The Market Administrator's Report

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

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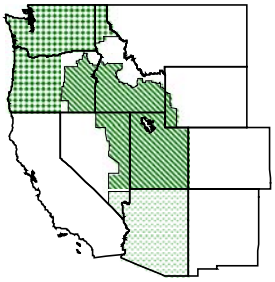

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May 2003

MARKET SUMMARIES FOR APRIL 2003

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

Pacific Northwest

Producers delivered a total of 625.7 million pounds of milk to the market during April. Daily deliveries averaged 20.9 million pounds, up 0.4 percent from March. An estimated 912 producers delivered milk to the market during the month. Daily deliveries per producer averaged 22,870 pounds, up 0.4 percent from March.

Class I producer milk during April totaled 175.5 million pounds, 28.1 percent of total producer receipts. Daily usage averaged 5.9 million pounds, up 3.6 percent from March.

Arizona-Las Vegas

Producers delivered a total of 280.1 million pounds of milk to the market during April. Daily deliveries averaged 9.3 million pounds, up 3.6 percent from March. An estimated 103 producers delivered milk to the market during the month. Daily deliveries per producer averaged 90,640 pounds, up 3.6 percent from March.

Class I producer milk during April totaled 81.6 million pounds, 29.2 percent of total producer receipts. Daily usage averaged 2.7 million pounds, up 2.1 percent from March.

Western

Producers delivered a total of 563.9 million pounds of milk to the market during April. Comparisons to the previous month are affected by eligible milk not pooled in March and April 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 18.8 million pounds, up 31.7 percent from March. An estimated 837 producers delivered milk to the market during the month. Daily deliveries per

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Federal Order Producer Prices and Component Levels: April 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.21	10.34	9.95	Butterfat	3.652	3.571	3.604
Butterfat 2/	1.1503	1.1508	1.1503	Protein	3.011	N/A	3.038
Protein 2/	1.8006	N/A	1.8006	Other Solids	5.697	N/A	5.703
Other Solids 2/	(0.0008)	N/A	(0.0008)	Nonfat Solids	8.708	N/A	8.741
PPD 1/*	0.80	N/A	0.54				
Skim 1/	N/A	6.54	N/A				

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

(Continued From Page 1)

producer averaged 22,456 pounds, up 19.4 percent from March.

Class I producer milk during April totaled 91.7 million pounds, 16.3 percent of total producer receipts. Daily usage averaged 3.1 million pounds, up 5.0 percent from March. ♦

APRIL 2003 CLASS PRICES

April 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from April 5, 12, 19, and 26, 2003. Component prices for the month are $1.8006 per pound of protein, $1.1503 per pound of butterfat, negative $0.0008 per pound of other solids, and $0.6564 per pound of nonfat solids. The other solids price was negative because the average wholesale price of dry whey for April 2003 was less than the make allowance contained in the other solids price formula.

April 2003 Class III and IV prices at 3.5% butterfat are $9.41 and $9.73 per hundredweight, respectively. The April Class III price compared to March is up $0.30. The Class III price is $1.44 lower than April 2002. The Class III price at 3.67% butterfat is $0.30 below the support price of $9.90 at 3.67% butterfat.

Class II butterfat was announced at $1.1573 per pound. Class I skim and butterfat and Class II skim prices for April 2003 were announced on March 21, 2003. The Class II price at 3.5% butterfat is $10.44 for April 2003 .

Note: Beginning with prices applicable to April 2003, 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.

FINAL: NASS COMMODITY PRICES

	March	April	Change
Cheese*	$1.0780	$1.0997	$0.0217
Butter	$1.0546	$1.0736	$0.0190
Nonfat Dry Milk	$0.8051	$0.8030	-$0.0021
Whey	$0.1599	$0.1582	-$0.0017

* 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 an increase in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed an increase of 3.53 cents between the April 19 and the May 17 surveys, to $1.1367 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 4.52 cents to $1.1357 per pound.

