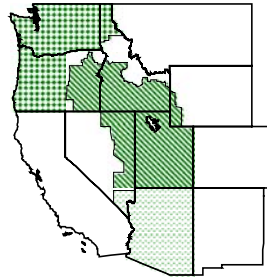


Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



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James R. Daugherty
Market Administrator

March 2004

MARKET SUMMARIES FOR FEBRUARY 2004

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

Pacific Northwest

Producers delivered a total of 580.7 million pounds of milk to the market during February. Daily deliveries averaged 20.0 million pounds, up 1.1 percent from January. An estimated 869 producers delivered milk to the market during the month. Daily deliveries per producer averaged 23,043 pounds, up 2.5 percent from January.

Class I producer milk during February totaled 164.6 million pounds, 28.3 percent of total producer receipts. Daily usage averaged 5.7 million pounds, down 4.9 percent from January.

Arizona-Las Vegas

Producers delivered a total of 255.2 million pounds of milk to the market during February. Daily deliveries averaged 8.8 million pounds, up 3.5 percent from

January. An estimated 100 producers delivered milk to the market during the month. Daily deliveries per producer averaged 87,996 pounds, up 3.5 percent from January.

Class I producer milk during February totaled 80.2 million pounds, 31.4 percent of total producer receipts. Daily usage averaged 2.8 million pounds, up 1.0 percent from January.

Western

Producers delivered a total of 454.6 million pounds of milk to the market during February. Daily deliveries averaged 15.7 million pounds, up 2.0 percent from January. An estimated 736 producers delivered milk to the market during the month. Daily deliveries per producer averaged 21,300 pounds, up 2.0 percent from January.

Class I producer milk during February totaled 88.2 million pounds, 19.4 percent of

(Continued on Page 2)

Federal Order Producer Prices and Component Levels: February 2004

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	12.67	12.89	12.53	Butterfat	3.753	3.612	3.698
Butterfat 2/	1.8518	1.7983	1.8518	Protein	3.071	N/A	3.110
Protein 2/	1.7911	N/A	1.7911	Other Solids	5.677	N/A	5.695
Other Solids 2/	0.0090	N/A	0.0090	Nonfat Solids	8.748	N/A	8.804
PPD 1/*	0.78	N/A	0.64				
Skim 1/	N/A	6.84	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)

total producer receipts. Daily usage averaged 3.0 million pounds, down 4.5 percent from January. ♦

FEBRUARY 2004 CLASS PRICES

February 2004 non-advanced Class Prices were calculated using NASS commodity price surveys from January 31, February 7, 14, 21, and 28, 2004. Component prices for the month are \$1.7911 per pound of protein, \$1.8518 per pound of butterfat, \$0.0090 per pound of other solids, and \$0.6597 per pound of nonfat solids.

February 2004 Class III and IV prices at 3.5% butterfat are \$11.89 and \$12.21 per hundredweight, respectively. The February Class III price compared to January is up \$0.28. The Class III price is \$2.23 higher than February 2003. The Class III price at 3.67% butterfat is \$2.30 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.8588 per pound. Class I skim and butterfat and Class II skim prices for February 2004 were announced on January 23, 2004. The Class II price at 3.5% butterfat is \$12.90 for February 2004 .

FINAL: NASS COMMODITY PRICES

	January	February	Change
Cheese*	\$1.3023	\$1.3260	\$0.0237
Butter	\$1.3632	\$1.6582	\$0.2950
Nonfat Dry Milk	\$0.8062	\$0.8064	\$0.0002
Whey	\$0.1801	\$0.1677	-\$0.0124

* 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 for 500-pound barrels. The survey of 40-pound blocks showed an increase of 14.42 cents between the February 14 and the March 13 surveys, to \$1.4490 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 18.72 cents to \$1.4788 per pound.

The NASS butter price showed a net increase of 41.59 cents between the weeks ending February 14 and March 13 from \$1.6378 per pound to \$2.0537 per pound.

The NASS nonfat dry milk showed a net increase of 0.04 cents since mid-February to \$0.8096 per pound. The average price for NASS

they showed a net increase of 3.7 cents since mid-February to \$0.1730 per pound. ♦

APRIL'S CLASS I PRICE ANNOUNCEMENT

On March 19, the April 2004 Class I price was announced at \$15.54 for the Pacific Northwest Order and \$15.99 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of March 6 and 13.

