

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

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

## Invitation for Additional Proposals

A cooperative association, Dairy Farmers of America (DFA), has requested that the U. S. Department of Agriculture (USDA) hold an emergency public hearing to consider proposals to increase the maximum assessment rate of the transportation credit balancing funds of the Appalachian and Southeast Milk Marketing Orders. The request also proposes to establish transportation credit funds for intra-market movements of milk within the marketing areas, and fuel cost adjustments for both the current transportation credit balancing funds and the proposed intra-market transportation credit funds.

Copies of the DFA proposals may be obtained from Antoinette Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231 – Room 2971, 1400 Independence Ave, SW, Washington, DC 20250, (202) 690-3465, e-mail: antoinette.carter@usda.gov.

These proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing should be held, the Department is providing interested parties an opportunity to submit additional proposals.

The deadline for submitting proposals is November 25, 2005. Proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, Room 2968-S, STOP 0225, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by November 25, 2005.

Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposal should be considered if a hearing to amend the order is to be held. If you have questions concerning the filing of the proposals or desire a copy of the present order, please contact the Market Administrator at 770-682-2501 or visit [www.fmmatlanta.com](http://www.fmmatlanta.com).

## October's Blend Up \$0.17

The uniform blend price in Fulton County, GA, was \$16.49 per hundredweight of milk at 3.5 percent butterfat for the month of October. This is an increase of \$0.17 from September and a decrease of \$0.29 from October 2004. Class I utilization was 68.28 percent, 1.59 percent less than last month and 0.66 percent lower than October 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in September was 14.23 billion pounds, an increase of 4.5 percent from September 2004 and a decrease of 4.0 percent when compared with August 2005. Total cheese output was 742 million pounds, 3.9 percent above September 2004 but 1.6 percent below August 2005. Butter production was 101 million pounds, 7.2 percent above September 2004 and 10.3 percent above August 2005.

## USDA Seeks Fluid Milk Board Nominations

The U.S. Department of Agriculture is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. Nominations will be accepted for board representation in five geographic regions, including Region 9 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee) and two at-large positions. To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by Dec. 5, 2005, to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. For more information, call (202) 720-6909 or visit [www.ams.usda.gov/dairy/dairyprp.htm](http://www.ams.usda.gov/dairy/dairyprp.htm).

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for October 2005 were made for \$1,183,953.93. Since the available balance was \$273,672.55, eligible claims were paid at the rate of approximately \$0.23 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.65%	8,156,371	\$1.8818	\$ 15,348,658.95
Class I Differential at Location				242,955.15
Class II Butterfat	23.78%	5,017,444	\$1.8326	9,194,967.89
Class III Butterfat	14.57%	3,075,049	\$1.8256	5,613,809.44
Class IV Butterfat	23.00%	4,853,294	\$1.8256	8,860,173.53
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,102,158</b>		<b>\$ 39,260,564.96</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.8605**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	69.42%	382,802,985	\$7.96 /cwt.	\$ 30,471,117.61
Class I Butterfat	38.65%	8,156,371	\$1.8818 /lb.	15,348,658.95
Class I Differential at Location		390,959,356		11,587,774.10
<b>Total Class I Milk</b>	<b>68.28%</b>	<b>390,959,356</b>		<b>\$ 57,407,550.66</b>
Class II Skim Milk	9.41%	51,915,255	\$8.12 /cwt.	\$ 4,215,518.72
Class II Butterfat	23.78%	5,017,444	\$1.8326 /lb.	9,194,967.89
<b>Total Class II Milk</b>	<b>9.94%</b>	<b>56,932,699</b>		<b>\$ 13,410,486.61</b>
Class III Skim Milk	12.17%	67,112,516	\$8.25 /cwt.	\$ 5,536,782.63
Class III Butterfat	14.57%	3,075,049	\$1.8256 /lb.	5,613,809.44
<b>Total Class III Milk</b>	<b>12.26%</b>	<b>70,187,565</b>		<b>\$ 11,150,592.07</b>
Class IV Skim Milk	9.00%	49,626,185	\$7.48 /cwt.	\$ 3,712,038.62
Class IV Butterfat	23.00%	4,853,294	\$1.8256 /lb.	8,860,173.53
<b>Total Class IV Milk</b>	<b>9.52%</b>	<b>54,479,479</b>		<b>\$ 12,572,212.15</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>572,559,099</b>		<b>\$ 94,540,841.49</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$2,052.97
Producer butterfat at uniform butterfat price	(\$39,260,564.96)
Location Adjustments to Producers	\$1,599,368.18
1/2 Unobligated Balance in P.S.F.	\$377,566.66
<b>Adjusted Pool Value</b>	<b>\$ 10.38327</b>
Reserve for Producer Settlement Fund	\$ 57,259,264.34
	\$ 0.04327
	\$238,616.63

