

**Market Administrator**  
One Columbia Circle  
Albany, NY 12203-6379  
Phone: 518/ 452-4410  
WWW: <http://www.fmmone.com>



# The Market Administrator's **Bulletin**

**Ronald C. Pearce**  
*Administrator*  
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# Annual Report

A line graph with a thick black border. The graph shows a line that starts at a low point, rises to a small peak, falls to a low point, rises to a small peak, and then rises sharply to a high point. The year "1998" is written in large, bold, black letters at the bottom right of the graph.

**1998**

# Contents

|  | Page |
|--|------|
| Summary .....  | 1    |
| Cooperatives on Whose Production Payments Under Section .77 of the Order Are Based, 1998 ..... | 8    |
| <i>Bulletin</i> Highlights .....   | 22   |
| Administration Fund Financial Statement .....  | 24   |

## Tables

|   |    |
|---|----|
| 1. Number of Producers, Receipts from Producers, and Daily Deliveries Per Producer (DDP), 1997 and 1998 .....   | 2  |
| 2. Number of Handlers, Plants, and Bulk Tank Units Included in the Pool and Number of Handlers Reporting Receipts of Own Farm Milk, 1997 and 1998 ..... | 2  |
| 3. Utilization of Milk Received from Producers, by Class, 1997 and 1998 .....   | 3  |
| 4. Utilization Percentage of Milk Received from Producers, by Class, 1997 and 1998 .....  | 4  |
| 5. Minimum Prices, 1997 and 1998 .....  | 5  |
| 6. Basic Formula Price (BFP); Components and Butterfat Test, 1997 and 1998 .....  | 6  |
| 7. Factors That Influence the Basic Formula Price (BFP), 1997 and 1998 .....  | 7  |
| 8. Service Payments to Cooperative Associations, 1997 and 1998 .....  | 9  |
| 9. Percentage of Producers and Receipts by Cooperatives Qualified to Receive Service Payments, 1997 and 1998 .....                                      | 9  |
| 10. Determination of Composite Uniform Price for 1998 .....   | 10 |
| 11. Volume and Value of Milk Subject to Section .60 (d) (1) Through (6) and .60 (e) Price Differentials, 1998 .....                                     | 11 |
| 12. Butterfat Tests, Butterfat Differentials, and Butterfat Payments, 1997 and 1998 .....   | 11 |
| 13. Intermarket Movements of Milk and Milk Products, Receipts in Order No. 2 from Order No. 1, 1997 and 1998 .....                                      | 12 |
| 14. Intermarket Movements of Milk and Milk Products, Receipts in Order No. 2 from Order No. 4, 1997 and 1998 .....                                      | 13 |
| 15. Intermarket Movements of Milk and Milk Products, Shipments from Order No. 2 Plants and Bulk Tank Units to Order No. 1, 1997 and 1998 .....          | 14 |
| 16. Intermarket Movements of Milk and Milk Products, Shipments from Order No. 2 Plants and Bulk Tank Units to Order No. 4, 1997 and 1998 .....          | 15 |
| 17. Packaged Sales of Fluid Milk Products, January–December 1998 and Annual 1996–1998 .....   | 16 |
| 18. Receipts and Utilization of Producer Milk and Other Source Class I Milk, Annual 1998 .....  | 17 |
| 19. Average Mailbox Prices and Corresponding Data for Producers Pooled, 1998 .....  | 18 |
| 20. Plants Regulated, by Handler, December 1998 .....   | 20 |

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# Summary

Record prices marked the last 4 months of 1998. The year finished with an annual average uniform price of \$14.73 per hundredweight, \$0.32 higher than the last record-setting price—the 1996 average. Total producer milk receipts finished 1.1 percent above 1997, not as strong as originally forecasted. Lower production throughout the nation resulted in less cheese production and butter shortages, which helped bolster prices through the second half of 1998.

The series of tables in this report provide information about the operation of Order No. 2 during 1998. The *Bulletin Highlights* section summarizes, on a monthly basis, important events that impacted the dairy industry in 1998.

## Milk Receipts

As mentioned above, producer milk receipts increased 1.1 percent in 1998. For the first half of 1998, milk receipts grew 4.3 percent from the same period in 1997. During the second half, milk receipts dropped 2.1 percent from the comparable period.

The first quarter of 1998 saw producer numbers at or above the previous year's. By April, pooling changes resulted in handlers moving producers out of Order No. 2. The decline continued throughout the rest of 1998, resulting in an average number of producers that was 455 fewer than in 1997. This loss of producers fueled the decline in milk receipts during the second half of 1998.

Annual average daily deliveries per producer (DDP) increased 183 pounds (5.8 percent) from 1997. Most of the gain is attributable to the change in farm structure within the order.

## Utilization

Milk used for Class I purposes (fluid drinking milk) grew 2.8 percent in 1998 and increased utilization by 0.7 percentage points. Class II usage declined 5.1 percent; utilization dropped 0.9 percentage points. Milk used in Class III increased 2.9 percent, up 0.7 percentage points. Class III-A usage dropped 11.5 percent, down 0.3 percentage points.

## Prices

**BFP**—The 1998 Basic Formula Price (BFP) averaged \$14.20 per hundredweight, an increase of \$2.15 (17.8 percent) from the 1997 annual average. This price set a new BFP record averaging \$0.81 (6 percent) higher than the previous record of \$13.39, set in 1996.

The 40-pound block Cheddar cheese price reported on the Chicago Mercantile Exchange (CME) was \$1.43 per pound at the beginning of 1998. It bottomed out at \$1.18 in May and then began rising, reaching its

record-breaking peak of \$1.90 in December. Correspondingly, the BFP followed a similar path. It started the year fairly strong with an average over \$13.00 for the first quarter. By May, it had plummeted to \$10.76. From there, it rose and set records for each of the last 4 months of 1998. It peaked at \$17.34 per hundredweight in December.

**Class Prices**—Due to their linkage to the BFP, class prices followed a similar pattern throughout 1998. Class I and II prices averaged \$1.77 higher than in 1997 and were the highest on record. The Class III price increase mirrored the BFP's. The Class III-A price averaged \$2.50 higher than in 1997.

The Order No. 2 uniform price averaged \$14.73 per hundredweight, up \$1.97 (15.4 percent) from last year. The last 4 months finished with consecutive record-setting highs.

**Support Prices**—As required under the Federal Agriculture Improvement and Reform Act (FAIR Act) of 1996, the support price for milk containing 3.67 percent butterfat decreased \$0.15 to \$10.05 per hundredweight on January 1, 1998. In addition, the Commodity Credit Corporation reduced purchase prices for nonfat dry milk by 1.9 cents per pound and block Cheddar and barrel cheese by 1.5 cents per pound. The FAIR Act provides for the complete phase-out of the support program by December 31, 1999.

**Butterfat Differential**—Low milk production resulted in decreased supplies of butterfat. This, combined with lower inventories of butter in recent years, resulted in record-high butter prices. The butterfat differential reflected the high butter prices and set its own record in 1998. The differential averaged \$0.192 per hundredweight, up 69.9 percent from 1997 and 12.3 percent higher than the previous record set in 1984 (\$0.171 per hundredweight).

## Federal Order Reform

On January 23, 1998, USDA Secretary Dan Glickman issued a proposed rule announcing changes to the Federal Milk Marketing Order program as instructed in the FAIR Act of 1996.

On October 21, 1998, the President signed the Omnibus Consolidated Emergency Supplemental Appropriations Bill that, among other things, extended the deadline for completing federal milk marketing order reform. The FAIR Act set April 4, 1999, as the date for completing order reform. The new implementation date is October 1, 1999, with a final rule to be submitted to Congress between February 1 and April 4, 1999.

**Table 1. Number of Producers, Receipts from Producers, and Daily Deliveries Per Producer (DDP) Under the New York–New Jersey Marketing Order, 1997 and 1998**

| Month                | Number of producers |        | Receipts from producers |                | DDP    |       |
|----------------------|---------------------|--------|-------------------------|----------------|--------|-------|
|                      | 1997                | 1998   | 1997                    | 1998           | 1997   | 1998  |
|                      |                     |        | pounds                  |                | pounds |       |
| January              | 10,297              | 10,301 | 960,173,955             | 1,011,969,251  | 3,008  | 3,169 |
| February             | 10,220              | 10,212 | 882,337,687             | 934,063,053    | 3,083  | 3,267 |
| March                | 10,188              | 10,211 | 998,252,737             | 1,052,805,245  | 3,150  | 3,326 |
| April                | 10,150              | 10,093 | 979,764,711             | 1,033,948,727  | 3,218  | 3,415 |
| May                  | 10,097              | 9,863  | 1,035,281,281           | 1,065,807,257  | 3,308  | 3,486 |
| June                 | 10,017              | 9,764  | 998,967,265             | 1,010,286,205  | 3,324  | 3,449 |
| July                 | 10,493              | 9,718  | 1,028,491,693           | 1,014,547,421  | 3,162  | 3,368 |
| August               | 10,409              | 9,691  | 1,005,083,065           | 989,733,727    | 3,115  | 3,294 |
| September            | 10,478              | 9,672  | 966,777,079             | 936,530,392    | 3,076  | 3,228 |
| October              | 10,466              | 9,620  | 983,607,354             | 958,746,509    | 3,032  | 3,215 |
| November             | 10,414              | 9,536  | 935,111,033             | 916,758,252    | 2,993  | 3,205 |
| December             | 10,369              | 9,458  | 998,443,940             | 979,570,031    | 3,106  | 3,341 |
| <b>Average/Total</b> | 10,300              | 9,845  | 11,772,291,800          | 11,904,766,070 | 3,131  | 3,314 |

**Table 2. Number of Handlers, Plants, and Bulk Tank Units Included in the Pool and Number of Handlers Reporting Receipts of Own Farm Milk Under the New York–New Jersey Marketing Order, 1997 and 1998**

| Month          | Included in the pool |      |         |      |                 |      | Handlers' claim on pooling of own farm milk |      |                     |      |
|----------------|----------------------|------|---------|------|-----------------|------|---|------|---------------------|------|
|                | Handlers*            |      | Plants* |      | Bulk tank units |      | Partial exemption                           |      | Complete exemption# |      |
|                | 1997                 | 1998 | 1997    | 1998 | 1997            | 1998 | 1997  | 1998 | 1997                | 1998 |
| January        | 39                   | 36   | 16      | 13   | 106             | 95   | 1   | 1    | 8                   | 7    |
| February       | 39                   | 36   | 14      | 19   | 105             | 95   | 1   | 1    | 8                   | 7    |
| March          | 39                   | 32   | 10      | 11   | 107             | 94   | 1   | 1    | 8                   | 6    |
| April          | 39                   | 32   | 19      | 14   | 106             | 93   | 1   | 1    | 8                   | 6    |
| May            | 39                   | 31   | 22      | 16   | 100             | 94   | 1   | 1    | 8                   | 5    |
| June           | 39                   | 32   | 15      | 23   | 99              | 94   | 1   | 2    | 7                   | 5    |
| July           | 37                   | 32   | 19      | 15   | 100             | 97   | 1   | 1    | 7                   | 5    |
| August         | 38                   | 32   | 15      | 15   | 101             | 94   | 1   | 1    | 7                   | 5    |
| September      | 35                   | 31   | 16      | 15   | 97              | 93   | 1   | 1    | 7                   | 5    |
| October        | 35                   | 32   | 19      | 17   | 96              | 93   | 1   | 1    | 7                   | 5    |
| November       | 36                   | 31   | 13      | 13   | 98              | 92   | 1   | 1    | 7                   | 5    |
| December       | 36                   | 31   | 18      | 21   | 97              | 93   | 1   | 1    | 7                   | 5    |
| <b>Average</b> | 38                   | 32   | 16      | 16   | 101             | 94   | 1   | 1    | 7                   | 6    |

\* Includes those with a pool obligation under Section .60(d)(1)-(6).

