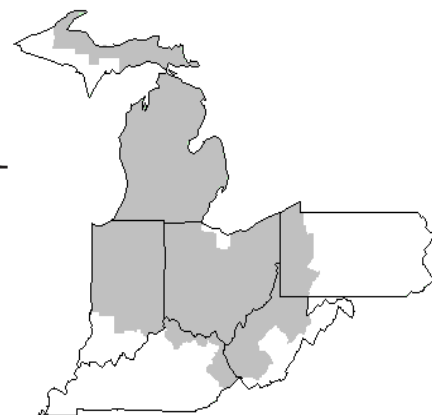


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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### USDA TO HOLD HEARING ON PROPOSED CHANGES TO WESTERN AND PACIFIC NORTHWEST MILK ORDERS

The United States Department of Agriculture invites dairy producers, milk processors and the public to testify at a hearing on proposals that would amend certain pooling and related provisions in the Western and Pacific Northwest orders. The hearing will be held on Tuesday, April 16, 2002, beginning at 8:30 a.m. at the Hilton Hotel, Salt Lake City Airport, 5151 Wiley Post Way, Salt Lake City, Utah, 84116-2891.

Dairy producers who provide Class I (drinking milk) to the two markets requested this hearing.

The hearing will include proposals intended to prevent the simultaneous pooling of the same milk on more than one marketwide pool for both the Western and Pacific Northwest orders. Other proposals under consideration would make additional changes in pooling standards for the Western order. These proposals include determining pool supply plant qualification on a "net shipment" basis, increasing the cooperative pool plant performance standard, eliminating the proprietary bulk tank unit provision, reducing the diversion allowance for producer milk, establishing transportation and assembly credit provisions, and assuring that Class I handlers pay uniform prices for raw milk. Three other proposals intended to improve the clarity of the Western order's pooling provisions will also be considered.

Details of the proposals and notice of the hearing were published in the March 4 *Federal Register*. Copies may be obtained from the Pacific Northwest and Western milk marketing order office, USDA/AMS/Dairy Programs, 1930-220th Street, S.E., Suite 102, Bothell, Washington 98021-8471.

### USDA ANNOUNCES TENTATIVE FINAL DECISION TO AMEND THE UPPER MIDWEST MILK MARKETING ORDER

The United States Department of Agriculture announced a tentative final decision amending the current pooling provisions of the Upper Midwest Federal milk marketing order. This decision is based on testimony and evidence given at a public hearing held June 26-27, 2001, in Bloomington, Minnesota.

This decision would eliminate the ability to simultaneously pool milk on the Upper Midwest milk order when the same milk is already pooled on a State-operated milk order that has marketwide pooling. This decision also establishes a limit on the amount of milk that can be diverted to nonpool plants by pool distributing plants regulated under the order.

The USDA will conduct a vote on the amended order to determine producer approval.

For additional information about the decision contact: Upper Midwest, H. Paul Kyburz, Market Administrator, USDA/AMS/Dairy Programs, 4570 W. 77th St., Suite 210, Minneapolis, MN 55435, Tel. (952) 831-5292, e-mail: [Paul.Kyburz@usda.gov](mailto:Paul.Kyburz@usda.gov)

### JANUARY MILK PRODUCTION

Milk production in the 20 major states during January totaled 12.3 billion pounds, up 1.8 percent from January 2001. December revised production, at 12.0 billion pounds, was up 1.2 percent from December 2000. The December revision represented an increase of 0.3 percent or 34 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major states averaged 1,585 pounds for January, 36 pounds above January 2001.

The number of cows on farms in the 20 major states was 7.74 million head, 44,000 head less than January 2001, and 10,000 head less than December 2001.

The Mideast Marketing Area has five states represented in the 20 major states used above. They are Indiana, Kentucky, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during January totaled 2.15 billion pounds, up 1.3 percent from January 2001.

Production per cow in the Mideast states averaged 1,449 pounds for January, 50 pounds above January 2001.

The number of cows on farms in the Mideast states were 1.42 million head, 36,000 head less than January 2001.

