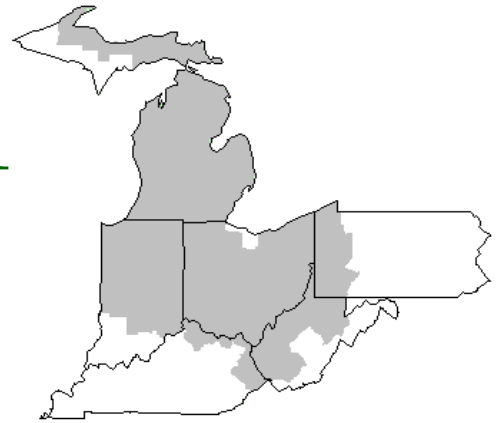


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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December 2009



### David Z. Walker Mideast Market Administrator

It is with deep sadness that I notify you David Z. Walker, Mideast Market Administrator, lost his battle with cancer on November 24, 2009. Dave was an outstanding individual who was deeply committed to the Federal milk order program.

Dave began his career with the Federal Milk Marketing Order Program in 1979 in the Middle Atlantic Market Administrator's Office in Alexandria, Virginia, as a Marketing Specialist after graduating from Virginia Polytechnic Institute and State University in June 1979 with a Bachelor of Science Degree in Agricultural Economics. Dave received a Masters Degree in Agricultural Economics and Rural Sociology from The Ohio State University in December 1982. In 1990 he became the Middle Atlantic Assistant Market Administrator and in 2001 he was appointed as the Mideast Order Market Administrator.

Dave was a great leader and Dairy Programs truly benefited from his expert knowledge of milk marketing. We are indebted to him for his many years of excellent service. He was a special friend and colleague to us and will be greatly missed. Our thoughts and prayers go out to his wife Wendy and his family.

Paul A. Huber is designated to serve as Acting Market Administrator, Mideast Milk Marketing Order, effective immediately.

*The above release was sent to all interested parties from Dana H. Coale, Deputy Administrator, Dairy Programs*

### Vilsack Names Members to National Fluid Milk Board

Agriculture Secretary Tom Vilsack announced the appointment of two members to the National Fluid Milk Processor Promotion Board.

Newly appointed are Christopher S. Ross, Beverly, Mass. (Region 2) and Michael A. Bell, San Antonio, Texas (Region 8). They will serve terms beginning immediately and expiring June 30, 2011. Both will be seated at the board meeting January 15 - 17, 2010.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed

commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market 3 million pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments.

USDA's Agricultural Marketing Service monitors the operations of the board. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the program.

### October Milk Production Down 1.1 Percent

Milk production in the 23 major States during October totaled 14.3 billion pounds, down 1.1 percent from October 2008. September revised production at 14.0 billion pounds, was down 0.5 percent from September 2008. The September revision represented an increase of 16 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,721 pounds for October, 21 pounds above October 2008. The number of milk cows on farms in the 23 major States was 8.32 million head, 196,000 head less than October 2008, and 22,000 head less than September 2009.

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 October totaled 2.2 billion pounds, up 34 million pounds or 1.5 percent from October 2008.

Production per cow in the Mideast states averaged 1,678 pounds for October, 40 pounds above October 2008. The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head less than October 2008.

### November 2009 Pool Summary

#### Classification of Producer Milk

	Pounds	Percent
Class I	575,772,484	44.0
Class II	258,003,258	19.7
Class III	403,821,498	30.9
Class IV	70,557,557	5.4
Total	1,308,154,797	100.0

#### Producer Prices

Producer Price Differential	\$ 0.03 /cwt
Butterfat Price	1.4656 /lb
Protein Price	2.6991 /lb
Other Solids Price	0.1524 /lb
Somatic Cell Adjustment Rate	0.00076 /cwt
Statistical Uniform Price	14.11 /cwt

