RESEARCHER

A compilation of current Dairy Marketing Research

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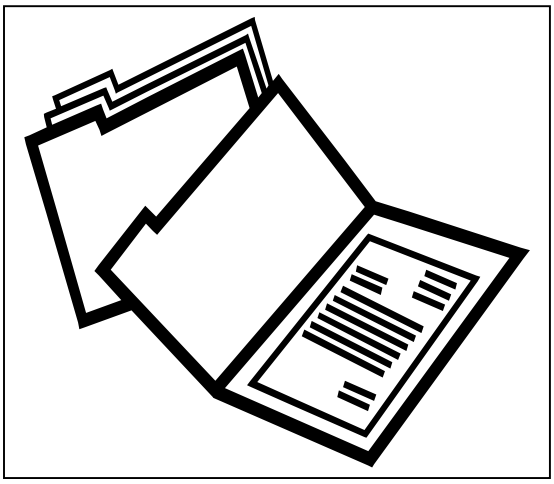

Research Study Categories:

I. Federal Milk Orders
II. Milk Pricing
III. Fluid Milk Marketing and Processing
IV. Milk Production, Quality, Testing
V. Dairy Farm Management
VI. Transportation
VII. Dairy Policy
VIII. International Trade
IX. Others

Compiled and Reproduced by:
Market Administrator's Office
Lenexa, Kansas

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I. Federal Milk Order

Marketing Service Bulletin, USDA/AMS/Dairy Programs, Central Marketing Area, Monthly

Key Words: Dairy Marketing, Price, and Research Information

Website: *www.fmmacentral.com*

Summary: Monthly publication for nonmember producers and other interested parties. Each issue features an original analysis of a dairy industry issue. Data and analysis are presented via graphics, maps, tables, and a brief descriptive narrative. Research topics include regional as well as national dairy issues. A summary of FO Statistical Uniform Prices is included in each issue.

Central Marketing Area – Federal Order 32 World Wide Web Site, USDA/AMS/Dairy Programs, Central Marketing Area, Updated weekly

Key Words: Dairy Prices; Federal Order Language, Data, Class I Differentials; Marketing Service bulletins; Statistical Data; Price Release and Payment Dates; Graphical Summaries; USDA links.

Website: *www.fmmacentral.com*

Summary: This web site provides public access to data released from the Central Order office. Included are Marketing Service Bulletins (January 1998 – current); all price releases (January 2000 – current); monthly statistical data and graphical summaries (January 2000 – current); Central Order component data by class (January 2000 – current); Central Order producer marketing by state; a statistical summary for all federal orders – selected data (January 2000 - current); price release and payment due date calendar for each month of 2002; graphs of selected dairy commodity prices; links to other USDA sites. This web site was redesigned during 2001.

Selected Statistical Data 2000 & 2001, USDA/AMS/Dairy Programs, Central Marketing Area

Key Words: Central Marketing Order statistical data

Website *www.fmmacentral.com*

Summary: This publication contains statistical data for the Central Order for 2000 and 2001. The data is presented in tables, graphs, and maps. The data contained in this publication is grouped into the following categories: component & producer prices; receipts and pool plants; utilization by class; priced components in producer milk; producer receipts by state & county of origin; plants regulated or associated with the Central Federal Order; appendix with additional Central Order and other federal order data.

California and Federal Order Milk Marketing by County, May 2001,

Market Administrator Office, Lenexa, Kansas, Biannual Publication.

Key Words: County milk marketings, Federal milk orders, California.

Website: *www.fmmacentral.com*

Summary: This is the latest in a biannually published series dating back to May 1994. Data is collected and published for May and December of each year. The data is presented via a map detailing total milk marketing by county for all Federal milk orders plus the state of California. Other maps are constructed which further detail this data.

Market Structure of the United States Dairy Industry, A Federal Milk Market Order Summary, Market Administrator's Office, Tulsa, Oklahoma, October 1997

Key Words: Market structure, Federal milk order producers, Federal milk order distributing plants.

Website: *www.fmmacentral.com*

Summary: This publication summarizes structural changes in fluid markets regulated under Federal milk orders. This study compares producer data for October 1996 with the same month of 1993 and 1990. Distributing plant data compares October 1996 with October 1993. The data is examined by region as well as in total for the Federal order system.

Multiple Component Pricing Programs Applicable to Federal Milk Order Producers: May 1997Update, Market Administrator's Office, Tulsa, Oklahoma, May 1998

Key Words: Multiple component pricing, Federal milk order producers, Federal milk order MCP programs, Industry-sponsored MCP programs.

Website*:* *www.fmmacentral.com*

Summary: This publication is the seventh in a series of biennial studies examining component pricing programs applicable to Federal milk order dairy farmers. The results of this analysis are presented by Federal milk order, by region, by state, and by plan type. Industry-sponsored and Federal milk order multiple component pricing programs are included in the study. Data pertaining to the quality requirements used in conjunction with these MCP plans is also summarized.

Northeast Marketing Area-Federal Order 1 World Wide Web Site USDA/AMS/Dairy Programs, Northeast Marketing Area

Key Words: Price information, prices, press release, dairy statistics, rules, regulations, release dates, dairy policy, order reform, historical data, USDA, USDA links, handler report forms.

Website*:* *www.fmmone.com*

Summary: This site provides public access to federal order information released by the Northeast Marketing Area along with other dairy industry related policy and information.

Has Market Reform Exposed Farmers to Greater Price Volatility? Robert D. Weaver and Stanford M. Lembeck, Department of Agricultural Economics and Rural Sociology, college of agricultural sciences, The Pennsylvania

State University, Armsby Building, University Park, PA, July/Aug 2000.

