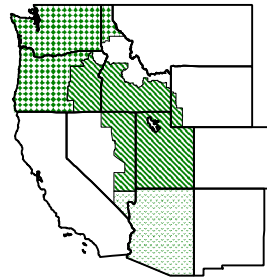


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APRIL 2000

MARKET SUMMARIES FOR MARCH

Pacific Northwest

Producers delivered a total of 594.2 million pounds of milk to the market during March. Daily deliveries averaged 19.2 million pounds, up 1.2 percent from February. An estimated 1,079 producers delivered milk to the market during the month. Daily deliveries per producer averaged 17,763 pounds.

Class I producer milk during March totaled 183.8 million pounds, 30.9% of total producer receipts. Daily usage averaged 5.9 million pounds, up 1.4 percent from February.

Producers will receive \$1.9166 per pound of protein, \$1.0191 per pound of butterfat, and \$0.0424 per pound of other solids. Producers will also receive the market's producer price differential of \$1.63 per hundredweight, subject to applicable location adjustments. The market average component tests for the month were: 3.68% butterfat, 3.02% protein, 5.71% other solids, and 8.72% nonfat solids.

Western

Producers delivered a total of 367.2 million pounds of milk to the market during March. Daily deliveries averaged 11.8 million pounds, up 13.5 percent from February. An estimated 749 producers delivered milk to the market during the month. Daily deliveries per producer

averaged 15,816 pounds, up 6.3 percent from February.

Class I producer milk during March totaled 92.3 million pounds, 25.1% of total producer receipts. Daily usage averaged 3.0 million pounds, up 3.3 percent from February.

Producers will receive \$1.9166 per pound of protein, \$1.0191 per pound of butterfat, and \$0.0424 per pound of other solids. Producers will also receive the market's producer price differential of \$1.48 per hundredweight, subject to applicable location adjustments. The market average component tests for the month were: 3.65% butterfat, 3.06% protein, 5.70% other solids, and 8.76% nonfat solids.

Arizona Las Vegas

Producers delivered a total of 286.6 million pounds of milk to the market during March. Daily deliveries averaged 9.2 million pounds, down 1.4 percent from February. An estimated 119 producers delivered milk to the market during the month. Daily

(Continued On Page 2)

Estimated Uniform Price (@ 3.5% BF) March 2000

Federal Order	Per Cwt.
Pacific Northwest	\$11.17
Western	\$11.02
Arizona-Las Vegas	\$11.28

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(Continued From Page 1)

deliveries per producer averaged 77,686 pounds.

Class I producer milk during March totaled 86.3 million pounds, 30.1% of total producer receipts. Daily usage averaged 2.8 million pounds, down 0.7 percent from February.

Producers will receive \$1.0157 per pound of butterfat and \$8.00 per hundredweight of skim, subject to applicable location adjustments. The market average butterfat test for the month was 3.63%. ♦

MARCH'S CLASS PRICES

March's non-advanced Class Prices were calculated using NASS commodity price surveys from March 4, 11, 18, and 25. Component prices for the month are \$1.9166 per pound of protein, \$1.0191 per pound of butterfat, \$0.0424 per pound of other solids, and \$0.8553 per pound of nonfat solids.

March's Class III and IV prices at 3.5% butterfat are \$9.54 and \$11.00 per hundredweight, respectively. Class II butterfat was also announced at \$1.0261 per pound. Class I and Class II skim prices for March were announced on February 21, 2000. The Class II price at 3.5% butterfat is \$11.71 for March.

The March Class III price compared to February is unchanged. The Class III price is \$2.08 lower than March 1999 and \$0.26 below the support price.

Commodity Prices -- The NASS survey of cheddar cheese prices showed a net decrease in prices received for 40-pound blocks and a decrease in prices received for 500-pound barrels.

The survey of 40-pound blocks showed a net decrease of 0.27 cents between the March 18 and the April 15 surveys, to \$1.0985 per pound. The survey of 500-pound barrels (adjusted to 39% moisture) showed a decrease of 1.61 cents to \$1.0730 per pound.

The NASS butter price showed a net increase of 9.48 cents between the weeks ending March 18 and April 15 from \$0.9537 per pound to \$1.0485 per pound.

The NASS nonfat dry milk showed a net increase of 0.29 cent in mid-March to \$1.0102 per pound. The average price for NASS whey showed a net decrease of 0.01 cents since mid-March to \$0.1778 per pound. ♦

MAY'S CLASS I PRICE ANNOUNCEMENT

On April 21, the May 2000 Class I price was announced at \$13.38 for the consolidated Pacific Northwest and Western Orders, and \$13.83 for the consolidated Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of April 8 and 15.

