

Mideast Market Administrator's Bulletin

Federal Order No. 33

David Z. Walker, Market Administrator

Phone: (330) 225-4758 Toll Free: (888) 751-3220

Email: clevelandmal@sprynet.com

WebPage: www.fmmaclev.com

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PROPOSALS RECEIVED FOR AN EMERGENCY HEARING TO AMEND CLASS III AND IV PRICE FORMULAS IN ALL FEDERAL MILK MARKETING ORDERS

Agri-Mark, Inc., a dairy farmer cooperative headquartered in Lawrence, MA, has requested the USDA hold an emergency public hearing to consider proposals to amend the Class III and IV product price formulas in all 10 Federal milk marketing orders. Consideration is being given to limit a public hearing to reconsideration of the manufacturing allowances for cheese, whey powder, butter and nonfat dry milk powder only.

Agri-Mark's request for an emergency public hearing has received written support from a number of interested parties including: Great Lakes Cheese of New York, Inc.; Associated Milk Producers, Inc., New Ulm, MN; Foremost Farms USA, Baraboo, WI; and Upstate Farms Cooperative, Inc., LeRoy, NY; Allied Federated Cooperatives, Inc., Canton, NY; Land O'Lakes, Inc., Carlisle, PA; and National Cheese Institute.

Agri-Mark's proposals and all letters received supporting a public hearing are available for inspection on the AMS Dairy Programs website: <http://www.ams.usda.gov/dairy/>.

A hearing notice will be issued and published in the near future in the Federal Register and will be posted on the AMS Dairy website.

All known interested persons will be mailed a copy of the hearing notice. Anyone who desires to present evidence on proposals set forth in the hearing notice will have an opportunity to do so at the hearing.

Once a hearing notice is issued and until the issuance of a final decision, Department employees involved in the decisional process may not discuss the merits of a proceeding on an ex parte basis with any persons having an interest in the proceeding. For this purpose, the Market Administrator and his staff are considered to be involved in the decisional process. Thus, it is suggested that any discussions that you may wish to have with Department personnel regarding hearing proposals be initiated soon. Procedural matters may be discussed at any time.

OCTOBER MILK PRODUCTION UP 4.1 PERCENT

Milk production in the 23 major States during October totaled 13.4 billion pounds, up 4.1 percent from October 2004. September revised production, at 13.0 billion pounds, was up 4.7 percent from September 2004. The September revision represented a decrease of 27 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,636 pounds for October, 53 pounds above October 2004.

The number of milk cows on farms in the 23 major States was 8.16 million head, 58,000 head more than October 2004, and 4,000 head more than September 2005.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during October totaled 2.1 billion pounds, up 106 million pounds or 5.4 percent from October 2004.

Production per cow in the Mideast states averaged 1,616 pounds for October, 68 pounds above October 2004.

The number of cows on farms in the Mideast states was 1.3 million head, 10,000 head more than October 2004.

NOVEMBER 2005 POOL SUMMARY

Classification of Producer Milk

		Percent
Class I	561,815,241	40.0
Class II	215,164,155	15.3
Class III	534,163,881	38.0
Class IV	93,432,358	6.7
Total	1,404,575,635	100.0

Producer Prices

Producer Price Differential	\$ 1.00 / cwt
Butterfat Price	1.6114 / lb
Protein Price	2.2724 / lb
Other Solids Price	0.1606 / lb
Somatic Cell Adjustment Rate	0.00070 / cwt
Statistical Uniform Price	14.35 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

