

# Market Information BULLETIN



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Southeast Marketing Area  
Federal Order 7

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

## Interim Final Rule Issued in Transportation Credit Decision

Having received the approval of Appalachian and Southeast dairy farmers, the USDA has issued an interim final rule amending current provisions of the Appalachian and Southeast milk marketing orders. Effective December 1, 2006, these two Federal orders will be amended to:

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.

## Dairy Disaster Payment Program

Sign-up began November 1, 2006, for the 2005 Dairy Disaster Assistance Payment Program (DDAP-II), which will provide \$17 million to help dairy producers recover from 2005 hurricane losses. To be eligible for participation, a dairy producer must have suffered dairy production and spoilage losses from August through December 2005 due to the 2005 hurricanes Katrina, Ophelia, Wilma or Rita (or related conditions), and suffered the losses in an eligible DDAP-II county. A fact sheet on the payment program is available at [www.fsa.usda.gov/Internet/FSA\\_File/ddap06.pdf](http://www.fsa.usda.gov/Internet/FSA_File/ddap06.pdf).

DDAP-II participants will receive immediate payments to help pay operating expenses and meet other financial obligations. Dairy producers can apply for the program at their local FSA office. Applications are available at FSA offices and online at [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov) (Click 'eForms', then Browse for Form number CCC-743).

## »»»» Special Announcement ««««

The USDA is holding a public information session in Washington, DC on December 5, 2006 to address proposals it has received regarding Class III and Class IV product price formulas. See page four of this publication for more details.

## Blend Price Up \$0.92

The uniform blend price in Fulton County, GA, was \$14.60 per hundredweight of milk at 3.5 percent butterfat for the month of October. The blend price is \$0.92 higher than the previous month but is \$1.89 lower than October 2005. October marks the fourth consecutive month that the uniform blend price has increased. Class I utilization was 65.88 percent in October, a decrease of 0.46 percent compared with the previous month and 2.40 percent lower than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.49 billion pounds, an increase of 1.6 percent from September 2005 and a decrease of 0.72 percent when compared with August 2006 on a daily average basis. Estimated total cheese output (excluding cottage cheese) was 785 million pounds, 5.3 percent above September 2005 but 0.5 percent below August 2006. Butter production was 103 million pounds, 2.0 percent above September 2005 and 16.3 percent above August 2006. Nonfat dry milk production was estimated at 64.9 million pounds in September, 8.5 percent lower than September 2005 and a decrease of 12.8 percent compared with the previous month.

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for October 2006 were made for \$1,216,865.27. Since the available balance was \$432,427.72, eligible claims were paid at the rate of approximately \$0.36 on the dollar.

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

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 37.23%             | 8,790,555         | \$1.4207         | \$ 12,488,741.48        |
| Class I Differential at Location |                    |                   |                  | 264,074.11              |
| Class II Butterfat               | 25.13%             | 5,935,838         | \$1.4219         | 8,440,168.03            |
| Class III Butterfat              | 21.35%             | 5,043,220         | \$1.4149         | 7,135,651.99            |
| Class IV Butterfat               | 16.29%             | 3,846,955         | \$1.4149         | 5,443,056.63            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>23,616,568</b> |                  | <b>\$ 33,771,692.24</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.4300**

### Calculation of Uniform Skim Milk Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>            |
|----------------------------------|--------------------|--------------------|-----------------------|-------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                         |
| Class I Skim Milk                | 67.00%             | 404,617,812        | \$7.72 /cwt.          | \$ 31,236,495.11        |
| Class I Butterfat                | 37.23%             | 8,790,555          | \$1.4207 /lb.         | 12,488,741.48           |
| Class I Differential at Location |                    | 413,408,367        |                       | 12,349,881.59           |
| <b>Total Class I Milk</b>        | <b>65.88%</b>      | <b>413,408,367</b> |                       | <b>\$ 56,075,118.18</b> |
| Class II Skim Milk               | 11.38%             | 68,739,781         | \$7.06 /cwt.          | \$ 4,853,028.53         |
| Class II Butterfat               | 25.13%             | 5,935,838          | \$1.4219 /lb.         | 8,440,168.03            |
| <b>Total Class II Milk</b>       | <b>11.90%</b>      | <b>74,675,619</b>  |                       | <b>\$ 13,293,196.56</b> |
| Class III Skim Milk              | 17.85%             | 107,783,578        | \$7.64 /cwt.          | \$ 8,234,665.37         |
| Class III Butterfat              | 21.35%             | 5,043,220          | \$1.4149 /lb.         | 7,135,651.99            |
| <b>Total Class III Milk</b>      | <b>17.98%</b>      | <b>112,826,798</b> |                       | <b>\$ 15,370,317.36</b> |
| Class IV Skim Milk               | 3.77%              | 22,762,527         | \$6.80 /cwt.          | \$ 1,547,851.84         |
| Class IV Butterfat               | 16.29%             | 3,846,955          | \$1.4149 /lb.         | 5,443,056.63            |
| <b>Total Class IV Milk</b>       | <b>4.24%</b>       | <b>26,609,482</b>  |                       | <b>\$ 6,990,908.47</b>  |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>627,520,266</b> |                       | <b>\$ 91,729,540.57</b> |

