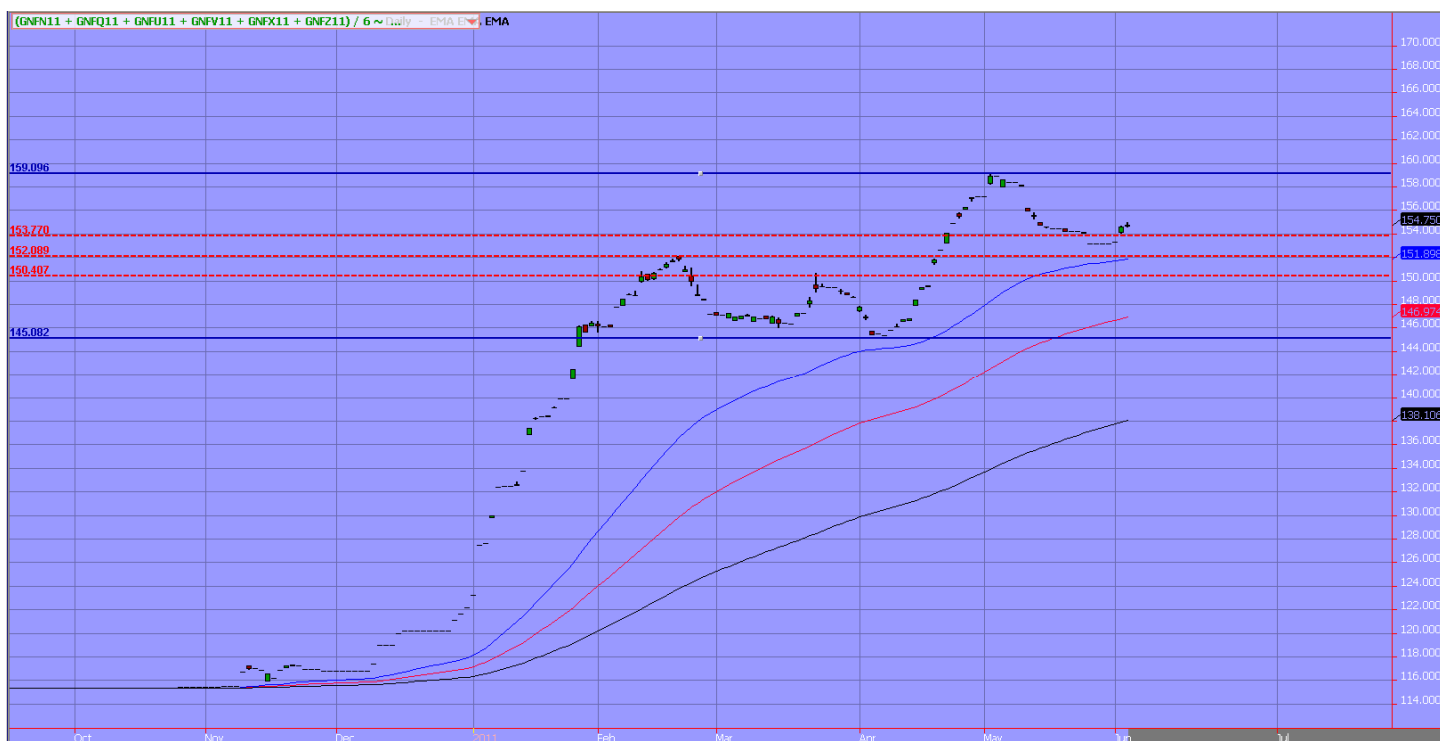




June 3, 2011

Milk Powders

NASS NFDM Price			
Date	Vol mm	Price \$/lb	% Change
30-Apr-11	12.01	\$ 1.5983	1.67%
7-May-11	21.18	\$ 1.6005	0.14%
14-May-11	18.70	\$ 1.6145	0.87%
21-May-11	19.30	\$ 1.6171	0.16%
28-May-11	18.65	\$ 1.6262	0.56%



[July -Dec 11 NFDM Futures]

July – December NFDM futures traded \$0.016 higher over the week to settle at an average price of \$1.5475. The pack has been within a 3-cent range for the last 3 weeks – this activity seems to mirror spot market activity in the same period as spot has been caught in the \$1.60 range.

NASS continued its higher trade as the price crossed over the \$1.62 mark while the CWAP posted a modest decline.

