The Market Administrator's Report

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

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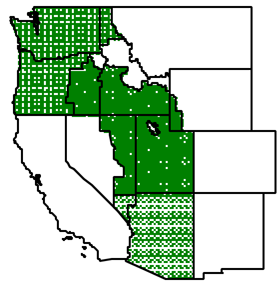

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JUNE 2001

MARKET SUMMARIES FOR MAY

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

Pacific Northwest

Producers delivered a total of 630.6 million pounds of milk to the market during May. Comparisons to the previous month are biased due to eligible milk not pooled in April 2001. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 20.3 million pounds, up 16.3 percent from April. An estimated 1,238 producers delivered milk to the market during the month. Daily deliveries per producer averaged 16,432 pounds, up 0.6 percent from April.

Class I producer milk during May totaled 174.9 million pounds, 27.7 percent of total producer receipts. Daily usage averaged 5.6 million pounds, down 0.3 percent from April.

Arizona-Las Vegas

Producers delivered a total of 268.8 million pounds of milk to the market during May. Daily deliveries averaged 8.7 million pounds, down 2.5 percent from April. An estimated 115 producers delivered milk to the market during the month. Daily deliveries per producer averaged 75,393 pounds, down 2.5 percent from April.

Class I producer milk during May totaled 76.8 million pounds, 28.6 percent of total producer receipts. Daily usage averaged 2.5 million pounds, down 4.0 percent from April.

Western

Producers delivered a total of 394.4 million pounds of milk to the market during May. Comparisons to the previous month are biased due to eligible milk not pooled in April and May 2001. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted.

(Continued On Page 2)

Federal Order Producer Prices and Component Levels: May 2001

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	15.12	15.11	14.74	Butterfat	3.588	3.542	3.544
Butterfat 2/	2.1191	2.0873	2.1191	Protein	2.994	N/A	3.009
Protein 2/	1.9108	N/A	1.9108	Other Solids	5.715	N/A	5.717
Other Solids 2/	0.1229	N/A	0.1229	Nonfat Solids	8.709	N/A	8.726
PPD 1/*	1.29	N/A	0.91				
Skim 1/	N/A	8.09	N/A				

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

(Continued From Page 1)

Daily deliveries averaged 12.7 million pounds, up 12.6 percent from April. An estimated 806 producers delivered milk to the market during the month. Daily deliveries per producer averaged 15,784 pounds, up 12.6 percent from April.

Class I producer milk during May totaled 88.1 million pounds, 22.3 percent of total producer receipts. Daily usage averaged 2.8 million pounds, up 4.8 percent from April. ♦

MAY'S CLASS PRICES

May's non-advanced Class Prices were calculated using NASS commodity price surveys from May 5, 12, 19, and 26. Component prices for the month are $1.9108 per pound of protein, $2.1191 per pound of butterfat, $0.1229 per pound of other solids, and $0.8780 per pound of nonfat solids.

May's Class III and IV prices at 3.5% butterfat are $13.83 and $15.04 per hundredweight, respectively. Class II butterfat was also announced at $2.1261 per pound. Class I skim and butterfat and Class II skim prices for May were announced on April 23, 2001. The Class II price at 3.5% butterfat is $15.72 for May.

The May Class III price compared to April is up $1.77. The Class III price is $4.46 higher than May 2000 and $4.03 above the support price.

FINAL: NASS COMMODITY PRICES

	April	May	Change
Cheese*	$1.3423	$1.5129	$0.1706
Butter	$1.7126	$1.8527	$0.1401
Nonfat Dry Milk	$1.0145	$1.0180	$0.0035
Whey	$0.2446	$0.2590	$0.0144

* 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 9.30 cents between the May 19 and the June 16 surveys, to $1.6062 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 9.95 cents to $1.6199 per pound.

The NASS butter price showed an increase of 9.24 cents between the weeks ending May 19 and June 16 from $1.8501 per pound to $1.9425 per pound.

The NASS nonfat dry milk showed a net decrease of 0.43 cents since mid-May to $1.0143 per pound. The average price for NASS whey showed an increase of 1.67 cents since mid-May to $0.2781 per pound. ♦

JULY'S CLASS I PRICE ANNOUNCEMENT

On June 22, the July 2001 Class I price was announced at $17.24 for the Pacific Northwest and Western Orders, and $17.69 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 9 and 16.

The July Class III and IV advance skim prices are $7.56 and $7.88 per hundredweight, respectively. The Class IV skim price has set the Class I skim price for all the months since January 2000. The butterfat portion of the Class I mover increased 10.71 cents from $2.1033 to $2.2104 per pound.

