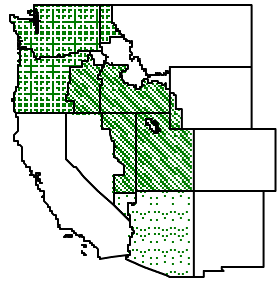
The Market Administrator's Report

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

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

James R. Daugherty
Market Administrator



11225 N. 28th Drive, D-120
Phoenix, AZ 85029
Phone (602) 547-2909
Fax (602) 547-2906
E-mail: ma@fmma.net

August 2002

MARKET SUMMARIES FOR JULY 2002

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

Pacific Northwest

Producers delivered a total of 677.5 million pounds of milk to the market during July. Daily deliveries averaged 21.9 million pounds, down 1.9 percent from June. An estimated 974 producers delivered milk to the market during the month. Daily deliveries per producer averaged 22,437 pounds, down 1.9 percent from June.

Class I producer milk during July totaled 173.1 million pounds, 25.6 percent of total producer receipts. Daily usage averaged 5.6 million pounds, up 12.1 percent from June.

Arizona-Las Vegas

Producers delivered a total of 240.1 million pounds of milk to the market during July. Daily deliveries averaged 7.7 million pounds, down 9.4 percent from June. An estimated 109 producers delivered milk to the market during the month. Daily deliveries per producer averaged 71,062 pounds, down 9.4 percent from June.

Class I producer milk during July totaled 77.9 million pounds, 32.4 percent of total producer receipts. Daily usage averaged 2.5 million pounds, up 4.9 percent from June.

Western

Producers delivered a total of 436.1 million pounds of milk to the market during July. Comparisons to the previous month are affected by eligible milk not pooled in July 2002. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 14.1 million pounds, down 17.3 percent from June. An estimated 801 producers delivered milk to the market during the month. Daily deliveries per producer averaged 17,561 pounds, down 17.3 percent from June.

(Continued on Page 2)

Federal Order Producer Prices and Component Levels: July 2002

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.66	10.87	10.26	Butterfat	3.572	3.589	3.476
Butterfat 2/	1.0929	1.1085	1.0929	Protein	2.974	N/A	2.961
Protein 2/	1.8095	N/A	1.8095	Other Solids	5.711	N/A	5.743
Other Solids 2/	0.0150	N/A	0.0150	Nonfat Solids	8.685	N/A	8.703
PPD 1/*	1.33	N/A	0.93				
Skim 1/	N/A	7.24	N/A				

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

(Continued From Page 1)

Class I producer milk during July totaled 89.7 million pounds, 20.6 percent of total producer receipts. Daily usage averaged 2.9 million pounds, up 6.6 percent from June. ♦

JULY 2002 CLASS PRICES

July 2002 non-advanced Class Prices were calculated using NASS commodity price surveys from July 6, 13, 20, and 27, 2002. Component prices for the month are $1.8095 per pound of protein, $1.0929 per pound of butterfat, $0.0150 per pound of other solids, and $0.7633 per pound of nonfat solids.

July 2002 Class III and IV prices at 3.5% butterfat are $9.33 and $10.45 per hundredweight, respectively. The July Class III price compared to June is down $0.76. The Class III price is $6.13 lower than July 2001. The Class III price at 3.67% butterfat is $0.40 below the support price of $9.90 at 3.67% butterfat.

Class II butterfat was announced at $1.0999 per pound. Class I skim and butterfat and Class II skim prices for July 2002 were announced on June 21, 2002. The Class II price at 3.5% butterfat is $11.14 for July 2002.

FINAL: NASS COMMODITY PRICES

	June	July	Change
Cheese*	$1.1708	$1.1004	-$0.0704
Butter	$1.0343	$1.0112	-$0.0231
Nonfat Dry Milk	$0.9005	$0.9033	$0.0028
Whey	$0.1639	$0.1545	-$0.0094

* 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 a net increase in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed an increase of 4.36 cents between the July 20 and the August 17 surveys, to $1.1282 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 4.63 cents to $1.1124 per pound.

The NASS butter price showed a net decrease of 1.92 cents between the weeks ending July 20 and August 17 from $0.9909 per pound to $0.9717 per pound.