This week’s GDT price moves were volatile with WMP moving lower and SMP & AMF moving higher. August WMP moved over 5% lower while August SMP traded over 11% higher [closed at a \$2.06 \$/lb. equivalent]. While the SMP movement was dramatic, the post-auction tone left many questioning what the



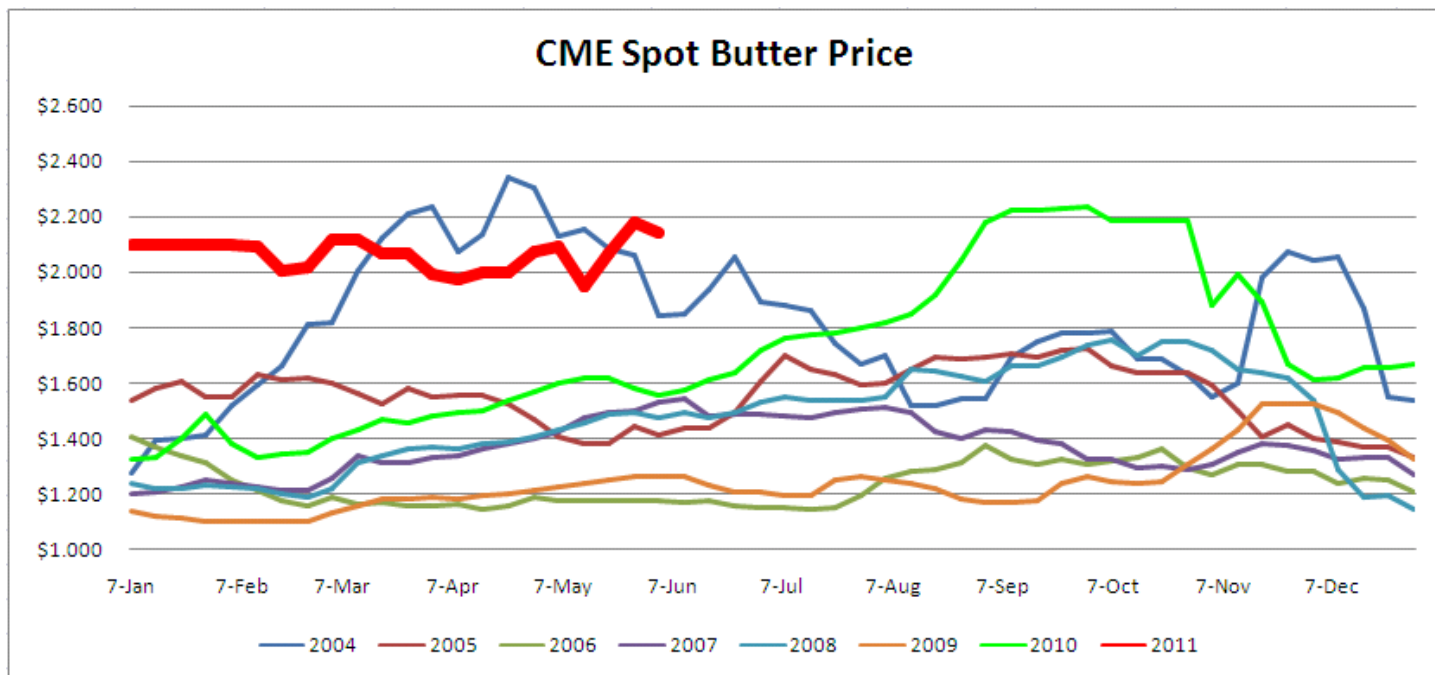
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future brings. Seeing the WMP declines makes some contacts believe that China appetite could slow in the near term. This is pure speculation at this point, but the topic frequently arose in conversations throughout the week.

EU prices are still are pegged around \$1.55 - \$1.60 and the tone seems to be a sideways trade in the near term. Attention over in that part of the world still seems to be on the anticipated Algerian tender and weather/drought issues.

Butter

NASS Butter Price			
Date	Vol mm	Price \$/lb	% Change
30-Apr-11	4.14	\$ 2.0088	1.00%
7-May-11	6.34	\$ 2.0227	0.69%
14-May-11	4.43	\$ 2.0806	2.86%
21-May-11	5.44	\$ 1.9951	-4.11%
28-May-11	4.82	\$ 2.0466	2.58%



CME Spot Butter traded 3.75 cents lower over the week to close at \$2.1425 with 19 loads trading. We ended the week being offered at the last trading price which leads me to believe there should be more sell side going into next week. This week a few additional sellers surfaced, more than we have seen most of this year.