**ANNOUNCEMENT OF PRODUCER PRICES****Federal Order No. 33****November 2009****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			565,306,142			\$ 10.70 / cwt	\$ 60,487,757.21
Class I Butterfat		10,466,342				1.2952 / lb	13,556,006.13
Class I Location Differential	575,772,484						(281,620.07)
Class II SNF Value				22,242,673		0.9311 / lb	20,710,152.81
Class II Butterfat		15,438,713				1.4726 / lb	22,735,048.76
Class III Protein Value			12,648,310			2.6991 / lb	34,139,053.50
Class III Other Solids Value					22,987,268	0.1524 / lb	3,503,259.65
Class III Butterfat		15,374,164				1.4656 / lb	22,532,374.76
Class IV SNF Value				5,746,209		0.9348 / lb	5,371,556.15
Class IV Butterfat		7,889,875				1.4656 / lb	11,563,400.79
Somatic Cell Value II / III / IV							<u>775,010.10</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,308,154,797</b>	<b>49,169,094</b>	<b>40,981,346</b>		<b>74,499,707</b>		<b>\$195,091,999.79</b>
Overages						\$ 22,361.61	
Beginning Inventory and Other Source Charges						\$ 96,895.57	
<b>TOTAL ADJUSTMENTS</b>							<b>\$ 119,257.18</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 195,211,256.97</b>
Total Protein Value			40,981,346 lbs	@	\$ 2.6991		\$(110,612,751.02)
Total Other Solids Value			74,499,707 lbs	@	0.1524		(11,353,755.34)
Butterfat Value			49,169,094 lbs	@	1.4656		(72,062,224.16)
Total Somatic Cell Values							<u>(1,356,828.20)</u>
<b>TOTALS</b>							<b>\$ (174,301.75)</b>
Net Producer Location Adjustments							\$ 571,385.61
1/2 Unobligated Balance Producer Settlement Fund							<u>630,000.00</u>
Total - Divided by Total Pounds			1,308,154,797 lbs		0.0785139		\$ 1,027,083.86
Rate of Cash Reserve					<u>(0.0485139)</u>		<u>(634,636.91)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,308,154,797		<b>\$ 0.03 /cwt</b>		<b>\$ 392,446.95</b>

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

	<b>November</b>			<b>November</b>	
	<b>2009</b>	<b>2008</b>		<b>2009</b>	<b>2008</b>
Butterfat Price	\$1.4656 / lb	\$1.7730 / lb	Class III Price - 3.5% BF	\$ 14.08	\$15.51
Protein Price	2.6991 / lb	3.1301 / lb	Producer Price Differential*	<u>0.03</u>	<u>0.81</u>
Other Solids Price	0.1524 / lb	(0.0099) / lb	Statistical Uniform Price	\$14.11	\$16.32
Somatic Cell Adjustment Rate	0.00076 / cwt	0.00088 / cwt			
Nonfat Solids Price	0.9348 / lb	0.6953 / lb			

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

	<b>November</b>	
	<b>2009</b>	<b>2008</b>
Class I*	\$14.86	\$19.33
Class II	13.24	14.45
Class III	14.08	15.51
Class IV	13.25	12.25

	<b>November</b>	
	<b>2009</b>	<b>2008</b>
Class I	Product lbs. 575,772,484	551,264,969
Class II	258,003,258	220,145,408
Class III	403,821,498	412,661,070
Class IV	<u>70,557,557</u>	<u>115,936,379</u>
Total	1,308,154,797	1,300,007,826

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for November 2009 was \$.03 and the Statistical Uniform Price was \$14.11 for the month. The Statistical Uniform Price is \$0.97 higher than last month, and is \$2.21 lower than November 2008.

The Producer Butterfat Price of \$1.4656 per pound increased 19.04 cents from October and is down 30.74 cents from a year ago. The Protein Price of \$2.6991 is up \$0.1407 from last month and is down \$0.4310 from November 2008. The Other Solids Price in November was \$0.1524 per pound, an increase from last month's price of \$0.1228 and an increase of 16.23 cents from last November. The Somatic Cell Adjustment rate for November was \$0.00076.

November producer receipts of 1.31 billion pounds were 2.1 percent lower than October and 0.6 percent higher than November 2008 production of 1.30 billion pounds. Producer milk allocated to Class I accounted for 44.0 percent of the total producer milk in November 2009, less than the 46.2 percent in October and more than the 42.4 percent in November 2008. A total of 7,178 producers were pooled on the Mideast Order compared to 7,271 producers pooled in November 2008.

