

FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



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USDA to Reconvene Hearing on Class III and IV Price Formulas

The U. S. Department of Agriculture has announced its intent to reconvene a national public hearing to amend the Class III and Class IV price formulas. USDA will reconvene the national hearing, originally held January 24 to 27, 2006, in Alexandria, Virginia, to assure that any changes made to manufacturing allowance factors used in Federal Order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs.

USDA also welcomes additional proposals addressing the Federal Order Class III and Class IV price formulas for further consideration in the reconvened hearing. The additional proposals are due into the Department of Agriculture on or before September 30, 2006.

The notice of intent to reconvene the hearing was published as a proposed rule in the June 28 Federal Register. Copies of the notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The notice for this hearing is also available at www.fmmlanta.com under 'What's New'.

Retail Price Survey Summary Available

A summary of retail milk prices has been made available by USDA's Dairy Programs for 2001 through 2005. The survey was performed by Federal Milk Marketing Order staff throughout the nation at specific marketing outlets (such as the largest food store chain and largest convenience store chain) in 32 selected cities for whole milk and reduced fat (2%) milk. While the survey does have certain limitations, it is the only source providing information on national retail milk prices over time. The report may be found by visiting www.ams.usda.gov/dairy and clicking first on 'Milk Marketing Order Statistics' and then on 'Other Related Information'.

Blend Price Declines

The uniform blend price in Hillsborough County, FL, was \$14.14 per hundredweight for milk at 3.5 percent butterfat for the month of June. This represents a decrease of \$0.14 from the previous month and is \$2.66 lower when compared with June of last year. Class I utilization was 80.84 percent in June, a slight increase of 0.41 percent compared to the previous month and 4.09 percent lower than June of last year.

National Dairy Situation

USDA estimates that the total U.S. production of milk in May was 16.07 billion pounds, an increase of 2.4 percent from May 2005 and an increase of 3.5 percent when compared with April 2006. However, on a daily average basis, total production of milk during May 2006 was 0.1 percent higher than during April 2006. Total cheese output (excluding cottage cheese) was 807 million pounds in May, 3.0 percent more than May 2005 and 2.6 percent above April 2006. Butter production during May was 129 million pounds, 7.3 percent higher than May 2005 and 1 percent more than April 2006.

Nonfat dry milk production was 132 million pounds in May, 6.0 percent more than May 2005 and an increase of 2.3 percent compared with April 2006. However, on a daily average basis, production of nonfat dry milk was actually 1.0 percent lower in May than in April.

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 2.44 in June. This is a slight improvement over the previous month based on an all-milk price that inched higher (\$12.10 per hundredweight in June, up \$0.10 from May) and lower feed prices across the board. Even with the improvement in the ratio, it remains at a low level historically speaking and would tend to discourage increases in milk output.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	50.79%	4,570,904	\$1.2610	\$ 5,763,909.95
Class I Differential at Location				185,903.29
Class II Butterfat	37.20%	3,347,537	\$1.2506	4,186,429.77
Class III Butterfat	2.81%	253,093	\$1.2436	314,746.45
Class IV Butterfat	9.20%	827,525	\$1.2436	1,029,110.11
Total Butterfat	100.00%	8,999,059		\$ 11,480,099.57
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.2757	

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	84.03%	203,412,634	\$6.57 /cwt.	\$ 13,364,210.04
Class I Butterfat	50.79%	4,570,904	\$1.2610 /lb.	5,763,909.95
Class I Differential at Location		207,983,538		8,475,554.53
Total Class I Milk	82.84%	207,983,538		\$ 27,603,674.52
Class II Skim Milk	7.34%	17,765,732	\$6.86 /cwt.	\$ 1,218,729.23
Class II Butterfat	37.20%	3,347,537	\$1.2506 /lb.	4,186,429.77
Total Class II Milk	8.41%	21,113,269		\$ 5,405,159.00
Class III Skim Milk	5.04%	12,199,142	\$7.19 /cwt.	\$ 877,118.30
Class III Butterfat	2.81%	253,093	\$1.2436 /lb.	314,746.45
Total Class III Milk	4.96%	12,452,235		\$ 1,191,864.75
Class IV Skim Milk	3.59%	8,689,661	\$6.08 /cwt.	\$ 528,331.38
Class IV Butterfat	9.20%	827,525	\$1.2436 /lb.	1,029,110.11
Total Class IV Milk	3.79%	9,517,186		\$ 1,557,441.49
Producer Milk	100.00%	251,066,228		\$ 35,758,139.76

