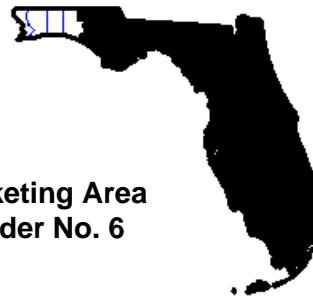


FLORIDA Fluid Milk Report

Sue L. Mosley
Market Administrator

Florida Marketing Area
Federal Order No. 6



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Final Rule Regarding National Dairy Promotion and Research Board Issued

On December 23, 2011, USDA announced a final rule that amends the National Dairy Promotion and Research Order. The final rule adopts the National Dairy Promotion and Research Board's proposal and therefore representation in Region 1 is increased from one member to two members; Region 2 representation is decreased from eight members to seven members; Region 3 is decreased from four members to two members; Region 8 and Region 10 are combined to create a new Region 10 with two members, and is comprised of Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and Virginia; Region 8 is now comprised of Idaho with two members; Region 12 and 13 are combined to create a new Region 12 and is comprised of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont, with three members.

The Dairy Order provides that the board shall review the geographic distribution of milk production throughout the United States and, if warranted, shall recommend to the Secretary a reapportionment of the regions and/or modification of the number of members from the regions in order to better reflect the geographic distribution of milk production volume in the United States.

The board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education. It is financed by a mandatory 15-cent per hundredweight assessment on all milk marketed commercially and a 7.5-cent per hundredweight assessment, or equivalent thereof, on milk and dairy products imported into the United States. The final rule is available on the AMS website at www.ams.usda.gov/dairy.

Uniform Price Lower

The uniform price in Hillsborough County, Florida, was \$22.79 per hundredweight for milk at 3.5 percent butterfat for the month of December. This represents a decrease of \$0.36 compared with the previous month and an increase of \$2.10 from December 2010.

Class I utilization was 87.01 percent in December, an increase of 1.72 percent versus last month and an increase of 1.28 percent compared with December 2010.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 15.78 billion pounds, an increase of 1.8 percent from November 2010 and an increase of 0.4 percent when compared with October 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 886 million pounds, 0.3 percent above November 2010 and 2.0 percent higher than October 2011 a daily average basis. Butter production was 153 million pounds, 14.2 percent above November 2010 and 7.9 percent above October 2011 on a daily average basis.

Nonfat dry milk powder production was 120 million pounds in November, 2.9 percent above November 2010 and 23.3 percent above October 2011 on a daily average basis. Dry whey production was 77.5 million pounds in November, down 2.5 percent from October 2010 but 4.2 percent above October 2011. Whey protein concentrates production was 36.2 million pounds, 3.5 percent above November 2010 and 1.3 percent higher than October 2011 on a daily average basis.

The 38th Annual Southern Dairy Conference will be held in Atlanta on January 24-25, 2012. Visit southerndairyconference.com for more details.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - DECEMBER 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.02%	4,481,845	\$2.0191	\$ 9,049,293.23
Class I Differential at Location				248,763.21
Class II Butterfat	32.92%	3,010,223	\$1.7513	5,271,803.55
Class III Butterfat	6.68%	610,957	\$1.7443	1,065,692.30
Class IV Butterfat	11.38%	1,040,981	\$1.7443	1,815,783.16
Total Butterfat	100.00%	9,144,006		\$ 17,451,335.45

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$1.9085**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	88.46%	211,110,808	\$11.82 /cwt.	\$ 24,953,297.51
Class I Butterfat	49.02%	4,481,845	\$2.0191 /lb.	9,049,293.23
Class I Differential at Location		215,592,653		11,989,658.35
Total Class I Milk	87.01%	215,592,653		\$ 45,992,249.09
Class II Skim Milk	7.27%	17,346,418	\$12.38 /cwt.	\$ 2,147,486.54
Class II Butterfat	32.92%	3,010,223	\$1.7513 /lb.	5,271,803.55
Total Class II Milk	8.22%	20,356,641		\$ 7,419,290.09
Class III Skim Milk	1.51%	3,604,217	\$13.12 /cwt.	\$ 472,873.27
Class III Butterfat	6.68%	610,957	\$1.7443 /lb.	1,065,692.30
Total Class III Milk	1.70%	4,215,174		\$ 1,538,565.57
Class IV Skim Milk	2.76%	6,577,330	\$11.16 /cwt.	\$ 734,030.03
Class IV Butterfat	11.38%	1,040,981	\$1.7443 /lb.	1,815,783.16
Total Class IV Milk	3.07%	7,618,311		\$ 2,549,813.19
Producer Milk	100.00%	247,782,779		\$ 57,499,917.94

