



UPPER MIDWEST DAIRY NEWS

H. Paul Kyburz, Market Administrator

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Inside This Issue:

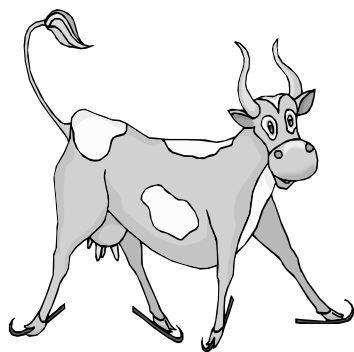
2004 Annual Utilization and Classification 2

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 Rebound

Prices for cheddar cheese on the Chicago Mercantile Exchange (CME) rebounded in early January after dropping sharply in mid-December. CME prices for barrels and 40-pound blocks of cheddar cheese on January 14 were \$1.60 and \$1.63 per pound, respectively.

Both blocks and barrels were up over 20¢ per pound from mid-December, and prices are more than 30¢ above year-earlier levels. The recent increases were mainly due to unfilled bids. As of January 14, only three carloads of cheese have sold on the cash market since January 1.

The CME butter price on January 14 was \$1.63¼ per pound, up nearly 10¢ from mid-December, and nearly 25¢ above year-earlier levels.

Adverse weather in several parts of the country may be partially responsible for the increased cheese and butter prices. California has been hit with heavy rains and flooding, and the Mideast and Northeast regions of the country had severe blizzards in late December.

It's too early to determine if the storms and flooding will have a long-term impact on cow productivity.

Preliminary 2004 U.S. Milk Production Released

Preliminary U.S. Department of Agriculture estimates indicate total United States milk production for 2004 was 170.5 billion pounds, an increase of 0.1% from 2003. However, when adjusted for leap year, milk production was actually down 0.2%.

The average number of milk cows declined in 2004, while the output per cow increased.

For the top ten milk producing states, 2004 production, compared to the previous year, was up 7% in Texas, 4% in Idaho, 3% in California, and 1% in New Mexico, but down 3% in New York, Pennsylvania and Washington, 2% in Minnesota, and 1% in Michigan and Wisconsin.

Final estimates will be released in February.

Pool Summary

- In December, 5,520 producers delivered to the market with an average daily delivery of 4,318 pounds.
- Producer milk totaled 667 million pounds. Because of price relationships, handlers elected not to pool substantial volumes of milk.
- Class I utilization totaled 395 million pounds, down 0.8% on a daily basis

from November. Class I usage accounted for 59.3% of producer milk.

- The December Producer Price Differential (PPD) is (\$0.95) per cwt.
- The Statistical Uniform Price is \$15.19 per cwt., up \$0.17 from November, and \$2.78 above December 2003.
- Market statistics for December are shown on Pages 4 and 5.

December 2004 Producer Milk by Class

	Percent	Product Pounds	Price \$/cwt.
Class I	59.3	395,494,681	16.23
Class II	15.2	101,396,810	13.98
Class III	5.3	35,674,025	16.14
Class IV	20.2	134,825,108	13.42
Total		667,390,624	

