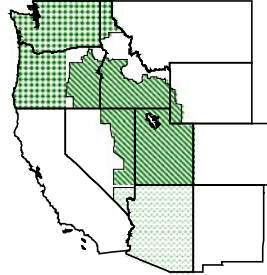


Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



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

James R. Daugherty
Market Administrator

August 2003

MARKET SUMMARIES FOR JULY 2003

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

Pacific Northwest

Producers delivered a total of 411.5 million pounds of milk to the market during July. Comparisons to the previous month are affected by eligible milk not pooled in July 2003. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 13.2 million pounds, down 35.8 percent from June. An estimated 691 producers delivered milk to the market during the month. Daily deliveries per producer averaged 19,209 pounds, down 16.7 percent from June.

Class I producer milk during July totaled 172.5 million pounds, 41.9 percent of total producer receipts. Daily usage averaged 5.6 million pounds, up 4.0 percent from June.

Arizona-Las Vegas

Producers delivered a total of 243.9 million pounds of milk to the market during July. Daily deliveries averaged 7.9 million pounds, down 10.0 percent from June. An estimated 106 producers delivered milk to the market during the month. Daily deliveries per producer averaged 74,210 pounds, down 10.0 percent from June.

Class I producer milk during July totaled 82.9 million pounds, 34.0 percent of total producer receipts. Daily usage averaged 2.6 million pounds, up 10.8 percent from June.

Western

Producers delivered a total of 176.1 million pounds of milk to the market during July. Comparisons to the previous month are affected by eligible milk not pooled in July 2003. Approximately, 400 million pounds were not pooled in July 2003. Daily deliveries averaged 5.7 million pounds, down 71.9 percent from June. An estimated 708 producers delivered milk to

(Continued on Page 2)

Federal Order Producer Prices and Component Levels: July 2003

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.93	11.53	11.44	Butterfat	3.536	3.558	3.456
Butterfat 2/	1.2055	1.2026	1.2055	Protein	2.953	N/A	2.915
Protein 2/	2.5480	N/A	2.5480	Other Solids	5.706	N/A	5.716
Other Solids 2/	(0.0124)	N/A	(0.0124)	Nonfat Solids	8.659	N/A	8.630
PPD 1/*	(0.85)	N/A	(0.34)				
Skim 1/	N/A	7.59	N/A				

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

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (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 the USDA, Director, Office of Civil Rights, Room 326W, Jamie L. Whitten Building, 14th and Independence Avenue, SW., Washington, D.C. 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an Equal Opportunity provider and employer.

(Continued Form Page 1)

the market during the month. Daily deliveries per producer averaged 8,024 pounds, down 65.8 percent from June.

Class I producer milk during July totaled 92.6 million pounds, 52.6 percent of total producer receipts. Daily usage averaged 3.0 million pounds, up 3.3 percent from June. ♦

JULY 2003 CLASS PRICES

July 2003 non-advanced Class Prices were calculated using NASS commodity price surveys from July 5, 12, 19, and 26, 2003. Component prices for the month are \$2.5480 per pound of protein, \$1.2055 per pound of butterfat, negative \$0.0124 per pound of other solids, and \$0.6605 per pound of nonfat solids. The other solids price is negative because the average wholesale price of dry whey for July 2003 is less than the make allowance contained in the other solids price formula.

July 2003 Class III and IV prices at 3.5% butterfat are \$11.78 and \$9.95 per hundredweight, respectively. The July Class III price compared to June is up \$2.03. The Class III price is \$2.45 higher than July 2002. The Class III price at 3.67% butterfat is \$2.07 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.2125 per pound. Class I skim and butterfat and Class II skim prices for July 2003 were announced on June

20, 2003. The Class II price at 3.5% butterfat is \$10.63 for July 2003 .

