Federal Milk Market Administrator
U.S. Department of Agriculture

UPPER MIDWEST DAIRY NEWS

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2005 Outlook for Dairy *

The following is a summary of the presentation by James Miller of the USDA Economic Research Service at USDA's annual Agricultural Outlook Forum on February 25, 2005.

Milk cow numbers are projected to slip fractionally in 2005.

Milk Production Likely to Increase

The herd of dairy replacement heifers was 3% larger than a year earlier on January 1. This increase should significantly ease the heifer tightness this year and has already resulted in a small moderation in heifer prices. Even so, 2005 heifer prices are likely to remain relatively high. Without imports from Canada, even the larger heifer numbers may be less than desired.

Milk cow numbers are projected to slip fractionally in 2005. The loss of cows associated with farm exit and culling of those cows whose milking life was extended beyond normal criteria in 2004 is expected to slightly outweigh the effects of added capacity.

Milk per cow is projected to grow about 3% in 2005.

Allocations of BST will rise on March 1 from the current 85% of normal to 115%, although new customers still are not welcome. Return to near-normal availability of BST and relatively strong economic incentive for its use should have a substantial impact on milk per cow. In addition, relative milk and concentrate feed prices will provide considerable incentive to boost feeding. A presumed return to more normal culling may also provide a boost, although positive effects are not assured.

Milk production should be up about 2% during the year.

Milk per cow is projected to grow about 3% in 2005, a significant but far from complete recovery from the sluggish expansion of the last 2 years. This higher milk per cow would push milk production up about 2%, the first real growth since 2002.

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Pool Summary

- In February, 5,681 producers delivered to the market with an average daily delivery of 4,387 pounds.
- Producer milk totaled 623 million pounds. Because of price relationships, handlers elected not to pool substantial volumes of milk.
- Class I utilization totaled 349 million pounds, up 1.4% on a daily basis from January. Class I usage accounted for 56.0% of producer milk.
- The February Producer Price Differential (PPD) is ($0.18) per cwt.
- The Statistical Uniform Price is $14.52 per cwt., down $0.01 from January, but $2.16 above February 2004.
- Market statistics for February are shown on Pages 4 and 5.

February 2005 Producer Milk by Class

	Percent	Product Pounds	Price $/cwt.
Class I	56.0	348,820,352	15.59
Class II	19.5	121,495,335	13.36
Class III	5.0	31,217,361	14.70
Class IV	19.5	121,310,968	12.74
Total		622,844,016	

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Commercial Stocks Comfortable

Excess dairy stocks were dissipated during 2004. Commercial stocks of butter, and cheese to a lesser extent, had been pushed to large levels by the sluggish demand of 2002 and most of 2003. However, last year's tight markets reduced warehouse holdings to modest levels.

The huge stocks of government nonfat dry milk are essentially gone.

January 1 stocks were down about 1 billion pounds, milk equivalent, milkfat basis, from a year earlier and almost 3 billion pounds from 2 years earlier. On a skim solids basis, commercial stocks were slightly below the moderate levels of the 2 preceding years.

The huge stocks of government nonfat dry milk are essentially gone. Aggressive use of nonfat dry milk in domestic and foreign donations combined with a rapidly diminishing current surplus to slash government stocks.

Milkfat removals are expected to be negligible in 2005. Demand should be able to absorb additional milk production without strain. Removals of skim solids will depend on the strength of export demand. If international powder markets remain tight as expected, removals probably will total close to last year's with most of the small surplus in the second half.

Dairy demand is expected to stay strong in 2005.

Commercial Use For 2005

Commercial use of dairy products rose to records in 2004 despite sharp jumps in most dairy prices. On a milkfat basis, use rose more than 1 billion pounds milk equivalent even though butter prices averaged above $1.60 per pound every month other than January. Commercial exports of nonfat dry milk and much more moderate price increases for skim solids let sales of skim solids rise more than 3 billion pounds milk equivalent.

Dairy demand is expected to stay strong in 2005. The economy and incomes are projected to continue to grow at a relatively strong pace. In addition, food and restaurant spending seems to have shaken off the doldrums of 2002 and most of 2003. Commercial use of milkfat is expected to increase more than 1% in 2005, while commercial use of skim solids is projected to rise 2%, in part because of commercial exports of powder.