The April Class III and IV advance skim prices are \$5.64 and \$5.96 per hundredweight, respectively. The butterfat portion of the Class I mover increased 48.5 cents from \$1.7675 to \$2.2525 per pound.

The April 2004 Class II skim and nonfat solids prices were also announced on March 19. The skim price is \$6.66 per hundredweight, and the nonfat solids price is \$0.7400 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	March	April	Change
Cheese*	\$1.3054	\$1.4582	\$0.1528
Butter	\$1.5879	\$1.9921	\$0.4042
Nonfat Dry Milk	\$0.8085	\$0.8090	\$0.0005
Whey	\$0.1691	\$0.1706	\$0.0015

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

USDA ANNOUNCES TENTATIVE FINAL DECISION TO AMEND ALL FEDERAL MILK MARKETING ORDERS

On March 1, 2004, the U.S. Department of Agriculture announced a tentative final decision that adopts proposals to amend the classification provisions of all 10 Federal milk marketing orders. This decision is based on testimony and evidence of a public hearing held October 21, 2003, in Alexandria, Virginia.

This decision will change the classification of milk used to produce evaporated milk or sweetened condensed milk in consumer-type packages from Class III to Class IV. A proposal to classify monthly bulk milk ending inventories to the lowest-priced class of Class III or Class IV is not adopted in this decision.

USDA will conduct a vote within 30 days to determine whether dairy producers approve the amended orders on an interim basis. Comments should be sent to the Hearing Clerk, United States Department of Agriculture, STOP 9200 – Room

1083, 1400 Independence Avenue, SW, Washington, D.C. 20250-9200. The tentative final decision was published in the March 2 Federal Register. Comments must be received by May 3, and will be used to formulate the final decision. ♦

ANNUAL SELECTED STATISTICS FOR 2003

An annual summary for the year 2003 of selected statistics for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 4. 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 2003, the table also includes data for 2002 and 2001. Data reflect simple averages unless otherwise noted. ♦

ANNUAL STATISTICAL SUMMARY FOR 2003

An annual statistical summary for the Pacific Northwest, Arizona-Las Vegas, and Western Orders can be found on page 5. 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 2003, the table also includes data for 2002 and 2001. ♦

DAIRY OUTLOOK AND SITUATION

The following is dairy outlook and situation from the Economic Research Services, USDA, *Livestock, Dairy and Poultry Outlook*.

2004 Milk Production Now Seen Steady

Recent information led to lower projected 2004 milk production, now expected to be unchanged from 2003. The January 1 cattle inventory indicated that supplies of dairy replacements will be significantly smaller than a year earlier. More importantly, availability of bovine somatotropin (BST) will be quite limited because the maker has imposed allocations that are expected to extend until the end of 2004.

On January 1, 2004, there were 4,020,000 dairy replacement heifers (500 pounds and over) on farms, down more than 2 percent from a year earlier. At 44.7 heifers per 100 milk cows, the replacement herd was still large by historic standards—although possibly not large in light of

the elevated culling of recent years. The largest decline from a year ago was for older heifers. Heifers expected to enter the milking herd during the coming year were down 4 percent from a year earlier. At the start of 2003, a relatively large share of the replacement herd was due to start milking that year.

The absence of imported Canadian heifers and cows will add extra tightness to replacement supplies. Live animals can no longer be brought in from Canada because of BSE-related restrictions. In recent years, imports of female dairy breeding stock from Canada have been equivalent to 1 to 2 percent of the U.S. heifer herd. It is uncertain when these restrictions will be relaxed.

Tighter replacement supplies had already been anticipated, and January replacement prices were similar to those of 2003.

Demand for replacements has been considerably weakened by low milk prices and higher feed prices and probably has offset the effects of smaller supplies. In addition, the increase in farms leaving dairying has provided an alternative source of replacement cows.

BST Availability Limited

Monsanto, the maker of recombinant BST, has announced that current users of BST can buy only half their normal amount and no new customers will be accepted. The allocations are expected to run through the end of 2004 and replace the much more modest and shorter-lived allocations announced in December.

According to the National Animal Health Monitoring System of the Animal and Plant Health Inspection Service, about 22 percent of the milk cows in 2002 received BST during their current lactation. This implies that about 2 percent of the milk supply can be attributed to the use of BST.

