

United States Department of Agriculture

Marketing and Regulatory Programs

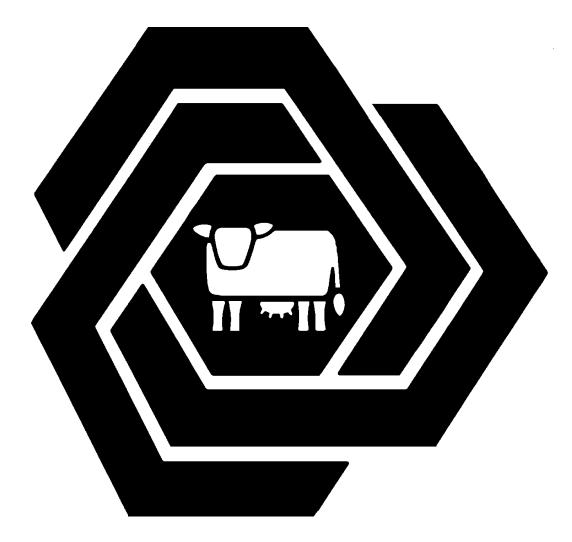
Agricultural Marketing Service

Dairy Programs

Statistical Bulletin Number 1004

# Federal Milk Order Market Statistics

2003 Annual Summary



#### PREFACE

Federal milk marketing orders are established under the authority of the Agricultural Marketing Agreement Act of 1937, as amended. The Secretary of Agriculture is authorized by this statute, under certain conditions and with producer approval, to issue milk marketing orders that require handlers to pay at least the minimum specified prices for milk purchased from producers. The complete orders are published in the U. S. Code of Federal Regulations, Parts 1000 to 1199.

This is an annual summary of monthly Federal milk order statistical data. These data have been compiled from reports that handlers (milk processors) are required to file monthly with the market administrator who administers the respective Federal milk order. These reports show the volume of milk receipts from each source and quantity of milk used in each form. From these reports, data are compiled and totaled for each order by the market administrator. The order summary report is submitted to the Market Information Branch in Dairy Programs and is combined with the summary reports for the other orders.

The data in this summary is for 2003. Similar data for the period from 1947 through 2002 have been published in 46 previous annual summaries.

Issued July 2004

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#### HOW FEDERAL MILK ORDER STATISTICS ARE DEVELOPED

#### Introduction.

The statistical data generated through the administration of the Federal milk order program is recognized widely as one of the benefits of this program. These data provide comprehensive and accurate information on milk supplies, utilization, and sales, as well as class prices established under the orders and prices paid to dairy farmers (producers). The sources of this data are monthly reports that are required to be filed by milk processors (handlers) subject to the provisions of the various milk orders. The local market administrator uses these reports to administer the provisions of the order and to assemble a series of statistical reports that summarize individual handler operations for the order, which are submitted to the Market Information Branch in Dairy Programs in the Agricultural Marketing Service.

#### Why Are Figures Collected?

Each month, regulated handlers (fluid milk processors subject to the provisions of a Federal milk order) are required to file a report of milk receipts and utilization (R & U Report) with the order's market administrator (MA). The MA is the Federal official in each market who, with the assistance of a staff, administers the terms of the Federal order. The R & U report shows, for the month, the quantities of milk and milk products received at the handler's plant from each source, either directly from farms or from other plants, and how this milk was used in the plant. All major fluid milk products and manufactured milk products are listed on the report form, and handlers are required to specify the volume and butterfat content, and in some cases, other milk components, of all milk used in each product. On the basis of these reports, the MA determines the amount of milk that handlers use in each price class, makes computations of each handler's pool obligation, and calculates the minimum price the handler must pay producers. The MA also receives producer payroll reports from regulated handlers which are used to verify proper payments to producers and reports from nonpool handlers which are used to determine regulatory status.

#### Are Reported Figures Verified?

The local market administrator maintains a staff of highly-trained auditors who, on a monthly basis, review at each handler's location, the books and records of plant operations for a previous time period. The auditors examine these records to determine whether the milk actually was received and used as reported, and therefore, whether the handler's pool obligation was computed correctly. Reporting errors are corrected; if necessary, pool obligations are revised. Auditors also determine whether required payments were made to producers. As a result, all data reported by handlers is subject to audit.

#### How Are Summary Statistics Developed?

After the handler pool obligations have been determined, the local market administrator generates a series of reports that compiles order totals from the individual handler reports and submits these to the Market Information Branch (MIB) in the Dairy Programs headquarters office. The MIB compiles program-wide totals from the individual order reports and disseminates this information in a series of monthly and annual releases on the Internet, in the weekly "Dairy Market News Report," and in its own publications. Since milk marketing order statistics are based on reports filed by the population of possible reporting firms and not a sample, these statistics are comprehensive. Also, since the individual firm reports are subject to audit and verification, these statistics are accurate and reliable. Federal milk orders use terms that are specifically defined in order provisions. It is recommended that users of Federal milk order statistics become familiar with these terms, some of which are described beginning on page 6 of this publication.

#### **BRIEF DESCRIPTION OF FEDERAL MILK ORDER TERMS**

Following is a brief description of some terms used in Federal milk order statistics. For a detailed description of Federal milk order terms, see the specific order provisions in the Code of Federal Regulations.

#### Federal Milk Marketing Order.

A Federal milk marketing order is a regulation issued by the Secretary of Agriculture. Its purpose is to stabilize markets by placing certain requirements on the handling of milk in the area it covers. It is established under the authority of the Agricultural Marketing Agreement Act of 1937, as amended. It requires milk handlers in a marketing area to pay not less than certain minimum class prices established according to how the milk is utilized. These prices are established under the order after a public hearing at which evidence is received on the supply and demand conditions for milk in the market. A milk order, including the pricing provisions and all other provisions, becomes effective only after approval by dairy farmers. It requires that payments for milk be pooled and paid to individual farmers or cooperative associations of farmers on the basis of a uniform or average price.

#### Marketing Area.

A marketing area is an area designated in a Federal milk order's provisions within which the handling of milk is regulated by the order. Generally, the size of the marketing area is determined by the sales territory of competing handlers. The recent consolidation of orders also looked at overlapping areas of milk supply, the number of handlers within the area, natural boundaries, cooperative association service areas, common regulatory provisions, and milk utilization in common dairy products.

#### Producer.

A producer is usually any dairy farmer who sells milk to a pool handler. Producers must produce milk in compliance with Grade A inspection requirements, and their milk must be either received at a pool plant or diverted to a nonpool plant for the account of a pool handler. Producer-handlers are not producers.

#### Handler.

A handler is a person--an individual, partnership, corporation, association, or other business unit, that is subject to the provisions of an order. A handler can be an operator of a plant that is approved by a duly constituted regulatory agency for the handling of Grade A milk. A handler also can be a milk distributor or a broker. A cooperative association that does not operate a plant can be a handler.

#### **Pool Handler.**

A pool handler is a handler that is subject in full to the provisions of the order, A pool handler can be an operator of a plant that meets the minimum performance standards included in each order, a pool plant. Such plants include distributing plants, plants primarily engaged in processing packaged fluid milk products, and supply plants, plants primarily engaged in producing manufactured dairy products. A cooperative association that does not operate a plant can be a pool handler. A milk distributor or broker cannot be a pool handler.

#### Nonpool Handler.

A nonpool handler is an operator of a plant that, while it receives, processes, or distributes milk in the marketing area, does not meet the minimum performance standards of the order, a nonpool plant. Nonpool plants include: a plant fully regulated under another Federal order; a producer-handler plant, generally a person that operates both a dairy farm and a distributing plant; a partially regulated distributing plant; an unregulated supply plant; or, an exempt plant, a plant operated by a governmental agency or a duly accredited college or university, for charitable purposes, or from which less than 150,000 pounds per month are distributed. Some nonpool handlers file monthly reports with the local market administer that basically are used to determine regulatory status, but also provide some market statistics.

#### **Receipts of Milk.**

Federal milk order statistics include volumes of milk received by handlers regulated under each of the Federal orders. Receipts of milk principally come from producers, but also may include other sources. The volume of milk that is reported as received by handlers from producers includes all such milk regardless of where it may be sold. Milk identified as that received from producers for a given market may come directly from nearby producers or from producers associated with a supply plant which, although located several hundred miles from the marketing area, is pooled on the market. Producer milk also may include milk that is diverted by a pool plant operator to another pool plant or to a nonpool plant. Other source receipts can include milk and dairy products transferred or diverted from plants regulated under other Federal orders or received from unregulated sources such as unregulated supply plants or producer-handlers.

#### Classes of Milk.

There are four classes of milk utilization defined in Federal orders. Class I use is milk disposed as a fluid milk product, milk products intended to be used as a beverage. Class I uses include plain and flavored whole milk, fat reduced milks, and eggnog. Class II use includes milk used to produce fluid cream and other cream products, cottage cheese, frozen desserts, and other food products. Class III use includes milk used to produce smilk used to produce hard cheeses and cream cheese. Class IV includes milk used to produce butter and any milk product in dried form.

#### Pricing System.

The Federal milk order program uses product price formulas to determine milk component values which are combined to calculate monthly class prices. See page 45 for the applicable class price formulas. The factors in the formulas are dairy product prices, which change monthly, and make allowances and product yields, which are set in the formulas. The dairy product prices are those collected weekly by the National Agricultural Statistics Service in USDA. The most recent four or five weeks of prices are weighted by the applicable weekly volumes to determine a monthly average. Butter, Cheddar cheese and dry whey prices are used to compute values for butterfat, protein, and other solids, respectively. The protein and other solids prices are used to calculate the Class III skim milk price which, combined with the butterfat price, determines the Class III milk price. Butter and nonfat dry milk prices are used to calculate the Class II price is used to calculate the Class II price is determined by the Class II skim milk price, which is computed in advance (see Class I price description below), and the Class II butterfat price, the butterfat price plus \$0.007. The Class II, III, and IV prices are the same in each Federal milk order and are announced by the 5<sup>th</sup> of the following month.

Class I prices vary across the Federal milk order system and are announced in advance by the 23<sup>rd</sup> of the preceding month. The Class I skim milk price is the higher of the advanced Class III or IV skim milk pricing factors plus a differential specific to each pricing point in the country. The Class I butterfat price is the advanced butterfat pricing factor plus the specific Class I differential divided by 100. The advanced skim milk prices are for the most recent two weeks. The Class II skim milk price is the Class IV advanced skim milk pricing factor plus a differential of \$0.70 and also is announced by the 23<sup>rd</sup> of the preceding month.

#### **Producer Prices.**

The Federal milk order program has two systems for paying producers, the component pricing system and the skim milk/butterfat pricing system. In the component pricing system, which is used in seven orders, producer prices are based on the value of components, butterfat, protein, and other solids, in the milk they market and the value of the producer price differential. The component values are those computed for the Class III price. The producer price differential, basically, is the weighted average value of the effective Class I and II differentials; the weights being the proportional volumes of milk used in Class I and II. Producers receive a price for each pound of milk component marketed and the producer price differential for each hundredweight of milk marketed. In four of the seven orders, producer prices are adjusted for milk quality as measured by the somatic cell count of the milk. For informational purposes, a statistical uniform price is calculated which equals the Class III price plus the producer price differential.

In the skim milk/butterfat pricing system, which is used in four orders, producer prices are based on the uniform skim milk price and the uniform butterfat price. The uniform skim milk and butterfat prices are the weighted average values of each class's skim milk and butterfat prices. The weights are the volumes of skim milk and butterfat used in each class. Producers receive the uniform skim milk price for each hundredweight of skim milk marketed and the uniform butterfat price for each pound of butterfat marketed. The uniform milk price under this pricing system is the weighted average value of the uniform skim milk and butterfat prices in 3.5% butterfat content milk.

#### Sales of Fluid Milk Products.

In Federal milk order market statistics, an important distinction is made between sales of packaged fluid milk products <u>in a marketing area</u> (in-area) and packaged disposition of Class I products by handlers regulated <u>in a market</u>. The latter are total dispositions under an order by fully regulated handlers only. Dispositions can occur both <u>inside and outside</u> the defined marketing area of that order and can include both route sales and transfers to nonpool or unregulated handlers. A route sale is a delivery to a retail or wholesale outlet (except a plant), either directly or through a distribution facility. A transfer is a sale (delivery) to another plant. Besides receipts from producers, these dispositions also may include receipts from other Federal order plants and/or receipts from other sources.

In-area sales includes route sales <u>in</u> each of the marketing areas from all sources; handlers regulated under the respective order, handlers regulated under other Federal orders, partially regulated handlers, exempt handlers, and producer-handlers. These data are useful in appraising trends in the sales of fluid milk products and in the per capita consumption of fluid milk products in the Federal order marketing area.

Table 1Federal Milk Orders in Effect on December 31, 2003, with Number Assigned Each Order in Code of	of
Federal Regulations and Date on Which Each Order Became Effective	

	CFR	
	Chapter	Date
Federal Milk Order	7 Part	Effective
i caciai wiik older	Number	Lifective
	rumber	
Appalachian	1005	1/1/2000
Merger of: Carolina; 9-1-1990 and Louisville-Lexington-		
Evansville, minus 1 Kentucky county 3-1-1962; and,		
Addition of: former Tennessee Valley marketing area, 3 unregulated		
counties in Indiana, and 18 unregulated counties in Kentucky		
countres in metallia, and to antogatated countres in reinderky		
Arizona-Las Vegas	1131	1/1/2000
Central Arizona 12-1-1955	1101	1, 1, 2000
Addition of: 1 Nevada county from Great Basin and 8 unregulated		
counties in Arizona		
Central	1032	1/1/2000
Merger of: Central Illinois; 1-1-1967, Eastern Colorado 12-1-1965.	1002	=0000
Eastern South Dakota 5-1-1965, Greater Kansas City 9-1-1966,		
Iowa 5-1-1977, Nebraska-Western Iowa, minus 11 Nebraska		
counties 5-1-1968, Southern Illinois-Eastern Missouri, minus		
6 Missouri counties 5-1-1988, Southwest Plains, minus 11		
Arkansas counties and 22 Missouri counties 5-1-1987, and		
Western Colorado 12-1-1958; and		
Addition of: 10 unregulated counties in Colorado, 14 unregulated		
counties in Illinois, 7 unregulated counties in Iowa, 23 unregulated		
counties in Kansas, 8 unregulated counties in Missouri, and		
8 unregulated counties in Nebraska.		
o unregulated countes in reolaska.		
Florida	1006	1/1/2000
Merger of: Southeastern Florida; 9-1-1957, Tampa Bay 1-1-1966,	1000	1, 1, 2000
Upper Florida1-1-1967		
Mideast	1033	1/1/2000
Merger of: Eastern Ohio-Western Pennsylvania 5-1-1969,		
Indiana 1-1-1969, Ohio Valley 8-1-1970, and Southern		
Michigan 4-1-1973; and,		
Addition of: 9 Michigan counties from Michigan Upper Peninsula,		
6 unregulated counties in Indiana, 2 unregulated counties in		
Michigan, and 3 unregulated counties in Ohio.		
Northeast	1001	1/1/2000
Merger of: Middle Atlantic 8-1-1970, New England 4-1-1976,		
and New York-New Jersey 8-1-1957; and		
Addition of: 3 unregulated counties in Massachusetts, 2 unregulated		
counties in New Hampshire, 6 unregulated counties in New York,		
and 11 unregulated counties in Vermont.		
<b>0</b>		

CONTINUED

# Table 1--Federal Milk Orders in Effect on December 31, 2003, with Number Assigned Each Order in Code of Federal Regulations and Date on Which Each Order Became Effective -Con.

