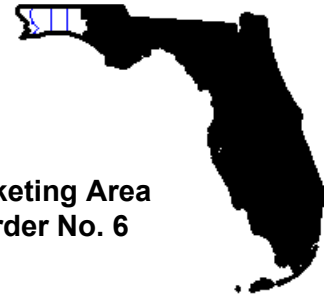


# FLORIDA Fluid Milk Report

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Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

January 2013

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## 2013 Milk Production Inches Upward from Earlier Forecasts; Milk Prices Slip

*From Livestock, Dairy, & Poultry Outlook, January 17, 2013, Economic Research Service, USDA:*

Corn price forecasts were unchanged in the January World Agricultural Supply and Demand Estimates after being lowered in December. Corn prices for 2012/13 are forecast at \$6.80-\$8.00 per bushel. However, soybean meal prices were lowered slightly in the January forecast to \$430 - \$460 per ton. According to the December Agricultural Prices report, the December price for alfalfa hay was \$217 per ton, changing little from November's reported price but still above year-earlier prices. Until the end of December, weekly dairy cow slaughter has been above year-earlier levels and the 3-year average since early in 2012, yet dairy cow numbers for much of 2012 remained above 2011. Along with steady replacement heifer prices, this high slaughter rate suggests some herd freshening among producers.

Expectations of moderating feed prices, down from last summer's drought-induced highs, led to slightly higher 2013 forecast dairy cow numbers in January. The dairy herd is expected to average 9,135 million head for 2013. Yield per cow is forecast at 21,880 pounds per cow, unchanged from December. Production for 2013 is projected at 199.9 billion pounds, up slightly from last month based on the higher expected cow numbers.

Imports for 2013, on a fats basis, were raised to 4 billion pounds based on higher expected cheese and butterfat imports. Imports on a skims-solids basis were unchanged from December at 5.4 billion pounds. Exports were raised on both a fats and skims-solids basis, to 9.0 billion pounds and 33.6 billion pounds, respectively. Fats basis exports were raised on stronger expected cheese sales, while the skims solids export forecast increase is based on expected strong demand for nonfat dry milk (NDM) and whey. (Continued on Page 4)

## Uniform Price Declines

The uniform price in Hillsborough County, Florida, was \$24.90 per hundredweight for milk at 3.5 percent butterfat for the month of December. This represents a decrease of \$0.22 compared with the previous month and an increase of \$2.11 from December 2011.

Class I utilization was 81.87 percent in December, down 5.80 percent compared to last month and a decrease of 5.14 percent compared with December of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2012 was 15.97 billion pounds, an increase of 1.0 percent from November 2011 and an increase of 1.5 percent when compared with October 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 912 million pounds, 1.8 percent above November 2011 and 1.5 percent above October 2012 on a daily average basis. Butter production was 144 million pounds, 6.0 percent below November 2011 but 2.5 percent above October 2012 on a daily average basis.

Nonfat dry milk powder production was 116 million pounds in November 2012, a decrease of 3.8 percent versus November of last year and 25.8 percent higher than October 2012 on a daily average basis. Dry whey production was 71.5 million pounds in November, 7.8 percent below November of last year and 2.4 percent below October 2012 on a daily average basis. Whey protein concentrates production was 36.5 million pounds in November, a 0.8 percent decrease compared to November of last year and a 2.0 percent increase over October 2012 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.65 in December 2012, 0.08 below November 2012.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - DECEMBER 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	45.53%	4,280,818	\$2.0763	\$ 8,888,262.43
Class I Differential at Location				238,785.88
Class II Butterfat	27.72%	2,606,251	\$1.7346	4,520,803.00
Class III Butterfat	3.90%	366,603	\$1.7276	633,343.34
Class IV Butterfat	22.85%	2,148,536	\$1.7276	3,711,810.80
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,402,208</b>		<b>\$ 17,993,005.45</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.9137**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	83.29%	202,430,640	\$14.63 /cwt.	\$ 29,615,602.63
Class I Butterfat	45.53%	4,280,818	\$2.0763 /lb.	8,888,262.43
Class I Differential at Location		206,711,458		11,518,632.81
<b>Total Class I Milk</b>	<b>81.87%</b>	<b>206,711,458</b>		<b>\$ 50,022,497.87</b>
Class II Skim Milk	6.95%	16,903,135	\$12.67 /cwt.	\$ 2,141,627.19
Class II Butterfat	27.72%	2,606,251	\$1.7346 /lb.	4,520,803.00
<b>Total Class II Milk</b>	<b>7.73%</b>	<b>19,509,386</b>		<b>\$ 6,662,430.19</b>
Class III Skim Milk	3.98%	9,683,969	\$13.07 /cwt.	\$ 1,265,694.76
Class III Butterfat	3.90%	366,603	\$1.7276 /lb.	633,343.34
<b>Total Class III Milk</b>	<b>3.98%</b>	<b>10,050,572</b>		<b>\$ 1,899,038.10</b>
Class IV Skim Milk	5.78%	14,059,931	\$12.21 /cwt.	\$ 1,716,717.57
Class IV Butterfat	22.85%	2,148,536	\$1.7276 /lb.	3,711,810.80
<b>Total Class IV Milk</b>	<b>6.42%</b>	<b>16,208,467</b>		<b>\$ 5,428,528.37</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>252,479,883</b>		<b>\$ 64,012,494.53</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$0.00
Producer butterfat at uniform butterfat price	(\$17,993,005.45)
Location Adjustments to Producers	(\$171,662.06)
1/2 Unobligated Balance in P.S.F.	\$107,107.99

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18,90545	\$45,954,935.01
	<u>\$ 0.04545</u>	\$110,485.51

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

**\$18.86**

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

**\$24.90\***

\* 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 2012	JAN 2012	NOV 2012	DEC 2012	DEC 2012
Appalachian (Charlotte)	\$ 24.79	\$ 22.37	\$ 22.88	\$ 22.28	64.52%
Arizona (Phoenix)	\$ 23.74	\$ 21.32	\$ 20.67	\$ 19.67	30.08%
Central (Kansas City)	\$ 23.39	\$ 20.97	\$ 20.23	\$ 19.56	37.97%
<b>Florida (Tampa)</b>	<b>\$ 26.79</b>	<b>\$ 24.37</b>	<b>\$ 25.12</b>	<b>\$ 24.90</b>	<b>81.87%</b>
Mideast (Cleveland)	\$ 23.39	\$ 20.97	\$ 20.38	\$ 19.72	37.40%
Northeast (Boston)	\$ 24.64	\$ 22.22	\$ 21.35	\$ 20.65	38.70%
Pacific Northwest (Seattle)	\$ 23.29	\$ 20.87	\$ 19.98	\$ 19.17	25.91%
Southeast (Atlanta)	\$ 25.19	\$ 22.77	\$ 23.47	\$ 22.72	63.23%
Southwest (Dallas)	\$ 24.39	\$ 21.97	\$ 21.37	\$ 20.22	30.01%
Upper Midwest (Chicago)	\$ 23.19	\$ 20.77	\$ 20.68	\$ 18.98	11.60%

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

Receipts:	December 2012	December 2011
<b>Producer Milk</b>		
Class I	206,711,458	215,592,653
Class II	19,509,386	20,356,641
Class III	10,050,572	4,215,174
Class IV	16,208,467	7,618,311
	<hr/>	<hr/>
Total Producer Milk	<b>252,479,883</b>	<b>247,782,779</b>
Average Butterfat Test	3.72%	3.69%
Percent of Producer Milk in Class I	81.87%	87.01%
Daily Average Receipts	8,144,512	7,992,993
<b>Other Source Milk</b>		
Class I	4,809,480	4,518,312
Class II	6,375,691	6,046,130
Class III	0	0
Class IV	2,471,939	2,986,080
	<hr/>	<hr/>
Total Other Source Milk	<b>13,657,110</b>	<b>13,550,522</b>
<b>Overage</b>		
Class I	0	0
Class II	0	1,234
Class III	0	0
Class IV	0	7,763
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>8,997</b>
<b>Opening Inventory</b>		
Class I	10,297,309	9,239,724
Class II	0	292,368
Class III	0	50,932
Class IV	5,052,471	8,675,491
	<hr/>	<hr/>
Total Opening Inventory	<b>15,349,780</b>	<b>18,258,515</b>
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<b>Total Receipts</b>	<b>281,486,773</b>	<b>279,600,813</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	8,148,278	11,178,064
Route Disposition Class I	212,598,141	217,091,308
Shrinkage	775,052	347,371
Transfers & Diversions to Nonpool	296,776	733,946
	<hr/>	<hr/>
Total Class I Utilization	<b>221,818,247</b>	<b>229,350,689</b>
Average Butterfat Test	2.08%	2.08%
Daily Average Utilization	7,155,427	7,398,409
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,375,692	6,017,866
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,567,374	9,173,130
	<hr/>	<hr/>
Total Class II Utilization	<b>25,885,077</b>	<b>26,696,373</b>
Average Butterfat Test	10.07%	11.34%
<b>Class III Utilization</b>		
Shrinkage	5,986	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	10,044,586	4,266,106
	<hr/>	<hr/>
Total Class III Utilization	<b>10,050,572</b>	<b>4,266,106</b>
Average Butterfat Test	3.65%	14.32%
<b>Class IV Utilization</b>		
Inventory	7,073,072	5,696,753
Nonfluid Used To Fortify	1,911,630	2,262,773
Shrinkage	4,081,927	3,718,294
Transfers & Diversions to Nonpool Used To Produce/Other Uses	8,980,163	5,471,819
	<hr/>	<hr/>
Total Class IV Utilization	<b>23,732,877</b>	<b>19,287,645</b>
Average Butterfat Test	10.94%	8.07%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>281,486,773</b>	<b>279,600,813</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2012 is \$24.90 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$18.86 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9137 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 83.29% of all producer skim milk (priced to handlers at \$14.63 per hundredweight, plus the Class I differential) and 45.53% of producer butterfat (priced to handlers at \$2.0763 per pound plus Class I differential). Class II use accounted for 6.95% of all producer skim milk (\$12.67 per hundredweight) and 27.72% of producer butterfat (\$1.7346 per pound). Class III use accounted for 3.98% of all producer skim milk (\$13.07 per hundredweight) and 3.90% of producer butterfat (\$1.7276 per pound). Class IV use accounted for 5.78% of all producer skim milk (\$12.21 per hundredweight) and 22.85% of producer butterfat (\$1.7276 per pound).

Receipts of producer milk during December totaled 252.5 million pounds, 4.7 million pounds more than December 2011. Florida producers supplied 166.2 million pounds of milk in November or 68.97% of the producer milk pooled in Florida. In November 2011, Florida producers supplied 68.18% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 8 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for December 2012. In-area Class I route disposition totaled 242.9 million pounds in November 2012, about one million more than November 2011 and 0.68 percent lower after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>November 2012</b>		
Whole Milk	81,740,133	33.65%
Fat Free Milk	31,163,234	12.83%
Lowfat Milk (incl. 1%)	34,388,500	14.16%
Reduced Fat Milk (incl. 2%)	69,592,320	28.65%
Cultured Fluid Milk (incl. Buttermilk)	1,602,474	0.66%
Flavored Drinks and Milk	24,401,227	10.05%
<b>Total Disposition in Marketing Area</b>	<b>242,877,888</b>	<b>100.00%</b>
Total Disposition by Pool Plants	214,184,372	88.18%
Total Disposition by Nonpool Plants	28,703,516	11.82%
<b>Total Disposition in Marketing Area</b>	<b>242,887,888</b>	<b>100.00%</b>

### 2013 Milk Production Inches Upward from Earlier Forecasts; Milk Prices Slip

(Continued from Page 1) Prices for cheese and butter were lowered this month based on current price weakness and apparent slow demand. Meanwhile, prices for NDM and whey were raised based on current price strength and expected strong export demand for dry products. The 2013 cheese price was lowered from December to \$1.710-\$1.790 per pound, and butter prices were lowered from December to \$1.535-\$1.645 per pound.

The NDM price is forecast at \$1.455-\$1.515 per pound, up from last month. The whey price is expected to be 61.0-64.0 cents per pound this year. The Class III milk price was reduced to \$17.65-\$18.45 per cwt this month as the lower forecast cheese price countered the higher expected whey price. Similarly, the Class IV price was lowered this month to \$16.90-\$17.80 per cwt as weaker butter prices more than offset the higher expected NDM price. The all milk price was reduced to \$18.85-\$19.65 per cwt.

### Statement from Agriculture Secretary Vilsack on Continuing His Service in the Obama Administration

Agriculture Secretary Tom Vilsack made the following statement today regarding the announcement that he will continue his service in the Obama Administration.

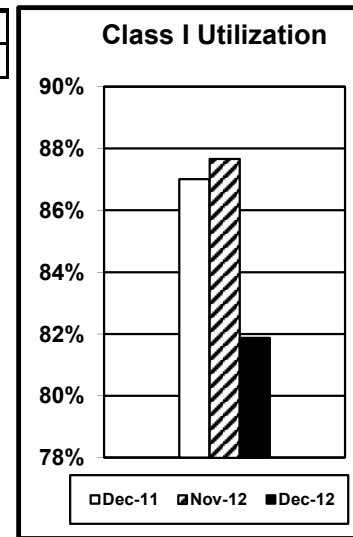
"President Obama and I share a deep appreciation for rural America and its unlimited potential in the years ahead to feed a growing world population, revolutionize America's energy, further protect our natural resources and create more jobs here at home. We will continue to urge Congress to pass a Food, Farm and Jobs Bill that will help us continue USDA's wide range of efforts to support this work. As we look ahead to a promising future in our small towns and rural communities, I am pleased to continue working alongside President Obama to grow more opportunity in rural America."

**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
Nov 2011	\$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	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96											

**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.	%
Nov 2011	241,982	317	206,386	85.29%	21,261	8.79%	1,499	0.62%	12,836	5.30%
Dec	247,783	293	215,593	87.01%	20,357	8.22%	4,215	1.70%	7,618	3.07%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	300**	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%



\* 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 2013									
	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 2013	02/11/13	02/12/13	02/13/13	01/22/13	01/22/13	02/04/13	02/05/13	02/13/13	02/14/13
FEB 2013	03/11/13	03/12/13	03/13/13	02/19/13	02/20/13	03/04/13	03/05/13	03/13/13	03/14/13
MAR 2013	04/11/13	04/12/13	04/15/13	03/19/13	03/20/13	04/04/13	04/05/13	04/15/13	04/16/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for January will be \$22.41 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$21.17 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 – 514 January 11, 2013

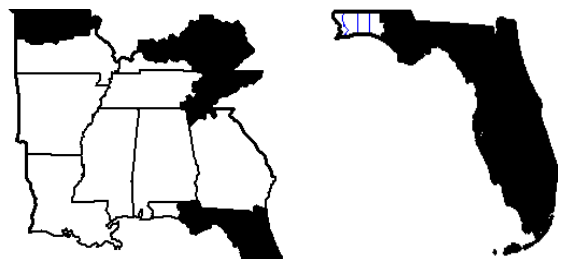
The milk production forecast for 2012 is increased based on a slower decline in cow numbers and greater output per cow in the fourth quarter. Milk production for 2013 is raised as the decline in cow numbers is dampened from last month. Fat-basis imports for 2012 and 2013 are raised on higher butterfat and cheese imports, but skim-solids imports for 2012 are reduced on lower casein imports.

