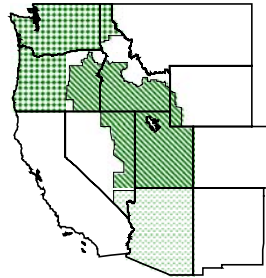


## Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



1930 – 220<sup>th</sup> 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 25<sup>th</sup> 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

**January 2004**

### MARKET SUMMARIES FOR DECEMBER 2003

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

#### Pacific Northwest

Producers delivered a total of 615.4 million pounds of milk to the market during December. Comparisons to the previous month are affected by eligible milk not pooled in November 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 19.9 million pounds, up 38.9 percent from November. An estimated 839 producers delivered milk to the market during the month. Daily deliveries per producer averaged 23,661 pounds, up 38.2 percent from November.

Class I producer milk during December totaled 182.5 million pounds, 29.7 percent of total producer receipts. Daily usage averaged 5.9 million pounds, down 0.03 percent from November.

#### Arizona-Las Vegas

Producers delivered a total of 259.8 million pounds of milk to the market during December. Daily deliveries averaged 8.4 million pounds, up 3.3 percent from November. An estimated 105 producers delivered milk to the market during the month. Daily deliveries per producer averaged 79,815 pounds, up 3.3 percent from November.

Class I producer milk during December totaled 85.6 million pounds, 33.0 percent of total producer receipts. Daily usage averaged 2.8 million pounds, up 5.4 percent from November.

#### Western

Producers delivered a total of 436.0 million pounds of milk to the market during December. Comparisons to the previous month are affected by eligible milk not pooled in November and December 2003. Fewer than three handlers did not pool milk,

*(Continued on Page 2)*

### Federal Order Producer Prices and Component Levels: December 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	12.47	12.98	12.65	Butterfat	3.829	3.712	3.743
Butterfat 2/	1.3688	1.3579	1.3688	Protein	3.147	N/A	3.157
Protein 2/	2.2997	N/A	2.2997	Other Solids	5.675	N/A	5.703
Other Solids 2/	0.0362	N/A	0.0362	Nonfat Solids	8.822	N/A	8.861
PPD 1/*	0.60	N/A	0.78				
Skim 1/	N/A	8.53	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)

the amount of eligible milk not pooled is restricted. Daily deliveries averaged 14.1 million pounds, up 101.2 percent from November. An estimated 702 producers delivered milk to the market during the month. Daily deliveries per producer averaged 20,034 pounds, up 101.2 percent from November.

Class I producer milk during December totaled 96.4 million pounds, 22.1 percent of total producer receipts. Daily usage averaged 3.1 million pounds, up 5.9 percent from November. ♦

#### DECEMBER 2003 CLASS PRICES

December 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from December 6, 13, 20, and 27, 2003. Component prices for the month are \$2.2997 per pound of protein, \$1.3688 per pound of butterfat, \$0.0362 per pound of other solids, and \$0.6603 per pound of nonfat solids.

December 2003 Class III and IV prices at 3.5% butterfat are \$11.87 and \$10.52 per hundredweight, respectively. The December Class III price compared to November is down \$1.60. The Class III price is \$2.13 higher than December 2002. The Class III price at 3.67% butterfat is \$2.19 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.3758 per pound. Class I skim and butterfat and Class II skim prices for December 2003 were announced on November 21, 2003. The Class II price at 3.5% butterfat is \$11.30 for December 2003 .

#### FINAL: NASS COMMODITY PRICES

	November	December	Change
Cheese*	\$1.4941	\$1.3260	-\$0.1681
Butter	\$1.1881	\$1.2557	\$0.0676
Nonfat Dry Milk	\$0.8130	\$0.8070	-\$0.0060
Whey	\$0.1947	\$0.1941	-\$0.0006

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

**Current Commodity Prices** -- The NASS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks but a net increase for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 5.62 cents between the December 13 and the January 17 surveys, to \$1.2982 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 0.32 cents to \$1.2566 per pound.

