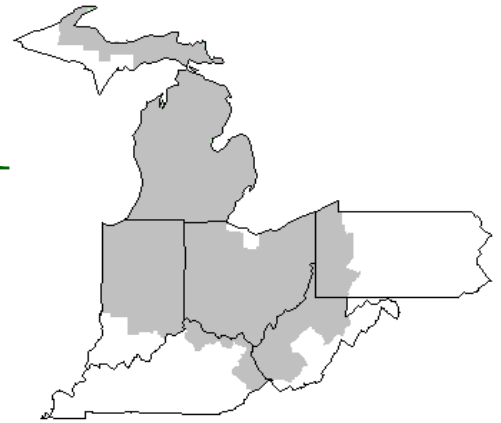


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

Paul A. Huber, Market Administrator  
Phone: (330) 225-4758 Toll Free: (888) 751-3220  
Email: [clevelandma1@sprynet.com](mailto:clevelandma1@sprynet.com)  
WebPage: [www.fmmaclev.com](http://www.fmmaclev.com)

May 2010

## USDA Issues Final Rule on Amendments to All Federal Milk Orders

The U.S. Department of Agriculture issued a final rule amending the producer-handler definition in all Federal milk marketing orders. Producers in all Federal milk marketing orders approved the amendments in referenda held in March 2010.

This rule amends the producer-handler definition to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition and sales of packaged fluid milk products to other plants of 3 million pounds or less per month.

These amendments were considered in a recommended decision published Oct. 21, 2009, and adopted by a final decision published March 4, 2010. The final rule appeared in the April 23, 2010 *Federal Register*. The amendments will be effective June 1, 2010.

For additional information about the decision contact: Paul A. Huber; USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: [phuber@fmmaclev.com](mailto:phuber@fmmaclev.com). A copy of the decision can be found on the website at [www.fmmaclev.com/hearings.htm](http://www.fmmaclev.com/hearings.htm).

## March Milk Production Up 0.9 Percent

Milk production in the 23 major States during March totaled 15.4 billion pounds, up 0.9 percent from March 2009. February production, revised at 13.7 billion pounds, was up 0.3 percent from February 2009. The February revision represented an increase of 17 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,846 pounds for March, 51 pounds above March 2009.

The number of milk cows on farms in the 23 major States was 8.32 million head, 162,000 head less than March 2009, but 1,000 head more than February 2010.

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 2.4 billion pounds, up 55 million pounds or 2.4 percent from March 2009.

Production per cow in the Mideast states averaged 1,788 pounds for March, 57 pounds above March 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 16,000 head less than March 2009.

## The Dairy Outlook

The Nation's dairy herd continues to contract on a year-over-year basis. However, milk per cow continues to rise incrementally. The April Milk Production report indicated that milk per cow was 51 pounds (lbs) higher in March compared with a year ago. Moderating feed prices for 2009/10 and the prospect of continued moderate feed prices into the next crop year have provided an incentive to increase output. However, lower milk prices have kept the milk-feed profitability ratio below 2.5. A milk-feed price ratio above 2.5 is considered necessary to begin any expansion. Although the U.S. dairy herd continues to decline, the rate of decline appears to be moderating. The March Livestock Slaughter report showed 223,000 dairy cows slaughtered under Federal inspection in February, the second lowest total since last May. Meanwhile, producers added 3,000 cows in both January and February. For 2010, the U.S. dairy herd is expected to average 9,065,000 cows, a 1.5 percent decline from 2009, but somewhat higher than recent USDA estimates. Output per cow is projected at 20,950 lbs resulting in a forecast 189.9 billion lbs of milk in 2010.

Although stock estimates were slightly higher than forecast last month, ending stocks for 2010 on both a fats and skim-solids basis are still expected to be below 2009. Ending stocks on a fats basis are projected to end 2010 at 10.4 billion lbs; stocks on a skim basis are forecast to end the year at 10.8 billion lbs. Most of the drawdown in stocks is likely to occur in the second half of 2010.

