The Market Administrator's Report

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

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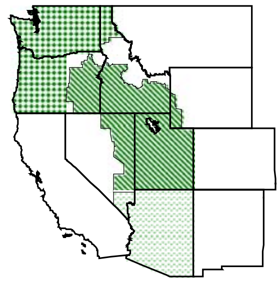

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April 2003

MARKET SUMMARIES FOR MARCH 2003

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

Pacific Northwest

Producers delivered a total of 644.1 million pounds of milk to the market during March. Daily deliveries averaged 20.8 million pounds, up 3.0 percent from February. An estimated 909 producers delivered milk to the market during the month. Daily deliveries per producer averaged 22,856 pounds, up 2.9 percent from February.

Class I producer milk during March totaled 175.0 million pounds, 27.2 percent of total producer receipts. Daily usage averaged 5.6 million pounds, down 2.8 percent from February.

Arizona-Las Vegas

Producers delivered a total of 279.4 million pounds of milk to the market during March. Daily deliveries averaged 9.0 million pounds, down 1.9 percent from February. An estimated 104 producers delivered milk to the market during the month. Daily deliveries per producer averaged 86,657 pounds, down 1.9 percent from February.

Class I producer milk during March totaled 82.6 million pounds, 29.6 percent of total producer receipts. Daily usage averaged 2.7 million pounds, down 5.8 percent from February.

Western

Producers delivered a total of 442.6 million pounds of milk to the market during March. Comparisons to the previous month are affected by eligible milk not pooled in March 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 14.3 million pounds, down 14.1 percent from February. An estimated 757 producers delivered milk to the market during the month. Daily deliveries per

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Federal Order Producer Prices and Component Levels: March 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.13	10.29	9.88	Butterfat	3.677	3.585	3.630
Butterfat 2/	1.1459	1.1493	1.1459	Protein	3.031	N/A	3.042
Protein 2/	1.6648	N/A	1.6648	Other Solids	5.690	N/A	5.711
Other Solids 2/	0.0206	N/A	0.0206	Nonfat Solids	8.721	N/A	8.754
PPD 1/*	1.02	N/A	0.77				
Skim 1/	N/A	6.49	N/A				

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

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producer averaged 18,860 pounds, down 14.1 percent from February.

Class I producer milk during March totaled 90.2 million pounds, 20.4 percent of total producer receipts. Daily usage averaged 2.9 million pounds, down 5.6 percent from February. ♦

MARCH 2003 CLASS PRICES

March 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from March 1, 8, 15, 22, and 29, 2003. Component prices for the month are $1.6648 per pound of protein, $1.1459 per pound of butterfat, $0.0206 per pound of other solids, and $0.6651 per pound of nonfat solids.

March 2003 Class III and IV prices at 3.5% butterfat are $9.11 and $9.79 per hundredweight, respectively. The March Class III price compared to February is down $0.55. The Class III price is $1.54 lower than March 2002. The Class III price at 3.67% butterfat is $0.61 below the support price of $9.90 at 3.67% butterfat.

Class II butterfat was announced at $1.1529 per pound. Class I skim and butterfat and Class II skim prices for March 2003 were announced on February 21, 2003. The Class II price at 3.5% butterfat is $10.54 for March 2003 .

FINAL: NASS COMMODITY PRICES

	February	March	Change
Cheese*	$1.1299	$1.0780	-$0.0519
Butter	$1.0476	$1.0546	$0.0070
Nonfat Dry Milk	$0.8111	$0.8051	-$0.0060
Whey	$0.1632	$0.1599	-$0.0033

* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrels changed from 39% to 38% moisture cheese.

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 1.65 cents between the March 15 and the April 12 surveys, to $1.0840 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 2.63 cents to $1.0688 per pound.

The NASS butter price showed a net decrease of 0.72 cents between the weeks ending March 15 and April 12 from $1.0781 per pound to $1.0709 per pound.

The NASS nonfat dry milk showed a net decrease of 0.09 cents since mid-March to $0.8022 per pound. The average price for NASS whey showed a net increase of 0.34 cents since mid-March to $0.1600 per pound. ♦

MAY'S CLASS I PRICE ANNOUNCEMENT

On April 18, the May 2003 Class I price was announced at $11.61 for the Pacific Northwest and Western Orders, and $12.06 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of April 5 and 12.

The May Class III and IV advance skim prices are $5.44 and $5.91 per hundredweight, respectively. The butterfat portion of the Class I mover increased 2.35 cents from $1.1227 to $1.1462 per pound.

