



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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Inside This Issue:

Federal Milk Order Actions .. 3

Computation of Producer Price Differential 4

Utilization and Classification 5

Commodity Prices and Market Statistics 6

Class Prices and Producer Prices 7



Cheese, Butter Prices Volatile

Cheddar cheese prices on the Chicago Mercantile Exchange (CME) have been volatile the last several months after reaching record high levels in April and then crashing. This remained true in October. After dropping by more than 20¢ in three days early in the month, the prices nearly recovered to their previous levels.

The CME barrel price on October 20 was \$1.52¾ per pound, while the 40-pound block price was \$1.56. These prices are nearly 30¢ higher than at the beginning of the year, but more than 60¢ below the record high prices set in April 2004.

The CME butter price has also been volatile in 2004. The price on October 20 was \$1.64¼ per pound, down 10¢ from mid-September and more than 70¢ below its mid-

April peak. However, the butter price is nearly 50¢ above year-earlier levels.

The rapidly changing cheese and butter prices this year have resulted in significant fluctuations in the Federal order Class III price. (See article below.) The September Federal order Class III price of \$14.72 per cwt. was up 68¢ from August, but nearly \$6 below the record high of \$20.58 set in May. Using the CME Class III milk futures as a predictor, the price is likely to decline about \$0.50 for October and continue to decline to about \$12.50 by the end of the year.

However, because of the rapidly changing cheese and butter prices, the futures prices are not always an accurate predictor of the Class III price.

Class III Milk Prices Set Records in 2004

Class III milk prices under the Federal milk order system set a record high two consecutive months in 2004, peaking at \$19.66 in April and \$20.58 in May. The previous high of \$17.34 was set in December 1998. (See the table on Page 2.)

Records were also set in March and April for the largest month-to-month increases of \$2.60 and \$5.17, respectively. In April and May, the Class III price increased more than

Continued on Page 2

Pool Summary

- In September, 12,786 producers delivered to the market with an average daily delivery of 4,237 pounds.
- Producer milk totaled 1.3 billion pounds. Because of price relationships, handlers elected not to pool an estimated 788 million pounds of milk.
- Class I utilization totaled 375 million pounds, up 7.5% on a daily basis from August. Class I usage accounted for 29.1% of producer milk.
- The September Producer Price Differential (PPD) is \$0.13 per cwt.
- The Statistical Uniform Price is \$14.85 per cwt., up \$0.59 from August, and \$1.62 above September 2003.
- Market statistics for September are shown on Pages 4 and 5.

September 2004 Producer Milk by Class

	Percent	Product Pounds	Price \$/cwt.
Class I	29.1	375,187,228	15.74
Class II	8.9	114,634,514	13.66
Class III	51.9	670,267,977	14.72
Class IV	10.1	130,253,934	13.00
Total		1,290,343,653	

Continued from Page 1

\$10 over the same month of the previous year, also new record highs. In addition, the annual average is expected to be nearly \$15 per cwt., which would

also be a new record high. The previous record of \$14.20 was set in 1998. However, as with most times when prices run up rapidly, they also decline rapidly. The volatility is evident in the graph below.

Class III is primarily milk used to make hard cheese, and is often referred to as the manufacturing milk price. (Class III milk also included butter until January 2000.)

