

# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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## USDA Set Hearing on Proposed Amendments to All Federal Milk Orders

The U. S. Department of Agriculture announced that it will hold a national public hearing to consider proposals seeking to amend the Class III and Class IV product price formulas applicable to all Federal milk marketing orders. The hearing will begin at 9:00 a.m. on February 26, 2007, at the Holiday Inn Select - Strongsville, 15471 Royalton Road, Strongsville, Ohio 44136.

USDA requested proposals from the industry that would examine all features of the Class III and Class IV product price formulas. Both producer cooperatives and milk product manufacturers submitted proposals.

The hearing notice was published in the February 9<sup>th</sup> *Federal Register*. Copies of the 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 hearing notice is available on AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

Anyone interested in participating in the hearing should notify a USDA official upon arrival. The hearing notice and additional information is available from this office.

## Johanns Names Members to National Fluid Milk Board

Secretary of Agriculture Mike Johanns announced the appointment of six incumbents and two new members to the National Fluid Milk Processor Promotion Board.

Re-appointed to serve second terms are: Michael Francis Touhey, Jr., Franklin, Mass. (Region 1); Robert Bruce McCullough, San Antonio, Texas (Region 10); Jerry N. Tidwell, Pleasanton, Calif. (Region 13); and Randy Dean Mooney, Rogersville, Mo. (At-Large Processor).

Re-appointed to serve first terms after filling vacancies lasting less than 18 months are Charles L. Gaither, Jr., Asheville, N.C. (Region 4) and Teresa E. Webb, Wallington, N.J. (At-Large Processor).

Newly appointed are: James B. Green, St. Paul, Minn. (Region 7) and Jay B. Simon, Stockton, Calif. (Region 14).

Terms for these appointees begin July 1, 2007, and expire June 30, 2010, except for Jay B. Simon who is filling a vacant position with less than 18 months remaining and whose term expires June 30, 2008. All appointees will be seated at the summer board meeting July 13-14, 2007.

## December Milk Production Up 2.7 Percent

Milk production in the 23 major States during December totaled 14.0 billion pounds, up 2.7 percent from December 2005. November revised production, at 13.3 billion pounds, was up 2.6 percent from November 2005. The November revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,689 pounds for December, 26 pounds above December 2005.

The number of milk cows on farms in the 23 major States was 8.27 million head, 86,000 head more than December 2005, and 14,000 head more than November 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 December totaled 2.2 billion pounds, up 71 million pounds or 3.4 percent from December 2005.

Production per cow in the Mideast states averaged 1,664 pounds for December, 28 pounds above December 2005.

The number of cows on farms in the Mideast states was 1.3 million head, 13,000 head more than December 2005.

## January 2007 Pool Summary

### Classification of Producer Milk

		Percent
Class I	587,545,955	39.9
Class II	284,178,814	19.3
Class III	507,055,384	34.5
Class IV	92,949,444	6.3
Total	1,471,729,597	100.0

### Producer Prices

Producer Price Differential	\$ 0.47 / cwt
Butterfat Price	1.3009 / lb
Protein Price	2.4053 / lb
Other Solids Price	0.3183 / lb
Somatic Cell Adjustment Rate	0.00067 / cwt
Statistical Uniform Price	14.03 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES****Federal Order No. 33****JANUARY 2007****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			576,884,133			\$ 11.17 / cwt	\$ 64,437,957.66
Class I Butterfat		10,661,822				1.3747 / lb	14,656,806.72
Class I Location Differential	587,545,955						(259,527.80)
Class II SNF Value				24,485,638		0.9522 / lb	23,315,224.48
Class II Butterfat		15,542,750				1.3079 / lb	20,328,362.74
Class III Protein Value			15,615,230			2.4053 / lb	37,559,312.72
Class III Other Solids Value					29,000,585	0.3183 / lb	9,230,886.22
Class III Butterfat		18,414,088				1.3009 / lb	23,954,887.07
Class IV SNF Value				7,540,008		0.9184 / lb	6,924,743.33
Class IV Butterfat		10,212,129				1.3009 / lb	13,284,958.61
Somatic Cell Value II / III / IV							<u>592,822.76</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,471,729,597</b>	<b>54,830,789</b>	<b>45,215,799</b>				<b>\$ 214,026,434.51</b>
Overages						\$ 21,945.06	
Beginning Inventory and OS Charges						63,069.86	
<b>TOTAL ADJUSTMENTS</b>							<b>\$ 85,014.92</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 214,111,449.43</b>
Total Protein Value			45,215,799 lbs	@	\$ 2.4053		\$ (108,757,561.31)
Total Other Solids Value			83,945,841 lbs	@	0.3183		(26,719,961.20)
Butterfat Value			54,830,789 lbs	@	1.3009		(71,329,373.37)
Total Somatic Cell Values							<u>(937,479.99)</u>
<b>TOTALS</b>							<b>\$ 6,367,073.56</b>
Net Producer Location Adjustments							\$ 503,454.59
1/2 Unobligated Balance Producer Settlement Fund							<u>670,000.00</u>
Total - Divided by Total Pounds			1,471,729,597 lbs		0.5123583		\$ 7,540,528.15
Rate of Cash Reserve					<u>(0.0423583)</u>		<u>(623,399.64)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>					<b>\$ 0.47 cwt</b>		<b>\$ 6,917,128.51</b>

