



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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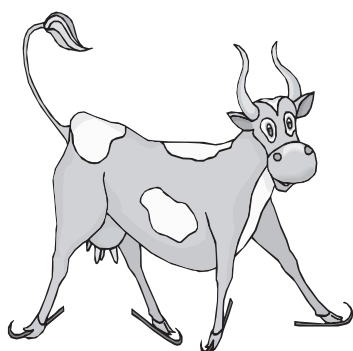
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Interim Final Rule to Amend Federal Order Make Allowances

The U.S. Department of Agriculture recently announced an Interim Final Rule to amend the manufacturing (make) allowances contained in the Class III and Class IV product price formulas in all Federal milk marketing orders.

The Final Decision was scheduled to be effective on February 1, 2007. However, at the time of *Dairy News* publication, a lawsuit had been filed in Federal Court concerning implementation of the revised make allowances. Information regarding the court action is available at www.fmma30.com.

The Final Decision was based on the record of the first session of an emergency public hearing held in Alexandria, Virginia on January 24-27, 2006, and a second session held in Strongsville, Ohio, on September 14-15, 2006.

The decision amends the manufacturing allowances for cheese, butter, nonfat dry milk (NFDM) and dry whey. Specifically,

this decision adopts the following increased manufacturing allowances:

- Cheese \$0.1682/lb**
- Butter \$0.1202/lb**
- NFDM \$0.1570/lb**
- Whey \$0.1956/lb**

The adoption of these new manufacturing allowances serves to approximate the average cost of producing cheese, butter, NFDM and dry whey for manufacturing plants located in Federal milk marketing areas.

The interim final rule, published in the December 29 *Federal Register*, was approved by dairy farmers in all 10 Federal milk marketing orders.

A paper copy of the decision can be obtained by calling Harold Ferguson toll-free at (888) 301-8224, extension 231. An electronic copy is available at: www.fmma30.com.

Pool Summary

- In December, 16,785 producers delivered to the market with an average daily delivery of 4,702 pounds.
- Producer milk totaled 2.3 billion pounds, down 92 million pounds from November, but 96 million pounds above December 2005.
- Class I utilization totaled 390 million pounds, down 4.9% on a daily basis

from November. Class I usage accounted for 17.1% of producer milk.

- The December Producer Price Differential (PPD) is \$0.00 per cwt.
- The Statistical Uniform Price is \$13.47 per cwt., up \$0.51 from November, but \$0.14 below December 2005.
- Market statistics for December are shown on Pages 4 and 5.

December 2006 Producer Milk by Class

	Percent	Product Pounds	Price \$/cwt.
Class I	17.1	390,276,803	14.23
Class II	5.3	120,142,181	12.55
Class III	73.2	1,667,530,617	13.47
Class IV	4.4	99,384,445	12.30
Total		2,277,334,046	

