Dairy Farmers of America, Inc., et al.

Hearing Request #3

Submitted June 17, 2011

Prepared by The Mideast Market Administrator's Office, September 23, 2011

EXHIBIT

8

Mideast Market Administrator's Bulletin

Federal Order No. 33

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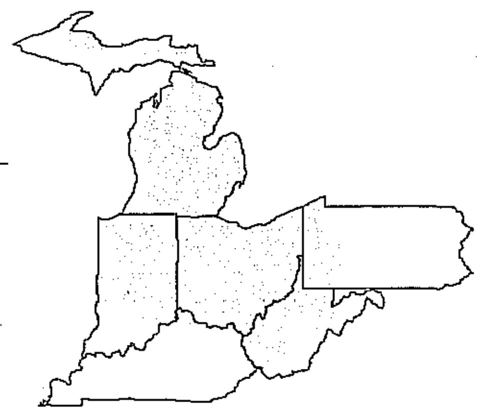
January 2009



USDA Announces Recommended Decision to Amend the Mideast Milk Order

The U. S. Department of Agriculture announced a recommended decision to adopt amendments to the Class I price surface of the Mideast milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Cincinnati, Ohio, on August 19 - 20, 2008.

This decision recommends adoption of amendments that would adjust the Class I pricing surface in certain counties within the geographical marketing area of the Mideast order. Interested persons have until March 16, 2009 to file comments in response to his decision. You may send your comments via the Federal e-Rulemaking portal at http://www.regulations.gov.

The recommended decision was published in the January 14th *Federal Register*. A copy of the recommended decision can be found on the website at www.fmmaclev.com/hearings.htm. For additional information about the decision contact this office.

2008 Market Summary

Producer milk receipts pooled totaled 15.7 billion pounds on the Mideast Order during 2008, a decrease of 560.6 million pounds, or 3.4 percent from 2007. During 2008, there were over 858 million pounds of milk voluntarily depooled. Monthly producer receipts ranged from a high of 1.47 billion pounds in January to a low of 1.19 billion pounds in October.

The number of producers pooled on the Mideast Order in 2008 averaged 7,476 per month, down 4.7 percent from a year earlier. Producer milk averaged 3.70 percent butterfat in 2008, ranging from a low of 3.54 percent in July to a high of 3.86 percent in December. The protein test averaged 3.06 percent for 2008. Protein tests ranged from a low of 2.94 percent in July, to a high of 3.15 percent in November and December. Other solids tests for producer milk averaged 5.70 percent for the year.

For the year, 41.9 percent of producer milk was utilized as Class I; 18.9 percent in Class II; 30.4 percent in Class III; and 8.8 percent in Class IV. The Class I utilization percentage had a low of 36.4 percent in July and a high of 50.7 percent in October. Class I milk totaled 6.6 billion pounds during 2008, up 0.3 percent from 2007. Class II milk totaled 3.0 billion pounds in 2008, an increase of 2.8 percent from 2007. Class III pooled pounds were 4.8 billion pounds in 2008, a decrease of 16.2 % from 2008. Class IV milk totaled 1.4 billion pounds in 2008, an increase of 24.1 percent from 2007.

The Class I price averaged $20.00 for the year, a decrease of $0.14 from 2007. The Class I price had a high of $22.97 in January 2008 and a low of $17.43 in December. The Class II price averaged $16.24, a decrease of $2.12 from the prior year. It ranged from a high of $19.75 in January to a low of $11.21 in December. The Class III price averaged $17.44, a decrease of $0.60 from 2007. The class III price ranged from a high of $20.25 in June, to a low of $15.28 in December. The Class IV price averaged $14.65 for the year, a decrease of $3.71 from a year ago. It was highest in August at $16.64 and was lowest in December at $10.35.

The Statistical Uniform Price averaged $17.86 for 2008 compared to $18.83 in 2007. The Producer Butterfat Price averaged $1.5668 per pound in 2008. This was an increase of $0.0976 from 2007. The butterfat price was highest in October at $1.8507 per pound and was lowest in December at $1.2998 per pound. The Protein Price averaged $3.8898 per pound in 2008. This was an increase of $0.3777 from the previous year. The protein price was highest in June at $4.7193 per pound and was lowest in November at $3.1301 per pound. Other Solids Price averaged $ 0.0555 per pound, $0.3646 lower than the 2007 average. The Producer Price Differential (PPD) averaged $0.43 cwt. in the year 2008 producing a high in September of $1.77 and a low of $(1.29) in June.

Milk Income Loss Contract Program Signup Began December 22

USDA's Farm Service Agency (FSA) announced that signup for the Milk Income Loss Contract Program (MILC) began December 22 and will continue through the program's expiration date, September 30, 2012.

The 2008 Farm Bill reauthorizes the MILC Program, which operates similarly to the counter-cyclical payment program for crops, and makes three key changes in program operation. Under the 2008 Act, the MILC

(Continued on Page 3)

December 2008 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	586,566,010	47.9
Class II	223,885,752	18.3
Class III	316,194,816	25.8
Class IV	98,709,684	8.0
Total	1,225,356,262	100.0

Producer Prices

Producer Price Differential	$ (0.86)	/cwt
Butterfat Price	1.2998	/ lb
Protein Price	3.6390	/ lb
Other Solids Price	(0.0269)	/ lb
Somatic Cell Adjustment Rate	0.00088	/ cwt
Statistical Uniform Price	14.42	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

DECEMBER 2008

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			575,623,913			$ 11.49 /cwt	$ 66,139,187.59
Class I Butterfat		10,942,097				1.8125 / lb	19,832,550.87
Class I Location Differential	586,566,010						(272,121.84)
Class II SNF Value				19,309,388		0.7644 / lb	14,760,096.22
Class II Butterfat		13,669,000				1.3068 / lb	17,862,649.19
Class III Protein Value			9,932,123			3.6390 / lb	36,142,995.62
Class III Other Solids Value					17,909,094	(0.0269)/ lb	(481,754.62)
Class III Butterfat		13,364,219				1.2998 / lb	17,370,811.87
Class IV SNF Value				8,201,131		0.6680 / lb	5,478,355.53
Class IV Butterfat		9,279,342				1.2998 / lb	12,061,288.74
Somatic Cell Value II / III / IV							691,851.08
TOTAL PRODUCER MILK VALUE	1,225,356,262	47,254,658	38,602,399		69,639,449		$189,585,910.25
Overages					$ 77,937.04		
Beginning Inventory and Other Source Charges					$244,986.94		
TOTAL ADJUSTMENTS							$ 322,923.98
TOTAL HANDLER OBLIGATIONS							$ 189,908,834.23
Total Protein Value			38,602,399 lbs	@	$3.6390		$ (140,474,129.99)
Total Other Solids Value			69,639,449 lbs	@	(0.0269)		1,873,301.17
Butterfat Value			47,254,658 lbs	@	1.2998		(61,421,604.51)
Total Somatic Cell Values							(1,285,021.85)
TOTALS							$ (11,398,620.95)
Net Producer Location Adjustments							$ 525,250.56
1/2 Unobligated Balance Producer Settlement Fund							879,000.00
Total - Divided by Total Pounds			1,225,356,262 lbs		(0.8156298)		$ (9,994,370.39)
Rate of Cash Reserve					(0.0443702)		(543,693.02)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,225,356,262		$ (0.86) /cwt		$ (10,538,063.41)

COMPONENT PRICES

	December 2008	December 2007
Butterfat Price	$1.2998 / lb	$1.4348 / lb
Protein Price	3.6390 / lb	4.7061 / lb
Other Solids Price	(0.0269) / lb	0.2637 / lb
Somatic Cell Adjustment Rate	0.00088 / cwt	0.00105 / cwt
Nonfat Solids Price	0.6680 / lb	1.6296 / lb

COMPUTATION OF UNIFORM PRICE

	December 2008	December 2007
Class III Price - 3.5% BF	$15.28	$20.60
Producer Price Differential*	(0.86)	0.04
Statistical Uniform Price	$14.42	$20.64

CLASS PRICES

	December 2008	December 2007
Class I*	$17.43	$22.04
Class II	11.21	20.82
Class III	15.28	20.60
Class IV	10.35	19.18

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	December 2008 *Product lbs.*	December 2007 *Product lbs.*
Class I	586,566,010	555,701,709
Class II	223,885,752	198,283,951
Class III	316,194,816	491,995,573
Class IV	98,709,684	129,442,350
Total	1,225,356,262	1,375,423,583

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for December 2008 was $(0.86) and the Statistical Uniform Price was $14.42 for the month. The Statistical Uniform Price is $1.90 lower than last month, and is $6.22 lower than December 2007.

The Producer Butterfat Price of $1.2998 per pound decreased 47.32 cents from November 2008 and is down 13.50 cents from a year ago. The Protein Price of $3.6390 is up 50.89 cents from last month and is down $1.0671 from December 2007. The Other Solids Price in December was $(0.0269) per pound, a decrease from last month's price of $(0.0099) and a decrease of 29.06 cents from last December. The Somatic Cell Adjustment rate for December was $0.00088.

December producer receipts of 1.23 billion pounds were 5.7 percent lower than November 2008 and 10.9 percent lower than December 2007 production of 1.38 billion pounds. Producer milk allocated to Class I accounted for 47.9 percent of the total producer milk in December 2008, more than the 42.4 percent in November 2008 and more than the 40.4 percent in December 2007. A total of 7,325 producers were pooled on the Mideast Order compared to 7,933 producers pooled in December 2007.

The market average content of producer milk was as follows: Butterfat 3.86%; Protein 3.15%; Other Solids 5.68% and Nonfat Solids 8.83%.

(Continued from Front Page)

payment rate and the per-operation poundage limit are modified, depending on when the milk is produced. In addition, a "feed cost adjuster," is introduced over the life of the 2008 Act, which adjusts the $16.94 per hundredweight (cwt.) benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target ($16.94 per cwt. or higher) and the specific month's Boston Class I price of milk.

USDA's Commodity Credit Corporation (CCC) issues MILC payments on an operation-by-operation basis up to a maximum of 2.4 million pounds of milk produced and marketed (about 120 cows) from October 1, 2007, through September 30, 2008. The production limit per operation increases to 2.985 million pounds (about 145 cows) for each fiscal year from October 1, 2008, through August 31, 2012. The production limitation reverts back to the original limit of 2.4 million pounds per fiscal year in September 2012.

The 2008 Act adjusts the trigger price of $16.94 cwt., depending on the extent to which feed costs increase. The feed cost adjustment takes effect when the monthly National Average Dairy Feed Ration Cost (calculated from the "entire month" prices published by the National Agricultural Statistics Service) is greater than $7.35 per cwt. beginning January 1, 2008, through August 31, 2012. Calculations from January 1, 2008, through August 31, 2012, will be made at 45 percent of the percentage that the National Average Dairy Feed Ration Cost exceeds $7.35 per cwt.

Beginning with Fiscal Year 2009 marketings, which started October 1, 2008, the 2008 Act made changes to the provisions for payment eligibility to add an adjusted gross income (AGI) limit. If the individual or entity has annual non-farm AGI for the relevant base period greater than $500,000, the individual or entity is not eligible for MILC benefits. The base period will be set pursuant to AGI regulations yet to be issued. That rule will also define what is considered to be non-farm income.

Eligible dairy producers are those who commercially produce milk in the United States. To receive program approval, producers must enter into a MILC contract with CCC and provide monthly milk marketing data. Dairy producers can apply for MILC at local FSA offices.

All payments in the program are subject to limits in the contract, regulations, and to changes in statutory provisions for payment. More information on MILC is available at local FSA offices.

November Milk Production Up 1.4 Percent

Milk production in the 23 major States during November totaled 14.0 billion pounds, up 1.4 percent from November 2007. October revised production at 14.4 billion pounds, was up 1.6 percent from October 2007. The October revision represented an increase of 16 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,657 pounds for November, 3 pounds above November 2007. The number of milk cows on farms in the 23 major States was 8.47 million head, 99,000 head more than November 2007, and 6,000 head more than October 2008.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.1 billion pounds, down 53 million pounds or 2.4 percent from November 2007.

Production per cow in the Mideast states averaged 1,574 pounds for November, 47 pounds below November 2007. The number of cows on farms in the Mideast states was 1.3 million head, 9,000 head more than November 2007.

USDA Terminates Proceedings on Class I and II Milk Prices

The U. S. Department of Agriculture announced that it will terminate a proceeding on proposed amendments to modify the formulas used to determine Class I and Class II prices in all Federal milk marketing orders.

In response to a proposal by the National Milk Producers Federation to reconsider formulas for Class I and Class II milk, USDA held a hearing December 11-15, 2006, in Pittsburgh, Pennsylvania. USDA is terminating the proceeding because the evidence presented at the hearing was neither compelling nor provided a basis to make a reasoned decision for recommending adoption or denial of the proposal.

The termination notice was published in the December 24, 2008 *Federal Register*. The termination notice and hearing record is available on the Agricultural Marketing Service Dairy Programs website at http://www.ams.usda.gov/dairy. Producers and processors with questions about the termination should contact this office.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	November 2008		Weighted Averages				November 2007	Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,923	539,696	3.75	3.14	6.07	233	490,990	3.74	3.15	5.71	237
Ohio	2,205	315,490	3.90	3.18	5.67	243	302,182	3.88	3.20	5.68	269
Indiana	1,133	132,650	3.89	3.16	5.67	253	125,910	3.84	3.18	5.69	277
New York	363	128,317	3.78	3.12	5.68	225	73,691	3.77	3.14	5.75	219
Pennsylvania	1,157	101,592	3.95	3.19	5.65	304	106,227	3.92	3.19	5.67	318
Wisconsin	348	62,048	3.82	3.10	5.77	233	133,772	3.84	3.12	5.73	245
Illinois	36	7,719	3.76	3.10	5.75	241	12,295	3.80	3.10	5.72	243
West Virginia	64	5,201	4.08	3.33	5.65	329	5,344	4.16	3.36	5.66	293
Other	85	7,492	3.82	3.16	5.72	251	10,942	3.85	3.16	5.69	290
Total/Average *	7,314	1,300,207	3.83	3.15	5.84	243	1,261,353	3.82	3.16	5.70	256

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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Featured this month are:
- Producer Milk Classification
- Statistical Uniform Price
- Class & Component Prices
- Weighted Average NASS Prices

FEDERAL ORDER DATA
DECEMBER 2008

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,976,927	914,673	46.3	$(0.22)	$15.06
FO 5	Appalachian - *(Charlotte)*	522,732	361,684	69.2	[2]	16.23
FO 6	Florida - *(Tampa)*	264,689	223,609	84.5	[2]	18.88
FO 7	Southeast - *(Atlanta)*	606,466	404,358	66.7	[2]	16.85
FO 30	Upper Midwest - *(Chicago)*	2,318,080	393,612	17.0	(0.24)	15.04
FO 32	Central - *(Kansas City)*	928,617	376,208	40.5	(1.65)	13.63
FO 33	**Mideast - *(Cleveland)***	**1,225,356**	**586,566**	**47.9**	**(0.86)**	**14.42**
FO 124	Pacific Northwest - *(Seattle)*	472,745	203,709	43.1	(2.28)	13.00
FO 126	Southwest - *(Dallas)*	603,946	366,997	60.8	(0.53)	14.75
FO 131	Arizona - *(Phoenix)*	358,518	120,644	33.7	[2]	13.97

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2009......................$ 10.35 /cwt.

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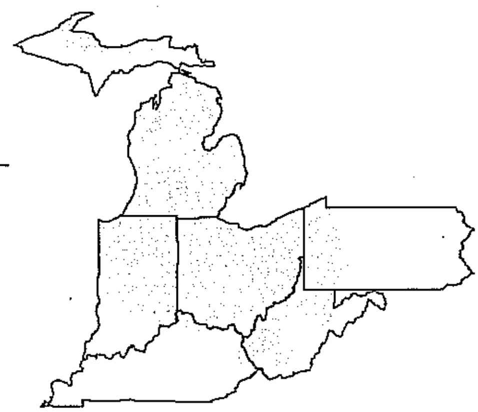
Mideast Market Administrator's Bulletin



Federal Order No. 33

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February 2009

Invitation to Submit Proposals

USDA received proposals on January 30, 2009, to eliminate the producer-handler provision in all Federal milk marketing orders. Additionally, companion proposals to revise the exempt plant provision for all Federal milk marketing orders were received. The proposals were submitted on behalf of National Milk Producers Federation and International Dairy Foods Association. The proponents assert that the producer-handler exemption from pricing and pooling provisions has lead to disruption of orderly marketing conditions and should, therefore, be eliminated. The proponents also assert that the current exempt plant provision is inadequate to maintain orderly marketing conditions and as such, should be revised.

USDA is providing the opportunity for interested parties to submit additional proposals regarding the elimination of the producer-handler provision and the revision of the exempt plant provision in all Federal milk marketing orders. Proposals must be received by March 9, 2009. For further information contact *Gino Tosi at (202)690-1366* or *Gino.Tosi@ams.usda.gov or read the full document at www.fmmaclev.com*

December Milk Production Up 1.5 Percent

Milk production in the 23 major States during December totaled 14.6 billion pounds, up 1.5 percent from December 2007.November revised production at 14.0 billion pounds, was up 1.3 percent from November 2007. The November revision represented an increase of 11 million pounds or 0.1 percent from last month's preliminary estimate.

Production per cow in the 23 major States averaged 1,726 pounds for December, 8 pounds above December 2007.

The number of milk cows on farms in the 23 major States was 8.48 million head, 90,000 head more than December 2007, and 7,000 head more than November 2008.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during December totaled 2.2 billion pounds, down 42 million pounds or 1.9 percent from December 2007.

Production per cow in the Mideast states averaged 1,640 pounds for December, 40 pounds below December 2007.

The number of cows on farms in the Mideast states was 1.3 million head, 6,000 head more than December 2007.

Cow Numbers Trend Downward in 2009 as Production Adjusts to a Weaker Market and Lower Prices

Despite lower feed costs, flagging demand will likely continue to depress prices and producer profitability in 2009. A lower milk-feed price ratio suggests that weaker prices hold the upper hand over lower feed costs and are pressuring profitability. The U.S. dairy herd is forecast to decline modestly during 2009 and to average 9.2 million for the year. Output per cow is forecast to inch upward to 20,620 pounds per cow in 2009, less than a 1-percent increase over 2008 and the second year of about a 1-percent growth rate in yield, after adjusting for the 2009 leap day. Despite the lower herd size, the slight yield increase will nudge milk production up to 190.5 billion pounds in 2009, compared with 189.6 billion in 2008. Although down from mid-year peaks, corn prices remain relatively high, while milk prices have dipped. This divergence of feed and milk prices has left dairy producers with a seriously deteriorating profit situation. The milk-feed price ratio in 2009 is forecast to be the lowest since the 1980's.

In light of the recessionary economy, domestic demand is expected to weaken. Restaurant sales are down, and sales of value-added and premium products have also fallen. To the extent that dairy products fall into these categories, demand will be affected. On the other hand, if dairy products become a larger portion of meals consumed at home, there may be some support.

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January 2009 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	591,435,516	42.5
Class II	246,511,171	17.7
Class III	442,499,680	31.8
Class IV	111,617,041	8.0
Total	1,392,063,408	100.0

Producer Prices

Producer Price Differential	$ 2.44	/cwt
Butterfat Price	1.1084	/ lb
Protein Price	2.3638	/ lb
Other Solids Price	(0.0304)	/ lb
Somatic Cell Adjustment Rate	0.00065	/ cwt
Statistical Uniform Price	13.22	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33

JANUARY 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			580,922,058			$ 13.24 / cwt	$ 76,914,080.46
Class I Butterfat		10,513,458				1.4183 / lb	14,911,237.46
Class I Location Differential	591,435,516						(265,904.54)
Class II SNF Value				21,283,328		0.7489 / lb	15,939,084.37
Class II Butterfat		14,239,344				1.1154 / lb	15,882,564.30
Class III Protein Value			13,870,384			2.3638 / lb	32,786,813.70
Class III Other Solids Value					25,210,600	(0.0304)/ lb	(766,402.26)
Class III Butterfat		16,710,660				1.1084 / lb	18,522,095.53
Class IV SNF Value				9,129,144		0.6574 / lb	6,001,499.24
Class IV Butterfat		11,831,593				1.1084 / lb	13,114,137.68
Somatic Cell Value II / III / IV							607,986.72
TOTAL PRODUCER MILK VALUE	1,392,063,408	53,295,055	43,555,806		79,177,722		$193,647,192.66
Overages					$ 59,036.25		
Beginning Inventory and Other Source Charges					$ 46,672.24		
TOTAL ADJUSTMENTS							$ 105,708.49
TOTAL HANDLER OBLIGATIONS							$ 193,752,901.15
Total Protein Value			43,555,806 lbs	@	$2.3638		$ (102,957,214.24)
Total Other Solids Value			79,177,722 lbs	@	(0.0304)		2,407,002.75
Butterfat Value			53,295,055 lbs	@	1.1084		(59,072,238.98)
Total Somatic Cell Values							(1,030,456.75)
TOTALS							$ 33,099,993.93
Net Producer Location Adjustments							$ 741,858.37
1/2 Unobligated Balance Producer Settlement Fund							720,000.00
Total - Divided by Total Pounds			1,392,063,408 lbs		2.4827786		$ 34,561,852.30
Rate of Cash Reserve					(0.0427786)		(595,505.24)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,392,063,408		$ 2.44 /cwt		$ 33,966,347.06

COMPONENT PRICES

	January 2009	January 2008
Butterfat Price	$1.1084 / lb	$1.3319 / lb
Protein Price	2.3638 / lb	4.4994 / lb
Other Solids Price	(0.0304) / lb	0.2097 / lb
Somatic Cell Adjustment Rate	0.00065 / cwt	0.00100 / cwt
Nonfat Solids Price	0.6574 / lb	1.3385 / lb

COMPUTATION OF UNIFORM PRICE

	January 2009	January 2008
Class III Price - 3.5% BF	$10.78	$19.32
Producer Price Differential*	2.44	0.93
Statistical Uniform Price	$13.22	$20.25

CLASS PRICES

	January 2009	January 2008
Class I*	$17.74	$22.97
Class II	10.41	19.75
Class III	10.78	19.32
Class IV	9.59	16.29

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	January 2009 *Product lbs.*	January 2008 *Product lbs.*
Class I	591,435,516	571,140,418
Class II	246,511,171	252,172,384
Class III	442,499,680	538,046,295
Class IV	111,617,041	108,092,536
Total	1,392,063,408	1,469,451,633

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2009 was $2.44 and the Statistical Uniform Price was $13.22 for the month. The Statistical Uniform Price is $1.20 lower than last month, and is $7.03 lower than January 2008.

The Producer Butterfat Price of $1.1084 per pound decreased 19.14 cents from December 2008 and is down 22.35 cents from a year ago. The Protein Price of $2.3638 is down $1.2752 from last month and is down $2.1356 from January 2008. The Other Solids Price in January was $(0.0304) per pound, a decrease from last month's price of $(0.0269) and a decrease of 24.01 cents from last January. The Somatic Cell Adjustment rate for January was $0.00065.

January producer receipts of 1.39 billion pounds were 13.6 percent higher than December 2008 and 5.3 percent lower than January 2008 production of 1.47 billion pounds. Producer milk allocated to Class I accounted for 42.5 percent of the total producer milk in January 2009, less than the 47.9 percent in December 2008 and more than the 38.9 percent in January 2008. A total of 7,422 producers were pooled on the Mideast Order compared to 7,918 producers pooled in January 2008.

The market average content of producer milk was as follows: Butterfat 3.83%; Protein 3.13%; Other Solids 5.69% and Nonfat Solids 8.82%.

(Continued from Front Page)

Production in 2008 of all major dairy products, except whey, are above year-ago levels, and inventories are high. The central problem is that domestic demand is insufficient to absorb the increased production, and export prospects are dim. Global recession, higher production abroad, and a stronger dollar are expected to combine to curtail dairy exports in 2009. Commercial exports are projected at 6.7 billion pounds (fat basis) in 2009, a drop from 9.1 billion estimated for 2008. On a skim-solids basis, exports are projected at 23.5 billion pounds this year compared with an estimated 26.5 billion in 2008. Lower prices will likely prompt some additional domestic commercial use in 2009.

Prices for dairy products are sharply lower and will remain so into 2009. Recovery for most products is not anticipated until mid-year. Nonfat dry milk (NDM) producers have shifted production from export to sales to the Commodity Credit Corporation (CCC). Butter movement into CCC has already begun, and some cheese sales to CCC are expected. Higher prices will depend on lowering production to be more in line with demand. Milk Income Loss Contract payments to some producers will boost farm income, but could slow production adjustment.

Dairy product prices will be lower in 2009. Cheese prices are forecast at \$1.260 to \$1.340 per pound in 2009, down from \$1.895 in 2008. Butter prices are forecast at \$1.160 to \$1.270 per pound this year, compared with \$1.436 last year. NDM prices will likely average between 84.0 and 90.0 cents per pound, down from an average \$1.226 per pound in 2008. Dry whey prices dropped in 2008 and are forecast to decline further, averaging 18.0 to 21.0 cents per pound in 2009 after averaging 25.0 cents per pound last year. Some price recovery could come in mid-2009, but is largely dependent on adjusting milk production to weaker demand prospects.

Milk prices will decline this year in the wake of product price declines. The Class IV price is forecast to average \$10.00 to \$10.90 per cwt this year, down from 2008's \$14.65 per cwt average. The Class III price is forecast to average \$10.60 to \$11.40 per cwt, down from \$17.44 per cwt last year. The all milk price is expected to average \$11.80 to \$12.60 per cwt in 2009, a drop from \$18.34 in 2008.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-175, January 22, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

Census of Agriculture Shows Growing Diversity in U.S. Farming

The number of farms in the United States has grown 4 percent and the operators of those farms have become more diverse in the past five years, according to results of the 2007 Census of Agriculture released by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS).

The 2007 Census counted 2,204,792 farms in the United States, a net increase of 75,810 farms. Nearly 300,000 new farms have begun operation since the last census in 2002. Compared to all farms nationwide, these new farms tend to have more diversified production, fewer acres, lower sales and younger operators who also work off-farm.

In addition to looking at farm numbers, operator demographics and economic aspects of farming, the Census of Agriculture delves into numerous other areas, including organic, value-added, and specialty production, all of which are on the rise.

The Census of Agriculture, conducted every five years, is a complete count of the nation's farms and ranches and the people who operate them. It provides the only source of uniform, comprehensive agricultural data for every county in the nation. Census results are available online at *www.agcensus.usda.gov* .

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Featured this month are thematic maps displaying:

- Total Mideast Milk Marketings by County, 2008
- Increases in Mideast Milk Marketings by County, 2008 vs. 2007
- Decreases in Mideast Milk Marketings by County, 2008 vs. 2007

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	December 2008						December 2007				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,916	510,557	3.78	3.14	5.70	202	545,070	3.77	3.15	5.71	228
Ohio	2,210	286,255	3.93	3.18	5.67	244	357,317	3.91	3.19	5.69	263
Indiana	1,149	136,589	3.94	3.16	5.67	254	146,687	3.90	3.17	5.69	266
Pennsylvania	1,184	104,900	3.97	3.18	5.65	311	110,445	3.94	3.18	5.68	312
New York	350	131,714	3.79	3.12	5.68	217	100,512	3.76	3.12	5.74	220
Wisconsin	347	39,573	3.83	3.08	5.75	229	89,311	3.87	3.11	5.73	232
West Virginia	64	5,459	4.18	3.30	5.66	347	5,610	4.20	3.35	5.67	316
Illinois	44	2,430	3.91	3.23	5.67	300	12,770	3.82	3.08	5.72	233
Other	88	8,011	3.91	3.13	5.67	236	8,119	3.89	3.16	5.69	274
Total/Average *	7,352	1,225,489	3.86	3.15	5.68	230	1,375,842	3.84	3.16	5.70	248

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

JANUARY 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,018,178	890,941	44.2	$3.36	$14.14
FO 5	Appalachian - *(Charlotte)*	519,086	364,890	70.3	[2]	16.41
FO 6	Florida - *(Tampa)*	286,220	233,649	81.6	[2]	18.92
FO 7	Southeast - *(Atlanta)*	606,876	413,503	68.1	[2]	16.62
FO 30	Upper Midwest - *(Chicago)*	2,750,570	386,473	14.1	0.82	11.60
FO 32	Central - *(Kansas City)*	1,075,008	372,809	34.7	1.71	12.49
FO 33	**Mideast - *(Cleveland)***	**1,392,063**	**591,436**	**42.5**	**2.44**	**13.22**
FO 124	Pacific Northwest - *(Seattle)*	692,001	195,360	28.2	1.34	12.12
FO 126	Southwest - *(Dallas)*	1,088,984	379,234	34.8	2.72	13.50
FO 131	Arizona - *(Phoenix)*	367,370	115,923	31.6	[2]	12.49

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR FEBRUARY 2009 .... $ 9.59 /cwt.

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Mideast Market Administrator's Bulletin

Federal Order No. 33

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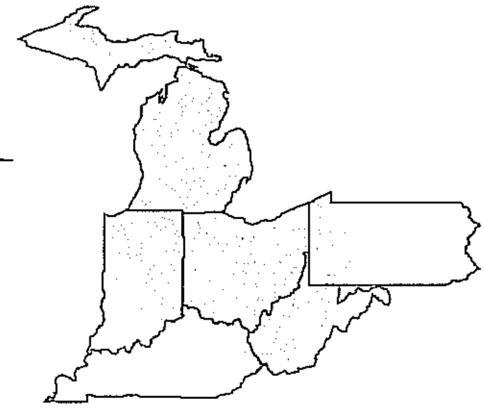
March 2009



USDA Appoints Members to National Fluid Milk Processor Promotion Board

The U.S. Department of Agriculture announced the appointment of five incumbents and two new members to the National Fluid Milk Processor Promotion Board.

Re-appointed to serve a second term is: Edward L. Mullins, Carlinville, Ill., (Region 9).

Re-appointed to serve a first term after filling a vacancy lasting less than 18 months are: Jay S. Bryant, Reston, Va., (Region 3); Charles S. Mayfield, Jr., Athens, Tenn. (Region 6); John R. Zuroweste, Dallas, Texas (Region 12); and Janey K. Thornton, Ph.D., Elizabethtown, Ky., (At-Large Public).

Newly Appointed are: Timothy Kelbel, Cincinnati, Ohio (Region 15); and Miriam E. Brown, Des Moines, Iowa (At-Large Processor).

Terms for these appointees begin July 1, 2009, and expire June 30, 2012. All appointees will be seated at the board meeting July 16-18, 2009.

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 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.

USDA'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.

January Milk Production Up 1.0 Percent

Milk production in the 23 major States during January totaled 14.9 billion pounds, up 1.0 percent from January 2008. December revised production at 14.7 billion pounds, was up 1.8 percent from December 2007. The December revision represented an increase of 44 million pounds or 0.3 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,746 pounds for January, 5 pounds above January 2008. The number of milk cows on farms in the 23 major States was 8.51 million head, 58,000 head more than January 2008, and 12,000 head less than December 2008.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during January totaled 2.3 billion pounds, up 5 million pounds or 0.2 percent from January 2008.

Production per cow in the Mideast states averaged 1,690 pounds for January, 8 pounds below January 2008. The number of cows on farms in the Mideast states was 1.3 million head, 7,000 head more than January 2008.

*Released February 19, 2009, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, U.S. Department of Agriculture. For information on "Milk Production" call Mike Miller at 202-720-3278, office hours 7:30 a.m. to 4:00 p.m. ET.

February 2009 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	542,128,978	42.4
Class II	234,341,518	18.3
Class III	420,054,447	32.9
Class IV	81,587,205	6.4
Total	1,278,112,148	100.0

Producer Prices

Producer Price Differential	$ 1.52	/cwt
Butterfat Price	1.0941	/ lb
Protein Price	1.9139	/ lb
Other Solids Price	(0.0437)	/ lb
Somatic Cell Adjustment Rate	0.00058	/ cwt
Statistical Uniform Price	10.83	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

FEBRUARY 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			532,545,035			$ 9.07 / cwt	$ 48,301,834.66
Class I Butterfat		9,583,943				1.1340 / lb	10,868,191.38
Class I Location Differential	542,128,978						(246,620.64)
Class II SNF Value				20,118,265		0.7367 / lb	14,821,125.80
Class II Butterfat		13,641,520				1.1011 / lb	15,020,677.73
Class III Protein Value			12,975,276			1.9139 / lb	24,833,380.71
Class III Other Solids Value					23,890,356	(0.0437)/ lb	(1,044,008.58)
Class III Butterfat		16,567,357				1.0941 / lb	18,126,345.29
Class IV SNF Value				6,651,704		0.6472 / lb	4,304,982.83
Class IV Butterfat		8,527,245				1.0941 / lb	9,329,658.74
Somatic Cell Value II / III / IV							491,598.29
TOTAL PRODUCER MILK VALUE	1,278,112,148	48,320,065	39,492,270		72,688,294		$144,807,166.21
Overages					$ 86,557.99		
Beginning Inventory and Other Source Charges					$ 5,372.50		
TOTAL ADJUSTMENTS							$ 91,930.49
TOTAL HANDLER OBLIGATIONS							$ 144,899,096.70
Total Protein Value			39,492,270 lbs	@	$1.9139		$ (75,584,255.55)
Total Other Solids Value			72,688,294 lbs	@	(0.0437)		3,176,478.45
Butterfat Value			48,320,065 lbs	@	1.0941		(52,866,983.13)
Total Somatic Cell Values							(833,960.29)
TOTALS							$ 18,790,376.18
Net Producer Location Adjustments							$ 647,624.49
1/2 Unobligated Balance Producer Settlement Fund							622,000.00
Total - Divided by Total Pounds			1,278,112,148 lbs		1.5695024		$ 20,060,000.67
Rate of Cash Reserve					(0.0495024)		(632,696.19)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,278,112,148		$ 1.52 /cwt		$ 19,427,304.48

COMPONENT PRICES

	February 2009	February 2008
Butterfat Price	$1.0941 / lb	$1.3010 / lb
Protein Price	1.9139 / lb	4.0180 / lb
Other Solids Price	(0.0437) / lb	0.0803 / lb
Somatic Cell Adjustment Rate	0.00058 / cwt	0.00092 / cwt
Nonfat Solids Price	0.6472 / lb	1.1643 / lb

COMPUTATION OF UNIFORM PRICE

	February 2009	February 2008
Class III Price - 3.5% BF	$ 9.31	$17.03
Producer Price Differential*	1.52	1.62
Statistical Uniform Price	$10.83	$18.65

CLASS PRICES

	February 2009	February 2008
Class I*	$12.72	$21.68
Class II	10.25	18.46
Class III	9.31	17.03
Class IV	9.45	14.67

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	February 2009 *Product lbs.*	February 2008 *Product lbs.*
Class I	542,128,978	536,362,711
Class II	234,341,518	226,591,591
Class III	420,054,447	509,508,896
Class IV	81,587,205	102,921,636
Total	1,278,112,148	1,375,384,834

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2009 was $1.52 and the Statistical Uniform Price was $10.83 for the month. The Statistical Uniform Price is the $2.39 lower than last month, and is $7.82 lower than February 2008.

The Producer Butterfat Price of $1.0941 per pound decreased 1.43 cents from January and is down 20.69 cents from a year ago. The Protein Price of $1.9139 is down $0.4499 from last month and is down $2.1041 from February 2008. The Other Solids Price in February was $-0.0437per pound, a decrease from last month's price of $-0.0304 and a decrease of 12.40 cents from last February. The Somatic Cell Adjustment rate for January was $0.00058.

February producer receipts of 1.28 billion pounds were 8.2 percent lower than January and 7.1 percent lower than February 2008 production of 1.38 billion pounds. Producer milk allocated to Class I accounted for 42.4 percent of the total producer milk in February 2009, less than the 42.5 percent in January and more than the 39.0 percent in February 2008. A total of 7,272 producers were pooled on the Mideast Order compared to 7,723 producers pooled in February 2008.

The market average content of producer milk was as follows: Butterfat 3.78%; Protein 3.09%; Other Solids 5.69% and Nonfat Solids 8.78%.

Other Solids Price Goes Negative

The October other solids price was $-0.0047 per pound, the first time the other solids price had been negative since July 2003. The negative price occurs because the market price for dry whey is less than the make allowance in the other solids price formula. Since federal orders use manufactured product prices to set the base milk price, the market prices are adjusted back to a milk value price via a formula. The formula used to calculate the other solid price is: Other Solids = (NASS Dry Whey Price - 0.1991) × 1.03

The Values in the formula consist of:

- National Agricultural Statistical Service (NASS) dry whey price that is based on a nationwide survey of plants that manufacture dry whey.
- 0.1991 is the "make allowance" and represents the cost of transforming liquid whey into dry whey.
- It is subtracted from the wholesale commodity price to determine the raw ingredient price.
- 1.03 is the yield factor and represents the number of pounds of dry whey it takes to produce a pound of other solids.

The dry whey make allowance was increased from 0.1956 to 0.1991 effective in October 2008, reflecting higher costs of drying/manufacturing dry whey. Had the previous make allowance been in effect for October, the dry whey price would have been $-0.0011, still negative, but slightly less so.

As an example of how this negative price impacts a farm's bottom line, for a farm producing 100,000 pounds of milk a month, with an average other solids test of 5.69, the October other solids price would have cost the producer $26.74 total in the month's milk check..

In 2007, the other solids price hit a record high of $0.6008 per pound in April and was above $0.40 per pound for 7 months. Other solids averaged $0.08 per pound from January 2000 through September 2006. The record high other solids price in April 2007 was a result of the record high dry whey price that same month. Since that time, in just 18 months, the dry whey market price has fallen 75 percent. Though negative, the current other solids price is closer to the historical average than last year's prices were.

The reason the dry whey market, and thus the other solids price, behaved this way the past two years lies in multiple supply and demand factors changing direction. Dry whey is considered an excellent source of protein. As the middle class in developing countries grow, they tend to eat higher protein diets. The combination of a weakening United States currency and supply constrictions in Oceania in 2007 resulted in the U.S. being positioned as an ideal source for dry whey (and its high protein qualities) in the global market. The increasing demand and constricted global supply pushed dry whey prices to record levels. That in turn generated higher other solids prices and boosted milk prices in general to U.S. farmers.

By the second half of 2008, the very supply and demand conditions that led to high prices combined in the opposite direction. The very high 2007 dry whey prices have moved buyers to look for substitute ingredients, reducing demand in 2008. In addition, worsening economies have hurt sales both domestically and globally and the U.S. dollar has regained some strength, making U.S. exports less attractive. Production in Oceania is expected to recover as their higher production season draws near. These conditions may lead to continued lower prices for dry whey for the near future.

Source: October 2008 Northeast Market Administrator's Bulletin

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www.fmmaclev.com

Featured this month are thematic maps displaying:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	January 2009						January 2008				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,918	580,470	3.76	3.12	5.70	208	552,420	3.73	3.10	5.71	218
Ohio	2,239	332,207	3.91	3.16	5.67	248	369,281	3.87	3.14	5.69	266
Indiana	1,145	146,766	3.90	3.12	5.67	265	152,493	3.86	3.12	5.68	277
New York	354	132,280	3.77	3.11	5.70	219	103,770	3.75	3.07	5.73	226
Pennsylvania	1,229	108,404	3.95	3.17	5.65	311	112,766	3.90	3.15	5.68	311
Wisconsin	398	65,796	3.80	3.07	5.75	247	145,483	3.82	3.07	5.71	240
Illinois	43	8,855	3.79	3.09	5.75	290	12,934	3.81	3.05	5.71	243
West Virginia	63	5,434	4.16	3.25	5.67	359	5,660	4.16	3.30	5.68	328
Other	96	12,081	3.73	3.10	5.71	234	14,720	3.81	3.26	5.78	250
Total/Average *	7,485	1,392,292	3.83	3.13	5.69	236	1,469,528	3.80	3.11	5.70	247

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

FEBRUARY 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,843,010	792,268	43.0	$2.44	$11.75
FO 5	Appalachian - *(Charlotte)*	472,194	325,825	69.0	[2]	12.98
FO 6	Florida - *(Tampa)*	267,601	217,760	81.4	[2]	15.02
FO 7	Southeast - *(Atlanta)*	545,996	370,916	67.9	[2]	13.22
FO 30	Upper Midwest - *(Chicago)*	2,488,094	356,262	14.3	0.51	9.82
FO 32	Central - *(Kansas City)*	1,063,005	338,684	31.9	1.07	10.38
FO 33	**Mideast - *(Cleveland)***	**1,278,112**	**542,129**	**42.4**	**1.52**	**10.83**
FO 124	Pacific Northwest - *(Seattle)*	626,915	178,946	28.6	1.00	10.31
FO 126	Southwest - *(Dallas)*	990,442	340,284	34.4	2.00	11.31
FO 131	Arizona - *(Phoenix)*	345,244	114,653	33.2	[2]	10.69

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MARCH 2009............................$ 9.31 /cwt.

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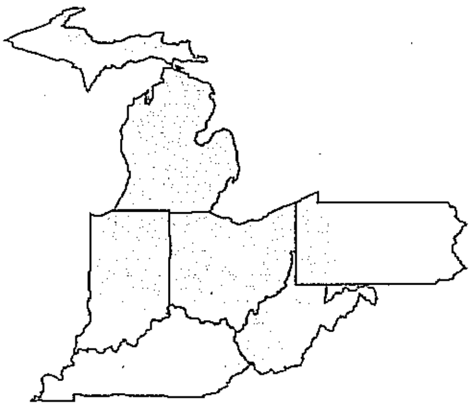
Mideast Market Administrator's Bulletin

Federal Order No. 33



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April 2009

USDA Sets Hearing on Proposed Amendments to All Federal Milk Orders

The U. S. Department of Agriculture announced that it will hold a national public hearing to consider proposals seeking to amend or remove the producer-handler provisions and revise the exempt plant provisions applicable to all Federal milk marketing orders. The hearing will begin at 1 p.m. on May 4, 2009, at The Westin - Cincinnati, 21 East Fifth Street, Cincinnati, Ohio, 45202.

USDA will also consider a proposal seeking to amend the orders to include provisions related to individual handler pools as an alternative to the producer-handler provisions.

The National Milk Producers Federation and the International Dairy Foods Association submitted initial proposals. USDA requested additional proposals from the industry that would examine all features of the producer-handler and exempt plant provisions. USDA received proposals from dairy farmers, producer-handlers, dairy farmer cooperatives, and fluid milk processors.

Anyone interested in participating in the hearing should notify a USDA official upon arrival. The hearing notice was published in the April 9th Federal Register. Copies of the hearing notice and additional information are available from USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231, from the AMS web site: at www.ams.usda.gov/dairy, or from this office.

Agriculture Secretary Vilsack Announces MILC Payments on their way to Dairy Farmers

Secretary of Agriculture Tom Vilsack announced that because of low dairy prices across the country, producers participating in USDA's Milk Income Loss Contract (MILC) program will begin to receive payments.

"President Obama understands that dairy farmers are struggling during these tough economic times," said Vilsack. "Today, as a result of low dairy prices, we are distributing MILC payments to ensure that dairy producers have the financial assistance they need. This action will also stimulate local economies," said Vilsack.

USDA makes MILC payments on a monthly basis when the Boston Class I milk price falls below $16.94 per hundredweight as adjusted for feed costs. USDA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the $16.94 MILC payment trigger price, established in the 2008 Farm Bill, as adjusted for feed costs, and multiplying the difference by 45 percent. The monthly Boston price along with final MILC payment rates are posted online at: *http://www.fsa.usda.gov/FSA.*

The MILC payment trigger price of $16.94 is adjusted upward when the National Average Dairy Feed Ration Cost for a month is greater than $7.35 per cwt. USDA's National Agricultural Statistics Service released the data for determining the Average Dairy Feed Ration Cost for the month of February on March 30, 2009. Using this information and the formula contained in the 2008 Act, the MILC payment trigger for the month of February has been adjusted to $17.33, for a final MILC payment rate of $1.5132. Beginning April 1, USDA expects to issue approximately $150 million to dairy producers for milk produced in February.

USDA's Agricultural Marketing Service announced the Boston Class I price for the month of March on Feb. 20, 2009 and for the month of April on March 20, 2009. In both instances, the Boston Class I price was below the MILC payment trigger price of $16.94 per cwt. USDA expects to issue MILC payments on milk produced in March in early May and MILC payments on milk produced in April in early June, after USDA has adjusted the MILC payment trigger price for feed costs and determined the final payment rate for those months. MILC payments may also be triggered in future months if the MILC payment trigger price is below $16.94 per cwt.

FSA makes payments up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year.

For more information about the MILC program, please visit your FSA county office or *http://www.fsa.usda.gov.*

March 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	574,053,721	40.8
Class II	264,980,578	18.8
Class III	451,078,082	32.1
Class IV	116,728,766	8.3
Total	1,406,841,147	100.0

Producer Prices

Producer Price Differential	$ 0.29	/cwt
Butterfat Price	1.1594	/ lb
Protein Price	2.1973	/ lb
Other Solids Price	(0.0339)	/ lb
Somatic Cell Adjustment Rate	0.00063	/ cwt
Statistical Uniform Price	10.73	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

MARCH 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			563,971,619			$ 7.81 /cwt	$ 44,046,183.41
Class I Butterfat		10,082,102				1.1118 / lb	11,209,281.01
Class I Location Differential	574,053,721						(258,105.57)
Class II SNF Value				22,599,049		0.7233 / lb	16,345,892.14
Class II Butterfat		16,072,684				1.1664 / lb	18,747,178.66
Class III Protein Value			13,855,864			2.1973 / lb	30,445,490.01
Class III Other Solids Value					25,678,821	(0.0339)/ lb	(870,512.07)
Class III Butterfat		16,883,197				1.1594 / lb	19,574,378.62
Class IV SNF Value				9,723,710		0.6423 / lb	6,245,538.92
Class IV Butterfat		9,516,800				1.1594 / lb	11,033,777.90
Somatic Cell Value II / III / IV							544,390.28
TOTAL PRODUCER MILK VALUE	1,406,841,147	52,554,783	43,058,131		79,992,734		$157,063,493.31

Overages			$ 7,869.23	
Beginning Inventory and Other Source Charges			$ 69,038.16	
TOTAL ADJUSTMENTS				$ 76,907.39
TOTAL HANDLER OBLIGATIONS				$ 157,140,400.70
Total Protein Value	43,058,131 lbs	@	$2.1973	$ (94,611,631.24)
Total Other Solids Value	79,992,734 lbs	@	(0.0339)	2,711,753.66
Butterfat Value	52,554,783 lbs	@	1.1594	(60,932,015.39)
Total Somatic Cell Values				(962,729.57)
TOTALS				$ 3,345,778.16
Net Producer Location Adjustments				$ 664,308.75
1/2 Unobligated Balance Producer Settlement Fund				670,000.00
Total - Divided by Total Pounds	1,406,841,147 lbs		0.3326663	$ 4,680,086.91
Rate of Cash Reserve			(0.0426663)	(600,247.06)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,406,841,147		$ 0.29 /cwt	$ 4,079,839.85

COMPONENT PRICES

	March 2009	March 2008
Butterfat Price	$1.1594 / lb	$1.3604 / lb
Protein Price	2.1973 / lb	4.3331 / lb
Other Solids Price	(0.0339) / lb	0.0493 / lb
Somatic Cell Adjustment Rate	0.00063 / cwt	0.00098 / cwt
Nonfat Solids Price	0.6423 / lb	1.0833 / lb

COMPUTATION OF UNIFORM PRICE

	March 2009	March 2008
Class III Price - 3.5% BF	$10.44	$18.00
Producer Price Differential*	0.29	(0.79)
Statistical Uniform Price	$10.73	$17.21

CLASS PRICES

	March 2009	March 2008
Class I*	$11.43	$18.70
Class II	10.36	15.63
Class III	10.44	18.00
Class IV	9.64	14.17

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	March 2009 *Product lbs.*	March 2008 *Product lbs.*
Class I	574,053,721	551,305,854
Class II	264,980,578	247,029,634
Class III	451,078,082	351,301,098
Class IV	116,728,766	138,721,318
Total	1,406,841,147	1,288,357,904

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for March 2009 was 0.29 and the Statistical Uniform Price was $10.73 for the month. The Statistical Uniform Price is $0.10 lower than last month, and is $6.48 lower than March 2008.

The Producer Butterfat Price of $1.1594 per pound increased 6.53 cents from February and is down 20.10 cents from a year ago. The Protein Price of $2.1973 is up $0.2834 from last month and is down $2.1358 from March 2008. The Other Solids Price in March was $-0.0339 per pound, an increase from last month's price of $-0.0437and a decrease of 8.32 cents from last March. The Somatic Cell Adjustment rate for March was $0.00063.

March producer receipts of 1.41 billion pounds were 10.1 percent higher than February and 9.2 percent higher than March 2008 production of 1.29 billion pounds. Producer milk allocated to Class I accounted for 40.8 percent of the total producer milk in March 2009, less than the 42.4 percent in February and less than the 42.8 percent in March 2008. A total of 7,248 producers were pooled on the Mideast Order compared to 7,695 producers pooled in March 2008.

The market average content of producer milk was as follows: Butterfat 3.74%; Protein 3.06%; Other Solids 5.69% and Nonfat Solids 8.75%.

February Milk Production Down 2.5 Percent

Milk production in the 23 major States during February totaled 13.7 billion pounds, down 2.5 percent from February 2008. January revised production, at 14.9 billion pounds, was up 1.1 percent from January 2008. The January revision represented an increase of 52 million pounds or 0.4 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,608 pounds for February, 48 pounds below February 2008.

The number of milk cows on farms in the 23 major States was 8.49 million head, 31,000 head more than February 2008, but 16,000 head less than January 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during February totaled 2.1 billion pounds, down 44 million pounds or 2.1 percent from February 2008.

Production per cow in the Mideast states averaged 1,548 pounds for February, 38 pounds below February 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 7,000 head more than February 2008.

Agriculture Secretary Vilsack Announces Plan to Benefit Nutrition Programs and Dairy Farmers

Secretary of Agriculture Tom Vilsack announced that approximately 200 million pounds of nonfat dry milk will be transferred from the Commodity Credit Corporation (CCC) to USDA's Food and Nutrition Service for use in domestic feeding programs. The goal is to help support both low-income families struggling to put nutritious food on their tables and dairy farmers who have been challenged by high feed costs and low dairy prices.

"President Obama understands that providing food to those in need will help many weather these tough economic times," said Secretary Vilsack. "At the same time, USDA's disposal plan will benefit dairy farmers, who have seen markets disappear and prices plummet in recent months, by increasing consumption of milk and other dairy products."

USDA has a long history of delivering nutritional assistance through domestic and international feeding programs and administers 15 domestic nutrition programs that touch the lives of one in every five people in America each day.

The nonfat dry milk (NDM) was acquired by the CCC under the Dairy Product Price Support Program. Under this program, CCC purchases NDM, butter and cheddar cheese at statutorily mandated prices. These purchases support the prices of NDM, butter, and cheese and the price farmers receive for milk.

USDA will make available about 200 million pounds of NDM for further processing or barter. The acquired products are expected to include items such as instantized NDM, ultra high temperature milk, cheese, and soups for domestic feeding programs. This includes:

- 40 million pounds of NDM will be fortified and instantized, placed into consumer-sized packages, and made available for use in the National School Lunch Program, TEFAP, CSFP, and FDPIR;
- 30 million pounds of NDM will be donated to States for further processing to acquire fortified fat-free fluid milk and macaroni and cheese, for use in the National School Lunch Program;
- 60 million pounds of NDM will be bartered for 1% ultra high temperature milk, for use in TEFAP;
- 20 million pounds of NDM will be bartered for ready-to-eat, milk-based soups (Creamy Tomato, Cheese), for use in TEFAP; and
- 50 million pounds of NDM will be bartered for reduced fat and lite cheeses, for use in the National School Lunch Program and TEFAP.

In addition to the 200 million pounds above, USDA also plans to make NDM available as follows:

- at least 1 million pounds on a competitive basis, for the production of casein;
- about 500,000 pounds for use in the McGovern-Dole International Food for Education and Child Nutrition Program; and
- about 1 million pounds for use by the U.S. Agency for International Development, based on anticipated requests from the State Department.

Products should be moving through the supply chain starting in this spring and continuing through 2009.

For more information about the Dairy Product Price Support Program please visit http://www.fsa.usda.gov.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	February 2009							February 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,888	529,035	3.71	3.08	5.70	211		521,625	3.72	3.10	5.70	232
Ohio	2,212	309,960	3.86	3.12	5.66	250		343,252	3.84	3.13	5.69	269
Indiana	1,142	138,106	3.83	3.08	5.67	261		144,086	3.83	3.10	5.68	283
New York	347	122,057	3.74	3.08	5.70	217		97,121	3.72	3.08	5.72	227
Pennsylvania	1,115	97,131	3.91	3.13	5.65	317		107,782	3.89	3.13	5.67	317
Wisconsin	361	58,588	3.76	3.02	5.76	249		129,918	3.79	3.07	5.72	263
Illinois	43	7,755	3.70	3.07	5.75	286		12,169	3.74	3.05	5.72	270
West Virginia	61	4,721	4.13	3.23	5.64	370		5,234	4.14	3.26	5.69	337
Other	88	11,144	3.71	3.05	5.71	226		14,420	3.74	3.25	5.77	263
Total/Average *	7,257	1,278,497	3.78	3.09	5.69	237		1,375,606	3.78	3.11	5.70	257

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

FEDERAL ORDER DATA

MARCH 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,062,176	888,944	43.1	$1.12	$11.56
FO 5	Appalachian - *(Charlotte)*	518,351	360,776	69.6	[2]	12.29
FO 6	Florida - *(Tampa)*	278,448	233,588	83.9	[2]	14.19
FO 7	Southeast - *(Atlanta)*	677,722	411,467	60.7	[2]	12.47
FO 30	Upper Midwest - *(Chicago)*	2,674,763	376,284	14.1	0.13	10.57
FO 32	Central - *(Kansas City)*	1,042,618	365,996	35.1	0.00	10.44
FO 33	**Mideast - *(Cleveland)***	**1,406,841**	**574,054**	**40.8**	**0.29**	**10.73**
FO 124	Pacific Northwest - *(Seattle)*	615,365	191,220	31.1	0.04	10.48
FO 126	Southwest - *(Dallas)*	687,896	368,803	53.6	1.01	11.45
FO 131	Arizona - *(Phoenix)*	386,711	123,731	32.0	[2]	10.63

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR APRIL 2009.............................$ 9.64 /cwt.

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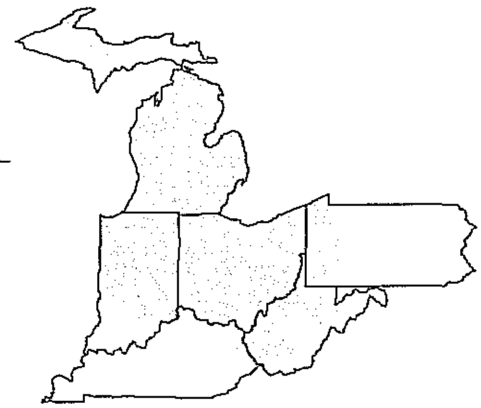
Mideast Market Administrator's Bulletin



Federal Order No. 33

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May 2009

March Milk Production Down 0.2 Percent

Milk production in the 23 major States during March totaled 15.2 billion pounds, down 0.2 percent from March 2008. February production, revised at 13.6 billion pounds, was down 2.7 percent from February 2008.The February revision represented a decrease of 23 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,788 pounds for March, 6 pounds below March 2008.

