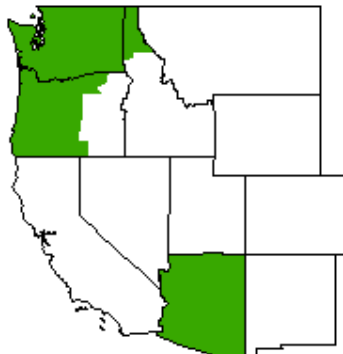


Pacific Northwest & Arizona Marketing Areas



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James R. Daugherty
 Market Administrator

June 2009

MARKET SUMMARIES FOR MAY 2009

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

Pacific Northwest

Producers delivered a total of 691.5 million pounds of milk to the market during May. Daily deliveries averaged 22.3 million pounds, up 18.9 percent from April. An estimated 654 producers delivered milk to the market during the month. Comparisons to April 2009 are biased due to eligible milk not pooled in April. Daily deliveries per producer averaged 34,107 pounds, down 2.7 percent from April.

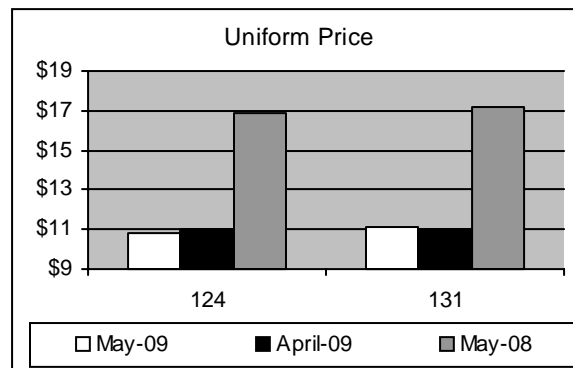
Class I producer milk during May totaled 181.1 million pounds, 26.2 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 5.9 percent from April.

Arizona

Producers delivered a total of 368.5 million pounds of milk to the market during May. Daily deliveries averaged 11.9 million pounds, down 4.6 percent from April.

An estimated 101 producers delivered milk to the market during the month. Daily deliveries per producer averaged 117,702 pounds, down 4.6 percent from April.

Class I producer milk during May totaled 113.0 million pounds, 30.7 percent of total producer receipts. Daily usage averaged 3.6 million pounds, down 9.3 percent from April. ♦



Federal Order Producer Prices and Component Levels: May 2009

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	10.83	11.15	Butterfat	3.646	3.412
Butterfat 2/	1.2648	1.2598	Protein	3.078	N/A
Protein 2/	1.7454	N/A	Other Solids	5.697	N/A
Other Solids 2/	0.0336	N/A	Nonfat Solids	8.775	N/A
PPD 1/*	0.99	N/A			
Skim 1/	N/A	6.98			

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

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MAY 2009 CLASS PRICES

May 2009 non-advanced Class Prices were calculated using NASS commodity price surveys from May 2, 9, 16, 23, and 30, 2009. Component prices for the month are \$1.7454 per pound of protein, \$1.2648 per pound of butterfat, \$0.0336 per pound of other solids, and \$0.6574 per pound of nonfat solids.

May 2009 Class III and IV prices at 3.5% butterfat are \$9.84 and \$10.14 per hundredweight, respectively. The May Class III price compared to April is down \$0.94. The Class III price is \$8.34 lower than in May 2008.

Class II butterfat was announced at \$1.2718 per pound. Class I skim and butterfat and Class II skim prices for May 2009 were announced on April 17, 2009. The Class II price at 3.5% butterfat is \$10.71 for May 2009.

FINAL: NASS COMMODITY PRICES

	<u>April</u>	<u>May</u>	<u>Change</u>
Cheese*	\$1.2771	\$1.1553	-\$0.1218
Butter	\$1.1665	\$1.2159	\$0.0494
Nonfat Dry Milk	\$0.8195	\$0.8318	\$0.0123
Whey	\$0.1949	\$0.2317	\$0.0368

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

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed a net decrease in price received for 40-pound blocks and a net increase for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 1.76 cents between the May 16 and the June 13 surveys, to \$1.1478 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 1.81 cents to \$1.1245 per pound.