Fat-basis exports are unchanged for 2012, but the forecast for 2013 is raised on greater expected cheese and whey sales. The estimate for 2012 skim-solids exports is reduced on lower nonfat dry milk (NDM) exports but the forecast for 2013 is raised.

Butter and cheese prices for 2013 are lowered based on current price weakness and weaker expected demand. NDM and whey prices for 2013 are forecast higher on current price strength. The Class III price forecast is reduced as lower forecast cheese prices more than offset the higher whey price. The Class IV price is lowered as the forecast decline in butter prices more than offsets higher NDM prices. The all milk price forecast is lowered to \$18.85 to \$19.65 per cwt. Product and milk prices for 2012 are adjusted to reflect reported December estimates.

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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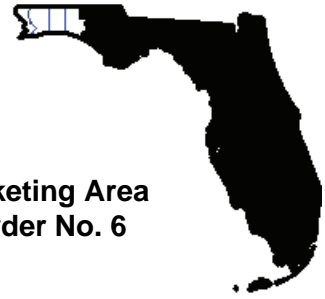
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# FLORIDA Fluid Milk Report

Erik F. Rasmussen  
*Acting Market Administrator*

Florida Marketing Area  
Federal Order No. 6



[www.fmmlanta.com](http://www.fmmlanta.com)

February 2013

Volume 14—No. 2

## USDA Issues Final Decision on Amendments to Milk Orders

On February 7, 2013, the U.S. Department of Agriculture issued a final decision proposing permanent amendments to all Federal milk marketing orders.

The decision proposes a permanent adoption of changes that are currently implemented on an interim basis. The amendments are based on the record of public hearing sessions held in 2007 in Strongsville, OH; Indianapolis, IN; and Pittsburgh, PA.

This decision would permanently adopt changes to the manufacturing cost allowances and the butterfat yield factor used in Class III and Class IV product-price formulas applicable to all Federal milk marketing orders. These amendments were adopted in an interim final rule in July 2008 and became effective in October 2008. This document also terminates the proceeding with regard to additional proposals that addressed the collection of manufacturing cost information, the use of an energy cost adjustor, and providing for a cost add-on feature to Class III and Class IV product-price formulas.

The amendments finalized by this decision require producer approval. The final decision may be obtained at [www.fmmlanta.com](http://www.fmmlanta.com) under 'What's New'.

## Milk Production Continues To Advance Based On Yields, as the U.S. Herd Contracts

*Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2013, Economic Research Service, USDA:*

The most recent USDA World Agricultural Supply and Demand estimates lowered the 2012/13 season-average price of corn to \$6.75-\$7.65 per bushel. Lower expected exports lie behind the price drop. Greater expected competition from Brazil offset higher expected domestic food, seed, and industrial use. In contrast, the soybean meal price forecast was unchanged from January at \$430-\$460 per ton. The outlook for forages remains precarious. The Crop Production report released February 8, 2012, estimated total U.S. hay (continued on Page 4)

## Uniform Price Declines

The uniform price in Hillsborough County, Florida, was \$23.32 per hundredweight for milk at 3.5 percent butterfat for the month of January. This represents a decrease of \$1.58 compared with the previous month and an increase of \$0.21 from January 2012.

Class I utilization was 85.95 percent in January, up 4.08 percent compared to last month and an increase of 1.49 percent compared with January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2012 was 16.83 billion pounds, an increase of 1.6 percent from December 2011 and an increase of 1.7 percent when compared with November 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 949 million pounds, 2.0 percent above December 2011 and 0.5 percent above November 2012 on a daily average basis. Butter production was 173 million pounds, 4.4 percent above December 2011 and 17.0 percent above November 2012 on a daily average basis.

Nonfat dry milk powder production was 157 million pounds in December 2012, an increase of 4.7 percent versus December of last year and 34.1 percent higher than November 2012 on a daily average basis. Dry whey production was 88.6 million pounds in December, 6.6 percent above December of last year and 17.4 percent above November 2012 on a daily average basis. Whey protein concentrates production was 38.6 million pounds in December, a 1.9 percent decrease compared to December of last year and a 4.0 percent increase over November 2012 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.58 in January 2013, 0.08 below the December 2012 value.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JANUARY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.49%	4,206,378	\$1.7452	\$ 7,340,970.89
Class I Differential at Location				234,891.33
Class II Butterfat	31.78%	3,004,075	\$1.6238	4,878,017.00
Class III Butterfat	1.51%	143,024	\$1.6168	231,241.21
Class IV Butterfat	22.22%	2,100,428	\$1.6168	3,395,971.98
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,453,905</b>		<b>\$ 16,081,092.41</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.7010**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	87.54%	215,116,065	\$13.33 /cwt.	\$ 28,674,971.45
Class I Butterfat	44.49%	4,206,378	\$1.7452 /lb.	7,340,970.89
Class I Differential at Location		219,322,443		12,213,490.83
<b>Total Class I Milk</b>	<b>85.95%</b>	<b>219,322,443</b>		<b>\$ 48,229,433.17</b>
Class II Skim Milk	6.81%	16,731,032	\$12.96 /cwt.	\$ 2,168,341.73
Class II Butterfat	31.78%	3,004,075	\$1.6238 /lb.	4,878,017.00
<b>Total Class II Milk</b>	<b>7.73%</b>	<b>19,735,107</b>		<b>\$ 7,046,358.73</b>
Class III Skim Milk	1.61%	3,953,437	\$12.93 /cwt.	\$ 511,179.40
Class III Butterfat	1.51%	143,024	\$1.6168 /lb.	231,241.21
<b>Total Class III Milk</b>	<b>1.61%</b>	<b>4,096,461</b>		<b>\$ 742,420.61</b>
Class IV Skim Milk	4.04%	9,931,485	\$12.41 /cwt.	\$ 1,232,497.28
Class IV Butterfat	22.22%	2,100,428	\$1.6168 /lb.	3,395,971.98
<b>Total Class IV Milk</b>	<b>4.71%</b>	<b>12,031,913</b>		<b>\$ 4,628,469.26</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>255,185,924</b>		<b>\$ 60,646,681.77</b>

### Adjustments

Overage and Other Source	\$468.97
Inventory Adjustments	\$0.00
Producer butterfat at uniform butterfat price	(\$16,081,092.41)
Location Adjustments to Producers	(\$331,610.10)
1/2 Unobligated Balance in P.S.F.	\$108,796.75

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18.04537	\$44,343,244.99
	\$ 0.04537	\$111,481.56

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

**\$18.00**

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

**\$23.32\***

\* 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 %
	JAN 2012	FEB 2012	DEC 2012	JAN 2013	JAN 2013
Appalachian (Charlotte)	\$ 22.37	\$ 21.61	\$ 22.28	\$ 21.10	69.69%
Arizona (Phoenix)	\$ 21.32	\$ 20.56	\$ 19.67	\$ 18.82	29.74%
Central (Kansas City)	\$ 20.97	\$ 20.21	\$ 19.56	\$ 18.57	36.43%
<b>Florida (Tampa)</b>	<b>\$ 24.37</b>	<b>\$ 23.61</b>	<b>\$ 24.90</b>	<b>\$ 23.32</b>	<b>85.95%</b>
Mideast (Cleveland)	\$ 20.97	\$ 20.21	\$ 19.72	\$ 18.73	36.80%
Northeast (Boston)	\$ 22.22	\$ 21.46	\$ 20.65	\$ 19.73	38.80%
Pacific Northwest (Seattle)	\$ 20.87	\$ 20.11	\$ 19.17	\$ 18.41	27.24%
Southeast (Atlanta)	\$ 22.77	\$ 22.01	\$ 22.72	\$ 21.50	68.78%
Southwest (Dallas)	\$ 21.97	\$ 21.21	\$ 20.22	\$ 19.37	31.13%
Upper Midwest (Chicago)	\$ 20.77	\$ 20.01	\$ 18.98	\$ 18.34	11.00%



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

Receipts:	January 2013	January 2012
<b>Producer Milk</b>		
Class I	219,322,443	217,060,890
Class II	19,735,107	19,994,852
Class III	4,096,461	3,000,429
Class IV	12,031,913	16,925,467
	<hr/>	<hr/>
Total Producer Milk	<b>255,185,924</b>	<b>256,981,638</b>
Average Butterfat Test	3.70%	3.67%
Percent of Producer Milk in Class I	85.95%	84.46%
Daily Average Receipts	8,231,804	8,289,730
<b>Other Source Milk</b>		
Class I	5,435,215	4,797,903
Class II	6,837,376	7,445,704
Class III	0	0
Class IV	379,030	721,974
	<hr/>	<hr/>
Total Other Source Milk	<b>12,651,621</b>	<b>12,965,581</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	3,779	0
	<hr/>	<hr/>
Total Overage	<b>3,779</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	8,148,278	11,178,064
Class II	0	0
Class III	0	0
Class IV	7,073,072	5,696,753
	<hr/>	<hr/>
Total Opening Inventory	<b>15,221,350</b>	<b>16,874,817</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>283,062,674</b>	<b>286,822,036</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,129,991	10,252,061
Route Disposition Class I	221,913,556	220,862,196
Shrinkage	558,437	632,480
Transfers & Diversions to Nonpool	303,952	1,290,120
	<hr/>	<hr/>
Total Class I Utilization	<b>232,905,936</b>	<b>233,036,857</b>
Average Butterfat Test	1.92%	1.90%
Daily Average Utilization	7,513,095	7,517,318
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,837,375	7,440,344
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,384,270	7,880,414
	<hr/>	<hr/>
Total Class II Utilization	<b>26,572,483</b>	<b>27,440,556</b>
Average Butterfat Test	11.31%	9.41%
<b>Class III Utilization</b>		
Shrinkage	3,348	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	4,093,113	3,000,429
	<hr/>	<hr/>
Total Class III Utilization	<b>4,096,461</b>	<b>300,429</b>
Average Butterfat Test	3.49%	8.42%
<b>Class IV Utilization</b>		
Inventory	6,625,165	8,567,847
Nonfluid Used To Fortify	244,721	584,647
Shrinkage	3,960,883	3,933,344
Transfers & Diversions to Nonpool Used To Produce/Other Uses	7,061,301	8,548,571
	<hr/>	<hr/>
Total Class IV Utilization	<b>19,487,794</b>	<b>23,344,194</b>
Average Butterfat Test	13.30%	12.31%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>283,062,674</b>	<b>286,822,036</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in January 2013 is \$23.32 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$18.00 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7010 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 January, Class I use accounted for 87.54% of all producer skim milk (priced to handlers at \$13.33 per hundredweight, plus the Class I differential) and 44.49% of producer butterfat (priced to handlers at \$1.7452 per pound plus Class I differential). Class II use accounted for 6.81% of all producer skim milk (\$12.96 per hundredweight) and 31.78% of producer butterfat (\$1.6238 per pound). Class III use accounted for 1.61% of all producer skim milk (\$12.93 per hundredweight) and 1.51% of producer butterfat (\$1.6168 per pound). Class IV use accounted for 4.04% of all producer skim milk (\$12.41 per hundredweight) and 22.22% of producer butterfat (\$1.6168 per pound).

Receipts of producer milk during January 2013 totaled 255.2 million pounds, 1.8 million pounds less than January 2012. Florida producers supplied 180.2 million pounds of milk in December 2012 or 71.36% of the producer milk pooled in Florida. In December 2011, Florida producers supplied 73.42% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 7 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for January 2013. In-area Class I route disposition totaled 240.9 million pounds in December 2012, about 10.0 million less than December 2011 and 1.32 percent lower after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>December 2012</b>		
Whole Milk	83,266,467	34.57%
Fat Free Milk	31,217,995	12.96%
Lowfat Milk (incl. 1%)	33,299,501	13.82%
Reduced Fat Milk (incl. 2%)	69,883,025	29.01%
Cultured Fluid Milk (incl. Buttermilk)	1,357,680	0.56%
Flavored Drinks and Milk	21,860,220	9.07%
<b>Total Disposition in Marketing Area</b>	<b>240,884,888</b>	<b>100.00%</b>
Total Disposition by Pool Plants	212,598,141	88.26%
Total Disposition by Nonpool Plants	28,286,747	11.74%
<b>Total Disposition in Marketing Area</b>	<b>240,884,888</b>	<b>100.00%</b>

### Milk Production Continues To Advance Based On Yields, as the U.S. Herd Contracts

(Continued from Page 1) production in 2012 at 119.9 million tons. This estimate is about 9 percent below 2011 and 16 percent below the 5-year average. However, the drought impact is not uniform. The upper Midwest is most adversely affected, with the 2012 crop trailing last year by 29 percent. The Texas-Oklahoma production is expected to be nearly double 2011 totals, but 2011 was one of the worst drought years ever for the Texas-Oklahoma area.

Feed prices will continue to inch upward early this year; but for the year as a whole, feed prices should be slightly lower in 2013 than last year. The feed outlook is predicated on the lower expected corn price and a return to a more nearly normal forage yield for 2013/14.

Dairy product prices for 2013 were only slightly changed from January forecasts. The cheese price is forecast at \$1.715-\$1.785 per pound, unchanged from last month, although the range was narrowed. Butter prices are projected to average \$1.535-\$1.635 per pound. The upper end of the forecast price range was lowered from last month, effectively lowering the midpoint of the price forecast. Butter supplies are expected to remain relatively plentiful. NDM prices were raised slightly this month to \$1.465-\$1.525 per pound on the basis of current prices, continued export strength, and expected tightening stocks over the course of this year. Similar logic underlies the raise in whey prices to 61.5-64.5 cents per pound.

The Class IV price is forecast at \$17.00-\$17.80 per hundred-weight (cwt). This represents an increase in the lower end of the forecast range from last month and is based on the perceived strength of the powder market. The Class III price range was narrowed from last month's forecast to \$17.70-\$18.40 per cwt as cheese prices are unchanged and only a small increase is forecast in the whey price. The all milk price is forecast at \$18.90-\$19.60 per cwt, representing a narrowing of the forecast range.

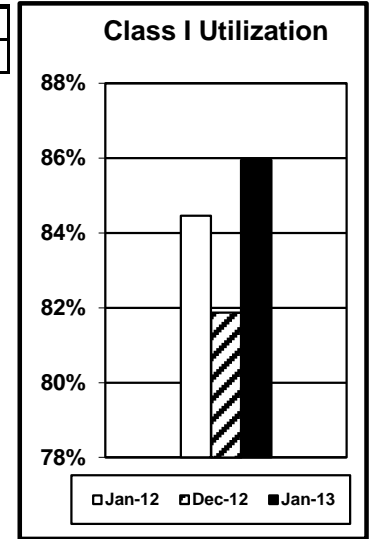
*(Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2013, Economic Research Service, USDA)*

**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
Dec 2011	\$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	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11											

**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.	%
Dec 2011	247,783	293	215,593	87.01%	20,357	8.22%	4,215	1.70%	7,618	3.07%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	306**	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%



\* 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 February through April 2013									
	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
FEB 2013	03/11/13	03/12/13	03/13/13	02/19/13	02/20/13	03/04/13	03/05/13	03/13/13	03/14/13
MAR 2013	04/11/13	04/12/13	04/15/13	03/19/13	03/20/13	04/04/13	04/05/13	04/15/13	04/16/13
APR 2013	05/11/13	05/13/13	05/14/13	04/19/13	04/22/13	05/06/13	05/06/13	05/14/13	05/15/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for January will be \$20.99 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$21.17 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 – 515 February 8, 2013

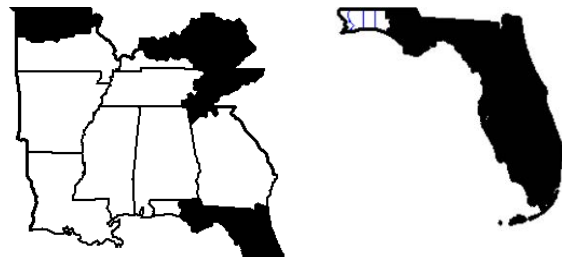
The milk production forecast for 2013 is raised. Milk cow numbers are raised as USDA's Cattle report indicated that the number of cows on January 1 was about unchanged from 2012. Milk per cow forecasts are raised as last quarter-2012 estimates were higher than expected and lower forecast feed costs support higher milk yields in 2013. Fat-basis trade estimates for 2013 are unchanged. The skim-solids export estimate for 2013 is raised largely on expectations of stronger nonfat dry milk (NDM) shipments, but the import forecast is unchanged. Milk production estimates for 2012 are raised, reflecting end-of-year production data. Dairy trade estimates for 2012 reflect the pace of trade through November.