The skim portion of the Class I mover is the higher of the Class III and IV advance skim prices. For April's Class I price, the Class III and IV advance skim prices were \$5.58 and \$7.70 per hundredweight, respectively. The butterfat portion of the Class I mover was calculated at \$1.1559 per pound.

The May 2000 Class II skim and nonfat solids were also announced on April 21. The skim price is \$8.40 per hundredweight, and the nonfat solids price is \$0.9333 per pound for all Federal Orders.

♦

USDA SETS HEARING ON PROPOSED AMENDMENTS TO CLASS III AND IV PRICE FORMULAS FOR ALL FEDERAL MILK MARKETING ORDERS

The U.S. Department of Agriculture invites dairy farmers, cooperative associations, milk handlers, and consumers to testify at a USDA hearing beginning May 8 in Alexandria, VA, on proposals to amend the Class III and Class IV price formulas for all Federal milk marketing orders.

The hearing will start at 8:00 a.m. at the Embassy Suites Hotel, 1900 Diagonal Road, Alexandria, VA, and is expected to last for several days.

Kathleen A. Merrigan, administrator of USDA's Agricultural Marketing Service, said the hearing is required by legislation enacted in the Consolidated Appropriations Act, 2000. Under the legislation, USDA is required to reconsider the Class III and Class IV price formulas included in the final rule for the consolidation and reform of Federal milk orders. USDA must implement the revised formulas on January 1, 2001.

Merrigan said the hearing will consider proposals that address changes to the factors included in the pricing formulas, such as the specification of the products whose prices are

identified, the yield factors, and the make allowances included in the computation of the component prices.

The hearing notice was published in the April 14th issue of the Federal Register. Copies are available from USDA/AMS/Dairy Programs, Order Formulation Branch, Room 2968-S, P.O. Box 96456, Washington, D.C. 20090-6456, telephone (202) 720-4392. The hearing notice is also available on AMS' web site, at: www.ams.usda.gov/dairy.

The hearing notice and information about the hearing is also available from market administrator offices. ♦

COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS UP 3.1% FOR 1999

Commercial disappearance of U.S. milk for 1999 was up 3.1 percent over 1998. Commercial disappearance is used as an indicator of consumption of U.S. milk marketings and is a residual figure. This measure of consumption includes civilian and military purchases of milk and dairy products for domestic and foreign use (exports), but excludes farm household use, commercial stocks, and imports. The table below shows commercial disappearance by commodity and their milk-equivalent on a fat solids basis.

For 1999, American cheese, butter, "Other" cheese, and fluid milk products showed increases from 1998. Nonfat dry milk disappearance showed a decrease of 5.6% during the same period. ♦

ARIZONA-LAS VEGAS FEDERAL ORDER REVISION IN POOL MANUFACTURING PLANT SHIPPING STANDARDS

For the months of April through December 2000, this action reduces the percentage of a cooperative association's producer milk that must be delivered to pool distributing plants in order to qualify its manufacturing plant for pool status. The order states a specific percentage of producer milk to be delivered to pool distributing plants during either the current month or, on average, the immediately preceding 12-month period ending with the current month.

The purpose of this standard is to assure an adequate supply of milk for fluid consumption without the need for making uneconomic movements of milk. To accomplish this goal, the order must reflect the needs and nature of the market. United Dairymen of Arizona (UDA), a cooperative association supplying milk to the Arizona-Las Vegas market, has requested a reduction of the pool standard in section 1131.7(d) of the order. Based on analysis of the marketing data, the percentage of producer milk that a cooperative association must ship to pool distributing plants in order to qualify its manufacturing plant for pool status under the Arizona-Las Vegas Federal Milk Order will be reduced for the remainder of 2000.

The following are the minimum shipping percentages for April - December 2000:

- April - June** **25 percent**
- July - October** **20 percent**
- November** **15 percent**
- December** **20 percent**

Commercial Disappearance			
	1999	1998	Change
<u>Selected Products</u>	- - Million Pounds - -		
Butter	1,191.1	1,136.6	4.8%
American Cheese	3,595.7	3,349.5	7.4%
Other Cheese	4,671.8	4,450.4	5.0%
Nonfat Dry Milk	818.8	867.4	-5.6%
Fluid Milk Products	55,674.8	55,266.8	0.7%
Total *	164,948	159,916	3.1%

* Commercial Disappearance, milk-equivalent, milk fat basis. Source: Dairy Market News, Volume 67, No. 49.

