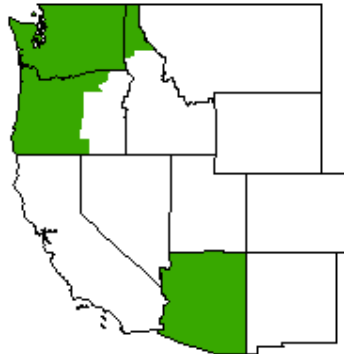


## Pacific Northwest & Arizona Marketing Areas



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**James R. Daugherty**  
 Market Administrator

**September 2006**

### MARKET SUMMARIES FOR AUGUST 2006

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

#### Pacific Northwest

Producers delivered a total of 725.5 million pounds of milk to the market during August. Daily deliveries averaged 23.4 million pounds, up 2.6 percent from July. An estimated 821 producers delivered milk to the market during the month. Daily deliveries per producer averaged 28,506 pounds, up 2.6 percent from July.

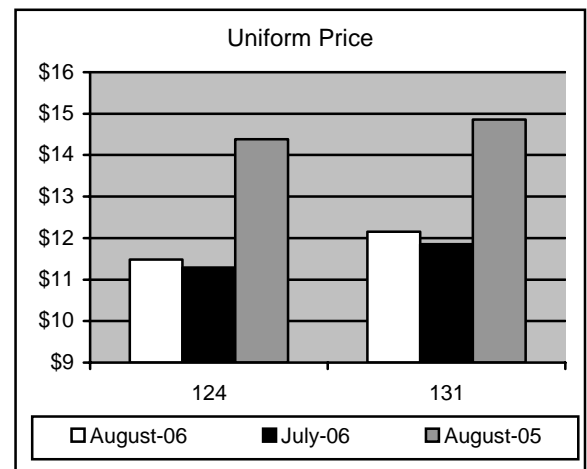
Class I producer milk during August totaled 189.4 million pounds, 26.1 percent of total producer receipts. Daily usage averaged 6.1 million pounds, up 10.5 percent from July.

#### Arizona

Producers delivered a total of 260.4 million pounds of milk to the market during August. Daily deliveries averaged 8.4 million pounds, down 5.8 percent from July. An estimated 95 producers delivered milk to the market during the month. Daily

deliveries per producer averaged 88,412 pounds, down 5.8 percent from July.

Class I producer milk during August totaled 119.6 million pounds, 45.9 percent of total producer receipts. Daily usage averaged 3.9 million pounds, up 14.2 percent from July. ♦



### Federal Order Producer Prices and Component Levels: August 2006

| Producer Prices   | FO124  | FO131  | Component Levels (%) | FO124 | FO131 |
|-------------------|--------|--------|----------------------|-------|-------|
| Uniform Price 1/* | 11.48  | 12.15  | Butterfat            | 3.604 | 3.514 |
| Butterfat 2/      | 1.3008 | 1.2864 | Protein              | 3.038 | N/A   |
| Protein 2/        | 1.9050 | N/A    | Other Solids         | 5.679 | N/A   |
| Other Solids 2/   | 0.1416 | N/A    | Nonfat Solids        | 8.717 | N/A   |
| PPD 1/*           | 0.42   | N/A    |                      |       |       |
| Skim 1/           | N/A    | 7.93   |                      |       |       |

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

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**AUGUST 2006 CLASS PRICES**

August 2006 non-advanced Class Prices were calculated using NASS commodity price surveys from August 5, 12, 19, and 26, 2006. Component prices for the month are \$1.9050 per pound of protein, \$1.3008 per pound of butterfat, \$0.1416 per pound of other solids, and \$0.7013 per pound of nonfat solids.

August 2006 Class III and IV prices at 3.5% butterfat are \$11.06 and \$10.64 per hundredweight, respectively. The August Class III price compared to July is up \$0.14. The Class III price is \$2.54 lower than August 2005. The Class III price at 3.67% butterfat is \$1.37 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.3078 per pound. Class I skim and butterfat and Class II skim prices for August 2006 were announced on July 21, 2006. The Class II price at 3.5% butterfat is \$11.16 for August 2006.

