

Pacific Northwest & Arizona-Las Vegas 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

July 2005

MARKET SUMMARIES FOR JUNE 2005

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

Pacific Northwest

Producers delivered a total of 609.0 million pounds of milk to the market during June. Daily deliveries averaged 20.3 million pounds, up 0.01 percent from May. An estimated 854 producers delivered milk to the market during the month. Daily deliveries per producer averaged 23,770 pounds, up 0.01 percent from May.

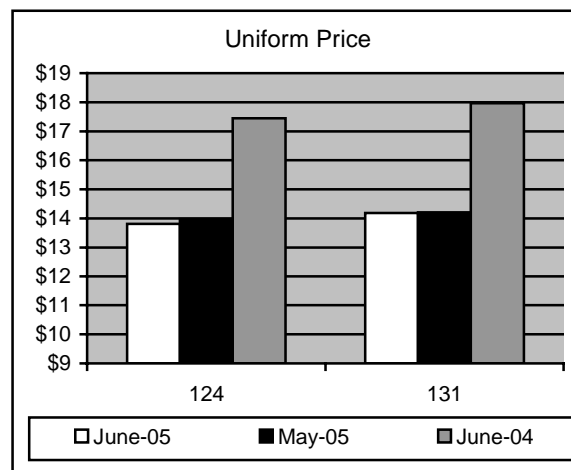
Class I producer milk during June totaled 164.9 million pounds, 27.1 percent of total producer receipts. Daily usage averaged 5.5 million pounds, down 5.5 percent from May.

Arizona-Las Vegas

Producers delivered a total of 249.6 million pounds of milk to the market during June. Daily deliveries averaged 8.3 million pounds, down 3.3 percent from May. An estimated 88 producers delivered milk

to the market during the month. Daily deliveries per producer averaged 94,534 pounds, down 3.3 percent from May.

Class I producer milk during June totaled 76.0 million pounds, 30.5 percent of total producer receipts. Daily usage averaged 2.5 million pounds, up 3.31 percent from May. ♦



Federal Order Producer Prices and Component Levels: June 2005

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	13.81	14.19	Butterfat	3.576	3.521
Butterfat 2/	1.5932	1.5885	Protein	2.994	N/A
Protein 2/	2.5741	N/A	Other Solids	5.731	N/A
Other Solids 2/	0.1139	N/A	Nonfat Solids	8.725	N/A
PPD 1/*	(0.11)	N/A			
Skim 1/	N/A	8.94			

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

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JUNE 2005 CLASS PRICES

June 2005 non-advanced Class Prices were calculated using NASS commodity price surveys from June 4, 11, 18, and 25, 2005. Component prices for the month are \$2.5741 per pound of protein, \$1.5932 per pound of butterfat, \$0.1139 per pound of other solids, and \$0.7780 per pound of nonfat solids.

June 2005 Class III and IV prices at 3.5% butterfat are \$13.92 and \$12.33 per hundredweight, respectively. The June Class III price compared to May is up \$0.15. The Class III price is \$3.76 lower than June 2004. The Class III price at 3.67% butterfat is \$4.28 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.6002 per pound. Class I skim and butterfat and Class II skim prices for June 2005 were announced on May 20, 2005. The Class II price at 3.5% butterfat is \$13.06 for June 2005.

FINAL: NASS COMMODITY PRICES

	May	June	Change
Cheese*	\$1.4765	\$1.4845	\$0.0080
Butter	\$1.4046	\$1.4427	\$0.0381
Nonfat Dry Milk	\$0.9289	\$0.9259	-\$0.0030
Whey	\$0.2603	\$0.2696	\$0.0093

* 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 and a net increase for 500-pound barrels. The survey of 40-pound blocks showed an increase of 4.42 cents between the June 18 and the July 16 surveys, to \$1.5241 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 4.22 cents to \$1.5068 per pound.

The NASS butter price showed a net increase of 19.75 cents between the weeks ending June 18 and July 16 from \$1.4339 per pound to \$1.6314 per pound.

The NASS nonfat dry milk showed an increase of 1.67 cents since mid-June to \$0.9383 per pound. The average price for NASS whey showed a net increase of 0.86 cent since mid-June to \$0.2804 per pound. ♦

AUGUST'S CLASS I PRICE ANNOUNCEMENT

On July 22, the August 2005 Class I price was announced at \$16.34 for the Pacific Northwest Order, and \$16.79 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of July 9 and 16.

