



# UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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## Cheese and Butter Prices Decline

Prices for cheddar cheese on the Chicago Mercantile Exchange (CME) declined in late April and early May after being at record high levels since mid-March. CME prices for barrels and 40-pound blocks of cheddar cheese on May 14 were \$1.83 and \$2.00 per pound, respectively. The barrel price has fallen more than 30¢ from its peak, while the block price is down 20¢. Both prices, however, remain more than 70¢ above year-earlier levels.

March peak, but more than 90¢ above year-earlier levels.

The Federal order Class III price for April was a record high \$19.66 per cwt., surpassing the previous record of \$17.34 set in 1998. In addition, the month-to-month and year-to-year increases of \$5.17 and \$10.25, respectively, were also records. The Class III price for May is expected to be above \$20.

The CME butter price on May 14 was \$2.02 per pound, down nearly 35¢ since its mid-

However, using the CME Class III milk futures as a predictor, the price may drop more than \$4 for June to less than \$16.



## Orders Amended for Classification Changes

On April 23, the U.S. Department of Agriculture issued an interim order amending the classification provisions of all Federal milk marketing orders, including the Upper Midwest Order. The new orders became effective May 1.

More than the required number of producers in each Federal milk order approved the issuance of this interim order.

The decision changed the classification of milk used to produce evaporated milk in consumer-type packages or sweetened condensed milk in consumer-type packages from Class III to Class IV.

A paper copy of this decision is available by calling Harold Ferguson toll free at 1-888-301-8224, ext. 231.

The decision in electronic format is available on our web page at: [www.fmma30.com](http://www.fmma30.com).

## Pool Summary

- In April, 6,309 producers delivered to the market with an average daily delivery of 4,324 pounds.
- Producer milk totaled 608 million pounds. Because of price relationships, handlers elected not to pool a significant volume of milk.
- Class I utilization totaled 382 million pounds, down 0.3% on a daily basis

from March. Class I usage accounted for 62.8% of producer milk.

- The April Producer Price Differential (PPD) is \$(4.11) per cwt.
- The Statistical Uniform Price is \$15.55 per cwt., up \$0.85 from March and \$5.68 above April 2003.
- Market statistics for April are shown on Pages 4 and 5.

## April 2004 Producer Milk by Class

|              | Percent | Product            | Price<br>\$/cwt. |
|--------------|---------|--------------------|------------------|
|              |         | Pounds             |                  |
| Class I      | 62.8    | 381,768,229        | 15.44            |
| Class II     | 15.8    | 96,271,370         | 15.21            |
| Class III    | 1.8     | 10,999,606         | 19.66            |
| Class IV     | 19.6    | 118,989,634        | 14.57            |
| <b>Total</b> |         | <b>608,028,839</b> |                  |

## November 2003 Fluid Milk Product Disposition by Container Size and Type

**F**luid milk product distribution (sales) in the Upper Midwest Marketing Area was surveyed for November 2003 with respect to method of distribution and size and type of container. Following is a summary of the results of the survey.

This is the second survey conducted for the Upper Midwest Order since order consolidation and reform in January 2000. The previous survey was for November 2001, and was reported in the April 2002 *Upper Midwest Dairy News*. Comparisons will be made between the two surveys.

The survey was divided into three categories: *size of container* - gallon, half-gallon, etc.; *type of container* - paper, plastic, or glass; and *method of distribution* - wholesale or home delivered.

Wholesale includes all distribution of fluid milk products on routes other than home delivery. This would include sales through convenience stores and supermarkets as well as sales to schools and restaurants.

### Size of Container

In November 2003, gallons accounted for 67% of the total pounds of fluid milk product distribution, as shown in Figure 1, followed by half-gallons at 17%, half-pints at 9%, and quarts at 3%. The remaining 4% of fluid milk product distribution was accounted for by all other sizes combined. These results are similar to the November 2001 results, which showed gallons at 66%, half-gallons at 18%, half-pints at 10%, quarts at 2%, and all other sizes at 4%. From November 2001 to November 2003, there was a 1 percentage point increase in distribution of gallons and quarts, and a 1 percentage point decrease in half-gallons and half-pints.

### Type of Container

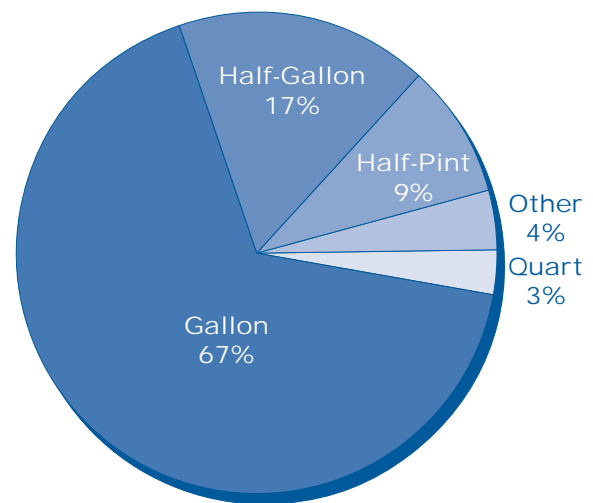
Paper includes all products sold in wax-coated or plastic-coated paper containers.

Plastic includes all products sold in rigid blow-mold or thermo-formed plastic containers, plastic-lined boxes, and plastic pouches.

