

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

June 2010

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

## Transportation Credits Extended to June

The Atlanta Market Administrator has approved a request to extend the Transportation Credit Balancing Fund payout period to June 2010. Section 1007.82(b) of the Order Regulating the Handling of Milk in the Southeast Marketing Area provides regulatory authority to the Market Administrator for this action.

Visit [www.fmmatlanta.com](http://www.fmmatlanta.com) and click on 'What's New' for more information on this action.

## Fluid Milk Product Definition Decision Issued

The USDA has issued a final decision to amend the definition of Class I fluid milk products in all Federal milk marketing orders. These amendments were considered in a recommended decision published May 17, 2006.

Under the final decision, a product will meet the compositional standards for fluid milk products if it contains at least 6.5 percent nonfat milk solids or 2.25 percent true milk protein. This decision also amends the fluid milk product definition to provide exemptions for drinkable yogurt products containing at least 20 percent yogurt (by weight), kefir, and products intended to be meal replacements. The decision clarifies how milk and milk-derived ingredients should be priced under all Federal milk marketing orders when used in fluid milk products.

The final decision was published in the June 14 Federal Register. These amendments are subject to producer approval before they can be implemented. For additional information, visit [www.fmmatlanta.com](http://www.fmmatlanta.com) and click on 'What's New'.

## DOJ and USDA Dairy Workshop

The Department of Justice and the USDA have announced additional details regarding the June 25, 2010 public workshop in Madison, Wisconsin, which will *(continued on Page 4)*

## Uniform Price Up \$0.56/cwt

The uniform price in Fulton County, GA, was \$16.59 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.56 higher than the previous month and is \$3.38 per hundredweight higher compared with May of last year.

Class I utilization was 59.89 percent in May, a decrease of 2.29 percent compared with the previous month and an increase of 2.71 percent compared with May 2009.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 16.39 billion pounds, an increase of 1.5 percent from April 2009 and an increase of 2.1 percent when compared with March 2010 on a daily average basis. Total cheese output (excluding cottage cheese) was 863 million pounds, 1.8 percent above April 2009 but essentially unchanged from March 2010 on a daily average basis. Butter production was 139 million pounds, 2.5 percent below April 2009 but 3.2 percent higher than March 2010 on a daily average basis.

Nonfat dry milk powder production was 152.2 million pounds in April, up 7.7 percent from April of last year and 14.7 percent above March 2010 on a daily average basis. Dry whey production was 90.8 million pounds, up 9.1 percent from April 2009 and 1.4 percent above March 2010 on a daily average basis. Whey protein concentrates production was 35.7 million pounds, up 8.4 percent from April 2009 and 1.4 percent above March 2010 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 2.20 in May, up 0.02 from the previous month's revised ratio.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2010**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.70%	7,432,768	\$1.5920	\$ 11,832,966.65
Class I Differential at Location				250,072.21
Class II Butterfat	28.71%	6,332,867	\$1.7128	10,846,934.61
Class III Butterfat	26.43%	5,829,956	\$1.7058	9,944,738.96
Class IV Butterfat	11.16%	2,462,277	\$1.7058	4,200,152.10
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,057,868</b>		<b>\$ 37,074,864.53</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6808**

**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	60.86%	365,423,749	\$8.53 /cwt.	\$ 31,170,645.78
Class I Butterfat	33.70%	7,432,768	\$1.5920 /lb.	11,832,966.65
Class I Differential at Location		372,856,517		12,523,917.41
<b>Total Class I Milk</b>	<b>59.89%</b>	<b>372,856,517</b>		<b>\$ 55,527,529.84</b>
Class II Skim Milk	11.28%	67,722,863	\$9.23 /cwt.	\$ 6,250,820.26
Class II Butterfat	28.71%	6,332,867	\$1.7128 /lb.	10,846,934.61
<b>Total Class II Milk</b>	<b>11.90%</b>	<b>74,055,730</b>		<b>\$ 17,097,754.87</b>
Class III Skim Milk	24.62%	147,822,461	\$7.68 /cwt.	\$ 11,352,765.01
Class III Butterfat	26.43%	5,829,956	\$1.7058 /lb.	9,944,738.96
<b>Total Class III Milk</b>	<b>24.69%</b>	<b>153,652,417</b>		<b>\$ 21,297,503.97</b>
Class IV Skim Milk	3.24%	19,425,386	\$9.66 /cwt.	\$ 1,876,492.28
Class IV Butterfat	11.16%	2,462,277	\$1.7058 /lb.	4,200,152.10
<b>Total Class IV Milk</b>	<b>3.52%</b>	<b>21,887,663</b>		<b>\$ 6,076,644.38</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>622,452,327</b>		<b>\$ 99,999,433.06</b>

