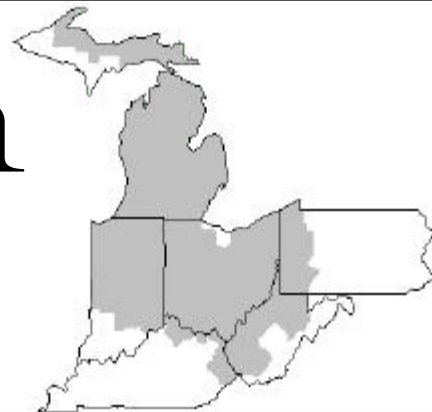


Mideast Market Administrator's Bulletin



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

July 2003

USDA AMENDS UPPER MIDWEST MILK MARKETING ORDER

The U.S. Department of Agriculture has announced a final decision amending the Upper Midwest Federal Milk Marketing order. Under the decision, provisions that were previously implemented on an interim basis will be made permanent.

This final decision continues to prohibit the ability to simultaneously pool milk on the Upper Midwest Federal milk order and on a State-operated milk order that has marketwide pooling. It also continues to limit the amount of milk that can be diverted to nonpool plants from pool distributing plants regulated under the order.

This decision requires determining producer approval. USDA will conduct a vote on the amended order. If producers approve, a final rule will follow to implement these changes on a permanent basis.

For additional information about the decision, contact: Paul H. Kyburz, Upper Midwest Market Administrator; USDA/AMS/Dairy Programs; Suite 210, 4570 West 77th St., Minneapolis, MN 55435-5037; Telephone (952) 831-5292; or e-mail pkkyburz@fmma30.com.

MAY 2003 HIGHLIGHTS

There were 164 producers with production over one million pounds pooled for the Mideast Marketing Area in May. They accounted for 21.5 percent of the milk pooled or 330 million pounds. Michigan led with 64 producers, followed by Ohio with 30 producers, Wisconsin with 27 producers, New York with 25 producers, and Indiana with 15 producers. The other producers were from Illinois and Pennsylvania.

The total number of producers pooled in the Mideast Marketing Area in May was 10,312. It took the top 541 producers to satisfy the needs of 562.5 million pounds of milk in Class I Utilization. A total of 1,309 producers were needed to cover the 795.9 million pounds used in Class I and Class II Utilization.

The top five states pooling milk in the Mideast Marketing Area in May 2003 were Michigan, Ohio, Wisconsin, Indiana, and Pennsylvania. Michigan producers marketed 476.3 million pounds of milk, Ohio producers marketed 352.4 million pounds of milk, Wisconsin producers marketed 271.3 million pounds of milk, Indiana marketed 164.9 million pounds of milk, and Pennsylvania producers marketed 132.4 million pounds of milk.

The average production pooled per producer in the Mideast Marketing Area in May 2003 was 148.7 thousand pounds of milk. The average production pooled per producer in Michigan was 190.5 thousand pounds of milk; Ohio averaged 137.1 thousand pounds of

milk. Wisconsin averaged 146.8 thousand pounds of milk for May. Indiana averaged 131.0 thousand pounds of milk pooled for the month, and Pennsylvania averaged 96.6 thousand pounds of milk pooled in May 2003.

MAY MILK PRODUCTION DOWN 0.4 PERCENT

Milk production in the 20 major States during May totaled 13.0 billion pounds, down .4 percent from May 2002. April revised production, at 12.6 billion pounds, was up 0.6 percent from April 2002. The April revision represented a decrease of 0.2 percent or 30 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,669 pounds for May, 9 pounds below May 2002.

The number of milk cows on farms in the 20 major States was 7.79 million head, 17,000 head more than May 2002, but 12,000 head less than April 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 May totaled 2.1 billion pounds, down 24 million pounds or 1.1 percent from May 2002.

Production per cow in the Mideast states averaged 1,629 pounds for May, 6 pounds above May 2002. The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head less than May 2002.

