

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



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Milk Regulatory Equity Act Signed into Law

The Milk Regulatory Equity Act of 2005 was signed into law on April 11, 2006, by President Bush. It amends the Agricultural Marketing Agreement Act of 1937 to ensure regulatory equity between and among dairy farmers and handlers for sales of packaged fluid milk in Federal milk marketing order areas and into certain unregulated milk marketing areas from Federal milk marketing areas. It essentially closes a loophole that allowed a milk processor to escape Federal order regulations based on the location of a plant.

There are three main parts of the Milk Regulatory Equity Act of 2005 that have Federal order implications. The first portion deals with how plants become subject to Federal order regulation. Generally, a plant is regulated based on where its sales are distributed. Previously, if a plant was located in a Federal milk marketing area but sold fluid milk into a state with minimum milk pricing plans, it could avoid both the Federal and state pricing laws. Under the new rules, such a plant would be subject to Federal order pooling and pricing regulations, helping to establish equitable pricing for farmers and handlers alike.

Under a second provision, producer-handlers, that is to say farmers that bottle their own milk, would be regulated by the Arizona-Las Vegas Order if the producer-handler's total milk sales exceeded 3 million pounds per month and if a portion of those sales were distributed in the Arizona-Las Vegas marketing area.

Lastly, the Act exempts the State of Nevada from Federal milk marketing order regulations.

Fluid Milk Board Appointments Made

USDA Secretary of Agriculture Mike Johanns has announced the appointment of four incumbents and five new members to the National Fluid Milk Processor Promotion Board. For additional information on the Fluid Milk Board, visit www.ams.usda.gov/dairy/dairyprp.htm.

March's Blend Price \$0.93 Lower

The uniform blend price in Hillsborough County, FL, was \$15.41 per hundredweight for milk at 3.5 percent butterfat for the month of March. This represents a decrease of \$0.93 from the previous month and is \$2.74 lower when compared with March 2005. Class I utilization was 80.76 percent in March, a decrease of 1.57 percent compared to the previous month, but 3.66 percent higher than March 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in February was 14.28 billion pounds, an increase of 5.5 percent from February 2005 and an increase of 2.9 percent when compared with January 2006 on a daily average basis. Total cheese output was 719 million pounds, 1.6 percent above February 2005 but 7.0 percent below January 2006. Butter production was 134 million pounds, 18.1 percent above February 2005 but 9.0 percent below January 2006.

Nonfat dry milk production was 117 million pounds in February, 24.1 percent more than February 2005 and an increase of 14.7 percent when compared with January 2006. Note that when compared on a daily average basis, 27.0 percent more nonfat dry milk was produced in February than in January. The amount of nonfat dry milk produced was so large that approximately 1.3 million pounds was offered to and purchased by the Commodity Credit Corporation in March, the first support price purchases made by the government since November 2004.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.77 in March, down from 3.35 in March 2005 and lower, also, than February 2006's 2.92 feed price ratio. The value of milk used in the ratio, the all-milk price, was down \$0.70 to \$12.80 per hundredweight in March, while feed prices were generally unchanged.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - MARCH 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	46.15%	5,008,738	\$1.3768	\$ 6,896,030.48
Class I Differential at Location				204,206.87
Class II Butterfat	28.59%	3,103,167	\$1.2666	3,930,471.32
Class III Butterfat	7.97%	864,833	\$1.2596	1,089,343.66
Class IV Butterfat	17.29%	1,877,109	\$1.2596	2,364,406.49
Total Butterfat	100.00%	10,853,847		\$ 14,484,458.82

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.3345**

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	82.07%	236,915,031	\$7.95 /cwt.	\$ 18,834,744.98
Class I Butterfat	46.15%	5,008,738	\$1.3768 /lb.	6,896,030.48
Class I Differential at Location		241,923,769		9,869,589.63
Total Class I Milk	80.76%	241,923,769		\$ 35,600,365.09
Class II Skim Milk	6.45%	18,611,005	\$7.52 /cwt.	\$ 1,399,547.57
Class II Butterfat	28.59%	3,103,167	\$1.2666 /lb.	3,930,471.32
Total Class II Milk	7.25%	21,714,172		\$ 5,330,018.89
Class III Skim Milk	6.68%	19,280,112	\$6.94 /cwt.	\$ 1,338,039.78
Class III Butterfat	7.97%	864,833	\$1.2596 /lb.	1,089,343.66
Total Class III Milk	6.73%	20,144,945		\$ 2,427,383.44
Class IV Skim Milk	4.80%	13,864,755	\$6.50 /cwt.	\$ 901,209.09
Class IV Butterfat	17.29%	1,877,109	\$1.2596 /lb.	2,364,406.49
Total Class IV Milk	5.26%	15,741,864		\$ 3,265,615.58
Producer Milk	100.00%	299,524,750		\$ 46,623,383.00

