

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmlanta.com

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Hearing Announced for Appalachian, Florida, and Southeast Orders

The U.S. Department of Agriculture has announced that it will hold a public hearing to consider proposals to amend the Appalachian, Florida, and Southeast Orders. The hearing will begin at 1:00 p.m. on Monday, May, 21, 2007, at the Sheraton Suites Tampa Airport, 4400 West Cypress Street, Tampa, Florida, 33607. The telephone number is 800-325-3535.

The proposals seek to amend the Appalachian, Florida, and Southeast Orders by temporarily adjusting the Class I pricing surface for each county within each of the three milk marketing orders until such time that USDA is able to comprehensively address the Class I pricing surface on a national scale.

Proposals also include changing the diversion percentage limits, the producer delivery days, and the transportation credit provisions of the Appalachian and Southeast orders. Other proposals would change the maximum rates for each of the three orders the market administrator may charge for the administration of the orders from 5 cents per hundredweight to as much as 8 cents per hundredweight. Testimony will be taken to determine if any of the proposals should be handled on an emergency basis.

The hearing notice was published as a proposed rule in the May 8 Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 – Room 2971-A, 1400 Independence Avenue, SW, Washington, DC 20250-0231. Additionally, copies the hearing notice may be obtained online at www.fmmlanta.com by clicking on 'What's New'.

If you have any questions concerning this announcement, please contact this office.

Blend Price Increases \$0.78

The uniform blend price in Hillsborough County, FL, was \$18.35 per hundredweight for milk at 3.5 percent butterfat for the month of April. This represents an increase of \$0.78 compared with the previous month and is \$3.99 higher than April 2006. The blend price has increased \$1.64 over the past two months. Class I utilization was 75.15 percent in April, a 3.04 percent decrease compared with the previous month and a 3.97 percent decline when compared with April 2006.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 16.11 billion pounds, an increase of 0.9 percent from March 2006 and an increase of 1.8 percent when compared with February 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 837 million pounds, 1.9 percent above March 2006 and 11.8 percent above February 2007. Butter production was 140 million pounds, 1.1 percent below March 2006 but 4.4 percent above February 2007.

Nonfat dry milk powder production was 118.0 million pounds in March, 8.8 percent below March 2006 and 8.6 percent above February 2007 on a daily average basis. Skim milk powder production was 10.2 million pounds, 52.8 percent below March 2006 and 16.2 percent below February 2007 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 2.54 in April, an increase of 0.14 from last month, and an increase of 0.06 from April 2006.

2nd Reconvened Hearing Announced

A second reconvened hearing regarding Class III and Class IV product price formulas will be held in Pittsburg, PA on July 9, 2007. To find out more, visit www.fmmlanta.com and click on 'What's New'.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.24%	4,521,778	\$1.3896	\$ 6,283,462.70
Class I Differential at Location				184,243.77
Class II Butterfat	35.52%	3,714,281	\$1.4727	5,470,021.64
Class III Butterfat	7.18%	751,126	\$1.4657	1,100,925.39
Class IV Butterfat	14.06%	1,470,906	\$1.4657	2,155,906.91
Total Butterfat	100.00%	10,458,091		\$ 15,194,560.41
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.4529	

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	76.33%	215,406,300	\$10.50 /cwt.	\$ 22,617,661.54
Class I Butterfat	43.24%	4,521,778	\$1.3896 /lb.	6,283,462.70
Class I Differential at Location		219,928,078		8,973,161.67
Total Class I Milk	75.15%	219,928,078		\$ 37,874,285.91
Class II Skim Milk	8.61%	24,289,109	\$9.69 /cwt.	\$ 2,353,614.66
Class II Butterfat	35.52%	3,714,281	\$1.4727 /lb.	5,470,021.64
Total Class II Milk	9.57%	28,003,390		\$ 7,823,636.30
Class III Skim Milk	9.60%	27,095,313	\$11.36 /cwt.	\$ 3,078,027.56
Class III Butterfat	7.18%	751,126	\$1.4657 /lb.	1,100,925.39
Total Class III Milk	9.51%	27,846,439		\$ 4,178,952.95
Class IV Skim Milk	5.46%	15,416,451	\$11.39 /cwt.	\$ 1,755,933.78
Class IV Butterfat	14.06%	1,470,906	\$1.4657 /lb.	2,155,906.91
Total Class IV Milk	5.77%	16,887,357		\$ 3,911,840.69
Producer Milk	100.00%	292,665,264		\$ 53,788,715.85