PRODUCER MAILBOX PRICE SERIES: 1999

The producer mailbox price (PMP) series is a price series based on data collected by market administrators' offices. The PMP is defined as the net price received by producers for milk, including all payments received for milk sold and deducting costs associated with marketing milk. This article compares the PMP's for the two Northwest orders with those of selected other orders across the U.S. The Arizona-Las Vegas Order mailbox price is not published because it is restricted (fewer than three handlers are represented).

The table on page 4 provides the monthly and twelve-month simple average PMP's for the various orders by region for 1998 and 1999. The figure on page 5 shows the 1999 twelve-month simple average PMP's and the change from 1998

(Continued On Page 8)

**Producer Mailbox Milk Prices For Selected Federal Orders
1999**

Dollars Per Cwt.

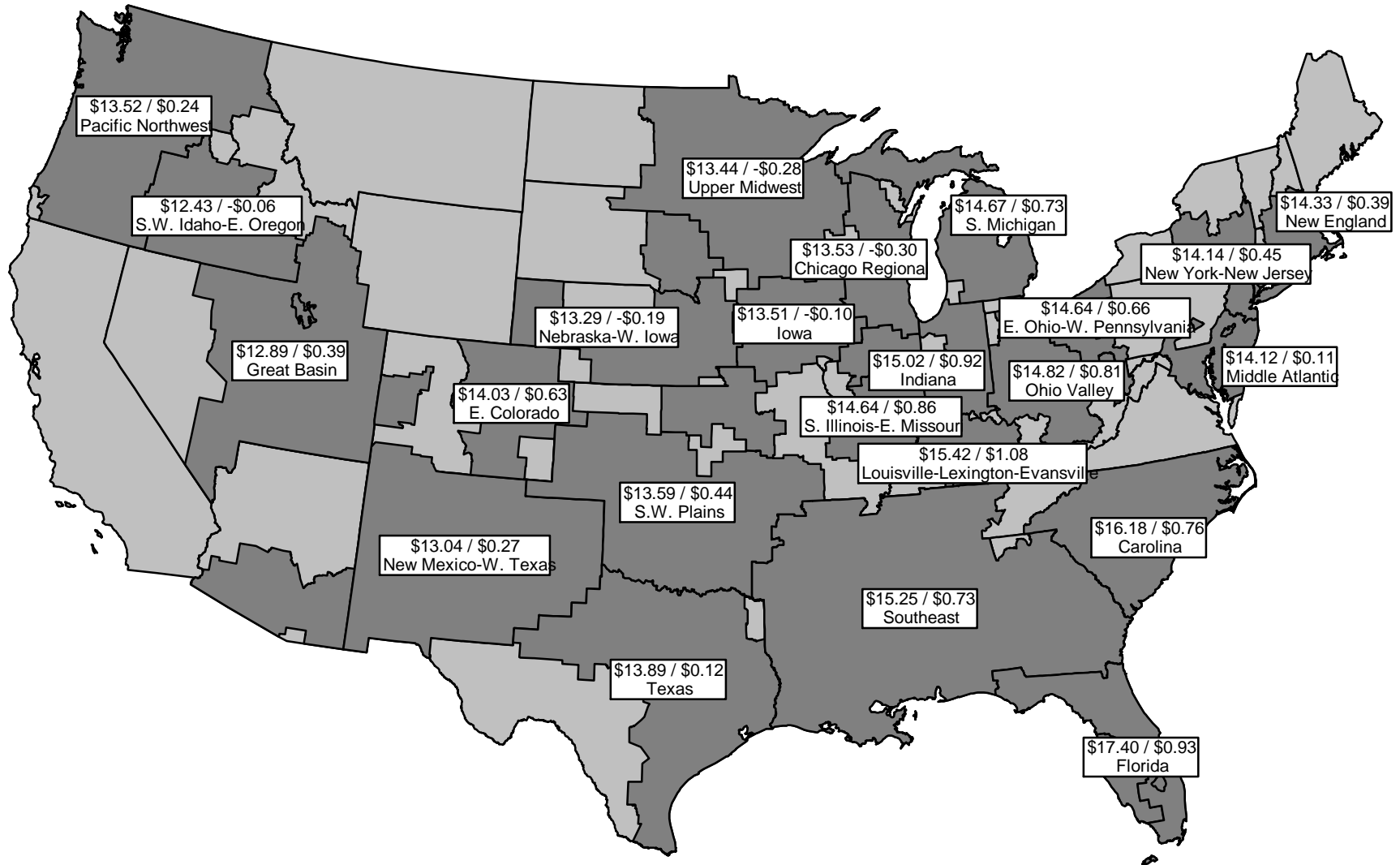
Federal Milk Order/Region	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
New England	17.16	15.50	15.37	12.29	12.69	12.99	13.47	13.92	14.96	15.06	15.02	13.19	14.30
New York-New Jersey	17.58	15.30	15.38	11.86	12.30	12.41	13.09	14.07	15.55	15.11	14.82	11.93	14.12
Middle Atlantic	17.04	15.84	15.34	11.60	12.20	12.72	12.81	13.19	14.97	15.57	15.36	12.04	14.06
Northeast 1/	17.35	15.48	15.37	11.91	12.38	12.64	13.14	13.85	15.26	15.20	15.00	12.31	14.16
Carolina	19.11	19.18	18.06	12.89	13.65	14.21	13.96	14.06	15.98	17.17	17.56	13.90	15.81
Southeast	18.40	18.10	16.99	12.00	12.87	13.15	13.08	13.35	15.38	16.15	16.20	12.70	14.86
Florida 2/	20.27	20.32	19.28	14.09	15.06	15.38	15.70	16.22	17.94	19.29	18.72	15.59	17.32
Southeast 1/	19.04	18.93	17.85	12.77	13.59	13.97	13.96	14.19	16.11	17.12	17.14	13.66	15.69
S. Michigan	17.85	16.44	16.07	12.33	12.62	12.72	12.78	13.46	15.21	15.64	15.53	12.16	14.40
