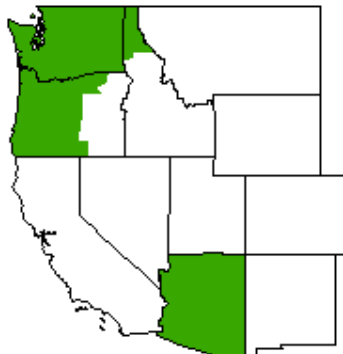


Pacific Northwest & Arizona Marketing Areas



1930 – 220th Street SE, Suite 102
 Bothell, Washington 98021-8471
 Phone (425) 487-6009
 Fax (425) 487-2775
 Homepage: fmmaseattle.com
 E-mail: fmmaseattle@fmmaseattle.com



10050 N 25th Avenue, Suite 302
 Phoenix, Arizona 85021-1664
 Phone (602) 547-2909
 Fax (602) 547-2906
 E-mail: ma@fmma.net

William A. Wise
 Market Administrator

July 2011

MARKET SUMMARIES FOR JUNE 2011

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

Pacific Northwest

Producers delivered a total of 704.9 million pounds of milk to the market during June. Daily deliveries averaged 23.5 million pounds, up 15.6 percent from May. An estimated 631 producers delivered milk to the market during the month. Comparisons to May 2011 are biased due to historically eligible milk not pooled. Daily deliveries per producer averaged 37,239 pounds, down 5.7 percent from May.

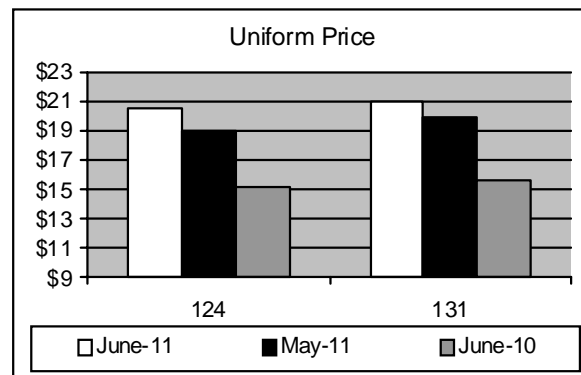
Class I producer milk during June totaled 177.2 million pounds, 25.1 percent of total producer receipts. Daily usage averaged 5.9 million pounds, down 2.6 percent from May.

Arizona

Producers delivered a total of 379.8 million pounds of milk to the market

during June. Daily deliveries averaged 12.7 million pounds, down 3.9 percent from May. An estimated 100 producers delivered milk to the market during the month. Daily deliveries per producer averaged 126,606 pounds, down 3.9 percent from May.

Class I producer milk during June totaled 106.5 million pounds, 28.1 percent of total producer receipts. Daily usage averaged 3.6 million pounds, down 3.9 percent from May. ♦



Federal Order Producer Prices and Component Levels: June 2011

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	20.60	21.02	Butterfat	3.672	3.496
Butterfat 2/	2.3702	2.3602	Protein	3.108	N/A
Protein 2/	2.9807	N/A	Other Solids	5.751	N/A
Other Solids 2/	0.3339	N/A	Nonfat Solids	8.859	N/A
PPD 1/*	1.49	N/A			
Skim 1/	N/A	13.22			

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Office of the Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, or call (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

JUNE 2011 CLASS PRICES

June 2011 non-advanced Class Prices were calculated using NASS commodity price surveys from June 4, 11, 18, and 25, 2011. Component prices for the month are \$2.9807 per pound of protein, \$2.3702 per pound of butterfat, \$0.3339 per pound of other solids, and \$1.4694 per pound of nonfat solids.

June 2011 Class III and IV prices at 3.5% butterfat are \$19.11 and \$21.05 per hundredweight, respectively. The June Class III price compared to May is up \$2.59. The Class III price is \$5.49 higher than in June 2010.

Class II butterfat was announced at \$2.3772 per pound. Class I skim and butterfat and Class II skim prices for June 2011 were announced on May 20, 2011. The Class II price at 3.5% butterfat is \$21.37 for June 2011.

