

Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

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www.fmmatlanta.com

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ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Issues Recommended Decision to Adjust Mideast Order

The USDA has announced a recommended decision to adopt amendments to the Class I price surface of the Mideast milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Cincinnati, Ohio, on August 19-20, 2008. This decision recommends adoption of amendments that would adjust the Class I pricing surface in certain counties within the geographical marketing area of the Mideast order.

Interested persons have until March 16, 2009 to file comments in response to this decision, which was published in the January 14, 2009 edition of the Federal Register. You may send your comments via the Federal eRulemaking portal at www.regulations.gov.

USDA Terminates Price Formula Proceedings

The USDA has announced the termination of a proceeding on proposed amendments to modify the formulas used to determine Class I and Class II prices in all Federal milk marketing orders.

The USDA held a hearing in December 2006 to consider a proposal by the National Milk Producers Federation. The USDA has terminated the proceeding because the evidence presented at the hearing was neither compelling nor provided a basis to make a reasoned decision for recommending adoption or denial of the proposal.

The termination notice was published in the December 24, 2008 Federal Register and is available at www.fmmatlanta.com under 'What's New'.

Southern Dairy Conference Announcement

The 35th Annual Southern Dairy Conference is scheduled for January 28-29, 2009 in Atlanta, Georgia. For additional conference information, visit www.areg.caes.uga.edu.

Uniform Price Tumbles

The uniform price in Fulton County, GA, was \$16.85 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$2.36 lower than the previous month and is \$5.59 less than December of last year.

Class I utilization was 66.68 percent in December, a decrease of 1.28 percent compared with the previous month and an increase of 0.51 percent compared to December of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 15.18 billion pounds, an increase of 1.1 percent from November 2007 and an increase of 0.7 percent when compared with October 2008 on a daily average basis. Total cheese output (excluding cottage cheese) was 826 million pounds, 1.3 percent above November 2007 but 2.1 percent below October 2008. Butter production was 134 million pounds, 2.2 percent above November 2007 and 2.8 percent above October 2008.

Nonfat dry milk powder production was 135 million pounds in November, 34.8% percent higher than November 2007 and 15.3% percent higher than October 2008 on a daily average basis. Dry whey production was 84.6 million pounds in November, a 9.7 percent decrease from November of last year and a 2.6 percent increase from last month on a daily average basis. The milk-feed price ratio was 1.97 in December.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for December 2008 were made for \$2,154,031.59. Since the available balance was \$1,213,477.66, eligible claims were paid at the rate of approximately \$0.56 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.26%	8,819,703	\$1.7925	\$ 15,809,317.69
Class I Differential at Location				293,811.00
Class II Butterfat	19.22%	4,430,298	\$1.3068	5,789,513.41
Class III Butterfat	15.87%	3,657,359	\$1.2998	4,753,835.23
Class IV Butterfat	26.65%	6,144,421	\$1.2998	7,986,518.44
Total Butterfat	100.00%	23,051,781		\$ 34,632,995.77

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5024**

Calculation of Uniform Skim Milk Price

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	67.80%	395,538,649	\$9.49 /cwt.	\$ 37,536,617.80
Class I Butterfat	38.26%	8,819,703	\$1.7925 /lb.	15,809,317.69
Class I Differential at Location		404,358,352		13,482,398.62
Total Class I Milk	66.68%	404,358,352		\$ 66,828,334.11
Class II Skim Milk	8.43%	49,201,312	\$6.88 /cwt.	\$ 3,385,050.26
Class II Butterfat	19.22%	4,430,298	\$1.3068 /lb.	5,789,513.41
Total Class II Milk	8.84%	53,631,610		\$ 9,174,563.67
Class III Skim Milk	12.29%	71,692,480	\$11.12 /cwt.	\$ 7,972,203.76
Class III Butterfat	15.87%	3,657,359	\$1.2998 /lb.	4,753,835.23
Total Class III Milk	12.42%	75,349,839		\$ 12,726,038.99
Class IV Skim Milk	11.48%	66,981,465	\$6.01 /cwt.	\$ 4,025,586.03
Class IV Butterfat	26.65%	6,144,421	\$1.2998 /lb.	7,986,518.44
Total Class IV Milk	12.06%	73,125,886		\$ 12,012,104.47
Producer Milk	100.00%	606,465,687		\$ 100,741,041.24

Adjustments

Overage and Other Source	\$2,363.60
Inventory Adjustments	\$137,434.56
Producer butterfat at uniform butterfat price	(\$34,632,995.77)
Location Adjustments to Producers	\$3,846,319.74
1/2 Unobligated Balance in P.S.F	\$231,099.81
Adjusted Pool Value	\$ 12.05409
Reserve for Producer Settlement Func	\$ 0.04409
	\$70,325,263.18

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$12.01

Uniform Price per cwt. (Fulton County, Georgia)

\$16.85*

* 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 %
	DEC 2008	JAN 2009	NOV 2008	DEC 2008	DEC 2008
Appalachian (Charlotte)	\$ 18.83	\$ 19.14	\$ 18.75	\$ 16.23	69.19%
Arizona (Phoenix)	\$ 17.78	\$ 18.09	\$ 15.83	\$ 13.97	33.65%
Central (Kansas City)	\$ 17.43	\$ 17.74	\$ 15.61	\$ 13.63	40.51%
Florida (Tampa)	\$ 20.83	\$ 21.14	\$ 21.25	\$ 18.88	84.48%
Midwest (Cleveland)	\$ 17.43	\$ 17.74	\$ 16.32	\$ 14.42	47.90%
Northeast (Boston)	\$ 18.68	\$ 18.99	\$ 17.09	\$ 16.02	46.30%
Pacific Northwest (Seattle)	\$ 17.33	\$ 17.64	\$ 15.29	\$ 13.00	43.09%
Southeast (Atlanta)	\$ 19.23	\$ 19.54	\$ 19.21	\$ 16.85	66.68%
Southwest (Dallas)	\$ 18.43	\$ 18.74	\$ 16.89	\$ 14.75	60.77%
Upper Midwest (Chicago)	\$ 17.23	\$ 17.54	\$ 15.85	\$ 15.04	17.00%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	December 2008	December 2007
Producer Milk		
Class I	404,358,352	392,848,589
Class II	53,631,610	59,990,171
Class III	75,349,839	97,736,994
Class IV	73,125,886	43,013,946
Total Producer Milk	<u>606,465,687</u>	<u>593,589,700</u>
Average Butterfat Test	3.80%	3.81%
Percent of Producer Milk in Class I	66.68%	66.17%
Daily Average Receipts	19,563,409	19,148,055
Other Source Milk		
Class I	6,729,978	9,289,642
Class II	4,052,216	10,514,307
Class III	3,659,525	2,307,459
Class IV	8,577,389	13,355,149
Total Other Source Milk	<u>23,019,108</u>	<u>35,466,557</u>
Overage		
Class I	17,775	0
Class II	0	0
Class III	0	0
Class IV	1	0
Total Overage	<u>17,776</u>	<u>0</u>
Opening Inventory		
Class I	34,670,435	38,284,809
Class II	3,011,735	730,746
Class III	2,416,088	164,055
Class IV	22,768,343	11,048,730
Total Opening Inventory	<u>62,866,601</u>	<u>50,228,340</u>
Total Receipts	692,369,172	679,284,597
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,602,205	30,947,741
Route Disposition Class I	401,703,958	398,922,173
Shrinkage	2,505,412	4,238,961
Transfers & Diversions to Nonpool	8,964,965	6,314,165
Total Class I Utilization	<u>445,776,540</u>	<u>440,423,040</u>
Average Butterfat Test	2.17%	2.18%
Daily Average Utilization	14,379,888	14,207,195
Class II Utilization		
Nonfluid Used To Produce	1,433,861	1,357,877
Shrinkage	1,515	112,329
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,143,869	40,265,741
Total Class II Utilization	<u>22,116,316</u>	<u>29,499,277</u>
Average Butterfat Test	60,695,561	71,235,224
Average Butterfat Test	9.12%	8.16%
Class III Utilization		
Shrinkage	719,013	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	80,706,439	100,208,508
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	81,425,452	100,208,508
Average Butterfat Test	4.69%	4.68%
Class IV Utilization		
Inventory	19,299,248	19,130,273
Nonfluid Used To Fortify	2,865,984	2,558,015
Shrinkage	7,160,479	7,124,692
Transfers & Diversions to Nonpool Used To Produce/Other Uses	69,696,846	33,083,229
Total Class IV Utilization	<u>5,449,062</u>	<u>5,521,616</u>
Average Butterfat Test	104,471,619	67,417,825
Average Butterfat Test	7.38%	9.32%
Total Utilization	692,369,172	679,284,597

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2008 is \$16.85 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.01 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5024 per pound. Payment to producers may be reduced 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 December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.80% of all producer skim milk (priced to handlers at \$9.49 per hundredweight, plus the Class I differential, see page 2) and 38.26% of producer butterfat (priced to handlers at \$1.7925 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.43% of all producer skim milk (\$6.88 per hundredweight) and 19.22% of producer butterfat (\$1.3068 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.29% of all producer skim milk (\$11.12 per hundredweight) and 15.87% of producer butterfat (\$1.2998 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.48% of all producer skim milk (\$6.01 per hundredweight) and 26.65% of producer butterfat (\$1.2998 per pound).

Receipts of producer milk during December 2008 totaled 606.5 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2008. Class I route disposition in the area totaled 424.0 million pounds in November 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2008		
Whole Milk	134,316,262	31.68%
Fat Free Milk	49,097,005	11.58%
Lowfat Milk (incl. 1%)	34,137,593	8.08%
Reduced Fat Milk (incl. 2%)	151,060,417	35.62%
Cultured Fluid Milk (incl. Buttermilk)	10,462,063	2.47%
Flavored Drinks and Milk	44,956,071	10.60%
Total Disposition in Marketing Area	424,029,411	100.00%
Total Disposition by Pool Plants	333,404,292	78.63%
Total Disposition by Nonpool Plants	90,625,119	21.37%
Total Disposition in Marketing Area	424,029,411	100.00%

Mailbox Milk Prices, January through September 2008

Reporting Area 1/	Jan-08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep-08
New England States 3/	\$21.78	\$20.09	\$18.56	\$18.95	\$18.51	\$19.60	\$20.34	\$19.53	\$19.34
Eastern Pennsylvania 4/	\$21.30	\$19.61	\$17.93	\$18.44	\$18.00	\$18.97	\$19.85	\$19.09	\$18.85
Appalachian States 5/	\$22.21	\$21.26	\$18.84	\$20.21	\$19.25	\$20.23	\$22.36	\$21.05	\$20.66
Southeast States 6/	\$22.94	\$21.70	\$19.36	\$20.48	\$20.29	\$21.10	\$23.53	\$22.36	\$21.76
Southern Missouri 7/	\$21.15	\$19.77	\$17.91	\$18.96	\$17.97	\$19.00	\$20.85	\$19.58	\$19.16
Florida	\$23.87	\$22.63	\$20.26	\$21.64	\$21.80	\$22.31	\$24.98	\$24.33	\$23.73
Western Pennsylvania 8/	\$21.14	\$19.71	\$18.25	\$18.69	\$18.23	\$19.23	\$19.87	\$18.92	\$18.77
Indiana	\$21.23	\$19.98	\$18.47	\$18.79	\$18.18	\$19.02	\$20.03	\$18.99	\$18.68
Wisconsin	\$20.79	\$18.85	\$18.86	\$18.11	\$18.87	\$20.22	\$19.14	\$18.22	\$17.78
Corn Belt States 9/	\$19.97	\$18.45	\$17.35	\$17.80	\$17.56	\$18.42	\$18.66	\$18.05	\$17.80
Western Texas 10/	\$19.53	\$17.43	\$16.70	\$17.20	\$16.90	\$17.91	\$18.24	\$17.74	\$17.03
Northwest States 11/	\$19.59	\$17.80	\$16.60	\$17.17	\$16.87	\$17.91	\$18.51	\$17.86	\$17.26
All Federal Orders 12/	\$20.70	\$19.03	\$18.01	\$18.19	\$18.09	\$19.12	\$19.43	\$18.58	\$18.25
California 13/	\$17.97	\$17.05	\$16.04	\$15.88	\$16.79	\$17.35	\$17.19	\$16.25	\$16.29

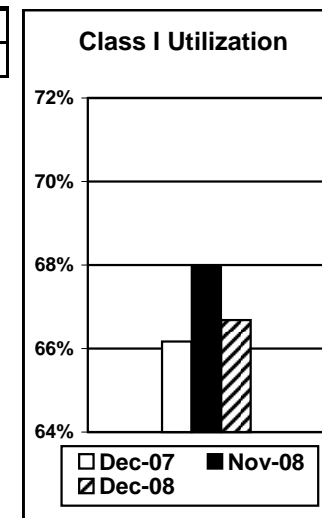
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by California Department of Food and Agriculture.

FEDERAL ORDER 7 - SOUTHEAST: 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
Nov 2007	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Nov 2007	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,900**	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods

January through March 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
JAN 2009	02/11/09	02/12/09	02/13/09	01/26/09	01/26/09	02/13/09	02/17/09
FEB 2009	03/11/09	03/12/09	03/13/09	02/25/09	02/26/09	03/13/09	03/16/09
MAR 2009	04/11/09	04/13/09	04/14/09	03/25/09	03/26/09	04/14/09	04/15/09

** The base rate for making partial payments in Fulton County, GA for January will be \$15.17 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.85 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE-466 January 12, 2009

Milk production forecasts for 2008 are lowered from last month. Based on monthly milk production data through November, higher expected cow numbers are more than offset by lower expected milk per cow. Production forecasts for 2009 are reduced from last month as poor returns are expected to manifest themselves in a more rapid decline in cow numbers and slower growth in milk per cow. Commercial export forecasts for 2008 and 2009 are unchanged from last month. Exports for 2009 remain below last year as global demand reflects economic weakness. Ending stocks for both 2008 and 2009 are expected to be above levels forecast last month as weak demand is expected to slow domestic use. Sales of nonfat dry milk (NDM) to CCC during 2009 are forecast higher and small sales of cheese and butter to CCC are now forecast for the year.

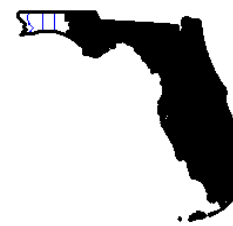
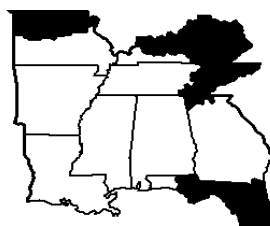
Milk and dairy product prices for 2008 are adjusted from last month reflecting December data. Class III and Class IV prices for 2009 are reduced from last month as product price forecasts are lowered. Economic uncertainties have reduced demand for dairy products and prices have declined sharply for cheese, with lesser declines in butter, NDM, and whey. Price forecasts for cheese and butter in 2009 are reduced, with the sharpest declines in the first half of the year as supplies of these products are large. However, the reduction is less later in the year as lower forecast milk production results in declines in stocks of fat-based products. Although forecast weaker than last month, tightening supplies of NDM later in the year are expected to help support NDM prices. The all milk price is also forecast lower, \$11.80 to \$12.60 per cwt in 2009.

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

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Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

February 2009



Southeast Marketing Area
Federal Order 7

Volume 10—No. 2

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Invites Proposals Regarding Producer-Handlers

National Milk Producers Federation and International Dairy Foods Association have requested that the Department of Agriculture (USDA) hold a public hearing to consider a proposal to eliminate the producer-handler provision in all Federal milk marketing orders. Additionally, National Milk Producers Federation and International Dairy Foods Association have requested that USDA consider revision of the exempt plant provision in all Federal milk marketing orders in the same rulemaking proceeding. The proposals would eliminate the provision exempting producer-handlers from pricing and pooling provisions; and would revise the current limit on monthly route disposition of packaged fluid milk required for exemption from pricing and pooling provisions as an exempt plant.

The proposals may be viewed at the Dairy Programs website at www.ams.usda.gov/dairy.

The proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing will be held, USDA is providing the opportunity for interested parties to submit additional proposals regarding the elimination of the producer-handler provision and the revision of the exempt plant provision in all Federal milk marketing orders.

The preferred method of submission is via email. Electronic submissions should be emailed to amsdairycomments@usda.gov. Proposals can also be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, STOP-0231-Room 2971, 1400 Independence Ave., SW, Washington, DC 20250-0225. Proposals must be received by March 9, 2009.

Each proposal should be accompanied by a comprehensive statement on the need for the proposal. The statement will be (continued on pg. 4)

Uniform Price Lower

The uniform price in Fulton County, GA, was \$16.62 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$0.23 lower than the previous month and is \$5.84 less than January of last year.

Class I utilization was 68.14 percent in January, an increase of 1.46 percent compared with the previous month and an increase of 1.58 percent compared with January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 15.85 billion pounds, an increase of 1.4 percent from December 2007 and an increase of 1.0 percent when compared with November 2008 on a daily average basis. Total cheese output (excluding cottage cheese) was 857 million pounds, 1.1 percent above December 2007 and 4.0 percent above November 2008. Butter production was 156 million pounds, 10.1 percent above December 2007 and 16.5 percent above November 2008.

Nonfat dry milk powder production was 155 million pounds in December, 42.6% percent higher than December 2007 and 11.1% percent higher than November 2008 on a daily average basis. Dry whey production was 91.2 million pounds in December, a 6.5 percent decrease from December of last year and a 4.3 percent increase from last month on a daily average basis. The milk-feed price ratio was 1.69 in January.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for January 2009 were made for \$1,932,783.74. Since the available balance was \$1,240,999.62, eligible claims were paid at the rate of approximately \$0.64 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.81%	8,363,921	\$1.3983	\$ 11,695,270.73
Class I Differential at Location				277,213.49
Class II Butterfat	20.80%	4,724,068	\$1.1154	5,269,225.50
Class III Butterfat	14.54%	3,302,284	\$1.1084	3,660,251.57
Class IV Butterfat	27.85%	6,325,530	\$1.1084	7,011,217.44
Total Butterfat	100.00%	22,715,803		\$ 27,913,178.73

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2288**

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	69.35%	405,139,064	\$11.24 /cwt.	\$ 45,537,630.80
Class I Butterfat	36.81%	8,363,921	\$1.3983 /lb.	11,695,270.73
Class I Differential at Location		413,502,985		13,818,945.87
Total Class I Milk	68.14%	413,502,985		\$ 71,051,847.40
Class II Skim Milk	9.14%	53,383,390	\$6.74 /cwt.	\$ 3,598,040.49
Class II Butterfat	20.80%	4,724,068	\$1.1154 /lb.	5,269,225.50
Total Class II Milk	9.57%	58,107,458		\$ 8,867,265.99
Class III Skim Milk	12.05%	70,388,725	\$7.15 /cwt.	\$ 5,032,793.84
Class III Butterfat	14.54%	3,302,284	\$1.1084 /lb.	3,660,251.57
Total Class III Milk	12.14%	73,691,009		\$ 8,693,045.41
Class IV Skim Milk	9.46%	55,249,205	\$5.92 /cwt.	\$ 3,270,752.90
Class IV Butterfat	27.85%	6,325,530	\$1.1084 /lb.	7,011,217.44
Total Class IV Milk	10.15%	61,574,735		\$ 10,281,970.34
Producer Milk	100.00%	606,876,187		\$ 98,894,129.14

Adjustments

Overage and Other Source	\$23,307.40
Inventory Adjustments	\$545.11
Producer butterfat at uniform butterfat price	(\$27,913,178.73)
Location Adjustments to Producers	\$3,639,827.60
1/2 Unobligated Balance in P.S.F	\$201,586.95

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 12.81261	\$74,846,217.47
	\$ 0.04261	\$248,936.44

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$12.77

Uniform Price per cwt. (Fulton County, Georgia)

\$16.62*

* 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 %
	JAN 2009	FEB 2009	DEC 2008	JAN 2009	JAN 2009
Appalachian (Charlotte)	\$ 19.14	\$ 14.12	\$ 16.23	\$ 16.41	70.29%
Arizona (Phoenix)	\$ 18.09	\$ 13.07	\$ 13.97	\$ 12.49	31.55%
Central (Kansas City)	\$ 17.74	\$ 12.72	\$ 13.63	\$ 12.49	34.68%
Florida (Tampa)	\$ 21.14	\$ 16.12	\$ 18.88	\$ 18.92	81.64%
Mideast (Cleveland)	\$ 17.74	\$ 12.72	\$ 14.42	\$ 13.22	42.50%
Northeast (Boston)	\$ 18.99	\$ 13.97	\$ 16.02	\$ 14.14	44.20%
Pacific Northwest (Seattle)	\$ 17.64	\$ 12.62	\$ 13.00	\$ 12.12	28.23%
Southeast (Atlanta)	\$ 19.54	\$ 14.52	\$ 16.85	\$ 16.62	68.14%
Southwest (Dallas)	\$ 18.74	\$ 13.72	\$ 14.75	\$ 13.50	34.82%
Upper Midwest (Chicago)	\$ 17.54	\$ 12.52	\$ 15.04	\$ 11.60	14.10%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	January 2009	January 2008
Producer Milk		
Class I	413,502,985	427,442,652
Class II	58,107,458	54,698,296
Class III	73,691,009	109,862,963
Class IV	61,574,735	50,144,148
Total Producer Milk	<u>606,876,187</u>	<u>642,148,059</u>
Average Butterfat Test	3.74%	3.78%
Percent of Producer Milk in Class I	68.14%	66.56%
Daily Average Receipts	19,576,651	20,714,454
Other Source Milk		
Class I	7,308,172	9,526,630
Class II	2,808,191	11,760,414
Class III	13,104,226	244,868
Class IV	8,646,598	14,788,527
Total Other Source Milk	<u>31,867,187</u>	<u>38,520,439</u>
Overage		
Class I	0	0
Class II	0	279,611
Class III	0	1,892
Class IV	294,422	9,276
Total Overage	<u>294,422</u>	<u>290,779</u>
Opening Inventory		
Class I	31,831,683	32,690,024
Class II	599,666	3,727,470
Class III	2,694,908	576,107
Class IV	16,004,680	13,133,353
Total Opening Inventory	<u>51,130,937</u>	<u>50,126,954</u>
Total Receipts	690,168,733	731,086,231
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	26,214,409	36,641,462
Route Disposition Class I	414,751,960	423,225,692
Shrinkage	3,141,456	1,916,819
Transfers & Diversions to Nonpool	8,535,015	7,875,333
Total Class I Utilization	<u>452,642,840</u>	<u>469,659,306</u>
Average Butterfat Test	2.02%	2.07%
Daily Average Utilization	14,601,382	15,150,300
Class II Utilization		
Nonfluid Used To Produce	1,670,185	2,656,995
Shrinkage	421,019	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	39,328,862	34,601,655
Total Class II Utilization	<u>20,095,249</u>	<u>33,207,141</u>
Average Butterfat Test	61,515,315	70,465,791
Average Butterfat Test	8.74%	9.23%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	89,490,143	112,885,830
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	89,490,143	112,885,830
Average Butterfat Test	4.05%	4.12%
Class IV Utilization		
Inventory	21,810,248	17,880,070
Nonfluid Used To Fortify	1,220,101	1,464,850
Shrinkage	7,896,148	7,857,016
Transfers & Diversions to Nonpool Used To Produce/Other Uses	50,740,367	45,438,302
Total Class IV Utilization	<u>4,853,571</u>	<u>5,435,066</u>
Average Butterfat Test	86,520,435	78,075,304
Average Butterfat Test	9.08%	9.41%
Total Utilization	690,168,733	731,086,231

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2009 is \$16.62 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.77 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2288 per pound. Payment to producers may be reduced 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 January, Class I use, which is primarily bottled or packaged fluid milk, accounted for 69.35% of all producer skim milk (priced to handlers at \$11.24 per hundredweight, plus the Class I differential, see page 2) and 36.81% of producer butterfat (priced to handlers at \$1.3983 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.14% of all producer skim milk (\$6.74 per hundredweight) and 20.80% of producer butterfat (\$1.1154 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.05% of all producer skim milk (\$7.15 per hundredweight) and 14.54% of producer butterfat (\$1.1084 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.46% of all producer skim milk (\$5.92 per hundredweight) and 27.85% of producer butterfat (\$1.1084 per pound).

