

# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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## Recommend Decision Issued Regarding Fluid Milk Product Definition

The U. S. Department of Agriculture (USDA) has issued a recommended decision to amend the fluid milk product definition for all Federal milk marketing orders. This recommended decision was based on the record of a public hearing held June 20-23, 2005, in Pittsburgh, Pennsylvania.

Specifically, the decision recommends maintaining the current 6.5 percent nonfat milk solids criteria and incorporating an equivalent 2.25 percent true protein criteria in determining if a product meets the fluid milk product definition. These criteria are not intended to be absolute determinates of whether a product meets the fluid milk product definition. The form and intended use of the product will be the primary criteria used by USDA for determining whether a product meets the fluid milk product definition. The decision also proposes to clarify how milk and milk-derived ingredients should be priced under all orders.

USDA is also proposing that, regardless of packaging, "drinkable" yogurt products containing at least 20 percent yogurt, kefir and products designed to be meal replacements be exempted from the fluid milk product definition.

The recommended decision was published in the May 17 Federal Register and is available on the Agricultural Marketing Service website at [www.ams.usda.gov/dairy/class\\_I\\_definition.htm](http://www.ams.usda.gov/dairy/class_I_definition.htm).

Public comments are due July 17, 2006 and should be sent to the Hearing Clerk, Stop 9200-Room 1031, U.S. Department of Agriculture, 1400 Independence Ave., S.W., Washington, D.C. 20250-9200. Comments may also be submitted at the Federal E-Rulemaking portal at [www.regulations.gov](http://www.regulations.gov) or through e-mail to [amsdairycomments@usda.gov](mailto:amsdairycomments@usda.gov).

For a copy of the present Florida Federal Milk Order language, visit [www.fmmatlanta.com](http://www.fmmatlanta.com) or contact this office at (770)-682-2501.

## Blend Price Levels Off

The uniform blend price in Hillsborough County, FL, was \$14.28 per hundredweight for milk at 3.5 percent butterfat for the month of May. This represents a decrease of \$0.08 from the previous month and is \$3.00 lower when compared with May of last year. It is also the smallest month-to-month decrease in the blend price in the past five months, a period over which the blend price fell an average of \$0.67 per hundredweight per month.

Class I utilization was 80.43 percent in May, a decrease of 1.31 percent compared to the previous month and 7.14 percent lower than May of last year.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in April was 15.53 billion pounds, an increase of 3.2 percent from April 2005 and a decrease of 2.8 percent when compared with March 2006. But note that on a daily average basis, production in April 2006 was 0.5 percent higher than March 2006. Total cheese output (excluding cottage cheese) was 780 million pounds in April, 3.3 percent above April 2005 but 4.0 percent less than March 2006. Production of butter in the U.S. was 128 million pounds in April, 9.2 percent above April 2005 but 10.0 percent less than March 2006.

Nonfat dry milk production was 129 million pounds in April, 23.0 percent more than April 2005 and an increase of 0.8 percent versus March 2006. However, on a daily average basis, nonfat dry milk production was 4.1 percent higher in April than in March.

The milk-feed price ratio, the number of pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.33 in May. This is the lowest value computed in nearly three years, when in mid-2003 milk prices reached historic, post-Order Reform lows.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.06%	4,657,223	\$1.2331	\$ 5,742,821.69
Class I Differential at Location				189,617.25
Class II Butterfat	34.22%	3,315,898	\$1.2652	4,195,274.15
Class III Butterfat	5.34%	517,766	\$1.2582	651,453.19
Class IV Butterfat	12.38%	1,199,240	\$1.2582	1,508,883.77
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,690,127</b>		<b>\$ 12,288,050.05</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.2681</b>	

