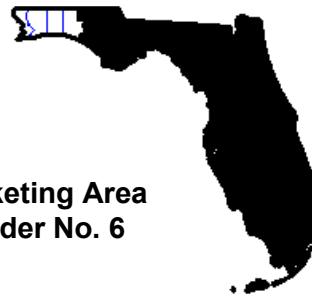


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



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Recent Developments in Dairy Markets

Excerpts from Livestock, Dairy, and Poultry Outlook/LDP-M-278/August 16, 2017, Economic Research Service, USDA:

Exports in the first half of the 2017 have been significantly higher than the previous year. An increase in global demand and a decline in the U.S. dollar have contributed to favorable conditions for exports. The value of the U.S. dollar has fallen 5.9 percent since December, as measured by the Price-adjusted Broad Dollar Monthly Index reported by the U.S. Federal Reserve. Dairy exports declined from May to June, as they typically do. Notably, exports of NDM/SMP declined from 129 million pounds in May to 100 million in June, with significant declines in exports to Mexico and China. However, exports of butterfat products increased substantially, with about 64 percent of them going to Canada in June.

Global prices for butter, cheese, and whole milk powder in 2017 have increased significantly from 2016. The most notable price movements have been for butter, especially for Europe. In July, the Western Europe export price for butter averaged \$3.27 per pound, an increase from \$1.54 in July 2016. For the 2 weeks ending August 4, the price reached a record high of \$3.37 per pound at the midpoint of the range.

Production growth for the five major exporters (Argentina, Australia, EU, New Zealand, and the United States) is expected to be a modest 0.9 percent in 2017. EU milk production for the first part of 2017 was below the previous year due to low milk prices in the latter part of 2016 and a voluntary Government program that compensated farmers for producing less milk. For the year, EU milk production is projected to be 0.2 percent above 2016. For New Zealand, higher cow numbers, favorable weather conditions, and rising milk prices are expected to bring about a milk production increase of 3.2 percent in 2017. For more information, see the USDA Foreign Agricultural Service publication (cont. on page 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$21.45 per hundredweight for milk at 3.5 percent butterfat for the month of July. This is an increase of \$1.06 compared with the previous month and an increase of \$2.74 from July 2016.

Class I utilization was 83.44 percent in July. This is an increase of 1.43 percent compared to last month and is an increase of 0.11 percent compared with July 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2017 was 18.05 billion pounds, 1.6 percent higher than June of last year and 1.5 percent lower compared with May 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.03 billion pounds, 3.2 percent above June 2016 and 0.8 percent higher than May 2017 on a daily average basis. Butter production was 141 million pounds, 4.8 percent below June 2016 and 11.1 percent below May 2017 on a daily average basis.

Nonfat dry milk powder production was 164.0 million pounds in June, up 11.6 percent from June of last year and 0.5 percent higher than May 2017 on a daily average basis. Total dry whey production was 87.6 million pounds in June, 9.8 percent higher than June 2016 and 9.1 percent higher than the previous month on a daily average basis. Whey protein concentrates production was 39.9 million pounds in June, 5.0 percent above June 2016 and 3.6 percent lower than May 2017 on a daily average basis.

June's milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.32, down from the 2.21 price ratio from the prior month.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JULY 2017

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	52.39%	3,786,102	\$2.7212	\$ 10,302,740.78
Class I Differential at Location				9,210,915.48
Class II Butterfat	41.58%	3,005,721	\$2.9526	8,874,691.83
Class III Butterfat	2.69%	194,773	\$2.9456	573,723.34
Class IV Butterfat	3.34%	241,375	\$2.9456	710,994.20
Total Butterfat	100.00%	7,227,971		\$ 20,674,165.45