Adjustments

Overage and Other Source	\$15,901.19
Inventory Adjustments	(\$156.27)
Producer butterfat at uniform butterfat price	(\$14,484,458.82)
Location Adjustments to Producers	(\$22,618.60)
1/2 Unobligated Balance in P.S.F.	\$116,556.68

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11,17141	\$32,248,607.18
	\$ 0.04141	\$119,535.68

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

\$11.13

Uniform Price per cwt. (Hillsborough County, Florida)

\$15.41*

* 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 2006	APR 2006	FEB 2006	MAR 2006	MAR 2006
Appalachian (Charlotte)	\$ 15.59	\$ 14.32	\$ 15.01	\$ 14.13	64.08%
Arizona-Las Vegas (Phoenix)	\$ 14.84	\$ 13.57	\$ 13.03	\$ 12.21	32.66%
Central (Kansas City)	\$ 14.49	\$ 13.22	\$ 12.91	\$ 12.00	28.03%
Florida (Tampa)	\$ 16.49	\$ 15.22	\$ 16.34	\$ 15.41	80.76%
Mideast (Cleveland)	\$ 14.49	\$ 13.22	\$ 13.28	\$ 12.36	37.90%
Northeast (Boston)	\$ 15.74	\$ 14.47	\$ 14.25	\$ 13.43	45.30%
Pacific Northwest (Seattle)	\$ 14.40	\$ 13.13	\$ 12.60	\$ 11.86	27.38%
Southeast (Atlanta)	\$ 15.59	\$ 14.32	\$ 14.71	\$ 13.77	54.11%
Southwest (Dallas)	\$ 15.49	\$ 14.22	\$ 13.73	\$ 12.95	36.45%
Upper Midwest (Chicago)	\$ 14.29	\$ 13.02	\$ 12.68	\$ 11.67	17.50%

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

Receipts:	March 2006	March 2005
Producer Milk		
Class I	241,923,769	230,934,285
Class II	21,714,172	21,444,426
Class III	20,144,945	34,397,625
Class IV	15,741,864	12,774,721
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Total Producer Milk	299,524,750	299,551,057
Average Butterfat Test	3.62%	3.56%
Percent of Producer Milk in Class I	80.76%	77.10%
Daily Average Receipts	9,662,089	9,662,937
Other Source Milk		
Class I	3,657,587	3,563,158
Class II	8,616,690	10,297,646
Class III	0	0
Class IV	1,954,733	1,943,428
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Total Other Source Milk	14,229,010	15,804,232
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	12,624	22,570
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Total Overage	12,624	22,570
Opening Inventory		
Class I	14,456,862	12,921,649
Class II	93,640	284,071
Class III	415,931	4,425
Class IV	6,666,673	5,396,296
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Total Opening Inventory	21,633,106	18,606,441
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Total Receipts	335,399,490	333,984,300
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	15,400,980	12,010,926
Route Disposition Class I	244,391,631	233,118,806
Shrinkage	217,905	975,881
Transfers & Diversions to Nonpool	27,702	1,313,479
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Total Class I Utilization	260,038,218	247,419,092
Average Butterfat Test	2.06%	2.10%
Daily Average Utilization	8,388,330	7,981,261
Class II Utilization		
Nonfluid Used To Produce		
Shrinkage	8,603,413	10,198,893
Transfers & Diversions to Nonpool/Commercial Foods	7,416,209	6,422,235
Used To Produce/Other Uses	14,404,880	15,405,015
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Total Class II Utilization	30,424,502	32,026,143
Average Butterfat Test	10.29%	10.62%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	20,560,876	34,402,050
Other Uses	0	0
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Total Class III Utilization	20,560,876	34,402,050
Average Butterfat Test	4.21%	1.35%
Class IV Utilization		
Inventory	6,229,656	7,086,750
Nonfluid Used To Fortify	1,683,035	1,633,452
Shrinkage	3,428,890	3,902,147
Transfers & Diversions to Nonpool	11,475,015	6,368,796
Used To Produce/Other Uses	1,559,298	1,145,870
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Total Class IV Utilization	24,375,894	20,137,015
Average Butterfat Test	9.47%	12.26%
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Total Utilization	335,399,490	333,984,300

