

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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Appalachian and Southeast Order Transportation Credit Decision Issued

The USDA has announced a tentative partial decision that recommends amendments to the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held in Louisville, Kentucky, on January 10 – 12, 2006.

This decision adopts, on an interim final and emergency basis, proposals to amend certain features of the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. Specifically, the decision will:

1. Establish a variable mileage rate factor using a diesel fuel cost adjustor to determine transportation credit payments;
2. Increase the maximum transportation credit assessment rate on Class I milk from 9.5 cents to 15 cents per hundredweight in the Appalachian Order and from 10 cents to 20 cents per hundredweight in the Southeast Order; and
3. Establish a zero diversion limit standard on all milk for which transportation credits are requested.

Interested persons have until November 13, 2006 to file comments in response to the tentative partial decision. The USDA will determine if producers in the Appalachian and Southeast marketing areas approve the amended order, a copy of which may be found at www.fmmatlanta.com under the link 'What's New'.

A separate decision will be issued addressing other proposals heard at the public hearing in January concerning producer milk provisions and transportation credits on intra-market movement of milk within the Appalachian and Southeast marketing areas. Questions concerning this decision may be directed to this office at 770-682-2501.

No Change in Blend Price

The uniform blend price in Hillsborough County, FL, was \$14.65 per hundredweight for milk at 3.5 percent butterfat for the month of August. This is the same price as the previous month but is \$3.22 lower when compared with August of last year.

Class I utilization was 88.32 percent in August, a 3.46 percent increase compared with the previous month and a 0.69 percent increase versus August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 15.20 billion pounds, an increase of 1.5 percent from July 2005 and a decrease of 0.7 percent when compared with June 2006. However, when examined on a daily average basis, total production of milk during July 2006 was 3.9 percent lower than during June 2006. The nearly four percent decline is more in-line with expectations than the calendar based 0.7 percent decline given the hot weather conditions that afflicted much of country during July. Total cheese output (excluding cottage cheese) was 768 million pounds, 3.9 percent above July 2005 but 3.3 percent below June 2006. Butter production was 92.7 million pounds, 3.3 percent below July 2005 and 8.0 percent below June 2006.

Nonfat dry milk production was 88.2 million pounds in July, 24.0 percent lower than July 2005 and a decrease of 18.9 percent compared with the previous month. The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.48 in August, a decline of 0.50 from August 2005 but up 0.13 compared with July 2006's 2.35 feed price ratio.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	51.31%	4,562,498	\$1.2154	\$ 5,545,260.07
Class I Differential at Location				186,253.54
Class II Butterfat	38.15%	3,392,803	\$1.3078	4,437,107.76
Class III Butterfat	3.35%	298,040	\$1.3008	387,690.44
Class IV Butterfat	7.19%	639,440	\$1.3008	831,783.54
Total Butterfat	100.00%	8,892,781		\$ 11,388,095.35

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.2806**

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	89.73%	210,481,355	\$6.96 /cwt.	\$ 14,649,502.32
Class I Butterfat	51.31%	4,562,498	\$1.2154 /lb.	5,545,260.07
Class I Differential at Location		215,043,853		8,785,771.69
Total Class I Milk	88.32%	215,043,853		\$ 28,980,534.08
Class II Skim Milk	7.03%	16,490,807	\$6.82 /cwt.	\$ 1,124,673.05
Class II Butterfat	38.15%	3,392,803	\$1.3078 /lb.	4,437,107.76
Total Class II Milk	8.17%	19,883,610		\$ 5,561,780.81
Class III Skim Milk	0.18%	430,543	\$6.74 /cwt.	\$ 29,018.60
Class III Butterfat	3.35%	298,040	\$1.3008 /lb.	387,690.44
Total Class III Milk	0.30%	728,583		\$ 416,709.04
Class IV Skim Milk	3.06%	7,188,496	\$6.31 /cwt.	\$ 453,594.10
Class IV Butterfat	7.19%	639,440	\$1.3008 /lb.	831,783.54
Total Class IV Milk	3.21%	7,827,936		\$ 1,285,377.64
Producer Milk	100.00%	243,483,982		\$ 36,244,401.57

Adjustments

Overage and Other Source	\$13,542.45
Inventory Adjustments	\$3,811.25
Producer butterfat at uniform butterfat price	(\$11,388,095.35)
Location Adjustments to Producers	(\$158,111.62)
1/2 Unobligated Balance in P.S.F.	\$111,715.62