The market average content of producer milk was as follows: Butterfat 3.76 %; Protein 3.13 %; Other Solids 5.70 % and Nonfat Solids 8.83 %.

### Release Dates for 2010 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 2010. The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDST no later than the 23<sup>rd</sup> of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23<sup>rd</sup>. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDST no later than the 5<sup>th</sup> of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5<sup>th</sup>. As noted below, the release time and release dates may differ from this schedule due to the timing of some holidays. Due to the Federal holiday on December 31, 2010, the release date and time for the December Class and Component Prices is Thursday, December 30, 2010, at 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 <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	Dec. 18, 2009	12/5, 12	Feb 5, 2010	1/2, 9, 16, 23, 30
February	Jan. 22, 2010	1/9, 16	Mar. 5	2/6, 13, 20, 27
March	Feb. 19	2/6, 13	Apr. 2	3/6, 13, 20, 27
April	Mar. 19	3/6, 13	Apr. 30	4/3, 10, 17, 24
May	Apr. 23	4/10, 17	Jun. 4	5/1, 8, 15, 22, 29
June	May 21	5/8, 15	Jul. 2	6/5, 12, 19, 26
July	Jun. 18	6/2, 12	Jul. 30	7/3, 10, 17, 24
August	Jul. 23	7/10, 17	Sep. 3	7/31, 8/7, 14, 21, 28
September	Aug. 20	8/7, 14	Oct. 1	9/4, 11, 18, 25
October	Sept. 17	9/4, 11	Nov. 5	10/2, 9, 16, 23, 30
November	Oct. 22	10/9, 16	Dec. 3	11/6, 13, 20, 27
December	Nov. 19	11/6, 13	Dec. 30	12/4, 11, 18, 25

1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by NASS on Friday of the following week.

#### Bulletin Webpage Edition

[www.fmmaclev.com](http://www.fmmaclev.com)

Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics



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

State	October 2009						October 2008				
	Number of Producers	Pounds of Milk (000)	-----Weighted Averages-----				Pounds of Milk (000)	-----Weighted Averages-----			
			Butterfat	Protein	Other Solids	SCC (000)		Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,830	569,213	3.70	3.12	5.72	191	511,615	3.69	3.09	5.70	223
Ohio	2,216	328,503	3.82	3.16	5.67	238	267,571	3.82	3.14	5.66	261
Indiana	1,128	140,599	3.83	3.17	5.70	248	130,275	3.81	3.12	5.66	275
New York	396	134,862	3.72	3.12	5.69	212	132,645	3.75	3.09	5.69	252
Pennsylvania	1,111	101,466	3.87	3.17	5.65	306	104,056	3.88	3.16	5.64	325
Wisconsin	281	48,106	3.69	3.07	5.78	236	29,748	3.76	3.07	5.77	241
West Virginia	60	4,229	4.04	3.32	5.62	316	4,975	3.96	3.28	5.63	350
Illinois	23	2,009	3.95	3.21	5.62	328	1,746	3.72	3.11	5.66	342
Other	111	7,217	3.77	3.18	5.70	239	4,544	3.86	3.17	5.66	290
Total/Average *	7,156	1,336,205	3.76	3.14	5.70	222	1,187,176	3.76	3.11	5.68	251

\* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states pooled on the Mideast order.



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**FEDERAL ORDER DATA**  
**November 2009**