# Producer-handlers.

**Table 3. Utilization of Milk Received from Producers Under the New York–New Jersey Marketing Order, by Class, 1997 and 1998**

| Year/month   | Class I                 |                    |                      | Class II             | Class III<br>pounds  | Class III-A        | Receipts from<br>producers | Add:<br>overage | Total pool<br>milk classified |
|--------------|-------------------------|--------------------|----------------------|----------------------|----------------------|--------------------|----------------------------|-----------------|-------------------------------|
|              | Federal marketing areas |                    | Total                |                      |                      |                    |                            |                 |                               |
|              | Inside                  | Outside            |                      |                      |                      |                    |                            |                 |                               |
| <b>1997</b>  |                         |                    |                      |                      |                      |                    |                            |                 |                               |
| January      | 387,163,077             | 15,001,836         | 402,164,913          | 147,952,172          | 381,672,691          | 28,384,179         | 960,173,955                | 0               | 960,173,955                   |
| February     | 339,063,790             | 12,452,026         | 351,515,816          | 139,859,789          | 369,289,315          | 21,672,767         | 882,337,687                | 0               | 882,337,687                   |
| March        | 377,768,064             | 14,190,804         | 391,958,868          | 160,716,861          | 415,876,516          | 29,700,492         | 998,252,737                | 0               | 998,252,737                   |
| April        | 361,176,635             | 12,933,847         | 374,110,482          | 157,042,579          | 404,539,335          | 44,072,315         | 979,764,711                | 0               | 979,764,711                   |
| May          | 369,228,365             | 14,394,751         | 383,623,116          | 167,128,890          | 447,435,416          | 37,093,859         | 1,035,281,281              | 0               | 1,035,281,281                 |
| June         | 337,716,941             | 11,952,062         | 349,669,003          | 170,271,608          | 445,889,388          | 33,137,266         | 998,967,265                | 5,122           | 998,972,387                   |
| July         | 382,277,479             | 9,880,545          | 392,158,024          | 165,088,942          | 438,048,472          | 33,196,255         | 1,028,491,693              | 91              | 1,028,491,784                 |
| August       | 384,640,881             | 11,643,688         | 396,284,569          | 173,061,997          | 405,977,173          | 29,759,326         | 1,005,083,065              | 0               | 1,005,083,065                 |
| September    | 403,088,907             | 12,735,877         | 415,824,784          | 152,206,891          | 376,292,689          | 22,452,715         | 966,777,079                | 5,638           | 966,782,717                   |
| October      | 413,153,393             | 14,056,477         | 427,209,870          | 150,453,506          | 389,589,621          | 16,354,357         | 983,607,354                | 6,360           | 983,613,714                   |
| November     | 389,684,744             | 14,439,923         | 404,124,667          | 146,644,161          | 368,134,650          | 16,207,555         | 935,111,033                | 0               | 935,111,033                   |
| December     | 412,602,697             | 13,224,399         | 425,827,096          | 147,132,080          | 391,904,684          | 33,580,080         | 998,443,940                | 0               | 998,443,940                   |
| <b>Total</b> | <b>4,557,564,973</b>    | <b>156,906,235</b> | <b>4,714,471,208</b> | <b>1,877,559,476</b> | <b>4,834,649,950</b> | <b>345,611,166</b> | <b>11,772,291,800</b>      | <b>17,211</b>   | <b>11,772,309,011</b>         |
| <b>1998</b>  |                         |                    |                      |                      |                      |                    |                            |                 |                               |
| January      | 403,085,161             | 14,216,096         | 417,301,257          | 147,427,479          | 411,467,953          | 35,772,562         | 1,011,969,251              | 157             | 1,011,969,408                 |
| February     | 364,988,324             | 12,034,135         | 377,022,459          | 138,061,381          | 383,395,789          | 35,583,424         | 934,063,053                | 0               | 934,063,053                   |
| March        | 406,143,387             | 17,194,970         | 423,338,357          | 166,919,334          | 426,783,724          | 35,763,830         | 1,052,805,245              | 0               | 1,052,805,245                 |
| April        | 374,688,423             | 13,518,984         | 388,207,407          | 155,458,948 R        | 448,132,190 R        | 42,150,182         | 1,033,948,727              | 0               | 1,033,948,727                 |
| May          | 382,444,477             | 16,626,783         | 399,071,260          | 154,072,537          | 484,168,622          | 28,494,838         | 1,065,807,257              | 0               | 1,065,807,257                 |
| June         | 367,748,803             | 13,137,333         | 380,886,136          | 152,311,122          | 452,437,772 R        | 24,651,175 R       | 1,010,286,205              | 0               | 1,010,286,205                 |
| July         | 375,958,942             | 14,918,838         | 390,877,780          | 156,150,625          | 448,802,349          | 18,716,667         | 1,014,547,421              | 0               | 1,014,547,421                 |
| August       | 371,206,769             | 16,084,773         | 387,291,542          | 156,215,600 R        | 429,699,353 R        | 16,527,232         | 989,733,727                | 987             | 989,734,714                   |
| September    | 397,474,442             | 21,341,494         | 418,815,936          | 147,230,673          | 359,363,857          | 11,119,926         | 936,530,392                | 0               | 936,530,392                   |
| October      | 412,941,487             | 21,660,983         | 434,602,470          | 139,305,043          | 376,037,950          | 8,801,046          | 958,746,509                | 0               | 958,746,509                   |
| November     | 388,148,291             | 18,474,086         | 406,622,377          | 140,840,769          | 359,648,794          | 9,646,312          | 916,758,252                | 0               | 916,758,252                   |
| December     | 405,522,334             | 15,133,077         | 420,655,411          | 134,077,029          | 389,825,240          | 35,012,351         | 979,570,031                | 236,511         | 979,806,542                   |
| <b>Total</b> | <b>4,650,350,840</b>    | <b>194,341,552</b> | <b>4,844,692,392</b> | <b>1,788,070,540</b> | <b>4,969,763,593</b> | <b>302,239,545</b> | <b>11,904,766,070</b>      | <b>237,655</b>  | <b>11,905,003,725</b>         |

R = Revised.

**Table 4. Utilization Percentage of Milk Received from Producers Under the New York–New Jersey Marketing Order, by Class, 1997 and 1998**

| Year/month     | Class I |     |        | Class II | Class III | Class III-A |
|----------------|---------|-----|--------|----------|-----------|-------------|
|                | I-A     | I-B | Total  |          |           |             |
| percent        |         |     |        |          |           |             |
| <b>1997</b>    |         |     |        |          |           |             |
| January        | 40.3    | 1.6 | 41.9   | 15.4     | 39.7      | 3.0         |
| February       | 38.4    | 1.4 | 39.8   | 15.8     | 41.9      | 2.5         |
| March          | 37.8    | 1.4 | 39.2   | 16.1     | 41.7      | 3.0         |
| April          | 36.9    | 1.3 | 38.2   | 16.0     | 41.3      | 4.5         |
| May            | 35.7    | 1.4 | 37.1   | 16.1     | 43.2      | 3.6         |
| June           | 33.8    | 1.2 | 35.0   | 17.1     | 44.6      | 3.3         |
| July           | 37.1    | 1.0 | 38.1   | 16.1     | 42.6      | 3.2         |
| August         | 38.3    | 1.1 | 39.4   | 17.2     | 40.4      | 3.0         |
| September      | 41.7    | 1.3 | 43.0   | 15.8     | 38.9      | 2.3         |
| October        | 42.0    | 1.4 | 43.4   | 15.3     | 39.6      | 1.7         |
| November       | 41.7    | 1.5 | 43.2   | 15.7     | 39.4      | 1.7         |
| December       | 41.3    | 1.3 | 42.6   | 14.7     | 39.3      | 3.4         |
| <b>Average</b> | 38.8    | 1.3 | 40.1 * | 15.9     | 41.1      | 2.9         |
| <b>1998</b>    |         |     |        |          |           |             |
| January        | 39.8    | 1.4 | 41.2   | 14.6     | 40.7      | 3.5         |
| February       | 39.1    | 1.3 | 40.4   | 14.8     | 41.0      | 3.8         |
| March          | 38.6    | 1.6 | 40.2   | 15.9     | 40.5      | 3.4         |
| April          | 36.2    | 1.3 | 37.5   | 15.0 R   | 43.4 R    | 4.1         |
| May            | 35.9    | 1.6 | 37.5   | 14.4     | 45.4      | 2.7         |
| June           | 36.4    | 1.3 | 37.7   | 15.1     | 44.8 R    | 2.4 R       |
| July           | 37.1    | 1.5 | 38.6   | 15.4     | 44.2      | 1.8         |
| August         | 37.5    | 1.6 | 39.1   | 15.8 R   | 43.4 R    | 1.7         |
| September      | 42.4    | 2.3 | 44.7   | 15.7     | 38.4      | 1.2         |
| October        | 43.1    | 2.3 | 45.4   | 14.5     | 39.2      | 0.9         |
| November       | 42.3    | 2.0 | 44.3   | 15.4     | 39.2      | 1.1         |
| December       | 41.4    | 1.5 | 42.9   | 13.7     | 39.8      | 3.6         |
| <b>Average</b> | 39.2    | 1.6 | 40.8 * | 15.0     | 41.7      | 2.5         |

\* Weighted average: 1997 = 40.0 and 1998 = 40.7.

R = Revised.

**Table 5. Minimum Prices Under the New York–New Jersey Marketing Order, 1997 and 1998**

| Year/month     | Prices for bulk milk testing 3.5 percent butterfat in the 201–210 mile zone |              |              |              |               |
|----------------|---|--------------|--------------|--------------|---------------|
|                | Class I (I-A and I-B)   | Class II     | Class III    | Class III-A  | Uniform price |
|                | dollars per hundredweight   |              |              |              |               |
| <b>1997</b>    |   |              |              |              |               |
| January        | 14.03   | 11.91        | 11.97        | 11.53        | 12.65         |
| February       | 13.76   | 11.64        | 12.48        | 12.38        | 12.70         |
| March          | 14.36   | 12.24        | 12.44        | 12.73        | 13.02         |
| April          | 14.88   | 12.76        | 11.35        | 12.01        | 12.82         |
| May            | 14.91   | 12.79        | 10.58        | 11.44        | 12.45         |
| June           | 13.86   | 11.74        | 10.63        | 12.11        | 11.87         |
| July           | 13.12   | 11.00        | 10.89        | 12.09        | 11.67         |
| August         | 13.16   | 11.04        | 12.17        | 11.98        | 12.22         |
| September      | 13.28   | 11.16        | 12.85        | 11.93        | 12.59         |
| October        | 14.49   | 12.37        | 12.89        | 13.56        | 13.37         |
| November       | 15.21   | 13.09        | 13.02        | 14.07        | 13.86         |
| December       | <u>15.25</u>  | <u>13.13</u> | <u>13.35</u> | <u>12.52</u> | <u>13.95</u>  |
| <b>Average</b> | 14.19   | 12.07        | 12.05        | 12.36        | 12.76 *       |
| <b>1998</b>    |   |              |              |              |               |
| January        | 15.38   | 13.26        | 13.28        | 12.07        | 13.95         |
| February       | 15.71   | 13.59        | 13.34        | 12.91        | 14.19         |
| March          | 15.67   | 13.55        | 12.76        | 12.62        | 13.89         |
| April          | 15.74   | 13.62        | 11.92        | 12.79        | 13.50         |
| May            | 15.23   | 13.11        | 10.76        | 13.84        | 12.73         |
| June           | 14.43   | 12.31        | 12.99        | 15.27        | 13.41         |
| July           | 13.30   | 11.18        | 14.80        | 15.62        | 13.53         |
| August         | 15.52   | 13.40        | 15.09        | 16.62        | 14.88         |
| September      | 17.19   | 15.07        | 15.16        | 19.87        | 15.98         |
| October        | 17.41   | 15.29        | 16.10        | 18.19        | 16.47         |
| November       | 17.52   | 15.40        | 16.90        | 14.93        | 16.78         |
| December       | <u>18.46</u>  | <u>16.34</u> | <u>17.40</u> | <u>13.54</u> | <u>17.45</u>  |
| <b>Average</b> | 15.96   | 13.84        | 14.21        | 14.86        | 14.73 *       |

\* Composite uniform price: 1997—\$12.755 and 1998—\$14.679. See Table 10 for further details.

Note: Beginning in June 1996, a \$0.20 per hundredweight processor assessment was implemented. This assessment is not included in the Class I price shown.