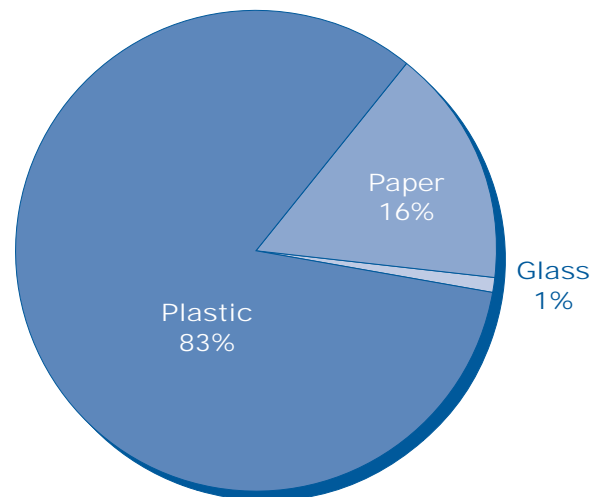
Historically, plastic containers have been increasing as a percentage of total distribution and 2003 was no exception. Plastic containers accounted for 83% of total distribution in November 2003, an increase of 3 percentage points from 2001. Paper accounted for 16% of total distribution, a decrease of 3 percentage points from 2001. Glass accounted for 1% of total distribution, consistent with 2001.

**Figure 1**  
**November 2003**  
**Fluid Milk Product Distribution \***

#### By Container Size



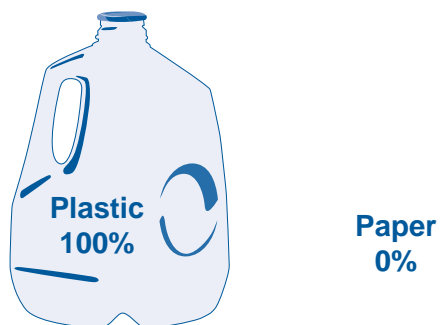
#### By Container Type



\* As a percentage of total pounds distributed.

**Figure 2**  
November 2003 Distribution by Type of Container Within Container Size

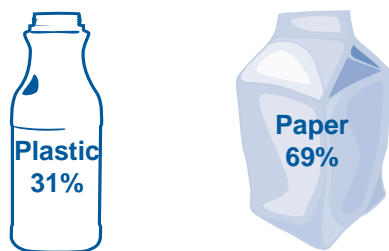
**Gallon Disposition**



**Half-Gallon Disposition**



**All Other Disposition Combined**



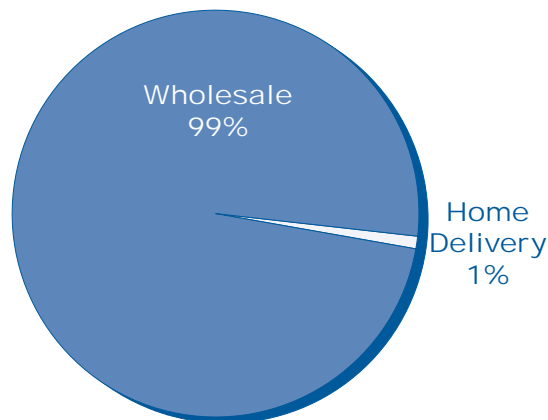
**Type of Container Within Container Size**

Gallon containers were exclusively sold in plastic in November 2003, no change from 2001. For half-gallons, disposition in plastic containers accounted for 64% of all half-gallons sold, a 9 percentage point increase from 2001. Paper accounted for 29% of all half-gallons sold, a 10 percentage point decrease from 2001. Glass accounted for 7% of all half-gallons sold, an increase of 1 percentage point from 2001. (The only glass container sold was the half-gallon size.) Paper dominated all other container sizes combined at 69%, a decrease of 4 percentage points from 2001. Plastic accounted for the remaining 31%.

**Method of Distribution**

In November 2003, home delivery accounted for 1% of total route disposition, a slight decrease from 2001. Distribution through wholesale outlets accounted for the remaining 99%.

**Figure 3**  
Method of Delivery



**Upper Midwest Pool Statistics - April 2004**

| Market Class I Differential Rate | Pool Plants   | Received at Pool Plants | Diverted to Pool and Nonpool Plants | Total         | Location Adjustment to Producers | Class I Differential to Handlers |              |
|----------------------------------|---------------|-------------------------|-------------------------------------|---------------|----------------------------------|----------------------------------|--------------|
| <i>Cwt.</i>                      | <i>Number</i> | <i>Pounds</i>           | <i>Pounds</i>                       | <i>Pounds</i> | <i>Value</i>                     | <i>Pounds</i>                    | <i>Value</i> |
| \$1.80                           | 4             | 57,059,329              | 11,410,314                          | 68,469,643    | \$ 0                             | 56,357,469                       | \$ 1,014,434 |
| \$1.75                           | 32            | 176,713,582             | 42,274,200                          | 218,987,782   | 109,494                          | 169,190,450                      | 2,960,833    |
| \$1.70                           | 30            | 147,354,218             | 43,355,705                          | 190,709,923   | 190,710                          | 130,228,460                      | 2,213,884    |
| \$1.65                           | 5             | 29,529,734              | 1,489,867                           | 31,019,601    | 46,529                           | 25,991,850                       | 428,866      |
| Other                            | 0             | 0                       | 98,841,890                          | 98,841,890    | 197,639                          | 0                                | 0            |
| Total                            | 71            | 410,656,863             | 197,371,976                         | 608,028,839   | \$ 544,372                       | 381,768,229                      | \$ 6,618,017 |

