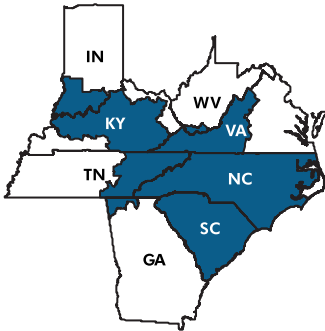




THE COURIER

Appalachian Marketing Area Monthly Newsletter



Harold H. Friedly, Jr.
Market Administrator



USDA Issues Final Decision to Amend All Orders

On February 26, 2010, the U.S. Department of Agriculture issued a final decision to amend the producer-handler definition in all federal milk marketing orders. These amendments were considered in a recommended decision published October 21, 2009.

This decision amends the producer-handler definition of all federal milk marketing orders to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition and sales of packaged fluid milk products to other plants of 3 million pounds or less per month.

These amendments are subject to producer

approval before they can be implemented on a permanent basis. The final decision amends all federal milk marketing orders. Each amended federal order must be approved either by two-thirds of producers supplying milk to the federal order or by producers who supply two-thirds of the milk to that order. If approved, USDA will issue a final rule.

The final decision was published in the March 4 **Federal Register**. The final decision is available on the AMS' web site: www.ams.usda.gov/dairy. Additional information may also be obtained from this office by calling (502) 499-0040, or e-mail friedly@malouisville.com.

New Framework for Animal Disease Traceability

On February 5, 2010, Agriculture Secretary Vilsack announced that USDA will develop a new, flexible framework for animal disease traceability in the United States, and undertake several other actions to further strengthen its disease prevention and response capabilities.

"After concluding our listening tour on the National Animal Identification System in 15 cities across the country, receiving thousands of comments from the public and input from States, Tribal Nations, industry groups, and representatives for small and organic farmers, it is apparent that a new strategy for animal disease traceability is needed," said Agriculture Secretary Tom Vilsack. "I've decided to revise the prior policy and offer a new approach to animal disease traceability with changes that respond directly to the feedback we heard."

The framework, announced at the National Association of State Departments of Agriculture (NASDA) Mid-Year meeting,

provides the basic tenets of an improved animal disease traceability capability in the United States. USDA's efforts will:

- ❖ Only apply to animals moved in interstate commerce;
- ❖ Be administered by the States and Tribal Nations to provide more flexibility;
- ❖ Encourage the use of lower-cost technology; and
- ❖ Be implemented transparently through federal regulations and the full rulemaking process.

"One of my main goals for this new approach is to build a collaborative process for shaping and implementing our framework for animal disease traceability," said Vilsack. "We are committed to working in partnership with States, Tribal

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Appalachian Statistical Summary

FEBRUARY 2010 JANUARY 2010 FEBRUARY 2009

PRICES: (Base Zone)

Uniform Price	\$17.35	\$17.31	\$12.98
Class I Price	18.24	18.43	14.12
Class II Price	15.65	15.22	10.25
Class III Price	14.28	14.50	9.31
Class IV Price	12.90	13.85	9.45
Uniform Skim Milk Price	\$12.74	\$12.47	\$9.41
Class I Skim Milk Price	13.67	13.22	10.47
Class II Skim Milk Price	10.97	10.52	6.63
Class III Skim Milk Price	9.57	9.80	5.68
Class IV Skim Milk Price	8.14	9.13	5.82
Uniform Butterfat Price	\$1.4438	\$1.5078	\$1.1153
Class I Butterfat Price	1.4430	1.6214	1.1480
Class II Butterfat Price	1.4474	1.4475	1.1011
Class III Butterfat Price	1.4404	1.4405	1.0941
Class IV Butterfat Price	1.4404	1.4405	1.0941

PRODUCER MILK:

Class I	328,788,782	357,520,518	325,825,404
Class II	66,625,081	77,209,742	64,749,937
Class III	26,137,183	25,478,343	43,839,567
Class IV	50,488,952	51,645,413	37,778,618
Total Producer Milk	472,039,998	511,854,016	472,193,526

PERCENT PRODUCER MILK IN:

Class I	69.65	69.85	69.00
Class II	14.11	15.08	13.71
Class III	5.54	4.98	9.29
Class IV	10.70	10.09	8.00

F.O. 5 STATS FOR FEBRUARY 2010:

➔ **The Uniform Price** for February 2010 was \$17.35, an increase of \$0.04 from January 2010 and \$4.37 higher than February 2009.

➔ **Total Class I Milk** for February 2010 was 328,788,782 pounds, an increase of 3.0 million pounds, or 0.9 percent compared to February 2009.

➔ **Class I Utilization** was 69.65 percent for February 2010, an increase of 0.65 percentage points from February 2009.

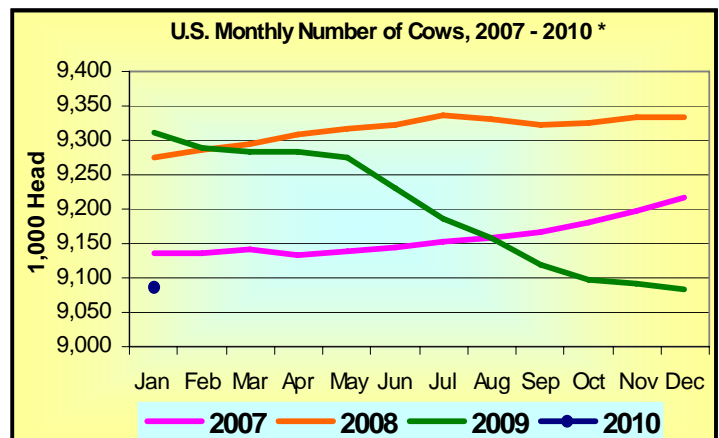
➔ **Total Producer Milk** for February 2010 was 472,039,998 pounds, a slight decrease compared to February 2009.