Adjustments

Overage and Other Source	\$15,702.10
Inventory Adjustments	\$18,771.50
Producer butterfat at uniform butterfat price	(\$17,451,335.45)
Location Adjustments to Producers	(\$251,614.59)
1/2 Unobligated Balance in P.S.F.	\$104,314.57
Adjusted Pool Value	\$ 16,73481
Reserve for Producer Settlement Fund	\$ 0.04481
	\$39,935,756.07
	\$106,944.84

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida): **\$16.69**

Uniform Price per cwt. (Hillsborough County, Florida) **\$22.79***

* 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 2011	JAN 2012	NOV 2011	DEC 2011	DEC 2011
Appalachian (Charlotte)	\$ 21.87	\$ 22.20	\$ 21.27	\$ 20.43	67.60%
Arizona (Phoenix)	\$ 20.82	\$ 21.15	\$ 19.31	\$ 18.57	30.78%
Central (Kansas City)	\$ 20.47	\$ 20.80	\$ 18.82	\$ 18.25	38.94%
Florida (Tampa)	\$ 23.87	\$ 24.20	\$ 23.15	\$ 22.79	87.01%
Mideast (Cleveland)	\$ 20.47	\$ 20.80	\$ 19.18	\$ 18.54	40.40%
Northeast (Boston)	\$ 21.72	\$ 22.05	\$ 20.23	\$ 19.57	43.70%
Pacific Northwest (Seattle)	\$ 20.37	\$ 20.70	\$ 18.77	\$ 18.05	32.80%
Southeast (Atlanta)	\$ 22.27	\$ 22.60	\$ 21.63	\$ 20.92	66.15%
Southwest (Dallas)	\$ 21.47	\$ 21.80	\$ 19.89	\$ 19.25	45.32%
Upper Midwest (Chicago)	\$ 20.27	\$ 20.60	\$ 19.15	\$ 18.71	14.70%

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

Receipts:	December 2011	December 2010
Producer Milk		
Class I	215,592,653	218,069,985
Class II	20,356,641	17,934,237
Class III	4,215,174	8,298,946
Class IV	7,618,311	10,078,007
	<hr/>	<hr/>
Total Producer Milk	247,782,779	254,381,175
Average Butterfat Test	3.69%	3.77%
Percent of Producer Milk in Class I	87.01%	85.73%
Daily Average Receipts	7,992,993	8,205,844
Other Source Milk		
Class I	4,518,312	4,692,814
Class II	6,046,130	6,811,886
Class III	0	28,785
Class IV	2,986,080	3,294,262
	<hr/>	<hr/>
Total Other Source Milk	13,550,522	14,827,747
Overage		
Class I	0	0
Class II	1,234	0
Class III	0	0
Class IV	7,763	8,768
	<hr/>	<hr/>
Total Overage	8,997	8,768
Opening Inventory		
Class I	9,239,724	12,397,052
Class II	292,368	0
Class III	50,932	1,012,466
Class IV	8,675,491	7,377,344
	<hr/>	<hr/>
Total Opening Inventory	18,258,515	20,786,862
	<hr/>	<hr/>
Total Receipts	279,600,813	290,004,552
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	11,178,064	11,608,646
Route Disposition Class I	217,091,308	222,255,667
Shrinkage	347,371	279,511
Transfers & Diversions to Nonpool	733,946	1,016,027
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Total Class I Utilization	229,350,689	235,159,851
Average Butterfat Test	2.08%	2.09%
Daily Average Utilization	7,398,409	7,585,802
Class II Utilization		
Nonfluid Used To Produce	6,017,866	6,789,225
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	9,173,130	6,371,550
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Total Class II Utilization	26,696,373	24,746,123
Average Butterfat Test	11.34%	11.27%
Class III Utilization		
Shrinkage	0	3,489,782
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	4,266,106	4,153,746
	<hr/>	<hr/>
Total Class III Utilization	4,266,106	9,340,197
Average Butterfat Test	14.32%	6.62%
Class IV Utilization		
Inventory	5,696,753	7,518,255
Nonfluid Used To Fortify	2,262,773	2,357,430
Shrinkage	3,718,294	46
Transfers & Diversions to Nonpool Used To Produce/Other Uses	5,471,819	10,882,650
	<hr/>	<hr/>
Total Class IV Utilization	19,287,645	20,758,381
Average Butterfat Test	8.07%	10.31%
	<hr/>	<hr/>
Total Utilization	279,600,813	290,004,552

