



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

Volume 9, Issue 9

Upper Midwest Marketing Area, Federal Order No. 30

September 2008

Inside This Issue:

Per Capita Disposition of Fluid milk Products 2

Computation of Producer Price Differential 4

Utilization and Classification 5

Commodity Prices and Market Statistics..... 6

Class Prices and Producer Prices 7



CME Cheese and Butter Prices Up

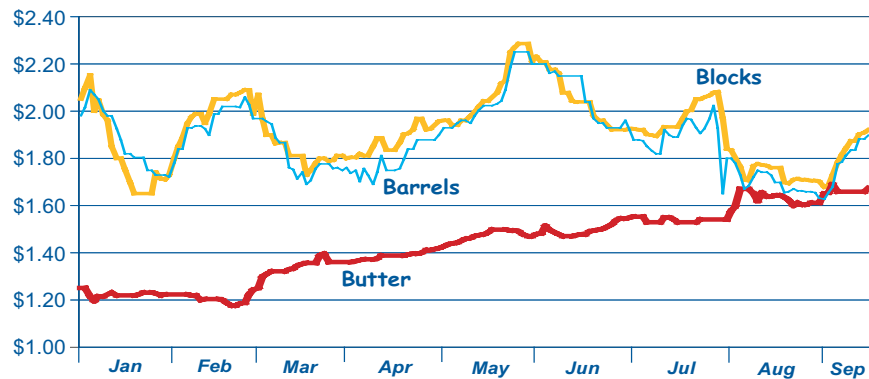
Prices for cheddar cheese on the Chicago Mercantile Exchange (CME) increased more than 20¢ during the first half of September. The butter price on the CME was up more than 6¢.

The CME barrel price on September 16 was \$1.90 per pound, up 26¼¢ from August 29, while the 40-pound block price of \$1.92 was up 21¼¢ from the end of August. The cheese prices, however, were well below the record high prices set in May (see graph below).

The CME butter price on September 16 was \$1.67½ per pound, up 6¼¢ from the end of August. Butter prices for the year have generally been on an upward trend, as can be seen in the graph below. The year-earlier level for the CME butter price was \$1.37, 30½¢ below current levels.

The August Federal order Class III price of \$17.32 per cwt. was down \$0.92 from July and \$2.51 below the August 2007 price.

Chicago Mercantile Exchange -- Selected 2008 Dairy Prices *



* Prices depicted are per pound for each day in 2008 that trading occurred through September 16.

Pool Summary

- In August, 16,125 producers delivered to the market with an average daily delivery of 5,207 pounds.
- Producer milk totaled 2.6 billion pounds, up 243 million pounds from July and 275 million pounds above August 2007.
- Class I utilization totaled 352 million pounds, up 1% from July, but 9.5% below August 2007. Class I usage accounted for 13.4% of producer milk.
- The August Producer Price Differential (PPD) is \$0.49 per cwt.
- The Statistical Uniform Price is \$17.81 per cwt., down \$1.09 from July and \$2.80 below August 2007.
- Market statistics for August are shown on Pages 4 and 5.

August 2008 Producer Milk by Class

| | Percent | Product Pounds | Price \$/cwt. |
|-----------|---------|----------------|---------------|
| Class I | 13.4 | 352,397,974 | 20.27 |
| Class II | 4.7 | 123,611,210 | 17.45 |
| Class III | 79.9 | 2,097,439,367 | 17.32 |
| Class IV | 2.0 | 53,440,925 | 16.64 |
| Total | | 2,626,889,476 | |

Per Capita Disposition of Fluid Milk Products

An examination of per capita disposition of fluid milk products (FMP) in the Upper Midwest Marketing Area was conducted for 2007, with comparisons made to 2006. In addition, the Upper Midwest data were compared to similar data for all other Federal orders, combined.

Comparison to Other Orders

In 2007, total per capita disposition of FMP in the Upper Midwest market exceeded the average for all other Federal orders, as represented in Figure 1. In addition, a much smaller proportion of disposition is in whole milk products in the Upper Midwest Order when compared to all other Federal orders. These findings are consistent with trends that have been observed in the Upper Midwest region in previous years.

Total per capita disposition of FMP in the Upper Midwest Order averaged 220 pounds in 2007, down less than a pound from 2006. In 2007, 14% of the total was disposed of as whole milk products and 86% as lowfat products, a shift of 1 percentage point from 15% and 85% respectively in 2006.

This compares to an average for 2007 of 180 pounds per capita for all other Federal orders. In 2007, the whole milk portion accounted for 31% of total disposition, while lowfat accounted for 69%.

