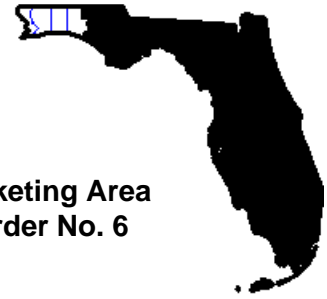


FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

January 2008

Volume 9—No. 1

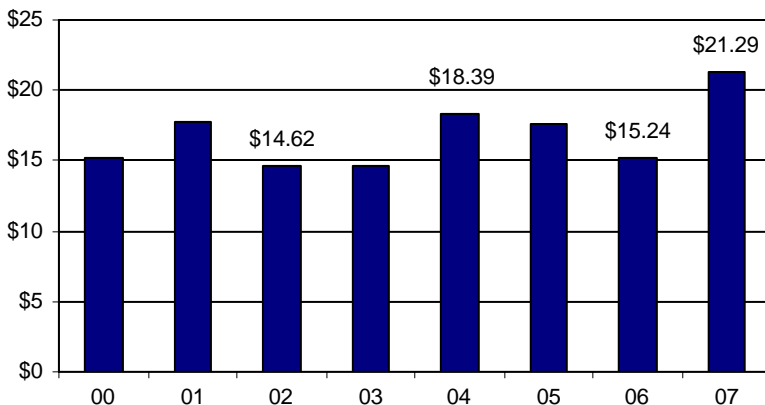
2007: A Year of Historic Prices

Due to contracted milk production in the first half of the year and strong demand for milk products, especially abroad, producer milk prices soared to historic heights in 2007. The weighted average Florida Order uniform price was \$21.29 per hundredweight last year, \$2.90 over the previous high in 2004 and \$6.05 more than 2006 (see chart below). While uniform prices did exceed \$21 three times in 2004, they receded quickly by over \$3. But during 2007, there was no precipitous decline.

The Florida Order uniform price rose to \$21.62 in June and remained above that plateau through December, including five consecutive months of uniform prices in excess of \$24, two of which topped the \$25-mark! The record high uniform price was set in August at \$25.24, \$2.31 and 10.1% above the previous record set back in June 2004.

The USDA projects the bottom will not drop out on 2008 milk prices, but rather they will decline gradually and average 85-cents below last year.

Wtd. Avg. Florida Order Uniform Prices; 2000-07



34th Annual Southern Dairy Conference

The 34th Annual Southern Dairy Conference will be held on January 30 and 31, 2008 at the Westin Atlanta Airport hotel, 4736 Best Road, Atlanta, Georgia, 30337; 1-888-627-7211. Obtain copies of the agenda and register for the conference at the following website: www.areg.caes.uga.edu/.

Uniform Price Falls

The uniform price in Hillsborough County, FL, was \$23.44 per hundredweight for milk at 3.5 percent butterfat for the month of December. This represents an decrease of \$1.45 compared with the previous month. But, comparing this December to December 2006, the current uniform price is still \$7.56 higher.

Class I utilization was 82.22 percent in December, a decrease of 4.65 percent when compared with the previous month and a 2.88 percent decrease when compared with December of last year. The weighted average Class I utilization for the year was 81.20 percent, down 2.83 percent and the lowest since consolidation of the three Florida orders.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 14.99 billion pounds, an increase of 3.2 percent from November 2006 and an increase of 0.7 percent when compared with October 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 808 million pounds, a 1.2 percent increase compared to November 2006 but 1.9 percent below October 2007. Butter production was 132 million pounds, 11.7 percent above November 2006 and 2.1 percent above October 2007.