Cheese prices are unchanged from last month, but the price range is narrowed. NDM and whey prices are raised reflecting stronger demand, but the butter price is lowered. Despite a higher whey price, the forecast Class III price is unchanged although the range is tightened. Lower butter prices are more than offset by higher NDM prices resulting in a slightly higher forecast Class IV price. The range of all milk price for 2013 is narrowed to \$18.90 to \$19.70 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).*



**MILK MARKET ADMINISTRATOR**  
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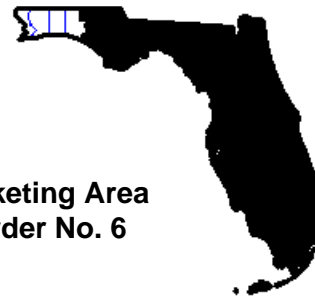
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# FLORIDA Fluid Milk Report

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Acting Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

March 2013

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## **Milk Production to Rise, but 'Stronger Exports Are Expected to Keep Milk Prices From Slipping'**

*Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2013, Economic Research Service, USDA:*

Corn prices were reduced slightly on the upper end of the projected price range from February in the March USDA World Agricultural Supply and Demand Estimates report. Corn prices are forecast at \$6.75-\$7.45 per bushel. Soybean meal prices were lowered from February to \$425-\$445 per ton in March. Although record-high at the beginning of the year, forage prices are likely to moderate in the second half of 2013.

The number of dairy cows was raised from last month's estimate. Despite a poor milk-feed price ratio, January cow numbers were higher than expected. Forecast cow numbers were raised from last month for the first half of 2013 and lowered from last month for the second half of the year. The U.S. dairy herd is expected to average 9,195 thousand cows for 2013, a contraction from 2012 but higher than February's forecast. Output per cow was raised slightly to 21,960 pounds, based on higher milk per cow in the first quarter. The most recent Milk Production report showed slightly higher year-over-year milk per cow in January for the 23 surveyed States. As a result of the higher milk per cow and a slightly higher average herd size than earlier forecast, 2013 milk production was raised to 201.9 billion pounds. The net additional milk output will help keep a lid on milk prices and continue pressure on producer margins.

Both fat and skims-solids basis imports were unchanged this month; at 4.0 and 5.4 billion pounds respectively. Fat basis exports were raised to 9.4 billion pounds based on likely butter exports through the first part of 2013, but the exports are expected to flag toward the end of 2013. Skims-solids exports were raised to 34.4 billion pounds for the year. The increase is predicated on expected nonfat dry milk (NDM) exports. The apparent (continued on Page 4)

## **Uniform Price Declines**

The uniform price in Hillsborough County, Florida, was \$22.90 per hundredweight for milk at 3.5 percent butterfat for the month of February. This represents a decrease of \$0.42 compared with the previous month and an increase of \$1.56 from February 2012.

Class I utilization was 86.25 percent in February, up 0.30 percent compared to last month and an increase of 1.75 percent compared with February of last year.

## **National Dairy Situation**

The USDA estimates that the total U.S. production of milk in January 2013 was 17.10 billion pounds, an increase of 0.5 percent from January 2012 and an increase of 1.7 percent when compared with December 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 933 million pounds, 2.4 percent above January 2012 but 2.0 percent below December 2012 on a daily average basis. Butter production was 185 million pounds, 2.6 percent above January 2012 and 7 percent above December 2012 on a daily average basis.

Nonfat dry milk powder production was 143 million pounds in January, a decrease of 6.9 percent versus January 2012 and 9.0 percent lower than December 2012 on a daily average basis. Dry whey production was 87.2 million pounds in January, 9.3 percent lower than January 2012 and 2.3 percent lower than December 2012 on a daily average basis. Whey protein concentrates production was 38.8 million pounds in January, a 0.8 percent increase compared to January 2012 and a 1.1 percent increase over December 2012 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.54 in February 2013, 0.03 below the previous month.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - FEBRUARY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.21%	3,748,959	\$1.6427	\$ 6,158,414.95
Class I Differential at Location				208,874.51
Class II Butterfat	30.81%	2,612,544	\$1.6689	4,360,074.68
Class III Butterfat	2.22%	188,549	\$1.6619	313,349.59
Class IV Butterfat	22.76%	1,929,857	\$1.6619	3,207,229.37
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,479,909</b>		<b>\$ 14,247,943.10</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.6802**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	87.87%	193,867,247	\$12.91 /cwt.	\$ 25,028,261.57
Class I Butterfat	44.21%	3,748,959	\$1.6427 /lb.	6,158,414.95
Class I Differential at Location		197,616,206		11,010,556.08
<b>Total Class I Milk</b>	<b>86.25%</b>	<b>197,616,206</b>		<b>\$ 42,197,232.60</b>
Class II Skim Milk	7.37%	16,252,561	\$13.11 /cwt.	\$ 2,130,710.75
Class II Butterfat	30.81%	2,612,544	\$1.6689 /lb.	4,360,074.68
<b>Total Class II Milk</b>	<b>8.23%</b>	<b>18,865,105</b>		<b>\$ 6,490,785.43</b>
Class III Skim Milk	2.43%	5,371,787	\$11.85 /cwt.	\$ 636,556.76
Class III Butterfat	2.22%	188,549	\$1.6619 /lb.	313,349.59
<b>Total Class III Milk</b>	<b>2.43%</b>	<b>5,560,336</b>		<b>\$ 949,906.35</b>
Class IV Skim Milk	2.33%	5,142,625	\$12.37 /cwt.	\$ 636,142.71
Class IV Butterfat	22.76%	1,929,857	\$1.6619 /lb.	3,207,229.37
<b>Total Class IV Milk</b>	<b>3.09%</b>	<b>7,072,482</b>		<b>\$ 3,843,372.08</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>229,114,129</b>		<b>\$ 53,481,296.46</b>

### Adjustments

Overage and Other Source	\$2,349.43
Inventory Adjustments	\$487.90
Producer butterfat at uniform butterfat price	(\$14,247,943.10)
Location Adjustments to Producers	(\$323,360.78)
1/2 Unobligated Balance in P.S.F.	\$98,196.43

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17,68131	\$39,011,026.34
	<b>\$ 0.04131</b>	\$91,149.93

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

**\$17.64**

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

**\$22.90\***

\* 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 %
	FEB 2013	MAR 2013	JAN 2013	FEB 2013	FEB 2013
Appalachian (Charlotte)	\$ 21.61	\$ 21.20	\$ 21.10	\$ 20.66	67.54%
Arizona (Phoenix)	\$ 20.56	\$ 20.15	\$ 18.82	\$ 18.51	28.51%
Central (Kansas City)	\$ 20.21	\$ 19.80	\$ 18.57	\$ 18.11	33.37%
<b>Florida (Tampa)</b>	<b>\$ 23.61</b>	<b>\$ 23.20</b>	<b>\$ 23.32</b>	<b>\$ 22.90</b>	<b>86.25%</b>
Mideast (Cleveland)	\$ 20.21	\$ 19.80	\$ 18.73	\$ 18.37	37.20%
Northeast (Boston)	\$ 21.46	\$ 21.05	\$ 19.73	\$ 19.43	38.10%
Pacific Northwest (Seattle)	\$ 20.11	\$ 19.70	\$ 18.41	\$ 18.02	25.96%
Southeast (Atlanta)	\$ 22.01	\$ 21.60	\$ 21.50	\$ 21.05	66.40%
Southwest (Dallas)	\$ 21.21	\$ 20.80	\$ 19.37	\$ 18.86	29.80%
Upper Midwest (Chicago)	\$ 20.01	\$ 19.60	\$ 18.34	\$ 17.57	11.00%



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

Receipts:	February 2013	February 2012
<b>Producer Milk</b>		
Class I	197,616,206	204,101,695
Class II	18,865,105	22,185,162
Class III	5,560,336	1,976,330
Class IV	7,072,482	13,291,310
	<hr/>	<hr/>
Total Producer Milk	<b>229,114,129</b>	<b>241,554,497</b>
Average Butterfat Test	3.70%	3.64%
Percent of Producer Milk in Class I	86.25%	84.50%
Daily Average Receipts	8,182,647	8,329,465
<b>Other Source Milk</b>		
Class I	4,427,327	4,148,255
Class II	6,521,705	5,072,829
Class III	0	168,888
Class IV	300,530	2,781,699
	<hr/>	<hr/>
Total Other Source Milk	<b>11,249,562</b>	<b>12,171,671</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	18,993	1,087
	<hr/>	<hr/>
Total Overage	<b>18,993</b>	<b>1,087</b>
<b>Opening Inventory</b>		
Class I	10,129,991	10,252,061
Class II	140,723	0
Class III	148,218	657,004
Class IV	6,356,224	7,910,843
	<hr/>	<hr/>
Total Opening Inventory	<b>16,775,156</b>	<b>18,819,908</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>257,157,840</b>	<b>272,547,163</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	9,681,074	8,558,575
Route Disposition Class I	201,960,036	208,566,657
Shrinkage	263,286	494,126
Transfers & Diversions to Nonpool	269,128	882,653
	<hr/>	<hr/>
Total Class I Utilization	<b>212,173,524</b>	<b>218,502,011</b>
Average Butterfat Test	1.90%	1.88%
Daily Average Utilization	7,577,626	7,534,552
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,521,968	7,250,034
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,392,893	8,388,128
	<hr/>	<hr/>
Total Class II Utilization	<b>25,527,533</b>	<b>27,914,995</b>
Average Butterfat Test	10.25%	9.88%
<b>Class III Utilization</b>		
Shrinkage	3,215,962	0
Transfers & Diversions to Nonpool/Used to Produce	1,125,693	2,145,218
Use to Produce/Other Uses	1,366,899	0
	<hr/>	<hr/>
Total Class III Utilization	<b>5,708,554</b>	<b>2,145,218</b>
Average Butterfat Test	3.34%	8.11%
<b>Class IV Utilization</b>		
Inventory	6,716,772	9,439,068
Nonfluid Used To Fortify	219,598	545,586
Shrinkage	7,704	3,526,521
Transfers & Diversions to Nonpool	6,804,155	8,329,819
Used To Produce/Other Uses	0	2,143,945
	<hr/>	<hr/>
Total Class IV Utilization	<b>13,748,229</b>	<b>23,984,939</b>
Average Butterfat Test	17.59%	10.80%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>257,157,840</b>	<b>272,547,163</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2013 is \$22.90 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$17.64 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6802 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 February, Class I use accounted for 87.87% of all producer skim milk (priced to handlers at \$12.91 per hundredweight, plus the Class I differential) and 44.21% of producer butterfat (priced to handlers at \$1.6427 per pound plus Class I differential). Class II use accounted for 7.37% of all producer skim milk (\$13.11 per hundredweight) and 30.81% of producer butterfat (\$1.6689 per pound). Class III use accounted for 2.43% of all producer skim milk (\$11.85 per hundredweight) and 2.22% of producer butterfat (\$1.6619 per pound). Class IV use accounted for 2.33% of all producer skim milk (\$12.37 per hundredweight) and 22.76% of producer butterfat (\$1.6619 per pound).

Receipts of producer milk during February 2013 totaled 229.1 million pounds, 12.4 million pounds less than February 2012. Florida producers supplied 199.3 million pounds of milk in January 2013 or 78.09% of the producer milk pooled in Florida. In January 2012, Florida producers supplied 74.23% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for February 2013. In-area Class I route disposition totaled 251.5 million pounds in January 2013, about 3.6 million less than January 2012 and 2.75 percent lower after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>January 2013</b>		
Whole Milk	84,320,216	33.52%
Fat Free Milk	33,555,093	13.34%
Lowfat Milk (incl. 1%)	37,066,978	14.74%
Reduced Fat Milk (incl. 2%)	72,803,527	28.95%
Cultured Fluid Milk (incl. Buttermilk)	1,303,953	0.52%
Flavored Drinks and Milk	22,465,965	8.93%
<b>Total Disposition in Marketing Area</b>	<b>251,515,732</b>	<b>100.00%</b>
Total Disposition by Pool Plants	221,512,911	88.07%
Total Disposition by Nonpool Plants	30,002,821	11.93%
<b>Total Disposition in Marketing Area</b>	<b>251,515,732</b>	<b>100.00%</b>

### Milk Production to Rise, but 'Stronger Exports Are Expected to Keep Milk Prices From Slipping'

(Continued from Page 1) unfolding drought conditions in New Zealand could support greater U.S. exports later this spring if they continue into New Zealand's next marketing year. U.S. NDM stocks appear ample for filling any gap resulting from New Zealand's drought.

Year-end stocks on both a fat and a skims-solids basis were unchanged from last month. However, second-quarter ending stocks were raised slightly based on lower expected domestic disappearance. Skims-solids stocks were raised for the first quarter based on greater NDM stocks that are expected to decline as NDM exports accelerate later in the year.

Cheese prices have been lowered in March to \$1.710-\$1.770 per pound as production increases, but demand is expected to remain steady. The same supply-demand fundamentals apply to whey prices, which were lowered to 60.0-63.0 cents per pound. Butter prices are forecast at \$1.540-\$1.630 per pound, unchanged from last month. NDM prices were raised from last month to \$1.505 to \$1.555 per pound based on the export outlook for later in 2013. The Class III price is forecast at \$17.55-\$18.15 per cwt based on lower cheese and whey prices. The Class IV price is raised to \$17.35-\$18.05 per cwt as a higher export forecast supports butter and NDM prices. The all milk price is projected at \$19.00-\$19.60 per cwt, little changed from last month. Despite greater milk production forecast in March, stronger exports are expected to support the projected all milk price at close to February's forecast and above the 2012 all milk price.

