

FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

July 2007

Volume 8—No. 7

Rule Issued Establishes Mandatory Reporting of Dairy Product Prices

The USDA has issued an interim final rule establishing a Dairy Product Mandatory Reporting Program as required by law. The Dairy Market Enhancement Act of 2000, and certain provisions of the 2002 Farm Bill amend the Agricultural Marketing Act of 1946 to establish the program.

The mandatory reporting program will provide timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry. The program will: (1) Require persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) Require persons storing dairy products to report information on the quantity of dairy products stored. Under the interim final rule, USDA's National Agricultural Statistics Service (NASS) will collect the information. Any manufacturer that processes and markets less than 1 million pounds of dairy products per year is exempt from the reporting requirements.

USDA's Agricultural Marketing Service (AMS) will implement a plan to verify the price information submitted to NASS. AMS will visit butter, nonfat dry milk, cheese and dry whey manufacturers that file reports. AMS will verify that eligible sales transactions agree with information reported to NASS and will check for eligible sales transactions that were not reported.

The interim final rule was published in the Federal Register on July 3, a copy of which is posted at www.fmmatlanta.com under 'What's New'. Public comments are due September 4, 2007 and may be filed by visiting www.regulations.gov, or submitted to the mailing address listed in the interim final rule. USDA will issue a final rule once public comments have been received.

Blend Price Increases Over \$2

The uniform blend price in Hillsborough County, FL, was \$21.62 per hundredweight for milk at 3.5 percent butterfat for the month of June. This represents an increase of \$2.07 compared with the previous month and is \$7.48 higher than June 2006. The blend price has increased four consecutive months, and is up 29 percent since January and 53 percent over the past twelve months. Additionally, June is the third highest uniform blend price for the Florida Order and marks the just the fourth time that the blend price has exceeded \$21.00 since January 2000.

Class I utilization was 79.18 percent in June, a 4.40 percent increase compared with the previous month, but a 3.66 percent decline when compared with June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 16.2 billion pounds, an increase of 0.8 percent from May 2006 and a decrease of 0.5 percent when compared with April 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 820 million pounds, slightly below May 2006 but 2.2 percent above April 2007. Butter production was 125 million pounds, 2.8 percent below May 2006 and 7.0 percent below April 2007.

Nonfat dry milk powder production was 116.0 million pounds in May, 12.9 percent below May 2006 and 9.4 percent below April 2007. Skim milk powder production was 13.0 million pounds in May, 34.3 percent below May 2006 and 16.7 percent below April 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 2.76 in June, an increase of 0.22 from last month, and an increase of 0.31 from June 2006.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.04%	4,449,234	\$1.5466	\$ 6,881,185.30
Class I Differential at Location				181,002.90
Class II Butterfat	39.45%	3,653,762	\$1.6527	6,038,572.45
Class III Butterfat	4.33%	401,513	\$1.6457	660,769.94
Class IV Butterfat	8.18%	757,936	\$1.6457	1,247,335.29
Total Butterfat	100.00%	9,262,445		\$ 15,008,865.88
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.6204	

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	80.35%	200,227,309	\$12.88 /cwt.	\$ 25,789,277.40
Class I Butterfat	48.04%	4,449,234	\$1.5466 /lb.	6,881,185.30
Class I Differential at Location		204,676,543		8,348,292.65
Total Class I Milk	79.18%	204,676,543		\$ 41,018,755.35
Class II Skim Milk	9.45%	23,552,977	\$13.58 /cwt.	\$ 3,198,494.28
Class II Butterfat	39.45%	3,653,762	\$1.6527 /lb.	6,038,572.45
Total Class II Milk	10.53%	27,206,739		\$ 9,237,066.73
Class III Skim Milk	6.24%	15,559,005	\$14.93 /cwt.	\$ 2,322,959.45
Class III Butterfat	4.33%	401,513	\$1.6457 /lb.	660,769.94
Total Class III Milk	6.18%	15,960,518		\$ 2,983,729.39
Class IV Skim Milk	3.96%	9,861,157	\$15.54 /cwt.	\$ 1,532,423.78
Class IV Butterfat	8.18%	757,936	\$1.6457 /lb.	1,247,335.29
Total Class IV Milk	4.11%	10,619,093		\$ 2,779,759.07
Producer Milk	100.00%	258,462,893		\$ 56,019,310.54