Nonfat dry milk powder production was 98.4 million pounds in November, 27.9 percent higher than November 2006 and a 0.5 percent decrease compared to October 2007. Dry whey production was 93.6 million pounds in November, a 9.0 percent decrease from November of last year and a 5.4 percent increase compared with October 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.82 in December. This is a decline of 0.24 points from the revised November 2007 ratio.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.77%	4,762,344	\$1.4120	\$ 6,724,429.73
Class I Differential at Location				193,864.36
Class II Butterfat	30.95%	3,022,249	\$1.4418	4,357,478.59
Class III Butterfat	4.51%	440,692	\$1.4348	632,304.87
Class IV Butterfat	15.77%	1,539,728	\$1.4348	2,209,201.74
Total Butterfat	100.00%	9,765,013		\$ 14,117,279.29

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.4457**

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	83.49%	214,927,201	\$15.65 /cwt.	\$ 33,636,106.96
Class I Butterfat	48.77%	4,762,344	\$1.4120 /lb.	6,724,429.73
Class I Differential at Location		219,689,545		8,975,074.02
Total Class I Milk	82.22%	219,689,545		\$ 49,335,610.71
Class II Skim Milk	6.64%	17,094,667	\$16.35 /cwt.	\$ 2,794,978.07
Class II Butterfat	30.95%	3,022,249	\$1.4418 /lb.	4,357,478.59
Total Class II Milk	7.53%	20,116,916		\$ 7,152,456.66
Class III Skim Milk	3.29%	8,473,303	\$16.14 /cwt.	\$ 1,367,591.12
Class III Butterfat	4.51%	440,692	\$1.4348 /lb.	632,304.87
Total Class III Milk	3.34%	8,913,995		\$ 1,999,895.99
Class IV Skim Milk	6.58%	16,931,964	\$14.67 /cwt.	\$ 2,483,919.11
Class IV Butterfat	15.77%	1,539,728	\$1.4348 /lb.	2,209,201.74
Total Class IV Milk	6.91%	18,471,692		\$ 4,693,120.85
Producer Milk	100.00%	267,192,148		\$ 63,181,084.21

Adjustments

Overage and Other Source	\$158.60
Inventory Adjustments	\$1,023.86
Producer butterfat at uniform butterfat price	(\$14,117,279.29)
Location Adjustments to Producers	(\$22,684.25)
1/2 Unobligated Balance in P.S.F	\$110,513.35

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 19.09388	\$49,152,816.48
	<u>\$ 0.04388</u>	\$112,947.26

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

\$19.05

Uniform Price per cwt. (Hillsborough County, Florida)

\$23.44*

* 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 %
	DEC 2007	JAN 2008	NOV 2007	DEC 2007	DEC 2007
Appalachian (Charlotte)	\$ 23.14	\$ 24.07	\$ 23.75	\$ 22.37	68.22%
Arizona (Phoenix)	\$ 22.39	\$ 23.32	\$ 21.49	n/a	n/a
Central (Kansas City)	\$ 22.04	\$ 22.97	\$ 20.79	\$ 20.36	40.63%
Florida (Tampa)	\$ 24.04	\$ 24.97	\$ 24.89	\$ 23.44	82.22%
Mideast (Cleveland)	\$ 22.04	\$ 22.97	\$ 21.08	\$ 20.64	40.40%
Northeast (Boston)	\$ 23.29	\$ 24.22	\$ 23.31	n/a	n/a
Pacific Northwest (Seattle)	\$ 21.94	\$ 22.87	\$ 20.82	n/a	n/a
Southeast (Atlanta)	\$ 23.14	\$ 24.07	\$ 23.46	\$ 22.44	66.17%
Southwest (Dallas)	\$ 23.04	\$ 23.97	\$ 21.58	\$ 21.01	54.15%
Upper Midwest (Chicago)	\$ 21.84	\$ 22.77	\$ 19.86	\$ 20.65	15.60%