JUNE 2003 POOL SUMMARY

Classification of Producer Milk		Percent
Class I	485,359,456	34.0
Class II	226,133,281	15.8
Class III	639,543,563	44.7
Class IV	78,975,810	5.5
Total	1,430,012,110	100.0

Producer Prices

Producer Price Differential	\$0.88 / cwt
Butterfat Price	1.1576 / lb
Protein Price	1.9434 / lb
Other Solids Price	(0.0200) / lb
Somatic Cell Adjustment Rate	0.00057 / cwt
Statistical Uniform Price	10.63 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****JUNE 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			476,139,733			\$ 792 / cwt	\$ 37,710,266.84
Class I Butterfat		9,219,723				1.1700 / lb	10,787,075.91
Class I Location Differential	485,359,456						(255,651.59)
Class II SNF Value				18,901,256		0.7356 / lb	13,903,763.92
Class II Butterfat		16,462,028				1.1646 / lb	19,171,677.82
Class III Protein Value			19,001,573			1.9434 / lb	36,927,656.95
Class III Other Solids Value					36,765,432	(0.0200) / lb	(735,308.64)
Class III Butterfat		20,826,181				1.1576 / lb	24,108,387.12
Class IV SNF Value				6,676,568		0.6574 / lb	4,389,175.79
Class IV Butterfat		4,802,248				1.1576 / lb	5,559,082.30
Somatic Cell Value II / III / IV							<u>257,019.62</u>
TOTAL PRODUCER MILK VALUE	1,430,012,110	51,310,180	42,413,005		81,921,966		\$151,823,146.04
Overages						\$ 34,400.07	
Beginning Inventory						32,283.54	
TOTAL ADJUSTMENTS							\$ 66,683.61
TOTAL HANDLER OBLIGATIONS							\$ 151,889,829.65
Total Protein Value			42,413,005 lbs	@	\$19434		\$ (82,425,433.94)
Total Other Solids Value			81,921,966 lbs	@	(0.0200)		1,638,439.32
Butterfat Value			51,310,180 lbs	@	1.1576		(59,396,664.33)
Total Somatic Cell Values							<u>(346,026.03)</u>
TOTALS							\$ 11,360,144.67
Net Producer Location Adjustments							\$ 1,205,483.85
1/2 Unobligated Balance Producer Settlement Fund							<u>723,000.00</u>
Total - Divided by Total Pounds			1,430,012,110 lbs		0.9292669		\$ 13,288,628.52
Rate of Cash Reserve					(0.0492669)		<u>(704,522.64)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,430,012,110		\$0.88 / cwt		\$ 12,584,105.88

COMPONENT PRICES**COMPUTATION OF UNIFORM PRICE**

	<u>June</u>		<u>June</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Butterfat Price	\$1.1576 / lb	\$1.1211 / lb	Class III Price - 3.5% BF	\$ 9.75
Protein Price	1.9434 / lb	2.0148 / lb	Producer Price Differential*	<u>0.88</u>
Other Solids Price	(0.0200) / lb	0.0247 / lb	Statistical Uniform Price	\$10.63
Somatic Cell Adjustment Rate	0.00057 / cwt	0.00059 / cwt		
Nonfat Solids Price	0.6574 / lb	0.7605 / lb		

CLASS PRICES**CLASSIFICATION OF PRODUCER MILK**

	<u>June</u>		<u>June</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Class I*	\$11.74	\$13.03	Product lbs.	
Class II	10.46	11.19	Class I	485,359,456
Class III	9.75	10.09	Class II	226,133,281
Class IV	9.76	10.52	Class III	639,543,563
			Class IV	<u>78,975,810</u>
			Total	1,430,012,110
				<u>1,629,156,146</u>

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for June 2003 was \$0.88 and the Statistical Uniform Price was \$10.63 for the month. The Statistical Uniform Price is the same as last month, and is \$0.61 lower than June 2002.

The Producer Butterfat Price of \$1.1576 per pound increased 0.64 cents from May 2003 and is up 3.65 cents from a year ago. The Protein Price of \$1.9434 is up 159 cents from last month and is down 7.14 cents from June 2002. The Other Solids Price in June was \$-0.0200 per pound, a decrease from last month's price of \$-0.0144 and a decrease of 4.47 cents from last June. The Other Solids Price was negative due to the average wholesale price of dry whey powder being less than the make allowance price of 15.9 cents for the month. The Somatic Cell Adjustment rate for June was \$0.00057.

