Milk Producer

Newsletter of Milwaukee Cooperative Milk Producers Mar/Apr 2011

Final 2010 U.S. Milk Production Released

The U.S. Department of Agriculture final estimate of U.S. milk production for 2010 is 193 billion pounds, up 1.8% from 189 billion pounds in 2009.

The increase in 2010 milk production was a direct result of the increase in production per cow, which more than offset the decrease in the number of cows.

U.S. production per cow for 2010 is estimated at 21,149 pounds, 576 pounds, or 2.8%, above a year earlier. The estimated number of cows on farms in 2010 was 9.1 million head, 86,000 head less than the previous year.

California remained this nation's leading milk producing state, with a 21% share in 2010. Wisconsin followed and accounted for about 14% of the U.S. total. The top ten milk producing states, combined, accounted for 74% of total U.S. milk production in 2010.

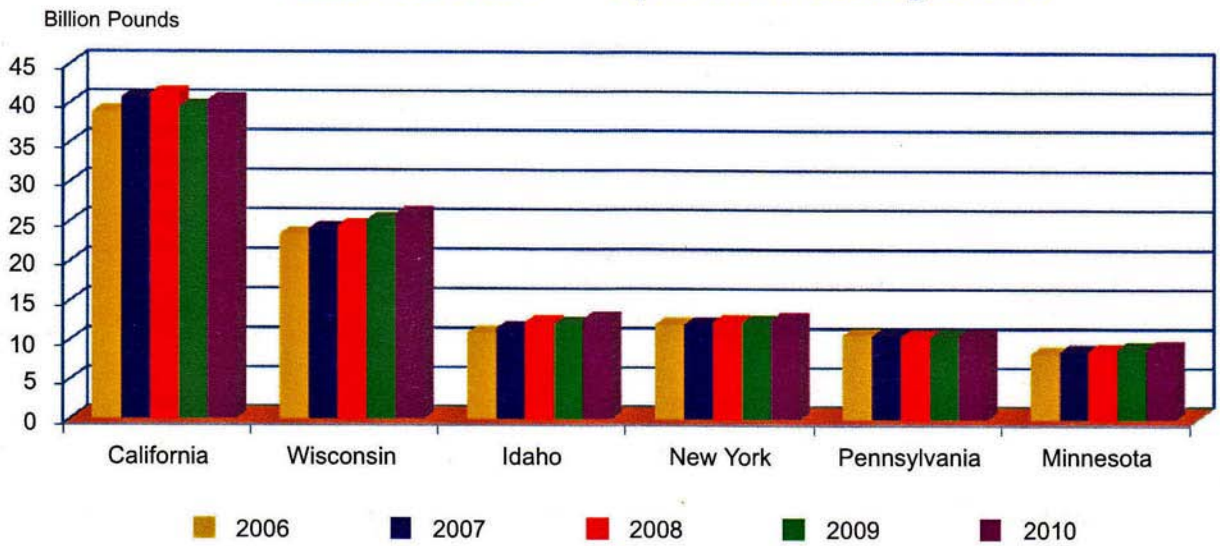
On an annual basis, Idaho moved up one spot in rank to third, surpassing New York.

Washington had the largest increase on a percentage basis at 6.1%, followed by Idaho at 5.2% and Michigan at 4.5%. Production in New Mexico and Texas decreased 0.3%, and 0.1%, respectively.

2010 Milk Production
Top 10 Milk Producing States & U.S.

	2009 Production *Mil. Lbs.*	2010 Production *Mil. Lbs*	Change *Percent*
California	39,512	40,385	2.2%
Wisconsin	25,239	26,035	3.2%
Idaho	12,150	12,779	5.2%
New York	12,424	12,713	2.3%
Pennsylvania	10,551	10,734	1.7%
Minnesota	9,019	9,102	0.9%
Texas	8,840	8,828	-0.1%
Michigan	7,968	8,327	4.5%
New Mexico	7,904	7,881	-0.3%
Washington	5,561	5,901	6.1%
United States	**189,334**	**192,819**	**1.8%**

Milk Production -- Top 6 Milk Producing States



2011 Annual Meetings Recap

Manager Bird gave his annual market and legislative report of the state of the Coop. Total member production fell to about 2.6 billion due to farm sellouts and some quits. In August the Board authorized the reduction of the dues from 2.5 cents CWT to 1.5 cents CWT. The joint venture at Fox Valley returned about $15,000 to the co-op.