Utilization and Classification for 2005 and 2006

	2005 Annual		2006 Annual		Change in Product Pounds	
	Product Pounds	Butterfat Pounds	Product Pounds	Butterfat Pounds	1,000 Pounds*	Percent
Class I Utilization:						
Packaged Disposition						
Milk	671,798,112	21,754,056	671,282,044	21,730,762	(516)	(0.1)
Flavored Milk	54,668,701	1,789,000	55,155,332	1,770,383	487	0.9
Reduced Fat Milk	1,661,907,683	32,184,130	1,716,723,404	32,570,953	54,816	3.3
Lowfat Milk	584,863,910	5,691,769	580,197,553	5,634,885	(4,666)	(0.8)
Fat Free Milk	1,080,230,044	1,192,095	1,081,197,641	1,224,505	968	0.1
Flavored Reduced and Fat Free Milk	339,253,828	3,361,900	341,947,180	3,184,000	2,693	0.8
Buttermilk	28,841,001	310,120	28,327,365	301,347	(514)	(1.8)
Total Packaged Disposition	4,421,563,279	66,283,070	4,474,830,519	66,416,835	53,267	1.2
Total Ending Inventory	351,123,025	5,346,472	351,099,362	5,220,461	(24)	
Bulk to Nonpool Plants	39,526,729	679,863	61,312,574	986,551	21,786	
Shrinkage	26,776,569	2,366,070	19,936,897	1,667,861	(6,840)	
Total Class I Utilization	4,838,989,602	74,675,475	4,907,179,352	74,291,708	68,190	1.4
Other Order Plants	(29,061,359)	(519,119)	(26,774,876)	(493,811)	2,286	
Beginning Inventory	(358,009,335)	(5,423,176)	(352,975,181)	(5,232,450)	5,034	
Reused Products	0	0	0	0	0	
Other Source Milk	(2,133,505)	(25,727)	(1,007,920)	(17,975)	1,126	
Overage	(3,200)	(878)	(39,768)	--	(37)	
Interhandler Adjustment	1,895,757	27,506	1,276,113	4,100	(620)	
Class I Producer Milk	4,451,677,960	68,734,081	4,527,657,720	68,551,572	75,980	1.7
Class II Utilization:						
Total Class II Utilization	1,627,360,368	115,527,936	1,620,952,453	119,155,105	(6,408)	(0.4)
Other Order Plants	(13,517,120)	(317,861)	(8,905,334)	(261,966)	4,612	
Beginning Inventory	(29,841,649)	(1,655,071)	(24,680,416)	(1,541,984)	5,161	
Reused Products	(108,319,463)	(298,023)	(102,344,130)	(136,756)	5,975	
Other Source Milk	(6,249,775)	(5,505,100)	(3,155,489)	(2,747,827)	3,094	
Overage	(492,577)	(55,449)	(1,580,957)	(39,540)	(1,088)	
Class II Producer Milk	1,468,939,784	107,696,432	1,480,286,127	114,427,032	11,346	0.8
Class III Utilization:						
Total Class III Utilization	15,461,101,612	578,423,592	20,226,253,060	737,305,752	4,765,151	30.8
Other Order Plants	(110,117,365)	(2,372,362)	(51,575,388)	(1,432,593)	58,542	
Beginning Inventory	(24,532,327)	(854,017)	(22,939,988)	(760,491)	1,592	
Reused Products	0	0	0	0	0	
Other Source Milk	(39,727,809)	(851,894)	(31,347,972)	(658,253)	8,380	
Overage	(967,656)	(64,623)	(1,477,933)	(93,461)	(510)	
Class III Producer Milk	15,285,756,455	574,280,696	20,118,911,779	734,360,954	4,833,155	31.6
Class IV Utilization:						
Total Class IV Utilization	1,723,831,976	106,827,740	1,214,003,724	105,211,716	(509,828)	(29.6)
Other Order Plants	(70,738,831)	(4,443,365)	(48,923,545)	(2,343,033)	21,815	
Beginning Inventory	(184,252,508)	(10,313,360)	(187,672,803)	(10,321,834)	(3,420)	
Reused Products	0	0	261,363	0	261	
Other Source Milk	(225,209,906)	(10,945,136)	(248,041,496)	(10,972,349)	(22,832)	
Overage	(117,007)	(35,566)	(1,734,341)	(88,736)	(1,617)	
Class IV Producer Milk	1,243,513,724	81,090,313	727,892,902	81,485,764	(515,621)	(41.5)
Total Producer Milk -- All Classes	22,449,887,923	831,801,522	26,854,748,528	998,825,322	4,404,861	19.6

* May not add due to rounding.

-- Restricted Information

Annual Utilization and Classification

Annual utilization and classification for 2005 and 2006 are summarized and compared in the table on Page 2. The annual numbers represent the sum of monthly data.

During the year, there were some significant changes in the market resulting from order amendments and price relationships. Advantageous prices and institutional changes in 2006 resulted in a significantly higher volume of Class III milk pooled on the order in comparison with 2005. At the same time, order amendment actions effective July 1, 2005 significantly reduced the amount of Class IV milk pooled on the order during the second half of 2005 and all of 2006.

Class I Utilization - Class I producer milk in 2006 was 4.5 billion pounds, up 1.7% from 2005. Class I use includes milk sold to consumers in fluid form.

Total Class I packaged disposition increased 1.2% during 2006. Increases in disposition of flavored milk, reduced fat milk, fat free milk, and flavored reduced fat and fat free milk more than offset the decreases in disposition of milk, lowfat milk and buttermilk.

