

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

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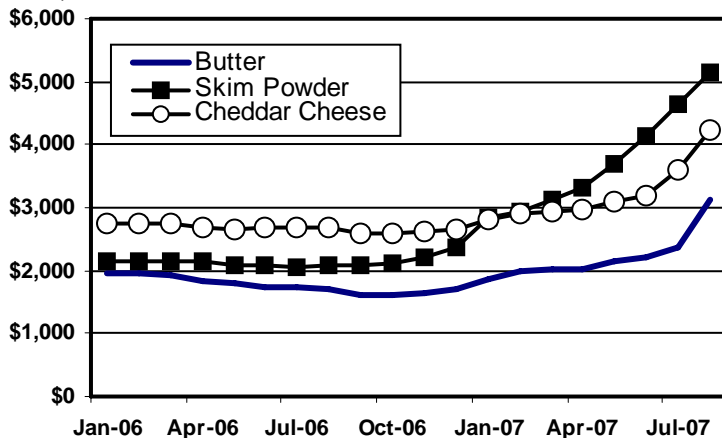
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

## Global Dairy Markets Help Push Federal Order Prices to Record Levels

While domestic consumption of dairy products has been strong and domestic milk production growth has been slow, the primary reason milk prices are currently at record levels is the world's demand for US dairy products. Due to several causes, among them a drought in Australia, removal of European dairy exports subsidies, and growing demand from expanding middle class populations in countries such as China, world dairy prices have skyrocketed over the past several months. As seen in the chart below, compared

### Jan. 2006-Aug. 2007 Oceania Export Prices

(US dollars / Metric ton: Oceania=Australia, New Zealand, etc.)



with one year ago, butter prices are up over 110 percent, skim milk powder prices are up nearly 150 percent and Cheddar prices are up over 75 percent on Oceania export markets. (Source: Dairy Market News; [www.ams.usda.gov/dairy/mncs/INTER.HTM](http://www.ams.usda.gov/dairy/mncs/INTER.HTM)).

Feed and fuel prices have driven up milk production costs and slowed milk production growth, but recent price gains are due more to increases in demand rather than constrictions of milk supply.

*\*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.*

## Highest Blend Price Ever (Again!)

The uniform blend price in Fulton County, GA, was \$23.29 per hundredweight of milk at 3.5 percent butterfat for the month of July. The blend price is \$2.53 higher than the previous month and is \$10.01 higher than July 2006. July marks the thirteenth consecutive month that the uniform blend price has increased and is the second consecutive month a record high Southeast Order uniform blend price was established, before or after the Federal Order consolidation in January 2000.

Class I utilization was 65.80 percent in July, a slight decrease of 0.87 percent compared with the previous month and 3.70 percent higher than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 15.5 billion pounds, an increase of 1.0 percent from June 2006 and a decrease of 1.4 percent when compared with May 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 790 million pounds, 0.8 percent below June 2006 and 3.7 percent below May 2007. Butter production was 110 million pounds, 9.3 percent above June 2006 but 11.2 percent below May 2007. Nonfat dry milk powder production was 119 million pounds in June, 2.1 percent above June 2006 and 2.6 percent above May 2007. Skim milk powder production was 16.4 million pounds in June, 31.2 percent below June 2006 and 26.2 percent above May 2007. The milk-feed price ratio was 3.19 in July, the first time since January 2006, 16 months ago, that the milk-feed ratio exceeded 3.0.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2007 was \$5,639,780.21. Claims were made for \$986,754.94. Since sufficient funds were available, all eligible claims were paid in full.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2007