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

Receipts:	December 2007	December 2006
Producer Milk		
Class I	219,689,545	225,299,754
Class II	20,116,916	17,591,951
Class III	8,913,995	5,824,673
Class IV	18,471,692	16,014,493
	<hr/>	<hr/>
Total Producer Milk	267,192,148	264,730,871
Average Butterfat Test	3.65%	3.69%
Percent of Producer Milk in Class I	82.22%	85.10%
Daily Average Receipts	8,619,102	8,539,706
Other Source Milk		
Class I	6,336,020	5,345,948
Class II	7,381,230	8,792,196
Class III	0	0
Class IV	4,011,192	4,227,981
	<hr/>	<hr/>
Total Other Source Milk	17,728,442	18,366,125
Overage		
Class I	0	0
Class II	110	814
Class III	0	0
Class IV	0	1,977
	<hr/>	<hr/>
Total Overage	110	2,791
Opening Inventory		
Class I	14,427,128	14,820,927
Class II	301,167	1,321,570
Class III	30,430	189,878
Class IV	6,109,356	6,348,388
	<hr/>	<hr/>
Total Opening Inventory	20,868,081	22,680,763
	<hr/>	<hr/>
Total Receipts	305,788,781	305,780,550
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	10,592,980	12,985,154
Route Disposition Class I	228,745,548	231,751,978
Shrinkage	1,031,156	682,439
Transfers & Diversions to Nonpool	83,009	47,058
	<hr/>	<hr/>
Total Class I Utilization	240,452,693	245,466,629
Average Butterfat Test	2.16%	2.21%
Daily Average Utilization	7,756,538	7,918,278
Class II Utilization		
Nonfluid Used To Produce	7,373,134	8,747,546
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,803,218	5,302,038
	<hr/>	<hr/>
Total Class II Utilization	27,799,423	27,706,531
Average Butterfat Test	10.88%	10.00%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	8,944,425	6,014,551
Other Uses	0	0
	<hr/>	<hr/>
Total Class III Utilization	8,944,425	6,014,551
Average Butterfat Test	4.93%	3.93%
Class IV Utilization		
Inventory	8,141,463	6,985,841
Nonfluid Used To Fortify	3,519,590	3,605,710
Shrinkage	3,939,693	3,638,916
Transfers & Diversions to Nonpool Used To Produce/Other Uses	11,234,801	11,327,958
	<hr/>	<hr/>
Total Class IV Utilization	28,592,240	26,592,839
Average Butterfat Test	6.81%	8.57%
	<hr/>	<hr/>
Total Utilization	305,788,781	305,780,550

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2007 is \$23.44 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$19.05 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4457 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 December, Class I use accounted for 83.49% of all producer skim milk (priced to handlers at \$15.65 per hundredweight, plus the Class I differential and 48.77% of producer butterfat (priced to handlers at \$1.4120 per pound plus Class I differential). Class II use accounted for 6.64% of all producer skim milk (\$16.35 per hundredweight) and 30.95% of producer butterfat (\$1.4418 per pound). Class III use accounted for 3.29% of all producer skim milk (\$16.14 per hundredweight) and 4.51% of producer butterfat (\$1.4348 per pound). Class IV use accounted for 6.58% of all producer skim milk (\$14.67 per hundredweight) and 15.77% of producer butterfat (\$1.4348 per pound).