The NASS butter price showed a net decrease of 0.59 cents between the weeks ending May 16 and June 13 from \$1.2162 per pound to \$1.2103 per pound.

The NASS nonfat dry milk showed a net increase of 1.67 cents since mid-May to \$0.8516 per pound. The average price for NASS whey showed an increase of 3.20 cents since mid-May to \$0.2668 per pound. ♦

JULY'S CLASS I PRICE ANNOUNCEMENT

On June 19, the July 2009 Class I price was announced at \$12.16 for the Pacific Northwest Order and \$12.61 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of June 6 and 13.

The July Class III and IV advance skim prices are \$5.71 and \$6.03 per hundredweight, respectively. The butterfat portion of the Class I mover increased 1.65 cents from \$1.2517 to \$1.2682 per pound.

The July 2009 Class II skim and nonfat solids prices were also announced on June 19. The skim price is \$6.73 per hundredweight, and the nonfat solids price is \$0.7478 pound for all Federal orders.

♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	<u>June</u>	<u>July</u>	<u>Change</u>
Cheese*	\$1.1562	\$1.1459	-\$0.0103
Butter	\$1.2051	\$1.2187	\$0.0136
Nonfat Dry Milk	\$0.8314	\$0.8443	\$0.0129
Whey	\$0.2323	\$0.2649	\$0.0326

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

FARM SERVICE AGENCY ISSUES FACT SHEET FOR AVERAGE ADJUSTED GROSS INCOME 2009 AND SUBSEQUENT YEARS: MILC AFFECTED

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) released a Fact Sheet for the Average Adjusted Gross Income 2009 and Subsequent Crop Years. In accordance with the Food, Conservation, and Energy Act of 2008 (2008 Act), the USDA has begun implementing average Adjusted Gross Income (AGI) changes for program eligibility for the 2009 through 2012 program years. The 2008 Act provides authority for implementing the average AGI provision's applicability to Commodity Credit Corporation (CCC) programs administered by FSA and the Natural Resources Conservation Service. MILC payments are subject to the new limitations. The Fact Sheet addresses changes to the average AGI rules, outlines limitations, defines terms, and highlights other information.

The Fact Sheet includes two tables, entitled "Table 1: Source of Adjusted Gross Farm Income"

and "Table 2: Applicability of AGI Thresholds to Various CCC Programs." Table 1 displays the different types of income related to livestock and crops and other types of income. The second table lists various programs and their applicable AGI limitation. Table 2 references the MILC program, stating that the three-year average of nonfarm AGI shall not exceed \$500,000.

The Fact Sheet is available on USDA's website via the following link:

www.fsa.usda.gov/Internet/FSA_File/agi2009.pdf.



Source: *FACT SHEET*, USDA Farm Service Agency, March 2009

WASHINGTON DAIRY PRODUCERS HAVE ADDITIONAL RISK MANAGEMENT CHOICES

The U.S. Department of Agriculture's Risk Management Agency (RMA) recently announced the Federal Crop Insurance Corporation's (FCIC) Board of Directors approved expansion and revisions to the Livestock Gross Margin Dairy Cattle (LGM-Dairy) plans of insurance. The changes were requested by Iowa Agricultural Insurance Innovations, Inc., the owners of the LGM plan of insurance.

LGM-Dairy provides protection against loss of gross margin (market value of milk minus feed costs) on milk produced from dairy cows. LGM-Dairy uses the Chicago Mercantile Exchange group futures prices for Class III milk and Chicago Board of Trade futures prices for corn and soybean meal to determine the expected gross margin and the actual gross margin.

Specific features of the **revised LGM-Dairy Cattle plans of insurance** include:

- LGM-Dairy has been expanded to Kentucky, New Mexico, Tennessee and **Washington**;
- The sales period for dairy has been modified to the last business Friday of each month till 8:00 pm the following evening;
- The basis adjustment has been eliminated for all plans of insurance; and
- Default feed coefficients have been added for LGM-Dairy. Currently, dairy producers have the flexibility to use different feed coefficients for corn and soybean meal per hundredweight of milk. Producers can now choose to use predetermined default corn and soybean meal coefficients, similar to LGM-Swine and LGM-Cattle.