E. Ohio-W. Pennsylvania	18.12	16.23	16.16	11.96	12.72	12.66	13.10	13.52	15.49	15.55	15.65	12.27	14.45
Ohio Valley	18.28	16.90	16.63	11.91	12.55	12.64	12.63	12.81	15.33	15.96	16.18	12.58	14.53
Indiana	18.24	17.49	16.79	11.87	12.83	12.87	12.62	12.88	15.17	16.29	16.27	12.70	14.67
Chicago Regional	17.44	12.91	13.77	12.34	12.28	12.42	13.91	16.06	16.59	13.58	12.43	11.28	13.75
S. Illinois-E. Missouri	18.12	16.39	16.05	11.85	12.61	12.82	12.65	12.78	15.05	16.35	16.47	12.56	14.48
Louisville-Lexington-Evansville	18.54	18.14	17.56	12.02	12.91	13.35	12.96	13.21	15.47	16.93	17.23	13.29	15.13
Upper Midwest	16.77	13.24	13.38	12.61	12.11	12.50	13.99	16.16	15.99	13.52	12.09	11.32	13.64
Nebraska-W. Iowa	16.60	13.73	13.87	11.75	11.71	12.09	13.34	14.60	15.30	13.82	13.21	11.37	13.45
Iowa	17.25	13.36	13.92	12.18	12.12	12.25	13.32	15.06	15.90	13.93	12.84	11.23	13.61
Midwest 1/	17.44	14.22	14.50	12.27	12.33	12.53	13.43	13.97	15.58	14.30	13.47	11.64	13.81
Texas	17.09	14.96	14.89	11.52	12.19	12.68	13.40	14.02	15.46	15.21	14.78	12.65	14.07
S.W. Plains	17.20	14.68	14.75	11.19	11.71	12.03	12.68	13.24	15.03	14.62	14.14	11.43	13.56
E. Colorado	17.49	15.26	15.34	11.67	12.21	12.21	12.53	13.12	15.17	15.09	15.01	11.74	13.90
S.W. Idaho-E. Oregon	15.96	11.70	12.28	11.53	11.27	11.82	12.83	14.72	14.61	11.80	10.47	10.13	12.43
Great Basin	16.21	13.33	13.60	11.23	11.40	11.58	12.43	13.43	14.64	14.06	12.33	10.79	12.92
New Mexico-W. Texas	16.17	13.93	14.05	10.80	11.49	11.77	12.45	13.21	14.70	13.87	13.60	11.74	13.15
Pacific Northwest	16.07	14.42	14.37	11.46	12.10	12.67	12.64	13.19	14.13	13.64	13.46	11.45	13.30
West 1/	16.61	14.09	14.28	11.38	11.91	12.28	12.84	13.47	14.77	13.92	13.29	11.52	13.36
All Market Average 1/	17.43	15.00	15.02	12.05	12.38	12.65	13.31	13.86	15.39	14.70	14.17	12.00	14.00

1/ Bolded numbers represent weighted averages for regions.

