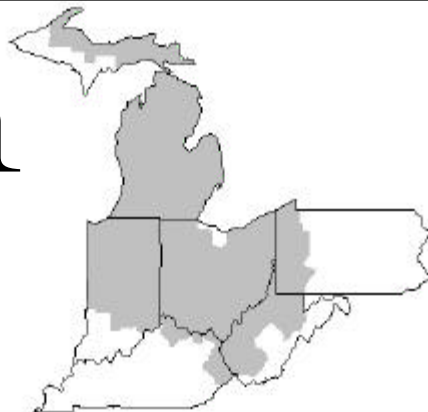


Mideast Market Administrator's Bulletin



Federal Order No. 33

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July 2005

DAIRY PRODUCTS HIGHLIGHTS

United States Sales of Fluid Milk Products for January-April were down 1.7 percent or 318 million pounds from 2004. The Mideast Marketing Area had sales of 2.153 billion pounds of packaged fluid milk during this same period. This was a drop of 34 million pounds or 1.6 percent from last year.

U.S. production of total Cheeses (excluding Cottage Cheese) included 30.2 billion pounds of milk used for the first four months of 2005. This was an increase of 0.9 percent or 282 million pounds from 2004. Milk used in cheese for the Mideast was nearly 2.9 billion pounds for January-April. This was an increase of 7.0 percent from 2004 totals of 29.9 billion pounds.

Milk used in U.S. Sour Cream and Yogurt production equaled 11.1 billion pounds for January-April 2005. This was an increase of 659.9 million pounds or 6.3 percent from 2004. Milk used for Sour Cream and Yogurt in the Mideast Area was 450 million pounds during this period. This was an increase of 34 million pounds or 8.2 percent.

Milk used in U.S. Butter production totaled 10.2 billion pounds for January-April 2005. This was an increase of 929.9 million pounds from 2004. Butter production in the Mideast Marketing Area utilized 73 million pounds of milk during this period. This was an increase of 17 million pounds from 2004.

USDA ANNOUNCES FINAL DECISION TO AMEND THE ARIZONA - LAS VEGAS MILK MARKETING ORDER

The U. S. Department of Agriculture announced a partial final decision that permanently adopts an amendment to the pooling provisions of the Arizona-Las Vegas milk marketing order that previously were implemented on an interim basis. This decision is based on testimony and evidence given at a public hearing held at Tempe, Arizona, on September 23-25, 2003; reconvened at Seattle, Washington, on November 17-21, 2003; and reconvened at Alexandria, Virginia, on January 20-22, 2004.

This partial final decision permanently adopts an amendment to the Producer milk provision that would eliminate the ability to simultaneously pool milk on the Arizona-Las Vegas milk order when the same milk is already pooled on a State-operated milk order that has marketwide pooling.

The partial final decision was published in the June 27 *Federal Register*. USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

Additional information about the decision may be obtained from James R. Daugherty at jdaugherty@fmmaseattle.com or by phone at (425) 487-6009.

MAY MILK PRODUCTION UP 4.4 PERCENT

Milk production in the 23 major States during May totaled 14.2 billion pounds, up 4.4 percent from May 2004. April revised production, at 13.6 billion pounds, was up 3.4 percent from April 2004. The April revision represented an increase of 0.3 percent or 35 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,754 pounds for May, 62 pounds above May 2004.

The number of milk cows on farms in the 23 major States was 8.12 million head, 54,000 head more than May 2004, and 9,000 head more than April 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 May totaled 2.2 billion pounds, up 131 million pounds or 6.2 percent from April 2004.

Production per cow in the Mideast states averaged 1,736 pounds for May, 51 pounds above May 2004.

The number of cows on farms in the Mideast states was 1.3 million head, 30,000 head more than May 2004.