## Computation of Producer Price Differential-April 2004

|   | Utilization<br>Percentage | Product<br>Pounds  | Component<br>Pounds | Rate            | Value                    |
|---|---------------------------|--------------------|---------------------|-----------------|--------------------------|
| <b>Class I</b>  |                           |                    |                     |                 |                          |
| Differential Value  |                           |                    |                     |                 | \$ 6,618,016.71          |
| Product   | 62.8%                     | 381,768,229        |                     |                 |                          |
| Skim Milk   |                           |                    | 375,806,269         | \$ 5.9600       | 22,398,053.66            |
| Butterfat   |                           |                    | 5,961,960           | 2.2525          | 13,429,314.95            |
| <b>Class II</b>   |                           |                    |                     |                 |                          |
| Product   | 15.8%                     | 96,271,370         |                     |                 |                          |
| Nonfat Solids   |                           |                    | 7,851,658           | 0.7400          | 5,810,226.92             |
| Butterfat   |                           |                    | 9,681,461           | 2.5083          | 24,284,008.61            |
| <b>Class III</b>  |                           |                    |                     |                 |                          |
| Product   | 1.8%                      | 10,999,606         |                     |                 |                          |
| Protein   |                           |                    | 257,836             | 3.4465          | 888,631.81               |
| Other Solids  |                           |                    | 490,758             | 0.1042          | 51,136.97                |
| Butterfat   |                           |                    | 2,725,215           | 2.5013          | 6,816,580.27             |
| <b>Class IV</b>   |                           |                    |                     |                 |                          |
| Product   | 19.6%                     | 118,989,634        |                     |                 |                          |
| Nonfat Solids   |                           |                    | 10,353,682          | 0.6703          | 6,940,073.05             |
| Butterfat   |                           |                    | 4,174,883           | 2.5013          | 10,442,634.86            |
| SCC Adjustment (Class II, III, and IV)                            |                           |                    |                     |                 | 178,336.20               |
| <b>Total Producer Milk *</b>                                      |                           | <b>608,028,839</b> |                     |                 | <b>\$ 97,857,014.01</b>  |
| Add:  |                           |                    |                     |                 |                          |
| Overage   |                           |                    |                     |                 | 57,492.31                |
| Inventory Reclassified  |                           |                    |                     |                 | 111,934.36               |
| Other Source Milk \$.60(h)  |                           |                    |                     |                 | 2.49                     |
| Other Source Milk \$.60(i)  |                           |                    |                     |                 | 0.00                     |
| Subtract:   |                           |                    |                     |                 |                          |
| Transportation Credit   |                           |                    |                     |                 | 184,046.11               |
| Assembly Credit   |                           |                    |                     |                 | 302,572.80               |
| Credit for Reconstituted FMP                                      |                           |                    |                     |                 | 0.00                     |
| Producer Milk Protein   |                           |                    |                     |                 | 62,999,676.40            |
| Producer Milk Other Solids  |                           |                    |                     |                 | 3,618,079.82             |
| Producer Milk Butterfat   |                           |                    |                     |                 | 56,388,104.08            |
| Producer Milk SCC Adjustment                                      |                           |                    |                     |                 | 391,360.61               |
| Total Milk and Value  |                           | 608,028,839        |                     |                 | \$ (25,857,396.65)       |
| Add:  |                           |                    |                     |                 |                          |
| Location Adjustment -- Producer and Unregulated Supply Plant Milk |                           |                    |                     |                 | 544,371.64               |
| One-Half Unobligated Balance Producer Settlement Fund             |                           |                    |                     |                 | 588,428.13               |
| Total Value   |                           |                    |                     | (4.066353)      | \$ (24,724,596.88)       |
| Subtract:   |                           |                    |                     |                 |                          |
| Producer Settlement Fund Reserve                                  |                           |                    |                     | 0.043647        | 265,388.40               |
| <b>Producer Price Differential **</b>                             |                           |                    |                     | <b>\$(4.11)</b> | <b>\$(24,989,985.28)</b> |

\* An estimated 1.6 billion pounds of milk was not pooled.

\*\* Producer Price Differential is dollars per cwt. at the Base Zone of Cook County, Illinois.



