

**FARM MILK PRICES:
FORECASTS AND
FEDERAL DAIRY
POLICY**

**FEDERAL MILK PRICE
SAFETY NET
PRICE SUPPORT PROGRAM**

PRICE SUPPORT PROGRAM

- **1950** **\$ 3.07**
- **1960** **\$ 3.06**
- **1970** **\$ 4.66**

PRICE SUPPORT PROGRAM

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- **1960** **\$ 3.06**
- **1970** **\$ 4.66**
- **1980** **\$13.10**

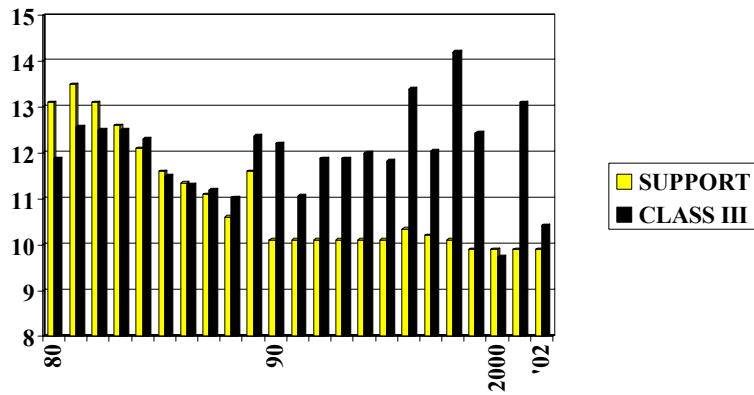
PRICE SUPPORT PROGRAM

- **1950** **\$ 3.07**
- **1960** **\$ 3.06**
- **1970** **\$ 4.66**
- **1980** **\$13.10**
- **1990** **\$10.10**

PRICE SUPPORT PROGRAM

- **1950** **\$ 3.07**
- **1960** **\$ 3.06**
- **1970** **\$ 4.66**
- **1980** **\$13.10**
- **1990** **\$10.10**
- **2000** **\$ 9.90**

SUPPORT PRICES AND CLASS III PRICES

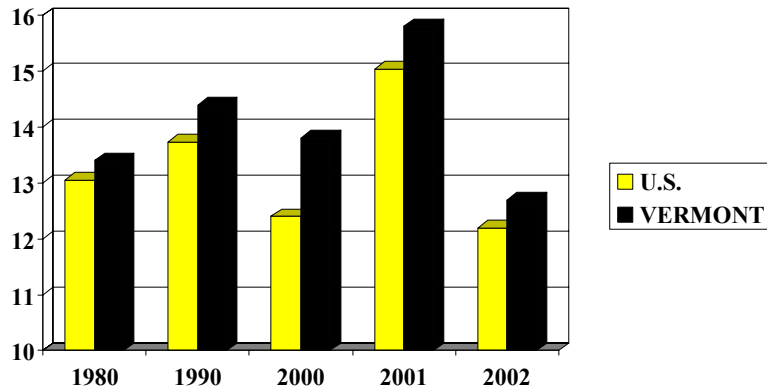


FEDERAL ORDER IMPACT

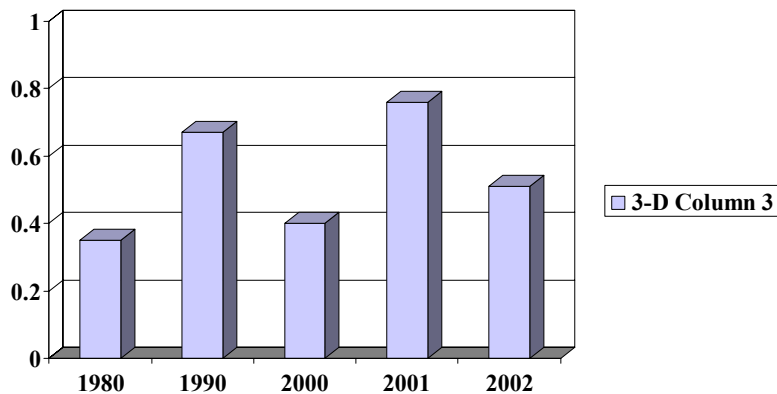
CLASS I DIFFERENTIAL:

\$3.25

ALL MILK PRICES: U.S versus Vermont



ALL MILK PRICES: U.S versus Vermont



**WORLD PRICES AS A
SOLUTION?**

**WELLINGTON
2004 PRICE
FORECASTS**

PRICE FORECASTS

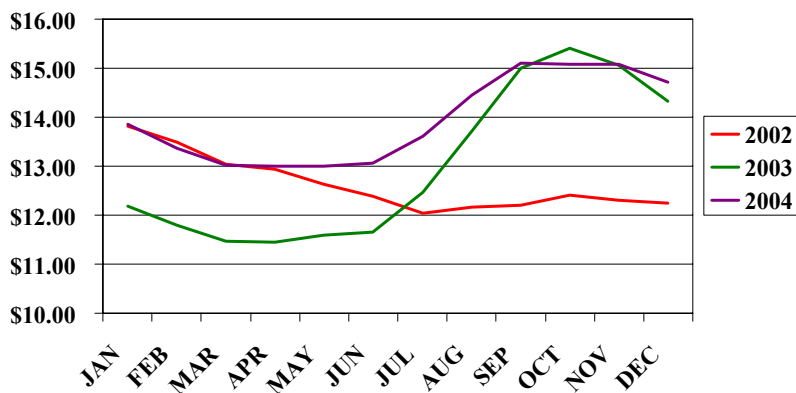
MILK PRICES (FEDERAL ORDER AND OTHER PAYMENTS)											NOVEMBER 7, 2003	
2003	COMPONENT PRICES PER POUND				BOSTON BLEND	MLC	CLASS PRICES (NORTHEAST)				FUTURES PRICES	
	BUTTER		OTHER	BOSTON	PRICE	FARMBILL	I	II	III	IV	III	IV
	FAT	PROIEIN	SOLIDS	PPDcwt.	@3.5 bf	PAYMENT*						
JAN	\$1.186	\$1.816	\$0.034	\$2.41	\$12.19	\$1.41	\$13.81	\$11.29	\$9.78	\$10.07		
FEB	\$1.137	\$1.854	\$0.024	\$2.13	\$11.79	\$1.56	\$13.48	\$10.66	\$9.66	\$9.81		
MAR	\$1.146	\$1.665	\$0.021	\$2.36	\$11.47	\$1.75	\$13.06	\$10.54	\$9.11	\$9.79		
APR	\$1.150	\$1.801	(\$0.001)	\$2.04	\$11.45	\$1.82	\$12.89	\$10.44	\$9.41	\$9.73		
MAY	\$1.151	\$1.928	(\$0.014)	\$1.89	\$11.60	\$1.79	\$12.96	\$10.43	\$9.71	\$9.74		
JUN	\$1.158	\$1.943	(\$0.020)	\$1.91	\$11.66	\$1.78	\$12.99	\$10.46	\$9.75	\$9.76		
JUL	\$1.206	\$2.548	(\$0.012)	\$0.68	\$12.46	\$1.76	\$13.02	\$10.63	\$11.78	\$9.95		
AUG	\$1.251	\$3.144	\$0.003	(\$0.08)	\$13.72	\$1.22	\$14.22	\$10.81	\$13.80	\$10.14		
SEP	\$1.222	\$3.318	\$0.017	\$0.71	\$15.01	\$0.00	\$16.96	\$10.76	\$14.30	\$10.05		
OCT	\$1.255	\$3.282	\$0.031	\$1.01	\$15.43	\$0.00	\$17.52	\$10.84	\$14.39	\$10.16		
NOV	\$1.261	\$2.916	\$0.029	\$1.87	\$15.19	\$0.00	\$17.62	\$10.89	\$13.30	\$10.18	\$13.05	
DEC	\$1.238	\$2.563	\$0.026	\$2.23	\$14.40	\$0.05	\$16.84	\$10.80	\$12.15	\$10.09	\$11.80	
AVG	\$1.197	\$2.398	\$0.011	\$1.60	\$13.03	\$1.09	\$14.61	\$10.71	\$11.43	\$9.96		