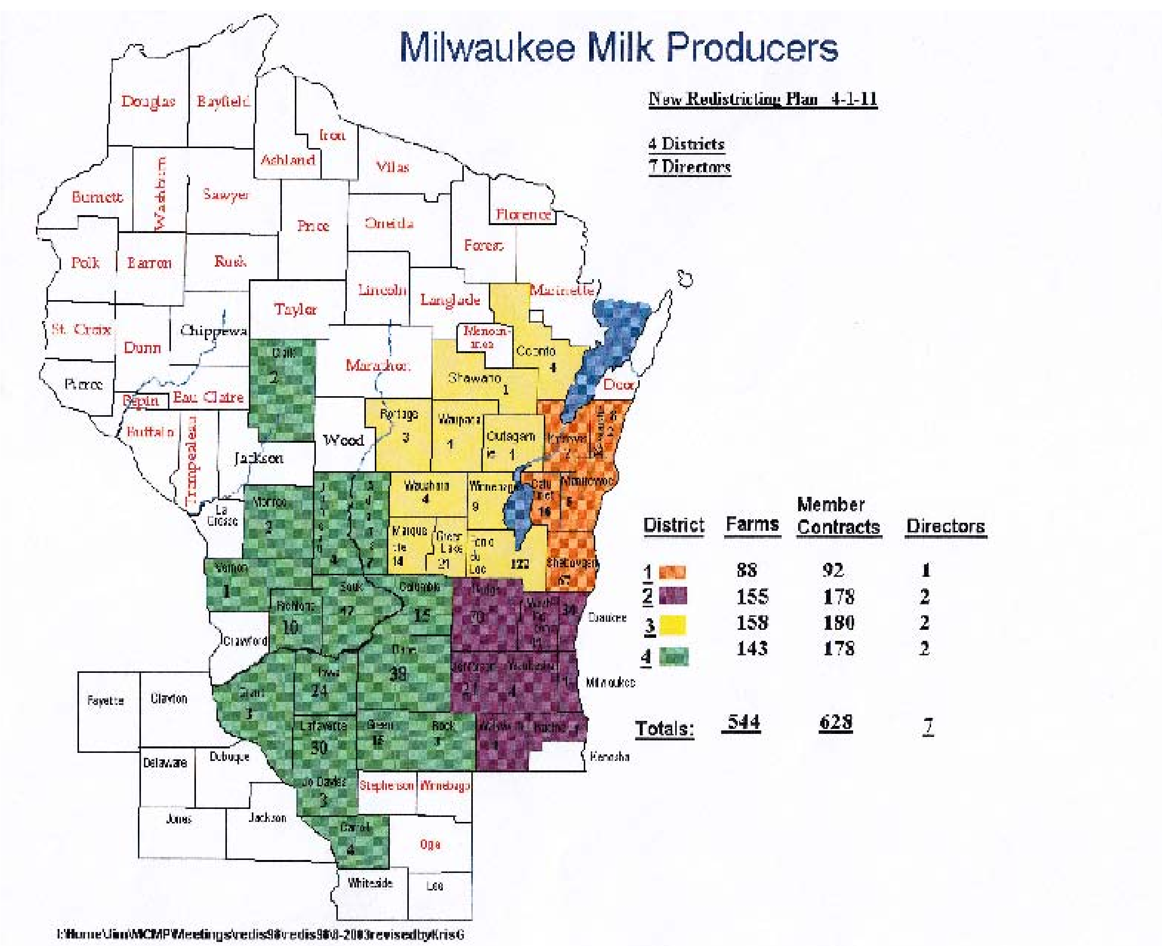
Milwaukee Milk, through its membership in Lakeshore and the Midwest Dairy Coalition, is working at ensuring that Midwest agriculture will have a voice in the upcoming 2012 Farm Bill. Topics of concern include: preserve the concept of the MILC program, investigate and support reasonable supply management strategies, and fair treatment of dairy in trade policy negotiations. He indicated that feed prices would have the greatest effect on milk prices this year. Input costs continue to rise and commodity prices continue at record highs for this time of the years. Sustainability becomes the issue. Trade will also continue as a factor in pricing as the demand for basic foodstuffs continues around the world. That is great for exports but tightens the domestic market.

In an effort to reduce price volatility, National Milk has put forward a supply management proposal that the Midwest Coalition is looking at to determine its' level of support &/or necessary changes.

Health issues, both human and animal are on the rise again. Drug residue, raw milk, animal welfare and EU somatic cell requirements are all continuing issues that producers will have to face this year. Be assured that we will keep you informed as these issues continue to develop so that you can be ahead of the curve.

Lakeshore's disaster assistance program has paid out over $68,000 in the last 9 months for milk losses due to weather or fire related claims.

Milwaukee Milk continues to support many of the June Dairy Month activities and will again be sponsoring two (2) $750 scholarships as well as the CMPC George Hansen Scholarship, for young men and/or women pursuing higher education. He also congratulated Micala Rathke and Rachel Bonhoff, the 2 MCMP scholarship winners this year. He thanked both the staff and the Board of Directors for their continued efforts on behalf of the Coop.



The Membership unanimously voted to accept the proposed changes to the district configurations. The total number of districts is now 4 with 7 members representing the districts.