**FINAL: NASS COMMODITY PRICES**

|                 | July     | August   | Change   |
|-----------------|----------|----------|----------|
| Cheese*         | \$1.1793 | \$1.1813 | \$0.0020 |
| Butter          | \$1.1340 | \$1.1990 | \$0.0650 |
| Nonfat Dry Milk | \$0.8300 | \$0.8484 | \$0.0184 |
| Whey            | \$0.2810 | \$0.2965 | \$0.0155 |

\* 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 500-pound barrels. The survey of 40-pound blocks showed an increase of 11.49 cents between the August 19 and the September 16 surveys, to \$1.2882 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed an increase of 13.83 cents to \$1.3040 per pound.

The NASS butter price showed a net increase of 7.21 cents between the weeks ending August 19 and September 16 from \$1.2223 per pound to \$1.2944 per pound.

The NASS nonfat dry milk showed a net increase of 1.10 cents since mid-August to \$0.8573 per pound. The average price for NASS whey showed an increase of 1.94 cents since mid-August to \$0.3177 per pound. ♦

**OCTOBER'S CLASS I PRICE ANNOUNCEMENT**

On September 22, the October 2006 Class I price was announced at \$14.32 for the Pacific Northwest Order and \$14.77 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of September 9 and 16.

The October Class III and IV advance skim prices are \$7.72 and \$6.36 per hundredweight, respectively. The butterfat portion of the Class I mover increased 15.04 cents from \$1.2703 to \$1.4207 per pound.

The October 2006 Class II skim and nonfat solids prices were also announced on September 22. The skim price is \$7.06 per hundredweight, and the nonfat solids price is \$0.7844 per pound for all Federal orders. ♦

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

|                 | September | October  | Change   |
|-----------------|-----------|----------|----------|
| Cheese*         | \$1.1633  | \$1.3063 | \$0.1430 |
| Butter          | \$1.1736  | \$1.2989 | \$0.1253 |
| Nonfat Dry Milk | \$0.8463  | \$0.8542 | \$0.0079 |
| Whey            | \$0.2925  | \$0.3162 | \$0.0237 |

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

**UNITED STATES MILK PRODUCTION UP 1.6 PERCENT IN AUGUST 2006**

Milk production for August 2006 was up 1.6 percent for the United States compared with August 2005. United States' milk production for August 2006 equaled 15,126 million pounds, 230 million pounds more than last August. The table on page 3 shows data for August 2006 for selected states with comparisons to year-ago levels.

Milk production in the 23 major states during August 2006 totaled 13,861 million pounds, up 1.6 percent from production in these same states in August 2005.

In rank order of contribution, California, Idaho, New Mexico, and Texas were the primary sources of increases in milk production. Colorado, Texas, Idaho, and New Mexico showed the largest percentage increases. In a similar method of ranking, Washington, Wisconsin, and Missouri showed the largest decreases in milk production from year-ago levels.

The increase in U.S. milk production can be attributed to both increased production per cow and

an increase in the number of cows. Milk per cow in August 2006 increased 15 pounds compared to August 2005, totaling 1,658 pounds. During the same time, the number of milk cows increased 65,000 head to 9,125,000 head. ♦

**USDA RECONVENES NATIONAL PUBLIC HEARING ON PROPOSED AMENDMENTS TO ALL FEDERAL MILK ORDERS**

On September 1, 2006, the U. S. Department of Agriculture announced that it would reconvene a national public hearing to consider proposals seeking to amend the Class III and Class IV milk price formula manufacturing allowances applicable to all Federal milk marketing orders. The hearing began at 8:30 a.m. on September 14 at the Holiday Inn Select, 15471 Royalton Road, Strongsville, Ohio 44136.

