

## Pacific Northwest & Arizona-Las Vegas Marketing Areas



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 Market Administrator

**September 2005**

### MARKET SUMMARIES FOR AUGUST 2005

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

#### Pacific Northwest

Producers delivered a total of 658.4 million pounds of milk to the market during August. Daily deliveries averaged 21.2 million pounds, down 2.2 percent from July.

An estimated 880 producers delivered milk to the market during the month. Daily deliveries per producer averaged 24,135 pounds, down 2.2 percent from July.

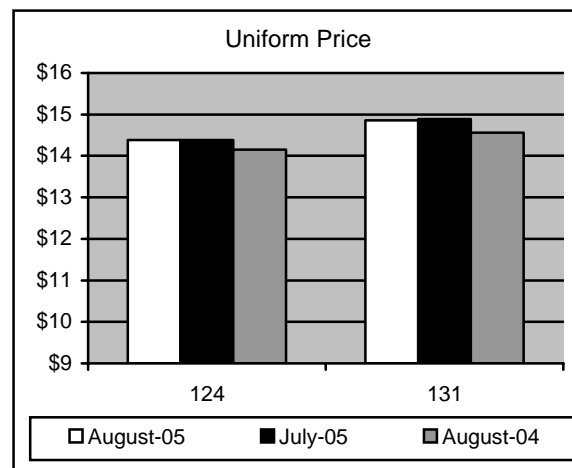
Class I producer milk during August totaled 171.2 million pounds, 26.0 percent of total producer receipts. Daily usage averaged 5.5 million pounds, up 2.9 percent from July.

#### Arizona-Las Vegas

Producers delivered a total of 220.8 million pounds of milk to the market during August. Daily deliveries averaged 7.1 million pounds, down 8.6 percent from July. An estimated 86 producers delivered milk to the market during the month. Daily

deliveries per producer averaged 82,811 pounds, down 8.6 percent from July.

Class I producer milk during August totaled 82.8 million pounds, 37.5 percent of total producer receipts. Daily usage averaged 2.7 million pounds, down 6.6 percent from July. ♦



### Federal Order Producer Prices and Component Levels: August 2005

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	14.38	14.86	Butterfat	3.582	3.516
Butterfat 2/	1.8246	1.8347	Protein	2.982	N/A
Protein 2/	2.1619	N/A	Other Solids	5.717	N/A
Other Solids 2/	0.1317	N/A	Nonfat Solids	8.699	N/A
PPD 1/*	0.78	N/A			
Skim 1/	N/A	8.74			

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

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**AUGUST 2005 CLASS PRICES**

August 2005 non-advanced Class Prices were calculated using NASS commodity price surveys from August 6, 13, 20, and 27, 2005. Component prices for the month are \$2.1619 per pound of protein, \$1.8246 per pound of butterfat, \$0.1317 per pound of other solids, and \$0.8119 per pound of nonfat solids.

August 2005 Class III and IV prices at 3.5% butterfat are \$13.60 and \$13.44 per hundredweight, respectively. The August Class III price compared to July is down \$0.75. The Class III price is \$0.44 lower than August 2004. The Class III price at 3.67% butterfat is \$4.00 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.8316 per pound. Class I skim and butterfat and Class II skim prices for August 2005 were announced on July 22, 2005. The Class II price at 3.5% butterfat is \$13.95 for August 2005 .

**FINAL: NASS COMMODITY PRICES**

	July	August	Change
Cheese*	\$1.5156	\$1.4322	-\$0.0834
Butter	\$1.6156	\$1.6355	\$0.0199
Nonfat Dry Milk	\$0.9389	\$0.9601	\$0.0212
Whey	\$0.2794	\$0.2869	-\$0.0075

\* 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 8.51 cents between the August 20 and the September 17 surveys, to \$1.4732 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 11.14 cents to \$1.4949 per pound.

