

Mideast Market Administrator's Bulletin

Federal Order No. 33

David Z. Walker, Market Administrator

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

Email: clevelandma1@sprynet.com

WebPage: www.fmmaclev.com

April 2002



STATISTICAL REPORT AVAILABLE

The 2000 - 2001 Statistical Report for Federal Order 33 is currently available. Copies may be requested by calling the Market Administrator's Office at (888) 751-3220. The publication may also be accessed on the web page for the Mideast Marketing Area at: www.fmmaclev.com under "Statistical Information".

MARKET ADMINISTRATOR'S WEB PAGE

The Mideast Market Administrator's web page has recently been redesigned. It can be accessed at www.fmmaclev.com.

There are many items on the website, including but not limited to the Mideast Market Administrator's Bulletin, a calendar of important dates, a Class I Producer Price Differential map, lab test results, pricing information, information requests, and links to other related websites.

The bulletin page displays the current month's Market Administrator's Bulletin. This is usually available by the 15th of the month and will consist of the data from the most recently completed pool. You can also access past bulletins dating back to January 2000 on this site.

The calendar of important dates lists key dates for the current month and for future months. These dates include partial and final payment due dates to producers and cooperatives, when component prices are announced, and the announcement of the producer price differential.

The Class I Differential map shows the pricing differentials for each county in the Mideast Marketing Area. The Mideast Class I price and Producer Price Differential (PPD) is announced at Cuyahoga County (Cleveland), Ohio. This location has a differential of \$2.00. The Class I price and the PPD applicable for milk received at other county locations are adjusted by the difference between the \$2.00 differential at Cuyahoga County and the differential as indicated on the map of the county of receipt.

The lab tests page allows producers to view their component tests with the use of their six-digit passcode. This is the number located on your multicolored postcard that you receive from this office. It is located on the right side, two lines above your name.

The pricing information section contains the current month and historical months advance prices, class prices, and the producer price differential. The prices are updated on the web page the day of release.

The information request section is a way to communicate with different members of the market administrator's staff. Areas covered are pooling, pricing questions, lab testing, mailing list request,

and any comments regarding the website.

There are also links to other related websites. These include other federal orders, USDA Agricultural Marketing Service Dairy Programs, Dairy Market News, and the National Agricultural Statistic Service.

DAIRY FORWARD PRICING PILOT PROGRAM

The Dairy Forward Pricing Pilot Program was authorized by Congress in the Consolidated Appropriations Act of 2000. The program is voluntary and allows dairy farmers and milk handlers to enter into forward contracts for that portion of milk handler's use for non-fluid milk products. The program exempts handlers receiving pooled milk under the Federal milk order program from paying producers and cooperative associations the minimum Federal order blend price for that portion of program eligible milk that is under forward contract.

The law requires that a study of this program be conducted to determine its impact on prices received by dairy farmers. The results of the study are to be provided to Congress in October 2002. To gather information for the study, questionnaires have been sent to milk producers, handlers, and cooperatives concerning the Dairy Forward Pricing Pilot Program. If you receive a questionnaire, please fill it out and return by April 30th. You may also file your responses electronically on the Internet at: <http://www.ams.usda.gov/fcpp> as an alternative to mailing your questionnaire. If there are any questions contact William Pollock, Agricultural Economist at (888) 751-3220 Extension 142.

MARCH 2002 - POOL SUMMARY

Classification of Producer Milk		Percent
Class I	550,370,147	34.9
Class II	168,134,774	10.7
Class III	775,107,221	49.2
Class IV	82,248,591	5.2
Total	1,575,860,733	100.0

Producer Prices

Producer Price Differential	\$1.28 / cwt
Butterfat Price	1.3638 / lb
Protein Price	1.8342 / lb
Other Solids Price	0.0688 / lb
Somatic Cell Adjustment Rate	0.00060 / cwt
Statistical Uniform Price	11.93 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

MARCH 2002

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			540,017,171			\$ 9.10 / cwt	\$ 49,141,562.59
Class I Butterfat		10,352,976				1.3817 / lb	14,304,706.94
Class I Location Differential	550,370,147						(264,041.33)
Class II SNF Value				14,135,830		0.8511 / lb	12,031,004.91
Class II Butterfat		12,907,623				1.3708 / lb	17,693,769.59
Class III Protein Value			23,582,543			1.8342 / lb	43,255,100.37
Class III Other Solids Value					44,493,213	0.0688 / lb	3,061,133.04
Class III Butterfat		26,791,457				1.3638 / lb	36,538,189.05
Class IV SNF Value				6,629,204		0.7660 / lb	5,077,970.28
Class IV Butterfat		9,411,170				1.3638 / lb	12,834,953.68
Somatic Cell Value II / III / IV							416,659.76
TOTAL PRODUCER MILK VALUE	1,575,860,733	59,463,226	47,887,712		90,168,902		\$ 194,091,008.88
Overages						\$28,425.81	
Beginning Inventory						22,368.63	
TOTAL ADJUSTMENTS							\$ 50,794.44
TOTAL HANDLER OBLIGATIONS							\$ 194,141,803.32
Total Protein Value			47,887,712 lbs	@	\$1.8342		\$ (87,835,641.35)
Total Other Solids Value			90,168,902 lbs	@	0.0688		(6,203,620.43)
Butterfat Value			59,463,226 lbs	@	1.3638		(81,095,947.62)
Total Somatic Cell Values							(596,589.90)
TOTALS							\$ 18,410,004.02
Net Producer Location Adjustments							\$ 1,848,789.72
1/2 Unobligated Balance Producer Settlement Fund							628,000.00
Total - Divided by Total Pounds			1,575,860,733 lbs		1.3254213		\$ 20,886,793.74
Rate of Cash Reserve					(0.0454213)		(715,776.43)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,575,860,733		\$1.28 / cwt		\$ 20,171,017.31