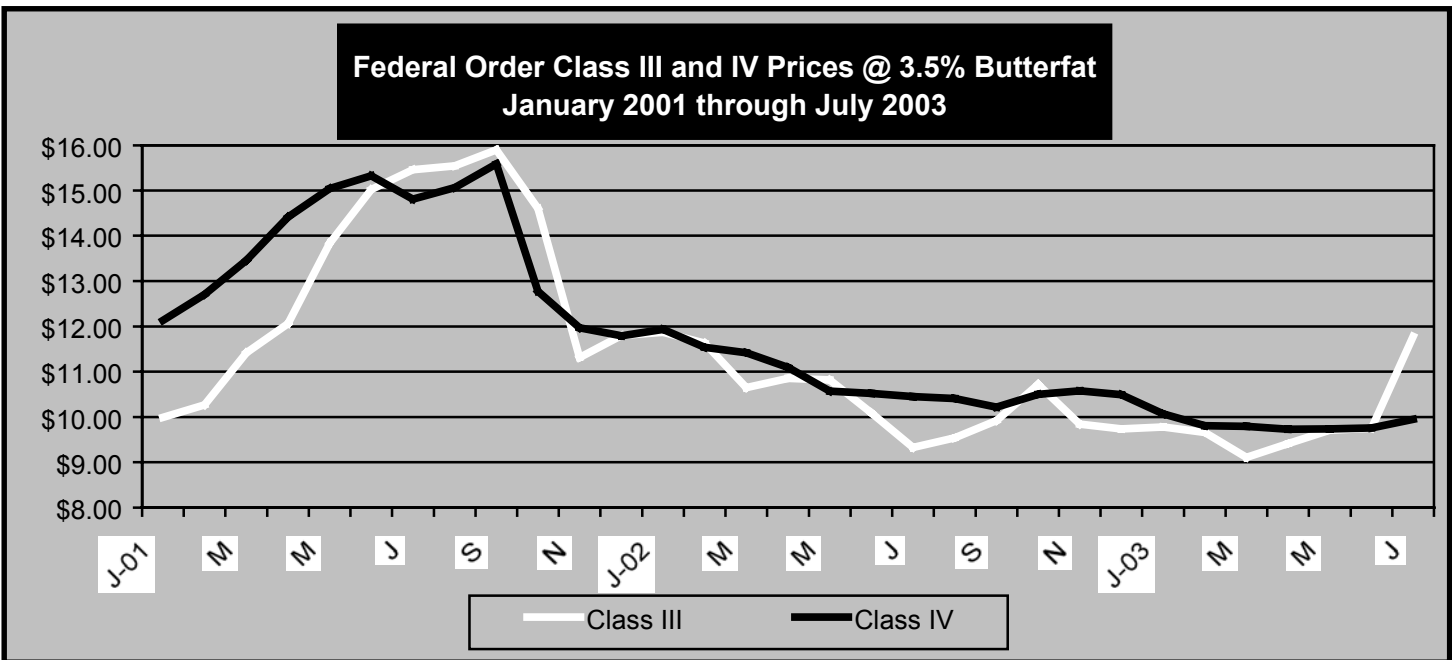
FINAL: NASS COMMODITY PRICES			
	June	July	Change
Cheese*	\$1.1464	\$1.3497	\$0.2033
Butter	\$1.0797	\$1.1196	\$0.0399
Nonfat Dry Milk	\$0.8040	\$0.8072	\$0.0032
Whey	\$0.1396	\$0.1470	\$0.0074

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

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed an increase of 17.37 cents between the July 19 and the August 16 surveys, to \$1.5428 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 12.85 cents to \$1.5359 per pound.

The NASS butter price showed a net increase of 0.2 cents between the weeks ending July 19 and August 16 from \$1.1797 per pound to \$1.1817 per pound.

The NASS nonfat dry milk showed a net increase of 0.65 cents since mid-July to \$0.8112 per pound. The average price for NASS whey showed an increase of 1.43 cents since mid-July to \$0.1609 per pound. ♦



**SEPTEMBER'S CLASS I PRICE
ANNOUNCEMENT – HIGHEST PRICE
SINCE NOVEMBER 2001**

On August 22, the September 2003 Class I price was announced at \$15.61 for the Pacific Northwest and Western Orders, and \$16.06 for the Arizona-Las Vegas Order. These prices represent the highest Class I prices since November 2001, when the Class I prices were above \$17.00. The Class I price was calculated using NASS commodity price surveys from the weeks of August 9 and 16.

