

Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

May 2006

Volume 7—No. 5

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA Hurricane Assistance Programs

Department of Agriculture Secretary Mike Johanns has announced that sign-up begins May 17, 2006, for four crop and livestock assistance programs providing aid to producers affected by the destructive 2005 hurricanes. The four programs - Livestock Indemnity Program, Feed Indemnity Program, Hurricane Indemnity Program and Tree Indemnity Program - are funded through the use of \$250 million authorized in October 2005 for crop disaster, livestock, and tree assistance. Additionally, funding is being made available for aquaculture operations.

The Livestock Indemnity Program provides payments to livestock owners or growers for the death of livestock caused by the hurricanes at the rate of 75 percent of fair market value. The Feed Indemnity Program provides payments to livestock owners that incurred increased feed costs or sustained feed losses from the hurricanes. The Hurricane Indemnity Program provides additional payments to those who suffered crop losses, provided they have already received compensation from a Federal crop insurance program. The Tree Indemnity Program will provide payments to owners of commercially grown fruit trees, nut trees, bushes and vines that were lost or damaged due to the hurricanes.

Producers in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas counties declared primary presidential or secretarial disaster areas in 2005 because of hurricanes are eligible for the new programs. A complete list of the counties is posted online at www.fsa.usda.gov/PAS/news/releases/. Producers must also meet other eligibility requirements to receive assistance.

Additional information about U.S. Department of Agriculture hurricane assistance is available at USDA Service Centers nationwide and online at www.usda.gov/HurricaneInfo.xml.

Blend Price Lower

The uniform blend price in Fulton County, GA, was \$12.94 per hundredweight of milk at 3.5 percent butterfat for the month of April. This is a decrease of \$0.83 from the previous month and a decrease of \$2.91 from April 2005. Class I utilization was 50.68 percent, a decline of 3.43 percent compared with the previous month and 5.87 percent lower than April 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in March was 15.95 billion pounds, an increase of 4.9 percent from March 2005 and an increase of 1.1 percent when compared with February 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 810 million pounds, 1.5 percent above March 2005 and 12.3 percent above February 2006. Butter production was 142 million pounds, 16.0 percent above March 2005 and 3.7 percent above February 2006. Nonfat dry milk production was 28 million pounds in March, 17.2 percent more than March 2005 and a decrease of 1.2 percent versus February 2006 on a daily average basis.

National Dairy Situation

The U.S. Department of Agriculture's National Organic Program (NOP) published an Advanced Notice of Proposed Rulemaking (ANPR) in the Federal Register April 13, exploring the role of pasture in organic management of ruminant animals—particularly dairy animals. It gives a history of the pasture issue as it relates to the development of the NOP standards and the discussion surrounding the issue since the standards were implemented in October 2002. The ANPR also contains questions that interested parties might consider for making formal comments. The comment period is open for 60 days, ending June 12. Visit the NOP website at www.ams.usda.gov/nop under Today's News for April 10 for more details.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	29.42%	7,883,395	\$1.2715	\$ 10,023,736.74
Class I Differential at Location				236,826.00
Class II Butterfat	24.53%	6,572,794	\$1.2413	8,158,809.18
Class III Butterfat	25.66%	6,874,653	\$1.2343	8,485,384.18
Class IV Butterfat	20.39%	5,464,406	\$1.2343	6,744,716.34
Total Butterfat	100.00%	26,795,248		\$ 33,649,472.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2558

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	51.47%	369,381,207	\$7.02 /cwt.	\$ 25,930,560.72
Class I Butterfat	29.42%	7,883,395	\$1.2715 /lb.	10,023,736.74
Class I Differential at Location		377,264,602		11,243,839.73
Total Class I Milk	50.68%	377,264,602		\$ 47,198,137.19
Class II Skim Milk	10.75%	77,142,601	\$7.28 /cwt.	\$ 5,615,981.37
Class II Butterfat	24.53%	6,572,794	\$1.2413 /lb.	8,158,809.18
Total Class II Milk	11.24%	83,715,395		\$ 13,774,790.55
Class III Skim Milk	25.57%	183,527,315	\$6.85 /cwt.	\$ 12,571,621.09
Class III Butterfat	25.66%	6,874,653	\$1.2343 /lb.	8,485,384.18
Total Class III Milk	25.57%	190,401,968		\$ 21,057,005.27
Class IV Skim Milk	12.21%	87,648,422	\$6.26 /cwt.	\$ 5,486,791.22
Class IV Butterfat	20.39%	5,464,406	\$1.2343 /lb.	6,744,716.34
Total Class IV Milk	12.51%	93,112,828		\$ 12,231,507.56
Producer Milk	100.00%	744,494,793		\$ 94,261,440.57

