

FLORIDA Fluid Milk Report

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Florida Marketing Area
Federal Order No. 6



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Less Milk Production and Firm Global Demand Combine To Raise 2010's Milk Price Forecast

Feed costs have fallen substantially in 2009, but are unlikely to fall as much next year. The benchmark 16-percent protein ration value is projected to average in the mid-\$7.00 per cwt range this year compared with over \$9.00 per cwt in 2008. In 2010, the price should continue to fall, but not by nearly as much. Falling soybean meal prices will constitute a large share of the drop. Corn prices for the 2009/10 crop year are forecast to decline to \$3.25 to \$3.85 per bushel compared with the 2008/09 crop year average of \$4.06 per bushel. Soybean meal prices are forecast to decline from \$331 per ton average in 2009/10 to a forecast \$260, with \$310 per ton in 2010/11.

The U.S. dairy herd is forecast to continue to contract in 2010, with most of the herd reduction coming in early 2010 and attenuating later in the year. The U.S. dairy herd is expected to average 8.97 million next year and is expected to average below 9 million cows in each of the four quarters of 2010. The forecast decline in herd size will represent a 2.5-percent decline year-over-year. This decline follows a 1.3-percent decline in 2009. In contrast, milk production per cow is forecast to rise to 20,950 pounds, a 1.84-percent year-over-year increase and slightly ahead of the 5-year-trend increase. In light of lower feed prices and improving milk prices, the short-term response is to produce more milk per cow as rations are improved. This will occur before producers undertake any herd expansion, which requires investment in livestock.

Commercial disappearance is forecast to rise by less than half-a-percent next year on a fat basis and to be virtually unchanged from 2009 on a skims-solids basis. World markets remain firm, and the export forecast remains unchanged from last month. Product exports are projected to continue to rise next year, especially for nonfat dry milk (continued on page 6)

Uniform Price Up \$0.57

The uniform price in Hillsborough County, Florida, was \$17.80 per hundredweight for milk at 3.5 percent butterfat for the month of November. This represents an increase of \$0.57 compared with the previous month and a decrease of \$3.45 from November 2008.

Class I utilization was 84.94 percent in November, a decrease of 3.46 percent when compared with last month and an increase of 1.14 percent from November 2008.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 15.4 billion pounds, a decrease of 1.1 percent from October 2008 and a decrease of 0.7 percent when compared with September 2009 on a daily average basis. Total cheese output was 861 million pounds, 1.3 percent above October 2008 and 1.1 percent less than September 2009 on a daily average basis. Butter production was 112 million pounds, 14.3 percent below October 2008 but 14.5 percent above September 2009 on a daily average basis.

Nonfat dry milk powder production was 91.5 million pounds in October, 24.4 percent less than October 2008 and 2.2 percent higher than September 2009 on a daily average basis. Dry whey production was 88.7 million pounds, 1.1 percent above October 2008 and 2.5 percent below September 2009 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 2.19 in November 2009, up 0.10 points from the previous month's revised ratio of 2.09.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.29%	4,267,928	\$1.2752	\$ 5,442,461.78
Class I Differential at Location				237,619.35
Class II Butterfat	35.85%	3,235,303	\$1.4726	4,764,307.21
Class III Butterfat	2.39%	216,142	\$1.4656	316,777.71
Class IV Butterfat	14.47%	1,305,905	\$1.4656	1,913,934.37
Total Butterfat	100.00%	9,025,278		\$ 12,675,100.42
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.4044	

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	86.36%	206,836,188	\$8.70 /cwt.	\$ 17,994,748.37
Class I Butterfat	47.29%	4,267,928	\$1.2752 /lb.	5,442,461.78
Class I Differential at Location		211,104,116		11,763,040.37
Total Class I Milk	84.94%	211,104,116		\$ 35,200,250.52
Class II Skim Milk	8.40%	20,129,603	\$8.38 /cwt.	\$ 1,686,860.70
Class II Butterfat	35.85%	3,235,303	\$1.4726 /lb.	4,764,307.21
Total Class II Milk	9.40%	23,364,906		\$ 6,451,167.91
Class III Skim Milk	0.15%	363,241	\$9.27 /cwt.	\$ 33,672.44
Class III Butterfat	2.39%	216,142	\$1.4656 /lb.	316,777.71
Total Class III Milk	0.23%	579,383		\$ 350,450.15
Class IV Skim Milk	5.09%	12,201,101	\$8.41 /cwt.	\$ 1,026,112.60
Class IV Butterfat	14.47%	1,305,905	\$1.4656 /lb.	1,913,934.37
Total Class IV Milk	5.43%	13,507,006		\$ 2,940,046.97
Producer Milk	100.00%	248,555,411		\$ 44,941,915.55

