



May 10, 2010

RE: ANNOUNCEMENT OF MINIMUM PRICES FOR CLASS 1 MARKET MILK

TO ALL INTERESTED PARTIES:

On the reverse side of this page are the minimum prices for Class 1 market milk for June 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 Class 1 purposes as specified on the reverse side of this page.

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, Western dry whey 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 or Lu at (916) 341-5988 or via email at dairy@cdfa.ca.gov.



**MINIMUM PRICES FOR CLASS 1 MARKET MILK
F.O.B. PROCESSING PLANT**

Released: May 10, 2010

CLASS 1: For June 2010	LB. FAT	LB. SNF	LB. FLUID	EQUIVALENT PER CWT.
Northern California	\$1.7633	\$0.8545	\$0.0236	\$15.68
Southern California	\$1.7633	\$0.8545	\$0.0267	\$15.95
Statewide Average CWT Price:				
Based Upon Production				\$15.70
Based Upon Utilization				\$15.83

COMMODITY MARKET PRICES:	\$ PER LB.
Chicago Mercantile Exchange Grade AA Butter - Daily Simple Average (April 26th to May 10th)	\$1.6009
Chicago Mercantile Exchange Block Cheddar Cheese - Daily Simple Average (April 26th to May 10th)	\$1.3834
California Extra Grade & Grade A Nonfat Dry Milk - Weighted Average (For Weeks Ending April 23rd and April 30th)	\$1.0952
Western Dry Whey (Mostly) - Simple Average (For Weeks Ending April 30th and May 7th)	\$0.3981

COMMODITY REFERENCE PRICE FOR JUNE CLASS 1 PRICING: \$16.1567

The July 2010 Class 1 prices will be announced no later than 4:00 p.m. on June 10, 2010.
The June and July 2010 Class 2 and 3 prices will be announced no later than 4:00 p.m. on June 1, 2010.
The May 2010 Class 4a and 4b prices will be announced no later than 4:00 p.m. on June 1, 2010.