Chapter	Date
7 Part	Effective
Number	
1124	1/1/2000
1007	1/1/2000
1126	1/1/2000
1120	1/1/2000
1135	1/1/2000
1020	1/1/2000
1030	1/1/2000
	7 Part Number 1124 1007 1126

#### Table 2--Measures of Growth up Federal Milk Order Markets, Selected Years, 1947-2003

											ipts as			
		Population			<b>D</b>		Percentage	Prices a			ntage of	Daily	Gross v	
Year	Number of	of Federal milk	Number of	Number of	Receipts of	Producer milk used	of	butte			sold to ts and	deliveries of milk	receipts of mill	•
rear	markets	marketing	handlers	producers	producer	in Class I	producer milk used	conte	ent Z/		alers	per	rniii	K 4/
	1/	areas	1/	2/	milk 3/		in Class I	Class I	Blend	Fluid	All	per	Per	All
	17	areas	17	2/	THIR 5/		111 01833 1	010331	Dienu	grade	milk	producer	producer	producer
	Number	1,000	Nur	nber	Million	ounds	Percent	Dollar p	per cwt.		rcent	Pounds	Dollars	1,000 dol.
		.,						F						.,
1947	29		991	135,830	14,980	9,808	65.5	4.65	4.34		21	302	5,024	682,407
1950	39		1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063		6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106		9.36		78	63	1,532	49,233	6,097,768
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77		80	67	1,954	93,685	11,007,001
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1986	44	177,992	849	112,322	98,791	42,725		13.60		80	71	2,413	111,581	12,515,451
1987	43	180,374	797	105,882	98,182	42,876		13.90		80	71	2,542	118,402	12,529,800
1988	42	184,180	776	104,141	100,066	43,141	43.1	13.42		79	71	2,627	119,261	12,419,974
1989	41	185,919	748	100,291	95,871	43,367	45.2	14.51	13.30	75	68	2,614	129,744	13,012,796
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	76	71	2,821	121,479	12,180,354
1991	40 40	200,530	698	97,803	103,232	43,033	43.0	14.57	13.12	70	73	3,017	146,452	
1993	38	199,604	675	92,934	107,947	44,805		14.19		73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866		14.75		75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,004	41.5	14.19		75	71	3,350	157,754	13,995,454
					,	,						-,	,	,,
1996	32	209,599	570	82,947	104,501	45,479	43.5	16.19	14.64	72	69	3,442	187,713	15,570,261
1997	31	208,379	570	78,422	105,224	44,917		14.36		71	69	3,676	178,424	13,992,366
1998	31	210,484	522	72,402	99,223	44,968	45.3	16.14	14.92	66	64	3,755	202,770	14,681,340
1999	31	212,118	487	69,008	104,479	45,216	43.3	16.24	14.09	67	65	4,148	216,794	14,960,544
2000	11	228,899	346	69,590	116,920	45,989	39.3	14.24	12.11	72	70	4,590	207,913	14,468,892
2001	11	231,487	350	66,423	120,223	45,887	38.2	16.96	14.90	75	73	4,959	275,642	18,308,968
2002	11	234,256	338	63,856	125,546	46,043	36.7	13.69	11.91	77	76	5,387	239,520	15,294,802
2003	11	236,180	331	58,110	110,581	45,843	41.5	14.10	12.12	67	65	5,178	242,066	14,066,672

1/ End of year. The number of markets peaked at 83 in 1962. The number of handlers peaked at 2,314 in 1961.

2/ Average for year. The number of producers peaked at 192,947 in 1961.

3/ Beginning in 1989, due to disadvantageous price situations in some markets, handlers elected not to pool milk that normally would have been

associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets.

4/ Based on blend (uniform) price adjusted for the butterfat content, and in later years, other milk components of producer milk.

Table 3—Population of Federal Milk Order Marketing Areas as Defined December 31, 2003, Total and by
State, According to the 2000 United States Census 1/

Federal Milk Order Marketing Area	Order Number	States	Population	Census Update 2/
Appalachian	005	<u>Total</u> Georgia Indiana Kentucky North Carolina	<u>18,436,178</u> 294,788 791,872 2,812,978 8,049,313	<u>19,084,034</u> 312,741 806,838 2,865,862 8,407,507
		South Carolina Tennessee Virginia West Virginia	4,012,012 2,107,138 277,768 90,309	4,147,217 2,163,609 289,851 90,408
Arizona-Las Vegas	131	<u>Total</u> Arizona Nevada	<u>6,506,397</u> 5,130,632 1,375,765	<u>7,123,646</u> 5,580,588 1,543,058
Central	032	<u>Total</u> Colorado Illinois Iowa Kansas Minnesota Missouri Nebraska Oklahoma South Dakota Wisconsin	$\begin{array}{r} \underline{22,388,105} \\ 4,110,995 \\ 3,688,820 \\ 2,847,413 \\ 2,688,418 \\ 46,877 \\ 3,498,817 \\ 1,586,359 \\ 3,450,654 \\ 402,912 \\ 66,840 \end{array}$	$\begin{array}{r} \underline{22,911,548} \\ 4,349,433 \\ 3,758,539 \\ 2,864,782 \\ 2,723,636 \\ 48,208 \\ 3,567,044 \\ 1,612,375 \\ 3,511,386 \\ 407,948 \\ 68,197 \end{array}$
Florida	006	<u>Total</u> Florida	<u>15,359,126</u> 15,359,126	<u>16,355,933</u> 16,355,933
Mideast	033	<u>Total</u> Indiana Kentucky Michigan Ohio Pennsylvania West Virginia	<u>31,379,357</u> 5,288,613 685,009 9,808,800 11,118,122 3,105,740 1,373,073	$\begin{array}{r} \underline{31,735,577}\\ 5,388,568\\ 697,887\\ 9,948,085\\ 11,199,284\\ 3,127,170\\ 1,374,583\end{array}$
Northeast	001	Total Connecticut Delaware District of Columbia Maryland Massachusetts New Hampshire New Jersey New York Pennsylvania Rhode Island Vermont Virginia	$\begin{array}{r} \underline{51,288,677}\\ 3,405,565\\ 783,600\\ 572,059\\ 5,191,710\\ 6,349,097\\ 1,235,786\\ 8,414,350\\ 16,275,023\\ 5,589,144\\ 1,048,319\\ 608,827\\ 1,815,197\end{array}$	$\begin{array}{r} \underline{52,299,522}\\ 3,483,212\\ 817,530\\ 563,364\\ 5,399,898\\ 6,433,540\\ 1,287,689\\ 8,638,172\\ 16,458,931\\ 5,627,709\\ 1,076,204\\ 619,116\\ 1,894,158\end{array}$

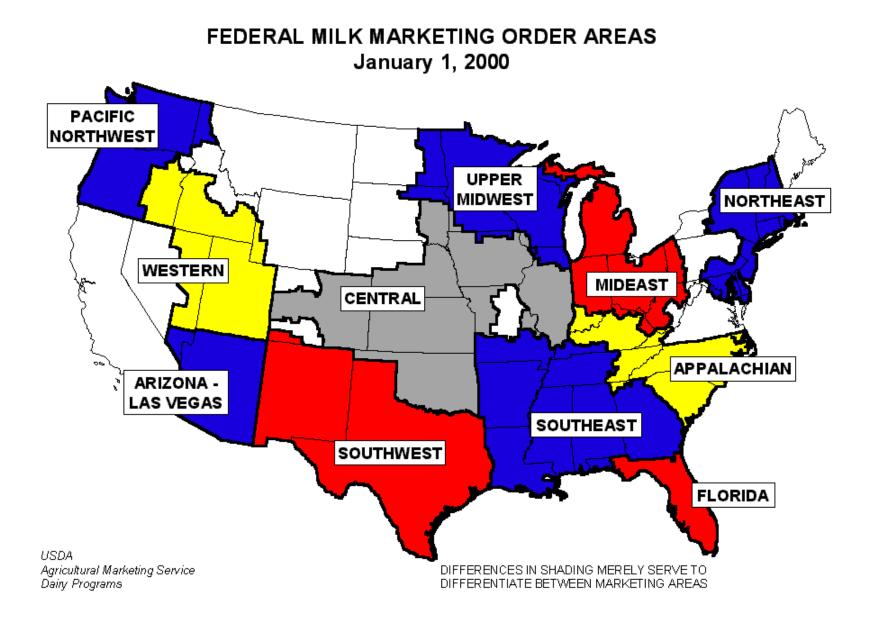
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Table 3—Population of Federal Milk Order Marketing Areas as Defined December 31, 2003, Total and by State, According to
2000 United States Census 1/ -Continued

Federal Milk Order Marketing Area	Order Number	States	Population	Census Update 2/
Pacific Northwest	124	<u>Total</u> Idaho Washington Oregon	<u>9,433,132</u> 213,268 3,325,743 5,894,121	<u>9,816,947</u> 225,190 3,460,103 6,131,654
Southeast	007	<u>Total</u> Alabama Arkansas Florida Georgia Kentucky Louisiana Mississippi Missouri Tennessee	$\begin{array}{r} \underline{28,482,597}\\ 4,447,100\\ 2,673,400\\ 623,252\\ 7,891,665\\ 543,782\\ 4,468,976\\ 2,844,658\\ 1,407,619\\ 3,582,145\end{array}$	$\begin{array}{r} \underline{29,307,487}\\ 4,500,910\\ 2,725,799\\ 663,701\\ 8,372,267\\ 554,005\\ 4,496,237\\ 2,881,354\\ 1,435,068\\ 3,678,146\end{array}$
Southwest	126	<u>Total</u> Colorado New Mexico Texas	22,748,535 77,669 1,819,046 20,851,820	24,074,226 82,174 1,874,527 22,117,525
Western	135	<u>Total</u> Idaho Nevada Oregon Utah Wyoming	<u>3,395,751</u> 981,200 58,637 88,430 2,233,169 34,315	3,580,179 1,036,049 65,767 92,003 2,351,527 34,833
Upper Midwest	030	<u>Total</u> Illinois Iowa Michigan Minnesota North Dakota South Dakota Wisconsin	<u>19,480,685</u> 8,730,473 78,911 129,644 4,872,602 294,809 77,411 5,296,835	$\begin{array}{r} \underline{19,891,056}\\ 8,895,479\\ 79,392\\ 131,485\\ 5,010,984\\ 290,976\\ 78,379\\ 5,404,361\end{array}$
All Areas Combined		Total	228,898,540	236,180,156

1/ These figures are the population in the counties, parishes, independent cities, and local subdivisions of the States listed that make up the marketing area. The source of these figures is the 2000 Population Census conducted by the Bureau of the Census, U.S. Department of Commerce.

2/ These figures are estimated based on the statewide percent changes in population between April 1, 2000 and July 1, 2003. These updates are best used as an estimate of population for the year and should not be compared to previous updates to measure change overtime.



#### SUMMARY OF MAJOR ORDER ACTIONS DURING 2003

#### JANUARY

<u>Pacific Northwest</u> – January 1 (67 FR 69668, 11/19/02.) This interim final rule amends certain pooling provisions of the Pacific Northwest Federal milk order on an interim basis.

This interim order implements amendments to the pool plant provisions which establish a cooperative manufacturing plant provision and a procedure for "system pooling" by cooperative manufacturing plants.

For the producer milk provisions, this interim order implements amendments that establish a standard of at least 3 days' milk production for the number of days during the month that the milk of a producer needs to be delivered to a pool plant (a "touch-base standard) in order for the rest of the milk of that producer to be eligible to be diverted to nonpool plants, provides authority to the Market Administrator to adjust the "touch-base" standard, and establishes a year-round diversion limit of 80 percent of total receipts for pool plants.

#### MARCH

<u>Central</u> – March 1 (68 FR 7070, 2/12/03.) This interim final rule amends certain pooling provisions of the Central Federal milk order on an interim basis.

This interim order implements amendments to the pool plant provisions which establish lower but yearround supply plant performance standards; will not consider the volume of milk shipments to distributing plants regulated by another Federal milk order as a qualifying shipment for the Central order; exclude from receipts diverted milk made by a pool plant to another pool plant in determining pool plant diversion limits; and establish a "net shipments" provision for milk deliveries to distributing plants.

For the producer milk provisions, this interim order implements amendments that: establish higher yearround diversion limits; will base diversion limits for supply plants on deliveries to Central order distributing plants; and eliminate the ability to simultaneously pool milk on the Central milk order and a State-operated milk order that has marketwide pooling.

#### APRIL

<u>Northeast and Other Marketing Areas</u> – April 1 (68 FR 7063, 2/12/03.) This final rule implements revised product-price formulas for establishing Class III and Class IV milk prices. The formulas are applicable to all Federal milk marketing orders. The revised formulas can be found at <u>Price Formulas – 2003</u>.

#### SEPTEMBER

<u>Upper Midwest</u> -- September 1 (68 FR 50686, 8/22/03.) This final rule adopts, without change, an interim final rule concerning pooling provisions of the Upper Midwest Federal milk order. Specifically, this final rule continues to prohibit the ability to simultaneously pool the same milk on the Upper Midwest Federal Milk Order and a State-operated milk order that has market-wide pooling. Additionally, the final rule limits the amount of milk that can be diverted to nonpool plants from pool distributing plants regulated under the order.

#### DECEMBER

<u>Central</u> – December 1 (68 FR 66697, 11/28/03.) This final rule adopts, without change, an interim final rule concerning pooling provisions of the Central Federal milk order. Specifically, this final rule continues to prohibit the ability to simultaneously pool milk on the Central milk order when the same milk is already pooled on a state-operated milk order that has marketwide pooling. This rule also continues provisions that: establish lower but year-round supply plant performance standards; do not consider the volume of milk shipments to distributing plants regulated by another Federal milk order as a qualifying shipment on the Central order; exclude from receipts diverted milk made by a pool plant to another pool plant in determining pool plant diversion limits; and establish a "net shipments" provision for milk deliveries to distributing plants.

#### SUMMARY OF THE QUANTITIES AND UTILIZATION OF MILK PRICED

During 2003, there were 331 handlers regulated under the 11 Federal milk orders. These handlers operated 291 distributing (fluid milk processing) plants and 104 supply (manufacturing) plants. The Northeast order had the largest number of regulated handlers (65) and distributing plants (64). The Upper Midwest order had the most supply plants (57).

An average of 58,110 producers (dairy farmers) marketed milk under Federal milk orders in 2003. On a monthly basis, the number of producers peaked at 62,218 in February, and was lowest in October (52,325). There was an average of 16,114 producers on the Northeast order, 13,308 producers in the Upper Midwest order, and only 106 producers on the Arizona-Las Vegas order.

During 2003, about 111 billion pounds of milk was marketed by dairy farmers under the Federal milk order program, about 11.9 percent lower than in 2002. (See the information below concerning not-pooled milk.) This volume of milk accounted for about 65 percent of all the milk marketed in the United States and about 67 percent of the fluid grade (Grade A) milk marketings. The average butterfat test of producer milk receipts was 3.67 percent, and ranged from 3.54 percent in August to 3.78 percent in December. On a monthly basis, producer milk receipts peaked in May at 11.1 billion pounds, and were lowest in September (6.8 billion pounds). Over 24 billion pounds of milk were marketed under the Northeast order, just 2.8 billion pounds under the Florida order. The average delivery of milk per producer during 2003 was 5,178 pounds, and ranged from 3,336 pounds in the Upper Midwest order to 79,400 pounds in the Arizona-Las Vegas order.

Nearly 46 billion pounds of producer milk receipts were disposed as Class I (fluid milk) products in 2003, 41.5 percent of total producer milk marketings, and 0.4 percent lower than in 2002. The butterfat content of producer milk used in Class I averaged 2.01 percent. On a monthly basis, the volume of Class I producer milk peaked in January at 4.1 billion pounds, and was the lowest in June (3.5 billion pounds). Relative to total producer milk marketings, Class I utilization peaked in September. The order with the largest volume of Class I producer milk was Northeast (10.7 billion pounds), over 63 percent more than the next largest volume (Mideast). On an individual order basis, the average Class I utilization percentage in 2003 ranged from 85.2 in the Florida order to 24.3 in the Western order.

Slightly more than 12 percent (13 billion pounds) of total producer milk marketings were used to produce Class II products (cream products, cottage cheese, and frozen desserts) in 2003. The butterfat test of producer milk used in Class II averaged 7.83 percent. The Northeast order had the largest volume of Class II producer milk (4.5 billion pounds). Class III products (hard cheeses and cream cheese) accounted for more than 39 billion pounds of producer milk, 35.6 percent of total producer milk marketings. The butterfat test of producer milk used in Class III averaged 3.72 percent. The Upper Midwest order had the largest volume of Class III producer milk (10.6 billion pounds). Nearly 12 billion pounds of producer milk used in Class IV products (butter and dried milk products). The butterfat test of producer milk used in Class IV averaged 5.21 percent. The Pacific Northwest order had the largest volume of Class IV producer milk (2.2 billion pounds).

An estimated 14.9 billion pounds of producer milk that normally would have been marketed under Federal orders in 2003 was not pooled due to the relationship between the uniform and lower class prices in some orders in some months. Not pooling due to price occurred in nine orders; Appalachian, Arizona-Las Vegas, Central, Mideast, Pacific Northwest, Southeast, Southwest, Western, and Upper Midwest. Nearly 92 percent of not-pooled producer milk would have been used to produce Class III products. The comparability of any statistic based on total producer milk receipts was affected by this estimated volume of not-pooled milk.

Federal Milk Order	Order	Pool Handlers	Supply	Distributing
Marketing Area	Number	1/	Plants 2/	Plants 3/
Northeast	001	65	11	64
Appalachian	005	38	3	24
Southeast	007	38	3	32
Florida	006	15	0	12
Mideast	033	33	7	45
Upper Midwest	030	60	57	30
Central	032	28	11	32
Southwest	126	16	4	21
Arizona-Las Vegas	131	5	1	3
Western	135	16	0	12
Pacific Northwest	124	17	7	16
All Markets Combined		331	104	291

## Table 4--Number of Pool Handlers, Supply Plants, and Distributing Plants Under Federal Milk Orders, by Order, December 2003

1/ See page 6 for definition of the term "handler". Includes proprietary bulk tank handlers per section 1135.11.

