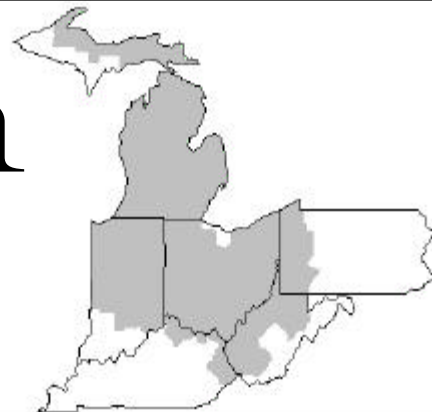


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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May 2006

### USDA Announces Final Rule to Amend All Federal Milk Orders

The U.S. Department of Agriculture announced publication of a final rule to amend all federal milk marketing orders. This amendment implements provisions included in the Milk Regulatory Equity Act (S. 2120), signed into law on April 11, that amends the Agricultural Marketing Agreement Act of 1937. In passing the amendments, the congressional intent is to "ensure equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and in certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes.

The amended sections of the orders, which became effective May 1, include:

? Require fluid milk handlers located in federal milk marketing order areas as described on the date of enactment, but not regulated by any federal milk marketing order, to pay federal order minimum prices to the federal order where the handler is physically located for sales of packaged fluid milk into non-federally regulated marketing areas located within one or more states that require handlers to pay minimum prices for milk;

? Partially or fully regulate any producer-handler that has total distribution of Class I products of own-farm production in excess of three-million pounds and distributes fluid milk in the Arizona-Las Vegas marketing order area;

? Remove the state of Nevada from the marketing area definition of any federal order; and

? Remove the regulatory exemption for handlers located in Clark County, Nevada.

For more information contact Gino M. Tosi, Associate Deputy Administrator for Order Formulation and Enforcement, USDA/AMS/Dairy Programs, Stop 0231 Room 2971-S, 1400 Independence Avenue, SW., Washington, DC 20250-0231, (202) 690-1366, email address: [gino.tosi@usda.gov](mailto:gino.tosi@usda.gov).

and on a marketwide equalization pool administered by another government entity; 2) Lower the diversion limit standards; and 3) Increase the performance standards for supply plants.

Producers approved the amendments in a referendum conducted in response to the partial final decision, which was issued January 17, 2006. The final rule took effect May 1, 2006.

The decision appeared in the April 20 Federal Register. For additional information contact this office.

### March Milk Production Up 5.5 Percent

Milk production in the 23 major States during March totaled 14.6 billion pounds, up 5.5 percent from March 2005. February revised production, at 13.0 billion pounds, was up 5.9 percent from February 2005.

Production per cow in the 23 major States averaged 1,733 pounds for March, 66 pounds above March 2005.

The number of milk cows on farms in the 23 major States was 8.22 million head, 124,000 head more than March 2005, and 17,000 head more than February 2006.

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 February totaled 2.3 billion pounds, up 123 million pounds or 5.8 percent from March 2005.

Production per cow in the Mideast states averaged 1,731 pounds for March, 70 pounds above March 2005.

The number of cows on farms in the Mideast states was 1.3 million head, 13,000 head more than March 2005.

### USDA Announce Final Rule to Permanently Amend the Mideast Milk Order

The U.S. Department of Agriculture announced a final rule that permanently adopts amendments to the pooling provisions of the Mideast milk marketing order that were previously implemented on an interim basis. This decision is based on testimony and evidence given at a public hearing held at Wooster, Ohio on March 7 - 10, 2005.

The permanently adopted amendments: 1) Prohibit the ability to simultaneously pool the same milk on the Mideast Federal milk order

### April 2006 - Pool Summary

#### Classification of Producer Milk

		Percent
Class I	517,142,184	34.2
Class II	233,035,520	15.4
Class III	616,611,555	40.7
Class IV	146,588,543	9.7
Total	1,513,377,802	100.0

#### Producer Prices

Producer Price Differential	\$ 0.82 / cwt
Butterfat Price	1.2343 / lb
Protein Price	1.9238 / lb
Other Solids Price	0.1508 / lb
Somatic Cell Adjustment Rate	0.00058 / cwt
Statistical Uniform Price	11.75 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES**