FINAL: NASS COMMODITY PRICES

	May	June	Change
Cheese*	\$1.6534	\$1.8999	\$0.2465
Butter	\$2.0292	\$2.1287	\$0.0995
Nonfat Dry Milk	\$1.6120	\$1.6520	\$0.0400
Whey	\$0.4929	\$0.5233	\$0.0304

* 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 34.32 cents between the June 11 and the July 16 surveys, to \$2.1336 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 26.78 cents to \$2.1243 per pound.

The NASS butter price showed a net decrease of 12.03 cents between the weeks ending June 11 and July 16 from \$2.1453 per pound to \$2.0250 per pound.

The NASS nonfat dry milk showed a net decrease of 0.13 cents since mid-June to \$1.6510 per pound. The average price for NASS whey showed a net increase of 2.94 cents since mid-June to \$0.5521 per pound. ♦

AUGUST'S CLASS I PRICE ANNOUNCEMENT

On July 22, the August 2011 Class I price was announced at \$23.33 for the Pacific Northwest Order and \$23.78 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of July 9 and 16.

The August Class III and IV advance skim prices are \$14.05 and \$13.27 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 12.74 cents from \$2.3770 to \$2.2496 per pound.

The August 2011 Class II skim and nonfat solids prices were also announced on July 22. The skim price is \$13.97 per hundredweight, and the nonfat solids price is \$1.5522 pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	July	August	Change
Cheese*	\$1.7934	\$2.1308	\$0.3374
Butter	\$2.1343	\$2.0291	-\$0.1052
Nonfat Dry Milk	\$1.6462	\$1.6571	\$0.0109
Whey	\$0.5201	\$0.5470	\$0.0269

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

ANALYSIS OF HAULING CHARGES AND PRODUCER MILK BY LOCATION AND SIZE RANGE OF PRODUCTION

The Market Administrator's Office recently released a study of hauling charges of milk pooled on the Pacific Northwest Order. A copy of the full study can be found on the Market Administrator's web site at: <http://www.fmmaseattle.com/statistics/Haulstudy10.pdf>.

Major findings of this study include:

1. In May 2010, the weighted average hauling charges on the Pacific Northwest Order was 59.87 cents per hundredweight, up 6.47 cents from May 2009.
2. By state, Oregon had the lowest weighted average hauling charge, followed by California, Washington, and Idaho.
3. In general, hauling charges in the Northwest appear to be determined by the density of farms in a region; the size of dairy farms and their proximity to metropolitan areas or areas of intense milk processing. Although the size of a dairy farm could be an economic factor used to

determine hauling charges, such a direct relationship is not clearly evident in the data.

4. Based on producer milk pooled, the average monthly deliveries per producer for the Pacific Northwest Order was 1,077,768 pounds, a 25,284 pound increase from May 2009. ♦

INVITATION TO SUBMIT PROPOSALS FOR CONSIDERATION AT A PUBLIC HEARING THAT MAY BE HELD TO DISCUSS AMENDING THE POOLING STANDARDS WITHIN THE DEFINITION OF A POOL DISTRIBUTING PLANT

On July 15, 2011, USDA issued a release to announce that Foremost Farms USA Cooperative, Inc., National Farmers Organization, Inc., and Dairy Farmers of America, Inc. have requested that the USDA hold a public hearing to consider a proposal to amend the definition of the pool distributing plant provision in the Mideast Milk Marketing Order. The proposal would amend the pooling standards as part of the definition of a pool distributing plant.

The proposal may be obtained from the Dairy Programs website at: www.ams.usda.gov/dairy.

The proposal has not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing will be held, USDA is providing the opportunity for interested parties to submit additional proposals regarding the amending of the pooling standards for a pool distributing plant in the Mideast Milk Marketing Order.