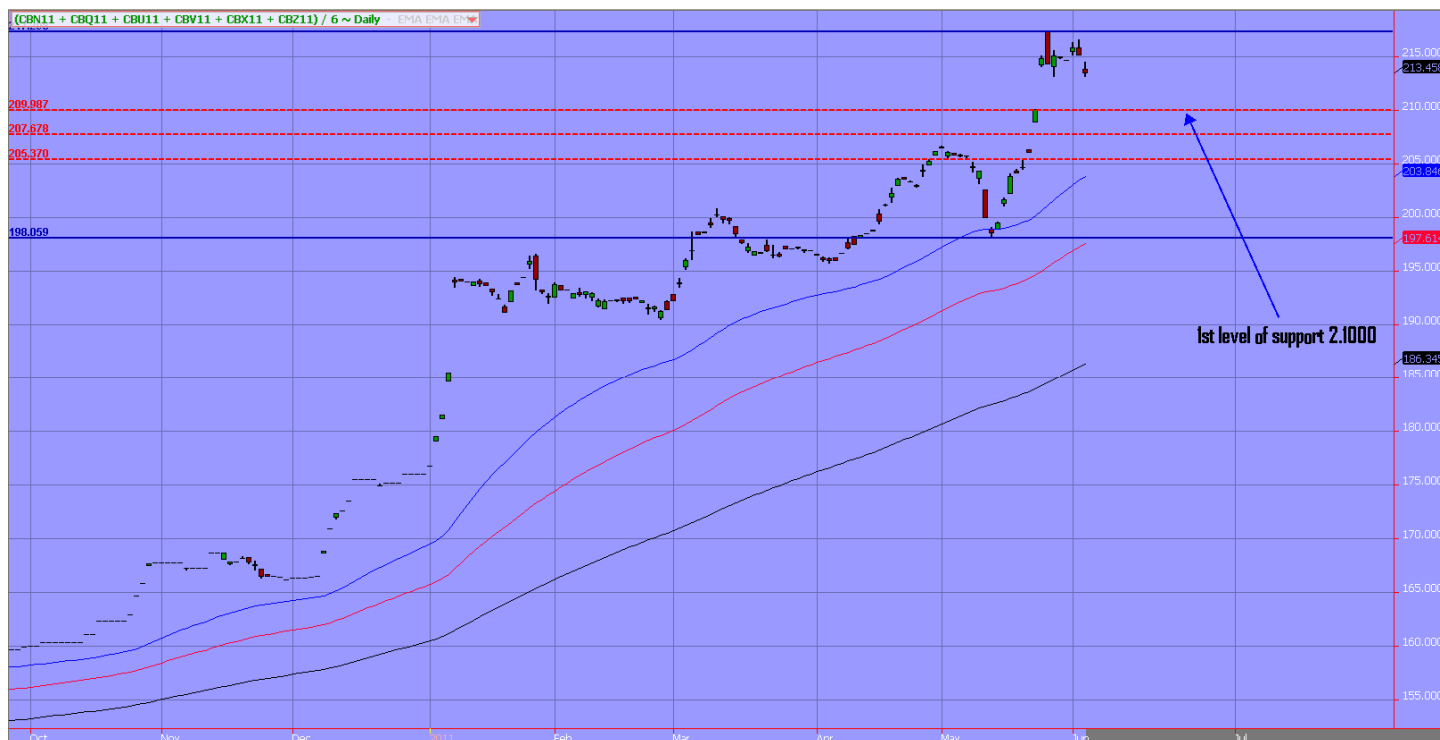
August AMF traded over 8% higher in this week's GDT auction which translates to a \$2.08 \$/lb. 80% fat equivalent.



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EU butter is trading \$2.50 - \$2.60. The US is now at \$2.1425. Each market seems to be domestically driven for the time being. In the US, while there is export business booked over the course of the next few months, the new business deals being made have slowed due to the international buyers not willing to pay up. The same goes for the EU. It sounds like the higher prices are being supported by the domestic market while the export bid is below the EU price. We are getting close to Ramadan where export orders could potentially pick up, if the regions are willing to pay the price.

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[July – Dec CB futures pack]

July – December futures traded 2 cents lower to settle at \$2.13, a slight discount to the current market price. The pack closed on the low of the recent consolidation period, it seems like the pack could head back towards its first level of support of \$2.10. Open interest build was significant over the week; over 325 new positions were established. Some were surprised to see the aggressive buying; I was surprised to see the resilient sell side.

Whey

The whey trade was very quiet over the week. July – December closed near UNCH over the week to settle at a \$0.5617.