The August Class III and IV advance skim prices are \$8.29 and \$7.11 per hundredweight, respectively. The butterfat portion of the Class I mover increased 27.86 cents from \$1.5610 to \$1.8396 per pound.

The August 2005 Class II skim and nonfat solids prices were also announced on July 22. The skim price is \$7.81 per hundredweight, and the nonfat solids price is \$0.8678 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	July	August	Change
Cheese*	\$1.4827	\$1.5224	\$0.0397
Butter	\$1.4158	\$1.6480	\$0.2322
Nonfat Dry Milk	\$0.9289	\$0.9377	\$0.0088
Whey	\$0.2684	\$0.2796	\$0.0112

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

USDA ANNOUNCES PARTIAL FINAL DECISION TO AMEND THE ARIZONA - LAS VEGAS MILK MARKETING ORDER

On June 24, 2005, the U. S. Department of Agriculture announced a partial final decision that permanently adopts an amendment to the pooling provisions of the Arizona-Las Vegas milk marketing order that previously were implemented on an interim basis. This decision is based on testimony and evidence given at a public hearing held at Tempe, Arizona, on September 23-25, 2003; reconvened at Seattle, Washington, on November 17-21, 2003; and reconvened at Alexandria, Virginia, on January 20-22, 2004.

This partial final decision permanently adopts an amendment to the Producer milk provision that would eliminate the ability to simultaneously pool milk on the Arizona-Las Vegas milk order when the same milk is already pooled on a State-operated milk order that has marketwide pooling.

The partial final decision was published in the June 27, 2005, Federal Register. USDA is

conducting a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

Additional information about the decision may be obtained from James R. Daugherty at jdaugherty@fmmaseattle.com or by phone at (425) 487-6009. ♦

PRODUCERS AND PRODUCER MILK BY ORDER, STATE, AND COUNTY, MAY 2005

During the month of May 2005, a total of 942 producers, on a combined basis, were associated with the Pacific Northwest and Arizona-Las Vegas Orders. These producers delivered a total of 895.9 million pounds of milk to the markets during the month. The tables below and on page 4 contain information on the number of producers and milk pooled on the orders. Counties and states with fewer than three producers were combined with adjacent counties. The map on page 5 does not combine counties with fewer than three producers due to the use of size-ranges. ♦

Producer Milk By State and Federal Order May 2004 and 2005

FO 1/	State	2004		2005	
		Prod.	Lbs. 2/	Prod.	Lbs. 2/
124	CA	6	4.3	6	4.1
124	ID	33	14.5	35	15.5
124	OR	148	87.3	282	138.1
124	WA	512	333.4	531	471.5
FO 124 Total 3/		699	439.5	854	629.2
131	AZ/CA	93	248.0	88	267.0
Total 3/		792	687.5	942	895.9

1/ Federal order number. Federal Order 124 is the Pacific Northwest Order. Federal Order 131 is the Arizona-Las Vegas Order. 2/ Million pounds. 3/ May not add due to rounding.

FIRST HALF U.S. MILK PRODUCTION UP 3.2 PERCENT

Milk production for the first six months of 2005 was up 3.2 percent for the U.S. and up 3.5 percent for the top 23 states compared with 2004, on a daily basis. The table to the right shows data for

2005 for the selected states with comparisons to year-ago levels.

Milk production for June 2005 was up 5.0 percent for the United States compared with June 2004. United States milk production for June 2005 equaled 15,012 million pounds, 719 million pounds more than last June. For the top 23 states, milk production was up 5.4 percent from June 2004. The table below shows comparisons to year-ago levels. ♦

Milk Production January through June 2004-05

	2004	2005 1/	% Change 2/
-- million pounds --			
Arizona	1,897	1,958	3.79%
California	18,202	18,807	3.89%
Idaho	4,425	4,889	11.10%
Minnesota	4,144	4,176	1.33%
New Mexico	3,424	3,400	-0.15%
New York	5,900	6,041	2.96%
Oregon	1,133	1,145	1.62%
Washington	2,736	2,812	3.35%
Wisconsin	11,126	11,365	2.71%
23 States	78,600	80,904	3.50%
U.S.	86,583	88,875	3.21%

See footnotes below.

Milk Production June 2004-05

	2004	2005 1/	% Change
-- million pounds --			
Arizona	303	316	4.29%
California	3,026	3,180	5.09%
Idaho	760	849	11.71%
Minnesota	681	701	2.94%
New Mexico	576	598	3.82%
New York	977	1,019	4.30%
Oregon	194	197	1.55%
Washington	457	474	3.72%
Wisconsin	1,843	1,939	5.21%
23 States	12,988	13,684	5.36%
U.S.	14,293	15,012	5.03%

Source: National Agricultural Statistics Service.

