

Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

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

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.fmmatlanta.com by clicking on 'What's New'.

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

Blend Price Increases \$0.82

The uniform blend price in Fulton County, GA, was \$17.36 per hundredweight of milk at 3.5 percent butterfat for the month of April. The blend price is \$0.82 higher than the previous month and is \$4.42 higher than April 2006. April marks the tenth consecutive month that the uniform blend price has increased.

Class I utilization was 55.78 percent in April, a decrease of 3.0 percent compared with the previous month and 5.1 percent above April of last year.

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 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.

**Pursuant to 7 CFR §1000.25(c)(5)(ii) the following plant has not paid its February 2007 obligation to the Market Administrator funds as required by 7 CFR §1007.71, §1007.81, §1007.85: Universal Food and Beverage, Savannah, Georgia*

F.O. 7 - SOUTHEAST: 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	32.11%	8,176,606	\$1.3896	\$ 11,362,211.67
Class I Differential at Location				244,984.28
Class II Butterfat	26.01%	6,624,992	\$1.4727	9,756,625.72
Class III Butterfat	24.44%	6,225,874	\$1.4657	9,125,263.51
Class IV Butterfat	17.44%	4,441,638	\$1.4657	6,510,108.82
Total Butterfat	100.00%	25,469,110		\$ 36,999,194.00

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.4527

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	56.66%	386,391,032	\$10.50 /cwt.	\$ 40,571,058.44
Class I Butterfat	32.11%	8,176,606	\$1.3896 /lb.	11,362,211.67
Class I Differential at Location		394,567,638		11,764,025.98
Total Class I Milk	55.78%	394,567,638		\$ 63,697,296.09
Class II Skim Milk	13.92%	94,896,161	\$9.69 /cwt.	\$ 9,195,438.02
Class II Butterfat	26.01%	6,624,992	\$1.4727 /lb.	9,756,625.72
Total Class II Milk	14.35%	101,521,153		\$ 18,952,063.74
Class III Skim Milk	22.87%	155,941,106	\$11.36 /cwt.	\$ 17,714,909.65
Class III Butterfat	24.44%	6,225,874	\$1.4657 /lb.	9,125,263.51
Total Class III Milk	22.92%	162,166,980		\$ 26,840,173.16
Class IV Skim Milk	6.55%	44,687,660	\$11.39 /cwt.	\$ 5,089,924.46
Class IV Butterfat	17.44%	4,441,638	\$1.4657 /lb.	6,510,108.82
Total Class IV Milk	6.95%	49,129,298		\$ 11,600,033.28
Producer Milk	100.00%	707,385,069		\$ 121,089,566.27

Adjustments

Overage and Other Source	\$7,480.30
Inventory Adjustments	\$41,071.95
Producer butterfat at uniform butterfat price	(\$36,999,194.00)
Location Adjustments to Producers	\$2,447,989.96
1/2 Unobligated Balance in P.S.F.	\$447,298.40

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.76319	\$87,034,212.88
	\$ 0.04319	\$293,639.48

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

\$12.72

Uniform Price per cwt. (Fulton County, Georgia)