Key Words: Federal Agricultural Improvement Act, FAIR, dairy policy, market prices, price volatility

Website: *www.aers.psu.edu/*

Summary: The paper discusses the increased variability and uncertainty in market prices due to the stronger influence of markets on prices as opposed to government regulation. The article attempts to measure the level of volatility in markets.

An Economic Analysis of Federal Order Reform: Implications for Pennsylvania and the Northeast, Ken Bailey and Jim Dunn, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, August 2000.

Key Words: Federal Order reform, price comparison, milk prices

Website: http://*dairyoutlook.aers.psu.edu*/reports/Reform.htm

Summary: This report provides an objective and comprehensive analysis of the major elements of federal order reform and its impact on farm milk prices and sales. This report is unique in that it isolates and analyzes the major components of federal order reform. A regional economic model that reflects federal milk marketing orders is used for the analysis. This report also compares changes in regional farm milk prices and sales under the Secretary's final rule and under Congress' final plan for federal order reform.

Market Administrator's Report, Market Administrator Staff, FO 124, 131, 135, Monthly

Key Words: Federal Order Statistics, Information for Producers

Website: *www.fmmaseattle.com* under Milk Market Administrator News

Summary: Monthly information series consisting of two pages of statistics and five pages of miscellaneous articles. The target audience is FO 124, 131, and 135 dairy farmers. The primary focus of the MA Report is to explain current issues, regulations, programs, concepts, and market factors affecting the dairy industry.

Compilation of Statistical Material, Market Administrator Staff, FO 124, 131, 135, Annual

Key Words: Federal Order Statistics

Website: *http://www.fmmaseattle.com* under Historical Data

Summary: Publication contains all statistics of general interest relating to Federal Order operations on an annual basis.

Envisioning a U.S. Dairy Industry Without FMMO's, John W. Siebert, Associate Professor, Texas A&M University; David P. Anderson, Assistant Research Scientist, TAES; Ronald D. Knutson, Professor, Texas A&M University; Robert B. Schwart, Professor, Texas A&M University, May 20, 1997

Key Words: federal order consolidation, federal order reform

Website: *http://agecoext.tamu.edu/commodity/dairy/fmmo/*

Summary: The Secretary of Agriculture will submit FMMO consolidation proposals for producer referendum on an order-by-order basis. Without industry cohesiveness, it is conceivable that an impasse could be reached resulting in the elimination of FMMOs, at least in some areas of the country, as early as April 1999.

It is important that everyone understands the consequences of a US dairy industry without FMMOs. It is hoped that the ideas presented herein will prove beneficial in three regards.

The Economic Impact of FMMO Reform on Representative Texas Dairies, David P. Anderson, Robert B. Schwart, Ronald D. Knutson, Department of Agricultura Economics, Texas A&M University, College Station, Texas, May 5, 1999

Key Words: federal order reform

Website link: *http://agecoext.tamu.edu/schwart/*

Summary:

- The analysis uses four representative Texas dairy farms. The Agricultural and Food Policy Center developed the data with Texas dairymen in Central and East Texas.

- This analysis is a first step in examining the impacts of the Final Rule on producers. The Final Rule decision is highly complex. The blend price impacts consider only the effects of the Class I differential and order consolidation. It does not factor in the effects of the new multiple component pricing provisions and assumes that premiums continue at current levels.

- The analysis uses the Final Rule all milk price impacts developed by USDA and published in the Regulatory Impact Analysis. The price change between the baseline and the final rule is applied to the FAPRI January 1999 Baseline.

Market Administrator's Web Site, Market Administrator Staff, Federal Order 5, updated monthly

Key Words: federal orders, statistics

Website: *http://members.aye.net/~usda/*

Summary: Web site containing information published by the Federal Order 5 Market Administrator's Office.

Compilation of Statistical material, Market Administrator Staff, Federal Order 5, 1996-2001 updated monthly

Key Words: federal orders, statistics, prices, utilization

Website: *http://members.aye.net/~usda/compilat.htm*

Summary: 19 tables of statistical data of general interest relating to monthly Federal Order 5 operations.

Statistical Summary, Market Administrator Staff, Federal Order 5, updated monthly

Key Words: federal orders, statistics, prices, utilization

Website: *http://members.aye.net/~usda/*

Summary: Monthly summary of milk marketing in Federal Order 5 including producer milk pounds and classification percents for current and comparable months.

The Courier, Market Administrator Staff, Federal Order 5, updated monthly

Key Words: federal order statistics, producer information

Website: *http://members.aye.net/~usda/courier.pdf*

Summary: Monthly publication containing national, regional, or Federal Milk Market dairy issues.

Outcome of USDA's Class III-IV Hearing, Ken Bailey, Depart of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, Nov/Dec 2000

Key Words: Federal Milk marketing Orders, federal order reform, Northeast, Class I, Class II, class III, Class IV, utilization, Class III – Class IV hearing, butterfat formula, component prices, cheese moisture content, classification, advance pricing factors, component values

Website: http://dairyoutlook.aers.psu.edu/

Summary: The report details the outcome of the Class III – Class IV hearing, specifically the changes in pricing formulas. A table comparing Class II and Class IV prices before and after USDA's ruling is included.

II. Milk Pricing

Milk Prices, Structural Change in the Dairy Industry, and Options for Pennsylvania Dairy Farmers, Milton C. Hallberg, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania state University, Armsby Building, University Park, PA

Key Words: milk prices, structural change, Pennsylvania, Northeast, volatility, feed prices, milk production, regional, technology, aggregate production, dairy management, herd size, off-farm work, exit farming

Website: http://dairyoutlook.aers.psu.edu/

Summary: This report focuses on several issues of importance to Pennsylvania dairy farmers: trends in milk prices since 1970, structural issues of importance to dairy farmers, and adjustments made by dairy farmers in the recent past. It also outlines options available to dairy farmers for dealing with change and improving their future income situation.

