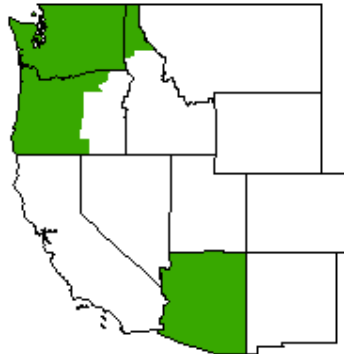


Pacific Northwest & Arizona Marketing Areas



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James R. Daugherty
 Market Administrator

November 2006

MARKET SUMMARIES FOR OCTOBER 2006

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

Pacific Northwest

Producers delivered a total of 620.4 million pounds of milk to the market during October. Daily deliveries averaged 20.0 million pounds, up 23.0 percent from September. An estimated 772 producers delivered milk to the market during the month. Comparisons to September 2006 are biased due to eligible milk not pooled. Daily deliveries per producer averaged 25,924 pounds, down 1.0 percent from September.

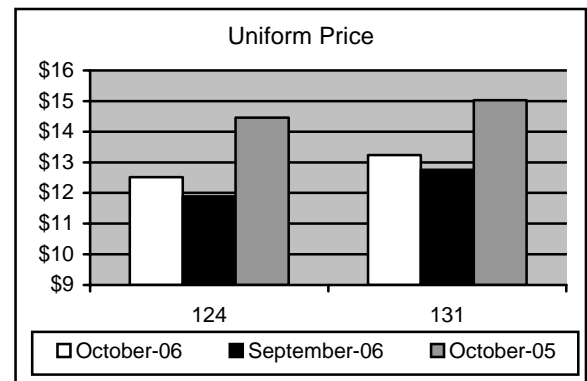
Class I producer milk during October totaled 197.6 million pounds, 31.9 percent of total producer receipts. Daily usage averaged 6.4 million pounds, up 0.4 percent from September.

Arizona

Producers delivered a total of 273.8 million pounds of milk to the market during October. Daily deliveries averaged

8.8 million pounds, up 6.0 percent from September. An estimated 93 producers delivered milk to the market during the month. Daily deliveries per producer averaged 94,960 pounds, up 6.0 percent from September.

Class I producer milk during October totaled 116.1 million pounds, 42.4 percent of total producer receipts. Daily usage averaged 3.7 million pounds, down 2.6 percent from September. ♦



Federal Order Producer Prices and Component Levels: October 2006

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	12.52	13.24	Butterfat	3.760	3.659
Butterfat 2/	1.4149	1.4237	Protein	3.169	N/A
Protein 2/	2.0775	N/A	Other Solids	5.679	N/A
Other Solids 2/	0.2026	N/A	Nonfat Solids	8.848	N/A
PPD 1/*	0.20	N/A			
Skim 1/	N/A	8.56			

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

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OCTOBER 2006 CLASS PRICES

October 2006 non-advanced Class Prices were calculated using NASS commodity price surveys from September 30, October 7, 14, 21, and 28, 2006. Component prices for the month are \$2.0775 per pound of protein, \$1.4149 per pound of butterfat, \$0.2026 per pound of other solids, and \$0.7551 per pound of nonfat solids.

October 2006 Class III and IV prices at 3.5% butterfat are \$12.32 and \$11.51 per hundredweight, respectively. The October Class III price compared to September is up \$0.03. The Class III price is \$2.03 lower than October 2005. The Class III price at 3.67% butterfat is \$2.65 above the support price of \$9.90 at 3.67% butterfat.

Class II butterfat was announced at \$1.4219 per pound. Class I skim and butterfat and Class II skim prices for October 2006 were announced on September 22, 2006. The Class II price at 3.5% butterfat is \$11.79 for October 2006.

FINAL: NASS COMMODITY PRICES

	September	October	Change
Cheese*	\$1.2912	\$1.2721	-\$0.0191
Butter	\$1.2976	\$1.2941	-\$0.0035
Nonfat Dry Milk	\$0.8537	\$0.9027	\$0.0490
Whey	\$0.3191	\$0.3557	\$0.0366

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

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed a net increase in price received for 40-pound blocks and 500-pound barrels. The survey of 40-pound blocks showed a net increase of 0.68 cent between the October 14 and the November 11 surveys, to \$1.2532 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a net increase of 1.93 cents to \$1.2874 per pound.

