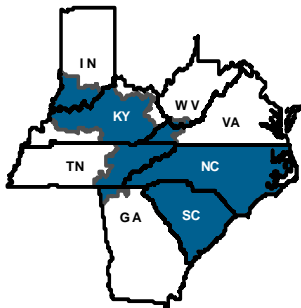




# THE COURIER



Harold H. Friedly, Jr.  
Market Administrator

## Lloyd Day Appointed Administrator of AMS

On August 5, 2005, Agriculture Secretary Mike Johanns announced the appointment of Lloyd C. Day as Administrator of the Agricultural Marketing Service (AMS) at the United States Department of Agriculture.

Service (FAS) at USDA. In this role, he was responsible for coordinating all USDA activities with Mexico on behalf of the Secretary of Agriculture.

“Lloyd’s experience in international affairs, economic development and trade policy will be an asset in his new role at AMS, where he will help to market agricultural products in domestic and international markets, while ensuring fair trading practices,” said Johanns. “I am very pleased that he will quickly assume his new responsibilities in this capacity so we can better serve our customers and the agricultural industry.”



Lloyd C. Day  
Administrator of AMS

Mr. Day has significant California experience and contacts. Prior to coming to USDA, he worked as a business development director and industry marketing manager at Tumbleweed Communications in Redwood City, California, from 1999-2002. He also served as Deputy Secretary of International Trade and Investment with the California Trade and Commerce Agency in Governor Pete Wilson’s Administration from 1996-1999.

Mr. Day assumed the role of Administrator of AMS on Monday, Aug. 8, 2005. Since 2002, he has served as special assistant to the Administrator of the Foreign Agricultural

Mr. Day received a bachelor’s and master’s degree from Stanford University and a second master’s degree from the University of Glasgow in Scotland. He is a native of Sacramento, California and now resides in Alexandria, Virginia.

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## Post Hearing Briefs for Class I Definition Hearing Now Available Online



Post hearing briefs from interested parties for the Class I Fluid Milk Product Definition National Hearing are currently available online

at [http://www.ams.usda.gov/dairy/class\\_I\\_definition.htm](http://www.ams.usda.gov/dairy/class_I_definition.htm). The hearing, which was held in Pittsburgh, PA, from June 20-23, 2005, seeks to amend the Class I fluid milk product definition of all Federal milk marketing orders. Post hearing briefs were due on September 6th.

## New Members Named to the National Dairy Board

On Aug. 16, 2005, Secretary of Agriculture Secretary Mike Johanns 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 Nov. 1, 2005, through Oct. 31, 2008.

“I am pleased these individuals have agreed to serve on this board,” Johanns said.

Newly appointed are: Ronald L. Koetsier, Visalia, CA (region 2); William R.D. Anglin, Bentonville, AR (region 4); Donna L. Sharp, Bath, SD (region

**Continued on page 3**

## Appalachian Statistical Summary

	AUGUST 2005	JULY 2005	AUGUST 2004
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$16.65	\$16.26	\$16.16
Class I Price	17.54	16.99	17.72
Class II Price	13.95	13.79	13.13
Class III Price	13.60	14.35	14.04
Class IV Price	13.44	13.17	12.46
Uniform Skim Milk Price	\$10.55	\$10.61	\$9.75
Class I Skim Milk Price	11.39	11.83	10.65
Class II Skim Milk Price	7.81	7.73	7.07
Class III Skim Milk Price	7.48	8.34	8.04
Class IV Skim Milk Price	7.31	7.12	6.40
Uniform Butterfat Price	\$1.8474	\$1.7198	\$1.9289
Class I Butterfat Price	1.8706	1.5920	2.1262
Class II Butterfat Price	1.8316	1.8077	1.8011
Class III Butterfat Price	1.8246	1.8007	1.7941
Class IV Butterfat Price	1.8246	1.8007	1.7941

→ Class I utilization for the Appalachian Marketing Area in August 2005 increased by 7.5% from July 2005 to account for 71.4% of total producer milk.