The NASS butter price showed a net increase of 3.02 cents between the weeks ending August 20 and September 17 from \$1.6495 per pound to \$1.6797 per pound.

The NASS nonfat dry milk showed a net increase of 1.44 cents since mid-August to \$0.9755 per pound. The average price for NASS whey showed a net decrease of 0.31 cent since mid-August to \$0.2863 per pound. ♦

**OCTOBER'S CLASS I PRICE ANNOUNCEMENT**

On September 23, the October 2005 Class I price was announced at \$16.17 for the Pacific Northwest Order, and \$16.62 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of September 10 and 17.

The October Class III and IV advance skim prices are \$7.96 and \$7.42 per hundredweight, respectively. The butterfat portion of the Class I mover increased 9.46 cents from \$1.7872 to \$1.8818 per pound.

The October 2005 Class II skim and nonfat solids prices were also announced on September 23. The skim price is \$8.12 per hundredweight, and the nonfat solids price is \$0.9022 per pound for all Federal orders. ♦

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

	September	October	Change
Cheese*	\$1.4449	\$1.4965	\$0.0516
Butter	\$1.6043	\$1.6832	\$0.0789
Nonfat Dry Milk	\$0.9594	\$0.9726	\$0.0132
Whey	\$0.2843	\$0.2904	\$0.0061

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

**SECRETARY NAMES MEMBERS TO NATIONAL DAIRY BOARD**

On August 16, 2005, Secretary of Agriculture Mike Johanns announced the appointment of 10 new members and reappointment of two incumbents to the National Dairy Promotion and Research Board. All will serve three-year terms beginning November 1, 2005, through October 31, 2008. "I am pleased these individuals have agreed to serve on this board," Johanns said.

Newly appointed were: Ronald L. Koetsier, Visalia, California, (region 2); William R. D. Anglin, Bentonville, Arkansas, (region 4); Donna L. Sharp, Bath, South Dakota, (region 5); Carl F. VanDen Avond, Green Bay, Wisconsin, (region 6); Bradford A. McCauley, Viola, Wisconsin, (region 6); Douglas D. Nuttelman, Stromsburg, Nebraska, (region 7); Carl A. Schmitz, Wadesville, Indiana, (region 9);

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Joyce A. Bupp, Seven Valleys, Pennsylvania, (region 11); Ronald R. McCormick, Java Center, New York, (region 12); and Debora A. Erb, Landaff, New Hampshire, (region 13)

Reappointed to serve second terms were: Lester E. Hardesty, Windsor, Colorado, (region 3) and Michael M. Ferguson, Senatobia, Mississippi, (region 8).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the contiguous United States, administers a coordinated program of promotion, research and nutrition education.

The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15 cent per hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service (AMS) monitors the operation of the board.

AMS encourages all eligible individuals to participate in its committee and board activities. It is USDA's policy that membership on industry governed boards and committees accurately reflect the diversity of individuals served by the programs.

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**NOTICE OF TEMPORARY RULE SUSPENSION  
UNDER THE SOUTHEAST FEDERAL MILK  
ORDER FOR HURRICANE RELATED LOSSES**

The following action was issued by the Southeast Order Market Administrator on September 2, 2005.

**Summary of Action:** Due to the catastrophic impacts of Hurricane Katrina on the dairy industry of Alabama, Louisiana and Mississippi, the milk lost at the farm in those states between August 29, 2005, and September 6, 2005, will be afforded producer milk status under the Southeast Federal Order. Handlers must demonstrate to the Market Administrator's satisfaction that such milk was in fact produced and would otherwise have been pooled.

**Background:** Hurricane Katrina struck 40 miles south of New Orleans, Louisiana, on August 29 and

continued northeasterly through Mississippi and Alabama over the course of several days. Electrical, communication and physical infrastructures were destroyed over a wide swath of the region, and may not be repaired for weeks, if not months. President George W. Bush has called Hurricane Katrina "one of the worst natural disasters in our nation's history".

