

FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

November 2008

Volume 9—No. 11

Link Named Newest AMS Administrator

On November 3, James E. Link was appointed as Administrator of the Agricultural Marketing Service (AMS), an agency within the U.S. Department of Agriculture under which Federal milk marketing orders are administered. Link will direct several marketing programs that facilitate the efficient marketing of U.S. agricultural products, including food, fiber and specialty crops. He also will be responsible for procuring commodities, including fruits and vegetables, meat, poultry, fish and egg products, for the national school lunch and other Federal food and nutrition programs.

AMS is part of USDA's Marketing and Regulatory Programs, which works to ensure a productive and competitive global marketplace for our nations agricultural products. Prior to this appointment, James E. Link served as administrator (*continued on Page 4*)

Southern Dairy Conference Announcement

The 35th Annual Southern Dairy Conference is scheduled for January 28-29, 2009 in Atlanta, Georgia. For more information, visit www.areg.caes.uga.edu.

National Dairy Board Appointments

Agriculture Secretary Ed Schafer has announced the appointment of eight new members and reappointment of five incumbents to the National Dairy Promotion and Research Board. The appointees will serve three-year terms, November 1, 2008 through October 31, 2011. They include Larry B. Jagers of Glendale, Kentucky and William R. D. Anglin, of Bentonville, Arkansas.

The National Dairy Promotion and Research Board administers a coordinated program of promotion, research and nutrition education financed by a 15-cent per hundredweight assessment on milk commercially marketed by dairy farmers. It is USDA's stated policy that membership on industry-governed boards, such as the National Dairy Board, accurately reflect the diversity of individuals served by the programs, therefore all qualified individuals are urged to participate and serve.

Uniform Price Falls

The uniform price in Hillsborough County, Florida, was \$20.42 per hundredweight for milk at 3.5 percent butterfat for the month of October. This represents a decrease of \$1.97 compared with the previous month and an decrease of \$4.39 from October 2007.

Class I utilization was 86.98 percent in October, an increase of 0.23 percent when compared with the previous month and an increase of 1.65 percent when compared with October of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.12 billion pounds, an increase of 1.7 percent from September 2007 and a decrease of 4.0 percent when compared with August 2008.

Total cheese output (excluding cottage cheese) was 795 million pounds, 2.3 percent above September 2007 but 3.1 percent below August 2008. Butter production was 121 million pounds, 7.4 percent above September 2007 and 4.8 percent above August 2008. Nonfat dry milk powder production was 86.3 million pounds in September, 4.0% percent lower than September 2007 and 23.8% percent lower than August 2008 on a daily average basis. Dry whey production was 83.2 million pounds in September, a 5.7 percent decrease from September of last year and a 1.9 percent decline from August 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 2.12 in October, up 0.23 points from last month.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.15%	4,469,780	\$1.7451	\$ 7,800,213.07
Class I Differential at Location				249,573.85
Class II Butterfat	33.74%	3,131,962	\$1.8577	5,818,245.81
Class III Butterfat	4.91%	455,506	\$1.8507	843,004.94
Class IV Butterfat	13.20%	1,225,678	\$1.8507	2,268,362.28
Total Butterfat	100.00%	9,282,926		\$ 16,979,399.95
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.8291	

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	88.45%	216,267,634	\$9.76 /cwt.	\$ 21,107,721.09
Class I Butterfat	48.15%	4,469,780	\$1.7451 /lb.	7,800,213.07
Class I Differential at Location		220,737,414		12,319,315.60
Total Class I Milk	86.98%	220,737,414		\$ 41,227,249.76
Class II Skim Milk	6.92%	16,925,492	\$10.46 /cwt.	\$ 1,770,406.45
Class II Butterfat	33.74%	3,131,962	\$1.8577 /lb.	5,818,245.81
Total Class II Milk	7.90%	20,057,454		\$ 7,588,652.26
Class III Skim Milk	0.16%	380,150	\$10.97 /cwt.	\$ 41,702.46
Class III Butterfat	4.91%	455,506	\$1.8507 /lb.	843,004.94
Total Class III Milk	0.33%	835,656		\$ 884,707.40
Class IV Skim Milk	4.47%	10,930,430	\$7.40 /cwt.	\$ 808,851.82
Class IV Butterfat	13.20%	1,225,678	\$1.8507 /lb.	2,268,362.28
Total Class IV Milk	4.79%	12,156,108		\$ 3,077,214.10
Producer Milk	100.00%	253,786,632		\$ 52,777,823.52

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$29,692.55
Producer butterfat at uniform butterfat price	(\$16,979,399.95)
Location Adjustments to Producers	(\$288,269.23)
1/2 Unobligated Balance in P.S.F	\$92,771.40
Adjusted Pool Value	\$ 14.57345
Reserve for Producer Settlement Func	\$ 0.04345
	\$35,632,618.29
	\$106,229.82