U.S. Dairy Trade

Commercial exports of nonfat dry milk are projected to be sizable in 2005. Even with some possible softening of market conditions, international markets probably will need substantial quantities of U.S. powder. Prospects for cheese exports are more uncertain. The weak dollar will certainly aid exports, but domestic prices are projected to be high enough to limit attractiveness of U.S. supplies.

U.S. imports of dairy products may slip in 2005 on a milkfat basis. However, decreases in imports likely will be modest.

U.S. Dairy Market Outlook

Wholesale prices of butter and cheese got a post-holiday bump in early 2005 on the strength of a slight softness in the milk production expansion, a likely larger than normal pipeline refilling, and, possibly, some early precautionary buying. Cheese prices have come down considerably recently as seasonal increases in milk supplies boosted cheese production. Butter prices have fared better, possibly because of the effects of a very early Easter. However, some declines in butter prices are expected once Easter needs are met, and cheese prices could be somewhat erratic.

Demand is not expected to be able to absorb the projected milk production without a substantial price adjustment.

For the year, milk prices are expected to decline $1 to $2 per cwt.

However, a $1 to $2 decrease from $16 per cwt. still leaves relatively attractive milk prices. Early 2005 milk prices have been above a year earlier but this spring's prices will be much below last year. Prices are projected to stay below a year earlier during the second half. For the year, milk prices are expected to decline $1 to $2.

Key uncertainties in the price outlook include the recovery in milk per cow, an acceleration of the number of farms expanding, the strength of butter and cheese demand, and the path of international powder prices. Given the history of recent years, even the relatively full return of BST is no guarantee of strong milk per cow. On the other hand, the accumulated returns from 2004 and the first half of 2005 may encourage producers to do whatever has to be done to get new facilities built and filled.

If the domestic demand for cheese and butter and export demand for nonfat dry milk all stay brisk throughout 2005, the struggle for the milk supply could keep price declines smaller than expected. On the other hand, significant softening in two of the segments or a sharp break in any one could accentuate the price drop.

Retail dairy prices rose more than 7% in 2004, despite the second straight decline in farm-to-retail spread. Like other dairy prices, retail prices rose at a blistering rate between early 2004 and summer before easing somewhat during the second half. In 2005, retail dairy prices are projected to increase fractionally to 2% as a moderate expansion in the spread outweighs the decline in farm prices.

* Adapted from a speech by James Miller at the USDA Agricultural Outlook forum on February 25, 2005. The complete speech can be obtained at: www.usda.gov/oce/forum/speeches/miller.pdf

2004 Mailbox Milk Prices

The Dairy Programs section of the Agricultural Marketing Service, through its Federal milk order Market Administrator offices, collects and publishes "mailbox milk prices".

Beginning in 2001, in an effort to provide mailbox price information that USDA believes would be more meaningful and useful, Dairy Programs began collecting and publishing mailbox price data for reporting areas that are smaller than Federal-milk-order-wide. Federal-milk-order-wide prices were discontinued.

Mailbox prices for 2004 are contained in the table below. All mailbox prices are reported at test; there is no adjustment to 3.5% butterfat.

The mailbox price is defined as the net price received by dairy farmers for milk, including all payments received for milk sold and deducting costs associated with marketing the milk.

Mailbox Milk Prices [1/] for Selected Reporting Areas in Federal Milk Orders and California - 2004

