



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

Volume 5, Issue 1

Upper Midwest Marketing Area, Federal Order No. 30

January 2004

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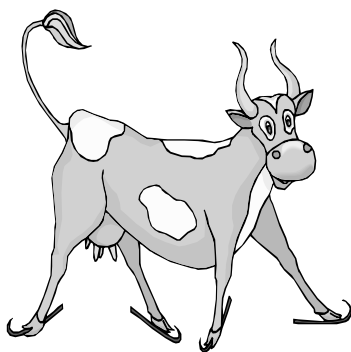
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Proposed Termination of Western Order

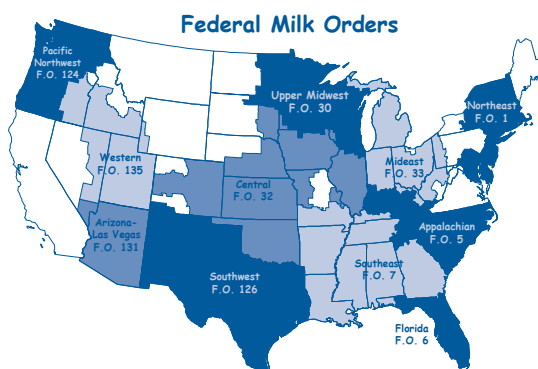
The U.S. Department of Agriculture is considering the termination of the Western Milk Order effective April 1.

This action is necessary because a proposal to amend the order failed to receive the required approval by two-thirds of producers in a recent referendum. Since USDA has determined that the provisions of the proposed amended order are necessary for the operation of the order, it must consider terminating the present order.

The proposed termination was published in the January 13 *Federal Register*. Interested persons have until February 12 to submit

written data, views and arguments as to why the order should not be terminated.

For further information or to submit comments, contact Gino M. Tosi, Marketing Specialist, USDA/AMS/Dairy Programs, by telephone at: (202) 690-1366, or by e-mail at: gino.tosi@usda.gov.



Pacific Northwest Order Amended

The U.S. Department of Agriculture issued an interim order amending the order for the Pacific Northwest marketing area. The interim order was approved by Pacific Northwest dairy farmers and will become effective February 1.

This decision amends the producer milk provision of the order to eliminate the ability to

simultaneously pool milk on the Pacific Northwest Order when the same milk is already pooled on a state-operated milk order that has marketwide pooling.

For further information, contact Gino M. Tosi, Marketing Specialist, USDA/AMS/Dairy Programs, by telephone at: (202) 690-1366, or by e-mail at: gino.tosi@usda.gov.

Pool Summary

- In December, 16,454 producers delivered to the market with an average daily delivery of 4,173 pounds.
- Producer milk totaled 2.13 billion pounds, up 1.1 billion pounds from November and 0.3 billion pounds above December 2002.
- Class I utilization totaled 385 million pounds, up 1% from November on a

daily basis. Class I usage accounted for 18.1% of producer milk.

- The December Producer Price Differential (PPD) is \$0.54 per cwt.
- The Statistical Uniform Price is \$12.41 per cwt., down \$0.99 from November, but \$2.08 above December 2002.
- Market statistics for December are shown on Pages 4 and 5.

December 2003 Producer Milk by Class

	Percent	Product Pounds	Price \$/cwt.
Class I	18.1	385,428,787	15.64
Class II	5.2	109,397,369	11.30
Class III	68.5	1,458,656,215	11.87
Class IV	8.2	174,923,012	10.52
Total		2,128,405,383	