Receipts of producer milk during January 2009 totaled 606.9 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2009. Class I route disposition in the area totaled 445.1 million pounds in December 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2008		
Whole Milk	146,331,532	32.87%
Fat Free Milk	50,097,320	11.25%
Lowfat Milk (incl. 1%)	33,591,137	7.55%
Reduced Fat Milk (incl. 2%)	161,249,120	36.22%
Cultured Fluid Milk (incl. Buttermilk)	10,135,507	2.28%
Flavored Drinks and Milk	43,737,264	9.83%
Total Disposition in Marketing Area	445,141,880	100.00%
Total Disposition by Pool Plants	350,590,605	78.76%
Total Disposition by Nonpool Plants	94,551,275	21.24%
Total Disposition in Marketing Area	445,141,880	100.00%

USDA Invites Proposals Regarding Producer-Handlers (cont.)

(continued from pg. 1) evaluated to determine whether the proposal will be accepted if a hearing to amend all orders is held. In accordance with 7 CFR 900.22 and adoption of the final rule published in the Federal Register on August 20, 2008 (73 FR 49085), proposal submissions must include detailed explanations of the following seven items:

- 1.) Explain the proposal. What is the disorderly marketing condition that the proposal is intended to address?
- 2.) What is the purpose of the proposal?
- 3.) Describe the current Federal order requirements or industry practices relative to the proposal.
- 4.) Describe the expected impact on the industry, including on producers and handlers, and on consumers. Explain/Quantify.
- 5.) What are the expected effects on small businesses as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612)? Explain/Quantify.
- 6.) How would the proposal increase or decrease costs to producers, handlers, others in the marketing chain, consumers, the Market Administrator offices and/or the Secretary? Explain/Quantify?
- 7.) Would a pre-hearing information session be helpful to explain the proposal?

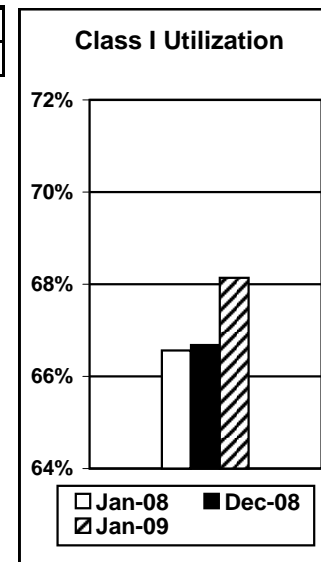
If USDA determines that a hearing will be held, all known interested parties will be mailed a copy of the Notice of Hearing. Anyone who desires to present evidence on proposals set forth in the Notice of Hearing will have an opportunity to do so at the hearing. Once a Notice of Hearing is issued and until the issuance of a Final Decision, USDA employees involved in the decisional process may not discuss the merits of a proceeding on an "ex parte" basis. Accordingly, it is suggested that any discussions you may wish to have with USDA personnel, including Market Administrator employees, be initiated as soon as possible. Procedural matters may be discussed at any time throughout the proceeding. For additional information on this announcement, visit www.fmmatlanta.com and click 'What's New'.

FEDERAL ORDER 7 - SOUTHEAST: 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
Nov 2007	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Nov 2007	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,900**	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia;** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods

February through April 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
FEB 2009	03/11/09	03/12/09	03/13/09	02/25/09	02/26/09	03/13/09	03/16/09
MAR 2009	04/11/09	04/13/09	04/14/09	03/25/09	03/26/09	04/14/09	04/15/09
APR 2009	05/11/09	05/12/09	05/13/09	04/27/09	04/27/09	05/13/09	05/14/09

** The base rate for making partial payments in Fulton County, GA for February will be \$14.96 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.62 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 467 February 10, 2009

Milk production forecasts for 2009 are lowered from last month. The January 30 Cattle report estimated that dairy cow inventories on January 1, 2009, were almost 1 percent above a year earlier and only fractionally fewer heifers were being retained for addition to dairy herds. Assuming no significant herd reductions in the first part of the year, producer returns are expected to be heavily pressured resulting in a relatively sharp reduction in inventories during the latter part of the year. Output per cow is unchanged from last month. Both domestic and export demand is forecast to remain weak due to economic uncertainty. Commercial export forecasts for 2009 are reduced from last month as weak international demand and expected competition from recently announced subsidized EU-27 exports limit opportunities for commercial exports. Conversely, lower international prices are expected to result in slightly higher U.S. imports of dairy products, primarily cheese. Fat basis ending stocks are forecast lower as supplies tighten later in the year on lower milk production, but skim-solids stocks are raised as exports of nonfat dry milk (NDM) are limited and supplies burden the market. Sales of butter and NDM to the CCC are forecast higher.

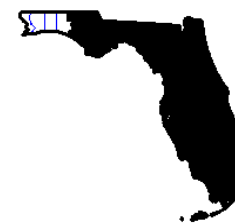
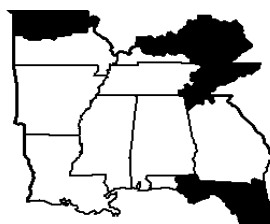
Milk and dairy product price estimates for 2009 are reduced as first-half product prices are expected to be pressured by the confluence of weak demand and burdensome supplies. As milk production is reduced, especially in the latter part of the year, tighter milk supplies are expected to help lift second half prices from their midyear lows. However, weaker forecast exports and continued weakness in domestic demand keep prices later in the year lower than forecast last month. As a result, the annual average product and Class prices are forecast below last month. The all milk price is also forecast lower, \$10.95 to \$11.65 per cwt in 2009.

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.



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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

March 2009

Volume 10—No. 3

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Public Information Session Announced

The U.S. Department of Agriculture (USDA) will hold a public information session March 20, 2009, to address proposals received to amend Federal milk marketing order producer-handler and exempt plant provisions. Please read the notice inserted for additional information.

Market News Web Portal to Include Dairy

The USDA has announced that its Market News Portal has been expanded to include Dairy Market News. The portal, operated by USDA's Agricultural Marketing Service (AMS), significantly enhances Market News web site services. The Market News web portal provides instant, real-time access to daily and historical reports on agricultural commodity markets. The system came on line in 2005, beginning with Fruits and Vegetables and Livestock and Grain. The portal can be accessed at <http://www.marketnews.usda.gov/>.

The expanded web portal will help more businesses make marketing decisions with instant access to Market News data bases. The portal makes customized current and historical data available almost instantly.

Registered users can log into the portal, access information, download it in several user-defined formats, and establish electronic bookmarks to quickly locate specific data. Users can create their own market summary charts to provide snapshots of commodity prices based on location and dates for many commodities. The portal also offers additional features, such as nationwide weather reports and metric and currency conversions. There is no cost (continued on pg. 4)

Reminder: Our Address Has Changed

Our P.O. Box is no longer in use. Please direct all written communications to: 1550 North Brown Road, Suite 120, Lawrenceville, GA 30043.

Uniform Price Lower

The uniform price in Fulton County, GA, was \$13.22 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$3.40 lower than the previous month and is \$7.68 less than February of last year.

Class I utilization was 67.93 percent in February, a decrease of 0.21 percent compared with the previous month and an increase of 3.71 percent compared with February of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 16.1 billion pounds, an increase of 0.8 percent from January 2008 and an increase of 1.3 percent when compared with December 2008 on a daily average basis. Total cheese output (excluding cottage cheese) was 821 million pounds, 1.0 percent above January 2008 but 4.4 percent below December 2008. Butter production was 175 million pounds, 3.5 percent above January 2008 and 11.8 percent above December 2008.

Nonfat dry milk powder production was 156 million pounds in January, 31.1 percent higher than January 2008 and 0.6 percent higher than December 2008 on a daily average basis. Dry whey production was 88.6 million pounds in January, a 3.6 percent decrease from January of last year and a 3.1 percent decrease from last month. The milk-feed price ratio was 1.44 in February, down 0.15 points from January's revised ratio.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for February 2009 were made for \$1,511,178.37. Since the available balance was \$1,112,760.76, eligible claims were paid at the rate of approximately \$0.74 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.90%	7,442,768	\$1.1140	\$ 8,291,243.54
Class I Differential at Location				247,329.29
Class II Butterfat	25.66%	5,177,124	\$1.1011	5,700,531.26
Class III Butterfat	20.82%	4,199,113	\$1.0941	4,594,249.54
Class IV Butterfat	16.62%	3,352,970	\$1.0941	3,668,484.48
Total Butterfat	100.00%	20,171,975		\$ 22,501,838.11

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.1155**

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	69.12%	363,473,569	\$7.07 /cwt.	\$ 25,697,581.33
Class I Butterfat	36.90%	7,442,768	\$1.1140 /lb.	8,291,243.54
Class I Differential at Location		370,916,337		12,424,244.16
Total Class I Milk	67.93%	370,916,337		\$ 46,413,069.03
Class II Skim Milk	9.88%	51,948,001	\$6.63 /cwt.	\$ 3,444,152.49
Class II Butterfat	25.66%	5,177,124	\$1.1011 /lb.	5,700,531.26
Total Class II Milk	10.46%	57,125,125		\$ 9,144,683.75
Class III Skim Milk	17.82%	93,675,862	\$5.68 /cwt.	\$ 5,320,788.99
Class III Butterfat	20.82%	4,199,113	\$1.0941 /lb.	4,594,249.54
Total Class III Milk	17.93%	97,874,975		\$ 9,915,038.53
Class IV Skim Milk	3.18%	16,726,335	\$5.82 /cwt.	\$ 973,472.73
Class IV Butterfat	16.62%	3,352,970	\$1.0941 /lb.	3,668,484.48
Total Class IV Milk	3.68%	20,079,305		\$ 4,641,957.21
Producer Milk	100.00%	545,995,742		\$ 70,114,748.52

Adjustments

Overage and Other Source	\$6,651.03
Inventory Adjustments	\$2,787.24
Producer butterfat at uniform butterfat price	(\$22,501,838.11)
Location Adjustments to Producers	\$3,157,682.22
1/2 Unobligated Balance in P.S.F	\$187,336.80

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 9.69286	\$50,967,367.70
	\$ 0.04286	\$225,374.17

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$9.65

Uniform Price per cwt. (Fulton County, Georgia)

\$13.22*

* At 3.5% butterfat test; for information purposes.

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

<u>MARKET NAME</u> <u>(Priced at)</u>	<u>CLASS I</u>		<u>UNIFORM</u>		<u>CLASS I %</u>
	<u>FEB 2009</u>	<u>MAR 2009</u>	<u>JAN 2009</u>	<u>FEB 2009</u>	<u>FEB 2009</u>
Appalachian (Charlotte)	\$ 14.12	\$ 12.83	\$ 16.41	\$ 12.98	69.00%
Arizona (Phoenix)	\$ 13.07	\$ 11.78	\$ 12.49	\$ 10.69	33.22%
Central (Kansas City)	\$ 12.72	\$ 11.43	\$ 12.49	\$ 10.38	31.86%
Florida (Tampa)	\$ 16.12	\$ 14.83	\$ 18.92	\$ 15.02	81.37%
Mideast (Cleveland)	\$ 12.72	\$ 11.43	\$ 13.22	\$ 10.83	42.40%
Northeast (Boston)	\$ 13.97	\$ 12.68	\$ 14.14	\$ 11.75	43.00%
Pacific Northwest (Seattle)	\$ 12.62	\$ 11.33	\$ 12.12	\$ 10.31	28.55%
Southeast (Atlanta)	\$ 14.52	\$ 13.23	\$ 16.62	\$ 13.22	67.93%
Southwest (Dallas)	\$ 13.72	\$ 12.43	\$ 13.50	\$ 11.31	34.36%
Upper Midwest (Chicago)	\$ 12.52	\$ 11.23	\$ 11.60	\$ 9.82	14.30%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	February 2009	February 2008
Producer Milk		
Class I	370,916,337	389,275,544
Class II	57,125,125	69,259,388
Class III	97,874,975	94,584,357
Class IV	20,079,305	52,992,042
	<hr/>	<hr/>
Total Producer Milk	545,995,742	606,111,331
Average Butterfat Test	3.69%	3.75%
Percent of Producer Milk in Class I	67.93%	64.22%
Daily Average Receipts	19,499,848	20,900,391
Other Source Milk		
Class I	8,128,170	7,529,376
Class II	3,013,772	12,723,612
Class III	11,437,257	2,394,416
Class IV	7,988,644	8,297,361
	<hr/>	<hr/>
Total Other Source Milk	30,567,843	30,944,765
Overage		
Class I	0	1,778
Class II	0	0
Class III	0	0
Class IV	6,079	24,907
	<hr/>	<hr/>
Total Overage	6,079	26,685
Opening Inventory		
Class I	26,514,391	37,488,681
Class II	525,109	2,806,369
Class III	6,088,859	79,084
Class IV	14,891,998	14,019,312
	<hr/>	<hr/>
Total Opening Inventory	48,020,357	54,393,446
	<hr/>	<hr/>
Total Receipts	624,590,021	691,476,227
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	29,529,838	34,862,583
Route Disposition Class I	365,154,256	388,573,939
Shrinkage	1,641,343	3,112,969
Transfers & Diversions to Nonpool	9,233,461	7,745,888
	<hr/>	<hr/>
Total Class I Utilization	405,558,898	434,295,379
Average Butterfat Test	1.99%	2.02%
Daily Average Utilization	14,484,246	14,975,703
Class II Utilization		
Nonfluid Used To Produce	1,568,105	2,243,937
Shrinkage	541,132	3,378
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,984,601	50,739,267
	<hr/>	<hr/>
Total Class II Utilization	60,664,006	84,789,369
Average Butterfat Test	9.69%	7.97%
Class III Utilization		
Shrinkage	7,300,970	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	103,656,529	97,057,857
	<hr/>	<hr/>
Total Class III Utilization	115,401,091	97,057,857
Average Butterfat Test	3.76%	4.41%
Class IV Utilization		
Inventory	19,833,001	14,020,385
Nonfluid Used To Fortify	1,363,993	1,193,563
Shrinkage	0	7,012,270
Transfers & Diversions to Nonpool Used To Produce/Other Uses	21,769,032	48,462,247
	<hr/>	<hr/>
Total Class IV Utilization	42,966,026	75,333,622
Average Butterfat Test	11.67%	8.61%
	<hr/>	<hr/>
Total Utilization	624,590,021	691,476,227

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2009 is \$13.22 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.65 per hundredweight plus 3.5 times the uniform butterfat price of \$1.1155 per pound. Payment to producers may be reduced 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 February, Class I use, which is primarily bottled or packaged fluid milk, accounted for 69.12% of all producer skim milk (priced to handlers at \$7.07 per hundredweight, plus the Class I differential, see page 2) and 36.90% of producer butterfat (priced to handlers at \$1.1140 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.88% of all producer skim milk (\$6.63 per hundredweight) and 25.66% of producer butterfat (\$1.1011 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.82% of all producer skim milk (\$5.68 per hundredweight) and 20.82% of producer butterfat (\$1.0941 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.18% of all producer skim milk (\$5.82 per hundredweight) and 16.62% of producer butterfat (\$1.0941 per pound).

Receipts of producer milk during February 2009 totaled 546.0 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2009. Class I route disposition in the area totaled 456.3 million pounds in January 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
January 2009		
Whole Milk	145,698,715	31.93%
Fat Free Milk	53,622,772	11.75%
Lowfat Milk (incl. 1%)	37,397,303	8.20%
Reduced Fat Milk (incl. 2%)	164,947,823	36.15%
Cultured Fluid Milk (incl. Buttermilk)	9,330,458	2.04%
Flavored Drinks and Milk	45,287,555	9.93%
Total Disposition in Marketing Area	456,284,626	100.00%
Total Disposition by Pool Plants	363,030,212	79.56%
Total Disposition by Nonpool Plants	93,254,414	20.44%
Total Disposition in Marketing Area	456,284,626	100.00%

USDA Expands Market News Web Portal to Include Dairy (cont.)

(continued from pg. 1) to register. USDA Market News reports provide timely, unbiased and reliable information to producers, shippers and handlers, manufacturers and processors, wholesale and retail marketers, market analysts and others. USDA and cooperating State agency market reporters gather information on supplies, demand, and prices of agricultural commodities.

Established in 1915, USDA Market News issues over 1000 daily reports on fruits and vegetables, livestock, dairy products, grain, poultry, and cotton. The service helps businesses make informed marketing decisions and is a primary data source for other uses – such as contract pricing, dispute resolution, and insurance settlements.

USDA Concludes Proceeding to Amend Appalachian and Southeast Milk Marketing Orders

The USDA has announced a rule that concludes the rulemaking proceeding to consider proposals to amend the producer-handler provisions of the Appalachian and Southeast Milk Marketing Orders. The proposed amendments were considered at a public hearing held at Atlanta, Georgia, in February 2004.

The rule terminates the proceeding concerning proposed amendments that would: 1) Limit the exemption for producer-handlers to those dairy farmers with less than 3 million pounds of fluid milk products sales; and 2) Allow dairy farmers to purchase supplemental supplies of milk from other sources while retaining their producer-handler status.

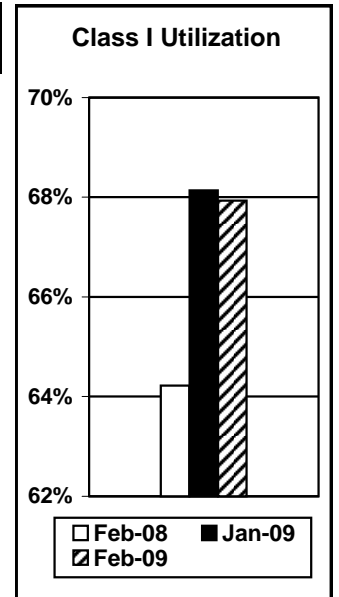
Other proposals considered as part of this proceeding were addressed in previously issued decisions. The rule terminating the proceeding appears in the March 13, 2009 Federal Register.

FEDERAL ORDER 7 - SOUTHEAST: 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
Nov 2007	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Nov 2007	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,900**	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia;** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods March through May 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
MAR 2009	04/11/09	04/13/09	04/14/09	03/25/09	03/26/09	04/14/09	04/15/09
APR 2009	05/11/09	05/12/09	05/13/09	04/27/09	04/27/09	05/13/09	05/14/09
MAY 2009	06/11/09	06/12/09	06/15/09	05/26/09	05/26/09	06/15/09	06/16/09

** The base rate for making partial payments in Fulton County, GA for March will be \$11.90 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.22 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 468 March 11, 2009

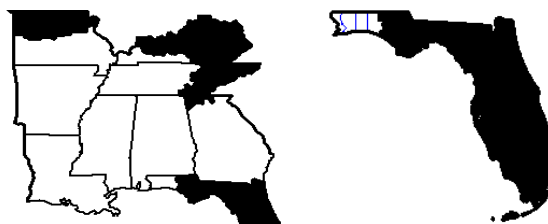
Milk production for 2009 is lowered from last month. Cow numbers for 2009 are forecast higher than last month because recent revisions to 2008 cow estimates indicated a larger-than-expected dairy herd. However, milk production forecasts for 2009 are lowered as milk per cow growth is forecast slower, reflecting poor returns. The herd liquidation rate during 2009 is raised from last month. Trade forecasts for 2009 are unchanged from last month. CCC net removals are reduced as early demand strength is helping absorb dairy products and reduced production later in the year is expected to help limit supplies. Milk production estimates for 2008 are revised higher. Trade estimates for 2008 reflect December data. Ending stocks for 2008 are raised to reflect recently published revisions.

Milk price estimates for 2009 are raised. Forecasts for butter and cheese prices are raised from last month as demand has been stronger than expected and later year reductions in milk supplies are expected to support product prices. Nonfat dry milk and whey prices are unchanged. As a result of higher cheese and butter prices, the annual Class III and Class IV price forecasts are raised. The all milk price is also forecast higher this month at \$11.25 to \$11.85 per cwt.

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.



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Service

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Room 2968-S, STOP 0225
Washington, DC 20250-0225

March 13, 2009

USDA to Host an Information Session Regarding Proposals Received Seeking to Amend Producer-Handler and Exempt Plant Provisions of Federal Milk Marketing Orders

The Department of Agriculture (USDA) is hosting a public information session to ensure that all proposals received are fully understood. The information session will begin at 8:30 a.m. on March 20, 2009 in the USDA Whitten Building, 1400 Independence Ave, SW, Room 107-A, Washington, DC, 20250. The session will be available for attendance, telephone call-in, or via live Audio Webcast.

The purpose of the pre-hearing information session is for interested parties to learn about the intent of proposals that have been submitted to amend producer-handler and exempt plant provisions and how the proposals would accomplish that intent. The session is intended to clarify the intent and effect of proposed amendments. The session will enable proponents to better prepare testimony and evidence in support of, or in opposition to, proposals that may be included should a Notice of Hearing regarding the amendment of producer-handler and exempt plant provisions be issued.

The session will not become part of an official hearing record and will be conducted outside of ex-parte rules allowing government officials to freely discuss the proposed amendments. Participation in the information session is strongly encouraged for all parties that have submitted proposals to ensure that the proposals are understood by USDA. Participants should be prepared to present their proposal(s) and answer questions from a panel of USDA representatives.

In accordance with security requirements at USDA Headquarters facilities you will need to provide the full name(s) of all representatives attending the information session. Should you wish to attend, please RSVP to Kate Fisher at (202) 720-9368, or by e-mail at: Kate.Fisher@ams.usda.gov your intent to participate no later than March 17, 2009.

