

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

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MARKET SUMMARIES FOR JANUARY 2005

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

Pacific Northwest

Producers delivered a total of 589.1 million pounds of milk to the market during January. Comparisons to the previous month are affected by eligible milk not pooled in December 2004 and January 2005. Daily deliveries averaged 19.0 million pounds, up 33.1 percent from December. An estimated 886 producers delivered milk to the market during the month. Daily deliveries per producer averaged 21,447 pounds, up 4.4 percent from December.

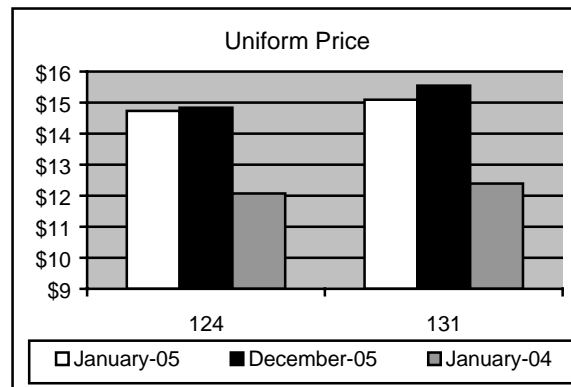
Class I producer milk during January totaled 191.0 million pounds, 32.4 percent of total producer receipts. Daily usage averaged 6.2 million pounds, up 0.3 percent from December.

Arizona-Las Vegas

Producers delivered a total of 251.7 million pounds of milk to the market during

January. Daily deliveries averaged 8.1 million pounds, up 1.9 percent from December. An estimated 90 producers delivered milk to the market during the month. Daily deliveries per producer averaged 90,224 pounds, up 1.9 percent from December.

Class I producer milk during January totaled 83.5 million pounds, 33.2 percent of total producer receipts. Daily usage averaged 2.7 million pounds, down 4.6 percent from December. ♦



Federal Order Producer Prices and Component Levels: January 2005

| Producer Prices | FO124 | FO131 | Component Levels (%) | FO124 | FO131 |
|-------------------|--------|--------|----------------------|-------|-------|
| Uniform Price 1/* | 14.73 | 15.09 | Butterfat | 3.743 | 3.679 |
| Butterfat 2/ | 1.7330 | 1.7977 | Protein | 3.090 | N/A |
| Protein 2/ | 2.5300 | N/A | Other Solids | 5.692 | N/A |
| Other Solids 2/ | 0.0899 | N/A | Nonfat Solids | 8.782 | N/A |
| PPD 1/* | 0.59 | N/A | | | |
| Skim 1/ | N/A | 9.12 | | | |

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

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JANUARY 2005 CLASS PRICES

January 2005 non-advanced Class Prices were calculated using NASS commodity price surveys from January 1, 8, 15, 22, and 29, 2005. Component prices for the month are \$2.5300 per pound of protein, \$1.7330 per pound of butterfat, \$0.0899 per pound of other solids, and \$0.7431 per pound of nonfat solids.

January 2005 Class III and IV prices at 3.5% butterfat are \$14.14 and \$12.52 per hundredweight, respectively. The January Class III price compared to December is down \$2.00. The Class III price is \$2.53 higher than January 2004. The Class III price at 3.67% butterfat is \$4.52 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.7400 per pound. Class I skim and butterfat and Class II skim prices for January 2005 were announced on December 23, 2004. The Class II price at 3.5% butterfat is \$13.04 for January 2005 .

FINAL: NASS COMMODITY PRICES

| | <u>December</u> | <u>January</u> | <u>Change</u> |
|-----------------|-----------------|----------------|---------------|
| Cheese* | \$1.7146 | \$1.5165 | -\$0.1981 |
| Butter | \$1.8122 | \$1.5592 | -\$0.2530 |
| Nonfat Dry Milk | \$0.8713 | \$0.8906 | \$0.0193 |
| Whey | \$0.2423 | \$0.2463 | \$0.0040 |

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

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 a net increase of 13.04 cents between the January 15 and the February 12 surveys, to \$1.6093 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 15.70 cents to \$1.6112 per pound.

