

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

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February 2008

Volume 9—No. 2

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

## Fluid Milk Sales Grow in Southeast

The packaged sales of total fluid milk products in the U.S. declined slightly last year compared to 2006 (-0.1 percent), but the decline was not uniform across the country. The Southeast Marketing Area led the country with the largest year-to-year increase at +2.0 percent, totaling 5.1 billion total pounds of fluid milk sales. Other regions of the country had sales increases, but none as significant as the Southeast. The Pacific Northwest, essentially Washington state and Oregon, had the largest decrease in fluid milk sales at -2.0 percent.

The Southeast Marketing Area represented 10.1 percent of the fluid milk market within the nation's regulated areas, but less than 5 percent of all milk produced in those regulated locations.

### Packaged Sales of Fluid Milk Products: 2007

Marketing Area (Order No.)	Mil. Lbs.	Change from '06	Share of Total
Northeast (001)	9,484	0.2%	18.7%
Appalachian (005)	3,631	0.7%	7.2%
<b>Southeast (007)</b>	<b>5,123</b>	<b>2.0%</b>	<b>10.1%</b>
Florida (006)	2,899	-0.8%	5.7%
Mideast (033)	6,160	-1.9%	12.2%
Upper Midwest (030)	4,458	0.1%	8.8%
Central (032)	4,692	-0.8%	9.3%
Southwest (126)	4,402	0.3%	8.7%
Arizona (131)	1,206	n/a	2.4%
Pacific Northwest (124)	2,133	-2.0%	4.2%
California	6,492	0.2%	12.8%
Total	50,680	-0.1%	100.0%

Source: Dairy Market News: Vol.75, Report 06

## New Secretary of Agriculture Appointed

Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture (USDA) on January 28, 2008. He served two-terms as governor of North Dakota and brings to USDA extensive private sector experience as both an entrepreneur and a business executive.

## Uniform Price Stabilizes

The uniform price in Fulton County, GA, was \$22.46 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$0.02 more than the previous month and is \$6.97 higher than January 2007.

Class I utilization was 66.56 percent in January, an increase of 0.39 percent compared with the previous month and 7.56 percent higher than January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 15.64 billion pounds, an increase of 2.7 percent from December 2006 and an increase of 5.7 percent when compared with November 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 843 million pounds, 1.5 percent above December 2006 and 3.9 percent above November 2007. Butter production was 141 million pounds, 2.6 percent above December 2006 and 8.4 percent above November 2007.

Nonfat dry milk powder production was 108.0 million pounds in December, 5.0 percent lower than December 2006 and 9.8 percent lower than November 2007. Dry whey production was 96.4 million pounds in December, a 4.4 percent increase from December of last year and a 3.0 percent increase compared with November 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.55 in January. This is a decline of 0.30 points from December 2007's ratio.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for January 2008 was \$1,299,698.92. Preliminary claims were made for \$1,174,032.34. Since sufficient funds were available, all eligible preliminary claims were paid in full.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2008

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.51%	8,866,872	\$1.4333	\$ 12,708,887.67
Class I Differential at Location				264,464.52
Class II Butterfat	21.37%	5,191,395	\$1.3389	6,950,758.79
Class III Butterfat	18.69%	4,540,814	\$1.3319	6,047,910.17
Class IV Butterfat	23.43%	5,690,497	\$1.3319	7,579,172.94
<b>Total Butterfat</b>	<b>100.00%</b>	<b>24,289,578</b>		<b>\$ 33,551,194.09</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3813**