All proposals that were submitted along with additional information regarding the session will be available on March 16, 2009 at <http://www.ams.usda.gov/dairy>.

Sincerely,

Dana H. Coale /s/
Deputy Administrator
Dairy Programs

**United States Department of Agriculture
Dairy Programs
Order Formulation and Enforcement Branch**

Pre-Hearing Information Session

Practice & Procedure Information

Statement of Purpose

The purpose of the pre-hearing information session is for interested parties to learn about the intent of proposals that have been submitted to amend a provision of a Federal milk order and how the proposals would accomplish that intent. The session is intended to clarify the intent and effect of proposed amendments. The session will not become part of an official hearing record and are conducted outside of ex-parte rules thus allowing government officials to freely discuss proposed amendments.

Participation in the information session is strongly encouraged for all parties who have submitted proposals to ensure that they are understood by USDA. The session will enable participants to better prepare testimony and evidence in support of, or in opposition to, proposals that may be included in a Notice of Hearing should it one be issued.

Information sessions may not be held for all requests made to change Federal milk order provisions. Requests will be evaluated by USDA on a case-by-case basis to determine whether an information session is necessary. The proceedings of the information session will not be made part of the hearing record. Parties submitting proposals may request an information session when submitting a proposal for formal rulemaking. The decision of USDA to hold an information session does not guarantee that a hearing will occur or that any proposal will be included in a hearing notice.

Information Session Procedures

The information session will be presided over by a panel of representatives from Dairy Programs and Market Administrator offices. Each party submitting a proposal will have an opportunity to present their proposal, the intent/effect of the proposal, ask procedural questions regarding the proposal to the panel and request the preparation of data for use at a hearing. The panel will then ask a series of questions to each party. Only the panel may ask questions. If other parties would like a specific question asked, questions may be submitted to the panel prior to or during the session for consideration.

The information session is intended to provide a venue for the open and non-judgmental discussion of proposals. The session is intended to be completed within one day. Cooperation among all participants during the information session is expected.

All proposals and comments received in response to a specific request will be available to the public via the Dairy Programs website (<http://www.ams.usda.gov/dairy>) prior to the information session. USDA may elect to provide background information regarding certain topics. After the close of an information session, parties who have submitted a proposal will have 3 calendar days March 23, 2009, to modify or withdraw their original proposals. Any requests for government prepared data for use at a hearing must also be submitted to USDA by the same date – March 23, 2009. Requests for government prepared data after this date may not be honored.

USDA will consider the information presented at the session to assist in determining the necessity of a hearing and consistency of proposals with the Agricultural Marketing Agreement Act. If a hearing is held, a hearing notice will be published in the Federal Register.

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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

April 2009

Volume 10—No. 4

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Hearing Announced on Proposed Amendments to All Federal Milk Orders

The U. S. Department of Agriculture has announced that it will hold a national public hearing to consider proposals seeking to amend or remove the producer-handler provisions and revise the exempt plant provisions applicable to all Federal milk marketing orders. The hearing will begin at 1 p.m. on May 4, 2009, at The Westin - Cincinnati, 21 East Fifth Street, Cincinnati, Ohio, 45202.

USDA will also consider a proposal seeking to amend the orders to include provisions related to individual handler pools as an alternative to the producer-handler provisions.

The National Milk Producers Federation and the International Dairy Foods Association submitted initial proposals. USDA requested additional proposals from the industry that would examine all features of the producer-handler and exempt plant provisions. USDA received proposals from dairy farmers, producer-handlers, dairy farmer cooperatives, and fluid milk processors.

Anyone interested in participating in the hearing should notify an official from USDA upon arrival. The hearing notice was published in the April 9, 2009 Federal Register. Copies of the hearing notice and additional information are available from USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231 and may also be found on the AMS web site at www.ams.usda.gov/dairy.

If you have questions or concerns regarding this announcement, you may contact this office directly or visit www.fmmatlanta.com.

Reminder: Our Address Has Changed

Our P.O. Box is no longer in use. Please direct all written communications to: 1550 North Brown Road, Suite 120, Lawrenceville, GA 30043.

March Uniform Price Falls

The uniform price in Fulton County, GA, was \$12.47 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.75 lower than the previous month and is \$6.32 per hundredweight lower than March of last year.

Class I utilization was 60.71 percent in March, a decrease of 7.22 percent compared with the previous month and a decrease of 4.09 percent compared with March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 14.7 billion pounds, an decrease of 2.8 percent from February 2008 and an increase of 1.4 percent when compared with January 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 769 million pounds, 1.4 percent higher than February 2008 and 3.3 percent higher than January 2009 on a daily average basis. Butter production was 145 million pounds, 2.4 percent above February 2008 and a decrease of 8.0 percent compared to January 2009 on a daily average basis.

Nonfat dry milk powder production was 123 million pounds in February, 8.0 percent higher than February 2008 and 11.6 percent lower than January 2009 on a daily average basis. Dry whey production was 82.7 million pounds in February, a 2.7 percent decrease from February of last year and a 3.5 percent below last month on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.51 in March 2009, up 0.01 points from February's revised ratio.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.81%	8,327,421	\$1.0918	\$ 9,091,878.25
Class I Differential at Location				277,962.84
Class II Butterfat	23.84%	5,872,605	\$1.1664	6,849,806.46
Class III Butterfat	20.89%	5,145,375	\$1.1594	5,965,547.78
Class IV Butterfat	21.46%	5,287,185	\$1.1594	6,129,962.28
Total Butterfat	100.00%	24,632,586		\$ 28,315,157.61

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.1495**

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	61.72%	403,139,566	\$5.81 /cwt.	\$ 23,422,408.78
Class I Butterfat	33.81%	8,327,421	\$1.0918 /lb.	9,091,878.25
Class I Differential at Location		411,466,987		13,788,869.68
Total Class I Milk	60.71%	411,466,987		\$ 46,303,156.71
Class II Skim Milk	9.62%	62,805,454	\$6.51 /cwt.	\$ 4,088,635.05
Class II Butterfat	23.84%	5,872,605	\$1.1664 /lb.	6,849,806.46
Total Class II Milk	10.13%	68,678,059		\$ 10,938,441.51
Class III Skim Milk	19.32%	126,173,130	\$6.61 /cwt.	\$ 8,340,043.89
Class III Butterfat	20.89%	5,145,375	\$1.1594 /lb.	5,965,547.78
Total Class III Milk	19.38%	131,318,505		\$ 14,305,591.67
Class IV Skim Milk	9.34%	60,971,436	\$5.78 /cwt.	\$ 3,524,149.02
Class IV Butterfat	21.46%	5,287,185	\$1.1594 /lb.	6,129,962.28
Total Class IV Milk	9.78%	66,258,621		\$ 9,654,111.30
Producer Milk	100.00%	677,722,172		\$ 81,201,301.19

Adjustments

Overage and Other Source	\$2,517.09
Inventory Adjustments	\$32,703.94
Producer butterfat at uniform butterfat price	(\$28,315,157.61)
Location Adjustments to Producers	\$4,344,503.46
1/2 Unobligated Balance in P.S.F	\$165,320.14
Adjusted Pool Value	\$ 8.79377
Reserve for Producer Settlement Func	\$ 0.04377
	\$57,431,188.21
	\$285,849.41

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$8.75

Uniform Price per cwt. (Fulton County, Georgia)

\$12.47*

* 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 %
	MAR 2009	APR 2009	FEB 2009	MAR 2009	MAR 2009
Appalachian (Charlotte)	\$ 12.83	\$ 13.76	\$ 12.98	\$ 12.29	69.60%
Arizona (Phoenix)	\$ 11.78	\$ 12.71	\$ 10.69	\$ 10.63	32.00%
Central (Kansas City)	\$ 11.43	\$ 12.36	\$ 10.38	\$ 10.44	35.10%
Florida (Tampa)	\$ 14.83	\$ 15.76	\$ 15.02	\$ 14.19	83.89%
Mideast (Cleveland)	\$ 11.43	\$ 12.36	\$ 10.83	\$ 10.73	40.80%
Northeast (Boston)	\$ 12.68	\$ 13.61	\$ 11.75	\$ 11.56	43.10%
Pacific Northwest (Seattle)	\$ 11.33	\$ 12.26	\$ 10.31	\$ 10.48	31.07%
Southeast (Atlanta)	\$ 13.23	\$ 14.16	\$ 13.22	\$ 12.47	60.71%
Southwest (Dallas)	\$ 12.43	\$ 13.36	\$ 11.31	\$ 11.45	53.61%
Upper Midwest (Chicago)	\$ 11.23	\$ 12.16	\$ 9.82	\$ 10.57	14.10%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	March 2009	March 2008
Producer Milk		
Class I	411,466,987	398,125,806
Class II	68,678,059	83,411,270
Class III	131,318,505	82,832,840
Class IV	66,258,621	49,998,844
Total Producer Milk	<u>677,722,172</u>	<u>614,368,760</u>
Average Butterfat Test	3.63%	3.71%
Percent of Producer Milk in Class I	60.71%	64.80%
Daily Average Receipts	21,862,006	19,818,347
Other Source Milk		
Class I	8,074,482	7,161,588
Class II	3,078,782	13,484,873
Class III	2,262,601	3,085,939
Class IV	8,851,877	12,536,956
Total Other Source Milk	<u>22,267,742</u>	<u>36,269,356</u>
Overage		
Class I	0	0
Class II	0	0
Class III	2,158	0
Class IV	0	140,440
Total Overage	<u>2,158</u>	<u>140,440</u>
Opening Inventory		
Class I	29,529,838	34,862,583
Class II	1,210,562	1,495,280
Class III	2,208,973	40,875
Class IV	16,413,466	12,604,888
Total Opening Inventory	<u>49,362,839</u>	<u>49,003,626</u>
Total Receipts	749,354,911	699,782,182
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	35,302,448	29,468,238
Route Disposition Class I	399,868,499	399,376,463
Shrinkage	2,989,095	3,407,912
Transfers & Diversions to Nonpool	10,911,265	7,897,364
Total Class I Utilization	<u>449,071,307</u>	<u>440,149,977</u>
Average Butterfat Test	2.01%	2.06%
Daily Average Utilization	14,486,171	14,198,386
Class II Utilization		
Nonfluid Used To Produce	1,454,555	2,162,722
Shrinkage	487,925	341
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	45,684,020	60,848,039
Total Class II Utilization	<u>25,343,061</u>	<u>35,380,321</u>
Average Butterfat Test	9.15%	7.42%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	135,790,079	85,959,654
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	3.88%	4.47%
Class IV Utilization		
Inventory	17,394,737	22,502,239
Nonfluid Used To Fortify	1,817,604	1,222,178
Shrinkage	7,677,954	6,241,423
Transfers & Diversions to Nonpool Used To Produce/Other Uses	59,811,468	40,335,322
Total Class IV Utilization	<u>4,822,201</u>	<u>4,979,966</u>
Average Butterfat Test	7.38%	8.32%
Total Utilization	749,354,911	699,782,182

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2009 is \$12.47 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.75 per hundredweight plus 3.5 times the uniform butterfat price of \$1.1495 per pound. Payment to producers may be reduced 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 March, Class I use, which is primarily bottled or packaged fluid milk, accounted for 61.72% of all producer skim milk (priced to handlers at \$5.81 per hundredweight, plus the Class I differential, see page 2) and 33.81% of producer butterfat (priced to handlers at \$1.098 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.62% of all producer skim milk (\$6.51 per hundredweight) and 23.84% of producer butterfat (\$1.1664 per pound). Class III use, mostly milk used to produce cheese, accounted for 19.32% of all producer skim milk (\$6.61 per hundredweight) and 20.89% of producer butterfat (\$1.1594 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.34% of all producer skim milk (\$5.78 per hundredweight) and 21.46% of producer butterfat (\$1.1594 per pound).

Receipts of producer milk during March 2009 totaled 677.7 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2009. Class I route disposition in the area totaled 397.2 million pounds in February 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2009		
Whole Milk	123,537,438	31.11%
Fat Free Milk	46,737,018	11.77%
Lowfat Milk (incl. 1%)	32,186,883	8.10%
Reduced Fat Milk (incl. 2%)	142,665,584	35.92%
Cultured Fluid Milk (incl. Buttermilk)	8,086,023	2.04%
Flavored Drinks and Milk	43,941,864	11.06%
Total Disposition in Marketing Area	397,154,810	100.00%
Total Disposition by Pool Plants	320,884,495	80.80%
Total Disposition by Nonpool Plants	76,270,315	19.20%
Total Disposition in Marketing Area	397,154,810	100.00%

Mailbox Milk Prices, January 2009 with Comparisons

Reporting Area 1/	January 2008	December 2008	2008 Average	January 2009
New England States 3/	\$21.78	\$16.18	\$19.14	\$14.95
Eastern Pennsylvania 4/	\$21.30	\$15.63	\$18.60	\$14.45
Appalachian States 5/	\$22.21	\$16.58	\$20.12	\$16.55
Southeast States 6/	\$22.94	\$17.39	\$20.94	\$17.05
Southern Missouri 7/	\$21.15	\$15.54	\$18.84	\$14.98
Florida	\$23.87	\$18.61	\$22.50	\$18.39
Western Pennsylvania 8/	\$21.14	\$15.92	\$18.75	\$14.37
Indiana	\$21.23	\$15.83	\$18.77	\$14.86
Wisconsin	\$20.79	\$16.63	\$18.63	\$12.94
Corn Belt States 9/	\$19.97	\$15.20	\$17.78	\$13.61
Western Texas 10/	\$19.53	\$14.45	\$17.20	\$12.98
Northwest States 11/	\$19.59	\$14.55	\$17.25	\$12.75
All Federal Orders 12/	\$20.70	\$16.12	\$18.41	\$13.77
California 13/	\$17.97	\$12.83	\$16.17	\$10.57

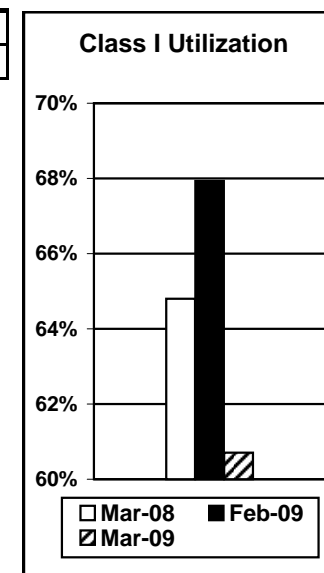
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by California Department of Food and Agriculture.

FEDERAL ORDER 7 - SOUTHEAST: 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
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$6.01	\$1.2998	\$10.35	\$12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$5.92	\$1.1084	\$9.59	\$12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$5.82	\$1.0941	\$9.45	\$9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,900**	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods April through June 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
APR 2009	05/11/09	05/12/09	05/13/09	04/27/09	04/27/09	05/13/09	05/14/09
MAY 2009	06/11/09	06/12/09	06/15/09	05/26/09	05/26/09	06/15/09	06/16/09
JUN 2009	07/11/09	07/13/09	07/14/09	06/25/09	06/26/09	07/14/09	07/15/09

** The base rate for making partial payments in Fulton County, GA for April will be \$11.22 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.47 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 469 April 9, 2009

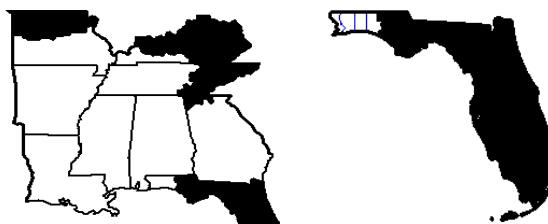
Milk production forecasts for 2009 are lowered from last month. Cow numbers for 2009 are forecast lower, as producers are expected to liquidate herds in response to poor returns. The recently announced Cooperatives Working Together (CWT) herd buyout is expected to encourage a more rapid reduction in cow numbers by encouraging producers to reduce herds. Milk per cow growth is slowed from last month reflecting poor returns. Import forecasts are unchanged from last month, but commercial exports are lowered due to reduced butter exports. CCC net removals are reduced as strengthening prices through the year will result in lower sales of dairy products to the CCC.

Milk price estimates for 2009 are raised. Forecasts for all dairy products are up from last month. Reductions in milk supplies are expected to support product prices. As a result of higher product prices, the Class III and Class IV price forecasts are raised from last month. The all milk price is also forecast higher this month at \$11.85 to \$12.35 per cwt.

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
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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

May 2009

Volume 10—No. 5

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Comparing Retail and Producer Milk Prices

Producer milk prices have dramatically declined over the past six months. Historically, declines in producer milk prices do eventually result in lower prices to consumers, though other segments of the marketing chain tend to pass along price reductions more slowly than price increases. Have retail milk prices fallen at the same rate as producer milk prices? Examining two different retail price surveys, one conducted by the U.S. Department of Agriculture (USDA) and one conducted by the U.S. Department of Labor (DOL) suggests the answer is no. The Class I 'mover', that is to say the Federal Order fluid milk price without location adjustments, has fallen 50.6% since January 2008. The retail price of whole milk has fallen 8.3% in New Orleans, LA, 23.3% in Miami, FL and 26.8% in Atlanta, GA according to the USDA survey. The DOL's more comprehensive survey (the consumer price index or 'CPI Milk: Southern Cities' in chart below) shows a 19.7% decline in retail milk prices. Page four of this Bulletin has a more detailed depiction of these price series.

Changes in Retail and Producer Milk Price: January 2008 to April 2009

Price Series	Jan-08	Apr-09	% Chg
Retail Price:Atlanta,GA	\$4.26	\$3.12	-26.8%
Retail Price:Miami, FL	\$4.29	\$3.29	-23.3%
Retail Price:New Orleans, LA	\$4.35	\$3.99	-8.3%
CPI Milk: Southern Cities	\$4.22	\$3.39*	-19.7%
Class I Price 'Mover'	\$20.97	\$10.36	-50.6%

*March 2009 price, April not available at time of publication.

April Uniform Price Up

The uniform price in Fulton County, GA, was \$13.14 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.67 higher than the previous month but is \$6.83 per hundredweight lower compared with April of last year.

Class I utilization was 61.02 percent in April, an increase of 0.31 percent compared with the previous month and a decrease of 2.74 percent compared with April of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 16.4 billion pounds, a decrease of 0.3 percent from March 2008 and an increase of 0.5 percent when compared with February 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 871 million pounds, 4.3 percent higher than March 2008 and 2.3 percent above February 2009 on a daily average basis. Butter production was 145 million pounds, 4.4 percent less than March 2008 and a decline of 9.7 percent compared with February 2009 on a daily average basis.

Nonfat dry milk powder production was 136 million pounds in March, a slight increase compared with March 2008 and a slight decrease compared to February 2009 on a daily average basis. Dry whey production was 92.3 million pounds in March, a decrease of 5.7 percent compared with March of last year and 0.8 percent higher than last month on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.59 in April 2009, up 0.02 points from March's revised ratio.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.46%	8,018,035	\$1.1500	\$ 9,220,740.25
Class I Differential at Location				267,142.04
Class II Butterfat	24.82%	5,775,154	\$1.2119	6,998,909.15
Class III Butterfat	20.66%	4,806,785	\$1.2049	5,791,695.23
Class IV Butterfat	20.06%	4,667,051	\$1.2049	5,623,329.71
Total Butterfat	100.00%	23,267,025		\$ 27,901,816.38

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.1992**

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	62.01%	385,651,221	\$6.56 /cwt.	\$ 25,298,720.11
Class I Butterfat	34.46%	8,018,035	\$1.1500 /lb.	9,220,740.25
Class I Differential at Location		393,669,256		13,181,903.19
Total Class I Milk	61.02%	393,669,256		\$ 47,701,363.55
Class II Skim Milk	9.09%	56,512,869	\$6.47 /cwt.	\$ 3,656,382.63
Class II Butterfat	24.82%	5,775,154	\$1.2119 /lb.	6,998,909.15
Total Class II Milk	9.65%	62,288,023		\$ 10,655,291.78
Class III Skim Milk	18.96%	117,934,283	\$6.80 /cwt.	\$ 8,019,531.24
Class III Butterfat	20.66%	4,806,785	\$1.2049 /lb.	5,791,695.23
Total Class III Milk	19.02%	122,741,068		\$ 13,811,226.47
Class IV Skim Milk	9.94%	61,831,214	\$5.81 /cwt.	\$ 3,592,393.54
Class IV Butterfat	20.06%	4,667,051	\$1.2049 /lb.	5,623,329.71
Total Class IV Milk	10.31%	66,498,265		\$ 9,215,723.25
Producer Milk	100.00%	645,196,612		\$ 81,383,605.05

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$78,090.77
Producer butterfat at uniform butterfat price	(\$27,901,816.38)
Location Adjustments to Producers	\$4,118,119.55
1/2 Unobligated Balance in P.S.F	\$277,527.16
Adjusted Pool Value	\$ 9.31866
Reserve for Producer Settlement Func	\$ 0.04866
	\$57,955,526.15
	\$302,653.45

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$9.27

Uniform Price per cwt. (Fulton County, Georgia)

\$13.14*

* 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 %
	APR 2009	MAY 2009	MAR 2009	APR 2009	APR 2009
Appalachian (Charlotte)	\$ 13.76	\$ 14.37	\$ 12.29	\$ 12.97	68.05%
Arizona (Phoenix)	\$ 12.71	\$ 13.32	\$ 10.63	\$ 11.06	32.28%
Central (Kansas City)	\$ 12.36	\$ 12.97	\$ 10.44	\$ 10.91	31.56%
Florida (Tampa)	\$ 15.76	\$ 16.37	\$ 14.19	\$ 15.11	85.80%
Mideast (Cleveland)	\$ 12.36	\$ 12.97	\$ 10.73	\$ 11.28	39.60%
Northeast (Boston)	\$ 13.61	\$ 14.22	\$ 11.56	\$ 12.08	41.70%
Pacific Northwest (Seattle)	\$ 12.26	\$ 12.87	\$ 10.48	\$ 11.01	33.08%
Southeast (Atlanta)	\$ 14.16	\$ 14.77	\$ 12.47	\$ 13.14	61.02%
Southwest (Dallas)	\$ 13.36	\$ 13.97	\$ 11.45	\$ 11.89	34.94%
Upper Midwest (Chicago)	\$ 12.16	\$ 12.77	\$ 10.57	\$ 10.98	13.30%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	April 2009	April 2008
Producer Milk		
Class I	393,669,256	388,115,181
Class II	62,288,023	81,107,576
Class III	122,741,068	100,604,041
Class IV	66,498,265	38,804,061
Total Producer Milk	<u>645,196,612</u>	<u>608,630,859</u>
Average Butterfat Test	3.61%	3.62%
Percent of Producer Milk in Class I	61.02%	63.76%
Daily Average Receipts	21,506,554	20,287,695
Other Source Milk		
Class I	7,341,349	6,344,256
Class II	3,513,264	14,906,860
Class III	2,253,667	2,524,562
Class IV	11,093,124	9,588,709
Total Other Source Milk	<u>24,201,404</u>	<u>33,364,387</u>
Overage		
Class I	0	0
Class II	0	26,334
Class III	0	0
Class IV	0	6,785
Total Overage	<u>0</u>	<u>33,119</u>
Opening Inventory		
Class I	35,640,331	32,019,591
Class II	2,537,761	2,975,177
Class III	3,009,888	380,875
Class IV	11,509,205	18,114,621
Total Opening Inventory	<u>52,697,185</u>	<u>53,490,264</u>
Total Receipts	722,095,201	695,518,629
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	34,970,235	31,691,919
Route Disposition Class I	389,639,977	384,285,318
Shrinkage	2,573,592	2,632,904
Transfers & Diversions to Nonpool	9,467,132	7,868,887
Total Class I Utilization	<u>436,650,936</u>	<u>426,479,028</u>
Average Butterfat Test	2.02%	2.04%
Daily Average Utilization	14,555,031	14,215,968
Class II Utilization		
Nonfluid Used To Produce	1,747,900	1,753,781
Shrinkage	317,963	54,382
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,174,336	59,961,930
Total Class II Utilization	<u>68,339,048</u>	<u>99,015,947</u>
Average Butterfat Test	9.96%	7.50%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	128,004,623	103,509,478
Total Class III Utilization	<u>128,004,623</u>	<u>103,509,478</u>
Average Butterfat Test	3.82%	4.12%
Class IV Utilization		
Inventory	18,031,020	23,561,350
Nonfluid Used To Fortify	1,620,957	1,272,229
Shrinkage	7,829,670	6,521,945
Transfers & Diversions to Nonpool Used To Produce/Other Uses	56,961,908	30,134,423
Total Class IV Utilization	<u>89,100,594</u>	<u>66,514,176</u>
Average Butterfat Test	6.71%	8.21%
Total Utilization	722,095,201	695,518,629