LGM provides convenience as producers can sign up for LGM-Dairy 12 times per year and insure all their milk production they expect to market over a rolling 11-month insurance period; it is a customized product and can be tailored to any size farm; and is considered a bundled option insurance, similar to buying both a call option to limit higher feed costs and a put option to set a floor on milk prices.

The premium is earned and payable at the time coverage begins. LGM-Dairy premiums depend on producers' marketing plan, coverage selected, deductible level, futures and price volatility.

Sales for the 2010 crop year will begin July 31, 2009 (the last Friday of the month) and continue through June 30, 2010 (or until the maximum underwriting capacity [as established by the FCIC] is reached). Dairy producers are encouraged to contact a local livestock insurance agent to learn additional details.

For more information about the Livestock Gross Margin insurance policy for dairy cattle, see the RMA Web site at www.rma.usda.gov. Federal crop insurance program policies are sold and delivered solely through private crop and livestock insurance companies. A list of livestock crop insurance agents is available at all USDA Service Centers throughout the U.S. or at the RMA Web site address: www3.rma.usda.gov/tools/agents/. ◆

COMMODITY COSTS AND RETURNS

USDA has estimated annual production costs and returns and published accounts for major field crop and livestock enterprises since 1975. Cost and return estimates are reported for the United States and major production regions for corn, soybeans, wheat, cotton, grain sorghum, rice, peanuts, oats, barley, sugar beets, milk, hogs, and cow-calf. These cost and return accounts are "historical" accounts based on the actual costs incurred by producers. The costs and returns estimation program uses surveys conducted about every 4-8 years for each commodity as part of the annual Agricultural Resource Management Survey (ARMS), and methods that conform to standards recommended by the American Agricultural Economics Association (AAEA).

Starting in 2009, commodity costs and returns are updated biannually with preliminary estimates released on May 1 and final estimates released on October 1. This change is an attempt to enhance

the usefulness of these data by improving the timeliness of their availability.

The table on page 5 shows the milk production costs and returns per hundredweight sold for 2007-2008 by region and for the U.S. in total. The Fruitful Rim region covers most of Washington, the western side of Oregon, most of California, the southern region of Idaho, most of Arizona, and parts of Texas and Florida. This region represents the largest share of large and very large family farms and nonfamily farms. Major crops for this region include fruit, vegetables, nursery, and cotton farms.

Operating costs and allocated overhead costs in the Fruitful Rim were consistently lower than the national average, with the exception of purchased feed. At an estimated \$10.83 per hundredweight, the Fruitful Rim's purchased feed costs for 2008 were over \$2.00 more than the national average. In total, the Fruitful Rim's total costs exceeded the value of production by \$0.90 per hundredweight; meanwhile, the U.S. average showed a \$2.37 difference. ♦

Source: *Commodity Costs and Returns*, USDA Economic Research Service

APRIL 2009 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 144.1 million pounds in April, 3.9 percent below April 2008 and 2.1 percent below March 2009.

AMERICAN TYPE CHEESE production totaled 351.0 million pounds, 3.2 percent above April 2008 but 2.2 percent below March 2009. **TOTAL CHEESE** output (excluding cottage cheese) was 846.4 million pounds, 3.2 percent above April 2008 but 2.8 percent below March 2009.

NONFAT DRY MILK production, for human food, totaled 139.0 million pounds, 3.1 percent above April 2008 and 2.8 percent above March 2009.

DRY WHEY production, for human food, was 89.1 million pounds, 4.6 percent below April 2008 but 0.3 percent above March 2009.

ICE CREAM (hard) production totaled 79.6 million gallons, 3.2 percent above April 2008 and 4.5 percent above March 2009. ♦

Source: *Dairy Market News*, Volume 76, Report 23, Agricultural Marketing Service, USDA.

