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AGRICULTURAL MARKETING SERVICE

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FEDERAL MILK ORDERS 124 & 131

ANNOUNCEMENT OF UNIFORM PRICES FOR THE PACIFIC NORTHWEST AND ARIZONA ORDERS

FO 124 and 131

December 2008

| Producer Prices * | Pacific Northwest FO 124 | Arizona FO 131 |
|--------------------------------|-----------------------------|-------------------|
| Producer Price Differential 1/ | (\$2.28) | |
| Butterfat 2/ | \$1.2998 | |
| Protein 2/ | \$3.6390 | |
| Other Solids 2/ | (\$0.0269) | |
| Nonfat Solids 3/ | \$0.6680 | |
| Skim 1/ | | \$9.41 |
| Butterfat 2/ | | \$1.3961 |
| Stat. Uniform Price 4/ | \$13.00 | \$13.97 |

| Producer Milk Utilizations | | | | |
|----------------------------|---------|-------------|---------|-------------|
| Class | Percent | Pounds | Percent | Pounds |
| Class I | 43.09% | 203,708,667 | 33.65% | 120,643,586 |
| Class II | 7.39% | 34,945,279 | 7.12% | 25,509,092 |
| Class III | 8.85% | 41,823,070 | 27.01% | 96,842,191 |
| Class IV | 40.67% | 192,267,926 | 32.22% | 115,523,248 |
| Total Producer Milk | | 472,744,942 | | 358,518,117 |

| Producer Milk Component Levels | | |
|--------------------------------|--------|--------|
| Butterfat | 3.780% | 3.611% |
| Protein | 3.179% | |
| Other Solids | 5.686% | |
| Solids-Not-Fat | 8.865% | |

| Computation of: | PPD (124) | Uniform Price (131) |
|-----------------|-------------------|---------------------|
| Class I | \$29,594,336.88 | \$18,241,278.03 |
| Class II | \$6,716,758.05 | \$5,570,870.86 |
| Class III | \$7,267,953.02 | \$18,187,576.98 |
| Class IV | \$22,648,842.17 | \$8,487,919.62 |
| Gross Value | \$66,227,890.12 | \$50,487,645.49 |
| Net Adjustments | (\$77,006,602.65) | (\$17,947,796.50) |
| Net Pool Value | (\$10,778,712.53) | \$32,539,848.99 |

| | | | | |
|---------|-------------|-----|--|-----|
| Class I | % Skim | 44% | | 34% |
| | % Butterfat | 21% | | 18% |

* Subject to applicable location adjustments.

1/ Per hundredweight. 2/ Per pound. 3/ Price not used for payments to producers. 4/ For FO 124, statistical uniform price represents the Class III price, plus the producer price differential. For FO 131, uniform price represents 0.965 multiplied by the skim price, plus 3.5 multiplied by the butterfat price.

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James R. Daugherty
Market Administrator

MILK MARKET SUMMARIES FOR DECEMBER 2008

Pacific Northwest Order (FO 124)

| | December 2008 1/ | November 2008 | December 2007 | December 2008 Percent Change From | |
|-------------------------------|---------------------|---------------|---------------|--------------------------------------|--------------|
| | | | | Month-Ago | Year-Ago |
| Producer Deliveries | 472,744,942 | 621,205,625 | 578,733,166 | -23.90% | -18.31% |
| Daily Deliveries | 15,249,837 | 20,706,854 | 18,668,812 | -26.35% | -18.31% |
| Number of Producers | 510 | 667 | 683 | | |
| Daily Deliveries Per Producer | 29,902 | 31,045 | 27,334 | -3.68% | 9.39% |
| Class I Producer Milk | 203,708,667 | 182,730,222 | 190,489,190 | 11.48% | 6.94% |
| Class I Utilization (%) | 43.09% | 29.41% | 32.91% | | |
| Class I Daily Usage | 6,571,247 | 6,091,007 | 6,144,813 | 7.88% | 6.94% |

Arizona Order (FO 131)

| | December 2008 | November 2008 | December 2007 | December 2008 Percent Change From | |
|-------------------------------|----------------|---------------|---------------|--------------------------------------|--------------|
| | | | | Month-Ago | Year-Ago |
| Producer Deliveries | 358,518,117 | 336,032,616 | 321,111,301 | 6.69% | 11.65% |
| Daily Deliveries | 11,565,101 | 11,201,087 | 10,358,429 | 3.25% | 11.65% |
| Number of Producers | 102 | 102 | 92 | | |
| Daily Deliveries Per Producer | 113,383 | 109,815 | 112,592 | 3.25% | 0.70% |
| Class I Producer Milk | 120,643,586 | 115,520,980 | 115,309,350 | 4.43% | 4.63% |
| Class I Utilization (%) | 33.65% | 34.37% | 35.91% | | |
| Class I Daily Usage | 3,891,729 | 3,850,699 | 3,719,656 | 1.07% | 4.63% |

1/ Eligible milk not pooled due to price. Comparisons to previous month or year may be biased.

Numbers in Bold/Italics are estimated.