## Utilization and Classification of Milk

|   | April 2004         |                   | March 2004         | April 2003           |
|---|--------------------|-------------------|--------------------|----------------------|
|   | Product Pounds     | Butterfat Pounds  | Product Pounds     | Product Pounds       |
| <b>Class I Utilization:</b>               |                    |                   |                    |                      |
| Packaged Disposition                      |                    |                   |                    |                      |
| Milk                                      | 58,530,392         | 1,896,570         | 61,142,736         | 50,849,757           |
| Flavored Milk                             | 5,817,777          | 188,047           | 6,337,578          | 6,232,633            |
| Reduced Fat Milk                          | 139,829,190        | 2,727,536         | 144,707,725        | 124,533,200          |
| Lowfat Milk                               | 47,211,377         | 459,546           | 48,714,353         | 44,675,231           |
| Fat Free Milk                             | 90,075,285         | 107,711           | 93,390,959         | 81,671,068           |
| Flavored Reduced and Fat Free Milk        | 29,270,150         | 260,541           | 31,745,731         | 27,651,190           |
| Buttermilk                                | 2,508,709          | 27,803            | 2,798,093          | 2,480,513            |
| Total Packaged Disposition                | 373,242,880        | 5,667,754         | 388,837,175        | 338,093,592          |
| Total Ending Inventory                    | 36,243,313         | 552,927           | 30,765,098         | 28,558,295           |
| Bulk to Nonpool Plants                    | 3,463,223          | 89,249            | 2,146,267          | 1,127,960            |
| Shrinkage                                 | 2,040,541          | 179,924           | 8,436,598          | 2,003,575            |
| Total Class I Utilization                 | 414,989,957        | 6,489,854         | 430,185,138        | 369,783,422          |
| Other Order Plants                        | (2,632,861)        | (47,762)          | (3,897,350)        | (4,910,232)          |
| Beginning Inventory                       | (30,332,614)       | (476,237)         | (30,426,155)       | (26,593,000)         |
| Reused Products                           | 0                  | 0                 | 0                  | 0                    |
| Other Source Milk                         | (236,626)          | (3,327)           | (175,287)          | (193,779)            |
| Overage                                   | --                 | --                | --                 | 0                    |
| Interhandler Adjustment                   | (19,627)           | (568)             | 147,666            | (26,113)             |
| <b>Class I Producer Milk</b>              | <b>381,768,229</b> | <b>5,961,960</b>  | <b>395,834,012</b> | <b>338,060,298</b>   |
| <b>Class II Utilization:</b>              |                    |                   |                    |                      |
| Total Class II Utilization                | 107,754,574        | 10,175,200        | 92,107,125         | 66,181,783           |
| Other Order Plants                        | --                 | --                | (3,302,045)        | (759,844)            |
| Beginning Inventory                       | (3,774,557)        | (119,737)         | (4,804,830)        | (1,360,774)          |
| Reused Products                           | (7,354,993)        | (109,569)         | (7,625,805)        | (10,721,782)         |
| Other Source Milk                         | (253,821)          | (253,821)         | (567,457)          | (511,977)            |
| Overage                                   | (99,833)           | (10,612)          | --                 | --                   |
| <b>Class II Producer Milk</b>             | <b>96,271,370</b>  | <b>9,681,461</b>  | <b>75,806,988</b>  | <b>52,827,406</b>    |
| <b>Class III Utilization:</b>             |                    |                   |                    |                      |
| Total Class III Utilization               | 19,276,931         | 2,949,484         | 97,494,185         | 1,478,451,214        |
| Other Order Plants                        | (1,884,785)        | (13,718)          | (7,574,974)        | (38,230,829)         |
| Beginning Inventory                       | (1,284,998)        | (19,695)          | (4,342,406)        | (7,151,973)          |
| Reused Products                           | 0                  | 0                 | 0                  | 0                    |
| Other Source Milk                         | (5,074,715)        | (182,938)         | (2,446,968)        | (2,169,563)          |
| Overage                                   | (32,827)           | (7,918)           | (103,671)          | (25,573)             |
| <b>Class III Producer Milk</b>            | <b>10,999,606</b>  | <b>2,725,215</b>  | <b>83,026,166</b>  | <b>1,430,873,276</b> |
| <b>Class IV Utilization:</b>              |                    |                   |                    |                      |
| Total Class IV Utilization                | 155,398,723        | 6,073,625         | 147,915,771        | 67,902,076           |
| Other Order Plants                        | (2,710,535)        | (129,869)         | (4,018,008)        | (4,705,597)          |
| Beginning Inventory                       | (12,612,344)       | (716,214)         | (17,602,652)       | (14,227,642)         |
| Reused Products                           | 0                  | 0                 | 0                  | --                   |
| Other Source Milk                         | (21,084,780)       | (1,052,163)       | (5,855,273)        | (7,719,813)          |
| Overage                                   | (1,430)            | (496)             | (55,381)           | (252,939)            |
| <b>Class IV Producer Milk</b>             | <b>118,989,634</b> | <b>4,174,883</b>  | <b>120,384,457</b> | <b>40,996,085</b>    |
| <b>Total Producer Milk -- All Classes</b> | <b>608,028,839</b> | <b>22,543,519</b> | <b>675,051,623</b> | <b>1,862,757,065</b> |

