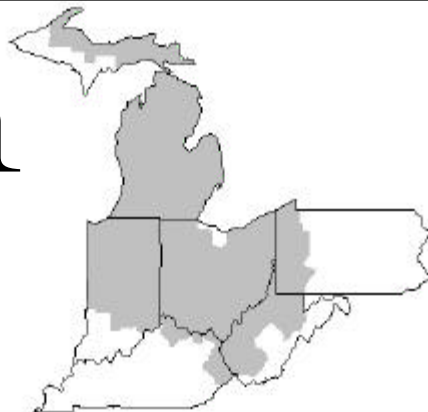


Mideast Market Administrator's Bulletin



Federal Order No. 33

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USDA Announces Final Rule to Amend Mideast Milk Order

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

The permanently adopted amendments: 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 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.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

A majority of producers that pool on the Mideast order approved these amendments which become effective December 1, 2006. The final rule appeared in the October 30th *Federal Register*. For additional information about the decision contact this office.

USDA Announces Final Rule to Amend Central Milk Order

The U. S. Department of Agriculture announced a final rule to permanently 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, December 6-8, 2004.

The adopted amendments increase supply plant performance standards, amend features of the "touch-base" provision, amend certain features of the "split plant" provision and decrease the diversion limit standards of the order. The decision also adopts a proposal that limits 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.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

More than the required number of producers for the Central marketing

order approved the final order amendments which become effective December 1, 2006. The final rule appeared in the October 30th *Federal Register*.

USDA Announces Final Rule to Amend Upper Midwest Milk Order

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

The permanently adopted amendments: 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; 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 allow the market administrator to increase the maximum administrative assessment up to 8 cents per hundred weight on all pooled milk if necessary to maintain the required fund reserves.

These amendments will assist in identifying the milk of those producers who regularly and consistently service the fluid needs of the market and subsequently have all of their milk pooled and priced under the order.

A majority of producers pooled on the Upper Midwest order approved these amendments which become effective December 1, 2006. The final rule appeared in the October 30th *Federal Register*.

October 2006 - Pool Summary

Classification of Producer Milk

		Percent
Class I	571,895,598	42.4
Class II	240,556,331	17.8
Class III	458,739,111	34.0
Class IV	77,609,934	5.8
Total	1,348,800,974	100.0

Producer Prices

Producer Price Differential	\$ 0.59 / cwt
Butterfat Price	1.4149 / lb
Protein Price	2.0775 / lb
Other Solids Price	0.2026 / lb
Somatic Cell Adjustment Rate	0.00064 / cwt
Statistical Uniform Price	12.91 / cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33
OCTOBER 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			561,375,557			\$ 9.72 / cwt	\$ 54,565,704.12
Class I Butterfat		10,520,041				1.4407 / lb	15,156,223.07
Class I Location Differential	571,895,598						(276,043.19)
Class II SNF Value				20,626,083		0.7844 / lb	16,179,099.49
Class II Butterfat		15,608,154				1.4219 / lb	22,193,234.19
Class III Protein Value			14,356,966			2.0775 / lb	29,826,596.94
Class III Other Solids Value				26,232,874		0.2026 / lb	5,314,780.27
Class III Butterfat		16,406,424				1.4149 / lb	23,213,449.33
Class IV SNF Value				6,334,736		0.7551 / lb	4,783,359.16
Class IV Butterfat		8,392,102				1.4149 / lb	11,873,985.08
Somatic Cell Value II / III / IV							<u>375,689.12</u>
TOTAL PRODUCER MILK VALUE	1,348,800,974	50,926,721	42,145,479		76,845,439		\$ 183,206,077.58
O verages						\$44,328.66	
Beginning Inventory and OS Charges						57,989.55	
TOTAL ADJUSTMENTS							\$ 102,318.21
TOTAL HANDLER OBLIGATIONS							\$ 183,308,395.79
Total Protein Value			42,145,479 lbs	@ \$2.0775			\$ (87,557,232.68)
Total Other Solids Value			76,845,439 lbs	@ 0.2026			(15,568,885.93)
Butterfat Value			50,926,721 lbs	@ 1.4149			(72,056,217.61)
Total Somatic Cell Values							<u>(595,875.04)</u>
TOTALS							\$ 7,530,184.53
Net Producer Location Adjustments							\$ 410,516.84
1/2 Unobligated Balance Producer Settlement Fund							<u>613,000.00</u>
Total - Divided by Total Pounds			1,348,800,974 lbs		0.6341708		\$ 8,553,701.37
Rate of Cash Reserve					(0.0441708)		(595,776.18)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,348,800,974		\$ 0.59 cwt		\$ 7,957,925.19

