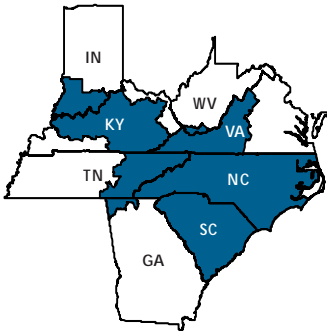




# THE COURIER



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Market Administrator



## Inside this Issue:

Appalachian  
Statistical Summary ..... 2

October 2005  
Milk Production ..... 2

U.S. Fluid Milk  
Bottling Plants,  
1950-2004 ..... 3

Final Rule to Amend  
Upper Midwest Order ..... 3

*Continued:*  
Final Decision to Amend  
FO's 124 & 131 ..... 4

FMMO Statistics -  
October 2005 ..... 4

## USDA Launches Redesigned Agricultural Statistics Website

On December 5, 2005, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) launched its newly redesigned website, [www.nass.usda.gov](http://www.nass.usda.gov) that makes agricultural data easily accessible.

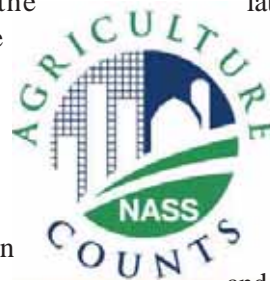
"NASS continues to strive to meet the needs of all of our customers and data users, both those inside and outside of the agricultural industry and those here in the United States and abroad," said R. Ronald Bosecker, NASS administrator. "This new website will further our mission by providing a user-friendly and abundant resource of statistics in service to U.S. agriculture."

The site has been completely revamped in response to feedback from NASS customers and data users, including university and government researchers, agricultural association members, journalists, trade organizations, NASS employees and the general public. The NASS website development team incorporated

a variety of web-based tools to enhance the sites usability and enrich its content.

"Whether you are a producer, a teacher, a government official, a reporter or anyone interested in U.S. agricultural statistics, you'll find that the new site is not only informative and easy to use, but that it makes the most of the latest web technology," said Bosecker.

Visitors to the site will find a new Google-powered search engine, an SVG interactive mapping application, an RSS news feed and XML technology. To complete the redesign effort, the site mirrors the look and feel of the official USDA website. The new site will be frequently updated with new information. USDA reports, such as the monthly Crop Production reports, will continue to be available online within minutes after release. Additionally, up-to-date information on surveys currently being conducted in the field as well as information on the upcoming 2007 Census of Agriculture is also easily accessible.



## USDA's Final Decision to Amend Orders 124 and 131

On December 9, 2005, the USDA announced a final decision that adopts amendments to the current provisions of the producer-handler definitions of the Pacific Northwest and Arizona-Las Vegas milk marketing orders. This decision is based on testimony and evidence given at a public hearing held in Tempe, Arizona, beginning on September 23, 2003; reconvening in Seattle, Washington, on November 17, 2003, and concluding in Alexandria, Virginia, on January 23, 2004.

The decision establishes a three million pound per month route disposition limit, which if exceeded, would subject a producer-handler to

the pooling and pricing provisions of the Pacific Northwest and the Arizona-Las Vegas milk marketing orders. Producer-handlers, defined as dairy farmers who process only their own milk, are currently exempt from these provisions of the orders and are not subject to paying the minimum class prices established under the orders. It is the exemption from the pooling and pricing provisions of the Pacific Northwest and Arizona-Las Vegas orders that is the central issue of this proceeding.

The final decision was published in the December 14, 2005, Federal Register. The

*Producer-Handlers, continued on page 4* ➔

## Appalachian Statistical Summary

NOVEMBER 2005    OCTOBER 2005    NOVEMBER 2004

### PRICES: (Base Zone)

Uniform Price	\$16.30	\$16.48	\$16.78
Class I Price	17.66	17.37	17.39
Class II Price	13.49	14.25	14.09
Class III Price	13.35	14.35	14.89
Class IV Price	12.90	13.61	13.34
Uniform Skim Milk Price	\$10.69	\$10.33	\$10.08
Class I Skim Milk Price	11.58	11.06	10.91
Class II Skim Milk Price	8.11	8.12	7.14
Class III Skim Milk Price	7.99	8.25	8.00
Class IV Skim Milk Price	7.52	7.48	6.39
Uniform Butterfat Price	\$1.7088	\$1.8617	\$2.0138
Class I Butterfat Price	1.8536	1.9128	1.9598
Class II Butterfat Price	1.6184	1.8326	2.0559
Class III Butterfat Price	1.6114	1.8256	2.0489
Class IV Butterfat Price	1.6114	1.8256	2.0489