Marketing Area <sup>1/</sup>	Producer Milk		Class I	Producer	Statistical
	Total (000)	Class I (000)	Percent %	Price Differential (per cwt.)	Uniform Price (per cwt.)
FO 1 Northeast - ( <i>Boston</i> )	1,818,027	841,647	46.3	\$0.94	\$15.02
FO 5 Appalachian - ( <i>Charlotte</i> )	485,745	345,942	71.2	<sup>2/</sup>	15.89
FO 6 Florida - ( <i>Tampa</i> )	248,555	211,104	84.9	<sup>2/</sup>	17.80
FO 7 Southeast - ( <i>Atlanta</i> )	561,219	394,695	70.3	<sup>2/</sup>	16.28
FO 30 Upper Midwest - ( <i>Chicago</i> )	2,421,761	363,890	15.0	0.04	14.12
FO 32 Central - ( <i>Kansas City</i> )	949,237	353,680	37.3	(0.22)	13.86
<b>FO 33 Mideast - (<i>Cleveland</i>)</b>	<b>1,308,155</b>	<b>575,772</b>	<b>44.0</b>	<b>0.03</b>	<b>14.11</b>
FO 124 Pacific Northwest - ( <i>Seattle</i> )	631,765	188,242	29.8	(0.16)	13.92
FO 126 Southwest - ( <i>Dallas</i> )	496,115	357,837	72.1	0.95	15.03
FO 131 Arizona - ( <i>Phoenix</i> )	318,774	122,987	38.6	<sup>2/</sup>	14.38

<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.

**MINIMUM PARTIAL PAYMENT PRICE FOR DECEMBER 2009 .....\$13.24 /cwt.**

# Mideast Market Administrator's Bulletin

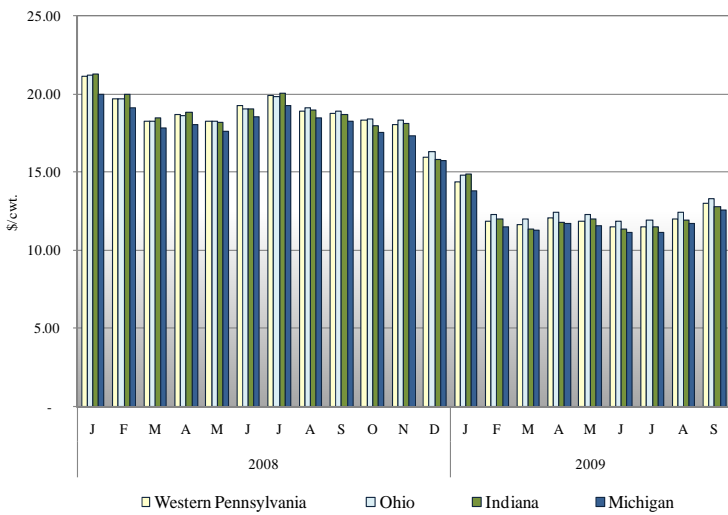
Supplement

Federal Order No. 33

December 2009

## MAILBOX MILK PRICES FOR AREAS IN MIDEAST MARKETING AREA 1/

Mailbox Milk Price for Selected Reporting Areas Federal Order 33, 2008-2009



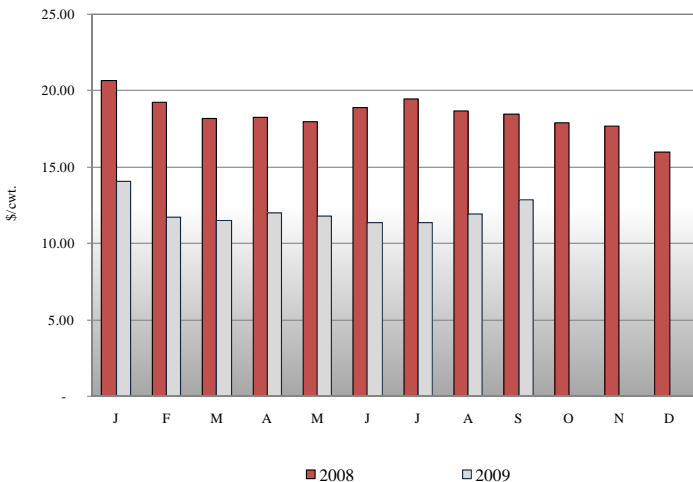
Mailbox price is the net pay price received by dairy farmers for milk. The data includes all payments received for milk sold, and all costs associated with marketing the milk. The mailbox price is a weighted average for the reporting area at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments.

The information is shown for those areas where at least 75 percent of the milk was marketed under Federal Orders. Mailbox prices include milk not-pooled due to unusual price relationships.