The impact of the allocations is expected to be less than 1 percent for a number of reasons. Low milk prices and higher feed prices in 2004 likely would have discouraged BST use in any case. In addition, farmers probably had BST inventories on hand at the time the allocations were announced. Lastly, farmers selectively will eliminate those injections that they believe have the lowest odds of a profitable response, resulting in a less-than-proportional reduction in BST-induced milk. ♦

Source: Economic Research Services, USDA, *Livestock, Dairy and Poultry Outlook/LDP-M-116/February 17, 2004*

ANNUAL SELECTED STATISTICS

4

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Average Minimum Class Prices (3.5% B.F.)									
Class I Milk (\$/cwt.)	\$13.29	\$12.91	\$16.17	\$13.29	\$12.91	\$16.17	\$13.74	\$13.36	\$16.62
Class II Milk (\$/cwt.)	10.76	11.55	14.53	10.76	11.55	14.53	10.76	11.55	14.53
Class III Milk (\$/cwt.)	11.42	10.42	13.10	11.42	10.42	13.10	11.42	10.42	13.10
Class IV Milk (\$/cwt.)	10.00	10.81	13.76	10.00	10.81	13.76	10.00	10.81	13.76
Average Producer Prices									
Producer Price Differential (\$/cwt.)	\$(0.10)	\$ 0.83	\$ 1.16	\$ 0.06	\$ 0.68	\$ 0.90	+	+	+
Butterfat (\$/pound)	1.2099	1.1928	1.8480	1.2099	1.1928	1.8480	+	+	+
Protein (\$/pound)	2.3770	1.9735	1.9613	2.3770	1.9735	1.9613	+	+	+
Other Solids (\$/pound)	0.0129	0.0593	0.1343	0.0129	0.0593	0.1343	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.92	7.58	8.26
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.2124	1.2012	1.8620
Statistical Uniform Price (\$/cwt.) . . .	\$11.32	\$11.25	\$14.26	\$11.48	\$11.09	\$14.00	\$11.89	\$11.52	\$14.49
Average Producer Data									
Number of Producers	829	1,027	1,176	708	795	787	106	108	115
Avg. Daily Production (lbs.) *	20,941	0	16,519	17,688	19,133	16,285	79,371	76,659	70,426
Average Number of Handlers									
Pool Handlers	29	26	26	16	17	17	6	6	6
Producer-Handlers	9	9	10	6	7	6	2	2	1
Other Plants w/ Class I Use	19	17	14	21	20	13	33	29	28
Average Producer Milk Ratios									
Class I *	33.21%	27.02%	29.60%	24.25%	19.65%	22.09%	31.88%	31.85%	32.24%
Class II *	7.08%	5.38%	6.54%	7.65%	6.95%	9.96%	6.95%	4.28%	4.93%
Class III *	24.32%	36.30%	34.51%	56.09%	58.50%	51.93%	37.06%	37.72%	39.49%
Class IV *	35.39%	31.29%	29.36%	12.00%	14.91%	16.02%	24.10%	26.15%	23.34%

+ Not Applicable. * Weighted Averages.

MONTHLY SUPPLEMENTAL STATISTICS

	2003	2002	2001	2003	2002	2001	2003	2002	2001
----- 1,000 pounds -----									
Producer-Handler Data									
Production	277,935	283,680	285,165	27,881	31,029	29,078	R	R	R
Class I Use	213,660	218,772	228,557	19,464	21,408	21,384	R	R	R
% Class I Use	76.87%	77.12%	80.15%	69.81%	68.99%	73.54%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	1,919,335	1,941,400	1,938,827	831,930	843,739	850,035	922,189	906,022	891,806
By Producer-Handlers	211,071	219,175	228,398	19,560	21,491	21,461	1/	1/	1/
By Other Plants	29,063	14,839	16,664	41,074	30,513	17,422	380,646	368,801	326,793 2/
Total	2,159,469	2,175,415	2,183,888	892,564	895,743	888,918	1,302,835	1,274,823	1,037,764 2/

R = Restricted. Not included. 1/ Restricted. Included with other plants beginning March 2001. 2/ Reflects total for March -December 2001.