CATTLE & DAIRY OUTLOOK: DAIRY COW SLAUGHTER TO INCREASE

The following is an excerpt from USDA's Economic Research Service's Cattle Outlook:

Commercial beef cow slaughter will likely continue below year-earlier levels. Cow-calf producers appear reluctant to increase cow inventories by retaining replacement heifers. In addition, spring rains have reduced the total area affected by dry conditions, providing ample pasture-based forages for the lowest January 1 beef cow inventory since 1963. Second-quarter 2009 total commercial cow slaughter could be down slightly from second-quarter 2008. However, commercial dairy cow slaughter will increase as a result of liquidation of the sector in response to poor returns. In the second quarter of 2009, increased dairy cow slaughter could offset much, but likely not all, of the reduction in commercial beef cow slaughter due to the producer-funded Cooperatives Working Together program. Combined commercial beef and dairy cow slaughter for the last half of 2009 is expected to be

greater than in second-half 2008 as a result of continued heavy dairy cow slaughter and a seasonal increase in beef cow slaughter.

Cattle feeders could break even, or even have marginally positive returns this summer, due to relatively low feeder calf and grain prices this past winter. The relatively low costs of grain for cattle marketed in June and July 2009 will likely be fleeting, and by August, feeding margins likely will again turn negative. The improved pasture conditions will provide support for feeder cattle prices over the next month or so, especially for lighter-weight calves for placement on summer pastures.

The following is an excerpt from USDA's Economic Research Service's Dairy Outlook:

Reduction in herd size will lead to lower milk production both this year and next despite rising output per cow. Dairy product exports could improve slightly next year; however, domestic use is expected to remain flat in 2010 after a 2-percent improvement in 2009. Prices for milk and dairy products will show some recovery this year, strengthening further in 2010, but still remain below 2007 and 2008 highs. ♦

Source: *Livestock, Dairy & Poultry Outlook* LDP-M-180/June 17, 2009. Economic Research Service, USDA.

Milk production costs and returns per hundredweight sold, 2007-2008 1/

Item	United States		Heartland		Northern Crescent		Prairie Gateway		Eastern Uplands		Southern Seaboard		Fruitful Rim	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
dollars per cwt sold														
Gross value of production:														
Milk sold	19.28	18.35	19.30	18.38	19.92	18.97	18.54	17.64	19.67	18.74	20.62	19.63	18.51	17.62
Cattle	1.21	1.26	1.52	1.61	1.15	1.22	1.76	1.91	1.73	1.87	0.99	1.06	1.07	1.07
Other income 2/	0.66	1.17	0.64	1.13	0.67	1.18	0.58	1.03	0.71	1.26	0.71	1.26	0.67	1.18