Utilization and Classification for 2003 and 2004

	2003 Annual		2004 Annual		Change in Product Pounds	
	Product Pounds	Butterfat Pounds	Product Pounds	Butterfat Pounds	1,000 Pounds*	Percent
Class I Utilization:						
Packaged Disposition						
Milk	654,688,036	21,326,794	699,375,579	22,824,209	44,688	6.8
Flavored Milk	72,901,392	2,285,243	67,566,792	2,127,378	(5,335)	(7.3)
Reduced Fat Milk	1,545,928,273	30,258,116	1,661,347,017	32,409,936	115,419	7.5
Lowfat Milk	542,293,135	5,305,270	575,077,177	5,607,957	32,784	6.0
Fat Free Milk	993,426,427	1,000,817	1,075,931,425	1,224,312	82,505	8.3
Flavored Reduced and Fat Free Milk	315,484,078	3,423,429	327,608,598	3,442,392	12,125	3.8
Buttermilk	31,443,188	345,459	29,716,402	330,714	(1,727)	(5.5)
Total Packaged Disposition	4,156,164,529	63,945,128	4,436,622,990	67,966,898	280,458	6.7
Total Ending Inventory	351,690,782	5,603,018	357,998,741	5,639,369	6,308	
Bulk to Nonpool Plants	15,035,836	270,469	27,142,975	602,615	12,107	
Shrinkage	28,159,719	2,102,684	32,416,823	2,160,136	4,257	
Total Class I Utilization	4,551,050,866	71,921,299	4,854,181,529	76,369,018	303,131	6.7
Other Order Plants	(62,326,293)	(1,119,442)	(36,804,421)	(684,236)	25,522	
Beginning Inventory	(355,922,046)	(5,654,342)	(356,552,958)	(5,611,333)	(631)	
Reused Products	0	0	0	0	0	
Other Source Milk	(3,033,523)	(52,987)	(1,509,171)	(23,653)	1,524	
Overage	(103,413)	(1,198)	(19,602)	(4,862)	84	
Interhandler Adjustment	175,630	5,082	(154,930)	22,534	(331)	
Class I Producer Milk	4,129,841,221	65,098,412	4,459,140,447	70,067,468	329,299	8.0
Class II Utilization:						
Total Class II Utilization	1,144,320,942	106,729,636	1,496,375,239	127,152,070	352,054	30.8
Other Order Plants	(17,884,962)	(665,953)	(28,995,251)	(934,650)	(11,110)	
Beginning Inventory	(32,253,764)	(2,195,991)	(36,605,780)	(1,746,222)	(4,352)	
Reused Products	(124,127,127)	(80,171)	(96,006,531)	(46,266)	28,121	
Other Source Milk	(6,942,127)	(6,676,445)	(7,487,218)	(5,212,962)	(545)	
Overage	(253,207)	(24,198)	(695,994)	(52,277)	(443)	
Class II Producer Milk	962,859,755	97,086,878	1,326,584,465	119,159,693	363,725	37.8
Class III Utilization:						
Total Class III Utilization	11,006,917,557	401,181,744	10,094,387,915	389,265,708	(912,530)	(8.3)
Other Order Plants	(272,815,330)	(7,992,699)	(132,060,851)	(3,316,953)	140,754	
Beginning Inventory	(40,724,822)	(1,000,892)	(22,815,167)	(878,095)	17,910	
Reused Products	0	0	0	0	0	
Other Source Milk	(42,993,323)	(1,224,015)	(45,186,516)	(1,073,365)	(2,193)	
Overage	(580,489)	(74,005)	(677,542)	(44,064)	(97)	
Class III Producer Milk	10,649,803,593	390,890,133	9,893,647,839	383,953,231	(756,156)	(7.1)
Class IV Utilization:						
Total Class IV Utilization	1,650,938,375	102,186,488	2,003,023,559	92,660,529	352,085	21.3
Other Order Plants	(80,149,543)	(5,197,326)	(67,017,665)	(4,216,795)	13,132	
Beginning Inventory	(154,954,180)	(8,604,834)	(183,678,010)	(9,929,821)	(28,724)	
Reused Products	1,550,225	2,108	215,641	0	(1,335)	
Other Source Milk	(141,291,256)	(8,786,608)	(128,729,517)	(7,464,848)	12,562	
Overage	(853,384)	(201,962)	(710,192)	(90,384)	143	
Class IV Producer Milk	1,275,240,237	79,397,866	1,623,103,816	70,958,681	347,864	27.3
Total Producer Milk -- All Classes	17,017,744,806	632,473,289	17,302,476,567	644,139,073	284,732	1.7

* May not add due to rounding.

Annual Utilization and Classification

Annual utilization and classification for 2003 and 2004 are summarized and compared in the table on Page 2. The annual numbers represent the sum of monthly data.

The volume of Class I milk pooled on the market in 2004 increased significantly over 2003. For the second consecutive year, a significant volume of eligible Class III milk was not pooled because of negative producer price differentials. At the same time, the volume of Class II and Class IV milk on the market continued to increase because of advantageous prices.

Class I Utilization - Class I producer milk in 2004 was 4.5 billion pounds, up 8% from 2003. The increase was primarily the result of institutional changes in the marketing area, which created a rise in total Class I packaged disposition and a decline in Class I receipts from other order plants. Class I use includes milk sold to consumers in fluid form.

Total Class I packaged disposition (sales) increased nearly 7% during 2004. Decreases in disposition of flavored milk and buttermilk were more than offset by increases in disposition of milk, reduced fat milk, lowfat milk, fat free milk, and flavored reduced fat and flavored fat free milk.

Most packaged sales of milk, however, continue to be reduced fat milk, account-

ing for 37% of total packaged sales, followed by fat free milk at 24%, whole milk at 16% and lowfat milk at 13%. Other categories combined made up the remaining 10% of packaged sales.

Class I use in 2004 accounted for 25.8% of total producer milk (as shown in Figure 1), up from 24.3% in 2003.