PRICE FORECASTS

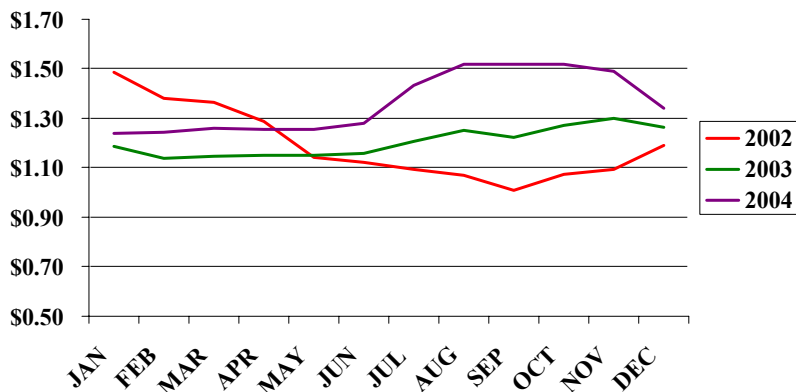
2004	COMPONENT PRICES PER POUND				BOSTON BLEND	MLC	CLASS PRICES (NORTHEAST)				FUTURES PRICES	
	BUTTER		OTHER	BOSTON	PRICE	FARMBILL	I	II	III	IV	III	IV
	FAT	PROIEIN	SOLIDS	PPDcwt.	@3.5 bf	PAYMENT*						
JAN	\$1.240	\$2.400	\$0.022	\$2.02	\$13.68	\$0.57	\$15.67	\$10.80	\$11.64	\$10.19	\$11.40	
FEB	\$1.242	\$2.291	\$0.029	\$1.91	\$13.28	\$0.87	\$15.00	\$10.97	\$11.36	\$10.12	\$11.25	
MAR	\$1.258	\$2.259	\$0.032	\$1.68	\$13.02	\$1.06	\$14.58	\$10.87	\$11.34	\$10.12	\$11.31	
APR	\$1.254	\$2.263	\$0.032	\$1.61	\$12.96	\$1.06	\$14.59	\$10.80	\$11.34	\$10.09	\$11.29	
MAY	\$1.254	\$2.263	\$0.032	\$1.59	\$12.93	\$1.06	\$14.59	\$10.79	\$11.34	\$10.10	\$11.22	
JUN	\$1.280	\$2.251	\$0.036	\$1.61	\$13.03	\$1.05	\$14.60	\$10.88	\$11.42	\$10.19	\$11.95	
JUL	\$1.432	\$2.340	\$0.073	\$1.16	\$13.61	\$1.06	\$14.59	\$11.42	\$12.42	\$10.74	\$12.35	
AUG	\$1.518	\$2.610	\$0.073	\$0.85	\$14.40	\$0.67	\$15.46	\$11.75	\$13.53	\$11.10	\$12.70	
SEP	\$1.518	\$2.629	\$0.073	\$1.42	\$15.04	\$0.04	\$16.84	\$11.79	\$13.59	\$11.11	\$13.25	
OCT	\$1.518	\$2.629	\$0.073	\$1.47	\$15.08	\$0.04	\$16.84	\$11.81	\$13.59	\$11.11		
NOV	\$1.492	\$2.657	\$0.073	\$1.45	\$15.06	\$0.04	\$16.84	\$11.72	\$13.59	\$11.01		
DEC	\$1.342	\$2.712	\$0.049	\$1.65	\$14.76	\$0.04	\$16.84	\$11.18	\$13.09	\$10.46		
AVG	\$1.362	\$2.442	\$0.050	\$1.53	\$13.90	\$0.63	\$15.54	\$11.23	\$12.36	\$10.53		

*capped at 24 million pounds of annual milk production

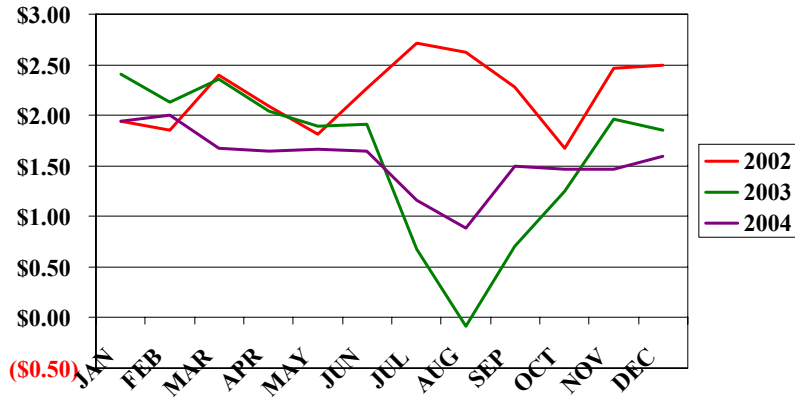
BLEND PRICE FORECASTS



BUTTERFAT PRICE FORECASTS



PRODUCER PRICE DIFFERENTIAL FORECASTS



CLASS III AND BLEND PRICES, 2003

