

Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

January 2010

Volume 11—No. 1

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

Dairy Committee Appointments Made

On January 6, Secretary Tom Vilsack announced the appointment of 17 members to the Dairy Industry Advisory Committee. Over the next two years, the committee will review the issues of farm milk price volatility, dairy farmer profitability and consolidation, and offer suggestions on ways USDA can best address the needs of a struggling dairy industry.

"USDA has worked tirelessly to assist dairy farmers during these tough times," said Vilsack. "We've increased support prices under the Dairy Product Price Support Program, reactivated the Dairy Export Incentive Program, and bought 200 million pounds of nonfat dry milk for federal feeding programs. This committee, whose members come from all aspects of the dairy industry, will work to find long term solutions to assist this struggling industry."

Producer members appointed to the committee are: Erick Coolidge (Pa.), Timothy den Dulk (Mich.), Debora Erb (N.H.), James Goodman (Wis.), James Krahn, (Ore.), Edward Maltby (Mass.), Manuel Souza (Calif.), Ed Welch (Minn.), and James "Ricky" Williams (Ga.).

Representatives from the processing industry include: Jay Bryant (Va.), Patricia Stroup (Calif.), Sue Taylor (Colo.), and Robert Wills. (Wis.).

Members representing state government, retail, academia, and consumers are: Rodney Nilsestuen (Wis.), Robert Schupper (Pa.), Andrew Novakovic (N.Y.), and Paul Bourbeau (Vt.).

All members will serve two-year terms, beginning in January 2010. The committee was expanded this year from 15 members to 17 and will hold its first meeting in early 2010. The meeting will be open to the public and USDA encourages public participation. For more information check the Dairy Industry Advisory Committee website, www.ams.usda.gov/AMSV1.0/DairyAdvisoryCommittee.

Uniform Price Rises

The uniform price in Fulton County, GA, was \$17.23 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.95 higher than the previous month and is \$0.38 per hundredweight higher compared with December of last year.

Class I utilization was 67.08 percent in December, a decrease of 3.25 percent compared with the previous month and an increase of 0.40 percent compared with December 2008.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 15.06 billion pounds, a decrease of 1.0 percent from November 2008 and a increase of 0.9 percent when compared with October 2009 on a daily average basis. Total cheese output (excluding cottage cheese) was 844 million pounds, 1.9 percent above November 2008 and 1.2 percent above October 2009 on a daily average basis. Butter production was 121 million pounds, 9.7 percent below November 2008 but 10.4 percent above October 2009 on a daily average basis.

Nonfat dry milk powder production was 101 million pounds in November, 24.7 percent less than November 2008 and 13.8 percent higher than October 2009 on a daily average basis. Dry whey production was 86.0 million pounds, 0.5 percent below November 2008 and 0.2 percent above October 2009 on a daily average basis.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for December 2009 were made for \$3,029,492.64. Since the available balance was \$1,239,044.86, eligible claims were paid at the rate of approximately \$0.41 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2009

Calculation of Uniform Butterfat Price:

| | <u>Utilization</u> | <u>Pounds</u> | <u>Price/lb.</u> | <u>Value</u> |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat | 37.65% | 8,804,924 | \$1.4310 | \$ 12,599,846.26 |
| Class I Differential at Location | | | | 294,811.94 |
| Class II Butterfat | 22.58% | 5,279,053 | \$1.5503 | 8,184,115.86 |
| Class III Butterfat | 21.94% | 5,129,593 | \$1.5433 | 7,916,500.88 |
| Class IV Butterfat | 17.83% | 4,168,196 | \$1.5433 | 6,432,776.90 |
| Total Butterfat | 100.00% | 23,381,766 | | \$ 35,428,051.84 |

