

# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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### USDA ANNOUNCES TENTATIVE PARTIAL DECISION TO AMEND UPPER MIDWEST MILK ORDER

The U.S. Department of Agriculture announced a tentative partial decision that recommends various amendments to current provisions of the Upper Midwest Federal milk marketing order. This decision is based on testimony and evidence given at a public hearing held on Aug. 16-19, 2004, in Bloomington, Minn.

This decision adopts amendments to the performance standards and transportation credit provisions of the order. The amendments include: 1) revising the supply plant performance standards so that milk seeking to be pooled on the order demonstrates consistent service to the Class I market; 2) preventing handlers located within the states that comprise the marketing area from qualifying milk located outside of these states; 3) eliminating diversions to non-pool plants outside of the states that comprise the marketing area; and 4) establishing a limit on the receipt by handlers of a transportation credit for milk movements of 400 miles or less.

The decision was published in the April 14 Federal Register. Interested persons have 60 days to file comments in response to the tentative partial decision. USDA will determine if producers approve the amended order. For additional information about the decision contact: H. Paul Kyburz, Market Administrator; USDA/AMS/Dairy Programs; Suite 210; 4570 West 77th Street; Minneapolis, MN, 55435-5037; Tel. (952) 831-5292; e-mail: [pkkyburz@fmma30.com](mailto:pkkyburz@fmma30.com).

### JOHANN'S NAMES MEMBERS TO NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

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

Re-appointed to serve second terms are: James S. Jaskiewicz, Lakeland, Fla. (Region 5) and Gary L. Aggus, Springfield, Mo. (Region 11).

Re-appointed to serve a first term after filling a vacancy lasting less than 18 months is Joseph Cervantes, Binghamton, N.Y. (Region 2); and Jerry Tidwell, Walnut Creek, Calif. (Region 14).

Newly appointed are: Brian Haugh, Dallas, Texas (Region 8) and Michael A. Krueger, Phoenix, Ariz., (At-Large Processor).

Terms for these appointees begin July 1, 2005, and expire June 30, 2008. All appointees will be seated at the summer board meeting July 21-23, 2005.

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 hundred weight 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 3,000,000 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 programs.

### MARCH MILK PRODUCTION UP 3.1 PERCENT

Milk production in the 23 major States during March totaled 13.8 billion pounds, up 3.1 percent from March 2004. February revised production, at 12.3 billion pounds, was down 0.5 percent from February 2004. The February revision represented an increase of 0.2 percent or 30 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,704 pounds for March, 43 pounds above March 2004. *(continued on page 3)*

### APRIL 2005 POOL SUMMARY

#### Classification of Producer Milk

		Percent
Class I	535,461,685	36.5
Class II	261,545,523	17.8
Class III	552,208,178	37.6
Class IV	119,586,529	8.1
Total	1,468,801,915	100.0

#### Producer Prices

Producer Price Differential	\$ 0.15 / cwt
Butterfat Price	1.6964 / lb
Protein Price	2.7055 / lb
Other Solids Price	0.1020 / lb
Somatic Cell Adjustment Rate	0.00078 / cwt
Statistical Uniform Price	14.76 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES****Federal Order No. 33****APRIL 2005****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			525,751,226			\$ 10.35 / cwt	\$ 54,415,251.89
Class I Butterfat		9,710,459				1.7559 / lb	17,050,594.97
Class I Location Differential	535,461,685						(266,148.16)
Class II SNF Value				22,167,649		0.8378 / lb	18,572,056.32
Class II Butterfat		16,454,801				1.7034 / lb	28,029,108.01
Class III Protein Value			16,668,973			2.7055 / lb	45,097,906.48
Class III Other Solids Value					31,771,206	0.1020 / lb	3,240,663.02
Class III Butterfat		17,193,126				1.6964 / lb	29,166,418.96
Class IV SNF Value				9,891,583		0.7678 / lb	7,594,757.42
Class IV Butterfat		10,122,666				1.6964 / lb	17,172,090.55
Somatic Cell Value II / III / IV							<u>714,116.46</u>
TOTAL PRODUCER MILK VALUE	1,468,801,915	53,481,052	44,085,782		84,033,166		\$ 220,786,815.92
O verages						\$ 58,941.80	
Beginning Inventory						13,362.89	
OS Charges							
TOTAL ADJUSTMENTS							\$ <u>72,304.69</u>
TOTAL HANDLER OBLIGATIONS							\$ 220,859,120.61
Total Protein Value			44,085,782 lbs	@	\$ 2.7055		\$ (119,274,083.18)
Total Other Solids Value			84,033,166 lbs	@	0.1020		(8,571,382.96)
Butterfat Value			53,481,052 lbs	@	1.6964		(90,725,256.57)
Total Somatic Cell Values							(1,054,889.88)
TOTALS							\$ <u>1,233,508.02</u>
Net Producer Location Adjustments							\$ 790,785.86
1/2 Unobligated Balance Producer Settlement Fund							<u>768,000.00</u>
Total - Divided by Total Pounds			1,468,801,915 lbs		0.1901069		\$ 2,792,293.88
Rate of Cash Reserve					(0.0401069)		(589,090.92)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,468,801,915		\$ 0.15 cwt		\$ <u>2,203,202.96</u>

