

Mideast Market Administrator's Bulletin



Federal Order No. 33

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September 2005

JOHANNIS NAMES MEMBERS TO NATIONAL DAIRY BOARD

Secretary of Agriculture Secretary Mike Johannis announced the appointment of 10 new members and reappointment of two incumbents to the National Dairy Promotion and Research Board. All will serve three-year terms beginning November 1, 2005, through October 31, 2008.

Newly appointed were: Ronald L. Koetsier, Visalia, Calif., (region 2); William R. D. Anglin, Bentonville, Ark., (region 4); Donna L. Sharp, Bath, S.D., (region 5); Carl F. VanDen A vond, Green Bay, Wis., (region 6); Bradford A. McCauley, Viola, Wis., (region 6); Douglas D. Nuttelman, Stromsburg, Neb., (region 7); Carl A. Schmitz, Wadesville, Ind., (region 9); Joyce A. Bupp, Seven Valleys, Penn., (region 11); Ronald R. McCormick, Java Center, N.Y., (region 12); and Debora A. Erb, Landaff, N.H., (region 13)

Reappointed to serve second terms were: Lester E. Hardesty, Windsor, Colo., (region 3) and Michael M. Ferguson, Senatobia, Miss., (region 8).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the contiguous United States, administers a coordinated program of promotion, research and nutrition education.

The board was established by the Dairy Production Stabilization Act of 1983. It is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The national program is financed by a mandatory 15 cent per hundred weight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service (AMS) monitors the operation of the board.

AMS encourages all eligible individuals to participate in its committee and board activities. It is USDA's policy that membership on industry governed boards and committees accurately reflect the diversity of individuals served by the programs.

MILK UREA NITROGEN TESTING

The Mideast Market Administrator laboratory has updated one of their infrared milk sample testing machines to test for Milk Urea Nitrogen (MUN). MUN test results can be a valuable tool for adjusting dairy cattle feeding programs. Normal MUN test results fall in the range of 0.06 to 0.18. Milk samples tested on the updated machine will automatically be tested for MUN and the result will be available when calling into the automated telephone test result system. The MUN test result will be reported as a whole number, such as "sixteen", without reading the decimal point.

According to the University of Pennsylvania, "High MUN suggests that more protein is fed than is necessary for production with that group of cows or that feed intake is not as uniform as you would wish that group of animals." If you have further questions, you may wish to consult with your field staff or feed nutritionist. For further information you may also wish to view the University of Pennsylvania website at: http://cahpwww.vet.upenn.edu/mun/mun_info.html

JULY MILK PRODUCTION UP 4.2 PERCENT

Milk production in the 23 major States during July totaled 13.7 billion pounds, up 4.2 percent from July 2004. June revised production, at 13.7 billion pounds, was up 5.6 percent from June 2004. The June revision represented an increase of 0.2 percent or 28 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,682 pounds for July, 59 pounds above July 2004.

The number of milk cows on farms in the 23 major States was 8.14 million head, 48,000 head more than July 2004, and 12,000 head more than June 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 July totaled 2.1 billion pounds, up 128 million pounds or 6.3 percent from July 2004.

Production per cow in the Mideast states averaged 1,658 pounds for July, 60 pounds above July 2004.

The number of cows on farms in the Mideast states was 1.3 million head, 23,000 head more than July 2004.

AUGUST 2005 - POOL SUMMARY

Classification of Producer Milk

		<i>Percent</i>
Class I	556,332,129	39.3
Class II	265,051,108	18.7
Class III	523,162,728	36.9
Class IV	72,505,814	5.1
Total	1,417,051,779	100.0

Producer Prices

Producer Price Differential	\$ 1.34 / cwt
Butterfat Price	1.8246 / lb
Protein Price	2.1619 / lb
Other Solids Price	0.1317 / lb
Somatic Cell Adjustment Rate	0.00072 / cwt
Statistical Uniform Price	14.94 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

