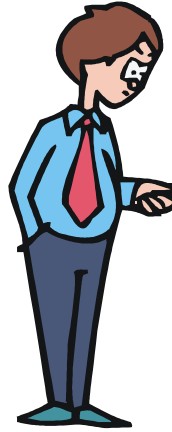
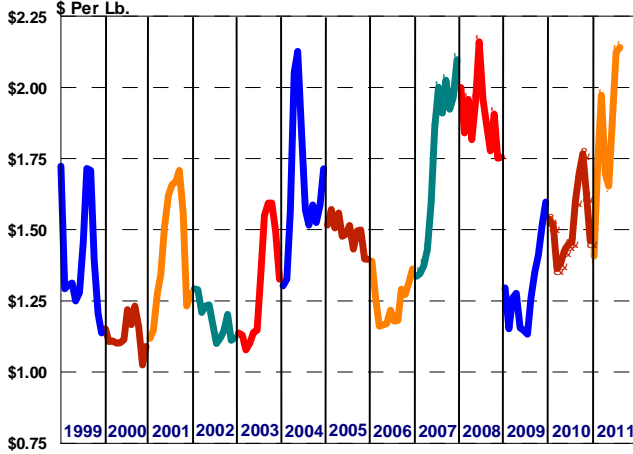


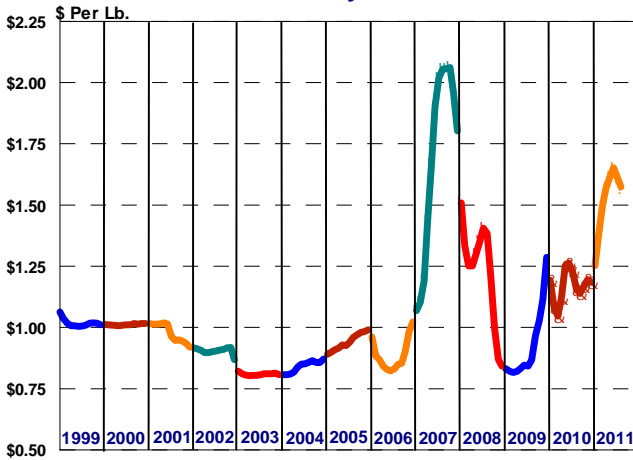
MARKETING SERVICE

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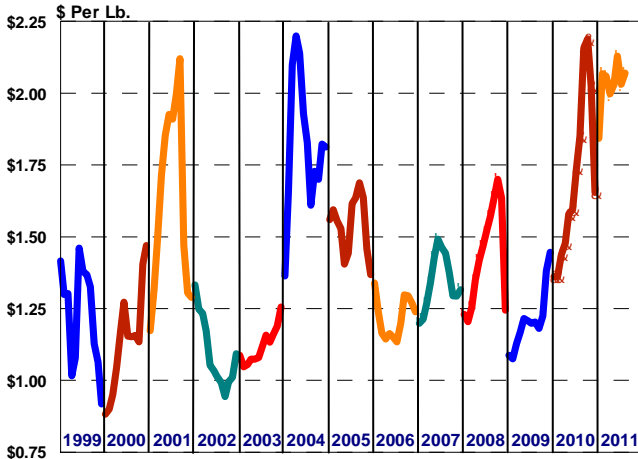
NASS Wtd. Avg. Block/Barrel Cheese Prices



NASS Nonfat Dry Milk Prices



NASS Butter Prices



A variety of economic factors affecting the U.S. dairy industry are illustrated by the graphs in this bulletin. These graphs depict monthly data for 15 selected factors from January 1999 through August of this year. A cursory examination of this data indicates an environment characterized by a great deal of uncertainty and price volatility over the past 13 years.