The number of milk cows on farms in the 23 major States was 8.48 million head, 15,000 head more than March 2008, but 4,000 head less than February 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during March totaled 2.3 billion pounds, up 34 million pounds or 1.5 percent from March 2008.

Production per cow in the Mideast states averaged 1,725 pounds for March, 22 pounds above March 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head more than March 2008.

Dairy Herd Contraction, Already Underway, Is Having an Impact on Prices

Dairy cow slaughter surged ahead of year-earlier levels for the third month in a row in February, aided in part by the sixth Cooperatives Working Together (CWT) buyout since 2003, which removed over 50,000 cows from the dairy herd, mostly in the first quarter of 2009. According to recent *Livestock Slaughter* reports, dairy cow slaughter had moved ahead of year-earlier levels for much of 2008. The liquidation has been especially notable in the mountain western states. For the country as a whole, slaughter was 17 percent above year earlier levels in February, 19 percent in January, and 12 percent in December. However, by region, slaughter exceeded year-earlier levels by 46 percent in December and 118 percent in January for region six, which includes New Mexico, Oklahoma, and Texas. January and February slaughter exceeded year-earlier levels by 83 and 49 percent, respectively, in region ten, which includes Idaho, Oregon, and Washington. Other regions also recorded double-digit increases in cow slaughter. Although The CWT program is expected to remove additional cows from the herd by this summer, these data suggest that herd liquidation is well underway.

The liquidation appears to be strongest in those regions that expanded most rapidly in the last few years. USDA forecasts that the dairy herd will contract to an average 9.2 million cows in 2009, compared with 9.3 million in 2008. The contraction is expected to continue throughout the year; by the fourth quarter of 2009, the number of dairy cows will likely average about 300 thousand fewer than those on hand in the fourth quarter of 2008.

Expected corn and soybean meal prices have been revised upward from earlier forecasts. Higher feed costs will likely continue to pressure producer profits. Milk per cow will climb only incrementally in response to poor producer returns. The yield increase is expected to be less than one-half of 1 percent this year, adjusting for leap-year, continuing the trend toward smaller year-over-year increases that began in 2006. The outcome from these adjustments is a decline in milk production in 2009 to 187.1 billion pounds from 190.0 billion pounds in 2008.

Cheese production rose slightly in February after adjusting for the extra day in February 2008. Production of cheddar and mozzarella showed declines even after adjustment. Overall production was higher because of increases in Hispanic cheeses, Italian types beside mozzarella, and other cheeses. February stocks of all cheeses were 11 percent above year-earlier levels. Commercial disappearance for all cheese was down only slightly in January compared with a year earlier, the last month for which figures are available. Market adjustments so far have led to cheese prices increasing from the lows observed earlier in 2009.

(Continued on Page 3)

April 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	559,712,778	39.6
Class II	277,275,953	19.6
Class III	468,633,628	33.1
Class IV	109,102,093	7.7
Total	1,414,724,452	100.0

Producer Prices

Producer Price Differential	$ 0.50	/cwt
Butterfat Price	1.2049	/ lb
Protein Price	2.2009	/ lb
Other Solids Price	(0.0043)	/ lb
Somatic Cell Adjustment Rate	0.00064	/ cwt
Statistical Uniform Price	11.28	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

APRIL 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			549,809,480			$ 8.56 / cwt	$ 47,063,691.48
Class I Butterfat		9,903,298				1.1700 / lb	11,586,858.66
Class I Location Differential	559,712,778						(257,237.98)
Class II SNF Value				23,624,476		0.7189 / lb	16,983,635.78
Class II Butterfat		16,408,321				1.2119 / lb	19,885,244.21
Class III Protein Value			14,270,982			2.2009 / lb	31,409,004.30
Class III Other Solids Value					26,709,818	(0.0043)/ lb	(114,852.22)
Class III Butterfat		17,299,158				1.2049 / lb	20,843,755.48
Class IV SNF Value				9,091,677		0.6452 / lb	5,865,949.99
Class IV Butterfat		8,623,454				1.2049 / lb	10,390,399.72
Somatic Cell Value II / III / IV							704,822.09
TOTAL PRODUCER MILK VALUE	1,414,724,452	52,234,231	42,910,026		80,550,651		$164,361,271.51

Overages			$ 73,069.48		
Beginning Inventory and Other Source Charges			$ 84,892.73		
TOTAL ADJUSTMENTS					$ 157,962.21
TOTAL HANDLER OBLIGATIONS					$ 164,519,233.72
Total Protein Value	42,910,026 lbs	@	$2.2009		$ (94,440,676.23)
Total Other Solids Value	80,550,651 lbs	@	(0.0043)		346,367.80
Butterfat Value	52,234,231 lbs	@	1.2049		(62,937,024.92)
Total Somatic Cell Values					(1,146,261.33)
TOTALS					$ 6,341,639.04
Net Producer Location Adjustments					$ 741,895.94
1/2 Unobligated Balance Producer Settlement Fund					644,000.00
Total - Divided by Total Pounds	1,414,724,452 lbs		0.5462219		$ 7,727,534.98
Rate of Cash Reserve			(0.0462219)		(653,912.52)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,414,724,452		$ 0.50 /cwt		$ 7,073,622.46

COMPONENT PRICES

	April 2009	April 2008
Butterfat Price	$1.2049 / lb	$1.4748 / lb
Protein Price	2.2009 / lb	3.7579 / lb
Other Solids Price	(0.0043) / lb	0.0622 / lb
Somatic Cell Adjustment Rate	0.00064 / cwt	0.00091 / cwt
Nonfat Solids Price	0.6452 / lb	1.0827 / lb

COMPUTATION OF UNIFORM PRICE

	April 2009	April 2008
Class III Price - 3.5% BF	$10.78	$16.76
Producer Price Differential*	0.50	1.01
Statistical Uniform Price	$11.28	$17.77

CLASS PRICES

	April 2009	April 2008
Class I*	$12.36	$20.61
Class II	10.49	15.29
Class III	10.78	16.76
Class IV	9.82	14.56

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	April 2009 *Product lbs.*	April 2008 *Product lbs.*
Class I	559,712,778	536,615,101
Class II	277,275,953	254,141,600
Class III	468,633,628	505,257,040
Class IV	109,102,093	148,120,588
Total	1,414,724,452	1,444,134,329

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for April 2009 was $0.50 and the Statistical Uniform Price was $11.28 for the month. The Statistical Uniform Price is $0.55 higher than last month, and is $6.49 lower than April 2008.

The Producer Butterfat Price of $1.2049 per pound increased 4.55 cents from March and is down 26.99 cents from a year ago. The Protein Price of $2.2009 is up $0.0036 from last month and is down $1.5570 from April 2008. The Other Solids Price in April was $-0.0043 per pound, an increase from last month's price of $-0.0339 and a decrease of 6.65 cents from last April. The Somatic Cell Adjustment rate for April was $0.00064.

April producer receipts of 1.41 billion pounds were 0.56 percent higher than March and 2.0 percent lower than April 2008 production of 1.44 billion pounds. Producer milk allocated to Class I accounted for 39.6 percent of the total producer milk in April 2009, less than the 40.8 percent in March and less than the 37.1 percent in April 2008. A total of 7,231 producers were pooled on the Mideast Order compared to 7,693 producers pooled in April 2008.

The market average content of producer milk was as follows: Butterfat 3.69%; Protein 3.03%; Other Solids 5.69% and Nonfat Solids 8.72%.

(Continued from Front Page)

The decline in milk production is expected to cause further declines in cheese production. Declining retail cheese prices that have lagged falling wholesale prices are finally beginning to boost consumption. Lower prices compared with last year will likely continue to boost consumption. Lower milk production and somewhat higher domestic use will likely raise prices toward the end of 2009. For the year, prices are expected to average $1.270 to $1.320 per pound.

The year-over-year decline in butter production was a scant 0.9 percent. Butter stocks declined in February compared with a year earlier. According to Dairy Market News, international demand for butter is weak. Since the first of the year, the Commodity Credit Cooperation (CCC) has contracted to buy 4.6 million pounds of butter, but higher prices are expected to preclude additional butter purchases this year. The domestic demand outlook for butter is similar to that for cheese except that Government purchases have helped ease commercial stocks of the former somewhat. The price scenario for butter is similar to that for cheese, as reduced milk production could boost prices toward the end of 2009. The butter price is expected to average $1.155 to 1.235 per pound for the year.

With nonfat dry milk (NDM) prices near support levels, domestic use appears to be strengthening. However, since the first of the year, about 100 million pounds of NDM have moved into CCC inventories, but the pace of removals has slowed. There is some increased foreign demand because production from Oceania, although improved over recent drought years, did not reach expectations. However, a weaker world economy may limit demand. Prices for NDM are forecast to remain above support, averaging 83.0 cents to 87.0 cents per pound in 2009.

Whey production for human consumption continues to lag year-ago levels. Output in February was down 3.7 percent from a year ago (adjusting for leap-year in 2008). Whey production has been below year-earlier levels for over a year. Whey prices are still below those of recent years, but reduced supplies and improving export demand have led to a slightly higher price forecast than earlier in the year. Whey prices are expected to average 17.0 cents to 20.0 cents per pound for the year.

As a result of slightly higher than expected product prices, the prices for Class III and Class IV milk have been raised slightly to $10.65 to $11.15 per cwt and $9.95 to $10.55 per cwt, respectively, for 2009. The all milk price is expected to average $11.85 to $12.35 per cwt in 2009.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-178, April 16, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

Mailbox Milk Prices Decline in 2008

For 2008, mailbox prices for selected reporting areas in Federal milk orders averaged $18.40 per cwt., $0.76 lower than the all-area average reported for 2007. The component tests of producer milk in 2008 averaged: butterfat, 3.69%; protein, 3.06%; and, other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all areas except in Appalachian States, Southern States, Southern Missouri, and Florida. Florida had the highest average price in 2008, $22.39; New Mexico had the lowest average, $16.32. Monthly all-area averages ranged from $20.70 in January to $15.78 in December.

The Mideast Area states of Ohio, Indiana, and Michigan averaged $18.58 per cwt in 2008. This is down $0.49 from the 2007 average of $19.07 per cwt. Ohio averaged $18.83 per cwt in 2008. This was down $0.50 from 2007. Indiana averaged $18.76 per cwt and was down $0.57 from the previous year. Michigan averaged $18.14 per cwt and declined $0.41 for the year.

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Featured this month are:

- Thematic Maps Displaying Weighted Average Component Tests by State & County, 2008
- Weighted Average Component Tests by State, 2008

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	March 2009							March 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,874	597,538	3.68	3.05	5.70	207		545,278	3.71	3.09	5.69	232
Ohio	2,274	342,066	3.79	3.09	5.66	241		312,361	3.83	3.11	5.68	274
Indiana	1,143	147,058	3.79	3.04	5.67	255		137,966	3.81	3.08	5.67	288
New York	356	136,733	3.70	3.06	5.71	213		97,339	3.71	3.07	5.73	220
Pennsylvania	1,133	109,866	3.87	3.10	5.65	307		100,342	3.90	3.12	5.66	325
Wisconsin	344	49,335	3.70	3.00	5.76	247		65,566	3.78	3.03	5.72	268
Illinois	43	8,896	3.66	3.05	5.75	255		11,680	3.71	3.05	5.71	296
West Virginia	63	5,491	4.03	3.19	5.66	349		5,313	4.10	3.23	5.68	371
Other	83	10,045	3.73	3.07	5.68	230		12,502	3.76	3.11	5.66	265
Total/Average *	7,313	1,407,028	3.74	3.06	5.69	231		1,288,347	3.77	3.09	5.69	258

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

APRIL 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,026,522	845,963	41.7	$1.30	$12.08
FO 5	Appalachian - *(Charlotte)*	502,402	341,904	68.1	[2]	12.97
FO 6	Florida - *(Tampa)*	258,797	222,033	85.8	[2]	15.11
FO 7	Southeast - *(Atlanta)*	645,197	393,669	61.0	[2]	13.14
FO 30	Upper Midwest - *(Chicago)*	2,793,809	371,161	13.3	0.20	10.98
FO 32	Central - *(Kansas City)*	1,130,799	356,903	31.6	0.13	10.91
FO 33	**Mideast** - ***(Cleveland)***	**1,414,724**	**559,713**	**39.6**	**0.50**	**11.28**
FO 124	Pacific Northwest - *(Seattle)*	562,645	186,140	33.1	0.23	11.01
FO 126	Southwest - *(Dallas)*	1,035,980	361,951	34.9	1.11	11.89
FO 131	Arizona - *(Phoenix)*	373,868	120,668	32.3	[2]	11.06

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2009..................................$ 9.82 /cwt.

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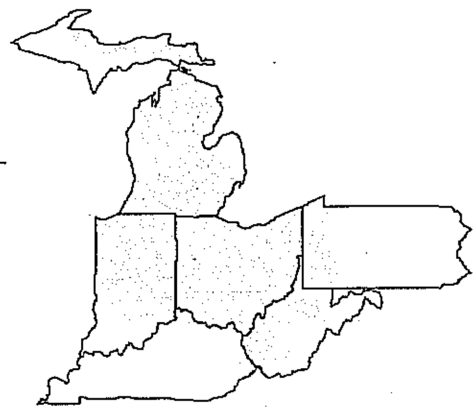
Mideast Market Administrator's Bulletin



Federal Order No. 33

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June 2009

USDA Announces 2008-2009 Allocations for Dairy Export Incentive Program

Agriculture Secretary Tom Vilsack announced allocations under USDA's Dairy Export Incentive Program for the July 2008 through June 30, 2009 period, as allowed under the rules of the World Trade Organization. The program helps U.S. dairy exporters meet prevailing world prices and encourages the development of international export markets in areas where U.S. dairy products are not competitive due to subsidized dairy products from other countries.

"These allocations illustrate our continued support for the U.S. dairy industry, which has seen its international market shares erode, in part, due to the reintroduction of direct export subsidies by the European Union earlier this year," said Vilsack. "The Obama Administration remains strongly committed to the pledge by the Leaders of the Group of Twenty to refrain from protectionist measures. Our measured response is fully consistent with our WTO commitments and we will make every attempt to minimize the impact on non-subsidizing foreign suppliers."

The Dairy Export Incentive Program allocations of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses and 34 metric tons of other dairy products, as well as individual product and country allocations will be made available through Invitations for Offers. Country and region quantities may be limited by the invitation.

Administered by USDA's Foreign Agricultural Service, this program was reauthorized by the Food, Conservation, and Energy Act of 2008. As part of its World Trade Organization commitments resulting from the Uruguay Round Agreement on Agriculture, the United States has established annual export subsidy ceilings by commodity with respect to maximum permitted quantities and maximum budgetary expenditures.

More information about this program, including the announcement of Invitations for Offers, is available at http://www.fas.usda.gov/excredits/deip/deip-new.asp or by calling FAS's Credit Programs Division, Office of Trade Programs, at (202) 720-3224 or (202) 720-6211.

USDA Announces Proposed Rule Regarding the Establishment of a Dairy Import Assessment

The U.S. Department of Agriculture is asking for comments on a proposed rule amending the National Dairy Promotion and Research Order. The proposed rule would establish a dairy import assessment program as required by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

The proposed rule would also amend the term "United States" to mean all States, the District of Columbia and the Commonwealth of Puerto Rico.

The 2002 Farm Bill mandated that the Dairy Order be amended to implement an assessment on imported dairy products to fund promotion and research. The 2008 Farm Bill specified that importers of dairy products be assessed a rate of 7.5 cents per hundredweight, or the equivalent thereof.

The Dairy Board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education to strengthen the dairy industry's positioning in domestic and foreign markets. Initially, two importer representatives, as appointed by the Secretary, will be added to the current 36-member Dairy Board. Thereafter, importer representation on the Dairy Board will be adjusted at least once every three years if necessary to reflect the volume of imports relative to domestic marketing's.

Producers in the added areas of Alaska, Hawaii, and the Commonwealth of Puerto Rico are assessed 15 cents per hundredweight of milk produced and marketed. These four new areas will be added to the regions of closest geographic proximity.

The proposed rule were published in the May 19 Federal Register. Public comments must be submitted on or before June 18. Comments may be submitted on the internet at www.regulations.gov or mailed to Whitney A. Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, 1400 Independence Ave., SW, Room 2958-S, Stop 0233, Washington, DC 20250-0233, USA. Comments should be identified with the docket number, DA-08-07, as well as the date and page number of the issue of the Proposed Rule.

Copies of the proposed rule may be obtained from USDA, AMS, Dairy Programs, Room 2958-S, Washington, DC 202250-0233, USA from 9 a.m. to 4 p.m., Monday through Friday. The Proposed Rule is also available on www.regulations.gov and AMS's website at www.ams.usda.gov/dairy.

May 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	563,644,459	37.7
Class II	280,222,223	18.8
Class III	525,345,607	35.2
Class IV	124,297,669	8.3
Total	1,493,509,958	100.0

Producer Prices

Producer Price Differential	$ 1.43	/cwt
Butterfat Price	1.2648	/ lb
Protein Price	1.7454	/ lb
Other Solids Price	0.0336	/ lb
Somatic Cell Adjustment Rate	0.00058	/ cwt
Statistical Uniform Price	11.27	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33

MAY 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			553,631,426			$ 9.01 / cwt	$ 49,882,191.47
Class I Butterfat		10,013,033				1.2219 / lb	12,234,924.97
Class I Location Differential	563,644,459						(269,671.60)
Class II SNF Value				23,769,003		0.7211 / lb	17,139,828.06
Class II Butterfat		16,816,140				1.2718 / lb	21,386,766.89
Class III Protein Value			15,822,141			1.7454 / lb	27,615,964.91
Class III Other Solids Value					29,986,447	0.0336 / lb	1,007,544.64
Class III Butterfat		19,019,090				1.2648 / lb	24,055,345.02
Class IV SNF Value				10,462,002		0.6574 / lb	6,877,720.12
Class IV Butterfat		8,285,014				1.2648 / lb	10,478,885.71
Somatic Cell Value II / III / IV							694,167.50
TOTAL PRODUCER MILK VALUE	1,493,509,958	54,133,277	44,798,790		85,174,521		$171,103,667.69

Overages			$ 27,505.60	
Beginning Inventory and Other Source Charges			$ 48,397.11	
TOTAL ADJUSTMENTS				$ 75,902.71
TOTAL HANDLER OBLIGATIONS				$ 171,179,570.40
Total Protein Value	44,798,790 lbs	@	$1.7454	$ (78,191,808.08)
Total Other Solids Value	85,174,521 lbs	@	0.0336	(2,861,863.96)
Butterfat Value	54,133,277 lbs	@	1.2648	(68,467,768.75)
Total Somatic Cell Values				(1,081,349.51)
TOTALS				$ 20,576,780.10
Net Producer Location Adjustments				$ 801,787.83
1/2 Unobligated Balance Producer Settlement Fund				680,000.00
Total - Divided by Total Pounds	1,493,509,958 lbs		1.4769616	$ 22,058,567.93
Rate of Cash Reserve			(0.0469616)	(701,376.17)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,493,509,958		$ 1.43 /cwt	$ 21,357,191.76

COMPONENT PRICES

	May 2009	May 2008
Butterfat Price	$1.2648 / lb	$1.5562 / lb
Protein Price	1.7454 / lb	4.1108 / lb
Other Solids Price	0.0336 / lb	0.0766 / lb
Somatic Cell Adjustment Rate	0.00058 / cwt	0.00098 / cwt
Nonfat Solids Price	0.6574 / lb	1.1301 / lb

COMPUTATION OF UNIFORM PRICE

	May 2009	May 2008
Class III Price - 3.5% BF	$ 9.84	$18.18
Producer Price Differential*	1.43	(0.65)
Statistical Uniform Price	$11.27	$17.53

CLASS PRICES

	May 2009	May 2008
Class I*	$12.97	$18.62
Class II	10.71	15.51
Class III	9.84	18.18
Class IV	10.14	15.26

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	May 2009 *Product lbs.*	May 2008 *Product lbs.*
Class I	563,644,459	565,473,313
Class II	280,222,223	263,747,166
Class III	525,345,607	263,466,497
Class IV	124,297,669	137,770,198
Total	1,493,509,958	1,230,457,174

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for May 2009 was $1.43 and the Statistical Uniform Price was $11.27 for the month. The Statistical Uniform Price is the $0.01 lower than last month, and is $6.26 lower than May 2008.

The Producer Butterfat Price of $1.2648 per pound increased 5.99 cents from April and is down 29.14 cents from a year ago. The Protein Price of $1.7454 is down $0.4555 from last month and is down $2.3654 from May 2008. The Other Solids Price in May was $0.0336 per pound, an increase from last month's price of $-0.0043 and a decrease of 4.30 cents from last May. The Somatic Cell Adjustment rate for May was $0.00058.

May producer receipts of 1.49 billion pounds were 5.6 percent higher than April and 21.4 percent higher than May 2008 production of 1.23 billion pounds. Producer milk allocated to Class I accounted for 37.7 percent of the total producer milk in May 2009, less than the 39.6 percent in April and less than the 46.0 percent in May 2008. A total of 7,230 producers were pooled on the Mideast Order compared to 7,483 producers pooled in May 2008.

The market average content of producer milk was as follows: Butterfat 3.62%; Protein 3.00%; Other Solids 5.70% and Nonfat Solids 8.70%.

April Milk Production Up Slightly

Milk production in the 23 major States during April totaled 14.9 billion pounds, up slightly from April 2008. March revised production, at 15.2 billion pounds, was up 0.1 percent from March 2008.

The March revision represented a decrease of 47 million pounds or 0.3 percent from last months preliminary production estimate.

Production per cow in the 23 major States averaged 1,758 pounds for April, 1 pound above April 2008.

The number of milk cows on farms in the 23 major States was 8.48 million head, 3,000 head less than April 2008, and 2,000 head less than March 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during April totaled 2.3 billion pounds, up 5 million pounds or 0.2 percent from April 2008.

Production per cow in the Mideast states averaged 1,700 pounds for April, 5 pounds above April 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 4,000 head more than April 2008.

THE DAIRY OUTLOOK

Herd Liquidation, Already Underway, To Accelerate Later in 2009; Recovery Expected in 2010

The prospect of high feed prices and low milk prices is expected to continue to pressure dairy herd contraction for the balance of 2009 and throughout 2010. The calculated milk-feed price ratio stands at 1.55 and is expected to show only modest improvement in 2010. Consequently, the U.S. dairy herd is forecast to contract to an average of 8.95 million cows in 2010 following a retrenchment to an average 9.18 million cows this year. The 2.5-percent contraction forecast for 2010 exceeds the 1.5-percent contraction expected in 2009. According to the March *Milk Production* report, the total number of milk cows in the United States fell below the number on farms in 2008 by 8,000 head. Thus, the bulk of the herd contraction will likely occur in the second half of 2009 and into 2010. The Cooperatives Working Together program will likely remove slightly over 100,000 cows from the nation's herd, with actual liquidation occurring over the summer.

Production per cow is expected to be weak for the balance of 2009, averaging a quarter percent year-over year rise, adjusted for leap year. However by 2010, a rebound is forecast as the remaining cows will be more productive, and a slight improvement in the milk-feed price ratio may encourage feeding a higher quality ration. The year-over-year increase in output per cow is forecast to climb by over 2 percent next year. First quarter cow slaughter was 17.4 percent above first-quarter 2008, but in recent weeks the rate has fallen to about 5 percent ahead of the year-earlier level. Herd liquidation will likely pick up steam in the third and fourth quarters of 2009 and continue into next year. Milk production in 2009 is projected to decline to 187.7 billion pounds and to 186.8 billion pounds in 2010 as herd liquidation trumps output per cow increases.

Although increasing through the year, most product prices are expected to remain below last year for the balance of 2009. An upturn is not likely until 2010. Cheese prices are expected to average $1.245 to $1.295 per pound in 2009. Prices for cheese have been close to support levels in recent weeks, but prices are expected to strengthen through 2010. The average price is forecast at $1.545 to $1.645 in 2010. For butter, the 2009 prices are expected to average $1.165 to $1.245 per pound for the year. In 2010, prices could rise to an average $1.430 to $1.560 per pound.

Nonfat dry milk (NDM) prices have suffered most, with the loss of export markets and prices reflecting that fact. NDM prices are expected to average 83 to 87 cents per pound this year and 97.5 cents to $1.045 per pound next year. Whey prices show some recovery as exports have improved lately and will average 19.5 to 22.5 cents a pound in 2009 and likely rise to 24.0 to 27.0 cents a pound in 2010. These lower product prices will translate to lower milk prices compared with 2008, with some recovery expected in 2010. The Class IV price is projected to average $9.95 to $10.55 per cwt this year and $12.30 to $13.40 per cwt next year. The Class III price is forecast to average $10.55 to $11.05 per cwt this year and to rise to $13.80 to $14.80 per cwt next year. The all milk price is projected to be $11.85 to $12.35 per cwt in 2009 and to climb to $14.70 to $15.70 per cwt in 2010.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-179, May 19, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

Bulletin WebPage Edition
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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

State	April 2009 Number of Producers	April 2009 Pounds of Milk (000)	April 2009 Butterfat	April 2009 Protein	April 2009 Other Solids	April 2009 SCC (000)	April 2008 Pounds of Milk (000)	April 2008 Butterfat	April 2008 Protein	April 2008 Other Solids	April 2008 SCC (000)
Michigan	1,876	592,406	3.64	3.02	5.70	197	561,109	3.64	3.03	5.71	226
Ohio	2,224	339,357	3.73	3.05	5.68	234	367,820	3.75	3.06	5.69	270
Indiana	1,146	148,769	3.74	3.01	5.68	247	149,246	3.73	3.03	5.68	281
New York	351	133,833	3.68	3.04	5.70	212	93,240	3.68	3.02	5.70	227
Pennsylvania	1,120	107,741	3.81	3.07	5.66	302	114,632	3.82	3.06	5.67	322
Wisconsin	346	68,508	3.69	3.00	5.74	245	122,832	3.73	2.99	5.72	260
Illinois	42	8,328	3.67	3.02	5.75	250	12,800	3.68	3.00	5.73	268
West Virginia	63	5,453	3.93	3.18	5.68	316	5,886	3.93	3.18	5.69	348
Other	81	10,552	3.59	3.02	5.72	227	10,337	3.75	3.07	5.69	325
Total/Average *	7,249	1,414,947	3.69	3.03	5.69	224	1,437,903	3.70	3.04	5.70	255

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

May 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,120,840	846,459	39.9	$2.34	$12.18
FO 5	Appalachian - *(Charlotte)*	508,958	329,290	64.7	[2]	13.28
FO 6	Florida - *(Tampa)*	247,816	212,327	85.7	[2]	15.65
FO 7	Southeast - *(Atlanta)*	663,300	379,284	57.2	[2]	13.21
FO 30	Upper Midwest - *(Chicago)*'	2,885,189	358,495	12.4	0.46	10.30
FO 32	Central - *(Kansas City)*	1,255,807	336,277	26.8	0.98	10.82
FO 33	**Mideast - *(Cleveland)***	**1,493,510**	**563,644**	**37.7**	**1.43**	**11.27**
FO 124	Pacific Northwest - *(Seattle)*'	691,482	181,055	26.2	0.99	10.83
FO 126	Southwest - *(Dallas)*	1,084,559	353,163	32.6	2.00	11.84
FO 131	Arizona - *(Phoenix)*	368,524	113,048	30.7	[2]	11.15

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2009.................................$ 9.84 /cwt.

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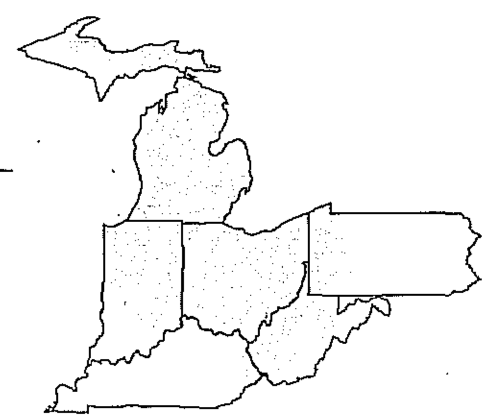
Mideast Market Administrator's Bulletin



Federal Order No. 33

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July 2009

The Dairy Outlook

Lower Milk Production Provides Basis for Slowly Rising Prices

High feed prices are taking a toll on milk production. Estimated U.S production for April was 0.1 percent below that of 2008. Production is being reined in as the dairy herd size is contracting. The estimated U.S herd was 9.28 million head in April, down from 9.31 million in April 2008. In 2010, dairy herd contraction is expected to continue and the herd is forecast to average 8.94 million head for the year. On the other hand, production per cow continues to rise, albeit slowly. Production per cow on a daily basis has ranged above year-earlier levels in the first 4 months of 2009. For the year, output per cow is expected to reach 20,445 pounds, up a quarter percent year-over-year. For 2010, output per cow is forecast to climb to 20,850 pounds per cow, which would represent a 2-percent increase above 2009's weak growth.

Feed prices this year are projected to be below 2008's lofty highs, but still above those in 2007. Corn prices are expected to average over $4.00 per bushel for both the 2008/09 and 2009/10 crop years. Soybean meal prices are expected to decline to average $320 per ton in 2008/09. Meal prices should be slightly lower in 2009/10. Projected relatively high feed prices, especially for corn, will keep the annual average milk-feed price ratio below 2.0 both this year and next. This limits any incentive for herd expansion even with alfalfa hay prices reflecting improved harvest conditions. The Cooperatives Working Together program is expected to remove over 100,000 cows from the herd by mid-summer. In addition, culling will likely be above average as a result of weak returns to producers. The cow removals will boost average output per cow among the remaining herd, but higher feed prices will likely dampen growth in output per cow. The smaller herd size will lead to lower milk production in 2009 and 2010. Milk production is forecast at 187.5 billion pounds this year and 186.4 billion pounds in 2010.

Compounding weakness in domestic demand is the loss of export markets, which expanded rapidly in 2007 and 2008. Commercial exports this year are expected to total only 3.7 billion pounds of milk equivalent on a fat basis (19.7 billion pounds on a skims/solids basis). Fat basis exports are forecast to increase to 3.8 billion pounds of milk equivalent in 2010. Buoyed by stronger nonfat dry milk (NDM) and whey sales, skim/solids exports will increase to 23.1 billion pounds next year.

Domestic commercial use on a fats basis is forecast to rise in 2009 to 186.1 billion pounds, up 1 percent from 2008, but to remain virtually unchanged in 2010. The reduction in milk supplies is the basis for modestly higher milk and dairy product prices in both 2009 and 2010. Net removals are estimated to reach 234 million pounds in 2009 but are forecast to drop to 10 million pounds next year.

Dairy product prices are forecast to rise. Cheese prices have been close to support levels in recent weeks, but are expected to average $1.235 to $1.275 per pound in 2009. Cheese prices are expected to strengthen throughout 2010. The average 2010 price is forecast at $1.580 to $1.680. For butter, the 2009 prices are expected to average $1.185 to $1.255 per pound for the year. In 2010, prices could rise to average $1.44 to $1.57 per pound. NDM exports have lagged earlier expectations and prices reflect that fact.

NDM prices are expected to average 83.5 to 87.5 cents per pound this year and $1.000 to $1.070 per pound next year, mostly on the basis of improving exports and tighter supplies. Whey prices show some recovery as exports have improved lately and will average 22.0 to 24.0 cents a pound in 2009 and likely rise to 26.0 to 29.0 cents a pound in 2010.

These product prices will translate into slowly recovering milk prices this year and further recovery in 2010. However prices will remain below 2007 and 2008 highs. The Class IV price is projected to average $10.10 to $10.60 per cwt this year and $12.55 to $13.65 per cwt next year. The Class III price is forecast to average $10.60 to $11.00 per cwt this year and to rise to $14.30 to $15.30 per cwt next year. The all milk price is projected at $11.95 to $12.35 per cwt in 2009 and to climb to $15.10 to $16.10 per cwt in 2010.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-180, June 17, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

June 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	528,269,033	36.9
Class II	289,501,396	20.2
Class III	511,842,393	35.8
Class IV	101,389,213	7.1
Total	1,431,002,035	100.0

Producer Prices

Producer Price Differential	$ 1.02	/cwt
Butterfat Price	1.2544	/ lb
Protein Price	1.7283	/ lb
Other Solids Price	0.0723	/ lb
Somatic Cell Adjustment Rate	0.00057	/ cwt
Statistical Uniform Price	10.99	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

JUNE 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			518,598,229			$ 7.91 / cwt	$ 41,021,119.90
Class I Butterfat		9,670,804				1.2717 / lb	12,298,361.45
Class I Location Differential	528,269,033						(260,109.00)
Class II SNF Value				24,402,557		0.7344 / lb	17,921,237.85
Class II Butterfat		17,664,028				1.2614 / lb	22,281,404.90
Class III Protein Value			15,243,468			1.7283 / lb	26,345,285.76
Class III Other Solids Value					29,279,844	0.0723 / lb	2,116,932.70
Class III Butterfat		17,768,562				1.2544 / lb	22,288,884.16
Class IV SNF Value				8,550,198		0.6715 / lb	5,741,457.94
Class IV Butterfat		6,122,848				1.2544 / lb	7,680,500.49
Somatic Cell Value II / III / IV							623,736.83
TOTAL PRODUCER MILK VALUE	1,431,002,035	51,226,242	42,377,863		81,649,745		$158,058,812.98
Overages					$ 23,867.42		
Beginning Inventory and Other Source Charges					$ 49,215.08		
TOTAL ADJUSTMENTS							$ 73,082.50
TOTAL HANDLER OBLIGATIONS							$ 158,131,895.48
Total Protein Value			42,377,863 lbs	@	$1.7283		$ (73,241,660.67)
Total Other Solids Value			81,649,745 lbs	@	0.0723		(5,903,276.56)
Butterfat Value			51,226,242 lbs	@	1.2544		(64,258,197.97)
Total Somatic Cell Values							(945,512.08)
TOTALS							$ 13,783,248.20
Net Producer Location Adjustments							$ 801,909.43
1/2 Unobligated Balance Producer Settlement Fund							713,000.00
Total - Divided by Total Pounds			1,431,002,035 lbs		1.0690521		$ 15,298,157.63
Rate of Cash Reserve					(0.0490521)		(701,936.55)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,431,002,035		$ 1.02 /cwt		$ 14,596,221.08

COMPONENT PRICES

	June 2009	June 2008
Butterfat Price	$1.2544 / lb	$1.6160 / lb
Protein Price	1.7283 / lb	4.7193 / lb
Other Solids Price	0.0723 / lb	0.0826 / lb
Somatic Cell Adjustment Rate	0.00057 / cwt	0.00108 / cwt
Nonfat Solids Price	0.6715 / lb	1.1819 / lb

COMPUTATION OF UNIFORM PRICE

	June 2009	June 2008
Class III Price - 3.5% BF	$ 9.97	$20.25
Producer Price Differential*	1.02	(1.29)
Statistical Uniform Price	$10.99	$18.96

CLASS PRICES

	June 2009	June 2008
Class I*	$12.08	$20.18
Class II	10.79	16.19
Class III	9.97	20.25
Class IV	10.22	15.92

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	June 2009 Product lbs.	June 2008 Product lbs.
Class I	528,269,033	477,717,334
Class II	289,501,396	264,471,762
Class III	511,842,393	313,736,383
Class IV	101,389,213	159,608,613
Total	1,431,002,035	1,215,534,092

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for June 2009 was $1.02 and the Statistical Uniform Price was $10.99 for the month. The Statistical Uniform Price is $0.28 lower than last month, and is $7.97 lower than June 2008.

The Producer Butterfat Price of $1.2544 per pound decreased 1.04 cents from May and is down 36.16 cents from a year ago. The Protein Price of $1.7283 is down $0.0171 from last month and is down $2.9910 from June 2008. The Other Solids Price in June was $0.0723 per pound, an increase from last month's price of $0.0336 and a decrease of 1.03 cents from last June. The Somatic Cell Adjustment rate for June was $0.00057.

June producer receipts of 1.43 billion pounds were 4.2 percent lower than May and 17.7 percent higher than June 2008 production of 1.22 billion pounds. Producer milk allocated to Class I accounted for 36.9 percent of the total producer milk in June 2009, less than the 37.7 percent in May and less than the 39.3 percent in June 2008. A total of 7,210 producers were pooled on the Mideast Order compared to 7,383 producers pooled in June 2008.

The market average content of producer milk was as follows: Butterfat 3.58%; Protein 2.96%; Other Solids 5.71% and Nonfat Solids 8.67%.

May Milk Production Up 0.2 Percent

Milk production in the 23 major States during May totaled 15.5 billion pounds, up 0.2 percent from May 2008. April revised production, at 14.9 billion pounds, was up 0.1 percent from April 2008.

The April revision represented an increase of 10 million pounds or 0.1 percent from last months preliminary production estimate. Production per cow in the 23 major States averaged 1,828 pounds for May, 9 pounds above May 2008.

The number of milk cows on farms in the 23 major States was 8.47 million head, 25,000 head less than May 2008, and 10,000 head less than April 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during May totaled 2.4 billion pounds, up 15million pounds or 0.6 percent from May 2008.

Production per cow in the Mideast states averaged 1,775 pounds for May, 14 pounds above May 2008. The number of cows on farms in the Mideast states was 1.4 million head, 2,000 head more than May 2008.

Dairy Product Exports: 2008 Highs and 2009 Lows

The value of U.S. exports of dairy products reached record highs during 2008 as a result of multiple factors, primarily strong global demand for dairy products, reduced global supplies of dairy products, a weak U.S. dollar, and high dairy product prices. As quickly as exports rose, they have fallen towards the end of 2008 and into 2009. As the global economy entered a recession, demand for dairy products dropped off. At the same time, the U.S. dollar gained in value and production recovered somewhat in dominant dairy product exporting countries such as New Zealand and Australia. Facing a weak domestic market in 2009, U.S. producers continue to look to the export market for potential sales, and the USDA has reactivated the Dairy Export Incentive Program (DEIP) to help move products into international markets.

Weak Global Economy Will Weigh on Trade in 2009 - The decline in international demand for dairy products started in late 2008 as a result of the global recession. Incomes around the world have fallen and consumers in many countries are expected to limit demands for cheese, butter, whole milk powder, and NDM in 2009.

Global dairy production is expected to rise in 2009. Improved weather conditions have allowed production to rebound in a number of traditional exporting countries such as the EU-27, Australia, and New Zealand. In the face of weaker global demand, it is expected that higher levels of exportable supplies in these countries will allow them to regain market share lost to the United States in 2007 and 2008.

DEIP Resurfaces - As the United States loses international market share and the domestic market remains weak, with milk prices below production costs, many U.S. producers have been asking for Government assistance. After a long period of inactivity, on May 22, 2009 the USDA announced allocations for DEIP to help U.S. dairy farmers remain active participants in the international markets. A principle objective of the program is to help U.S. exports in markets where U.S. products are not competitive due to the subsidized dairy products from other countries. Under DEIP, the USDA accepts bids from exporters and awards payments based on the competiveness of the bid, which represents the difference between the cost of purchasing the domestic product and the selling price in the importing country. DEIP allocates specified quantities of dairy products that are eligible for export assistance, as per World Trade Organization (WTO) commitments.

In January 2009, the EU re-opened its program to subsidize dairy product exports and aid its own domestic dairy industry. It remains to be seen how EU and U.S. subsidy programs will impact international dairy product prices. While the EU and the United States are both large players in the global dairy market, Oceania still dominates the market in most dairy product categories and has lower production costs and no domestic support programs. Both the EU and the United States have publically stated that their export subsidy programs will not impact world market prices. Under WTO limits, the EU can subsidize about 2 million MT or roughly $3.1 billion dollars of dairy products. EU eligible allocations for NDM and butter, however, are above projected export quantities of those products for 2009. The United States can subsidize just over 92,000 MT, or roughly $116.6 million dollars, of dairy products.

The long-term forecasts for the U.S. dairy sector (determined prior to the DEIP allocation announcement) are for herd size and exports to continue to decrease and milk production per cow and domestic consumption to continue to increase.

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	May 2009						May 2008				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,869	619,880	3.58	2.98	5.71	197	539,195	3.57	3.00	5.73	223
Ohio	2,225	359,711	3.66	3.02	5.68	239	284,177	3.65	3.04	5.72	262
Indiana	1,144	159,246	3.64	2.98	5.69	253	151,540	3.64	3.01	5.71	280
New York	340	138,829	3.64	3.01	5.72	212	98,125	3.62	3.01	5.73	218
Pennsylvania	1,101	114,640	3.70	3.05	5.67	306	86,504	3.73	3.05	5.70	317
Wisconsin	330	72,689	3.62	2.98	5.76	229	55,024	3.68	2.99	5.75	259
West Virginia	64	5,762	3.78	3.15	5.67	303	6,012	3.84	3.19	5.72	344
Illinois	41	8,762	3.60	2.99	5.75	256	5,763	3.59	3.00	5.74	285
Other	124	14,015	3.50	3.00	5.73	216	5,440	3.71	3.06	5.72	314
Total/Average *	7,238	1,493,533	3.62	3.00	5.70	225	1,231,780	3.62	3.02	5.72	248

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

June 2009

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,002,371	825,015	41.2	$1.96	$11.93
FO 5	Appalachian - *(Charlotte)*	504,299	323,694	64.2	[2]	12.66
FO 6	Florida - *(Tampa)*	221,439	196,502	88.7	[2]	14.96
FO 7	Southeast - *(Atlanta)*	605,153	370,303	61.2	[2]	12.83
FO 30	Upper Midwest - *(Chicago)*'	2,758,670	339,916	12.3	0.32	10.29
FO 32	Central - *(Kansas City)*	1,188,631	326,474	27.5	0.73	10.70
FO 33	**Mideast - *(Cleveland)***	**1,431,002**	**528,269**	**36.9**	**1.02**	**10.99**
FO 124	Pacific Northwest - *(Seattle)*'	670,568	180,115	26.9	0.73	10.70
FO 126	Southwest - *(Dallas)*	992,686	326,664	32.9	1.67	11.64
FO 131	Arizona - *(Phoenix)*	335,308	111,248	33.2	[2]	10.95

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JULY 2009................................$ 9.97 /cwt.

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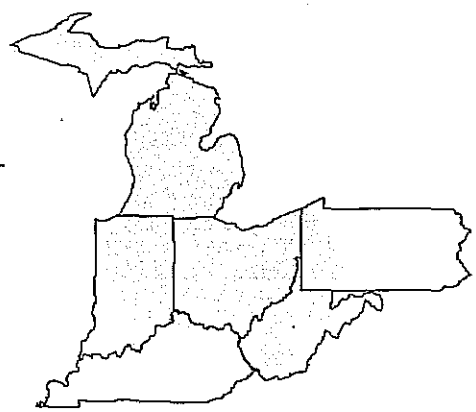
Mideast Market Administrator's Bulletin

Federal Order No. 33



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August 2009

Agriculture Secretary Vilsack Announces Immediate Relief for Struggling Dairy Producers

Agriculture Secretary Vilsack announced that the Obama Administration is taking immediate action to support struggling dairy farmers by increasing the amount paid for dairy products through the Dairy Product Price Support Program (DPPSP). USDA estimates show that these increases, which will be in place from August 2009 through October 2009, will increase dairy farmers' revenue by $243 million.

"The Obama Administration is committed to pursuing all options to help dairy producers," said Vilsack. "The price increase announced today will provide immediate relief to dairy farmers around the country and keep many on the farm while they weather one of the worst dairy crises in decades."

The increase announced today will raise the price paid for nonfat dry milk from $0.80 per pound to $0.92 per pound, the price paid for cheddar blocks from $1.13 per pound to $1.31 per pound, and the price of cheddar barrels from $1.10 per pound to $1.28 per pound. This increase in the support price will have an immediate effect upon dairy farmers' bottom line. Temporarily raising the price of these dairy products increases the price that dairy farmers receive for their milk.

USDA estimates that today's announcement is expected to increase the all milk price received by dairy producers. The increase will result in the government purchase of an additional 150 million pounds of non-fat dry milk (NDM) and an additional 75 million pounds of cheese.

Prior to today's announcement, USDA had taken several steps to provide support for dairy farmers, including the following:

In March, USDA transferred approximately 200 million pounds of nonfat dry milk to USDA's Food and Nutrition Service, which will not only remove inventory from the market, but also support low-income families struggling to put nutritious food on their tables.

USDA expects to spend more than $1 billion in fiscal year 2009 on purchases of dairy products (Dairy Product Price Support Program) and payments to producers (Milk Income Loss Contract (MILC).

On March 22, 2009, USDA reactivated USDA's Dairy Export Incentive Program (DEIP), to help U.S. dairy exporters meet prevailing world prices in addition to encouraging the development of international export markets in areas where U.S. dairy products are not competitive due to subsidized dairy products from other countries.

Since March 22, USDA has encouraged the export of 20,000 tons of nonfat dry milk. From July 2008 through June 30, 2009, DEIP has announced allocations of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses and 34 metric tons of other dairy products.

USDA is working with the Department of State to identify foreign assistance programs such as U.S. Agency for International Development (USAID) and McGovern-Dole International Food for Education and Child Nutrition Program to make the following available:

At least 1 million pounds on a competitive basis, for the production of casein; About 500,000 pounds for use in the McGovern-Dole International Food for Education and Child Nutrition Program; and About 1 million pounds for use by the U.S. Agency for International Development, based on anticipated requests from the State Department. USDA is currently reviewing federal dairy policy to determine what changes are needed to reduce price volatility and enhance farmer profitability.

THE DAIRY OUTLOOK
Further Reduction in Milk Supplies Needed Before Prices Will Rise

Feed prices appear to be moderating slightly from last year's highs. Corn is forecast to average $3.95 - $4.15 per bushel in the 2008/09 crop year and $3.35 - $4.15 for the next crop year. Soybean meal prices will average slightly below the previous year in 2008/09 and are forecast lower in 2009/10. Feed prices, however, will remain above the 5-year average for both corn and soybeans. Forage prices will likely follow grain prices moderating into 2010. While welcome, lower feed prices alone will not restore producer profitability. Recession-reduced demand weakness will keep dairy product prices below year-earlier levels for the balance of 2009.

(Continued on Page 3)

July 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	552,723,981	37.9
Class II	292,613,145	20.0
Class III	518,416,074	35.5
Class IV	96,537,424	6.6
Total	1,460,290,624	100.0

Producer Prices

Producer Price Differential	$ 1.10	/cwt
Butterfat Price	1.2438	/ lb
Protein Price	1.6970	/ lb
Other Solids Price	0.0949	/ lb
Somatic Cell Adjustment Rate	0.00057	/ cwt
Statistical Uniform Price	11.07	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

JULY 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			542,668,190			$ 8.03 / cwt	$ 43,576,255.67
Class I Butterfat		10,055,791				1.2882 / lb	12,953,869.97
Class I Location Differential	552,723,981						(280,237.18)
Class II SNF Value				24,625,313		0.7478 / lb	18,414,809.11
Class II Butterfat		17,735,997				1.2508 / lb	22,184,185.06
Class III Protein Value			15,440,015			1.6970 / lb	26,201,705.48
Class III Other Solids Value					29,608,066	0.0949 / lb	2,809,805.50
Class III Butterfat		17,821,556				1.2438 / lb	22,166,451.34
Class IV SNF Value				8,088,931		0.6677 / lb	5,400,979.21
Class IV Butterfat		6,186,695				1.2438 / lb	7,695,011.23
Somatic Cell Value II / III / IV							522,129.50
TOTAL PRODUCER MILK VALUE	1,460,290,624	51,800,039	43,253,381		83,134,815		$161,644,964.89
Overages					$ 17,635.52		
Beginning Inventory and Other Source Charges					$ 38,892.83		
TOTAL ADJUSTMENTS							$ 56,528.35
TOTAL HANDLER OBLIGATIONS							$ 161,701,493.24
Total Protein Value			43,253,381 lbs	@	$1.6970		$ (73,400,987.58)
Total Other Solids Value			83,134,815 lbs	@	0.0949		(7,889,494.01)
Butterfat Value			51,800,039 lbs	@	1.2438		(64,428,888.49)
Total Somatic Cell Values							(796,462.36)
TOTALS							$ 15,185,660.80
Net Producer Location Adjustments							$ 826,232.43
1/2 Unobligated Balance Producer Settlement Fund							698,000.00
Total - Divided by Total Pounds			1,460,290,624 lbs		1.1442855		$ 16,709,893.23
Rate of Cash Reserve					(0.0442855)		(646,697.00)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,460,290,624		$ 1.10 /cwt		$ 16,063,196.23

COMPONENT PRICES

	July 2009	July 2008
Butterfat Price	$1.2438 / lb	$1.6774 / lb
Protein Price	1.6970 / lb	4.0025 / lb
Other Solids Price	0.0949 / lb	0.0707 / lb
Somatic Cell Adjustment Rate	0.00057 / cwt	0.00098 / cwt
Nonfat Solids Price	0.6677 / lb	1.2358 / lb

COMPUTATION OF UNIFORM PRICE

	July 2009	July 2008
Class III Price - 3.5% BF	$ 9.97	$18.24
Producer Price Differential*	1.10	1.47
Statistical Uniform Price	$11.07	$19.71

CLASS PRICES

	July 2009	July 2008
Class I*	$12.26	$22.78
Class II	10.87	16.81
Class III	9.97	18.24
Class IV	10.15	16.60

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	July 2009 Product lbs.	July 2008 Product lbs.
Class I	552,723,981	505,556,376
Class II	292,613,145	271,777,542
Class III	518,416,074	484,655,289
Class IV	96,537,424	127,186,619
Total	1,460,290,624	1,389,175,826

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for July 2009 was $1.10 and the Statistical Uniform Price was $11.07 for the month. The Statistical Uniform Price is $0.08 higher than last month, and is $8.64 lower than July 2008.

The Producer Butterfat Price of $1.2438 per pound decreased 1.06 cents from June and is down 43.36 cents from a year ago. The Protein Price of $1.6970 is down $0.0313 from last month and is down $2.3055 from July 2008. The Other Solids Price in July was $0.0949 per pound, an increase from last month's price of $0.0723 and an increase of 2.42 cents from last July. The Somatic Cell Adjustment rate for July was $0.00057.

July producer receipts of 1.46 billion pounds were 2.0 percent higher than June and 5.1 percent higher than July 2008 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 37.9 percent of the total producer milk in July 2009, 1.0 percent higher than the 36.9 percent in June and 1.5 percent higher than the 36.4 percent in July 2008. A total of 7,168 producers were pooled on the Mideast Order compared to 7,328 producers pooled in July 2008.

The market average content of producer milk was as follows: Butterfat 3.55%; Protein 2.96%; Other Solids 5.69% and Nonfat Solids 8.65%.

(Continued from Front Page)

The result is continued pressure to remove cows from production. The Cooperatives Working Together (CWT) program is expected to remove about 101,000 cows from the herd by the end of July.1/ The U.S dairy herd is expected to contract 1.5 percent in 2009 from 2008 and another 2.6 percent contraction is expected in 2010. Yet, some of the decline in cow numbers is offset by continued gains in milk per cow. In 2009, milk per cow per day increased 1 percent and is forecast to climb nearly 2 percent in 2010. Milk production this year is projected at 187.6 billion pounds, unchanged from last month's forecast, and next year's production is forecast at 186.4 billion pounds. This leisurely decline is encountering a recession weakened domestic market.

Exports both this year and next, with the exception of whey, are likely to be well below the totals for the last two years, and are forecast at 3.8 billion pounds of milk equivalent, fat basis, in 2009 and 3.9 billion pounds in 2010. Whey exports, mostly to Mexico and China, have made the skim/solids exports numbers appear stronger. Those exports are forecast to total 19.9 billion pounds this year and 23.1 billion pounds next year.

Product prices will likely remain low in 2009. Cheese prices are projected to average $1.210 - $1.2402 per pound; butter prices are expected to average $1.175 - $1.235 per pound. The outlook for dry products is also for low prices for the year with nonfat dry milk (NDM) averaging 82.5 - 85.5 cents per pound and whey averaging 24 - 26 cents per pound. Prices are expected to recover in 2010 but not to their previous levels. Cheese prices are forecast to average $1.530 - $1.630 per pound in 2010. Butter prices are forecast to stage the strongest recovery and average $1.435 - $1.565 per pound for the year. NDM prices are expected to average $0.990 - $1.060 per pound for the year and whey 28 to 31 cents per pound next year.

The product price forecast presages weak milk prices this year and only modest improvements next year. Class III prices are forecast to average $10.45 - $10.75 per cwt in 2009 and $13.90 - $14.90 per cwt next year. The Class IV price is projected to average $9.95 - $10.35 per cwt in 2009 and $12.45 - $13.55 per cwt in 2010. The all milk price will likely average $11.85 - $12.15 this year, improving to $14.85 - $15.85 per cwt in 2010.

1/ On July 10 after release of the *World Agricultural Supply and Demand* Estimates report, CWT announced a second buyout program for 2009. Bids are to be submitted by July 24, 2009.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-181, July 17, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

June Milk Production Down 0.1 Percent

Milk production in the 23 major States during June totaled 14.7 billion pounds, down 0.1 percent from June 2008. May revised production, at 15.5 billion pounds, was up 0.5 percent from May 2008. The May revision represented an increase of 0.3 percent or 46 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,746 pounds for June, 10 pounds above June 2008. The number of milk cows on farms in the 23 major States was 8.44 million head, 56,000 head less than June 2008, and 29,000 head less than May 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during June totaled 2.3 billion pounds, up 19 million pounds or 0.8 percent from June 2008.

Production per cow in the Mideast states averaged 1,686 pounds for June, 11 pounds above June 2008. The number of cows on farms in the Mideast states was 1.3 million head, 2,000 head more than June 2008.

