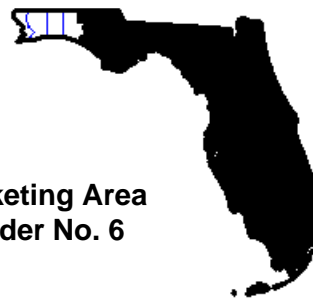


FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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Through June, FL Production Down 5.7%

The National Agricultural Statistics Service (NASS) has recently released estimates for June milk production, allowing a comparison of cumulative production through the mid-point of the year. The State of Florida is estimated to have produced 1.202 billion pounds of milk from January to June of this year, down 5.7 percent from the same period last year. If the remainder of the year continues at this pace, 2006 total milk production could be as low as that of the early to mid-1980's.

Taken as a whole, states that are either in part or in total located inside the Southeast Marketing Area (see "SE States" in the chart below) produced 3.6 percent less milk in the first half of 2006 compared with the first half of 2005. While some southeast states have managed to maintain production levels of late (Georgia and Missouri in particular), none have thus far kept pace with national production growth of 3.7 percent. See the chart on page four of this publication for a longer view of milk production trends within Florida and the states of the Southeast Marketing Area.

Milk Produced By State

(in millions of pounds)

	1st Half 2005	2nd Half 2005	1st Half 2006	1st Half '06 v. '05
FL	1,275	1,003	1,202	-5.7%
MO	978	830	985	0.7%
GA	761	639	762	0.1%
KY	721	650	703	-2.5%
TN	595	507	568	-4.5%
LA	252	182	231	-8.3%
MS	218	161	190	-12.8%
AR	157	131	145	-7.6%
AL	127	97	117	-7.9%
SE States	5,084	4,200	4,903	-3.6%
US Total	89,181	87,589	92,449	3.7%

Blend Price Declines

The uniform blend price in Hillsborough County, FL, was \$14.65 per hundredweight for milk at 3.5 percent butterfat for the month of July. This represents an increase of \$0.51 from the previous month but is \$2.82 lower when compared with July of last year.

Class I utilization was 84.86 percent in July, a 4.02 percent increase compared with the previous month and a 3.27 percent increase versus July of last year.

National Dairy Situation

USDA estimates that the total U.S. production of milk in June was 15.30 billion pounds, an increase of 1.4 percent from June 2005 and a decrease of 4.7 percent when compared with May 2006. On a daily average basis, total production of milk during June 2006 was only 1.5 percent lower than during May 2006, however this is still an encouraging sign for those who would like milk price levels to rise. Total cheese output (excluding cottage cheese) was 793 million pounds, 3.8 percent above June 2005 but 2.3 percent below May 2006. Butter production was 101 million pounds, 5.3 percent below June 2005 and 21.2 percent below May 2006.

Nonfat dry milk production was 116 million pounds in June, 6.2 percent less than June 2005 and a decrease of 12.1 percent compared with May 2006. Though the government has made no purchases of nonfat dry milk under the Price Support Program in four weeks, the cumulative pounds of milk powder purchased thus far in fiscal year 2006 already doubles what was purchased during the entire fiscal year 2005.

The milk-feed price ratio was 2.35 in July 2006 compared with June 2006, which was recently revised downward to 2.35.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	52.04%	4,573,677	\$1.2430	\$ 5,685,080.52
Class I Differential at Location				186,051.59
Class II Butterfat	37.38%	3,285,181	\$1.2298	4,040,115.58
Class III Butterfat	2.46%	216,189	\$1.2228	264,355.91
Class IV Butterfat	8.12%	713,178	\$1.2228	872,074.05
Total Butterfat	100.00%	8,788,225		\$ 11,047,677.65
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.2571	

