

# Mideast Market Administrator's Bulletin



Federal Order No. 33

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## 2001 DISPOSITION OF RECEIPTS

The total of receipts for the Mideast Marketing Area increased 2.9 billion pounds in 2001. This was an increase of 18.1 percent over the previous year's totals.

Class I use dropped to 7.2 billion pounds for the year. This was 108 million pounds or 1.5 percent less than 2000. Class I milk ranged from a low of 556.1 million pounds in July to a high of 643.6 million pounds in March. The largest decline in disposition of packaged products was 2% milk for 69.8 million pounds. Whole milk was down 46.0 million pounds, fat free milk dropped 18 million pounds, 1/2% milk was down 10.7 million, 1% milk declined 9.1 million, eggnog decreased 2.1 million, buttermilk dropped 1.5 million, and flavored whole milk had a slight decrease of 1.1 million pounds. Flavored lowfat milk, the only packaged product with increased dispositions, gained 5.7 percent for the year or 23.4 million pounds. Two percent milk and whole milk continued as the two major fluid milk products representing 37.3 percent and 22.7 percent of total fluid disposition respectively.

Class II milk utilization fell to 2.3 billion pounds in 2001. This was 100 million pounds or 4.3 percent less than the prior year. Class II use ranged from a low of 97.2 million pounds in February to a high of 270.8 million pounds in August. Ice cream mix and condensed product totaled 686.4 million pounds, a decline of 16.6 percent for the year. Sour creams, yogurts, and dips totaled 712 million pounds, a decline of 5 percent.

Class III utilization increased significantly in 2001. Class III utilization totaled 8.1 billion pounds in 2001, an increase of 3.3 billion pounds or 68.1 percent from 2000. Milk used in Class III ranged from a low of 516.6 million pounds in September to a high of 819.1 million pounds in June. Milk used to produce hard cheeses increased 76.2 percent, compared to a year earlier. Class III milk used in the production of hard cheeses peaked at 766.9 million pounds in July.

Class IV utilization declined to 1.3 billion pounds of milk for the year. This was a decrease of 175.6 million pounds, or 12.2 percent. Class IV use ranged from a low of 67.2 million pounds in March to a high of 157.8 million pounds in December. Milk used to produce nonfat dry milk totaled 289.6 million pounds, a decrease of 249 million pounds or 46.2 percent for the year. Milk used to produce whole milk powder totaled 44.2 million pounds, a decline of 6.6 million pounds or 12.9 percent. Receipts used to produce butter were 207.7 million pounds in 2001, an increase of 18.9 million pounds or 10 percent from 2000.

## FEDERAL MILK ORDER SUMMARY

The Mideast Marketing Order was the fourth largest order under the Federal order system based on producer receipts in 2001. Total milk pooled on all the Federal orders was 120.2 billion pounds. The Northeast was the largest order with 24.6 billion pounds of milk, followed by the Upper Midwest with 20.1 billion pounds, and the Central with 17.8 billion pounds of milk. The Mideast Order pooled 17.2 billion pounds which accounted for 14.3 percent of all milk pooled under Federal orders. The Mideast had the largest percentage increase in receipts which were 21.8 percent higher than last year's.

The Federal orders had 45.9 billion pounds of milk utilized in Class I. The Northeast accounted for 10.6 billion pounds or 23.1 percent of Class I pounds, the Mideast was the second largest Class I market with 6.6 billion pounds of milk. This represents 14.4 percent of total Federal order Class I pounds.

## DECEMBER MILK PRODUCTION UP 1.0 PERCENT

Milk production in the 20 major States during December totaled 12.0 billion pounds, up 1.0 percent from December 2000. November revised production, at 11.5 billion pounds, was up 0.8 percent from November 2000. The November revision represented an increase of 0.3 percent or 38 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,547 pounds for December, 28 pounds above December 2000.

The number of cows on farms in the 20 major States was 7.74 million head, 62,000 head less than December 2000, but 10,000 head more than November 2001.