**COMPONENT PRICES****COMPUTATION OF UNIFORM PRICE**

	January		January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Butterfat Price	\$1.3009 / lb	\$1.4684 / lb	Class III Price - 3.5% BF	\$13.56
Protein Price	2.4053 / lb	2.3994 / lb	Producer Price Differential*	<u>0.47</u>
Other Solids Price	0.3183 / lb	0.1881 / lb	Statistical Uniform Price	\$14.03
Somatic Cell Adjustment Rate	0.00067 / cwt	0.00069 / cwt		\$13.95
Nonfat Solids Price	0.9184 / lb	0.8132 / lb		

**CLASS PRICES****CLASSIFICATION OF PRODUCER MILK**

	January		January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Class I*	\$15.59	\$15.38	<i>Product lbs.</i>	<i>Product lbs.</i>
Class II	12.85	13.25	Class I	587,545,955
Class III	13.56	13.39	Class II	284,178,814
Class IV	12.53	12.20	Class III	507,055,384
			Class IV	<u>92,949,444</u>
			Total	1,471,729,597
				1,512,291,313

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for January 2007 was \$0.47 and the Statistical Uniform Price was \$14.03 for the month. The Statistical Uniform Price is the \$0.62 higher than last month, and is \$0.08 higher than January 2006.

The Producer Butterfat Price of \$1.3009 per pound decreased 4.72 cents from December 2006 and is down 16.75 cents from a year ago. The Protein Price of \$2.4053 is down 335 cents from last month and is up 0.59 cents from January 2006. The Other Solids Price in January was \$0.3183 per pound, an increase from last month's price of \$0.2564 and an increase of 1302 cents from last January. The Somatic Cell Adjustment rate for January was \$0.00067.

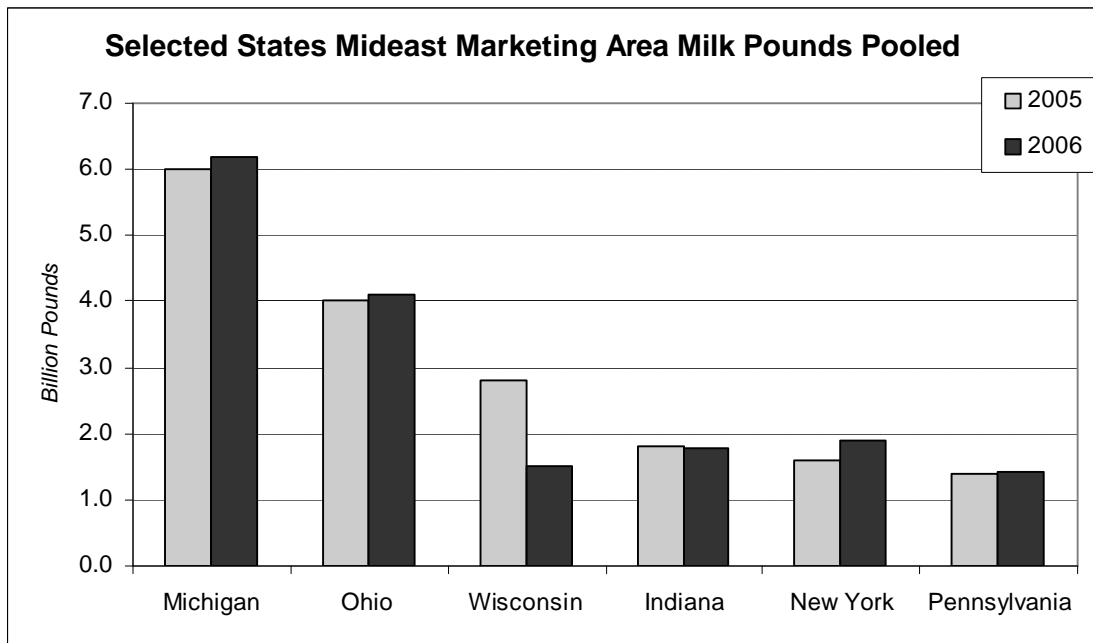
January producer receipts of 147 billion pounds were 7.1 percent higher than December 2006, and 2.7 percent lower than January 2006 production of 151 billion pounds. Producer milk allocated to Class I accounted for 39.9 percent of the total producer milk in January 2007, less than the 40.7 percent in December 2006 and more than the 37.9 percent in January 2006. A total of 7,863 producers were pooled on the Mideast Order compared to 8,757 producers pooled in January 2006.