NOVEMBER 2005

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			551,197,198			\$ 10.48 / cwt	\$ 57,765,466.31
Class I Butterfat		10,618,043				1.8426 / lb	19,564,806.05
Class I Location Differential	561,815,241						(306,470.92)
Class II SNF Value				18,328,443		0.9011 / lb	16,515,760.02
Class II Butterfat		15,175,206				1.6184 / lb	24,559,553.40
Class III Protein Value			16,710,002			2.2724 / lb	37,971,808.55
Class III Other Solids Value					30,484,855	0.1606 / lb	4,895,867.71
Class III Butterfat		19,860,710				1.6114 / lb	32,003,548.12
Class IV SNF Value				7,840,241		0.8351 / lb	6,547,385.30
Class IV Butterfat		7,769,878				1.6114 / lb	12,520,381.43
Somatic Cell Value II / III / IV							<u>548,736.59</u>
TOTAL PRODUCER MILK VALUE	1,404,575,635	53,423,837	43,947,739		80,006,204		\$ 212,586,842.56
O verages						\$ 42,874.85	
Beginning Inventory						6,978.12	
OS Charges							
TOTAL ADJUSTMENTS							\$ 49,852.97
TOTAL HANDLER OBLIGATIONS							\$ 212,636,695.53
Total Protein Value			43,947,739lbs	@	\$ 2.2724		\$ (99,866,842.10)
Total Other Solids Value			80,006,204lbs	@	0.1606		(12,848,996.34)
Butterfat Value			53,423,837lbs	@	1.6114		(86,087,170.96)
Total Somatic Cell Values							(886,470.36)
TOTALS							\$ 12,947,215.77
Net Producer Location Adjustments							\$ 984,411.30
1/2 Unobligated Balance Producer Settlement Fund							<u>772,000.00</u>
Total - Divided by Total Pounds			1,404,575,635 lbs		1.0468377		\$ 14,703,627.07
Rate of Cash Reserve					(0.0468377)		(657,870.92)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*					\$ 1.00 cwt		\$ 14,045,756.15

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

	November			November	
	<u>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>
Butterfat Price	\$1.6114 / lb	\$2.0489 / lb	Class III Price - 3.5% BF	\$13.35	\$14.89
Protein Price	2.2724 / lb	2.4297 / lb	Producer Price Differential*	<u>1.00</u>	<u>0.32</u>
Other Solids Price	0.1606 / lb	0.0800 / lb	Statistical Uniform Price	\$14.35	\$15.21
Somatic Cell Adjustment Rate	0.00070 / cwt	0.00079 / cwt			
Nonfat Solids Price	0.8351 / lb	0.7098 / lb			

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

	November			November	
	<u>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>
Class I*	\$16.56	\$16.29	Class I	Product lbs. 561,815,241	Product lbs. 562,288,579
Class II	13.49	14.09	Class II	215,164,155	220,798,136
Class III	13.35	14.89	Class III	534,163,881	639,139,516
Class IV	12.90	13.34	Class IV	<u>93,432,358</u>	<u>54,501,319</u>
			Total	1,404,575,635	1,476,727,550

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for November 2005 was \$1.00 and the Statistical Uniform Price was \$14.35 for the month. The Statistical Uniform Price is \$0.56 lower than last month, and is \$0.86 lower than November 2004.

The Producer Butterfat Price of \$1.6114 per pound decreased 21.42 cents from October 2005 and is down 43.75 cents from a year ago. The Protein Price of \$2.2724 is down 10.56 cents from last month and is down 15.73 cents from November 2004. The Other Solids Price in October was \$0.1606 per pound, an increase from last month's price of \$0.1491 and an increase of 8.06 cents from last November. The Somatic Cell Adjustment rate for November was 0.00070.

November producer receipts of 1.40 billion pounds were 3.3 percent lower than October 2005, and 49 percent lower than November 2004 production of 1.48 billion pounds. Producer milk allocated to Class I accounted for 40.0 percent of the total producer milk in November 2005, more than the 38.9 percent in October 2005 and more than the 38.1 percent in November 2004. A total of 8,893 producers were pooled on the Mideast Order compared to 10,223 producers pooled in November 2004.

The market average content of producer milk was as follows: Butterfat 3.80%; Protein 3.13%; Other Solids 5.70% and Nonfat Solids 8.83%.

