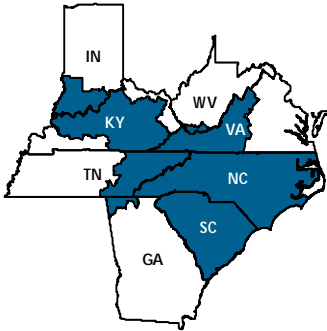




# THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.  
Market Administrator



## Recommended Decision Issued to Amend All Orders

On May 16, 2006, the U. S. Department of Agriculture issued a recommended decision to amend the Class I fluid milk product definition for all Federal milk marketing orders. The decision was based on the record of a hearing held June 20-23, 2005, in Pittsburgh, PA.

Specifically, the decision recommends maintaining the current 6.5 percent nonfat milk solids criteria and incorporating an equivalent 2.25 percent true protein criteria in determining if a product meets the fluid milk product definition. It also proposes to clarify how milk and milk-derived ingredients should be priced under all orders.

USDA is also proposing that, regardless of packaging, "drinkable" yogurt products containing at least 20 percent yogurt, kefir and

products designed to be meal replacements be exempted from the fluid milk product definition.

The recommended decision was published in the May 17 Federal Register. Public comments are due July 17, 2006, and should be sent to the Hearing Clerk, Stop 9200, Room 1031, U.S. Department of Agriculture, 1400 Independence Ave., S.W., Washington, D.C. 20250-9200. Comments may also be submitted at the Federal E-Rulemaking portal: <http://www.regulations.gov> or through e-mail to [amsdairycomments@usda.gov](mailto:amsdairycomments@usda.gov).

Additional information about the decision or a copy of the decision may be obtained at [http://www.ams.usda.gov/dairy/class\\_I\\_definition.htm](http://www.ams.usda.gov/dairy/class_I_definition.htm), or by calling this office at 502-499-0040, or e-mail [friedly@malouisville.com](mailto:friedly@malouisville.com).

## USDA Releases Market Projections for 2007

The May issue of *Livestock, Dairy, & Poultry Outlook* presented USDA's first calendar-year 2007 projections for the U.S. dairy markets. Milk production is projected to increase gradually in 2007 as weaker milk prices and higher feed costs lead to a reduction in dairy cow inventory. Milk per cow is expected to continue increasing but at a slower rate than in 2006.

Domestic disappearance of fat and skim solids is expected to remain relatively robust, helping draw down commercial stocks and boosting butter and cheese prices. Although it is expected that commercial exports will help absorb much of the expected supplies of NDM, 2007 prices are likely to be slightly weaker than in 2006 with increased sales to the CCC. Class III prices are projected about \$1.00 higher than 2006, but Class IV prices may only average about 25 cents higher.

The average U.S. all milk price is expected to range between \$12.85-\$13.85 in 2007, an expected increase of \$0.50 from 2006 levels.

The full report can be obtained at: <http://www.ers.usda.gov/publications/ldp/2006/05May/LDPM143T.pdf>

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## Appalachian Statistical Summary

	MAY 2006	APRIL 2006	MAY 2005
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$13.05	\$13.01	\$15.85
Class I Price	14.07	14.32	17.90
Class II Price	11.13	11.37	12.78
Class III Price	10.83	10.93	13.77
Class IV Price	10.33	10.36	12.20
Uniform Skim Milk Price	\$8.94	\$8.92	\$10.57
Class I Skim Milk Price	10.00	10.12	12.24
Class II Skim Milk Price	6.94	7.28	7.61
Class III Skim Milk Price	6.66	6.85	8.66
Class IV Skim Milk Price	6.14	6.26	7.03
Uniform Butterfat Price	\$1.2629	\$1.2581	\$1.6141
Class I Butterfat Price	1.2641	1.3025	1.7402
Class II Butterfat Price	1.2652	1.2413	1.5545
Class III Butterfat Price	1.2582	1.2343	1.5475
Class IV Butterfat Price	1.2582	1.2343	1.5475

### FO 5 STATS FOR MAY 2006:

➡ **The Uniform Price** for May 2006 was \$13.05, \$0.04 higher than last month's uniform price.

➡ **Total Class I Pounds** for May 2006 increased 31.8 million from April 2006 to 354,985,928 pounds.

➡ **Class I Utilization** for May 2006 was 60.54%, an increase of 4.3% from last month. This is also 3.0% higher than May 2005.