2/ Weighted average of Upper Florida, Tampa Bay, and Southeastern Florida Orders.

Source: Dairy Market News.

Simple Average Producer Mailbox Prices *
For Selected Orders and Change from Previous Year
1999 vs. 1998



* The first number above the Federal order name reflect six-month simple averages of reported mailbox prices. The second number is the simple average change in mailbox prices from the same period in 1998.

MONTHLY SELECTED STATISTICS

NASS Commodity Prices (\$/pound)	Mar_2000	Feb_2000
Butter	\$0.9497	\$0.9002
Weighted Cheese Average	1.1093	1.1067
Nonfat Dry Milk	1.0094	1.0106
Whey	0.1780	0.1788

	PACIFIC NORTHWEST		WESTERN		ARIZONA-LAS VEGAS	
	Mar_2000	Feb_2000	Mar_2000	Feb_2000	Mar_2000	Feb_2000
Minimum Class Prices (3.5% B.F.)						
Class I Milk (\$/cwt.)	\$12.74	\$12.61	\$12.74	\$12.61	\$13.19	\$13.06
Class II Milk (\$/cwt.)	11.71	11.51	11.71	11.51	11.71	11.51
Class III Milk (\$/cwt.)	9.54	9.54	9.54	9.54	9.54	9.54
Class III-A Milk (\$/cwt.)	11.00	10.80	11.00	10.80	11.00	10.80
Producer Prices						
Producer Price Differential (\$/cwt.)	\$ 1.63	\$ 1.52	\$ 1.48	\$ 1.39	+	+
Butterfat (\$/pound)	1.0191	0.9588	1.0191	0.9588	+	+
Protein (\$/pound)	1.9166	1.9849	1.9166	1.9849	+	+
Other Solids (\$/pound)	0.0424	0.0432	0.0424	0.0432	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	8.00	8.02
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.0157	0.9586
Statistical Uniform Price (\$/cwt.)	\$11.17	\$11.06	11.02	10.93	11.28	11.09
Producer Data						
Number of Producers	1,079 *	1,073	749 *	718	119 *	120
Avg. Daily Production (lbs.)	17,763 *	17,544	15,816 *	14,883	77,686 *	80,141
Number of Handlers						
Pool Handlers	27	27	19	19	6	5
Producer-Handlers	12	12	7	7	1	1
Other Plants w/ Class I Use	5	5	10	10	3	3
Producer Milk Ratios						
Class I	30.93%	30.84%	25.13%	27.63%	30.11%	29.90%
Class II	7.05%	7.03%	9.41%	9.92%	2.08%	3.60%
Class III	31.65%	31.82%	43.45%	43.14%	33.57%	34.28%
Class IV	30.37%	30.31%	22.01%	19.31%	34.24%	32.22%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data (Thousand lbs.)	Feb 2000		Jan 2000		Feb 2000		Jan 2000	
Production	22,657,351	23,785,502	2,331,231	2,544,409	R	R	R	R
Class I Use	17,852,936	18,109,351	1,684,825	1,691,675	R	R	R	R
% Class I Use	78.80%	76.14%	72.27%	66.49%	R	R	R	R
Class I Route Disposition In Area (Thousand lbs.)								
By Pool Plants	155,811,899	163,842,170	71,284,641	72,310,142	77,282,479	78,665,892		
By Producer-Handlers	17,743,835	18,104,179	1,663,618	1,734,000	R	R		
By Other Plants	543,499 *	654,102	743,317 *	1,162,551	7,962,869 *	8,940,903		
Total **	174,099,233	182,600,451	0	75,206,693	R	R		

* Preliminary.

** May not add due to rounding.

R = Restricted.

