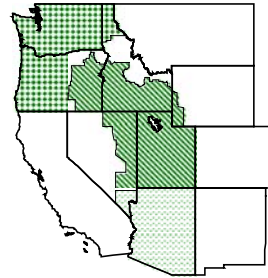


Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



1930 – 220th Street SE, Suite 102
Bothell, Washington 98021-8471
Phone (425) 487-6009
Fax (425) 487-2775
Homepage: fmmaseattle.com
E-mail: fmmaseattle@fmmaseattle.com



10050 N 25th Avenue, Suite 302
Phoenix, Arizona 85021-1664
Phone (602) 547-2909
Fax (602) 547-2906
E-mail: ma@fmma.net

James R. Daugherty
Market Administrator

June 2003

MARKET SUMMARIES FOR MAY 2003

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

Pacific Northwest

Producers delivered a total of 642.2 million pounds of milk to the market during May. Daily deliveries averaged 20.7 million pounds, down 0.7 percent from April. An estimated 909 producers delivered milk to the market during the month. Daily deliveries per producer averaged 22,790 pounds, down 0.7 percent from April.

Class I producer milk during May totaled 180.3 million pounds, 28.1 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 0.6 percent from April.

Arizona-Las Vegas

Producers delivered a total of 283.0 million pounds of milk to the market during May. Daily deliveries averaged 9.1 million pounds, down 2.2 percent from April. An estimated 107 producers delivered milk to

the market during the month. Daily deliveries per producer averaged 85,327 pounds, down 2.2 percent from April.

Class I producer milk during May totaled 81.8 million pounds, 28.9 percent of total producer receipts. Daily usage averaged 2.6 million pounds, down 3.1 percent from April.

Western

Producers delivered a total of 639.8 million pounds of milk to the market during May. Comparisons to the previous month are affected by eligible milk not pooled in April and May 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 20.6 million pounds, up 9.8 percent from April. An estimated 878 producers delivered milk to the market during the month. Daily deliveries per producer averaged 23,508 pounds, up 9.9 percent from April.

Class I producer milk during May totaled 94.0 million pounds, 14.7 percent of total
(Continued on Page 2)

Federal Order Producer Prices and Component Levels: May 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.38	10.45	10.19	Butterfat	3.620	3.542	3.550
Butterfat 2/	1.1512	1.1561	1.1512	Protein	2.992	N/A	2.994
Protein 2/	1.9275	N/A	1.9275	Other Solids	5.707	N/A	5.714
Other Solids 2/	(0.0144)	N/A	(0.0144)	Nonfat Solids	8.699	N/A	8.707
PPD 1/*	0.67	N/A	0.48				
Skim 1/	N/A	6.64	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 receipts. Daily usage averaged 3.0 million pounds, down 0.9 percent from April. ♦

MAY 2003 CLASS PRICES

May 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from May 3, 10, 17, and 24, 2003. Component prices for the month are \$1.9275 per pound of protein, \$1.1512 per pound of butterfat, negative \$0.0144 per pound of other solids, and \$0.6574 per pound of nonfat solids. The other solids price was negative because the average wholesale price of dry whey for May 2003 was less than the make allowance contained in the other solids price formula.

May 2003 Class III and IV prices at 3.5% butterfat are \$9.71 and \$9.74 per hundredweight, respectively. The May Class III price compared to April is up \$0.30. The Class III price is \$1.11 lower than May 2002. The Class III price at 3.67% butterfat is equal to the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.1582 per pound. Class I skim and butterfat and Class II skim prices for May 2003 were announced on April 18, 2003. The Class II price at 3.5% butterfat is \$10.43 for May 2003.

FINAL: NASS COMMODITY PRICES

	April	May	Change
Cheese*	\$1.0997	\$1.1394	\$0.0397
Butter	\$1.0736	\$1.0743	\$0.0007
Nonfat Dry Milk	\$0.8030	\$0.8040	\$0.0010
Whey	\$0.1582	\$0.1450	-\$0.0132

* The weighted average of barrels plus 3 cents and blocks.

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 0.41 cents between the May 17 and the June 14 surveys, to \$1.1408 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 2.01 cents to \$1.1155 per pound.

The NASS butter price showed a net increase of 0.1 cents between the weeks ending May 17 and June 14 from \$1.0751 per pound to \$1.0761 per pound.