Total, gross value of production	21.15	20.78	21.46	21.12	21.74	21.37	20.88	20.58	22.11	21.87	22.32	21.95	20.25	19.87
Operating costs:														
Feed--														
Purchased feed	6.29	8.49	5.07	6.83	4.92	6.62	7.46	10.00	5.92	7.95	7.04	9.41	8.06	10.83
Homegrown harvested feed	3.40	4.02	4.85	5.41	4.42	5.36	1.18	1.20	5.28	6.04	3.38	3.40	2.02	2.51
Grazed feed	0.09	0.10	0.09	0.10	0.10	0.11	0.06	0.06	0.30	0.34	0.18	0.20	0.06	0.07
Total, feed costs	9.78	12.61	10.01	12.34	9.44	12.09	8.70	11.26	11.50	14.33	10.60	13.01	10.14	13.41
Other--														
Veterinary and medicine	0.86	0.86	1.11	1.12	1.02	1.03	0.59	0.59	0.99	1.00	0.79	0.80	0.65	0.65
Bedding and litter	0.23	0.23	0.32	0.32	0.37	0.37	0.07	0.07	0.16	0.17	0.14	0.14	0.09	0.09
Marketing	0.28	0.28	0.27	0.28	0.25	0.25	0.36	0.36	0.33	0.33	0.42	0.43	0.29	0.30
Custom services	0.45	0.45	0.48	0.49	0.47	0.47	0.43	0.43	0.46	0.46	0.71	0.72	0.40	0.40
Fuel, lube, and electricity	0.66	0.86	0.70	0.91	0.77	1.00	0.49	0.63	0.80	1.04	0.75	0.97	0.54	0.70
Repairs	0.61	0.64	0.71	0.76	0.73	0.78	0.34	0.36	0.86	0.92	0.60	0.64	0.46	0.49
Other operating costs 3/	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on operating capital	0.29	0.14	0.30	0.15	0.29	0.14	0.24	0.12	0.33	0.16	0.31	0.15	0.28	0.14
Total, operating cost	13.16	16.07	13.90	16.37	13.34	16.13	11.22	13.82	15.43	18.41	14.32	16.86	12.85	16.18
Allocated overhead:														
Hired labor	1.62	1.69	1.40	1.45	1.64	1.71	1.41	1.53	1.66	1.74	1.72	1.77	1.68	1.76
Opportunity cost of unpaid labor	2.27	2.27	3.15	3.15	3.32	3.35	0.40	0.39	5.04	5.19	2.07	2.09	0.91	0.91
Capital recovery of machinery and equipment 4/	3.04	3.22	3.95	4.21	3.50	3.74	1.72	1.83	5.99	6.43	3.68	3.92	2.15	2.28
Opportunity cost of land (rental rate)	0.03	0.03	0.05	0.06	0.04	0.04	0.01	0.01	0.12	0.13	0.04	0.05	0.01	0.01
Taxes and insurance	0.23	0.23	0.23	0.23	0.29	0.29	0.12	0.12	0.26	0.26	0.21	0.21	0.16	0.17
General farm overhead	0.55	0.56	0.60	0.61	0.77	0.79	0.21	0.21	0.65	0.67	0.60	0.61	0.34	0.34
Total, allocated overhead	7.74	8.00	9.38	9.71	9.56	9.92	3.87	4.09	13.72	14.42	8.32	8.65	5.25	5.47
Total costs listed	20.90	24.07	23.28	26.08	22.90	26.05	15.09	17.91	29.15	32.83	22.64	25.51	18.10	21.65
Value of production less total costs listed	0.25	-3.29	-1.82	-4.96	-1.16	-4.68	5.79	2.67	-7.04	-10.96	-0.32	-3.56	2.15	-1.78
Value of production less operating costs	7.99	4.71	7.56	4.75	8.40	5.24	9.66	6.76	6.88	3.46	8.00	5.09	7.40	3.69
Supporting information:														
Milk cows (head per farm)	164	168	111	112	107	108	1,023	1,055	94	94	237	240	497	515
Output per cow (pounds)	19,107	19,142	18,778	18,800	19,468	19,502	18,289	18,305	15,328	15,329	16,496	16,528	19,900	19,938
Milking frequency more than twice per day (percent of farm)	7.69	7.72	3.66	3.70	8.86	8.85	33.99	34.87	1.48	1.51	10.93	11.19	8.71	8.87
Milk cows injected with BST (head per farm)	27	27	25	26	22	23	150	156	9	9	29	30	53	55