Adjustments

Overage and Other Source	\$63,706.04
Inventory Adjustments	\$15,646.29
Producer butterfat at uniform butterfat price	(\$15,008,865.88)
Location Adjustments to Producers	\$95,807.37
1/2 Unobligated Balance in P.S.F.	\$120,155.60

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.57532	\$41,305,759.96
	\$ 0.04532	\$112,925.91

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

\$16.53

Uniform Price per cwt. (Hillsborough County, Florida)

\$21.62*

* 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 %
	JUN 2007	JUL 2007	MAY 2007	JUN 2007	JUN 2007
Appalachian (Charlotte)	\$ 20.94	\$ 24.01	\$ 18.82	\$ 20.70	73.40%
Arizona (Phoenix)	\$ 20.56	\$ 23.63	\$ 18.07	\$ 20.30	33.40%
Central (Kansas City)	\$ 20.21	\$ 23.28	\$ 17.50	\$ 19.80	41.18%
Florida (Tampa)	\$ 21.84	\$ 24.91	\$ 19.55	\$ 21.62	79.18%
Mideast (Cleveland)	\$ 20.21	\$ 23.28	\$ 17.63	\$ 19.91	37.50%
Northeast (Boston)	\$ 21.46	\$ 24.53	\$ 18.60	\$ 20.80	44.80%
Pacific Northwest (Seattle)	\$ 20.12	\$ 23.19	\$ 17.87	\$ 20.19	30.62%
Southeast (Atlanta)	\$ 20.94	\$ 24.01	\$ 18.73	\$ 20.76	66.67%
Southwest (Dallas)	\$ 21.21	\$ 24.28	\$ 18.51	\$ 20.48	73.84%
Upper Midwest (Chicago)	\$ 20.01	\$ 23.08	\$ 17.65	\$ 20.12	17.30%

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

Receipts:	June 2007	June 2006
Producer Milk		
Class I	204,676,543	207,983,538
Class II	27,206,739	21,113,269
Class III	15,960,518	12,452,235
Class IV	10,619,093	9,517,186
Total Producer Milk	<u>258,462,893</u>	<u>251,066,228</u>
Average Butterfat Test	3.58%	3.58%
Percent of Producer Milk in Class I	79.18%	82.84%
Daily Average Receipts	8,615,430	8,368,874
Other Source Milk		
Class I	3,728,422	3,687,279
Class II	8,636,043	10,111,184
Class III	0	0
Class IV	618,192	858,668
Total Other Source Milk	<u>12,982,657</u>	<u>14,657,131</u>
Overage		
Class I	0	0
Class II	462,003	0
Class III	0	0
Class IV	587	35,553
Total Overage	<u>462,590</u>	<u>35,553</u>
Opening Inventory		
Class I	15,377,037	13,535,820
Class II	3,363,133	190,109
Class III	202,187	0
Class IV	3,301,769	8,990,639
Total Opening Inventory	<u>22,244,126</u>	<u>22,716,568</u>
Total Receipts	294,152,266	288,475,480
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	15,492,817	14,550,087
Route Disposition Class I	207,947,134	209,309,792
Shrinkage	296,393	778,668
Transfers & Diversions to Nonpool	45,658	568,090
Total Class I Utilization	<u>223,782,002</u>	<u>225,206,637</u>
Average Butterfat Test	2.17%	2.19%
Daily Average Utilization	7,459,400	7,506,888
Class II Utilization		
Nonfluid Used To Produce	8,628,948	10,100,910
Shrinkage	3,327,506	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	11,303,006	7,523,738
Total Class II Utilization	<u>16,408,458</u>	<u>13,789,914</u>
Average Butterfat Test	9.26%	10.81%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	16,162,705	12,452,235
Other Uses	0	0
Total Class III Utilization	<u>16,162,705</u>	<u>12,452,235</u>
Average Butterfat Test	2.50%	2.03%
Class IV Utilization		
Inventory	3,555,833	4,828,572
Nonfluid Used To Fortify	542,548	678,683
Shrinkage	0	3,679,867
Transfers & Diversions to Nonpool Used To Produce/Other Uses	10,441,260	8,708,267
Total Class IV Utilization	<u>14,539,641</u>	<u>19,402,046</u>
Average Butterfat Test	7.81%	6.62%
Total Utilization	294,152,266	288,475,480