The spot market continues to be tight – production moving into the summer months should show a decline as milk production cuts back which can add to the situation.



June 3, 2011

NASS Dry Whey Price			
Date	Vol mm	Price \$/lb	% Change
30-Apr-11	11.10	\$ 0.4764	-0.89%
7-May-11	10.59	\$ 0.4891	2.67%
14-May-11	12.30	\$ 0.4936	0.92%
21-May-11	8.07	\$ 0.5046	2.23%
28-May-11	10.96	\$ 0.5035	-0.22%



[July – Dec 2011 Dry Whey Futures]

Futures have been trading sideways since hitting the peak last week. With no real fundamental news developing, it feels like we can see continued consolidation next week.



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GDT Whole Milk Powder - Oceania								
Contract	5/18/2011		6/1/2011		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Aug	\$1.8094	\$3,989	\$1.7055	\$3,760	-\$229.0000	-5.7%	\$146.02	\$112.91
Sep-Nov11	\$1.7953	\$3,958	\$1.7346	\$3,824	-\$134.0000	-3.4%	\$148.50	\$114.83
Dec-Feb12	\$1.7023	\$3,753	\$1.6887	\$3,723	-\$30.0000	-0.8%	\$144.58	\$111.80
GDT Skim Milk Powder - Oceania								
Contract	5/18/2011		6/1/2011		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	
Aug	\$1.8484	\$4,075	\$2.0630	\$4,548	\$473.0000	11.6%	\$133.76	
Sep-Nov11	\$1.7550	\$3,869	\$2.0666	\$4,556	\$687.0000	17.8%	\$134.00	
Dec-Feb12	\$1.6502	\$3,638	\$1.8171	\$4,006	\$368.0000	10.1%	\$117.82	
gDT AMF								
Contract	5/18/2011		6/1/2011		wow Chng	% Chng	Per Unit Fat pr metric	
	\$/Pound	\$/mt. tn	c/Pound	\$/mt. tn			tn of Fat	
Aug	\$2.3932	\$5,276.00	\$2.6041	\$5,741	\$0.2109	8.8%		\$57.41
Sep-Nov11	\$2.4635	\$5,431.00	\$2.5501	\$5,622	\$0.0866	3.5%		\$56.22
Dec-Feb12	\$2.4204	\$5,336.00	\$2.5746	\$5,676	\$0.1542	6.4%		\$56.76

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Last Auction	GDT 80% Butter Equivalent	Latest Results
\$1.91	Aug	8.81% \$2.08
\$1.97	Sep-Nov11	3.52% \$2.04
\$1.94	Dec-Feb12	6.37% \$2.06



CME NFDM Spot								
Contract	5/27/2011		6/3/2011		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
A Spot	\$1.6400	\$3,616	\$1.6425	\$3,621	\$0.0025	0.2%	\$102.00	
Extra Spot	\$1.6100	\$3,549	\$1.6100	\$3,549	\$0.0000	0.0%	\$99.98	
Dairy America Spot								
Contract	2/4/2010		2/11/2010		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Base Spot	\$1.8500	\$4,079	\$1.8500	\$4,079	\$0.000	0.0%	\$114.89	
"CWAP " CDFA NFDM Spot								
	5/27/2011		6/3/2011		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Spot	\$1.6077	\$3,544	\$1.5924	\$3,511	-\$0.015	-1.0%	\$98.89	
CME NFDM Futures								
Contract	5/27/2011		6/3/2011		wow Chng	% Chng	Value Per Unit per	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Apr-11	\$1.5680	\$3,457	\$1.5680	\$3,457	\$0.000	0.0%	\$97.38	
May-11	\$1.6175	\$3,566	\$1.6120	\$3,554	-\$0.006	-0.3%	\$100.11	
Jun-11	\$1.6150	\$3,560	\$1.6150	\$3,560	\$0.000	0.0%	\$100.29	
Jul-11	\$1.5850	\$3,494	\$1.6100	\$3,549	\$0.025	1.6%	\$99.98	
Aug-11	\$1.5625	\$3,445	\$1.5925	\$3,511	\$0.030	1.9%	\$98.90	
Sep-11	\$1.5500	\$3,417	\$1.5750	\$3,472	\$0.025	1.6%	\$97.81	
Oct-11	\$1.5335	\$3,381	\$1.5450	\$3,406	\$0.012	0.7%	\$95.95	
Nov-11	\$1.4895	\$3,284	\$1.5000	\$3,307	\$0.011	0.7%	\$93.15	
Dec-11	\$1.4688	\$3,238	\$1.4675	\$3,235	-\$0.001	-0.1%	\$91.13	
Jan-12	\$1.4265	\$3,145	\$1.4265	\$3,145	\$0.000	0.0%	\$88.59	
Feb-12	\$1.3400	\$2,954	\$1.3400	\$2,954	\$0.000	0.0%	\$83.22	
Mar-12	\$1.3250	\$2,921	\$1.3250	\$2,921	\$0.000	0.0%	\$82.28	
AMS Skim Milk Powder - EU								
Contract	5/12/2011		5/26/2011		wow Chng	% Chng	Value Per Unit per mt tn	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
EU	\$1.5649	\$3,450	\$1.5649	\$3,450	\$0	0.0%	\$101.47	
AMS Skim Milk Powder - Oceania								
Contract	5/12/2011		5/26/2011		bwow Change	% Change	Value Per Unit per mt tn	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Oceania	\$1.7010	\$3,750	\$1.7520	\$3,863	\$113	3.0%	\$113.60	
AMS Whole Milk Powder - Oceania								
Contract	5/12/2011		5/26/2011		wow Chng	% Chng	Value Per Unit per mt tn	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
Oceania	\$1.8371	\$4,050	\$1.8597	\$4,100	\$50	1.2%	\$159.22	\$123.12
AMS Whole Milk Powder - EU								
Contract	5/12/2011		5/26/2011		wow Chng	% Chng	Value Per Unit per mt tn	
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			Protein	Fat
EU	\$1.9902	\$4,388	\$1.9675	\$4,338	-\$50	-1.1%	\$168.45	\$130.26