ANNUAL STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
	----- 1,000 pounds -----								
TOTAL PRODUCER MILK	6,336,456	7,823,716	7,087,614	4,573,112	5,552,476	4,676,935	3,061,199	3,026,556	2,956,125
RECEIPTS FROM OTHER SOURCES	487,577	119,531	118,111	105,598	73,045	67,384	188,805	292,415	79,539
OPENING INVENTORY	373,116	287,176	287,445	183,563	156,676	134,746	157,855	156,771	134,145
TOTAL TO BE ACCOUNTED FOR	7,197,149	8,230,422	7,493,170	4,862,273	5,782,198	4,879,064	3,407,858	3,475,742	3,169,809
UTILIZATION OF RECEIPTS									
Whole milk	348,831	337,007	323,186	150,770	145,642	140,276	276,589	265,657	242,338
Flavored milk & milk drinks	133,277	134,273	127,580	66,673	63,762	66,043	69,190	63,015	55,384
2% milk	819,937	834,120	850,066	341,275	346,306	348,714	341,131	340,971	353,121
1% milk	283,237	289,986	294,347	162,784	169,703	178,912	110,206	107,835	106,658
Skim milk	317,570	328,984	326,144	103,632	111,354	109,060	118,433	122,632	128,722
Buttermilk	16,483	17,030	17,504	6,796	6,973	7,030	6,639	5,912	5,584
CLASS I ROUTE DISP. IN AREA.	1,919,335	1,941,400	1,938,827	831,930	843,739	850,035	922,189	906,022	891,806
Class I dispositions out of area	150,142	142,397	117,438	260,681	212,025	150,186	52,013	54,587	58,038
Other Class I usage	240,246	218,780	233,527	177,824	156,332	130,359	94,798	92,311	73,847
TOTAL CLASS I USE.	2,309,723	2,302,577	2,289,792	1,270,436	1,212,096	1,130,580	1,069,000	1,052,920	1,023,691
TOTAL CLASS II USE	535,268	496,814	541,235	419,795	428,898	517,046	221,918	166,361	157,453
TOTAL CLASS III USE	1,798,305	2,853,851	2,458,431	2,570,136	3,254,398	2,432,340	1,141,370	1,158,989	1,174,633
TOTAL CLASS IV USE	2,553,854	2,577,181	2,203,713	601,905	886,806	799,098	975,571	1,097,472	814,032
TOTAL ACCOUNTED FOR	7,197,149	8,230,422	7,493,170	4,862,273	5,782,198	4,879,064	3,407,858	3,475,742	3,169,809
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I	2,104,568	2,114,277	2,097,753	1,109,170	1,090,828	1,033,246	976,044	963,858	952,999
Class II	448,340	420,700	463,506	349,807	385,669	466,021	212,849	129,513	145,784
Class III	1,540,783	2,840,310	2,445,744	2,565,259	3,247,934	2,428,627	1,134,531	1,141,685	1,167,245
Class IV	2,242,764	2,448,429	2,080,611	548,877	828,046	749,041	737,774	791,500	690,097
Other receipts: Class I	205,155	188,300	192,039	161,266	121,269	97,334	346,659	449,186	213,684
Class II	86,927	76,113	77,729	69,988	43,229	51,025	1/	1/	1/
Class III	257,522	13,542	12,687	4,877	6,464	3,713	1/	1/	1/
Class IV	311,089	128,752	123,102	53,029	58,760	50,057	1/	1/	1/
Avg. daily producer receipts	17,360	21,435	19,418	12,529	15,212	12,814	8,387	8,292	8,099
Change From Previous Year	-19.01%	10.39%	4.89%	-17.64%	18.72%	15.84%	1.14%	2.38%	-4.68%
Avg. daily Class I use	6,328	6,308	6,273	3,481	3,321	3,097	2,929	2,885	2,805
Change From Previous Year	0.31%	0.56%	0.99%	4.81%	7.21%	2.04%	1.53%	2.86%	-3.17%

1/ Restricted - Included with Class I.