The NASS butter price showed a net increase of 14.66 cents between the weeks ending December 13 and January 17 from \$1.2403 per pound to \$1.3869 per pound.

The NASS nonfat dry milk showed a net decrease of 0.06 cents since mid-December to \$0.8065 per pound. The average price for NASS whey showed a net decrease of 1.51 cents since mid-December to \$0.1804 per pound. ♦

#### FEBRUARY'S CLASS I PRICE ANNOUNCEMENT

On January 23, the February 2004 Class I price was announced at \$13.49 for the Pacific Northwest and Western Orders, and \$13.94 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of January 10 and 17.

The February Class III and IV advance skim prices are \$6.55 and \$5.93 per hundredweight, respectively. The butterfat portion of the Class I mover increased 17.61 cents from \$1.3283 to \$1.5044 per pound.

The February 2004 Class II skim and nonfat solids prices were also announced on January 23. The skim price is \$6.63 per hundredweight, and the nonfat solids price is \$0.7367 per pound for all Federal orders. ♦

#### ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	January	February	Change
Cheese*	\$1.3227	\$1.2977	-\$0.0250
Butter	\$1.2219	\$1.3687	\$0.1468
Nonfat Dry Milk	\$0.8072	\$0.8051	-\$0.0021
Whey	\$0.1967	\$0.1824	-\$0.0143

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

#### USDA ANNOUNCES INTERIM ORDER TO AMEND THE PACIFIC NORTHWEST ORDER

On January 12, 2004, the U.S. Department of Agriculture issued an interim order amending a pooling provision of the Pacific Northwest Federal milk marketing order. The interim order was approved by Pacific Northwest dairy farmers.

This interim order implements a provision that eliminates the ability to simultaneously pool milk on the Pacific Northwest milk order when the same milk is already pooled on a state-operated milk order that has marketwide pooling. The interim amendment to the order will become effective on February 1, 2004.

Once the interim order goes into effect, parties can file exceptions to the tentative final decision. USDA will then reconsider the decision in light of exceptions and issues a final decision. ♦

*(Continued From Page 8)*

This action is necessary because a milk marketing order must be approved by at least two-thirds of the producers whose milk would be regulated under the terms of an order. When an amended milk marketing order is not approved by producers, USDA takes action to terminate it because, without the needed amendments, the order does not, in USDA's judgment, comply with the Agricultural Marketing Agreement Act of 1937, as amended.

The proposed termination was published in the January 13th Federal Register. Interested persons will have 30 days to submit written data, views and arguments as to why the order should not be terminated. Comments are due on or before February 12, 2004. Send two copies to the USDA/AMS/Dairy Division, Order Formulation and Enforcement Branch, Room 2971 - Stop 0231, 1400 Independence Ave., SW, Washington, DC 20250-0231. ♦

#### **USDA RECONVENES HEARING TO CONSIDER AMENDING THE PACIFIC NORTHWEST AND ARIZONA-LAS VEGAS ORDERS**

A public hearing on proposals that would amend the producer-handler provisions in the Pacific Northwest and Arizona-Las Vegas Federal milk orders was reconvened on Tuesday, January 20, 2004, in Alexandria, Virginia.

The initial hearing in this proceeding was held September 23-25, 2003, in Tempe, Arizona, and reconvened November 17-21, 2003, in Seattle, Washington. Due to the number of witnesses seeking to present testimony on the proposals contained in the original hearing notice issued July 31, 2003, USDA reconvened the hearing again. Proposals being considered would end the regulatory exemption from the pricing and pooling provisions of the Pacific Northwest and the Arizona-Las Vegas milk marketing orders for producer-handlers whose Class I route disposition exceed three million pounds per month in either market. USDA is also considering a proposal that would eliminate the ability to simultaneously pool the same milk on the Arizona-Las Vegas milk order