Utilization and Classification for 2002 and 2003

	2002 Annual		2003 Annual		Change in Product Pounds	
	Product Pounds	Butterfat Pounds	Product Pounds	Butterfat Pounds	1,000 Pounds*	Percent
Class I Utilization:						
Packaged Disposition						
Milk	658,127,790	21,385,099	654,688,036	21,326,794	(3,440)	(0.5)
Flavored Milk	68,799,385	1,994,718	72,901,392	2,285,243	4,102	6.0
Reduced Fat Milk	1,554,267,377	30,472,696	1,545,928,273	30,258,116	(8,339)	(0.5)
Lowfat Milk	543,002,884	5,330,502	542,293,135	5,305,270	(710)	(0.1)
Fat Free Milk	1,001,050,875	1,147,549	993,426,427	1,000,817	(7,624)	(0.8)
Flavored Reduced and Fat Free Milk	297,763,032	3,364,110	315,484,078	3,423,429	17,721	6.0
Buttermilk	32,123,916	336,979	31,443,188	345,459	(681)	(2.1)
Total Packaged Disposition	4,155,135,259	64,031,653	4,156,164,529	63,945,128	1,029	0.0
Total Ending Inventory	362,372,430	5,618,443	351,690,782	5,603,018	(10,682)	
Bulk to Nonpool Plants	12,247,955	252,094	15,035,836	270,469	2,788	
Shrinkage	38,055,068	1,668,519	28,159,719	2,102,684	(9,895)	
Total Class I Utilization	4,567,810,712	71,570,709	4,551,050,866	71,921,299	(16,760)	(0.4)
Other Order Plants	(104,709,878)	(1,448,700)	(62,326,293)	(1,119,442)	42,384	
Beginning Inventory	(365,763,171)	(5,621,961)	(355,922,046)	(5,654,342)	9,841	
Reused Products	0	0	0	0	0	
Other Source Milk	(3,124,178)	(42,048)	(3,033,523)	(52,987)	91	
Overage	(65,458)	0	(103,413)	(1,198)	(38)	
Interhandler Adjustment	35,499	13,529	175,630	5,082	140	
Class I Producer Milk	4,094,183,526	64,471,529	4,129,841,221	65,098,412	35,658	0.9
Class II Utilization:						
Total Class II Utilization	694,030,366	91,657,186	1,144,320,942	106,729,636	450,291	64.9
Other Order Plants	(34,328,477)	(1,000,673)	(17,884,962)	(665,953)	16,444	
Beginning Inventory	(26,087,813)	(1,834,064)	(32,253,764)	(2,195,991)	(6,166)	
Reused Products	(101,160,835)	(46,823)	(124,127,127)	(80,171)	(22,966)	
Other Source Milk	(4,296,341)	(4,070,298)	(6,942,127)	(6,676,445)	(2,646)	
Overage	(260,433)	(17,468)	(253,207)	(24,198)	7	
Class II Producer Milk	527,896,467	84,687,860	962,859,755	97,086,878	434,963	82.4
Class III Utilization:						
Total Class III Utilization	15,793,963,892	566,732,689	11,006,917,557	401,181,744	(4,787,046)	(30.3)
Other Order Plants	(291,962,484)	(7,492,080)	(272,815,330)	(7,992,699)	19,147	
Beginning Inventory	(61,115,534)	(1,506,624)	(40,724,822)	(1,000,892)	20,391	
Reused Products	0	0	0	0	0	
Other Source Milk	(39,926,758)	(776,167)	(42,993,323)	(1,224,015)	(3,067)	
Overage	(1,074,969)	(103,970)	(580,489)	(74,005)	494	
Class III Producer Milk	15,399,884,147	556,853,848	10,649,803,593	390,890,133	(4,750,081)	(30.8)
Class IV Utilization:						
Total Class IV Utilization	594,324,131	72,844,961	1,650,938,375	102,186,488	1,056,614	177.8
Other Order Plants	(83,495,865)	(7,992,446)	(80,149,543)	(5,197,326)	3,346	
Beginning Inventory	(144,979,772)	(8,252,739)	(154,954,180)	(8,604,834)	(9,974)	
Reused Products	--	--	1,550,225	2,108	--	
Other Source Milk	(80,732,412)	(5,482,408)	(141,291,256)	(8,786,608)	(60,559)	
Overage	(516,643)	(144,266)	(853,384)	(201,962)	(337)	
Class IV Producer Milk	284,599,439	50,973,102	1,275,240,237	79,397,866	990,641	348.1
Total Producer Milk -- All Classes	20,306,563,579	756,986,339	17,017,744,806	632,473,289	(3,288,819)	(16.2)

* May not add due to rounding.

