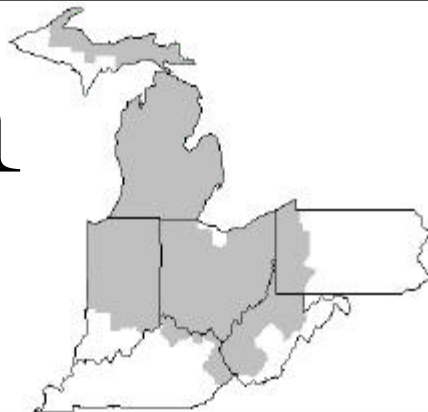


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

David Z. Walker, Market Administrator

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

Email: [clevelandmal@sprynet.com](mailto:clevelandmal@sprynet.com)

WebPage: [www.fmmacleev.com](http://www.fmmacleev.com)

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### 2003 MARKET SUMMARY

Producer milk receipts totaled 15.8 billion pounds on the Mideast Order during 2003, a decrease of 1.99 billion pounds, or 11.2 percent from 2002. Large volumes of milk were de-pooled in July-October due to unfavorable pricing conditions. Monthly producer receipts ranged from a high of 1.5 billion pounds in May to a low of 1.0 billion pounds in September.

The average daily delivery per producer during 2003 was 4,211 pounds, a decrease of 120 pounds from last year. The number of producers pooled on the Mideast Order in 2003 averaged 10,268 per month, down 949, or 8.5 percent from a year earlier. Producer milk averaged 3.69 percent butterfat ranging from a low of 3.53 percent in July to a high of 3.81 in December. The protein test averaged 3.03 percent for the year. It ranged from a low of 2.92 percent in July, to a high of 3.11 percent in October and December. Other solids averaged 5.71 percent for the year.

For the year, 41.6 percent of producer milk was utilized as Class I; 16.4 percent in Class II; 36.5 percent in Class III; and 5.6 percent in Class IV. The Class I utilization percentage had a high of 54.7 percent in September and a low of 33.9 percent in June. Class I milk totaled 6.5 billion pounds during 2003, down 0.1 percent from 2002. Class II milk totaled 2.6 billion pounds, an increase of 14.7 percent from 2002. Class III pooled pounds were 5.8 billion pounds, a decrease of 29.2 percent from 2002. Class IV milk totaled 876 million pounds, an increase of 7.4 percent from 2002.

The Class I price averaged \$13.39 for the year, an increase of \$0.38 from 2002. The Class I price had a low of \$11.64 in April and a high of \$16.37 in November. The Class II price averaged \$10.76, a decrease of \$0.79. It was lowest in May at \$10.43 and was highest in December at \$11.30. The Class III price averaged \$11.42, an increase of \$1.00. March was the lowest price at \$9.11 and October was the highest at \$14.39. The Class IV price averaged \$10.00 for the year, a decrease of \$0.81 from a year ago. It was the lowest in April at \$9.73 and was highest in December at \$10.52.

The Statistical Uniform Price averaged \$11.96 for 2003 compared to \$11.57 in 2002. The Producer Butterfat Price averaged \$1.2099 per pound in the year 2003. This was an increase of 1.71 cents from 2002. It was lowest at \$1.1373 in February and was highest in December at \$1.3688. The Protein Price averaged \$2.3770 per pound. This was an increase of 40.35 cents from the previous year. The lowest was \$1.6648 in March and the highest was \$3.3180 in September. Other Solids Price averaged \$0.0129 per pound. This was a decrease of 4.64 cents from 2002. It was lowest in June with a rate of \$-0.0200 per pound and highest in November with a rate of \$0.0368 per pound. The Producer Price Differential (PPD) averaged \$0.54 cwt. in the year 2003 producing a low in August of \$-1.20 and a high of \$1.39 in December.

### USDA SETS HEARING ON PROPOSED AMENDMENTS TO THE APPALACHIAN AND SOUTHEAST MILK ORDERS

The U. S. Department of Agriculture announced it will hold a public hearing to consider proposals to amend the Appalachian and Southeast Federal milk marketing orders. The hearing will begin at 1:00 pm on February 23<sup>rd</sup> at the Westin Atlanta Airport Hotel, 4736 Best Road, Atlanta, Georgia.

The hearing will consider a proposal to merge the Appalachian and Southeast milk marketing areas and proposals to expand the proposed merged order marketing area. Another proposal would create a "Mississippi Valley" order by breaking the Southeast order into two orders. USDA will also consider additional proposals that seek to amend certain other terms and provisions of the orders.

