plants	*15*	*16*	*17*	*16*	*5*	*5*	*5*	*4*
Supply Plants 3/	*7*	*6*	*6*	*6*	*1*	*1*	*1*	*1*
Cooperatives	*5*	*5*	*5*	*5*	*1*	*1*	*1*	*1*
Producer-Handlers	6	6	6	7	0	1	1	2
Other Plants w/ Class I Use . . .	23	23	25	24	26	24	22	25
Class I Route Disposition In Area								
By Pool Plants	2,056,535,792	2,030,404,832	1,994,049,274	2,000,742,674	1,150,716,393	1,131,481,428	1,149,759,420	1,131,880,059
By Producer-Handlers	83,382,859	80,128,472	84,441,329	126,067,955	0	1/	1/	1/
By Other Plants	88,014,635 *	80,800,670	55,539,139	50,007,298	58,826,461 *	59,790,104	57,885,430	134,311,783
Total	2,227,933,286	2,191,333,974	2,134,029,742	2,176,817,927	1,209,542,854	1,191,271,532	1,207,644,850	1,266,191,842
Producer-Handler Data								
% Class I Use	81.78%	81.50%	79.51%	81.18%	0.00%	R	R	R
% of Total In-Area Route Dispositions	3.74%	3.66%	3.96%	5.79%	0.00%	R	R	R

R = Restricted. Not included. 1/ Restricted. Included with other plants. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006. 3/ Includes Cooperative Pool Manufacturing Plants.

ANNUAL STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST 2009	PACIFIC NORTHWEST 2008	PACIFIC NORTHWEST 2007	PACIFIC NORTHWEST 2006	ARIZONA 2/ 2009	ARIZONA 2/ 2008	ARIZONA 2/ 2007	ARIZONA 2/ 2006
TOTAL PRODUCER MILK	7,470,190,925	6,881,681,377	7,036,007,813	7,570,456,808	4,042,238,490	4,155,785,979	3,798,868,820	3,383,448,766
RECEIPTS FROM OTHER SOURCES	301,292,755	401,203,997	454,544,202	237,218,264	67,667,216	158,487,708	243,966,168	272,775,534
OPENING INVENTORY	377,911,656	383,862,525	400,044,258	380,614,122	258,105,947	262,885,585	238,419,856	221,299,141
TOTAL TO BE ACCOUNTED FOR	8,149,395,336	7,666,747,899	7,890,596,273	8,188,289,194	4,368,011,653	4,577,159,272	4,281,254,844	3,877,523,441
UTILIZATION OF RECEIPTS								
Whole milk	393,133,510	380,554,162	386,055,812	400,114,991	296,657,183	298,233,815	330,466,437	331,431,736
Flavored milk & milk drinks	154,526,909	148,769,125	140,322,316	143,988,650	71,460,344	69,778,378	72,839,277	74,746,052
2% milk	833,491,328	825,062,287	762,443,804	799,095,114	446,345,249	441,351,854	430,274,661	412,700,801
1% milk	320,846,051	320,361,050	361,155,851	311,501,163	174,763,202	161,723,493	157,385,807	148,472,995
Skim milk	338,289,364	338,632,576	327,412,557	329,445,714	156,752,539	154,762,235	152,938,139	158,669,623
Buttermilk	16,248,630	16,794,387	16,658,934	16,597,042	4,737,876	5,631,653	5,855,099	5,858,852
CLASS I ROUTE DISP. IN AREA . .	2,056,535,792	2,030,173,587	1,994,049,274	2,000,742,674	1,150,716,393	1,131,481,428	1,149,759,420	1,131,880,059
Class I dispositions out of area . . .	207,524,719	222,969,651	220,095,037	192,347,892	273,319,320	265,445,073	244,120,284	137,226,775
Other Class I usage	201,397,614	218,654,049	241,428,503	236,570,628	145,243,346	142,746,229	138,214,372	117,133,817
TOTAL CLASS I USE	2,465,458,125	2,471,797,287	2,455,572,814	2,429,661,194	1,569,279,059	1,539,672,730	1,532,094,076	1,386,240,651
TOTAL CLASS II USE	590,216,206	571,218,849	595,664,484	571,757,273	360,188,794	278,257,199	359,121,487	303,029,161
TOTAL CLASS III USE	2,876,730,628	1,682,471,507	2,268,902,870	2,110,000,455	1,167,743,292	1,191,190,901	1,067,538,646	1,175,954,169
TOTAL CLASS IV USE	2,216,990,377	2,941,260,256	2,570,456,105	3,076,870,272	1,270,800,508	1,568,038,442	1,322,500,635	1,012,299,460
TOTAL ACCOUNTED FOR	8,149,395,336	7,666,747,899	7,890,596,273	8,188,289,194	4,368,011,653	4,577,159,272	4,281,254,844	3,877,523,441
CLASSIFICATION OF RECEIPTS								
Producer milk: Class I . .	2,267,280,865	2,276,061,722	2,256,399,902	2,234,596,168	1,427,303,872	1,399,209,088	1,392,470,597	1,268,897,392
Class II .	488,060,493	495,294,726	514,687,965	486,913,189	349,228,884	268,644,468	345,843,789	291,503,591
Class III .	2,821,905,244	1,625,745,493	2,107,295,207	2,078,124,314	1,157,166,627	1,190,822,447	1,056,328,262	1,170,961,130
Class IV .	1,892,944,323	2,484,579,436	2,157,624,739	2,770,823,137	1,108,539,107	1,297,109,976	1,004,226,172	652,086,653
Other receipts: Class I .	198,177,260	195,735,565	199,172,912	195,065,026	325,773,163	421,373,293	482,386,024	494,074,675
Class II .	102,155,713	75,847,397	80,976,519	84,844,084	1/	1/	1/	1/
Class III .	54,825,384	56,726,014	161,607,663	31,876,141	1/	1/	1/	1/
Class IV .	324,046,054	456,757,546	412,831,366	306,047,135	1/	1/	1/	1/
Avg. daily producer receipts	20,466,277	18,802,408	19,276,734	20,740,978	11,074,626	11,354,607	10,407,860	9,269,723
Change From Previous Year . .	8.85%	-2.46%	-7.06%	7.45%	-2.47%	9.10%	12.28%	14.79%
Avg. daily Class I use	6,754,680	6,753,545	6,727,597	6,656,606	4,299,395	4,206,756	4,197,518	3,797,920
Change From Previous Year . .	0.02%	0.39%	1.07%	4.59%	2.20%	0.22%	10.52%	27.65%