January Milk Production Down 0.6%

Milk production in the 23 major States during January totaled 14.8 billion pounds, down 0.6 percent from January 2009. December revised production at 14.6 billion pounds, was down 0.7 percent from December 2008. The December revision represented an increase of 18 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,782 pounds for January, 30 pounds above January 2009.

The number of milk cows on farms in the 23 major States was 8.32 million head, 191,000 head less than January 2009, but 4,000 head more than December 2009.



* Based on entire U.S. production.

New Framework for Animal Disease Traceability, cont'd from pg 1

Nations and industry in the coming months to address many of the details of this framework, and giving ample opportunity for farmers and ranchers and the public to provide us with continued input through this process.”

One of USDA's first steps will be to convene a forum with animal health leaders for the States and Tribal Nations to initiate a dialogue about the possible ways of achieving the flexible, coordinated approach to animal disease traceability we envision. Additionally, USDA will be revamping the Secretary's Advisory Committee on Animal Health to address specific issues, such as confidentiality and liability.

Although USDA has a robust system in place to protect U.S. agriculture, with today's

announcement, the Department will also be taking several additional actions to further strengthen protections against the entry and spread of disease. These steps will include accelerating actions to lessen the risk from diseases—such as tuberculosis—posed by imported animals, initiating and updating analyses on how animal diseases travel into the country, improving response capabilities, and focusing on greater collaboration and analyses with States and industry on potential disease risk overall.

More information on USDA's new direction on animal traceability and the steps to improve disease prevention and control is available at <http://www.aphis.usda.gov/traceability>.
Release No. 0053.10



2009 Annual Milk Production Down 0.3% from 2008

The annual production of milk for the U.S. during 2009 was 189 billion pounds, 0.3 percent below 2008. Revisions to 2008 production decreased the annual total 10 million pounds. Revised 2009 production was up 61 million pounds from last month's publication.

Production per cow in the U.S. averaged 20,576

pounds for 2009, 181 pounds above 2008. The average annual rate of milk production per cow has increased 13.1 percent from 2000.

The average number of milk cows on farms in the U.S. during 2009 was 9.20 million head, down 1.2 percent from 2008. There was no revision to the average number of milk cows for 2008.



Annual Milk Production by State, 2008-2009							
State	2008 Million Pounds	2009	Change From 2008 %	State	2008 Million Pounds	2009	Change From 2008 %
AL	184	164	-10.9	NE	1,083	1,203	11.1
AK	7.2	6	-16.7	NV	559	611	9.3
AZ	4,349	4,076	-6.3	NH	299	293	-2.0
AR	186	164	-11.8	NJ	169	161	-4.7
CA	41,203	39,512	-4.1	NM	7,865	7,904	0.5
CO	2,935	2,840	-3.2	NY	12,432	12,424	-0.1
CT	364	355	-2.5	NC	892	884	-0.9
DE	110	102	-7.3	ND	418	385	-7.9
FL	2,060	2,077	0.8	OH	5,130	5,192	1.2
GA	1,355	1,395	3.0	OK	1,061	1,002	-5.6
HI	18.5	21.3	15.1	OR	2,254	2,248	-0.3
ID	12,315	12,150	-1.3	PA	10,575	10,551	-0.2
IL	1,894	1,925	1.6	RI	19.9	19.6	-1.5
IN	3,287	3,383	2.9	SC	322	319	-0.9
IA	4,319	4,379	1.4	SD	1,796	1,892	5.3
KS	2,415	2,488	3.0	TN	948	909	-4.1
KY	1,210	1,192	-1.5	TX	8,416	8,840	5.0
LA	319	273	-14.4	UT	1,776	1,763	-0.7
ME	603	596	-1.2	VT	2,576	2,469	-4.2
MD	1,029	1,004	-2.4	VA	1,726	1,736	0.6
MA	254	246	-3.1	WA	5,696	5,561	-2.4
MI	7,763	7,968	2.6	WV	181	162	-10.5
MN	8,782	9,019	2.7	WI	24,472	25,239	3.1
MS	291	250	-14.1	WY	135.7	99.7	-26.5
MO	1,615	1,568	-2.9				
MT	313	299	-4.5	US	189,982	189,320	-0.3



**APPALACHIAN MARKETING AREA
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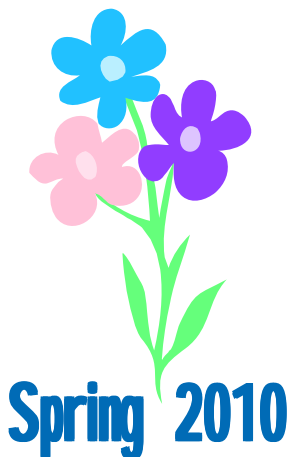
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Federal Milk Marketing Order Statistics - January 2010

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	1,960	855	43.6	16.26
5 Appalachian	512	358	69.9	17.31
6 Florida	265	226	85.5	19.42
7 Southeast	597	410	68.7	17.60
30 Upper Midwest	2,880	374	13.0	14.76
32 Central	1,146	366	31.9	14.88
33 Mideast	1,416	585	41.3	15.30
124 Pacific Northwest	685	193	28.2	14.88
126 Southwest	881	371	42.2	16.10
131 Arizona	357	119	33.4	15.21
All Orders 1	10,698	3,857	36.1	15.65



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