The NASS butter price showed a net decrease of 2.61 cents between the weeks ending October 14 and November 11 from \$1.2903 per pound to \$1.2642 per pound.

The NASS nonfat dry milk showed an increase of 8.49 cents since mid-October to \$0.9788 per pound. The average price for NASS whey showed a net increase of 3.03 cents since mid-October to \$0.3825 per pound. ♦

DECEMBER'S CLASS I PRICE ANNOUNCEMENT

On November 17, the December 2006 Class I price was announced at \$14.33 for the Pacific Northwest Order and \$14.78 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of November 4 and 11.

The December Class III and IV advance skim prices are \$7.89 and \$7.39 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 2.34 cents from \$1.4004 to \$1.3770 per pound.

The December 2006 Class II skim and nonfat solids prices were also announced on November 17. The skim price is \$8.09 per hundredweight, and the nonfat solids price is \$0.8989 per pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	November	December	Change
Cheese*	\$1.2846	\$1.2745	-\$0.0101
Butter	\$1.2820	\$1.2625	-\$0.0195
Nonfat Dry Milk	\$0.8891	\$0.9691	\$0.0800
Whey	\$0.3500	\$0.3740	\$0.0240

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

USDA ANNOUNCES INTERIM FINAL RULE TO AMEND THE APPALACHIAN AND SOUTHEAST MILK MARKETING ORDERS

On October 25, 2006, the U.S. Department of Agriculture issued an interim final rule amending current provisions of the Appalachian and Southeast milk marketing orders. The interim final rule was approved by Appalachian and Southeast dairy farmers.

This interim final rule amends certain features of the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. The amendments include: 1) Establishing a mileage rate factor using a fuel cost adjustor used in the transportation credit provisions of both orders; 2) Increasing the maximum transportation credit assessment rate for both orders; and 3) Establishing a zero diversion limit standard on loads of milk requesting transportation credits.

These amendments will more adequately provide additional revenue to pay for transporting milk to the Appalachian and Southeast milk marketing areas.

The interim final rule appeared in the October 25th Federal Register. These interim amendments to the orders will become effective on December 1. Public comments on the tentative partial decision published on September 13, 2006, were due on November 13, 2006.

For additional information about the decision contact:

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USDA ANNOUNCES FINAL RULE TO AMEND UPPER MIDWEST MILK ORDER

On October 30, 2006, the U. S. Department of Agriculture announced a final rule that permanently adopts amendments to the pooling provisions of the Upper Midwest milk marketing order. This rule is based on testimony and evidence given at a public hearing held in Bloomington, Minnesota, August 16-19, 2004.

The permanently adopted amendments: 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; 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 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.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

A majority of producers pooled on the Upper Midwest order approved these amendments which become effective December 1, 2006. The final rule appeared in the October 30th Federal Register.

For additional information about the decision contact:

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USDA ANNOUNCES FINAL RULE TO AMEND CENTRAL MILK ORDER

On October 30, 2006, the U. S. Department of Agriculture announced a final rule 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 at 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.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

More than the required number of producers for the Central marketing order approved the final order amendments which become effective December 1, 2006. The final rule appeared in the October 30th Federal Register.

For additional information about the decision contact:

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USDA ANNOUNCES FINAL RULE TO AMEND MIDEAST MILK ORDER

On October 30, 2006, the U. S. Department of Agriculture announced a final rule that permanently adopts amendments to the pooling provisions of the Mideast milk marketing order. These

amendments were previously discussed in a recommended decision. This rule is based on testimony and evidence given at a public hearing held in Wooster, Ohio, from March 7-10, 2005.

