



The Market Administrator's Bulletin

MIDEAST MARKETING AREA

Federal Order No. 33

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February 2001

USDA ANNOUNCES ADJUSTMENTS IN 2001 PURCHASE PRICES FOR MILK AND MILK PRODUCTS

The U.S. Department of Agriculture announced January 18, 2001, that the Commodity Credit Corporation (CCC) purchase prices for butter, nonfat dry milk, and cheese bought under the Milk Price Support Program are being adjusted, effective January 16, 2001. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001, extended the price support program through calendar year 2001 at the 2000 support price of \$9.90 per hundredweight of milk with an annual average milkfat content of 3.67 percent.

The announced purchase prices of these products are being adjusted in order to reflect the new pricing formulas under the reformed Federal Milk Marketing Orders. CCC will increase the price it pays for block Cheddar and barrel cheese by 0.94 cents to \$1.1314 and \$1.1014 per pound, respectively. The purchase price for butter will decrease by 1.31 cents to \$0.6549 per pound, and the purchase price for nonfat dry milk will decrease by 0.68 cents to \$1.0032 per pound. The purchase prices of butter and nonfat dry milk are adjusted in proportion to their contribution to the milk price. Therefore, there is no change in the butter/NDM relationship.

Further terms and conditions for purchases of dairy products will be contained in subsequent announcements.

USDA ENJOINED FROM IMPLEMENTING CLASS III BUTTERFAT PRICE

U.S. District Court Judge Royce C. Lamberth enjoined USDA from implementing portions of the interim final amendments to Federal milk orders that became effective January 1, 2001. The Judge's order restores the butterfat and protein price formulas that were implemented under Federal order reform on January 1, 2000, with the following changes:

- In the protein formula, incorporate the 16.5-cent make allowance for cheese and the 38% moisture adjustment for 500 pound barrel cheese adopted in the January 1, 2001, interim final amendments.
- In the butterfat formula, incorporate the 11.5-cent make allowance for butter adopted in the January 1, 2001, amendments in formula for calculating the butterfat price applicable to both Class III and Class IV.
- The order also incorporates the January 1, 2001, nonfat solids and other solids price formulas, based on the values of these components in nonfat dry milk and dry whey.

Advance Class I and II price components for milk marketed on or after March 1, 2001, will be computed using the component price formulas in the Judge's order and the procedure used for 2000 prices.

FEBRUARY MILK SUPPLY AND DEMAND ESTIMATES

Milk production projections for 2000/01 are lowered this month as the Cattle report indicates that dairy cow numbers on January 1, 2001, were lower than expected. Recent data also showed lower than expected milk output per cow in December. Slower growth in milk production, coupled with a change in the Class III price calculation, results in a 15-cent increase in the forecast Class III price. The Class IV price is raised 15 cents to \$11.90 to \$12.60 per cwt. The all milk price is raised 20 cents per cwt.

CHANGE IN WEB PAGE ADDRESS

The Mideast Market Administrator's Office has a new web page address. The new address is: www.fmmaclev.com.

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**MARKET STATISTICS
JANUARY 2001**

PRODUCER MILK CLASSIFICATION	<i>Pounds</i>
Class I	588,145,544
Class II	164,669,483
Class III	578,362,778
Class IV	53,992,268
Total	1,385,170,073
 OTHER SOURCE RECEIPTS	
Non-Pool Plants	48,151,942
Producer-Handler/Unapproved	1,491,113
Powder-Condensed (Sk. Equiv.)	14,329,090
Opening Inventory	85,404,103
Overage	187,447
Total	149,563,695
 TOTAL RECEIPTS	 1,534,733,768

PRODUCTION SUMMARY	
Producer Milk Percent Protein	3.08%
Producer Milk Percent Butterfat	3.81%
Producer Milk Percent Other Solids	5.68%
Producer Milk Percent Nonfat Solids	8.76%
Number of Producer Farms	11,232
Average Daily Production Per Farm	3,978
Average Daily Production	44,682,906
Number of Reports - Plants and Cooperatives	74
Number of Reporting Handlers	40
Income Per Farm (Monthly Average)	\$16,052
Total Somatic Cell Adjustment	\$357,334

