



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

Volume 3, Issue 7

Upper Midwest Marketing Area, Federal Order No. 30

July 2002

Inside This Issue:

2002 Farm Bill 2

Computation of Producer Price Differential 4

Utilization and Classification 5

Commodity Prices and Market Statistics 6

Class Prices and Producer Prices 7



Dairy Outlook *

Milk Production Expands

Milk production this spring continued to post significant increases from the sagging output of a year earlier. Even so, problems with supplies of alfalfa hay and dairy replacement heifers continued to trim the production recovery.

Milk cow numbers are projected to be near a year earlier this spring and summer but begin to slip this autumn and into 2003. The 2002 annual average is expected to be just barely below last year, and even the 2003 decline is projected to be only about 1%.

Milk per cow is projected to run almost 3% above the relatively weak 2001 levels during the rest of 2002.

This gain in milk per cow is projected to bring 2002 milk production to about 170 billion pounds, up almost 3% from a year ago.

Dairy Demand Soft

Commercial disappearance (sales) of dairy products has been erratic, but generally stagnant, thus far in 2002. Less buying ahead for second-half use undoubtedly contributed to the decline. However, consumers definitely appear to have become more conservative in their eating habits. Spurred by much lower

prices and a recovering economy, dairy product sales are expected to grow during the second half of the year.

Prices Weak

Weakness in wholesale dairy product prices is expected to hold farm milk prices well below a year earlier during the rest of 2002. Seasonal rises will be relatively modest, with values of milk for cheese and for butter-powder holding relatively close. The annual average all milk price is projected to fall more than \$2 per cwt. from a year earlier and may not be much above 2000's \$12.40 per cwt.

Possibilities for substantial recovery in farm milk prices during the remainder of 2002 seem quite limited. An abrupt reversal of recent supply and demand patterns would be required. Even then, most of the impact of a sudden reversal could probably be absorbed by the large stock of dairy products.

On the other hand, the potential for even lower prices is also relatively low, since markets appear to have fairly fully adjusted to current conditions, and seasonal tightening will soon begin.

* Adapted from an article in the *Livestock, Dairy & Poultry Outlook* (LDP-M-96), June 17, 2002, Economic Research Service, USDA.

Pool Summary

- In June, 13,563 producers delivered to the market with an average daily delivery of 3,908 pounds.
- Producer milk totaled 1.55 billion pounds, down 1.5% on a daily basis from May.
- Class I utilization totaled 294

million pounds, down 14.5% on a daily basis from May.

- Class I usage accounted for 19.1% of producer milk.
- The June Producer Price Differential is \$0.63 per cwt.
- The Statistical Uniform Price is \$10.72 per cwt., down 58¢ from May and \$4.80 below June 2001.
- Market statistics for June are shown on Pages 4 and 5.

June 2002 Producer Milk by Class

	Percent	Product Pounds	Price \$/cwt.
Class I	19.1	294,442,763	12.83
Class II	2.7	42,467,635	11.19
Class III	76.7	1,184,954,481	10.09
Class IV	1.5	23,858,411	10.52
Total		1,545,723,290	

Recap of 2002 Farm Bill

On May 13, 2002, President Bush signed into law the Farm Security and Rural Investment Act of 2002. The bill, commonly known as the 2002 farm bill, revives a system abandoned in the 1996 farm bill to pay farmers when prices drop below certain levels. However, ag prices plummeted in the late 1990's and Congress began passing a series of "emergency" assistance bills for farmers.



Much of the reported increase in the cost of the 2002 bill is the result of locking in the emergency farm spending that Congress approved annually in recent years.

The 2002 farm bill includes new programs for some minor crops, as well as a Conservation Security Program and a substantial increase in funding for the Environmental Quality Incentive Program (EQIP). Energy, an area never before addressed by a farm bill, is included to promote renewable energy. In addition, several provisions relate to dairy, as summarized below.