**Adjustments**

Overage and Other Source	\$0.00
Inventory Adjustments	\$12,428.08
Producer butterfat at uniform butterfat price	(\$37,074,864.53)
Location Adjustments to Producers	\$3,722,389.25
1/2 Unobligated Balance in P.S.F	\$263,533.53

**Adjusted Pool Value**

**\$ 11.14649**      **\$66,922,919.39**

Reserve for Producer Settlement Func      **\$ 0.04649**      \$279,134.43

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

**\$11.10**

**Uniform Price per cwt. (Fulton County, Georgia)**

**\$16.59\***

\* 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 %
	MAY 2010	JUN 2010	APR 2010	MAY 2010	MAY 2010
Appalachian (Charlotte)	\$ 17.20	\$ 18.68	\$ 15.86	\$ 16.64	64.85%
Arizona (Phoenix)	\$ 16.15	\$ 17.63	\$ 14.14	\$ 15.03	30.20%
Central (Kansas City)	\$ 15.80	\$ 17.28	\$ 13.80	\$ 14.46	31.58%
Florida (Tampa)	\$ 19.20	\$ 20.68	\$ 18.20	\$ 18.73	84.93%
Mideast (Cleveland)	\$ 15.80	\$ 17.28	\$ 14.03	\$ 14.76	37.20%
Northeast (Boston)	\$ 17.05	\$ 18.53	\$ 15.11	\$ 15.91	39.70%
Pacific Northwest (Seattle)	\$ 15.70	\$ 17.18	\$ 13.79	\$ 14.60	27.20%
<b>Southeast (Atlanta)</b>	<b>\$ 17.60</b>	<b>\$ 19.08</b>	<b>\$ 16.03</b>	<b>\$ 16.59</b>	<b>59.89%</b>
Southwest (Dallas)	\$ 16.80	\$ 18.28	\$ 14.76	\$ 15.45	32.96%
Upper Midwest (Chicago)	\$ 15.60	\$ 17.08	\$ 13.28	\$ 13.77	11.90%

