

# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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November 2004

### USDA DELAYS HEARING ON PROPOSED AMENDMENTS TO THE CENTRAL FEDERAL MILK MARKETING ORDER

The U. S. Department of Agriculture announced that a public hearing to consider proposals to amend the Central Federal milk marketing order was delayed to allow industry participants more time to prepare. The hearing was originally scheduled to begin at 1:00 p.m. on October 18, 2004, at the Hilton Kansas City Airport, 8801 NW 112th Street, Kansas City, Missouri 64153. The hearing will now take place on December 6, 2004, at the same time and location.

The hearing will consider proposals that would modify performance standards for supply plants, adjust diversion limits, modify the "touch base" provision, limit the pooling of milk that was not pooled in prior months and establish transportation and assembly credits. Other proposals under consideration would eliminate all supply plant provisions, establish a "dairy farmer for other markets" provision, eliminate or modify "split plant" provisions, eliminate or modify system pooling for supply plants and modify handler payment dates from the producer settlement fund. Evidence will be taken at the hearing to determine whether marketing conditions exist that warrant omission of a recommended decision for any of the proposals.

The notice of hearing delay will be published as a proposed rule in a future issue of the *Federal Register*. Copies of the notice of hearing delay and the original hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The notice of hearing delay and the original hearing notice will be available on AMS' web site, at: [www.amsusda.gov/dairy](http://www.amsusda.gov/dairy).

More information about the hearing and the notice of delay is also available from the market administrator office, as follows: Donald R. Nicholson, USDA/AMS/Dairy Programs, P.O. Box 14650, Shawnee Mission, Kansas 66285-4650, Telephone: (913) 495-9300; email: [marketadministrator@fmmacentral.com](mailto:marketadministrator@fmmacentral.com)

### VENEMAN NAMES MEMBERS TO NATIONAL DAIRY BOARD

Secretary of Agriculture Ann Veneman announced the appointment of seven new members and reappointment of five incumbents to the National Dairy Promotion and Research Board. All will serve three year terms beginning November 1, 2004, through October 31, 2007.

Newly appointed were: Deborah D. Dykstra, Canby, Calif., (region 2); Linda P. Macedo, Merced, Calif., (region 2); Harvey S. Moranda, Orland, Calif., (region 2); Grant Kohler, Midway, Utah, (region 3); Jose L. Gonzalez, Mesquite, N.M. (region 4); John M. Larson, Okeechobee, Fla., (region 10); and Paula A. Meabon, Wattsburg, Pa., (region 11).

Reappointed to serve second terms were: Marlin J. Rasmussen, St. Paul, Ore., (region 1); Margaret A. Gambonini, Petaluma, Calif., (Region 2); Rosale M. Geiger, Reedsville, Wis., (region 6); Alice S. Moore, Frazeyburg, Ohio, (region 9); and David E. Hardie, Lansing, N.Y., (region 12).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the contiguous United States, administers

a coordinated program of promotion, research and nutrition education.

The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15 cent per hundred weight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service monitors the operation of the board.

AMS encourages all eligible individuals to 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.

### SEPTEMBER MILK PRODUCTION UP 1.3 PERCENT

Milk production in the 20 major States during September totaled 11.9 billion pounds, up 1.3 percent from September 2003. August revised production, at 12.4 billion pounds, was up 1.4 percent from August 2003. The August revision represented a decrease of 11 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,529 pounds for September, 18 pounds above September 2003. The number of cows on farms in the 20 major States was 7.77 million head, 6,000 head less than September 2003, but 4,000 head more than August 2004.

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 September totaled 1.9 billion pounds, down 32 million pounds or 1.7 percent from September 2003.

Production per cow in the Mideast states averaged 1,505 pounds for September, 26 pounds below September 2003. The number of cows on farms in the Mideast states was 1.3 million head, 3,000 head less than September 2003.

### OCTOBER 2004 - POOL SUMMARY

#### Classification of Producer Milk

		Percent
Class I	553,822,166	35.8
Class II	231,700,427	15.0
Class III	681,818,031	44.1
Class IV	78,436,041	5.1
Total	1,545,776,665	100.0

#### Producer Prices

Producer Price Differential	\$ 0.73 /cwt
Butterfat Price	1.9020 /lb
Protein Price	2.3814 /lb
Other Solids Price	0.0677 /lb
Somatic Cell Adjustment Rate	0.00076 /cwt
Statistical Uniform Price	14.89 /cwt

