

# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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### 2002 MARKET SUMMARY

Producer milk receipts totaled 17.7 billion pounds on the Mideast Order during 2002, an increase of 511 million pounds, or 3.0 percent from 2001. Monthly producer receipts ranged from a low of 1.3 billion pounds in November to a high of 1.7 billion pounds in May.

The average daily delivery per producer during 2002 was 4,331 pounds, an increase of 197 pounds from last year. The number of producers pooled on the Mideast Order in 2001 averaged 11,217 per month, down 178, or 1.6 percent from a year earlier. Producer milk averaged 3.69 percent butterfat ranging from a low of 3.52 percent in July and August to a high of 3.83 in November and December. The protein test averaged 3.02 percent for the year. It ranged from a low of 2.90 percent in July, to a high of 3.13 percent in November. Other solids averaged 5.71 percent for the year.

For the year, 36.9 percent of producer milk was utilized as Class I; 12.7 percent in Class II; 45.8 percent in Class III; and 4.6 percent in Class IV. The Class I utilization percentage had a high of 43.0 percent in November and a low of 29.2 percent in June. Class I milk totaled 6.6 billion pounds during 2002, down 1.2 percent from 2001. Class II milk totaled 2.2 billion pounds, an increase of 12.1 percent from 2001. Class III pooled pounds were 8.1 billion pounds, an increase of 3.5 percent from 2001. Class IV milk totaled 815 million pounds, an increase of 10.0 percent from 2001.

The Class I price averaged \$13.01 for the year, a decrease of \$3.26 from 2001. The Class I price peaked in January at \$13.96 and was lowest in October at \$12.15. The Class II price averaged \$11.55, a decrease of \$2.98. It was highest in January at \$12.69 and was lowest in September at \$10.91. The Class III price averaged \$10.42, a decrease of \$2.68. January was the highest price at \$11.87 and July was the lowest at \$9.33. The Class IV price averaged \$10.81 for the year, a decrease of \$2.95 from a year ago. It was the highest in January at \$11.93 and was lowest in September at \$10.22.

The Statistical Uniform Price averaged \$11.57 for 2002 compared to \$14.52 in 2001. The Producer Butterfat Price averaged \$1.1928 per pound in the year 2002. This was a decrease of 65.52 cents from 2001. It peaked at \$1.4846 in January and was lowest in September at \$1.0099. The Protein Price averaged \$1.9735 per pound. This was an increase of 1.22 cents from the previous year. The high was \$2.2097 in May and the low was \$1.7506 in

December. Other Solids Price averaged \$0.0593 per pound. This was a decrease of 7.5 cents from 2001. It reached a high of \$0.1392 per pound in January and a low of .0150 per pound in July. The Producer Price Differential (PPD) averaged \$1.15 cwt. in 2002 producing a high in August of \$1.65 and a low of \$0.60 in October.

### NOVEMBER MILK PRODUCTION UP 1.8 PERCENT

Milk production in the 20 major States during November totaled 11.7 billion pounds, up 1.8 percent from November 2001. October revised production, at 12.0 billion pounds, was up 2.1 percent from October 2001. The October revision represented a decrease of 0.2 percent or 26 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,501 pounds for November, 16 pounds above November 2001.

The number of milk cows on farms in the 20 major States was 7.79 million head, 54,000 head more than November 2001, and 1,000 head more than October 2002.

The Mideast Marketing Area has four states represented in the 20 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 1.9 billion pounds, up 0.7 percent from November 2001.

Production per cow in the Mideast states averaged 1,460 pounds for November, 21 pounds above November 2001.

The number of cows on farms in the Mideast states was 1.3 million head, 4,000 head less than November 2001.

