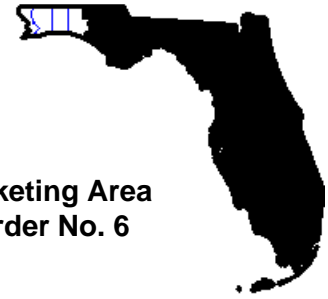


FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



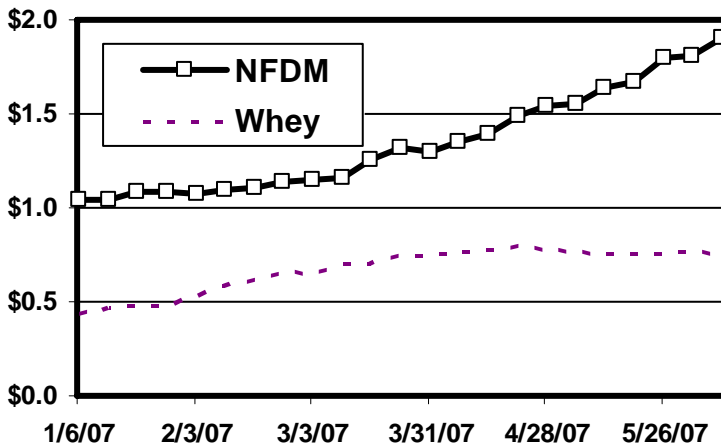
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June 2007

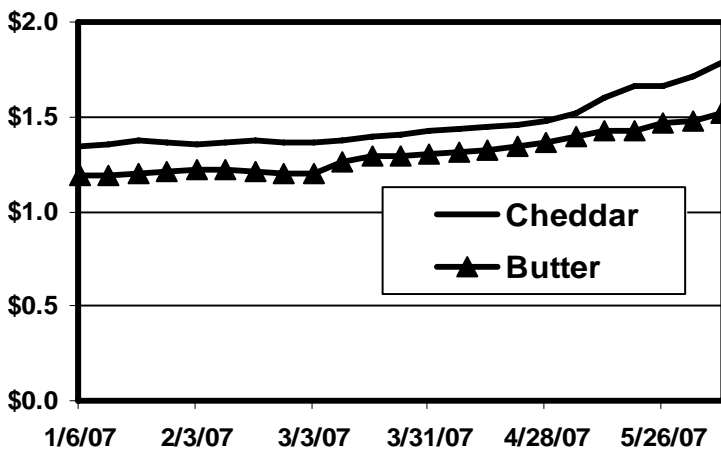
Volume 8—No. 6

'07 Commodity Prices Soar

Manufactured dairy product prices have been rising dramatically over the past several months. In fact, since the beginning of the year, labeled '1/6/07' in the charts below for the first week of 2007, the four major commodities have increased from 27 to over 80 percent according to National Agricultural Statistics Service (NASS) weekly reports. Nonfat dry milk powder (NFDM) prices are up 82 percent, dry whey prices are up 73 percent, Cheddar Cheese prices (blocks and barrels combined) have increased 33 percent and butter prices have risen 27 percent between January 6, 2007 and June 9, 2007.



Source: NASS



Source: NASS

Blend Price Increases \$1.20

The uniform blend price in Hillsborough County, FL, was \$19.55 per hundredweight for milk at 3.5 percent butterfat for the month of May. This represents an increase of \$1.20 compared with the previous month and is \$5.27 higher than May 2006. The blend price has increased \$2.84 over the past three months.

Class I utilization was 74.78 percent in May, a 0.37 percent decrease compared with the previous month and a 5.65 percent decline when compared with May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 15.74 billion pounds, an increase of 1.3 percent from April 2006 and an increase of 0.9 percent when compared with March 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 803 million pounds, 1.2 percent above April 2006 but 4.1 percent below March 2007. Butter production was 134 million pounds, 5.2 percent above April 2006 but 2.8 percent below March 2007.

Nonfat dry milk powder production was 128.0 million pounds in April, 2.2 percent below April 2006 and 8.5 percent above March 2007. Skim milk powder production was 15.6 million pounds in April, 11.1 percent below April 2006 and 52.9 percent above March 2007.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.52 in May, an increase of 0.02 from last month, and an increase of 0.2 from May 2006.