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2007 is \$21.62 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6204 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 June, Class I use accounted for 80.35% of all producer skim milk (priced to handlers at \$12.88 per hundredweight, plus the Class I differential and 48.04% of producer butterfat (priced to handlers at \$1.5466 per pound plus Class I differential). Class II use accounted for 9.45% of all producer skim milk (\$13.58 per hundredweight) and 39.45% of producer butterfat (\$1.6527 per pound). Class III use accounted for 6.24% of all producer skim milk (\$14.93 per hundredweight) and 4.33% of producer butterfat (\$1.6457 per pound). Class IV use accounted for 3.96% of all producer skim milk (\$15.54 per hundredweight) and 8.18% of producer butterfat (\$1.6457 per pound).

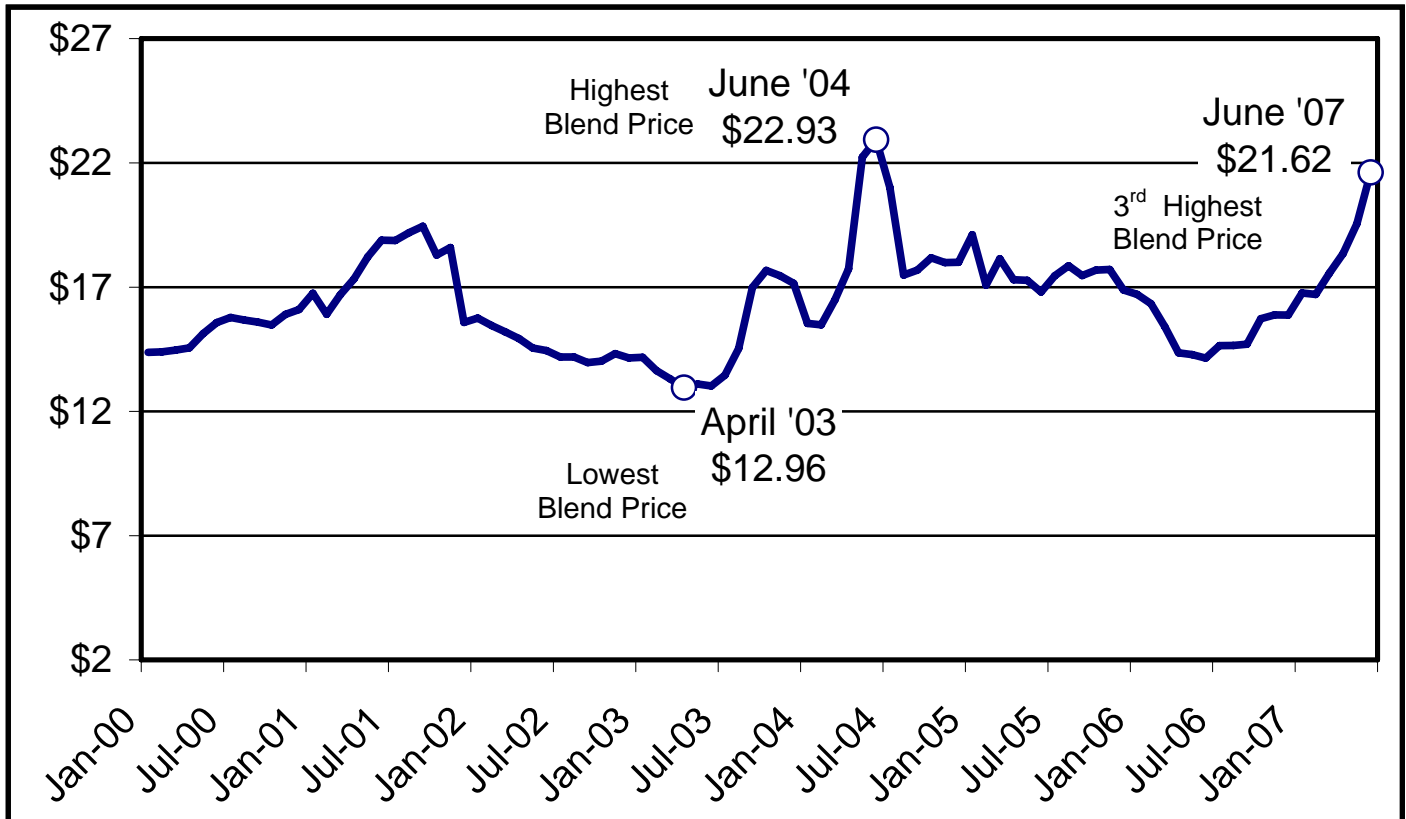
Receipts of producer milk during June 2007 totaled 258.5 million pounds, 7.4 million pounds more than was pooled in June of last year. Florida producers supplied 199.3 million pounds of milk in May 2007 to pool plants or 69.41% of the total producer milk pooled in Florida. In May 2006 Florida producers supplied 73.95% of the total producer milk pooled on the Florida market.

