

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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New Make Allowances Implemented After Judge Denies Injunction

A U. S. District Court Judge in Ohio ruled against Bridgewater Dairy, LLC, et. al., and in favor of the Department of Agriculture in a case that sought to prevent new manufacturing make allowances from being used in Federal order pricing formulas. Accordingly, as of February 22, 2007 the manufacturing allowances used to compute the Federal order minimum advance Class I and Class II prices and Federal order minimum prices for Class III and Class IV milk prices will be the revised manufacturing allowances contained in the Interim Final Rule published in the Federal Register on December 29, 2006 (71 FR 78333-78335).

The Interim Final Rule established new make allowances for cheese, butter, nonfat dry milk (NFDM) and dry whey. Specifically, the rule adopts the following increased manufacturing allowances: cheese -- \$0.1682 per pound; butter -- \$0.1202 per pound; NFDM -- \$.1570 per pound; and dry whey -- \$0.1956 per pound. These were the make allowances used to calculate advance Class I and Class II prices for March and the Class III and Class IV milk prices for February.

More information on the judge's ruling is available at www.ams.usda.gov/dairy/hearings.htm under 'National Hearings—Class III/IV Price Make-Allowances'.

Comments on Southeast Order Pooling Provisions Available

On December 22, 2006, the Market Administrator issued an invitation for comments on a request to change producer delivery day requirements and diversion limits for the Southeast Marketing Area. Each of the comments that have been received are currently under consideration. Visit www.fmmatlanta.com, and click on 'Hearings & Proposals' to view copies of the comments received by the Market Administrator.

Blend Price Falls

The uniform blend price in Hillsborough County, FL, was \$16.71 per hundredweight for milk at 3.5 percent butterfat for the month of February. This represents a decrease of \$0.06 compared with the previous month but is \$0.37 higher than February 2006.

Class I utilization was 81.18 percent in February, a 1.74 percent decrease compared with the previous month and a 1.15 percent decline when compared with February 2006.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 15.51 billion pounds, an increase of 1.1 percent from January 2006 and an increase of 1.8 percent when compared with December 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 824 million pounds, 6.7 percent above January 2006 but 0.8 percent below December 2006 on a daily average basis. Butter production was 151 million pounds, 2.5 percent above January 2006 and 10.0 percent above December 2006 on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.32 in February, a decrease of 0.10 from last month, and a decrease of 0.61 from February 2006.

2006 Annual Production Statistics

The annual production of milk for the U.S. during 2006 was 182 billion pounds, 2.8 percent higher than 2005. Production per cow in the U.S. last year averaged 19,951 pounds, 2.0 percent above 2005. For perspective, the average annual rate of milk production per cow has increased 18.3 percent from 1997, just over 2.0 percent per year. The average number of milk cows on farms in the U.S. during 2006 was 9.11 million head, up 0.8 percent from 2005.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - FEBRUARY 2007

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	45.36%	4,445,998	\$1.2906	\$ 5,738,005.02
Class I Differential at Location				180,995.99
Class II Butterfat	26.82%	2,628,865	\$1.3182	3,465,369.85
Class III Butterfat	2.84%	277,922	\$1.3112	364,411.33
Class IV Butterfat	24.98%	2,448,169	\$1.3112	3,210,039.19
Total Butterfat	100.00%	9,800,954		\$ 12,958,821.38
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.3222	

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	82.52%	213,766,226	\$9.19 /cwt.	\$ 19,645,116.18
Class I Butterfat	45.36%	4,445,998	\$1.2906 /lb.	5,738,005.02
Class I Differential at Location		218,212,224		8,904,420.06
Total Class I Milk	81.18%	218,212,224		\$ 34,287,541.26
Class II Skim Milk	6.17%	15,971,874	\$8.77 /cwt.	\$ 1,400,733.36
Class II Butterfat	26.82%	2,628,865	\$1.3182 /lb.	3,465,369.85
Total Class II Milk	6.92%	18,600,739		\$ 4,866,103.21
Class III Skim Milk	5.76%	14,918,908	\$9.94 /cwt.	\$ 1,482,939.46
Class III Butterfat	2.84%	277,922	\$1.3112 /lb.	364,411.33
Total Class III Milk	5.65%	15,196,830		\$ 1,847,350.79
Class IV Skim Milk	5.55%	14,364,601	\$8.42 /cwt.	\$ 1,209,499.41
Class IV Butterfat	24.98%	2,448,169	\$1.3112 /lb.	3,210,039.19
Total Class IV Milk	6.25%	16,812,770		\$ 4,419,538.60
Producer Milk	100.00%	268,822,563		\$ 45,420,533.86