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.58320	\$24,827,263.92
	\$ 0.04320	\$101,351.33

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

\$10.54

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 %
	AUG 2006	SEP 2006	JUL 2006	AUG 2006	AUG 2006
Appalachian (Charlotte)	\$ 14.44	\$ 14.32	\$ 13.33	\$ 13.51	74.25%
Arizona (Phoenix)	\$ 13.69	\$ 13.57	\$ 11.85	\$ 12.15	45.95%
Central (Kansas City)	\$ 13.34	\$ 13.22	\$ 11.53	\$ 11.74	31.57%
Florida (Tampa)	\$ 14.97	\$ 14.85	\$ 14.65	\$ 14.65	88.32%
Mideast (Cleveland)	\$ 13.34	\$ 13.22	\$ 11.74	\$ 11.98	41.00%
Northeast (Boston)	\$ 14.59	\$ 14.47	\$ 12.79	\$ 13.06	48.80%
Pacific Northwest (Seattle)	\$ 13.25	\$ 13.13	\$ 11.29	\$ 11.48	26.12%
Southeast (Atlanta)	\$ 14.07	\$ 13.95	\$ 13.28	\$ 13.39	66.62%
Southwest (Dallas)	\$ 14.34	\$ 14.22	\$ 12.32	\$ 12.66	39.24%
Upper Midwest (Chicago)	\$ 13.14	\$ 13.02	\$ 11.30	\$ 11.43	16.10%

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

Receipts:	August 2006	August 2005
Producer Milk		
Class I	215,043,853	218,382,489
Class II	19,883,610	20,690,303
Class III	728,583	822,895
Class IV	7,827,936	9,309,757
Total Producer Milk	<u>243,483,982</u>	<u>249,205,444</u>
Average Butterfat Test	3.65%	3.59%
Percent of Producer Milk in Class I	88.32%	87.63%
Daily Average Receipts	7,854,322	8,038,885
Other Source Milk		
Class I	19,269,908	17,226,910
Class II	10,285,578	11,491,233
Class III	356,673	28,064
Class IV	4,032,140	3,507,264
Total Other Source Milk	<u>33,944,299</u>	<u>32,253,471</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	133,629	22,710
Total Overage	<u>133,629</u>	<u>22,710</u>
Opening Inventory		
Class I	12,476,116	11,721,940
Class II	78,190	230,545
Class III	1,715	69,271
Class IV	7,137,325	9,324,619
Total Opening Inventory	<u>19,693,346</u>	<u>21,346,375</u>
Total Receipts	297,255,256	302,828,000
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	14,721,509	14,456,883
Route Disposition Class I	231,683,860	232,297,474
Shrinkage	359,706	401,345
Transfers & Diversions to Nonpool	24,802	175,637
Total Class I Utilization	<u>246,789,877</u>	<u>247,331,339</u>
Average Butterfat Test	2.11%	2.13%
Daily Average Utilization	7,960,964	7,978,430
Class II Utilization		
Nonfluid Used To Produce	9,804,481	10,579,198
Shrinkage	10,288	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,516,223	7,149,503
Total Class II Utilization	<u>13,916,386</u>	<u>14,683,380</u>
Average Butterfat Test	30,247,378	32,412,081
Average Butterfat Test	11.36%	11.56%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	1,086,971	920,230
Other Uses	0	0
Total Class III Utilization	<u>1,086,971</u>	<u>920,230</u>
Average Butterfat Test	39.52%	9.96%
Class IV Utilization		
Inventory	6,350,765	8,974,576
Nonfluid Used To Fortify	939,798	1,752,575
Shrinkage	3,194,612	3,352,983
Transfers & Diversions to Nonpool Used To Produce/Other Uses	6,863,056	6,764,558
Total Class IV Utilization	<u>17,347,229</u>	<u>17,119,158</u>
Average Butterfat Test	19,131,030	22,164,350
Average Butterfat Test	6.84%	5.98%
Total Utilization	297,255,256	302,828,000

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in August 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 \$10.54 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2806 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 August, Class I use accounted for 89.73% of all producer skim milk (priced to handlers at \$6.96 per hundredweight, plus the Class I differential and 51.31% of producer butterfat (priced to handlers at \$1.2154 per pound plus Class I differential). Class II use accounted for 7.03% of all producer skim milk (\$6.82 per hundredweight) and 38.15% of producer butterfat (\$1.3078 per pound). Class III use accounted for 0.18% of all producer skim milk (\$6.74 per hundredweight) and 3.35% of producer butterfat (\$1.3008 per pound). Class IV use accounted for 3.06% of all producer skim milk (\$6.31 per hundredweight) and 7.19% of producer butterfat (\$1.3008 per pound).