### FEBRUARY 2002 - POOL SUMMARY

Classification of Producer Milk		Percent
Class I	514,236,891	34.9
Class II	209,880,750	14.2
Class III	637,468,707	43.3
Class IV	111,936,469	7.6
Total	1,473,522,817	100.0

#### Producer Prices

Producer Price Differential	\$0.83 / cwt
Butterfat Price	1.3817 / lb
Protein Price	2.0884 / lb
Other Solids Price	0.0965 / lb
Somatic Cell Adjustment Rate	0.00064 / cwt
Statistical Uniform Price	12.46 / cwt

## ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

FEBRUARY 2002

## COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			504,614,755			\$ 8.99 / cwt	\$ 45,364,866.46
Class I Butterfat		9,622,136				1.5060 / lb	14,490,936.77
Class I Location Differential	514,236,891						(252,058.29)
Class II SNF Value				17,950,270		0.8544 / lb	15,336,710.69
Class II Butterfat		12,754,955				1.3887 / lb	17,712,806.00
Class III Protein Value			19,350,845			2.0884 / lb	40,412,304.70
Class III Other Solids Value					36,487,800	0.0965 / lb	3,521,072.69
Class III Butterfat		22,498,915				1.3817 / lb	31,086,750.86
Class IV SNF Value				9,213,320		0.7721 / lb	7,113,604.37
Class IV Butterfat		10,470,434				1.3817 / lb	14,466,998.70
Somatic Cell Value II / III / IV							420,164.03
TOTAL PRODUCER MILK VALUE	1,473,522,817	55,346,440	44,763,766		84,198,182		\$ 189,674,156.98
Overages						\$20,798.69	
Beginning Inventory						4,195.13	
TOTAL ADJUSTMENTS							\$ 24,993.82
TOTAL HANDLER OBLIGATIONS							\$ 189,699,150.80
Total Protein Value			44,763,766 lbs	@	\$2.0884		\$ (93,484,648.89)
Total Other Solids Value			84,198,182 lbs	@	0.0965		(8,125,124.58)
Butterfat Value			55,346,440 lbs	@	1.3817		(76,472,176.17)
Total Somatic Cell Values							(602,854.69)
TOTALS							\$ 11,014,346.47
Net Producer Location Adjustments							\$ 1,329,825.36
1/2 Unobligated Balance Producer Settlement Fund							612,000.00
Total - Divided by Total Pounds			1,473,522,817 lbs		0.8792651		\$ 12,956,171.83
Rate of Cash Reserve					(0.0492651)		(725,932.49)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,473,522,817		\$0.83 / cwt		\$ 12,230,239.34

## COMPONENT PRICES

February

	2002	2001
Butterfat Price	\$1.3817 / lb	\$1.4626 / lb
Protein Price	2.0884 / lb	1.4951 / lb
Other Solids Price	0.0965 / lb	0.1199 / lb
Somatic Cell Adjustment Rate	0.00064 / cwt	0.00057 / cwt
Nonfat Solids Price	0.7721 / lb	0.8737 / lb

## COMPUTATION OF UNIFORM PRICE

February

	2002	2001
Class III Price - 3.5% BF	\$11.63	\$10.27
Producer Price Differential*	0.83	2.01
Statistical Uniform Price	\$12.46	\$12.28

## CLASS PRICES

February

	2002	2001
Class I*	\$13.95	\$13.94
Class II	12.28	13.43
Class III	11.63	10.27
Class IV	11.54	12.70

## CLASSIFICATION OF PRODUCER MILK

February

	2002	2001
Product lbs.		
Class I	514,236,891	518,605,264
Class II	209,880,750	81,011,195
Class III	637,468,707	558,457,479
Class IV	111,936,469	37,142,265
Total	1,473,522,817	1,195,216,203

\* Subject to Location Adjustment.

## ORDER 33 FEBRUARY MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2002 was \$0.83 and the Statistical Uniform Price was \$12.46 for the month. The Statistical Uniform Price is down \$0.42 from last month, and is 18 cents greater than February 2001.

The Producer Butterfat Price of \$1.3817 per pound decreased 10.29 cents from January 2002 and is down 8.09 cents from a year ago. The Protein Price of \$2.0884 is up 12.24 cents from last month and is up 59.33 cents from February 2001. The Other Solids Price in February was \$0.0965 per pound, a decrease from last month's price of \$0.1392 and a decrease of 2.34 cents over last February. The Somatic Cell Adjustment rate for February was \$0.00064.