The NASS butter price showed a net increase of 1.61 cents between the weeks ending January 15 and February 12 from \$1.5786 per pound to \$1.5947 per pound.

The NASS nonfat dry milk showed a net increase of 0.45 cent since mid-January to \$0.8957 per pound. The average price for NASS whey showed a net increase of 0.07 cent since mid-January to \$0.2491 per pound. ♦

MARCH'S CLASS I PRICE ANNOUNCEMENT

On February 18, the March 2005 Class I price was announced at \$17.33 for the Pacific Northwest Order, and \$17.78 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of February 5 and 12.

The March Class III and IV advance skim prices are \$9.59 and \$6.74 per hundredweight, respectively. The butterfat portion of the Class I mover increased 2.20 cents from \$1.7438 to \$1.7658 per pound.

The March 2005 Class II skim and nonfat solids prices were also announced on February 18. The skim price is \$7.44 per hundredweight, and the nonfat solids price is \$0.8267 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

| | <u>February</u> | <u>March</u> | <u>Change</u> |
|-----------------|-----------------|--------------|---------------|
| Cheese* | \$1.4790 | \$1.6482 | \$0.1692 |
| Butter | \$1.5682 | \$1.5865 | \$0.0183 |
| Nonfat Dry Milk | \$0.8892 | \$0.8964 | \$0.0072 |
| Whey | \$0.2481 | \$0.2479 | -\$0.0002 |

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

ORGANIC PRODUCERS AND MARKETERS EXEMPTED FROM COMMODITY PROMOTION ASSESSMENTS

On January 13, 2005, the U.S. Department of Agriculture's Agricultural Marketing Service announced two rules to exempt certain organic producers and marketers from paying assessments under research and promotion programs, and for market promotion activities under marketing order programs.

The change exempts producers and marketers operating under a National Organic Program-approved organic system plan from paying assessments, provided they produce and market only commodities eligible for a "100 percent organic" label.

The 2002 Farm Bill directed USDA to issue regulations exempting any person who produces and markets solely 100 percent organic products from paying assessments under a commodity promotion law.

Currently, 17 national research and promotion programs exist for blueberries, beef, cotton, dairy, eggs, fluid milk, Hass avocados, honey, lamb,

mangos, mushrooms, peanuts, popcorn, pork, potatoes, soybeans and watermelons. Eligible producers and marketers will be exempt from all assessments under these programs.

Under the marketing order programs, eligible producers and marketers will only be exempt from assessments for market promotion activities. The 28 marketing order programs that have market promotion authority are Texas citrus; Florida avocados; California nectarines; California peaches and pears; Washington apricots; Washington sweet cherries; Washington/Oregon fresh prunes; Southeastern California grapes; Oregon/Washington winter pears; cranberries; tart cherries; Oregon/Washington Bartlett pears; California olives; Oregon/California potatoes; Colorado potatoes; Georgia Vidalia onions; Washington/Oregon Walla Walla onions; Idaho/Eastern Oregon onions; Texas onions; Florida tomatoes; Texas melons; California almonds; Oregon/Washington hazelnuts; California walnuts; Far West spearmint oil; California dates; California raisins; and California dried prunes.

Details of the exemptions, including application
(Continued on Page 8)

USDA ANNOUNCES FINAL DECISION TO AMEND THE NORTHEAST MILK MARKETING ORDER

On January 28, 2005, the U.S. Department of Agriculture announced a final decision that adopts certain amendments to current provisions of the Northeast Federal milk marketing order. This decision is based on testimony and evidence given at a public hearing held on September 10-13, 2002, in Arlington, Virginia.

This decision adopts changes to various reporting and payment deadlines, as well as changes to the pooling standards of the Northeast order. The adopted amendments include: establishing year-round supply plant performance standards; eliminating the split-plant provision; creating a standard for the number of days of production a dairy farmer must deliver to a pool plant to qualify the rest of the dairy farmer's milk for diversion; establishing explicit limits on the amount of milk a pool plant may divert to nonpool plants; excluding milk received by supply plants from producers not eligible to be pooled on the order from the total volume of milk used to satisfy supply plant performance standards; prohibiting the ability to pool the same milk on the order and on a

marketwide pool administered by another government entity; and granting authority to the Market Administrator to adjust the touch-base and diversion limit standards as market conditions warrant.

