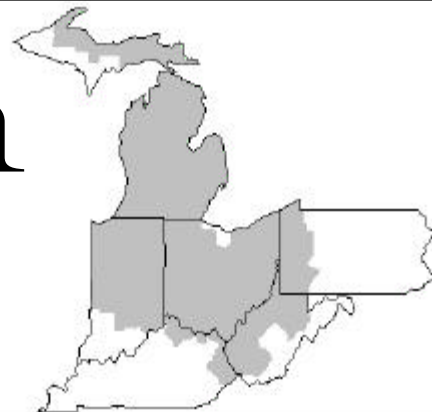


Mideast Market Administrator's Bulletin



Federal Order No. 33

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MIDEAST RECOMMENDED DECISION ON DEPOOLING AND TRANSPORTATION CREDITS

The U. S. Department of Agriculture announced a recommended decision to adopt amendments to the pooling provisions of the Mideast milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Wooster, Ohio, from March 7-10, 2005.

The amendments recommended for adoption would: 1) Establish a limit on the volume of milk a handler may pool during the months of April through February to 115 percent of the volume of milk pooled in the prior month; and 2) Establish a limit on the volume of milk a handler may pool during the month of March to 120 percent of the volume of milk pooled in the prior month. The provisions to limit pooling are intended to deter the disorderly conditions that arise when de-pooling occurs.

Proposals seeking to establish a transportation credit provision for the Mideast Order were not recommended for adoption.

The recommended decision was published in the February 22nd *Federal Register*. Public comments are due April 24, 2006. For additional information about the decision or to receive a copy of the recommended decision contact this office.

USDA ANNOUNCES RECOMMENDED DECISION TO AMEND UPPER MIDWEST MILK ORDER

The U.S. Department of Agriculture announced a recommended decision to adopt amendments to the pooling provisions of the Upper Midwest milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Bloomington, Minnesota, on August 16-19, 2004.

The amendments recommended for adoption would: 1) establish a limit on the volume of milk a handler may pool during the months of April through February to 125 percent of the volume of milk pooled in the prior month; 2) establish a limit on the volume of milk a handler may pool during the month of March to 135 percent of the volume of milk pooled in the prior month; and 3) allow the market administrator to increase the maximum administrative assessment rate up to 8 cents per hundred weight on all pooled milk if necessary to maintain the required fund reserves.

The recommended decision appeared in the February 22nd *Federal Register*. Public comments are due April 24, 2006.

USDA ANNOUNCES RECOMMENDED DECISION TO AMEND CENTRAL MILK ORDER

The U. S. Department of Agriculture announced a recommended decision to adopt amendments to the pooling provisions of the Central Milk Marketing Order. This decision is based on testimony and

evidence given at a public hearing held at Kansas City, Missouri, on December 6-8, 2004.

The amendments recommended for adoption would increase supply plant performance standards, amend features of the "touch-base" provision, amend certain features of the "split plan" provision and decrease the diversion limit standards of the order. The decision also recommends adoption of a proposal that would limit the volume of milk a handler can pool in a month to 125 percent of the total volume of milk pooled in the previous month.

The recommended decision was published in the February 22nd *Federal Register*. Public comments are due by April 24, 2006.

JANUARY MILK PRODUCTION UP 5.4 PERCENT

Milk production in the 23 major States during January totaled 14.0 billion pounds, up 5.4 percent from January 2005. December revised production, at 13.6 billion pounds, was up 4.1 percent from December 2004.

Production per cow in the 23 major States averaged 1,711 pounds for January, 68 pounds above January 2005. The number of milk cows on farms in the 23 major States was 8.19 million head, 103,000 head more than January 2005, and 11,000 head more than December 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 January totaled 2.2 billion pounds, up 123 million pounds or 6.0 percent from January 2005.

Production per cow in the Mideast states averaged 1,676 pounds for January, 70 pounds above January 2005. The number of cows on farms in the Mideast states was 1.3 million head, 12,000 head more than January 2005.

FEBRUARY 2006 - POOL SUMMARY

Classification of Producer Milk

		Percent
Class I	524,233,958	37.7
Class II	210,406,837	15.2
Class III	559,147,696	40.2
Class IV	95,988,862	6.9
Total	1,389,777,353	100.0

Producer Prices

Producer Price Differential	\$ 1.08 /cwt
Butterfat Price	1.3469 /lb
Protein Price	2.1220 /lb
Other Solids Price	0.1999 /lb
Somatic Cell Adjustment Rate	0.00063 /cwt
Statistical Uniform Price	13.28 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