The preferred method of submission is via email. Electronic submissions should be emailed to amsdairycomments@usda.gov. Proposals can be faxed to (202) 690-0552. Proposals can also be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP-0231-Room 2971, 1400 Independence Ave., SW, Washington, DC 20250-0225. **Proposals must be received by August 12, 2011.** Each proposal should be accompanied by a comprehensive statement on the need for the proposal. The statement will be evaluated to determine whether the proposal will be accepted if a hearing is held. In accordance with 7 CFR 900.22 and adoption of the final rule published in the **Federal Register** on August 20, 2008 (73 FR 49085), proposal submissions must include detailed explanations of the following:

1. Explain the proposal. What is the disorderly marketing condition that the proposal is intended to address?
2. What is the purpose of the proposal?

3. Describe the current Federal order requirements or industry practices relative to the proposal.
4. Describe the expected impact on the industry, including on producers and handlers, and on consumers. Explain/Quantify.
5. What are the expected effects on small businesses as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612)? Explain/Quantify.
6. How would the proposal increase or decrease costs to producers, handlers, others in the marketing chain, consumers, the Market Administrator offices and/or the Secretary? Explain/Quantify?
7. Would a pre-hearing information session be helpful to explain the proposal?

Actions under the Federal milk order program are subject to the Regulatory Flexibility Act which seeks to ensure that the regulatory and informational requirements are tailored to the size and nature of small businesses. For the purposes of the Federal order program, a dairy farm is considered a small business if it has an annual gross revenue of less than \$750,000, and a dairy products manufacturer is a small business if it has fewer than 500 employees. For purposes of determining a handler's size, if the plant is part of a larger company operating multiple plants that collectively exceed the 500-employee limit, the plant will be considered a large business even if the local plant has fewer than 500 employees. Interested persons are encouraged to submit proposals that carry out the intent of the Regulatory Flexibility Act.

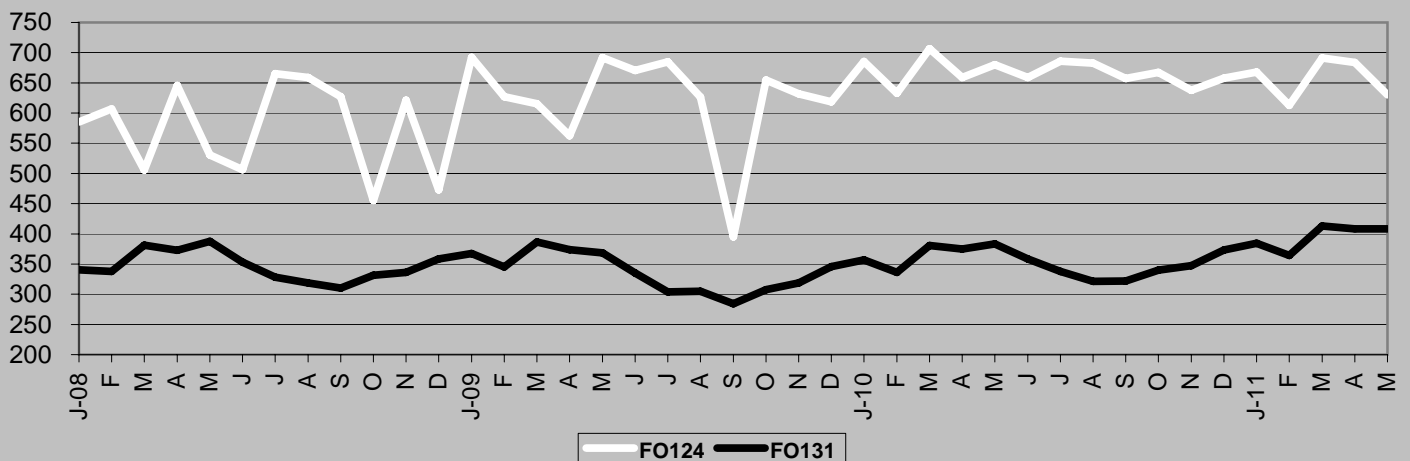
If USDA determines that a hearing will be held, all known interested parties will be mailed a copy of the Notice of Hearing. Anyone who desires to present evidence on proposals set forth in the Notice of Hearing will have an opportunity to do so at the hearing.