JUNE 2005 POOL SUMMARY

Classification of Producer Milk

		Percent
Class I	483,526,827	29.7
Class II	275,005,786	16.9
Class III	755,199,241	46.4
Class IV	114,930,585	7.0
Total	1,628,662,439	100.0

Producer Prices

Producer Price Differential	\$ 0.44 / cwt
Butterfat Price	1.5932 / lb
Protein Price	2.5741 / lb
Other Solids Price	0.1139 / lb
Somatic Cell Adjustment Rate	0.00074 / cwt
Statistical Uniform Price	14.36 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****JUNE 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			474,327,605			\$ 10.58 / cwt	\$ 50,183,860.65
Class I Butterfat		9,199,222				1.5466 / lb	14,227,516.75
Class I Location Differential	483,526,827						(255,433.82)
Class II SNF Value				23,035,571		0.8589 / lb	19,785,251.94
Class II Butterfat		17,938,861				1.6002 / lb	28,705,765.41
Class III Protein Value			22,092,958			2.5741 / lb	56,869,483.19
Class III Other Solids Value					43,561,071	0.1139 / lb	4,961,606.00
Class III Butterfat		24,221,722				1.5932 / lb	38,590,047.50
Class IV SNF Value				9,745,620		0.7780 / lb	7,582,092.37
Class IV Butterfat		6,040,345				1.5932 / lb	9,623,477.64
Somatic Cell Value II / III / IV							<u>659861.07</u>
TOTAL PRODUCER MILK VALUE	1,628,662,439	57,400,150	47,498,429		93,501,198		\$ 230,933,528.70
O verages						\$20,105.54	
Beginning Inventory						171,344.01	
OS Charges							
TOTAL ADJUSTMENTS							\$ 191,449.55
TOTAL HANDLER OBLIGATIONS							\$ 231,124,978.25
Total Protein Value			47,498,429lbs	@	\$2.5741		\$(122,265,706.11)
Total Other Solids Value			93,501,198lbs	@	0.1139		(10,649,786.48)
Butterfat Value			57,400,150lbs	@	1.5932		(91,449,919.00)
Total Somatic Cell Values							<u>(903,190.35)</u>
TOTALS							\$ 5,856,376.31
Net Producer Location Adjustments							\$ 1,335,438.72
1/2 Unobligated Balance Producer Settlement Fund							<u>692,000.00</u>
Total - Divided by Total Pounds		1,628,662,439	lbs		0.4840669		\$ 7,883,815.03
Rate of Cash Reserve					(0.0440669)		(717,701.05)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*		1,628,662,439			\$ 0.44 cwt		\$ 7,166,113.98

COMPONENT PRICES**COMPUTATION OF UNIFORM PRICE**

	<u>June</u>		<u>June</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Butterfat Price	\$1.5932 / lb	\$2.1768 / lb	Class III Price - 3.5% BF	\$ 13.92
Protein Price	2.5741 / lb	3.1086 / lb	Producer Price Differential*	<u>0.44</u>
Other Solids Price	0.1139 / lb	0.1339 / lb	Statistical Uniform Price	\$14.36
Somatic Cell Adjustment Rate	0.00074 / cwt	0.00092 / cwt		
Nonfat Solids Price	0.7780 / lb	0.7026 / lb		

CLASS PRICES**CLASSIFICATION OF PRODUCER MILK**

	<u>June</u>		<u>June</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Class I*	\$16.80	\$23.13	Product lbs.	Product lbs.
Class II	12.78	14.31	Class I	483,526,827
Class III	13.77	17.68	Class II	275,005,786
Class IV	12.20	13.72	Class III	755,199,241
			Class IV	<u>114,930,585</u>
			Total	<u>1,628,662,439</u>
				1,552,299,810

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for June 2005 was \$0.44 and the Statistical Uniform Price was \$14.36 for the month. The Statistical Uniform Price is \$0.04 lower than last month, and is \$4.20 lower than June 2004.

The Producer Butterfat Price of \$1.5932 per pound increased 4.57 cents from May 2005 and is down 58.36 cents from a year ago. The Protein Price of \$2.5741 is down 2.24 cents from last month and is down 53.45 cents from June 2004. The Other Solids Price in June was \$0.1139 per pound, an increase from last month's price of \$0.1043 and a decrease of 2.00 cents from last June. The Somatic Cell Adjustment rate for June was \$0.00074.

