



The Market Administrator's Bulletin

MIDEAST MARKETING AREA

Federal Order No. 33

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December 2000

USDA ANNOUNCES TENTATIVE FINAL DECISION ON CLASS III AND IV PRICE FORMULAS FOR ALL FEDERAL MILK ORDERS

On December 1, 2000, the United States Department of Agriculture announced a tentative final decision to amend the current Class III and Class IV pricing formulas under Federal milk orders. This decision is based on testimony and data presented at a public hearing held May 8-12, 2000, in Alexandria, Virginia, to consider proposals submitted by the industry to change the formulas.

The decision provides for separate butterfat prices for milk used in Class III (cheese) and Class IV (butter and dry milk products) based on the value of butterfat in cheese and butter. The manufacturing (make) allowance for cheese is proposed to be reduced slightly, from 17.02 cents per pound of cheese to 16.5 cents. The make allowance for dry whey, also a factor in calculating Class III value, would be increased from \$0.137 to \$0.140 per pound of dry whey.

The make allowances used in calculating Class IV value are proposed to increase slightly, from 11.4 to 11.5 cents per pound of butter and from 13.7 cents to 14 cents per pound of nonfat dry milk.

The proposed changes are expected to have limited impact on returns to dairy farmers.

Interested persons have until February 5, 2001, to file comments in response to the tentative decision. A tentative final decision is being issued because the Congressional deadlines of December 1, 2000, for publication of a final decision and January 1, 2001, for effectuating order amendments do not allow enough time to issue a recommended decision and receive and consider comments before issuance of a final decision.

A referendum was conducted to determine producer approval of the Federal milk order that would regulate the handling of milk in the Mideast Marketing Area. Producers supplying milk for the Mideast order and the other ten Federal milk markets have approved amending the current Class III and Class IV pricing formulas under Federal milk orders. The interim orders are expected to become effective for milk marketed on or after January 1, 2001.

The interim final rule and additional background information can be accessed on the web at: <http://www.ams.usda.gov/dairy> .

NOVEMBER PRODUCTION UP 1.5 PERCENT

Milk production in the 20 major States during November totaled 11.5 billion pounds, up 1.5 percent from production in these same States in November 1999. October revised production, at 11.9 billion pounds was up 2.7 percent from October 1999. The October revision represented a decrease of 0.2 percent or 29 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,463 pounds for November, 4 pounds above November 1999.

The number of cows on farms in the 20 major States was 7.85 million head, 95,000 head more than November 1999 and 1,000 head more than October 2000.

CORRECTION TO PRODUCER PAYMENT DATE LETTER

Letters were mailed to producers who are not members of cooperatives with a schedule of partial and final payment dates for 2001. The December 2000 final payment, which is due to be received on or before January 17, 2001, was omitted from the schedule. We apologize for any confusion this may have caused.

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**MARKET STATISTICS
NOVEMBER 2000**

PRODUCER MILK CLASSIFICATION	<i>Pounds</i>
Class I	577,879,418
Class II	142,720,825
Class III	502,565,871
Class IV	41,249,714
Total	1,264,415,828

OTHER SOURCE RECEIPTS	
Non-Pool Plants	35,894,030
Producer-Handler/Unapproved	1,637,490
Powder-Condensed (Sk. Equiv.)	16,087,073
Opening Inventory	78,617,065
Overage	359,898
Total	132,595,556

TOTAL RECEIPTS 1,397,011,384

PRODUCTION SUMMARY	
Producer Milk Percent Protein	3.11%
Producer Milk Percent Butterfat	3.80%
Producer Milk Percent Other Solids	5.68%
Producer Milk Percent Nonfat Solids	8.79%
Number of Producer Farms	11,261
Average Daily Production Per Farm	3,743
Average Daily Production	42,147,194
Number of Reports - Plants and Cooperatives	71
Number of Reporting Handlers	40
Income Per Farm (Monthly Average)	\$13,958
Total Somatic Cell Adjustment	\$457,399

