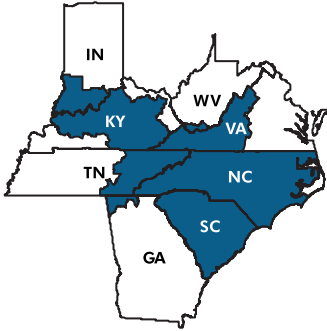




THE COURIER

Appalachian Marketing Area Monthly Newsletter



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Dairy Industry Advisory Committee Members Named

On January 6, 2010, Agriculture Secretary Tom Vilsack announced the appointment of 17 members to a federal Dairy Industry Advisory Committee. Over the next two years, the committee will review the issues of farm milk price volatility, dairy farmer profitability and consolidation, and offer suggestions on ways USDA can best address the needs of a struggling dairy industry. Representatives will include: producers and producer organizations, processors and processor organizations, handlers, consumers, academia, retailers, and state agencies involved in organic and non-organic dairy at the local, regional, national, and international levels.

“USDA has worked tirelessly to assist dairy farmers during these tough times,” said Vilsack. “We’ve increased support prices under the Dairy Product Price Support Program, reactivated the Dairy Export Incentive Program, and bought 200 million pounds of nonfat dry milk for federal feeding programs. This committee, whose members come from all aspects of the dairy industry, will work to find long term solutions to assist this struggling industry.”

Producer members appointed to the committee are: Erick Coolidge (Pa.), Timothy den Dulk (Mich.), Debora Erb (N.H.), James Goodman (Wis.), James Krahn, (Ore.), Edward Maltby (Mass.), Manuel Souza (Calif.), Ed Welch (Minn.), and James Williams (Ga.).

Representatives from the processing industry include: Jay Bryant (Va.), Patricia Stroup (Calif.), Sue Taylor (Colo.), and Robert Wills. (Wis.).

Members representing state government, retail, academia, and consumers are: Rodney Nilsestuen (Wis.), Robert Schupper (Pa.), Andrew Novakovic (N.Y.), and Paul Bourbeau (Vt.).

All members will serve two-year terms, beginning in January 2010, and expiring Jan. 1, 2012. The committee was expanded this year from 15 members to 17 and will hold its first meeting in early 2010. The meeting will be open to the public and USDA encourages public participation. For additional information check the Dairy Industry Advisory Committee website, <http://www.ams.usda.gov/AMSV1.0/DairyAdvisoryCommittee>. Release No. 0003.10

USDA Joins Campaign to Improve Health and Wellness

The U.S. Department of Agriculture (USDA) has joined a campaign to fight and defeat childhood obesity in cooperation with the NFL, National Dairy Council, multiple health organizations and several major corporations. The campaign, known as Fuel Up to Play 60, is funded with an initial private sector financial commitment of \$250 million over five years by America’s Dairy

Farmers. Funding is expected to grow as government, business, communities and families join this effort to improve nutrient-rich food choices and achieve 60 minutes of physical activity each day among children. More than 58,000, or 60 percent, of the nation’s 96,000 private and public schools are currently enrolled in Fuel Up to Play 60.

USDA Joins Campaign, cont'd on pg. 3

Federal Order 5 Year in Review

During 2009, the simple average announced Federal Order 5 uniform price was \$14.00 per cwt. for 2009, a decrease of \$5.90 from 2008. The announced uniform price reached a high of

\$16.99 per cwt. in December 2009, while it reached its lowest point at \$12.29 per cwt. in March 2009. The Class I price decreased by

Federal Order 5, cont'd on pg. 3

Appalachian Statistical Summary

JANUARY 2010 DECEMBER 2009 JANUARY 2009

PRICES: (Base Zone)

Uniform Price	\$17.31	\$16.99	\$16.41
Class I Price	18.43	17.39	19.14
Class II Price	15.22	14.25	10.41
Class III Price	14.50	14.98	10.78
Class IV Price	13.85	15.01	9.59
Uniform Skim Milk Price	\$12.47	\$12.11	\$12.56
Class I Skim Milk Price	13.22	12.71	14.64
Class II Skim Milk Price	10.52	9.14	6.74
Class III Skim Milk Price	9.80	9.93	7.15
Class IV Skim Milk Price	9.13	9.96	5.92
Uniform Butterfat Price	\$1.5078	\$1.5151	\$1.2269
Class I Butterfat Price	1.6214	1.4650	1.4323
Class II Butterfat Price	1.4475	1.5503	1.1154
Class III Butterfat Price	1.4405	1.5433	1.1084
Class IV Butterfat Price	1.4405	1.5433	1.1084