Dairy Provisions

As it relates to dairy, the 2002 farm bill extends the Dairy Export Incentive Program (DEIP), authorizes a new national Johne's disease control program, extends the national dairy promotion program to imports, amends the mandatory inventory and price reporting language, and authorizes payments directly to dairy farmers. Following is a summary of several of those provisions.

Price Support Program-The 2002 farm bill extends the Milk Price Support Program through December 31, 2007 at the current price of \$9.90 per cwt. at 3.67% butterfat. Under the price support program, the government, through the Commodity Credit Corporation

(CCC), stands ready to purchase butter, cheese, and nonfat dry milk at specified prices that should enable plants to pay dairy farmers at least the support price for milk.

The purchase prices for manufactured dairy products remain as follows:

- butter** -- \$0.8548 per pound;
- block cheese** -- \$1.1314 per pound;
- barrel cheese** -- \$1.1014 per pound;
- nonfat dry milk** -- \$0.90 per pound.

The Secretary of Agriculture may adjust the balance between the purchase prices of butter and nonfat dry milk twice each calendar year to minimize the cost of the price support program to the government. Currently, the only product CCC is buying under this program is nonfat

The 2002 farm bill requires direct payments to dairy farmers when milk prices fall below a targeted level.

dry milk. At the end of June, CCC owned an uncommitted inventory of nearly 1.2 billion pounds of nonfat dry milk.

Direct Payments-Another provision of the 2002 farm bill requires direct payments to dairy farmers when milk prices fall below a targeted level. This national dairy market loss payments (DMLP) program will be administered by USDA's Farm Service Agency (FSA). The rules for the program are still under development.

To be eligible for the DMLP program, producers will enter into contracts with USDA. A monthly direct payment will be made to qualifying dairy farm operators when the monthly Class I price in Boston (Northeast Federal Milk Order No. 1) is less than \$16.94 per cwt.

The payment rate is 45% of the difference between \$16.94 and the Class I price in the Northeast Federal Order for the applicable month. The table below gives the expected payment rates for December 2001 through August 2002.

Producers, on an operation-by-operation basis, may receive payments on no more than 2.4 million pounds of milk marketed per fiscal year (October 1 through September 30). Retroactive payments will be made covering market losses due to low prices since December 2001, with the program ending in September 2005.

Calculation of Expected DMLP Program Rates *

	<u>Base Price</u>	<u>Boston Class I Price</u>	<u>Difference</u>	<u>Expected Payment Rate</u>
	----- Per Cwt. -----			
December 2001	\$ 16.94	\$ 15.23	\$ 1.71	\$ 0.77
January 2002	16.94	15.21	1.73	0.78
February 2002	16.94	15.20	1.74	0.78
March 2002	16.94	14.87	2.07	0.93
April 2002	16.94	14.72	2.22	1.00
May 2002	16.94	14.51	2.43	1.09
June 2002	16.94	14.28	2.66	1.20
July 2002	16.94	13.87	3.07	1.38
August 2002	16.94	13.73	3.21	1.44

* Payment rate is 45% of the difference between the Boston Class I price and \$16.94, and applies to the first 2.4 million pounds of eligible milk during the marketing year.

Current estimates are that the DML payments will average 89¢ per cwt. per month.

Producers may not reorganize dairy operations for the sole purpose of receiving additional payment.

Current estimates are that the DML payments will average 89¢ per cwt. per month.

The average dairy operation in the Minnesota and Wisconsin area, with 68 cows and 17,100 pounds of milk per cow, would receive about \$10,000 per year as a result of the DMLP program. Using this same production scenario, the 2.4 million pound cap would be reached with a herd of 140 cows and would generate an annual payment of about \$21,000.

In Wisconsin, 91% of the herds produce less than 2.4 million pounds annually and in Minnesota, 94% have annual production under the cap. A number of producers in both states will not have their entire annual production qualify for the payment. Wisconsin has 1,650 herds producing more than the 2.4 million pounds and Minnesota has 421 herds over the cap.