Most packaged sales of milk, however, continue to be reduced fat milk, accounting for 38% of total packaged sales, followed by fat free milk at 24%, whole milk at 15%, and lowfat milk at

13%. Other categories combined made up the remaining 10% of packaged sales.

Class I use in 2006 accounted for 16.9% of total producer milk (as shown in Figure 1), down from 19.8% in 2005.

Class II Utilization - Class II producer milk in 2006 was up 11 million pounds, or 0.8% from 2005. Class II use primarily includes fluid cream products, ice cream, cottage cheese and yogurt. Class II producer milk accounted for 5.5% of total producer milk during the year.

Class III Utilization - Class III producer milk in 2006 was up 4.8 billion pounds, or 31.6% from 2005. This large increase was the result of institutional changes and more eligible milk being pooled in 2006 (as noted earlier). Class III utilization primarily includes milk used for the manufacture of hard cheeses, and accounted for 74.9% of producer milk.

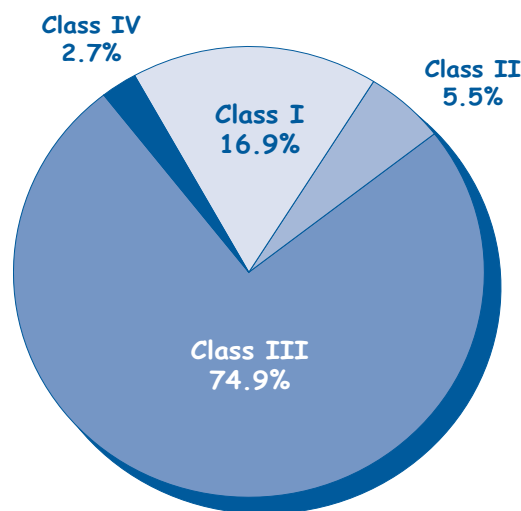
Class IV Utilization - Class IV utilization in 2006 totaled 728 million pounds, down 516 million pounds from 2005. The decrease was primarily the result of

order amendments effective July 1, 2005 which eliminated the ability to pool, as producer milk, diversions to nonpool plants outside of the states that comprise the marketing area. Class IV includes butter and all dried milk products, and accounted for 2.7% of total producer milk in 2006.

Producer Milk - Total producer milk in 2006 was a record 26.9 billion pounds and was up 4.4 billion pounds, or 19.6%, from 2005.

An average of 16,527 producers delivered to the market each month in 2006, up from 14,422 in 2005.

**Figure 1
Utilization by Class--2006**



Upper Midwest Pool Statistics - December 2006

Market Class I		Diverted to Pool and Nonpool Plants			Location Adjustment to Producers		Class I Differential to Handlers	
Differential Rate	Pool Plants	Received at Pool Plants	Pounds	Total Pounds	Value	Pounds	Value	
Cwt.	Number	Pounds	Pounds	Pounds	Value	Pounds	Value	
\$1.80	5	72,840,548	23,141,174	95,981,722	\$ 0	73,260,515	\$ 1,318,689	
\$1.75	39	221,378,547	826,211,666	1,047,590,213	523,795	159,373,079	2,789,029	
\$1.70	30	195,765,269	891,599,600	1,087,364,869	1,087,365	135,386,689	2,301,574	
\$1.65	5	28,549,546	17,847,696	46,397,242	69,596	22,256,520	367,233	
Total	79	518,533,910	1,758,800,136	2,277,334,046	\$ 1,680,756	390,276,803	\$ 6,776,525	

