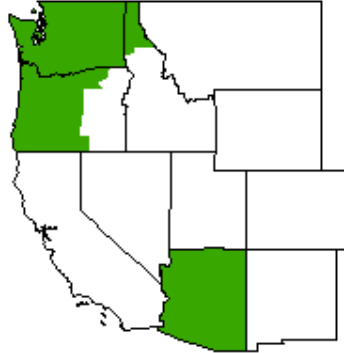


Pacific Northwest & Arizona Marketing Areas



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James R. Daugherty
 Market Administrator

June 2008

MARKET SUMMARIES FOR MAY 2008

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

Pacific Northwest

Producers delivered a total of 530.6 million pounds of milk to the market during May. Daily deliveries averaged 17.1 million pounds, down 20.5 percent from April. An estimated 538 producers delivered milk to the market during the month. Comparisons to April 2008 are biased due to eligible milk not pooled. Daily deliveries per producer averaged 31,812 pounds, up 1.2 percent from April.

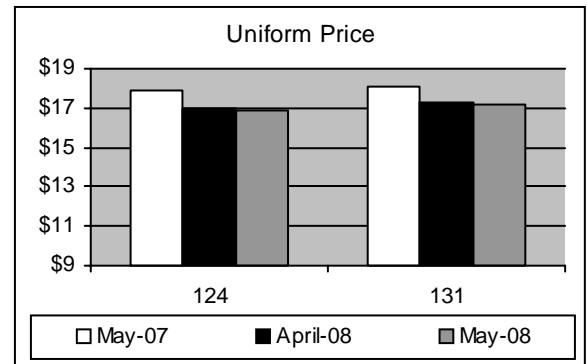
Class I producer milk during May totaled 189.5 million pounds, 35.7 percent of total producer receipts. Daily usage averaged 6.1 million pounds, down 4.0 percent from April.

Arizona

Producers delivered a total of 387.8 million pounds of milk to the market during May. Daily deliveries averaged 12.5 million pounds, up 0.7 percent from April. An estimated 96 producers delivered milk to

the market during the month. Daily deliveries per producer averaged 130,302 pounds, up 0.7 percent from April.

Class I producer milk during April totaled 118.9 million pounds, 30.7 percent of total producer receipts. Daily usage averaged 3.8 million pounds, down 2.2 percent from April. ♦



Federal Order Producer Prices and Component Levels: May 2008

| Producer Prices | FO124 | FO131 | Component Levels (%) | FO124 | FO131 |
|-------------------|---------|--------|----------------------|-------|-------|
| Uniform Price 1/* | 16.83 | 17.20 | Butterfat | 3.585 | 3.480 |
| Butterfat 2/ | 1.5562 | 1.5459 | Protein | 3.039 | N/A |
| Protein 2/ | 4.1108 | N/A | Other Solids | 5.718 | N/A |
| Other Solids 2/ | 0.0766 | N/A | Nonfat Solids | 8.757 | N/A |
| PPD 1/* | -\$1.35 | N/A | | | |
| Skim 1/ | N/A | 12.22 | | | |

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

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MAY 2008 CLASS PRICES

May 2008 non-advanced Class Prices were calculated using NASS commodity price surveys from May 3, 10, 17, and 24, 2008. Component prices for the month are \$4.1108 per pound of protein, \$1.5562 per pound of butterfat, \$0.0766 per pound of other solids, and \$1.1301 per pound of nonfat solids.

May 2008 Class III and IV prices at 3.5% butterfat are \$18.18 and \$15.26 per hundredweight, respectively. The May Class III price compared to April is up \$1.42. The Class III price is \$0.58 higher than in May 2007. The Class III price at 3.67% butterfat is \$8.53 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.5632 per pound. Class I skim and butterfat and Class II skim prices for May 2008 were announced on April 18, 2008. The Class II price at 3.5% butterfat is \$15.51 for May 2008.

FINAL: NASS COMMODITY PRICES

| | <u>April</u> | <u>May</u> | <u>Change</u> |
|-----------------|--------------|------------|---------------|
| Cheese* | \$1.8164 | \$1.9525 | \$0.1361 |
| Butter | \$1.3492 | \$1.4170 | \$0.0678 |
| Nonfat Dry Milk | \$1.2506 | \$1.2985 | \$0.0479 |
| Whey | \$0.2560 | \$0.2700 | \$0.0140 |

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

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed an increase in price received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed an increase of 25.62 cents between the May 17 and the June 14 surveys, to \$2.2129 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed an increase of 26.00 cents to \$2.2265 per pound.