This decision requires producer approval. If producers approve the order as amended by the final decision, a final rule will follow to implement the changes.

The final decision was published in the January 31, 2005 Federal Register. For additional information about the decision contact: Northeast: Erik F. Rasmussen, Market Administrator; USDA/AMS/Dairy Programs; P.O. Box 51478, Boston, MA 02205-1478; Tel. (617) 737-7199; e-mail: maboston@fedmilk1.com. ♦

ANNUAL SELECTED STATISTICS FOR 2004

An annual summary for the year 2004 of selected statistics for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 4. The Western Order was terminated April 1, 2004, therefore 2004 data for the Western Order represents January through March only. Data in the table pertain to Class prices, minimum prices paid to producers, and certain other information relating to handlers and producers. In addition to data for calendar year 2004, the table also includes data for 2003 and 2002. Data reflect simple averages unless otherwise noted. ♦

ANNUAL STATISTICAL SUMMARY FOR 2004

An annual statistical summary for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 5. The Western Order was terminated April 1, 2004, therefore 2004 data for the Western Order represents January through March only. Data in the table pertain to receipts and utilizations of producer milk as reported by fully regulated handlers on the Pacific Northwest, Western, and Arizona-Las Vegas Orders. In addition to data for calendar year 2004, the table also includes data for 2003 and 2002. ♦

ANNUAL SELECTED STATISTICS

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| | PACIFIC NORTHWEST | | | WESTERN 2/ | | | ARIZONA-LAS VEGAS | | |
|---|-------------------|----------|---------|------------|---------|---------|-------------------|---------|---------|
| | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 |
| Average Minimum Class Prices (3.5% B.F.) | | | | | | | | | |
| Class I Milk (\$/cwt.) | \$16.88 | \$13.29 | \$12.91 | \$13.69 | \$13.29 | \$12.91 | \$17.33 | \$13.74 | \$13.36 |
| Class II Milk (\$/cwt.) | 13.86 | 10.76 | 11.55 | 13.12 | 10.76 | 11.55 | 13.86 | 10.76 | 11.55 |
| Class III Milk (\$/cwt.) | 15.39 | 11.42 | 10.42 | 12.66 | 11.42 | 10.42 | 15.39 | 11.42 | 10.42 |
| Class IV Milk (\$/cwt.) | 13.20 | 10.00 | 10.81 | 12.43 | 10.00 | 10.81 | 13.20 | 10.00 | 10.81 |
| Average Producer Prices | | | | | | | | | |
| Producer Price Differential (\$/cwt.) | \$(0.58) | \$(0.10) | \$ 0.83 | \$ 0.45 | \$ 0.06 | \$ 0.68 | + | + | + |
| Butterfat (\$/pound) | 2.0507 | 1.2099 | 1.1928 | 1.9103 | 1.2099 | 1.1928 | + | + | + |
| Protein (\$/pound) | 2.6035 | 2.3770 | 1.9735 | 1.9640 | 2.3770 | 1.9735 | + | + | + |
| Other Solids (\$/pound) | 0.0751 | 0.0129 | 0.0593 | 0.0180 | 0.0129 | 0.0593 | + | + | + |
| Uniform Skim Price (\$/cwt.) | + | + | + | + | + | + | 8.69 | 7.92 | 7.58 |
| Uniform Butterfat Price (\$/pound) | + | + | + | + | + | + | 2.0390 | 1.2124 | 1.2012 |
| Statistical Uniform Price (\$/cwt.) . . . | \$14.82 | \$11.32 | \$11.25 | \$13.12 | \$11.48 | \$11.09 | \$15.52 | \$11.89 | \$11.52 |
| Average Producer Data | | | | | | | | | |
| Number of Producers | 829 | 829 | 1,027 | 635 | 708 | 795 | 95 | 106 | 108 |
| Avg. Daily Production (lbs.) * | 21,490 | 20,941 | 20,878 | 18,972 | 17,688 | 19,133 | 83,733 | 79,371 | 76,659 |
| Average Number of Handlers | | | | | | | | | |
| Pool Handlers | 28 | 29 | 26 | 18 | 16 | 17 | 5 | 6 | 6 |
| Producer-Handlers | 7 | 9 | 9 | 5 | 6 | 7 | 2 | 2 | 2 |
| Other Plants w/ Class I Use | 22 | 19 | 17 | 22 | 21 | 20 | 32 | 33 | 29 |
| Average Producer Milk Ratios | | | | | | | | | |
| Class I * | 33.04% | 33.21% | 27.02% | 26.09% | 24.25% | 19.65% | 33.34% | 31.88% | 31.85% |
| Class II * | 7.11% | 7.08% | 5.38% | 7.60% | 7.65% | 6.95% | 8.40% | 6.95% | 4.28% |
| Class III * | 25.23% | 24.32% | 36.30% | 55.91% | 56.09% | 58.50% | 37.23% | 37.06% | 37.72% |
| Class IV * | 34.62% | 35.39% | 31.29% | 10.40% | 12.00% | 14.91% | 21.03% | 24.10% | 26.15% |