February producer receipts of 1.47 billion pounds were up 3.4 percent from January 2002, and increased 23.3 percent over February 2001 production of 1.2 billion pounds. Producer milk allocated to Class I accounted for 34.9 percent of the total producer milk in February compared to 40.5 percent in January and 43.4 percent in February 2001. A total of 11,254 producers were pooled in the Mideast Order with an average daily delivery of 4,676 pounds compared to 10,762 producers pooled in February 2001 with an average daily delivery of 3,966 pounds.

The market average content of producer milk was as follows: Butterfat 3.76%; Protein 3.04%; Other Solids 5.71% and Nonfat Solids 8.75%.

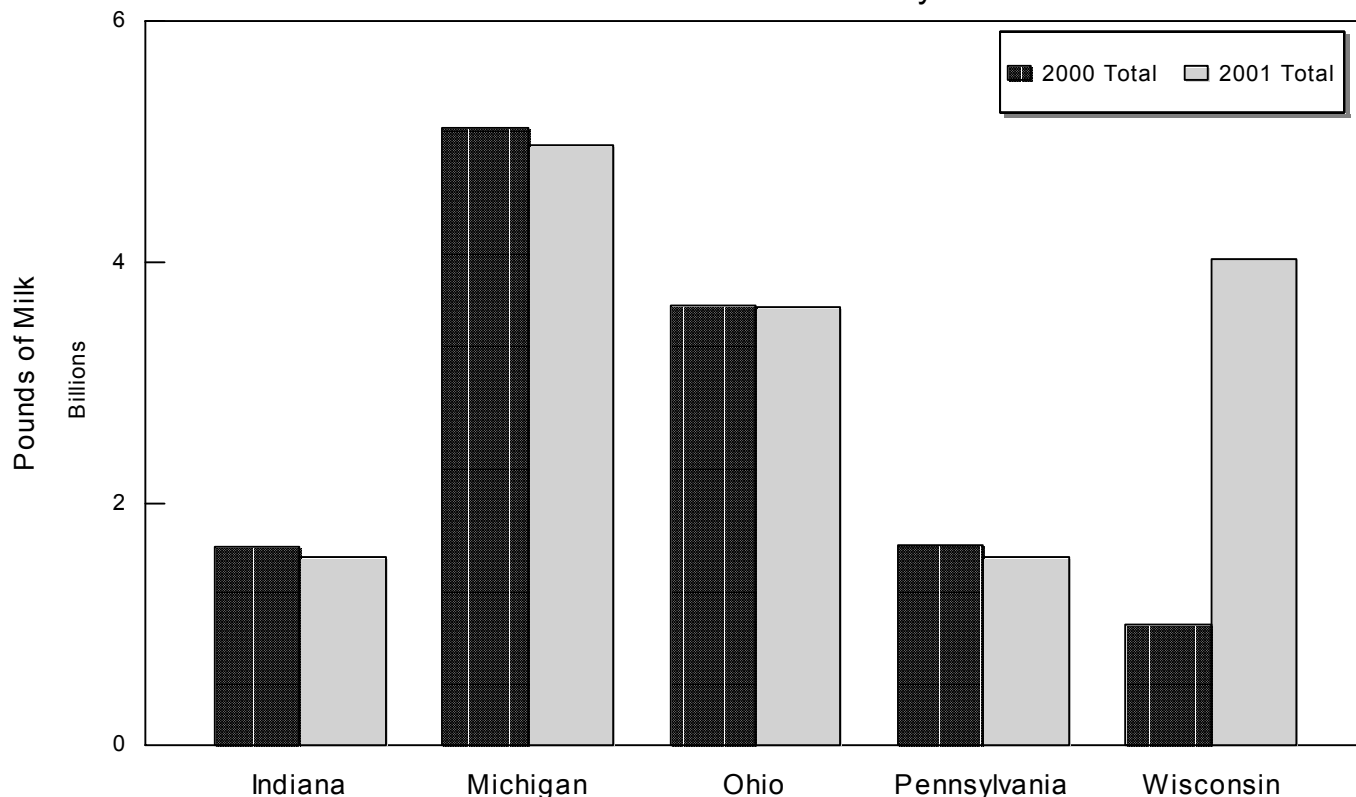
## ANNUAL PRODUCER MILK FOR SELECTED STATES IN MIDEAST ORDER

Milk pooled in the Mideast Order increased in 2001 in total for the selected states below compared to the same states in 2000. The milk pooled from these five states represents 91.2 percent of the total milk pooled in Federal Order 33 in 2001. Total producer milk for the selected states for 2001 was 15.7 billion pounds of milk compared to 13.0 billion pounds of milk for 2000, an increase of 20.8 percent from 2000.

Wisconsin milk pooled on the Mideast Order reached 4.0

billion pounds in 2001; this is up from the 2000 total of 1.0 billion pounds. Ohio producer milk dropped 3.5 million pounds in 2001, or 0.1 percent from 2000. Michigan's total Mideast Order milk was 4.96 billion pounds in 2001, or 2.8 percent less than in 2000. Producers located in Indiana pooled a total of 1.55 billion pounds of milk in 2001, or 5.7 percent less than in 2000. Pennsylvania milk pooled dropped 6.3 percent compared to a year ago, or down to 1.55 billion pounds of milk.

### Producer Milk in the Mideast Order by Selected States



### Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33