Adjustments

Overage and Other Source	\$2,161.62
Inventory Adjustments	\$2,059.86
Producer butterfat at uniform butterfat price	(\$11,480,099.57)
Location Adjustments to Producers	(\$28,298.89)
1/2 Unobligated Balance in P.S.F.	\$140,411.14

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.07752	\$24,394,373.92
	\$ 0.04752	\$115,036.88

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

\$10.03

Uniform Price per cwt. (Hillsborough County, Florida)

\$14.14*

* 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 %
	JUN 2006	JUL 2006	MAY 2006	JUN 2006	JUN 2006
Appalachian (Charlotte)	\$ 13.85	\$ 14.44	\$ 13.05	\$ 12.84	61.02%
Arizona (Phoenix)	\$ 13.10	\$ 13.69	\$ 11.62	\$ 11.67	34.93%
Central (Kansas City)	\$ 12.75	\$ 13.34	\$ 11.42	\$ 11.62	33.45%
Florida (Tampa)	\$ 14.75	\$ 15.34	\$ 14.28	\$ 14.14	82.84%
Mideast (Cleveland)	\$ 12.75	\$ 13.34	\$ 11.65	\$ 11.74	33.70%
Northeast (Boston)	\$ 14.00	\$ 14.59	\$ 12.61	\$ 12.66	44.30%
Pacific Northwest (Seattle)	\$ 12.66	\$ 13.25	\$ 11.30	\$ 11.30	27.89%
Southeast (Atlanta)	\$ 13.85	\$ 14.44	\$ 12.90	\$ 12.90	56.35%
Southwest (Dallas)	\$ 13.75	\$ 14.34	\$ 12.26	\$ 12.36	33.13%
Upper Midwest (Chicago)	\$ 12.55	\$ 13.14	\$ 11.21	\$ 11.52	16.30%

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

Receipts:	June 2006	June 2005
Producer Milk		
Class I	207,983,538	199,018,503
Class II	21,113,269	20,227,773
Class III	12,452,235	30,006,060
Class IV	9,517,186	10,062,229
Total Producer Milk	<u>251,066,228</u>	<u>259,314,565</u>
Average Butterfat Test	3.58%	3.52%
Percent of Producer Milk in Class I	82.84%	76.75%
Daily Average Receipts	8,368,874	8,643,819
Other Source Milk		
Class I	3,687,279	3,137,024
Class II	10,111,184	8,928,173
Class III	0	0
Class IV	858,668	1,517,815
Total Other Source Milk	<u>14,657,131</u>	<u>13,583,012</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	35,553	6,268
Total Overage	<u>35,553</u>	<u>6,268</u>
Opening Inventory		
Class I	13,535,820	11,609,855
Class II	190,109	98,712
Class III	0	11,788
Class IV	8,990,639	7,267,055
Total Opening Inventory	<u>22,716,568</u>	<u>18,987,410</u>
Total Receipts	288,475,480	291,891,255
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	14,550,087	12,667,096
Route Disposition Class I	209,309,792	200,134,519
Shrinkage	778,668	627,825
Transfers & Diversions to Nonpool	568,090	335,942
Total Class I Utilization	<u>225,206,637</u>	<u>213,765,382</u>
Average Butterfat Test	2.19%	2.20%
Daily Average Utilization	7,506,888	7,125,513
Class II Utilization		
Nonfluid Used To Produce	10,100,910	8,906,488
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,523,738	6,410,867
Total Class II Utilization	<u>13,789,914</u>	<u>13,937,303</u>
Average Butterfat Test	10.81%	11.50%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	12,452,235	30,017,848
Other Uses	0	0
Total Class III Utilization	<u>12,452,235</u>	<u>3,017,848</u>
Average Butterfat Test	2.03%	1.08%
Class IV Utilization		
Inventory	4,828,572	7,395,556
Nonfluid Used To Fortify	678,683	1,170,347
Shrinkage	3,679,867	3,469,312
Transfers & Diversions to Nonpool Used To Produce/Other Uses	8,708,267	5,519,675
Total Class IV Utilization	<u>19,402,046</u>	<u>18,853,367</u>
Average Butterfat Test	6.62%	8.38%
Total Utilization	288,475,480	291,891,255