**Federal Order No. 33**

**APRIL 2006**

**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			507,770,237			\$ 9.02 / cwt	\$ 45,800,875.40
Class I Butterfat		9,371,947				1.2915 / lb	12,103,869.55
Class I Location Differential	517,142,184						(249,665.98)
Class II SNF Value				19,770,029		0.8089 / lb	15,991,976.46
Class II Butterfat		14,918,529				1.2413 / lb	18,518,370.04
Class III Protein Value			18,632,140			1.9238 / lb	35,844,510.94
Class III Other Solids Value					35,473,980	0.1508 / lb	5,349,476.19
Class III Butterfat		21,033,414				1.2343 / lb	25,961,542.89
Class IV SNF Value				12,317,258		0.6959 / lb	8,571,579.85
Class IV Butterfat		10,554,184				1.2343 / lb	13,027,029.32
Somatic Cell Value II / III / IV							<u>559343.95</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,513,377,802</b>	<b>55,878,074</b>	<b>45,490,143</b>		<b>86,788,248</b>		<b>\$ 181,478,908.61</b>
O verages						\$ 65,158.60	
Beginning Inventory and OS Charges						9,636.90	
<b>TOTAL ADJUSTMENTS</b>							<b>\$ 74,795.50</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 181,553,704.11</b>
Total Protein Value			45,490,143lbs	@	\$ 1.9238		\$ (87,513,937.13)
Total Other Solids Value			86,788,248lbs	@	0.1508		(13,087,667.77)
Butterfat Value			55,878,074lbs	@	1.2343		(68,970,306.76)
Total Somatic Cell Values							(822,084.49)
<b>TOTALS</b>							<b>\$ 11,159,707.96</b>
Net Producer Location Adjustments							\$ 988306.22
1/2 Unobligated Balance Producer Settlement Fund							<u>883000.00</u>
Total - Divided by Total Pounds			1,513,377,802 lbs		0.8610549		\$ 13031,014.18
Rate of Cash Reserve					(0.0410549)		(621,315.74)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,513,377,802		<b>\$ 0.82 cwt</b>		<b>\$ 12409,698.44</b>

**COMPONENT PRICES**

**COMPUTATION OF UNIFORM PRICE**

	<u>April</u>		<u>April</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Butterfat Price	\$1.2343 / lb	\$1.6964 / lb	Class III Price - 3.5% BF	\$10.93
Protein Price	1.9238 / lb	2.7055 / lb	Producer Price Differential*	<u>0.82</u>
Other Solids Price	0.1508 / lb	0.1020 / lb	Statistical Uniform Price	\$11.75
Somatic Cell Adjustment Rate	0.00058 / cwt	0.00078 / cwt		\$14.61
Nonfat Solids Price	0.6959 / lb	0.7678 / lb		<u>0.15</u>
				\$14.76

**CLASS PRICES**

**CLASSIFICATION OF PRODUCER MILK**

	<u>April</u>		<u>April</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Class I*	\$13.22	\$16.13	Product lbs.	Product lbs.
Class II	11.37	13.24	Class I	517,142,184
Class III	10.93	14.61	Class II	535,461,685
Class IV	10.36	12.61	Class III	233,035,520
			Class IV	616,611,555
			Total	<u>146,588,543</u>
				<u>119,586,529</u>
				1,468,801,915

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for April 2006 was \$0.82 and the Statistical Uniform Price was \$11.75 for the month. The Statistical Uniform Price is \$ 0.61 lower than last month, and is \$3.01 lower than April 2005.

The Producer Butterfat Price of \$1.2343 per pound decreased 2.53 cents from March 2006 and is down 4621 cents from a year ago. The Protein Price of \$ 1.9238 is up 4.02 cents from last month and is down 78.17 cents from April 2005. The Other Solids Price in April was \$0.1508 per pound, a decrease from last month's price of \$0.1874 and an increase of 4.88 cents from last April. The Somatic Cell Adjustment rate for March was \$0.00058.

April producer receipts of 1.51 billion pounds were 2.0 percent lower than March 2006, and 3.0 percent higher than April 2005 production of 1.47 billion pounds. Producer milk allocated to Class I accounted for 34.2 percent of the total producer milk in April 2006, less than the 37.9 percent in March 2006 and less than the 36.5 percent in April 2005. A total of 8,710 producers were pooled on the Mideast Order compared to 9,847 producers pooled in April 2005.

The market average content of producer milk was as follows: Butterfat 3.69%; Protein 3.01%; Other Solids 5.73% and Nonfat Solids 8.74%.

### 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 October 31, 2006. The 12 new members will serve 3-year terms beginning November 1, 2006, and ending October 31, 2009.

USDA will accept nominations from the following regions: Region 1 (Oregon and Washington); 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 9 (Indiana, Michigan, Ohio, and West Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). USDA will appoint one member per region, with the exception of Region 2 (California) and Region 6 (Wisconsin) with two appointments each.

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

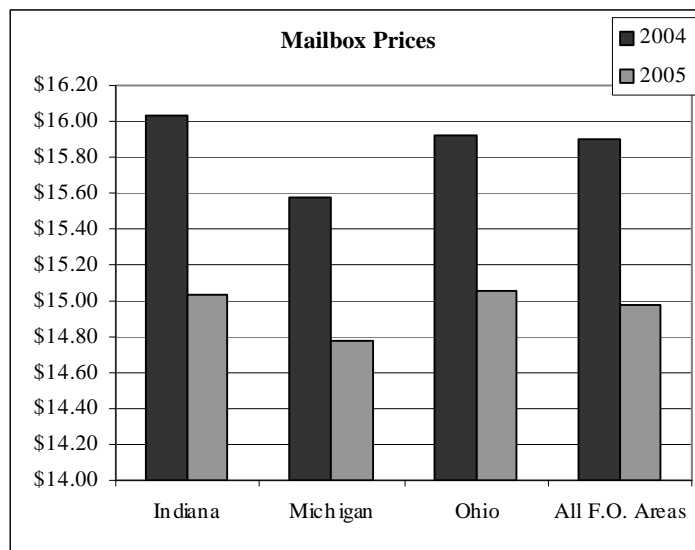
USDA welcomes membership on industry boards that reflects the diversity of the individuals served by the programs. USDA encourages all eligible women, minorities, and persons with disabilities to seek nomination for a seat on the Board.

