

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



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MARKET SUMMARIES FOR SEPTEMBER 2003

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

Pacific Northwest

Producers delivered a total of 371.7 million pounds of milk to the market during September. Comparisons to the previous month are affected by eligible milk not pooled in August and September 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 12.4 million pounds, down 7.5 percent from August. An estimated 705 producers delivered milk to the market during the month. Daily deliveries per producer averaged 17,574 pounds, down 5.1 percent from August.

Class I producer milk during September totaled 173.5 million pounds, 46.7 percent of total producer receipts. Daily usage averaged 5.8 million pounds, up 6.2 percent from August.

Arizona-Las Vegas

Producers delivered a total of 222.0 million pounds of milk to the market during September. Daily deliveries averaged 7.4 million pounds, up 2.8 percent from August. An estimated 106 producers delivered milk to the market during the month. Daily deliveries per producer averaged 69,816 pounds, up 2.8 percent from August.

Class I producer milk during September totaled 79.5 million pounds, 35.8 percent of total producer receipts. Daily usage averaged 2.7 million pounds, up 6.0 percent from August.

Western

Producers delivered a total of 168.1 million pounds of milk to the market during September. Comparisons to the previous month are affected by eligible milk not pooled in August and September 2003. Approximately, 200 million pounds were not pooled in September 2003. Daily deliveries

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Federal Order Producer Prices and Component Levels: September 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	12.54	13.98	13.40	Butterfat	3.622	3.572	3.549
Butterfat 2/	1.2218	1.2431	1.2218	Protein	3.052	N/A	3.036
Protein 2/	3.3180	N/A	3.3180	Other Solids	5.680	N/A	5.686
Other Solids 2/	0.0170	N/A	0.0170	Nonfat Solids	8.731	N/A	8.722
PPD 1/*	(1.76)	N/A	(0.90)				
Skim 1/	N/A	9.98	N/A				

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

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averaged 5.6 million pounds, down 5.5 percent from August. An estimated 561 producers delivered milk to the market during the month. Daily deliveries per producer averaged 9,986 pounds, down 5.6 percent from August.

Class I producer milk during September totaled 94.7 million pounds, 56.3 percent of total producer receipts. Daily usage averaged 3.2 million pounds, up 5.7 percent from August. ♦

SEPTEMBER 2003 CLASS PRICES

September 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from September 6, 13, 20 and 27, 2003. Component prices for the month are \$3.3180 per pound of protein, \$1.2218 per pound of butterfat, \$0.0170 per pound of other solids, and \$0.6644 per pound of nonfat solids.

September 2003 Class III and IV prices at 3.5% butterfat are \$14.30 and \$10.05 per hundredweight, respectively. The September Class III price compared to August is up \$0.50. The Class III price is \$4.38 higher than September 2002. The Class III price at 3.67% butterfat is \$4.59 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.2288 per pound. Class I skim and butterfat and Class II skim prices for September 2003 were announced on August 22, 2003. The Class II price at 3.5% butterfat is \$10.76 for September 2003.

FINAL: NASS COMMODITY PRICES

	August	September	Change
Cheese*	\$1.5496	\$1.5940	\$0.0444
Butter	\$1.1578	\$1.1332	-\$0.0246
Nonfat Dry Milk	\$0.8105	\$0.8111	\$0.0006
Whey	\$0.1615	\$0.1755	\$0.0140

* 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 decrease for 500-pound barrels. The survey of 40-pound blocks showed a net increase of 1 cent between the September 13 and the October 11 surveys, to \$1.5811 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 0.52 cents to \$1.5728 per pound.

The NASS butter price showed a net increase of 4.62 cents between the weeks ending September 13 and October 11 from \$1.1144 per pound to \$1.1606 per pound.

The NASS nonfat dry milk showed a net increase of 0.40 cents since mid-September to \$0.8154 per pound. The average price for NASS whey showed an increase of 1.64 cents since mid-September to \$0.1891 per pound. ♦

NOVEMBER'S CLASS I PRICE ANNOUNCEMENT

On October 17, the November 2003 Class I price was announced at \$16.27 for the Pacific Northwest and Western Orders, and \$16.72 for the Arizona-Las Vegas Order. These prices represent the highest Class I prices since November 2001, when the Class I prices were above \$17.00. The Class I price was calculated using NASS commodity price surveys from the weeks of October 4 and 11.

