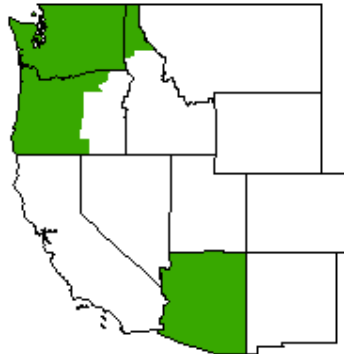


## Pacific Northwest & Arizona Marketing Areas



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**James R. Daugherty**  
 Market Administrator

**June 2006**

### MARKET SUMMARIES FOR MAY 2006

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

#### Pacific Northwest

Producers delivered a total of 717.4 million pounds of milk to the market during May. Daily deliveries averaged 23.1 million pounds, up 1.0 percent from April. An estimated 840 producers delivered milk to the market during the month. Daily deliveries per producer averaged 27,549 pounds, up 1.0 percent from April.

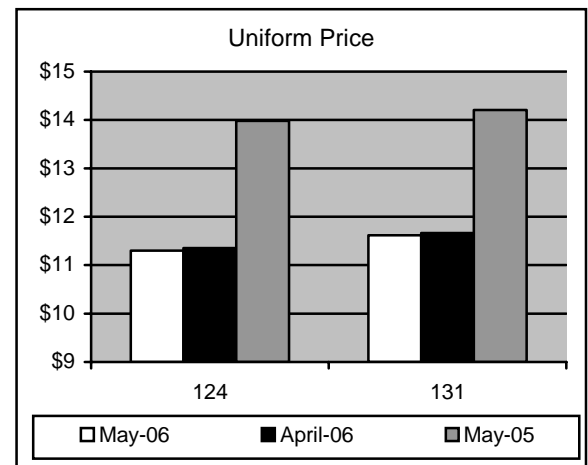
Class I producer milk during May totaled 193.9 million pounds, 27.0 percent of total producer receipts. Daily usage averaged 6.3 million pounds, up 5.6 percent from April.

#### Arizona

Producers delivered a total of 325.4 million pounds of milk to the market during May. Daily deliveries averaged 10.5 million pounds, up 4.3 percent from April. An estimated 93 producers delivered milk to the market during the month. Daily deliveries per producer averaged 112,884

pounds, up 4.3 percent from April.

Class I producer milk during May totaled 111.6 million pounds, 34.3 percent of total producer receipts. Daily usage averaged 3.6 million pounds, up 10.8 percent from April. ♦



### Federal Order Producer Prices and Component Levels: May 2006

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	11.30	11.62	Butterfat	3.616	3.504
Butterfat 2/	1.2582	1.2597	Protein	3.005	N/A
Protein 2/	1.9115	N/A	Other Solids	5.718	N/A
Other Solids 2/	0.1251	N/A	Nonfat Solids	8.724	N/A
PPD 1/*	0.47	N/A			
Skim 1/	N/A	7.47			

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

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**MAY 2006 CLASS PRICES**

May 2006 non-advanced Class Prices were calculated using NASS commodity price surveys from May 6, 13, 20, and 27, 2006. Component prices for the month are \$1.9115 per pound of protein, \$1.2582 per pound of butterfat, \$0.1251 per pound of other solids, and \$0.6819 per pound of nonfat solids.

May 2006 Class III and IV prices at 3.5% butterfat are \$10.83 and \$10.33 per hundredweight, respectively. The May Class III price compared to April is down \$0.10. The Class III price is \$2.94 lower than May 2005. The Class III price at 3.67% butterfat is \$1.13 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.2652 per pound. Class I skim and butterfat and Class II skim prices for May 2006 were announced on April 21, 2006. The Class II price at 3.5% butterfat is \$11.13 for May 2006.

**FINAL: NASS COMMODITY PRICES**

	April	May	Change
Cheese*	\$1.1654	\$1.1694	\$0.0040
Butter	\$1.1436	\$1.1635	\$0.0199
Nonfat Dry Milk	\$0.8429	\$0.8288	-\$0.0141
Whey	\$0.3054	\$0.2805	-\$0.0249

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

**Current Commodity Prices** -- The NASS survey of cheddar cheese prices showed a net increase in price received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed a net increase of 4.60 cents between the May 20 and the June 17 surveys, to \$1.2016 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 5.78 cents to \$1.2090 per pound.

