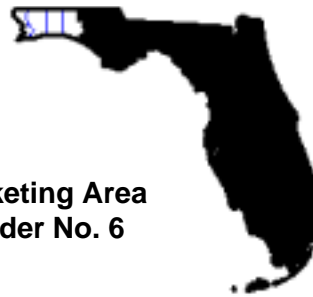


FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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'03 State Production Totals In; Southeastern Decline Continues

The National Agricultural Statistics Service (NASS) has released state production estimates for 2003 and they reveal a continuation in the expansion of milk production in the western U.S. and the contraction of milk supplies in the southeastern and northeastern U.S. The southeastern states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri and Tennessee (bolded in the chart below and combined into SE States) have each lost production, though Florida and Georgia seem to be losing it at a slower rate than the others. Combined, states in the southeastern U.S. produced 6.5% less milk in 2003 than the prior year.

NASS reports that the state of Florida produced 2.16 billion pounds of milk in 2003, down 6.4 percent from 2002, and down 9.2 percent from 1995. This long term trend compares favorably with other southeastern states, which have seen production decline by as much as half over the past 9 years.

Production Rank		2003	2002	1995	'02-03 % chg	'95-03 % chg
millions of pounds						
1	CA	35,437	35,065	25,327	1.1%	39.9%
2	WI	22,266	22,074	22,942	0.9%	-2.9%
3	NY	11,952	12,218	11,643	-2.2%	2.7%
4	PA	10,338	10,775	10,600	-4.1%	-2.5%
5	ID	8,774	8,155	4,210	7.6%	108.4%
6	MN	8,258	8,458	9,442	-2.4%	-12.5%
7	NM	6,666	6,316	3,623	5.5%	84.0%
8	MI	6,360	6,120	5,565	3.9%	14.3%
9	TX	5,630	5,300	6,113	6.2%	-7.9%
10	WA	5,581	5,620	5,302	-0.7%	5.3%
18	FL	2,161	2,308	2,381	-6.4%	-9.2%
21	MO	1,886	1,946	2,690	-3.1%	-29.9%
24	KY	1,464	1,614	2,020	-9.3%	-27.5%
25	GA	1,444	1,470	1,555	-1.8%	-7.1%
29	TN	1,205	1,315	1,745	-8.4%	-30.9%
34	LA	519	579	905	-10.4%	-42.7%
36	MS	423	478	710	-11.5%	-40.4%
38	AR	352	393	732	-10.4%	-51.9%
43	AL	252	277	482	-9.0%	-47.7%
	US	170,312	170,063	155,644	0.1%	9.4%
	SE States	9,706	10,380	13,220	-6.5%	-26.6%

Price Inches Downward

The uniform blend in Hillsborough County, FL, was \$15.48 per hundredweight for milk at 3.5 percent butterfat for the month of February. This is a decrease of \$0.06 from last month, however it is an increase of \$1.83 compared with February 2003. Class I utilization was 81.90 percent, a decrease of 4.71 percent versus last month and 5.20 percent lower than February 2003.

National Dairy Situation

USDA estimates total U.S. production of milk in January at 14.4 billion pounds, which is an increase of 1.5 percent from December but a decrease of 1.3 percent when compared with January 2003. Total cheese output (excluding cottage cheese) was 735 million pounds, 2.4 percent above January 2003 but 2.5 percent below December 2003. Butter production was 132 million pounds in January, 6.8 percent below January 2003 but 15.3 percent above December 2003. Nonfat dry milk production was 120 million pounds in January, a decrease of 9.1 percent from December and down 10.2 percent from January 2003.

Decision Issued on Product Classifications

USDA has announced a tentative final decision to amend all Federal milk marketing orders. If approved by producers, this decision would reclassify evaporated milk and sweetened condensed milk in consumer-type packages from Class III to Class IV. It is projected to have minimal impact on producer prices. For more information, visit www.ams.usda.gov/dairy or contact this office directly.

