

# **EXHIBIT 4**

# The Market Administrator's Annual Statistical Bulletin

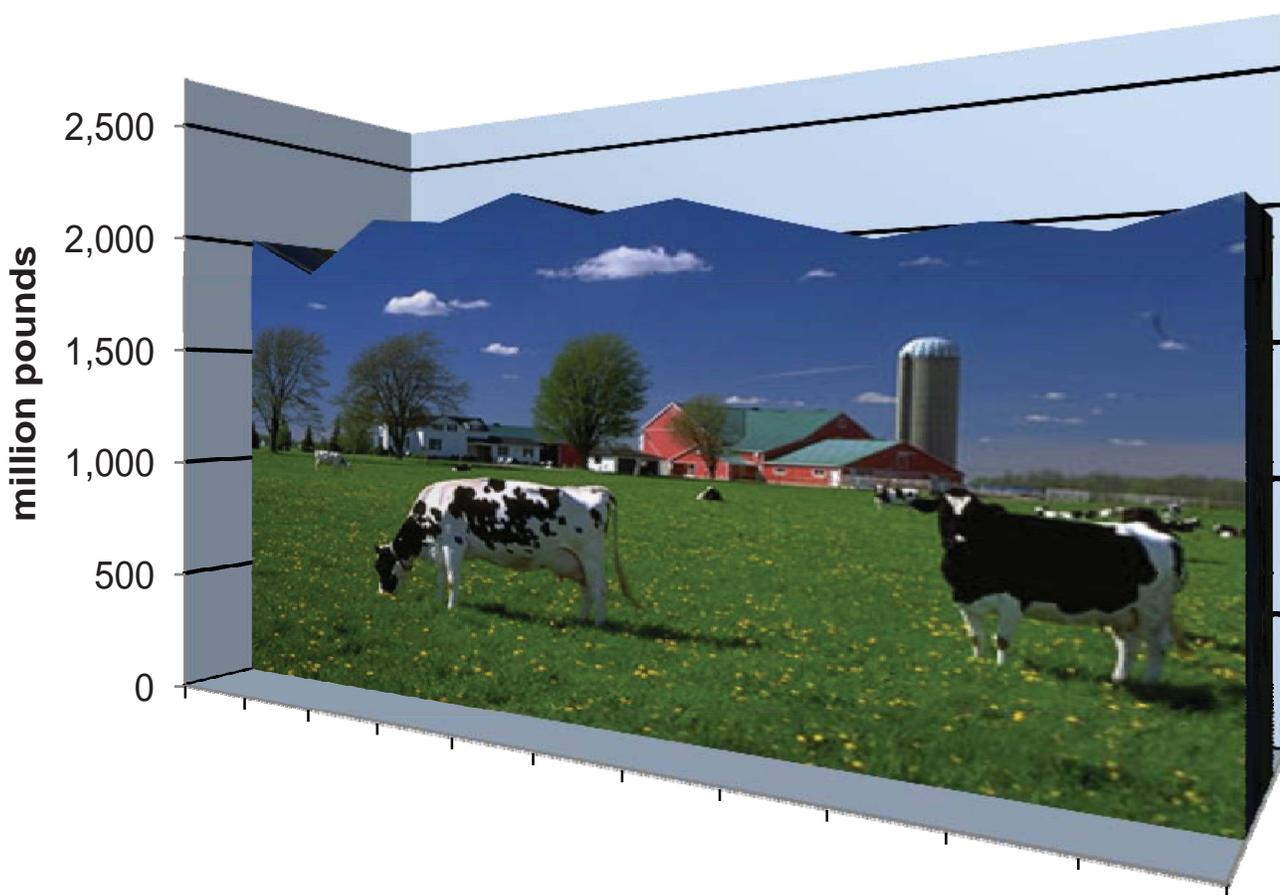
Northeast Milk Marketing Area  
Federal Order No. 1

# 2009

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## Volume of Milk Pooled on the Northeast Order



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## Summary

This bulletin provides information about the operation of the Northeast Order during 2009 through a series of tables and charts. The *Bulletin* Highlights section summarizes important events that impacted the dairy industry in 2009. Also included are lists of handlers and cooperatives operating under the Order with their respective locations depicted on a map of the region.

### **Producer Milk Receipts Decline**

During 2009, the volume of milk received from producers shipping to handlers regulated under the Northeast Order totaled 23.5 billion pounds, a decrease of 1.4 percent from 2008. The decline was primarily due to decreased milk production in the region, generally a response to the lower prices.

Nationally, total milk production from January through November was flat on a percent change basis. Milk production in the Northeast milkshed (the area from which milk traditionally is pooled by handlers selling into the marketing area) decreased 0.5 percent in 2009 compared to the national decline of 0.1 percent. The 3 top Northeast producing states (New York, Pennsylvania, and Vermont) had a combined decrease of 0.3 percent. Production in New York and Pennsylvania was relatively flat, while Vermont declined 3.9 percent. The combined New England states (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont) reported a decline of 3.1 percent while the remaining milkshed states (Delaware, Maryland, New Jersey, Virginia, and West Virginia) showed a combined drop of 1.3 percent from 2008.

