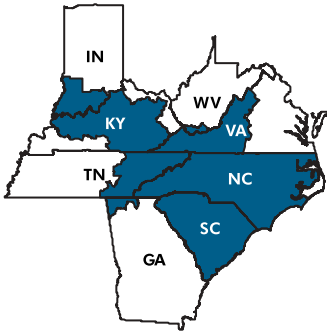




THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.
Market Administrator

USDA Reopens Comment Period

On November 1, 2007, the U.S. Department of Agriculture announced that it is reopening the comment period for the interim final rule for the Dairy Product Mandatory Reporting program. The rule was published on July 3, 2007, and became effective August 2, 2007. The original comment period ended Sept. 4, 2007.

Under this action, additional comments are due December 3, 2007. Comments submitted during the first comment period need not be resubmitted. The reopening of the comment period will provide interested parties with an

additional opportunity to submit comments on all aspects of the program. USDA's Agricultural Marketing Service (AMS) will review and consider all submitted comments as it writes a final rule.

The Dairy Market Enhancement Act of 2000, and certain provisions of the 2002 Farm Bill amended the Agricultural Marketing Act of 1946 to establish the program. The mandatory reporting program provides timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote

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USDA Announces Appointments to National Dairy Board

On October 16, 2007, the U.S. Department of Agriculture announced the appointment of seven new members and reappointment of five incumbents to the National Dairy Promotion and Research Board. All will serve three-year terms from November 1, 2007, through October 31, 2010.

Newly appointed were: James L. Zielinski, St. Paul, OR, (Region 1); James L. Ahlem, Hilmar, CA, (Region 2); Stephen D. Maddox, Riverdale, CA, (Region 2); Brad J. Scott, Moreno Valley, CA, (Region 2); Pauline Tjaarda, Shafter, CA, (Region 2); William J. Herr, Greenwood, WI, (Region 6); and Corinne M. Banker, Morrisville, NY, (Region 12).

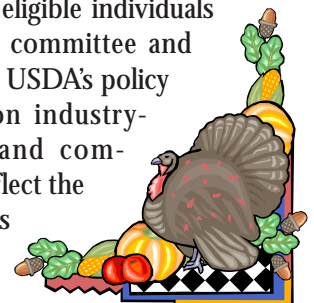
Reappointed to serve second terms were: Grant Kohler, Midway, UT, (Region 3); Jose L. Gonzalez, Mesquite, NM, (Region 4); Paul L. Broering, Saint Henry, OH, (Region 9); John M. Larson, Okeechobee, FL, (Region 10); and Paula A. Meabon, Wattsburg, PA, (Region 11).

The National Dairy Promotion and Research Board, composed of 36 dairy farmers

representing 13 regions of the contiguous United States, administers a coordinated program of promotion, research and nutrition education to increase demand for U.S. produced dairy products.

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 hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers. USDA's Agricultural Marketing Service monitors the operation of the board.

AMS encourages all eligible individuals to participate in its committee and board activities. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the programs.



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Appalachian Statistical Summary

OCTOBER 2007 SEPTEMBER 2007 OCTOBER 2006

PRICES: (Base Zone)

Uniform Price	\$23.75	\$24.00	\$14.58
Class I Price	24.69	25.01	15.52
Class II Price	21.90	22.16	11.79
Class III Price	18.70	20.07	12.32
Class IV Price	21.31	21.61	11.51
Uniform Skim Milk Price	\$19.28	\$19.16	\$9.92
Class I Skim Milk Price	19.96	19.86	10.82
Class II Skim Milk Price	17.56	17.46	7.06
Class III Skim Milk Price	14.27	15.32	7.64
Class IV Skim Milk Price	16.97	16.92	6.80
Uniform Butterfat Price	\$1.4694	\$1.5735	\$1.4314
Class I Butterfat Price	1.5519	1.6692	1.4517
Class II Butterfat Price	1.4162	1.5171	1.4219
Class III Butterfat Price	1.4092	1.5101	1.4149
Class IV Butterfat Price	1.4092	1.5101	1.4149

PRODUCER MILK:

Class I	354,738,544	321,430,033	352,324,458
Class II	75,159,764	75,392,904	80,958,894
Class III	30,730,243	31,360,235	25,418,216
Class IV	18,236,676	30,507,001	41,971,097
Total Producer Milk	478,865,227	458,690,173	500,672,665

PERCENT PRODUCER MILK IN:

Class I	74.08	70.08	70.37
Class II	15.70	16.44	16.17
Class III	6.41	6.83	5.08
Class IV	3.81	6.65	8.38

APPALACHIAN MARKETING AREA STATS FOR OCTOBER 2007:

⇒ The Uniform Price for October 2007 was \$23.75, up \$9.17 compared to \$14.58 for October 2006.

⇒ Total Class I Milk for October 2007 was 354,738,544, up 33.3 million pounds from September 2007, and up 2.4 million from October 2006.