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2009 is \$13.14 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.27 per hundredweight plus 3.5 times the uniform butterfat price of \$1.1992 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

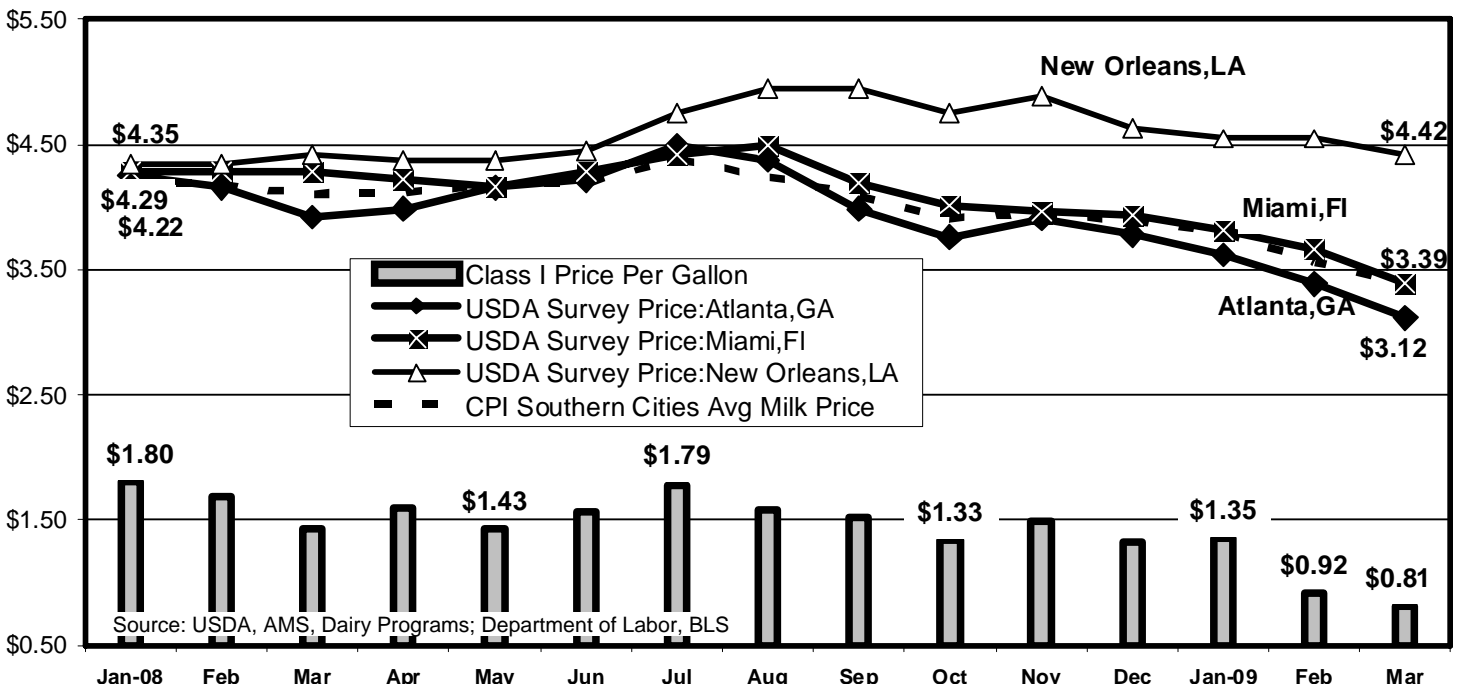
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.01% of all producer skim milk (priced to handlers at \$6.56 per hundredweight, plus the Class I differential, see page 2) and 34.46% of producer butterfat (priced to handlers at \$1.1500 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.09% of all producer skim milk (\$6.47 per hundredweight) and 24.82% of producer butterfat (\$1.2119 per pound). Class III use, mostly milk used to produce cheese, accounted for 18.96% of all producer skim milk (\$6.80 per hundredweight) and 20.66% of producer butterfat (\$1.2049 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.94% of all producer skim milk (\$5.81 per hundredweight) and 20.06% of producer butterfat (\$1.2049 per pound).

Receipts of producer milk during April 2009 totaled 645.2 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2009. Class I route disposition in the area was 437.8 million pounds in March 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2009		
Whole Milk	137,395,849	31.39%
Fat Free Milk	50,906,682	11.63%
Lowfat Milk (incl. 1%)	35,737,072	8.16%
Reduced Fat Milk (incl. 2%)	157,599,587	36.00%
Cultured Fluid Milk (incl. Buttermilk)	8,411,933	1.92%
Flavored Drinks and Milk	47,703,922	10.90%
Total Disposition in Marketing Area	437,755,045	100.00%
Total Disposition by Pool Plants	350,177,837	79.99%
Total Disposition by Nonpool Plants	87,577,208	20.01%
Total Disposition in Marketing Area	437,755,045	100.00%

Retail Whole Milk and Federal Order Class I Prices: 2008 to March 2009



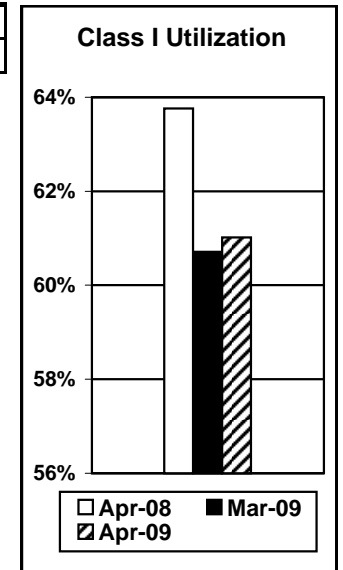
Note: The chart above is meant to show changes in milk prices over time, not necessarily their absolute values. The bars "Class I Price Per Gallon", also known as "the mover" show how Federal Order fluid milk prices have fared since January 2008 and are valid representations of price changes for all locations. While Class I price differentials increases in May 2008 (+\$0.06/gal in Atlanta, +\$0.02 in New Orleans and +\$0.15/gal in Miami) are not shown, including differentials would not significantly alter the trends revealed.

FEDERAL ORDER 7 - SOUTHEAST: 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
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$6.01	\$1.2998	\$10.35	\$12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$5.92	\$1.1084	\$9.59	\$12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$5.82	\$1.0941	\$9.45	\$9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$5.81	\$1.2049	\$9.82	\$9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,900**	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%



Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods May through July 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
MAY 2009	06/11/09	06/12/09	06/15/09	05/26/09	05/26/09	06/15/09	06/16/09
JUN 2009	07/11/09	07/13/09	07/14/09	06/25/09	06/26/09	07/14/09	07/15/09
JUL 2009	08/11/09	08/12/09	08/13/09	07/27/09	07/27/09	08/13/09	08/14/09

** The base rate for making partial payments in Fulton County, GA for April will be \$11.83 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.14 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

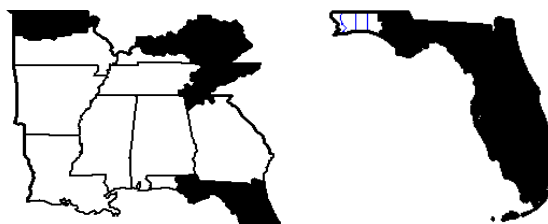
WASDE - 470 May 12, 2009

Milk production is forecast to decline in 2010 as the sector responds to weak 2009 returns. Cow numbers are forecast to decline from 2009 although the pace of decline will slacken during the year as returns improve. Growth in milk per cow is expected to improve slightly in 2010. Commercial exports are forecast to increase as the global economy improves. Domestic disappearance of fat and skim solids reflect tightening supplies and improved exports. Product prices are forecast higher as demand improves and supplies tighten. With firmer cheese and whey prices, the Class III price is forecast to rise above 2009. Likewise, stronger butter and nonfat dry milk (NDM) prices will push Class IV prices above 2009. The 2010 all milk price is forecast at \$14.70 to \$15.70 per cwt.

Forecast milk supply for 2009 is lowered slightly from last month primarily reflecting weaker expected growth in milk per cow. Cheese prices are lowered but butter and whey price forecasts are raised. The NDM price forecast is unchanged. The Class III price forecast is lowered slightly as the weaker cheese prices more than offsets the higher whey price. The Class IV price forecast is unchanged. The milk price is forecast to average \$11.85 to \$12.35 per cwt.

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.*

USDA MILK MARKET ADMINISTRATOR
U.S. Department Of Agriculture
1550 North Brown Road, Suite 120
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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

June 2009

Volume 10—No. 6

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Update on Marketing Services

Federal regulations of the Southeast and Florida Orders include a provision that authorizes a deduction from producers for marketing services. These funds pay for the Market Administrator to provide, along with market information and other services, a milk sample and test verification program on behalf of producers who are not cooperative members and cooperative members who are not receiving such services from a cooperative association.

The Market Administrator has an established testing regime for nonmember farm bulk milk tank samples. These samples are tested for butterfat for payment consideration, as well as protein, solids-non-fat, and somatic cells. A final test which determines the freezing point of the sample can indicate contamination or adulteration. Additionally, bulk milk tanks for nonmember producers are checked for proper calibration as resources permit. These and other monitoring steps, including sending raw milk control samples to industry testing laboratories, are performed to assure accuracy in market reporting and producer payments.

In May 2009, the Market Administrator handled samples from 594 producers and ran a total of 6,286 various tests on those samples. If interested, producers may view the results of any of their Market Administrator tests online at www.fmmatlanta.com under the 'Laboratory and Test Results' link.

Proposed Rules on Promotion and Imports

The USDA has published a proposed rule amending the National Dairy Promotion and Research Order. The proposed rule would establish a dairy import assessment program as required by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

The proposed rule would (continued on page 4)

Uniform Price Rises

The uniform price in Fulton County, GA, was \$13.21 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.07 higher than the previous month but is \$6.39 per hundredweight lower compared with May of last year.

Class I utilization was 57.18 percent in May, a decrease of 3.84 percent compared with the previous month and a decrease of 7.56 percent compared with May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 16.1 billion pounds, a decrease of 0.1 percent from April 2008 and an increase of 1.1 percent when compared with March 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 846 million pounds, 3.2 percent above April 2008 and 0.4 percent higher than March 2009 on a daily average basis. Butter production was 144 million pounds, 3.9 percent below April 2008 and 1.1 percent above March 2009 on a daily average basis.

Nonfat dry milk powder production was 139 million pounds in April, a 3.1 percent increase compared with April 2008 and a 6.2 percent increase compared to March 2009 on a daily average basis. Dry whey production was 92.8 million pounds in April, a decrease of 6.0 percent compared with April of last year and 3.9 percent higher than the previous month on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.47 in May 2009, down 0.11 points from April's revised ratio based on lower milk and higher feed prices.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.19%	7,821,090	\$1.2019	\$ 9,400,168.09
Class I Differential at Location				262,547.19
Class II Butterfat	23.33%	5,498,732	\$1.2718	6,993,287.38
Class III Butterfat	23.02%	5,426,186	\$1.2648	6,863,040.03
Class IV Butterfat	20.46%	4,822,909	\$1.2648	6,100,015.30
Total Butterfat	100.00%	23,568,917		\$ 29,619,057.99

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2567**

Calculation of Uniform Skim Milk Price

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	58.07%	371,463,169	\$7.01 /cwt.	\$ 26,039,568.15
Class I Butterfat	33.19%	7,821,090	\$1.2019 /lb.	9,400,168.09
Class I Differential at Location		379,284,259		12,731,356.31
Total Class I Milk	57.18%	379,284,259		\$ 48,171,092.55
Class II Skim Milk	8.72%	55,796,049	\$6.49 /cwt.	\$ 3,621,163.59
Class II Butterfat	23.33%	5,498,732	\$1.2718 /lb.	6,993,287.38
Total Class II Milk	9.24%	61,294,781		\$ 10,614,450.97
Class III Skim Milk	23.38%	149,589,897	\$5.61 /cwt.	\$ 8,391,993.20
Class III Butterfat	23.02%	5,426,186	\$1.2648 /lb.	6,863,040.03
Total Class III Milk	23.37%	155,016,083		\$ 15,255,033.23
Class IV Skim Milk	9.83%	62,881,640	\$5.92 /cwt.	\$ 3,722,593.10
Class IV Butterfat	20.46%	4,822,909	\$1.2648 /lb.	6,100,015.30
Total Class IV Milk	10.21%	67,704,549		\$ 9,822,608.40
Producer Milk	100.00%	663,299,672		\$ 83,863,185.15

Adjustments

Overage and Other Source	\$5,571.13
Inventory Adjustments	\$8,983.08
Producer butterfat at uniform butterfat price	(\$29,619,057.99)
Location Adjustments to Producers	\$4,115,861.55
1/2 Unobligated Balance in P.S.F	\$334,801.02

Adjusted Pool Value	\$ 9.17720	\$58,709,343.94
Reserve for Producer Settlement Func	\$ 0.04720	\$301,925.98

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$9.13**

Uniform Price per cwt. (Fulton County, Georgia) **\$13.21***

* 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 %
	MAY 2009	JUN 2009	APR 2009	MAY 2009	MAY 2009
Appalachian (Charlotte)	\$ 14.37	\$ 13.48	\$ 12.97	\$ 13.28	64.70%
Arizona (Phoenix)	\$ 13.32	\$ 12.43	\$ 11.06	\$ 11.15	30.68%
Central (Kansas City)	\$ 12.97	\$ 12.08	\$ 10.91	\$ 10.82	26.78%
Florida (Tampa)	\$ 16.37	\$ 15.48	\$ 15.11	\$ 15.65	85.68%
Mideast (Cleveland)	\$ 12.97	\$ 12.08	\$ 11.28	\$ 11.27	37.70%
Northeast (Boston)	\$ 14.22	\$ 13.33	\$ 12.08	\$ 12.18	39.90%
Pacific Northwest (Seattle)	\$ 12.87	\$ 11.98	\$ 11.01	\$ 10.83	26.18%
Southeast (Atlanta)	\$ 14.77	\$ 13.88	\$ 13.14	\$ 13.21	57.18%
Southwest (Dallas)	\$ 13.97	\$ 13.08	\$ 11.89	\$ 11.84	32.56%
Upper Midwest (Chicago)	\$ 12.77	\$ 11.88	\$ 10.98	\$ 10.30	12.40%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	May 2009	May 2008
Producer Milk		
Class I	379,284,259	386,638,392
Class II	61,294,781	79,322,933
Class III	155,016,083	96,547,343
Class IV	67,704,549	34,667,771
Total Producer Milk	<u>663,299,672</u>	<u>597,176,439</u>
Average Butterfat Test	3.55%	3.58%
Percent of Producer Milk in Class I	57.18%	64.74%
Daily Average Receipts	21,396,764	19,263,756
Other Source Milk		
Class I	6,878,081	5,093,594
Class II	3,390,662	16,538,083
Class III	2,909,666	3,620,638
Class IV	7,101,240	7,266,967
Total Other Source Milk	<u>20,279,649</u>	<u>32,519,282</u>
Overage		
Class I	6,317	0
Class II	0	3,800
Class III	0	201
Class IV	32,393	97,277
Total Overage	<u>38,710</u>	<u>101,278</u>
Opening Inventory		
Class I	35,076,642	31,791,443
Class II	729,352	3,579,347
Class III	3,428,810	1,290,645
Class IV	13,814,691	17,883,175
Total Opening Inventory	<u>53,049,495</u>	<u>54,544,610</u>
Total Receipts	736,667,526	684,341,609
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	26,492,569	29,551,486
Route Disposition Class I	382,881,850	381,826,635
Shrinkage	2,610,159	3,991,452
Transfers & Diversions to Nonpool	9,260,721	8,153,856
Total Class I Utilization	<u>421,245,299</u>	<u>423,523,429</u>
Average Butterfat Test	2.05%	2.07%
Daily Average Utilization	13,588,558	13,662,046
Class II Utilization		
Nonfluid Used To Produce	1,368,899	2,027,663
Shrinkage	287,492	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	40,368,672	59,167,841
Total Class II Utilization	<u>23,389,732</u>	<u>38,248,659</u>
Average Butterfat Test	9.71%	7.53%
Class III Utilization		
Shrinkage	7,753,961	0
Transfers & Diversions to Nonpool	148,959,694	101,458,827
Used To Produce/Other Uses	4,640,904	0
Total Class III Utilization	<u>161,354,559</u>	<u>101,458,827</u>
Average Butterfat Test	3.44%	4.19%
Class IV Utilization		
Inventory	27,393,094	12,847,116
Nonfluid Used To Fortify	1,642,956	1,155,244
Shrinkage	8,967	6,563,655
Transfers & Diversions to Nonpool	59,607,856	34,354,079
Used To Produce/Other Uses	0	4,995,096
Total Class IV Utilization	<u>88,652,873</u>	<u>59,915,190</u>
Average Butterfat Test	6.69%	7.69%
Total Utilization	736,667,526	684,341,609

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2009 is \$13.21 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.13 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2567 per pound. Payment to producers may be reduced 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 May, Class I use, which is primarily bottled or packaged fluid milk, accounted for 58.07% of all producer skim milk (priced to handlers at \$7.01 per hundredweight, plus the Class I differential, see page 2) and 33.19% of producer butterfat (priced to handlers at \$1.2019 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.72% of all producer skim milk (\$6.49 per hundredweight) and 23.33% of producer butterfat (\$1.2718 per pound). Class III use, mostly milk used to produce cheese, accounted for 23.38% of all producer skim milk (\$5.61 per hundredweight) and 23.02% of producer butterfat (\$1.2648 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.83% of all producer skim milk (\$5.92 per hundredweight) and 20.46% of producer butterfat (\$1.2648 per pound).

Receipts of producer milk during May 2009 totaled 663.3 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2009. Class I route disposition in the area was 420.0 million pounds in April 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
April 2009		
Whole Milk	132,992,711	31.66%
Fat Free Milk	48,813,097	11.62%
Lowfat Milk (incl. 1%)	33,756,729	8.04%
Reduced Fat Milk (incl. 2%)	151,329,712	36.03%
Cultured Fluid Milk (incl. Buttermilk)	8,344,097	1.99%
Flavored Drinks and Milk	44,789,107	10.66%
Total Disposition in Marketing Area	420,025,453	100.00%
Total Disposition by Pool Plants	340,506,339	81.07%
Total Disposition by Nonpool Plants	79,519,114	18.93%
Total Disposition in Marketing Area	420,025,453	100.00%

USDA Issues Proposed Rules on Promotion and Imports

(continued from page 4) amend the term "United States" to mean all States, the District of Columbia and the Commonwealth of Puerto Rico.

The 2002 Farm Bill mandated that the Dairy Order be amended to implement an assessment on imported dairy products to fund promotion and research. The 2008 Farm Bill specified that importers of dairy products be assessed a rate of 7.5 cents per hundredweight, or the equivalent thereof.

The Dairy Board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education to strengthen the dairy industry's positioning in domestic and foreign markets. Initially, two importer representatives, as appointed by the Secretary, will be added to the current 36-member Dairy Board. Thereafter, importer representation on the Dairy Board will be adjusted at least once every three years if necessary to reflect the volume of imports relative to domestic marketings.

Producers in the added areas of Alaska, Hawaii, and the Commonwealth of Puerto Rico are assessed 15 cents per hundredweight of milk produced and marketed. These four new areas will be added to the regions of closest geographic proximity.

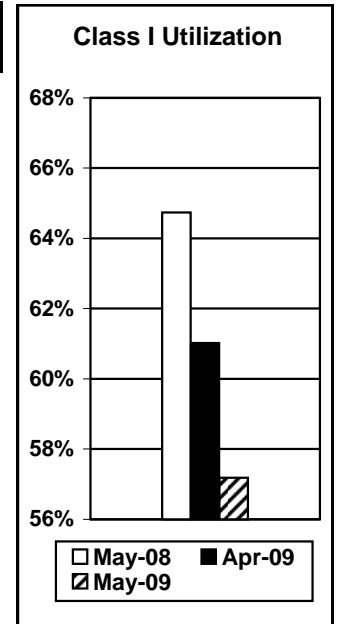
The proposed rule was published in the May 19, 2009 Federal Register and is available on www.regulations.gov and AMS's website at www.ams.usda.gov/dairy.

FEDERAL ORDER 7 - SOUTHEAST: 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
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$6.01	\$1.2998	\$10.35	\$12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$5.92	\$1.1084	\$9.59	\$12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$5.82	\$1.0941	\$9.45	\$9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$5.81	\$1.2049	\$9.82	\$9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$5.92	\$1.2648	\$10.14	\$9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,900**	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods June through August 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
JUN 2009	07/11/09	07/13/09	07/14/09	06/25/09	06/26/09	07/14/09	07/15/09
JUL 2009	08/11/09	08/12/09	08/13/09	07/27/09	07/27/09	08/13/09	08/14/09
AUG 2009	09/11/09	09/14/09	09/15/09	08/25/09	08/26/09	09/15/09	09/16/09

** The base rate for making partial payments in Fulton County, GA for June will be \$11.89 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.21 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

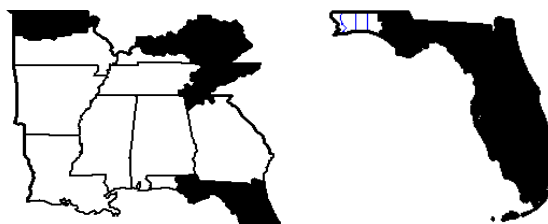
WASDE - 471 June 10, 2009

The milk production forecasts for 2009 and 2010 are reduced as higher feed prices further weaken producer returns and sharpen the expected contraction in cow numbers. Growth in milk per cow is also slowed due to higher feed costs. Commercial exports, primarily on a skim-solids basis, are forecast higher in 2009 and 2010 on tighter global dairy product supplies and a weaker U.S. dollar.