Computation of Producer Price Differential-December 2006

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 6,776,524.55
Product	17.1%	390,276,803			
Skim Milk			384,164,411	\$ 7.8900	30,310,572.08
Butterfat			6,112,392	1.3770	8,416,763.82
Class II					
Product	5.3%	120,142,181			
Nonfat Solids			10,160,919	0.8989	9,133,650.11
Butterfat			9,037,574	1.3551	12,246,816.51
Class III					
Product	73.2%	1,667,530,617			
Protein			51,714,593	2.4388	126,121,549.38
Other Solids			95,214,008	0.2564	24,412,871.67
Butterfat			62,256,860	1.3481	83,928,472.97
Class IV					
Product	4.4%	99,384,445			
Nonfat Solids			8,258,852	0.8737	7,215,759.00
Butterfat			9,412,190	1.3481	12,688,573.34
SCC Adjustment (Class II, III, and IV)					1,118,832.11
Total Producer Milk *		2,277,334,046			\$ 322,370,385.54
Add:					
Overage					83,545.68
Inventory Reclassified					17,305.26
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					164,202.50
Assembly Credit					306,489.91
Credit for Reconstituted FMP					0.00
Producer Milk Protein					172,113,673.85
Producer Milk Other Solids					33,301,966.09
Producer Milk Butterfat					117,040,715.47
Producer Milk SCC Adjustment					1,341,599.10
Total Milk and Value		2,277,334,046			\$ (1,797,410.44)
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					1,680,755.92
One-Half Unobligated Balance Producer Settlement Fund					1,081,048.16
Total Value				0.042347	\$ 964,393.64
Subtract:					
Producer Settlement Fund Reserve				0.042347	964,393.64
Producer Price Differential **				\$0.00	\$ 0.00

* An estimated 294 million 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

	December 2006		November 2006	December 2005
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	58,805,927	1,894,773	55,755,339	59,362,001
Flavored Milk	4,867,842	157,930	4,765,378	4,833,999
Reduced Fat Milk	146,863,545	2,796,523	144,425,097	148,312,210
Lowfat Milk	50,794,023	498,607	49,649,196	49,796,711
Fat Free Milk	92,703,665	112,093	90,749,013	91,703,466
Flavored Reduced and Fat Free Milk	32,027,009	482,087	34,656,672	33,845,513
Buttermilk	2,461,422	27,467	2,475,921	2,735,164
Total Packaged Disposition	388,523,433	5,969,480	382,476,616	390,589,064
Total Ending Inventory	28,839,352	429,373	34,073,476	29,534,244
Bulk to Nonpool Plants	6,839,236	118,335	10,053,312	3,549,811
Shrinkage	1,571,745	159,090	1,530,366	2,272,343
Total Class I Utilization	425,773,766	6,676,278	428,133,770	425,945,462
Other Order Plants	(2,305,063)	(39,648)	(2,963,178)	(2,254,229)
Beginning Inventory	(34,101,707)	(529,783)	(28,300,360)	(31,077,727)
Reused Products	0	0	0	0
Other Source Milk	0	0	0	(199,124)
Overage	--	--	0	0
Interhandler Adjustment	909,807	5,545	364,105	43,166
Class I Producer Milk	390,276,803	6,112,392	397,234,337	392,457,548
Class II Utilization:				
Total Class II Utilization	128,682,428	9,340,203	155,520,302	120,377,505
Other Order Plants	(238,422)	(72,228)	(2,616,996)	--
Beginning Inventory	(1,907,124)	(98,757)	(4,599,751)	(2,288,820)
Reused Products	(6,274,243)	(11,186)	(7,219,694)	(6,682,539)
Other Source Milk	(120,458)	(120,458)	(280,401)	(441,525)
Overage	--	--	(39,864)	--
Class II Producer Milk	120,142,181	9,037,574	140,763,596	110,964,621
Class III Utilization:				
Total Class III Utilization	1,672,022,647	62,322,870	1,777,199,859	1,633,803,508
Other Order Plants	(2,404,063)	(33,580)	(2,232,324)	(5,671,285)
Beginning Inventory	(648,993)	(13,050)	(1,713,743)	(1,768,062)
Reused Products	0	0	0	0
Other Source Milk	(1,412,145)	(16,374)	(1,720,132)	(1,209,865)
Overage	(26,829)	(3,006)	(51,401)	(144,174)
Class III Producer Milk	1,667,530,617	62,256,860	1,771,482,259	1,625,010,122
Class IV Utilization:				
Total Class IV Utilization	146,649,822	11,614,484	99,334,627	95,880,517
Other Order Plants	(7,133,859)	(265,819)	(3,295,330)	(4,713,090)
Beginning Inventory	(17,669,041)	(950,608)	(16,177,780)	(19,024,192)
Reused Products	0	0	0	0
Other Source Milk	(22,166,544)	(972,000)	(19,982,599)	(19,178,024)
Overage	(295,933)	(13,867)	(63,120)	(7,819)
Class IV Producer Milk	99,384,445	9,412,190	59,815,798	52,957,392
Total Producer Milk -- All Classes	2,277,334,046	86,819,016	2,369,295,990	2,181,389,683