**Table 6. Basic Formula Price (BFP); Components and Butterfat Test, 1997 and 1998**

| Month          | Preceding   | Change                    | Basic          | Preceding month |               |            |
|----------------|-------------|---------------------------|----------------|-----------------|---------------|------------|
|                | month base  |                           |                | in product      | formula price | Base price |
|                | price at    | value*                    | at 3.5 % B'fat | at test         | test          | at test    |
|                | 3.5 % B'fat | dollars per hundredweight |                |                 | percent       | \$/cwt     |
| <b>1997</b>    |             |                           |                |                 |               |            |
| January        | 11.60       | 0.34                      | 11.94          | 11.92           | 3.97          | 12.26      |
| February       | 12.00       | 0.46                      | 12.46          | 12.34           | 3.93          | 12.80      |
| March          | 12.36       | 0.13                      | 12.49          | 12.74           | 3.88          | 12.87      |
| April          | 12.31       | (0.87)                    | 11.44          | 12.72           | 3.87          | 11.85      |
| May            | 11.41       | (0.71)                    | 10.70          | 11.73           | 3.84          | 11.02      |
| June           | 10.75       | (0.01)                    | 10.74          | 10.99           | 3.77          | 10.98      |
| July           | 10.70       | 0.16                      | 10.86          | 10.85           | 3.63          | 11.01      |
| August         | 10.88       | 1.19                      | 12.07          | 10.99           | 3.60          | 12.18      |
| September      | 12.06       | 0.73                      | 12.79          | 12.21           | 3.64          | 12.94      |
| October        | 12.68       | 0.15                      | 12.83          | 12.96           | 3.76          | 13.11      |
| November       | 12.91       | 0.05                      | 12.96          | 13.51           | 3.89          | 13.56      |
| December       | 13.08       | 0.21                      | 13.29          | 13.90           | 3.99          | 14.11      |
| <b>Average</b> | 11.90       | 0.15                      | 12.05          | 12.24           | 3.81          | 12.39      |
| <b>1998</b>    |             |                           |                |                 |               |            |
| January        | 13.27       | (0.02)                    | 13.25          | 13.81           | 3.94          | 13.79      |
| February       | 13.26       | 0.06                      | 13.32          | 13.70           | 3.89          | 13.76      |
| March          | 13.18       | (0.37)                    | 12.81          | 13.67           | 3.85          | 13.30      |
| April          | 12.70       | (0.69)                    | 12.01          | 13.17           | 3.85          | 12.48      |
| May            | 11.82       | (0.94)                    | 10.88          | 12.25           | 3.80          | 11.31      |
| June           | 11.05       | 2.05                      | 13.10          | 11.35           | 3.67          | 13.40      |
| July           | 13.17       | 1.60                      | 14.77          | 13.47           | 3.64          | 15.07      |
| August         | 14.29       | 0.70                      | 14.99          | 14.40           | 3.55          | 15.10      |
| September      | 14.69       | 0.41                      | 15.10          | 14.91           | 3.59          | 15.32      |
| October        | 15.18       | 0.86                      | 16.04          | 15.76           | 3.68          | 16.62      |
| November       | 16.26       | 0.58                      | 16.84          | 17.41           | 3.92          | 17.99      |
| December       | 17.06       | 0.28                      | 17.34          | 17.91           | 3.98          | 18.19      |
| <b>Average</b> | 13.83       | 0.38                      | 14.20          | 14.32           | 3.78          | 14.69      |

\* Change in product price formula from previous month. See Table 7 for individual price factors.

Source: Data reported by the USDA.

**Table 7. Factors That Influence the Basic Formula Price (BFP),  
1997 and 1998**

| Month             | Butter*  |         | Nonfat Dry Milk   |                  | Dry                        | Cheddar                 |
|-------------------|----------|---------|-------------------|------------------|----------------------------|-------------------------|
|                   | Grade AA | Grade A | Western<br>Area** | Central<br>Area# | Buttermilk<br>Western Area | Cheese<br>40-lb block## |
| dollars per pound |          |         |                   |                  |                            |                         |
| <b>1997</b>       |          |         |                   |                  |                            |                         |
| January           | 0.9039   | 0.8174  | 1.1071            | 1.1394           | 0.9018                     | 1.2705                  |
| February          | 1.0734   | 0.9846  | 1.1175            | 1.1491           | 0.9628                     | 1.3124                  |
| March             | 1.1581   | 1.0581  | 1.1250            | 1.1578           | 1.0560                     | 1.3234                  |
| April             | 1.0233   | 0.9190  | 1.1064            | 1.1440           | 1.1330                     | 1.2378                  |
| May               | 0.9652   | 0.8740  | 1.0617            | 1.0983           | 1.1108                     | 1.1664                  |
| June              | 1.1294   | 1.0500  | 1.0523            | 1.0788           | 1.0463                     | 1.1583                  |
| July              | 1.0995   | 1.0184  | 1.0520            | 1.0765           | 1.0414                     | 1.1767                  |
| August            | 1.0932   | 1.0132  | 1.0493            | 1.0718           | 1.0414                     | 1.3024                  |
| September         | 1.1103   | 1.0337  | 1.0475            | 1.0711           | 1.0314                     | 1.3782                  |
| October           | 1.4650   | 1.3735  | 1.0475            | 1.0691           | 0.9789                     | 1.3835                  |
| November          | 1.5892   | 1.4842  | 1.0475            | 1.0713           | 0.9407                     | 1.3852                  |
| December          | 1.3021   | 1.1697  | 1.0436            | 1.0740           | 0.9050                     | 1.4163                  |
| <b>Average</b>    | 1.1594   | 1.0663  | 1.0715            | 1.1001           | 1.0125                     | 1.2926                  |
| <b>1998</b>       |          |         |                   |                  |                            |                         |
| January           | 1.1932   | 1.1061  | 1.0390            | 1.0593           | 0.8840                     | 1.4165                  |
| February          | 1.3918   | 1.2963  | 1.0368            | 1.0521           | 0.9146                     | 1.4163                  |
| March             | 1.3452   | 1.2505  | 1.0309            | 1.0467           | 0.9163                     | 1.3793                  |
| April             | 1.3788   | 1.2856  | 1.0256            | 1.0426           | 0.9212                     | 1.3072                  |
| May               | 1.5465   | 1.4945  | 1.0223            | 1.0348           | 0.9200                     | 1.2034                  |
| June              | 1.8618   | 1.8468  | 1.0200            | 1.0289           | 0.9200                     | 1.4038                  |
| July              | 2.0085   | 1.9185  | 1.0238            | 1.0297           | 0.9298                     | 1.5656                  |
| August            | 2.1730   | 2.0830  | 1.0425            | 1.0463           | 0.9574                     | 1.6320                  |
| September         | 2.7566   | 2.6666  | 1.0944            | 1.1007           | 0.9914                     | 1.6556                  |
| October           | 2.4089   | 2.3189  | 1.1131            | 1.1180           | 1.0100                     | 1.7534                  |
| November          | 1.7447   | 1.6547  | 1.1100            | 1.1250           | 0.9961                     | 1.8317                  |
| December          | 1.4131   | 1.3231  | 1.1009            | 1.1490           | 0.9182                     | 1.8707                  |
| <b>Average</b>    | 1.7685   | 1.6871  | 1.0549            | 1.0694           | 0.9399                     | 1.5363                  |

\* Chicago Mercantile Exchange.

\*\* Low/Medium heat.

# Not used in the calculation of the Basic Formula Price; only a factor in the Class III-A price under the NY–NJ Marketing Order.

## National Cheese Exchange through April 1997; National Agricultural Statistics Service beginning May 1997.

Source: Data reported by the USDA.

## Cooperatives on Whose Production Payments Under Section .77 of the Order Are Based (December 31, 1998)

### Dairylea Cooperative Inc.

|   |  |
|---|--|
| Addison Cooperative Milk Producers Association Inc.   | Mount Joy Farmers Cooperative Association, Inc.      |
| Boonville Farms Cooperative, Inc.                     | Niagara Milk Cooperative, Inc.                       |
| Burke Milk Producers Co-operative Inc.                | North Lawrence Milk Producers Cooperative            |
| Butternut Milk Group Cooperatives, Inc.               | Association, Inc.                                    |
| Canajoharie Co-operative Milk Producers, Inc.         | Northern New York Bulk Milk Producers Cooperative,   |
| Canton Producers Cooperative, Inc.                    | Inc.   |
| Cape Vincent Milk Producers Cooperative, Inc.         | Oneida-Madison Milk Producers Cooperative            |
| Cedarville Milk Producers Cooperative, Inc.           | Association, Inc.                                    |
| Conesus Milk Producers Co-operative Association, Inc. | Port Allegany Cooperative Milk Producers Association |
| Cortland Bulk Milk Producers Co-operative Inc.        | Preble Milk Cooperative Association, Inc.            |
| Deer River Bulk Co-op, Inc.                           | Producers' Co-operative, Inc.                        |
| Down State Milk Producers Cooperative Inc.            | Progressive Dairymen's Cooperative, Inc.             |
| Empire-Keystone Milk Producers Cooperative, Inc.      | Rockdale Producers Cooperative Association, Inc.     |
| Equity Milk Cooperative, Inc.                         | St. Lawrence Valley Bulk Milk Producers              |
| Georgetown-Sheds Milk Producers Cooperative, Inc.     | Co-operative, Inc.                                   |
| Gouverneur Cooperative Dairymen, Inc.                 | Seaway Bulk Milk Producers Coop. Inc.                |
| Jefferson Bulk Milk Co-op Inc.                        | South New Berlin Milk Cooperative, Inc.              |
| Liberty Valley Cooperative Milk Producers Association | Southern Tier Independent Milk Producers Co-op, Inc. |
| Lisbon Producers Cooperative, Inc.                    | Steamburg Milk Producers Cooperative, Inc.           |
| Lowville Producers Dairy Cooperative, Inc.            | Tughill Milk Producers Co-operative, Inc.            |
| Malone Milk Producers Cooperative, Inc.               | United North Country Bargaining Co-op, Inc.          |
| Marble City Bulk Milk Co-op. Inc.                     | Upstate Milk Cooperatives, Inc.                      |
| Mohawk High Protein Co-operative, Inc.                | Westco Milk Producers Cooperative                    |

### Dairy Farmers of America, Inc.

|  |  |
|--|--|
| Agri-Mark, Inc.                                    | Middlebury CoOperative Milk Producers Association    |
| Chateaugay Cooperative Marketing Association, Inc. | North Penn Bulk Milk Producers Cooperative, Inc.     |
| H.P. Farmers Cooperative, Inc.                     | Sullivan County Co-operative Dairy Association, Inc. |
| Konhokton Milk Producers Cooperative               | Tioga Valley Cooperative Bulk Milk Producers         |
| Association, Inc.                                  | Association  |
| Land O'Lakes, Inc.                                 |  |

**Table 8. Service Payments to Cooperative Associations Under the New York–New Jersey Marketing Order, 1997 and 1998**

| Month                | Qualified cooperatives* |      | Qualified producers |       | Receipts from qualified cooperative producers |               | Payments to qualified cooperatives |              |
|----------------------|-------------------------|------|---------------------|-------|---|---------------|------------------------------------|--------------|
|                      | 1997                    | 1998 | 1997                | 1998  | 1997  | 1998          | 1997                               | 1998         |
|                      | number                  |      |                     |       | pounds  |               | dollars                            |              |
| January              | 52                      | 53   | 6,323               | 6,499 | 602,356,078                                   | 656,657,250   | 240,942.44                         | 262,662.90   |
| February             | 51                      | 53   | 6,295               | 6,446 | 555,779,531                                   | 608,862,327   | 222,311.81                         | 243,544.93   |
| March                | 52                      | 53   | 6,279               | 6,452 | 629,027,348                                   | 687,602,944   | 251,610.94                         | 275,041.17   |
| April                | 53                      | 53   | 6,280               | 6,294 | 623,031,007                                   | 668,197,015   | 249,212.40                         | 267,278.81   |
| May                  | 53                      | 53   | 6,253               | 6,052 | 657,537,202                                   | 681,365,839   | 263,014.88                         | 272,546.34   |
| June                 | 53                      | 53   | 6,168               | 5,948 | 635,206,101                                   | 646,230,555   | 254,082.44                         | 258,492.21   |
| July                 | 53                      | 53   | 6,593               | 5,892 | 664,375,517                                   | 651,710,637   | 265,750.22                         | 260,684.25   |
| August               | 53                      | 53   | 6,530               | 5,888 | 649,123,205                                   | 635,954,216   | 259,649.28                         | 254,381.68   |
| September            | 52                      | 57   | 6,641               | 5,961 | 630,064,808                                   | 607,481,127   | 252,025.93                         | 242,992.45   |
| October              | 53                      | 57   | 6,643               | 5,958 | 639,017,505                                   | 621,789,567   | 255,607.00                         | 248,715.83   |
| November             | 53                      | 59   | 6,617               | 5,880 | 605,127,949                                   | 593,375,828   | 242,051.17                         | 237,350.34   |
| December             | 53                      | 59   | 6,545               | 5,799 | 643,204,548                                   | 632,606,136   | 257,281.82                         | 253,042.45   |
| <b>Average/Total</b> | 53                      | 55   | 6,431               | 6,089 | 7,533,850,799                                 | 7,691,833,441 | 3,013,540.33                       | 3,076,733.36 |

\* Reporting separately at pool time.