The NASS nonfat dry milk showed a net increase of 0.35 cents since mid-July to $0.9079 per pound. The average price for NASS whey showed a net increase of 0.44 cents since mid-July to $0.1579 per pound. ♦

SEPTEMBER'S CLASS I PRICE ANNOUNCEMENT

On August 23, the September 2002 Class I price was announced at $12.36 for the Pacific Northwest and Western Orders, and $12.81 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of August 10 and 17.

The August Class III and IV advance skim prices are $6.00 and $6.92 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 2.17 cents from $1.1022 to $1.0805 per pound.

The September 2002 Class II skim and nonfat solids prices were also announced on August 23. The skim price is $7.62 per hundredweight, and the nonfat solids price is $0.8467 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	August	September	Change
Cheese*	$1.1098	$1.1237	$0.0139
Butter	$1.0188	$1.0010	-$0.0178
Nonfat Dry Milk	$0.9025	$0.9091	$0.0066
Whey	$0.1552	$0.1559	$0.0007

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

IN-AREA DISPOSITION OF FLUID MILK PRODUCTS: JANUARY THROUGH JUNE 2002

In-area route disposition of fluid milk products is the amount of fluid milk products, from all sources, marketed in the selected Federal order marketing area. The tables below show in-area route disposition and the change from a year-ago for the Pacific Northwest, Arizona-Las Vegas, and Western Orders.

In each of the three orders a historic trend of increasing lowfat milk products consumption and decreasing whole milk products consumption has not been evident for the last two years.

Arizona-Las Vegas Order

For the period of January through June 2002, disposition of fluid milk products in the marketing area of the Arizona-Las Vegas Order totaled 628.4 million pounds, a 2.8 percent increase from the same period in 2001. During the first half of 2002, in-area fluid milk disposition of whole milk products increased 8.3 percent, compared to a year earlier but lowfat milk products decreased 0.1 percent.

In-Area Route Disposition 1/
Arizona-Las Vegas Order (FO131)
January through June 2002 vs. 2001

	2002	2001	Change
Whole Milk Products	- million pounds -		
Whole	210.8	194.4	8.42%
Flavored	13.5	12.7	6.39%
Total Whole Milk 2/	224.3	207.1	8.30%
Low-fat Milk Products			
2%	227.7	231.0	-1.43%
1%	69.3	68.3	1.42%
Skim	80.4	81.8	-1.71%
Flavored Low-Fat	22.2	19.5	13.52%
Buttermilk & Other 3/	4.6	3.7	22.71%
Total Low-fat Milk 2/	404.1	404.4	-0.06%
Combined Total 2/	628.4	611.5	2.77%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

Pacific Northwest Order

For the period of January through June 2002, disposition of fluid milk products in the marketing area of the Pacific Northwest Order totaled 1,069.3 million pounds, a 1.3 percent decrease from the same period in 2001. During the first half of 2002, in-area fluid milk disposition of whole milk products increased 0.5 percent, compared to a year earlier but lowfat milk products decreased 1.7 percent.

Western Order

For the period of January through June 2002, disposition of fluid milk products in the marketing area of the Western Order totaled 441.2 million pounds, a 0.6 percent increase from the same period in 2001. During the first half of 2002, in-area fluid milk disposition of whole milk products increased 5.3 percent, compared to a year earlier, but lowfat milk products decreased 0.4 percent. ♦

In-Area Route Disposition 1/
Pacific Northwest Order (FO124)
January through June 2002 vs. 2001

	2002	2001	Change
Whole Milk Products	- million pounds -		
Whole	185.8	184.3	0.81%
Flavored	12.4	12.9	-3.38%
Total Whole Milk 2/	198.2	197.2	0.53%
Low-fat Milk Products			
2%	462.3	474.5	-2.58%
1%	161.4	166.7	-3.21%
Skim	179.1	184.0	-2.65%
Flavored Low-fat	59.3	51.3	15.49%
Buttermilk & Other 3/	9.0	9.5	-4.98%
Total Low-fat Milk 2/	871.1	886.1	-1.69%
Combined Total 2/	1,069.3	1,083.3	-1.29%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

In-Area Route Disposition 1/
Western Order (FO135)
January through June 2002 vs. 2001