The permanently adopted amendments: 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 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.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

A majority of producers that pool on the Mideast order approved these amendments which become effective December 1, 2006. The final rule appeared in the October 30th Federal Register

For additional information about the decision contact:

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THE DAIRY OUTLOOK

U. S. Milk Powders: Commercial Exports Flow Onto a Changed World Market

Significant dairy policy changes and increasing world dairy product demands favor continued commercial exports of U.S. nonfat dry milk (NDM) and skim milk powder (SMP), and low government-held stocks in the near term. NDM was exported for many years with either the aid of tendered bonuses (subsidies) provided by the Dairy Export Incentive Program (DEIP) or through international aid programs, such as PL-480. By mid-2004, however, large amounts of NDM and SMP were being commercially exported without assistance. The last DEIP bonus was awarded in early-2004 and exports of NDM/SMP reached a record 612 million pounds in 2005. The increased commercial exports, and domestic and international donations allowed NDM stocks held by the Commodity Credit Corporation (CCC) to decline from a near-record 1.35 billion pounds in mid-2003 to 12 million in

June 2006. CCC accumulation of NDM stocks was minimal from the mid-1990s until mid-1998 because of a period of strong NDM prices in 1996 through mid-1997 and use of the DEIP. DEIP was initially authorized by the Food Security Act of 1985 for the purpose of developing international markets for U.S. dairy products and countering the export subsidies the European Union (EU) used to dispose of its surplus dairy products. CCC stocks began accumulating in mid-1998, in spite of higher all-milk prices, because NDM prices fell to the offer price at which the CCC stood ready to buy NDM. Stocks continued building through mid-2001 in spite of continued use of the DEIP, with bonuses averaging in excess of \$0.40 per pound through most of 1998 and 1999—roughly 40 percent of the then-existing CCC offer price, which averaged close to \$1.00. In 2001 and 2002, changes in the CCC offer prices for butter and NDM contributed to reductions in government stocks and higher commercial NDM exports. The \$9.90 per cwt support price mandated under the 2002 Farm Bill is maintained with different combinations of offer prices for butter and NDM. In May 2001, USDA reduced the offer price for NDM by \$0.10 per pound, to \$0.90 per pound, and raised the offer price for butter by an offsetting \$0.20 per pound. Responding to a continued buildup of CCC stocks, in November 2002 USDA again lowered the NDM offer price by \$0.10 per pound, to the current \$0.80, and raised the offer price for butter by an offsetting \$0.20 per pound. There were no offers of butter for sale to the CCC in 2001 and 2002 and only 11 million pounds were offered to the CCC in 2003 in response to the changed structure of offer prices. CCC stocks of NDM began declining by late-2003, after increasing early in the year in response to weakened dairy prices.

DEIP helped to minimize CCC stock accumulation and develop the U.S. as a competitive international supplier of dairy products. DEIP helped the United States move from a minor supplier of NDM to Mexico, for example, to the dominant source by the late-1990s, mainly at the expense of the EU, which had long provided subsidized exports to Mexico. U.S. exports to Mexico were also helped by implementation of the North American Free Trade Agreement (NAFTA), signed in 1994, which provided a tariff rate quota (TRQ) for the United States. No tariffs were levied on imports within the TRQ, which will reach 130 million pounds in 2007 from an initial 88 million. Tariffs on imports of U.S. NDM are to be removed completely in 2008. The 1994 Uruguay Round (UR)

trade agreement also committed Mexico to duty-free imports--totaling 176 million pounds in 2005. In addition to its NAFTA and UR commitments, Mexico sometimes allows some *out of quota* duty-free imports. For example in September 2005, Mexico announced it would allow 109 million pounds of *out of quota*, duty-free imports because its 2005 NAFTA and UR quotas totaling 298 million pounds were not sufficient to meet desired imports. This brought Mexico's total duty-free 2005 quotas to 407 million pounds. Mexico is now the world's largest importer of milk powders, and the most important export market for the United States. In 2005, Mexico imported 341 million pounds of NDM/SMP, more than twice the level of other major importers such as the Philippines, Indonesia, and Algeria. The United States supplied 84 percent of the Mexican imports in 2005, and is also a major supplier to other important markets. Many of the remaining markets for NDM/SMP are middle income countries with fairly rapidly growing economies, and some (such as Mexico) provide reconstituted milk to low-and-middle-income consumers. As such, they are likely to remain stable markets for milk powders.