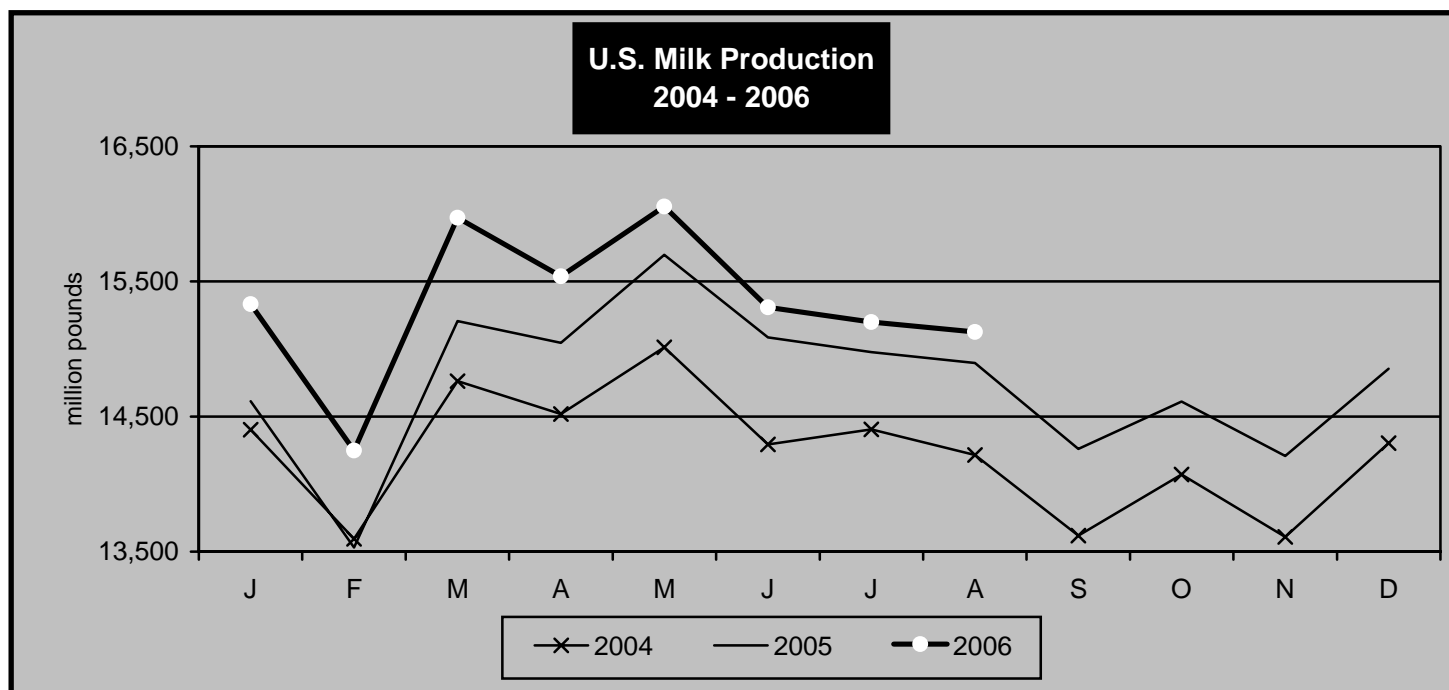
The public hearing originally was held January 24-27, 2006, in Alexandria, Virginia. The purpose of reconvening this proceeding was to assure that any changes to manufacturing allowance factors used in Federal order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs. Specifically, this proceeding was reconvened to take into evidence only data on plant manufacturing costs compiled by Cornell University and other pertinent data that would be publicly available.

USDA has solicited and is currently receiving additional proposals regarding all aspects of the Class III and Class IV price formulas. These proposals are due on or before September 30, 2006. USDA will hold an information session on these proposals after they have been received and analyzed.

The reconvened hearing notice was published

| Milk Production<br>August 2005 - 2006 |        |         |          |
|---------------------------------------|--------|---------|----------|
|                                       | 2005   | 2006 1/ | % Change |
| -- million pounds --                  |        |         |          |
| Arizona                               | 285    | 286     | 0.35%    |
| California                            | 3,157  | 3,288   | 4.15%    |
| Colorado                              | 207    | 223     | 7.73%    |
| Idaho                                 | 908    | 970     | 6.83%    |
| Indiana                               | 261    | 268     | 2.68%    |
| Minnesota                             | 680    | 686     | 0.88%    |
| Missouri                              | 150    | 136     | -9.33%   |
| New Mexico                            | 604    | 644     | 6.62%    |
| New York                              | 1,035  | 1,032   | -0.29%   |
| Ohio                                  | 394    | 406     | 3.05%    |
| Oregon                                | 197    | 190     | -3.55%   |
| Pennsylvania                          | 885    | 875     | -1.13%   |
| Texas                                 | 520    | 558     | 7.31%    |
| Washington                            | 483    | 463     | -4.14%   |
| Wisconsin                             | 1,971  | 1,953   | -0.91%   |
| 23 Total                              | 13,640 | 13,861  | 1.62%    |
| US                                    | 14,896 | 15,126  | 1.54%    |