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.36%	8,080,471	\$1.6708	\$ 13,500,850.95
Class I Differential at Location				241,930.85
Class II Butterfat	27.49%	5,503,123	\$1.6180	8,904,053.02
Class III Butterfat	20.75%	4,152,623	\$1.6110	6,689,875.68
Class IV Butterfat	11.40%	2,281,236	\$1.6110	3,675,071.24
<b>Total Butterfat</b>	<b>100.00%</b>	<b>20,017,453</b>		<b>\$ 33,011,781.74</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.6491**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	66.74%	361,654,289	\$15.61 /cwt.	\$ 56,454,234.49
Class I Butterfat	40.36%	8,080,471	\$1.6708 /lb.	13,500,850.95
Class I Differential at Location		369,734,760		11,017,068.96
<b>Total Class I Milk</b>	<b>65.80%</b>	<b>369,734,760</b>		<b>\$ 80,972,154.40</b>
Class II Skim Milk	12.67%	68,653,520	\$16.31 /cwt.	\$ 11,197,389.08
Class II Butterfat	27.49%	5,503,123	\$1.6180 /lb.	8,904,053.02
<b>Total Class II Milk</b>	<b>13.20%</b>	<b>74,156,643</b>		<b>\$ 20,101,442.10</b>
Class III Skim Milk	16.82%	91,123,527	\$16.31 /cwt.	\$ 14,862,247.24
Class III Butterfat	20.75%	4,152,623	\$1.6110 /lb.	6,689,875.68
<b>Total Class III Milk</b>	<b>16.96%</b>	<b>95,276,150</b>		<b>\$ 21,552,122.92</b>
Class IV Skim Milk	3.77%	20,417,582	\$16.58 /cwt.	\$ 3,385,235.11
Class IV Butterfat	11.40%	2,281,236	\$1.6110 /lb.	3,675,071.24
<b>Total Class IV Milk</b>	<b>4.04%</b>	<b>22,698,818</b>		<b>\$ 7,060,306.35</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>561,866,371</b>		<b>\$ 129,686,025.77</b>

### Adjustments

Overage and Other Source	\$3,007.73
Inventory Adjustments	\$23,007.99
Producer butterfat at uniform butterfat price	(\$33,011,781.74)
Location Adjustments to Producers	\$1,583,733.75
1/2 Unobligated Balance in P.S.F.	\$299,456.61
<b>Adjusted Pool Value</b>	<b>\$ 18.19390</b>
Reserve for Producer Settlement Fund	\$ 0.04390
	<b>\$98,583,450.11</b>
	\$238,868.51

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

**\$18.15**

**Uniform Price per cwt. (Fulton County, Georgia)**

**\$23.29\***

\* 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 %
	JUL 2007	AUG 2007	JUN 2007	JUL 2007	JUL 2007
Appalachian (Charlotte)	\$ 24.01	\$ 24.86	\$ 20.70	\$ 23.28	68.08%
Arizona (Phoenix)	\$ 23.63	\$ 24.48	\$ 20.30	\$ 22.09	34.41%
Central (Kansas City)	\$ 23.28	\$ 24.13	\$ 19.80	\$ 21.90	33.61%
Florida (Tampa)	\$ 24.91	\$ 25.76	\$ 21.62	\$ 24.22	80.05%
Mideast (Cleveland)	\$ 23.28	\$ 24.13	\$ 19.91	\$ 21.97	34.00%
Northeast (Boston)	\$ 24.53	\$ 25.38	\$ 20.80	\$ 22.94	42.00%
Pacific Northwest (Seattle)	\$ 23.19	\$ 24.04	\$ 20.19	\$ 21.98	30.10%
<b>Southeast (Atlanta)</b>	<b>\$ 24.01</b>	<b>\$ 24.86</b>	<b>\$ 20.76</b>	<b>\$ 23.29</b>	<b>65.80%</b>
Southwest (Dallas)	\$ 24.28	\$ 25.13	\$ 20.48	\$ 22.69	29.90%
Upper Midwest (Chicago)	\$ 23.08	\$ 23.93	\$ 20.12	\$ 21.65	14.30%