**COMPONENT PRICES**

April

	<u>2005</u>	<u>2004</u>
Butterfat Price	\$1.6964 / lb	\$2.5013 / lb
Protein Price	2.7055 / lb	3.4465 / lb
Other Solids Price	0.1020 / lb	0.1042 / lb
Somatic Cell Adjustment Rate	0.00078 / cwt	0.00103 / cwt
Nonfat Solids Price	0.7678 / lb	0.6703 / lb

**COMPUTATION OF UNIFORM PRICE**

April

	<u>2005</u>	<u>2004</u>
Class III Price - 3.5% BF	\$ 14.61	\$ 19.66
Producer Price Differential*	<u>0.15</u>	<u>(3.78)</u>
Statistical Uniform Price	\$14.76	\$15.88

**CLASS PRICES**

April

	<u>2005</u>	<u>2004</u>
Class I*	\$16.13	\$15.64
Class II	13.24	15.21
Class III	14.61	19.66
Class IV	12.61	14.57

**CLASSIFICATION OF PRODUCER MILK**

April

	<u>2005</u>	<u>2004</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	535,461,685	544,176,824
Class II	261,545,523	226,531,074
Class III	552,208,178	44,787,307
Class IV	<u>119,586,529</u>	<u>57,786,432</u>
Total	1,468,801,915	873,281,637

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for April 2005 was \$0.15 and the Statistical Uniform Price was \$14.76 for the month. The Statistical Uniform Price is \$0.19 lower than last month, and is \$1.12 lower than April 2004.

The Producer Butterfat Price of \$1.6964 per pound decreased 3.15 cents from March 2005 and is down 80.49 cents from a year ago. The Protein Price of \$2.7055 is up 20.36 cents from last month and is down 74.10 cents from April 2004. The Other Solids Price in April was \$0.1020 per pound, an increase from last month's price of \$0.0951 and a decrease of 0.22 cents from last April. The Somatic Cell Adjustment rate for April was \$0.00078.

April producer receipts of 1.47 billion pounds were 11.7 percent lower than March 2005, and 68.2 percent higher than April 2004 production of 873.3 million pounds. Producer milk allocated to Class I accounted for 36.5 percent of the total producer milk in April 2005, more than the 32.9 percent in March 2005 and less than the 62.3 percent in April 2004. A total of 9,847 producers were pooled on the Mideast Order compared to 9,535 producers pooled in April 2004.

The market average content of producer milk was as follows: Butterfat 3.64%; Protein 3.00%; Other Solids 5.72% and Nonfat Solids 8.72%.

(continued from Front Page)

The number of milk cows on farms in the 23 major States was 8.10 million head, 38,000 head more than March 2004, and 21,000 head more than February 2005.

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 2.1 billion pounds, up 35 million pounds or 1.7 percent from March 2004.

Production per cow in the Mideast states averaged 1,660 pounds for March, 18 pounds below March 2004.

The number of cows on farms in the Mideast states was 1.3 million head, 18,000 head more than March 2004.

**USDA ANNOUNCES A RECOMMENDED DECISION TO AMEND THE PACIFIC NORTHWEST AND ARIZONA-LAS VEGAS MILK MARKETING ORDERS**

The U. S. Department of Agriculture announced a decision that recommends amendments to the current provisions of the Pacific Northwest and Arizona-Las Vegas Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held at Tempe, Ariz., beginning on Sept. 23, 2003; reconvened and continuing at Seattle, Wash. on Nov. 17, 2003, and reconvened and concluding at Alexandria, Va., on Jan. 23, 2004.