	2002	2001	Change
Whole Milk Products	- million pounds -		
Whole	75.7	71.4	6.12%
Flavored	3.0	3.4	-11.38%
Total Whole Milk 2/	78.8	74.8	5.33%
Low-fat Milk Products			
2%	176.6	179.7	-1.74%
1%	89.0	92.1	-3.38%
Skim	63.7	58.3	9.32%
Flavored Low-fat	29.7	29.2	1.65%
Buttermilk & Other 3/	3.5	4.6	-24.89%
Total Low-fat Milk 2/	362.4	363.9	-0.41%
Combined Total 2/	441.2	438.7	0.57%

1/ Based on total in-area route disposition by handlers, handlers regulated by other Federal orders, partially regulated handlers, and producer-handlers. 2/ May not add due to rounding. 3/ Includes eggnog and small amounts of miscellaneous products.

USDA ANNOUNCES HEARING TO AMEND THE NORTHEAST MILK MARKETING ORDER

On July 30, the United States Department of Agriculture announced a public hearing to consider changes to the Northeast Federal milk marketing order. The hearing will begin at 8:30 a.m. on September 10, 2002, at the Embassy Suites Hotel Alexandria, 1900 Diagonal Road, Alexandria, VA 22314.

Proposals will include establishing marketwide service payments to offset the costs of balancing the market's Class I needs, establishing year-round shipping standards for supply plant pool qualification, establishing a standard that at least two-days' milk production of a dairy farmer be physically received at a pool plant before the balance of production is eligible for diversion, establishing limits on the amount of milk that a pool plant may divert, eliminating the "split plant" feature for pool supply plants, and making minor changes to reporting and payment dates.

For additional information contact: Erik F. Rasmussen, Northeast Market Administrator; USDA/AMS/Dairy Programs; P. O. Box 1478 (Fort Point Station) Boston, MA 02205-1478; Tel. (617) 542-1478; e-mail: maboston@fedmilk1.com.

Source: USDA, Agricultural Marketing Service, Dairy Programs. ♦

USDA ANNOUNCES INTERIM ORDER TO AMEND THE MIDEAST MILK MARKETING ORDER

On July 25, the United States Department of Agriculture issued an interim order amending the current pooling provisions of the Mideast Federal milk marketing order. The interim order was approved by Mideast dairy farmers.

This interim order implements pooling standards to prevent the inappropriate pooling of milk on the Mideast order. The approved amendments to the Pool Plant provisions will: 1) eliminate automatic pool plant status for the 6-month period of March through August, 2) eliminate milk shipments to a distributing plant regulated by another Federal milk order as pool-qualifying shipments, 3) eliminate the "split plant" feature of the order, 4) eliminate the inclusion of diversions to pool distributing plants made by a supply plant located outside the marketing area as part of the supply plant's qualifying shipments, and 5) establish a "net shipments" standard for supply plants.

This interim order changes the Producer milk provisions by: 1) increasing the number of days that the milk of a producer needs to be delivered to a pool plant, 2) instituting year-round diversion limits, adjusted seasonally, for all pool plants, and 3) excluding from receipts the diversions made by a pool plant to a second pool plant from the calculation of the diversion limitation.

These interim amendments to the order become effective on August 1, 2002. Public comments on the Tentative Final Decision published on June 11, 2002, were due August 9, 2002.

For additional information about the decision contact: David Z. Walker, Mideast Market Administrator; USDA/AMS/Dairy Programs; 7851 Freeway Circle, Middleburg Heights, OH 44130; Tel. (440) 826-3220; e-mail: dwalker@fmmaclev .com.

Source: USDA, Agricultural Marketing Service, Dairy Programs. ♦

SECRETARY ANNOUNCES NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD APPOINTMENTS

On July 10, the Secretary of Agriculture Ann M. Veneman announced the appointment of three incumbents and five new members to the National Fluid Milk Processor Promotion Board.

"We are grateful to these men and women for providing their time and expertise to this board," said Veneman.

Reappointed to serve second terms are: Mary Ellen Spencer, Chelsea, Mass., (Region 2); Roger D. Capps, Carlinville, Ill., (Region 8); and Ronald M. Foster, Modesto, Calif., (Region 14).

Newly appointed are: Joseph Cervantes, Binghamton, N.Y., (Region 4); James S. Jaskiewicz, Lakeland, Fla., (Region 5); Gary L. Aggus, Springfield, Mo., (Region 11); Lawrence V. Jackson, Pleasanton, Calif., (Region 12); and Charles D. Price, Johnstown, Pa., (at-large processor).