### Adjustments

|   |                        |
|---|------------------------|
| Overage and Other Source                      | \$22,638.35            |
| Inventory Adjustments                         | \$41,959.53            |
| Producer butterfat at uniform butterfat price | (\$33,771,692.24)      |
| Location Adjustments to Producers             | \$1,838,039.37         |
| 1/2 Unobligated Balance in P.S.F.             | \$463,952.84           |
| <b>Adjusted Pool Value</b>                    | <b>\$ 9,98908</b>      |
| Reserve for Producer Settlement Fund          | \$ 0.04908             |
|   | <b>\$60,324,438.42</b> |

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

**\$9.94**

**Uniform Price per cwt. (Fulton County, Georgia)**

**\$14.60\***

\* At 3.5% butterfat test; for information purposes.

### OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | OCT 2006        | NOV 2006        | SEPT 2006       | OCT 2006        | OCT 2006      |
| Appalachian (Charlotte)     | \$ 15.89        | \$ 15.87        | \$ 13.63        | \$ 14.58        | 70.37%        |
| Arizona (Phoenix)           | \$ 15.14        | \$ 15.12        | \$ 12.76        | \$ 13.24        | 42.41%        |
| Central (Kansas City)       | \$ 14.79        | \$ 14.77        | \$ 12.23        | \$ 12.73        | 33.36%        |
| Florida (Tampa)             | \$ 16.42        | \$ 16.40        | \$ 14.70        | \$ 15.73        | 84.60%        |
| Mideast (Cleveland)         | \$ 14.79        | \$ 14.77        | \$ 12.40        | \$ 12.91        | 42.40%        |
| Northeast (Boston)          | \$ 16.04        | \$ 16.02        | \$ 13.43        | \$ 14.04        | 51.60%        |
| Pacific Northwest (Seattle) | \$ 14.70        | \$ 14.68        | \$ 11.89        | \$ 12.52        | 31.86%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 15.52</b> | <b>\$ 15.50</b> | <b>\$ 13.68</b> | <b>\$ 14.60</b> | <b>65.88%</b> |
| Southwest (Dallas)          | \$ 15.79        | \$ 15.77        | \$ 13.20        | \$ 13.65        | 40.01%        |
| Upper Midwest (Chicago)     | \$ 14.59        | \$ 14.57        | \$ 12.37        | \$ 12.56        | 16.60%        |

