

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

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www.fmmatlanta.com

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

## 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 (continued on page 6)

## Uniform Price Up \$0.73

The uniform price in Fulton County, GA, was \$16.28 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.73 higher than the previous month and is \$2.93 per hundredweight lower compared with November of last year.

Class I utilization was 70.33 percent in November, a decrease of 3.68 percent compared with the previous month and an increase of 2.37 percent compared with 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.

## Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for November 2009 were made for \$3,342,176.15. Since the available balance was \$1,185,524.14, eligible claims were paid at the rate of approximately \$0.36 on the dollar.

## F.O. 7 - SOUTHEAST: 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	38.28%	8,111,916	\$1.2752	\$ 10,344,315.28
Class I Differential at Location				270,316.46
Class II Butterfat	29.02%	6,149,827	\$1.4726	9,056,235.27
Class III Butterfat	20.77%	4,401,350	\$1.4656	6,450,618.55
Class IV Butterfat	11.93%	2,526,985	\$1.4656	3,703,549.23
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,190,078</b>		<b>\$ 29,825,034.79</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4075**

### 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	71.58%	386,582,902	\$8.70 /cwt.	\$ 33,632,712.48
Class I Butterfat	38.28%	8,111,916	\$1.2752 /lb.	10,344,315.28
Class I Differential at Location		394,694,818		13,205,293.21
<b>Total Class I Milk</b>	<b>70.33%</b>	<b>394,694,818</b>		<b>\$ 57,182,320.97</b>
Class II Skim Milk	11.21%	60,540,894	\$8.38 /cwt.	\$ 5,073,326.94
Class II Butterfat	29.02%	6,149,827	\$1.4726 /lb.	9,056,235.27
<b>Total Class II Milk</b>	<b>11.88%</b>	<b>66,690,721</b>		<b>\$ 14,129,562.21</b>
Class III Skim Milk	12.50%	67,482,451	\$9.27 /cwt.	\$ 6,255,623.18
Class III Butterfat	20.77%	4,401,350	\$1.4656 /lb.	6,450,618.55
<b>Total Class III Milk</b>	<b>12.81%</b>	<b>71,883,801</b>		<b>\$ 12,706,241.73</b>
Class IV Skim Milk	4.71%	25,422,965	\$8.41 /cwt.	\$ 2,138,071.38
Class IV Butterfat	11.93%	2,526,985	\$1.4656 /lb.	3,703,549.23
<b>Total Class IV Milk</b>	<b>4.98%</b>	<b>27,949,950</b>		<b>\$ 5,841,620.61</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>561,219,290</b>		<b>\$ 89,859,745.52</b>

### Adjustments

Overage and Other Source	\$13,345.75
Inventory Adjustments	\$53,920.82
Producer butterfat at uniform butterfat price	(\$29,825,034.79)
Location Adjustments to Producers	\$3,408,054.15
1/2 Unobligated Balance in P.S.F	\$276,376.94

### Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 11.81166	\$63,786,408.40
	\$ 0.04166	\$224,970.12

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

**\$11.77**

Uniform Price per cwt. (Fulton County, Georgia)

**\$16.28\***

\* 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%
<b>Southeast (Atlanta)</b>	<b>\$ 16.66</b>	<b>\$ 17.79</b>	<b>\$ 15.55</b>	<b>\$ 16.28</b>	<b>70.33%</b>
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%