**Table 9. Percentage of Order No. 2 Producers and Receipts by Cooperatives Qualified to Receive Service Payments, 1997 and 1998**

| Month          | Producers        |      | Receipts |      |
|----------------|------------------|------|----------|------|
|                | 1997             | 1998 | 1997     | 1998 |
|                | percent of total |      |          |      |
| January        | 61.4             | 63.3 | 62.9     | 64.9 |
| February       | 61.6             | 63.3 | 63.0     | 65.2 |
| March          | 61.6             | 63.4 | 63.3     | 65.3 |
| April          | 61.9             | 62.6 | 63.7     | 64.6 |
| May            | 61.9             | 61.7 | 63.5     | 63.9 |
| June           | 61.6             | 61.3 | 63.6     | 64.0 |
| July           | 62.8             | 61.0 | 64.6     | 64.3 |
| August         | 62.7             | 61.0 | 64.6     | 64.2 |
| September      | 63.5             | 61.7 | 65.0     | 64.5 |
| October        | 63.6             | 61.7 | 65.2     | 64.4 |
| November       | 63.7             | 61.3 | 64.9     | 64.3 |
| December       | 63.2             | 61.3 | 64.5     | 64.5 |
| <b>Average</b> | 62.5             | 62.0 | 64.1     | 64.5 |

Note: Does not include producers belonging to cooperatives not qualified to receive cooperative service payments. During 1998, such producers on average accounted for an additional 6.0 percent of total producers and 4.2 percent of total receipts.

**Table 10. Determination of New York–New Jersey Marketing Order Composite Uniform Price of \$14.679 for 1998 per hundredweight of milk testing 3.5 percent butterfat received in bulk from farms in the 201–210 mile zone\***

| <b>TOTAL VALUE OF POOLED MILK</b>            |                       |         |                   |                         |                             |                                    |                                  |
|--|-----------------------|---------|-------------------|-------------------------|-----------------------------|------------------------------------|----------------------------------|
| Class  | Milk pounds           | Percent | Minimum price     | Value at minimum price  | Transportation differential | Total value                        | Contribution per cwt of receipts |
|  |                       |         |                   |                         | dollars                     |                                    |                                  |
| I-A  | 4,650,350,840         | 39.1    | 16.00             | 743,961,038.90          | 1,490,991.31                | 745,452,030.21                     | 6.262                            |
| I-B  | 194,341,552           | 1.6     | 16.09             | 31,277,882.33           | 20,821.46                   | 31,298,703.79                      | 0.263                            |
| II   | 1,781,835,329         | 15.0    | 13.79             | 245,681,219.29          | 198,883.72                  | 245,880,103.01                     | 2.065                            |
| III  | 4,972,550,471         | 41.8    | 14.07             | 699,779,523.69          | 493,231.17                  | 700,272,754.86                     | 5.882                            |
| IIIA   | 305,687,878           | 2.6     | 13.97             | 42,712,127.98           | 63,025.30                   | 42,775,153.28                      | 0.359                            |
| Reported receipts                            | 11,904,766,070        | 100.0   |                   | 1,763,411,792.19        | 2,266,952.96                | 1,765,678,745.15                   | 14.831                           |
| Adjustments**                                | <u>Product pounds</u> |         | <u>Dollars***</u> |                         |                             |                                    |                                  |
| Sec. .60(d)(1) III                           | 237,655               |         | 32,902.43         |                         |                             |                                    |                                  |
| Total Sec. .60(d)(1)                         | 237,655               | 237,655 | 32,902.43         |                         |                             | 32,902.43                          | 0.000 #                          |
| Sec. .60(d)(6) I                             | 41,198,177            |         | 1,003,238.31      |                         |                             |                                    |                                  |
| Sec. .60(d)(6) II                            | 64,349,720            |         | 54,743.27         |                         |                             |                                    |                                  |
| Total Sec. .60(d)(2) thru (6)                | 105,547,897           |         | 1,057,981.58      |                         |                             | 1,057,981.58                       | 0.009                            |
| Total adjustments                            | 105,785,552           |         | 1,090,884.01      |                         |                             |                                    |                                  |
| Total pool milk classified                   | 11,905,003,725        |         |                   |                         |                             |                                    |                                  |
| Handlers must pay                            |                       |         | 1,090,884.01      | 1,763,411,792.19        | 2,266,952.96                | 1,766,769,629.16                   | ## 14.840                        |
| <b>COMPUTATION OF UNIFORM PRICE</b>          |                       |         |                   |                         |                             |                                    |                                  |
|  | <u>Milk pounds</u>    |         | <u>Dollars</u>    |                         |                             | <u>Dollars per cwt of receipts</u> |                                  |
| Total value of pooled milk                   |                       |         |                   | 1,766,769,629.16        |                             | 14.840                             |                                  |
| Less: Cooperative payments                   | 7,691,833,441         |         | 3,076,733.36      |                         | 0.026                       |                                    |                                  |
| Reserve                                      |                       |         | 9,920,779.97      |                         | 0.083                       |                                    |                                  |
| Transportation credit                        | 11,904,766,070        |         | 17,857,149.21     | (30,854,662.54)         | 0.150                       | (0.259)                            |                                  |
| Value of pooled milk less subtractions       |                       |         |                   | 1,735,914,966.62        |                             | 14.581                             |                                  |
| Add: Freight adjustment to 201-210 mile zone |                       |         | 1,147,045.64      |                         | 0.010                       |                                    |                                  |
| Unreserved cash in producer settlement fund  |                       |         | 10,496,372.47     | 11,643,418.11           | 0.088                       | 0.098                              |                                  |
| <b>Uniform Price</b>                         | <b>11,904,766,070</b> |         |                   | <b>1,747,558,384.73</b> |                             | <b>14.679</b>                      |                                  |

\* The simple average of the 1998 monthly prices is \$14.73.

\*\* See Table 11 for breakdown.

\*\*\* Minimum prices are weighted averages. These values include transportation and other applicable differentials.

# Zero results from rounding.

## In addition, handlers paid \$30,393,312.99 for butterfat in excess of 3.5 percent.

**Table 11. Volume and Value of Milk Subject to Section .60 (d) (1) Through (6) and .60 (e) Price Differentials\* Under the New York–New Jersey Marketing Order, 1998**

| Month        | Section        |                  |                  |                  |                   |                    |
|--------------|----------------|------------------|------------------|------------------|-------------------|--------------------|
|              | .60(d)(1)      |                  | .60(d)(6)        |                  | .60(d)(6)         |                    |
|              | Class III      | Class I          | Class II         | Class III        | Class I           | Class II           |
| January      | 157            | 2,257,148        | 5,055,251        | 193.57           | 46,234.48         | (4,549.72)         |
| February     | 0              | 1,806,580        | 5,784,182        | 0.00             | 43,935.15         | 17,928.29          |
| March        | 0              | 1,321,233        | 4,686,433        | 0.00             | 30,784.73         | 9,841.52           |
| April        | 0              | 1,693,199        | 6,287,658        | 0.00             | 50,861.76         | 54,068.60          |
| May          | 0              | 5,499,334        | 4,966,123        | 0.00             | 182,466.65        | 59,096.87          |
| June         | 0              | 7,001,373        | 9,092,018        | 0.00             | 257,886.73        | 140,894.15         |
| July         | 0              | 2,606,047        | 4,571,849        | 0.00             | 8,411.17          | (82,750.46)        |
| August       | 987            | 1,724,134        | 5,580,168        | 2,482.75         | 12,536.67         | (78,122.35)        |
| September    | 0              | 3,891,155        | 3,517,599        | 0.00             | 82,458.42         | (704.05)           |
| October      | 0              | 5,348,283        | 3,898,778        | 0.00             | 120,709.08        | 5,068.53           |
| November     | 0              | 3,459,539        | 3,524,273        | 0.00             | 49,377.88         | (24,669.92)        |
| December     | <u>236,511</u> | <u>4,590,152</u> | <u>7,385,388</u> | <u>30,226.11</u> | <u>117,575.59</u> | <u>(41,358.19)</u> |
| <b>Total</b> | 237,655        | 41,198,177       | 64,349,720       | 32,902.43        | 1,003,238.31      | 54,743.27          |

\* Section .60(d)(1)—overage; Section .60(d)(6)—inventory; Section .60(e)—bulk concentrated inventory reclassification. There was no Class I milk subject to Section .60(d)(1) or any milk subject to Section .60(e).

**Table 12. Butterfat Tests, Butterfat Differentials, and Butterfat Payments Under the New York–New Jersey Marketing Order, 1997 and 1998**

| Month                | Average butterfat test |          | Butterfat differential* |      | Butterfat payments** |               |
|----------------------|------------------------|----------|-------------------------|------|----------------------|---------------|
|                      | 1997                   | 1998     | 1997                    | 1998 | 1997                 | 1998          |
|                      | percent                |          | dollars                 |      | dollars              |               |
| January              | 3.726840               | 3.721208 | .078                    | .114 | 1,698,882.80         | 2,551,950.22  |
| February             | 3.712901               | 3.715632 | .100                    | .140 | 1,878,505.83         | 2,819,788.56  |
| March                | 3.712105               | 3.728391 | .110                    | .135 | 2,329,074.79         | 3,246,081.85  |
| April                | 3.684573               | 3.663794 | .094                    | .142 | 1,699,876.29         | 2,404,832.53  |
| May                  | 3.645587               | 3.606063 | .090                    | .175 | 1,356,506.13         | 1,978,252.89  |
| June                 | 3.540390               | 3.557562 | .114                    | .217 | 459,968.13           | 1,261,928.84  |
| July                 | 3.492288               | 3.504334 | .110                    | .223 | (87,249.57)          | 98,042.49     |
| August               | 3.526862               | 3.526264 | .106                    | .245 | 286,186.24           | 636,870.58    |
| September            | 3.607331               | 3.571588 | .106                    | .325 | 1,099,911.32         | 2,178,923.72  |
| October              | 3.699660               | 3.709050 | .153                    | .273 | 3,004,723.48         | 5,471,629.70  |
| November             | 3.770936               | 3.783601 | .167                    | .178 | 4,231,024.13         | 4,627,876.73  |
| December             | 3.760717               | 3.741072 | .122                    | .132 | 3,175,790.85         | 3,117,134.88  |
| <b>Average/Total</b> | 3.656683               | 3.652380 | .113                    | .192 | 21,133,200.42        | 30,393,312.99 |

\* Butterfat differential for each one-tenth of one percent of fat above or below 3.5 percent.

\*\* Payments by handlers to producers for butterfat in excess of 3.5 percent.

**Table 13. Intermarket Movements of Milk and Milk Products,  
Receipts in Order No. 2 from Order No. 1, 1997 and 1998**

| Year/month      | Class I |        |         | Class II |         | Class III |         | Class III-A |
|-----------------|---------|--------|---------|----------|---------|-----------|---------|-------------|
|                 | Pkgd.#  | Bulk   | Total   | Bulk     | Pkgd.#¶ | Bulk      | Total   | Bulk        |
| thousand pounds |         |        |         |          |         |           |         |             |
| <b>1997</b>     |         |        |         |          |         |           |         |             |
| January         | 7,033   | *      | *       | 1,367    | 15      | 4,090     | 4,105   | 0           |
| February        | 6,836   | 0      | 6,836   | *        | 14      | 2,869     | 2,883   | 0           |
| March           | 7,667   | *      | *       | *        | 17      | 3,990     | 4,007   | 0           |
| April           | 7,433   | *      | *       | *        | 14      | 4,494     | 4,508   | *           |
| May             | 7,480   | *      | *       | *        | 14      | 3,973     | 3,987   | 0           |
| June            | 6,654   | 526    | 7,180   | 1,876    | 13      | 8,179     | 8,192   | *           |
| July            | 5,804   | *      | *       | 4,188    | 13      | 9,971     | 9,985   | *           |
| August          | 6,179   | 169    | 6,348   | 4,479    | 15      | 8,365     | 8,380   | 0           |
| September       | 7,227   | 2,924  | 10,151  | 7,825    | 24      | 7,128     | 7,152   | 0           |
| October         | 7,182   | 3,347  | 10,529  | 7,349    | 22      | 7,665     | 7,687   | 0           |
| November        | 6,345   | 4,946  | 11,291  | 8,985    | 18      | 12,924    | 12,942  | 0           |
| December        | 6,839   | *      | *       | 7,968    | 19      | 11,935    | 11,953  | *           |
| <b>Total</b>    | 82,679  | N/A    | N/A     | N/A      | 198     | 85,583    | 85,781  | N/A         |
| <b>1998</b>     |         |        |         |          |         |           |         |             |
| January         | 6,830   | 3,218  | 10,048  | 5,880    | 20      | 13,272    | 13,291  | *           |
| February        | 6,031   | 2,570  | 8,602   | 7,957    | 15      | 13,168    | 13,183  | *           |
| March           | 7,014   | 4,434  | 11,447  | 14,192   | 66      | 15,857    | 15,922  | *           |
| April           | 6,570   | 3,777  | 10,347  | 11,662   | 16      | 14,465    | 14,482  | *           |
| May             | 6,587   | 3,623  | 10,211  | 10,393   | 17      | 16,715    | 16,731  | *           |
| June            | 6,284   | 4,572  | 10,856  | 12,578   | 14      | 19,439    | 19,453  | 0           |
| July            | 5,884   | 5,403  | 11,288  | 6,971    | 17      | 16,549    | 16,566  | *           |
| August          | 5,470   | 4,528  | 9,998   | 7,908    | 9       | 13,771    | 13,780  | 0           |
| September       | 6,467   | 5,934  | 12,401  | 9,133    | 14      | 13,546    | 13,560  | 0           |
| October         | 8,097   | 5,695  | 13,791  | 11,397   | 15      | 12,464    | 12,479  | 0           |
| November        | 8,996   | 4,277  | 13,273  | 8,767    | 14      | 16,909    | 16,923  | 0           |
| December        | 10,012  | 4,711  | 14,724  | 8,581    | 16      | 17,208    | 17,225  | *           |
| <b>Total</b>    | 84,242  | 52,742 | 136,986 | 115,419  | 233     | 183,363   | 183,595 | N/A         |

# Packaged includes any fluid milk products in consumer packages, either transferred to plants or distributed on routes in the other order.