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$183.91
Producer butterfat at uniform butterfat price	(\$12,958,821.38)
Location Adjustments to Producers	(\$34,782.93)
1/2 Unobligated Balance in P.S.F.	\$115,080.16

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.56351	\$32,542,193.62
	\$ 0.04351	\$112,688.18

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

\$12.52

Uniform Price per cwt. (Hillsborough County, Florida)

\$16.71*

* 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 %
	FEB 2007	MAR 2007	JAN 2007	FEB 2007	FEB 2007
Appalachian (Charlotte)	\$ 16.49	\$ 17.35	\$ 15.60	\$ 15.57	67.27%
Arizona (Phoenix)	\$ 16.11	\$ 16.97	\$ 14.12	\$ 14.22	36.82%
Central (Kansas City)	\$ 15.76	\$ 16.62	\$ 13.92	\$ 14.06	40.85%
Florida (Tampa)	\$ 17.39	\$ 18.25	\$ 16.77	\$ 16.71	81.18%
Midwest (Cleveland)	\$ 15.76	\$ 16.62	\$ 14.03	\$ 14.23	41.60%
Northeast (Boston)	\$ 17.01	\$ 17.87	\$ 15.09	\$ 15.21	48.60%
Pacific Northwest (Seattle)	\$ 15.67	\$ 16.53	\$ 13.63	\$ 13.81	30.03%
Southeast (Atlanta)	\$ 16.49	\$ 17.35	\$ 15.49	\$ 15.68	58.64%
Southwest (Dallas)	\$ 16.76	\$ 17.62	\$ 14.77	\$ 14.98	37.07%
Upper Midwest (Chicago)	\$ 15.56	\$ 16.42	\$ 13.75	\$ 14.23	18.40%

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

Receipts:	February 2007	February 2006
Producer Milk		
Class I	218,212,224	215,648,876
Class II	18,600,739	18,256,664
Class III	15,196,830	11,946,701
Class IV	16,812,770	16,094,319
Total Producer Milk	268,822,563	261,946,560
Average Butterfat Test	3.65%	3.683067%
Percent of Producer Milk in Class I	81.18%	82.33%
Daily Average Receipts	9,600,806	9,355,234
Other Source Milk		
Class I	3,168,068	3,437,237
Class II	7,453,734	6,954,726
Class III	0	0
Class IV	1,016,840	1,862,037
Total Other Source Milk	11,638,642	12,254,000
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	17,170
Total Overage	0	17,170
Opening Inventory		
Class I	14,786,365	13,394,721
Class II	0	0
Class III	12,314	0
Class IV	8,134,186	8,443,138
Total Opening Inventory	22,932,865	21,837,859
Total Receipts	303,394,070	296,055,589
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	14,708,395	13,453,833
Route Disposition Class I	220,781,576	218,596,770
Shrinkage	656,042	310,313
Transfers & Diversions to Nonpool	20,644	119,918
Total Class I Utilization	236,166,657	232,480,834
Average Butterfat Test	2.04%	2.061262%
Daily Average Utilization	8,434,523	8,302,887
Class II Utilization		
Nonfluid Used To Produce	7,434,374	6,941,537
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	5,170,127	5,445,623
Total Class II Utilization	13,449,972	12,824,230
Average Butterfat Test	26,054,473	25,211,390
Average Butterfat Test	10.10%	10.575728%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	15,209,144	11,946,701
Other Uses	0	0
Total Class III Utilization	15,209,144	11,946,701
Average Butterfat Test	1.85%	2.029916%
Class IV Utilization		
Inventory	7,299,498	7,177,964
Nonfluid Used To Fortify	867,649	1,749,225
Shrinkage	4,285,371	3,326,083
Transfers & Diversions to Nonpool Used To Produce/Other Uses	11,792,150	12,617,048
Total Class IV Utilization	1,719,128	1,546,344
Average Butterfat Test	25,963,796	26,416,664
Average Butterfat Test	11.33%	10.508965%
Total Utilization	303,394,070	296,055,589