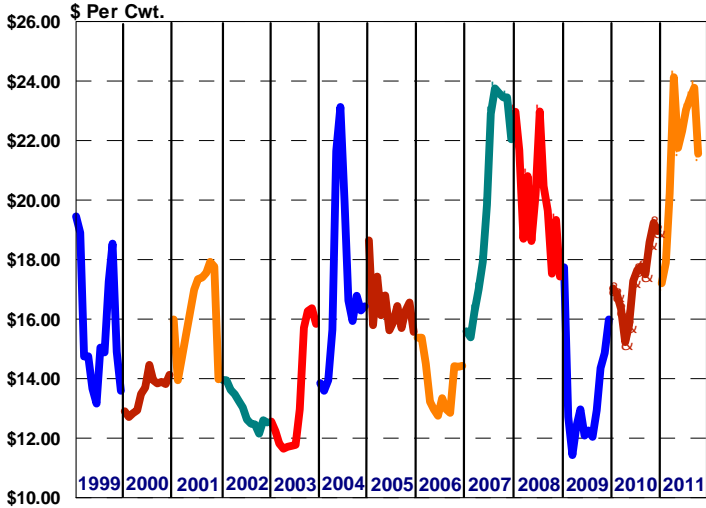
While several of the price series depicted in this bulletin reached record high levels in either 2007 or 2008, some declined during 2009 to the lowest levels recorded during the period represented by these graphs. This decline in 2009 was the beginning of an upward trend in the data throughout the end of 2009, carrying into 2010 and 2011. Exceptions to this upward trend include protein price, soybean, and Class I producer receipts. These series were more moderate, and did not see the expansive growth of the other commodity prices and production.

The graphs on this page illustrate three National Agricultural Statistic Service (NASS) commodity price series that have a direct impact on Federal Milk Order (FMO) minimum prices. The six graphs on page two along with the first graph on page three depict FMO prices applicable to dairy farmers and/or regulated milk processors. A variety of factors that directly and indirectly influence the economic environment for milk production and processing are portrayed by the remaining five graphs on page three.

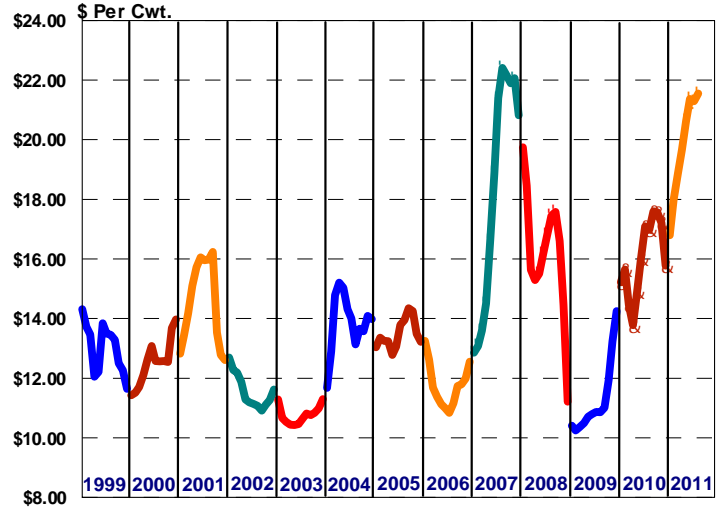
SEPTEMBER 2011



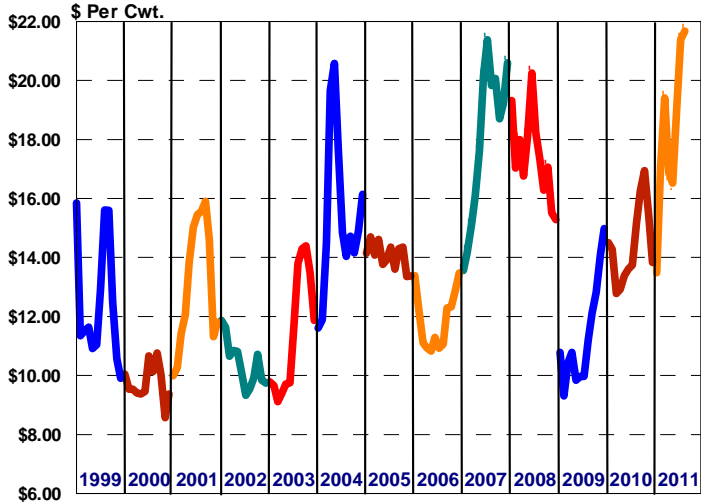
Federal Order Class I Price (\$2.00 Differential)