PRODUCER MILK:

Class I	357,520,518	363,064,019	364,890,319
Class II	77,209,742	68,021,503	75,476,606
Class III	25,478,343	29,606,997	32,225,645
Class IV	51,645,413	43,851,774	46,493,266
Total Producer Milk	511,854,016	504,544,293	519,085,836

PERCENT PRODUCER MILK IN:

Class I	69.85	71.96	70.29
Class II	15.08	13.48	14.54
Class III	4.98	5.87	6.21
Class IV	10.09	8.69	8.96

F.O. 5 STATS FOR JANUARY 2010:

➤ **The Uniform Price** for January 2010 was \$17.31, an increase of \$0.32 from December 2009 and \$0.90 higher than January 2009.

➤ **Total Class I Milk** for January 2010 was 357,520,518 pounds, a decrease of 7.4 million pounds, or 2.0 percent compared to January 2009.

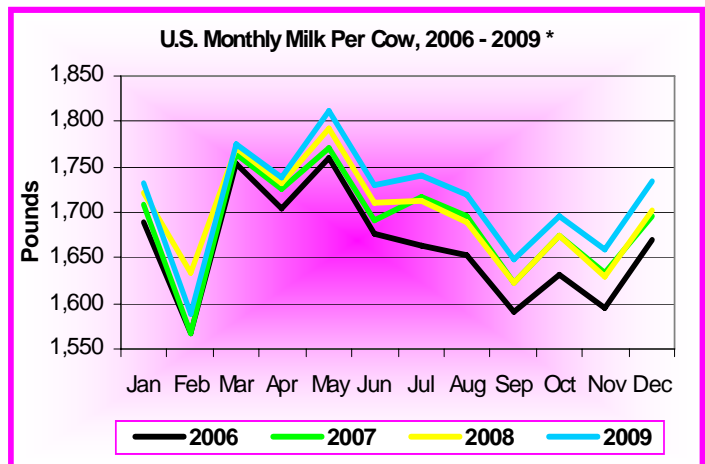
➤ **Class I Utilization** was 69.85 percent for January 2010, a decrease of 0.4 percentage points from January 2009.

➤ **Total Producer Milk** for January 2010 was 511,854,016 pounds, down 7.2 million pounds, or 1.4 percent compared to January 2009.

December Milk Production Down 0.8%

Milk production in the 23 major States during December totaled 14.6 billion pounds, down 0.8 percent from December 2008. November revised production at 14.0 billion pounds, was down 0.8 percent from November 2008. The November revision represented an increase of 24 million pounds or 0.2 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,758 pounds for December, 29 pounds above December 2008.

The number of milk cows on farms in the 23 major States was 8.31 million head, 206,000 head less than December 2008, and unchanged from November 2009.



* Based on entire U.S. production.

USDA Joins Campaign, continued from page 1

It is possible that today's children could become the first American generation with a shorter life expectancy than their parents. One-third of American children are overweight or obese. The obesity prevalence is about three to four times that of just one generation ago, according to the Centers for Disease Control and Prevention.

"Today is a significant milestone in the fight against childhood obesity because this unprecedented partnership will help educate our youth about steps they can and should take to lead healthy lives," said Agriculture Secretary Tom Vilsack. "Increasing access to more nutrient-rich foods and physical activity in America's schools is no simple task, and will require the combined effort of private and public interests. Partnerships like these, combined with a strong reauthorization of the Child Nutrition Programs, can make a significant difference in our battle against childhood obesity."

As an initial step, these partners will work together to promote and expand Fuel Up to Play 60. Based on the 2005 Dietary Guidelines for Americans, the program empowers students in grades 4 through 10 to engage their peers to "fuel up" with nutrient-rich foods they often lack - particularly low-fat and fat-free milk and milk products, fruits, vegetables and whole grains - and "get up and play" with 60 minutes of daily physical

activity. Components, developed for and by youth - such as program curriculum, in-school promotional materials, a Web site and youth social media partnerships - are customizable and non-prescriptive. The program's design allows youth and schools to determine which tools and resources best help schools meet local youth wellness goals and school wellness policies. Partner-supported school grants will help schools make long-term healthy changes.