The NASS butter price showed a net increase of 0.22 cents between the weeks ending April 19 and May 17 from $1.0677 per pound to $1.0699 per pound.

The NASS nonfat dry milk showed a net increase of 0.07 cents since mid-April to $0.8039 per pound. The average price for NASS whey showed a decrease of 1.47 cents since mid-April to $0.1434 per pound. ♦

JUNE'S CLASS I PRICE ANNOUNCEMENT

On May 23, the June 2003 Class I price was announced at $11.64 for the Pacific Northwest and Western Orders, and $12.09 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of May 10 and 17.

The June Class III and IV advance skim prices were both $5.92 per hundredweight. The butterfat portion of the Class I mover increased 0.38 cents from $1.1462 to $1.1500 per pound.

The June 2003 Class II skim and nonfat solids prices were also announced on May 23. The skim price is $6.62 per hundredweight, and the nonfat solids price is $0.7356 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	May	June	Change
Cheese*	$1.0842	$1.1420	$0.0578
Butter	$1.0702	$1.0733	$0.0031
Nonfat Dry Milk	$0.8032	$0.8043	$0.0011
Whey	$0.1589	$0.1448	-$0.0141

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

USDA SEEKS NOMINEES FOR NATIONAL DAIRY BOARD

The U.S. Department of Agriculture is asking dairy producer and farm organizations to nominate candidates to serve on the National Dairy Promotion and Research Board. Nominations must be submitted by May 31.

The Secretary of Agriculture will appoint 12 individuals from those nominated to succeed members whose terms expire October 31, 2003. The 12 new members will serve 3-year terms beginning November 1, 2003, and ending October 31, 2006.

Appointments will be made from nominations for the following (unless indicated each region has one open position): Region 1 (Oregon and Washington); Region 2 (California - 2 positions); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 5 (Minnesota, North Dakota, and South Dakota); Region 6 (Wisconsin - 2 positions); Region 7 (Illinois, Iowa, Missouri, and Nebraska); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). The positions designated above are based on the board's request that member representation reflect geographic distribution of milk production in the contiguous 48 states. The board is required to review the geographic representation of its members every three to five years.

The National Dairy Promotion and Research Board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education. The 36-member board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15-cent per hundredweight assessment on all milk marketed commercially by dairy producers.

USDA welcomes membership on industry boards that reflects the diversity of the individuals served by the programs. USDA encourages all eligible women, minorities, and persons with disabilities to seek nomination for a seat on the Board.

For nominating forms and procedures, contact David R. Jamison, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, Room 2958-S, Stop 0233, 1400 Independence Ave., SW, Washington, D.C. 20250-0233; telephone (202) 720-6909; fax (202) 720-0285; or E-mail at david.jamison2@usda.gov or http://www.ams.usda.gov/dairy/dairyrp.htm. ♦

COWS VERSUS PEOPLE . . . .

In April 2003, the Kansas City Market Administrator's Marketing Service Bulletin reviewed the alignment between the geographic density of milk marketings and population, or cows versus people. This article highlights milk deficit and surplus areas of the United States based on consumption and production milk and milk products. The article is available on the internet at http://www.fmmacentral.com or contact the Kansas City Market Administrator's at (913) 495-9300. ♦

FEDERAL MILK ORDERS: PURPOSE, SCOPE, AND OPERATION

Introduction

A Federal milk order is a legal document issued to regulate the minimum prices paid to dairy farmers by handlers of Grade A milk in a specified marketing area. Milk orders are authorized by the Agricultural Marketing Agreement Act of 1937. Under this law, the Secretary of Agriculture may establish Federal orders that apply to buyers (handlers) of milk. Orders are initiated by dairy farmers, normally through cooperatives, and can be issued only with the approval of the dairy farmers in the affected market.

Purpose

Milk orders assist dairy farmers in developing steady, dependable markets and help correct conditions that result in price instability and disorderly marketing. Under Federal milk market orders, dairy farmers are ensured a minimum price for their milk that considers the economic conditions throughout the year. This high degree of assurance makes dairy farmers willing to make the heavy investments in milk cows and equipment that are needed to produce the high-quality milk that consumers want.