and on a State-operated order that provides for marketwide pooling. ♦

#### **HISTORICAL PRODUCER-HANDLER INFORMATION AVAILABLE ON DAIRY PROGRAMS' WEBSITE**

The Market Information Branch (MIB) has recently rearranged its information on handlers operating under the Federal milk order program on the Milk Marketing Order Statistics website. Along with this action, the MIB is making available historical information on producer-handlers operating in Federal milk order marketing areas. The new information can be found at [www.ams.usda.gov/dyfmos/mib/hndlr\\_info.htm](http://www.ams.usda.gov/dyfmos/mib/hndlr_info.htm) ♦

#### **USDA SETS HEARING ON PROPOSED AMENDMENTS TO THE APPALACHIAN AND SOUTHEAST MILK ORDERS**

On January 20, 2004, the U. S. Department of Agriculture announced it will hold a public hearing to consider proposals to amend the Appalachian and Southeast Federal milk marketing orders. The hearing will begin at 1 p.m. on February 23 at the Westin Atlanta Airport Hotel, 4736 Best Road, Atlanta, Georgia.

The hearing will consider a proposal to merge the Appalachian and Southeast milk marketing areas and proposals to expand the proposed merged order marketing area. Another proposal would create a "Mississippi Valley" order by breaking the Southeast order into two orders. USDA will also consider additional proposals that seek to amend certain other terms and provisions of the orders.

The hearing notice was published as a proposed rule in the January 23, 2004, Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, Rm. 2971 - Stop 0231, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The hearing notice also is available on the AMS web site, at: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

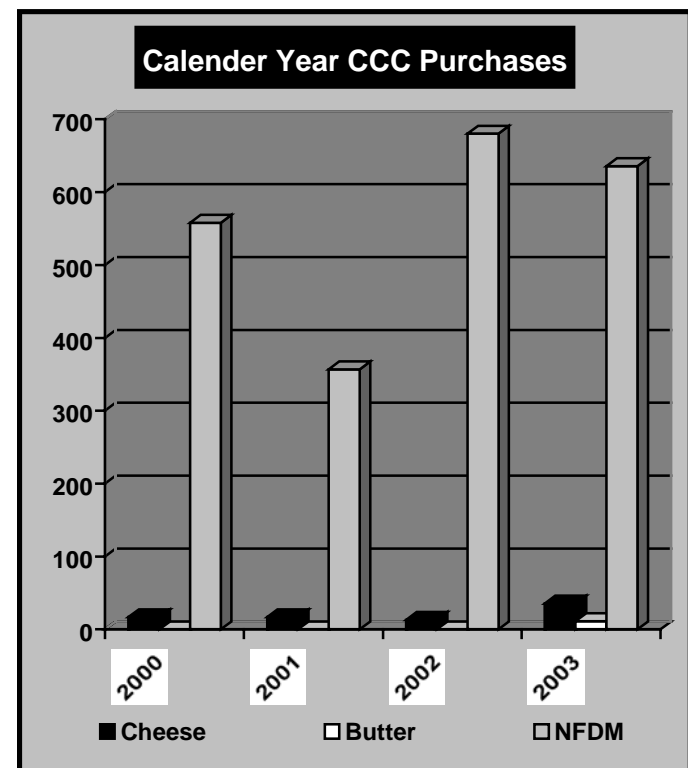
The hearing notice and information about the hearing also is available from market administrator offices, as follows:

Appalachian: Harold H. Friedly; USDA/AMS/Dairy Programs; P.O. Box 18030; Louisville, KY 40261-0030; Tel. (502)499-0040; email: [friedly@malouisville.com](mailto:friedly@malouisville.com),

Florida and Southeast: Sue. L. Mosley; USDA/AMS/Dairy Programs; P.O. Box 491778, Lawrenceville, GA 30049; Tel. (770)682-2501; email: smosley@fmmatlanta.com ♦