Federal Order Class III Milk Prices - January 1990 through September 2004

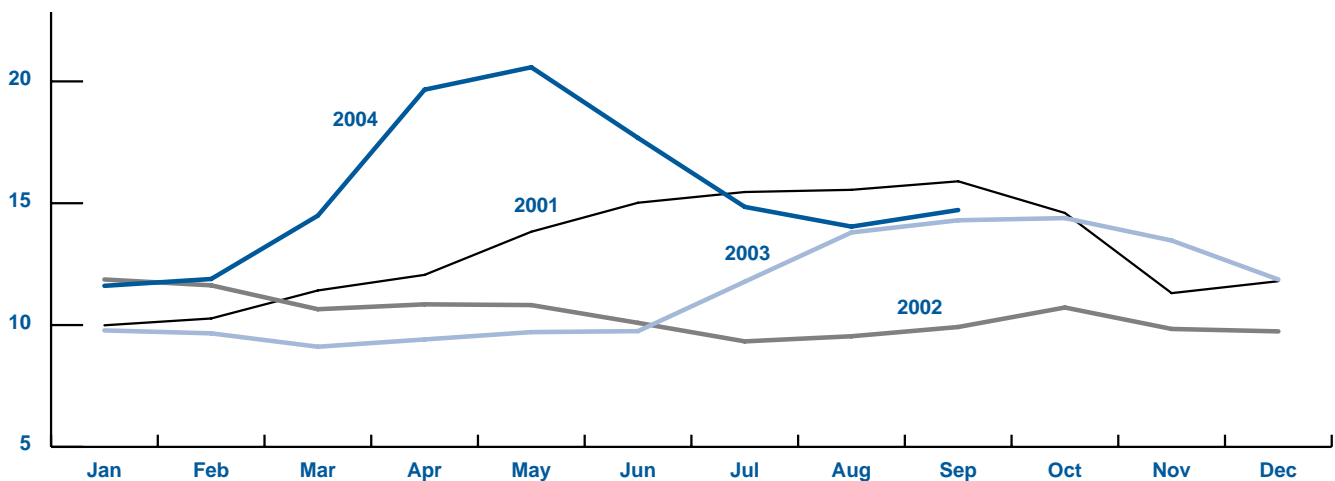
3.5 % Butterfat -- Dollars Per Cwt.

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Simple Average</u>
1990	13.94	12.22	12.02	12.32	12.78	13.28	13.43	13.09	12.50	10.48	10.25	10.19	12.21
1991	10.16	10.04	10.02	10.04	10.23	10.58	10.99	11.50	12.02	12.50	12.48	12.10	11.06
1992	11.71	11.21	10.98	11.46	12.06	12.46	12.59	12.54	12.28	12.05	11.84	11.34	11.88
1993	10.89	10.74	11.02	12.15	12.52	12.03	11.42	11.17	11.90	12.46	12.75	12.51	11.80
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38	12.00
1995	11.35	11.79	11.89	11.16	11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91	11.83
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34	13.39
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29	12.05
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34	14.20
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63	12.43
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37	9.74
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80	13.10
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74	10.42
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87	11.42
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72				

Numbers in circles indicate months in which the price reached the next highest dollar barrier for the first time.

Federal Order Class III Milk Prices - January 2001 through September 2004

3.5 % Butterfat -- Dollars Per Cwt.



Federal Milk Order Actions

Time Extended for Submitting Proposals

Interested parties have requested that the Department of Agriculture (USDA) extend the time for submitting additional proposals to be considered in connection with a hearing request currently under review that would amend the fluid milk product definition in all Federal milk marketing orders.

The deadline for submitting proposals has been extended to **January 31, 2005**. The request for hearing was submitted by Dairy Farmers of America (DFA).

Copies of the DFA hearing proposal may be obtained from Antoinette Carter of USDA by tele-

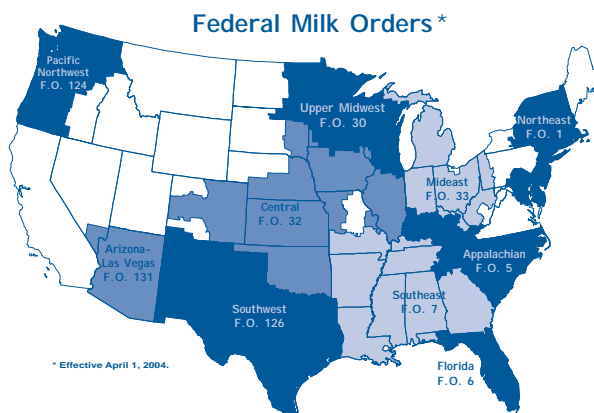
phone at: (202) 690-3465, or by e-mail at: Antoinette.Carter@usda.gov. The proposal is also available on the AMS web site at: www.ams.usda.gov/dairy/ by selecting "Request for Class I Proposals - Northeast, et al".

Central Order Hearing Delayed

The U.S. Department of Agriculture announced that a public hearing to consider proposals to amend the Central Federal Milk Marketing Order will be delayed to allow industry participants more time to prepare. The hearing will now begin at 1:00 p.m. on December 6 in Kansas City, Missouri.

will be taken at the hearing to determine whether marketing conditions exist that warrant omission of a recommended decision for any of the proposals.