Impact of USDA's Class III - IV Hearing on Milk Prices in the Northeast, Kenneth W. Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, January 2001

Key Words: Class III prices, Class IV prices, USDA Class III & Class IV Hearing, class prices, butterfat price cheese moisture content, component prices

Website: http://dairyoutlook.aers.psu.edu/

Summary: This report explains the changes to milk pricing formulas announced by the USDA; analyzes the economic implications of this change for 2001 with special emphasis on the Northeast; and compares this report with other studies.

Dairy/Crop Farmers Experiencing Pain of Low Commodity Prices, Ken Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, January 2001

Key Words: market outlook, price forecast, supply, demand, commodity prices, exports, milk production

Website: http://dairyoutlook.aers.psu.edu/

Summary: The report summarizes the outlook for the dairy market in 2001. Trends in commodity prices, commodity supply and demand, weather milk production and other factors are used to forecast milk prices.

How Milk is priced in Pennsylvania Under Federal Order Reform, Kenneth W. bailey, department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, February 2000

Key Words: Federal Order Reform, milk pricing, new class prices, consolidated orders, NASS Survey prices, advance prices, Producer Price Differential, farm price, Pennsylvania Milk Marketing Board, price formulas

Website: http://dairyoutlook.aers.psu.edu/

Summary: This report explains how federal order reform affects Pennsylvania dairy farmers. In particular, it details how milk prices in Pennsylvania will be determined under the new federal order reforms.

Milk Components and Quality: New Methods for Paying Pennsylvania Dairy Farmers, Kenneth W. Bailey and C. William Heald, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, 2000

Key Words: Federal Order reform, Multiple Component Pricing, milk check, component levels

Website:
http://dairyoutlook.aers.psu.edu/

Summary: This guide explains Multiple Component Pricing, illustrates the new milk check, and instructs farms on performing simple calculations to compare their new milk prices to order averages, A final section describes steps farmers can take to obtain higher component levels from their herds.

A Market Analysis of Dairy Compacts Using a Model of Discriminatory Pricing, Kenneth W. Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, 1999

Key Words: dairy compacts, discriminatory pricing, federal orders, order reform

Website:
http://dairyoutlook.aers.psu.edu/

Summary: This paper evaluates the market impacts of forming regional dairy compacts. The economic tradeoffs between dairy farmers, consumers, processors, and retailers are studied. A discriminatory pricing model is developed that solves for the manufacturing milk price. This model evaluates the market impacts of regional dairy compacts under revised federal milk marketing orders and illustrates the economic tradeoffs.

Economic Analysis of the National Dairy Farmers Fairness Act of 2001, Kenneth W. Bailey and James Dunn, Department of Agricultural Economics and Rural Sociology, College Of agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, February 23,2001

Key Words: Northeast Interstate dairy Compact, Compact expansion, National Dairy Farmers Fairness Act of 2001, Santorum/Kohl Bill

Website:
http://dairyoutlook.aers.psu.edu/

Summary: This report analyzes the economic impact of the Santorum/Kohl Bill (national Dairy Farmers Fairness act of 2001) on farm milk prices. A regional model is used to show the farm level impacts by federal order region. Results are compared to what would occur under an expansion of the existing Northeast Interstate Dairy Compact into the rest of the Northeast.

Impact of the Northeast Interstate Dairy Compact on Consumer Prices for Fluid Milk, Kenneth W. Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, June 1, 2001

Key Words: Northeast Interstate Dairy Compact, Retail Milk Prices, and Markup Model

Website:
http://dairyoutlook.aers.psu.edu/

Summary: This paper analyzes the impact of the Northeast Compact on retail fluid milk prices in New England. Class I costs for raw milk to processors and retail prices for fluid milk in New England are analyzed

before and after implementation of the Northeast Compact. An econometric model is estimated in order to simulate the farm-to-retail price spread and analyzes the impact of Northeast Compact on retail milk prices.

Estimation of Regional Differences in Class I Milk Values Across U.S. Milk Markets, James E. Pratt, Andrew M. Novakovic, Phillip M. Bishop, Mark W. Stephenson, Eric M. Erba and Craig S. Alexander, Department of Agricultural, Resource, and Managerial Economics, college of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, January 1998

Key Words: Federal Milk Marketing Orders, NAFTA, GATT, Class I differentials, dairy sector model

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: The paper presents a spatially detailed model of the U.S. dairy sector, which reflects the principle marketing activities that occur between the production of milk and the consumption of dairy products. The model provides estimates of location specific milk values under the assumption that markets are organized in an efficient and marketing costs minimizing way, as theory suggests would occur in the long run under competitive conditions.

Normative Estimates of Class I Prices Across U.S. Milk Markets, James E. Pratt, Phillip M. Bishop, Eric M. Erba, Andrew M. Novakovic, and Mark W. Stephenson, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, July 1998

Key Words: U.S. Dairy Sector simulator, Class I, class I pricing, location differentials, modeling, shadow prices, blending, pooling, geographic pricing, price surfaces

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: The representation of the dairy economy in ways that recognize its geographic, biological, marketing, and regulatory complexities resulting from modeling research.