1/ August 2006 is preliminary.  
Source: National Agricultural Statistics Service.



as a proposed rule in the September 6, 2006, Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The reconvened hearing notice is available on AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

The reconvened hearing notice and additional information is available from the market administrator offices. ♦

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**USDA ANNOUNCES TENTATIVE PARTIAL DECISION TO AMEND APPALACHIAN AND SOUTHEAST MILK MARKETING ORDERS**

On September 6, 2006, the U.S. Department of Agriculture announced a tentative partial decision that recommends amendments to the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held in Louisville, Kentucky, on January 10 – 12, 2006.

This decision adopts, on an interim final and emergency basis, proposals to amend certain features of the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. Specifically, this decision will establish a mileage rate factor using a fuel cost adjustor used in the transportation credit provisions of both orders, increase the maximum transportation credit assessment rate for both orders, and establish diversion limits on eligible Class I milk receiving transportation credits. A separate decision will be issued addressing proposals concerning Producer milk provisions and transportation credits on intra-market order movement of milk within the Appalachian and Southeast marketing areas.

Interested persons have until November 13, 2006, to file comments in response to the tentative partial decision. USDA will determine if producers approve the amended order.

For additional information about the decision, contact:

Appalachian: Harold H. Friedly  
Market Administrator, USDA/AMS/Dairy Programs  
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Louisville, KY 40261-0030  
Tel. (502) 499-0040  
e-mail: [friedly@malouisville.com](mailto:friedly@malouisville.com)

Southeast: Sue L. Mosley  
Market Administrator, USDA/AMS/Dairy Programs  
P.O. Box 491778  
Lawrenceville, GA 30049  
Tel. (770) 682-2501  
e-mail: [smosley@fmmatlanta.com](mailto:smosley@fmmatlanta.com) ♦

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**USDA ANNOUNCES FINAL DECISION TO AMEND UPPER MIDWEST MILK ORDER**

On September 6, 2006, the U. S. Department of Agriculture announced a final decision that adopts amendments to the pooling provisions of the Upper Midwest milk marketing order that were previously discussed in a recommended decision. This decision is based on testimony and evidence given at a public hearing held in Bloomington, Minnesota, August 16-19, 2004.

The amendments recommended for adoption will: 1) establish a limit on the volume of milk a handler may pool during the months of April through February to 125 percent of the volume of milk pooled in the prior month; 2) establish a limit on the volume of milk a handler may pool during the month of March to 135 percent of the volume of milk pooled in the prior month; and 3) allow the market administrator to increase the maximum administrative assessment up to 8 cents per hundredweight on all pooled milk if necessary to maintain the required fund reserves.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

For additional information about the decision contact:

H. Paul Kyburz  
Market Administrator, USDA/AMS/Dairy Programs  
Suite 210 4570 West 77th Street  
Minneapolis, MN 55435-5037  
Tel. (952) 831-5292  
email: [pkyburz@fmma30.com](mailto:pkyburz@fmma30.com) ♦

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### USDA ANNOUNCES FINAL DECISION TO AMEND MIDEAST MILK ORDER

On September 6, 2006, the U. S. Department of Agriculture announced a final decision that adopts amendments to the pooling provisions of the Mideast milk marketing order that were previously discussed in a recommended decision. This decision is based on testimony and evidence given at a public hearing held in Wooster, Ohio, March 7-10, 2005.

The amendments recommended for adoption will: 1) establish a limit on the volume of milk a handler may pool during the months of April through February to 115 percent of the volume of milk pooled in the prior month; and 2) establish a limit on the volume of milk a handler may pool during the month of March to 120 percent of the volume of milk pooled in the prior month.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

For additional information about the decision contact:

David Z. Walker  
Market Administrator, USDA/AMS/Dairy Programs  
P.O. Box 5102  
1325 Industrial Parkway North  
Brunswick, OH 44212  
Tel. (330) 225-4758  
email: [dwalker@fmmaclev.com](mailto:dwalker@fmmaclev.com) ♦

### USDA ANNOUNCES FINAL DECISION TO AMEND CENTRAL MILK ORDER

On September 6, 2006, the U.S. Department of Agriculture announced a final decision to permanently adopt amendments to the pooling provisions of the Central milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Kansas City, Missouri, December 6-8, 2004.