Once a Notice of Hearing is issued and until the issuance of a Final Decision, USDA employees involved in the decisional process may not discuss the merits of a proceeding on an "ex parte" basis. Accordingly, it is suggested that any discussions you may wish to have with USDA personnel, including Market Administrator employees, be initiated as soon as possible. Procedural matters may be discussed at any time throughout the proceeding. ♦

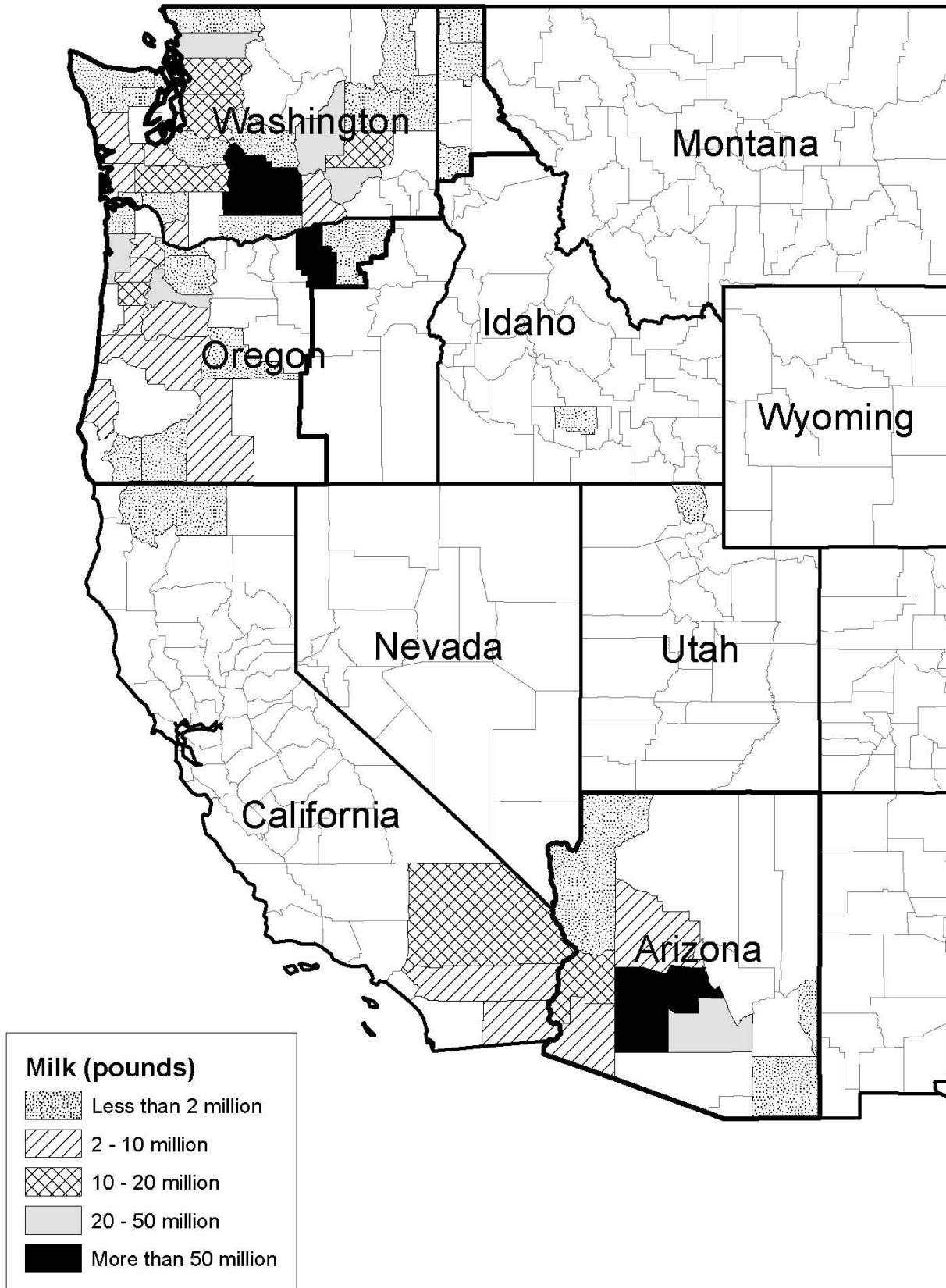
Number of Producers and Pounds of Milk: By Order, State, and County, May 2011