COMPONENT PRICES**COMPUTATION OF UNIFORM PRICE**

	<u>October</u>			<u>October</u>	
	<u>2006</u>	<u>2005</u>		<u>2006</u>	<u>2005</u>
Butterfat Price	\$14.149 / lb	\$18.256 / lb	Class III Price - 3.5% BF	\$12.32	\$14.35
Protein Price	2.0775 / lb	2.3780 / lb	Producer Price Differential*	<u>0.59</u>	<u>0.56</u>
Other Solids Price	0.2026 / lb	0.1491 / lb	Statistical Uniform Price	\$12.91	\$14.91
Somatic Cell Adjustment Rate	0.00064 / cwt	0.00075 / cwt			
Nonfat Solids Price	0.7551 / lb	0.8310 / lb			

CLASS PRICES**CLASSIFICATION OF PRODUCER MILK**

	<u>October</u>			<u>October</u>	
	<u>2006</u>	<u>2005</u>		<u>2006</u>	<u>2005</u>
Class I*	\$14.42	\$16.27		<i>Product lbs.</i>	<i>Product lbs.</i>
Class II	11.79	14.25	Class I	571,895,598	564,763,861
Class III	12.32	14.35	Class II	240,556,331	254,315,050
Class IV	11.51	13.61	Class III	458,739,111	546,973,673
			Class IV	<u>77,609,934</u>	<u>87,094,039</u>
			Total	1,348,800,974	1,453,146,623

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2006 was \$0.59 and the Statistical Uniform Price was \$12.91 for the month. The Statistical Uniform Price is the \$0.51 higher than last month, and is \$2.00 lower than October 2005.

The Producer Butterfat Price of \$1.4149 per pound decreased 0.42 cents from September 2006 and is down 41.07 cents from a year ago. The Protein Price of \$2.0775 is down 57.1 cents from last month and is down 30.05 cents from October 2005. The Other Solids Price in October was \$0.2026 per pound, an increase from last month's price of \$0.1649 and an increase of 5.35 cents from last October. The Somatic Cell Adjustment rate for October was \$0.00064.

October producer receipts of 1.35 billion pounds were 7.1 percent higher than September 2006, and 7.2 percent lower than October 2005 production of 1.45 billion pounds. Producer milk allocated to Class I accounted for 42.4 percent of the total producer milk in October 2006, less than the 45.9 percent in September 2006 and more than the 38.9 percent in October 2005. A total of 7,875 producers were pooled on the Mideast Order compared to 8,938 producers pooled in October 2005.

The market average content of producer milk was as follows: Butterfat 3.78%; Protein 3.12%; Other Solids 5.70% and Nonfat Solids 8.82%.

September Milk Production Up 2.0 Percent

Milk production in the 23 major States during September totaled 13.3 billion pounds, up 2 percent from September 2005. August production, unrevised at 13.9 billion pounds, is up 1.6 percent from August 2005. Production per cow in the 23 major States averaged 1,615 pounds for September, 16 pounds above September 2005. The number of milk cows on farms in the 23 major States was 8.25 million head, 79,000 head more than September 2005, but 6,000 head less than August 2006.

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 September totaled 2.1 billion pounds, up 71 million pounds or 3.5 percent from September 2005.

Production per cow in the Mideast states averaged 1,600 pounds for September, 29 pounds above September 2005. The number of cows on farms in the Mideast states was 1.3 million head, 11,000 head more than September 2005.