Known damage to the dairy processing industry includes the closure of two regulated fluid milk processors and a regulated supply plant. In addition, one regulated fluid milk processor is operating at less than full capacity on back-up generators and at least one other regulated fluid milk processor is operating on back-up generators. In total, six fluid and one supply plant are located in the affected region. Fluid processing capacity currently off-line is in excess of 30 million pounds per month. This capacity will remain off-line for at least several more days, if not weeks.

Beyond these direct impacts, some milk processors on the periphery of the affected region have raw milk silos at full capacity and are unable to process additional volume. Finished product coolers are also at capacity for some plants because of reduced demand from retail customers in the affected region.

The extent of damage to dairy producers is not yet known, but estimates place approximately 400 dairy farms without electricity. Back-up generators are being used where available, but their use is limited by fuel shortages. And in most cases, such generators are not capable of supplying power to a fully functioning dairy for extended periods.

Reports from the region describe efforts to move farm milk to processing plants in order to be pooled, only to dump it at the plant because of inadequate temperature or lack of processing capacity. In other cases, milk has been delivered to a plant and pumped into plant silos to qualify as producer milk, then reloaded into a tank and returned to the originating farm to be dumped into manure lagoons.

The impacts to each link in the farm-to-retail chain and the unprecedented scope of this catastrophe have resulted in disorderly milk movements and imprudent use of scarce diesel fuel and other resources. A temporary suspension to prevent disorderly marketing and mitigate farm losses resulting directly from Hurricane Katrina is reasonable given these facts.

This rule suspension is limited in duration to the unparalleled tragedy resulting from Hurricane

Katrina, does not alter Southeast Federal Order pooling provisions otherwise, and is not intended to establish precedent for future remedies of disorderly marketing or farm losses.

**Handler Information:** Milk lost on the farm between August 29, 2005 and September 6, 2005 is eligible to participate in the Southeast Federal Order marketwide pool if reported by qualified handlers. Such milk will be pooled as a diversion to the base zone (\$3.10) and classified in the lowest priced class. Minimum order value will be enforced on the portion of milk lost on the farm at the difference between the uniform blend price at test in the base zone and the lowest priced class. Direct questions or comments to the Southeast Order Market Administrator's office at P.O. Box 491778, Lawrenceville, GA 30049 – telephone- 770-682-2501. ♦

#### DAIRY SITUATION AND OUTLOOK\*

The following is excerpted from the September 16, 2005 Dairy Situation and Outlook.

#### Good Dairy Demand Soaks Up Production Surge

Expansion in milk output is now well established, and only modest deceleration is expected in 2006. This year, robust domestic and foreign demand are expected to absorb the extra supplies with only about a \$1 per cwt decline in farm milk prices from the 2004 record. Price declines are expected to be larger in 2006, as demand growth may not be able to handle the second straight large increase in milk output.

This summer saw strong expansion in milk production solidly established. Milk cow numbers continued to creep higher, while growth in milk per cow was near the long-run trend for the first time in over 3 years. Record 2004 returns, only slightly lower 2005 returns, and the resumption of near-normal availability of bovine somatotropin (BST) were the prime boosters of milk output. These forces easily overcame tight heifer supplies, forage problems, and hot summer weather in many key areas.

Demand for dairy heifers continues to outstrip supplies. The mid-year inventory data showed about 1 percent more replacement heifers than a year earlier. Even so, dairy replacements were a record \$1,830 per head in July, up more than \$100

from a year earlier. The difference between replacement and slaughter values was only slightly lower than the 2002 records. Replacement heifer prices are likely to stay very high as long as milk prices remain robust. Heifer supplies probably will expand a little because of the recent higher prices, but significant expansion of heifer supplies from current levels is difficult. A few more animals would be available for growing operations when the number of farm exits picks up. But, prospective milk prices indicate that this will not be until well into the future.