Adjustments

Overage and Other Source	\$32,591.23
Inventory Adjustments	\$146.90
Producer butterfat at uniform butterfat price	(\$15,194,560.41)
Location Adjustments to Producers	\$86,722.95
1/2 Unobligated Balance in P.S.F.	\$210,789.63

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13,79285	\$38,924,406.15
	\$ 0.04285	\$120,919.85

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

\$13.75

Uniform Price per cwt. (Hillsborough County, Florida)

\$18.35*

* 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 2007	MAY 2007	MAR 2007	APR 2007	APR 2007
Appalachian (Charlotte)	\$ 18.10	\$ 19.02	\$ 16.46	\$ 17.41	66.12%
Arizona (Phoenix)	\$ 17.72	\$ 18.64	\$ 15.12	\$ 16.43	33.55%
Central (Kansas City)	\$ 17.37	\$ 18.29	\$ 14.94	\$ 15.98	39.08%
Florida (Tampa)	\$ 19.00	\$ 19.92	\$ 17.57	\$ 18.35	75.15%
Midwest (Cleveland)	\$ 17.37	\$ 18.29	\$ 15.12	\$ 16.09	37.50%
Northeast (Boston)	\$ 18.62	\$ 19.54	\$ 16.08	\$ 17.02	44.30%
Pacific Northwest (Seattle)	\$ 17.28	\$ 18.20	\$ 14.84	\$ 16.24	32.06%
Southeast (Atlanta)	\$ 18.10	\$ 19.02	\$ 16.54	\$ 17.36	55.78%
Southwest (Dallas)	\$ 18.37	\$ 19.29	\$ 15.87	\$ 16.97	34.57%
Upper Midwest (Chicago)	\$ 17.17	\$ 18.09	\$ 15.14	\$ 16.15	18.90%

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

Receipts:	April 2007	April 2006
Producer Milk		
Class I	219,928,078	220,645,306
Class II	28,003,390	20,219,967
Class III	27,846,439	17,893,262
Class IV	16,887,357	20,100,026
Total Producer Milk	<u>292,665,264</u>	<u>278,858,561</u>
Average Butterfat Test	3.57%	3.60%
Percent of Producer Milk in Class I	75.15%	79.12%
Daily Average Receipts	9,755,509	9,295,285
Other Source Milk		
Class I	3,766,710	3,790,835
Class II	8,705,871	8,446,715
Class III	0	0
Class IV	995,820	1,836,445
Total Other Source Milk	<u>13,468,401</u>	<u>14,072,995</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	284,691	5,847
Total Overage	<u>284,691</u>	<u>5,847</u>
Opening Inventory		
Class I	16,424,916	16,362,463
Class II	10,506	4,094
Class III	4,487	0
Class IV	4,121,964	5,084,187
Total Opening Inventory	<u>20,561,873</u>	<u>21,450,744</u>
Total Receipts	326,980,229	314,389,147
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	13,573,552	16,167,772
Route Disposition Class I	226,205,135	224,978,242
Shrinkage	325,143	565,637
Transfers & Diversions to Nonpool	15,874	86,953
Total Class I Utilization	<u>240,119,704</u>	<u>240,798,604</u>
Average Butterfat Test	2.05%	2.09%
Daily Average Utilization	8,003,990	8,026,620
Class II Utilization		
Nonfluid Used To Produce	8,698,028	9,432,602
Shrinkage	2,814,741	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	9,651,840	6,363,683
Total Class II Utilization	<u>15,555,158</u>	<u>13,874,491</u>
Average Butterfat Test	36,719,767	28,670,776
Average Butterfat Test	10.12%	11.73%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	27,850,926	17,893,262
Other Uses	0	0
Total Class III Utilization	<u>27,850,926</u>	<u>17,893,262</u>
Average Butterfat Test	2.70%	2.89%
Class IV Utilization		
Inventory	10,235,087	10,582,470
Nonfluid Used To Fortify	850,919	1,518,712
Shrinkage	0	3,694,913
Transfers & Diversions to Nonpool Used To Produce/Other Uses	11,203,826	9,684,879
Total Class IV Utilization	<u>22,289,832</u>	<u>27,026,505</u>
Average Butterfat Test	7.75%	7.26%
Total Utilization	326,980,229	314,389,147