The hearing notice was published as a proposed rule in the January 23<sup>rd</sup> Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, Rm. 2971 - Stop 0231, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The hearing notice also is available on the AMS web site, at [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

The hearing notice and information about the hearing also is available from market administrator offices, as follows: Appalachian: Harold H. Friedly; USDA/AMS/Dairy Programs; P.O. Box 18030, Louisville, KY. 40261-0030; Tel. (502) 499-0040; email: [friedly@malouisville.com](mailto:friedly@malouisville.com).

Florida and Southeast: Sue. L. Mosley; USDA/AMS/Dairy Programs; P.O. Box 491778, Lawrenceville, GA. 30049; Tel. (770) 682-2501; email: [smosley@fmmatlanta.com](mailto:smosley@fmmatlanta.com).

### JANUARY 2004 POOL SUMMARY

#### Classification of Producer Milk

		<i>Percent</i>
Class I	584,110,063	38.6
Class II	223,127,027	14.7
Class III	648,458,725	42.9
Class IV	57,412,100	3.8
Total	1,513,107,915	100.0

#### Producer Prices

Producer Price Differential	\$ 0.90 /cwt
Butterfat Price	1.4978 /lb
Protein Price	2.0875 /lb
Other Solids Price	0.0217 /lb
Somatic Cell Adjustment Rate	0.00065 /cwt
Statistical Uniform Price	12.51 /cwt

## ANNOUNCEMENT OF PRODUCER PRICES

### Federal Order No. 33

### JANUARY 2004

**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			573,210,429			\$ 9.46 / cwt	\$ 54,225,706.57
Class I Butterfat		10,899,634				1.3483 / lb	14,695,976.51
Class I Location Differential	584,110,063						(304,559.86)
Class II SNF Value				19,144,384		0.7378 / lb	14,124,726.53
Class II Butterfat		13,714,978				1.5048 / lb	20,638,298.91
Class III Protein Value			20,044,060			2.0875 / lb	41,841,975.29
Class III Other Solids Value					37,109,070	0.0217 / lb	805,266.82
Class III Butterfat		23,155,820				1.4978 / lb	34,682,787.21
Class IV SNF Value				4,373,567		0.6595 / lb	2,884,367.48
Class IV Butterfat		9,538,764				1.4978 / lb	14,287,160.74
Somatic Cell Value II / III / IV							<u>529,009.23</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,513,107,915</b>	<b>57,309,196</b>	<b>46,840,636</b>			<b>86,351,478</b>	<b>\$ 198,410,715.43</b>
Overages						\$ 2,719.45	
Beginning Inventory						823,480.8	
<b>TOTAL ADJUSTMENTS</b>							<u>\$ 850,675.3</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							<u>\$ 198,495,782.96</u>
Total Protein Value			46,840,636 lbs	@	\$2.0875		\$ (97,779,827.73)
Total Other Solids Value			86,351,478 lbs	@	0.0217		(1,873,827.09)
Butterfat Value			57,309,196 lbs	@	1.4978		(85,837,713.76)
Total Somatic Cell Values							<u>(787,495.92)</u>
<b>TOTALS</b>							<u>\$ 12,216,918.46</u>
Net Producer Location Adjustments							\$ 1,421,539.10
1/2 Unobligated Balance Producer Settlement Fund							<u>594,000.00</u>
Total - Divided by Total Pounds			1,513,107,915 lbs		0.9406109		\$ 14,232,457.56
Rate of Cash Reserve					<u>(0.0406109)</u>		<u>(614,486.74)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			<b>1,513,107,915</b>		<b>\$ 0.90 cwt</b>		<b>\$ 13,617,970.82</b>

**COMPONENT PRICES**

**COMPUTATION OF UNIFORM PRICE**

	<u>January</u>			<u>January</u>	
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>
Butterfat Price	\$1.4978 / lb	\$1.1856 / lb	Class III Price - 3.5% BF	\$ 11.61	\$ 9.78
Protein Price	2.0875 / lb	1.8164 / lb	Producer Price Differential*	<u>0.90</u>	<u>1.27</u>
Other Solids Price	0.0217 / lb	0.0339 / lb	Statistical Uniform Price	\$12.51	\$11.05
Somatic Cell Adjustment Rate	0.00065 / cwt	0.00057 / cwt			
Nonfat Solids Price	0.6595 / lb	0.6807 / lb			

**CLASS PRICES**

**CLASSIFICATION OF PRODUCER MILK**

	<u>January</u>			<u>January</u>	
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>
Class I*	\$13.85	\$12.56	Class I	Product lbs. 584,110,063	596,358,649
Class II	11.67	11.29	Class II	223,127,027	154,264,306
Class III	11.61	9.78	Class III	648,458,725	651,201,747
Class IV	10.97	10.07	Class IV	<u>57,412,100</u>	<u>61,033,625</u>
			Total	1,513,107,915	1,462,858,327

\* Subject to Location Adjustment.

### ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2004 was \$0.90 and the Statistical Uniform Price was \$12.51 for the month. The Statistical Uniform Price is \$0.75 lower than last month, and is \$1.46 higher than January 2003.

The Producer Butterfat Price of \$1.4978 per pound increased 12.90 cents from December 2003 and is up 31.22 cents from a year ago. The Protein Price of \$2.0875 is down 21.22 cents from last month and is up 27.11 cents from January 2003. The Other Solids Price in January was \$.0217 per pound, a decrease from last month's price of \$.0362 and a decrease of 1.22 cents from last January. The Somatic Cell Adjustment rate for January was \$0.00065.

January producer receipts of 1.51 billion pounds were 3.9 percent higher than December 2003, and 3.4 percent higher than January 2003 production of 1.46 billion pounds. Producer milk allocated to Class I accounted for 38.6 percent of the total producer milk in January 2004, the same as in December and less than the 40.8 percent in January 2003. A total of 10,099 producers were pooled on the Mideast Order compared to 10,547 producers pooled in January 2003.

The market average content of producer milk was as follows: Butterfat 3.79%; Protein 3.10%; Other Solids 5.71% and Nonfat Solids 8.81%.

### DECEMBER MILK PRODUCTION DOWN 0.3 PERCENT

Milk production in the 20 major States during December totaled 12.3 billion pounds, down 0.3 percent from December 2002. November revised production, at 11.7 billion pounds, was down 0.1 percent from November 2002. The November revision represented an increase of 0.1 percent or 13 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,589 pounds for December, 14 pounds above December 2002.

The number of milk cows on farms in the 20 major States was 7.71 million head, 93,000 head less than December 2002, but unchanged from November 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 December totaled 1.9 billion pounds, down 41 million pounds or 2.1 percent from December 2002.

Production per cow in the Mideast states averaged 1,550 pounds for December, 22 pounds above December 2002.

The number of cows on farms in the Mideast states was 1.3 million head, 37,000 head less than December 2002.

### TIME EXTENDED FOR SUBMISSION OF PROPOSALS TO AMEND FLUID MILK DEFINITION

The Department of Agriculture (USDA) is extending the time period for interested parties to submit additional proposals for consideration with a public hearing request currently under review that would amend the fluid milk product definition in all Federal milk marketing orders. The public hearing request was submitted by Dairy Farmers of America (DFA). The deadline for submitting proposals is hereby extended from January 30, 2004, to September 30, 2004.

If USDA concludes that a hearing should be held, all known interested persons will be mailed a copy of the hearing notice. Anyone who desires to present evidence on proposals set forth in the hearing notice will have an opportunity to do so at the hearing.

Copies of the DFA proposal may be obtained at <http://www.ams.usda.gov/dairy> [http://www.ams.usda.gov/dairy/class\\_prop/](http://www.ams.usda.gov/dairy/class_prop/) and selecting "Request for Class I Proposals, Northeast, et. al." or from Antoinette Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231-Room 2971, 1400 Independence Avenue, SW, Washington, DC 20250-0231, (202) 690-3465, e-mail address: [Antoinette.Carter@usda.gov](mailto:Antoinette.Carter@usda.gov).

Proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP-0225-Room 2968, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by September 30, 2004. Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposal should be considered if a hearing to amend the orders is held.

If you have any questions concerning the filing of the proposals or desire a copy of the present order, please contact this office.

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

State	December 2003*						December 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	2,388	484,062	3.76	3.10	5.71	253	458,567	3.74	3.09	5.72	258
Ohio	2,563	319,541	3.85	3.15	5.68	288	310,674	3.93	3.16	5.69	300
Wisconsin	2,063	313,225	3.80	3.06	5.70	259	259,115	3.81	3.05	5.67	257
Indiana	1,240	138,188	3.87	3.14	5.71	274	137,261	3.88	3.14	5.70	266
Pennsylvania	1,320	110,593	3.89	3.14	5.64	347	120,759	3.92	3.14	5.66	368
New York	394	44,795	3.77	3.07	5.67	255	47,774	3.81	3.07	5.66	273
Illinois	94	19,191	3.76	3.09	5.78	276	12,337	3.89	3.06	5.74	293
West Virginia	80	5,888	3.96	3.20	5.66	378	6,410	3.96	3.19	5.67	403
Other	135	19,807	3.78	3.09	5.74	254	10,684	3.92	3.62	5.71	320
Total/Average	10,277	1,455,289	3.81	3.11	5.70	272	1,363,582	3.83	3.11	5.69	280

