

Mideast Market Administrator's Bulletin



Federal Order No. 33

David Z. Walker, Market Administrator

Phone: (440) 826-3220 Toll Free: (888) 751-3220

Email: clevelandmal@sprynet.com

WebPage: www.fmmacleev.com

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USDA ISSUES REFERENDUM ORDER AND EXTENDS COMMENT DEADLINE FOR WESTERN MILK MARKETING ORDER

The U.S. Department of Agriculture announced that a referendum will be conducted for the purpose of determining producer approval of the Western Milk Marketing Order, as amended in the August 8 Tentative Final Decision. Additionally, USDA is extending the deadline for filing comments to that decision as it pertains to the Western Order to April 1, 2004.

The August 8, Tentative Final Decision amended pooling provisions of the Western order. Determination of producer approval of the order, by a polling of cooperatives, could not be ascertained so a referendum must be held. The referendum shall be completed on or before December 1, 2003.

USDA LAUNCHES WEB SITE FEATURING STATE MARKETING PROFILES

The U.S. Department of Agriculture announced the launch of a new Internet Web site that provides marketing profiles for all 50 states.

The site includes in-depth statistical information on farms, including size, market value, cropland, livestock inventories and commodities. There also are demographic and food consumption statistics for the major metropolitan areas in each State.

Developed by USDA's Agricultural Marketing Service, the site provides location and contact information for farmers markets, descriptions of AMS marketing projects and grants, and information on how to find organic certifying agents and organic contacts in each state department of agriculture. There is also a brief marketing summary of each state.

The site is aimed at market developers, state departments of agriculture, academics and other data collectors, as well as consumers interested in marketing activities in their state.

The site can be accessed at www.ams.usda.gov/stat summaries.

USDA SEEKS NOMINATIONS FOR NATIONAL FLUID MILK BOARD

The U.S. Department of Agriculture is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board.

The Secretary of Agriculture will appoint seven individuals from those nominated to succeed members whose terms expire June 30, 2004. Newly appointed or reappointed members will serve 3-year terms from July 1, 2004, through June 30, 2007.

USDA will accept nominations for board representation in five geographic regions and for two at-large positions. Nominees must be active owners or employees of a fluid milk processor for all regional positions and at least one at-large position. The other at-large position

may be filled by a member of the general public. Fluid milk processors and interested parties may submit nominations for regions in which they are located or market fluid milk and for at-large members.

To nominate an individual, please submit completed nomination and background forms for each nominee by December 5, 2003. Forms should be sent to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. To obtain forms or additional information, call (202) 720-6909. Blank forms are available on the Dairy Promotion and Research Branch's website at <http://www.ams.usda.gov/dairy/dairyvp.htm>.

SEPTEMBER MILK PRODUCTION DOWN 0.1 PERCENT

Milk production in the 20 major States during September totaled 11.6 billion pounds, down 0.1 percent from September 2002. August revised production, at 12.1 billion pounds, was down 0.9 percent from August 2002. The August revision represented a decrease of 17 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,503 pounds for September, 6 pounds more from September 2002.

The number of milk cows on farms in the 20 major States was 7.74 million head, 38,000 head less than September 2002, and 7,000 head less than August 2003.

The Mideast Marketing Area has four states represented in the 20 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during September totaled 1.9 billion pounds, down 45 million pounds or 2.4 percent from September 2002.

Production per cow in the Mideast states averaged 1,465 pounds for September, 15 pounds above September 2002.

The number of cows on farms in the Mideast states was 1.3 million head, 29,000 head less than September 2002.

OCTOBER 2003 - POOL SUMMARY

Classification of Producer Milk		Percent
Class I	585,797,116	54.2
Class II	222,376,756	20.6
Class III	213,915,911	19.8
Class IV	58,090,552	5.4
Total	1,080,180,335	100.0

Producer Prices

Producer Price Differential	\$ (0.14) / cwt
Butterfat Price	1.2553 / lb
Protein Price	3.2815 / lb
Other Solids Price	0.0311 / lb
Somatic Cell Adjustment Rate	0.00080 / cwt
Statistical Uniform Price	14.25 / cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33
OCTOBER 2003