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

<b>Receipts:</b>	<b>May 2010</b>	<b>May 2009</b>
<b>Producer Milk</b>		
Class I	372,856,517	379,284,259
Class II	74,055,730	61,294,781
Class III	153,652,417	155,016,083
Class IV	21,887,663	67,704,549
	<hr/>	<hr/>
Total Producer Milk	<b>622,452,327</b>	<b>663,299,672</b>
Average Butterfat Test	3.54%	3.55%
Percent of Producer Milk in Class I	59.89%	57.18%
Daily Average Receipts	20,079,107	21,396,764
<b>Other Source Milk</b>		
Class I	6,098,879	6,878,081
Class II	3,434,785	3,390,662
Class III	2,528,055	2,909,666
Class IV	5,709,680	7,101,240
	<hr/>	<hr/>
Total Other Source Milk	<b>17,771,399</b>	<b>20,279,649</b>
<b>Overage</b>		
Class I	0	6,317
Class II	0	0
Class III	0	0
Class IV	0	32,393
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>38,710</b>
<b>Opening Inventory</b>		
Class I	37,462,871	35,076,642
Class II	935,304	729,352
Class III	1,910,497	3,428,810
Class IV	9,894,615	13,814,691
	<hr/>	<hr/>
Total Opening Inventory	<b>50,203,287</b>	<b>53,049,495</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>690,427,013</b>	<b>736,667,526</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	27,317,520	26,492,569
Route Disposition Class I	378,306,086	382,881,850
Shrinkage	1,516,418	2,610,159
Transfers & Diversions to Nonpool	9,278,243	9,260,721
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Total Class I Utilization	<b>416,418,267</b>	<b>421,245,299</b>
Average Butterfat Test	1.99%	2.05%
Daily Average Utilization	13,432,847	13,588,558
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,529,701	1,368,899
Shrinkage	8,160	287,492
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	53,391,983	40,368,672
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Total Class II Utilization	<b>78,425,819</b>	<b>65,414,795</b>
Average Butterfat Test	9.30%	9.71%
<b>Class III Utilization</b>		
Shrinkage	7,030,125	7,753,961
Transfers & Diversions to Nonpool	146,716,573	148,959,694
Used To Produce/Other Uses	4,344,271	4,640,904
	<hr/>	<hr/>
Total Class III Utilization	<b>158,090,969</b>	<b>161,354,559</b>
Average Butterfat Test	3.76%	3.44%
<b>Class IV Utilization</b>		
Inventory	21,561,164	27,393,094
Nonfluid Used To Fortify	1,315,998	1,642,956
Shrinkage	0	8,967
Transfers & Diversions to Nonpool	14,614,796	59,607,856
Used To Produce/Other Uses	0	0
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Total Class IV Utilization	<b>37,491,958</b>	<b>88,652,873</b>
Average Butterfat Test	9.45%	6.69%
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<b>Total Utilization</b>	<b>690,427,013</b>	<b>736,667,526</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2010 is \$16.59 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.10 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6808 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 May, Class I use, which is primarily bottled or packaged fluid milk, accounted for 60.86% of all producer skim milk (priced to handlers at \$8.53 per hundredweight, plus the Class I differential, see page 2) and 33.70% of producer butterfat (priced to handlers at \$1.5920 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.28% of all producer skim milk (\$9.23 per hundredweight) and 28.71% of producer butterfat (\$1.7128 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.62% of all producer skim milk (\$7.68 per hundredweight) and 26.43% of producer butterfat (\$1.7058 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.24% of all producer skim milk (\$9.66 per hundredweight) and 11.16% of producer butterfat (\$1.7058 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2010</b>		
Whole Milk	127,101,877	30.04%
Fat Free Milk	50,722,760	11.99%
Lowfat Milk (incl. 1%)	38,748,025	9.16%
Reduced Fat Milk (incl. 2%)	150,618,377	35.60%
Cultured Fluid Milk (incl. Buttermilk)	7,922,555	1.87%
Flavored Drinks and Milk	47,960,288	11.34%
<b>Total Disposition in Marketing Area</b>	<b>423,073,882</b>	<b>100.00%</b>
Total Disposition by Pool Plants	343,815,716	81.27%
Total Disposition by Nonpool Plants	79,258,166	18.73%
<b>Total Disposition in Marketing Area</b>	<b>423,073,882</b>	<b>100.00%</b>

Receipts of producer milk during May totaled 622.5 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2010. Class I route disposition in the area was 423.1 million pounds in April 2010.

## DOJ and USDA Dairy Workshop

*(continued from Page 1)* examine competition and regulatory issues in the dairy industry. The workshop will be held at the University of Wisconsin-Madison, 800 Langdon Street, Madison, Wisconsin.

This is the third in a series of five joint public workshops. The first workshop was held in March in Ankeny, Iowa, with a focus on row crops and hogs. The second workshop focused on issues in the poultry industry and was held in Normal, Alabama, last month.

The workshops, which were first announced by Attorney General Eric Holder and Agriculture Secretary Tom Vilsack on Aug. 5, 2009, are the first joint Department of Justice/USDA workshops ever to be held to discuss competition and regulatory issues in the agriculture industry. The goals of the workshops are to promote dialogue among interested parties and foster learning with respect to the appropriate legal and economic analyses of these issues, as well as to listen to and learn from parties with experience in the agriculture sector. Attendance at the workshops is free and open to the public. The general public and media interested in attending the Wisconsin workshop should register at [www.surveymonkey.com/s/V3FHXPY](http://www.surveymonkey.com/s/V3FHXPY).