CCC removals are adjusted to reflect exports under the Dairy Export Incentive Program (DEIP). Most product prices are forecast higher in the face of tighter supplies, but cheese prices are forecast lower for 2009. The Class III price is unchanged for 2009 but raised for 2010 while Class IV prices are forecast higher for 2009 and 2010. The all milk price is forecast at \$11.95 to \$12.35 per cwt for 2009 and \$15.10 to \$16.10 for 2010.

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.

USDA MILK MARKET ADMINISTRATOR
U.S. Department Of Agriculture
1550 North Brown Road, Suite 120
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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

July 2009

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ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

2008 Annual Summaries Available

The National Agricultural Statistics Service (NASS) recently published two annual summaries of different segments of the dairy industry for 2008. One report, titled 'Milk Production, Disposition, and Income 2008 Summary', focuses on measures of farm level performance of the nation's dairy farms. The second report, 'Dairy Products 2008 Summary', reviews the processing of milk into storable goods. Both of these are available at www.nass.usda.gov/Publications. Selected highlights from the reports are:

Milk production increased 2.3 percent in 2008 to 190 billion pounds. Milk per cow, at 20,396 pounds, was 192 pounds above 2007. The annual average number of milk cows on farms was 9.32 million head, up 126,000 head from 2007.

Cash receipts from marketings of milk during 2008 totaled \$34.8 billion, 1.9 percent lower than 2007. Producer returns averaged \$18.41 per hundredweight, 4.2 percent below 2007. Marketings totaled 189 billion pounds, 2.4 percent higher than the previous year.

Total cheese production in 2008 was 9.9 billion pounds, 2 percent above 2007 production. Wisconsin was the leading cheese producing state with 25 percent of the production, followed by California with 21 percent, Idaho with 8 percent, New York with 7 percent, and Minnesota and New Mexico with 6 percent each.

The amount of butter production in the United States during 2008 totaled 1.6 billion pounds, 7 percent above 2007. California accounted for 34 percent of butter production in 2008, followed by Wisconsin with 22 percent.

Nonfat dry milk production for human food, at 1.5 billion pounds, was up 17 percent from 2007. California, accounting for 54 percent of total production, was the largest source of milk powder.

Uniform Price Falls

The uniform price in Fulton County, GA, was \$12.83 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.38 lower than the previous month and is \$7.97 per hundredweight lower compared with June of last year.

Class I utilization was 61.19 percent in June, an increase of 4.01 percent compared with the previous month and a decrease of 9.06 percent compared with June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 16.7 billion pounds, an increase of 0.1 percent from May 2008 and an increase of 0.4 percent when compared with April 2009 on a daily average basis. Total cheese output was 861 million pounds, 2.6 percent above May 2008 and 1.4 percent below April 2009 on a daily average basis. Butter production was 139 million pounds, 0.3 percent below May 2008 and 5.3 percent below April 2009 on a daily average basis.

Nonfat dry milk powder production was 149.0 million pounds in May, a 13.3 percent increase compared with May 2008 and a 4.1 percent increase compared to April 2009 on a daily average basis. Dry whey production was 95.3 million pounds in May, a decrease of 3.8 percent compared with May 2008 and 0.5 percent below April 2009 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for June 2009 was \$4,662,576.34. Preliminary claims were made for \$1,431,432.49. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.31%	8,016,361	\$1.2517	\$ 10,034,079.07
Class I Differential at Location				268,953.91
Class II Butterfat	25.59%	5,500,234	\$1.2614	6,937,995.17
Class III Butterfat	22.79%	4,898,233	\$1.2544	6,144,343.46
Class IV Butterfat	14.31%	3,074,750	\$1.2544	3,856,966.42
Total Butterfat	100.00%	21,489,578		\$ 27,242,338.03
Uniform Butterfat Price per lb. (Fulton County, Georgia):				\$1.2677

Calculation of Uniform Skim Milk Price

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	62.07%	362,286,961	\$5.91 /cwt.	\$ 21,411,159.41
Class I Butterfat	37.31%	8,016,361	\$1.2517 /lb.	10,034,079.07
Class I Differential at Location		370,303,322		12,406,570.93
Total Class I Milk	61.19%	370,303,322		\$ 43,851,809.41
Class II Skim Milk	10.02%	58,470,329	\$6.61 /cwt.	\$ 3,864,888.73
Class II Butterfat	25.59%	5,500,234	\$1.2614 /lb.	6,937,995.17
Total Class II Milk	10.57%	63,970,563		\$ 10,802,883.90
Class III Skim Milk	21.87%	127,631,485	\$5.78 /cwt.	\$ 7,377,099.85
Class III Butterfat	22.79%	4,898,233	\$1.2544 /lb.	6,144,343.46
Total Class III Milk	21.90%	132,529,718		\$ 13,521,443.31
Class IV Skim Milk	6.04%	35,275,118	\$6.04 /cwt.	\$ 2,130,617.14
Class IV Butterfat	14.31%	3,074,750	\$1.2544 /lb.	3,856,966.42
Total Class IV Milk	6.34%	38,349,868		\$ 5,987,583.56
Producer Milk	100.00%	605,153,471		\$ 74,163,720.18

Adjustments

Overage and Other Source	\$17,816.97
Inventory Adjustments	\$49,352.46
Producer butterfat at uniform butterfat price	(\$27,242,338.03)
Location Adjustments to Producers	\$3,694,370.12
1/2 Unobligated Balance in P.S.F	\$333,908.58
Adjusted Pool Value	\$ 8.74079
Reserve for Producer Settlement Func	\$ 0.04079
	\$51,016,830.28
	\$238,071.60

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$8.70

Uniform Price per cwt. (Fulton County, Georgia)

\$12.83*

* 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 %
	JUN 2009	JUL 2009	MAY 2009	JUN 2009	JUN 2009
Appalachian (Charlotte)	\$ 13.48	\$ 13.66	\$ 13.28	\$ 12.66	64.19%
Arizona (Phoenix)	\$ 12.43	\$ 12.61	\$ 11.15	\$ 10.95	33.18%
Central (Kansas City)	\$ 12.08	\$ 12.26	\$ 10.82	\$ 10.70	27.47%
Florida (Tampa)	\$ 15.48	\$ 15.66	\$ 15.65	\$ 14.96	88.74%
Mideast (Cleveland)	\$ 12.08	\$ 12.26	\$ 11.27	\$ 10.99	36.90%
Northeast (Boston)	\$ 13.33	\$ 13.51	\$ 12.18	\$ 11.93	41.20%
Pacific Northwest (Seattle)	\$ 11.98	\$ 12.16	\$ 10.83	\$ 10.70	26.86%
Southeast (Atlanta)	\$ 13.88	\$ 14.06	\$ 13.21	\$ 12.83	61.19%
Southwest (Dallas)	\$ 13.08	\$ 13.26	\$ 11.84	\$ 11.64	32.91%
Upper Midwest (Chicago)	\$ 11.88	\$ 12.06	\$ 10.30	\$ 10.29	12.30%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	June 2009	June 2008
Producer Milk		
Class I	370,303,322	346,681,981
Class II	63,970,563	71,360,723
Class III	132,529,718	27,362,530
Class IV	38,349,868	48,094,335
Total Producer Milk	<u>605,153,471</u>	<u>493,499,569</u>
Average Butterfat Test	3.55%	3.55%
Percent of Producer Milk in Class I	61.19%	70.25%
Daily Average Receipts	20,171,782	16,449,986
Other Source Milk		
Class I	5,555,302	4,664,397
Class II	5,746,057	19,336,620
Class III	2,293,404	0
Class IV	3,992,592	7,505,007
Total Other Source Milk	<u>17,587,355</u>	<u>31,506,024</u>
Overage		
Class I	0	106
Class II	0	528
Class III	308,252	33,441
Class IV	0	103,784
Total Overage	<u>308,252</u>	<u>137,859</u>
Opening Inventory		
Class I	27,540,390	29,557,177
Class II	3,302,775	1,494,491
Class III	6,101,126	526,541
Class IV	16,941,372	10,826,084
Total Opening Inventory	<u>53,885,663</u>	<u>42,404,293</u>
Total Receipts	676,934,741	567,547,745
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	30,562,788	28,581,040
Route Disposition Class I	363,321,403	342,288,609
Shrinkage	1,250,311	2,874,468
Transfers & Diversions to Nonpool	8,264,512	7,159,544
Total Class I Utilization	<u>403,399,014</u>	<u>380,903,661</u>
Average Butterfat Test	2.15%	2.17%
Daily Average Utilization	13,446,634	12,696,789
Class II Utilization		
Nonfluid Used To Produce	1,627,934	2,334,022
Shrinkage	9,892	125
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	46,331,663	49,993,548
Total Class II Utilization	<u>25,049,906</u>	<u>39,864,667</u>
Average Butterfat Test	73,019,395	92,192,362
Average Butterfat Test	9.03%	7.81%
Class III Utilization		
Shrinkage	6,296,656	0
Transfers & Diversions to Nonpool	130,307,384	27,909,418
Used To Produce/Other Uses	4,628,460	0
Total Class III Utilization	<u>141,232,500</u>	<u>27,909,418</u>
Average Butterfat Test	3.57%	5.85%
Class IV Utilization		
Inventory	16,384,531	21,909,367
Nonfluid Used To Fortify	1,546,505	1,072,737
Shrinkage	0	6,059,932
Transfers & Diversions to Nonpool	41,352,796	33,089,063
Used To Produce/Other Uses	0	4,398,111
Total Class IV Utilization	<u>59,283,832</u>	<u>66,529,210</u>
Average Butterfat Test	7.41%	5.99%
Total Utilization	676,934,741	567,534,651

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2009 is \$12.83 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.70 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2677 per pound. Payment to producers may be reduced 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 June, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.07% of all producer skim milk (priced to handlers at \$5.91 per hundredweight, plus the Class I differential, see page 2) and 37.31% of producer butterfat (priced to handlers at \$1.2517 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.02% of all producer skim milk (\$6.61 per hundredweight) and 25.59% of producer butterfat (\$1.2614 per pound). Class III use, mostly milk used to produce cheese, accounted for 21.87% of all producer skim milk (\$5.78 per hundredweight) and 22.79% of producer butterfat (\$1.2544 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.04% of all producer skim milk (\$6.04 per hundredweight) and 14.31% of producer butterfat (\$1.2544 per pound).

Receipts of producer milk during June 2009 totaled 605.2 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2009. Class I route disposition in the area was 420.0 million pounds in May 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2009		
Whole Milk	136,975,506	32.55%
Fat Free Milk	49,613,839	11.79%
Lowfat Milk (incl. 1%)	33,684,868	8.01%
Reduced Fat Milk (incl. 2%)	153,159,359	36.40%
Cultured Fluid Milk (incl. Buttermilk)	8,021,048	1.91%
Flavored Drinks and Milk	39,324,833	9.35%
Total Disposition in Marketing Area	420,779,453	100.00%
Total Disposition by Pool Plants	334,873,867	79.58%
Total Disposition by Nonpool Plants	85,905,586	20.42%
Total Disposition in Marketing Area	420,779,453	100.00%

Rayne Pegg Named Administrator of the Agricultural Marketing Service

Agriculture Secretary Tom Vilsack has recently announced the appointment of Rayne Pegg as Administrator of the U.S. Department of Agriculture's Agricultural Marketing Service. The agency is part of USDA's Marketing and Regulatory Programs mission area which works to ensure a productive and competitive global and domestic marketplace for U.S. agricultural products. Pegg began serving in this role in early July.

"Rayne's background makes her the ideal person to further the development of programs to ensure efficient, fair marketing of U.S. agricultural products as we work to meet the needs of consumers and industries and provide a safe, sustainable food supply for all Americans" said Vilsack.

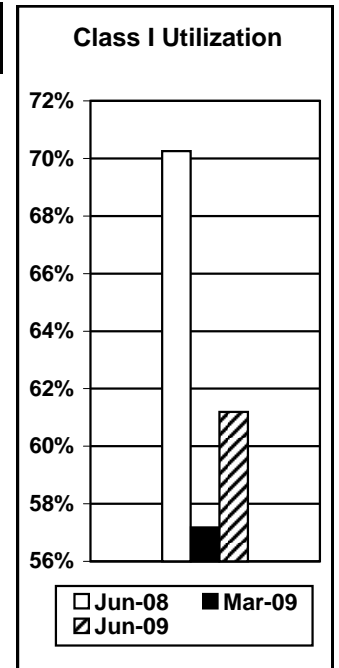
Pegg most recently served as the Deputy Secretary of Legislation and Policy for the California Department of Food and Agriculture. In this role, she was the principle advisor to both the Secretary of the Department and the cabinet of the Governor of California on the Department's legislative and policy issues. Pegg represented the Department before the California legislature, regulating bodies and interested parties on issues potentially impacting the Department's programs. She has worked with growers and the public to find common ground and reach agreement on controversial issues. She also worked on legislation and public policy that address: invasive species, the Farm Bill, the Department's budget, organic production, food safety, farmers markets, government oversight, and trade barriers.

FEDERAL ORDER 7 - SOUTHEAST: 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
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
Jun	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
Jul	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$6.01	\$1.2998	\$10.35	\$12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$5.92	\$1.1084	\$9.59	\$12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$5.82	\$1.0941	\$9.45	\$9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$5.81	\$1.2049	\$9.82	\$9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$5.92	\$1.2648	\$10.14	\$9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$6.04	\$1.2544	\$10.22	\$8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
Jun	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
Jul	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	3,000**	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods July through September 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
JUL 2009	08/11/09	08/12/09	08/13/09	07/27/09	07/27/09	08/13/09	08/14/09
AUG 2009	09/11/09	09/14/09	09/15/09	08/25/09	08/26/09	09/15/09	09/16/09
SEPT 2009	10/11/09	10/13/09	10/14/09	09/25/09	09/28/09	10/14/09	10/15/09

** The base rate for making partial payments in Fulton County, GA for July will be \$11.55 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.83 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 472 July 10, 2009

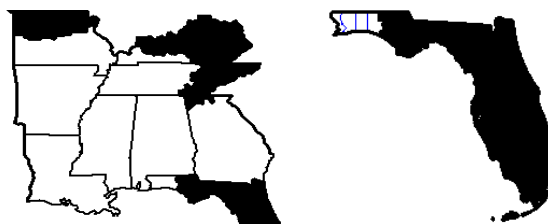
The milk production forecast is raised fractionally for 2009 as the reduction in cow numbers is slightly slower than expected. Milk production for 2010 is unchanged. Imports for 2009 on a skim-solids basis are forecast lower; the commercial export forecast is unchanged from last month. Net removals are adjusted for both higher nonfat dry milk (NDM) sales to the CCC and product exports under the Dairy Export Incentive Program (DEIP).

Cheese, butter, and NDM price forecasts are lowered as supplies are large but whey prices are forecast higher. For 2009 and 2010, Class III prices are reduced as lower cheese price forecasts more than offset higher whey prices. The Class IV price forecast is reduced in line with lower butter and NDM prices in both 2009 and 2010. The all milk price is forecast at \$11.85 to \$12.15 per cwt for 2009 and \$14.85 to \$15.85 for 2010.

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
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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

August 2009

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ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Increases Dairy Support Price

On July 31, Agriculture Secretary Vilsack announced that the Obama Administration is taking immediate action to support struggling dairy farmers by increasing the amount paid for dairy products through the Dairy Product Price Support Program (DPPSP). USDA estimates show that these increases, which will be in place from August 2009 through October 2009, will increase dairy farmers' revenue by \$243 million.

The increase will raise the price paid for nonfat dry milk from \$0.80 per pound to \$0.92 per pound, the price paid for cheddar blocks from \$1.13 per pound to \$1.31 per pound, and the price of cheddar barrels from \$1.10 per pound to \$1.28 per pound. This increase in the support price will have an immediate effect upon dairy farmers' bottom line. Temporarily raising the price of these dairy products increases the price that dairy farmers receive for their milk.

USDA estimates the increase in the support price should increase the all milk price received by dairy producers. The increase of the support price will result in the government purchase of an additional 150 million pounds of nonfat dry milk and an additional 75 million pounds of cheese.

Prior to today's announcement, USDA had taken several steps to provide support for dairy farmers, including the following:

- In March, USDA transferred approximately 200 million pounds of nonfat dry milk to USDA's Food and Nutrition Service, which will not only remove inventory from the market, but also support low-income families struggling to put nutritious food on their tables.
- USDA expects to spend more than \$1 billion in fiscal year 2009 on purchases of dairy products

(continued on page four)

Uniform Price Increases

The uniform price in Fulton County, GA, was \$13.07 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.24 higher than the previous month and is \$9.61 per hundredweight lower compared with July of last year.

Class I utilization was 66.92 percent in July, an increase of 5.73 percent compared with the previous month and a decrease of 0.81 percent compared with July of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 15.9 billion pounds, a decrease of 0.2 percent from June 2008 and a decrease of 2.0 percent when compared with May 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 833 million pounds, 2.0 percent above June 2008 but unchanged from May 2009 on a daily average basis. Butter production was 125 million pounds, 7.5 percent above June 2008 but 7.3 percent below May 2009 on a daily average basis.

Nonfat dry milk powder production was 145.0 million pounds in June, a 6.3 percent increase compared with June 2008 and a 0.6 percent increase compared to May 2009 on a daily average basis. Dry whey production was 92.0 million pounds in June, a decrease of 3.2 percent compared with June 2008 and 0.2 percent decrease compared to May 2009 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2009 was \$4,465,686.00. Preliminary claims were made for \$1,862,863.12. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.94%	8,255,275	\$1.2682	\$ 10,469,339.75
Class I Differential at Location				275,171.35
Class II Butterfat	26.68%	5,381,269	\$1.2508	6,730,891.28
Class III Butterfat	20.56%	4,146,708	\$1.2438	5,157,675.42
Class IV Butterfat	11.82%	2,384,159	\$1.2438	2,965,416.98
Total Butterfat	100.00%	20,167,411		\$ 25,598,494.78

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2693**

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	67.88%	373,618,482	\$6.03 /cwt.	\$ 22,529,194.48
Class I Butterfat	40.94%	8,255,275	\$1.2682 /lb.	10,469,339.75
Class I Differential at Location		381,873,757		12,791,477.26
Total Class I Milk	66.92%	381,873,757		\$ 45,790,011.49
Class II Skim Milk	10.42%	57,384,573	\$6.73 /cwt.	\$ 3,861,981.74
Class II Butterfat	26.68%	5,381,269	\$1.2508 /lb.	6,730,891.28
Total Class II Milk	11.00%	62,765,842		\$ 10,592,873.02
Class III Skim Milk	19.32%	106,364,624	\$5.82 /cwt.	\$ 6,190,421.14
Class III Butterfat	20.56%	4,146,708	\$1.2438 /lb.	5,157,675.42
Total Class III Milk	19.37%	110,511,332		\$ 11,348,096.56
Class IV Skim Milk	2.38%	13,095,892	\$6.01 /cwt.	\$ 787,063.10
Class IV Butterfat	11.82%	2,384,159	\$1.2438 /lb.	2,965,416.98
Total Class IV Milk	2.71%	15,480,051		\$ 3,752,480.08
Producer Milk	100.00%	570,630,982		\$ 71,483,461.15

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$4,549.32
Producer butterfat at uniform butterfat price	(\$25,598,494.78)
Location Adjustments to Producers	\$3,283,692.38
1/2 Unobligated Balance in P.S.F	\$260,562.32
Adjusted Pool Value	\$ 8.98039
Reserve for Producer Settlement Fund	\$0.04039
	\$49,433,770.39

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$8.94

Uniform Price per cwt. (Fulton County, Georgia)

\$13.07*

* 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 %
	JUL 2009	AUG 2009	JUN 2009	JUL 2009	JUL 2009
Appalachian (Charlotte)	\$ 13.66	\$ 13.44	\$ 12.66	\$ 12.92	69.81%
Arizona (Phoenix)	\$ 12.61	\$ 12.39	\$ 10.95	\$ 11.10	38.47%
Central (Kansas City)	\$ 12.26	\$ 12.04	\$ 10.70	\$ 10.76	28.32%
Florida (Tampa)	\$ 15.66	\$ 15.44	\$ 14.96	\$ 15.08	88.91%
Mideast (Cleveland)	\$ 12.26	\$ 12.04	\$ 10.99	\$ 10.07	37.90%
Northeast (Boston)	\$ 13.51	\$ 13.29	\$ 11.93	\$ 11.99	40.80%
Pacific Northwest (Seattle)	\$ 12.16	\$ 11.94	\$ 10.70	\$ 10.74	27.39%
Southeast (Atlanta)	\$ 14.06	\$ 13.84	\$ 12.83	\$ 13.07	66.92%
Southwest (Dallas)	\$ 13.26	\$ 13.04	\$ 11.64	\$ 11.77	35.30%
Upper Midwest (Chicago)	\$ 12.06	\$ 11.84	\$ 10.29	\$ 10.30	12.30%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	July 2009	July 2008
Producer Milk		
Class I	381,873,757	365,692,363
Class II	62,765,842	64,437,674
Class III	110,511,332	68,086,464
Class IV	15,480,051	41,668,237
Total Producer Milk	<u>570,630,982</u>	<u>539,884,738</u>
Average Butterfat Test	3.53%	3.55%
Percent of Producer Milk in Class I	66.92%	67.73%
Daily Average Receipts	18,407,451	17,415,637
Other Source Milk		
Class I	5,727,562	6,392,106
Class II	6,005,459	20,234,399
Class III	2,225,230	10,925,375
Class IV	4,265,955	3,685,429
Total Other Source Milk	<u>18,224,206</u>	<u>41,237,309</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	17,491
Total Overage	<u>0</u>	<u>17,491</u>
Opening Inventory		
Class I	30,608,261	28,635,085
Class II	2,020,757	3,118,704
Class III	3,093,014	2,887,400
Class IV	11,270,760	18,365,481
Total Opening Inventory	<u>46,992,792</u>	<u>53,006,670</u>
Total Receipts	635,847,980	634,146,208
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	33,788,319	32,465,841
Route Disposition Class I	374,867,901	358,333,922
Shrinkage	2,494,177	2,431,405
Transfers & Diversions to Nonpool	7,059,183	7,488,386
Total Class I Utilization	<u>418,209,580</u>	<u>400,719,554</u>
Average Butterfat Test	2.15%	2.13%
Daily Average Utilization	13,490,632	12,926,437
Class II Utilization		
Nonfluid Used To Produce	1,758,295	2,550,913
Shrinkage	272,179	25,968
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	44,860,354	43,334,547
Total Class II Utilization	<u>23,901,230</u>	<u>41,879,349</u>
Average Butterfat Test	9.31%	8.80%
Class III Utilization		
Shrinkage	7,208,428	0
Transfers & Diversions to Nonpool	103,809,612	81,899,239
Used To Produce/Other Uses	4,811,536	0
Total Class III Utilization	<u>115,829,576</u>	<u>81,899,239</u>
Average Butterfat Test	3.69%	3.98%
Class IV Utilization		
Inventory	12,545,036	14,469,650
Nonfluid Used To Fortify	1,499,215	1,113,455
Shrinkage	0	6,581,984
Transfers & Diversions to Nonpool	16,972,515	37,026,739
Used To Produce/Other Uses	0	4,544,810
Total Class IV Utilization	<u>31,016,766</u>	<u>63,736,638</u>
Average Butterfat Test	10.67%	6.31%
Total Utilization	635,847,980	634,146,208

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2009 is \$13.07 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.94 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2693 per pound. Payment to producers may be reduced 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, which is primarily bottled or packaged fluid milk, accounted for 67.88% of all producer skim milk (priced to handlers at \$6.03 per hundredweight, plus the Class I differential, see page 2) and 40.94% of producer butterfat (priced to handlers at \$1.2682 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.42% of all producer skim milk (\$6.73 per hundredweight) and 26.68% of producer butterfat (\$1.2508 per pound). Class III use, mostly milk used to produce cheese, accounted for 19.32% of all producer skim milk (\$5.82 per hundredweight) and 20.56% of producer butterfat (\$1.2438 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.38% of all producer skim milk (\$6.01 per hundredweight) and 11.82% of producer butterfat (\$1.2438 per pound).