The NASS nonfat dry milk showed a net decrease of 0.07 cents since mid-May to \$0.8032 per pound. The average price for NASS whey

showed a decrease of 0.71 cents since mid-May to \$0.1363 per pound. ♦

JULY'S CLASS I PRICE ANNOUNCEMENT

On June 20, the July 2003 Class I price was announced at \$11.67 for the Pacific Northwest and Western Orders, and \$12.12 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 7 and 14.

The July Class III and IV advance skim prices are \$5.81 and \$5.92 per hundredweight, respectively. The butterfat portion of the Class I mover increased 0.9 cents from \$1.1500 to \$1.1509 per pound.

The July 2003 Class II skim and nonfat solids prices were also announced on June 20. The skim price is \$6.62 per hundredweight, and the nonfat solids price is \$0.7356 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	June	July	Change
Cheese*	\$1.1420	\$1.1387	-\$0.0033
Butter	\$1.0733	\$1.0808	\$0.0075
Nonfat Dry Milk	\$0.8043	\$0.8040	-\$0.0003
Whey	\$0.1448	\$0.1372	-\$0.0076

* The weighted average of barrels plus 3 cents and blocks.

INVITATIONS TO SUBMIT PROPOSALS FOR A PUBLIC HEARING TO AMEND PROVISIONS OF THE NORTHEAST AND OTHER MILK MARKETING ORDERS

O-AT-KA Milk Products Cooperative, Inc., has requested that the Department of Agriculture (USDA) hold an emergency public hearing to consider a proposal to amend all 11 Federal milk marketing orders.

O-AT-KA's proposal would reclassify evaporated milk in consumer-type packages from a Class III product to a Class IV product. Milnot Holding Corporation and Diehl, Inc., also have asked that sweetened condensed milk in consumer-type packages be reclassified from Class III to Class IV.

Copies of the proposals may be obtained from Antoinette Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231-Room

2971, 1400 Independence Avenue, SW, Washington, DC 20250-0231, (202) 690-3465, e-mail: Antoinette.Carter@ usda.gov.

These proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing should be held, USDA is providing interested parties an opportunity to submit additional proposals regarding the reclassification of products in Class III and Class IV.

The proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP 0225–Room 2968, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by June 30, 2003. Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposals should be considered if a hearing to amend the orders is to be held.

A hearing would be limited to proposals included in a hearing notice. However, appropriate modifications of the proposals included in the notice also may be considered at the hearing if the modifications would not enlarge the marketing area or regulate persons not now subject to the order. Any proposals that would extend regulation should be accompanied by the names and addresses of persons who proponents believe would be affected by the proposed extension, and an estimate of the number of additional dairy farmers involved.

Actions under the Federal milk order program are subject to the "Regulatory Flexibility Act." This Act seeks to ensure that, within the statutory authority of a program, the regulatory and informational requirements are tailored to the size and nature of small businesses. For the purpose of the Federal order program, a dairy farm is a "small business" if it has an annual gross revenue of less than \$750,000 resulting in a production guideline of 500,000 pounds per month. A handler is a "small business" if it has fewer than 500 employees. If the plant is part of a larger company operating multiple plants that collectively exceed the 500-employee limit, the plant will be considered a large business even if the local plant has fewer than 500 employees. Interested persons are invited to submit hearing proposals that would carry out the intent of the "Regulatory Flexibility" Act.

If USDA concludes that a hearing should be held, all known interested persons will be mailed a copy of the hearing notice. Anyone who desires to present evidence on proposals set forth in the hearing notice will have an opportunity to do so at

the hearing.

Once a hearing notice is issued and until the issuance of a final decision, USDA employees involved in the decisional process may not discuss the merits of a proceeding on an ex parte basis with any persons having an interest in the proceeding. For this purpose, the Market Administrators and their staffs are considered to be involved in the decisional process. Thus, it is suggested that any discussions that you may wish to have with USDA personnel regarding hearing proposals be initiated soon. Procedural matters may be discussed at any time.

If you have any questions concerning the filing of the proposals or desire a copy of the present order, please contact this office. ♦

SOURCE: <http://www.fmmaseattle.com/>

DAIRY SITUATION AND OUTLOOK

Adjustments to Low Dairy Prices Start Too Late To Help 2004 - The very low prices of 2002 and 2003 probably will generate substantial adjustments in production and use of milk and dairy products. However, initial adjustments have been very slow to begin and quite modest, failing to develop much momentum. At this pace, considerable time will be needed for enough slowing in production and recovery in use to eat away the current surplus and commercial stocks. First projections of 2004 dairy markets show only a slight rebound from this year's very low prices.