### PRODUCER MILK:

Class I	355,573,973	340,526,464	368,722,955
Class II	75,678,893	78,290,837	77,000,216
Class III	35,498,577	29,262,983	26,877,709
Class IV	41,727,736	43,279,638	35,770,768
<b>Total Producer Milk</b>	<b>508,479,179</b>	<b>491,359,922</b>	<b>508,371,648</b>

### PERCENT PRODUCER MILK IN:

Class I	69.93	69.30	72.53
Class II	14.88	15.93	15.15
Class III	6.98	5.96	5.28
Class IV	8.21	8.81	7.04



### NOVEMBER 2005 APPALACHIAN AREA STATS:

↪ **Total Producer Milk** in November 2005 totaled 508,479,179 pounds, 3.48% higher than in October 2005.

↪ **Total Class I Pounds** for November 2005 increased 4.42% to 355,573,973 pounds from October 2005's Class I pounds.

↪ **Total Class I Utilization** increased 0.63% from October's Class I utilization to 69.93%.

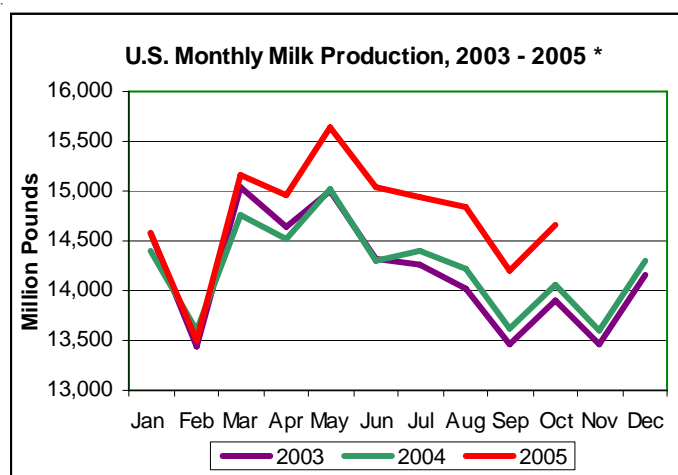


## October '05 Milk Production Up 4.1%

Milk production in the 23 major States during October 2005 totaled 13.4 billion pounds, up 4.1 percent from October 2004. September 2005 revised production, at 13.0 billion pounds, was up 4.7 percent from September 2004. The September 2005 revision represented a decrease of 27 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,636 pounds for October 2005, 53 pounds above October 2004.

The number of milk cows on farms in the 23 major States was 8.16 million head, 58,000 head more than October 2004, and 4,000 head more than September 2005.



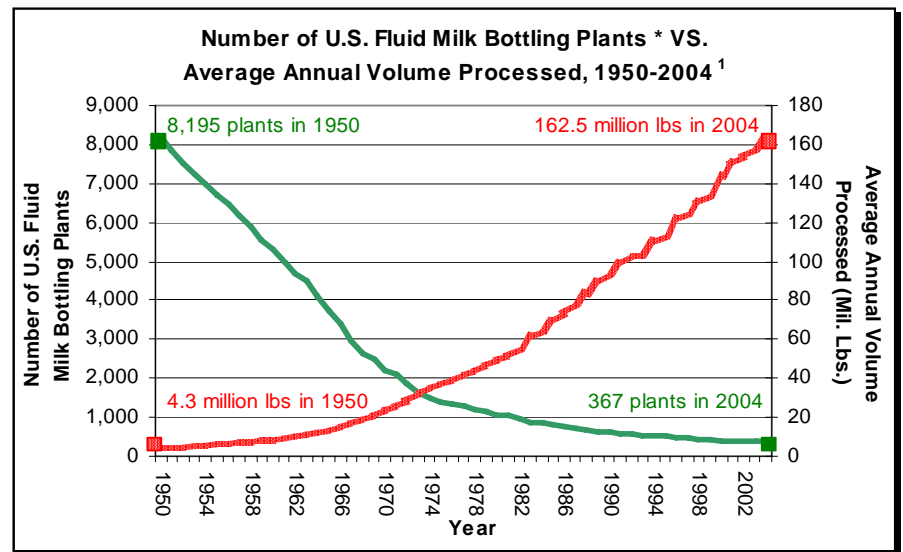
\* Based on entire U.S. production.