Western Order to Terminate

Producers in the Western order failed to approve the issuance of their order, as amended, which sought to increase pooling standards. As a result, the order will terminate as of April 1, 2004. Certain administrative functions, such as plant audits, will continue to operate for a few months before the order's provisions can officially cease.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - FEBRUARY 2004

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.78%	4,343,848	\$1.5044	\$ 6,534,884.94
Class I Differential at Location				178,182.64
Class II Butterfat	33.71%	3,065,424	\$1.8588	5,698,010.14
Class III Butterfat	7.32%	666,064	\$1.8518	1,233,417.32
Class IV Butterfat	11.19%	1,017,804	\$1.8518	1,884,769.45
Total Butterfat	100.00%	9,093,140		\$ 15,529,264.49

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.7078**

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	83.20%	199,752,953	\$6.55 /cwt.	\$ 13,083,818.43
Class I Butterfat	47.78%	4,343,848	\$1.5044 /lb.	6,534,884.94
Class I Differential at Location		204,096,801		8,348,349.80
Total Class I Milk	81.90%	204,096,801		\$ 27,967,053.17
Class II Skim Milk	7.48%	17,961,793	\$6.63 /cwt.	\$ 1,190,866.89
Class II Butterfat	33.71%	3,065,424	\$1.8588 /lb.	5,698,010.14
Total Class II Milk	8.44%	21,027,217		\$ 6,888,877.03
Class III Skim Milk	5.95%	14,285,168	\$5.61 /cwt.	\$ 801,397.93
Class III Butterfat	7.32%	666,064	\$1.8518 /lb.	1,233,417.32
Total Class III Milk	6.00%	14,951,232		\$ 2,034,815.25
Class IV Skim Milk	3.37%	8,092,460	\$5.94 /cwt.	\$ 480,692.12
Class IV Butterfat	11.19%	1,017,804	\$1.8518 /lb.	1,884,769.45
Total Class IV Milk	3.66%	9,110,264		\$ 2,365,461.57
Producer Milk	100.00%	249,185,514		\$ 39,256,207.02

Adjustments

Overage and Other Source	\$4,166.28
Inventory Adjustments	\$24,124.67
Producer butterfat at uniform butterfat price	(\$15,529,264.49)
Location Adjustments to Producers	(\$100,060.42)
1/2 Unobligated Balance in P.S.F.	\$94,455.72

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9,89187	\$ 23,749,628.78
	\$ 0.04187	\$100,529.94

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

\$9.85

Uniform Price per cwt. (Hillsborough County, Florida)

\$15.48*

* 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 %
	FEB 2004	MAR 2004	JAN 2004	FEB 2004	FEB 2004
Appalachian (Charlotte)	\$ 14.69	\$ 15.04	\$ 14.25	\$ 14.49	66.52%
Arizona-Las Vegas (Phoenix)	\$ 13.94	\$ 14.29	\$ 12.39	\$ 12.89	31.41%
Central (Kansas City)	\$ 13.59	\$ 13.94	\$ 12.30	\$ 12.66	29.49%
Florida (Tampa)	\$ 15.59	\$ 15.94	\$ 15.54	\$ 15.48	81.90%
Mideast (Cleveland)	\$ 13.59	\$ 13.94	\$ 12.51	\$ 12.87	36.30%
Northeast (Boston)	\$ 14.84	\$ 15.19	\$ 13.58	\$ 13.95	43.60%
Pacific Northwest (Seattle)	\$ 13.49	\$ 13.84	\$ 12.07	\$ 12.67	28.34%
Southeast (Atlanta)	\$ 14.69	\$ 15.04	\$ 14.02	\$ 14.23	58.32%
Southwest (Dallas)	\$ 14.59	\$ 14.94	\$ 13.29	\$ 13.67	44.39%
Upper Midwest (Chicago)	\$ 13.39	\$ 13.74	\$ 11.98	\$ 12.36	18.30%
Western (Salt Lake City)	\$ 13.45	\$ 13.80	\$ 12.13	\$ 12.53	19.40%