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AUGUST 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			545,983,215			\$ 10.29 / cwt	\$ 56,181,672.84
Class I Butterfat		10,348,914				1.8596 / lb	19,244,840.49
Class I Location Differential	556,332,129						(312,184.61)
Class II SNF Value				22,253,531		0.8678 / lb	19,311,614.21
Class II Butterfat		16,094,709				1.8316 / lb	29,479,069.01
Class III Protein Value			15,379,019			2.1619 / lb	33,247,901.19
Class III Other Solids Value					29,891,368	0.1317 / lb	3,936,693.18
Class III Butterfat		17,694,613				1.8246 / lb	32,285,590.86
Class IV SNF Value				5,994,857		0.8119 / lb	4,867,224.42
Class IV Butterfat		5,431,265				1.8246 / lb	9,909,886.11
Somatic Cell Value II / III / IV							<u>103902.54</u>
TOTAL PRODUCER MILK VALUE	1,417,051,779	49,569,501	41,487,280		80,843,082		\$ 208,256,210.24
O verages						\$21,509.57	
Beginning Inventory						34,300.16	
OS Charges							
TOTAL ADJUSTMENTS							\$ 55809.73
TOTAL HANDLER OBLIGATIONS							\$ 208,312,019.97
Total Protein Value			41,487,280lbs	@	\$2.1619		\$ (89,691,350.66)
Total Other Solids Value			80,843,082lbs	@	0.1317		(10,647,033.87)
Butterfat Value			49,569,501lbs	@	1.8246		(90,444,511.51)
Total Somatic Cell Values							<u>(97,175.88)</u>
TOTALS							\$ 17431,94805
Net Producer Location Adjustments							\$ 1,224,226.34
1/2 Unobligated Balance Producer Settlement Fund							<u>908,000.00</u>
Total - Divided by Total Pounds			1,417,051,779 lbs		1.3806252		\$ 19,564,174.39
Rate of Cash Reserve					(0.0406252)		(575,680.12)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,417,051,779		\$ 134 cwt		\$ 18,988,494.27

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

August			August		
	<u>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>
Butterfat Price	\$1.8246 / lb	\$1.7941 / lb	Class III Price - 3.5% BF	\$ 13.60	\$ 14.04
Protein Price	2.1619 / lb	2.4663 / lb	Producer Price Differential*	<u>1.34</u>	<u>0.57</u>
Other Solids Price	0.1317 / lb	0.0676 / lb	Statistical Uniform Price	\$14.94	\$14.61
Somatic Cell Adjustment Rate	0.00072 / cwt	0.00076 / cwt			
Nonfat Solids Price	0.8119 / lb	0.7112 / lb			

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

August			August		
	<u>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>
Class I*	\$16.44	\$16.62	Class I	Product lbs. 556,332,129	Product lbs. 534,044,221
Class II	13.95	13.13	Class II	265,051,108	247,268,930
Class III	13.60	14.04	Class III	523,162,728	689,782,009
Class IV	13.44	12.46	Class IV	<u>72,505,814</u>	<u>75,051,913</u>
			Total	1,417,051,779	1,546,147,073

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for August 2005 was \$1.34 and the Statistical Uniform Price was \$14.94 for the month. The Statistical Uniform Price is \$0.02 lower than last month, and is \$0.33 higher than August 2004.

The Producer Butterfat Price of \$1.8246 per pound increased 2.39 cents from July 2005 and is up 3.05 cents from a year ago. The Protein Price of \$2.1619 is down 29.39 cents from last month and is down 30.44 cents from August 2004. The Other Solids Price in August was \$0.1317 per pound, an increase from last month's price of \$0.1240 and an increase of 6.41 cents from last August. The Somatic Cell Adjustment rate for August was \$0.00072.

August producer receipts of 1.42 billion pounds were 14.4 percent lower than July 2005, and 83 percent lower than August 2004 production of 1.55 billion pounds. Producer milk allocated to Class I accounted for 39.3 percent of the total producer milk in August 2005, more than the 30.0 percent in July 2005 and more than the 34.5 percent in August 2004. A total of 9,049 producers were pooled on the Mideast Order compared to 10,282 producers pooled in August 2004.