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5152**

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 | 68.24% | 404,206,864 | \$9.31 /cwt. | \$ 37,631,659.04 |
| Class I Butterfat | 37.65% | 8,804,924 | \$1.4310 /lb. | 12,599,846.26 |
| Class I Differential at Location | | 413,011,788 | | 13,816,444.13 |
| Total Class I Milk | 67.08% | 413,011,788 | | \$ 64,047,949.43 |
| Class II Skim Milk | 9.46% | 56,051,128 | \$9.14 /cwt. | \$ 5,123,073.09 |
| Class II Butterfat | 22.58% | 5,279,053 | \$1.5503 /lb. | 8,184,115.86 |
| Total Class II Milk | 9.96% | 61,330,181 | | \$ 13,307,188.95 |
| Class III Skim Milk | 16.64% | 98,593,236 | \$9.93 /cwt. | \$ 9,790,308.34 |
| Class III Butterfat | 21.94% | 5,129,593 | \$1.5433 /lb. | 7,916,500.88 |
| Total Class III Milk | 16.84% | 103,722,829 | | \$ 17,706,809.22 |
| Class IV Skim Milk | 5.66% | 33,522,097 | \$9.96 /cwt. | \$ 3,338,800.87 |
| Class IV Butterfat | 17.83% | 4,168,196 | \$1.5433 /lb. | 6,432,776.90 |
| Total Class IV Milk | 6.12% | 37,690,293 | | \$ 9,771,577.77 |
| Producer Milk | 100.00% | 615,755,091 | | \$ 104,833,525.37 |

Adjustments

| | |
|---|-------------------|
| Overage and Other Source | \$20,723.93 |
| Inventory Adjustments | \$129,038.33 |
| Producer butterfat at uniform butterfat price | (\$35,428,051.84) |
| Location Adjustments to Producers | \$3,686,894.34 |
| 1/2 Unobligated Balance in P.S.F | \$260,990.09 |

Adjusted Pool Value

| | | |
|--------------------------------------|--------------------|------------------------|
| | \$ 12.40824 | \$73,503,120.22 |
| Reserve for Producer Settlement Func | \$ 0.04824 | \$285,777.24 |

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

\$12.36

Uniform Price per cwt. (Fulton County, Georgia)

\$17.23*

* 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 % |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | DEC 2009 | JAN 2010 | NOV 2009 | DEC 2009 | DEC 2009 |
| Appalachian (Charlotte) | \$ 17.39 | \$ 18.43 | \$ 15.89 | \$ 16.99 | 71.96% |
| Arizona (Phoenix) | \$ 16.34 | \$ 17.38 | \$ 14.38 | \$ 15.50 | 35.68% |
| Central (Kansas City) | \$ 15.99 | \$ 17.03 | \$ 13.86 | \$ 14.96 | 39.28% |
| Florida (Tampa) | \$ 19.39 | \$ 20.43 | \$ 17.80 | \$ 18.99 | 87.65% |
| Mideast (Cleveland) | \$ 15.99 | \$ 17.03 | \$ 14.11 | \$ 15.12 | 43.60% |
| Northeast (Boston) | \$ 17.24 | \$ 18.28 | \$ 15.02 | \$ 16.11 | 47.30% |
| Pacific Northwest (Seattle) | \$ 15.89 | \$ 16.93 | \$ 13.92 | \$ 15.05 | 32.44% |
| Southeast (Atlanta) | \$ 17.79 | \$ 18.83 | \$ 16.28 | \$ 17.23 | 67.08% |
| Southwest (Dallas) | \$ 16.99 | \$ 18.03 | \$ 15.03 | \$ 16.00 | 41.12% |
| Upper Midwest (Chicago) | \$ 15.79 | \$ 16.83 | \$ 14.12 | \$ 15.06 | 14.50% |