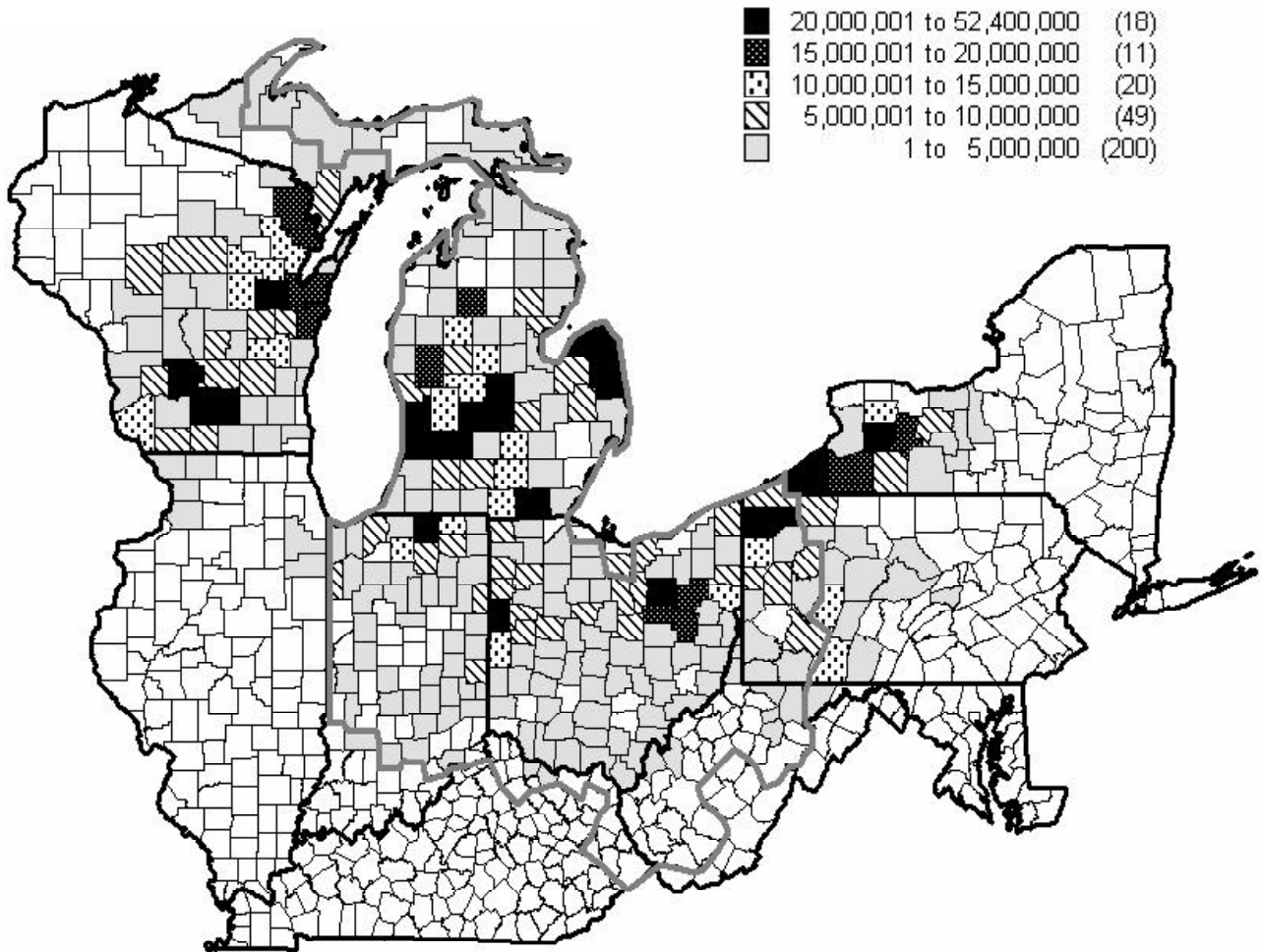
June producer receipts of 1.63 billion pounds were 6.6 percent lower than May 2005, and 4.9 percent higher than June 2004 production of 1.55 billion pounds. Producer milk allocated to Class I accounted for 29.7 percent of the total producer milk in June 2005, less than the 30.2 percent in May 2005 and less than the 30.5 percent in June 2004. A total of 9,714 producers were pooled on the Mideast Order compared to 10,391 producers pooled in June 2004.