The market average content of producer milk was as follows: Butterfat 3.50%; Protein 2.93%; Other Solids 5.71% and Nonfat Solids 8.64%.

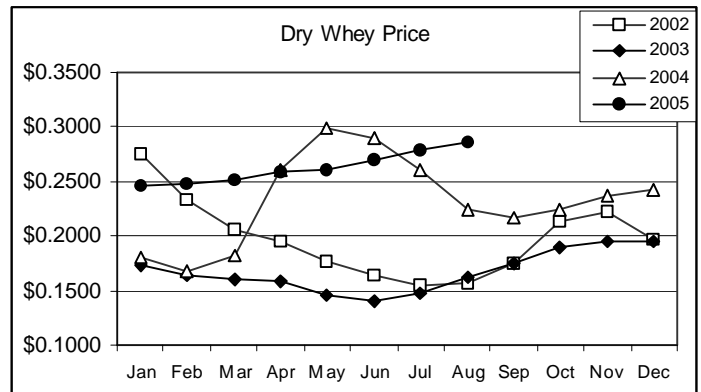
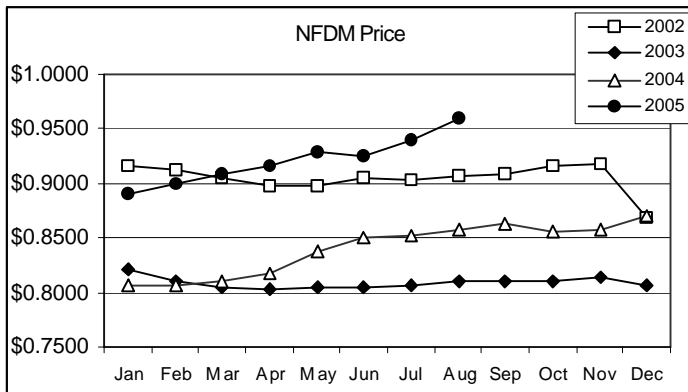
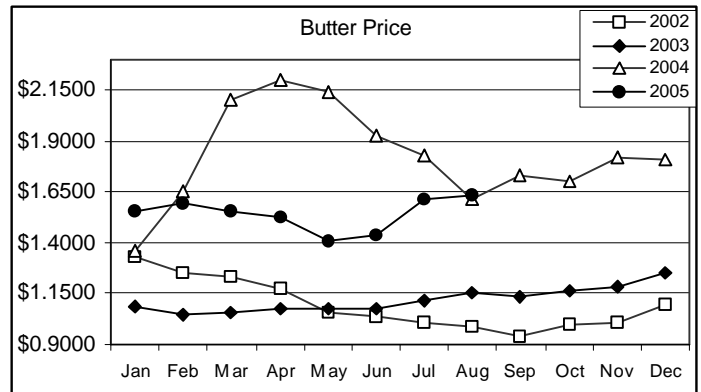
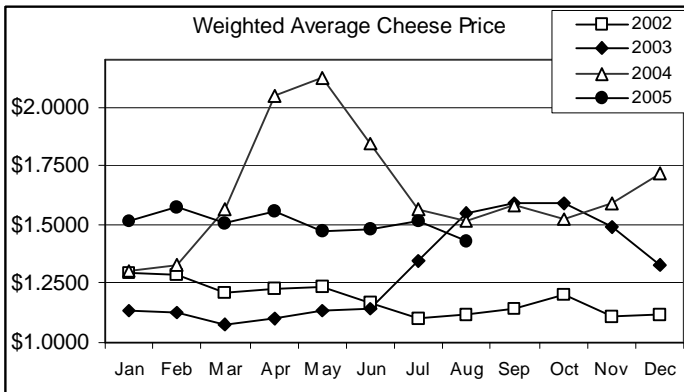
COMMODITY RECAP: PRICES STABLE IN 2005

The NASS monthly commodity prices for cheese have been stable for the first eight months of 2005. The August weighted average cheese price was \$1.4322 per pound and the weighted average cheese price has averaged \$1.5077 per pound thus far in 2005. The weighted average cheese price per pound averaged \$1.1313 in 2000, \$1.4264 in 2001, \$1.1855 in 2002, \$1.3031 in 2003 and \$1.6431 per pound in 2004.