-- 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>					
Dec 2005	1.3845	1.3772	1.3964	1.3680	0.9899	0.3242	1.3842	1.3802	1.3979	1.3663	1.0018	0.3244
Jan 2006	1.3826	1.3653	1.3895	1.3387	0.9614	0.3416	1.3830	1.3654	1.3895	1.3459	0.9782	0.3394
Feb	1.2632	1.2341	1.2637	1.2374	0.8833	0.3531	1.2958	1.2597	1.2923	1.2623	0.9053	0.3532
Mar	1.1561	1.1356	1.1612	1.1647	0.8697	0.3409	1.1654	1.1414	1.1686	1.1746	0.8789	0.3478
Apr	1.1615	1.1386	1.1654	1.1436	0.8429	0.3054	1.1666	1.1422	1.1698	1.1426	0.8400	0.3056
May	1.1569	1.1514	1.1694	1.1635	0.8288	0.2805	1.1512	1.1382	1.1602	1.1658	0.8309	0.2811
Jun	1.1971	1.2047	1.2166	1.1513	0.8221	0.2808	1.2017	1.2093	1.2218	1.1508	0.8205	0.2817
Jul	1.1676	1.1601	1.1793	1.1340	0.8300	0.2810	1.1703	1.1690	1.1858	1.1278	0.8268	0.2796
Aug	1.1653	1.1674	1.1813	1.1990	0.8484	0.2965	1.1527	1.1469	1.1633	1.1736	0.8463	0.2925
Sep	1.2667	1.2828	1.2912	1.2976	0.8537	0.3191	1.2761	1.3033	1.3063	1.2989	0.8542	0.3162
Oct	1.2460	1.2643	1.2721	1.2941	0.9027	0.3557	1.2531	1.2840	1.2846	1.2820	0.8891	0.3500
Nov	1.2753	1.3140	1.3123	1.2693	0.9837	0.3800	1.2417	1.2734	1.2745	1.2625	0.9691	0.3740
Dec	1.3435	1.3474	1.3624	1.2384	1.0225	0.4079	1.3607	1.3581	1.3758	1.2439	1.0233	0.4051

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>						
Dec 2005	1.3552	1.4224	1.3896	1.0597	0.9717	0.3336	0.3317
Jan 2006	1.3368	1.3335	1.3009	1.0096	0.9459	0.3482	0.3486
Feb	1.1930	1.1989	1.1742	0.9263	0.8809	0.3529	0.3499
Mar	1.1663	1.1638	1.1237	0.8788	0.8403	0.3193	0.3380
Apr	1.1632	1.1651	1.1295	0.8603	0.8219	0.2875	0.3125
May	1.1755	1.1855	1.1674	0.8484	0.8181	0.2789	0.2940
Jun	1.1643	1.1924	1.1818	0.8487	0.8144	0.2811	0.2932
Jul	1.1645	1.1630	1.1271	0.8659	0.8214	0.2901	0.2949
Aug	1.3035	1.2354	1.2233	0.9514	0.8939	0.3171	0.3015
Sep	1.3170	1.2933	1.2899	1.0326	0.9143	0.3599	0.3247
Oct	1.3206	1.2347	1.2430	1.2255	1.0006	0.4058	0.3592
Nov	1.2915	1.3745	1.3813	1.5202	1.0202	0.4308	0.3973
Dec	1.2405	1.3223	1.2860	1.3264	1.0743	0.4388	0.4403