State	County	Producers	Milk	State	County	Producers	Milk
Pacific Northwest Order				Pacific Northwest Order (Continued)			
California				Oregon			
	Siskiyou	3	1,404,545	Benton		3	3,047,847
Total California		3	1,404,545	Clackamas & Multnomah		8	1,110,747
Idaho				Clatsop		4	1,671,268
	Bonner, Boundary, Latah and Lincoln, ID, & Cache, UT	6	955,844	Coos		7	2,355,032
Total Idaho		6	955,844	Deschutes, Jackson & Klamath		8	5,205,237
Washington				Josephine		3	1,029,025
	Adams	9	17,479,890	Lane		4	4,865,132
	Benton	3	6,878,901	Linn		7	5,071,860
	Clark & Cowlitz	10	7,934,440	Marion		29	29,141,468
	Franklin	11	39,863,173	Morrow & Umatilla		8	72,098,588
	Grant & Kittitas	24	49,630,689	Polk		5	10,142,266
	Grays Harbor, Jefferson & Clallam	11	5,165,107	Tillamook		105	45,674,904
	King	25	14,446,894	Washington		12	5,354,803
	Klickitat	3	1,202,637	Yamhill		7	9,369,886
	Lewis	30	11,341,516	Total Oregon		210	196,138,063
	Lincoln & Spokane	7	1,449,379	Arizona Order			
	Pacific	8	2,509,815	Arizona			
	Skagit	31	24,863,311	Maricopa		71	317,601,935
	Snohomish & Island	26	18,666,862	Cochise, Greenlee & Pinal		13	48,567,938
	Stevens	8	1,336,994	La Paz, Mohave, Yavapai and Yuma, AZ, & Imperial, Riverside, and San Bernardino, CA		16	42,280,501
	Thurston & Pierce	11	10,509,402	Total Arizona		100	408,450,374
	Wahkiakum	4	649,509	Total Pacific Northwest Order			
	Whatcom	3	725,129	515			
	Yakima	72	217,213,163	Total Arizona Order			
Total Washington		296	431,866,811	100			
				Total			
				615			
				1,038,815,637			