## ANNOUNCEMENT OF PRODUCER PRICES

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### OCTOBER 2004

**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			543,532,509			\$ 10.53 /cwt	\$ 57,233,973.16
Class I Butterfat		10,289,657				1.8915 / lb	19,462,886.19
Class I Location Differential	553,822,166						(306,357.53)
Class II SNF Value				19,777,647		0.7933 / lb	15,689,607.34
Class II Butterfat		14,998,949				1.9090 / lb	28,632,993.62
Class III Protein Value			21,156,547			2.3814 / lb	50,382,201.04
Class III Other Solids Value					38,900,677	0.0677 / lb	2,633,575.86
Class III Butterfat		24,143,445				1.9020 / lb	45,920,832.35
Class IV SNF Value				6,414,177		0.7093 / lb	4,549,575.74
Class IV Butterfat		8,093,056				1.9020 / lb	15,392,992.50
Somatic Cell Value II / III / IV							<u>721,563.60</u>
TOTAL PRODUCER MILK VALUE	1,545,776,665	57,525,107	47,954,851				\$ 240,313,843.87
Overages						\$ 25,165.39	
Beginning Inventory						84,864.00	
<b>TOTAL ADJUSTMENTS</b>							<u>\$ 110,029.39</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							\$ 240,423,873.26
Total Protein Value			47,954,851 lbs	@	\$23814		\$(114,199,682.21)
Total Other Solids Value			87,998,023 lbs	@	00677		(5,957,466.13)
Butterfat Value			57,525,107 lbs	@	19020		(109,412,753.51)
Total Somatic Cell Values							<u>(1,082,260.17)</u>
<b>TOTALS</b>							\$ 9,771,711.24
Net Producer Location Adjustments							\$ 1,321,341.33
1/2 Unobligated Balance Producer Settlement Fund							<u>816,000.00</u>
Total - Divided by Total Pounds			1,545,776,665 lbs		0.7704252		\$ 11,909,052.57
Rate of Cash Reserve					<u>(0.0404252)</u>		(624,883.31)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,545,776,665		\$ 0.73 cwt		\$ 11,284,169.26

**COMPONENT PRICES**

**COMPUTATION OF UNIFORM PRICE**

	October			October	
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>
Butterfat Price	\$19020 / lb	\$12553 / lb	Class III Price - 3.5% BF	\$ 14.16	\$ 14.39
Protein Price	23814 / lb	32815 / lb	Producer Price Differential*	<u>0.73</u>	<u>(0.14)</u>
Other Solids Price	00677 / lb	00311 / lb	Statistical Uniform Price	\$1489	\$1425
Somatic Cell Adjustment Rate	0.00076 / cwt	0.00080 / cwt			
Nonfat Solids Price	07093 / lb	06642 / lb			

**CLASS PRICES**

**CLASSIFICATION OF PRODUCER MILK**

	October			October	
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>
Class I*	\$1678	\$1627	Class I	Product lbs. 553,822,166	Product lbs. 585,797,116
Class II	1357	1084	Class II	231,700,427	222,376,756
Class III	1416	1439	Class III	681,818,031	213,915,911
Class IV	1281	1016	Class IV	<u>78,436,041</u>	<u>58,090,552</u>
			Total	1,545,776,665	1,080,180,335

\* Subject to Location Adjustment.

### ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2004 was \$0.73 and the Statistical Uniform Price was \$14.89 for the month. The Statistical Uniform Price is \$0.17 lower than last month, and is \$0.64 higher than October 2003.

The Producer Butterfat Price of \$1.9020 per pound decreased 3.34 cents from September 2004 and is up 64.67 cents from a year ago. The Protein Price of \$2.3814 is down 16.17 cents from last month and is down 90.01 cents from October 2003. The Other Solids Price in October was \$0.0677 per pound, an increase from last month's price of \$0.0589 and an increase of 3.66 cents from last October. The Somatic Cell Adjustment rate for October was \$0.00076.

October producer receipts of 1.55 billion pounds were 15.7 percent higher than September 2004, and 43.1 percent higher than October 2003 production of 1.08 billion pounds. Producer milk allocated to Class I accounted for 35.8 percent of the total producer milk in October 2004, less than the 41.6 percent in September and less than the 54.2 percent in October 2003. A total of 10,183 producers were pooled on the Mideast Order compared to 10,443 producers pooled in October 2003.

The market average content of producer milk was as follows: Butterfat 3.72%; Protein 3.10%; Other Solids 5.69% and Nonfat Solids 8.79%.

## MIDEAST MARKETING AREA HIGHLIGHTS BY QUARTER

	Average Statistical Uniform Price	Average Class I Price	Average Class II Price	Average Class III Price	Average Class IV Price	Average Protein Price	Average Butterfat Price	Average Other Solids Price
2003								
3 <sup>rd</sup> Quarter	\$12.74	\$13.48	\$10.73	\$13.29	\$10.05	\$3.0033	\$1.2262	\$0.0024
4 <sup>th</sup> Quarter	13.81	16.16	11.04	13.24	10.33	2.8360	1.3039	0.0347
2004								
1 <sup>st</sup> Quarter	13.35	13.79	13.12	12.66	12.43	1.9640	1.9103	0.0180
2 <sup>nd</sup> Quarter	17.81	20.14	14.85	19.31	14.26	3.4397	2.3688	0.1275
3 <sup>rd</sup> Quarter	15.41	17.50	13.60	14.54	12.92	2.4573	1.9279	0.0771