Uniform Butterfat Price per lb. (Hillsborough County, Florida): \$2.8603

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.62%	160,907,593	\$7.32 /cwt.	\$ 11,778,435.80
Class I Butterfat	52.39%	3,786,102	\$2.7212 /lb.	10,302,740.78
Class I Differential at Location		164,693,695		9,210,915.48
Total Class I Milk	83.44%	164,693,695		\$ 31,292,092.06
Class II Skim Milk	11.23%	21,351,404	\$7.41 /cwt.	\$ 1,582,139.03
Class II Butterfat	41.58%	3,005,721	\$2.9526 /lb.	8,874,691.83
Total Class II Milk	12.34%	24,357,125		\$ 10,456,830.86
Class III Skim Milk	2.44%	4,634,150	\$5.33 /cwt.	\$ 247,000.20
Class III Butterfat	2.69%	194,773	\$2.9456 /lb.	573,723.34
Total Class III Milk	2.45%	4,828,923		\$ 820,723.54
Class IV Skim Milk	1.71%	3,258,695	\$6.52 /cwt.	\$ 212,466.92
Class IV Butterfat	3.34%	241,375	\$2.9456 /lb.	710,994.20
Total Class IV Milk	1.77%	3,500,070		\$ 923,461.12
Producer Milk	100.00%	197,379,813		\$ 43,493,107.58

Adjustments

Overage and Other Source	\$9,102.87
Inventory Adjustments	\$24,363.05
Producer butterfat at uniform butterfat price	(\$20,674,165.45)
Location Adjustments to Producers	(\$328,180.18)
1/2 Unobligated Balance in P.S.F.	\$88,948.61

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.89217	\$22,613,176.48
	\$ 0.04217	\$80,183.21

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida):

\$11.85

Uniform Price per cwt. (Hillsborough County, Florida)

\$21.45*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JULY 2017	AUG 2017	JUNE 2017	JULY 2017	JULY 2017
Appalachian (Charlotte)	\$ 19.99	\$ 20.12	\$ 18.37	\$ 19.35	65.92%
Arizona (Phoenix)	\$ 18.94	\$ 19.07	\$ 16.59	\$ 17.02	23.21%
Central (Kansas City)	\$ 18.59	\$ 18.72	\$ 16.50	\$ 16.52	25.43%
Florida (Tampa)	\$ 21.99	\$ 22.12	\$ 20.39	\$ 21.45	83.44%
Mideast (Cleveland)	\$ 18.59	\$ 18.72	\$ 16.71	\$ 17.01	29.30%
Northeast (Boston)	\$ 19.84	\$ 19.97	\$ 17.53	\$ 18.01	29.60%
Pacific Northwest (Seattle)	\$ 18.49	\$ 18.62	\$ 16.49	\$ 16.60	19.38%
Southeast (Atlanta)	\$ 20.39	\$ 20.52	\$ 18.70	\$ 19.64	67.51%
Southwest (Dallas)	\$ 19.59	\$ 19.72	\$ 17.33	\$ 17.29	26.56%
Upper Midwest (Chicago)	\$ 18.39	\$ 18.52	\$ 16.56	\$ 15.80	8.10%