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

| Receipts: | December 2009 | December 2008 |
|--|----------------------|----------------------|
| Producer Milk | | |
| Class I | 413,011,788 | 404,358,352 |
| Class II | 61,330,181 | 53,631,610 |
| Class III | 103,722,829 | 75,349,839 |
| Class IV | 37,690,293 | 73,125,886 |
| | <hr/> | <hr/> |
| Total Producer Milk | 615,755,091 | 606,465,687 |
| Average Butterfat Test | 3.80% | 3.80% |
| Percent of Producer Milk in Class I | 67.08% | 66.68% |
| Daily Average Receipts | 19,863,067 | 19,563,409 |
| Other Source Milk | | |
| Class I | 8,054,741 | 6,729,978 |
| Class II | 5,717,821 | 4,052,216 |
| Class III | 1,484,415 | 3,659,525 |
| Class IV | 6,651,159 | 8,577,389 |
| | <hr/> | <hr/> |
| Total Other Source Milk | 21,908,136 | 23,019,108 |
| Overage | | |
| Class I | 0 | 17,775 |
| Class II | 0 | 0 |
| Class III | 93,893 | 0 |
| Class IV | 7,387 | 1 |
| | <hr/> | <hr/> |
| Total Overage | 101,280 | 17,776 |
| Opening Inventory | | |
| Class I | 34,325,789 | 34,670,435 |
| Class II | 5,765,845 | 3,011,735 |
| Class III | 2,620,397 | 2,416,088 |
| Class IV | 15,022,633 | 22,768,343 |
| | <hr/> | <hr/> |
| Total Opening Inventory | 57,734,664 | 62,866,601 |
| | <hr/> | <hr/> |
| Total Receipts | 695,499,171 | 692,369,172 |
| Utilization: | | |
| Class I Utilization | | |
| Inventory of Packaged FMP | 37,341,949 | 32,602,205 |
| Route Disposition Class I | 405,084,757 | 401,703,958 |
| Shrinkage | 3,192,291 | 2,505,412 |
| Transfers & Diversions to Nonpool | 9,773,321 | 8,964,965 |
| | <hr/> | <hr/> |
| Total Class I Utilization | 455,392,318 | 445,776,540 |
| Average Butterfat Test | 2.12% | 2.17% |
| Daily Average Utilization | 14,690,075 | 14,379,888 |
| Class II Utilization | | |
| Nonfluid Used To Produce | 1,008,227 | 1,433,861 |
| Shrinkage | 7,165,251 | 1,515 |
| Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses | 34,672,642 | 37,143,869 |
| | <hr/> | <hr/> |
| Total Class II Utilization | 72,813,847 | 60,695,561 |
| Average Butterfat Test | 9.66% | 9.12% |
| Class III Utilization | | |
| Shrinkage | 0 | 719,013 |
| Transfers & Diversions to Nonpool Used To Produce/Other Uses | 107,921,534 | 80,706,439 |
| | <hr/> | <hr/> |
| Total Class III Utilization | 107,921,534 | 81,425,452 |
| Average Butterfat Test | 4.83% | 4.69% |
| Class IV Utilization | | |
| Inventory | 15,676,556 | 19,299,248 |
| Nonfluid Used To Fortify | 3,122,829 | 2,865,984 |
| Shrinkage | 96 | 7,160,479 |
| Transfers & Diversions to Nonpool Used To Produce/Other Uses | 40,571,991 | 69,696,846 |
| | <hr/> | <hr/> |
| Total Class IV Utilization | 59,371,472 | 104,471,619 |
| Average Butterfat Test | 9.20% | 7.38% |
| | <hr/> | <hr/> |
| Total Utilization | 695,499,171 | 692,369,172 |

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2009 is \$17.23 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.36 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5152 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 December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 68.24% of all producer skim milk (priced to handlers at \$9.31 per hundredweight, plus the Class I differential, see page 2) and 37.65% of producer butterfat (priced to handlers at \$1.4310 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.46% of all producer skim milk (\$9.14 per hundredweight) and 22.58% of producer butterfat (\$1.5503 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.64% of all producer skim milk (\$9.93 per hundredweight) and 21.94% of producer butterfat (\$1.5433 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.66% of all producer skim milk (\$9.96 per hundredweight) and 17.83% of producer butterfat (\$1.5433 per pound).

Packaged Class I Route Sales in Marketing Area

| Product Description | Pounds | Percent |
|--|--------------------|----------------|
| November 2009 | | |
| Whole Milk | 130,282,087 | 30.58% |
| Fat Free Milk | 47,935,530 | 11.25% |
| Lowfat Milk (incl. 1%) | 34,482,083 | 8.09% |
| Reduced Fat Milk (incl. 2%) | 154,520,963 | 36.27% |
| Cultured Fluid Milk (incl. Buttermilk) | 10,240,024 | 2.40% |
| Flavored Drinks and Milk | 48,627,600 | 11.41% |
| Total Disposition in Marketing Area | 426,088,287 | 100.00% |
| Total Disposition by Pool Plants | 342,368,204 | 80.35% |
| Total Disposition by Nonpool Plants | 83,720,083 | 19.65% |
| Total Disposition in Marketing Area | 426,088,287 | 100.00% |

Receipts of producer milk during December 2009 totaled 615.8 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 December 2009. Class I route disposition in the area was 426.1 million pounds in November 2009.

