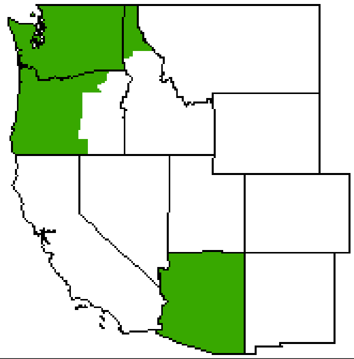
The Market Administrator's Report

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

William A. Wise
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

June 2011

MARKET SUMMARIES FOR MAY 2011

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

Pacific Northwest

Producers delivered a total of 630.4 million pounds of milk to the market during May. Daily deliveries averaged 20.3 million pounds, down 10.8 percent from April. An estimated 514 producers delivered milk to the market during the month. Comparisons to April 2011 are biased due to historically eligible milk not pooled. Daily deliveries per producer averaged 39,561 pounds, up 9.5 percent from April.

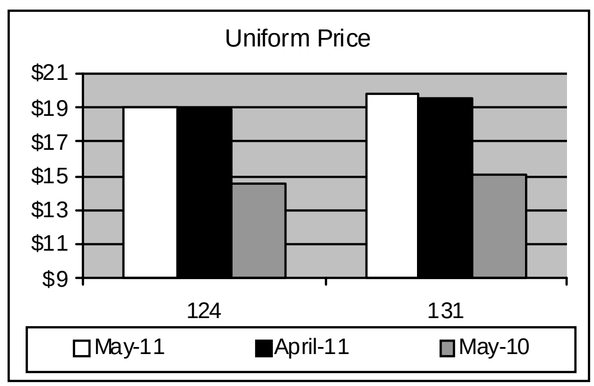
Class I producer milk during May totaled 188.0 million pounds, 29.8 percent of total producer receipts. Daily usage averaged 6.1 million pounds, down 1.0 percent from April.

Arizona

Producers delivered a total of 408.5 million pounds of milk to the market during May. Daily deliveries averaged 13.2 million pounds, down 3.2 percent from April. An estimated 100 producers delivered milk to the market during the month. Daily deliveries per producer averaged 131,758 pounds, down 3.2 percent from April.

Class I producer milk during May totaled 114.6 million pounds, 28.1 percent of total producer receipts. Daily usage averaged 3.7 million pounds, down 4.6 percent from April.

♦



Federal Order Producer Prices and Component Levels: May 2011

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	19.02	19.88	Butterfat	3.707	3.474
Butterfat 2/	2.2497	2.2473	Protein	3.136	N/A
Protein 2/	2.3133	N/A	Other Solids	5.751	N/A
Other Solids 2/	0.3026	N/A	Nonfat Solids	8.886	N/A
PPD 1/*	2.50	N/A			
Skim 1/	N/A	12.45			

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

MAY 2011 CLASS PRICES

May 2011 non-advanced Class Prices were calculated using NASS commodity price surveys from April 30, May 7, 14, 21, and 28, 2011. Component prices for the month are $2.3133 per pound of protein, $2.2497 per pound of butterfat, $0.3026 per pound of other solids, and $1.4298 per pound of nonfat solids.

May 2011 Class III and IV prices at 3.5% butterfat are $16.52 and $20.29 per hundredweight, respectively. The May Class III price compared to April is down $0.35. The Class III price is $3.14 higher than in May 2010.

Class II butterfat was announced at $2.2567 per pound. Class I skim and butterfat and Class II skim prices for May 2011 were announced on April 21, 2011. The Class II price at 3.5% butterfat is $20.63 for May 2011.

FINAL: NASS COMMODITY PRICES

	April	May	Change
Cheese*	$1.6983	$1.6534	-$0.0449
Butter	$1.9975	$2.0292	$0.0317
Nonfat Dry Milk	$1.5680	$1.6120	$0.0440
Whey	$0.4808	$0.4929	$0.0121

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

Current Commodity Prices - - The NASS survey of cheddar cheese prices showed an increase in price received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed an increase of 16.39 cents between the May 14 and the June 11 surveys, to $1.7901 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 20.72 cents to $1.8565 per pound.

The NASS butter price showed a net increase of 6.47 cents between the weeks ending May 14 and June 11 from $2.0806 per pound to $2.1453 per pound.