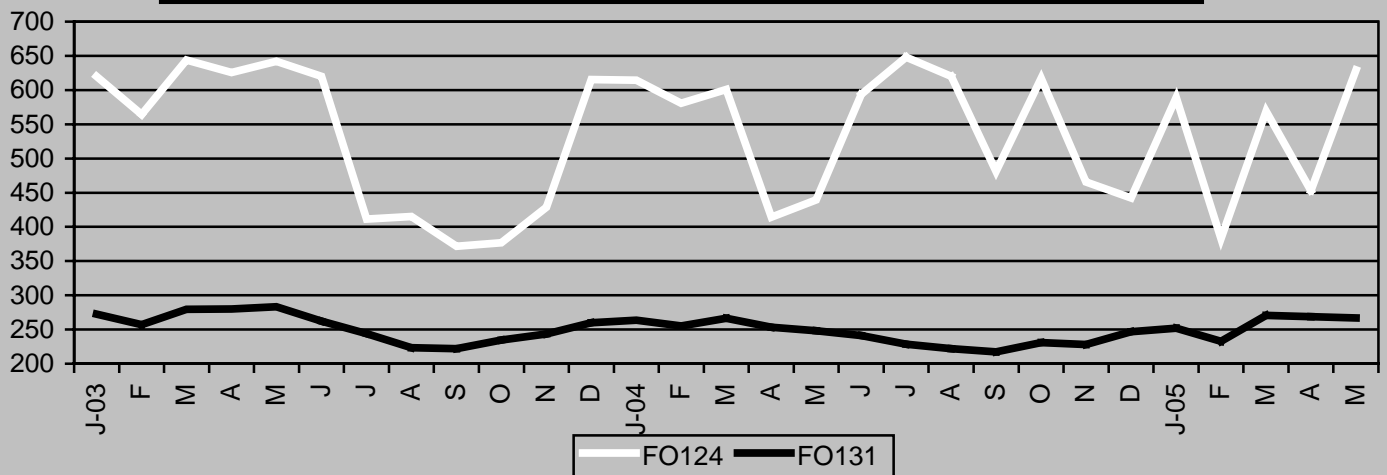
1/ June 2005 is preliminary.

2/ Adjusted for leap year.