PRICE SUMMARY	
Producer Price Differential - <i>per cwt.</i>	*\$2.55
Producer Butterfat Price - <i>per lb.</i>	1.2896
Producer Protein Price - <i>per lb.</i>	1.6181
Producer Other Solids Price - <i>per lb.</i>	0.1120
Nonfat Solids Price - <i>per lb.</i>	0.8765
Uniform Price - <i>per cwt (Informational Purposes Only)</i>	*\$12.54
Class I	*\$15.99
Class II	12.82
Class III	9.99
Class IV	12.13
 Class I Skim Milk Price - <i>per cwt.</i>	 *\$9.88
Class I Butterfat Price - <i>per lb.</i>	*\$1.8444
Class II Skim Milk Price - <i>per cwt.</i>	8.58
Class II Nonfat Solids Price - <i>per lb.</i>	0.9533
Class II Butterfat Price - <i>per lb.</i>	1.2966
Class III Skim Milk Price - <i>per cwt.</i>	5.68
Class IV Skim Milk Price - <i>per cwt.</i>	7.89
Class III & IV Butterfat Price - <i>per lb.</i>	1.2896

*Price at Cuyahoga County, Ohio (Cleveland). Subject to location adjustment.

**DISPOSITION OF RECEIPTS BY POOL HANDLERS
JANUARY 2001**

CLASS I	<i>Pounds</i>
Whole Milk	146,877,018
Flavored Whole Milk	10,202,711
2% Reduced Fat Milk	243,132,394
1% Lowfat Milk	39,489,123
1/2% Lowfat Milk	16,497,055
Flavored Lowfat & Skim	43,376,697
Fat Free Milk	84,459,230
Eggnog	4,515,692
Buttermilk	66,034
Bulk Sales	3,279,133
Shrinkage	2,857,230
Ending Inventory	44,332,765
Total Class I	639,085,082
CLASS II	
Cream	5,651,692
Sour Cream, Dips & Yogurt	62,783,257
Cottage Cheese	36,681,779
Ice Cream Mix & Condensed	59,172,354
Skim Equivalent	11,403,698
Shrinkage	*
Transfers to Other Federal Order Pool Plants	2,613,259
Total Class II	178,306,039
CLASS III	
Hard Cheese	531,259,065
Condensed & Evaporated Milk	38,455,113
Livestock Feed & Dump	1,664,812
Other	236,711
Transfers to Other Federal Order Pool Plants	19,805,181
Shrinkage	12,924,390
Total Class III	604,345,272
CLASS IV	
Butter	23,457,234
Whole Milk Powder	4,001,710
Nonfat Dry Milk	30,301,036
Skim Equivalent Used to Fortify	2,106,153
Transfers to Other Federal Order Pool Plants	15,164,751
Ending Inventory	37,966,491
Total Class IV	112,997,375
TOTAL DISPOSITION	1,534,733,768
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PRODUCER BUTTERFAT UTILIZATION	
Class I	11,079,230
Class II	11,129,776
Class III	21,096,286
Class IV	9,508,717
Total Butterfat	52,814,009
PRODUCER NONFAT SOLIDS UTILIZATION	
Class II	13,997,299
Class IV	4,046,156
Total Nonfat Solids	121,341,584
PRODUCER PROTEIN UTILIZATION	
Class III	17,776,629
Total Protein	42,638,886
PRODUCER OTHER SOLIDS UTILIZATION	
Class III	32,911,178
Total Other Solids	78,702,698
SOMATIC CELL ADJUSTMENT	
Class II / III / IV	\$237,547

* Restricted, included with Ice Cream Mix & Condensed.