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



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**FEDERAL ORDER DATA  
JANUARY 2004**

<u>Marketing Area</u> <sup>1/</sup>	Producer Milk		Class I	Producer	Statistical
	<u>Total</u> (000)	<u>Class I</u> (000)	<u>Percent</u> %	<u>Price Differential</u>	<u>Uniform Price</u>
FO 1 Northeast - (Boston)	1,992,658	944,384	47.4	\$1.97	\$13.58
FO 5 Appalachian - (Charlotte)	569,228	393,161	69.1	<sup>2/</sup>	14.25
FO 6 Florida - (Tampa)	262,288	227,172	86.6	<sup>2/</sup>	15.54
FO 7 Southeast - (Atlanta)	655,699	412,320	62.9	<sup>2/</sup>	14.02
FO 30 Upper Midwest - (Chicago)	2,209,207	392,448	17.8	0.37	11.98
FO 32 Central - (Kansas City)	1,274,937	386,914	30.4	0.69	12.30
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,513,108</b>	<b>584,110</b>	<b>38.6</b>	<b>0.90</b>	<b>12.51</b>
FO 124 Pacific Northwest - (Seattle)	614,176	185,087	30.2	0.46	12.07
FO 126 Southwest - (Dallas)	798,117	361,188	45.3	1.68	13.29
FO 131 Arizona-Las Vegas - (Phoenix)	263,504	84,832	32.2	<sup>2/</sup>	12.39
FO 135 Western - (Salt Lake City)	476,493	98,676	20.7	0.52	12.13

<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 FEBRUARY 2004 ..... \$10.97 /cwt.**



**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT  
MARKETING SERVICE FUND**

**For the Year Ending December 31, 2003**

**Income:**

Assessments or Deductions	\$2,072,844.19
Late Payment Charges Assessed	.00
Interest Eamed	12,557.95
Miscellaneous	<u>478.54</u>
<b><u>Total Income</u></b>	<b><u>\$2,085,880.68</u></b>

**Expenses:**

Salaries and Services	\$1,271,995.60
Travel	134,379.02
Communications	101,449.92
Employer Payroll Contributions	314,389.79
Insurance	8,619.52
Rent - Buildings and Equipment	83,409.40
Repairs and Maintenance	24,352.82
Supplies	134,706.83
Testing and Weighing	6,862.12
Utilities	16,192.57
Depreciation of Fixed Assets	71,037.89
Conferences and Meetings	.00
Training	7,683.91
Uncollectible Accounts	.00
Miscellaneous	4,747.81
Amortization of Leasehold Improvements	<u>12,990.88</u>
<b><u>Total Expenses</u></b>	<b><u>\$2,192,818.08</u></b>

**Net Income**

**\$ (106,937.40)**

**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**BALANCE SHEET  
MARKETING SERVICE FUND**

As of December 31, 2003

**ASSETS**

**Current Assets:**

Cash and Bank Deposits	\$186,918.08
Investments	350,000.00
Accounts Receivable - Handlers	177,259.02
Allow ance for Uncollectible Accounts	(187.35)
Accounts Receivable - Other	.00
Accrued Interest Receivable	11,552.33

**Other Assets:**

Prepaid Expenses	\$ 72,504.06
Deposits	32.93

**Fixed Assets:**

Motor Vehicles	\$521,517.93
Accumulated Depreciation	(378,988.69)
Furniture and Equipment	47,471.97
Accumulated Depreciation	(35,529.30)
Laboratory Equipment	632,349.75
Accumulated Depreciation	(620,971.06)
Leasehold Improvements	78,134.02
Accumulated Depreciation	<u>(78,134.02)</u>

**Total Assets** \$963,929.67

**LIABILITIES AND OPERATING BALANCE**

**Current Liabilities:**

Accounts Payable - Other	\$ .00
Accrued Employee Salaries Payable	14,472.03
Accrued Employee Annual Leave	112,905.17
Payroll Contributions and Withholdings	3,671.02

**Operating Balance** \$832,881.45

**Total Liabilities and Operating Balance** \$963,929.67