Board members are:

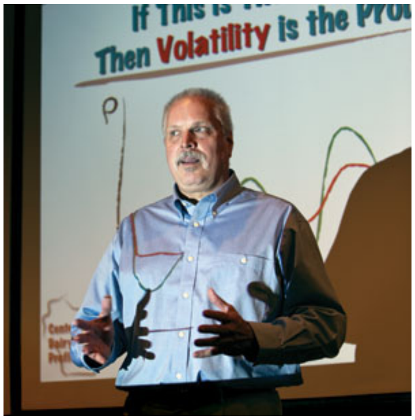
District 1:
Mike Foshee

District 2:
Tom Breuer
Bill Klink

District 3:
Mark Ryan
Dave Schmitz

District 4:
David Allen
Marvin Anderson

On Dairy, He’s a Bull



New dairy policy expert Mark Stephenson says Wisconsin still earns the title of America's Dairyland by making great milk - and listening to the consumer.

Mark Stephenson came to campus in July as the college’s new Director of Dairy Policy Analysis and Director of the Center for Dairy Profitability. In these positions, he will take a leadership role in education and research related to dairy policy and dairy market analysis. He comes here from Cornell University, where he spent 17 years as a dairy economist. Before that he spent three years on the faculty at UW-River Falls.

In the early 1990s a lot of people thought Wisconsin’s days as a dairy leader were behind it. You were here then. Did you agree?

Actually, I thought Wisconsin’s dairy industry had a bright future, but it wasn’t clear to most people back then. That was when California had double-digit growth year after year and surpassed Wisconsin as the number-one milk-producing state. It was not obvious at the time that we were going to have the kind of turnaround that we have seen in the last few years in this state.

Why are you bullish about America’s Dairyland?

For the same reason that W.D. Hoard was more than a century ago: He looked at the agronomic resources of this area—the climate, the soils, the potential to grow—and recognized that you could grow terrific grass here. You could grow corn. You could grow what you needed to support animal agriculture, and in his mind the best animal agriculture was dairy. It would yield the most and it would give back to the land the animal waste. We still have those resources here today.

How does that help us compete?

Farms here average an acre-and-a-half or two acres per cow. A California farm may have 10 or 12 acres altogether. They buy all of their feed. We buy part of our feed, but we grow an awful lot of it. That means that in times of price volatility we have more stable input costs. With the price swings and downturns in 2009, farms out west got clobbered much worse then farms in the upper Midwest.

How has Wisconsin dairying turned itself around?

For one thing, our processors aren’t so commodity orientated. Twenty years ago. we were making a lot of cheese, a fair amount of butter and some nonfat dry milk, but these weren’t highly differentiated products. Today our processors have really brought up the game. They’re making a lot of specialty cheese and other products that stand out from the rest of the pack.

What about our farmers?

They looked at what was happening in the West and realized that they could do that too—think about economies of scale and employ a variety of business models, including smaller, pasture-based systems. They began to remold the dairy industry in this state. Our milk production is showing it today.

Milk prices paid to farmers fell by nearly half last year. Why didn’t the price of a bottle of milk follow suit?

There is a strong relationship between retail prices and what farmers receive, but you wouldn’t expect them to move in lockstep. Milk may be the major ingredient in dairy products, but it is not the only cost. Other costs—labor in the plants, transporting the milk, the energy used in the plant and the store, everything needed to get it to the checkout counter—haven’t changed. The other thing is that consumers do not like prices bouncing around a lot. We all like a sale, but we don’t like it to be $2 a gallon one week and $4 a gallon the next, so retailers try to buffer those changes. Sometimes their margins shrink, maybe even to negative numbers, and sometimes they grow.

We now have farms milking 5,000 or 6,000 cows. Is this is a positive thing for Wisconsin?

I don’t think it is a bad thing. I think that the state would do itself wrong to automatically decide not to allow these farms to look for opportunities to lower their costs. I think folks who have a negative connotation about those types of farms should visit one and take a tour. Your image of a "factory farm" might evaporate. You might see that cows are treated very comfortably and humanely. It is not the case that because these farms are big, they are bad. And it is not the case that because they are big, they aren't family farms.

Will there still be a place for 80- or 100-cow herds in Wisconsin?

There will. Some might need to change their business model, for example, going from a tie-stall barn and selling milk to a co-op to becoming a grazer, perhaps even seasonal grazing. This lower-input approach could be particularly useful for a farm that needs a capital refresh that the operator isn't prepared to make—where the silos and buildings and equipment are too worn-out to function. Those who want to milk fewer cows can also consider adding value to their milk—sell it not as milk, but as a finished consumer product. This requires a lot of new skills and homework, but some farms are doing it and doing it well.

But that's not a panacea?

Those approaches work for individual farms, but they can't account for the volume of milk that we produce in Wisconsin. You couldn't have 10,000 small value-added dairy processors. We don't have the consumer market here for that much dairy product, so those folks would have to be become much more intelligent marketers and get well outside of their geographic boundaries.

So who's going to consume all the additional milk and cheese and yogurt?

If we want to support that growth, we have to look for new markets. We are finding new ways to use milk and entice consumers into using different kinds of dairy products, but a lot of that growth is going to be through export. Other countries have been doing it for a long time and we need to get better at it. We need to understand our customers better. If we delivered a product that a retailer didn't want in this country, we would take care of that quickly. We've been a bit more relaxed in dealing with export customers. It is harder to service customers overseas, but we need to get them the products and the packaging they want. We are only beginning to become deeply involved in that.