Class II Utilization - Class II producer milk in 2004 was up 364 million pounds, or 37.8% from 2003. The increase was the result of more eligible milk being pooled in 2004. Class II use primarily includes fluid cream products, ice cream, cottage cheese and yogurt. Class II producer milk accounted for 7.7% of total producer milk during the year.

Class III Utilization - Class III producer milk of 9.9 billion pounds in 2004 was down 7% from 2003 largely because of milk not pooled. Class III utilization primarily includes milk used for the manufacture of hard cheeses, and accounted for 57.2% of producer milk.

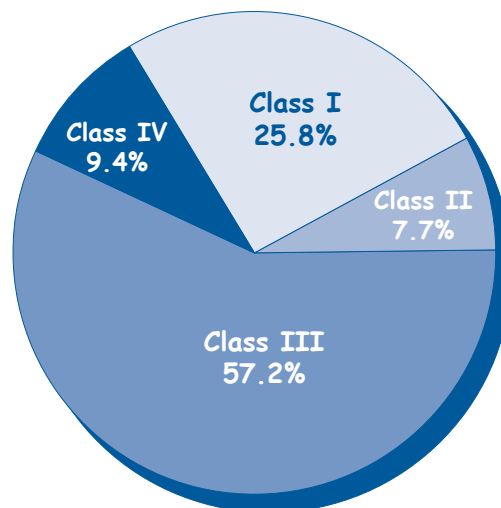
Class IV Utilization - Class IV utilization in 2004 totaled 1.6 billion pounds, up 348 million pounds from

2003. The increase was the result of more eligible milk being pooled as well as the addition of Class IV milk from outside of the marketing area. Class IV includes butter and all dried milk products, and accounted for 9.4% of total producer milk in 2004.

Producer Milk - Total producer milk in 2004 of 17.3 billion pounds was up 285 million pounds or 1.7% from 2003.

An average of 11,959 producers delivered to the market each month in 2004, down from 13,308 in 2003.

**Figure 1
Utilization by Class--2004 ***



* Percentages do not add to 100% because of rounding.

Upper Midwest Pool Statistics - December 2004

Market Class I Differential Rate	Pool Plants	Received at Pool Plants	Diverted to		Location Adjustment to Producers	Class I Differential to Handlers	
			Pool and Nonpool Plants	Total		Pounds	Value
Cwt.	Number	Pounds	Pounds	Pounds	Value	Pounds	Value
\$1.80	4	58,830,844	13,302,445	72,133,289	\$ 0	59,896,957	\$1,078,145
\$1.75	39	189,376,826	37,512,942	226,889,768	113,445	173,202,617	3,031,046
\$1.70	35	166,931,715	76,333,566	243,265,281	243,265	137,687,402	2,340,686
\$1.65	5	32,319,582	32,608	32,352,190	48,529	24,707,705	407,677
Other	0	0	92,750,096	92,750,096	185,500	0	0
Total	83	447,458,967	219,931,657	667,390,624	\$ 590,739	395,494,681	\$6,857,554

Computation of Producer Price Differential-December 2004

	Utilization Percentage	Product Pounds	Component Pounds	Rate	Value
Class I					
Differential Value					\$ 6,857,553.98
Product	59.3%	395,494,681			
Skim Milk			389,109,600	\$ 8.1200	31,595,699.52
Butterfat			6,385,081	1.8834	12,025,661.58
Class II					
Product	15.2%	101,396,810			
Nonfat Solids			8,377,550	0.7856	6,581,403.29
Butterfat			9,606,561	2.0436	19,631,968.04
Class III					
Product	5.3%	35,674,025			
Protein			1,040,152	2.8486	2,962,976.98
Other Solids			1,906,334	0.0858	163,563.46
Butterfat			3,458,308	2.0366	7,043,190.06
Class IV					
Product	20.2%	134,825,108			
Nonfat Solids			11,781,790	0.7240	8,530,015.99
Butterfat			5,926,071	2.0366	12,069,036.19
SCC Adjustment (Class II, III, and IV)					211,754.64
Total Producer Milk		667,390,624			\$107,672,823.73
Add:					
Overage					18,010.03
Inventory Reclassified					145,330.93
Other Source Milk \$.60(h)					0.00
Other Source Milk \$.60(i)					0.00
Subtract:					
Transportation Credit					226,920.39
Assembly Credit					314,348.43
Credit for Reconstituted FMP					0.00
Producer Milk Protein					59,085,917.57
Producer Milk Other Solids					3,250,093.83
Producer Milk Butterfat					51,680,804.45
Producer Milk SCC Adjustment					519,702.64
Total Milk and Value		667,390,624			\$ (7,241,622.62)
Add:					
Location Adjustment -- Producer and Unregulated Supply Plant Milk					590,738.65
One-Half Unobligated Balance Producer Settlement Fund					628,241.16
Total Value				(0.902416)	\$ (6,022,642.81)
Subtract:					
Producer Settlement Fund Reserve				0.047584	317,568.12
Producer Price Differential **				\$(0.95)	\$ (6,340,210.93)

