CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE
A. G. Kawamura, Secretary

March 30, 2010

RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASSES 2, 3, 4a and 4b MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Classes 2, 3, 4a and 4b market milk for March, April and May 2010. All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Classes 2, 3, 4a and 4b purposes as specified on the reverse side of this page. The calculated monthly California weighted average price for Extra Grade & Grade A Nonfat Dry Milk reflects the audit verification process. This price can differ from the reported weekly prices.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese, and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

You can access class price information over the Internet on the Department's dairy homepage at http://www.cdfa.ca.gov/dairy. From the main menu, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference. Current class price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento, or from outside of California, please call (916) 442-MILK.

For more information, please contact us at the telephone number or e-mail address below.

Sincerely,

(Original signed by Candace Gates for)

David K. Ikari, Chief
Dairy Marketing Branch

Please note:
The Minimum Class Price Announcements are available on our website at: http://www.cdfa.ca.gov/dairy/min_priceletters_main.html and available on our Toll-Free Milk Information Phone Line at: 916-442-MILK or 800-503-3490.

The cost of paper, printing and mail service for the price announcements continues to increase. In an effort to gain better control over these costs, the Branch has determined that as of June 30, 2010, it will **discontinue the printing and mailing of this publication and it will only be available via the website or toll-free phone numbers listed above.** The website and toll-free phone line are updated the same day the prices are released, much timelier than mail delivery.

We appreciate your cooperation. If you have any questions regarding this change please contact Karen, Lu, or Dickson at (916) 341-5988 or via email at dairy@cdfa.ca.gov.

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MINIMUM PRICES FOR CLASSES 2, 3, 4a & 4b MARKET MILK
F.O.B. PROCESSING PLANT

Released: **March 30, 2010**

CLASS 2:			**EQUIVALENT**
For April and May 2010	**LB. FAT**	**LB. SNF**	**PER CWT.**
Northern California	$1.4626	$0.9247	$13.16
Southern California	$1.4626	$0.9514	$13.40

CLASS 3:			**EQUIVALENT**
For April and May 2010	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.4626	$0.9190	$13.11

CLASS 4a:			**EQUIVALENT**
March 2010	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.5310	$0.8597	$12.84

CLASS 4b:			**EQUIVALENT**
March 2010	**LB. FAT**	**LB. SNF**	**PER CWT.**
Statewide	$1.5310	$0.6633	$11.13

COMMODITY MARKET PRICES:	**$ PER LB.**
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (February 26th - March 25th)	$1.4559
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (February 26th - March 25th)	$1.2883
California Extra Grade & Grade A Nonfat Dry Milk - Monthly Weighted Average (February 26th - March 25th)	$1.0213

In order to calculate the Class 2 and 3 prices, the February and March 2010 Class 4a fat and snf prices *without* *the temporary adjustment are averaged together.*

May 2010 Class 1 prices will be announced no later than 4:00 p.m. on April 12, 2010.
June and July 2010 Class 2 and 3 prices will be announced no later than 4:00 p.m. on June 1, 2010.
April 2010 Class 4a and 4b prices will be announced no later than 4:00 p.m. on May 3, 2010.