(Continued on Page 3)

## April 2010 Pool Summary

### Classification of Producer Milk

	Pounds	Percent
Class I	539,146,115	37.1
Class II	270,430,233	18.6
Class III	513,569,476	35.3
Class IV	130,256,023	9.0
Total	1,453,401,847	100.0

### Producer Prices

Producer Price Differential	\$ 1.11 /cwt
Butterfat Price	1.5813 /lb
Protein Price	2.1449 /lb
Other Solids Price	0.1702 /lb
Somatic Cell Adjustment Rate	0.00069 /cwt
Statistical Uniform Price	14.03 /cwt

**ANNOUNCEMENT OF PRODUCER PRICES****Federal Order No. 33****April 2010****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			529,588,114			\$ 10.19 / cwt	\$ 53,965,028.85
Class I Butterfat		9,558,001				1.5379 / lb	14,699,249.73
Class I Location Differential	539,146,115						(251,703.40)
Class II SNF Value				23,053,395		0.9467 / lb	21,824,649.02
Class II Butterfat		16,014,268				1.5883 / lb	25,435,461.87
Class III Protein Value			15,527,823			2.1449 / lb	33,305,627.56
Class III Other Solids Value					29,399,182	0.1702 / lb	5,003,740.75
Class III Butterfat		18,820,118				1.5813 / lb	29,760,252.59
Class IV SNF Value				11,051,431		0.9435 / lb	10,427,025.16
Class IV Butterfat		8,141,715				1.5813 / lb	12,874,493.90
Somatic Cell Value II / III / IV							<u>866,929.26</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,453,401,847</b>	<b>52,534,102</b>	<b>43,941,589</b>		<b>83,084,328</b>		<b>\$207,910,755.29</b>
Overages, Beginning Inventory and Other Source Charges						\$26,675.07	
Beginning Inventory and Other Source Charges						\$85,982.65	
<b>TOTAL ADJUSTMENTS</b>							<b>\$ 112,657.72</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$208,023,413.01</b>
Total Protein Value			43,941,589 lbs	@	\$2.1449		\$(94,250,314.22)
Total Other Solids Value			83,084,328 lbs	@	0.1702		(14,140,952.65)
Butterfat Value			52,534,102 lbs	@	1.5813		(83,072,175.50)
Total Somatic Cell Values							<u>(1,338,956.21)</u>
<b>TOTALS</b>							<b>\$ 15,221,014.43</b>
Net Producer Location Adjustments							\$ 857,087.47
1/2 Unobligated Balance Producer Settlement Fund							<u>683,000.00</u>
Total - Divided by Total Pounds			1,453,401,847 lbs		1.1532325		\$ 16,761,101.90
Rate of Cash Reserve					<u>(0.0432325)</u>		<u>(628,341.95)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,453,401,847		<b>\$ 1.11 /cwt</b>		<b>\$ 16,132,759.95</b>

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

	<b>April</b>			<b>April</b>	
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>
Butterfat Price	\$1.5813 / lb	\$1.2049 / lb	Class III Price - 3.5% BF	\$ 12.92	\$10.78
Protein Price	2.1449 / lb	2.2009 / lb	Producer Price Differential*	<u>1.11</u>	<u>0.50</u>
Other Solids Price	0.1702 / lb	(0.0043) / lb	Statistical Uniform Price	\$14.03	\$11.28
Somatic Cell Adjustment Rate	0.00069 / cwt	0.00064 / cwt			
Nonfat Solids Price	0.9435 / lb	0.6452 / lb			

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

	<b>April</b>			<b>April</b>	
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>
Class I*	\$15.22	\$12.36	Class I	<i>Product lbs.</i> 539,146,115	<i>Product lbs.</i> 559,712,778
Class II	13.78	10.49	Class II	270,430,233	277,275,953
Class III	12.92	10.78	Class III	513,569,476	468,633,628
Class IV	13.73	9.82	Class IV	<u>130,256,023</u>	<u>109,102,093</u>
			Total	1,453,401,847	1,414,724,452

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for April 2010 was \$1.11 and the Statistical Uniform Price was \$14.03 for the month. The Statistical Uniform Price is \$0.49 lower than last month, and is \$2.75 higher than April 2009.