+ Not Applicable. * Weighted Averages.

MONTHLY SUPPLEMENTAL STATISTICS

| | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 |
|--|-----------|-----------|-----------|---------|---------|---------|-----------|-----------|-----------|
| 1,000 pounds | | | | | | | | | |
| Producer-Handler Data | | | | | | | | | |
| Production | 262,202 | 277,935 | 283,680 | 5,844 | 27,881 | 31,029 | R | R | R |
| Class I Use | 212,755 | 213,660 | 218,772 | 4,612 | 19,464 | 21,408 | R | R | R |
| % Class I Use | 81.14% | 76.87% | 77.12% | 78.91% | 69.81% | 68.99% | R | R | R |
| Class I Route Disposition In Area | | | | | | | | | |
| By Pool Plants | 1,920,706 | 1,919,335 | 1,941,400 | 214,735 | 831,930 | 843,739 | 917,219 | 922,189 | 906,022 |
| By Producer-Handlers | 193,572 | 211,071 | 219,175 | 4,628 | 19,560 | 21,491 | 1/ | 1/ | 1/ |
| By Other Plants | 44,063 | 29,063 | 14,839 | 11,149 | 41,074 | 30,513 | 373,514 | 380,646 | 368,801 |
| Total | 2,158,342 | 2,159,469 | 2,175,415 | 230,512 | 892,564 | 895,743 | 1,290,733 | 1,302,835 | 1,274,823 |

R = Restricted. Not included. 1/ Restricted. Included with other plants beginning March 2001. 2/ The Western Order was terminated April 1, 2004.