Can the university help with that?

We can help processors to better understand global markets. The United States has tended to use world markets to sell what we have in surplus—like nonfat dry milk. But the rest of the world isn't used to nonfat dry milk—they are used to skim milk powder. Most of the world wants butter that is 82 percent fat. We produce ours at 80 percent. If we want to sell a commodity around the world, we have to make what the world wants.

What counsel can you offer to farmers who have seen their profits evaporate and their net worth plunge in the last couple of years?

I don't anticipate prices having the kind of rebound that will restore all of the lost equity we had over the last year and a half in any short time period. I think it's going to be a crawl back for a lot of people. That's the reality of this. But prices have been stronger here than in the rest of the country, and the costs of producing milk have been relatively lower. So people can look for a better margin of profitability here. They will be restored more quickly than in most places.

So there's a good reason that we're America's Dairyland.

Some of the best operations around the country have moved from the West and Southwest to the Midwest because they see this. It's an advantage to be able to grow your own forage base as opposed to buying it. It's an advantage to be in a cooler climate with these high-producing cows. We've had also had a lot of growth internally from dairy producers who have realized that a different type of farming system could be even more profitable. They've done it because they recognize that this is a great place to produce milk.

Protecting & Promoting Dairy's Image

Successfully marketing dairy products to meet consumer wants and needs is not as cut-and-dry as it used to be. One big reason is that consumers' attitudes about what they expect out of dairy products today, and the companies that sell those products, are changing. No longer is it just about taste, freshness, convenience and price. While those remain important, factors related to health and wellness and social responsibility have assumed increased importance.

To enjoy success in the future, dairy companies need to act now to protect their image, and that of the entire dairy category. Dairy Management Inc. (DMI), which manages the national dairy checkoff program on behalf of America's dairy farmers, is launching a major industry-wide initiative to maintain and enhance this image. Every dairy farm and dairy company can help.

First, let's talk about why this is important. The 2010 Edelman Trust Barometer, an annual survey developed by Edelman Public Relations, measures changes in consumer trust and perceptions of credibility toward organizations and entire industries. The survey concluded that, while quality and performance remain a core component to consumer trust, an industry's perceived performance as a good citizen and "steward of society" has become equally important.

This new paradigm presents challenges and opportunities to our industry. Americans are increasingly disconnected from agriculture; the agricultural sector now employs less than 2% of the nation's workforce. Also, animal agriculture activists — who are well-funded, well-organized and increasingly focused on dairy — have created an increasing threat to ongoing consumer trust in dairy.

That said, our industry is in a better position than ever to assure that trust, due to DMI initiatives that offer systems and science, commitment to community and multiple pathways to reach consumers.

Systems and science

Dairy producers have a decades-long history of funding credible, third-party nutrition and product research showing the health and nutrition benefits of consuming dairy products.

Over the past several years, the dairy industry has formed other key systems to provide reassurance to consumers. For example, through the Innovation Center for U.S. Dairy — a DMI-formed entity that allows the entire dairy industry's "value chain" to work together to help grow sales — the industry recently completed a scientific study of dairy's carbon footprint, setting the record straight on the U.S. dairy industry's actual impact regarding greenhouse gas emissions.

The Innovation Center also formed an industry-wide task force to address food safety challenges and solutions in dairy processing and manufacturing plants. Further, the National Milk Producers Federation developed its Farmers Assuring Responsible Management (FARM) animal-care program, which has the support of producers representing more than half of the nation's milk supply.

Commitment to community

The dairy industry's commitment to community starts with a long-standing legacy of stewardship for the land and water. This commitment extends to the people you employ, and the other businesses you support in your community. The public needs to know this. This commitment to community can also be shown through dedicated children's health and wellness efforts to provide nutritious foods (including dairy) and physical activity in our nation's schools through the "Fuel Up to Play 60" program. The dairy industry is becoming a driving force in forming public-private partnerships to help solve childhood obesity, the nation's leading public health issue.

To support "Fuel Up to Play 60," DMI created a new foundation with the goal of raising $10 million annually to reward schools that provide for better nutrition — including kid-friendly foods like milk, cheese and yogurt — and physical activity. This effort is a critical part of reinforcing the reputation of the dairy industry within local communities.

Pathways to consumer trust

The dairy industry has multiple paths to build trust and loyalty among consumers. One example is through the Innovation Center's Consumer Confidence Committee, which helps the entire industry speak with a unified voice to food retailers, foodservice restaurants and others about topics like health and wellness, animal care, food safety and environmental stewardship.

Another pathway is through dairy marketing partners that reach millions of consumers. Partnerships with companies such as McDonald's and Domino's Pizza allow us to share dairy-friendly messaging through packaging, in-store promotions and other activities.