The NASS butter price showed a net increase of 1.90 cents between the weeks ending May 17 and June 14 from \$1.4341 per pound to \$1.4531 per pound.

The NASS nonfat dry milk showed a net increase of 3.56 cents since mid-May to \$1.3305 per pound. The average price for NASS whey showed a net increase of 0.48 cents since mid-May to \$0.2781 per pound. ♦

JULY'S CLASS I PRICE ANNOUNCEMENT

On June 20, the July 2008 Class I price was announced at \$22.68 for the Pacific Northwest Order and \$23.13 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 7 and 14.

The July Class III and IV advance skim prices are \$15.70 and \$10.61 per hundredweight, respectively. The butterfat portion of the Class I mover increased 4.61 cents from \$1.5625 to \$1.6086 per pound.

The July 2008 Class II skim and nonfat solids prices were also announced on June 20. The skim price is \$11.31 per hundredweight, and the nonfat solids price is \$1.2567 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

| | <u>June</u> | <u>July</u> | <u>Change</u> |
|-----------------|-------------|-------------|---------------|
| Cheese* | \$1.9527 | \$2.2156 | \$0.2629 |
| Butter | \$1.4223 | \$1.4607 | \$0.0384 |
| Nonfat Dry Milk | \$1.3006 | \$1.3479 | \$0.0473 |
| Whey | \$0.2686 | \$0.2774 | \$0.0088 |

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

USDA ISSUES A FINAL RULE ESTABLISHING DAIRY PRODUCT MANDATORY REPORTING PROGRAM

On June 17, 2008, the U. S. Department of Agriculture issued a final rule that adopts amendments to the Dairy Products Mandatory Reporting Program that was established on Aug. 2, 2007. The Dairy Market Enhancement Act of 2000, and certain provisions of the Farm Security and Rural Investment Act of 2002, amend the Agricultural Marketing Act of 1946 to provide for timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry.

This program: (1) requires persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) requires persons storing dairy products to report information on the quantity of dairy products stored. The National Agricultural Statistics Service (NASS)

collects such information for the program. The Agricultural Marketing Service (AMS) has implemented a plan to verify the price information submitted by dairy product manufacturing plants to NASS. Any manufacturer that processes and markets less than 1 million pounds of dairy products per year is exempt from the price reporting requirements.

AMS reviewed all comments received in response to the interim final rule and considered those comments in developing the final rule. All changes in the final rule from the interim rule concern price reporting. There are no changes concerning stock reporting. Certain products are now excluded in the reporting specifications:

- Products that are produced under faith-based close supervision and are marketed at a higher price than the manufacturer's wholesale market price for the basic commodity.
- Dairy Export Incentive Program sales or other premium-assisted sales.
- Products certified as organic by USDA-accredited certifying agents.

Another substantive change is that in calculating the total dollars received or dollars per pound, the reporting entity shall not deduct brokerage fees or clearing charges paid by the manufacturer. Other changes have been made in organization or content for greater clarity.

The final rule appeared in the June 17, 2008 Federal Register and became effective June 22, 2008. For additional information concerning dairy product price data collection, reporting and verification contact:

John R. Mengel, Chief Economist
 USDA/AMS/Dairy Programs
 Office of the Chief Economist
 1400 Independence Ave, SW., STOP 0229
 Washington, DC 20250-0229
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For additional information concerning dairy products storage data collection and reporting contact:

Dan Kerestes, Chief, Livestock Branch
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 1400 Independence Ave, SW., STOP 2053
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**USDA ISSUES A TENTATIVE FINAL DECISION
 ON AMENDMENTS TO ALL FEDERAL MILK
 MARKETING ORDERS:
 CLASS III/IV PRICE FORMULAS**

On June 19, 2008, the U. S. Department of Agriculture issued a tentative final decision to amend the Class III and Class IV product price formulas in all Federal milk marketing orders. The decision was based on the record of the first session of a public hearing held in Strongsville, Ohio on February 26-March 2, 2007, a second session of a public hearing held in Indianapolis, Ind., on April 9-13, 2007, and a third session of a public hearing held in Pittsburgh, Pa., on July 9-11, 2007.