### 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	81.63%	213,306,574	\$6.90 /cwt.	\$ 14,718,153.62
Class I Butterfat	48.06%	4,657,223	\$1.2331 /lb.	5,742,821.69
Class I Differential at Location		217,963,797		8,892,212.46
<b>Total Class I Milk</b>	<b>80.43%</b>	<b>217,963,797</b>		<b>\$ 29,353,187.77</b>
Class II Skim Milk	7.31%	19,097,619	\$6.94 /cwt.	\$ 1,325,374.76
Class II Butterfat	34.22%	3,315,898	\$1.2652 /lb.	4,195,274.15
<b>Total Class II Milk</b>	<b>8.27%</b>	<b>22,413,517</b>		<b>\$ 5,520,648.91</b>
Class III Skim Milk	8.72%	22,788,087	\$6.66 /cwt.	\$ 1,517,686.61
Class III Butterfat	5.34%	517,766	\$1.2582 /lb.	651,453.19
<b>Total Class III Milk</b>	<b>8.60%</b>	<b>23,305,853</b>		<b>\$ 2,169,139.80</b>
Class IV Skim Milk	2.34%	6,111,277	\$6.14 /cwt.	\$ 375,232.41
Class IV Butterfat	12.38%	1,199,240	\$1.2582 /lb.	1,508,883.77
<b>Total Class IV Milk</b>	<b>2.70%</b>	<b>7,310,517</b>		<b>\$ 1,884,116.18</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>270,993,684</b>		<b>\$ 38,927,092.66</b>

### Adjustments

Overage and Other Source	\$4,407.47
Inventory Adjustments	\$3,931.83
Producer butterfat at uniform butterfat price	(\$12,288,050.05)
Location Adjustments to Producers	(\$13,725.45)
1/2 Unobligated Balance in P.S.F.	\$149,527.10

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.24984	\$26,783,183.56
	\$ 0.04984	\$130,220.76

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

**\$10.20**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$14.28\***

\* 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 %
	MAY 2006	JUN 2006	APR 2006	MAY 2006	MAY 2006
Appalachian (Charlotte)	\$ 14.07	\$ 13.85	\$ 13.01	\$ 13.05	60.54%
Arizona (Phoenix)	\$ 13.32	\$ 13.10	\$ 11.66	\$ 11.62	34.27%
Central (Kansas City)	\$ 12.97	\$ 12.75	\$ 11.49	\$ 11.42	25.81%
<b>Florida (Tampa)</b>	<b>\$ 14.97</b>	<b>\$ 14.75</b>	<b>\$ 14.36</b>	<b>\$ 14.28</b>	<b>80.43%</b>
Mideast (Cleveland)	\$ 12.97	\$ 12.75	\$ 11.75	\$ 11.65	35.40%
Northeast (Boston)	\$ 14.22	\$ 14.00	\$ 12.64	\$ 12.61	43.20%
Pacific Northwest (Seattle)	\$ 12.88	\$ 12.66	\$ 11.35	\$ 11.30	27.04%
Southeast (Atlanta)	\$ 14.07	\$ 13.85	\$ 12.94	\$ 12.90	54.48%
Southwest (Dallas)	\$ 13.97	\$ 13.75	\$ 12.41	\$ 12.26	33.71%
Upper Midwest (Chicago)	\$ 12.77	\$ 12.55	\$ 11.29	\$ 11.21	16.90%