¶ Pursuant to Section 1002.45 (a)(3) and the corresponding step of Section 1002.45 (b) classification allocation procedure, some volume of packaged fluid milk is classified as Class III.

\* Fewer than three shipping or receiving handlers.

N/A Not applicable.

Note: Totals may not add due to rounding.

**Table 14. Intermarket Movements of Milk and Milk Products,  
Receipts in Order No. 2 from Order No. 4, 1997 and 1998**

| Year/month      | Class I |      |        | Class II | Class III |        |        | Class III-A |
|-----------------|---------|------|--------|----------|-----------|--------|--------|-------------|
|                 | Pkgd.#  | Bulk | Total  | Bulk     | Pkgd.#¶   | Bulk   | Total  | Bulk        |
| thousand pounds |         |      |        |          |           |        |        |             |
| <b>1997</b>     |         |      |        |          |           |        |        |             |
| January         | 19,775  | 0    | 19,775 | 35,187   | *         | 5,751  | *      | *           |
| February        | 17,323  | *    | *      | 34,723   | *         | 8,924  | *      | 0           |
| March           | 17,837  | 0    | 17,837 | 27,727   | *         | 19,101 | *      | *           |
| April           | 18,627  | *    | *      | 27,428   | *         | 13,894 | *      | *           |
| May             | 23,163  | 0    | 23,163 | 28,083   | *         | 12,921 | *      | *           |
| June            | 21,038  | 0    | 21,038 | 33,920   | *         | 7,656  | *      | *           |
| July            | 4,724   | 0    | 4,724  | 32,710   | *         | 3,532  | *      | 0           |
| August          | 4,832   | 0    | 4,832  | 33,341   | 1         | 4,194  | 4,196  | 0           |
| September       | 4,614   | 0    | 4,614  | 34,757   | *         | 4,585  | *      | *           |
| October         | 5,263   | *    | *      | 34,807   | 12        | 3,789  | 3,800  | 0           |
| November        | 5,041   | 0    | 5,041  | 22,436   | 18        | 4,977  | 4,996  | 0           |
| December        | 5,285   | 0    | 5,285  | 19,239   | 23        | 6,477  | 6,501  | *           |
| <b>Total</b>    | 147,522 | N/A  | N/A    | 364,358  | N/A       | 95,801 | N/A    | N/A         |
| <b>1998</b>     |         |      |        |          |           |        |        |             |
| January         | 5,562   | 0    | 5,562  | 26,087   | 19        | 7,688  | 7,707  | 0           |
| February        | 4,228   | 0    | 4,228  | 23,994   | 2         | 5,370  | 5,372  | 0           |
| March           | 4,703   | 0    | 4,703  | 26,839   | 3         | 7,223  | 7,226  | 0           |
| April           | 4,441   | 0    | 4,441  | 23,783   | 3         | 7,801  | 7,805  | *           |
| May             | 4,702   | 0    | 4,702  | 37,527   | 7         | 9,808  | 9,815  | *           |
| June            | 4,528   | *    | *      | 35,700   | 9         | 8,314  | 8,323  | 0           |
| July            | 5,011   | 0    | 5,011  | 46,968   | 10        | 8,793  | 8,802  | 0           |
| August          | 4,833   | *    | *      | 38,525   | 9         | 7,427  | 7,436  | 0           |
| September       | 5,356   | 0    | 5,356  | 39,645   | 10        | 6,741  | 6,752  | 0           |
| October         | 5,352   | 0    | 5,352  | 50,999   | 10        | 5,229  | 5,239  | *           |
| November        | 4,466   | 0    | 4,466  | 41,856   | 9         | 7,554  | 7,563  | *           |
| December        | 4,935   | *    | *      | 42,411   | 8         | 3,281  | 3,289  | *           |
| <b>Total</b>    | 58,117  | N/A  | N/A    | 434,334  | 99        | 85,229 | 85,329 | N/A         |

# Packaged includes any fluid milk products in consumer packages, either transferred to plants or distributed on routes in the other order.

¶ Pursuant to Section 1002.45 (a)(3) and the corresponding step of Section 1002.45 (b) classification allocation procedure, some volume of packaged fluid milk is classified as Class III.

\* Fewer than three shipping or receiving handlers.

N/A Not applicable.

Note: Totals may not add due to rounding.

**Table 15. Intermarket Movements of Milk and Milk Products, Shipments from Order No. 2 Plants and Bulk Tank Units to Order No. 1, 1997 and 1998**

| Year/month      | Class I |      |        | Class II | Class III |        |       | Class III-A |
|-----------------|---------|------|--------|----------|-----------|--------|-------|-------------|
|                 | Pkgd.#  | Bulk | Total  | Bulk     | Pkgd.#¶   | Bulk   | Total | Bulk        |
| thousand pounds |         |      |        |          |           |        |       |             |
| <b>1997</b>     |         |      |        |          |           |        |       |             |
| January         | 16,024  | 0    | 16,024 | 0        | 4         | 466    | 470   | *           |
| February        | 14,111  | 0    | 14,111 | 0        | 3         | 363    | 366   | *           |
| March           | 16,805  | 0    | 16,805 | 0        | *         | 471    | *     | *           |
| April           | 15,430  | *    | *      | *        | *         | 581    | *     | *           |
| May             | 15,656  | *    | *      | *        | 2         | 742    | 744   | *           |
| June            | 13,684  | 0    | 13,684 | *        | *         | 1,143  | *     | 0           |
| July            | 14,081  | 0    | 14,081 | *        | *         | 1,173  | *     | *           |
| August          | 14,871  | 0    | 14,871 | *        | *         | 1,627  | *     | *           |
| September       | 15,992  | 0    | 15,992 | *        | *         | 1,489  | *     | *           |
| October         | 17,106  | 0    | 17,106 | 0        | *         | 1,413  | *     | 758         |
| November        | 14,745  | 0    | 14,745 | 0        | *         | 2,236  | *     | *           |
| December        | 16,428  | 0    | 16,428 | *        | *         | 1,793  | *     | *           |
| <b>Total</b>    | 184,933 | N/A  | N/A    | N/A      | N/A       | 13,497 | N/A   | N/A         |
| <b>1998</b>     |         |      |        |          |           |        |       |             |
| January         | 15,345  | *    | *      | *        | *         | 1,435  | *     | *           |
| February        | 14,753  | *    | *      | *        | *         | 1,699  | *     | *           |
| March           | 16,227  | *    | *      | *        | *         | 426    | *     | *           |
| April           | 15,494  | 0    | 15,494 | *        | *         | 418    | *     | *           |
| May             | 16,088  | *    | *      | *        | *         | 600    | *     | *           |
| June            | 15,642  | 0    | 15,642 | 0        | *         | 1,173  | *     | *           |
| July            | 15,563  | 0    | 15,563 | *        | *         | 1,148  | *     | *           |
| August          | 16,855  | 0    | 16,855 | *        | *         | 1,725  | *     | *           |
| September       | 19,657  | 0    | 19,657 | *        | *         | 397    | *     | *           |
| October         | 20,013  | *    | *      | 0        | *         | 118    | *     | 0           |
| November        | 17,992  | 539  | 18,531 | 0        | *         | *      | *     | *           |
| December        | 19,506  | *    | *      | 0        | *         | 985    | *     | *           |
| <b>Total</b>    | 203,135 | N/A  | N/A    | N/A      | N/A       | N/A    | N/A   | N/A         |

# Packaged includes any fluid milk products in consumer packages, either transferred to plants or distributed on routes in the other order.

¶ Pursuant to Section 1001.44 (a)(3)(i) and the corresponding step of Section 1001.44 (b) classification allocation procedure, some volume of packaged fluid milk is classified as Class III.

\* Fewer than three shipping or receiving handlers.

N/A Not applicable.

Note: Totals may not add due to rounding.

**Table 16. Intermarket Movements of Milk and Milk Products, Shipments from Order No. 2 Plants and Bulk Tank Units to Order No. 4, 1997 and 1998**

| Year/month      | Class I |       |        | Class II |         | Class III |        | Class III-A |
|-----------------|---------|-------|--------|----------|---------|-----------|--------|-------------|
|                 | Pkgd.#  | Bulk  | Total  | Bulk     | Pkgd.#¶ | Bulk      | Total  | Bulk        |
| thousand pounds |         |       |        |          |         |           |        |             |
| <b>1997</b>     |         |       |        |          |         |           |        |             |
| January         | 21,385  | 1,251 | 22,636 | 4,226    | 24      | 3,945     | 3,969  | 7,580       |
| February        | 15,514  | 894   | 16,407 | 7,311    | 19      | 2,244     | 2,263  | 4,826       |
| March           | 16,613  | *     | *      | 6,829    | 25      | 3,148     | 3,173  | 6,625       |
| April           | 17,644  | 2,266 | 19,910 | 9,001    | 26      | 4,491     | 4,517  | 9,698       |
| May             | 17,329  | 2,251 | 19,580 | 7,747    | 20      | 5,966     | 5,986  | 9,723       |
| June            | 16,380  | *     | *      | 9,575    | 18      | 5,366     | 5,384  | 7,989       |
| July            | 30,393  | *     | *      | 8,140    | 17      | 3,981     | 3,997  | 7,728       |
| August          | 31,290  | *     | *      | 8,152    | 21      | 1,746     | 1,767  | *           |
| September       | 32,245  | *     | *      | 5,484    | 18      | 695       | 713    | *           |
| October         | 33,087  | *     | *      | *        | 21      | 1,317     | 1,337  | *           |
| November        | 32,103  | *     | *      | 3,046    | 18      | 2,653     | 2,671  | *           |
| December        | 34,188  | *     | *      | 4,713    | 23      | 3,930     | 3,953  | 8,005       |
| <b>Total</b>    | 298,171 | N/A   | N/A    | 74,224   | 250     | 39,482    | 39,730 | N/A         |
| <b>1998</b>     |         |       |        |          |         |           |        |             |
| January         | 32,009  | *     | *      | 5,047    | 16      | 2,595     | 2,612  | 6,647       |
| February        | 29,742  | *     | *      | 4,616    | 16      | 3,203     | 3,219  | 8,548       |
| March           | 33,445  | *     | *      | 5,011    | 19      | 2,100     | 2,119  | 8,044       |
| April           | 31,499  | *     | *      | 6,938    | 25      | 3,640     | 3,665  | 12,968      |
| May             | 31,887  | 1,564 | 33,451 | 6,384    | 23      | 5,329     | 5,352  | 18,132      |
| June            | 31,579  | 1,970 | 33,548 | 6,594    | 35      | 1,980     | 2,015  | 7,934       |
| July            | 31,907  | 2,458 | 34,365 | 11,654   | 19      | 16,419    | 16,437 | 8,748       |
| August          | 32,757  | 2,452 | 35,209 | 6,630    | *       | 13,192    | *      | 7,216       |
| September       | 32,826  | *     | *      | 2,420    | 16      | 5,399     | 5,415  | 6,944       |
| October         | 33,383  | *     | *      | 4,360    | 14      | 5,677     | 5,690  | *           |
| November        | 30,454  | *     | *      | 3,118    | 14      | 3,090     | 3,104  | 5,340       |
| December        | 34,032  | *     | *      | 2,067    | 14      | 4,403     | 4,417  | 15,896      |
| <b>Total</b>    | 385,520 | N/A   | N/A    | 64,839   | N/A     | 67,027    | N/A    | N/A         |

# Packaged includes any fluid milk products in consumer packages, either transferred to plants or distributed on routes in the other order.

