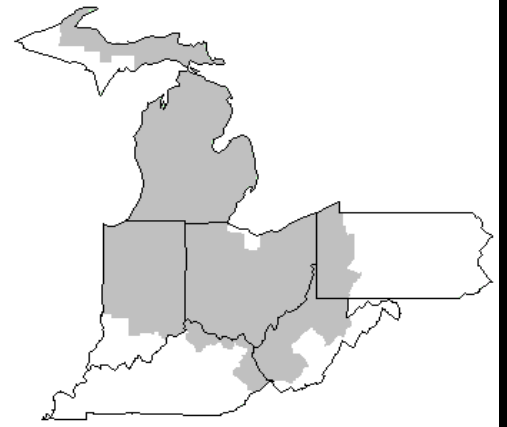


Mideast Market Administrator's Bulletin



Federal Order No. 33

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February 2008

Schafer Sworn In As Secretary of Agriculture

Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture (USDA) on January 28, 2008. Secretary Schafer brings a record as an innovative two-term governor of North Dakota to USDA along with extensive private sector experience as both an entrepreneur and a business executive.

Schafer served as North Dakota's governor from 1992 to 2000 and made diversifying and expanding North Dakota's economy, reducing the cost of government and advancing agriculture his top priorities in office. He worked to normalize trading relations with China and develop that nation as an export market for North Dakota farm products. He also led efforts to upgrade North Dakota's communications infrastructure and make high-speed voice and data networks available to farmers, ranchers and rural businesses.

Born and raised in Bismarck, North Dakota, Schafer graduated from the University of North Dakota in 1969 with a bachelor's degree in Business Administration and earned an MBA from the University of Denver in 1970.

USDA Invites Comments on Proposed Amendment to Fluid Milk Promotion Order

The U. S. Department of Agriculture invited comments on proposed amendments to the Fluid Milk Promotion Order. The proposed amendment would reduce the burden of late-fee charges applied to processors who under-report the amount of assessments that they owe to the National Fluid Milk Processor Promotion Board due to unintentional errors and miscalculation.

The proposed amendment would apply to processors who have not made more than two reporting errors in the prior 12-month period.

The National Fluid Milk Program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market 3 million pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments. USDA's Agricultural Marketing Service monitors the operations of the board.

The proposed rule was published in the January 28, 2008, *Federal Register*. Public comments must be submitted on or before February 27, 2008. Comments may be submitted on the internet at www.regulations.gov or mailed to Whitney A. Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, 1400 Independence Ave., SW, Room 2958-S, Stop 0233, Washington, D.C. 20250-0233.

Copies of the proposed rule may be obtained from USDA/AMS/Dairy Programs, Room 2958-S, Stop 0233, Washington, D.C. 20250-0233. The proposed rule is available on AMS' website at: www.ams.usda.gov/dairy.

December Milk Production Up 3.1 Percent

Milk production in the 23 major States during December totaled 14.4 billion pounds, up 3.1 percent from December 2006. November revised production at 13.8 billion pounds, was up 3.9 percent from November 2006. The November revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary estimate.

Production per cow in the 23 major States averaged 1,719 pounds for December, 29 pounds above December 2006. The number of milk cows on farms in the 23 major States was 8.38 million head, 107,000 head more than December 2006, and 14,000 head more than November 2007.

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 December totaled 2.2 billion pounds, up 46 million pounds or 2.1 percent from December 2006.

Production per cow in the Mideast states averaged 1,674 pounds for December, 5 pounds above December 2006. The number of cows on farms in the Mideast states was 1.3 million head, 24,000 head more than December 2006.

*Released January 18, 2008, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, U.S. Department of Agriculture. For information on "Milk Production" call Jason Hardegree at 202-720-3278, office hours 7:30 a.m. to 4:00 p.m. ET.

