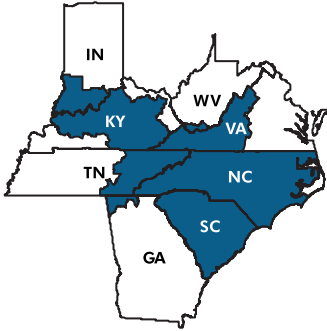




# THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.  
Market Administrator

## USDA Announces Tentative Partial Decision to Amend the Appalachian and Southeast Orders

On September 6, 2006, the U.S. Department of Agriculture announced a tentative partial decision that recommends amendments to the transportation credit and producer milk provisions of the Appalachian and Southeast Federal Milk Marketing Orders. This decision is based on testimony and evidence given at a public hearing held in Louisville, Kentucky, January 10–12, 2006.

diversion limit on all milk for which a transportation credit is requested. A separate decision will be issued addressing additional proposals concerning producer milk provisions and transportation credits on intra-market order movement of milk within the Appalachian and Southeast marketing areas.

Interested persons have until November 13, 2006, to file comments in response to the tentative partial decision. USDA will determine if producers approve the amended order.

This decision adopts, on an interim final and emergency basis, proposals to amend certain features of the transportation credit and producer milk provisions of the Appalachian and Southeast Federal Milk Marketing Orders. Specifically, this decision will: 1) establish a variable mileage rate factor using a fuel cost adjustor to determine the transportation credit payments of both orders; 2) increase the maximum transportation credit assessment rate for both orders; and 3) establish a zero

The tentative partial decision was published in the September 13, 2006, Federal Register. Copies of the tentative partial decision may be obtained from USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The tentative partial decision is available on the AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

### Inside This Issue:

Appalachian  
Statistical Summary ..... 2

July 2006 Milk  
Production Up 1.5%..... 2

USDA Amends Mideast  
Milk Order ..... 3

USDA Amends Central  
Milk Order ..... 3

USDA Amends Upper  
Midwest Milk Order ..... 3

Class III/IV Reconvened  
Hearing continued ..... 4

FMMO Statistics -  
July 2006..... 4



## USDA Reconvenes National Public Hearing on Class III/IV Manufacturing Allowances

On September 1, 2006, the U. S. Department of Agriculture announced that it will reconvene a national public hearing to consider proposals seeking to amend the Class III and Class IV milk price formula manufacturing allowances applicable to all Federal Milk Marketing Orders. The hearing began at 8:30 a.m. on September 14, 2006, at the Holiday Inn Select, 15471 Royalton Road, Strongsville, Ohio 44136.

allowance factors used in Federal order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs and to take into evidence only data on plant manufacturing costs compiled by Cornell University and other pertinent data that would be publicly available.

The public hearing originally was held January 24-27, 2006, in Alexandria, Virginia. The purpose of reconvening this proceeding is to assure that any changes to manufacturing

USDA has solicited and is currently receiving additional proposals regarding all aspects of the Federal order Class III and Class IV price formulas. These proposals are due on or before September 30, 2006. USDA will hold an

*Class III/IV, continued on page 4*

# Appalachian Statistical Summary

	AUGUST 2006	JULY 2006	AUGUST 2005
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$13.51	\$13.33	\$16.65
Class I Price	14.07	14.44	17.54
Class II Price	11.16	10.83	13.95
Class III Price	11.06	10.92	13.60
Class IV Price	10.64	10.21	13.44
Uniform Skim Milk Price	\$9.36	\$9.30	\$10.55
Class I Skim Milk Price	10.06	10.34	11.39
Class II Skim Milk Price	6.82	6.76	7.81
Class III Skim Milk Price	6.74	6.88	7.48
Class IV Skim Milk Price	6.31	6.15	7.31
Uniform Butterfat Price	\$1.2804	\$1.2457	\$1.8474
Class I Butterfat Price	1.2464	1.2740	1.8706
Class II Butterfat Price	1.3078	1.2298	1.8316
Class III Butterfat Price	1.3008	1.2228	1.8246
Class IV Butterfat Price	1.3008	1.2228	1.8246

**PRODUCER MILK:**

Class I	356,722,144	324,669,429	350,587,577
Class II	73,576,321	83,180,700	75,024,439
Class III	17,569,272	25,686,792	25,764,009
Class IV	32,585,452	56,128,921	39,545,539
<b>Total Producer Milk</b>	<b>480,453,189</b>	<b>489,665,842</b>	<b>490,921,564</b>

**PERCENT PRODUCER MILK IN:**

Class I	74.25	66.30	71.41
Class II	15.31	16.99	15.28
Class III	3.66	5.25	5.25
Class IV	6.78	11.46	8.06