The notice of hearing delay and the original hearing notice is available on the AMS web site at: www.ams.usda.gov/dairy/cntrl_pooling_prov.htm.



More information is also available from the Market Administrator by calling (913) 495-9300.

Hearing for Appalachian, Florida, and Southeast Orders

The U.S. Department of Agriculture held a public hearing in Atlanta, Georgia on October 7, 2004.

charge on Class I milk that would be disbursed through a marketwide service payment provision in the Appalachian, Florida and Southeast orders.

expenses incurred as a result of disruptions occurring from several hurricanes in the Southeastern United States.

The hearing was held, on an emergency basis, to consider a proposal submitted by several organizations that would implement a temporary supplemental

The proposal would provide for emergency payments to reimburse handlers the cost of additional transportation

Additional information about the hearing is available on the AMS web site at: www.ams.usda.gov/dairy/hurricanes_hear.htm

Upper Midwest Pool Statistics - September 2004

Market Class I Differential Rate	Pool Plants	Received at Pool Plants	Diverted to Pool and Nonpool Plants	Total	Location Adjustment to Producers	Class I Differential to Handlers	
<i>Cwt.</i>	<i>Number</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Value</i>	<i>Pounds</i>	<i>Value</i>
\$1.80	4	55,868,418	19,186,724	75,055,142	\$ 0	58,248,389	\$1,048,471
\$1.75	39	187,322,262	334,788,467	522,110,729	261,055	159,333,901	2,788,343
\$1.70	36	169,824,754	387,129,847	556,954,601	556,955	132,686,147	2,255,665
\$1.65	5	31,091,729	47,557	31,139,286	46,709	24,918,791	411,160
Other	0	0	105,083,895	105,083,895	210,154	0	0
Total	84	444,107,163	846,236,490	1,290,343,653	\$1,074,873	375,187,228	\$6,503,639

Computation of Producer Price Differential-September 2004

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 6,503,638.90
Product	29.1%	375,187,228			
Skim Milk			369,426,488	\$ 7.9600	29,406,348.43
Butterfat			5,760,740	1.7890	10,305,963.88
Class II					
Product	8.9%	114,634,514			
Nonfat Solids			9,487,656	0.7900	7,495,248.24
Butterfat			9,508,789	1.9424	18,469,871.79
Class III					
Product	51.9%	670,267,977			
Protein			20,093,338	2.5431	51,099,367.84
Other Solids			38,003,660	0.0589	2,238,415.56
Butterfat			26,598,452	1.9354	51,478,644.00
Class IV					
Product	10.1%	130,253,934			
Nonfat Solids			11,344,663	0.7167	8,130,719.97
Butterfat			5,547,804	1.9354	10,737,219.85
SCC Adjustment (Class II, III, and IV)					384,748.07
Total Producer Milk *		1,290,343,653			\$196,250,186.53
Add:					
Overage					30,150.91
Inventory Reclassified					94,670.45
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					235,152.44
Assembly Credit					298,956.43
Credit for Reconstituted FMP					0.00
Producer Milk Protein					99,023,909.37
Producer Milk Other Solids					4,320,842.99
Producer Milk Butterfat					91,768,510.30
Producer Milk SCC Adjustment					547,041.71
Total Milk and Value		1,290,343,653			\$180,594.65
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					1,074,872.98
One-Half Unobligated Balance Producer Settlement Fund					964,152.38
Total Value				0.172018	\$ 2,219,620.01
Subtract:					
Producer Settlement Fund Reserve				0.042018	542,173.26
Producer Price Differential **				\$0.13	\$ 1,677,446.75

* An estimated 788 million pounds of milk was not pooled.