The NASS nonfat dry milk showed an increase of 3.79 cents since mid-May to $1.6524 per pound. The average price for NASS whey showed a net increase of 3.03 cents since mid-May to $0.5239 per pound. ♦

JULY'S CLASS I PRICE ANNOUNCEMENT

On June 17, the July 2011 Class I price was announced at $22.93 for the Pacific Northwest Order and $23.38 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 4 and 11.

The July Class III and IV advance skim prices are $10.10 and $13.17 per hundredweight, respectively. The butterfat portion of the Class I mover increased 10.7 cents from $2.2700 to $2.3770 per pound.

The July 2011 Class II skim and nonfat solids prices were also announced on June 17. The skim price is $13.87 per hundredweight, and the nonfat solids price is $1.5411 pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	June	July	Change
Cheese*	$1.6413	$1.7934	$0.1521
Butter	$2.0460	$2.1343	$0.0883
Nonfat Dry Milk	$1.6065	$1.6462	$0.0397
Whey	$0.4915	$0.5201	$0.0286

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

US DAIRY SITUATION AT A GLANCE

Each month the USDA's Economic Research Service (ERS) publishes figures in a table entitled "U.S. Dairy Situation At A Glance." The data displayed in the table includes milk production (for both the US in total, and the top 23 states); milk prices (including the all milk price, Chicago Mercantile Exchange prices, and selected retail prices), as well as beginning stocks and commercial disappearance. The Dairy Situation at A Glance also includes pieces of the international scene, including the volume of imported products and the international market prices for butter and powder.

The table on page 3 shows the most recent data; updated as of May 24, 2011. Due to size constraints, the table includes monthly data for January through April 2011; however, more complete data is published in ERS' *Livestock, Dairy, and Poultry Outlook* and is available via ERS's website at www.ers.usda.gov/publications /ldp. ♦