Fuel Up to Play 60 also gives leaders in health, business, government and communities nationwide the opportunity to be a part of a movement that relies on participation, collaboration and action by youth and adults to help develop and maintain healthy habits to last a lifetime.

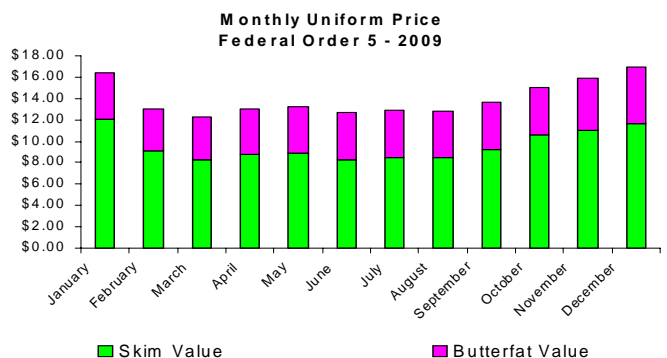
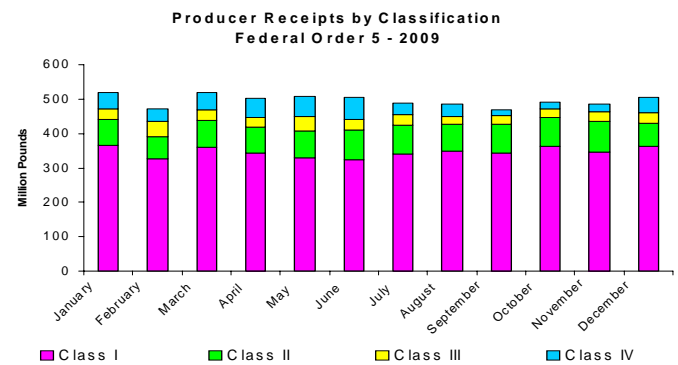
The program taps the power of the NFL and its teams, players and physical activity programming to add recognition and value for students. National Dairy Council's trusted school relationships are crucial in sustaining the program. All 32 NFL teams are participating in the program through local dairy councils and schools in their respective markets.

More information about Fuel Up to Play 60 is available at FuelUpToPlay60.com Release No. 0017.10

Federal Order 5 Year in Review, continued from page 1

\$6.42 to average \$14.88 per cwt. for 2009. The Class II price averaged \$11.26 per cwt., a decrease of \$4.98. The Class III price was \$6.08 lower to average \$11.36 per cwt. for 2009, while the Class IV price had a decrease of \$3.76 from 2008 to average \$10.89 per cwt. for 2009.

The volume of producer milk receipts regulated under Federal Order 5 totaled 5.95 billion pounds in 2009, an increase of 1.2 percent from 2008. Class I utilization averaged 69.74 percent in 2009, a decrease of 0.5 percentage points from 2008. The total volume of milk used in Class I increased by 0.4 percent. The total volume of producer milk used in Class II products decreased by 6.7 percent from 2008, while the annual Class II utilization decreased by 1.3 percentage points. Class III volume in 2009 increased by 51.3 percent, which resulted in the Class III utilization increasing by 2.1 percentage points from 2008. The amount of milk used in Class IV decreased by 1.2 percent and the annual utilization of Class IV decreased by 0.2 percentage points in 2009.



**APPALACHIAN MARKETING AREA
FEDERAL ORDER 5**

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**October - December Milk
Production Down 1.0%**

Milk production in the U.S. during the October - December quarter totaled 46.2 billion pounds, down 1.0 percent from the October - December quarter last year. The average number of milk cows in the U.S. during the quarter was 9.09 million head, 243,000 head less than the same period last year.

Federal Milk Marketing Order Statistics - December 2009

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	1,912	904	47.3	16.11
5 Appalachian	505	363	72.0	16.99
6 Florida	254	223	87.7	18.99
7 Southeast	616	413	67.1	17.23
30 Upper Midwest	2,699	391	14.5	15.06
32 Central	971	381	39.3	14.96
33 Mideast	1,391	606	43.6	15.12
124 Pacific Northwest	619	201	32.4	15.05
126 Southwest	901	370	41.1	16.00
131 Arizona	346	123	36.3	15.50
All Orders 1	10,213	3,977	38.9	15.68

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

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