1/ Restricted - Included with Class I. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed from the "Arizona-Las Vegas Order" to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006.

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST				ARIZONA			
Minimum Class Prices (3.5% B.F.)	Jan 2010	Dec 2009	Jan 2009	Dec 2008	Jan 2010	Dec 2009	Jan 2009	Dec 2008
Class I Milk ($/cwt.)	$16.93	$15.89	$17.64	$17.33	$17.38	$16.34	$18.09	$17.78
Class II Milk ($/cwt.)	15.22	14.25	10.41	11.21	15.22	14.25	10.41	11.21
Class III Milk ($/cwt.)	14.50	14.98	10.78	15.28	14.50	14.98	10.78	15.28
Class IV Milk ($/cwt.)	13.85	15.01	9.59	10.35	13.85	15.01	9.59	10.35
Producer Prices								
Producer Price Differential ($/cwt.)	$ 0.38	$ 0.07	$ 1.34	$(2.28)	+	+	+	+
Butterfat ($/pound)	1.4405	1.5433	1.1084	1.2998	+	+	+	+
Protein ($/pound)	2.7916	2.8751	2.3638	3.6390	+	+	+	+
Other Solids ($/pound)	0.1946	0.1727	(0.0304)	(0.0269)	+	+	+	+
Uniform Skim Price ($/cwt.) . . .	+	+	+	+	10.43	10.52	8.73	9.41
Uniform Butterfat Price ($/pound)	+	+	+	+	1.4709	1.5280	1.1618	1.3961
Statistical Uniform Price ($/cwt.) . .	$14.88	$15.05	$12.12	$13.00	$15.21	$15.50	$12.49	$13.97
Producer Data								
Number of Producers	628 *	624	680	512	94 *	94	99	100
Avg. Daily Production (lbs.) . . .	35,209 *	31,981	32,827	29,785	122,455 *	118,658	119,703	115,651
Producer Milk Ratios								
Class I	28.16%	32.44%	28.23%	43.09%	33.38%	35.68%	31.55%	33.65%
Class II	5.83%	6.47%	4.66%	7.39%	6.98%	7.95%	7.17%	7.12%
Class III	37.71%	33.94%	39.00%	8.85%	26.89%	27.83%	23.98%	27.01%
Class IV	28.30%	27.15%	28.11%	40.67%	32.75%	28.54%	37.30%	32.22%