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)	
Dec 2005	25	57	13	16,473	2,181	4,272	18.0	3.86	3.13	5.67	278
Jan 2006	25	57	13	16,432	2,217	4,348	17.2	3.78	3.06	5.71	281
Feb	25	56	13	16,424	2,057	4,473	17.1	3.78	3.08	5.73	277
Mar	25	54	13	16,541	2,271	4,493	17.5	3.76	3.05	5.73	278
Apr	23	52	13	16,479	2,188	4,530	16.1	3.72	3.02	5.72	280
May	23	52	13	16,291	2,269	4,600	16.9	3.68	3.00	5.74	275
Jun	26	52	13	16,406	2,158	4,612	16.3	3.61	2.96	5.72	294
Jul	26	56	13	16,609	2,298	4,461	15.1	3.57	2.92	5.73	309
Aug	26	56	13	17,293	2,419	4,512	16.1	3.56	2.95	5.73	328
Sep	25	55	13	14,892	1,937	4,511	20.2	3.70	3.06	5.72	298
Oct	26	54	13	17,019	2,394	4,532	16.6	3.82	3.12	5.72	267
Nov	26	54	13	17,155	2,369	4,591	16.8	3.84	3.12	5.72	259
Dec	26	53	13	16,785	2,277	4,702	17.1	3.81	3.10	5.70	263

* 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>
Dec 2005	1.6633	8.03	13.57	1.6813	9.83	15.37	1.5106	0.9133	8.22	13.22
Jan 2006	1.5016	8.42	13.38	1.5196	10.22	15.18	1.4754	0.9311	8.38	13.25
Feb	1.4771	8.51	13.38	1.4951	10.31	15.18	1.3539	0.9078	8.17	12.62
Mar	1.3768	7.95	12.49	1.3948	9.75	14.29	1.2666	0.8356	7.52	11.69
Apr	1.2715	7.02	11.22	1.2895	8.82	13.02	1.2413	0.8089	7.28	11.37
May	1.2331	6.90	10.97	1.2511	8.70	12.77	1.2652	0.7711	6.94	11.13
Jun	1.2610	6.57	10.75	1.2790	8.37	12.55	1.2506	0.7622	6.86	11.00
Jul	1.2430	7.24	11.34	1.2610	9.04	13.14	1.2298	0.7511	6.76	10.83
Aug	1.2154	6.96	10.97	1.2334	8.76	12.77	1.3078	0.7578	6.82	11.16
Sep	1.2703	6.64	10.85	1.2883	8.44	12.65	1.4261	0.7767	6.99	11.74
Oct	1.4207	7.72	12.42	1.4387	9.52	14.22	1.4219	0.7844	7.06	11.79
Nov	1.4004	7.77	12.40	1.4184	9.57	14.20	1.3922	0.8189	7.37	11.98
Dec	1.3770	7.89	12.43	1.3950	9.69	14.23	1.3551	0.8989	8.09	12.55
Jan 2007	1.3547	9.17	13.59	1.3727	10.97	15.39		0.9522	8.57	

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>
Dec 2005	1.5036	2.3846	0.1702	8.40	13.37	1.5036	0.8414	7.57	12.57
Jan 2006	1.4684	2.3994	0.1881	8.55	13.39	1.4684	0.8132	7.32	12.20
Feb	1.3469	2.1220	0.1999	7.76	12.20	1.3469	0.7359	6.62	11.10
Mar	1.2596	1.8836	0.1874	6.94	11.11	1.2596	0.7224	6.50	10.68
Apr	1.2343	1.9238	0.1508	6.85	10.93	1.2343	0.6959	6.26	10.36
May	1.2582	1.9115	0.1251	6.66	10.83	1.2582	0.6819	6.14	10.33
Jun	1.2436	2.0790	0.1255	7.19	11.29	1.2436	0.6753	6.08	10.22
Jul	1.2228	1.9807	0.1257	6.88	10.92	1.2228	0.6831	6.15	10.21
Aug	1.3008	1.9050	0.1416	6.74	11.06	1.3008	0.7013	6.31	10.64
Sep	1.4191	2.1346	0.1649	7.59	12.29	1.4191	0.7066	6.36	11.10
Oct	1.4149	2.0775	0.2026	7.64	12.32	1.4149	0.7551	6.80	11.51
Nov	1.3852	2.2383	0.2276	8.28	12.84	1.3852	0.8353	7.52	12.11
Dec	1.3481	2.4388	0.2564	9.07	13.47	1.3481	0.8737	7.86	12.30