Adjustments

Overage and Other Source	\$156,962.39
Inventory Adjustments	\$4,148.93
Producer butterfat at uniform butterfat price	(\$33,649,472.44)
Location Adjustments to Producers	\$2,645,523.05
1/2 Unobligated Balance in P.S.F.	\$412,706.81

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.89388	\$63,831,309.31
	\$ 0.04388	\$314,899.57

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$8.85

Uniform Price per cwt. (Fulton County, Georgia)

\$12.94*

* 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 %
	APR 2006	MAY 2006	MAR 2006	APR 2006	APR 2006
Appalachian (Charlotte)	\$ 14.32	\$ 14.07	\$ 14.13	\$ 13.01	56.25%
Arizona-Las Vegas (Phoenix)	\$ 13.57	\$ 13.32	\$ 12.21	\$ 11.66	32.26%
Central (Kansas City)	\$ 13.22	\$ 12.97	\$ 12.00	\$ 11.49	25.90%
Florida (Tampa)	\$ 15.22	\$ 14.97	\$ 15.41	\$ 14.36	79.12%
Mideast (Cleveland)	\$ 13.22	\$ 12.97	\$ 12.36	\$ 11.75	34.20%
Northeast (Boston)	\$ 14.47	\$ 14.22	\$ 13.43	\$ 12.64	41.50%
Pacific Northwest (Seattle)	\$ 13.13	\$ 12.88	\$ 11.86	\$ 11.35	25.84%
Southeast (Atlanta)	\$ 14.32	\$ 14.07	\$ 13.77	\$ 12.94	50.68%
Southwest (Dallas)	\$ 14.22	\$ 13.97	\$ 12.95	\$ 12.41	35.55%
Upper Midwest (Chicago)	\$ 13.02	\$ 12.77	\$ 11.67	\$ 11.29	16.10%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	April 2006	April 2005
Producer Milk		
Class I	377,264,602	391,109,553
Class II	83,715,395	86,015,540
Class III	190,401,968	102,043,568
Class IV	93,112,828	112,559,299
Total Producer Milk	<u>744,494,793</u>	<u>691,727,960</u>
Average Butterfat Test	3.60%	3.56%
Percent of Producer Milk in Class I	50.68%	56.55%
Daily Average Receipts	24,816,493	23,057,599
Other Source Milk		
Class I	6,747,777	5,871,373
Class II	10,990,022	7,652,610
Class III	2,798,109	11,583,406
Class IV	11,816,841	11,870,529
Total Other Source Milk	<u>32,352,749</u>	<u>36,977,918</u>
Overage		
Class I	0	0
Class II	126,450	4,591
Class III	0	1
Class IV	0	27,656
Total Overage	<u>126,450</u>	<u>32,248</u>
Opening Inventory		
Class I	34,096,705	32,913,910
Class II	513,667	1,020,429
Class III	279,073	259,277
Class IV	10,410,820	16,720,009
Total Opening Inventory	<u>45,300,265</u>	<u>50,913,625</u>
Total Receipts	822,274,257	779,651,751
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	30,071,475	31,569,058
Route Disposition Class I	376,325,154	388,365,431
Shrinkage	4,536,989	2,699,349
Transfers & Diversions to Nonpool	7,175,466	7,260,998
Total Class I Utilization	<u>418,109,084</u>	<u>429,894,836</u>
Average Butterfat Test	2.08%	2.08%
Daily Average Utilization	13,936,969	14,329,828
Class II Utilization		
Nonfluid Used To Produce	1,878,377	1,533,169
Shrinkage	1,543	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	59,159,975	61,110,776
Total Class II Utilization	<u>34,305,639</u>	<u>32,049,225</u>
Average Butterfat Test	8.48%	6.76%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	193,479,150	113,886,252
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	193,479,150	113,886,252
Average Butterfat Test		3.92%
Class IV Utilization		
Inventory	27,802,815	16,593,813
Nonfluid Used To Fortify	1,409,200	1,469,737
Shrinkage	7,220,746	6,825,560
Transfers & Diversions to Nonpool Used To Produce/Other Uses	58,403,297	91,832,351
Total Class IV Utilization	<u>20,504,431</u>	<u>24,456,032</u>
Average Butterfat Test	115,340,489	141,177,493
Average Butterfat Test	5.77%	5.86%
Total Utilization	822,274,257	779,651,751