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Featured this month are:

- Thematic maps displaying total producer pounds and total producer farms by state and county for June 2009.
- Charts summarizing total producer pounds and producer farms by state for June 2009.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	June 2009							June 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,877	607,557	3.53	2.94	5.72	201		528,854	3.51	2.95	5.73	242
Ohio	2,206	338,064	3.63	2.98	5.68	257		288,766	3.58	2.97	5.70	292
Indiana	1,117	143,804	3.60	2.93	5.68	270		139,899	3.58	2.94	5.70	308
New York	352	135,069	3.60	2.99	5.72	212		97,686	3.57	2.97	5.70	229
Pennsylvania	1,117	109,810	3.65	3.01	5.67	324		95,281	3.66	2.99	5.69	343
Wisconsin	324	70,087	3.58	2.94	5.80	232		46,523	3.61	2.96	5.75	274
Illinois	41	8,116	3.58	2.94	5.77	255		6,600	3.55	2.97	5.74	324
West Virginia	64	5,367	3.74	3.09	5.65	322		5,617	3.72	3.10	5.69	374
Other	107	13,112	3.49	2.96	5.72	232		6,320	3.61	2.98	5.71	338
Total/Average *	7,205	1,430,987	3.58	2.96	5.70	234		1,215,547	3.56	2.96	5.72	271

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

July 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,040,138	831,666	40.8	$2.02	$11.99
FO 5	Appalachian - *(Charlotte)*	488,006	340,695	69.8	[2]	12.92
FO 6	Florida - *(Tampa)*	231,404	205,723	88.9	[2]	15.08
FO 7	Southeast - *(Atlanta)*	570,631	381,874	66.9	[2]	13.07
FO 30	Upper Midwest - *(Chicago)*	2,917,867	359,940	12.3	0.33	10.30
FO 32	Central - *(Kansas City)*	1,178,068	333,680	28.3	0.79	10.76
FO 33	**Mideast - *(Cleveland)***	**1,460,291**	**552,724**	**37.9**	**1.10**	**11.07**
FO 124	Pacific Northwest - *(Seattle)*	684,741	187,559	27.4	0.77	10.74
FO 126	Southwest - *(Dallas)*	948,170	334,741	35.3	1.80	11.77
FO 131	Arizona - *(Phoenix)*	304,057	116,963	38.5	[2]	11.10

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2009............................$ 9.97 /cwt.

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Mideast Market Administrator's Bulletin

Federal Order No. 33

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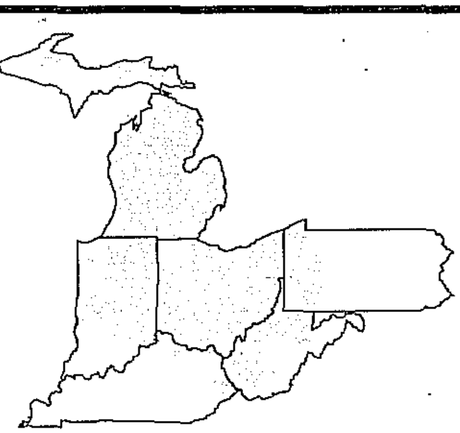
September 2009



Agriculture Secretary Vilsack Establishes Dairy Advisory Committee and Requests Nominations

Agriculture Secretary Tom Vilsack announced that as part of USDA's continuing efforts to listen to and respond to the needs of producers in the dairy industry he is moving forward on establishing the Dairy Industry Advisory Committee and is requesting nominations.

"The Obama Administration is committed to working with all sectors of the dairy industry to develop changes to the dairy pricing system to avoid the boom and bust cycle behind the crisis facing many dairy farmers this year," said Vilsack. "The input provided by the members of this committee will play an important role in building a more stable market for dairy producers for years to come."

Earlier in August, Secretary Vilsack promised to move forward with establishment of a charter creating the committee for two years. Once appointed, the committee will review the issues of farm milk price volatility, and dairy farmer profitability. The committee will also offer suggestions and ideas on how USDA can best address these issues to meet the dairy industry's needs. USDA is establishing the committee under the authority of the Federal Advisory Committee Act of 1972.

The Secretary of Agriculture will appoint up to 15 representatives of the dairy industry to serve in an advisory capacity on the Committee. 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.

Written nominations must be received on or before September 28, and should be sent to Judith Lindsay, secretary to Brandon Willis, Deputy Administrator, Farm Service Agency, Farm Programs, USDA Room 3612-S, Stop 0501, Washington, D.C. 20250-0501; faxed to (202) 720-4726; or e-mailed to: judith.lindsay@wdc.usda.gov

Advisory committee members will elect the chairperson and vice-chairperson who will each serve a two-year term. As Deputy Administrator of the FSA Farm Programs, Willis will serve as the committee's executive secretary.

Details were published in the August 28 *Federal Register*. More information on the committee is available at www.ams.usda.gov/AMSv1.0/DairyAdvisoryCommittee.

The Dairy Outlook

Increases in Milk per Cow Slow Decline in Milk Production in 2009 Despite Herd Size Reductions

Milk production during the second quarter of 2009 was up one-tenth of 1 percent from the second quarter of 2008, even though herd size was 53,000 head smaller than the corresponding quarter last year. June milk production was down two-tenths of 1 percent from a year earlier. While the June reported herd size was 86,000 head less, production per cow was 13 pounds more than the corresponding month last year. USDA forecasts corn and soybean meal prices to be lower this crop year. The lower feed prices and cheaper alfalfa hay helped support additional feeding and milk production despite the overall contraction signals from the market. Coupled with relatively slow herd contraction, milk production is projected at 188.2 billion pounds for 2009, less than a 1-percent reduction from 2008.

Prospects are for 2009/10 feed prices to decline slightly from 2008/09, helping boost the milk-feed ratio from this year's lows. The lower expected feed prices could provide modest relief to producers as milk prices strengthen over the course of the year, but hardly presage a turnaround in overall dairy market prospects for producers. The lower feed prices and continued herd contraction will likely continue to boost output per cow in 2010. However, next year, the forecast herd contraction to 8.9 million cows will outweigh the forecast 1.9- percent increase in output per cow and milk production will likely slip to 186.5 billion pounds.

Continued accumulation of dry milk powder in the European Union will likely pressure world prices, further reducing U.S. export prospects. Overall, exports on a fats basis will remain at 3.8 billion

(continued on Page 3)

August 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	557,383,246	40.5
Class II	302,100,768	21.9
Class III	421,751,132	30.6
Class IV	96,902,204	7.0
Total	1,378,137,350	100.0

Producer Prices

Producer Price Differential	$ 0.27	/cwt
Butterfat Price	1.2491	/ lb
Protein Price	2.1009	/ lb
Other Solids Price	0.0962	/ lb
Somatic Cell Adjustment Rate	0.00063	/ cwt
Statistical Uniform Price	11.47	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

August 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			547,354,923			$ 8.00 / cwt	$ 43,788,393.84
Class I Butterfat		10,028,323				1.2349 / lb	12,383,976.07
Class I Location Differential	557,383,246						(270,814.25)
Class II SNF Value				25,556,197		0.7444 / lb	19,024,033.06
Class II Butterfat		17,476,395				1.2561 / lb	21,952,099.77
Class III Protein Value			12,589,616			2.1009 / lb	26,449,524.27
Class III Other Solids Value					23,971,015	0.0962 / lb	2,306,011.64
Class III Butterfat		15,501,494				1.2491 / lb	19,362,916.18
Class IV SNF Value				8,133,291		0.6918 / lb	5,626,610.75
Class IV Butterfat		6,341,899				1.2491 / lb	7,921,666.02
Somatic Cell Value II / III / IV							487,042.61
TOTAL PRODUCER MILK VALUE	1,378,137,350	49,348,111	40,993,988		78,379,468		$159,031,459.96

Overages			$ 11,331.62	
Beginning Inventory and Other Source Charges			$ 26,717.63	
TOTAL ADJUSTMENTS				$ 38,049.25
TOTAL HANDLER OBLIGATIONS				$ 159,069,509.21
Total Protein Value	40,993,988 lbs	@	$2.1009	$ (86,124,269.38)
Total Other Solids Value	78,379,468 lbs	@	0.0962	(7,540,104.84)
Butterfat Value	49,348,111 lbs	@	1.2491	(61,640,725.46)
Total Somatic Cell Values				(801,909.05)
TOTALS				$ 2,962,500.48
Net Producer Location Adjustments				$ 641,380.04
1/2 Unobligated Balance Producer Settlement Fund				669,000.00
Total - Divided by Total Pounds	1,378,137,350 lbs		0.3100475	$ 4,272,880.52
Rate of Cash Reserve			(0.0400475)	(551,909.56)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,378,137,350		$ 0.27 /cwt	$ 3,720,970.96

COMPONENT PRICES

	August 2009	August 2008
Butterfat Price	$1.2491 / lb	$1.7413 / lb
Protein Price	2.1009 / lb	3.6497 / lb
Other Solids Price	0.0962 / lb	0.0529 / lb
Somatic Cell Adjustment Rate	0.00063 / cwt	0.00093 / cwt
Nonfat Solids Price	0.6918 / lb	1.2147 / lb

COMPUTATION OF UNIFORM PRICE

	August 2009	August 2008
Class III Price - 3.5% BF	$ 11.20	$17.32
Producer Price Differential*	0.27	1.38
Statistical Uniform Price	$11.47	$18.70

CLASS PRICES

	August 2009	August 2008
Class I*	$12.04	$20.47
Class II	10.86	17.45
Class III	11.20	17.32
Class IV	10.38	16.64

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	August 2009 *Product lbs.*	August 2008 *Product lbs.*
Class I	557,383,246	538,398,155
Class II	302,100,768	264,487,114
Class III	421,751,132	414,078,177
Class IV	96,902,204	112,128,337
Total	1,378,137,350	1,329,091,783

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for August 2009 was $0.27 and the Statistical Uniform Price was $11.47 for the month. The Statistical Uniform Price is $0.40 higher than last month, and is $7.23 lower than August 2008.

The Producer Butterfat Price of $1.2491 per pound increased 0.53 cents from July and is down 49.22 cents from a year ago. The Protein Price of $2.1009 is up $0.4039 from last month and is down $1.5488 from August 2008. The Other Solids Price in August was $0.0962 per pound, an increase from last month's price of $0.0949 and an increase of 4.33 cents from last August. The Somatic Cell Adjustment rate for August was $0.00063.

August producer receipts of 1.38 billion pounds were 5.6 percent lower than July and 3.7 percent higher than August 2008 production of 1.33 billion pounds. Producer milk allocated to Class I accounted for 40.5 percent of the total producer milk in August 2009, more than the 37.9 percent in July and equal to the 40.5 percent in August 2008. A total of 7,129 producers were pooled on the Mideast Order compared to 7,376 producers pooled in August 2008.

The market average content of producer milk was as follows: Butterfat 3.58%; Protein 2.97%; Other Solids 5.69% and Nonfat Solids 8.66%.

(Continued from Front Page)

pounds, virtually unchanged in 2010 compared with 2009. On a skims/solids basis, 2010 exports will be slightly higher at 21.2 billion pounds compared with 20.0 billion pounds expected for this year. These forecasts remain well below 2008 totals.

The current USDA forecast assumes that Commodity Credit Corporation net removals will become negative in 2010 as product purchased under the higher support prices moves back into the market. Cheese and nonfat dry milk (NDM) prices should strengthen in 2009, reflecting the increase in support prices for those products. Economic recovery in 2010 and slightly lower milk production should help boost prices for all products in 2010. The cheese price is projected to average $1.235 to $1.255 per pound this year and climb to $1.510 - $1.610 in 2010. Butter prices are expected to average $1.180 - $1.220 per pound in 2009 and strengthen to $1.435 - $1.565 in 2010. NDM prices are projected to average 85 to 87 cents per pound and rise to 94.5 cents- $1.015 per pound in 2010. Whey prices are projected at 24 to 26 cents per pound in 2009 and 28 to 31 cents per pound next year.

Milk prices should recover from 2009 lows next year but should remain well below the highs of 2007 and 2008. The Class III price is expected to average $10.70 - $10.90 per cwt in 2009 and rise to average $13.75 - $14.75 per cwt in 2010. The Class IV price is projected to average $10.15 - $10.45 per cwt this year and reaches $12.10 - $13.20 per cwt next year. The all milk price average is expected to be $12.10 - $12.30 per cwt and rise to $14.65 - $15.65 per cwt in 2010.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-181, August 19, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

July Milk Production Up 0.1 Percent

Milk production in the 23 major States during July totaled 14.9 billion pounds, up 0.1 percent from July 2008. June revised production at 14.8 billion pounds, was up 0.1 percent from June 2008. The June revision represented a increase of 34 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,769 pounds for July, 25 pounds above July 2008.

The number of milk cows on farms in the 23 major States was 8.40 million head, 115,000 head less than July 2008, and 34,000 head less than June 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during July totaled 2.3 billion pounds, up 52 million pounds or 2.3 percent from July 2008.

Production per cow in the Mideast states averaged 1,720 pounds for July, 37 pounds above July 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 4,000 head more than July 2008.

June Fluid Milk Sales Up (AMS & CDFA):

During June, about 4.3 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 3.6% higher than June 2008. After adjusting for calendar composition, sales in June 2009 were 0.5% higher than June 2008. On an individual product basis, after adjusting for calendar composition, sales of reduced fat milk (2%), low fat milk (1%), and flavored fat-reduced milk increased from June 2008, while sales of whole milk, flavored whole milk, organic whole milk, fat-free (skim) milk, organic fat-reduced milk, and buttermilk decreased from a year earlier.

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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	July 2009							July 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,856	612,443	3.49	2.94	5.70	219		584,776	3.49	2.92	5.73	257
Ohio	2,231	352,636	3.59	2.97	5.64	277		344,502	3.57	2.96	5.70	312
Indiana	1,138	149,653	3.60	2.99	5.75	297		144,428	3.56	2.93	5.69	332
New York	350	137,004	3.58	2.98	5.71	230		104,764	3.55	2.95	5.73	256
Pennsylvania	1,073	109,262	3.65	3.01	5.65	348		109,723	3.63	2.96	5.68	379
Wisconsin	335	72,324	3.55	2.93	5.79	253		82,769	3.57	2.93	5.75	291
Illinois	40	8,379	3.46	2.93	5.74	275		9,376	3.52	2.92	5.73	341
West Virginia	63	5,428	3.73	3.07	5.63	362		4,753	3.71	3.08	5.68	419
Other	111	13,179	3.48	2.96	5.71	235		4,219	3.62	2.99	5.67	341
Total/Average *	7,197	1,460,308	3.55	2.96	5.69	254		1,389,310	3.54	2.94	5.72	291

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

Mideast Market Administrator Bulletin
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FEDERAL ORDER DATA

August 2009

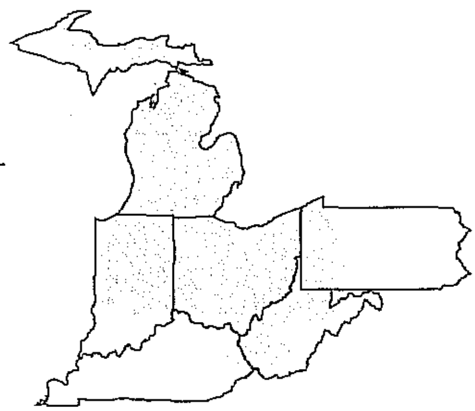
Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,937,346	824,392	42.6	$1.15	$12.35
FO 5	Appalachian - *(Charlotte)*	485,251	349,081	71.9	[2]	12.86
FO 6	Florida - *(Tampa)*	243,010	211,546	87.1	[2]	14.88
FO 7	Southeast - *(Atlanta)*	568,941	402,719	70.8	[2]	13.30
FO 30	Upper Midwest - *(Chicago)*	2,648,904	355,340	13.4	0.12	11.32
FO 32	Central - *(Kansas City)*	1,006,723	355,164	35.3	0.04	11.24
FO 33	**Mideast - *(Cleveland)***	**1,378,137**	**557,383**	**40.5**	**0.27**	**11.47**
FO 124	Pacific Northwest - *(Seattle)*	656,497	181,703	29.0	0.05	11.25
FO 126	Southwest - *(Dallas)*	866,506	355,319	41.0	1.14	12.34
FO 131	Arizona - *(Phoenix)*	305,002	120,498	39.5	[2]	11.55

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR SEPTEMBER 2009..................$10.38 /cwt.

Mideast Market Administrator's Bulletin



Federal Order No. 33

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October 2009

Risk Management Tools Available to Dairy Farmers

As milk prices have fallen sharply in recent months, many dairy farmers are reviewing their current risk management practices and assessing practices or programs they may not already be using. Typically, milk producers cannot respond as quickly to changes in demand as producers in crop agricultural sectors, leaving them more vulnerable to loss of revenue. Additionally, changes in the dairy industry as well as dairy policy have led to greater price fluctuations and increased risk. The growth of bigger, more highly leveraged farms in the Western United States has increased the number of farms with larger-than-average debt ratios. Smaller dairy farmers who own their land and grow their own feed may be better equipped to weather price volatility than larger farms with higher debt levels and an increased reliance on purchased feed. Feed prices have fallen somewhat in recent months, but they are still well above historical averages. Starting in the late 1980s, dairy policy has moved towards a more market-based approach, and as support price levels have decreased, the volatility in farm-level milk prices has increased.

Successful dairy farming requires the use of risk management tools, recognizing the tradeoff between potential profit and risk. Risk management tools available to dairy farmers include public and private sector options. Within the public sector, the USDA offers the following risk management tools:

• The Livestock Gross Margin for Dairy Cattle Insurance Policy (LGM) provides protection against the loss of gross margin (market value of milk minus feed costs) on the milk produced from dairy cows. The program is available to producers in 36 States, and the States covered were home to approximately 68 percent of the dairy cows in 2007 (Ag Census). The LGM uses futures prices for corn, soybean meal, and milk to determine the expected gross margin and the actual gross market, covering both the input and output risk to producers.

• The Dairy Indemnity Program makes payments to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides.

• The Dairy Forward Pricing Program allows producers to voluntarily enter into forward price contracts with handlers for pooled milk used for Class II, III, and IV purposes. Under the program, handlers are not required to pay producers the minimum Federal order blend price, but rather a price negotiated between handlers and producers. Forward contracts reduce risk and also aid participants in obtaining new or continued financing.

• The Milk Income Loss Contract (MILC) Program provides monthly, direct, countercyclical style payments to producers when the Class I price in Boston falls below a variable trigger price. The trigger price may be adjusted monthly for variations in feed costs above $7.35/cwt of a 16-percent protein feed ration. For fiscal years 2009-2012, the MILC program is available to all producers, with annual production eligible for MILC payments capped at 2,985,000 pounds.

In the private sector, many agricultural producers use futures markets as a risk management tool. While the class prices of commodities sold on the futures market do not directly represent the prices that farmers see in their milk check each month, futures contracts can allow dairy farmers to hedge against risk in milk and feed price fluctuations. As a commodity user (grain) and a commodity supplier (milk), dairy farmers can use the futures market to manage risk on the price(s) of inputs as well as the output price.

Dairy futures include those for:

- Class III milk
- Class IV milk
- Cheese
- Butter
- NFDM
- Dry whey

Like the futures market, farmers can also forward contract milk or feed directly. Many larger farms that rely heavily on purchased feed do this to limit volatility of their feed costs. Dairy cooperatives often forward contract milk with their members.

Risk management tools are a key component for maintaining the economic viability of a farm. As a result of recent increased price fluctuations in the dairy sector, risk management tools are more relevant for consideration and use today than they were in the past.

For more information, see: USDA-Risk Management Agency; http://farm-risk-plans.usda.gov/index.aspx?action=riskman.home; USDA-AMS Dairy Programs; http://www.ams.usda.gov/dairy

September 2009 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	571,376,302	43.7
Class II	279,257,929	21.4
Class III	390,544,307	29.9
Class IV	65,060,174	5.0
Total	1,306,238,712	100.0

Producer Prices

Producer Price Differential	$ (0.04)	/cwt
Butterfat Price	1.2226	/ lb
Protein Price	2.4243	/ lb
Other Solids Price	0.1018	/ lb
Somatic Cell Adjustment Rate	0.00068	/ cwt
Statistical Uniform Price	12.07	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

September 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			561,350,135			$ 8.74 / cwt	$ 49,062,001.80
Class I Butterfat		10,026,167				1.2846 / lb	12,879,614.16
Class I Location Differential	571,376,302						(282,028.72)
Class II SNF Value				23,811,437		0.7722 / lb	18,387,191.64
Class II Butterfat		16,244,163				1.2296 / lb	19,973,822.81
Class III Protein Value			11,908,428			2.4243 / lb	28,869,602.01
Class III Other Solids Value					22,110,522	0.1018 / lb	2,250,851.14
Class III Butterfat		14,930,658				1.2226 / lb	18,254,222.48
Class IV SNF Value				5,315,152		0.7906 / lb	4,202,159.21
Class IV Butterfat		6,349,448				1.2226 / lb	7,762,835.14
Somatic Cell Value II / III / IV							563,013.96
TOTAL PRODUCER MILK VALUE	1,306,238,712	47,550,436	39,784,081		74,184,577		$161,923,285.63
Overages					$ 20,026.15		
Beginning Inventory and Other Source Charges					$ 94,427.92		
TOTAL ADJUSTMENTS							$ 114,454.07
TOTAL HANDLER OBLIGATIONS							$ 162,037,739.70
Total Protein Value			39,784,081 lbs	@	$2.4243		$ (96,448,547.55)
Total Other Solids Value			74,184,577 lbs	@	0.1018		(7,551,989.95)
Butterfat Value			47,550,436 lbs	@	1.2226		(58,135,163.04)
Total Somatic Cell Values							(979,799.85)
TOTALS							$ (1,077,760.69)
Net Producer Location Adjustments							$ 612,733.28
1/2 Unobligated Balance Producer Settlement Fund							593,000.00
Total - Divided by Total Pounds			1,306,238,712 lbs		0.0097970		$ 127,972.59
Rate of Cash Reserve					(0.0497970)		(650,467.69)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,306,238,712		$ (0.04) /cwt		$ (522,495.10)

COMPONENT PRICES

	September 2009	September 2008
Butterfat Price	$1.2226 / lb	$1.8196 / lb
Protein Price	2.4243 / lb	3.2689 / lb
Other Solids Price	0.1018 / lb	0.0234 / lb
Somatic Cell Adjustment Rate	0.00068 / cwt	0.00089 / cwt
Nonfat Solids Price	0.7906 / lb	1.0455 / lb

COMPUTATION OF UNIFORM PRICE

	September 2009	September 2008
Class III Price - 3.5% BF	$ 12.11	$16.28
Producer Price Differential*	(0.04)	1.77
Statistical Uniform Price	$12.07	$18.05

CLASS PRICES

	September 2009	September 2008
Class I*	$12.93	$19.65
Class II	11.01	17.58
Class III	12.11	16.28
Class IV	11.15	15.45

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	September 2009 *Product lbs.*	September 2008 *Product lbs.*
Class I	571,376,302	566,415,573
Class II	279,257,929	245,866,410
Class III	390,544,307	387,514,507
Class IV	65,060,174	53,348,445
Total	1,306,238,712	1,253,144,935

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for September 2009 was $-0.04 and the Statistical Uniform Price was $12.07 for the month. The Statistical Uniform Price is $0.60 higher than last month, and is $5.98 lower than September 2008.

The Producer Butterfat Price of $1.2226 per pound decreased 2.65 cents from August and is down 59.70 cents from a year ago. The Protein Price of $2.4243 is up $0.3234 from last month and is down $0.8446 from September 2008. The Other Solids Price in September was $0.1018 per pound, an increase from last month's price of $0.0962 and an increase of 7.84 cents from last August. The Somatic Cell Adjustment rate for September was $0.00068.

September producer receipts of 1.31 billion pounds were 5.2 percent lower than August and 4.2 percent higher than September 2008 production of 1.25 billion pounds. Producer milk allocated to Class I accounted for 43.7 percent of the total producer milk in September 2009, more than the 40.5 percent in August and less than the 45.2 percent in September 2008. A total of 7,108 producers were pooled on the Mideast Order compared to 7,191 producers pooled in September 2008.

The market average content of producer milk was as follows: Butterfat 3.64 %; Protein 3.05 %; Other Solids 5.68 % and Nonfat Solids 8.73 %.

August Milk Production Down 0.2 Percent

Milk production in the 23 major States during August totaled 14.6 billion pounds, down 0.2 percent from August 2008. July revised production, at 14.8 billion pounds, was down slightly from July 2008. The July revision represented a decrease of 13 million pounds or 0.1percent from last months preliminary production estimate.

Production per cow in the 23 major States averaged 1,743 pounds for August, 25 pounds above August 2008. The number of milk cows on farms in the 23 major States was 8.37million head, 143,000 head less than August 2008, and 28,000 head less than July 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during August totaled 2.3 billion pounds, up 59 million pounds or 2.7 percent from August 2008.

Production per cow in the Mideast states averaged 1,693 pounds for August, 49 pounds above August 2008. The number of cows on farms in the Mideast states was 1.3 million head, 1,000 head more than August 2008.

The Dairy Outlook

The July *Milk Production* report showed U.S. milk production estimates virtually unchanged from July a year ago, despite 145,000 fewer cows in the national herd. For the year to date, milk production has risen every month compared with the corresponding month a year ago, while the dairy herd has shown a decline for every month in 2009 since March. Continued low prices for milk and dairy products have not brought a decline in production, which would bring milk supplies into line with demand. Lower prices for feed ingredients, especially corn and alfalfa hay, have provided an incentive for producers to feed for milk production despite culling.

For the second quarter of 2009, commercial disappearance of cheese was ahead of the second quarter of 2008, while domestic commercial use of butter, nonfat dry milk (NDM) and whey trailed year-earlier levels. Stocks on a milk equivalent basis remain ample. For 2010, commercial disappearance on a fats basis will likely be virtually unchanged from 2009 totals. However, a decline in domestic commercial use from 201.9 to 200.1billion pounds is expected on a skims/solids basis. Recovery in prices is unlikely until 2010 when the decline in milk production, forecast for both this year and next, impact the market. Even then, the price rebound will be mild. Cheese prices are expected to average $1.235-1.255 this year, unchanged from last month's projection. Prices for butter, NDM, and whey are expected to be $1.165-$1.205 per pound, 85-87 cents per pound, and 23.5-25.5 cents per pound, respectively. For 2010, cheese prices are forecast at $1.510-$1.610 per pound, butter at $1.420-$1.550 per pound, NDM at 93.5 cents to $1.005 per pound, and whey at 28-31 cents per pound.

The relative strength of the cheese market compared with the butter/powder market is reflected in projected milk prices. Class III prices are expected to be $10.65-$10.85 per cwt this year and $13.75-$14.75 per cwt next year. The Class IV price, based on the butter/powder price is forecast at $10.10-$10.40 per cwt in 2009 and $11.95-$13.05 per cwt in 2010. The all milk price is projected at $12.05-12.25 per cwt for the current year and $14.55-$15.55 per cwt next year.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-183, September 17, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	August 2009							August 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,851	588,257	3.52	2.96	5.70	223		540,982	3.52	2.95	5.71	256
Ohio	2,230	338,188	3.64	3.00	5.66	279		333,143	3.60	3.00	5.69	308
Indiana	1,144	148,349	3.61	2.97	5.70	288		135,863	3.58	2.96	5.67	327
New York	337	134,659	3.60	2.98	5.69	243		129,338	3.59	2.99	5.70	268
Pennsylvania	1,084	105,731	3.66	3.00	5.64	352		110,082	3.65	3.02	5.66	375
Wisconsin	321	48,999	3.57	2.94	5.76	262		60,700	3.57	2.94	5.74	300
West Virginia	65	5,017	3.73	3.08	5.62	371		5,393	3.72	3.12	5.66	417
Illinois	22	1,798	3.65	2.99	5.61	387		8,014	3.54	2.93	5.74	287
Other	103	7,185	3.57	3.01	5.67	276		5,583	3.62	3.01	5.71	319
Total/Average *	7,157	1,378,183	3.58	2.98	5.69	258		1,329,098	3.57	2.97	5.70	291

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

September 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,841,345	858,904	46.7	$0.82	$12.93
FO 5	Appalachian - *(Charlotte)*	469,727	343,044	73.0	[2]	13.65
FO 6	Florida - *(Tampa)*	239,600	205,275	85.7	[2]	15.58
FO 7	Southeast - *(Atlanta)*	543,362	397,084	73.1	[2]	14.12
FO 30	Upper Midwest - *(Chicago)*	2,394,571	371,020	15.5	0.03	12.14
FO 32	Central - *(Kansas City)*	884,497	354,593	40.1	(0.21)	11.90
FO 33	**Mideast - *(Cleveland)***	**1,306,239**	**571,376**	**43.7**	**(0.04)**	**12.07**
FO 124	Pacific Northwest - *(Seattle)*	394,818	194,032	49.1	(0.22)	11.89
FO 126	Southwest - *(Dallas)*	844,431	363,869	43.1	0.91	13.02
FO 131	Arizona - *(Phoenix)*	284,196	120,439	42.4	[2]	12.37

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR OCTOBER 2009 ....$11.01 /cwt.

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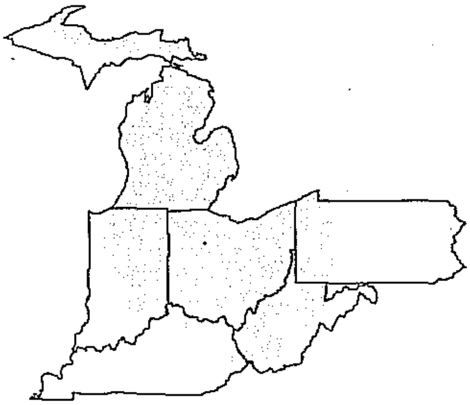
Mideast Market Administrator's Bulletin



Federal Order No. 33

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November 2009

THE DAIRY OUTLOOK

Lower Milk Production and Improved Export Prospects Combine to Strengthen Prices in 2010

The September *Milk Production* report shows slight milk production declines in both July and August. The number of cows in the national herd has shown a month-over-month decline since January, and the year-over-year decline in cow numbers more than offset the incrementally rising output per cow in the second half of the year. The prospects for the rest of 2009 and 2010 are for cow numbers to continue to decline and for production per animal to continue increasing. In 2010, the U.S. dairy herd is expected to average below 9 million for the year. The production increase per cow per day is expected to be about 1 percent in 2009, well below the 5-year-average rise. In 2010, production per cow is expected to rise by 1.8 percent during the year, above the 5-year average.

The recovery in production per cow next year is predicated on forecast lower corn and soybean meal prices in 2010. Alfalfa hay prices have retreated in 2009 from their 2008 highs and with normal weather next year, supplies should be adequate to keep prices moderate. Despite productivity increases, production in 2010 is forecast to decline to 187.2 billion pounds, down slightly from this year's projected 188.9-billion-pound production. The expected smaller cow herd trumps the production per cow increase, resulting in the second year-over-year production decline.

Export prospects are improving. Economic recovery has exceeded expectations in several countries in recent months with the result that demand for dairy products has improved. Reportedly, an increase in exports to China and greater sales into North Africa and Middle Eastern markets has boosted world prices, especially for whole milk powder. U.S. producers are in position to benefit as the dollar weakens relative to a number of foreign currencies. While still below 2008's stellar levels, milk equivalent exports are expected to reach almost 4 billion pounds this year and improve to 4.3 billion in 2010 on a fat basis. Milk equivalent exports on a skims/solids basis are forecast at 21.5 billion pounds and 23.6 billion pounds for this year and next. The current forecasts represent an upward revision of earlier USDA export forecasts. Commercial domestic use on a fats basis is projected to rise 1.6 percent from 2008 use. In 2010, commercial domestic use on a fats basis will be essentially unchanged from this year's use. On a skims-solids basis, commercial use will increase about 2 percent in 2009 and an additional 1 percent in 2010.

Stocks of cheese and butter remain high compared with recent years; yet prices have continued to trend upward through 2009. Lower cheese production in the near term, along with improving export prospects into next year, should firm cheese prices for the remainder of 2009. Forecast lower milk production in 2010, along with strengthening exports, will likely lead to higher prices for both butter and cheese in 2010. Nonfat dry milk (NDM) and whey prices are forecast to increase as well, though not as much. Cheese prices are forecast at $1.265 to $1.275 per pound this year and will rise to $1.515 to $1.605 in 2010. High butter stocks should moderate butter price increases for the rest of 2009, despite sharply lower butter production as more milk moves to cheese production relative to butter/powder.

Butter prices will likely increase in 2010 from this year's expected $1.165 to $1.195 per pound average to $1.400 to $1.520 per pound as lower milk production next year affects all dairy products. NDM and whey prices should also firm up in 2010. NDM prices, forecast to average 87.5 to 89.5 cents per pound this year, are expected to average 95.5 cents per pound to $1.025 per pound in 2010. Whey prices will likely average 24.5 to 25.5 cents per pound this year and climb slightly to 30.0 to 33.0 cents per pound next year.

Strengthening dairy product prices will lead to recovery in milk prices in 2010. The Class III milk price is forecast at $11.00 to $11.10 per cwt this year and $13.85 to $14.75 next year. The Class IV price is forecast at $10.35 to $10.55 per cwt this year and to firm to $12.00 to 13.00 per cwt in 2010. In the face of tighter milk supplies and improved demand, the all milk price is expected to rise to $14.70 to $15.60 per cwt next year after averaging $12.35 to $12.45 this year.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-184, October 16, 2009, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

October 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	618,054,033	46.2
Class II	258,891,071	19.4
Class III	391,352,926	29.3
Class IV	67,754,053	5.1
Total	1,336,052,083	100.0

Producer Prices

Producer Price Differential	$ 0.32	/cwt
Butterfat Price	1.2752	/ lb
Protein Price	2.5584	/ lb
Other Solids Price	0.1228	/ lb
Somatic Cell Adjustment Rate	0.00071	/ cwt
Statistical Uniform Price	13.14	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

October 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			607,002,526			$ 10.43 / cwt	$ 63,310,363.47
Class I Butterfat		11,051,507				1.2241 / lb	13,528,149.73
Class I Location Differential	618,054,033						(302,564.71)
Class II SNF Value				22,339,236		0.8567 / lb	19,138,023.48
Class II Butterfat		15,640,465				1.2822 / lb	20,054,204.20
Class III Protein Value			12,270,700			2.5584 / lb	31,393,358.88
Class III Other Solids Value					22,264,729	0.1228 / lb	2,734,108.72
Class III Butterfat		15,472,552				1.2752 / lb	19,730,598.29
Class IV SNF Value				5,481,518		0.8506 / lb	4,662,579.20
Class IV Butterfat		8,044,124				1.2752 / lb	10,257,866.90
Somatic Cell Value II / III / IV							663,328.59
TOTAL PRODUCER MILK VALUE	1,336,052,083	50,208,648	41,906,973		76,141,844		$185,170,016.75
Overages					$ 144,448.39		
Beginning Inventory and Other Source Charges					$ 135,789.24		
TOTAL ADJUSTMENTS							$ 280,237.63
TOTAL HANDLER OBLIGATIONS							$ 185,450,254.38
Total Protein Value			41,906,973 lbs	@	$2.5584		$(107,214,799.75)
Total Other Solids Value			76,141,844 lbs	@	0.1228		(9,350,218.45)
Butterfat Value			50,208,648 lbs	@	1.2752		(64,026,067.89)
Total Somatic Cell Values							(1,217,916.17)
TOTALS							$ 3,641,252.12
Net Producer Location Adjustments							$ 579,496.57
1/2 Unobligated Balance Producer Settlement Fund							641,000.00
Total - Divided by Total Pounds			1,336,052,083 lbs		0.3638892		$ 4,861,748.69
Rate of Cash Reserve					(0.0438892)		(586,382.57)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,336,052,083		$ 0.32 /cwt		$ 4,275,366.12

COMPONENT PRICES

	October 2009	October 2008
Butterfat Price	$1.2752 / lb	$1.8507 / lb
Protein Price	2.5584 / lb	3.5490 / lb
Other Solids Price	0.1228 / lb	(0.0047) / lb
Somatic Cell Adjustment Rate	0.00071 / cwt	0.00095 / cwt
Nonfat Solids Price	0.8506 / lb	0.8226 / lb

COMPUTATION OF UNIFORM PRICE

	October 2009	October 2008
Class III Price - 3.5% BF	$ 12.82	$17.06
Producer Price Differential*	0.32	(0.26)
Statistical Uniform Price	$13.14	$16.80

CLASS PRICES

	October 2009	October 2008
Class I*	$14.35	$17.53
Class II	11.93	16.60
Class III	12.82	17.06
Class IV	11.86	13.62

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	October 2009 *Product lbs.*	October 2008 *Product lbs.*
Class I	618,054,033	601,541,013
Class II	258,891,071	241,221,269
Class III	391,352,926	279,000,390
Class IV	67,754,053	65,295,121
Total	1,336,052,083	1,187,057,793

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2009 was $0.32 and the Statistical Uniform Price was $13.14 for the month. The Statistical Uniform Price is $1.07 higher than last month, and is $3.66 lower than October 2008.

The Producer Butterfat Price of $1.2752 per pound increased 5.26 cents from September and is down 57.55 cents from a year ago. The Protein Price of $2.5584 is up $0.1341 from last month and is down $0.9906 October 2008. The Other Solids Price in October was $0.1228 per pound, an increase from last month's price of $0.1018 and an increase of 12.75 cents from last October. The Somatic Cell Adjustment rate for October was $0.00071.

October producer receipts of 1.34 billion pounds were 2.3 percent higher than September and 12.6 percent higher than October 2008 production of 1.19 billion pounds. Producer milk allocated to Class I accounted for 46.2 percent of the total producer milk in October 2009, more than the 43.7 percent in September and less than the 50.7 percent in October 2008. A total of 7,124 producers were pooled on the Mideast Order compared to 7,327 producers pooled in October 2008.

The market average content of producer milk was as follows: Butterfat 3.76 %; Protein 3.14 %; Other Solids 5.70 % and Nonfat Solids 8.84 %.

USDA Issues Recommended Decision on Proposed Amendments to all Federal Milk Orders

The U.S. Department of Agriculture issued a recommended decision to adopt amendments to the producer-handler definition in all Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held May 4-19 in Cincinnati, Ohio.

The decision recommends that the producer-handler definitions of all Federal milk marketing orders be amended to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition of fluid milk products of 3 million pounds or less per month.

Interested persons have 60 days to file comments in response to the recommended decision. You may send your comments by using the Federal eRulemaking portal at http://www.regulations.gov. The recommended decision is published in the October 21st *Federal Register*.

For additional information about the decision contact this office.

September Milk Production Down 0.7 Percent

Milk production in the 23 major States during September totaled 13.9 billion pounds, down 0.7 percent from September 2008. August revised production at 14.6 billion pounds, was down 0.1 percent from August 2008. The August revision represented an increase of 23 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,672 pounds for September, 22 pounds above September 2008.

The number of milk cows on farms in the 23 major States was 8.34 million head, 168,000 head less than September 2008, and 32,000 head less than August 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during September totaled 2.2 billion pounds, up 64 million pounds or 3.0 percent from September 2008.

Production per cow in the Mideast states averaged 1,634 pounds for September, 54 pounds above September 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 1,000 head less than September 2008.

September Dairy Products (NASS)

Butter production was 94.6 million pounds in September, 21.9% below September 2008 and 6.2% below August 2009. American type cheese production totaled 341.2 million pounds, 6.4% above September 2008 but 1.1% below August 2009. Total cheese output (excluding cottage cheese) was 845.4 million pounds, 4.4% above September 2008 but 0.5% below August 2009. Nonfat dry milk production, for human food, totaled 87.1 million pounds, 1.8% above September 2008 but 17.7% below August 2009. Dry whey production, for human food, was 83.9 million pounds, 2.8% above September 2008 but 3.5% below August 2009. Ice cream (hard) production totaled 74.3 million gallons, 2.1% below September 2008 and 6.1% below August 2009.

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Featured this month are thematic maps displaying:

- CA and F.O. milk marketings by county - May 2009
- CA and F.O. market share by county - May 2009
- Top ten milk producing counties – May 2009 vs. May 2004

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	September 2009						September 2008				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,836	555,061	3.57	3.03	5.70	203	507,132	3.60	3.00	5.70	242
Ohio	2,225	316,671	3.71	3.07	5.66	259	306,981	3.69	3.05	5.67	297
Indiana	1,132	134,359	3.69	3.05	5.68	270	127,605	3.68	3.02	5.66	313
New York	359	133,351	3.65	3.05	5.69	234	129,009	3.67	3.03	5.69	268
Pennsylvania	1,079	101,422	3.73	3.08	5.64	333	103,098	3.74	3.07	5.65	356
Wisconsin	290	51,937	3.60	3.00	5.75	245	62,336	3.65	3.01	5.76	279
West Virginia	62	4,377	3.85	3.20	5.61	341	4,244	3.85	3.17	5.62	384
Illinois	22	1,853	3.79	3.10	5.61	346	7,714	3.61	2.98	5.75	285
Other	106	7,189	3.63	3.08	5.70	249	5,717	3.60	2.99	5.70	302
Total/Average *	7,111	1,306,219	3.64	3.05	5.68	239	1,253,836	3.65	3.03	5.69	277

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

October 2009

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,875,331	917,480	48.9	$1.24	$14.06
FO 5	Appalachian - *(Charlotte)*	491,837	361,602	73.5	[2]	15.05
FO 6	Florida - *(Tampa)*	249,862	220,892	88.4	[2]	17.23
FO 7	Southeast - *(Atlanta)*	565,165	418,281	74.0	[2]	15.55
FO 30	Upper Midwest - *(Chicago)*	2,751,091	391,676	14.2	0.12	12.94
FO 32	Central - *(Kansas City)*	939,510	377,302	40.2	(0.03)	12.79
FO 33	**Mideast - *(Cleveland)***	**1,336,052**	**618,054**	**46.2**	**0.32**	**13.14**
FO 124	Pacific Northwest - *(Seattle)*	654,760	202,251	30.9	0.04	12.86
FO 126	Southwest - *(Dallas)*	872,166	381,836	43.8	1.23	14.05
FO 131	Arizona - *(Phoenix)*	307,416	123,778	40.3	[2]	13.38

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

[3] Data not available at time of publication, visit website version for information.

MINIMUM PARTIAL PAYMENT PRICE FOR NOVEMBER 2009..................$11.86 /cwt.

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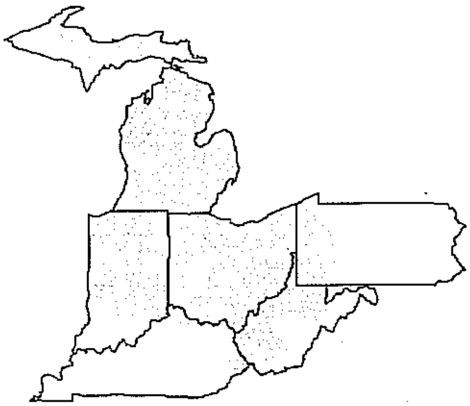
Mideast Market Administrator's Bulletin



Federal Order No. 33

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December 2009

David Z. Walker
Mideast Market Administrator

It is with deep sadness that I notify you David Z. Walker, Mideast Market Administrator, lost his battle with cancer on November 24, 2009. Dave was an outstanding individual who was deeply committed to the Federal milk order program.

Dave began his career with the Federal Milk Marketing Order Program in 1979 in the Middle Atlantic Market Administrator's Office in Alexandria, Virginia, as a Marketing Specialist after graduating from Virginia Polytechnic Institute and State University in June 1979 with a Bachelor of Science Degree in Agricultural Economics. Dave received a Masters Degree in Agricultural Economics and Rural Sociology from The Ohio State University in December 1982. In 1990 he became the Middle Atlantic Assistant Market Administrator and in 2001 he was appointed as the Mideast Order Market Administrator.

Dave was a great leader and Dairy Programs truly benefited from his expert knowledge of milk marketing. We are indebted to him for his many years of excellent service. He was a special friend and colleague to us and will be greatly missed. Our thoughts and prayers go out to his wife Wendy and his family.

Paul A. Huber is designated to serve as Acting Market Administrator, Mideast Milk Marketing Order, effective immediately.

The above release was sent to all interested parties from Dana H. Coale, Deputy Administrator, Dairy Programs

Vilsack Names Members to National Fluid Milk Board

Agriculture Secretary Tom Vilsack announced the appointment of two members to the National Fluid Milk Processor Promotion Board.

Newly appointed are Christopher S. Ross, Beverly, Mass. (Region 2) and Michael A. Bell, San Antonio, Texas (Region 8). They will serve terms beginning immediately and expiring June 30, 2011. Both will be seated at the board meeting January 15 - 17, 2010.

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 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.

USDA'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.

October Milk Production Down 1.1 Percent

Milk production in the 23 major States during October totaled 14.3 billion pounds, down 1.1 percent from October 2008. September revised production at 14.0 billion pounds, was down 0.5 percent from September 2008. The September revision represented an increase of 16 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,721 pounds for October, 21 pounds above October 2008. The number of milk cows on farms in the 23 major States was 8.32 million head, 196,000 head less than October 2008, and 22,000 head less than September 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during October totaled 2.2 billion pounds, up 34 million pounds or 1.5 percent from October 2008.

Production per cow in the Mideast states averaged 1,678 pounds for October, 40 pounds above October 2008. The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head less than October 2008.

November 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	575,772,484	44.0
Class II	258,003,258	19.7
Class III	403,821,498	30.9
Class IV	70,557,557	5.4
Total	1,308,154,797	100.0

Producer Prices

Producer Price Differential	$ 0.03 /cwt
Butterfat Price	1.4656 / lb
Protein Price	2.6991 / lb
Other Solids Price	0.1524 / lb
Somatic Cell Adjustment Rate	0.00076 / cwt
Statistical Uniform Price	14.11 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

November 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			565,306,142			$ 10.70 / cwt	$ 60,487,757.21
Class I Butterfat		10,466,342				1.2952 / lb	13,556,006.13
Class I Location Differential	575,772,484						(281,620.07)
Class II SNF Value				22,242,673		0.9311 / lb	20,710,152.81
Class II Butterfat		15,438,713				1.4726 / lb	22,735,048.76
Class III Protein Value			12,648,310			2.6991 / lb	34,139,053.50
Class III Other Solids Value					22,987,268	0.1524 / lb	3,503,259.65
Class III Butterfat		15,374,164				1.4656 / lb	22,532,374.76
Class IV SNF Value				5,746,209		0.9348 / lb	5,371,556.15
Class IV Butterfat		7,889,875				1.4656 / lb	11,563,400.79
Somatic Cell Value II / III / IV							775,010.10
TOTAL PRODUCER MILK VALUE	1,308,154,797	49,169,094	40,981,346		74,499,707		$195,091,999.79
Overages					$ 22,361.61		
Beginning Inventory and Other Source Charges					$ 96,895.57		
TOTAL ADJUSTMENTS							$ 119,257.18
TOTAL HANDLER OBLIGATIONS							$ 195,211,256.97
Total Protein Value			40,981,346 lbs	@	$2.6991		$(110,612,751.02)
Total Other Solids Value			74,499,707 lbs	@	0.1524		(11,353,755.34)
Butterfat Value			49,169,094 lbs	@	1.4656		(72,062,224.16)
Total Somatic Cell Values							(1,356,828.20)
TOTALS							$ (174,301.75)
Net Producer Location Adjustments							$ 571,385.61
1/2 Unobligated Balance Producer Settlement Fund							630,000.00
Total - Divided by Total Pounds			1,308,154,797 lbs		0.0785139		$ 1,027,083.86
Rate of Cash Reserve					(0.0485139)		(634,636.91)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,308,154,797		$ 0.03 /cwt		$ 392,446.95

COMPONENT PRICES

	November 2009	November 2008
Butterfat Price	$1.4656 / lb	$1.7730 / lb
Protein Price	2.6991 / lb	3.1301 / lb
Other Solids Price	0.1524 / lb	(0.0099) / lb
Somatic Cell Adjustment Rate	0.00076 / cwt	0.00088 / cwt
Nonfat Solids Price	0.9348 / lb	0.6953 / lb

COMPUTATION OF UNIFORM PRICE

	November 2009	November 2008
Class III Price - 3.5% BF	$ 14.08	$15.51
Producer Price Differential*	0.03	0.81
Statistical Uniform Price	$14.11	$16.32

CLASS PRICES

	November 2009	November 2008
Class I*	$14.86	$19.33
Class II	13.24	14.45
Class III	14.08	15.51
Class IV	13.25	12.25

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	November 2009 *Product lbs.*	November 2008 *Product lbs.*
Class I	575,772,484	551,264,969
Class II	258,003,258	220,145,408
Class III	403,821,498	412,661,070
Class IV	70,557,557	115,936,379
Total	1,308,154,797	1,300,007,826

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for November 2009 was $.03 and the Statistical Uniform Price was $14.11 for the month. The Statistical Uniform Price is $0.97 higher than last month, and is $2.21 lower than November 2008.

The Producer Butterfat Price of $1.4656 per pound increased 19.04 cents from October and is down 30.74 cents from a year ago. The Protein Price of $2.6991 is up $0.1407 from last month and is down $0.4310 from November 2008. The Other Solids Price in November was $0.1524 per pound, an increase from last month's price of $0.1228 and an increase of 16.23 cents from last November. The Somatic Cell Adjustment rate for November was $0.00076.

November producer receipts of 1.31 billion pounds were 2.1 percent lower than October and 0.6 percent higher than November 2008 production of 1.30 billion pounds. Producer milk allocated to Class I accounted for 44.0 percent of the total producer milk in November 2009, less than the 46.2 percent in October and more than the 42.4 percent in November 2008. A total of 7,178 producers were pooled on the Mideast Order compared to 7,271 producers pooled in November 2008.

The market average content of producer milk was as follows: Butterfat 3.76 %; Protein 3.13 %; Other Solids 5.70 % and Nonfat Solids 8.83 %.

Release Dates for 2010 Federal Milk Order Price Data

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2010. The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDST no later than the 23rd of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23rd. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDST no later than the 5th of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5th. As noted below, the release time and release dates may differ from this schedule due to the timing of some holidays. Due to the Federal holiday on December 31, 2010, the release date and time for the December Class and Component Prices is Thursday, December 30, 2010, at 2:00 p.m. EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices 1/	Release Date	Time Period of NASS Prices 1/
January	Dec. 18, 2009	12/5, 12	Feb 5, 2010	1/2, 9, 16, 23, 30
February	Jan. 22, 2010	1/9, 16	Mar. 5	2/6, 13, 20, 27
March	Feb. 19	2/6, 13	Apr. 2	3/6, 13, 20, 27
April	Mar. 19	3/6, 13	Apr. 30	4/3, 10, 17, 24
May	Apr. 23	4/10, 17	Jun. 4	5/1, 8, 15, 22, 29
June	May 21	5/8, 15	Jul. 2	6/5, 12, 19, 26
July	Jun. 18	6/2, 12	Jul. 30	7/3, 10, 17, 24
August	Jul. 23	7/10, 17	Sep. 3	7/31, 8/7, 14, 21, 28
September	Aug. 20	8/7, 14	Oct. 1	9/4, 11, 18, 25
October	Sept. 17	9/4, 11	Nov. 5	10/2, 9, 16, 23, 30
November	Oct. 22	10/9, 16	Dec. 3	11/6, 13, 20, 27
December	Nov. 19	11/6, 13	Dec. 30	12/4, 11, 18, 25

1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by NASS on Friday of the following week.

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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

State	October 2009 Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	October 2008 Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,830	569,213	3.70	3.12	5.72	191	511,615	3.69	3.09	5.70	223
Ohio	2,216	328,503	3.82	3.16	5.67	238	267,571	3.82	3.14	5.66	261
Indiana	1,128	140,599	3.83	3.17	5.70	248	130,275	3.81	3.12	5.66	275
New York	396	134,862	3.72	3.12	5.69	212	132,645	3.75	3.09	5.69	252
Pennsylvania	1,111	101,466	3.87	3.17	5.65	306	104,056	3.88	3.16	5.64	325
Wisconsin	281	48,106	3.69	3.07	5.78	236	29,748	3.76	3.07	5.77	241
West Virginia	60	4,229	4.04	3.32	5.62	316	4,975	3.96	3.28	5.63	350
Illinois	23	2,009	3.95	3.21	5.62	328	1,746	3.72	3.11	5.66	342
Other	111	7,217	3.77	3.18	5.70	239	4,544	3.86	3.17	5.66	290
Total/Average *	7,156	1,336,205	3.76	3.14	5.70	222	1,187,176	3.76	3.11	5.68	251

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

November 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,818,027	841,647	46.3	$0.94	$15.02
FO 5	Appalachian - *(Charlotte)*	485,745	345,942	71.2	[2]	15.89
FO 6	Florida - *(Tampa)*	248,555	211,104	84.9	[2]	17.80
FO 7	Southeast - *(Atlanta)*	561,219	394,695	70.3	[2]	16.28
FO 30	Upper Midwest - *(Chicago)*	2,421,761	363,890	15.0	0.04	14.12
FO 32	Central - *(Kansas City)*	949,237	353,680	37.3	(0.22)	13.86
FO 33	**Mideast - *(Cleveland)***	**1,308,155**	**575,772**	**44.0**	**0.03**	**14.11**
FO 124	Pacific Northwest - *(Seattle)*	631,765	188,242	29.8	(0.16)	13.92
FO 126	Southwest - *(Dallas)*	496,115	357,837	72.1	0.95	15.03
FO 131	Arizona - *(Phoenix)*	318,774	122,987	38.6	[2]	14.38

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR DECEMBER 2009 ....$13.24 /cwt.

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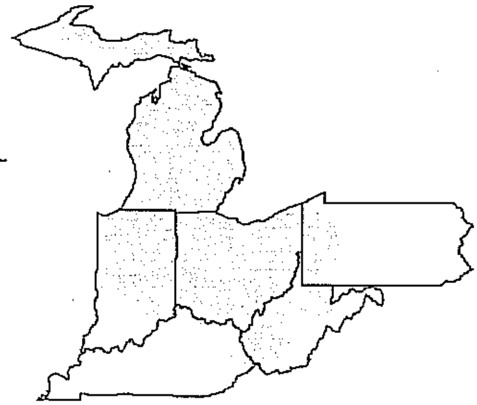
Mideast Market Administrator's Bulletin



Federal Order No. 33

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January 2010

2009 Market Summary

Producer milk receipts pooled totaled 16.6 billion pounds on the Mideast Order during 2009, an increase of 888.6 million pounds, or 5.7 percent from 2008. During 2009, there were over 184 million pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.28 billion pounds in February to a high of 1.49 billion pounds in May.

The number of producers pooled on the Mideast Order in 2009 averaged 7,206 per month, down 3.6 percent from a year earlier. Producer milk averaged 3.69 percent butterfat in 2009, ranging from a high of 3.83 percent in January to a low of 3.55 percent in July. The protein test averaged 3.06 percent for 2009. Protein tests ranged from a low of 2.96 percent in June and July, to a high of 3.14 percent in October and December. Other solids tests for producer milk averaged 5.70 percent for the year.

For the year, 41.2 percent of producer milk was utilized as Class I; 19.4 percent in Class II; 32.5 percent in Class III; and 6.9 percent in Class IV. The Class I utilization percentage had a low of 36.9 percent in June and a high of 46.3 percent in October. Class I milk totaled 6.8 billion pounds during 2009, up 3.8 percent from 2008. Class II milk totaled 3.2 billion pounds in 2009, an increase of 8.4 percent from 2008. Class III pooled pounds were 5.4 billion pounds in 2009, an increase of 12.8 % from 2008. Class IV milk totaled 1.1 billion pounds in 2009, a decrease of 16.5 percent from 2008.

The Class I price averaged $13.48 per cwt for the year, a decrease of $6.52 per cwt from 2008. The Class I price had a high of $17.74 per cwt in January 2009 and a low of $11.43 per cwt in March. The Class II price averaged $11.26 per cwt, a decrease of $4.98 per cwt from the prior year. It ranged from a low of $10.25 per cwt in January to a high of $14.25 per cwt in December. The Class III price averaged $11.36 per cwt, a decrease of $6.08 per cwt from 2008. The Class III price ranged from a low of $9.31 per cwt in February, to a high of $14.98 per cwt in December. The Class IV price averaged $10.89 per cwt for the year, a decrease of $3.76 per cwt from a year ago. It was lowest in February at $9.45 per cwt and was highest in December at $15.01 per cwt.

