

Table 1

Northwest Dairy Association Sep 23, 2003

**Total milk production in Washington and Oregon
and amount produced by producer handlers
Selected years - 1990 - 2002**

All dairies

	1990	1995	2000	2002	12 yr change
	millions of lbs				
WA production (1)	4,398	5,302	5,593	5,620	
OR production (1)	1,611	1,677	1,640	2,093	
Total	7,999	8,974	9,233	9,715	
Net of Producer Handler	7,766	8,719	8,947	9,431	21%
	herds in state				
WA (2)	1254	942	641	621	
OR (2)	582	395	337	322	
	1836	1337	978	943	-49%
Avg annual production	4.23	6.52	9.15	10.00	136%
	Average mon		833,450		

Producer Handlers

Producer handler # (2)	19	17	11	9	-53%
Total lbs production (2)	232.8	255.3	286.1	283.68	22%
Average prod	12.25	15.02	26.00	31.52	157%
	Average mon		2,626,667		

Multipile	2.90	2.30	2.84	3.15	
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1. NASS Annual Statistics
 2. Market Administrator data

Table 2Northwest Dairy Association Sept 23, 2003
Federal Order Hearing, Phoenix, AZ**Potential Producer Handler Advantage
100% Class I
Pacific Northwest Milk Marketing Order**

dollars per cwt

	2000	2001	2002	thru Oct 2003	Average (1)
Average Class I	\$13.45	\$16.20	\$12.93	\$12.82	\$13.81
Blend price	<u>\$11.70</u>	<u>\$14.26</u>	<u>\$11.25</u>	<u>\$11.05</u>	<u>\$12.08</u>
Spread	\$1.76	\$1.94	\$1.68	\$1.77	\$1.79
Per gallon	\$0.151	\$0.167	\$0.145	\$0.153	\$0.154

(1) Weighted monthly

Table 2A

Northwest Dairy Association Sept 23, 2003
Federal Order Hearing, Phoenix, AZ

**Estimated Producer Handler Advantage
85.5% Class I plus 14.5% lower of Class III or IV
Pacific Northwest Milk Marketing Order**

dollars per cwt

	2000	2001	2002	thru Oct 2003	Average (1)
Class I	\$13.45	\$16.20	\$12.93	\$12.82	\$13.94
Lower of III or IV	\$9.74	\$12.83	\$10.37	\$9.77	\$10.76
PH Blend (2)	\$12.91	\$15.71	\$12.56	\$12.38	\$13.48
Blend price	\$11.70	\$14.26	\$11.25	\$11.05	\$12.16
Spread	\$1.22	\$1.45	\$1.31	\$1.33	\$1.33
Per gallon	\$0.105	\$0.125	\$0.113	\$0.115	\$0.114

(1) Weighted by month

(2) This is a blend of 85.5% Class I and 14.5% the lower of Class III or IV

Table 3

Northwest Dairy Association Sept 23, 2003
 Federal Order Hearing, Phoenix, AZ

**Producer Handler total production,
 in area Route Disposition,
 and Surplus milk disposed of as Class I
 Pacific Northwest Order**

2000 through 2003

millions of lbs

	Production	Class I	Usage %	Surplus Class I	Restated	
					Class I	Usage %
2000	286.1	229.3	80.1%	11.1	240.4	84.0%
2001	285.2	228.4	80.1%	17.5	245.9	86.2%
2002	283.7	219.2	77.3%	25.2	244.4	86.1%
3 YR Avg	285.0	225.6	79.2%	17.9	243.6	85.5%

Table 4Northwest Dairy Association Sep 23, 2003
Federal Order Hearing - Phoenix, AZ**Value of Producer Handler Class I sales
to the Pacific Northwest Order Pool**

	2000 thru 2003		
	2000	2001	2002
Class I sales (1)	2,404,000	2,459,000	2,444,000
		cwts	
Net pool gain (2)	\$ 1.76	\$ 1.94	\$ 1.68
		per cwt	
Lost pool dollars	\$ 4,231,040	\$ 4,770,460	\$ 4,105,920

(1) See Table 3, Column titled "Restated Class I"

(2) See Table 2, Row labeled "Spread"