Reporting Area [2/]	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Simple Average
Northeast Federal Order	$13.50	$13.98	$15.57	$17.12	$19.28	$19.08	$17.01	$15.07	$15.74	$16.20	$16.55	$16.70	$16.32
Appalachian States [3/]	13.74	14.05	15.06	15.95	19.02	19.31	18.14	15.11	15.71	15.96	16.06	16.36	16.21
Southeast States [4/]	14.30	14.61	15.28	16.52	19.79	19.91	19.04	15.75	16.46	16.57	16.68	16.80	16.81
Southern Missouri [5/]	12.97	13.37	14.55	15.16	18.45	18.61	17.51	14.46	15.15	15.50	15.57	15.97	15.61
Florida	15.97	16.00	16.82	18.07	20.98	21.69	20.47	17.18	17.56	18.13	18.17	18.10	18.26
Ohio	13.29	13.57	15.38	16.30	18.90	18.26	16.36	14.68	15.35	15.68	16.16	16.51	15.87
Indiana	13.30	13.54	15.28	16.36	19.14	18.68	16.94	14.92	15.55	15.79	16.20	16.52	16.02
Michigan	13.04	13.34	14.85	16.34	18.28	17.85	16.09	14.53	15.10	15.37	15.92	16.09	15.57
Wisconsin	13.34	13.80	16.13	19.89	20.39	18.04	16.11	15.23	15.86	16.00	16.65	17.25	16.56
Minnesota	13.11	13.72	16.22	19.81	19.80	17.85	15.71	15.05	15.57	15.58	16.47	16.60	16.29
Iowa	13.17	13.51	15.55	18.55	19.29	17.56	15.76	14.89	15.47	15.71	16.19	16.57	16.02
Illinois	13.17	13.53	15.58	17.63	19.48	18.28	16.00	14.80	15.68	15.95	16.41	16.87	16.12
Corn Belt States [6/]	12.46	12.77	14.31	16.07	17.40	16.81	15.02	13.76	14.36	14.42	14.93	15.30	14.80
Western Texas [7/]	12.72	13.17	14.51	16.35	18.16	17.69	15.63	14.09	14.63	14.42	15.14	15.55	15.17
New Mexico	11.74	12.09	13.46	15.24	16.85	16.47	14.46	13.04	13.65	13.41	14.24	14.42	14.09
Northwest States [8/]	12.39	12.76	14.34	15.00	16.59	17.75	14.93	13.63	14.36	14.56	15.09	15.03	14.70
All Federal Order Areas [9/]	**$13.12**	**$13.54**	**$15.27**	**$17.40**	**$19.01**	**$18.26**	**$16.32**	**$14.75**	**$15.37**	**$15.58**	**$16.12**	**$16.38**	**$15.93**
California [10/]	$12.11	$12.69	$14.65	$17.21	$17.57	$16.38	$13.91	$13.73	$14.37	$14.12	$15.23	$15.18	$14.76

1/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox milk price does not include, for the most part, the $0.05 per cwt. assessment under the Cooperatives Working Together (CWT) program.

2/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area.

3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia.

4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi.

5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these.

6/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in footnote 5.

7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby.

8/ Includes Oregon and Washington.

9/ Weighted average of the information for all selected reporting areas in Federal milk orders.

10/ California is not part of the Federal Order program. However, the California Department of Food and Agriculture, Dairy Marketing Branch calculates a mailbox price and publishes it in the "California Dairy Information Bulletin".

Upper Midwest Pool Statistics - February 2005

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	
Cwt.	*Number*	*Pounds*	*Pounds*	*Pounds*	*Value*	*Pounds*	*Value*
$1.80	4	52,609,617	13,531,017	66,140,634	$ 0	54,369,585	$ 978,652
$1.75	40	178,627,140	33,805,406	212,432,546	106,216	154,888,088	2,710,542
$1.70	34	140,981,254	85,347,126	226,328,380	226,329	117,331,961	1,994,643
$1.65	5	30,116,827	33,931	30,150,758	45,226	22,230,718	366,807
Other	0	0	87,791,698	87,791,698	175,269	0	0
Total	83	402,334,838	220,509,178	622,844,016	$553,040	348,820,352	$6,050,644