Nationally, the number of milk cows decreased 1.2 percent in 2009. In the Northeast, milk cow numbers declined 1.4 percent. Average milk production per cow grew 1.2 percent nationally; for the Northeast, the increase was 1.0 percent.

The year ended with 416 less producers pooled on the Order than at the end of 2008. Annual average daily deliveries per producer (DDP) equaled 4,810 pounds, relatively unchanged from 2008.

A small amount (23.5 million pounds) of milk was depooled during 2009, due to inverse prices, significantly less than the approximately 300 million pounds during 2008. If the depooled pounds were included in the total pooled milk receipts for both years, the actual change would have been a decline of 2.5 percent in 2009. All volume comparisons have been adjusted for leap year in 2008.

### **Class Utilization Changes**

Class I utilization averaged 43.7 percent in 2009, an increase of 0.3 percentage points from the previous year. The total volume of milk used in Class I decreased 0.9 percent, but due to the decline in total milk receipts, the utilization percent increased. Class II usage increased 2.3 percent, resulting in an increase in utilization of

0.7 percentage points and an overall pool utilization of 20.2 percent.

Class III volume was up 4.2 percent. Utilization increased 1.3 percentage points to 23.5 percent. The amount of milk used in Class IV dropped 16.2 percent in 2009 and the corresponding utilization declined 2.2 percentage points. Class IV utilization accounted for an annual average of 12.6 percent. Most of the decline was in milk used to make dried milk products, mainly nonfat dry milk, and was affected by the tightness in the milk supply and reduced demand.

### **Prices Lower**

The increases in milk production that occurred during late 2007 and early 2008, and a pullback in both domestic and international demand during the worldwide economic slowdown, caused a depression in prices that began during the second half of 2008 and continued throughout most of 2009. For the year, all federal order class prices averaged less than during 2008; most were down about 30 percent from the previous year.

The Class I price averaged \$14.73 per hundredweight in 2009, \$6.52 (30.7 percent) below the 2008 annual average. The Class II price averaged \$11.26 per hundredweight, nearly \$5.00 less than the previous year, and the same percent decrease as Class I. The Class III price averaged \$11.36 per hundredweight, a drop of over \$6.00, and 34.9 percent less than the 2008 average. The Class IV price declined \$3.76, a decrease of 25.7 percent, and averaged \$10.89 per hundredweight.

Overall, the statistical uniform price (blend) reported at Suffolk County, Massachusetts (Boston), averaged \$13.01 per hundredweight, \$5.61 (30.1 percent) less than the 2008 price. It was the second lowest annual average blend price on record for the Order. The producer price differential (PPD) averaged \$1.65 per hundredweight, 39.8 percent higher than the average in 2008.

### **Component Pricing**

The price paid to producers for butterfat averaged \$1.2571 per pound, 19.8 percent lower than in 2008. The per-pound annual average protein price was \$2.2087, down 43.2 percent from 2008. The other solids price increased 10.3 percent and averaged \$0.0612 per pound. The nonfat solids price declined 29.2 percent and averaged \$0.7469 per pound.

### **Producer Tests**

The annual average producer butterfat test equaled 3.72 percent in 2009, a drop of 0.01 percentage point from last year. New record highs were set during the months of January and July. The annual average producer protein test was unchanged from 2008 and equaled 3.06 percent. Record highs were set during the months of January, June, September, and October. The annual average producer other solids test dropped 0.02 percentage points to 5.69 percent.

**15** Number of Farms by Size Categories, May and December 2009\*

Production Range Pounds	May 2009			
	Farms		Milk	
	Number	Percentage	Total Pounds	Percentage
0-19,999	742	5.6	9,133,116	0.4
20,000-29,999	651	5.0	16,371,175	0.8
30,000-49,999	1,581	11.9	63,516,993	3.0
50,000-69,999	1,977	14.8	118,929,565	5.6
70,000-99,999	2,827	21.2	237,434,663	11.2
100,000-149,999	2,338	17.6	284,556,736	13.4
150,000-249,999	1,618	12.2	304,576,975	14.4
250,000-399,999	718	5.4	219,505,689	10.3
400,000-599,999	312	2.3	152,564,953	7.2
>=600,000	537	4.0	713,923,785	33.7
<b>Total</b>	<b>13,301</b>	<b>100.0</b>	<b>2,120,513,650</b>	<b>100.0</b>

Production Range Pounds	December 2009			
	Farms		Milk	
	Number	Percentage	Total Pounds	Percentage
0-19,999	1,241	9.5	14,575,699	0.8
20,000-29,999	857	6.5	21,329,508	1.1
30,000-49,999	1,885	14.4	75,587,670	4.0
50,000-69,999	1,965	15.0	117,819,497	6.2
70,000-99,999	2,352	17.9	197,030,001	10.3
100,000-149,999	2,053	15.7	249,603,580	13.1
150,000-249,999	1,409	10.7	269,457,086	14.1
250,000-399,999	600	4.6	188,160,145	9.9
400,000-599,999	282	2.1	138,216,017	7.2
>=600,000	474	3.6	636,114,480	33.3
<b>Total</b>	<b>13,118</b>	<b>100.0</b>	<b>1,907,893,683</b>	<b>100.0</b>

\* Data compiled from payroll records; number of producers and total pounds may vary from data reported at pool time shown in other tables.

**Figure 12**