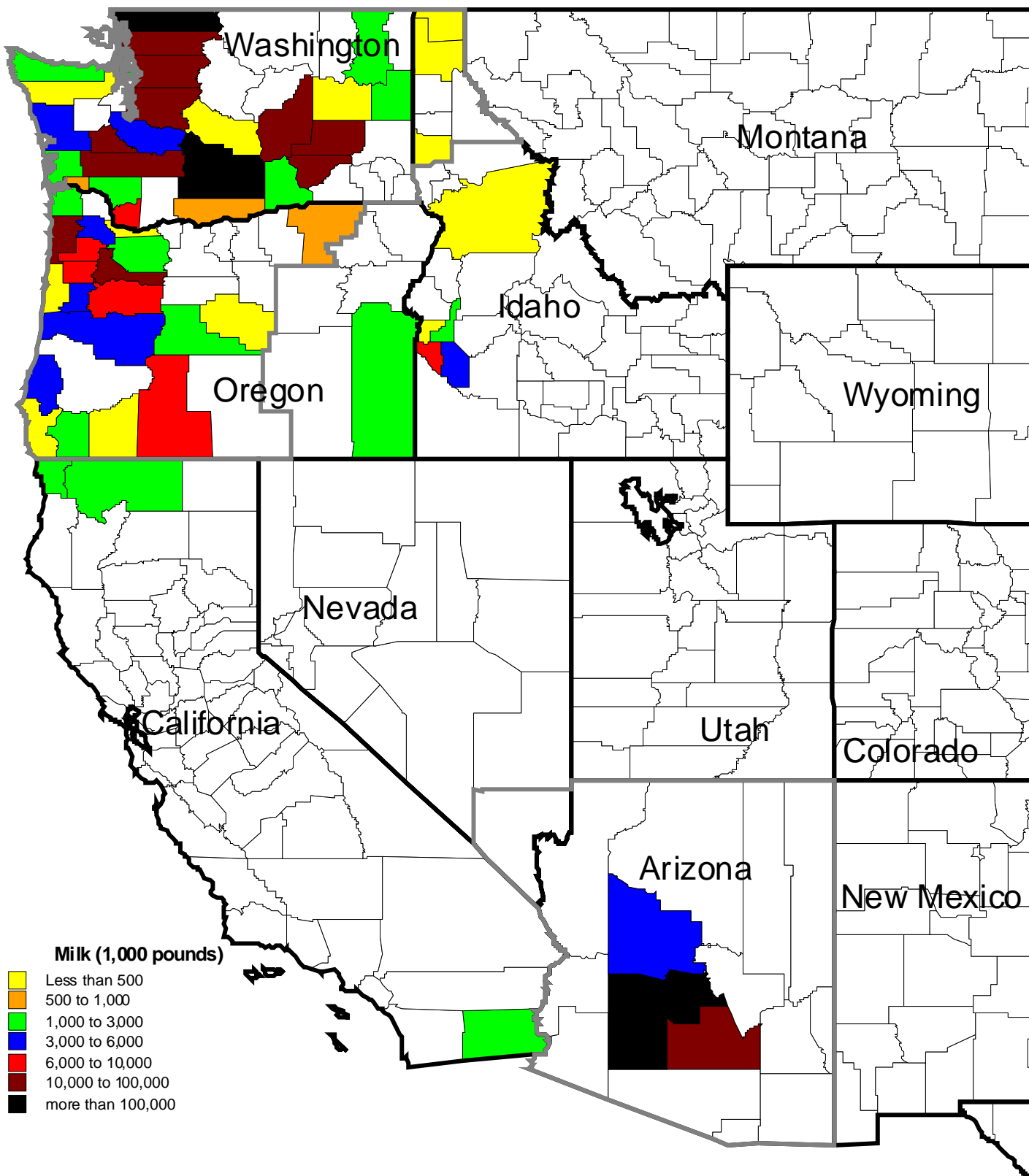
Number of Producers and Pounds of Milk: By Order, State, and County, May 2005

State	County	Producers	Milk	State	County	Producers	Milk
Arizona-Las Vegas Order				Pacific Northwest Order (Continued)			
Arizona				Washington			
	Maricopa	76	226,199,194		Adams	11	13,377,133
	Pinal, Yavapai, (& Imperial County, CA)	12	40,492,369		Clallam & Jefferson	7	1,604,377
	Total Arizona	88	266,691,563		Clark & Cowlitz	12	8,807,314
Pacific Northwest Order					Franklin	7	17,797,638
Idaho					Grant & Kittitas	26	24,814,501
	Bonner & Boundary	4	645,955		Grays Harbor	12	5,346,150
	Idaho & Latah	5	689,161		Island	3	2,194,316
	Southern Idaho	26	14,144,354		King	34	18,927,259
	Total Idaho	35	15,479,470		Klickitat & Benton	5	2,724,124
Oregon					Lewis	38	15,380,920
	Benton & Lincoln	5	3,804,182		Lincoln & Spokane	15	2,685,189
	Clackamas & Multnomah	10	1,274,523		Pacific	9	2,950,805
	Clatsop	6	2,097,840		Pierce	7	5,322,875
	Coos & Curry	19	4,120,760		Skagit	47	30,788,391
	Deschutes & Crook	7	1,327,842		Snohomish	35	23,751,213
	Josephine	4	1,901,679		Stevens	13	1,814,071
	Klamath & Jackson	10	9,502,776		Thurston	12	10,060,858
	Lane	6	4,842,438		Wahkiakum	4	810,505
	Linn	9	6,187,656		Whatcom	167	107,110,679
	Malheur & Umatilla	9	2,221,819		Yakima	67	175,250,311
	Marion	34	30,049,886		Total Washington	531	471,518,629
	Polk	4	8,179,109		California		
	Tillamook	133	48,455,066		Del Norte & Siskiyou	6	4,130,739
	Washington	19	5,926,262		Total California	6	4,130,739
	Yamhill	7	8,208,043		Total Pacific Northwest Order	854	629,228,719
	Total Oregon	282	138,099,881		Total Arizona-Las Vegas Order	88	266,691,563
Total						942	895,920,282

**Pacific Northwest (FO124) and Arizona-Las Vegas (FO131) Producer Milk Pooled
January 2003 - May 2005 (million pounds)**