Upper Midwest Order Trends

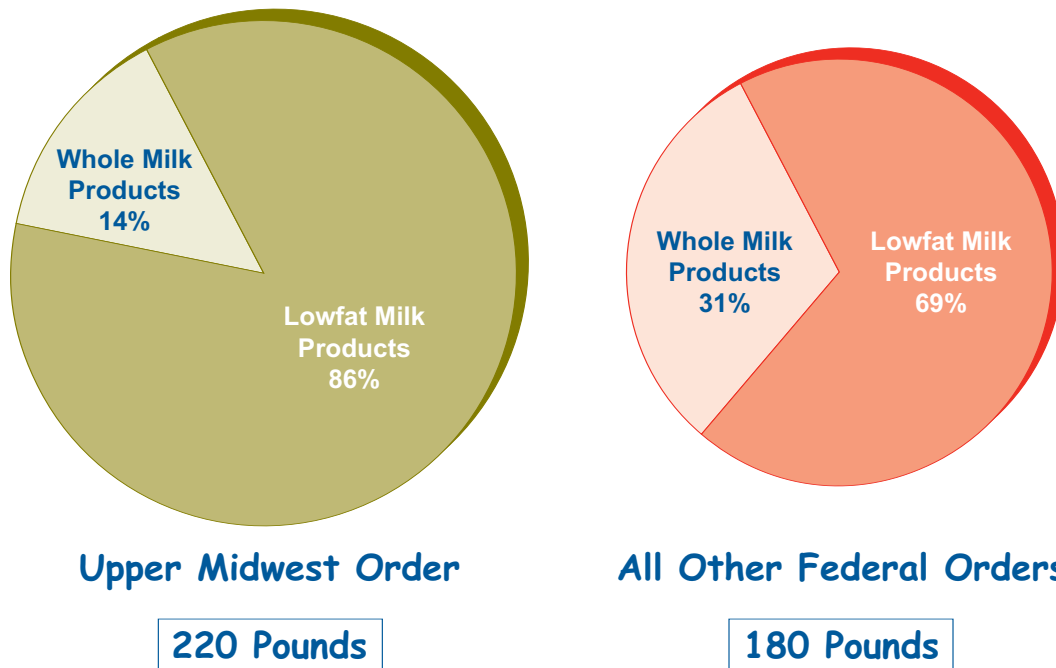
Several changes in per capita disposition of FMP in the Upper Midwest market have taken place between 2000 and 2007, as represented by the Figure 2 on Page 3.

Total FMP disposition dropped from 225 pounds in 2000 to 217 pounds in 2004, before rebounding slightly to 220 pounds in 2007. In addition, changes in the proportion of whole milk products versus lowfat milk products occurred during the period.

