



The Market Administrator's Bulletin

MIDEAST MARKETING AREA

Federal Order No. 33

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MARVIN A. BAUMER, Market Administrator

November 2000

GLICKMAN TELLS STRUGGLING DAIRY FARMERS MORE HELP IS ON THE WAY

On October 24, 2000, responding to persistent and historically low milk prices, Agriculture Secretary Dan Glickman told America's dairy farmers that significant new assistance is on the way.

Glickman said the agriculture appropriations bill* that President Clinton is expected to sign provides an estimated \$667 million to help dairy farmers cope with the low milk prices, which have declined for three consecutive years, and are now at their lowest level since 1991. About 80,000 dairy farmers across the country will receive an average of \$8,300 each. The maximum payment per farmer will be capped at \$25,000. Overall, USDA expects to distribute more than twice as much dairy market loss assistance this year as it has in the last two years combined.

"Many of America's small- and medium-size dairy farms need this help to survive," said Glickman.

Estimates indicate that Wisconsin dairy farmers will receive about \$137 million. New York farmers will receive an estimated \$60 million. Minnesota is expected to receive about \$56 million. USDA will distribute an estimated \$51 million in California and \$48.5 million in Pennsylvania.

In addition, Glickman announced a major expansion of USDA's Dairy Options Pilot Program. This innovative cost-share program helps dairy farmers put a "floor" under the price they receive for milk using the futures and options markets. USDA subsidizes both premiums and brokerage fees for participating dairy farmers. USDA will spend about \$24 million over the next two years expanding this program, but the innovative approach used will allow dairy farmers to leverage significantly more protection against price drops. The program, currently operating in 61 counties, will expand to 300 counties in 39 states. A full list of participating counties is available on the web at: <http://www.usda.gov/news/releases/2000/10/0372a.pdf>.

The market loss assistance payments will be made to dairy farmers who received payments in the last two years as well as new producers. In an effort to speed payments and eliminate the need for a sign-up, payments to previous participants will be automatically calculated based on 1997 or 1998 production levels, whichever are higher. In order to better target small to medium-sized producers, payment calculations for all participants will be limited to the first 39,000 cwt. of production. All dairy farmers

will receive the same payment rate. Further details are expected to be announced next month. Payments are expected to go out within the next few months.

* President Clinton signed the Farm Spending Bill on October 28, 2000.

USDA SEEKS NOMINATIONS FOR NATIONAL FLUID MILK BOARD

The U.S. Department of Agriculture is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board.

The Secretary of Agriculture will appoint seven individuals from those nominated to succeed members whose terms expire May 31, 2001. Newly appointed or reappointed members will serve 3-year terms from June 1, 2001, through May 31, 2004.

Kathleen A. Merrigan, administrator of USDA's Agricultural Marketing Service, said, "AMS encourages all eligible women, minorities, and persons with disabilities to serve and participate in its committee and board activities. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the programs."

The National Fluid Milk Processor Promotion Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and education to promote fluid milk products. Of the Board's 20 members, 15 represent geographic regions and 5 are at-large members. The at-large members must include at least three fluid milk processors and at least one member of the general public. Currently, there are two members of the general public serving on the Board.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who process and market more than 500,000 pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia.

USDA will accept nominations for board representation in five geographic regions and for two at-large positions. Nominees must be active owners or employees of a fluid milk processor for all regional positions and at least one at-large position. The other at-large position may be filled by a member of the general public. The geographic regions are: Region 1 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); Region 4 (Georgia, North Carolina, and South Carolina); Region 7

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**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**MARKET STATISTICS
OCTOBER 2000**

PRODUCER MILK CLASSIFICATION	<i>Pounds</i>
Class I	568,995,028
Class II	163,103,249
Class III	509,097,436
Class IV	72,129,435
Total	1,313,325,148

OTHER SOURCE RECEIPTS	
Non-Pool Plants	45,123,759
Producer-Handler/Unapproved	1,836,581
Powder-Condensed (Sk. Equiv.)	16,990,226
Opening Inventory	81,988,190
Overage	73,045
Total	146,011,801

TOTAL RECEIPTS 1,459,336,949

PRODUCTION SUMMARY	
Producer Milk Percent Protein	3.07%
Producer Milk Percent Butterfat	3.74%
Producer Milk Percent Other Solids	5.67%
Producer Milk Percent Nonfat Solids	8.74%
Number of Producer Farms	11,060
Average Daily Production Per Farm	3,830
Average Daily Production	42,365,327
Number of Reports - Plants and Cooperatives	66
Number of Reporting Handlers	36
Income Per Farm (Monthly Average)	\$14,762
Total Somatic Cell Adjustment	\$344,259