The NASS butter price showed a decrease of 1.65 cents between the weeks ending May 20 and June 17 from \$1.1648 per pound to \$1.1483 per pound.

The NASS nonfat dry milk showed a decrease of 1.01 cent since mid-May to \$0.8200 per pound. The average price for NASS whey showed a net increase of 0.01 cent since mid-May to \$0.2814 per pound. ♦

**JULY'S CLASS I PRICE ANNOUNCEMENT**

On June 23, the July 2006 Class I price was announced at \$13.24 for the Pacific Northwest Order and \$13.69 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 10 and 17.

The July Class III and IV advance skim prices are \$7.24 and \$6.06 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 1.80 cents from \$1.2610 to \$1.2430 per pound.

The July 2006 Class II skim and nonfat solids prices were also announced on June 23. The skim price is \$6.76 per hundredweight, and the nonfat solids price is \$0.7511 per pound for all Federal orders. ♦

**ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS**

	June	July	Change
Cheese*	\$1.1602	\$1.2218	\$0.0616
Butter	\$1.1658	\$1.1508	-\$0.0150
Nonfat Dry Milk	\$0.8309	\$0.8205	-\$0.0104
Whey	\$0.2811	\$0.2817	-\$0.0006

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

**REGULATORY CHANGES REFLECTED IN HANDLER COUNTS**

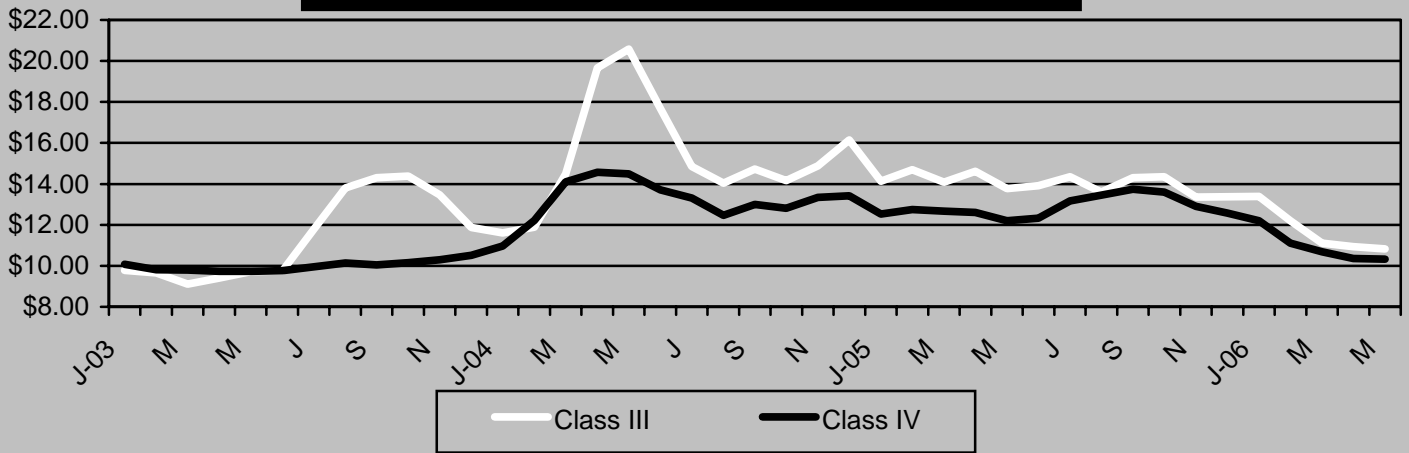
Recent changes to the provisions of the Pacific Northwest and Arizona Federal Orders have changed the status of some handlers regulated on each order. The producer-handler Final Decision, passed by a producer referendum, became effective April 1, 2006, and the Milk Regulatory Equity Act (MREA), passed by Congress on April 11, 2006, became effective May 1, 2006. The full effects of these regulatory changes are not obvious in the handler counts in the Monthly Selected Statistics on page 6.