\+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Number of Handlers	Dec 2009	Nov 2009	Dec 2008	Nov 2008	Dec 2009	Nov 2009	Dec 2008	Nov 2008
Pool Handlers	26	28	25	27	7	7	7	7
Distributing Plants	*14*	*15*	*15*	*15*	*5*	*5*	*5*	*5*
Supply Plants 2/	*7*	*8*	*5*	*7*	*1*	*1*	*1*	*1*
Cooperatives	*5*	*5*	*5*	*5*	*1*	*1*	*1*	*1*
Producer-Handlers	5	5	6	6	0	0	1	1
Other Plants w/ Class I Use . . .	24	24	22	22	25	26	26	25
Class I Route Disposition In Area								
By Pool Plants	180,912,244	174,481,311	180,593,725	170,038,934	99,157,408	98,419,709	98,046,056	95,814,514
By Producer-Handlers	7,263,382	6,984,345	7,493,852	6,743,293	0	0	1/	1/
By Other Plants	8,172,813 *	7,581,557	8,588,867	6,452,929	5,951,124 *	5,373,912	5,204,382	4,573,238
Total	196,348,439	189,047,213	196,676,444	183,235,156	105,108,532	103,793,621	103,250,438	100,387,752
Producer-Handler Data								
% Class I Use	84.50%	88.42%	86.94%	82.45%	0.00%	0.00%	R	R
% of Total In-Area Route Dispositions	3.70%	3.69%	3.81%	3.68%	0.00%	0.00%	R	R

* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants. 2/ Includes Cooperative Pool Manufacturing Plants

