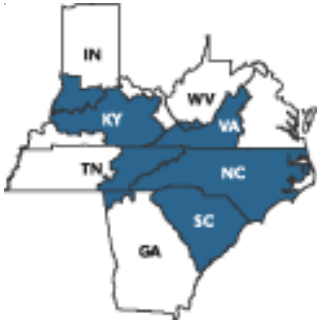


THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.
Market Administrator

USDA Issues Notice to Reconvene National Hearing

On June 27, 2006, the U. S. Department of Agriculture announced its intent to reconvene a national public hearing to amend the Class III and Class IV price formulas. USDA will reconvene the national hearing, originally held January 24-27, 2006, in Alexandria, VA, to assure that any changes to manufacturing allowance factors used in Federal order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs. USDA also welcomes additional proposals addressing the Federal order Class III and Class IV price formulas for further

consideration in the reconvened hearing. The additional proposals are due on or before September 30, 2006.

The notice of intent to reconvene the hearing is published as a proposed rule in the June 28 Federal Register. Copies of the notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The notice is available on AMS' web site: www.ams.usda.gov/dairy.

NOTICE!

Additional proposals are due on or before September 30, 2006.

The notice of intent and additional information is also available from this office by calling 502-499-0040, or e-mail friedly@malouisville.com.



July is National Ice Cream Month

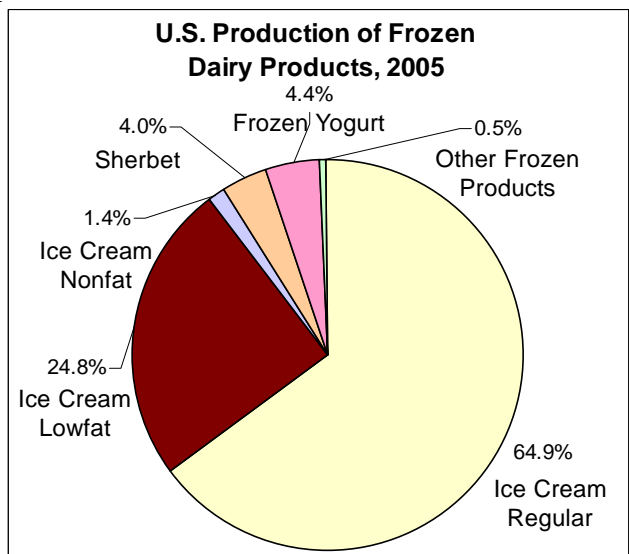
In 1984, President Ronald Reagan designated July as National Ice Cream Month and the third Sunday of the month as National Ice Cream Day. He recognized ice cream as a fun and nutritious food that is enjoyed by a full 90% of the nation's population. In the proclamation, President Reagan called for all people of the United States to observe these events with "appropriate ceremonies and activities."

sales and provides jobs for thousands of citizens. About 9% of all the milk produced by U.S. dairy farmers is used to produce ice cream, contributing significantly to the economic well-being of the nation's dairy industry.

In 2006, National Ice Cream Day will be Sunday, July 16.

According to statistics released by USDA, total production of ice cream and related frozen products in 2005 amounted to about 1.5 million gallons. In 2004, on average, U.S. citizens consumed 26.4 pounds of ice cream and related frozen products.

According to the International Ice Cream Association, the U.S. ice cream industry generates more than \$21 billion in annual



Inside This Issue:

Appalachian Statistical Summary 2

May Milk Production Up 2.8% 2

Frozen Dairy Products: Per capita consumption, U.S., 1975-2004 3

FMMO Statistics - May 2006 4

Appalachian Statistical Summary

	JUNE 2006	MAY 2006	JUNE 2005
PRICES: (Base Zone)			
Uniform Price	\$12.84	\$13.05	\$15.49
Class I Price	13.85	14.07	16.72
Class II Price	11.00	11.13	13.06
Class III Price	11.29	10.83	13.92
Class IV Price	10.22	10.33	12.33
Uniform Skim Milk Price	\$8.72	\$8.94	\$10.31
Class I Skim Milk Price	9.67	10.00	11.68
Class II Skim Milk Price	6.86	6.94	7.73
Class III Skim Milk Price	7.19	6.66	8.65
Class IV Skim Milk Price	6.08	6.14	7.00
Uniform Butterfat Price	\$1.2637	\$1.2629	\$1.5830
Class I Butterfat Price	1.2920	1.2641	1.5576
Class II Butterfat Price	1.2506	1.2652	1.6002
Class III Butterfat Price	1.2436	1.2582	1.5932
Class IV Butterfat Price	1.2436	1.2582	1.5932

PRODUCER MILK:

Class I	331,977,337	354,985,928	335,351,218
Class II	90,399,044	102,208,426	98,365,407
Class III	39,931,170	45,229,613	44,297,114
Class IV	81,748,490	83,921,761	89,461,251
Total Producer Milk	544,056,041	586,345,728	567,474,990

PERCENT PRODUCER MILK IN:

Class I	61.02	60.54	59.10
Class II	16.62	17.43	17.33
Class III	7.33	7.72	7.81
Class IV	15.03	14.31	15.76

FO 5 STATS FOR MAY 2006:

➤ **The Uniform Price** for June 2006 was \$12.84, \$0.21 lower than last month's uniform price.