Dairy Export Incentive Program- The 2002 farm bill assists dairy exports through the Dairy Export Incentive Program (DEIP). This program is used to help U.S. dairy products meet competition from subsidizing countries.

Products eligible for DEIP are whole milk powder, nonfat dry milk, butterfat and cheese.

Promotion-The 2002 farm bill continues the Fluid Milk Processor Promotion and Education Program. In addition, it provides authority for the separate Dairy Promotion and Research Program to assess importers of dairy products in the same manner as domestic producers.

EQIP Provisions

The Environmental Quality Incentives Program (EQIP) provides technical assistance, cost-share payments, and incentive payments to assist crop and livestock producers with environmental and conservation improvements on the farm.

Funding for EQIP was increased substantially in the 2002 farm bill. The program allows for 75% cost sharing, but allows a 90% cost-share rate if the producer is of limited-resource or a beginning farmer. Funding for livestock producers is targeted at 60% of annual program funding. The animal unit cap for cost-share eligibility has been removed.

Conservation priority area (CPA) is no longer used to determine which project is funded. Selections of projects to be funded are based on the use of cost-effective conservation practices, use of practices that address national priorities and those which will optimize environmental benefits.

A farmer must enter into a conservation plan of 1 to 10 years in length which will state the intended practice and describe the environmental purposes. Confined livestock feeding operations must prepare a comprehensive nutrient management plan.

There are no annual payment limitations for EQIP. The sum of all EQIP payments to an individual or entity cannot exceed \$450,000 during 2002-2007.

Contact Information

For information or to comment on the DMLP Program, contact FSA at:

Office of the Director
PSD-FSA-USDA
Stop 0512, Room 4095-S
1400 Independence Ave., SW
Washington, DC 20250-0512

E-mail comments or questions to:

danielle_cooke@wdc.usda.gov

Information can be obtained online at:

www.usda.gov/farbill
www.ers.usda.gov/features/farbill

Upper Midwest Pool Statistics - June 2002

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	6	23,936,698	32,723,175	56,659,873	\$ 0	50,498,164	\$ 908,967
\$1.75	36	166,380,520	261,501,138	427,881,658	213,941	122,842,553	2,149,745
\$1.70	36	139,115,796	728,753,649	867,869,445	867,870	102,339,899	1,739,778
\$1.65	5	28,323,858	9,754,843	38,078,701	57,118	18,762,147	309,575
Other	0	0	155,233,613	155,233,613	296,271	0	0
Total	83	357,756,872	1,187,966,418	1,545,723,290	\$1,435,200	294,442,763	\$5,108,065

Computation of Producer Price Differential - June 2002

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 5,108,065.38
Product	19.1%	294,442,763			
Skim Milk			289,749,755	\$ 7.2300	20,948,907.31
Butterfat			4,693,008	1.1577	5,433,095.40
Class II					
Product	2.7%	42,467,635			
Nonfat Solids			3,237,305	0.8333	2,697,646.26
Butterfat			6,492,470	1.1281	7,324,155.40
Class III					
Product	76.7%	1,184,954,481			
Protein			35,068,339	2.0148	70,655,689.45
Other Solids			68,107,537	0.0247	1,682,256.13
Butterfat			41,190,293	1.1211	46,178,437.47
Class IV					
Product	1.5%	23,858,411			
Nonfat Solids			1,799,511	0.7605	1,368,528.13
Butterfat			3,835,161	1.1211	4,299,599.00
SCC Adjustment (Class II, III, and IV)					28,316.69
Total Producer Milk *		1,545,723,290			\$165,724,696.62
Add:					
Overage					12,729.93
Inventory Reclassified					13,830.81
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					150,400.30
Assembly Credit					234,854.87
Credit for Reconstituted FMP					0.00
Producer Milk Protein					91,878,667.84
Producer Milk Other Solids					2,190,508.10
Producer Milk Butterfat					63,018,075.88
Producer Milk SCC Adjustment					95,481.91
Total Milk and Value		1,545,723,290			\$ 8,183,268.46
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					1,435,199.73
One-Half Unobligated Balance Producer Settlement Fund					844,042.16
Total Value				0.676868	\$ 10,462,510.35
Subtract:					
Producer Settlement Fund Reserve				0.046868	724,453.62
Producer Price Differential **				\$0.63	\$ 9,738,056.73