January 2008 - Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	571,140,418	38.9
Class II	252,172,384	17.2
Class III	538,046,295	36.6
Class IV	108,092,536	7.3
Total	1,469,451,633	100.0

Producer Prices

Producer Price Differential	\$ 0.93 / cwt
Butterfat Price	1.3319 / lb
Protein Price	4.4994 / lb
Other Solids Price	0.2097 / lb
Somatic Cell Adjustment Rate	0.00100 / cwt
Statistical Uniform Price	20.25 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****JANUARY 2008****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			560,971,028			\$ 18.53 / cwt	\$ 103,947,931.47
Class I Butterfat		10,169,390				1.4533 / lb	14,779,174.51
Class I Location Differential	571,140,418						(273,826.44)
Class II SNF Value				21,773,736		1.7344 / lb	37,764,367.74
Class II Butterfat		14,495,494				1.3389 / lb	19,408,016.92
Class III Protein Value			16,772,559			4.4994 / lb	75,466,631.97
Class III Other Solids Value					30,725,658	0.2097 / lb	6,443,170.45
Class III Butterfat		19,824,850				1.3319 / lb	26,404,717.71
Class IV SNF Value				8,850,636		1.3385 / lb	11,846,576.31
Class IV Butterfat		11,397,569				1.3319 / lb	15,180,422.12
Somatic Cell Value II / III / IV							942,871.38
TOTAL PRODUCER MILK VALUE	1,469,451,633	55,887,303	45,769,371		83,775,877		\$ 311,910,054.14
Overages						\$ 11,794.90	
Beginning Inventory and OS Charges						52,851.75	
TOTAL ADJUSTMENTS							\$ 64,646.65
TOTAL HANDLER OBLIGATIONS							\$ 311,974,700.79
Total Protein Value			45,769,371 lbs	@	\$ 4.4994		\$ (205,934,707.87)
Total Other Solids Value			83,775,877 lbs	@	0.2097		(17,567,801.40)
Butterfat Value			55,887,303 lbs	@	1.3319		(74,436,298.86)
Total Somatic Cell Values							(1,510,371.16)
TOTALS							\$ 12,525,521.50
Net Producer Location Adjustments							\$ 1,101,959.72
1/2 Unobligated Balance Producer Settlement Fund							697,000.00
Total - Divided by Total Pounds			1,469,451,633 lbs		0.9748181		\$ 14,324,481.22
Rate of Cash Reserve					(0.0448181)		(658,580.30)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,469,451,633		\$ 0.93 /cwt		\$ 13,665,900.92

COMPONENT PRICES**COMPUTATION OF UNIFORM PRICE**

	January	
	2008	2007
Butterfat Price	\$1.3319 / lb	\$1.3009 / lb
Protein Price	4.4994 / lb	2.4053 / lb
Other Solids Price	0.2097 / lb	0.3183 / lb
Somatic Cell Adjustment Rate	0.00100 / cwt	0.00067 / cwt
Nonfat Solids Price	1.3385 / lb	0.9184 / lb

	January	
	2008	2007
Class III Price - 3.5% BF	\$19.32	\$13.56
Producer Price Differential*	0.93	0.47
Statistical Uniform Price	\$20.25	\$14.03

CLASS PRICES**CLASSIFICATION OF PRODUCER MILK**

	January	
	2008	2007
Class I*	\$22.97	\$15.59
Class II	19.75	12.85
Class III	19.32	13.56
Class IV	16.29	12.53

	January	
	2008	2007
Product lbs.		
Class I	571,140,418	587,545,955
Class II	252,172,384	284,178,814
Class III	538,046,295	507,055,384
Class IV	108,092,536	92,949,444
Total	1,469,451,633	1,471,729,597

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2008 was \$0.93 and the Statistical Uniform Price was \$20.25 for the month. The Statistical Uniform Price is \$0.39 lower than last month, and is \$6.22 higher than January 2007.