The adopted amendments: increase supply plant performance standards; amend features of the "touch-base" provision; amend certain features of the "split plant" provision; and decrease the diversion limit standards of the order. The decision also adopts a proposal that limits the volume of milk a handler can pool in a month to 125 percent

of the total volume of milk pooled in the previous month.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

For additional information about the decision contact:

Robert E. Vander Linden  
Market Administrator, USDA/AMS/Dairy Programs  
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#### *(Continued from Page 8)*

The voluntary guidelines and checklists were developed based upon recommendations made by producers throughout the United States. Guidelines have been developed for general agriculture; dairy; crops; cattle and poultry security.

This guide is the latest in a series of materials produced by USDA to bolster food and agriculture security. USDA continues to work closely with its federal, state and local government partners as well as industry stakeholders to develop sector-wide guidelines. For instance, guidance has been issued by USDA for food processors and distributors, and for agricultural transporters in coordination with the trucking industry.

Agriculture and food account for 13 percent of the U.S. gross domestic product, 18 percent of its employment and \$140 billion in revenue. USDA continues to work with its federal, state, local partners as well as industry in protecting the nation's agriculture and food production, from threats such as natural disasters and either the naturally occurring, intentional or unintentional introduction of diseases and pathogens as they do not respect geographic borders. The interconnected global food system contributes to our nation's economic strength by improving production and marketing efficiency and providing timely responses to consumer needs.

USDA's local Farm Service Agency Service Centers are distributing the "Pre-Harvest Security Guidelines and Checklist 2006" to agricultural producers throughout the country. For more information about USDA's homeland security efforts, go online to [www.usda.gov/homelandsecurity](http://www.usda.gov/homelandsecurity). ♦

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# MONTHLY SELECTED STATISTICS

|   | PACIFIC NORTHWEST |          |          |          | ARIZONA 2/ |          |          |          |
|---|-------------------|----------|----------|----------|------------|----------|----------|----------|
|   | Aug 2006          | Jul 2006 | Aug 2005 | Jul 2005 | Aug 2006   | Jul 2006 | Aug 2005 | Jul 2005 |
| <b>Minimum Class Prices (3.5% B.F.)</b> |                   |          |          |          |            |          |          |          |
| Class I Milk (\$/cwt.) . . . . .        | \$12.87           | \$13.24  | \$16.34  | \$15.79  | \$13.32    | \$13.69  | \$16.79  | \$16.24  |
| Class II Milk (\$/cwt.) . . . . .       | 11.16             | 10.83    | 13.95    | 13.79    | 11.16      | 10.83    | 13.95    | 13.79    |
| Class III Milk (\$/cwt.) . . . . .      | 11.06             | 10.92    | 13.60    | 14.35    | 11.06      | 10.92    | 13.60    | 14.35    |
| Class IV Milk (\$/cwt.) . . . . .       | 10.64             | 10.21    | 13.44    | 13.17    | 10.64      | 10.21    | 13.44    | 13.17    |
| <b>Producer Prices</b>                  |                   |          |          |          |            |          |          |          |
| Producer Price Differential (\$/cwt.)   | \$ 0.42           | \$ 0.37  | \$ 0.78  | \$ 0.03  | +          | +        | +        | +        |
| Butterfat (\$/pound) . . . . .          | 1.3008            | 1.2228   | 1.8246   | 1.8007   | +          | +        | +        | +        |
| Protein (\$/pound) . . . . .            | 1.9050            | 1.9807   | 2.1619   | 2.4558   | +          | +        | +        | +        |
| Other Solids (\$/pound) . . . . .       | 0.1416            | 0.1257   | 0.1317   | 0.1240   | +          | +        | +        | +        |
| Uniform Skim Price (\$/cwt.) . . .      | +                 | +        | +        | +        | 7.93       | 7.80     | 8.74     | 9.03     |
| Uniform Butterfat Price (\$/pound)      | +                 | +        | +        | +        | 1.2864     | 1.2350   | 1.8347   | 1.7648   |
| Statistical Uniform Price (\$/cwt.) . . | \$11.48           | \$11.29  | \$14.38  | \$14.38  | \$12.15    | \$11.85  | \$14.86  | \$14.89  |
| <b>Producer Data</b>                    |                   |          |          |          |            |          |          |          |
| Number of Producers . . . . .           | 821 *             | 821      | 865      | 881      | 95 *       | 95       | 85       | 86       |
| Avg. Daily Production (lbs.) . . . .    | 28,506 *          | 27,788   | 24,554   | 24,641   | 88,412 *   | 93,832   | 83,786   | 90,650   |
| <b>Number of Handlers</b>               |                   |          |          |          |            |          |          |          |
| Pool Handlers . . . . .                 | 29                | 28       | 26       | 27       | 7          | 7        | 5        | 5        |
| Producer-Handlers . . . . .             | 6 *               | 6        | 9        | 9        | 1 *        | 1        | 3        | 3        |
| Other Plants w/ Class I Use . . . .     | 23 *              | 23       | 21       | 21       | 20 *       | 20       | 27       | 28       |
| <b>Producer Milk Ratios</b>             |                   |          |          |          |            |          |          |          |
| Class I . . . . .                       | 26.12%            | 24.24%   | 26.00%   | 24.71%   | 45.95%     | 37.91%   | 37.50%   | 32.15%   |
| Class II . . . . .                      | 7.02%             | 6.10%    | 6.69%    | 6.69%    | 9.42%      | 9.03%    | 12.96%   | 12.35%   |
| Class III . . . . .                     | 32.88%            | 31.37%   | 27.35%   | 27.11%   | 34.53%     | 35.31%   | 45.61%   | 40.30%   |
| Class IV . . . . .                      | 33.98%            | 38.29%   | 39.96%   | 41.49%   | 10.10%     | 17.75%   | 3.93%    | 15.20%   |