PRICE SUMMARY	
Producer Price Differential - <i>per cwt.</i>	*\$3.34
Producer Butterfat Price - <i>per lb.</i>	1.5745
Producer Protein Price - <i>per lb.</i>	0.9149
Producer Other Solids Price - <i>per lb.</i>	0.0565
Nonfat Solids Price - <i>per lb.</i>	0.8617
Uniform Price - <i>per cwt (Informational Purposes Only)</i>	*\$11.91
Class I	*13.82
Class II	13.68
Class III	8.57
Class IV	13.00
Class I Skim Milk Price - <i>per cwt.</i>	*\$9.74
Class I Butterfat Price - <i>per lb.</i>	*1.2635
Class II Skim Milk Price - <i>per cwt.</i>	8.44
Class II Nonfat Solids Price - <i>per lb.</i>	0.9378
Class II Butterfat Price - <i>per lb.</i>	1.5815
Class III Skim Milk Price - <i>per cwt.</i>	3.17
Class IV Skim Milk Price - <i>per cwt.</i>	7.76
Class III & IV Butterfat Price - <i>per lb.</i>	1.5745

*Price at Cuyahoga County, Ohio (*Cleveland*). Subject to location adjustment.

**DISPOSITION OF RECEIPTS BY POOL HANDLERS
NOVEMBER 2000**

CLASS I	<i>Pounds</i>
Whole Milk	142,821,336
Flavored Whole Milk	10,125,099
2% Reduced Fat Milk	234,808,085
1% Lowfat Milk	38,180,768
1/2% Lowfat Milk	16,571,236
Flavored Lowfat & Skim	44,202,682
Fat Free Milk	79,325,688
Buttermilk	4,828,219
Bulk Sales	4,587,666
Shrinkage	3,011,857
Ending Inventory	51,586,793
Total Class I	630,049,429
CLASS II	
Cream	7,262,581
Sour Cream, Dips & Yogurt	47,776,534
Cottage Cheese	38,758,680
Ice Cream Mix & Condensed	45,496,258
Skim Equivalent	10,445,606
Shrinkage	*
Transfers to Other Federal Order Pool Plants.	6,333,588
Total Class II	156,073,247
CLASS III	
Hard Cheese	450,246,749
Condensed & Evaporated Milk	30,483,689
Livestock Feed & Dump	1,533,276
Transfers to Other Federal Order Pool Plants	27,918,311
Shrinkage	12,377,480
Total Class III	522,559,505
CLASS IV	
Butter	12,995,592
Whole Milk Powder	3,452,642
Nonfat Dry Milk	17,344,243
Skim Equivalent Used to Fortify	2,938,018
Transfers to Other Federal Order Pool Plants	15,788,729
Ending Inventory	35,809,979
Total Class IV	88,329,203
TOTAL DISPOSITION	1,397,011,384

PRODUCER BUTTERFAT UTILIZATION

Class I	11,247,479
Class II	11,314,020
Class III	19,587,086
Class IV	5,852,413
Total Butterfat	48,000,998

PRODUCER NONFAT SOLIDS UTILIZATION

Class II	12,023,302
Class IV	3,230,175
Total Nonfat Solids	111,159,490

PRODUCER PROTEIN UTILIZATION

Class III	15,560,771
Total Protein	39,326,664

PRODUCER OTHER SOLIDS UTILIZATION

Class III	28,548,815
Total Other Solids	71,832,826

SOMATIC CELL ADJUSTMENT

Class II / III / IV	\$250,157
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*Restricted, included with Ice Cream Mix & Condensed