Hay supplies are somewhat tight, and summer prices have been relatively quite strong. Production in the Northwest has been hurt by a lack of water for irrigation, with western supplies of dairy-quality hay further affected by strong export demand. Many northern dairy areas had a light second cutting, although the quality is reported to be good. This was the reverse of first-cut conditions when yield was good but quality spotty.

#### Milk per Cow Bounces Back

Growth in milk production is expected to be brisk during the rest of 2005. The effects of strong returns probably will push milk cow numbers slowly higher, although the cooperative cow buyout may provide some interruption. Brisk gains in milk per cow are likely, as relative prices of milk and concentrate feeds are projected to be conducive to heavy concentrate feeding. A projected expansion of almost 4 percent in second-half output would bring the increase for all of 2005 over 3 percent, the largest rise since 1999 and possibly the largest in two decades. Milk cow numbers are projected to average fractionally higher, while milk per cow increases more than 3 percent on a daily average basis.

Somewhat lower returns in 2006 are expected to slow the expansion a little, but relatively brisk growth is projected to persist throughout the year. Cow numbers are projected to post another fractional increase, as expanding producers begin to be partially offset by a few more exiting farmers. The large effect of BST's return on the year-to-year increases will dissipate after early 2006. For the year, milk per cow is expected to gain about 2 percent.

#### Demand Stays Robust

Demand for dairy products was strong in late spring-early summer, limiting the price impacts of the milk production surge. Commercial use in June-July jumped about 7 percent from a year earlier on

a milk equivalent, milkfat basis. The year-to-year comparisons overstate the expansion in dairy demand because these 2 months were relatively weak in 2004, when buyers limited purchases in a falling market. Even so, product movement has been brisk in recent months, supported by continued generally favorable economic conditions. June-July commercial use of cheese rose strongly, 10 percent from a year earlier for American cheeses and 6 percent for other cheeses. For the first 7 months of 2005, cheese use increased almost 3 percent. The June-July jump in butter disappearance was about 11 percent, although the year-to-date increase was only about 1 percent. Even ice cream and fluid milk, two categories that have been weak in recent years, posted increases during June-July. Were it not for the uncertainties caused by Hurricane Katrina, domestic dairy demand would be expected to stay solid. Recent economic indicators and projections had been mostly positive, and this year's dairy demand seems to have responded to economic improvement. The direct impact of the storm on dairy markets probably will be modest, and the losses of milk supply and dairy product sales might about offset. However, there probably will be a slowing of economic growth, a boost to the Federal deficit, and increases in energy and other marketing costs related to the storm. Hurricane effects are not projected to substantially alter dairy demand prospects--but considerable uncertainty will remain.

Skim solids demand also was brisk during June-July. Domestic use was boosted by expanded cheese sales while exports of nonfat dry milk and various blends containing dry skim solids remained strong. Commercial use of nonfat dry milk jumped 14 percent from a year earlier. Skim solids demand is expected to stay strong through at least mid-2006, as export markets seem poised to absorb any supplies not used domestically.

For the first time since the start of the dairy price support program in 1949, the current marketing year will end with no surplus of any product. In fact, net removals for the October-September year will be slightly negative on both milkfat and skim solids bases. The only price support purchases were small purchases of nonfat dry milk during the first 2 months of the marketing year, and there were no subsidized exports under the Dairy Export Incentive Program (DEIP). These purchases were easily outweighed by unrestricted sales of nonfat dry milk and a little cheese back to the industry.

### **International Dairy Markets Unchanged**

International dairy markets have held strong. Nonfat dry milk prices barely slipped this summer under the influence of seasonally heavy Northern Hemisphere milk production. Asian import demand remained good, while higher oil prices improved prospects for imports by petroleum-producing countries and the states backed by them. Meanwhile, European Union-25 (EU-25) powder markets stayed tight with only minimal amounts sold into intervention. Oceania milk production is projected to rise during the new season but powder will not be available for new sales for several months.