+ Not Applicable. \* Preliminary.

## MONTHLY SUPPLEMENTAL STATISTICS

|  | Jul 2006    | Jun 2006    | Jul 2005    | Jun 2005    | Jul 2006    | Jun 2006   | Jul 2005    | Jun 2005   |
|--|-------------|-------------|-------------|-------------|-------------|------------|-------------|------------|
| <b>Producer-Handler Data</b>             |             |             |             |             |             |            |             |            |
| Production . . . . .                     | 21,556,262  | 21,264,420  | 38,026,250  | 33,119,559  | R           | R          | R           | R          |
| Class I Use . . . . .                    | 17,157,906  | 17,441,730  | 27,178,837  | 27,995,157  | R           | R          | R           | R          |
| % Class I Use . . . . .                  | 79.60%      | 82.02%      | 71.47%      | 84.53%      | R           | R          | R           | R          |
| <b>Class I Route Disposition In Area</b> |             |             |             |             |             |            |             |            |
| By Pool Plants . . . . .                 | 157,594,413 | 164,240,021 | 148,922,449 | 148,172,565 | 92,973,501  | 90,479,325 | 74,016,156  | 69,316,016 |
| By Producer-Handlers . . . . .           | 7,703,623   | 7,839,310   | 19,424,414  | 20,205,057  | 1/          | 1/         | 1/          | 1/         |
| By Other Plants . . . . .                | 3,903,077 * | 3,455,142   | 2,497,736   | 1,986,545   | 3,904,207 * | 4,210,607  | 27,373,060  | 27,045,452 |
| Total                                    | 169,201,113 | 175,534,473 | 170,844,599 | 170,364,167 | 96,877,708  | 94,689,932 | 101,389,216 | 96,361,468 |

\* Preliminary. R = Restricted. Not included. 1/ Restricted. Included with other plants. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed from the "Arizona-Las Vegas Order" to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006.