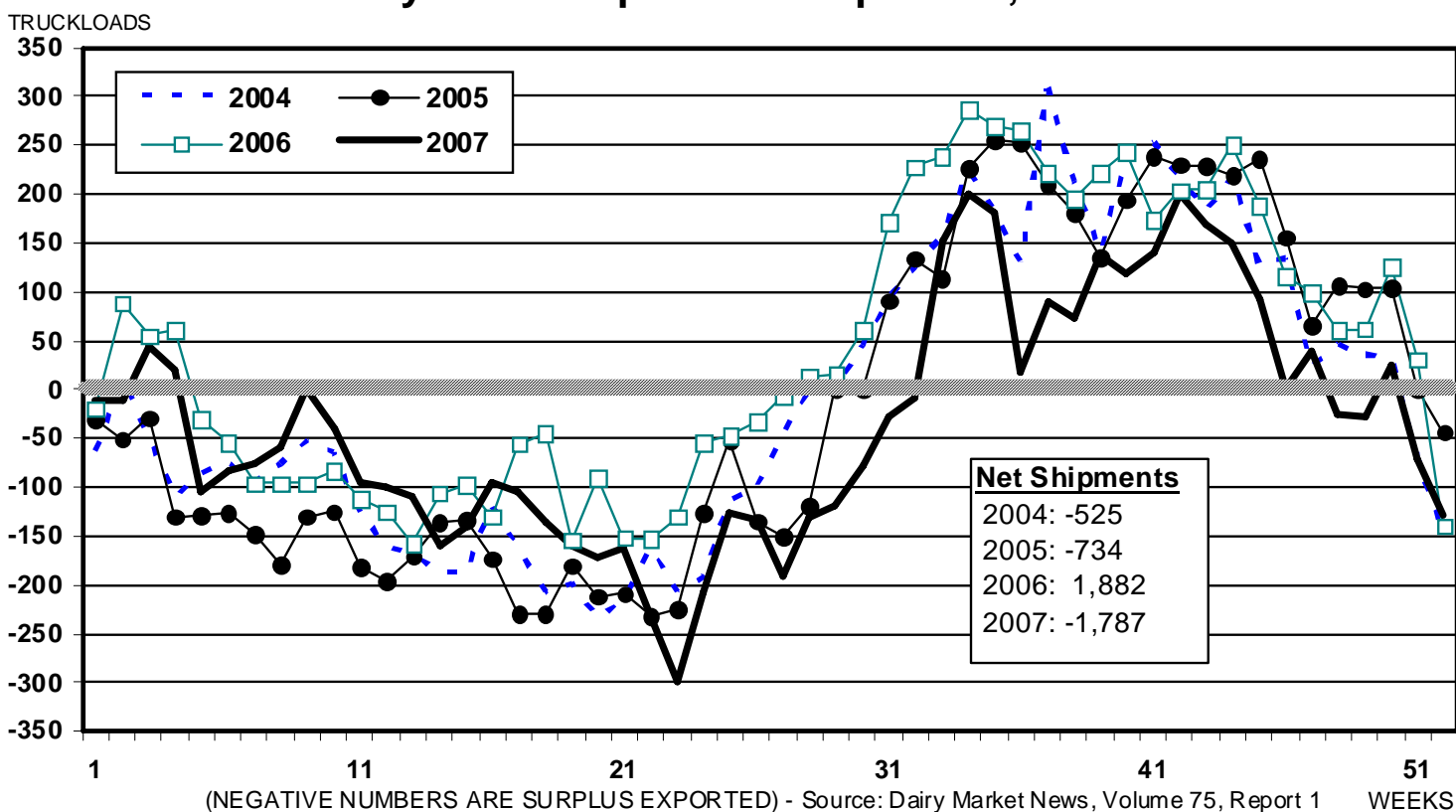
Receipts of producer milk during December 2007 totaled 267.2 million pounds, 2.5 million pounds more than was pooled in December of last year. Florida producers supplied 143.1 million pounds of milk in November 2007 to pool plants or 57.29% of the total producer milk pooled in Florida. In November 2006 Florida producers supplied 63.98% 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 December 2007. In-area Class I route disposition totaled 245.9 million pounds in November 2007, 3.6 million pounds more than November 2006. This is an increase of 0.04 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2007		
Whole Milk	86,140,076	35.04%
Fat Free Milk	33,357,328	13.57%
Lowfat Milk (incl. 1%)	28,419,027	11.56%
Reduced Fat Milk (incl. 2%)	72,746,224	29.59%
Cultured Fluid Milk (incl. Buttermilk)	1,337,154	0.54%
Flavored Drinks and Milk	23,863,613	9.72%
Total Disposition in Marketing Area	245,863,422	100.00%
Total Disposition by Pool Plants	215,436,067	87.62%
Total Disposition by Nonpool Plants	30,427,355	12.38%
Total Disposition in Marketing Area	245,863,422	100.00%