* An estimated 1.5 billion 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

	December 2004		November 2004	December 2003
	Product Pounds	Butterfat Pounds	Product Pounds	Product Pounds
Class I Utilization:				
Packaged Disposition				
Milk	61,725,033	2,018,646	58,868,493	61,879,461
Flavored Milk	5,112,144	163,308	5,029,428	6,478,006
Reduced Fat Milk	144,576,506	2,824,304	141,501,312	144,532,303
Lowfat Milk	52,258,349	508,805	49,646,723	48,769,413
Fat Free Milk	93,227,209	110,550	92,674,028	89,707,623
Flavored Reduced and Fat Free Milk	32,846,497	551,760	34,553,329	33,617,084
Buttermilk	2,668,376	30,805	2,554,756	2,758,102
Total Packaged Disposition	392,414,114	6,208,178	384,828,069	387,741,992
Total Ending Inventory	32,359,485	496,784	30,412,945	29,215,209
Bulk to Nonpool Plants	2,478,086	56,262	2,885,139	1,228,105
Shrinkage	2,022,036	195,276	1,246,827	2,581,747
Total Class I Utilization	429,273,721	6,956,500	419,372,980	420,767,053
Other Order Plants	(2,787,706)	(53,650)	(3,654,304)	(2,934,016)
Beginning Inventory	(30,709,243)	(518,879)	(29,710,067)	(31,986,918)
Reused Products	0	0	0	0
Other Source Milk	(65,071)	(1,100)	(43,456)	(257,911)
Overage	--	--	--	--
Interhandler Adjustment	(217,020)	2,210	(185,187)	(159,421)
Class I Producer Milk	395,494,681	6,385,081	385,779,966	385,428,787
Class II Utilization:				
Total Class II Utilization	114,893,982	10,198,793	124,159,565	123,192,060
Other Order Plants	--	--	(1,422,066)	(709,023)
Beginning Inventory	(5,627,935)	(142,794)	(1,908,694)	(4,884,735)
Reused Products	(6,982,402)	(10,737)	(9,280,105)	(7,861,891)
Other Source Milk	(886,835)	(438,701)	(536,320)	(339,042)
Overage	--	--	--	--
Class II Producer Milk	101,396,810	9,606,561	111,012,380	109,397,369
Class III Utilization:				
Total Class III Utilization	56,341,080	4,007,737	361,914,997	1,474,069,292
Other Order Plants	(12,596,995)	(248,636)	(15,500,787)	(8,740,426)
Beginning Inventory	(3,593,001)	(166,322)	(2,621,800)	(5,323,294)
Reused Products	0	0	0	0
Other Source Milk	(4,454,481)	(130,639)	(4,009,534)	(1,337,718)
Overage	(22,578)	(3,832)	(12,211)	(11,639)
Class III Producer Milk	35,674,025	3,458,308	339,770,665	1,458,656,215
Class IV Utilization:				
Total Class IV Utilization	173,848,323	8,249,178	150,745,928	215,007,745
Other Order Plants	(4,426,090)	(389,505)	(4,356,799)	(12,152,706)
Beginning Inventory	(13,886,135)	(889,990)	(23,906,677)	(19,952,065)
Reused Products	0	0	0	--
Other Source Milk	(20,707,227)	(1,041,083)	(8,136,404)	(7,894,189)
Overage	(3,763)	(2,529)	(107,367)	(85,773)
Class IV Producer Milk	134,825,108	5,926,071	114,238,681	174,923,012
Total Producer Milk -- All Classes	667,390,624	25,376,021	950,801,692	2,128,405,383

-- 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>					
Dec 2003	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
Oct	1.5270	1.4944	1.5256	1.7000	0.8565	0.2247	1.5467	1.4996	1.5373	1.7223	0.8626	0.2241
Nov	1.5685	1.5750	1.5886	1.8224	0.8570	0.2367	1.5316	1.5323	1.5481	1.6845	0.8553	0.2338
Dec	1.7404	1.6629	1.7146	1.8122	0.8713	0.2423	1.7887	1.7135	1.7648	1.8498	0.8698	0.2436