Understanding Milk Prices and Basis, David Anderson, Michael Haigh, Matthew Stockton, Robert Schwart, Asst. Prof., Asst. Prof, Extension Asst., Professor, respectively, Ag. Econ. Dept., Texas A&N University, Department of Agricultural Economics, Texas A&M University, College Station, Texas, June 21, 2001

Key Words: milk pricing, milk futures

Website: *http://agecoext.tamu.edu/schwart/economics/5-5-99.htm*

Summary: Dairy producers confronted with uncertainty associated with the future price of milk have several methods of limiting that risk. One simple alternative may be the use of a forward contract agreement with a cooperative locking in an agreed upon price for a certain quantity to be

delivered. However, another alternative may be to hedge the price uncertainty by using either futures of options contracts trade at a commodity exchange. These methods of risk reduction have unique characteristics that lend themselves to differing producer price objectives, risk preferences and market conditions. Although producers may use different strategies for different goals at different levels of risk, having a sound understanding of basis is paramount.

Understanding Your Milk Check, Kenneth W. Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, 2000

Key Words: Milk check, Multiple Component Pricing, PPD, premiums, deductions, order reform, and quality premiums

Website: http://dairyoutlook.aers.psu.edu/

Summary: This guide provides a sample milk check and line-by-line explanations for the new methods of pricing milk. Multiple Component Pricing, PD, premiums, and deductions are all explained. A brief history of Federal order reform also is provided.

‘’’’’’’NEW’’’’’’’’

Fluid Milk Prices and Price Spreads, Ed Jesse, University of Wisconsin-Madison, College of Agricultural and Life Sciences, department of Agricultural and Applied Economics

Key Words: Fluid milk, retail milk prices, announced Cooperative Class I Prices, Marketing Margins

Website Link: www.aae.wisc.edu/www/pub/mpbpapers/

Summary: This paper reviews farm-to-retail price spreads for fluid milk using data that are routinely collected by Federal milk marketing order Market Administrator offices of USDA’s Agricultural Marketing services (AMS) – Dairy Programs. Three aspects of fluid milk price spreads are analyzed: an inter-market comparison of the relationship between retail prices and the cost of milk to fluid processors as measured by announced cooperative Class I prices; a comparison over time and across markets of the sensitivity of retail milk prices to changes in processor milk costs; and an inter-market comparison of the relationship between retail prices for whole milk and reduced-fat (2-percent) milk.

III. Fluid Milk Marketing and Processing

Glossary of Dairy Marketing Terms, Andrew Novakovic, Craig Alexander, and Mark Stephenson, Department of Agricultural, Resources, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, January 2000

Key Words: milk marketing, terminology, glossary, Assessment, All

milk price, allocation procedures, AMS, aseptic, assembly, balancing, bargaining agency, bargaining cooperative, base-excess plan, blend price, bloc vote, bulk milk, butterfat price, butterfat differential, CCC, casein, certified milk, classification, classified pricing, class I base plan, class I milk, class I price, class I differential, class II milk, class II price, class III milk, class III price, class IV milk, class IV price, classified pricing plans, collective bargaining, cooperative federation, dairy collection plan, Dairy Export Incentive Program (DEIP), Dairy Herd Improvement Association (DHIA), Dairy Price Support (DPSP), depooling, distribution, diversion, economic formula, ERS, equalization payment, exception, Farm Services Agency, fat-corrected milk, Federal Milk Marketing Order (FMMO), Federal Order Hearing, filled milk, final decision, fluid milk products, flush season, Grade A milk, Grade B milk, handlers, hard products, hearing, homogenized milk, HTST,hundredweight, ice milk, imitation milks, individual handler pool, industrial milk, jugger, location differentials, Louisville Plan, low fat milk, mailbox price, make allowance, manufactured products, manufactures grade milk, Manufacturing margins, Market Administrator, market milk, market service deduction marketing order, marketing year, MCP, membrane filtration, milk equivalent, milk shed, Minnesota-Wisconsin price, NASS, NDB, net removals, non-pool milk, non-pool plants, nonfat dry milk, operating cooperative, other order market, other solids price, other source milk, overage, over-order price, package milk, pasteurization, permeate, plant point pricing, pool milk, pool plant, pooling, pooling standards, premium, price mover, producer-handler, producer prices, receiving station, recommended decision, reconstituted milk, referendum, retail, retentate, riding the pool, RO, sales for restricted use, sales for unrestricted use, seasonality, sell back price, shipping provision, short months, shrinkage, skim milk, skim milk powder, snubber, soft price products, somatic cell count, standby pool, super-pool payment, supply management, support price, transfer, transportation credit, true protein, UHT, ultra filtration, ultrapasteurized, uncommitted inventories, uniform price, utilization, verification, wet solids, whey, wholesale, yogurt

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: This glossary builds upon several previous publications as well as contributions by a number of other Cornell faculties. It has been updated to include many of the new provisions included under USDA's Final Decision for Federal Order Reform. The foundation for this glossary is the Glossary of Milk Marketing Terms.

An Analysis of Processing and distribution Productivity and Costs in 35 Fluid Milk Plants, Eric M. Erba, Richard D. Aplin, and Mark W. Stephenson, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Live Sciences, Cornell University, Ithaca, NY 14853-7801, February 1997

Key Words: processing costs, distribution costs, labor productivity, plant cost, delivery cost, and fluid milk operations

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: This report details the results of a survey of 35 fluid milk plants and their associated distribution

operations. The objectives of the study were to determine the cost per gallon, and direct delivery cost per case. The report attempts to answer the following questions:

- What are the key characteristics of the fluid milk operations in the study?
- What is the average labor productivity and cost per gallon in participating plants, and how much variation exists in these performance measures?
- What factors apparently cause labor productivity and plant cost per gallon to vary among the 35 plants in the study?
- What is the magnitude of the impact on labor productivity and cost per gallon for each of these factors?
- What are the characteristics of distribution routes operated by the participants?
- What are the route labor productivity and the direct delivery costs on "specialized" or supermarket routes?
- What factors explain the variation in route labor productivity and direct delivery cost per case on these supermarket routes?
- What is the magnitude of the impact on route labor productivity and direct delivery cost per case for each of these factors?