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

<b>Receipts:</b>	<b>July 2007</b>	<b>July 2006</b>
<b>Producer Milk</b>		
Class I	369,734,760	374,357,249
Class II	74,156,643	77,034,067
Class III	95,276,150	97,920,487
Class IV	22,698,818	53,505,737
Total Producer Milk	<b>561,866,371</b>	<b>602,817,540</b>
Average Butterfat Test	3.56%	3.51%
Percent of Producer Milk in Class I	65.80%	62.10%
Daily Average Receipts	18,124,722	19,445,727
<b>Other Source Milk</b>		
Class I	6,144,199	4,039,288
Class II	18,708,128	11,713,836
Class III	4,918,323	2,321,999
Class IV	6,071,755	9,757,626
Total Other Source Milk	<b>35,842,405</b>	<b>27,832,749</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	1
Class IV	1,867	0
Total Overage	<b>1,867</b>	<b>1</b>
<b>Opening Inventory</b>		
Class I	31,982,680	32,896,262
Class II	1,325,162	736,107
Class III	2,435,165	497,917
Class IV	9,317,616	9,844,661
Total Opening Inventory	<b>45,060,623</b>	<b>43,974,947</b>
<b>Total Receipts</b>	<b>642,771,266</b>	<b>674,625,237</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	32,273,562	28,582,404
Route Disposition Class I	367,751,488	373,313,871
Shrinkage	2,225,354	2,759,021
Transfers & Diversions to Nonpool	5,611,235	6,637,502
Total Class I Utilization	<b>407,861,639</b>	<b>411,292,798</b>
Average Butterfat Test	2.18%	2.21%
Daily Average Utilization	13,156,827	13,267,510
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,130,298	1,690,030
Shrinkage	0	853
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	51,576,990	50,050,844
Total Class II Utilization	<b>94,189,933</b>	<b>89,484,011</b>
Average Butterfat Test	7.74%	8.25%
<b>Class III Utilization</b>		
Shrinkage	7,432,884	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	90,343,571	100,740,404
Total Class III Utilization	<b>102,629,638</b>	<b>100,740,404</b>
Average Butterfat Test	4.23%	
<b>Class IV Utilization</b>		
Inventory	16,630,009	23,717,240
Nonfluid Used To Fortify	1,290,661	1,215,212
Shrinkage	0	6,369,927
Transfers & Diversions to Nonpool Used To Produce/Other Uses	20,169,386	37,412,139
Total Class IV Utilization	<b>38,090,056</b>	<b>73,108,024</b>
Average Butterfat Test	8.77%	5.84%
<b>Total Utilization</b>	<b>642,771,266</b>	<b>674,625,237</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2007 is \$23.29 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.15 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6491 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 July, Class I use, which is primarily bottled or packaged fluid milk, accounted for 66.74% of all producer skim milk (priced to handlers at \$15.61 per hundredweight, plus the Class I differential, see page 2) and 40.36% of producer butterfat (priced to handlers at \$1.6708 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.67% of all producer skim milk (\$16.31 per hundredweight) and 27.49% of producer butterfat (\$1.6180 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.82% of all producer skim milk (\$16.31 per hundredweight) and 20.75% of producer butterfat (\$1.6110 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.77% of all producer skim milk (\$16.58 per hundredweight) and 11.40% of producer butterfat (\$1.6110 per pound).

Receipts of producer milk during July 2007 totaled 561.9 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2007. Class I route disposition in the area totaled 399.2 million pounds in June 2007.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2007</b>		
Whole Milk	147,635,664	36.98%
Fat Free Milk	48,559,079	12.16%
Lowfat Milk (incl. 1%)	30,224,841	7.57%
Reduced Fat Milk (incl. 2%)	145,347,003	36.41%
Cultured Fluid Milk (incl. Buttermilk)	8,507,683	2.13%
Flavored Drinks and Milk	18,948,163	4.75%
<b>Total Disposition in Marketing Area</b>	<b>399,222,433</b>	<b>100.00%</b>
Total Disposition by Pool Plants	319,729,755	80.09%
Total Disposition by Nonpool Plants	79,492,678	19.91%
<b>Total Disposition in Marketing Area</b>	<b>399,222,433</b>	<b>100.00%</b>