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

| <b>Receipts:</b>   | <b>October 2006</b> | <b>October 2005</b> |
|--|---------------------|---------------------|
| <b>Producer Milk</b>   |                     |                     |
| Class I  | 413,408,367         | 390,959,356         |
| Class II   | 74,675,619          | 56,932,699          |
| Class III  | 112,826,798         | 70,187,565          |
| Class IV   | 26,609,482          | 54,479,479          |
| Total Producer Milk  | <u>627,520,266</u>  | <u>572,559,099</u>  |
| Average Butterfat Test   | 3.76%               | 3.69%               |
| Percent of Producer Milk in Class I  | 65.88%              | 68.28%              |
| Daily Average Receipts   | 20,242,589          | 18,469,648          |
| <b>Other Source Milk</b>   |                     |                     |
| Class I  | 19,393,792          | 14,487,171          |
| Class II   | 20,540,974          | 9,281,894           |
| Class III  | 3,101,070           | 4,000,640           |
| Class IV   | 12,523,197          | 8,726,379           |
| Total Other Source Milk  | <u>55,559,033</u>   | <u>36,496,084</u>   |
| <b>Overage</b>   |                     |                     |
| Class I  | 60,036              | 0                   |
| Class II   | 0                   | 0                   |
| Class III  | 0                   | 0                   |
| Class IV   | 2,847               | 0                   |
| Total Overage  | <u>62,883</u>       | <u>0</u>            |
| <b>Opening Inventory</b>   |                     |                     |
| Class I  | 37,220,857          | 32,480,681          |
| Class II   | 2,321,160           | 456,355             |
| Class III  | 139,182             | 0                   |
| Class IV   | 13,942,179          | 9,956,000           |
| Total Opening Inventory  | <u>53,623,378</u>   | <u>42,893,036</u>   |
| <b>Total Receipts</b>  | <b>736,765,560</b>  | <b>651,948,219</b>  |
| <b>Utilization:</b>  |                     |                     |
| <b>Class I Utilization</b>   |                     |                     |
| Inventory of Packaged FMP  | 39,279,611          | 28,917,695          |
| Route Disposition Class I  | 419,323,512         | 399,874,965         |
| Shrinkage  | 5,006,237           | 2,703,891           |
| Transfers & Diversions to Nonpool  | 6,473,692           | 6,430,657           |
| Total Class I Utilization  | <u>470,083,052</u>  | <u>437,927,208</u>  |
| Average Butterfat Test   | 2.10%               | 2.08%               |
| Daily Average Utilization  | 15,163,969          | 14,126,684          |
| <b>Class II Utilization</b>  |                     |                     |
| Nonfluid Used To Produce   | 1,579,369           | 1,341,868           |
| Shrinkage  | 1,104               | 1,661               |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 52,720,590          | 34,864,535          |
| Total Class II Utilization   | <u>43,236,690</u>   | <u>30,462,884</u>   |
| Average Butterfat Test   | 97,537,753          | 66,670,948          |
| Average Butterfat Test   | 7.97%               | 9.20%               |
| <b>Class III Utilization</b>   |                     |                     |
| Shrinkage  | 0                   | 0                   |
| Transfers & Diversions to Nonpool  | 116,067,050         | 74,188,205          |
| Used To Produce/Other Uses   | 0                   | 0                   |
| Total Class III Utilization  | <u>116,067,050</u>  | <u>74,188,205</u>   |
| Average Butterfat Test   | 4.44%               | 4.37%               |
| <b>Class IV Utilization</b>  |                     |                     |
| Inventory  | 18,013,305          | 22,376,359          |
| Nonfluid Used To Fortify   | 2,959,380           | 2,059,554           |
| Shrinkage  | 7,574,699           | 7,782,468           |
| Transfers & Diversions to Nonpool  | 19,473,745          | 36,531,571          |
| Used To Produce/Other Uses   | 5,056,576           | 4,411,906           |
| Total Class IV Utilization   | <u>53,077,705</u>   | <u>73,161,858</u>   |
| Average Butterfat Test   | 10.39%              | 8.21%               |
| <b>Total Utilization</b>   | <b>736,765,560</b>  | <b>651,948,219</b>  |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2006 is \$14.60 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.94 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4300 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 October, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.00% of all producer skim milk (priced to handlers at \$7.72 per hundredweight, plus the Class I differential, see page 2) and 37.23% of producer butterfat (priced to handlers at \$1.4207 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.38% of all producer skim milk (\$7.06 per hundredweight) and 25.13% of producer butterfat (\$1.4219 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.85% of all producer skim milk (\$7.64 per hundredweight) and 21.35% of producer butterfat (\$1.4149 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.77% of all producer skim milk (\$6.80 per hundredweight) and 16.29% of producer butterfat (\$1.4149 per pound).

