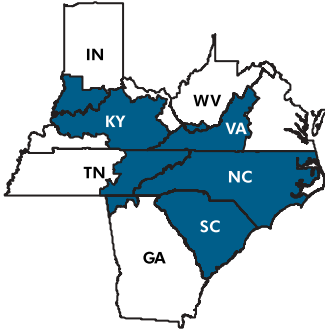




THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.
Market Administrator

JUNE DAIRY MONTH
2008

June is Dairy Month

Dairy's Powerful Nutrient Package Fuels Your Body, Not Just Your Bones

Get summer started off on the right foot with "3-A-Day" of nutrient-rich dairy foods. From calcium to potassium, dairy products like milk, cheese and yogurt contain nine essential nutrients which may help to better manage your weight, reduce your risk for high blood pressure, osteoporosis and certain cancers. Whether it's protein to help build and repair the muscle tissue of active bodies or vitamin A to help maintain healthy skin, dairy products are a natural nutrient powerhouse. Those are just a few of the reasons that you should celebrate dairy this June. The good news about dairy products is in addition to their great taste, research shows dairy may also help to reduce the risk of several diseases:

Osteoporosis

Osteoporosis is a major public health threat, affecting more than 28 million Americans. One

reason why osteoporosis rates are so high is that many people (especially teens, women and the elderly) have critically low calcium intakes. Although dairy products contribute 73% of calcium in the food supply, most people aren't getting enough in their diet. Consuming at least three servings of milk, yogurt or cheese a day is an important step to help build strong bones and prevent osteoporosis.

High Blood Pressure

High blood pressure, or hypertension, affects 50 million Americans and is a major cause of heart disease and stroke. The multi-center DASH (Dietary Approaches to Stop Hypertension) study, found that a lowfat diet providing 3 servings of lowfat dairy products and 8 to 10 servings of fruits and vegetables, significantly lowers blood pressure as much as some medications, especially when combined with a low sodium intake. *Continued on page 3*

Inside This Issue:

Appalachian
Statistical Summary 2

April Milk
Production Up 2.5% 2

U.S. Monthly Milk
Production, 2004-2008 .. 2

June Dairy Month
(Continued) 3

Record \$108.5 Billion
Agricultural Exports
Forecast (Cont'd) 3, 4

FMMO Statistics -
April 2008 4

Record \$108.5 Billion Agricultural Exports Forecast - 2008

On May 30, 2008, U.S. Agriculture Secretary Ed Schafer announced an updated quarterly forecast for U.S. agricultural exports – expected to reach a record \$108.5 billion for fiscal year 2008. The upward revision is a \$7.5 billion increase from February's previous record forecast and \$26.5 billion above the final 2007 exports. Grains and animal products account for two-thirds of the export gains.

Exports of livestock, poultry, and dairy products are forecast at \$20.5 billion in fiscal 2008, up \$2.5 billion from the February forecast. The improved outlook for dairy products to a record \$3.7 billion accounts for nearly half this adjustment, while pork and broiler meat account for much of the rest. Dairy prices remain higher and demand is stronger than expected. Drought in Australia and

New Zealand has persisted, keeping global supplies tight and unit values from falling as much as expected from record highs in 2007. U.S. nonfat dry milk export volume and unit value have increased, and this product should account for about 40 percent of U.S. dairy exports this year with Mexico as the largest foreign market. Cheese, whey, and butterfat collectively account for another quarter of U.S. sales with strong demand from many countries.

"America's increased export volume in bulk commodities like corn, other animal feeds and soybeans make agriculture the bright spot in the overall balance of trade," said Schafer. "U.S. producers are on track to export a record 63 million tons of corn, and set new export volume

Continued on page 3

Appalachian Statistical Summary

	MAY 2008	APRIL 2008	MAY 2007
PRICES: (Base Zone)			
Uniform Price	\$19.11	\$20.21	\$18.82
Class I Price	20.02	21.71	19.02
Class II Price	15.51	15.29	16.62
Class III Price	18.18	16.76	17.60
Class IV Price	15.26	14.56	18.48
Uniform Skim Milk Price	\$14.23	\$15.71	\$13.95
Class I Skim Milk Price	15.30	17.49	14.38
Class II Skim Milk Price	10.40	10.47	11.50
Class III Skim Milk Price	13.20	12.02	12.54
Class IV Skim Milk Price	10.17	9.74	13.45
Uniform Butterfat Price	\$1.5378	\$1.4418	\$1.5320
Class I Butterfat Price	1.5003	1.3793	1.4699
Class II Butterfat Price	1.5632	1.4818	1.5776
Class III Butterfat Price	1.5562	1.4748	1.5706
Class IV Butterfat Price	1.5562	1.4748	1.5706

PRODUCER MILK:			
Class I	344,273,751	346,687,291	349,857,176
Class II	85,485,670	82,120,838	85,587,190
Class III	18,469,293	19,760,173	11,708,474
Class IV	42,352,212	40,133,625	27,494,408
Total Producer Milk	490,580,926	488,701,927	474,647,248

PERCENT PRODUCER MILK IN:			
Class I	70.18	70.94	73.71
Class II	17.43	16.80	18.03
Class III	3.76	4.05	2.47
Class IV	8.63	8.21	5.79