State	January 2002*						January 2001				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,650	465,985	3.73	3.05	5.71	272	431,374	3.77	3.07	5.69	302
Ohio	2,749	336,619	3.84	3.11	5.69	294	291,723	3.87	3.12	5.67	311
Wisconsin	2,139	280,605	3.78	3.02	5.70	281	280,222	3.78	3.02	5.69	276
Pennsylvania	1,532	131,292	3.89	3.09	5.67	337	127,694	3.89	3.11	5.65	348
Indiana	1,292	127,671	3.87	3.10	5.70	303	143,804	3.87	3.11	5.68	323
New York	407	49,264	3.78	3.03	5.66	263	70,158	3.76	3.03	5.68	238
Illinois	109	13,790	3.76	3.04	5.74	296	15,367	3.81	3.08	5.74	347
West Virginia	94	7,390	3.81	3.16	5.67	384	6,816	3.87	3.13	5.67	408
Minnesota	41	3,952	3.80	3.08	5.76	427	0				
Other	127	9,708	3.87	3.11	5.70	327	16,021	3.93	3.16	5.71	371
<b>Total/Average</b>	<b>11,140</b>	<b>1,426,277</b>	<b>3.80</b>	<b>3.07</b>	<b>5.70</b>	<b>289</b>	<b>1,383,178</b>	<b>3.81</b>	<b>3.08</b>	<b>5.68</b>	<b>304</b>

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



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**FEDERAL ORDER DATA  
FEBRUARY 2002**

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>	2,008,417	819,586	40.8	\$1.85	\$13.48
FO 5	Appalachian - <i>(Charlotte)</i>	526,428	345,913	65.7	2/	14.04
FO 6	Florida - <i>(Tampa)</i>	224,599	202,289	90.1	2/	15.46
FO 7	Southeast - <i>(Atlanta)</i>	745,265	432,163	58.0	2/	14.13
FO 30	Upper Midwest - <i>(Chicago)</i>	1,616,547	319,410	19.7	0.41	12.04
FO 32	Central - <i>(Kansas City)</i>	1,387,985	380,930	27.4	0.69	12.32
<b>FO 33</b>	<b>Mideast - <i>(Cleveland)</i></b>	<b>1,473,523</b>	<b>514,237</b>	<b>34.9</b>	<b>0.83</b>	<b>12.46</b>
FO 124	Pacific Northwest - <i>(Seattle)</i>	592,680	161,770	27.3	0.51	12.14
FO 126	Southwest - <i>(Dallas)</i>	760,005	316,114	41.6	1.65	13.28
FO 131	Arizona-Las Vegas - <i>(Phoenix)</i>	247,421	76,191	30.8	2/	12.46
FO 135	Western - <i>(Salt Lake City)</i>	450,719	78,201	17.4	0.46	12.09

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 MARCH 2002 .....\$11.54 /cwt.**