Pounds of Producer Milk by County, May 2005



MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST				ARIZONA-LAS VEGAS			
	Jun 2005	May 2005	Jun 2004	May 2004	Jun 2005	May 2005	Jun 2004	May 2004
Minimum Class Prices (3.5% B.F.)								
Class I Milk (\$/cwt.)	\$15.52	\$16.70	\$23.03	\$21.55	\$15.97	\$17.15	\$23.48	\$22.00
Class II Milk (\$/cwt.)	13.06	12.78	14.31	15.03	13.06	12.78	14.31	15.03
Class III Milk (\$/cwt.)	13.92	13.77	17.68	20.58	13.92	13.77	17.68	20.58
Class IV Milk (\$/cwt.)	12.33	12.20	13.72	14.50	12.33	12.20	13.72	14.50
Producer Prices								
Producer Price Differential (\$/cwt.)	\$(0.11)	\$ 0.21	\$(0.23)	\$(3.18)	+	+	+	+
Butterfat (\$/pound)	1.5932	1.5475	2.1768	2.4282	+	+	+	+
Protein (\$/pound)	2.5741	2.5965	3.1086	3.7639	+	+	+	+
Other Solids (\$/pound)	0.1139	0.1043	0.1339	0.1444	+	+	+	+
Uniform Skim Price (\$/cwt.) . . .	+	+	+	+	8.94	9.00	10.54	11.23
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.5885	1.5784	2.2291	2.4363
Statistical Uniform Price (\$/cwt.) . .	\$13.81	\$13.98	\$17.45	\$17.40	\$14.19	\$14.21	\$17.97	\$19.36
Producer Data								
Number of Producers	854 *	854	893	699	88 *	88	93	93
Avg. Daily Production (lbs.)	23,770 *	23,768	22,161	20,284	94,534 *	97,761	86,409	86,017
Number of Handlers								
Pool Handlers	27	27	30	27	5	5	5	5
Producer-Handlers	9 *	9	7	7	3 *	3	2	2
Other Plants w/ Class I Use	22 *	22	20	19	30 *	30	28	31
Producer Milk Ratios								
Class I	27.08%	28.66%	27.70%	38.40%	30.48%	28.52%	28.74%	29.32%
Class II	7.36%	6.75%	6.91%	8.78%	11.48%	11.74%	8.76%	7.09%
Class III	29.31%	29.40%	29.56%	2.78%	37.03%	38.03%	38.25%	43.10%
Class IV	36.25%	35.19%	35.83%	50.04%	21.01%	21.71%	24.25%	20.49%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	May 2005	Apr 2005	May 2004	Apr 2004	May 2005	Apr 2005	May 2004	Apr 2004
Producer-Handler Data								
Production	33,794,660	32,538,944	21,223,457	20,786,094	R	R	R	R
Class I Use	26,989,780	26,313,051	17,394,148	17,335,040	R	R	R	R
% Class I Use	79.86%	80.87%	81.96%	83.40%	R	R	R	R
Class I Route Disposition In Area								
By Pool Plants	156,390,962	154,504,025	154,514,397	158,177,138	73,956,954	77,977,837	70,502,870	77,288,417
By Producer-Handlers	20,712,589	19,274,853	17,139,962	16,274,652	1/	1/	1/	1/
By Other Plants	2,742,834 *	2,881,662	4,422,097	4,265,080	27,667,539 *	28,208,334	32,582,781	33,968,068
Total	179,846,385	176,660,540	176,076,456	178,716,870	101,624,493	106,186,171	103,085,651	111,256,485