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>
	Oct 2005	0.24	14.59	1.8256	2.3780	0.1491	0.00075
Nov	0.44	13.79	1.6114	2.2724	0.1606	0.00070	15.17
Dec	0.24	13.61	1.5036	2.3846	0.1702	0.00070	15.08
Jan 2006	0.27	13.66	1.4684	2.3994	0.1881	0.00069	14.61
Feb	0.48	12.68	1.3469	2.1220	0.1999	0.00063	13.52
Mar	0.56	11.67	1.2596	1.8836	0.1874	0.00058	12.59
Apr	0.36	11.29	1.2343	1.9238	0.1508	0.00058	12.08
May	0.38	11.21	1.2582	1.9115	0.1251	0.00058	11.97
Jun	0.23	11.52	1.2436	2.0790	0.1255	0.00061	12.03
Jul	0.38	11.30	1.2228	1.9807	0.1257	0.00059	11.68
Aug	0.37	11.43	1.3008	1.9050	0.1416	0.00059	11.86
Sep	0.08	12.37	1.4191	2.1346	0.1649	0.00065	13.27
Oct	0.24	12.56	1.4149	2.0775	0.2026	0.00064	
Nov	0.12	12.96	1.3852	2.2383	0.2276	0.00066	
Dec	0.00	13.47	1.3481	2.4388	0.2564	0.00068	

Summary of Federal Order Data - December 2006

Federal Order Number / Name	Producer Deliveries <i>— Thousand Pounds —</i>	Class I Producer Receipts <i>— Thousand Pounds —</i>	Class I Utilization <i>Percent</i>	Class I Price <i>— Dollars per Cwt. —</i>	Producer Price Differential <i>— Dollars per Cwt. —</i>	Uniform or Statistical Uniform Price at 3.5% Butterfat		
						FOB Market <i>— Dollars per Cwt. —</i>	FOB Cook Cty. Illinois <i>— Dollars per Cwt. —</i>	Change From Previous Year
1 Northeast	1,844,005	904,305	49.0	\$ 15.68	\$ 0.95	\$ 14.42	\$ 12.97	\$ (0.41)
5 Appalachian	522,897	339,824	65.0	15.53	n/a	14.62	13.32	(0.89)
6 Florida	264,731	225,300	85.1	16.43	n/a	15.88	13.68	(1.01)
7 Southeast	610,264	399,894	65.5	15.53	n/a	14.81	13.51	(0.63)
30 Upper Midwest	2,277,334	390,277	17.1	14.23	0.00	13.47	13.47	(0.14)
32 Central	903,247	373,751	41.4	14.43	(0.15)	13.32	13.12	(0.37)
33 Mideast	1,373,610	558,887	40.7	14.43	(0.06)	13.41	13.21	(0.49)
124 Pacific Northwest	454,157	196,037	43.2	14.33	(0.48)	12.99	12.89	(0.45)
126 Southwest	1,077,096	350,398	32.5	15.43	0.58	14.05	12.85	(0.55)
131 Arizona	302,310	118,253	39.1	14.78	n/a	13.71	13.16	(0.29)
All Market Average or Total *	9,629,651	3,856,925	40.1					

n/a = Not applicable.

* May not add due to rounding.

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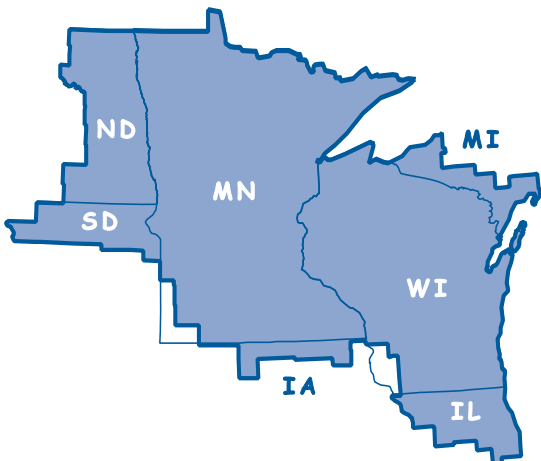
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