

FLORIDA Fluid Milk Report

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Market Administrator

Florida Marketing Area
Federal Order No. 6



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USDA's Current Dairy Outlook

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. Excerpts from the October 9, 2009 WASDE report (No. 475) are reprinted below and also available at www.usda.gov/oce/commodity/wasde.

"The milk production forecast is raised for 2009 and 2010 as milk per cow is forecast higher and the rate of decline in cow inventories is lowered in 2010. Import forecasts are raised as butterfat and cheese imports are stronger than expected. Stronger world dairy prices and a weak U.S. dollar are expected to increase export demand for U.S. dairy products. The commercial fat basis export forecast is raised for 2010, and on a skim-solids basis, commercial exports are raised for both 2009 and 2010.

Net removals reflect adjustments in CCC and Dairy Export Incentive Program (DEIP) activities for nonfat dry milk (NDM), butter, and cheese. Firmer domestic and export demands are expected to support prices for cheese, whey, and NDM. However, butter prices are forecast lower as supplies remain large. Class III prices for 2009 and 2010 are raised from last month and Class IV prices are raised for 2009. The all milk price is forecast at \$12.35 to \$12.45 per cwt for 2009 and \$14.70 to \$15.60 for 2010."

USDA Seeks Fluid Milk Board Nominations

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Secretary of Agriculture will appoint seven individuals to succeed members whose terms expire next year. Appointed members will serve 3-year terms from July 1, 2010 through June 30, 2013. To nominate an individual by the October 31 deadline, call (202) 720-6909 or visit the Dairy Promotion and Research Branch's website at www.ams.usda.gov/Dairy.

Uniform Price Declines

The uniform price in Hillsborough County, Florida, was \$15.58 per hundredweight for milk at 3.5 percent butterfat for the month of September. This represents an increase of \$0.70 compared with the previous month and a decrease of \$6.81 from September 2008.

Class I utilization was 85.68 percent in September, a decline of 1.37 percent when compared with last month and a decrease of 1.07 percent from September 2008.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.7 billion pounds, a decrease of 0.3 percent from August 2008 and a decrease of 1.7 percent when compared with July 2009. Total cheese output (excluding cottage cheese) was 850 million pounds, 2.6 percent above August 2008 and 1.0 percent above July 2009. Butter production was 100 million pounds, 13.6 percent below August 2008 and 12.3 percent below July 2009.

Nonfat dry milk powder production was 106 million pounds in August, an 8.3 percent decrease compared with August 2008 and a 20.0 percent decrease compared to July 2009. Dry whey production was 92.2 million pounds in August, an increase of 3.3 percent compared with August 2008 and 3.8 percent lower compared to the previous month.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.93 in September 2009, up 0.15 points from last month's revised ratio due mainly to the increase in milk prices as corn and alfalfa prices remained essentially flat.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2009

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.68%	4,125,122	\$1.2646	\$ 5,216,629.28
Class I Differential at Location				229,577.82
Class II Butterfat	36.30%	3,140,306	\$1.2296	3,861,320.26
Class III Butterfat	2.17%	187,881	\$1.2226	229,703.32
Class IV Butterfat	13.85%	1,198,730	\$1.2226	1,465,567.32
Total Butterfat	100.00%	8,652,039		\$ 11,002,798.00
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.2717	

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	87.10%	201,149,903	\$6.74 /cwt.	\$ 13,557,503.47
Class I Butterfat	47.68%	4,125,122	\$1.2646 /lb.	5,216,629.28
Class I Differential at Location		205,275,025		11,426,284.37
Total Class I Milk	85.68%	205,275,025		\$ 30,200,417.12
Class II Skim Milk	8.53%	19,694,869	\$6.95 /cwt.	\$ 1,368,793.39
Class II Butterfat	36.30%	3,140,306	\$1.2296 /lb.	3,861,320.26
Total Class II Milk	9.53%	22,835,175		\$ 5,230,113.65
Class III Skim Milk	0.17%	393,325	\$8.12 /cwt.	\$ 31,937.99
Class III Butterfat	2.17%	187,881	\$1.2226 /lb.	229,703.32
Total Class III Milk	0.24%	581,206		\$ 261,641.31
Class IV Skim Milk	4.20%	9,709,480	\$7.12 /cwt.	\$ 691,314.97
Class IV Butterfat	13.85%	1,198,730	\$1.2226 /lb.	1,465,567.32
Total Class IV Milk	4.55%	10,908,210		\$ 2,156,882.29
Producer Milk	100.00%	239,599,616		\$ 37,849,054.37