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			574,746,504			\$1243 /cwt	\$ 71,440,990.43
Class I Butterfat		11,050,612				1.2207 / lb	13,489,482.07
Class I Location Differential	585,797,116						(297,514.44)
Class II SNF Value				18,861,453		0.7400 / lb	13,957,475.22
Class II Butterfat		15,480,256				1.2623 / lb	19,540,727.15
Class III Protein Value			6,603,722			3.2815 / lb	21,670,113.73
Class III Other Solids Value					12,095,422	0.0311 / lb	376,167.60
Class III Butterfat		8,734,611				1.2553 / lb	10,964,557.18
Class IV SNF Value				4,828,921		0.6642 / lb	3,207,369.31
Class IV Butterfat		5,061,169				1.2553 / lb	6,353,285.44
Somatic Cell Value II / III / IV							<u>245,357.23</u>
TOTAL PRODUCER MILK VALUE	1,080,180,335	40,326,648	33,590,197		61,263,343		<u>\$160,948,010.92</u>
Overages						\$ 15244.78	
Beginning Inventory						15037328	
TOTAL ADJUSTMENTS							<u>\$ 165,618.06</u>
TOTAL HANDLER OBLIGATIONS							<u>\$ 161,113,628.98</u>
Total Protein Value			33,590,197lbs	@	\$32815		\$(110,226,231.46)
Total Other Solids Value			61,263,343lbs	@	00311		(1,905,289.97)
Butterfat Value			40,326,648lbs	@	12553		(50,622,041.24)
Total Somatic Cell Values							<u>(478,222.59)</u>
TOTALS							<u>\$ (2,118,156.28)</u>
Net Producer Location Adjustments							\$ 567,423.66
1/2 Unobligated Balance Producer Settlement Fund							<u>530,000.00</u>
Total - Divided by Total Pounds			1,080,180,335 lbs		(0.0944965)		\$ (1,020,732.62)
Rate of Cash Reserve					(.00455035)		(491,519.86)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*					\$ (0.14) / cwt		<u>\$ (1,512,252.48)</u>

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

	<u>October</u>			<u>October</u>	
	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>
Butterfat Price	\$12553 / lb	\$10726 / lb	Class III Price - 3.5% BF	\$ 14.39	\$10.72
Protein Price	32815 / lb	21839 / lb	Producer Price Differential*	<u>(0.14)</u>	<u>0.60</u>
Other Solids Price	00311 / lb	00755 / lb	Statistical Uniform Price	\$14.25	\$11.32
Somatic Cell Adjustment Rate	0.00080 / cwt	0.00060 / cwt			
Nonfat Solids Price	06642 / lb	07765 / lb			

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

	<u>October</u>			<u>October</u>	
	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>
Class I*	\$1627	\$1246	Class I	Product lbs. 585,797,116	Product lbs. 590,239,828
Class II	1084	1091	Class II	222,376,756	224,554,569
Class III	1439	992	Class III	213,915,911	600,961,675
Class IV	1016	1022	Class IV	<u>58,090,552</u>	<u>53,971,071</u>
			Total	1,080,180,335	1,469,727,143

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2003 was \$(0.14) and the Statistical Uniform Price was \$14.25 for the month. The Statistical Uniform Price is \$32 higher than last month, and is \$2.93 higher than October 2002.

The Producer Butterfat Price of \$1.2553 per pound increased 3.35 cents from September 2003 and is up 18.27 cents from a year ago. The Protein Price of \$3.2815 is down 3.65 cents from last month and is up \$1.0976 from October 2002. The Other Solids Price in October was \$0.0311 per pound, an increase from last month's price of \$0.0170 and a decrease of 4.44 cents from last October. The Somatic Cell Adjustment rate for October was \$0.00080.

October producer receipts of 1.1 billion pounds were 73 percent higher than September 2003 and 26.5 percent lower than October 2002 production of 1.47 billion pounds. Producer milk allocated to Class I accounted for 54.2 percent of the total producer milk in October 2003, less than the 54.8 percent in September and more than the 40.1 percent in October 2002. A total of 10,443 producers were pooled on the Mideast Order with an average daily delivery 3337 of pounds compared to 10,955 producers pooled in October 2002 with an average daily delivery of 4,328 pounds.

The market average content of producer milk was as follows: Butterfat 3.73%; Protein 3.11%; Other Solids 5.67% and Nonfat Solids 8.78%.