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2011 is \$22.79 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.69 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9085 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 December, Class I use accounted for 88.46% of all producer skim milk (priced to handlers at \$11.82 per hundredweight, plus the Class I differential) and 49.02% of producer butterfat (priced to handlers at \$2.0191 per pound plus Class I differential). Class II use accounted for 7.27% of all producer skim milk (\$12.38 per hundredweight) and 32.92% of producer butterfat (\$1.7513 per pound). Class III use accounted for 1.51% of all producer skim milk (\$13.12 per hundredweight) and 6.68% of producer butterfat (\$1.7443 per pound). Class IV use accounted for 2.76% of all producer skim milk (\$11.16 per hundredweight) and 11.38% of producer butterfat (\$1.7443 per pound).

Receipts of producer milk during December totaled 247.8 million pounds, 6.6 million pounds less than December 2010. Florida producers supplied 164.9 million pounds of milk in November 2011 or 68.17% of the total producer milk pooled in Florida. In November 2010, Florida producers supplied 62.98% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for December 2011. In-area Class I route disposition totaled 242.0 million pounds in November 2011, 11.8 million pounds less than November 2010 and 3.5 percent lower after adjusting for calendar composition.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2011		
Whole Milk	80,217,893	33.15%
Fat Free Milk	33,644,586	13.90%
Lowfat Milk (incl. 1%)	34,345,914	14.19%
Reduced Fat Milk (incl. 2%)	67,921,703	28.07%
Cultured Fluid Milk (incl. Buttermilk)	1,362,886	0.56%
Flavored Drinks and Milk	24,469,057	10.11%
Total Disposition in Marketing Area	241,962,039	100.00%
Total Disposition by Pool Plants	208,807,416	86.30%
Total Disposition by Nonpool Plants	33,154,623	13.70%
Total Disposition in Marketing Area	241,962,039	100.00%

Mailbox Milk Prices For Selected Reporting Areas 2/

Reporting Area 1/	Aug-11	Sep-11	Oct-11
New England States 3/	23.36	22.69	21.26
Eastern Pennsylvania 4/	22.73	22.30	20.93
Appalachian States 5/	23.89	23.98	21.80
Southeast States 6/	24.87	24.76	22.65
Southern Missouri 7/	22.78	22.54	20.63
Florida	26.72	26.73	24.39
Western Pennsylvania 8/	22.87	22.31	20.99
Corn Belt States 9/	21.61	20.89	19.82
Western Texas 10/	21.45	20.44	18.40
Northwest States 11/	22.07	20.73	19.66
All Federal Order Areas 12/	22.25	21.39	20.10
California 13/	19.85	18.61	17.89

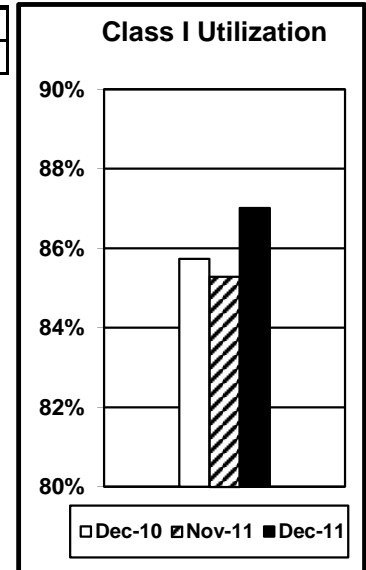
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 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
Oct 2010	\$14.02	\$2.4134	\$21.98	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 13.41	\$2.4327	\$21.46
Nov	\$14.38	\$2.5035	\$22.64	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 13.80	\$2.3682	\$21.61
Dec	\$14.51	\$2.3888	\$22.36	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 13.89	\$2.0805	\$20.69
Jan 2011	\$14.73	\$1.8236	\$20.60	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 14.02	\$1.9409	\$20.32
Feb	\$14.97	\$1.9543	\$21.29	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 14.35	\$2.1515	\$21.38
Mar	\$15.90	\$2.3676	\$23.63	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 15.28	\$2.3242	\$22.88
Apr	\$17.34	\$2.3123	\$24.83	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 16.55	\$2.2589	\$23.88
May	\$17.89	\$2.2524	\$25.15	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 16.88	\$2.2539	\$24.18
Jun	\$18.22	\$2.3240	\$25.72	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 17.42	\$2.3516	\$25.04
Jul	\$18.57	\$2.4310	\$26.43	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 17.87	\$2.3420	\$25.44
Aug	\$19.45	\$2.3036	\$26.83	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 18.77	\$2.3043	\$26.18
Sep	\$19.56	\$2.3715	\$27.18	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 18.84	\$2.2815	\$26.17
Oct	\$17.68	\$2.2554	\$24.96	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 17.04	\$2.0945	\$23.77
Nov	\$17.56	\$1.9719	\$23.85	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 16.87	\$1.9635	\$23.15
Dec	\$17.22	\$2.0731	\$23.87	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 16.69	\$1.9085	\$22.79
Jan 2012	\$18.57	\$1.7935	\$24.20	\$12.05											