ANNUAL STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

| RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK | PACIFIC NORTHWEST | | | WESTERN 2/ | | | ARIZONA-LAS VEGAS | | |
|---|--------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 | 2004 | 2003 | 2002 |
| | ----- 1,000 pounds ----- | | | | | | | | |
| TOTAL PRODUCER MILK | 6,517,690 | 6,336,456 | 7,823,716 | 1,096,284 | 4,573,112 | 5,552,476 | 2,901,187 | 3,061,199 | 3,026,556 |
| RECEIPTS FROM OTHER SOURCES | 443,265 | 487,577 | 119,531 | 35,252 | 105,598 | 73,045 | 233,697 | 188,805 | 292,415 |
| OPENING INVENTORY | 394,192 | 373,116 | 287,176 | 47,798 | 183,563 | 156,676 | 171,638 | 157,855 | 156,771 |
| TOTAL TO BE ACCOUNTED FOR | 7,355,146 | 7,197,149 | 8,230,422 | 1,179,334 | 4,862,273 | 5,782,198 | 3,306,522 | 3,407,858 | 3,475,742 |
| UTILIZATION OF RECEIPTS | | | | | | | | | |
| Whole milk | 357,068 | 348,831 | 337,007 | 39,192 | 150,770 | 145,642 | 253,941 | 276,589 | 265,657 |
| Flavored milk & milk drinks | 131,470 | 133,277 | 134,273 | 18,698 | 66,673 | 63,762 | 66,831 | 69,190 | 63,015 |
| 2% milk | 815,549 | 819,937 | 834,120 | 85,985 | 341,275 | 346,306 | 351,069 | 341,131 | 340,971 |
| 1% milk | 287,537 | 283,237 | 289,986 | 41,834 | 162,784 | 169,703 | 116,338 | 110,206 | 107,835 |
| Skim milk | 313,062 | 317,570 | 328,984 | 27,317 | 103,632 | 111,354 | 122,314 | 118,433 | 122,632 |
| Buttermilk | 16,020 | 16,483 | 17,030 | 1,709 | 6,796 | 6,973 | 6,725 | 6,639 | 5,912 |
| CLASS I ROUTE DISP. IN AREA. | 1,920,706 | 1,919,335 | 1,941,400 | 214,735 | 831,930 | 843,739 | 917,219 | 922,189 | 906,022 |
| Class I dispositions out of area | 162,827 | 150,142 | 142,397 | 70,509 | 260,681 | 212,025 | 49,500 | 52,013 | 54,587 |
| Other Class I usage | 275,276 | 240,246 | 218,780 | 46,518 | 177,824 | 156,332 | 97,522 | 94,798 | 92,311 |
| TOTAL CLASS I USE. | 2,358,809 | 2,309,723 | 2,302,577 | 331,763 | 1,270,436 | 1,212,096 | 1,064,241 | 1,069,000 | 1,052,920 |
| TOTAL CLASS II USE | 567,546 | 535,268 | 496,814 | 103,515 | 419,795 | 428,898 | 252,882 | 221,918 | 166,361 |
| TOTAL CLASS III USE | 1,905,843 | 1,798,305 | 2,853,851 | 613,405 | 2,570,136 | 3,254,398 | 1,086,498 | 1,141,370 | 1,158,989 |
| TOTAL CLASS IV USE | 2,522,948 | 2,553,854 | 2,577,181 | 130,651 | 601,905 | 886,806 | 902,901 | 975,571 | 1,097,472 |
| TOTAL ACCOUNTED FOR | 7,355,146 | 7,197,149 | 8,230,422 | 1,179,334 | 4,862,273 | 5,782,198 | 3,306,522 | 3,407,858 | 3,475,742 |
| CLASSIFICATION OF RECEIPTS | | | | | | | | | |
| Producer milk: Class I | 2,153,463 | 2,104,568 | 2,114,277 | 286,021 | 1,109,170 | 1,090,828 | 967,161 | 976,044 | 963,858 |
| Class II | 463,424 | 448,340 | 420,700 | 83,276 | 349,807 | 385,669 | 243,755 | 212,849 | 129,513 |
| Class III | 1,644,328 | 1,540,783 | 2,840,310 | 612,937 | 2,565,259 | 3,247,934 | 1,080,240 | 1,134,531 | 1,141,685 |
| Class IV | 2,256,474 | 2,242,764 | 2,448,429 | 114,051 | 548,877 | 828,046 | 610,031 | 737,774 | 791,500 |
| Other receipts: Class I | 205,346 | 205,155 | 188,300 | 45,742 | 161,266 | 121,269 | 405,335 | 346,659 | 449,186 |
| Class II | 104,122 | 86,927 | 76,113 | 20,239 | 69,988 | 43,229 | 1/ | 1/ | 1/ |
| Class III | 261,515 | 257,522 | 13,542 | 469 | 4,877 | 6,464 | 1/ | 1/ | 1/ |
| Class IV | 266,474 | 311,089 | 128,752 | 16,600 | 53,029 | 58,760 | 1/ | 1/ | 1/ |
| Avg. daily producer receipts | 17,857 | 17,360 | 21,435 | 3,004 | 12,529 | 15,212 | 7,948 | 8,387 | 8,292 |
| Change From Previous Year | 2.86% | -19.01% | 10.39% | -76.03% | -17.64% | 18.72% | -5.23% | 1.14% | 2.38% |
| Avg. daily Class I use | 6,462 | 6,328 | 6,308 | 909 | 3,481 | 3,321 | 2,916 | 2,929 | 2,885 |
| Change From Previous Year | 2.13% | 0.31% | 0.56% | -73.89% | 4.81% | 7.21% | -0.45% | 1.53% | 2.86% |

1/ Restricted - Included with Class I.

