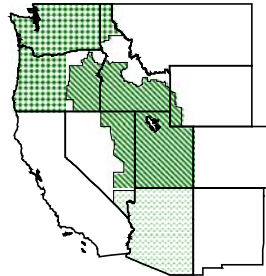


## Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



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**James R. Daugherty**  
Market Administrator

**February 2003**

### MARKET SUMMARIES FOR JANUARY 2003

Comparisons to a year ago can be found in the tables on pages 6 and 7.

#### Pacific Northwest

Producers delivered a total of 620.2 million pounds of milk to the market during January. Daily deliveries averaged 20.0 million pounds, down 5.2 percent from December. An estimated 920 producers delivered milk to the market during the month. Daily deliveries per producer averaged 21,747 pounds, up 0.1 percent from December.

Class I producer milk during January totaled 188.9 million pounds, 30.5 percent of total producer receipts. Daily usage averaged 6.1 million pounds, up 5.3 percent from December.

#### Arizona-Las Vegas

Producers delivered a total of 272.3 million pounds of milk to the market during January. Daily deliveries averaged 8.8

million pounds, up 5.8 percent from December. An estimated 107 producers delivered milk to the market during the month. Daily deliveries per producer averaged 82,090 pounds, up 5.8 percent from December.

Class I producer milk during January totaled 88.1 million pounds, 32.4 percent of total producer receipts. Daily usage averaged 2.8 million pounds, up 5.3 percent from December.

#### Western

Producers delivered a total of 507.8 million pounds of milk to the market during January. Comparisons to the previous month are affected by eligible milk not pooled in December 2002. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 16.4 million pounds, up 13.3 percent from December. An estimated 770 producers delivered milk to the market during the month. Daily deliveries per

*(Continued on Page 2)*

### Federal Order Producer Prices and Component Levels: January 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.76	10.97	10.49	Butterfat	3.706	3.631	3.677
Butterfat 2/	1.1856	1.1891	1.1856	Protein	3.036	N/A	3.065
Protein 2/	1.8164	N/A	1.8164	Other Solids	5.683	N/A	5.679
Other Solids 2/	0.0339	N/A	0.0339	Nonfat Solids	8.719	N/A	8.744
PPD 1/*	0.98	N/A	0.71				
Skim 1/	N/A	7.05	N/A				

N/A = not applicable. \* Subject to applicable location adjustments. 1/ \$ per cwt. 2/ \$ per pound.

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(Continued From Page 1)

producer averaged 21,275 pounds, up 23.4 percent from December.

Class I producer milk during January totaled 95.2 million pounds, 18.7 percent of total producer receipts. Daily usage averaged 3.1 million pounds, down 7.5 percent from December. ♦

**JANUARY 2003 CLASS PRICES**

January 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from January 4, 11, 18, and 25, 2003. Component prices for the month are \$1.8164 per pound of protein, \$1.1856 per pound of butterfat, \$0.0339 per pound of other solids, and \$0.6807 per pound of nonfat solids.

January 2003 Class III and IV prices at 3.5% butterfat are \$9.78 and \$10.07 per hundredweight, respectively. The January Class III price compared to December is up \$0.04. The Class III price is \$2.09 lower than January 2002. The Class III price at 3.67% butterfat is \$0.07 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.1926 per pound. Class I skim and butterfat and Class II skim prices for January 2003 were announced on December 20, 2002. The Class II price at 3.5% butterfat is \$11.29 for January 2003 .

<b>FINAL: NASS COMMODITY PRICES</b>			
	<u>December</u>	<u>January</u>	<u>Change</u>
Cheese*	\$1.1203	\$1.1370	\$0.0167
Butter	\$1.0926	\$1.0872	-\$0.0054
Nonfat Dry Milk	\$0.8682	\$0.8207	-\$0.0475
Whey	\$0.1965	\$0.1728	-\$0.0237

\* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrels changed from 39% to 38% moisture cheese.

**Current Commodity Prices** -- The NASS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks but a decrease for 500-pound barrels. The survey of 40-pound blocks showed an increase of 3.17 cents between the January 18 and the February 15 surveys, to \$1.1563 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 4.62 cents to \$1.0682 per pound.