Receipts of producer milk during July 2009 totaled 570.6 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2009. Class I route disposition in the area was 395.1 million pounds in June 2009.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2009		
Whole Milk	138,728,066	35.11%
Fat Free Milk	47,769,119	12.09%
Lowfat Milk (incl. 1%)	29,496,650	7.46%
Reduced Fat Milk (incl. 2%)	151,694,740	38.39%
Cultured Fluid Milk (incl. Buttermilk)	7,958,467	2.01%
Flavored Drinks and Milk	19,498,761	4.93%
Total Disposition in Marketing Area	395,145,803	100.00%
Total Disposition by Pool Plants	316,709,120	80.15%
Total Disposition by Nonpool Plants	78,436,683	19.85%
Total Disposition in Marketing Area	395,145,803	100.00%

USDA Increases Dairy Support Price

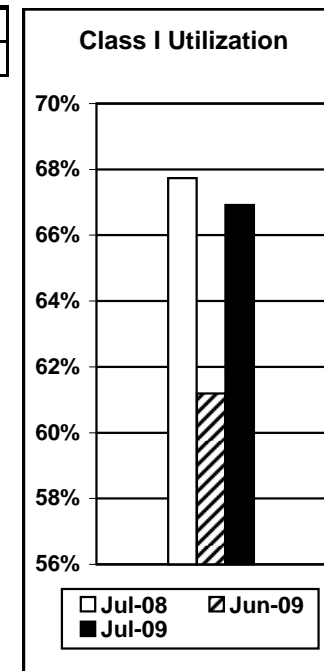
- (...continued from page one) via the Dairy Product Price Support Program and payments to producers under the Milk Income Loss Contract (MILC).
- On March 22, 2009, USDA reactivated USDA's Dairy Export Incentive Program (DEIP), to help U.S. dairy exporters meet prevailing world prices in addition to encouraging the development of international export markets in areas where U.S. dairy products are not competitive due to subsidized dairy products from other countries.
- Since March 22, USDA has encouraged the export of 20,000 tons of nonfat dry milk.
- From July 2008 through June 30, 2009, DEIP has announced allocations of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses and 34 metric tons of other dairy products.
- USDA is working with the Department of State to identify foreign assistance programs such as U.S. Agency for International Development (USAID) and McGovern-Dole International Food for Education and Child Nutrition Program to make the significant amounts of nonfat dry milk available and induce, through competitive bids, the production of casein.

FEDERAL ORDER 7 - SOUTHEAST: 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
Feb 2008	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
Jun	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
Jul	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Feb 2008	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
Jun	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
Jul	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	3,000**	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods August through October 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
AUG 2009	09/11/09	09/14/09	09/15/09	08/25/09	08/26/09	09/15/09	09/16/09
SEP 2009	10/11/09	10/13/09	10/14/09	09/25/09	09/28/09	10/14/09	10/15/09
OCT 2009	11/11/09	11/12/09	11/13/09	10/26/09	10/26/09	11/13/09	11/16/09

** The base rate for making partial payments in Fulton County, GA for August will be \$11.76 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.07 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 473 August 12, 2009

The milk production forecast is raised for 2009 and 2010 as the reduction in cow numbers is slower than expected and growth in output per cow is higher. Fat and skim-solids basis imports are raised as cheese imports have been stronger than expected; the commercial export forecast for 2009 is adjusted as higher exports in the first half are offset by lower second half exports. Exports for 2010 are lowered as higher domestic prices and larger exportable supplies in competitor countries limit export opportunities into 2010. CCC removals are adjusted to reflect changes in support prices for cheese and nonfat dry milk (NDM).

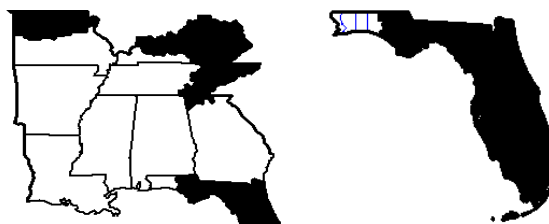
Cheese and NDM price forecasts are raised for 2009 as higher support prices and increased net removals support domestic prices. Forecast cheese and NDM prices for 2010 are lowered as higher forecast production and weaker commercial exports increase domestic supplies. Butter and whey price forecasts are unchanged from last month. Both Class III and Class IV prices are forecast higher for 2009 reflecting higher forecast prices for cheese (Class III) and NDM (Class IV). Class price forecasts for 2010 are reduced as cheese and NDM prices are lowered. The all milk price is forecast at \$12.10 to \$12.30 per cwt for 2009 and \$14.65 to \$15.65 for 2010.

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

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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

September 2009

Volume 10—No. 9

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Establishes Dairy Advisory Committee and Requests Nominations

Agriculture Secretary Tom Vilsack has announced that as part of USDA's continuing efforts to listen to and respond to the needs of producers in the dairy industry he is moving forward on establishing the Dairy Industry Advisory Committee and is requesting nominations.

Secretary Vilsack promised to move forward with establishment of a charter creating the committee for two years. Once appointed, the committee will review the issues of farm milk price volatility, and dairy farmer profitability. The committee will also offer suggestions and ideas on how USDA can best address these issues to meet the dairy industry's needs. USDA is establishing the committee under the authority of the Federal Advisory Committee Act of 1972.

The Secretary of Agriculture will appoint up to 15 representatives of the dairy industry to serve in an advisory capacity on the Committee. Representatives will include: producers and producer organizations, processors and processor organizations, handlers, consumers, academia, retailers, and state agencies involved in organic and non-organic dairy at the local, regional, national and international levels.

Written nominations must be received on or before September 28, and should be sent to Judith Lindsay, secretary to Brandon Willis, Deputy Administrator, Farm Service Agency, Farm Programs, USDA Room 3612-S, Stop 0501, Washington, D.C. 20250-0501; faxed to (202) 720-4726; or e-mailed to: judith.lindsay@wdc.usda.gov.

Advisory committee members will elect the chairperson and vice-chairperson who will each serve a two-year term. The announcement was published in the August 28 Federal Register and more details are available at: www.ams.usda.gov/AMSV1.0/DairyAdvisoryCommittee.

Uniform Price Increases

The uniform price in Fulton County, GA, was \$13.30 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.23 higher than the previous month and is \$7.95 per hundredweight lower compared with August of last year.

Class I utilization was 70.79 percent in August, an increase of 3.87 percent compared with the previous month and a decrease of 1.30 percent compared with August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 16.0 billion pounds, an increase of 0.03 percent from July 2008 and a decrease of 2.9 percent when compared with June 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 839 million pounds, 2.0 percent above July 2008 and 2.5 percent less than June 2009 on a daily average basis. Butter production was 112 million pounds, 2.2 percent below July 2008 and 13.3 percent below June 2009 on a daily average basis.

Nonfat dry milk powder production was 132 million pounds in July, a 2.0 percent decrease compared with July 2008 and a 11.3 percent decrease compared to June 2009 on a daily average basis. Dry whey production was 93 million pounds in July, an increase of 2.0 percent compared with July 2008 and 2.5 percent lower compared to June 2009 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for August 2009 was \$3,814,038.01. Preliminary claims were made for \$3,003,838.90. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.78%	8,090,493	\$1.2149	\$ 9,829,139.94
Class I Differential at Location				272,013.05
Class II Butterfat	27.57%	5,607,705	\$1.2561	7,043,838.23
Class III Butterfat	15.13%	3,076,101	\$1.2491	3,842,357.74
Class IV Butterfat	17.52%	3,562,233	\$1.2491	4,449,585.27
Total Butterfat	100.00%	20,336,532		\$ 25,436,934.23

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2508**

Calculation of Uniform Skim Milk Price

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	71.94%	394,628,244	\$6.00 /cwt.	\$ 23,677,694.64
Class I Butterfat	39.78%	8,090,493	\$1.2149 /lb.	9,829,139.94
Class I Differential at Location		402,718,737		13,540,667.72
Total Class I Milk	70.79%	402,718,737		\$ 47,047,502.30
Class II Skim Milk	9.96%	54,646,195	\$6.70 /cwt.	\$ 3,661,295.05
Class II Butterfat	27.57%	5,607,705	\$1.2561 /lb.	7,043,838.23
Total Class II Milk	10.59%	60,253,900		\$ 10,705,133.28
Class III Skim Milk	10.29%	56,458,520	\$7.08 /cwt.	\$ 3,997,263.23
Class III Butterfat	15.13%	3,076,101	\$1.2491 /lb.	3,842,357.74
Total Class III Milk	10.46%	59,534,621		\$ 7,839,620.97
Class IV Skim Milk	7.81%	42,871,689	\$6.23 /cwt.	\$ 2,670,906.25
Class IV Butterfat	17.52%	3,562,233	\$1.2491 /lb.	4,449,585.27
Total Class IV Milk	8.16%	46,433,922		\$ 7,120,491.52
Producer Milk	100.00%	568,941,180		\$ 72,712,748.07

Adjustments

Overage and Other Source	\$9,464.24
Inventory Adjustments	\$11,067.99
Producer butterfat at uniform butterfat price	(\$25,436,934.23)
Location Adjustments to Producers	\$3,434,674.79
1/2 Unobligated Balance in P.S.F	\$277,426.61

Adjusted Pool Value

\$ 9.29785
\$51,008,447.47

\$ 0.04785
\$262,517.53

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$9.25

Uniform Price per cwt. (Fulton County, Georgia)

\$13.30*

* 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 %
	AUG 2009	SEPT 2009	JUL 2009	AUG 2009	AUG 2009
Appalachian (Charlotte)	\$ 13.44	\$ 14.33	\$ 12.92	\$ 12.86	71.94%
Arizona (Phoenix)	\$ 12.39	\$ 13.28	\$ 11.10	\$ 11.55	39.51%
Central (Kansas City)	\$ 12.04	\$ 12.93	\$ 10.76	\$ 11.24	35.28%
Florida (Tampa)	\$ 15.44	\$ 16.33	\$ 15.08	\$ 14.88	87.05%
Midwest (Cleveland)	\$ 12.04	\$ 12.93	\$ 10.07	\$ 11.47	40.50%
Northeast (Boston)	\$ 13.29	\$ 14.18	\$ 11.99	\$ 12.35	42.60%
Pacific Northwest (Seattle)	\$ 11.94	\$ 12.83	\$ 10.74	\$ 11.25	29.00%
Southeast (Atlanta)	\$ 13.84	\$ 14.73	\$ 13.07	\$ 13.30	70.79%
Southwest (Dallas)	\$ 13.04	\$ 13.93	\$ 11.77	\$ 12.34	41.01%
Upper Midwest (Chicago)	\$ 11.84	\$ 12.73	\$ 10.30	\$ 11.32	13.40%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	August 2009	August 2008
Producer Milk		
Class I	402,718,737	398,921,757
Class II	60,253,900	57,441,093
Class III	59,534,621	51,033,115
Class IV	46,433,922	45,981,186
Total Producer Milk	<u>568,941,180</u>	<u>553,377,151</u>
Average Butterfat Test	3.57%	3.57%
Percent of Producer Milk in Class I	70.79%	72.09%
Daily Average Receipts	18,352,941	17,850,876
Other Source Milk		
Class I	8,494,537	7,628,787
Class II	4,471,064	18,418,070
Class III	1,969,307	2,068,413
Class IV	4,429,157	5,579,266
Total Other Source Milk	<u>19,364,065</u>	<u>33,694,536</u>
Overage		
Class I	0	0
Class II	1,999	0
Class III	0	0
Class IV	111,610	122,154
Total Overage	<u>113,609</u>	<u>122,154</u>
Opening Inventory		
Class I	34,056,350	32,495,840
Class II	487,545	453,095
Class III	691,297	31,004
Class IV	11,366,194	13,871,030
Total Opening Inventory	<u>46,601,386</u>	<u>46,850,969</u>
Total Receipts	635,020,240	634,044,810
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,550,827	31,973,462
Route Disposition Class I	401,854,334	396,308,313
Shrinkage	1,823,134	3,045,652
Transfers & Diversions to Nonpool	10,041,329	7,718,957
Total Class I Utilization	<u>445,269,624</u>	<u>439,046,384</u>
Average Butterfat Test	2.01%	2.07%
Daily Average Utilization	14,363,536	14,162,787
Class II Utilization		
Nonfluid Used To Produce	1,221,499	2,135,315
Shrinkage	216,651	3,418
Transfers & Diversions to Nonpool/Commercial Foods	41,557,919	36,062,238
Used To Produce/Other Uses	22,218,439	38,111,287
Total Class II Utilization	<u>65,214,508</u>	<u>73,312,258</u>
Average Butterfat Test	9.65%	8.83%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool	62,195,225	53,132,532
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>62,195,225</u>	<u>53,132,532</u>
Average Butterfat Test	5.12%	5.00%
Class IV Utilization		
Inventory	21,722,583	22,649,078
Nonfluid Used To Fortify	1,617,532	1,395,729
Shrinkage	7,381,985	7,517,375
Transfers & Diversions to Nonpool	26,919,026	29,494,732
Used To Produce/Other Uses	4,699,757	4,496,722
Total Class IV Utilization	<u>62,340,883</u>	<u>65,553,636</u>
Average Butterfat Test	7.13%	7.10%
Total Utilization	635,020,240	634,044,810

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2009 is \$13.30 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.25 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2508 per pound. Payment to producers may be reduced 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 August, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.94% of all producer skim milk (priced to handlers at \$6.00 per hundredweight, plus the Class I differential, see page 2) and 39.78% of producer butterfat (priced to handlers at \$1.2149 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.96% of all producer skim milk (\$6.70 per hundredweight) and 27.57% of producer butterfat (\$1.2561 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.29% of all producer skim milk (\$7.08 per hundredweight) and 15.13% of producer butterfat (\$1.2491 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.81% of all producer skim milk (\$6.23 per hundredweight) and 17.52% of producer butterfat (\$1.2491 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
July 2009		
Whole Milk	143,241,110	35.40%
Fat Free Milk	48,892,105	12.08%
Lowfat Milk (incl. 1%)	29,668,321	7.33%
Reduced Fat Milk (incl. 2%)	156,330,831	38.64%
Cultured Fluid Milk (incl. Buttermilk)	8,298,449	2.05%
Flavored Drinks and Milk	18,148,516	4.49%
Total Disposition in Marketing Area	404,579,332	100.00%
Total Disposition by Pool Plants	327,703,426	81.00%
Total Disposition by Nonpool Plants	76,875,906	19.00%
Total Disposition in Marketing Area	404,579,332	100.00%

Receipts of producer milk during August 2009 totaled 568.9 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2009. Class I route disposition in the area was 404.6 million pounds in July 2009.

Mailbox Milk Prices, January through June 2009

Reporting Area 1/	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
New England States 3/	\$14.95	\$12.46	\$12.25	\$12.66	\$12.65	\$12.27
Eastern Pennsylvania 4/	\$14.45	\$11.98	\$11.76	\$12.16	\$12.14	\$11.73
Appalachian States 5/	\$16.55	\$13.20	\$12.25	\$12.70	\$12.78	\$12.36
Southeast States 6/	\$17.05	\$13.76	\$12.47	\$13.08	\$13.15	\$12.85
Southern Missouri 7/	\$14.98	\$11.69	\$10.78	\$11.09	\$10.77	\$10.77
Florida	\$18.39	\$14.97	\$13.61	\$14.34	\$14.70	\$14.07
Western Pennsylvania 8/	\$14.37	\$11.89	\$11.61	\$12.07	\$11.86	\$11.53
Indiana	\$14.86	\$12.00	\$11.34	\$11.76	\$12.00	\$11.37
Wisconsin	\$12.94	\$11.24	\$11.87	\$12.17	\$11.40	\$11.24
Corn Belt States 9/	\$13.61	\$11.33	\$11.43	\$11.62	\$11.33	\$10.96
Western Texas 10/	\$12.98	\$10.73	\$10.73	\$11.07	\$10.59	\$10.20
Northwest States 11/	\$12.75	\$10.66	\$10.95	\$11.29	\$10.87	\$10.55
All Federal Orders 12/	\$13.77	\$11.61	\$11.60	\$11.96	\$11.61	\$11.27
California 13/	\$10.57	\$9.80	\$9.92	\$9.88	\$9.70	\$9.63

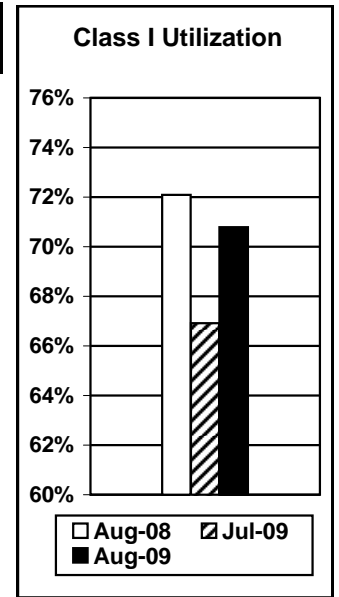
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by CA Department of Food and Agriculture.

FEDERAL ORDER 7 - SOUTHEAST: 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
May 2008	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
Jun	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
Jul	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$6.01	\$1.2998	\$10.35	\$12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$5.92	\$1.1084	\$9.59	\$12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$5.82	\$1.0941	\$9.45	\$9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$5.81	\$1.2049	\$9.82	\$9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$5.92	\$1.2648	\$10.14	\$9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$6.04	\$1.2544	\$10.22	\$8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$6.01	\$1.2438	\$10.15	\$8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$6.23	\$1.2491	\$10.38	\$9.25	\$1.2508	\$13.30
Sep	\$10.54	\$1.3026	\$14.73	\$6.95											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
May 2008	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
Jun	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
Jul	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	2,811	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%
Aug	568,941	2,900**	402,719	70.79%	60,254	10.59%	59,535	10.46%	46,434	8.16%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods September through November 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
SEP 2009	10/11/09	10/13/09	10/14/09	09/25/09	09/28/09	10/14/09	10/15/09
OCT 2009	11/11/09	11/12/09	11/13/09	10/26/09	10/26/09	11/13/09	11/16/09
NOV 2009	12/11/09	12/14/09	12/15/09	11/25/09	11/27/09	12/15/09	12/16/09

** The base rate for making partial payments in Fulton County, GA for September will be \$11.97 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.30 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 474 September 11, 2009

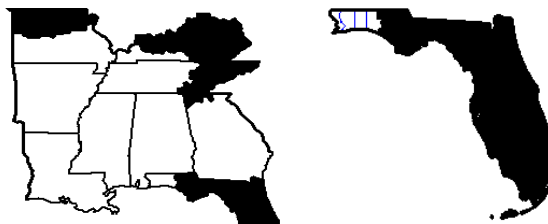
The milk production forecast is raised for 2009 and 2010 as milk per cow is forecast higher. Lower feed costs and plentiful supplies of alfalfa hay into 2010 are expected to support increased feeding of higher quality rations. Imports for 2009 are raised as fat-based product imports have been stronger than expected; the commercial export forecast for 2009 is raised as cheese shipments have been firm. Net removals are adjusted to reflect lower expected sales to CCC in 2009.

Class III and IV price forecasts are reduced for 2009 due to weaker butter and whey prices. Cheese and nonfat dry milk (NDM) prices are unchanged. The Class III price forecast for 2010 is unchanged; the Class IV price is reduced due to lower butter and NDM prices. The all milk price is forecast at \$12.05 to \$12.25 per cwt for 2009 and \$14.55 to \$15.55 for 2010.

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
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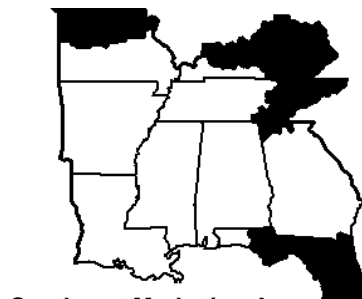
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Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

October 2009



Southeast Marketing Area
Federal Order 7

Volume 10—No. 10

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA's Current Dairy Outlook

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. Excerpts from the October 9, 2009 WASDE report (No. 475) are reprinted below and also available at www.usda.gov/oce/commodity/wasde.

"The milk production forecast is raised for 2009 and 2010 as milk per cow is forecast higher and the rate of decline in cow inventories is lowered in 2010. Import forecasts are raised as butterfat and cheese imports are stronger than expected. Stronger world dairy prices and a weak U.S. dollar are expected to increase export demand for U.S. dairy products. The commercial fat basis export forecast is raised for 2010, and on a skim-solids basis, commercial exports are raised for both 2009 and 2010.

Net removals reflect adjustments in CCC and Dairy Export Incentive Program (DEIP) activities for nonfat dry milk (NDM), butter, and cheese. Firmer domestic and export demands are expected to support prices for cheese, whey, and NDM. However, butter prices are forecast lower as supplies remain large. Class III prices for 2009 and 2010 are raised from last month and Class IV prices are raised for 2009. The all milk price is forecast at \$12.35 to \$12.45 per cwt for 2009 and \$14.70 to \$15.60 for 2010."