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

<b>Receipts:</b>	<b>May 2006</b>	<b>May 2005</b>
<b>Producer Milk</b>		
Class I	217,963,797	208,300,038
Class II	22,413,517	20,387,908
Class III	23,305,853	42,411,104
Class IV	7,310,517	13,136,370
Total Producer Milk	<u>270,993,684</u>	<u>284,235,420</u>
Average Butterfat Test	3.58%	3.51%
Percent of Producer Milk in Class I	80.43%	73.29%
Daily Average Receipts	8,741,732	9,168,885
<b>Other Source Milk</b>		
Class I	3,582,288	3,390,066
Class II	10,844,016	9,354,020
Class III	0	0
Class IV	1,477,397	1,964,957
Total Other Source Milk	<u>15,903,701</u>	<u>14,709,043</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	3,503	0
Total Overage	<u>3,503</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	15,191,087	14,806,273
Class II	216,226	105,868
Class III	0	0
Class IV	10,342,929	3,519,567
Total Opening Inventory	<u>25,750,242</u>	<u>18,431,708</u>
<b>Total Receipts</b>	<b>312,651,130</b>	<b>317,376,171</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	13,504,418	11,609,855
Route Disposition Class I	222,968,751	213,106,336
Shrinkage	158,381	790,845
Transfers & Diversions to Nonpool	105,622	989,341
Total Class I Utilization	<u>236,737,172</u>	<u>226,496,377</u>
Average Butterfat Test	2.12%	2.15%
Daily Average Utilization	7,636,683	7,306,335
<b>Class II Utilization</b>		
Nonfluid Used To Produce	10,835,007	9,213,567
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	3,598,849	6,443,859
Total Class II Utilization	<u>15,679,903</u>	<u>14,190,370</u>
Average Butterfat Test	33,473,759	29,847,796
Average Butterfat Test	10.08%	11.52%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	23,305,853	42,411,104
Other Uses	0	0
Total Class III Utilization	<u>23,305,853</u>	<u>42,411,104</u>
Average Butterfat Test	2.22%	1.53%
<b>Class IV Utilization</b>		
Inventory	9,212,150	7,377,555
Nonfluid Used To Fortify	1,111,037	1,318,002
Shrinkage	2,932,785	3,571,411
Transfers & Diversions to Nonpool Used To Produce/Other Uses	4,227,393	5,195,320
Total Class IV Utilization	<u>19,134,346</u>	<u>18,602,894</u>
Average Butterfat Test	9.22%	10.56%
<b>Total Utilization</b>	<b>312,651,130</b>	<b>317,376,171</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2006 is \$14.28 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.20 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2681 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 May, Class I use accounted for 81.63% of all producer skim milk (priced to handlers at \$6.90 per hundredweight, plus the Class I differential and 48.06% of producer butterfat (priced to handlers at \$1.2331 per pound plus Class I differential). Class II use accounted for 7.31% of all producer skim milk (\$6.94 per hundredweight) and 34.22% of producer butterfat (\$1.2652 per pound). Class III use accounted for 8.72% of all producer skim milk (\$6.66 per hundredweight) and 5.34% of producer butterfat (\$1.2582 per pound). Class IV use accounted for 2.34% of all producer skim milk (\$6.14 per hundredweight) and 12.38% of producer butterfat (\$1.2582 per pound).

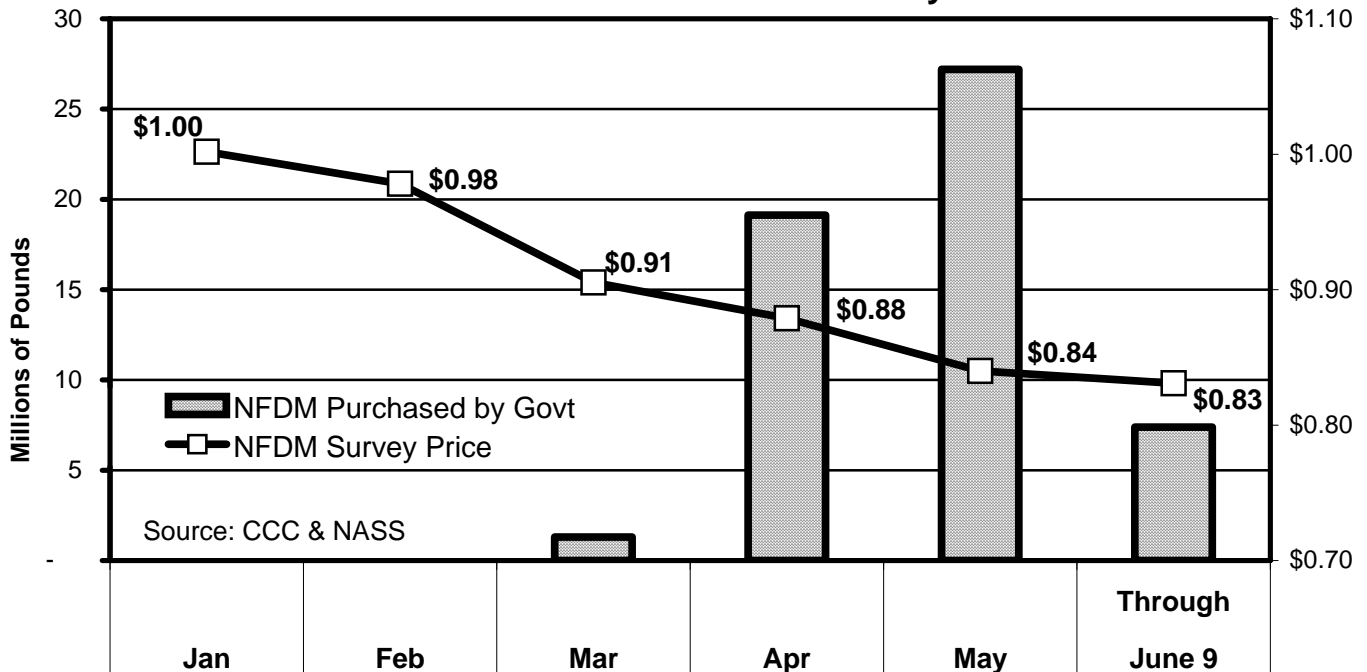
Receipts of producer milk during May 2006 totaled 271.0 million pounds, 13.2 million pounds less than was pooled in May of last year. Florida producers supplied 203.5 million pounds of milk in April 2006 to pool plants or 72.97% of the total producer milk pooled in Florida. In April 2005 Florida producers supplied 75.92% 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 May 2006. In-area Class I route disposition totaled 241.4 million pounds in April 2006, 2.7 million pounds less than April 2005. This is a decrease of 1.11 percent after making adjustments for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2006</b>		
Whole Milk	91,234,327	37.80%
Fat Free Milk	35,102,086	14.54%
Lowfat Milk (incl. 1%)	27,638,055	11.45%
Reduced Fat Milk (incl. 2%)	66,719,373	27.64%
Cultured Fluid Milk (incl. Buttermilk)	1,146,235	0.47%
Flavored Drinks and Milk	19,548,912	8.10%
<b>Total Disposition in Marketing Area</b>	<b>241,388,988</b>	<b>100.0%</b>
Total Disposition by Pool Plants	216,539,284	89.71%
Total Disposition by Nonpool Plants	24,849,704	10.29%
<b>Total Disposition in Marketing Area</b>	<b>241,388,988</b>	<b>100.0%</b>