2/ Plants primarily engaged in producing manufactured dairy products. Includes cooperative manufacturing plants per section XXXX.7(d).

3/ Plants primarily engaged in processing or packaging fluid milk products.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SIMPLE AVERAGE
Northeast	001	16,376	16,306	16,208	16,193	16,145	16,135	16,175	16,157	16,113	15,911	15,829	15,822	16,114
Appalachian	005	3,919	3,967	3,866	3,665	3,725	3,516	3,554	3,554	3,746	3,465	3,456	3,268	3,642
Southeast	007	4,476	4,456	4,321	4,309	4,267	4,364	4,399	4,204	4,279	4,213	4,053	4,036	4,281
Florida	006	313	247	273	292	300	302	300	312	308	309	315	300	298
Mideast	033	10,547	10,505	10,470	10,357	10,312	10,253	9,385	10,724	10,601	10,443	10,543	10,367	10,376
Upper Midwest	030	14,963	14,994	15,912	15,621	15,602	15,553	9,689	9,425	8,874	9,210	13,396	16,454	13,308
Central	032	9,046	8,976	8,098	8,005	7,990	7,748	7,759	7,652	6,875	6,624	6,137	6,192	7,592
Southwest	126	760	987	984	955	959	948	688	767	777	821	804	890	862
Arizona-Las Vegas	131	107	108	104	103	107	106	106	107	106	106	104	105	106
Western	135	770	754	757	837	878	858	708	551	561	527	557	702	705
Pacific Northwest	124	920	918	909	912	909	903	691	697	705	693	832	839	827
All Markets Combined		62,197	62,218	61,902	61,249	61,194	60,686	53,454	54,150	52,945	52,322	56,026	58,975	58,110

#### Table 5--Number of Producers Delivering Milk to Handlers Regulated Under Federal Orders, by Marketing Area, 2003

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
			•	•			]	Million Pound	ls					
Northeast	001	2,058	1,901	2,150	2,109	2,177	2,002	2,017	1,943	1,882	1,923	1,860	2,015	24,038
Appalachian 2/	005	578	491	566	552	551	546	481	481	482	527	507	552	6,315
Southeast 3/	007	664	573	627	636	625	567	551	482	538	595	594	620	7,071
Florida	006	256	231	253	269	262	241	226	212	196	214	220	251	2,833
Mideast 4/	033	1,463	1,388	1,457	1,473	1,533	1,430	1,018	1,008	1,006	1,080	1,438	1,456	15,750
Upper Midwest 5/	030	1,846	1,729	1,937	1,863	1,937	1,933	660	644	644	657	1,039	2,128	17,018
Central 5/	032	1,677	1,595	1,487	1,463	1,479	1,406	760	653	711	782	1,159	1,240	14,411
Southwest 6/	126	839	822	943	933	953	885	595	559	531	558	737	820	9,174
Arizona-Las Vegas 7/	131	272	257	279	280	283	262	244	223	222	235	243	260	3,061
Western 8/	135	508	465	443	564	640	605	176	184	168	175	210	436	4,573
Pacific Northwest 9/	124	620	565	644	626	642	620	411	415	372	377	429	615	6,336
All Markets Combined	<u> </u>	10,781	10,017	10,786	10,768	11,081	10,498	7,140	6,806	6,752	7,122	8,436	10,394	110,581

Table 6--Receipts of Producer Milk by Handlers Regulated Under Federal Orders, by Marketing Area, 2003 1/

1/ All Markets Combined and TOTAL may not add due to rounding.

2/ Handlers in this marketing area elected not to pool milk in July and August due to disadvantageous intraorder class and uniform price relationships.

3/ Handlers in this marketing area elected not to pool milk in August due to disadvantageous intraorder class and uniform price relationships.

4/ Handlers in this marketing area elected not to pool milk in January, March, April, and June-October due to disadvantageous intraorder class and uniform price relationships.

5/ Handlers in these marketing areas elected not to pool milk in January-November due to disadvantageous intraorder class and uniform price relationships.

6/ Handlers in this marketing area elected not to pool milk in January and July-October due to disadvantageous intraorder class and uniform price relationships.

7/ Handlers in this marketing area elected not to pool milk in September and October due to disadvantageous intraorder class and uniform price relationships.

8/ Handlers in this marketing area elected not to pool milk in January, March, April, and July-December due to disadvantageous intraorder class and uniform price relationships.

9/ Handlers in this marketing area elected not to pool milk in July-November due to disadvantageous intraorder class and uniform price relationships.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SIMPLE AVERAGE
								Pounds						
Northeast	001	4,054	4,164	4,279	4,342	4,350	4,137	4,022	3,880	3,894	3,898	3,917	4,108	4,087
Appalachian	005	4,762	4,417	4,727	5,022	4,769	5,179	4,362	4,365	4,288	4,906	4,894	5,450	4,762
Southeast	007	4,785	4,592	4,680	4,920	4,721	4,327	4,043	3,702	4,188	4,552	4,884	4,958	4,529
Florida	006	26,387	33,456	29,949	30,750	28,138	26,625	24,345	21,955	21,257	22,352	23,245	26,965	26,285
Mideast	033	4,474	4,718	4,488	4,742	4,797	4,649	3,500	3,032	3,164	3,337	4,545	4,530	4,165
Upper Midwest	030	3,979	4,119	3,927	3,975	4,004	4,143	2,197	2,205	2,419	2,302	2,586	4,173	3,336
Central	032	5,980	6,345	5,923	6,091	5,971	6,049	3,159	2,755	3,446	3,807	6,297	6,461	5,190
Southwest	126	35,596	29,747	30,902	32,555	32,070	31,104	27,916	23,504	22,773	21,913	30,542	29,729	29,029
Arizona-Las Vegas	131	82,090	85,044	86,657	90,640	85,327	82,486	74,210	67,305	69,816	71,385	78,029	79,815	79,400
Western	135	21,275	22,042	18,860	22,456	23,508	23,516	8,024	10,756	9,986	10,695	12,551	20,034	16,975
Pacific Northwest	124	21,747	21,963	22,856	22,870	22,790	22,893	19,209	19,215	17,574	17,545	17,182	23,661	20,792
All Markets Combined 2/		5,592	5,750	5,621	5,859	5,841	5,766	4,309	4,054	4,251	4,391	5,019	5,685	5,178

Table 7--Average Daily Delivery of Milk Per Producer to Handlers Regulated Under Federal Orders, by Marketing Area, 2003 1/

1/ It should be noted that the election not to pool milk normally associated with an order due to disadvantageous intraorder price relationships affects the comparability of this statistic. See footnotes on Table 6.

2/ Figures are computed from the "All Markets Combined" data for number of producers and receipts of producer milk from Tables 5 and 6.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Perce	ent				•	•
Northeast	001	3.80	3.80	3.77	3.72	3.66	3.63	3.57	3.57	3.64	3.75	3.75	3.76	3.70
Appalachian	005	3.76	3.76	3.71	3.64	3.59	3.56	3.52	3.54	3.58	3.67	3.67	3.73	3.65
Southeast	007	3.74	3.70	3.63	3.53	3.50	3.52	3.51	3.53	3.60	3.71	3.72	3.78	3.63
Florida	006	3.65	3.59	3.53	3.50	3.46	3.47	3.52	3.56	3.59	3.64	3.62	3.68	3.57
Mideast	033	3.79	3.77	3.74	3.69	3.62	3.59	3.53	3.54	3.61	3.73	3.78	3.81	3.69
Upper Midwest	030	3.77	3.76	3.74	3.71	3.66	3.60	3.53	3.53	3.63	3.76	3.85	3.83	3.72
Central	032	3.77	3.75	3.72	3.66	3.60	3.55	3.50	3.52	3.61	3.72	3.78	3.78	3.68
Southwest	126	3.75	3.71	3.67	3.58	3.52	3.50	3.52	3.47	3.59	3.68	3.70	3.73	3.62
Arizona-Las Vegas	131	3.63	3.58	3.58	3.57	3.54	3.54	3.56	3.54	3.57	3.61	3.69	3.71	3.59
Western	135	3.68	3.65	3.63	3.60	3.55	3.48	3.46	3.45	3.55	3.60	3.73	3.74	3.60
Pacific Northwest	124	3.71	3.69	3.68	3.65	3.62	3.57	3.54	3.52	3.62	3.66	3.82	3.83	3.66
All Markets Combined		3.76	3.74	3.71	3.66	3.61	3.57	3.54	3.54	3.61	3.71	3.76	3.78	3.67

Table 8--Butterfat Test of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of butterfat and producer milk pounds.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Perc	ent					
Northeast	001	8.74	8.73	8.71	8.70	8.67	8.66	8.58	8.57	8.66	8.76	8.77	8.77	8.69
Mideast	033	8.79	8.78	8.75	8.72	8.72	8.69	8.62	8.62	8.70	8.78	8.80	8.81	8.74
Upper Midwest	030	8.75	8.75	8.75	8.75	8.71	8.69	8.61	8.60	8.70	8.77	8.82	8.80	8.74
Central	032	8.78	8.78	8.77	8.75	8.73	8.70	8.64	8.64	8.75	8.81	8.85	8.84	8.76
Southwest	126	8.77	8.75	8.75	8.73	8.69	8.68	8.67	8.66	8.76	8.80	8.84	8.85	8.75
Western	135	8.74	8.72	8.75	8.74	8.71	8.68	8.63	8.63	8.72	8.79	8.87	8.86	8.74
Pacific Northwest	124	8.72	8.71	8.72	8.71	8.70	8.68	8.66	8.67	8.73	8.75	8.84	8.82	8.73
All Markets Combined	L	8.76	8.75	8.74	8.73	8.70	8.68	8.62	8.61	8.70	8.78	8.81	8.81	8.73

Table 9--Nonfat Solids Test of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of nonfat solids and producer milk pounds.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
						•		Perce	ent					
Northeast	001	3.04	3.04	3.01	2.98	2.96	2.95	2.91	2.91	3.00	3.10	3.10	3.09	3.01
Mideast	033	3.08	3.28	3.03	2.99	2.98	2.97	2.92	2.93	3.01	3.11	3.10	3.11	3.05
Upper Midwest	030	3.04	3.04	3.02	3.00	2.97	2.95	2.91	2.91	3.01	3.09	3.12	3.09	3.02
Central	032	3.07	3.06	3.04	3.00	2.97	2.95	2.93	2.95	3.06	3.12	3.13	3.11	3.04
Southwest	126	3.08	3.05	3.02	2.99	2.95	2.94	2.94	2.96	3.05	3.10	3.13	3.12	3.03
Western	135	3.06	3.05	3.04	3.04	2.99	2.97	2.91	2.94	3.04	3.10	3.17	3.16	3.04
Pacific Northwest	124	3.04	3.02	3.03	3.01	2.99	2.97	2.95	2.98	3.05	3.09	3.17	3.15	3.04
All Markets Combined		3.05	3.08	3.02	3.00	2.97	2.96	2.92	2.93	3.02	3.10	3.12	3.11	3.03

Table 10--Protein (True) Test of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of true protein and producer milk pounds.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Perce	nt					
Northeast	001	5.70	5.70	5.70	5.72	5.72	5.71	5.67	5.66	5.67	5.66	5.67	5.68	5.69
Mideast	033	5.71	5.71	5.71	5.72	5.74	5.73	5.70	5.69	5.69	5.67	5.69	5.70	5.71
Upper Midwest	030	5.71	5.71	5.73	5.75	5.74	5.74	5.70	5.69	5.68	5.68	5.70	5.70	5.72
Central	032	5.71	5.71	5.74	5.75	5.76	5.75	5.71	5.69	5.69	5.68	5.72	5.73	5.73
Southwest	126	5.69	5.70	5.72	5.74	5.74	5.73	5.72	5.70	5.71	5.70	5.71	5.73	5.72
Western	135	5.68	5.68	5.71	5.70	5.71	5.71	5.72	5.70	5.69	5.69	5.70	5.70	5.70
Pacific Northwest	124	5.68	5.69	5.69	5.70	5.71	5.71	5.71	5.69	5.68	5.66	5.67	5.67	5.69
All Markets Combined		5.70	5.70	5.72	5.73	5.73	5.73	5.69	5.68	5.68	5.67	5.69	5.70	5.71

Table 11--Other Solids Test of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of other solids and producer milk pounds.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	SIMPLE AVERAGE
								Thousa	nd					
Mideast	033	334	334	372	351	331	348	404	405	372	332	328	326	353
Upper Midwest	030	307	313	323	315	321	326	332	341	318	279	271	282	311
Central	032	302	310	312	304	310	324	363	375	343	296	274	274	316
Southwest	126	314	305	305	274	282	312	340	348	325	319	281	272	306
All Markets Combined	1	314	316	328	311	311	328	360	367	340	307	289	289	321

Table 12--Somatic Cell Count of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ Information shown for those orders which adjust producer payments for the somatic cell count of producer milk. All averages are simple.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
								Million Pour	nds					
Northeast	001	932	851	888	871	917	827	846	872	925	955	879	939	10,701
Appalachian	005	413	350	368	364	366	341	370	376	374	390	350	382	4,443
Southeast	007	427	374	392	384	390	349	366	382	388	400	377	401	4,629
Florida	006	228	202	219	209	207	186	196	186	177	193	190	218	2,412
Mideast	033	596	522	545	533	563	485	522	543	551	586	539	562	6,546
Upper Midwest	030	362	321	340	338	347	303	328	326	347	363	370	385	4,130
Central	032	437	394	409	401	401	357	374	390	406	419	359	377	4,724
Southwest	126	372	318	339	342	339	308	325	341	347	367	328	342	4,068
Arizona-Las Vegas	131	88	79	83	82	82	72	83	78	80	86	79	86	976
Western	135	95	86	90	92	94	87	93	93	95	101	88	96	1,109
Pacific Northwest	124	189	163	175	176	180	160	172	169	173	188	177	182	2,105
All Markets Combined	!	4,139	3,659	3,847	3,791	3,885	3,475	3,675	3,755	3,863	4,048	3,736	3,969	45,843

Table 13--Utilization of Producer Milk in Class I Products, by Federal Milk Order Marketing Area, 2003 1/

1/ All Markets Combined and TOTAL may not add due to rounding.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
					•			Percent						
Northeast	001	45.28	44.76	41.32	41.28	42.14	41.30	41.93	44.86	49.11	49.68	47.25	46.59	44.52
Appalachian	005	71.39	71.40	64.97	65.89	66.40	62.33	77.05	78.22	77.60	73.91	68.90	69.19	70.36
Southeast	007	64.30	65.22	62.49	60.39	62.38	61.57	66.33	79.18	72.08	67.36	63.57	64.66	65.47
Florida	006	88.91	87.10	86.40	77.76	79.13	77.25	86.67	87.77	90.22	90.32	86.65	86.77	85.15
Mideast	033	40.77	37.60	37.42	36.18	36.68	33.94	51.26	53.82	54.74	54.23	37.51	38.57	41.56
Upper Midwest	030	19.63	18.54	17.54	18.15	17.90	15.65	49.67	50.64	53.95	55.25	35.59	18.11	24.27
Central	032	26.07	24.72	27.48	27.41	27.12	25.38	49.22	59.75	57.15	53.61	30.98	30.37	32.78
Southwest	126	44.31	38.65	35.95	36.67	35.59	34.87	54.61	61.01	65.42	65.75	44.54	41.68	44.35
Arizona-Las Vegas	131	32.36	30.80	29.58	29.15	28.89	27.61	34.01	34.73	35.83	36.66	32.30	32.95	31.88
Western	135	18.74	18.56	20.39	16.27	14.68	14.34	52.59	50.39	56.33	57.53	42.02	22.12	24.25
Pacific Northwest	124	30.46	28.82	27.18	28.05	28.07	25.87	41.91	40.64	46.67	49.84	41.19	29.65	33.21
All Markets Combined		38.39	36.53	35.67	35.21	35.06	33.11	51.47	55.18	57.21	56.84	44.29	38.19	41.46

Table 14--Class I Utilization Percentage of Producer Milk , by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of producer milk used in Class I and total producer milk.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	2.04	2.04	2.02	2.05	2.04	2.06	2.09	2.13	2.06	2.08	2.17	2.20	2.08
Appalachian	005	2.13	2.11	2.09	2.09	2.11	2.15	2.15	2.10	2.09	2.12	2.16	2.22	2.13
Southeast	007	2.13	2.12	2.11	2.11	2.15	2.22	2.23	2.15	2.13	2.18	2.23	2.29	2.17
Florida	006	2.13	2.12	2.14	2.15	2.21	2.26	2.29	2.23	2.21	2.30	2.33	2.33	2.22
Mideast	033	1.86	1.87	1.86	1.87	1.85	1.90	1.91	1.89	1.86	1.89	1.93	1.98	1.89
Upper Midwest	030	1.53	1.53	1.53	1.54	1.55	1.59	1.61	1.59	1.57	1.58	1.65	1.64	1.58
Central	032	1.81	1.79	1.80	1.78	1.81	1.85	1.87	1.82	1.79	1.81	1.90	1.95	1.83
Southwest	126	2.32	2.30	2.32	2.31	2.33	2.42	2.43	2.24	2.30	2.34	2.36	2.44	2.34
Arizona-Las Vegas	131	1.94	1.95	1.96	1.98	2.00	2.04	2.10	2.01	2.01	2.04	2.09	2.18	2.03
Western	135	1.86	1.89	1.95	2.14	1.96	2.03	1.96	1.98	1.99	2.00	2.05	2.13	1.99
Pacific Northwest	124	1.75	1.75	1.76	1.81	1.78	1.84	1.81	1.86	1.81	1.84	2.00	1.99	1.83
All Markets Combined		1.98	1.97	1.97	1.98	1.98	2.03	2.04	2.01	1.98	2.01	2.07	2.12	2.01

