

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



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National Dairy Promotion and Research Board Membership Reapportioned

The U. S. Department of Agriculture (USDA) has announced a final rule that amends the Dairy Promotion and Research Order (Order). The amendment modifies the composition of the National Dairy Promotion and Research Board (Dairy Board) by changing the number of members in six of the 13 geographic regions.

The Dairy Board, which administers the Order, requested the amendment in order to better reflect the geographic distribution of milk production in the contiguous 48 States. It is required to review the composition of the Dairy Board to best reflect the geographic distribution of milk production at least every five years. The last review and (*continued on Page 4*)

USDA Seeks Nominations for Fluid Milk Board

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Fluid Milk Board's purpose is to develop and administer a coordinated program of advertising and education to promote fluid milk products. It's financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who package more than 3 million pounds of fluid milk products per month.

The USDA will accept nominations for board representation in five geographic regions, including Region 9 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee) and two at-large positions. The Secretary of Agriculture will appoint seven individuals from those nominated to serve 3-year terms from July 2009 through June 2012. To nominate an individual, please submit a nomination form by Oct. 31, 2008, to: Whitney Rick, Chief, Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. To obtain nomination forms or for more information, call (202) 720-6909 or visit www.ams.usda.gov/Dairy.

Uniform Price Decreases

The uniform price in Hillsborough County, Florida, was \$22.39 per hundredweight for milk at 3.5 percent butterfat for the month of September. This represents a decrease of \$0.62 compared with the previous month and an decrease of \$2.69 from September 2007.

Class I utilization was 86.75 percent in September, an increase of 1.85 percent when compared with the previous month and an increase of 2.35 percent when compared with September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.70 billion pounds, an increase of 1.1 percent from August 2007 and a decrease of 1.5 percent when compared with July 2008.

Total cheese output (excluding cottage cheese) was 821 million pounds, 3.0 percent above August 2007 and 1.0 percent above July 2008. Butter production was 116 million pounds, 4.4 percent above August 2007 and 1.4 percent above July 2008. Nonfat dry milk powder production was 117 million pounds in August, 14.0% percent higher than August 2007 and 14.0% percent lower than July 2008 on a daily average basis. Dry whey production was 87.6 million pounds in August, a 7.2 percent decrease from August of last year and a 2.7 percent decline from July 2008 on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.82 in September, an increase of 0.01 points from last month's estimate. Both milk prices and feed component prices (for corn, soybeans, and alfalfa) declined slightly in September.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.15%	4,119,870	\$1.7411	\$ 7,173,105.63
Class I Differential at Location				229,585.33
Class II Butterfat	36.69%	3,138,276	\$1.8266	5,732,374.93
Class III Butterfat	2.51%	214,379	\$1.8196	390,084.03
Class IV Butterfat	12.65%	1,081,826	\$1.8196	1,968,490.61
Total Butterfat	100.00%	8,554,351		\$ 15,493,640.53
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.8112	

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	88.20%	201,109,888	\$11.98 /cwt.	\$ 24,092,964.58
Class I Butterfat	48.15%	4,119,870	\$1.7411 /lb.	7,173,105.63
Class I Differential at Location		205,229,758		11,449,511.48
Total Class I Milk	86.75%	205,229,758		\$ 42,715,581.69
Class II Skim Milk	7.45%	16,998,784	\$11.59 /cwt.	\$ 1,970,159.06
Class II Butterfat	36.69%	3,138,276	\$1.8266 /lb.	5,732,374.93
Total Class II Milk	8.51%	20,137,060		\$ 7,702,533.99
Class III Skim Milk	0.16%	357,790	\$10.27 /cwt.	\$ 36,745.03
Class III Butterfat	2.51%	214,379	\$1.8196 /lb.	390,084.03
Total Class III Milk	0.24%	572,169		\$ 426,829.06
Class IV Skim Milk	4.19%	9,558,026	\$9.41 /cwt.	\$ 899,410.26
Class IV Butterfat	12.65%	1,081,826	\$1.8196 /lb.	1,968,490.61
Total Class IV Milk	4.50%	10,639,852		\$ 2,867,900.87
Producer Milk	100.00%	236,578,839		\$ 53,712,845.61