FEBRUARY 2006

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			514,711,954			\$ 10.51 / cwt	\$ 54,096,226.37
Class I Butterfat		9,522,004				1.4971 / lb	14,255,392.20
Class I Location Differential	524,233,958						(244,692.06)
Class II SNF Value				18,075,569		0.9078 / lb	16,409,001.55
Class II Butterfat		12,441,566				1.3539 / lb	16,844,636.20
Class III Protein Value			17,171,873			2.1220 / lb	36,438,714.49
Class III Other Solids Value					32,150,972	0.1999 / lb	6,426,979.28
Class III Butterfat		19,270,894				1.3469 / lb	25,955,967.12
Class IV SNF Value				7,760,127		0.7359 / lb	5,710,677.47
Class IV Butterfat		10,918,703				1.3469 / lb	14,706,401.09
Somatic Cell Value II / III / IV							<u>513557.24</u>
TOTAL PRODUCER MILK VALUE	1,389,777,353	52,153,167	42,524,369		79,658,835		\$ 191,112,860.95
O verages						\$ 37,090.02	
Beginning Inventory and OS Charges						18,341.34	
TOTAL ADJUSTMENTS							\$ 55,431.36
TOTAL HANDLER OBLIGATIONS							\$ 191,168,292.31
Total Protein Value			42,524,369 lbs	@	\$ 2.1220		\$ (90,236,711.03)
Total Other Solids Value			79,658,835 lbs	@	0.1999		(15,923,801.12)
Butterfat Value			52,153,167 lbs	@	1.3469		(70,245,100.67)
Total Somatic Cell Values							(804,999.53)
TOTALS							\$ 139,576,799.6
Net Producer Location Adjustments							\$ 942,273.47
1/2 Unobligated Balance Producer Settlement Fund							<u>703,000.00</u>
Total - Divided by Total Pounds			1,389,777,353 lbs		1.1226945		\$ 15,602,953.43
Rate of Cash Reserve					(0.0426945)		(593,358.49)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,389,777,353		\$ 1.08 cwt		\$ 15,009,594.94

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

	<u>February</u>		<u>February</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Butterfat Price	\$1.3469 / lb	\$1.7754 / lb	Class III Price - 3.5% BF	\$12.20
Protein Price	2.1220 / lb	2.6613 / lb	Producer Price Differential*	<u>1.08</u>
Other Solids Price	0.1999 / lb	0.0915 / lb	Statistical Uniform Price	\$13.28
Somatic Cell Adjustment Rate	0.00063 / cwt	0.00079 / cwt		\$14.70
Nonfat Solids Price	0.7359 / lb	0.7514 / lb		<u>0.01</u>
				\$14.71

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

	<u>February</u>		<u>February</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Class I*	\$15.38	\$15.79	Product lbs.	Product lbs.
Class II	12.62	13.36	Class I	524,233,958
Class III	12.20	14.70	Class II	210,406,837
Class IV	11.10	12.74	Class III	559,147,696
			Class IV	<u>95,988,862</u>
			Total	<u>1,389,777,353</u>
				1,189,845,875

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2006 was \$1.08 and the Statistical Uniform Price was \$13.28 for the month. The Statistical Uniform Price is \$0.67 lower than last month, and is \$1.43 lower than February 2005.

The Producer Butterfat Price of \$1.3469 per pound decreased 12.15 cents from January 2006 and is down 42.85 cents from a year ago. The Protein Price of \$2.1220 is down 27.74 cents from last month and is down 5393 cents from February 2005. The Other Solids Price in February was \$0.1999 per pound, an increase from last month's price of \$0.1881 and an increase of 10.84 cents from last February. The Somatic Cell Adjustment rate for February was \$0.00063.

February producer receipts of 139 billion pounds were 8.1 percent lower than January 2006, and 16.8 percent higher than February 2005 production of 1.19 million pounds. Producer milk allocated to Class I accounted for 37.7 percent of the total producer milk in February 2006, less than the 37.9 percent in January 2006 and less than the 43.0 percent in February 2005. A total of 8,633 producers were pooled on the Mideast Order compared to 9,792 producers pooled in February 2005.

The market average content of producer milk was as follows: Butterfat 3.75%; Protein 3.06%; Other Solids 5.73% and Nonfat Solids 8.79%.