According to the Monthly Statistics, the Pacific Northwest Order increased one pool handler between May 2005 and May 2006. Compared to the May Bulletin, the number of handlers in May 2006 is only one more than March 2006. The number of producer-handlers in May 2006 is three less than a year-ago. These changes in handler counts do not reflect the full effect of the regulatory changes.

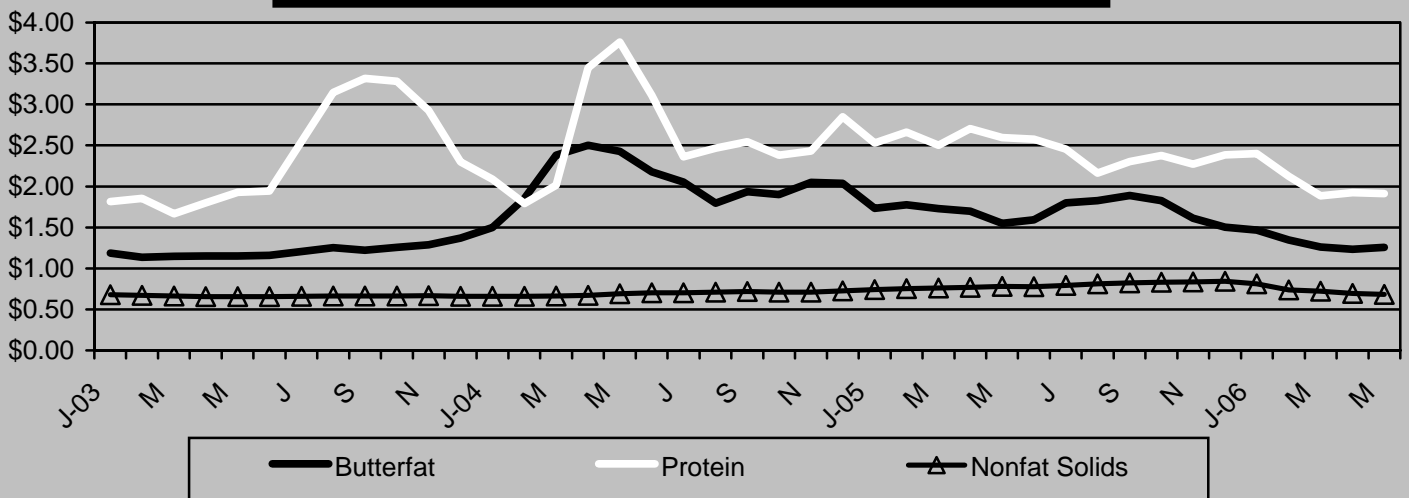
Between March 2006 and May 2006 the handler counts were also affected by Wilcox Dairy

*(Continued on Page 4)*

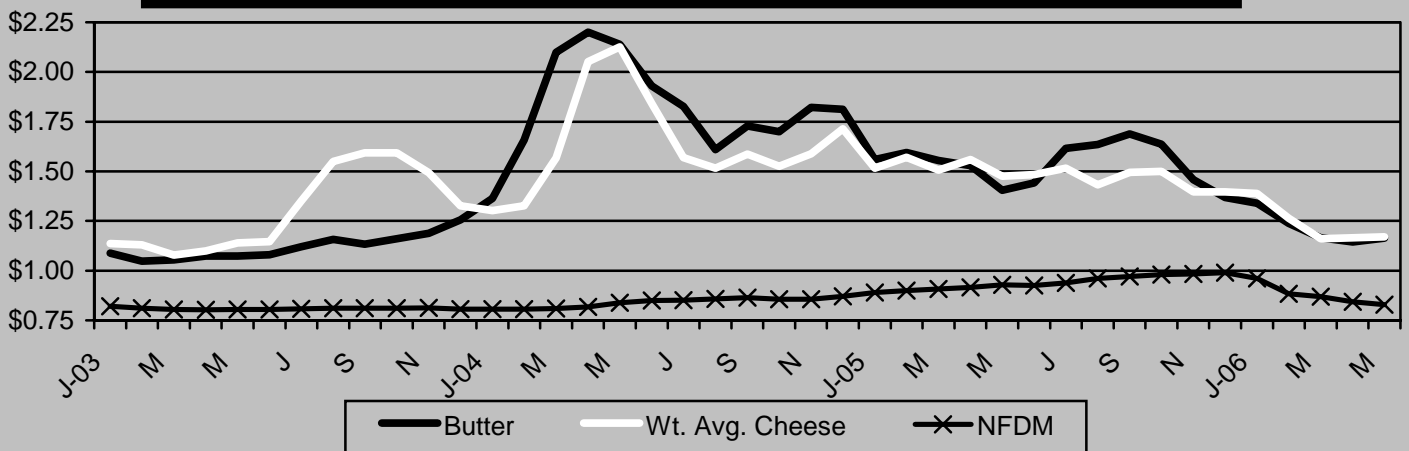
**Federal Order Class III and IV Prices @ 3.5% Butterfat  
January 2003 through May 2006**