**2003 CCC PURCHASES**

During 2003, the Commodity Credit Corporation (CCC) purchased 635.5 million pounds of nonfat dry milk, 35.5 million pounds of cheese, and 11.4 million pounds of butter under the dairy price support program. Between 2002 and 2003, Nonfat dry milk purchases decreased 44.7 million pounds, cheese purchases increased 22.6 million pounds, and butter purchases increased 11.4 million pounds. The 2003 purchases compared to no butter, 12.9 million pounds of cheese, and 680.2 million pounds of nonfat dry milk during 2002. ♦



Source: Dairy Market News, Volume 70, Report 53

**2003 MILK PRODUCTION**

Milk production for 2003 was down 0.06% for the U.S. but up 0.33% for the top 20 states compared with 2002. U.S. milk production for 2003 equaled 169,653 million pounds, 105 million pounds less than last year. The tables below show data for 2003 for the selected states with comparisons to year-ago levels.

Milk production for the fourth quarter of 2003 was down 0.56% for the U.S. and 0.16% for the top 20 states compared with 2002.

Milk production for the month of December 2003 was down 0.71% for the U.S. and 0.32% for the top 20 states compared with 2002. ♦

**Milk Production  
2002-03**

	2002	2003 1/	% Change
-- million pounds --			
Arizona	3,429	3,454	0.73%
California	34,884	35,286	1.15%
Idaho	8,155	8,765	7.48%
Minnesota	8,458	8,288	-2.01%
New Mexico	6,316	6,666	5.54%
New York	12,217	11,958	-2.12%
Oregon 2/	2,093	2,169	3.63%
Utah 2/	1,659	1,615	-2.65%
Washington	5,620	5,580	-0.71%
Wisconsin	22,074	22,246	0.78%
20 States 3/	146,590	147,076	0.33%
U.S.	169,758	169,653	-0.06%

\*See footnotes below Milk Production December 2002-2003 table.

**Milk Production  
Fourth Quarter 2002-03**

	2002	2003 1/	% Change
-- million pounds --			
Arizona	821	838	2.07%
California	8,674	8,683	0.10%
Idaho	2,041	2,200	7.79%
Minnesota	2,042	2,000	-2.06%
New Mexico	1,564	1,650	5.50%
New York	2,973	2,875	-3.30%
Oregon 2/	529	527	-0.38%
Utah 2/	409	398	-2.69%
Washington	1,374	1,359	-1.09%
Wisconsin	5,396	5,431	0.65%
20 State 3/	35,938	35,879	-0.16%
US	41,555	41,322	-0.56%

\*See footnotes below Milk Production December 2002-2003 table.

Milk Production December 2002-03			
	2002	2003 1/	% Change
-- million pounds --			
Arizona	288	294	2.08%
California	2,933	2,955	0.75%
Idaho	694	733	5.62%
Minnesota	713	698	-2.10%
New Mexico	527	561	6.45%
New York	1,013	976	-3.65%
Oregon 2/	N/A	N/A	N/A
Utah 2/	N/A	N/A	N/A
Washington	467	458	-1.93%
Wisconsin	1,855	1,839	-0.86%
20 States 3/	12,290	12,251	-0.32%
US	14,211	14,110	-0.71%

1/ December 2003 is preliminary. 2/ Data for Oregon and Utah is published quarterly. 3/ 20 States do not include Oregon and Utah. N/A = not available. Source: National Agricultural Statistics Service.

Service, the site provides location and contact information for farmers markets, descriptions of AMS marketing projects and grants, and information on how to find organic certifying agents and organic contacts in each state department of agriculture. There is also a brief marketing summary of each state.

The site is aimed at market developers, state departments of agriculture, academics and other data collectors, as well as consumers interested in marketing activities in their state.