Hearing Transcripts Available

Transcripts and exhibits of the public hearing held in Tampa, FL on May 21-23, 2007 are now available online; Go to www.fmmlanta.com and click on the 'What's New' link.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.10%	4,513,073	\$1.4389	\$ 6,493,860.73
Class I Differential at Location				184,381.72
Class II Butterfat	38.08%	3,896,623	\$1.5776	6,147,312.44
Class III Butterfat	6.82%	697,965	\$1.5706	1,096,223.83
Class IV Butterfat	11.00%	1,125,324	\$1.5706	1,767,433.88
Total Butterfat	100.00%	10,232,985		\$ 15,689,212.60

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.5332**

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	75.91%	210,218,234	\$11.28 /cwt.	\$ 23,712,616.78
Class I Butterfat	44.10%	4,513,073	\$1.4389 /lb.	6,493,860.73
Class I Differential at Location		214,731,307		8,766,680.88
Total Class I Milk	74.78%	214,731,307		\$ 38,973,158.39
Class II Skim Milk	8.78%	24,307,871	\$11.50 /cwt.	\$ 2,795,405.20
Class II Butterfat	38.08%	3,896,623	\$1.5776 /lb.	6,147,312.44
Total Class II Milk	9.82%	28,204,494		\$ 8,942,717.64
Class III Skim Milk	11.14%	30,861,656	\$12.54 /cwt.	\$ 3,870,051.66
Class III Butterfat	6.82%	697,965	\$1.5706 /lb.	1,096,223.83
Total Class III Milk	10.99%	31,559,621		\$ 4,966,275.49
Class IV Skim Milk	4.17%	11,538,984	\$13.45 /cwt.	\$ 1,551,993.33
Class IV Butterfat	11.00%	1,125,324	\$1.5706 /lb.	1,767,433.88
Total Class IV Milk	4.41%	12,664,308		\$ 3,319,427.21
Producer Milk	100.00%	287,159,730		\$ 56,201,578.73

Adjustments

Overage and Other Source	\$5,999.17
Inventory Adjustments	\$22,603.52
Producer butterfat at uniform butterfat price	(\$15,689,212.60)
Location Adjustments to Producers	\$151,565.73
1/2 Unobligated Balance in P.S.F.	\$126,692.48

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.74008	\$40,819,227.03
	\$ 0.04008	\$110,995.51

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

\$14.70

Uniform Price per cwt. (Hillsborough County, Florida)

\$19.55*

* 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 %
	MAY 2007	JUN 2007	APR 2007	MAY 2007	MAY 2007
Appalachian (Charlotte)	\$ 19.02	\$ 20.94	\$ 17.41	\$ 18.82	73.71%
Arizona (Phoenix)	\$ 18.64	\$ 20.56	\$ 16.43	\$ 18.07	34.07%
Central (Kansas City)	\$ 18.29	\$ 20.21	\$ 15.98	\$ 17.50	39.92%
Florida (Tampa)	\$ 19.92	\$ 21.84	\$ 18.35	\$ 19.55	74.78%
Mideast (Cleveland)	\$ 18.29	\$ 20.21	\$ 16.09	\$ 17.63	38.40%
Northeast (Boston)	\$ 19.54	\$ 21.46	\$ 17.02	\$ 18.60	44.60%
Pacific Northwest (Seattle)	\$ 18.20	\$ 20.12	\$ 16.24	\$ 17.87	32.33%
Southeast (Atlanta)	\$ 19.02	\$ 20.94	\$ 17.36	\$ 18.73	57.36%
Southwest (Dallas)	\$ 19.29	\$ 21.21	\$ 16.97	\$ 18.51	73.31%
Upper Midwest (Chicago)	\$ 18.09	\$ 20.01	\$ 16.15	\$ 17.65	20.30%

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

Receipts:	May 2007	May 2006
Producer Milk		
Class I	214,731,307	217,963,797
Class II	28,204,494	22,413,517
Class III	31,559,621	23,305,853
Class IV	12,664,308	7,310,517
Total Producer Milk	<u>287,159,730</u>	<u>270,993,684</u>
Average Butterfat Test	3.56%	3.58%
Percent of Producer Milk in Class I	74.78%	80.43%
Daily Average Receipts	9,263,217	8,741,732
Other Source Milk		
Class I	3,933,829	3,582,288
Class II	9,797,910	10,844,016
Class III	0	0
Class IV	903,021	1,477,397
Total Other Source Milk	<u>14,634,760</u>	<u>15,903,701</u>
Overage		
Class I	0	0
Class II	19,608	0
Class III	0	0
Class IV	0	3,503
Total Overage	<u>19,608</u>	<u>3,503</u>
Opening Inventory		
Class I	14,122,720	15,191,087
Class II	1,931,899	216,226
Class III	104,079	0
Class IV	7,867,112	10,342,929
Total Opening Inventory	<u>24,025,810</u>	<u>25,750,242</u>
Total Receipts	325,839,908	312,651,130
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	15,210,969	13,504,418
Route Disposition Class I	217,077,719	222,968,751
Shrinkage	481,665	158,381
Transfers & Diversions to Nonpool	17,503	105,622
Total Class I Utilization	<u>232,787,856</u>	<u>236,737,172</u>
Average Butterfat Test	2.09%	2.12%
Daily Average Utilization	7,509,286	7,636,683
Class II Utilization		
Nonfluid Used To Produce	9,785,866	10,835,007
Shrinkage	3,578,658	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	8,993,641	3,598,849
Total Class II Utilization	<u>17,595,746</u>	<u>15,679,903</u>
Average Butterfat Test	9.83%	10.08%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	31,663,700	23,305,853
Other Uses	0	0
Total Class III Utilization	<u>31,663,700</u>	<u>23,305,853</u>
Average Butterfat Test	2.21%	2.22%
Class IV Utilization		
Inventory	7,048,574	9,212,150
Nonfluid Used To Fortify	758,010	1,111,037
Shrinkage	0	2,932,785
Transfers & Diversions to Nonpool Used To Produce/Other Uses	13,627,857	4,227,393
Total Class IV Utilization	<u>21,434,441</u>	<u>19,134,346</u>
Average Butterfat Test	7.76%	9.22%
Total Utilization	325,839,908	312,651,130