-- Restricted Information

Annual Utilization and Classification

Annual utilization and classification for 2002 and 2003 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 price relationships. A significant volume of eligible Class III milk was not pooled during the year because of negative producer price differentials. At the same time, the volume of Class II and Class IV milk on the market increased sharply because of advantageous prices.

Class I Utilization - Class I producer milk in 2003 was 4.1 billion pounds, up 1% from 2002. The increase was primarily the result of a larger portion of sales in the marketing area being from Upper Midwest handlers and a smaller portion from handlers regulated on other Federal orders. Class I use includes milk sold to consumers in fluid form.

Total Class I packaged disposition (sales) was flat during 2003. This reflected increases in disposition of flavored milk products (including flavored reduced and fat free milk) which were offset by decreases in disposition of all unflavored milk categories.

Most packaged sales of milk, however, continue to be reduced fat milk, accounting for 37% of total packaged sales, followed by fat free milk at 24%, whole milk at 16% and lowfat milk at 13%.

Class I use in 2003 accounted for 24.3% of total producer milk (as shown in Figure 1), up from 20.2% in 2002.

Class II Utilization - Class II producer milk in 2003 was up 435 million pounds from 2002. The increase was the result of more eligible milk being pooled in 2003. Class II use primarily includes fluid cream products, ice cream, cottage cheese and yogurt. Class II producer milk accounted for 5.7% of total producer milk during the year.

Class III Utilization - Class III producer milk of 10.6 billion pounds in 2003 was down 31% from 2002 largely because of milk not pooled (as noted earlier). Class III utilization primarily includes milk used for the manufacture of hard cheeses, and accounted for 62.6% of producer milk.

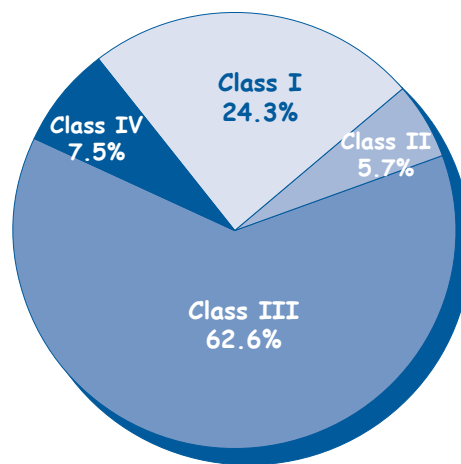
Class IV Utilization - Class IV utilization in 2003 totaled 1.3 billion pounds, up nearly a billion pounds from 2002. The increase was the result of more eligible milk being pooled as well as the addition of Class IV milk from outside of the marketing area. Class IV includes butter and all dried milk products, and accounted for 7.5% of total producer milk in 2003.

Producer Milk - Total producer milk in 2003 of 17 billion pounds was down 3.3 billion pounds or 16% from 2002.

During the year, 1.8 billion pounds of milk was pooled on the Upper Midwest Order from Idaho, up 260 million pounds from 2002. However, no producer milk was pooled from California, down from 860 million pounds in 2002. This change was due to an order amendment which became effective May 1, 2002, which eliminated the ability to simultaneously pool milk on the Upper Midwest Order when the same milk is already pooled on a state-operated milk order that has marketwide pooling.

An average of 13,308 producers delivered to the market each month in 2003, down from 14,310 in 2002.

**Figure 1
Utilization by Class--2003 ***



* Percentages do not add to 100% because of rounding.

Upper Midwest Pool Statistics - December 2003

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	5	57,647,919	12,398,967	70,046,886	\$ 0	54,497,149	\$ 980,949
\$1.75	41	234,780,539	413,441,742	648,222,281	324,111	172,822,567	3,024,395
\$1.70	36	222,576,547	898,256,821	1,120,833,368	1,120,834	132,779,307	2,257,248
\$1.65	5	28,491,117	6,460,189	34,951,306	52,427	25,329,764	417,941
Other	0	0	254,351,542	254,351,542	499,064	0	0
Total	87	543,496,122	1,584,909,261	2,128,405,383	\$1,996,436	385,428,787	\$6,680,533