USDA AMENDS ARIZONA-LAS VEGAS MILK ORDER

The U.S. Department of Agriculture announced a partial final rule that makes permanent changes to the Arizona-Las Vegas federal milk marketing order which was previously implemented on an interim basis.

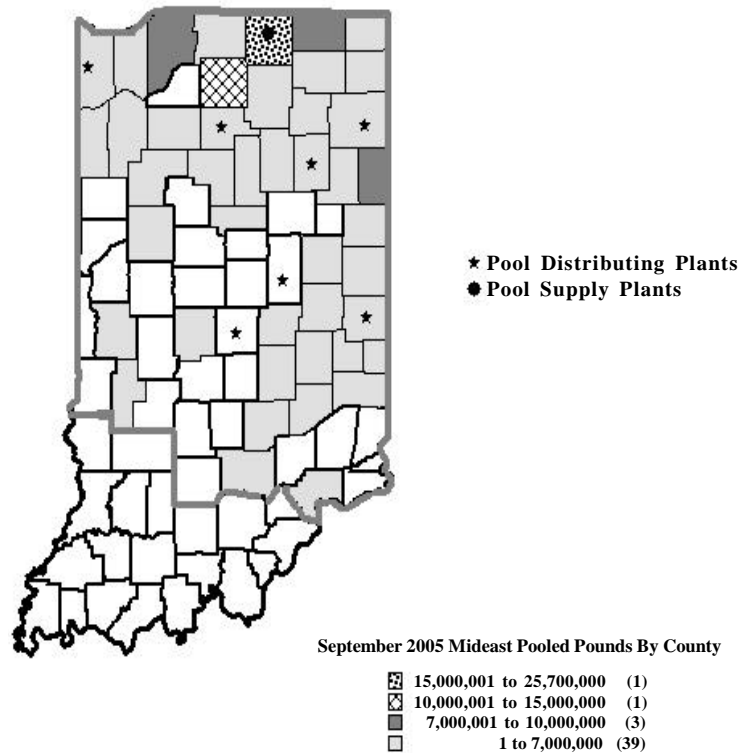
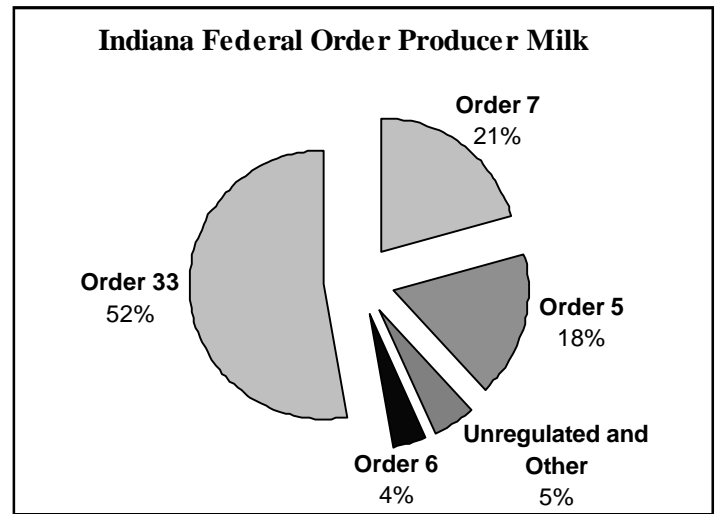
Adopted on a permanent basis is an amendment to the producer milk provision that eliminates the ability to simultaneously pool the same milk on the Arizona-Las Vegas order and a state-operated milk order that has market-wide pooling. The partial final rule became effective January 1, 2006, and was published in the Federal Register on November 25, 2005.