Adjustments

Overage and Other Source	\$437.15
Inventory Adjustments	\$6,997.36
Producer butterfat at uniform butterfat price	(\$11,002,798.00)
Location Adjustments to Producers	(\$230,414.69)
1/2 Unobligated Balance in P.S.F	\$119,518.67
Adjusted Pool Value	\$ 11.57960
Reserve for Producer Settlement Func	\$ 0.04960
	\$26,742,794.86
	\$114,539.24

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

\$11.53

Uniform Price per cwt. (Hillsborough County, Florida)

\$15.58*

* 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 %
	SEPT 2009	OCT 2009	AUG 2009	SEPT 2009	SEPT 2009
Appalachian (Charlotte)	\$ 14.33	\$ 15.75	\$ 12.86	\$ 13.65	73.03%
Arizona (Phoenix)	\$ 13.28	\$ 14.70	\$ 11.55	\$ 12.37	42.38%
Central (Kansas City)	\$ 12.93	\$ 14.35	\$ 11.24	\$ 11.90	40.09%
Florida (Tampa)	\$ 16.33	\$ 17.75	\$ 14.88	\$ 15.58	85.68%
Mideast (Cleveland)	\$ 12.93	\$ 14.35	\$ 11.47	\$ 12.07	43.70%
Northeast (Boston)	\$ 14.18	\$ 15.60	\$ 12.35	\$ 12.93	46.70%
Pacific Northwest (Seattle)	\$ 12.83	\$ 14.25	\$ 11.25	\$ 11.89	49.14%
Southeast (Atlanta)	\$ 14.73	\$ 16.15	\$ 13.30	\$ 14.12	73.08%
Southwest (Dallas)	\$ 13.93	\$ 15.35	\$ 12.34	\$ 13.02	43.09%
Upper Midwest (Chicago)	\$ 12.73	\$ 14.15	\$ 11.32	\$ 12.14	15.50%

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

Receipts:	September 2009	September 2008
Producer Milk		
Class I	205,275,025	205,229,758
Class II	22,835,175	20,137,060
Class III	581,206	572,169
Class IV	10,908,210	10,639,852
Total Producer Milk	<u>239,599,616</u>	<u>236,578,839</u>
Average Butterfat Test	3.61%	3.62%
Percent of Producer Milk in Class I	85.68%	86.75%
Daily Average Receipts	7,986,654	7,885,961
Other Source Milk		
Class I	9,835,663	7,504,325
Class II	9,416,969	10,005,935
Class III	84,318	164,358
Class IV	1,171,194	1,091,980
Total Other Source Milk	<u>20,508,144</u>	<u>18,766,598</u>
Overage		
Class I	3,486	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>3,486</u>	<u>0</u>
Opening Inventory		
Class I	12,943,980	13,612,429
Class II	814,636	34,747
Class III	60,633	3,440
Class IV	6,957,851	10,481,796
Total Opening Inventory	<u>20,777,100</u>	<u>24,132,412</u>
Total Receipts	280,888,346	279,477,849
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	13,882,513	11,683,618
Route Disposition Class I	211,703,287	213,849,745
Shrinkage	1,754,308	705,452
Transfers & Diversions to Nonpool	718,046	107,697
Total Class I Utilization	<u>228,058,154</u>	<u>226,346,512</u>
Average Butterfat Test	2.01%	2.01%
Daily Average Utilization	7,601,938	7,544,884
Class II Utilization		
Nonfluid Used To Produce	9,166,366	9,921,435
Shrinkage	3,895,859	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,913,945	6,250,518
Total Class II Utilization	<u>13,090,610</u>	<u>14,005,789</u>
Average Butterfat Test	9.50%	10.41%
Class III Utilization		
Shrinkage		0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	726,157	739,967
Total Class III Utilization	<u>726,157</u>	<u>739,967</u>
Average Butterfat Test	29.005298%	36.34%
Class IV Utilization		
Inventory	8,813,272	8,255,373
Nonfluid Used To Fortify	525,356	547,297
Shrinkage	0	4,248,212
Transfers & Diversions to Nonpool Used To Produce/Other Uses	9,698,627	7,248,029
Total Class IV Utilization	<u>19,037,255</u>	<u>22,213,628</u>
Average Butterfat Test	9.50%	7.43%
Total Utilization	280,888,346	279,477,849