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2007 is \$18.35 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$13.75 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4529 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 April, Class I use accounted for 76.33% of all producer skim milk (priced to handlers at \$10.50 per hundredweight, plus the Class I differential and 43.24% of producer butterfat (priced to handlers at \$1.3896 per pound plus Class I differential). Class II use accounted for 8.61% of all producer skim milk (\$9.69 per hundredweight) and 35.52% of producer butterfat (\$1.4727 per pound). Class III use accounted for 9.60% of all producer skim milk (\$11.36 per hundredweight) and 7.18% of producer butterfat (\$1.4657 per pound). Class IV use accounted for 5.46% of all producer skim milk (\$11.39 per hundredweight) and 14.06% of producer butterfat (\$1.4657 per pound).

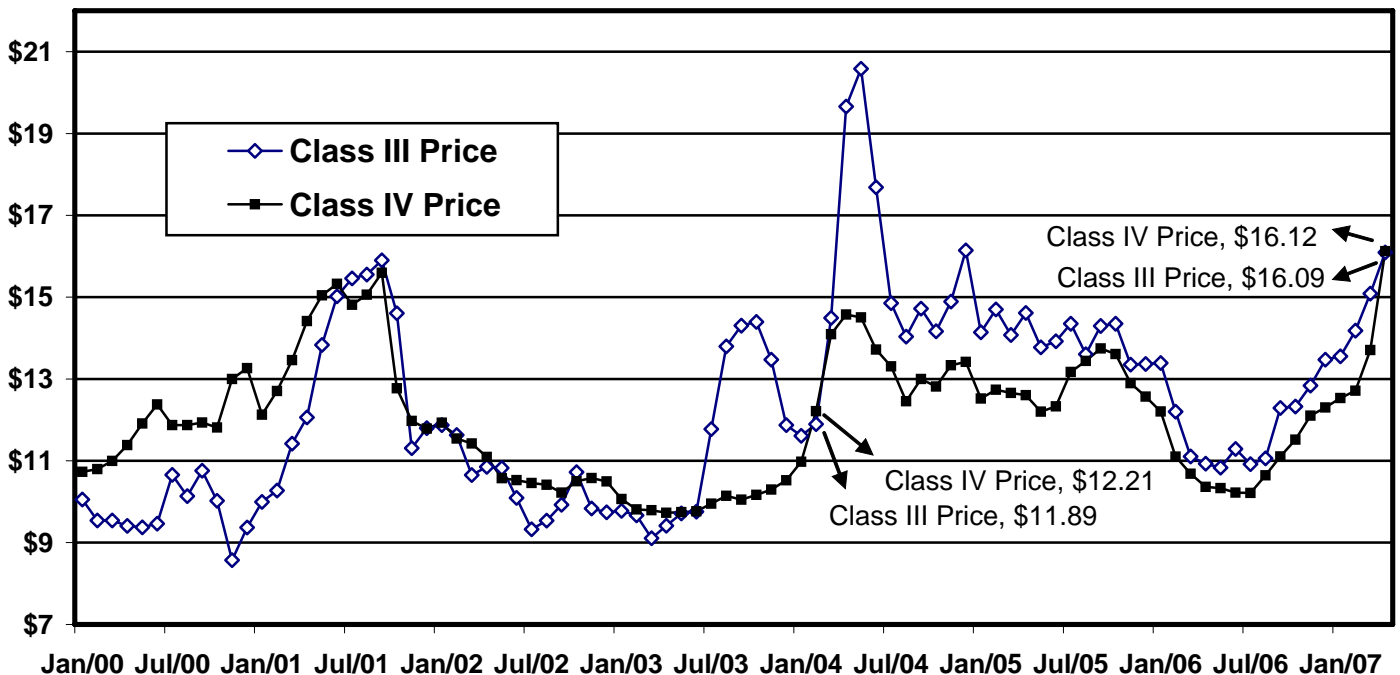
Receipts of producer milk during April 2007 totaled 292.7 million pounds, 13.8 million pounds more than was pooled in April of last year. Florida producers supplied 207.5 million pounds of milk in March 2007 to pool plants or 67.0% of the total producer milk pooled in Florida. In March 2006 Florida producers supplied 74.5% 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 April 2007. In-area Class I route disposition totaled 264.3 million pounds in March 2007, 0.08 million pounds less than March 2006. This is a decrease of 0.03 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2007		
Whole Milk	96,697,694	36.59%
Fat Free Milk	39,204,200	14.83%
Lowfat Milk (incl. 1%)	31,659,402	11.98%
Reduced Fat Milk (incl. 2%)	75,019,749	28.39%
Cultured Fluid Milk (incl. Buttermilk)	1,254,967	0.47%
Flavored Drinks and Milk	20,438,264	7.73%
Total Disposition in Marketing Area	264,274,276	100.00%
Total Disposition by Pool Plants	234,961,090	88.91%
Total Disposition by Nonpool Plants	29,313,186	11.09%
Total Disposition in Marketing Area	264,274,276	100.00%

