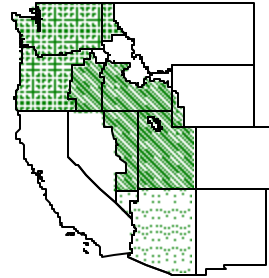


Pacific Northwest, Arizona-Las Vegas, & Western Marketing Areas



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

November 2002

MARKET SUMMARIES FOR OCTOBER 2002

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

Pacific Northwest

Producers delivered a total of 658.2 million pounds of milk to the market during October. Daily deliveries averaged 21.2 million pounds, down 1.1 percent from September. An estimated 977 producers delivered milk to the market during the month. Daily deliveries per producer averaged 21,732 pounds, down 1.1 percent from September.

Class I producer milk during October totaled 188.8 million pounds, 28.7 percent of total producer receipts. Daily usage averaged 6.1 million pounds, up 4.1 percent from September.

Arizona-Las Vegas

Producers delivered a total of 240.3 million pounds of milk to the market during October. Daily deliveries averaged 7.8

million pounds, up 7.8 percent from September. An estimated 107 producers delivered milk to the market during the month. Daily deliveries per producer averaged 72,447 pounds, up 7.8 percent from September.

Class I producer milk during October totaled 85.9 million pounds, 35.7 percent of total producer receipts. Daily usage averaged 2.8 million pounds, up 7.0 percent from September.

Western

Producers delivered a total of 470.2 million pounds of milk to the market during October. Comparisons to the previous month are affected by eligible milk not pooled in October 2002. Fewer than three handlers did not pool milk; the amount of eligible milk not pooled is restricted. Daily deliveries averaged 15.2 million pounds, down 15.7 percent from September. An estimated 798 producers delivered milk to

(Continued on Page 2)

Federal Order Producer Prices and Component Levels: October 2002

Producer Prices	FO124	FO131	FO135	Component Levels (%)	FO124	FO131	FO135
Uniform Price 1/*	10.94	11.38	11.01	Butterfat	3.749	3.658	3.703
Butterfat 2/	1.0726	1.0626	1.0726	Protein	3.126	N/A	3.138
Protein 2/	2.1839	N/A	2.1839	Other Solids	5.675	N/A	5.684
Other Solids 2/	0.0755	N/A	0.0755	Nonfat Solids	8.800	N/A	8.822
PPD 1/*	0.22	N/A	0.29				
Skim 1/	N/A	7.94	N/A				

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

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(Continued From Page 1)

the market during the month. Daily deliveries per producer averaged 19,005 pounds, down 15.7 percent from September.

Class I producer milk during October totaled 94.5 million pounds, 20.1 percent of total producer receipts. Daily usage averaged 3.0 million pounds, down 2.2 percent from September. ♦

OCTOBER 2002 CLASS PRICES

October 2002 non-advanced Class Prices were calculated using NASS commodity price surveys from October 5, 12, 19, and 26, 2002. Component prices for the month are \$2.1839 per pound of protein, \$1.0726 per pound of butterfat, \$0.0755 per pound of other solids, and \$0.7765 per pound of nonfat solids.

October 2002 Class III and IV prices at 3.5% butterfat are \$10.72 and \$10.50 per hundredweight, respectively. The October Class III price compared to September is up \$0.80. The Class III price is \$3.88 lower than October 2001. The Class III price at 3.67% butterfat is \$0.99 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.0796 per pound. Class I skim and butterfat and Class II skim prices for October 2002 were announced on September 20, 2002. The Class II price at 3.5% butterfat is \$11.12 for October 2002.

FINAL: NASS COMMODITY PRICES

	September	October	Change
Cheese*	\$1.1438	\$1.2020	\$0.0582
Butter	\$0.9431	\$0.9945	\$0.0514
Nonfat Dry Milk	\$0.9096	\$0.9165	\$0.0069
Whey	\$0.1755	\$0.2131	\$0.0376

* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrels changed from 39% to 38% moisture cheese.