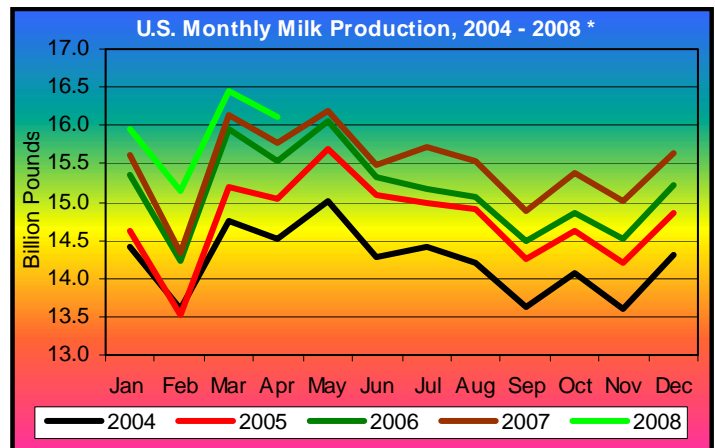
APPALACHIAN MARKETING AREA STATS FOR MAY 2008:

- ⇒ **The Uniform Price** for May 2008 was \$19.11, up \$0.29 from May 2007.
- ⇒ **Total Class I Milk** for May 2008 was 344,273,751 pounds.
- ⇒ **Class I Utilization** for May 2008 was 70.18 percent.
- ⇒ **Total Producer Milk** for May 2008 was 490,580,926 pounds, up 0.38% compared to April 2008, and up 16 million pounds, or a 3.36% increase from a year ago.

April Milk Production Up 2.5 Percent

Milk production in the 23 major states during April totaled 14.8 billion pounds, up 2.5 percent from April 2007. March revised production at 15.1 billion pounds, was up 2.3 percent from March 2007. The March revision represented a decrease of 10 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major states averaged 1,757 pounds for April, 12 pounds above April 2007. The number of milk cows on farms in the 23 major states was 8.44 million head, 152,000 head more than April 2007, and 8,000 head more than March 2008.



* Based on entire U.S. production.

June is Dairy Month, Continued from page 1

Obesity

Lowfat dairy foods such as milk, yogurt and cheese, may help control body fat, according to several studies published in the last year.

⇒ Women who consumed the most calcium and ate at least three servings of dairy foods per day were 80% less likely to be obese than those with the lowest intake.

⇒ Young women (18-31 years) enrolled in an exercise study who had high calcium intakes gained less weight and body fat than those with lower calcium intakes.

⇒ High calcium intake was consistently associated with lower body weight across four studies conducted in young, middle-aged and elderly women. The tendency of dieters to mistakenly cut milk from their diet for fear of fat, often reducing their calcium intake, may be a contributing factor for their frequent failures at losing weight.

⇒ Researchers analyzed the diets of preschool children over a 3-year period and found children with higher dairy/calcium intake, had lower body fat than those children with lower dairy/calcium intakes. These results are supported by a growing body of research on adults showing a connection between dairy food consumption and weight loss.

Colon Cancer

The results of a study published in The New England Journal of Medicine show calcium may

help reduce the risk of colon tumors. The addition of 1,200 mg. of calcium (the amount found in about four servings of milk, yogurt or cheese) to the diets of high-risk patients reduced the return of single adenomas by 19 percent and reduced the total number of adenomas by 24 percent. These findings are consistent with previous research suggesting that nutrients found in milk and other dairy products may reduce the risk of developing cancers of the colon and rectum.

A study published in The Journal of the American Medical Association examined the effects of increasing the consumption of dairy foods among 70 people at risk for colon cancer. Significant positive changes were observed in the high-dairy intake group, including a reduction in the growth of abnormal cells.

“Whether you are 6, 16, or 60, the nutrients found in milk and other dairy products are critical to good health and the prevention of chronic disease,” said Ann Marie Krauthem, a registered dietitian for the National Dairy Council. “For a powerful nutrient punch - dash to the dairy aisle.”

For more information about the importance of dairy products as part of a healthy diet, visit www.whymilk.com.

(Source: National Dairy Council)



Record \$108.5 Billion Agricultural Exports Forecast, Cont'd from page 1

and value records for pork. Export volumes and values are also up for many horticultural products with sales growth to Canada and the European Union being exceptionally strong.”

Asia continues to be an important growth market for U.S. agricultural commodities. U.S. exports to China are forecast to reach a record \$10.5 billion, up almost \$3.4 billion from 2007 levels. Canada and Mexico remain the United States' top two markets worldwide with exports forecast to reach \$30.5 billion in 2008 – some \$5 billion above 2007.

While agricultural imports in two-way trade with the United States will also increase – to a record \$78.5 billion forecast by USDA – the \$108.5 billion in export sales by American farmers and ranchers will net a positive agricultural trade surplus of \$30 billion for the United States.

USDA's Economic Research Service, Foreign Agricultural Service and World Agricultural Outlook Board release agricultural trade forecasts quarterly. The summary and full report of USDA's “Outlook for U.S. Agricultural Trade”

Record Exports, Continued on page 4 ➤



**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
TTY: 502-491-9124 accessed through
KRS 7-1-1



Record Exports, Cont'd from page 3

may be accessed from the ERS web site at <http://www.ers.usda.gov> or the FAS web site at <http://www.fas.usda.gov>. The next quarterly report will be issued at the end of August 2008.



Federal Milk Marketing Order Statistics - April 2008

Federal Order		Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1	Northeast	2,122	850	40.1	18.55
5	Appalachian	489	347	70.9	20.21
6	Florida	270	219	81.1	21.50
7	Southeast	609	388	63.8	19.97
30	Upper Midwest	2,513	371	14.8	17.23
32	Central	1,031	354	34.3	17.48
33	Mideast	1,444	537	37.1	17.77
124	Pacific Northwest	646	191	29.6	16.95
126	Southwest	1,088	355	32.7	18.18
131	Arizona	373	118	31.6	17.28
All Orders ¹		10,582	3,730	35.2	18.08

¹ 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.