**ANNOUNCEMENT OF PRODUCER PRICES
NOVEMBER 2000**

MIDEAST MARKETING AREA

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>BUTTERFAT</u>	<u>SKIM / PROTEIN</u>	<u>NONFAT SOLIDS</u>	<u>OTHER SOLIDS</u>	<u>PRICE</u>	<u>VALUE</u>
Class I Skim Value			566,631,939			\$ 9.74 / cwt	\$ 55,189,950.87
Class I Butterfat		11,247,479				1.2635 / lb	14,211,189.72
Class I Location Differential	577,879,418						(325,725.48)
Class II SNF Value				12,023,302		0.9378 / lb	11,275,452.60
Class II Butterfat		11,314,020				1.5815 / lb	17,893,122.67
Class III Protein Value			15,560,771			0.9149 / lb	14,236,549.36
Class III Other Solids Value					28,548,815	0.0565 / lb	1,613,008.05
Class III Butterfat		19,587,086				1.5745 / lb	30,839,866.94
Class IV SNF Value				3,230,175		0.8617 / lb	2,783,441.82
Class IV Butterfat		5,852,413				1.5745 / lb	9,214,624.28
Somatic Cell Value II / III / IV							<u>250,156.95</u>
TOTAL PRODUCER MILK VALUE	1,264,415,828	48,000,998	39,326,664		71,832,826		\$157,181,637.78
Overages						\$ 48,552.87	
Beginning Inventory						(107,830.61)	
TOTAL ADJUSTMENTS							<u>\$ (59,277.74)</u>
TOTAL HANDLER OBLIGATIONS							\$157,122,360.04
Total Protein Value			39,326,664 lbs	@	\$0.9149		\$ (35,979,964.93)
Total Other Solids Value			71,832,826 lbs	@	0.0565		(4,058,554.67)
Butterfat Value			48,000,998 lbs	@	1.5745		(75,577,571.37)
Total Somatic Cell Values							<u>(457,399.43)</u>
TOTALS							\$ 41,048,869.64
Net Producer Location Adjustments							\$ 1,125,785.20
1/2 Unobligated Balance Producer Settlement Fund							<u>569,000.00</u>
Total - Divided by Total Pounds		1,264,415,828		lbs	3.3805062		\$ 42,743,654.84
Rate of Cash Reserve					<u>(0.0405062)</u>		<u>(512,166.80)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*		1,264,415,828			\$3.34 / cwt		\$ 42,231,488.04

COMPONENT PRICES

Butterfat Price	\$1.5745 / lb
Protein Price	0.9149 / lb
Other Solids Price	0.0565 / lb
Somatic Cell Adjustment Rate	0.00051 / cwt
Nonfat Solids Price (For Informational Purpose Only) **	0.8617 / lb

MARKET AVERAGE CONTENT OF PRODUCER MILK

Butterfat	3.80 %
Protein	3.11 %
Other Solids	5.68 %
Nonfat Solids	8.79 %

CLASSIFICATION OF PRODUCER MILK

	<i>Product lbs.</i>	<i>Percent</i>
Class I	577,879,418	45.7
Class II	142,720,825	11.3
Class III	502,565,871	39.7
Class IV	<u>41,249,714</u>	<u>3.3</u>
Total	1,264,415,828	100.0

COMPUTATION OF UNIFORM PRICE

Class III Price - 3.5% BF	\$ 8.57
Producer Price Differential	<u>3.34</u>
Statistical Uniform Price (For Informational Purpose Only)	\$11.91

* Subject to Location Adjustment.

** Producers are not paid on this component.

**PRODUCER MILK SUMMARY
MIDEAST MARKETING AREA 1/**

	Class I		Class II		Class III		Class IV		Total Pounds (000)
	Pounds (000)	Percent	Pounds (000)	Percent	Pounds (000)	Percent	Pounds (000)	Percent	
1999 Estimates									
November	566,650	56.3	130,811	13.0	241,620	24.0	66,816	6.7	1,005,897
December	597,523	53.7	154,140	13.8	275,924	24.8	85,986	7.7	1,113,573
2000									
January	584,035	52.0	172,647	15.4	252,859	22.5	114,147	10.1	1,123,688
February	549,648	52.0	187,567	17.7	250,519	23.7	69,791	6.6	1,057,525
March	586,082	50.3	223,960	19.2	277,773	23.8	77,864	6.7	1,165,678
April	523,073	47.3	177,283	16.0	295,612	26.8	108,829	9.9	1,104,797
May	556,333	49.1	178,128	15.7	308,236	27.2	90,991	8.0	1,133,688
June	521,550	46.8	176,612	15.9	340,349	30.5	75,950	6.8	1,114,461
July	514,292	42.4	212,421	17.5	386,607	31.9	99,998	8.2	1,213,319
August	578,775	48.9	194,567	16.4	365,309	30.8	46,034	3.9	1,184,684
September	577,626	45.9	207,934	16.5	422,422	33.5	51,430	4.1	1,259,412
October	568,995	43.3	163,103	12.4	509,097	38.8	72,129	5.5	1,313,325
November	577,879	45.7	142,721	11.3	502,566	39.7	41,250	3.3	1,264,416

1/ The data for 1999 is estimated based on the previous Federal Orders 33, 36, 40, 44 and 49.