2/ The Western Order was terminated April 1, 2004. Comparisons to previous year are biased.

MONTHLY SELECTED STATISTICS

| | PACIFIC NORTHWEST | | | | ARIZONA-LAS VEGAS | | | |
|---|-------------------|----------|----------|----------|-------------------|----------|----------|----------|
| | Jan 2005 | Dec 2004 | Jan 2004 | Dec 2003 | Jan 2005 | Dec 2004 | Jan 2004 | Dec 2003 |
| Minimum Class Prices (3.5% B.F.) | | | | | | | | |
| Class I Milk (\$/cwt.) | \$18.55 | \$16.33 | \$13.75 | \$15.74 | \$19.00 | \$16.78 | \$14.20 | \$16.19 |
| Class II Milk (\$/cwt.) | 13.04 | 13.98 | 11.67 | 11.30 | 13.04 | 13.98 | 11.67 | 11.30 |
| Class III Milk (\$/cwt.) | 14.14 | 16.14 | 11.61 | 11.87 | 14.14 | 16.14 | 11.61 | 11.87 |
| Class IV Milk (\$/cwt.) | 12.52 | 13.42 | 10.97 | 10.52 | 12.52 | 13.42 | 10.97 | 10.52 |
| Producer Prices | | | | | | | | |
| Producer Price Differential (\$/cwt.) | \$ 0.59 | \$(1.31) | \$ 0.46 | \$ 0.60 | + | + | + | + |
| Butterfat (\$/pound) | 1.7330 | 2.0366 | 1.4978 | 1.3688 | + | + | + | + |
| Protein (\$/pound) | 2.5300 | 2.8486 | 2.0875 | 2.2997 | + | + | + | + |
| Other Solids (\$/pound) | 0.0899 | 0.0858 | 0.0217 | 0.0362 | + | + | + | + |
| Uniform Skim Price (\$/cwt.) . . . | + | + | + | + | 9.12 | 8.81 | 7.49 | 8.53 |
| Uniform Butterfat Price (\$/pound) | + | + | + | + | 1.7977 | 2.0132 | 1.4737 | 1.3579 |
| Statistical Uniform Price (\$/cwt.) . . | \$14.73 | \$14.83 | \$12.07 | \$12.47 | \$15.09 | \$15.55 | \$12.39 | \$12.98 |
| Producer Data | | | | | | | | |
| Number of Producers | 886 * | 695 | 881 | 891 | 90 * | 90 | 100 | 104 |
| Avg. Daily Production (lbs.) | 21,447 * | 20,537 | 22,488 | 22,280 | 90,224 * | 88,510 | 85,001 | 80,583 |
| Number of Handlers | | | | | | | | |
| Pool Handlers | 26 | 26 | 28 | 28 | 5 | 5 | 6 | 6 |
| Producer-Handlers | 8 * | 8 | 7 | 7 | 3 * | 3 | 2 | 2 |
| Other Plants w/ Class I Use | 24 * | 24 | 19 | 20 | 34 * | 34 | 34 | 34 |
| Producer Milk Ratios | | | | | | | | |
| Class I | 32.43% | 43.04% | 30.15% | 29.66% | 33.16% | 35.45% | 32.19% | 32.96% |
| Class II | 5.97% | 7.59% | 5.98% | 6.14% | 10.73% | 6.82% | 6.66% | 6.72% |
| Class III | 29.57% | 7.96% | 34.33% | 33.17% | 33.42% | 29.17% | 36.97% | 36.34% |
| Class IV | 32.03% | 41.41% | 29.54% | 31.03% | 22.69% | 28.56% | 24.18% | 23.98% |