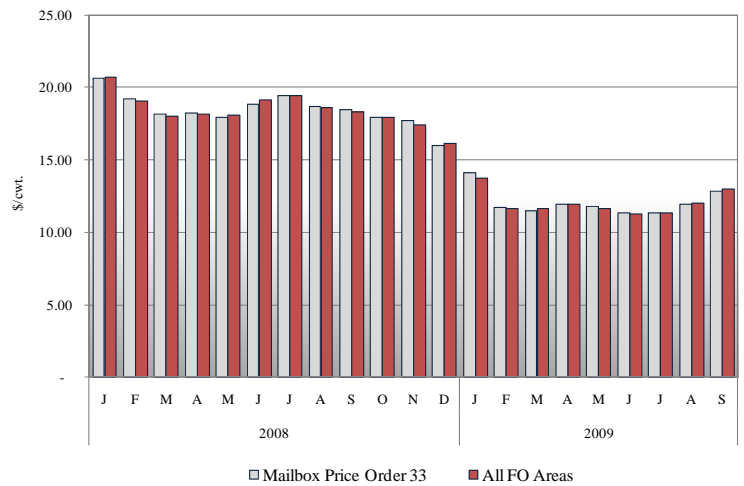
Western Pennsylvania includes the counties of Warren, Elk, Clearfield, Indiana, Westmoreland and Fayette, and all those counties west of these.

## FEDERAL ORDER 33 MAILBOX PRICE STATISTICS

Mailbox Milk Price for the Mideast Marketing Area, 2008-2009



Mailbox Milk Price for Mideast Marketing Area and All FO Areas, 2008-2009



The net pay price received by dairy farmers in Federal Order 33 was \$12.83 per hundredweight in September 2009. The September 2009 mailbox price is \$0.92 per cwt higher than the mailbox price for August 2009. The September 2009 mailbox price is \$5.62 per cwt lower than the September 2008 mailbox price.

For September 2009 the net pay price received by dairy farmers in Federal Order 33 was \$0.15 per hundredweight lower than the average mailbox price for all Federal Orders, as reported by Dairy Market News. For September, 2009 the all Federal Order mailbox price was \$12.98 per cwt, \$0.94 per cwt higher than August 2009.

1/ Mailbox prices are generally released by Dairy Market News on the 10th of the third following month (January data in April).

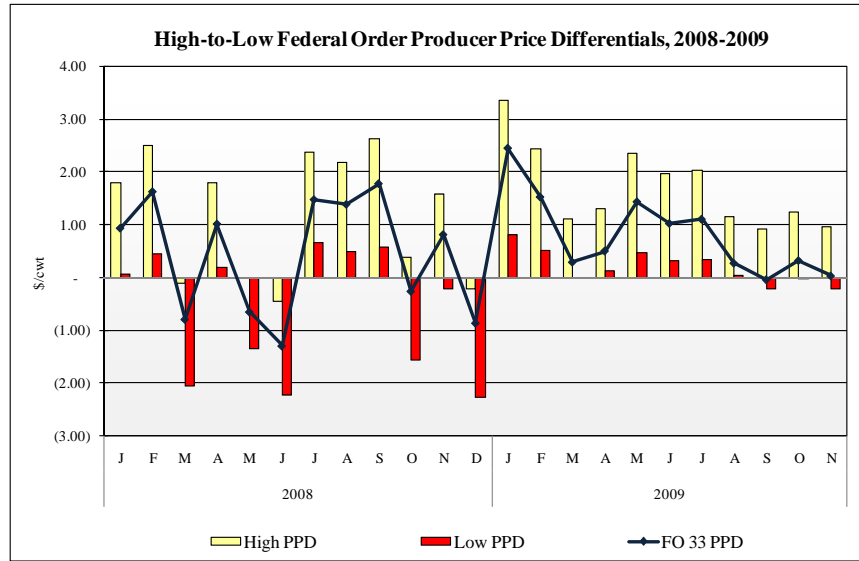
## PRODUCER PRICE DIFFERENTIAL STATISTICS

Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing.