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2006 is \$12.94 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.85 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2558 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

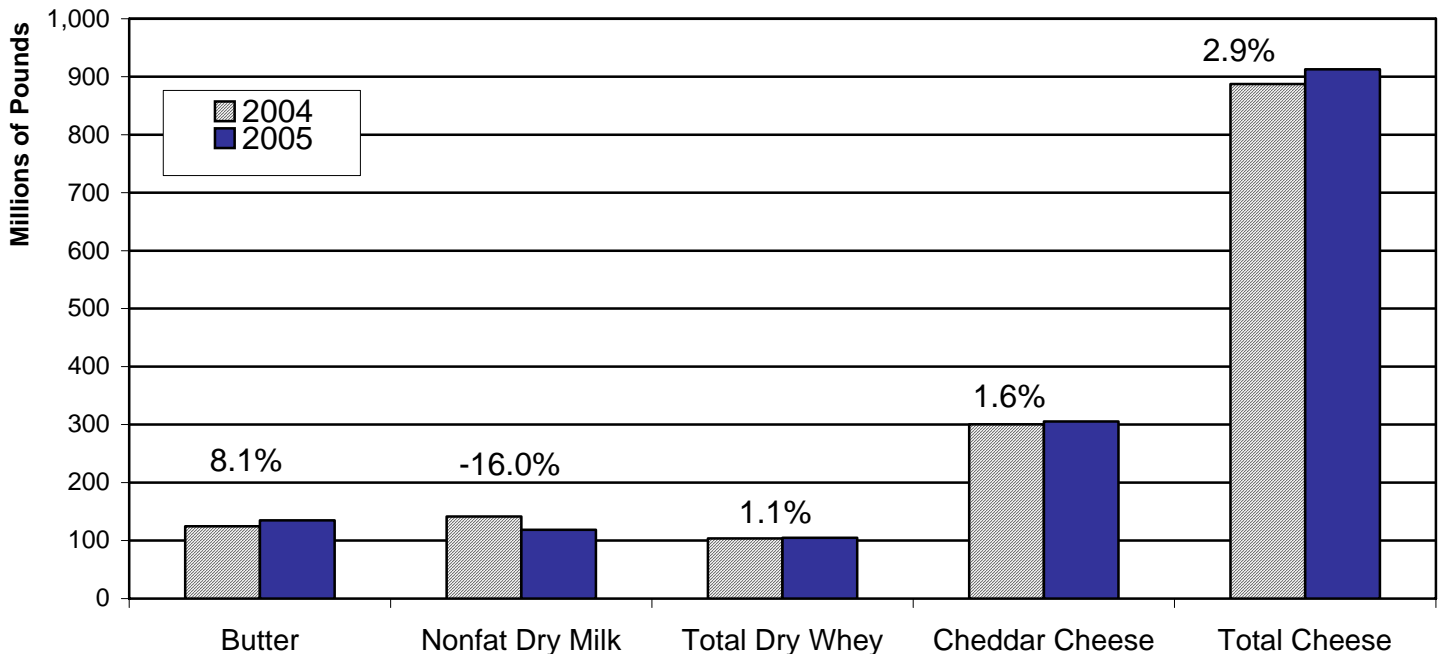
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 51.47% of all producer skim milk (priced to handlers at \$7.02 per hundredweight, plus the Class I differential, see page 2) and 29.42% of producer butterfat (priced to handlers at \$1.2715 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.75% of all producer skim milk (\$7.28 per hundredweight) and 24.53% of producer butterfat (\$1.2413 per pound). Class III use, mostly milk used to produce cheese, accounted for 25.57% of all producer skim milk (\$6.85 per hundredweight) and 25.66% of producer butterfat (\$1.2343 per pound). Class IV use, generally milk processed into butter and powder, accounted for 12.21% of all producer skim milk (\$6.26 per hundredweight) and 20.39% of producer butterfat (\$1.2343 per pound).