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$374.96
Producer butterfat at uniform butterfat price	(\$15,493,640.53)
Location Adjustments to Producers	(\$274,928.40)
1/2 Unobligated Balance in P.S.F.	\$67,449.78

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.67018	\$38,012,101.42
	\$ 0.04018	\$91,629.06

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

\$16.63

Uniform Price per cwt. (Hillsborough County, Florida)

\$22.39*

* 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 %
	SEP 2008	OCT 2008	AUG 2008	SEP 2008	SEP 2008
Appalachian (Charlotte)	\$ 21.05	\$ 18.93	\$ 20.72	\$ 20.23	72.36%
Arizona (Phoenix)	\$ 21.40	\$ 19.28	\$ 18.50	\$ 17.66	38.07%
Central (Kansas City)	\$ 21.05	\$ 18.93	\$ 18.32	\$ 17.44	35.41%
Florida (Tampa)	\$ 23.05	\$ 20.93	\$ 23.01	\$ 22.39	86.75%
Mideast (Cleveland)	\$ 21.05	\$ 18.93	\$ 18.70	\$ 18.05	45.20%
Northeast (Boston)	\$ 22.30	\$ 20.18	\$ 19.50	\$ 18.90	46.50%
Pacific Northwest (Seattle)	\$ 20.95	\$ 18.83	\$ 18.03	\$ 17.07	30.10%
Southeast (Atlanta)	\$ 21.45	\$ 19.33	\$ 21.25	\$ 20.63	74.55%
Southwest (Dallas)	\$ 22.05	\$ 19.93	\$ 19.32	\$ 18.46	39.79%
Upper Midwest (Chicago)	\$ 20.85	\$ 18.73	\$ 17.81	\$ 16.85	14.90%

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

Receipts:	September 2008	September 2007
Producer Milk		
Class I	205,229,758	199,162,437
Class II	20,137,060	17,873,658
Class III	572,169	8,015,438
Class IV	10,639,852	10,931,048
Total Producer Milk	<u>236,578,839</u>	<u>235,982,581</u>
Average Butterfat Test	3.62%	3.66%
Percent of Producer Milk in Class I	86.75%	84.40%
Daily Average Receipts	7,885,961	7,866,086
Other Source Milk		
Class I	7,504,325	6,810,026
Class II	10,005,935	7,546,934
Class III	164,358	1,514
Class IV	1,091,980	1,303,262
Total Other Source Milk	<u>18,766,598</u>	<u>15,661,736</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
Opening Inventory		
Class I	13,612,429	15,285,079
Class II	34,747	10,930
Class III	3,440	1,978
Class IV	10,481,796	5,985,696
Total Opening Inventory	<u>24,132,412</u>	<u>21,283,683</u>
Total Receipts	279,477,849	272,928,000
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	11,683,618	11,773,481
Route Disposition Class I	213,849,745	207,468,208
Shrinkage	705,452	1,752,044
Transfers & Diversions to Nonpool	107,697	263,809
Total Class I Utilization	<u>226,346,512</u>	<u>221,257,542</u>
Average Butterfat Test	2.01%	2.05%
Daily Average Utilization	7,544,884	7,375,251
Class II Utilization		
Nonfluid Used To Produce	9,921,435	7,493,492
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,250,518	5,879,984
Total Class II Utilization	<u>14,005,789</u>	<u>12,058,046</u>
Average Butterfat Test	30,177,742	25,431,522
Average Butterfat Test	10.41%	10.71%
Class III Utilization		
Shrinkage	0	4,080,523
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	739,967	1,974,674
Total Class III Utilization	<u>739,967</u>	<u>1,963,733</u>
Average Butterfat Test	739,967	8,018,930
Average Butterfat Test	36.34%	6.21%
Class IV Utilization		
Inventory	8,255,373	9,295,912
Nonfluid Used To Fortify	547,297	695,229
Shrinkage	4,248,212	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	7,248,029	8,228,865
Total Class IV Utilization	<u>1,914,717</u>	<u>0</u>
Average Butterfat Test	22,213,628	18,220,006
Average Butterfat Test	7.43%	9.94%
Total Utilization	279,477,849	272,928,000