**Federal Order Butterfat, Protein, and Nonfat Solids Prices  
January 2003 through May 2006**



**NASS Monthly Butter, Weighted Average Cheese, and Nonfat Dry Milk Prices  
January 2003 through May 2006**



*(Continued From Page 2)*

Farms, LLC, dba Curly's Dairy, Salem, Oregon, going out of business. The actual impact of the producer-handler decision was the addition of two pool handlers, Smith Brothers Dairy, Kent, Washington, and Edaleen Dairy, Lynden, Washington. During the same period, the number of producer-handlers decreased by three. Country Charm Dairy, Arlington, Washington, went out of business in April 2006, adding to the decrease in producer-handlers from the previous months.

The total effect of the two regulatory changes on the Arizona Order is the reduction in the number of producer-handlers from three to one, an increase of two pool handlers, and a decrease in the number of other plants with Class I use. During April 2006, the number of pool handlers on the Arizona-Las Vegas Order increased by one and producer-handlers decreased by one, reflecting Sarah Farms, Yuma, Arizona, change in regulatory status. In May 2006, the effect of the MREA was the change in the status of a producer-handler, Aurora Dairy, Platteville, Colorado, to a partially regulated distributing plant on the Arizona Order. Also in May, GH Processing in Yuma, Arizona, was fully regulated on the Arizona Order.

The MREA also removed Clark County, Nevada, from the marketing area and the exemption from Federal regulation granted by The Consolidated Appropriations Act, 2000, to those plants within that county. In May, several partially regulated distributing plants did not have routes into Arizona and are no longer partially regulated. In May 2006, Meadow Gold Dairies, Inc., Las Vegas, Nevada, and Anderson Dairy, Las Vegas, Nevada are partially regulated on the Arizona Order.

For more details on monthly changes of plants regulated on the Pacific Northwest and Arizona Orders go to <http://www.fmmaseattle.com/plantlist.htm> ♦

#### UNITED STATES MILK PRODUCTION UP 2.4 PERCENT IN MAY 2006

Milk production for May 2006 was up 2.4 percent for the United States compared with May 2005. United States' milk production for May 2006 equaled 16,068 million pounds, 371 million pounds more than last May. The table to the right shows data for May 2006 for selected states with comparisons to year-ago levels.

Milk production in the 23 major states during May 2006 totaled 14,714 million pounds, up 2.8 percent from production in these same states in May 2005. ♦

Milk Production May 2005 – 2006			
	2005	2006 1/	% Change
-- million pounds --			
Arizona	340	371	9.12%
California	3,292	3,374	2.49%
Colorado	203	218	7.39%
Florida	218	213	-2.29%
Idaho	859	936	8.96%
Illinois	173	174	0.58%
Indiana	283	291	2.83%
Iowa	356	358	0.56%
Kansas	203	211	3.94%
Kentucky	128	125	-2.34%
Michigan	597	609	2.01%
Minnesota	733	736	0.41%
Missouri	177	171	-3.39%
New Mexico	607	705	16.14%
New York	1,076	1,076	0.00%
Ohio	431	437	1.39%
Oregon	201	188	-6.47%
Pennsylvania	946	945	-0.11%
Texas	586	650	10.92%
Vermont	238	231	-2.94%
Virginia	161	159	-1.24%
Washington	492	480	-2.44%
Wisconsin	2,011	2,056	2.24%
23 Total	14,311	14,714	2.82%
US	15,697	16,068	2.36%

1/ May 2006 is preliminary.