\$17.36*

* 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%

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

Receipts:	April 2007	April 2006
Producer Milk		
Class I	394,567,638	377,264,602
Class II	101,521,153	83,715,395
Class III	162,166,980	190,401,968
Class IV	49,129,298	93,112,828
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Total Producer Milk	707,385,069	744,494,793
Average Butterfat Test	3.60%	3.60%
Percent of Producer Milk in Class I	55.78%	50.68%
Daily Average Receipts	23,579,502	24,816,493
Other Source Milk		
Class I	8,141,081	6,747,777
Class II	21,458,175	10,990,022
Class III	3,257,712	2,798,109
Class IV	9,254,351	11,816,841
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Total Other Source Milk	42,111,319	32,352,749
Overage		
Class I	0	0
Class II	0	126,450
Class III	0	0
Class IV	4,352	0
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Total Overage	4,352	126,450
Opening Inventory		
Class I	34,373,915	34,096,705
Class II	2,293,080	513,667
Class III	304,549	279,073
Class IV	12,791,673	10,410,820
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Total Opening Inventory	49,763,217	45,300,265
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Total Receipts	799,263,957	822,274,257
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,419,614	30,071,475
Route Disposition Class I	395,441,905	376,325,154
Shrinkage	3,987,861	4,536,989
Transfers & Diversions to Nonpool	5,233,254	7,175,466
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Total Class I Utilization	437,082,634	418,109,084
Average Butterfat Test	2.06%	2.08%
Daily Average Utilization	14,569,421	13,936,969
Class II Utilization		
Nonfluid Used To Produce	1,855,775	1,878,377
Shrinkage	7,745,730	1,543
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	64,178,670	59,159,975
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Total Class II Utilization	125,272,408	95,345,534
Average Butterfat Test	6.58%	8.48%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool	165,729,241	193,479,150
Used To Produce/Other Uses	0	0
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Total Class III Utilization	165,729,241	193,479,150
Average Butterfat Test	3.84%	
Class IV Utilization		
Inventory	23,263,971	27,802,815
Nonfluid Used To Fortify	1,880,893	1,409,200
Shrinkage	0	7,220,746
Transfers & Diversions to Nonpool	46,034,810	58,403,297
Used To Produce/Other Uses	0	20,504,431
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Total Class IV Utilization	71,179,674	115,340,489
Average Butterfat Test	7.93%	5.77%
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Total Utilization	799,263,957	822,274,257

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2007 is \$17.36 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.72 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4527 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

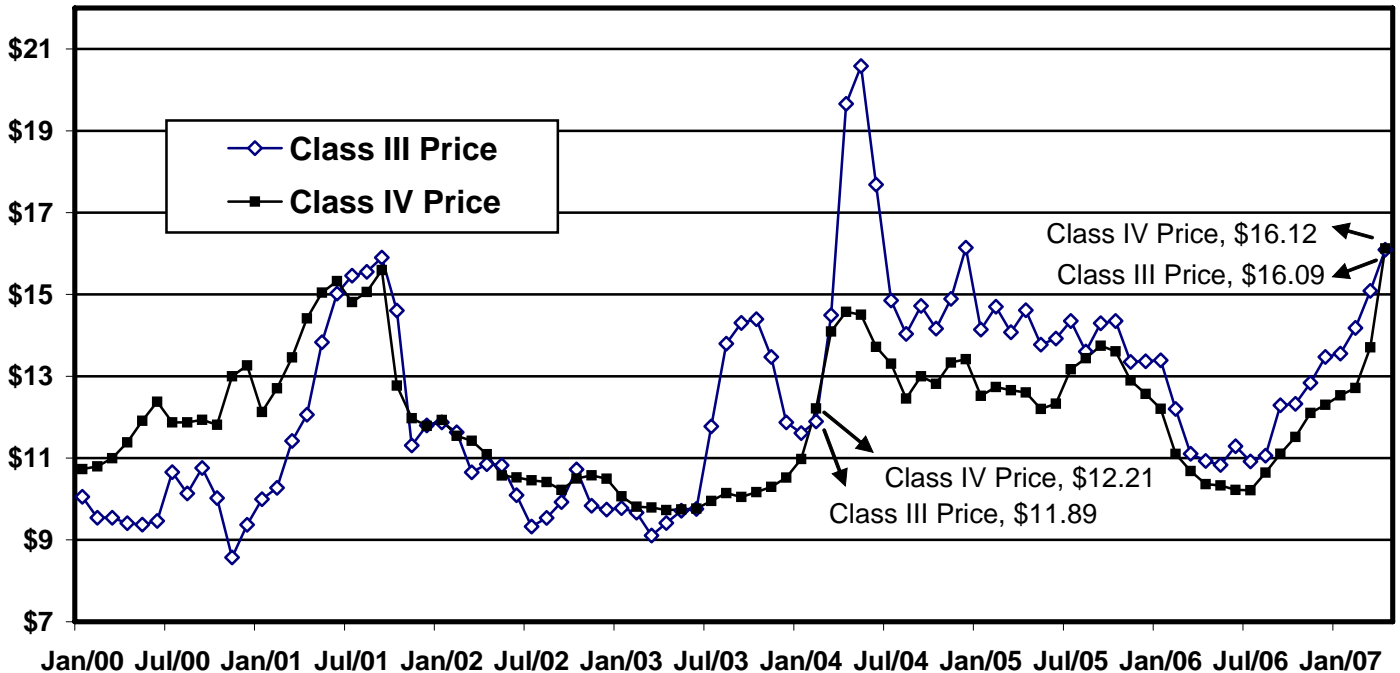
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 56.66% of all producer skim milk (priced to handlers at \$10.50 per hundredweight, plus the Class I differential, see page 2) and 32.11% of producer butterfat (priced to handlers at \$1.3896 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.92% of all producer skim milk (\$9.69 per hundredweight) and 26.01% of producer butterfat (\$1.4727 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.87% of all producer skim milk (\$11.36 per hundredweight) and 24.44% of producer butterfat (\$1.4657 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.55% of all producer skim milk (\$11.39 per hundredweight) and 17.44% of producer butterfat (\$1.4657 per pound).