## JANUARY 2002 - POOL SUMMARY

Classification of Producer Milk		Percent
Class I	577,948,671	40.5
Class II	203,175,073	14.3
Class III	584,307,106	41.0
Class IV	60,184,551	4.2
Total	1,425,615,401	100.0

### Producer Prices

Producer Price Differential	\$ 1.01 / cwt
Butterfat Price	1.4846 / lb
Protein Price	1.9660 / lb
Other Solids Price	0.1392 / lb
Somatic Cell Adjustment Rate	0.00065 / cwt
Statistical Uniform Price	12.88 / cwt

## ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

JANUARY 2002

## COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			567,052,451			\$ 9.34 / cwt	\$ 52,962,698.92
Class I Butterfat		10,896,220				1.4139 / lb	15,406,165.44
Class I Location Differential	577,948,671						(290,606.71)
Class II SNF Value				17,297,270		0.8600 / lb	14,875,652.20
Class II Butterfat		13,321,922				1.4916 / lb	19,870,978.85
Class III Protein Value			17,899,589			1.9660 / lb	35,190,591.93
Class III Other Solids Value					33,066,558	0.1392 / lb	4,602,864.86
Class III Butterfat		20,941,883				1.4846 / lb	31,090,319.49
Class IV SNF Value				4,652,265		0.7761 / lb	3,610,622.88
Class IV Butterfat		8,968,932				1.4846 / lb	13,315,276.46
Somatic Cell Value II / III / IV							<u>359,869.40</u>
TOTAL PRODUCER MILK VALUE	1,425,615,401	54,128,957	43,700,040		80,688,789		\$ 190,994,433.72
Overages						\$67,451.05	
Beginning Inventory						54,859.81	
TOTAL ADJUSTMENTS							<u>\$ 122,310.86</u>
TOTAL HANDLER OBLIGATIONS							\$ 191,116,744.58
Total Protein Value			43,700,040 lbs	@	\$ 1.9660		\$ ( 85,914,278.65)
Total Other Solids Value			80,688,789 lbs	@	0.1392		(11,231,879.40)
Butterfat Value			54,128,957 lbs	@	1.4846		(80,359,849.52)
Total Somatic Cell Values							<u>(572,486.34)</u>
TOTALS							\$ 13,038,250.67
Net Producer Location Adjustments							\$ 1,398,664.90
1/2 Unobligated Balance Producer Settlement Fund							<u>625,000.00</u>
Total - Divided by Total Pounds			1,425,615,401 lbs			1.0565203	\$ 15,061,915.57
Rate of Cash Reserve						<u>(0.0465203)</u>	<u>(663,200.56)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,425,615,401			\$1.01 / cwt	\$ 14,398,715.01

## COMPONENT PRICES

	January	
	2002	2001
Butterfat Price	\$1.4846 / lb	\$1.2896 / lb
Protein Price	1.9660 / lb	1.6181 / lb
Other Solids Price	0.1392 / lb	0.1120 / lb
Somatic Cell Adjustment Rate	0.00065 / cwt	0.00056 / cwt
Nonfat Solids Price	0.7761 / lb	0.8765 / lb

## COMPUTATION OF UNIFORM PRICE

	January	
	2002	2001
Class III Price - 3.5% BF	\$11.87	\$9.99
Producer Price Differential*	<u>1.01</u>	<u>2.55</u>
Statistical Uniform Price	\$12.88	\$12.54

## CLASS PRICES

	January	
	2002	2001
Class I*	\$13.96	\$15.99
Class II	12.69	12.82
Class III	11.87	9.99
Class IV	11.93	12.13

## CLASSIFICATION OF PRODUCER MILK

	January	
	2002 Product lbs.	2001 Product lbs.
Class I	577,948,671	588,145,544
Class II	203,175,073	164,669,483
Class III	584,307,106	578,362,778
Class IV	<u>60,184,551</u>	<u>53,992,268</u>
Total	1,425,615,401	1,385,170,073

\* Subject to Location Adjustment.

## ORDER 33 JANUARY MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2002 was \$1.01 and the Statistical Uniform Price was \$12.88 for the month. The Statistical Uniform Price is up \$0.24 from last month, and is 34 cents greater than January 2001.

The Producer Butterfat Price of \$1.4846 per pound increased 5.24 cents from December 2001 and is up 19.5 cents from a year ago. The Protein Price of \$1.9660 is down 1.22 cents from last month and is up 34.79 cents from January 2001. The Other Solids Price in January is \$0.1392 per pound, a decrease from last month's price of \$0.1517 and an increase of 2.72 cents over last January. The Somatic Cell Adjustment rate for January was \$0.00065.

January producer receipts of 1.43 billion pounds were down 8.3 percent from December 2001, and increased 2.9 percent over January 2001 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 40.5 percent of the total producer milk in January compared to 36.1 percent in December and 42.5 percent in January 2001. A total of 11,143 producers were pooled in the Mideast Order with an average daily delivery of 4,127 pounds compared to 11,232 producers pooled in January 2001 with an average daily delivery of 3,978 pounds.