** Producer Price Differential is dollars per cwt. at the Base Zone of Cook County, Illinois.



Utilization and Classification of Milk

	September 2004		August 2004	September 2003
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	55,898,733	1,813,498	59,123,085	52,936,899
Flavored Milk	5,150,297	165,891	5,550,699	6,171,569
Reduced Fat Milk	137,533,733	2,685,098	137,285,453	125,933,889
Lowfat Milk	48,341,864	467,646	47,499,149	45,136,481
Fat Free Milk	89,703,042	87,127	87,942,253	81,538,232
Flavored Reduced and Fat Free Milk	32,467,706	298,825	18,931,880	30,870,250
Buttermilk	2,255,522	24,629	2,535,340	2,608,220
Total Packaged Disposition	371,350,897	5,542,714	358,867,859	345,195,540
Total Ending Inventory	32,778,094	505,045	27,465,527	28,205,905
Bulk to Nonpool Plants	1,894,138	46,946	1,165,635	1,750,169
Shrinkage	1,243,667	161,850	1,691,922	1,372,126
Total Class I Utilization	407,266,796	6,256,555	389,190,943	376,523,740
Other Order Plants	(3,921,365)	(66,959)	(3,172,951)	(3,081,460)
Beginning Inventory	(28,040,930)	(426,877)	(25,102,023)	(25,665,532)
Reused Products	0	0	0	0
Other Source Milk	(46,933)	(923)	(222,429)	(261,656)
Overage	--	--	--	--
Interhandler Adjustment	(70,340)	(1,056)	28,006	(82,483)
Class I Producer Milk	375,187,228	5,760,740	360,721,546	347,432,609
Class II Utilization:				
Total Class II Utilization	130,028,445	10,180,779	148,754,875	127,704,029
Other Order Plants	(3,031,025)	(38,113)	(5,250,995)	(733,885)
Beginning Inventory	(2,820,065)	(177,424)	(2,192,050)	(3,073,101)
Reused Products	(8,494,461)	(8,133)	(9,357,838)	(9,859,296)
Other Source Milk	(1,048,380)	(448,320)	(599,775)	(463,462)
Overage	--	--	(71,726)	0
Class II Producer Milk	114,634,514	9,508,789	131,282,491	113,574,285
Class III Utilization:				
Total Class III Utilization	691,911,781	27,156,798	1,386,584,617	43,432,033
Other Order Plants	(14,380,633)	(344,994)	(15,644,160)	(5,173,205)
Beginning Inventory	(1,095,361)	(84,484)	(1,281,006)	(675,346)
Reused Products	0	0	0	0
Other Source Milk	(6,150,229)	(125,593)	(5,545,218)	(644,198)
Overage	(17,581)	(3,275)	(99,844)	(8,077)
Class III Producer Milk	670,267,977	26,598,452	1,364,014,389	36,931,207
Class IV Utilization:				
Total Class IV Utilization	154,769,486	7,242,389	176,293,696	197,166,111
Other Order Plants	(4,934,782)	(443,120)	(5,605,659)	(6,218,318)
Beginning Inventory	(14,163,709)	(774,073)	(13,694,638)	(19,851,789)
Reused Products	0	0	0	0
Other Source Milk	(5,414,983)	(476,813)	(11,404,925)	(24,975,708)
Overage	(2,078)	(579)	(81,232)	(23,428)
Class IV Producer Milk	130,253,934	5,547,804	145,507,242	146,096,868
Total Producer Milk -- All Classes	1,290,343,653	47,415,785	2,001,525,668	644,034,969