The characteristics of milk make milk marketing inherently unstable. Milk is highly perishable and must be moved promptly to market. Because milk is produced every day of the year, farmers must

continue shipping it to the market, even when market prices are unsatisfactory. Also, milk production varies widely with the seasons. Because of the biological process, cows produce more milk in the spring and less in the fall. Therefore, in any market, when there is enough milk in the fall to meet the fluid (bottling) needs of the market, there is too much milk for that market's fluid needs in the spring.

The demand for fluid milk is relatively stable when measured season to season, but varies considerably from day-to-day. Because of its perishable nature, milk cannot be stored to balance the peaks and troughs of supply. The industry, therefore, must continually produce an oversupply of reserve to make sure that there will be enough fluid milk at all times for the day-to-day needs of consumers.

Reserve milk that is not needed for fluid use is manufactured into storable dairy products. But milk used in these products returns a lower price to producers than milk used for fluid purposes. Producers, therefore, are interested in getting as much of their milk as possible into higher-valued fluid uses, and, in the absence of regulation, often make uneconomic price concessions to achieve that end.

Scope

There are currently 11 Federal milk orders in effect, covering most of the major population centers in the country, except California, which has a state order. In December 2002, some 62,847 dairy farmers delivered 10.5 billion pounds of milk to regulated handlers. This represented about 74% of all U.S. milk marketings. The amount of milk under Federal orders has doubled since the early 1960's, even though there are only a quarter as many orders.

Operation

The 1937 Act defines the provisions that can be included in an order. For example, each order includes provisions for: classified pricing and pooling; determining minimum prices handlers are required to pay producers; verifying weights and tests of milk usage; and insuring payments to producers.

On the other hand, Federal orders cannot set wholesale or retail prices, establish controls on production, prevent farmers from selling their milk to any handler they choose, or regulate from whom a milk handler can buy milk.

Pricing, pooling, formulation, and administration will be covered in next month's Market Administrator's Report. ♦

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ratio of producers to handlers has been increasing. In 1961, there were 83 producers for every one handler, in 1985 there were 132. There were 142 producers to one handler in 1999, and most recently, in 2002, the ratio had risen to 189.

Receipts of producer milk have steadily increased, with the most rapid growth between 1960 and 1985, when producer milk increased 118% to 97.8 billion pounds. Much of the expansion was due to the expansions of the marketing areas. Producer milk used in Class I has increased over time; however, the percentage of producer milk used in Class I has decreased. In 1947 there were 135,830 producers that delivered approximately 15.0 billion pounds of producer milk, of which 9.8 billion, or 65.5%, was used in Class I. By 1985, the 116,765 producers delivered 42.2 billion pounds of producer milk, where 43.2% was used in Class I. At the time of order consolidation, Class I usage totaled 46.0 billion pounds, or 39.3% of producer milk. In 2002, total Class I usage remained at approximately 46.0 billion pounds, while the percentage of producer milk used in Class I dropped to 36.7%. None of the Class I uses of milk have grown considerably.

Daily deliveries per producer also rapidly increased during the same time period, where there was an average of 648 pounds per producer in 1960 and 2,294 in 1985, an increase of 254%. Recent years have also seen steady increases; the current 11 Federal orders received 116.9 billion pounds of producer milk in 2000, then 125.5 billion in 2002, with daily deliveries per producer averaging 4,590 and 5,387 pounds, respectively, up 17.4%. ♦

SOURCE: Adapted from "Dairy Market News", Volume 70, Report 16, April 14-18, 2003, Agricultural Marketing Service, Dairy Programs, USDA. See http://www.ams.usda.gov/dairy/mncs/index.htm for more details.