-- Restricted Information

## Commodity Prices

| Month/Year | Weighted Monthly Average NASS Prices * |         |         |        |          |          | Weighted Two-Week Average NASS Prices * |         |         |        |          |          |
|------------|--|---------|---------|--------|----------|----------|---|---------|---------|--------|----------|----------|
|            | Cheddar Cheese                         |         |         | Nonfat |          |          | Cheddar Cheese                          |         |         | Nonfat |          |          |
|            | Blocks                                 | Barrels | Average | Butter | Dry Milk | Dry Whey | Blocks                                  | Barrels | Average | Butter | Dry Milk | Dry Whey |
|            | <i>Dollars per Pound</i>               |         |         |        |          |          | <i>Dollars per Pound</i>                |         |         |        |          |          |
| Apr 2003   | 1.0924                                 | 1.0750  | 1.0997  | 1.0736 | 0.8030   | 0.1582   | 1.0804                                  | 1.0568  | 1.0842  | 1.0702 | 0.8032   | 0.1589   |
| May        | 1.1227                                 | 1.1225  | 1.1394  | 1.0743 | 0.8040   | 0.1450   | 1.1264                                  | 1.1250  | 1.1420  | 1.0733 | 0.8043   | 0.1448   |
| Jun        | 1.1400                                 | 1.1214  | 1.1464  | 1.0797 | 0.8040   | 0.1396   | 1.1330                                  | 1.1132  | 1.1387  | 1.0808 | 0.8040   | 0.1372   |
| Jul        | 1.3177                                 | 1.3466  | 1.3497  | 1.1196 | 0.8072   | 0.1470   | 1.2435                                  | 1.2625  | 1.2685  | 1.1028 | 0.8062   | 0.1452   |
| Aug        | 1.5332                                 | 1.5321  | 1.5496  | 1.1578 | 0.8105   | 0.1615   | 1.5237                                  | 1.5226  | 1.5396  | 1.1937 | 0.8118   | 0.1599   |
| Sep        | 1.5786                                 | 1.5762  | 1.5940  | 1.1332 | 0.8111   | 0.1755   | 1.5745                                  | 1.5793  | 1.5943  | 1.1156 | 0.8094   | 0.1716   |
| Oct        | 1.5781                                 | 1.5753  | 1.5936  | 1.1611 | 0.8109   | 0.1892   | 1.5765                                  | 1.5737  | 1.5921  | 1.1619 | 0.8117   | 0.1877   |
| Nov        | 1.5000                                 | 1.4590  | 1.4941  | 1.1881 | 0.8130   | 0.1947   | 1.5430                                  | 1.4944  | 1.5331  | 1.1822 | 0.8153   | 0.1947   |
| Dec        | 1.3551                                 | 1.2669  | 1.3260  | 1.2557 | 0.8070   | 0.1941   | 1.3606                                  | 1.2565  | 1.3227  | 1.2219 | 0.8072   | 0.1967   |
| Jan 2004   | 1.3079                                 | 1.2683  | 1.3023  | 1.3632 | 0.8062   | 0.1801   | 1.3026                                  | 1.2645  | 1.2977  | 1.3687 | 0.8051   | 0.1824   |
| Feb        | 1.3165                                 | 1.3042  | 1.3260  | 1.6582 | 0.8064   | 0.1677   | 1.3027                                  | 1.2777  | 1.3054  | 1.5879 | 0.8085   | 0.1691   |
| Mar        | 1.5212                                 | 1.5768  | 1.5680  | 2.0994 | 0.8101   | 0.1817   | 1.4284                                  | 1.4528  | 1.4582  | 1.9921 | 0.8090   | 0.1706   |
| Apr        | 2.0001                                 | 2.0596  | 2.0520  | 2.1994 | 0.8171   | 0.2602   | 2.0016                                  | 2.0640  | 2.0530  | 2.1514 | 0.8179   | 0.2611   |

| Month/Year | Chicago Mercantile Exchange |                |         |                                   |        |             |        |
|------------|-----------------------------|----------------|---------|-----------------------------------|--------|-------------|--------|
|            | Butter                      | Cheddar Cheese |         | Nonfat Dry Milk (Low/Medium Heat) |        | Whey Powder |        |
|            | Grade AA                    | Blocks         | Barrels | Central & East                    | West   | Central     | West   |
|            | <i>Dollars per Pound</i>    |                |         |                                   |        |             |        |
| Apr 2003   | 1.0906                      | 1.1225         | 1.0902  | 0.8375                            | 0.8377 | 0.1555      | 0.1495 |
| May        | 1.0919                      | 1.1421         | 1.1161  | 0.8375                            | 0.8388 | 0.1407      | 0.1418 |
| Jun        | 1.1142                      | 1.1864         | 1.1562  | 0.8338                            | 0.8395 | 0.1416      | 0.1400 |
| Jul        | 1.1985                      | 1.5123         | 1.4668  | 0.8419                            | 0.8391 | 0.1558      | 0.1535 |
| Aug        | 1.1708                      | 1.6000         | 1.5736  | 0.8480                            | 0.8414 | 0.1690      | 0.1762 |
| Sep        | 1.1731                      | 1.6000         | 1.5640  | 0.8500                            | 0.8423 | 0.1836      | 0.1845 |
| Oct        | 1.1846                      | 1.5876         | 1.5364  | 0.8523                            | 0.8413 | 0.1989      | 0.1902 |
| Nov        | 1.2057                      | 1.3932         | 1.2949  | 0.8500                            | 0.8400 | 0.2026      | 0.1931 |
| Dec        | 1.2969                      | 1.3383         | 1.2621  | 0.8477                            | 0.8388 | 0.1942      | 0.1891 |
| Jan 2004   | 1.4320                      | 1.3062         | 1.2539  | 0.8366                            | 0.8388 | 0.1786      | 0.1793 |
| Feb        | 1.7132                      | 1.3958         | 1.3586  | 0.8413                            | 0.8388 | 0.1679      | 0.1716 |
| Mar        | 2.1350                      | 1.8197         | 1.7977  | 0.8518                            | 0.8397 | 0.2159      | 0.1889 |
| Apr        | 2.2204                      | 2.1687         | 2.1318  | 0.8808                            | 0.8573 | 0.3022      | 0.2304 |