CME Spot Butter							
Contract	5/27/2011		6/3/2011		wow Chng	% Chng	Per Unit Fat pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			
Spot	\$2.1800	\$4,806	\$2.1425	\$4,723	-\$0.0375	-1.7%	\$59.04
CME Cash Settled Butter Futures							
Contract	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Apr-11	\$2.00	\$4,404	\$2.00	\$4,404	\$0.00	0.0%	\$55.05
May-11	\$2.02	\$4,455	\$2.03	\$4,474	\$0.01	0.4%	\$55.92
Jun-11	\$2.17	\$4,783	\$2.15	\$4,740	-\$0.02	-0.9%	\$59.25
Jul-11	\$2.16	\$4,762	\$2.14	\$4,728	-\$0.02	-0.7%	\$59.10
Aug-11	\$2.17	\$4,794	\$2.14	\$4,718	-\$0.03	-1.6%	\$58.97
Sep-11	\$2.18	\$4,816	\$2.14	\$4,727	-\$0.04	-1.9%	\$59.09
Oct-11	\$2.16	\$4,767	\$2.15	\$4,740	-\$0.01	-0.6%	\$59.25
Nov-11	\$2.17	\$4,784	\$2.16	\$4,762	-\$0.01	-0.5%	\$59.52
Dec-11	\$2.04	\$4,497	\$2.04	\$4,497	\$0.00	0.0%	\$56.22
Jan-12	\$1.91	\$4,211	\$1.91	\$4,211	\$0.00	0.0%	\$52.63
Feb-12	\$1.77	\$3,902	\$1.77	\$3,902	\$0.00	0.0%	\$48.78
Mar-12	\$1.75	\$3,847	\$1.75	\$3,847	\$0.00	0.0%	\$48.09
€ to \$	Fresh Butter - Dutch Dairy Board						
\$1.4400	5/25/2011		6/1/2011		\$/ metric ton		Per Unit Protein pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Netherlands	\$2.6082	\$5,750	\$2.6715	\$5,890	\$140	2.4%	\$71.82
AMS Western Europe Butter							
Contract	5/12/2011		5/26/2011		bi-weekly Change	% Change	
	\$/Pound	\$/mt. tn	€/Pound	\$/mt. tn			
Butter	\$2.64	\$5,825	\$2.6592	\$5,863	\$0.02	0.6%	\$71.49
Butter Oil	\$2.90	\$6,400	\$2.9030	\$6,400	\$0.00	0.0%	\$64.65
EUREX European Butter Futures							
Contract	5/27/2011		6/3/2011		wow Chng	% Chng	Value Per Fat
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn			
Jul-11	\$2.66	\$4,075	\$2.727	\$4,175	\$100.00	2.5%	
Oct-11	\$2.65	\$4,050	\$2.727	\$4,175	\$125.00	3.1%	
Jan-12	\$2.65	\$4,050	\$2.727	\$4,175	\$125.00	3.1%	
New Zealand AMF Futures							
Contract	\$/lb. [80% fat]	\$/mt. tn	\$/lb. [80% fat]	\$/mt. tn	wow Chng	% Chng	
May-11	\$1.90	\$5,240	\$1.901	\$5,240	\$0.00	0.0%	
Jun-11	\$1.90	\$5,240	\$2.070	\$5,705	\$465.00	8.9%	
Jul-11	\$1.90	\$5,240	\$2.070	\$5,705	\$465.00	8.9%	
Aug-11	\$1.96	\$5,395	\$2.070	\$5,705	\$310.00	5.7%	
Sep-11	\$1.96	\$5,395	\$2.027	\$5,585	\$190.00	3.5%	
Oct-11	\$1.96	\$5,395	\$2.027	\$5,585	\$190.00	3.5%	