**FLORIDA MILK MARKETING AREA-FEDERAL ORDER 6
STATISTICAL SUMMARY**

Receipts:	JULY 2017	JULY 2016
Producer Milk		
Class I	164,693,695	171,449,114
Class II	24,357,125	22,087,999
Class III	4,828,923	3,622,290
Class IV	3,500,070	8,603,346
Total Producer Milk	197,379,813	205,762,749
Average Butterfat Test	3.66%	3.57%
Percent of Producer Milk in Class I	83.44%	83.33%
Daily Average Receipts	6,367,091	6,637,508
Other Source Milk		
Class I	3,670,361	3,404,350
Class II	5,923,354	665,354
Class III	74,389	1,722
Class IV	1,229,440	571,331
Total Other Source Milk	10,897,544	4,642,757
Overage		
Class I	0	0
Class II	3,083	0
Class III	0	2,721
Class IV	0	0
Total Overage	3,083	2,721
Opening Inventory		
Class I	9,562,399	9,197,100
Class II	777,246	15,640
Class III	429,802	77,213
Class IV	3,681,263	6,403,352
Total Opening Inventory	14,450,710	15,693,305
Total Receipts	222,731,150	226,101,532
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	8,463,859	8,182,127
Route Disposition Class I	169,232,314	175,672,260
Shrinkage	154,925	73,606
Transfers & Diversions to Nonpool	75,357	122,571
Total Class I Utilization	177,926,455	184,050,564
Average Butterfat Test	2.28%	2.23%
Daily Average Utilization	5,739,563	5,937,115
Class II Utilization		
Nonfluid Used To Produce	5,360,392	656,799
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,771,909	9,344,231
Total Class II Utilization	31,060,808	22,771,714
Average Butterfat Test	11.73%	12.91%
Class III Utilization		
Shrinkage	2,516,564	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	1,403,253	3,701,225
Total Class III Utilization	5,333,114	3,701,225
Average Butterfat Test	4.05%	3.47%
Class IV Utilization		
Inventory	7,690,178	9,742,212
Nonfluid Used To Fortify	278,204	202,105
Shrinkage	0	2,797,510
Transfers & Diversions to Nonpool Used To Produce/Other Uses	442,391	1,001,414
Total Class IV Utilization	8,410,773	15,578,029
Average Butterfat Test	7.12%	5.93%
Total Utilization	222,731,150	226,101,532

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in July 2017 is \$21.45 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.85 per hundredweight plus 3.5 times the uniform butterfat price of \$2.8603 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In July, Class I use accounted for 84.62% of all producer skim milk (priced to handlers at \$7.32 per hundredweight, plus the Class I differential) and 52.39% of producer butterfat (priced to handlers at \$2.7212 per pound plus Class I differential). Class II use accounted for 11.23% of all producer skim milk (\$7.41 per hundredweight) and 41.58% of producer butterfat (\$2.9526 per pound). Class III use accounted for 2.44% of all producer skim milk (\$5.33 per cwt) and 2.69% of producer butterfat (\$2.9456 per pound). Class IV use accounted for 1.71% of all producer skim milk (\$6.52 per cwt) and 3.34% of producer butterfat (\$2.9456 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2017		
Whole Milk	91,098,955	42.38%
Fat Free Milk	17,654,670	8.22%
Lowfat Milk (incl. 1%)	24,889,776	11.57%
Reduced Fat Milk (incl. 2%)	66,067,948	30.72%
Cultured Fluid Milk (incl. Buttermilk)	1,138,263	0.53%
Flavored Drinks and Milk	14,152,077	6.58%
Total Disposition in Marketing Area	215,001,689	100.0%
Total Disposition by Pool Plants	168,846,953	78.54%
Total Disposition by Nonpool Plants	46,154,736	21.46%
Total Disposition in Marketing Area	215,001,689	100.0%

Receipts of producer milk during July 2017 totaled 197.4 million pounds, 8.4 million pounds less than July 2016. Florida producers supplied an estimated 204.3 million pounds of milk in June 2017 or an estimated 94.75% of the producer milk pooled in Florida. In June 2016, Florida producers supplied 92.81% of producer milk pooled on the Florida market.

There were 10 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for July. In-area Class I route disposition was 215.0 million pounds in June, 6.6 million pounds less than last year.

Recent Developments in Dairy Markets, cont.

(continued from page 1) Dairy: World Markets and Trade, at <https://www.fas.usda.gov/data/dairy-world-markets-and-trade>.

Tight world supplies and high demand for products with high butterfat content have driven the rapid rise in butter prices. Demand for butterfat products has risen globally due to consumer perceptions that butterfat is healthier than trans-fat, and several studies have indicated possible health benefits of butterfat or lower risk of consuming butterfat than previously assumed. With higher global production of butterfat, more skim solids become available for SMP, putting downward pressure on SMP prices.