Labor Productivities and Costs in 35 of the Best Fluid Milk Plants in the U.S., Eric M. Erba, Richard D. Aplin, and Mark W. Stephenson, Department of Agricultural, Resource, and Managerial Economics, college of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, March 1997

Key Words: labor productivity, production costs, fluid milk plants, automation, unionization, depreciation

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: This report summarizes the findings of the Cornell study on labor productivity and costs of fluid milk plants. All 35 plants studied were medium or large size, well managed and highly respected in the industry. The research analyzed labor productivity and costs, but not revenues or profitability. The impacts of automation, unionization, and depreciation are studied.

Case Study: Wooden Shoe Dairy, New Mexico, USA, John W. Siebert, Robert B. Schwart, Department of Agricultural Economics, Texas A & M University, College Station, Texas, February 1997

Key Words: family dairy farm

Website: *http://www.interscience.wiley.com*

Summary: This teaching case enables students to examine basic forces transforming the structure of the dairy industry. A New Mexico family farm faces challenges associated with its large milk production volume. In an environment of rapid but uncertain change, questions regarding future management structure and investment priorities must be answered. The dairy examined is considered representative

of the modern dairies of Netherlands lineage operating throughout the southwestern United States. This case does no represent an actual farm, but is a composite of realistic design.

Analysis of At-Home Consumption of Dairy Products in the United States, Nayga, Rudolfo and John Siebert, Department of Agricultural Economics, Texas A&M University, College Station, Texas, (submitted to International Food and Agribusiness Management Review.)

Key Words: dairy products

Website: *http://agecon.tamu.edu/faculty/siebert/Publications.htm*

‘’’’’’’’***NEW***’’’’’’’’

Raising the Minimum Nonfat NEW Solids Standard to the National Average in Raw Milk: A Study of Fluid Identity Standards, John Mengel, Howard McDowell, and Jason Nierman, Dairy Programs, Agricultural Marketing Service, USDA

Key Words: Fluid milk products, fortification, nonfat solids content, protein content, technology, fluid milk identity standards, component pricing, regional milk component levels

Website: ***http://www.ams.usda.gov/dairy/st_farm_bill_02.htm***

Summary: Dairy farmers are becoming increasingly concerned that technological advances in the fractionation of milk could result in a reduction in the volume of nonfat milk solids sold in fluid milk products. Current FDA standards for nonfat solids in fluid milk products are set at a minimum of 8.25 percent, well below the average content in farm milk. As provided for in the Farm Security and Rural Investment Act of 2002, this study analyzes the potential impacts of raising the nonfat solids standards to the national average level as it occurs in farm milk and adopting the average true protein level as an additional standard for fluid milk products.

IV. Milk Production, Quality, Testing

Milk Grant Summary, Joanne Knapp, PhD

Key Words: gene products, production, lactation capacity, and health management

Website: *http://asci.uvm.edu/dept/faculty.htm*

Summary: Outlines the goals of Joanne Knapp’s portion of the Hatch Grant Project, which are 1) to identify several of the gene loci and their gene products (protein), and 2) assess the contribution of each gene to the overall phenotype of increased lactation capacity and the potential to select these genes in the U.S. dairy cattle population.

Penn State University-Dairy Outlook Web Site, Ken Bailey, Department of Agricultural Economics and Rural Sociology, College of Agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA

Key Words: Federal Order data, Northeast Economic forecasts, market data and graphs, dairy policy, dairy markets

Website: *http://dairyoutlook.aers.psu.edu/*

Summary: This web site provides economic data for dairy producers in the Northeast. In particular focusing on milk production, federal order data, farm numbers, and economic forecasts. The objective of this site is to provide producers in the Northeast information needed to understand the markets.

Fact Sheet – Milk Protein Testing – FAQ's Changing from Crude Protein to True Protein, David M. Barbano and Joanna M. Lynch, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, May 14,1999

Key Words: milk protein testing, crude protein, true protein non-protein nitrogen, reference tests, payment testing, protein concentration, genetic selection, nutritional labeling

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: The document is a simple fact sheet and frequently asked questions listing regarding milk protein testing and the change from crude protein to true protein.

Analysis of Component Levels in Individual Herd Milk at the Farm Level, Chris Werner, Agricultural Economist, Federal 124, 135,131, Annual

Key Words: Milk Components

Website: *www.fmmaseattle.com* under Historical Data

Summary: annual publication examines butterfat, protein and other solids component levels and relationships between component levels for dairy farmers associated with Federal Order 124 and 135. Seasonal variations in component levels are analyzed at the level of Federal Order and region.

Competitive Audit of the Missouri Dairy Industry, University of Missouri Commercial Agriculture Dairy Focus Team, Commercial Agriculture Program, Outreach and Extension, University of Missouri/Lincoln University, February 2002

Key Words: Missouri industry, milk production, competitive trend analysis, profitability, economic opportunities

Website: *http://agebb.missouri.edu/commag/dairy/audit/htmlindex.htm*

Summary: This publication examines the competitive strengths and

weaknesses of the dairy industry in Missouri. Included in this study is a historical review of dairying in the state along with a current examination and a future opportunity analysis. Strategies to improve the profitability of Missouri dairy farms are also included in this publication.

FAPRI 2001 U.S. and World Agricultural Outlook, Food and Agricultural Policy Research Institute, Iowa State University/University of Missouri, January 2001

Key Words: Agricultural policy, commodity markets, baseline projections, planning, government policies, international markets.