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed a decrease of 19.53 cents between the October 19 and the November 16 surveys, to \$1.0797 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 9.43 cents to \$1.0573 per pound.

The NASS butter price showed a net decrease of 1.09 cents between the weeks ending October 19

and November 16 from \$0.1.0099 per pound to \$0.9990 per pound.

The NASS nonfat dry milk showed a net decrease of 0.40 cents since mid-October to \$0.9154 per pound. The average price for NASS whey showed a net increase of 0.92 cents since mid-October to \$0.2219 per pound. ♦

DECEMBER'S CLASS I PRICE ANNOUNCEMENT

On November 22, the December 2002 Class I price was announced at \$12.42 for the Pacific Northwest and Western Orders, and \$12.87 for the Arizona-Las Vegas Order. The Class I price was calculated using NASS commodity price surveys from the weeks of November 9 and 16.

The December Class III and IV advance skim prices are \$6.16 and \$6.99 per hundredweight, respectively. The butterfat portion of the Class I mover increased 3.59 cents from \$1.0423 to \$1.0782 per pound.

The December 2002 Class II skim and nonfat solids prices were also announced on November 22. The skim price is \$7.69 per hundredweight, and the nonfat solids price is \$0.8544 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	November	December	Change
Cheese*	\$1.1921	\$1.0985	-\$0.0936
Butter	\$0.9697	\$0.9991	\$0.0294
Nonfat Dry Milk	\$0.9159	\$0.9172	\$0.0013
Whey	\$0.2081	\$0.2234	\$0.0153

* The weighted average of barrels plus 3 cents and blocks. Beginning January 2001, barrel cheese prices changed from 39% to 38% moisture cheese.

(Continued From Page 8)

2) establish a "touch-base" standard specifying that at least three-days' milk production of a producer needs to be delivered to a pool plant during the month in order for the rest of the milk of the producer to be eligible for diversion to non-pool plants, and 3) provides authority to the Market Administrator to adjust the touch-base standard.

These interim amendments to the order will become effective January 1, 2003. Public comments on the Tentative Final Decision published September 6, 2002, were due November 5, 2002.

For additional information about the decision contact: James R. Daugherty, Pacific Northwest Market Administrator, USDA/AMS/Dairy Programs, 1930 - 220 Street, SE, Suite 102, Bothell Washington 98021-8471 Tel. (425)487-6009; email fmmaseattle@fmmaseattle.com. ♦

USDA ANNOUNCES REVISED CLASS III AND IV FORMULAS FOR ALL FEDERAL MILK ORDERS

The United States Department of Agriculture, on November 6, 2002, announced the final decision to amend the pricing formulas for milk marketed for manufacturing use under all federal milk marketing orders. The amended formulas use market prices of dairy products to establish minimum prices for milk used in the production of Class III products (cheese) and Class IV products (butter, dry milk products).

The final decision culminates a process that began with the 1996 Farm Bill. Historically, USDA established minimum prices for milk used in manufacturing by surveying the prices paid for manufacturing grade milk by unregulated plants in Minnesota and Wisconsin. However, by the late 1990s, declining supplies of manufacturing grade milk necessitated that a new procedure be developed to determine the value of milk used in manufacturing. As part of a comprehensive effort to consolidate and reform federal milk marketing orders under the 1996 Farm Bill, USDA developed pricing formulas for Class III and Class IV milk based on wholesale prices of manufactured dairy products. These pricing formulas were implemented on January 1, 2000, as required by the 1996 Farm Bill.

Congress mandated that USDA review the pricing formulas following the reform effort. A public hearing was held May 8-12, 2000, to consider proposals to change the formulas. Effective January 1, 2001, USDA issued revised formulas that were enjoined by a U.S. District Court at the end of January. In October 2001, following the court injunction, USDA issued a recommended decision again altering the pricing formulas. Today's final decision makes several minor changes in the recommended decision.