The UR agreement and internal budget pressures helped induce reforms in EU dairy policy that have greatly reduced the EU's presence in international NDM/SMP markets. The UR agreement required its signatories to reduce subsidized exports and subsidies by 21 percent and 36 percent, respectively, from a 1986-88 base period. In 1992-93, the EU was exporting nearly 3 times more subsidized NDM to world markets than the United States was exporting under DEIP. Therefore, the UR agreement implied a quantity reduction for subsidized exports by the EU about twice as large as it implied for reduced DEIP-assisted exports. Moreover, the UR agreement provided minimum access for NDM into the EU market, subsequently supplied by New Zealand. EU commitments under the UR agreement added to already existing budget pressures for reform of EU agricultural policies. EU agricultural reforms in 2003 reduced the incentives for producing butter and NDM, thus shifting more milk solids into cheese. Beginning in 2004, the NDM intervention (purchase) price was reduced 15 percent over 3 years and the butter intervention price was reduced 25 percent over 4 years. Single Farm (decoupled) Payments, were instituted to compensate for lower prices. The EU also limited the amount of NDM and butter accepted into intervention to 240 million and 132 million pounds, respectively, and only

purchased during the months of March through September. By 2008 butter intervention buying beyond 66 million pounds may either be suspended or replaced with a tendering system. In addition, the quotas limiting EU milk supplies are restricted to annual increases of 1.5 percent between 2006 and 2008, thus limiting milk production growth. The lower butter and NDM intervention prices have increased cheese production, pushing down the price of cheese in the EU and thereby increasing cheese demand.

Worldwide growth in both cheese consumption and an array of milk protein concentrates (MPCs) is also reducing the amount of milk protein that might otherwise be made into NDM or SMP. MPCs are combinations of selected casein and/or whey proteins often formulated to deliver functional attributes, such as those found in nutrition products or products that deliver specific medications to the body. The ITC reported that 88 percent of U.S. MPC imports exceeded 70-percent protein, and that processed cheese and specialty nutrition products accounted for 62 percent and 24 percent of MPC uses, respectively. The United States remains a major market for MPCs. Strategic investments have been made in the production of MPCs by companies in Oceania, the EU, and recently in the United States. While growth in world demand for dairy products has been supported by a strong world economy in recent years, the growth in the U.S. share of world NDM/SMP markets has also been helped by a lower U.S. dollar. Between 2001 and 2005, the U.S. dollar depreciated more than 25 percent against the New Zealand dollar, in real terms, improving the competitiveness of U.S. NDM/SMP in world markets. Both economic growth and exchange rates are to some extent cyclical, but the policy changes in the EU and worldwide growth in cheese and MPC demand represent fundamental changes favoring significant commercial exports of U.S. NDM/SMP, at least for the near term.

Editor's Note: This article has been condensed from the original. The article contains additional information shown in charts and graphs. The article is authored by Dale J. Leuck, Senior Livestock Analyst, Farm Services Agency, USDA (202) 720-0114, Dale.Leuck@wdc.usda.gov

Original Report: "Livestock, Dairy, and Poultry Outlook", LDP-M-148, October 19, 2006, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