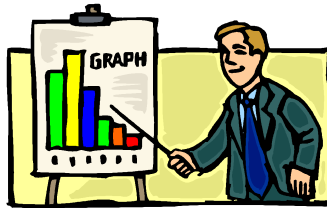
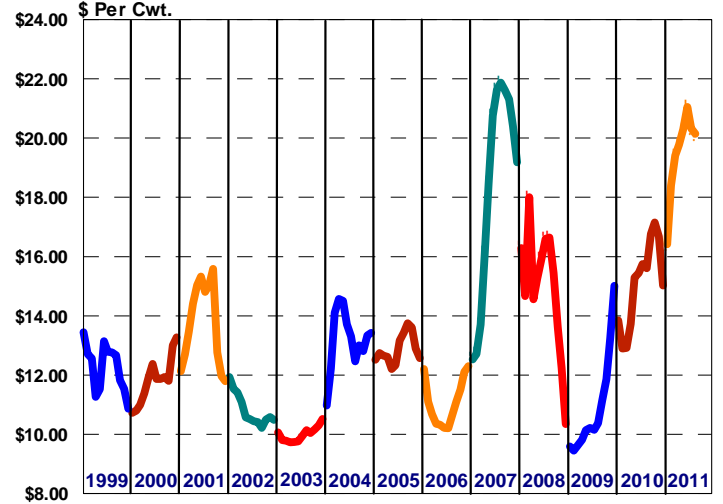
Federal Order Class II Price