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2007 is \$19.55 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.70 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5332 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 May, Class I use accounted for 75.91% of all producer skim milk (priced to handlers at \$11.28 per hundredweight, plus the Class I differential and 44.10% of producer butterfat (priced to handlers at \$1.4389 per pound plus Class I differential). Class II use accounted for 8.78% of all producer skim milk (\$11.50 per hundredweight) and 38.08% of producer butterfat (\$1.5776 per pound). Class III use accounted for 11.14% of all producer skim milk (\$12.54 per hundredweight) and 6.82% of producer butterfat (\$1.5706 per pound). Class IV use accounted for 4.17% of all producer skim milk (\$13.45 per hundredweight) and 11.00% of producer butterfat (\$1.5706 per pound).

Receipts of producer milk during May 2007 totaled 287.2 million pounds, 16.2 million pounds more than was pooled in May of last year. Florida producers supplied 197.3 million pounds of milk in April 2007 to pool plants or 67.4% of the total producer milk pooled in Florida. In April 2006 Florida producers supplied 75.3% of the total producer milk pooled on the Florida market.

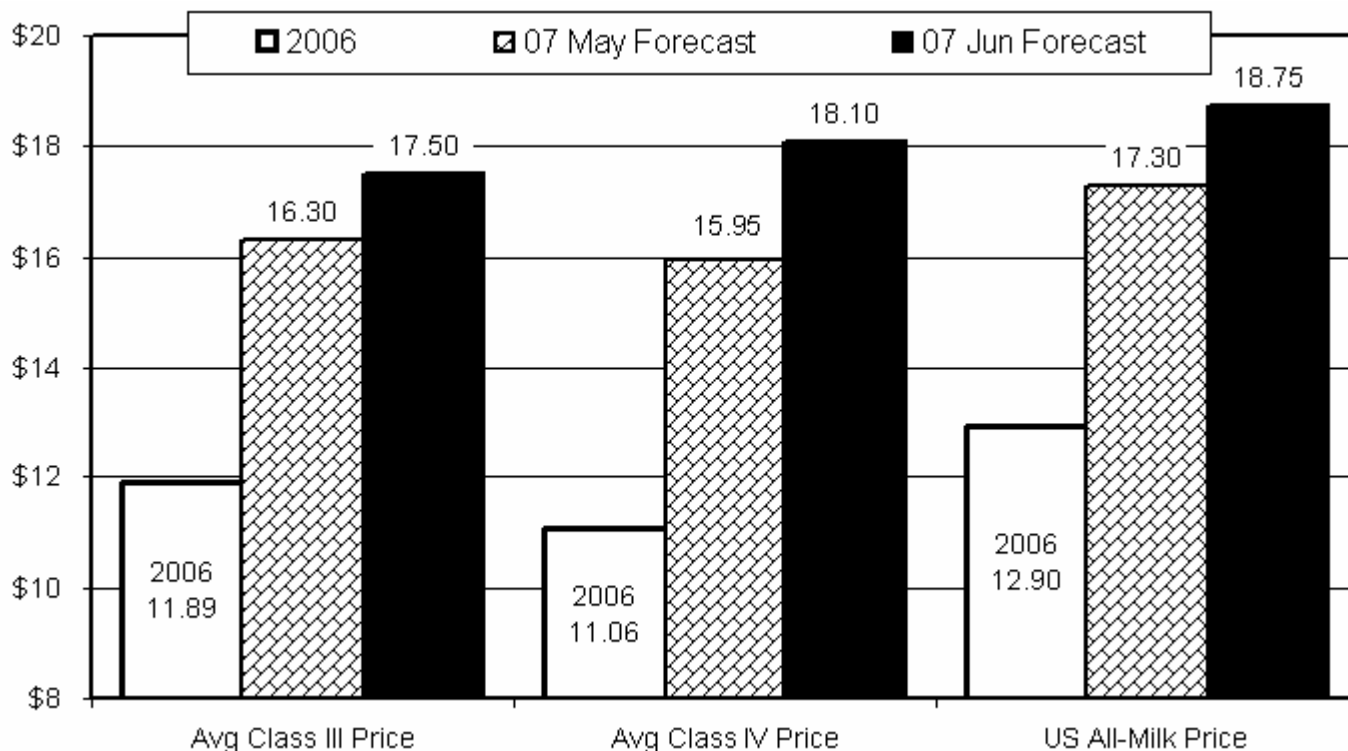
There were 13 regulated pool distributing plants and 4 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2007. In-area Class I route disposition totaled 247.5 million pounds in April 2007, 6.1 million pounds more than April 2006. This is an increase of 1.99 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
April 2007		
Whole Milk	90,250,036	36.46%
Fat Free Milk	33,781,606	13.65%
Lowfat Milk (incl. 1%)	28,556,544	11.54%
Reduced Fat Milk (incl. 2%)	70,032,858	28.29%
Cultured Fluid Milk (incl. Buttermilk)	1,048,474	0.42%
Flavored Drinks and Milk	23,845,538	9.63%
Total Disposition in Marketing Area	247,515,056	100.00%
Total Disposition by Pool Plants	218,175,227	88.15%
Total Disposition by Nonpool Plants	29,339,829	11.85%
Total Disposition in Marketing Area	247,515,056	100.00%