Milk cow numbers are expected to start declining soon from their winter high. With ample replacement heifers now available, most of the earlier farm expansions probably have been brought up to capacity. Relatively few farms will be in a position to begin new expansions based on recent returns, and these farms may buy discounted existing units rather than build new ones. On the other hand, the exit of dairy farms due to low returns may be on the verge of picking up. Direct payments under the Milk Income Loss Contracts (MILC) have sufficiently augmented savings from 1998-2001 returns to enable many small producers to persist so far. However, the MILC payments can only offset a small share of the milk price drops and probably only delay, not forestall, exit of these farms. By the start of 2004, milk cow numbers are projected to be about 1 percent below a year earlier, with declines widening to almost 2 percent for most of the year. These

would be the largest decreases since the early nineties.

Concentrate feed prices are projected to ease in 2004, and milk-feed price ratios are expected to be a bit more favorable than in 2003, although still very low. A return to more normal culling, the renewed exit of farms with low herd averages, and a slightly less conservative approach to concentrate feeding should aid recovery in milk per cow growth. Output per cow is projected to rise more than 2 percent (on a daily average basis) in 2004, following generally weak performance during 2001-03. Adequate supplies of good forage will again be key to milk per cow prospects, because current stocks of dairy-quality forage probably are marginal. The expected one-half percent rise in 2004 milk production would be far less than the 1.7-percent average during 1997-2002 and below normal growth in dairy product demand. Fractional increases in milk production have been somewhat unusual in recent years, with changes tending to either sizable increases or declines.

Dairy Demand Fails To Catch Fire - Commercial use of dairy products is expected to grow fairly briskly in 2004. The much lower prices should progressively stimulate sales, particularly in the restaurant and food processor markets. However, growth in dairy demand is not likely to fully recover from the 2002-03 slippage. Although the economy is expected to grow, there are a number of lingering weak spots and a seeming lack of vigor. Also, consumers evidently have shifted spending away from food.

Similar to adjustments in milk production, gains in dairy product sales have not developed much momentum. Increases in winter use appeared solid but were not very dramatic. Growth is not accelerating much and may be vulnerable to any significant strengthening in dairy prices. Considerably more robust demand, probably centered around cheese, likely would be needed during coming months to make much difference in 2004 prices. Commercial stocks at the start of 2004 are projected to still be heavy, although probably not as large as during most of 2002 and early 2003. These stocks will buffer the price effects of slowing milk production and recovering sales. Similarly, the surplus of skim solids probably will be large enough to prevent any substantial increases in skim solids prices and to limit potential rises in cheese prices. However, the skim solids surplus is projected to fall to the lowest level since

1998. Meanwhile the surplus of milkfat is expected to be near this year's modest level.

In 2003, farm milk prices are expected to fall \$0.50 to \$1.00 from 2002's already low \$12.19 per cwt. Unless the pace of market adjustments accelerates quickly in coming months, the recovery in 2004 farm milk prices does not seem likely to offset the 2003 decline, let alone the earlier drops.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-107, May 16, 2003, Economic Research Service, USDA. For more information, contact James J. Miller, (202) 694-5184.

COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS UP 1.3% FOR FIRST QUARTER OF 2003

Commercial disappearance of U.S. milk for the first quarter of 2003 was up 1.3 percent over the same period of 2002. Commercial disappearance is used as an indicator of consumption of U.S. milk marketings and is a residual figure. This measure of consumption includes civilian and military purchases of milk and dairy products for domestic and foreign use (exports), but excludes farm household use, commercial stocks, and imports. The table below shows commercial disappearance by commodity and their milk-equivalent on a fat solids basis.

American cheese, other cheese, and fluid milk showed increases from 2002. Butter and nonfat dry milk disappearance showed decreases from 2002. Butter disappearance decreased the most, down 2.5%. ♦

Commercial Disappearance			
	January-March		% Change
	2003	2002	
Selected Products	-- Million Pounds --		
Butter *	305.9	313.9	-2.55%
American Cheese *	893.4	892.3	0.12%
Other Cheese *	1,260.6	1,255.1	0.44%
Nonfat Dry Milk *	139.7	141.4	-1.20%
Fluid Milk Products	13,978.2	13,848.5	0.94%
Total *	41,227	40,679	1.35%

* Commercial Disappearance, milk-equivalent, milk fat basis. Source: Dairy Market News, Volume 70, Report 22.