The July 2001 Class II skim and nonfat solids prices were also announced on June 22. The skim price is $8.58 per hundredweight, and the nonfat solids price is $0.9533 per pound for all Federal Orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	June	July	Change
Cheese*	$1.4731	$1.6232	$0.1501
Butter	$1.8397	$1.9275	$0.0878
Nonfat Dry Milk	$1.0173	$1.0158	-$0.0015
Whey	$0.2535	$0.2753	$0.0218

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

USDA NAMES MEMBERS TO NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

Secretary of Agriculture Ann M. Veneman has announced the appointment of two incumbents and five new members to the National Fluid Milk

Processor Promotion Board. All will be seated at the next board meeting, July 13.

Re-appointed members were: Ann Puelz Ocana, Phoenix, Arizona (at-large); and Joseph W. Van Treeck, Anchorage, Alaska (at-large public member).

Newly appointed were: Peter Ross, Franklin, Massachusetts, (Region 1); Mary Williams, Athens, Tennessee, (Region 4); Rachel Kyllo, Minneapolis, Minnesota, (Region 7); John D. Robinson, Dallas, Texas, (Region 10); and James T. Wilcox III, Roy, Washington, (Region 13).

The newly appointed and reappointed members will serve 3-year terms which expire May 31, 2004.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions, and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market 500,000 pounds or less per month are exempt from assessments. ♦

USDA ANNOUNCES ADJUSTMENTS IN 2001 PURCHASE PRICES FOR MILK AND MILK PRODUCTS

The U.S. Department of Agriculture announced on May 31, 2001, that its Commodity Credit Corporation will increase the price it pays for butter by 19.99 cents to $0.8548 per pound, and decrease the price of nonfat dry milk by 10.32 cents to $0.9000 per pound. The purchase prices for block Cheddar and barrel cheese remain unchanged at $1.1314 and $1.1014 per pound, respectively. The 2001 Appropriations Bill extended the price support program through calendar year 2001 at the 2000 support price of $9.90 per hundredweight of milk with an annual average milk fat content of 3.67 percent. The changes are effective May 31.

The decision to change the butter and nonfat dry milk prices was based on an accumulation of nonfat dry milk stocks in quantities well above USDA's ability to use the product; the level of expenditures to USDA, and significant market distortions. The Agricultural Market Transition Act permits the USDA to adjust the balance between the purchase prices of butter and nonfat dry milk twice each calendar year under the Milk Price Support Program.

Further terms and conditions for purchases of dairy products will be announced later. ♦

PURCHASE PRICE FOR SURPLUS DAIRY PRODUCTS

Products: 1/	Produced before 5/30/01 and offered by 6/13/01	Produced on or after 5/30/01, or offered on or after 6/13/01 *
Butter	$0.6549	$0.8548
Nonfat Dry Milk		
U.S. Extra Grade	$1.0032	$0.9000
Fortified	$1.0132	$0.9100
Cheese:		
40-lb. Block	$1.1314	$1.1314
500-lb. Barrel	$1.1014	$1.1014

* Products older than a certain age may be rejected. 1/ See CCC contracts for specifications.

DAIRY OUTLOOK

Dairy Prices Firm. Wholesale prices of butter and cheese have held fairly steady after rising briskly in February-April. The economic and natural factors that caused the sizable winter declines in milk production are likely to have continuing effects on milk output during much of the rest of 2001. Meanwhile, demand for cheese, butter, and some other dairy products remains strong. Farm milk prices are now projected to match or exceed all but those of 1998.

Milk cow numbers fell below a year earlier during the winter. The low 2000 returns served to slow expansion by some dairy farms, while encouraging the exit of others. The collapse in milk per cow was much more startling. Milk per cow in the 20 States went from more than 2 percent above a year earlier last summer to 2 percent below by March. Recent milk price increases should strengthen milk per cow, lifting milk-feed price ratios from modestly favorable to quite favorable and reversing any slippage in the use of bovine somatotropin. On the other hand, the damage to cows done by winter weather will persist, and nothing can be done about poor forage quality until new-crop hay is available.

Milk output is projected to recover by the end of the year. But, declines probably will continue through summer, and any autumn increase is expected to be small. The 2001 decrease from a year earlier is expected to be about 1 percent, the first decrease since 1996 and possibly the largest since 1984.