USDA Seeks Fluid Milk Board Nominations

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Secretary of Agriculture will appoint seven individuals to succeed members whose terms expire next year. Appointed members will serve 3-year terms from July 1, 2010 through June 30, 2013. To nominate an individual by the October 31 deadline, call (202) 720-6909 or visit the Dairy Promotion and Research Branch's website at www.ams.usda.gov/Dairy.

Uniform Price Increases

The uniform price in Fulton County, GA, was \$14.12 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.82 higher than the previous month and is \$6.51 per hundredweight lower compared with September of last year.

Class I utilization was 73.08 percent in September, an increase of 2.29 percent compared with the previous month and a decrease of 1.47 percent compared with September of the previous year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.7 billion pounds, a decrease of 0.3 percent from August 2008 and a decrease of 1.7 percent when compared with July 2009. Total cheese output (excluding cottage cheese) was 850 million pounds, 2.6 percent above August 2008 and 1.0 percent above July 2009. Butter production was 100 million pounds, 13.6 percent below August 2008 and 12.3 percent below July 2009. Nonfat dry milk powder production was 106 million pounds in August, an 8.3 percent decrease compared with August 2008 and a 20.0 percent decrease compared to July 2009. Dry whey production was 92.2 million pounds in August, an increase of 3.3 percent compared with August 2008 and 3.8 percent lower compared to the previous month.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for September 2009 were made for \$3,350,522.06. Since the available balance was \$2,000,542.65, eligible claims were paid at the rate of approximately \$0.60 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.12%	7,948,087	\$1.2646	\$ 10,051,150.82
Class I Differential at Location				265,300.42
Class II Butterfat	29.48%	5,842,217	\$1.2296	7,183,590.00
Class III Butterfat	18.39%	3,644,646	\$1.2226	4,455,944.20
Class IV Butterfat	12.01%	2,379,775	\$1.2226	2,909,512.96
Total Butterfat	100.00%	19,814,725		\$ 24,865,498.40

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2549**

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	74.33%	389,135,599	\$6.74 /cwt.	\$ 26,227,739.35
Class I Butterfat	40.12%	7,948,087	\$1.2646 /lb.	10,051,150.82
Class I Differential at Location		397,083,686		13,297,379.51
Total Class I Milk	73.08%	397,083,686		\$ 49,576,269.68
Class II Skim Milk	12.16%	63,669,108	\$6.95 /cwt.	\$ 4,425,003.00
Class II Butterfat	29.48%	5,842,217	\$1.2296 /lb.	7,183,590.00
Total Class II Milk	12.79%	69,511,325		\$ 11,608,593.00
Class III Skim Milk	11.41%	59,762,896	\$8.12 /cwt.	\$ 4,852,747.17
Class III Butterfat	18.39%	3,644,646	\$1.2226 /lb.	4,455,944.20
Total Class III Milk	11.67%	63,407,542		\$ 9,308,691.37
Class IV Skim Milk	2.10%	10,980,039	\$7.12 /cwt.	\$ 781,778.78
Class IV Butterfat	12.01%	2,379,775	\$1.2226 /lb.	2,909,512.96
Total Class IV Milk	2.46%	13,359,814		\$ 3,691,291.74
Producer Milk	100.00%	543,362,367		\$ 74,184,845.79

Adjustments

Overage and Other Source	\$6,839.22
Inventory Adjustments	\$77,571.83
Producer butterfat at uniform butterfat price	(\$24,865,498.40)
Location Adjustments to Producers	\$3,354,515.90
1/2 Unobligated Balance in P.S.F	\$261,362.25
Adjusted Pool Value	\$ 10.12699
Reserve for Producer Settlement Func	\$ 0.04699
	\$53,019,636.59
	\$246,034.25

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$10.08

Uniform Price per cwt. (Fulton County, Georgia)

\$14.12*

* At 3.5% butterfat test; for information purposes.

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

<u>MARKET NAME</u> (Priced at)	<u>CLASS I</u>		<u>UNIFORM</u>		<u>CLASS I %</u>
	<u>SEPT 2009</u>	<u>OCT 2009</u>	<u>AUG 2009</u>	<u>SEPT 2009</u>	<u>SEPT 2009</u>
Appalachian (Charlotte)	\$ 14.33	\$ 15.75	\$ 12.86	\$ 13.65	73.03%
Arizona (Phoenix)	\$ 13.28	\$ 14.70	\$ 11.55	\$ 12.37	42.38%
Central (Kansas City)	\$ 12.93	\$ 14.35	\$ 11.24	\$ 11.90	40.09%
Florida (Tampa)	\$ 16.33	\$ 17.75	\$ 14.88	\$ 15.58	85.68%
Mideast (Cleveland)	\$ 12.93	\$ 14.35	\$ 11.47	\$ 12.07	43.70%
Northeast (Boston)	\$ 14.18	\$ 15.60	\$ 12.35	\$ 12.93	46.70%
Pacific Northwest (Seattle)	\$ 12.83	\$ 14.25	\$ 11.25	\$ 11.89	49.14%
Southeast (Atlanta)	\$ 14.73	\$ 16.15	\$ 13.30	\$ 14.12	73.08%
Southwest (Dallas)	\$ 13.93	\$ 15.35	\$ 12.34	\$ 13.02	43.09%
Upper Midwest (Chicago)	\$ 12.73	\$ 14.15	\$ 11.32	\$ 12.14	15.50%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	September 2009	September 2008
Producer Milk		
Class I	397,083,686	400,016,879
Class II	69,511,325	52,644,312
Class III	63,407,542	61,539,910
Class IV	13,359,814	22,396,817
Total Producer Milk	<u>543,362,367</u>	<u>536,597,918</u>
Average Butterfat Test	3.65%	3.63%
Percent of Producer Milk in Class I	73.08%	74.55%
Daily Average Receipts	18,112,079	17,886,597
Other Source Milk		
Class I	8,696,457	9,002,471
Class II	5,384,392	17,536,760
Class III	1,865,127	1,878,574
Class IV	4,868,026	5,836,268
Total Other Source Milk	<u>20,814,002</u>	<u>34,254,073</u>
Overage		
Class I	0	0
Class II	5,594	196,142
Class III	0	0
Class IV	0	17,301
Total Overage	<u>5,594</u>	<u>213,443</u>
Opening Inventory		
Class I	32,558,978	32,279,944
Class II	2,918,757	1,403,576
Class III	863,101	203,677
Class IV	16,932,575	20,735,364
Total Opening Inventory	<u>53,273,411</u>	<u>54,622,561</u>
Total Receipts	617,455,374	625,687,995
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,503,635	35,584,417
Route Disposition Class I	394,723,964	395,443,285
Shrinkage	2,425,719	2,405,766
Transfers & Diversions to Nonpool	9,685,803	7,865,826
Total Class I Utilization	<u>438,339,121</u>	<u>441,299,294</u>
Average Butterfat Test	1.98%	2.04%
Daily Average Utilization	14,611,304	14,709,976
Class II Utilization		
Nonfluid Used To Produce	1,295,228	2,448,147
Shrinkage	6,720,578	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,930,786	32,685,816
Total Class II Utilization	<u>26,867,882</u>	<u>36,646,827</u>
Average Butterfat Test	77,814,474	71,780,790
Average Butterfat Test	8.33%	8.76%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool	66,135,770	63,622,161
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>66,135,770</u>	<u>63,622,161</u>
Average Butterfat Test	5.64%	4.78%
Class IV Utilization		
Inventory	19,806,280	19,203,266
Nonfluid Used To Fortify	1,613,363	1,338,979
Shrinkage	0	7,385,465
Transfers & Diversions to Nonpool	13,746,366	15,910,335
Used To Produce/Other Uses	0	5,147,705
Total Class IV Utilization	<u>35,166,009</u>	<u>48,985,750</u>
Average Butterfat Test	10.59%	9.54%
Total Utilization	617,455,374	625,687,995

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2009 is \$14.12 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.08 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2549 per pound. Payment to producers may be reduced 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 September, Class I use, which is primarily bottled or packaged fluid milk, accounted for 74.33% of all producer skim milk (priced to handlers at \$6.74 per hundredweight, plus the Class I differential, see page 2) and 40.12% of producer butterfat (priced to handlers at \$1.2646 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.16% of all producer skim milk (\$6.95 per hundredweight) and 29.48% of producer butterfat (\$1.2296 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.41% of all producer skim milk (\$8.12 per hundredweight) and 18.39% of producer butterfat (\$1.2226 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.10% of all producer skim milk (\$7.12 per hundredweight) and 12.01% of producer butterfat (\$1.2226 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2009		
Whole Milk	139,153,739	31.83%
Fat Free Milk	51,036,397	11.67%
Lowfat Milk (incl. 1%)	35,306,459	8.07%
Reduced Fat Milk (incl. 2%)	160,102,245	36.62%
Cultured Fluid Milk (incl. Buttermilk)	9,531,447	2.18%
Flavored Drinks and Milk	42,107,228	9.63%
Total Disposition in Marketing Area	437,237,515	100.00%
Total Disposition by Pool Plants	352,897,266	80.71%
Total Disposition by Nonpool Plants	84,340,249	19.29%
Total Disposition in Marketing Area	437,237,515	100.00%

Receipts of producer milk during September 2009 totaled 543.4 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2009. Class I route disposition in the area was 437.2 million pounds in August 2009.

USDA Creates National Institute of Food and Agriculture

On October 8, Agriculture Secretary Tom Vilsack launched the National Institute of Food and Agriculture (NIFA) with a major speech regarding the role of science and research at USDA. The following are excerpts from Vilsack's prepared remarks:

"The opportunity to truly transform a field of science happens at best once a generation. Right now, I am convinced, is USDA's opportunity to work with the Congress, the other science agencies, and with our partners in industry, academia, and the nonprofit sector, to bring about transformative change. We can build on recent scientific discoveries - incredible advances in sequencing plant and animal genomes, for example. We have new and powerful tools -- biotechnology, nanotechnology, and large-scale computer simulations -- applicable to all types of agriculture.

"Formed in the main from the existing Cooperative State Research, Education, and Extension Service, NIFA will be the Department's extramural research enterprise. It is no exaggeration to say that NIFA will be a research "start-up" company - we will be rebuilding our competitive grants program from the ground up to generate real results for the American people.

"I want USDA science to focus most of its resources on accomplishing a few, bold outcomes with great power to improve human health and protect our environment:

- USDA science will support our ability to keep American agriculture competitive while ending world hunger. At a time when disruptive climate change threatens production of some of the world's staple foods, some of the biggest gains we can make in ending world hunger will involve development of stress-resistant crops.

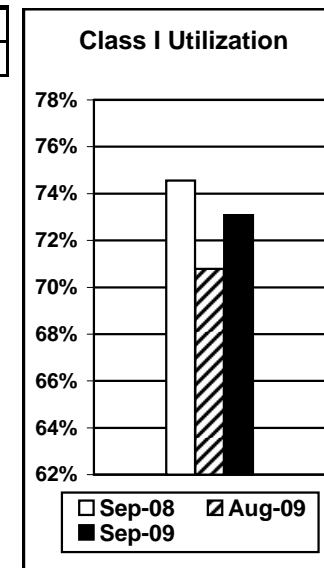
(continued on pg. 6)

FEDERAL ORDER 7 - SOUTHEAST: 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 2008	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$ 6.23	\$1.2491	\$10.38	\$ 9.25	\$1.2508	\$13.30
Sep	\$10.54	\$1.3026	\$14.73	\$6.95	\$1.2296	\$11.01	\$8.12	\$1.2226	\$12.11	\$ 7.12	\$1.2226	\$11.15	\$ 10.08	\$1.2549	\$14.12
Oct	\$12.23	\$1.2421	\$16.15	\$7.71											

FEDERAL ORDER 7 - SOUTHEAST: 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 2008	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	2,811	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%
Aug	568,941	2,803	402,719	70.79%	60,254	10.59%	59,535	10.46%	46,434	8.16%
Sep	543,362	2,850**	397,084	73.08%	69,511	12.79%	63,408	11.67%	13,360	2.46%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods October through December 2009

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
OCT 2009	11/11/09	11/12/09	11/13/09	10/26/09	10/26/09	11/13/09	11/16/09
NOV 2009	12/11/09	12/14/09	12/15/09	11/25/09	11/27/09	12/15/09	12/16/09
DEC 2009	01/11/10	01/12/10	01/13/10	12/28/09	12/28/09	01/13/10	01/14/10

** The base rate for making partial payments in Fulton County, GA for October will be \$12.71 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.12 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

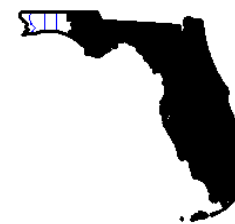
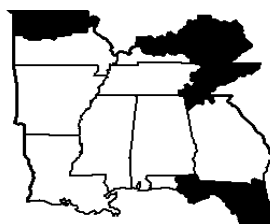
USDA Creates National Institute of Food and Agriculture (continued from pg. 4)

- USDA science will support our ability to improve nutrition and end child obesity. At USDA we want to take the nutrition and food choice insights we have gained from our science to test out some new approaches to school lunches, breakfast and our other nutrition assistance and education programs.
- USDA science will support our efforts to radically improve food safety for all Americans. Each year in the U.S. alone, food-borne pathogens like E. coli kill 5,000 people and sicken 75 million more; the cost to the economy from these infections exceeds \$35 billion.
- USDA science will secure America's energy future. President Obama has set ambitious but achievable goals for securing America's energy future from new domestic sources, including 60 billion gallons a year from biofuels by 2030. We plan to focus specifically on rapidly improving the amount and quality of plant-based feedstocks that will be the source of biofuels.
- USDA science will make us better stewards of America's environment and natural resources. We believe that research in this priority area will identify agricultural operations in the United States that, within 10 years, will be net carbon sinks."



MILK MARKET ADMINISTRATOR

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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

November 2009

Volume 10—No. 11

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Issues Recommended Decision on Proposed Amendments to all Federal Milk Orders

The U.S. Department of Agriculture has issued a recommended decision to adopt amendments to the producer-handler definition in all Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held May 4 through May 19, 2009 in Cincinnati, Ohio.

The decision recommends that the producer-handler definitions of all Federal milk marketing orders be amended to limit exemption from pooling and pricing provisions of the orders to those producer-handlers with total route disposition of fluid milk products of 3 million pounds or less per month. The exempt plant definition would continue to limit disposition of Class I milk products to 150,000 pounds or less per month.

Interested persons have until December 21, 2009 to file comments in response to the decision. You may send your comments by using the Federal eRulemaking portal at www.regulations.gov. The recommended decision was published in the October 21, 2009 Federal Register and available at www.fmmatlanta.com under 'What's New'. To request that a copy of this recommended decision be mailed to you, please contact this office.

August Mailbox Prices

According to Dairy Market News (vol. 76, report 45), in August 2009, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$12.04, up \$0.74 from the previous month average, and down \$6.54 from August 2008. Prices ranged from \$15.37 in Florida to \$10.51 in New Mexico, while the mailbox price reported for the Southeast area was \$13.88, up \$0.50 from last month.

Southern Dairy Conference 2010

The 36th Annual Southern Dairy Conference will be held in Atlanta, GA on January 26-27, 2010. Go to www.southerndairyconference.farming.officelive.com for registration and other conference information.

Uniform Price Up \$1.43 in October

The uniform price in Fulton County, GA, was \$15.55 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$1.43 higher than the previous month and is \$3.40 per hundredweight lower compared with October of last year.

Class I utilization was 74.01 percent in October, an increase of 0.93 percent compared with the previous month and an increase of 0.39 percent compared with October 2008.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.0 billion pounds, a decrease of 0.7 percent from September 2008 and a decrease of 1.4 percent when compared with August 2009 on a daily average basis. Total cheese output was 845 million pounds, 4.4 percent above September 2008 and 2.9 percent above August 2009 on a daily average basis. Butter production was 94.6 million pounds, 21.9 percent below September 2008 and 3.1 percent below August 2009 on a daily average basis.

Nonfat dry milk powder production was 87.1 million pounds in September, a 1.8 percent above September 2008 and a 14.9 percent below August 2009 on a daily average basis. Dry whey production was 83.9 million pounds, 2.8 percent above September 2008 and 0.3 percent below August 2009 on a daily average basis.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for October 2009 were made for \$3,729,682.18. Since the available balance was \$1,254,841.87, eligible claims were paid at the rate of approximately \$0.34 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.70%	8,427,381	\$1.2041	\$ 10,147,409.45
Class I Differential at Location				282,213.24
Class II Butterfat	27.60%	5,858,005	\$1.2822	7,511,134.04
Class III Butterfat	17.69%	3,755,647	\$1.2752	4,789,201.05
Class IV Butterfat	15.01%	3,187,236	\$1.2752	4,064,363.35
Total Butterfat	100.00%	21,228,269		\$ 26,794,321.13

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.2622**

Calculation of Uniform Skim Milk Price

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	75.35%	409,853,230	\$8.43 /cwt.	\$ 34,550,627.29
Class I Butterfat	39.70%	8,427,381	\$1.2041 /lb.	10,147,409.45
Class I Differential at Location		418,280,611		14,027,348.33
Total Class I Milk	74.01%	418,280,611		\$ 58,725,385.07
Class II Skim Milk	10.07%	54,759,068	\$7.71 /cwt.	\$ 4,221,924.15
Class II Butterfat	27.60%	5,858,005	\$1.2822 /lb.	7,511,134.04
Total Class II Milk	10.73%	60,617,073		\$ 11,733,058.19
Class III Skim Milk	11.07%	60,219,420	\$8.66 /cwt.	\$ 5,215,001.76
Class III Butterfat	17.69%	3,755,647	\$1.2752 /lb.	4,789,201.05
Total Class III Milk	11.32%	63,975,067		\$ 10,004,202.81
Class IV Skim Milk	3.51%	19,105,333	\$7.66 /cwt.	\$ 1,463,468.53
Class IV Butterfat	15.01%	3,187,236	\$1.2752 /lb.	4,064,363.35
Total Class IV Milk	3.94%	22,292,569		\$ 5,527,831.88
Producer Milk	100.00%	565,165,320		\$ 85,990,477.95

Adjustments

Overage and Other Source	\$44,665.27
Inventory Adjustments	\$17,596.04
Producer butterfat at uniform butterfat price	(\$26,794,321.13)
Location Adjustments to Producers	\$3,403,956.09
1/2 Unobligated Balance in P.S.F	\$330,245.39

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 11.58087	\$62,992,619.61
	\$ 0.04087	\$222,283.90

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$11.54

Uniform Price per cwt. (Fulton County, Georgia)

\$15.55*

* 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 %
	OCT 2009	NOV 2009	SEPT 2009	OCT 2009	OCT 2009
Appalachian (Charlotte)	\$ 15.75	\$ 16.26	\$ 13.65	\$ 15.05	73.52%
Arizona (Phoenix)	\$ 14.70	\$ 15.21	\$ 12.37	\$ 13.38	40.26%
Central (Kansas City)	\$ 14.35	\$ 14.86	\$ 11.90	\$ 12.79	40.16%
Florida (Tampa)	\$ 17.75	\$ 18.26	\$ 15.58	\$ 17.23	88.40%
Mideast (Cleveland)	\$ 14.35	\$ 14.86	\$ 12.07	\$ 13.14	46.20%
Northeast (Boston)	\$ 15.60	\$ 16.11	\$ 12.93	\$ 14.06	48.90%
Pacific Northwest (Seattle)	\$ 14.25	\$ 14.76	\$ 11.89	\$ 12.86	30.89%
Southeast (Atlanta)	\$ 16.15	\$ 16.66	\$ 14.12	\$ 15.55	74.01%
Southwest (Dallas)	\$ 15.35	\$ 15.86	\$ 13.02	\$ 14.05	43.78%
Upper Midwest (Chicago)	\$ 14.15	\$ 14.66	\$ 12.14	\$ 12.94	14.20%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	October 2009	October 2008
Producer Milk		
Class I	418,280,611	414,862,742
Class II	60,617,073	58,954,746
Class III	63,975,067	64,708,100
Class IV	22,292,569	25,001,990
Total Producer Milk	<u>565,165,320</u>	<u>563,527,578</u>
Average Butterfat Test	3.76%	3.71%
Percent of Producer Milk in Class I	74.01%	73.62%
Daily Average Receipts	18,231,139	18,178,309
Other Source Milk		
Class I	10,457,302	9,467,439
Class II	5,264,197	6,113,911
Class III	2,089,512	2,042,703
Class IV	5,296,644	5,535,717
Total Other Source Milk	<u>23,107,655</u>	<u>23,159,770</u>
Overage		
Class I	0	0
Class II	413,391	9,210
Class III	0	185
Class IV	36,586	22,370
Total Overage	<u>449,977</u>	<u>31,765</u>
Opening Inventory		
Class I	31,503,635	35,931,377
Class II	1,043,662	2,627,526
Class III	221,123	53,012
Class IV	18,541,494	15,392,581
Total Opening Inventory	<u>51,309,914</u>	<u>54,004,496</u>
Total Receipts	640,032,866	640,723,609
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,139,209	38,423,877
Route Disposition Class I	412,345,927	407,798,040
Shrinkage	3,560,422	3,641,909
Transfers & Diversions to Nonpool	12,195,990	10,397,732
Total Class I Utilization	<u>460,241,548</u>	<u>460,261,558</u>
Average Butterfat Test	2.00%	2.04%
Daily Average Utilization	14,846,502	14,847,147
Class II Utilization		
Nonfluid Used To Produce	1,307,438	1,741,971
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	41,892,059	39,287,420
Total Class II Utilization	<u>24,138,826</u>	<u>26,676,002</u>
Average Butterfat Test	10.37%	9.62%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	66,285,702	66,804,000
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	66,285,702	66,804,000
Class IV Utilization		
Inventory	17,332,599	12,725,262
Nonfluid Used To Fortify	1,854,027	1,513,590
Shrinkage	7,368,069	7,808,811
Transfers & Diversions to Nonpool Used To Produce/Other Uses	15,014,736	19,265,274
Total Class IV Utilization	<u>4,597,862</u>	<u>4,639,721</u>
Average Butterfat Test	9.88%	10.25%
Total Utilization	640,032,866	640,723,609

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2009 is \$15.55 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.54 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2622 per pound. Payment to producers may be reduced 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 October, Class I use, which is primarily bottled or packaged fluid milk, accounted for 75.35% of all producer skim milk (priced to handlers at \$8.43 per hundredweight, plus the Class I differential, see page 2) and 39.70% of producer butterfat (priced to handlers at \$1.2041 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.07% of all producer skim milk (\$7.71 per hundredweight) and 27.60% of producer butterfat (\$1.2822 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.07% of all producer skim milk (\$8.66 per hundredweight) and 17.69% of producer butterfat (\$1.2752 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.51% of all producer skim milk (\$7.66 per hundredweight) and 15.01% of producer butterfat (\$1.2752 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
September 2009		
Whole Milk	131,774,540	30.93%
Fat Free Milk	48,683,483	11.43%
Lowfat Milk (incl. 1%)	35,572,483	8.35%
Reduced Fat Milk (incl. 2%)	153,135,125	35.95%
Cultured Fluid Milk (incl. Buttermilk)	8,234,204	1.93%
Flavored Drinks and Milk	48,593,049	11.41%
Total Disposition in Marketing Area	425,992,884	100.00%
Total Disposition by Pool Plants	346,951,373	81.45%
Total Disposition by Nonpool Plants	79,041,511	18.55%
Total Disposition in Marketing Area	425,992,884	100.00%

Receipts of producer milk during October 2010 totaled 565.2 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2009. Class I route disposition in the area was 426.0 million pounds in September 2009.