U.S. dairy situation at a glance 1/

	Unit	2008	2009	2010	Jan-11	Feb-11	Mar-11	Apr-11
Milk production:								
Production (23 States)	Mil. lb.	176,589	175,312	179,138	15,213	13,987	15,757	15,468
Milk cows (23 States)	Thou.	8,495	8,409	8,355	8,404	8,405	8,426	8,434
Milk per cow (23 States)	Lb.	20,704	20,849	21,440	1,810	1,664	1,870	1,834
Production (U.S. est.)	Mil. lb.	189,978	189,320	192,819	16,392	15,066	16,968	16,620
Milk prices:								
All milk	Dol./cwt	18.41	12.82	16.29	16.70	19.10	20.40	19.70
Milk eligible for fluid use	Dol./cwt	18.41	12.79	16.29	NA	NA	NA	NA
Manufacturing grade milk	Dol./cwt	17.91	12.17	14.79	NA	NA	NA	NA
Class III (cheese milk) 3.5% fat	Dol./cwt	17.44	11.36	14.40	13.48	17.00	19.40	16.87
Class IV (butter-powder milk) 3.5% fat	Dol./cwt	14.67	10.89	15.09	16.42	18.40	19.41	19.78
Slaughter cow price, WI	Dol./cwt	51.44	NA	NA	NA	NA	NA	NA
Chicago Mercantile Exchange prices:								
Butter	Dol./lb.	1.4631	1.2427	1.7280	2.0345	2.0622	2.0863	1.9970
American cheese, 40-pound blocks	Dol./lb.	1.8558	1.2961	1.4964	1.5140	1.9064	1.8125	1.6036
American cheese, barrels	Dol./lb.	1.8357	1.2518	1.4751	1.4876	1.8680	1.8049	1.5756
Wholesale price:								
Nonfat dry milk, Central States	Dol./lb.	1.3039	1.0101	1.2467	1.3552	1.6012	1.6607	1.6505
Retail prices:								
Consumer Price Index	1982-84=100	215.3	214.5	218.1	220.2	221.3	223.5	224.9
All food	1982-84=100	214.1	218.0	219.7	222.9	223.8	225.4	226.2
Dairy products	1982-84=100	210.4	197.0	199.2	202.3	203.5	206.2	209.7
Fluid milk	Dec 1997=100	148.8	129.0	133.6	136.3	137.0	141.6	144.7
Other dairy products	Dec 1997=100	140.4	137.1	136.1	136.1	137.2	137.9	138.3
Dairy product output:								
Butter	Mil. lb.	1,651.1	1,569.1	1,562.1	166.4	149.3	156.5	NA
American cheese	Mil. lb.	4,055.1	4,168.1	4,289.2	359.3	478.6	365.1	NA
Other-than-American cheese	Mil. lb.	5,785.2	5,936.6	6,159.6	527.5	478.4	550.8	NA
Frozen products 2/	Mil. gal.	1,315.2	1,294.0	1,283.0	83.4	92.7	115.1	NA
Selected products (m.e.-fat)	Mil. lb.	124,755	125,456	127,959	10,853	10,110	11,417	NA
Nonfat dry milk	Mil. lb.	1,516.2	1,487.8	1,560.3	117.0	110.4	126.0	NA
Beginning stocks:								
Commercial butter	Mil. lb.	155.1	119.0	133.0	81.7	118.8	138.7	144.2
Commercial American cheese	Mil. lb.	507.9	538.1	585.0	630.8	637.9	620.3	610.6
Other cheese	Mil. lb.	289.6	313.9	381.8	417.1	414.5	414.3	418.3
Manufacturers' nonfat dry milk	Mil. lb.	163.7	200.2	132.5	144.6	97.8	123.7	123.9
All commercial (m.e.-fat)	Mil. lb.	10,356	10,045	11,334	10,927	11,791	12,036	12,112
All commercial (m.e.-skim)	Mil. lb.	9,923	11,318	11,312	12,276	11,800	11,897	11,859
All Government (m.e.-fat)	Mil. lb.	8	11	13	0	0	0	0
All Government (m.e.-skim)	Mil. lb.	8	573	696	0	0	0	0
Commercial disappearance:								
Butter	Mil. lb.	1,710.1	1,567.6	1,629.0	129.9	130.4	152.2	NA
American cheese	Mil. lb.	4,064.1	4,193.4	4,265.9	354.0	347.5	376.1	NA
Other-than-American cheese	Mil. lb.	6,080.4	6,138.9	6,390.8	548.4	500.4	569.4	NA
Nonfat dry milk	Mil. lb.	1,377.4	1,346.2	1,548.8	163.6	84.6	125.8	NA
All products:								
m.e.-fat	Mil. lb.	193,105	189,373	195,552	15,659	14,979	17,073	NA
Milkfat	Mil. lb.	7,104	6,931	7,146	600	567	638	NA
Skim solids	Mil. lb.	16,463	16,262	16,821	1,484	1,308	1,493	NA
USDA net removals:								
Butter	Mil. lb.	0.0	28.5	5.0	0.0	0.0	0.0	0.0
Cheese	Mil. lb.	0.0	3.4	0.3	0.0	0.0	0.0	0.0
Nonfat dry milk	Mil. lb.	110.7	229.8	0.0	0.0	0.0	0.0	0.0
All products (m.e.-fat)	Mil. lb.	24	703	112	0	0	0	0
All products (m.e.-skim)	Mil. lb.	1,289	2,713	3	0	0	0	0
Imports:								
All products (m.e.-fat)	Mil. lb.	3,902	4,058	3,097	213	232	262	NA
All products (m.e.-skim)	Mil. lb.	3,702	3,650	3,021	208	249	285	NA
International market prices:								
Butter	$/metric ton	3,868	3,405	4,619	5,003	5,473	5,684	5,678
Nonfat dry milk	$/metric ton	3,221	2,476	2,921	3,322	3,867	3,555	3,511

1/ Some data series different than formerly published due to changes in availability. 2/ Hard ice cream, ice milk, and sherbet.
m.e.-fat (skim) = Milk equivalent, fat (skim solids)basis NA=Not available

Sources: USDA (AMS, ERS, FAS, FSA, NASS), Department of Labor (BLS), Department of Commerce (Bureau of Census), and ERS calculations.
For further information, contact: Roger Hoskin 202 694 5148, rhoskin@ers.usda.gov.
Published in Livestock, Dairy, and Poultry Outlook, http://www.ers.usda.gov/publications/ldp

Updated 5/24/2011

USDA ISSUES PROPOSED RULE TO IMPLEMENT ELECTRONIC DAIRY PRODUCT MANDATORY REPORTING PROGRAM

On June 10, 2011, The U.S. Department of Agriculture issued a proposed rule to amend the Dairy Product Mandatory Reporting Program as required by law.