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

Receipts:	February 2004	February 2003
Producer Milk		
Class I	204,096,801	201,537,400
Class II	21,027,217	16,882,687
Class III	14,951,232	7,303,444
Class IV	9,110,264	5,656,129
Total Producer Milk	249,185,514	231,379,660
Average Butterfat Test	3.65%	3.59%
Percent of Producer Milk in Class I	81.90%	87.10%
Daily Average Receipts	8,592,604	8,263,559
Other Source Milk		
Class I	3,017,832	2,224,794
Class II	9,897,316	10,157,172
Class III	19,307	2,261
Class IV	1,803,994	1,692,683
Total Other Source Milk	14,738,449	14,076,910
Overage		
Class I	0	0
Class II	0	25,794
Class III	0	30,998
Class IV	18,178	24,244
Total Overage	18,178	81,036
Opening Inventory		
Class I	14,477,274	13,746,175
Class II	135,318	24,928
Class III	887	70,741
Class IV	2,517,708	3,586,527
Total Opening Inventory	17,131,187	17,428,371
Total Receipts	281,073,328	262,965,977
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	12,107,616	13,335,652
Route Disposition Class I	208,673,496	202,865,599
Shrinkage	621,283	1,193,844
Transfers and Diversions to Nonpool	189,512	113,274
Total Class I Utilization	221,591,907	217,508,369
Average Butterfat Test	2.12%	2.11%
Daily Average Utilization	7,641,100	7,768,156
Class II Utilization		
Nonfluid Used To Produce	9,819,400	8,176,356
Shrinkage	0	0
Transfers and Diversions to Nonpool	4,750,897	5,358,793
Used To Produce/Other Uses	16,489,554	13,555,432
Total Class II Utilization	31,059,851	27,090,581
Average Butterfat Test	10.29%	9.46%
Class III Utilization		
Shrinkage	3,370,726	3,447,918
Transfers and Diversions to Nonpool	10,646,434	3,157,275
Used To Produce/Other Uses	954,266	802,251
Total Class III Utilization	14,971,426	7,407,444
Average Butterfat Test	4.52%	3.65%
Class IV Utilization		
Inventory	9,354,485	4,733,384
Nonfluid Used To Fortify	1,397,097	1,489,935
Shrinkage	0	0
Transfers and Diversions to Nonpool	2,698,562	4,736,264
Used To Produce/Other Uses	0	0
Total Class IV Utilization	13,450,144	10,959,583
Average Butterfat Test	9.66%	13.97%
Total Utilization	281,073,328	262,965,977

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2004 is \$15.48 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$9.85 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7078 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In February, Class I use accounted for 83.20% of all producer skim milk (priced to handlers at \$6.55 per hundredweight, plus the Class I differential and 47.78% of producer butterfat (priced to handlers at \$1.5044 per pound plus Class I differential). Class II use accounted for 7.48% of all producer skim milk (\$6.63 per hundredweight) and 33.71% of producer butterfat (\$1.8588 per pound). Class III use accounted for 5.95% of all producer skim milk (\$5.61 per hundredweight) and 7.32% of producer butterfat (\$1.8518 per pound). Class IV use accounted for 3.37% of all producer skim milk (\$5.94 per hundredweight) and 11.19% of producer butterfat (\$1.8518 per pound).

Receipts of producer milk during February 2004 totaled 249.2 million pounds, 17.8 million pounds more than was pooled in February of last year. Florida producers supplied 197.5 million pounds of milk in January 2004 to pool plants or 75.29% of the total producer milk pooled in Florida. In January 2003 Florida producers supplied 77.09% of the total producer milk pooled in the Florida market.