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in March 2006 is \$15.41 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.13 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3345 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 March, Class I use accounted for 82.07% of all producer skim milk (priced to handlers at \$7.95 per hundredweight, plus the Class I differential and 46.15% of producer butterfat (priced to handlers at \$1.3768 per pound plus Class I differential). Class II use accounted for 6.45% of all producer skim milk (\$7.52 per hundredweight) and 28.59% of producer butterfat (\$1.2666 per pound). Class III use accounted for 6.68% of all producer skim milk (\$6.94 per hundredweight) and 7.97% of producer butterfat (\$1.2596 per pound). Class IV use accounted for 4.80% of all producer skim milk (\$6.50 per hundredweight) and 17.29% of producer butterfat (\$1.2596 per pound).

Receipts of producer milk during March 2006 totaled 299.5 million pounds, 0.03 million pounds less than was pooled in March of last year. Florida producers supplied 189.5 million pounds of milk in February 2006 to pool plants or 72.35% of the total producer milk pooled in Florida. In February 2005 Florida producers supplied 76.95% of the total producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 4 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2006. In-area Class I route disposition totaled 236.8 million pounds in February 2006, 3.5 million pounds less than February 2005. This is a decrease of 1.45 percent after making adjustments for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2006		
Whole Milk	87,276,690	36.86%
Fat Free Milk	35,419,740	14.96%
Lowfat Milk (incl. 1%)	28,795,594	11.32%
Reduced Fat Milk (incl. 2%)	66,235,657	27.97%
Cultured Fluid Milk (incl. Buttermilk)	1,193,486	0.50%
Flavored Drinks and Milk	19,860,534	8.39%
Total Disposition in Marketing Area	236,781,701	100.0%
Total Disposition by Pool Plants	211,088,147	89.15%
Total Disposition by Nonpool Plants	25,693,554	10.85%
Total Disposition in Marketing Area	236,781,701	100.0%

Mailbox Milk Prices, January 2006 2/

Reporting Area 1/	January 2005	December 2005	January 2006
New England States 3/	16.65	15.20	15.08
Appalachian States 4/	16.57	14.93	14.87
Southeast States 5/	17.21	16.01	15.81
Southern Missouri 6/	16.01	14.43	13.94
Florida	18.70	17.98	17.31
Indiana	16.11	14.76	14.53
Michigan	15.58	14.70	14.48
Wisconsin	16.00	15.06	14.70
Illinois	15.88	15.06	14.68
Corn Belt States 7/	14.98	13.82	13.65
Western Texas 8/	15.00	13.77	13.58
New Mexico	14.09	12.94	12.74
All Federal Order Areas 9/	15.89	14.73	14.43
California 10/	14.85	13.49	12.87

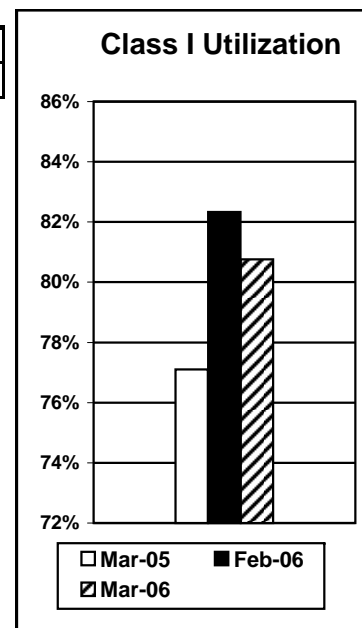
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the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