USDA Announces New Dairy Economic Loss Assistance Payment Program to Provide Financial Relief to Struggling Dairy Producers

On December 17, 2009, Secretary Tom Vilsack announced the implementation of the new Dairy Economic Loss Assistance Payment (DELAP) program. The 2010 Agricultural Appropriations Bill authorized \$290 million for loss assistance payments to eligible producers. Eligible producers will receive a one-time direct payment based on the amount of milk both produced and commercially marketed by their operation during the months of February through July 2009. Production information from these months will be used to estimate a full year's production for an operation to calculate the payments, using a 6-million pound per dairy operation limit.

Based on current information, Farm Service Agency estimates that 875 million hundredweight (cwt) of milk production will be eligible for payment. The reserve will cover new applicants and appeals. The expected payment rate is approximately \$0.32 per cwt.

To be eligible for DELAP, the dairy producer and the dairy operation in which the producer has a share:

- Must have produced milk in the United States and marketed milk commercially at any time from February through July 2009;
- Must have milk production data for those months;
- Must certify to all milk production produced and marketed by the dairy operation during that time.

Also, any dairy producer who has an annual average adjusted gross nonfarm income of more than \$500,000 for calendar years 2006 through 2008 is not eligible for DELAP. For more information and eligibility requirements on the new DELAP program, please visit your local FSA county office or www.fsa.usda.gov.

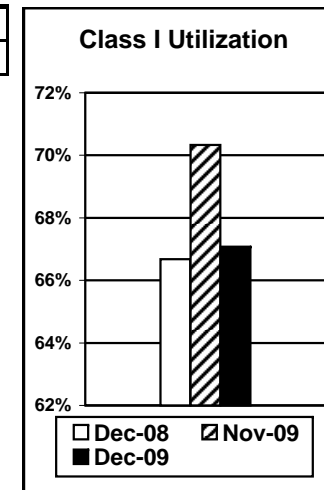
!! Reminder !!
 Southern Dairy Conference
 January 26-27, 2010,
 Atlanta, GA
www.southerndairyconference.com

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 |
| Nov 2008 | \$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 | \$1.5503 | \$14.25 | \$9.93 | \$1.5433 | \$14.98 | \$ 9.96 | \$1.5433 | \$15.01 | \$ 12.36 | \$1.5152 | \$17.23 |
| Jan 2010 | \$13.62 | \$1.6254 | \$18.83 | \$10.52 | | | | | | | | | | | |

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. | % |
| Nov 2008 | 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 | 2,801 | 394,695 | 70.33% | 66,691 | 11.88% | 71,884 | 12.81% | 27,950 | 4.98% |
| Dec | 615,755 | 2,800** | 413,012 | 67.08% | 61,330 | 9.96% | 103,723 | 16.84% | 37,690 | 6.12% |



* 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 January 2010 through March 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 |
| 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 |
| MAR 2010 | 04/11/10 | 04/12/10 | 04/13/10 | 03/25/10 | 03/26/10 | 04/13/10 | 04/14/10 |

** The base rate for making partial payments in Fulton County, GA for January will be \$15.51 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.23 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% |

WASDE Dairy Report 1/

WASDE - 478 January 12, 2010

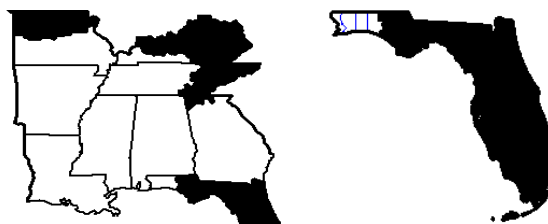
The milk production forecast is raised for 2010 reflecting the relatively slow pace of cow liquidation in late 2009. Commercial dairy exports for 2009 are adjusted reflecting stronger skim-basis sales, but slightly weaker fat-basis sales. Import forecasts are reduced for 2009. Trade forecasts are unchanged for 2010. Fat and skim-solids ending stocks are forecast higher for 2009. Ending stocks for 2010 are raised on a skim-solids basis but are lowered on a fat-basis. Forecasts of butter and cheese prices are lowered as milk production forecasts are raised.

However, relatively strong international demand should support prices for nonfat dry milk (NDM) and whey. The 2010 Class III price is lowered from last month as lower expected cheese prices more than offset stronger whey prices. The Class IV price forecast for 2010 is raised from last month as stronger NDM prices more than offset weaker butter prices. The all milk price is reduced to \$16.20 to \$17.00 for 2010.

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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