MEASURES OF GROWTH IN FEDERAL MILK ORDER MARKETS SELECTED YEARS, 1947-2002

Year	Number of markets 1/	Population of Federal milk marketing areas	Number of handlers 1/	Number of producers 2/	Receipts of producer milk 3/	Producer milk used in Class I	Percentage of producer milk used in Class I	Daily deliveries of milk per producer
	Number	1,000	Number		Million pounds		Percent	Pounds
1947	29	--	991	135,380	14,980	9,808	65.5	302
1950	39	--	1,101	156,584	18,660	11,000	58.9	326
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	420
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	648
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	944
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	1,244
1975	56	150,666	1,315	126,855	69,249	40,106	57.9	1,532
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	1,954
1985	44	176,440	884	116,765	97,762	42,201	43.2	2,294
1986	44	177,992	849	112,322	98,791	42,725	43.2	2,413
1987	43	180,374	797	105,882	98,182	42,876	43.7	2,542
1988	42	184,180	776	104,141	100,066	43,141	43.1	2,627
1989	41	185,919	748	100,291	95,871	43,367	45.2	2,614
1990	42	195,841	753	100,397	102,396	43,783	42.8	2,796
1991	40	198,409	722	100,267	103,252	45,033	43.6	2,821
1992	40	200,530	698	97,803	107,947	44,914	41.6	3,017
1993	38	199,604	675	92,934	103,979	44,805	43.1	3,073
1994	38	201,561	629	91,397	107,811	44,866	41.6	3,232
1995	33	207,548	571	88,717	108,548	45,004	41.5	3,350
1996	32	209,599	570	82,947	104,501	45,479	43.5	3,442
1997	31	208,379	570	78,422	105,224	44,917	42.7	3,676
1998	31	210,484	522	72,402	99,223	44,968	45.3	3,755
1999	31	212,118	487	69,008	104,479	45,216	43.3	4,148
2000	11	228,899	346	69,590	116,920	45,989	39.3	4,590
2001	11	231,487	350	66,423	120,223	45,887	38.2	4,959
2002	11	234,256	338	63,856	125,546	46,043	36.7	5,387

1/ End of year. The number of markets peaked at 83 in 1962. The number of handlers peaked at 2,314 in 1961.
2/ Average for year. The number of producers peaked at 192,947 in 1961.
3/ Beginning in 1989, due to disadvantageous price situations in some markets, handlers elected not to pool milk that normally would have been associated with the order. This has reduced, sometimes substantially, the volume of producer milk receipts reported for some markets.