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2009 is \$15.58 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2717 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 87.10% of all producer skim milk (priced to handlers at \$6.74 per hundredweight, plus the Class I differential and 47.68% of producer butterfat (priced to handlers at \$1.2646 per pound plus Class I differential). Class II use accounted for 8.53% of all producer skim milk (\$6.95 per hundredweight) and 36.30% of producer butterfat (\$1.2296 per pound). Class III use accounted for 0.17% of all producer skim milk (\$8.12 per hundredweight) and 2.17% of producer butterfat (\$1.2226 per pound). Class IV use accounted for 4.20% of all producer skim milk (\$7.12 per hundredweight) and 13.85% of producer butterfat (\$1.2226 per pound).

Receipts of producer milk during September 2009 totaled 239.6 million pounds, 3.0 million pounds more than was pooled in September of last year. Florida producers supplied 149.8 million pounds of milk in August 2009 or 61.62% of the total producer milk pooled in Florida. In August 2008, Florida producers supplied 59.07% of producer milk pooled on the Florida market.

There were 12 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2009. In-area Class I route disposition totaled 243.6 million pounds in August 2009, 8.2 million more than August 2008 and an increase of 3.73 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2009		
Whole Milk	89,748,123	36.85%
Fat Free Milk	33,181,615	13.62%
Lowfat Milk (incl. 1%)	29,815,418	12.24%
Reduced Fat Milk (incl. 2%)	75,163,391	30.86%
Cultured Fluid Milk (incl. Buttermilk)	968,694	0.40%
Flavored Drinks and Milk	14,703,822	6.04%
Total Disposition in Marketing Area	243,581,063	100.00%
Total Disposition by Pool Plants	213,967,395	87.84%
Total Disposition by Nonpool Plants	29,613,668	12.16%
Total Disposition in Marketing Area	243,581,063	100.00%

USDA Creates National Institute of Food and Agriculture

On October 8, Agriculture Secretary Tom Vilsack launched the National Institute of Food and Agriculture (NIFA) with a major speech regarding the role of science and research at USDA. The following are excerpts from Vilsack's prepared remarks:

"The opportunity to truly transform a field of science happens at best once a generation. Right now, I am convinced, is USDA's opportunity to work with the Congress, the other science agencies, and with our partners in industry, academia, and the nonprofit sector, to bring about transformative change. We can build on recent scientific discoveries - incredible advances in sequencing plant and animal genomes, for example. We have new and powerful tools -- biotechnology, nanotechnology, and large-scale computer simulations -- applicable to all types of agriculture.

"Formed in the main from the existing Cooperative State Research, Education, and Extension Service, NIFA will be the Department's extramural research enterprise. It is no exaggeration to say that NIFA will be a research "start-up" company - we will be rebuilding our competitive grants program from the ground up to generate real results for the American people.

"I want USDA science to focus most of its resources on accomplishing a few, bold outcomes with great power to improve human health and protect our environment:

- USDA science will support our ability to keep American agriculture competitive while ending world hunger. At a time when disruptive climate change threatens production of some of the world's staple foods, some of the biggest gains we can make in ending world hunger will involve development of stress-resistant crops.

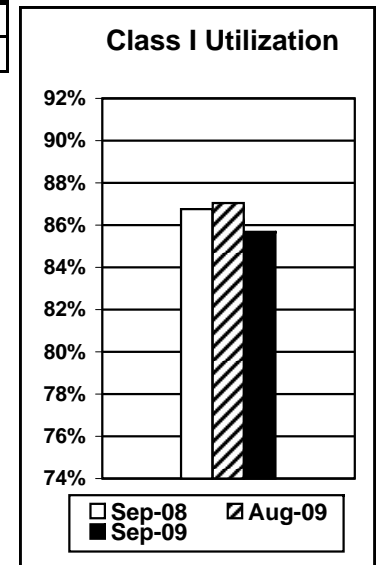
(continued on pg. 6)