This final decision differs from the recommended decision by modifying the Class III and Class IV formulas to recognize the loss of milk during delivery from farm to plant. As proposed in the recommended decision, the make allowance for

dry whey is increased from \$0.140 to \$0.159 per pound. All other make allowances remain unchanged.

The final decision was published in the November 7 Federal Register. The final decision would amend all federal milk orders. Each amended federal order must be approved by either two-thirds of producers supplying milk to the federal order or by producers who supply two-thirds of the milk to the federal order. USDA will determine approval or disapproval of each amended order over the next 3-5 weeks.

More information can be found at: http://www.ams.usda.gov/dairy/hearing-III_IV.htm. ♦

ANALYSIS OF HAULING CHARGES AND PRODUCER MILK BY LOCATION AND SIZE-RANGE OF PRODUCTION - MAY 2002

Hauling charges and milk production were examined for over 1,700 producers in May 2002. The milk represented in this study was producer milk (Grade A) pooled on the Pacific Northwest and Western Orders. In May 2002, a large volume of Grade A milk historically associated with and eligible to be pooled (qualified) on the Western Order was not pooled due to price relationships. The eligible milk not pooled is restricted information but is incorporated in some parts of this study where its use does not result in disclosure of restricted information. Hauling charges, stop charges, and milk production were obtained from producer payrolls submitted by handlers to the Market Administrator's office. The terms "milk production" and "producer milk" in this study are synonymous. Hauling charges in this paper are given on a per hundredweight basis. The reference to a particular year refers to May of that year. Some comparisons to previous years are reported, but due to changes in Federal order boundaries and order provisions beginning January 2000, these comparisons may be biased.

Major findings of this study include:

1. In May 2002, the weighted average hauling charges on the Pacific Northwest and Western Orders were 39.71 and 30.91 cents per hundredweight, respectively.
2. By state, Idaho had the lowest weighted average hauling charge, followed by California, Oregon, Washington, and Utah.
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. In addition, hauling charges were generally lower for the large-volume producers, especially in the Western Order milk shed.

- Based on producer milk pooled on the respective orders, the average monthly deliveries per producer for the Pacific Northwest Order were 710.2 thousand pounds and for the Western Order were 614.2 thousand pounds.

A copy of the staff paper can be requested from the Bothell Market Administrator's office or can be found at <http://www.fmmaseattle.com>. ♦

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

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

In each of the three orders, the historic trend of increasing lowfat milk products consumption and decreasing whole milk products consumption was not evident in the numbers below.

Arizona-Las Vegas Order

For the period of January through September 2002, disposition of fluid milk products in the marketing area of the Arizona-Las Vegas Order totaled 942.7 million pounds, a 2.9 percent increase from the same period in 2001. During the first three quarters of 2002, in-area fluid milk disposition of whole milk products increased 7.5 percent, compared to a year earlier and lowfat milk products increased 0.4 percent.

Pacific Northwest Order

For the period of January through September 2002, disposition of fluid milk products in the marketing area of the Pacific Northwest Order totaled 1,606.8 million pounds, a 0.7 percent decrease from the same period in 2001. During the first three quarters of 2002, in-area fluid milk disposition of whole milk products increased 0.4 percent, compared to a year earlier but lowfat milk products decreased 1.0 percent.

In-Area Route Disposition 1/ Arizona-Las Vegas Order (FO131) January through September 2001 vs. 2002

	2001	2002	Change
Whole Milk Products - million pounds -			
Whole	295.9	318.8	7.74%
Flavored	<u>19.3</u>	<u>19.8</u>	<u>2.99%</u>
Total Whole Milk 2/	315.2	338.6	7.45%
Low-fat Milk Products			
2%	346.4	342.7	-1.08%
1%	100.6	103.3	2.71%
Skim	120.4	118.8	-1.29%
Flavored Low-fat	28.6	32.3	13.26%
Buttermilk & Other 3/	<u>5.6</u>	<u>7.0</u>	<u>25.00%</u>
Total Low-fat Milk 2/	601.5	604.1	0.44%
Combined Total 2/	916.7	942.7	2.85%