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2007 is \$16.71 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$12.52 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3222 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 February, Class I use accounted for 82.52% of all producer skim milk (priced to handlers at \$9.19 per hundredweight, plus the Class I differential and 45.36% of producer butterfat (priced to handlers at \$1.2906 per pound plus Class I differential). Class II use accounted for 6.17% of all producer skim milk (\$8.77 per hundredweight) and 26.82% of producer butterfat (\$1.3182 per pound). Class III use accounted for 5.76% of all producer skim milk (\$9.94 per hundredweight) and 2.84% of producer butterfat (\$1.3112 per pound). Class IV use accounted for 5.55% of all producer skim milk (\$8.42 per hundredweight) and 24.98% of producer butterfat (\$1.3112 per pound).

Receipts of producer milk during February 2007 totaled 268.8 million pounds, 6.9 million pounds more than was pooled in February of last year. Florida producers supplied 190.1 million pounds of milk in January 2007 to pool plants or 65.93% of the total producer milk pooled in Florida. In January 2006 Florida producers supplied 71.09% of the total producer milk pooled on the Florida market.

There were 12 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 February 2007. In-area Class I route disposition totaled 258.9 million pounds in January 2007, 0.8 million pounds more than January 2006. This is an increase of 1.84 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
January 2007		
Whole Milk	96,530,851	37.30%
Fat Free Milk	38,235,871	14.76%
Lowfat Milk (incl. 1%)	30,649,231	11.84%
Reduced Fat Milk (incl. 2%)	71,945,083	27.80%
Cultured Fluid Milk (incl. Buttermilk)	1,181,290	0.46%
Flavored Drinks and Milk	20,281,753	7.84%
Total Disposition in Marketing Area	258,824,079	100.00%
Total Disposition by Pool Plants	230,949,208	89.22%
Total Disposition by Nonpool Plants	27,874,871	10.78%
Total Disposition in Marketing Area	258,824,079	100.00%

Measures of Growth in Federal Milk Order Markets, Selected Years 1/

	Number of Markets	Population in Federal Milk Marketing Areas (Thousands)	Number of Handlers	Number of Producers	Receipts of Producer Milk (Millions)	Producer Milk Used in Class I (Millions)	Percentage of Producer Milk Used in Class I	Daily Deliveries of Producer Milk Per Producer (Pounds)
1950	39	---	1,101	156,584	18,660	11,000	58.9	326
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	648
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	1,244
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	1,954
1990	42	195,841	753	100,397	102,396	43,783	42.8	2,796
1996	32	209,599	570	82,947	104,501	45,479	43.5	3,442
2000	11	228,899	346	69,590	116,920	45,989	39.3	4,590
2001	11	231,487	350	66,423	120,223	45,887	38.2	4,959
2002	11	234,256	338	63,856	125,546	46,043	36.7	5,387
2003	11	236,180	331	58,110	110,581	45,843	41.5	5,178
2004	10	234,825	306	52,341	103,048	44,939	43.6	5,352
2005	10	238,428	302	53,036	114,682	44,570	38.9	5,904
2006	10	239,142	314	52,725	120,618	45,304	37.6	6,264

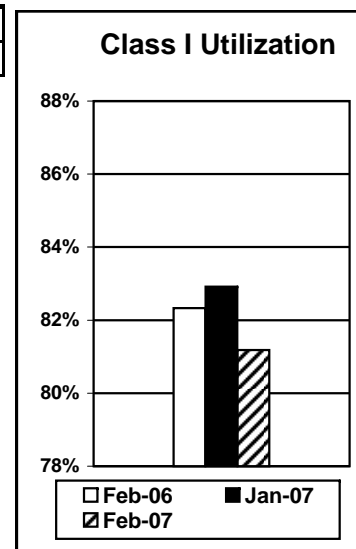
1/ Adapted from Dairy Market News, March 5-9, 2007, Volume 74, Report 10, Page 8