Receipts of producer milk during April 2007 totaled 707.4 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2007. Class I route disposition in the area totaled 445.0 million pounds in March 2007.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2007		
Whole Milk	149,695,940	33.65%
Fat Free Milk	53,367,844	11.99%
Lowfat Milk (incl. 1%)	34,101,149	7.66%
Reduced Fat Milk (incl. 2%)	151,990,065	34.16%
Cultured Fluid Milk (incl. Buttermilk)	9,392,388	2.11%
Flavored Drinks and Milk	46,410,708	10.43%
Total Disposition in Marketing Area	444,958,094	100.00%
Total Disposition by Pool Plants	360,195,878	80.95%
Total Disposition by Nonpool Plants	84,762,216	19.05%
Total Disposition in Marketing Area	444,958,094	100.00%

Class IV Price Exceeds Class III Price



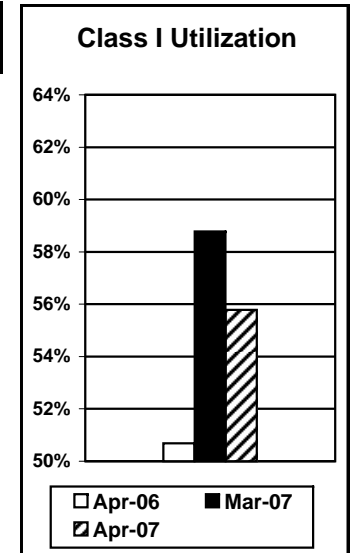
In March, the Class IV price was higher than the Class III price, the first time this has occurred since February 2004. Over this 37 month period, the Class III price was, on average, \$1.45 per hundredweight higher than the Class IV price, but strong demand for nonfat dry milk has pushed the Class IV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

FEDERAL ORDER 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 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	\$1.3922	\$11.98	\$8.28	\$1.3852	\$12.84	\$ 7.52	\$1.3852	\$12.11	\$ 10.12	\$1.4038	\$14.68
Dec	\$10.99	\$1.4080	\$15.53	\$8.09	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 10.37	\$1.3722	\$14.81
Jan 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50											

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 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	3,102	413,408	65.88%	74,676	11.90%	112,827	17.98%	26,609	4.24%
Nov	613,945	3,141	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%
Dec	610,264	3,153	399,894	65.53%	62,609	10.26%	91,925	15.06%	55,836	9.15%
Jan 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	3,100**	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%



* 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 May through July 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
May 2007	06/11/07	06/12/07	06/13/07	05/25/07	05/29/07	06/13/07	06/14/07
Jun 2007	07/11/07	07/12/07	07/13/07	06/25/07	06/26/07	07/13/07	07/16/07
Jul 2007	08/11/07	08/13/07	08/14/07	07/25/07	07/26/07	08/14/07	08/15/07

** The base rate for making partial payments in Fulton County, GA for April will be \$15.62 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.36 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%

WASDE Dairy Report 1/

WASDE - 446 May 11, 2007

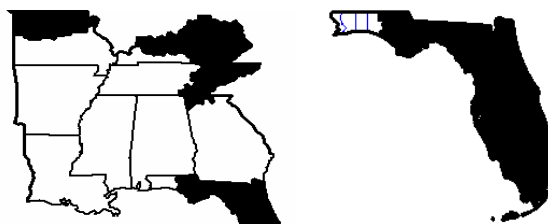
Milk production is forecast to increase in 2008 reflecting strong milk prices and expected improved availability of hay. Milk cow numbers are likely to be only fractionally below 2007 and milk per cow growth should increase more rapidly than in 2007. Commercial use of fat and skim solids is expected 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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