1/ Developed from survey base Year, 2005.

2/ Income from renting or leasing dairy stock to other operations; renting space to other dairy operations; co-op patronage dividends associated with the dairy; assessment rebates, refunds, and other dairy-related resources; and the fertilizer value of manure production.

3/ Costs for third party organic certification

4/ Machinery and equipment, and housing, manure handling, and feed storage structures, and dairy breeding herd.

MONTHLY SELECTED STATISTICS

PACIFIC NORTHWEST

ARIZONA

Minimum Class Prices (3.5% B.F.)	May 2009	Apr 2009	May 2008	Apr 2008	May 2009	Apr 2009	May 2008	Apr 2008
Class I Milk (\$/cwt.)	\$12.87	\$12.26	\$18.52	\$20.51	\$13.32	\$12.71	\$18.97	\$20.96
Class II Milk (\$/cwt.)	10.71	10.49	15.51	15.29	10.71	10.49	15.51	15.29
Class III Milk (\$/cwt.)	9.84	10.78	18.18	16.76	9.84	10.78	18.18	16.76
Class IV Milk (\$/cwt.)	10.14	9.82	15.26	14.56	10.14	9.82	15.26	14.56
Producer Prices								
Producer Price Differential (\$/cwt.)	\$ 0.99	\$ 0.23	\$(1.35)	\$ 0.19	+	+	+	+
Butterfat (\$/pound)	1.2648	1.2049	1.5562	1.4748	+	+	+	+
Protein (\$/pound)	1.7454	2.2009	4.1108	3.7579	+	+	+	+
Other Solids (\$/pound)	0.0336	(0.0043)	0.0766	0.0622	+	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	6.98	7.11	12.22	12.62
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.2598	1.2007	1.5459	1.4580
Statistical Uniform Price (\$/cwt.)	\$10.83	\$11.01	\$16.83	\$16.95	\$11.15	\$11.06	\$17.20	\$17.28
Producer Data								
Number of Producers	654 *	535	531	685	101 *	101	99	96
Avg. Daily Production (lbs.)	34,107 *	35,056	32,231	31,424	117,702 *	123,389	126,353	129,412
Producer Milk Ratios								
Class I	26.18%	33.08%	35.71%	29.56%	30.68%	32.28%	30.65%	31.56%
Class II	6.18%	6.90%	8.22%	6.14%	9.20%	7.13%	5.99%	6.16%
Class III	42.92%	31.33%	13.01%	30.61%	26.13%	24.19%	25.71%	26.00%
Class IV	24.72%	28.69%	43.06%	33.69%	33.99%	36.40%	37.65%	36.28%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Number of Handlers	Apr 2009	Mar 2009	Apr 2008	Mar 2008	Apr 2009	Mar 2009	Apr 2008	Mar 2008
Pool Handlers	26	27	27	26	7	7	7	7
<i>Distributing Plants</i>	15	15	16	17	5	5	5	5
<i>Supply Plants 2/</i>	6	7	6	4	1	1	1	1
<i>Cooperatives</i>	5	5	5	5	1	1	1	1
Producer-Handlers	6	6	6	6	0	0	1	1
Other Plants w/ Class I Use	22	21	24	23	24	25	23	22
Class I Route Disposition In Area								
By Pool Plants	169,465,034	172,339,360	167,653,626	171,613,772	96,171,581	99,265,118	95,375,111	95,601,280
By Producer-Handlers	6,811,671	7,398,374	6,730,938	6,214,944	0	0	1/	1/
By Other Plants	6,567,851 *	6,300,660	7,035,756	7,687,931	4,544,011 *	5,700,960	5,130,838	5,250,631
Total	182,844,556	186,038,394	181,420,320	185,516,647	100,715,592	104,966,078	100,505,949	100,851,911
Producer-Handler Data								
% Class I Use	77.76%	77.63%	85.38%	80.69%	0.00%	0.00%	R	R
% of Total In-Area Route Dispositions	3.73%	3.98%	3.71%	3.35%	0.00%	0.00%	R	R

* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants. 2/ Includes Cooperative Pool Manufacturing Plants