COMPONENT PRICES

	March	
	<u>2002</u>	<u>2001</u>
Butterfat Price	\$1.3638 / lb	\$1.6820 / lb
Protein Price	1.8342 / lb	1.6498 / lb
Other Solids Price	0.0688 / lb	0.1039 / lb
Somatic Cell Adjustment Rate	0.00060 / cwt	0.00064 / cwt
Nonfat Solids Price	0.7660 / lb	0.8727 / lb

COMPUTATION OF UNIFORM PRICE

	March	
	<u>2002</u>	<u>2001</u>
Class III Price - 3.5% BF	\$10.65	\$11.42
Producer Price Differential*	<u>1.28</u>	<u>1.82</u>
Statistical Uniform Price	\$11.93	\$13.24

CLASS PRICES

	March	
	<u>2002</u>	<u>2001</u>
Class I*	\$13.62	\$14.65
Class II	12.19	14.17
Class III	10.65	11.42
Class IV	11.42	13.46

CLASSIFICATION OF PRODUCER MILK

	March	
	<u>2002</u>	<u>2001</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	550,370,147	592,463,468
Class II	168,134,774	92,306,848
Class III	775,107,221	625,570,509
Class IV	<u>82,248,591</u>	<u>27,719,752</u>
Total	1,575,860,733	1,338,060,577

* Subject to Location Adjustment.

ORDER 33 MARCH MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for March 2002 was \$1.28 and the Statistical Uniform Price was \$11.93 for the month. The Statistical Uniform Price is down \$0.53 from last month, and is \$1.31 lower than March 2001.

The Producer Butterfat Price of \$1.3638 per pound decreased 1.79 cents from February 2002 and is down 31.82 cents from a year ago. The Protein Price of \$1.8342 is down 25.42 cents from last month and is up 18.44 cents from March 2001. The Other Solids Price in March was \$0.0688 per pound, a decrease from last month's price of \$0.0965 and a decrease of 3.51 cents from last March. The Somatic Cell Adjustment rate for March was \$0.00060.

March producer receipts of 1.58 billion pounds were up 7.5 percent from February 2002, and increased 17.9 percent over March 2001 production of 1.34 billion pounds. Producer milk allocated to Class I accounted for 34.9 percent of the total producer milk in March equaling the 34.9 percent in February and less than the 44.3 percent in March 2001. A total of 11,794 producers were pooled in the Mideast Order with an average daily delivery of 4,310 pounds compared to 10,658 producers pooled in March 2001 with an average daily delivery of 4,050 pounds.

The market average content of producer milk was as follows: Butterfat 3.77%; Protein 3.04%; Other Solids 5.72% and Nonfat Solids 8.76%.

COMPONENT PRICING REVIEW

Producer pay prices are based on pounds of butterfat, true protein, other solids, somatic cell count, and the producer price differential (PPD). Butterfat, protein, other solids, and somatic cell values are all derived from commodity prices generated from the National Agricultural Statistic Service. The PPD is the producers share of value generated from the market wide pool. It varies from month to month due to changes in class prices and utilization of producer milk.

The three tables and graph examine component pricing for March 2000, 2001, and 2002. The market average composition is very stable over the period. The variability from year to year was caused by the component prices and the PPD. Note the variability in the value contribution of the components over time. In all three months butterfat and protein represented at least 80 percent of total gross value.

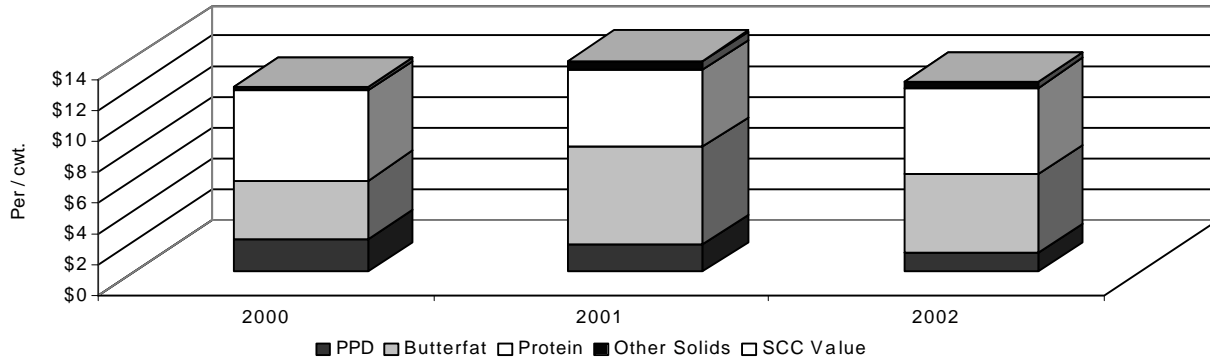
To calculate the gross pay, multiply the test percent of each component by the total pounds of milk produced. The resulting numbers are multiplied by that component's price per pound. The PPD is multiplied by total hundredweight produced. The somatic cell value is computed by subtracting the somatic cell counts (in thousands) from 350. The difference is multiplied by the somatic cell adjustment rate. This percent is then multiplied by the total hundredweights produced. The gross value is the sum of all the computed values.