Adjustments

Overage and Other Source	\$918.90
Inventory Adjustments	\$440.40
Producer butterfat at uniform butterfat price	(\$12,675,100.42)
Location Adjustments to Producers	(\$290,155.05)
1/2 Unobligated Balance in P.S.F	\$112,029.73
Adjusted Pool Value	\$ 13.39708
Reserve for Producer Settlement Func	\$ 0.04708
	\$32,090,049.11
	\$112,776.34

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

\$13.35

Uniform Price per cwt. (Hillsborough County, Florida)

\$17.80*

* 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 %
	NOV 2009	DEC 2009	OCT 2009	NOV 2009	NOV 2009
Appalachian (Charlotte)	\$ 16.26	\$ 17.39	\$ 15.05	\$ 15.89	71.22%
Arizona (Phoenix)	\$ 15.21	\$ 16.34	\$ 13.38	\$ 14.38	38.58%
Central (Kansas City)	\$ 14.86	\$ 15.99	\$ 12.79	\$ 13.86	37.26%
Florida (Tampa)	\$ 18.26	\$ 19.39	\$ 17.23	\$ 17.80	84.94%
Mideast (Cleveland)	\$ 14.86	\$ 15.99	\$ 13.14	\$ 14.11	44.00%
Northeast (Boston)	\$ 16.11	\$ 17.24	\$ 14.06	\$ 15.02	46.30%
Pacific Northwest (Seattle)	\$ 14.76	\$ 15.89	\$ 12.86	\$ 13.92	29.80%
Southeast (Atlanta)	\$ 16.66	\$ 17.79	\$ 15.55	\$ 16.28	70.33%
Southwest (Dallas)	\$ 15.86	\$ 16.99	\$ 14.05	\$ 15.03	72.13%
Upper Midwest (Chicago)	\$ 14.66	\$ 15.79	\$ 12.94	\$ 14.12	15.00%

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

Receipts:	November 2009	November 2008
Producer Milk		
Class I	211,104,116	210,122,027
Class II	23,364,906	19,827,768
Class III	579,383	3,555,968
Class IV	13,507,006	17,236,700
Total Producer Milk	<u>248,555,411</u>	<u>250,742,463</u>
Average Butterfat Test	3.63%	3.70%
Percent of Producer Milk in Class I	84.94%	83.80%
Daily Average Receipts	8,285,180	8,358,082
Other Source Milk		
Class I	4,792,732	4,784,688
Class II	8,542,303	9,132,490
Class III	0	0
Class IV	1,834,689	2,503,091
Total Other Source Milk	<u>15,169,724</u>	<u>16,420,269</u>
Overage		
Class I	0	0
Class II	624	0
Class III	0	0
Class IV	0	0
Total Overage	<u>624</u>	<u>0</u>
Opening Inventory		
Class I	14,909,461	14,431,484
Class II	0	0
Class III	2,313	0
Class IV	4,422,215	5,488,218
Total Opening Inventory	<u>19,333,989</u>	<u>19,919,702</u>
Total Receipts	283,059,748	287,082,434
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	13,087,022	12,032,687
Route Disposition Class I	216,281,588	215,623,963
Shrinkage	875,268	1,174,995
Transfers & Diversions to Nonpool	562,431	506,554
Total Class I Utilization	<u>230,806,309</u>	<u>229,338,199</u>
Average Butterfat Test	2.02%	2.09%
Daily Average Utilization	7,693,544	7,644,607
Class II Utilization		
Nonfluid Used To Produce	8,536,254	9,123,844
Shrinkage	3,415,940	0
Transfers & Diversions to Nonpool/Commercial Foods	5,587,569	7,191,122
Used To Produce/Other Uses	14,368,070	12,645,292
Total Class II Utilization	<u>31,907,833</u>	<u>28,960,258</u>
Average Butterfat Test	10.14%	10.49%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	581,696	3,555,968
Use to Produce/Other Uses	0	0
Total Class III Utilization	<u>581,696</u>	<u>3,555,968</u>
Average Butterfat Test	37.55%	15.15%
Class IV Utilization		
Inventory	8,774,634	9,614,479
Nonfluid Used To Fortify	1,423,360	2,189,159
Shrinkage	0	4,622,528
Transfers & Diversions to Nonpool	9,565,916	7,084,814
Used To Produce/Other Uses	0	1,717,029
Total Class IV Utilization	<u>19,763,910</u>	<u>25,228,009</u>
Average Butterfat Test	8.47%	6.98%
Total Utilization	283,059,748	287,082,434