Table 15--Butterfat Test of Producer Milk Used in Class I Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of butterfat and producer milk pounds used in Class I.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC	AVERAGE
								Percen	t					
Northeast	001	8.90	8.89	8.87	8.85	8.83	8.81	8.72	8.71	8.82	8.91	8.92	8.92	8.85
Mideast	033	8.98	8.97	8.93	8.88	8.90	8.86	8.78	8.78	8.87	8.96	8.97	8.98	8.91
Upper Midwest	030	8.95	8.95	8.94	8.93	8.89	8.87	8.78	8.78	8.88	8.98	9.02	9.00	8.92
Central	032	9.00	9.00	8.98	8.93	8.91	8.87	8.78	8.79	8.91	8.99	9.04	9.03	8.94
Southwest	126	8.93	8.91	8.90	8.87	8.82	8.80	8.76	8.77	8.88	8.93	8.98	8.99	8.88
Western	135	8.91	8.90	8.91	8.87	8.85	8.82	8.76	8.77	8.88	8.95	9.02	8.99	8.89
Pacific Northwest	124	8.89	8.88	8.89	8.87	8.86	8.84	8.81	8.83	8.91	8.92	9.00	8.97	8.89
All Markets Combined	`	8.94	8.93	8.91	8.88	8.86	8.83	8.76	8.76	8.86	8.94	8.98	8.97	8.89

Table 16--Nonfat Solids Test of Producer Milk Used in Class I Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of nonfat solids and producer milk pounds used in Class I.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
			Million Pounds											
Northeast	001	349	330	403	370	378	393	410	395	387	386	337	329	4,465
Appalachian	005	68	66	81	79	89	89	78	70	77	81	73	58	910
Southeast	007	51	48	57	62	59	71	72	58	55	52	64	55	705
Florida	006	17	17	21	19	15	18	18	20	16	16	20	19	215
Mideast 2/	033	154	206	180	222	233	226	252	246	249	222	209	178	2,578
Upper Midwest 3/	030	43	42	51	53	49	52	105	119	114	112	114	109	963
Central 3/	032	97	89	95	103	102	107	154	144	138	129	117	100	1,375
Southwest 4/	126	74	98	116	124	127	129	101	110	101	92	90	90	1,253
Arizona-Las Vegas	131	11	14	15	16	19	20	18	19	23	19	21	17	213
Western 5/	135	28	27	30	31	30	36	27	30	25	31	30	24	350
Pacific Northwest 5/	124	37	34	37	39	39	43	41	44	32	31	34	38	448
All Markets Combined	4	928	971	1,087	1,119	1,140	1,183	1,276	1,255	1,217	1,171	1,110	1,017	13,474

Table 17--Utilization of Producer Milk in Class II Products, by Federal Milk Order Marketing Area, 2003 1/

1/ All Markets Combined and TOTAL may not add due to rounding.

2/ Handlers in this marketing area elected not to pool producer milk used in Class II in January, March, April, and June due to the relationship between the order's Class II and uniform prices.

3/ Handlers in these marketing areas elected not to pool producer milk used in Class II in January-June due to the relationship between the order's Class II and uniform prices.

4/ Handlers in this marketing area elected not to pool producer milk used in Class II in January due to the relationship between the order's Class II and uniform prices.

5/ Handlers in this marketing area elected not to pool producer milk used in Class II in July-October due to the relationship between the order's Class II and uniform prices.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	16.94	17.35	18.76	17.52	17.34	19.61	20.31	20.34	20.55	20.06	18.11	16.31	18.57
Appalachian	005	11.76	13.55	14.32	14.34	16.16	16.25	16.14	14.60	16.08	15.40	14.45	10.44	14.41
Southeast 3/	007	7.74	8.43	9.15	9.80	9.40	12.51	13.01	12.00	10.32	8.70	10.84	8.87	9.97
Florida	006	6.72	7.30	8.13	7.03	5.67	7.30	8.14	9.19	8.09	7.65	9.08	7.63	7.60
Mideast	033	10.55	14.83	12.36	15.09	15.22	15.81	24.72	24.38	24.72	20.59	14.54	12.23	16.37
Upper Midwest	030	2.32	2.40	2.65	2.84	2.55	2.71	15.89	18.43	17.63	16.96	11.01	5.14	5.66
Central	032	5.75	5.56	6.39	7.06	6.87	7.59	20.33	22.07	19.49	16.50	10.10	8.02	9.54
Southwest	126	8.81	11.94	12.28	13.34	13.35	14.57	17.05	19.70	19.03	16.53	12.15	11.00	13.66
Arizona-Las Vegas	131	3.88	5.34	5.23	5.72	6.65	7.80	7.55	8.69	10.16	8.24	8.83	6.72	6.95
Western	135	5.54	5.87	6.81	5.46	4.76	5.89	15.42	16.27	14.99	17.63	14.38	5.53	7.65
Pacific Northwest	124	5.93	6.01	5.79	6.21	6.04	6.97	9.90	10.55	8.55	8.25	7.98	6.14	7.08
All Markets Combined	I	8.61	9.69	10.08	10.39	10.29	11.27	17.87	18.44	18.02	16.45	13.16	9.79	12.19

Table 18--Class II Utilization Percentage of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ It should be noted that the election not to pool milk normally associated with an order due to a disadvantageous price relationship affects the comparability of this statistic. See footnotes on Table 17. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of producer milk used in Class II and total producer milk.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
			•					Percent						·
Northeast	001	7.39	7.36	7.13	7.45	7.68	7.10	6.98	6.80	6.81	7.12	7.47	7.76	7.24
Appalachian	005	7.94	8.08	8.03	8.37	7.88	7.39	8.16	8.53	8.22	8.35	8.83	10.72	8.31
Southeast	007	9.33	8.56	8.23	8.17	8.32	7.31	7.63	8.46	8.96	9.06	7.51	8.58	8.28
Florida	006	15.73	15.10	14.81	14.95	17.29	14.62	15.54	14.94	17.76	17.66	14.79	15.11	15.61
Mideast	033	7.94	6.49	7.86	6.84	6.63	7.28	6.08	6.12	5.97	6.96	7.01	7.61	6.82
Upper Midwest	030	16.26	15.59	13.97	13.65	13.72	12.99	8.24	7.94	8.20	7.94	8.70	8.68	10.08
Central	032	8.42	8.32	8.52	8.41	8.32	8.11	6.33	6.27	6.62	6.83	6.74	7.31	7.37
Southwest	126	8.46	7.77	7.28	7.09	6.87	7.68	7.89	8.07	8.01	8.77	9.50	9.30	7.96
Arizona-Las Vegas	131	9.55	10.07	9.59	10.76	14.71	13.31	11.69	10.41	9.42	9.10	10.69	12.66	11.08
Western	135	5.98	6.66	5.79	4.95	6.49	7.79	7.39	6.91	7.14	6.12	6.00	7.89	6.57
Pacific Northwest	124	8.99	8.98	8.98	9.79	9.29	8.72	10.25	8.72	10.94	11.38	11.40	9.88	9.71
All Markets Combined	ł	8.43	7.97	8.04	7.96	8.01	7.88	7.31	7.25	7.34	7.70	7.96	8.44	7.83

Table 19--Butterfat Test of Producer Milk Used in Class II Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of butterfat and producer milk pounds used in Class II.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
			Percent											
Northeast	001	8.42	8.41	8.41	8.36	8.32	8.35	8.28	8.28	8.38	8.44	8.43	8.41	8.37
Mideast	033	8.41	8.55	8.37	8.43	8.45	8.36	8.40	8.40	8.49	8.48	8.49	8.46	8.44
Upper Midwest	030	7.63	7.69	7.82	7.83	7.80	7.85	8.18	8.21	8.29	8.40	8.38	8.36	8.15
Central	032	8.41	8.42	8.37	8.34	8.35	8.32	8.41	8.41	8.50	8.53	8.63	8.57	8.44
Southwest	126	8.35	8.40	8.42	8.42	8.40	8.31	8.28	8.26	8.37	8.34	8.31	8.35	8.35
Western	135	8.55	8.49	8.58	8.63	8.45	8.31	8.32	8.36	8.45	8.61	8.69	8.49	8.49
Pacific Northwest	124	8.24	8.22	8.24	8.15	8.18	8.21	8.05	8.21	8.06	8.05	8.13	8.25	8.17
All Markets Combined	•	8.36	8.40	8.36	8.35	8.34	8.31	8.31	8.31	8.40	8.44	8.45	8.42	8.37

Table 20---Nonfat Solids Test of Producer Milk Used in Class II Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of nonfat solids and producer milk pounds used in Class II.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
			Million Pounds											
Northeast	001	584	536	625	601	609	615	604	550	497	498	506	564	6,788
Appalachian 2/	005	53	39	64	56	50	66	7	4	10	27	29	43	449
Southeast 3/	007	134	117	137	147	143	123	86	7	69	96	95	104	1,258
Florida	006	6	7	9	22	20	19	8	1	1	4/	1	7	100
Mideast 5/	033	651	589	645	638	659	640	184	138	156	214	606	631	5,751
Upper Midwest 6/	030	1,403	1,282	1,497	1,431	1,508	1,496	76	54	37	31	376	1,459	10,650
Central 6/	032	1,065	979	859	837	838	821	130	54	119	175	566	659	7,103
Southwest 5/	126	242	246	273	263	279	255	9	5	5	8	210	227	2,022
Arizona-Las Vegas 7/	131	75	81	104	97	101	102	102	96	91	93	98	94	1,135
Western 8/	135	309	287	313	432	452	427	5	3	4	4	48	282	2,565
Pacific Northwest 6/	124	197	186	220	212	217	212	2	25	3	3	60	204	1,541
All Markets Combined	1	4,720	4,350	4,743	4,737	4,875	4,774	1,213	937	992	1,150	2,596	4,274	39,360

Table 21--Utilization of Producer Milk in Class III Products, by Federal Milk Order Marketing Area, 2003 1/

1/ All Markets Combined and TOTAL may not add due to rounding.

2/ Handlers in this marketing area elected not to pool producer milk used in Class III in July and August due to the relationship between the order's Class III and uniform price.

3/ Handlers in this marketing area elected not to pool producer milk used in Class III in August due to the relationship between the order's Class III and uniform price.

4/ Less than 500,000 pounds.

5/ Handlers in these marketing areas elected not to pool producer milk used in Class III in July-October due to the relationship between the order's Class III and uniform price.

6/ Handlers in these marketing areas elected not to pool producer milk used in Class III in July-November due to the relationship between the order's Class III and uniform price.

7/ Handlers in this marketing area elected not to pool producer milk used in Class III in September and October due to the relationship between the order's Class III and uniform price.

8/ Handlers in this marketing area elected not to pool producer milk used in Class III in July-December due to the relationship between the order's Class III and uniform price.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	28.39	28.18	29.05	28.47	27.99	30.69	29.96	28.30	26.38	25.92	27.20	28.00	28.24
Appalachian	005	9.22	7.89	11.25	10.15	9.09	12.15	1.56	0.80	2.17	5.04	5.72	7.85	7.11
Southeast	007	20.22	20.50	21.84	23.18	22.88	21.66	15.57	1.35	12.87	16.12	16.02	16.70	17.79
Florida	006	2.36	3.16	3.48	8.23	7.51	7.81	3.51	0.45	0.30	0.14	0.31	2.64	3.53
Mideast	033	44.52	42.44	44.25	43.31	42.96	44.72	18.05	13.70	15.52	19.80	42.15	43.38	36.51
Upper Midwest	030	76.02	74.15	77.25	76.81	77.89	77.37	11.58	8.35	5.73	4.76	36.17	68.53	62.58
Central	032	63.49	61.42	57.76	57.22	56.63	58.37	17.14	8.28	16.79	22.44	48.86	53.12	49.29
Southwest	126	28.88	29.95	28.91	28.17	29.21	28.78	1.47	0.89	1.00	1.47	28.57	27.73	22.04
Arizona-Las Vegas	131	27.69	31.40	37.12	34.70	35.77	38.99	41.73	43.16	40.79	39.53	40.34	36.34	37.06
Western	135	60.78	61.69	70.74	76.62	70.68	70.53	2.63	1.89	2.43	2.19	22.74	64.57	56.09
Pacific Northwest	124	31.69	32.95	34.13	33.95	33.74	34.11	0.40	6.14	0.79	0.92	14.02	33.17	24.32
All Markets Combined	I	43.78	43.42	43.97	43.99	43.99	45.47	16.99	13.77	14.70	16.15	30.77	41.12	35.59

Table 22--Class III Utilization Percentage of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ It should be noted that the election not to pool milk normally associated with an order due to a disadvantageous price relationship affects the comparability of this statistic. See footnotes on Table 21. Figures shown for all Markets Combined and Average are computed from the applicable monthly or year-to-date totals of producer milk used in Class III and total producer milk.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
						•		Percent	•			•	•	•
Northeast	001	3.53	3.70	3.77	3.80	3.65	3.48	3.49	3.55	3.75	3.95	3.86	3.82	3.69
Appalachian	005	5.18	4.79	4.17	3.90	4.07	3.98	11.96	21.23	12.50	6.71	5.70	4.93	5.06
Southeast	007	4.13	4.11	4.12	3.95	4.11	4.02	4.22	12.56	4.69	4.63	5.07	4.64	4.33
Florida	006	5.64	3.57	4.42	3.67	4.37	3.70	5.18	15.68	14.35	8.83	20.38	5.93	4.57
Mideast	033	3.52	3.44	3.34	3.41	3.50	3.26	3.63	4.08	4.43	4.08	3.63	3.62	3.53
Upper Midwest	030	3.65	3.65	3.61	3.57	3.53	3.45	4.20	5.31	7.38	7.14	4.25	3.83	3.67
Central	032	3.65	3.62	3.58	3.57	3.54	3.57	4.04	5.05	4.43	4.13	3.81	3.64	3.66
Southwest	126	3.46	3.10	3.28	3.14	3.42	3.60	16.44	22.70	17.15	15.11	3.84	3.72	3.62
Arizona-Las Vegas	131	5.95	5.47	5.83	5.53	4.77	4.31	3.99	3.87	4.12	4.88	4.65	4.98	4.84
Western	135	3.40	3.36	3.40	3.44	3.33	3.23	11.78	21.51	19.84	24.28	5.14	3.44	3.50
Pacific Northwest	124	3.88	3.77	3.71	3.70	3.84	3.79	16.39	3.89	11.78	9.47	4.22	3.94	3.86
All Markets Combined	Į.	3.67	3.63	3.64	3.60	3.58	3.50	3.91	4.17	4.43	4.45	3.98	3.80	3.72

Table 23--Butterfat Test of Producer Milk Used in Class III Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of butterfat and producer milk pounds used in Class III.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	3.03	3.03	3.00	2.96	2.95	2.95	2.92	2.91	2.99	3.10	3.10	3.09	3.00
Mideast	033	3.07	3.07	3.04	3.00	2.98	2.97	2.91	2.89	2.97	3.09	3.11	3.10	3.03
Upper Midwest	030	3.04	3.04	3.03	3.00	2.97	2.95	2.88	2.85	2.87	2.98	3.11	3.09	3.02
Central	032	3.07	3.06	3.03	3.00	2.97	2.94	2.89	2.89	3.00	3.08	3.11	3.09	3.03
Southwest	126	3.06	3.04	3.02	2.98	2.94	2.92	2.56	2.40	2.65	2.74	3.10	3.10	3.01
Western	135	3.08	3.07	3.05	3.05	3.01	2.99	2.64	2.40	2.54	2.44	3.15	3.17	3.05
Pacific Northwest	124	3.04	3.03	3.04	3.02	3.02	2.98	2.54	2.88	2.83	2.94	3.23	3.18	3.05
All Markets Combined		3.05	3.05	3.03	3.00	2.97	2.96	2.91	2.90	2.98	3.08	3.11	3.10	3.02

Table 24--Protein (True) Test of Producer Milk Used in Class III Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of true protein and producer milk pounds used in Class III.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	5.70	5.69	5.68	5.70	5.70	5.70	5.66	5.64	5.64	5.64	5.66	5.67	5.68
Mideast	033	5.73	5.72	5.74	5.74	5.74	5.75	5.67	5.64	5.64	5.65	5.70	5.71	5.72
Upper Midwest	030	5.72	5.72	5.74	5.76	5.75	5.75	5.69	5.59	5.46	5.49	5.67	5.71	5.73
Central	032	5.71	5.71	5.74	5.76	5.76	5.75	5.69	5.61	5.67	5.67	5.71	5.73	5.73
Southwest	126	5.69	5.72	5.73	5.76	5.74	5.72	4.96	4.54	4.89	5.01	5.69	5.72	5.71
Western	135	5.70	5.69	5.72	5.71	5.72	5.71	5.19	4.63	4.75	4.48	5.61	5.72	5.70
Pacific Northwest	124	5.68	5.69	5.70	5.70	5.70	5.69	4.94	5.64	5.19	5.31	5.68	5.68	5.69
All Markets Combined		5.71	5.71	5.73	5.74	5.74	5.74	5.66	5.63	5.63	5.63	5.69	5.71	5.71

Table 25--Other Solids Test of Producer Milk Used in Class III Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of other solids and producer milk pounds used in Class III.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
								Million Pour	nds					•
Northeast	001	193	185	234	268	273	168	157	126	74	84	138	183	2,084
Appalachian	005	44	35	54	53	46	51	25	31	20	30	55	69	513
Southeast	007	51	33	41	42	33	24	28	36	25	47	57	61	479
Florida	006	5	6	5	19	20	18	4	5	3	4	9	7	105
Mideast	033	61	71	87	80	79	79	61	82	51	58	83	85	876
Upper Midwest 2/	030	38	85	49	41	32	82	151	145	146	151	179	175	1,275
Central 3/	032	79	132	125	121	139	122	101	65	47	58	117	105	1,210
Southwest	126	151	160	215	203	208	193	160	103	77	91	109	161	1,831
Arizona-Las Vegas	131	98	83	78	85	81	67	41	30	29	36	45	62	738
Western 4/	135	76	65	9	9	63	56	52	58	44	40	44	34	549
Pacific Northwest 5/	124	198	182	212	199	206	205	197	177	164	155	158	191	2,243
All Markets Combined	<u> </u>	994	1,037	1,109	1,122	1,181	1,065	976	858	680	753	994	1,133	11,903

Table 26--Utilization of Producer Milk in Class IV Products, by Federal Milk Order Marketing Area, 2003 1/

1/ All Markets Combined and TOTAL may not add due to rounding.