The September Class III and IV advance skim prices are \$9.51 and \$5.99 per hundredweight, respectively. The butterfat portion of the Class I mover increased 10.9 cents from \$1.1854 to \$1.2944 per pound.

The September 2003 Class II skim and nonfat solids prices were also announced on August 22. The skim price is \$6.69 per hundredweight, and the nonfat solids price is \$0.7433 per pound for all Federal orders. ♦

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

	August	September	Change
Cheese*	\$1.2685	\$1.5396	\$0.2711
Butter	\$1.1028	\$1.1937	\$0.0909
Nonfat Dry Milk	\$0.8062	\$0.8118	\$0.0056
Whey	\$0.1452	\$0.1599	\$0.0147

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

(Continued From Page 8)

intended purpose, and 4) clarify the producer and producer milk definitions. An amendment to both the Pacific Northwest and Western orders would eliminate the ability of a handler to simultaneously pool the same milk on a Federal order and a State order that utilizes marketwide pooling.

The tentative final decision was published in the August 18 Federal Register.

USDA will conduct a vote within 30 days on the amended order to determine dairy producer approval. USDA also encourages all interested parties to file comments in response to the tentative decision. Comments must be received by October 17, 2003 and will be used to formulate the final decision.

For additional information about the decision contact: James R. Daugherty, Market Administrator; USDA/AMS/Dairy Programs; 1930 - 220th Street, S.E., Suite 102, Bothell, WA 98021-8471; Tel. (425)487-6009; e-mail: fmmaseattle@fmmaseattle.com. ♦

**USDA ANNOUNCES HEARING TO
CONSIDER AMENDING THE PACIFIC
NORTHWEST AND ARIZONA-LAS VEGAS
MILK MARKETING ORDERS**

USDA will hold a public hearing beginning at 8:30 a.m. on Tuesday, September 23, 2003 at the Sheraton Airport Hotel, 1600 South 52nd St., Tempe, Ariz., on proposals that would amend certain producer-handler provisions in the Pacific Northwest and Arizona-Las Vegas milk marketing orders.

Proposals to be considered would end the regulatory exemption from the pricing and pooling provisions of the Pacific Northwest and the Arizona-Las Vegas milk marketing orders for producer-handlers whose Class I route disposition exceeds three million pounds per month. In addition, a proposal will be considered that would eliminate the ability to simultaneously pool the same milk on the Arizona-Las Vegas milk order and on a State-operated order that provides for marketwide pooling.

The notice of the hearing was published in the August 6 Federal Register. Copies may be obtained from the Pacific Northwest, Arizona-Las Vegas & Western milk marketing orders office, USDA/AMS/Dairy Programs, 1930 - 220th Street, S.E., Suite 102, Bothell, Washington 98021-8471 or USDA/AMS/Dairy Programs, 10050 North 25th Avenue, Suite 302, Phoenix, AZ 85021-1664 or AMS/Dairy Programs, USDA Stop 0231 - Room 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231.

Persons requiring a sign language interpreter or other special accommodations should contact William Wise at (602) 547-2909 or wisew@fmma.net before the hearing begins. ♦

HAROLD FRIEDLY APPOINTED MILK MARKET ADMINISTRATOR OF THE APPALACHIAN MILK MARKETING ORDER

Harold H. Friedly, Jr. was appointed as Market Administrator of the Appalachian Milk Marketing Order, effective July 27, 2003. He graduated from the Eastern Kentucky University with a bachelor's degree in Business Administration. He has worked for the Market Administrator office in Louisville, Kentucky, from January 1983 until the present. He began work as a Computer Operator, was promoted to the position of Computer Programmer in January 1986, and then promoted to Computer Programmer/Specialist in January 1988. In 1990, he was named Head of the Operations Department and in August 1992, he was appointed to the position of Assistant Market Administrator. He has held the position of Acting Market Administrator since the retirement of Arnold Stallings.