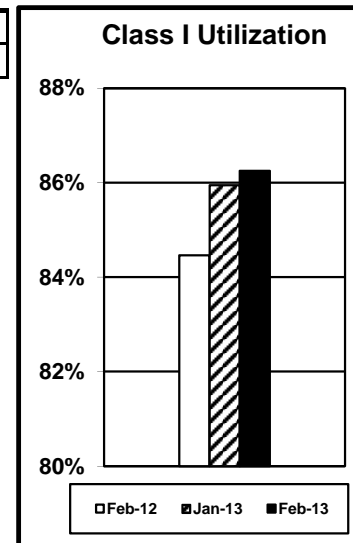
*(Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2013, Economic Research Service, USDA)*

**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
Jan 2012	\$18.57	\$1.7935	\$24.20	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14											

**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.	%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	300**	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%



\* 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 March through May 2013									
	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
MAR 2013	04/11/13	04/12/13	04/15/13	03/19/13	03/20/13	04/04/13	04/05/13	04/15/13	04/16/13
APR 2013	05/11/13	05/13/13	05/14/13	04/19/13	04/22/13	05/06/13	05/06/13	05/14/13	05/15/13
MAY 2013	06/11/13	06/12/13	06/13/13	05/20/13	05/20/13	06/04/13	06/05/13	06/13/13	06/14/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for March will be \$20.61 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.47 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 – 516 March 8, 2013

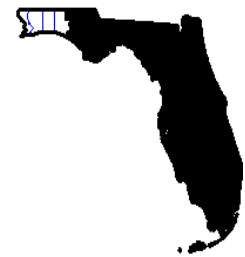
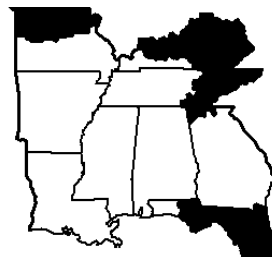
The milk production forecast for 2013 is raised from last month largely due to a slower pace of herd reduction and higher first-quarter milk per cow. The 2013 fat-basis export forecast is raised largely on stronger shipments of butter. Skim-solid exports are raised based on greater nonfat dry milk (NDM). Imports are unchanged on both a fat and skim-solids basis. Changes in 2012 estimates of supply and use reflect revised annual data.

Prices for cheese and whey are lowered based on expectations of increased production and moderate demand. The forecast butter price is unchanged from last month and the range is tightened. The forecast price of NDM is raised as stronger export demand is expected to support prices. The Class III price forecast is reduced from last month, reflecting weaker cheese and whey prices while Class IV is increased due to higher NDM prices. The all milk price for 2013 is raised to \$19.00-\$19.60 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).*



**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 1550 North Brown Road, Suite 120  
 Lawrenceville, Georgia 30043



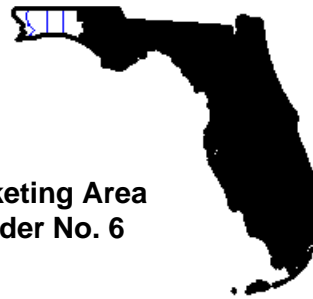
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# FLORIDA Fluid Milk Report

Erik F. Rasmussen  
Acting Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmlanta.com](http://www.fmmlanta.com)

April 2013

Volume 14—No. 4

## Milk Production Forecast Is Tightened in April, Prices Rise

*Excerpts from Livestock, Dairy, & Poultry Outlook, April 16, 2013, Economic Research Service, USDA:*

Corn price forecasts were lowered slightly from March to \$6.65-\$7.15 per bushel for 2012/13. Higher world grain production and lower estimated U.S. domestic feed use are the basis for the forecast. Soybean meal prices were also lowered slightly from last month to \$415-\$435 a ton. Higher soybean crush increased meal supplies, which affected prices, although the increased supply is slated for export. The lower price for concentrate feeds along with a slightly higher expected all milk price will improve producer margins somewhat. The improvement is not large enough to boost herd size. Consequently, herd size is projected at 9,195 thousand for 2013, unchanged from March's forecast and below 2012's average herd size. Output per cow for the year was lowered in April to 21,945 pounds, based on lower February milk per cow data. Based on forecast herd size and output per cow, production is projected at 201.8 billion pounds for 2013.

Milk equivalent imports on both a fats and skims-solids basis were lowered in April's forecast. Fats-basis imports are now placed at 3.9 billion pounds for the year, while skims-solids imports are forecast at 5.3 billion pounds. Fats-basis imports were lowered based on lower expected imports of anhydrous products, and skims-solids basis imports were lowered based on lower expected imports of milk protein concentrates. Fats-basis exports are unchanged from the March forecast at 9.4 billion pounds. Skims-solids exports were unchanged at 34.4 billion pounds for the year. The price differential between U.S. and world nonfat dry milk (NDM) prices will likely strengthen exports in the second half of the year. Both fats- and skim-solids export forecasts represent increases above 2012 totals.

(continued on Page 4)

## Uniform Price Declines

The uniform price in Hillsborough County, Florida, was \$22.59 per hundredweight for milk at 3.5 percent butterfat for the month of March. This represents a decrease of \$0.31 compared with the previous month and an increase of \$1.76 from March 2012.

Class I utilization was 85.19 percent in March, down 1.06 percent compared to last month and a decrease of 1.17 percent compared with March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2013 was 15.74 billion pounds, a decrease of 0.05 percent from February 2012 on a daily average basis and an increase of 1.9 percent when compared with January 2013 on a daily average basis. Total cheese output was 857 million pounds, slightly below February 2012 and 1.4 percent above January 2013 on a daily average basis. Butter production was 171 million pounds, 1.1 percent above February 2012 and 0.8 percent below January 2013 on a daily average basis.

Nonfat dry milk powder production was 138 million pounds in February, a decrease of 20.0 percent versus February of last year and 6.6 percent higher than January 2013 on a daily average basis. Dry whey production was 80.8 million pounds in February, 9.6 percent lower than February of last year and 1.3 percent lower than January 2013 on a daily average basis. Whey protein concentrates production was 34.2 million pounds in February, a 3.5 percent decrease compared to February of last year and a 2.8 percent increase over January 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.47 in March, 0.05 below February's revised ratio.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - MARCH 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.78%	4,156,491	\$1.6564	\$ 6,884,811.71
Class I Differential at Location				232,184.02
Class II Butterfat	34.65%	3,216,214	\$1.7546	5,643,169.09
Class III Butterfat	2.54%	235,634	\$1.7476	411,793.96
Class IV Butterfat	18.03%	1,673,337	\$1.7476	2,924,323.74
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,281,676</b>		<b>\$ 16,096,282.52</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.7342**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	86.74%	209,934,189	\$12.44 /cwt.	\$ 26,115,813.11
Class I Butterfat	44.78%	4,156,491	\$1.6564 /lb.	6,884,811.71
Class I Differential at Location		214,090,680		11,938,650.22
<b>Total Class I Milk</b>	<b>85.19%</b>	<b>214,090,680</b>		<b>\$ 44,939,275.04</b>
Class II Skim Milk	7.22%	17,475,940	\$13.14 /cwt.	\$ 2,296,338.52
Class II Butterfat	34.65%	3,216,214	\$1.7546 /lb.	5,643,169.09
<b>Total Class II Milk</b>	<b>8.23%</b>	<b>20,692,154</b>		<b>\$ 7,939,507.61</b>
Class III Skim Milk	2.80%	6,787,377	\$11.21 /cwt.	\$ 760,864.95
Class III Butterfat	2.54%	235,634	\$1.7476 /lb.	411,793.96
<b>Total Class III Milk</b>	<b>2.79%</b>	<b>7,023,011</b>		<b>\$ 1,172,658.91</b>
Class IV Skim Milk	3.24%	7,841,885	\$12.06 /cwt.	\$ 945,731.33
Class IV Butterfat	18.03%	1,673,337	\$1.7476 /lb.	2,924,323.74
<b>Total Class IV Milk</b>	<b>3.79%</b>	<b>9,515,222</b>		<b>\$ 3,870,055.07</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>251,321,067</b>		<b>\$ 57,921,496.63</b>

### Adjustments

Overage and Other Source	\$3,615.78
Inventory Adjustments	\$211.59
Producer butterfat at uniform butterfat price	(\$16,096,282.52)
Location Adjustments to Producers	(\$366,395.41)
1/2 Unobligated Balance in P.S.F.	\$93,630.35

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.16922	\$41,556,276.42
	<b>\$ 0.04922</b>	\$119,132.68

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

**\$17.12**

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

**\$22.59\***

\* 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 %
	MAR 2013	APR 2013	FEB 2013	MAR 2013	MAR 2013
Appalachian (Charlotte)	\$ 21.20	\$ 21.06	\$ 20.66	\$ 20.29	60.69%
Arizona (Phoenix)	\$ 20.15	\$ 20.01	\$ 18.51	\$ 18.30	26.45%
Central (Kansas City)	\$ 19.80	\$ 19.66	\$ 18.11	\$ 17.87	30.38%
<b>Florida (Tampa)</b>	<b>\$ 23.20</b>	<b>\$ 23.06</b>	<b>\$ 22.90</b>	<b>\$ 22.59</b>	<b>85.19%</b>
Mideast (Cleveland)	\$ 19.80	\$ 19.66	\$ 18.37	\$ 18.22	38.10%
Northeast (Boston)	\$ 21.05	\$ 20.91	\$ 19.43	\$ 19.32	36.10%
Pacific Northwest (Seattle)	\$ 19.70	\$ 19.56	\$ 18.02	\$ 17.82	24.39%
Southeast (Atlanta)	\$ 21.60	\$ 21.46	\$ 21.05	\$ 20.70	64.64%
Southwest (Dallas)	\$ 20.80	\$ 20.66	\$ 18.86	\$ 18.64	29.25%
Upper Midwest (Chicago)	\$ 19.60	\$ 19.46	\$ 17.57	\$ 17.26	10.40%



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

Receipts:	March 2013	March 2012
<b>Producer Milk</b>		
Class I	214,090,680	219,505,097
Class II	20,692,154	22,896,144
Class III	7,023,011	3,337,061
Class IV	9,515,222	8,436,790
	<hr/>	<hr/>
Total Producer Milk	<b>251,321,067</b>	<b>254,175,092</b>
Average Butterfat Test	3.69%	3.60%
Percent of Producer Milk in Class I	85.19%	86.36%
Daily Average Receipts	8,107,131	8,199,197
<b>Other Source Milk</b>		
Class I	4,689,748	4,782,835
Class II	7,197,212	8,659,443
Class III	0	0
Class IV	373,386	788,273
	<hr/>	<hr/>
Total Other Source Milk	<b>12,260,346</b>	<b>14,230,551</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	2,069	0
	<hr/>	<hr/>
Total Overage	<b>2,069</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	9,681,074	8,558,575
Class II	0	274,114
Class III	2,469	144,991
Class IV	6,796,110	9,019,963
	<hr/>	<hr/>
Total Opening Inventory	<b>16,479,653</b>	<b>17,997,643</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>280,063,135</b>	<b>286,403,286</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,187,290	9,611,571
Route Disposition Class I	217,657,625	222,084,435
Shrinkage	401,874	588,910
Transfers & Diversions to Nonpool	214,713	561,591
	<hr/>	<hr/>
Total Class I Utilization	<b>228,461,502</b>	<b>232,846,507</b>
Average Butterfat Test	1.93%	1.91%
Daily Average Utilization	7,369,726	7,511,178
<b>Class II Utilization</b>		
Nonfluid Used To Produce	7,197,212	8,579,961
Shrinkage	1,330	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,856,445	10,405,584
	<hr/>	<hr/>
Total Class II Utilization	<b>27,889,366</b>	<b>31,829,701</b>
Average Butterfat Test	11.53%	10.87%
<b>Class III Utilization</b>		
Shrinkage	3,958,594	0
Transfers & Diversions to Nonpool/Used to Produce	1,814,739	3,482,052
Use to Produce/Other Uses	1,252,147	0
	<hr/>	<hr/>
Total Class III Utilization	<b>7,025,480</b>	<b>3,482,052</b>
Average Butterfat Test	3.39%	7.71%
<b>Class IV Utilization</b>		
Inventory	9,806,716	6,012,935
Nonfluid Used To Fortify	252,996	628,087
Shrinkage	8,396	4,415,621
Transfers & Diversions to Nonpool	6,618,679	5,527,734
Used To Produce/Other Uses	0	1,660,649
	<hr/>	<hr/>
Total Class IV Utilization	<b>16,686,787</b>	<b>18,245,026</b>
Average Butterfat Test	12.97%	9.70%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>280,063,135</b>	<b>286,403,286</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in March 2013 is \$22.59 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$17.12 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7342 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 March, Class I use accounted for 86.74% of all producer skim milk (priced to handlers at \$12.44 per hundredweight, plus the Class I differential) and 44.78% of producer butterfat (priced to handlers at \$1.6564 per pound plus Class I differential). Class II use accounted for 7.22% of all producer skim milk (\$13.14 per hundredweight) and 34.65% of producer butterfat (\$1.7546 per pound). Class III use accounted for 2.80% of all producer skim milk (\$11.21 per hundredweight) and 2.54% of producer butterfat (\$1.7476 per pound). Class IV use accounted for 3.24% of all producer skim milk (\$12.06 per hundredweight) and 18.03% of producer butterfat (\$1.7476 per pound).

Receipts of producer milk during March 2013 totaled 251.3 million pounds, 2.9 million pounds less than March 2012. Florida producers supplied 190.9 million pounds of milk in February 2013 or 83.33% of the producer milk pooled in Florida. In February 2012, Florida producers supplied 75.39% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 7 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for March 2013. In-area Class I route disposition totaled 227.6 million pounds in February 2013, about 13.5 million less than February 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2013</b>		
Whole Milk	75,319,923	33.10%
Fat Free Milk	30,616,237	13.45%
Lowfat Milk (incl. 1%)	32,650,039	14.35%
Reduced Fat Milk (incl. 2%)	65,667,276	28.86%
Cultured Fluid Milk (incl. Buttermilk)	1,303,188	0.57%
Flavored Drinks and Milk	22,007,122	9.67%
<b>Total Disposition in Marketing Area</b>	<b>227,563,785</b>	<b>100.00%</b>
Total Disposition by Pool Plants	201,873,125	88.71%
Total Disposition by Nonpool Plants	25,690,660	11.29%
<b>Total Disposition in Marketing Area</b>	<b>227,563,785</b>	<b>100.00%</b>

### Milk Production Forecast Is Tightened in April, Prices Rise

(Continued from Page 1) Fats-basis ending stocks were raised to 11.4 billion pounds as butter stocks persisted at higher than expected quantities. Skims-solids ending stocks were trimmed in April to 11.5 billion pounds as stronger expected second-half NDM exports and domestic demand are expected to tighten stocks by year-end.

Prices for cheese, butter, NDM and whey are all forecast higher in April as lower forecast milk production and strength in demand are firming prices. Cheese prices are forecast at \$1.735-\$1.785 per pound. The butter price forecast was raised to \$1.560-\$1.640 per pound. In light of the export forecast, NDM prices were boosted to \$1.585-\$1.625 per pound and whey prices were raised slightly to 60.5-63.5 cents per pound. Higher dairy product prices provided a lift to milk prices in April's forecast. Class IV milk is forecast at \$18.10-\$18.70 per cwt, and Class III prices were increased to \$17.85-\$18.35 per cwt. The all milk price forecast is \$19.45-\$19.95 per cwt.