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

In-Area Route Disposition 1/ Pacific Northwest Order (FO124) January through September 2001 vs. 2002

	2001	2002	Change
Whole Milk Products - million pounds -			
Whole	279.1	281.4	0.84%
Flavored	<u>20.2</u>	<u>19.1</u>	<u>-5.33%</u>
Total Whole Milk 2/	299.3	300.5	0.42%
Low-fat Milk Products			
2%	712.5	700.3	-1.72%
1%	246.1	240.2	-2.37%
Skim	274.6	269.3	-1.93%
Flavored Low-fat	71.5	82.5	15.47%
Buttermilk & Other 3/	<u>14.3</u>	<u>13.8</u>	<u>-3.52%</u>
Total Low-fat Milk 2/	1,319.0	1,306.2	-0.97%
Combined Total 2/	1,618.3	1,606.8	-0.71%

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

Western Order

For the period of January through September 2002, disposition of fluid milk products in the marketing area of the Western Order totaled 664.8 million pounds, a 1.0 percent increase from the same period in 2001. During the first three quarters of 2002, in-area fluid milk disposition of whole milk products increased 5.7 percent, compared to a year earlier, but lowfat milk products decreased 0.01 percent. ♦

**In-Area Route Disposition 1/
Western Order (FO135)
January through September 2001 vs. 2002**

	2001	2002	Change
Whole Milk Products - million pounds -			
Whole	107.7	114.6	6.46%
Flavored	5.3	4.8	-9.43%
Total Whole Milk 2/	112.9	119.4	5.71%
Low-fat Milk Products			
2%	271.5	270.0	-0.54%
1%	138.3	134.2	-2.97%
Skim	88.1	93.6	6.30%
Flavored Low-fat	41.2	42.3	2.56%
Buttermilk & Other 3/	6.4	5.3	-16.84%
Total Low-fat Milk 2/	545.5	545.4	-0.01%
Combined Total 2/	658.4	664.8	0.97%

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.

**USDA DAIRY PROGRAMS ANNOUNCES
ADDITION TO WEBSITE**

The Market Information Branch recently has added a new page of statistics to its Milk Marketing Order Statistics web site. The new page is titled Milk Used to Produce Manufactured Dairy Products and shows monthly information for selected dairy products by class of utilization, by order. The new page is www.ams.usda.gov/dyfmos/mib/used_prod_mfg.htm.

**USDA ANNOUNCES TENTATIVE FINAL
DECISION TO AMEND THE CENTRAL ORDER**

On November 18, 2002, the United States Department of Agriculture announced a tentative final decision amending the current pooling provisions of the Central milk marketing order. This decision is based on testimony and evidence given at a public hearing held November 14 and 15, 2001, in Kansas City, Missouri.

USDA will conduct a vote on the amended order to determine producer approval. Interested persons have 60 days to file comments in response to the tentative decision, which will appear in the November 19 Federal Register. For additional information about the decision contact:

Donald R. Nicholson
USDA/AMS/Dairy Programs
P.O. Box 14650
Shawnee Mission, KS. 66285-4650
Tel. (913) 495-9300; email:
donald.nicholson@fmmcentral.com
More information can be found at: http://www.ams.usda.gov/dairy/central_pooling_standards.htm.

**USDA ANNOUNCES ADJUSTMENTS
IN PURCHASE PRICES FOR MILK
AND MILK PRODUCTS
(BUTTER/POWDER "TILT")**

The U.S. Department of Agriculture announced on November 15, 2001, that its Commodity Credit Corporation will increase the price it pays for butter by 19.52 cents to \$1.05 per pound, and decrease the price of nonfat dry milk by 10.00 cents to \$0.8000 per pound. The purchase prices for block Cheddar and barrel cheese remain unchanged at \$1.1314 and \$1.1014 per pound, respectively. The changes are effective November 15, 2002.

