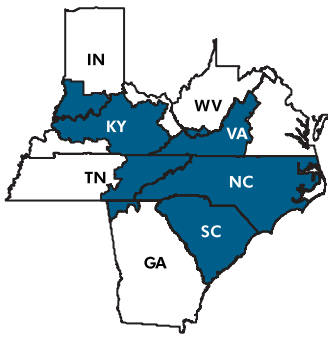




# THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.  
Market Administrator

## Tentative Final Decision Announced to Amend F.O. 5, 6 & 7

On February 25, 2008, the U.S. Department of Agriculture announced a tentative final decision that would increase Class I prices and adjust the Class I pricing surface of the Appalachian, Florida, and Southeast marketing orders. The decision is based on testimony and evidence given at a public hearing held at Tampa, Florida, May 21-23, 2007.

The decision also amends certain features of the touch-base, diversion limit standards and the transportation credit provisions of the Appalachian and Southeast marketing orders. Specifically, in regards to the Appalachian marketing order, the decision will:

1. Add an appropriate price adjustment to the Class I differential that applies to each county within the geographical marketing area boundary of the Appalachian marketing order;
2. Establish diversion limit standards of 25 percent on deliveries to pool plants during the months of January and February, July through November; and 35 percent during the months of March through June and December;
3. Reduce touch-base standards to one day each month;

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## Partial Recommended Decision Announced for F.O. 5, 6 & 7

The U.S. Department of Agriculture announced a partial recommended decision that would increase the maximum administrative assessment rate in the Appalachian, Florida, and Southeast marketing orders. The decision is based on testimony and evidence given at a public hearing held at Tampa, Florida, May 21-23, 2007.

The decision recommends adoption of amendments that would allow the market administrator in the Appalachian, Florida, and Southeast marketing areas to increase the maximum administrative assessment rate up to

8 cents per hundredweight on all pooled milk, if necessary, to maintain the mandated reserve fund level.

The partial recommended decision was published in the February 29 Federal Register. Comments must be received by April 29, 2008, and can be made using the Federal eRulemaking portal at <http://www.regulations.gov>.

Additional information concerning the partial recommended decision is available at [http://www.ams.usda.gov/dairy/ap\\_se\\_fl/ap\\_se\\_fl\\_hear.htm](http://www.ams.usda.gov/dairy/ap_se_fl/ap_se_fl_hear.htm).

## National Fluid Milk Processor Promotion Board Members Named

On February 29, 2008, Secretary of Agriculture Edward T. Schafer announced the appointment of three incumbents and six new members to the National Fluid Milk Processor Promotion Board.

Re-appointed to serve second terms are: Brian Haugh, Dallas, TX (Region 8) and Michael A. Krueger, Phoenix, AZ (At-Large Processor).

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## Appalachian Statistical Summary

FEBRUARY 2008 JANUARY 2008 FEBRUARY 2007

### PRICES: (Base Zone)

|                           |          |          |          |
|---------------------------|----------|----------|----------|
| Uniform Price             | \$21.32  | \$22.60  | \$15.57  |
| Class I Price             | 22.78    | 24.07    | 16.49    |
| Class II Price            | 18.46    | 19.75    | 13.08    |
| Class III Price           | 17.03    | 19.32    | 14.18    |
| Class IV Price            | 14.67    | 16.29    | 12.71    |
| Uniform Skim Milk Price   | \$17.24  | \$18.40  | \$11.36  |
| Class I Skim Milk Price   | 18.54    | 19.63    | 12.29    |
| Class II Skim Milk Price  | 14.39    | 15.61    | 8.77     |
| Class III Skim Milk Price | 12.93    | 15.19    | 9.94     |
| Class IV Skim Milk Price  | 10.48    | 12.05    | 8.42     |
| Uniform Butterfat Price   | \$1.3392 | \$1.3842 | \$1.3171 |
| Class I Butterfat Price   | 1.3970   | 1.4643   | 1.3216   |
| Class II Butterfat Price  | 1.3080   | 1.3389   | 1.3182   |
| Class III Butterfat Price | 1.3010   | 1.3319   | 1.3112   |
| Class IV Butterfat Price  | 1.3010   | 1.3319   | 1.3112   |

### PRODUCER MILK:

|                            |                    |                    |                    |
|----------------------------|--------------------|--------------------|--------------------|
| Class I                    | 332,730,566        | 371,981,592        | 331,038,573        |
| Class II                   | 73,810,128         | 74,510,030         | 77,126,750         |
| Class III                  | 15,420,046         | 20,788,336         | 23,750,409         |
| Class IV                   | 38,505,866         | 45,808,840         | 60,216,604         |
| <b>Total Producer Milk</b> | <b>460,466,606</b> | <b>513,088,798</b> | <b>492,132,336</b> |

### PERCENT PRODUCER MILK IN:

|           |       |       |       |
|-----------|-------|-------|-------|
| Class I   | 72.26 | 72.50 | 67.27 |
| Class II  | 16.03 | 14.52 | 15.67 |
| Class III | 3.35  | 4.05  | 4.82  |
| Class IV  | 8.36  | 8.93  | 12.24 |

### January Milk Production Up 2.4 Percent

Milk production in the 23 major states during January totaled 14.6 billion pounds, up 2.4 percent from January 2007. December production, unrevised at 14.4 billion pounds, was up 2.8 percent from December 2006.

Production per cow in the 23 major states averaged 1,743 pounds for January, 17 pounds above January 2007.