* An estimated 44 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

	June 2002		May 2002	June 2001
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	50,373,287	1,630,524	57,076,944	50,559,530
Flavored Milk	4,536,761	141,861	4,951,153	4,925,143
Reduced Fat Milk	115,913,884	2,262,764	133,781,314	123,322,852
Lowfat Milk	41,905,930	410,633	46,412,479	42,311,045
Fat Free Milk	76,805,748	96,975	86,474,358	79,218,868
Flavored Reduced and Fat Free Milk	14,468,126	141,594	26,993,703	13,722,401
Buttermilk	2,573,710	27,001	2,908,567	2,691,803
Total Packaged Disposition	306,577,446	4,711,352	358,598,518	316,751,642
Total Ending Inventory	27,020,887	420,627	34,738,242	25,269,649
Bulk to Nonpool Plants	795,833	55,527	506,411	1,958,206
Shrinkage	2,419,292	124,245	2,456,838	1,199,624
Total Class I Utilization	336,813,458	5,311,751	396,300,009	345,179,121
Other Order Plants	(7,019,046)	(84,584)	(13,072,390)	(12,117,993)
Beginning Inventory	(35,154,364)	(532,767)	(27,586,960)	(32,427,405)
Reused Products	0	0	0	0
Other Source Milk	(170,217)	(1,457)	(111,787)	(118,325)
Overage	0	0	0	0
Interhandler Adjustment	(27,068)	65	171,886	(498,467)
Class I Producer Milk	294,442,763	4,693,008	355,700,758	300,016,931
Class II Utilization:				
Total Class II Utilization	57,780,783	7,242,384	58,274,112	71,138,210
Other Order Plants	(2,529,182)	(182,754)	(1,795,930)	(7,425,564)
Beginning Inventory	(2,193,548)	(168,039)	(2,651,528)	(2,699,322)
Reused Products	(10,196,123)	(4,826)	(8,414,181)	(9,983,562)
Other Source Milk	(394,295)	(394,295)	(173,861)	(1,668,164)
Overage	0	0	0	(139,038)
Class II Producer Milk	42,467,635	6,492,470	45,238,612	49,222,560
Class III Utilization:				
Total Class III Utilization	1,203,981,457	41,537,368	1,211,880,676	1,173,894,697
Other Order Plants	(14,860,406)	(265,718)	(14,298,506)	(18,390,536)
Beginning Inventory	(1,345,281)	(42,369)	(3,195,704)	(4,329,566)
Reused Products	0	0	0	0
Other Source Milk	(2,790,243)	(31,937)	(2,445,690)	(3,552,116)
Overage	(31,046)	(7,051)	(103,073)	(149,133)
Class III Producer Milk	1,184,954,481	41,190,293	1,191,837,703	1,147,473,346
Class IV Utilization:				
Total Class IV Utilization	43,667,780	5,038,493	53,451,978	32,426,899
Other Order Plants	(6,187,463)	(517,241)	(5,805,088)	(4,474,463)
Beginning Inventory	(6,249,613)	(302,395)	(14,239,943)	(5,548,084)
Reused Products	0	0	0	0
Other Source Milk	(7,359,042)	(381,430)	(4,975,198)	(5,254,721)
Overage	(13,251)	(2,266)	(17,132)	(18,802)
Class IV Producer Milk	23,858,411	3,835,161	28,414,617	17,130,829
Total Producer Milk -- All Classes	1,545,723,290	56,210,932	1,621,191,690	1,513,843,666