2/ Handlers in this marketing area elected not to pool producer milk used in Class IV in January-June due to the relationship between the order's Class IV and uniform prices.

3/ Handlers in this marketing area elected not to pool producer milk used in Class IV in January-March due to the relationship between the order's Class IV and uniform prices.

4/ Handlers in this marketing area elected not to pool producer milk used in Class IV in January, March, April, and July-November due to the relationship between the order's Class IV and uniform prices.

5/ Handlers in this marketing area elected not to pool producer milk used in Class IV in July-November due to the relationship between the order's Class IV and uniform prices.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC	AVERAGE
								Percent						
Northeast	001	9.38	9.71	10.87	12.72	12.53	8.40	7.80	6.51	3.95	4.35	7.44	9.10	8.67
Appalachian	005	7.63	7.16	9.46	9.62	8.35	9.27	5.26	6.39	4.16	5.65	10.93	12.51	8.12
Southeast	007	7.75	5.85	6.52	6.64	5.34	4.26	5.09	7.48	4.73	7.83	9.57	9.77	6.78
Florida	006	2.01	2.44	1.99	6.98	7.69	7.64	1.68	2.58	1.38	1.88	3.96	2.95	3.72
Mideast	033	4.17	5.14	5.97	5.42	5.14	5.52	5.97	8.10	5.02	5.38	5.80	5.81	5.56
Upper Midwest	030	2.03	4.91	2.55	2.20	1.66	4.26	22.86	22.58	22.68	23.02	17.23	8.22	7.49
Central	032	4.68	8.30	8.37	8.30	9.39	8.66	13.30	9.90	6.56	7.44	10.06	8.48	8.40
Southwest	126	18.01	19.46	22.86	21.82	21.85	21.79	26.88	18.39	14.55	16.24	14.74	19.58	19.96
Arizona-Las Vegas	131	36.07	32.46	28.08	30.43	28.69	25.60	16.72	13.42	13.23	15.56	18.54	23.98	24.10
Western	135	14.94	13.88	2.06	1.65	9.87	9.25	29.36	31.45	26.25	22.64	20.87	7.78	12.00
Pacific Northwest	124	31.92	32.21	32.91	31.79	32.15	33.05	47.79	42.67	43.99	40.99	36.81	31.03	35.39
All Markets Combined		9.22	10.36	10.28	10.42	10.66	10.15	13.67	12.61	10.07	10.57	11.78	10.90	10.76

Table 27--Class IV Utilization Percentage of Producer Milk, by Federal Milk Order Marketing Area, 2003 1/

1/ It should be noted that the election not to pool milk normally associated with an order due to a disadvantageous price relationship affects the comparability of this statistic. See footnotes on Table 26. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of producer milk used in Class IV and total producer milk.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	ОСТ	NOV	DEC	AVERAGE
						•		Percent						•
Northeast	001	6.66	5.83	4.60	3.87	3.57	3.78	2.94	3.52	6.02	6.06	4.35	4.47	4.49
Appalachian	005	10.87	10.90	7.68	6.88	6.55	5.78	6.91	7.58	8.62	8.55	5.28	5.48	7.29
Southeast	007	10.44	12.89	10.02	8.10	8.24	8.65	7.53	8.59	11.36	9.11	7.11	7.79	9.01
Florida	006	28.00	21.82	16.39	6.78	5.33	4.80	5.56	6.20	8.24	10.17	5.05	11.73	8.76
Mideast	033	15.08	12.61	10.00	9.28	8.38	6.08	6.61	5.82	8.43	8.71	8.75	9.32	9.02
Upper Midwest	030	15.91	8.12	12.29	13.84	17.14	7.61	4.09	3.64	4.03	5.22	4.47	5.58	6.23
Central	032	10.60	7.55	7.27	6.39	5.70	4.39	4.50	6.39	8.48	9.35	6.41	7.86	6.79
Southwest	126	5.40	4.97	4.33	4.13	3.54	2.32	2.26	1.66	2.71	2.90	2.68	3.38	3.50
Arizona-Las Vegas	131	2.73	2.23	1.22	1.50	0.98	0.99	1.79	2.03	1.63	1.15	1.07	1.38	1.60
Western	135	6.21	6.03	20.90	21.39	6.08	4.90	3.31	2.92	3.33	3.73	4.04	7.91	5.45
Pacific Northwest	124	4.42	4.35	4.29	4.02	3.94	3.60	3.55	3.76	3.97	4.19	4.06	4.27	4.03
All Markets Combined	!	7.27	6.52	5.85	5.29	4.80	4.12	3.74	4.09	4.99	5.54	4.81	5.35	5.21

Table 28--Butterfat Test of Producer Milk Used in Class IV Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of butterfat and producer milk pounds used in Class IV.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
								Percent						
Northeast	001	8.51	8.59	8.66	8.72	8.71	8.66	8.65	8.58	8.45	8.53	8.73	8.71	8.65
Mideast	033	7.74	7.96	8.17	8.20	8.27	8.45	8.33	8.41	8.27	8.31	8.33	8.30	8.24
Upper Midwest	030	7.65	8.31	7.96	7.81	7.48	8.30	8.54	8.57	8.67	8.61	8.75	8.62	8.48
Central	032	8.16	8.41	8.44	8.48	8.52	8.61	8.54	8.38	8.30	8.27	8.61	8.49	8.46
Southwest	126	8.61	8.61	8.68	8.68	8.70	8.78	8.78	8.81	8.81	8.86	8.95	8.88	8.74
Western	135	8.46	8.44	7.18	7.12	8.39	8.51	8.63	8.66	8.68	8.72	8.81	8.45	8.51
Pacific Northwest	124	8.64	8.63	8.65	8.65	8.64	8.67	8.66	8.65	8.69	8.69	8.79	8.75	8.67
All Markets Combined		8.42	8.48	8.54	8.56	8.57	8.62	8.62	8.60	8.60	8.60	8.72	8.66	8.58

Table 29--Nonfat Solids Test of Producer Milk Used in Class IV Products, by Federal Milk Order Marketing Area, 2003 1/

1/ Figures are shown for those orders for which the information is available; that is, the orders with the component pricing system for paying producers. Figures shown for All Markets Combined and AVERAGE are computed from the applicable monthly or year-to-date totals of nonfat solids and producer milk pounds used in Class IV.

## SUMMARY OF CLASS AND PRODUCER PRICES AND GROSS VALUES

During 2003, the base skim milk price for Class I averaged \$7.47 per cwt., and was the advanced Class III skim milk pricing factor in August through December, and the Class IV skim milk pricing factor in January through May and July. It was the same as both pricing factors in June. This price ranged from a high of \$10.43 in October to a low of \$5.91 in May. The effective advanced butterfat pricing factor averaged \$1.1937 per pound, and ranged from \$1.1227 in April to \$1.2944 in September. The Class I base price, also referred to as the Class I mover, averaged \$11.39 per cwt., ranging from \$9.64 in April per cwt to \$11.96 in January. For all markets combined, the Class I price averaged \$14.10 per cwt. in 2003 (3.0 percent higher than 2002), ranging from \$12.33 in April to \$17.05 in November. On an individual order basis, the annual average Class I price ranged from \$13.27 in the Upper Midwest order to \$15.34 in the Florida order.

The Class II price averaged \$10.76 per cwt. in 2003, peaking at \$11.30 in December, hitting the low point of \$10.43 in May. The Class II, III, or IV prices do not vary from order to order. The Class III price averaged \$11.42 per cwt. in 2003, ranging from \$9.11 in March to \$14.39 in October. The Class IV price averaged \$10.00, ranging from \$9.73 in April to \$10.52 in December.

During 2003, the uniform milk price, a statistical measure of the minimum price received by dairy farmers marketing milk under the Federal order program, averaged \$12.12 per cwt (1.8 percent higher than 2002). This price peaked in October at \$14.81 and hit its low point in March at \$10.69. On an individual order basis, the uniform milk price ranged from \$10.93 in the Upper Midwest order to \$14.69 in the Florida order. For those producers paid under the component pricing system, those marketing milk under orders 1, 30, 32, 33, 124, 126, and 135, the annual average values of their milk payment components were: producer price differential, \$0.81 per cwt.; butterfat, \$1.2099 per pound; true protein, \$2.3770 per pound; and other solids, \$0.0129 per pound. For those producers subject to the somatic cell adjustment to their milk payment, the rate averaged \$0.00065. For those producers under the skim milk/butterfat pricing system, those marketing milk under orders 5, 6, 7, and 131, the uniform skim milk price averaged \$9.46 per cwt. in 2003, and the uniform butterfat price averaged \$1.2167 per pound.

The gross value of producer milk receipts under the Federal order program in 2003 was \$14.1 billion, about 66 percent of the cash receipts from all milk marketings in the country. This figure was computed for each order using the applicable minimum component prices adjusted to the actual component tests of producer milk receipts. On an individual order basis, the gross value of producer milk receipts was the highest in the Northeast order, followed next by the Upper Midwest order. Per producer, the gross value of producer milk receipts averaged \$242,066. Producers in the Arizona-Las Vegas order had a gross value of more than \$3.4 million each, more than twice as much as the next largest per producer gross value in the Florida order. On the other end of the scale, producers in the Upper Midwest order had a gross value of \$153,434 each.

## FEDERAL MILK ORDER PRICE FORMULAS FOR 2003

Note: Milk prices are per 100 pounds or cwt., rounded to the nearest cent. Component prices are per pound, rounded to nearest one-hundredth cent. Cheese, dry whey, butter, and nonfat dry milk prices are weighted monthly averages of weekly NASS survey prices, rounded to the nearest one-hundredth cent.

#### Class I:

Class I Price = (Class I skim milk price x 0.965) + (Class I butterfat price x 3.5).

Class I Skim Milk Price = Higher of advanced Class III or IV skim milk pricing factors + applicable Class I differential.

Class I Butterfat Price = Advanced butterfat pricing factor+ (applicable Class I differential divided by 100).

Note: Advanced pricing factors are computed using applicable price formulas listed below, except that product price averages are for two weeks.

#### **Class II:**

Class II Price = (Class II skim milk price x 0.965) + (Class II butterfat price x 3.5).

Class II Skim Milk Price = Advanced Class IV skim milk pricing factor + \$0.70.

Class II Butterfat Price = Butterfat price + 0.007.

Class II Nonfat Solids Price = Class II skim milk price divided by 9.

#### **Class III:**

Class III Price = (Class III skim milk price x 0.965) + (Butterfat price x 3.5).

- Class III Skim Milk Price = (Protein price x 3.1) + (Other solids price x 5.9).
- Protein Price (Jan.-Mar.) = ((Cheese price -0.165) x 1.405 + ((((Cheese price -0.165) x 1.582)-Butterfat price) x 1.28).

Protein Price (Apr.-Dec.) = ((Cheese price – 0.165) x 1.383 + ((((Cheese price – 0.165) x 1.572)-Butterfat price x 0.9) x1.17).

Other Solids Price (Jan.-Mar.) = (Dry whey price - 0.14) divided by 0.968, snubbed at zero.

Other Solids Price (Apr.-Dec.) = (Dry whey price -0.159) times 1.03.

Butterfat Price (Jan.-Mar.) = (Butter price -0.115) divided by 0.82.

Butterfat Price (Apr.-Dec.) = (Butterfat price -0.115) times 1.20.

#### **Class IV:**

Class IV Price = (Class IV skim milk price x 0.965) + (Butterfat price x 3.5). Class IV Skim Milk Price = Nonfat solids price x 9. Nonfat Solids Price (Jan.-Mar.) = Nonfat dry milk price - 0.14 Nonfat Solids Price (Apr.-Dec.) = (Nonfat dry milk price - 0.14) x 0.99. Butterfat Price = See Class III.

Somatic Cell Adjustment Rate = Cheese price x 0.0005, rounded to fifth decimal place. Rate is per 1,000 somatic cell count difference from 350,000.

					Produc	ct Price Averages For:				
Year and	Class	s I (Skim, Bfa	at.), Class II (S	kim, Nonfat	Solids)	Class	II (Bfat.), Clas	ss III, Class IV,	Components	
Month	Weeks ending	Butter	Nonfat dry milk	Cheese	Dry Whey	Weeks ending	Butter	Nonfat dry milk	Cheese	Dry Whey
	chung		Dollars p	er pound		chung		Dollars p	per pound	_
2003										
Jan	12/7,14	1.0813	0.8813	1.1195	0.2038	1/4,11,18,25	1.0872	0.8207	1.1370	0.1728
Feb	1/4,11	1.1099	0.8287	1.1358	0.1787	2/1,8,15,22	1.0476	0.8111	1.1299	0.1632
Mar	2/8,15	1.0477	0.8108	1.1304	0.1641	3/1,8,15,22,29	1.0546	0.8051	1.0780	0.1599
Apr	3/8,15	1.0506	0.8048	1.0697	0.1594	4/5,12,19,26	1.0736	0.8030	1.0997	0.1582
May	4/5,12	1.0702	0.8032	1.0842	0.1589	5/3,10,17,24	1.0743	0.8040	1.1394	0.1450
Jun	5/10,17	1.0733	0.8043	1.1420	0.1448	5/31,6/7,14,21,28	1.0797	0.8040	1.1464	0.1396
Jul	6/7,14	1.0808	0.8040	1.1387	0.1372	7/5,12,19,26	1.1196	0.8072	1.3497	0.1470
Aug	7/5,12	1.1028	0.8062	1.2685	0.1452	8/2,9,16,23,30	1.1578	0.8105	1.5496	0.1615
Sep	8/9,16	1.1937	0.8118	1.5396	0.1599	9/6,13,20,27	1.1332	0.8111	1.5940	0.1755
Oct	9/6,13	1.1156	0.8094	1.5943	0.1716	10/4,11,18,25	1.1611	0.8109	1.5936	0.1892
Nov	10/4,11	1.1619	0.8117	1.5921	0.1877	11/1,8,15,22,29	1.1881	0.8130	1.4941	0.1947
Dec	11/8,15	1.1822	0.8153	1.5331	0.1947	12/6,13,20,27	1.2557	0.8070	1.3260	0.1941
Avg.		1.1058	0.8160	1.2790	0.1672		1.1194	0.8090	1.3031	0.1667

# Table 30--NASS Dairy Product Price Averages Used in Federal Milk Order Price Formulas, 2003 1/

 $\underline{1}$ /Figures are the average of the applicable weekly prices weighted by the sales volume for the week. See columns labeled "weeks ending" for applicable weeks. The most recently released information for the week is used. Averages are computed by the Agricultural Marketing Service.