¶ Pursuant to Section 1004.44 (a)(3)(i) and the corresponding step of Section 1004.44 (b) classification allocation procedure, some volume of packaged fluid milk is classified as Class III.

\* Fewer than three shipping or receiving handlers.

Note: Totals may not add due to rounding.

**Table 17. Packaged Sales of Fluid Milk Products in the New York–New Jersey Marketing Area\*, January–December 1998 and Annual 1996–1998**

| Product                | Sales             |      | B'fat             |      | Sales             |      | B'fat |  | Sales       |  | B'fat |  |
|------------------------|-------------------|------|-------------------|------|-------------------|------|-------|--|-------------|--|-------|--|
|                        | pounds            |      | pct               |      | pounds            |      | pct   |  | pounds      |  | pct   |  |
|                        | January           |      |                   |      | February          |      |       |  | March       |  |       |  |
| Milk                   | 182,556,049       | 3.27 | 164,459,924       | 3.26 | 180,742,437       | 3.27 |       |  |             |  |       |  |
| Reduced Fat Milk       | 65,134,301        | 2.00 | 57,874,206        | 2.00 | 63,450,378        | 2.00 |       |  |             |  |       |  |
| Lowfat Milk            | 49,913,475        | 1.02 | 45,145,272        | 1.03 | 50,574,762        | 1.02 |       |  |             |  |       |  |
| Fat Free Milk          | 52,072,264        | 0.08 | 47,409,576        | 0.08 | 53,528,128        | 0.08 |       |  |             |  |       |  |
| Flavored milk & drinks | 16,182,494        | 1.60 | 13,882,443        | 1.67 | 17,730,619        | 1.61 |       |  |             |  |       |  |
| Buttermilk             | <u>1,107,468</u>  | 1.45 | <u>1,182,514</u>  | 1.41 | <u>1,571,995</u>  | 1.36 |       |  |             |  |       |  |
| Total                  | 366,966,051       | 2.20 | 329,953,935       | 2.20 | 367,598,319       | 2.19 |       |  |             |  |       |  |
|                        | April             |      |                   |      | May               |      |       |  | June        |  |       |  |
| Milk                   | 169,306,705       | 3.26 | 172,433,343       | 3.26 | 169,620,639       | 3.26 |       |  |             |  |       |  |
| Reduced Fat Milk       | 58,812,007        | 2.00 | 59,893,537        | 2.00 | 58,535,753        | 2.00 |       |  |             |  |       |  |
| Lowfat Milk            | 46,849,883        | 1.03 | 48,543,672        | 1.02 | 47,653,413        | 1.03 |       |  |             |  |       |  |
| Fat Free Milk          | 50,611,094        | 0.07 | 52,022,338        | 0.07 | 51,218,553        | 0.08 |       |  |             |  |       |  |
| Flavored milk & drinks | 14,232,507        | 1.71 | 16,475,345        | 1.62 | 13,112,371        | 1.84 |       |  |             |  |       |  |
| Buttermilk             | <u>1,081,837</u>  | 1.37 | <u>1,170,223</u>  | 1.37 | <u>1,210,689</u>  | 1.37 |       |  |             |  |       |  |
| Total                  | 340,894,033       | 2.19 | 350,538,458       | 2.18 | 341,351,418       | 2.19 |       |  |             |  |       |  |
|                        | July              |      |                   |      | August            |      |       |  | September   |  |       |  |
| Milk                   | 170,710,997       | 3.24 | 167,772,405       | 3.26 | 171,768,747       | 3.26 |       |  |             |  |       |  |
| Reduced Fat Milk       | 59,902,690        | 1.99 | 58,892,602        | 2.01 | 60,510,599        | 2.00 |       |  |             |  |       |  |
| Lowfat Milk            | 47,550,710        | 1.02 | 46,351,650        | 1.04 | 47,974,073        | 1.02 |       |  |             |  |       |  |
| Fat Free Milk          | 51,467,293        | 0.07 | 51,448,784        | 0.08 | 53,144,481        | 0.07 |       |  |             |  |       |  |
| Flavored milk & drinks | 9,660,840         | 2.16 | 8,444,611         | 2.34 | 15,702,765        | 1.77 |       |  |             |  |       |  |
| Buttermilk             | <u>1,295,281</u>  | 1.39 | <u>1,271,815</u>  | 1.40 | <u>1,142,756</u>  | 1.37 |       |  |             |  |       |  |
| Total                  | 340,587,811       | 2.20 | 334,181,867       | 2.21 | 350,243,421       | 2.18 |       |  |             |  |       |  |
|                        | October           |      |                   |      | November          |      |       |  | December    |  |       |  |
| Milk                   | 182,826,230       | 3.26 | 171,154,693       | 3.26 | 185,930,105       | 3.26 |       |  |             |  |       |  |
| Reduced Fat Milk       | 63,757,102        | 2.00 | 59,859,922        | 2.00 | 64,554,068        | 1.99 |       |  |             |  |       |  |
| Lowfat Milk            | 50,473,864        | 1.02 | 47,283,974        | 1.02 | 50,579,811        | 1.02 |       |  |             |  |       |  |
| Fat Free Milk          | 54,724,870        | 0.07 | 50,499,543        | 0.08 | 52,125,650        | 0.09 |       |  |             |  |       |  |
| Flavored milk & drinks | 18,878,179        | 1.61 | 16,168,469        | 1.59 | 16,316,645        | 1.60 |       |  |             |  |       |  |
| Buttermilk             | <u>1,088,717</u>  | 1.42 | <u>1,172,176</u>  | 1.40 | <u>1,255,280</u>  | 1.38 |       |  |             |  |       |  |
| Total                  | 371,748,962       | 2.18 | 346,138,777       | 2.19 | 370,761,559       | 2.21 |       |  |             |  |       |  |
|                        | Annual 1996       |      |                   |      | Annual 1997       |      |       |  | Annual 1998 |  |       |  |
| Milk                   | 2,207,588,626     | 3.26 | 2,143,245,002     | 3.26 | 2,089,282,274     | 3.26 |       |  |             |  |       |  |
| Reduced Fat Milk       | 783,465,037       | 1.99 | 760,246,203       | 1.99 | 731,177,165       | 2.00 |       |  |             |  |       |  |
| Lowfat Milk            | 586,642,102       | 1.02 | 581,509,537       | 1.02 | 578,894,559       | 1.02 |       |  |             |  |       |  |
| Fat Free Milk          | 581,795,754       | 0.09 | 600,493,660       | 0.09 | 620,272,574       | 0.08 |       |  |             |  |       |  |
| Flavored milk & drinks | 167,910,792       | 1.89 | 169,249,264       | 1.80 | 176,787,288       | 1.72 |       |  |             |  |       |  |
| Buttermilk             | <u>14,503,015</u> | 1.43 | <u>14,478,453</u> | 1.41 | <u>14,550,751</u> | 1.39 |       |  |             |  |       |  |
| Total                  | 4,341,905,326     | 2.24 | 4,269,222,119     | 2.22 | 4,210,964,611     | 2.19 |       |  |             |  |       |  |

\* In-area sales made by handlers operating plants regulated under Order No. 2, regulated under other orders, operating non-pool plants, and producer-handlers.

**Table 18. Receipts and Utilization of Producer Milk and Other Source Class I Milk Under the New York–New Jersey Marketing Order, Annual 1998**

|                    |   | Total pounds                      | Butterfat percent            |                    |      |
|--------------------|---|-----------------------------------|------------------------------|--------------------|------|
| <b>RECEIPTS</b>    | From producers— <i>announced at pool time</i> |                                   |                              |                    |      |
|                    | — <i>exemptions &amp; late reports</i>        | 11,905,028,327                    | 3.65                         |                    |      |
|                    | Other source Class I—Fluid milk products      | 109,597,269                       | N/A                          |                    |      |
|                    | Overages                                      | 239,985                           | N/A                          |                    |      |
|                    | Inventory decrease (increase)                 | <u>(47,473,501)</u>               | N/A                          |                    |      |
|                    | <b>Total receipts</b>                         | 11,967,392,080                    | 3.63                         |                    |      |
| <b>UTILIZATION</b> | <b>Class I</b>                                | <i>Route sales</i>                |                              |                    |      |
|                    |   | <i>Inside Marketing Area</i>      |                              |                    |      |
|                    | Milk  | 1,995,404,909                     | 3.27                         |                    |      |
|                    | 2% milk                                       | 691,775,868                       | 2.00                         |                    |      |
|                    | 1% milk                                       | 552,707,215                       | 1.02                         |                    |      |
|                    | Skim milk                                     | 602,483,089                       | 0.08                         |                    |      |
|                    | Flavored milk & milk drinks                   | 160,314,226                       | 1.65                         |                    |      |
|                    | Buttermilk                                    | <u>12,911,513</u>                 | 1.40                         |                    |      |
|                    |   | <b>Total</b>                      | 4,015,596,820                | 2.19               |      |
|                    |   | <i>Outside Marketing Area</i>     |                              |                    |      |
|                    | Milk  | 392,894,172                       | 3.45                         |                    |      |
|                    | 2% milk                                       | 213,149,649                       | 2.25                         |                    |      |
|                    | 1% milk                                       | 151,594,092                       | 1.20                         |                    |      |
|                    | Skim milk                                     | 171,819,913                       | 0.10                         |                    |      |
|                    | Flavored milk & milk drinks                   | 58,999,865                        | 2.33                         |                    |      |
|                    | Buttermilk                                    | <u>5,587,085</u>                  | 1.61                         |                    |      |
|                    |   | <b>Total</b>                      | 994,044,776                  | 2.20               |      |
|                    |   | Shrinkage                         | <u>8,666,570</u>             | 12.55              |      |
|                    |   | <b>Total Class I</b>              | 5,018,308,166                | 2.21               |      |
|                    |   | <b>Class II</b>                   | <i>Route sales</i>           |                    |      |
|                    |   |                                   | <i>Inside Marketing Area</i> |                    |      |
|                    |   | Half & half                       | 176,107,129                  | 10.49              |      |
|                    |   | Light cream                       | 34,363,619                   | 18.00              |      |
|                    |   | Heavy cream                       | 59,711,446                   | 37.20              |      |
|                    |   | <i>Outside Marketing Area</i>     |                              |                    |      |
|                    |   | Half & half                       | 17,341,767                   | 10.55              |      |
|                    |   | Light cream                       | 1,543,563                    | 15.48              |      |
|                    |   | Heavy cream                       | 4,006,834                    | 35.25              |      |
|                    |   | <i>Products manufactured</i>      |                              |                    |      |
|                    |   | Sour cream and sour half & half   | 159,205,400                  | 13.35              |      |
|                    |   | Yogurt                            | 137,076,943                  | 1.06               |      |
|                    |   | Ricotta cheese                    | 115,630,067                  | 3.32               |      |
|                    |   | Cottage cheese                    | 417,194,240                  | 0.57               |      |
|                    | Frozen desserts                               | 245,970,010                       | 7.97                         |                    |      |
|                    | Candy products                                | 425,044,508                       | 3.30                         |                    |      |
|                    | Eggnog  | 6,503,661                         | 5.63                         |                    |      |
|                    | Miscellaneous Class II products               | <u>54,604,208</u>                 | 4.15                         |                    |      |
|                    | <b>Total Class II</b>                         | 1,854,303,395                     | 6.23                         |                    |      |
|                    | <b>Class III</b>                              | <i>Products manufactured</i>      |                              |                    |      |
|                    |   | Cream and Neufchatel cheese       | 464,675,945                  | 11.12              |      |
|                    |   | American cheese                   | 1,005,959,723                | 3.43               |      |
|                    |   | Mozzarella and provolone cheese   | 2,427,775,601                | 2.92               |      |
|                    |   | Other cheeses                     | 155,411,740                  | 2.75               |      |
|                    |   | Evaporated and condensed milk     | 222,995,592                  | 5.43               |      |
|                    |   | Whole milk, lactose & whey powder | 299,042,737                  | 4.09               |      |
|                    |   | Butter                            | 71,866,703                   | 24.32              |      |
|                    |   | Miscellaneous Class III products  | 27,052,645                   | 0.01               |      |
|                    |   | Non product uses #                | 26,276,380                   | 2.60               |      |
|                    |   | Shrinkage                         | <u>91,069,125</u>            | 4.34               |      |
|                    |   | <b>Total Class III</b>            | 4,792,126,191                | 4.34               |      |
|                    |   | <b>Class III-A</b>                | Skim milk powder             | <u>302,654,328</u> | 0.07 |
|                    |   |                                   | <b>Total Class III-A</b>     | 302,654,328        | 0.07 |
|                    | <b>Total utilization</b>                      | 11,967,392,080                    | 3.63                         |                    |      |

N/A Not applicable.