The site can be accessed at [www.ams.usda.gov/statesummaries](http://www.ams.usda.gov/statesummaries). (Source: AMS News Release No. 266-03) ♦

**BSE INFORMATION RESOURCES**

Contacts and information sites for questions concerning Bovine Spongiform Encephalopathy (BSE), also known as Mad Cow's Disease, should be directed to the following:

USDA:

- 1-866-USDACOM (1-866-601-0687)
- <http://www.usda.gov>
- USDA's Animal and Plant Health Inspection Services (APHIS) 1-800-601-9327.

Food and Drug Administration:

- <http://www.fda.gov>

Washington State Dairy Products Commission:

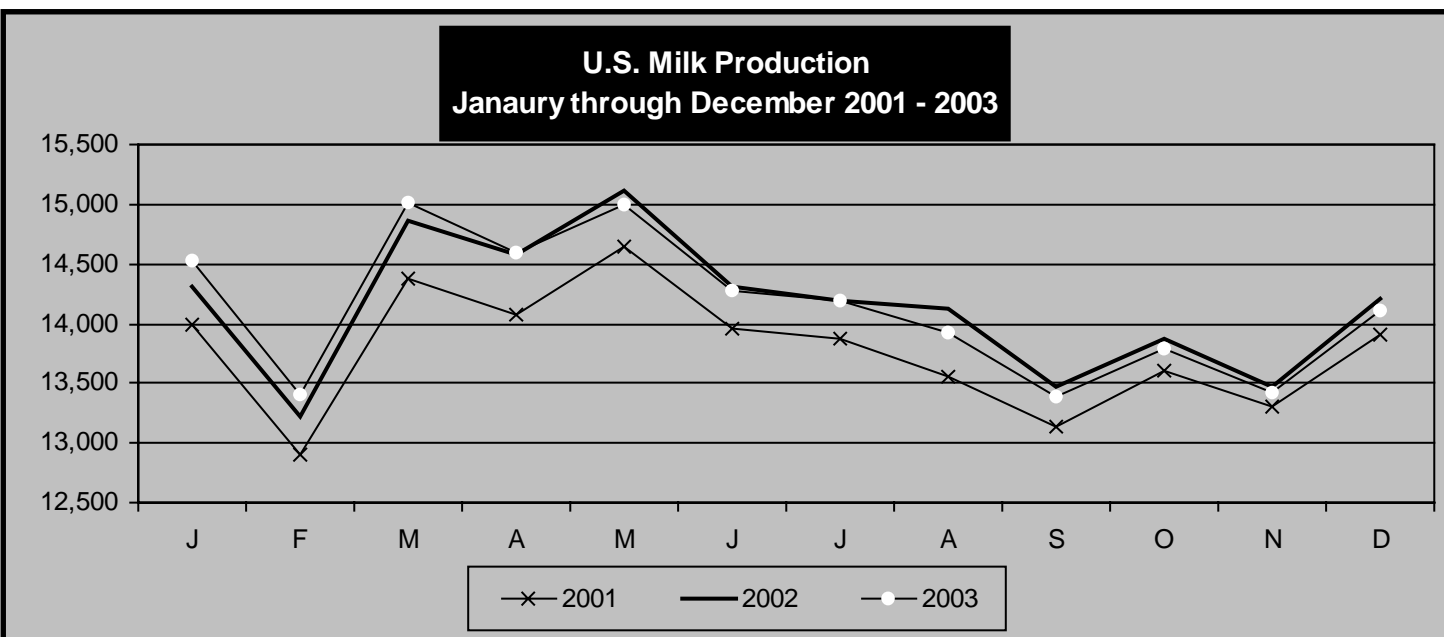
- 425-672-0687 ♦

**USDA LAUNCHES WEB SITE FOR STATE MARKETING PROFILES**

The U.S. Department of Agriculture announced the launch of a new Internet Web site that provides marketing profiles for all 50 states.

The site includes in-depth statistical information on farms, including size, market value, cropland, livestock inventories and commodities. There also are demographic and food consumption statistics for the major metropolitan areas in each State.