## A Look at U.S. Fluid Milk Bottling Plants, 1950-2004

Through mergers, consolidation and innovative technology, the U.S. dairy industry has experienced many changes, specifically concerning fluid milk bottling plants. Over the past fifty years, the total number of fluid milk bottling plants in the U.S. (operated by commercial processors) has drastically declined while the average annual volume processed per fluid milk bottling plant has consistently increased.

Today, the U.S. currently comprises of less than five percent of the total number of fluid milk bottling plants in 1950. As can be seen in the graph, the number of plants in 1950, 8,195, has dropped over 95% to just 367 in 2004. On average, this number demonstrates a decrease of over 5.5% each year since 1950. In addition, the time period from 1965 to 1975 consists of the greatest rate of the decline in the number of U.S. fluid milk bottling plants with a drop of 9.6% per year, on average. The continued decrease in the number of plants, however, has slowed down since the 1990's.

In contrast, while the number of fluid milk bottling plants in the U.S. has been dropping, the average annual volume of fluid milk processed per bottling plant has been growing consistently each year since 1950. The growth rate has averaged seven percent per year from 1950 to 2004. Furthermore, volume capacity



\* Operated by commercial processors.

<sup>1</sup> Sources of data: USDA, AMS Federal milk market order statistics and California dairy industry statistics.

has increased so much over the past fifty years that the average volume of fluid milk processed of 162.5 million pounds in 2004 represents a 3,679% increase from the 4.3 million pounds volume in 1950.

During the same period as the greatest decline in the number of fluid milk bottling plants came the greatest growth rate in average volume processed. From 1963-1972, growth in volume processed per plant averaged 11.6% per year. Since then, while volume capacity continues to increase, the growth rate has cooled off.

## Final Rule to Permanently Amend Upper Midwest Order

Published in the December 9, 2005, Federal Register, the USDA announced a final rule that permanently adopts amendments to the pooling and transportation credit provisions of the Upper Midwest milk marketing order. The amendments were previously implemented on an interim basis. This decision is based on testimony and evidence given at a public hearing held in Bloomington, Minnesota, from August 16-19, 2004.

Specifically, this final rule permanently adopts provisions to allow only supply plants located in the States that comprise the Upper Midwest marketing area to use milk delivered directly from producers' farms for qualification

purposes, eliminates the ability to pool as producer milk diversions to nonpool plants outside of the States that comprise the Upper Midwest marketing area, and limits the transportation credit received by handlers to the first 400 miles of applicable milk movements. More than the required number of producers for the Upper Midwest market area approved the issuance of the final order amendments. This final rule become effective on February 9, 2005. More information can be viewed at:

[http://www.ams.usda.gov/dairy/upper\\_midwest/umw\\_pooling\\_prov.htm](http://www.ams.usda.gov/dairy/upper_midwest/umw_pooling_prov.htm)



**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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Louisville, KY 40261-0030  
**ADDRESS SERVICE REQUESTED**

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

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



*Producer-Handlers, cont'd from page 1*

U.S. Department of Agriculture will conduct a vote to determine producer approval. If producers approve the order as amended by the final decision, a final rule will follow to implement the changes.

Additional information on the Pacific Northwest and Arizona-Las Vegas Producer-Handler Hearing is available on the USDA/AMS/Dairy Programs website at: [http://www.ams.usda.gov/dairy/pnw\\_alv/pnw\\_alv\\_hear.htm](http://www.ams.usda.gov/dairy/pnw_alv/pnw_alv_hear.htm).

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

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	1,904	918	48.2	15.88
<b>5 Appalachian</b>	<b>491</b>	<b>341</b>	<b>69.3</b>	<b>16.48</b>
6 Florida	229	200	87.2	17.69
7 Southeast	573	391	68.3	16.49
30 Upper Midwest	2,119	379	17.9	14.59
32 Central	1,260	373	29.6	14.70
33 Mideast	1,453	565	38.9	14.91
124 Pacific Northwest	626	177	28.3	14.46
126 Southwest	852	364	42.8	15.58
131 Arizona-Las Vegas	233	83	35.5	15.03
<b>All Orders <sup>1</sup></b>	<b>9,742</b>	<b>3,791</b>	<b>38.9</b>	<b>15.27</b>

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

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