# Pursuant to Section 1002.41(d)(3)(4)(6)—animal feed, dumpage, and extraordinary loss.

**Table 19. Average Mailbox Prices and Corresponding Data for Producers Pooled Under the New York–New Jersey Marketing Order, 1998**

| <u>Month/state</u> | <u>Producers</u> | <u>Milk<br/>volume<br/>pounds</u> | <u>Mailbox<br/>price</u> | <u>Premium</u>            | <u>Hauling<br/>charge</u> | <u>Other*</u> |
|--------------------|------------------|-----------------------------------|--------------------------|---------------------------|---------------------------|---------------|
|                    |                  |                                   |                          | dollars per hundredweight |                           |               |
| <b>January</b>     |                  |                                   |                          |                           |                           |               |
| New York           | 5,964            | 639,581,919                       | 14.032                   | 0.379                     | 0.272                     | 0.212         |
| New Jersey         | 150              | 15,074,952                        | 14.587                   | 0.550                     | 0.384                     | 0.210         |
| Pennsylvania       | 3,901            | 309,831,462                       | 14.061                   | 0.429                     | 0.449                     | 0.233         |
| All States         | 10,033           | 968,416,068                       | 14.052                   | 0.396                     | 0.331                     | 0.219         |
| <b>February</b>    |                  |                                   |                          |                           |                           |               |
| New York           | 5,920            | 592,272,700                       | 14.293                   | 0.354                     | 0.272                     | 0.213         |
| New Jersey         | 149              | 13,900,119                        | 14.627                   | 0.350                     | 0.383                     | 0.211         |
| Pennsylvania       | 3,863            | 284,443,156                       | 14.367                   | 0.442                     | 0.446                     | 0.234         |
| All States         | 9,952            | 894,357,336                       | 14.324                   | 0.378                     | 0.329                     | 0.220         |
| <b>March</b>       |                  |                                   |                          |                           |                           |               |
| New York           | 5,891            | 667,766,469                       | 14.011                   | 0.359                     | 0.269                     | 0.211         |
| New Jersey         | 153              | 15,686,389                        | 14.406                   | 0.385                     | 0.328                     | 0.210         |
| Pennsylvania       | 3,861            | 321,152,497                       | 14.067                   | 0.445                     | 0.450                     | 0.231         |
| All States         | 9,921            | 1,008,042,314                     | 14.037                   | 0.383                     | 0.328                     | 0.218         |
| <b>April</b>       |                  |                                   |                          |                           |                           |               |
| New York           | 5,881            | 661,113,099                       | 13.531                   | 0.330                     | 0.268                     | 0.211         |
| New Jersey         | 149              | 15,583,675                        | 13.910                   | 0.402                     | 0.389                     | 0.210         |
| Pennsylvania       | 3,762            | 310,850,344                       | 13.696                   | 0.560                     | 0.439                     | 0.229         |
| All States         | 9,808            | 991,471,419                       | 13.589                   | 0.401                     | 0.323                     | 0.217         |
| <b>May</b>         |                  |                                   |                          |                           |                           |               |
| New York           | 5,863            | 699,335,997                       | 12.707                   | 0.322                     | 0.266                     | 0.213         |
| New Jersey         | 148              | 16,051,976                        | 13.267                   | 0.789                     | 0.398                     | 0.209         |
| Pennsylvania       | 3,515            | 298,322,747                       | 12.941                   | 0.618                     | 0.428                     | 0.225         |
| All States         | 9,539            | 1,016,910,931                     | 12.786                   | 0.412                     | 0.316                     | 0.216         |
| <b>June</b>        |                  |                                   |                          |                           |                           |               |
| New York           | 5,855            | 671,956,302                       | 13.295                   | 0.305                     | 0.266                     | 0.213         |
| New Jersey         | 145              | 14,583,382                        | 13.953                   | 0.972                     | 0.398                     | 0.207         |
| Pennsylvania       | 3,466            | 277,301,814                       | 13.408                   | 0.440                     | 0.423                     | 0.224         |
| All States         | 9,483            | 967,974,588                       | 13.340                   | 0.348                     | 0.313                     | 0.216         |
| <b>July</b>        |                  |                                   |                          |                           |                           |               |
| New York           | 5,827            | 680,429,837                       | 13.316                   | 0.319                     | 0.266                     | 0.211         |
| New Jersey         | 144              | 14,683,905                        | 13.639                   | 0.155                     | 0.402                     | 0.206         |
| Pennsylvania       | 3,444            | 274,401,839                       | 13.209                   | 0.275                     | 0.430                     | 0.224         |
| All States         | 9,421            | 971,144,840                       | 13.296                   | 0.308                     | 0.315                     | 0.215         |

(Continued on next page)

**Table 19. Average Mailbox Prices and Corresponding Data for Producers Pooled Under the New York–New Jersey Marketing Order, 1998 (Continued)**

| <u>Month/state</u>            | <u>Producers</u> | <u>Milk<br/>volume<br/>pounds</u> | <u>Mailbox<br/>price</u> | <u>Premium</u>                   | <u>Hauling<br/>charge</u> | <u>Other*</u> |
|-------------------------------|------------------|-----------------------------------|--------------------------|----------------------------------|---------------------------|---------------|
|                               |                  |                                   |                          | <u>dollars per hundredweight</u> |                           |               |
| <b>August</b>                 |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,824            | 664,661,880                       | 14.699                   | 0.335                            | 0.266                     | 0.213         |
| New Jersey                    | 144              | 14,297,352                        | 15.146                   | 0.298                            | 0.383                     | 0.206         |
| Pennsylvania                  | 3,433            | 267,670,825                       | 14.764                   | 0.410                            | 0.433                     | 0.228         |
| All States                    | 9,406            | 948,142,048                       | 14.726                   | 0.356                            | 0.315                     | 0.217         |
| <b>September</b>              |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,874            | 645,088,973                       | 15.976                   | 0.314                            | 0.267                     | 0.218         |
| New Jersey                    | 143              | 13,539,866                        | 16.224                   | 0.322                            | 0.391                     | 0.207         |
| Pennsylvania                  | 3,440            | 251,310,993                       | 16.124                   | 0.498                            | 0.434                     | 0.223         |
| All States                    | 9,350            | 894,673,564                       | 16.032                   | 0.370                            | 0.315                     | 0.219         |
| <b>October</b>                |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,862            | 660,014,500                       | 16.835                   | 0.369                            | 0.265                     | 0.216         |
| New Jersey                    | 142              | 13,676,849                        | 17.192                   | 0.293                            | 0.393                     | 0.206         |
| Pennsylvania                  | 3,440            | 257,727,906                       | 16.982                   | 0.466                            | 0.437                     | 0.223         |
| All States                    | 9,336            | 915,546,534                       | 16.896                   | 0.400                            | 0.315                     | 0.218         |
| <b>November</b>               |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,684            | 610,408,824                       | 17.126                   | 0.397                            | 0.262                     | 0.218         |
| New Jersey                    | 141              | 13,309,522                        | 17.531                   | 0.274                            | 0.391                     | 0.207         |
| Pennsylvania                  | 3,376            | 245,684,644                       | 17.127                   | 0.380                            | 0.432                     | 0.223         |
| All States                    | 9,230            | 873,507,630                       | 17.133                   | 0.389                            | 0.312                     | 0.219         |
| <b>December</b>               |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,663            | 658,291,059                       | 17.595                   | 0.392                            | 0.262                     | 0.217         |
| New Jersey                    | 139              | 14,247,624                        | 17.941                   | 0.166                            | 0.381                     | 0.208         |
| Pennsylvania                  | 3,335            | 259,503,746                       | 17.527                   | 0.255                            | 0.404                     | 0.221         |
| All States                    | 9,166            | 936,475,170                       | 17.583                   | 0.350                            | 0.303                     | 0.217         |
| <b>Annual Total/Average**</b> |                  |                                   |                          |                                  |                           |               |
| New York                      | 5,842            | 7,850,921,559                     | 14.756                   | 0.347                            | 0.267                     | 0.214         |
| New Jersey                    | 146              | 174,635,611                       | 15.134                   | 0.419                            | 0.385                     | 0.208         |
| Pennsylvania                  | 3,570            | 3,358,201,973                     | 14.757                   | 0.438                            | 0.434                     | 0.227         |
| All States                    | 9,554            | 11,386,662,442                    | 14.761                   | 0.374                            | 0.318                     | 0.218         |

\* Other includes cooperative dues and equity and milk promotion.

\*\* The number of producers is a simple average; dollar values are weighted averages.

Note: The mailbox price is defined as the net price received by dairy farmers for milk, including all payments received for milk sold and deducting costs associated with marketing milk. All States include other states in addition to those shown. During January through June, New Jersey premiums include a state operated over-order premium.

**Table 20. Plants Regulated Under the New York–New Jersey Marketing Order,  
by Handler, December 1998**

| OPERATING HANDLER  | PLANT                     |         |       |
|--|---------------------------|---------|-------|
| Name   | Location                  | Zone    | Type* |
| Armstrong, David F. (Sunset Dairy)                               | Whitesboro, NY            | 211-220 | P     |
| Boice, Richard P. (Boice Bros. Dairy)                            | Kingston, NY              | 76-80   | P     |
| Byrne Dairy, Inc.  | Syracuse, NY              | 231-240 | P     |
| Clover Farms Dairy Company                                       | Reading, PA               | 111-120 | P     |
| Crowley Foods, Inc.  | Albany, NY                | 131-140 | P     |
|  | Arkport, NY               | 276-280 | M     |
|  | Binghamton, NY            | 151-160 | P     |
|  | La Fargeville, NY         | 301-310 | M     |
| Dietrich's Milk Products, Inc.                                   | Middlebury Center, PA     | 231-240 | M/T   |
| Eagle Brand Family Foods, Inc.                                   | Wellsboro, PA             | 231-240 | M     |
| Edwards, Charles A., Kurt K., and Keith C.<br>(Model Dairy Farm) | Gloversville, NY          | 176-180 | P-H   |
| Elmhurst Dairy, Inc.   | New York, NY (Jamaica)    | 1-10    | P     |
| Emkay Trading Corp.  | Arcade, NY                | 326-330 | M/T   |
| Farmland Dairies, Inc. and/or<br>Fairdale Milk Company, Inc.     | Wallington, NJ            | 1-10    | P     |
| Friendship Dairies, Inc.   | Friendship, NY            | 301-310 | M     |
| Garelick Farms, Inc.   | East Greenbush, NY        | 131-140 | P     |
|  | Florence, NJ              | 51-60   | P     |
| H. P. Hood, Inc.   | Vernon, NY                | 226-230 | M/T   |
| Hermany Farms, Inc.  | New York, NY (Bronx)      | 1-10    | P     |
| Hershey Chocolate USA —<br>A Division of Hershey Foods Corp.     | Hershey, PA               | 151-160 | T     |
| Kraft General Foods, Inc.  | Canton, NY                | 326-330 | M     |
|  | North Lawrence, NY        | 341-350 | M/T   |
| Leprino Foods Company  | South Waverly, PA         | 191-200 | M     |
| Lewis County Dairy Corp.   | Lowville, NY (New Bremen) | 261-270 | P/M   |
| Longacre's Modern Dairy, Inc.                                    | Barto, PA                 | 91-100  | P/T   |
| Manino, Rose (Dari-Del)  | Frankfort, NY             | 201-210 | P     |
| Marcus Dairy, Inc.   | Danbury, CT               | 41-50   | P/T   |
| McCadam Cheese Co, Inc.  | Chateaugay, NY            | 331-340 | M     |

*(Continued on following page)*

**Table 20. Plants Regulated Under the New York–New Jersey Marketing Order,  
by Handler, December 1998 (Continued)**

| OPERATING HANDLER  | PLANT                   |         |       |
|--|-------------------------|---------|-------|
| Name   | Location                | Zone    | Type* |
| Nicastro Farms, Inc.<br>(Riverside Farms)                        | Frankfort, NY           | 201-210 | P-H   |
| Oak Tree Farm Dairy, Inc.  | East Northport, NY      | 1-10    | P     |
| Parmalat Welsh Farms, Inc.                                       | Long Valley, NJ         | 31-40   | P/M/T |
| Pollio Dairy Products—A Division of<br>Kraft General Foods, Inc. | Campbell, NY            | 231-240 | M     |
| Queensboro Farm Products, Inc.                                   | Canastota, NY           | 226-230 | T     |
| Readington Farms, Inc.   | Whitehouse, NJ          | 31-40   | P     |
| Ronnybrook Farm Dairy, Inc.                                      | Ancramdale, NY          | 91-100  | P-H   |
| Stewart's Processing Corp.                                       | Greenfield, NY          | 161-170 | P/M   |
| Sunnydale Farms, Inc.  | New York, NY (Brooklyn) | 1-10    | P     |
| Suprema Specialties, N.E. Inc.                                   | Ogdensburg, NY          | 331-340 | M     |
| Synakowski, Walter J.<br>(Valley Side Farm)                      | Remsen, NY              | 221-225 | P-H   |
| Tuscan Dairy Farms—Div. of<br>Tuscan/Lehigh Dairies, L.P.        | Union, NJ               | 1-10    | P     |
| Van Wie, Charles F.<br>(Meadowbrook Farms Dairy)                 | Clarksville, NY         | 141-150 | P-H   |
| Worcester Creameries Corp.                                       | Roxbury, NY             | 131-140 | P     |
| Z & R Corp. (Mohawk Dairy)                                       | Amsterdam, NY           | 161-170 | P     |
| Zausner Foods Corp.  | New Holland, PA         | 126-130 | M     |

**\* Type of Operation**

P = Processing — predominant operation is processing fluid milk products.