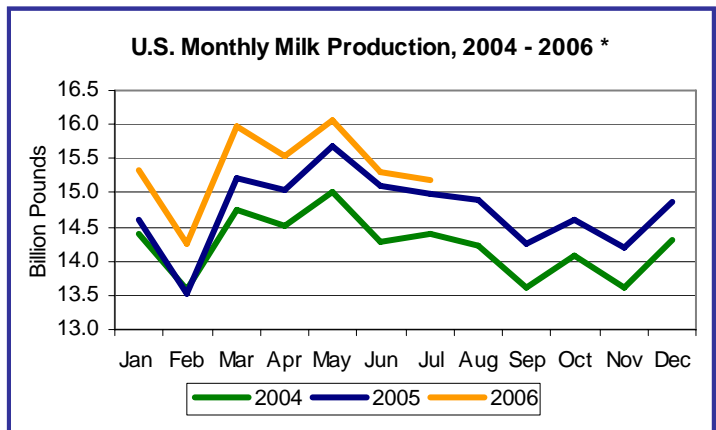
**FO 5 STATS FOR AUGUST 2006:**

- The Uniform Price for August 2006 of \$13.51 is \$0.18 higher than last month's uniform price. It is also \$0.67 higher than June's uniform price.
- Total Class I Pounds for August of 356.8 million pounds increased 32.1 million pounds or 9.9% from last month's pounds. Class I pounds for August 2006 are also 6.1 million or 1.8% greater than August 2005.
- Class I Utilization for August 2006 of 74.25% increased 7.95% from July 2006 and 2.84% from August 2005.

## July Milk Production Up 1.5 Percent

Milk production in the 23 major States during July 2006 totaled 13.9 billion pounds, up 1.5 percent from July 2005. June 2006 revised production, at 14 billion pounds, was up 1.9 percent from June 2005. The June revision represented an increase of 6 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,686 pounds for July 2006, 3 pounds above July 2005. The number of milk cows on farms in the 23 major States was 8.26 million head, 107,000 head more than July 2005, but 11,000 head less than June 2006.



\* Based on entire U.S. production.

## USDA Announces Final Decision to Amend Mideast Order

On September 6, 2006, the U. S. Department of Agriculture announced a final decision that adopts amendments to the pooling provisions of the Mideast Federal Milk Marketing Order that were previously discussed in a recommended decision. This decision is based on testimony and evidence given at a public hearing held in Wooster, Ohio, March 7-10, 2005.

The amendments recommended for adoption will: 1) establish a limit on the volume of milk a handler may pool during the months of April through February to 115 percent of the volume of milk pooled in the prior month;

and 2) establish a limit on the volume of milk a handler may pool during the month of March to 120 percent of the volume of milk pooled in the prior month.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

The final decision was published in the September 13, 2006, Federal Register and is on AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

## USDA Announces Final Decision to Amend Central Order

On September 6, 2006, the U.S. Department of Agriculture announced a final decision to permanently adopt amendments to the pooling provisions of the Central Federal Milk Marketing Order. This decision is based on testimony and evidence given at a public hearing held in Kansas City, Missouri., December 6-8, 2004.

The amendments recommended for adoption will: 1) increase supply plant performance standards; 2) amend features of the "touch-base" provision; 3) amend certain features of the "split plant" provision; and 4) decrease the diversion limit standards of the order. The

decision also adopts a proposal that limits the volume of milk a handler can pool in a month to 125 percent of the total volume of milk pooled in the previous month.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

The final decision was published in the September 13, 2006, Federal Register and is available online at: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

*The final decisions for the Mideast, Central and Upper Midwest orders are each published in the September 13, 2006, Federal Register.*

*All three final decisions can be found on AMS' website: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy)*

## USDA Announces Final Decision to Amend Upper Midwest Order

On September 6, 2006, the U. S. Department of Agriculture announced a final decision that adopts amendments to the pooling provisions of the Upper Midwest milk marketing order that were previously discussed in a recommended decision. This decision is based on testimony and evidence given at a public hearing held in Bloomington, Minnesota, August 16-19, 2004.

The amendments recommended for adoption will: 1) establish a limit on the volume of milk a handler may pool during the months of April through February to 125 percent of the volume of milk pooled in the prior month; 2) establish

a limit on the volume of milk a handler may pool during the month of March to 135 percent of the volume of milk pooled in the prior month; and 3) allow the market administrator to increase the maximum administrative assessment up to 8 cents per hundredweight on all pooled milk if necessary to maintain the required fund reserves.

USDA will conduct a vote on the amended order to determine producer approval. If producers approve the order as amended by this final decision, a final rule will follow to implement these changes on a permanent basis.

**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](mailto: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>



**Class III/ IV, cont'd from page 1**

information session on these proposals after they have been received and analyzed.

The reconvened hearing notice is published as a proposed rule in the September 6, 2006, Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The reconvened hearing notice is available online at the AMS' web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

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

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	1,906	815	42.7	12.79
<b>5</b>	<b>Appalachian</b>	<b>490</b>	<b>325</b>	<b>66.3</b>	<b>13.33</b>
6	Florida	244	207	84.9	14.65
7	Southeast	603	374	62.1	13.28
30	Upper Midwest	2,298	346	15.1	11.30
32	Central	1,314	331	25.2	11.53
33	Mideast	1,502	500	33.3	11.74
124	Pacific Northwest	707	171	24.2	11.29
126	Southwest	1,051	322	30.7	12.32
131	Arizona	276	105	37.9	11.85
<b>All Orders <sup>1</sup></b>		<b>10,391</b>	<b>3,497</b>	<b>33.7</b>	<b>12.07</b>

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.