-- Restricted Information

Commodity Prices

Month/Year	Weighted Monthly Average NASS Prices *						Weighted Two-Week Average NASS Prices *					
	Cheddar Cheese			Nonfat			Cheddar Cheese			Nonfat		
	Blocks	Barrels	Average	Butter	Dry Milk	Dry Whey	Blocks	Barrels	Average	Butter	Dry Milk	Dry Whey
	<i>Dollars per Pound</i>						<i>Dollars per Pound</i>					
Sep 2003	1.5786	1.5762	1.5940	1.1332	0.8111	0.1755	1.5745	1.5793	1.5943	1.1156	0.8094	0.1716
Oct	1.5781	1.5753	1.5936	1.1611	0.8109	0.1892	1.5765	1.5737	1.5921	1.1619	0.8117	0.1877
Nov	1.5000	1.4590	1.4941	1.1881	0.8130	0.1947	1.5430	1.4944	1.5331	1.1822	0.8153	0.1947
Dec	1.3551	1.2669	1.3260	1.2557	0.8070	0.1941	1.3606	1.2565	1.3227	1.2219	0.8072	0.1967
Jan 2004	1.3079	1.2683	1.3023	1.3632	0.8062	0.1801	1.3026	1.2645	1.2977	1.3687	0.8051	0.1824
Feb	1.3165	1.3042	1.3260	1.6582	0.8064	0.1677	1.3027	1.2777	1.3054	1.5879	0.8085	0.1691
Mar	1.5212	1.5768	1.5680	2.0994	0.8101	0.1817	1.4284	1.4528	1.4582	1.9921	0.8090	0.1706
Apr	2.0001	2.0596	2.0520	2.1994	0.8171	0.2602	2.0016	2.0640	2.0530	2.1514	0.8179	0.2611
May	2.1289	2.0948	2.1266	2.1385	0.8383	0.2992	2.1676	2.1659	2.1838	2.1633	0.8372	0.2975
Jun	1.8509	1.8031	1.8411	1.9290	0.8497	0.2890	1.9008	1.8121	1.8683	1.8723	0.8500	0.2942
Jul	1.5661	1.5424	1.5695	1.8269	0.8513	0.2607	1.5520	1.5075	1.5439	1.8610	0.8552	0.2600
Aug	1.4927	1.5085	1.5167	1.6101	0.8584	0.2246	1.4842	1.4940	1.5047	1.6058	0.8596	0.2280
Sep	1.5694	1.5690	1.5867	1.7278	0.8639	0.2162	1.5745	1.5813	1.5958	1.6746	0.8622	0.2155

Month/Year	Chicago Mercantile Exchange						
	Butter	Cheddar Cheese		Nonfat Dry Milk (Low/Medium Heat)		Whey Powder	
	Grade AA	Blocks	Barrels	Central & East	West	Central	West
	<i>Dollars per Pound</i>						
Sep 2003	1.1731	1.6000	1.5640	0.8500	0.8423	0.1836	0.1845
Oct	1.1846	1.5876	1.5364	0.8523	0.8413	0.1989	0.1902
Nov	1.2057	1.3932	1.2949	0.8500	0.8400	0.2026	0.1931
Dec	1.2969	1.3383	1.2621	0.8477	0.8388	0.1942	0.1891
Jan 2004	1.4320	1.3062	1.2539	0.8366	0.8388	0.1786	0.1793
Feb	1.7132	1.3958	1.3586	0.8413	0.8388	0.1679	0.1716
Mar	2.1350	1.8197	1.7977	0.8518	0.8397	0.2159	0.1889
Apr	2.2204	2.1687	2.1318	0.8808	0.8573	0.3022	0.2304
May	2.0363	1.9925	1.8848	0.9050	0.8681	0.3150	0.2744
Jun	1.9300	1.7105	1.6848	0.9188	0.8595	0.2913	0.2750
Jul	1.7458	1.4486	1.4226	0.9188	0.8435	0.2527	0.2458
Aug	1.5408	1.5734	1.5427	0.8814	0.8389	0.2143	0.2307
Sep	1.7656	1.5702	1.5206	0.8700	0.8429	0.2175	0.2204

Market Statistics

Month/Year	Distributing Plants	Supply Plants	Coop .9(c) Handlers	Producers	Total Producer Milk	Est. Average Daily Delivery Per Producer	Class I Utilization	Butterfat Test	Protein Test	Other Solids Test	Weighted Average SCC
					Mil. lbs.	Pounds	Percent	Percent	Percent	Percent	
										(000)	
Sep 2003	30	55	15	8,874	644	3,972	54.0	3.63	3.01	5.69	318
Oct	30	54	15	9,210	657	4,015	55.2	3.76	3.09	5.68	279
Nov	29	57	15	13,396	1,039	4,125	35.6	3.85	3.12	5.70	271
Dec	30	57	15	16,454	2,128	4,173	18.1	3.83	3.09	5.71	282
Jan 2004	29	58	15	16,725	2,209	4,261	17.8	3.82	3.08	5.71	285
Feb	29	55	15	16,395	1,944	4,294	18.3	3.81	3.06	5.69	295
Mar	27	51	14	6,095	675	4,299	58.7	3.75	3.02	5.71	295
Apr	25	46	13	6,309	608	4,324	62.8	3.71	3.01	5.71	288
May	25	47	13	6,234	663	4,396	53.2	3.66	2.99	5.72	282
Jun	28	51	13	16,307	2,114	4,409	15.9	3.64	2.96	5.73	309
Jul	28	51	13	16,327	2,202	4,406	16.1	3.61	2.95	5.71	326
Aug	28	57	13	16,476	2,002	4,254	18.0	3.65	2.98	5.71	329
Sep	27	57	13	12,786	1,290	4,237	29.1	3.67	3.02	5.69	296

* NASS = National Agricultural Statistics Service, USDA.