The NASS butter price showed a net decrease of 4.14 cents between the weeks ending January

18 and February 15 from \$1.0829 per pound to \$1.0415 per pound.

The NASS nonfat dry milk showed a decrease of 0.52 cents since mid-January to \$0.8103 per pound. The average price for NASS whey showed a net decrease of 0.65 cents since mid-January to \$0.1635 per pound. ♦

**MARCH'S CLASS I PRICE ANNOUNCEMENT**

On February 21, the March 2003 Class I price was announced at \$11.71 for the Pacific Northwest and Western Orders, and \$12.16 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of February 8 and 15.

The March Class III and IV advance skim prices are \$5.90 and \$6.04 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 7.59 cents from \$1.2133 to \$1.1374 per pound.

The March 2003 Class II skim and nonfat solids prices were also announced on February 21. The skim price is \$6.74 per hundredweight, and the nonfat solids price is \$0.7489 per pound for all Federal orders. ♦

**ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS**

	<u>February</u>	<u>March</u>	<u>Change</u>
Cheese*	\$1.1358	\$1.1304	-\$0.0054
Butter	\$1.1099	\$1.0477	-\$0.0622
Nonfat Dry Milk	\$0.8287	\$0.8108	-\$0.0179
Whey	\$0.1787	\$0.1641	-\$0.0146

\* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrel cheese prices changed from 39% to 38% moisture cheese.

(Continued From Page 8)

comprehensive effort to consolidate and reform Federal milk marketing orders under the 1996 Farm Bill, USDA developed pricing formulas for Class III and Class IV milk based on wholesale prices of manufactured dairy products. These pricing formulas were implemented on Jan. 1, 2000, as required by the 1996 Farm Bill.

Congress mandated that USDA review the pricing formulas following the reform effort. A public hearing was held May 8-12, 2000, to consider proposals to change the formulas. Effective January 1, 2001, USDA issued revised formulas that were enjoined by a U.S. District Court at the end of January. In October 2001, following the

court injunction, USDA issued a recommended decision to alter the pricing formulas. A final decision altering the formulas was issued October 25, 2002, and printed in the *Federal Register* November 7, 2002.

The milk marketing order program ensures the fair marketing and pricing of milk. Milk marketing orders classify milk by use, set minimum prices that handlers must pay for each class of milk, and provide for paying average prices to all dairy farmers who supply a marketing area.

For copies of this final rule and additional information, contact any market administrator's office. The final rule and additional background information can be accessed on the web at <http://www.ams.usda.gov/dairy>. ♦

#### **USDA ANNOUNCES INTERIM ORDER TO AMEND THE CENTRAL MILK MARKETING ORDER**

On February 11, 2003, the U.S. Department of Agriculture issued an interim order amending the current pooling provisions of the Central milk marketing order. The tentative final decision for the Central Order, issued November 8, 2002, was approved by dairy farmers.

This interim order amends pooling standards to prevent the inappropriate pooling of milk on the Central Order. The approved amendments eliminate the ability to simultaneously pool milk on the Central milk marketing order and on a State-operated order that has marketwide pooling. The interim order also will: establish lower but year-round supply plant performance standards; 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.

The interim order was published in the February 12 Federal Register and becomes effective on March 1, 2003. For additional information about the decision, contact: Donald R. Nicholson, USDA/AMS/Dairy Programs, P.O. Box 14650, Shawnee Mission, KS 66285-4650; Tel. (913) 495-9300; email: [Donald.Nicholson@fmmcentral.com](mailto:Donald.Nicholson@fmmcentral.com). ♦

#### **ANNUAL SELECTED STATISTICS FOR 2002**

An annual summary for the year 2002 of selected statistics for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 4. Data in the table pertain to Class prices, minimum prices paid to producers, and certain other information relating to handlers and producers. In addition to data for calendar year 2002, the table also includes data for 2001 and 2000. Data reflect simple averages unless otherwise noted.

For the year 2002, the Pacific Northwest and Western Orders' Class I price averaged \$12.91, and the Arizona-Las Vegas Order's Class I price averaged \$13.36. For all orders, the Class II, III, and IV prices averaged \$11.55, \$10.42, and \$10.81, respectively, in 2002.