The Producer Butterfat Price of \$1.5813 per pound increased 4.66 cents from March and is up 37.64 cents from a year ago. The Protein Price of \$2.1449 is up 1.38 cents from last month and is down 5.6 cents from April 2009. The Other Solids Price in April was \$0.1702 per pound, a decrease from last month's price of \$0.1823 and an increase of 17.45 cents from last April. The Somatic Cell Adjustment rate for April was \$0.00069.

April producer receipts of 1.45 billion pounds were 1.4 percent lower than March and 2.7 percent higher than April 2009 production of 1.41 billion pounds. Producer milk allocated to Class I accounted for 37.1 percent of the total producer milk in April 2010, less than the 40.1 percent in March and less than the 39.6 percent in April 2009. A total of 7,221 producers were pooled on the Mideast Order compared to 7,231 producers pooled in April 2009.

The market average content of producer milk was as follows: Butterfat 3.61%; Protein 3.02%; Other Solids 5.72% and Nonfat Solids 8.74%.

(Continued from Front Page)

Commercial use is projected to reach 188.4 billion lbs in 2010 on a fats basis, up 1.3 percent. Moderating prices for cheese and economic recovery are the basis for stronger domestic commercial use on a fats basis. The higher commercial domestic use should drawdown currently high cheese stocks over the course of the year and firm cheese prices by year's end. Commercial use on a skim-solids basis is expected to reach 167.6 billion lbs, up 0.5 percent from last year. Higher exports of powder, especially later in 2010, are expected to draw powder from the domestic market, strengthening prices for nonfat dry milk in the second half of 2010.

Commercial milk equivalent exports are forecast at 4.75 billion pounds and 25.4 billion pounds on a fats and skim-solid basis, respectively. Most of the expected increases are based on higher expected exports of butter, milk fat, and nonfat dry milk (NDM). While exports have been modest in the first quarter, movement is likely to improve in later quarters due to economic recovery in importing countries and tighter supplies from potential competitors.

Higher forecast milk production and relatively high cheese stocks suggest a scaleback in prices. Cheese prices could strengthen in the second half, if recovery continues and stocks are drawn down. Cheese prices are expected to average \$1.490 to \$1.540 per lb this year. Butter sales have been at least reasonable, and production will likely tighten seasonally as cream supplies move to production of ice cream. Butter prices are forecast to rise over the course of the year as demand improves despite second-half increases in milk production. Butter prices are expected to average \$1.420 to \$1.500 per lb in 2010.

NDM prices should climb in the second half of 2010 as exports increase. NDM prices are forecast to average \$1.110 to \$1.150 a lb in 2010. Whey prices have already rebounded from last year and are expected to remain near present levels for the balance of 2010. Prices will likely average 37.5 to 40.5 cents a lb this year.

As milk production increases encounter expected increases in demand, prices are likely to be higher than 2009 but not rise to

2007 or 2008 levels. The Class IV price is forecast at \$13.40 to \$14.00 per cwt in 2010. The Class III price is expected to average \$14.10 to \$14.60 per cwt, and the all milk price is forecast to average \$15.45 to \$15.95 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-190, April 21, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin, (202) 694-5148.

### Mailbox Milk Prices Decline in 2009

For 2009, mailbox prices for selected reporting areas in Federal milk orders averaged \$12.82 per cwt., \$5.58 lower than the all-area average reported for 2008. The component tests of producer milk in 2009 averaged: butterfat, 3.67%; protein, 3.06%; and, other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from \$11.13 in New Mexico to \$15.79 in Florida. The Mideast Area states of Ohio, Indiana, and Michigan averaged \$12.99 per cwt in 2009. This is down \$5.59 from the 2008 average of \$18.58 per cwt. Ohio averaged \$13.39 per cwt in 2009. This was down \$5.44 from 2008. Indiana averaged \$12.94 per cwt and was down \$5.82 from the previous year. Michigan averaged \$12.63 per cwt and declined \$5.51 for the year.