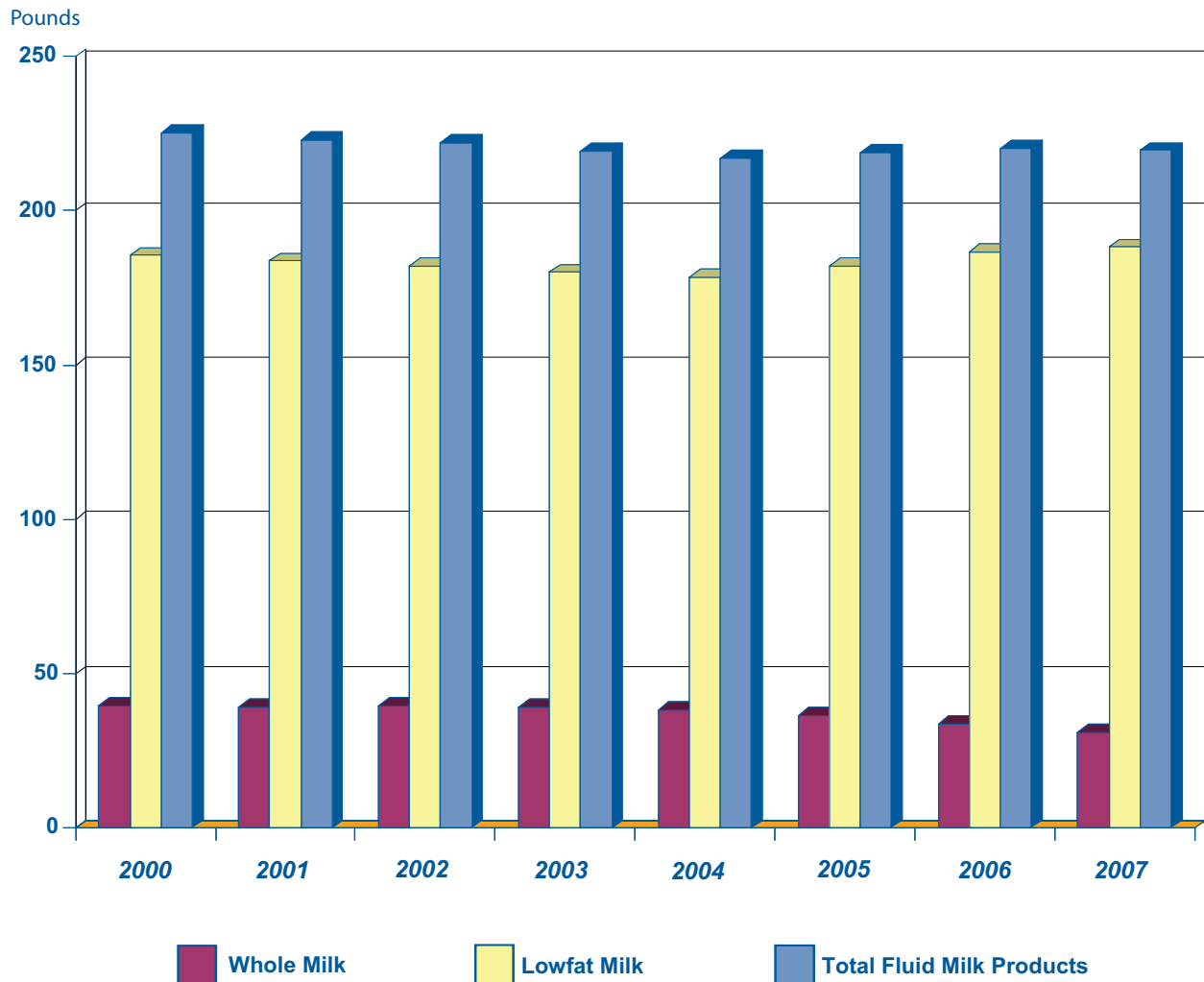
Per capita disposition of whole milk products was 31 pounds in 2007, down 9 pounds from 2000. However, during this time, disposition of lowfat products declined from 186 pounds in 2000 to 179 pounds in 2004, and then rebounded to 188 pounds by 2007.

As a result, whole milk products accounted for a smaller proportion of total disposition in 2007 than they did in 2000. In 2007, whole milk products accounted for 14% of the total, down from 18% in 2000.

Figure 1
Comparison of 2007 Per Capita Disposition



**Figure 2
Upper Midwest Order
Per Capita Disposition of Fluid Milk Products**



Upper Midwest Pool Statistics - August 2008

| Market Class I Differential Rate | Pool Plants | Received at Pool Plants | Diverted to Pool and Nonpool Plants | | Location Adjustment to Producers | Class I Differential to Handlers | |
|--|----------------|----------------------------|---|----------------------|--|-------------------------------------|--------------------|
| | | | Pounds | Pounds | | Pounds | Pounds |
| <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 | 68,976,848 | 25,421,582 | 94,398,430 | \$ 0 | 69,845,091 | \$1,257,211 |
| \$1.75 | 42 | 192,875,128 | 956,128,517 | 1,149,003,645 | 574,502 | 146,612,791 | 2,565,724 |
| \$1.70 | 31 | 196,850,182 | 1,104,889,148 | 1,301,739,330 | 1,301,739 | 116,414,896 | 1,979,053 |
| \$1.65 | 5 | 25,403,213 | 56,344,858 | 81,748,071 | 122,622 | 19,525,196 | 322,166 |
| Total | 82 | 484,105,371 | 2,142,784,105 | 2,626,889,476 | \$1,998,863 | 352,397,974 | \$6,124,154 |