The decision would amend the manufacturing (make) allowances for cheese, butter, nonfat dry milk (NFDM) and dry whey. Specifically, this decision would adopt the following make allowances: cheese - \$0.2003 per pound; butter - \$0.1715 per pound; NFDM - \$0.1678 per pound; and dry whey - \$0.1991 per pound. This decision also proposes to increase the butterfat yield factor of the butterfat price formula from 1.20 to 1.211. These amendments are subject to producer approval before they can be implemented.

The tentative final decision was published in the June 20 Federal Register. Public comments are due August 19, 2008.

For additional information about the decision contact:

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 Tel. (972) 245-6060
 email: sw.order@dallasma.com ♦

**NEW CHIEF OF
 MARKET INFORMATION BRANCH**

John Wetterau was selected as Chief of the Market Information Branch for Dairy Programs effective April 27, 2008.

John began his career with USDA in January 1980 as a reporter with Dairy Market News in Philadelphia. About a year later, he began an internship with the Middle Atlantic Market Administrator's office in Alexandria, VA, learning about all aspects of Federal milk orders. In June 1981, John transferred to Headquarters and began working on the numerous aspects of Federal milk order statistics and Market News under the guidance of John Rourke. John Wetterau has been instrumental in improving service to the users of

Federal milk order statistics through the Dairy Programs' internet database and Market Information website. ♦

**UNITED STATES MILK PRODUCTION UP
 3.0 PERCENT IN MAY 2008**

Milk production for May 2008 was up 3.0 percent for the United States compared with May 2007. United States' milk production for May 2008 equaled 16,667 million pounds, 487 million pounds more than last May. The table below shows data for May 2008 for selected states with comparisons to year-ago levels.

Milk production in the 23 major states during May 2008 totaled 15,361 million pounds, up 3.4 percent from production in these same states in May 2007. ♦

| Milk Production May 2007 – 2008 | | | |
|--|----------------------|---------|----------|
| | 2007 | 2008 1/ | % Change |
| | -- million pounds -- | | |
| Arizona | 383 | 403 | 5.22% |
| California | 3,477 | 3,576 | 2.85% |
| Colorado | 231 | 253 | 9.52% |
| Florida | 207 | 192 | -7.25% |
| Idaho | 977 | 1,067 | 9.21% |
| Illinois | 172 | 170 | -1.16% |
| Indiana | 291 | 291 | 0.00% |
| Iowa | 376 | 372 | -1.06% |
| Kansas | 186 | 206 | 10.75% |
| Kentucky | 114 | 111 | -2.63% |
| Michigan | 642 | 659 | 2.65% |
| Minnesota | 760 | 757 | -0.39% |
| Missouri | 157 | 152 | -3.18% |
| New Mexico | 638 | 700 | 9.72% |
| New York | 1,058 | 1,108 | 4.73% |
| Ohio | 453 | 465 | 2.65% |
| Oregon | 197 | 183 | -7.11% |
| Pennsylvania | 944 | 943 | -0.11% |
| Texas | 649 | 742 | 14.33% |
| Vermont | 218 | 224 | 2.75% |
| Virginia | 157 | 154 | -1.91% |
| Washington | 472 | 494 | 4.66% |
| Wisconsin | 2,101 | 2,139 | 1.81% |
| 23 Total | 14,860 | 15,361 | 3.37% |
| US | 16,180 | 16,667 | 3.01% |

1/ May 2008 is preliminary.

Source: National Agricultural Statistics Service.



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

JUN 6 2008

National Animal Identification System (NAIS) Information for Dairy Farmers

Dairy farmers play an integral role in supporting and advancing the marketing of milk and dairy foods. As a farmer, you are aware of the risk that animal disease poses to all sectors of the agricultural community. While disease surveillance, eradication, and control programs have achieved significant success over the years in reducing animal disease in the United States (U.S.) it still remains a reality. However, you can strengthen your role in mitigating the risk of animal disease in the U.S. by participating in NAIS.