-- 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>					
Jun 2001	1.6058	1.6035	1.6211	1.9263	1.0148	0.2764	1.6030	1.6101	1.6232	1.9275	1.0158	0.2753
Jul	1.6551	1.6293	1.6573	1.9094	0.9634	0.2862	1.6539	1.6206	1.6521	1.9364	0.9730	0.2874
Aug	1.6690	1.6395	1.6693	1.9990	0.9473	0.2886	1.6652	1.6430	1.6696	1.9544	0.9445	0.2871
Sep	1.7107	1.6768	1.7085	2.1198	0.9497	0.2871	1.7183	1.6800	1.7136	2.1781	0.9506	0.2876
Oct	1.5744	1.5178	1.5591	1.4701	0.9441	0.2835	1.6842	1.6433	1.6777	1.6366	0.9468	0.2841
Nov	1.2354	1.1995	1.2322	1.3040	0.9349	0.2823	1.2207	1.1862	1.2182	1.3051	0.9342	0.2851
Dec	1.2733	1.2485	1.2762	1.2894	0.9199	0.2868	1.2897	1.2594	1.2895	1.2580	0.9222	0.2902
Jan 2002	1.2660	1.2790	1.2922	1.3324	0.9161	0.2747	1.2486	1.2624	1.2740	1.3335	0.9166	0.2810
Feb	1.2904	1.2590	1.2895	1.2480	0.9121	0.2334	1.2935	1.2518	1.2862	1.2316	0.9133	0.2347
Mar	1.2000	1.1834	1.2087	1.2333	0.9060	0.2066	1.1943	1.1751	1.2008	1.2411	0.9074	0.2077
Apr	1.2210	1.2085	1.2323	1.1720	0.8975	0.1948	1.2123	1.1986	1.2229	1.2088	0.8984	0.1979
May	1.2213	1.2133	1.2359	1.0525	0.8972	0.1759	1.2337	1.2315	1.2521	1.0643	0.8953	0.1827
Jun	1.1655	1.1438	1.1708	1.0343	0.9005	0.1639	1.1738	1.1524	1.1792	1.0533	0.9006	0.1663

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>						
Jun 2001	1.9783	1.6599	1.6137	n/a	0.9960	0.2948	0.2632
Jul	1.8971	1.6699	1.6312	n/a	0.9598	0.2964	0.2707
Aug	2.0880	1.7126	1.6415	n/a	0.9616	0.2786	0.2717
Sep	2.0563	1.7174	1.6707	n/a	0.9705	0.2926	0.2750
Oct	1.4070	1.3346	1.3036	n/a	0.9638	0.2899	0.2784
Nov	1.3481	1.2668	1.2105	n/a	0.9602	0.2979	0.2789
Dec	1.2793	1.2567	1.2500	n/a	0.9591	0.3016	0.2656
Jan 2002	1.3454	1.3242	1.2970	0.9396	0.9511	0.2689	0.2427
Feb	1.2427	1.2076	1.1797	0.9357	0.9434	0.2135	0.2257
Mar	1.2473	1.2130	1.1809	0.9218	0.9279	0.1963	0.2133
Apr	1.1712	1.2448	1.2177	0.9061	0.9134	0.1846	0.1948
May	1.0590	1.2009	1.1688	0.9174	0.9149	0.1691	0.1715
Jun	1.0427	1.1299	1.1051	0.9213	0.9138	0.1553	0.1591

