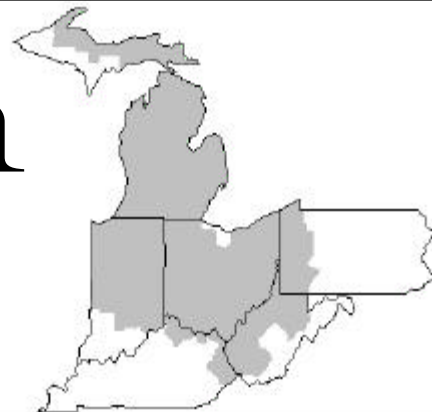


Mideast Market Administrator's Bulletin



Federal Order No. 33

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May 2007

USDA Hearing on Proposed Amendments to All Federal Milk Orders to Reconvene

The U.S. Department of Agriculture announced that it will reconvene 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 1:00 p.m. on July 9 at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, Pa., 15219-1122, telephone: (412) 261-2000.

The public hearing began on February 26, 2007, in Strongsville, Ohio, and initially reconvened on April 9, 2007, in Indianapolis, Indiana. The purpose of reconvening this proceeding is to receive additional testimony on proposed amendments 1 through 20 as published in the original hearing notice on February 9, 2007, and the supplemental notice of hearing on February 20, 2007, in the *Federal Register*.

The hearing notice and additional information is available from this office.

USDA Sets Hearing on Proposed Amendments to the Appalachian, Florida and Southeast Federal Milk Orders

The U.S. Department of Agriculture announced that it will hold a public hearing to consider proposals to amend the Appalachian, Florida, and Southeast Orders. The hearing will begin at 1:00 p.m. on Monday, May, 21, 2007, at the Sheraton Suites Tampa Airport, 4400 W. Cypress Street, Tampa, Florida 33607.

The proposals seek to amend the Appalachian, Florida, and Southeast Orders by temporarily adjusting the Class I pricing surface for each county within each of the three milk marketing orders until such time that USDA is able to comprehensively address the Class I pricing surface on a national scale. Proposals also include changing the diversion percentage limits, the producer delivery days, and the transportation credit provisions of the Appalachian and Southeast orders. Other proposals would change the maximum rates for each of the three orders the market administrator may charge for the administration of the orders from 5 cents per hundred weight to as much as 8 cents per hundred weight.

The hearing notice was published as a proposed rule in the May 8th *Federal Register*. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 – Room 2971-A, 1400 Independence Avenue, SW, Washington, DC 20250-0231. The hearing notice is available on AMS' website at: www.ams.usda.gov/dairy.

USDA Seeks Nominees for National Dairy Board

The U.S. Department of Agriculture is asking dairy producer and farm organizations to nominate candidates to serve on the National Dairy Promotion and Research Board. Nominations must be submitted by May 31.

The Secretary of Agriculture will appoint 12 individuals from those nominated to succeed members whose terms expire October 31, 2007. The 12 new members will serve 3-year terms beginning November 1, 2007, and ending October 31, 2010.

USDA will accept nominations from the following regions: Region 1 (Oregon and Washington); Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). USDA will appoint one member per region, with the exception of Region 2 (California) with four appointments.

The National Dairy Promotion and Research Board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education. The 36-member board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15-cent per hundred weight assessment on all milk marketed commercially by dairy producers.

(continued on Page 3)

April 2007 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	530,133,952	37.5
Class II	296,434,699	20.9
Class III	468,802,468	33.1
Class IV	120,618,683	8.5
Total	1,415,989,802	100.0