CME Whey Futures							
Contract	5/27/2011		6/3/2011		\$/Pound		Per Unit Protein pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Apr-11	\$0.4808	\$1,060	\$0.4808	\$1,060	\$0.0000	0.0%	\$96.36
May-11	\$0.4965	\$1,095	\$0.4929	\$1,087	-\$0.0036	-0.7%	\$98.79
Jun-11	\$0.5250	\$1,157	\$0.5250	\$1,157	\$0.0000	0.0%	\$105.22
Jul-11	\$0.5603	\$1,235	\$0.5650	\$1,246	\$0.0047	0.8%	\$113.24
Aug-11	\$0.5700	\$1,257	\$0.5700	\$1,257	\$0.0000	0.0%	\$114.24
Sep-11	\$0.5700	\$1,257	\$0.5700	\$1,257	\$0.0000	0.0%	\$114.24
Oct-11	\$0.5700	\$1,257	\$0.5700	\$1,257	\$0.0000	0.0%	\$114.24
Nov-11	\$0.5550	\$1,224	\$0.5550	\$1,224	\$0.0000	0.0%	\$111.23
Dec-11	\$0.5400	\$1,190	\$0.5400	\$1,190	\$0.0000	0.0%	\$108.23
Jan-12	\$0.4800	\$1,058	\$0.4800	\$1,058	\$0.0000	0.0%	\$96.20
Feb-12	\$0.4550	\$1,003	\$0.4550	\$1,003	\$0.0000	0.0%	\$91.19
Mar-12	\$0.4625	\$1,020	\$0.4625	\$1,020	\$0.0000	0.0%	\$92.69
AMS Dry Whey - United States							
Location	5/27/2011		6/3/2011		\$/Pound		Per Unit Protein pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Central	\$0.4975	\$1,097	\$0.4975	\$1,097	\$0.0000	0.0%	\$99.71
East	\$0.5188	\$1,144	\$0.5188	\$1,144	\$0.0000	0.0%	\$103.97
West	\$0.5213	\$1,149	\$0.5263	\$1,160	\$0.0050	1.0%	\$105.47
AMS Dry Whey - EU							
Location	5/13/2011		5/26/2011		\$/metric ton		Per Unit Protein pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Europe	\$0.5897	\$1,300	\$0.6010	\$1,325	\$25	1.9%	\$120.45
€ to \$	Dry Whey - Dutch Dairy Board						
\$1.4400	5/25/2011		6/1/2011		\$/ metric ton		Per Unit Protein pr metric tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Netherlands	\$0.5436	\$1,199	\$0.5552	\$1,224	\$25	2.1%	\$111.27
AMS Whey Protein Concentrate 34 - US							
Location	5/27/2011		6/3/2011		\$/ metric ton		Per Unit Protein pr mt tn
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Central/West	\$1.5200	\$3,351	\$1.5400	\$3,395	\$0.02	1.3%	\$99.86
AMS - Lactose							
Location	5/27/2011		6/3/2011		\$/Pound		
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Central/West	\$0.4700	\$1,036	\$0.4700	\$1,036	\$0.0000	0.0%	
Dry Whey Vs. WPC 34 Per Unit of Protein Spread							
Location	5/27/2011		6/3/2011		\$/Pound		
	\$/Pound	\$/mt. tn	\$/Pound	\$/mt. tn	wow Chng	% Chng	
Central/West	\$0.0019	\$4.16	\$0.0014	\$3.19	-\$0.0004	-23.2%	
€ to \$							
	\$1.4268		\$1.4400		\$0.0132	0.9%	

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