## RELEASE DATES FOR PRICE DATA

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2005. The advance pricing factors will be released on the Friday before the 23<sup>rd</sup> of the month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5<sup>th</sup> of the month unless this date is a Friday. Due to the Federal holiday on December 24, 2004, the release date for the January Advanced Prices & Pricing Factors is Thursday, December 23, 2004; NASS will be issuing a "Dairy Products Prices" report on this date. The release time for all release dates, except December 23, 2004, is 10:00 a.m. EST/EDST. The release time for December 23, 2004, is 2:00 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	Dec. 23, 2004	12/11, 18	Feb. 4, 2005	1/1, 8, 15, 22, 29
February	Jan. 21, 2005	1/8, 15	Mar. 4	2/5, 12, 19, 26
March	Feb. 18	2/5, 12	Apr. 1	3/5, 12, 19, 26
April	Mar. 18	3/5, 12	Apr. 29	4/2, 9, 16, 23
May	Apr. 22	4/9, 16	Jun. 3	4/30, 5/7, 14, 21, 28
June	May 20	5/7, 14	Jul. 1	6/4, 11, 18, 25
July	Jun. 17	6/4, 11	Aug. 5	7/2, 9, 16, 23, 30
August	Jul. 22	7/9, 16	Sept. 2	8/6, 13, 20, 27
September	Aug. 19	8/6, 13	Sep. 30	9/3, 10, 17, 24
October	Sept. 23	9/10, 17	Nov. 4	10/1, 8, 15, 22, 29
November	Oct. 21	10/8, 15	Dec. 2	11/5, 12, 19, 26
December	Nov. 18	11/5, 12	Dec. 30	12/3, 10, 17, 24

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

**Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State**  
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State	September 2004						September 2003				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,318	458,280	3.57	3.02	5.71	281	419,048	3.55	3.01	5.71	305
Ohio	2,560	309,170	3.64	3.05	5.67	309	229,543	3.66	3.03	5.67	360
Wisconsin	1,990	183,565	3.63	3.00	5.71	276	45,974	3.64	2.98	5.69	320
New York	495	128,386	3.54	2.97	5.67	259	94,175	3.56	2.97	5.68	277
Indiana	1,242	126,712	3.67	3.05	5.68	317	122,692	3.67	3.04	5.68	351
Pennsylvania	1,323	104,164	3.68	3.05	5.65	370	81,057	3.69	3.02	5.64	416
Illinois	94	9,606	3.58	2.98	5.79	237	**				
West Virginia	70	4,830	3.73	3.16	5.64	421	4,899	3.64	3.11	5.61	459
Other	145	11,614	3.67	3.04	5.70	275	10,024	3.67	3.06	5.70	367
<b>Total Average * 10,237</b>	<b>1,336,329</b>	<b>3.61</b>	<b>3.03</b>	<b>5.69</b>	<b>295</b>	<b>1,007,412</b>	<b>3.61</b>	<b>3.01</b>	<b>5.69</b>	<b>332</b>	

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

\*\* Included with "Other".



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**FEDERAL ORDER DATA  
OCTOBER 2004**

<u>Marketing Area</u> <sup>1/</sup>	<u>Producer Milk</u>	<u>Class I</u>	<u>Producer</u>	<u>Statistica l</u>
	<u>Total</u>	<u>Class I</u>	<u>Price Differential</u>	<u>Uniform Price</u>
	(000)	(000)		
FO 1 Northeast - (Boston)	1,829,732	929,647	\$1.91	\$16.07
FO 5 Appakchian - (Charlotte)	521,299	352,881	<sup>2/</sup>	16.69
FO 6 Florida - (Tampa)	217,403	190,251	<sup>2/</sup>	18.19
FO 7 Southeast - (Atlanta)	573,163	395,197	<sup>2/</sup>	16.78
FO 30 Upper Midwest - (Chicago)	1,977,452	374,397	0.31	14.47
FO 32 Central - (Kansas City)	1,204,175	369,580	0.54	14.70
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,545,777</b>	<b>553,822</b>	<b>0.73</b>	<b>14.89</b>
FO 124 Pacific Northw est - (Seattle)	617,207	184,877	0.24	14.40
FO 126 South west - (Dallas)	790,765	358,339	1.52	15.68
FO 131 Arizona-Las Vegas - (Phoenix)	230,687	80,833	<sup>2/</sup>	15.01

<sup>1/</sup> Names in parentheses are principal points of markets.

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

<sup>3/</sup> Data not available at time of publication, please see website version for information.

**MINIMUM PARTIAL PAYMENT PRICE FOR NOVEMBER 2004 ..... \$12.81 /cwt.**