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2008 is \$22.39 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.63 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8112 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 September, Class I use accounted for 88.20% of all producer skim milk (priced to handlers at \$11.98 per hundredweight, plus the Class I differential and 48.15% of producer butterfat (priced to handlers at \$1.7411 per pound plus Class I differential). Class II use accounted for 7.45% of all producer skim milk (\$11.59 per hundredweight) and 36.69% of producer butterfat (\$1.8266 per pound). Class III use accounted for 0.16% of all producer skim milk (\$10.27 per hundredweight) and 2.51% of producer butterfat (\$1.8196 per pound). Class IV use accounted for 4.19% of all producer skim milk (\$9.41 per hundredweight) and 12.65% of producer butterfat (\$1.8196 per pound).

Receipts of producer milk during September 2008 totaled 236.6 million pounds, 0.6 million pounds more than was pooled in September of last year. Florida producers supplied 146.9 million pounds of milk in August 2008 or 59.07% of the total producer milk pooled in Florida. In August 2007, Florida producers supplied 58.17% of producer milk pooled on the Florida market.

There were 12 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2008. In-area Class I route disposition totaled 235.3 million pounds in August 2008, 1.2 million lower August 2007 but an increase of 1.40 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2008		
Whole Milk	85,896,869	36.50%
Fat Free Milk	32,497,152	13.81%
Lowfat Milk (incl. 1%)	28,375,541	12.06%
Reduced Fat Milk (incl. 2%)	72,625,509	30.86%
Cultured Fluid Milk (incl. Buttermilk)	867,229	0.37%
Flavored Drinks and Milk	15,076,088	6.41%
Total Disposition in Marketing Area	235,338,388	100.00%
Total Disposition by Pool Plants	207,429,682	88.14%
Total Disposition by Nonpool Plants	27,908,706	11.86%
Total Disposition in Marketing Area	235,338,388	100.00%

National Dairy Promotion and Research Board Membership Reapportioned

(Continued from Page 1) modification occurred in 2003 based upon 2002 milk production. The chart below shows, based upon 2007 milk production statistics, how the final rule alters the board membership of six regions. For more information, visit www.regulations.gov and search "AMS-DA-008-0035".

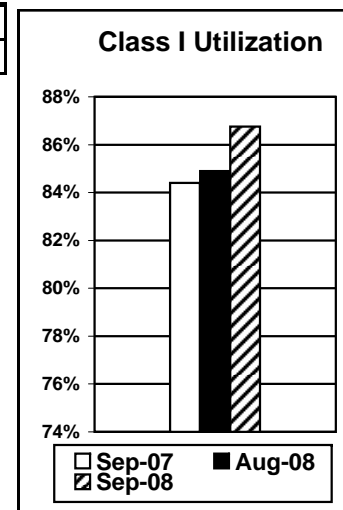
Dairy Board Region and States	Milk Production (mil lbs)	% Milk Production	Previous Board Seats	New Board Seats	Gain (Loss)
1: Oregon, Washington	7,764	4.2	2	1	(-1)
2: California	40,683	21.9	7	8	1
3: Arizona, Colorado, Idaho, Montana, Nevada, Utah	21,212	11.4	3	4	1
4: Arkansas, Kansas, New Mexico, Oklahoma, Texas	18,200	9.8	3	4	1
5: Minnesota, North Dakota, South Dakota	10,741	5.8	2	2	0
6: Wisconsin	24,080	13.0	5	5	0
7: Illinois, Iowa, Missouri, Nebraska	8,948	4.8	2	2	0
8: Alabama, Kentucky, Louisiana, Mississippi, Tennessee	3,119	1.7	1	1	0
9: Indiana, Michigan, Ohio, West Virginia	16,148	8.7	3	3	0
10: Florida, Georgia, North Carolina, South Carolina, Virginia	6,506	3.5	1	1	0
11: Delaware, Maryland, New Jersey, Pennsylvania	12,008	6.5	3	2	(-1)
12: New York	12,103	6.5	3	2	(-1)
13: Connecticut, Maine, Massachusetts, New Hampshire	4,046	2.2	1	1	0
Total: 48 Contiguous States	185,558	100	36	36	0