Source: National Agricultural Statistics Service.

#### ERS DAIRY OUTLOOK: LOW DAIRY PROFITABILITY LIKELY TAKING THE WIND OUT OF EXPANSIONARY SAILS

Milk production for 2006 is projected at 181.9 billion pounds, an increase of 2.8 percent from 2005. June's forecast is reduced slightly from May's. Expected higher grain prices, hot dry weather in the West and sharply lower milk prices in 2006 compared with last year have likely pressured producer returns. The milk feed price ratio is at its lowest level in 3 years. The low profitability ratio may be taking the wind out of the expansion. However, replacement heifer prices, reported by NASS in April, are unchanged from a year earlier which suggests that significant demand

for replacements persists. Moreover, dairy slaughter numbers do not indicate liquidation is yet underway. Milk production in 2007 is forecast higher at 183.1 billion pounds. While cow population will be lower in 2007 than in 2006, higher output per animal will lead production higher.

The 2006 production increase is a result of higher cow populations and higher milk per cow. Production per cow was above 5,000 pounds in the first quarter of 2006 and is expected to climb slightly to 5,130 for the April-June quarter before declining to 4,900 by yearend. The result is the higher overall production estimate for 2006 compared with 2005.

Butter production is declining seasonally, but is still above last year's level. Butter stocks are approaching seasonal highs and are above those for corresponding periods in 2004 and 2005. Prices have declined sharply in the second quarter from last quarter, as well as year over year. Lower prices should help maintain demand while building stocks hold down prices. The average butter price is expected to be \$1.155-\$1.225 per pound in 2006 compared with \$1.541 in 2005. The average butter prices in 2007 could recover slightly to \$1.215-\$1.345 as higher stocks are worked off and production grows more slowly.

A similar scenario is developing for cheese. Prices for Cheddar have declined in the second quarter, compared with both the first quarter and the same quarter last year. A robust macroeconomic situation, low unemployment, and high levels of consumer disposable income spark meals-away-from-home demand and cheese use. Lower prices are helping to maintain demand, while rising stocks are holding down prices. The May NASS Cold Storage report placed end of April cheese stocks at 815 million pounds, up from 799 million a month earlier and above the 781 million pounds in April 2005. The build up in stocks contributes to the lower price forecast for cheese in 2006. The average 2006 Cheddar price is expected to be \$1.215- \$1.255 per pound compared with \$1.49 per pound in 2005. Like butter, cheese prices could stage a modest recovery in 2007. The average cheese price is expected to be \$1.295-\$1.395 per pound.

Demand for nonfat dry milk (NDM) is steady, but inventories are high and rising. However, prices have slipped in the second quarter to 83 cents per pound. For the balance of 2006, prices are projected to hold steady, leaving the 2006 average price forecast at 84-88 cents per pound. Prices in

2007 are forecast to be lower, ranging between 81.5-88.5 cents per pound. After averaging 27.8 cents per pound in 2005, whey prices are expected to average 27-29 cents per pound in 2006 and between 24-27 cents per pound in 2007.