For the year 2002, the producer statistical uniform price averaged \$11.25 for the Pacific Northwest Order, \$11.09 for the Western Order, and \$11.52 for the Arizona-Las Vegas Order. ♦

#### **ANNUAL STATISTICAL SUMMARY FOR 2002**

An annual statistical summary for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 5. Data in the table pertain to receipts and utilizations of producer milk as reported by fully regulated handlers on the Pacific Northwest, Western, and Arizona-Las Vegas Orders. In addition to data for calendar year 2002, the table also includes data for 2001 and 2000.

Producer milk pooled on the Pacific Northwest Order totaled 7.8 billion pounds of milk for the year 2002. Class I producer milk accounted for 27.0 percent or 2.1 billion pounds of milk pooled on the order.

Producers on the Western Order pooled a total of 5.6 billion pounds of milk for the year 2002. Class I producer milk accounted for 19.7 percent or 1.1 billion pounds of milk pooled on the order.

Producer milk pooled on the Arizona-Las Vegas Order totaled 3.0 billion pounds for the year 2002. Class I producer milk accounted for 31.9 percent or 963.9 million pounds of milk pooled on the order.

♦

# ANNUAL SELECTED STATISTICS

4

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
<b>Average Minimum Class Prices (3.5% B.F.)</b>									
Class I Milk (\$/cwt.)	\$12.91	\$16.17	\$13.45	\$12.91	\$16.17	\$13.45	\$13.36	\$16.62	\$13.90
Class II Milk (\$/cwt.)	11.55	14.53	12.53	11.55	14.53	12.53	11.55	14.53	12.53
Class III Milk (\$/cwt.)	10.42	13.10	9.74	10.42	13.10	9.74	10.42	13.10	9.74
Class IV Milk (\$/cwt.)	10.81	13.76	11.83	10.81	13.76	11.83	10.81	13.76	11.83
<b>Average Producer Prices</b>									
Producer Price Differential (\$/cwt.)	\$ 0.83	\$ 1.16	\$ 1.96	\$ 0.68	\$ 0.90	\$ 1.45	+	+	+
Butterfat (\$/pound)	1.1928	1.8480	1.2522	1.1928	1.8480	1.2522	+	+	+
Protein (\$/pound)	1.9735	1.9613	1.6938	1.9735	1.9613	1.6938	+	+	+
Other Solids (\$/pound)	0.0593	0.1343	0.0509	0.0593	0.1343	0.0509	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.58	8.26	7.76
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.2012	1.8620	1.2428
Statistical Uniform Price (\$/cwt.)	\$11.25	\$14.26	\$11.70	\$11.09	\$14.00	\$11.19	\$11.52	\$14.49	\$11.84
<b>Average Producer Data</b>									
Number of Producers	1,027	1,176	1,073	795	787	755	108	115	122
Avg. Daily Production (lbs.) *	20,878	16,519	17,258	19,131	16,285	14,653	76,659	70,426	69,547
<b>Average Number of Handlers</b>									
Pool Handlers	26	26	26	17	17	18	6	6	6
Producer-Handlers	9	10	12	7	6	7	2	1	1
Other Plants w/ Class I Use **	17	14	11	20	13	9	29	28	25
<b>Average Producer Milk Ratios</b>									
Class I *	27.02%	29.60%	30.99%	19.65%	22.09%	25.05%	31.85%	32.24%	31.30%
Class II *	5.38%	6.54%	6.87%	6.95%	9.96%	9.01%	4.28%	4.93%	4.46%
Class III *	36.30%	34.51%	34.67%	58.50%	51.93%	57.33%	37.72%	39.49%	38.72%
Class IV *	31.29%	29.36%	27.47%	14.91%	16.02%	8.62%	26.15%	23.34%	25.52%

+ Not Applicable. \* Weighted Averages. \*\* Revised.