### 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	67.75%	418,575,780	\$16.53 /cwt.	\$ 69,190,576.44
Class I Butterfat	36.51%	8,866,872	\$1.4333 /lb.	12,708,887.67
Class I Differential at Location		427,442,652		12,743,381.93
<b>Total Class I Milk</b>	<b>66.56%</b>	<b>427,442,652</b>		<b>\$ 94,642,846.04</b>
Class II Skim Milk	8.01%	49,506,901	\$15.61 /cwt.	\$ 7,728,027.26
Class II Butterfat	21.37%	5,191,395	\$1.3389 /lb.	6,950,758.79
<b>Total Class II Milk</b>	<b>8.52%</b>	<b>54,698,296</b>		<b>\$ 14,678,786.05</b>
Class III Skim Milk	17.05%	105,322,149	\$15.19 /cwt.	\$ 15,998,434.42
Class III Butterfat	18.69%	4,540,814	\$1.3319 /lb.	6,047,910.17
<b>Total Class III Milk</b>	<b>17.11%</b>	<b>109,862,963</b>		<b>\$ 22,046,344.59</b>
Class IV Skim Milk	7.19%	44,453,651	\$12.05 /cwt.	\$ 5,356,664.95
Class IV Butterfat	23.43%	5,690,497	\$1.3319 /lb.	7,579,172.94
<b>Total Class IV Milk</b>	<b>7.81%</b>	<b>50,144,148</b>		<b>\$ 12,935,837.89</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>642,148,059</b>		<b>\$ 144,303,814.57</b>

### Adjustments

Overage and Other Source	\$69,151.75
Inventory Adjustments	\$98,511.34
Producer butterfat at uniform butterfat price	(\$33,551,194.09)
Location Adjustments to Producers	\$1,925,399.87
1/2 Unobligated Balance in P.S.F	\$274,172.77

### Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 18.30838	\$113,119,856.21
	<b>\$ 0.04838</b>	\$298,897.57

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

**\$18.26**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.46\***

\* 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 %
	JAN 2008	FEB 2008	DEC 2007	JAN 2008	JAN 2008
Appalachian (Charlotte)	\$ 24.07	\$ 22.78	\$ 22.37	\$ 22.60	72.50%
Arizona (Phoenix)	\$ 23.32	\$ 22.03	\$ 20.82	\$ 19.72	36.22%
Central (Kansas City)	\$ 22.97	\$ 21.68	\$ 20.36	\$ 19.71	34.73%
Florida (Tampa)	\$ 24.97	\$ 23.68	\$ 23.44	\$ 23.80	82.61%
Mideast (Cleveland)	\$ 22.97	\$ 21.68	\$ 20.64	\$ 20.25	38.90%
Northeast (Boston)	\$ 24.22	\$ 22.93	\$ 21.59	\$ 21.11	44.10%
Pacific Northwest (Seattle)	\$ 22.87	\$ 21.58	\$ 20.30	\$ 19.39	34.37%
<b>Southeast (Atlanta)</b>	<b>\$ 24.07</b>	<b>\$ 22.78</b>	<b>\$ 22.44</b>	<b>\$ 22.46</b>	<b>66.56%</b>
Southwest (Dallas)	\$ 23.97	\$ 22.68	\$ 21.01	\$ 20.70	44.77%
Upper Midwest (Chicago)	\$ 22.77	\$ 21.48	\$ 20.65	\$ 19.70	15.60%