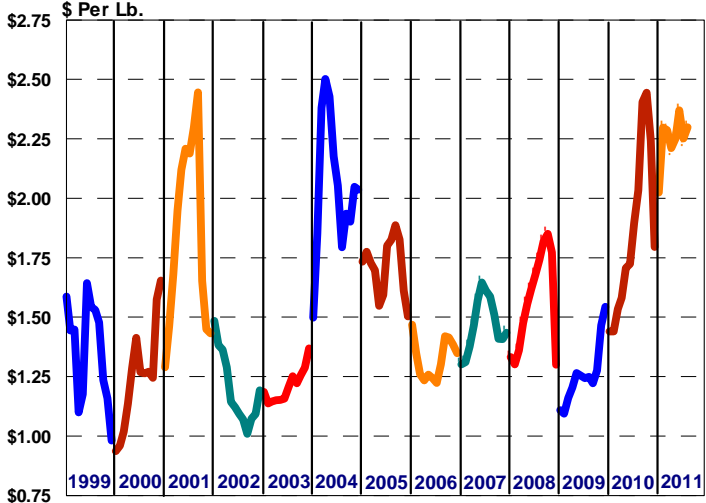
Federal Order Class III Price



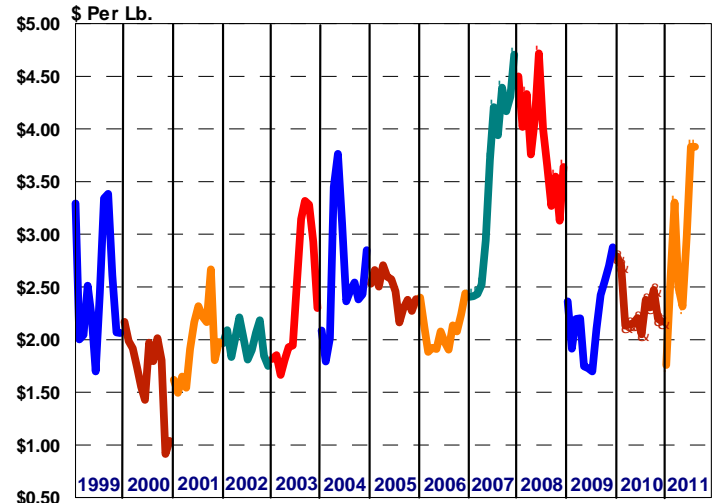
Federal Order Class IV Price



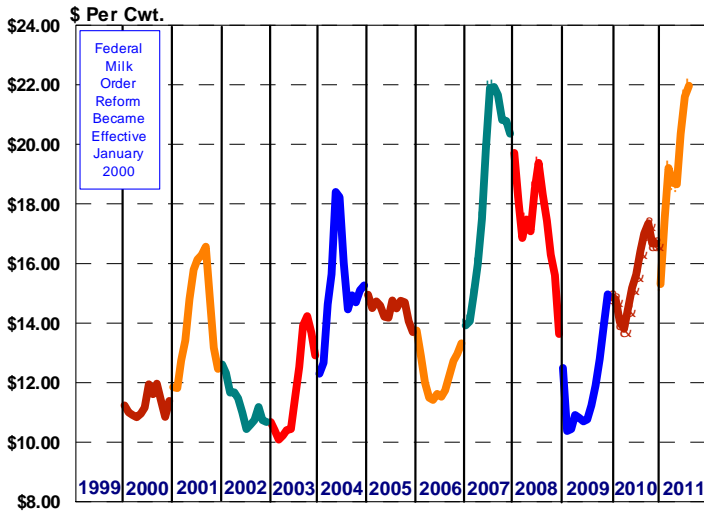
Producer Butterfat Price (component orders)



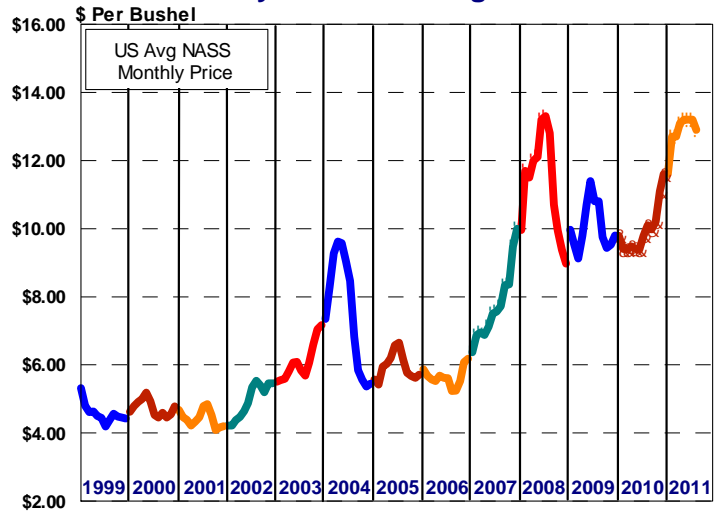
Producer & Handler Protein Price



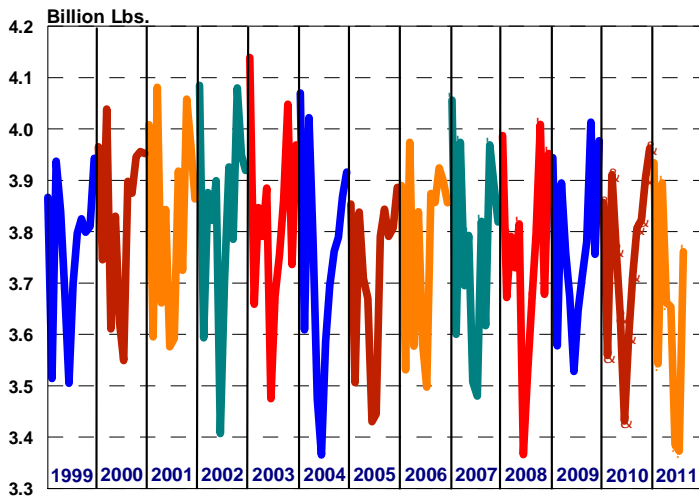
Central Federal Order Statistical Blend Price



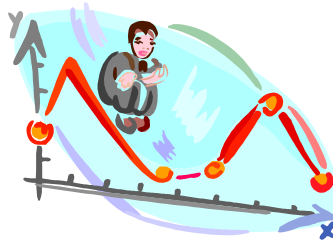
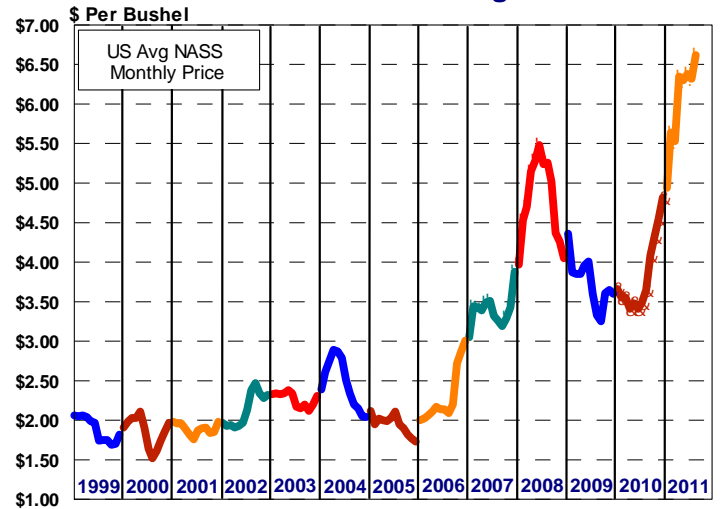
Soybeans - US Avg Prices