## MONTHLY SUPPLEMENTAL STATISTICS

	2002	2001	2000	2002	2001	2000	2002	2001	2000
<b>Producer-Handler Data</b>									
	----- 1,000 pounds -----								
Production	283,680	285,165	286,097	31,029	29,078	29,922	R	R	R
Class I Use	218,772	228,557	226,676	21,408	21,384	20,996	R	R	R
% Class I Use	77.12%	80.15%	79.23%	68.99%	73.54%	70.17%	R	R	R
<b>Class I Route Disposition In Area</b>									
By Pool Plants	1,941,400	1,938,827	1,944,904	843,739	850,035	855,557	906,022	891,806	920,641
By Producer-Handlers	219,175	228,398	227,290	21,491	21,461	21,167	1/	1/	R
By Other Plants	14,839	16,664	7,818	30,513	17,422	13,343	368,801	326,793 2/	162,286
Total *	2,175,415	2,183,888	2,180,012	895,743	888,918	890,068	1,274,823	1,037,764 2/	R

\* May not add due to rounding. R = Restricted. Not included. 1/ Restricted. Included with other plants beginning March 2001. 2/ Reflects total for March -December 2001.

# ANNUAL STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
	----- 1,000 pounds -----								
TOTAL PRODUCER MILK	7,823,716	7,087,614	6,775,559	5,552,476	4,676,935	4,048,483	3,026,556	2,956,125	3,109,654
RECEIPTS FROM OTHER SOURCES	119,531	118,111	133,572	73,045	67,384	98,514	292,415	79,539	80,586
OPENING INVENTORY . . . . .	287,176	287,445	260,761	156,676	134,746	150,415	156,771	134,145	165,680
<b>TOTAL TO BE ACCOUNTED FOR</b>	<b>8,230,422</b>	<b>7,493,170</b>	<b>7,169,892</b>	<b>5,782,198</b>	<b>4,879,064</b>	<b>4,297,412</b>	<b>3,475,742</b>	<b>3,169,809</b>	<b>3,355,920</b>
<b>UTILIZATION OF RECEIPTS</b>									
Whole milk . . . . .	337,007	323,186	314,936	145,642	140,276	136,944	265,657	242,338	235,179
Flavored milk & milk drinks . . . . .	134,273	127,580	114,726	63,762	66,043	65,120	63,015	55,384	52,813
2% milk . . . . .	834,120	850,066	858,683	346,306	348,714	358,443	340,971	353,121	380,640
1% milk . . . . .	289,986	294,347	300,277	169,703	178,912	173,586	107,835	106,658	110,748
Skim milk . . . . .	328,984	326,144	337,308	111,354	109,060	113,983	122,632	128,722	135,405
Buttermilk . . . . .	17,030	17,504	18,975	6,973	7,030	7,481	5,912	5,584	5,854
CLASS I ROUTE DISP. IN AREA . . . . .	1,941,400	1,938,827	1,944,904	843,739	850,035	855,557	906,022	891,806	920,641
Class I dispositions out of area . . . . .	142,397	117,438	117,724	212,025	150,186	131,027	54,587	58,038	56,862
Other Class I usage . . . . .	218,780	233,527	210,943	156,332	130,359	124,437	92,311	73,847	82,611
<b>TOTAL CLASS I USE . . . . .</b>	<b>2,302,577</b>	<b>2,289,792</b>	<b>2,273,571</b>	<b>1,212,096</b>	<b>1,130,580</b>	<b>1,111,021</b>	<b>1,052,920</b>	<b>1,023,691</b>	<b>1,060,115</b>
<b>TOTAL CLASS II USE . . . . .</b>	<b>496,814</b>	<b>541,235</b>	<b>534,337</b>	<b>428,898</b>	<b>517,046</b>	<b>408,539</b>	<b>166,361</b>	<b>157,453</b>	<b>166,126</b>
<b>TOTAL CLASS III USE . . . . .</b>	<b>2,853,851</b>	<b>2,458,431</b>	<b>2,364,012</b>	<b>3,254,398</b>	<b>2,432,340</b>	<b>2,372,171</b>	<b>1,158,989</b>	<b>1,174,633</b>	<b>1,221,122</b>
<b>TOTAL CLASS IV USE . . . . .</b>	<b>2,577,181</b>	<b>2,203,713</b>	<b>1,997,972</b>	<b>886,806</b>	<b>799,098</b>	<b>405,681</b>	<b>1,097,472</b>	<b>814,032</b>	<b>908,558</b>
<b>TOTAL ACCOUNTED FOR . . . . .</b>	<b>8,230,422</b>	<b>7,493,170</b>	<b>7,169,892</b>	<b>5,782,198</b>	<b>4,879,064</b>	<b>4,297,412</b>	<b>3,475,742</b>	<b>3,169,809</b>	<b>3,355,920</b>
<b>CLASSIFICATION OF RECEIPTS</b>									
Producer milk: Class I . . . . .	2,114,277	2,097,753	2,099,764	1,090,828	1,033,246	1,014,181	963,858	952,999	973,312
Class II . . . . .	420,700	463,506	465,358	385,669	466,021	364,568	129,513	145,784	138,632
Class III . . . . .	2,840,310	2,445,744	2,349,077	3,247,934	2,428,627	2,320,817	1,141,685	1,167,245	1,204,116
Class IV . . . . .	2,448,429	2,080,611	1,861,361	828,046	749,041	348,918	791,500	690,097	793,593
Other receipts: Class I . . . . .	188,300	192,039	173,807	121,269	97,334	96,840	449,186	213,684	246,267
Class II . . . . .	76,113	77,729	68,986	43,229	51,025	43,971	1/	1/	1/
Class III . . . . .	13,542	12,687	14,928	6,464	3,713	51,354	1/	1/	1/
Class IV . . . . .	128,752	123,102	136,611	58,760	50,057	56,763	1/	1/	1/
Avg. daily producer receipts . . . . .	21,435	19,418	18,512	15,212	12,814	11,061	8,292	8,099	8,496
Change From Previous Year . . . . .	10.39%	4.89%		18.72%	15.84%		2.38%	-4.68%	
Avg. daily Class I use . . . . .	6,308	6,273	6,212	3,321	3,097	3,036	2,885	2,805	2,896
Change From Previous Year . . . . .	0.56%	0.99%		7.21%	2.04%		2.86%	-3.17%	