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
July 2007	\$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	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$19.59	\$1.3982	\$23.80
Feb	\$19.44	\$1.4060	\$23.68	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$18.51	\$1.3523	\$22.60
Mar	\$16.54	\$1.3538	\$20.70	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$15.71	\$1.3601	\$19.92
Apr	\$18.39	\$1.3883	\$22.61	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$17.06	\$1.4380	\$21.50
May	\$17.30	\$1.5203	\$22.02	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$16.56	\$1.5423	\$21.38
June	\$18.57	\$1.6165	\$23.58	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$17.30	\$1.6194	\$22.36
July	\$21.10	\$1.6626	\$26.18	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$19.72	\$1.6733	\$24.89
Aug	\$18.45	\$1.7344	\$23.87	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$17.53	\$1.7413	\$23.01
Sep	\$17.38	\$1.7951	\$23.05	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$16.63	\$1.8112	\$22.39
Oct	\$15.16	\$1.7991	\$20.93	\$10.46											

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.	%
July 2007	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	417	219,690	82.22%	20,117	7.53%	8,914	3.34%	18,472	6.91%
Jan 2008	283,233	360	234,011	82.61%	23,387	8.26%	9,449	3.34%	16,386	5.79%
Feb	265,597	339	220,598	83.06%	20,508	7.72%	11,338	4.27%	13,153	4.95%
Mar	283,037	336	232,993	82.32%	22,223	7.85%	9,101	3.22%	18,720	6.61%
Apr	269,523	311	218,677	81.14%	22,625	8.39%	8,872	3.29%	19,348	7.18%
May	269,726	300	227,246	84.25%	19,153	7.10%	13,231	4.91%	10,096	3.74%
June	260,187	340	196,600	75.56%	18,866	7.25%	24,271	9.33%	20,450	7.86%
July	244,389	352	204,161	83.54%	20,312	8.31%	10,384	4.25%	9,531	3.90%
August	248,673	419	211,134	84.90%	22,179	8.92%	662	0.27%	14,698	5.91%
September	236,579	400**	205,230	86.75%	20,137	8.51%	572	0.24%	10,640	4.50%



* 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 October through December 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
OCT 2008	11/11/08	11/12/08	11/13/08	10/20/08	10/20/08	11/04/08	11/05/08	11/13/08	11/14/08
NOV 2008	12/11/08	12/12/08	12/15/08	11/19/08	11/20/08	12/04/08	12/05/08	12/15/08	12/16/08
DEC 2008	01/11/09	01/12/09	01/13/09	12/19/08	12/22/08	01/05/09	01/05/09	01/13/09	01/14/08

**The base rate for making partial payments in Hillsborough Co., FL for October will be \$20.15 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.03 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- 463 October 10, 2008

Milk production forecasts for 2008 are unchanged as higher cow numbers are offset by lower milk per cow. Forecast milk production for 2009 is raised fractionally as cow numbers are forecast slightly higher. Dairy export forecasts are reduced, reflecting current slowing movement and weaker international demand. Import forecasts are also reduced from last month as cheese imports are expected to be weaker. Stocks are adjusted to reflect larger expected stocks of dairy products with notably larger stocks of nonfat dry milk (NDM). Small sales of NDM to the CCC are forecast for 2008, but no sales are forecast for 2009.

Class price forecasts are lowered from last month. Weaker international demand for NDM is expected to result in sharply lower forecast NDM prices. Lower NDM prices more than offset higher forecast butter prices and push the Class IV price lower. Cheese prices are forecast lower as demand is softening and weaker Class IV prices are expected to encourage milk to flow into cheese vats in 2009. Thus, coupled with lower expected whey prices Class III price forecasts are reduced from last month. The all milk price is forecast lower this month, averaging \$18.40 to \$18.50 in 2008 and \$16.50 to \$17.40 in 2009.

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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