The November Class III and IV advance skim prices are \$10.33 and \$5.99 per hundredweight, respectively. The butterfat portion of the Class I mover increased 5.56 cents from \$1.2007 to \$1.2563 per pound.

The November 2003 Class II skim and nonfat solids prices were also announced on October 17. The skim price is \$6.69 per hundredweight, and the nonfat solids price is \$0.7433 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	October	November	Change
Cheese*	\$1.5943	\$1.5921	-\$0.0022
Butter	\$1.1156	\$1.1619	\$0.0463
Nonfat Dry Milk	\$0.8094	\$0.8117	\$0.0023
Whey	\$0.1716	\$0.1877	\$0.0161

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

THE SECRETARY NAMES MEMBERS TO NATIONAL DAIRY BOARD

Secretary of Agriculture Ann M. Veneman announced September 30, 2003, the appointment of seven new members and reappointment of five incumbents to the National Dairy Promotion and

Research Board. All will serve three-year terms from November 1, 2003, through October 31, 2006.

Newly appointed were: Elizabeth I. Anderson, Onalaska, Washington, (region 1); Mary E. Cameron, Hanford, California, and Kimberly K. Clauss, Hilmar, California, (region 2); William C. Stouder, Wendell, Idaho, (region 3); Ronald G. Johnsrud, Gays Mills, Wisconsin, (region 6); James R. Bartelson, Anita, Iowa, (region 7); and Donald E. Gurtner, Fremont, Indiana, (region 9).

Reappointed to serve second terms were: Charles W. Bryant, Austin, Ark., (region 4); Arlon E. Fritsche, New Ulm, Minn., (region 5); Connie M. Seefeldt, Coleman, Wis., (region 6); Lewis Gardner, Galeton, Penn., (region 11); and Edgar A. King, Schuylerville, N.Y., (region 12).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the 48 contiguous United States, administers a coordinated program of promotion, research and nutrition education.

The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15-cent per hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service monitors the operation of the board.

AMS encourages all eligible individuals to participate in its committee and board activities. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the programs.

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STUDY: RAISING THE MINIMUM NONFAT SOLIDS STANDARD TO THE NATIONAL AVERAGE IN RAW MILK: A STUDY OF FLUID MILK IDENTITY STANDARDS

Part of the Farm Security and Rural Investment Act of 2002 required the Secretary of Agriculture to conduct a study of the effects of including in the standards of identity for fluid milk a required minimum protein content that is commensurate with the average nonfat solids content of cows' milk produced in the United States. USDA, Agricultural Marketing Services, Dairy Programs recently released the study "*Raising the Minimum Nonfat*

Solids Standard to the National Average in Raw Milk: A Study of Fluid Milk Identity Standards" prepared for the Senate Committee On Agriculture, Nutrition and Forestry and the House Committee on Agriculture. The following is the Summary and Observations of the study. A copy of the entire study can be found on the internet at http://www.ams.usda.gov/dairy/st_farm_bill_02.htm

Summary and Observations

Dairy farmers are becoming increasingly concerned that technological advances in the fractionation of milk could result in a reduction in the volume of nonfat milk solids sold in fluid milk products. Current FDA standards for nonfat solids in fluid milk products are set at a minimum of 8.25 percent, well below the average content in farm milk. Fluid milk products are Class I products under the FMMO system and as such return a higher price to dairy farmers.

In response to dairy farmers' concerns, Congress included a provision in the Farm Security and Rural Investment Act of 2002 directing the Secretary of Agriculture to study the potential impacts of raising the nonfat solids standards to the national average level as it occurs in farm milk and adopting the average true protein level as an additional standard for fluid milk products.

Dairy Programs of the Agricultural Marketing Service studied the issue and found the following for 2001:

- The average nonfat solids content of farm milk in the United States was 8.72 percent, and the average true protein content was 3.03 percent in 2001.
- The monthly averages for nonfat solids content of farm milk in May through August were below the annual average and for January-March and October-December were above it.
- The monthly averages for true protein content of farm milk in April through August were below the annual average and for January-March and September-December were above it.
- Farm milk in the Florida FMMO contained the lowest annual average amount of nonfat solids (8.63 percent), and farm milk in the Western FMMO contained the highest (8.78 percent).
- Farm milk in the Arizona-Las Vegas FMMO contained the lowest annual average true protein (2.97 percent), and farm milk in California and the Western FMMO contained the highest (3.06 percent).