The Mandatory Price Reporting Act of 2010 amends the Agricultural Marketing Act of 1946 to, among other things, provide for the establishment of an electronic reporting system for manufacturers to report sales information for specific dairy products.

"This change will provide dairy farmers with more timely information and streamline our process for reporting dairy product prices," said Agricultural Marketing Service Administrator Rayne Pegg.

The proposed rule will establish an electronic reporting system for dairy product sales information. It requires the Secretary to publish a report on Wednesday of each week of the information obtained for the previous week, transfers the data collection responsibilities from the National Agricultural Statistics Service to the Agricultural Marketing Service (AMS), and announces AMS' intention to request approval by the Office of Management and Budget of the associated information collection requirements.

Any manufacturer that processes and markets less than one million pounds of the specific dairy products per year would remain exempt from the reporting requirements. Price data reported are used by USDA to determine minimum class prices for raw milk under the Federal Milk Marketing Order Program.

The proposed rule was published on June 10, 2011, in the *Federal Register*. Public comments must be received by August 9, 2011. Comments may be filed by visiting www.regulations.gov. USDA will issue a final rule implementing the program once public comments have been reviewed.

For additional information about the decision, contact Joe Gaynor; USDA, AMS, Dairy Programs, Market Information Branch Chief; 1400 Independence Ave., SW, STOP-0232, Washington, DC 20250-0232; phone (202) 720-9351; or e-mail at Joseph.Gaynor@ams.usda.gov. ♦

WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

The *World Agricultural Supply and Demand Estimates* report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock. The report gathers information from a number of statistical reports published by USDA and other government agencies, and provides a framework for additional USDA reports. The following summary was issued by the World Agricultural Outlook Board on June 9, 2011 (WASDE – 495).

LIVESTOCK, POULTRY, AND DAIRY:

The forecast for 2011 total meat production is raised from last month reflecting higher beef production. Large cattle placements and larger cow slaughter, due in part to drought in the Southern Plains, is reflected in an increase in the beef production forecast. However, forecasts for pork and poultry are reduced from last month as higher forecast grain prices are expected to trim hog weight gains and put additional pressure on broiler producers. USDA's *Quarterly Hogs and Pigs* report to be released June 24 will provide an indication of producer farrowing intentions for the remainder of the year. For 2012, meat production forecasts are reduced as higher forecast feed costs pressure hog weights and slow the expected recovery of the poultry sector. Higher feed prices are expected to slow feedlot placements as producers keep cattle on forage longer. The egg production forecast for 2011 is raised on stronger second half production, but the forecast for 2012 is reduced on higher feed prices and less demand for hatching eggs.

Export forecasts for red meat and poultry are raised from last month. Beef exports for 2011 are forecast higher on strength in a number of markets and expected improvements in exports to Mexico. Pork, broiler, and turkey exports were larger than expected in the first quarter and the forecasts for the remainder of 2011 are raised. Beef and turkey exports are raised for 2012, but no changes are made to pork or broiler exports.

Cattle and broiler prices for 2011 are lowered from last month on weaker-than-expected demand but hog prices are unchanged. Broiler prices are lowered for 2012.

The milk production forecast for 2011 is raised. Producers are expected to continue to expand herds through the middle of the year and although herds may begin to decline toward the end of the year, cow numbers are expected to be above 2010.

However, higher feed costs will impact profitability and the dairy cow inventory is expected to decline in 2012. Tighter feed supplies will also likely impact the rate of increase of milk per cow. As a result, the milk production forecast for 2012 is reduced from last month. Commercial exports are forecast higher for 2011 largely due to stronger expected cheese exports. However, imports of cheese and milk proteins have been stronger than expected and the import forecast for both 2011 and 2012 is raised.