PRICE SUMMARY	
Producer Price Differential - <i>per cwt.</i>	*\$2.02
Producer Butterfat Price - <i>per lb.</i>	1.2444
Producer Protein Price - <i>per lb.</i>	1.8028
Producer Other Solids Price - <i>per lb.</i>	0.0471
Nonfat Solids Price - <i>per lb.</i>	0.8585
Uniform Price - <i>per cwt (Informational Purposes Only)</i>	*\$12.04
Class I	*\$13.89
Class II	12.54
Class III	10.02
Class IV	11.81
Class I Skim Milk Price - <i>per cwt.</i>	*\$9.76
Class I Butterfat Price - <i>per lb.</i>	*1.2766
Class II Skim Milk Price - <i>per cwt.</i>	8.46
Class II Nonfat Solids Price - <i>per lb.</i>	0.9400
Class II Butterfat Price - <i>per lb.</i>	1.2514
Class III Skim Milk Price - <i>per cwt.</i>	5.87
Class IV Skim Milk Price - <i>per cwt.</i>	7.73
Class III & IV Butterfat Price - <i>per lb.</i>	1.2444

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

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

CLASS I	<i>Pounds</i>
Whole Milk	140,924,048
Flavored Whole Milk	11,924,272
2% Reduced Fat Milk	232,488,448
1% Lowfat Milk	37,847,786
1/2% Lowfat Milk	15,603,952
Flavored Lowfat & Skim	43,669,587
Fat Free Milk	79,915,304
Buttermilk	4,626,898
Bulk Sales	8,348,712
Shrinkage	3,807,945
Ending Inventory	45,692,505
Total Class I	624,849,457
CLASS II	
Cream	7,197,332
Sour Cream, Dips & Yogurt	57,298,863
Cottage Cheese	38,183,060
Ice Cream Mix & Condensed	61,649,169
Skim Equivalent	12,352,017
Shrinkage	*
Transfers to Other Federal Order Pool Plants.	2,388,212
Total Class II	179,068,653
CLASS III	
Hard Cheese	488,783,555
Condensed & Evaporated Milk	23,088,964
Livestock Feed & Dump	1,754,376
Transfers to Other Federal Order Pool Plants	4,724,763
Shrinkage	13,360,629
Total Class III	531,712,287
CLASS IV	
Butter	14,354,437
Whole Milk Powder	4,729,002
Nonfat Dry Milk	31,093,023
Skim Equivalent Used to Fortify	2,060,814
Transfers to Other Federal Order Pool Plants	38,518,403
Ending Inventory	32,950,873
Total Class IV	123,706,552
TOTAL DISPOSITION	1,459,336,949

PRODUCER BUTTERFAT UTILIZATION

Class I	10,855,383
Class II	12,222,921
Class III	18,555,834
Class IV	7,476,923
Total Butterfat	49,111,061

PRODUCER NONFAT SOLIDS UTILIZATION

Class II	13,718,824
Class IV	5,867,820
Total Nonfat Solids	114,887,387

PRODUCER PROTEIN UTILIZATION

Class III	15,605,095
Total Protein	40,362,960

PRODUCER OTHER SOLIDS UTILIZATION

Class III	28,937,690
Total Other Solids	74,524,427

SOMATIC CELL ADJUSTMENT

Class II / III / IV	\$222,779
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*Restricted, included with Ice Cream Mix & Condensed