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida): **\$14.53**

Uniform Price per cwt. (Hillsborough County, Florida) **\$20.42***

* 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 %
	OCT 2008	NOV 2008	SEP 2008	OCT 2008	OCT 2008
Appalachian (Charlotte)	\$ 18.93	\$ 20.73	\$ 20.23	\$ 18.49	73.57%
Arizona (Phoenix)	\$ 19.28	\$ 21.08	\$ 17.66	\$ 16.59	37.49%
Central (Kansas City)	\$ 18.93	\$ 20.73	\$ 17.44	\$ 16.30	41.14%
Florida (Tampa)	\$ 20.93	\$ 22.73	\$ 22.39	\$ 20.42	86.98%
Mideast (Cleveland)	\$ 18.93	\$ 20.73	\$ 18.05	\$ 16.80	50.70%
Northeast (Boston)	\$ 20.18	\$ 21.98	\$ 18.90	\$ 17.44	47.40%
Pacific Northwest (Seattle)	\$ 18.83	\$ 20.63	\$ 17.07	\$ 15.49	45.55%
Southeast (Atlanta)	\$ 19.33	\$ 21.13	\$ 20.63	\$ 18.95	73.62%
Southwest (Dallas)	\$ 19.93	\$ 21.73	\$ 18.46	\$ 17.26	67.64%
Upper Midwest (Chicago)	\$ 18.73	\$ 20.53	\$ 16.85	\$ 17.02	18.30%

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

Receipts:	October 2008	October 2007
Producer Milk		
Class I	220,737,414	216,644,835
Class II	20,057,454	22,785,576
Class III	835,656	7,746,411
Class IV	12,156,108	6,729,543
Total Producer Milk	<u>253,786,632</u>	<u>253,906,365</u>
Average Butterfat Test	3.66%	3.70%
Percent of Producer Milk in Class I	86.98%	85.33%
Daily Average Receipts	8,186,666	8,190,528
Other Source Milk		
Class I	8,000,836	12,602,272
Class II	9,554,824	9,933,317
Class III	141,243	54,831
Class IV	1,722,138	2,552,193
Total Other Source Milk	<u>19,419,041</u>	<u>25,142,613</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	12,085,571	12,143,835
Class II	336,076	40,069
Class III	46,707	396,315
Class IV	7,470,637	8,843,294
Total Opening Inventory	<u>19,938,991</u>	<u>21,423,513</u>
Total Receipts	293,144,664	300,472,491
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	14,431,484	14,459,935
Route Disposition Class I	225,665,030	225,550,411
Shrinkage	693,507	1,325,338
Transfers & Diversions to Nonpool	33,800	55,258
Total Class I Utilization	<u>240,823,821</u>	<u>241,390,942</u>
Average Butterfat Test	2.01%	2.06%
Daily Average Utilization	7,768,510	7,786,805
Class II Utilization		
Nonfluid Used To Produce	9,546,221	10,846,918
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,887,242	7,826,875
Total Class II Utilization	<u>13,514,891</u>	<u>14,085,169</u>
Average Butterfat Test	29,948,354	32,758,962
Average Butterfat Test	10.46%	10.52%
Class III Utilization		
Shrinkage	0	4,528,579
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	1,023,606	1,293,993
Total Class III Utilization	<u>1,023,606</u>	<u>2,374,985</u>
Average Butterfat Test	1,023,606	8,197,557
Average Butterfat Test	44.57%	5.33%
Class IV Utilization		
Inventory	5,488,218	8,920,045
Nonfluid Used To Fortify	1,058,574	1,190,384
Shrinkage	4,259,387	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	8,692,341	8,014,601
Total Class IV Utilization	<u>1,850,363</u>	<u>0</u>
Average Butterfat Test	21,348,883	18,125,030
Average Butterfat Test	8.46%	9.86%
Total Utilization	293,144,664	300,472,491

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in October 2008 is \$20.42 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8291 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 October, Class I use accounted for 88.45% of all producer skim milk (priced to handlers at \$9.76 per hundredweight, plus the Class I differential and 48.15% of producer butterfat (priced to handlers at \$1.7451 per pound plus Class I differential). Class II use accounted for 6.92% of all producer skim milk (\$10.46 per hundredweight) and 33.74% of producer butterfat (\$1.8577 per pound). Class III use accounted for 0.16% of all producer skim milk (\$10.97 per hundredweight) and 4.91% of producer butterfat (\$1.8507 per pound). Class IV use accounted for 4.47% of all producer skim milk (\$7.40 per hundredweight) and 13.20% of producer butterfat (\$1.8507 per pound).