The decision recommends establishing a three million pound per month route disposition limit, which if exceeded, would make a producer-handler subject to the pooling and pricing provisions of the Pacific Northwest and the Arizona-Las Vegas milk marketing orders.

The recommended decision was published in the April 13 Federal Register. Interested persons have 60 days to file comments in response to the recommended decision.

For additional information about the decision contact: Pacific Northwest and Arizona-Las Vegas; James R. Daughtery, Market Administrator; USDA/AMS/Dairy Programs; 1930-220th Street, S.E., Suite 102; Bothell, Washington 98021-8471; Tel. (425)487-6009.

**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 Oct. 31, 2005. The 12 new members will serve 3-year terms beginning Nov. 1, 2005, and ending Oct. 31, 2008.

AMS encourages all eligible women, minorities, and persons with disabilities to serve and participate in its committee and board activities. It is USDA's policy that membership on industry-governed committees and boards, such as the National Dairy Promotion and Research Board, accurately reflect the diversity of individuals served by the programs.

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.

Appointments will be made from nominations for the following: Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 5 (Minnesota, North Dakota, and South Dakota); Region 6 (Wisconsin); Region 7 (Illinois, Iowa, Missouri, and Nebraska); Region 8 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); Region 12 (New York) and Region 13 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont).

The national program is financed by a mandatory 15-cent per hundred weight assessment on all milk marketed commercially by dairy producers in the contiguous 48 states.

For nominating forms and procedures, contact the 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 [michael.johnson2@usda.gov](mailto:michael.johnson2@usda.gov).

<b>Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State</b>											
<b>Federal Order No. 33</b>											
State	<b>March 2005</b>						<b>March 2004</b>				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,244	512,844	3.66	3.05	5.74	244	473,038	3.67	3.04	5.72	277
Ohio	2,481	349,617	3.75	3.08	5.71	272	345,625	3.75	3.08	5.69	290
Wisconsin	1,779	328,898	3.73	3.01	5.74	239	82,035	3.74	3.00	5.71	295
Indiana	1,163	165,497	3.74	3.05	5.73	250	177,098	3.72	3.04	5.71	263
New York	521	143,873	3.66	3.01	5.68	227	85,961	3.67	3.00	5.69	233
Pennsylvania	1,276	116,638	3.83	3.10	5.70	331	117,180	3.83	3.08	5.67	348
Illinois	90	19,659	3.60	2.97	5.75	229	32,677	3.81	3.02	5.74	330
West Virginia	69	5,328	3.84	3.15	5.72	375	6,490	3.81	3.15	5.69	379
Other	144	21,304	3.69	3.04	5.74	283	66,855	3.80	3.06	5.68	336
Total/Average *	9,767	1,663,659	3.71	3.05	5.73	255	1,297,379	3.72	3.05	5.70	284

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



**United States  
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Agriculture**

**Mideast Market Administrator Bulletin**  
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**FEDERAL ORDER DATA  
APRIL 2005**

<u>Marketing Area</u> <sup>1/</sup>	<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)	2,008,959	860,733	42.9	\$0.91	\$15.52
FO 5 Appalachian - (Charlotte)	582,359	359,035	61.7	<sup>2/</sup>	15.92
FO 6 Florida - (Tampa)	283,685	223,901	78.9	<sup>2/</sup>	17.30
FO 7 Southeast - (Atlanta)	691,728	391,110	56.6	<sup>2/</sup>	15.85
FO 30 Upper Midwest - (Chicago)	689,424	368,145	53.4	0.04	14.65
FO 32 Central - (Kansas City)	768,604	361,117	47.0	(0.02)	14.59
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,468,802</b>	<b>535,462</b>	<b>36.5</b>	<b>0.15</b>	<b>14.76</b>
FO 124 Pacific Northwest - (Seattle)	453,016	176,718	39.0	(0.49)	14.12
FO 126 Southwest - (Dallas)	715,102	350,396	49.0	0.67	15.28
FO 131 Arizona-Las Vegas - (Phoenix)	268,676	82,266	30.6	<sup>2/</sup>	14.59

<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 2005 ..... \$12.61 /cwt.**