	Test	Pounds	Price per Pound (cwt.)	Gross Dollars	Percent of Value
March 2000					
Butterfat	3.77%	3.77	\$1.0191	\$3.84	31.8
True protein	3.05%	3.05	1.9166	5.85	48.3
Other solids	5.68%	5.68	0.0424	0.24	2.0
Somatic Cell Value		100	0.0300	0.03	0.2
PPD		100	2.1400	2.14	17.7
Gross per cwt				<u>\$12.10</u>	<u>100.0</u>

March 2001					
Butterfat	3.76%	3.76	\$1.6820	\$6.32	45.8
True protein	3.05%	3.05	1.6498	5.03	36.4
Other solids	5.70%	5.70	0.1039	0.59	4.3
Somatic Cell Value		100	0.0400	0.04	0.3
PPD		100	1.8200	1.82	13.2
Gross per cwt				<u>\$13.80</u>	<u>100.0</u>

March 2002					
Butterfat	3.77%	3.77	\$1.3638	\$5.14	41.4
True protein	3.04%	3.04	1.8342	5.58	45.1
Other solids	5.72%	5.72	0.0688	0.39	3.2
Somatic Cell Value		100	0.0400	0.04	0.3
PPD		100	1.2800	1.28	10.0
Gross per cwt				<u>\$12.43</u>	<u>100.0</u>

March Composition of Gross Dollars



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

State	February 2002*						February 2001				
	Number of Producers	Pounds of Milk (000)	----Weighted Averages----				Pounds of Milk (000)	-----Weighted Averages-----			
			Butterfat	Protein	Other Solids	SCC (000)		Butterfat	Protein	Other Solids	SCC (000)
Michigan	2,667	441,206	3.70	3.03	5.73	277	322,145	3.74	3.06	5.70	287
Wisconsin	2,398	332,080	3.76	3.02	5.68	278	269,047	3.76	3.02	5.69	261
Ohio	2,670	309,730	3.80	3.07	5.71	295	262,909	3.81	3.09	5.68	303
Pennsylvania	1,479	120,585	3.85	3.05	5.69	340	112,798	3.84	3.08	5.66	341
Indiana	1,310	147,469	3.78	3.07	5.71	276	113,200	3.82	3.09	5.69	314
New York	405	91,412	3.73	2.98	5.71	247	72,342	3.74	3.00	5.70	240
Illinois	108	12,732	3.73	3.02	5.74	302	13,914	3.76	3.07	5.77	343
West Virginia	92	6,687	3.72	3.12	5.70	401	6,962	3.79	3.08	5.67	411
Minnesota	40	3,528	3.77	3.06	5.76	430	0				
Other	105	8,075	3.82	3.08	5.72	321	22,864	3.79	3.12	5.76	354
Total/Average	11,274	1,473,504	3.76	3.04	5.71	286	1,196,180	3.78	3.06	5.69	292

* 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

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
MARCH 2002**

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>	2,288,786	897,205	39.2	\$2.40	\$13.05
FO 5	Appalachian - <i>(Charlotte)</i>	625,473	369,711	59.1	2/	13.60
FO 6	Florida - <i>(Tampa)</i>	246,954	218,189	88.4	2/	15.20
FO 7	Southeast - <i>(Atlanta)</i>	761,036	403,552	53.0	2/	13.34
FO 30	Upper Midwest - <i>(Chicago)</i>	1,827,580	346,321	18.9	0.60	11.25
FO 32	Central - <i>(Kansas City)</i>	1,559,346	411,460	26.4	1.01	11.66
FO 33	Mideast - <i>(Cleveland)</i>	1,575,861	550,370	34.9	1.28	11.93
FO 124	Pacific Northwest - <i>(Seattle)</i>	663,172	177,088	26.7	1.08	11.73
FO 126	Southwest - <i>(Dallas)</i>	865,830	337,903	39.0	2.12	12.77
FO 131	Arizona-Las Vegas - <i>(Phoenix)</i>	285,673	81,525	28.5	2/	11.91
FO 135	Western - <i>(Salt Lake City)</i>	349,020	82,724	23.7	0.91	11.56

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 APRIL 2002 \$10.65 /cwt.