**NATIONAL AGRICULTURAL STATISTICAL SERVICE
DAIRY PRODUCTS PRICE AVERAGES**

	Two-Week Average				Monthly Average			
	Cheese	Butter	Nonfat Dry Milk	Dry Whey	Cheese	Butter	Nonfat Dry Milk	Dry Whey
<i>Dollars per pound</i>								
1999								
November	1.2521	1.0695	1.0184	0.1901	1.2058	1.0637	1.0168	0.1917
December	1.1268	0.9220	1.0125	0.1870	1.1371	0.9179	1.0111	0.1892
2000								
January	1.1696	0.8768	1.0114	0.1859	1.1517	0.8820	1.0115	0.1857
February	1.1084	0.9105	1.0104	0.1800	1.1067	0.9002	1.0106	0.1788
March	1.1073	0.9331	1.0098	0.1771	1.1093	0.9497	1.0094	0.1780
April	1.1035	1.0618	1.0096	0.1774	1.1011	1.0449	1.0078	0.1765
May	1.1011	1.1140	1.0100	0.1755	1.1022	1.1680	1.0071	0.1760
June	1.1060	1.2911	1.0106	0.1794	1.1137	1.2725	1.0097	0.1794
July	1.2269	1.1729	1.0093	0.1893	1.2189	1.1547	1.0102	0.1909
August	1.1847	1.1465	1.0091	0.1940	1.1660	1.1520	1.0108	0.1929
September	1.2380	1.1444	1.0168	0.1856	1.2315	1.1560	1.0166	0.1856
October	1.2012	1.1337	1.0143	0.1820	1.1602	1.1344	1.0127	0.1826
November	1.0259	1.2032	1.0157	0.1881	1.0245	1.4051	1.0159	0.1917

**FEDERAL MILK ORDER PRICE INFORMATION
RELEASE DATES FOR PRICE DATA**

Listed below are the release dates for price data applicable to January through December 2001, for the Federal milk order pricing system. The advance pricing factors will be released on the Friday before the 23rd of the month unless this date is a Friday. Likewise, the price information to be released by the 5th of the month will be released on the Friday before this date unless this date is a Friday. The release time for all release dates, except November 23, is 10:00 a.m. EST/EDST. For 11/23, the release time is 3:00 p.m. EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices 1/	Release Date	Time Period of NASS Prices 1/
January	December 22	12/9, 16	February 2	1/6, 13, 20, 27
February	January 19	1/6, 13	March 2	2/3, 10, 17, 24
March	February 23	2/10, 17	March 30	3/3, 10, 17, 24
April	March 23	3/10, 17	May 4	3/31, 4/7, 14, 21, 28
May	April 20	4/7, 14	June 1	5/5, 12, 19, 26
June	May 18	5/5, 12	June 29	6/2, 9, 16, 23
July	June 22	6/9, 16	August 3	6/30, 7/7, 14, 21, 28
August	July 20	7/7, 14	August 31	8/4, 11, 18, 25
September	August 17	8/4, 11	October 5	9/1, 8, 15, 22, 29
October	September 21	9/8, 15	November 2	10/6, 13, 20, 27
November	October 19	10/6, 13	November 30	11/3, 10, 17, 24
December	November 23	11/11, 17	January 4	12/1, 8, 15, 22, 29

1/ Weekly sales periods, ending on the indicated date, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

SOURCE: Dairy Programs website: http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr_pr_annc.htm

Mideast Marketing Area - Federal Order 33 Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by Various Size Categories									
Production Range	Number of Producers	Pounds of Milk (000)	October 2000*				October 1999**		
			-----Weighted Averages-----				-----Weighted Averages-----		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
1 - 30,000	2,005	36,362	3.88	3.16	5.55	380	3.94	3.37	368
30,001 - 60,000	2,820	125,568	3.83	3.13	5.60	349	3.88	3.35	336
60,001 - 90,000	1,915	140,970	3.79	3.10	5.63	339	3.81	3.32	317
90,001 - 120,000	1,208	125,419	3.77	3.09	5.65	326	3.80	3.31	320
120,001 - 150,000	808	108,142	3.78	3.09	5.67	316	3.79	3.31	307
150,001 - 250,000	1,209	228,782	3.77	3.07	5.68	302	3.79	3.30	297
250,001 - 500,000	677	227,135	3.74	3.07	5.70	288	3.77	3.28	273
500,001 & Over	304	318,372	3.62	3.03	5.73	266	3.69	3.24	268
Total / Average	10,946	1,310,750	3.74	3.07	5.67	305	3.79	3.30	301

* Data provided on a one month delay basis.