* 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				ARIZONA-LAS VEGAS			
	Jun 2005	May 2005	Jun 2004	May 2004	Jun 2005	May 2005	Jun 2004	May 2004
TOTAL PRODUCER MILK	608,985,825	629,228,064	593,694,655	439,531,111	249,570,451	266,691,563	241,082,492	247,986,147
RECEIPTS FROM OTHER SOURCES	26,708,409	22,680,707	42,905,292	19,058,052	54,614,114	42,977,397	36,227,457	34,743,802
OPENING INVENTORY	32,997,900	33,770,143	39,874,079	31,190,547	12,589,069	16,548,277	17,554,541	13,638,830
TOTAL TO BE ACCOUNTED FOR	668,692,134	685,678,914	676,474,026	489,779,710	316,773,634	326,217,237	294,864,490	296,368,779
UTILIZATION OF RECEIPTS								
Whole milk	28,874,997	29,183,435	28,271,858	28,359,249	18,380,642	18,646,989	20,036,778	20,222,470
Flavored milk & milk drinks	8,585,347	12,630,037	7,701,987	10,646,422	2,852,063	5,468,726	2,907,840	4,949,538
2% milk	61,780,823	64,066,155	65,241,907	65,629,679	28,908,649	28,952,338	27,417,675	26,593,805
1% milk	22,509,724	23,118,273	21,411,740	23,180,635	9,290,442	10,358,854	8,667,870	8,871,810
Skim milk	25,098,545	26,058,306	25,236,957	25,361,516	9,454,621	10,075,537	9,409,301	9,328,487
Buttermilk	1,323,129	1,334,756	1,304,937	1,336,896	429,599	454,510	528,312	536,760
CLASS I ROUTE DISP. IN AREA.	148,172,565	156,390,962	149,169,386	154,514,397	69,316,016	73,956,954	68,967,776	70,502,870
Class I dispositions out of area	14,552,278	15,299,055	13,707,352	12,179,338	4,629,469	4,065,916	3,608,785	3,452,577
Other Class I usage	19,750,862	24,295,569	20,229,606	25,277,178	8,977,389	6,550,127	5,334,738	8,202,597
TOTAL CLASS I USE.	182,475,705	195,985,586	183,106,344	191,970,913	82,922,874	84,572,997	77,911,299	82,158,044
TOTAL CLASS II USE	51,546,058	51,923,179	51,116,246	46,675,212	29,770,545	32,255,662	21,949,329	18,517,815
TOTAL CLASS III USE	186,514,337	190,346,682	202,455,973	12,204,173	94,070,958	102,050,867	93,139,333	108,173,084
TOTAL CLASS IV USE	248,156,034	247,423,467	239,795,463	238,929,412	110,009,257	107,337,711	101,864,529	87,519,836
TOTAL ACCOUNTED FOR	668,692,134	685,678,914	676,474,026	489,779,710	316,773,634	326,217,237	294,864,490	296,368,779
CLASSIFICATION OF RECEIPTS								
Producer milk: Class I	164,894,204	180,307,971	164,462,589	168,811,252	76,045,796	76,063,991	69,283,134	72,713,904
Class II	44,827,079	42,483,241	40,996,559	38,582,661	28,662,312	31,305,878	21,110,189	17,586,850
Class III	178,479,533	184,991,646	175,495,743	12,204,173	92,419,947	101,433,512	92,219,503	106,878,111
Class IV	220,785,009	221,445,206	212,739,764	219,933,025	52,442,396	57,888,182	58,469,666	50,807,282
Other receipts: Class I	17,581,501	15,677,615	18,643,755	23,159,661	67,203,183	59,525,674	53,781,998	48,382,632
Class II	6,718,979	9,439,938	10,119,687	8,092,551	1/	1/	1/	1/
Class III	8,034,804	5,355,036	26,960,230	0	1/	1/	1/	1/
Class IV	27,371,025	25,978,261	27,055,699	18,996,387	1/	1/	1/	1/
Avg. daily producer receipts	20,299,528	20,297,679	19,789,822	14,178,423	8,319,015	8,602,954	8,036,083	7,999,553
Change From Previous Year	2.58%	43.16%	-4.27%	-31.56%	3.52%	7.54%	-8.09%	-12.38%
Avg. daily Class I use	6,082,524	6,322,116	6,103,545	6,192,610	2,764,096	2,728,161	2,597,043	2,650,259
Change From Previous Year	-0.34%	2.09%	3.52%	-1.84%	6.43%	2.94%	-1.55%	-7.46%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for June 2005
- June 2005 Class Prices
- Class I Price for August 2005
- USDA Announces Partial Final Decision to Amend the Arizona - Las Vegas Milk Marketing Order
- Producers and Producer Milk By Order, State, and County, May 2005
- First Half U.S. Milk Production Up 3.2 Percent
- Information on Milk Marketing Orders on the Market Administrator's Website

INFORMATION ON FEDERAL MILK MARKETING ORDERS ON THE MARKET ADMINISTRATOR'S WEBSITE

The Seattle Market Administrator's website, <http://www.fmmaseattle.com>, has a new online presentation about Federal milk orders. This presentation, in Adobe Acrobat (pdf), includes 103 pages and a written narration explaining Federal Milk Marketing Orders. For a copy of the presentation go to the Seattle Market Administrator's website, click on "Federal Order Information," and then the link "From the Farm to the Table - A brief explanation of the why's and how's of the Federal Milk Marketing Orders."