Release Dates for 2010 Federal Milk Order Price Data

Listed below are the release dates for the Federal milk order program for price data applicable to January through December 2010. For more details, visit www.fmmatlanta.com and click on "What's New".

Month to Which Prices Apply	Advanced Prices and Pricing Factors		Class and Component Prices	
	Release Date	Time Period of NASS Prices 1/	Release Date	Time Period of NASS Prices 1/
January	Dec. 18, 2009	12/5, 12	Feb. 5, 2010	1/2, 9, 16, 23, 30
February	Jan. 22, 2010	1/9, 16	Mar. 5	2/6, 13, 20, 27
March	Feb. 19	2/6, 13	Apr. 2	3/6, 13, 20, 27
April	Mar. 19	3/6, 13	May. 30	4/3, 10, 17, 24
May	May. 21	4/10, 17	Jun. 4	5/1, 8, 15, 22, 29
June	Apr. 24	5/8, 15	Jul. 2	6/5, 12, 19, 26
July	Jun. 18	6/5, 12	Jul. 30	7/3, 10, 17, 24
August	Jul. 23	7/10, 17	Sep. 3	7/31, 8/7, 14, 21, 28
September	Aug. 20	8/7, 14	Oct. 1	9/4, 11, 18, 25
October	Sept. 17	9/4, 11	Nov. 5	10/2, 9, 16, 23, 30
November	Oct. 22	10/9, 16	Dec. 3	11/6, 13, 20, 27
December	Nov. 19	11/6, 13	Dec. 30	12/4, 11, 18, 25

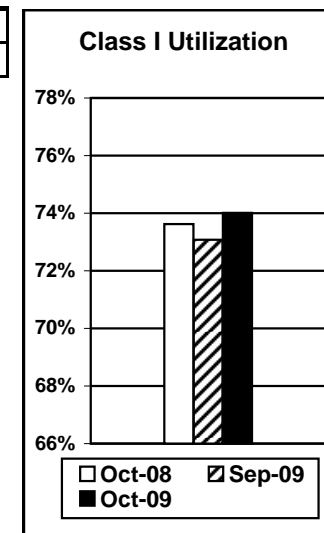
1/ Weekly sales periods, ending on the indicated date, that are included in the applicable average. Information for the week usually is released by NASS on Friday of the following week.

FEDERAL ORDER 7 - SOUTHEAST: 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
Sep 2008	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$ 6.23	\$1.2491	\$10.38	\$ 9.25	\$1.2508	\$13.30
Sep	\$10.54	\$1.3026	\$14.73	\$6.95	\$1.2296	\$11.01	\$8.12	\$1.2226	\$12.11	\$ 7.12	\$1.2226	\$11.15	\$ 10.08	\$1.2549	\$14.12
Oct	\$12.23	\$1.2421	\$16.15	\$7.71	\$1.2822	\$11.93	\$8.66	\$1.2752	\$12.82	\$ 7.66	\$1.2752	\$11.86	\$ 11.54	\$1.2622	\$15.55
Nov	\$12.50	\$1.3132	\$16.66	\$8.38											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Sep 2008	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	2,811	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%
Aug	568,941	2,803	402,719	70.79%	60,254	10.59%	59,535	10.46%	46,434	8.16%
Sep	543,362	2,734	397,084	73.08%	69,511	12.79%	63,408	11.67%	13,360	2.46%
Oct	565,165	2,800**	418,281	74.01%	60,617	10.73%	63,975	11.32%	22,293	3.94%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods November 2009 through January 2010

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
NOV 2009	12/11/09	12/14/09	12/15/09	11/25/09	11/27/09	12/15/09	12/16/09
DEC 2009	01/11/10	01/12/10	01/13/10	12/28/09	12/28/09	01/13/10	01/14/10
JAN 2010	02/11/10	02/12/10	02/16/10	01/25/10	01/26/10	02/16/10	02/16/10

** The base rate for making partial payments in Fulton County, GA for November will be \$14.00 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.55 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE - 476 November 10, 2009

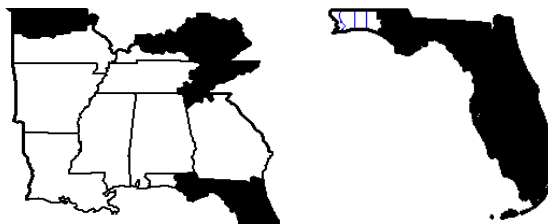
The milk production forecasts are raised for 2009 and 2010 as milk per cow is forecast higher and the rate of decline in cow inventories is slowed. Improved milk prices are expected to more than outweigh higher feed costs and slow the pace of liquidation. Improving global demand and concerns about world supplies of dairy products have pushed international dairy prices higher and are expected to result in higher U.S. dairy exports during the remainder of this year and into 2010. Import forecasts are lowered for 2009.

Fat-basis ending stocks are forecast higher for 2009, but 2010 stocks are forecast lower on both a fat and skim-solids basis as supplies tighten. Improving domestic and export demand and lower year-to-year milk production is expected to lead to higher prices for U.S. cheese, butter, nonfat dry milk, and whey. Class III and IV price forecasts for 2009 and 2010 are raised from last month. The all milk price is forecast at \$12.60 to \$12.70 per cwt for 2009 and \$16.05 to \$16.95 for 2010.

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.*



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Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

December 2009



Southeast Marketing Area
Federal Order 7

Volume 10—No. 12

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Less Milk Production and Firm Global Demand Combine To Raise 2010's Milk Price Forecast

Feed costs have fallen substantially in 2009, but are unlikely to fall as much next year. The benchmark 16-percent protein ration value is projected to average in the mid-\$7.00 per cwt range this year compared with over \$9.00 per cwt in 2008. In 2010, the price should continue to fall, but not by nearly as much. Falling soybean meal prices will constitute a large share of the drop. Corn prices for the 2009/10 crop year are forecast to decline to \$3.25 to \$3.85 per bushel compared with the 2008/09 crop year average of \$4.06 per bushel. Soybean meal prices are forecast to decline from \$331 per ton average in 2009/10 to a forecast \$260, with \$310 per ton in 2010/11.

The U.S. dairy herd is forecast to continue to contract in 2010, with most of the herd reduction coming in early 2010 and attenuating later in the year. The U.S. dairy herd is expected to average 8.97 million next year and is expected to average below 9 million cows in each of the four quarters of 2010. The forecast decline in herd size will represent a 2.5-percent decline year-over-year. This decline follows a 1.3-percent decline in 2009. In contrast, milk production per cow is forecast to rise to 20,950 pounds, a 1.84-percent year-over-year increase and slightly ahead of the 5-year-trend increase. In light of lower feed prices and improving milk prices, the short-term response is to produce more milk per cow as rations are improved. This will occur before producers undertake any herd expansion, which requires investment in livestock.

Commercial disappearance is forecast to rise by less than half-a-percent next year on a fat basis and to be virtually unchanged from 2009 on a skims-solids basis. World markets remain firm, and the export forecast remains unchanged from last month. Product exports (continued on page 6)

Uniform Price Up \$0.73

The uniform price in Fulton County, GA, was \$16.28 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.73 higher than the previous month and is \$2.93 per hundredweight lower compared with November of last year.

Class I utilization was 70.33 percent in November, a decrease of 3.68 percent compared with the previous month and an increase of 2.37 percent compared with November 2008.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 15.4 billion pounds, a decrease of 1.1 percent from October 2008 and a decrease of 0.7 percent when compared with September 2009 on a daily average basis. Total cheese output was 861 million pounds, 1.3 percent above October 2008 and 1.1 percent less than September 2009 on a daily average basis. Butter production was 112 million pounds, 14.3 percent below October 2008 but 14.5 percent above September 2009 on a daily average basis.

Nonfat dry milk powder production was 91.5 million pounds in October, 24.4 percent less than October 2008 and 2.2 percent higher than September 2009 on a daily average basis. Dry whey production was 88.7 million pounds, 1.1 percent above October 2008 and 2.5 percent below September 2009 on a daily average basis.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for November 2009 were made for \$3,342,176.15. Since the available balance was \$1,185,524.14, eligible claims were paid at the rate of approximately \$0.36 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.28%	8,111,916	\$1.2752	\$ 10,344,315.28
Class I Differential at Location				270,316.46
Class II Butterfat	29.02%	6,149,827	\$1.4726	9,056,235.27
Class III Butterfat	20.77%	4,401,350	\$1.4656	6,450,618.55
Class IV Butterfat	11.93%	2,526,985	\$1.4656	3,703,549.23
Total Butterfat	100.00%	21,190,078		\$ 29,825,034.79

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4075**

Calculation of Uniform Skim Milk Price

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	71.58%	386,582,902	\$8.70 /cwt.	\$ 33,632,712.48
Class I Butterfat	38.28%	8,111,916	\$1.2752 /lb.	10,344,315.28
Class I Differential at Location		394,694,818		13,205,293.21
Total Class I Milk	70.33%	394,694,818		\$ 57,182,320.97
Class II Skim Milk	11.21%	60,540,894	\$8.38 /cwt.	\$ 5,073,326.94
Class II Butterfat	29.02%	6,149,827	\$1.4726 /lb.	9,056,235.27
Total Class II Milk	11.88%	66,690,721		\$ 14,129,562.21
Class III Skim Milk	12.50%	67,482,451	\$9.27 /cwt.	\$ 6,255,623.18
Class III Butterfat	20.77%	4,401,350	\$1.4656 /lb.	6,450,618.55
Total Class III Milk	12.81%	71,883,801		\$ 12,706,241.73
Class IV Skim Milk	4.71%	25,422,965	\$8.41 /cwt.	\$ 2,138,071.38
Class IV Butterfat	11.93%	2,526,985	\$1.4656 /lb.	3,703,549.23
Total Class IV Milk	4.98%	27,949,950		\$ 5,841,620.61
Producer Milk	100.00%	561,219,290		\$ 89,859,745.52

Adjustments

Overage and Other Source	\$13,345.75
Inventory Adjustments	\$53,920.82
Producer butterfat at uniform butterfat price	(\$29,825,034.79)
Location Adjustments to Producers	\$3,408,054.15
1/2 Unobligated Balance in P.S.F	\$276,376.94

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 11.81166	\$63,786,408.40
	<u>\$ 0.04166</u>	\$224,970.12

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$11.77

Uniform Price per cwt. (Fulton County, Georgia)

\$16.28*

* 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 %
	NOV 2009	DEC 2009	OCT 2009	NOV 2009	NOV 2009
Appalachian (Charlotte)	\$ 16.26	\$ 17.39	\$ 15.05	\$ 15.89	71.22%
Arizona (Phoenix)	\$ 15.21	\$ 16.34	\$ 13.38	\$ 14.38	38.58%
Central (Kansas City)	\$ 14.86	\$ 15.99	\$ 12.79	\$ 13.86	37.26%
Florida (Tampa)	\$ 18.26	\$ 19.39	\$ 17.23	\$ 17.80	84.94%
Midwest (Cleveland)	\$ 14.86	\$ 15.99	\$ 13.14	\$ 14.11	44.00%
Northeast (Boston)	\$ 16.11	\$ 17.24	\$ 14.06	\$ 15.02	46.30%
Pacific Northwest (Seattle)	\$ 14.76	\$ 15.89	\$ 12.86	\$ 13.92	29.80%
Southeast (Atlanta)	\$ 16.66	\$ 17.79	\$ 15.55	\$ 16.28	70.33%
Southwest (Dallas)	\$ 15.86	\$ 16.99	\$ 14.05	\$ 15.03	72.13%
Upper Midwest (Chicago)	\$ 14.66	\$ 15.79	\$ 12.94	\$ 14.12	15.00%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	November 2009	November 2008
Producer Milk		
Class I	394,694,818	381,263,986
Class II	66,690,721	59,573,014
Class III	71,883,801	63,744,331
Class IV	27,949,950	56,463,820
Total Producer Milk	<u>561,219,290</u>	<u>561,045,151</u>
Average Butterfat Test	3.78%	3.78%
Percent of Producer Milk in Class I	70.33%	67.96%
Daily Average Receipts	18,707,310	18,701,505
Other Source Milk		
Class I	9,437,042	9,014,549
Class II	5,524,484	4,373,806
Class III	1,444,073	2,973,899
Class IV	8,109,291	8,566,006
Total Other Source Milk	<u>24,514,890</u>	<u>24,928,260</u>
Overage		
Class I	0	0
Class II	0	62,203
Class III	0	129,494
Class IV	9,106	335,225
Total Overage	<u>9,106</u>	<u>526,922</u>
Opening Inventory		
Class I	32,659,403	38,400,337
Class II	2,315,594	822,229
Class III	153,387	0
Class IV	14,863,618	11,903,182
Total Opening Inventory	<u>49,992,002</u>	<u>51,125,748</u>
Total Receipts	635,735,288	637,626,081
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	33,636,691	32,816,577
Route Disposition Class I	390,369,150	383,406,852
Shrinkage	1,718,510	2,909,415
Transfers & Diversions to Nonpool	11,066,912	9,546,028
Total Class I Utilization	<u>436,791,263</u>	<u>428,678,872</u>
Average Butterfat Test	2.05%	2.11%
Daily Average Utilization	14,559,709	14,289,296
Class II Utilization		
Nonfluid Used To Produce	960,707	1,350,074
Shrinkage	7,411,444	1,809
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,571,502	39,328,657
Total Class II Utilization	<u>31,587,146</u>	<u>24,150,712</u>
Average Butterfat Test	74,530,799	64,831,252
Average Butterfat Test	10.49%	9.22%
Class III Utilization		
Shrinkage	0	276,896
Transfers & Diversions to Nonpool	73,481,261	66,570,828
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>73,481,261</u>	<u>66,847,724</u>
Average Butterfat Test	6.07%	4.99%
Class IV Utilization		
Inventory	24,100,349	30,113,201
Nonfluid Used To Fortify	3,227,706	2,898,666
Shrinkage	0	7,136,838
Transfers & Diversions to Nonpool	23,603,910	32,297,314
Used To Produce/Other Uses	0	4,822,214
Total Class IV Utilization	<u>50,931,965</u>	<u>77,268,233</u>
Average Butterfat Test	7.54%	7.87%
Total Utilization	635,735,288	637,626,081

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2009 is \$16.28 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.77 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4075 per pound. Payment to producers may be reduced 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 November, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.58% of all producer skim milk (priced to handlers at \$8.70 per hundredweight, plus the Class I differential, see page 2) and 38.28% of producer butterfat (priced to handlers at \$1.2752 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.21% of all producer skim milk (\$8.38 per hundredweight) and 29.02% of producer butterfat (\$1.4726 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.50% of all producer skim milk (\$9.27 per hundredweight) and 20.77% of producer butterfat (\$1.4656 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.71% of all producer skim milk (\$8.41 per hundredweight) and 11.93% of producer butterfat (\$1.4656 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
October 2009		
Whole Milk	138,751,473	30.81%
Fat Free Milk	51,287,714	11.39%
Lowfat Milk (incl. 1%)	37,203,000	8.26%
Reduced Fat Milk (incl. 2%)	163,453,592	36.30%
Cultured Fluid Milk (incl. Buttermilk)	8,864,428	1.97%
Flavored Drinks and Milk	50,716,489	11.26%
Total Disposition in Marketing Area	450,276,696	100.00%
Total Disposition by Pool Plants	362,992,511	80.62%
Total Disposition by Nonpool Plants	87,284,185	19.38%
Total Disposition in Marketing Area	450,276,696	100.00%

Receipts of producer milk during November 2009 totaled 561.2 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2009. Class I route disposition in the area was 450.3 million pounds in October 2009.

Mailbox Milk Prices, January through September 2009

Reporting Area 1/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
New England States 3/	\$14.95	\$12.46	\$12.25	\$12.66	\$12.65	\$12.27	\$12.22	\$12.57	\$13.45
Eastern Pennsylvania 4/	\$14.45	\$11.98	\$11.76	\$12.16	\$12.14	\$11.73	\$11.80	\$12.12	\$12.99
Appalachian States 5/	\$16.55	\$13.20	\$12.25	\$12.70	\$12.78	\$12.36	\$12.74	\$13.04	\$13.94
Southeast States 6/	\$17.05	\$13.76	\$12.47	\$13.08	\$13.15	\$12.85	\$13.38	\$13.88	\$14.77
Southern Missouri 7/	\$14.98	\$11.69	\$10.78	\$11.09	\$10.77	\$10.77	\$11.08	\$11.51	\$12.55
Florida	\$18.39	\$14.97	\$13.61	\$14.34	\$14.70	\$14.07	\$14.81	\$15.37	\$16.20
Western Pennsylvania 8/	\$14.37	\$11.89	\$11.61	\$12.07	\$11.86	\$11.53	\$11.53	\$11.97	\$12.97
Indiana	\$14.86	\$12.00	\$11.34	\$11.76	\$12.00	\$11.37	\$11.51	\$11.90	\$12.81
Wisconsin	\$12.94	\$11.24	\$11.87	\$12.17	\$11.40	\$11.24	\$11.15	\$12.25	\$13.30
Corn Belt States 9/	\$13.61	\$11.33	\$11.43	\$11.62	\$11.33	\$10.96	\$10.82	\$11.69	\$12.82
Western Texas 10/	\$12.98	\$10.73	\$10.73	\$11.07	\$10.59	\$10.20	\$10.43	\$11.30	\$12.22
Northwest States 11/	\$12.75	\$10.66	\$10.95	\$11.29	\$10.87	\$10.55	\$10.57	\$11.17	\$12.17
All Federal Orders 12/	\$13.77	\$11.61	\$11.60	\$11.96	\$11.61	\$11.27	\$11.30	\$12.04	\$12.98
California 13/	\$10.57	\$9.80	\$9.92	\$9.88	\$9.70	\$9.63	\$9.60	\$10.51	\$11.20

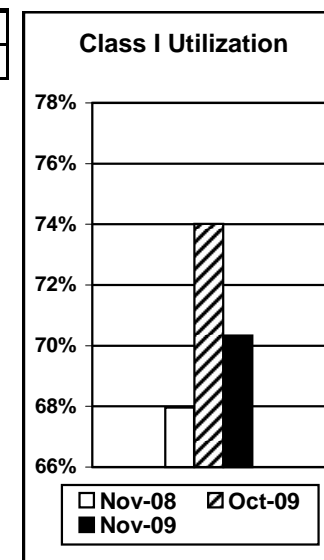
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by CA Department of Food and Agriculture. Page 4

FEDERAL ORDER 7 - SOUTHEAST: 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
Sep 2008	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$ 6.23	\$1.2491	\$10.38	\$ 9.25	\$1.2508	\$13.30
Sep	\$10.54	\$1.3026	\$14.73	\$6.95	\$1.2296	\$11.01	\$8.12	\$1.2226	\$12.11	\$ 7.12	\$1.2226	\$11.15	\$ 10.08	\$1.2549	\$14.12
Oct	\$12.23	\$1.2421	\$16.15	\$7.71	\$1.2822	\$11.93	\$8.66	\$1.2752	\$12.82	\$ 7.66	\$1.2752	\$11.86	\$ 11.54	\$1.2622	\$15.55
Nov	\$12.50	\$1.3132	\$16.66	\$8.38	\$1.4726	\$13.24	\$9.27	\$1.4656	\$14.08	\$ 8.41	\$1.4656	\$13.25	\$ 11.77	\$1.4075	\$16.28
Dec	\$13.11	\$1.4690	\$17.79	\$9.14											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
Sep 2008	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	2,811	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%
Aug	568,941	2,803	402,719	70.79%	60,254	10.59%	59,535	10.46%	46,434	8.16%
Sep	543,362	2,734	397,084	73.08%	69,511	12.79%	63,408	11.67%	13,360	2.46%
Oct	565,165	2,837	418,281	74.01%	60,617	10.73%	63,975	11.32%	22,293	3.94%
Nov	561,219	2,800**	394,695	70.33%	66,691	11.88%	71,884	12.81%	27,950	4.98%



* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods December 2009 through February 2010

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
DEC 2009	01/11/10	01/12/10	01/13/10	12/28/09	12/28/09	01/13/10	01/14/10
JAN 2010	02/11/10	02/12/10	02/16/10	01/25/10	01/26/10	02/16/10	02/17/10
FEB 2010	03/11/10	03/12/10	03/15/10	02/25/10	02/26/10	03/15/10	03/16/10

** The base rate for making partial payments in Fulton County, GA for December will be \$14.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.28 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

Less Milk Production, Firm Global Demand Combine To Raise 2010's Milk Price Forecast

(continued from page 1) are projected to continue to rise next year, especially for nonfat dry milk (NDM) and whey products. Exports of NDM will help draw down stocks next year on a skims-solids basis, but stocks on a fats basis will be drawn down less. Imports are forecast to decline slightly next year on a fats basis but to rise slightly on a skims-solids basis.

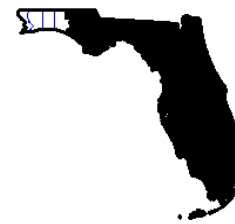
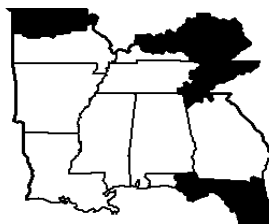
Product prices across the board will be higher next year. Cheese prices will likely average \$1.290 to \$1.300 per pound in 2009 and rise to average \$1.615 to \$1.695 per pound in 2010. Butter prices are projected to average \$1.195 to \$1.225 per pound and average \$1.430 to \$1.540 per pound next year. After averaging 91.0 to 93.0 cents per pound this year, NDM prices are forecast to climb to average \$1.245 to \$1.305 per pound in 2010. Whey prices are projected to average 25.5 to 26.5 cents per pound in 2009 and rise to 35.0 to 38.0 cents per pound next year.

The higher price prospects for dairy products both this year and next will boost milk prices as well. After averaging \$11.30 to \$11.40 per cwt in 2009, Class III prices are forecast to rise to average \$15.15 to \$15.95 per cwt next year. Likewise, Class IV prices are expected to climb from \$10.75 to \$10.95 in the current year to average \$14.60 to \$15.50 per cwt in 2010. The all milk price is expected to average \$12.70 to \$12.80 this year and rise to average \$16.35 to \$17.15 in 2010.

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Economic Research Service, USDA



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