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

| | Dec 2004 | Nov 2004 | Dec 2003 | Nov 2003 | Dec 2004 | Nov 2004 | Dec 2003 | Nov 2003 |
|--|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Producer-Handler Data | | | | | | | | |
| Production | 26,760,627 | 25,488,012 | 21,122,709 | 19,021,405 | R | R | R | R |
| Class I Use | 21,995,660 | 19,319,939 | 17,974,268 | 15,514,138 | R | R | R | R |
| % Class I Use | 82.19% | 75.80% | 85.09% | 81.56% | R | R | R | R |
| Class I Route Disposition In Area | | | | | | | | |
| By Pool Plants | 167,632,833 | 171,023,377 | 165,818,938 | 162,395,024 | 80,038,585 | 80,655,062 | 80,157,386 | 75,144,329 |
| By Producer-Handlers | 16,551,683 | 15,816,406 | 16,697,322 | 15,073,578 | 1/ | 1/ | 1/ | 1/ |
| By Other Plants | 3,939,427 * | 3,775,668 | 2,583,463 | 2,540,576 | 27,641,945 * | 28,934,526 | 33,384,880 | 32,067,826 |
| Total | 188,123,943 | 190,615,451 | 185,099,723 | 180,009,178 | 107,680,530 | 109,589,588 | 113,542,266 | 107,212,155 |