Dairy product price forecasts are raised from last month. Butter supplies are tight and demand for cheese, nonfat dry milk (NDM), and whey are expected to support product prices. Class III and Class IV price forecasts are raised from last month in line with the increased product prices. The all milk price is forecast at $19.65 to $20.05 per cwt for 2011. Price forecasts for 2012 are also raised as the smaller production increase is expected to support higher product and Class prices. The all milk price is forecast at $17.75 to $18.75 per cwt for 2012. ♦

DAIRY OUTLOOK

The following is an excerpt from the most recent Dairy Outlook:

Feed Price Forecasts Continue To Be Revised Upward, but Strong Demand Keeps Dairy Production and Milk Prices High

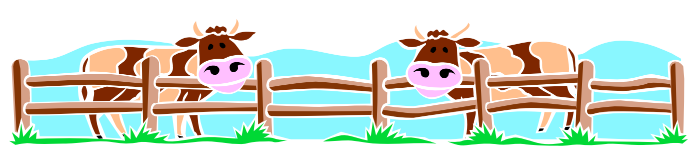
High feed prices will continue to affect the livestock sector, and dairy in particular, for the balance of 2011 and into 2012. The season-average corn price is forecast at $5.20 to $5.50 a bushel for 2010/2011 and $6.00 to $7.00 a bushel in 2011/12. This forecast is an increase from last month's projections. Wetness has delayed planting in major parts of the United States and may ultimately curtail planted acreage from earlier indicated intentions. Soybean meal price forecasts were also raised this month to $350 a ton for 2010/11 and to $375 to $405 a ton in 2011/12. Hay prices are up sharply and reflect concerns about supplies in the face of disappointing weather patterns in many parts of the country. The price of other feedstuffs may affect hay prices more this year than in the recent past.

The feed price outlook is expected to impact dairy herd size both this year and next. Although cow numbers are projected to rise in 2011, the year-over-year rise of 0.7 percent to 9.18 million head is small and follows herd reductions in 2009 and 2010. In 2012, herd size is forecast to dip fractionally to 9.16 million head as higher feed prices impact producer returns. Milk yield per cow is expected to climb to 21,305 pounds in 2011 and is the smallest year-over-year increase in a number of years. Next year, yield per cow is forecast at 21,685 pounds, about the same rate as 2011 on a per day basis. High feed prices will act to limit productivity gains, while herd freshening, which likely has been underway for the last year or so, will ultimately increase output per cow. Milk production is projected at 195.5 billion pounds this year, and--despite an overall decline in herd size--will climb to 198.5 billion pounds in 2012, based on the expected increase in output per cow and the added leap-year milking day.

Product price projections were increased from May. Cheese prices were increased based on continued strong domestic and export demand and are forecast at $1.755 to $1.795 a pound in 2011 and $1.660 to $1.760 a pound in 2012. Butter prices are projected at $1.915 to $1.985 a pound this year and $1.610 to $1.740 next year. Higher butter production this year relative to last has not translated into higher butter stocks at a time when inventories have historically increased. The tight stock situation could support continued high butter prices for the remainder of the year. The nonfat dry milk (NDM) price is expected to be $1.505 to $1.545 a pound in 2011 and $1.375 to $1.445 next year. NDM exports continue apace, supporting the high price. Exports are also contributing to stronger prices for whey, which is forecast at 46.5 to 48.5 cents a pound this year and 41.0 to 44.0 cents a pound next year.

Continued strong product prices underpin the higher expected milk prices both this year and next. The Class IV price is projected at $18.95 to $19.45 per cwt and $16.50 to $17.60 per cwt in 2011 and 2012, respectively. Similarly, the Class III price is forecast at $17.40 to $17.80 this year and $16.00 to $17.00 per cwt in 2012. The all milk price forecast is $19.65 to $20.05 per cwt in 2011 and $17.75 to $18.75 cwt in 2012. ♦

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-204/June 15, 2011, Economic Research Service, USDA.