## Market Statistics

| Month/Year | Distributing<br>Plants | Supply<br>Plants | Coop .9(c)<br>Handlers | Producers | Total<br>Producer<br>Milk | Est. Average<br>Daily Delivery<br>Per Producer | Class I<br>Utilization | Butterfat<br>Test | Protein<br>Test | Other<br>Solids<br>Test | Weighted<br>Average<br>SCC |
|------------|------------------------|------------------|------------------------|-----------|---------------------------|--|------------------------|-------------------|-----------------|-------------------------|----------------------------|
|            |                        |                  |                        |           | Mil. lbs.                 | Pounds   | Percent                | Percent           | Percent         | Percent                 |                            |
|            |                        |                  |                        |           |                           |  |                        |                   |                 | (000)                   |                            |
| Apr 2003   | 26                     | 58               | 14                     | 15,621    | 1,863                     | 4,216  | 18.2                   | 3.71              | 2.99            | 5.75                    | 315                        |
| May        | 26                     | 57               | 14                     | 15,602    | 1,937                     | 4,266  | 17.9                   | 3.66              | 2.97            | 5.74                    | 321                        |
| Jun        | 27                     | 56               | 14                     | 15,553    | 1,933                     | 4,424  | 15.6                   | 3.60              | 2.95            | 5.74                    | 326                        |
| Jul        | 29                     | 33               | 15                     | 9,689     | 660                       | 4,310  | 49.7                   | 3.53              | 2.91            | 5.70                    | 332                        |
| Aug        | 31                     | 56               | 15                     | 9,425     | 644                       | 4,025  | 50.6                   | 3.53              | 2.91            | 5.69                    | 341                        |
| Sep        | 30                     | 55               | 15                     | 8,874     | 644                       | 3,972  | 54.0                   | 3.63              | 3.01            | 5.69                    | 318                        |
| Oct        | 30                     | 54               | 15                     | 9,210     | 657                       | 4,015  | 55.2                   | 3.76              | 3.09            | 5.68                    | 279                        |
| Nov        | 29                     | 57               | 15                     | 13,396    | 1,039                     | 4,125  | 35.6                   | 3.85              | 3.12            | 5.70                    | 271                        |
| Dec        | 30                     | 57               | 15                     | 16,454    | 2,128                     | 4,173  | 18.1                   | 3.83              | 3.09            | 5.71                    | 282                        |
| Jan 2004   | 29                     | 58               | 15                     | 16,725    | 2,209                     | 4,261  | 17.8                   | 3.82              | 3.08            | 5.71                    | 285                        |
| Feb        | 29                     | 55               | 15                     | 16,395    | 1,944                     | 4,294  | 18.3                   | 3.81              | 3.06            | 5.69                    | 295                        |
| Mar        | 27                     | 51               | 14                     | 6,095     | 675                       | 4,299  | 58.7                   | 3.75              | 3.02            | 5.71                    | 295                        |
| Apr        | 25                     | 46               | 13                     | 6,309     | 608                       | 4,324  | 62.8                   | 3.71              | 3.01            | 5.71                    | 288                        |

\* NASS = National Agricultural Statistics Service, USDA.



# Class Prices

| Month/Year | Class I Price Mover |             |             | Class I Price at Cook County, IL |             |             | Class II Price |               |             |             |
|------------|---------------------|-------------|-------------|----------------------------------|-------------|-------------|----------------|---------------|-------------|-------------|
|            | Butterfat           | Skim Milk   | 3.50%       | Butterfat                        | Skim Milk   | 3.50%       | Butterfat      | Nonfat Solids | Skim Milk   | 3.50%       |
|            | <i>lb.</i>          | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i>                       | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i>     | <i>lb.</i>    | <i>cwt.</i> | <i>cwt.</i> |
| Apr 2003   | 1.1227              | 5.92        | 9.64        | 1.1407                           | 7.72        | 11.44       | 1.1573         | 0.7356        | 6.62        | 10.44       |
| May        | 1.1462              | 5.91        | 9.71        | 1.1642                           | 7.71        | 11.51       | 1.1582         | 0.7344        | 6.61        | 10.43       |
| Jun        | 1.1500              | 5.92        | 9.74        | 1.1680                           | 7.72        | 11.54       | 1.1646         | 0.7356        | 6.62        | 10.46       |
| Jul        | 1.1590              | 5.92        | 9.77        | 1.1770                           | 7.72        | 11.57       | 1.2125         | 0.7356        | 6.62        | 10.63       |
| Aug        | 1.1854              | 7.07        | 10.97       | 1.2034                           | 8.87        | 12.77       | 1.2584         | 0.7378        | 6.64        | 10.81       |
| Sep        | 1.2944              | 9.51        | 13.71       | 1.3124                           | 11.31       | 15.51       | 1.2288         | 0.7433        | 6.69        | 10.76       |
| Oct        | 1.2007              | 10.43       | 14.27       | 1.2187                           | 12.23       | 16.07       | 1.2623         | 0.7400        | 6.66        | 10.84       |
| Nov        | 1.2563              | 10.33       | 14.37       | 1.2743                           | 12.13       | 16.17       | 1.2947         | 0.7433        | 6.69        | 10.99       |
| Dec        | 1.2806              | 9.70        | 13.84       | 1.2986                           | 11.50       | 15.64       | 1.3758         | 0.7467        | 6.72        | 11.30       |
| Jan 2004   | 1.3283              | 7.46        | 11.85       | 1.3463                           | 9.26        | 13.65       | 1.5048         | 0.7378        | 6.64        | 11.67       |
| Feb        | 1.5044              | 6.55        | 11.59       | 1.5224                           | 8.35        | 13.39       | 1.8588         | 0.7367        | 6.63        | 12.90       |
| Mar        | 1.7675              | 5.96        | 11.94       | 1.7855                           | 7.76        | 13.74       | 2.3883         | 0.7400        | 6.66        | 14.79       |
| Apr        | 2.2525              | 5.96        | 13.64       | 2.2705                           | 7.76        | 15.44       | 2.5083         | 0.7400        | 6.66        | 15.21       |
| May        | 2.4437              | 11.50       | 19.65       | 2.4617                           | 13.30       | 21.45       |                | 0.7489        | 6.74        |             |