MONTHLY SELECTED STATISTICS

Minimum Class Prices (3.5% B.F.)	PACIFIC NORTHWEST Apr 2003	Mar 2003	Apr 2002	WESTERN Apr 2003	Mar 2003	Apr 2002	ARIZONA-LAS VEGAS Apr 2003	Mar 2003	Apr 2002
Class I Milk ($/cwt.)	$11.54	$11.71	$13.37	$11.54	$11.71	$13.37	$11.99	$12.16	$13.82
Class II Milk ($/cwt.)	10.44	10.54	11.88	10.44	10.54	11.88	10.44	10.54	11.88
Class III Milk ($/cwt.)	9.41	9.11	10.85	9.41	9.11	10.85	9.41	9.11	10.85
Class IV Milk ($/cwt.)	9.73	9.79	11.09	9.73	9.79	11.09	9.73	9.79	11.09
Producer Prices									
Producer Price Differential ($/cwt.)	$ 0.80	$ 1.02	$ 0.79	$ 0.54	$ 0.77	$ 0.69	+	+	+
Butterfat ($/pound)	1.1503	1.1459	1.2890	1.1503	1.1459	1.2890	+	+	+
Protein ($/pound)	1.8006	1.6648	2.0109	1.8006	1.6648	2.0109	+	+	+
Other Solids ($/pound)	(0.0008)	0.0206	0.0566	(0.0008)	0.0206	0.0566	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	+	+	6.54	6.49	7.48
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	1.1508	1.1493	1.3071
Statistical Uniform Price ($/cwt.)	$10.21	$10.13	$11.64	$9.95	$9.88	$11.54	$10.34	$10.29	$11.79
Producer Data									
Number of Producers	912 *	912	1,164	837 *	759	786	103 *	103	111
Avg. Daily Production (lbs.)	22,870 *	22,781	18,845	22,456 *	18,811	21,011	90,640 *	87,498	83,924
Number of Handlers									
Pool Handlers	31	31	26	17	16	17	6	6	6
Producer-Handlers	9 *	9	9	6 *	6	6	2 *	2	2
Other Plants w/ Class I Use	19 *	19	15	20 *	20	20	33 *	33	28
Producer Milk Ratios									
Class I	28.05%	27.17%	26.56%	16.27%	20.39%	17.43%	29.15%	29.57%	28.09%
Class II	6.21%	5.79%	5.63%	5.46%	6.81%	7.79%	5.72%	5.23%	5.35%
Class III	33.95%	34.13%	36.01%	76.62%	70.74%	51.95%	34.70%	37.12%	37.12%
Class IV	31.79%	32.91%	31.80%	1.65%	2.06%	22.83%	30.43%	28.08%	29.44%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	PACIFIC NORTHWEST Mar 2003	Feb 2003	Mar 2002	WESTERN Mar 2003	Feb 2003	Mar 2002	ARIZONA-LAS VEGAS Mar 2003	Feb 2003	Mar 2002
Production	24,819,155	22,702,359	23,259,671	2,471,017	2,255,384	2,612,363	R	R	R
Class I Use	17,869,798	15,898,516	18,674,556	1,724,745	1,605,009	1,769,474	R	R	R
% Class I Use	72.00%	70.03%	80.29%	69.80%	71.16%	67.73%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	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
By Producer-Handlers	17,854,015	16,090,468	18,765,152	1,727,809	1,610,831	1,799,873	1/	1/	1/
By Other Plants	2,036,212 *	1,549,102	840,794	3,341,771 *	3,126,616	1,654,577	31,483,607 *	29,372,796	32,185,090
Total	186,237,015	168,633,751	183,510,489	74,191,032	69,545,651	75,288,254	109,513,420	104,530,350	109,058,498