SPOTLIGHT ON THE MIDEAST: INDIANA

Mideast producer milk pooled in September 2005 included 137.4 million pounds from 1,165 producers in Indiana. This compares to 126.7 million pounds of milk from 1,242 producers in September 2004. Indiana producers also pooled 51.8 million pounds of milk on the Southeast Order (F.O. 7), 44.3 million pounds on the Appalachian Order (F.O. 5), and 9.9 million pounds on the Florida Order (F.O. 6). Indiana producers also had 13.0 million pounds of milk that was either unregulated milk (not pooled) or pooled on the Northeast or Central Orders.

The top five counties of Indiana for milk production on the Mideast Order were: Elkhart, Marshall, Lagrange, Adams, and LaPorte with milk production equal to 45.1 percent of the total pounds of milk pooled from Indiana in September 2005. These same five counties topped milk production in September 2004 with 44.4 percent of all milk pooled from Indiana.

The Mideast Order had seven pool distributing plants and one supply plant located in Indiana in September. These plants pooled 159.3 million pounds of milk with Class I utilization of 68.5% for the month. This compares to 1428 million pounds of milk and a Class I utilization of 71.1% in September 2004. Eleven Indiana manufacturing plants received either diverted or transferred pooled milk product in September of 2005.



Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State												
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State	October 2005							October 2004				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	
Michigan	2205	497,170	3.66	3.08	5.69	264	464,636	3.67	3.08	5.71	246	
Ohio	2439	325,846	3.78	3.12	5.66	314	321,200	3.76	3.14	5.68	271	
Wisconsin	1,166	190,331	3.71	3.07	5.70	271	343,302	3.74	3.08	5.70	240	
New York	452	149,668	3.69	3.05	5.69	244	133,983	3.62	3.04	5.67	240	
Indiana	1,183	144,647	3.74	3.12	5.67	305	132,436	3.80	3.14	5.68	273	
Pennsylvania	1,297	116,436	3.81	3.14	5.66	346	106,608	3.80	3.16	5.66	332	
Illinois	20	9,393	3.56	3.15	5.77	174	18,204	3.71	3.07	5.74	237	
West Virginia	72	5,510	3.87	3.24	5.64	414	5,039	3.82	3.28	5.65	370	
Other	128	14,253	3.70	3.11	5.68	357	20,330	3.76	3.13	5.70	273	
Total/Average *	8962	1,453,253	3.72	3.09	5.68	286	1,545,739	3.72	3.10	5.69	258	

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



**United States
Department of
Agriculture**

Mideast Market Administrator Bulletin
1325 Industrial Parkway North
P.O. Box 5102
Brunswick, Ohio 44212

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**FEDERAL ORDER DATA
NOVEMBER 2005**

<u>Marketing Area</u> ^{1/}	<u>Producer Milk</u>		<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
	<u>Total</u> (000)	<u>Class I</u> (000)	<u>Percent</u> %	<u>Price Differential</u>	<u>Uniform Price</u>
FO 1 Northeast - (Boston)	1,836,849	895,118	48.7	\$2.06	\$15.41
FO 5 Appalachian - (Charlotte)	508,479	355,574	69.9	^{2/}	16.30
FO 6 Florida - (Tampa)	247,249	218,145	88.2	^{2/}	17.71
FO 7 Southeast - (Atlanta)	575,985	388,326	67.4	^{2/}	16.22
FO 30 Upper Midwest - (Chicago)	2,057,478	383,124	18.6	0.44	13.79
FO 32 Central - (Kansas City)	1,233,353	373,247	30.3	0.71	14.06
FO 33 Mideast - (Cleveland)	1,404,576	561,815	40.0	1.00	14.35
FO 124 Pacific Northwest - (Seattle)	604,245	185,446	30.7	0.56	13.91
FO 126 Southwest - (Dallas)	829,787	357,699	43.1	1.80	15.15
FO 131 Arizona-Las Vegas - (Phoenix)	237,093	88,321	37.3	^{2/}	14.50

^{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 DECEMBER 2005 \$12.90/cwt.