**FEDERAL MILK ORDERS: PURPOSE, SCOPE,
AND OPERATION (CONTINUED FROM MAY
2003 BULLETIN)**

Pricing -- Under classified pricing, minimum prices that handlers are required to pay are established according to how the milk was used. Milk used in perishable fluid products is designated Class I and commands the highest price. Milk used in soft products such as ice cream and cottage cheese is Class II and has a lower price. The lowest prices are for Class III and IV, which include milk that is manufactured into storable products, such as hard cheeses in Class III and butter and nonfat dry milk in Class IV. Under orders that have skim and butterfat pricing, including the Arizona-Las Vegas Order, handlers must pay minimum skim and butterfat prices based on the utilization of milk. Under orders that have multiple component pricing (MCP), including the Pacific Northwest and Western Orders, handlers must pay minimum prices for certain milk components, i.e., true protein and other solids or solids nonfat, instead of skim. Other solids are defined as solids-not-fat less true protein.

Class prices are based on weekly National Agricultural Statistics Services (NASS) Dairy Product Price Surveys. These survey prices replaced the Basic Formula Price (BFP) series beginning January 2000. Class prices are announced at two different times for each month.

Advanced prices are announced on or before the 23rd of the previous month and announce Class I skim and butterfat and Class II skim and nonfat solids prices. **Final** prices are announced on or before the 5th of the following month and announce Class II/III/IV butterfat, Class III protein and other solids, and Class IV nonfat solids prices. The Class I price includes a fixed differential that reflects the added costs of producing and marketing milk for fluid use. As a result, Class I prices vary among markets, generally being highest in the southern markets and lowest in the Midwestern and Western markets. The Class I differential is \$1.90 for the Pacific Northwest and Western Orders, and \$2.35 for the Arizona-Las Vegas Order. The Class II, III, and IV prices are calculated using NASS commodity surveys, and are the same in all orders.

The orders establish minimum prices, but dairy farmers and their cooperatives are free to negotiate higher prices with handlers who buy milk. In most

areas, market prices are above Federal order minimum prices.

Pooling -- Essentially all orders operate marketwide pools in determining producer prices. Under marketwide pooling, the total order value of the milk in all classes by all handlers in a market is divided by the total milk deliveries to determine the blend price for the market, or in markets with MCP, the producer price differential. The producer price differential plus the Class III price is similar to the "blend price," and on the Pacific Northwest and Western Orders is referred to as the "statistical uniform price." The blend price is paid to each producer or cooperative under the order, except for adjustments to reflect variations in component levels in the individual producer's milk and the location at which the milk is received by the handler.

Formulation -- Milk orders are established and amended through public hearings at which all interested parties -- producers, handlers and consumers -- can present their views. A decision on the proposals being considered must be based solely on the hearing record.

Following the issuance of a recommended decision and then a final decision, at least two-thirds of the affected producers voting in a referendum must approve a new or amended order. Cooperatives can bloc vote for their members. For amendments to orders, the vote is on the entire order as proposed to be amended rather than on separate amendments. The Act provides procedures for eliminating an order if producers or the Secretary of Agriculture desire to do so.

Administration -- The Dairy Programs of the USDA's Agricultural Marketing Service provide general oversight and administration of the milk order program. Each order is administered locally by a Market Administrator appointed by the Secretary of Agriculture. Activities include announcing the prices set by an order, receiving and auditing handler reports on milk receipts and uses, verifying producer payments, and verifying milk weights and tests. Budgets of the Market Administrator offices are covered by an assessment on milk handlers based on their pounds of milk pooled under the order.

Source: Adapted from Dairy Market News, Volume 60, Report 5, USDA.