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	86.07%	202,741,147	\$7.24 /cwt.	\$ 14,678,459.05
Class I Butterfat	52.04%	4,573,677	\$1.2430 /lb.	5,685,080.52
Class I Differential at Location		207,314,824		8,452,848.27
Total Class I Milk	84.86%	207,314,824		\$ 28,816,387.84
Class II Skim Milk	7.44%	17,517,289	\$6.76 /cwt.	\$ 1,184,168.74
Class II Butterfat	37.38%	3,285,181	\$1.2298 /lb.	4,040,115.58
Total Class II Milk	8.51%	20,802,470		\$ 5,224,284.32
Class III Skim Milk	1.81%	4,254,508	\$6.88 /cwt.	\$ 292,710.14
Class III Butterfat	2.46%	216,189	\$1.2228 /lb.	264,355.91
Total Class III Milk	1.83%	4,470,697		\$ 557,066.05
Class IV Skim Milk	4.68%	11,019,343	\$6.15 /cwt.	\$ 677,689.59
Class IV Butterfat	8.12%	713,178	\$1.2228 /lb.	872,074.05
Total Class IV Milk	4.80%	11,732,521		\$ 1,549,763.64
Producer Milk	100.00%	244,320,512		\$ 36,147,501.85

Adjustments

Overage and Other Source	\$12,677.90
Inventory Adjustments	\$7,054.09
Producer butterfat at uniform butterfat price	(\$11,047,677.65)
Location Adjustments to Producers	(\$117,770.60)
1/2 Unobligated Balance in P.S.F.	\$116,694.32
Adjusted Pool Value	\$ 10.66456
Reserve for Producer Settlement Fund	\$ 0.04456
	\$25,118,479.91
	\$104,951.04

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

\$10.62

Uniform Price per cwt. (Hillsborough County, Florida)

\$14.65*

* 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 %
	JUL 2006	AUG 2006	JUN 2006	JUL 2006	JUL 2006
Appalachian (Charlotte)	\$ 14.44	\$ 14.07	\$ 12.84	\$ 13.33	66.30%
Arizona (Phoenix)	\$ 13.69	\$ 13.32	\$ 11.67	\$ 11.85	37.91%
Central (Kansas City)	\$ 13.34	\$ 12.97	\$ 11.62	\$ 11.53	25.23%
Florida (Tampa)	\$ 15.34	\$ 14.97	\$ 14.14	\$ 14.65	84.86%
Mideast (Cleveland)	\$ 13.34	\$ 12.97	\$ 11.74	\$ 11.74	33.30%
Northeast (Boston)	\$ 14.59	\$ 14.22	\$ 12.66	\$ 12.79	42.70%
Pacific Northwest (Seattle)	\$ 13.25	\$ 12.88	\$ 11.30	\$ 11.29	24.24%
Southeast (Atlanta)	\$ 14.44	\$ 14.07	\$ 12.90	\$ 13.28	62.10%
Southwest (Dallas)	\$ 14.34	\$ 13.97	\$ 12.36	\$ 12.32	30.68%
Upper Midwest (Chicago)	\$ 13.14	\$ 12.77	\$ 11.52	\$ 11.30	15.10%

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

Receipts:	July 2006	July 2005
Producer Milk		
Class I	207,314,824	203,229,788
Class II	20,802,470	18,953,014
Class III	4,470,697	14,708,261
Class IV	11,732,521	12,193,663
	<hr/>	<hr/>
Total Producer Milk	244,320,512	249,084,726
Average Butterfat Test	3.60%	3.58%
Percent of Producer Milk in Class I	84.86%	81.59%
Daily Average Receipts	7,881,307	8,034,991
Other Source Milk		
Class I	3,820,732	3,043,222
Class II	10,147,385	9,388,202
Class III	0	0
Class IV	952,369	1,507,364
	<hr/>	<hr/>
Total Other Source Milk	14,920,486	13,938,788
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	169,021	24,544
	<hr/>	<hr/>
Total Overage	169,021	24,544
Opening Inventory		
Class I	14,592,673	12,667,096
Class II	58,956	18,280
Class III	0	0
Class IV	4,853,754	7,377,276
	<hr/>	<hr/>
Total Opening Inventory	19,505,383	20,062,652
	<hr/>	<hr/>
Total Receipts	278,915,402	283,110,710
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	12,476,116	11,656,892
Route Disposition Class I	212,198,612	206,142,316
Shrinkage	1,032,780	721,396
Transfers & Diversions to Nonpool	20,721	419,502
	<hr/>	<hr/>
Total Class I Utilization	225,728,229	218,940,106
Average Butterfat Test	2.20%	2.19%
Daily Average Utilization	7,281,556	7,062,584
Class II Utilization		
Nonfluid Used To Produce	10,139,333	9,375,189
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,342,382	6,337,019
	<hr/>	<hr/>
Total Class II Utilization	31,008,811	28,359,496
Average Butterfat Test	10.71%	11.36%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	4,470,697	14,708,261
Other Uses	0	0
	<hr/>	<hr/>
Total Class III Utilization	4,470,697	14,708,261
Average Butterfat Test	4.84%	0.94%
Class IV Utilization		
Inventory	7,217,230	9,181,520
Nonfluid Used To Fortify	663,174	1,271,992
Shrinkage	3,310,737	3,987,142
Transfers & Diversions to Nonpool Used To Produce/Other Uses	5,055,353	5,359,729
	<hr/>	<hr/>
Total Class IV Utilization	17,707,665	21,102,847
Average Butterfat Test	5.93%	7.14%
	<hr/>	<hr/>
Total Utilization	278,915,402	283,110,710