### Government Purchases of Nonfat Dry Milk



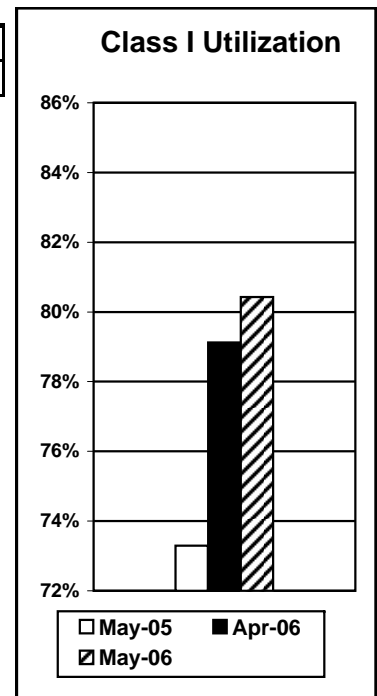
The Milk Price Support Program purchases cheese, butter and nonfat dry milk (NFDM) to ensure the annual average price of milk is at least \$9.90 per hundredweight for milk 3.67 percent butterfat. The program is operated by the Commodity Credit Corporation (CCC), which stands ready to purchase nonfortified NFDM at \$0.80 per pound, fortified NFDM at \$0.81 per pound and instant NFDM at \$0.96 per pound. The chart above shows recent CCC purchases, and the NFDM price as surveyed by the National Agricultural Statistics Service (NASS) for use in Federal Order Class I and Class II skim milk pricing. The last time CCC purchased NFDM was in November 2004.

**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	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 10.26	\$1.2726	\$14.36
May	\$10.90	\$1.2731	\$14.97	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 10.20	\$1.2681	\$14.28
Jun	\$10.57	\$1.3010	\$14.75	\$6.86											

**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	296	241,924	80.76%	21,714	7.25%	20,145	6.73%	15,742	5.26%
Apr	278,859	294	220,645	79.12%	20,220	7.25%	17,893	6.42%	20,100	7.21%
May	270,994	300**	217,964	80.43%	22,414	8.27%	23,306	8.60%	7,311	2.70%



\* 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 June through August 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
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
Jul 2006	08/11/06	08/14/06	08/15/06	07/19/06	07/20/06	08/04/06	08/07/06	08/15/06	08/16/06
Aug 2006	09/11/06	09/12/06	09/13/06	08/21/06	08/21/06	09/05/06	09/05/06	09/13/06	09/14/06

\*\*The base rate for making partial payments in Hillsborough Co., FL for June will be \$12.85 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$12.14 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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**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*