The May 2003 Class II skim and nonfat solids prices were also announced on April 18. The skim price is $6.61 per hundredweight, and the nonfat solids price is $0.7344 per pound for all Federal orders. ♦

Note: The above prices were determined using the formulas published in the Federal Register on February 12, 2003 (68 FR 7063-7070). Details of the formulas can be found at: http://www.ams.usda.gov/dyfmos/mib/price_form_2003.htm.

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	April	May	Change
Cheese*	$1.0697	$1.0842	$0.0145
Butter	$1.0506	$1.0702	$0.0196
Nonfat Dry Milk	$0.8048	$0.8032	-$0.0016
Whey	$0.1594	$0.1589	-$0.0005

* The weighted average of barrels plus 3 cents and blocks. Beginning February 2001, barrel cheese prices changed from 39% to 38% moisture cheese.

INVITATION TO SUBMIT PROPOSALS FOR A PUBLIC HEARING TO AMEND ORDER PROVISIONS OF THE ARIZONA-LAS VEGAS MARKETING ORDER

United Dairymen of Arizona (UDA) has requested that the Department of Agriculture (USDA) hold a public hearing to consider proposals to amend provisions of the Arizona-Las Vegas milk order.

The first UDA proposal seeks to end the regulatory exemption for producer-handlers whose route disposition exceeds three million pounds per month. This proposal also seeks to amend the designation criteria for producer-handlers in the Arizona-Las Vegas order. A second proposal seeks to amend the producer milk definition by requiring that at least 5 day's milk production of a producer be received at a pool plant. The proposal also would exclude milk from the pool that is classified and priced under a State operated regulatory system. The third proposal would amend the pool plant definition by adjusting qualifying shipment standards for pooling.

Copies of the entire UDA proposal may be obtained from the Market Administrator at USDA/AMS/Dairy Programs, 10050 North 25th Avenue, Suite 302, Phoenix, Arizona 85021-1664, (602) 547-2909.

These proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing should be held, USDA is providing interested parties this opportunity to submit additional proposals.

The proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP 0225, Room 2968-S, 1400 Independence Avenue, SW, Washington, DC 20250, by May 16, 2003. Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposal should be considered if a hearing to amend the order is to be held.

If you have any questions concerning the filing of the proposals or desire a copy of the present order, please contact this office. A complete and more detailed copy of this notice is available on the market administrator's website: http://www. fmmaseattle. com.

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least three-days' milk production of a producer needs to be delivered to a pool plant during the month in order for the rest of the milk of the producer to be eligible for diversion to non-pool plants; and 3) provide authority to the Market Administrator to adjust the touch-base standard.

The interim order provision appears to have made it financially disadvantageous to pool distant milk on the Pacific Northwest Order. The tables below show the decrease in Class III utilization and a significant decrease in producer milk originating from California and Idaho between late 2002 and early 2003. Class III utilization dropped over four percent between December 2002 compared to January 2003. During the same period of time, producer milk originating in California and Idaho decreased about 40 million pounds. Milk from northern California and northern Idaho historically pooled on the Pacific Northwest Order continues to be pooled on the order.

Assuming the changes in Class III utilization and the decrease in producer milk pooled was solely due to the interim order amending the pooling provisions, it is estimated that producers pooled on the Pacific Northwest Order gained from $0.03 to $0.07 per hundredweight in January, February, and March 2003 because of the change in pooling provisions. ♦

Pacific Northwest Order (FO 124)
Utilization By Class

	Class I %	Class II %	Class III %	Class IV %
Nov. 2002	29.98	5.54	35.31	29.17
Dec. 2002	27.45	5.16	36.25	31.14
Jan. 2003	30.46	5.93	31.69	31.92
Feb. 2003	28.83	6.01	32.95	32.21
Mar. 2003	27.17	5.79	34.13	32.91

Pacific Northwest Order (FO 124)
Producer Milk By State

	CA	ID	OR	WA
	- - - - - - million pounds - - - - - -			
Nov. 2002	37.2	8.9	149.0	425.1
Dec. 2002	39.6	10.3	157.3	446.5
Jan. 2003	4.4	3.2	159.7	452.6
Feb. 2003	4.1	1.5	143.7	414.7

MARKET ADMINISTRATOR LAB TEST RESULTS FOR NONMEMBERS NOW AVAILABLE ON WEBSITE

The Seattle Federal Milk Market Administrator has developed the ability for nonmember producers to view their MA component test results online via the Internet. An example account has been established for you to view some mock-up test results. Just go to www.fmmaseattle.com and click on the "Producer Test Results" link. You will be prompted for a login name and password.