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST		WESTERN		ARIZONA-LAS VEGAS		
	Mar 2000	Feb 2000	Mar 2000	Feb 2000	Mar 2000	Feb 2000	
TOTAL PRODUCER MILK	594,152,814	549,471,886	367,224,598	302,553,579	286,582,318	271,919,072	
RECEIPTS FROM OTHER SOURCES	11,618,719	9,681,930	10,465,588	7,515,922	14,323,081	11,135,724	
OPENING INVENTORY	21,480,589	20,593,185	12,886,958	14,734,452	17,674,076	19,468,449	
TOTAL TO BE ACCOUNTED FOR	627,252,122	579,747,001	390,577,144	324,803,953	318,579,475	302,523,245	
UTILIZATION OF RECEIPTS							
Whole milk	26,429,459	24,454,489	11,848,921	11,262,711	20,628,960	18,884,443	
Flavored milk & milk drinks	8,139,405	7,275,370	6,120,937	5,511,132	4,463,910	4,395,142	
2% milk	74,271,125	71,273,875	33,036,121	29,939,134	34,250,516	31,597,496	
1% milk	26,832,148	24,967,999	15,939,615	14,690,718	9,992,640	9,835,994	
Skim milk	29,114,502	26,354,026	10,032,739	9,252,883	12,466,751	12,056,527	
Buttermilk	1,742,348	1,486,140	676,976	628,063	524,862	512,877	
CLASS I ROUTE DISP. IN AREA.	166,528,987	155,811,899	77,655,309	71,284,641	82,327,639	77,282,479	
Class I dispositions out of area	10,312,445	9,507,007	12,502,173	9,238,224	5,076,851	4,725,245	
Other Class I usage	19,805,847	15,525,484	10,910,000	11,029,760	8,532,239	7,240,149	
TOTAL CLASS I USE.	196,647,279	180,844,390	101,067,482	91,552,625	95,936,729	89,247,873	
TOTAL CLASS II USE	48,457,846	43,643,608	36,635,213	31,695,303	13,212,749	16,275,948	
TOTAL CLASS III USE	190,659,122	175,743,872	167,415,114	137,462,973	97,297,558	94,651,814	
TOTAL CLASS IV USE	191,487,875	179,515,131	85,459,335	64,093,052	112,132,439	102,347,610	
TOTAL ACCOUNTED FOR	627,252,122	579,747,001	390,577,144	324,803,953	318,579,475	302,523,245	
CLASSIFICATION OF RECEIPTS							
Producer milk:	Class I	183,764,078	169,441,598	92,266,755	83,587,381	86,292,630	81,311,287
	Class II	41,888,489	38,615,695	34,565,481	30,018,737	5,955,451	9,798,027
	Class III	188,076,405	174,880,294	159,552,396	130,517,383	96,201,594	93,200,227
	Class IV	180,423,842	166,534,299	80,839,966	58,430,078	98,132,643	87,609,531
Other receipts:	Class I	12,883,201	11,402,792	8,800,727	7,965,244	31,997,157	30,604,173
	Class II	6,569,357	5,027,913	2,069,732	1,676,566	1/	1/
	Class III	2,582,717	863,578	7,862,718	6,945,590	1/	1/
	Class IV	11,064,033	12,980,832	4,619,369	5,662,974	1/	1/
Avg. daily producer receipts		19,166,220	18,947,306	11,845,955	10,432,882	9,244,591	9,376,520
Avg. daily Class I use		6,343,461	6,236,013	3,260,241	3,156,987	3,094,733	3,077,513

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries**
- **March Class Prices and Commodity Prices**
- **Class I Price for May 2000**
- **USDA Sets Hearing on Proposed Amendments to Class III and IV Price Formulas for All Federal Milk Marketing Orders**
- **Arizona-Las Vegas Federal Order: Revision in Pool Manufacturing Plant Shipping Standards**
- **Commercial Disappearance Of Dairy Products Up 3.1% For 1999**
- **Mailbox Prices for 1999**

(Continued From Page 3)

for the various orders on a map of the 48 contiguous states of the U.S.

All areas showed a decrease in annual averages between 1998 and 1999, with the exception of the Louisville-Lexington-Evansville Order. Overall, the Southeast region had the highest weighted average PMP's for 1999. The average PMP ranged from \$17.32 for the combined Florida orders to \$14.86 in the Southeast Order.

Of the four regions, the Northeast had the second highest PMP at \$14.16. The region ranged from \$14.30 in the New England Order to \$14.06 in the Middle Atlantic Order.

The second lowest PMP's were in the Midwest at \$13.81 for 1999. The Upper Midwest on average ranged from \$15.13 for the Louisville-Lexington-Evansville Order to \$13.45 for the Nebraska-Western Iowa Order.

The West had the lowest PMP's on average of all the regions. The weighted average PMP ranged from \$14.07 for the Texas Order to \$12.43 for the Southwestern Idaho-Eastern Oregon Order.

◆