#### Bulletin Webpage Edition

www.fmmacleev.com

Featured this month are:

- Thematic Maps Displaying Weighted Average Component Tests by State & County, 2009
- Weighted Average Component Tests by State, 2009

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

State	March 2010 -----Weighted Averages-----						March 2009 -----Weighted Averages-----				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,844	625,052	3.59	3.04	5.71	185	597,538	3.68	3.05	5.70	207
Ohio	2,238	350,036	3.75	3.08	5.68	243	342,066	3.79	3.09	5.66	241
Indiana	1,133	147,631	3.75	3.07	5.70	247	147,058	3.79	3.04	5.67	255
New York	347	138,730	3.68	3.06	5.72	206	136,733	3.70	3.06	5.71	213
Pennsylvania	1,069	109,311	3.82	3.10	5.67	312	109,866	3.87	3.10	5.65	307
Wisconsin	234	83,532	3.64	2.98	5.81	238	49,335	3.70	3.00	5.76	247
West Virginia	62	4,318	3.95	3.18	5.66	336	5,491	4.03	3.19	5.66	349
Other	145	16,314	3.62	3.02	5.73	242	18,941	3.70	3.06	5.71	242
Total/Average *	7,072	1,474,924	3.68	3.06	5.70	220	1,407,028	3.74	3.06	5.69	231

\* 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.



PRSR STD  
 U.S. POSTAGE  
 PAID  
 Cleveland, Ohio  
 Permit No. 2511

**Mideast Market Administrator Bulletin**  
 1325 Industrial Parkway North  
 P.O. Box 5102  
 Brunswick, Ohio 44212

POSTMASTER: Time Sensitive Material - Deliver Promptly

The **2008-2009 Statistical Report** for Federal Order 33 is currently available. The publication may be accessed on the web page for the Mideast Marketing Area at: [www.fmmacleev.com](http://www.fmmacleev.com) under "Statistical Information" or copies may be requested by calling the Market Administrator's Office at (888) 751-3220.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