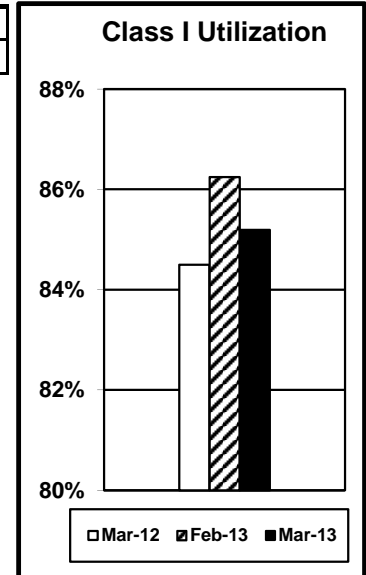
*(Excerpts from Livestock, Dairy, & Poultry Outlook, April 16, 2013, Economic Research Service, USDA)*

**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
Jan 2012	\$18.57	\$1.7935	\$24.20	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77											

**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.	%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	225**	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%



\* 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 April through June 2013									
	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
APR 2013	05/11/13	05/13/13	05/14/13	04/19/13	04/22/13	05/06/13	05/06/13	05/14/13	05/15/13
MAY 2013	06/11/13	06/12/13	06/13/13	05/20/13	05/20/13	06/04/13	06/05/13	06/13/13	06/14/13
JUN 2013	07/11/13	07/12/13	07/15/13	06/19/13	06/20/13	07/05/13	07/05/13	07/15/13	07/16/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for April will be \$20.33 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.20 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 – 517 April 10, 2013

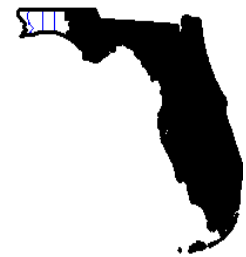
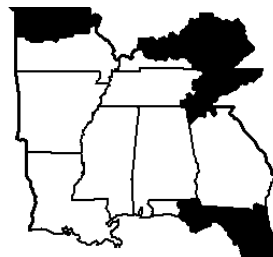
The milk production forecast for 2013 is reduced on lower milk per cow in the first quarter. Cow numbers are unchanged from last month. Fat-basis imports are reduced mostly on lower imports of anhydrous products. The skim solids import forecast is reduced largely on lower expected imports of milk protein concentrates. Export forecasts are unchanged from last month. Fat-basis ending stocks are forecast higher, but skim-basis stocks are lowered.

With slightly lower forecast 2013 milk production and improved domestic product demand, price forecasts for cheese, butter, NDM, and whey are raised. As a result, both Class III and Class IV price forecasts are higher than last month. The all milk price for 2013 is higher at \$19.45-\$19.95 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).*



**MILK MARKET ADMINISTRATOR**  
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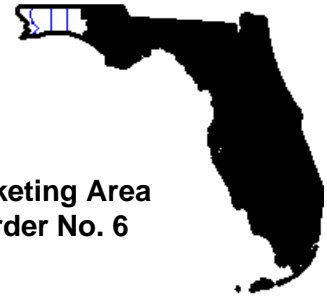
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# FLORIDA Fluid Milk Report

Erik F. Rasmussen  
*Acting Market Administrator*

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

May 2013

Volume 14—No. 5

## **Lower Feed Costs Will Improve Producer Margins Next Year, Boosting Milk Output; Strong Demand Will Keep Prices Near Current Levels**

*Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2013, Economic Research Service, USDA:*

Corn prices for 2012/13 are forecast at \$6.70-\$7.10 per bushel—the price range was narrowed, but the mid-point is unchanged from April. Initial forecasts for the 2013/14 year call for corn prices to decline to \$4.30-\$5.10 per bushel. Higher expected yields and higher expected global supplies counter the slow start to this season's planting and underpin the 2013/14 forecast. Current-year soybean price estimates are unchanged from April's forecast; similarly, the soybean meal price forecasts are unchanged from April at \$425 a ton. In 2013/14, soybean meal prices are forecast much lower at \$280-\$320 per ton. Soybean production is forecast up based on higher yields and slightly higher harvested acreage. Meanwhile, the April Milk Production report shows the January-March 2013 U.S. milk production at 50.5 billion pounds, 1.1 percent lower than the corresponding period last year. Some of the decline is due to the absence of a February 29th this year. However, some of the southern and western States are showing larger declines this year than can be accounted for by 2012's leap-day. Meanwhile, many other States are posting year-over-year quarterly increases in milk production.

Beginning with the April Milk Production report, the National Agricultural Statistics Service is no longer reporting cow numbers or output per cow, at least through the end of this fiscal year. Consequently, USDA is not forecasting milk cow inventories or milk per cow. For May, the milk production forecast is unchanged from April. This year's milk production is projected at 201.8 billion pounds. The 2014 milk production forecast is 204.6 billion pounds. Improved producer margins would auger for a sizeable rebound (continued on Page 4)

## **Uniform Price Declines**

The uniform price in Hillsborough County, Florida, was \$22.50 per hundredweight for milk at 3.5 percent butterfat for the month of April. This represents a decrease of \$0.09 compared with the previous month and an increase of \$2.19 from April 2012.

Class I utilization was 84.01 percent in April, down 1.18 percent compared to last month and an increase of 0.62 percent compared with April of last year.

## **National Dairy Situation**

Special Note: USDA's National Agricultural Statistics Service is suspending a number of statistical surveys and reports for the remainder of the fiscal year resulting from reduced funding, also known as sequestration. Thus, administrative data will be used for all releases of the milk production report beginning with March data and extending through the end of the fiscal year on September 30, 2013. Releases will contain milk production, but no information on the number of cows or milk per cow will be released. Check the NASS website at [www.nass.usda.gov](http://www.nass.usda.gov) for future updates.

The USDA estimates that the total U.S. production of milk in March 2013 was 17.66 billion pounds, a decrease of 0.3 percent from March 2012 and an increase of 1.3 percent when compared with February 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 954 million pounds, 0.2 percent below March 2012 but 0.7 percent above February 2013 on a daily average basis. Butter production was 184 million pounds, 4.2 percent above March 2012 but 4.6 percent below February 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.56 in April, 0.08 higher than March's revised ratio.

**F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - APRIL 2013**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.21%	3,935,574	\$1.7189	\$ 6,764,858.14
Class I Differential at Location				219,375.93
Class II Butterfat	32.16%	2,862,176	\$1.8297	5,236,923.44
Class III Butterfat	3.52%	312,942	\$1.8227	570,399.38
Class IV Butterfat	20.11%	1,789,382	\$1.8227	3,261,506.58
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,900,074</b>		<b>\$ 16,053,063.47</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.8037**

**Calculation of Uniform Skim Milk Price:**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	85.52%	201,651,759	\$12.07 /cwt.	\$ 24,339,367.33
Class I Butterfat	44.21%	3,935,574	\$1.7189 /lb.	6,764,858.14
Class I Differential at Location		205,587,333		11,471,176.29
<b>Total Class I Milk</b>	<b>84.01%</b>	<b>205,587,333</b>		<b>\$ 42,575,401.76</b>
Class II Skim Milk	6.55%	15,453,911	\$12.77 /cwt.	\$ 1,973,464.43
Class II Butterfat	32.16%	2,862,176	\$1.8297 /lb.	5,236,923.44
<b>Total Class II Milk</b>	<b>7.48%</b>	<b>18,316,087</b>		<b>\$ 7,210,387.87</b>
Class III Skim Milk	4.63%	10,917,587	\$11.62 /cwt.	\$ 1,268,623.62
Class III Butterfat	3.52%	312,942	\$1.8227 /lb.	570,399.38
<b>Total Class III Milk</b>	<b>4.59%</b>	<b>11,230,529</b>		<b>\$ 1,839,023.00</b>
Class IV Skim Milk	3.30%	7,791,768	\$12.15 /cwt.	\$ 946,699.81
Class IV Butterfat	20.11%	1,789,382	\$1.8227 /lb.	3,261,506.58
<b>Total Class IV Milk</b>	<b>3.92%</b>	<b>9,581,150</b>		<b>\$ 4,208,206.39</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>244,715,099</b>		<b>\$ 55,833,019.02</b>

**Adjustments**

Overage and Other Source	\$0.00
Inventory Adjustments	(\$3,501.52)
Producer butterfat at uniform butterfat price	(\$16,053,063.47)
Location Adjustments to Producers	(\$274,520.22)
1/2 Unobligated Balance in P.S.F.	\$138,608.24

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	<b>\$ 16.81002</b>	<b>\$39,640,542.05</b>
	<b>\$ 0.04002</b>	\$94,362.35

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

**\$16.77**

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

**\$22.50\***

\* 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 %
	APR 2013	MAY 2013	MAR 2013	APR 2013	APR 2013
Appalachian (Charlotte)	\$ 21.06	\$ 21.16	\$ 20.29	\$ 20.42	63.48%
Arizona (Phoenix)	\$ 20.01	\$ 20.11	\$ 18.30	\$ 18.61	27.96%
Central (Kansas City)	\$ 19.66	\$ 19.76	\$ 17.87	\$ 18.17	30.21%
<b>Florida (Tampa)</b>	<b>\$ 23.06</b>	<b>\$ 23.16</b>	<b>\$ 22.59</b>	<b>\$ 22.50</b>	<b>84.01%</b>
Mideast (Cleveland)	\$ 19.66	\$ 19.76	\$ 18.22	\$ 18.49	38.00%
Northeast (Boston)	\$ 20.91	\$ 21.01	\$ 19.32	\$ 19.50	36.50%
Pacific Northwest (Seattle)	\$ 19.56	\$ 19.66	\$ 17.82	\$ 18.16	24.17%
Southeast (Atlanta)	\$ 21.46	\$ 21.56	\$ 20.70	\$ 20.80	65.19%
Southwest (Dallas)	\$ 20.66	\$ 20.76	\$ 18.64	\$ 19.04	31.49%
Upper Midwest (Chicago)	\$ 19.46	\$ 19.56	\$ 17.26	\$ 17.84	10.80%



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

<b>Receipts:</b>	<b>April 2013</b>	<b>April 2012</b>
<b>Producer Milk</b>		
Class I	205,587,333	203,767,247
Class II	18,316,087	19,503,507
Class III	11,230,529	5,650,554
Class IV	9,581,150	15,445,107
	<hr/>	<hr/>
Total Producer Milk	<b>244,715,099</b>	<b>244,366,415</b>
Average Butterfat Test	3.64%	3.58%
Percent of Producer Milk in Class I	84.01%	83.39%
Daily Average Receipts	8,157,170	8,145,547
<b>Other Source Milk</b>		
Class I	6,340,865	4,354,777
Class II	5,806,681	7,886,725
Class III	0	0
Class IV	281,755	317,610
	<hr/>	<hr/>
Total Other Source Milk	<b>12,429,301</b>	<b>12,559,112</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	592
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>592</b>
<b>Opening Inventory</b>		
Class I	10,187,290	9,611,571
Class II	195,939	11,518
Class III	1,272,398	0
Class IV	8,338,379	6,001,417
	<hr/>	<hr/>
Total Opening Inventory	<b>19,994,006</b>	<b>15,624,506</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>277,138,406</b>	<b>272,550,625</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,151,205	9,271,111
Route Disposition Class I	211,181,480	207,666,086
Shrinkage	633,901	325,839
Transfers & Diversions to Nonpool	148,902	470,559
	<hr/>	<hr/>
Total Class I Utilization	<b>222,115,488</b>	<b>217,733,595</b>
Average Butterfat Test	1.91%	1.90%
Daily Average Utilization	7,403,850	7,257,787
<b>Class II Utilization</b>		
Nonfluid Used To Produce	5,806,681	7,883,497
Shrinkage	4,732	0
Transfers & Diversions to Nonpool/Commercial Foods	7,534,645	7,339,010
Used To Produce/Other Uses	10,972,649	12,179,243
	<hr/>	<hr/>
Total Class II Utilization	<b>243,187,073</b>	<b>27,401,750</b>
Average Butterfat Test	11.79%	10.62%
<b>Class III Utilization</b>		
Shrinkage	3,645,205	29,264
Transfers & Diversions to Nonpool/Used to Produce	7,254,390	5,621,290
Use to Produce/Other Uses	1,603,332	0
	<hr/>	<hr/>
Total Class III Utilization	<b>12,502,927</b>	<b>5,650,554</b>
Average Butterfat Test	2.53%	4.95%
<b>Class IV Utilization</b>		
Inventory	8,412,105	9,026,187
Nonfluid Used To Fortify	236,233	221,342
Shrinkage	0	3,174,578
Transfers & Diversions to Nonpool	9,552,946	7,715,832
Used To Produce/Other Uses	0	1,626,787
	<hr/>	<hr/>
Total Class IV Utilization	<b>18,201,284</b>	<b>21,764,726</b>
Average Butterfat Test	12.95%	9.62%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>277,138,406</b>	<b>272,550,625</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2013 is \$22.50 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.77 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8037 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 April, Class I use accounted for 85.52% of all producer skim milk (priced to handlers at \$12.07 per hundredweight, plus the Class I differential) and 44.21% of producer butterfat (priced to handlers at \$1.7189 per pound plus Class I differential). Class II use accounted for 6.55% of all producer skim milk (\$12.77 per hundredweight) and 32.16% of producer butterfat (\$1.8297 per pound). Class III use accounted for 4.63% of all producer skim milk (\$11.62 per hundredweight) and 3.52% of producer butterfat (\$1.8227 per pound). Class IV use accounted for 3.30% of all producer skim milk (\$12.15 per hundredweight) and 20.11% of producer butterfat (\$1.8227 per pound).

Receipts of producer milk during April 2013 totaled 244.7 million pounds, 0.3 million pounds more than April 2012. Florida producers supplied 211.9 million pounds of milk in March 2013 or 84.33% of the producer milk pooled in Florida. In March 2012, Florida producers supplied 76.29% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 7 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for April 2013. In-area Class I route disposition totaled 246.6 million pounds in March 2013, 10.2 million less than March 2012 and 1.48 percent lower after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>March 2013</b>		
Whole Milk	83,362,534	33.80%
Fat Free Milk	34,064,806	13.81%
Lowfat Milk (incl. 1%)	35,475,647	14.38%
Reduced Fat Milk (incl. 2%)	71,954,728	29.17%
Cultured Fluid Milk (incl. Buttermilk)	1,378,736	0.56%
Flavored Drinks and Milk	20,398,908	8.27%
<b>Total Disposition in Marketing Area</b>	<b>246,635,359</b>	<b>100.00%</b>
Total Disposition by Pool Plants	217,577,602	88.22%
Total Disposition by Nonpool Plants	29,057,757	11.78%
<b>Total Disposition in Marketing Area</b>	<b>246,635,359</b>	<b>100.00%</b>

### Lower Feed Costs Will Improve Producer Margins Next Year, Boosting Milk Output; Strong Demand Will Keep Prices Near Current Levels

(continued from Page 1) in milk production in 2014. For 2013, prices for cheese, butter, and nonfat dry milk (NDM) were raised based on expected second-quarter strength. Cheese prices are forecast at \$1.745-\$1.795 per pound, butter prices are forecast at \$1.570-\$1.650 per pound, and NDM prices are projected at \$1.590-\$1.630 per pound. In contrast, whey prices are lowered, based on current and expected whey price weakness, to 58.0-61.0 cents per pound. The Class III price is lowered to \$17.80-\$18.30 per cwt as whey price weakness more than offset the higher cheese price. The Class IV price is raised to \$18.20-\$18.80 per cwt as a result of higher NDM and butter prices. The all milk price for 2013 is projected at \$19.50-\$20.00 per cwt.

Next year, increased demand will likely offset greater expected production to some degree, but prices for cheese, butter and whey are forecast lower. Cheese prices are forecast at \$1.675-\$1.75 per pound, butter is forecast at \$1.485-\$1.615 per pound and whey prices are forecast lower at 56.5-59.5 cents per pound. NDM prices are forecast slightly higher at \$1.585-\$1.655 per pound based on continued international demand. The 2014 Class III milk price is forecast at \$17.00-\$18.00 per cwt, and the Class IV milk price is forecast at \$17.80-\$18.90 per cwt. The 2014 all milk price is forecast at \$18.85-\$19.85 per cwt.