Computation of Producer Price Differential-August 2008

| | Utilization Percentage | Product Pounds | Component Pounds | Rate | Value |
|---|---------------------------|-------------------|---------------------|---------------|------------------------|
| Class I | | | | | |
| Differential Value | | | | | \$6,124,154.49 |
| Product | 13.4% | 352,397,974 | | | |
| Skim Milk | | | 347,023,402 | \$13.0500 | 45,286,553.98 |
| Butterfat | | | 5,374,572 | 1.6804 | 9,031,430.76 |
| Class II | | | | | |
| Product | 4.7% | 123,611,210 | | | |
| Nonfat Solids | | | 10,211,085 | 1.3044 | 13,319,339.29 |
| Butterfat | | | 9,535,099 | 1.7483 | 16,670,213.59 |
| Class III | | | | | |
| Product | 79.9% | 2,097,439,367 | | | |
| Protein | | | 61,890,771 | 3.6497 | 225,882,746.93 |
| Other Solids | | | 119,993,695 | 0.0529 | 6,347,666.48 |
| Butterfat | | | 73,261,286 | 1.7413 | 127,569,877.33 |
| Class IV | | | | | |
| Product | 2.0% | 53,440,925 | | | |
| Nonfat Solids | | | 4,245,843 | 1.2147 | 5,157,425.51 |
| Butterfat | | | 6,232,690 | 1.7413 | 10,852,983.08 |
| SCC Adjustment (Class II, III, and IV) | | | | | 796,890.10 |
| Total Producer Milk * | | 2,626,889,476 | | | \$467,039,281.54 |
| Add: | | | | | |
| Overage | | | | | 27,838.86 |
| Inventory Reclassified | | | | | 50,538.32 |
| Other Source Milk \$.60(h) | | | | | 0.00 |
| Other Source Milk \$.60(i) | | | | | 0.00 |
| Subtract: | | | | | |
| Transportation Credit | | | | | 95,220.64 |
| Assembly Credit | | | | | 281,989.80 |
| Credit for Reconstituted FMP | | | | | 0.00 |
| Producer Milk Protein | | | | | 282,380,256.18 |
| Producer Milk Other Solids | | | | | 7,935,900.93 |
| Producer Milk Butterfat | | | | | 164,385,070.54 |
| Producer Milk SCC Adjustment | | | | | 926,208.95 |
| Total Milk and Value | | 2,626,889,476 | | | \$11,113,011.68 |
| Add: | | | | | |
| Location Adjustment -- Producer and Unregulated Supply Plant Milk | | | | | 1,998,863.46 |
| One-Half Unobligated Balance Producer Settlement Fund | | | | | 978,427.11 |
| Total Value | | | | 0.536387 | \$14,090,302.25 |
| Subtract: | | | | | |
| Producer Settlement Fund Reserve | | | | 0.046387 | 1,218,543.82 |
| Producer Price Differential ** | | | | \$0.49 | \$12,871,758.43 |

* An estimated 90 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

| | August 2008 | | July 2008 | August 2007 |
|---|----------------------|-------------------|----------------------|----------------------|
| | Product Pounds | Butterfat Pounds | Product Pounds | Product Pounds |
| Class I Utilization: | | | | |
| Packaged Disposition | | | | |
| Milk | 52,140,403 | 1,690,751 | 50,715,571 | 54,211,441 |
| Flavored Milk | 4,231,246 | 131,251 | 3,995,014 | 4,544,084 |
| Reduced Fat Milk | 142,602,276 | 2,719,223 | 138,309,901 | 144,779,652 |
| Lowfat Milk | 48,241,060 | 463,357 | 47,076,469 | 50,532,561 |
| Fat Free Milk | 87,785,735 | 97,797 | 85,144,156 | 91,584,015 |
| Flavored Reduced and Fat Free Milk | 19,365,948 | 170,984 | 16,191,939 | 19,502,464 |
| Buttermilk | 2,425,251 | 24,738 | 2,509,783 | 2,514,563 |
| Total Packaged Disposition | 356,791,919 | 5,298,101 | 343,942,833 | 367,668,780 |
| Total Ending Inventory | 28,820,038 | 431,011 | 30,401,332 | 32,690,351 |
| Bulk to Nonpool Plants | 200,483 | 2,833 | 1,351,631 | 15,570,584 |
| Shrinkage | 2,108,703 | 192,466 | 2,192,319 | 2,601,970 |
| Total Class I Utilization | 387,921,143 | 5,924,411 | 377,888,115 | 418,531,685 |
| Other Order Plants | (3,361,525) | (67,136) | (2,867,382) | (2,352,799) |
| Beginning Inventory | (31,184,208) | (464,220) | (25,146,296) | (27,389,454) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (737,873) | (14,311) | (865,917) | -- |
| Overage | -- | -- | 0 | 0 |
| Interhandler Adjustment | (239,563) | (4,172) | (131,085) | 769,223 |
| Class I Producer Milk | 352,397,974 | 5,374,572 | 348,877,435 | 389,558,655 |
| Class II Utilization: | | | | |
| Total Class II Utilization | 142,026,301 | 10,521,645 | 146,377,157 | 82,868,095 |
| Other Order Plants | (1,972,688) | (74,284) | (282,715) | (1,788,975) |
| Beginning Inventory | (2,258,164) | (145,781) | (2,784,558) | (2,698,881) |
| Reused Products | (13,129,147) | (9,277) | (11,914,779) | (4,606,280) |
| Other Source Milk | (1,055,092) | (757,204) | -- | (1,397,058) |
| Overage | -- | -- | -- | -- |
| Class II Producer Milk | 123,611,210 | 9,535,099 | 131,395,105 | 72,376,901 |
| Class III Utilization: | | | | |
| Total Class III Utilization | 2,101,991,569 | 73,406,390 | 1,841,454,923 | 1,896,650,510 |
| Other Order Plants | (1,122,776) | (21,969) | (395,312) | (6,475,210) |
| Beginning Inventory | (919,167) | (74,783) | (2,966,052) | (6,906,209) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (2,452,834) | (45,165) | (3,009,601) | (6,049,534) |
| Overage | (57,425) | (3,187) | (195,022) | (62,387) |
| Class III Producer Milk | 2,097,439,367 | 73,261,286 | 1,834,888,936 | 1,877,157,170 |
| Class IV Utilization: | | | | |
| Total Class IV Utilization | 113,854,278 | 8,693,717 | 126,691,988 | 79,602,857 |
| Other Order Plants | (7,247,799) | (262,458) | (3,127,864) | (2,588,355) |
| Beginning Inventory | (13,163,501) | (621,777) | (16,856,040) | (8,959,546) |
| Reused Products | 0 | 0 | 0 | 0 |
| Other Source Milk | (39,900,927) | (1,575,063) | (37,795,900) | (55,173,083) |
| Overage | (101,126) | (1,729) | (241,301) | (21,279) |
| Class IV Producer Milk | 53,440,925 | 6,232,690 | 68,670,883 | 12,860,594 |
| Total Producer Milk -- All Classes | 2,626,889,476 | 94,403,647 | 2,383,832,359 | 2,351,953,320 |