**ANNOUNCEMENT OF PRODUCER PRICES
JANUARY 2001**

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>BUTTERFAT</u>	<u>PROTEIN</u>	<u>SKIM / SOLIDS</u>	<u>NONFAT SOLIDS</u>	<u>OTHER PRICE</u>	<u>VALUE</u>
Class I Skim Value			577,066,314			\$ 9.88 / cwt	\$ 57,014,151.77
Class I Butterfat		11,079,230				1.8444 / lb	20,434,531.82
Class I Location Differential	588,145,544						(338,702.28)
Class II SNF Value				13,997,299		0.9533 / lb	13,343,625.16
Class II Butterfat		11,129,776				1.2966 / lb	14,430,867.57
Class III Protein Value			17,776,629			1.6181 / lb	28,764,363.36
Class III Other Solids Value					32,911,178	0.1120 / lb	3,686,051.92
Class III Butterfat		21,096,286				1.2896 / lb	27,205,770.46
Class IV SNF Value				4,046,156		0.8765 / lb	3,546,455.71
Class IV Butterfat		9,508,717				1.2896 / lb	12,262,441.41
Somatic Cell Value II / III / IV							<u>237,546.82</u>
TOTAL PRODUCER MILK VALUE	1,385,170,073	52,814,009	42,638,886		78,702,698		\$ 180,587,103.72
Overages					\$ 17,095.29		
Beginning Inventory					(161,666.82)		
TOTAL ADJUSTMENTS							\$ (144,571.53)
TOTAL HANDLER OBLIGATIONS							\$ 180,442,532.19
Total Protein Value			42,638,886 lbs	@	\$ 1.6181		\$ (68,993,981.46)
Total Other Solids Value			78,702,698 lbs	@	0.1120		(8,814,702.18)
Butterfat Value			52,814,009 lbs	@	1.2896		(68,108,945.98)
Total Somatic Cell Values							<u>(357,333.77)</u>
TOTALS							\$ 34,167,568.80
Net Producer Location Adjustments							\$ 1,302,948.86
1/2 Unobligated Balance Producer Settlement Fund							<u>440,000.00</u>
Total - Divided by Total Pounds			1,385,170,073 lbs		2.5924988		\$ 35,910,517.66
Rate of Cash Reserve					(0.0424988)		<u>(588,680.66)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,385,170,073		\$2.55 / cwt		\$ 35,321,837.00

COMPONENT PRICES

Butterfat Price	\$1.2896 / lb
Protein Price	1.6181 / lb
Other Solids Price	0.1120 / lb
Somatic Cell Adjustment Rate	0.00056 / cwt
Nonfat Solids Price (For Informational Purpose Only) **	0.8765 / lb

MARKET AVERAGE CONTENT OF PRODUCER MILK

Butterfat	3.81%
Protein	3.08 %
Other Solids	5.68 %
Nonfat Solids	8.76 %

CLASSIFICATION OF PRODUCER MILK

	<i>Product lbs.</i>	<i>Percent</i>
Class I	588,145,544	42.5
Class II	164,669,483	11.9
Class III	578,362,778	41.7
Class IV	<u>53,992,268</u>	<u>3.9</u>
Total	1,385,170,073	100.0

COMPUTATION OF UNIFORM PRICE

Class III Price - 3.5% BF	\$ 9.99
Producer Price Differential	<u>2.55</u>
Statistical Uniform Price (For Informational Purpose Only)	\$12.54

* Subject to Location Adjustment.

** Producers are not paid on this component.

**PRODUCER MILK SUMMARY
MIDEAST MARKETING AREA**

	Class I		Class II		Class III		Class IV		Total Pounds (000)
	Pounds (000)	Percent	Pounds (000)	Percent	Pounds (000)	Percent	Pounds (000)	Percent	
2000									
January	584,035	52.0	172,647	15.4	252,859	22.5	114,147	10.1	1,123,688
February	549,648	52.0	187,567	17.7	250,519	23.7	69,791	6.6	1,057,525
March	586,082	50.3	223,960	19.2	277,773	23.8	77,864	6.7	1,165,678
April	523,073	47.3	177,283	16.0	295,612	26.8	108,829	9.9	1,104,797
May	556,333	49.1	178,128	15.7	308,236	27.2	90,991	8.0	1,133,688
June	521,550	46.8	176,612	15.9	340,349	30.5	75,950	6.8	1,114,461
July	514,292	42.4	212,421	17.5	386,607	31.9	99,998	8.2	1,213,319
August	578,775	48.9	194,567	16.4	365,309	30.8	46,034	3.9	1,184,684
September	577,626	45.9	207,934	16.5	422,422	33.5	51,430	4.1	1,259,412
October	568,995	43.3	163,103	12.4	509,097	38.8	72,129	5.5	1,313,325
November	577,879	45.7	142,721	11.3	502,566	39.7	41,250	3.3	1,264,416
December	577,956	46.4	83,133	6.7	541,598	43.5	43,089	3.4	1,245,776
2001									
January	588,146	42.5	164,669	11.9	578,363	41.7	53,992	3.9	1,385,170