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	May 2003	Apr 2003	May 2002	May 2003	Apr 2003	May 2002	May 2003	Apr 2003	May 2002
Minimum Class Prices (3.5% B.F.)									
Class I Milk (\$/cwt.)	\$11.61	\$11.54	\$13.16	\$11.61	\$11.54	\$13.16	\$12.06	\$11.99	\$13.61
Class II Milk (\$/cwt.)	10.43	10.44	11.29	10.43	10.44	11.29	10.43	10.44	11.29
Class III Milk (\$/cwt.)	9.71	9.41	10.82	9.71	9.41	10.82	9.71	9.41	10.82
Class IV Milk (\$/cwt.)	9.74	9.73	10.57	9.74	9.73	10.57	9.74	9.73	10.57
Producer Prices									
Producer Price Differential (\$/cwt.)	\$ 0.67	\$ 0.80	\$ 0.53	\$ 0.48	\$ 0.54	\$ 0.49	+	+	+
Butterfat (\$/pound)	1.1512	1.1503	1.1433	1.1512	1.1503	1.1433	+	+	+
Protein (\$/pound)	1.9275	1.8006	2.2097	1.9275	1.8006	2.2097	+	+	+
Other Solids (\$/pound)	(0.0144)	(0.0008)	0.0371	(0.0144)	(0.0008)	0.0371	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	6.64	6.54	7.64
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.1561	1.1508	1.1807
Statistical Uniform Price (\$/cwt.)	\$10.38	\$10.21	\$11.35	\$10.19	\$9.95	\$11.31	\$10.45	\$10.34	\$11.51
Producer Data									
Number of Producers	909 *	909	972	878 *	879	791	107 *	107	108
Avg. Daily Production (lbs.)	22,790 *	22,946	22,911	23,508 *	21,383	19,814	85,327 *	87,252	84,603
Number of Handlers									
Pool Handlers	30	31	26	16	17	17	6	6	6
Producer-Handlers	9 *	9	9	6 *	6	6	2 *	2	2
Other Plants w/ Class I Use	18 *	18	16	20 *	20	20	32 *	32	30
Producer Milk Ratios									
Class I	28.07%	28.05%	26.91%	14.69%	16.27%	18.16%	28.89%	29.15%	29.94%
Class II	6.04%	6.21%	5.42%	4.76%	5.46%	6.73%	6.65%	5.72%	4.75%
Class III	33.74%	33.95%	35.67%	70.68%	76.62%	51.11%	35.77%	34.70%	33.54%
Class IV	32.15%	31.79%	32.00%	9.87%	1.65%	24.00%	28.69%	30.43%	31.77%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	Apr 2003	Mar 2003	Apr 2002	Apr 2003	Mar 2003	Apr 2002	Apr 2003	Mar 2003	Apr 2002
Producer-Handler Data									
Production	24,254,423	24,819,155	24,033,903	2,390,779	2,471,017	2,519,044	R	R	R
Class I Use	17,749,934	17,869,798	18,682,396	1,672,413	1,724,745	1,845,348	R	R	R
% Class I Use	73.18%	72.00%	77.73%	69.95%	69.80%	73.26%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	161,553,134	166,346,788	159,432,831	67,388,880	69,121,452	70,972,153	78,720,474	78,029,813	72,817,141
By Producer-Handlers	17,872,380	17,854,015	18,836,581	1,682,601	1,727,809	1,835,494	1/	1/	1/
By Other Plants	1,632,145 *	2,036,212	661,338	3,309,407 *	3,341,771	1,674,016	30,451,031 *	31,483,607	31,847,011
Total	181,057,659	186,237,015	178,930,750	72,380,888	74,191,032	74,481,663	109,171,505	109,513,420	104,664,152