→ The Uniform Price for the Appalachian Marketing Area in August 2005, \$16.65, increased by 39 cents from July 2005 and is 49 cents higher than in August 2004.

<b>PRODUCER MILK:</b>			
Class I	350,587,577	332,705,052	366,505,381
Class II	75,024,439	83,783,943	83,576,049
Class III	25,764,009	21,810,238	35,304,979
Class IV	39,545,539	65,617,673	51,997,611
<b>Total Producer Milk</b>	<b>490,921,564</b>	<b>503,916,906</b>	<b>537,384,020</b>

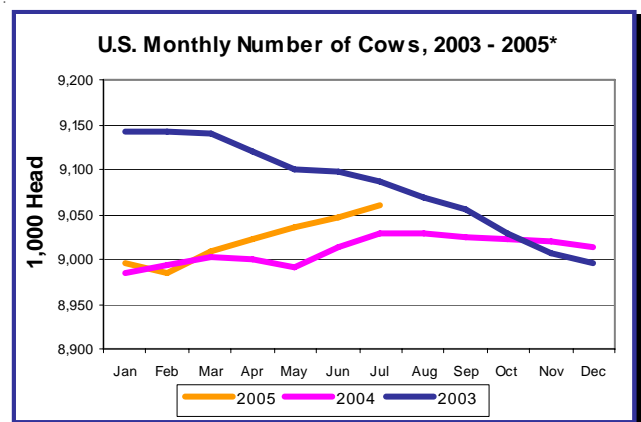
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	71.41	66.02	68.20
Class II	15.28	16.63	15.55
Class III	5.25	4.33	6.57
Class IV	8.06	13.02	9.68

### 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.

### U.S. Number of Cows Increases Again

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.

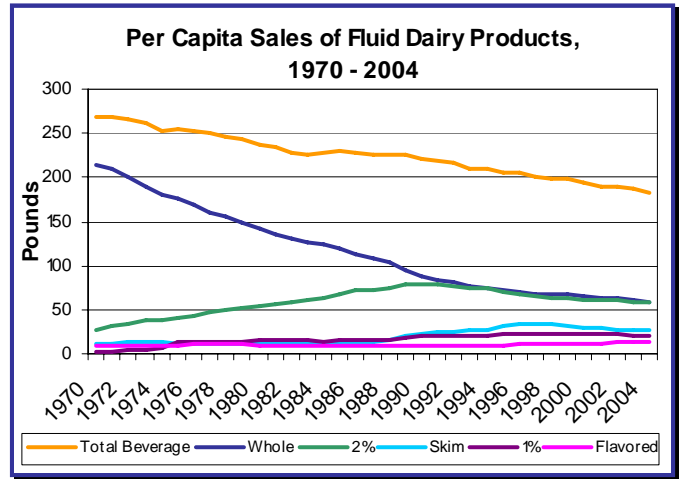


\* Based on entire U.S. production.

## Dairy Product Sales Per Capita, 1970 -2004\* : Fluid Dairy Drops; Cheese Increases

Even as sales of most individual types of milk have increased over time, total sales of fluid dairy products per capita have decreased. This drop is due to the decline in sales per capita of whole milk. Historically having the greatest per capita sales, whole milk sales per capita have declined over 70% during the past 35 years, from 213.5 pounds in 1970 to an estimated 58.8 pounds in 2004. And although sales per capita of 2% milk have more than doubled from 28 pounds in 1970 to 59.6 pounds in 2003, it has also been declining since it reached its peak of 79.2 pounds in 1981. Joining the downward trend in the late 1990s is skim milk. But like 2% milk, it has also more than doubled its per capita sales from

11.6 pounds in 1970 to 26.8 pounds in 2003. Holding the greatest increase in sales per capita is 1% milk with 1.8 pounds in 1970 to 21.3 pounds in 2003. Moreover, flavored milk, having gained popularity in recent years, is the only milk among these types to have a positive trend in sales per capita in the past several years.