Developed by USDA's Agricultural Marketing



# MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Dec 2003	Nov 2003	Dec 2002	Dec 2003	Nov 2003	Dec 2002	Dec 2003	Nov 2003	Dec 2002
<b>Minimum Class Prices (3.5% B.F.)</b>									
Class I Milk (\$/cwt.)	\$15.74	\$16.27	\$12.42	\$15.74	\$16.27	\$12.42	\$16.19	\$16.72	\$12.87
Class II Milk (\$/cwt.)	11.30	10.99	11.62	11.30	10.99	11.62	11.30	10.99	11.62
Class III Milk (\$/cwt.)	11.87	13.47	9.74	11.87	13.47	9.74	11.87	13.47	9.74
Class IV Milk (\$/cwt.)	10.52	10.30	10.49	10.52	10.30	10.49	10.52	10.30	10.49
<b>Producer Prices</b>									
Producer Price Differential (\$/cwt.)	\$ 0.60	\$(0.52 )	\$ 1.07	\$ 0.78	\$(0.06 )	\$ 0.76	+	+	+
Butterfat (\$/pound)	1.3688	1.2877	1.1922	1.3688	1.2877	1.1922	+	+	+
Protein (\$/pound)	2.2997	2.9267	1.7506	2.2997	2.9267	1.7506	+	+	+
Other Solids (\$/pound)	0.0362	0.0368	0.0584	0.0362	0.0368	0.0584	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	8.53	9.57	7.20
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.3579	1.2880	1.1767
Statistical Uniform Price (\$/cwt.)	\$12.47	\$12.95	\$10.81	\$12.65	\$13.41	\$10.50	\$12.98	\$13.74	\$11.07
<b>Producer Data</b>									
Number of Producers	839 *	835	971	702 *	701	839	105 *	105	107
Avg. Daily Production (lbs.)	23,661 *	17,120	21,726	20,034 *	9,973	17,236	79,815 *	77,286	77,576
<b>Number of Handlers</b>									
Pool Handlers	28	26	26	18	18	18	6	6	6
Producer-Handlers	7 *	7	9	5 *	5	7	2 *	2	2
Other Plants w/ Class I Use	21 *	21	18	22 *	22	17	31 *	31	28
<b>Producer Milk Ratios</b>									
Class I	29.66%	41.19%	27.45%	22.12%	42.01%	22.94%	32.96%	32.29%	32.53%
Class II	6.14%	7.98%	5.16%	5.53%	14.38%	6.06%	6.72%	8.83%	3.21%
Class III	33.17%	14.02%	36.25%	64.57%	22.74%	69.87%	36.34%	40.34%	40.93%
Class IV	31.03%	36.81%	31.14%	7.78%	20.87%	1.13%	23.98%	18.54%	23.33%

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

	Nov 2003	Oct 2003	Nov 2002	Nov 2003	Oct 2003	Nov 2002	Nov 2003	Oct 2003	Nov 2002
<b>Producer-Handler Data</b>									
Production	19,021,405	21,418,729	22,905,696	2,029,868	2,196,504	2,516,801	R	R	R
Class I Use	15,514,138	18,419,235	18,455,144	1,472,715	1,606,013	1,743,829	R	R	R
% Class I Use	81.56%	86.00%	80.57%	72.55%	73.12%	69.29%	R	R	R
<b>Class I Route Disposition In Area</b>									
By Pool Plants	162,395,024	168,372,232	169,130,265	70,661,604	75,607,060	72,316,457	75,144,329	79,623,775	78,739,469
By Producer-Handlers	15,073,578	18,188,954	18,453,639	1,484,062	1,613,958	1,744,340	1/	1/	1/
By Other Plants	2,540,576 *	3,019,475	1,775,592	3,461,141 *	3,927,346	1,585,751	32,067,826 *	33,171,740	31,808,083
Total	180,009,178	189,580,661	189,359,496	75,606,807	81,148,364	75,646,548	107,212,155	112,795,515	110,547,552