The NASS monthly commodity prices for butter have been steady since January, with only slight seasonality spikes. The August butter price was \$1.6355 per pound the butter price has averaged \$1.5420 per pound so far for 2005. The butter price per pound averaged \$1.1408 in 2000, \$1.6304 in 2001, \$1.0931 in 2002, \$1.1194 in 2003, and \$1.8239 per pound in 2004.

The NASS monthly commodity prices for nonfat dry milk powder have risen almost five cents since the beginning of the year. The August nonfat dry milk price was \$0.9601 per pound and the 2005 nonfat dry milk price has averaged \$0.9209 per pound. The nonfat dry milk price per pound averaged \$1.0115 in 2000, \$0.9791 in 2001, \$0.9047 in 2002, \$0.8090 in 2003, and \$0.8405 per pound in 2004.

The NASS monthly commodity prices for dry whey powder have increased over three cents since January. The August dry whey price was \$0.2869 per pound and the 2005 dry whey has averaged \$0.2625 per pound in 2005. The dry whey price per pound averaged \$0.1863 in 2000, \$0.2700 in 2001, \$0.1974 in 2002, \$0.1667 in 2003, and \$0.2319 per pound in 2004.



Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
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State	July 2005						July 2004				
	Num ber of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	2228	518609	3.44	2.87	5.73	298	494431	3.50	2.94	5.72	301
Ohio	2452	347565	3.52	2.90	5.70	331	337134	3.56	2.96	5.69	337
Wisconsin	1698	327257	3.51	2.89	5.78	280	278498	3.59	2.93	5.73	304
New York	510	148711	3.46	2.88	5.67	265	83226	3.51	2.91	5.67	253
Indiana	1196	146826	3.50	2.88	5.72	340	140767	3.57	2.95	5.71	334
Pennsylvania	1305	123285	3.55	2.91	5.69	387	113039	3.60	2.96	5.67	402
Illinois	83	17989	3.47	2.86	5.79	270	16665	3.53	2.95	5.76	293
West Virginia	71	5741	3.61	2.96	5.70	451	5353	3.58	3.02	5.65	447
Other	157	19611	3.52	2.88	5.75	363	18217	3.60	2.94	5.72	315
Total/Average *	9700	1655594	3.49	2.89	5.73	310	1487330	3.55	2.94	5.71	318

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



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**FEDERAL ORDER DATA
AUGUST 2005**

<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)	2,037,804	886,715	43.5	\$2.24	\$15.84
FO 5 Appalachian - (Charlotte)	490,922	350,588	71.4	^{2/}	16.65
FO 6 Florida - (Tampa)	249,205	218,382	87.6	^{2/}	17.87
FO 7 Southeast - (Atlanta)	608,907	406,022	66.7	^{2/}	16.44
FO 30 Upper Midwest - (Chicago)	2,173,322	381,370	17.5	0.55	14.15
FO 32 Central - (Kansas City)	1,317,846	376,865	28.6	0.89	14.49
FO 33 Mideast - (Cleveland)	1,417,052	556,332	39.3	1.34	14.94
FO 124 Pacific Northwest - (Seattle)	658,410	171,202	26.0	0.78	14.38
FO 126 Southwest - (Dallas)	820,927	360,569	43.9	2.10	15.70
FO 131 Arizona-Las Vegas - (Phoenix)	220,775	82,776	37.5	^{2/}	14.86

^{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 SEPTEMBER 2005 \$13.44 /cwt.