International market prices are projected to stay relatively high through at least mid-2006. Growth in New Zealand output probably will not exceed the rise in demand since less is expected to be available from the EU-25 and the United States. Continued strong conditions seem quite likely for milk and whey powders, and cheese prospects are thought to be good. More uncertainty surrounds butter prices because of the normal lack of predictable Russian demand.

### **Large Supplies To Weigh on Dairy Prices**

Large increases in milk production are expected to keep the lid on wholesale dairy prices. Although robust demand has done a remarkable job of absorbing supplies thus far in 2005, any autumn seasonal price increases likely will be quite limited. Wholesale prices of butter and cheese are projected to decline significantly next winter.

Farmers are expected to receive moderately less than a year earlier for their milk during the rest of 2005. For the year, the decline is expected to be slightly less than \$1 per cwt, a very modest dip from the record for a year posting a 3-percent jump in milk output. Robust domestic and international demand provided protection against potentially very large decreases.

Values of milk for cheese and for joint production of butter and nonfat dry milk have been much closer than during most recent years. This pattern is expected to persist in 2006. Relatively strong demand for all of the three major products makes the difference.

Large back-to-back increases in milk production are expected to overwhelm demand

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# MONTHLY SELECTED STATISTICS

Minimum Class Prices (3.5% B.F.)	PACIFIC NORTHWEST				ARIZONA-LAS VEGAS			
	Aug 2005	Jul 2005	Aug 2004	Jul 2004	Aug 2005	Jul 2005	Aug 2004	Jul 2004
Class I Milk (\$/cwt.) . . . . .	\$16.34	\$15.79	\$16.52	\$19.85	\$16.79	\$16.24	\$16.97	\$20.30
Class II Milk (\$/cwt.) . . . . .	13.95	13.79	13.13	14.00	13.95	13.79	13.13	14.00
Class III Milk (\$/cwt.) . . . . .	13.60	14.35	14.04	14.85	13.60	14.35	14.04	14.85
Class IV Milk (\$/cwt.) . . . . .	13.44	13.17	12.46	13.31	13.44	13.17	12.46	13.31
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt.)	\$ 0.78	\$ 0.03	\$ 0.11	\$ 0.89	+	+	+	+
Butterfat (\$/pound) . . . . .	1.8246	1.8007	1.7941	2.0543	+	+	+	+
Protein (\$/pound) . . . . .	2.1619	2.4558	2.4663	2.3625	+	+	+	+
Other Solids (\$/pound) . . . . .	0.1317	0.1240	0.0676	0.1048	+	+	+	+
Uniform Skim Price (\$/cwt.) . . .	+	+	+	+	8.74	9.03	8.34	9.27
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.8347	1.7648	1.8615	2.0710
Statistical Uniform Price (\$/cwt.) . .	\$14.38	\$14.38	\$14.15	\$15.74	\$14.86	\$14.89	\$14.56	\$16.19
<b>Producer Data</b>								
Number of Producers . . . . .	880 *	880	891	896	86 *	86	93	93
Avg. Daily Production (lbs.) . . . .	24,135 *	24,669	22,439	23,329	82,811 *	90,650	77,048	79,244
<b>Number of Handlers</b>								
Pool Handlers . . . . .	26	27	29	29	5	5	5	5
Producer-Handlers . . . . .	9 *	9	7	7	3 *	3	2	2
Other Plants w/ Class I Use . . . .	21 *	21	23	22	28 *	28	30	32
<b>Producer Milk Ratios</b>								
Class I . . . . .	26.00%	24.71%	28.44%	26.74%	37.50%	32.15%	37.06%	32.39%
Class II . . . . .	6.69%	6.69%	6.90%	7.06%	12.96%	12.35%	10.82%	10.29%
Class III . . . . .	27.35%	27.11%	34.26%	33.01%	45.61%	40.30%	34.00%	34.96%
Class IV . . . . .	39.96%	41.49%	30.40%	33.19%	3.93%	15.20%	18.12%	22.36%