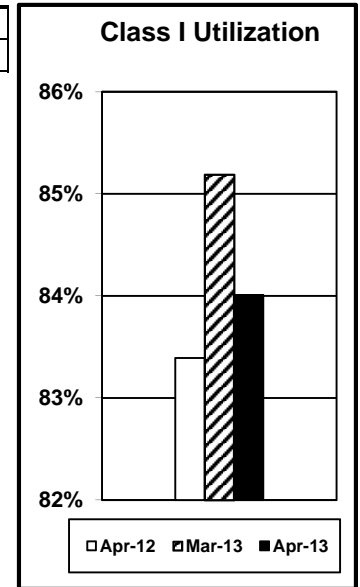
*(Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2013, Economic Research Service, USDA)*

**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
Jan 2012	\$18.57	\$1.7935	\$24.20	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59											

**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.	%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	225**	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%



\* 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 May through July 2013									
	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
MAY 2013	06/11/13	06/12/13	06/13/13	05/20/13	05/20/13	06/04/13	06/05/13	06/13/13	06/14/13
JUN 2013	07/11/13	07/12/13	07/15/13	06/19/13	06/20/13	07/05/13	07/05/13	07/15/13	07/16/13
JUL 2013	08/11/13	08/12/13	08/13/13	07/19/13	07/22/13	08/05/13	08/05/13	08/13/13	08/14/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for May will be \$20.25 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.13 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%	

### WASDE Dairy Report 1/

#### WASDE – 518 May 10, 2013

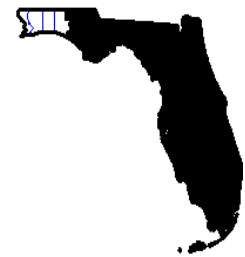
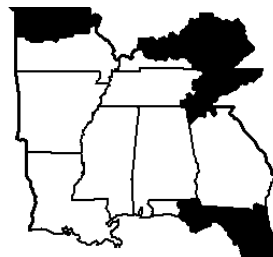
Milk production for 2014 is forecast higher as lower feed costs and relatively strong milk prices are expected to support production. Commercial exports are forecast higher on robust international demand. Imports will be lower on greater domestic supplies. With higher domestic production, cheese, butter, and whey prices are forecast lower than last year, while nonfat dry milk (NDM) is higher largely on continued strength in international demand. Both Class III and Class IV prices are forecast lower. In the case of Class IV, lower forecast butter prices more than offset higher NDM prices. The all milk price is forecast at \$18.85 to \$19.85 per cwt for 2014.

Forecast milk production in 2013 is unchanged from last month. Imports are raised. Exports are higher as abundant U.S. supplies and competitive prices are expected to spur foreign demand. Cheese, butter, and NDM prices are raised from last month while whey is lower. The Class III price is lowered as lower whey prices more than offset greater cheese prices. Class IV is up reflecting higher prices for butter and NDM. The all milk price is forecast at \$19.50 to \$20.00 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).*



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
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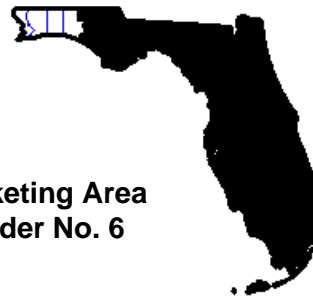
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

June 2013

Volume 14—No. 6

## Appointment of Florida and Southeast Market Administrator

On May 23, 2013, the Deputy Administrator of Dairy Programs, Dana H. Cole, announced the following:

"I am pleased to announce the appointment of Patrick S. Clark as Market Administrator for the Florida and Southeast Orders effective June 2, 2013.

Pat has spent the past 24 years working with the USDA-AMS-Dairy Programs serving the dairy industry and brings a highly diverse background and vast experience base to this position. Pat has worked the past 13 years for the Southwest Federal milk marketing order in Dallas, Texas, and served the last 5 years there as the Associate Market Administrator. Prior to joining the Southwest Order, Pat spent 4 years working in the Arizona order as an Assistant to the Market Administrator, 4 years as the National Coordinator for Laboratory and Marketing Services in the Washington, DC, headquarters office, and he began his career in the Louisville, Kentucky, office as Marketing Specialist/Laboratory Coordinator. While Pat has spent the majority of his time work with marketing services aspects of Federal orders, he also has spent time addressing pooling, pricing, and auditing issues. During his tenure with AMS-Dairy Programs, Pat has had the opportunity to serve on several national Federal order committees working on various issues.

Pat graduated from the University of Kentucky with a Bachelor of Science degree in Agriculture and a Masters of Science degree in Vocational Education. He served 5 years in the U.S. Army prior to joining USDA. Pat grew up on a dairy farm near Lebanon, Kentucky.

I extend a special thank you to Erik Rasmussen, Northeast Market Administrator, who has been serving in an acting capacity upon the retirement of the previous Market Administrator, Sue Mosley, last year. I also extend (continued on Page 4)

## Uniform Price Down Slightly

The uniform price in Hillsborough County, Florida, was \$22.47 per hundredweight for milk at 3.5 percent butterfat for the month of May. This represents a decrease of \$0.03 compared with the previous month and an increase of \$2.16 from May 2012.

Class I utilization was 83.78 percent in May, down 0.23 percent compared to last month and an increase of 0.39 percent compared with May of last year.

## National Dairy Situation

Special Note: USDA's National Agricultural Statistics Service is suspending a number of statistical surveys and reports for the remainder of the fiscal year resulting from reduced funding, also known as sequestration. Thus, administrative data will be used for all releases of the milk production report beginning with March data and extending through the end of the fiscal year on September 30, 2013. Releases will contain milk production, but no information on the number of cows or milk per cow will be released. Check the NASS website at [www.nass.usda.gov](http://www.nass.usda.gov) for future updates.

The USDA estimates that the total U.S. production of milk in April 2013 was 17.27 billion pounds, an increase of 0.2 percent from April 2012 and an increase of 1.0 percent when compared with March 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 928 million pounds, 3.2 percent above April 2012 and 0.4 percent higher than March 2013 on a daily average basis. Butter production was 169 million pounds, 0.3 percent below April 2012 and 3.8 percent below March 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.55 in May, 0.01 higher than the previous month.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - MAY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	45.50%	4,011,347	\$1.7955	\$ 7,202,373.52
Class I Differential at Location				223,708.22
Class II Butterfat	39.92%	3,519,271	\$1.7954	6,318,499.15
Class III Butterfat	2.04%	180,149	\$1.7884	322,178.48
Class IV Butterfat	12.54%	1,105,274	\$1.7884	1,976,672.04
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,816,041</b>		<b>\$ 16,043,431.41</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.8198**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	85.22%	199,215,412	\$11.89 /cwt.	\$ 23,686,712.48
Class I Butterfat	45.50%	4,011,347	\$1.7955 /lb.	7,202,373.52
Class I Differential at Location		203,226,759		11,311,630.44
<b>Total Class I Milk</b>	<b>83.78%</b>	<b>203,226,759</b>		<b>\$ 42,200,716.44</b>
Class II Skim Milk	8.52%	19,905,618	\$12.59 /cwt.	\$ 2,506,117.31
Class II Butterfat	39.92%	3,519,271	\$1.7954 /lb.	6,318,499.15
<b>Total Class II Milk</b>	<b>9.66%</b>	<b>23,424,889</b>		<b>\$ 8,824,616.46</b>
Class III Skim Milk	3.11%	7,265,288	\$12.71 /cwt.	\$ 923,418.10
Class III Butterfat	2.04%	180,149	\$1.7884 /lb.	322,178.48
<b>Total Class III Milk</b>	<b>3.07%</b>	<b>7,445,437</b>		<b>\$ 1,245,596.58</b>
Class IV Skim Milk	3.15%	7,360,274	\$13.09 /cwt.	\$ 963,459.87
Class IV Butterfat	12.54%	1,105,274	\$1.7884 /lb.	1,976,672.04
<b>Total Class IV Milk</b>	<b>3.49%</b>	<b>8,465,548</b>		<b>\$ 2,940,131.91</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>242,562,633</b>		<b>\$ 55,211,061.39</b>

### Adjustments

Overage and Other Source	\$3,119.17
Inventory Adjustments	\$11,409.35
Producer butterfat at uniform butterfat price	(\$16,043,431.41)
Location Adjustments to Producers	(\$213,718.25)
1/2 Unobligated Balance in P.S.F.	\$130,032.62
<b>Adjusted Pool Value</b>	<b>\$ 16,72686</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04686</b>
	<b>\$39,098,472.87</b>
	<b>\$109,541.32</b>

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

**\$16.68**

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

**\$22.47\***

\* 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 2013	JUN 2013	APR 2013	MAY 2013	MAY 2013
Appalachian (Charlotte)	\$ 21.16	\$ 22.33	\$ 20.42	\$ 20.46	63.64%
Arizona (Phoenix)	\$ 20.11	\$ 21.28	\$ 18.61	\$ 19.11	26.97%
Central (Kansas City)	\$ 19.76	\$ 20.93	\$ 18.17	\$ 18.65	32.35%
<b>Florida (Tampa)</b>	<b>\$ 23.16</b>	<b>\$ 24.33</b>	<b>\$ 22.50</b>	<b>\$ 22.47</b>	<b>83.78%</b>
Mideast (Cleveland)	\$ 19.76	\$ 20.93	\$ 18.49	\$ 18.89	34.40%
Northeast (Boston)	\$ 21.01	\$ 22.18	\$ 19.50	\$ 19.78	35.60%
Pacific Northwest (Seattle)	\$ 19.66	\$ 20.83	\$ 18.16	\$ 18.79	24.69%
Southeast (Atlanta)	\$ 21.56	\$ 22.73	\$ 20.80	\$ 20.89	64.25%
Southwest (Dallas)	\$ 20.76	\$ 21.93	\$ 19.04	\$ 19.54	34.07%
Upper Midwest (Chicago)	\$ 19.56	\$ 20.73	\$ 17.81	\$ 18.63	11.00%



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

<b>Receipts:</b>	<b>May 2013</b>	<b>May 2012</b>
<b>Producer Milk</b>		
Class I	203,226,759	199,007,725
Class II	23,424,889	21,288,266
Class III	7,445,437	3,650,863
Class IV	8,465,548	19,444,782
	<hr/>	<hr/>
Total Producer Milk	<b>242,562,633</b>	<b>243,391,636</b>
Average Butterfat Test	3.63%	3.58%
Percent of Producer Milk in Class I	83.78%	81.76%
Daily Average Receipts	7,824,601	7,851,343
<b>Other Source Milk</b>		
Class I	4,645,722	4,142,315
Class II	6,232,044	8,674,269
Class III	111	0
Class IV	284,296	270,055
	<hr/>	<hr/>
Total Other Source Milk	<b>11,162,173</b>	<b>13,086,639</b>
<b>Overage</b>		
Class I	0	0
Class II	24,775	0
Class III	0	0
Class IV	0	1,572
	<hr/>	<hr/>
Total Overage	<b>24,775</b>	<b>1,572</b>
<b>Opening Inventory</b>		
Class I	10,151,205	9,271,111
Class II	2,482,821	264,484
Class III	216,467	0
Class IV	5,712,817	8,761,703
	<hr/>	<hr/>
Total Opening Inventory	<b>18,563,310</b>	<b>18,297,298</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>272,312,891</b>	<b>274,777,145</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,459,838	8,688,580
Route Disposition Class I	206,608,560	202,443,194
Shrinkage	803,305	124,852
Transfers & Diversions to Nonpool	151,983	164,525
	<hr/>	<hr/>
Total Class I Utilization	<b>218,023,686</b>	<b>212,421,151</b>
Average Butterfat Test	1.97%	1.93%
Daily Average Utilization	7,033,022	6,852,295
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,232,044	8,674,270
Shrinkage	3,538,462	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	9,554,373	8,591,487
	<hr/>	<hr/>
Total Class II Utilization	<b>32,164,529</b>	<b>30,227,019</b>
Average Butterfat Test	10.99%	10.57%
<b>Class III Utilization</b>		
Shrinkage	0	19,970
Transfers & Diversions to Nonpool/Used to Produce	7,662,015	3,630,893
Use to Produce/Other Uses	0	0
	<hr/>	<hr/>
Total Class III Utilization	<b>7,662,015</b>	<b>3,650,863</b>
Average Butterfat Test	2.41%	4.82%
<b>Class IV Utilization</b>		
Inventory	6,066,106	6,843,058
Nonfluid Used To Fortify	240,617	250,563
Shrinkage	9,195	2,981,008
Transfers & Diversions to Nonpool	8,146,743	16,574,766
Used To Produce/Other Uses	0	1,828,717
	<hr/>	<hr/>
Total Class IV Utilization	<b>14,462,661</b>	<b>28,478,112</b>
Average Butterfat Test	10.68%	6.97%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>272,312,891</b>	<b>274,777,145</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2013 is \$22.47 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.68 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8198 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 May, Class I use accounted for 85.22% of all producer skim milk (priced to handlers at \$11.89 per hundredweight, plus the Class I differential) and 45.50% of producer butterfat (priced to handlers at \$1.7955 per pound plus Class I differential). Class II use accounted for 8.52% of all producer skim milk (\$12.59 per hundredweight) and 39.92% of producer butterfat (\$1.7954 per pound). Class III use accounted for 3.11% of all producer skim milk (\$12.71 per hundredweight) and 2.04% of producer butterfat (\$1.7884 per pound). Class IV use accounted for 3.15% of all producer skim milk (\$13.09 per hundredweight) and 12.54% of producer butterfat (\$1.7884 per pound).

Receipts of producer milk during May 2013 totaled 242.6 million pounds, 0.8 million pounds less than May 2012. Florida producers supplied 203.4 million pounds of milk in April 2013 or 83.13% of the producer milk pooled in Florida. In April 2012, Florida producers supplied 76.44% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 7 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for May 2013. In-area Class I route disposition totaled 238.6 million pounds in April 2013, one million less than April 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2013</b>		
Whole Milk	79,832,289	33.46%
Fat Free Milk	30,575,217	12.81%
Lowfat Milk (incl. 1%)	35,197,342	14.75%
Reduced Fat Milk (incl. 2%)	67,126,980	28.13%
Cultured Fluid Milk (incl. Buttermilk)	1,197,442	0.50%
Flavored Drinks and Milk	24,690,653	10.35%
<b>Total Disposition in Marketing Area</b>	<b>238,619,923</b>	<b>100.00%</b>
Total Disposition by Pool Plants	210,372,809	88.16%
Total Disposition by Nonpool Plants	28,247,114	11.84%
<b>Total Disposition in Marketing Area</b>	<b>238,619,923</b>	<b>100.00%</b>

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### Appointment of Florida and Southeast Market Administrator

(continued from Page 1) appreciation to Shawn Boockoff, Assistant Northeast Market Administrator, for serving as the Acting Assistant Market Administrator. Pat and the staff look forward to continuing to provide the Southeast and Florida Orders with excellent customer service.

### Request to Extend Southeast Order Transportation Credits to June 2013 Denied

The Atlanta Market Administrator has denied a request to extend the Transportation Credit Balancing Fund payout period to June 2013 on the Southeast Federal milk marketing order. 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.