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in July 2006 is \$14.65 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.62 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2571 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 July, Class I use accounted for 86.07% of all producer skim milk (priced to handlers at \$7.24 per hundredweight, plus the Class I differential and 52.04% of producer butterfat (priced to handlers at \$1.2430 per pound plus Class I differential). Class II use accounted for 7.44% of all producer skim milk (\$6.76 per hundredweight) and 37.38% of producer butterfat (\$1.2298 per pound). Class III use accounted for 1.81% of all producer skim milk (\$6.88 per hundredweight) and 2.46% of producer butterfat (\$1.2228 per pound). Class IV use accounted for 4.68% of all producer skim milk (\$6.15 per hundredweight) and 8.12% of producer butterfat (\$1.2228 per pound).

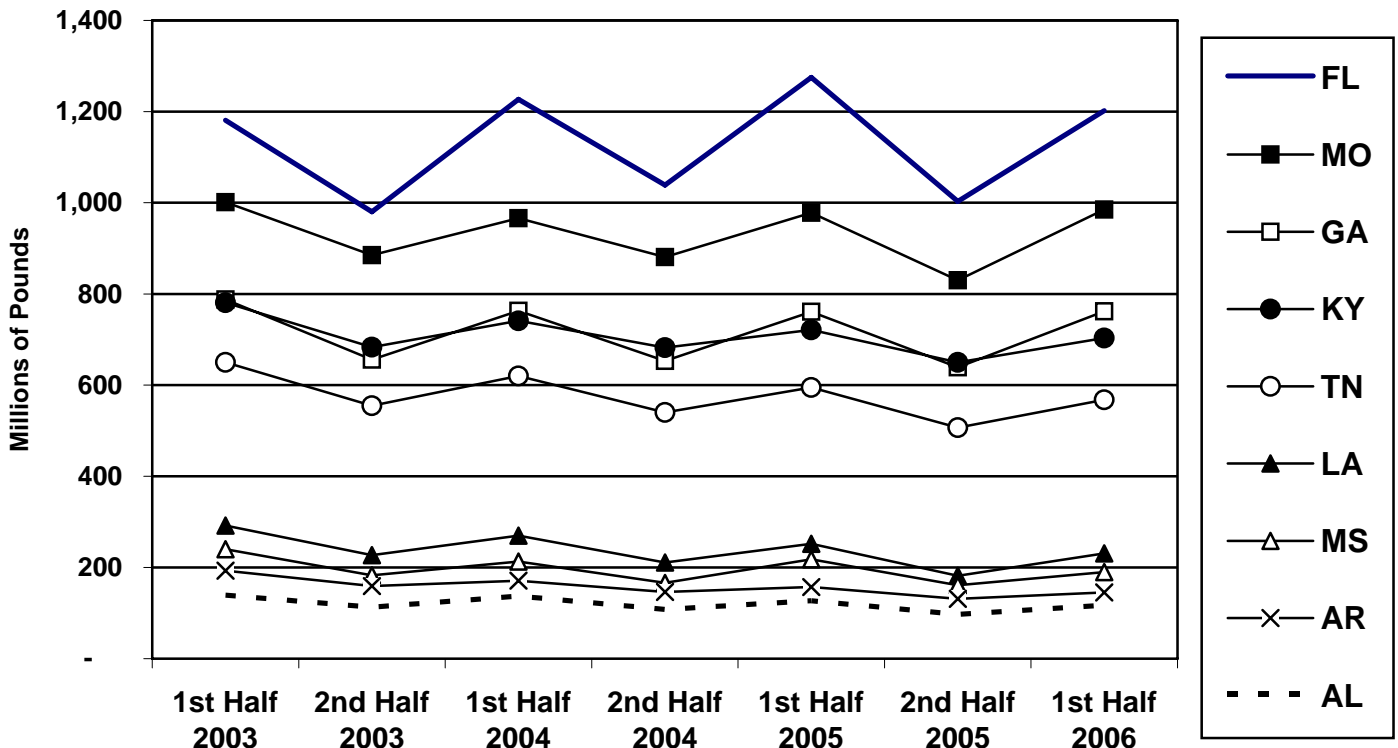
Receipts of producer milk during July 2006 totaled 244.3 million pounds, 4.8 million pounds less than was pooled in July of last year. Florida producers supplied 186.0 million pounds of milk in June 2006 to pool plants or 74.07% of the total producer milk pooled in Florida. In June 2005 Florida producers supplied 75.37% of the total producer milk pooled on the Florida market.