**NATIONAL AGRICULTURAL STATISTICAL SERVICE
DAIRY PRODUCTS PRICE AVERAGES**

	Two-Week Average				Monthly Average			
	Cheese	Butter	Nonfat Dry Milk	Dry Whey	Cheese	Butter	Nonfat Dry Milk	Dry Whey
	<i>Dollars per pound</i>				<i>Dollars per pound</i>			
2000								
January	1.1696	0.8768	1.0114	0.1859	1.1517	0.8820	1.0115	0.1857
February	1.1084	0.9105	1.0104	0.1800	1.1067	0.9002	1.0106	0.1788
March	1.1073	0.9331	1.0098	0.1771	1.1093	0.9497	1.0094	0.1780
April	1.1035	1.0618	1.0096	0.1774	1.1011	1.0449	1.0078	0.1765
May	1.1011	1.1140	1.0100	0.1755	1.1022	1.1680	1.0071	0.1760
June	1.1060	1.2911	1.0106	0.1794	1.1137	1.2725	1.0097	0.1794
July	1.2269	1.1729	1.0093	0.1893	1.2189	1.1547	1.0102	0.1909
August	1.1847	1.1465	1.0091	0.1940	1.1660	1.1520	1.0108	0.1929
September	1.2380	1.1444	1.0168	0.1856	1.2315	1.1560	1.0166	0.1856
October	1.2012	1.1337	1.0143	0.1820	1.1602	1.1344	1.0127	0.1826
November	1.0259	1.2032	1.0157	0.1881	1.0245	1.4051	1.0159	0.1917
December	1.0930	1.6110	1.0159	0.2194	1.0898	1.4698	1.0158	0.2172
2001								
January	1.1340	1.1279	1.0172	0.2446	1.1180	1.1725	1.0165	0.2484

BALANCE SHEET - MARKETING SERVICE FUND

As of December 31, 2000

ASSETS

Current Assets:

Cash and Bank Deposits	\$ 350,130.32
Investments	.00
Accounts Receivable - Handlers	172,385.77
Allowance for Uncollectible Accounts	(187.35)
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

Other Assets:

Prepaid Expenses	\$ 26,920.17
Deposits	1,075.86

Fixed Assets:

Motor Vehicles	\$ 446,753.66
Accumulated Depreciation	(274,749.40)
Furniture and Equipment	81,714.33
Accumulated Depreciation	(63,179.29)
Laboratory Equipment	629,801.77
Accumulated Depreciation	(378,432.37)
Leasehold Improvements	67,450.13
Accumulated Depreciation	(32,580.69)

Total Assets

\$ 1,027,102.91

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$.00
Accrued Employee Salaries Payable	.00
Accrued Employee Annual Leave	111,411.32
Payroll Contributions and Withholdings	.00

Operating Balance

\$ 915,691.59

Total Liabilities and Operating Balance

\$ 1,027,102.91

**Midwest Marketing Area - Federal Order 33
Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count
by Various Size Categories**

Production Range	Number of Producers	Pounds of Milk (000)	December 2000 *				December 1999**		
			-----Weighted Averages-----				-----Weighted Averages-----		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
1 - 30,000	2,168	38,701	4.06	3.17	5.56	389	4.06	3.38	345
30,001 - 60,000	2,695	119,887	3.98	3.15	5.61	354	3.97	3.34	310
60,001 - 90,000	1,832	135,718	3.92	3.13	5.63	325	3.90	3.32	287
90,001 - 120,000	1,179	122,882	3.90	3.12	5.65	304	3.88	3.31	278
120,001 - 150,000	690	92,225	3.90	3.13	5.66	302	3.88	3.31	270
150,001 - 250,000	1,129	213,876	3.89	3.12	5.68	279	3.86	3.30	250
250,001 - 500,000	615	206,008	3.85	3.11	5.70	257	3.83	3.28	232
500,001 & Over	307	314,449	3.74	3.07	5.72	247	3.72	3.23	227
Total / Average	10,615	1,243,747	3.86	3.11	5.67	287	3.85	3.29	260

* Data provided on a one month delay basis.