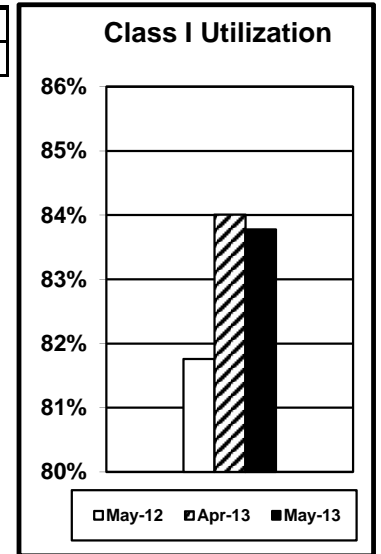
The following is quoted from the denial letter issued May 29: "Providing for no reimbursements in June is deemed less injurious to the market than having substantially reduced reimbursements later in the year. By denying the extension to June 2013, TCBF revenues will be preserved for such a time when deficits and the need for supplemental milk will be more acute." For more details on the decision, visit [www.fmmatlanta.com](http://www.fmmatlanta.com) and click on 'What's New'.

**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
Apr 2012	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
June	\$18.49	\$1.8540	\$24.33	\$13.79											

**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.	%
Apr 2012	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	210**	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%



\* 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 June through August 2013									
	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
JUN 2013	07/11/13	07/12/13	07/15/13	06/19/13	06/20/13	07/05/13	07/05/13	07/15/13	07/16/13
JUL 2013	08/11/13	08/12/13	08/13/13	07/19/13	07/22/13	08/05/13	08/05/13	08/13/13	08/14/13
AUG 2013	09/11/13	09/12/13	09/13/13	08/19/13	08/20/13	09/04/13	09/05/13	09/13/13	09/16/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for June will be \$20.22 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.10 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 – 519 June 12, 2013

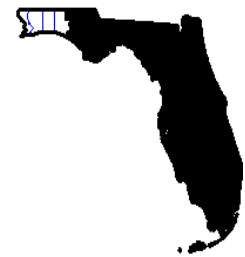
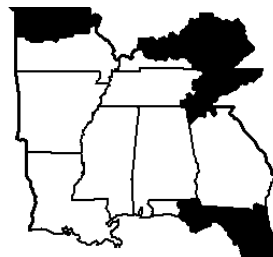
The milk production forecast for 2013 is unchanged. For 2014, the production forecast is lowered as relatively weak milk-to-feed ratios in the third and fourth quarter of 2013 are expected to slow production growth in the first half of 2014. Fat basis exports for 2013 are lowered based on slow butter exports through April. Skim-solid exports are higher based on expectations of continued robust nonfat dry milk (NDM) exports. Fat and skim basis exports for 2014 are unchanged. Fat basis imports are raised for 2013 and 2014.

Forecasts for 2013 cheese and butter prices are lowered from last month, reflecting greater stocks and weaker-than-expected prices to date. The NDM price is raised on tightening supplies and expectations of continued robust export demand. The price range for whey is narrowed. As a result of the lower cheese price forecast, the Class III price is reduced. The Class IV price is down as lower butter prices more than offset higher NDM. For 2014, the butter price forecast is lowered as stocks remain high, but other product prices are unchanged. The Class III price forecast is unchanged, but the Class IV price is lowered. The all milk price is forecast at \$19.60 to \$20.00 per cwt for 2013 and \$18.95 to \$19.95 for 2014.

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).*



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
1550 North Brown Road, Suite 120  
Lawrenceville, Georgia 30043



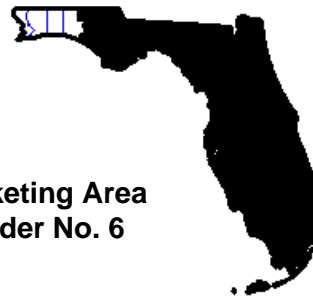
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

July 2013

Volume 14—No. 7

## Feed Price Relief on the Horizon for Producers but High Stocks Dampen Milk and Product Prices

*Excerpts from Livestock, Dairy, & Poultry Outlook, July 17, 2013, Economic Research Service, USDA:*

Corn prices for the 2012/13 year are unchanged in July at \$6.75-\$7.15 per bushel. For the 2013/14 year, corn prices were also unchanged from last month at \$4.40- \$5.20 per bushel. The production forecast for the 2013 corn crop was lowered based on lower expected harvested acreage. However, slightly higher imports and reduced feed and residual use maintained prices. The soybean meal price forecast remains at \$290-\$330 per ton where it was in June. According to the most recent Agricultural Prices report, preliminary June alfalfa prices were \$220 per ton, fractionally lower than May but 10 percent above the June 2012 price.

The 2013 milk production forecast was raised slightly in July. Second-quarter estimated production was higher than forecast last month, and milk production is expected to remain slightly higher for the remainder of the year. Production is forecast at 202.0 billion pounds for 2013 and at 204.5 billion pounds in 2014, unchanged from June's forecast. Producers will see lower feed prices into 2014, but milk prices are forecast slightly lower as well. The net effect should be a modest expansion in milk production by late next year.

Fat-basis ending stocks were raised from June forecasts and remain high by historic standards. The most recent Cold Storage report placed cheese stocks above last year's stocks. Butter stocks especially seem to be accumulating. Fat-basis ending stocks were raised to 13.7 billion pounds. A continued increase in both domestic and foreign demand for dairy products is expected to draw down 2014 ending stocks to 12.8 billion pounds.

Cheese prices were lowered fractionally in July to \$1.735-\$1.765 per pound for the current year. Cheese prices are expected to decline to \$1.630-\$1.730 per pound in 2014. (continued on Page 4)

## Uniform Price Higher

The uniform price in Hillsborough County, Florida, was \$23.27 per hundredweight for milk at 3.5 percent butterfat for the month of June. This represents an increase of \$0.80 compared with the previous month and an increase of \$3.54 from June 2012.

Class I utilization was 82.42 percent in June, down 1.36 percent compared to last month and an increase of 0.75 percent compared with June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2013 was 17.74 billion pounds, an increase of 0.8 percent from May 2012 and a decrease of 0.5 percent when compared with April 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 954 million pounds, 3.9 percent higher than May 2012 and 0.8 percent below April 2013 on a daily average basis. Butter production was 167 million pounds, 1.5 percent above May 2012 but 3.4 percent lower than April 2013 on a daily average basis.

Nonfat dry milk powder production was 167 million pounds in May 2013, a decrease of 13.4 percent compared to May of last year and 1.2 percent higher than April 2013 on a daily average basis. Dry whey production was 78.0 million pounds in May, 10.0 percent lower than May of last year and 7.5 percent below April 2013 on a daily average basis. Whey protein concentrates production was 42.8 million pounds in May, a 16.9 percent increase compared to May of last year and a 2.2 percent increase over April 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.53 in June, unchanged from the previous month.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JUNE 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.35%	3,780,952	\$1.8000	\$ 6,805,713.60
Class I Differential at Location				210,658.35
Class II Butterfat	34.46%	2,694,455	\$1.6669	4,491,387.03
Class III Butterfat	4.89%	382,249	\$1.6599	634,495.12
Class IV Butterfat	12.30%	961,406	\$1.6599	1,595,837.83
<b>Total Butterfat</b>	<b>100.00%</b>	<b>7,819,062</b>		<b>\$ 13,738,091.93</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.7570**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	83.70%	174,432,573	\$13.09 /cwt.	\$ 22,833,223.81
Class I Butterfat	48.35%	3,780,952	\$1.8000 /lb.	6,805,713.60
Class I Differential at Location		178,213,525		9,914,644.80
<b>Total Class I Milk</b>	<b>82.42%</b>	<b>178,213,525</b>		<b>\$ 39,553,582.21</b>
Class II Skim Milk	7.31%	15,238,900	\$13.79 /cwt.	\$ 2,101,444.30
Class II Butterfat	34.46%	2,694,455	\$1.6669 /lb.	4,491,387.03
<b>Total Class II Milk</b>	<b>8.29%</b>	<b>17,933,355</b>		<b>\$ 6,592,831.33</b>
Class III Skim Milk	2.71%	5,656,522	\$12.65 /cwt.	\$ 715,550.02
Class III Butterfat	4.89%	382,249	\$1.6599 /lb.	634,495.12
<b>Total Class III Milk</b>	<b>2.79%</b>	<b>6,038,771</b>		<b>\$ 1,350,045.14</b>
Class IV Skim Milk	6.28%	13,095,157	\$13.54 /cwt.	\$ 1,773,084.26
Class IV Butterfat	12.30%	961,406	\$1.6599 /lb.	1,595,837.83
<b>Total Class IV Milk</b>	<b>6.50%</b>	<b>14,056,563</b>		<b>\$ 3,368,922.09</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>216,242,214</b>		<b>\$ 50,865,380.77</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$46.75
Producer butterfat at uniform butterfat price	(\$13,738,091.93)
Location Adjustments to Producers	(\$207,910.14)
1/2 Unobligated Balance in P.S.F.	\$143,296.62

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17,78244	\$37,062,722.07
	<b>\$ 0.04244</b>	\$88,454.91

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

**\$17.74**

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

**\$23.27\***

\* 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 %
	JUN 2013	JUL 2013	MAY 2013	JUN 2013	JUN 2013
Appalachian (Charlotte)	\$ 22.33	\$ 22.31	\$ 20.46	\$ 21.00	58.46%
Arizona (Phoenix)	\$ 21.28	\$ 21.26	\$ 19.11	\$ 19.27	25.89%
Central (Kansas City)	\$ 20.93	\$ 20.91	\$ 18.65	\$ 18.80	26.05%
<b>Florida (Tampa)</b>	<b>\$ 24.33</b>	<b>\$ 24.31</b>	<b>\$ 22.47</b>	<b>\$ 23.27</b>	<b>82.42%</b>
Mideast (Cleveland)	\$ 20.93	\$ 20.91	\$ 18.89	\$ 19.22	33.40%
Northeast (Boston)	\$ 22.18	\$ 22.16	\$ 19.78	\$ 20.20	33.70%
Pacific Northwest (Seattle)	\$ 20.83	\$ 20.81	\$ 18.79	\$ 18.84	22.13%
Southeast (Atlanta)	\$ 22.73	\$ 22.71	\$ 20.89	\$ 21.31	56.24%
Southwest (Dallas)	\$ 21.93	\$ 21.91	\$ 19.54	\$ 19.71	31.84%
Upper Midwest (Chicago)	\$ 20.73	\$ 20.71	\$ 18.63	\$ 18.32	9.50%

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

Receipts:	June 2013	June 2012
<b>Producer Milk</b>		
Class I	178,213,525	185,432,536
Class II	17,933,355	18,930,584
Class III	6,038,771	13,000,308
Class IV	14,056,563	9,665,420
	<hr/>	<hr/>
Total Producer Milk	<b>216,242,214</b>	<b>227,028,748</b>
Average Butterfat Test	3.62%	3.62%
Percent of Producer Milk in Class I	82.42%	81.67%
Daily Average Receipts	7,208,074	7,567,625
<b>Other Source Milk</b>		
Class I	4,181,448	4,089,534
Class II	6,230,958	7,432,126
Class III	0	0
Class IV	253,730	293,796
	<hr/>	<hr/>
Total Other Source Milk	<b>10,666,136</b>	<b>11,815,456</b>
<b>Overage</b>		
Class I	0	0
Class II	0	57,335
Class III	0	40,958
Class IV	0	704,797
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>803,090</b>
<b>Opening Inventory</b>		
Class I	10,460,149	9,708,293
Class II	30,251	471,375
Class III	37,503	122,418
Class IV	5,998,352	6,229,552
	<hr/>	<hr/>
Total Opening Inventory	<b>16,526,255</b>	<b>16,531,638</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>243,434,605</b>	<b>256,178,932</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	7,469,517	9,371,952
Route Disposition Class I	184,659,317	189,372,968
Shrinkage	605,901	93,761
Transfers & Diversions to Nonpool	120,387	391,582
	<hr/>	<hr/>
Total Class I Utilization	<b>192,855,122</b>	<b>199,230,263</b>
Average Butterfat Test	2.10%	2.06%
Daily Average Utilization	6,428,504	6,641,009
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,230,959	7,364,810
Shrinkage	32	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,318,218	8,995,681
	<hr/>	<hr/>
Total Class II Utilization	<b>24,194,564</b>	<b>26,891,420</b>
Average Butterfat Test	11.14%	12.62%
<b>Class III Utilization</b>		
Shrinkage	3,448,061	0
Transfers & Diversions to Nonpool/Used to Produce	1,199,416	13,163,684
Use to Produce/Other Uses	1,428,797	0
	<hr/>	<hr/>
Total Class III Utilization	<b>6,076,274</b>	<b>13,163,684</b>
Average Butterfat Test	6.29%	1.22%
<b>Class IV Utilization</b>		
Inventory	9,700,627	5,143,706
Nonfluid Used To Fortify	219,194	259,239
Shrinkage	2,944	2,676,451
Transfers & Diversions to Nonpool	10,385,880	7,345,025
Used To Produce/Other Uses	0	1,469,144
	<hr/>	<hr/>
Total Class IV Utilization	<b>20,308,645</b>	<b>16,893,565</b>
Average Butterfat Test	6.92%	7.62%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>243,434,605</b>	<b>256,178,932</b>



## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2013 is \$23.27 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$17.74 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7570 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 June, Class I use accounted for 83.70% of all producer skim milk (priced to handlers at \$13.09 per hundredweight, plus the Class I differential) and 48.35% of producer butterfat (priced to handlers at \$1.8000 per pound plus Class I differential). Class II use accounted for 7.31% of all producer skim milk (\$13.79 per hundredweight) and 34.46% of producer butterfat (\$1.6669 per pound). Class III use accounted for 2.71% of all producer skim milk (\$12.65 per hundredweight) and 4.89% of producer butterfat (\$1.6599 per pound). Class IV use accounted for 6.28% of all producer skim milk (\$13.54 per hundredweight) and 12.30% of producer butterfat (\$1.6599 per pound).

Receipts of producer milk during June 2013 totaled 216.2 million pounds, 10.8 million pounds less than June 2012. Florida producers supplied 208.6 million pounds of milk in May 2013 or 85.99% of the producer milk pooled in Florida. In May 2012, Florida producers supplied 77.87% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for June 2013. In-area Class I route disposition totaled 233.3 million pounds in May 2013, about the same as May 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>May 2013</b>		
Whole Milk	80,571,907	34.54%
Fat Free Milk	28,702,813	12.30%
Lowfat Milk (incl. 1%)	34,025,229	14.58%
Reduced Fat Milk (incl. 2%)	66,100,207	28.33%
Cultured Fluid Milk (incl. Buttermilk)	1,231,973	0.53%
Flavored Drinks and Milk	22,667,420	9.72%
<b>Total Disposition in Marketing Area</b>	<b>233,299,549</b>	<b>100.00%</b>
Total Disposition by Pool Plants	205,739,958	88.19%
Total Disposition by Nonpool Plants	27,559,591	11.81%
<b>Total Disposition in Marketing Area</b>	<b>233,299,549</b>	<b>100.00%</b>

### Price Relief on the Horizon for Producers but High Stocks Dampen Milk / Product Prices

(continued from Page 1) Butter prices are forecast at \$1.515-\$1.575 per pound in 2013 and at \$1.450-\$1.580 per pound in 2014; both downward revisions from June forecasts.

