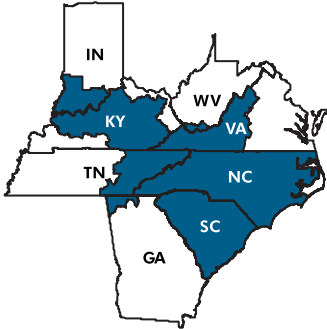




# THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.  
Market Administrator

## Hearing Set On Proposed Amendments to F.O. 5, 6 and 7

On May 7, 2007, the U.S. Department of Agriculture announced that it will hold a public hearing to consider proposals to amend the Appalachian, Florida, and Southeast Orders. The hearing will begin at 1:00 p.m. on Monday, **May 21, 2007**, at the Sheraton Suites Tampa Airport, 4400 W. Cypress Street, Tampa, FL 33607.

The proposals seek to amend the Appalachian, Florida, and Southeast Orders by temporarily adjusting the Class I pricing surface for each county within each of the three milk marketing orders until such time that USDA is able to comprehensively address the Class I pricing surface on a national scale. Proposals also include changing the diversion percentage limits, the producer delivery days, and the transportation credit provisions of the Appalachian and Southeast Orders. Other

proposals would change the maximum rates for each of the three orders the market administrator may charge for the administration of the orders from 5 cents per hundredweight to as much as 8 cents per hundredweight.

The hearing notice was published as a proposed rule in the May 8 Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 – Room 2971-A, 1400 Independence Avenue, SW, Washington, DC 20250-0231. The hearing notice is available on AMS’ website at: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

The hearing notice and additional information may also be obtained from this office by calling (502) 499-0040, or e-mail [friedly@malouisville.com](mailto:friedly@malouisville.com).



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## Hearing on Class III and IV Price Formulas to Reconvene

On May 4, 2007, the USDA announced that it will reconvene a national public hearing to consider proposals seeking to amend the Class III and Class IV product price formulas applicable to all Federal milk marketing orders. The hearing will begin at 1:00 p.m. on **July 9, 2007**, at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, PA 15219-1122, telephone: (412) 261-2000.

The public hearing began on February 26, 2007, in Strongsville, OH, and initially reconvened on April 9, 2007, in Indianapolis, IN. The purpose of reconvening this proceeding is to receive additional testimony on proposed amendments 1 through 20 as published in the original hearing notice on February 9, 2007, and the supplemental

notice of hearing on February 20, 2007, in the Federal Register.

The reconvened hearing notice was published as a proposed rule in the May 8, 2007, 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, DC 20250-0231. The reconvened hearing notice is available on AMS’ web site: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

The reconvened hearing notice and additional information may also be obtained from this office by calling (502) 499-0040, or e-mail [friedly@malouisville.com](mailto:friedly@malouisville.com).

## Appalachian Statistical Summary

	APRIL 2007	MARCH 2007	APRIL 2006
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$17.41	\$16.46	\$13.01
Class I Price	18.10	17.35	14.32
Class II Price	14.51	13.60	11.37
Class III Price	16.09	15.09	10.93
Class IV Price	16.12	13.71	10.36
Uniform Skim Milk Price	\$12.77	\$12.10	\$8.92
Class I Skim Milk Price	13.60	13.10	10.12
Class II Skim Milk Price	9.69	9.07	7.28
Class III Skim Milk Price	11.36	10.64	6.85
Class IV Skim Milk Price	11.39	9.21	6.26
Uniform Butterfat Price	\$1.4520	\$1.3680	\$1.2581
Class I Butterfat Price	1.4206	1.3445	1.3025
Class II Butterfat Price	1.4727	1.3839	1.2413
Class III Butterfat Price	1.4657	1.3769	1.2343
Class IV Butterfat Price	1.4657	1.3769	1.2343
<b>PRODUCER MILK:</b>			
Class I	340,029,517	354,852,920	323,193,963
Class II	89,914,132	91,264,501	108,388,746
Class III	26,060,780	30,590,513	39,554,741
Class IV	58,226,216	53,798,321	103,401,341
<b>Total Producer Milk</b>	<b>514,230,645</b>	<b>530,506,255</b>	<b>574,538,791</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	66.12	66.89	56.25
Class II	17.49	17.20	18.87
Class III	5.07	5.77	6.88
Class IV	11.32	10.14	18.00

### APPALACHIAN MARKETING AREA STATS FOR APRIL 2007:

⇒ The Uniform Price for April 2007 was \$17.41, up \$0.95 compared to \$16.46 for March 2007 and up \$4.40 compared to \$13.01 for April 2006.

⇒ Total Producer Milk for April 2007 was 514,230,645, a decrease of 60 million pounds or 10.5 percent from April 2006.

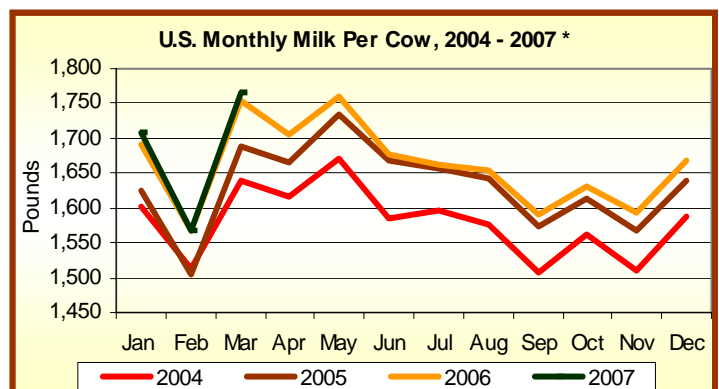
⇒ Class I Utilization for April 2007 increased 9.87 percent from a year ago and decreased 0.77 percent from last month to 66.12 percent.