* 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 | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Jan 2005 | Dec 2004 | Jan 2004 | Dec 2003 | Jan 2005 | Dec 2004 | Jan 2004 | Dec 2003 |
| TOTAL PRODUCER MILK | 589,053,951 | 442,476,841 | 614,176,073 | 615,390,840 | 251,726,128 | 246,942,157 | 263,504,227 | 259,799,247 |
| RECEIPTS FROM OTHER SOURCES | 31,103,109 | 22,437,767 | 10,418,942 | 10,616,289 | 21,809,651 | 29,851,430 | 13,757,501 | 21,124,600 |
| OPENING INVENTORY | 32,318,691 | 31,003,384 | 31,245,895 | 40,794,927 | 16,735,461 | 14,553,048 | 13,464,277 | 14,587,153 |
| TOTAL TO BE ACCOUNTED FOR | 652,475,751 | 495,917,992 | 655,840,910 | 666,802,056 | 290,271,240 | 291,346,635 | 290,726,005 | 295,511,000 |
| UTILIZATION OF RECEIPTS | | | | | | | | |
| Whole milk | 31,776,414 | 31,582,369 | 31,649,423 | 31,265,669 | 19,646,367 | 21,149,217 | 23,642,069 | 24,437,299 |
| Flavored milk & milk drinks | 11,723,355 | 15,019,678 | 10,017,387 | 14,533,701 | 6,418,211 | 6,977,290 | 5,963,232 | 7,280,937 |
| 2% milk | 69,965,742 | 68,814,749 | 72,559,860 | 69,448,319 | 31,961,769 | 30,974,027 | 29,426,397 | 29,050,903 |
| 1% milk | 26,947,572 | 24,617,934 | 25,361,985 | 23,612,492 | 11,311,856 | 10,173,730 | 9,883,496 | 9,163,482 |
| Skim milk | 28,245,431 | 26,277,126 | 27,061,862 | 25,643,371 | 11,452,947 | 10,192,115 | 10,432,230 | 9,615,243 |
| Buttermilk | 1,237,389 | 1,320,977 | 1,273,897 | 1,315,386 | 564,794 | 572,206 | 574,509 | 609,522 |
| CLASS I ROUTE DISP. IN AREA. | 169,895,903 | 167,632,833 | 167,924,414 | 165,818,938 | 81,355,944 | 80,038,585 | 79,921,933 | 80,157,386 |
| Class I dispositions out of area | 13,012,267 | 13,795,947 | 12,992,145 | 13,235,238 | 4,713,797 | 5,269,716 | 4,666,425 | 4,559,284 |
| Other Class I usage | 25,305,928 | 26,102,041 | 22,478,286 | 21,262,653 | 7,595,634 | 10,132,342 | 8,685,137 | 8,664,886 |
| TOTAL CLASS I USE. | 208,214,098 | 207,530,821 | 203,394,845 | 200,316,829 | 93,665,375 | 95,440,643 | 93,273,495 | 93,381,556 |
| TOTAL CLASS II USE | 42,066,767 | 41,420,394 | 43,634,177 | 45,880,517 | 27,779,272 | 17,512,422 | 18,158,172 | 17,924,365 |
| TOTAL CLASS III USE | 180,492,761 | 35,426,009 | 211,372,381 | 204,890,868 | 84,118,096 | 72,038,270 | 97,415,892 | 94,423,289 |
| TOTAL CLASS IV USE | 221,702,125 | 211,540,768 | 197,439,507 | 215,713,842 | 84,708,497 | 106,355,300 | 81,878,446 | 89,781,790 |
| TOTAL ACCOUNTED FOR | 652,475,751 | 495,917,992 | 655,840,910 | 666,802,056 | 290,271,240 | 291,346,635 | 290,726,005 | 295,511,000 |
| CLASSIFICATION OF RECEIPTS | | | | | | | | |
| Producer milk: Class I | 191,023,194 | 190,432,216 | 185,087,040 | 182,491,832 | 83,478,863 | 87,523,093 | 84,832,464 | 85,613,906 |
| Class II | 35,142,740 | 33,597,257 | 36,758,185 | 37,806,625 | 27,001,891 | 16,851,841 | 17,539,520 | 17,458,833 |
| Class III | 174,207,269 | 35,226,574 | 210,874,442 | 204,114,260 | 84,118,096 | 72,038,270 | 97,415,892 | 94,423,289 |
| Class IV | 188,680,748 | 183,220,794 | 181,456,406 | 190,978,123 | 57,127,278 | 70,528,953 | 63,716,351 | 62,303,219 |
| Other receipts: Class I | 17,190,904 | 17,098,605 | 18,307,805 | 17,824,997 | 38,545,112 | 44,404,478 | 27,221,778 | 35,711,753 |
| Class II | 6,924,027 | 7,823,137 | 6,875,992 | 8,073,892 | 1/ | 1/ | 1/ | 1/ |
| Class III | 6,285,492 | 199,435 | 497,939 | 776,608 | 1/ | 1/ | 1/ | 1/ |
| Class IV | 33,021,377 | 28,319,974 | 15,983,101 | 24,735,719 | 1/ | 1/ | 1/ | 1/ |
| Avg. daily producer receipts | 19,001,740 | 14,273,446 | 19,812,131 | 19,851,317 | 8,120,198 | 7,965,876 | 8,500,136 | 8,380,621 |
| Change From Previous Year | -4.09% | -28.10% | -0.98% | -5.90% | -4.47% | -4.95% | -3.23% | 0.96% |
| Avg. daily Class I use | 6,716,584 | 6,694,543 | 6,561,124 | 6,461,833 | 3,021,464 | 3,078,730 | 3,008,822 | 3,012,308 |
| Change From Previous Year | 2.37% | 3.60% | -1.37% | 2.57% | 0.42% | 2.21% | -2.80% | 2.18% |

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for January 2005
- January 2005 Class Prices
- Class I Price for March 2005
- Organic Producers and Marketers Exempted From Commodity Promotion Assessments
- USDA Announces Final Decision to Amend the Northeast Milk Marketing Order
- Annual Selected Statistics for 2004
- Annual Statistical Summary for 2004

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procedures, are available in the "Rules" section of the January 14, 2005 *Federal Register*. Eligible persons should contact their board, council or committee for additional information. The new Final Rule to Exempt Organic Producers from Assessment by Research and Promotion Programs, and related information is available at: www.ams.usda.gov/2002farmbill/organicexempt. The new Final Rule to Exempt Organic Producers and Marketers from Assessments for Market Promotion Activities under Marketing Order Programs, and related information is available at: <http://www.ams.usda.gov/fv/mocommodities/marketingorderorganicexemption.htm>.

These programs are industry-funded and charged with creating and expanding markets for the agricultural commodities they represent. USDA oversees the programs, including review of budgets, plans and projects. Depending on the commodity, producers, handlers, first handlers, processors, importers, exporters, feeders and seed stock producers pay assessments to these commodity boards to fund the programs. ♦