For nomination forms and information, contact Whitney A. Rick, Chief, 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 [whitney.rick@usda.gov](mailto:whitney.rick@usda.gov) or <http://www.ams.usda.gov/dairy/dairypr.htm>.

### 2005 Mailbox Milk Prices for Selected Reporting Areas in Federal Milk Orders and California

For 2005, mailbox prices for selected reporting areas in Federal milk orders averaged \$14.98 per cwt., \$0.92 lower than the all-area average reported for 2004. The component tests of producer milk in 2005 averaged: butterfat, 3.67%; protein, 3.04%; and, other solids, 5.70%. On an individual reporting area basis, mailbox prices decreased from the record high levels in 2004 in all areas. Florida had the highest average price in 2005, \$17.58; New Mexico had the lowest average, \$13.23. During the year, mailbox prices peaked in January, generally decreased through June, generally increased through October, and then decreased through the end of the year. Monthly all area averages ranged from \$15.89 in January to \$14.13 in June.

The Midwest Marketing Area has the states of Indiana, Michigan, and Ohio listed individually in these totals. Pennsylvania was included in the Northeast Federal Milk Order totals. Indiana's 2005 mailbox price averaged \$15.03 per cwt. This is a decrease of \$1.00 from 2004's average of \$16.03 per cwt. Michigan's 2005 mailbox price averaged \$14.78 per cwt. The price decreased \$0.80 from 2004's price of \$15.58 per cwt. Ohio's 2005 mailbox price averaged \$15.06 per cwt. The 2004 price averaged \$15.92 per cwt or \$0.86 more than 2005's price of \$15.06.



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

State	March 2006						March 2005					
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	
Michigan	2,155	537,783	3.68	3.04	5.74	238	512,844	3.66	3.05	5.74	244	
Ohio	2,402	350,732	3.80	3.07	5.72	266	349,617	3.75	3.08	5.71	272	
Wisconsin	1,068	191,863	3.74	3.03	5.73	261	328,898	3.73	3.01	5.74	239	
Indiana	1,140	154,510	3.80	3.06	5.75	277	165,497	3.74	3.05	5.73	250	
New York	435	151,782	3.72	3.02	5.75	218	143,873	3.66	3.01	5.68	227	
Pennsylvania	1,313	127,027	3.86	3.08	5.72	318	116,638	3.83	3.10	5.70	331	
Illinois	17	9,399	3.56	3.05	5.80	184	19,659	3.60	2.97	5.75	229	
West Virginia	66	5,658	3.87	3.17	5.72	370	5,328	3.84	3.15	5.72	375	
Other	121	14,954	3.77	3.06	5.74	332	21,304	3.69	3.04	5.74	283	
Total/Average *	8,717	1,543,708	3.75	3.05	5.74	257	1,663,659	3.71	3.05	5.73	255	

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



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**FEDERAL ORDER DATA  
APRIL 2006**

<u>Marketing Area</u> <sup>1/</sup>	<u>Producer Milk</u>		<u>Class I Percent</u>	<u>Producer Price Differential</u>	<u>Statistical Uniform Price</u>
	<u>Total</u> (000)	<u>Class I</u> (000)			
FO 1 Northeast - (Boston)	2,003,218	830,512	41.5	\$1.71	\$12.64
FO 5 Appalachian - (Charlotte)	574,539	323,194	56.3	<sup>2/</sup>	13.01
FO 6 Florida - (Tampa)	278,859	220,645	79.1	<sup>2/</sup>	14.36
FO 7 Southeast - (Atlanta)	744,495	377,265	50.7	<sup>2/</sup>	12.94
FO 30 Upper Midwest - (Chicago)	2,188,376	352,883	16.1	0.36	11.29
FO 32 Central - (Kansas City)	1,331,705	344,963	25.9	0.56	11.49
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,513,378</b>	<b>517,142</b>	<b>34.2</b>	<b>0.82</b>	<b>11.75</b>
FO 124 Pacific Northwest - (Seattle)	687,564	177,663	25.8	0.42	11.35
FO 126 Southwest - (Dallas)	943,740	335,453	35.6	1.48	12.41
FO 131 Arizona-Las Vegas - (Phoenix)	302,058	97,455	32.3	<sup>2/</sup>	11.66

<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 2006..... \$10.36/cwt.**