-- 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> | | | | | |
| Aug 2007 | 1.8923 | 1.8959 | 1.9100 | 1.4429 | 2.0545 | 0.6197 | 1.8871 | 1.8840 | 1.9014 | 1.4854 | 2.0383 | 0.6429 |
| Sep | 2.0134 | 2.0064 | 2.0250 | 1.3786 | 2.0557 | 0.4762 | 2.0117 | 2.0011 | 2.0214 | 1.3876 | 2.0494 | 0.4885 |
| Oct | 1.8988 | 1.9191 | 1.9227 | 1.2945 | 2.0615 | 0.4175 | 1.9235 | 1.9374 | 1.9438 | 1.3134 | 2.0699 | 0.4111 |
| Nov | 1.9518 | 1.9511 | 1.9652 | 1.2933 | 1.9562 | 0.4345 | 1.9527 | 1.9474 | 1.9648 | 1.2969 | 1.9131 | 0.4385 |
| Dec | 2.0928 | 2.0726 | 2.0976 | 1.3159 | 1.8031 | 0.4516 | 2.1351 | 2.1003 | 2.1328 | 1.3146 | 1.8304 | 0.4568 |
| Jan 2008 | 1.9742 | 2.0025 | 1.9998 | 1.2301 | 1.5090 | 0.3992 | 1.9887 | 2.0128 | 2.0126 | 1.2585 | 1.6931 | 0.4380 |
| Feb | 1.7892 | 1.8653 | 1.8403 | 1.2044 | 1.3331 | 0.2736 | 1.7443 | 1.8509 | 1.8092 | 1.2150 | 1.3398 | 0.2673 |
| Mar | 1.9548 | 1.9302 | 1.9575 | 1.2539 | 1.2512 | 0.2435 | 2.0193 | 1.9886 | 2.0190 | 1.2438 | 1.2537 | 0.2454 |
| Apr | 1.8180 | 1.7845 | 1.8164 | 1.3492 | 1.2506 | 0.2560 | 1.7950 | 1.7845 | 1.8038 | 1.3421 | 1.2456 | 0.2528 |
| May | 1.9430 | 1.9348 | 1.9525 | 1.4170 | 1.2985 | 0.2700 | 1.9416 | 1.9363 | 1.9527 | 1.4223 | 1.3006 | 0.2686 |
| Jun | 2.1326 | 2.1680 | 2.1609 | 1.4669 | 1.3508 | 0.2758 | 2.1885 | 2.2210 | 2.2156 | 1.4607 | 1.3479 | 0.2774 |
| Jul | 1.9477 | 1.9423 | 1.9585 | 1.5180 | 1.4053 | 0.2642 | 1.9726 | 1.9586 | 1.9792 | 1.5205 | 1.3957 | 0.2690 |
| Aug | 1.8809 | 1.8247 | 1.8699 | 1.5713 | 1.3840 | 0.2470 | 1.9317 | 1.8353 | 1.9041 | 1.5711 | 1.3790 | 0.2487 |