USDA's Price Forecasts Revised Up, Way Up

This chart shows how Class III and IV price forecasts for 2007 have increased in recent weeks. USDA's price forecasts are up \$1.20 and \$2.15 since May for Class III and IV, respectively, which would push the all-milk price to an all-time record average of \$18.75. See the last page of this publication for more on the WASDE Dairy Report.

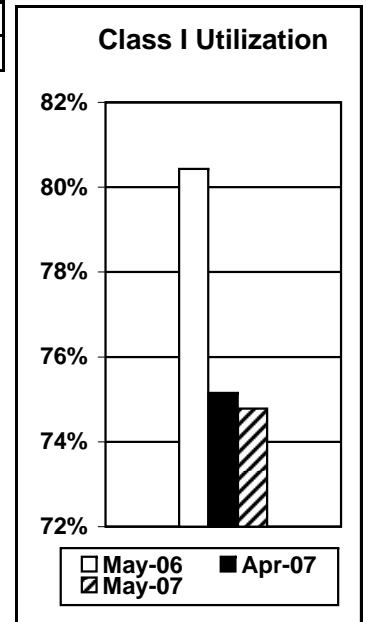


FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

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	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 14.70	\$1.5332	\$19.55
June	\$16.88	\$1.5866	\$21.84	\$13.58											

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	292	219,928	75.15%	28,003	9.57%	27,846	9.51%	16,887	5.77%
May	287,160	300**	214,731	74.78%	28,205	9.82%	31,560	10.99%	12,664	4.41%



* 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 June through August 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
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
Aug 2007	09/11/07	09/12/07	09/13/07	08/20/07	08/20/07	09/04/07	09/05/07	09/13/07	09/14/07

**The base rate for making partial payments in Hillsborough Co., FL for May will be \$17.60 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$16.62 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 - 447 June 11, 2007

Strong demand for dairy products and limited ability to adjust production in the short term has resulted in significantly higher price forecasts this month. Milk production forecasts for both 2007 and 2008 are raised from last month but relatively high feed costs are expected to limit growth into 2008. Cow numbers are forecast higher than last month, with the cow herd in 2007 averaging about the same as 2006, and expanding in 2008. Output per cow is forecast to continue to increase modestly in both 2007 and 2008.

However, in the face of continued strong demand for dairy products and expected tightness in international supplies, most product prices for 2007 and 2008 are forecast higher than last month. Forecast nonfat dry milk prices are increased significantly, which coupled with higher forecast butter prices, support a stronger Class IV price forecast. Although cheese prices are also forecast higher, a reduced forecast for whey prices limits the increase in the Class III price forecast for both 2007 and 2008. With strong Class prices, the forecast for all milk is also raised. In 2007, the all milk price is forecast to average a record \$18.55 to \$18.95 per cwt, and then decline to \$17.90 to \$18.90 per cwt in 2008.

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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