Computation of Producer Price Differential-December 2003

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 6,680,532.98
Product	18.1%	385,428,787			
Skim Milk			379,119,998	\$ 9.7000	36,774,639.88
Butterfat			6,308,789	1.2806	8,079,035.19
Class II					
Product	5.2%	109,397,369			
Nonfat Solids			9,141,367	0.7467	6,825,858.72
Butterfat			9,497,252	1.3758	13,066,319.29
Class III					
Product	68.5%	1,458,656,215			
Protein			45,061,463	2.2997	103,627,846.48
Other Solids			83,247,063	0.0362	3,013,543.65
Butterfat			55,925,664	1.3688	76,551,048.86
Class IV					
Product	8.2%	174,923,012			
Nonfat Solids			15,083,182	0.6603	9,959,425.09
Butterfat			9,752,658	1.3688	13,349,438.23
SCC Adjustment (Class II, III, and IV)					754,723.79
Total Producer Milk *		2,128,405,383			\$ 278,682,412.16
Add:					
Overage					35,427.30
Inventory Reclassified					136,269.56
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					219,271.01
Assembly Credit					307,173.80
Credit for Reconstituted FMP					0.00
Producer Milk Protein					151,299,111.98
Producer Milk Other Solids					4,395,186.87
Producer Milk Butterfat					111,535,796.07
Producer Milk SCC Adjustment					953,629.20
Total Milk and Value		2,128,405,383			\$ 10,143,940.09
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					1,996,435.91
One-Half Unobligated Balance Producer Settlement Fund					393,247.72
Total Value				0.588874	\$ 12,533,623.72
Subtract:					
Producer Settlement Fund Reserve				0.048874	1,040,234.65
Producer Price Differential **				\$0.54	\$ 11,493,389.07

* There was no eligible producer milk that was not pooled this month.

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



Utilization and Classification

	December 2003		November 2003	December 2002
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	61,879,461	2,014,827	58,764,034	53,850,743
Flavored Milk	6,478,006	210,630	6,572,011	5,656,225
Reduced Fat Milk	144,532,303	2,826,654	139,108,018	127,345,819
Lowfat Milk	48,769,413	476,327	47,230,848	44,960,933
Fat Free Milk	89,707,623	88,814	87,126,592	81,367,944
Flavored Reduced and Fat Free Milk	33,617,084	621,121	32,133,350	30,244,302
Buttermilk	2,758,102	31,987	2,594,787	2,699,457
Total Packaged Disposition	387,741,992	6,270,360	373,529,640	346,125,423
Total Ending Inventory	29,215,209	466,885	31,899,832	30,099,674
Bulk to Nonpool Plants	1,228,105	25,113	1,702,008	1,283,946
Shrinkage	2,581,747	186,524	2,492,254	3,174,412
Total Class I Utilization	420,767,053	6,948,882	409,623,734	380,683,455
Other Order Plants	(2,934,016)	(53,196)	(3,716,884)	(6,413,152)
Beginning Inventory	(31,986,918)	(572,280)	(35,724,912)	(31,044,452)
Reused Products	0	0	0	0
Other Source Milk	(257,911)	(3,714)	(296,457)	(290,041)
Overage	--	--	--	0
Interhandler Adjustment	(159,421)	(10,903)	(42,452)	(16,967)
Class I Producer Milk	385,428,787	6,308,789	369,843,029	342,918,843
Class II Utilization:				
Total Class II Utilization	123,192,060	10,016,480	126,835,949	52,779,469
Other Order Plants	(709,023)	(19,491)	(1,418,953)	(3,332,258)
Beginning Inventory	(4,884,735)	(216,256)	(2,166,210)	(1,728,066)
Reused Products	(7,861,891)	(8,701)	(8,539,445)	(6,426,480)
Other Source Milk	(339,042)	(274,780)	(272,675)	(373,524)
Overage	--	--	--	--
Class II Producer Milk	109,397,369	9,497,252	114,438,666	40,919,141
Class III Utilization:				
Total Class III Utilization	1,474,069,292	56,161,160	383,455,277	1,453,386,107
Other Order Plants	(8,740,426)	(103,489)	(4,592,109)	(31,668,608)
Beginning Inventory	(5,323,294)	(112,256)	(759,841)	(3,986,058)
Reused Products	0	0	0	0
Other Source Milk	(1,337,718)	(13,846)	(2,156,723)	(3,492,412)
Overage	(11,639)	(5,905)	(18,293)	(39,612)
Class III Producer Milk	1,458,656,215	55,925,664	375,928,311	1,414,199,417
Class IV Utilization:				
Total Class IV Utilization	215,007,745	12,191,764	212,862,827	53,506,423
Other Order Plants	(12,152,706)	(698,351)	(7,815,138)	(7,241,419)
Beginning Inventory	(19,952,065)	(1,209,845)	(11,190,289)	(12,637,948)
Reused Products	--	--	--	--
Other Source Milk	(7,894,189)	(520,400)	(14,726,708)	(6,757,962)
Overage	(85,773)	(10,510)	(24,161)	(9,741)
Class IV Producer Milk	174,923,012	9,752,658	179,106,531	26,859,353
Total Producer Milk -- All Classes	2,128,405,383	81,484,363	1,039,316,537	1,824,896,754