Year and Month	Release Date	Class I Base Price <u>1</u> /	Base Skim Milk Price for Class I <u>2</u> /	Advanced Class III Skim Milk Pricing Factor	Advanced Class IV Skim Milk Pricing Factor	Advanced Butterfat Pricing Factor <u>3</u> /	Class II Skim Milk Price	Class II Nonfat Solids Price
			Dollars	per cwt.		\$ per lb.	\$ per cwt.	\$ per lb.
<u>2003</u>								
Jan	12/20/02	10.56	6.67	5.86	6.67	1.1784	7.37	0.8189
Feb	1/17/03	10.23	6.20	5.74	6.20	1.2133	6.90	0.7667
Mar	2/21	9.81	6.04	5.90	6.04	1.1374	6.74	0.7489
Apr <u>4</u> /	3/21	9.64	5.92	5.37	5.92	1.1227	6.62	0.7356
May	4/18	9.71	5.91	5.44	5.91	1.1462	6.61	0.7344
Jun	5/23	9.74	5.92	5.92	5.92	1.1500	6.62	0.7356
Jul	6/20	9.77	5.92	5.81	5.92	1.1590	6.62	0.7356
Aug	7/18	10.97	7.07	7.07	5.94	1.1854	6.64	0.7378
Sep	8/22	13.71	9.51	9.51	5.99	1.2944	6.69	0.7433
Oct	9/19	14.27	10.43	10.43	5.96	1.2007	6.66	0.7400
Nov	10/17	14.37	10.33	10.33	5.99	1.2563	6.69	0.7433
Dec	11/21	13.84	9.70	9.70	6.02	1.2806	6.72	0.7467
<b>A</b>		11.20	7 47	7.06	6.04	1 1027	674	0.7490
Avg.		11.39	7.47	7.26	6.04	1.1937	6.74	0.7489

# Table 31--Federal Milk Order Class I and Class II Advanced Prices and Pricing Factors, 2003

1/ This price is shown for informational purposes only; it is not defined in Section 1000.50 of the order. It equals (the base skim milk price for Class I times 0.965) plus (the advanced butterfat pricing factor times 3.5).

2/ The higher of the advanced Class III or IV skim milk pricing factors. The Class I skim milk prices equals this price plus the applicable Class I differential.

 $\frac{3}{2}$  The Class I butterfat price equals this price plus the (applicable Class I differential divided by 100).

 $\frac{4}{2}$  Beginning with the prices for April 2003, the new formulas in the Final Decision dated November 7, 2002 are being used.

Year and Month	Release Date	Class II Price <u>1</u> /	Class II Butterfat Price	Class III Price	Class III Skim Milk Price	Class IV Price	Class IV Skim Milk Price	Butterfat Price <u>2/3/</u>	Nonfat Solids Price	Protein Price <u>3</u> /	Other Solids Price <u>3</u> /	Somatic Cell Adjust- ment Rate <u>4</u> /
		\$/cwt.	\$/lb.		Dollars	per cwt.			Dollars p	er pound		\$/count
2003												
Jan	1/31/03	11.29	1.1926	9.78	5.83	10.07	6.13	1.1856	0.6807	1.8164	0.0339	0.00057
Feb	2/28	10.66	1.1443	9.66	5.89	9.81	6.04	1.1373	0.6711	1.8538	0.0240	0.00056
Mar	4/4	10.54	1.1529	9.11	5.28	9.79	5.99	1.1459	0.6651	1.6648	0.0206	0.00054
Apr <u>5</u> /	5/2	10.44	1.1573	9.41	5.58	9.73	5.91	1.1503	0.6564	1.8006	-0.0008	0.00055
May	5/30	10.43	1.1582	9.71	5.89	9.74	5.92	1.1512	0.6574	1.9275	-0.0144	0.00057
Jun	7/3	10.46	1.1646	9.75	5.91	9.76	5.92	1.1576	0.6574	1.9434	-0.0200	0.00057
Jul	8/1	10.63	1.2125	11.78	7.83	9.95	5.94	1.2055	0.6605	2.5480	-0.0124	0.00067
Aug	9/5	10.81	1.2584	13.80	9.76	10.14	5.97	1.2514	0.6638	3.1438	0.0026	0.00077
Sep	10/3	10.76	1.2288	14.30	10.39	10.05	5.98	1.2218	0.6644	3.3180	0.0170	0.00080
Oct	10/31	10.84	1.2623	14.39	10.36	10.16	5.98	1.2553	0.6642	3.2815	0.0311	0.00080
Nov	12/5	10.99	1.2947	13.47	9.29	10.30	6.00	1.2877	0.6663	2.9267	0.0368	0.00075
Dec	1/2/04	11.30	1.3758	11.87	7.34	10.52	5.94	1.3688	0.6603	2.2997	0.0362	0.00066
Avg		10.76	1.2169	11.42	7.45	10.00	5.98	1.2099	0.6640	2.3770	0.0129	0.00065

Table 32--Federal Milk Order Class II, Class III, and Class IV Milk and Component Prices, 2003

1/ See Table 31—Federal Milk Order Class I and Class II Advanced Prices and Pricing Factors, for Class II skim milk prices.

 $\underline{2}$ / Butterfat price for both Class III and IV.

3/ Producer component prices; applicable to orders 1, 30, 32, 33, 124, 126, and 135.

4/ Adjustment to producer payment in component pricing orders with this provision. Rate is per 1,000 somatic cell count difference from 350,000. Somatic cell counts below 350,000 result in a positive adjustment and a higher payment. Counts above 350,000 result in a lower payment.

5/ Beginning with the prices for April 2003, the new formulas in the Final Decision dated November 7, 2002 are being used.

		Major City in		Class I Differential for:
Federal Milk Order	Principal Pricing Point	Principal Pricing Point	Principal Pricing Point	Other Major Cities in the Order
Northeast	Suffolk Co., MA	Boston	\$3.25	New York City, \$3.15; Philadephia, \$3.05; Baltimore, \$3.00; and Washington, DC, \$3.00.
Appalachian	Mecklenburg Co., NC	Charlotte	\$3.10	Knoxville, \$2.80; and Louisville, \$2.20.
Southeast	Fulton Co., GA	Atlanta	\$3.10	New Orleans, \$3.60; Memphis, \$2.80; Nashville, \$2.60; and Springfield, MO., \$2.20.
Florida	Hillsborough Co., FL	Tampa	\$4.00	Orlando, \$4.00; Miami, \$4.30; and Jacksonville, \$3.70.
Mideast	Cuyahoga Co., OH	Cleveland	\$2.00	Indianapolis, \$2.00; Cincinnati, \$2.20; Pittsburgh, \$2.10; and Detroit, \$1.80.
Upper Midwest	Cook Co., IL	Chicago	\$1.80	Milwaukee, \$1.75; and Minneapolis, \$1.70.
Central	Jackson Co., MO	Kansas City	\$2.00	Des Moines, \$1.80; Omaha, \$1.85; Oklahoma City, \$2.60; St. Louis, \$2.00; and Denver, \$2.55.
Southwest	Dallas Co., TX	Dallas	\$3.00	Houston, \$3.60; San Antonio, \$3.45; Albuquerque, \$2.35; and El Paso, \$2.25.
Arizona-Las Vegas	Maricopa Co., AZ	Phoenix	\$2.35	Las Vegas, \$2.00.
Western	Salt Lake Co., UT	Salt Lake City	\$1.90	Boise, \$1.60.
Pacific Northwest	King Co., WA	Seattle	\$1.90	Portland, \$1.90; and Spokane, \$1.90.

Table 33--Federal Milk Order Principal Pricing Points, with Class I Differentials

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							Dollar	s per Hundr	edweight					
Northeast	001	9.92	9.45	9.29	9.17	9.16	9.17	9.17	10.32	12.76	13.68	13.58	12.95	10.77
Appalachian	005	9.77	9.30	9.14	9.02	9.01	9.02	9.02	10.17	12.61	13.53	13.43	12.80	10.59
Southeast	007	9.77	9.30	9.14	9.02	9.01	9.02	9.02	10.17	12.61	13.53	13.43	12.80	10.59
Florida	006	10.67	10.20	10.04	9.92	9.91	9.92	9.92	11.07	13.51	14.43	14.33	13.70	11.43
Mideast	033	8.67	8.20	8.04	7.92	7.91	7.92	7.92	9.07	11.51	12.43	12.33	11.70	9.51
Upper Midwest	030	8.47	8.00	7.84	7.72	7.71	7.72	7.72	8.87	11.31	12.23	12.13	11.50	9.35
Central	032	8.67	8.20	8.04	7.92	7.91	7.92	7.92	9.07	11.51	12.43	12.33	11.70	9.46
Southwest	126	9.67	9.20	9.04	8.92	8.91	8.92	8.92	10.07	12.51	13.43	13.33	12.70	10.50
Arizona-Las Vegas	131	9.02	8.55	8.39	8.27	8.26	8.27	8.27	9.42	11.86	12.78	12.68	12.05	9.84
Western	135	8.57	8.10	7.94	7.82	7.81	7.82	7.82	8.97	11.41	12.33	12.23	11.60	9.40
Pacific Northwest	124	8.57	8.10	7.94	7.82	7.81	7.82	7.82	8.97	11.41	12.33	12.23	11.60	9.41
All Markets Combined	1	9.36	8.89	8.73	8.61	8.59	8.61	8.60	9.75	12.19	13.11	13.01	12.39	10.19

Table 34-Class I Skim Milk Price, by Federal Milk Order Marketing Area, 2003 1/

1/ See Table 33 for principal pricing points of markets. All averages are weighted using the applicable pounds of skim milk in producer milk used in Class I products.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							D	ollars per Po	und					
Northeast	001	1.2109	1.2458	1.1699	1.1552	1.1787	1.1825	1.1915	1.2179	1.3269	1.2332	1.2888	1.3131	1.2280
Appalachian	005	1.2094	1.2443	1.1684	1.1537	1.1772	1.1810	1.1900	1.2164	1.3254	1.2317	1.2873	1.3116	1.2254
Southeast	007	1.2094	1.2443	1.1684	1.1537	1.1772	1.1810	1.1900	1.2164	1.3254	1.2317	1.2873	1.3116	1.2257
Florida	006	1.2184	1.2533	1.1774	1.1627	1.1862	1.1900	1.1990	1.2254	1.3344	1.2407	1.2963	1.3206	1.2333
Mideast	033	1.1984	1.2333	1.1574	1.1427	1.1662	1.1700	1.1790	1.2054	1.3144	1.2207	1.2763	1.3006	1.2148
Upper Midwest	030	1.1964	1.2313	1.1554	1.1407	1.1642	1.1680	1.1770	1.2034	1.3124	1.2187	1.2743	1.2986	1.2144
Central	032	1.1984	1.2333	1.1574	1.1427	1.1662	1.1700	1.1790	1.2054	1.3144	1.2207	1.2763	1.3006	1.2138
Southwest	126	1.2084	1.2433	1.1674	1.1527	1.1762	1.1800	1.1890	1.2154	1.3244	1.2307	1.2863	1.3106	1.2241
Arizona-Las Vegas	131	1.2019	1.2368	1.1609	1.1462	1.1697	1.1735	1.1825	1.2089	1.3179	1.2242	1.2798	1.3041	1.2183
Western	135	1.1974	1.2323	1.1564	1.1417	1.1652	1.1690	1.1780	1.2044	1.3134	1.2197	1.2753	1.2996	1.2135
Pacific Northwest	124	1.1974	1.2323	1.1564	1.1417	1.1652	1.1690	1.1780	1.2044	1.3134	1.2197	1.2753	1.2996	1.2145
All Markets Combined	1	1.2058	1.2407	1.1648	1.1501	1.1736	1.1775	1.1864	1.2128	1.3217	1.2281	1.2836	1.3080	1.2222

Table 35--Class I Butterfat Price, by Federal Milk Order Marketing Area, 2003 1/

1/ See Table 33 for principal pricing points of markets. All averages are weighted using the applicable pounds of butterfat in producer milk used in Class I products.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							Dollars	s per Hundre	edweight					
Northeast	001	13.81	13.48	13.06	12.89	12.96	12.99	13.02	14.22	16.96	17.52	17.62	17.09	14.69
Appalachian	005	13.66	13.33	12.91	12.74	12.81	12.84	12.87	14.07	16.81	17.37	17.47	16.94	14.50
Southeast	007	13.66	13.33	12.91	12.74	12.81	12.84	12.87	14.07	16.81	17.37	17.47	16.94	14.51
Florida	006	14.56	14.23	13.81	13.64	13.71	13.74	13.77	14.97	17.71	18.27	18.37	17.84	15.34
Mideast	033	12.56	12.23	11.81	11.64	11.71	11.74	11.77	12.97	15.71	16.27	16.37	15.84	13.43
Upper Midwest	030	12.36	12.03	11.61	11.44	11.51	11.54	11.57	12.77	15.51	16.07	16.17	15.64	13.27
Central	032	12.56	12.23	11.81	11.64	11.71	11.74	11.77	12.97	15.71	16.27	16.37	15.84	13.38
Southwest	126	13.56	13.23	12.81	12.64	12.71	12.74	12.77	13.97	16.71	17.27	17.37	16.84	14.42
Arizona-Las Vegas	131	12.91	12.58	12.16	11.99	12.06	12.09	12.12	13.32	16.06	16.62	16.72	16.19	13.75
Western	135	12.46	12.13	11.71	11.54	11.61	11.64	11.67	12.87	15.61	16.17	16.27	15.74	13.32
Pacific Northwest	124	12.46	12.13	11.71	11.54	11.61	11.64	11.67	12.87	15.61	16.17	16.27	15.74	13.32
All Markets Combined	1	13.25	12.92	12.50	12.33	12.40	12.43	12.46	13.66	16.39	16.95	17.05	16.53	14.10

Table 36Class I Milk	Price, by Federal Mill	k Order Marketing Area, 2003 1/

1/ See Table 33 for principal pricing points of markets. All averages are weighted using the applicable pounds of milk in producer milk used in Class I products.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							Dollar	s per Hundre	dweight					
Appalachian	005	9.07	8.69	8.31	8.29	8.33	8.24	8.59	9.52	11.52	12.15	11.65	11.15	9.60
Southeast	007	8.80	8.49	8.15	8.06	8.21	8.18	8.57	9.55	11.62	12.13	11.62	11.00	9.51
Florida	006	10.32	9.79	9.57	9.23	9.33	9.23	9.58	10.56	12.94	13.78	13.40	12.90	10.79
Arizona-Las Vegas	131	7.05	6.83	6.49	6.54	6.64	6.63	7.59	8.89	9.98	10.29	9.57	8.53	7.82
All Markets Combined	1	8.84	8.47	8.14	8.07	8.16	8.11	8.57	9.59	11.51	12.09	11.56	10.95	9.46

Table 37--Uniform Skim Milk Price, by Federal Milk Order Marketing Area, 2003 1/

1/ Information is shown for those orders that use the skim milk/butterfat pricing system for paying producers. See Table 33 for principal pricing points of markets. All averages are weighted using the applicable skim milk pounds in total producer milk receipts.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							D	ollars per Po	ound					
Appalachian	005	1.1970	1.1822	1.1563	1.1539	1.1638	1.1688	1.2008	1.2376	1.2715	1.2477	1.2900	1.3473	1.2172
Southeast	007	1.1952	1.1782	1.1551	1.1527	1.1623	1.1681	1.2004	1.2359	1.2673	1.2470	1.2886	1.3474	1.2166
Florida	006	1.2052	1.1995	1.1652	1.1588	1.1713	1.1765	1.2048	1.2403	1.2876	1.2501	1.2956	1.3450	1.2231
Arizona-Las Vegas	131	1.1891	1.1551	1.1493	1.1508	1.1561	1.1622	1.2026	1.2448	1.2431	1.2503	1.2880	1.3579	1.2104
All Markets Combined		1.1963	1.1789	1.1560	1.1537	1.1631	1.1686	1.2016	1.2386	1.2678	1.2481	1.2899	1.3486	1.2167

Table 38--Uniform Butterfat Price, by Federal Milk Order Marketing Area, 2003 1/

1/ Information is shown for those orders that use the skim milk/butterfat pricing system for paying producers. See Table 33 for principal pricing points of markets. All averages are weighted using the applicable butterfat pounds in total producer milk receipts.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							Dollar	s per Hundre	edweight					
Northeast	001	2.41	2.13	2.32	2.04	1.89	1.91	0.68	-0.08	0.71	0.82	1.48	2.52	1.59
Mideast	033	1.27	1.06	1.25	1.06	0.92	0.88	-0.10	-1.20	-0.37	-0.14	0.46	1.39	0.65
Upper Midwest	030	0.58	0.47	0.54	0.46	0.40	0.38	-0.41	-1.58	-1.07	-0.88	-0.07	0.54	0.22
Central	032	0.89	0.75	0.97	0.81	0.70	0.69	-0.29	-1.28	-0.38	-0.16	0.20	1.04	0.51
Southwest	126	2.10	1.76	1.99	1.78	1.59	1.58	0.23	-0.87	0.18	0.50	1.06	1.99	1.32
Western	135	0.71	0.63	0.77	0.54	0.48	0.49	-0.34	-1.70	-0.90	-0.63	-0.06	0.78	0.35
Pacific Northwest	124	0.98	0.78	1.02	0.80	0.67	0.62	-0.85	-2.14	-1.76	-1.34	-0.52	0.60	0.12
All Markets Combined	1	1.34	1.15	1.34	1.15	1.02	1.00	0.09	-0.91	-0.13	0.07	0.60	1.36	0.81

Table 39--Producer Price Differential, by Federal Milk Order Marketing Area, 2003 1/

1/ Information is shown for those orders that use the component pricing system for paying producers. See Table 33 for principal pricing points of markets. All averages are weighted using the applicable pounds of total producer milk receipts.