M = Manufacturing — predominant operation is making Class II, III and III–A products.

T = Transferring — where milk is assembled for shipment in bulk form to other locations.

P-H = Producer-Handler — produces, processes, and distributes milk (defined in Section 1002.12 of the Order).

Primary type of operation accounts for greater than 90 percent of milk usage at the plant.

Plants with two codes (i.e., P/M), have a secondary type of operation accounting for a minimum of 10 percent of plant milk usage. For a secondary transfer operation, this amount must be at least 250,000 pounds in addition to the percentage requirement.

## Bulletin Highlights—1998

### January

USDA issued a proposed rule announcing changes to the Federal Milk Marketing Order program. The proposed rule highlights and Order No. 2 specific changes were discussed.

The U.S. Court of Appeals for the Eighth Circuit granted an extension of the 3-month stay previously granted by the U.S. District Court, District of Minnesota, on its order that prevented the Secretary of Agriculture from enforcing existing Class I price differentials in certain federal milk marketing orders.

Agriculture Secretary Dan Glickman announced that a public hearing would be held in response to industry requests to consider flooring the level of the Basic Formula Price.

The NYS Dairy Task Force completed its deliberations and released a report containing the recommendations aimed at ensuring the survival of dairy farms in New York State.

USDA announced four public hearings to discuss the department's proposed rule for a National Organic Program.

The National Commission on Small Farms released their report titled "A Time to Act."

*Plants, Handlers, and Bulk Tank Units Under the New York-New Jersey Marketing Order* for December 1997 was compiled.

NYS Department of Agriculture and Markets' Division of Statistics released the 1996 report on total cash receipts from farm marketings.

### February

Order reform update: USDA extended the comment period for the proposed rule on federal milk order reform until April 30, 1998. Secretary Glickman also announced that USDA would hold four public

listening sessions.

Both Dairy Farmers of America, Inc. and Dairylea Cooperative Inc. announced educational seminar schedules for Order No. 2 producers.

USDA's National Agricultural Statistics Service's January 1, 1998, cattle inventory report was summarized.

Total 1997 U.S. milk production was compared to the previous year; top states were highlighted.

### March

Order reform update: Over 100 people attended the regional USDA listening session held in Liverpool (Syracuse), NY, on March 30. USDA's Food and Nutrition Services issued a *Report on the Impacts of the Federal Milk Marketing Order Reform Proposals on Food and Nutrition Service Programs, Participants, and Administering Institutions*.

Producer milk receipts and prices for the first 3 months of 1998 were highlighted.

Butter and cheese wholesale prices were higher during the first quarter of 1998 than in the first quarter of 1997.

Total packaged fluid milk sales in the NY-NJ milk marketing area declined in 1997 despite the growth in sales of skim and flavored products.

The NY Milk Promotion Advisory Board released their annual report.

### April

Wholesale butter and cheese prices fluctuated.

Order No. 2 mailbox prices during 1996-97 were compared.

The November 1997 container sales survey for the NY-NJ Milk Marketing Area was completed.

The top ten supply counties in Order No. 2 during 1997 were highlighted.

### May

Agriculture Secretary Dan Glickman announced that the petition to floor the level of the Basic Formula Price was denied.

U.S. milk production trends in three areas of the country were discussed.

The NYS Department of Agriculture and Markets announced a herd indemnity program for dairy cows lost as a result of the January 1998 ice storm.

USDA released its 1997 Dairy Products Summary.

Secretary Dan Glickman announced the seven states selected for participation in the Dairy Options Pilot Program.

### June

Prices for 40-pound block Cheddar cheese increased to near-record high levels. Butter skyrocketed to record-high prices.

Average butterfat tests under Order No. 2 for the first 5 months of 1998 were compared to the previous 10 years.

Producer milk receipts and prices during the first 6 months of 1998 were highlighted.

Chicago Mercantile Exchange discontinued trading Grade A and B butter on the spot market; a new butter price series was announced.

USDA asked for nominations to serve on the National Dairy Promotion and Research Board.

USDA announced a Dairy Production Disaster Assistance Program for dairy producers suffering financial losses due to recent natural disasters.

### July

The U.S. Court of Appeals for the Eighth Circuit issued a ruling in *Minnesota Milk Producers et al. v. Dan Glickman* that reversed a lower court ruling and found Class I

## Bulletin Highlights—1998 (Continued)

differentials legal.

Order reform update: USDA was reviewing nearly 4,500 comments regarding the January 1998 proposed rule.

Order No. 2 announced its web site.

The methodology for forecasting the uniform (blend) price under Order No. 2 was explained.

Total sales of packaged fluid milk products inside the NY-NJ milk marketing area continued to decline in the first 6 months of 1998.

Wholesale market prices for butter and cheese remained at record levels after bottoming out in early May.

### August

Milk pooled under Order No. 2 was shipped to plants in the southeastern United States.

Federal milk marketing order reform information became available on a two-volume compact disk set.

The Northeast Dairy Compact Commission reimbursed USDA for product purchases.

The Chicago Mercantile Exchange began daily cash trading of cheese and nonfat dry milk on September 1.

Mailbox prices under Order No. 2 averaged higher in the first 6 months of 1998 than during the same time period in 1997.

The National Agricultural Statistics Service indicated that milk production gained slightly in major dairy states through the first 8 months of 1998.

USDA amended the Fluid Milk Promotion Order.

Regional industry consolidations involving milk processing plants located in the Northeast were highlighted.

### September

More milk pooled under Order No. 2 was shipped to plants in the southeastern United States.

The September butterfat differential set a record at 32.5 cents per tenth of a point of butterfat.

A look at the consumer price index compared dairy products with all food.

An update on Order No. 2 milk receipts and prices for the January-September period was given.

Dairylea held its annual meeting and announced its officers and directors for the 1998-99 fiscal year.

A proposal to amend the producer-funded Dairy Promotion and Research Order was published in the *Federal Register*.

Secretary Dan Glickman announced his plans to create a Council on Small Farms and a new office at the USDA that will deal specifically with small farm issues.

### October

Order reform update: The implementation date set for completing federal milk marketing order reform was extended to October 1, 1999. Other new requirements were discussed.

Total packaged fluid milk sales in the NY-NJ milk marketing area continued to decline in July-September compared to the same period in 1997.

USDA's Risk Management Agency scheduled training sessions for the Dairy Options Pilot Program.

The annual Northeast Regional Dairy Outlook Conference was held.

USDA held a referendum on the continuation of the Fluid Milk Promotion Order.

The Nebraska-Western Iowa and Upper Midwest federal milk marketing orders were amended.

### November

Northeast Compact update: Eligible Compact producers approved changes to the Compact's

over-order pricing regulations. The U.S. District Court for the District of Massachusetts issued a ruling in favor of the Compact Commission. The Compact Commission held three hearings in December 1998.

The Commodity Credit Corporation (CCC) purchased a total of 121.3 million pounds of nonfat dry milk under the dairy price support program during the 1998 marketing year.

A final rule amending the Dairy Promotion and Research Order was issued. The USDA announced that fluid milk processors voted to continue a national program for fluid milk promotion.

The U.S. Court of Appeals for the Eighth Circuit issued an Order denying a rehearing on pricing of Class I milk.

Mailbox prices for Order No. 2 were shown for January through September 1998.

Wholesale dairy product prices continued to show volatility.

USDA disbursed \$10 million in disaster relief fund payments to eligible dairy producers.

### December

Wholesale cheese prices on the Chicago Mercantile Exchange dropped during the first part of January 1999.

The Secretary of Agriculture announced appointments to the National Dairy Promotion and Research Board.

The Order No. 2 administrative assessment decreased effective January 1, 1999.

1998 Order No. 2 producer milk receipts and prices were summarized.

The CCC decreased the support price for milk.

Average butterfat tests in 1998 were lower than the 10-year average; however, butterfat differentials reached record levels.

## Market Administrator New York–New Jersey Milk Marketing Area Administration Fund

### INCOME AND EXPENSE STATEMENT

For the Year Ended December 31, 1998

**Income:**

|                      |              |
|----------------------|--------------|
| Assessments          | \$ 3,873,472 |
| Late-Payment Charges | 815          |
| Interest Earned      | 170,004      |
| Other Income         | <u>391</u>   |

**TOTAL FUNDS PROVIDED** **\$ 4,044,682**

**Expenses:**

|   |              |
|---|--------------|
| Salaries and Services                     | \$ 2,441,230 |
| Travel                                    | 128,537      |
| Communications                            | 105,951      |
| Employer Payroll                          |              |
| Contributions                             | 536,514      |
| Conferences and Meetings                  | 6,810        |
| Insurance                                 | 9,883        |
| Rent–Building                             | 263,361      |
| Rent–Equipment                            | 14,172       |
| Repairs and Maintenance                   | 52,195       |
| Supplies, Stationery,<br>and Printing     | 115,593      |
| Testing & Weighing                        | 35,096       |
| Training                                  | 3,779        |
| Depreciation of Fixed Assets              | 50,131       |
| Amortization of Leasehold<br>Improvements | 8,455        |
| Miscellaneous                             | <u>3,725</u> |

**TOTAL EXPENSES** **\$ 3,775,432**

**EXCESS OF INCOME  
OVER EXPENSES** **\$ 269,250**

### BALANCE SHEET

As of December 31, 1998

#### ASSETS

**Current Assets:**

|   |               |
|---|---------------|
| Cash and Bank Deposits                  | \$ 1,174,766  |
| Investments                             | 2,361,996     |
| Accounts Receivable:                    |               |
| Handlers                                | \$ 329,853    |
| Allowance for<br>Uncollectible Accounts | (27,112)      |
| Other                                   | <u>86,555</u> |
| Deposits                                | 389,296       |
| Prepaid Expenses                        | 3,558         |
| Accrued Interest Receivable             | 21,697        |
|   | <u>66,534</u> |

**Fixed Assets:**

|                         |                    |
|-------------------------|--------------------|
| Furniture and Equipment | \$ 1,131,986       |
| Leasehold Improvements  | 84,549             |
| Accum. Depreciation     | <u>(1,118,886)</u> |
|                         | <u>97,649</u>      |

**TOTAL ASSETS** **\$ 4,115,496**

#### LIABILITIES & OPERATING BALANCE

**Liabilities:**

|                   |      |
|-------------------|------|
| Accounts Payable: |      |
| Trade Creditors   | \$ 3 |

**Accrued Liabilities:**

|                             |               |
|-----------------------------|---------------|
| Salaries                    | \$ 85,766     |
| Employee Annual Leave       | 208,496       |
| Employee Payroll Deductions | 153           |
| Employer Contributions      | <u>18,009</u> |
|                             | 312,424       |

**Operating Balance**

3,803,069

**TOTAL LIABILITIES  
& OPERATING BALANCE** **\$ 4,115,496**

**Disclosure:**

The implementation of improvements in property accountability at the beginning of 1998 included several accounting adjustments that are reflected in these financial statements.

An increase in the threshold for capitalization of fixed assets to \$2,000 resulted in significant reduction in the amounts of fixed assets carried on the balance sheet.

The total book value of fixed assets that were removed from the balance sheet in the January 1998 adjustment was \$189,175.57. The total of their accumulated depreciation was \$122,920.36 and their net depreciated book value was \$66,255.21, while \$48,166.06 of their net value was charged to supplies as part of the adjustment.

A charge was made to depreciation expense resulting from a change in method of valuation that reduced or eliminated the salvage value of many fixed assets by \$18,089.15.