MIDEAST MARKETING AREA HIGHLIGHTS BY QUARTER

	Average Statistical Uniform Price	Average Class I Price	Average Class II Price	Average Class III Price	Average Class IV Price	Average Protein Price	Average Butterfat Price	Average Other Solids Price
2002								
3 rd Quarter	\$11.04	\$12.52	\$11.04	\$9.60	\$10.36	\$1.9254	\$1.0576	\$0.0231
4 th Quarter	11.20	12.42	11.33	10.10	10.52	1.9271	1.1190	0.0730
2003								
1 st Quarter	10.71	12.20	10.83	9.52	9.89	1.7783	1.1563	0.0262
2 nd Quarter	10.58	11.70	10.44	9.62	9.74	1.8905	1.1530	(0.0117)
3 rd Quarter	12.74	13.48	10.73	13.29	10.05	3.0033	1.2262	0.0024

RELEASE DATES FOR PRICE DATA

Listed below are the release dates for price data applicable to January through December 2004, for the Federal milk order pricing system. The advance pricing factors will be released on the Friday before the 23rd of the month unless this date is a Friday. Likewise, the class and component prices will be released on the Friday before the 5th of the month unless this date is a Friday. Due to the Federal holiday on December 31, the release date for the December Class and Component Prices is Thursday, December 30. The release time for all release dates, except December 30, is 10:00 a.m. EST/EDST. The release time for December 30, 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 <u>1/</u>	Release Date	Time Period of NASS Prices <u>1/</u>
January	Dec. 19, 2003	12/6, 13	Jan. 30, 2004	1/3, 10, 17, 24
February	Jan. 23, 2004	1/10, 17	Mar. 5	1/31, 2/7, 14, 21, 28
March	Feb. 20	2/7, 14	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	6/5, 12	Jul. 30	7/3, 10, 17, 24
August	Jul. 23	7/10, 17	Sept. 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, which are included in the applicable average. Information for the week is released by NASS on Friday of the following week.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

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State	September 2003*						September 2002				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,460	419,048	3.55	3.01	5.71	305	432,214	3.52	2.98	5.72	322
Ohio	2,592	229,543	3.66	3.03	5.67	360	311,225	3.64	3.02	5.68	360
Indiana	1,272	122,692	3.67	3.04	5.68	351	114,878	3.62	3.03	5.69	359
New York	441	94,175	3.56	2.97	5.68	277	114,032	3.57	2.93	5.69	304
Pennsylvania	1,292	81,057	3.69	3.02	5.64	416	119,902	3.64	3.02	5.65	420
Wisconsin	2,125	45,974	3.64	2.98	5.69	320	279,297	3.63	2.98	5.71	325
West Virginia	78	4,899	3.64	3.11	5.61	459	5,731	3.58	3.06	5.64	399
Illinois	**	**	**	**	**	**	11,122	3.65	3.00	5.72	367
Other	249	10,024	3.67	3.06	5.70	367	10,143	3.67	3.04	5.68	388
Total/Average	10,509	1,007,412	3.61	3.01	5.69	332	1,398,544	3.59	2.99	5.70	342

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

** Included with "Other".



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**FEDERAL ORDER DATA
OCTOBER 2003**

<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)	1,922,809	955,270	49.7	\$0.82	\$15.21
FO 5 Appalachian - (Charlotte)	527,023	389,510	73.9	^{2/}	16.09
FO 6 Florida - (Tampa)	214,113	193,389	90.3	^{2/}	17.67
FO 7 Southeast - (Atlanta)	594,522	400,442	67.4	^{2/}	16.07
FO 30 Upper Midwest - (Chicago)	657,354	363,214	55.2	(0.88)	13.51
FO 32 Central - (Kansas City)	781,643	419,020	53.6	(0.16)	14.23
FO 33 Mideast - (Cleveland)	1,080,180	585,797	54.2	(0.14)	14.25
FO 124 Pacific Northwest - (Seattle)	376,915	187,837	49.8	(1.34)	13.05
FO 126 Southwest - (Dallas)	557,705	366,719	65.8	0.50	14.89
FO 131 Arizona-Las Vegas - (Phoenix)	234,572	86,004	36.7	^{2/}	14.31
FO 135 Western - (Salt Lake City)	174,722	100,516	57.5	(0.63)	13.76

^{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 NOVEMBER 2003 \$10.16 /cwt.