There were 12 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2007. In-area Class I route disposition totaled 236.2 million pounds in May 2007, 4.5 million pounds less than May 2006. This is a decrease of 1.11 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2007		
Whole Milk	88,590,089	37.51%
Fat Free Milk	31,347,573	13.27%
Lowfat Milk (incl. 1%)	27,122,348	11.48%
Reduced Fat Milk (incl. 2%)	67,792,828	28.71%
Cultured Fluid Milk (incl. Buttermilk)	1,111,781	0.48%
Flavored Drinks and Milk	20,201,133	8.55%
Total Disposition in Marketing Area	236,165,752	100.00%
Total Disposition by Pool Plants	208,615,015	88.33%
Total Disposition by Nonpool Plants	27,550,737	11.67%
Total Disposition in Marketing Area	236,165,752	100.00%

Florida Order Uniform Blend Prices Since January 2000's Federal Order Consolidation

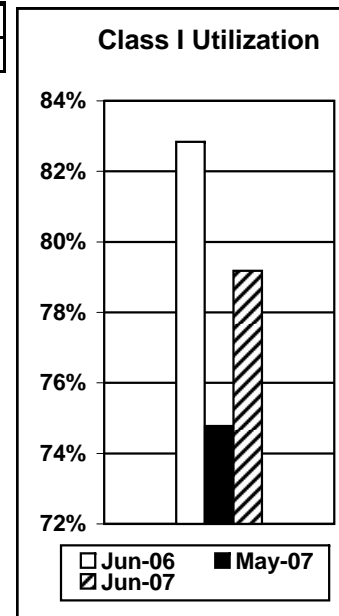


FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

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	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 16.53	\$1.6204	\$21.62
July	\$19.61	\$1.7108	\$24.91	\$16.31											

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	283	214,731	74.78%	28,205	9.82%	31,560	10.99%	12,664	4.41%
June	258,463	300**	204,677	79.18%	27,207	10.53%	15,961	6.18%	10,619	4.11%



* 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 July through September 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
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
Sep 2007	10/11/07	10/12/07	10/15/07	09/19/07	09/20/07	10/04/07	10/05/07	10/15/07	10/16/07

**The base rate for making partial payments in Hillsborough Co., FL for July will be \$19.46 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$18.38 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 - 448 July 12, 2007

Milk production and use forecasts are virtually unchanged for both 2007 and 2008. Cow numbers are forecast higher than last month as producers are expected to respond to favorable returns, but output per cow is reduced slightly as growth continues to lag expectations. The July 20 USDA Cattle report will provide further indications of producer expansion plans. Dairy prices remain strong as both domestic and international demand remains firm.

Cheese and nonfat dry milk (NDM) price forecasts are raised from last month, but butter prices are forecast lower. Class III and Class IV price forecasts are raised due to higher cheese and NDM prices. However, the increase in Class IV prices is moderated by the lower forecast for butter. The forecast for all milk is also raised. In 2007, the all milk price is forecast to average a record \$19.00 to \$19.30 per cwt, and then decline to \$18.20 to \$19.20 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.

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



www.fmmatlanta.com

"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."