- The amount of fortification needed to meet the true protein standards was greater than the amount needed to meet the higher nonfat solids standard.

- The fluid milk product that would require the most fortification is whole milk. Each market would need to fortify whole milk at some time during the year. Eight of the 11 FMMOs would have to fortify reduced-fat milk during some part of the year. Three orders would require some level of fortification for lowfat and fat-free fluid milk.

- Meeting higher fluid milk standards would have led to an additional 19 million pounds of nonfat dry milk being used in fluid milk products in 2001. Government support purchases would have been reduced a similar amount, thus reducing Government purchases by about \$18 million.

- If the nonfat solids content of fluid milk products were reduced to midway between the current average content and the minimum standard of 8.25 percent, 145 million pounds less nonfat solids would be used in fluid milk products. Government purchases of nonfat dry milk under the price support program would have increased by a like amount, costing an additional \$137 million. Farm milk prices would have been about \$0.01 per cwt lower because of the price support floor on nonfat dry milk prices.

- If the nonfat solids content of fluid milk product were at the minimum 8.25 percent, 290 million pounds less nonfat solids would be used in fluid milk products. Government purchases of nonfat dry milk under the price support program would have increased by a like amount, costing an additional \$274 million. Farm milk prices would have been about \$0.02 per cwt lower because of the price support floor on nonfat dry milk prices.

- An increase in purchases of nonfat dry milk would lead to increased Government stockpiles of nonfat dry milk and the potential need to lower the purchase price of nonfat dry milk and raise the purchase price of butter. Depending on market conditions, raising the purchase price of butter could raise butter prices, thus possibly offsetting some of the decline in farm milk prices caused by the lower nonfat solids price.

- The impacts of changes in component levels in fluid milk products were measured against a modified baseline in which the price support program was removed. The adoption of higher component standards for fluid milk products would have increased the farm milk prices by \$0.02 due to a \$0.008 per pound increase in the nonfat dry milk price. If the nonfat solids content of fluid milk products were reduced to midway between the

current average content and the minimum standard of 8.25 percent, the Federal order blend price plus premiums at test would have decreased by \$0.13 per cwt, and if the nonfat solids content of fluid milk products were reduced to 8.25 percent, the Federal order blend price plus premiums at test would have been reduced by an estimated \$0.24 per cwt.

- A supply of nonfat dry milk or condensed skim milk is readily available to most fluid milk processors, and indications are that the additional cost of meeting higher fluid milk standards would be minimal.

STUDY: ALTERNATIVE MILK PRICE SERIES: INFORMATION FOR COOPERATIVES

The following is the preface and highlights of the study "*Alternative Milk Price Series: Information for Cooperatives*" done by the USDA Rural Business-Cooperative Services. The copy of the entire study can be found on the internet at <http://www.rurdev.usda.gov/rbs/pub/research.htm>, research report 198.

Preface: This study sought to answer inquiries by some cooperative managers and dairy producers concerning whether the Chicago Mercantile Exchange (CME) spot and futures market prices could be used to generate price series that would emulate Federal Milk Market Order (FMMO) prices. The report shows some of the alternative price series as they tracked the FMMO prices over a 36-month period from January 2000—when FMMO reforms went into effect and inaugurated a new set of pricing formulas under the order—through December 2002.

The price series and the methods of estimating them are the author's choices. (Other researchers may choose other price series and estimation methods.) Some of the differences (some may be occasionally large) between the resulting price series and their respective FMMO counterparts may be due to the time series (number of days covered by the monthly calculated prices and the 1-week lag of prices reported by USDA's National Agricultural Statistics Service (NASS)) used and the transaction rules employed in the estimation. However, statistical tests indicate that these alternative price series and their FMMO counterparts were essentially the same (drawn from the same population, statistically speaking).

This report is a straightforward presentation of some basic data for further informed discussions. It does not explain why the prices fluctuated the way they did—many reports regarding the supply-demand market situation over the study period are readily available elsewhere. Nor does it study the interactions between CME prices and the prices reported by NASS. Arduous further research is needed to study the subject.