Computation of Producer Price Differential-February 2005

		Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I	Differential Value					$ 6,050,644.28
	Product	56.0%	348,820,352			
	Skim Milk			343,505,279	$ 7.9700	27,377,370.75
	Butterfat			5,315,073	1.7438	9,268,424.32
Class II	Product	19.5%	121,495,335			
	Nonfat Solids			10,279,732	0.8200	8,429,380.24
	Butterfat			8,553,997	1.7824	15,246,644.27
Class III	Product	5.0%	31,217,361			
	Protein			894,517	2.6613	2,380,578.04
	Other Solids			1,658,934	0.0915	151,792.47
	Butterfat			3,378,432	1.7754	5,998,068.17
Class IV	Product	19.5%	121,310,968			
	Nonfat Solids			10,377,855	0.7514	7,797,920.27
	Butterfat			6,047,126	1.7754	10,736,067.51
SCC Adjustment (Class II, III, and IV)						180,360.87
Total Producer Milk *			**622,844,016**			**$ 93,617,251.19**
Add:	Overage					19,214.80
	Inventory Reclassified					128,934.32
	Other Source Milk §.60(h)					0.00
	Other Source Milk §.60(i)		104,913			1,248.46
Subtract:	Transportation Credit					154,086.04
	Assembly Credit					277,001.95
	Credit for Reconstituted FMP					0.00
	Producer Milk Protein					50,516,471.88
	Producer Milk Other Solids					3,246,190.53
	Producer Milk Butterfat					41,357,282.53
	Producer Milk SCC Adjustment					389,739.25
Total Milk and Value			622,948,929			$ (2,174,123.41)
Add:	Location Adjustment -- Producer and Unregulated Supply Plant Milk					553,039.51
	One-Half Unobligated Balance Producer Settlement Fund					763,859.70
Total Value					(0.137607)	$ (857,224.20)
Subtract:	Producer Settlement Fund Reserve				0.042393	264,083.87
Producer Price Differential **					**$(0.18)**	**$(1,121,308.07)**

* An estimated 1.4 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

	February 2005		January 2005	February 2004
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	51,989,096	1,670,429	57,830,794	55,237,300
Flavored Milk	4,237,603	137,252	4,537,684	5,572,972
Reduced Fat Milk	127,500,262	2,481,004	143,862,662	131,283,142
Lowfat Milk	44,345,971	438,432	52,444,474	44,828,506
Fat Free Milk	83,283,523	87,262	94,120,940	83,985,979
Flavored Reduced and Fat Free Milk	29,681,393	247,764	31,124,719	28,793,377
Buttermilk	2,161,925	24,291	2,128,609	2,305,529
Total Packaged Disposition	343,199,773	5,086,434	386,049,882	352,006,805
Total Ending Inventory	29,957,001	450,382	25,247,073	30,314,484
Bulk to Nonpool Plants	2,641,638	52,354	3,075,424	2,280,046
Shrinkage	1,958,863	180,941	2,038,809	1,645,510
Total Class I Utilization	377,757,275	5,770,111	416,411,188	386,246,845
Other Order Plants	(2,613,099)	(44,026)	(2,852,224)	(2,491,545)
Beginning Inventory	(25,957,295)	(406,525)	(32,355,633)	(28,678,501)
Reused Products	0	0	0	0
Other Source Milk	(289,226)	(2,671)	(254,856)	(269,387)
Overage	(3,200)	(878)	--	--
Interhandler Adjustment	(74,103)	(938)	(28,237)	(54,420)
Class I Producer Milk	**348,820,352**	**5,315,073**	**380,920,238**	**354,752,992**
Class II Utilization:				
Total Class II Utilization	134,837,193	9,129,079	126,471,327	93,919,888
Other Order Plants	--	--	--	(1,031,001)
Beginning Inventory	(3,249,997)	(141,106)	(1,148,388)	(1,567,356)
Reused Products	(9,631,033)	(98,879)	(8,771,510)	(6,853,516)
Other Source Milk	(460,828)	(335,097)	(549,204)	(200,141)
Overage	--	--	--	(76,739)
Class II Producer Milk	**121,495,335**	**8,553,997**	**116,002,225**	**84,191,135**
Class III Utilization:				
Total Class III Utilization	50,438,730	3,906,981	1,585,667,463	1,466,459,844
Other Order Plants	(8,980,926)	(214,123)	(17,424,406)	(14,962,349)
Beginning Inventory	(3,607,261)	(158,020)	(583,357)	(2,501,975)
Reused Products	0	0	0	0
Other Source Milk	(6,578,279)	(152,702)	(2,212,458)	(1,618,748)
Overage	(54,903)	(3,704)	(252,204)	(43,012)
Class III Producer Milk	**31,217,361**	**3,378,432**	**1,565,195,038**	**1,447,333,760**
Class IV Utilization:				
Total Class IV Utilization	165,482,885	8,364,262	214,371,237	80,700,883
Other Order Plants	(4,350,911)	(302,613)	(7,193,796)	(5,035,033)
Beginning Inventory	(20,035,060)	(1,075,006)	(10,639,811)	(13,413,500)
Reused Products	0	0	0	--
Other Source Milk	(19,775,970)	(938,164)	(18,428,711)	(4,260,096)
Overage	(9,976)	(1,353)	(19,917)	(53,261)
Class IV Producer Milk	**121,310,968**	**6,047,126**	**178,089,002**	**57,938,993**
Total Producer Milk -- All Classes	**622,844,016**	**23,294,628**	**2,240,206,503**	**1,944,216,880**