### DECEMBER 2002 - POOL SUMMARY

Classification of Producer Milk		Percent
Class I	550,728,223	40.4
Class II	131,853,132	9.7
Class III	593,972,718	43.5
Class IV	87,108,591	6.4
Total	1,363,662,664	100.0

#### Producer Prices

Producer Price Differential	\$1.38 /cwt
Butterfat Price	1.1922 /lb
Protein Price	1.7506 /lb
Other Solids Price	0.0584 /lb
Somatic Cell Adjustment Rate	0.00056 /cwt
Statistical Uniform Price	11.12 /cwt

**ANNOUNCEMENT OF PRODUCER PRICES**  
**Federal Order No. 33**  
**DECEMBER 2002**

**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			539,906,437			\$ 899 / cwt	\$ 48,537,588.69
Class I Butterfat		10,821,786				1.0982 / lb	11,884,485.40
Class I Location Differential	550,728,223						(269,783.15)
Class II SNF Value				11,016,419		0.8544 / lb	9,412,428.39
Class II Butterfat		11,591,325				1.1992 / lb	13,900,316.88
Class III Protein Value			18,450,349			1.7506 / lb	32,299,180.95
Class III Other Solids Value					33,863,049	0.0584 / lb	1,977,602.07
Class III Butterfat		21,582,297				1.1922 / lb	25,730,414.51
Class IV SNF Value				7,196,118		0.7282 / lb	5,240,213.14
Class IV Butterfat		8,268,618				1.1922 / lb	9,857,846.42
Somatic Cell Value II / III / IV							348,399.49
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,363,662,664</b>	<b>52,264,026</b>	<b>42,408,884</b>		<b>77,687,223</b>		<b>\$ 158,918,692.79</b>
Overages						\$ 9933.51	
Beginning Inventory						(18,929.18)	
<b>TOTAL ADJUSTMENTS</b>							<b>\$ (8,995.67)</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 158,909,697.12</b>
Total Protein Value			42,408,884 lbs	@	\$1.7506		\$ (74,240,992.34)
Total Other Solids Value			77,687,223 lbs	@	0.0584		(4,536,933.84)
Butterfat Value			52,264,026 lbs	@	1.1922		(62,309,171.81)
Total Somatic Cell Values							(534,945.33)
<b>TOTALS</b>							<b>\$ 17,287,653.80</b>
Net Producer Location Adjustments							\$ 1,405,142.96
1/2 Unobligated Balance Producer Settlement Fund							724,000.00
Total - Divided by Total Pounds			1,363,662,664 lbs		1.4238710		\$ 19,416,796.76
Rate of Cash Reserve					(0.0438710)		(598,252.45)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,363,662,664		<b>\$1.38 / cwt</b>		<b>\$ 18,818,544.31</b>

**COMPONENT PRICES**

**COMPUTATION OF UNIFORM PRICE**

	<u>December</u>			<u>December</u>	
	<u>2002</u>	<u>2001</u>		<u>2002</u>	<u>2001</u>
Butterfat Price	\$1.1922 / lb	\$1.4322 / lb	Class III Price - 3.5% BF	\$ 9.74	\$11.80
Protein Price	1.7506 / lb	1.9782 / lb	Producer Price Differential*	<u>1.38</u>	<u>0.84</u>
Other Solids Price	0.0584 / lb	0.1517 / lb	Statistical Uniform Price	\$11.12	\$12.64
Somatic Cell Adjustment Rate	0.00056 / cwt	0.00064 / cwt			
Nonfat Solids Price	0.7282 / lb	0.7799 / lb			

**CLASS PRICES**

**CLASSIFICATION OF PRODUCER MILK**

	<u>December</u>			<u>December</u>	
	<u>2002</u>	<u>2001</u>		<u>2002</u>	<u>2001</u>
Class I*	\$12.52	\$13.98	Class I	Product lbs. 550,728,223	561,956,012
Class II	11.62	12.61	Class II	131,853,132	189,264,712
Class III	9.74	11.80	Class III	593,972,718	700,833,846
Class IV	10.49	11.79	Class IV	<u>87,108,591</u>	<u>106,578,775</u>
			Total	1,363,662,664	1,558,633,345

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for December 2002 was \$1.38 and the Statistical Uniform Price was \$11.12 for the month. The Statistical Uniform Price is down 5 cents from last month, and is \$1.52 lower than December 2001.