Federal Milk Order Marketing Area	Order Number	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
							Dollar	rs per Hundre	edweight					
Northeast	001	12.19	11.79	11.43	11.45	11.60	11.66	12.46	13.72	15.01	15.21	14.95	14.39	12.93
Appalachian	005	12.94	12.52	12.07	12.04	12.11	12.04	12.49	13.52	15.57	16.09	15.76	15.48	13.52
Southeast	007	12.68	12.32	11.91	11.81	11.99	11.98	12.47	13.54	15.65	16.07	15.72	15.33	13.43
Florida	006	14.18	13.65	13.31	12.96	13.10	13.02	13.46	14.53	16.99	17.67	17.47	17.16	14.69
Mideast	033	11.05	10.72	10.36	10.47	10.63	10.63	11.68	12.60	13.93	14.25	13.93	13.26	11.83
Upper Midwest	030	10.36	10.13	9.65	9.87	10.11	10.13	11.37	12.22	13.23	13.51	13.40	12.41	10.93
Central	032	10.67	10.41	10.08	10.22	10.41	10.44	11.49	12.52	13.92	14.23	13.67	12.91	11.40
Southwest	126	11.88	11.42	11.10	11.19	11.30	11.33	12.01	12.93	14.48	14.89	14.53	13.86	12.37
Arizona-Las Vegas	131	10.97	10.63	10.29	10.34	10.45	10.47	11.53	12.94	13.98	14.31	13.74	12.98	11.78
Western	135	10.49	10.29	9.88	9.95	10.19	10.24	11.44	12.10	13.40	13.76	13.41	12.65	10.94
Pacific Northwest	124	10.76	10.44	10.13	10.21	10.38	10.37	10.93	11.66	12.54	13.05	12.95	12.47	11.16
All Markets Combined		11.39	11.04	10.69	10.76	10.92	10.93	12.00	13.04	14.46	14.81	14.37	13.57	12.12

Table 40--Uniform Milk Price, by Federal Milk Order Marketing Area, 2003 1/

1/ For those orders that use the component pricing system for paying producers (orders 1, 30, 32, 33, 124, 126, and 135), the figures are the statistical uniform price (the sum of the producer price differential and the Class III price). For those orders that use the skim milk/butterfat pricing system for paying producers (orders 5, 6, 7, and 131), the figures are the uniform price (the sum of the uniform butterfat price times 3.5 and the uniform skim milk price times 0.965). Figures are shown at 3.5 percent butterfat; see Table 33 for principal pricing points of markets. All averages are weighted using the applicable pounds of total producer milk receipts.

Federal Milk Order Marketing Area	Order Number	Butterfat <u>2</u> /	Protein <u>3</u> /	Other Solids <u>4</u> /	Producer Price Differential <u>5</u> /	Somatic Cell Adjustment <u>6</u> /	Skim Milk <u>7</u> /	Uniform Price at Test
					Dollars			•
Northeast	001	4.48	7.15	0.07	1.59			13.29
Appalachian	005	4.44					9.25	13.69
Southeast	007	4.42					9.16	13.58
Florida	006	4.37					10.40	14.77
Mideast	033	4.46	7.25	0.07	0.65	<u>8</u> /		12.44
Upper Midwest	030	4.50	7.18	0.07	0.22	0.03		12.00
Central	032	4.45	7.23	0.07	0.51	0.02		12.28
Southwest	126	4.38	7.20	0.07	1.32	0.03		13.00
Arizona-Las Vegas	131	4.34					7.54	11.88
Western	135	4.36	7.23	0.07	0.35			12.01
Pacific Northwest	124	4.43	7.23	0.07	0.12			11.85

Table 41--Value Provided by the Portions of the Uniform Milk Price at Test, by Federal Milk Order Marketing Area, 2003 1/

1/ For those orders that use the component pricing system for paying producers (orders 1, 30, 32, 33, 124, 126, and 135), the uniform milk price at test is the sum of the values of the butterfat, protein, and other solids components and the producer price differential. Orders 30, 32, 33, and 126 also include an adjustment for the somatic cell count in producer milk. For those orders that use the skim milk/butterfat pricing system for paying producers (orders 5, 6, 7, and 131), the uniform milk price at test is the sum of the values of butterfat and skim milk.

2/ For those orders using the component pricing system (see 1/); the butterfat value is the annual average Class III butterfat price (see Table 32) times the order's annual average pounds of butterfat in 100 pounds of producer milk (see Table 8 for butterfat tests). For those orders using the skim milk/butterfat pricing system (see 1/); the butterfat value is the annual average uniform butterfat price (see Table 38) times the order's annual average pounds of butterfat in 100 pounds of producer milk (see Table 38) times the order's annual average pounds of butterfat in 100 pounds of producer milk (see Table 38) times the order's annual average pounds of butterfat tests).

3/ The protein value is the annual average Class III protein price (see Table 32) times the order's annual average pounds of protein in 100 pounds of producer milk (see Table 10 for protein tests).

 $\frac{4}{}$  The other solids value is the annual average Class III other solids price (see Table 32) times the order's annual average pounds of other solids in 100 pounds of producer milk (see Table 11 for other solids tests).

5/ The producer price differential is the annual average producer price differential for the order (see Table 39).

 $\underline{6}$ / The somatic cell adjustment value is the annual average of the somatic cell adjustment rate (see Table 32) times the difference between 350,000 and the annual average somatic cell count for all producer milk under the order (see Table 12).

 $\frac{7}{100}$  The skim milk value is the annual average uniform skim price for the month (see Table 37) times the order's annual average proportion of skim milk in 100 pounds of producer milk (1 minus the order's annual average butterfat test; see table 8).

8/ Less than \$0.005.

Federal Milk Order	Order	Uniform Milk	Gross Value of	Milk Receipts 1/
Marketing Area	Number	Price at Test 2/	All Producers	Per Producer
		Dollars per Cwt.	1,000 Dollars	Dollars
Northeast	001	13.29	3,195,804	198,325
Appalachian	005	13.69	864,674	237,417
Southeast	007	13.58	960,316	224,320
Florida	006	14.77	418,470	1,404,261
Mideast	033	12.44	1,958,684	188,771
Upper Midwest	030	12.00	2,041,906	153,434
Central	032	12.28	1,770,323	233,183
Southwest	126	13.00	1,193,036	1,384,033
Arizona-Las Vegas	131	11.88	363,788	3,431,958
Western	135	12.01	549,000	778,724
Pacific Northwest	124	11.85	750,671	907,704
All Markets Combined	<u>!</u>	12.72	14,066,672	242,066

Table 42--Uniform Milk Price at Test and Gross Value of Producer Milk Receipts for All Producers and Per Producer, by Federal Milk Order Marketing Area, 2003

 $\underline{1}$ / For component pricing orders (orders 1, 30, 32, 33, 124, 126, and 135), the sum of the value of producer

milk components and the value of the producer price differential. For skim/butterfat pricing orders

(orders 5, 6, 7, and 131), the product of producer milk receipts in hundredweights (cwts.), and the uniform price at test.

 $\underline{2}$ / For component pricing orders (see  $\underline{1}$ /), equals the Class III price adjusted to the applicable component test

of producer milk receipts plus the producer price differential. For skim/buttermilk pricing orders (see 1/),

equals the sum of the uniform skim milk price times (1 minus (the butterfat test of producer milk receipts divided by 100)) plus (the uniform butterfat price times (the butterfat test of producer milk receipts).

## SUMMARY OF FLUID MILK PRODUCT SALES

Two different data series of fluid milk product sales are shown in this section. The first data series shows the volume of packaged fluid milk products sold in a specific order's marketing area. This volume could include handlers regulated under the order whose marketing area is listed, handlers regulated under other Federal orders, and handlers not regulated under any Federal milk order. The second data series presents the volume of packaged fluid milk products produced by handlers regulated under the specific Federal milk order listed. This production may be distributed in the marketing area of the Federal order under which the handler is regulated, in the marketing area of another Federal order, or in an area that is outside any Federal milk order marketing area.

Almost 45 billion pounds of packaged fluid milk products were sold in all Federal milk order marketing areas in 2003. This volume was more than 81 percent of all the packaged fluid milk products sold in the United States. As a side note, slightly more than 81 percent of the total population in the U.S. resides in Federal milk order marketing areas. The proportion of total in-area sales by source was: handlers regulated under the specific order, 90%; handlers regulated under other Federal orders, 7%; and, handlers not regulated under any Federal milk order, 3%. For all Federal milk order marketing areas combined, more whole milk is sold than any other fluid milk product. Whole milk sales totaled 14.5 billion pounds versus 14.3 billion pounds for reduced fat (2%) milk. However, in six of the eleven individual Federal milk order marketing areas, more reduced fat (2%) milk was sold than whole milk.

For all Federal milk order marketing areas combined, per capita sales of fluid milk products in 2003 was 189 pounds, about 22.0 gallons. The order with the highest volume of per capita in-area sales was the Western order, 249 pounds, 29.0 gallons. The Southeast order had the smallest per capita sales, 164 pounds, 19.1 gallons. Orders with above-average per capita sales included; Pacific Northwest, Upper Midwest, Central, and Mideast.

Nearly 46 billion pounds of packaged fluid milk products were produced by the handlers regulated under the Federal milk order program in 2003. This volume was slightly less than 83 percent of all the packaged fluid milk products produced in the United States in that year. The fluid milk product with the largest volume was reduced fat milk (2% milk), 14.62 billion pounds, followed closely by whole milk with 14.61 billion pounds. These two products accounted for about 64 percent of the total fluid milk products produced by regulated handlers. The order with the largest volume of packaged fluid milk products may the Northeast, 10.7 billion pounds, nearly 66 percent larger than the next biggest volume, 6.4 billion pounds in the Mideast order.

Table 43--Summary of Packaged Sales of Fluid Milk Products in Federal Milk Order Marketing Areas, by Months, 2003 1/2/

Federal Milk Order	Order	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Marketing Area	Number						Ν	Iillion Pound	is					
Northeast	001	841	778	820	788	826	750	754	768	801	834	791	855	9,606
Appalachian	005	314	268	285	278	290	264	282	299	300	307	266	299	3,452
Southeast	007	440	390	412	401	408	366	375	400	400	414	391	412	4,809
Florida	006	260	234	256	242	240	220	227	239	234	245	237	254	2,888
Mideast	033	574	509	542	519	541	478	497	518	525	543	522	549	6,317
Upper Midwest	030	388	348	376	360	373	328	343	349	370	385	366	378	4,364
Central	032	414	373	394	390	391	350	364	387	394	411	386	405	4,660
Southwest	126	378	330	350	348	355	318	335	350	353	374	340	356	4,187
Arizona-Las Vegas	131	117	105	110	109	110	99	105	109	108	113	107	114	1,303
Western	135	78	70	74	72	76	66	72	73	74	81	76	81	893
Pacific Northwest	124	190	169	186	181	186	166	173	175	178	189	180	185	2,159
All Markets Combined		3,992	3,572	3,806	3,689	3,795	3,406	3,527	3,667	3,737	3,897	3,661	3,888	44,638

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas. Fluid milk products include: plain and flavored whole milk, eggnog, plain and flavored fat-reduced milk, buttermilk, and miscellaneous fluid milk products.
2/ All Markets Combined and TOTAL may not add due to rounding.

	All Markets	s Combined	Nort	heast	Appala	achian	Sout	heast
Product Name	Total Sales	Butterfat Content	Total Sales	Butterfat Content	Total Sales	Butterfat Content	Total Sales	Butterfat Content
	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Whole milk products 2/	15,546.5	3.30	4,039.5	3.26	1,333.8	3.30	2,065.4	3.28
Whole milk Flavored whole milk	14,503.7 896.9	3.26 3.42	3,876.8 123.2	3.23 3.31	1,243.7 79.2	3.26 3.43	1,923.6 128.3	3.26 3.18
Eggnog	124.7	6.63	33.2	6.40	8.7	7.09	12.3	7.03
Fat-reduced milk products 2/	29,091.2	1.28	5,566.1	1.15	2,118.4	1.35	2,744.0	1.36
Reduced fat milk (2%)	14,297.6	1.97	2,049.9	1.98	1,150.0	1.98	1,433.9	1.99
Low fat milk (1%) Fat-free milk (skim)	5,030.8 6,531.1	0.98 0.11	1,593.5 1,425.3	1.00 0.09	202.0 432.9	1.05 0.13	304.1 570.8	0.99 0.17
Flavored fat-reduced milk	2,677.8	1.06	462.3	1.18	197.2	1.05	303.4	1.01
Buttermilk	452.2	1.29	32.7	1.26	69.1	1.13	124.7	1.27
Total fluid milk products 2/	44,637.7	1.98	9,605.6	2.04	3,452.2	2.10	4,809.4	2.18
								Continue

Table 44--Sales of Fluid Milk Products in Federal Milk Order Marketing Areas, by Product, by Order, 2003 1/

See footnotes on page 63.

	Flor	rida	Mid	least	Upper N	Aidwest	Cen	tral
Product Name	Total Sales	Butterfat Content						
	Mil. lbs.	Percent						
Whole milk products 2/	1,316.5	3.31	1,655.8	3.30	797.7	3.33	1,241.4	3.28
Whole milk	1,232.0	3.28	1,504.4	3.26	699.7	3.28	1,139.8	3.24
Flavored whole milk	71.0	3.44	134.1	3.50	81.6	3.33	91.2	3.40
Eggnog	9.8	7.19	16.4	6.06	12.8	6.32	9.3	7.15
Fat-reduced milk products 2/	1,571.8	1.21	4,660.8	1.37	3,567.1	1.17	3,418.7	1.30
Reduced fat milk (2%)	728.1	1.96	2,632.9	1.96	1,605.0	1.97	1,789.6	1.95
Low fat milk (1%)	279.0	1.00	601.4	0.85	562.5	0.98	501.7	0.97
Fat-free milk (skim)	414.8	0.13	914.8	0.11	1,032.4	0.10	776.5	0.12
Flavored fat-reduced milk	133.3	0.95	457.8	1.09	331.7	0.93	304.6	1.01
Buttermilk	16.6	1.04	53.3	1.66	29.1	1.09	41.1	1.20
Total fluid milk products 2/	2,888.3	2.17	6,316.6	1.87	4,364.1	1.56	4,660.0	1.83
								Continu

Table 44--Sales of Fluid Milk Products in Federal Milk Order Marketing Areas, by Product, by Order, 2003 1/--Con.

See footnotes on page 63.

	South	nwest	Arizona-L	as Vegas 3/	Wes	stern	Pacific N	Vorthwest
Product Name	Total Sales	Butterfat Content	Total Sales	Butterfat Content	Total Sales	Butterfat Content	Total Sales	Butterfat Content
	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Whole milk products 2/	2,029.4	3.32	468.9	3.29	170.3	3.38	428.5	3.43
Whole milk Flavored whole milk	1,895.0 131.4	3.29 3.69	439.6 24.0	3.27 2.98	159.3 7.1	3.27 3.66	389.8 25.7	3.26 4.08
Eggnog	0.6	7.23	5.3	6.27	3.8	7.51	12.6	6.67
Fat-reduced milk products 2/	2,157.5	1.36	833.7	1.38	722.3	1.38	1,730.8	1.36
Reduced fat milk (2%)	1,148.3	1.89	471.6	1.96	359.2	1.99	929.0	1.99
Low fat milk (1%)	355.0	1.03	136.2	0.97	176.3	1.00	319.0	0.99
Fat-free milk (skim)	336.6	0.10	160.2	0.09	117.3	0.17	349.3	0.12
Flavored fat-reduced milk	255.8	1.06	55.0	1.23	62.1	1.24	114.7	1.13
Buttermilk	50.4	1.53	10.3	1.06	6.9	1.08	17.9	1.30
Total fluid milk products 2/	4,186.9	2.31	1,302.6	2.07	892.6	1.76	2,159.3	1.77

Table 44--Sales of Fluid Milk Products in Federal Milk Order Marketing Areas, by Product, by Order, 2003 1/--Con.