1/ Restricted - Included with Class I.

# MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002
<b>Minimum Class Prices (3.5% B.F.)</b>									
Class I Milk (\$/cwt.)	\$12.46	\$12.42	\$13.86	\$12.46	\$12.42	\$13.86	\$12.91	\$12.87	\$14.31
Class II Milk (\$/cwt.)	11.29	11.62	12.69	11.29	11.62	12.69	11.29	11.62	12.69
Class III Milk (\$/cwt.)	9.78	9.74	11.87	9.78	9.74	11.87	9.78	9.74	11.87
Class IV Milk (\$/cwt.)	10.07	10.49	11.93	10.07	10.49	11.93	10.07	10.49	11.93
<b>Producer Prices</b>									
Producer Price Differential (\$/cwt.)	\$ 0.98	\$ 1.07	\$ 0.66	\$ 0.71	\$ 0.76	\$ 0.57	+	+	+
Butterfat (\$/pound)	1.1856	1.1922	1.4846	1.1856	1.1922	1.4846	+	+	+
Protein (\$/pound)	1.8164	1.7506	1.9660	1.8164	1.7506	1.9660	+	+	+
Other Solids (\$/pound)	0.0339	0.0584	0.1392	0.0339	0.0584	0.1392	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.05	7.20	7.93
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.1891	1.1767	1.4742
Statistical Uniform Price (\$/cwt.)	\$10.76	\$10.81	\$12.53	\$10.49	\$10.50	\$12.44	\$10.97	\$11.07	\$12.81
<b>Producer Data</b>									
Number of Producers	920 *	971	1,170	770 *	839	780	107 *	107	110
Avg. Daily Production (lbs.)	21,747 *	21,726	17,328	21,275 *	17,236	19,720	82,090 *	77,576	76,531
<b>Number of Handlers</b>									
Pool Handlers	26	26	26	16	18	16	6	6	6
Producer-Handlers	9 *	9	9	7 *	7	6	2 *	2	2
Other Plants w/ Class I Use	18 *	18	14	17 *	17	19	28 *	28	30
<b>Producer Milk Ratios</b>									
Class I	30.46%	27.45%	29.74%	18.74%	22.94%	18.91%	32.36%	32.53%	32.45%
Class II	5.93%	5.16%	5.21%	5.54%	6.06%	7.83%	3.88%	3.21%	4.13%
Class III	31.69%	36.25%	35.80%	60.78%	69.87%	48.75%	27.69%	40.93%	41.17%
Class IV	31.92%	31.14%	29.25%	14.94%	1.13%	24.51%	36.07%	23.33%	22.25%