The appointments for regions 4 and 12 expire June 30, 2004, and June 30, 2003, respectively. The appointments for regions 2, 5, 8, 11, 14 and at-large processor expire June 30, 2005.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

The mandatory national fluid milk program is financed by a 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market 500,000 pounds (3,000,000 pounds effective August 1, 2002, see article below) or less per month are exempt from assessments.

USDA's Agricultural Marketing Service monitors the operations of the Board. It is USDA's policy that membership on industry governed boards and committees accurately reflect the diversity of individuals served by the programs.

Source: USDA, Office of Communications. ♦

USDA ANNOUNCES AMENDMENTS TO THE FLUID MILK PROMOTION ORDER

On July 31, the U.S. Department of Agriculture announced that it is amending certain provisions of the Fluid Milk Promotion Order to conform with the recently enacted Farm Security and Rural Investment Act of 2002.

Under the amendments, the definition of fluid milk product will be modified to be consistent with the term as defined under Federal milk marketing orders. The "fluid milk processor" definition, will be revised to increase the exemption standard from 500,000 pounds to 3 million pounds per month of fluid milk products that are processed and marketed commercially in consumer-type packages in the 48 contiguous United States and the District of Columbia. In addition, the exemption standard now excludes fluid milk products that are delivered directly to consumer residences.

The program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk products processed and marketed in consumer-type packages by fluid milk processors in the 48 contiguous states and the District of Columbia. Under the amendments, fluid milk processors who exceed the exemption standard will be charged the assessment.

Details of the changes were published as a final rule in the August 1, 2002, *Federal Register*.

Copies of the rule and additional information may be obtained from David R. Jamison, Dairy Programs, AMS, USDA, 1400 Independence Avenue, SW, Stop 0233, Washington, D.C. 20250-0233; tel. (202) 720-6909.

Source: USDA, Agricultural Marketing Service, Dairy Programs. ♦

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compliance with highly erodible and wetland conservation provisions and must enter into a contract with USDA's Commodity Credit Corporation to provide monthly marketing data.

MILC payments will occur in months when the price of Class I milk in Boston under the Northeast Milk Marketing Order falls below $16.94 per cwt. Payment rates will be 45 percent of the difference between $16.94 and the Boston Class I price for that month. Dairy operations will not receive a payment for months during which the Class I price in Boston is $16.94 or higher. A similar payment calculation will be applied from December 1, 2001, through the month preceding the month the producer enters into a contract with CCC.

Program payments, scheduled to begin in October 2002, will be retroactive from December 1, 2001 for eligible production. Payments will be made on an operation-by-operation basis, up to a maximum of 2.4 million pounds of milk produced and marketed by the dairy operation per fiscal year.

As required by the 2002 Farm Bill, USDA will apply the same definition for a dairy operation as used in previous dairy market loss assistance programs. A dairy operation is any person or group of persons who as a single unit, as determined by CCC, commercially produces and markets cow milk and has production facilities located in the U.S. Producers on dairy operations are not permitted to reconstitute a dairy operation for the sole purpose of receiving additional payments.

For more information and requirements, or to sign up for the program, dairy producers should visit their local USDA Farm Service Agency office.