-- Restricted Information

Commodity Prices

	Weighted Monthly Average NASS Prices *						Weighted Two-Week Average NASS Prices *					
	Cheddar Cheese				Nonfat		Cheddar Cheese				Nonfat	
Month/Year	Blocks	Barrels	Average	Butter	Dry Milk	Dry Whey	Blocks	Barrels	Average	Butter	Dry Milk	Dry Whey
	Dollars per Pound						*Dollars per Pound*					
Feb 2004	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
May	2.1289	2.0948	2.1266	2.1385	0.8383	0.2992	2.1676	2.1659	2.1838	2.1633	0.8372	0.2975
Jun	1.8509	1.8031	1.8411	1.9290	0.8497	0.2890	1.9008	1.8121	1.8683	1.8723	0.8500	0.2942
Jul	1.5661	1.5424	1.5695	1.8269	0.8513	0.2607	1.5520	1.5075	1.5439	1.8610	0.8552	0.2600
Aug	1.4927	1.5085	1.5167	1.6101	0.8584	0.2246	1.4842	1.4940	1.5047	1.6058	0.8596	0.2280
Sep	1.5694	1.5690	1.5867	1.7278	0.8639	0.2162	1.5745	1.5813	1.5958	1.6746	0.8622	0.2155
Oct	1.5270	1.4944	1.5256	1.7000	0.8565	0.2247	1.5467	1.4996	1.5373	1.7223	0.8626	0.2241
Nov	1.5685	1.5750	1.5886	1.8224	0.8570	0.2367	1.5316	1.5323	1.5481	1.6845	0.8553	0.2338
Dec	1.7404	1.6629	1.7146	1.8122	0.8713	0.2423	1.7887	1.7135	1.7648	1.8498	0.8698	0.2436
Jan 2005	1.5216	1.4828	1.5165	1.5592	0.8906	0.2463	1.4738	1.4528	1.4790	1.5682	0.8892	0.2481
Feb	1.5618	1.5493	1.5711	1.5945	0.8990	0.2478	1.6319	1.6323	1.6482	1.5865	0.8964	0.2479

Chicago Mercantile Exchange

	Butter	Cheddar Cheese		Nonfat Dry Milk (Low/Medium Heat)		Whey Powder	
Month/Year	Grade AA	Blocks	Barrels	Central & East	West	Central	West
	Dollars per Pound						
Feb 2004	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
May	2.0363	1.9925	1.8848	0.9050	0.8681	0.3150	0.2744
Jun	1.9300	1.7105	1.6848	0.9188	0.8595	0.2913	0.2750
Jul	1.7458	1.4486	1.4226	0.9188	0.8435	0.2527	0.2458
Aug	1.5408	1.5734	1.5427	0.8814	0.8389	0.2143	0.2307
Sep	1.7656	1.5702	1.5206	0.8700	0.8429	0.2175	0.2204
Oct	1.6475	1.5170	1.4683	0.8700	0.8488	0.2321	0.2374
Nov	1.9238	1.6960	1.6534	0.8898	0.8593	0.2420	0.2451
Dec	1.7083	1.5923	1.5243	0.8876	0.8857	0.2450	0.2549
Jan 2005	1.5775	1.6269	1.5851	0.9208	0.9043	0.2447	0.2597
Feb	1.6145	1.4929	1.4451	0.9525	0.9343	0.2450	0.2645