Login Name: Dairy
Password: Market

Once you have accessed the data information page, a number of options are available to you. You can view test results for fat, protein and other solids. Somatic cell testing is not currently available. The default component view is "Fat" and the default date range covers the previous eight weeks. For additional information just select a component, enter a date range and click on the "Create Graph" button to view the corresponding test results. There will be no data listed prior to June of 2002.

If you currently have an Internet connection and would like to view your component test results online, please contact Mark Taber at the Seattle Market Administrator's office 425-487-6009 (toll free 1-800-852-9557) or e-mail at mtaber@ fmmaseattle.com. For questions regarding test results and component testing please contact Bob Stewart, Vickie Metcalfe, or John Priest via e-mail at seattlelab@fmmaseattle.com. ♦

2003 OUTLOOK FOR DAIRY *

The following is a summary of the presentation by Howard McDowell of the Dairy Programs section of the USDA Agricultural Marketing Service at USDA's annual Agricultural Outlook Forum on February 21, 2003.

Introduction - The dairy industry moves into 2003 with the all-milk prices at around $11.80 and the dairy cow inventory up slightly over a year ago. The sector is still expanding in response to the high dairy prices in 2001. Higher prices in 2001 and expansion in the western states fueled the demand for heifers, and dairy cow numbers on January 1, 2003 were slightly higher than a year earlier. Milk production was 168.9 billion pounds for marketing year (MY) 2001/02, a 2.2% increase over MY 2000/01. The marketing year as referred to in this article runs from October 1 through September 30.

Commercial use in MY 2001/02 grew by about 1 billion pounds (0.6%) to 170.1 billion pounds. With production increases more than commercial use, the excess supply was absorbed by a commercial stocks increase of 2.5 billion pounds (milk equivalent, milkfat basis) and an increase in Commodity Credit Corporation (CCC) net removals of 3.3 billion pounds (milk equivalent, skim-solids basis). The 2001/02 all milk price fell by $1.75 (12%), to $12.76 per cwt. (average fat test).

Estimated MY 2002/03 total commercial use is expected to increase slightly more than the increase in commercial supply, and the all-milk price is forecast to range between $11.20 and $11.70. The price decline is mainly due to the reduction in the nonfat dry milk support purchase price to $0.80 per pound coupled with the overhang of commercial stocks.

Price Support Program Changes - The Farm Security and Rural Investment Act of 2002 extended the support purchase program through 2007 at the current support price of $9.90 per cwt. The Dairy Export Incentive Program (DEIP) was also extended through 2007.

In November of 2002, the "tilt" on purchase prices for butter and nonfat dry milk was changed. The support purchase price for nonfat dry milk was lowered $0.10, to $0.80 per pound. This follows a similar sharp reduction in May 2001. The support purchase price for butter was raised about $0.20 per pound, to $1.05, in order to maintain the support price of milk at $9.90 per cwt. Purchase prices for cheese were not changed, and are $1.13 per pound for blocks and $1.10 per pound for barrels.

In the past, such price adjustments generally resulted in smaller longer-term surpluses of skim solids, but require time for adjustment. The price cuts will encourage food processors to boost use of dry and wet skim solids in processed foods, and reduce prices of skim-milk-based products such as cottage cheese. Lower domestic prices diminish the price advantage of imported milk proteins, as well.

Milk Income Loss Contract Program - The Farm Security and Rural Investment Act of 2002 established the Milk Income Loss Contract (MILC) program that provides counter-cyclical support through fiscal 2005. The payment rate is 45% of the difference between $16.94 and the month's

Class I price in Boston. (This difference is equivalent to the difference between $13.69 and the Class I mover.) The payment is subject to a limit of 2.4 million pounds during each fiscal year. Farmers receiving payment on all of their milk account for less than a third of total milk production.

By January 30, 2003, producers had received over $1 billion in MILC payments. Additional payments of $1.5 billion could be made during FY 2003. Total program payments, which cover production through September 2005, are expected to total $3 to $4 billion.

The MILC program has its greatest impact on producers with smaller herds, offsetting some of the price decline with a payment. The payments have likely slowed the rate of cattle culling and farm exits.