* 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		
	Apr 2003	Mar 2003	Apr 2002	Apr 2003	Mar 2003	Apr 2002	Apr 2003	Mar 2003	Apr 2002
TOTAL PRODUCER MILK	625,726,509	644,063,865	658,081,439	563,860,776	442,592,472	495,440,866	280,078,233	279,380,607	279,466,130
RECEIPTS FROM OTHER SOURCES	10,830,894	12,135,382	10,332,097	10,466,626	7,686,786	7,341,120	23,105,065	22,709,417	41,772,979
OPENING INVENTORY	32,153,864	31,017,468	25,094,389	15,515,124	14,436,395	13,563,778	14,462,113	13,036,499	13,026,184
TOTAL TO BE ACCOUNTED FOR	668,711,267	687,216,715	693,507,925	589,842,526	464,715,653	516,345,764	317,645,411	315,126,523	334,265,293
UTILIZATION OF RECEIPTS									
Whole milk	28,656,345	29,610,341	27,102,396	12,148,566	12,272,965	11,967,036	23,299,599	23,034,657	20,688,247
Flavored milk & milk drinks	11,159,140	11,742,965	10,776,931	5,682,443	5,621,825	5,766,000	5,927,956	5,375,519	5,569,124
2% milk	68,202,085	70,445,345	68,098,093	27,503,697	28,300,912	28,281,469	28,885,675	28,792,737	26,974,734
1% milk	24,602,013	25,168,480	24,664,337	13,163,154	13,706,078	15,078,595	9,719,632	9,547,148	9,034,227
Skim milk	27,552,081	27,967,225	27,359,155	8,334,581	8,655,398	9,319,653	10,305,198	10,673,950	10,111,089
Buttermilk	1,381,470	1,412,432	1,431,919	556,439	564,274	559,400	582,414	605,802	439,720
CLASS I ROUTE DISP. IN AREA	161,553,134	166,346,788	159,432,831	67,388,880	69,121,452	70,972,153	78,720,474	78,029,813	72,817,141
Class I dispositions out of area	10,258,398	9,811,051	10,549,343	22,154,586	21,345,009	13,192,719	4,542,186	4,429,764	5,253,694
Other Class I usage	19,310,513	17,707,960	18,336,942	16,348,986	13,445,493	10,191,873	6,884,064	8,272,500	7,147,060
TOTAL CLASS I USE	191,122,045	193,865,799	188,319,116	105,892,452	103,911,954	94,356,745	90,146,724	90,732,077	85,217,895
TOTAL CLASS II USE	44,507,152	42,387,359	43,653,681	36,432,702	35,266,801	44,142,818	16,726,825	15,204,287	16,521,067
TOTAL CLASS III USE	213,267,418	221,789,290	239,464,726	432,774,804	313,384,516	258,086,023	97,319,130	103,826,191	104,743,911
TOTAL CLASS IV USE	219,814,652	229,174,267	222,070,402	14,742,568	12,152,382	119,760,178	113,452,732	105,363,968	127,782,420
TOTAL ACCOUNTED FOR	668,711,267	687,216,715	693,507,925	589,842,526	464,715,653	516,345,764	317,645,411	315,126,523	334,265,293
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I	175,527,527	175,036,939	174,801,328	91,715,897	90,246,614	86,331,085	81,640,047	82,628,738	78,497,876
Class II	38,867,981	37,295,626	37,054,404	30,784,405	30,130,641	38,604,522	16,009,792	14,604,171	14,947,439
Class III	212,437,520	219,801,201	236,984,791	432,042,184	313,100,983	257,398,159	97,199,360	103,694,129	103,732,406
Class IV	198,893,481	211,930,099	209,240,916	9,318,290	9,114,234	113,107,100	85,229,034	78,453,569	82,288,409
Other receipts: Class I	15,594,518	18,828,860	13,517,788	14,176,555	13,665,340	8,025,660	37,567,178	35,745,916	54,799,163
Class II	5,639,171	5,091,733	6,599,277	5,648,297	5,136,160	5,538,296	1/	1/	1/
Class III	829,898	1,988,089	2,479,935	732,620	283,533	687,864	1/	1/	1/
Class IV	20,921,171	17,244,168	12,829,486	5,424,278	3,038,148	6,653,078	1/	1/	1/
Avg. daily producer receipts	20,857,550	20,776,254	21,936,048	18,795,359	14,277,177	16,514,696	9,335,941	9,012,278	9,315,538
Change From Previous Year	-4.92%	-2.88%	25.45%	13.81%	26.81%	46.12%	0.22%	-2.20%	4.80%
Avg. daily Class I use	6,370,735	6,253,735	6,277,304	3,529,748	3,351,999	3,145,225	3,004,891	2,926,841	2,840,597
Change From Previous Year	1.49%	0.97%	1.51%	12.23%	12.12%	6.28%	5.78%	1.50%	2.28%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

GROWTH OF FEDERAL MILK ORDER MARKETS

Federal orders have changed considerably over the years. Published data that measures growth in Federal milk order markets for selected years from 1947-2002 provides measures of how they have changed and grown. The table on page 5 highlights some of the changes.

The number of Federal orders peaked in 1962 when there were 83 orders, then decreased almost every year until order consolidation in 2000. The population of the Federal milk marketing areas has exploded during the past forty years, where there were 88.8 million people in 1960, 228.9 million in 2000, and 234.3 million at the end of 2002. At the peak in 1961, there were 2,314 handlers; however at the time of order consolidation, there were 487 handlers, 149 more than in 2002. There were 63,856 producers in 2002, a decrease of 5,734 from 2000, and a decrease of 129,091, or 66.9% from the peak year of 1961. While handler and producer numbers have been declining, the

(Continued on Page 4)