The overall weakness in dairy product prices will translate into lower prices in 2006 for all milk, Class III, and Class IV milk. The 2006 price forecast for all milk is \$12.40-\$12.80 per cwt, a decline from \$15.14 last year. Forecast higher demand for dairy products in 2007 with only slight increases in supplies suggest a higher all milk price forecast in 2007 to \$12.85-\$13.85 per cwt. Average Class III price will be \$11.40-\$11.60 per cwt for the 2006 season, off from \$14.05 last year. In 2007, Class III price should recover to \$11.90-\$12.90 per cwt. Similarly, average Class IV milk prices will fall to \$10.45-\$10.95 per cwt in 2006 from \$12.87 in 2005. Class IV prices should stage a recovery in 2007 to an average \$10.45-\$11.55 per cwt. ♦

Source: Livestock, Dairy, & Poultry Outlook/LDP-M-144/June 15, 2006 Economic Research Service, USDA

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*(Continued From Page 8)*

and Arizona-Las Vegas Orders. During 2005, these producers delivered 10.0 billion pounds to the two markets. The milk shed of the two Federal orders includes Arizona, California, Idaho, Oregon, and Washington.

Major findings of this study include:

1. The 2005 average component levels for the Pacific Northwest Order were 3.67% butterfat, 3.05% true protein, and 5.71% other solids. The 2005 average butterfat level for the Arizona-Las Vegas Order was 3.59%.
2. In both orders, butterfat levels decrease during the summer months and increase in the late fall and winter. In the Pacific Northwest Order protein showed the same seasonality as butterfat.
3. Although the volume of producer milk, number of producers, and average milk production per producer varies greatly between regions, there are only small differences in aggregate component levels between geographic regions within the milk sheds of the two orders.
4. The Pacific Northwest Order's linear regression in 2005 for protein is  $PRO\% = 1.44 + 0.439 * BF\%$ , with an R-squared of 0.66.
5. The Pacific Northwest Order's regressions for estimating other solids using butterfat have a very poor correlation (R-squared of less than 0.1). The monthly regressions show a negative relationship; other solids levels appear to be independent of butterfat levels. ♦

# MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST				ARIZONA 2/			
	May 2006	Apr 2006	May 2005	Apr 2005	May 2006	Apr 2006	May 2005	Apr 2005
<b>Minimum Class Prices (3.5% B.F.)</b>								
Class I Milk (\$/cwt.) . . . . .	\$12.87	\$13.12	\$16.70	\$16.03	\$13.32	\$13.57	\$17.15	\$16.48
Class II Milk (\$/cwt.) . . . . .	11.13	11.37	12.78	13.24	11.13	11.37	12.78	13.24
Class III Milk (\$/cwt.) . . . . .	10.83	10.93	13.77	14.61	10.83	10.93	13.77	14.61
Class IV Milk (\$/cwt.) . . . . .	10.33	10.36	12.20	12.61	10.33	10.36	12.20	12.61
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt.)	\$ 0.47	\$ 0.42	\$ 0.21	\$(0.49)	+	+	+	+
Butterfat (\$/pound) . . . . .	1.2582	1.2343	1.5475	1.6964	+	+	+	+
Protein (\$/pound) . . . . .	1.9115	1.9238	2.5965	2.7055	+	+	+	+
Other Solids (\$/pound) . . . . .	0.1251	0.1508	0.1043	0.1020	+	+	+	+
Uniform Skim Price (\$/cwt.) . . .	+	+	+	+	7.47	7.56	9.00	8.92
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.2597	1.2469	1.5784	1.7086
Statistical Uniform Price (\$/cwt.) . .	\$11.30	\$11.35	\$13.98	\$14.12	\$11.62	\$11.66	\$14.21	\$14.59
<b>Producer Data</b>								
Number of Producers . . . . .	840 *	840	855	673	93 *	93	88	90
Avg. Daily Production (lbs.) . . . .	27,549 *	27,284	23,740	22,438	112,884 *	108,265	97,761	99,510
<b>Number of Handlers</b>								
Pool Handlers . . . . .	28	28	27	26	7	6	5	5
Producer-Handlers . . . . .	6 *	7	9	9	1 *	2	3	3
Other Plants w/ Class I Use . . . .	23 *	23	20	22	25 *	27	30	30
<b>Producer Milk Ratios</b>								
Class I . . . . .	27.04%	25.84%	28.66%	39.01%	34.27%	32.26%	28.52%	30.61%
Class II . . . . .	5.77%	5.71%	6.75%	8.30%	7.35%	7.76%	11.74%	9.27%
Class III . . . . .	31.29%	30.95%	29.40%	7.10%	32.85%	32.85%	38.03%	36.74%
Class IV . . . . .	35.90%	37.50%	35.19%	45.59%	25.53%	27.13%	21.71%	23.38%

