



United States
Department of
Agriculture

Agricultural
Marketing
Service

1400 Independence Avenue, SW.
Room 2968-S, STOP 0225
Washington, DC 20250-0225

December 8, 2009

Mr. Daniel Smith
Mr. Paul Christ
Maine Dairy Industry Association
64 Maine Street,
Post Office Box 801
Montpelier, Vermont 05601

Dear Mr. Smith and Mr. Christ:

Enclosed is the information you requested in your May 4, 2009, letter to Paul Kyburz, Market Administrator for the Upper Midwest Order, Federal Order 30, in Minneapolis, Minnesota. A copy of your request also is enclosed. Your request entailed deriving the "competitive price zone" under six criteria, calculating the proportion of producer milk by state in these zones, in each state and in total, and also calculating the variation in milk prices within the Federal orders. All ten Federal milk orders provided data for this analysis, and the data were aggregated at the Market Administrator's office in Minneapolis.

Specifically included, for the selected month of December 2008, are the maps and tables, denoted as Figures 1 through 6 and Tables 1a through 6a, showing the six various "competitive price zones" mentioned under Item #1 of your letter.

Data requested in Item #2 of your letter are included in Tables 1b through 6b and an aggregated or total number is presented for all six zones in Table 8.

Data requested in Item #3 regarding milk prices within the Federal order system are presented in Table 7. This table shows, for each order, the gross pay price per hundredweight net of the producer price differential (PPD) at location. (Some orders do not announce a PPD but used, instead, the Uniform Price at location less the Class III price). For December 2008, some orders had a negative PPD (or negative result after subtracting the Class III price from the Uniform Price at location).

Dr. Corey Freije of the Upper Midwest Order staff in Minneapolis has coordinated the project on behalf of Dairy Programs. If you have any questions, please contact Corey at 952-277-2355 or cfreije@finma30.com.

Sincerely,

Dana H. Coale
Deputy Administrator
Dairy Programs

Enclosures