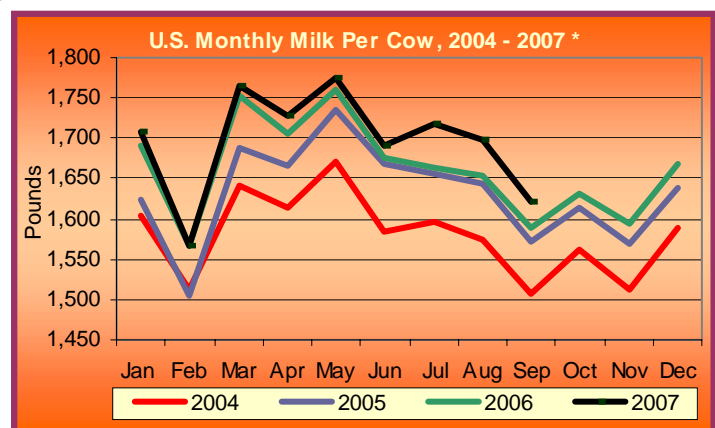
⇒ Class I Utilization for October 2007 was 74.08 percent, up 3.7% from last year's Class I utilization.

September Milk Production Up 3.1 Percent

Milk production in the 23 major states during September totaled 13.7 billion pounds, up 3.1 percent from September 2006. August revised production at 14.3 billion pounds, was up 3.6 percent from August 2006. The August revision represented no change from last month's preliminary production estimate. Production

per cow in the 23 major states averaged 1,644 pounds for September, 31 pounds above September 2006.

The number of milk cows on farms in the 23 major states was 8.34 million head, 91,000 head more than September 2006, and 12,000 head more than August 2007.



* Based on entire U.S. production.

USDA Reopens Comment Period, cont'd from page 1

competition in the dairy product manufacturing industry. The program: (1) Requires persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) Requires persons storing dairy products to report information on the quantity of dairy products stored. USDA's National Agricultural Statistics Service (NASS) collects the information. Any manufacturer that processes and markets less than 1 million pounds of dairy products per year is exempt from the reporting requirements.

AMS has implemented a plan to verify the price information submitted to NASS. AMS visits butter, nonfat dry milk, cheese and dry whey manufacturers that file reports. AMS verifies that

eligible sales transactions agree with information reported to NASS and will check for eligible sales transactions that were not reported.

Details of the reopening of the comment period for the interim final rule were published in the November 2, 2007, Federal Register. A copy of the notice can be obtained at http://www.ams.usda.gov/dairy/dpmr/mandatory_reporting.htm.

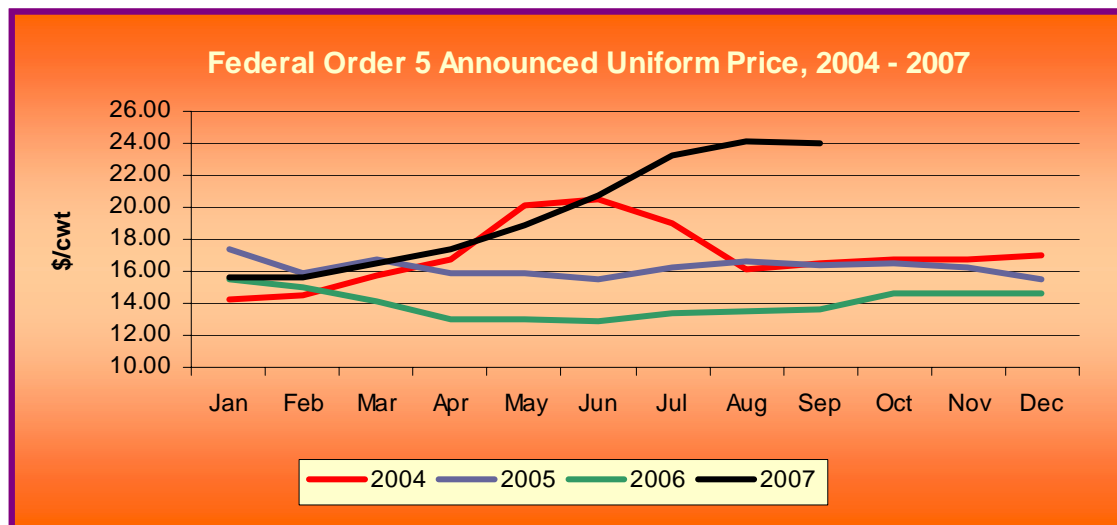
Comments should be sent to John R. Mengel, Chief Economist, USDA/AMS/Dairy Programs, Office of the Chief Economist, STOP 0229-Room 2753, 1400 Independence Ave., SW, Washington, DC 2025—0229. Comments may also be submitted through the Federal eRulemaking portal at <http://www.regulations.gov>.



July - September Milk Production up 3.1 Percent

Milk production in the U.S. during the July - September quarter totaled 46.1 billion pounds, up 3.1 percent from the July - September quarter last year.

The average number of milk cows in the U.S. during the quarter was 9.16 million head, 44,000 head more than the same period last year.



**APPALACHIAN MARKETING AREA
FEDERAL ORDER 5**

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Louisville, KY 40261-0030
ADDRESS SERVICE REQUESTED

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KRS 7-1-1



Federal Milk Marketing Order Statistics - September 2007



Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	1,907	849	44.5	22.99
5 Appalachian	459	321	70.1	24.00
6 Florida	236	199	84.4	25.08
7 Southeast	558	378	67.8	23.77
30 Upper Midwest	2,253	370	16.4	20.71
32 Central	929	344	37.0	21.66
33 Mideast	1,305	532	40.8	21.94
124 Pacific Northwest	568	178	31.4	21.65
126 Southwest	967	334	34.6	22.43
131 Arizona	283	111	39.3	22.15
All Orders ¹	9,464	3,617	38.2	22.16

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

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