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Jul 2005	Jun 2005	Jul 2004	Jun 2004	Jul 2005	Jun 2005	Jul 2004	Jun 2004
Production . . . . .	38,026,250	33,119,559	21,084,006	20,778,455	R	R	R	R
Class I Use . . . . .	27,178,837	27,995,157	17,183,783	16,574,845	R	R	R	R
% Class I Use . . . . .	71.47%	84.53%	81.50%	79.77%	R	R	R	R
<b>Class I Route Disposition In Area</b>								
By Pool Plants . . . . .	148,922,449	148,172,565	155,672,843	149,169,386	74,016,156	69,316,016	71,045,045	68,967,776
By Producer-Handlers . . . . .	19,424,414	20,205,057	15,880,090	15,921,353	1/	1/	1/	1/
By Other Plants . . . . .	2,497,736 *	1,986,545	2,549,090	4,715,677	27,373,060 *	27,045,452	32,700,232	32,881,927
Total	170,844,599	170,364,167	174,102,023	169,806,416	101,389,216	96,361,468	103,745,277	101,849,703

\* 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				ARIZONA-LAS VEGAS			
	Aug 2005	Jul 2005	Aug 2004	Jul 2004	Aug 2005	Jul 2005	Aug 2004	Jul 2004
TOTAL PRODUCER MILK	658,409,801	672,974,312	619,800,378	647,997,621	220,775,044	241,673,512	222,128,323	228,460,542
RECEIPTS FROM OTHER SOURCES	26,146,830	23,906,829	20,438,454	15,590,228	41,300,507	52,520,951	6,665,184	32,587,504
OPENING INVENTORY . . . . .	31,692,564	31,599,533	29,964,099	35,854,823	17,733,756	14,464,760	11,922,150	12,729,228
TOTAL TO BE ACCOUNTED FOR	<u>716,249,195</u>	<u>728,480,674</u>	<u>670,202,931</u>	<u>699,442,672</u>	<u>279,809,307</u>	<u>308,659,223</u>	<u>240,715,657</u>	<u>273,777,274</u>
<b>UTILIZATION OF RECEIPTS</b>								
Whole milk . . . . .	29,695,205	29,351,493	29,501,671	29,247,482	19,949,442	19,785,553	20,260,155	19,899,765
Flavored milk & milk drinks . . . . .	7,079,762	7,429,913	7,604,190	6,405,537	5,577,701	2,599,650	5,280,022	2,569,361
2% milk . . . . .	64,059,723	64,176,008	68,495,136	69,361,092	31,780,866	31,293,581	30,993,354	29,730,203
1% milk . . . . .	22,701,236	21,221,438	22,937,279	22,805,552	10,876,473	9,678,938	9,778,629	8,614,489
Skim milk . . . . .	25,533,891	25,410,044	25,640,612	26,440,750	10,563,801	10,235,740	10,222,739	9,718,982
Buttermilk . . . . .	1,384,101	1,333,553	1,350,833	1,412,430	473,988	422,694	547,925	512,245
CLASS I ROUTE DISP. IN AREA. . . . .	150,453,918	148,922,449	155,529,721	155,672,843	79,222,271	74,016,156	77,082,824	71,045,045
Class I dispositions out of area . . . . .	14,751,645	14,687,880	13,275,000	14,248,773	4,732,304	4,800,563	3,838,527	3,571,758
Other Class I usage . . . . .	19,500,079	18,556,498	21,784,308	18,342,170	6,561,826	7,430,175	6,698,456	5,011,592
TOTAL CLASS I USE. . . . .	<u>184,705,642</u>	<u>182,166,827</u>	<u>190,589,029</u>	<u>188,263,786</u>	<u>90,516,401</u>	<u>86,246,894</u>	<u>87,619,807</u>	<u>79,628,395</u>
TOTAL CLASS II USE . . . . .	51,380,525	51,625,156	54,323,244	56,421,837	29,638,960	30,980,839	24,887,172	24,363,750