Highlights: The year 2000 ushered in a new set of formulas for calculating milk prices under the Federal Milk Market Orders (FMMO). At the same time, some price discovery mechanisms have seen more trading activities. This report used the cash and futures prices at Chicago Mercantile Exchange (CME) to estimate FMMO milk prices and compared the resulting price series with their FMMO counterparts for the 36-month period from January 2000 through December 2002.

When the estimation was done with cash prices, it followed the same formulas for FMMO price calculation. When it was done with the futures prices, the estimation used the simple or weighted average of settling prices. The cash and futures trading data used for each month covered the time period from the first trading day of the month until the day when FMMO prices were announced.

To estimate the monthly Class I base price, the advanced Class III and Class IV prices were calculated. The estimated monthly Class I base price was the higher of the two advanced prices.

When spot market prices were used, the monthly advanced Class III price was estimated with CME cash cheese and butter sales prices and dry whey price reported by USDA's National Agricultural Statistics Service (NASS), while the advanced Class IV price was estimated with CME cash butter sales price and NASS nonfat dry milk price.

When futures market prices were used, the monthly advanced Class III price was the simple or weighted average of settling prices of Class III futures contracts. And the advanced Class IV price was the simple or weighted average of settling prices of Class IV futures contracts. There were two alternatives when futures prices were used. Alternative 1 used the price data for the current month contracts that were traded during the previous month. The second alternative used the price data for the previous month contracts that were traded during the previous month.

The monthly Class III or Class IV price was estimated the same way as the advanced Class III or Class IV price, except that the price data covered the entire month up to the day when the FMMO Class III and IV prices were announced, and the futures price data used were for the current month contracts that were traded during the current month.

The range of monthly differences between most estimated prices and their respective FMMO counterparts was substantial. However, price series covering the entire study period showed the differences between the average estimated prices and their respective FMMO counterparts were small. Measures of price variation (standard deviation and coefficient of variation) did not show much difference as well. Statistical tests indicate that these alternative price series and their FMMO counterparts were from the same population (essentially the same).

Trading at the CME spot and futures markets takes place daily (three times a week for cash butter), while wholesales prices reported to NASS is on a weekly basis. In the short run, market information embodied in the daily prices and the weekly prices may be somewhat different. NASS prices also have a 1-week lag behind the spot and futures price. These time differences may have resulted in substantial monthly differences between the estimated prices and the corresponding FMMO prices. However, in the long term, regardless of the price discovery mechanism used, all prices seem to reflect the same fundamental market forces and the average prices and the measures of price variation show little difference. ♦

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Proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP 0225-Room 2968, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by January 30, 2004. More information can be found at:

http://www.ams.usda.gov/dairy/class_prov/extension.pdf. ♦

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Sep 2003	Aug 2003	Sep 2002	Sep 2003	Aug 2003	Sep 2002	Sep 2003	Aug 2003	Sep 2002
Minimum Class Prices (3.5% B.F.)									
Class I Milk (\$/cwt.)	\$15.61	\$12.87	\$12.36	\$15.61	\$12.87	\$12.36	\$16.06	\$13.32	\$12.81
Class II Milk (\$/cwt.)	10.76	10.81	10.91	10.76	10.81	10.91	10.76	10.81	10.91
Class III Milk (\$/cwt.)	14.30	13.80	9.92	14.30	13.80	9.92	14.30	13.80	9.92
Class IV Milk (\$/cwt.)	10.05	10.14	10.22	10.05	10.14	10.22	10.05	10.14	10.22
Producer Prices									
Producer Price Differential (\$/cwt.)	\$(1.76)	\$(2.14)	\$ 0.74	\$(0.90)	\$(1.70)	\$ 0.63	+	+	+
Butterfat (\$/pound)	1.2218	1.2514	1.0099	1.2218	1.2514	1.0099	+	+	+
Protein (\$/pound)	3.3180	3.1438	2.0646	3.3180	3.1438	2.0646	+	+	+
Other Solids (\$/pound)	0.0170	0.0026	0.0367	0.0170	0.0026	0.0367	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	9.98	8.89	7.70
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.2431	1.2448	1.0296
Statistical Uniform Price (\$/cwt.)	\$12.54	\$11.66	\$10.66	\$13.40	\$12.10	\$10.55	\$13.98	\$12.94	\$11.03
Producer Data									
Number of Producers	705 *	705	977	561 *	560	798	106 *	106	107
Avg. Daily Production (lbs.)	17,574 *	18,997	21,980	9,986 *	10,583	22,557	69,816 *	67,940	67,179
Number of Handlers									
Pool Handlers	26	28	26	17	16	16	6	6	6
Producer-Handlers	9 *	9	9	5 *	5	7	2 *	2	2
Other Plants w/ Class I Use	17 *	17	18	21 *	21	21	34 *	34	28
Producer Milk Ratios									
Class I	46.67%	40.64%	27.24%	56.33%	50.39%	17.31%	35.82%	34.73%	36.02%
Class II	8.55%	10.55%	5.48%	14.99%	16.27%	5.79%	10.16%	8.69%	4.59%
Class III	0.79%	6.14%	36.77%	2.43%	1.89%	55.23%	40.79%	43.16%	40.62%
Class IV	43.99%	42.67%	30.51%	26.25%	31.45%	21.67%	13.23%	13.42%	18.77%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002	Aug 2003	Jul 2003	Aug 2002
Producer-Handler Data									
Production	23,501,745	24,306,500	25,051,972	2,367,570	2,374,403	2,782,894	R	R	R
Class I Use	17,938,642	17,036,352	17,919,686	1,417,161	1,557,164	1,808,139	R	R	R
% Class I Use	76.33%	70.09%	71.53%	59.86%	65.58%	64.97%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	154,626,293	154,170,387	163,163,594	62,928,903	67,459,518	71,197,582	74,969,209	73,372,673	75,911,414
By Producer-Handlers	17,966,567	17,264,132	17,758,013	1,447,751	1,555,818	1,859,466	1/	1/	1/
By Other Plants	2,102,319 *	1,777,867	885,863	3,802,352 *	3,208,177	3,604,183	33,730,610 *	31,133,759	32,582,703
Total	174,695,179	173,212,386	181,807,470	68,179,006	72,223,513	76,661,231	108,699,819	104,506,432	108,494,117