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>						
Dec 2003	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
Oct	1.6475	1.5170	1.4683	0.8700	0.8488	0.2321	0.2374
Nov	1.9238	1.6960	1.6534	0.8898	0.8593	0.2420	0.2451
Dec	1.7083	1.5923	1.5243	0.8876	0.8857	0.2450	0.2549

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)	
Dec 2003	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
Oct	27	57	13	15,973	1,977	4,290	18.9	3.80	3.12	5.67	277
Nov	27	56	13	8,357	951	4,315	40.6	3.82	3.11	5.67	253
Dec	27	56	13	5,520	667	4,318	59.3	3.80	3.11	5.68	259

* 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>
Dec 2003	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	1.9090	0.7933	7.14	13.57
Nov	1.9288	7.81	14.29	1.9468	9.61	16.09	2.0559	0.7933	7.14	14.09
Dec	1.8834	8.12	14.43	1.9014	9.92	16.23	2.0436	0.7856	7.07	13.98
Jan 2005	2.0818	9.70	16.65	2.0998	11.50	18.45		0.8000	7.20	

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>
Dec 2003	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
Oct	1.9020	2.3814	0.0677	7.78	14.16	1.9020	0.7093	6.38	12.81
Nov	2.0489	2.4297	0.0800	8.00	14.89	2.0489	0.7098	6.39	13.34
Dec	2.0366	2.8486	0.0858	9.34	16.14	2.0366	0.7240	6.52	13.42

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>
	Oct 2003	(0.88)	13.51	1.2553	3.2815	0.0311	0.00080
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	17.66
Jul	0.72	15.57	2.0543	2.3625	0.1048	0.00078	15.69
Aug	0.22	14.26	1.7941	2.4663	0.0676	0.00076	15.11
Sep	0.13	14.85	1.9354	2.5431	0.0589	0.00079	15.72
Oct	0.31	14.47	1.9020	2.3814	0.0677	0.00076	15.73
Nov	0.13	15.02	2.0489	2.4297	0.0800	0.00079	
Dec	(0.95)	15.19	2.0366	2.8486	0.0858	0.00086	

Summary of Federal Order Data - December 2004

Uniform or Statistical Uniform
Price at 3.5% Butterfat

Federal Order Number / Name	Producer Deliveries	Class I Producer Receipts	Class I Utilization	Class I Price	Producer Price Differential	Uniform or Statistical Uniform Price at 3.5% Butterfat		
						FOB Market	FOB Cook Cty. Illinois	Change From Previous Year
	— Thousand Pounds —		Percent		— Dollars per Cwt. —	— Dollars per Cwt. —		
1 Northeast	1,893,671	937,917	49.5	\$ 17.68	\$ 0.29	\$ 16.43	\$ 14.75	\$ 1.81
5 Appalachian	488,408	370,659	75.9	17.53	n/a	16.98	15.68	1.50
6 Florida	259,712	222,277	85.6	18.43	n/a	18.00	15.80	0.84
7 Southeast	565,307	400,810	70.9	17.53	n/a	17.03	15.73	1.70
30 Upper Midwest	667,391	395,495	59.3	16.23	(0.95)	15.19	15.19	2.78
32 Central	713,188	376,838	52.8	16.43	(0.88)	15.26	15.06	2.35
33 Mideast	984,385	573,858	58.3	16.43	(0.62)	15.52	15.32	2.26
124 Pacific Northwest	442,477	190,432	43.0	16.33	(1.31)	14.83	14.73	2.36
126 Southwest	631,957	361,093	57.1	17.43	(0.47)	15.67	14.47	1.81
131 Arizona-Las Vegas	246,942	87,523	35.4	16.78	n/a	15.55	15.00	2.57
All Market Average or Total *	6,893,437	3,916,902	56.8					

n/a = Not applicable.

* May not add due to rounding.

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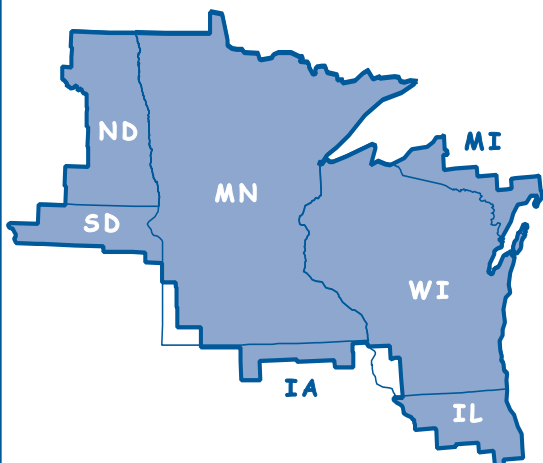
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