**Pacific Northwest (FO124) and Arizona (FO131) Producer Milk Pooled
January 2008 - May 2011 (million pounds)**



Pounds of Producer Milk by County, May 2011



MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST				ARIZONA			
	Jun 2011	May 2011	Jun 2010	May 2010	Jun 2011	May 2011	Jun 2010	May 2010
Minimum Class Prices (3.5% B.F.)								
Class I Milk (\$/cwt.)	\$22.22	\$21.65	\$17.18	\$15.70	\$22.67	\$22.10	\$17.63	\$16.15
Class II Milk (\$/cwt.)	21.37	20.63	16.01	14.90	21.37	20.63	16.01	14.90
Class III Milk (\$/cwt.)	19.11	16.52	13.62	13.38	19.11	16.52	13.62	13.38
Class IV Milk (\$/cwt.)	21.05	20.29	15.45	15.29	21.05	20.29	15.45	15.29
Producer Prices								
Producer Price Differential (\$/cwt.)	\$ 1.49	\$ 2.50	\$ 1.56	\$ 1.22	+	+	+	+
Butterfat (\$/pound)	2.3702	2.2497	1.7234	1.7058	+	+	+	+
Protein (\$/pound)	2.9807	2.3133	2.2040	2.1523	+	+	+	+
Other Solids (\$/pound)	0.3339	0.3026	0.1748	0.1704	+	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	13.22	12.45	9.98	9.44
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.3602	2.2473	1.7281	1.6921
Statistical Uniform Price (\$/cwt.)	\$20.60	\$19.02	\$15.18	\$14.60	\$21.02	\$19.88	\$15.68	\$15.03
Producer Data								
Number of Producers	631 *	515	629	631	100 *	100	96	96
Avg. Daily Production (lbs.)	37,239 *	39,484	34,914	34,767	126,606 *	131,758	124,511	128,782
Producer Milk Ratios								
Class I	25.14%	29.82%	26.84%	27.20%	28.05%	28.05%	29.28%	30.20%
Class II	6.78%	6.19%	7.22%	6.88%	7.67%	7.85%	8.52%	7.44%
Class III	41.04%	45.91%	42.42%	42.18%	29.99%	26.60%	26.32%	29.67%
Class IV	27.04%	18.08%	23.52%	23.74%	34.29%	37.50%	35.88%	32.69%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	PACIFIC NORTHWEST				ARIZONA			
	May 2011	Apr 2011	May 2010	Apr 2010	May 2011	Apr 2011	May 2010	Apr 2010
Number of Handlers								
Pool Handlers	25	26	27	28	7	7	7	7
<i>Distributing Plants</i>	14	14	14	15	5	5	5	5
<i>Supply Plants 1/</i>	6	7	8	8	1	1	1	1
<i>Cooperatives</i>	5	5	5	5	1	1	1	1
Producer-Handlers	5	5	6	6	0	0	0	0
Other Plants w/ Class I Use	17	18	24	24	22	21	23	26
Class I Route Disposition In Area								
By Pool Plants	171,640,655	169,220,775	170,938,863	171,054,146	89,819,576	93,968,414	91,686,216	96,714,659
By Producer-Handlers	7,259,036	7,165,860	9,297,601	10,008,493	0	0	0	0
By Other Plants	7,608,440 *	7,324,896	6,513,159	8,151,270	6,110,834 *	6,448,999	5,256,315	5,544,425
Total	186,508,131	183,711,531	186,749,623	189,213,909	95,930,410	100,417,413	96,942,531	102,259,084
Producer-Handler Data								
% Class I Use	62.34%	61.19%	73.42%	79.42%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.89%	3.90%	4.98%	5.29%	0.00%	0.00%	0.00%	0.00%