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST				ARIZONA				
	May 2009	Apr 2009	May 2008	Apr 2008	May 2009	Apr 2009	May 2008	Apr 2008	
TOTAL PRODUCER MILK	691,481,676	562,644,722	530,552,496	645,769,597	368,524,073	373,867,836	387,778,243	372,706,693	
RECEIPTS FROM OTHER SOURCES	32,567,618	44,286,398	34,160,692	37,914,153	7,609,410	7,207,343	5,545,732	13,035,212	
OPENING INVENTORY	35,107,961	27,632,694	31,883,657	34,135,988	27,131,004	20,379,139	22,124,557	24,691,459	
TOTAL TO BE ACCOUNTED FOR	759,157,255	634,563,814	596,596,845	717,819,738	403,264,487	401,454,318	415,448,532	410,433,364	
UTILIZATION OF RECEIPTS									
Whole milk	32,453,192	31,903,647	31,870,668	30,448,311	24,166,526	23,918,215	25,533,201	24,563,589	
Flavored milk & milk drinks	13,116,068	13,566,109	12,706,709	12,942,230	5,171,044	6,634,760	5,684,702	7,080,047	
2% milk	67,135,176	67,548,006	68,575,796	67,680,891	36,715,027	37,086,758	37,380,964	36,169,206	
1% milk	26,767,878	27,236,736	27,604,131	27,176,383	13,973,763	14,686,984	13,174,324	13,671,077	
Skim milk	28,135,043	27,872,126	28,856,991	28,042,223	12,631,389	13,370,225	13,199,674	13,434,263	
Buttermilk	1,359,190	1,338,410	1,281,173	1,363,588	397,441	474,639	440,544	456,929	
CLASS I ROUTE DISP. IN AREA.	168,966,547	169,465,034	170,895,468	167,653,626	93,055,190	96,171,581	95,413,409	95,375,111	
Class I dispositions out of area	16,625,391	17,757,859	19,042,597	20,041,559	22,073,743	21,680,467	22,256,740	22,449,222	
Other Class I usage	13,504,208	17,269,145	16,803,787	18,022,885	10,995,419	13,300,037	12,254,447	11,141,211	
TOTAL CLASS I USE.	199,096,146	204,492,038	206,741,852	205,718,070	126,124,352	131,152,085	129,924,596	128,965,544	
TOTAL CLASS II USE	50,244,055	46,017,604	50,391,669	48,036,310	34,882,495	27,457,943	24,408,370	23,827,833	
TOTAL CLASS III USE	300,343,175	187,851,471	69,025,582	206,871,831	96,765,895	90,485,234	99,714,196	96,927,901	
TOTAL CLASS IV USE	209,473,879	196,202,701	270,437,742	257,193,527	145,491,745	152,359,056	161,401,370	160,712,086	
TOTAL ACCOUNTED FOR	759,157,255	634,563,814	596,596,845	717,819,738	403,264,487	401,454,318	415,448,532	410,433,364	
CLASSIFICATION OF RECEIPTS									
Producer milk:	Class I	181,054,717	186,140,294	189,480,974	190,930,025	113,048,147	120,667,532	118,865,082	117,637,357
	Class II	42,707,257	38,827,545	43,586,973	39,625,222	33,899,410	26,666,552	23,221,161	22,949,522
	Class III	296,817,592	176,275,672	69,007,482	197,674,687	96,294,651	90,430,472	99,681,817	96,920,402
	Class IV	170,902,110	161,401,211	228,477,067	217,539,663	125,281,865	136,103,280	146,010,183	135,199,412
Other receipts:	Class I	18,041,429	18,351,744	17,260,878	14,788,045	13,076,205	27,586,482	27,670,289	37,726,671
	Class II	7,536,798	7,190,059	6,804,696	8,334,362	2/	1/	1/	1/
	Class III	3,525,583	11,575,799	18,100	9,197,144	2/	1/	1/	1/
	Class IV	38,571,769	34,801,490	41,960,675	39,730,590	21,664,209	1/	1/	1/
Avg. daily producer receipts		22,305,861	18,754,824	17,114,597	21,525,653	11,887,873	12,462,261	12,508,976	12,423,556
Change From Previous Year		30.33%	-12.87%	-10.45%	12.26%	-4.97%	0.31%	12.09%	8.94%
Avg. daily Class I use		6,422,456	6,816,401	6,669,092	6,857,269	4,068,527	4,371,736	4,191,116	4,298,851
Change From Previous Year		-3.70%	-0.60%	-0.88%	3.15%	-2.92%	1.70%	0.80%	2.20%

1/ Restricted - Included with Class I.
2/ Restricted - Included with Class IV.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for May 2009
- May 2009 Class Prices
- Class I Price for July 2009
- Farm Service Agency Issues Fact Sheet for Average Adjusted Gross Income 2009 and Subsequent Years
- Washington Dairy Producers Have Additional Risk Management Choices
- Commodity Costs and Returns
- April 2009 Dairy Products Highlights
- Cattle & Dairy Outlook
- National Producer-Handler and Exempt Plant Hearing Transcript Available on AMS Dairy Programs' Website

NATIONAL PRODUCER-HANDLER AND EXEMPT PLANT HEARING TRANSCRIPT AVAILABLE ON AMS DAIRY PROGRAMS' WEBSITE

On May 29, 2009, the USDA announced that the transcript for the national producer-handler and exempt plant hearing is available on the AMS Dairy Programs' Website. The transcript, in hardcopy and electronic formats, is also on file with the USDA Hearing Clerk's office.

Corrections to the transcript are due June 26, 2009, and briefs are due on July 17, 2009. Transcript corrections and briefs must be received by the hearing clerk no later than 4:30pm on their respective due dates. Please address transcript corrections and briefs to:

Hearing Clerk
U.S. Department of Agriculture
South Building, Room 1031
1400 Independence Ave. SW
Washington, D.C., 20250-9203

A link to the transcripts is posted on our website, www.fmmaseattle.com/currentnews.htm.