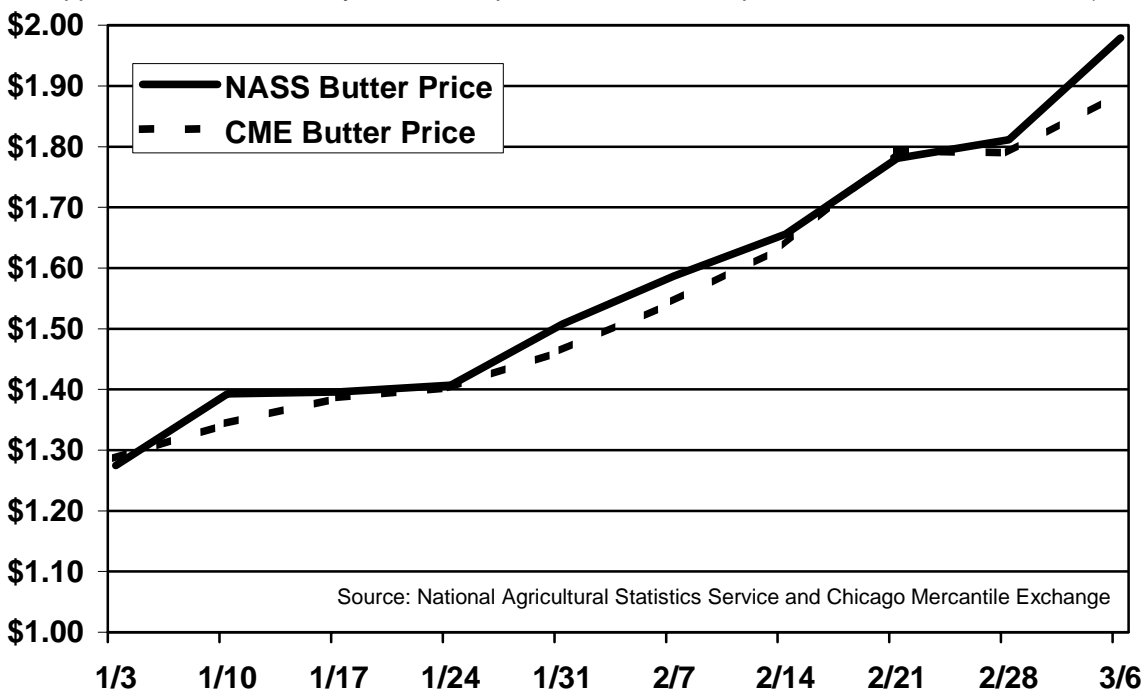
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2004. In-area Class I route disposition totaled 259.1 million pounds in January 2004, which was 0.3 million pounds more than January of last year. This represents a 0.1 percent increase after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Florida January 2004
Whole Milk	107,106,440
Fat Free Milk	36,768,016
Lowfat Milk (incl. 1%)	26,680,564
Reduced Fat Milk (incl. 2%)	67,195,611
Cultured Fluid Milk (incl. Buttermilk)	1,300,634
Flavored Drinks and Milk	20,074,018
Total Disposition in Marketing Area	259,125,283
Total Disposition by Pool Plants	225,388,034
Total Disposition by Nonpool Plants	33,737,249
Total Disposition in Marketing Area	259,125,283

Charting the Recent Surge in Butter Prices

Recent declines in U.S. butter production, coupled with increases in commercial disappearance, have fueled speculation regarding tight butter supplies and higher prices throughout the remainder of 2004. Butter production during the fourth quarter of 2003 was 34.7 million pounds, or 10.4 percent below prior year levels. At the same time, commercial disappearance increased by 18 million pounds, or about 5 percent. As a result, NASS (National Agricultural Statistics



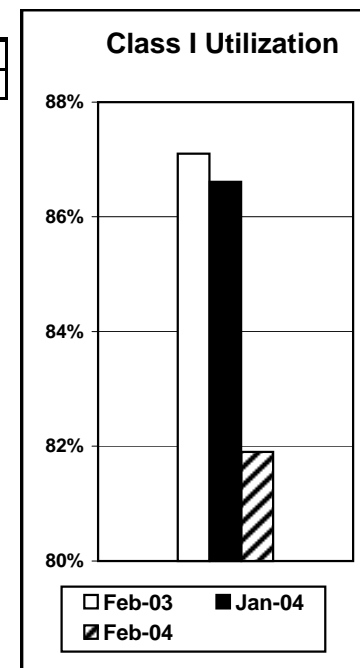
Service) survey prices have increased quickly, from \$1.2867 per pound for the week ending January 3 to \$1.8888 per pound for the week ending March 6 (see graph at left), an increase of nearly 47 percent. The weekly average cash butter prices on the Chicago Mercantile Exchange (CME) have increased from \$1.2750 per pound to \$1.9790 per pound over the same period of time, an increase of just over 55 percent.

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
2000 Avg	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
2001 Avg	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
2002 Avg	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
2000 Avg	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
2001 Avg	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
2002 Avg	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	280**	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%



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

Florida Marketing Area - Federal Order 6
Pool and Payment Dates For the Pooling Periods
March through May 2004

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
Mar 2004	04/11/04	04/12/04	04/13/04	03/19/04	03/22/04	04/05/04	04/05/04	04/13/04	04/14/04
Apr 2004	05/11/04	05/12/04	05/13/04	04/19/04	04/20/04	05/04/04	05/05/04	05/13/04	05/14/04
May 2004	06/11/04	06/14/04	06/15/04	05/19/04	05/20/04	06/04/04	06/07/04	06/15/04	06/16/04

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FEDERAL MILK MARKET ADMINISTRATOR
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LAWRENCEVILLE, GEORGIA 30049
Address Correction Requested