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

**\$10.34**

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

**\$16.49\***

\* 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 2005	NOV 2005	SEPT 2005	OCT 2005	OCT 2005
Appalachian (Charlotte)	\$ 17.37	\$ 17.66	\$ 16.37	\$ 16.48	69.30%
Arizona-Las Vegas (Phoenix)	\$ 16.62	\$ 16.91	\$ 15.02	\$ 15.03	35.45%
Central (Kansas City)	\$ 16.27	\$ 16.56	\$ 14.75	\$ 14.70	29.61%
Florida (Tampa)	\$ 18.27	\$ 18.56	\$ 17.47	\$ 17.69	87.17%
Mideast (Cleveland)	\$ 16.27	\$ 16.56	\$ 14.94	\$ 14.91	38.90%
Northeast (Boston)	\$ 17.52	\$ 17.81	\$ 15.92	\$ 15.88	48.20%
Pacific Northwest (Seattle)	\$ 16.17	\$ 16.46	\$ 14.50	\$ 14.46	28.34%
<b>Southeast (Atlanta)</b>	<b>\$ 17.37</b>	<b>\$ 17.66</b>	<b>\$ 16.32</b>	<b>\$ 16.49</b>	<b>68.28%</b>
Southwest (Dallas)	\$ 17.27	\$ 17.56	\$ 15.70	\$ 15.58	42.75%
Upper Midwest (Chicago)	\$ 16.07	\$ 16.36	\$ 14.59	\$ 14.59	17.90%

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

<b>Receipts:</b>	<b>October 2005</b>	<b>October 2004</b>
<b>Producer Milk</b>		
Class I	390,959,356	395,196,799
Class II	56,932,699	66,827,017
Class III	70,187,565	65,141,200
Class IV	54,479,479	45,997,775
Total Producer Milk	<u>572,559,099</u>	<u>573,162,791</u>
Average Butterfat Test	3.69%	3.74%
Percent of Producer Milk in Class I	68.28%	68.94%
Daily Average Receipts	18,469,648	18,489,122
<b>Other Source Milk</b>		
Class I	14,487,171	11,720,157
Class II	9,281,894	5,136,174
Class III	4,000,640	2,327,034
Class IV	8,726,379	5,282,283
Total Other Source Milk	<u>36,496,084</u>	<u>24,465,648</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	32,480,681	33,699,558
Class II	456,355	175,422
Class III	0	0
Class IV	9,956,000	18,633,939
Total Opening Inventory	<u>42,893,036</u>	<u>52,508,919</u>
<b>Total Receipts</b>	<b>651,948,219</b>	<b>650,137,358</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	28,917,695	31,704,002
Route Disposition Class I	399,874,965	398,811,828
Shrinkage	2,703,891	2,717,551
Transfers & Diversions to Nonpool	6,430,657	7,383,133
Total Class I Utilization	<u>437,927,208</u>	<u>440,616,514</u>
Average Butterfat Test	2.08%	2.13%
Daily Average Utilization	14,126,684	14,213,436
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,341,868	1,493,998
Shrinkage	1,661	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,864,535	49,004,543
Total Class II Utilization	<u>30,462,884</u>	<u>21,640,072</u>
Average Butterfat Test	9.20%	8.07%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool	74,188,205	67,468,234
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>74,188,205</u>	<u>67,468,234</u>
Average Butterfat Test	4.37%	5.01%
<b>Class IV Utilization</b>		
Inventory	22,376,359	26,381,363
Nonfluid Used To Fortify	2,059,554	2,008,778
Shrinkage	7,782,468	7,815,710
Transfers & Diversions to Nonpool	36,531,571	28,865,569
Used To Produce/Other Uses	4,411,906	4,842,577
Total Class IV Utilization	<u>73,161,858</u>	<u>69,913,997</u>
Average Butterfat Test	8.21%	8.01%
<b>Total Utilization</b>	<b>651,948,219</b>	<b>650,137,358</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2005 is \$16.49 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.34 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8605 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