The Statistical Uniform Price averaged $12.11 per cwt for 2009 compared to $17.86 per cwt in 2008. The Producer Butterfat Price averaged $1.2571 per pound in 2009. This was a decrease of $0.3097 from 2008. The butterfat price was lowest in February at $1.0941 per pound and was highest in December at $1.5433 per pound. The Protein Price averaged $2.2087 per pound in 2009. This was a decrease of $1.6811 from the previous year. The protein price was lowest in July at $1.6970 per pound and was highest in December at $2.8751 per pound. Other Solids Price averaged $ 0.0612 per pound, $0.0057 higher than the 2008 average. The Producer Price Differential (PPD) averaged $0.75 per cwt in 2009 with a high of $2.44 per cwt in January and a low of $(0.04) per cwt in September.

November Milk Production Down 1.0 Percent

Milk production in the 23 major States during November totaled 14.0 billion pounds, down 1.0 percent from November 2008. October revised production at 14.3 billion pounds, was down 1.2 percent from October 2008. The October revision represented a decrease of 12 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,679 pounds for November, 25 pounds above November 2008.

The number of milk cows on farms in the 23 major States was 8.31 million head, 209,000 head less than November 2008, and 6,000 head less than October 2009.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.2 billion pounds, up 44 million pounds or 2.1 percent from November 2008.

Production per cow in the Mideast states averaged 1,623 pounds for November, 40 pounds above November 2008.

The number of cows on farms in the Mideast states was 1.3 million head, 9,000 head less than November 2008.

December 2009 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	606,113,008	43.6
Class II	242,246,018	17.4
Class III	441,255,536	31.7
Class IV	101,005,310	7.3
Total	1,390,619,872	100.0

Producer Prices

Producer Price Differential	$ 0.14	/cwt
Butterfat Price	1.5433	/ lb
Protein Price	2.8751	/ lb
Other Solids Price	0.1727	/ lb
Somatic Cell Adjustment Rate	0.00080	/ cwt
Statistical Uniform Price	15.12	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

December 2009

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			594,864,897			$ 11.31 / cwt	$ 67,279,219.89
Class I Butterfat		11,248,111				1.4510 / lb	16,321,009.08
Class I Location Differential	606,113,008						(278,862.55)
Class II SNF Value				20,952,897		1.0156 / lb	21,279,762.23
Class II Butterfat		14,459,587				1.5503 / lb	22,416,697.72
Class III Protein Value			13,883,359			2.8751 / lb	39,916,045.47
Class III Other Solids Value					25,228,929	0.1727 / lb	4,357,036.03
Class III Butterfat		16,138,789				1.5433 / lb	24,906,993.06
Class IV SNF Value				8,303,509		1.1068 / lb	9,190,323.78
Class IV Butterfat		10,673,220				1.5433 / lb	16,471,980.44
Somatic Cell Value II / III / IV							887,658.44
TOTAL PRODUCER MILK VALUE	1,390,619,872	52,519,707	43,651,641		79,436,999		$222,747,863.59

Overages			$ 137,940.46	
Beginning Inventory and Other Source Charges			$ 187,939.60	
TOTAL ADJUSTMENTS				$ 325,880.06
TOTAL HANDLER OBLIGATIONS				$ 223,073,743.65
Total Protein Value	43,651,641 lbs	@	$2.8751	$(125,502,833.03)
Total Other Solids Value	79,436,999 lbs	@	0.1727	(13,718,769.74)
Butterfat Value	52,519,707 lbs	@	1.5433	(81,053,663.78)
Total Somatic Cell Values				(1,551,445.78)
TOTALS				$ 1,247,031.32
Net Producer Location Adjustments				$ 636,875.68
1/2 Unobligated Balance Producer Settlement Fund				651,000.00
Total - Divided by Total Pounds	1,390,619,872 lbs		0.1822861	$ 2,534,907.00
Rate of Cash Reserve			(0.0422861)	(588,038.91)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,390,619,872		$ 0.14 /cwt	$ 1,946,868.09

COMPONENT PRICES

	December 2009	December 2008
Butterfat Price	$1.5433 / lb	$1.2998 / lb
Protein Price	2.8751 / lb	3.6390 / lb
Other Solids Price	0.1727 / lb	(0.0269) / lb
Somatic Cell Adjustment Rate	0.00080 / cwt	0.00088 / cwt
Nonfat Solids Price	1.1068 / lb	0.6680 / lb

COMPUTATION OF UNIFORM PRICE

	December 2009	December 2008
Class III Price - 3.5% BF	$ 14.98	$15.28
Producer Price Differential*	0.14	(0.86)
Statistical Uniform Price	$15.12	$14.42

CLASS PRICES

	December 2009	December 2008
Class I*	$15.99	$17.43
Class II	14.25	11.21
Class III	14.98	15.28
Class IV	15.01	10.35

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	December 2009 Product lbs.	December 2008 Product lbs.
Class I	606,113,008	586,566,010
Class II	242,246,018	223,885,752
Class III	441,255,536	316,194,816
Class IV	101,005,310	98,709,684
Total	1,390,619,872	1,225,356,262

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for December 2009 was $0.14 and the Statistical Uniform Price was $15.12 for the month. The Statistical Uniform Price is $1.01 higher than last month, and is $0.70 higher than December 2008.

The Producer Butterfat Price of $1.5433 per pound increased 7.77 cents from November and is up 24.35 cents from a year ago. The Protein Price of $2.8751 is up 17.6 cents from last month and is down 76.39 cents from December 2008. The Other Solids Price in December was $0.1727 per pound, an increase from last month's price of $0.1524 and an increase of 19.96 cents from last December. The Somatic Cell Adjustment rate for December was $0.00080.

December producer receipts of 1.39 billion pounds were 6.3 percent higher than November and 13.5 percent higher than December 2008 production of 1.23 billion pounds. Producer milk allocated to Class I accounted for 43.6 percent of the total producer milk in December 2009, less than the 44.0 percent in November and less than the 47.9 percent in December 2008. A total of 7,154 producers were pooled on the Mideast Order compared to 7,325 producers pooled in December 2008.

The market average content of producer milk was as follows: Butterfat 3.78%; Protein 3.14%; Other Solids 5.71% and Nonfat Solids 8.85%.

Secretary Vilsack Announces Members of the Dairy Industry Advisory Committee

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 January 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.

Agriculture Secretary Vilsack Announces Cheese Purchase of $60 Million to Assist Struggling Dairy Producers, Aid Nation's Food Banks

Agriculture Secretary Tom Vilsack announced that approximately $60 million in cheese and cheese products will be purchased by the Commodity Credit Corporation (CCC) for use in domestic feeding programs through USDA's Food and Nutrition Service. USDA is expediting this cheese purchase to help provide much-needed support for low-income families struggling to put nutritious food on their tables, and to deliver timely assistance to dairy farmers who have been challenged by high feed costs and low dairy prices.

Along with providing market benefits for U.S. dairy producers, commodity purchases such as the $60 million announced today provide much-needed food aid - in the form of high-protein cheese - to food banks across our nation. The purchase continues USDA's long history of delivering nutritional assistance through domestic and international feeding programs, including 15 domestic nutrition programs that touch the lives of one in every five people in America each day.

The 2010 Agricultural Appropriations Act authorized $60 million for the purchase of cheese and cheese products. This cheese purchase marks the second of two steps announced this week by USDA to utilize a total of $350 million authorized under the Act. Yesterday, Vilsack announced the Dairy Economic Loss Assistance Payment Program, which provides $290 million for one-time payments to eligible dairy producers.

"USDA is committed to helping dairy producers weather current challenges in the market, and this cheese purchase serves as one more example in a long line of USDA efforts this year to provide support," said Jim Miller, Under Secretary for Farm and Foreign Agriculture Services.

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	November 2009						November 2008				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,841	568,217	3.70	3.11	5.71	184	539,696	3.75	3.14	6.07	233
Ohio	2,200	312,509	3.82	3.17	5.68	229	315,490	3.90	3.18	5.67	243
Indiana	1,126	134,723	3.83	3.15	5.68	239	132,650	3.89	3.16	5.67	253
New York	388	132,181	3.71	3.12	5.69	207	128,317	3.78	3.12	5.68	225
Pennsylvania	1,120	98,333	3.87	3.18	5.66	296	101,592	3.95	3.19	5.65	304
Wisconsin	281	51,406	3.67	3.05	5.74	239	62,048	3.82	3.10	5.77	233
West Virginia	60	4,051	4.06	3.31	5.63	295	5,201	4.08	3.33	5.65	329
Illinois	23	1,901	3.93	3.21	5.61	317	7,719	3.76	3.10	5.75	241
Other	110	5,049	3.90	3.17	5.69	270	7,492	3.82	3.16	5.72	251
Total/Average *	7,149	1,308,370	3.76	3.13	5.69	214	1,300,207	3.83	3.15	5.84	243

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

December 2009

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,912,139	904,160	47.3	$1.13	$16.11
FO 5	Appalachian - *(Charlotte)*	504,544	363,064	72.0	[2]	16.99
FO 6	Florida - *(Tampa)*	254,431	222,997	87.7	[2]	18.99
FO 7	Southeast - *(Atlanta)*	615,755	413,012	67.1	[2]	17.23
FO 30	Upper Midwest - *(Chicago)*	2,698,644	391,440	14.5	0.08	15.06
FO 32	Central - *(Kansas City)*	971,272	381,493	39.3	(0.02)	14.96
FO 33	**Mideast - *(Cleveland)***	**1,390,620**	**606,113**	**43.6**	**0.14**	**15.12**
FO 124	Pacific Northwest - *(Seattle)*	618,634	200,657	32.4	0.07	15.05
FO 126	Southwest - *(Dallas)*	900,856	370,466	41.1	1.02	16.00
FO 131	Arizona - *(Phoenix)*	345,769	123,368	35.7	[2]	15.50

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2010 ....$14.25 /cwt.

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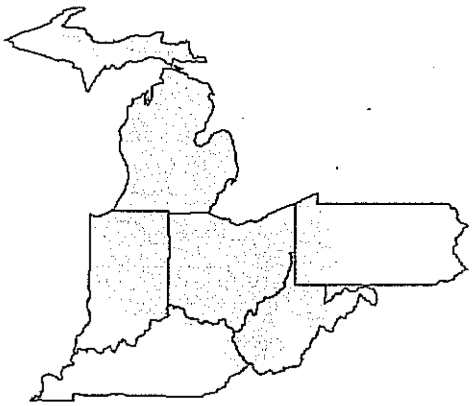
Mideast Market Administrator's Bulletin



Federal Order No. 33

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February 2010

The Dairy Outlook

USDA projects 2009/10 corn and soybean meal prices at $3.40 to $3.85 a bushel and $265 to $315 per ton, respectively. The moderation in forecast feed prices compared with the last 2 years helps boost the milk/feed price ratio and the profit outlook for U.S. dairy producers in the near future. The U.S. dairy herd continues a moderate contraction that is likely to continue throughout 2010. Herd size is forecast to average just below 9 million head this year, down from 9.2 million in 2009. Lower expected feed prices should help boost production per cow that is expected to increase by a relatively robust 1.9 percent this year. The milk-feed price ratio is not expected to reach 2.5, a range that typically signals a steady state in dairy cow numbers, until the end of 2010. While the worst of the economic contraction is over, many producers are not in a financial position to consider herd expansion at this time. After a year of culling, the lower average age of the dairy herd should also help boost output per cow, since it is younger, more productive cows that will remain. USDA projects 2010 milk production at 188.4 billion pounds, which would represent a further decline from the 2009 lower production.

Cheese prices are expected to strengthen throughout 2010 as economic recovery proceeds and milk supplies tighten. Cheese prices are expected to average $1.570 to $1.650 per pound in 2010, a rise from the $1.2966 per pound average posted for 2009. USDA's December *Cold Storage* report for November 30, 2009 placed total cheese stocks at the end of November at 961,376 million pounds, 117 percent of year-earlier levels. Butter prices, like cheese prices, are expected to rise through 2010 and are forecast to average $1.390 to $1.500 per pound, well above the $1.2096 average price for 2009. Butter stocks were 142,175 million pounds, 119 percent of November 2008's level. Lower expected milk production in 2010 should reduce both cheese and butter production this year compared with last year, helping to support prices and drawing down stocks.

Exports on a skims basis are forecast to rise to 25.5 million pounds and reach 4.8 billion pounds on a fats basis. Exports of nonfat dry milk (NDM) and skim milk powder (SMP) are expected to rise in 2010 to 660 million pounds, a recovery from 2009, but still below 2008. Cheese and cheese product exports are expected to rise in 2010 to about 245 million pounds, and butter and butter fat exports are expected to climb to 71 million pounds. Continued improvement in exports will be a significant factor in the price outlook, especially for skim milk powders. In addition, domestic use on both a fat and skim-solids basis is expected to rise just over 1 percent in 2010. Higher demand, both foreign and domestic, along with reduced production should tighten milk equivalent stock on both a fat and skim basis by year's end. Year-end stocks are expected to fall to 8.85 billion pounds from 11.1 billion pounds milk equivalent on a fat basis. On a skim basis, ending stocks are projected to tighten to 9.5 billion pounds from 11.0 billion at the end of 2009.

The strengthening in dairy product prices translates into higher prices for milk in all classes in 2010 compared with 2009. The Class IV price is forecast at $14.75 to $15.60, substantially above 2009's average of $10.89. The Class III price is expected to rise to $14.75 to $15.55, up from 2009's $11.36 average. The all milk price is forecast to average $16.20 to $17.00, up from $12.79 in 2009.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-187, January 20, 2010, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

December Milk Production Down 0.8 Percent

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 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.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during December totaled 2.2 billion pounds, up 32 million pounds or 1.4 percent from December 2008.

Production per cow in the Mideast states averaged 1,681 pounds for December, 34 pounds above December 2008. The number of cows on farms in the Mideast states was 1.3 million head, 12,000 head less than December 2008.

January 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	585,181,985	41.3
Class II	253,129,698	17.9
Class III	469,350,114	33.2
Class IV	108,137,702	7.6
Total	1,415,799,499	100.0

Producer Prices

Producer Price Differential	$ 0.80	/cwt
Butterfat Price	1.4405	/ lb
Protein Price	2.7916	/ lb
Other Solids Price	0.1946	/ lb
Somatic Cell Adjustment Rate	0.00077	/ cwt
Statistical Uniform Price	15.30	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33

January 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			574,918,855			$ 11.82 / cwt	$ 67,955,408.64
Class I Butterfat		10,263,130				1.6074 / lb	16,496,955.17
Class I Location Differential	585,181,985						(277,289.92)
Class II SNF Value				21,944,752		1.1689 / lb	25,651,220.62
Class II Butterfat		13,567,193				1.4475 / lb	19,638,511.93
Class III Protein Value			14,623,385			2.7916 / lb	40,822,641.58
Class III Other Solids Value					26,762,425	0.1946 / lb	5,207,967.89
Class III Butterfat		17,988,634				1.4405 / lb	25,912,627.29
Class IV SNF Value				8,850,225		1.0148 / lb	8,981,208.35
Class IV Butterfat		11,511,398				1.4405 / lb	16,582,168.83
Somatic Cell Value II / III / IV							854,604.19
TOTAL PRODUCER MILK VALUE	1,415,799,499	53,330,355	44,127,080		80,720,607		$227,826,024.57

Overages			$ 10,591.17	
Beginning Inventory and Other Source Charges			$ 6,573.06	
TOTAL ADJUSTMENTS				$ 17,164.23
TOTAL HANDLER OBLIGATIONS				$ 227,843,188.80
Total Protein Value	44,127,080 lbs	@	$2.7916	$(123,185,156.50)
Total Other Solids Value	80,720,607 lbs	@	0.1946	(15,708,230.13)
Butterfat Value	53,330,355 lbs	@	1.4405	(76,822,376.38)
Total Somatic Cell Values				(1,436,844.29)
TOTALS				$ 10,690,581.50
Net Producer Location Adjustments				$ 713,285.39
1/2 Unobligated Balance Producer Settlement Fund				621,000.00
Total - Divided by Total Pounds	1,415,799,499 lbs		0.8493340	$ 12,024,866.89
Rate of Cash Reserve			(0.0493340)	(698,470.52)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,415,799,499		**$ 0.80 /cwt**	$ 11,326,396.37

COMPONENT PRICES

	January 2010	January 2009
Butterfat Price	$1.4405 / lb	$1.1084 / lb
Protein Price	2.7916 / lb	2.3638 / lb
Other Solids Price	0.1946 / lb	(0.0304) / lb
Somatic Cell Adjustment Rate	0.00077 / cwt	0.00065 / cwt
Nonfat Solids Price	1.0148 / lb	0.6574 / lb

COMPUTATION OF UNIFORM PRICE

	January 2010	January 2009
Class III Price - 3.5% BF	$ 14.50	$10.78
Producer Price Differential*	0.80	2.44
Statistical Uniform Price	$15.30	$13.22

CLASS PRICES

	January 2010	January 2009
Class I*	$17.03	$17.74
Class II	15.22	10.41
Class III	14.50	10.78
Class IV	13.85	9.59

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	January 2010 *Product lbs.*	January 2009 *Product lbs.*
Class I	585,181,985	591,435,516
Class II	253,129,698	246,511,171
Class III	469,350,114	442,499,680
Class IV	108,137,702	111,617,041
Total	1,415,799,499	1,392,063,408

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2010 was $.80 and the Statistical Uniform Price was $15.30 for the month. The Statistical Uniform Price is $0.18 higher than last month, and is $2.08 higher than January 2009.

The Producer Butterfat Price of $1.4405 per pound decreased 10.28 cents from December and is up 33.21 cents from a year ago. The Protein Price of $2.7916 is down $0.0835 from last month and is up $0.4278 from January 2009. The Other Solids Price in January was $0.1946 per pound, an increase from last month's price of $0.1727 and an increase of 22.50 cents from last January. The Somatic Cell Adjustment rate for January was $0.00077.

January producer receipts of 1.42 billion pounds were 1.8 percent higher than December and 1.7 percent higher than January 2009 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 41.3 percent of the total producer milk in January 2010, less than the 43.6 percent in December and less than the 42.5 percent in January 2009. A total of 7,171 producers were pooled on the Mideast Order compared to 7,422 producers pooled in January 2009.

The market average content of producer milk was as follows: Butterfat 3.77%; Protein 3.12%; Other Solids 5.70% and Nonfat Solids 8.82%.

International Overview (Dairy Market News)

Milk production throughout Europe remains seasonally low, although more signs of seasonal increases are once again being reported. Winter weather conditions and varying temperatures are being reported throughout Europe, thus the start to the new milk production season is spotty. Traders and handlers of manufactured dairy products indicate that prices are trending lower. Stocks of dairy products are available for current or near term needs. The majority of available stock is still from last season with minimal volumes of new production yet available.

Current skim milk prices are trending lower but still remain above intervention price levels. March 1 is the start of a new intervention year and full restitution would be received for offerings at that time until maximum levels are attained. As far as clearances to intervention, traders and handlers state that prices are still 10%above intervention levels, thus prices will need to trend lower before this possibility might occur. Many continue to question when current intervention stocks might be released into the market. Many feel that initial releases will come as food aid and then are not sure how or when additional offerings might be released.

At the February 4th Dairy Management Committee meeting, no significant dairy adjustments were reported. Oceania milk production continues to decline seasonally. In New Zealand, rainfall has been reported in areas needing moisture, but milk producers and handlers indicate that additional volumes are needed to re-establish good pasture growth. Milk handlers state that milk production projections for the year continue to be adjusted and the recent most estimate is that output will be basically flat with last year, but many indicate that there are still a number of months left to the current season that could swing production volumes one way or the other. In Australia, milk production continues to trail last year comparables.

The official November figures indicated that output was down 6.8% when compared to last November and December projections are that output will continue on a negative path. Preliminary figures are for a 9% decline from last December with a cumulative, 6 months (July – December) year to date figure to be around 6% lower. Milk producers and handlers state that it will take a number of consecutive positive years to regain a portion of what has been lost over the past 6 – 7 years. Traders and handlers state that manufactured dairy product prices are trending lower. Lower prices are not being influenced by supply/demand, but rather lower prices in other international markets.

Although milk volumes are trailing last season, stocks of manufactured dairy products are in close balance to tight. Suppliers indicate that demand for butterfat remains strong and supplies are tight. At the February 2 global/Dairy Trading event, whole milk powder prices averaged $3,256 per MT ton, down 1.6% from the previous event. Again, only New Zealand sourced whole milk powder was available. During the next trading event on March 2, skim milk powder will be auctioned for the first time.

Organic Dairy Fluid Overview

Some organic dairy processors are "pleased" with results for the first month of 2010. Sales results for the opening of 2010 are considered better than for the opening of 2009. Organic milk sales from a national perspective are described as "strong" related to expectations by some processors. Sales of organic milk and dairy products are believed to be driven not only by absolute price, but also by the price of non-organic milk and dairy products. A smaller gap is more likely to encourage higher organic dairy sales. The overall national gap is perceived by some organic processors as having narrowed, which helped organic dairy sales. Two factors resulted: (1) consumers who have purchased organic milk and dairy products are more comfortable in continuing to do so; and (2) consumers considering their first purchase of organic milk or dairy products are more likely to decide to buy.

Pressure for space in retail coolers has eased following the end of the holiday season. Holiday placements of products such as eggnog and mixes edged-out some space otherwise available the balance of the year. Although most organic milk above single serving size is sold in half gallons and gallons, more placements of organic milk quarts have appeared in recent weeks.

Additional information is available at: www.ams.usda.gov/LSMarketNews.

Staff Paper Released

Staff paper 10-01 entitled *Analysis of Component Tests for Producer Milk Associated with the Mideast Marketing Area 2008* has been released. This staff paper analyzes the component levels of producer milk associated with the Mideast Marketing Area, Federal Order 33, for 2008. Component levels were analyzed by month, state and producer size.

For 2008, the weighted average butterfat test was 3.70 percent; the weighted average protein test was 3.06 percent; the weighted average other solids test was 5.70 percent; the weighted average SCC level was 259; and the weighted average milk component value was $18.09 per hundredweight for 2008. This publication can be found on the Mideast website at: www.fmmaclev.com under *Statistical Information*.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	December 2009							December 2008				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,825	606,534	3.70	3.12	5.73	181		510,557	3.78	3.14	5.70	202
Ohio	2,202	326,767	3.86	3.17	5.70	226		286,255	3.93	3.18	5.67	244
Indiana	1,126	143,797	3.88	3.16	5.71	234		136,589	3.94	3.16	5.67	254
New York	358	138,733	3.72	3.12	5.70	203		131,714	3.79	3.12	5.68	217
Pennsylvania	1,145	104,231	3.90	3.17	5.67	297		104,900	3.97	3.18	5.65	311
Wisconsin	274	53,097	3.68	3.05	5.74	230		39,573	3.83	3.08	5.75	229
West Virginia	60	4,144	4.10	3.30	5.66	291		5,459	4.18	3.30	5.66	347
Illinois	23	1,891	3.93	3.25	5.64	310		2,430	3.91	3.23	5.67	300
Other	109	11,567	3.80	3.16	5.68	216		8,011	3.91	3.13	5.67	236
Total/Average *	7,122	1,390,761	3.78	3.14	5.71	211		1,225,489	3.86	3.15	5.68	230

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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Featured this month are:

- Total Mideast Milk Marketings by County, 2009
- Increases in Mideast Milk Marketings by County, 2009 vs. 2008
- Decreases in Mideast Milk Marketings by County, 2009 vs. 2008

FEDERAL ORDER DATA

January 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,959,689	855,324	43.6	$1.76	$16.26
FO 5	Appalachian - *(Charlotte)*	511,854	357,521	69.9	[2]	$17.31
FO 6	Florida - *(Tampa)*	264,880	226,374	85.5	[2]	19.42
FO 7	Southeast - *(Atlanta)*	596,885	410,072	68.7	[2]	17.60
FO 30	Upper Midwest - *(Chicago)*	2,880,307	373,504	13.0	$0.26	14.76
FO 32	Central - *(Kansas City)*	1,145,566	365,846	31.9	0.38	14.88
FO 33	**Mideast - *(Cleveland)***	**1,415,799**	**585,182**	**41.3**	**0.80**	**15.30**
FO 124	Pacific Northwest - *(Seattle)*	685,451	193,020	28.2	0.38	14.88
FO 126	Southwest - *(Dallas)*	880,982	371,466	42.2	1.60	16.10
FO 131	Arizona - *(Phoenix)*	356,834	119,111	33.4	[2]	15.21

[1] Names in parentheses are principal points of markets.
[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR FEBRUARY 2010 ....$13.85 /cwt.

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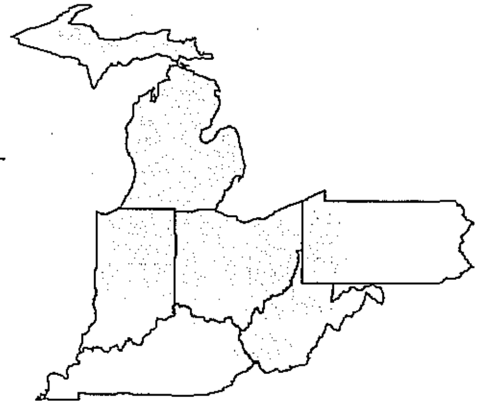
Mideast Market Administrator's Bulletin



Federal Order No. 33

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March 2010

Final Decision on Amendments to All Federal Milk Orders Issued

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 Oct. 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.

For additional information about the decision contact: Paul A. Huber; USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: phuber@fmmaclev.com. A copy of the decision can be found on the website at *www.fmmaclev.com/hearings.htm*.

2009 Milk Production Down 0.4 Percent

Milk production in the United States during 2009 totaled 190.0 billion pounds, down 0.4 percent from 2008. The top five states were California, Wisconsin, New York, Idaho, and Pennsylvania. Wisconsin was the only state above to increase production. They were up 3.1 percent or 767 million pounds of milk. This was the largest gain of production in the United States. The largest drop in production occurred in California where they were down 1.7 billion pounds of milk.

Production per cow in the United States averaged 20,576 pounds for 2009, 181 pounds above 2008 numbers. The top five states per cow were New Mexico, Washington, Colorado, Arizona, and Michigan.

The number of milk cows on farms in the United States in 2009 was 9.2 million head, 114,000 head less than 2008.

The Mideast Marketing Area has four states represented in the totals used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during 2009 totaled 27.1 billion pounds, up 339 million pounds or 1.3 percent from 2008.

Production per cow in the Mideast states averaged 20,172 pounds for 2009, 310 pounds above 2008 totals.

The number of cows on farms in the Mideast states was 1.3 million head, 1,000 head less than 2008.

The Dairy Outlook

The U.S. milk supply is forecast to decline slightly in 2010 as a continued response to low prices last year. The size of the U.S. dairy herd is expected to decline from an average of 9,200 thousand head in 2009 to an average of 9,015 thousand head this year. A higher-than-expected January 1 dairy replacement heifer estimate suggests that the decline in herd size will be more gradual than earlier forecast. Milk per cow is forecast to increase 1.8 percent this year, to 20,950 pounds from 20,576 pounds last year.

Feed prices will decline this year as the price of corn is expected to average $3.45 to $3.95 per bushel in the 2009/10 marketing year and soybean meal is forecast to average $270 to $320 per ton. These forecast prices represent substantial declines from $4.20 per bushel for corn and $336 per ton for soybean meal posted for 2008/09. The decline in feed prices will result in higher milk-feed price ratios in 2010. While the improved producer profit outlook is unlikely to launch an expansion, it could limit the rate of decline this year.

Year-ending stocks in 2009 were about 12 percent higher on a milk equivalent fat basis than at the end of 2008, mostly due to especially high cheese stocks. On a milk equivalent skim-solid basis, stocks were about 3 percent higher at the end of 2009 compared with 2008. The higher stock levels will limit price increases, at least through the first half of 2010, until they are drawn down.

(Continued on Page 3)

February 2010 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	546,619,297	43.4
Class II	193,106,052	15.3
Class III	430,409,573	34.2
Class IV	89,091,251	7.1
Total	1,259,226,173	100.0

Producer Prices

Producer Price Differential	$ 1.10	/cwt
Butterfat Price	1.4404	/ lb
Protein Price	2.7066	/ lb
Other Solids Price	0.1992	/ lb
Somatic Cell Adjustment Rate	0.00076	/ cwt
Statistical Uniform Price	15.38	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

February 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			536,801,750			$ 12.27 / cwt	$ 65,865,574.73
Class I Butterfat		9,817,547				1.4290 / lb	14,029,274.69
Class I Location Differential	546,619,297						(248,686.60)
Class II SNF Value				16,544,115		1.2189 / lb	20,165,621.79
Class II Butterfat		12,119,411				1.4474 / lb	17,541,635.50
Class III Protein Value			13,345,187			2.7066 / lb	36,120,083.12
Class III Other Solids Value					24,601,891	0.1992 / lb	4,900,696.68
Class III Butterfat		15,944,173				1.4404 / lb	22,965,986.80
Class IV SNF Value				7,309,856		0.9043 / lb	6,610,302.79
Class IV Butterfat		9,129,430				1.4404 / lb	13,150,030.96
Somatic Cell Value II / III / IV							730,713.98
TOTAL PRODUCER MILK VALUE	1,259,226,173	47,010,561	39,060,007		71,819,241		$201,831,234.44
Overages					$ 5,146.30		
Beginning Inventory and Other Source Charges					$180,218.69		
TOTAL ADJUSTMENTS							$ 185,364.99
TOTAL HANDLER OBLIGATIONS							$ 202,016,599.43
Total Protein Value			39,060,007 lbs	@	$2.7066		$(105,719,814.93)
Total Other Solids Value			71,819,241 lbs	@	0.1992		(14,306,392.79)
Butterfat Value			47,010,561 lbs	@	1.4404		(67,714,012.10)
Total Somatic Cell Values							(1,258,670.27)
TOTALS							$ 13,017,709.34
Net Producer Location Adjustments							$ 686,357.91
1/2 Unobligated Balance Producer Settlement Fund							726,000.00
Total - Divided by Total Pounds			1,259,226,173 lbs		1.1459472		$ 14,430,067.25
Rate of Cash Reserve					(0.0459472)		(578,579.17)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,259,226,173		$ 1.10 /cwt		$ 13,851,488.08

COMPONENT PRICES

	February 2010	February 2009
Butterfat Price	$1.4404 / lb	$1.0941 / lb
Protein Price	2.7066 / lb	1.9139 / lb
Other Solids Price	0.1992 / lb	(0.0437) / lb
Somatic Cell Adjustment Rate	0.00076 / cwt	0.00058 / cwt
Nonfat Solids Price	0.9043 / lb	0.6472 / lb

COMPUTATION OF UNIFORM PRICE

	February 2010	February 2009
Class III Price - 3.5% BF	$ 14.28	$9.31
Producer Price Differential*	1.10	1.52
Statistical Uniform Price	$15.38	$10.83

CLASS PRICES

	February 2010	February 2009
Class I*	$16.84	$12.72
Class II	15.65	10.25
Class III	14.28	9.31
Class IV	12.90	9.45

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	February 2010 *Product lbs.*	February 2009 *Product lbs.*
Class I	546,619,297	542,128,978
Class II	193,106,052	234,341,518
Class III	430,409,573	420,054,447
Class IV	89,091,251	81,587,205
Total	1,259,226,173	1,278,112,148

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2010 was $1.10 and the Statistical Uniform Price was $15.38 for the month. The Statistical Uniform Price is $0.08 higher than last month, and is $4.55 higher than February 2009.

The Producer Butterfat Price of $1.4404 per pound decreased 0.01 cents from January and is up 34.63 cents from a year ago. The Protein Price of $2.7066 is down 8.5 cents from last month and is up 79.27 cents from February 2009. The Other Solids Price in February was $0.1992 per pound, an increase from last month's price of $0.1946 and an increase of 24.29 cents from last February. The Somatic Cell Adjustment rate for February was $0.00076.

February producer receipts of 1.26 billion pounds were 11.1 percent lower than January and 1.5 percent lower than February 2009 production of 1.28 billion pounds. Producer milk allocated to Class I accounted for 43.4 percent of the total producer milk in February 2010, more than the 41.3 percent in January and more than the 42.4 percent in February 2009. A total of 7,006 producers were pooled on the Mideast Order compared to 7,282 producers pooled in February 2009.

The market average content of producer milk was as follows: Butterfat 3.73%; Protein 3.10%; Other Solids 5.70% and Nonfat Solids 8.80%.

(Continued from Front Page)

USDA forecasts dairy product exports to rise substantially in 2010 compared with 2009's depressed levels. Exports are projected to increase from 4.0 to 4.8 billion pounds on a milk equivalent fat basis and from 22.7 to 25.7 billion pounds on a milk equivalent skim-solid basis. Several factors combine to limit exports below 2008 levels. While Australian production is expected to fall 1 percent because of drought and high feed prices, production in New Zealand and the European Union (EU) is expected to increase slightly. Also of concern is the ultimate disposition of EU intervention stocks, which stood at 168.4 million pounds of butter and 571.7 million pounds of nonfat dry milk (NDM) as of mid-December 2009. The economic recovery, although underway, is likely to be sluggish in the more advanced countries. The recovery is expected to be more vigorous in the developing countries. A stronger trade-weighted dollar, especially with respect to the Euro, could also limit exports. Domestic commercial use, on a skim-solid basis, is forecast to increase to 168.3 billion pounds in 2010 from 166.4 billion in 2009 and to rise to 188.8 billion pounds from 186.2 billion on a fat basis. Commercial use rose in 2009, mostly due to low prices, but the commercial use forecast this year will hinge more on the strength of economic recovery in light of higher expected prices.

Cheese prices are forecast higher in 2010, at $1.575 to $1.645 per pound. Likewise, butter prices will strengthen in 2010 averaging $1.395 to $1.495 per pound. Prices for dry products will also rise this year. NDM prices are forecast to average $1.175 to $1.235 per pound and whey to average 37.5 to 40.5 cents per pound in 2010.

Based on product price forecasts, milk prices will rise in 2010 from those of 2009. The Class IV price is expected to be $13.95 to $14.75 per cwt, and the Class III price is projected to average $14.90 to $15.60 per cwt. The all milk price is expected to be $16.20 to 16.90 per cwt in 2010.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-188, February 24, 2010, Economic Research Service, USDA. For more information, contact Roger Hoskin, (202) 694-5148.

January 2009 Milk Production Down 0.6 Percent

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.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during January totaled 2.3 billion pounds, up 7 million pounds or 0.3 percent from January 2009.

Production per cow in the Mideast states averaged 1,705 pounds for January, 20 pounds above January 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 13,000 head less than January 2009.

Bulletin Webpage Edition
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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	January 2010						January 2009				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,820	598,444	3.69	3.10	5.71	185	580,470	3.76	3.12	5.70	208
Ohio	2,192	334,100	3.86	3.14	5.67	234	332,207	3.91	3.16	5.67	248
Indiana	1,144	146,108	3.87	3.14	5.72	241	146,766	3.90	3.12	5.67	265
New York	352	135,861	3.70	3.09	5.71	211	132,280	3.77	3.11	5.70	219
Pennsylvania	1,171	107,691	3.88	3.15	5.66	306	108,404	3.95	3.17	5.65	311
Wisconsin	226	75,847	3.69	3.07	5.76	237	65,796	3.80	3.07	5.75	247
West Virginia	60	4,089	4.10	3.26	5.65	326	5,434	4.16	3.25	5.67	359
Other	158	14,025	3.76	3.11	5.72	238	20,935	3.75	3.09	5.73	258
Total/Average *	7,123	1,416,164	3.77	3.12	5.70	218	1,392,292	3.83	3.13	5.69	236

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

February 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,814,395	804,529	44.4	$2.02	$16.30
FO 5	Appalachian - *(Charlotte)*	472,040	328,789	69.7	[2]	17.35
FO 6	Florida - *(Tampa)*	234,404	205,695	87.8	[2]	19.65
FO 7	Southeast - *(Atlanta)*	545,481	372,170	68.2	[2]	17.59
FO 30	Upper Midwest - *(Chicago)*	2,641,772	347,015	13.1	0.34	14.62
FO 32	Central - *(Kansas City)*	1,010,368	333,467	33.0	0.51	14.79
FO 33	**Mideast - *(Cleveland)***	**1,259,226**	**546,619**	**43.4**	**1.10**	**15.38**
FO 124	Pacific Northwest - *(Seattle)*	633,138	172,945	27.3	0.35	14.63
FO 126	Southwest - *(Dallas)*	837,572	337,976	40.4	1.71	15.99
FO 131	Arizona - *(Phoenix)*	336,145	110,077	32.8	[2]	14.88

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MARCH 2010..........................$12.90 /cwt.

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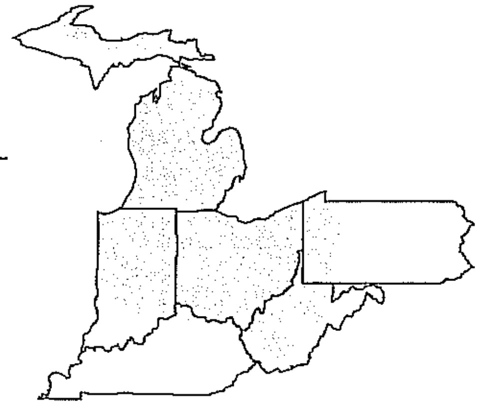
Mideast Market Administrator's Bulletin

Federal Order No. 33



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April 2010

Vilsack Announces National Dairy Board Appointments

Agriculture Secretary Tom Vilsack has announced the appointment of 12 members to the National Dairy Promotion and Research Board. All appointees will serve 3-year terms beginning immediately.

"These appointees represent a cross section of the dairy industry and I am confident that dairy producers will be well served by them," said Vilsack.

Dairy production is vital to the United States agriculture industry. In 2008, according to USDA statistics, 190 billion pounds of milk were produced in the United States. The 36-member board is authorized by the Dairy Production Stabilization Act of 1983. The Secretary selected the appointees from nominations submitted by eligible producer organizations, general farm organizations, and qualified State or regional dairy products promotion, research or nutrition education programs.

The board's goal is to strengthen the position of dairy in the marketplace and to maintain and expand domestic and foreign markets and uses for dairy and dairy products. The mandatory program is funded at the rate of 15 cents per hundredweight of milk produced in the 48 contiguous States and marketed commercially. USDA's Agricultural Marketing Service has oversight of the board.

Newly appointed are: George E. Marsh, Oregon (Region 1); Ray S. Prock, California (Region 2); Arlene J. Vander Eyk, California (Region 2); Brian W. Esplin, Idaho (Region 3); Neil A. Hoff, Texas (Region 4); Paul A. Fritsche, Minnesota (Region 5); Patricia M. Boettcher, Wisconsin (Region 6); Mark E. Erdman, Illinois (Region7); Susan D. K. Troyer, Indiana (Region 9); and Ronald R. McCormick, New York (Region 12).

Reappointed to serve second terms were: Randy G. Roecker, Wisconsin (Region 6); and Rita P. Kennedy, Pennsylvania (Region 11).

February Milk Production Up 0.1 Percent

Milk production in the 23 major States during February totaled 13.6 billion pounds, up 0.1 percent from February 2009. January revised production, at 14.8 billion pounds, was down 0.5 percent from January 2009. The January revision represented an increase of 14 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,640 pounds for February, 35 pounds above February 2009.

The number of milk cows on farms in the 23 major States was 8.32 million head, 168,000 head less than February 2009, but 3,000 head more than January 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during February totaled 2.1 billion pounds, up 37 million pounds or 1.8 percent from February 2009.

Production per cow in the Mideast states averaged 1,584 pounds for February, 39 pounds above February 2009. The number of cows on farms in the Mideast states was 1.3 million head, 12,000 head less than February 2009.

USDA Holds First Meeting of Dairy Industry Advisory Committee

The first meeting of the newly established Dairy Industry Advisory Committee was held April 13-15 at USDA headquarters in Washington, D.C., at the Jamie L. Whitten Building.

The Dairy Industry Advisory Committee was chartered to review farm milk price volatility and dairy farmer profitability. The committee will make recommendations to the secretary on how USDA can best address these issues to meet the dairy industry's needs, both short- and long-term. The committee will also provide feedback on how recent actions taken by USDA have affected the dairy industry.

More information about the committee is at: www.fsa.usda.gov/diac.

March 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	591,780,390	40.1
Class II	283,379,708	19.2
Class III	505,118,736	34.3
Class IV	94,544,570	6.4
Total	1,474,823,404	100.0

Producer Prices

Producer Price Differential	$ 1.74	/cwt
Butterfat Price	1.5347	/ lb
Protein Price	2.1311	/ lb
Other Solids Price	0.1823	/ lb
Somatic Cell Adjustment Rate	0.00068	/ cwt
Statistical Uniform Price	14.52	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

March 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			581,325,634			$ 11.60 / cwt	$ 67,433,773.56
Class I Butterfat		10,454,756				1.4715 / lb	15,384,173.47
Class I Location Differential	591,780,390						(273,529.51)
Class II SNF Value				24,293,865		1.0433 / lb	25,345,789.37
Class II Butterfat		16,139,596				1.5417 / lb	24,882,415.11
Class III Protein Value			15,432,660			2.1311 / lb	32,888,541.74
Class III Other Solids Value					28,866,426	0.1823 / lb	5,262,349.45
Class III Butterfat		18,875,323				1.5347 / lb	28,967,958.19
Class IV SNF Value				7,800,619		0.8688 / lb	6,777,177.81
Class IV Butterfat		8,746,719				1.5347 / lb	13,423,589.66
Somatic Cell Value II / III / IV							802,696.87
TOTAL PRODUCER MILK VALUE	1,474,823,404	54,216,394	45,099,802		84,145,380		$220,894,935.72

Overages, Beginning Inventory and Other Source Charges			$82,780.47	
TOTAL ADJUSTMENTS				$ 82,780.47
TOTAL HANDLER OBLIGATIONS				$220,977,716.19
Total Protein Value	45,099,802 lbs	@	$2.1311	$(96,112,188.08)
Total Other Solids Value	84,145,380 lbs	@	0.1823	(15,339,702.76)
Butterfat Value	54,216,394 lbs	@	1.5347	(83,205,899.89)
Total Somatic Cell Values				(1,317,617.79)
TOTALS				$ 25,002,307.67
Net Producer Location Adjustments				$ 762,968.39
1/2 Unobligated Balance Producer Settlement Fund				631,000.00
Total - Divided by Total Pounds	1,474,823,404 lbs		1.7897923	$ 26,396,276.06
Rate of Cash Reserve			(0.0497923)	(734,348.49)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,474,823,404		$ 1.74 /cwt	$ 25,661,927.57

COMPONENT PRICES

	March 2010	March 2009
Butterfat Price	$1.5347 / lb	$1.1594 / lb
Protein Price	2.1311 / lb	2.1973 / lb
Other Solids Price	0.1823 / lb	(0.0339) / lb
Somatic Cell Adjustment Rate	0.00068 / cwt	0.00063 / cwt
Nonfat Solids Price	0.8688 / lb	0.6423 / lb

COMPUTATION OF UNIFORM PRICE

	March 2010	March 2009
Class III Price - 3.5% BF	$ 12.78	$10.44
Producer Price Differential*	1.74	0.29
Statistical Uniform Price	$14.52	$10.73

CLASS PRICES

	March 2010	March 2009
Class I*	$16.34	$11.43
Class II	14.46	10.36
Class III	12.78	10.44
Class IV	12.92	9.64

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	March 2010 *Product lbs.*	March 2009 *Product lbs.*
Class I	591,780,390	574,053,721
Class II	283,379,708	264,980,578
Class III	505,118,736	451,078,082
Class IV	94,544,570	116,728,766
Total	1,474,823,404	1,406,841,147

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for March 2010 was $1.74 and the Statistical Uniform Price was $14.52 for the month. The Statistical Uniform Price is $0.86 lower than last month, and is $3.79 higher than March 2009.

The Producer Butterfat Price of $1.5347 per pound increased 9.43 cents from February and is up 37.53 cents from a year ago. The Protein Price of $2.1311is down 57.55 cents from last month and is down 6.62 cents from March 2009. The Other Solids Price in March was $0.1823 per pound, a decrease from last month's price of $0.1992 and an increase of 21.62 cents from last March. The Somatic Cell Adjustment rate for March was $0.00068.

March producer receipts of 1.47 billion pounds were 17.1 percent higher than February and 4.8 percent higher than March 2009 production of 1.41 billion pounds. Producer milk allocated to Class I accounted for 40.1 percent of the total producer milk in March 2010, less than the 43.4 percent in February and less than the 40.8 percent in March 2009. A total of 7,027 producers were pooled on the Mideast Order compared to 7,248 producers pooled in March 2009.

The market average content of producer milk was as follows: Butterfat 3.68%; Protein 3.06%; Other Solids 5.71% and Nonfat Solids 8.77%.

Despite a Smaller Dairy Herd in 2010, Milk Production Will Inch Ahead; Further Dramatic Price Increases Are Unlikely

The drawdown in the size of the U.S. dairy herd, which began last year, is forecast to continue in 2010. The contraction is expected to be larger in the first half, with the year-over-year reduction reaching 1.7 percent following a 1.2 percent contraction in 2009. The milk-feed price ratio is expected to recover smartly in 2010 compared with the 1.72 ratio calculated for 2009. The improved milk-feed ratio will likely support a continuing rise in output per cow in 2010. Producers will continue to push for additional output per animal before expanding herd size. While larger operations seem to be adding cows, some of that increase may be a freshening of herds, which would also contribute to increasing output per animal. On balance, the rise in output per cow to a projected 20,950 pounds—balanced against a reduction in the national herd size to an estimated 9,045 thousand cows for the year—will result in 189.5 million pounds of milk, about 150,000 pounds more milk in 2010 compared with 2009.

Ending stocks on both a fats and skim-solid basis ended 2009 above the previous year, but stocks are forecast to end 2010 lower than at the beginning of the year. The drawdown comes from an expected increase in commercial use and a modest recovery in exports expected this year. Most of the drawdown in stocks is likely to occur in the second half of 2010.

Commercial use is projected to reach 188.7 billion pounds in 2010 on a fats basis, up 1.43 percent. Moderating prices for cheese and economic recovery are the basis for stronger domestic commercial use on a fats basis. The higher commercial domestic use should draw down currently high cheese stocks over the course of the year and firm cheese prices by year's end. Commercial use on a skim-solid basis is expected to reach 168.0 billion pounds, up 0.7 percent from last year. Higher exports of powder, especially later in 2010, are expected to draw powder from the domestic market, limiting commercial domestic use on a skim-solid basis.

Commercial milk equivalent exports are forecast at 4,730 billion pounds and 25,450 billion pounds on a fats and skim-solid basis, respectively. Most of the improvement comes with increased exports of butter, milk fat, and nonfat dry milk (NDM). While exports have been modest in the first quarter, movement is likely to improve in later quarters due to economic recovery in importing countries and tighter supplies from potential competitors.

The overall demand outlook is one of recovery. Forecast growth in commercial use of dairy products overall is expected to be moderate in 2010. While milk supplies have tightened since 2009, there is still sufficient milk to meet expected demand, both foreign and domestic. Cheese prices could continue to strengthen in the second half of the year and are expected to average $1.500 to $1.560 per pound. Butter prices could also rise over the course of the year as demand improves. Butter prices are expected to average $1.415 to $1.505 per pound in 2010.

NDM prices should climb in the second half of 2010 as exports increase. NDM Prices are forecast to average $1.135 to $1.185 a pound in 2010. In 2010, Whey prices are expected to rebound; prices will likely average 38.0 to 41.0 cents a pound this year.

Since milk production appears ample for meeting expected demand, prices are expected to be higher than 2009, but are unlikely to rise to 2007 or 2008 levels. The Class IV price is forecast at $13.65 to $14.35 per cwt, substantially above 2009's average of $10.89 per cwt. The Class III price is expected to average $14.20 to $14.80 per cwt, compared with 2009's $11.36 per cwt average. The all milk price is forecast to average $15.55 to $16.15 per cwt, up from $12.81 in 2009.

Livestock, Dairy, & Poultry Outlook/LDP-M-189/March 19, 2010 Economic Research Service, USDA

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	February 2010						February 2009				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,821	541,307	3.66	3.09	5.71	188	529,035	3.71	3.08	5.70	211
Ohio	2,164	275,242	3.83	3.14	5.68	237	309,960	3.86	3.12	5.66	250
Indiana	1,125	133,530	3.80	3.11	5.70	237	138,106	3.83	3.08	5.67	261
New York	349	122,918	3.71	3.07	5.72	214	122,057	3.74	3.08	5.70	217
Pennsylvania	1,069	95,802	3.86	3.14	5.66	311	97,131	3.91	3.13	5.65	317
Wisconsin	270	72,109	3.66	3.02	5.80	244	58,588	3.76	3.02	5.76	249
West Virginia	60	3,724	4.05	3.23	5.65	326	4,721	4.13	3.23	5.64	370
Other	168	15,000	3.69	3.09	5.72	232	18,898	3.71	3.06	5.73	251
Total/Average *	7,026	1,259,632	3.73	3.10	5.70	220	1,278,497	3.78	3.09	5.69	237

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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We've Changed Our Homepage

In an effort to make the most up-to-date information more accessible we have upgraded our Homepage to include direct links for the most recent Federal Order 33 Prices, Statistical Information, and Dairy Market News.

FEDERAL ORDER DATA

March 2010

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,080,698	885,561	42.6	$2.76	$15.54
FO 5	Appalachian - *(Charlotte)*	533,438	360,037	67.5	[2]	16.75
FO 6	Florida - *(Tampa)*	262,342	228,393	87.1	[2]	19.13
FO 7	Southeast - *(Atlanta)*	641,090	410,387	64.0	[2]	16.80
FO 30	Upper Midwest - *(Chicago)*	2,945,979	384,317	13.0	0.54	13.32
FO 32	Central - *(Kansas City)*	1,145,131	366,347	32.0	1.25	14.03
FO 33	**Mideast - *(Cleveland)***	**1,474,823**	**591,780**	**40.1**	**1.74**	**14.52**
FO 124	Pacific Northwest - *(Seattle)*	706,444	192,697	27.3	1.08	13.86
FO 126	Southwest - *(Dallas)*	940,881	368,015	39.1	2.28	15.06
FO 131	Arizona - *(Phoenix)*	380,751	123,510	32.4	[2]	14.29

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR APRIL 2010..............................$12.78 /cwt.

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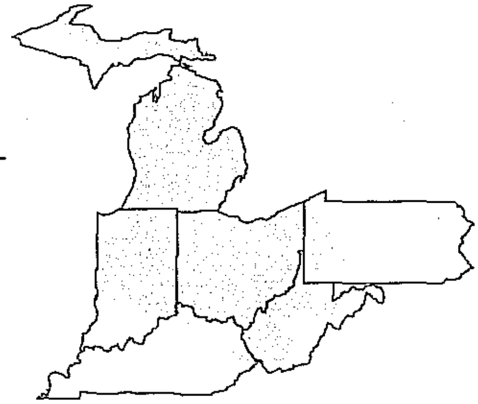
Mideast Market Administrator's Bulletin



Federal Order No. 33

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May 2010

USDA Issues Final Rule on Amendments to All Federal Milk Orders

The U.S. Department of Agriculture issued a final rule amending the producer-handler definition in all Federal milk marketing orders. Producers in all Federal milk marketing orders approved the amendments in referenda held in March 2010.

This rule amends the producer-handler definition 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 were considered in a recommended decision published Oct. 21, 2009, and adopted by a final decision published March 4, 2010. The final rule appeared in the April 23, 2010 *Federal Register*. The amendments will be effective June 1, 2010.

For additional information about the decision contact: Paul A. Huber; USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: phuber@fmmaclev.com. A copy of the decision can be found on the website at *www.fmmaclev.com/hearings.htm*.

March Milk Production Up 0.9 Percent

Milk production in the 23 major States during March totaled 15.4 billion pounds, up 0.9 percent from March 2009. February production, revised at 13.7 billion pounds, was up 0.3 percent from February 2009.The February revision represented an increase of 17 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,846 pounds for March, 51 pounds above March 2009.

The number of milk cows on farms in the 23 major States was 8.32 million head, 162,000 head less than March 2009, but 1,000 head more than February 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during March totaled 2.4 billion pounds, up 55 million pounds or 2.4 percent from March 2009.

Production per cow in the Mideast states averaged 1,788 pounds for March, 57 pounds above March 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 16,000 head less than March 2009.

The Dairy Outlook

The Nation's dairy herd continues to contract on a year-over-year basis. However, milk per cow continues to rise incrementally. The April Milk Production report indicated that milk per cow was 51 pounds (lbs) higher in March compared with a year ago. Moderating feed prices for 2009/10 and the prospect of continued moderate feed prices into the next crop year have provided an incentive to increase output. However, lower milk prices have kept the milk-feed profitability ratio below 2.5. A milk-feed price ratio above 2.5 is considered necessary to begin any expansion. Although the U.S. dairy herd continues to decline, the rate of decline appears to be moderating. The March Livestock Slaughter report showed 223,000 dairy cows slaughtered under Federal inspection in February, the second lowest total since last May. Meanwhile, producers added 3,000 cows in both January and February. For 2010, the U.S. dairy herd is expected to average 9,065,000 cows, a 1.5 percent decline from 2009, but somewhat higher than recent USDA estimates. Output per cow is projected at 20,950 lbs resulting in a forecast 189.9 billion lbs of milk in 2010.

Although stock estimates were slightly higher than forecast last month, ending stocks for 2010 on both a fats and skim-solids basis are still expected be below 2009. Ending stocks on a fats basis are projected to end 2010 at 10.4 billion lbs; stocks on a skim basis are forecast to end the year at 10.8 billion lbs. Most of the drawdown in stocks is likely to occur in the second half of 2010.