Source: Dairy Market New, Vol. 73, Report 43

MONTHLY SELECTED STATISTICS

PACIFIC NORTHWEST

ARIZONA 2/

Minimum Class Prices (3.5% B.F.)	Oct 2006	Sep 2006	Oct 2005	Sep 2005	Oct 2006	Sep 2006	Oct 2005	Sep 2005
Class I Milk (\$/cwt.)	\$14.32	\$12.75	\$16.17	\$15.60	\$14.77	\$13.20	\$16.62	\$16.05
Class II Milk (\$/cwt.)	11.79	11.74	14.25	14.35	11.79	11.74	14.25	14.35
Class III Milk (\$/cwt.)	12.32	12.29	14.35	14.30	12.32	12.29	14.35	14.30
Class IV Milk (\$/cwt.)	11.51	11.10	13.61	13.75	11.51	11.10	13.61	13.75
Producer Prices								
Producer Price Differential (\$/cwt.)	\$ 0.20	\$(0.40)	\$ 0.11	\$ 0.20	+	+	+	+
Butterfat (\$/pound)	1.4149	1.4191	1.8256	1.8872	+	+	+	+
Protein (\$/pound)	2.0775	2.1346	2.3780	2.3009	+	+	+	+
Other Solids (\$/pound)	0.2026	0.1649	0.1491	0.1411	+	+	+	+
Uniform Skim Price (\$/cwt.)	+	+	+	+	8.56	8.19	8.89	8.77
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.4237	1.3884	1.8425	1.8728
Statistical Uniform Price (\$/cwt.)	\$12.52	\$11.89	\$14.46	\$14.50	\$13.24	\$12.76	\$15.03	\$15.02
Producer Data								
Number of Producers	772 *	621	873	862	93 *	93	86	85
Avg. Daily Production (lbs.)	25,924 *	26,191	23,125	24,492	94,960 *	89,571	87,398	85,420
Number of Handlers								
Pool Handlers	29	26	27	26	7	7	5	5
Producer-Handlers	6 *	6	9	9	1 *	1	3	3
Other Plants w/ Class I Use	25 *	25	24	20	24 *	24	27	27
Producer Milk Ratios								
Class I	31.86%	39.05%	28.34%	29.38%	42.41%	46.18%	35.45%	39.64%
Class II	7.28%	8.51%	5.95%	5.57%	10.40%	8.17%	10.30%	10.97%
Class III	30.20%	6.39%	28.95%	27.41%	36.47%	41.06%	41.70%	36.31%
Class IV	30.66%	46.05%	36.76%	37.64%	10.72%	4.59%	12.55%	13.08%

+ Not Applicable. * Preliminary.

MONTHLY SUPPLEMENTAL STATISTICS

Producer-Handler Data	Sep 2006	Aug 2006	Sep 2005	Aug 2005	Sep 2006	Aug 2006	Sep 2005	Aug 2005
Production	22,020,680	21,424,814	34,751,555	38,512,454	R	R	R	R
Class I Use	17,296,484	16,354,734	29,765,534	29,572,011	R	R	R	R
% Class I Use	78.55%	76.34%	85.65%	76.79%	R	R	R	R
Class I Route Disposition In Area								
By Pool Plants	171,222,764	168,622,464	159,854,144	150,453,918	100,471,693	102,033,764	79,586,893	79,222,271
By Producer-Handlers	8,031,374	7,959,066	21,409,117	20,443,974	1/	1/	1/	1/
By Other Plants	4,507,623 *	4,846,479	2,843,575	3,130,591	4,526,551 *	4,711,371	28,522,435	28,966,886
Total	183,761,761	181,428,009	184,106,836	174,028,483	104,998,244	106,745,135	108,109,328	108,189,157