-- 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 2002	1.1075	1.0991	1.1203	1.0926	0.8682	0.1965	1.1061	1.0993	1.1195	1.0813	0.8813	0.2038
Jan 2003	1.2225	1.1153	1.1370	1.0872	0.8207	0.1728	1.1175	1.1163	1.1358	1.1099	0.8287	0.1787
Feb	1.1508	1.0825	1.1299	1.0476	0.8111	0.1632	1.1549	1.0808	1.1304	1.0477	0.8108	0.1641
Mar	1.0725	1.0519	1.0780	1.0546	0.8051	0.1599	1.0640	1.0435	1.0697	1.0506	0.8048	0.1594
Apr	1.0924	1.0750	1.0997	1.0736	0.8030	0.1582	1.0804	1.0568	1.0842	1.0702	0.8032	0.1589
May	1.1227	1.1225	1.1394	1.0743	0.8040	0.1450	1.1264	1.1250	1.1420	1.0733	0.8043	0.1448
Jun	1.1400	1.1214	1.1464	1.0797	0.8040	0.1396	1.1330	1.1132	1.1387	1.0808	0.8040	0.1372
Jul	1.3177	1.3466	1.3497	1.1196	0.8072	0.1470	1.2435	1.2625	1.2685	1.1028	0.8062	0.1452
Aug	1.5332	1.5321	1.5496	1.1578	0.8105	0.1615	1.5237	1.5226	1.5396	1.1937	0.8118	0.1599
Sep	1.5786	1.5762	1.5940	1.1332	0.8111	0.1755	1.5745	1.5793	1.5943	1.1156	0.8094	0.1716
Oct	1.5781	1.5753	1.5936	1.1611	0.8109	0.1892	1.5765	1.5737	1.5921	1.1619	0.8117	0.1877
Nov	1.5000	1.4590	1.4941	1.1881	0.8130	0.1947	1.5430	1.4944	1.5331	1.1822	0.8153	0.1947
Dec	1.3551	1.2669	1.3260	1.2557	0.8070	0.1941	1.3606	1.2565	1.3227	1.2219	0.8072	0.1967

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 2002	1.1198	1.1311	1.1055	0.9075	0.8715	0.1818	0.2112	
Jan 2003	1.0815	1.1507	1.0929	0.8562	0.8532	0.1594	0.1870	
Feb	1.0405	1.0920	1.0430	0.8347	0.8444	0.1587	0.1648	
Mar	1.0915	1.0817	1.0469	0.8375	0.8380	0.1602	0.1574	
Apr	1.0906	1.1225	1.0902	0.8375	0.8377	0.1555	0.1495	
May	1.0919	1.1421	1.1161	0.8375	0.8388	0.1407	0.1418	
Jun	1.1142	1.1864	1.1562	0.8338	0.8395	0.1416	0.1400	
Jul	1.1985	1.5123	1.4668	0.8419	0.8391	0.1558	0.1535	
Aug	1.1708	1.6000	1.5736	0.8480	0.8414	0.1690	0.1762	
Sep	1.1731	1.6000	1.5640	0.8500	0.8423	0.1836	0.1845	
Oct	1.1846	1.5876	1.5364	0.8523	0.8413	0.1989	0.1902	
Nov	1.2057	1.3932	1.2949	0.8500	0.8400	0.2026	0.1931	
Dec	1.2969	1.3383	1.2621	0.8477	0.8388	0.1942	0.1891	