The Agricultural Market Transition Act permits the USDA to adjust the balance between the purchase prices of butter and nonfat dry milk twice each calendar year under the Milk Price Support Program to help manage accumulated inventories and control costs. More information can be found at: <http://www.usda.gov/news/releases/2002/11/0476.htm>.

**PURCHASE PRICE FOR SURPLUS
DAIRY PRODUCTS**

	Produced before 11/15/02 and offered by 11/29/02 *	Produced on or after 11/15/02, or offered on or after 11/29/02 *
Products: 1/		
Butter	\$0.8548	\$1.0500
Nonfat Dry Milk		
U.S. Extra Grade	\$0.9000	\$0.8000
Fortified	\$0.9100	\$0.8100
Cheese:		
40-lb. Block	\$1.1314	\$1.1314
500-lb. Barrel	\$1.1014	\$1.1014

* Products older than a certain age may be rejected. 1/ See CCC contracts for specifications.

MONTHLY SELECTED STATISTICS

	PACIFIC NORTHWEST			WESTERN			ARIZONA-LAS VEGAS		
	Oct 2002	Sep 2002	Oct 2001	Oct 2002	Sep 2002	Oct 2001	Oct 2002	Sep 2002	Oct 2001
Minimum Class Prices (3.5% B.)									
Class I Milk (\$/cwt.)	\$12.05	\$12.36	\$17.83	\$12.05	\$12.36	\$17.83	\$12.50	\$12.81	\$18.28
Class II Milk (\$/cwt.)	11.12	10.91	13.53	11.12	10.91	13.53	11.12	10.91	13.53
Class III Milk (\$/cwt.)	10.72	9.92	14.60	10.72	9.92	14.60	10.72	9.92	14.60
Class IV Milk (\$/cwt.)	10.50	10.22	12.77	10.50	10.22	12.77	10.50	10.22	12.77
Producer Prices									
Producer Price Differential (\$/cwt.)	\$ 0.22	\$ 0.74	\$(0.22)	\$ 0.29	\$ 0.63	\$(0.25)	+	+	+
Butterfat (\$/pound)	1.0726	1.0099	1.6526	1.0726	1.0099	1.6526	+	+	+
Protein (\$/pound)	2.1839	2.0646	2.6664	2.1839	2.0646	2.6664	+	+	+
Other Solids (\$/pound)	0.0755	0.0367	0.1482	0.0755	0.0367	0.1482	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	+	+	7.94	7.70	8.95
Uniform Butterfat Price (\$/pound)	+	+	+	+	+	+	1.0626	1.0296	1.8198
Statistical Uniform Price (\$/cw . .)	\$10.94	\$10.66	\$14.38	\$11.01	\$10.55	\$14.35	\$11.38	\$11.03	\$15.01
Producer Data									
Number of Producers	977 *	977	949	798 *	798	826	107 *	107	114
Avg. Daily Production (lbs.)	21,732 *	21,980	19,219	19,005 *	22,557	11,574	72,447 *	67,179	67,420
Number of Handlers									
Pool Handlers	26	26	27	16	16	17	6	6	6
Producer-Handlers	9 *	9	9	7 *	7	6	2 *	2	1
Other Plants w/ Class I Use	18 *	18	15	21 *	21	14	28 *	28	30
Producer Milk Ratios									
Class I	28.68%	27.24%	33.40%	20.09%	17.31%	31.20%	35.73%	36.02%	34.89%
Class II	5.01%	5.48%	6.71%	6.58%	5.79%	16.37%	4.66%	4.59%	5.07%
Class III	36.57%	36.77%	27.48%	48.44%	55.23%	14.97%	38.91%	40.62%	40.37%
Class IV	29.74%	30.51%	32.41%	24.89%	21.67%	37.46%	20.70%	18.77%	19.67%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