Receipts of producer milk during October 2006 totaled 627.5 million pounds. There were 30 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2006. Class I route disposition in the area totaled 427.0 million pounds in September 2006.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent       |
|--|--------------------|---------------|
| <b>September 2006</b>                      |                    |               |
| Whole Milk                                 | 144,935,852        | 33.94%        |
| Fat Free Milk                              | 50,448,621         | 11.81%        |
| Lowfat Milk (incl. 1%)                     | 32,616,634         | 7.64%         |
| Reduced Fat Milk (incl. 2%)                | 143,823,695        | 33.68%        |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,842,468          | 2.07%         |
| Flavored Drinks and Milk                   | 46,358,231         | 10.86%        |
| <b>Total Disposition in Marketing Area</b> | <b>427,025,501</b> | <b>100.0%</b> |
| Total Disposition by Pool Plants           | 347,257,766        | 81.32%        |
| Total Disposition by Nonpool Plants        | 79,767,735         | 18.68%        |
| <b>Total Disposition in Marketing Area</b> | <b>427,025,501</b> | <b>100.0%</b> |

### »»»»» Special Announcement «««««

## Pre-Hearing Public Information Session Regarding Class III and Class IV Product Price Formulas

The USDA has announced a public information session will be held to address proposals it has received that seek to amend the Federal order Class III and Class IV product price formulas. The purpose of the pre-hearing information session is for interested parties to learn about the intent of proposals that have been submitted to amend Class III and Class IV product price formulas and how the proposals would accomplish that intent. The session is intended to clarify the intent and effect of proposed amendments. The session will enable proponents to better prepare testimony and evidence in support of, or in opposition to, proposals that may be included in the Hearing Notice announcing the Class III and Class IV product price formulas hearing.

The Department recognizes the importance of Class III and IV product pricing formulas and is hosting this pre-hearing public information session to ensure that all proposals received are fully understood. The information session will not become part of an official hearing record and will be conducted outside of ex-parte rules thus allowing government officials to freely discuss proposed amendments. Participation in the information session is strongly encouraged by all parties who have submitted proposals.

The session will begin at 8:30 a.m. on December 5, 2006 and will be held in the USDA Whitten Building, 1400 Independence Avenue, SW., Room 107-A, Washington, DC 20250.

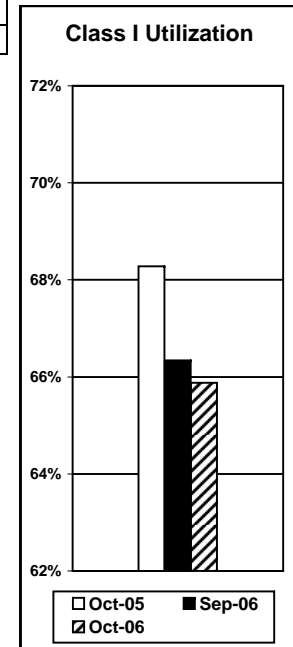
Submitted proposals and information regarding the purpose and procedure of the information session are available through the Dairy Programs web site at [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

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   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$6.14   | \$1.2582 | \$10.33 | \$8.79   | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$6.08   | \$1.2436 | \$10.22 | \$8.79   | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$6.15   | \$1.2228 | \$10.21 | \$9.25   | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$6.31   | \$1.3008 | \$10.64 | \$9.23   | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$6.36   | \$1.4191 | \$11.10 | \$9.19   | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$6.80   | \$1.4149 | \$11.51 | \$9.94   | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   |          |         |           |          |         |          |          |         |          |          |         |

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                 | 3,456           | 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                 | 3,434           | 390,959   | 68.28% | 56,933    | 9.94%  | 70,188    | 12.26% | 54,479    | 9.52%  |
| Nov         | 575,985                 | 3,291           | 388,326   | 67.42% | 53,896    | 9.36%  | 72,633    | 12.61% | 61,131    | 10.61% |
| Dec         | 627,008                 | 3,346           | 400,937   | 63.95% | 56,188    | 8.96%  | 90,049    | 14.36% | 79,834    | 12.73% |
| Jan 2006    | 773,171                 | 3,366           | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                 | 3,252           | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                 | 3,358           | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                 | 3,277           | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                 | 3,305           | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                 | 3,299           | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                 | 3,248           | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                 | 3,244           | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                 | 3,131           | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                 | 3,250**         | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |



\* 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 November 2006 through January 2007

| 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 |
| November 2006 | 12/11/06                          | 12/12/06         | 12/13/06       | 11/27/06                   | 11/27/06  | 12/13/06          | 12/14/06  |
| December 2006 | 01/11/07                          | 01/12/07         | 01/16/07       | 12/26/06                   | 12/26/06  | 01/16/07          | 01/17/07  |
| January 2007  | 02/11/07                          | 02/12/07         | 02/13/07       | 01/25/07                   | 01/26/07  | 02/13/07          | 02/14/07  |

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$13.14 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.60 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% |

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