# MONTHLY STATISTICAL SUMMARY

(Product pounds based upon reports of handlers)

| RECEIPTS, UTILIZATION AND<br>CLASSIFICATION OF MILK | PACIFIC NORTHWEST  |                    |                    |                    | ARIZONA 2/         |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Aug 2006           | Jul 2006           | Aug 2005           | Jul 2005           | Aug 2006           | Jul 2006           | Aug 2005           | Jul 2005           |
| TOTAL PRODUCER MILK                                 | 725,511,094        | 707,227,782        | 658,409,801        | 672,974,312        | 260,372,400        | 276,335,324        | 220,775,044        | 241,673,512        |
| RECEIPTS FROM OTHER SOURCES                         | 24,612,912         | 20,171,198         | 26,146,830         | 23,906,829         | 4,168,566          | 21,906,479         | 41,300,507         | 52,520,951         |
| OPENING INVENTORY . . . . .                         | 28,787,938         | 30,654,796         | 31,692,564         | 31,599,533         | 20,249,447         | 17,725,144         | 17,733,756         | 14,464,760         |
| <b>TOTAL TO BE ACCOUNTED FOR</b>                    | <b>778,911,944</b> | <b>758,053,776</b> | <b>716,249,195</b> | <b>728,480,674</b> | <b>284,790,413</b> | <b>315,966,947</b> | <b>279,809,307</b> | <b>308,659,223</b> |
| <b>UTILIZATION OF RECEIPTS</b>                      |                    |                    |                    |                    |                    |                    |                    |                    |
| Whole milk . . . . .                                | 34,961,986         | 32,910,072         | 29,695,205         | 29,351,493         | 30,565,586         | 29,985,023         | 19,949,442         | 19,785,553         |
| Flavored milk & milk drinks . . . . .               | 7,626,034          | 5,954,171          | 7,079,762          | 7,429,913          | 7,043,616          | 2,811,854          | 5,577,701          | 2,599,650          |
| 2% milk . . . . .                                   | 70,476,139         | 66,245,871         | 64,059,723         | 64,176,008         | 37,848,739         | 36,279,190         | 31,780,866         | 31,293,581         |
| 1% milk . . . . .                                   | 25,808,679         | 24,237,916         | 22,701,236         | 21,221,438         | 13,188,425         | 11,286,514         | 10,876,473         | 9,678,938          |
| Skim milk . . . . .                                 | 28,231,298         | 26,765,636         | 25,533,891         | 25,410,044         | 12,908,574         | 12,169,007         | 10,563,801         | 10,235,740         |
| Buttermilk . . . . .                                | 1,518,328          | 1,480,747          | 1,384,101          | 1,333,553          | 478,824            | 441,913            | 473,988            | 422,694            |
| CLASS I ROUTE DISP. IN AREA. . . . .                | 168,622,464        | 157,594,413        | 150,453,918        | 148,922,449        | 102,033,764        | 92,973,501         | 79,222,271         | 74,016,156         |
| Class I dispositions out of area . . . . .          | 16,111,229         | 12,621,791         | 14,751,645         | 14,687,880         | 15,334,033         | 14,160,786         | 4,732,304          | 4,800,563          |
| Other Class I usage . . . . .                       | 19,739,033         | 18,278,225         | 19,500,079         | 18,556,498         | 10,644,828         | 8,304,047          | 6,561,826          | 7,430,175          |
| <b>TOTAL CLASS I USE. . . . .</b>                   | <b>204,472,726</b> | <b>188,494,429</b> | <b>184,705,642</b> | <b>182,166,827</b> | <b>128,012,625</b> | <b>115,438,334</b> | <b>90,516,401</b>  | <b>86,246,894</b>  |
| TOTAL CLASS II USE . . . . .                        | 57,008,079         | 48,078,728         | 51,380,525         | 51,625,156         | 25,478,101         | 25,945,657         | 29,638,960         | 30,980,839         |
| TOTAL CLASS III USE . . . . .                       | 243,795,500        | 229,469,076        | 191,040,183        | 194,382,809        | 90,595,021         | 98,718,275         | 101,990,188        | 98,722,621         |
| TOTAL CLASS IV USE . . . . .                        | 273,635,639        | 292,011,543        | 289,122,845        | 300,305,882        | 40,704,666         | 75,864,681         | 57,663,758         | 92,708,869         |
| <b>TOTAL ACCOUNTED FOR . . . . .</b>                | <b>778,911,944</b> | <b>758,053,776</b> | <b>716,249,195</b> | <b>728,480,674</b> | <b>284,790,413</b> | <b>315,966,947</b> | <b>279,809,307</b> | <b>308,659,223</b> |
| <b>CLASSIFICATION OF RECEIPTS</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |
| Producer milk: Class I . . . . .                    | 189,438,076        | 171,442,820        | 171,202,204        | 166,318,462        | 119,631,932        | 104,721,239        | 82,775,511         | 77,684,634         |
| Class II . . . . .                                  | 50,959,413         | 43,141,992         | 44,017,981         | 44,997,354         | 24,528,892         | 24,966,422         | 28,620,085         | 29,857,918         |
| Class III . . . . .                                 | 238,556,831        | 221,845,328        | 180,077,681        | 182,469,620        | 89,908,104         | 97,584,890         | 100,703,640        | 97,385,647         |
| Class IV . . . . .                                  | 246,556,774        | 270,797,642        | 263,111,935        | 279,188,876        | 26,303,472         | 49,062,773         | 8,675,808          | 36,745,313         |
| Other receipts: Class I . . . . .                   | 15,034,650         | 17,051,609         | 13,503,438         | 15,848,365         | 24,418,013         | 39,631,623         | 59,034,263         | 66,985,711         |
| Class II . . . . .                                  | 6,048,666          | 4,936,736          | 7,362,544          | 6,627,802          | 1/                 | 1/                 | 1/                 | 1/                 |
| Class III . . . . .                                 | 5,238,669          | 7,623,748          | 10,962,502         | 11,913,189         | 1/                 | 1/                 | 1/                 | 1/                 |
| Class IV . . . . .                                  | 27,078,865         | 21,213,901         | 26,010,910         | 21,117,006         | 1/                 | 1/                 | 1/                 | 1/                 |
| Avg. daily producer receipts . . . . .              | 23,403,584         | 22,813,799         | 21,239,026         | 21,708,849         | 8,399,110          | 8,914,043          | 7,121,776          | 7,795,920          |
| Change From Previous Year . . . . .                 | 10.19%             | 5.09%              | 6.23%              | 3.85%              | 17.94%             | 14.34%             | -0.61%             | 5.78%              |
| Avg. daily Class I use . . . . .                    | 6,595,894          | 6,080,465          | 5,958,247          | 5,876,349          | 4,129,440          | 3,723,817          | 2,919,884          | 2,782,158          |
| Change From Previous Year . . . . .                 | 10.70%             | 3.47%              | -3.09%             | -3.24%             | 41.42%             | 33.85%             | 3.31%              | 8.31%              |