MONTHLY SELECTED STATISTICS

Minimum Class Prices (3.5% B.F.)	PNW May 2011	PNW Apr 2011	PNW May 2010	PNW Apr 2010	AZ May 2011	AZ Apr 2011	AZ May 2010	AZ Apr 2010
Class I Milk ($/cwt.)	$21.65	$21.33	$15.70	$15.12	$22.10	$21.78	$16.15	$15.57
Class II Milk ($/cwt.)	20.63	19.66	14.90	13.78	20.63	19.66	14.90	13.78
Class III Milk ($/cwt.)	16.52	16.87	13.38	12.92	16.52	16.87	13.38	12.92
Class IV Milk ($/cwt.)	20.29	19.78	15.29	13.73	20.29	19.78	15.29	13.73
Producer Prices								
Producer Price Differential ($/cwt.)	$ 2.50	$ 2.08	$ 1.22	$ 0.87	+	+	+	+
Butterfat ($/pound)	2.2497	2.2113	1.7058	1.5813	+	+	+	+
Protein ($/pound)	2.3133	2.4984	2.1523	2.1449	+	+	+	+
Other Solids ($/pound)	0.3026	0.2902	0.1704	0.1702	+	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	12.45	12.20	9.44	8.94
Uniform Butterfat Price ($/pound)	+	+	+	+	2.2473	2.2235	1.6921	1.5756
Statistical Uniform Price ($/cwt.)	$19.02	$18.95	$14.60	$13.79	$19.88	$19.56	$15.03	$14.14
Producer Data								
Number of Producers	514 *	631	631	629	100 *	100	96	95
Avg. Daily Production (lbs.)	39,561 *	36,129	34,767	34,913	131,758 *	136,048	128,782	131,478
Producer Milk Ratios								
Class I	29.82%	26.86%	27.20%	29.02%	28.05%	28.49%	30.20%	32.95%
Class II	6.19%	6.43%	6.88%	6.14%	7.85%	6.31%	7.44%	7.16%
Class III	45.91%	39.59%	42.18%	40.99%	26.60%	27.35%	29.67%	29.88%
Class IV	18.08%	27.12%	23.74%	23.85%	37.50%	37.85%	32.69%	30.01%

PNW = PACIFIC NORTHWEST; AZ = ARIZONA

\+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Number of Handlers	PNW Apr 2011	PNW Mar 2011	PNW Apr 2010	PNW Mar 2010	AZ Apr 2011	AZ Mar 2011	AZ Apr 2010	AZ Mar 2010
Pool Handlers	26	26	28	28	7	7	7	7
Distributing Plants	*14*	*14*	*15*	*15*	*5*	*5*	*5*	*5*
Supply Plants 1/	*7*	*7*	*8*	*8*	*1*	*1*	*1*	*1*
Cooperatives	*5*	*5*	*5*	*5*	*1*	*1*	*1*	*1*
Producer-Handlers	5	4	6	6	0	0	0	0
Other Plants w/ Class I Use	18	19	24	23	21	22	26	26
Class I Route Disposition In Area								
By Pool Plants	169,220,775	177,124,522	171,054,146	172,345,660	93,968,414	94,449,725	96,714,659	97,848,860
By Producer-Handlers	7,165,860	7,103,255	10,008,493	10,196,289	0	0	0	0
By Other Plants	7,324,896 *	8,915,397	8,151,270	8,056,287	6,448,999 *	6,690,076	5,544,425	6,284,846
Total	183,711,531	193,143,174	189,213,909	190,598,236	100,417,413	101,139,801	102,259,084	104,133,706
Producer-Handler Data								
% Class I Use	61.19%	64.85%	79.42%	78.65%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.90%	3.68%	5.29%	5.35%	0.00%	0.00%	0.00%	0.00%