** Data prior to January 2000 included the former Federal Orders 33, 36 and 40. Tests were not available for other solids.

INCOME AND EXPENSE STATEMENT - MARKETING SERVICE FUND

For the Year Ending December 31, 2000

Income:

Assessments or Deductions	\$ 2,081,749.39
Late Payment Charges Assessed	.00
Miscellaneous	<u>44,236.96</u>

Total Income \$ 2,125,986.35

Expenses:

Salaries and Services	\$ 1,265,987.03
Travel	160,800.68
Communications	90,154.49
Employer Payroll Contributions	287,477.96
Insurance	6,736.01
Rent - Buildings and Equipment	91,856.29
Repairs and Maintenance	26,317.44
Supplies	138,779.29
Testing and Weighing	22,553.59
Utilities	20,179.80
Depreciation of Fixed Assets	185,328.94
Conferences and Meetings	.00
Training	4,657.63
Miscellaneous	1,143.75
Amortization of Leasehold Improvements	<u>13,959.34</u>

Total Expenses \$ 2,315,932.24

Net Income \$ (189,945.89)

**Mideast Marketing Area - Federal Order 33
Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count
by State**

State	Number of Producers	Pounds of Milk (000)	December 2000 *				December 1999**		
			Butterfat	Protein	Other Solids	SCC(000)	Butterfat	Protein	SCC(000)
Ohio	2,677	281,788	3.91	3.15	5.67	297	3.90	3.31	258
Pennsylvania	1,641	130,860	3.92	3.14	5.65	343	3.89	3.30	305
Michigan	2,593	338,407	3.83	3.11	5.69	279	3.80	3.28	243
New York	434	89,112	3.78	3.05	5.69	245	3.84	3.23	264
West Virginia	77	5,528	3.94	3.19	5.66	377	3.89	3.35	317
Indiana	1,298	115,601	3.93	3.16	5.68	296	3.95	3.32	279
Illinois***	133	15,452	3.77	3.03	5.54	294			
Wisconsin***	1,644	251,245	3.81	3.05	5.66	256			
Other	118	15,753	4.12	3.17	5.64	446	3.84	3.33	283
Total/Average	10,615	1,243,747	3.86	3.11	5.67	287	3.85	3.29	260

* Data provided on a one month delay basis.

** Data prior to January 2000 included the former Federal Orders 33, 36 and 40. Tests were not available for other solids.

*** Data included with Other States prior to August 2000.

The Market Administrator's Bulletin
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BULK RATE
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FEDERAL ORDER DATA
JANUARY 2001

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential	Statistical Uniform Price
	Total (000)	Class I (000)			
FO 1 Northeast - (<i>Boston</i>)	2,050,694	888,288	43.3	\$3.77	\$13.76
FO 5 Appalachian - (<i>Charlotte</i>)	554,671	378,228	68.2	2/	15.00
FO 6 Florida - (<i>Tampa</i>)	259,032	232,905	89.9	2/	16.75
FO 7 Southeast - (<i>Atlanta</i>)	654,218	423,511	64.7	2/	14.73
FO 30 Upper Midwest - (<i>Chicago</i>)	1,728,736	344,435	19.9	1.03	11.02
FO 32 Central - (<i>Kansas City</i>)	1,410,871	434,763	30.8	1.86	11.85
FO 33 Mideast - (<i>Cleveland</i>)	1,385,170	588,146	42.5	2.55	12.54
FO 124 Pacific Northwest - (<i>Seattle</i>)	601,073	187,662	31.2	2.35	12.34
FO 126 Southwest - (<i>Dallas</i>)	748,007	357,747	47.8	3.63	13.62
FO 131 Arizona-Las Vegas - (<i>Phoenix</i>)	264,245	83,690	31.7	2/	12.37
FO 135 Western - (<i>Salt Lake City</i>)	327,450	88,549	27.0	1.71	11.70

1/ Names in parentheses are principal pricing 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 FEBRUARY 2001 \$ 9.99 / cwt.



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