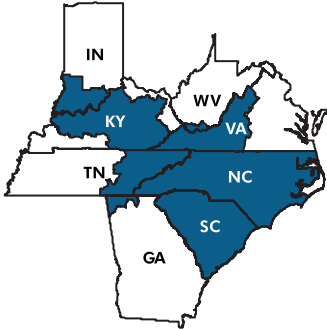


THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.
Market Administrator

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Johanns Names Members to National Dairy Board

On October 4, 2006, USDA Secretary Mike Johanns announced the appointment of seven new members and reappointment of five incumbents to the National Dairy Promotion and Research Board (National Dairy Board). All will serve three-year terms from November 1, 2006, through October 31, 2009.

Newly appointed were: Lawrence A. Hancock, Muleshoe, TX (Region 4); Paul L. Kent, Mora, MN (R. 5); Peter J. Kappelman, Two Rivers, WI (R. 6); Randy G. Roecker, Loganville, WI (R. 6); Larry G. Purdom, Purdy, MO (R. 7); Rita P. Kennedy, Valencia, PA, (R. 11); and Sanford Stauffer, Nicholville, NY (R. 12). Reappointed to serve second terms were: Elizabeth I. Anderson, Onalaska, WA (Region

1); Mary E. Cameron, Hanford, CA (R. 2); Kimberly K. Clauss, Hilmar, CA (R. 2); William C. Stouder, Wendell, ID (R. 3); and Donald E. Gurtner, Fremont, IN (R. 9).

The National Dairy Board, monitored by the AMS, is composed of 36 dairy farmers representing 13 regions of the contiguous U.S. and 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 program is financed by a mandatory 15-cent per cwt assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers.

USDA Seeks Nominations for National Fluid Milk Board

On September 18, 2006, the USDA announced that it is seeking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board (National Fluid Milk Board).

The National Fluid Milk Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a program to advertise, educate and promote fluid milk products. Of the board's 20 members, 15 represent geographic regions and five are at-large members. The at-large members must include at least three fluid milk processors and at least one member from the general public.

Seven individuals will be appointed to succeed members whose terms expire June 30, 2007. Newly appointed or reappointed members will serve three-year terms from July 1, 2007 - June 30, 2010. There are currently four at-large processor members and one member from the general public.

The national fluid milk program is financed by a mandatory 20 cent per cwt assessment on fluid milk processors who process and market commercially in consumer-type packages more than 3,000,000 pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia, excluding those fluid milk products delivered directly to consumer residences.

USDA will accept nominations for board representation in five geographic regions and two at-large processor positions. Nominees must be active owners or employees of a fluid milk processor. The geographic regions are: Region 1 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); Region 4 (Georgia, North Carolina, and South Carolina); Region 7 (Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin); Region 10 (Texas); and Region 13 (Idaho, Montana, Oregon, Washington, and Wyoming).

National Fluid Milk Board, continued on page 4

Appalachian Statistical Summary

SEPTEMBER 2006

AUGUST 2006

SEPTEMBER 2005

PRICES: (Base Zone)

Uniform Price	\$13.63	\$13.51	\$16.37
Class I Price	13.95	14.07	16.80
Class II Price	11.74	11.16	14.35
Class III Price	12.29	11.06	14.30
Class IV Price	11.10	10.64	13.75
Uniform Skim Milk Price	\$9.14	\$9.36	\$10.21
Class I Skim Milk Price	9.74	10.06	10.81
Class II Skim Milk Price	6.99	6.82	8.00
Class III Skim Milk Price	7.59	6.74	7.97
Class IV Skim Milk Price	6.36	6.31	7.40
Uniform Butterfat Price	\$1.3741	\$1.2804	\$1.8617
Class I Butterfat Price	1.3013	1.2464	1.8182
Class II Butterfat Price	1.4261	1.3078	1.8942
Class III Butterfat Price	1.4191	1.3008	1.8872
Class IV Butterfat Price	1.4191	1.3008	1.8872

PRODUCER MILK:

Class I	335,077,561	356,722,144	337,851,829
Class II	71,814,862	73,576,321	73,611,983
Class III	15,379,566	17,569,272	26,958,989
Class IV	33,452,560	32,585,452	27,806,549
Total Producer Milk	455,724,549	480,453,189	466,229,350

PERCENT PRODUCER MILK IN:

Class I	73.53	74.25	72.46
Class II	15.76	15.31	15.79
Class III	3.37	3.66	5.79
Class IV	7.34	6.78	5.96

APPALACHIAN MARKETING AREA STATS FOR SEPTEMBER 2006:

➔ The Uniform Price for September 2006 increased 12 cents from last month to \$13.63 but is \$2.74 less than a year ago.

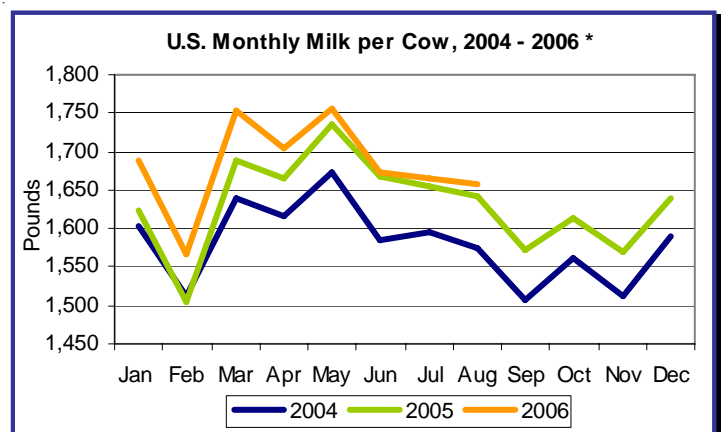
➔ Total Producer Milk was 455,724,549 pounds, 2.25% less than September 2005 and 5.1% less than last month.

➔ Class I Utilization increased by one 1.07 percent a year ago but decreased by 0.72 percent from last month to 73.53 percent.

August Milk Production Up 1.6 Percent

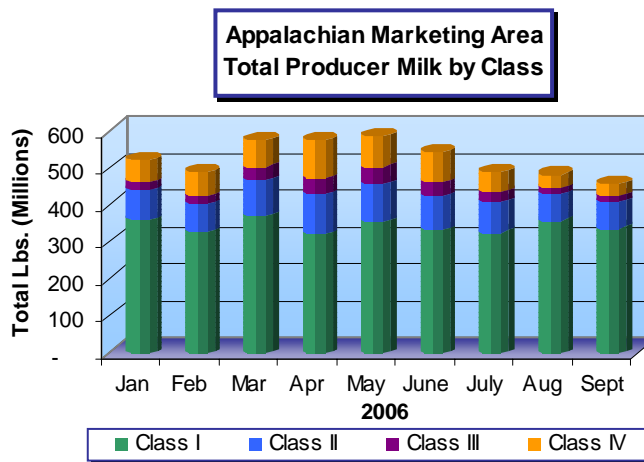
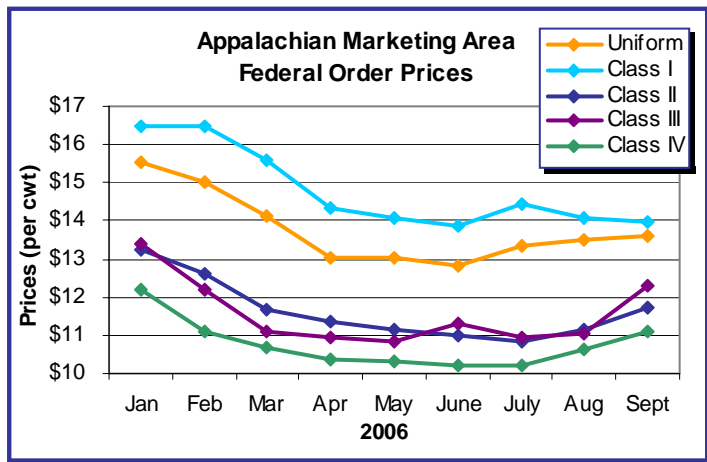
Milk production in the 23 major States during August 2006 totaled 13.9 billion pounds, up 1.6 percent from August 2005. July 2006 revised production, at 13.9 billion pounds, was up 1.5 percent from July 2005. The July revision represented an increase of 6 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,680 pounds for August, 9 pounds above August 2005. The number of milk cows on farms in the 23 major States was 8.25 million head, 88,000 head more than August 2005, but 9,000 head less than July 2006.