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2009 is \$17.80 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$13.35 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4044 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 November, Class I use accounted for 86.36% of all producer skim milk (priced to handlers at \$8.70 per hundredweight, plus the Class I differential and 47.29% of producer butterfat (priced to handlers at \$1.2752 per pound plus Class I differential). Class II use accounted for 8.40% of all producer skim milk (\$8.38 per hundredweight) and 35.85% of producer butterfat (\$1.4726 per pound). Class III use accounted for 0.15% of all producer skim milk (\$9.27 per hundredweight) and 2.39% of producer butterfat (\$1.4656 per pound). Class IV use accounted for 5.09% of all producer skim milk (\$8.41 per hundredweight) and 14.47% of producer butterfat (\$1.4656 per pound).

Receipts of producer milk during November 2009 totaled 248.6 million pounds, 2.2 million pounds less than was pooled in November of last year. Florida producers supplied 137.5 million pounds of milk in October 2009 or 55.02% of the total producer milk pooled in Florida. In October 2008, Florida producers supplied 56.93% 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 November 2009. In-area Class I route disposition totaled 255.7 million pounds in October 2009, 27.6 million more than October 2008 and an increase of 11.35 percent after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
October 2009		
Whole Milk	87,472,218	34.21%
Fat Free Milk	34,096,189	13.33%
Lowfat Milk (incl. 1%)	33,265,393	13.01%
Reduced Fat Milk (incl. 2%)	75,137,741	29.39%
Cultured Fluid Milk (incl. Buttermilk)	1,060,157	0.41%
Flavored Drinks and Milk	24,664,491	9.65%
Total Disposition in Marketing Area	255,696,189	100.00%
Total Disposition by Pool Plants	225,965,000	88.37%
Total Disposition by Nonpool Plants	29,731,189	11.63%
Total Disposition in Marketing Area	255,696,189	100.00%

Mailbox Milk Prices, January through September 2009

Reporting Area 1/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
New England States 3/	\$14.95	\$12.46	\$12.25	\$12.66	\$12.65	\$12.27	\$12.22	\$12.57	\$13.45
Eastern Pennsylvania	\$14.45	\$11.98	\$11.76	\$12.16	\$12.14	\$11.73	\$11.80	\$12.12	\$12.99
Appalachian States 5/	\$16.55	\$13.20	\$12.25	\$12.70	\$12.78	\$12.36	\$12.74	\$13.04	\$13.94
Southeast States 6/	\$17.05	\$13.76	\$12.47	\$13.08	\$13.15	\$12.85	\$13.38	\$13.88	\$14.77
Southern Missouri 7/	\$14.98	\$11.69	\$10.78	\$11.09	\$10.77	\$10.77	\$11.08	\$11.51	\$12.55
Florida	\$18.39	\$14.97	\$13.61	\$14.34	\$14.70	\$14.07	\$14.81	\$15.37	\$16.20
Western Pennsylvania	\$14.37	\$11.89	\$11.61	\$12.07	\$11.86	\$11.53	\$11.53	\$11.97	\$12.97
Indiana	\$14.86	\$12.00	\$11.34	\$11.76	\$12.00	\$11.37	\$11.51	\$11.90	\$12.81
Wisconsin	\$12.94	\$11.24	\$11.87	\$12.17	\$11.40	\$11.24	\$11.15	\$12.25	\$13.30
Corn Belt States 9/	\$13.61	\$11.33	\$11.43	\$11.62	\$11.33	\$10.96	\$10.82	\$11.69	\$12.82
Western Texas 10/	\$12.98	\$10.73	\$10.73	\$11.07	\$10.59	\$10.20	\$10.43	\$11.30	\$12.22
Northwest States 11/	\$12.75	\$10.66	\$10.95	\$11.29	\$10.87	\$10.55	\$10.57	\$11.17	\$12.17
All Federal Orders 12/	\$13.77	\$11.61	\$11.60	\$11.96	\$11.61	\$11.27	\$11.30	\$12.04	\$12.98
California 13/	\$10.57	\$9.80	\$9.92	\$9.88	\$9.70	\$9.63	\$9.60	\$10.51	\$11.20