TOTAL CLASS III USE . . . . .	191,040,183	194,382,809	215,847,523	214,369,809	101,990,188	98,722,621	76,166,999	80,632,466
TOTAL CLASS IV USE . . . . .	289,122,845	300,305,882	209,443,135	240,387,240	57,663,758	92,708,869	52,041,679	89,152,663
TOTAL ACCOUNTED FOR . . . . .	<u>716,249,195</u>	<u>728,480,674</u>	<u>670,202,931</u>	<u>699,442,672</u>	<u>279,809,307</u>	<u>308,659,223</u>	<u>240,715,657</u>	<u>273,777,274</u>
<b>CLASSIFICATION OF RECEIPTS</b>								
Producer milk: Class I . . . . .	171,202,204	166,318,462	176,297,263	173,345,926	82,775,511	77,684,634	82,314,611	74,004,450
Class II . . . . .	44,017,981	44,997,354	42,758,887	45,732,535	28,620,085	29,857,918	24,036,951	23,506,773
Class III . . . . .	180,077,681	182,469,620	212,335,236	213,872,447	100,703,640	97,385,647	75,527,128	79,867,910
Class IV . . . . .	263,111,935	279,188,876	188,408,992	215,046,713	8,675,808	36,745,313	40,249,633	51,081,409
Other receipts: Class I . . . . .	13,503,438	15,848,365	14,291,766	14,917,860	59,034,263	66,985,711	18,587,334	45,316,732
Class II . . . . .	7,362,544	6,627,802	11,564,357	10,689,302	1/	1/	1/	1/
Class III . . . . .	10,962,502	11,913,189	3,512,287	497,362	1/	1/	1/	1/
Class IV . . . . .	26,010,910	21,117,006	21,034,143	25,340,527	1/	1/	1/	1/
Avg. daily producer receipts . . . . .	21,239,026	21,708,849	19,993,561	20,903,149	7,121,776	7,795,920	7,165,430	7,369,695
Change From Previous Year . . . . .	6.23%	3.85%	49.28%	57.48%	-0.61%	5.78%	-0.50%	-6.31%
Avg. daily Class I use . . . . .	5,958,247	5,876,349	6,148,033	6,073,025	2,919,884	2,782,158	2,826,445	2,568,658
Change From Previous Year . . . . .	-3.09%	-3.24%	2.68%	0.68%	3.31%	8.31%	1.14%	-10.72%

1/ Restricted - Included with Class I.

**HIGHLIGHTS THIS ISSUE:**

- Market Summaries for August 2005
- August 2005 Class Prices
- Class I Price for October 2005
- Secretary Names Members to National Dairy Board
- Notice of Temporary Rule Suspension Under the Southeast Federal Milk Order for Hurricane Related Losses
- Dairy Situation and Outlook
- Briefs for Class I Definition Hearing Now Available

strength in 2006. Farm milk prices are projected to decline \$1 to \$2 per cwt. Even after the expected substantial decrease, milk prices would remain relatively high and considerably above the low levels of 2002 and much of 2003. ♦

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**\*Source:** *Livestock, Dairy, & Poultry Outlook/LDP-M-135/September 16, 2005* Economic Research Service, USDA. Available at <http://www.ers.usda.gov/publications/so/view.asp?f=livestock/ldp-mbb/>.

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**BRIEFS FOR CLASS I DEFINITION HEARING  
NOW AVAILABLE**

Briefs for the Class I definition hearing held June 20-23, 2005 are available on the internet at [http://www.ams.usda.gov/dairy/ne\\_etat/hearing\\_briefs.htm](http://www.ams.usda.gov/dairy/ne_etat/hearing_briefs.htm). ♦