June producer receipts of 143 billion pounds were 6.7 percent lower than May 2003, and 12.2 percent lower than June 2002 production of 1.63 billion pounds. Producer milk allocated to Class I accounted for 34.0 percent of the total producer milk in June 2003, less than the 36.7 percent in May and more than the 29.2 percent in June 2002. A total of 10,253 producers were pooled on the Mideast Order with an average daily delivery of 4649 pounds compared to 11,525 producers pooled in June 2002 with an average daily delivery of 4,712 pounds.

The market average content of producer milk was as follows: Butterfat 3.59%; Protein 2.97%; Other Solids 5.73% and Nonfat Solids 8.70%.

TOP TWENTY COUNTIES FOR PRODUCER MILK IN MAY 2003

The top twenty counties in the Mideast Marketing Area represented 32.8 percent of total pooled milk or 502 million pounds of milk in May 2003. This was a decrease from May 2002 totals of 33.7 percent or 584 million pounds of milk. Milk pooled in other federal orders, state orders, or unregulated areas are not included in county totals.

Michigan had the most counties represented with eight, followed by Wisconsin with five, Ohio with three, New York with two, and Indiana and Pennsylvania with one each.

Wayne County, Ohio led all pooling counties with 48.5 million pounds from 287 producers. The milk pooled was a 2.1 percent increase from the previous year's totals of 47.5 million pounds from 300 producers.

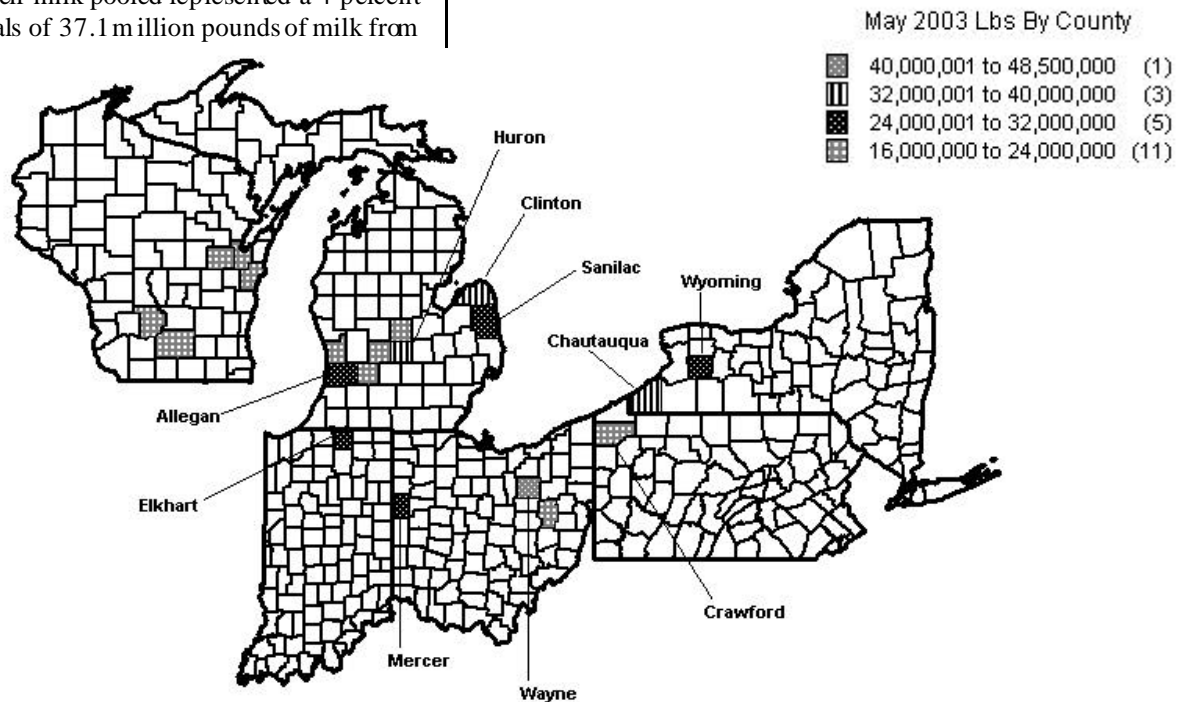
Clinton County, Michigan was next with 38.6 million pounds of milk from 84 producers. Their milk pooled represented a 4 percent increase from May 2002 totals of 37.1 million pounds of milk from 87 producers.