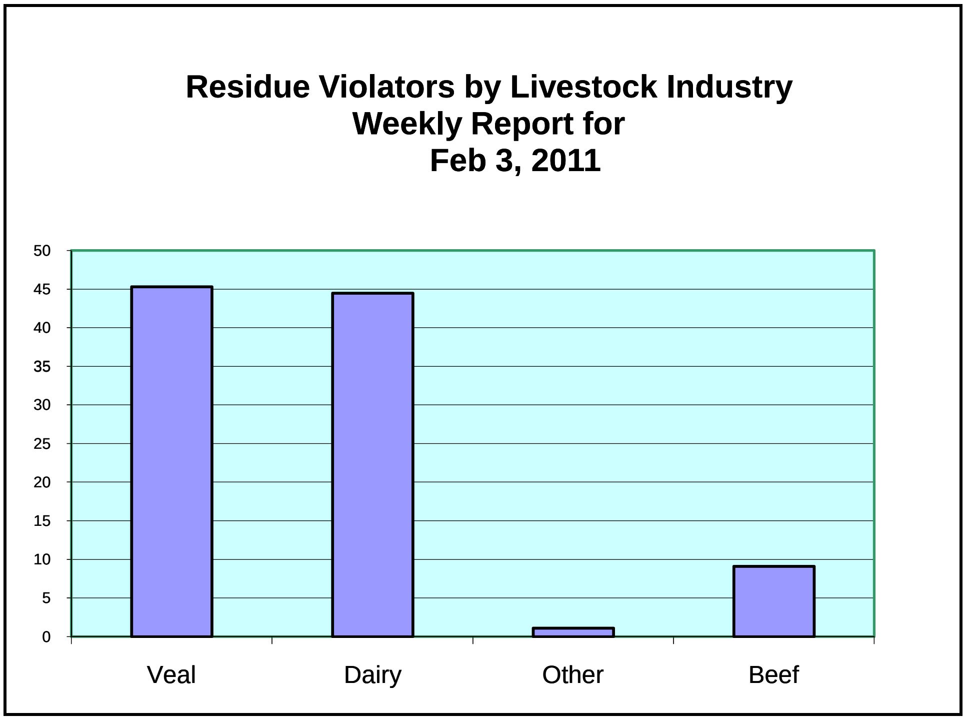
A third pathway is the vast human resources of the dairy industry itself. Thousands of people employed by dairy promotion, co-ops, processors and manufacturers call on businesses, institutions and schools every day. There is a great opportunity to activate them to help share dairy's story with the public.

With these strengths working together, we can create a tipping point to a new foundation of consumer trust, where positive voices can drown out the negative. That's the legacy of the U.S. dairy industry. Now is the time to proactively tell this story to build a new foundation of consumer trust. Stay tuned for more details on this as 2011 progresses.

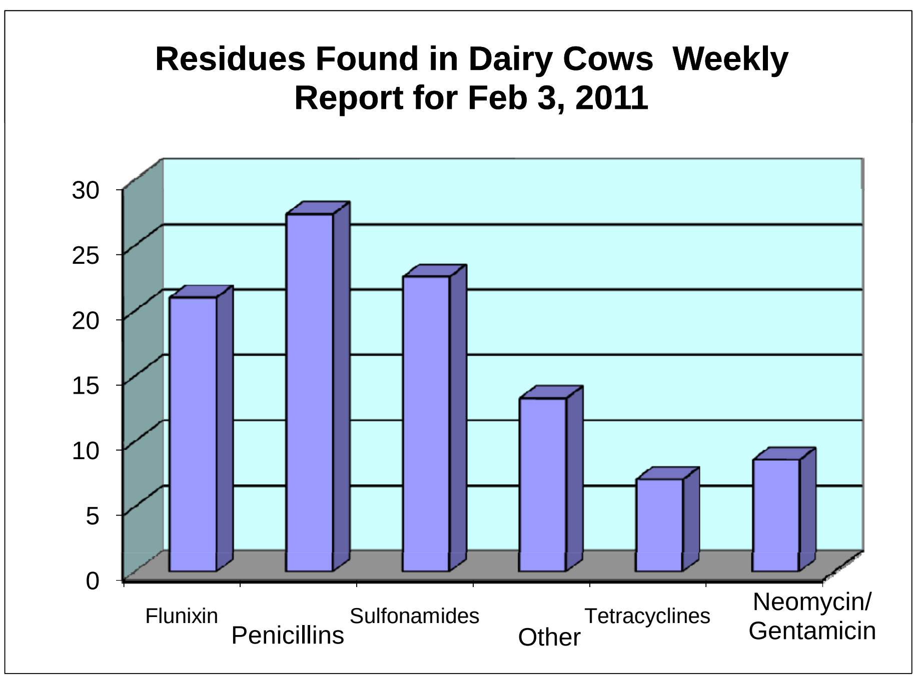
DRUG RESIDUE STATISITCS
WEEK OF FEB 3, 2011

Dairy Cow Residue Cases by state and US 2010 4th qt state ranking for number of cows as of Feb 3, 2011