NAIS is a voluntary animal identification program that enables swift and effective response to animal disease in the case of an outbreak. If you are personally involved in livestock production, registering your premise will give you the power to better protect your animals, your markets, and your neighbors if a disease event occurs. Further, I strongly encourage participants of voluntary marketing programs such as the Department of Agriculture's Process Verified and Quality System Assessment Programs to meet the inherent animal identification requirements by using NAIS. Additional registration benefits include improved traceability for foreign animal disease control, enhanced marketability, and increased biosecurity protection of the Nation's livestock. Premise registration is free and simple, and it ensures that producers such as you receive quick notification if an animal disease outbreak occurs and provides benefits for marketing value-added animals domestically and internationally. Taking such proactive measures ensures that the United States will continue to maintain a worldwide reputation for producing high quality food.

Information is available online to help you learn more about NAIS participation. Go to <http://animalid.aphis.usda.gov/nais> and click "Register your premises today!" to get started. Additionally, you can contact Neil Hammerschmidt, NAIS Coordinator, Animal and Plant Health Inspection Service, at neil.hammerschmidt@usda.gov for more information.

Thank you for taking this important step to protect our Nation's livestock from the devastating effects of an animal disease outbreak.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce I. Knight", written over a white background.

Bruce I. Knight
Under Secretary
Marketing and Regulatory Programs

MONTHLY SELECTED STATISTICS

6

| Minimum Class Prices (3.5% B.F.) | PACIFIC NORTHWEST | | | | ARIZONA 2/ | | | |
|---|-------------------|----------|----------|----------|------------|----------|----------|----------|
| | May 2008 | Apr 2008 | May 2007 | Apr 2007 | May 2008 | Apr 2008 | May 2007 | Apr 2007 |
| Class I Milk (\$/cwt.) | \$18.52 | \$20.51 | \$17.82 | \$16.90 | \$18.97 | \$20.96 | \$18.27 | \$17.35 |
| Class II Milk (\$/cwt.) | 15.51 | 15.29 | 16.62 | 14.51 | 15.51 | 15.29 | 16.62 | 14.51 |
| Class III Milk (\$/cwt.) | 18.18 | 16.76 | 17.60 | 16.09 | 18.18 | 16.76 | 17.60 | 16.09 |
| Class IV Milk (\$/cwt.) | 15.26 | 14.56 | 18.48 | 16.12 | 15.26 | 14.56 | 18.48 | 16.12 |
| Producer Prices | | | | | | | | |
| Producer Price Differential (\$/cwt.) | \$(1.35) | \$ 0.19 | \$ 0.27 | \$ 0.15 | + | + | + | + |
| Butterfat (\$/pound) | 1.5562 | 1.4748 | 1.5706 | 1.4657 | + | + | + | + |
| Protein (\$/pound) | 4.1108 | 3.7579 | 2.9424 | 2.5212 | + | + | + | + |
| Other Solids (\$/pound) | 0.0766 | 0.0622 | 0.5791 | 0.6008 | + | + | + | + |
| Uniform Skim Price (\$/cwt.) | + | + | + | + | 12.22 | 12.62 | 13.10 | 11.74 |
| Uniform Butterfat Price (\$/pound) | + | + | + | + | 1.5459 | 1.4580 | 1.5509 | 1.4570 |
| Statistical Uniform Price (\$/cwt.) . . | \$16.83 | \$16.95 | \$17.87 | \$16.24 | \$17.20 | \$17.28 | \$18.07 | \$16.43 |
| Producer Data | | | | | | | | |
| Number of Producers | 538 * | 685 | 698 | 715 | 96 * | 96 | 92 | 92 |
| Avg. Daily Production (lbs.) | 31,812 * | 31,424 | 27,381 | 26,818 | 130,302 * | 129,412 | 121,303 | 123,951 |
| Number of Handlers | | | | | | | | |
| Pool Handlers | 24 | 27 | 28 | 28 | 7 | 7 | 7 | 7 |
| Producer-Handlers | 6 * | 6 | 6 | 6 | 1 * | 1 | 1 | 1 |
| Other Plants w/ Class I Use | 24 * | 24 | 25 | 23 | 23 * | 23 | 21 | 20 |
| Producer Milk Ratios | | | | | | | | |
| Class I | 35.71% | 29.56% | 32.33% | 32.06% | 30.65% | 31.56% | 34.07% | 33.55% |
| Class II | 8.22% | 6.14% | 8.75% | 8.59% | 5.99% | 6.16% | 9.70% | 9.32% |
| Class III | 13.01% | 30.61% | 30.28% | 29.00% | 25.71% | 26.00% | 28.13% | 29.44% |
| Class IV | 43.06% | 33.69% | 28.64% | 30.35% | 37.65% | 36.28% | 28.10% | 27.69% |