(Continued on Page 3)

April 2010 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	539,146,115	37.1
Class II	270,430,233	18.6
Class III	513,569,476	35.3
Class IV	130,256,023	9.0
Total	1,453,401,847	100.0

Producer Prices

Producer Price Differential	$ 1.11	/cwt
Butterfat Price	1.5813	/ lb
Protein Price	2.1449	/ lb
Other Solids Price	0.1702	/ lb
Somatic Cell Adjustment Rate	0.00069	/ cwt
Statistical Uniform Price	14.03	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

April 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			529,588,114			$ 10.19 / cwt	$ 53,965,028.85
Class I Butterfat		9,558,001				1.5379 / lb	14,699,249.73
Class I Location Differential	539,146,115						(251,703.40)
Class II SNF Value				23,053,395		0.9467 / lb	21,824,649.02
Class II Butterfat		16,014,268				1.5883 / lb	25,435,461.87
Class III Protein Value			15,527,823			2.1449 / lb	33,305,627.56
Class III Other Solids Value					29,399,182	0.1702 / lb	5,003,740.75
Class III Butterfat		18,820,118				1.5813 / lb	29,760,252.59
Class IV SNF Value				11,051,431		0.9435 / lb	10,427,025.16
Class IV Butterfat		8,141,715				1.5813 / lb	12,874,493.90
Somatic Cell Value II / III / IV							866,929.26
TOTAL PRODUCER MILK VALUE	1,453,401,847	52,534,102	43,941,589		83,084,328		$207,910,755.29

Overages, Beginning Inventory and Other Source Charges			$26,675.07	
Beginning Inventory and Other Source Charges			$85,982.65	
TOTAL ADJUSTMENTS				$ 112,657.72
TOTAL HANDLER OBLIGATIONS				$208,023,413.01
Total Protein Value	43,941,589 lbs	@	$2.1449	$(94,250,314.22)
Total Other Solids Value	83,084,328 lbs	@	0.1702	(14,140,952.65)
Butterfat Value	52,534,102 lbs	@	1.5813	(83,072,175.50)
Total Somatic Cell Values				(1,338,956.21)
TOTALS				$ 15,221,014.43
Net Producer Location Adjustments				$ 857,087.47
1/2 Unobligated Balance Producer Settlement Fund				683,000.00
Total - Divided by Total Pounds	1,453,401,847 lbs		1.1532325	$ 16,761,101.90
Rate of Cash Reserve			(0.0432325)	(628,341.95)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,453,401,847		$ 1.11 /cwt	$ 16,132,759.95

COMPONENT PRICES

April	2010	2009
Butterfat Price	$1.5813 / lb	$1.2049 / lb
Protein Price	2.1449 / lb	2.2009 / lb
Other Solids Price	0.1702 / lb	(0.0043) / lb
Somatic Cell Adjustment Rate	0.00069 / cwt	0.00064 / cwt
Nonfat Solids Price	0.9435 / lb	0.6452 / lb

COMPUTATION OF UNIFORM PRICE

April	2010	2009
Class III Price - 3.5% BF	$ 12.92	$10.78
Producer Price Differential*	1.11	0.50
Statistical Uniform Price	$14.03	$11.28

CLASS PRICES

April	2010	2009
Class I*	$15.22	$12.36
Class II	13.78	10.49
Class III	12.92	10.78
Class IV	13.73	9.82

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

April	2010 Product lbs.	2009 Product lbs.
Class I	539,146,115	559,712,778
Class II	270,430,233	277,275,953
Class III	513,569,476	468,633,628
Class IV	130,256,023	109,102,093
Total	1,453,401,847	1,414,724,452

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for April 2010 was $1.11 and the Statistical Uniform Price was $14.03 for the month. The Statistical Uniform Price is $0.49 lower than last month, and is $2.75 higher than April 2009.

The Producer Butterfat Price of $1.5813 per pound increased 4.66 cents from March and is up 37.64 cents from a year ago. The Protein Price of $2.1449 is up 1.38 cents from last month and is down 5.6 cents from April 2009. The Other Solids Price in April was $0.1702 per pound, a decrease from last month's price of $0.1823 and an increase of 17.45 cents from last April. The Somatic Cell Adjustment rate for April was $0.00069.

April producer receipts of 1.45 billion pounds were 1.4 percent lower than March and 2.7 percent higher than April 2009 production of 1.41 billion pounds. Producer milk allocated to Class I accounted for 37.1 percent of the total producer milk in April 2010, less than the 40.1 percent in March and less than the 39.6 percent in April 2009. A total of 7,221producers were pooled on the Mideast Order compared to 7,231 producers pooled in April 2009.

The market average content of producer milk was as follows: Butterfat 3.61%; Protein 3.02%; Other Solids 5.72% and Nonfat Solids 8.74%.

(Continued from Front Page)

Commercial use is projected to reach 188.4 billion lbs in 2010 on a fats basis, up 1.3 percent. Moderating prices for cheese and economic recovery are the basis for stronger domestic commercial use on a fats basis. The higher commercial domestic use should drawdown currently high cheese stocks over the course of the year and firm cheese prices by year's end. Commercial use on a skim-solids basis is expected to reach 167.6 billion lbs, up 0.5 percent from last year. Higher exports of powder, especially later in 2010, are expected to draw powder from the domestic market, strengthening prices for nonfat dry milk in the second half of 2010.

Commercial milk equivalent exports are forecast at 4.75 billion pounds and 25.4 billion pounds on a fats and skim-solid basis, respectively. Most of the expected increases are based on higher expected exports of butter, milk fat, and nonfat dry milk (NDM). While exports have been modest in the first quarter, movement is likely to improve in later quarters due to economic recovery in importing countries and tighter supplies from potential competitors.

Higher forecast milk production and relatively high cheese stocks suggest a scaleback in prices. Cheese prices could strengthen in the second half, if recovery continues and stocks are drawn down. Cheese prices are expected to average $1.490 to $1.540 per lb this year. Butter sales have been at least reasonable, and production will likely tighten seasonally as cream supplies move to production of ice cream. Butter prices are forecast to rise over the course of the year as demand improves despite second-half increases in milk production. Butter prices are expected to average $1.420 to $1.500 per lb in 2010.

NDM prices should climb in the second half of 2010 as exports increase. NDM prices are forecast to average $1.110 to $1.150 a lb in 2010. Whey prices have already rebounded from last year and are expected to remain near present levels for the balance of 2010. Prices will likely average 37.5 to 40.5 cents a lb this year.

As milk production increases encounter expected increases in demand, prices are likely to be higher than 2009 but not rise to 2007 or 2008 levels. The Class IV price is forecast at $13.40 to $14.00 per cwt in 2010. The Class III price is expected to average $14.10 to $14.60 per cwt, and the all milk price is forecast to average $15.45 to $15.95 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-190, April 21, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin, (202) 694-5148.

Mailbox Milk Prices Decline in 2009

For 2009, mailbox prices for selected reporting areas in Federal milk orders averaged $12.82 per cwt., $5.58 lower than the all-area average reported for 2008. The component tests of producer milk in 2009 averaged: butterfat, 3.67%; protein, 3.06%; and, other solids, 5.71%. On an individual reporting area basis, mailbox prices decreased in all Federal milk order reporting areas, and ranged from $11.13 in New Mexico to $15.79 in Florida. The Mideast Area states of Ohio, Indiana, and Michigan averaged $12.99 per cwt in 2009. This is down $5.59 from the 2008 average of $18.58 per cwt. Ohio averaged $13.39 per cwt in 2009. This was down $5.44 from 2008. Indiana averaged $12.94 per cwt and was down $5.82 from the previous year. Michigan averaged $12.63 per cwt and declined $5.51 for the year.

Bulletin Webpage Edition
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Featured this month are:

- Thematic Maps Displaying Weighted Average Component Tests by State & County, 2009
- Weighted Average Component Tests by State, 2009

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

State	March 2010 Number of Producers	March 2010 Pounds of Milk (000)	March 2010 Butterfat	March 2010 Protein	March 2010 Other Solids	March 2010 SCC (000)	March 2009 Pounds of Milk (000)	March 2009 Butterfat	March 2009 Protein	March 2009 Other Solids	March 2009 SCC (000)
Michigan	1,844	625,052	3.59	3.04	5.71	185	597,538	3.68	3.05	5.70	207
Ohio	2,238	350,036	3.75	3.08	5.68	243	342,066	3.79	3.09	5.66	241
Indiana	1,133	147,631	3.75	3.07	5.70	247	147,058	3.79	3.04	5.67	255
New York	347	138,730	3.68	3.06	5.72	206	136,733	3.70	3.06	5.71	213
Pennsylvania	1,069	109,311	3.82	3.10	5.67	312	109,866	3.87	3.10	5.65	307
Wisconsin	234	83,532	3.64	2.98	5.81	238	49,335	3.70	3.00	5.76	247
West Virginia	62	4,318	3.95	3.18	5.66	336	5,491	4.03	3.19	5.66	349
Other	145	16,314	3.62	3.02	5.73	242	18,941	3.70	3.06	5.71	242
Total/Average *	7,072	1,474,924	3.68	3.06	5.70	220	1,407,028	3.74	3.06	5.69	231

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

April 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,084,693	870,463	41.8	$2.19	$15.11
FO 5	Appalachian - *(Charlotte)*	529,136	342,526	64.7	[2]	15.86
FO 6	Florida - *(Tampa)*	242,031	214,798	88.7	[2]	18.20
FO 7	Southeast - *(Atlanta)*	640,938	398,534	62.2	[2]	16.03
FO 30	Upper Midwest - *(Chicago)*	2,874,439	367,331	12.8	0.36	13.28
FO 32	Central - *(Kansas City)*	1,047,614	356,192	34.0	0.88	13.80
FO 33	**Mideast - *(Cleveland)***	**1,453,402**	**539,146**	**37.1**	**1.11**	**14.03**
FO 124	Pacific Northwest - *(Seattle)*	658,803	191,171	29.0	0.87	13.79
FO 126	Southwest - *(Dallas)*	945,411	361,894	38.3	1.84	14.76
FO 131	Arizona - *(Phoenix)*	374,714	123,457	33.0	[2]	14.14

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2010................................$12.92 /cwt.

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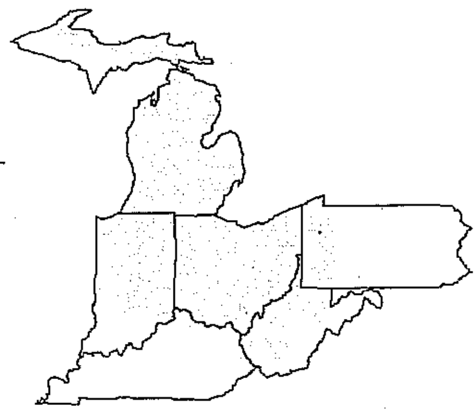
Mideast Market Administrator's Bulletin



Federal Order No. 33

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June 2010

April Milk Production Up 1.7 Percent

Milk production in the 23 major States during April totaled 15.2 billion pounds, up 1.7 percent from April 2009. March revised production, at 15.4 billion pounds, was up 0.9 percent from March 2009. The March revision represented an increase of 9 million pounds or 0.1 percent from last months preliminary production estimate.

Production per cow in the 23 major States averaged 1,823 pounds for April, 63 pounds above April 2009.

The number of milk cows on farms in the 23 major States was 8.33 million head, 155,000 head less than April 2009, but 3,000 head more than March 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during April totaled 2.4 billion pounds, up 76 million pounds or 3.3 percent from April 2009.

Production per cow in the Mideast states averaged 1,770 pounds for April, 69 pounds above April 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 14,000 head less than April 2009.

April 2010 Dairy Products Highlights

The April 2010 total cheese output (excluding cottage cheese) was 863 million pounds, 1.8 percent above April 2009 but 3.2 percent below March 2010. The top producing states were Wisconsin, California, Idaho, New Mexico, and New York. These five states produced 68.0 percent of total U.S. cheese production. The Mideast states of Pennsylvania and Ohio were ranked 7th and 10th respectively for the month.

Butter production was 139 million pounds, 2.5 percent below April 2009 and slightly below March 2010. California led the nation in production at 48.3 million pounds or 34.9 percent of butter produced in April.

Nonfat Dry Milk production was 152 million pounds, 7.7 percent above April 2009 and 11.0 percent above March 2010. California led the nation in production at 84.4 million pounds or 55.5 percent of NFDM produced in April.

Production of dry whey for human consumption was 85.6 million pounds, 7.7 percent above April 2009 and 1.6 percent less than March 2010. Wisconsin and New York led the nation in production at 25.9 million pounds and 11.7 million pounds or a combined 43.9 percent of such whey produced in April.

Ice Cream (regular hard) production was down 526 million gallons or 0.7 percent less than April 2009 and 1.8 percent less than March 2010. The leading states were California, Indiana, Texas, Pennsylvania, and Massachusetts. They combined for 39.3 percent of total U.S. production in April.

Ohio was ranked 8th with 2.1 million gallons of ice cream for the month.

The Dairy Outlook

The outlook is for producer returns to be higher for the balance of this year and into 2011. The improvement is expected to be gradual. The milk-feed price ratio has rebounded from 2009 lows and is likely to continue to improve modestly into 2011. Corn prices are forecast to average \$3.50 to \$3.70 a bushel for the current 2009/10 crop year, and initial forecasts call for further moderating prices in 2010/11, with prices expected to average \$3.20 to \$3.80 a bushel. Similarly, for soybean meal the price outlook is for continued moderation. The soybean meal price is expected to average \$295 a ton for 2009/10 and is forecast to average \$230 to \$270 a ton in 2010/11. Alfalfa supplies should be adequate.

(Continued on Page 3)

May 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	525,555,650	37.2
Class II	187,783,538	13.3
Class III	553,840,281	39.3
Class IV	144,056,145	10.2
Total	1,411,235,614	100.0

Producer Prices

Producer Price Differential	$ 1.38 /cwt
Butterfat Price	1.7058 / lb
Protein Price	2.1523 / lb
Other Solids Price	0.1704 / lb
Somatic Cell Adjustment Rate	0.00071 / cwt
Statistical Uniform Price	14.76 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			516,245,611			$ 10.53 / cwt	$ 54,360,662.84
Class I Butterfat		9,310,039				1.6120 / lb	15,007,782.87
Class I Location Differential	525,555,650						(249,819.65)
Class II SNF Value				15,704,281		1.0256 / lb	16,106,310.55
Class II Butterfat		14,035,966				1.7128 / lb	24,040,802.55
Class III Protein Value			16,629,086			2.1523 / lb	35,790,781.78
Class III Other Solids Value					31,808,981	0.1704 / lb	5,420,250.36
Class III Butterfat		19,018,832				1.7058 / lb	32,442,323.63
Class IV SNF Value				12,277,768		1.0734 / lb	13,178,956.17
Class IV Butterfat		8,102,931				1.7058 / lb	13,821,979.73
Somatic Cell Value II / III / IV							882,577.47
TOTAL PRODUCER MILK VALUE	1,411,235,614	50,467,768	42,260,455		80,831,342		$210,802,608.30
Overages, Beginning Inventory and Other Source Charges					$62,548.44		
TOTAL ADJUSTMENTS							$ 62,548.44
TOTAL HANDLER OBLIGATIONS							$210,865,156.74
Total Protein Value			42,260,455 lbs	@	$2.1523		$(90,957,177.29)
Total Other Solids Value			80,831,342 lbs	@	0.1704		(13,773,660.68)
Butterfat Value			50,467,768 lbs	@	1.7058		(86,087,918.66)
Total Somatic Cell Values							(1,366,045.09)
TOTALS							$ 18,680,355.02
Net Producer Location Adjustments							$ 802,304.56
1/2 Unobligated Balance Producer Settlement Fund							618,000.00
Total - Divided by Total Pounds			1,411,235,614 lbs		1.4243305		$ 20,100,659.58
Rate of Cash Reserve					(0.0443305)		(625,607.80)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,411,235,614		$ 1.38 /cwt		$ 19,475,051.78

COMPONENT PRICES

	May 2010	May 2009
Butterfat Price	$1.7058 / lb	$1.2648 / lb
Protein Price	2.1523 / lb	1.7454 / lb
Other Solids Price	0.1704 / lb	0.0336 / lb
Somatic Cell Adjustment Rate	0.00071 / cwt	0.00058 / cwt
Nonfat Solids Price	1.0734 / lb	0.6574 / lb

COMPUTATION OF UNIFORM PRICE

	May 2010	May 2009
Class III Price - 3.5% BF	$ 13.38	$ 9.84
Producer Price Differential*	1.38	1.43
Statistical Uniform Price	$14.76	$11.27

CLASS PRICES

	May 2010	May 2009
Class I*	$15.80	$12.97
Class II	14.90	10.71
Class III	13.38	9.84
Class IV	15.29	10.14

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	May 2010 *Product lbs.*	May 2009 *Product lbs.*
Class I	525,555,650	563,644,459
Class II	187,783,538	280,222,223
Class III	553,840,281	525,345,607
Class IV	144,056,145	124,297,669
Total	1,411,235,614	1,493,509,958

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for May 2010 was $1.38 and the Statistical Uniform Price was $14.76 for the month. The Statistical Uniform Price is $0.73 higher than last month, and is $3.49 higher than May 2009.

The Producer Butterfat Price of $1.7058 per pound increased 12.45 cents from April and is up 44.10 cents from a year ago. The Protein Price of $2.1523 is up 0.74 cents from last month and is up 40.69 cents from May 2009. The Other Solids Price in May was $0.1704 per pound, an increase from last month's price of $0.1702 and an increase of 13.68 cents from last May. The Somatic Cell Adjustment rate for May was $0.00071.

May producer receipts of 1.41 billion pounds were 2.9 percent lower than April and 5.5 percent lower than May 2009 production of 1.49 billion pounds. Producer milk allocated to Class I accounted for 37.2 percent of the total producer milk in May 2010, more than the 37.1 percent in April but less than the 37.7 percent in May 2009. A total of 7,151 producers were pooled on the Mideast Order compared to 7,230 producers pooled in May 2009.

The market average content of producer milk was as follows: Butterfat 3.58%; Protein 2.99%; Other Solids 5.73% and Nonfat Solids 8.72%.

(Continued from Front Page)

Although the U.S. dairy herd continues to show a gradual year-over-year contraction, higher output per cow continues to boost production. The 2010 all milk price will average well above 2009, and some improvement is forecast for 2011. Modest improvement in both feed and milk prices, from the producers' perspective, is not likely to ignite an expansion in U.S. dairy herd size. The effects of poor returns to producers in 2008 and 2009 are expected to result in continued reductions in the number of dairy cows, both this year and next. The number of cows is projected to average 9,070 thousand this year and to continue a gradual decline in 2011, to average 9,040 thousand. On balance, the increased milk per cow during the year is expected to offset the decline in herd size, leading to higher milk production. Production is projected to be 190.2 billion pounds this year, less than 1 percent above 2009. However, as the decline in the cow herd slows later this year and into next, milk production is forecast to rise to 193.0 billion pounds in 2011, an increase of about 1.5 percent.

Prospects are for improved demand, both foreign and domestic, for dairy products in 2011. Higher domestic use is expected to support slightly higher imports next year. Meanwhile, global economic recovery is continuing apace, boosting international trade in dairy products. The continued economic recovery is forecast to support higher exports on both a fats and skim -solids basis. U.S dairy products are competitively priced on world markets, and production from Oceania countries fell short of early season forecasts. Also, there is no indication of the EU reinstituting export restitutions. These factors help strengthen the U.S. dairy export outlook. However, skim-solids export forecasts for 2010 have been revised downward as nonfat dry milk (NDM) sales lagged early in the year, but the potential exists for NDM exports to quicken later in the year. Whey exports are higher. The outlook is for skim-solids exports to reach 25.3 billion pounds in 2010 and continue to rise next year to 27.0 billion pounds.

Domestic commercial use is expected to increase this year. A robust 1.2 percent increase is expected in commercial use on a fats basis while growth in use on a skim-solids basis is projected at a slight 0.4 percent rise. Stocks should tighten as use increases. Despite the improved demand outlook, prospects are for only modest price increases in 2011.

Cheese prices are forecast to trend higher both this year and next, averaging $1.480 to $1.530 per pound this year and $1.505 to 1.605 per pound in 2011. Higher prices are also expected for NDM and whey for the balance of 2010 and into 2011. NDM prices are forecast to average between $1.180 and $1.220 per pound in 2010 and to climb to average $1.210 to $1.280 per pound next year. Strong exports of whey products will raise prices to average 36.5 to 39.5 cents per pound this year, and they will rise slightly to average 37.5 to 40.5 cents per pound in 2011. Butter counters the trend; while prices will average higher this year compared with last year, $1.445 to $1.525 per pound, 2011 prices are forecast lower at $1.390 to $1.520 per pound. Butter prices are forecast lower next year because the higher butter prices forecast for the second half of 2010 are not expected to be repeated next year.

Milk prices are much higher in 2010 than in 2009, but the prospect is for only moderate price increases in 2011 as milk production continues to rise. The Class IV price is expected to average $14.15 to $14.75 per cwt this year and only slightly higher next year at $14.15 to $15.25 per cwt. Class III prices are projected to average $13.95 to $14.45 per cwt in 2010 and to climb to $14.25 to $15.25 per cwt next year. The all milk price will average $15.65 to $16.15 per cwt this year and rise to average $15.70 to $16.70 per cwt next year

Note that USDA has revised imports on a milk equivalent basis back to 2003 on a fat basis and on a skim solids basis. The revisions include a number of tariff lines previously not included.

SOURCE: "*Livestock, Dairy, and Poultry Outlook*", LDP-M-191, May 19, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

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Featured this month are:

- Average Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	April 2010						April 2009				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,853	622,122	3.54	3.01	5.72	181	592,406	3.64	3.02	5.70	197
Ohio	2,174	318,295	3.68	3.05	5.70	241	339,357	3.73	3.05	5.68	234
Indiana	1,133	153,437	3.66	3.03	5.71	239	148,769	3.74	3.01	5.68	247
New York	368	138,459	3.64	3.04	5.73	204	133,833	3.68	3.04	5.70	212
Pennsylvania	1,342	119,177	3.74	3.05	5.70	300	107,741	3.81	3.07	5.66	302
Wisconsin	225	82,293	3.60	2.98	5.79	231	68,508	3.69	3.00	5.74	245
West Virginia	62	4,729	3.80	3.16	5.68	322	5,453	3.93	3.18	5.68	316
Other	133	15,372	3.55	2.98	5.73	237	18,880	3.63	3.02	5.73	237
Total/Average *	7,290	1,453,885	3.61	3.02	5.72	216	1,414,947	3.69	3.03	5.69	224

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

May 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,178,215	865,558	39.7	$2.53	$15.91
FO 5	Appalachian - *(Charlotte)*	511,135	331,475	64.9	[2]	16.64
FO 6	Florida - *(Tampa)*	239,882	203,734	84.9	[2]	18.73
FO 7	Southeast - *(Atlanta)*	622,452	372,857	59.9	[2]	16.59
FO 30	Upper Midwest - *(Chicago)*	3,017,503	358,322	11.9	0.39	13.77
FO 32	Central - *(Kansas City)*	1,045,405	330,126	31.6	1.08	14.46
FO 33	**Mideast - *(Cleveland)***	**1,411,236**	**525,556**	**37.2**	**1.38**	**14.76**
FO 124	Pacific Northwest - *(Seattle)*	680,072	185,001	27.2	1.22	14.60
FO 126	Southwest - *(Dallas)*	1,052,551	346,894	33.0	2.07	15.45
FO 131	Arizona - *(Phoenix)*	383,255	115,738	30.2	[2]	15.03

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2010 ....$13.38 /cwt.

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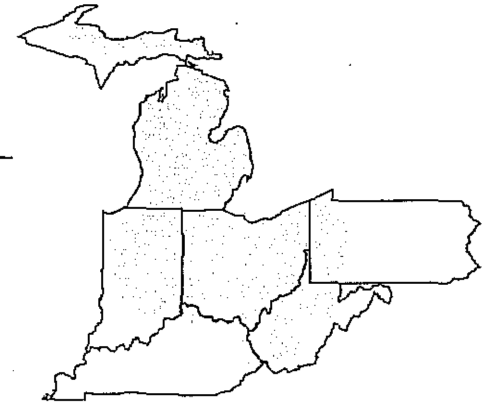

Federal Order No. 33

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July 2010

USDA Amends Fluid Milk Product Definition in All Federal Milk Orders

The U.S. Department of Agriculture issued a final decision to amend the definition of Class I fluid milk products in all Federal milk marketing orders. These amendments were considered in a recommended decision published May 17, 2006.

Under the final decision, a product will meet the compositional standards for fluid milk products if it contains at least 6.5 percent nonfat milk solids or 2.25 percent true milk protein. This decision also amends the fluid milk product definition to provide exemptions for drinkable yogurt products containing at least 20 percent yogurt (by weight), kefir, and products intended to be meal replacements. The decision clarifies how milk and milk-derived ingredients should be priced under all Federal milk marketing orders when used in fluid milk products.

The final decision was published in the June 14th and June 24th *Federal Register.* These amendments are subject to producer approval before they can be implemented.

For additional information about the decision contact: Paul A. Huber; USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: phuber@fmmaclev.com. A copy of the decision can be found on the website at *www.fmmaclev.com/hearings.htm.*

May Milk Production Up 1.3 Percent

Milk production in the 23 major States during May totaled 15.7 billion pounds, up 1.3 percent from May 2009. April revised production, at 15.2 billion pounds, was up 1.8 percent from April 2009. The April revision represented an increase of 14 million pounds or 0.1 percent from last months preliminary production estimate.

Production per cow in the 23 major States averaged 1,889 pounds for May, 55 pounds above May 2009.

The number of milk cows on farms in the 23 major States was 8.33 million head, 143,000 head less than May 2009, but 4,000 head more than April 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during May totaled 2.4 billion pounds, up 50 million pounds or 2.1 percent from May 2009.

Production per cow in the Mideast states averaged 1,833 pounds for May, 53 pounds above May 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 14,000 head less than May 2009.

The Dairy Outlook

Feed prices are expected to remain moderate in both 2010 and 2011. Corn prices are projected to be $3.45 to $3.65 per bushel for the 2009/10 crop year and to rise to average $3.30 to $3.90 per bushel in 2010/11. Likewise, soybean meal prices are expected to average $295 per ton this year and average $230 to $270 per ton in 2010/2011. Prices for feed ingredients have pushed the price of the 2010 benchmark 16-percent protein dairy feed ration 10 percent below 2009.Early forecasts are that the price of the ration will increase only slightly in 2011. Moderate feed costs may slow the rate of decline in the number of cows in the dairy herd. The May *Livestock Slaughter* report showed dairy cow slaughter in April above the corresponding month in 2009. The relatively high slaughter rate, combined with the large number of retained heifers, as indicated in the January *Cattle* report, suggest that the U.S. dairy herd was being freshened. The U.S. herd is expected to average 9,075 thousand cows in 2010 and contract fractionally to average 9,040 in 2011. This represents a small year-over-year contraction compared with the 1.2 percent and 1.4 percent year-over-year declines observed in 2009 and 2010. The Cooperatives Working Together program is offering another herd buyout, with the majority of cows purchased expected to move to market during the summer quarter.

(Continued on Page 3)

June 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	480,149,091	36.3
Class II	209,780,735	15.9
Class III	507,390,303	38.4
Class IV	123,896,799	9.4
Total	1,321,216,928	100.0

Producer Prices

Producer Price Differential	$ 1.98 /cwt
Butterfat Price	1.7234 / lb
Protein Price	2.2040 / lb
Other Solids Price	0.1748 / lb
Somatic Cell Adjustment Rate	0.00072 / cwt
Statistical Uniform Price	15.60 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

June 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			471,327,371			$ 11.61 /cwt	$ 54,721,107.76
Class I Butterfat		8,821,720				1.7355 / lb	15,310,095.07
Class I Location Differential	480,149,091						(244,040.10)
Class II SNF Value				17,416,093		1.1456 / lb	19,951,876.15
Class II Butterfat		15,220,614				1.7304 / lb	26,337,750.43
Class III Protein Value			14,979,672			2.2040 / lb	33,015,197.12
Class III Other Solids Value					29,175,126	0.1748 / lb	5,099,812.03
Class III Butterfat		17,675,939				1.7234 / lb	30,462,713.26
Class IV SNF Value				10,683,718		1.0843 / lb	11,584,355.40
Class IV Butterfat		4,600,216				1.7234 / lb	7,928,012.25
Somatic Cell Value II / III / IV							708,055.38
TOTAL PRODUCER MILK VALUE	1,321,216,928	46,318,489	38,871,160		75,627,647		$204,874,934.75
Overages					$36,304.98		
Beginning Inventory and Other Source Charges					$(21,882.83)		
TOTAL ADJUSTMENTS							$ 14,422.15
TOTAL HANDLER OBLIGATIONS							$204,889,356.90
Total Protein Value			38,871,160 lbs	@	$2.2040		$(85,672,036.63)
Total Other Solids Value			75,627,647 lbs	@	0.1748		(13,219,712.69)
Butterfat Value			46,318,489 lbs	@	1.7234		(79,825,283.95)
Total Somatic Cell Values							(1,072,491.86)
TOTALS							$ 25,099,831.77
Net Producer Location Adjustments							$ 1,059,884.26
1/2 Unobligated Balance Producer Settlement Fund							604,000.00
Total - Divided by Total Pounds			1,321,216,928 lbs		2.0256867		$ 26,763,716.03
Rate of Cash Reserve					(0.0456867)		(603,620.41)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,321,216,928		$ 1.98 /cwt		$ 26,160,095.62

COMPONENT PRICES

	June 2010	June 2009
Butterfat Price	$1.7234 / lb	$1.2544 / lb
Protein Price	2.2040 / lb	1.7283 / lb
Other Solids Price	0.1748 / lb	0.0723 / lb
Somatic Cell Adjustment Rate	0.00072 / cwt	0.00057 / cwt
Nonfat Solids Price	1.0843 / lb	0.6715 / lb

COMPUTATION OF UNIFORM PRICE

	June 2010	June 2009
Class III Price - 3.5% BF	$ 13.62	$ 9.97
Producer Price Differential*	1.98	1.02
Statistical Uniform Price	$15.60	$10.99

CLASS PRICES

	June 2010	June 2009
Class I*	$17.28	$12.08
Class II	16.01	10.79
Class III	13.62	9.97
Class IV	15.45	10.22

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	June 2010 *Product lbs.*	June 2009 *Product lbs.*
Class I	480,149,091	528,269,033
Class II	209,780,735	289,501,396
Class III	507,390,303	511,842,393
Class IV	123,896,799	101,389,213
Total	1,321,216,928	1,431,002,035

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for June 2010 was $1.98 and the Statistical Uniform Price was $15.60 for the month. The Statistical Uniform Price is $0.84 higher than last month, and is $4.61 higher than June 2009.

The Producer Butterfat Price of $1.7234 per pound increased 1.76 cents from May and is up 46.9 cents from a year ago. The Protein Price of $2.2040 is up 5.17 cents from last month and is up 47.57 cents from June 2009. The Other Solids Price in June was $0.1748 per pound, an increase from last month's price of $0.1704 and an increase of 10.25 cents from last June. The Somatic Cell Adjustment rate for June was $0.00072.

June producer receipts of 1.32 billion pounds were 6.4 percent lower than May and 7.7 percent lower than June 2009 production of 1.43 billion pounds. Producer milk allocated to Class I accounted for 36.3 percent of the total producer milk in June 2010, less than the 37.2 percent in May and less than the 36.9 percent in June 2009. A total of 7,028 producers were pooled on the Mideast Order compared to 7,210 producers pooled in June 2009.

The market average content of producer milk was as follows: Butterfat 3.51%; Protein 2.94%; Other Solids 5.72% and Nonfat Solids 8.66%.

(Continued from Front Page)

The herd liquidation appears to be slowing; however, the feed price forecast for both this year and next, along with herd freshening, will combine to boost output per cow. Milk production per cow is expected to increase nearly 2 percent in 2010 over 2009 to about 20,980 pounds per cow. In 2011, production per cow is forecast to rise another 1.8 percent to 21,355 pounds. The expected increase in milk per cow will provide 190.4 billion pounds of milk in 2010 and 193 billion pounds in 2011; both forecasts represent yearly increases in milk production from a slightly smaller herd compared with recent years.

Lower milk production in Oceania has tightened world supplies of major dairy products. The impact on U.S. markets is to lower milk equivalent imports on both a fats and skim-solids basis and support exports. Exports of cheese, butter, and nonfat dry milk (NDM) were all higher in April, and the difference between U.S. and international prices remain favorable for U.S. exports. However, the strong U.S. dollar relative to the Euro and relatively large European Union (EU) intervention stocks of powder could be factors that limit U.S. powder exports. Notably, the EU did not accept any bids for skim milk powder in its most recent intervention tender. Milk equivalent exports are projected to reach just over 5.0 billion pounds this year and 5.1 billion in 2011 on a fats basis. The corresponding export forecasts on a skim-solids basis are about 26 billion pounds and 27.1 billion pounds. All forecasts represent increases from 2009. Milk equivalent imports both this year and next will likely be below 2009. Imports are forecast at 4.8 billion pounds this year and 4.9 billion in 2011 on a fats basis and 4.4 billion pounds and 4.8 billion pounds for 2011 on a skim-solids basis.

Ending commercial stocks on a fats basis are expected to be drawn down both this year and next, reflecting climbing domestic commercial use, which is forecast to rise 1.2 percent in 2010 and by 1.5 percent next year. This suggests a recovery in domestic cheese use. On a skim-solids basis, ending stocks are expected to change very little this year and next, reflecting virtually flat domestic commercial use this year compared with 2009 and about a 1-percent increase in 2011.

While demand, both foreign and domestic, is recovering, continued increases in the milk supply will keep prices from rising appreciably. Cheese prices are forecast to average $1.485 to $1.525 per pound this year and rise slightly to $1.520 to $1.620 per pound next year. Butter prices are projected to average $1.475 to $1.545 per pound both this year and slip to average $1.390 to $1.520 next year. Improving domestic demand for these products has firmed prices, but higher milk supplies will keep a lid on prices. NDM prices are forecast to average $1.200 to $1.240 per pound in 2010 and rise to average $1.235 to $1.305 per pound next year. Tight international supplies and the expectation of stronger exports support the expected higher prices. Whey prices are forecast to average 36.5 to 38.5 cents per pound and rise fractionally to 37.5 to 40.5 cents per pound in 2011.

Class IV milk prices are forecast to average $14.45 to $14.95 per cwt this year and to rise slightly to $14.35 to $15.45 per cwt in 2011. The strength of the Class IV price relative to the Class III price indicates the shift to butter powder relative to cheese, and could help firm cheese prices. The Class III price is projected to average $13.95 to $14.35 per cwt in 2010 and climb to $14.35 to $15.35 per cwt in 2011. The all milk price is expected to average $15.75 to $16.15 per cwt in 2010, with a slight rise to $15.80 to $16.80 in 2011.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-192, June 18, 2010, Economic Research Service, USDA.

Bulletin Webpage Edition
www.fmmaclev.com
Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	May 2010						May 2009				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,852	606,117	3.51	2.97	5.73	182	619,880	3.58	2.98	5.71	197
Ohio	2,138	297,317	3.63	3.02	5.70	236	359,711	3.66	3.02	5.68	239
New York	392	143,155	3.60	3.01	5.73	200	138,829	3.64	3.01	5.72	212
Indiana	1,133	136,852	3.63	3.01	5.75	234	159,246	3.64	2.98	5.69	253
Pennsylvania	1,175	120,602	3.68	3.05	5.70	290	114,640	3.70	3.05	5.67	306
Wisconsin	222	88,224	3.58	2.96	5.80	232	72,689	3.62	2.98	5.76	229
West Virginia	61	5,051	3.73	3.13	5.69	308	5,762	3.78	3.15	5.67	303
Other	140	16,966	3.51	2.95	5.73	224	22,777	3.54	3.00	5.74	231
Total/Average *	7,113	1,414,284	3.58	2.99	5.73	214	1,493,533	3.62	3.00	5.72	225

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

June 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,110,004	814,699	38.6	$3.11	$16.73
FO 5	Appalachian - *(Charlotte)*	503,806	319,519	63.4	[2]	17.68
FO 6	Florida - *(Tampa)*	225,026	188,400	83.7	[2]	19.85
FO 7	Southeast - *(Atlanta)*	565,998	351,651	62.1	[2]	17.64
FO 30	Upper Midwest - *(Chicago)*	2,887,447	331,472	11.5	0.52	14.14
FO 32	Central - *(Kansas City)*	1,092,242	335,879	30.8	1.56	15.18
FO 33	**Mideast - *(Cleveland)***	**1,321,217**	**480,149**	**36.3**	**1.98**	**15.60**
FO 124	Pacific Northwest - *(Seattle)*	658,833	176,821	26.8	1.56	15.18
FO 126	Southwest - *(Dallas)*	995,890	327,469	32.9	2.54	16.16
FO 131	Arizona - *(Phoenix)*	358,591	105,002	29.3	[2]	15.68

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JULY 2010..................................$13.62 /cwt.

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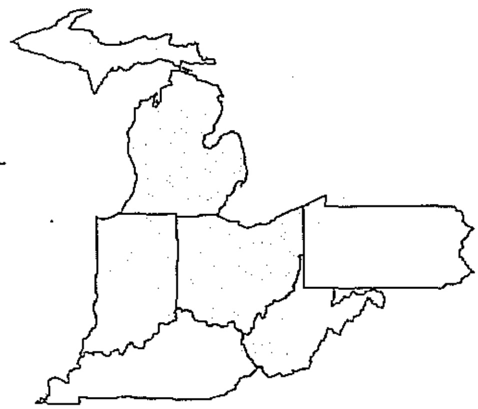
Mideast Market Administrator's Bulletin



Federal Order No. 33

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August 2010

USDA Announces DEIP Allocations for 2010 – 2011

The U.S. Department of Agriculture has announced new one-year allocations under the Dairy Export Incentive Program (DEIP) for the July-June 2010/11 year. DEIP allocations of 68,201 metric tons of nonfat dry milk, 21,097 tons of butterfat and 3,030 tons of various cheeses may be made available through Invitations for Offers. These allocations correspond to total World Trade Organization limits for this year's DEIP.

Because of current international and domestic market conditions, Invitations for Offers will not immediately be made available. USDA will continue to monitor market conditions closely to determine when invitations on these allocations may be issued.

Under the DEIP, export sales of these products would be facilitated through the payment of bonuses by USDA's Commodity Credit Corporation. Sales of nonfat dry milk, butterfat and eligible cheeses will be made through normal commercial channels at competitive world prices. Individual product/country allocations will be specified in the Invitations for Offers.

June Milk Production Up 2.7 Percent

Milk production in the 23 major States during June totaled 15.2 billion pounds, up 2.7 percent from June 2009. May revised production, at 15.8 billion pounds, was up 1.5 percent from May 2009. The May revision represented an increase of 0.3 percent or 40 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,816 pounds for June, 67 pounds above June 2009.

The number of milk cows on farms in the 23 major States was 8.35 million head, 87,000 head less than June 2009, but 10,000 head more than May 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during June totaled 2.4 billion pounds, up 68 million pounds or 3.0percent from June 2009.

Production per cow in the Mideast states averaged 1,764 pounds for June, 65 pounds above June 2009. The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head les than June 2009.

The Dairy Outlook

Dairy Product Demand Strengthens, but More Milk and Stocks Keep a Lid on Prices

Feed prices have been favorable for producers this year compared with last. Although corn and soybean meal prices are expected to average higher for the 2010/11 crop year, the increases are expected to be moderate. Corn prices are forecast to be $3.45 to $4.05 a bushel in the 2010/11 crop year. Likewise, soybean meal prices are likely to rise slightly in 2010/11 to $240-$280 a ton. The milk-feed price ratio has risen since 2009 and will likely average about 2.3 for the current year. Given the outlook for feed and milk prices, the ratio will remain nearly the same in 2011. Although producer returns have improved over 2009, the improvement is not enough to result in higher average cow numbers this year or next. Cow numbers are expected to average 9.1 million head this year and be about the same next year. According to the June Milk Production report, monthly cow numbers have increased fractionally since the first of the year but still trail year-earlier levels. Meanwhile, milk per cow continues to trend upward on a year-over-year basis. The increased output per cow will more than offset reduced herd size this year, resulting in more milk. Production in 2010 is forecast at 191.2 billion pounds. Next year, the forecast decline in cow numbers is expected to slow even further and production per cow is expected to be closer to trend, rising 1.6 percent year-over-year. The result is an estimated 193.5 billion pounds of milk in 2011.

(Continued on Page 3)

July 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	506,431,790	39.7
Class II	170,191,040	13.3
Class III	521,407,404	40.8
Class IV	79,560,055	6.2
Total	1,277,590,289	100.0

Producer Prices

Producer Price Differential	$ 2.38	/cwt
Butterfat Price	1.8964	/ lb
Protein Price	2.0515	/ lb
Other Solids Price	0.1700	/ lb
Somatic Cell Adjustment Rate	0.00073	/ cwt
Statistical Uniform Price	16.12	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			497,259,693			$ 12.12 / cwt	$ 60,267,874.74
Class I Butterfat		9,172,097				1.7039 / lb	15,628,336.05
Class I Location Differential	506,431,790						(251,430.02)
Class II SNF Value				13,948,386		1.2022 / lb	16,768,749.66
Class II Butterfat		13,912,264				1.9034 / lb	26,480,603.30
Class III Protein Value			15,316,408			2.0515 / lb	31,421,611.03
Class III Other Solids Value					29,887,151	0.1700 / lb	5,080,815.67
Class III Butterfat		16,665,281				1.8964 / lb	31,604,038.89
Class IV SNF Value				6,671,254		1.0493 / lb	7,000,146.85
Class IV Butterfat		4,887,501				1.8964 / lb	9,268,656.89
Somatic Cell Value II / III / IV							571,851.13
TOTAL PRODUCER MILK VALUE	1,277,590,289	44,637,143	37,307,903		72,908,096		$203,841,254.19
Overages					$26,702.12		
Beginning Inventory and Other Source Charges					$92,726.30		
TOTAL ADJUSTMENTS							$ 119,428.42
TOTAL HANDLER OBLIGATIONS							$203,960,682.61
Total Protein Value			37,307,903 lbs	@	$2.0515		$(76,537,163.02)
Total Other Solids Value			72,908,096 lbs	@	0.1700		(12,394,376.32)
Butterfat Value			44,637,143 lbs	@	1.8964		(84,649,877.98)
Total Somatic Cell Values							(898,885.41)
TOTALS							$ 29,480,379.88
Net Producer Location Adjustments							$ 906,203.65
1/2 Unobligated Balance Producer Settlement Fund							553,000.00
Total - Divided by Total Pounds			1,277,590,289 lbs		2.4217140		$ 30,939,583.53
Rate of Cash Reserve					(0.0417140)		(532,934.01)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,277,590,289		$ 2.38 /cwt		$ 30,406,649.52

COMPONENT PRICES

	July 2010	July 2009
Butterfat Price	$1.8964 / lb	$1.2438 / lb
Protein Price	2.0515 / lb	1.6970 / lb
Other Solids Price	0.1700 / lb	0.0949 / lb
Somatic Cell Adjustment Rate	0.00073 / cwt	0.00057 / cwt
Nonfat Solids Price	1.0493 / lb	0.6677 / lb

COMPUTATION OF UNIFORM PRICE

	July 2010	July 2009
Class III Price - 3.5% BF	$ 13.74	$ 9.97
Producer Price Differential*	2.38	1.10
Statistical Uniform Price	$16.12	$11.07

CLASS PRICES

	July 2010	July 2009
Class I*	$17.66	$12.26
Class II	17.10	10.87
Class III	13.74	9.97
Class IV	15.75	10.15

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	July 2010 *Product lbs.*	July 2009 *Product lbs.*
Class I	506,431,790	552,723,981
Class II	170,191,040	292,613,145
Class III	521,407,404	518,416,074
Class IV	79,560,055	96,537,424
Total	1,277,590,289	1,460,290,624

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for July 2010 was $2.38 and the Statistical Uniform Price was $16.12 for the month. The Statistical Uniform Price is $0.52 higher than last month, and is $5.05 higher than July2009.

The Producer Butterfat Price of $1.8964 per pound increased 17.3 cents from June and is up 65.26 cents from a year ago. The Protein Price of $2.0515 is down 15.25 cents from last month and is up 35.45 cents from July 2009. The Other Solids Price in July was $0.1700 per pound, a decrease from last month's price of $0.1748 and an increase of 7.51 cents from last July. The Somatic Cell Adjustment rate for July was $0.00073.

July producer receipts of 1.28 billion pounds were 3.3 percent lower than June and 12.5 percent lower than July 2009 production of 1.46 billion pounds. Producer milk allocated to Class I accounted for 39.7 percent of the total producer milk in July 2010, more than the 36.3 percent in June and more than the 37.9 percent in July 2009. A total of 6,681 producers were pooled on the Mideast Order compared to 7,168 producers pooled in July 2009.

The market average content of producer milk was as follows: Butterfat 3.49%; Protein 2.92%; Other Solids 5.71% and Nonfat Solids 8.63%.

(Continued from Front Page)

Economic recovery is continuing apace in Asia and South America and coupled with weaker production in Oceania has tightened global dairy product supplies. However, prices were lower at the most recent *global Dairy Trade* auction. According to *Dairy Market News*, seasonally strong production in Northern Hemisphere countries and optimism for the upcoming season in Australia and New Zealand pushed down prices. The lower auction prices may have anticipated greater global supplies in the coming year. U.S. Milk equivalent exports are projected to reach 5.3 billion pounds in 2010 and 5.1 billion pounds next year on a fats basis. Exports on a skim-solids basis are expected to climb to 26.3 billion pounds this year and rise to 27.3 billion pounds in 2011. The skim-solids export forecasts are in the range of 2008 export totals after last year's falloff. Correspondingly, U.S. imports will be lower this year. Milk equivalent imports are projected at 4.5 billion pounds on a fats basis and 4.6 billion pounds on a skim-solids basis this year. Imports are forecast to rise slightly to 4.7 billion pounds on a fats basis and 4.8 billion pounds on a skim-solids basis in 2011.

The most recent *Cold Storage* report shows butter stocks at the end of May at 16 percent below year-earlier levels and total cheese stocks are 5 percent ahead of a year ago. The relatively higher cheese stocks and relatively low butter stocks compared with last year are contributing to butter prices being higher than cheese prices. The July Dairy Products report shows May end-of-month nonfat dry milk (NDM) stocks at 26 percent below year-earlier levels. Fats-basis domestic commercial use is projected to rise by 1.3 percent in 2010 and by another 1.5 percent in 2011. A rise in domestic commercial use is likely on a skim-solids basis as well, but the increase is expected to be a moderate 0.1 percent in 2010 and 0.9 percent in 2011.

The rise in domestic use and exports will draw down stocks. On a milk-equivalent basis, ending commercial stocks are expected to tighten both this year and next, and on both a fats- and skim-solids basis. The drawdown in stocks on a skim-solids basis is expected to be more pronounced next year than in 2010.

The current situation has Class IV prices above Class III prices, a reflection of the tightness in fat availability. Lower fat tests have boosted butter prices and may have helped firm up cheese prices as well. This situation should correct itself early in 2011. Prices for the major dairy products, except butter, are expected to rise slightly next year. Cheese prices are expected to average $1.465-$1.495 per pound in 2010 and $1.520-$1.620 per pound in 2011. Butter prices are forecast to average $1.530-$1.590 this year and $1.400-$1.530 per pound next year. NDM prices are expected to average $1.195- $1.225 per pound this year and $1.235-$1.305 in 2011. Whey prices are forecast to average 36.5-38.5 cents per pound in 2010 and 37.5-40.5 cents in 2011.

Class IV milk prices are forecast to average $14.65-$15.05 per cwt this year and increase slightly to $14.40-$15.50 per cwt in 2011. The Class III price is projected to average $13.80-$14.10 per cwt in 2010 and climb to $14.40-$15.40 per cwt in 2011. The all-milk price is expected to average $15.80-$16.10 per cwt in 2010, with a rise to $15.90-$16.90 in2011.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-193, July 21, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

Organic Dairy Market News Overview

Organic milk availability is tightening in many parts of the country. This is attributed to strong sales and some production decline, both normal seasonal, as well as to recent extreme heat in the East. Other processors report organic milk sales "way up", setting records "week after week". This has resulted in less organic milk finding its way into nonorganic uses. Organic cream markets have not been considered as tight as with non-organic cream in recent weeks.

SOURCE: Dairy Market News, Volume 77, Report 30

Bulletin Webpage Edition

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Featured this month are:

- Thematic and dot density maps displaying total producer pounds and total producer farms by state and county for June 2010.
- Charts summarizing total producer pounds and producer farms by state for June 2010.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	June 2010							June 2009				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,844	609,986	3.45	2.92	5.72	199	607,557	3.53	2.94	5.72	201
Ohio	2,099	266,881	3.56	2.97	5.69	268	337,868	3.63	2.98	5.68	257
Indiana	1,129	146,507	3.54	2.93	5.70	268	144,000	3.60	2.93	5.68	270
Pennsylvania	1,136	114,324	3.60	2.99	5.68	318	109,810	3.65	3.01	5.67	324
Wisconsin	222	84,774	3.51	2.94	5.81	253	70,087	3.58	2.94	5.80	232
New York	346	73,305	3.57	2.98	5.72	235	135,069	3.60	2.99	5.72	212
West Virginia	61	4,624	3.68	3.06	5.66	336	5,367	3.74	3.09	5.65	322
Other	180	20,940	3.44	2.92	5.73	260	21,228	3.52	2.95	5.74	241
Total/Average *	7,017	1,321,342	3.51	2.94	5.71	238	1,430,987	3.58	2.96	5.70	234

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

July 2010

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,096,384	843,171	40.2	$3.69	$17.43
FO 5	Appalachian - *(Charlotte)*	484,189	332,249	68.6	[2]	18.54
FO 6	Florida - *(Tampa)*	224,475	200,943	89.5	[2]	20.87
FO 7	Southeast - *(Atlanta)*	552,090	371,560	67.3	[2]	18.37
FO 30	Upper Midwest - *(Chicago)*	2,916,008	351,993	12.1	0.65	14.39
FO 32	Central - *(Kansas City)*	1,120,772	354,653	31.6	1.89	15.63
FO 33	**Mideast - *(Cleveland)***	**1,277,590**	**506,432**	**39.7**	**2.38**	**16.12**
FO 124	Pacific Northwest - *(Seattle)*	685,985	179,924	26.2	1.93	15.67
FO 126	Southwest - *(Dallas)*	999,943	342,308	34.2	2.79	16.53
FO 131	Arizona - *(Phoenix)*	337,845	111,972	33.1	[2]	16.14

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2010..........................$13.74 /cwt.

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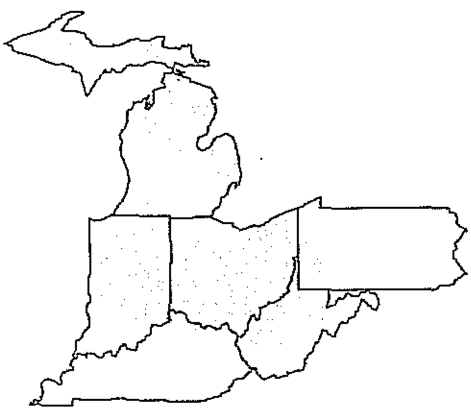
Mideast Market Administrator's Bulletin



Federal Order No. 33

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WebPage: www.fmmaclev.com

September 2010

USDA Issues Final Rule Amending Fluid Milk Definition in All Milk Orders

The U.S. Department of Agriculture issued a final rule amending the definition of Class I fluid milk products in all Federal milk marketing orders effective January 1, 2011. These amendments, which were approved by producers, maintain the current 6.5 percent nonfat milk solid standard and incorporates an alternative 2.25 percent true milk protein criterion to determine whether a product meets the compositional standard for fluid milk products. This rule also amends the fluid milk product definition to provide exemptions for drinkable yogurt products containing at least 20 percent yogurt (by weight), kefir, and products intended to be meal replacements. The decision clarifies how milk and milk-derived ingredients should be priced under all Federal milk marketing orders when used in fluid milk products.

The final rule appeared in the August 24th *Federal Register* and becomes effective January 1, 2011. For additional information about the decision contact: Paul A. Huber; USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: phuber@fmmaclev.com. A copy of the decision can be found on the website at *www.fmmaclev.com/hearings.htm*.

THE DAIRY OUTLOOK
More Milk Both This Year and Next Will Counter Higher Exports and Domestic Commercial Use, Keeping Next Year's Prices In Line With This Year

The most recent USDA forecasts indicate that feed prices will likely be higher next year than in the current year. The corn price forecast is $3.50 to $4.10 per bushel for the 2010/11 crop year, a rise from current year projected prices. However, soybean meal prices are forecast slightly lower, at $250 to $290 per ton, for the 2010/11 crop year. The feed price outlook will keep the milk-feed price ratio for both the balance of this year and into next year below a level that usually signals expansion.

The most recent *Milk Production* report showed that although producers added cows during the first half of the year, the number of U.S. milk cows remains below 2009 on a year-over-year basis as milk per cow continues to increase. The most current USDA forecast continues the trend of lower cow numbers that has been more than offset by increased output per cow in 2010. Output per cow is expected to rise by 2.5 percent compared with 2009, pushing current-year production to 192 billion pounds. This trend is expected to continue in 2011 as cow numbers decline fractionally, and production per cow is forecast to rise by 1.5 percent. On balance, milk production in 2011 is projected to reach 194.6 billion pounds.

Milk equivalent imports on both a fats and skims-solids basis are projected to decline this year, totaling 4.2 billion pounds on a fats basis and 4.6 billion pounds on a skims-solids basis. For next year, imports are expected to remain very near 2010 levels. Higher domestic production and a slow domestic economic recovery will limit imports. Milk equivalent exports have staged a strong recovery in 2010 from last year on both a fats and skims-solids basis. In 2010, exports are expected to reach 6.3 billion pounds on a fats basis and 28.8 billion pounds on a skims-solids basis. Next year, exports are expected to be lower as production in competing countries, notably Australia and New Zealand, is expected to increase. Also for next year, exports on a fats basis are forecast at 5.6 billion pounds and 28.0 billion pounds on a skims-solids basis. In 2011, domestic commercial use on both a fats and skims-solids basis is expected to show above-trend growth. Domestic commercial use is forecast to reach 192.9 billion pounds, a 1.8 percent year-over-year increase on a fats basis, and reach 170.6 billion pounds, a 2.1 percent year-over-year increase on a skims-solids basis. Growth in both domestic commercial use and exports will result in tighter ending stocks this year and next on a fats basis. Ending stocks on a skims-solids basis will be near 2009 levels this year and tighten by the end of 2011.

Butter stocks have been below 2009 in the first half of 2010 and are below 5-year trend on a seasonally adjusted basis. Lower production and rising domestic commercial use have tightened stocks and sharply increased butter prices. Butter prices are forecast at $1.610 to $1.650 per pound this year.