SPOTLIGHT ON THE MIDEAST: PENNSYLVANIA

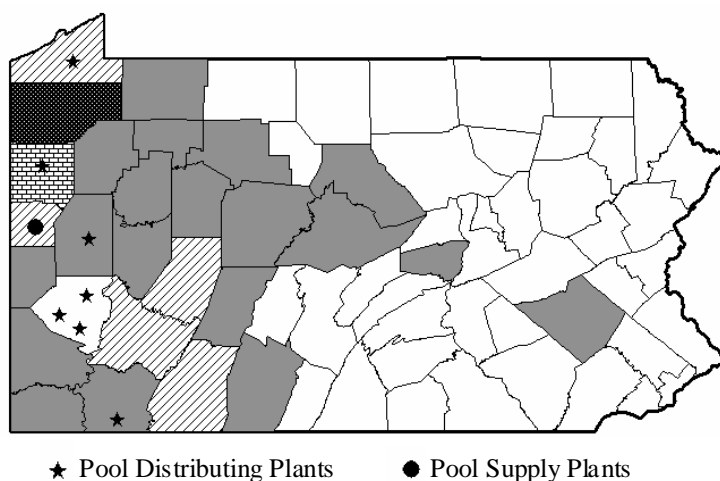
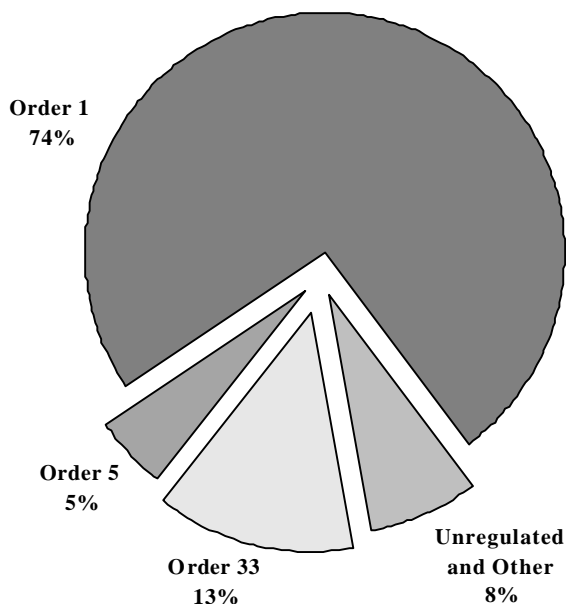
Mideast producer milk pooled in September 2005 included 113.2 million pounds from 1,297 producers in Pennsylvania. This compares to 104.2 million pounds of milk from 1,323 producers in September 2004. Pennsylvania producers also pooled 624.4 million pounds of milk on the Northeast Order (F.O. 1), 40.1 million pounds on the Appalachian Order (F.O. 5), and 64.3 million pounds were either unregulated milk (not pooled) or pooled on other Federal Orders.

The top five counties of Pennsylvania for milk production on the Mideast Order were: Crawford, Mercer, Somerset, Erie, and Indiana with milk production equal to 51.7 percent of the total pounds of milk pooled from Pennsylvania in September 2005. These same five counties topped milk production in September 2004 with 51.1 percent of all milk pooled from Pennsylvania.

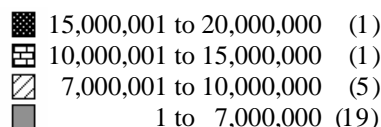
The Mideast Order had seven pool distributing plants and one supply plant located in Pennsylvania in September. These plants pooled 146.1 million pounds of milk with Class I utilization of 55.7% for the month. This compares to 135.2 million pounds of milk and a Class I utilization of 53.7% in September 2004.

Fifteen Pennsylvania manufacturing plants received either diverted or transferred pooled milk product in September of 2005.

Pennsylvania Federal Order Producer Milk



September 2005 Mideast Pooled Pounds by County



Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State											
Federal Order No. 33											
State	Number of Producers	Pounds of Milk (000)	January 2006				January 2005				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,163	524,399	3.70	3.06	5.75	241	486,875	3.71	3.08	5.70	243
Ohio	2,402	346,248	3.82	3.09	5.70	281	338,358	3.79	3.11	5.68	265
Wisconsin	1,073	192,735	3.74	3.05	5.73	271	327,487	3.77	3.06	5.71	236
Indiana	1,160	150,426	3.83	3.08	5.73	287	154,960	3.80	3.09	5.70	249
New York	438	148,128	3.71	3.02	5.74	233	91,898	3.69	3.02	5.68	231
Pennsylvania	1,301	121,182	3.88	3.11	5.69	332	113,462	3.84	3.13	5.66	318
Illinois	17	9,678	3.55	2.99	5.73	223	19,318	3.64	3.01	5.73	242
West Virginia	65	5,420	3.91	3.21	5.70	403	5,079	3.89	3.20	5.68	366
Other	134	14,885	3.75	3.07	5.72	335	21,024	3.72	3.10	5.71	274
Total/Average *	8,753	1,513,101	3.76	3.07	5.73	267	1,558,459	3.76	3.08	5.69	253

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



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**FEDERAL ORDER DATA
FEBRUARY 2006**

<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)	1,833,603	811,395	44.3	\$2.05	\$14.25
FO 5 Appalachian - (Charlotte)	489,808	329,007	67.2	^{2/}	15.01
FO 6 Florida - (Tampa)	261,947	215,649	82.3	^{2/}	16.34
FO 7 Southeast - (Atlanta)	673,060	374,502	55.6	^{2/}	14.71
FO 30 Upper Midwest - (Chicago)	2,056,954	351,821	17.1	0.48	12.68
FO 32 Central - (Kansas City)	1,226,421	345,391	28.2	0.71	12.91
FO 33 Mideast - (Cleveland)	1,389,777	524,234	37.7	1.08	13.28
FO 124 Pacific Northwest - (Seattle)	605,729	162,749	26.9	0.40	12.60
FO 126 Southwest - (Dallas)	889,607	334,356	37.6	1.53	13.73
FO 131 Arizona-Las Vegas - (Phoenix)	253,414	81,949	32.3	^{2/}	13.03

^{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 2006 \$11.10/cwt.