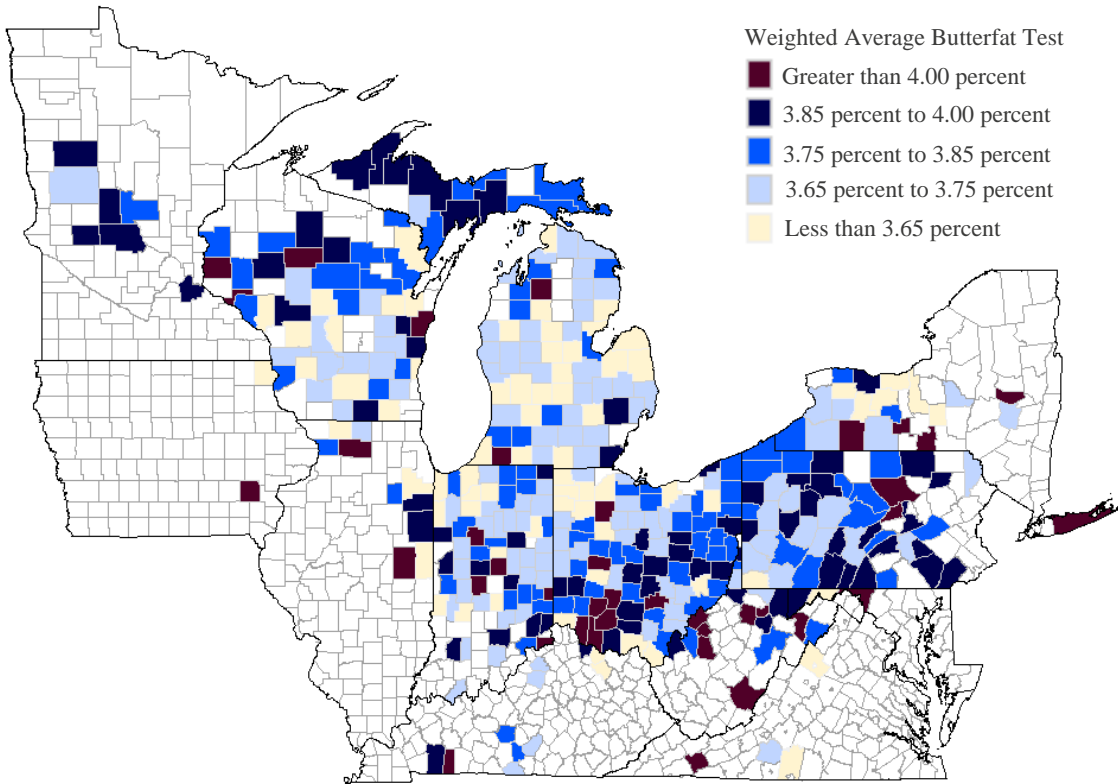
**FEDERAL ORDER DATA**  
**April 2010**

Marketing Area <sup>1/</sup>	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,084,693	870,463	41.8	\$2.19	\$15.11
FO 5 Appalachian - (Charlotte)	529,136	342,526	64.7	<sup>2/</sup>	15.86
FO 6 Florida - (Tampa)	242,031	214,798	88.7	<sup>2/</sup>	18.20
FO 7 Southeast - (Atlanta)	640,938	398,534	62.2	<sup>2/</sup>	16.03
FO 30 Upper Midwest - (Chicago)	2,874,439	367,331	12.8	0.36	13.28
FO 32 Central - (Kansas City)	1,047,614	356,192	34.0	0.88	13.80
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,453,402</b>	<b>539,146</b>	<b>37.1</b>	<b>1.11</b>	<b>14.03</b>
FO 124 Pacific Northwest - (Seattle)	658,803	191,171	29.0	0.87	13.79
FO 126 Southwest - (Dallas)	945,411	361,894	38.3	1.84	14.76
FO 131 Arizona - (Phoenix)	374,714	123,457	33.0	<sup>2/</sup>	14.14

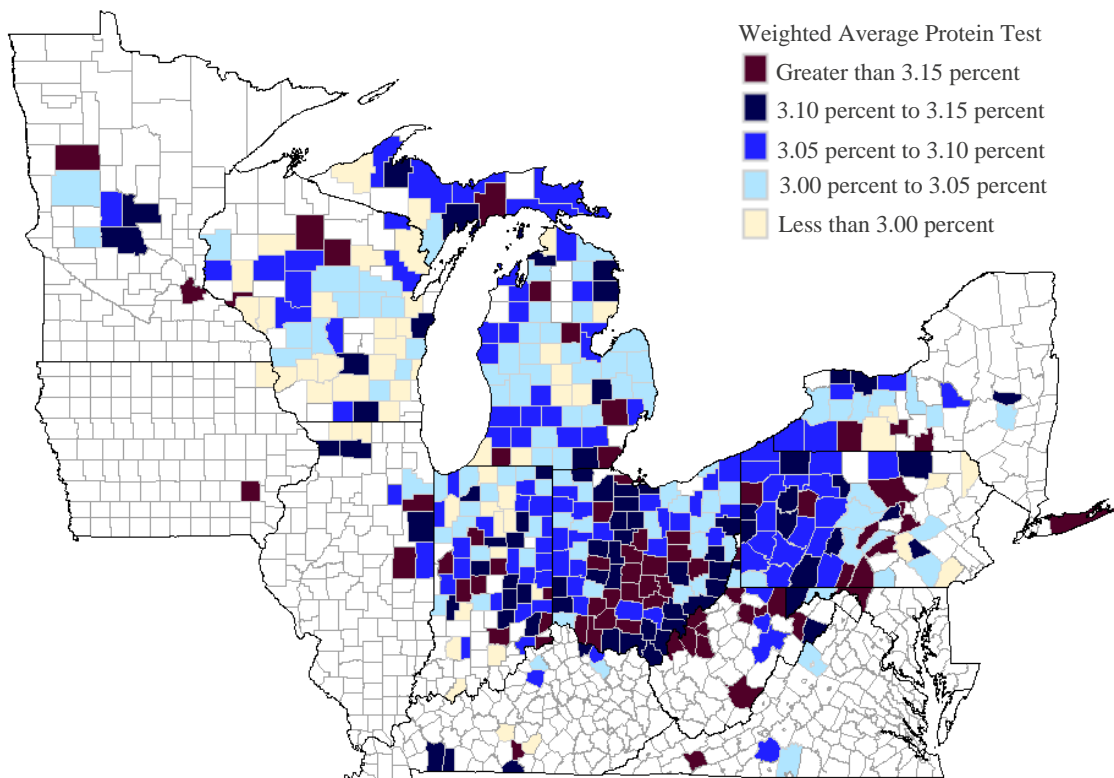
<sup>1/</sup> Names in parentheses are principal points of markets.  
<sup>2/</sup> Producers in these markets are paid on the basis of a uniform skim and butterfat price.

**MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2010.....\$12.92 /cwt.**

**WEIGHTED AVERAGE BUTTERFAT TEST BY STATE AND COUNTY, 2009 <sup>1/2</sup>**

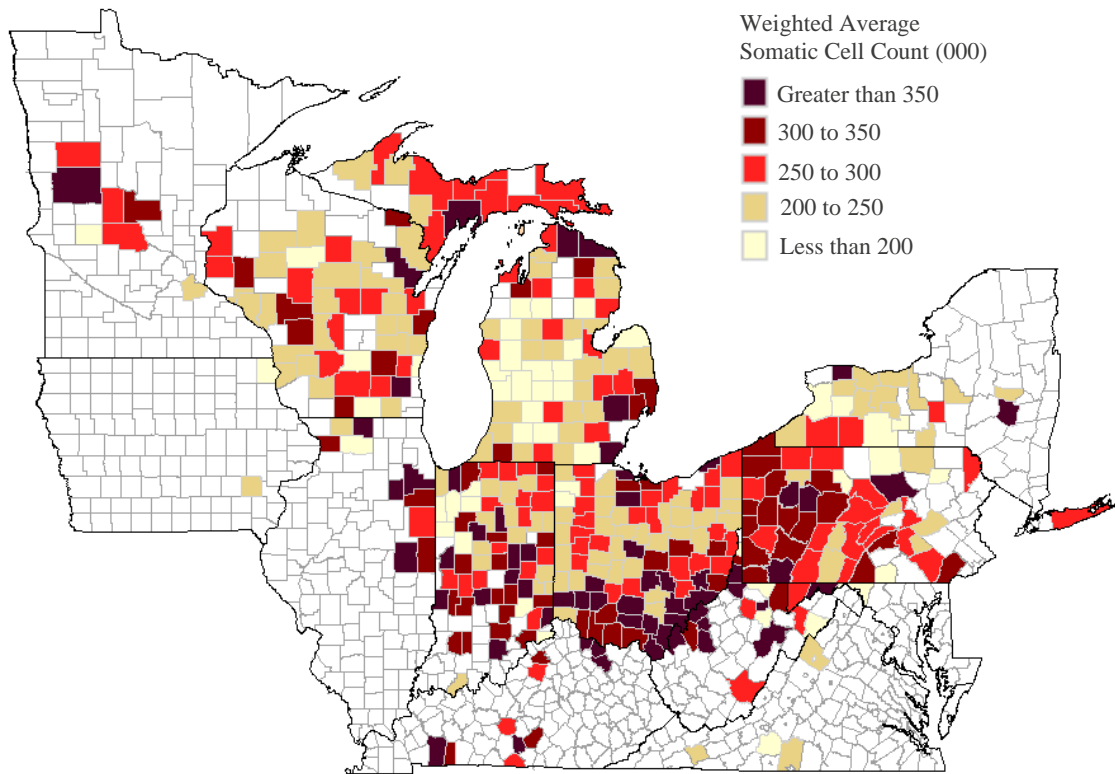


**WEIGHTED AVERAGE PROTEIN TEST BY STATE AND COUNTY, 2009 <sup>1/2</sup>**

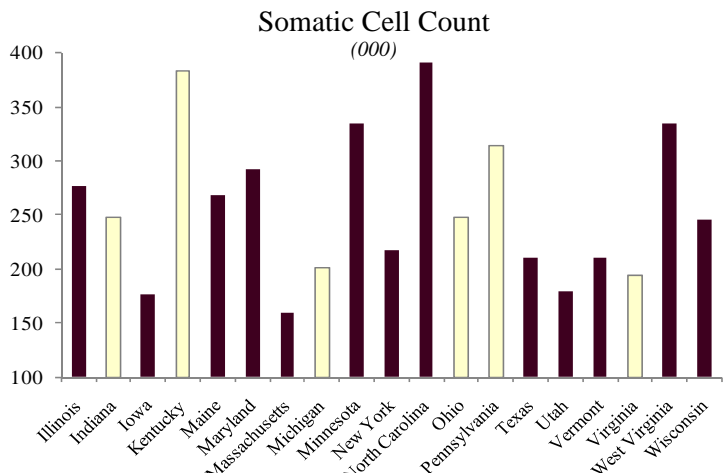
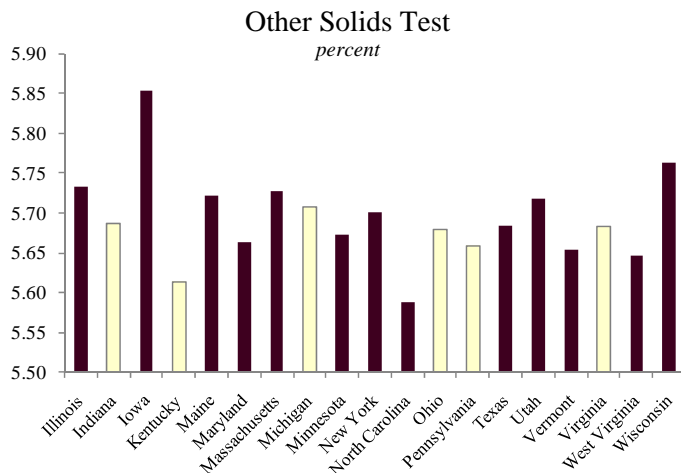
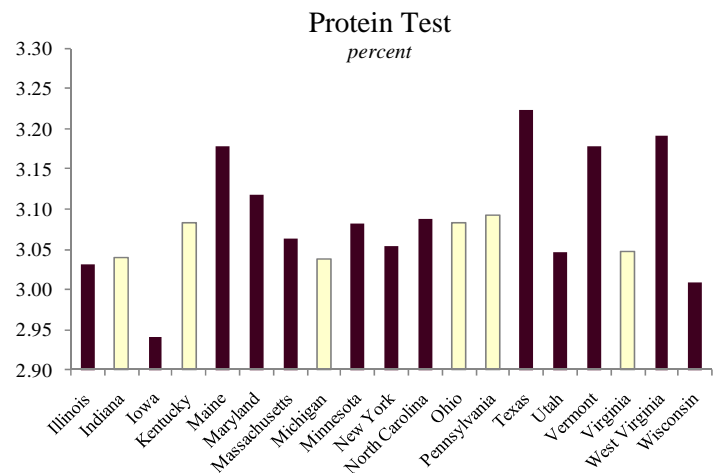