### PRODUCER MILK:

Class I	354,985,928	323,193,963	345,112,832
Class II	102,208,426	108,388,746	98,392,816
Class III	45,229,613	39,554,741	51,497,578
Class IV	83,921,761	103,401,341	105,032,587
<b>Total Producer Milk</b>	<b>586,345,728</b>	<b>574,538,791</b>	<b>600,035,813</b>

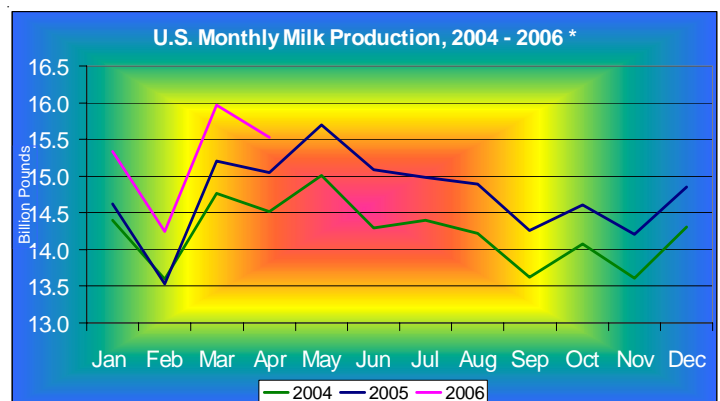
### PERCENT PRODUCER MILK IN:

Class I	60.54	56.25	57.52
Class II	17.43	18.87	16.40
Class III	7.72	6.88	8.58
Class IV	14.31	18.00	17.50

## April Milk Production Up 3.7 Percent

Milk production in the 23 major States during April totaled 14.2 billion pounds, up 3.7 percent from April 2005. March revised production, at 14.6 billion pounds, was up 5.6 percent from March 2005. The March revision represented an increase of 25 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,727 pounds for April, 37 pounds above April 2005. The number of milk cows on farms in the 23 major States was 8.24 million head, 124,000 head more than April 2005, and 13,000 head more than March 2006.



\* Based on entire U.S. production.

## June Dairy Month 2006: Trail to Good Health Begins With 3

The trail to good health isn't always clear. Almost every day, we're swamped with commercials about the latest fad diets that promise thinner waistlines and longer lives.

This year's June Dairy Month theme, Find the Healthy Way with 3-A-Day, urges people to get three servings of dairy a day by consuming a glass of milk, a cup of yogurt or a slice of cheese. Making this powerful trio a daily part of your diet can put you on the right road to good health.

Milk and milk products are great nutrient packages of nine essential vitamins and minerals, including calcium, potassium, riboflavin, phosphorus, vitamins A, D and B-12, and protein. Dairy products are what dietitians call nutrient-dense foods, containing an abundance of vitamins and minerals per calorie.

In 2005, the Dietary Guidelines Advisory Committee suggested that Americans increase their consumption of milk, yogurt and cheese from 2-3 servings a day to 3 servings a day. The federal government develops and releases the guidelines every five years based on expert testimony and exhaustive scientific research.

The research showed how critical it is to consume dairy and live a healthy lifestyle. A recent study published in the American Journal of Hypertension suggests that eating 3 to 4 servings of dairy every day could lead to healthcare savings of more than \$214 billion over five years through reduced risks of high blood pressure, osteoporosis and some forms of cancer.

Other studies show that including dairy as part of a balanced diet will help with weight management. A study in the Journal of the American Dietetic Association found that higher intake of dietary calcium, such as that found in milk, cheese and yogurt, is associated with lower body fat in young children.

The study looked at 52 children, from age 2 to age 8, and their mothers. Results showed that dietary calcium and polyunsaturated fat intake were associated with a lower percentage of body

fat. Milk and other dairy foods were the main sources of dietary calcium in the study, with milk alone accounting for 50 percent of the total calcium intake.

The health benefits are unquestionable. That's why June has marked an annual salute to America's dairy farmers since 1937, when grocer organizations sponsored "National Milk Month." Two years later, the observation became known as dairy month, promoting the consumption of all dairy foods.

Over the years, dairy foods have evolved to satisfy taste buds as well as provide vitamins and minerals for good health. New flavors of milk such as vanilla, strawberry and banana to countless varieties of cheeses and dozens of flavors of yogurt line the shelves of your nearest grocery store.

Great taste, healthy weight management and stronger bones are clear road signs that will guide you from childhood to the golden years. Follow the road and make sure your refrigerator is well stocked with milk, cheese and yogurt.

*Source: Southeast United Dairy Industry Association, Inc*



Find the Healthy Way  
with 3-A-Day



**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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



**Federal Milk Marketing Order Statistics - April 2006**

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,003	831	41.5	12.64
<b>5 Appalachian</b>	<b>575</b>	<b>323</b>	<b>56.3</b>	<b>13.01</b>
6 Florida	279	221	79.1	14.36
7 Southeast	744	377	50.7	12.94
30 Upper Midwest	2,188	353	16.1	11.29
32 Central	1,332	345	25.9	11.49
33 Mideast	1,513	517	34.2	11.75
124 Pacific Northwest	688	178	25.8	11.35
126 Southwest	944	335	35.6	12.41
131 Arizona-Las Vegas	302	97	32.3	11.66
<b>All Orders <sup>1</sup></b>	<b>10,568</b>	<b>3,577</b>	<b>33.9</b>	<b>12.04</b>

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



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