The market average content of producer milk was as follows: Butterfat 3.73%; Protein 3.07%; Other Solids 5.70% and Nonfat Solids 8.77%.

### Annual Producer Milk for Selected States in Mideast Order

Milk pooled in the Mideast Marketing Order decreased in 2006 in total for the selected states below compared to the same states in 2005. The milk pooled from these six states represents 98.3 percent of all milk pooled on the Mideast Order in 2006. Total producer milk for the selected states for 2006 was 16.9 billion pounds of milk compared to 17.7 billion pounds of milk in 2005. This was a decrease of 4.3 percent from 2005.

Michigan pooled 6.2 billion pounds of milk in 2006. This was an increase of 3.4 percent from 2005. They were followed by Ohio with 4.1 billion pounds of milk pooled. This was an increase of 0.3 percent from 2005. New York was next with 1.9 billion pounds of milk pooled. This was an increase of 17.7 percent from 2005. Indiana followed with 1.8 billion pounds of milk pooled. This was a decrease of 2.2 percent from 2005. The fifth highest state was Wisconsin. Milk pooled from Wisconsin totaled 1.5 billion pounds. This was a decrease of 44.5 percent from 2005. Finally, Pennsylvania had 1.4 billion pounds of milk pooled on the Mideast Marketing Order in 2006. This was an increase of 2.0 percent from the 2005.



Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33												
State	December 2006							December 2005				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	-----Weighted Averages----- Other Solids SCC (000)			Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2093	533,104	3.68	3.08	5.69	239	500,955	3.77	3.13	5.71	237	
Ohio	2394	341,865	3.83	3.12	5.66	269	333,025	3.92	3.17	5.67	271	
New York	439	179,923	3.66	3.05	5.74	221	128,617	3.76	3.09	5.72	229	
Indiana	1,114	140,973	3.82	3.11	5.67	276	147,078	3.93	3.17	5.69	267	
Pennsylvania	1,266	116,365	3.85	3.13	5.65	320	116,431	3.95	3.17	5.66	313	
Wisconsin	468	48,412	3.84	3.09	5.75	251	187,077	3.81	3.10	5.70	269	
West Virginia	66	5,527	4.04	3.23	5.66	367	5,321	4.05	3.29	5.66	393	
Other	96	7,455	3.90	3.14	5.66	331	26,074	3.75	3.06	5.70	280	
Total/Average *	7936	1,373,624	3.75	3.10	5.68	256	1,444,578	3.84	3.14	5.69	259	

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



**United States  
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**FEDERAL ORDER DATA  
JANUARY 2007**

<u>Marketing Area</u> <sup>1/</sup>	<u>Producer Milk</u>	<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
	<u>Total</u>	<u>Class I</u>	<u>Price Differential</u>	<u>Uniform Price</u>
	(000)	(000)		
			%	
FO 1 Northeast - (Boston)	1,879,298	913,633	48.6	\$15.61
FO 5 Appalachian - (Charlotte)	549,533	378,720	68.9	<sup>2/</sup> 15.60
FO 6 Florida - (Tampa)	288,327	239,083	82.9	<sup>2/</sup> 16.77
FO 7 Southeast - (Atlanta)	736,646	434,642	59.0	<sup>2/</sup> 15.49
FO 30 Upper Midwest - (Chicago)	2,655,080	397,263	15.0	0.19 13.75
FO 32 Central - (Kansas City)	1,030,434	393,197	38.2	0.36 13.92
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,471,730</b>	<b>587,546</b>	<b>39.9</b>	<b>0.47 14.03</b>
FO 124 Pacific Northwest - (Seattle)	631,609	200,172	31.7	0.07 13.63
FO 126 Southwest - (Dallas)	956,681	388,146	40.6	1.21 14.77
FO 131 Arizona - (Phoenix)	315,947	124,035	39.3	<sup>2/</sup> 14.12

<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 FEBRUARY 2007 ..... \$12.53/cwt.**