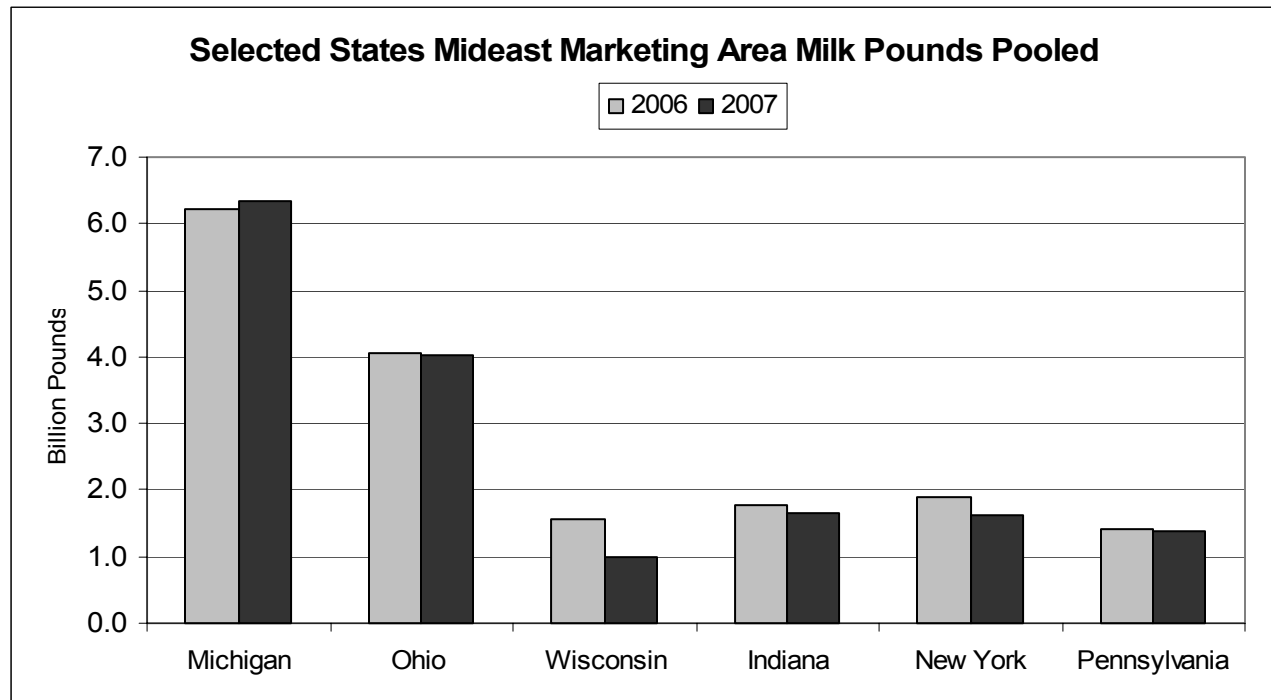
The Producer Butterfat Price of \$1.3319 per pound decreased 10.29 cents from December 2007 and is up 3.10 cents from a year ago. The Protein Price of \$ 4.4994 is down 20.67 cents from last month and is up 2.0941 dollars from January 2007. The Other Solids Price in January was \$0.2097 per pound, a decrease from last month's price of \$0.2637 and a decrease of 10.86 cents from last January. The Somatic Cell Adjustment rate for January was \$0.00100.

January producer receipts of 1.47 billion pounds were 6.8 percent higher than December 2007 and 0.1 percent lower than January 2007 production of 1.471 billion pounds. Producer milk allocated to Class I accounted for 38.9 percent of the total producer milk in January 2008, less than the 40.4 percent in December 2007 and less than the 39.9 percent in January 2007. A total of 7,918 producers were pooled on the Mideast Order compared to 7,863 producers pooled in January 2007.

The market average content of producer milk was as follows: Butterfat 3.80%; Protein 3.11%; Other Solids 5.70% and Nonfat Solids 8.81%.

Annual Producer Milk for Selected States in Mideast Order

Milk pooled in the Mideast Marketing Order decreased in 2007 in total for the selected states below compared to the same states in 2006. The milk pooled from these six states represents 98.5 percent of all milk pooled on the Mideast Order in 2007. Total producer milk for the selected states for 2007 was 16.0 billion pounds of milk compared to 16.9 billion pounds of milk in 2006. This was a decrease of 5.2 percent from 2006. Michigan pooled 6.3 billion pounds of milk in 2007. This was an increase of 2.2 percent from 2006. They were followed by Ohio with 4.0 billion pounds of milk pooled. This was a decrease of 0.5 percent from 2006. Indiana was next with 1.7 billion pounds of milk pooled. This was a decrease of 6.5 percent from 2006. New York followed with 1.6 billion pounds of milk pooled. This was a decrease of 13.7 percent from 2006. The fifth highest state was Pennsylvania. Milk pooled from Pennsylvania totaled 1.4 billion pounds. This was a decrease of 4.0 percent from 2006. Finally, Wisconsin had 0.9 billion pounds of milk pooled on the Mideast Marketing Order in 2006. This was a decrease of 36.2 percent from the 2006.