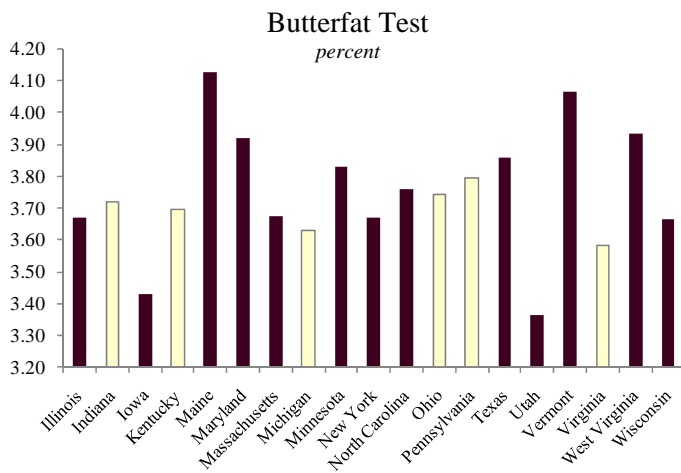




# WEIGHTED AVERAGE SOMATIC CELL COUNT BY STATE AND COUNTY, 2009 <sup>1/2/</sup>



# WEIGHTED AVERAGE COMPONENT TESTS BY STATE, 2009 <sup>1/</sup>



1/ For producers associated with the Mideast Marketing Area.  
2/ Milk from Maine, Massachusetts, North Carolina, Texas and Utah not shown.

Mid-east States      States Outside the Marketing Area