| 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> | | | | | | |
| Aug 2007 | 1.4464 | 1.9554 | 1.9107 | 2.0465 | 2.0817 | 0.5594 | 0.5751 |
| Sep | 1.3783 | 1.9929 | 1.9901 | 2.0105 | 2.0100 | 0.4424 | 0.4305 |
| Oct | 1.3020 | 1.8957 | 1.8830 | 2.0466 | 2.0050 | 0.4106 | 0.4491 |
| Nov | 1.3590 | 2.0926 | 2.0223 | 1.8775 | 1.8840 | 0.4470 | 0.4679 |
| Dec | 1.3190 | 2.0083 | 2.0147 | 1.7528 | 1.6938 | 0.4406 | 0.4385 |
| Jan 2008 | 1.2246 | 1.8257 | 1.8774 | 1.5615 | 1.4979 | 0.3745 | 0.3338 |
| Feb | 1.2088 | 2.0023 | 1.9560 | 1.3999 | 1.2975 | 0.2832 | 0.2773 |
| Mar | 1.3454 | 1.8234 | 1.7980 | 1.3224 | 1.2917 | 0.2540 | 0.2563 |
| Apr | 1.3905 | 1.8826 | 1.8010 | 1.3525 | 1.3285 | 0.2672 | 0.2807 |
| May | 1.4750 | 2.0976 | 2.0708 | 1.4044 | 1.3661 | 0.2714 | 0.2842 |
| Jun | 1.5001 | 2.0350 | 2.0562 | 1.4649 | 1.4215 | 0.2634 | 0.2762 |
| Jul | 1.5385 | 1.9673 | 1.8890 | 1.4498 | 1.4428 | 0.2432 | 0.2732 |
| Aug | 1.6279 | 1.7398 | 1.6983 | 1.4439 | 1.3972 | 0.2170 | 0.2546 |

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) | |
| Aug 2007 | 22 | 54 | 13 | 17,312 | 2,352 | 4,766 | 16.6 | 3.56 | 2.94 | 5.72 | 323 |
| Sep | 22 | 54 | 13 | 16,695 | 2,253 | 4,713 | 16.4 | 3.65 | 3.02 | 5.73 | 306 |
| Oct | 23 | 55 | 13 | 16,599 | 2,345 | 4,785 | 17.1 | 3.75 | 3.08 | 5.69 | 286 |
| Nov | 22 | 55 | 13 | 16,576 | 2,303 | 4,804 | 16.8 | 3.83 | 3.17 | 5.70 | 256 |
| Dec | 22 | 55 | 13 | 16,546 | 2,427 | 4,871 | 15.6 | 3.84 | 3.13 | 5.70 | 253 |
| Jan 2008 | 23 | 54 | 13 | 16,617 | 2,538 | 5,010 | 15.6 | 3.81 | 3.10 | 5.69 | 258 |
| Feb | 23 | 52 | 13 | 16,503 | 2,409 | 5,057 | 15.1 | 3.79 | 3.10 | 5.70 | 279 |
| Mar | 25 | 51 | 13 | 15,208 | 2,105 | 5,158 | 17.6 | 3.77 | 3.06 | 5.70 | 281 |
| Apr | 25 | 52 | 13 | 16,519 | 2,513 | 5,234 | 14.8 | 3.73 | 3.02 | 5.70 | 280 |
| May | 25 | 53 | 13 | 13,869 | 1,868 | 5,265 | 20.3 | 3.67 | 3.00 | 5.70 | 279 |
| Jun | 25 | 53 | 13 | 13,722 | 1,948 | 5,205 | 16.8 | 3.61 | 2.97 | 5.73 | 294 |
| Jul | 25 | 52 | 13 | 15,356 | 2,384 | 5,189 | 14.6 | 3.58 | 2.93 | 5.72 | 311 |
| Aug | 27 | 55 | 13 | 16,125 | 2,627 | 5,207 | 13.4 | 3.59 | 2.95 | 5.71 | 312 |

