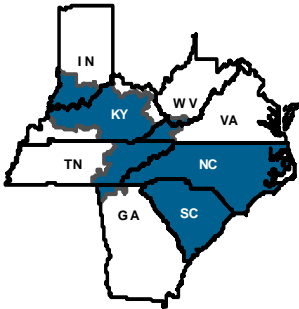




THE COURIER



Hearing Set on Fluid Milk Product Definition

On, April 11, 2005, the U. S. Department of Agriculture announced that it will hold a national public hearing to consider proposals seeking to amend the Class I fluid milk product definition in all Federal milk marketing orders. The hearing will begin at 8:00 a.m. on June 20, 2005, at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, PA 15219-1122.

Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Ave., SW, Washington, DC 20250-0231. The hearing notice is available on AMS' Web site at: www.ams.usda.gov/dairy.

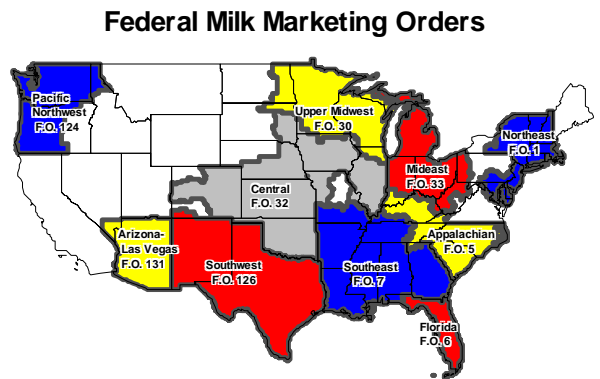
Harold H. Friedly, Jr.
Market Administrator

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The hearing was requested by Dairy Farmers of America Inc. (DFA), who asked USDA to reconsider which dairy products should be classified as Class I products. DFA contends that many fluid consumable milk products are currently classified as Class II products because of the current formulation standard.

The hearing notice was published as a proposed rule in the April 12 Federal Register.



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, 2005. The 12 new members will serve 3-year terms beginning November 1, 2005, and ending October 31, 2008.

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 hundredweight assessment on all milk marketed commercially by dairy producers in the contiguous 48 states.

For nominating forms and procedures, contact the Promotion and Research Branch, Dairy

(Continued on page 3)

Appalachian Statistical Summary

	April 2005	March 2005	April 2004
PRICES: (Base Zone)			
Uniform Price	\$15.92	\$16.74	\$16.76
Class I Price	17.23	18.53	16.74
Class II Price	13.24	13.25	15.21
Class III Price	14.61	14.08	19.66
Class IV Price	12.61	12.66	14.57
Uniform Skim Milk Price	\$10.25	\$10.98	\$8.63
Class I Skim Milk Price	11.45	12.69	9.06
Class II Skim Milk Price	7.54	7.44	6.66
Class III Skim Milk Price	8.99	8.32	11.30
Class IV Skim Milk Price	6.91	6.85	6.03
Uniform Butterfat Price	\$1.7237	\$1.7544	\$2.4078
Class I Butterfat Price	1.7669	1.7968	2.2835
Class II Butterfat Price	1.7034	1.7349	2.5083
Class III Butterfat Price	1.6964	1.7279	2.5013
Class IV Butterfat Price	1.6964	1.7279	2.5013
PRODUCER MILK:			
Class I	359,034,716	376,762,730	368,183,401
Class II	88,634,740	102,203,294	76,850,184
Class III	48,710,016	55,418,027	3,400,849
Class IV	<u>85,979,535</u>	<u>75,586,830</u>	<u>33,636,572</u>
Total Producer Milk	582,359,007	609,970,881	482,071,006
PERCENT PRODUCER MILK IN:			
Class I	61.65	61.77	76.38
Class II	15.22	16.76	15.94
Class III	8.37	9.08	0.70
Class IV	14.76	12.39	6.98

March Milk Production Up 3.1 Percent

Milk production in the 23 major states during March totaled 13.8 billion pounds, up 3.1 percent from March 2004. February revised production, at 12.3 billion pounds, was down 0.5 percent from February 2004. However, production was up 3.1 percent on a per day basis after adjusting for the leap year. The February revision represented an increase of 30 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major states averaged 1,704 pounds for March, 43 pounds above March 2004.

The number of milk cows on farms in the 23 major states was 8.10 million head, 38,000 head more than March 2004, and 21,000 head more than February 2005.



National Dairy Board (Cont'd from page 1)

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 michael.johnson2@usda.gov.

Members Named To National Fluid Milk Processor Promotion Board

On May 2, Secretary of Agriculture Mike Johanns announced the appointment of four incumbents and two new members to the National Fluid Milk Processor Promotion Board.

Terms for these appointees begin July 1, 2005, and expire June 30, 2008. All appointees will be seated at the summer board meeting July 21-23, 2005.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions, and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The board was

established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

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 3,000,000 pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments.



Tentative Partial Decision to Amend Upper Midwest Milk Order

On April 13, the U. S. Department of Agriculture announced a tentative partial decision that recommends various amendments to current provisions of the Upper Midwest Federal milk marketing order. This decision is based on testimony and evidence given at a public hearing held on Aug. 16-19, 2004, in Bloomington, MN.

This decision adopts amendments to the performance standards and transportation credit provisions of the order. The amendments

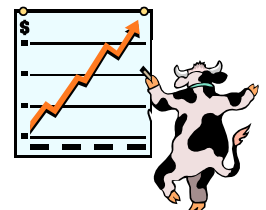
include: 1) revising the supply plant performance standards so that milk seeking to be pooled on the order demonstrates consistent service to the Class I market; 2) preventing handlers located within the states that comprise the marketing area from qualifying milk located outside of these states; 3) eliminating diversions to nonpool plants outside of the states that comprise the marketing area; and 4) establishing a limit on the receipt by handlers of a transportation credit for milk movements of 400 miles or less.

This decision adopts amendments to the performance standards and transportation credit provisions of the order.

January-March Milk Production Up 1.1 Percent

Milk production in the U.S. during the January-March quarter totaled 43.2 billion pounds, up 1.1 percent from the January-March quarter last year. The average number

of milk cows in the U.S. during the quarter was 9.00 million head, 2,000 head more than the same period last year.



**APPALACHIAN MARKETING AREA
FEDERAL ORDER 5**

Milk Market Administrator
P. O. Box 18030
Louisville, KY 40261-0030

ADDRESS SERVICE REQUESTED

Phone: 502-499-0040
Fax: 502-499-8749
E-mail: friedly@malouisville.com
TTY: 502-491-9124
Accessed through
KRS: 1-800-648-6057
or dial 7-1-1

WE'RE ON THE WEB
<http://members.aye.net/~usda>



Federal Milk Marketing Order Statistics - March 2005

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,023	907	44.8	16.04
5 Appalachian	610	377	61.8	16.74
6 Florida	300	231	77.1	18.15
7 Southeast	679	402	59.3	16.63
30 Upper Midwest	2,166	382	17.7	14.49
32 Central	1,335	374	28.0	14.73
33 Mideast	1,664	547	32.9	14.95
124 Pacific Northwest	569	188	33.0	14.59
126 Southwest	784	344	43.9	15.79
131 Arizona-Las Vegas	271	85	31.3	14.86
All Orders¹	10,400	3,838	36.9	15.39

¹ Weighted average uniform prices at 3.5 % butterfat at announced locations.



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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.