Producer Prices

Producer Price Differential	\$ 0.00 / cwt
Butterfat Price	1.4657 / lb
Protein Price	2.5212 / lb
Other Solids Price	0.6008 / lb
Somatic Cell Adjustment Rate	0.00071 / cwt
Statistical Uniform Price	16.09 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****APRIL 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			520,608,816			\$ 12.50 / cwt	\$ 65,076,102.12
Class I Butterfat		9,525,136				1.4096 / lb	13,426,631.70
Class I Location Differential	530,133,952						(232,453.74)
Class II SNF Value				25,382,593		1.0767 / lb	27,329,437.87
Class II Butterfat		16,648,600				1.4727 / lb	24,518,393.22
Class III Protein Value			14,297,629			2.5212 / lb	36,047,182.25
Class III Other Solids Value					26,828,512	0.6008 / lb	16,118,570.00
Class III Butterfat		16,592,070				1.4657 / lb	24,318,996.99
Class IV SNF Value				10,106,252		1.2656 / lb	12,790,472.54
Class IV Butterfat		9,110,391				1.4657 / lb	13,353,100.10
Somatic Cell Value II / III / IV							<u>549,753.97</u>
TOTAL PRODUCER MILK VALUE	1,415,989,802	51,876,197	43,008,122		80,819,885		\$ 233,296,187.02
O verages						\$ 17,968.25	
Beginning Inventory and OS Charges						82,240.73	
TOTAL ADJUSTMENTS							\$ 100,208.98
TOTAL HANDLER OBLIGATIONS							\$ 233,396,396.00
Total Protein Value			43,008,122lbs	@	\$ 2.5212		\$ (108,432,077.18)
Total Other Solids Value			80,819,885lbs	@	0.6008		(48,556,586.90)
Butterfat Value			51,876,197lbs	@	1.4657		(76,034,941.95)
Total Somatic Cell Values							(849,719.19)
TOTALS							\$ (476,929.22)
Net Producer Location Adjustments							\$ 380,862.98
1/2 Unobligated Balance Producer Settlement Fund							<u>683,000.00</u>
Total - Divided by Total Pounds			1,415,989,802 lbs		0.0414504		\$ 586,933.76
Rate of Cash Reserve					(0.0414504)		(586,933.76)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,415,989,802		\$ 0.00 cwt		\$ 0.00

COMPONENT PRICES

	<u>April</u>	
	<u>2007</u>	<u>2006</u>
Butterfat Price	\$1.4657 / lb	\$1.2343 / lb
Protein Price	2.5212 / lb	1.9238 / lb
Other Solids Price	0.6008 / lb	0.1508 / lb
Somatic Cell Adjustment Rate	0.00071 / cwt	0.00058 / cwt
Nonfat Solids Price	1.2656 / lb	0.6959 / lb

COMPUTATION OF UNIFORM PRICE

	<u>April</u>	
	<u>2007</u>	<u>2006</u>
Class III Price - 3.5% BF	\$16.09	\$10.93
Producer Price Differential*	<u>0.00</u>	<u>0.82</u>
Statistical Uniform Price	\$16.09	\$11.75

CLASS PRICES

	<u>April</u>	
	<u>2007</u>	<u>2006</u>
Class I*	\$17.00	\$13.22
Class II	14.51	11.37
Class III	16.09	10.93
Class IV	16.12	10.36

CLASSIFICATION OF PRODUCER MILK

	<u>April</u>	
	<u>2007</u>	<u>2006</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	530,133,952	517,142,184
Class II	296,434,699	233,035,520
Class III	468,802,468	616,611,555
Class IV	<u>120,618,683</u>	<u>146,588,543</u>
Total	1,415,989,802	1,513,377,802

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for April 2007 was \$0.00 and the Statistical Uniform Price was \$16.09 for the month. The Statistical Uniform Price is the \$0.97 higher than last month, and is \$4.34 higher than April 2006.

The Producer Butterfat Price of \$1.4657 per pound increased 8.88 cents from March 2007 and is up 23.14 cents from a year ago. The Protein Price of \$ 2.5212 is up 8.83 cents from last month and is up 59.74 cents from April 2006. The Other Solids Price in April was \$0.6008 per pound, an increase from last month's price of \$0.5257 and an increase of 45.0 cents from last April. The Somatic Cell Adjustment rate for April was \$0.00071.

April producer receipts of 1.42 billion pounds were 1.1 percent lower than March 2007, and 64 percent lower than April 2006 production of 1.51 billion pounds. Producer milk allocated to Class I accounted for 37.5 percent of the total producer milk in April 2007, less than the 41.0 percent in March 2007 and more than the 34.2 percent in April 2006. A total of 7,789 producers were pooled on the Mideast Order compared to 8,710 producers pooled in April 2006.

The market average content of producer milk was as follows: Butterfat 3.66%; Protein 3.04%; Other Solids 5.71% and Nonfat Solids 8.75%.

(continued from Page 1)

USDA welcomes membership on industry boards that reflects the diversity of the individuals served by the programs. USDA encourages all eligible women, minorities, and persons with disabilities to seek nomination for a seat on the board.

For nominating forms and information, contact Whitney A. Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, Room 2958-S, Stop 0233, 1400 Independence Ave., SW, Washington, D.C. 20250-0233; telephone (202) 720-6909; fax (202) 720-0285; or E-mail at whitney.rick@usda.gov or www.ams.usda.gov/dairy/dairyprp.htm.