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

<b>Receipts:</b>	<b>January 2008</b>	<b>January 2007</b>
<b>Producer Milk</b>		
Class I	427,442,652	434,642,425
Class II	54,698,296	73,203,631
Class III	109,862,963	170,118,993
Class IV	50,144,148	58,681,148
Total Producer Milk	<u>642,148,059</u>	<u>736,646,197</u>
Average Butterfat Test	3.78%	3.79%
Percent of Producer Milk in Class I	66.56%	59.00%
Daily Average Receipts	20,714,454	23,762,781
<b>Other Source Milk</b>		
Class I	9,526,630	9,099,370
Class II	11,760,414	11,884,318
Class III	244,868	2,018,997
Class IV	14,788,527	9,987,701
Total Other Source Milk	<u>38,520,439</u>	<u>32,990,386</u>
<b>Overage</b>		
Class I	0	0
Class II	279,611	17,958
Class III	1,892	0
Class IV	9,276	612
Total Overage	<u>290,779</u>	<u>18,570</u>
<b>Opening Inventory</b>		
Class I	32,690,024	30,938,702
Class II	3,727,470	1,797,757
Class III	576,107	904,295
Class IV	13,133,353	22,603,533
Total Opening Inventory	<u>50,126,954</u>	<u>56,244,287</u>
<b>Total Receipts</b>	<b>731,086,231</b>	<b>825,899,440</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	36,641,462	30,319,011
Route Disposition Class I	423,225,692	434,608,099
Shrinkage	1,916,819	4,160,033
Transfers & Diversions to Nonpool	7,875,333	5,593,354
Total Class I Utilization	<u>469,659,306</u>	<u>474,680,497</u>
Average Butterfat Test	2.07%	2.11%
Daily Average Utilization	15,150,300	15,312,274
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,656,995	1,508,089
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,601,655	49,946,509
Total Class II Utilization	<u>33,207,141</u>	<u>35,479,066</u>
Average Butterfat Test	9.23%	8.47%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	112,885,830	173,042,285
Total Class III Utilization	<u>112,885,830</u>	<u>173,042,285</u>
Average Butterfat Test		4.18%
<b>Class IV Utilization</b>		
Inventory	17,880,070	24,889,408
Nonfluid Used To Fortify	1,464,850	1,563,530
Shrinkage	7,857,016	8,281,363
Transfers & Diversions to Nonpool Used To Produce/Other Uses	45,438,302	49,843,191
Total Class IV Utilization	<u>5,435,066</u>	<u>6,695,502</u>
Average Butterfat Test	9.41%	7.85%
<b>Total Utilization</b>	<b>731,086,231</b>	<b>825,899,440</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2008 is \$22.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.26 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3813 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 January, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.75% of all producer skim milk (priced to handlers at \$16.53 per hundredweight, plus the Class I differential, see page 2) and 36.51% of producer butterfat (priced to handlers at \$1.4333 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.01% of all producer skim milk (\$15.61 per hundredweight) and 21.37% of producer butterfat (\$1.3389 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.05% of all producer skim milk (\$15.19 per hundredweight) and 18.69% of producer butterfat (\$1.3319 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.19% of all producer skim milk (\$12.05 per hundredweight) and 23.43% of producer butterfat (\$1.3319 per pound).

Receipts of producer milk during January 2008 totaled 642.1 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2008. Class I route disposition in the area totaled 428.3 million pounds in December 2007.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>December 2007</b>		
Whole Milk	144,286,313	33.69%
Fat Free Milk	49,167,690	11.48%
Lowfat Milk (incl. 1%)	34,223,740	7.99%
Reduced Fat Milk (incl. 2%)	149,571,835	34.92%
Cultured Fluid Milk (incl. Buttermilk)	10,007,212	2.34%
Flavored Drinks and Milk	41,009,502	9.58%
<b>Total Disposition in Marketing Area</b>	<b>428,266,292</b>	<b>100.00%</b>
Total Disposition by Pool Plants	344,696,588	80.49%
Total Disposition by Nonpool Plants	83,569,704	19.51%
<b>Total Disposition in Marketing Area</b>	<b>428,266,292</b>	<b>100.00%</b>

## Federal Milk Marketing Order Annual Pool Summary

Marketing Area (with Principal Pricing City)	Receipts of Producer Milk		Utilization (%)			
	Mil. Lbs.	% Chg vs. '06	Class I	Class II	Class III	Class IV
Northeast (Boston)	23,039.9	1.6	46	21	24	9
Appalachian (Charlotte)	5,865.0	-6.1	70	17	5	8
Southeast (Atlanta)	7,520.6	-6.6	63	12	20	5
Florida (Tampa)	3,206.5	2.6	81	9	5	5
Mideast (Cleveland)	16,267.7	-5.4	40	18	35	7
Upper Midwest (Chicago)	26,489.9	-1.4	17	5	76	2
Central (Kansas City)	11,192.6	-19.6	39	17	32	12
Southwest (Dallas)	9,990.3	-13.9	41	12	35	12
Arizona-Las Vegas (Phoenix)	3,798.9	12.3	37	9	28	26
Pacific Northwest (Seattle)	7,036.0	-7.1	32	7	30	31
<b>ALL MARKET AVERAGE or TOTAL</b>	<b>114,407.5</b>	<b>-5.1</b>	<b>40</b>	<b>13</b>	<b>38</b>	<b>9</b>