Market Statistics

Month/Year	Distributing Plants	Supply Plants	Coop .9(c) Handlers	Producers	Total Producer Milk	Estimated Average Daily Delivery	Class I Utilization	Butterfat Test	Protein Test	Other Solids Test	Weighted Average SCC
					Mil. lbs.	Pounds	Percent	Percent	Percent	Percent	
										(000)	
Jun 2001	26	55	11	12,748	1,514	4,050	19.8	3.61	2.95	5.71	347
Jul	26	56	11	12,831	1,501	3,849	20.2	3.55	2.90	5.70	377
Aug	30	63	11	13,371	1,558	3,810	21.8	3.55	2.92	5.69	396
Sep	27	64	10	15,363	1,787	3,906	18.7	3.66	3.03	5.70	363
Oct	28	62	9	15,035	1,784	3,994	19.9	3.79	3.11	5.69	331
Nov	27	59	10	15,418	1,766	3,869	19.7	3.82	3.10	5.69	316
Dec	26	59	10	14,670	1,834	4,088	18.6	3.82	3.08	5.69	330
Jan 2002	26	60	10	14,926	1,945	4,259	18.7	3.80	3.05	5.70	327
Feb	26	58	10	14,494	1,617	4,235	19.7	3.78	3.03	5.70	330
Mar	26	58	10	14,172	1,828	4,263	18.9	3.78	3.04	5.71	334
Apr	27	58	10	13,803	1,779	4,389	19.3	3.74	3.01	5.73	334
May	27	58	11	13,490	1,621	3,986	21.9	3.71	2.98	5.72	324
Jun	27	56	11	13,563	1,546	3,908	19.1	3.64	2.95	5.74	340

* NASS = National Agricultural Statistics Service, USDA.

** The Central and East markets are published as one price, effective January 2002.

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>
Jun 2001	2.1033	7.90	14.99	2.1213	9.70	16.79	2.2159	0.9556	8.60	16.05
Jul	2.2104	7.88	15.34	2.2284	9.68	17.14	2.1953	0.9533	8.58	15.96
Aug	2.2212	7.90	15.40	2.2392	9.70	17.20	2.3046	0.9111	8.20	15.98
Sep	2.2432	7.99	15.56	2.2612	9.79	17.36	2.4519	0.8822	7.94	16.24
Oct	2.5160	7.38	15.93	2.5340	9.18	17.73	1.6596	0.8889	8.00	13.53
Nov	1.8556	9.60	15.76	1.8736	11.40	17.56	1.4570	0.8844	7.96	12.78
Dec	1.4513	7.15	11.98	1.4693	8.95	13.78	1.4392	0.8722	7.85	12.61
Jan 2002	1.3939	7.34	11.96	1.4119	9.14	13.76	1.4916	0.8600	7.74	12.69
Feb	1.4860	6.99	11.95	1.5040	8.79	13.75	1.3887	0.8544	7.69	12.28
Mar	1.3617	7.10	11.62	1.3797	8.90	13.42	1.3708	0.8511	7.66	12.19
Apr	1.3733	6.91	11.47	1.3913	8.71	13.27	1.2960	0.8456	7.61	11.88
May	1.3339	6.83	11.26	1.3519	8.63	13.06	1.1503	0.8367	7.53	11.29
Jun	1.1577	7.23	11.03	1.1757	9.03	12.83	1.1281	0.8333	7.50	11.19
Jul	1.1443	6.85	10.62	1.1623	8.65	12.42		0.8389	7.55	

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>
Jun 2001	2.2089	2.1670	0.1409	7.55	15.02	2.2089	0.8748	7.87	15.33
Jul	2.1883	2.3175	0.1510	8.08	15.46	2.1883	0.8234	7.41	14.81
Aug	2.2976	2.2188	0.1535	7.78	15.55	2.2976	0.8073	7.27	15.06
Sep	2.4449	2.1647	0.1520	7.61	15.90	2.4449	0.8097	7.29	15.59
Oct	1.6526	2.6664	0.1482	9.14	14.60	1.6526	0.8041	7.24	12.77
Nov	1.4500	1.8045	0.1470	6.46	11.31	1.4500	0.7949	7.15	11.97
Dec	1.4322	1.9782	0.1517	7.03	11.80	1.4322	0.7799	7.02	11.79
Jan 2002	1.4846	1.9660	0.1392	6.92	11.87	1.4846	0.7761	6.98	11.93
Feb	1.3817	2.0884	0.0965	7.04	11.63	1.3817	0.7721	6.95	11.54
Mar	1.3638	1.8342	0.0688	6.09	10.65	1.3638	0.7660	6.89	11.42
Apr	1.2890	2.0109	0.0566	6.57	10.85	1.2890	0.7575	6.82	11.09
May	1.1433	2.2097	0.0371	7.07	10.82	1.1433	0.7572	6.81	10.57
Jun	1.1211	2.0148	0.0247	6.39	10.09	1.1211	0.7605	6.84	10.52