Receipts of producer milk during August 2006 totaled 243.5 million pounds, 5.7 million pounds less than was pooled in August of last year. Florida producers supplied 175.4 million pounds of milk in July 2006 to pool plants or 71.80% of the total producer milk pooled in Florida. In July 2005 Florida producers supplied 71.12% 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 August 2006. In-area Class I route disposition totaled 229.3 million pounds in July 2006, 6.9 million pounds less than July 2005. This is a decrease of 2.90 percent after making adjustments for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
July 2006		
Whole Milk	93,728,897	40.88%
Fat Free Milk	31,538,377	13.76%
Lowfat Milk (incl. 1%)	24,998,508	10.90%
Reduced Fat Milk (incl. 2%)	66,479,710	28.99%
Cultured Fluid Milk (incl. Buttermilk)	1,055,944	0.46%
Flavored Drinks and Milk	11,484,863	5.01%
Total Disposition in Marketing Area	229,286,299	100.00%
Total Disposition by Pool Plants	202,786,687	88.44%
Total Disposition by Nonpool Plants	26,499,612	11.56%
Total Disposition in Marketing Area	229,286,299	100.00%

Summary of Recent USDA Actions

The USDA has issued several decisions, in addition to the tentative partial decision discussed on the front page of this publication, and has announced and held a reconvened public hearing in the past few weeks. All hearing activity can be tracked in detail at www.ams.usda.gov/dairy/hearings.htm, but here is a quick summary of recent departmental actions:

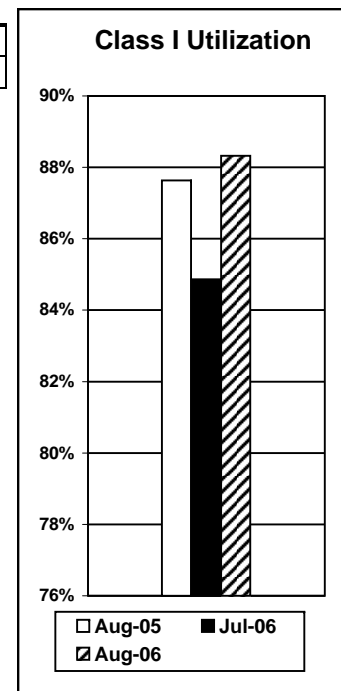
- Announced the reconvening of the Class III and Class IV manufacturing make allowance hearing for September 14 in Strongsville, OH. The hearing was set to take into evidence only data on plant manufacturing costs compiled by Cornell University and any other pertinent data or information specifically addressing plant manufacturing costs that are publicly available.
- Issued a final decision on pooling provisions in the Mideast Order. The decision establishes limits on the volume of milk handlers may pool to a percentage (either 115 percent or 120 percent depending on the month) of their previous month's volume.
- Issued a final decision on pooling provisions in the Upper Midwest Order. The decision establishes limits on the volume of milk handlers may pool to a percentage (either 125 percent or 135 percent depending on the month) of their previous month's volume.
- Issued a final decision on pooling provisions in the Central Order. The decision establishes limits on the volume of milk handlers may pool to a 125 percent of their previous month's volume. The decision also adopted amendments to increase supply plant performance standards, amend features of the "touch-base" provision, amend certain features of the "split plant" provision and decrease the diversion limit standards of the order.

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	\$1.3078	\$11.16	\$6.74	\$1.3008	\$11.06	\$ 6.31	\$1.3008	\$10.64	\$ 10.54	\$1.2806	\$14.65
Sep	\$10.64	\$1.3103	\$14.85	\$6.99											

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	307	207,315	84.86%	20,802	8.51%	4,471	1.83%	11,733	4.80%
Aug	243,484	290**	215,044	88.32%	19,884	8.17%	729	0.30%	7,828	3.21%



Florida Marketing Area - Federal Order 6

Pool and Payment Dates For the Pooling Periods September through November 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
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
Nov 2006	12/11/06	12/12/06	12/13/06	11/20/06	11/20/06	12/04/06	12/05/06	12/13/06	12/14/06

**The base rate for making partial payments in Hillsborough Co., FL for September 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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MILK MARKET ADMINISTRATOR
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 P.O. Box 491778
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Address Correction Requested