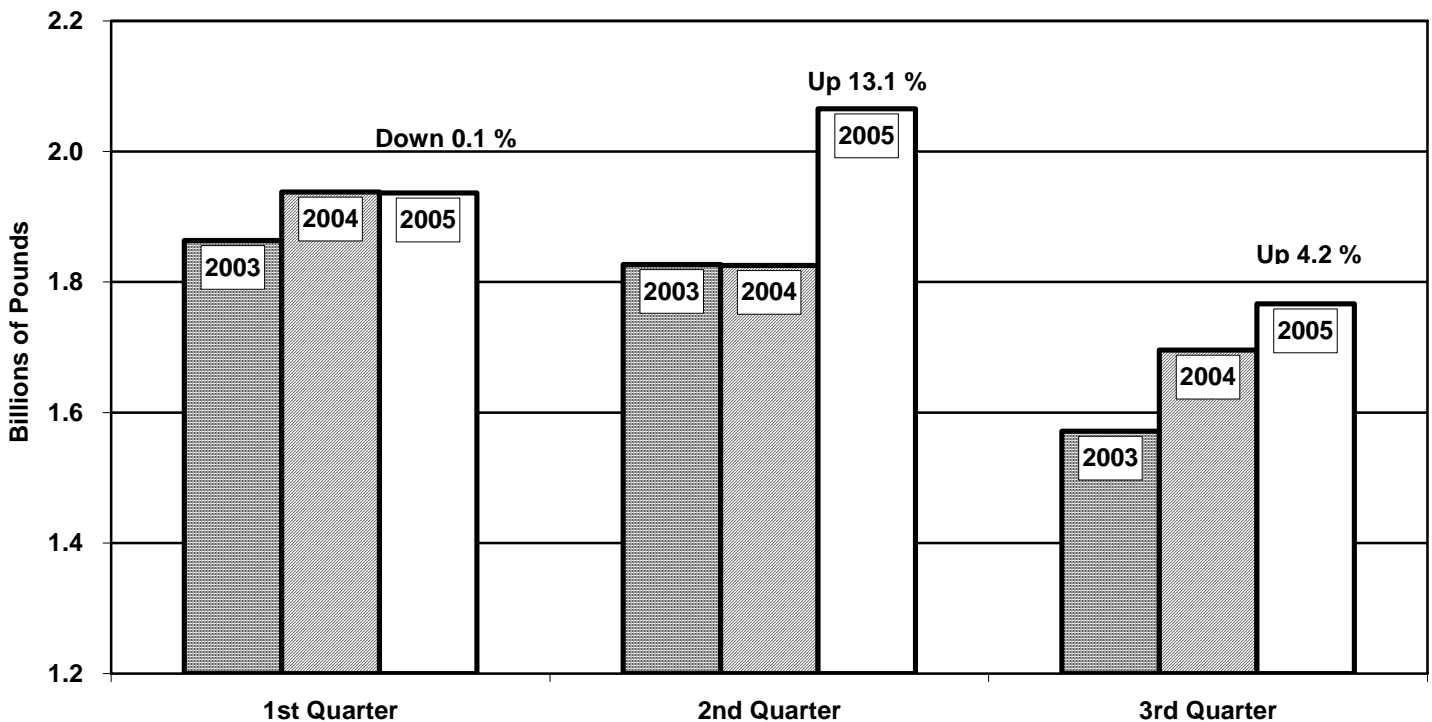
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In October, Class I use, which is primarily bottled or packaged fluid milk, accounted for 69.42% of all producer skim milk (priced to handlers at \$7.96 per hundredweight, plus the Class I differential, see page 2) and 38.65% of producer butterfat (priced to handlers at \$1.8818 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.41% of all producer skim milk (\$8.12 per hundredweight) and 23.78% of producer butterfat (\$1.8326 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.17% of all producer skim milk (\$8.25 per hundredweight) and 14.57% of producer butterfat (\$1.8256 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.00% of all producer skim milk (\$7.48 per hundredweight) and 23.00% of producer butterfat (\$1.8256 per pound).