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

	Dec 2002	Nov 2002	Dec 2001	Dec 2002	Nov 2002	Dec 2001	Dec 2002	Nov 2002	Dec 2001
<b>Producer-Handler Data</b>									
Production	24,065,113	22,905,696	22,448,117	2,603,801	2,516,801	2,465,065	R	R	R
Class I Use	17,955,364	18,455,144	18,449,697	1,764,608	1,743,829	1,813,522	R	R	R
% Class I Use	74.61%	80.57%	82.19%	67.77%	69.29%	73.57%	R	R	R
<b>Class I Route Disposition In Area</b>									
By Pool Plants	164,942,028	169,130,265	165,891,259	72,263,520	72,316,457	69,813,399	79,911,898	78,739,469	75,765,243
By Producer-Handlers	17,812,609	18,453,639	18,287,889	1,765,930	1,744,340	1,821,884	1/	1/	1/
By Other Plants	1,689,079 *	1,775,592	1,270,332	1,355,990 *	1,585,751	1,560,629	31,311,081 *	31,808,083	32,265,541
Total	184,443,716	189,359,496	185,449,480	75,385,440	75,646,548	73,195,912	111,222,979	110,547,552	108,030,784

\* Preliminary.

R = Restricted. Not included. 1/ Restricted. Included with other plants.

# MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002	Jan 2003	Dec 2002	Jan 2002
TOTAL PRODUCER MILK	620,224,370	653,964,184	628,482,107	507,836,998	448,286,597	476,831,743	272,292,256	257,320,114	260,971,708
RECEIPTS FROM OTHER SOURCES	18,154,551	10,287,243	8,187,930	5,650,129	5,773,274	4,208,761	18,474,729	37,513,512	4,890,877
OPENING INVENTORY	33,638,000	23,608,323	21,867,068	12,345,406	14,269,510	10,054,817	11,586,765	12,764,892	14,961,103
<b>TOTAL TO BE ACCOUNTED FOR</b>	<b>672,016,921</b>	<b>687,859,750</b>	<b>658,537,105</b>	<b>525,832,533</b>	<b>468,329,381</b>	<b>491,095,321</b>	<b>302,353,750</b>	<b>307,598,518</b>	<b>280,823,688</b>
<b>UTILIZATION OF RECEIPTS</b>									
Whole milk	30,195,382	28,913,410	28,889,942	12,738,361	12,505,006	12,686,793	24,367,894	23,591,918	22,336,277
Flavored milk & milk drinks	11,767,581	14,481,185	11,754,431	5,565,937	6,408,540	5,831,368	6,296,954	7,271,993	5,095,066
2% milk	72,019,913	69,652,570	73,899,284	29,723,668	29,535,026	29,627,392	30,983,722	29,178,332	29,636,655
1% milk	25,270,478	24,130,352	25,999,425	14,621,830	14,335,831	12,596,847	10,440,088	9,120,308	9,709,433
Skim milk	29,539,444	26,432,985	28,774,486	9,148,626	8,874,962	13,146,945	11,531,395	10,134,748	11,321,213
Buttermilk	1,342,905	1,331,526	1,399,469	534,247	604,155	552,405	530,354	614,599	508,721
CLASS I ROUTE DISP. IN AREA	170,135,703	164,942,028	170,717,037	72,332,669	72,263,520	74,441,750	84,150,407	79,911,898	78,607,365
Class I dispositions out of area	13,830,562	11,345,333	11,989,449	20,035,332	25,953,086	13,548,783	3,856,934	3,633,832	5,641,065
Other Class I usage	22,244,688	19,014,424	18,861,488	13,525,277	15,803,379	10,122,350	7,950,747	7,847,847	7,420,979
<b>TOTAL CLASS I USE</b>	<b>206,210,953</b>	<b>195,301,785</b>	<b>201,567,974</b>	<b>105,893,278</b>	<b>114,019,985</b>	<b>98,112,883</b>	<b>95,958,088</b>	<b>91,393,577</b>	<b>91,669,409</b>
TOTAL CLASS II USE	42,619,860	39,889,450	37,910,691	32,208,364	29,581,577	40,032,674	12,968,989	12,700,747	13,117,202
TOTAL CLASS III USE	207,371,772	238,165,996	225,957,051	309,245,846	315,311,153	232,622,616	76,400,549	107,901,912	108,748,257
TOTAL CLASS IV USE	215,814,336	214,502,519	193,101,389	78,485,045	9,416,666	120,327,148	117,026,124	95,602,282	67,288,820
<b>TOTAL ACCOUNTED FOR</b>	<b>672,016,921</b>	<b>687,859,750</b>	<b>658,537,105</b>	<b>525,832,533</b>	<b>468,329,381</b>	<b>491,095,321</b>	<b>302,353,750</b>	<b>307,598,518</b>	<b>280,823,688</b>
<b>CLASSIFICATION OF RECEIPTS</b>									
Producer milk: Class I	188,938,767	179,519,558	186,920,135	95,157,712	102,869,320	90,176,737	88,116,973	83,718,292	84,670,168
Class II	36,800,983	33,729,235	32,732,924	28,147,614	27,161,465	37,332,467	10,578,378	8,262,587	10,772,340
Class III	196,519,906	237,048,935	225,007,654	308,661,904	313,196,148	232,469,375	75,389,392	105,315,431	107,449,992
Class IV	197,964,714	203,666,456	183,821,394	75,869,768	5,059,664	116,853,164	98,207,513	60,023,804	58,079,208
Other receipts: Class I	17,272,186	15,782,227	14,647,839	10,735,566	11,150,665	7,936,146	30,061,494	50,278,404	19,851,980
Class II	5,818,877	6,160,215	5,177,767	4,060,750	2,420,112	2,700,207	1/	1/	1/
Class III	10,851,866	1,117,061	949,397	583,942	2,115,005	153,241	1/	1/	1/
Class IV	17,849,622	10,836,063	9,279,995	2,615,277	4,357,002	3,473,984	1/	1/	1/
Avg. daily producer receipts	20,007,238	21,095,619	20,273,616	16,381,839	14,460,858	15,381,669	8,783,621	8,300,649	8,418,442
Change From Previous Year	-1.31%	5.42%	4.56%	6.50%	-2.85%	45.62%	4.34%	5.23%	-1.24%
Avg. daily Class I use	6,651,966	6,300,058	6,502,193	3,415,912	3,678,064	3,164,932	3,095,422	2,948,180	2,957,078
Change From Previous Year	2.30%	0.11%	-0.28%	7.93%	21.75%	2.92%	4.68%	3.51%	1.79%

1/ Restricted - Included with Class I.

**HIGHLIGHTS THIS ISSUE:**

- Market Summaries for January 2003
- January 2003 Class Prices and Commodity Prices
- Class I Prices for March 2003
- USDA Announces Interim Order to Amend the Central Milk Marketing Order
- Annual Selected Statistics for 2002
- Annual Statistical Summaries for 2002
- Producers Approve Amendments Revising Class III and IV Price Formulas

**PRODUCERS APPROVE AMENDMENTS  
REVISING CLASS III AND IV PRICE FORMULAS**

Producers supplying milk for each of the 11 Federal milk markets have approved amendments to the current Class III and IV Federal milk order pricing formulas. USDA determined producer approval by polling the producer cooperative associations in nine of the markets, and by conducting referenda in the Northeast and Mideast markets. The amended orders will become effective for milk marketed on or after April 1, 2003.

The final rule culminates a process that began with the 1996 Farm Bill. Historically, USDA established minimum prices under Federal orders for milk used in manufacturing by surveying the prices paid for manufacturing grade milk by unregulated plants in Minnesota and Wisconsin. However, by the late 1990s, declining supplies of manufacturing grade milk necessitated that a new procedure be developed to determine the value of milk used in manufacturing. As part of a

*(Continued on Page 2)*