In January 2002, Arnold Stallings retired from the position of Market Administrator, Appalachian Milk Marketing Order. Mr. Stallings had been with the Federal Milk Marketing Order Program more than 40 years and contributed significantly to the successful administration of the order program. ♦

IN-AREA DISPOSITION OF FLUID MILK PRODUCTS: JANUARY THROUGH JUNE 2002

In-area route disposition of fluid milk products is the amount of fluid milk products, from all sources, marketed in the selected Federal order marketing area. The following tables show in-area route disposition and the change from a year-ago for the Pacific Northwest, Arizona-Las Vegas, and Western Orders.

In each of the three orders a historic trend of increasing lowfat milk products consumption and decreasing whole milk products consumption has not been evident for the last two years.

Arizona-Las Vegas Order

For the period of January through June 2003, disposition of fluid milk products in the marketing area of the Arizona-Las Vegas Order totaled 648.2 million pounds, a 3.1 percent increase from the same period in 2002. During the first half of 2003, in-area fluid milk disposition of whole milk products increased 2.6 percent, compared to a year earlier and lowfat milk products increased 3.4 percent.

**In-Area Route Disposition 1/
Arizona-Las Vegas Order (FO131)
January through June 2003 vs. 2002**

	2003	2002	Change
Whole Milk Products			
- million pounds -			
Whole	218.3	210.8	3.55%
Flavored	11.9	13.5	-11.67%
Total Whole Milk 2/	230.2	224.3	2.64%
Low-fat Milk Products			
2%	233.5	227.7	2.56%
1%	69.9	69.3	0.87%
Skim	81.3	80.4	1.20%
Flavored Low-Fat	28.0	22.2	26.22%
Buttermilk & Other 3/	5.2	4.6	13.59%
Total Low-fat Milk 2/	418.0	404.1	3.42%
Combined Total 2/	648.2	628.4	3.14%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

Pacific Northwest Order

For the period of January through June 2003, disposition of fluid milk products in the marketing area of the Pacific Northwest Order totaled 1,078.6 million pounds, a 0.9 percent increase from the same period in 2002. During the first half of 2003, in-area fluid milk disposition of whole milk products increased 2.5 percent, compared to a year earlier and lowfat milk products increased 0.5 percent.

**In-Area Route Disposition 1/
Pacific Northwest Order (FO124)
January through June 2003 vs. 2002**

	2003	2002	Change
Whole Milk Products			
- million pounds -			
Whole	190.9	185.8	2.71%
Flavored	12.4	12.4	-0.15%
Total Whole Milk 2/	203.3	198.2	2.53%
Low-fat Milk Products			
2%	462.2	462.3	-0.02%
1%	162.1	161.4	0.45%
Skim	179.2	179.1	0.03%
Flavored Low-fat	63.0	59.3	6.31%
Buttermilk & Other 3/	8.9	9.0	-1.82%
Total Low-fat Milk 2/	875.3	871.1	0.49%
Combined Total 2/	1,078.6	1,069.3	0.87%

* See footnotes below In-Area route Disposition, Western Orders (FO135) table.

Western Order

For the period of January through June 2003, disposition of fluid milk products in the marketing area of the Western Order totaled 435.4 million pounds, a 1.3 percent decrease from the same period in 2002. During the first half of 2003, in-area fluid milk disposition of whole milk products increased 1.9 percent, compared to a year earlier, but lowfat milk products decreased 2.0 percent. ♦

In-Area Route Disposition 1/ Western Order (FO135) January through June 2003 vs. 2002			
	2003	2002	Change
<u>Whole Milk Products</u>	- million pounds -		
Whole	77.3	75.7	2.04%
Flavored	3.0	3.0	-1.25%
Total Whole Milk 2/	80.3	78.8	1.91%
<u>Low-fat Milk Products</u>			
2%	176.1	176.6	-0.26%
1%	87.0	89.0	-2.16%
Skim	58.0	63.7	-8.96%
Flavored Low-fat	30.6	29.7	3.03%
Buttermilk & Other 3/	3.3	3.5	-4.52%
Total Low-fat Milk 2/	355.1	362.4	-2.03%
Combined Total 2/	435.4	441.2	-1.32%

1/ Based on total in-area route disposition by handlers, handlers regulated by other Federal orders, partially regulated handlers, and producer-handlers. 2/ May not add due to rounding. 3/ Includes eggnog and small amounts of miscellaneous products.