## Mailbox Milk Prices, January to May 2007 2/

Reporting Area 1/	Jan	Feb	Mar	Apr	May	Average
New England States 3/	\$15.31	\$15.46	\$16.46	\$17.29	\$18.69	\$16.64
Appalachian States 4/	\$15.41	\$15.49	\$16.27	\$16.94	\$18.24	\$16.47
<b>Southeast States 5/</b>	<b>\$16.18</b>	<b>\$16.13</b>	<b>\$16.51</b>	<b>\$17.14</b>	<b>\$18.22</b>	<b>\$16.84</b>
Southern Missouri 6/	\$14.36	\$14.54	\$15.14	\$15.75	\$16.98	\$15.35
Florida	\$17.51	\$17.27	\$17.59	\$18.11	\$19.09	\$17.91
Indiana	\$14.44	\$14.77	\$15.50	\$16.36	\$17.75	\$15.76
Michigan	\$14.25	\$14.51	\$15.09	\$16.03	\$17.29	\$15.43
Wisconsin	\$14.79	\$15.31	\$16.03	\$16.84	\$18.17	\$16.23
Illinois	\$14.63	\$14.90	\$15.50	\$16.39	\$17.76	\$15.84
Corn Belt States 7/	\$13.96	\$14.19	\$14.69	\$15.54	\$16.66	\$15.01
Western Texas 8/	\$13.96	\$14.01	\$14.55	\$15.57	\$16.99	\$15.02
New Mexico	\$13.30	\$13.19	\$13.83	\$14.85	\$16.28	\$14.29
All Federal Orders 9/	\$14.66	\$14.92	\$15.60	\$16.45	\$17.78	\$15.88
California 10/	\$12.55	\$13.09	\$13.89	\$14.83	\$16.77	\$14.23

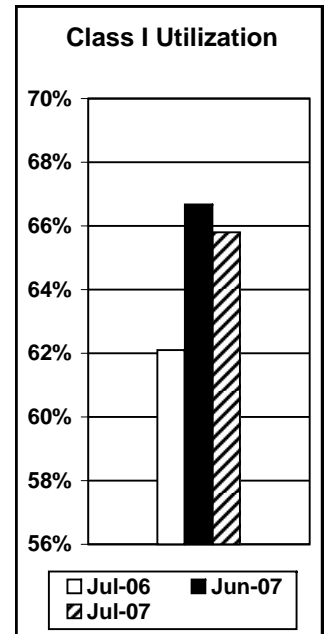
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these 7/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by California Department of Food and Agriculture.

**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	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
August	\$19.84	\$1.6320	\$24.86	\$17.44											

**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	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	3,000**	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%



\* Class I and uniform prices are at Fulton County (Atlanta), Georgia; \*\* Estimated

## Southeast Marketing Area - Federal Order 7

<b>Pool and Payment Dates for the Pooling Periods August through October 2007</b>							
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
Aug 2007	09/11/07	09/12/07	09/13/07	08/27/07	08/27/07	09/13/07	09/14/07
Sept 2007	10/11/07	10/12/07	10/15/07	09/25/07	09/26/07	10/15/07	10/16/07
Oct 2007	11/11/07	11/13/07	11/14/07	10/25/07	10/26/07	11/14/07	11/15/07

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$20.96 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.29 per hundredweight.

<b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b>												
	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/

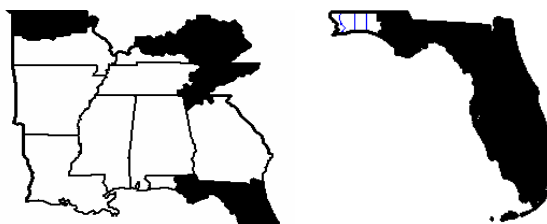
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Forecast milk production for 2007 is unchanged but raised for 2008. Cow numbers are forecast higher as USDA's Cattle report indicated that producers held 3 percent more heifers for milk cow replacement. High replacement heifer and dairy cow prices indicate strong demand for dairy cows. However, milk production growth is tempered by slower-than-expected gains in milk output per cow. Milk per cow growth is slowed due to continued tight supplies of alfalfa hay and lower rBST use than previously assumed.

Demand for dairy products remains firm with strong world prices continuing to support U.S. prices. Cheese and nonfat dry milk price forecasts are raised for both 2007 and 2008. Butter price forecasts are increased in 2007 but lowered in 2008. Whey price forecasts are reduced both years. Despite higher cheese forecasts, the Class III price forecasts are reduced slightly because of lower whey prices. The Class IV price forecast for 2007 is increased, and unchanged in 2008. The forecasts for all milk are raised from last month. In 2007, the all milk price is forecast to average a record \$19.15 to \$19.35 per cwt, and then decline to \$18.25 to \$19.25 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*

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