| Month/Year | Class III Price |            |              |             |             | Class IV Price |               |             |             |
|------------|-----------------|------------|--------------|-------------|-------------|----------------|---------------|-------------|-------------|
|            | Butterfat       | Protein    | Other Solids | Skim Milk   | 3.50%       | Butterfat      | Nonfat Solids | Skim Milk   | 3.50%       |
|            | <i>lb.</i>      | <i>lb.</i> | <i>lb.</i>   | <i>cwt.</i> | <i>cwt.</i> | <i>lb.</i>     | <i>lb.</i>    | <i>cwt.</i> | <i>cwt.</i> |
| Apr 2003   | 1.1503          | 1.8006     | (0.0008) *   | 5.58        | 9.41        | 1.1503         | 0.6564        | 5.91        | 9.73        |
| May        | 1.1512          | 1.9275     | (0.0144) *   | 5.89        | 9.71        | 1.1512         | 0.6574        | 5.92        | 9.74        |
| Jun        | 1.1576          | 1.9434     | (0.0200) *   | 5.91        | 9.75        | 1.1576         | 0.6574        | 5.92        | 9.76        |
| Jul        | 1.2055          | 2.5480     | (0.0124) *   | 7.83        | 11.78       | 1.2055         | 0.6605        | 5.94        | 9.95        |
| Aug        | 1.2514          | 3.1438     | 0.0026       | 9.76        | 13.80       | 1.2514         | 0.6638        | 5.97        | 10.14       |
| Sep        | 1.2218          | 3.3180     | 0.0170       | 10.39       | 14.30       | 1.2218         | 0.6644        | 5.98        | 10.05       |
| Oct        | 1.2553          | 3.2815     | 0.0311       | 10.36       | 14.39       | 1.2553         | 0.6642        | 5.98        | 10.16       |
| Nov        | 1.2877          | 2.9267     | 0.0368       | 9.29        | 13.47       | 1.2877         | 0.6663        | 6.00        | 10.30       |
| Dec        | 1.3688          | 2.2997     | 0.0362       | 7.34        | 11.87       | 1.3688         | 0.6603        | 5.94        | 10.52       |
| Jan 2004   | 1.4978          | 2.0875     | 0.0217       | 6.60        | 11.61       | 1.4978         | 0.6595        | 5.94        | 10.97       |
| Feb        | 1.8518          | 1.7911     | 0.0090       | 5.61        | 11.89       | 1.8518         | 0.6597        | 5.94        | 12.21       |
| Mar        | 2.3813          | 2.0133     | 0.0234       | 6.38        | 14.49       | 2.3813         | 0.6634        | 5.97        | 14.10       |
| Apr        | 2.5013          | 3.4465     | 0.1042       | 11.30       | 19.66       | 2.5013         | 0.6703        | 6.03        | 14.57       |