State	Cases	Rank
CA	186	1
WI	106	2
PA	62	5
MN	43	6
NY	39	3
ID	39	4
WA	28	11
MI	25	8
IA	23	12
IN	18	14
VT	20	15
TX	17	7
KY	15	26
NM	15	9
OR	11	18
NC	9	31
OH	8	10
MD	7	29
CO	6	16
AZ	5	13
GA	4	25
SD	4	23
VA	4	22
IL	3	20
NE	3	27
TN	3	30
FL	2	19
NV	2	33
SC	2	38
KS	1	17
MA	1	41
MO	1	21
OK	1	28
UT	1	24
WV	1	44



Results are in % (percentages)



What are the Benefits of Belonging to Milwaukee Cooperative Milk Producers

" Our cooperatives' mission and commitment is to collectively bargain for fair returns & equitable treatment legislatively for our members in the Upper Midwest marketplace. Our goal remains to provide benefit services that cannot be achieved as individuals".

Our membership dues structure is 1 1/2 cents per cwt. We provide a bi-monthly newsletter to keep you informed on current issues.

MCMP operates 2- state certified milk testing facilities (Brookfield & Neenah) that provides a full spectrum of milk quality analysis. Our lab in Neenah is jointly owned by Milwaukee Milk Producers & Manitowoc Milk Producers. We also do milk culture mastitis work. MCMP can also do water bacteria analysis and other specialized water testing through our relationship with Water Quality Testing Services.

We not only establish pay test results in the state but also do check test verifications at various other milk testing lab facilities.

One of our other services is to assure accurate weights & measures. We calibrate member bulk tanks as needed or requested.

We have an excellent Disaster Assistance Program that helps our producer members deal with weather related milk production losses in times of need. The milk loss disaster program falls under the umbrella of Lakeshore Federated Dairy Co-op, where we pool our resources with 3 other co-ops. LFDC also works on various Federal Order milk pricing issues, working not only to simplify the orders, but to improve and refine them.

MCMP is also a member of Central Milk Producers Cooperative. CMPC collectively bargains as a group of 8 co-ops for higher Class I fluid prices.

MCMP belongs to a national lobbying group - the Midwest Dairy Coalition. We work on national issues that impact our Midwest region. Our MDC group helped secure legislation for the Milk Income Loss Contract (MILC) that provides a safety net for producers in time of low prices.

We believe in our youth by providing 2 annual scholarships to help defray skyrocketing costs of college and technical school educations.

Milwaukee Milk support many different state groups along with local June Dairy month promotion activities.

MCMP also works with 3 large insurance agencies in helping to meet all the insurance needs for your operation.

We do not support any candidates for elected office as we feel this is an individual choice.

We support the concept of the voluntary Co-ops Working Together (CWT) contribution of 2 cents per cwt to fund the export enhancement program.

Federal Orders "what they can & cannot do"

Understanding Orders: Their Purpose and Scope of Operation

By Jim Bird General Manager of Milwaukee Milk Producers

There has been a lot of talk and articles written of late, questioning the effectiveness of Federal Orders. Federal Orders (F O's) have been around a long time. They were authorized in 1937, with the passing of the Agricultural Marketing Agreement Act. Many people fail to recognize that Federal Orders were put in place to protect dairy farmers and others in the marketplace against disorderly marketing conditions and to provide a basis for insuring consumers an adequate supply of pure and wholesome fluid milk. Orders also provide for a balance of bargaining power for dairy producers in their association with milk handlers.

Some critics contend that the federal order system is archaic and in major need of overhaul, while others want to see them dismantled. The fact remains that if a particular marketing change is needed and if industry cooperatives and representatives can document evidence proposing to solve those problems, a request for a hearing is made. If there is enough support on the relative issues by other affected handlers and producers in a particular region of the country, a hearing is then called. Since 1968, when the Chicago Regional Order 30 was established, now referred to as the Upper Midwest Milk Marketing Order there have been over 40 amendment hearings held to date in an attempt to keep our milk marketing Order current with constantly changing market conditions. **I don't call that archaic**. In 1980 there were 47 Federal Orders throughout the country. After Federal Order reform pricing in January 2000 there were 11. Today there are 10 Federal Orders. Because of variations in milk production and different marketing conditions throughout the country, Federal Order provisions are tailored to meet the needs of specific milk sheds. However, the order program operates as an integrated system to accommodate the flow of milk between orders. Are Federal Orders perfect ….. No ……. and I suspect they never will be, due to all the industry diversities within a marketing area. I do however feel strongly that they can be improved through fine-tuning, such as faster reaction time by USDA regarding the hearing process, and an evolution toward order (fewer) consolidation. Federal milk marketing orders are as current as dairy producers and handlers want them to be.