1/ Restricted - Included with Class I. 2/ Due to the implementation of the Milk Regulatory Equity Act of 2005, the name of Federal Order 131 changed from the "Arizona-Las Vegas Order" to the "Arizona Order" and Clark County, Nevada, was removed from the marketing area effective May 1, 2006.

**HIGHLIGHTS THIS ISSUE:**

- Market Summaries for August 2006
- August 2006 Class Prices
- Milk Production up 1.6 Percent in August
- USDA Reconvenes National Public Hearing on Proposed Amendments to All Federal Milk Orders
- USDA Announces Tentative Partial Decision to Amend Appalachian and Southeast Milk Marketing Orders
- USDA Announces Final Decision to Amend Upper Midwest Milk Order
- USDA Announces Final Decision to Amend Mideast Milk Order
- USDA Announces Final Decision to Amend Central Milk Order
- USDA Offers Guide to Protect the U.S. Food Supply

**USDA OFFERS GUIDE TO PROTECT  
THE U.S. FOOD SUPPLY**

On July 12, 2006, the U.S. Department of Agriculture released a guide entitled "Pre-Harvest Security Guidelines and Checklist 2006" to help agricultural producers enhance security at the farm level. These practical measures help to protect against natural disasters, as well as the unintentional or intentional introduction of plant or animal diseases.

"We work on many fronts to ensure that our nation continues to provide the safest food supply in the world," said Agriculture Deputy Secretary Chuck Conner. "While there is no one-size-fits-all approach to protecting agriculture, recommendations in this guide can be beneficial to a variety of types and sizes of agricultural operations."

Food and agriculture biosecurity is an important component of USDA's mission. Improving awareness through enhanced outreach and communications is a key element of USDA's homeland security efforts.

*(Continued on Page 5)*