	Sep 2002	Aug 2002	Sep 2001	Sep 2002	Aug 2002	Sep 2001	Sep 2002	Aug 2002	Sep 2001
Producer-Handler Data									
Production	23,550,178	25,051,972	21,670,946	2,587,659	2,782,894	2,455,851	R	R	R
Class I Use	18,325,705	17,919,686	18,785,851	1,816,528	1,808,139	1,623,425	R	R	R
% Class I Use	77.82%	71.53%	86.69%	70.20%	64.97%	66.10%	R	R	R
Class I Route Disposition In Area									
By Pool Plants	158,636,202	163,163,594	158,562,696	68,726,155	71,197,582	67,379,428	73,437,561	75,911,414	72,195,716
By Producer-Handlers	18,139,990	17,758,013	18,853,860	1,805,063	1,859,466	1,645,418	1/	1/	1/
By Other Plants	2,114,040 *	885,863	1,686,499	3,584,614 *	3,604,183	1,761,436	29,012,132 *	32,582,703	27,444,965
Total	178,890,232	181,807,470	179,103,055	74,115,832	76,661,231	70,786,282	102,449,693	108,494,117	99,640,681

* 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			
	Oct 2002	Sep 2002	Oct 2001	Oct 2002	Sep 2002	Oct 2001	Oct 2002	Sep 2002	Oct 2001	
TOTAL PRODUCER MILK	658,188,972	644,236,287	565,416,417	470,152,671	540,017,718	296,359,432	240,305,521	215,644,583	238,260,997	
RECEIPTS FROM OTHER SOURCES	8,884,152	8,194,198	5,423,768	6,167,605	5,492,076	7,931,473	7,566,932	11,941,003	3,032,985	
OPENING INVENTORY	27,468,324	21,836,345	25,327,344	14,596,735	12,647,173	13,001,989	11,745,863	12,705,884	11,110,938	
TOTAL TO BE ACCOUNTED FOR	694,541,448	674,266,830	596,167,529	490,917,011	558,156,967	317,292,894	259,618,316	240,291,470	252,404,920	
UTILIZATION OF RECEIPTS										
Whole milk	29,984,841	27,061,688	28,843,904	12,721,466	11,815,565	12,097,593	23,052,793	21,343,637	21,103,559	
Flavored milk & milk drinks	14,045,049	11,771,741	12,911,457	6,723,138	5,831,885	6,703,907	6,093,640	5,638,587	5,461,267	
2% milk	72,634,879	67,731,739	72,921,475	30,347,862	28,236,335	31,115,093	9,460,411	27,488,266	29,968,861	
1% milk	26,120,827	24,072,211	26,512,126	14,680,910	13,812,685	15,720,250	29,219,751	8,891,518	9,394,316	
Skim milk	28,791,056	26,654,495	28,348,392	8,932,188	8,463,284	9,756,132	10,446,621	9,548,683	10,961,283	
Buttermilk	1,446,930	1,344,328	1,124,086	605,751	566,401	603,695	564,014	526,870	481,467	
CLASS I ROUTE DISP. IN AREA . .	173,023,582	158,636,202	170,661,440	74,011,315	68,726,155	75,996,670	78,837,230	73,437,561	77,370,753	
Class I dispositions out of area . .	15,112,561	11,761,822	10,264,195	19,767,377	17,725,070	14,436,442	4,476,956	3,673,179	5,030,986	
Other Class I usage	18,895,211	20,345,193	21,600,724	12,673,222	17,442,930	10,174,127	9,546,799	7,452,219	6,917,897	
TOTAL CLASS I USE	207,031,354	190,743,217	202,526,359	106,451,914	103,894,155	100,607,239	92,860,985	84,562,959	89,319,636	
TOTAL CLASS II USE	37,834,530	40,890,699	42,349,928	33,793,352	34,224,894	53,434,072	12,866,707	12,257,272	13,465,606	
TOTAL CLASS III USE	240,819,350	237,708,938	155,999,850	227,814,057	298,563,633	44,515,660	93,785,342	90,287,640	96,186,104	
TOTAL CLASS IV USE	208,856,214	204,923,976	195,291,392	122,857,688	121,474,285	118,735,923	60,105,282	53,183,599	53,433,574	
TOTAL ACCOUNTED FOR	694,541,448	674,266,830	596,167,529	490,917,011	558,156,967	317,292,894	259,618,316	240,291,470	252,404,920	
CLASSIFICATION OF RECEIPTS										
Producer milk:	Class I . .	188,771,044	175,487,941	188,846,278	94,470,652	93,441,205	92,438,391	85,862,489	77,689,791	83,126,284
	Class II . .	33,001,359	35,311,592	37,927,658	30,933,999	31,286,309	48,519,539	11,197,949	9,891,168	12,075,328
	Class III . .	240,703,224	236,871,114	155,371,742	227,724,855	298,257,530	44,374,262	93,491,340	87,584,656	96,185,073
	Class IV . .	195,713,345	196,565,640	183,270,739	117,023,165	117,032,674	111,027,240	49,753,743	40,478,968	46,874,312
Other receipts:	Class I . .	18,260,310	15,255,276	13,680,081	11,981,262	10,452,950	8,168,848	19,312,795	24,646,887	14,143,923
	Class II . .	4,833,171	5,579,107	4,422,270	2,859,353	2,938,585	4,914,533	1/	1/	1/
	Class III . .	116,126	837,824	628,108	89,202	306,103	141,398	1/	1/	1/
	Class IV . .	13,142,869	8,358,336	12,020,653	5,834,523	4,441,611	7,708,683	1/	1/	1/
Avg. daily producer receipts		21,231,902	21,474,543	18,239,239	15,166,215	18,000,591	9,559,982	7,751,791	7,188,153	7,685,839
Change From Previous Year . .		16.41%	5.58%	-6.52%	58.64%	20.68%	0.44%	0.86%	-3.40%	-0.03%
Avg. daily Class I use		6,678,431	6,358,107	6,533,108	3,433,933	3,463,139	3,245,395	2,995,516	2,818,765	2,881,279
Change From Previous Year . .		2.22%	3.17%	1.85%	5.81%	13.88%	6.10%	3.96%	0.03%	-4.37%