(Continued on Page 3)

August 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	526,439,725	41.6
Class II	209,628,356	16.6
Class III	475,934,867	37.7
Class IV	51,874,674	4.1
Total	1,263,877,622	100.0

Producer Prices

Producer Price Differential	$ 1.58	/cwt
Butterfat Price	2.0336	/ lb
Protein Price	2.3788	/ lb
Other Solids Price	0.1647	/ lb
Somatic Cell Adjustment Rate	0.00080	/ cwt
Statistical Uniform Price	16.76	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

August 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			517,057,928			$ 11.49 / cwt	$ 59,409,955.93
Class I Butterfat		9,381,797				1.9099 / lb	17,918,294.10
Class I Location Differential	526,439,725						(265,918.18)
Class II SNF Value				17,473,282		1.1322 / lb	19,783,249.88
Class II Butterfat		14,057,569				2.0406 / lb	28,685,875.30
Class III Protein Value			14,127,564			2.3788 / lb	33,606,649.21
Class III Other Solids Value					27,195,094	0.1647 / lb	4,479,031.97
Class III Butterfat		16,033,049				2.0336 / lb	32,604,808.42
Class IV SNF Value				4,202,717		0.9780 / lb	4,110,257.21
Class IV Butterfat		4,857,661				2.0336 / lb	9,878,539.39
Somatic Cell Value II / III / IV							555,255.27
TOTAL PRODUCER MILK VALUE	1,263,877,622	44,330,076	37,311,816		71,917,953		$210,765,998.50

Beginning Inventory and Other Source Charges			$74,762.91	
TOTAL ADJUSTMENTS				$ 74,762.91
TOTAL HANDLER OBLIGATIONS				$210,840,761.41
Total Protein Value	37,311,816 lbs	@	$2.3788	$(88,757,347.87)
Total Other Solids Value	71,917,953 lbs	@	0.1647	(11,844,886.87)
Butterfat Value	44,330,076 lbs	@	2.0336	(90,149,642.57)
Total Somatic Cell Values				(899,366.17)
TOTALS				$ 19,189,517.93
Net Producer Location Adjustments				$ 817,567.29
1/2 Unobligated Balance Producer Settlement Fund				532,000.00
Total - Divided by Total Pounds	1,263,877,622 lbs		1.6250850	$ 20,539,085.22
Rate of Cash Reserve			(0.0450850)	(569,819.23)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,263,877,622		$ 1.58 /cwt	$ 19,969,265.99

COMPONENT PRICES

	August 2010	August 2009
Butterfat Price	$2.0336 / lb	$1.2491 / lb
Protein Price	2.3788 / lb	2.1009 / lb
Other Solids Price	0.1647 / lb	0.0962 / lb
Somatic Cell Adjustment Rate	0.00080 / cwt	0.00063 / cwt
Nonfat Solids Price	0.9780 / lb	0.6918 / lb

COMPUTATION OF UNIFORM PRICE

	August 2010	August 2009
Class III Price - 3.5% BF	$ 15.18	$11.20
Producer Price Differential*	1.58	0.27
Statistical Uniform Price	$16.76	$11.47

CLASS PRICES

	August 2010	August 2009
Class I*	$17.77	$12.04
Class II	16.98	10.86
Class III	15.18	11.20
Class IV	15.61	10.38

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	August 2010 *Product lbs.*	August 2009 *Product lbs.*
Class I	526,439,725	557,383,246
Class II	209,628,356	302,100,768
Class III	475,934,867	421,751,132
Class IV	51,874,674	96,902,204
Total	1,263,877,622	1,378,137,350

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for August 2010 was $1.58 and the Statistical Uniform Price was $16.76 for the month. The Statistical Uniform Price is $0.64 higher than last month, and is $5.29 higher than August 2009.

The Producer Butterfat Price of $2.0336 per pound increased 13.72 cents from July and is up 78.45 cents from a year ago. The Protein Price of $2.3788 is up 32.73 from last month and is up 27.79 cents from August 2009. The Other Solids Price in August was $0.1647 per pound, a decrease from last month's price of $0.1700 and an increase of 6.85 cents from last August. The Somatic Cell Adjustment rate for August was $0.00080.

August producer receipts of 1.26 billion pounds were 1.1 percent lower than July and 8.3 percent lower than August 2009 production of 1.38billion pounds. Producer milk allocated to Class I accounted for 41.6 percent of the total producer milk in August 2010, more than the 39.7 percent in July and more than the 40.5 percent in August 2009. A total of 6,852 producers were pooled on the Mideast Order compared to 7,129 producers pooled in August 2009.

The market average content of producer milk was as follows: Butterfat 3.51%; Protein 2.95%; Other Solids 5.69% and Nonfat Solids 8.64%.

(Continued from Front Page)

Next year's butter prices, expected to moderate because of greater expected milk production, are forecast at $1.435 to $1.565 per pound. Cheese prices are expected to remain relatively high for the balance of 2010 on the basis of stronger exports and competition for milk from higher butter prices.

Cheese prices are expected to average $1.500 to $1.520 per pound this year and climb slightly to $1.505 to 1.605 per pound in 2011. A stronger export forecast, as well as domestic commercial use, could offset expected greater milk production. Nonfat dry milk (NDM) prices are sharply higher this year compared with 2009, mostly on stronger export projections. NDM prices are forecast to be $1.145 to $1.165 per pound in 2010 and rise slightly to $1.175 to $1.245 next year. Whey prices have been part of the overall recovery in dairy product prices this year and are projected to average 36.0 to 38.0 cents per pound; however whey prices are not expected to change much next year, averaging 35.5 to 38.5 cents per pound in 2011.

The tightness in the butter market has precipitated the unusual situation of the Class IV price climbing above the Class III price. The Class IV price is expected to be $14.50 to $14.80 per cwt this year, moderating slightly to $14.00 to $15.10 per cwt in 2011. The Class III price is expected to average $14.15 to $14.35 per cwt this year and rise to $14.15 to $15.15 in 2011. The Class III price is expected to rise above the Class IV price next year, restoring the more typical price relationship. The all milk price is expected to be $15.90 to $16.10 per cwt this year and to change very little next year, averaging $15.55 to $16.55 per cwt in 2011.

SOURCE: "Livestock, Dairy, and Poultry Outlook", LDP-M-194, August 18, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

July Milk Production Up 3.0 Percent

Milk production in the 23 major States during July totaled 15.3 billion pounds, up 3.0 percent from July 2009. June revised production, at 15.2 billion pounds, was up 2.9 percent from June 2009. The June revision represented an increase of 0.2 percent or 23 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,830 pounds for July, 59 pounds above July 2009.

The number of milk cows on farms in the 23 major States was 8.37 million head, 26,000 head less than July 2009, but 19,000 head more than June 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during July totaled 2.4 billion pounds, up 43 million pounds or 1.8 percent from July2009.

Production per cow in the Mideast states averaged 1,775pounds for July, 40 pounds above July2009.

The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head less than July 2009.

July Dairy Products (NASS)

Butter production was 111.0 million pounds in July, 2.9% below July 2009 and 5.3% below June 2010. American type cheese production totaled 368.9 million pounds, 4.0% above July 2009 but 0.3% below June 2010. Total cheese output (excluding cottage cheese) was 882.3 million pounds, 4.7% above July 2009 and 0.2% above June 2010. Nonfat dry milk production, for human food, totaled 131.8 million pounds, 1.0% below July 2009 and 3.2% below June 2010. Dry whey production, for human food, was 82.7 million pounds, 8.1% below July 2009 but 5.6% above June 2010. Ice cream (hard) production totaled 79.0 million gallons, 6.3% below July 2009 and 6.2% below June 2010.

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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	July 2010							July 2009				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,751	589,604	3.44	2.90	5.72	213	612,443	3.49	2.94	5.70	219
Ohio	2,072	261,630	3.55	2.94	5.68	290	352,636	3.59	2.97	5.64	277
Indiana	961	120,880	3.50	2.91	5.68	294	149,653	3.60	2.99	5.75	297
Pennsylvania	1,160	110,052	3.57	2.95	5.67	342	109,262	3.65	3.01	5.65	348
New York	366	90,248	3.55	2.96	5.68	239	137,004	3.58	2.98	5.71	230
Wisconsin	254	85,237	3.55	2.91	5.80	260	72,324	3.55	2.93	5.79	253
West Virginia	58	4,429	3.67	3.03	5.64	387	5,428	3.73	3.07	5.63	362
Other	156	15,512	3.49	2.91	5.71	270	21,558	3.47	2.95	5.72	251
Total/Average *	6,778	1,277,591	3.49	2.92	5.71	254	1,460,308	3.55	2.96	5.69	254

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

August 2010

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,054,460	837,021	40.7	$2.56	$17.74
FO 5	Appalachian - *(Charlotte)*	500,641	354,039	70.7	[2]	18.67
FO 6	Florida - *(Tampa)*	232,983	201,679	86.6	[2]	20.74
FO 7	Southeast - *(Atlanta)*	547,131	402,092	73.5	[2]	19.02
FO 30	Upper Midwest - *(Chicago)*	2,810,518	356,334	12.7	0.47	15.65
FO 32	Central - *(Kansas City)*	1,154,736	377,084	32.7	1.22	16.40
FO 33	**Mideast - *(Cleveland)***	**1,263,878**	**526,440**	**41.6**	**1.58**	**16.76**
FO 124	Pacific Northwest - *(Seattle)*	682,464	178,309	26.1	0.98	16.16
FO 126	Southwest - *(Dallas)*	867,705	365,874	42.2	2.19	17.37
FO 131	Arizona - *(Phoenix)*	321,325	116,800	36.4	[2]	16.60

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR SEPTEMBER 2010..................$15.18 /cwt.

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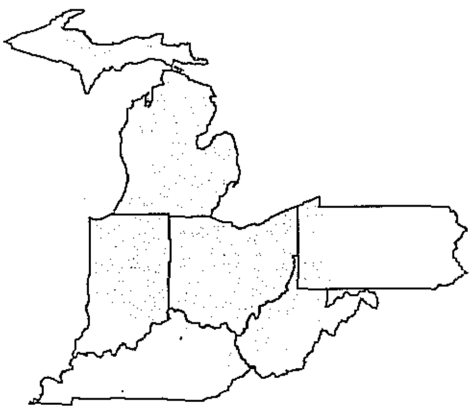
Mideast Market Administrator's Bulletin



Federal Order No. 33

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October 2010

August Milk Production Up 2.8 Percent

Milk production in the 23 major States during August totaled 15.0 billion pounds, up 2.8 percent from August 2009. July unrevised production, at 15.3 billion pounds, was up 3.0 percent from July 2009.

Production per cow in the 23 major States averaged 1,796 pounds for August, 51 pounds above August 2009. The number of milk cows on farms in the 23 major States was 8.36 million head, 10,000 head less than August 2009, and 8,000 head less than July 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during August totaled 2.3 billion pounds, up 57 million pounds or 2.5 percent from August 2009.

Production per cow in the Mideast states averaged 1,735 pounds for August, 45 pounds above August 2009. The number of cows on farms in the Mideast states was 1.3 million head, 6,000 head less than August 2009.

USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

The U.S. Department of Agriculture is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Secretary of Agriculture will appoint six individuals from those nominated to succeed members whose terms expire June 30, 2011. Appointed members will serve 3-year terms from July 1, 2011 through June 30, 2014.

"Appointees to the board fill important roles as representatives of the fluid milk industry and will have a large impact on the future promotion of fluid milk products," said Administrator Rayne Pegg of AMS.

USDA will accept nominations for board representation in five geographic regions and one at-large position. Nominees for the five regional positions must be active owners or employees of a fluid milk processor. The one at-large position may be either a fluid milk processor or a member from the general public. The geographic regions are: Region 2 (New Jersey and New York); Region 5 (Florida); Region 8 (Illinois and Indiana); Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska and Oklahoma); and Region 14 (Northern California). No fluid milk processor shall be represented on the board by more than three members.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by October 31, 2010, to: Whitney Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233 or via email at whitney.rick@ams.usda.gov. Blank forms and additional information are available on the Dairy Promotion and Research Branch's website at www.ams.usda.gov/Dairy.

The Dairy Outlook
Only Moderate Price Increases Are Expected in 2011 as Milk Production Continues To Rise

Feed prices are forecast higher in 2010/11, with corn expected to average $4.00 to $4.80 per bushel and soybean meal to average $270 to $310 per ton. The milk-feed price ratio rose this year and is expected to average 2.3 for 2010; next year the index is expected to decline slightly from 2010 because of higher forecast feed prices. While this indicator of profitability has substantially improved from 2009's depressed level, it remains low enough this year and next that some producers may face financial difficulties.

Despite a relatively weak milk-feed price ratio, cow numbers continue to rise year-over-year. The most recent *Milk Production* report indicated cow numbers higher in the second quarter of 2010 than in the first, although the herd was still smaller than in the corresponding quarter of 2009. USDA projects the number of cows in the U.S. dairy herd to average 9,125 thousand head this year, increasing to 9,160 in 2011.

(Continued on Page 3)

September 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	544,532,102	43.5
Class II	176,926,897	14.1
Class III	472,197,768	37.7
Class IV	58,276,732	4.7
Total	1,251,933,499	100.0

Producer Prices

Producer Price Differential	$ 1.00	/cwt
Butterfat Price	2.4044	/ lb
Protein Price	2.3057	/ lb
Other Solids Price	0.1673	/ lb
Somatic Cell Adjustment Rate	0.00085	/ cwt
Statistical Uniform Price	17.26	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

September 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			535,174,518			$ 10.79 / cwt	$ 57,745,330.49
Class I Butterfat		9,357,584				2.0247 / lb	18,946,300.33
Class I Location Differential	544,532,102						(277,803.22)
Class II SNF Value				14,834,970		1.0544 / lb	15,641,992.34
Class II Butterfat		13,068,270				2.4114 / lb	31,512,826.29
Class III Protein Value			14,445,287			2.3057 / lb	33,306,498.22
Class III Other Solids Value					26,975,027	0.1673 / lb	4,512,922.03
Class III Butterfat		16,760,871				2.4044 / lb	40,299,838.22
Class IV SNF Value				4,739,857		0.9608 / lb	4,554,054.63
Class IV Butterfat		5,960,506				2.4044 / lb	14,331,440.62
Somatic Cell Value II / III / IV							666,675.46
TOTAL PRODUCER MILK VALUE	1,251,933,499	45,147,231	38,191,764		71,281,432		$221,240,075.41
Overages					$ 74,742.29		
Beginning Inventory and Other Source Charges					162,851.22		
TOTAL ADJUSTMENTS							$ 237,593.51
TOTAL HANDLER OBLIGATIONS							$221,477,668.92
Total Protein Value			38,191,764 lbs	@	$2.3057		$(88,058,750.28)
Total Other Solids Value			71,281,432 lbs	@	0.1673		(11,925,383.55)
Butterfat Value			45,147,231 lbs	@	2.4044		(108,552,002.23)
Total Somatic Cell Values							(1,155,971.63)
TOTALS							$ 11,785,561.23
Net Producer Location Adjustments							$ 736,023.32
1/2 Unobligated Balance Producer Settlement Fund							550,000.00
Total - Divided by Total Pounds			1,251,933,499 lbs		1.0441117		$ 13,071,584.55
Rate of Cash Reserve					(0.0441117)		(552,249.15)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,251,933,499		**$ 1.00 /cwt**		$ 12,519,335.40

COMPONENT PRICES

	September 2010	September 2009
Butterfat Price	$2.4044 / lb	$1.2226 / lb
Protein Price	2.3057 / lb	2.4243 / lb
Other Solids Price	0.1673 / lb	0.1018 / lb
Somatic Cell Adjustment Rate	0.00085 / cwt	0.00068 / cwt
Nonfat Solids Price	0.9608 / lb	0.7906 / lb

COMPUTATION OF UNIFORM PRICE

	September 2010	September 2009
Class III Price - 3.5% BF	$ 16.26	$12.11
Producer Price Differential*	1.00	(0.04)
Statistical Uniform Price	$17.26	$12.07

CLASS PRICES

	September 2010	September 2009
Class I*	$17.50	$12.93
Class II	17.60	11.01
Class III	16.26	12.11
Class IV	16.76	11.15

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	September 2010 *Product lbs.*	September 2009 *Product lbs.*
Class I	544,532,102	571,376,302
Class II	176,926,897	279,257,929
Class III	472,197,768	390,544,307
Class IV	58,276,732	65,060,174
Total	1,251,933,499	1,306,238,712

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for September 2010 was $1.00 and the Statistical Uniform Price was $17.26 for the month. The Statistical Uniform Price is $0.50 higher than last month, and is $5.19 higher than September 2009.

The Producer Butterfat Price of $2.4044 per pound increased 37.08 cents from August and is up $1.1818 from a year ago. The Protein Price of $2.3057 is down 7.31 from last month and is down 11.86 cents from September 2009. The Other Solids Price in September was $0.1673 per pound, an increase from last month's price of $0.1647 and an increase of 6.55 cents from last September. The Somatic Cell Adjustment rate for September was $0.00085.

September producer receipts of 1.25 billion pounds were 0.9 percent lower than August and 4.2 percent lower than September 2009 production of 1.31 billion pounds. Producer milk allocated to Class I accounted for 43.5 percent of the total producer milk in September 2010, more than the 41.6 percent in August, but less than the 43.7 percent in September 2009. A total of 6,877 producers were pooled on the Mideast Order compared to 7,108 producers pooled in September 2009.

The market average content of producer milk was as follows: Butterfat 3.61%; Protein 3.05%; Other Solids 5.69% and Nonfat Solids 8.74%.

(Continued from Front Page)

Production per cow has also advanced in 2010 and is projected to rise by nearly 2.6 percent above 2009. A rise in production per cow is also forecast for 2011, but the rise is expected to be near trend at 1.5 percent. The expected rise in herd size and increased per cow production translates into more milk. USDA projects milk production at 192.7 billion pounds this year, rising to 196.2 billion in 2011.

Milk production in Oceania for the upcoming season is expected to recover from last year. The prospect of more milk on the world market is expected to impact U.S. exports next year. Milk equivalent exports on a fats basis are expected to total 6.6 billion pounds in 2010 but to slide to 5.4 billion next year, dampened by improved world production. Milk equivalent exports on a skim-solids basis are projected to be 29.3 billion pounds this year and to decline to 28.3 billion in 2011. Imports declined this year compared with 2009 on both a fats and skim-solids basis; imports are expected to total 4.1 billion pounds, fats basis, and 4.5 billion pounds, skim-solids basis. In 2011, imports will likely decline slightly to 4.0 billion pounds and 4.3 billion pounds, respectively. Recovering global and higher domestic milk production is the major reason.

Stocks are forecast to end this year below 2009 totals on a fats basis, reaching 10.4 billion pounds, largely due to lower expected butter stocks. This year's skim ending stocks are forecast slightly higher at 11.5 billion pounds. Next year, ending stocks are expected to tighten to 10.4 billion pounds on a fats basis and to 11.2 billion pounds on a skim-solids basis. International and domestic demand for butterfat is expected to remain strong both this year and next. Domestic commercial use on a fats basis is expected to rise 2.2 percent in 2011 after staging a 1.2 percent increase this year compared with 2009. Commercial use on a skim basis is projected to decline about 1 percent below 2009 but rebound in 2011, climbing 2.8 percent from this year's total.

Cheese prices have risen sharply this year due to increased demand. Although cheese stocks remain above the 5-year average, prices are expected to average $1.530 to $1.550 per pound in 2010. Next year, prices are expected to rise, but not as precipitously, to average $1.530 to $1.630 per pound. Butter prices started to climb in late 2009 and have soared this year. The strong demand for fats has moved milk to other uses and, consequently, butter production has lagged and prices have spiked. The decline in milk production in 2009 may have contributed to the tight supplies this year. Butter prices are expected to average $1.690 to $1.730 per pound in 2010. Next year, butter prices will remain high by historic standards, but should moderate from 2010's highs. Butter prices are expected to average $1.485 to $1.615 per pound in 2011. Greater milk production in 2011 should help lower prices. Nonfat dry milk (NDM) prices tracked the price run-up for butter, since the movement of milk to other products reduced NDM production. Export demand for NDM also contributed to the rising NDM prices in 2010. NDM is expected to average $1.150 to $1.170 per pound. Next year's price increases are forecast to moderate to $1.175 to $1.245 per pound. Export demand should support the higher price, while increased milk production should limit increases.

The 2010 Class IV price, which is projected to average $14.90 to $15.20 per cwt, will likely be lower in 2011, based on lower butter prices. In 2011, the Class IV price is forecast to average $14.25 to $15.35 per cwt. The Class III price is forecast to remain about the same in 2011, as greater milk supplies counter continued high cheese prices. The average Class III price is estimated to be $14.50 to $14.70 per cwt this year and average $14.40 to $15.00 per cwt next year. The price outlook for products should hold the all milk price nearly even, averaging $16.25 to $16.45 per cwt this year and averaging $15.85 to $16.85 per cwt in 2011.

Source: "Livestock, Dairy, and Poultry Outlook", LDP-M-195, September 17, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

2008 Transportation Analysis Released

This staff paper details the hauling assessments paid by producers, and the delivery distance to the first delivery point, of milk marketed by producers associated with the Mideast Marketing Area, Federal Order 33, for May 2008. The results show that hauling assessments vary significantly due to multiple factors including delivery volume, delivery distance and competitive groups of producers and handlers.

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

State	August 2010 Number of Producers	August 2010 Pounds of Milk (000)	August 2010 Butterfat	August 2010 Protein	August 2010 Other Solids	August 2010 SCC (000)	August 2009 Pounds of Milk (000)	August 2009 Butterfat	August 2009 Protein	August 2009 Other Solids	August 2009 SCC (000)
Michigan	1,834	575,450	3.45	2.93	5.70	219	588,257	3.52	2.96	5.70	223
Ohio	2,153	256,306	3.55	2.98	5.66	303	338,188	3.64	3.00	5.66	279
Indiana	1,102	122,125	3.53	2.94	5.67	306	148,349	3.61	2.97	5.70	288
Pennsylvania	1,035	105,080	3.60	2.99	5.65	353	105,731	3.66	3.00	5.64	352
New York	334	106,338	3.55	2.99	5.68	244	134,659	3.60	2.98	5.69	243
Wisconsin	183	80,673	3.56	2.94	5.81	264	48,999	3.57	2.94	5.76	262
West Virginia	60	4,233	3.69	3.09	5.62	390	5,017	3.73	3.08	5.62	371
Other	179	19,823	3.51	2.93	5.75	309	8,983	3.59	3.01	5.66	298
Total/Average *	6,880	1,270,028	3.51	2.95	5.69	262	1,378,183	3.58	2.98	5.69	258

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

September 2010

	Marketing Area [1/]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,944,872	881,180	45.3	$2.07	$18.33
FO 5	Appalachian - *(Charlotte)*	478,940	348,516	72.8	[2/]	19.16
FO 6	Florida - *(Tampa)*	229,899	201,981	87.9	[2/]	21.04
FO 7	Southeast - *(Atlanta)*	529,998	392,249	74.0	[2/]	19.38
FO 30	Upper Midwest - *(Chicago)*	2,678,513	373,668	13.9	0.34	16.60
FO 32	Central - *(Kansas City)*	1,132,397	380,555	33.6	0.75	17.01
FO 33	**Mideast - *(Cleveland)***	**1,251,933**	**544,532**	**43.5**	**1.00**	**17.26**
FO 124	Pacific Northwest - *(Seattle)*	657,290	190,033	28.9	0.68	16.94
FO 126	Southwest - *(Dallas)*	865,285	375,379	43.4	1.69	17.95
FO 131	Arizona - *(Phoenix)*	321,793	119,100	37.0	[2/]	17.33

[1/] Names in parentheses are principal points of markets.

[2/] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR OCTOBER 2010 ....$16.26 /cwt.

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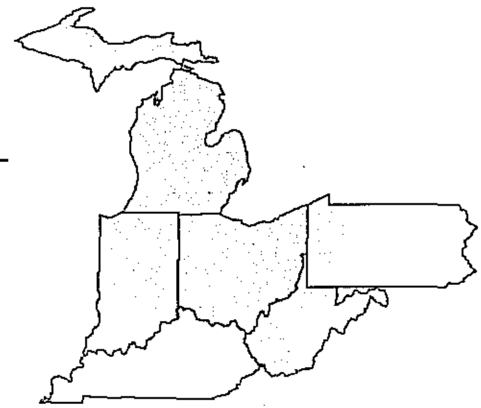

Federal Order No. 33

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November 2010

Strengthening Demand and Rising Milk Production Should Keep Milk Prices Near 2010 Levels In 2011

Corn prices, which averaged $3.55 per bushel last year, are forecast sharply higher in the 2010/11 crop year; the U.S. Department of Agriculture has recently lowered corn production and ending-stock forecasts. Prices are expected to average $4.60 to $5.40 per bushel in 2010/11. In contrast, soybean meal prices are not expected to differ much in 2010/11 from last year. The soybean meal price is forecast at $290 to $330 per ton this year compared with $311 the last crop year. The expected higher corn price will push the benchmark 16-percent protein mixed-dairy ration over $8 per hundredweight (cwt) in 2011, up from about $7.30 per cwt in 2010. Although milk prices in 2011 are forecast to remain near this year's level, higher feed prices are expected to squeeze producer margins, impacting the size of the dairy herd in 2011. The U.S. dairy herd is expected to advance to 9,155 million cows next year, up about 0.4 percent from the 2010 projected average. However, during the year, incentives to expand the herd will diminish. Milk per cow is also expected to advance, rising to 21,405 pounds, up 1.3 percent from this year's expected output per cow. Growth in milk per cow is expected to slow as higher feed prices take hold. The result for the year will be nearly a 1.7 percent rise in milk production in 2011 to 196 billion pounds.

Domestic demand for dairy products, cheese especially, has been firm through 2010, and demand is expected to remain strong into 2011, at least in the first half of the year. Domestic commercial use on a milk-equivalent fats basis is projected to finish 2010 at 1.4 percent above last year and forecast to rise another 1.6 percent in 2011. On a skims-solids basis, domestic commercial use is expected to finish 2010 nearly 1 percent below 2009. However, commercial use is forecast to snap back in 2011, rising nearly 2.5 percent above 2010. The relative strength of commercial use on a fats basis is a result of strong cheese demand moving much of the added milk production to cheese production this year. Meanwhile, butter production has lagged last year's levels every month until August when butter production edged ahead of year-earlier production. Butter production is likely to recover into next year due to additional milk production and favorable prices.

Milk-equivalent dairy imports are projected down in 2010 to 4.1 billion pounds, fats basis, and to 4.5 billion pounds, skims-solids basis. Next year, the trend continues, as imports are likely to fall to 4.0 billion pounds, fats basis, and 4.3 billion pounds, skims-solids basis. Higher export totals are expected in 2010: 6.6 billion pounds, fats basis, up from 4.1 billion last year, and 29.3 billion pounds, skims-solids basis, up from 22.4 billion pounds in 2009. However, exports are forecast down in 2011. Exports are projected to decline to 5.4 billion pounds on a fats basis and 28.3 billion pounds on a skims-solids basis. A gap between U.S. and international prices still favors U.S. exports and discourages imports in 2010. Next year, exports may be pressured by increased production in other exporting countries and several trade issues.

Relatively strong demand for dairy products in both 2010 and 2011 should be countered by continued rising milk production to keep milk prices near current levels into 2011. Cheese prices are expected to average $1.550 to $1.560 per pound this year. Continued firm cheese demand could strengthen prices somewhat further in 2011. Next year, cheese prices are expected to average $1.540 to $1.630 per pound. Butter prices are expected to moderate in 2011, as increased milk production should make more milk available for butter and powder production. The butter price is expected to average $1.720 to $1.750 per pound this year and $1.505 to $1.625 per pound in 2011. Nonfat dry milk (NDM) prices are forecast higher in 2011, as domestic demand improves and exports remain firm. NDM prices are expected to average $1.155 to $1.175 per pound in 2010, with a slightly higher average prices of $1.175 to $1.245 per pound next year. Whey prices are projected to average 36.5 to 37.5 cents per pound this year and to remain virtually unchanged next year at 35.5 to 38.5 cents per pound.

All milk prices are expected to average $16.45 to $16.55 per cwt in 2010 and remain about the same next year, averaging $16.00 to $16.90 per cwt in 2011. Class III milk prices are expected to average $14.65 to $14.75 per cwt in 2010 and climb slightly to $14.50 to $15.40 per cwt next year. Class IV prices could drop a bit, averaging $15.10 to $15.30 this year and $14.35 to $15.35 per cwt next year.

Source: Livestock, Dairy, & Poultry Outlook/LDP-M-196/ October 22, 2010 Economic Research Service, USDA

October 2010 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	546,616,502	40.2
Class II	245,975,328	18.1
Class III	501,293,510	36.9
Class IV	64,859,739	4.8
Total	1,358,745,079	100.0

Producer Prices

Producer Price Differential	$ 0.62	/cwt
Butterfat Price	2.4436	/ lb
Protein Price	2.4739	/ lb
Other Solids Price	0.1736	/ lb
Somatic Cell Adjustment Rate	0.00088	/ cwt
Statistical Uniform Price	17.56	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

October 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			537,031,844			$ 10.62 / cwt	$ 57,032,781.83
Class I Butterfat		9,584,658				2.3794 / lb	22,805,735.24
Class I Location Differential	546,616,502						(280,692.16)
Class II SNF Value				21,161,064		1.0356 / lb	21,914,397.87
Class II Butterfat		15,149,110				2.4506 / lb	37,124,408.98
Class III Protein Value			15,734,816			2.4739 / lb	38,926,361.27
Class III Other Solids Value					28,618,941	0.1736 / lb	4,968,248.11
Class III Butterfat		18,911,443				2.4436 / lb	46,212,002.12
Class IV SNF Value				5,282,140		0.9896 / lb	5,227,205.79
Class IV Butterfat		7,231,124				2.4436 / lb	17,669,974.62
Somatic Cell Value II / III / IV							964,423.02
TOTAL PRODUCER MILK VALUE	1,358,745,079	50,876,335	42,682,002		77,368,945		$ 252,564,846.69
Overages					$ 40,368.42		
Beginning Inventory and Other Source Charges					40,657.08		
TOTAL ADJUSTMENTS							$ 81,025.50
TOTAL HANDLER OBLIGATIONS							$ 252,645,872.19
Total Protein Value			42,682,002 lbs	@	$2.4739		$(105,591,004.72)
Total Other Solids Value			77,368,945 lbs	@	0.1736		(13,431,248.83)
Butterfat Value			50,876,335 lbs	@	2.4436		(124,321,412.21)
Total Somatic Cell Values							(1,617,784.14)
TOTALS							$ 7,684,422.29
Net Producer Location Adjustments							$ 808,189.30
1/2 Unobligated Balance Producer Settlement Fund							480,000.00
Total - Divided by Total Pounds			1,358,745,079 lbs		0.6603602		$ 8,972,611.59
Rate of Cash Reserve					(0.0403602)		(548,392.23)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,358,745,079		**$ 0.62 /cwt**		$ 8,424,219.36

COMPONENT PRICES

	October 2010	October 2009
Butterfat Price	$2.4436 / lb	$1.2752 / lb
Protein Price	2.4739 / lb	2.5584 / lb
Other Solids Price	0.1736 / lb	0.1228 / lb
Somatic Cell Adjustment Rate	0.00088 / cwt	0.00071 / cwt
Nonfat Solids Price	0.9896 / lb	0.8506 / lb

COMPUTATION OF UNIFORM PRICE

	October 2010	October 2009
Class III Price - 3.5% BF	$ 16.94	$12.82
Producer Price Differential*	0.62	0.32
Statistical Uniform Price	$17.56	$13.14

CLASS PRICES

	October 2010	October 2009
Class I*	$18.58	$14.35
Class II	17.57	11.93
Class III	16.94	12.82
Class IV	17.15	11.86

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	October 2010 Product lbs.	October 2009 Product lbs.
Class I	546,616,502	618,054,033
Class II	245,975,328	258,891,071
Class III	501,293,510	391,352,926
Class IV	54,859,739	67,754,053
Total	1,358,745,079	1,336,052,083

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2010 was $0.62 and the Statistical Uniform Price was $17.56 for the month. The Statistical Uniform Price is $0.30 higher than last month, and is $4.42 higher than October 2009.

The Producer Butterfat Price of $2.4436 per pound increased 3.92 cents from September and is up $1.1684 from a year ago. The Protein Price of $2.4739 is up 16.82 from last month and is down 8.45 cents from October 2009. The Other Solids Price in October was $0.1736 per pound, an increase from last month's price of $0.1673 and an increase of 5.08 cents from last October. The Somatic Cell Adjustment rate for October was $0.00088.

October producer receipts of 1.36 billion pounds were 8.5 percent higher than September and 1.7 percent higher than October 2009 production of 1.34 billion pounds. Producer milk allocated to Class I accounted for 40.2 percent of the total producer milk in October 2010, less than the 43.5 percent in September, and less than the 46.2 percent in October 2009. A total of 6,906 producers were pooled on the Mideast Order compared to 7,124 producers pooled in October 2009.

The market average content of producer milk was as follows: Butterfat 3.74%; Protein 3.14%; Other Solids 5.69% and Nonfat Solids 8.83%.

September Milk Production Up 3.6 Percent

Milk production in the 23 major States during September totaled 14.5 billion pounds, up 3.6 percent from September 2009. August revised production at 15.0 billion pounds, was up 2.7 percent from August 2009. The August revision represented a decrease of 18 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,729 pounds for September, 54 pounds above September 2009.

The number of milk cows on farms in the 23 major States was 8.37 million head, 31,000 head more than September 2009, and 4,000 head more than August 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during September totaled 2.2 billion pounds, up 46 million pounds or 2.1 percent from September 2009.

Production per cow in the Mideast states averaged 1,664 pounds for September, 35 pounds above September 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 3,000 head less than September 2009.

USDA Issues Final Payments Under DELAP to Provide Financial Relief to Dairy Producers

Agriculture Secretary Tom Vilsack announced that final Phase III payments under the Dairy Economic Loss Assistance Payment (DELAP) program began the week of October 12, 2010. The program is funded by $290 million from the 2010 Agricultural Appropriations Bill to provide loss assistance payments to eligible dairy producers.

"We know that dairy producers have been experiencing difficult economic circumstances, but with this assistance, producers have been able to offset a portion of their financial losses," said Vilsack.

Payments to eligible DELAP program producers were issued in three payment phases. Phase I payments were issued in mid-December 2009 to eligible dairy producers with production records from previous participation in dairy programs administered by the Farm Service Agency (FSA).

Dairy producers who did not have production records at the FSA county office but submitted a request for DELAP benefits before the application deadline of January 19, 2010, were issued payments in Phase II beginning June 18, 2010.

DELAP Phase III will be disbursed to eligible dairy producers that received DELAP benefits under Phase I or Phase II.

Of the $290 million budgeted for DELAP, a total of $273 million was dispersed to eligible dairy producers under DELAP Phase I and Phase II. The remaining $17 million minus a reserve established by FSA will be dispersed during Phase III.

For more information regarding payments under the DELAP program, visit the local FSA county office or http://www.fsa.usda.gov.

September 2010 Dairy Products (NASS)

Butter production was 110.5 million pounds in September, 16.7% above September 2009 and 8.7% above August 2010. American type cheese production totaled 354.6 million pounds, 3.4% above September 2009 and 0.3% above August 2010. Total cheese output (excluding cottage cheese) was 878.6 million pounds, 4.3% above September 2009 and 0.4% above August 2010. Nonfat dry milk production, for human food, totaled 108.9 million pounds, 24% above September 2009 but 8.9% below August 2010. Dry whey production, for human food, was 75.7 million pounds, 0.4% below September 2009 and 1.1% below August 2010. Ice cream (hard) production totaled 74 million gallons, 0.4% below September 2009 and 2.3% below August 2010.

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Featured this month are
thematic maps and charts demonstrating:

- CA and F.O. milk marketings by county - May 2010
- CA and F.O. market share by county - May 2010
- Top ten milk producing counties – May 2010 vs. May 2005

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	September 2010							September 2009				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,823	558,032	3.55	3.03	5.70	204		555,061	3.57	3.03	5.70	203
Ohio	2,130	245,114	3.67	3.08	5.65	277		316,671	3.71	3.07	5.66	259
New York	329	121,709	3.63	3.05	5.71	231		133,351	3.65	3.05	5.69	234
Indiana	1,070	112,412	3.64	3.07	5.68	272		134,359	3.69	3.05	5.68	270
Pennsylvania	1,034	100,406	3.72	3.09	5.65	321		101,422	3.73	3.08	5.64	333
Wisconsin	211	90,695	3.58	3.04	5.79	264		51,937	3.60	3.00	5.75	245
West Virginia	59	3,952	3.85	3.22	5.61	361		4,377	3.85	3.20	5.61	341
Other	182	19,927	3.64	3.04	5.74	283		9,042	3.66	3.08	5.68	269
Total/Average *	6,838	1,252,246	3.61	3.05	5.69	242		1,306,219	3.64	3.05	5.68	239

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

October 2010

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,979,990	894,113	45.1	$1.67	$18.61
FO 5	Appalachian - *(Charlotte)*	497,947	343,709	69.0	[2]	19.50
FO 6	Florida - *(Tampa)*	243,978	208,794	85.6	[2]	21.46
FO 7	Southeast - *(Atlanta)*	556,779	391,227	70.3	[2]	19.84
FO 30	Upper Midwest - *(Chicago)*	2,745,872	371,092	13.5	0.23	17.17
FO 32	Central - *(Kansas City)*	1,163,813	384,148	33.0	0.41	17.35
FO 33	**Mideast - *(Cleveland)***	**1,358,745**	**546,617**	**40.2**	**0.62**	**17.56**
FO 124	Pacific Northwest - *(Seattle)*	667,198	186,924	28.0	0.41	17.35
FO 126	Southwest - *(Dallas)*	933,066	379,000	40.6	1.38	18.32
FO 131	Arizona - *(Phoenix)*	339,919	117,616	34.6	[2]	17.81

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR NOVEMBER 2010..................$16.94 /cwt.

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Mideast Market Administrator's Bulletin

Federal Order No. 33

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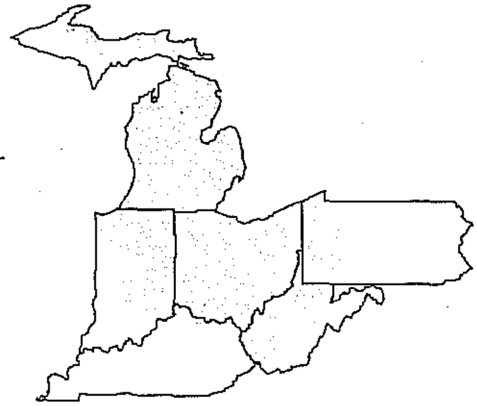
December 2010



THE DAIRY OUTLOOK: Higher Feed Prices Will Likely Limit Milk Production Expansion in 2011 After This Year's Rise

Current USDA forecasts call for substantially higher corn prices in 2010/11 compared with last year. Prices are projected at $4.80 to $5.60 per bushel, an increase from last month's forecast and up sharply from last year's $3.55 per bushel average. Soybean meal prices are forecast at $310 to $350 per ton this year, a small rise from last year's $311 per ton average. Higher 2011 feed ingredient prices will boost the benchmark 16-percent protein mixed dairy ration by double digits after 2 years of declines. The upward movement in feed prices will pressure producer margins and will likely curtail the modest recovery in cow numbers that began early this year. For 2011, cow numbers are forecast at 9,130 thousand head, up slightly from 9,115 thousand expected this year. Milk output per cow is projected to rise by better than 2.8 percent in 2010. The expected rise this year can be attributed to relatively moderate feed prices and overall good weather. Next year, forecast higher feed prices will likely bring down the expected increase to about 1.3 percent, close to trend. Despite the higher feed price forecast, milk production is forecast to climb to 195.6 billion pounds in 2011, a rise of more than 1.4-percent over this year's projected 192.8 billion pound production.

Milk equivalent exports on a fats basis have shown strength this year. Cheese exports have been robust this year; however, continued growth may be limited by tariffs on exports to Mexico. Total exports on a fats basis are expected to total 7.7 billion pounds this year and decline to 6.2 billion pounds in 2011. Exports on a skim solids basis are forecast to total 29.8 billion pounds this year and continue strong in 2011, reaching 29.5 billion pounds by year-end. Global economic recovery and a weaker dollar should help support nonfat dry milk (NDM) exports.

The modest domestic economic recovery and a weaker dollar relative to foreign currencies will result in lower imports this year compared with last and will likely keep imports below year-earlier levels into 2011. Fats basis imports will likely total 4.6 billion pounds in 2010 and slip to 4.1 billion pounds next year. On a skim solids basis, import totals are expected to be near 5.1 billion pounds this year, declining to 4.9 billion pounds in 2011.

Cheese prices have increased over the course of 2010 and are expected to average $1.515 to $1.525 per pound for the year. Cheese prices have fallen of late, but continued economic recovery, combined with slower growth in milk production, will firm cheese prices over the course of 2011. Next year, cheese prices are expected to average $1.530 to $1.620 per pound. Butter prices appear to have retreated from their peaks earlier in 2010 but will average $1.710 to $1.740 per pound for the year. In 2011, slightly higher milk production could lower butter prices even further. However, butter prices will remain high compared with recent years and are forecast to average $1.500 to $1.620 per pound. Export prospects for NDM will likely strengthen prices in 2011 to $1.185 to $1.255 per pound; up from this year's expected $1.155 to $1.175 per pound average. Whey prices are expected to remain virtually unchanged, averaging 36.5 to 37.5 cents per pound this year and 35.5 to 38.5 cents per pound next year.

Stronger NDM prices should partly offset lower butter prices, keeping Class IV prices firm over the course of 2011. Class IV prices, which are expected to average $14.45 to $15.45 per cwt in 2011, will be only slightly lower than the expected $15.05 to $15.25 per cwt average in 2010. Stronger domestic demand for cheese will boost the Class III price next year. In 2011, the Class III price is expected to average $14.40 to $15.30 per cwt, up from an average $14.35 to $14.45 this year. The all milk price is forecast to average $15.95 to $16.85 per cwt next year, very near the expected 2010 average of $16.30 to $16.40 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook," LDP-M-197, November 19, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

November 2010 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	557,114,011	45.4
Class II	145,418,560	11.9
Class III	456,212,343	37.2
Class IV	67,254,390	5.5
Total	1,225,999,304	100.0

Producer Prices

Producer Price Differential	$ 1.58	/cwt
Butterfat Price	2.2422	/ lb
Protein Price	2.1981	/ lb
Other Solids Price	0.1797	/ lb
Somatic Cell Adjustment Rate	0.00081	/ cwt
Statistical Uniform Price	17.02	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

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November 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			547,023,354			$ 10.98 / cwt	$ 60,063,164.23
Class I Butterfat		10,090,657				2.4695 / lb	24,918,877.47
Class I Location Differential	557,114,011						(279,005.30)
Class II SNF Value				12,289,073		1.0756 / lb	13,218,126.91
Class II Butterfat		12,116,243				2.2492 / lb	27,251,853.74
Class III Protein Value			14,495,225			2.1981 / lb	31,861,954.09
Class III Other Solids Value					26,108,210	0.1797 / lb	4,691,645.35
Class III Butterfat		17,082,472				2.2422 / lb	38,302,318.73
Class IV SNF Value				5,509,699		1.0172 / lb	5,604,465.80
Class IV Butterfat		7,558,559				2.2422 / lb	16,947,800.97
Somatic Cell Value II / III / IV							808,734.96
TOTAL PRODUCER MILK VALUE	1,225,999,304	46,847,931	38,971,940		69,901,192		$ 223,389,936.95

Overages			$ 69,648.98	
Beginning Inventory and Other Source Charges			(38,542.41)	
TOTAL ADJUSTMENTS				$ 31,106.57
TOTAL HANDLER OBLIGATIONS				$ 223,421,043.52
Total Protein Value	38,971,940 lbs	@	$2.1981	$ (85,664,221.29)
Total Other Solids Value	69,901,192 lbs	@	0.1797	(12,561,244.20)
Butterfat Value	46,847,931 lbs	@	2.2422	(105,042,430.90)
Total Somatic Cell Values				(1,490,671.95)
TOTALS				$ 18,662,475.18
Net Producer Location Adjustments				$ 770,736.99
1/2 Unobligated Balance Producer Settlement Fund				500,000.00
Total - Divided by Total Pounds	1,225,999,304 lbs		1.6258747	$ 19,933,212.17
Rate of Cash Reserve			(0.0458747)	(562,423.50)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,225,999,304		$ 1.58 /cwt	$ 19,370,788.67

COMPONENT PRICES

	November 2010	November 2009
Butterfat Price	$2.2422 / lb	$1.4656 / lb
Protein Price	2.1981 / lb	2.6991 / lb
Other Solids Price	0.1797 / lb	0.1524 / lb
Somatic Cell Adjustment Rate	0.00081 / cwt	0.00076 / cwt
Nonfat Solids Price	1.0172 / lb	0.9348 / lb

COMPUTATION OF UNIFORM PRICE

	November 2010	November 2009
Class III Price - 3.5% BF	$ 15.44	$14.08
Producer Price Differential*	1.58	0.03
Statistical Uniform Price	$17.02	$14.11

CLASS PRICES

	November 2010	November 2009
Class I*	$19.24	$14.86
Class II	17.21	13.24
Class III	15.44	14.08
Class IV	16.68	13.25

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	November 2010 *Product lbs.*	November 2009 *Product lbs.*
Class I	557,114,011	575,772,484
Class II	145,418,560	258,003,258
Class III	456,212,343	403,821,498
Class IV	67,254,390	70,557,557
Total	1,225,999,304	1,308,154,797

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for November 2010 was $1.58 and the Statistical Uniform Price was $17.02 for the month. The Statistical Uniform Price is $0.54 lower than last month, and is $2.91 higher than November 2009.

The Producer Butterfat Price of $2.2422 per pound decreased 20.14 cents from October and is up $0.7766 from a year ago. The Protein Price of $2.1981 is down 27.58 from last month and is down 50.10 cents from November 2009. The Other Solids Price in November was $0.1797 per pound, an increase from last month's price of $0.1736 and an increase of 2.73 cents from last November. The Somatic Cell Adjustment rate for November was $0.00081.

November producer receipts of 1.23 billion pounds were 9.8 percent lower than October and 6.3 percent lower than November 2009 production of 1.31 billion pounds. Producer milk allocated to Class I accounted for 45.4 percent of the total producer milk in November 2010, more than the 40.2 percent in October, and more than the 44.0 percent in November 2009. A total of 6,831 producers were pooled on the Mideast Order compared to 7,178 producers pooled in November 2009.

The market average content of producer milk was as follows: Butterfat 3.82%; Protein 3.18%; Other Solids 5.70% and Nonfat Solids 8.88%.

Release Dates for 2011 Federal Milk Order Price Data

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2011. The advanced prices and pricing factors will be released at 10:00 a.m. EST/EDST no later than the 23rd of the preceding month if that date is on a Friday; otherwise, the release date will be the nearest Friday before the 23rd. Likewise, the class and component prices will be released at 10:00 a.m. EST/EDST no later than the 5th of the following month if that date is on a Friday; otherwise the release date will be the nearest Friday before the 5th. Due to the Federal holiday on December 24, 2010, the release date and time for the January Advanced Prices and Pricing Factors is Thursday, December 23, 2010, at 2:00 p.m. EST.

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices 1/	Release Date	Time Period of NASS Prices 1/
January	Dec. 23, 2010	12/11, 18	Feb 4, 2011	1/1, 8, 15, 22, 29
February	Jan. 21, 2011	1/8, 15	Mar. 4	2/5, 12, 19, 26
March	Feb. 18	2/5, 12	Apr. 1	3/5, 12, 19, 26
April	Mar. 18	3/5, 12	Apr. 29	4/2, 9, 16, 23
May	Apr. 22	4/9, 16	Jun. 3	4/30, 5/7, 14, 21, 28
June	May 20	5/7, 14	Jul. 1	6/4, 11, 18, 25
July	Jun. 17	6/4, 11	Aug. 5	7/2, 9, 16, 23, 30
August	Jul. 22	7/9, 16	Sep. 2	8/6, 13, 20, 27
September	Aug. 19	8/6, 13	Sep. 30	9/3, 10, 17, 24
October	Sept. 23	9/10, 17	Nov. 4	10/1, 8, 15, 22, 29
November	Oct. 21	10/8, 15	Dec. 2	11/5, 12, 19, 26
December	Nov. 18	11/5, 12	Dec. 30	12/3, 10, 17, 24

1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by NASS on Friday of the following week.

October Milk Production Up 3.3 Percent

Milk production in the 23 major States during October totaled 14.8 billion pounds, up 3.3 percent from October 2009. September revised production at 14.5 billion pounds, was up 3.7 percent from September 2009. The September revision represented an increase of 6 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,767 pounds for October, 47 pounds above October 2009.

The number of milk cows on farms in the 23 major States was 8.37 million head, 52,000 head more than October 2009, but unchanged from September 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during October totaled 2.3 billion pounds, up 56 million pounds or 2.5 percent from October 2009.

Production per cow in the Mideast states averaged 1,706 pounds for October, 36 pounds above October 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 2,000 head more than October 2009.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

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	October 2010						October 2009				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,823	595,370	3.69	3.12	5.70	182	569,213	3.70	3.12	5.72	191
Ohio	2,187	283,104	3.81	3.18	5.65	244	328,503	3.82	3.16	5.67	238
Indiana	1,120	137,183	3.81	3.18	5.67	234	140,599	3.83	3.17	5.70	248
New York	333	123,964	3.72	3.12	5.73	211	134,862	3.72	3.12	5.69	212
Pennsylvania	1,030	101,368	3.86	3.19	5.64	288	101,466	3.87	3.17	5.65	306
Wisconsin	184	91,970	3.68	3.09	5.81	236	48,106	3.69	3.07	5.78	236
West Virginia	57	3,941	4.03	3.33	5.62	328	4,229	4.04	3.32	5.62	316
Other	211	22,101	3.78	3.15	5.73	249	9,226	3.81	3.19	5.68	258
Total/Average *	6,945	1,359,002	3.74	3.14	5.69	216	1,336,205	3.76	3.14	5.70	222

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

FEDERAL ORDER DATA

November 2010

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,969,000	899,632	45.7	$2.73	$18.17
FO 5	Appalachian - *(Charlotte)*	492,025	351,691	71.5	[2]	19.45
FO 6	Florida - *(Tampa)*	247,448	214,304	86.6	[2]	21.61
FO 7	Southeast - *(Atlanta)*	572,988	404,279	70.6	[2]	19.62
FO 30	Upper Midwest - *(Chicago)*	2,640,703	379,594	14.4	0.48	15.92
FO 32	Central - *(Kansas City)*	1,110,039	397,231	35.8	1.23	16.67
FO 33	**Mideast - *(Cleveland)***	**1,225,999**	**557,114**	**45.4**	**1.58**	**17.02**
FO 124	Pacific Northwest - *(Seattle)*	637,462	195,510	30.7	1.27	16.71
FO 126	Southwest - *(Dallas)*	900,947	385,540	42.8	2.25	17.69
FO 131	Arizona - *(Phoenix)*	347,206	120,771	34.8	[2]	17.30

[1] Names in parentheses are principal points of markets.
[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR DECEMBER 2010 ....$15.44 /cwt.

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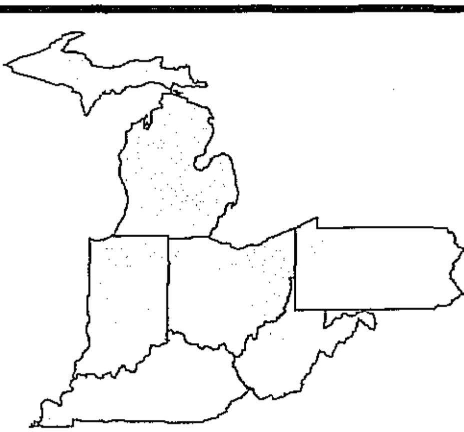
Mideast Market Administrator's Bulletin



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January 2011

2010 Market Summary

Producer milk receipts pooled totaled 16.0 billion pounds on the Mideast Order during 2010, a decrease of 574.1 million pounds, or 3.5 percent from 2009. During 2010, there were over 670.4 million pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.26 billion pounds in February to a high of 1.47 billion pounds in March.

The number of producers pooled on the Mideast Order in 2010 averaged 6,963 per month, down 3.4 percent from a year earlier. Producer milk averaged 3.66 percent butterfat in 2010, ranging from a low of 3.49 percent in July to a high of 3.87 percent in December. The protein test averaged 3.05 percent for 2010. Protein tests ranged from a low of 2.92 percent in July, to a high of 3.18 percent in November and December. Other solids tests for producer milk averaged 5.71 percent for the year.

For the year, 40.6 percent of producer milk was utilized as Class I; 15.8 percent in Class II; 36.7 percent in Class III; and 6.9 percent in Class IV. The Class I utilization percentage had a low of 36.3 percent in June and a high of 45.4 percent in November. Class I milk totaled 6.5 billion pounds during 2010, down 4.9 percent from 2009. Class II milk totaled 2.5 billion pounds in 2010, a decrease of 21.6 percent from 2009. Class III pooled pounds were 5.9 billion pounds in 2010, an increase of 9.2% from 2009. Class IV milk totaled 1.1 billion pounds in 2010, a decrease of 3.3 percent from 2009.

The Class I price averaged $17.35 per cwt for the year, an increase of $3.87 per cwt from 2009. The Class I price had a low of $15.22 per cwt in April 2010 and a high of $19.24 per cwt in November. The Class II price averaged $16.02 per cwt, an increase of $4.76 per cwt from the prior year. It ranged from a low of $13.78 per cwt in April to a high of $17.60 per cwt in September. The Class III price averaged $14.41 per cwt, an increase of $3.05 per cwt from 2009. The Class III price ranged from a low of $12.78 per cwt in March to a high of $16.94 per cwt in October. The Class IV price averaged $15.09 per cwt for the year, an increase of $4.21 per cwt from a year ago. It was lowest in February at $12.90 per cwt and was highest in October at $17.15 per cwt.

The Statistical Uniform Price averaged $15.84 per cwt for 2010 compared to $12.11 per cwt in 2009. The Producer Butterfat Price averaged $1.8535 per pound in 2010. This was a decrease of $0.5963 from 2009. The butterfat price was lowest in February at $1.4404 per pound and was highest in October at $2.4436 per pound. The Protein Price averaged $2.3091 per pound in 2010. This was an increase of $0.1004 from the previous year. The protein price was highest in January at $2.7916 per pound and was lowest in July at $2.0515 per pound. Other Solids Price averaged $ 0.1777 per pound, $0.1165 higher than the 2009 average. The Producer Price Differential (PPD) averaged $1.43 per cwt in 2010 with a high of $2.38 per cwt in July and a low of $0.62 per cwt in October.

November Milk Production Up 3.1 Percent

Milk production in the 23 major States during November totaled 14.4 billion pounds, up 3.1 percent from November 2009. October unrevised production at 14.8 billion pounds, was up 3.3 percent from October 2009. Production per cow in the 23 major States averaged 1,722 pounds for November, 41 pounds above November 2009.

The number of milk cows on farms in the 23 major States was 8.37 million head, 57,000 head more than November 2009, but unchanged from October 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.2 billion pounds, up 59 million pounds or 2.7 percent from November 2009.

Production per cow in the Mideast states averaged 1,658 pounds for November, 37 pounds above November 2009.

The number of cows on farms in the Mideast states was 1.3 million head, 5,000 head more than November 2009.

Michigan Office Relocation

On January 7, the Novi, Michigan, office of the Mideast Market Administrator moved to a new location in Wixom, Michigan. The new address for the Wixom office is: 28004 Center Oaks Court, Suite 110, Wixom, Michigan 48393. Phone numbers remain unchanged from the Novi location.