** Data prior to January 2000 included the former Federal Orders 33, 36 and 40. Tests were not available for other solids.

Mideast Marketing Area - Federal Order 33
Producer Pounds and Count by Somatic Cell Range *
October 2000

Somatic Cell Range (000)	Combined Pounds (000)	Number of Producers	Percent of Milk by SCC Range	Average Farm Size
1 - 50	679	10	0.1	67,900
51 - 100	15,722	207	1.2	75,952
101 - 150	75,914	675	5.8	112,465
151 - 200	181,927	1,252	13.9	145,309
201 - 250	218,759	1,480	16.7	147,810
251 - 300	245,844	1,585	18.8	155,107
301 - 350	190,070	1,404	14.5	135,377
351 - 400	127,805	1,140	9.8	112,110
401 - 450	90,206	891	6.9	101,241
451 - 500	55,327	675	4.2	81,966
501 - 550	40,569	503	3.1	80,654
551 - 600	26,130	387	2.0	67,519
601 - 650	16,916	251	1.3	67,394
651 - 700	9,785	160	0.7	61,156
701 - 750	6,515	118	0.5	55,212
751 - Above	8,582	208	0.7	41,260
Totals	1,310,750	10,946	100.0	119,747

* Totals may not add due to rounding. Data provided on a one month delay basis.

Mideast Marketing Area - Federal Order 33
Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count
by State

State	Number of Producers	Pounds of Milk (000)	October 2000 *				October 1999**		
			-----Weighted Averages-----				-----Weighted Averages-----		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
Ohio	2,817	278,112	3.79	3.11	5.65	323	3.81	3.32	307
Pennsylvania	1,600	131,695	3.79	3.09	5.64	369	3.80	3.30	349
Michigan	2,821	420,597	3.69	3.07	5.69	287	3.76	3.28	277
New York	434	92,547	3.69	3.03	5.68	278	3.79	3.26	276
West Virginia	101	7,090	3.74	3.15	5.63	401	3.79	3.38	386
Indiana	1,374	128,705	3.78	3.10	5.67	312	3.88	3.35	351
Wisconsin***	1,553	229,089	3.75	3.03	5.70	283			
Other	246	22,914	3.78	3.11	5.70	317	3.79	3.34	301
Total/Average	10,946	1,310,750	3.74	3.07	5.67	305	3.79	3.30	301

* Data provided on a one month delay basis.

** Data prior to January 2000 included the former Federal Orders 33, 36 and 40. Tests were not available for other solids.

*** Data included with Other States prior to August 2000.

The Market Administrator's Bulletin
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BULK RATE U.S. POSTAGE PAID Cleveland, Ohio Permit No. 2511
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FEDERAL ORDER DATA
NOVEMBER 2000

Marketing Area	1/	Producer Milk		Class I Percent %	Producer Price Differential	Statistical Uniform Price
		Total (000)	Class I (000)			
FO 1	Northeast - (<i>Boston</i>)	1,858,827	913,858	49.2	\$4.79	\$13.36
FO 5	Appalachian - (<i>Charlotte</i>)	497,763	370,811	74.5	2/	14.76
FO 6	Florida - (<i>Tampa</i>)	231,820	208,965	90.1	2/	15.90
FO 7	Southeast - (<i>Atlanta</i>)	608,003	416,779	68.6	2/	14.14
FO 30	Upper Midwest - (<i>Chicago</i>)	1,593,957	345,243	21.7	1.43	10.00
FO 32	Central - (<i>Kansas City</i>)	1,386,781	421,967	30.4	2.28	10.85
FO 33	Mideast - (<i>Cleveland</i>)	1,264,416	577,879	45.7	3.34	11.91
FO 124	Pacific Northwest - (<i>Seattle</i>)	525,950	184,404	35.1	3.23	11.80
FO 126	Southwest - (<i>Dallas</i>)	651,752	343,133	52.7	4.02	12.59
FO 131	Arizona-Las Vegas - (<i>Phoenix</i>)	230,358	84,940	36.9	2/	11.84
FO 135	Western - (<i>Salt Lake City</i>)	306,125	87,889	28.7	2.11	10.68

1/ Names in parentheses are principal pricing points of markets.

2/ Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR DECEMBER 2000 \$ 8.57 / cwt.