U.S. Attorney General Eric Holder, U.S. Agriculture Secretary Tom Vilsack and Assistant Attorney General for the Justice Department's Antitrust Division Christine Varney will participate in a roundtable discussion to open the Wisconsin workshop. Senators Herb Kohl and Russell Feingold, Representatives Ron Kind, Steve Kagen and Tammy Baldwin, Governor Jim Doyle, and Wisconsin Agriculture Secretary Rod Nilsestuen have tentatively accepted invitations to join this roundtable discussion. Invitations have been extended to Representatives Thomas Petri and David Obey. The remaining panels will feature farmers, processors, academics and other dairy industry stakeholders. Additional details on the schedule and panelists will be provided at a later date.

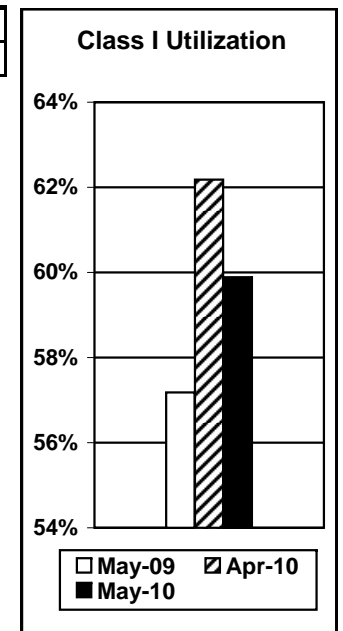
Please visit the Department of Justice Antitrust Division's events website, [www.justice.gov/atr/events.htm](http://www.justice.gov/atr/events.htm), or contact [agriculturalworkshops@usdoj.gov](mailto:agriculturalworkshops@usdoj.gov) for more information.

**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
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	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$9.13	\$1.4405	\$13.85	\$12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$8.14	\$1.4404	\$12.90	\$13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$7.82	\$1.5347	\$12.92	\$11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$8.49	\$1.5813	\$13.73	\$10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$9.66	\$1.7058	\$15.29	\$11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31											

**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.	%
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	2,747	413,012	67.08%	61,330	9.96%	103,723	16.84%	37,690	6.12%
Jan 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,700**	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%



## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods June 2010 through August 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
JUN 2010	07/11/10	07/12/10	07/13/10	06/25/10	06/28/10	07/13/10	07/14/10
JUL 2010	08/11/10	08/12/10	08/13/10	07/26/10	07/26/10	08/13/10	08/16/10
AUG 2010	09/11/10	09/13/10	09/14/10	08/25/10	08/26/10	09/14/10	09/15/10

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$14.93 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.59 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 – 483 June 10, 2010

Forecast milk production for 2010 is raised slightly from last month reflecting a slower decline in cow numbers and stronger expected growth in milk per cow. Milk production for 2011 is unchanged. Exports for 2010 and 2011 are raised on both a fat and skim solids basis. Product exports were higher than expected in the first quarter of 2010, and with generally tight world supplies, U.S. exports are expected to remain strong into 2011. Import forecasts are lowered for 2010 and 2011. Imports are reduced largely because of smaller-than-expected cheese imports in the first-quarter 2010 and expectations that imports will remain weak into 2011 due to relatively low U.S. prices and tight world supplies.

The Class III price forecast for 2010 is reduced slightly on a lower whey price forecast as international whey prices are weaker. The Class IV price forecast for 2010 is raised on higher butter and nonfat dry milk (NDM) price forecasts. The all milk price for 2010 is forecast to average \$15.75 to \$16.15 per cwt. The 2011 forecasts for Class III and IV prices and the all milk price are raised. Improving domestic and export demand is expected to support NDM prices. The cheese price forecast is raised as higher butter/powder values are expected to divert milk from cheese production. Coupled with higher forecast exports and lower imports, tighter supplies are expected to support prices. The all milk price forecast for 2011 is raised to \$15.80 to \$16.80 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).*



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