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003
Minimum Class Prices (3.5% B.F.)									
Class I Milk (\$/cwt.)	\$13.49	\$13.75	\$12.13	\$13.49	\$13.75	\$12.13	\$13.94	\$14.20	\$12.58
Class II Milk (\$/cwt.)	12.90	11.67	10.66	12.90	11.67	10.66	12.90	11.67	10.66
Class III Milk (\$/cwt.)	11.89	11.61	9.66	11.89	11.61	9.66	11.89	11.61	9.66
Class IV Milk (\$/cwt.)	12.21	10.97	9.81	12.21	10.97	9.81	12.21	10.97	9.81
Producer Prices									
Producer Price Differential (\$/cwt.)	\$ 0.78	\$ 0.46	\$ 0.78	\$ 0.64	\$ 0.52	\$ 0.63	+	+	+
Butterfat (\$/pound)	1.8518	1.4978	1.1373	1.8518	1.4978	1.1373	+	+	+
Protein (\$/pound)	1.7911	2.0875	1.8538	1.7911	2.0875	1.8538	+	+	+
Other Solids (\$/pound)	0.0090	0.0217	0.0240	0.0090	0.0217	0.0240	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	6.84	7.49	6.83
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.7983	1.4737	1.1551
Statistical Uniform Price (\$/cwt.)	\$12.67	\$12.07	\$10.44	\$12.53	\$12.13	\$10.29	\$12.89	\$12.39	\$10.63
Producer Data									
Number of Producers	869 *	881	908	736 *	736	757	100 *	100	105
Avg. Daily Production (lbs.)	23,043 *	22,488	22,205	21,300 *	20,884	21,955	87,996 *	85,001	88,315
Number of Handlers									
Pool Handlers	27	28	31	18	18	16	6	6	6
Producer-Handlers	7 *	7	9	5 *	5	6	2 *	2	2
Other Plants w/ Class I Use	19 *	19	18	22 *	22	20	34 *	34	31
Producer Milk Ratios									
Class I	28.34%	30.15%	28.83%	19.40%	20.72%	18.56%	31.41%	32.19%	30.80%
Class II	5.91%	5.98%	6.01%	5.92%	5.72%	5.87%	8.24%	6.66%	5.34%
Class III	34.83%	34.33%	32.95%	66.43%	63.46%	61.69%	35.35%	36.97%	31.40%
Class IV	30.92%	29.54%	32.21%	8.25%	10.10%	13.88%	25.00%	24.18%	32.46%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	Jan 2004	Dec 2003	Jan 2003	Jan 2004	Dec 2003	Jan 2003	Jan 2004	Dec 2003	Jan 2003
Producer-Handler Data									
Production	20,571,339	21,122,709	24,776,324	2,047,802	2,150,920	2,608,124	R	R	R
Class I Use	16,632,801	17,974,268	18,346,522	1,574,191	1,659,325	1,782,113	R	R	R
% Class I Use	80.85%	85.09%	74.05%	76.87%	77.14%	68.33%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	167,924,414	165,818,938	170,135,703	75,136,416	76,368,198	72,332,669	79,921,933	80,157,386	84,150,407
By Producer-Handlers	15,924,395	16,697,322	18,486,595	1,573,852	1,716,201	1,774,995	1/	1/	1/
By Other Plants	2,932,417 *	2,583,463	1,197,330	3,827,008 *	2,576,126	3,436,115	33,514,703 *	33,384,880	32,603,553
Total	186,781,226	185,099,723	189,819,628	80,537,276	80,660,525	77,543,779	113,436,636	113,542,266	116,753,960