Receipts of producer milk during April 2006 totaled 744.5 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2006. Class I route disposition in the area totaled 433.7 million pounds in March 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2006		
Whole Milk	154,179,826	35.55%
Fat Free Milk	51,361,331	11.84%
Lowfat Milk (incl. 1%)	32,155,094	7.41%
Reduced Fat Milk (incl. 2%)	142,318,262	32.82%
Cultured Fluid Milk (incl. Buttermilk)	9,245,322	2.13%
Flavored Drinks and Milk	44,452,098	10.25%
Total Disposition in Marketing Area	433,711,933	100.0%
Total Disposition by Pool Plants	349,650,204	80.62%
Total Disposition by Nonpool Plants	84,061,729	19.38%
Total Disposition in Marketing Area	433,711,933	100.0%

2005 U.S. Production of Dairy Products



Last year, U.S. milk production rose 3.5 percent compared with 2004. The chart above shows how dairy markets allocated milk to the four products used in Federal Order pricing formulas: butter, nonfat dry milk, dry whey and Cheddar cheese. Not shown but included in 'Total Cheese' is the other major style of cheeses in this country, 'Italian-type' cheeses, production of which grew nearly twice as fast (3.9 percent) as 'American-type' cheeses (2.0 percent) in 2005 compared with 2004. Source: Dairy Market News

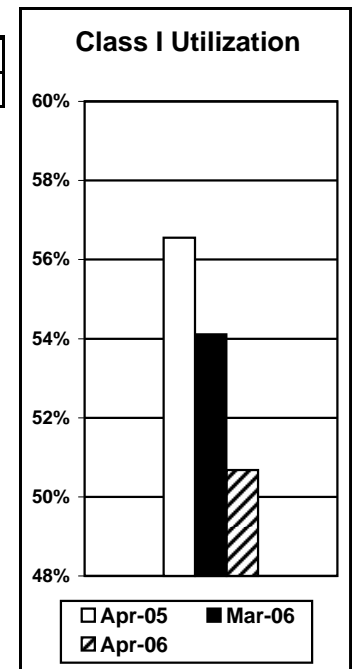
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 10.16	\$1.8602	\$16.32
Oct	\$11.06	\$1.9128	\$17.37	\$8.12	\$1.8326	\$14.25	\$8.25	\$1.8256	\$14.35	\$ 7.48	\$1.8256	\$13.61	\$ 10.34	\$1.8605	\$16.49
Nov	\$11.58	\$1.8536	\$17.66	\$8.11	\$1.6184	\$13.49	\$7.99	\$1.6114	\$13.35	\$ 7.52	\$1.6114	\$12.90	\$ 10.62	\$1.7072	\$16.22
Dec	\$11.13	\$1.6943	\$16.67	\$8.22	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94											

FEDERAL ORDER 7 - SOUTHEAST: 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	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,458	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%
Sep	569,194	3,425	397,643	69.87%	59,670	10.48%	69,182	12.15%	42,701	7.50%
Oct	572,559	3,436	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%
Nov	575,985	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,400**	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%

* Class I and uniform prices are at Fulton County (Atlanta), Georgia; ** Estimated



Southeast Marketing Area Federal Order 7

Pool and Payment Dates for the Pooling Periods May through July 2006

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
May 2006	06/11/06	06/12/06	06/13/06	05/25/06	05/26/06	06/13/06	06/14/06
June 2006	07/11/06	07/12/06	07/13/06	06/26/06	06/26/06	07/13/06	07/14/06
July 2006	08/11/06	08/14/06	08/15/06	07/25/06	07/26/06	08/15/06	08/16/06

** The base rate for making partial payments in Fulton County, GA for May will be \$11.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.94 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."



MILK MARKET ADMINISTRATOR
 U.S. Department Of Agriculture
 P.O. Box 491778
 Lawrenceville, Georgia 30049
Address Correction Requested