**ANNOUNCEMENT OF PRODUCER PRICES
OCTOBER 2000**

MIDEAST MARKETING AREA

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>SKIM / BUTTERFAT</u>	<u>NONFAT PROTEIN</u>	<u>OTHER SOLIDS</u>	<u>SOLIDS</u>	<u>PRICE</u>	<u>VALUE</u>
Class I Skim Value			558,139,645			\$ 9.76 / cwt	\$ 54,474,429.34
Class I Butterfat		10,855,383				1.2766 / lb	13,857,981.93
Class I Location Differential	568,995,028						(307,607.99)
Class II SNF Value				13,718,824		0.9400 / lb	12,895,694.56
Class II Butterfat		12,222,921				1.2514 / lb	15,295,763.31
Class III Protein Value			15,605,095			1.8028 / lb	28,132,865.25
Class III Other Solids Value					28,937,690	0.0471 / lb	1,362,965.23
Class III Butterfat		18,555,834				1.2444 / lb	23,090,879.81
Class IV SNF Value				5,867,820		0.8585 / lb	5,037,523.50
Class IV Butterfat		7,476,923				1.2444 / lb	9,304,283.02
Somatic Cell Value II / III / IV							<u>222,779.36</u>
TOTAL PRODUCER MILK VALUE	1,313,325,148	49,111,061	40,362,960		74,524,427		\$ 163,367,557.32
Overages						\$ 42,828.81	
Beginning Inventory						(93,814.93)	
TOTAL ADJUSTMENTS							\$ <u>(50,986.12)</u>
TOTAL HANDLER OBLIGATIONS							\$ 163,316,571.20
Total Protein Value			40,362,960 lbs	@	\$ 1.8028		\$ (72,766,344.28)
Total Other Solids Value			74,524,427 lbs	@	0.0471		(3,510,100.51)
Butterfat Value			49,111,061 lbs	@	1.2444		(61,113,804.30)
Total Somatic Cell Values							<u>(344,258.76)</u>
TOTALS							\$ 25,582,063.35
Net Producer Location Adjustments							\$ 993,981.86
1/2 Unobligated Balance Producer Settlement Fund							<u>526,000.00</u>
Total - Divided by Total Pounds			1,313,325,148 lbs		2.0636204		\$ 27,102,045.21
Rate of Cash Reserve					(0.0436204)		<u>(572,877.68)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,313,325,148		\$2.02 / cwt		\$ 26,529,167.53

COMPONENT PRICES

Butterfat Price	\$1.2444 / lb
Protein Price	1.8028 / lb
Other Solids Price	0.0471 / lb
Somatic Cell Adjustment Rate	0.00058 / cwt
Nonfat Solids Price (For Informational Purpose Only) **	0.8585 / lb

MARKET AVERAGE CONTENT OF PRODUCER MILK

Butterfat	3.74 %
Protein	3.07 %
Other Solids	5.67 %
Nonfat Solids	8.74 %

CLASSIFICATION OF PRODUCER MILK

	<i>Product lbs.</i>	<i>Percent</i>
Class I	568,995,028	43.3
Class II	163,103,249	12.4
Class III	509,097,436	38.8
Class IV	<u>72,129,435</u>	<u>5.5</u>
Total	1,313,325,148	100.0

COMPUTATION OF UNIFORM PRICE

Class III Price - 3.5% BF	\$10.02
Producer Price Differential	<u>2.02</u>
Statistical Uniform Price (For Informational Purpose Only)	\$12.04

* 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									
October	567,811	54.2	164,056	15.7	258,331	24.7	56,725	5.4	1,046,923
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

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								
October	1.4359	1.1439	1.0188	0.1920	1.3934	1.1273	1.0183	0.1944
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

(Continued from the Front Page)

(Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin); Region 10 (Texas); and Region 13 (Idaho, Montana, Oregon, Washington, and Wyoming). No fluid milk processor shall be represented on the board by more than three members.

Fluid milk processors and others may submit nominations for regions in which they are located or market fluid milk and for at-large members.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by December 15th. Forms should be sent to: Promotion and Research Branch, Dairy Programs, AMS, USDA, 1400 Independence Ave, SW, Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. To obtain forms or additional information, call (202) 720-6909.

SUMMARY OF PRODUCER COMPONENT PRICES MIDEAST MARKETING AREA						
2000	Producer Butterfat Price <i>(per lb.)</i>	Producer Protein Price <i>(per lb.)</i>	Producer Other Solids Price <i>(per lb.)</i>	Somatic Cell Adjustment Rate <i>(per cwt.)</i>	Producer Price Differential <i>(per cwt.)</i>	Statistical Uniform Price <i>(per cwt.)</i>
January	\$0.9366	\$2.1677	\$0.0503	\$0.00058	\$1.57	\$11.62
February	0.9588	1.9849	0.0432	0.00055	1.98	11.52
March	1.0191	1.9166	0.0424	0.00055	2.14	11.68
April	1.1352	1.7399	0.0408	0.00055	2.36	11.77
May	1.2854	1.5514	0.0403	0.00055	2.84	12.21
June	1.4128	1.4278	0.0438	0.00056	2.92	12.38
July	1.2691	1.9726	0.0557	0.00061	2.02	12.68
August	1.2659	1.7952	0.0577	0.00058	2.36	12.49
September	1.2707	2.0137	0.0502	0.00062	1.77	12.53
October	1.2444	1.8028	0.0471	0.00058	2.02	12.04