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST Jan 2010	Dec 2009	Jan 2009	Dec 2008	ARIZONA Jan 2010	Dec 2009	Jan 2009	Dec 2008
TOTAL PRODUCER MILK	685,451,077	618,633,627	692,001,442	472,744,942	356,834,197	345,769,430	367,369,855	358,518,117
RECEIPTS FROM OTHER SOURCES	10,451,152	12,412,915	34,196,130	18,765,518	2,367,334	4,229,982	2,721,119	3,848,556
OPENING INVENTORY	28,359,605	33,627,409	32,633,912	30,838,390	20,013,259	23,529,441	22,534,289	22,958,414
TOTAL TO BE ACCOUNTED FOR	724,261,834	664,673,951	758,831,484	522,348,850	379,214,790	373,528,853	392,625,263	385,325,087
UTILIZATION OF RECEIPTS								
Whole milk	32,072,636	33,687,258	33,514,028	34,136,632	24,439,131	25,578,160	24,752,038	25,681,582
Flavored milk & milk drinks	13,234,182	15,350,868	13,436,256	14,466,725	6,424,609	6,975,600	6,896,317	7,052,342
2% milk	71,883,220	73,986,800	72,389,312	74,153,408	36,702,933	37,838,380	37,319,803	38,121,059
1% milk	28,243,298	27,528,630	27,898,904	27,573,891	16,288,847	15,254,585	14,284,501	13,460,929
Skim milk	28,911,102	28,994,253	29,203,069	28,898,986	13,776,743	13,056,142	13,717,293	13,200,757
Buttermilk	1,250,192	1,364,435	1,272,204	1,364,083	399,317	454,541	468,059	529,387
CLASS I ROUTE DISP. IN AREA . .	175,594,630	180,912,244	177,713,773	180,593,725	98,031,580	99,157,408	97,438,011	98,046,056
Class I dispositions out of area . . .	16,099,285	18,612,881	19,236,237	18,680,039	23,562,849	24,295,231	22,120,057	22,538,290
Other Class I usage	17,710,716	18,928,077	14,336,412	18,322,518	11,611,328	14,038,474	9,095,187	12,920,090
TOTAL CLASS I USE	209,404,631	218,453,202	211,286,422	217,596,282	133,205,757	137,491,113	128,653,255	133,504,436
TOTAL CLASS II USE	47,923,180	49,788,813	39,584,280	41,335,195	25,508,223	29,222,587	26,989,878	26,207,570
TOTAL CLASS III USE	258,507,009	212,024,875	279,259,738	41,839,068	95,945,255	96,773,552	88,095,327	96,855,902
TOTAL CLASS IV USE	208,427,014	184,407,061	228,701,044	221,578,305	124,555,555	110,041,601	148,886,803	128,757,179
TOTAL ACCOUNTED FOR	724,261,834	664,673,951	758,831,484	522,348,850	379,214,790	373,528,853	392,625,263	385,325,087
CLASSIFICATION OF RECEIPTS								
Producer milk: Class I . .	193,019,886	200,656,896	195,360,099	203,708,667	119,111,499	123,367,848	115,922,511	120,643,586
Class II .	39,946,306	40,031,701	32,233,155	34,945,279	24,923,675	27,498,369	26,336,436	25,509,092
Class III .	258,488,432	209,987,356	269,908,722	41,823,070	95,942,419	96,235,223	88,095,327	96,842,191
Class IV .	193,996,453	167,957,674	194,499,466	192,267,926	116,856,604	98,667,990	137,015,581	115,523,248
Other receipts: Class I .	16,384,745	17,796,306	15,926,323	13,887,615	14,094,258	14,123,265	25,255,408	26,806,970
Class II .	7,976,874	9,757,112	7,351,125	6,389,916	2/	2/	1/	1/
Class III .	18,577	2,037,519	9,351,016	15,998	2/	2/	1/	1/
Class IV .	14,430,561	16,449,387	34,201,578	29,310,379	8,286,335	13,636,158	1/	1/
Avg. daily producer receipts	22,111,325	19,955,923	22,322,627	15,249,837	11,510,781	11,153,853	11,850,640	11,565,101
Change From Previous Year . .	-0.95%	30.86%	18.19%	-18.31%	-2.87%	-3.56%	7.94%	11.65%
Avg. daily Class I use	6,754,988	7,046,877	6,815,691	7,019,235	4,296,960	4,435,197	4,150,105	4,306,595
Change From Previous Year . .	-0.89%	0.39%	-2.89%	3.61%	3.54%	2.99%	-3.81%	4.59%

1/ Restricted - Included with Class I.
2/ Restricted - Included with Class IV.
3/ Restricted - Included with Flavored milk & milk drinks.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for January 2010**
- **January 2010 Class Prices**
- **Class I Price for March 2010**
- **Annual Statistics**
- **ERS Dairy Outlook**
- **USDA 2010 Agricultural Outlook Forum: Dairy Outlook**
- **USDA Secretary Vilsack Announces Assistance to Promote Exports**

USDA SECRETARY VILSACK ANNOUNCES ASSISTANCE TO PROMOTE EXPORTS

On January 26, 2010, Agriculture Secretary Tom Vilsack announced the allocation of $234.5 million to 70 U.S. trade organizations to help promote American food and agriculture products overseas

"In today's highly competitive international markets, we must provide our exporters with the resources they need to compete overseas during the 21st century," said Vilsack. "When you consider the current global financial crisis, increasing production in key competitor countries and aggressive use of export promotion tools by our competitors, USDA's market development programs are more important than ever."

Secretary Vilsack allocated $4,989,300 to the U.S. Dairy Export Council, representing 2.1 percent of the funds. Most of the activity will be coordinated by the Market Access Program, which partners with the Commodity Credit Corporation to share the costs of overseas market development and promotional activities with U.S. nonprofit agricultural trade organizations, state regional trade groups and cooperatives. ♦