U.S. Milk Production Outlook - Milk production for MY 2002/03 is projected to be 170.7 billion pounds, an increase of about 1%. Over the 2002/03 year, milk cows are expected to average 9.105 million head, as compared to 9.129 million in 2001/02. Milk per cow is expected to average 18,750 pounds in 2002/03, reflecting a moderate 250-pound increase over last year. In the following years, annual milk per cow increases are expected to be in the 400-pound range.

Cow numbers remain above the long-term trend after the response to higher prices in recent years, but milk output per cow continues to lag longer-term trends. Higher feed prices in the face of falling milk prices may have discouraged producers from feeding to achieve maximum output per cow. In addition, a shortage of heifers likely kept sub-optimal cows in herds, depressing aggregate yields.

Concentrate feed prices are expected to average slightly higher this year, and reduced stocks will provide less buffer if weather should again be adverse. However, feed prices are likely to be fairly moderate by historic standards. Even so, low milk prices will hold milk-feed price ratios to levels not very conducive to increases in concentrate feeding and milk per cow.

In the near term, the farm structure is not expected to change. The MILC program is assisting producers with smaller herds, and expansions are continuing in some areas. Moreover, feed prices and hay supplies are currently favorable for milk production. If the drought which exists in parts of the U.S. extends into the growing season, milk production per cow could weaken and cow numbers could decline.

U.S. Dairy Trade - Current conditions in other countries appear to be favorable for the U.S. dairy industry. Imports are forecast to decline slightly in 2002/03, to 5.0 billion pounds milk equivalent. Modest commercial exports of nonfat dry milk are possible, particularly to Mexico and other Central American customers. This would result in world prices capped at around the U.S. support price of $0.80 per pound. In addition, exports of nonfat dry milk and cheese under the Dairy Export Incentive Program (DEIP) are expected to reach program limits.

U.S. Dairy Market Outlook - Commercial use of dairy products on a fat basis is expected to grow by about 2.4% to about 174.1 billion pounds in 2002/03. Current prices for butter, cheese, and nonfat dry milk are hovering around support, with the likelihood that quantities demanded will grow in response. Thus, there is potential for stronger demand through the year, but not enough to move prices to recent years' higher levels.

Cheese prices are now about $1.15 per pound, with no increases expected until fall of 2003. Net CCC removals of cheese in 2002/03 are forecast to be 25 million pounds.

Butter prices are expected to hover around the $1.05 support price until the seasonal increases in the fall of 2003. Net CCC removals of butter in 2002/03 are forecast to be 35 million pounds.

Nonfat dry milk has been in surplus since 1998, and a large CCC stock buildup led to the adjustment in CCC purchase prices. For the 2002/03 year, net CCC purchases are forecast to be 420 million pounds, down from the previous year's 650 million pounds. Nonfat dry milk prices are expected to be close to support through 2002/03.

The all-milk price is expected to drop from $12.76 in 2001/2002, to range between $11.20 and $11.70 for 2002/03. The Class III price is expected to range between $9.70 and $10.20. Retail prices are expected to increase very slightly, which should be positive for consumption.

* Adapted from a speech by Howard McDowell at the USDA Agricultural Outlook forum on February 21, 2003. The complete speech can be obtained at: http://www.usda.gov/oce/waob/agforum.htm. ♦