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

<b>Receipts:</b>	<b>November 2009</b>	<b>November 2008</b>
<b>Producer Milk</b>		
Class I	394,694,818	381,263,986
Class II	66,690,721	59,573,014
Class III	71,883,801	63,744,331
Class IV	27,949,950	56,463,820
	<hr/>	<hr/>
Total Producer Milk	<b>561,219,290</b>	<b>561,045,151</b>
Average Butterfat Test	3.78%	3.78%
Percent of Producer Milk in Class I	70.33%	67.96%
Daily Average Receipts	18,707,310	18,701,505
<b>Other Source Milk</b>		
Class I	9,437,042	9,014,549
Class II	5,524,484	4,373,806
Class III	1,444,073	2,973,899
Class IV	8,109,291	8,566,006
	<hr/>	<hr/>
Total Other Source Milk	<b>24,514,890</b>	<b>24,928,260</b>
<b>Overage</b>		
Class I	0	0
Class II	0	62,203
Class III	0	129,494
Class IV	9,106	335,225
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Total Overage	<b>9,106</b>	<b>526,922</b>
<b>Opening Inventory</b>		
Class I	32,659,403	38,400,337
Class II	2,315,594	822,229
Class III	153,387	0
Class IV	14,863,618	11,903,182
	<hr/>	<hr/>
Total Opening Inventory	<b>49,992,002</b>	<b>51,125,748</b>
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<b>Total Receipts</b>	<b>635,735,288</b>	<b>637,626,081</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	33,636,691	32,816,577
Route Disposition Class I	390,369,150	383,406,852
Shrinkage	1,718,510	2,909,415
Transfers & Diversions to Nonpool	11,066,912	9,546,028
	<hr/>	<hr/>
Total Class I Utilization	<b>436,791,263</b>	<b>428,678,872</b>
Average Butterfat Test	2.05%	2.11%
Daily Average Utilization	14,559,709	14,289,296
<b>Class II Utilization</b>		
Nonfluid Used To Produce	960,707	1,350,074
Shrinkage	7,411,444	1,809
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,571,502	39,328,657
	<hr/>	<hr/>
Total Class II Utilization	<b>74,530,799</b>	<b>64,831,252</b>
Average Butterfat Test	10.49%	9.22%
<b>Class III Utilization</b>		
Shrinkage	0	276,896
Transfers & Diversions to Nonpool	73,481,261	66,570,828
Used To Produce/Other Uses	0	0
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Total Class III Utilization	<b>73,481,261</b>	<b>66,847,724</b>
Average Butterfat Test	6.07%	4.99%
<b>Class IV Utilization</b>		
Inventory	24,100,349	30,113,201
Nonfluid Used To Fortify	3,227,706	2,898,666
Shrinkage	0	7,136,838
Transfers & Diversions to Nonpool	23,603,910	32,297,314
Used To Produce/Other Uses	0	4,822,214
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Total Class IV Utilization	<b>50,931,965</b>	<b>77,268,233</b>
Average Butterfat Test	7.54%	7.87%
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<b>Total Utilization</b>	<b>635,735,288</b>	<b>637,626,081</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2009 is \$16.28 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.77 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4075 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 November, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.58% of all producer skim milk (priced to handlers at \$8.70 per hundredweight, plus the Class I differential, see page 2) and 38.28% of producer butterfat (priced to handlers at \$1.2752 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.21% of all producer skim milk (\$8.38 per hundredweight) and 29.02% of producer butterfat (\$1.4726 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.50% of all producer skim milk (\$9.27 per hundredweight) and 20.77% of producer butterfat (\$1.4656 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.71% of all producer skim milk (\$8.41 per hundredweight) and 11.93% of producer butterfat (\$1.4656 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2009</b>		
Whole Milk	138,751,473	30.81%
Fat Free Milk	51,287,714	11.39%
Lowfat Milk (incl. 1%)	37,203,000	8.26%
Reduced Fat Milk (incl. 2%)	163,453,592	36.30%
Cultured Fluid Milk (incl. Buttermilk)	8,864,428	1.97%
Flavored Drinks and Milk	50,716,489	11.26%
<b>Total Disposition in Marketing Area</b>	<b>450,276,696</b>	<b>100.00%</b>
Total Disposition by Pool Plants	362,992,511	80.62%
Total Disposition by Nonpool Plants	87,284,185	19.38%
<b>Total Disposition in Marketing Area</b>	<b>450,276,696</b>	<b>100.00%</b>

Receipts of producer milk during November 2009 totaled 561.2 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2009. Class I route disposition in the area was 450.3 million pounds in October 2009.

### 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 4/	\$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
<b>Southeast States 6/</b>	<b>\$17.05</b>	<b>\$13.76</b>	<b>\$12.47</b>	<b>\$13.08</b>	<b>\$13.15</b>	<b>\$12.85</b>	<b>\$13.38</b>	<b>\$13.88</b>	<b>\$14.77</b>
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 8/	\$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