December 2010 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	558,585,662	42.7
Class II	182,293,857	13.9
Class III	474,045,843	36.3
Class IV	92,841,923	7.1
Total	1,307,767,285	100.0

Producer Prices

Producer Price Differential	$ 1.93	/cwt
Butterfat Price	1.7952	/ lb
Protein Price	2.1706	/ lb
Other Solids Price	0.1852	/ lb
Somatic Cell Adjustment Rate	0.00073	/ cwt
Statistical Uniform Price	15.76	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

December 2010

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			548,124,802			$ 11.11 / cwt	$ 60,896,665.53
Class I Butterfat		10,460,860				2.3548 / lb	24,633,233.12
Class I Location Differential	558,585,662						(282,696.05)
Class II SNF Value				15,651,842		1.0900 / lb	17,060,507.78
Class II Butterfat		12,612,402				1.8022 / lb	22,730,070.88
Class III Protein Value			15,072,235			2.1706 / lb	32,715,793.29
Class III Other Solids Value					27,070,491	0.1852 / lb	5,013,454.92
Class III Butterfat		18,700,601				1.7952 / lb	33,571,318.92
Class IV SNF Value				7,749,950		1.0068 / lb	7,802,649.65
Class IV Butterfat		8,822,071				1.7952 / lb	15,837,381.88
Somatic Cell Value II / III / IV							804,848.74
TOTAL PRODUCER MILK VALUE	1,307,767,285	50,595,934	41,601,488		74,575,276		$ 220,783,228.66

Overages			$ 101,373.09	
Beginning Inventory and Other Source Charges			(87,209.86)	
TOTAL ADJUSTMENTS				$ 14,163.23
TOTAL HANDLER OBLIGATIONS				$ 220,797,391.89
Total Protein Value	41,601,488 lbs	@	$2.1706	$ (90,300,189.85)
Total Other Solids Value	74,575,276 lbs	@	0.1852	(13,811,341.13)
Butterfat Value	50,595,934 lbs	@	1.7952	(90,829,820.73)
Total Somatic Cell Values				(1,410,986.86)
TOTALS				$ 24,445,053.32
Net Producer Location Adjustments				$ 888,919.64
1/2 Unobligated Balance Producer Settlement Fund				545,000.00
Total - Divided by Total Pounds	1,307,767,285 lbs		1.9788668	$ 25,878,972.96
Rate of Cash Reserve			(0.0488668)	(639,064.02)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,307,767,285		$ 1.93 /cwt	$ 25,239,908.94

COMPONENT PRICES

	December 2010	December 2009
Butterfat Price	$1.7952 / lb	$1.5433 / lb
Protein Price	2.1706 / lb	2.8751 / lb
Other Solids Price	0.1852 / lb	0.1727 / lb
Somatic Cell Adjustment Rate	0.00073 / cwt	0.00080 / cwt
Nonfat Solids Price	1.0068 / lb	1.1068 / lb

COMPUTATION OF UNIFORM PRICE

	December 2010	December 2009
Class III Price - 3.5% BF	$ 13.83	$14.98
Producer Price Differential*	1.93	0.14
Statistical Uniform Price	$15.76	$15.12

CLASS PRICES

	December 2010	December 2009
Class I*	$18.96	$15.99
Class II	15.77	14.25
Class III	13.83	14.98
Class IV	15.03	15.01

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	December 2010 *Product lbs.*	December 2009 *Product lbs.*
Class I	558,585,662	606,113,008
Class II	182,293,857	242,246,018
Class III	474,045,843	441,255,536
Class IV	92,841,923	101,005,310
Total	1,307,767,285	1,390,619,872

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for December 2010 was $1.93 and the Statistical Uniform Price was $15.76 for the month. The Statistical Uniform Price is $1.26 lower than last month, and is $0.64 higher than December, 2009.

The Producer Butterfat Price of $1.7952 per pound decreased 44.70 cents from November and is up $0.2519 from a year ago. The Protein Price of $2.1706 is down 2.75 cents from last month and is down 70.45 cents from December 2009. The Other Solids Price in December was $0.1852 per pound, an increase from last month's price of $0.1797 and 1.25 cents higher than last December. The Somatic Cell Adjustment rate for December was $0.00073.

December producer receipts of 1.31 billion pounds were 6.7 percent higher than November and 6.0 percent lower than December 2009 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 42.7 percent of the total producer milk in December 2010, less than the 45.4 percent in November, and less than the 43.6 percent in December 2009. A total of 6,800 producers were pooled on the Mideast Order compared to 7,154 producers pooled in December 2009.

The market average content of producer milk was as follows: Butterfat 3.87%; Protein 3.18%; Other Solids 5.70% and Nonfat Solids 8.88%.

THE DAIRY OUTLOOK

Firm Demand Will Likely Keep Milk Prices Near 2010 Levels; However, Higher Feed Prices Will Narrow Producer Profits

Feed prices are expected to be much higher for dairy producers next year. The USDA forecast corn price is expected to be $4.80 to $5.60 a bushel for the 2010/11crop year. Soybean meal prices, while projected to be higher, will not rise as much as corn. They are expected to be $310 to $350 per ton in 2010/11, up from a $311 per ton average in 2009/10. The increase in feed ingredient prices will boost the benchmark 16-percent protein mixed dairy ration price nearly 20 percent above 2010. Higher feed costs are already pressuring producers but will not likely affect cow numbers until the second half of 2011. Cow numbers will continue to increase through the first half of 2011 and are expected to decline slightly in the second half of the year. These changes are expected to leave the herd size next year slightly above the 9,110 thousand head in 2010 at a projected 9,125 thousand head. Milk per cow is forecast to continue to rise next year, but at less than half the pace forecast for 2010. The current year's increase in milk per cow was aided by good weather in addition to moderate feed prices. Overall, milk production will be slightly higher next year at 195.5 billion pounds, up 1.4 percent from the 2010 estimated total of 192.8 billion pounds.

Milk equivalent imports on both a fats and skim-solids basis are forecast to be lower in 2010. The fact that international prices are still above U.S. domestic prices for the major dairy products, and that the domestic economic recovery is gradual, will limit import totals to 4.1 billion pounds next year, down from 4.3 billion this year on a fats basis and down to 4.9 billion pounds from 5.1 billion this year on a skim-solids basis. Milk equivalent exports rebounded sharply this year from 2009. However, next year exports on a fats basis are expected to weaken to 6.3 billion pounds from the 8.3 billion pound total expected this year. Uncertainty over the Mexican tariff on U.S. cheese exports is contributing to the decline. On a skim-solids basis, exports are forecast to decline slightly to 30 billion pounds from a projected 31.3 billion pound total expected this year. Oceania milk production is forecast to increase in 2011, raising competition in export markets.

Domestic commercial use on a fats basis is expected to rise by nearly 2 percent in 2011; this would be the sharpest year-over-year rise in at least 4 years. Domestic commercial use on a skim-solids basis is forecast to climb by nearly 3 percent in 2011. The rise would follow a better than 2-percent year-over-year decline expected in 2010.

Strong domestic use, a good export outlook, and only a moderate increase in milk production provide the basis for continued strong price performance estimates for dairy products into 2011. While butter prices have retreated from earlier peaks, the 2010 average price is expected to be $1.685 to $1.715 per pound this year. Prices in 2011, while not as high as this year's, will still be above those of recent years averaging $1.485 to $1.595 per pound. Despite uncertainty in the cheese export market, domestic demand should be sufficient to boost cheese prices next year. Cheese prices in 2010 are expected to average $1.515 to $1.525 per pound, rising to $1.535 to $1.615 per pound in 2011. Nonfat dry milk (NDM) prices are also projected higher next year. NDM prices are expected to average $1.160 to $1.180 per pound this year and climb to $1.200 to $1.260 per pound in 2011. Whey prices are likely to average 36.5 to 37.5 cents per pound in 2010 and 36.5 to 39.5 cents per pound next year.

Export prospects for NDM should help keep Class IV milk prices firm into 2011, but not quite as high as this year's $15.00 to $15.20 per cwt expected average. In 2011, Class IV milk is forecast to average $14.50 to 15.40 per cwt. Class III milk prices should be higher next year. For 2010, the Class III price is expected to average $14.35 to $14.45 per cwt and to climb to $14.45 to $15.25 next year. On balance, this leaves the all milk price next year at $15.90 to $16.70 per cwt, virtually unchanged from the 2010 projected average of $16.25 to $16.35 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook," LDP-M-198, December 20, 2010, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

Bulletin Webpage Edition
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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class & Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

State	November 2010 Number of Producers	Pounds of Milk (000)	Weighted Averages Butterfat	Protein	Other Solids	SCC (000)	November 2009 Pounds of Milk (000)	Weighted Averages Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,814	551,668	3.74	3.14	5.68	169	568,217	3.70	3.11	5.71	184
Ohio	2,127	247,391	3.95	3.26	5.74	223	312,509	3.82	3.17	5.68	229
Indiana	1,090	121,316	3.92	3.22	5.67	212	134,723	3.83	3.15	5.68	239
Pennsylvania	1,027	98,206	3.94	3.22	5.65	266	98,333	3.87	3.18	5.66	296
New York	333	93,120	3.81	3.15	5.72	201	132,181	3.71	3.12	5.69	207
Wisconsin	180	90,135	3.72	3.12	5.80	232	51,406	3.67	3.05	5.74	239
West Virginia	57	3,880	4.15	3.36	5.63	297	4,051	4.06	3.31	5.63	295
Other	166	20,436	3.83	3.18	5.75	235	6,950	3.91	3.18	5.67	283
Total/Average *	6,794	1,226,153	3.82	3.18	5.70	201	1,308,370	3.76	3.13	5.69	214

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

November 2010

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,062,320	935,209	45.3	$3.08	$16.91
FO 5	Appalachian - *(Charlotte)*	526,623	363,671	69.1	[2]	18.31
FO 6	Florida - *(Tampa)*	254,381	218,070	85.7	[2]	20.69
FO 7	Southeast - *(Atlanta)*	629,294	406,990	64.7	[2]	18.33
FO 30	Upper Midwest - *(Chicago)*	2,764,088	390,079	14.1	0.58	14.41
FO 32	Central - *(Kansas City)*	1,183,580	396,077	33.5	1.46	15.29
FO 33	**Mideast - *(Cleveland)***	**1,307,767**	**558,586**	**42.7**	**1.93**	**15.76**
FO 124	Pacific Northwest - *(Seattle)*	657,677	193,662	29.5	1.49	15.32
FO 126	Southwest - *(Dallas)*	990,136	383,831	38.8	2.56	16.39
FO 131	Arizona - *(Phoenix)*	373,499	116,893	31.3	[2]	15.88

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2011 ....$13.83 /cwt.

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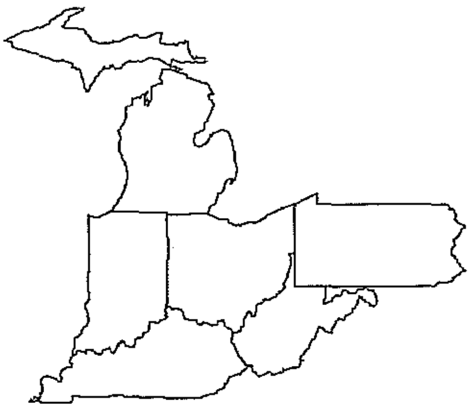
Mideast Market Administrator's Bulletin



Federal Order No. 33

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February 2011

THE DAIRY OUTLOOK

Year-Over-Year Milk Production Increases Slowly Adjusting Supply to Demand, Holding the All Milk Price near the 2010 Price

The latest USDA forecasts indicate rising feed prices for the 2010/11 crop year. The corn price is forecast to average $4.90 to $5.70 per bushel, and the soybean meal price is forecast to average $320 to $360 per ton. These latest price forecasts represent an increase from last month's forecasts. Positive processor margins for ethanol and strong exports will contribute to the higher prices. Supplies of corn are expected to be lower as yield per harvested acre is expected to be lower than in 2009/10, despite higher planted acreage. Supplies of soybeans and soybean meal are also forecast to be slightly lower than in 2009/10.

Meanwhile, the November *Milk Production* report indicated that estimated U.S. milk production rose 2.7 percent on a year-over-year basis. Cow numbers also continue to rise on a year-over-year basis. However, herd size was unchanged in November from October. This situation suggests producers may be responding to lackluster feed-price ratios that persisted in 2010 and are likely to worsen in 2011 due to higher expected feed prices. USDA's *Cattle* report, which will be released January 28, will provide an early indication of producer intentions regarding dairy heifer retention. The current forecast calls for cow numbers to average 9.1 million head in 2011, the first annual increase since 2008. High cow slaughter and heifer prices that are about unchanged from last year suggest little incentive for herd expansion. The availability of heifer replacements at modest prices could provide an opportunity to some producers for herd freshening, which could be a cost reducing strategy with higher feed prices in the offing. Milk per cow is projected to rise 1.3 percent this year over last to 21,425 pounds. Total milk production in 2011 is expected to reach 195.5 billion pounds, compared with 192.8 billion pounds for 2010.

Milk equivalent exports for 2011 are forecast at 6.4 billion pounds on a fats basis and 30.7 billion pounds on a skim-solids basis. Although representing a retreat from 2010 exports, these forecasts have been raised from last month largely on improved skim-solids basis exports. U.S. dairy product prices are below international prices and a weak dollar relative to foreign currencies makes U.S. dairy products attractively priced. Global demand should be higher in 2011, especially in Asia and South America, because economic recovery in those regions has been stronger than in Europe and the United States. What remains to be seen is the scope of recovery in milk production in Oceania.

U.S. imports of dairy products will trail last year's totals and have been adjusted downward. Imports for 2011 are forecast at 3.9 billion pounds on a fats basis and 4.7 billion pounds on a skim-solids basis. The same fundamentals that make U.S. exports attractive on the world markets weaken the U.S. import market.

Butter stocks remain very tight, and consequently, butter prices are expected to remain high relative to recent years but to average below 2010 levels. Butter prices are expected to decline in the second half of 2011 as foreign production eases global tightness and more milk moves to Class IV uses due to adequate domestic supplies of cheese and strong export demand for nonfat dry milk (NDM). Butter prices are forecast to average $1.545 to $1.655 per pound in 2011.

Cheese prices are projected to average $1.510 to $1.590 per pound in 2011, close to the 2010 average price. Beginning cheese stocks are above last year's levels and supplies appear adequate to meet demand. Over the course of 2011, supplies could tighten in the face of forecast milk production, keeping cheese prices firm over the course of the year. Expectations for continued strong exports for NDM and whey will likely boost prices above last year for both products in 2011. In 2011, NDM prices are forecast to average $1.220 to $1.280 per pound and whey prices are projected at 37.5 to 40.5 cents per pound; both forecasts represent an increase from 2010 prices. Milk prices in 2011, like milk product prices, are expected to average higher than in 2010. The Class III price is expected to average $14.35 to $15.15 per cwt. The Class IV price is expected to average $14.90 to $15.80. The all milk price is projected at $16.10 to $16.80 per cwt.

SOURCE: "Livestock, Dairy, and Poultry Outlook," LDP-M-199, January 19, 2011, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

January 2011 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	555,863,978	44.6
Class II	151,610,977	12.2
Class III	460,180,994	36.9
Class IV	77,870,580	6.3
Total	1,245,526,529	100.0

Producer Prices

Producer Price Differential	$ 2.30	/cwt
Butterfat Price	2.0239	/ lb
Protein Price	1.7590	/ lb
Other Solids Price	0.2002	/ lb
Somatic Cell Adjustment Rate	0.00070	/ cwt
Statistical Uniform Price	15.78	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

January 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			546,147,879			$ 11.33 / cwt	$ 61,878,554.71
Class I Butterfat		9,716,099				1.7896 / lb	17,387,930.73
Class I Location Differential	555,863,978						(279,980.69)
Class II SNF Value				12,900,142		1.1144 / lb	14,375,918.23
Class II Butterfat		11,206,667				2.0309 / lb	22,759,619.99
Class III Protein Value			14,524,874			1.7590 / lb	25,549,253.39
Class III Other Solids Value					26,366,578	0.2002 / lb	5,278,588.94
Class III Butterfat		16,844,743				2.0239 / lb	34,092,075.38
Class IV SNF Value				6,249,856		1.0743 / lb	6,714,220.31
Class IV Butterfat		10,017,928				2.0239 / lb	20,275,284.48
Somatic Cell Value II / III / IV							694,514.61
TOTAL PRODUCER MILK VALUE	1,245,526,529	47,785,437	39,172,129		71,119,542		$ 208,725,980.08
Overages					$ 112,079.66		
Beginning Inventory and Other Source Charges					(5,870.22)		
TOTAL ADJUSTMENTS							$ 106,209.44
TOTAL HANDLER OBLIGATIONS							$ 208,832,189.52
Total Protein Value			39,172,129 lbs	@	$1.7590		$ (68,903,774.97)
Total Other Solids Value			71,119,542 lbs	@	0.2002		(14,238,132.32)
Butterfat Value			47,785,437 lbs	@	2.0239		(96,712,945.96)
Total Somatic Cell Values							(1,262,335.29)
TOTALS							$ 27,715,000.98
Net Producer Location Adjustments							$ 913,553.26
1/2 Unobligated Balance Producer Settlement Fund							633,000.00
Total - Divided by Total Pounds			1,245,526,529 lbs		2.3493321		$ 29,261,554.24
Rate of Cash Reserve					(0.0493321)		(614,444.39)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,245,526,529		$ 2.30 /cwt		$ 28,647,109.85

COMPONENT PRICES

	January 2011	January 2010
Butterfat Price	$2.0239 / lb	$1.4405 / lb
Protein Price	1.7590 / lb	2.7916 / lb
Other Solids Price	0.2002 / lb	0.1946 / lb
Somatic Cell Adjustment Rate	0.00070 / cwt	0.00077 / cwt
Nonfat Solids Price	1.0743 / lb	1.0148 / lb

COMPUTATION OF UNIFORM PRICE

	January 2011	January 2010
Class III Price - 3.5% BF	$ 13.48	$14.50
Producer Price Differential*	2.30	0.80
Statistical Uniform Price	$15.78	$15.30

CLASS PRICES

	January 2011	January 2010
Class I*	$17.20	$17.03
Class II	16.79	15.22
Class III	13.48	14.50
Class IV	16.42	13.85

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	January 2011 *Product lbs.*	January 2010 *Product lbs.*
Class I	555,863,978	585,181,985
Class II	151,610,977	253,129,698
Class III	460,180,994	469,350,114
Class IV	77,870,580	108,137,702
Total	1,245,526,529	1,415,799,499

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2011 was $2.30 and the Statistical Uniform Price was $15.78 for the month. The Statistical Uniform Price is $0.02 higher than last month, and is $0.48 higher than January 2010.

The Producer Butterfat Price of $2.0239 per pound increased 22.87 cents from December and is up $0.5834 from a year ago. The Protein Price of $1.7590 is down 41.16 cents from last month and is down $1.0326 from January 2010. The Other Solids Price in January was $0.2002 per pound, an increase from last month's price of $0.1852 and 0.56 cents higher than last January. The Somatic Cell Adjustment rate for January was $0.00070.

January producer receipts of 1.25 billion pounds were 4.8 percent lower than December and 12.0 percent lower than January 2010 production of 1.42 billion pounds. Producer milk allocated to Class I accounted for 44.6 percent of the total producer milk in January 2011, more than the 42.7 percent in December, and more than the 41.3 percent in January 2010. A total of 6,722 producers were pooled on the Mideast Order compared to 7,171 producers pooled in January 2010.

The market average content of producer milk was as follows: Butterfat 3.84%; Protein 3.15%; Other Solids 5.71% and Nonfat Solids 8.86%.

December Milk Production Up 2.8 Percent

Milk production in the 23 major States during December totaled 15.0 billion pounds, up 2.8 percent from December 2009. November revised production at 14.4 billion pounds, was up 3.1 percent from November 2009. The November revision represented an increase of 8 million pounds or 0.1 percent from last month's preliminary estimate.

Production per cow in the 23 major States averaged 1,794 pounds for December, 33 pounds above December 2009. The number of milk cows on farms in the 23 major States was 8.39 million head, 74,000 head more than December 2009, and 15,000 head more than November 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during December totaled 2.3 billion pounds, up 47 million pounds or 2.1 percent from December 2009.

Production per cow in the Mideast states averaged 1,719 pounds for December, 23 pounds above December 2009. The number of cows on farms in the Mideast states was 1.3 million head, 10,000 head less than December 2009.

2009 Transportation Analysis Released

This staff paper details the hauling assessments paid by producers, and the delivery distance to the first delivery point, of milk marketed by producers associated with the Mideast Marketing Area, Federal Order 33, for May 2009. The results show that hauling assessments vary significantly due to multiple factors including delivery volume, competitive groups of producers and proximity to a processing plant.

December 2010 Dairy Products (NASS)

Butter production was 158.1 million pounds in December, 4.8% above December 2009 and 18.6 above November 2010. American type cheese production totaled 369.6 million pounds, 4.9% above December 2009 and 5.6% above November 2010. Total cheese output (excluding cottage cheese) was 904.4 million pounds, 4.7% above December 2009 and 2.4% above November 2010. Nonfat dry milk production, for human food, totaled 139.5 million pounds, 10.1% above December 2009 and 19.6% above November 2010. Dry whey production, for human food, was 84.4 million pounds, 5.4% above December 2009 and 7.9% above November 2010. Ice cream (hard) production totaled 52.3 million gallons, 6.6% above December 2009 and 1.2% above November 2010.

Organic Dairy Market News Overview (DMN)

Comparing the January 2011 average organic reduced fat (2%) half gallon milk price in each of 30 cities with the 2010 annual average, the January price in fifteen cities is higher, lower in twelve, and even in three. The national weighted average advertised price for half gallons of organic milk fell 22 cents to $2.78 following a 45 cent decrease two weeks ago. Yet, the price range increased to $1.39 from 41 cents, with advertised prices ranging from $2.50 to $3.89. Organic milk gallon ads yielded a weighted average advertised price of $4.79, down from $5.22 two weeks ago. All prices were $4.79 so there is no range to report. This is the lowest weighted average advertised price since the first week of September last year. For every report since the Fall of 2009, there have been gallon organic milk ads priced higher than this report. The national weighted average advertised price for 8 ounce organic milk is 85 cents. Regionally, the weighted average varied from 70 cents to $1.15. Organic milk ads appeared in every region this report, with over one-half of ad placements appearing in two regions: the Southeast, 30.3%; and the Midwest, 24.5%. The remaining region's percentages are: South Central, 19.7%; Northwest, 15.6%; Southwest, 6.7%; and Northeast, 3.3%. The weighted average advertised price of organic yogurt in 6 ounce containers fell 2 cents to 58 cents. The lowest advertised price for this report, 49 cents, is the second lowest since this series began during the Fall of 2009.

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Featured this month are:

- Total Mideast Milk Marketings by County, 2010
- Increases in Mideast Milk Marketings by County, 2010 vs. 2009
- Decreases in Mideast Milk Marketings by County, 2010 vs. 2009

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	December 2010							December 2009				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,812	588,118	3.79	3.16	5.71	172	606,534	3.70	3.12	5.73	181
Ohio	2,114	281,525	3.97	3.22	5.67	222	326,767	3.86	3.17	5.70	226
Indiana	1,092	122,586	4.00	3.22	5.68	212	143,797	3.88	3.16	5.71	234
Pennsylvania	1,061	102,875	3.99	3.21	5.66	274	104,231	3.90	3.17	5.67	297
New York	333	96,807	3.81	3.15	5.71	204	138,733	3.72	3.12	5.70	203
Wisconsin	170	85,427	3.77	3.13	5.80	238	53,097	3.68	3.05	5.74	230
West Virginia	56	3,959	4.27	3.35	5.65	319	4,144	4.10	3.30	5.66	291
Other	178	26,575	3.86	3.20	5.75	220	13,458	3.82	3.17	5.67	229
Total/Average *	6,816	1,307,872	3.87	3.18	5.70	203	1,390,761	3.78	3.14	5.71	211

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

January 2011

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,142,163	910,664	42.5	$3.53	$17.01
FO 5	Appalachian - *(Charlotte)*	505,682	352,724	69.8	[2]	18.31
FO 6	Florida - *(Tampa)*	264,851	222,289	83.9	[2]	20.32
FO 7	Southeast - *(Atlanta)*	628,540	407,610	64.9	[2]	18.01
FO 30	Upper Midwest - *(Chicago)*	2,843,460	372,165	13.1	0.64	14.12
FO 32	Central - *(Kansas City)*	1,144,495	400,557	35.0	1.83	15.31
FO 33	**Mideast - *(Cleveland)***	**1,245,527**	**555,864**	**44.6**	**2.30**	**15.78**
FO 124	Pacific Northwest - *(Seattle)*	667,787	189,347	28.4	2.09	15.57
FO 126	Southwest - *(Dallas)*	1,000,734	396,061	39.6	2.76	16.24
FO 131	Arizona - *(Phoenix)*	384,653	126,477	32.9	[2]	16.23

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR FEBRUARY 2011 ....$13.48 /cwt.

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Mideast Market Administrator's Bulletin

Federal Order No. 33

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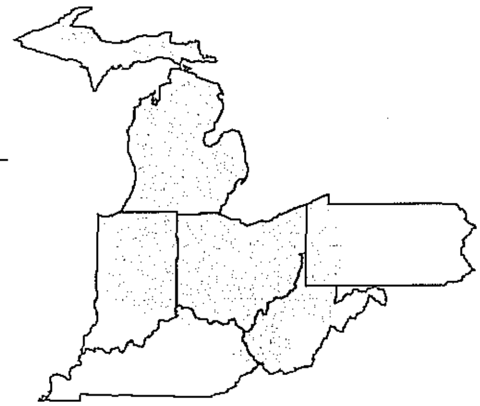
March 2011



2010 Milk Production Up 1.8 Percent

Milk production in the United States during 2010 totaled 193.0 billion pounds, up 1.8 percent from 2009.The top five states were California, Wisconsin, Idaho, New York and Pennsylvania.

Idaho moved from 4th in 2009 to 3rd in 2010. The top five states were up 2.8 percent or 2.77 billion pounds of milk. California had an increase of 873 million pounds of production making it the highest gaining state in 2010. The largest drop in production occurred in Missouri where they were down 123 million pounds of milk.

Production per cow in the United States averaged 21,149 pounds for 2010. This was 576 pounds above 2009 numbers. The top five states per cow were New Mexico, Colorado, Washington, Arizona, and Michigan.

The number of milk cows on farms in the United States in 2010 was 9.12 million head, down 0.9 percent from 2009. The average number of milk cows was revised up 2,000 head for 2009.

The Mideast Marketing Area has four states represented in the totals used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during 2010 totaled 27.8 billion pounds, up 671 million pounds or 2.5 percent from 2009.

Production per cow in the Mideast states averaged 20,717 pounds for 2010, 545 pounds above 2009 totals.

The number of cows on farms in the Mideast states was 1.3 million head, 6,000 head less than 2009.

THE DAIRY OUTLOOK
Both Milk Production and Milk Prices Are Expected To Be Higher in 2011

Feed prices continue upward. The soybean meal price is projected at $340 to $380 per ton, up from last month's projection. Slightly lower planted acreage and lower yields combined to cause the rise in the forecast. The corn price forecast was also raised, to $5.05 to $5.75 per bushel. Despite an increase in harvested acreage, corn production is forecast lower due to an expected 11.9-bushel fall in the national average yield per acre. The corn season-ending stocks-to-use ratio is forecast to be the lowest since 1995/96.

The Nation's dairy herd continues a modest expansion. The fourth-quarter 2010 dairy cow population was higher than in the corresponding quarter of 2009. The January *Cattle* report indicated that milk cows and dairy replacement heifers had both risen by 1-percent year-over-year. The *Livestock Slaughter* report showed dairy cow slaughter in December 2010 ahead of both November and December 2009. The proportion of replacements relative to cows is about the same as last year. The evidence suggests an ample number of dairy replacements are available for both herd freshening and some expansion. Despite substantially higher feed costs, higher milk prices could provide enough margin for many producers to continue the herd expansion that began last fall. Herd size will likely contract toward the end of 2011 as already high feed costs continue to escalate. Over the course of the year, the herd size will average 9.15 million cows. Production per cow is expected to rise by about 1 percent, near trend and below last year's stellar 2.8 percent increase. The result will be 196.1 billion pounds of milk produced in 2011. Milk equivalent imports for 2011 are forecast at 3.9 billion pounds on a fats basis and 4.7 billion pounds on a skim-solids basis, continuing the downward trend of the past 2 years.

Milk equivalent exports are projected to reach 6.4 billion pounds on a fats basis and 30.7 billion pounds on a skim-solids basis. The export forecasts are below 2010 totals, and although world supplies are tight, higher production from Oceania over the course of the year is expected to ease the international supply situation. Exporters will have to compete with a resurgent U.S. domestic market where use is expected to climb by 2.3 percent on a fats basis and 3.1 percent on a skim-solids basis.

Product prices will be higher across the board this year than in 2010. Cheese prices are forecast at $1.640 to $1.710 per pound, and have been buoyed by high prices for butter and nonfat dry milk (NDM). Commercial use of cheese rose in 2010 and is expected to remain strong in 2011. The exceptionally high butter and NDM prices reflect robust export prospects for both products. Although

(Continued on Page 3)

February 2011 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	503,815,803	41.5
Class II	148,006,994	12.2
Class III	484,724,768	39.9
Class IV	78,418,006	6.4
Total	1,214,965,571	100.0

Producer Prices

Producer Price Differential	$ 0.68 /cwt
Butterfat Price	2.2967 / lb
Protein Price	2.5586 / lb
Other Solids Price	0.2310 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt
Statistical Uniform Price	17.68 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

February 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			494,964,679			$ 11.57 / cwt	$ 57,267,413.38
Class I Butterfat		8,851,124				1.9203 / lb	16,996,813.42
Class I Location Differential	503,815,803						(260,109.28)
Class II SNF Value				12,628,616		1.1411 / lb	14,410,513.70
Class II Butterfat		10,065,705				2.3037 / lb	23,188,364.60
Class III Protein Value			15,170,164			2.5586 / lb	38,814,381.61
Class III Other Solids Value					27,818,545	0.2310 / lb	6,426,083.91
Class III Butterfat		17,208,011				2.2967 / lb	39,521,638.87
Class IV SNF Value				6,265,633		1.1930 / lb	7,474,900.17
Class IV Butterfat		10,064,125				2.2967 / lb	23,114,275.88
Somatic Cell Value II / III / IV							962,917.88
TOTAL PRODUCER MILK VALUE	1,214,965,571	46,188,965	37,848,353		69,445,087		$ 227,917,194.14
Overages					$ 61,102.13		
Beginning Inventory and Other Source Charges					61,126.67		
TOTAL ADJUSTMENTS							$ 122,228.80
TOTAL HANDLER OBLIGATIONS							$ 228,039,422.94
Total Protein Value			37,848,353 lbs	@	$2.5586		$ (96,838,796.01)
Total Other Solids Value			69,445,087 lbs	@	0.2310		(16,041,815.12)
Butterfat Value			46,188,965 lbs	@	2.2967		(106,082,195.89)
Total Somatic Cell Values							(1,571,534.69)
TOTALS							$ 7,505,081.23
Net Producer Location Adjustments							$ 711,154.58
1/2 Unobligated Balance Producer Settlement Fund							618,000.00
Total ÷ Divided by Total Pounds			1,214,965,571 lbs		0.7271182		$ 8,834,235.81
Rate of Cash Reserve					(0.0471182)		(572,469.91)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,214,965,571		$ 0.68 /cwt		$ 8,261,765.90

COMPONENT PRICES

	February 2011	February 2010
Butterfat Price	$2.2967 / lb	$1.4404 / lb
Protein Price	2.5586 / lb	2.7066 / lb
Other Solids Price	0.2310 / lb	0.1992 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt	0.00076 / cwt
Nonfat Solids Price	1.1930 / lb	0.9043 / lb

COMPUTATION OF UNIFORM PRICE

	February 2011	February 2010
Class III Price - 3.5% BF	$ 17.00	$14.28
Producer Price Differential*	0.68	1.10
Statistical Uniform Price	$17.68	$15.38

CLASS PRICES

	February 2011	February 2010
Class I*	$17.89	$16.84
Class II	17.97	15.65
Class III	17.00	14.28
Class IV	18.40	12.90

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	February 2011 *Product lbs.*	February 2010 *Product lbs.*
Class I	503,815,803	546,619,297
Class II	148,006,994	193,106,052
Class III	484,724,768	430,409,573
Class IV	78,418,006	89,091,251
Total	1,214,965,571	1,259,226,173

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2011 was $0.68 and the Statistical Uniform Price was $17.68 for the month. The Statistical Uniform Price is $1.90 higher than last month, and is $2.30 higher than February, 2010.

The Producer Butterfat Price of $2.2967 per pound increased $0.2728 from January and is up $0.8563 from a year ago. The Protein Price of $2.5586 is up $0.7996 from last month and is down $0.1480 from February 2010. The Other Solids Price in February was $0.2310 per pound, an increase from last month's price of $0.2002 and 3.18 cents higher than last February. The Somatic Cell Adjustment rate for February was $0.00087.

February producer receipts of 1.21 billion pounds were 2.5 percent lower than January and 3.5 percent lower than February 2010 production of 1.26 billion pounds. Producer milk allocated to Class I accounted for 41.5 percent of the total producer milk in February 2011, less than the 44.6 percent in January, and less than the 43.4 percent in February 2010. A total of 6,667 producers were pooled on the Mideast Order compared to 7,006 producers pooled in February 2010.

The market average content of producer milk was as follows: Butterfat 3.80%; Protein 3.12%; Other Solids 5.72% and Nonfat Solids 8.84%.

(continued from Front Page)

prices will likely retreat from current highs as milk production from Oceania increases seasonally, tight world butter supplies should maintain the price above 2010 for much of the year. The butter price is expected to be $1.710 to $1.810 per pound. NDM prices are expected to be $1.345 to $1.405 per pound on the same conditions as those for butter prices. Whey prices are also expected to rally, as strong global powder demand may encourage some substitution of lower priced whey for other powder products. Whey prices are expected to be 40.0 to 43.0 cents per pound.

Milk prices will be higher this year. The Class IV price is expected to average $16.70 to $17.50 per cwt. The Class III price is expected to be below the Class IV price this year and to average $15.80 to $16.50 per cwt. The expected higher Class prices will push the all milk price well above 2010 to a forecast $17.70 to $18.40 per cwt for 2011.

SOURCE: "Livestock, Dairy, and Poultry Outlook," LDP-M-200, February 15, 2011, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

January Milk Production Up 2.7 Percent

Milk production in the 23 major States during January totaled 15.2 billion pounds, up 2.7 percent from January 2010. December revised production at 15.0 billion pounds, was up 2.7 percent from December 2009. The December revision represented a decrease of 17 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,813 pounds for January, 29 pounds above January 2010.

The number of milk cows on farms in the 23 major States was 8.40 million head, 82,000 head more than January 2010, and 14,000 head more than December 2010.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during January totaled 2.3 billion pounds, up 47 million pounds or 2.1 percent from January 2010.

Production per cow in the Mideast states averaged 1,730 pounds for January, 22 pounds above January 2010. The number of cows on farms in the Mideast states was 1.3 million head, 11,000 head more than January 2010.

January 2011 Highlights

Total cheese output (excluding cottage cheese) was 883 million pounds, 5.0 percent above January 2010 but 2.7 percent below December 2010.

Italian type cheese production totaled 382 million pounds, 5.3 percent above January 2010 but 2.2 percent below December 2010.

American type cheese production totaled 363 million pounds, 4.4 percent above January 2010 but 2.3 percent below December 2010.

Butter production was 167 million pounds, 2.7 percent above January 2010 and 5.4 percent above December 2010.

Dry milk powders (comparisons with January 2010)

- Nonfat dry milk, human - 117 million pounds, down 9.2 percent.
- Skim milk powders - 40.0 million pounds, up 94.3 percent.

Whey products (comparisons with January 2010)

- Dry whey, total - 91.2 million pounds, up 6.1 percent.
- Lactose, human and animal - 81.7 million pounds, up 22.2 percent.
- Whey protein concentrate, total - 35.1 million pounds, up 1.2 percent.

Frozen products (comparisons with January 2010)

- Ice cream, regular (hard) - 55.8 million gallons, up 0.7 percent.
- Ice cream, lowfat (total) - 23.0 million gallons, up 1.3 percent.
- Sherbet (hard) - 3.10 million gallons, down 10.0 percent.
- Frozen yogurt (total) - 3.62 million gallons, down 5.3 percent.

Released March 2, 2011, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin Webpage Edition
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Featured this month are:

- Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	January 2011						January 2010				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,799	582,577	3.77	3.13	5.72	174	598,444	3.69	3.10	5.71	185
Ohio	2,041	258,521	3.94	3.18	5.68	224	334,100	3.86	3.14	5.67	234
Indiana	1,107	118,191	3.91	3.16	5.69	218	146,108	3.87	3.14	5.72	241
Pennsylvania	1,025	103,533	3.96	3.17	5.67	283	107,691	3.88	3.15	5.66	306
Wisconsin	167	85,320	3.75	3.11	5.77	240	75,847	3.69	3.07	5.76	237
New York	330	69,368	3.81	3.14	5.72	206	135,861	3.70	3.09	5.71	211
West Virginia	56	3,935	4.21	3.29	5.66	317	4,089	4.10	3.26	5.65	326
Other	169	26,075	3.83	3.12	5.73	227	14,025	3.76	3.11	5.72	238
Total/Average *	6,694	1,247,520	3.84	3.15	5.71	206	1,416,164	3.77	3.12	5.70	218

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

February 2011

Marketing Area [1]		Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,911,084	813,087	42.5	$1.75	$18.75
FO 5	Appalachian - *(Charlotte)*	453,456	310,993	68.6	[2]	19.58
FO 6	Florida - *(Tampa)*	238,301	200,737	84.2	[2]	21.38
FO 7	Southeast - *(Atlanta)*	563,774	367,350	65.2	[2]	19.06
FO 30	Upper Midwest - *(Chicago)*	2,577,641	341,126	13.3	0.23	17.23
FO 32	Central - *(Kansas City)*	1,046,490	356,877	34.1	0.50	17.50
FO 33	**Mideast - *(Cleveland)***	**1,214,966**	**503,816**	**41.5**	**0.68**	**17.68**
FO 124	Pacific Northwest - *(Seattle)*	612,904	177,074	28.9	0.78	17.78
FO 126	Southwest - *(Dallas)*	950,957	354,303	37.3	1.42	18.42
FO 131	Arizona - *(Phoenix)*	364,162	118,115	32.4	[2]	18.18

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MARCH 2011...........................$17.00 /cwt.

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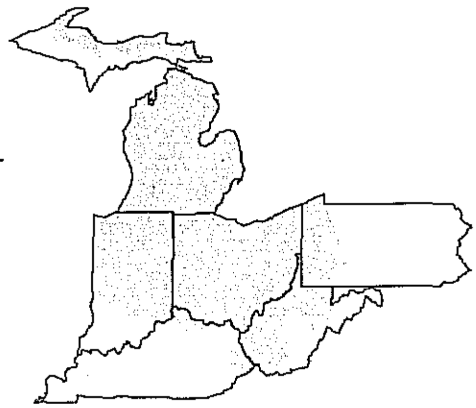
Mideast Market Administrator's Bulletin



Federal Order No. 33

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April 2011

USDA Announces Final Rule on the Establishment of a Dairy Import Assessment

The U.S. Department of Agriculture announced a final rule that will amend the National Dairy Promotion and Research Order and establishes a dairy import assessment program as required by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

Additionally, the term "United States" is amended in the Dairy Production Stabilization Act of 1983 (Act) to mean all states, the District of Columbia and the Commonwealth of Puerto Rico. All provisions are effective April 1, 2011, except those provisions regarding dairy importer assessments in Section 1150.152(b) of the Dairy Order. These provisions are effective August 1, 2011.

"This program will allow U.S. dairy producers and importers to jointly develop programs to build demand for dairy products and dairy ingredients," said Agricultural Marketing Service (AMS) Administrator Rayne Pegg.

The 2002 Farm Bill mandates that the Dairy Order be amended to implement an assessment on imported dairy products to fund promotion and research. The 2008 Farm Bill specifies that importers of dairy products be assessed a rate of 7.5 cents per hundredweight, or the equivalent thereof.

The 2002 Farm Bill authorizes two importer representatives to the current 36 member National Dairy Promotion and Research Board. Thereafter, importer representation on the Dairy Board will be adjusted at least once every three years if necessary to reflect the volume of imports relative to domestic markets. The Dairy Board was established under the Act to develop and administer a coordinated program of promotion, research and nutrition education.

Producers in the United States, including the added areas of Alaska, Hawaii and the Commonwealth of Puerto Rico are assessed 15 cents per hundredweight of milk produced and marketed. The new areas are added to the regions of closest geographic proximity. Copies of the final rule may be obtained from USDA, AMS, Dairy Programs, Room 2958-S, Washington, DC 20250-0233, USA from 9 a.m. to 4 p.m., Monday through Friday. The final rule is also available on www.regulations.gov and the AMS website at www.ams.usda.gov/dairyimportassessment.

February Milk Production Up 2.4 Percent

Milk production in the 23 major States during February totaled 14.0 billion pounds, up 2.4 percent from February 2010. January revised production, at 15.2 billion pounds, was up 2.5 percent from January 2010. The January revision represented a decrease of 21 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,666 pounds for February, 24 pounds above February 2010.

The number of milk cows on farms in the 23 major States was 8.40 million head, 81,000 head more than February 2010, but no change from January 2011.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during February totaled 2.1 billion pounds, up 20 million pounds or 0.9 percent from February 2010.

Production per cow in the Mideast states averaged 1,591 pounds for February, 7 pounds above February 2010.

The number of cows on farms in the Mideast states was 1.3 million head, 9,000 head more than February 2010.

2010 Transportation Analysis Released

This analysis details the hauling assessments paid by producers, and the delivery distance to the first delivery point, of milk marketed by producers associated with the Mideast Marketing Area, Federal Order 33, for May 2010. The results show that hauling assessments vary significantly due to multiple factors including delivery volume, the proximity to a processing plant and competition for milk supplies.

The report is available online at http://www.fmmaclev.com; click on Statistical Information and scroll down to Staff Papers.

March 2011 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	581,449,179	40.9
Class II	276,191,998	19.4
Class III	469,322,484	33.0
Class IV	96,135,474	6.7
Total	1,423,099,135	100.0

Producer Prices

Producer Price Differential	$ 0.00	/cwt
Butterfat Price	2.2859	/ lb
Protein Price	3.3024	/ lb
Other Solids Price	0.2665	/ lb
Somatic Cell Adjustment Rate	0.00099	/ cwt
Statistical Uniform Price	19.40	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

March 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			570,779,366			$ 12.50 / cwt	$ 71,347,420.89
Class I Butterfat		10,669,813				2.3336 / lb	24,899,075.63
Class I Location Differential	581,449,179						(280,965.86)
Class II SNF Value				23,734,641		1.2444 / lb	29,535,387.22
Class II Butterfat		16,326,711				2.2929 / lb	37,435,515.66
Class III Protein Value			14,537,152			3.3024/ lb	48,007,490.76
Class III Other Solids Value					26,914,380	0.2665 / lb	7,172,682.27
Class III Butterfat		16,776,974				2.2859 / lb	38,350,484.85
Class IV SNF Value				7,887,381		1.3134 / lb	10,359,286.23
Class IV Butterfat		9,695,193				2.2859 / lb	22,162,241.66
Somatic Cell Value II / III / IV							1,331,949.18
TOTAL PRODUCER MILK VALUE	1,423,099,135	53,468,691	43,909,898		81,360,186		$ 290,320,568.49
Overages					$ 21,144.22		
Beginning Inventory and Other Source Charges					71,214.93		
TOTAL ADJUSTMENTS							$ 92,359.15
TOTAL HANDLER OBLIGATIONS							$ 290,412,927.64
Total Protein Value			43,909,898 lbs	@	$3.3024		$(145,008,047.17)
Total Other Solids Value			81,360,186 lbs	@	0.2665		(21,682,489.56)
Butterfat Value			53,468,691 lbs	@	2.2859		(122,224,080.78)
Total Somatic Cell Values							(2,145,683.47)
TOTALS							$ (647,373.34)
Net Producer Location Adjustments							$ 746,626.03
1/2 Unobligated Balance Producer Settlement Fund							570,000.00
Total - Divided by Total Pounds			1,423,099,135 lbs		0.0470278		$ 669,252.69
Rate of Cash Reserve					(0.0470278)		(669,252.69)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,423,099,135		$ 0.00 /cwt		$ 0.00

COMPONENT PRICES

	March 2011	March 2010
Butterfat Price	$2.2859 / lb	$1.5347 / lb
Protein Price	3.3024 / lb	2.1311 / lb
Other Solids Price	0.2665 / lb	0.1823 / lb
Somatic Cell Adjustment Rate	0.00099 / cwt	0.00068 / cwt
Nonfat Solids Price	1.3134 / lb	0.8688 / lb

COMPUTATION OF UNIFORM PRICE

	March 2011	March 2010
Class III Price - 3.5% BF	$ 19.40	$12.78
Producer Price Differential*	0.00	1.74
Statistical Uniform Price	$19.40	$14.52

CLASS PRICES

	March 2011	March 2010
Class I*	$20.23	$16.34
Class II	18.83	14.46
Class III	19.40	12.78
Class IV	19.41	12.92

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	March 2011 Product lbs.	March 2010 Product lbs.
Class I	581,449,179	591,780,390
Class II	276,191,998	283,379,708
Class III	469,322,484	505,118,736
Class IV	96,135,474	94,544,570
Total	1,423,099,135	1,474,823,404

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for March, 2011 was $0.00 and the Statistical Uniform Price was $19.40 for the month. The Statistical Uniform Price is $1.72 higher than last month, and is $4.88 higher than March, 2010.

The Producer Butterfat Price of $2.2859 per pound decreased 1.08 cents from February and is up $0.7512 from a year ago. The Protein Price of $3.3024 is up $0.7438 from last month and is up $1.1713 from March 2010. The Other Solids Price in March was $0.2665 per pound, an increase from last month's price of $0.2310 and 8.42 cents higher than last March. The Somatic Cell Adjustment rate for March was $0.00099.

March producer receipts of 1.42 billion pounds were 17.1 percent higher than February and 3.5 percent lower than March 2010 production of 1.47 billion pounds. Producer milk allocated to Class I accounted for 40.9 percent of the total producer milk in March 2011, less than the 41.5 percent in February, and more than the 40.1 percent in March 2010. A total of 6,971 producers were pooled on the Mideast Order compared to 7,027 producers pooled in March 2010.

The market average content of producer milk was as follows: Butterfat 3.76%; Protein 3.09%; Other Solids 5.72% and Nonfat Solids 8.81%.

THE DAIRY OUTLOOK

Cow Numbers Continue To Expand as Milk Prices Rise; Strong Demand Underpins the Market

Corn prices in 2010/11 are expected to be high by historic standards, averaging $5.15 to $5.65 per bushel for the crop year. USDA did not revise the corn supply, demand, and price forecast this month from last. The soybean meal price is forecast to average $340 to $370 a ton in 2010/11, and this month's forecast was revised downward slightly from last month. Feed ingredient prices could push the 16 % mixed ration value up by more than $2.00 per cwt from the $7.25 calculated for 2010. Countering this is the likelihood of higher milk prices this year. Despite much higher expected feed prices, higher milk prices are likely supporting the modest expansion in dairy cows that began last fall and could extend for at least the first half of the year. Later this year, pressure from projected high feed prices and softening milk prices could precipitate a modest downturn in cow numbers. USDA forecasts cow numbers to average 9.17 million in 2011.

Milk yield per cow rose by nearly 2.8 percent in 2010 and is forecast to climb by only slightly more than 1 percent in 2011, a rate much closer to long-term trend. Downward revisions in output per cow in late 2010 and slower than expected growth in January contributed to the forecast. Along with this, dairy cow slaughter has been trending upward since last fall, based on year-earlier comparisons. The higher implied culling, along with an ample supply of dairy heifers, suggests that herd freshening may be underlying the expansion. The introduction of a greater number of heifers could also slow the growth rate in milk per cow in 2011. Younger cows typically do not hit their production stride in the first lactation. Annual output per cow is forecast at 21,375 pounds. That forecast and the forecast cow population will lead to about 196 billion pounds of milk being produced in 2011, an increase of almost 2 percent over 2010.

Milk equivalent imports are projected lower in 2011 on both a fats and skim-solids basis at 3.9 billion pounds and 4.7 billion pounds, respectively. Milk equivalent exports are also expected to decline in 2011 compared with last year. Milk equivalent exports are forecast at 6.7 billion pounds on a fats basis and 31.1 billion pounds on a skim-solids basis. Although lower than last year, exports on both a fats and skim-solids basis have been revised upward slightly over the last few months, as global demand has appeared to strengthen. Recent strength in domestic cheese prices may erode U.S. competitiveness in the world market. Very firm demand for nonfat dry milk and skim milk powder (NDM/SMP), along with a weak dollar, are the basis for the export forecast on a skim-solids basis. U.S. product prices are close to world prices, especially for powder products, greater anticipated production from Oceania later this year, expected large farm milk production could limit exports. Domestic commercial use is forecast to climb in 2011 by 2.1 percent on a fats basis, a sizeable rise compared with recent years. Domestic commercial use on a skim-solids basis is forecast to rise 2.8 percent this year following last year's contraction of 2.7 percent.

Major dairy product prices are expected to go higher in 2011. Prices were revised upward this month from February's forecasts. Export demand for cheese and NDM boosted prices as exporters competed with domestic demand. Cheese prices are forecast to average $1.695 to $1.755 per pound for the year, and NDM prices are projected to average $1.365 to $1.415 per pound. Although seemingly high in light of reported cheese stocks, the high cheese price, along with exceptionally high December cheese exports, suggests exports may be currently supporting the price. Extremely tight butter stocks are helping to support currently high butter prices. Later this year, continued improvement in domestic demand for cheese and butter is expected to support prices as increased milk production and lower export prospects from rising competition work to limit prices. The butter price is expected to average $1.735 to $1.825 per pound for the year. Whey prices are forecast to average 40.0 to 43.0 cents per pound. High NDM prices may be providing some support for whey prices. The higher expected prices for the major dairy products lead to rising forecast milk prices. Milk price forecasts will be higher this year than last, and the milk price forecast was raised in March from February projections. The Class IV price is estimated to average $16.95 to $17.65 per cwt and will average above the Class III price, which is expected to average $16.35 to $16.95 per cwt. The all milk price is forecast to average $18.10 to $18.70 per cwt in 2011.

SOURCE: "Livestock, Dairy, and Poultry Outlook," LDP-M-201, March 16, 2011, Economic Research Service, USDA. Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

Bulletin Webpage Edition
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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class & Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	February 2011							February 2010				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,800	548,518	3.75	3.10	5.73	179	541,307	3.66	3.09	5.71	188
Ohio	2,003	237,612	3.89	3.15	5.69	228	275,242	3.83	3.14	5.68	237
New York	331	116,730	3.77	3.11	5.73	112	122,918	3.71	3.07	5.72	214
Indiana	1,093	111,260	3.87	3.13	5.70	226	133,530	3.80	3.11	5.70	237
Pennsylvania	1,013	94,386	3.92	3.15	5.68	287	95,802	3.86	3.14	5.66	311
Wisconsin	187	78,719	3.72	3.09	5.76	244	72,109	3.66	3.02	5.80	244
West Virginia	53	3,532	4.12	3.25	5.67	304	3,724	4.05	3.23	5.65	326
Other	162	24,347	3.77	3.07	5.72	229	15,000	3.69	3.09	5.72	232
Total/Average *	6,642	1,215,105	3.80	3.12	5.72	201	1,259,633	3.73	3.10	5.70	220

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

March 2011

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,128,692	880,662	41.4	$0.88	$20.28
FO 5	Appalachian - *(Charlotte)*	509,620	353,583	69.4	[2]	21.06
FO 6	Florida - *(Tampa)*	267,932	220,708	82.4	[2]	22.88
FO 7	Southeast - *(Atlanta)*	661,979	400,514	60.5	[2]	21.27
FO 30	Upper Midwest - *(Chicago)*	2,611,017	370,727	14.2	0.03	19.43
FO 32	Central - *(Kansas City)*	1,004,849	390,534	38.9	(0.19)	19.21
FO 33	**Mideast - *(Cleveland)***	**1,423,099**	**581,449**	**40.9**	**0.00**	**19.40**
FO 124	Pacific Northwest - *(Seattle)*	690,954	198,079	28.7	0.03	19.43
FO 126	Southwest - *(Dallas)*	600,508	377,436	62.9	0.93	20.33
FO 131	Arizona - *(Phoenix)*	413,105	121,672	29.5	[2]	19.70

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR APRIL 2011..............................$18.83 /cwt.

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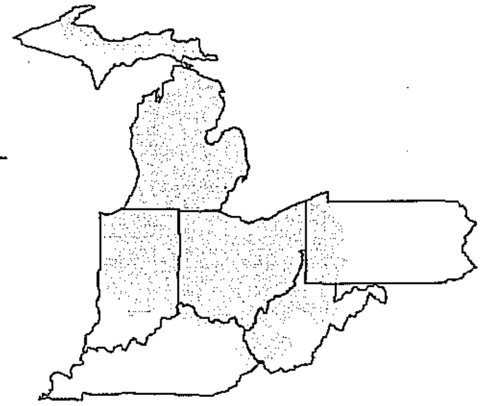
Mideast Market Administrator's
Bulletin



Federal Order No. 33

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May 2011

March Milk Production Up 2.4 Percent

Milk production in the 23 major States during March totaled 15.8 billion pounds, up 2.4 percent from March 2010. February production, revised at 14.0 billion pounds, was up 2.3 percent from February 2010. The February revision represented a decrease of 14 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,872 pounds for March, 24 pounds above March 2010.

The number of milk cows on farms in the 23 major States was 8.42 million head, 93,000 head more than March 2010, and 17,000 head more than February 2011.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during March totaled 2.4 billion pounds, down 2 million pounds or 0.1 percent from March 2010.

Production per cow in the Mideast states averaged 1,784 pounds for March, 10 pounds below March 2010.

The number of cows on farms in the Mideast states was 1.3 million head, 8,000 head more than March 2010.

USDA Appoints Nominees to National Fluid Milk Processor Promotion Board

Agriculture Secretary Tom Vilsack announced six appointments to the National Fluid Milk Processor Promotion Board. All appointees will serve 3-year terms. "These appointees represent a diverse cross-section of the fluid milk industry, and I am confident that they will serve fluid milk processors throughout the United States well," said Vilsack.

Newly appointed members are: Scott W. Shehadey, At Large.

Newly reappointed members are: Christopher S. Ross, Region 2; Michael R. Smith, Region 5; Michael A. Bell, Region 8; Steven M. Turner, Region 11; and Jay B. Simon, Region 14.

The Board oversees the collection of the 20-cent per hundredweight mandatory assessment on fluid milk products processed and marketed commercially in the 48 contiguous states and the District of Columbia. Processors who process and market 3 million pounds or less per month, excluding fluid milk products delivered to the residence of a consumer, are exempt from assessments. In addition, the Board develops and administers a coordinated program of promotion, research, and nutrition education.

The 20-member Board is authorized by the Fluid Milk Promotion Act of 1990, as amended. The Secretary selected the appointees from nominations submitted by eligible processor organizations.

USDA's Agricultural Marketing Service monitors operation of the Board.

Milk Production, Disposition, and Income 2010

Milk production increased 1.8 percent in 2010 to 193 billion pounds. The rate per cow, at 21,149 pounds, was 576 pounds above 2009. The annual average number of milk cows on farms was 9.12 million head, down 86,000 head from 2009.