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 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	\$1.4261	\$11.74	\$7.59	\$1.4191	\$12.29	\$ 6.36	\$1.4191	\$11.10	\$ 10.28	\$1.3670	\$14.70
Oct	\$11.72	\$1.4607	\$16.42	\$7.06	\$1.4219	\$11.79	\$7.64	\$1.4149	\$12.32	\$ 6.80	\$1.4149	\$11.51	\$ 11.08	\$1.4396	\$15.73
Nov	\$11.77	\$1.4404	\$16.40	\$7.37	\$1.3922	\$11.98	\$8.28	\$1.3852	\$12.84	\$ 7.52	\$1.3852	\$12.11	\$ 11.32	\$1.4162	\$15.88
Dec	\$11.89	\$1.4170	\$16.43	\$8.09	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 11.43	\$1.3857	\$15.88
Jan 2007	\$13.17	\$1.3947	\$17.59	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 12.49	\$1.3471	\$16.77
Feb	\$13.19	\$1.3306	\$17.39	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 12.52	\$1.3222	\$16.71
Mar	\$14.00	\$1.3535	\$18.39	\$9.07											

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 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	329	215,044	88.32%	19,884	8.17%	729	0.30%	7,828	3.21%
Sep	231,761	329	205,157	88.52%	17,989	7.76%	1,040	0.45%	7,575	3.27%
Oct	249,931	339	211,434	84.60%	21,520	8.61%	677	0.27%	16,299	6.52%
Nov	251,187	333	220,684	87.86%	22,976	9.15%	489	0.19%	7,037	2.80%
Dec	264,731	320	225,300	85.10%	17,592	6.65%	5,825	2.20%	16,014	6.05%
Jan 2007	288,327	322	239,083	82.92%	20,833	7.23%	8,745	3.03%	19,667	6.82%
Feb	268,823	330**	218,212	81.18%	18,601	6.92%	15,197	5.65%	16,813	6.25%



* 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 March through May 2007									
	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
Mar 2007	04/11/07	04/12/07	04/13/07	03/19/07	03/20/07	04/04/07	04/05/07	04/13/07	04/16/07
Apr 2007	05/11/07	05/14/07	05/15/07	04/19/07	04/20/07	05/04/07	05/07/07	05/15/07	05/16/07
May 2007	06/11/07	06/12/07	06/13/07	05/21/07	05/21/07	06/04/07	06/05/07	06/13/07	06/14/07

**The base rate for making partial payments in Hillsborough Co., FL for March will be \$15.04 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$14.20 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%

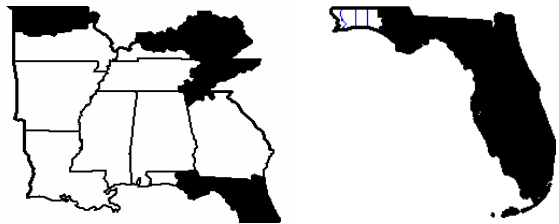
WASDE Dairy Report 1/

WASDE-444 - March 9, 2007

Milk supply and use estimates for 2006 are adjusted to reflect revisions to production and stock data as well as December trade data. Production in first quarter 2007 is lowered because of reduced milk per cow as growth in January output per cow was lower than expected. Production forecasts for the remaining quarters are unchanged. Despite improved milk prices, relatively weak milk-feed ratios are expected to result in a gradual decline in herd numbers through much of the year. Beginning year stocks are higher than last month but demand for dairy products is expected to absorb the additional quantities. Nonfat dry milk (NDM) and whey demand, for both domestic use and exports, remains strong with international markets expected to remain tight through the entire year. Hence, prices for these products are raised from last month and are major drivers of the increase in the Class III and Class IV price forecasts. Butter prices are reduced slightly as butter supplies are relatively large and may grow as increased NDM demand supports increased butter production. Cheese price forecasts are slightly higher than last month as demand is firm. The all milk price forecast for 2007 is raised to \$15.05 to \$15.65.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

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