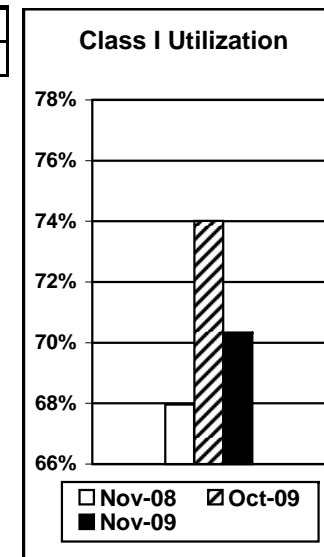
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 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 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
Sep 2008	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$ 6.26	\$1.7730	\$12.25	\$ 13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88	\$1.3068	\$11.21	\$11.12	\$1.2998	\$15.28	\$ 6.01	\$1.2998	\$10.35	\$ 12.01	\$1.5024	\$16.85
Jan 2009	\$15.04	\$1.4363	\$19.54	\$6.74	\$1.1154	\$10.41	\$7.15	\$1.1084	\$10.78	\$ 5.92	\$1.1084	\$9.59	\$ 12.77	\$1.2288	\$16.62
Feb	\$10.87	\$1.1520	\$14.52	\$6.63	\$1.1011	\$10.25	\$5.68	\$1.0941	\$9.31	\$ 5.82	\$1.0941	\$9.45	\$ 9.65	\$1.1155	\$13.22
Mar	\$9.61	\$1.1298	\$13.23	\$6.51	\$1.1664	\$10.36	\$6.61	\$1.1594	\$10.44	\$ 5.78	\$1.1594	\$9.64	\$8.75	\$1.1495	\$12.47
Apr	\$10.36	\$1.1880	\$14.16	\$6.47	\$1.2119	\$10.49	\$6.80	\$1.2049	\$10.78	\$ 5.81	\$1.2049	\$9.82	\$ 9.27	\$1.1992	\$13.14
May	\$10.81	\$1.2399	\$14.77	\$6.49	\$1.2718	\$10.71	\$5.61	\$1.2648	\$9.84	\$ 5.92	\$1.2648	\$10.14	\$ 9.13	\$1.2567	\$13.21
Jun	\$9.71	\$1.2897	\$13.88	\$6.61	\$1.2614	\$10.79	\$5.78	\$1.2544	\$9.97	\$ 6.04	\$1.2544	\$10.22	\$ 8.70	\$1.2677	\$12.83
Jul	\$9.83	\$1.3062	\$14.06	\$6.73	\$1.2508	\$10.87	\$5.82	\$1.2438	\$9.97	\$ 6.01	\$1.2438	\$10.15	\$ 8.94	\$1.2693	\$13.07
Aug	\$9.80	\$1.2529	\$13.84	\$6.70	\$1.2561	\$10.86	\$7.08	\$1.2491	\$11.20	\$ 6.23	\$1.2491	\$10.38	\$ 9.25	\$1.2508	\$13.30
Sep	\$10.54	\$1.3026	\$14.73	\$6.95	\$1.2296	\$11.01	\$8.12	\$1.2226	\$12.11	\$ 7.12	\$1.2226	\$11.15	\$ 10.08	\$1.2549	\$14.12
Oct	\$12.23	\$1.2421	\$16.15	\$7.71	\$1.2822	\$11.93	\$8.66	\$1.2752	\$12.82	\$ 7.66	\$1.2752	\$11.86	\$ 11.54	\$1.2622	\$15.55
Nov	\$12.50	\$1.3132	\$16.66	\$8.38	\$1.4726	\$13.24	\$9.27	\$1.4656	\$14.08	\$ 8.41	\$1.4656	\$13.25	\$ 11.77	\$1.4075	\$16.28
Dec	\$13.11	\$1.4690	\$17.79	\$9.14											

**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.	%
Sep 2008	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	2,906	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%
Dec	606,466	2,974	404,358	66.68%	53,632	8.84%	75,350	12.42%	73,126	12.06%
Jan 2009	606,876	2,914	413,503	68.14%	58,107	9.57%	73,691	12.14%	61,575	10.15%
Feb	545,996	2,878	370,916	67.93%	57,125	10.46%	97,875	17.93%	20,079	3.68%
Mar	677,722	2,910	411,467	60.71%	68,678	10.13%	131,319	19.38%	66,259	9.78%
Apr	645,197	2,968	393,669	61.02%	62,288	9.65%	122,741	19.02%	66,498	10.31%
May	663,300	2,994	379,284	57.18%	61,295	9.24%	155,016	23.37%	67,705	10.21%
Jun	605,153	2,958	370,303	61.19%	63,971	10.57%	132,530	21.90%	38,350	6.34%
Jul	570,631	2,811	381,874	66.92%	62,766	11.00%	110,511	19.37%	15,480	2.71%
Aug	568,941	2,803	402,719	70.79%	60,254	10.59%	59,535	10.46%	46,434	8.16%
Sep	543,362	2,734	397,084	73.08%	69,511	12.79%	63,408	11.67%	13,360	2.46%
Oct	565,165	2,837	418,281	74.01%	60,617	10.73%	63,975	11.32%	22,293	3.94%
Nov	561,219	2,800**	394,695	70.33%	66,691	11.88%	71,884	12.81%	27,950	4.98%



\* 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 December 2009 through February 2010

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
DEC 2009	01/11/10	01/12/10	01/13/10	12/28/09	12/28/09	01/13/10	01/14/10
JAN 2010	02/11/10	02/12/10	02/16/10	01/25/10	01/26/10	02/16/10	02/17/10
FEB 2010	03/11/10	03/12/10	03/15/10	02/25/10	02/26/10	03/15/10	03/16/10

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$14.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.28 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

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

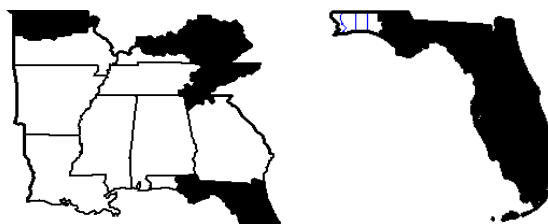
(continued from page 1) are projected to continue to rise next year, especially for nonfat dry milk (NDM) and whey products. Exports of NDM will help draw down stocks next year on a skims-solids basis, but stocks on a fats basis will be drawn down less. Imports are forecast to decline slightly next year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