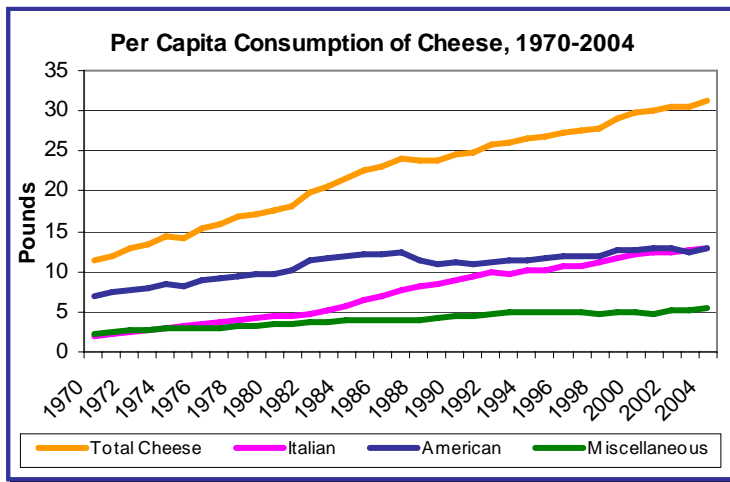


\*Source of Data: Economic Research Services



The consumption per capita of cheese, on the other hand, has been experiencing upward trend for the past 35 years. Italian cheese

(which includes mozzarella, ricotta, provolone, parmesan and romano cheese) has been increasing at the greatest rate from just over 2 pounds per capita in 1970 to an estimated 12.9 pounds in 2004. With American cheese (Cheddar, colby, monterey and jack) also at an estimated 12.9 pounds per capita in 2004, consumption of Italian cheese will perhaps pass American cheese in the near future. Primarily due to cream cheese and Neufchatel cheese, consumption per capita of total miscellaneous cheese also continues to increase.



## New National Dairy Board Members Named (continued from page 1)

5); Carl F. VanDen Avond, Green Bay, WI (region 6); Bradford A. McCauley, Viola, WI (region 6); Douglas D. Nuttelman, Stromsburg, NE (region 7); Carl A. Schmitz, Wadesville, IN (region 9); Joyce A. Bupp, Seven Valleys, PA (region 11); Ronald R. McCormick, Java Center, NY (region 12) and Debora A. Erb, Landaff, NH (region 13). Reappointed to serve second terms are: Lester E. Hardesty, Windsor, CO (region 3) and Michael M. Ferguson, Senatobia, MS (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

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**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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

**ADDRESS SERVICE REQUESTED**

Phone: 502-499-0040  
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TTY: 502-491-9124  
Accessed through  
KRS: 1-800-648-6057  
or dial 7-1-1



National Dairy Board (cont'd from pg 3)

program is financed by a mandatory 15 cent per hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's 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.

**Federal Milk Marketing Order Statistics - July 2005**

Federal Order		Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1	Northeast	1,988	814	40.9	15.85
<b>5</b>	<b>Appalachian</b>	<b>504</b>	<b>333</b>	<b>66.0</b>	<b>16.26</b>
6	Florida	249	203	81.6	17.47
7	Southeast	588	363	61.7	16.18
30	Upper Midwest	2,012	339	16.8	14.69
32	Central	1,294	332	25.7	14.76
33	Mideast	1,656	497	30.0	14.96
124	Pacific Northwest	673	166	24.7	14.38
126	Southwest	893	320	35.8	15.44
131	Arizona-Las Vegas	242	78	32.2	14.89
<b>All Orders <sup>1</sup></b>		<b>10,098</b>	<b>3,445</b>	<b>34.1</b>	<b>15.26</b>

<sup>1</sup> Weighted average uniform prices at 3.5 % butterfat at announced locations.

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