* 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> |
| Aug 2007 | 1.6010 | 16.74 | 21.76 | 1.6190 | 18.54 | 23.56 | 1.5942 | 1.9378 | 17.44 | 22.41 |
| Sep | 1.6382 | 16.76 | 21.91 | 1.6562 | 18.56 | 23.71 | 1.5171 | 1.9400 | 17.46 | 22.16 |
| Oct | 1.5209 | 16.86 | 21.59 | 1.5389 | 18.66 | 23.39 | 1.4162 | 1.9511 | 17.56 | 21.90 |
| Nov | 1.4318 | 17.04 | 21.45 | 1.4498 | 18.84 | 23.25 | 1.4147 | 1.9711 | 17.74 | 22.07 |
| Dec | 1.4120 | 15.65 | 20.04 | 1.4300 | 17.45 | 21.84 | 1.4418 | 1.8167 | 16.35 | 20.82 |
| Jan 2008 | 1.4333 | 16.53 | 20.97 | 1.4513 | 18.33 | 22.77 | 1.3389 | 1.7344 | 15.61 | 19.75 |
| Feb | 1.3660 | 15.44 | 19.68 | 1.3840 | 17.24 | 21.48 | 1.3080 | 1.5989 | 14.39 | 18.46 |
| Mar | 1.3138 | 12.54 | 16.70 | 1.3318 | 14.34 | 18.50 | 1.3674 | 1.2489 | 11.24 | 15.63 |
| Apr | 1.3483 | 14.39 | 18.61 | 1.3663 | 16.19 | 20.41 | 1.4818 | 1.1633 | 10.47 | 15.29 |
| May | 1.4663 | 11.90 | 16.62 | 1.4843 | 13.70 | 18.42 | 1.5632 | 1.1556 | 10.40 | 15.51 |
| Jun | 1.5625 | 13.17 | 18.18 | 1.5805 | 14.97 | 19.98 | 1.6230 | 1.2100 | 10.89 | 16.19 |
| Jul | 1.6086 | 15.70 | 20.78 | 1.6266 | 17.50 | 22.58 | 1.6844 | 1.2567 | 11.31 | 16.81 |
| Aug | 1.6804 | 13.05 | 18.47 | 1.6984 | 14.85 | 20.27 | 1.7483 | 1.3044 | 11.74 | 17.45 |
| Sep | 1.7411 | 11.98 | 17.65 | 1.7591 | 13.78 | 19.45 | | 1.2878 | 11.59 | |

| 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> |
| Aug 2007 | 1.5872 | 3.9412 | 0.4368 | 14.79 | 19.83 | 1.5872 | 1.8785 | 16.91 | 21.87 |
| Sep | 1.5101 | 4.3929 | 0.2890 | 15.32 | 20.07 | 1.5101 | 1.8797 | 16.92 | 21.61 |
| Oct | 1.4092 | 4.1695 | 0.2286 | 14.27 | 18.70 | 1.4092 | 1.8855 | 16.97 | 21.31 |
| Nov | 1.4077 | 4.3081 | 0.2461 | 14.81 | 19.22 | 1.4077 | 1.7812 | 16.03 | 20.40 |
| Dec | 1.4348 | 4.7061 | 0.2637 | 16.14 | 20.60 | 1.4348 | 1.6296 | 14.67 | 19.18 |
| Jan 2008 | 1.3319 | 4.4994 | 0.2097 | 15.19 | 19.32 | 1.3319 | 1.3385 | 12.05 | 16.29 |
| Feb | 1.3010 | 4.0180 | 0.0803 | 12.93 | 17.03 | 1.3010 | 1.1643 | 10.48 | 14.67 |
| Mar | 1.3604 | 4.3331 | 0.0493 | 13.72 | 18.00 | 1.3604 | 1.0833 | 9.75 | 14.17 |
| Apr | 1.4748 | 3.7579 | 0.0622 | 12.02 | 16.76 | 1.4748 | 1.0827 | 9.74 | 14.56 |
| May | 1.5562 | 4.1108 | 0.0766 | 13.20 | 18.18 | 1.5562 | 1.1301 | 10.17 | 15.26 |
| Jun | 1.6160 | 4.7193 | 0.0826 | 15.12 | 20.25 | 1.6160 | 1.1819 | 10.64 | 15.92 |
| Jul | 1.6774 | 4.0025 | 0.0707 | 12.82 | 18.24 | 1.6774 | 1.2358 | 11.12 | 16.60 |
| Aug | 1.7413 | 3.6497 | 0.0529 | 11.63 | 17.32 | 1.7413 | 1.2147 | 10.93 | 16.64 |