NEW REPORT SHOWS INCREASE IN FARM COMPUTER AND INTERNET ACCESS

The new Farm Computer Usage and Ownership report released July 30 by USDA's National Agricultural Statistics Service (NASS) shows that 43 percent of U.S. farms now have Internet access, compared to 29 percent in 1999. General access to computers on farms also increased to 55 percent in 2001, up from 47 percent in 1999.

The 2001 computer usage estimates are based on responses from over 32,500 agricultural operations and represent all sizes and types of farms. Questions on computer ownership, access, and use were included on the 2001 June Agricultural Survey, which primarily covers crop and livestock estimates. Similar computer usage

questions were asked in the 1997 and 1999 annual surveys.

Fifty percent of all U.S. farms own or lease a computer, up from 40 percent in 1999. Farms using computers for their farm business increased from 24 percent in 1999 to 29 percent in 2001.

A further breakdown shows Internet and computer access based on size of farm. Farms with over \$100,000 in annual sales show a larger percentage of computer usage. Of these farms, 73 percent have access to a computer, 69 percent own or lease a computer, 55 percent use a computer for farm business, and 58 percent access the Internet. Although over half of all farms with annual sales of less than \$100,000 reported access to computers, over 40 percent use the Internet, but less than 25 percent use computers for farm business.

Six percent of U.S. farms use the Internet to purchase agricultural inputs, conduct agricultural marketing activities, or to access NASS reports, while 9 percent use the Internet to access other USDA reports and research information.

Access the complete Farm Computer Usage and Ownership report online at <http://usda.mannlib.cornell.edu/reports/nassr/other/computer/>. For additional information, call the Ag Statistics Hotline at 1-800-727-9540.

In a continuing effort to provide timely and easily accessible information to the dairy industry, the market administrator's office has a web site at <http://www.fmmaseattle.com>. The website is typically updated as price announcement and market news become available. Many times the website is the fastest and easiest way to access current market prices. Information available on the website includes market news, handler and producer price announcements, current and historical market data, laboratory information, nonmember producer test results, order language, and other useful dairy links. ♦