Receipts of producer milk during October 2005 totaled 572.6 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plants and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2005. Class I route disposition in the area totaled 416.2 million pounds in September 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2005</b>		
Whole Milk	146,195,612	35.13%
Fat Free Milk	49,468,702	11.89%
Lowfat Milk (incl. 1%)	29,920,215	7.19%
Reduced Fat Milk (incl. 2%)	137,557,497	33.05%
Cultured Fluid Milk (incl. Buttermilk)	9,171,296	2.20%
Flavored Drinks and Milk	43,868,974	10.54%
<b>Total Disposition in Marketing Area</b>	<b>416,182,296</b>	<b>100.00%</b>
Total Disposition by Pool Plants	340,118,527	81.72%
Total Disposition by Nonpool Plants	76,063,769	18.28%
<b>Total Disposition in Marketing Area</b>	<b>416,182,296</b>	<b>100.00%</b>

### Federal Order 7 Producer Milk by Quarter: 2003-2005



The chart above shows volumes of Federal Order 7 producer milk by quarter for 2005 and the previous two years, and the percentage change in the amount of producer milk pooled each quarter in 2005 versus the comparable period of 2004. The amount of milk pooled on the Southeast Order is 5.7 percent higher in 2005 through the first three quarters compared with 2004, despite posting a slight decline in producer milk during the first quarter of 2005.

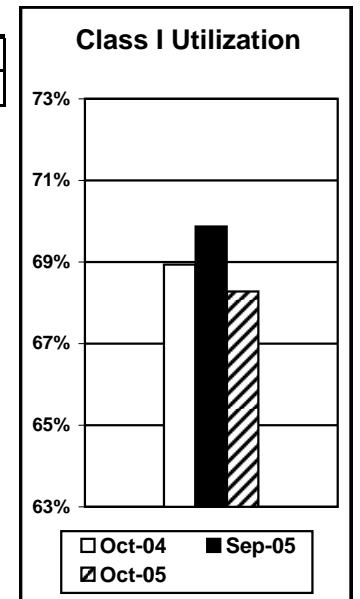
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 2004	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct 2004	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 10.16	\$1.8602	\$16.32
Oct	\$11.06	\$1.9128	\$17.37	\$8.12	\$1.8326	\$14.25	\$8.25	\$1.8256	\$14.35	\$ 7.48	\$1.8256	\$13.61	\$ 10.34	\$1.8605	\$16.49
Nov	\$11.58	\$1.8536	\$17.66	\$8.11											

**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 2004	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct 2004	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,458	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%
Sep	569,194	3,425	397,643	69.87%	59,670	10.48%	69,182	12.15%	42,701	7.50%
Oct	572,559	3,550**	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%

\* 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 2005 through January 2006

		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
Pool Month	Pool & Uniform Price Release Date						
November 2005	12/11/05	12/12/05	12/13/05	11/25/05	11/28/05	12/13/05	12/14/05
December 2005	01/11/06	01/12/06	01/13/06	12/27/05	12/27/05	01/13/06	01/17/06
January 2006	02/11/06	02/13/06	02/14/06	01/25/06	01/26/06	02/14/06	02/15/06

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$14.84 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.49 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*