\* 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		
	Dec 2003	Nov 2003	Dec 2002	Dec 2003	Nov 2003	Dec 2002	Dec 2003	Nov 2003	Dec 2002
TOTAL PRODUCER MILK	615,390,840	428,862,717	653,964,184	435,987,373	209,730,158	448,286,597	259,799,247	243,450,105	257,320,114
RECEIPTS FROM OTHER SOURCES	10,616,289	32,314,975	10,287,243	11,237,503	8,311,997	5,773,274	21,124,600	2,137,433	37,513,512
OPENING INVENTORY . . . . .	40,794,927	26,712,868	23,608,323	18,046,497	16,012,441	14,269,510	14,587,153	12,673,080	12,764,892
<b>TOTAL TO BE ACCOUNTED FOR</b>	<b>666,802,056</b>	<b>487,890,560</b>	<b>687,859,750</b>	<b>465,271,373</b>	<b>234,054,596</b>	<b>468,329,381</b>	<b>295,511,000</b>	<b>258,260,618</b>	<b>307,598,518</b>
<b>UTILIZATION OF RECEIPTS</b>									
Whole milk . . . . .	31,265,669	29,618,586	28,913,410	13,965,305	12,748,610	12,505,006	24,437,299	21,963,521	23,591,918
Flavored milk & milk drinks . . . . .	14,533,701	14,391,237	14,481,185	7,261,745	6,831,667	6,408,540	7,280,937	7,079,397	7,271,993
2% milk . . . . .	69,448,319	68,183,191	69,652,570	30,366,485	28,088,832	29,535,026	29,050,903	27,271,934	29,178,332
1% milk . . . . .	23,612,492	23,516,814	24,130,352	14,570,128	13,640,025	14,335,831	9,163,482	8,977,972	9,120,308
Skim milk . . . . .	25,643,371	25,308,655	26,432,985	9,564,134	8,784,793	8,874,962	9,615,243	9,304,189	10,134,748
Buttermilk . . . . .	1,315,386	1,376,541	1,331,526	640,401	567,677	604,155	609,522	547,316	614,599
CLASS I ROUTE DISP. IN AREA. . . . .	165,818,938	162,395,024	164,942,028	76,368,198	70,661,604	72,263,520	80,157,386	75,144,329	79,911,898
Class I dispositions out of area . . . . .	13,235,238	12,619,478	11,345,333	21,725,335	18,495,925	25,953,086	4,559,284	4,135,574	3,633,832
Other Class I usage . . . . .	21,262,653	20,647,547	19,014,424	14,348,739	15,668,462	15,803,379	8,664,886	8,086,987	7,847,847
<b>TOTAL CLASS I USE. . . . .</b>	<b>200,316,829</b>	<b>195,662,049</b>	<b>195,301,785</b>	<b>112,442,272</b>	<b>104,825,991</b>	<b>114,019,985</b>	<b>93,381,556</b>	<b>87,366,890</b>	<b>91,393,577</b>
<b>TOTAL CLASS II USE . . . . .</b>	<b>45,880,517</b>	<b>44,954,805</b>	<b>39,889,450</b>	<b>30,030,504</b>	<b>34,157,677</b>	<b>29,581,577</b>	<b>17,924,365</b>	<b>21,939,105</b>	<b>12,700,747</b>
<b>TOTAL CLASS III USE . . . . .</b>	<b>204,890,868</b>	<b>60,142,191</b>	<b>238,165,996</b>	<b>281,892,007</b>	<b>47,703,845</b>	<b>315,311,153</b>	<b>94,423,289</b>	<b>98,400,644</b>	<b>107,901,912</b>
<b>TOTAL CLASS IV USE . . . . .</b>	<b>215,713,842</b>	<b>187,131,515</b>	<b>214,502,519</b>	<b>40,906,590</b>	<b>47,367,083</b>	<b>9,416,666</b>	<b>89,781,790</b>	<b>50,553,979</b>	<b>95,602,282</b>
<b>TOTAL ACCOUNTED FOR . . . . .</b>	<b>666,802,056</b>	<b>487,890,560</b>	<b>687,859,750</b>	<b>465,271,373</b>	<b>234,054,596</b>	<b>468,329,381</b>	<b>295,511,000</b>	<b>258,260,618</b>	<b>307,598,518</b>
<b>CLASSIFICATION OF RECEIPTS</b>									
Producer milk: Class I . . . . .	182,491,832	176,654,597	179,519,558	96,447,914	88,125,130	102,869,320	85,613,906	78,625,450	83,718,292
Class II . . . . .	37,806,625	34,209,061	33,729,235	24,109,618	30,152,363	27,161,465	17,458,833	21,499,314	8,262,587
Class III . . . . .	204,114,260	60,142,191	237,048,935	281,521,382	47,682,880	313,196,148	94,423,289	98,200,236	105,315,431
Class IV . . . . .	190,978,123	157,856,868	203,666,456	33,908,459	43,769,785	5,059,664	62,303,219	45,125,105	60,023,804
Other receipts: Class I . . . . .	17,824,997	19,007,452	15,782,227	15,994,358	16,700,861	11,150,665	35,711,753	14,810,513	50,278,404
Class II . . . . .	8,073,892	10,745,744	6,160,215	5,920,886	4,005,314	2,420,112	1/	1/	1/
Class III . . . . .	776,608	0	1,117,061	370,625	20,965	2,115,005	1/	1/	1/
Class IV . . . . .	24,735,719	29,274,647	10,836,063	6,998,131	3,597,298	4,357,002	1/	1/	1/
Avg. daily producer receipts . . . . .	19,851,317	14,295,424	21,095,619	14,064,109	6,991,005	14,460,858	8,380,621	8,115,004	8,300,649
Change From Previous Year . . . . .	-5.90%	-29.51%	5.42%	-2.74%	-51.76%	-2.85%	0.96%	3.48%	5.23%
Avg. daily Class I use . . . . .	6,461,833	6,522,068	6,300,058	3,627,170	3,494,200	3,678,064	3,012,308	2,912,230	2,948,180
Change From Previous Year . . . . .	2.57%	-1.73%	0.11%	-1.38%	-10.44%	21.75%	2.18%	-2.24%	3.51%