Weekly Florida Spot Milk Shipments; 2004-2007

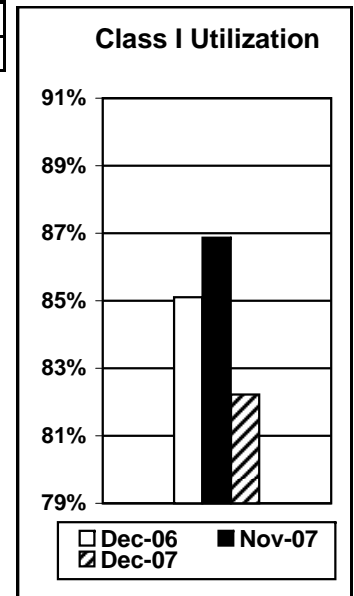


FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

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
Sep 2006	\$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	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 19.07	\$1.6625	\$24.22
Aug	\$20.74	\$1.6410	\$25.76	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 20.29	\$1.6175	\$25.24
Sep	\$20.76	\$1.6782	\$25.91	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 20.21	\$1.5924	\$25.08
Oct	\$20.86	\$1.5609	\$25.59	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 20.33	\$1.4841	\$24.81
Nov	\$21.04	\$1.4718	\$25.45	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 20.56	\$1.4426	\$24.89
Dec	\$19.65	\$1.4520	\$24.04	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 19.05	\$1.4457	\$23.44
Jan 2008	\$20.53	\$1.4733	\$24.97	\$15.61											

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.	%
Sep 2006	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	352	204,677	79.18%	27,207	10.53%	15,961	6.18%	10,619	4.11%
July	248,237	351	198,729	80.05%	22,237	8.96%	11,395	4.59%	15,877	6.40%
Aug	246,333	466	213,617	86.72%	21,897	8.89%	5,154	2.09%	5,666	2.30%
Sep	235,983	442	199,162	84.40%	17,874	7.57%	8,015	3.40%	10,931	4.63%
Oct	253,906	471	216,645	85.33%	22,786	8.97%	7,746	3.05%	6,730	2.65%
Nov	249,743	437	216,964	86.87%	20,824	8.34%	6,185	2.48%	5,769	2.31%
Dec	267,192	450**	219,690	82.22%	20,117	7.53%	8,914	3.34%	18,472	6.91%



* 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 January through March 2008									
	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
Jan 2008	02/11/08	02/12/08	02/13/08	01/22/08	01/22/08	02/04/08	02/05/08	02/13/08	02/14/08
Feb 2008	03/11/08	03/12/08	03/13/08	02/19/08	02/20/08	03/04/08	03/05/08	03/13/08	03/14/08
Mar 2008	04/11/08	04/14/08	04/15/08	03/19/08	03/20/08	04/04/08	04/07/08	04/15/08	04/16/08

**The base rate for making partial payments in Hillsborough Co., FL for January will be \$21.10 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.92 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/

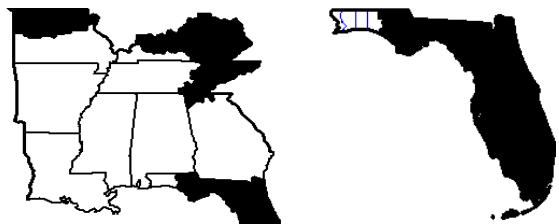
WASDE – 454 January, 2008

Forecasts for 2008 milk production are lowered as higher forecast feed prices are expected to limit growth in cow numbers and gains in milk per cow. The milk production forecast for 2007 is increased slightly as milk per cow in the fourth quarter continues to recover from weakness earlier in the year. Ending stocks for 2007 on a fat basis are unchanged from last month, but skim solids stocks are raised because nonfat dry milk (NDM) stocks have remained higher than expected.

For 2008, the Class III price forecast is unchanged from last month. Cheese prices are forecast fractionally higher as demand for cheese is expected to be firm. The Class IV price for 2008 is forecast lower. The price forecasts for butter and NDM are reduced as inventories of those products are large. The all milk price forecast for 2008 is lowered slightly to \$17.90 to \$18.70 per cwt. The 2007 all milk price is estimated at \$19.15.

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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