1/ Includes sales in each area by handlers regulated under the respective order, by handlers regulated under other orders, by partially regulated handlers, by exempt handlers, and by producer-handlers. (See page 6 for the definitions of these handler types.) Sales routes

of some handlers may extend outside defined marketing areas; therefore some in-area sales may be partially estimated.

2/ May include miscellaneous fluid milk products.

3/ The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption

of the fluid milk processor located in Clark County, Nevada.

	All Markets	Combined	North	heast	Appala	achian	South	neast
Product Name	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content
	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Whole milk	14,607.7	3.27	3,957.0	3.26	1,621.9	3.26	1,845.9	3.27
Flavored whole milk	941.0	3.40	230.9	3.18	71.7	3.54	110.9	3.17
Eggnog	128.2	6.60	40.2	6.40	10.4	6.92	13.1	6.88
Reduced fat milk (2%)	14,617.6	1.96	2,297.4	1.98	1,463.3	1.98	1,379.1	1.99
Low fat milk (1%)	5,170.7	0.98	1,753.4	1.01	257.3	1.04	317.2	1.01
Fat-free milk (skim)	6,702.3	0.11	1,631.8	0.09	537.9	0.14	569.8	0.17
Flavored fat-reduced milk	2,699.5	1.08	518.1	1.23	228.0	1.01	290.9	0.98
Buttermilk	452.8	1.28	28.7	1.09	89.0	1.09	115.9	1.32
Miscellaneous milk products	372.7	2.15	239.4	2.78	71.7	0.52	12.8	1.43
Total fluid milk products	45,692.5	1.98	10,696.9	2.03	4,351.3	2.12	4,655.6	2.17
								Continue

Table 45--Packaged Dispositions of Class I Milk Products by Handlers Regulated Under Federal Milk Orders, by Product, by Order, 2003 1/

See footnotes on page 66.

	Flori	da	Midea	ast	Upper Mi	dwest	Centr	ral
Product Name	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content
	Mil. lbs.	Percent						
Whole milk	1,087.5	3.28	1,581.2	3.26	634.8	3.25	1,108.0	3.24
Flavored whole milk	53.8	3.49	118.6	3.46	68.6	3.27	77.4	3.40
Eggnog	8.7	7.24	15.2	5.91	10.4	6.29	8.0	7.41
Reduced fat milk (2%)	628.8	1.96	2,668.3	1.96	1,532.1	1.96	1,844.4	1.95
Low fat milk (1%)	247.1	1.01	622.7	0.85	537.8	0.98	496.1	0.96
Fat-free milk (skim)	358.4	0.14	916.9	0.11	986.7	0.10	787.1	0.11
Flavored fat-reduced milk	109.2	0.85	465.3	1.10	304.3	0.89	305.3	1.07
Buttermilk	14.9	1.01	54.3	1.68	28.3	1.10	40.9	1.19
Miscellaneous milk products	2/		4.5	2.38	16.2	1.65	3.6	1.45
Total fluid milk products	2,509.1	2.17	6,446.9	1.88	4,119.2	1.53	4,670.7	1.81
								Continued

# Table 45--Packaged Dispositions of Class I Milk Products by Handlers Regulated Under Federal Milk Orders, by Product, by Order, 2003 1/--Con.

See footnotes on page 66.

	South	west	Arizona-L	as Vegas	West	ern	Pacific N	orthwest
Product Name	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content
	Mil. lbs.	Percent						
Whole milk	1,877.0	3.28	299.0	3.25	211.3	3.27	384.2	3.29
Flavored whole milk	120.7	3.75	23.9	3.00	32.9	3.71	31.5	4.03
Eggnog	0		5.1	6.20	4.2	7.49	12.9	6.65
Reduced fat milk (2%)	1,112.8	1.89	356.8	1.95	452.4	1.99	882.2	1.98
Low fat milk (1%)	345.0	1.03	113.9	0.96	184.1	1.00	296.2	0.99
Fat-free milk (skim)	326.9	0.11	123.0	0.10	124.3	0.16	339.5	0.12
Flavored fat-reduced milk	252.1	1.07	45.5	1.24	75.3	1.35	105.6	1.22
Buttermilk	48.0	1.55	7.1	1.05	8.2	1.07	17.5	1.32
Miscellaneous milk products	22.5	1.44	2/		2/		1.1	4.21
Total fluid milk products	4,104.9	2.31	974.5	2.01	1,092.7	1.89	2,070.6	1.80

Table 45--Packaged Dispositions of Class I Milk Products by Handlers Regulated Under Federal Milk Orders, by Product, by Order, 2003 1/--Con.

1/ Includes product distributed both in and out of the respective Federal milk order marketing area. Besides receipts from producers, these

dispositions also may include receipts from other Federal order plants and/or receipts from other sources.

2/ Restricted, represents sales by fewer than three handlers. Figures are included in the total for the market.

### SUMMARY OF MILK USED TO PRODUCE MANUFACTURED PRODUCTS

The statistics shown in this section differ from those shown in the Quantities and Utilization of Milk Priced section. In addition to producer milk used in each class, this section also includes "other source" milk, milk and dairy products received from other order plants or unregulated plants.

During 2003, nearly 65.9 billion pounds of milk, skim milk, and cream that were used to produce Class II, III, and IV products were handled by milk processors regulated under the Federal milk order program. This volume was either processed in their own plants, or transferred or diverted to unregulated nonpool plants for processing. On a whole-milk-equivalent basis, 45.9 percent of this volume was used in Class III products, 34.6 percent in Class II, 19.3 percent in Class IV, and 0.2 percent in other uses (milk and dairy products that were dumped, used for animal feed, or destroyed).

There were 15.1 billion pounds of milk, skim milk, and cream used to produce Class II products in 2003. The butterfat test of this volume was 7.25 percent. On a volume basis, the largest Class II volume was used in frozen desserts, 5.7 billion pounds with a 8.94 percent butterfat content, followed by cottage cheese, 3.3 billion pounds with a 1.72 percent butterfat content. On a whole-milk-equivalent basis, both fluid cream products and sour cream products use would have been larger than cottage cheese. On an individual order basis, those orders with larger populations had higher Class II volumes, with the exception of the Southeast order.

Class III production accounted for 38.6 billion pounds of milk, skim milk, and cream which had a butterfat test of 3.77 percent. The largest Class III volume was used in American cheese, 16.1 billion pounds with a 3.75 percent butterfat content, followed by Italian cheese, 12.1 billion pounds with a 3.23 percent butterfat content. The order with the largest volume of Class III production was the Upper Midwest, 10.1 billion pounds, followed by the Central order with 6.9 billion pounds. These two orders accounted for nearly 44 percent of total Class III production in all Federal milk orders.

There were 11.8 billion pounds of milk, skim milk, and cream used to produce Class IV products in 2003. The butterfat content of this volume was 5.17 percent. The Class IV product with the largest volume was nonfat dry milk; the product with the largest whole-milk-equivalent was butter. The order with the largest volume used to produce Class IV products was the Pacific Northwest, 2.4 billion pounds. About 0.3 billion pounds of milk, skim milk, and cream were used in "other uses" in 2003. This use would have been Class III in January through June; Class IV in July through December.

		Fluid Cre	am Products 2/	Sour Cre	eam Products	Cottage	Cheese 3/	Frozer	n Desserts	Y	'ogurt	Total	Class II 4/
Federal Milk Order Marketing Area	Order Number	Volume	Butterfat Content	Volume	Butterfat Content								
		Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Northeast	001	909.9	16.66	274.0	13.39	963.3	1.87	1,475.5	7.83	492.6	1.54	4,739.3	7.48
Appalachian	005	75.1	21.76	24.9	15.59	205.9	5.49	426.6	7.33	26.4	0.70	1,074.0	6.72
Southeast	007	33.5	23.98	16.1	16.83	70.5	0.80	570.0	8.33	5/		730.9	8.10
Florida	006	59.0	18.28	5/		5/		167.6	12.10	5/		338.6	9.71
Mideast	033	103.2	25.67	125.6	11.98	622.9	2.46	976.8	9.07	627.8	2.10	2,856.6	5.99
Upper Midwest	030	222.0	16.08	123.2	15.02	194.0	1.34	407.4	10.31	98.8	2.91	1,236.0	8.68
Central	032	77.8	20.90	84.7	16.15	599.9	0.78	641.5	9.62	139.8	0.75	1,594.8	6.30
Southwest	126	122.9	18.90	200.4	12.40	131.0	0.85	651.8	7.48	158.9	1.47	1,369.8	7.70
Arizona-Las Vegas	131	20.0	15.75	5/		5/		91.1	19.31	0		220.1	10.36
Western	135	26.6	20.26	18.5	15.49	196.6	0.47	138.7	11.10	33.0	0.56	418.5	6.18
Pacific Northwest	124	90.6	21.24	48.8	11.96	178.6	0.49	117.4	15.08	81.2	0.77	542.8	8.27
All Markets Combined		1,740.6	18.17	935.9	13.56	3,255.7	1.72	5,664.6	8.94	1,716.6	1.65	15,121.4	7.25

Table 46--Milk, Skim Milk, and Cream Used to Produce Class II Products, by Handlers Regulated Under Federal Milk Orders, by Product Grouping, by Order, 2003 1/

1/ Includes producer milk and other source milk used to produce these products in regulated pool plants as well as milk diverted or transferred to non-order plants where

these products are manufactured.

2/ Includes milk and cream mixtures, light cream, and heavy cream.

3/ Includes ricotta cheese.

4/ Includes listed product groupings, miscellaneous cream products, "other" food products, and restricted data per 5/.

5/ Data are restricted; pertains to the operations of fewer than three handlers. Data are included in the "All Markets Combined" figure for the product grouping.

		American	Cheese	Italian	Cheese	Cream	n Cheese	Other	Cheese	Total	Class III 2/
Federal Milk Order Marketing Area	Order Number	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content
		Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Northeast	001	2,026.5	3.56	3,570.8	3.08	583.6	10.84	306.9	2.88	6,734.6	3.67
Appalachian	005	3/ 221.7	7.30	4/		0		4/		221.7	7.30
Southeast	007	1,146.5	4.4	0		0		0		1,146.5	4.36
Florida	006	78.6	5.1	0		0		0		78.6	5.08
Mideast	033	1,146.5	3.11	2,834.4	2.99	0		1,743.2	4.43	5,856.1	3.43
Upper Midwest	030	5,637.9	3.74	2,386.6	3.60	0		1,251.7	4.07	10,050.7	3.74
Central	032	2,950.4	3.76	3,299.9	3.33	38.4	17.08	493.9	4.21	6,917.8	3.66
Southwest	126	2,025.9	3.36	0		5/		5/		2,158.5	3.59
Arizona-Las Vegas	131	6/		0		0		7/ 1,128.5	5.23	1,128.5	5.23
Western	135	155.1	3.88	6/		6/		7/ 2,403.4	3.47	2,558.5	3.50
Pacific Northwest	124	679.9	4.18	6/		0		7/ 1,075.5	3.64	1,755.3	3.85
All Markets Combined	1	3/ 16,069.0	3.75	12,091.7	3.23	622.0	11.23	7/ 8,403.1	4.04	38,606.8	3.77

Table 47--Milk, Skim Milk, and Cream Used to Produce Class III Products, by Handlers Regulated Under Federal Milk Orders, by Product Grouping, by Order, 2003 1/

1/ Includes producer milk and other source milk used to produce these products in regulated pool plants as well as milk diverted or transferred to non-order plants where these products are manufactured.

2/ Includes listed cheeses, evaporated or sweetened condensed milk in consumer-type packages, and restricted data per 5/.

3/ Includes small volumes of Italian and/or "Other" cheeses; see 4/.

4/ Data are restricted; pertains to the operations of fewer than three firms. Data are included in American cheese.

5/ Data are restricted; pertains to the operations of fewer than three firms. Data are included in "Total Class III."

6/ Data are restricted; pertains to the operations of fewer than three firms. Data are included in "Other" cheese.

7/ Includes small volumes of American, Italian, and/or cream cheese; see 6/.

		But	er	Nonfat	Dry Milk	Other I	Dry Milk	Total C	lass V 2/	Othe	er Uses 3/
Federal Milk Order Marketing Area	Order Number	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content	Volume	Butterfat Content
		Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent	Mil. lbs.	Percent
Northeast	001	202.8	48.09	1,716.3	0.07	200.9	5.64	2,202.7	5.00	83.1	2.91
Appalachian	005	48.3	34.70	59.6	1.80	4/		120.6	14.79	41.0	2.32
Southeast	007	224.4	15.98	4/		0		321.9	11.15	66.5	2.19
Florida	006	5/		0		0		42.8	13.64	14.0	2.29
Mideast	033	177.1	36.81	473.8	0.10	72.5	8.99	740.8	9.75	15.1	2.39
Upper Midwest	030	480.5	19.32	1,091.0	0.06	274.9	0.11	1,862.8	5.03	9.5	2.38
Central	032	106.5	37.48	839.2	4.05	0		955.0	7.74	40.5	2.13
Southwest	126	485.4	12.62	1,345.8	0.15	4/		1856.80	3.50	42.7	2.44
Arizona-Las Vegas	131	40.3	37.44	4/		4/		891.3	1.76	6.7	2.19
Western	135	78.0	33.58	4/		0		487.9	5.74	5.8	2.61
Pacific Northwest	124	223.1	41.41	4/		0		2,350.6	3.98	6.3	3.25
All Markets Combined	ł	3/ 2,066.5	26.27	8,958.1	0.48	560.8	3.53	11,833.2	5.17	331.3	2.46

Table 48--Milk, Skim Milk, and Cream Used to Produce Class IV Products, by Handlers Regulated Under Federal Milk Orders, by Product Grouping, by Order, 2003 1/

1/ Includes producer milk and other source milk used to produce these products in regulated pool plants as well as milk diverted or transferred to non-order plants where these products are manufactured.

2/ Includes listed product groupings, nonfat solids used to fortify fluid milk products, and restricted data per 4/ and 5/.

3/ Milk and dairy products that have been dumped, used for animal feed, or destroyed. Such uses are assigned to the lowest prices for the month: Class III in January through June; Class IV in July through December.

4/ Data are restricted; pertains to the operations of fewer than three firms. Data are included in the "All Areas Combined" figure for the product grouping.

5/ Data are restricted; pertains to the operations of fewer than three firms. Data are included in "Total Class IV".

# ERRATA to 2002 ANNUAL SUMMARY of FEDERAL MILK ORDER MARKET STATISTICS

The following items are corrections to the 2002 Annual Summary of Federal Milk Order Market Statistics.

# Summary of Class and Producer Prices and Gross Values

The last paragraph should have read: The gross value of producer milk receipts under the Federal order program in 2002 was \$15.3 billion, about 74 percent of the cash receipts from all milk marketings in the country. This figure was computed for each order using the applicable minimum component prices adjusted to the actual component tests of producer milk receipts. On an individual order basis, the gross value of producer milk receipts averaged \$239,520. Producers in the Arizona-Las Vegas order had a gross value of more than \$3.2 million each, more than twice as much as the next largest per producer gross value in the Southwest order. On the other end of the scale, producers in the Upper Midwest order Midwest order had a gross value of \$160,361 each.

# Table 41

For the Northeast marketing area, the gross value of milk receipts for all producers and per producer should have read \$3,266,246 and \$193,544, respectively. For All Markets Combined, the gross value of milk receipts for all producers and per producer should have read \$15,294,802 and \$239,520, respectively.

### Summary of Fluid Milk Product Sales

The second paragraph should have read: Nearly 46 billion pounds of packaged fluid milk product sales were produced by the handlers regulated under the Federal milk order program in 2002. This volume was about 83 percent of all the packaged fluid milk products produced in the United States in that year. The fluid milk product with the largest volume was whole milk, 14.7 billion pounds, followed closely by reduced fat milk (2% milk) with 14.6 billion pounds. These two products accounted for about 64 percent of the total fluid milk products produced by regulated handlers. The order with the largest volume of packaged fluid milk production was the Northeast, 10.7 billion pounds, nearly 66 percent larger than the next biggest volume, 6.5 billion pounds in the Mideast order.

# **Table 42**

The volume and butterfat content figures for Miscellaneous milk products should have read: All Markets Combined – 262.8 and 2.48%; Northeast - 180.4 and 3.04%; Central - 3.6 and 1.32%; and Western - 3/ and 1.83%. The volume and butterfat content figures for Total fluid milk products should have read: All Markets Combined – 45,892.4 and 1.98%; Northeast – 10,709.6 and 2.03%; Central – 4,807.2 and 1.81%; and Western – 1,059.7 and 1.85%.

The preceding corrections have been made to the Internet version of the 2002 annual report at: www.ams.usda.gov/dyfmos/mib/annsum2002.pdf.