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.	%
Oct 2010	243,978	386	208,794	85.57%	18,239	7.48%	8,996	3.69%	7,950	3.26%
Nov	247,448	387	214,304	86.61%	19,899	8.04%	6,466	2.61%	6,778	2.74%
Dec	254,381	366	218,070	85.73%	17,934	7.05%	8,299	3.26%	10,078	3.96%
Jan 2011	264,851	372	222,289	83.94%	20,060	7.57%	8,641	3.26%	13,861	5.23%
Feb	238,301	359	200,737	84.24%	17,952	7.53%	10,332	4.34%	9,281	3.89%
Mar	267,932	346	220,708	82.38%	30,341	11.32%	5,460	2.04%	11,422	4.26%
Apr	253,428	338	210,869	83.21%	24,231	9.56%	9,169	3.62%	9,158	3.61%
May	248,853	330	198,963	79.95%	21,260	8.54%	15,171	6.10%	13,460	5.41%
Jun	227,101	313	187,176	82.41%	19,432	8.56%	10,890	4.80%	9,603	4.23%
Jul	222,040	343	188,318	84.80%	18,842	8.49%	990	0.45%	13,889	6.26%
Aug	234,915	388	203,650	86.69%	21,671	9.23%	1,342	0.57%	8,251	3.51%
Sep	231,359	378	202,430	87.50%	18,882	8.16%	5,435	2.35%	4,612	1.99%
Oct	240,525	333	206,684	85.94%	20,167	8.38%	6,359	2.64%	7,315	3.04%
Nov	241,982	317	206,386	85.29%	21,261	8.79%	1,499	0.62%	12,836	5.30%
Dec	247,783	330**	215,693	87.01%	20,357	8.22%	4,215	1.70%	7,618	3.07%



* 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 January through March 2012									
	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
JAN 2012	02/11/12	02/13/12	02/14/12	01/19/12	01/20/12	02/06/12	02/06/12	02/14/12	02/15/12
FEB 2012	03/11/12	03/12/12	03/13/12	02/21/12	02/20/12	03/04/12	03/05/12	03/13/12	03/14/12
MAR 2012	04/11/12	04/12/12	04/13/12	03/19/12	03/20/12	04/04/12	04/05/12	04/13/12	04/16/12

**The base rate for making partial payments in Hillsborough Co., FL for December will be \$20.51 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.37 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%

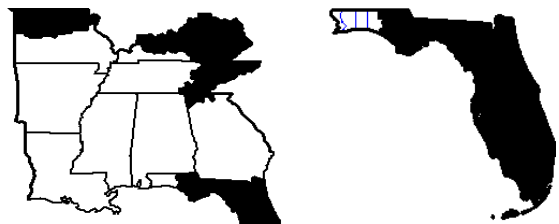
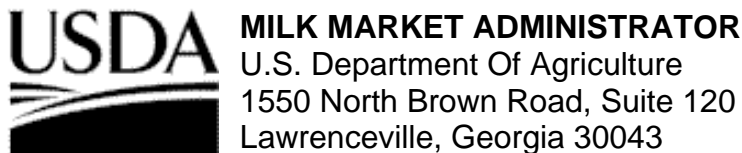
WASDE Dairy Report 1/

WASDE – 502 January 12, 2012

The milk production forecast for 2011 is lowered slightly on lower expected cow numbers for the fourth quarter, but the forecast for 2012 is unchanged from last month. Larger-than-expected cheese imports for 2011 and into 2012 boost fat-basis import forecasts, but the strength of cheese imports in 2012 is offset by lower expected imports of skim products resulting in a lower 2012 skim-solids import forecast. The skim-solids exports estimate for 2011 is raised on higher-than-expected October exports.

The forecast 2012 cheese price is lowered, but forecasts for nonfat dry milk (NDM) and whey prices are raised. The higher whey price is expected to more than offset the lowered cheese price forecast, resulting in a higher forecast Class III price. The higher forecast NDM price results in a higher Class IV price. The all milk price for 2012 is raised to \$18.30 to \$19.10 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.



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