Class IV Price Exceeds Class III Price



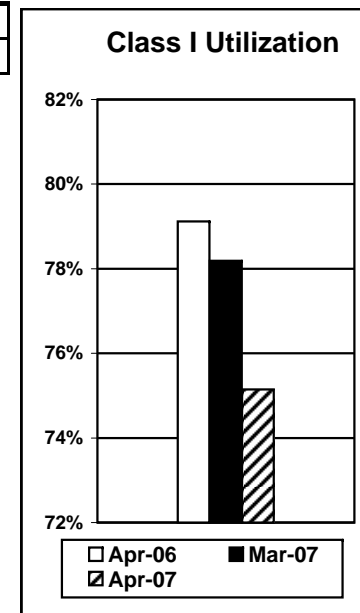
In March, the Class IV price was higher than the Class III price, the first time this has occurred since February 2004. Over this 37 month period, the Class III price was, on average, \$1.45 per hundredweight higher than the Class IV price, but strong demand for nonfat dry milk has pushed the Class IV price \$0.03 above the cheese-based Class III price.

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	\$18.25	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 13.24	\$1.3691	\$17.57
Apr	\$14.50	\$1.4296	\$19.00	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 13.75	\$1.4529	\$18.35
May	\$15.28	\$1.4789	\$19.92	\$11.50											

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	298	218,212	81.18%	18,601	6.92%	15,197	5.65%	16,813	6.25%
Mar	309,668	294	242,109	78.19%	27,232	8.79%	28,164	9.09%	12,163	3.93%
Apr	292,665	300**	219,928	75.15%	28,003	9.57%	27,846	9.51%	16,887	5.77%



* 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 May through July 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
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
Jun 2007	07/11/07	07/12/07	07/13/07	06/19/07	06/20/07	07/05/07	07/05/07	07/13/07	07/16/07
Jul 2007	08/11/07	08/13/07	08/14/07	07/19/07	07/20/07	08/06/07	08/06/07	08/14/07	08/15/07

**The base rate for making partial payments in Hillsborough Co., FL for May will be \$16.52 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$15.60 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 - 446 May 11, 2007

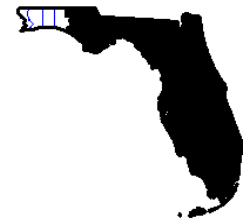
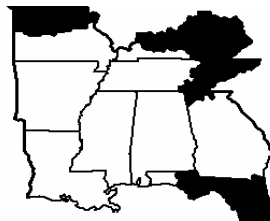
Milk production is forecast to increase in 2008 reflecting strong milk prices and expected improved availability of hay. Milk cow numbers are likely to be only fractionally below 2007 and milk per cow growth should increase more rapidly than in 2007. Commercial use of fat and skim solids is expected to remain strong and commercial stocks will likely tighten. Butter prices are forecast to increase in 2008 but cheese prices are forecast to decline slightly. Continued strength in export demand as well as domestic use of nonfat dry milk (NDM) and whey will help support prices with the annual average price of NDM above 2007. Whey prices are expected to decline modestly from 2007 with increased supplies but will remain above historical prices. In the face of slightly weaker product prices, the Class III price is forecast to decline slightly from 2007 but, supported by continued strength in NDM prices, the Class IV price is expected to increase from 2007. The all milk price is forecast at \$17.00 to \$18.00 per cwt in 2008.

Forecast milk supply in 2007 is raised from last month as higher milk prices are expected to slow the pace of decline in cow numbers. Price forecasts for all products are raised sharply from last month as demand for all products remains strong and production growth is expected to lag the past several years. Class III and Class IV prices are raised and the all milk price is forecast to average \$17.05 to \$17.55 per cwt.

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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