Class Prices

Month/Year	Class I Price Mover			Class I Price at Cook County, IL			Class II Price			
	Butterfat	Skim Milk	3.50%	Butterfat	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>
Sep 2003	1.2944	9.51	13.71	1.3124	11.31	15.51	1.2288	0.7433	6.69	10.76
Oct	1.2007	10.43	14.27	1.2187	12.23	16.07	1.2623	0.7400	6.66	10.84
Nov	1.2563	10.33	14.37	1.2743	12.13	16.17	1.2947	0.7433	6.69	10.99
Dec	1.2806	9.70	13.84	1.2986	11.50	15.64	1.3758	0.7467	6.72	11.30
Jan 2004	1.3283	7.46	11.85	1.3463	9.26	13.65	1.5048	0.7378	6.64	11.67
Feb	1.5044	6.55	11.59	1.5224	8.35	13.39	1.8588	0.7367	6.63	12.90
Mar	1.7675	5.96	11.94	1.7855	7.76	13.74	2.3883	0.7400	6.66	14.79
Apr	2.2525	5.96	13.64	2.2705	7.76	15.44	2.5083	0.7400	6.66	15.21
May	2.4437	11.50	19.65	2.4617	13.30	21.45	2.4352	0.7489	6.74	15.03
Jun	2.4580	12.98	21.13	2.4760	14.78	22.93	2.1838	0.7678	6.91	14.31
Jul	2.1088	10.95	17.95	2.1268	12.75	19.75	2.0613	0.7811	7.03	14.00
Aug	2.0952	7.55	14.62	2.1132	9.35	16.42	1.8011	0.7856	7.07	13.13
Sep	1.7890	7.96	13.94	1.8070	9.76	15.74	1.9424	0.7900	7.11	13.66
Oct	1.8715	8.53	14.78	1.8895	10.33	16.58		0.7933	7.14	

Month/Year	Class III Price					Class IV Price			
	Butterfat	Protein	Other Solids	Skim Milk	3.50%	Butterfat	Nonfat Solids	Skim Milk	3.50%
	<i>lb.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>	<i>lb.</i>	<i>lb.</i>	<i>cwt.</i>	<i>cwt.</i>
Sep 2003	1.2218	3.3180	0.0170	10.39	14.30	1.2218	0.6644	5.98	10.05
Oct	1.2553	3.2815	0.0311	10.36	14.39	1.2553	0.6642	5.98	10.16
Nov	1.2877	2.9267	0.0368	9.29	13.47	1.2877	0.6663	6.00	10.30
Dec	1.3688	2.2997	0.0362	7.34	11.87	1.3688	0.6603	5.94	10.52
Jan 2004	1.4978	2.0875	0.0217	6.60	11.61	1.4978	0.6595	5.94	10.97
Feb	1.8518	1.7911	0.0090	5.61	11.89	1.8518	0.6597	5.94	12.21
Mar	2.3813	2.0133	0.0234	6.38	14.49	2.3813	0.6634	5.97	14.10
Apr	2.5013	3.4465	0.1042	11.30	19.66	2.5013	0.6703	6.03	14.57
May	2.4282	3.7639	0.1444	12.52	20.58	2.4282	0.6913	6.22	14.50
Jun	2.1768	3.1086	0.1339	10.43	17.68	2.1768	0.7026	6.32	13.72
Jul	2.0543	2.3625	0.1048	7.94	14.85	2.0543	0.7042	6.34	13.31
Aug	1.7941	2.4663	0.0676	8.04	14.04	1.7941	0.7112	6.40	12.46
Sep	1.9354	2.5431	0.0589	8.23	14.72	1.9354	0.7167	6.45	13.00