1/ Restricted - Included with Class I.

**HIGHLIGHTS THIS ISSUE:**

- Market Summaries for December 2003
- December 2003 Class Prices
- USDA Announces Interim Order to Amend the Pacific Northwest Order
- USDA Reconvenes Hearing to Consider Amending the Pacific Northwest and Arizona-Las Vegas Orders
- Historical Producer-Handler Information Available on Dairy Programs' Website
- USDA Sets Hearing on Proposed Amendments to the Appalachian and Southeast Milk Orders
- 2003 CCC Calendar Year Purchases
- 2003 Milk Production
- USDA Launches Web Site for State Marketing Profiles
- BSE Information Resources
- USDA Proposes Termination of Western Order

**USDA PROPOSES TERMINATION OF WESTERN ORDER; REQUESTS COMMENTS ON WHY ORDER SHOULD NOT BE TERMINATED**

On January 12, 2004, the U.S. Department of Agriculture announced that it is considering the termination of the Western milk marketing order effective April 1, 2004, because producers did not approve the issuance of the order as amended by a tentative final decision issued in August 2003.

*(Continued on Page 3)*

**Federal Order 135 Amendment Process  
Important Dates**

- April 16-19, 2002, Public Hearing to consider proposals to amend Western Order.
- August 8, 2003, USDA issues tentative final decision.
- November 2003, referendum held.
- January 12, 2004, USDA proposes termination of the Western Order.
- Comments are due on or before February 12, 2004, on the proposed termination of the Order.