What Federal Orders DO:

In 2009 alone, the Upper Midwest Federal Order 30 generated over $77 million dollars of Class I fluid milk revenue derived from the fluid market that was paid to producers. If you include over order super-pool agency premiums it amounts to 54 cents per cwt. (I don't think dairy farmers would want that extra Class I money taken off the table if our Order was terminated)

A.) Federal Orders provide a tool or structure by which Over Order pricing agencies such as Central Milk Producers Cooperative (CMPC) and Upper Midwest Milk Marketing Agency (UMMA) generate additional revenue on top of FO levels to handlers supplying the Class I fluid market. Last year that value amounted to over $98 million dollars.

B.) Provides dairy producers minimum classified milk prices and minimum component prices. If Orders were terminated this price flooring function would no longer exist.

C.) Provides uniform pool blend prices. A primary function performed by FMMO's is to guarantee that a milk producer will receive and share the same blended minimum price, regardless of how the 4 classes of milk are utilized or the identity of the processor buying that producer's milk.

D.) Orders provide for prompt payment to producers by handlers, and also audit handlers to assure that proper milk payments to milk producers were made.

E.) Administrative hearing process. The Federal Order (FO) system provides and allows cooperatives and dairy producers a voice and structure to dictate and set the way your milk price is set. (This right alone is a very compelling argument to retain Federal Orders, rather than allowing others to do it (price milk) for you.
F.) Producer cooperatives block vote on behalf of their members, mainly due to the fact that federal orders are very complex. These are the kinds of issues that take the expertise of those individuals who participate daily in making marketing decisions.(Cooperative block voting is really no different than the "representative voting" that is done at the county, state, and federal levels for you every day).
G.) Federal Order government administrators serve as a referee to help carry out market policy proposed by dairy industry representatives and set into law by government rules.
H.) Maintain enforcement of milk standards regarding accurate milk component testing by cooperative laboratories or by certified independent labs, eliminating potential pricing abuse and also milk weight verification.
I.) Federal Orders are considered to be GATT (*General Agreement for Trade Tariffs*) legal.
J.) Federal hearings are not intended to be a political decision outcome; the industry proposes and debates the issues.

What Federal Orders Cannot DO:

A.) **Federal Orders no longer use Eau Claire as the national basing point for setting of Class I Fluid differentials**. There is no longer a single basing point used in setting fluid milk values. **Federal Orders in 2000 went to multiple basing points for differential levels**. This action raised Order 30 prices and served to flatten the price level between regions when determining surplus milk producing areas of the country.
B.) Federal Orders and the government do not set overall market price, as some tend to believe. Dairy product prices are established by current market conditions. The selling prices of cheddar cheese, butter and dry whey are reported monthly by manufacturers to National Ag Statistics Service (NASS). These numbers are plugged in a regulated set formula for milk component values.
C.) Federal Orders do not set or fix any wholesale or retail prices.
D.) Federal Orders do not guarantee dairy producers a market or try to control any production levels.
E.) Federal Orders do not prohibit milk movements to other parts of the country

In conclusion, there are many good reasons to preserve Federal Orders, they truly were established to benefit producers and provide orderly marketing. Some of the advocates for throwing the orders out are willing to let the free market take over. In all the studies I have seen they convincingly show that producer milk prices would fall dramatically without federal orders in existence. In the absence of Orders, producers and cooperatives would likely find problems negotiating prices, especially those serving the fluid milk market in a given concentrated industry structure.

A well respected University of Wisconsin dairy economist and industry friend, Truman Graff, once said "Federal Milk Orders have helped stabilize market conditions and assisted farmers in bargaining for reasonable prices, thereby assuring consumers an adequate supply of milk. Preserving the Federal milk order system will be economically advantageous and a matter of necessity for producers. Deregulation will be a calamity for them." I believe his comments are still very valid today. Sometimes you have to be very careful what you wish for.

Comparative Annual Dairy Stats

	2008	2009	2010
Class III price avg. (milk used in cheese)	**$17.44**	**$11.36**	**$14.41**
WI all-milk incl. premiums (not incl. MILC)	**$18.90**	**$13.10**	**$16.18**
US all-milk incl. premiums (not incl. MILC)	**$18.41**	**$12.81**	**$16.29**
Order 30 Uniform blend price	**$17.62**	**$11.61**	**$14.81**
WI licensed dairy farms total (2/1/2011)	**13,399**	**12,893**	**12,378**
10,726 grade A 1,049 grade B	**603 can B milk Amish producers**		
U.S. licensed dairy farms total	**57,127**	**54,942**	**53,127**
WI yearly milk production (billion lbs)	**24,472 +1.6%**	**25,239 +3.1%**	**26,035 +3.2%**
Wisconsin cheese production	**600 different varieties & flavors of cheese**		**2.6 billion lbs**
CA yearly milk production (billion lbs)	**41,203 +1.3%**	**39,512 -4.1%**	**40,385 +2.2%**
California cheese production	**250 different varieties & flavors of cheese**		**2.06 billion lbs**
U.S. yearly milk production (billion lbs)	**189,992**	**189,320**	**192,819**
Milk US production % of change	**+ 2.3 %**	**-0.3%**	**+1.8%**
WI milk/cow avg. (*ranks 15th***)**	**19,546**	**20,079 +2.7%**	**20,630 +2.7%**
U.S. annual milk/cow avg.	**20,396**	**20,576**	**21,149 +2.8%**
U.S. cows (million's **1/1/11)**	**9.32 +1 .4%**	**9.20 -1.2%**	**9.11 -0.9%**
Butterfat price (yearly avg.)	**$1.469**	**$1.257**	**$1.7954**
Protein price (yearly avg.)	**$3.51**	**$2.20**	**$2.2833**
Producer Price Differential (yearly avg.)	**$.194**	**$.263**	**$.4033**
MILC payment (yearly avg. -started 12/2001)	**$0.0**	**$1.152**	**$0.0179**
40lb block cheese price (yearly avg.)	**$1.862**	**$1.300**	**$1.4925**
500lb barrel cheese price (yearly avg.)	**$1.838**	**$1.255**	**$1.4712**
AA butter (yearly avg.)	**$1.458**	**$1.244**	**$1.7235**