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)	
Dec 2002	27	59	12	14,949	1,825	4,090	18.8	3.80	3.07	5.68	296
Jan 2003	27	59	12	14,963	1,846	4,164	19.7	3.77	3.04	5.71	307
Feb	27	59	13	14,994	1,729	4,220	18.5	3.76	3.04	5.71	313
Mar	27	60	13	15,912	1,937	4,147	17.5	3.74	3.02	5.73	323
Apr	26	58	14	15,621	1,863	4,216	18.2	3.71	2.99	5.75	315
May	26	57	14	15,602	1,937	4,266	17.9	3.66	2.97	5.74	321
Jun	27	56	14	15,553	1,933	4,424	15.6	3.60	2.95	5.74	326
Jul	29	33	15	9,689	660	4,310	49.7	3.53	2.91	5.70	332
Aug	31	56	15	9,425	644	4,025	50.6	3.53	2.91	5.69	341
Sep	30	55	15	8,874	644	3,972	54.0	3.63	3.01	5.69	318
Oct	30	54	15	9,210	657	4,015	55.2	3.76	3.09	5.68	279
Nov	29	57	15	13,396	1,039	4,125	35.6	3.85	3.12	5.70	271
Dec	30	57	15	16,454	2,128	4,173	18.1	3.83	3.09	5.71	282

* 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 2002	1.0782	6.99	10.52	1.0962	8.79	12.32	1.1992	0.8544	7.69	11.62
Jan 2003	1.1784	6.67	10.56	1.1964	8.47	12.36	1.1926	0.8189	7.37	11.29
Feb	1.2133	6.20	10.23	1.2313	8.00	12.03	1.1443	0.7667	6.90	10.66
Mar	1.1374	6.04	9.81	1.1554	7.84	11.61	1.1529	0.7489	6.74	10.54
Apr	1.1227	5.92	9.64	1.1407	7.72	11.44	1.1573	0.7356	6.62	10.44
May	1.1462	5.91	9.71	1.1642	7.71	11.51	1.1582	0.7344	6.61	10.43
Jun	1.1500	5.92	9.74	1.1680	7.72	11.54	1.1646	0.7356	6.62	10.46
Jul	1.1590	5.92	9.77	1.1770	7.72	11.57	1.2125	0.7356	6.62	10.63
Aug	1.1854	7.07	10.97	1.2034	8.87	12.77	1.2584	0.7378	6.64	10.81
Sep	1.2944	9.51	13.71	1.3124	11.31	15.51	1.2288	0.7433	6.69	10.76
Oct	1.2007	10.43	14.27	1.2187	12.23	16.07	1.2623	0.7400	6.66	10.84
Nov	1.2563	10.33	14.37	1.2743	12.13	16.17	1.2947	0.7433	6.69	10.99
Dec	1.2806	9.70	13.84	1.2986	11.50	15.64	1.3758	0.7467	6.72	11.30
Jan 2004	1.3283	7.46	11.85	1.3463	9.26	13.65		0.7378	6.64	

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 2002	1.1922	1.7506	0.0584	5.77	9.74	1.1922	0.7282	6.55	10.49
Jan 2003	1.1856	1.8164	0.0339	5.83	9.78	1.1856	0.6807	6.13	10.07
Feb	1.1373	1.8538	0.0240	5.89	9.66	1.1373	0.6711	6.04	9.81
Mar	1.1459	1.6648	0.0206	5.28	9.11	1.1459	0.6651	5.99	9.79
Apr	1.1503	1.8006	(0.0008) *	5.58	9.41	1.1503	0.6564	5.91	9.73
May	1.1512	1.9275	(0.0144) *	5.89	9.71	1.1512	0.6574	5.92	9.74
Jun	1.1576	1.9434	(0.0200) *	5.91	9.75	1.1576	0.6574	5.92	9.76
Jul	1.2055	2.5480	(0.0124) *	7.83	11.78	1.2055	0.6605	5.94	9.95
Aug	1.2514	3.1438	0.0026	9.76	13.80	1.2514	0.6638	5.97	10.14
Sep	1.2218	3.3180	0.0170	10.39	14.30	1.2218	0.6644	5.98	10.05
Oct	1.2553	3.2815	0.0311	10.36	14.39	1.2553	0.6642	5.98	10.16
Nov	1.2877	2.9267	0.0368	9.29	13.47	1.2877	0.6663	6.00	10.30
Dec	1.3688	2.2997	0.0362	7.34	11.87	1.3688	0.6603	5.94	10.52