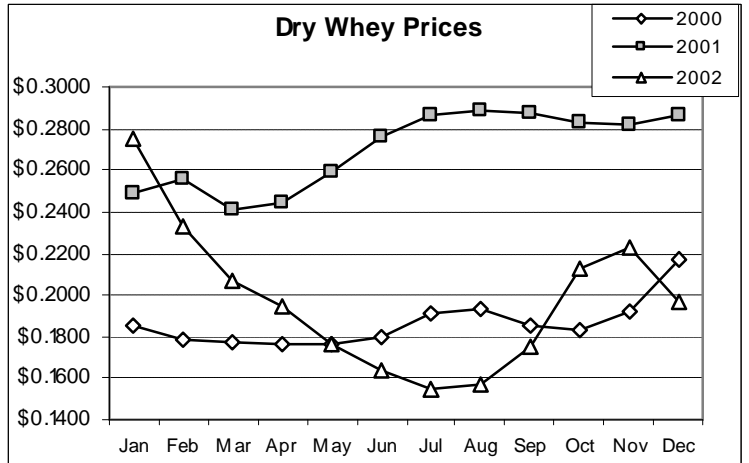
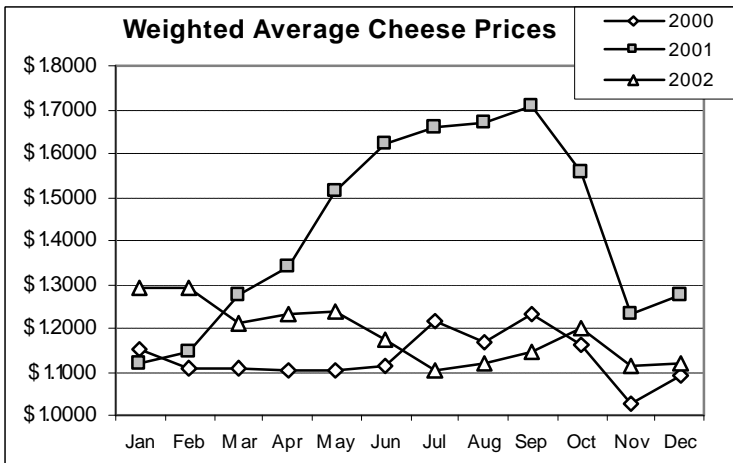
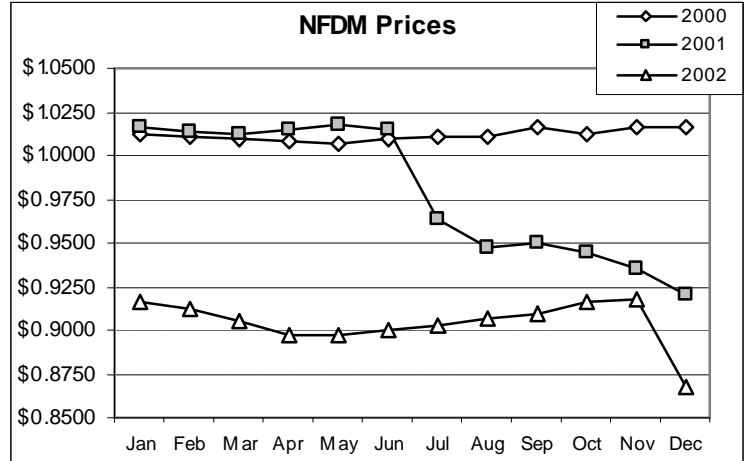
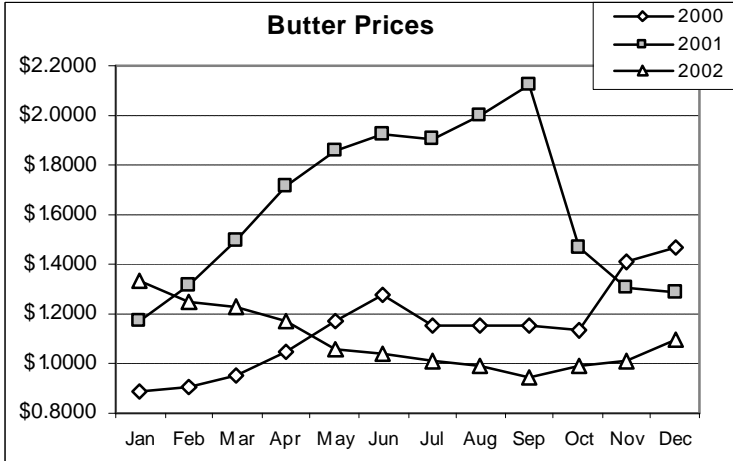
The Producer Butterfat Price of \$1.1922 per pound increased 9.99 cents from November 2002 and is down 24 cents from a year ago. The Protein Price of \$1.7506 is down 9.63 cents from last month and is down 22.76 cents from December 2001. The Other Solids Price in December was \$0.0584 per pound, a decrease from last month's price of \$0.0850 and a decrease of 9.33 cents from last December. The Somatic Cell Adjustment rate for December was \$0.00056.