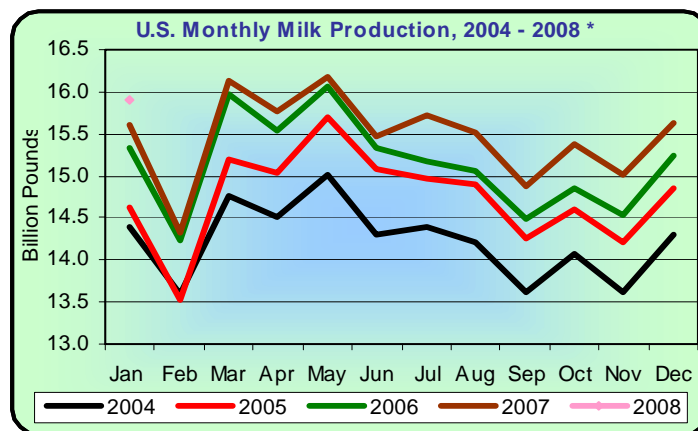
The number of milk cows on farms in the 23 major states was 8.40 million head, 120,000 head more than January 2007, and 15,000 head more than December 2007.

### APPALACHIAN MARKETING AREA STATS FOR FEBRUARY 2008:

⇒ **The Uniform Price** for February 2008 was \$21.32, up \$5.75 compared to February 2007.

⇒ **Total Class I Milk** for February 2008 was 332,730,566 pounds, up 1.7 million pounds compared to February 2007.

⇒ **Class I Utilization** for February 2008 was 72.26 percent, up 4.99 percent compared to last year's Class I utilization.



\* Based on entire U.S. production.



## 2007 Annual Milk Production up 2.1 Percent from 2006

The annual production of milk for the U.S. during 2007 was 186 billion pounds, 2.1 percent above 2006. Revisions to 2006 production decreased the annual total 2 million pounds. Revised 2007 production was up 3 million pounds from last month's publication.

Production per cow in the U.S. averaged 20,267 pounds for 2007, 316 pounds



above 2006. The average annual rate of milk production per cow has increased 17.9 percent from 1998.

The average number of milk cows on farms in the U.S. during 2007 was 9.16 million head, up 0.5 percent from 2006. The average number of milk cows was revised up 5,000 head for 2007.

## Tentative Final Decision Announced, cont'd from page 1

4. Add January and February as months when transportation credits are paid;

5. Provide for the payment of transportation credits for full loads of supplemental milk; and

6. Provide more flexibility in the qualification requirements for supplemental milk producers to receive transportation credits.

USDA will conduct referendums to determine if producers approve the amended orders. If

approved, USDA will issue an interim order making the amendments effective.

The tentative final decision was published in the February 29 Federal Register. Comments must be received by April 29, 2008, and can be made using the Federal eRulemaking portal at <http://www.regulations.gov>. Additional information concerning the tentative final decision is available at [http://www.ams.usda.gov/dairy/ap\\_se\\_fl/ap\\_se\\_fl\\_hear.htm](http://www.ams.usda.gov/dairy/ap_se_fl/ap_se_fl_hear.htm).



## Nat'l Fluid Milk Processor Promotion Board, cont'd from page 1

Re-appointed to serve a first term after filling a vacancy lasting less than 18 months is: Jay B. Simon, Stockton, CA (Region 14).

Newly appointed are: James F. Walsh, Lynnfield, MA (Region 2); Michael R. Smith, Lakeland, FL (Region 5); and Steven M. Turner, Covington, TN (Region 11).

Newly appointed to fill vacancies lasting less than 18 months are: John R. Zuroweste, Dallas, TX (Region 12); Charles S. Mayfield, Jr., Athens, TN (At-Large Processor); and Janey K. Thornton, PhD., Elizabethtown, KY.

Terms for these appointees begin July 1, 2008, and expire June 30, 2011, except for Mssrs. Zuroweste and Mayfield, and Dr. Thornton, who are filling vacant positions with less than 18 months remaining and whose terms expire June

30, 2009. All appointees will be seated at the board meeting July 17-19, 2008.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

The National Fluid Milk Program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the

*Continued on page 4* ←

*The Board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.*



**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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KRS 7-1-1



**Promotion Board**, cont'd from pg. 3

District of Columbia. Processors who commercially process and market 3 million pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments.

The Department of Agriculture's Agricultural Marketing Service monitors the operations of the Board. It is USDA's policy that membership on industry-governed boards and committees accurately reflect the diversity of individuals served by the program.

**Federal Milk Marketing Order Statistics - January 2008**

| Federal Order                 |                    | Producer Deliveries<br>Million Pounds | Class I Producer Receipts<br>Million Pounds | Class I Utilization<br>Percent | Statistical Uniform Price<br>\$/cwt |
|-------------------------------|--------------------|---------------------------------------|---|--------------------------------|-------------------------------------|
| 1                             | Northeast          | 2,050                                 | 904   | 44.1                           | 21.11                               |
| 5                             | <b>Appalachian</b> | <b>513</b>                            | <b>372</b>                                  | <b>72.5</b>                    | <b>22.60</b>                        |
| 6                             | Florida            | 283                                   | 234   | 82.6                           | 23.80                               |
| 7                             | Southeast          | 642                                   | 427   | 66.6                           | 22.46                               |
| 30                            | Upper Midwest      | 2,538                                 | 396   | 15.6                           | 19.70                               |
| 32                            | Central            | 1,105                                 | 384   | 34.7                           | 19.71                               |
| 33                            | Mideast            | 1,469                                 | 571   | 38.9                           | 20.25                               |
| 124                           | Pacific Northwest  | 585                                   | 201   | 34.4                           | 19.39                               |
| 126                           | Southwest          | 834                                   | 373   | 44.8                           | 20.70                               |
| 131                           | Arizona            | 340                                   | 123   | 36.2                           | 19.72                               |
| <b>All Orders<sup>1</sup></b> |                    | <b>10,361</b>                         | <b>3,987</b>                                | <b>38.5</b>                    | <b>20.55</b>                        |

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

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