The market average content of producer milk was as follows: Butterfat 3.52%; Protein 2.92%; Other Solids 5.74% and Nonfat Solids 8.66%.

MAY 2005 MIDEAST POOLED PRODUCER POUNDS

The Mideast Marketing Area had a record 1.75 billion pounds of milk pooled in May 2005. This was an increase of 608 million pounds, or 53.5 percent, from May 2000 (the first year of the consolidated Mideast Order). The states with the largest increase in milk pooled on the Mideast Order during this time period were Wisconsin, Michigan, New York. Milk pooled has increased from Wisconsin by 336.1 million pounds, Michigan by 100.5 million pounds, New York by 87.3 million pounds. Milk receipts from Pennsylvania declined 21.5 million pounds, or 14.5 percent, during the time period.

Federal Order # 33 Milk Pounds By County May 2005



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

State	May 2005						May 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	2255	547027	3.57	2.98	5.74	240	366905	3.54	2.97	5.72	272
Ohio	2493	368148	3.61	3.02	5.72	269	246214	3.57	2.98	5.71	282
Wisconsin	1726	337848	3.66	2.96	5.76	247	27646	3.70	2.96	5.71	288
Indiana	1202	161632	3.59	2.99	5.74	268	144440	3.62	2.99	5.73	279
New York	519	156853	3.59	2.97	5.71	223	46433	3.54	2.94	5.71	241
Pennsylvania	1280	126490	3.69	3.04	5.72	322	74795	3.66	2.99	5.69	340
Illinois	83	18385	3.47	2.95	5.76	234	3425	3.48	3.04	5.78	276
West Virginia	72	6696	3.65	3.13	5.73	359	3727	3.63	3.09	5.71	343
Other	134	21944	3.58	2.98	5.75	293	6368	3.61	2.99	5.71	277
Total/Average *	9764	1745023	3.61	2.99	5.74	255	919952	3.58	2.98	5.72	281

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



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**FEDERAL ORDER DATA
JUNE 2005**

<u>Marketing Area</u> ^{1/}	Producer Milk		Class I <u>Percent</u> %	Producer <u>Price Differential</u>	Statistical <u>Uniform Price</u>
	<u>Total</u> (000)	<u>Class I</u> (000)			
FO 1 Northeast - (Boston)	1,997,098	827,426	41.4	\$1.31	\$15.23
FO 5 Appalachian - (Charlotte)	567,475	335,351	59.1	^{2/}	15.49
FO 6 Florida - (Tampa)	259,315	199,019	76.8	^{2/}	16.80
FO 7 Southeast - (Atlanta)	650,076	361,048	55.6	^{2/}	15.47
FO 30 Upper Midwest - (Chicago)	1,846,845	340,591	18.4	0.20	14.12
FO 32 Central - (Kansas City)	872,913	327,781	37.5	0.26	14.18
FO 33 Mideast - (Cleveland)	1,628,662	483,527	29.7	0.44	14.36
FO 124 Pacific Northwest - (Seattle)	608,986	164,894	27.1	(0.11)	13.81
FO 126 Southwest - (Dallas)	840,580	313,927	37.4	0.95	14.87
FO 131 Arizona-Las Vegas - (Phoenix)	249,570	76,046	30.5	^{2/}	14.19

^{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 JULY 2005 \$12.33 /cwt.