Receipts of producer milk during October 2008 totaled 253.8 million pounds, 0.1 million pounds less than was pooled in October of last year. Florida producers supplied 136.4 million pounds of milk in September 2008 or 57.67% of the total producer milk pooled in Florida. In September 2007, Florida producers supplied 58.00% 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 October 2008. In-area Class I route disposition totaled 232.1 million pounds in September 2008, 7.9 million more than September 2007 but a decrease of 0.07 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
September 2008		
Whole Milk	80,455,912	34.67%
Fat Free Milk	30,783,989	13.26%
Lowfat Milk (incl. 1%)	28,659,058	12.35%
Reduced Fat Milk (incl. 2%)	69,259,671	29.84%
Cultured Fluid Milk (incl. Buttermilk)	900,850	0.39%
Flavored Drinks and Milk	22,031,559	9.49%
Total Disposition in Marketing Area	232,091,039	100.00%
Total Disposition by Pool Plants	205,128,171	88.38%
Total Disposition by Nonpool Plants	26,962,868	11.62%
Total Disposition in Marketing Area	232,091,039	100.00%

Link Named Newest AMS Administrator

(Continued from Page 1) of USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) since 2005. "Jim Link's experience as a rancher, businessman and educator will be an asset in his new role at AMS, where he will help to market U.S. agricultural products in domestic and international markets," said Agriculture Under Secretary for Marketing and Regulatory Programs Bruce Knight. "His background and service make Jim well suited to continue to enhance the economic opportunities available to U.S. agricultural producers."

Link has a bachelor's degree in business administration from Emporia State University and an MBA from Texas Christian University. Link and his wife, Karin, have been in the cattle business for most of their adult lives, most recently as owners of the Link Cattle Company of Crowley, Texas. He and his wife have two sons and four grandchildren. Link replaces former AMS Administrator Lloyd Day, who had held the position since August 2005.

USDA Announces Final Rule to Establish a Dairy Forward Pricing Program

The USDA has announced a final rule establishing the Dairy Forward Pricing Program as directed by the Food, Conservation and Energy Act of 2008 (a.k.a The Farm Bill). This program will allow milk producers and cooperative associations to voluntarily enter into forward price contracts with milk handlers for milk used for non-fluid purposes. The program exempts handlers regulated under the Federal milk order program from paying producers and cooperative associations the minimum Federal order price for milk under forward contract.

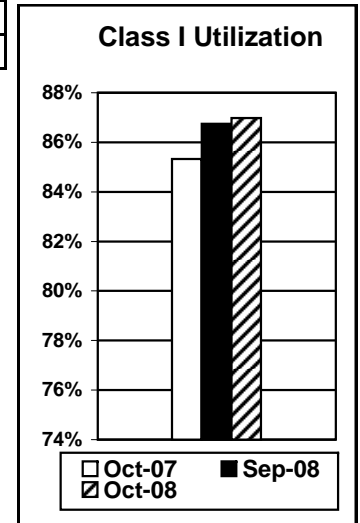
The final rule appeared in the October 31, 2008 Federal Register. For additional information contact: John R. Mengel, Chief Economist, at (202) 720-4664, or e-mail address: john.mengel@usda.gov.

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 2007	\$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	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$14.53	\$1.8291	\$20.42
Nov	\$16.69	\$1.8928	\$22.73	\$8.52											

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 2007	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%
Aug	248,673	419	211,134	84.90%	22,179	8.92%	662	0.27%	14,698	5.91%
Sep	236,579	408	205,230	86.75%	20,137	8.51%	572	0.24%	10,640	4.50%
Oct	253,787	400**	220,737	86.98%	20,057	7.90%	835	0.33%	12,156	4.79%



* 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 November 2008 through January 2009									
	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
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
JAN 2009	02/11/09	02/12/09	02/13/09	01/20/09	01/20/09	02/04/09	02/05/09	02/13/09	02/17/09

**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/

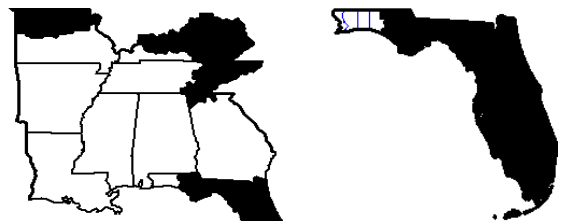
WASDE- 464 November 10, 2008

Milk production forecasts for 2008 and 2009 are increased slightly from last month. Cow number forecasts are unchanged from last month. Forecast 2008 milk per cow is raised from last month due to higher-than-expected August and September estimates. Lower expected feed prices in 2009 should support slightly higher growth in milk per cow although gains are expected to remain below historical rates of increase. Weaker international markets will boost domestic supplies. Skim solids stocks for 2009 are reduced as domestic use of skims is forecast higher albeit at lower prices. Sales of nonfat dry milk (NDM) to the CCC are forecast for 2008 and 2009.

Class III and Class IV prices for 2008 and 2009 are reduced from last month as most product price forecasts are lowered. Weak international demand and relatively large supplies of NDM are expected to result in sharply lower forecast NDM prices. Although relatively weak expected demand could pressure butter prices, relatively higher values of Class III products versus Class IV products may encourage milk to flow to cheese production, tightening butter supplies and supporting prices. Cheese prices are lowered reflecting larger expected supplies of cheese. Whey prices are forecast lower than last month on weaker demand. The all milk price is forecast lower this month, averaging \$18.30 to \$18.40 in 2008 and \$15.30 to \$16.20 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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