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
Minimum Class Prices (3.5% B.F.)	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002	Mar 2003	Feb 2003	Mar 2002
Class I Milk ($/cwt.)	$11.71	$12.13	$13.52	$11.71	$12.13	$13.52	$12.16	$12.58	$13.97
Class II Milk ($/cwt.)	10.54	10.66	12.19	10.54	10.66	12.19	10.54	10.66	12.19
Class III Milk ($/cwt.)	9.11	9.66	10.65	9.11	9.66	10.65	9.11	9.66	10.65
Class IV Milk ($/cwt.)	9.79	9.81	11.42	9.79	9.81	11.42	9.79	9.81	11.42
Producer Prices									
Producer Price Differential ($/cwt.)	$ 1.02	$ 0.78	$ 1.08	$ 0.77	$ 0.63	$ 0.91	+	+	+
Butterfat ($/pound)	1.1459	1.1373	1.3638	1.1459	1.1373	1.3638	+	+	+
Protein ($/pound)	1.6648	1.8538	1.8342	1.6648	1.8538	1.8342	+	+	+
Other Solids ($/pound)	0.0206	0.0240	0.0688	0.0206	0.0240	0.0688	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	+	+	6.49	6.83	7.38
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	1.1493	1.1551	1.3683
Statistical Uniform Price ($/cwt.)	$10.13	$10.44	$11.73	$9.88	$10.29	$11.56	$10.29	$10.63	$11.91
Producer Data									
Number of Producers	909 *	908	1,156	757 *	757	738	104 *	104	108
Avg. Daily Production (lbs.)	22,856 *	22,205	18,506	18,860 *	21,955	15,256	86,657 *	88,315	85,326
Number of Handlers									
Pool Handlers	31	31	26	16	16	16	6	6	6
Producer-Handlers	9 *	9	9	6 *	6	6	2 *	2	2
Other Plants w/ Class I Use	18 *	18	15	20 *	20	18	31 *	31	27
Producer Milk Ratios									
Class I	27.17%	28.83%	26.70%	20.39%	18.56%	23.69%	29.57%	30.80%	28.54%
Class II	5.79%	6.01%	5.20%	6.81%	5.87%	7.61%	5.23%	5.34%	3.95%
Class III	34.13%	32.95%	36.52%	70.74%	61.69%	64.29%	37.12%	31.40%	38.86%
Class IV	32.91%	32.21%	31.58%	2.06%	13.88%	4.41%	28.08%	32.46%	28.65%

\+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Feb 2003	Jan 2003	Feb 2002	Feb 2003	Jan 2003	Feb 2002	Feb 2003	Jan 2003	Feb 2002
Production	22,702,359	24,776,324	20,986,595	2,255,384	2,608,124	2,248,193	R	R	R
Class I Use	15,898,516	18,346,522	16,873,769	1,605,009	1,782,113	1,737,889	R	R	R
% Class I Use	70.03%	74.05%	80.40%	71.16%	68.33%	77.30%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	150,994,181	170,135,703	147,717,508	64,808,204	72,332,669	65,959,482	75,157,554	84,150,407	71,166,379
By Producer-Handlers	16,090,468	18,486,595	16,746,605	1,610,831	1,774,995	1,727,220	1/	1/	1/
By Other Plants	1,549,102 *	1,197,330	1,238,175	3,126,616 *	3,436,115	1,684,657	29,372,796 *	32,603,553	29,413,457
Total	168,633,751	189,819,628	165,702,288	69,545,651	77,543,779	69,371,359	104,530,350	116,753,960	100,579,836