* 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			
	Sep 2003	Aug 2003	Sep 2002	Sep 2003	Aug 2003	Sep 2002	Sep 2003	Aug 2003	Sep 2002	
TOTAL PRODUCER MILK	371,686,360	415,182,551	644,236,287	168,058,351	183,719,310	540,017,718	222,014,931	223,250,046	215,644,583	
RECEIPTS FROM OTHER SOURCES	32,948,291	134,325,745	8,194,198	10,782,525	9,543,422	5,492,076	4,977,948	5,559,230	11,941,003	
OPENING INVENTORY	31,330,665	29,577,600	21,836,345	16,974,072	16,665,872	12,647,173	12,463,767	12,405,449	12,705,884	
TOTAL TO BE ACCOUNTED FOR	435,965,316	579,085,896	674,266,830	195,814,948	209,928,604	558,156,967	239,456,646	241,214,725	240,291,470	
UTILIZATION OF RECEIPTS										
Whole milk	27,415,263	29,365,676	27,061,688	12,849,929	12,273,663 *	11,815,565	22,596,389	22,921,236	21,343,637	
Flavored milk & milk drinks	11,494,867	7,135,282	11,771,741	6,653,236	4,432,757 *	5,831,885	6,682,805	5,259,847	5,638,587	
2% milk	65,710,377	68,464,456	67,731,739	29,241,724	28,758,349 *	28,236,335	27,711,174	28,194,034	27,488,266	
1% milk	21,342,103	22,482,250	24,072,211	13,741,102	13,854,725 *	13,812,685	9,382,191	8,732,299	8,891,518	
Skim milk	24,780,957	25,758,816	26,654,495	8,570,345	8,509,159 *	8,463,284	9,501,780	9,339,945	9,548,683	
Buttermilk	1,423,789	1,419,813	1,344,328	633,511	591,709 *	566,401	518,388	521,848	526,870	
CLASS I ROUTE DISP. IN AREA	152,167,356	154,626,293	158,636,202	71,689,847	68,420,362 *	68,726,155	76,392,727	74,969,209	73,437,561	
Class I dispositions out of area	13,351,050	13,462,341	11,761,822	23,433,444	22,264,995 *	17,725,070	4,201,525	3,997,912	3,673,179	
Other Class I usage	23,175,460	17,519,745	20,345,193	14,551,259	16,275,100	17,442,930	6,748,418	7,663,768	7,452,219	
TOTAL CLASS I USE	188,693,866	185,608,379	190,743,217	109,674,550	106,960,457	103,894,155	87,342,670	86,630,889	84,562,959	
TOTAL CLASS II USE	40,701,749	48,138,812	40,890,699	32,035,551	36,511,261	34,224,894	23,154,013	20,013,480	12,257,272	
TOTAL CLASS III USE	3,327,315	132,703,784	237,708,938	4,386,761	3,833,878	298,563,633	91,280,261	97,676,557	90,287,640	
TOTAL CLASS IV USE	203,242,386	212,634,921	204,923,976	49,718,086	62,623,008	121,474,285	37,679,702	36,893,799	53,183,599	
TOTAL ACCOUNTED FOR	435,965,316	579,085,896	674,266,830	195,814,948	209,928,604	558,156,967	239,456,646	241,214,725	240,291,470	
CLASSIFICATION OF RECEIPTS										
Producer milk:	Class I	173,467,553	168,746,417	175,487,941	94,669,764	92,574,723	93,441,205	79,544,907	77,531,215	77,689,791
	Class II	31,790,774	43,785,877	35,311,592	25,187,554	29,884,340	31,286,309	22,549,233	19,401,506	9,891,168
	Class III	2,926,315	25,499,161	236,871,114	4,086,848	3,477,572	298,257,530	90,557,808	96,350,477	87,584,656
	Class IV	163,501,718	177,151,096	196,565,640	44,114,185	57,782,675	117,032,674	29,362,983	29,966,848	40,478,968
Other receipts:	Class I	15,226,313	16,861,962	15,255,276	15,004,786	14,385,734	10,452,950	17,441,715	17,964,679	24,646,887
	Class II	8,910,975	4,352,935	5,579,107	6,847,997	6,626,921	2,938,585	1/	1/	1/
	Class III	401,000	107,204,623	837,824	299,913	356,306	306,103	1/	1/	1/
	Class IV	39,740,668	35,483,825	8,358,336	5,603,901	4,840,333	4,441,611	1/	1/	1/
Avg. daily producer receipts		12,389,545	13,392,986	21,474,543	5,601,945	5,926,429	18,000,591	7,400,498	7,201,614	7,188,153
Change From Previous Year		-42.31%	-38.98%	5.58%	-68.88%	-59.65%	20.68%	2.95%	-0.66%	-3.40%
Avg. daily Class I use		6,289,796	5,987,367	6,358,107	3,655,818	3,450,337	3,463,139	2,911,422	2,794,545	2,818,765
Change From Previous Year		-1.07%	-4.52%	3.17%	5.56%	-1.87%	13.88%	3.29%	-0.60%	0.03%

1/ Restricted - Included with Class I. * **Bold = Revised.**

HIGHLIGHTS THIS ISSUE:

- Market Summaries for September 2003
- September 2003 Class Prices and Commodity Prices
- Class I Prices for November 2003
- The Secretary Names Members to National Dairy Board
- **Study: Raising the Minimum Nonfat Solids Standard to the National Average in Raw Milk: A Study of Fluid Milk Identity Standards**
- **Study: Alternative Milk Price Series: Information for Cooperatives**
- **Time Extended for Submission of Additional Proposals**

TIME EXTENDED FOR SUBMISSION OF ADDITIONAL PROPOSALS IN CONNECTION WITH HEARING REQUESTED TO AMEND ALL FEDERAL MILK ORDERS

Interested parties have requested that the Department of Agriculture (USDA) extend the time for submitting additional proposals to be considered in connection with a hearing request currently under review that would amend the fluid milk product definition in all Federal milk marketing orders. The proposal was submitted by Dairy Farmers of America (DFA). The deadline for submitting proposals (announced in our August 28, 2003, letter) is hereby extended from September 19, 2003, to January 30, 2004.

Copies of the DFA proposal 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 address: Antoinette.Carter@usda.gov.

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