There were 12 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2006. In-area Class I route disposition totaled 229.4 million pounds in June 2006, 0.4 million pounds less than June 2005. This is a decrease of 1.60 percent after making adjustments for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2006		
Whole Milk	92,494,568	40.39%
Fat Free Milk	31,398,218	13.71%
Lowfat Milk (incl. 1%)	24,746,195	10.81%
Reduced Fat Milk (incl. 2%)	67,255,238	29.37%
Cultured Fluid Milk (incl. Buttermilk)	1,110,252	0.49%
Flavored Drinks and Milk	11,973,567	5.23%
Total Disposition in Marketing Area	228,978,038	100.00%
Total Disposition by Pool Plants	200,105,055	87.39%
Total Disposition by Nonpool Plants	28,872,983	12.61%
Total Disposition in Marketing Area	228,978,038	100.00%

Milk Production By State: 2003 to 2006YTD*



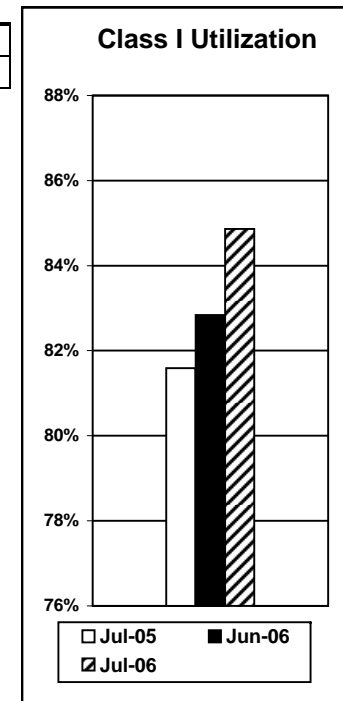
*Milk produced by state according to the National Agricultural Statistics Service from 2003 to June 2006, by six month (January to June and July to December) intervals.

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	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$ 6.15	\$1.2228	\$10.21	\$ 10.62	\$1.2571	\$14.65
Aug	\$10.96	\$1.2554	\$14.97	\$6.82											

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	271	207,984	82.84%	21,113	8.41%	12,452	4.96%	9,517	3.79%
Jul	244,321	290**	207,315	84.86%	20,802	8.51%	4,471	1.83%	11,733	4.80%



* 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 August through October 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
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
Oct 2006	11/11/06	11/13/06	11/14/06	10/19/06	10/20/06	11/06/06	11/06/06	11/14/06	11/15/06

**The base rate for making partial payments in Hillsborough Co., FL for August will be \$13.19 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$12.45 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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