March Milk Production Up 1.1 Percent

Milk production in the 23 major States during March totaled 14.8 billion pounds, up 1.1 percent from March 2006. February production, revised at 13.1 billion pounds, was up 0.6 percent from February 2006. The February revision represented a decrease of 31 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,782 pounds for March, 7 pounds above March 2006.

The number of milk cows on farms in the 23 major States was 8.28 million head, 58,000 head more than March 2006, and 5,000 head more than February 2007.

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 March totaled 2.3 billion pounds, up 32 million pounds or 1.4 percent from March 2006.

Production per cow in the Mideast states averaged 1,740 pounds for March, 5 pounds above March 2006.

The number of cows on farms in the Mideast states was 1.3 million head, 11,000 head more than March 2006.

Johanns Appoints Dairy Research and Promotion Board Member

Agriculture Secretary Mike Johanns announced the appointment of Paul Broering, St. Henry, Ohio, to the National Dairy Research and Promotion Board. Broering will fill the Region 9 board position that became vacant in 2006. His term will end October 31, 2007.

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the contiguous United States, administers a coordinated program of promotion, research and nutrition education.

The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15-cent per hundred weight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service monitors the operation of the board.

AMS encourages all eligible individuals to participate in its committee and board activities. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the programs.

National Econometric Model Documentation Released

Dairy Programs' Office of the Chief Economist maintains a dynamic econometric model of the U.S. dairy industry. Released April 2007, this paper documents an econometric model used by USDA-AMS Dairy Programs to support its economic analysis and forecasting responsibilities. The model is comprehensive, including the supply of milk, the allocation of butterfat and nonfat solids to fluid milk and the major manufactured dairy products, and consumer demand for milk and dairy products. It is available at: www.ams.usda.gov/dairy/mktgecom.htm.

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

State	March 2007						March 2006				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	-----Weighted Averages----- Other Solids (000)		Pounds of Milk (000)	Butterfat	Protein	-----Weighted Averages----- Other Solids (000)	
Michigan	2055	565879	3.64	3.05	5.72	259	537783	3.68	3.04	5.74	238
Ohio	2403	356999	3.78	3.08	5.68	288	350732	3.80	3.07	5.72	266
New York	425	181067	3.67	3.03	5.74	234	151782	3.72	3.02	5.75	218
Indiana	1,130	146914	3.77	3.05	5.69	302	154510	3.80	3.06	5.75	277
Pennsylvania	1242	121209	3.84	3.09	5.68	326	127027	3.86	3.08	5.72	318
Wisconsin	429	47363	3.75	3.04	5.74	284	191863	3.74	3.03	5.73	261
West Virginia	66	5471	3.95	3.18	5.68	394	5658	3.87	3.17	5.72	370
Other	101	7647	3.86	3.10	5.67	341	24353	3.69	3.06	5.76	275
Total/Average *	7851	1,432,548	3.71	3.06	5.71	275	1,543,708	3.75	3.05	5.74	257

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



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**FEDERAL ORDER DATA
APRIL 2007**

<u>Marketing Area</u> ^{1/}	<u>Producer Milk</u>		<u>Class I Percent</u>	<u>Producer Price Differential</u>	<u>Statistical Uniform Price</u>
	<u>Total</u> (000)	<u>Class I</u> (000)			
FO 1 Northeast - (Boston)	1,901,437	842,840	44.3	\$0.93	\$17.02
FO 5 Appalachian - (Charlotte)	514,231	340,030	66.1	^{2/}	17.41
FO 6 Florida - (Tampa)	292,665	219,928	75.2	^{2/}	18.35
FO 7 Southeast - (Atlanta)	707,385	394,568	55.8	^{2/}	17.36
FO 30 Upper Midwest - (Chicago)	1,933,034	364,859	18.9	0.06	16.15
FO 32 Central - (Kansas City)	909,184	355,427	39.1	(0.11)	15.98
FO 33 Mideast - (Cleveland)	1,415,990	530,134	37.5	0.00	16.09
FO 124 Pacific Northwest - (Seattle)	575,246	184,455	32.1	0.15	16.24
FO 126 Southwest - (Dallas)	1,008,653	348,697	34.6	0.88	16.97
FO 131 Arizona - (Phoenix)	342,106	114,766	33.6	^{2/}	16.43

^{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 MAY 2007 \$14.51 /cwt.