* 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 CLASSIFICATION OF MILK	PACIFIC NORTHWEST				ARIZONA 2/				
	Oct 2006	Sep 2006	Oct 2005	Sep 2005	Oct 2006	Sep 2006	Oct 2005	Sep 2005	
TOTAL PRODUCER MILK	620,403,447	487,936,887	625,819,629	633,363,684	273,768,325	249,902,608	233,004,093	217,820,732	
RECEIPTS FROM OTHER SOURCES	16,714,409	16,345,339	18,894,111	20,773,655	3,733,552	3,667,711	16,971,232	23,954,350	
OPENING INVENTORY	34,781,207	27,155,200	31,297,077	28,138,722	19,635,219	16,576,546	14,568,330	14,082,353	
TOTAL TO BE ACCOUNTED FOR	<u>671,899,063</u>	<u>531,437,426</u>	<u>676,010,817</u>	<u>682,276,061</u>	<u>297,137,096</u>	<u>270,146,865</u>	<u>264,543,655</u>	<u>255,857,435</u>	
UTILIZATION OF RECEIPTS									
Whole milk	34,489,250	34,077,180	30,537,177	29,954,544	30,436,221	29,661,444	19,331,477	19,862,915	
Flavored milk & milk drinks	15,818,822	12,585,116	13,535,811	12,005,541	7,098,534	7,486,471	5,903,451	6,113,111	
2% milk	67,810,298	68,281,183	64,790,358	65,584,424	37,588,015	32,044,132	29,964,299	30,928,536	
1% milk	27,233,047	27,069,180	25,163,003	24,829,564	13,353,703	13,543,571	10,931,207	11,434,450	
Skim milk	27,991,087	27,820,557	26,492,687	26,178,743	13,246,810	17,273,281	10,540,609	10,791,710	
Buttermilk	1,422,054	1,389,548	1,286,717	1,301,328	500,199	462,794	486,017	456,171	
CLASS I ROUTE DISP. IN AREA . .	174,764,558	171,222,764	161,805,753	159,854,144	102,223,482	100,471,693	77,157,060	79,586,893	
Class I dispositions out of area . . .	16,508,876	17,856,752	14,092,377	15,483,448	15,589,886	14,352,376	5,036,483	4,750,294	
Other Class I usage	21,101,402	17,797,721	19,077,594	24,461,553	9,896,624	11,524,593	9,287,820	8,838,058	
TOTAL CLASS I USE	212,374,836	206,877,237	194,975,724	199,799,145	127,709,992	126,348,662	91,481,363	93,175,245	
TOTAL CLASS II USE	55,131,445	46,346,060	43,213,921	42,471,339	29,292,820	21,695,579	25,020,150	24,939,586	
TOTAL CLASS III USE	187,589,783	31,183,586	186,997,494	182,913,399	99,879,890	103,206,608	97,595,799	79,609,004	
TOTAL CLASS IV USE	216,802,999	247,030,543	250,823,678	257,092,178	40,254,394	18,896,016	50,446,343	58,133,600	
TOTAL ACCOUNTED FOR	<u>671,899,063</u>	<u>531,437,426</u>	<u>676,010,817</u>	<u>682,276,061</u>	<u>297,137,096</u>	<u>270,146,865</u>	<u>264,543,655</u>	<u>255,857,435</u>	
CLASSIFICATION OF RECEIPTS									
Producer milk:	Class I . .	197,627,521	190,533,143	177,360,097	186,073,679	116,130,590	115,373,758	82,594,058	86,320,883
	Class II . .	45,176,760	41,521,413	37,250,654	35,297,840	28,464,840	20,425,195	24,010,427	23,903,890
	Class III . .	187,378,931	31,183,586	181,150,816	173,596,993	99,838,398	102,621,392	97,160,542	79,095,033
	Class IV . .	190,220,235	224,698,745	230,058,062	238,395,172	29,334,497	11,482,263	29,239,066	28,500,926
Other receipts:	Class I . .	14,747,315	16,344,094	17,615,627	13,725,466	23,368,771	20,244,257	31,539,562	38,036,703
	Class II . .	9,954,685	4,824,647	5,963,267	7,173,499	1/	1/	1/	1/
	Class III . .	210,852	0	5,846,678	9,316,406	1/	1/	1/	1/
	Class IV . .	26,582,764	22,331,798	20,765,616	18,697,006	1/	1/	1/	1/
Avg. daily producer receipts		20,013,014	16,264,563	20,187,730	21,112,123	8,831,236	8,330,087	7,516,261	7,260,691
Change From Previous Year		-0.87%	-22.96%	1.40%	31.61%	17.50%	14.73%	1.00%	0.13%
Avg. daily Class I use		6,850,801	6,895,908	6,289,539	6,659,972	4,119,677	4,211,622	2,951,012	3,105,842
Change From Previous Year		8.92%	3.54%	-2.71%	0.73%	39.60%	35.60%	1.11%	4.31%

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.

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HIGHLIGHTS THIS ISSUE:

- Market Summaries for October 2006
- October 2006 Class Prices
- Class I Price for December 2006
- USDA Announces Interim Final Rule to Amend the Appalachian and Southeast Milk Marketing Orders
- USDA Announces Final Rule to Amend Upper Midwest Milk Order
- USDA Announces Final Rule to Amend Central Milk Order
- USDA Announces Final Rule to Amend Mideast Milk Order
- The Dairy Outlook
- Waiver of Administrative Assessment

WAIVER OF ADMINISTRATIVE ASSESSMENT

The 3.5-cent per hundredweight administrative assessment currently applicable to the Pacific Northwest and Arizona federal milk orders will be waived for the milk pooled during the months of October and November 2006. Statements issued for those months will not contain an administrative assessment charge.

The 4-cent per hundredweight deduction for marketing services under each of the above-named orders will continue to be deducted. This deduction, which is applicable to deliveries by producers who are not members of a qualified cooperative association performing marketing services, is to be withheld from producers in making payments for milk delivered during the month. ♦