Website: *www.fapri.iastate.edu/*

Summary: This annual publication contains baseline projections for the U.S. agricultural sector and international commodity markets. These projections are intended for use by farmers, government entities, and agribusinesses for evaluating and comparing alternative policy, weather, technological, and macroeconomic scenarios. FAPRI baseline projections represent the most likely scenario consistent with the set of selected assumptions.

Cost of Producing Milk: A Comparison by State, Ed Jesse and Bruce Jones, University of Wisconsin-Madison, College of Agricultural and Life Sciences, Department of Agricultural and Applied Economics

Key Words: Cost of production, selected States, Economic research Service (ERS) data

Website: ***http://www.aae.wisc.edu/www/pub/mpbpapers/***

Summary: This paper dissects ERS cost of production estimates to provide some insights into the competitiveness of the Wisconsin dairy industry. Monthly state estimates averaged for the period January-June 2003 are utilized in this analysis.

V. Dairy Farm Management

Economic Evaluation of Dairy Feeds, Greg Bethard, Extension Dairy Specialist, College of Agriculture and Home Economics, New Mexico State University, Las Cruces, NM 1998, to be reissued May 2003

Key Words: dairy feeds, feed costs, and ration balancing

Website: *http://www.cahe.nmsu.edu/pubs/_d/d-206.html*

Summary: The purpose of this guide is to describe alternative methods of pricing various feeds. In particular, four techniques, including the cost/nutrient, index, simultaneous equation, and by-product equation methods are discussed. The manual calculation of these techniques is

descried herein, but a spreadsheet that uses these methods to determine feed value is available through NMSU's Cooperative Extension Service by contacting Greg Bethard, Extension Dairy Specialist, at (505) 646-6404.

Regulations Applicable to the Marketing and Sale of Livestock Compost, *Prepared For*: The Brazos River Authority Erath County Waste Management Facility, Christopher Rottler, Public Analyst, Texas Institute for Applied Environmental Research, Tarleton State University, Stephenville, Texas, May 1998

Key Words: dairy manure, dairy waste, compost

Website: *http://www.tarleton.edu/*

Summary: Working in concert with Camp Dresser & McKee, Inc. (CDM), the Texas Institute for Applied Environmental Research (TIAER) is studying the economic feasibility of producing and selling composted livestock manure from dairy cow manure generated in Erath County, Texas. Erath County is the largest dairy-producing county in Texas, with a dense population of dairy cows and dairy cow waste. The marketing study is designed to analyze the profitability of large-scale production and sale of dairy manure in local or distant markets. Should the outcome of this study yield a positive result, the next step would include, among other things, the building and operation of a plant for processing dairy cow waste in to compost and/or compost products. In anticipation of this possibility, it becomes necessary to define and analyze the legal and regulatory impositions on the marketing of a manure product.

Improved Efficiency of Artificial Insemination in Large Dairy Herds, Senger, P. L., Washington State University, Animal science, November 2000

Key Words: Artificial Insemination, Dairy Herds, Heat Detection, and Integrated Circuits

Website: *http://cristel.nal.usda.gov/*

Summary: Single most important problem in reproductive management of both dairy and beef cattle for insemination is detection of estrus. Research explores use of electronic estrous detection system that would be installed in to cow and is functional for her productive lifetime.

Dairy Farm Design in Western Washington, Warsinske, Charles A., University of Washington, Landscape Architecture, August 2000

Key Words: Dairy Farm Architecture, Landscape

Website: *www.caup.washington.edu/HTML/LARCH/academics_research/stu_research/theses/warsinske.htm*

Summary: Change has come about on the dairy farm in western Washington with the introduction of new farming practices and technologies. The working farmstead, which used to be a simple grouping of to or three buildings, has become a complex of large, industrial-scale structures, which dominate the original

layout. Researcher evaluates the site development of dairy farms in western Washington and identified environmental and design problems. From this, design criteria were developed and performance standards for the sighting of the various elements on the farmstead. Opportunities are identified to utilize waste materials for energy production without disrupting the farm operation.

VI. Transportation

Analysis of Hauling Charges and Producer Milk by Location and Size-Range of Production, Chris Werner, Agricultural Economist, Federal Order 124,135, Annual for May each year

Key Words: Hauling Charges, Milk Production

Website: *http://www.fmmaseattle.com* under Historical Data

Summary: Annual publication examines hauling charges of dairy farmers associated with Federal Order 124 and 135 at the level of Federal Order, State, and County. Hauling charges are analyzed using a variety of statistics and in relation to size-range of production.

VII. *Dairy Policy*

Impacts of the Northeast Interstate Dairy Compact on the WIC Program: Evidence from Boston and Hartford, Wang, Qingbin, Zooyob Anne, Catherine Harlbrendt, Charles Nicholson and Jaimie Sung, April 2001

Key Words: Northeast Interstate Dairy compact, WIC Program

Reference: Agricultural and resource Economics Review, 30/1, pp. 104-112

Impacts of the Northeast Interstate Dairy Compact on New England Milk Supply, Nicholson, Charles F., Budy Resosudarmo and Rick Wackernagel, April 2001

Key Words: Northeast Interstate Dairy Compact, New England Milk Supply, milk supply

Reference: Agricultural and Resource Economics Review, 30/1, pp. 93-101

Impact of the Northeast Dairy Compact on New England Retail Prices, Lass, Daniel A., Mawunyo Adanu, and P. Geoffrey Allen, April 2001

Key Words: Northeast Dairy Compact, New England Retail Prices, retail prices

Reference: Agricultural and resource Economics Review, 30/1, pp. 83-92

Report on the Operation and Performance of the Northeast Interstate Dairy compact, Ken Bailey, Department of Agricultural Economics and Rural

Sociology, College of agricultural Sciences, The Pennsylvania State University, Armsby Building, University Park, PA, July 2000

Key Words: Northeast Interstate Dairy Compact, Compact obligation, Compact Price, cooperative over-order premiums, Administrative Assessment Fund, Markup Model

Website: *http://dairyoutlook.aers.psu.edu/*

Summary: This report provides an analysis of the operation and performance of the Northeast Interstate Dairy Compact (Northeast compact). This report details the impacts of the Northeast Compact on the different sectors of the Northeast dairy industry, in particular farmers, processors, retailers, and consumers.