December producer receipts of 1.36 billion pounds were up 3.2 percent from November 2002, and decreased 12.5 percent from December 2001 production of 1.56 billion pounds. Producer milk allocated to Class I accounted for 40.4 percent of the total producer milk in December 2002, less than the 43.0 percent in November and more than the 36.1 percent in December 2001. A total of 10,678 producers were pooled on the Mideast Order with an average daily delivery of 4,120 pounds compared to 11,657 producers pooled in December 2001 with an average daily delivery of 4,313 pounds.

The market average content of producer milk was as follows: Butterfat 3.83 %; Protein 3.11 %; Other Solids 5.70 % and Nonfat Solids 8.81 %.

### COMMODITY PRICES FALL IN 2002

The NASS monthly commodity prices for Butter, Cheese, Dry Whey, and Nonfat Dry Milk all declined in 2002. The Butter price averaged \$1.0931 per pound for the year. This was a decrease of 53.73 cents per pound from 2001 and 19.5 cents from the three-year average beginning January 1, 2000. The Weighted Average price for block and barrel cheese averaged \$1.1855 per pound in 2002. This was 24.09 cents per pound less than 2001 and 6.22 cents less than the three-year average. The Dry Whey price averaged 19.74 cents per pound in 2002. This was 7.26 cents per pound less than 2001 and 2.05 cents less than the three-year average. The Nonfat Dry Milk price averaged 90.43 cents per pound in 2002. This was 7.48 cents per pound less than 2001 and 6.07 cents less than the three-year average.



#### Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

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State	November 2002*						November 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	2,572	426,650	3.75	3.12	5.70	263	433,534	3.73	3.09	5.70	270
Ohio	2,697	294,526	3.90	3.18	5.68	298	310,982	3.82	3.15	5.67	288
Wisconsin	2,181	277,027	3.82	3.08	5.70	279	321,716	3.79	3.08	5.68	271
Indiana	1,293	130,379	3.88	3.16	5.70	277	122,590	3.84	3.15	5.68	306
Pennsylvania	1,412	114,345	3.90	3.16	5.64	364	127,828	3.85	3.13	5.65	321
New York	514	50,314	3.81	3.09	5.66	279	97,434	3.69	3.02	5.68	252
Illinois	89	11,500	3.90	3.11	5.71	304	12,383	3.79	3.09	5.84	302
West Virginia	86	5,905	3.90	3.21	5.64	381	7,344	3.86	3.22	5.66	350
Minnesota	46	4,090	3.95	3.14	5.71	324	3,769	3.82	3.15	5.74	392
Other	95	5,983	3.93	3.17	5.66	338	8,524	3.83	3.16	5.63	307
<b>Total/Average</b>	<b>10,985</b>	<b>1,320,720</b>	<b>3.83</b>	<b>3.13</b>	<b>5.69</b>	<b>286</b>	<b>1,446,104</b>	<b>3.78</b>	<b>3.10</b>	<b>5.68</b>	<b>282</b>

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