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
Jan 2005	\$13.70	\$2.1218	\$20.65	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 12.81	\$1.9275	\$19.11
Feb	\$11.97	\$1.7838	\$17.79	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 11.24	\$1.7820	\$17.08
Mar	\$13.59	\$1.8058	\$19.43	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 12.40	\$1.7660	\$18.15
Apr	\$12.35	\$1.7759	\$18.13	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 11.63	\$1.7365	\$17.30
May	\$13.14	\$1.7492	\$18.80	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 11.95	\$1.6411	\$17.28
Jun	\$12.58	\$1.5666	\$17.62	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 11.67	\$1.5833	\$16.80
Jul	\$12.73	\$1.6010	\$17.89	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 11.92	\$1.7035	\$17.47
Aug	\$12.29	\$1.8796	\$18.44	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 11.78	\$1.8564	\$17.87
Sep	\$11.71	\$1.8272	\$17.70	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 11.36	\$1.8589	\$17.47
Oct	\$11.96	\$1.9218	\$18.27	\$8.12	\$1.8326	\$14.25	\$8.25	\$1.8256	\$14.35	\$ 7.48	\$1.8256	\$13.61	\$ 11.52	\$1.8781	\$17.69
Nov	\$12.48	\$1.8626	\$18.56	\$8.11	\$1.6184	\$13.49	\$7.99	\$1.6114	\$13.35	\$ 7.52	\$1.6114	\$12.90	\$ 12.01	\$1.7497	\$17.71
Dec	\$12.03	\$1.7033	\$17.57	\$8.22	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 11.65	\$1.6138	\$16.89
Jan 2006	\$12.42	\$1.5416	\$17.38	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 11.85	\$1.5063	\$16.71
Feb	\$12.51	\$1.5171	\$17.38	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 11.75	\$1.4279	\$16.34
Mar	\$11.95	\$1.4168	\$16.49	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 11.13	\$1.3345	\$15.41
Apr	\$11.02	\$1.3115	\$15.22	\$7.28											

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.	%
Jan 2005	269,921	268	228,531	84.67%	20,038	7.42%	9,356	3.47%	11,996	4.44%
Feb	264,725	265	209,460	79.12%	19,747	7.46%	25,917	9.79%	9,602	3.63%
Mar	299,551	280	230,934	77.10%	21,444	7.16%	34,398	11.48%	12,775	4.26%
Apr	283,685	276	223,901	78.93%	19,354	6.82%	32,348	11.40%	8,082	2.85%
May	284,235	258	208,300	73.29%	20,388	7.17%	42,411	14.92%	13,136	4.62%
Jun	259,315	266	199,019	76.75%	20,228	7.80%	30,006	11.57%	10,062	3.88%
Jul	249,085	327	203,230	81.59%	18,953	7.61%	14,708	5.90%	12,194	4.90%
Aug	249,205	433	218,382	87.63%	20,690	8.30%	823	0.33%	9,310	3.74%
Sep	227,116	452	201,402	88.67%	18,683	8.23%	1,228	0.54%	5,804	2.56%
Oct	229,211	375	199,793	87.17%	19,046	8.31%	740	0.32%	9,632	4.20%
Nov	247,249	370	218,145	88.23%	18,751	7.58%	695	0.28%	9,658	3.91%
Dec	262,046	341	231,459	88.32%	18,649	7.12%	2,937	1.12%	9,002	3.44%
Jan 2006	278,593	358	238,003	85.42%	19,917	7.15%	2,189	0.79%	18,485	6.64%
Feb	261,947	294	215,649	82.33%	18,257	6.97%	11,947	4.56%	16,094	6.14%
Mar	299,525	300**	241,924	80.76%	21,714	7.25%	20,145	6.73%	15,742	5.26%



* 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 April through June 2006

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
Apr 2006	05/11/06	05/12/06	05/15/06	04/19/06	04/20/06	05/04/06	05/05/06	05/15/06	05/16/06
May 2006	06/11/06	06/12/06	06/13/06	05/19/06	05/22/06	06/05/06	06/05/06	06/13/06	06/14/06
Jun 2006	07/11/06	07/12/06	07/13/06	06/19/06	06/20/06	07/05/06	07/05/06	07/13/06	07/14/06

**The base rate for making partial payments in Hillsborough Co., FL for April will be \$13.87 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$13.10 for nonmembers (85 percent of the preceding month's uniform price).

Producer Touch Base Requirements & Handler Diversion Limits

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

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