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 2002	0.31	11.03	1.0726	2.1839	0.0755	0.00060	12.27
Nov	0.59	10.43	1.0923	1.8469	0.0850	0.00056	11.74
Dec	0.59	10.33	1.1922	1.7506	0.0584	0.00056	11.65
Jan 2003	0.58	10.36	1.1856	1.8164	0.0339	0.00057	11.53
Feb	0.47	10.13	1.1373	1.8538	0.0240	0.00056	11.07
Mar	0.54	9.65	1.1459	1.6648	0.0206	0.00054	10.64
Apr	0.46	9.87	1.1503	1.8006	(0.0008) *	0.00055	10.85
May	0.40	10.11	1.1512	1.9275	(0.0144) *	0.00057	10.92
Jun	0.38	10.13	1.1576	1.9434	(0.0200) *	0.00057	10.89
Jul	(0.41)	11.37	1.2055	2.5480	(0.0124) *	0.00067	12.40
Aug	(1.58)	12.22	1.2514	3.1438	0.0026	0.00077	13.94
Sep	(1.07)	13.23	1.2218	3.3180	0.0170	0.00080	14.86
Oct	(0.88)	13.51	1.2553	3.2815	0.0311	0.00080	15.39
Nov	(0.07)	13.40	1.2877	2.9267	0.0368	0.00075	
Dec	0.54	12.41	1.3688	2.2997	0.0362	0.00066	

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

Summary of Federal Order Data - December 2003

Uniform or Statistical Uniform
Price at 3.5% Butterfat

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	2,014,830	938,651	46.6	\$ 17.09	\$ 2.52	\$ 14.39	\$ 12.94	\$2.15
5 Appalachian	552,112	382,015	69.2	16.94	n/a	15.48	14.18	2.52
6 Florida	250,777	217,600	86.8	17.84	n/a	17.16	14.96	3.01
7 Southeast	620,265	401,066	64.7	16.94	n/a	15.33	14.03	2.57
30 Upper Midwest	2,128,405	385,429	18.1	15.64	0.54	12.41	12.41	2.08
32 Central	1,240,148	376,688	30.4	15.84	1.04	12.91	12.71	2.24
33 Mideast	1,455,682	561,524	38.6	15.84	1.39	13.26	13.06	2.14
124 Pacific Northwest	615,391	182,492	29.7	15.74	0.60	12.47	12.37	1.66
126 Southwest	820,235	341,910	41.7	16.84	1.99	13.86	12.66	1.94
131 Arizona-Las Vegas	259,799	85,614	33.0	16.19	n/a	12.98	12.43	1.91
135 Western	435,987	96,448	22.1	15.74	0.78	12.65	12.55	2.15
All Market Average or Total *	10,393,631	3,969,438	38.2					

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

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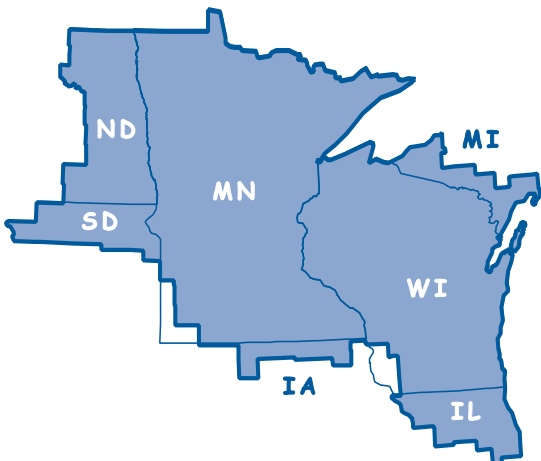
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