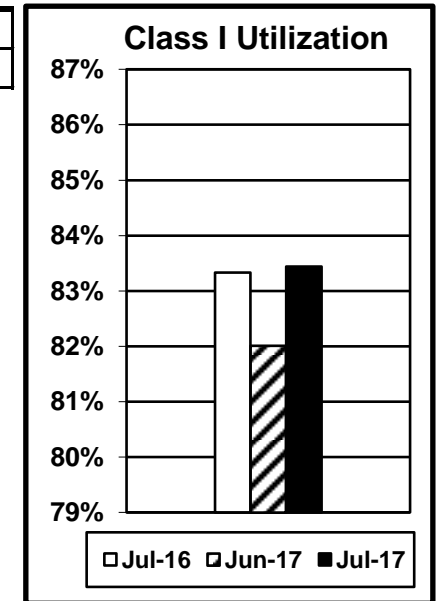
For the 2016/17 marketing year, prices for corn and soybean meal are estimated to be \$3.30-\$3.40 per bushel and \$320 per short ton, respectively. The 2017/18 price forecast for corn is \$2.90-\$3.70 per bushel, unchanged from last month's forecast. The 2017/18 soybean meal forecast is \$295-\$335 per short ton, \$5 lower than last month's forecast at the midpoint of the range. The alfalfa hay price in June was \$152 per short ton, \$3 lower than May but \$10 higher than June 2016. For more information, see the USDA Economic Research Service publication *Feed Outlook*, at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273>.

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2016	\$10.97	\$2.4329	\$19.10	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 10.27	\$2.5146	\$18.71
Aug	\$11.56	\$2.6613	\$20.47	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 10.87	\$2.5765	\$19.51
Sep	\$13.57	\$2.5315	\$21.96	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 12.84	\$2.4226	\$20.87
Oct	\$14.18	\$2.3763	\$22.00	\$7.14	\$2.0563	\$14.09	\$7.92	\$2.0493	\$14.82	\$ 6.72	\$2.0493	\$13.66	\$ 13.13	\$2.2060	\$20.39
Nov	\$13.19	\$2.1289	\$20.18	\$7.47	\$2.1114	\$14.60	\$9.74	\$2.1044	\$16.76	\$ 6.63	\$2.1044	\$13.76	\$ 12.44	\$2.1202	\$19.43
Dec	\$15.24	\$2.1644	\$22.28	\$7.32	\$2.3424	\$15.26	\$9.56	\$2.3354	\$17.40	\$ 7.04	\$2.3354	\$14.97	\$ 14.25	\$2.2537	\$21.64
Jan 2017	\$15.01	\$2.3914	\$22.85	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$ 7.62	\$2.5253	\$16.19	\$ 14.08	\$2.4652	\$22.22
Feb	\$13.60	\$2.5732	\$22.13	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$ 7.35	\$2.4274	\$15.59	\$ 12.77	\$2.4994	\$21.07
Mar	\$14.05	\$2.4968	\$22.30	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$ 6.07	\$2.4176	\$14.32	\$ 13.12	\$2.4614	\$21.28
Apr	\$13.15	\$2.5023	\$21.45	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$ 5.98	\$2.3548	\$14.01	\$ 12.01	\$2.4267	\$20.08
May	\$12.54	\$2.4276	\$20.60	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$ 6.26	\$2.4134	\$14.49	\$ 11.61	\$2.4239	\$19.69
Jun	\$12.74	\$2.4032	\$20.71	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$ 6.65	\$2.7066	\$15.89	\$ 11.87	\$2.5531	\$20.39
Jul	\$12.72	\$2.7752	\$21.99	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$ 6.52	\$2.9456	\$16.60	\$ 11.85	\$2.8603	\$21.45
Aug	\$11.95	\$3.0259	\$22.12	\$7.25											