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

| Producer-Handler Data | Apr 2008 | Mar 2008 | Apr 2007 | Mar 2007 | Apr 2008 | Mar 2008 | Apr 2007 | Mar 2007 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
| Production | 27,197,240 | 28,617,649 | 27,189,987 | 27,360,907 | R | R | R | R |
| Class I Use | 23,221,123 | 23,092,910 | 24,027,464 | 23,480,540 | R | R | R | R |
| % Class I Use | 85.38% | 80.69% | 88.37% | 85.82% | R | R | R | R |
| Class I Route Disposition In Area | | | | | | | | |
| By Pool Plants | 167,653,626 | 171,613,772 | 162,550,806 | 171,612,589 | 95,375,111 | 95,601,280 | 95,483,536 | 100,840,122 |
| By Producer-Handlers | 6,730,938 | 6,214,944 | 8,082,664 | 8,052,626 | 1/ | 1/ | 1/ | 1/ |
| By Other Plants | 7,035,756 * | 7,687,931 | 4,071,170 | 4,647,667 | 5,130,838 * | 5,250,631 | 4,444,709 | 4,750,087 |
| Total | 181,420,320 | 185,516,647 | 174,704,640 | 184,312,882 | 100,505,949 | 100,851,911 | 99,928,245 | 105,590,209 |