Demand for key dairy products has stayed good, although not quite matching that of the 3 previous years. Brisk movement (sales) and drops in output forestalled normal seasonal increases in commercial stocks. Commercial stocks of butter, cheese, and (probably) nonfat dry milk were well below a year earlier on May 1.

Wholesale cheese prices are expected to be fairly steady through summer and may not change much until the end of the year. Supplies generally will be lower, but production is projected to recover and demand probably will not grow as much as in recent years. Butter prices have more latent volatility. Domestic milkfat supplies will be tight, and it is very much uncertain how much milkfat will be imported beyond the tariff-rate quotas (TRQ). If the international butter market is as soft as it appears, enough should be imported to moderate current prices. However, over-TRQ imports are always risky, and domestic butter prices could be quite variable during the remainder of 2001.

Farmers are expected to receive an average price for milk almost $3 per cwt. above 2000 and only slightly below the 1998 record. Prices are projected to stay firm through year end, although earlier erosion is possible if milk production recovers more strongly than expected.

Editor's Note: This situation review and outlook was conducted prior to the Dairy Price Support Program purchase price changes announced on May 31, 2001. ♦

SOURCE: "Livestock, Dairy, and Poultry Situation and Outlook", LDP-M-83, May 31, 2001, Economic Research Service, USDA. For more information on the LDP report, contact James J. Miller, (202) 694-5184.

COMMERCIAL DISAPPEARANCE OF DAIRY PRODUCTS UP 3.1 PERCENT FOR FIRST QUARTER 2001

Commercial disappearance of U.S. milk for the first quarter of 2001 was up 3.1 percent over the same period of 2000. 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.

Butter showed a decrease from 2000. Nonfat dry milk, American cheese, "Other" cheese, and fluid milk products categories each showed increases. Nonfat dry milk showed the largest percentage increase of 32.4 percent. ♦

Commercial Disappearance

	January-March		%
	2000	2001	Change
Selected Products	- - Million Pounds - -		
Butter	298.4	285.5	-3.26%
American Cheese	859.3	906.3	6.64%
Other Cheese	1,135.7	1,196.0	6.48%
Nonfat Dry Milk	167.5	219.4	32.44%
Fluid Milk Products 1/	14,115.2	14,007.9	0.34%
Total 2/	39,789	40,580	3.12%

1/ N/A = not available 2/ Total Commercial Disappearance, milk-equivalent, milk fat basis. Source: Dairy Market News, Volume 68, No. 22.

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FO 30 Hearing Announcement

Details of the proposals and a notice of the hearing were published in the June 11 *Federal Register*. Copies may be obtained from the Upper Midwest milk marketing order office, USDA/AMS Dairy Programs, 4570 West 77th St. Suite 210, Minneapolis, MN 55435-5037 or USDA/AMS Dairy Programs, Rm. 2968, P.O. Box 96456, Washington DC 20090-6456.

UNITED STATES MILK PRODUCTION DOWN 1.1 PERCENT IN MAY 2001

Milk production for May 2001 was down 1.12 percent for the United States compared with May 2000. United States milk production for May 2001 equaled 14,625 million pounds, 166 million pounds less than last May. The graph below shows monthly milk production for the 20 major dairy states, January 1998 through May 2001. The table to the right shows data for May 2001 for selected states with comparisons to year-ago levels.

Milk production in the 20 major states during May 2001 totaled 12,614 million pounds, down 1.1 percent from production in these same states in May 2000.