* 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 Mar 2003	PACIFIC NORTHWEST Feb 2003	PACIFIC NORTHWEST Mar 2002	WESTERN Mar 2003	WESTERN Feb 2003	WESTERN Mar 2002	ARIZONA-LAS VEGAS Mar 2003	ARIZONA-LAS VEGAS Feb 2003	ARIZONA-LAS VEGAS Mar 2002
TOTAL PRODUCER MILK	644,063,865	564,546,062	663,171,807	442,592,472	465,354,135	349,020,202	279,380,607	257,172,229	285,672,681
RECEIPTS FROM OTHER SOURCES	12,135,382	21,045,770	7,820,827	7,686,786	8,122,580	5,777,896	22,709,417	6,236,759	21,891,779
OPENING INVENTORY	31,017,468	29,854,515	23,394,712	14,436,395	13,339,965	12,265,413	13,036,499	14,095,173	13,354,084
TOTAL TO BE ACCOUNTED FOR	687,216,715	615,446,347	694,387,346	464,715,653	486,816,680	367,063,511	315,126,523	277,504,161	320,918,544
UTILIZATION OF RECEIPTS									
Whole milk	29,610,341	25,555,140	28,365,891	12,272,965	11,516,080	12,355,828	23,034,657	21,440,518	21,894,614
Flavored milk & milk drinks	11,742,965	11,735,146	10,941,918	5,621,825	5,407,608	5,253,440	5,375,519	5,910,720	5,149,977
2% milk	70,445,345	63,926,209	69,924,498	28,300,912	26,419,799	28,519,525	28,792,737	27,466,339	28,791,357
1% milk	25,168,480	23,017,053	25,035,231	13,706,078	12,783,940	15,331,787	9,547,148	9,388,064	9,345,972
Skim milk	27,967,225	25,547,477	28,159,391	8,655,398	8,161,672	9,790,126	10,673,950	10,344,040	11,185,857
Buttermilk	1,412,432	1,213,156	1,477,614	564,274	519,105	583,098	605,802	607,873	505,631
CLASS I ROUTE DISP. IN AREA. .	166,346,788	150,994,181	163,904,543	69,121,452	64,808,204	71,833,804	78,029,813	75,157,554	76,873,408
Class I dispositions out of area . . .	9,811,051	11,622,426	11,378,958	21,345,009	19,526,139	11,672,443	4,429,764	4,228,849	5,096,306
Other Class I usage	17,707,960	20,316,642	16,719,944	13,445,493	14,038,972	9,172,645	8,272,500	8,086,997	7,423,057
TOTAL CLASS I USE.	193,865,799	182,933,249	192,003,445	103,911,954	98,373,315	92,678,892	90,732,077	87,473,400	89,392,771
TOTAL CLASS II USE	42,387,359	38,931,682	39,609,188	35,266,801	33,603,944	29,285,434	15,204,287	14,211,017	12,799,459
TOTAL CLASS III USE	221,789,290	192,680,568	242,999,952	313,384,516	287,334,600	224,367,809	103,826,191	80,826,236	111,568,927
TOTAL CLASS IV USE	229,174,267	200,900,848	219,774,761	12,152,382	67,504,821	20,731,376	105,363,968	94,993,508	107,157,387
TOTAL ACCOUNTED FOR	687,216,715	615,446,347	694,387,346	464,715,653	486,816,680	367,063,511	315,126,523	277,504,161	320,918,544
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I . .	175,036,939	162,706,392	177,087,787	90,246,614	86,360,771	82,724,067	82,628,738	79,221,846	81,525,084
Class II .	37,295,626	33,950,531	34,503,875	30,130,641	27,330,862	26,543,703	14,604,171	13,721,685	11,295,986
Class III .	219,801,201	186,027,387	242,177,262	313,100,983	287,079,045	224,367,803	103,694,129	80,739,693	111,014,100
Class IV .	211,930,099	181,861,752	209,402,883	9,114,234	64,583,457	15,384,629	78,453,569	83,489,005	81,837,511
Other receipts: Class I .	18,828,860	20,226,857	14,915,658	13,665,340	12,012,544	9,954,825	35,745,916	20,331,932	35,245,863
Class II .	5,091,733	4,981,151	5,105,313	5,136,160	6,273,082	2,741,731	1/	1/	1/
Class III .	1,988,089	6,653,181	822,690	283,533	255,555	6	1/	1/	1/
Class IV .	17,244,168	19,039,096	10,371,878	3,038,148	2,921,364	5,346,747	1/	1/	1/
Avg. daily producer receipts	20,776,254	20,162,359	21,392,639	14,277,177	16,619,791	11,258,716	9,012,278	9,184,722	9,215,248
Change From Previous Year . .	-2.88%	-4.75%	22.62%	26.81%	3.25%	16.26%	-2.20%	3.94%	6.39%
Avg. daily Class I use	6,253,735	6,533,330	6,193,660	3,351,999	3,513,333	2,989,642	2,926,841	3,124,050	2,883,638
Change From Previous Year . .	0.97%	3.39%	-1.63%	12.12%	12.71%	-4.60%	1.50%	4.37%	-2.37%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for March 2003**
- **March 2003 Class Prices and Commodity Prices**
- **Class I Prices for May 2003**
- **Invitation to Submit Proposals For a Public Hearing to Amend Order Provisions of the Arizona-Las Vegas Marketing Order**
- **Market Administrator Lab Test Results for Nonmembers Now Available on Website**
- **2003 Outlook for Dairy**
- **Pacific Northwest Order: The Effects of Interim Order Beginning January 2003**

PACIFIC NORTHWEST ORDER: ESTIMATED EFFECTS OF INTERIM ORDER BEGINNING JANUARY 2003 – PPD INCREASES $0.03 to $0.07 PER CWT

On November 18, 2002, the U.S. Department of Agriculture issued an interim order amending the pooling provisions of the Pacific Northwest Order. The interim amendments to the order became effective with January 2003 pool deliveries. The interim order implemented pooling standards to prevent the inappropriate pooling of milk on the Pacific Northwest Order. The approved amendments to the Pool Plant provisions were: 1) eliminate a supply plant feature applicable to cooperative supply plants; 2) establish a "cooperative pool manufacturing plant" definition; and 3) establish system pooling for cooperative manufacturing plants.

The approved amendments to the Producer milk provisions were: 1) set a year-round diversion limit of 80 percent of total receipts for pool plants; 2) establish a "touch-base" standard specifying that at

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