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2006 is \$14.14 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.03 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2757 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 June, Class I use accounted for 84.03% of all producer skim milk (priced to handlers at \$6.57 per hundredweight, plus the Class I differential and 50.79% of producer butterfat (priced to handlers at \$1.2610 per pound plus Class I differential). Class II use accounted for 7.34% of all producer skim milk (\$6.86 per hundredweight) and 37.20% of producer butterfat (\$1.2506 per pound). Class III use accounted for 5.04% of all producer skim milk (\$7.19 per hundredweight) and 2.81% of producer butterfat (\$1.2436 per pound). Class IV use accounted for 3.59% of all producer skim milk (\$6.08 per hundredweight) and 9.20% of producer butterfat (\$1.2436 per pound).

Receipts of producer milk during June 2006 totaled 251.1 million pounds, 8.2 million pounds less than was pooled in June of last year. Florida producers supplied 200.4 million pounds of milk in May 2006 to pool plants or 73.95% of the total producer milk pooled in Florida. In May 2005 Florida producers supplied 76.47% 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 June 2006. In-area Class I route disposition totaled 240.6 million pounds in May 2006, 2.6 million pounds less than May 2005. This is a decrease of 3.14 percent after making adjustments for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2006		
Whole Milk	93,260,041	38.76%
Fat Free Milk	33,026,799	13.73%
Lowfat Milk (incl. 1%)	26,521,228	11.02%
Reduced Fat Milk (incl. 2%)	67,626,951	28.11%
Cultured Fluid Milk (incl. Buttermilk)	1,143,706	0.47%
Flavored Drinks and Milk	19,037,535	7.91%
Total Disposition in Marketing Area	240,616,260	100.00%
Total Disposition by Pool Plants	214,018,450	88.95%
Total Disposition by Nonpool Plants	26,597,810	11.05%
Total Disposition in Marketing Area	240,616,260	100.00%

Mailbox Milk Prices, January to March 2006 2/

Reporting Area 1/	January 2006	February 2006	March 2006
New England States 3/	15.08	14.42	13.58
Appalachian States 4/	14.87	14.44	13.55
Southeast States 5/	15.81	15.31	14.13
Southern Missouri 6/	13.94	13.48	12.43
Florida	17.31	16.68	15.56
Indiana	14.53	13.96	13.01
Michigan	14.48	13.56	12.60
Wisconsin	14.70	13.62	12.63
Illinois	14.68	13.72	12.60
Corn Belt States 7/	13.65	12.65	11.82
Western Texas 8/	13.58	12.45	11.47
New Mexico	12.74	11.57	10.67
All Federal Order Areas 9/	14.43	13.57	12.64
California 10/	12.87	11.52	11.05

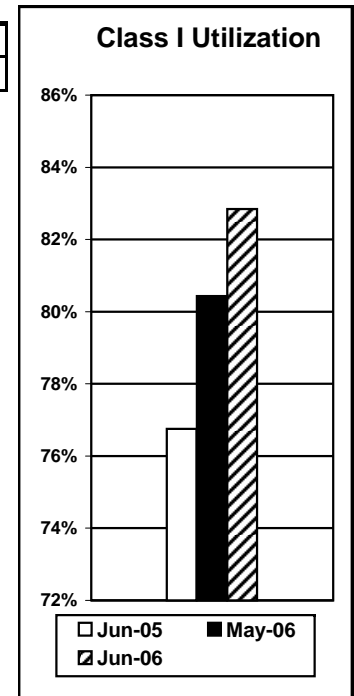
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the 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	\$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	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 10.03	\$1.2757	\$14.14
Jul	\$11.24	\$1.2830	\$15.34	\$6.76											

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	305	217,964	80.43%	22,414	8.27%	23,306	8.60%	7,311	2.70%
Jun	251,066	300**	207,984	82.84%	21,113	8.41%	12,452	4.96%	9,517	3.79%



* 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 July through September 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
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
Sept 2006	10/11/06	10/12/06	10/13/06	09/19/06	09/20/06	10/04/06	10/05/06	10/13/06	10/16/06

**The base rate for making partial payments in Hillsborough Co., FL for July will be \$12.73 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$12.02 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