Federal Milk Order Marketing And Utilization Summary, Annual 2009

**Highlights.** During 2009, 123.4 billion pounds of milk were received from Federally pooled producers. This volume of milk is 6.8 percent higher than the 2008 pooled volume. Regulated handlers pooled 45.3 billion pounds of producer milk as Class I products, up 0.9 percent when compared to the previous year. Class I utilization decreased in 4 Federal Milk Order Marketing areas and increased in 6 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 37%, Class II = 12%, Class III = 41%, and Class IV = 10%. The weighted average statistical uniform price was $12.44 per cwt, $5.80 lower than 2008’s $18.24.

<table>
<thead>
<tr>
<th>Federal Milk Order Marketing Area ¹</th>
<th>Order Number</th>
<th>Receipts Of Producer Milk</th>
<th>Utilization of Producer Milk in Class I</th>
<th>Utilization of Producer Milk in All Classes ³</th>
<th>Uniform Price ²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(million lbs) (percent)</td>
<td>(million lbs) (percent)</td>
<td>(percent)</td>
<td>($ per cwt)</td>
</tr>
<tr>
<td>Northeast (Boston)</td>
<td>1</td>
<td>23,497.4 -1.4</td>
<td>10,267.8 -0.9</td>
<td>44 20 24 13</td>
<td>12.98</td>
</tr>
<tr>
<td>Appalachian (Charlotte)</td>
<td>5</td>
<td>5,950.4 1.4</td>
<td>4,149.8 0.7</td>
<td>70 16 6 8</td>
<td>14.00</td>
</tr>
<tr>
<td>Florida (Tampa)</td>
<td>6</td>
<td>3,027.2 -3.0</td>
<td>2,593.4 -0.2</td>
<td>86 8 2 5</td>
<td>16.15</td>
</tr>
<tr>
<td>Southeast (Atlanta)</td>
<td>7</td>
<td>7,169.3 3.8</td>
<td>4,746.8 1.2</td>
<td>66 11 17 7</td>
<td>14.23</td>
</tr>
<tr>
<td>Upper Midwest (Chicago)</td>
<td>30</td>
<td>32,183.9 15.1</td>
<td>4,421.9 -0.2</td>
<td>14 4 80 2</td>
<td>11.59</td>
</tr>
<tr>
<td>Central (Kansas City)</td>
<td>32</td>
<td>12,685.2 10.0</td>
<td>4,253.1 0.4</td>
<td>34 13 34 20</td>
<td>11.68</td>
</tr>
<tr>
<td>Mideast (Cleveland)</td>
<td>33</td>
<td>16,595.7 6.0</td>
<td>6,840.7 4.1</td>
<td>41 19 32 7</td>
<td>12.09</td>
</tr>
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<td>Pacific Northwest (Seattle)</td>
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<td>2,267.3 -0.1</td>
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<td>11.75</td>
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<td>Southwest (Dallas)</td>
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<td>10,808.8 11.9</td>
<td>4,294.2 2.4</td>
<td>40 10 37 13</td>
<td>12.72</td>
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<tr>
<td>Arizona (Phoenix)</td>
<td>131</td>
<td>4,042.2 -2.5</td>
<td>1,427.3 2.3</td>
<td>35 9 29 27</td>
<td>12.07</td>
</tr>
</tbody>
</table>

ALL MARKET AVERAGE OR TOTAL³ | 123,430.4 6.8 | 45,262.2 0.9 | 37 12 41 10 | 12.44

¹ Names in parentheses are the major city in the principal pricing point of the market. ² Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5. ³ Totals may not add due to rounding.
Methodology: Annual Marketing and Utilization Summary Report

**Data Source:** The annual Marketing and Utilization Summary Report is created using information on the handling of milk obtained from Federal milk marketing order personnel.

**Federal Milk Marketing Order Areas** are defined in the Code of Federal Regulations. Regulated handlers, also defined by statute, are required to submit to the Market Administrator the amounts of producer milk, in pounds, that were received in the previous month.

**Receipts of Producer Milk,** also defined by statute, is the amount of milk received by producers who meet the requirements of qualification as defined by the statute. This milk is also known as eligible milk for market wide pooling. Each order has its own criteria for pool qualification and for regulated handlers. Regulated handlers, under certain circumstances and price relationships, may elect to not include certain quantities of producer milk that is eligible to be pooled on Federal Orders. The annual report is a sum of the monthly receipts of producer milk.

The change from the previous year is the change, in percentage, of the amount of producer milk received from each Federal Milk Marketing Order for the given year compared to the previous year.

The All Market Average (or Total) line displays the total of all the producer milk pooled for the given year and the average change, in percentage, of the all market total producer milk receipts.

**Utilization of Producer Milk in Class I** is the amount of producer milk pooled that was utilized as Class I, i.e. milk pooled that was utilized to produce Class I Fluid Milk products.

The change from the previous year is the change, in percentage, of the amount of producer milk utilized to produce Class I Fluid Milk products for each Federal Milk Marketing Order for the given year compared to the previous year.

The All Market Average (or Total) line displays the total of all the producer milk used to produce Class I Fluid Milk products for all orders for the given year and the change, in percentage, of the all market total amount of milk pounds used to produce Class I Fluid Milk products compared to the previous year.
**Utilization of Producer Milk in All Classes** is the respective amounts, shown in percentage of the total, used to produce milk products in each of the four classes of milk (Class I, Class II, Class III, and Class IV) for each of the federal milk marketing areas for the year. These percentages may not add to 100 percent due to rounding.

The All Market Average (or Total) line displays the percentages of milk used to produce milk products in each of the four classes of milk for all Federal Milk Marketing Orders combined. Again, these numbers may not always add to 100 due to rounding.

**Uniform Price** which is sometimes also termed the Blend Price, is the weighted average price at each of the Federal Order base location cities listed. The Uniform Price reflects the weighted average price that qualifying pooled producers receive from regulated handlers. Qualifying producers are enabled to receive this price as a result of pooling handler funds through the producer settlement fund administered by each of the Federal Milk Marketing Order Administrators. This price is determined, and reported, by each of the respective Milk Market Administrators each month. The annual uniform price is the weighted average of all of the months' data for the year.

**Reliability:** The AMS audit staff periodically perform on-site audits on the administration of the producer settlement funds, the amounts of producer milk pooled, and the utilization of producer milk by the four classes to ensure accurate reporting and uniform milk price information.
Information Contacts

Listed below are the specialists in the Agricultural Marketing Service, Dairy Program, Market Information Branch to contact for additional information. E-mail inquiries may be sent to dpp@usda.gov.

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For the most current release, visit AMS Dairy Program (Dairy Products Mandatory Reporting Program's page) or Cornell University's Library (National Dairy Products Sales Report page).

To receive e-mail notification for AMS Dairy Program publications, visit Cornell University's Library and follow the instructions.

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