The market average content of producer milk was as follows: Butterfat 3.80%; Protein 3.07%; Other Solids 5.66% and Nonfat Solids 8.73%.

MILK PRODUCTION DOWN IN 2001

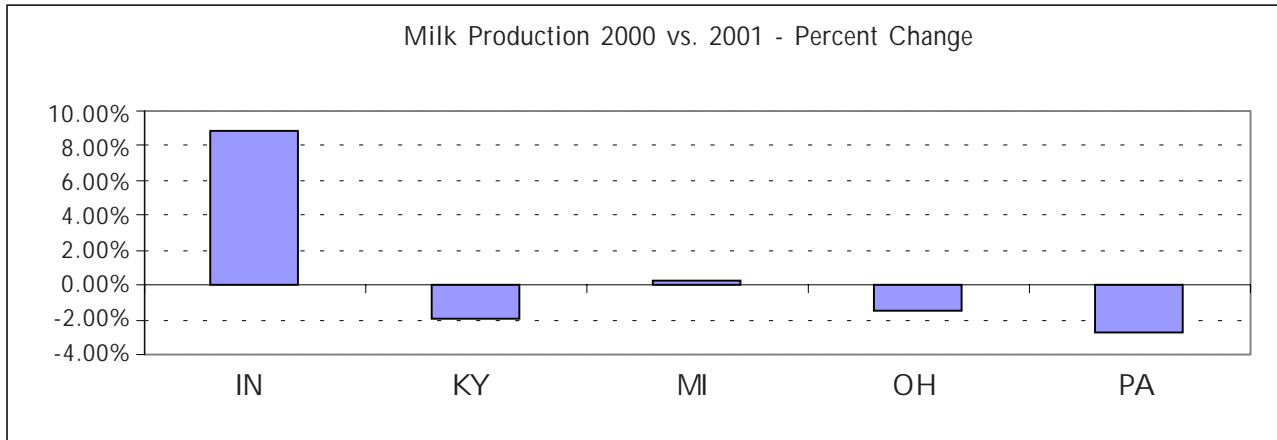
Milk production in the 20 major States during 2001 totaled 142.8 billion pounds. This was a decrease of 1.2 percent from the year 2000 figures. All months except November and December declined. November increased 0.8 percent, and December increased 1.0 percent.

Production per cow in the 20 major States averaged 18,436 pounds in 2001. This was 96 pounds per cow less than in 2000.

The number of cows on farms in the 20 major States averaged 7.7 million head in 2001. This was down from the 7.8 million averaged in 2000.

Milk Cows and Production: By Month, 20 Selected States, 2000 - 2001 <sup>1/</sup>							
Month	Milk Cows <sup>2/</sup>		Milk Per Cow <sup>3/</sup>		Milk Production <sup>3/</sup>		
	2000	2001	2000	2001	2000	2001	Change From 2000
	1,000 Head		Pounds		Million Pounds		Percent
January	7,764	7,783	1,579	1,550	12,259	12,062	-1.6
February	7,766	7,767	1,506	1,431	11,694	11,112	-5.0
March	7,776	7,756	1,632	1,599	12,687	12,401	-2.3
April	7,789	7,744	1,593	1,570	12,411	12,158	-2.0
May	7,799	7,745	1,636	1,632	12,758	12,638	-0.9
June	7,808	7,749	1,547	1,556	12,082	12,057	-0.2
July	7,821	7,745	1,561	1,552	12,205	12,020	-1.5
August	7,820	7,737	1,525	1,522	11,928	11,772	-1.3
September	7,820	7,723	1,464	1,474	11,451	11,387	-0.6
October	7,817	7,719	1,511	1,520	11,813	11,732	-0.7
November	7,805	7,731	1,459	1,484	11,385	11,474	0.8
December	7,803	7,741	1,519	1,547	11,855	11,974	1.0
Annual	7,799	7,745	18,532	18,436	144,528	142,787	-1.2

1/ 2001 revised. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves.



Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33											
State	December 2001*						December 2000				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,682	464,324	3.73	3.07	5.72	264	338,407	3.83	3.11	5.69	279
Wisconsin	2,499	357,822	3.78	3.05	5.66	286	251,245	3.81	3.05	5.66	256
Ohio	2,786	334,582	3.82	3.11	5.69	284	281,788	3.91	3.15	5.67	297
Pennsylvania	1,538	134,865	3.87	3.10	5.66	323	130,860	3.92	3.14	5.65	343
Indiana	1,309	129,508	3.86	3.12	5.70	295	115,601	3.93	3.16	5.68	2.96
New York	415	103,989	3.71	3.00	5.68	231	89,112	3.78	3.05	5.69	245
Illinois	109	12,770	3.81	3.08	5.73	303	15,452	3.77	3.03	5.54	294
West Virginia	96	7,676	3.80	3.16	5.68	371	5,528	3.94	3.19	5.66	377
Minnesota	42	4,052	3.83	3.09	5.76	425	0				
Other	132	9,981	3.85	3.12	5.70	325	15,753	4.12	3.17	5.64	446
Total/Average	11,608	1,559,570	3.78	3.08	5.69	281	1,243,747	3.86	3.11	5.67	287

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



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FEDERAL ORDER DATA  
JANUARY 2002

Marketing Area 1/	Producer Milk		Class I Percent %	Producer Price Differential	Statistical Uniform Price
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,205,226	924,923	41.9	\$1.94	\$13.81
FO 5 Appalachian - (Charlotte)	597,245	406,124	68.0	2/	14.41
FO 6 Florida - (Tampa)	243,157	219,556	90.3	2/	15.76
FO 7 Southeast - (Atlanta)	745,265	432,163	58.0	2/	14.13
FO 30 Upper Midwest - (Chicago)	1,945,439	364,247	18.7	0.43	12.30
FO 32 Central - (Kansas City)	1,516,578	432,895	28.5	0.74	12.61
FO 33 Mideast - (Cleveland)	1,425,615	577,949	40.5	1.01	12.88
FO 124 Pacific Northwest - (Seattle)	628,482	186,920	29.7	0.66	12.53
FO 126 Southwest - (Dallas)	794,342	365,381	46.0	1.79	13.66
FO 131 Arizona-Las Vegas - (Phoenix)	260,972	84,670	32.5	2/	12.81
FO 135 Western - (Salt Lake City)	476,832	90,177	18.9	0.57	12.44

1/ Names in parentheses are principal 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 FEBRUARY 2002 ..... \$11.87 /cwt.

MIDEAST MARKETING AREA  
FEDERAL ORDER 33

BALANCE SHEET  
MARKETING SERVICE FUND

As of December 31, 2001

ASSETS

Current Assets:

Cash and Bank Deposits	\$131,322.11
Investments	250,000.00
Accounts Receivable - Handlers	189,476.69
Allowance for Uncollectible Accounts	(187.35)
Accounts Receivable - Other	.00
Accrued Interest Receivable	351.33

Other Assets:

Prepaid Expenses	\$ 8,298.91
Deposits	629.99

Fixed Assets:

Motor Vehicles	\$522,881.47
Accumulated Depreciation	(319,853.95)
Furniture and Equipment	81,140.49
Accumulated Depreciation	(58,297.87)
Laboratory Equipment	621,272.54
Accumulated Depreciation	(489,555.26)
Leasehold Improvements	76,030.35
Accumulated Depreciation	<u>(45,656.73)</u>

Total Assets \$967,852.72

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$ 5,224.50
Accrued Employee Salaries Payable	4,618.97
Accrued Employee Annual Leave	104,546.67
Payroll Contributions and Withholdings	1,102.31

Operating Balance \$852,360.27

Total Liabilities and Operating Balance \$967,852.72

MIDEAST MARKETING AREA  
FEDERAL ORDER 33

INCOME AND EXPENSE STATEMENT  
MARKETING SERVICE FUND

For the Year Ending December 31, 2001

Income:

Assessments or Deductions	\$2,173,763.36
Late Payment Charges Assessed	.00
Interest Earned	9,515.15
Miscellaneous	<u>34,186.76</u>
Total Income	<u>\$2,217,465.27</u>

Expenses:

Salaries and Services	\$1,217,156.58
Travel	152,088.80
Communications	107,195.14
Employer Payroll Contributions	285,432.39
Insurance	7,543.89
Rent - Buildings and Equipment	84,579.31
Repairs and Maintenance	25,615.69
Supplies	140,088.93
Testing and Weighing	27,662.07
Utilities	17,458.73
Depreciation of Fixed Assets	194,569.42
Conferences and Meetings	.00
Training	7,217.19
Miscellaneous	1,112.41
Amortization of Leasehold Improvements	<u>13,076.04</u>

Total Expenses \$2,280,796.59

Net Income \$ (63,331.32)