Market Statistics

Month/Year	Distributing Plants	Supply Plants	Coop .9(c) Handlers	Producers	Total Producer Milk	Est. Average Daily Delivery Per Producer	Class I Utilization	Butterfat Test	Protein Test	Other Solids Test	Weighted Average SCC
					Mil. lbs.	*Pounds*	*Percent*	*Percent*	*Percent*	*Percent*	*(000)*
Feb 2004	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
May	25	47	13	6,234	663	4,396	53.2	3.66	2.99	5.72	282
Jun	28	51	13	16,307	2,114	4,409	15.9	3.64	2.96	5.73	309
Jul	28	51	13	16,327	2,202	4,406	16.1	3.61	2.95	5.71	326
Aug	28	57	13	16,476	2,002	4,254	18.0	3.65	2.98	5.71	329
Sep	27	57	13	12,786	1,290	4,237	29.1	3.67	3.02	5.69	296
Oct	27	57	13	15,973	1,977	4,290	18.9	3.80	3.12	5.67	277
Nov	27	56	13	8,357	951	4,315	40.6	3.82	3.11	5.67	253
Dec	27	56	13	5,520	667	4,318	59.3	3.80	3.11	5.68	259
Jan 2005	26	58	13	15,960	2,240	4,528	17.0	3.79	3.08	5.69	271
Feb	27	56	13	5,681	623	4,387	56.0	3.74	3.05	5.70	271

*** NASS = National Agricultural Statistics Service, USDA.**

Class Prices

	Class I Price Mover			Class I Price at Cook County, IL			Class II Price			
Month/Year	Butterfat	Skim Milk	3.50%	Butterfat	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	lb.	*cwt.*	*cwt.*	*lb.*	*cwt.*	*cwt.*	*lb.*	*lb.*	*cwt.*	*cwt.*
Feb 2004	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	2.4352	0.7489	6.74	15.03
Jun	2.4580	12.98	21.13	2.4760	14.78	22.93	2.1838	0.7678	6.91	14.31
Jul	2.1088	10.95	17.95	2.1268	12.75	19.75	2.0613	0.7811	7.03	14.00
Aug	2.0952	7.55	14.62	2.1132	9.35	16.42	1.8011	0.7856	7.07	13.13
Sep	1.7890	7.96	13.94	1.8070	9.76	15.74	1.9424	0.7900	7.11	13.66
Oct	1.8715	8.53	14.78	1.8895	10.33	16.58	1.9090	0.7933	7.14	13.57
Nov	1.9288	7.81	14.29	1.9468	9.61	16.09	2.0559	0.7933	7.14	14.09
Dec	1.8834	8.12	14.43	1.9014	9.92	16.23	2.0436	0.7856	7.07	13.98
Jan 2005	2.0818	9.70	16.65	2.0998	11.50	18.45	1.7400	0.8000	7.20	13.04
Feb	1.7438	7.97	13.79	1.7618	9.77	15.59	1.7824	0.8200	7.38	13.36
Mar	1.7658	9.59	15.43	1.7838	11.39	17.23		0.8267	7.44	

	Class III Price					Class IV Price			
Month/Year	Butterfat	Protein	Other Solids	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	lb.	*lb.*	*lb.*	*cwt.*	*cwt.*	*lb.*	*lb.*	*cwt.*	*cwt.*
Feb 2004	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
May	2.4282	3.7639	0.1444	12.52	20.58	2.4282	0.6913	6.22	14.50
Jun	2.1768	3.1086	0.1339	10.43	17.68	2.1768	0.7026	6.32	13.72
Jul	2.0543	2.3625	0.1048	7.94	14.85	2.0543	0.7042	6.34	13.31
Aug	1.7941	2.4663	0.0676	8.04	14.04	1.7941	0.7112	6.40	12.46
Sep	1.9354	2.5431	0.0589	8.23	14.72	1.9354	0.7167	6.45	13.00
Oct	1.9020	2.3814	0.0677	7.78	14.16	1.9020	0.7093	6.38	12.81
Nov	2.0489	2.4297	0.0800	8.00	14.89	2.0489	0.7098	6.39	13.34
Dec	2.0366	2.8486	0.0858	9.34	16.14	2.0366	0.7240	6.52	13.42
Jan 2005	1.7330	2.5300	0.0899	8.37	14.14	1.7330	0.7431	6.69	12.52
Feb	1.7754	2.6613	0.0915	8.79	14.70	1.7754	0.7514	6.76	12.74