* Preliminary. 1/ Includes Cooperative Pool Manufacturing Plants

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST				ARIZONA			
	Jun 2011	May 2011	Jun 2010	May 2010	Jun 2011	May 2011	Jun 2010	May 2010
TOTAL PRODUCER MILK	704,931,430	630,364,710	658,832,836	680,071,814	379,816,821	408,450,394	358,591,020	383,255,287
RECEIPTS FROM OTHER SOURCES	15,674,113	12,290,119	16,246,747	16,385,505	13,178,288	1,880,488	2,755,861	3,174,028
OPENING INVENTORY	37,647,255	35,861,869	36,000,583	37,562,572	20,674,642	21,619,611	24,889,572	23,034,387
TOTAL TO BE ACCOUNTED FOR	758,252,798	678,516,698	711,080,166	734,019,891	413,669,751	431,950,493	386,236,453	409,463,702
UTILIZATION OF RECEIPTS								
Whole milk	31,657,798	33,070,203	30,457,814	32,007,691	22,852,969	23,278,399	23,150,598	23,774,122
Flavored milk & milk drinks	8,709,109	13,397,903	9,106,009	13,384,044	2,344,423	5,306,507	2,772,831	5,638,770
2% milk	66,323,286	68,270,229	66,506,717	68,356,229	32,061,163	32,904,856	32,607,431	33,845,767
1% milk	24,797,738	27,592,156	25,004,462	27,652,236	13,973,169	15,893,905	13,788,642	15,633,939
Skim milk	26,441,720	27,924,130	27,419,430	28,159,453	11,046,008	12,051,114	11,359,586	12,420,737
Buttermilk	1,367,826	1,386,034	1,317,499	1,379,210	367,296	384,795	363,063	372,881
CLASS I ROUTE DISP. IN AREA.	159,297,477	171,640,655	159,811,931	170,938,863	82,645,028	89,819,576	84,042,151	91,686,216
Class I dispositions out of area	15,931,568	15,254,600	16,004,407	15,064,765	23,879,091	24,774,700	22,844,213	22,792,336
Other Class I usage	18,886,161	17,236,898	17,522,280	17,794,391	12,862,053	12,758,206	12,505,491	14,761,611
TOTAL CLASS I USE.	194,115,206	204,132,153	193,338,618	203,798,019	119,386,172	127,352,482	119,391,855	129,240,163
TOTAL CLASS II USE	54,802,736	47,488,371	57,842,887	55,624,071	29,738,861	32,759,545	31,277,578	29,151,094
TOTAL CLASS III USE	292,367,270	291,024,102	280,637,381	288,346,914	113,913,114	110,118,490	94,799,476	114,138,530
TOTAL CLASS IV USE	216,967,586	135,872,072	179,261,280	186,250,887	150,631,604	161,719,976	140,767,544	136,933,915
TOTAL ACCOUNTED FOR	758,252,798	678,516,698	711,080,166	734,019,891	413,669,751	431,950,493	386,236,453	409,463,702
CLASSIFICATION OF RECEIPTS								
Producer milk: Class I	177,243,411	187,989,813	176,820,656	185,001,246	106,530,415	114,572,008	105,002,053	115,738,015
Class II	47,794,528	39,044,271	47,570,542	46,804,168	29,133,991	32,075,604	30,561,167	28,518,156
Class III	289,310,460	289,406,102	279,476,766	286,847,911	113,892,602	108,658,725	94,388,786	113,725,800
Class IV	190,583,031	113,924,524	154,964,872	161,418,489	130,259,813	153,144,057	128,639,014	125,273,316
Other receipts: Class I	16,871,795	16,142,340	16,517,962	18,796,773	12,855,757	12,780,474	14,389,802	13,502,148
Class II	7,008,208	8,444,100	10,272,345	8,819,903	1/	1/	1/	1/
Class III	3,056,810	1,618,000	1,160,615	1,499,003	1/	1/	1/	1/
Class IV	26,384,555	21,947,548	24,296,408	24,832,398	20,997,173	10,719,625	13,255,631	12,706,267
Avg. daily producer receipts	23,497,714	20,334,345	21,961,095	21,937,800	12,660,561	13,175,819	11,953,034	12,363,074
Change From Previous Year	7.00%	-7.31%	-1.75%	-1.65%	5.92%	6.57%	6.94%	4.00%
Avg. daily Class I use	6,470,507	6,584,908	6,444,621	6,574,130	3,979,539	4,108,145	3,979,729	4,169,038
Change From Previous Year	0.40%	0.16%	-0.03%	2.36%	0.00%	-1.46%	-2.33%	2.47%

1/ Restricted - Included with Class IV.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for June 2011
- June 2011 Class Prices
- Class I Price for August 2011
- Analysis of Hauling Charges and Producer Milk
- USDA Issues Invitation to Submit Proposals for Consideration at a Public Hearing that May Be Held to Discuss Amending the Pooling Standards within the Definition of a Pool Distributing Plant
- State and County Data for May 2011
- July is Ice Cream Month

JULY IS ICE CREAM MONTH

In 1984, President Ronald Reagan designated July as National Ice Cream Month and the third Sunday of the month as National Ice Cream Day. He recognized ice cream as a fun and nutritious food that is enjoyed by a full 90% of the nation's population. In the proclamation, President Reagan called for all people of the United States to observe these events with "appropriate ceremonies and activities." In 2011, National Ice Cream Day was Sunday, July 17. The U.S. ice cream industry generates more than \$21 billion in annual sales and provides jobs for thousands of citizens. About 9% of all the milk produced by U.S. dairy farmers is used to produce ice cream. ♦

Summary courtesy of Dairy Programs, Agricultural Marketing Service, USDA.