* 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 2008 | Apr 2008 | May 2007 | Apr 2007 | May 2008 | Apr 2008 | May 2007 | Apr 2007 | |
| TOTAL PRODUCER MILK | 530,552,496 | 645,769,597 | 592,475,826 | 575,246,077 | 387,778,243 | 372,706,693 | 345,957,022 | 342,105,524 | |
| RECEIPTS FROM OTHER SOURCES | 34,160,692 | 37,914,153 | 51,487,184 | 39,077,589 | 5,545,732 | 13,035,212 | 7,550,467 | 8,832,776 | |
| OPENING INVENTORY | 31,883,657 | 34,135,988 | 33,007,654 | 34,036,534 | 22,124,557 | 24,691,459 | 18,766,827 | 21,246,198 | |
| TOTAL TO BE ACCOUNTED FOR | 596,596,845 | 717,819,738 | 676,970,664 | 648,360,200 | 415,448,532 | 410,433,364 | 372,274,316 | 372,184,498 | |
| UTILIZATION OF RECEIPTS | | | | | | | | | |
| Whole milk | 31,870,668 | 30,448,311 | 33,148,255 | 31,625,052 | 25,533,201 | 24,563,589 | 28,315,837 | 27,244,973 | |
| Flavored milk & milk drinks | 12,706,709 | 12,942,230 | 12,990,778 | 11,979,088 | 5,684,702 | 7,080,047 | 6,234,552 | 6,934,262 | |
| 2% milk | 68,575,796 | 67,680,891 | 65,956,147 | 63,891,360 | 37,380,964 | 36,169,206 | 35,464,956 | 34,473,859 | |
| 1% milk | 27,604,131 | 27,176,383 | 27,979,049 | 26,797,358 | 13,174,324 | 13,671,077 | 13,244,615 | 12,912,062 | |
| Skim milk | 28,856,991 | 28,042,223 | 28,180,486 | 26,924,918 | 13,199,674 | 13,434,263 | 12,663,684 | 13,430,217 | |
| Buttermilk | 1,281,173 | 1,363,588 | 1,317,364 | 1,333,030 | 440,544 | 456,929 | 477,437 | 488,163 | |
| CLASS I ROUTE DISP. IN AREA. | 170,895,468 | 167,653,626 | 169,572,079 | 162,550,806 | 95,413,409 | 95,375,111 | 96,401,081 | 95,483,536 | |
| Class I dispositions out of area | 19,042,597 | 20,041,559 | 18,766,497 | 16,457,482 | 22,256,740 | 22,449,222 | 20,068,070 | 20,478,639 | |
| Other Class I usage | 16,803,787 | 18,022,885 | 20,243,073 | 20,422,869 | 12,254,447 | 11,141,211 | 12,425,729 | 10,232,190 | |
| TOTAL CLASS I USE. | 206,741,852 | 205,718,070 | 208,581,649 | 199,431,157 | 129,924,596 | 128,965,544 | 128,894,880 | 126,194,365 | |
| TOTAL CLASS II USE | 50,391,669 | 48,036,310 | 59,537,902 | 56,233,651 | 24,408,370 | 23,827,833 | 35,798,980 | 33,256,953 | |
| TOTAL CLASS III USE | 69,025,582 | 206,871,831 | 196,450,429 | 185,683,949 | 99,714,196 | 96,927,901 | 98,385,721 | 101,410,251 | |
| TOTAL CLASS IV USE | 270,437,742 | 257,193,527 | 212,400,684 | 207,011,443 | 161,401,370 | 160,712,086 | 109,194,735 | 111,322,929 | |
| TOTAL ACCOUNTED FOR | 596,596,845 | 717,819,738 | 676,970,664 | 648,360,200 | 415,448,532 | 410,433,364 | 372,274,316 | 372,184,498 | |
| CLASSIFICATION OF RECEIPTS | | | | | | | | | |
| Producer milk: | Class I | 189,480,974 | 190,930,025 | 191,516,277 | 184,455,211 | 118,865,082 | 117,637,357 | 117,887,992 | 114,765,680 |
| | Class II | 43,586,973 | 39,625,222 | 51,850,008 | 49,398,445 | 23,221,161 | 22,949,522 | 33,546,624 | 31,894,485 |
| | Class III | 69,007,482 | 197,674,687 | 179,419,886 | 166,804,253 | 99,681,817 | 96,920,402 | 97,313,722 | 100,705,092 |
| | Class IV | 228,477,067 | 217,539,663 | 169,689,655 | 174,588,168 | 146,010,183 | 135,199,412 | 97,208,684 | 94,740,267 |
| Other receipts: | Class I | 17,260,878 | 14,788,045 | 17,065,372 | 14,975,946 | 27,670,289 | 37,726,671 | 26,317,294 | 30,078,974 |
| | Class II | 6,804,696 | 8,334,362 | 7,687,894 | 6,835,206 | 1/ | 1/ | 1/ | 1/ |
| | Class III | 18,100 | 9,197,144 | 17,030,543 | 18,879,696 | 1/ | 1/ | 1/ | 1/ |
| | Class IV | 41,960,675 | 39,730,590 | 42,711,029 | 32,423,275 | 1/ | 1/ | 1/ | 1/ |
| Avg. daily producer receipts | | 17,114,597 | 21,525,653 | 19,112,123 | 19,174,869 | 12,508,976 | 12,423,556 | 11,159,904 | 11,403,517 |
| Change From Previous Year | | -10.45% | 12.26% | -17.41% | -16.34% | 12.09% | 8.94% | 6.30% | 13.26% |
| Avg. daily Class I use | | 6,669,092 | 6,857,269 | 6,728,440 | 6,647,705 | 4,191,116 | 4,298,851 | 4,157,899 | 4,206,479 |
| Change From Previous Year | | -0.88% | 3.15% | 0.36% | 2.57% | 0.80% | 2.20% | 6.18% | 17.07% |

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 2008
- May 2008 Class Prices
- Class I Price for July 2008
- USDA Issues a Final Rule Establishing Dairy Product Mandatory Reporting Program
- USDA Issues a Tentative Final Decision on Amendments to all Federal Milk Marketing Orders: Class III/IV Price Formulas
- New Market Information Branch Chief
- United States Milk Production up 3.0 Percent in May 2008
- National Animal Identification System Information for Dairy Farmers
- Price Reactions After USDA Livestock Reports

**PRICE REACTIONS AFTER
USDA LIVESTOCK REPORTS**

The U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service published a report that contains price reactions to the USDA's *Milk Production* reports in 2007.

The monthly butter price reactions to milk production releases showed seven price increases for the week following the milk production release, with an average increase of 2.28 cents. For cheddar cheese barrels, there were only three months with increases for the week following the milk production release. For the remaining nine months, the average decrease was 4.62 cents. Cheddar cheese blocks also showed nine months of decreased prices in the week following the milk production release, with an average change of 5.65 cents.

The full report, including comparisons to previous years, can be found at:

http://www.nass.usda.gov/Publications/Price_Reactions/PDF/prrlan08.pdf ♦

Source: "Price Reactions After USDA Livestock Reports" Pr Rc 2 (3-08), National Agricultural Statistics Service, USDA.