* 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			
	May 2003	Apr 2003	May 2002	May 2003	Apr 2003	May 2002	May 2003	Apr 2003	May 2002	
TOTAL PRODUCER MILK	642,190,976	625,726,509	690,360,130	639,841,403	563,860,776	485,866,624	283,030,596	280,078,233	283,252,455	
RECEIPTS FROM OTHER SOURCES	14,346,658	10,830,894	10,053,704	8,198,279	10,466,626	6,971,069	38,571,862	23,105,065	43,886,078	
OPENING INVENTORY	31,786,082	32,153,864	23,458,791	16,640,370	15,515,124	12,451,298	12,867,491	14,462,113	14,260,287	
TOTAL TO BE ACCOUNTED FOR	688,323,716	668,711,267	723,872,625	664,680,052	589,842,526	505,288,991	334,469,949	317,645,411	341,398,820	
UTILIZATION OF RECEIPTS										
Whole milk	29,544,994	28,656,345	28,360,480	12,750,280	12,148,566	12,366,621	23,502,635	23,299,599	23,069,988	
Flavored milk & milk drinks	12,203,605	11,159,140	11,957,314	5,643,152	5,682,443	5,519,759	5,548,733	5,927,956	5,305,721	
2% milk	69,409,610	68,202,085	70,652,523	28,832,905	27,503,697	29,088,884	28,942,698	28,885,675	29,375,502	
1% milk	25,080,816	24,602,013	25,673,584	13,826,503	13,163,154	15,031,118	9,276,651	9,719,632	9,309,376	
Skim milk	27,624,806	27,552,081	28,459,224	8,681,921	8,334,581	9,468,691	9,892,474	10,305,198	10,548,579	
Buttermilk	1,423,551	1,381,470	1,504,240	554,052	556,439	617,163	546,977	582,414	362,952	
CLASS I ROUTE DISP. IN AREA	165,287,382	161,553,134	166,607,365	70,288,813	67,388,880	72,092,236	77,710,168	78,720,474	77,972,118	
Class I dispositions out of area	12,020,841	10,258,398	12,139,909	22,228,371	22,154,586	14,383,979	4,523,794	4,542,186	5,342,369	
Other Class I usage	18,266,751	19,310,513	22,813,882	13,488,798	16,348,986	10,940,804	6,551,351	6,884,064	8,835,961	
TOTAL CLASS I USE	195,574,974	191,122,045	201,561,156	106,005,982	105,892,452	97,417,019	88,785,313	90,146,724	92,150,448	
TOTAL CLASS II USE	45,213,495	44,507,152	44,405,736	38,433,039	36,432,702	37,284,497	19,713,173	16,726,825	18,098,760	
TOTAL CLASS III USE	219,726,745	213,267,418	246,749,628	453,418,785	432,774,804	248,647,411	101,952,796	97,319,130	95,784,789	
TOTAL CLASS IV USE	227,808,502	219,814,652	231,156,105	66,822,246	14,742,568	121,940,064	124,018,667	113,452,732	135,364,823	
TOTAL ACCOUNTED FOR	688,323,716	668,711,267	723,872,625	664,680,052	589,842,526	505,288,991	334,469,949	317,645,411	341,398,820	
CLASSIFICATION OF RECEIPTS										
Producer milk:	Class I	180,277,109	175,527,527	185,778,490	93,954,726	91,715,897	88,215,481	81,765,615	81,640,047	84,800,804
	Class II	38,796,905	38,867,981	37,451,729	30,477,571	30,784,405	32,720,414	18,826,616	16,009,792	13,442,376
	Class III	216,653,702	212,437,520	246,235,087	452,237,340	432,042,184	248,334,885	101,226,595	97,199,360	95,015,783
	Class IV	206,463,260	198,893,481	220,894,824	63,171,766	9,318,290	116,595,844	81,211,770	85,229,034	89,993,492
Other receipts:	Class I	15,297,865	15,594,518	15,782,666	12,051,256	14,176,555	9,201,538	51,439,353	37,567,178	58,146,365
	Class II	6,416,590	5,639,171	6,954,007	7,955,468	5,648,297	4,564,083	1/	1/	1/
	Class III	3,073,043	829,898	514,541	1,181,445	732,620	312,526	1/	1/	1/
	Class IV	21,345,242	20,921,171	10,261,281	3,650,480	5,424,278	5,344,220	1/	1/	1/
Avg. daily producer receipts		20,715,838	20,857,550	22,269,682	20,640,045	18,795,359	15,673,117	9,130,019	9,335,941	9,137,176
Change From Previous Year		-6.98%	-4.92%	9.47%	31.69%	13.81%	23.20%	-0.08%	0.22%	5.39%
Avg. daily Class I use		6,308,870	6,370,735	6,501,973	3,419,548	3,529,748	3,142,484	2,864,042	3,004,891	2,972,595
Change From Previous Year		-2.97%	1.49%	5.29%	8.82%	12.23%	1.25%	-3.65%	5.78%	12.40%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for May 2003
- May 2003 Class Prices and Commodity Prices
- Class I Prices for July 2003
- Invitations to Submit Proposals For a Public Hearing to Amend Provisions of the Northeast and Other Milk Marketing Orders
- Dairy Situation and Outlook
- Commercial Disappearance of Dairy Products Up 1.3% for First Quarter of 2003
- Federal Milk Orders: Purpose, Scope, And Operation (Continued from May 2003 Bulletin)
- Resumption of Administrative Assessments

RESUMPTION OF ADMINISTRATIVE ASSESSMENTS

The administrative assessment that was waived for milk pooled in the Pacific Northwest, Arizona-Las Vegas and Western federal milk orders for the months of January, February, March and April 2003 will be resumed beginning with the milk pooled for the month of May 2003.

The previous rate of 2.5 cents per hundredweight will remain the same.

A copy of the letter announcing the resumption of assessments can be found at: <http://www.fmmaseattle.com>. ♦