➤ **Total Class I Pounds** for June 2006 decreased 3.4 million pounds from June 2005 to 331,977,337 pounds.

➤ **Class I Utilization** for June 2006 was 61.02%, an increase of 0.48% from last month. This is also 2% higher than June 2005.

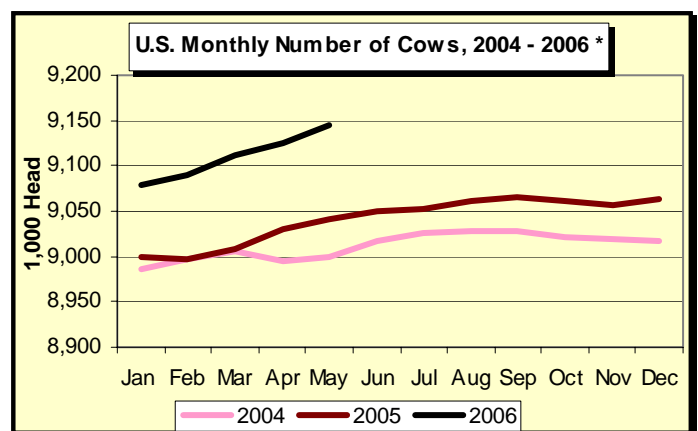


May Milk Production Up 2.8 Percent

Milk production in the 23 major States during May totaled 14.7 billion pounds, up 2.8 percent from May 2005. April revised production, at 14.2 billion pounds, was up 3.7 percent from April 2005. The April revision represented a decrease of 2 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,782 pounds for May, 22 pounds above May 2005.

The number of milk cows on farms in the 23 major States was 8.26 million head, 128,000 head more than May 2005, and 19,000 head more than April 2006.



* Based on entire U.S. production.

Frozen Dairy Products: Per capita consumption, United States, 1975-2004 ^{1/}

Year	Ice Cream		Sherbet	Other Frozen Products ^{2/}
	Regular	Reduced Fat		
Pounds				
1975	18.5	7.7	1.5	1.0
1976	17.9	7.3	1.5	0.8
1977	17.5	7.7	1.5	0.7
1978	17.4	7.7	1.4	0.8
1979	17.1	7.3	1.3	0.6
1980	17.5	7.1	1.3	0.3
1981	17.4	7.0	1.3	0.6
1982	17.6	6.6	1.3	0.6
1983	18.1	6.9	1.3	0.6
1984	18.2	7.0	1.3	0.6
1985	18.1	6.9	1.3	1.3
1986	18.4	7.2	1.3	0.9
1987	18.4	7.4	1.3	1.0
1988	17.3	8.0	1.3	1.0
1989	16.1	8.4	1.3	2.8
1990	15.8	7.7	1.3	3.7
1991	16.3	7.4	1.2	4.3
1992	16.2	7.0	1.3	4.3
1993	16.0	6.9	1.3	5.0
1994	16.0	7.5	1.3	4.8
1995	15.5	7.4	1.3	4.8
1996	15.6	7.5	1.3	3.8
1997	16.1	7.8	1.3	3.2
1998	16.3	8.1	1.3	3.4
1999	16.7	7.5	1.3	3.1
2000	16.7	7.3	1.2	2.9
2001	16.3	7.3	1.2	2.2
2002	16.7	6.5	1.3	2.1
2003	16.4	7.5	1.2	2.0
2004 ^{3/}	15.4	7.8	1.2	2.0

The U. S. ice cream industry generates more than \$21 billion in annual sales.

About 9% of all the milk produced by U.S. dairy farmers is used to produce ice cream.



^{1/} Based on total population.

^{2/} Includes mellorine. May not be comparable across time.

^{3/} Preliminary.



**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 - May 2006

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,071	895	43.2	12.61
5 Appalachian	586	355	60.5	13.05
6 Florida	271	218	80.4	14.28
7 Southeast	727	396	54.5	12.90
30 Upper Midwest	2,269	384	16.9	11.21
32 Central	1,400	361	25.8	11.42
33 Mideast	1,578	559	35.4	11.65
124 Pacific Northwest	717	194	27.4	11.30
126 Southwest	1,083	365	33.7	12.26
131 Arizona-Las Vegas	325	112	34.8	11.62
All Orders ¹	11,028	3,839	34.8	11.97

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



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