* 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		
	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003	Feb 2004	Jan 2004	Feb 2003
TOTAL PRODUCER MILK	580,717,007	614,176,073	564,546,062	454,621,369	476,492,551	465,354,135	255,187,875	263,504,227	257,172,229
RECEIPTS FROM OTHER SOURCES	7,787,098	10,418,942	21,045,770	13,476,405	11,127,690	8,122,580	5,904,710	13,757,501	6,236,759
OPENING INVENTORY	34,419,045	31,245,895	29,854,515	15,998,343	14,851,771	13,339,965	16,090,621	13,464,277	14,095,173
TOTAL TO BE ACCOUNTED FOR	622,923,150	655,840,910	615,446,347	484,096,117	502,472,012	486,816,680	277,183,206	290,726,005	277,504,161
UTILIZATION OF RECEIPTS									
Whole milk	27,655,055	31,649,423	25,555,140	12,741,918	13,801,913	11,516,080	22,364,321	23,642,069	21,440,518
Flavored milk & milk drinks	9,804,352	10,017,387	11,735,146	5,915,247	6,413,903	5,407,608	6,172,338	5,963,232	5,910,720
2% milk	63,501,296	72,559,860	63,926,209	27,476,741	30,261,445	26,419,799	28,239,245	29,426,397	27,466,339
1% milk	22,656,129	25,361,985	23,017,053	13,635,359	14,645,127	12,783,940	9,817,817	9,883,496	9,388,064
Skim milk	24,702,780	27,061,862	25,547,477	9,223,673	9,473,829	8,161,672	10,259,532	10,432,230	10,344,040
Buttermilk	1,239,151	1,273,897	1,213,156	553,371	540,199	519,105	580,542	574,509	607,873
CLASS I ROUTE DISP. IN AREA.	149,558,763	167,924,414	150,994,181	69,546,309	75,136,416	64,808,204	77,433,795	79,921,933	75,157,554
Class I dispositions out of area	13,860,286	12,992,145	11,622,426	21,201,135	22,496,036	19,526,139	4,534,962	4,666,425	4,228,849
Other Class I usage	19,719,788	22,478,286	20,316,642	14,426,209	15,739,184	14,038,972	7,211,973	8,685,137	8,086,997
TOTAL CLASS I USE.	183,138,837	203,394,845	182,933,249	105,173,653	113,371,636	98,373,315	89,180,730	93,273,495	87,473,400
TOTAL CLASS II USE	38,875,301	43,634,177	38,931,682	34,028,127	33,266,854	33,603,944	21,587,035	18,158,172	14,211,017
TOTAL CLASS III USE	203,339,024	211,372,381	192,680,568	302,399,364	302,397,895	287,334,600	90,206,996	97,415,892	80,826,236
TOTAL CLASS IV USE	197,569,988	197,439,507	200,900,848	42,494,973	53,435,627	67,504,821	76,208,445	81,878,446	94,993,508
TOTAL ACCOUNTED FOR	622,923,150	655,840,910	615,446,347	484,096,117	502,472,012	486,816,680	277,183,206	290,726,005	277,504,161
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I	164,584,925	185,087,040	162,706,392	88,198,228	98,675,706	86,360,771	80,161,566	84,832,464	79,221,846
Class II	34,320,400	36,758,185	33,950,531	26,916,287	27,269,862	27,330,862	21,021,272	17,539,520	13,721,685
Class III	202,255,008	210,874,442	186,027,387	302,000,397	302,397,895	287,079,045	90,206,996	97,415,892	80,739,693
Class IV	179,556,674	181,456,406	181,861,752	37,506,457	48,149,088	64,583,457	63,798,041	63,716,351	83,489,005
Other receipts: Class I	18,553,912	18,307,805	20,226,857	16,975,425	14,695,930	12,012,544	21,995,331	27,221,778	20,331,932
Class II	4,554,901	6,875,992	4,981,151	7,111,840	5,996,992	6,273,082	1/	1/	1/
Class III	1,084,016	497,939	6,653,181	398,967	0	255,555	1/	1/	1/
Class IV	18,013,314	15,983,101	19,039,096	4,988,516	5,286,539	2,921,364	1/	1/	1/
Avg. daily producer receipts	20,024,724	19,812,131	20,162,359	15,676,599	15,370,727	16,619,791	8,799,582	8,500,136	9,184,722
Change From Previous Year	-0.68%	-0.98%	-4.75%	-5.68%	-6.17%	3.25%	-4.19%	-3.23%	3.94%
Avg. daily Class I use	6,315,132	6,561,124	6,533,330	3,626,678	3,657,150	3,513,333	3,075,198	3,008,822	3,124,050
Change From Previous Year	-3.34%	-1.37%	3.39%	3.23%	7.06%	12.71%	-1.56%	-2.80%	4.37%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for February 2004
- February 2004 Class Prices
- Class I Price for April 2004
- USDA Announces Tentative Final Decision to Amend All Federal Milk Marketing Orders
- Annual Selected Statistics for 2003
- Annual Statistical Summaries for 2003
- Dairy Outlook and Situation
- USDA to Terminate the Western Order

USDA TO TERMINATE THE WESTERN ORDER

On February 23, 2004, the U.S. Department of Agriculture announced that the Western Milk Marketing Order will be terminated effective April 1, 2004.

A referendum held to determine approval by producers did not obtain the necessary two-thirds vote in favor of adopting the amended order. Under these circumstances, the continuation of the existing Western Order would not be in conformity with the Agricultural Marketing Agreement Act, the statute which authorizes milk marketing orders.

Certain administrative provisions of the order will remain in effect for a number of months beyond the April 1 termination date to allow the market administrator time to complete plant audits and to close out the operation of the order. Once that work has been completed, USDA will terminate the remaining provisions of the order.

The notice of the termination of the order was published in the February 24 Federal Register and can be found at http://www.ams.usda.gov/dairy/w_pnw_prop.htm.