Producer Prices

Month/Year	Producer Price Differential	Statistical Uniform Price (at 3.50%)	Butterfat Price	Protein Price	Other Solids Price	SCC Adjustment Rate	Producer Mailbox Price (at test)
	<i>\$ per cwt.</i>	<i>\$ per cwt.</i>	<i>\$ per lb.</i>	<i>\$ per lb.</i>	<i>\$ per lb.</i>	<i>\$ per cwt.</i>	<i>\$ per cwt.</i>
Jul 2003	(0.41)	11.37	1.2055	2.5480	(0.0124) *	0.00067	12.40
Aug	(1.58)	12.22	1.2514	3.1438	0.0026	0.00077	13.94
Sep	(1.07)	13.23	1.2218	3.3180	0.0170	0.00080	14.86
Oct	(0.88)	13.51	1.2553	3.2815	0.0311	0.00080	15.39
Nov	(0.07)	13.40	1.2877	2.9267	0.0368	0.00075	14.56
Dec	0.54	12.41	1.3688	2.2997	0.0362	0.00066	13.58
Jan 2004	0.37	11.98	1.4978	2.0875	0.0217	0.00065	13.15
Feb	0.47	12.36	1.8518	1.7911	0.0090	0.00066	13.67
Mar	0.21	14.70	2.3813	2.0133	0.0234	0.00078	16.01
Apr	(4.11)	15.55	2.5013	3.4465	0.1042	0.00103	19.75
May	(1.97)	18.61	2.4282	3.7639	0.1444	0.00106	20.11
Jun	0.30	17.98	2.1768	3.1086	0.1339	0.00092	17.70
Jul	0.72	15.57	2.0543	2.3625	0.1048	0.00078	15.66
Aug	0.22	14.26	1.7941	2.4663	0.0676	0.00076	
Sep	0.13	14.85	1.9354	2.5431	0.0589	0.00079	

* The average wholesale price of dry whey was less than the make allowance contained in the other solids price formula.

Summary of Federal Order Data - September 2004

Federal Order Number / Name	Producer Deliveries <i>— Thousand Pounds —</i>	Class I Producer Receipts	Class I Utilization <i>Percent</i>	Class I Price <i>— Dollars per Cwt. —</i>	Producer Price Differential	Uniform or Statistical Uniform Price at 3.5% Butterfat		
						FOB Market	FOB Cook Cty. Illinois <i>— Dollars per Cwt. —</i>	Change From Previous Year
1 Northeast	1,788,270	914,580	51.1	\$ 17.19	\$1.34	\$ 16.06	\$ 14.61	\$1.05
5 Appalachian	491,747	362,942	73.8	17.04	n/a	16.52	15.22	0.95
6 Florida	190,661	169,419	88.9	17.94	n/a	17.69	15.49	0.70
7 Southeast	559,693	393,790	70.4	17.04	n/a	16.43	15.13	0.78
30 Upper Midwest	1,290,344	375,187	29.1	15.74	0.13	14.85	14.85	1.62
32 Central	759,355	369,264	48.6	15.94	0.21	14.93	14.73	1.01
33 Mideast	1,336,478	556,137	41.6	15.94	0.34	15.06	14.86	1.13
124 Pacific Northwest	481,232	182,379	37.9	15.84	(0.28)	14.44	14.34	1.90
126 Southwest	743,907	356,160	47.9	16.94	1.03	15.75	14.55	1.27
131 Arizona-Las Vegas	217,527	82,281	37.8	16.29	n/a	15.18	14.63	1.20
All Market Average or Total *	7,859,215	3,762,137	47.9					

n/a = Not applicable.

* May not add due to rounding.

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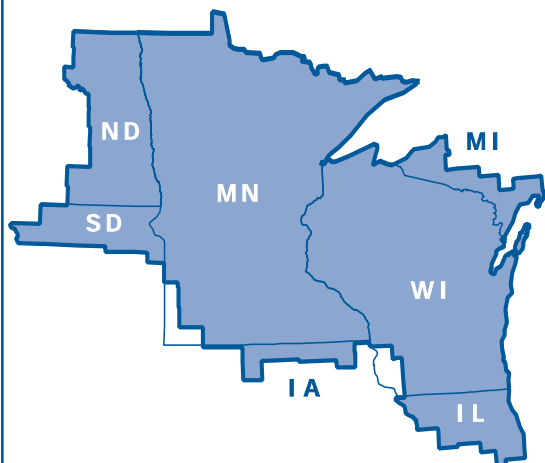
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