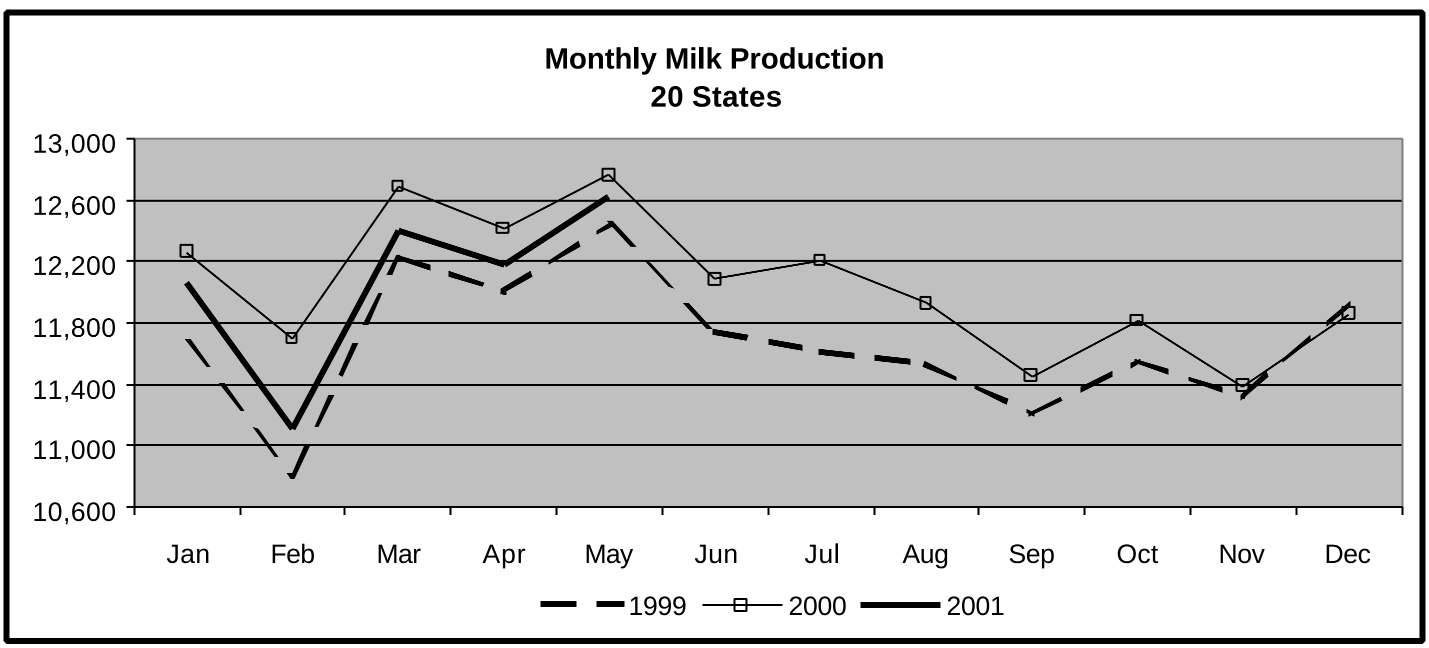
In rank order of contribution, Wisconsin, Texas, Minnesota, Pennsylvania, Arizona, Missouri, and Vermont were the primary sources of decreases in milk production that more than offset the increases in the other states. In a similar method of ranking, California, Idaho, Indiana, New Mexico, and Michigan showed increases in milk production from year-ago levels.

The number of milk cows in the US were unchanged from April at 9,127 thousand head, but down 87 thousand from May 2000. Milk production per cow is increasing seasonally and is roughly the same this May (1,602) as last (1,605).

Milk Production
May 2000 - 2001

	2000	2001 1/	% Change
	- - million pounds - -		
Arizona	289	259	-10.4
California	2,799	2,891	+3.3
Florida	231	228	-1.3
Idaho	619	655	+5.8
Illinois	186	187	+0.5
Indiana	202	237	+17.3
Iowa	346	340	-1.7
Kentucky	149	147	-1.3
Michigan	494	509	+3.0
Minnesota	840	788	-6.2
Missouri	206	186	-9.7
New Mexico	470	488	+3.8
New York	1,056	1,030	-2.5
Ohio	396	397	+0.3
Oregon 2/	N/A	N/A	N/A
Pennsylvania	993	958	-3.5
Texas	539	476	-11.7
Utah 2/	N/A	N/A	N/A
Vermont	245	231	-5.7
Virginia	168	165	-1.8
Washington	489	481	-1.6
Wisconsin	2,041	1,961	-3.9
20 States 3/	12,758	12,614	-1.1
U.S.	14,791	14,625	-1.1

1/ May 2001 is preliminary. 2/ Data for Oregon and Utah is published quarterly. 3/ 20 States do not include Oregon and Utah. N/A = not available. Source: National Agricultural Statistics Service.



MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
Minimum Class Prices (3.5% B.F.)	May 2001	Apr 2001	May 2000	May 2001	Apr 2001	May 2000	May 2001	Apr 2001	May 2000
Class I Milk ($/cwt.)	$16.11	$15.34	$13.38	$16.11	$15.34	$13.38	$16.56	$15.79	$13.83
Class II Milk ($/cwt.)	15.72	15.10	12.63	15.72	15.10	12.63	15.72	15.10	12.63
Class III Milk ($/cwt.)	13.83	12.06	9.37	13.83	12.06	9.37	13.83	12.06	9.37
Class IV Milk ($/cwt.)	15.04	14.41	11.91	15.04	14.41	11.91	15.04	14.41	11.91
Producer Prices									
Producer Price Differential ($/cwt.)	$ 1.29	$ 1.99	$ 2.33	$ 0.91	$ 1.35	$ 1.47	+	+	+
Butterfat ($/pound)	2.1191	1.9483	1.2854	2.1191	1.9483	1.2854	+	+	+
Protein ($/pound)	1.9108	1.5443	1.5514	1.9108	1.5443	1.5514	+	+	+
Other Solids ($/pound)	0.1229	0.1081	0.0403	0.1229	0.1081	0.0403	+	+	+
Uniform Skim Price ($/cwt.)	+	+	+	+	+	+	8.09	7.66	7.61
Uniform Butterfat Price ($/pound)	+	+	+	+	+	+	2.0873	1.9086	1.2699
Statistical Uniform Price ($/cwt.)	$15.12	$14.05	$11.70	$14.74	$13.41	$10.84	$15.11	$14.07	$11.79
Producer Data									
Number of Producers	1,238 *	1,070	850	806 *	806	769	115 *	115	127
Avg. Daily Production (lbs.)	16,432 *	16,341	18,755	15,784 *	14,023	16,279	75,393 *	77,291	74,172
Number of Handlers									
Pool Handlers	26	26	26	18	18	19	6	6	6
Producer-Handlers	10	10	12	6	6	7	1	1	1
Other Plants w/ Class I Use	5	5	5	10	10	10	1	1	3
Producer Milk Ratios									
Class I	27.74%	32.37%	36.36%	22.32%	23.98%	22.89%	28.58%	29.05%	28.00%
Class II	5.83%	7.14%	9.21%	9.09%	8.15%	7.47%	4.62%	5.00%	4.40%
Class III	33.99%	38.75%	38.40%	67.47%	66.54%	63.87%	42.08%	38.29%	31.51%
Class IV	32.44%	21.74%	16.03%	1.12%	1.33%	5.77%	24.72%	27.66%	36.09%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Apr 2001	Mar 2001	Apr 2000	Apr 2001	Mar 2001	Apr 2000	Apr 2001	Mar 2001	Apr 2000
Production	24,186,079	24,972,104	23,848,294	2,276,448	2,360,137	2,452,402	R	R	R
Class I Use	18,745,132	19,959,877	17,534,630	1,680,894	1,818,526	1,650,874	R	R	R
% Class I Use	77.50%	79.93%	73.53%	73.84%	77.05%	67.32%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	155,955,124	169,684,742	154,739,266	67,674,536	74,044,212	65,224,332	73,766,055	78,312,895	75,182,238
By Producer-Handlers	18,750,974	19,937,141	17,438,346	1,680,625	1,829,246	1,669,610	1/	1/	R
By Other Plants	1,117,418 *	995,392	519,454	1,128,042 *	1,659,621	1,151,744	26,773,128 *	28,505,706	12,536,209
Total	175,823,516	190,617,275	172,697,066	70,483,203	77,533,079	68,045,686	100,539,183	106,818,601	R