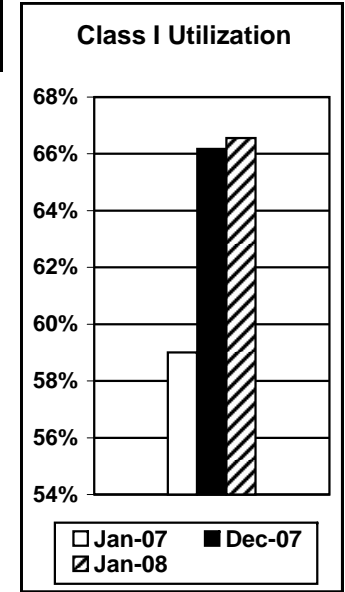
**Source: Dairy Market News, Vol. 75, Report 5; HIGHLIGHTS.** Handler reports of receipts and utilization under the Federal milk order system for 2007 are tabulated above. During 2007 about 114.4 billion pounds of milk were received from producers. This volume of milk is 5.1 percent lower than the 2006 volume. There were significant volumes of milk not pooled due to intraorder disadvantageous price relationships in both years, although the volume in 2007 was much higher. About 45.2 billion pounds of producer milk were used in Class I products, 0.2 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2007 as compared to 2006. The all-market average Class utilization percentages were; Class I = 40%, Class II = 13%, Class III = 38%, and Class IV = 9%.

**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
Oct 2006	\$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
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39											

**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.	%
Oct 2006	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	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,050**	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%



\* 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

February through April 2008

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
Feb 2008	03/11/08	03/12/08	03/13/08	02/25/08	02/26/08	03/13/08	03/14/08
Mar 2008	04/11/08	04/14/08	04/15/08	03/25/08	03/26/08	04/15/08	04/16/08
Apr 2008	05/11/08	05/12/08	05/13/08	04/25/08	04/28/08	05/13/08	05/14/08

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$20.21 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.46 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 – 455 February 8, 2008

Forecasts for 2008 milk production are raised as continued growth in cow numbers is expected to more than offset slower growth in output per cow. Producers continue to respond to the strong returns of 2007. USDA's Cattle report indicated that on January 1 dairy cow numbers were 1 percent higher, and producers expect to retain 3 percent more heifers. Heifers expected to calve in 2008 were reported up 3 percent. Higher production and softer demand is expected to pressure prices and in the face of higher feed prices, herd growth is expected to slow in the latter part of 2008. Stocks on both a fats and skim solids basis are forecast higher as production gains outpace increases in demand.

Both Class III and Class IV price forecasts for 2008 are reduced from last month as a result of lower price forecasts for major dairy products. Weakening international prices, larger milk production, and higher stocks are expected to pressure dairy product prices, particularly nonfat dry milk and whey. Butter prices are also reduced from last month as stocks have increased. Cheese prices are reduced slightly reflecting recent price declines. The all milk price forecast for 2008 is reduced to \$16.85 to \$17.55 per cwt. The 2007 all milk price estimate is revised to \$19.13 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*

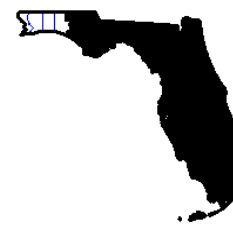
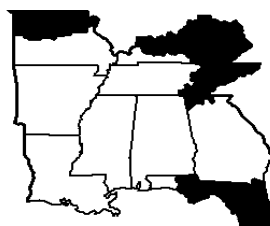


### MILK MARKET ADMINISTRATOR

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