1/ Restricted - Included with Class I.

HIGHLIGHTS THIS ISSUE:

- Market Summaries for October 2002
- October 2002 Class Prices and Commodity Prices
- Class I Prices for December 2002
- USDA Announces Revised Class III and IV Formulas for All Federal Milk Orders
- Analysis of Hauling Charges And Producer Milk By Location And Size-Range of Production - May 2002
- In-Area Disposition of Fluid Milk Products: January Through September 2002
- USDA Dairy Programs Announces Addition to Website
- USDA Announces Tentative Final Decision to Amend the Central Order
- USDA Announces Butter/Powder "Tilt"
- USDA Announces Interim Order to Amend the Pacific Northwest Milk Marketing Order

USDA ANNOUNCES INTERIM ORDER TO AMEND THE PACIFIC NORTHWEST MILK MARKETING ORDER

On November 18, 2002, the United States Department of Agriculture issued an interim order amending the current pooling provisions of the Pacific Northwest Federal milk marketing order. The interim order was approved by Pacific Northwest dairy farmers.

This interim order implements pooling standards to prevent the inappropriate pooling of milk on the Pacific Northwest order. The approved amendments to the Pool Plant provisions: 1) eliminate a supply plant feature applicable to cooperative supply plants, 2) establish a "cooperative pool manufacturing plant" definition, and 3) establish system pooling for cooperative manufacturing plants.

The approved amendments to the Producer milk provisions: 1) set a year-round diversion limit of 80 percent of total receipts for pool plants,

(Continued on Page 2)