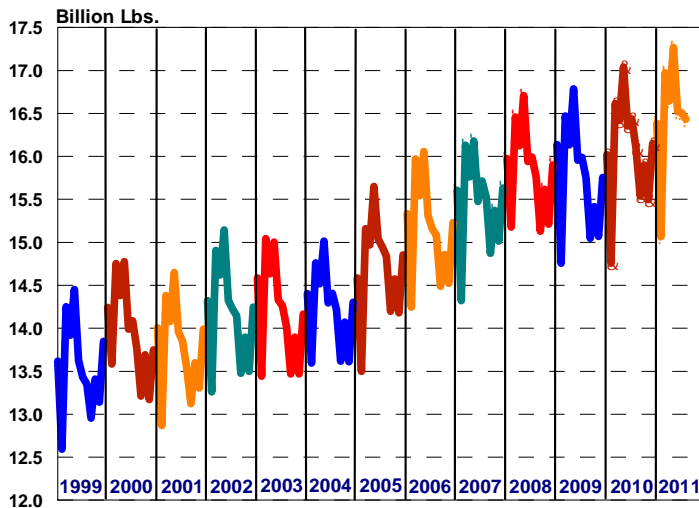
Class I Producer Receipts (All Federal Milk Orders)



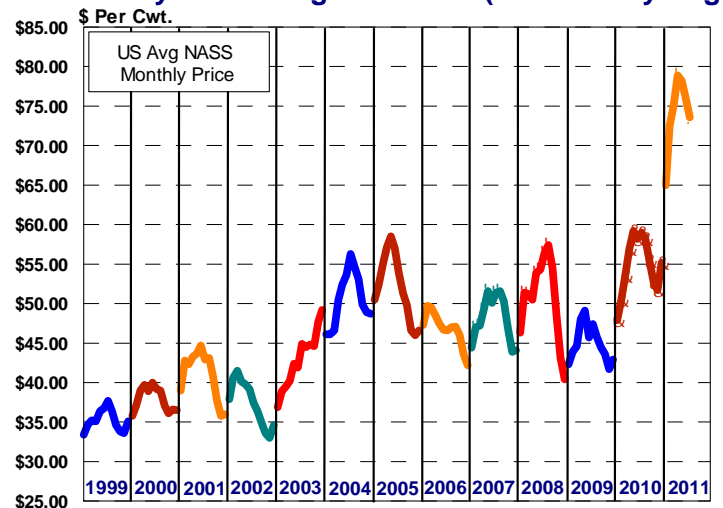
Corn for Grain - U.S. Avg Prices



Estimated U.S. Milk Production



Beef & Dairy Cow Slaughter Prices (U.S. Monthly Avg.)



	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Aug '11	Jul '11	Aug '11	Jul '11	Aug '11	Jul '11
Northeast	23.22	22.76	1.55	1.37	42.00	38.72
Appalachian	24.03	23.35	-----	-----	70.89	66.39
Florida	26.18	25.44	-----	-----	86.69	84.81
Southeast	24.52	23.69	-----	-----	72.23	64.06
Upper Midwest	21.92	21.60	0.25	0.21	12.42	11.35
Central	21.97	21.60	0.30	0.21	31.92	26.88
Mideast	22.29	21.91	0.62	0.52	37.83	33.87
Pacific Northwest	21.66	21.34	-0.01	-0.05	27.75	23.44
Southwest	23.06	22.56	1.39	1.17	39.10	35.20
Arizona	22.08	21.58	-----	-----	34.75	31.12

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