Source: USDA, Office of Communications. ♦

MONTHLY SELECTED STATISTICS

Minimum Class Prices (3.5% B.F.)	PACIFIC NORTHWEST Jul 2002	Jun 2002	Jul 2001	WESTERN Jul 2002	Jun 2002	Jul 2001	ARIZONA-LAS VEGAS Jul 2002	Jun 2002	Jul 2001
Class I Milk ($/cwt.)	$12.52	$12.93	$17.24	$12.52	$12.93	$17.24	$12.97	$13.38	$17.69
Class II Milk ($/cwt.)	11.14	11.19	15.96	11.14	11.19	15.96	11.14	11.19	15.96
Class III Milk ($/cwt.)	9.33	10.09	15.46	9.33	10.09	15.46	9.33	10.09	15.46
Class IV Milk ($/cwt.)	10.45	10.52	14.81	10.45	10.52	14.81	10.45	10.52	14.81
Producer Prices									
Producer Price Differential ($/cwt.)	$ 1.33	$ 0.91	$ 0.34	$ 0.93	$ 0.78	$ 0.44	+	+	+
Butterfat ($/pound)	1.0929	1.1211	2.1883	1.0929	1.1211	2.1883	+	+	+
Protein ($/pound)	1.8095	2.0148	2.3175	1.8095	2.0148	2.3175	+	+	+
Other Solids ($/pound)	0.0150	0.0247	0.1510	0.0150	0.0247	0.1510	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	+	+	7.24	7.52	8.69
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	1.1085	1.1326	2.1971
Statistical Uniform Price ($/cwt.)	$10.66	$11.00	$15.80	$10.26	$10.87	$15.90	$10.87	$11.22	$16.08
Producer Data									
Number of Producers	974 *	974	1,251	801 *	801	760	109 *	109	113
Avg. Daily Production (lbs.)	22,437 *	22,872	16,605	17,561 *	21,225	18,988	71,062 *	78,409	66,299
Number of Handlers									
Pool Handlers	26	26	26	16	16	17	6	6	6
Producer-Handlers	9 *	9	10	6 *	6	6	2 *	2	1
Other Plants w/ Class I Use	16 *	16	13	20 *	20	11	27 *	27	29
Producer Milk Ratios									
Class I	25.55%	22.38%	26.17%	20.57%	15.96%	18.72%	32.44%	28.02%	31.48%
Class II	5.61%	5.79%	6.18%	6.85%	6.13%	11.30%	3.98%	5.14%	5.62%
Class III	36.42%	36.64%	34.09%	71.76%	56.99%	48.54%	37.79%	31.68%	45.12%
Class IV	32.42%	35.19%	33.56%	0.82%	20.92%	21.44%	25.79%	35.16%	17.78%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	PACIFIC NORTHWEST Jun 2002	May 2002	Jun 2001	WESTERN Jun 2002	May 2002	Jun 2001	ARIZONA-LAS VEGAS Jun 2002	May 2002	Jun 2001
Production	23,156,590	24,762,436	24,435,482	2,621,765	2,692,877	2,464,535	R	R	R
Class I Use	16,474,327	19,578,862	18,445,403	1,562,670	1,807,640	1,714,296	R	R	R
% Class I Use	71.14%	79.07%	75.49%	59.60%	67.13%	69.56%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	145,786,945	166,607,365	154,789,525	62,607,064	72,092,236	66,391,900	68,678,728	77,972,118	69,123,298
By Producer-Handlers	16,646,648	19,752,470	18,764,931	1,579,954	1,816,412	1,743,780	1/	1/	1/
By Other Plants	617,881 *	884,679	1,906,571	3,419,650 *	2,250,227	1,165,164	27,823,772 *	28,882,045	29,143,142
Total	163,051,474	187,244,514	175,461,027	67,606,668	76,158,875	69,300,844	96,502,500	106,854,163	98,266,440