## March Milk Production Up 1.1 Percent

Milk production in the 23 major states during March totaled 14.8 billion pounds, up 1.1 percent from March 2006. February revised production, at 13.1 billion pounds, was up 0.6 percent from February 2006. The February revision represented a decrease of 31 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major states averaged 1,782 pounds for March, 7 pounds above March 2006.

The number of milk cows on farms in the 23 major states was 8.28 million head, 58,000 head more than March 2006, and 5,000 head more than February 2007.



\* Based on entire U.S. production.

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## USDA Seeks Nominees for National Dairy Board

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The U.S. Department of Agriculture is asking dairy producer and farm organizations to nominate candidates to serve on the National Dairy Promotion and Research Board. Nominations must be submitted by May 31.

The Secretary of Agriculture will appoint 12 individuals from those nominated to succeed members whose terms expire Oct. 31, 2007. The 12 new members will serve 3-year terms beginning Nov. 1, 2007, and ending Oct. 31, 2010.

USDA will accept nominations from the following regions: Region 1 (Oregon and Washington); Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). USDA will appoint one member per region, with the exception of Region 2 (California) with four appointments.

The National Dairy Promotion and Research Board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education. The 36-member board 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 cents per hundredweight assessment on all milk marketed commercially by dairy producers.

USDA welcomes membership on industry boards that reflects the diversity of the individuals served by the programs. USDA encourages all eligible women, minorities, and persons with disabilities to seek nomination for a seat on the board.

For nominating forms and information, contact Whitney A. Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, Room 2958-S, Stop 0233, 1400 Independence Ave., SW, Washington, D.C. 20250-0233; telephone (202) 720-6909; fax (202) 720-0285; or e-mail at [whitney.rick@usda.gov](mailto:whitney.rick@usda.gov) or <http://www.ams.usda.gov/dairy/dairyrp.htm>.



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## Feed Grains Outlook

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On March 3, 2007, the Economic Research Service of USDA released a report titled *Feed Grains Backgrounder*. The report examines the unprecedented demand conditions facing the U.S. feed grain sector as corn's use in ethanol production continues to accelerate. Currently, ethanol contributes a small share to the nation's transportation fuel supply, but it accounts for an increasing share of U.S. corn production. Thus, high energy prices and current policies are exposing the feed grain sector to economic pressures and risks that need more understanding.

As more of the corn supply is devoted to ethanol production, there are concerns that less will be available for domestic and global livestock feeding. While domestic feed use and exports have long been the major categories of disappearance for U.S. feed grains, proportions are changing: corn use for ethanol is soon expected to exceed use for exports. The livestock sectors will have to cope with higher and more volatile commodity prices. Returns to U.S. meat and poultry production are expected to decline in the next several years due to higher grain prices from expansion of corn-based ethanol production, thereby reducing beef and pork production and slowing gains for poultry over the next several years. Use of byproducts

(distillers' spent grains) from ethanol production is expected to meet more of the feed demands by U.S. livestock (particularly beef and dairy cattle). Many questions remain concerning the impacts of rising demand for corn on the domestic and global livestock industry and on consumer food prices.

Although the United States enjoys a competitive advantage in corn production, the pace of demand growth is prompting debate about the adequacy of future supplies. In addition to increased productivity, increased corn production is expected to come from additional area. More area is expected to be bid away from land planted to competing crops, land enrolled in USDA's Conservation Reserve Program (CRP), or idled land. However, additional corn area raises questions about the potential environmental effects, including soil erosion and fertilizer runoff. The input, handling, and transportation sectors for both ethanol and corn are facing increasing demands that will stimulate investment, causing further financial upswings for agribusinesses and financial institutions.

The entire report can be found at <http://www.ers.usda.gov/Publications/FDS/2007/03Mar/FDS07C01/fds07C01.pdf>.

**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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KRS 7-1-1



**Federal Milk Marketing Order Statistics - March 2007**

**January - March Milk  
Production Up 1 Percent**

Milk production in the U.S. during the January - March quarter totaled 46.0 billion pounds, up 1 percent from the January - March quarter last year. The average number of milk cows in the U.S. during the quarter was 9.13 million head, 36,000 head more than the same period last year.

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	1,949	923	47.4	16.08
<b>5</b>	<b>Appalachian</b>	<b>531</b>	<b>355</b>	<b>66.9</b>	<b>16.46</b>
6	Florida	310	242	78.2	17.57
7	Southeast	711	418	58.8	16.54
30	Upper Midwest	2,010	395	19.6	15.14
32	Central	939	377	40.2	14.94
33	Mideast	1,432	587	41.0	15.12
124	Pacific Northwest	608	193	31.8	14.84
126	Southwest	1,039	364	35.0	15.87
131	Arizona	350	121	34.5	15.12
<b>All Orders <sup>1</sup></b>		<b>9,878</b>	<b>3,975</b>	<b>40.2</b>	<b>15.61</b>

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

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