# Producer Prices

| Month/Year | Producer Price Differential | Statistical Uniform Price (at 3.50%) | Butterfat Price   | Protein Price     | Other Solids Price | SCC Adjustment Rate | Producer Mailbox Price (at test) |
|------------|-----------------------------|--------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------------------|
|            | <i>\$ per cwt.</i>          | <i>\$ per cwt.</i>                   | <i>\$ per lb.</i> | <i>\$ per lb.</i> | <i>\$ per lb.</i>  | <i>\$ per cwt.</i>  | <i>\$ per cwt.</i>               |
| Feb 2003   | 0.47                        | 10.13                                | 1.1373            | 1.8538            | 0.0240             | 0.00056             | 11.07                            |
| Mar        | 0.54                        | 9.65                                 | 1.1459            | 1.6648            | 0.0206             | 0.00054             | 10.64                            |
| Apr        | 0.46                        | 9.87                                 | 1.1503            | 1.8006            | (0.0008) *         | 0.00055             | 10.85                            |
| May        | 0.40                        | 10.11                                | 1.1512            | 1.9275            | (0.0144) *         | 0.00057             | 10.92                            |
| Jun        | 0.38                        | 10.13                                | 1.1576            | 1.9434            | (0.0200) *         | 0.00057             | 10.89                            |
| Jul        | (0.41)                      | 11.37                                | 1.2055            | 2.5480            | (0.0124) *         | 0.00067             | 12.40                            |
| Aug        | (1.58)                      | 12.22                                | 1.2514            | 3.1438            | 0.0026             | 0.00077             | 13.94                            |
| Sep        | (1.07)                      | 13.23                                | 1.2218            | 3.3180            | 0.0170             | 0.00080             | 14.86                            |
| Oct        | (0.88)                      | 13.51                                | 1.2553            | 3.2815            | 0.0311             | 0.00080             | 15.39                            |
| Nov        | (0.07)                      | 13.40                                | 1.2877            | 2.9267            | 0.0368             | 0.00075             | 14.56                            |
| Dec        | 0.54                        | 12.41                                | 1.3688            | 2.2997            | 0.0362             | 0.00066             | 13.58                            |
| Jan 2004   | 0.37                        | 11.98                                | 1.4978            | 2.0875            | 0.0217             | 0.00065             | 13.15                            |
| Feb        | 0.47                        | 12.36                                | 1.8518            | 1.7911            | 0.0090             | 0.00066             | 13.67                            |
| Mar        | 0.21                        | 14.70                                | 2.3813            | 2.0133            | 0.0234             | 0.00078             |                                  |
| Apr        | (4.11)                      | 15.55                                | 2.5013            | 3.4465            | 0.1042             | 0.00103             |                                  |

\* The average wholesale price of dry whey was less than the make allowance contained in the other solids price formula.

# Summary of Federal Order Data - April 2004

Uniform or Statistical Uniform  
Price at 3.5% Butterfat

| Federal Order<br>Number / Name       | Producer<br>Deliveries<br><i>— Thousand Pounds —</i> | Class I<br>Producer<br>Receipts | Class I<br>Utilization<br><i>Percent</i> | Class I<br>Price<br><i>— Dollars per Cwt. —</i> | Producer<br>Price<br>Differential | Uniform or Statistical Uniform<br>Price at 3.5% Butterfat |   |                                 |
|--------------------------------------|--|---------------------------------|--|---|-----------------------------------|---|---|---------------------------------|
|                                      |  |                                 |  |   |                                   | FOB<br>Market   | FOB<br>Cook Cty.<br>Illinois<br><i>— Dollars per Cwt. —</i> | Change From<br>Previous<br>Year |
| 1 Northeast                          | 1,840,757  | 892,302                         | 48.5                                     | \$ 16.89  | \$(2.38)                          | \$ 17.28  | \$ 15.83  | \$5.83                          |
| 5 Appalachian                        | 482,071  | 368,183                         | 76.4                                     | 16.74   | n/a                               | 16.76   | 15.46   | 4.72                            |
| 6 Florida                            | 239,603  | 217,023                         | 90.6                                     | 17.64   | n/a                               | 17.74   | 15.54   | 4.78                            |
| 7 Southeast                          | 562,225  | 390,525                         | 69.5                                     | 16.74   | n/a                               | 16.72   | 15.42   | 4.91                            |
| <b>30 Upper Midwest</b>              | <b>608,029</b>                                       | <b>381,768</b>                  | <b>62.8</b>                              | <b>15.44</b>                                    | <b>(4.11)</b>                     | <b>15.55</b>  | <b>15.55</b>  | <b>5.68</b>                     |
| 32 Central                           | 612,335  | 371,226                         | 60.6                                     | 15.64   | (4.02)                            | 15.64   | 15.44   | 5.42                            |
| 33 Mideast                           | 873,282  | 544,177                         | 62.3                                     | 15.64   | (3.78)                            | 15.88   | 15.68   | 5.41                            |
| 124 Pacific Northwest                | 414,368  | 179,163                         | 43.2                                     | 15.54   | (4.32)                            | 15.34   | 15.24   | 5.13                            |
| 126 Southwest                        | 634,096  | 350,270                         | 55.2                                     | 16.64   | (3.48)                            | 16.18   | 14.98   | 4.99                            |
| 131 Arizona-Las Vegas                | 253,339  | 82,785                          | 32.7                                     | 15.99   | n/a                               | 17.29   | 16.74   | 6.95                            |
| <b>All Market Average or Total *</b> | <b>6,520,104</b>                                     | <b>3,777,422</b>                | <b>57.9</b>                              |   |                                   |   |   |                                 |

n/a = Not applicable. \* May not add due to rounding.

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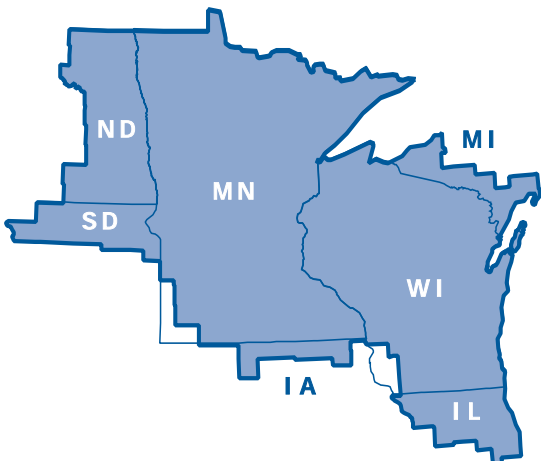
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