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

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
CLASSIFICATION OF MILK	Jul 2002	Jun 2002	Jul 2001	Jul 2002	Jun 2002	Jul 2001	Jul 2002	Jun 2002	Jul 2001
TOTAL PRODUCER MILK	677,456,351	668,305,472	643,972,386	436,056,006	510,046,764	447,362,300	240,118,684	256,398,194	232,246,540
RECEIPTS FROM OTHER SOURCES	12,300,459	12,589,131	12,353,560	6,989,817	7,722,727	4,894,406	24,657,380	25,498,369	6,059,171
OPENING INVENTORY	25,020,567	23,513,876	23,531,196	13,967,061	12,158,094	10,003,908	11,153,824	14,082,484	9,376,629
TOTAL TO BE ACCOUNTED FOR	714,777,377	704,408,479	679,857,142	457,012,884	529,927,585	462,260,614	275,929,888	295,979,047	247,682,340
UTILIZATION OF RECEIPTS									
Whole milk	28,248,588	26,032,635	27,081,059	12,033,618	11,353,874	11,687,999	23,113,507	21,333,770	19,838,927
Flavored milk & milk drinks	7,355,395	7,985,645	7,058,338	3,156,549	3,198,630	3,302,127	3,064,045	3,162,661	2,235,090
2% milk	70,283,753	63,352,220	69,984,367	29,307,463	26,626,251	28,554,892	28,565,788	26,714,585	28,285,330
1% milk	23,155,857	21,479,961	22,808,616	13,465,503	12,747,751	14,501,541	8,211,806	7,814,450	7,710,985
Skim milk	27,732,731	25,582,363	26,894,751	8,745,659	8,137,602	8,995,875	9,652,527	9,236,503	10,006,664
Buttermilk	1,561,944	1,354,121	1,513,923	608,926	542,956	568,615	461,366	416,759	446,839
CLASS I ROUTE DISP. IN AREA . .	158,338,268	145,786,945	155,341,054	67,317,718	62,607,064	67,611,049	73,069,039	68,678,728	68,523,835
Class I dispositions out of area . .	11,971,078	9,664,926	9,993,180	20,229,541	18,533,098	11,683,949	4,762,447	4,108,363	4,932,355
Other Class I usage	16,274,786	13,566,052	19,006,055	12,320,796	10,826,725	12,003,938	7,159,933	7,554,787	4,372,629
TOTAL CLASS I USE	186,584,132	169,017,923	184,340,289	99,868,055	91,966,887	91,298,936	84,991,419	80,341,878	77,828,819
TOTAL CLASS II USE	46,140,522	44,772,201	48,183,335	33,875,091	35,914,080	54,354,513	13,647,970	14,738,580	13,714,896
TOTAL CLASS III USE	248,491,760	245,345,734	219,627,832	313,545,270	290,841,453	217,234,796	92,610,190	83,293,501	104,779,565
TOTAL CLASS IV USE	233,560,963	245,272,621	227,705,686	9,724,468	111,205,165	99,372,369	84,680,309	117,605,088	51,359,060
TOTAL ACCOUNTED FOR	714,777,377	704,408,479	679,857,142	457,012,884	529,927,585	462,260,614	275,929,888	295,979,047	247,682,340
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I . .	173,122,162	149,513,153	168,528,024	89,693,359	81,419,417	83,754,300	77,870,298	71,835,092	73,119,170
Class II . .	37,978,697	38,725,501	39,813,052	29,869,016	31,286,700	50,560,184	9,566,520	13,186,979	13,051,651
Class III . .	246,741,285	244,874,770	219,539,152	312,898,664	290,658,637	217,141,978	90,748,417	81,224,934	104,779,565
Class IV . .	219,614,207	235,192,048	216,092,158	3,594,967	106,682,010	95,905,838	61,933,449	90,151,189	41,296,154
Other receipts: Class I . .	13,461,970	19,504,770	15,812,265	10,174,696	10,547,470	7,544,636	35,811,204	39,580,853	15,435,800
Class II . .	8,161,825	6,046,700	8,370,283	4,006,075	4,627,380	3,794,329	1/	1/	1/
Class III . .	1,750,475	470,964	88,680	646,606	182,816	92,818	1/	1/	1/
Class IV . .	13,946,756	10,080,573	11,613,528	6,129,501	4,523,155	3,466,531	1/	1/	1/
Avg. daily producer receipts	21,853,431	22,276,849	20,773,303	14,066,323	17,001,559	14,431,042	7,745,764	8,546,606	7,491,824
Change From Previous Year . .	5.20%	7.32%	4.88%	-2.53%	11.01%	13.87%	3.39%	2.32%	-7.74%
Avg. daily Class I use	6,018,843	5,633,931	5,946,461	3,221,550	3,065,563	2,945,127	2,741,659	2,678,063	2,510,607
Change From Previous Year . .	1.22%	-7.49%	3.07%	9.39%	3.86%	5.21%	9.20%	2.86%	-3.04%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

MILK INCOME LOSS CONTRACT PROGRAM BEGINS SIGNUP

On August 5, 2002, Agriculture Secretary Ann M. Veneman announced that signup for the Milk Income Loss Contract (MILC) program will begin August 13, 2002. This program, authorized by the 2002 Farm Bill, financially compensates dairy producers when domestic milk prices fall below a specified level.

"USDA continues to work aggressively to implement the new farm bill in an efficient and timely manner," Veneman said while touring dairy operations in Lebanon, CT, and participating in town hall forums hosted by Representative Rob Simmons. "This announcement today will allow dairy farmers to begin sign-up so they can obtain program benefits."

Eligible dairy producers are those who produced milk in any state and marketed the milk commercially beginning December 2001. To be approved for the program, producers must be in

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