The Cornell Program on Dairy Markets & Policy, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, October 1997

Key Words: The Cornell Program on Dairy Markets and Policy, dairy policy, dairy markets, policy analysis, modeling, international trade, transportation, dairy product formulation, processing cost, milk supply, price forecasting.

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: This item is a brochure describing The Cornell Program on Dairy Markets and Policy and its four missions. It also includes recent and ongoing efforts in support of these missions.

Alternative Order provision to Facilitate the Orderly Movement of Milk to Fluid Markets, Robert Cropp, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, February 1997

Key Words: Federal Milk Marketing Orders, pooling strategies, pricing strategies, Agriculture Marketing and Agreement Act of 1937, classified pricing, pooling provisions, shipping requirements, call provisions, location differentials, standby pool, transfer payment, liberal pooling

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: This paper provides alternative pricing and pooling strategies that may be considered by the Secretary of Agriculture in the federal order reform process in efforts to assist or improve the ability of federal orders to meet the objectives as spelled out by the Agriculture Marketing and Agreement Act of 1937.

Characteristics of Milk Assembly, Eric M. Erba, James E. Pratt, Walter C. Wasserman, and Craig Alexander, Department of Agricultural, Resource, and Managerial Economics, college of agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, May 1998

Key Words: milk assembly, hauling history, vehicle types, duties, routes, stop charges, load shrinkage, co-mingling, hauling rates, route overlap, plant waiting times.

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: The article describes the characteristics of the hauling portion of the milk assembly process. A brief history of hauling is included as well as discussions of hauling routes, hauling rates, haulers' duties, vehicle types, stop charges, load shrinkage, co-mingling milk, costs, and current hauling issues.

Alternative Federal Order Rulemaking Procedures, Geoff Green, Craig Alexander, and Andrew Novakovic, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, July 1998

Key Words: Federal Milk Marketing Orders, state milk marketing orders, amending market orders, creating market orders, 1996 FAIR Act, and rulemaking procedures.

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: The paper reviews procedures for promulgating Federal Milk Marketing Orders. It also describes the informal process granted to USDA in the 1996 Fair Act, an alternative method that has been proposed by the NPR, and the California procedure for creating or amending market orders.

State Milk Marketing Order Regulation and Interstate Dairy Compacts, Craig Alexander, John Siebert, David Anderson, and Ron Knutson, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, October 1998

Key Words: state milk marketing orders, Federal Milk Marketing Orders, Interstate dairy compacts, regulation, public policy

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: Provides background material on state milk marketing order regulation and interstate dairy compacts.

A Description of the Methods and Data Employed in the U.S. Dairy Sector Simulator, Version 97.3, James E. Pratt, Phillip M. Bishop, Eric M. Erba, Andrew M. Novakovic, and Mark W. Stephenson, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, July 1997(printed December 1997)

Key Words: economic modeling, The United States Dairy Sector Simulator, milk components

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: The model, which is described in this document, is the result of modeling research undertaken by the Cornell Program on Dairy Markets and Policy. The core objective has and continues to be the representation of the dairy economy in ways that recognize its geographic (special), processing, market level, and regulatory complexity.

The paper provides a detailed description of the United States Dairy Sector

Simulation (USDSS) and its data requirements. A history of dairy market modeling is surveyed and the methods employed are described. The conceptual model upon which the USDSS is based are reviewed. Data requirements and construction are discussed, and data summaries are provided.

An Application of Experimental Economics to Agricultural Policies: The case of U.S. Dairy Deregulation on Farm-Level Markets, Maurice Doyon and Andrew Novakovic, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, September 1997

Key Words: dairy policy, dairy regulations, Federal Milk Marketing Orders

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary*:* Current dairy regulations in the U.S. are the result of over 80 years of regulatory activities. Through the 1920s and 1930s the U.S. government passed the various acts designed to increase the share of market surplus captured by sellers, which at the time was judged insufficient. Lately, budget constraints and commitments to freer trade agreement have let the government and some dairy sector leaders contemplate different levels of dairy deregulation. The elimination of the Federal Milk Marketing Orders (FMMOs), a cornerstone of U.S. dairy regulation, has emerged as a possibility.

Experimental economics is used to simulate U.S. dairy market conditions and the effect of the elimination of FMMO's.