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>
Apr 2001	0.83	12.89	1.9483	1.5443	0.1081	0.00067	13.96
May	0.67	14.50	2.1191	1.9108	0.1229	0.00076	15.16
Jun	0.50	15.52	2.2089	2.1670	0.1409	0.00081	15.72
Jul	0.45	15.91	2.1883	2.3175	0.1510	0.00083	15.63
Aug	0.51	16.06	2.2976	2.2188	0.1535	0.00083	15.84
Sep	0.38	16.28	2.4449	2.1647	0.1520	0.00085	16.50
Oct	0.15	14.75	1.6526	2.6664	0.1482	0.00078	15.18
Nov	1.14	12.45	1.4500	1.8045	0.1470	0.00062	13.44
Dec	0.39	12.19	1.4322	1.9782	0.1517	0.00064	13.17
Jan 2002	0.43	12.30	1.4846	1.9660	0.1392	0.00065	13.30
Feb	0.41	12.04	1.3817	2.0884	0.0965	0.00064	12.73
Mar	0.60	11.25	1.3638	1.8342	0.0688	0.00060	12.19
Apr	0.50	11.35	1.2890	2.0109	0.0566	0.00062	12.17
May	0.48	11.30	1.1433	2.2097	0.0371	0.00062	
Jun	0.63	10.72	1.1211	2.0148	0.0247	0.00059	

Summary of Federal Order Data - June 2002

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	2,134,644	813,218	38.1	\$ 14.28	\$ 2.29	\$ 12.38	\$ 10.93	\$(4.70)
5 Appalachian	574,419	328,923	57.3	14.13	n/a	12.83	11.53	(4.50)
6 Florida	215,778	185,973	86.2	15.03	n/a	14.44	12.24	(4.45)
7 Southeast	650,918	352,012	54.1	14.13	n/a	12.69	11.39	(4.59)
30 Upper Midwest	1,545,723	294,443	19.1	12.83	0.63	10.72	10.72	(4.80)
32 Central	1,587,256	351,289	22.1	13.03	0.91	11.00	10.80	(4.79)
33 Mideast	1,629,156	476,322	29.2	13.03	1.15	11.24	11.04	(4.73)
124 Pacific Northwest	668,305	149,513	22.4	12.93	0.91	11.00	10.90	(4.78)
126 Southwest	839,109	302,108	36.0	14.03	2.02	12.11	10.91	(4.74)
131 Arizona-Las Vegas	256,398	71,835	28.0	13.38	n/a	11.22	10.67	(4.66)
135 Western	510,047	81,419	16.0	12.93	0.78	10.87	10.77	(4.80)
All Market Average or Total *	10,611,753	3,407,056	32.1					

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

Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (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 USDA, Director, Office of Civil Rights, Room 326W, Jamie L. Whitten Building, 14th and Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or 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

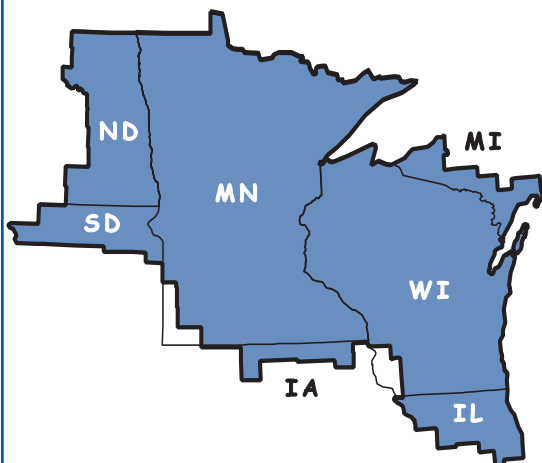
Phone: (952) 831-5292

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