* Preliminary. 1/ Includes Cooperative Pool Manufacturing Plants

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST				ARIZONA			
	May 2011	Apr 2011	May 2010	Apr 2010	May 2011	Apr 2011	May 2010	Apr 2010
TOTAL PRODUCER MILK	630,364,710	683,916,285	680,071,814	658,803,011	408,450,394	408,144,743	383,255,287	374,713,553
RECEIPTS FROM OTHER SOURCES	12,290,119	11,833,389	16,385,505	14,194,717	1,880,488	1,958,735	3,174,028	4,502,402
OPENING INVENTORY	35,861,869	40,055,099	37,562,572	34,880,768	21,619,611	23,615,232	23,034,387	20,293,466
TOTAL TO BE ACCOUNTED FOR	678,516,698	735,804,773	734,019,891	707,878,496	431,950,493	433,718,710	409,463,702	399,509,421
UTILIZATION OF RECEIPTS								
Whole milk	33,070,203	31,888,906	32,007,691	31,003,495	23,278,399	23,511,326	23,774,122	24,233,607
Flavored milk & milk drinks	13,397,903	12,497,934	13,384,044	13,967,722	5,306,507	6,207,692	5,638,770	6,990,489
2% milk	68,270,229	68,785,315	68,356,229	68,430,258	32,904,856	34,090,249	33,845,767	35,460,126
1% milk	27,592,156	27,300,382	27,652,236	27,886,632	15,893,905	16,768,550	15,633,939	16,362,760
Skim milk	27,924,130	27,415,786	28,159,453	28,343,305	12,051,114	12,979,391	12,420,737	13,265,245
Buttermilk	1,386,034	1,332,452	1,379,210	1,422,734	384,795	411,206	372,881	402,432
CLASS I ROUTE DISP. IN AREA. .	171,640,655	169,220,775	170,938,863	171,054,146	89,819,576	93,968,414	91,686,216	96,714,659
Class I dispositions out of area . . .	15,254,600	15,093,178	15,064,765	16,553,235	24,774,700	23,469,124	22,792,336	23,731,432
Other Class I usage	17,236,898	18,339,430	17,794,391	19,799,645	12,758,206	12,596,628	14,761,611	13,620,352
TOTAL CLASS I USE.	204,132,153	202,653,383	203,798,019	207,407,026	127,352,482	130,034,166	129,240,163	134,066,443
TOTAL CLASS II USE	47,488,371	51,185,719	55,624,071	52,264,644	32,759,545	26,419,762	29,151,094	27,981,226
TOTAL CLASS III USE	291,024,102	271,919,630	288,346,914	271,963,519	110,118,490	111,722,701	114,138,530	113,512,877
TOTAL CLASS IV USE	135,872,072	210,046,041	186,250,887	176,243,307	161,719,976	165,542,081	136,933,915	123,948,875
TOTAL ACCOUNTED FOR	678,516,698	735,804,773	734,019,891	707,878,496	431,950,493	433,718,710	409,463,702	399,509,421
CLASSIFICATION OF RECEIPTS								
Producer milk: Class I . .	187,989,813	183,671,525	185,001,246	191,170,889	114,572,008	116,263,986	115,738,015	123,457,192
Class II .	39,044,271	43,980,173	46,804,168	40,436,626	32,075,604	25,749,242	28,518,156	26,839,595
Class III .	289,406,102	270,752,427	286,847,911	270,056,019	108,658,725	111,623,573	113,725,800	111,952,151
Class IV .	113,924,524	185,512,160	161,418,489	157,139,477	153,144,057	154,507,942	125,273,316	112,464,615
Other receipts: Class I .	16,142,340	18,981,858	18,796,773	16,236,137	12,780,474	13,770,180	13,502,148	10,609,251
Class II .	8,444,100	7,205,546	8,819,903	11,828,018	1/	1/	1/	1/
Class III .	1,618,000	1,167,203	1,499,003	1,907,500	1/	1/	1/	1/
Class IV .	21,947,548	24,533,881	24,832,398	19,103,830	10,719,625	11,803,787	12,706,267	14,186,617
Avg. daily producer receipts	20,334,345	22,797,210	21,937,800	21,960,100	13,175,819	13,604,825	12,363,074	12,490,452
Change From Previous Year . .	-7.31%	3.81%	-1.65%	17.09%	6.57%	8.92%	4.00%	0.23%
Avg. daily Class I use	6,584,908	6,755,113	6,574,130	6,913,568	4,108,145	4,334,472	4,169,038	4,468,881
Change From Previous Year . .	0.16%	-2.29%	2.36%	1.43%	-1.46%	-3.01%	2.47%	2.22%

1/ Restricted - Included with Class IV.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for May 2011**
- **May 2011 Class Prices**
- **Class I Price for July 2011**
- **US Dairy Situation at a Glance**
- **USDA Issues Proposed Rule to Implement Electronic Dairy Product Mandatory Reporting Program**
- **World Agricultural Supply and Demand Estimates**
- **Dairy Outlook**
- **June is Dairy Month**

JUNE IS DAIRY MONTH

June Dairy Month began in 1937 as a way of stabilizing milk supplies during peak production periods. As time went on, June Dairy Month evolved and now entire communities across the country, both rural and urban, celebrate with dairy food demonstrations and distribution of product samples at creameries, grocery stores and local banks. Other communities hold parades and sponsor dairy princess contests. The cooperation between farmers and other community members is what June Dairy Month is all about – celebrating the use of milk and milk products. ♦

Summary courtesy of Dairy Programs, Agricultural Marketing Service, USDA.