Economic Impacts of Agricultural & Macroeconomic Policy on the U.S. Livestock & Dairy Industries, J.W. Richardson; D.P. Anderson; R. D. Knutson, Department of Agricultural Economics, Texas A&M University, College Station, Texas, 1998-1999

Key Words: 1996 farm bill, NAFTA, GATT

Website: *http://agecon.tamu.edu/research/rich2.htm*

Summary: The primary objective is to use the representative farm data based to analyze questions from the House and Senate Agricultural Committee related to alternative ways of implementing provisions in the 1996 Farm Bill. A secondary objective is to analyze alternative policies and farm management/marketing strategies being considered for dealing with the increased price and income risk resulting from the 1996 Farm Bill. Specific objectives are:

a) Analyze the economic consequences of implementing the 1996 Farm Bill on the continued competitiveness of the US livestock and dairy industries and respond to questions from the House and Senate Agriculture Committees.
b) Analyze the economic consequences of implementing NAFTA, GATT, and other trade agreements on the US livestock and dairy industries.
c) Analyze the economic consequences of changing agricultural policies in the European Union and other countries on the US livestock and dairy industries.
d) Analyze the farm level impacts of alternative risk management

programs and management/marketing strategies proposed for dealing with the increased price risk resulting from the1996 Farm Bill.

e) Continue the process of updating and maintaining the representative farms so they remain useful for farm policy analyses.

f) Communicate the results of these analyses to policy makers, producers, producer organizations, policy researchers, extension specialists, and the general public.

‘’’’’’’’*NEW*’’’’’’’’

Rethinking Dairyland: Background for Decisions About Wisconsin’s Dairy Industry, Cooperative Extension, University of Wisconsin-Extension, (various Authors), University of Wisconsin-Madison, College of Agricultural and Life Sciences, Department of Agricultural and Applied Economics

Key Words: Wisconsin Dairy Industry, Dairy Policy, Federal Milk Orders, Milk Pricing, etc.

Website: ***www.aae.wisc.edu//www/pub/dairyland/***

Summary: this series of cooperative extension papers examines issues pertaining to the competitiveness of Wisconsin’s dairy industry.

International Trade

The Implications of Trade Liberalization for Federal Milk Marketing Orders, Phillip M. Bishop and Andrew M. Novakovic, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell University, Ithaca, NY 14853-7801, January 1997 (revised May 1999)

Key Words: Uruguay Round Agreement Act, General Agreement on Tariffs and Trade, GATT, Federal Milk Marketing Orders, transportation costs

Website: *http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html*

Summary: The Uruguay Round Agreement Act (1995) directed the USDA to study the potential implications of the new General Agreement on Tariffs and Trade for Federal Milk Marketing Orders. This research was conducted to comply with that requirement. The analysis described in this publication incorporates revisions to the model used in the original analysis, reflecting extensions and updates developed in conjunction with another study (cf. Pratt et al., “A Description of the Methods and data employed in the U.S. dairy Sector Simulator, Version 97.3,” R.B. 97-09, Department of Agricultural, Resource, and Managerial Economics, Cornell University, 1997). Of primary relevance here are changes in transportation costs, which result in broader implications for North American trade in milk and dairy products.

VIII. Others

WWW Virtual Library for Dairy Production, Oklahoma State University

Key Words: Dairy links, publications, publication listings

Website: *http://www.ansi.okstate.edu/library/dairy/*

Summary: A website with dairy information, publication listings, and dairy web links.

National Dairy Database Web page, University or Maryland, Mark Varner, University or Maryland, April 19, 2000

Key Words: Dairy database, publications, publication listing

Website: *http://www.inform.umd.edu/EdRes/Topic/AgrEnv/ndd/*

Summary: The National Dairy Cattle Database has been updated. The new version, entitled Dairy InfoBase 4.0, contains over 500 articles new to version 3.0, with special emphasis on nutrient management, milk quality, dairy expansion and human resource management. Developed at the ADDS Center, the dairy Cattle InfoBase brings together over 1,500 articles from extension fact sheets, university research reports and private industry documents. These articles are categorized in 18 subject areas and available on a cost-recovery basis via the web (12-month subscription) or CD (that includes 12-month website subscription).

Vermont Agricultural Experiment station technical Publications, Vermont Agricultural Experiment Station, University of Vermont

Key Words: Publications, experiments, technical papers, dairy

Website: *http://ctr.uvm.edu/research/research.htm*

Summary: This is a website that provides a list of publications produced by the Vermont Agricultural Experiment Station of the University of Vermont.

Agriculture, Food, and Community in Vermont, University of Vermont Extension

Keyword: agriculture, food, Vermont, dairy facts, employment, sales, production, processing, manufacturing, marketing

Website: *http://ctr.uvm.edu/research/research.htm*

Summary: This is a website that offers brief statistics on Vermont's agriculture and dairy industry.

Agricultural Outlook, Ken Bailey, James Dunn, Gregory Hanson, Jayson Harper and Lou Moore, Department of Agricultural Economics and Rural Sociology, College of agricultural Sciences, The Pennsylvania state University, Armsby Building, University Park, PA, Jan/Feb 2000

Key Words: Outlook, forecast, corn, soybeans, red meats, milk prices, cost of production, financial planning

Website:
http://dairyoutlook.aers.psu.edu/

Summary: The article offers an outlook and forecasts for U.S. agriculture, including dairy, soybeans, corn, and red meats. The article also discusses effective use of financial planning to face the challenge of low milk prices. Cost of production estimates are also provided.

Questions You Should Answer Before Starting A New Dairy Processing Enterprise, Brian M. Henehan, Department of Agricultural, Resource, and Managerial Economics, College of Agriculture and Life Sciences, Cornell university, Ithaca, NY 14853-7801, February 2000

Key Words: Dairy processing enterprise, consumer demand, marketing, processing, assets, inventory, distribution, milk supply, procurement, assembly, leadership, management, finance, government regulation, government policy, producer cooperation

Website:
http://www.cpdmp.cornell.edu/CPDMP/Pages/Publications/Index.html

Summary: This set of questions provides a beginning point for an individual or group looking at starting up a new dairy business. The questions provide a beginning and jumping off point for a more rigorous review of the necessary components of a successful business start-up. These questions should generate additional, more specific questions in the minds of those involved in analyzing the potential for a prospective dairy processing business.