Huron County, Michigan followed with 34.4 million pounds of milk from 155 producers. May 2002 totals were 35.7 million pounds from 161 producers.

Chautauqua County, New York was fourth with 32.1 million pounds of milk from 229 producers. This was a 7.2 percent decline of 34.6 million pounds of milk from 244 producers in May 2002.

Elkhart County, Indiana had the fifth most with 30.1 million pounds of milk from 252 producers. This was an increase of 3.8 percent from May 2002 totals of 29 million pounds of milk from 260 producers.

Rounding out the top ten counties for May 2003 were Mercer, Ohio; Sanilac, Michigan; Allegan, Michigan; Wyoming, New York; and Crawford, Pennsylvania.



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

Federal Order No. 33

State	Number of Producers	Pounds of Milk (000)	May 2003*				May 2002				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,500	476,261	3.56	2.96	5.76	279	501,570	3.58	2.97	5.76	271
Ohio	2,570	352,403	3.67	3.01	5.73	310	342,766	3.66	3.03	5.75	294
Wisconsin	1,848	271,286	3.63	2.94	5.74	295	449,852	3.69	2.95	5.70	269
Indiana	1,258	164,858	3.62	2.99	5.76	283	135,988	3.67	3.01	5.75	307
Pennsylvania	1,371	132,443	3.71	3.02	5.72	353	146,485	3.72	3.02	5.73	344
New York	477	102,667	3.62	2.93	5.71	254	100,943	3.68	2.95	5.70	251
Illinois	84	12,383	3.65	2.99	5.78	307	14,676	3.62	3.01	5.76	318
West Virginia	86	7,141	3.59	3.09	5.71	400	7,407	3.56	3.08	5.75	340
California							21,954	3.53	3.03	5.64	355
Other	134	12,120	3.69	3.04	5.76	336	13,671	3.71	3.07	5.75	363
Total/Average	10,328	1,531,562	3.62	2.98	5.74	295	1,735,312	3.65	2.99	5.73	285

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



**United States
Department of
Agriculture**

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

Mideast Market Administrator Bulletin
7851 Freeway Circle
P.O. Box 30128
Cleveland, Ohio 44130

POSTMASTER: Time Sensitive Material - Deliver Promptly

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (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 the USDA's TARGET Center at (202)720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 14th and Independence Avenue SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an Equal Opportunity provider and employer.

**FEDERAL ORDER DATA
JUNE 2003**

<u>Marketing Area</u> ^{1/}	<u>Producer Milk</u>	<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
	<u>Total</u>	<u>Class I</u>	<u>Price Differential</u>	<u>Uniform Price</u>
	(000)	(000)		
FO 1 Northeast - (Boston)	2,002,384	826,981	\$1.91	\$11.66
FO 5 Appalachian - (Charlotte)	546,258	340,506	^{2/}	12.04
FO 6 Florida - (Tampa)	241,220	186,335	^{2/}	13.02
FO 7 Southeast - (Atlanta)	566,519	348,792	^{2/}	11.98
FO 30 Upper Midwest - (Chicago)	1,933,174	302,562	0.38	10.13
FO 32 Central - (Kansas City)	1,405,943	356,878	0.69	10.44
FO 33 Mideast - (Cleveland)	1,430,012	485,359	0.88	10.63
FO 124 Pacific Northwest - (Seattle)	620,181	160,431	0.62	10.37
FO 126 Southwest - (Dallas)	884,592	308,421	1.58	11.33
FO 131 Arizona-Las Vegas - (Phoenix)	262,305	72,426	^{2/}	10.47
FO 135 Western - (Salt Lake City)	605,309	86,788	0.49	10.24

^{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 JULY 2003 \$9.75 /cwt.