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)	September 2000*				September 1999**		
			-----Weighted Averages-----				-----Weighted Averages-----		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
1 - 30,000	2,143	38,701	3.75	3.06	5.56	414	3.73	3.26	395
30,001 - 60,000	3,014	133,922	3.69	3.04	5.60	389	3.68	3.24	364
60,001 - 90,000	1,961	144,798	3.67	3.01	5.63	386	3.66	3.23	340
90,001 - 120,000	1,158	120,769	3.68	3.01	5.65	374	3.67	3.23	341
120,001 - 150,000	773	103,716	3.66	3.01	5.66	356	3.63	3.22	346
150,001 - 250,000	1,129	214,946	3.67	3.00	5.67	346	3.66	3.22	324
250,001 - 500,000	618	207,438	3.63	3.00	5.69	320	3.62	3.21	302
500,001 & Over	282	293,864	3.55	2.99	5.72	290	3.54	3.19	296
Total / Average	11,078	1,258,153	3.64	3.01	5.66	343	3.64	3.22	330

* 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 *
September 2000

Somatic Cell Range (000)	Combined Pounds (000)	Number of Producers	Percent of Milk by SCC Range	Average Farm Size
1 - 50	162	4	0.0	40,500
51 - 100	9,680	130	0.8	74,462
101 - 150	40,943	467	3.3	87,672
151 - 200	120,295	843	9.6	142,699
201 - 250	185,387	1,268	14.7	146,204
251 - 300	208,007	1,433	16.5	145,155
301 - 350	185,856	1,390	14.8	133,709
351 - 400	141,630	1,231	11.3	115,053
401 - 450	116,642	1,070	9.3	109,011
451 - 500	79,649	862	6.3	92,400
501 - 550	55,849	649	4.4	86,054
551 - 600	39,794	502	3.2	79,271
601 - 650	27,595	389	2.2	70,938
651 - 700	17,709	256	1.4	69,176
701 - 750	11,505	203	0.9	56,675
751 - Above	17,451	381	1.4	45,803
Totals	1,258,153	11,078	100.0	113,572

* 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)	September 2000 *				September 1999**		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
Ohio	2,816	296,449	3.68	3.03	5.65	362	3.68	3.25	328
Pennsylvania	1,638	131,462	3.67	3.01	5.63	405	3.68	3.22	380
Michigan	2,864	419,932	3.58	3.00	5.67	324	3.60	3.20	317
New York	445	90,677	3.62	2.95	5.67	289	3.62	3.19	293
West Virginia	102	6,797	3.63	3.09	5.61	467	3.66	3.31	423
Indiana	1,391	142,860	3.68	3.03	5.67	357	3.71	3.26	362
Wisconsin***	1,575	158,020	3.66	2.98	5.70	321			
Other	247	11,955	3.69	3.04	5.64	366	3.75	3.29	305
Total/Average	11,078	1,258,153	3.64	3.01	5.66	343	3.64	3.22	330

* 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
OCTOBER 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>)	1,894,883	919,292	48.5	\$3.30	\$13.32
FO 5	Appalachian - (<i>Charlotte</i>)	503,976	366,285	72.7	2/	14.27
FO 6	Florida - (<i>Tampa</i>)	221,324	198,743	89.8	2/	15.48
FO 7	Southeast - (<i>Atlanta</i>)	626,027	415,491	66.4	2/	13.89
FO 30	Upper Midwest - (<i>Chicago</i>)	1,637,673	342,775	20.9	0.86	10.88
FO 32	Central - (<i>Kansas City</i>)	1,454,089	430,842	29.6	1.38	11.40
FO 33	Mideast - (<i>Cleveland</i>)	1,313,325	568,995	43.3	2.02	12.04
FO 124	Pacific Northwest - (<i>Seattle</i>)	604,839	182,823	30.2	1.77	11.79
FO 126	Southwest - (<i>Dallas</i>)	728,266	346,138	47.5	2.87	12.89
FO 131	Arizona-Las Vegas - (<i>Phoenix</i>)	238,333	87,488	36.7	2/	11.99
FO 135	Western - (<i>Salt Lake City</i>)	295,055	87,323	29.6	1.47	11.49

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 NOVEMBER 2000 \$ 10.02 / cwt.