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

Federal Order No. 33

State	December 2007						December 2006				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,986	545,070	3.77	3.15	5.71	228	533,104	3.68	3.08	5.69	239
Ohio	2,360	357,317	3.91	3.19	5.69	263	341,865	3.83	3.12	5.66	269
Indiana	1,155	146,687	3.90	3.17	5.69	266	140,973	3.82	3.11	5.67	276
Pennsylvania	1,178	110,445	3.94	3.18	5.68	312	116,365	3.85	3.13	5.65	320
New York	324	100,512	3.76	3.12	5.74	220	179,923	3.66	3.05	5.74	221
Wisconsin	806	89,311	3.87	3.11	5.73	232	48,412	3.84	3.09	5.75	251
Illinois	75	12,770	3.82	3.08	5.72	233	1,656	3.84	3.10	5.69	326
West Virginia	63	5,610	4.20	3.35	5.67	316	5,527	4.04	3.23	5.66	367
Other	118	8,119	3.89	3.16	5.69	274	5,800	3.92	3.16	5.65	332
Total/Average *	8,065	1,375,842	3.84	3.16	5.70	248	1,373,624	3.75	3.10	5.68	256

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.



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**FEDERAL ORDER DATA
 JANUARY 2008**

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,050,465	904,275	44.1	\$1.79	\$21.11
FO 5 Appalachian - (Charlotte)	513,089	371,982	72.5	^{2/}	22.60
FO 6 Florida - (Tampa)	283,233	234,011	82.6	^{2/}	23.80
FO 7 Southeast - (Atlanta)	642,148	427,443	66.6	^{2/}	22.46
FO 30 Upper Midwest - (Chicago)	2,537,674	395,977	15.6	0.38	19.70
FO 32 Central - (Kansas City)	1,104,897	383,785	34.7	0.39	19.71
FO 33 Mideast - (Cleveland)	1,469,452	571,140	38.9	0.93	20.25
FO 124 Pacific Northwest - (Seattle)	585,474	201,218	34.4	0.07	19.39
FO 126 Southwest - (Dallas)	834,018	373,416	44.8	1.38	20.70
FO 131 Arizona - (Phoenix)	340,357	123,263	36.2	^{2/}	19.72

^{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 FEBRUARY 2008\$ 16.29 /cwt.

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT
MARKETING SERVICE FUND**

For the Year Ending December 31, 2007

Income:

Assessments or Deductions	\$2,053,739.03
Late Payment Charges Assessed	.00
Interest Earned	32,980.82
Miscellaneous	<u>.00</u>

Total Income

\$2,086,719.85

Expenses:

Salaries and Services	\$1,133,808.66
Travel	120,286.53
Communications	86,851.73
Employer Payroll Contributions	295,848.78
Insurance	7,949.30
Rent - Buildings and Equipment	96,077.53
Repairs and Maintenance	12,690.09
Supplies	125,200.86
Testing and Weighing	11,359.78
Utilities	12,673.56
Depreciation of Fixed Assets	50,439.40
Conferences and Meetings	.00
Training	7,925.57
Uncollectible Accounts	.00
Miscellaneous	3,675.36
Amortization of Leasehold Improvements	<u>20,004.84</u>

Total Expenses

\$1,984,791.99

Net Income

\$ 101,927.86

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**BALANCE SHEET
MARKETING SERVICE FUND**

As of December 31, 2007

ASSETS

Current Assets:

Cash and Bank Deposits	\$ 109,560.13
Investments	700,000.00
Accounts Receivable - Handlers	173,046.72
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	2,527.15

Other Assets:

Prepaid Expenses	\$ 4,073.04
Deposits	.00

Fixed Assets:

Motor Vehicles	\$ 479,721.94
Accumulated Depreciation	(383,984.48)
Furniture and Equipment	23,357.58
Accumulated Depreciation	(19,382.19)
Laboratory Equipment	915,931.44
Accumulated Depreciation	(879,502.41)
Leasehold Improvements	120,029.69
Accumulated Depreciation	<u>(63,349.31)</u>

Total Assets **\$1,182,029.30**

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$.00
Accrued Employee Salaries Payable	26,016.05
Accrued Employee Annual Leave	95,124.34
Payroll Contributions and Withholdings	6,843.35

Operating Balance **\$1,054,045.56**

Total Liabilities and Operating Balance **\$1,182,029.30**