Release Dates for 2007 Federal Milk Order Price Data

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2007. The advance pricing factors will be released on the Friday before the 23rd of the preceding month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5th of the following month unless this date is a Friday. The release time for all release dates, except November 23, is 10:00 a.m. EST/EDST; for November 23, the release time 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. 22, 2006	12/9, 16	Feb. 2, 2007	1/6, 13, 20, 27
February	Jan. 19, 2007	1/6, 13	Mar. 2	2/3, 10, 17, 24
March	Feb. 23	2/10, 17	Mar. 30	3/3, 10, 17, 24
April	Mar. 23	3/10, 17	May 4	3/31, 4/7, 14, 21, 28
May	Apr. 20	4/7, 14	Jun. 1	5/5, 12, 19, 26
June	May 18	5/5, 12	Jun. 29	6/2, 9, 16, 23
July	Jun. 22	6/9, 16	Aug. 3	6/30, 7/7, 14, 21, 28
August	Jul. 20	7/7, 14	Aug. 31	8/4, 11, 18, 25
September	Aug. 17	8/4, 11	Oct. 5	9/1, 8, 15, 22, 29
October	Sept. 21	9/8, 15	Nov. 2	10/6, 13, 20, 27
November	Oct. 19	10/6, 13	Nov. 30	11/3, 10, 17, 24
December	Nov. 23	11/10, 17	Jan. 4, 2008	12/1, 8, 15, 22, 29

^{1/} Weekly sales periods, ending on the indicated date, which are included in the applicable product price 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 Federal Order No. 33

State	September 2006						September 2005					
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	
Michigan	2,116	498,914	3.61	3.04	5.71	282	487,505	3.54	3.00	5.71	289	
Ohio	2,442	320,169	3.70	3.07	5.66	343	318,894	3.63	3.02	5.67	348	
New York	454	174,651	3.62	3.00	5.70	261	147,179	3.59	2.99	5.70	262	
Indiana	1,137	133,949	3.71	3.07	5.66	338	137,390	3.60	3.03	5.68	351	
Pennsylvania	1,271	111,709	3.74	3.08	5.66	386	113,178	3.67	3.04	5.66	379	
Wisconsin	488	79,127	3.69	3.04	5.77	273	198,639	3.58	3.01	5.72	293	
West Virginia	67	5,156	3.81	3.21	5.65	426	5,333	3.71	3.14	5.64	470	
Illinois	11	950	3.67	3.02	5.76	309	8,782	3.41	3.00	5.74	224	
Other	86	5,770	3.81	3.11	5.64	395	14,119	3.59	3.02	5.69	387	
Total/Average *	8,072	1,259,180	3.66	3.05	5.69	311	1,431,019	3.59	3.01	5.69	314	

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



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**FEDERAL ORDER DATA
OCTOBER 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)	1,777,182	916,671	51.6	\$1.72	\$14.04
FO 5 Appalachian - (Charlotte)	500,673	352,324	70.4	^{2/}	14.58
FO 6 Florida - (Tampa)	249,931	211,434	84.6	^{2/}	15.73
FO 7 Southeast - (Atlanta)	627,520	413,408	65.9	^{2/}	14.60
FO 30 Upper Midwest - (Chicago)	2,393,526	397,120	16.6	0.24	12.56
FO 32 Central - (Kansas City)	1,141,749	380,936	33.4	0.41	12.73
FO 33 Midwest - (Cleveland)	1,348,801	571,896	42.4	0.59	12.91
FO 124 Pacific Northwest - (Seattle)	620,403	197,628	31.9	0.20	12.52
FO 126 Southwest - (Dallas)	916,367	366,641	40.0	1.33	13.65
FO 131 Arizona - (Phoenix)	273,768	116,131	42.4	^{2/}	13.24

^{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.

^{3/} Data not available at time of publication, please see website version for information.

MINIMUM PARTIAL PAYMENT PRICE FOR NOVEMBER 2006 \$11.51/cwt.