* 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 May 2001	PACIFIC NORTHWEST Apr 2001	PACIFIC NORTHWEST May 2000	WESTERN May 2001	WESTERN Apr 2001	WESTERN May 2000	ARIZONA-LAS VEGAS May 2001	ARIZONA-LAS VEGAS Apr 2001	ARIZONA-LAS VEGAS May 2000
TOTAL PRODUCER MILK	630,634,512	524,560,164	494,184,014	394,382,475	339,073,167	388,082,261	268,776,263	266,655,045	292,015,766
RECEIPTS FROM OTHER SOURCES	11,750,020	9,774,338	11,551,473	6,486,732	4,889,461	5,051,252	8,418,778	6,916,400	4,546,704
OPENING INVENTORY	25,724,885	22,897,180	24,562,349	12,485,522	10,419,353	13,952,353	10,359,619	10,341,717	10,905,385
TOTAL TO BE ACCOUNTED FOR	668,109,417	557,231,682	530,297,836	413,354,729	354,381,981	407,085,866	287,554,660	283,913,162	307,467,855
UTILIZATION OF RECEIPTS									
Whole milk	25,845,602	25,433,645	25,626,952	11,840,897	11,348,931	11,205,055	19,122,957	19,080,318	19,906,944
Flavored milk & milk drinks	11,220,006	8,654,593	10,063,840	5,344,983	5,471,797	5,139,518	4,088,525	4,687,610	4,209,522
2% milk	70,394,813	68,929,958	72,949,206	29,446,312	27,259,430	30,645,768	29,717,707	29,417,072	31,172,660
1% milk	24,987,256	24,822,270	25,915,415	15,404,321	14,279,329	15,141,056	8,556,878	9,155,279	8,999,684
Skim milk	27,101,534	26,638,680	28,728,991	9,160,116	8,747,539	9,291,792	10,450,743	10,955,836	11,033,467
Buttermilk	1,588,274	1,475,978	1,656,181	623,975	567,510	663,068	464,850	469,940	471,263
CLASS I ROUTE DISP. IN AREA . .	161,137,485	155,955,124	164,940,585	71,820,604	67,674,536	72,086,257	72,401,660	73,766,055	75,793,540
Class I dispositions out of area . .	10,538,886	8,972,698	9,951,170	12,464,034	11,006,517	10,787,842	4,604,104	4,734,390	4,849,329
Other Class I usage	19,756,959	20,586,833	17,459,295	11,928,841	10,100,702	11,999,878	4,975,992	4,821,524	6,433,269
TOTAL CLASS I USE	191,433,330	185,514,655	192,351,050	96,213,479	88,781,755	94,873,977	81,981,756	83,321,969	87,076,138
TOTAL CLASS II USE	44,270,162	43,186,697	51,783,108	41,315,539	31,785,533	31,245,577	13,423,029	13,995,851	13,806,980
TOTAL CLASS III USE	216,603,151	203,616,892	192,517,948	266,958,886	225,677,788	251,691,644	114,806,341	103,323,554	92,343,253
TOTAL CLASS IV USE	215,802,774	124,913,438	93,645,730	8,866,825	8,136,905	29,274,668	77,343,534	83,271,788	114,241,484
TOTAL ACCOUNTED FOR	668,109,417	557,231,682	530,297,836	413,354,729	354,381,981	407,085,866	287,554,660	283,913,162	307,467,855
CLASSIFICATION OF RECEIPTS									
Producer milk: Class I . .	174,939,228	169,782,295	179,692,537	88,050,099	81,295,094	88,823,936	76,830,653	77,467,926	81,764,916
Class II . .	36,794,313	37,482,416	45,503,220	35,834,079	27,634,975	28,993,240	12,413,984	13,331,691	12,851,059
Class III . .	214,336,060	203,260,132	189,756,734	266,085,486	225,625,739	247,875,384	113,096,157	102,097,459	92,015,371
Class IV . .	204,564,911	114,035,321	79,231,523	4,412,811	4,517,359	22,389,701	66,435,469	73,757,969	105,384,420
Other receipts: Class I . .	16,494,102	15,732,360	12,658,513	8,163,380	7,486,661	6,050,041	18,778,397	17,258,117	15,452,089
Class II . .	7,475,849	5,704,281	6,279,888	5,481,460	4,150,558	2,252,337	1/	1/	1/
Class III . .	2,267,091	356,760	2,761,214	873,400	52,049	3,816,260	1/	1/	1/
Class IV . .	11,237,863	10,878,117	14,414,207	4,454,014	3,619,546	6,884,967	1/	1/	1/
Avg. daily producer receipts	20,343,049	17,485,339	15,941,420	12,722,015	11,302,439	12,518,783	8,670,202	8,888,502	9,419,863
Change From Previous Year . .	27.61%	-10.55%		1.62%	-13.49%		-7.96%	-7.66%	
Avg. daily Class I use	6,175,269	6,183,822	6,204,873	3,103,661	2,959,392	3,060,451	2,644,573	2,777,399	2,808,908
Change From Previous Year . .	-0.48%	3.86%		1.41%	5.80%		-5.85%	-2.71%	

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

HEARING TO AMEND UPPER MIDWEST MILK MARKETING ORDER

On June 26, the U.S. Department of Agriculture held a public hearing on proposals that would make changes to the Upper Midwest Milk Marketing Order pooling and partial payment provisions. The hearing began at 9:00 a.m. at the Radisson Hotel South & Plaza Tower, 7800 Normandale Blvd., Bloomington, Minn.

The hearing was requested by dairy farmer cooperatives and milk processors who supply and market a significant portion of milk in the Upper Midwest milk marketing area. Pooling proposals include restricting the pooling of milk on the order that is already pooled on a state-operated milk order. A proposal that would provide for separate pooling provisions for milk from areas outside the states comprising the Upper Midwest order and one that would change the advance payment to dairy farmers from milk handlers for milk delivered during the first half of the month were also considered.

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(See FO 30 Hearing Announcement)