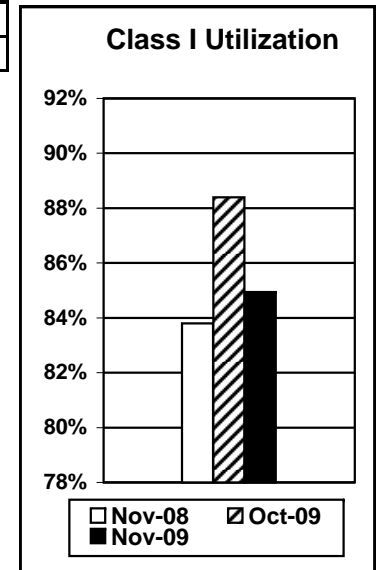
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by CA Department of Food and Agriculture.

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 2008	\$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	\$1.2822	\$11.93	\$8.66	\$1.2752	\$12.82	\$ 7.66	\$1.2752	\$11.86	\$ 13.25	\$1.2701	\$17.23
Nov	\$14.10	\$1.3292	\$18.26	\$8.38	\$1.4726	\$13.24	\$9.27	\$1.4656	\$14.08	\$ 8.41	\$1.4656	\$13.25	\$ 13.35	\$1.4044	\$17.80
Dec	\$14.71	\$1.4850	\$19.39	\$9.14											

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 2008	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	456	205,275	85.68%	22,835	9.53%	581	0.24%	10,908	4.55%
Oct	249,862	450	220,892	88.40%	19,240	7.70%	444	0.18%	9,286	3.72%
Nov	248,555	450**	211,104	84.94%	23,365	9.40%	579	0.23%	13,507	5.43%



* 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 December 2009 through February 2010									
	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
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
JAN 2010	02/11/10	02/12/10	02/16/10	01/19/10	01/20/10	02/04/10	02/05/10	02/16/10	02/17/10
FEB 2010	03/11/10	03/12/10	03/15/10	02/19/10	02/22/10	03/04/10	03/05/10	03/15/10	03/16/10

**The base rate for making partial payments in Hillsborough Co., FL for December will be \$16.02 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$15.13 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%

Less Milk Production, Firm Global Demand Combine To Raise 2010's Milk Price Forecast

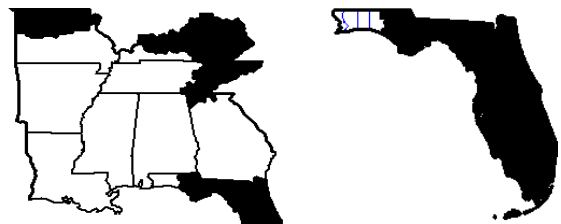
(continued from page 1) (NDM) and whey products. Exports of NDM will help draw down stocks next year on a skims-solids basis, but stocks on a fats basis will be drawn down less. Imports are forecast to decline slightly next year on a fats basis but to rise slightly on a skims-solids basis.

Product prices across the board will be higher next year. Cheese prices will likely average \$1.290 to \$1.300 per pound in 2009 and rise to average \$1.615 to \$1.695 per pound in 2010. Butter prices are projected to average \$1.195 to \$1.225 per pound and average \$1.430 to \$1.540 per pound next year. After averaging 91.0 to 93.0 cents per pound this year, NDM prices are forecast to climb to average \$1.245 to \$1.305 per pound in 2010. Whey prices are projected to average 25.5 to 26.5 cents per pound in 2009 and rise to 35.0 to 38.0 cents per pound next year.

The higher price prospects for dairy products both this year and next will boost milk prices as well. After averaging \$11.30 to \$11.40 per cwt in 2009, Class III prices are forecast to rise to average \$15.15 to \$15.95 per cwt next year. Likewise, Class IV prices are expected to climb from \$10.75 to \$10.95 in the current year to average \$14.60 to \$15.50 per cwt in 2010. The all milk price is expected to average \$12.70 to \$12.80 this year and rise to average \$16.35 to \$17.15 in 2010.

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