FEDERAL ORDER 6 - FLORIDA: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2016	205,763	144	171,449	83.33%	22,088	10.73%	3,622	1.76%	8,603	4.18%
Aug	220,576	165	185,586	84.14%	27,353	12.40%	843	0.38%	6,796	3.08%
Sep	210,356	169	184,861	87.87%	20,487	9.74%	600	0.29%	4,408	2.10%
Oct	224,195	165	186,283	83.09%	24,145	10.77%	4,101	1.83%	9,666	4.31%
Nov	225,679	165	187,633	83.15%	23,791	10.54%	7,254	3.21%	7,000	3.10%
Dec	234,849	137	195,492	83.24%	22,540	9.60%	11,287	4.81%	5,530	2.35%
Jan 2017	232,212	129	199,020	85.71%	24,573	10.58%	1,145	0.49%	7,475	3.22%
Feb	213,014	125	177,729	83.43%	27,152	12.75%	2,381	1.12%	5,752	2.70%
Mar	235,520	119	196,479	83.42%	26,392	11.21%	7,334	3.11%	5,316	2.26%
Apr	219,859	131	177,183	80.58%	24,000	10.92%	7,056	3.21%	11,620	5.29%
May	218,418	109	177,322	81.18%	23,737	10.87%	8,401	3.85%	8,958	4.10%
Jun	204,329	127	167,555	82.01%	22,199	10.86%	8,887	4.35%	5,687	2.78%
Jul	197,380	130**	164,694	83.44%	24,357	12.34%	4,829	2.45%	3,500	1.77%



* Class I and uniform prices are at Hillsborough County (Tampa), Florida; ** Estimated

Florida Marketing Area - Federal Order 6

2017 Pool and Payment Dates									
	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
August	09/11/17	09/12/17	09/13/17	08/21/17	08/21/17	09/05/17	09/05/17	09/13/17	09/14/17
September	10/11/17	10/12/17	10/13/17	09/19/17	09/20/17	10/04/17	10/05/17	10/13/17	10/16/17
October	11/11/17	11/13/17	11/14/17	10/19/17	10/20/17	11/06/17	11/06/17	11/14/17	11/15/17

**The base rate for making partial payments in Hillsborough Co., FL for August will be \$19.31 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$18.23 for nonmembers (85 percent of the preceding month's uniform price).

Producer Touch Base Requirements & Handler Diversion Limits													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Producer Touch Base Days	10	10	10	10	10	10	10	10	10	10	10	10	
Diversion Percentage Limits	15%	15%	20%	20%	20%	20%	10%	10%	10%	10%	10%	15%	

WASDE Dairy Report 1/ WASDE – 568 August 10, 2017

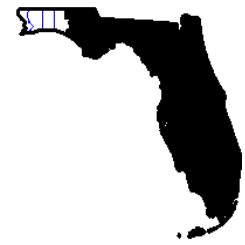
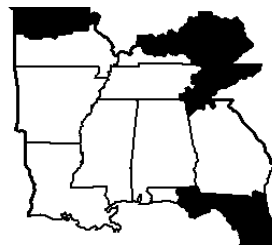
The milk production forecasts for 2017 and 2018 are reduced from the previous month as slow growth in milk per cow more than offsets increases in dairy cow numbers. For 2017, fat basis exports are raised from the previous month on higher butter and anhydrous milk fat shipments. Fat basis imports are unchanged. The skim-solid basis export forecast for 2017 is lowered on weaker than expected whey sales. The import forecast is unchanged. For 2018, fat basis exports are raised on stronger shipments of a number of dairy products. Fat basis imports are lowered slightly. Skim-solid basis exports are raised on expected stronger sales of nonfat dry milk (NDM) and other dairy products while imports are unchanged from last month.

Butter and cheese price forecasts are raised for 2017 and 2018 as demand strength is expected to carry into 2018. The 2017 and 2018 NDM and whey price forecasts are reduced from the previous month on weak demand. The 2017 Class III price forecast is unchanged at the midpoint, but the 2018 price is lowered as lower whey prices more than offset higher cheese prices. Class IV price forecasts for 2017 and 2018 are raised as stronger forecast butter prices more than offset lower NDM prices. The all milk price is raised to \$17.80 to \$18.00 per cwt for 2017, but is unchanged at \$18.00 to \$19.00 per cwt for 2018.

1/ The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



MILK MARKET ADMINISTRATOR
 U.S. Department Of Agriculture
 2763 Meadow Church Rd, Ste 100
 Duluth, Georgia 30097



www.fmmatlanta.com

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