Dairy exports accounted for about 12.8 % of U. S. production on a total milk solids basis in 2010!

Dairy imports accounted for about 2.9 % of U. S. production on a total milk solids basis in 2010!

The last time WI produced over 25 billion lbs of milk for the year was back in 1988. A new milk production record was set in 2010

Federal Milk Order Class Pricing and Component Values for Jan / Feb 2011

	Upper Midwest Order 30		Central Order 32		Mid-East Order 33	
Announced Class Prices	**Jan**	**Feb**	**Jan**	**Feb**	**Jan**	**Feb**
Class I	$17.00	$17.69	$17.20	$17.89	$17.20	$17.89
Class II	$16.79	$17.97	$16.79	$17.97	$16.79	$17.97
Class III	$13.48	$17.00	$13.48	$17.00	$13.48	$17.00
Class IV	$16.42	$18.40	$16.42	$18.40	$16.42	$18.40
Producer Price Diff.**	$0.64	$0.23	$1.83	$0.50	$2.30	$0.68

** Zone 1 Chicago per cwt/subject to location adjustments

(All per cwt. Class Prices at 3.5% BF Value)

Statistical Uniform Price*	$14.12	$17.23	$15.31	$17.50	$15.78	$17.68

* Statistical Price = monthly Class III + PPD at 3.5% BF

	C.M.P.C.		I.M.M.A.		M.M.M.A.	
Over Order Agency Class I Price — M.A. & processor fee not included in price	$20.45	$21.20	$20.16	$20.86	$20.30	$21.00

Farm Test Averages						
BF test market average	3.82%	3.79%	3.79%	3.77%	3.84%	3.80%
Pro. test market average	3.11%	3.09%	3.15%	3.13%	3.15%	3.12%
OS test market average	5.75%	5.74%	5.73%	5.73%	5.71%	5.72%
Somatic Cell Ave.	239	241	224	249	205	201
Total Producer. Milk pooled (billion. lbs.)	2.80	2.50	1.10	1.00	1.20	1.20

Component Prices	**Jan**	**Feb**
Butterfat Price	$2.0239	$2.2967
Protein Price	$1.7590	$2.5586
Other Solids Price	$0.2002	$0.2310
Somatic Cell Adj. Rate	$0.00070	$0.00087
Nass Monthly Product Price		
Cheese	$1.4076	$1.7449
Butter	$1.8428	$2.0680
Nonfat Dry Milk	$1.2530	$1.3728
Dry Whey	$0.3935	$0.4234
Gov. Milk Income Loss Payment	$0.00	$0.00

Milk Producer Vol. 91 Mar/April 2011 No.2

Owned & Published Bi-Monthly by: James Bird, Manager–Roberta Hoffman, Editor

Milwaukee Cooperative Milk Producers

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Brookfield, WI 53045

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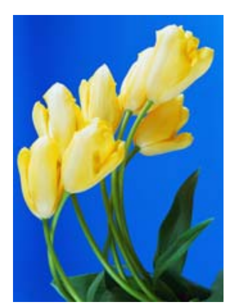
Periodicals postage paid at Brookfield, WI and additional mailing offices

POSTMASTER: Send address changes to above address

Subscription … $5.00 annual (USPS 350-440)



Spring Has Sprung!

MILWAUKEE MILK PRODUCERS
2965 N. Brookfield Road
Brookfield, WI 53045

DO NOT DELAY


Bill Klink, Jim Bird, Tom Breuer (District 2)


District 2 members


Micayla Rathke, scholarship winner

Welcome New Members

Richison Dairy LLC, Belgium; Scot Schumacher, Mt Calvary; Linda Behling, Beaver Dam, Wiedenfeld Dairy Farms, Inc. Lake Mills **Disaster Claims:** United Vision Dairy, Daniel Kessenich, Ron &/or Jean DeBuhr, Scott Hefty

REMINDER: Please notify your field representative or the MCMP Office if you have any changes in your name, address, phone number or farm operation (i.e. new partners or incorporate)

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