* Based on entire U.S. production.

Appalachian Marketing Area Quick Stats for 2006



National Fluid Milk Board Nominations, *continued from page 1*

The deadline for fluid milk processors and interested parties to submit nominations is **November 3, 2006**. Forms can be found online at: www.ams.usda.gov/dairy. To nominate an individual, submit originals of both the nomination form & a signed background form for each nominee to:

Promotion and Research Branch, Dairy Programs
 USDA, AMS, MRP
 1400 Independence Ave., S.W., Stop 0233
 Room 2958-S, Washington, D.C. 20250-0233.
 Phone: 202-720-6909

WHAT'S THE DIFFERENCE?

<p>The National Dairy Board:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Is <i>producer</i>-financed. <input checked="" type="checkbox"/> Is coordinated by Dairy Management, Inc. (DMI) & United Dairy Industry Association (UDIA). <input checked="" type="checkbox"/> Includes state & regional American Dairy Associations, the Dairy Checkoff program & 3-A-Day program. 	<p>The National Fluid Milk Board:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Is <i>processor</i>-financed. <input checked="" type="checkbox"/> Is also known as the Milk Processor Education Program (MilkPEP). <input checked="" type="checkbox"/> Is administered by International Dairy Foods Association (IDFA), which is contracted by MilkPEP.
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Recommended websites to visit:
www.ams.usda.gov/dairy • www.dairyinfo.com • www.milkpep.org

USDA Appoints Burton Eller as Deputy Under Secretary for Marketing & Regulatory Programs

On September 22, 2006, J. Burton Eller, Jr. was announced as the Deputy Under Secretary for Marketing and Regulatory Programs (MRP).

Eller will assist Under Secretary Bruce Knight and work with Deputy Under Secretary Dr. Chuck Lambert to oversee the management of USDA's MRP mission area. MRP agencies are active participants in setting national and international agricultural standards. USDA agencies that make up the MRP mission area include the **Agricultural Marketing Service (AMS)**; Animal and Plant Health Inspection Service; and Grain Inspection, Packers and Stockyards Administration.

Before being appointed Deputy Under Secretary, Eller served as Director of the Office of External Affairs for USDA's Farm Service Agency (FSA) where he oversaw the daily operations of FSA's Executive Secretariat, Freedom of Information Act, Public Affairs and Communications and Legislative Liaison offices. From 1999 to 2003, he was President and Chief Executive Officer of the Textile Rental Services Association of America.

Eller grew up on a livestock farm in Marion, Virginia, which he still maintains. He holds a bachelor's degree in animal science and a Master's degree in physiology from Virginia Tech.



**APPALACHIAN MARKETING AREA
FEDERAL ORDER 5**

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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>



**National
School Lunch Week
is October 9 - 13!**

This year is the
60th anniversary of the
National School Lunch Program,
which includes
school milk programs
& serves more than 30 million
children each school day.

For more info, go to:
www.fns.usda.gov.

Federal Milk Marketing Order Statistics - August 2006

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	1,810	883	48.8	13.06
5 Appalachian	480	357	74.3	13.51
6 Florida	243	215	88.3	14.65
7 Southeast	634	423	66.6	13.39
30 Upper Midwest	2,419	388	16.1	11.43
32 Central	1,184	374	31.6	11.74
33 Mideast	1,360	557	41.0	11.98
124 Pacific Northwest	726	189	26.1	11.48
126 Southwest	939	368	39.2	12.66
131 Arizona-Las Vegas	260	120	46.0	12.15
All Orders ¹	10,056	3,874	38.5	12.27

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

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