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
Jul 2008	\$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	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 15.37	\$1.8328	\$21.25
Dec	\$14.89	\$1.8465	\$20.83	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 13.86	\$1.5719	\$18.88
Jan 2009	\$16.64	\$1.4523	\$21.14	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 15.02	\$1.2645	\$18.92
Feb	\$12.47	\$1.1680	\$16.12	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 11.47	\$1.1299	\$15.02
Mar	\$11.21	\$1.1458	\$14.83	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$ 10.51	\$1.1561	\$14.19
Apr	\$11.96	\$1.2040	\$15.76	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 11.28	\$1.2077	\$15.11
May	\$12.41	\$1.2559	\$16.37	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 11.63	\$1.2639	\$15.65
Jun	\$11.31	\$1.3057	\$15.48	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 10.84	\$1.2850	\$14.96
Jul	\$11.43	\$1.3222	\$15.66	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 10.95	\$1.2888	\$15.08
Aug	\$11.40	\$1.2689	\$15.44	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$ 6.23	\$1.2491	\$10.38	\$ 10.84	\$1.2626	\$14.88
Sep	\$12.14	\$1.3186	\$16.33	\$6.95	\$1.2296	\$11.01	\$8.12	\$1.2226	\$12.11	\$ 7.12	\$1.2226	\$11.15	\$ 11.53	\$1.2717	\$15.58
Oct	\$13.83	\$1.2581	\$17.75	\$7.71											

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.	%
Jul 2008	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	427	220,737	86.98%	20,057	7.90%	836	0.33%	12,156	4.79%
Nov	250,742	415	210,122	83.80%	19,828	7.91%	3,556	1.42%	17,237	6.87%
Dec	264,689	430	223,609	84.48%	18,762	7.09%	5,217	1.97%	17,101	6.46%
Jan 2009	286,220	404	233,649	81.64%	18,349	6.41%	11,770	4.11%	22,452	7.84%
Feb	267,601	410	217,760	81.37%	19,124	7.15%	15,258	5.70%	15,460	5.78%
Mar	278,448	328	233,588	83.89%	22,457	8.07%	2,711	0.97%	19,692	7.07%
Apr	258,797	273	222,033	85.80%	19,537	7.55%	2,521	0.97%	14,705	5.68%
May	247,816	249	212,327	85.68%	19,090	7.70%	7,311	2.95%	9,088	3.67%
Jun	221,439	317	196,502	88.74%	18,212	8.22%	3,222	1.46%	3,503	1.58%
Jul	231,404	313	205,723	88.91%	18,786	8.12%	3,389	1.46%	3,506	1.51%
Aug	243,010	432	211,546	87.05%	20,257	8.34%	1,273	0.52%	9,934	4.09%
Sep	239,600	400**	205,275	85.68%	22,835	9.53%	581	0.24%	10,908	4.55%



* 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 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
OCT 2009	11/11/09	11/12/09	11/13/09	10/19/09	10/20/09	11/04/09	11/05/09	11/13/09	11/16/09
NOV 2009	12/11/09	12/14/09	12/15/09	11/19/09	11/20/09	12/04/09	12/07/09	12/15/09	12/16/09
DEC 2009	01/11/10	01/12/10	01/13/10	12/21/09	12/21/09	01/04/10	01/05/10	01/13/10	01/14/10

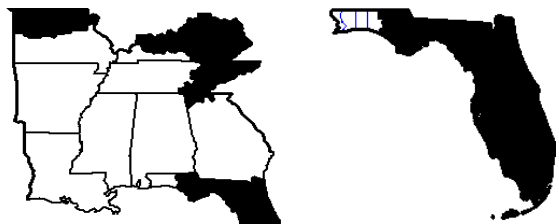
**The base rate for making partial payments in Hillsborough Co., FL for October will be \$14.02 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$13.24 for nonmembers (85 percent of the preceding month's uniform price).

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%	

USDA Creates National Institute of Food and Agriculture (continued from pg. 4)

- USDA science will support our ability to improve nutrition and end child obesity. At USDA we want to take the nutrition and food choice insights we have gained from our science to test out some new approaches to school lunches, breakfast and our other nutrition assistance and education programs.
- USDA science will support our efforts to radically improve food safety for all Americans. Each year in the U.S. alone, food-borne pathogens like E. coli kill 5,000 people and sicken 75 million more; the cost to the economy from these infections exceeds \$35 billion.
- USDA science will secure America's energy future. President Obama has set ambitious but achievable goals for securing America's energy future from new domestic sources, including 60 billion gallons a year from biofuels by 2030. We plan to focus specifically on rapidly improving the amount and quality of plant-based feedstocks that will be the source of biofuels.
- USDA science will make us better stewards of America's environment and natural resources. We believe that research in this priority area will identify agricultural operations in the United States that, within 10 years, will be net carbon sinks."

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