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)*
	$ per cwt.	*$ per cwt.*	*$ per lb.*	*$ per lb.*	*$ per lb.*	*$ per cwt.*	*$ per cwt.*
Dec 2003	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	16.01
Apr	(4.11)	15.55	2.5013	3.4465	0.1042	0.00103	19.75
May	(1.97)	18.61	2.4282	3.7639	0.1444	0.00106	20.11
Jun	0.30	17.98	2.1768	3.1086	0.1339	0.00092	17.66
Jul	0.72	15.57	2.0543	2.3625	0.1048	0.00078	15.69
Aug	0.22	14.26	1.7941	2.4663	0.0676	0.00076	15.11
Sep	0.13	14.85	1.9354	2.5431	0.0589	0.00079	15.72
Oct	0.31	14.47	1.9020	2.3814	0.0677	0.00076	15.73
Nov	0.13	15.02	2.0489	2.4297	0.0800	0.00079	
Dec	(0.95)	15.19	2.0366	2.8486	0.0858	0.00086	
Jan 2005	0.39	14.53	1.7330	2.5300	0.0899	0.00076	
Feb	(0.18)	14.52	1.7754	2.6613	0.0915	0.00079	

Summary of Federal Order Data - February 2005

Federal Order Number / Name		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Class I Price	Producer Price Differential	Uniform or Statistical Uniform Price at 3.5% Butterfat: FOB Market	FOB Cook Cty. Illinois	Change From Previous Year
		Thousand Pounds		Percent	Dollars per Cwt.		Dollars per Cwt.		
1	Northeast	1,807,421	839,181	46.4	$ 17.04	$0.81	$ 15.51	$ 14.06	$1.56
5	Appalachian	490,084	329,828	67.3	16.89	n/a	15.90	14.60	1.41
6	Florida	264,725	209,460	79.1	17.79	n/a	17.08	14.88	1.60
7	Southeast	601,850	367,201	61.0	16.89	n/a	15.80	14.50	1.57
30	**Upper Midwest**	**622,844**	**348,820**	**56.0**	**15.59**	**(0.18)**	**14.52**	**14.52**	**2.16**
32	Central	722,207	338,381	46.9	15.79	(0.20)	14.50	14.30	1.84
33	Mideast	1,189,846	511,294	43.0	15.79	0.01	14.71	14.51	1.84
124	Pacific Northwest	383,028	159,823	41.7	15.69	(0.66)	14.04	13.94	1.37
126	Southwest	562,330	323,539	57.5	16.79	0.54	15.24	14.04	1.57
131	Arizona-Las Vegas	232,647	78,761	33.9	16.14	n/a	14.73	14.18	1.84
All Market Average or Total *		**6,876,982**	**3,506,288**	**51.0**					

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

FEDERAL MILK MARKET ADMINISTRATOR
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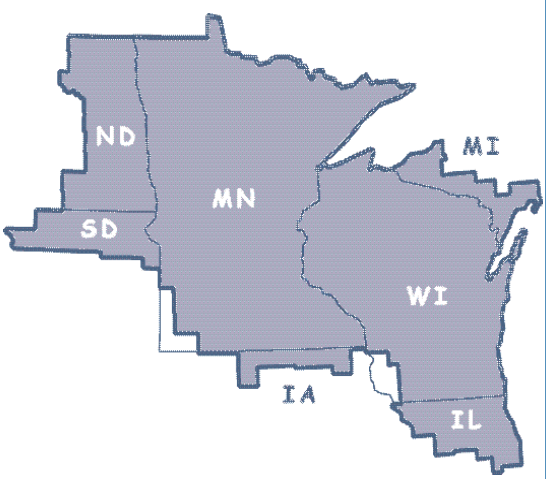

Upper Midwest Marketing Area
F.O. 30