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
Minimum Class Prices (3.5% B.F.)									
Class I Milk (\$/cwt.)	\$11.67	\$11.64	\$12.52	\$11.67	\$11.64	\$12.52	\$12.12	\$12.09	\$12.97
Class II Milk (\$/cwt.)	10.63	10.46	11.14	10.63	10.46	11.14	10.63	10.46	11.14
Class III Milk (\$/cwt.)	11.78	9.75	9.33	11.78	9.75	9.33	11.78	9.75	9.33
Class IV Milk (\$/cwt.)	9.95	9.76	10.45	9.95	9.76	10.45	9.95	9.76	10.45
Producer Prices									
Producer Price Differential (\$/cwt.)	\$(0.85)	\$ 0.62	\$ 1.33	\$(0.34)	\$ 0.49	\$ 0.93	+	+	+
Butterfat (\$/pound)	1.2055	1.1576	1.0929	1.2055	1.1576	1.0929	+	+	+
Protein (\$/pound)	2.5480	1.9434	1.8095	2.5480	1.9434	1.8095	+	+	+
Other Solids (\$/pound)	(0.0124)	(0.0200)	0.0150	(0.0124)	(0.0200)	0.0150	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.59	6.63	7.24
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.2026	1.1622	1.1085
Statistical Uniform Price (\$/cwt.)	\$10.93	\$10.37	\$10.66	\$11.44	\$10.24	\$10.26	\$11.53	\$10.47	\$10.87
Producer Data									
Number of Producers	691 *	897	968	708 *	860	797	106 *	106	108
Avg. Daily Production (lbs.)	19,209 *	23,046	22,576	8,024 *	23,462	17,649	74,210 *	82,486	71,720
Number of Handlers									
Pool Handlers	28	30	26	16	14	16	6	6	6
Producer-Handlers	9 *	9	9	5 *	5	7	2 *	2	2
Other Plants w/ Class I Use	18 *	18	17	21 *	21	22	32 *	32	30
Producer Milk Ratios									
Class I	41.91%	25.87%	25.55%	52.59%	14.33%	20.57%	34.00%	27.61%	32.44%
Class II	9.90%	6.97%	5.61%	15.42%	5.89%	6.85%	7.55%	7.80%	3.98%
Class III	0.40%	34.11%	36.42%	2.63%	70.53%	71.76%	41.73%	38.99%	37.79%
Class IV	47.79%	33.05%	32.42%	29.36%	9.25%	0.82%	16.72%	25.60%	25.79%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002	Jun 2003	May 2003	Jun 2002
Producer-Handler Data									
Production	23,860,565	24,690,563	23,156,590	2,216,556	2,539,475	2,621,765	R	R	R
Class I Use	17,548,122	18,695,879	16,474,327	1,531,990	1,772,769	1,562,670	R	R	R
% Class I Use	73.54%	75.72%	71.14%	69.12%	69.81%	59.60%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	147,467,708	165,287,382	145,786,945	61,011,568	70,288,813	62,607,064	68,760,368	77,710,168	68,678,728
By Producer-Handlers	16,771,677	18,611,796	16,646,648	1,523,298	1,782,310	1,579,954	1/	1/	1/
By Other Plants	2,215,450 *	2,489,583	617,881	3,595,504 *	3,495,503	3,419,650	29,894,801 *	31,850,400	27,823,772
Total	166,454,835	186,388,761	163,051,474	66,130,370	75,566,626	67,606,668	98,655,169	109,560,568	96,502,500

* Preliminary.

R = Restricted. Not included.

1/ Restricted. Included with other plants.

MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

RECEIPTS, UTILIZATION AND CLASSIFICATION OF MILK	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002	Jul 2003	Jun 2003	Jul 2002
TOTAL PRODUCER MILK	411,485,487	620,181,306	677,456,351	176,100,467	605,308,760	436,056,006	243,853,449	262,304,931	240,118,684
RECEIPTS FROM OTHER SOURCES	152,897,205	14,092,112	12,300,459	7,625,036	9,056,466	6,989,817	8,864,148	34,538,363	24,657,380
OPENING INVENTORY	28,335,649	30,349,252	25,020,567	15,818,722	12,766,003	13,967,061	12,888,889	12,987,012	11,153,824
TOTAL TO BE ACCOUNTED FOR	592,718,341	664,622,670	714,777,377	199,544,225	627,131,229	457,012,884	265,606,486	309,830,306	275,929,888
UTILIZATION OF RECEIPTS									
Whole milk	29,217,944	27,635,712	28,248,588	12,891,188	11,546,593	12,033,618	23,595,997	21,853,345	23,113,507
Flavored milk & milk drinks	6,804,210	7,530,991	7,355,395	3,300,571	3,301,327	3,156,549	3,642,860	3,689,128	3,064,045
2% milk	68,491,069	63,957,313	70,283,753	29,221,847	25,895,865	29,307,463	28,165,405	26,339,029	28,565,788
1% milk	22,363,317	21,826,456	23,155,857	12,994,830	11,952,197	13,465,503	8,269,239	7,641,170	8,211,806
Skim milk	25,855,702	25,206,007	27,732,731	8,447,537	7,801,282	8,745,659	9,189,485	8,747,108	9,652,527
Buttermilk	1,438,145	1,311,229	1,561,944	603,545	514,304	608,926	509,687	490,588	461,366
CLASS I ROUTE DISP. IN AREA	154,170,387	147,467,708	158,338,268	67,459,518	61,011,568	67,317,718	73,372,673	68,760,368	73,069,039
Class I dispositions out of area	14,551,804	11,237,715	11,971,078	22,128,707	22,637,294	20,229,541	4,391,856	4,312,402	4,762,447
Other Class I usage	18,271,128	18,179,685	16,274,786	15,052,042	14,427,209	12,320,796	11,429,415	6,065,173	7,159,933
TOTAL CLASS I USE	186,993,319	176,885,108	186,584,132	104,640,267	98,076,071	99,868,055	89,193,944	79,137,943	84,991,419
TOTAL CLASS II USE	48,230,962	49,222,562	46,140,522	32,368,233	42,399,724	33,875,091	19,094,137	21,095,438	13,647,970
TOTAL CLASS III USE	127,152,503	211,660,974	248,491,760	4,793,162	426,942,866	313,545,270	102,951,226	103,368,777	92,610,190
TOTAL CLASS IV USE	230,341,557	226,854,026	233,560,963	57,742,563	59,712,568	9,724,468	54,367,179	106,228,148	84,680,309
TOTAL ACCOUNTED FOR	592,718,341	664,622,670	714,777,377	199,544,225	627,131,229	457,012,884	265,606,486	309,830,306	275,929,888
CLASSIFICATION OF RECEIPTS									
Producer milk:									
Class I	172,452,699	160,430,984	173,122,162	92,612,684	86,787,685	89,693,359	82,925,497	72,425,722	77,870,298
Class II	40,718,359	43,228,751	37,978,697	27,154,796	35,635,566	29,869,016	18,408,142	20,458,923	9,566,520
Class III	1,651,556	211,531,578	246,741,285	4,632,810	426,903,133	312,898,664	101,750,601	102,261,911	90,748,417
Class IV	196,662,873	204,989,993	219,614,207	51,700,177	55,982,376	3,594,967	40,769,209	67,158,375	61,933,449
Other receipts:									
Class I	14,540,620	16,454,124	13,461,970	12,027,583	11,288,386	10,174,696	21,753,037	47,525,375	35,811,204
Class II	7,512,603	5,993,811	8,161,825	5,213,437	6,764,158	4,006,075	1/	1/	1/
Class III	125,500,947	129,396	1,750,475	160,352	39,733	646,606	1/	1/	1/
Class IV	33,678,684	21,864,033	13,946,756	6,042,386	3,730,192	6,129,501	1/	1/	1/
Avg. daily producer receipts	13,273,725	20,672,710	21,853,431	5,680,660	20,176,959	14,066,323	7,866,240	8,743,498	7,745,764
Change From Previous Year	-39.26%	-7.20%	5.20%	-59.62%	18.68%	-2.53%	1.56%	2.30%	3.39%
Avg. daily Class I use	6,032,043	5,896,170	6,018,843	3,375,492	3,269,202	3,221,550	2,877,224	2,637,931	2,741,659
Change From Previous Year	0.22%	4.65%	1.22%	4.78%	6.64%	9.39%	4.94%	-1.50%	9.20%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- **Market Summaries for July 2003**
- **July 2003 Class Prices and Commodity Prices**
- **Class I Prices for September 2003**
- **USDA Sets Hearing to Consider Amending The Pacific Northwest and Arizona-Las Vegas Milk Marketing Orders**
- **Harold Friedly Appointed Milk Market Administrator of the Appalachian Milk Marketing Order**
- **In-Area Disposition of Fluid Milk Products**
- **New Report Shows Increase in Farm Computer and Internet Access**
- **USDA Announces Tentative Final Decision to Amend the Pacific Northwest and Western Milk Marketing Orders**

USDA ANNOUNCES TENTATIVE FINAL DECISION TO AMEND THE PACIFIC NORTHWEST AND WESTERN MILK MARKETING ORDERS

On August 15, 2003, the U.S. Department of Agriculture announced a tentative final decision that amends provisions of the Pacific Northwest and Western Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held April 16-19, 2002, in Salt Lake City, Utah.

This decision would eliminate unneeded standards and change standards that have resulted in inappropriately pooled milk on the Western order. Amendments to the Western order would: 1) establish a "net shipments" standard for supply plant deliveries to the order's distributing plants for the purpose of meeting the shipping standard, 2) calculate pool plant diversion limits on a net basis, 3) eliminate the proprietary bulk tank handler feature, which is no longer being used for its

(Continued on Page 3)