For November 2009, Federal Order 126 had the highest PPD at \$0.95 per hundredweight, \$0.28 per cwt less than their October 2009 PPD.

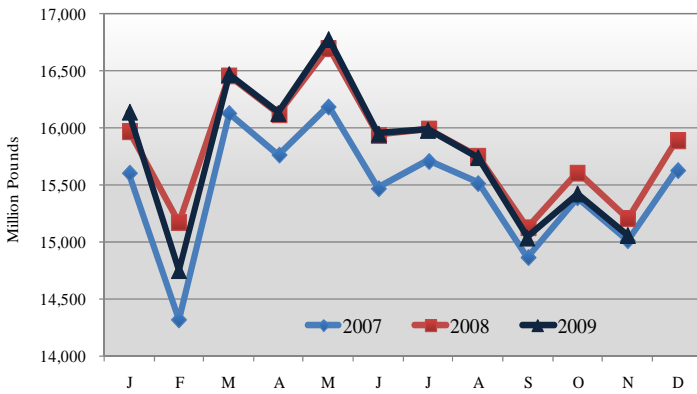
In November 2009 Federal Order 33 had the fourth highest PPD, behind Orders 1, 126 and 30, at \$0.03 per hundredweight, \$0.29 less than the October 2009 PPD.

For November 2009 Federal Order 32 had the lowest PPD at -\$0.22 per hundredweight, \$0.19 less than their October 2009 PPD.

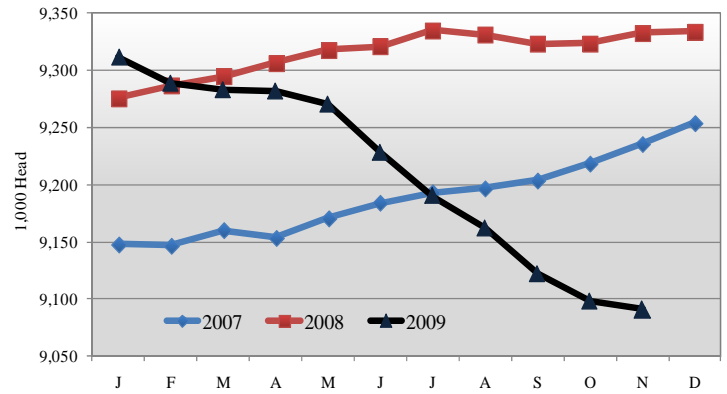


## MILK PRODUCTION STATISTICS 2/

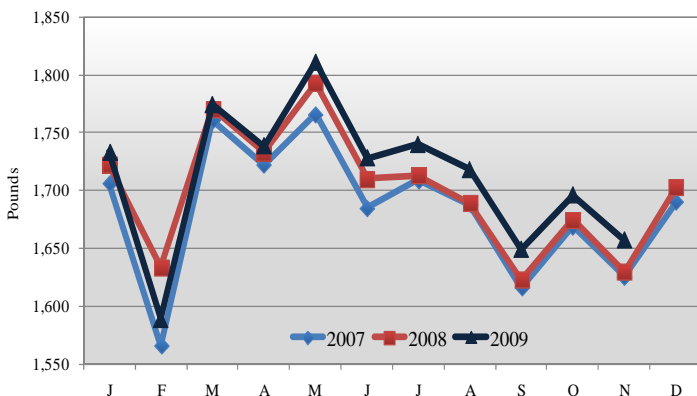
**Milk Production by Month, United States, 2007-2009**



**Milk Cows by Month, United States, 2007-2009**



**Milk Production Per Cow by Month, United States, 2007-2009**



November 2009 milk production in the United States decreased 366 million pounds from October to 15.1 billion pounds. November 2009 milk production in the United States was down 1.0 percent from November 2008.

Production per cow in the United States averaged 1,657 pounds for November 2009, down 39 pounds from October 2009, but up 27 pounds from November 2008.

The number of milk cows on farms in the United States was 9.09 million head for November 2009, down 6,000 head from October 2009 and down 2.6 percent from November 2008.

2/ Information collected from the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, U.S. Department of Agriculture.