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

	Apr 2006	Mar 2006	Apr 2005	Mar 2005	Apr 2006	Mar 2006	Apr 2005	Mar 2005
<b>Producer-Handler Data</b>								
Production . . . . .	20,762,120	36,427,239	32,538,944	33,987,683	R	R	R	R
Class I Use . . . . .	17,267,456	30,441,934	26,313,051	26,936,215	R	R	R	R
% Class I Use . . . . .	83.17%	83.57%	80.87%	79.25%	R	R	R	R
<b>Class I Route Disposition In Area</b>								
By Pool Plants . . . . .	161,752,659	165,013,407	154,504,025	163,853,917	93,116,559	87,052,566	77,977,837	79,743,077
By Producer-Handlers . . . . .	7,966,771	18,846,481	19,274,853	19,629,390	1/	1/	1/	1/
By Other Plants . . . . .	3,653,975 *	4,353,328	2,881,662	3,364,208	11,719,567 *	28,799,294	28,208,334	28,563,073
Total	173,373,405	188,213,216	176,660,540	186,847,515	104,836,126	115,851,860	106,186,171	108,306,150

\* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed from the "Arizona-Las Vegas Order" to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006.

# MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST				ARIZONA 2/			
	May 2006	Apr 2006	May 2005	Apr 2005	May 2006	Apr 2006	May 2005	Apr 2005
TOTAL PRODUCER MILK	717,385,029	687,563,752	629,228,064	453,015,991	325,444,557	302,058,032	266,691,563	268,675,729
RECEIPTS FROM OTHER SOURCES	19,198,248	16,835,742	22,680,707	117,970,667	34,857,977	26,803,722	42,977,397	46,186,461
OPENING INVENTORY . . . . .	37,091,066	33,169,769	33,770,143	32,282,540	21,116,124	18,444,514	16,548,277	15,517,263
<b>TOTAL TO BE ACCOUNTED FOR</b>	<b>773,674,343</b>	<b>737,569,263</b>	<b>685,678,914</b>	<b>603,269,198</b>	<b>381,418,658</b>	<b>347,306,268</b>	<b>326,217,237</b>	<b>330,379,453</b>
<b>UTILIZATION OF RECEIPTS</b>								
Whole milk . . . . .	33,671,669	31,536,123	29,183,435	29,128,016	29,240,686	27,566,662	18,646,989	19,209,152
Flavored milk & milk drinks . . . . .	13,199,163	11,986,923	12,630,037	11,206,370	6,203,742	6,047,853	5,468,726	6,362,305
2% milk . . . . .	68,275,943	64,434,202	64,066,155	63,023,971	37,066,648	34,631,700	28,952,338	30,405,580
1% milk . . . . .	27,677,965	25,645,443	23,118,273	23,949,145	12,554,051	11,949,891	10,358,854	10,832,820
Skim milk . . . . .	28,662,247	26,803,074	26,058,306	25,930,158	12,898,354	12,449,141	10,075,537	10,701,466
Buttermilk . . . . .	1,472,265	1,346,894	1,334,756	1,266,365	503,417	471,312	454,510	466,514
CLASS I ROUTE DISP. IN AREA. . . . .	172,959,252	161,752,659	156,390,962	154,504,025	98,466,898	93,116,559	73,956,954	77,977,837
Class I dispositions out of area . . . . .	15,375,459	14,779,063	15,299,055	14,829,901	14,224,049	5,153,668	4,065,916	4,401,593
Other Class I usage . . . . .	19,500,156	17,894,122	24,295,569	22,868,691	8,697,394	9,522,376	6,550,127	8,511,854
<b>TOTAL CLASS I USE. . . . .</b>	<b>207,834,867</b>	<b>194,425,844</b>	<b>195,985,586</b>	<b>192,202,617</b>	<b>121,388,341</b>	<b>107,792,603</b>	<b>84,572,997</b>	<b>90,891,284</b>
TOTAL CLASS II USE . . . . .	49,967,162	45,769,675	51,923,179	46,694,207	24,767,563	24,830,663	32,255,662	26,092,979
TOTAL CLASS III USE . . . . .	229,140,542	216,719,991	190,346,682	131,547,707	107,256,303	99,223,760	102,050,867	98,702,689
TOTAL CLASS IV USE . . . . .	286,731,772	280,653,753	247,423,467	232,824,667	128,006,451	115,459,242	107,337,711	114,692,501
<b>TOTAL ACCOUNTED FOR . . . . .</b>	<b>773,674,343</b>	<b>737,569,263</b>	<b>685,678,914</b>	<b>603,269,198</b>	<b>381,418,658</b>	<b>347,306,268</b>	<b>326,217,237</b>	<b>330,379,453</b>
<b>CLASSIFICATION OF RECEIPTS</b>								
Producer milk: Class I . . . . .	193,948,844	177,663,015	180,307,971	176,717,878	111,550,332	97,454,966	76,063,991	82,266,062
Class II . . . . .	41,421,024	39,249,171	42,483,241	37,622,179	23,919,296	23,439,586	31,305,878	24,895,157
Class III . . . . .	224,500,635	212,827,723	184,991,646	32,161,432	106,904,795	99,223,760	101,433,512	98,702,689
Class IV . . . . .	257,514,526	257,823,843	221,445,206	206,514,502	83,070,134	81,939,720	57,888,182	62,811,821
Other receipts: Class I . . . . .	13,886,023	16,762,829	15,677,615	15,484,739	55,974,101	45,248,236	59,525,674	61,703,724
Class II . . . . .	8,546,138	6,520,504	9,439,938	9,072,028	1/	1/	1/	1/
Class III . . . . .	4,639,907	3,892,268	5,355,036	99,386,275	1/	1/	1/	1/
Class IV . . . . .	29,217,246	22,829,910	25,978,261	26,310,165	1/	1/	1/	1/
Avg. daily producer receipts . . . . .	23,141,453	22,918,792	20,297,679	15,100,533	10,498,212	10,068,601	8,602,954	8,955,858
Change From Previous Year . . . . .	14.01%	51.77%	43.16%	9.33%	22.03%	12.42%	7.54%	6.05%
Avg. daily Class I use . . . . .	6,704,351	6,480,861	6,322,116	6,406,754	3,915,753	3,593,087	2,728,161	3,029,709
Change From Previous Year . . . . .	6.05%	1.16%	2.09%	-2.91%	43.53%	18.60%	2.94%	-1.72%