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> |
| Jun 2007 | (0.05) | 20.12 | 1.6457 | 3.7059 | 0.5831 | 0.00093 | 20.06 |
| Jul | 0.27 | 21.65 | 1.6110 | 4.2068 | 0.5534 | 0.00100 | 21.06 |
| Aug | 0.78 | 20.61 | 1.5872 | 3.9412 | 0.4368 | 0.00096 | 20.54 |
| Sep | 0.64 | 20.71 | 1.5101 | 4.3929 | 0.2890 | 0.00101 | 21.11 |
| Oct | 0.83 | 19.53 | 1.4092 | 4.1695 | 0.2286 | 0.00096 | 20.56 |
| Nov | 0.64 | 19.86 | 1.4077 | 4.3081 | 0.2461 | 0.00098 | 21.31 |
| Dec | 0.05 | 20.65 | 1.4348 | 4.7061 | 0.2637 | 0.00105 | 21.79 |
| Jan 2008 | 0.38 | 19.70 | 1.3319 | 4.4994 | 0.2097 | 0.00100 | 20.57 |
| Feb | 0.60 | 17.63 | 1.3010 | 4.0180 | 0.0803 | 0.00092 | 19.01 |
| Mar | (0.25) | 17.75 | 1.3604 | 4.3331 | 0.0493 | 0.00098 | 18.78 |
| Apr | 0.47 | 17.23 | 1.4748 | 3.7579 | 0.0622 | 0.00091 | 18.21 |
| May | (0.19) | 17.99 | 1.5562 | 4.1108 | 0.0766 | 0.00098 | 18.87 |
| Jun | (0.46) | 19.79 | 1.6160 | 4.7193 | 0.0826 | 0.00108 | |
| Jul | 0.66 | 18.90 | 1.6774 | 4.0025 | 0.0707 | 0.00098 | |
| Aug | 0.49 | 17.81 | 1.7413 | 3.6497 | 0.0529 | 0.00093 | |

Summary of Federal Order Data - August 2008

| Federal Order Number / Name | Producer Deliveries <i>— Thousand Pounds —</i> | Class I Producer Receipts | Class I Utilization <i>Percent</i> | Class I Price <i>— Dollars per Cwt. —</i> | Producer Price Differential | Uniform or Statistical Uniform Price at 3.5% Butterfat | | |
|--------------------------------|--|---------------------------------|--|---|-----------------------------------|---|---|---------------------------------|
| | | | | | | FOB Market | FOB Cook Cty. Illinois <i>— Dollars per Cwt. —</i> | Change From Previous Year |
| 1 Northeast | 1,981,742 | 835,115 | 42.1 | \$ 21.72 | \$ 2.18 | \$ 19.50 | \$ 18.05 | \$ (3.64) |
| 5 Appalachian | 489,288 | 339,947 | 69.5 | 21.87 | n/a | 20.72 | 19.12 | (3.44) |
| 6 Florida | 248,673 | 211,134 | 84.9 | 23.87 | n/a | 23.01 | 19.41 | (2.23) |
| 7 Southeast | 553,377 | 398,922 | 72.1 | 22.27 | n/a | 21.25 | 19.25 | (2.62) |
| 30 Upper Midwest | 2,626,889 | 352,398 | 13.4 | 20.27 | 0.49 | 17.81 | 17.81 | (2.80) |
| 32 Central | 1,035,462 | 347,687 | 33.6 | 20.47 | 1.00 | 18.32 | 18.12 | (3.61) |
| 33 Mideast | 1,329,092 | 538,398 | 40.5 | 20.47 | 1.38 | 18.70 | 18.50 | (3.49) |
| 124 Pacific Northwest | 658,886 | 184,880 | 28.1 | 20.37 | 0.71 | 18.03 | 17.93 | (3.81) |
| 126 Southwest | 926,619 | 343,215 | 37.0 | 21.47 | 2.00 | 19.32 | 18.12 | (3.44) |
| 131 Arizona | 318,594 | 116,912 | 36.7 | 20.82 | n/a | 18.50 | 17.95 | (3.72) |
| All Market Average or Total * | 10,168,622 | 3,668,608 | 36.1 | | | | | |

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

FEDERAL MILK MARKET ADMINISTRATOR
U.S. DEPARTMENT OF AGRICULTURE
 4570 W 77th St., Suite 210
 Minneapolis, MN 55435-5037

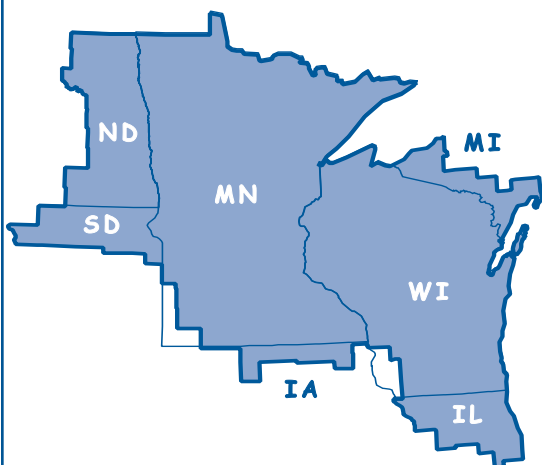
Phone: (952) 831-5292

Fax: (952) 831-8249

Website: www.fmma30.com

FIRST-CLASS MAIL
 U.S. POSTAGE PAID
 HOPKINS, MN
PERMIT NO. 586

Address Service Requested



Upper Midwest Marketing Area
F.O. 30