Cash receipts from marketings of milk during 2010, totaled $31.4 billion, 28.9 percent higher than 2009. Producer returns averaged $16.35 per hundredweight, 26.5 percent above 2009. Marketings totaled 191.8 billion pounds, 1.9 percent above 2009. Marketings include whole milk sold to plants and dealers as well as milk sold directly to consumers.

An estimated 991 million pounds of milk were used on farms where produced, 2.0 percent less than 2009. Calves were fed 89 percent of this milk, with the remainder consumed in producer households.

Source: U.S. Department of Agriculture. National Agricultural Statistics Service. *Milk Production, Disposition, and Income 2010 Summary, April 2011.*

April 2011
Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	525,628,479	40.5
Class II	175,327,164	13.5
Class III	498,918,781	38.4
Class IV	98,215,391	7.6
Total	1,298,089,815	100.0

Producer Prices

Producer Price Differential	$ 2.32	/cwt
Butterfat Price	2.2113	/ lb
Protein Price	2.4984	/ lb
Other Solids Price	0.2902	/ lb
Somatic Cell Adjustment Rate	0.00085	/ cwt
Statistical Uniform Price	19.19	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

April 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			516,407,038			$ 13.94 / cwt	$ 71,987,141.09
Class I Butterfat		9,221,441				2.2783 / lb	21,009,209.01
Class I Location Differential	525,628,479						(259,025.52)
Class II SNF Value				14,787,012		1.3700 / lb	20,258,206.44
Class II Butterfat		13,088,556				2.2183 / lb	29,034,343.78
Class III Protein Value			15,378,562			2.4984/ lb	38,421,799.36
Class III Other Solids Value					28,669,670	0.2902 / lb	8,319,938.25
Class III Butterfat		17,340,659				2.2113 / lb	38,345,399.28
Class IV SNF Value				8,161,697		1.3862 / lb	11,313,744.40
Class IV Butterfat		8,694,851				2.2113 / lb	19,226,924.05
Somatic Cell Value II / III / IV							1,003,312.91
TOTAL PRODUCER MILK VALUE	1,298,089,815	48,345,507	39,810,173		74,317,375		$ 258,660,993.05
Overages					$ 18,712.10		
Beginning Inventory and Other Source Charges					(127,087.39)		
TOTAL ADJUSTMENTS							$ (108,375.29)
TOTAL HANDLER OBLIGATIONS							$ 258,552,617.76
Total Protein Value			39,810,173 lbs	@	$2.4984		$ (99,461,736.25)
Total Other Solids Value			74,317,375 lbs	@	0.2902		(21,566,902.25)
Butterfat Value			48,345,507 lbs	@	2.2113		(106,906,419.66)
Total Somatic Cell Values							(1,640,547.45)
TOTALS							$ 28,977,012.15
Net Producer Location Adjustments							$ 996,514.43
1/2 Unobligated Balance Producer Settlement Fund							672,000.00
Total - Divided by Total Pounds			1,298,089,815 lbs		2.3608171		$ 30,645,526.58
Rate of Cash Reserve					(0.0408171)		(529,842.62)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,298,089,815		$ 2.32 /cwt		$ 30,115,683.96

COMPONENT PRICES

	April 2011	April 2010
Butterfat Price	$2.2113 / lb	$1.5813 / lb
Protein Price	2.4984 / lb	2.1449 / lb
Other Solids Price	0.2902 / lb	0.1702 / lb
Somatic Cell Adjustment Rate	0.00085 / cwt	0.00069 / cwt
Nonfat Solids Price	1.3862 / lb	0.9435 / lb

COMPUTATION OF UNIFORM PRICE

	April 2011	April 2010
Class III Price - 3.5% BF	$ 16.87	$12.92
Producer Price Differential*	2.32	1.11
Statistical Uniform Price	$19.19	$14.03

CLASS PRICES

	April 2011	April 2010
Class I*	$21.43	$15.22
Class II	19.66	13.78
Class III	16.87	12.92
Class IV	19.78	13.73

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	April 2011 *Product lbs.*	April 2010 *Product lbs.*
Class I	525,628,479	539,146,115
Class II	175,327,164	270,430,233
Class III	498,918,781	513,569,476
Class IV	98,215,391	130,256,023
Total	1,298,089,815	1,453,401,847

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for April, 2011 was $2.32 and the Statistical Uniform Price was $19.19for the month. The Statistical Uniform Price is $0.21 lower than last month, and is $5.16 higher than April, 2010.

The Producer Butterfat Price of $2.2113 per pound decreased $0.0746 from March and is up $0.6300 from a year ago. The Protein Price of $2.4984 is down $0.8040 from last month and is up $0.3535 from April 2010. The Other Solids Price in April was $0.2902 per pound, an increase from last month's price of $0.2665 and $0.12 higher than last April. The Somatic Cell Adjustment rate for April was $0.00085.

April producer receipts of 1.29 billion pounds were 8.8 percent lower than March and 10.7 percent lower than April 2010 production of 1.45 billion pounds. Producer milk allocated to Class I accounted for 40.5 percent of the total producer milk in April 2011, less than the 40.9 percent in March, and more than the 37.1 percent in April 2010. A total of 6,731 producers were pooled on the Mideast Order compared to 7,221 producers pooled in April 2010.

The market average content of producer milk was as follows: Butterfat 3.72%; Protein 3.07%; Other Solids 5.73% and Nonfat Solids 8.80%.

THE DAIRY OUTLOOK:
Milk Production Continues To Advance Despite High Feed Prices; Rising Domestic Commercial Use and Exports Maintain Demand and Prices

Feed prices are expected to remain high by historic standards. Corn prices are forecast at $5.20 to $5.60 a bushel in 2010/11. Corn producers indicated intentions to plant 4 million acres more corn according to the *Prospective Plantings* report released last month. The forecast corn price is well below reported spot prices in central Illinois. This is because USDA forecasts reflect expected National Agricultural Statistics Service (NASS) prices received by farmers. Early season forward contracting of corn prices means the NASS farm price lags prevailing cash market prices. Soybean meal prices are forecast to average $340 to $360 a ton for 2010/2011. Soybean acreage is expected to be down slightly this spring from last year's record. Last month's quarterly grain stocks report showed corn stocks down 15 percent from last year and soybean stocks also down by only 2 percent from last year. Overall, the feed situation is likely to remain tight in 2011, keeping prices firm. The expected expanded planting of field crops could support higher alfalfa hay prices. The outcome for dairy producers is continued high feed prices.

The latest *Milk Production* report shows U.S. milk cow numbers for January and February in surveyed States above the corresponding period last year, as is milk per cow. In contrast, the *Livestock Slaughter* report shows dairy cow slaughter continuing ahead of a year ago, and high manufactured beef prices have increased prices for cull cows. These data suggest that replacements exceed culls nationally and that freshening of the national herd continues. The U.S. dairy herd will likely increase fractionally in 2011 to 9.165 million head, up from 9.117 million last year. Milk per cow is also forecast to rise this year, but by only a near-trend 1 percent compared with a 2.8 percent year-over-year increase last year. The small increases in herd size and milk per cow will move up production to 195.9 billion pounds of milk in 2011.

Milk equivalent imports are forecast at 3.7 billion pounds for the year on a fats basis and 4.8 billion pounds on a skim-solids basis. Imports on a skim-solids basis are virtually unchanged from 2010. Milk equivalent exports on a fats basis are forecast to total 7 billion pounds for 2011; this is a decline from 2010's totals, but the April 2011 forecast was increased from the March forecast based on stronger than expected exports of butterfat and cheese. Milk equivalent exports on a skim-solids basis are forecast at 31.3 billion pounds, a small decline from 2010. The April skim-solids export forecast was increased from the March forecast due to the high level of nonfat dry milk (NDM) shipments registered in January. For the second half of 2011, exports may weaken relative to the first half as increased competition from Oceania is expected to erode the competitive U.S. position. Nevertheless, the relative weakness of the U.S. dollar and strong global demand will help maintain exports at a strong pace.

Domestic commercial use is expected to rise on both a fats and skim-solids basis in 2011. Expected continued economic recovery underpins the forecasts. Commercial use on a fats basis is forecast to rise by nearly 1.8 percent in 2011 over 2010, the strongest year-over-year rise since 2006. Skim-solids commercial use is set to rise by 2.7 percent in 2011 after falling by an equal amount in 2010, making skim-solids commercial use in 2011 the same as in 2009.

Major dairy product prices are expected to go higher in 2011 compared with 2010, but 2011 price forecasts for cheese and butter were revised downward this month from the March forecast. Both cheese and butter prices have weakened recently, and cheese stocks have been relatively high. NDM prices are virtually unchanged from last month's forecast, based on expected continued strong exports. Cheese prices are forecast to average $1.665 to $1.715 per pound for the year, and NDM prices are projected to average $1.375 to $1.415 per pound. The butter price is expected to average $1.735 to $1.815 per pound for the year. Whey prices are forecast to average 41.0 to 44.0 cents per pound. High NDM prices may be providing some support for whey prices. Milk price forecasts will be higher this year than last, but the Class III price forecast was lowered slightly this month from March projections. The Class IV price, raised fractionally from last month based on stronger NDM prices, is estimated to average $17.05 to $17.65 per cwt. This will average above the Class III price, which is expected to average $16.10 to $16.60 per cwt. The all milk price is forecast to average $18.15 to $18.65 per cwt. in 2011.

Any questions or requests for more information can be directed to Roger Hoskin at (202) 694-5148.

Source: U. S. Department of Agriculture. Economic Research Service. *Livestock, Dairy, and Poultry Outlook (LDP-M-201).* April 14, 2011.

Bulletin Webpage Edition
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Featured this month are:

- Thematic Maps Displaying Weighted Average Component Tests by State & County, 2010
- Weighted Average Component Tests by State, 2010

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	March 2011							March 2010				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,799	631,807	3.70	3.07	5.73	176	625,052	3.59	3.04	5.71	185
Ohio	2,116	312,758	3.83	3.11	5.70	226	350,036	3.75	3.08	5.68	243
Indiana	1,110	139,634	3.83	3.10	5.71	224	147,631	3.75	3.07	5.70	247
New York	331	132,592	3.75	3.08	5.75	107	138,730	3.68	3.06	5.72	206
Pennsylvania	1,040	106,634	3.88	3.12	5.69	279	109,311	3.82	3.10	5.67	312
Wisconsin	339	55,477	3.65	3.04	5.75	239	83,532	3.64	2.98	5.81	238
West Virginia	56	4,097	4.00	3.20	5.69	317	4,318	3.95	3.18	5.66	336
Other	219	16,040	3.73	3.09	5.70	231	16,314	3.62	3.02	5.73	242
Total/Average *	7,010	1,399,037	3.76	3.09	5.72	197	1,474,924	3.68	3.06	5.70	220

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

April 2011

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,150,623	824,577	38.3	$3.51	$20.38
FO 5	Appalachian - *(Charlotte)*	481,133	326,195	67.8	[2]	21.74
FO 6	Florida - *(Tampa)*	253,428	210,869	83.2	[2]	23.88
FO 7	Southeast - *(Atlanta)*	650,543	372,337	57.2	[2]	21.35
FO 30	Upper Midwest - *(Chicago)*	2,762,414	358,325	13.0	0.64	17.51
FO 32	Central - *(Kansas City)*	1,168,866	378,499	32.4	1.84	18.71
FO 33	**Mideast - *(Cleveland)***	**1,298,090**	**525,628**	**40.5**	**2.32**	**19.19**
FO 124	Pacific Northwest - *(Seattle)*	683,916	183,672	26.9	2.08	18.95
FO 126	Southwest - *(Dallas)*	1,054,742	365,592	34.7	3.02	19.89
FO 131	Arizona - *(Phoenix)*	408,145	116,264	28.5	[2]	19.56

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2011..................................$16.87 /cwt.

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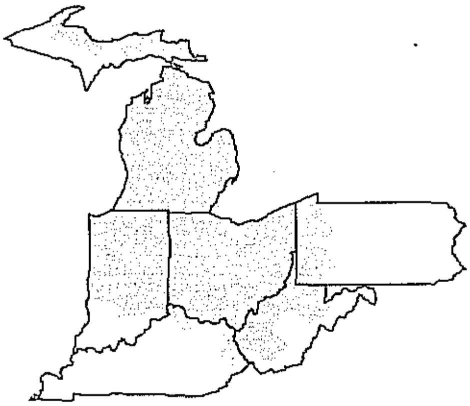
Mideast Market Administrator's Bulletin

Federal Order No. 33



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June 2011

USDA Issues Proposed Rule to Implement Electronic Dairy Product Mandatory Reporting Program

The U. S. Department of Agriculture issued a proposed rule to amend the Dairy Product Mandatory Reporting Program as required by law.

The Mandatory Price Reporting Act of 2010 amends the Agricultural Marketing Act of 1946 to, among other things, provide for the establishment of an electronic reporting system for manufacturers to report sales information for specific dairy products.

"This change will provide dairy farmers with more timely information and streamline our process for reporting dairy product prices," said Agricultural Marketing Service Administrator Rayne Pegg.

The proposed rule will establish an electronic reporting system for dairy product sales information. It requires the Secretary to publish a report on Wednesday of each week of the information obtained for the previous week, transfers the data collection responsibilities from the National Agricultural Statistics Service to the Agricultural Marketing Service (AMS), and announces AMS' intention to request approval by the Office of Management and Budget of the associated information collection requirements.

Any manufacturer that processes and markets less than one million pounds of the specific dairy products per year would remain exempt from the reporting requirements. Price data reported are used by USDA to determine minimum class prices for raw milk under the Federal Milk Marketing Order Program.

The proposed rule was published June 10, 2011, in the *Federal Register*. Public comments must be received by August 9, 2011. Comments may be filed by visiting www.regulations.gov. USDA will issue a final rule implementing the program once public comments have been reviewed.

For additional information about the decision, contact Joe Gaynor; USDA, AMS, Dairy Programs, Market Information Branch Chief; 1400 Independence Ave., SW, STOP-0232, Washington, DC 20250-0232; phone (202) 720-9351; or e-mail at Joseph.Gaynor@ams.usda.gov.

April Milk Production Up 1.7 Percent

Milk production in the 23 major States during April totaled 15.5 billion pounds, up 1.7 percent from April 2010. March revised production, at 15.8 billion pounds, was up 2.4 percent from March 2010. The March revision represented a decrease of 6 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,834 pounds for April, 9 pounds above April 2010.

The number of milk cows on farms in the 23 major States was 8.43 million head, 97,000 head more than April 2010, and 8,000 head more than March 2011.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during April totaled 2.4 billion pounds, down 22 million pounds or 0.9 percent from April 2010.

Production per cow in the Mideast states averaged 1,751 pounds for April, 25 pounds below April 2010.

The number of cows on farms in the Mideast states was 1.3 million head, 5,000 head more than April 2010.

Milk Production and Exports to Continue Growth, but Prices Could Weaken in 2012

The outlook is for continued high feed prices in both 2011 and 2012. The corn price is forecast to reach a record $5.50 to $6.50 a bushel in 2011/12, up from $5.10 to $5.40 this year. Although plantings are expected to rise 4 million acres and yields should recover from last year's weather-reduced yields, stocks remain near historic lows. Soybean meal prices are forecast to rise in 2011/12 to $350 to $380 a ton, up from $350 a ton in 2010/11. Soybean prices are projected to be higher next year, based on lower production this season. Higher ingredient prices will continue to keep feed ration values high in 2012. *(Continued on Page 3)*

May 2011 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	518,594,728	42.1
Class II	99,936,698	8.1
Class III	512,684,638	41.6
Class IV	101,427,872	8.2
Total	1,232,643,936	100.0

Producer Prices

Producer Price Differential	$ 2.82 /cwt
Butterfat Price	2.2497 / lb
Protein Price	2.3133 / lb
Other Solids Price	0.3026 / lb
Somatic Cell Adjustment Rate	0.00083 / cwt
Statistical Uniform Price	19.34 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			509,583,670			$ 14.49 / cwt	$ 73,838,673.78
Class I Butterfat		9,011,058				2.2184 / lb	19,990,131.08
Class I Location Differential	518,594,728						(262,076.23)
Class II SNF Value				8,065,368		1.4656 / lb	11,820,603.31
Class II Butterfat		11,132,298				2.2567 / lb	25,122,256.84
Class III Protein Value			15,556,747			2.3133/ lb	35,987,422.81
Class III Other Solids Value					29,501,584	0.3026 / lb	8,927,179.32
Class III Butterfat		17,438,074				2.2497 / lb	39,230,435.07
Class IV SNF Value				8,543,244		1.4298 / lb	12,215,130.26
Class IV Butterfat		7,426,510				2.2497 / lb	16,707,419.55
Somatic Cell Value II / III / IV							847,003.64
TOTAL PRODUCER MILK VALUE	1,232,643,936	45,007,940	37,236,638		70,699,631		$ 244,424,179.43
Overages, Beginning Inventory and Other Source Charges					(273,045.33)		
TOTAL ADJUSTMENTS							$ (273,045.33)
TOTAL HANDLER OBLIGATIONS							$ 244,151,134.10
Total Protein Value			37,236,638 lbs	@	$2.3133		$ (86,139,514.63)
Total Other Solids Value			70,699,631 lbs	@	0.3026		(21,393,708.34)
Butterfat Value			45,007,940 lbs	@	2.2497		(101,254,362.62)
Total Somatic Cell Values							(1,426,610.98)
TOTALS							$ 33,936,937.53
Net Producer Location Adjustments							$ 854,999.26
1/2 Unobligated Balance Producer Settlement Fund							549,000.00
Total - Divided by Total Pounds			1,232,643,936 lbs		2.8670840		$ 35,340,936.79
Rate of Cash Reserve					(0.0470840)		(580,378.07)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,232,643,936		$ 2.82 /cwt		$ 34,760,558.72

COMPONENT PRICES

	May 2011	May 2010
Butterfat Price	$2.2497 / lb	$1.7058 / lb
Protein Price	2.3133 / lb	2.1523 / lb
Other Solids Price	0.3026 / lb	0.1704 / lb
Somatic Cell Adjustment Rate	0.00083 / cwt	0.00071 / cwt
Nonfat Solids Price	1.4298 / lb	1.0734 / lb

COMPUTATION OF UNIFORM PRICE

	May 2011	May 2010
Class III Price - 3.5% BF	$ 16.52	$13.38
Producer Price Differential*	2.82	1.38
Statistical Uniform Price	$19.34	$14.76

CLASS PRICES

	May 2011	May 2010
Class I*	$21.75	$15.80
Class II	20.63	14.90
Class III	16.52	13.38
Class IV	20.29	15.29

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	May 2011 *Product lbs.*	May 2010 *Product lbs.*
Class I	518,594,728	525,555,650
Class II	99,936,698	187,783,538
Class III	512,684,638	553,840,281
Class IV	101,427,872	144,056,145
Total	1,232,643,936	1,411,235,614

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for May, 2011 was $2.82 and the Statistical Uniform Price was $19.34 for the month. The Statistical Uniform Price is $0.15 higher than last month, and is $4.58 higher than May, 2010.

The Producer Butterfat Price of $2.2497 per pound increased $0.0384 from April and is up $0.5439 from a year ago. The Protein Price of $2.3133 is down $0.1851 cents from last month and is up $0.1610 from May 2010. The Other Solids Price in May was $0.3026 per pound, an increase from last month's price of $0.2902 and $0.1322 higher than last May. The Somatic Cell Adjustment rate for May was $0.00083.

May producer receipts of 1.23 billion pounds were 5.0 percent lower than April and 12.7 percent lower than May 2010 production of 1.41 billion pounds. Producer milk allocated to Class I accounted for 42.1 percent of the total producer milk in May 2011, more than the 40.5 percent in April, and more than the 37.2 percent in May 2010. A total of 6,716 producers were pooled on the Mideast Order compared to 7,151 producers pooled in May 2010.

The market average content of producer milk was as follows: Butterfat 3.65%; Protein 3.02%; Other Solids 5.74% and Nonfat Solids 8.76%.

(Continued from Front Page)

Although dairy producers have faced exceptionally high feed prices, high milk prices have helped producers remain profitable. The calculated milk-feed price ratio is expected to remain near 2.0 in 2011, but could slip in 2012 as milk prices decline next year from this year's expected highs. The expansion in dairy cow numbers that began last year continues, but will likely crest in the third quarter, with the U.S. dairy herd averaging 9.17 million head in 2011. In 2012, cow numbers are forecast to decrease slightly over the course of the year and average 9.16 million head for the year. Yield per cow is forecast to continue to climb modestly in 2011 above 2010. Output per cow in 2012 is forecast at a higher rate--reflecting the effects of herd freshening that has likely been ongoing since last fall--as the younger cows hit their stride and get an additional milking day next year.

The continued increase in milk per cow, to 21,305 pounds this year and 21,685 pounds next year, will more than counterbalance the small reduction in herd size expected in 2012. Milk production is projected to total 195.4 billion pounds in 2011 and to rise to 198.7 billion pounds in 2012.

Milk equivalent imports on a fats basis are forecast at 3.2 billion pounds this year; this represents a downward revision from last month. Although cheese imports appear to be ahead of last year, butterfat and food preparation imports are lagging. Fat basis imports are forecast at 3.0 billion pounds in 2012; high world prices and a relatively weak dollar offer little incentive to import. Milk equivalent imports on a skims-solids basis are projected at 4.3 billion pounds this year and are forecast to slip to 4.1 billion pounds in 2012. In 2012, the same factors affecting fats-based imports contribute to the forecast decline in skims-solids imports.

Commercial exports on a fats basis are expected to reach 7.8 billion pounds in 2011, an upward revision from last month. Total U.S. cheese exports to date are well ahead of 2010. For 2012, strong expected economic growth, especially in emerging and developing markets, should buoy exports, which are forecast at 8.7 billion pounds on a fats basis. Exports on a skims-solids basis are forecast at 31.9 billion pounds in 2011 and 32.3 billion pounds next year. Chinese imports of dry milk products are expected to continue apace for the near future. Although production from Oceania is likely to expand, strong global demand for dairy products will support continued expansion in U.S. dairy exports. Domestic commercial use on a fats basis will rise in 2011, but by less than 1 percent. Domestic use will likely climb in 2012 as continued economic recovery boosts use and milk supplies increase.

Dairy product prices were revised upward from April's estimates. Butter and nonfat dry milk (NDM) prices remained persistently high in April, in part reflecting continued export strength. Cheese prices have declined from March, but continued domestic demand should support cheese prices during the year. Seasonally higher milk production internationally could pressure dairy prices later in 2011 and into 2012. Cheese prices are expected to average $1.670 to $1.720 per pound this year and decline slightly to $1.595 to $1.695 per pound in 2012. Butter prices are forecast at $1.840 to $1.920 and $1.605 to $1.735 per pound in 2011 and 2012, respectively. NDM prices reflect the robust export outlook for NDM and will likely average $1.480 to $1.520 per pound in 2011 and decline slightly, to average $1.360 to $1.430 per pound in 2012. Whey prices are forecast at 45.0 to 48.0 cents per pound for the current year and 40.5 to 43.5 cents per pound in 2012.

The price outlook for the major dairy products points to continued high milk prices for the balance of 2011, with some decline in 2012. The Class III price is forecast at $16.45 to $16.95 per cwt this year and $15.35 to $16.35 per cwt next year. Class IV prices continue to lead Class III prices, both this year and next, averaging $18.40 to $19.00 per cwt and $16.30 to $17.40 per cwt in 2011 and 2012, respectively. The all milk price is forecast to average $18.95 to $19.45 per cwt in 2011 and $17.35 to $18.35 per cwt in 2012.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-203/May 17, 2011 Economic Research Service, USDA

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Featured this month are:

- Average Mailbox Prices
- Producer Price Differential Statistics
- Milk Production Statistics

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	April 2011							April 2010				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,791	599,391	3.67	3.05	5.73	172	622,122	3.54	3.01	5.72	181
Ohio	2,147	278,053	3.79	3.09	5.70	224	318,295	3.68	3.05	5.70	241
Indiana	1,071	132,181	3.76	3.07	5.72	218	153,437	3.66	3.03	5.71	239
Pennsylvania	1,010	104,580	3.83	3.09	5.69	279	119,177	3.74	3.05	5.70	300
Wisconsin	168	83,811	3.67	3.04	5.79	230	82,293	3.60	2.98	5.79	231
New York	330	69,111	3.77	3.06	5.73	147	138,459	3.64	3.04	5.73	204
West Virginia	55	4,204	3.90	3.17	5.69	309	4,729	3.80	3.16	5.68	322
Other	158	26,924	3.67	3.06	5.74	227	15,372	3.55	2.98	5.73	237
Total/Average *	6,730	1,298,255	3.72	3.07	5.72	200	1,453,884	3.61	3.02	5.72	216

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

May 2011

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	2,210,915	835,764	37.8	$4.27	$20.79
FO 5	Appalachian - *(Charlotte)*	548,480	359,485	65.5	[2]	22.10
FO 6	Florida - *(Tampa)*	248,853	198,963	80.0	[2]	24.18
FO 7	Southeast - *(Atlanta)*	621,318	372,257	59.9	[2]	21.65
FO 30	Upper Midwest - *(Chicago)*	2,895,467	343,512	11.9	0.74	17.26
FO 32	Central - *(Kansas City)*	1,235,062	361,943	29.3	2.14	18.66
FO 33	**Mideast - *(Cleveland)***	**1,232,644**	**518,595**	**42.1**	**2.82**	**19.34**
FO 124	Pacific Northwest - *(Seattle)*	630,365	187,990	29.8	2.50	19.02
FO 126	Southwest - *(Dallas)*	1,049,324	361,043	34.4	3.42	19.94
FO 131	Arizona - *(Phoenix)*	408,450	114,572	28.1	[2]	19.88

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

[3] Data not available at time of publication, visit website version for information.

MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2011...............................$16.52 /cwt.

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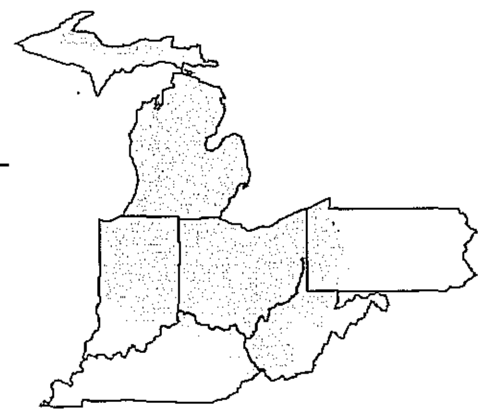
Mideast Market Administrator's Bulletin



Federal Order No. 33

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July 2011

Invitation to Submit Proposals for Consideration at a Public Hearing that May Be Held to Discuss Amending the Pooling Standards within the Definition of a Pool Distributing Plant in the Mideast Milk Marketing Order

Foremost Farms USA Cooperative, Inc., National Farmers Organization, Inc., and Dairy Farmers of America, Inc. have requested that the Department of Agriculture (USDA) hold a public hearing to consider a proposal to amend the definition of the pool distributing plant provision in the Mideast Milk Marketing Order. The proposal would amend the pooling standards as part of the definition of a pool distributing plant.

The proposal has not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing will be held, USDA is providing the opportunity for interested parties to submit additional proposals regarding the amending of the pooling standards for a pool distributing plant in the Mideast Milk Marketing Order.

If USDA determines that a hearing will be held, all known interested parties will be mailed a copy of the Notice of Hearing. Anyone who desires to present evidence on proposals set forth in the Notice of Hearing will have an opportunity to do so at the hearing.

Once a Notice of Hearing is issued and until the issuance of a Final Decision, USDA employees involved in the decisional process may not discuss the merits of a proceeding on an "ex parte" basis. Accordingly, it is suggested that any discussions you may wish to have with USDA personnel, including Market Administrator employees, be initiated as soon as possible. Procedural matters may be discussed at any time throughout the proceeding.

The proposal, complete directions on submitting a proposal and the Action Plan on the proposed amendments can be found at http://www.ams.usda.gov/poolprovisions2011

Feed Price Forecasts Continue To Be Revised Upward, but Strong Demand Keeps Dairy Production & Milk Prices High

High feed prices will continue to affect the livestock sector, and dairy in particular, for the balance of 2011 and into 2012. The season-average corn price is forecast at $5.20 to $5.50 a bushel for 2010/2011 and $6.00 to $7.00 a bushel in 2011/12. This forecast is an increase from last month's projections. Wetness has delayed planting in major parts of the United States and may ultimately curtail planted acreage from earlier indicated intentions. Soybean meal price forecasts were also raised this month to $350 a ton for 2010/11 and to $375 to $405 a ton in 2011/12. Hay prices are up sharply and reflect concerns about supplies in the face of disappointing weather patterns in many parts of the country. The price of other feedstuffs may affect hay prices more this year than in the recent past.

The feed price outlook is expected to impact dairy herd size both this year and next. Although cow numbers are projected to rise in 2011, the year-over-year rise of 0.7 percent to 9.18 million head is small and follows herd reductions in 2009 and 2010. In 2012, herd size is forecast to dip fractionally to 9.16 million head as higher feed prices impact producer returns. Milk yield per cow is expected to climb to 21,305 pounds in 2011 and is the smallest year-over-year increase in a number of years. Next year, yield per cow is forecast at 21,685 pounds, about the same rate as 2011 on a per day basis. High feed prices will act to limit productivity gains, while herd freshening, which likely has been underway for the last year or so, will ultimately increase output per cow. Milk production is projected at 195.5 billion pounds this year, and--despite an overall decline in herd size--will climb to 198.5 billion pounds in 2012, based on the expected increase in output per cow and the added leap-year milking day.

Dairy imports are forecast at 3.4 billion pounds, milk equivalent fats basis, in 2011. This forecast is a slight upward revision from last month, but continues the long term downward trend that has been underway since mid-decade. The upward revision is based on higher expected imports of cheese and milk proteins. Milk equivalent imports on a skims-solids basis are projected at 5.0 billion pounds, also exceeding 2010 totals. For 2012, milk equivalent imports are forecast at 3.2 billion pounds on a fats basis; this represents a slight upward adjustment from last month's forecast, but still below 2011 forecasts. Imports on a skims-solids basis are expected to fall to 4.5 billion pounds for the year.

Milk equivalent exports continue to show resiliency and are expected to total 8.1 billion pounds on a fats basis for the current year, a slight upward revision from last month, although still below 2010's totals. On a skims-solids basis, exports are projected at 32.0 billion pounds, revised up slightly from last month and maintaining 2010 export levels. Next year, exports are forecast to climb to 8.7 billion pounds and 32.3 billion pounds on a fats and skims-solids basis, respectively.

(Continued on Page 3)

June 2011 - Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	466,463,347	36.3
Class II	135,735,351	10.6
Class III	555,936,321	43.3
Class IV	125,412,952	9.8
Total	1,283,547,971	100.0

Producer Prices

Producer Price Differential	$ 1.69	/cwt
Butterfat Price	2.3702	/ lb
Protein Price	2.9807	/ lb
Other Solids Price	0.3339	/ lb
Somatic Cell Adjustment Rate	0.00095	/ cwt
Statistical Uniform Price	20.80	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

June 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			457,971,783			$ 14.82 / cwt	$ 67,871,418.23
Class I Butterfat		8,491,564				2.2900 / lb	19,445,681.56
Class I Location Differential	466,463,347						(249,197.37)
Class II SNF Value				11,106,777		1.5022 / lb	16,684,600.41
Class II Butterfat		12,526,814				2.3772 / lb	29,778,742.27
Class III Protein Value			16,601,704			2.9807/ lb	49,484,699.12
Class III Other Solids Value					31,964,308	0.3339 / lb	10,672,882.47
Class III Butterfat		18,430,904				2.3702 / lb	43,684,928.67
Class IV SNF Value				10,756,993		1.4694 / lb	15,806,325.50
Class IV Butterfat		6,322,871				2.3702 / lb	14,986,468.85
Somatic Cell Value II / III / IV							970,731.42
TOTAL PRODUCER MILK VALUE	1,283,547,971	45,772,153	38,170,588		73,536,838		$ 269,137,281.13
Overages and Beginning Inventory					72,903.60		
TOTAL ADJUSTMENTS							$ 72,903.60
TOTAL HANDLER OBLIGATIONS							$ 269,210,184.73
Total Protein Value			38,170,588 lbs	@	$2.9807		$(113,775,071.68)
Total Other Solids Value			73,536,838 lbs	@	0.3339		(24,553,950.23)
Butterfat Value			45,772,153 lbs	@	2.3702		(108,489,157.06)
Total Somatic Cell Values							(1,480,269.56)
TOTALS							$ 20,911,736.20
Net Producer Location Adjustments							$ 782,902.75
1/2 Unobligated Balance Producer Settlement Fund							585,000.00
Total - Divided by Total Pounds			1,283,547,971 lbs		1.7357855		$ 22,279,638.95
Rate of Cash Reserve					(0.0457855)		(587,678.86)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,283,547,971		$ 1.69 /cwt		$ 21,691,960.09

COMPONENT PRICES

	June 2011	June 2010
Butterfat Price	$2.3702 / lb	$1.7234 / lb
Protein Price	2.9807 / lb	2.2040 / lb
Other Solids Price	0.3339 / lb	0.1748 / lb
Somatic Cell Adjustment Rate	0.00095 / cwt	0.00072 / cwt
Nonfat Solids Price	1.4694 / lb	1.0843 / lb

COMPUTATION OF UNIFORM PRICE

	June 2011	June 2010
Class III Price - 3.5% BF	$ 19.11	$13.62
Producer Price Differential*	1.69	1.98
Statistical Uniform Price	$20.80	$15.60

CLASS PRICES

	June 2011	June 2010
Class I*	$22.32	$17.28
Class II	21.37	16.01
Class III	19.11	13.62
Class IV	21.05	15.45

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	June 2011 *Product lbs.*	June 2010 *Product lbs.*
Class I	466,463,347	480,149,091
Class II	135,735,351	209,780,735
Class III	555,936,321	507,390,303
Class IV	125,412,952	123,896,799
Total	1,283,547,971	1,321,216,928

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for June, 2011 was $1.69 and the Statistical Uniform Price was $20.80 for the month. The Statistical Uniform Price is $1.46 higher than last month, and is $5.20 higher than June, 2010.

The Producer Butterfat Price of $2.3702 per pound increased $0.1205 from May and is up $0.6468 from a year ago. The Protein Price of $2.9807 is up $0.6674 cents from last month and is up $0.7767from June 2010. The Other Solids Price in June was $0.3339 per pound, an increase from last month's price of $0.3026 and $0.1591 higher than last June. The Somatic Cell Adjustment rate for June was $0.00095.

June producer receipts of 1.28 billion pounds were 4.1percent higher than May and 2.9 percent lower than June 2010 production of 1.32 billion pounds. Producer milk allocated to Class I accounted for 36.3 percent of the total producer milk in June 2011, less than the 42.1 percent in May, and the same as the 36.3 percent in June 2010. A total of 6,791 producers were pooled on the Mideast Order compared to 7,028 producers pooled in June 2010.

The market average content of producer milk was as follows: Butterfat 3.57%; Protein 2.97%; Other Solids 5.73% and Nonfat Solids 8.70%.

(Continued from Front Page)

Domestic commercial use is forecast to rise both this year and next on both a fats and skims-solids basis. First-quarter 2011 commercial disappearance for the major dairy products showed increases from first-quarter 2010 disappearance. Continued —albeit slow—economic growth will likely uphold the advance in domestic commercial use. Domestic commercial use is forecast to total 189.6 billion pounds this year and 191.9 billion pounds next year, fats basis, and 167.8 billion pounds in 2011, rising to 170.0 billion pounds next year on a skims-solids basis.

Product price projections were increased from May. Cheese prices were increased based on continued strong domestic and export demand and are forecast at $1.755 to $1.795 a pound in 2011 and $1.660 to $1.760 a pound in 2012. Butter prices are projected at $1.915 to $1.985 a pound this year and $1.610 to $1.740 next year. Higher butter production this year relative to last has not translated into higher butter stocks at a time when inventories have historically increased. The tight stock situation could support continued high butter prices for the remainder of the year. The nonfat dry milk (NDM) price is expected to be $1.505 to $1.545 a pound in 2011 and $1.375 to $1.445 next year. NDM exports continue apace, supporting the high price. Exports are also contributing to stronger prices for whey, which is forecast at 46.5 to 48.5 cents a pound this year and 41.0 to 44.0 cents a pound next year.

Continued strong product prices underpin the higher expected milk prices both this year and next. The Class IV price is projected at $18.95 to $19.45 per cwt and $16.50 to $17.60 per cwt in 2011 and 2012, respectively. Similarly, the Class III price is forecast at $17.40 to $17.80 this year and $16.00 to $17.00 per cwt in 2012. The all milk price forecast is $19.65 to $20.05 per cwt in 2011 and $17.75 to $18.75 cwt in 2012.

Source: *Livestock, Dairy, & Poultry Outlook*/LDP-M-204/June 15, 2011 Economic Research Service, USDA

May Milk Production Up 1.5 Percent

Milk production in the 23 major States during May totaled 16.0 billion pounds, up 1.5 percent from May 2010. April revised production, at 15.5 billion pounds, was up 1.7 percent from April 2010. The April revision represented an increase of 3 million pounds or 0.1 percent from last months preliminary production estimate.

Production per cow in the 23 major States averaged 1,899 pounds for May, 6 pounds above May 2010.

The number of milk cows on farms in the 23 major States was 8.45 million head, 103,000 head more than May 2010, and 15,000 head more than April 2011.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during May totaled 2.4 billion pounds, down 34 million pounds or 1.4 percent from May 2010.

Production per cow in the Mideast states averaged 1,814 pounds for May, 35 pounds below May 2010.

The number of cows on farms in the Mideast states was 1.3 million head, 5,000 head more than May 2010.

2009 and 2010 Milk Component Analyses Released:

Data on the butterfat, protein, other solids and somatic cell count (SCC) were examined for producer milk associated with the Mideast marketing area during 2009 and 2010. Results from the analyses include: market and state averages, seasonal variation in component levels, and statistical relationships among the components in milk at the farm level.

2009-2010 Statistical Report

The 2009-2010 Statistical Report for Federal Order 33 is currently available. The publication may be accessed on the web page for the Mideast Marketing Area at: www.fmmaclev.com under "Statistical Information" or copies may be requested by calling the Market Administrator's Office at (888) 751-3220.

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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- Weighted Average NASS Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State
Federal Order No. 33

	May 2011							May 2010				
			Weighted Averages						Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,789	524,574	3.61	3.00	5.74	175		606,117	3.51	2.97	5.73	182
Ohio	2,155	284,244	3.70	3.04	5.73	236		297,317	3.63	3.02	5.70	236
Indiana	1,070	125,513	3.66	3.02	5.72	225		136,852	3.63	3.01	5.75	234
Pennsylvania	1,001	108,655	3.73	3.05	5.71	291		120,602	3.68	3.05	5.70	290
Wisconsin	157	86,845	3.59	3.04	5.75	238		88,224	3.58	2.96	5.80	232
New York	327	71,025	3.70	3.02	5.75	218		143,155	3.60	3.01	5.73	200
West Virginia	55	4,519	3.75	3.13	5.71	303		5,051	3.73	3.13	5.69	308
Other	163	27,431	3.62	3.01	5.73	226		16,966	3.51	2.95	5.73	224
Total/Average *	6,717	1,232,805	3.65	3.02	5.73	213		1,414,284	3.58	2.99	5.73	214

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

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FEDERAL ORDER DATA

June 2011

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,996,013	777,887	39.0	$2.98	$22.09
FO 5	Appalachian - *(Charlotte)*	526,569	334,616	63.5	[2]	22.90
FO 6	Florida - *(Tampa)*	227,101	187,176	82.4	[2]	25.04
FO 7	Southeast - *(Atlanta)*	567,658	350,310	61.7	[2]	22.93
FO 30	Upper Midwest - *(Chicago)*	2,779,172	322,272	11.6	0.47	19.58
FO 32	Central - *(Kansas City)*	1,236,897	337,144	27.3	1.25	20.36
FO 33	**Mideast - *(Cleveland)***	**1,283,548**	**466,463**	**36.3**	**1.69**	**20.80**
FO 124	Pacific Northwest - *(Seattle)*	704,931	177,243	25.1	1.49	20.60
FO 126	Southwest - *(Dallas)*	1,007,685	325,587	32.3	2.39	21.50
FO 131	Arizona - *(Phoenix)*	379,817	106,530	28.1	[2]	21.02

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR JULY 2011................................$19.11 /cwt.

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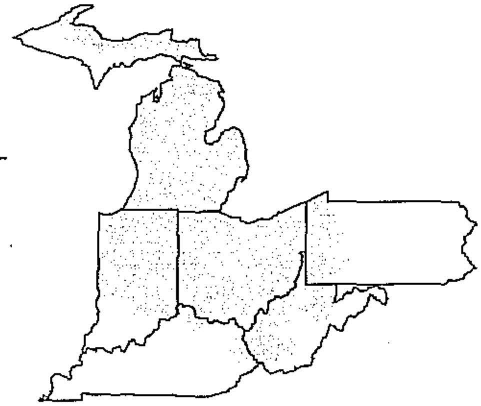
Mideast Market Administrator's Bulletin



Federal Order No. 33

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August 2011

USDA Announces Termination of Proceeding on Proposed Amendments to the Mideast Federal Milk Order

The U.S. Department of Agriculture announced that proceedings on proposed amendments to the Class I price surface of the Mideast milk marketing order have been terminated. USDA issued a recommended decision on Jan. 8, 2009, to adopt amendments to the Class I price surface of the Mideast marketing order. Nearly all of the exceptions to the recommended decision noted that marketing conditions have changed substantially since the close of the hearing, making changes to the Class I price surface of the Mideast marketing area unwarranted. USDA has determined that significant changes in the marketing conditions of the Mideast marketing area make any increase in the Class I prices unjustified and is terminating this rulemaking proceeding.

This notice was published in the July 22, 2011 *Federal Register*. For additional information on the termination notice contact: Paul A. Huber, USDA/AMS/Dairy Programs, P.O. Box 5102, Brunswick, OH 44212; Tel. (330) 225-4758; email: phuber@fmmaclev.com.

Strong Demand, Both Domestic & Global, Keeps Milk Prices High and Production Advancing, Despite High Feed Prices

The June *Acreage* report indicated that producers planted 92.3 million acres of corn, up 4.1 million acres from last year, and the second highest since 1944. The prospects for a larger crop in 2011/12, coupled with larger beginning stocks, resulted in lower expected corn prices compared with last month's forecast. Corn prices are forecast at $5.50 to $6.50 a bushel. Soybean meal prices were lowered this month from last month's forecast to $345 to $375 a ton. While corn and soybean prices in 2011/12 are likely to be lower than earlier season expectations, forage prices could remain near record highs.

Nationally, alfalfa prices set a record high in May. The June *Acreage* report confirmed expectations that the harvested area of alfalfa hay and alfalfa mixtures had declined from 2010. The expected harvested area decline, along with severe drought in parts of Texas and the southwest and excessive wetness in parts of the northwest (which adversely impacted first cutting), will keep alfalfa hay prices high for the rest of 2011 and into 2012. On balance, the change in feed ingredient prices will offer only scant relief for dairy producers, as the benchmark 16-percent protein ration will likely remain well above 2010 for both the balance of 2011 and 2012.

Dairy cow numbers continue to advance and are projected to average 9,185 thousand head this year. Some retrenchment is expected in 2012 based on relatively high feed prices and lower expected milk prices in 2012. Milk per cow is estimated at 21,305 pounds this year and forecast at 21,665 pounds in 2012; both numbers are unchanged from June. The result will be continued expansion in milk production, with 195.7 billion pounds expected in 2011 and 198.8 billion pounds forecast for 2012. This year, both an increase in cow numbers and output per cow support the rise. In 2012, a strong year-over-year rise in output per cow, and the added leap year milking day, will offset the expected decline in cow numbers.

According to the June *Milk Production* report in the 23 surveyed States, the strongest percentage increases in year-over-year milk production were posted in western States, with Texas, Colorado, and Arizona leading the rise. Declines in milk production were observed in the Midwest with Ohio, Illinois, and Missouri showing the largest declines in 2011 from 2010.

Milk equivalent imports are placed at 3.4 billion pounds in 2011, declining to 3.2 billion pounds in 2012 on a fats basis. Imports are forecast at 5.0 billion pounds this year and 4.5 billion pounds next year on a skims-solids basis. Import forecasts are unchanged from last month and are a continuation of an apparent longer run downward trend in dairy imports that began on a fats basis in 2007, with an interruption in 2009, and on a skims-solids basis in 2008, with a slight upturn expected this year.

Exports have shown resiliency to date, but will likely decline next year. Milk equivalent exports are forecast at 8.8 billion pounds this year on a fats basis, based on continued strong shipments of butterfat. The forecast represents an increase from last month's forecast. Exports in 2012 are forecast at 8.7 billion pounds,

(Continued on Page 3)

July 2011 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	474,222,505	33.9
Class II	263,443,467	18.8
Class III	529,004,695	37.8
Class IV	133,329,361	9.5
Total	1,400,000,028	100.0

Producer Prices

Producer Price Differential	$ 0.52	/cwt
Butterfat Price	2.2511	/ lb
Protein Price	3.8292	/ lb
Other Solids Price	0.3608	/ lb
Somatic Cell Adjustment Rate	0.00106	/ cwt
Statistical Uniform Price	21.91	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			465,669,885			$ 15.17 / cwt	$ 70,642,121.55
Class I Butterfat		8,552,620				2.3970 / lb	20,500,630.19
Class I Location Differential	474,222,505						(249,074.76)
Class II SNF Value				22,176,795		1.5411 / lb	34,176,658.76
Class II Butterfat		15,613,524				2.2581 / lb	35,256,898.55
Class III Protein Value			15,583,372			3.8292 / lb	59,671,848.07
Class III Other Solids Value					30,266,100	0.3608 / lb	10,920,008.86
Class III Butterfat		18,475,604				2.2511 / lb	41,590,432.13
Class IV SNF Value				11,306,847		1.4336 / lb	16,209,495.87
Class IV Butterfat		6,970,203				2.2511 / lb	15,690,623.96
Somatic Cell Value II / III / IV							1,040,173.77
TOTAL PRODUCER MILK VALUE	1,400,000,028	49,611,951	41,015,549		79,971,522		$ 305,449,816.95
Overages and Beginning Inventory					90,992.98		
TOTAL ADJUSTMENTS							$ 90,992.98
TOTAL HANDLER OBLIGATIONS							$ 305,540,809.93
Total Protein Value			41,015,549 lbs	@	$3.8292		$(157,056,740.24)
Total Other Solids Value			79,971,522 lbs	@	0.3608		(28,853,725.16)
Butterfat Value			49,611,951 lbs	@	2.2511		(111,681,462.85)
Total Somatic Cell Values							(1,538,888.81)
TOTALS							$ 6,409,992.87
Net Producer Location Adjustments							$ 920,399.16
1/2 Unobligated Balance Producer Settlement Fund							553,000.00
Total - Divided by Total Pounds			1,400,000,028 lbs		0.5630994		$ 7,883,392.03
Rate of Cash Reserve					(0.0430994)		(603,391.61)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,400,000,028		$ 0.52 /cwt		$ 7,280,000.42

COMPONENT PRICES

	July 2011	July 2010
Butterfat Price	$2.2511 / lb	$1.8964 / lb
Protein Price	3.8292 / lb	2.0515 / lb
Other Solids Price	0.3608 / lb	0.1700 / lb
Somatic Cell Adjustment Rate	0.00106 / cwt	0.00073 / cwt
Nonfat Solids Price	1.4336 / lb	1.0493 / lb

COMPUTATION OF UNIFORM PRICE

	July 2011	July 2010
Class III Price - 3.5% BF	$ 21.39	$13.74
Producer Price Differential*	0.52	2.38
Statistical Uniform Price	$21.91	$16.12

CLASS PRICES

	July 2011	July 2010
Class I*	$23.03	$17.66
Class II	21.29	17.10
Class III	21.39	13.74
Class IV	20.33	15.75

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	July 2011 *Product lbs.*	July 2010 *Product lbs.*
Class I	474,222,505	506,431,790
Class II	263,443,467	170,191,040
Class III	529,004,695	521,407,404
Class IV	133,329,361	79,560,055
Total	1,400,000,028	1,277,590,289

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for July, 2011 was $0.52 and the Statistical Uniform Price was $21.91 for the month. The Statistical Uniform Price is $1.11 higher than last month, and is $5.79 higher than July, 2010.

The Producer Butterfat Price of $2.2511 per pound decreased $.1191 from June and is up $0.3547 from a year ago. The Protein Price of $3.8292 is up $0.8485cents from last month and is up $1.7777from July 2010. The Other Solids Price in July was $0.3608 per pound, an increase from last month's price of $0.3339 and $0.1908 higher than last July. The Somatic Cell Adjustment rate for July was $0.00106.

July producer receipts of 1.40 billion pounds were 9.1percent higher than June and 9.6 percent higher than July 2010 production of 1.28 billion pounds. Producer milk allocated to Class I accounted for 33.9 percent of the total producer milk in July 2011, less than the 36.3 percent in June, and less than the 39.7 percent in July 2010. A total of 6,743 producers were pooled on the Mideast Order compared to 6,681 producers pooled in July 2010.

The market average content of producer milk was as follows: Butterfat 3.54%; Protein 2.93%; Other Solids 5.71% and Nonfat Solids 8.64%.

(Continued from Front Page)

unchanged from last month. The competitive price advantage for U.S. butter in world markets has narrowed considerably, which could ultimately slow exports. Milk equivalent skims-solids exports were increased slightly from last month to 32.1 billion pounds for 2011 and are unchanged from last month at 32.3 billion pounds forecast for next year.

Growth in domestic commercial use of dairy products continues despite slow economic growth. Domestic commercial use is forecast at 188.8 billion pounds this year on a fats basis, but a stronger rise is forecast for 2012 as use is forecast to rise to 192.2 billion pounds. Somewhat stronger economic growth and moderating prices, especially for butter, prompt the rise. Year-to-date use through April shows butter 15 percent above 2010, American cheese 4 percent above last year, and other cheese 7.1 percent above last year. Domestic commercial use, on a skims-solids basis, is on track for a robust 2.1 percent year-over-year rise to 167.5 billion pounds for 2011. For 2012, domestic use is forecast at 170.4 billion pounds, a strong 1.7- percent rise.

Dairy product prices were revised upward from June's estimates. Cheese prices are projected higher based on current price strength. Cheese prices are forecast to average $1.815 to $1.845 per pound this year and fall to $1.660 $1.760 in 2012 based on continued increases in milk production. Butter prices may have reached their zenith in the second quarter. Increased butter and nonfat dry milk (NDM) production, both domestically and internationally, could lower prices later in the year for both products. However, butter prices could firm toward the end of 2011 as more milk moves to cheese production.

Butter prices are expected to average $1.925 to $1.985 per pound in 2011 and slide to $1.615 to $1.745 per pound in 2012. NDM prices reflect the robust export outlook for NDM and will likely average $1.520 to $1.550 per pound in 2011 and decline slightly to average $1.375 to $1.445 per pound in 2012. Whey prices are forecast at 47.5 to 49.5 cents per pound for the current year and 41.0 to 44.0 cents per pound in 2012.

The price outlook for the major dairy products points to slowly declining milk prices toward the end of 2011 and into 2012. The Class III price is forecast at $18.00 to $18.30 per cwt this year and $16.00 to $17.00 per cwt next year. The Class IV prices continue to lead Class III prices both this year and next, averaging $19.15 to $19.55 per cwt and $16.50 to $17.60 per cwt in 2011 and 2012, respectively. The all milk price is forecast to average $20.00 to $20.30 per cwt in 2011 and $17.75 to $18.75 per cwt in 2012.

Livestock, Dairy, & Poultry Outlook/LDP-M-205/July 18, 2011 Economic Research Service, USDA

June Milk Production Up 1.4 Percent

Milk production in the 23 major States during June totaled 15.4 billion pounds, up 1.4 percent from June 2010. May revised production, at 16.1 billion pounds, was up 1.6percent from May 2010. The May revision represented an increase of 0.1 percent or 20 million pounds from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,819 pounds for June, 2 pounds above June 2010.

The number of milk cows on farms in the 23 major States was 8.46 million head, 106,000 head more than June 2010, and 11,000 head more than May 2011.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during June totaled 2.3 billion pounds, down 38 million pounds or 1.6 percent from June 2010.

Production per cow in the Mideast states averaged 1,723 pounds for June, 41 pounds below June 2010.

The number of cows on farms in the Mideast states was 1.3 million head, 9,000 head more than June 2010.

Bulletin Webpage Edition

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Featured this month are:

- Thematic and dot density maps displaying total producer pounds and total producer farms by state and county for June 2011.
- Charts summarizing total producer pounds and producer farms by state for June 2011.

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

Federal Order No. 33

	June 2011						June 2010				
			Weighted Averages					Weighted Averages			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,787	557,362	3.53	2.96	5.74	187	609,986	3.45	2.92	5.72	199
Ohio	2,165	267,987	3.60	2.99	5.70	263	266,881	3.56	2.97	5.69	268
New York	324	125,311	3.59	2.98	5.73	225	73,305	3.57	2.98	5.72	235
Indiana	1,060	118,999	3.59	2.97	5.72	255	146,507	3.54	2.93	5.70	268
Pennsylvania	1,058	101,295	3.65	3.00	5.69	319	114,324	3.60	2.99	5.68	318
Wisconsin	163	82,921	3.53	3.00	5.77	232	84,774	3.51	2.94	5.81	253
West Virginia	55	4,041	3.68	3.07	5.68	350	4,624	3.68	3.06	5.66	336
Other	164	25,728	3.57	2.97	5.72	243	20,940	3.44	2.92	5.73	260
Total/Average *	6,776	1,283,644	3.57	2.97	5.73	228	1,321,342	3.51	2.94	5.71	238

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states *pooled* on the Mideast order.

USDA United States Department of Agriculture

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FEDERAL ORDER DATA

July 2011

	Marketing Area [1]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,995,798	772,801	38.7	$1.37	$22.76
FO 5	Appalachian - *(Charlotte)*	499,364	331,544	66.4	[2]	23.35
FO 6	Florida - *(Tampa)*	222,040	188,318	84.8	[2]	25.44
FO 7	Southeast - *(Atlanta)*	543,074	347,881	64.1	[2]	23.69
FO 30	Upper Midwest - *(Chicago)*	2,827,807	320,858	11.3	0.21	21.60
FO 32	Central - *(Kansas City)*	1,229,492	330,529	26.9	0.21	21.60
FO 33	**Mideast - *(Cleveland)***	**1,400,000**	**474,223**	**33.9**	**0.52**	**21.91**
FO 124	Pacific Northwest - *(Seattle)*	734,010	172,046	23.4	(0.05)	21.34
FO 126	Southwest - *(Dallas)*	922,762	324,828	35.2	1.17	22.56
FO 131	Arizona - *(Phoenix)*	353,839	110,117	31.1	[2]	21.58

[1] Names in parentheses are principal points of markets.

[2] Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2011..........................$20.33 /cwt.

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