1/ Restricted - Included with Class I. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed from the "Arizona-Las Vegas Order" to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006.

**HIGHLIGHTS THIS ISSUE:**

- Market Summaries for May 2006
- May 2006 Class Prices
- Class I Price for July 2006
- Regulatory Changes Reflected in Handler Counts
- Milk Production up 2.4 Percent in May
- ERS Dairy Outlook
- Analysis of Component Levels in Individual Herd Milk at the Farm Level

**ANALYSIS OF COMPONENT LEVELS IN INDIVIDUAL HERD MILK AT THE FARM LEVEL**

The following is the abstract from the Seattle Market Administrator's study entitled: "*Analysis Of Component Levels In Individual Herd Milk At The Farm Level: 2005.*" A copy of the complete study is available from this office and on our web site at <http://www.fmmaseattle.com/historicaldata.htm>.

Component levels in producer milk pooled on the Pacific Northwest (FO 124) and Arizona-Las Vegas (FO 131) Federal Milk Marketing Orders were analyzed for 2005 to determine average levels, regional and seasonal variation, and, when possible, the statistical relationship between components. Handlers regulated under the Pacific Northwest Order report butterfat, protein, and other solids. Handlers regulated under the Arizona-Las Vegas Order report butterfat only. Producer milk pooled was also valued using Federal order minimum producer prices for the respective orders. For 2005, a monthly average total of 905 producers were pooled on the Pacific Northwest

*(Continued on Page 5)*