Higher stocks of these products--especially this year and carrying into next year-- will likely pressure prices. Despite higher stocks, price prospects for NDM reflect continued strong export demand for dry milk products and reduced supplies from the European Union. The NDM price is projected at \$1.615-\$1.645 per pound, an increase from last month for the current year, and at \$1.585-\$1.655 per pound next year, unchanged from June. Whey prices are unchanged from the June forecast at 58.5-60.5 cents per pound this year and 56.5-59.5 cents per pound for 2014.

Class III milk prices were lowered slightly in July to \$ 17.65-\$17.95 per cwt reflecting the lower forecast cheese price. Next year, the Class III price is projected to slip to \$16.60-\$17.60 per cwt on weaker expected cheese prices. The Class IV price forecast was unchanged this month, but the price range was narrowed to \$18.20-\$18.60 per cwt. Next year's Class IV price also lowered from the June forecast to \$17.65-\$18.75 per cwt based on lower forecast butter prices. The prospect of higher forecast milk production in 2014 compared with 2013 will also pressure prices downward. The 2013 all milk price was lowered this month to \$19.50-\$19.80 per cwt and to \$18.70-\$19.70 per cwt for 2014.

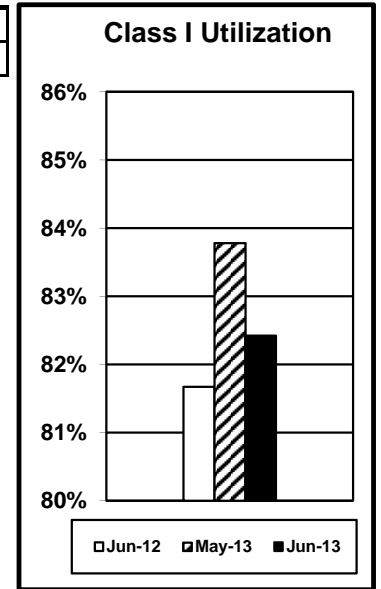
*(Excerpts from Livestock, Dairy, & Poultry Outlook, July 17, 2013, Economic Research Service, USDA)*

**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
Apr 2012	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20											

**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.	%
Apr 2012	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
Jun	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	200**	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%



\* 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 July through September 2013									
	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
JUL 2013	08/11/13	08/12/13	08/13/13	07/19/13	07/22/13	08/05/13	08/05/13	08/13/13	08/14/13
AUG2013	09/11/13	09/12/13	09/13/13	08/19/13	08/20/13	09/04/13	09/05/13	09/13/13	09/16/13
SEP 2013	10/11/13	10/15/13	10/16/13	09/19/13	09/20/13	10/04/13	10/07/13	10/16/13	10/17/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for July will be \$20.94 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.78 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 – 520 July 11, 2013

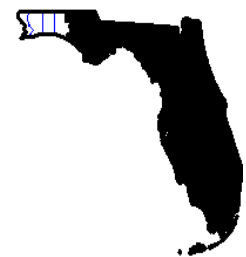
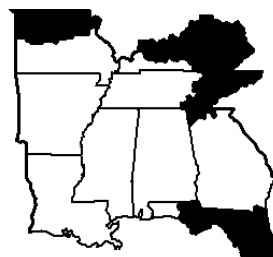
The 2013 milk production forecast is raised from last month based on growth in milk production to date. The milk production forecast for 2014 is unchanged from last month. Despite weaker forecast milk prices, forage supplies and feeding margins will likely continue to support modest gains in milk production.

Cheese and butter prices are forecast lower for 2013 on larger supplies. Prices for 2014 are lowered as the larger carry-in stocks overhang the market. The 2013 NDM price forecast is raised from last month on strong export demand, but the forecast for 2014 is unchanged. The whey price forecasts for both 2013 and 2014 are unchanged from last month. The Class III price forecasts are lowered from last month in line with lower product prices. The Class IV price forecast is unchanged for 2013 as lower butter prices are largely offset by higher NDM prices. However, the Class IV price is lowered for 2014, reflecting lower butter prices. The 2013 all-milk price is forecast at \$19.50 to \$19.80 and the price for 2014 is \$18.70 to \$19.70 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).*



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
1550 North Brown Road, Suite 120  
Lawrenceville, Georgia 30043



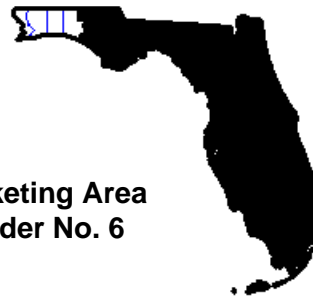
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

August 2013

Volume 14—No. 8

## Lower Butter Prices Reflect High Stocks; Higher Nonfat Dry Milk Prices Reflect Strong Exports

*Excerpts from Livestock, Dairy, & Poultry Outlook, August 16, 2013, Economic Research Service, USDA:*

Corn prices for the 2012/13 year are unchanged from July; however, the price range is narrowed to \$6.90-\$7.00 per bushel. For the 2013/14 year, corn prices are raised to \$4.50-\$5.30 per bushel. The production forecast for the 2013 corn crop is lowered for August based on slightly lower expected yield. The soybean meal price forecast for 2013/14 is increased to \$305-\$345 per ton from July. Soybean meal production is lowered for August, and the higher price keeps the production in domestic use at the expense of exports, which were lowered. According to the most recent Agricultural Prices report, the preliminary July alfalfa price was \$209 per ton, lower than June but 6 percent above the July 2012 price.

The 2013 milk production forecast is raised slightly in August from July to 202.1 billion pounds. The 2013 forecast is raised due to changes in second-quarter reported production. The 2014 milk production forecast remains unchanged from the July forecast at 204.5 billion pounds.

Current-year fat basis imports are raised in August to 4.2 billion pounds, largely on the basis of year-to-date cheese imports, and are expected to decline to 4.1 billion pounds in 2014, unchanged from the July forecast. This year's skim-solids basis imports were lowered to 5.4 based on a year-to-date decline in casein imports. Imports are forecast at 5.4 billion pounds for 2014, unchanged from July's forecast. Current-year fat basis exports are increased to 10.3 billion pounds for 2013, based on strong shipments of butterfat. Fat basis exports are expected to hold at 10.3 billion pounds in 2014. Current-year skim-solids exports were raised in August to 37.0 billion pounds based on continued strength in nonfat dry milk (NDM) exports; exports in 2014 were unchanged from (continued on page 4)

## Uniform Price Higher

The uniform price in Hillsborough County, Florida, was \$23.44 per hundredweight for milk at 3.5 percent butterfat for the month of July. This represents an increase of \$0.17 compared with the previous month and an increase of \$3.24 from July 2012.

Class I utilization was 86.01 percent in July, up 3.59 percent compared to last month and an increase of 2.89 percent compared with July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2013 was 16.93 billion pounds, an increase of 1.5 percent from June 2012 and a decrease of 1.6 percent when compared with May 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 914 million pounds, 1.4 percent above June 2012 but 0.7 percent below May 2013 on a daily average basis. Butter production was 141 million pounds, 2.7 percent above June 2012 but 11.0 percent below May 2013 on a daily average basis.

Nonfat dry milk powder production was 130.5 million pounds in June 2013, a decrease of 22.5 percent compared to June of last year and 10.4 percent lower than May 2013 on a daily average basis. Dry whey production was 79.1 million pounds in June, 5.2 percent lower than June of last year and 3.0 percent above May 2013 on a daily average basis. Whey protein concentrates production was 40.3 million pounds in June, a 4.6 percent increase compared to June of last year and 3.5 percent lower than May 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.52 in July, unchanged from the previous month.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JULY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	50.59%	4,007,129	\$1.6803	\$ 6,733,178.84
Class I Differential at Location				223,329.69
Class II Butterfat	35.02%	2,773,798	\$1.5763	4,372,337.80
Class III Butterfat	2.97%	235,101	\$1.5693	368,943.99
Class IV Butterfat	11.42%	904,912	\$1.5693	1,420,078.41
<b>Total Butterfat</b>	<b>100.00%</b>	<b>7,920,940</b>		<b>\$ 13,117,868.73</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.6561**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	87.33%	185,115,051	\$13.50 /cwt.	\$ 24,990,531.93
Class I Butterfat	50.59%	4,007,129	\$1.6803 /lb.	6,733,178.84
Class I Differential at Location		189,122,180		10,519,595.43
<b>Total Class I Milk</b>	<b>86.01%</b>	<b>189,122,180</b>		<b>\$ 42,243,306.20</b>
Class II Skim Milk	7.65%	16,225,311	\$14.20 /cwt.	\$ 2,303,994.17
Class II Butterfat	35.02%	2,773,798	\$1.5763 /lb.	4,372,337.80
<b>Total Class II Milk</b>	<b>8.64%</b>	<b>18,999,109</b>		<b>\$ 6,676,331.97</b>
Class III Skim Milk	2.84%	6,019,266	\$12.32 /cwt.	\$ 741,573.57
Class III Butterfat	2.97%	235,101	\$1.5693 /lb.	368,943.99
<b>Total Class III Milk</b>	<b>2.84%</b>	<b>6,254,367</b>		<b>\$ 1,110,517.56</b>
Class IV Skim Milk	2.18%	4,622,360	\$13.89 /cwt.	\$ 642,045.81
Class IV Butterfat	11.42%	904,912	\$1.5693 /lb.	1,420,078.41
<b>Total Class IV Milk</b>	<b>2.51%</b>	<b>5,527,272</b>		<b>\$ 2,062,124.22</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>219,902,928</b>		<b>\$ 52,092,279.95</b>

### Adjustments

Overage and Other Source	\$2,071.48
Inventory Adjustments	(\$6,401.09)
Producer butterfat at uniform butterfat price	(\$13,117,868.73)
Location Adjustments to Producers	(\$270,882.24)
1/2 Unobligated Balance in P.S.F.	\$138,707.68

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18,32132	\$38,837,907.05
	<u>\$ 0.04132</u>	\$87,599.65

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

**\$18.28**

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

**\$23.44\***

\* 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 %
	JUL 2013	AUG 2013	JUN 2013	JUL 2013	JUL 2013
Appalachian (Charlotte)	\$ 22.31	\$ 22.28	\$ 21.00	\$ 21.26	68.87%
Arizona (Phoenix)	\$ 21.26	\$ 21.23	\$ 19.27	\$ 19.17	29.60%
Central (Kansas City)	\$ 20.91	\$ 20.88	\$ 18.80	\$ 18.62	30.05%
<b>Florida (Tampa)</b>	<b>\$ 24.31</b>	<b>\$ 24.28</b>	<b>\$ 23.27</b>	<b>\$ 23.44</b>	<b>86.01%</b>
Mideast (Cleveland)	\$ 20.91	\$ 20.88	\$ 19.22	\$ 19.12	38.10%
Northeast (Boston)	\$ 22.16	\$ 22.13	\$ 20.20	\$ 20.18	35.50%
Pacific Northwest (Seattle)	\$ 20.81	\$ 20.78	\$ 18.84	\$ 18.65	22.94%
Southeast (Atlanta)	\$ 22.71	\$ 22.68	\$ 21.31	\$ 21.57	68.05%
Southwest (Dallas)	\$ 21.91	\$ 21.88	\$ 19.71	\$ 19.40	33.29%
Upper Midwest (Chicago)	\$ 20.71	\$ 20.68	\$ 18.32	\$ 17.78	10.10%

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

Receipts:	July 2013	July 2012
<b>Producer Milk</b>		
Class I	189,122,180	185,763,712
Class II	18,999,109	21,034,489
Class III	6,254,367	5,979,286
Class IV	5,527,272	10,699,089
	<hr/>	<hr/>
Total Producer Milk	<b>219,902,928</b>	<b>223,476,576</b>
Average Butterfat Test	3.60%	3.64%
Percent of Producer Milk in Class I	86.01%	83.12%
Daily Average Receipts	7,093,643	7,208,922
<b>Other Source Milk</b>		
Class I	4,330,662	3,939,459
Class II	6,862,932	7,203,207
Class III	0	0
Class IV	259,880	570,917
	<hr/>	<hr/>
Total Other Source Milk	<b>11,453,474</b>	<b>11,713,583</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	1,320	0
	<hr/>	<hr/>
Total Overage	<b>1,320</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	7,469,532	9,371,952
Class II	22,619	123,877
Class III	408,610	82,258
Class IV	9,269,398	4,937,571
	<hr/>	<hr/>
Total Opening Inventory	<b>17,170,159</b>	<b>14,515,658</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>248,527,881</b>	<b>249,705,817</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	7,355,896	8,732,484
Route Disposition Class I	192,333,284	188,667,940
Shrinkage	1,045,503	1,156,545
Transfers & Diversions to Nonpool	187,691	518,154
	<hr/>	<hr/>
Total Class I Utilization	<b>200,922,374</b>	<b>199,075,123</b>
Average Butterfat Test	2.11%	2.08%
Daily Average Utilization	6,481,367	6,421,778
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,862,932	7,203,207
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,642,941	8,601,914
	<hr/>	<hr/>
Total Class II Utilization	<b>25,884,660</b>	<b>28,361,573</b>
Average Butterfat Test	10.72%	11.04%
<b>Class III Utilization</b>		
Shrinkage	3,296,937	0
Transfers & Diversions to Nonpool/Used to Produce	1,743,608	6,061,544
Use to Produce/Other Uses	1,622,432	0
	<hr/>	<hr/>
Total Class III Utilization	<b>6,662,977</b>	<b>6,061,544</b>
Average Butterfat Test	3.83%	1.43%
<b>Class IV Utilization</b>		
Inventory	9,726,969	7,768,153
Nonfluid Used To Fortify	243,358	265,134
Shrinkage	7,151	3,285,613
Transfers & Diversions to Nonpool	5,080,392	2,999,730
Used To Produce/Other Uses	0	188,947
	<hr/>	<hr/>
Total Class IV Utilization	<b>15,057,870</b>	<b>16,207,577</b>
Average Butterfat Test	9.28%	8.65%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>248,527,881</b>	<b>249,705,817</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in July 2013 is \$23.44 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$18.28 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6561 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 July, Class I use accounted for 87.33% of all producer skim milk (priced to handlers at \$13.50 per hundredweight, plus the Class I differential) and 50.59% of producer butterfat (priced to handlers at \$1.6803 per pound plus Class I differential). Class II use accounted for 7.65% of all producer skim milk (\$14.20 per hundredweight) and 35.02% of producer butterfat (\$1.5763 per pound). Class III use accounted for 2.84% of all producer skim milk (\$12.32 per hundredweight) and 2.97% of producer butterfat (\$1.5693 per pound). Class IV use accounted for 2.18% of all producer skim milk (\$13.89 per hundredweight) and 11.42% of producer butterfat (\$1.5693 per pound).

Receipts of producer milk during July 2013 totaled 219.9 million pounds, 3.6 million pounds less than July 2012. Florida producers supplied 186.46 million pounds of milk in June 2013 or 86.18% of the producer milk pooled in Florida. In June 2012, Florida producers supplied 79.39% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for July 2013. In-area Class I route disposition totaled 208.7 million pounds in June 2013, 11.2 million pounds less than June 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2013</b>		
Whole Milk	77,514,990	37.14%
Fat Free Milk	26,185,056	12.55%
Lowfat Milk (incl. 1%)	29,453,457	14.11%
Reduced Fat Milk (incl. 2%)	64,059,990	30.69%
Cultured Fluid Milk (incl. Buttermilk)	1,114,545	0.53%
Flavored Drinks and Milk	10,375,160	4.97%
<b>Total Disposition in Marketing Area</b>	<b>208,703,198</b>	<b>100.00%</b>
Total Disposition by Pool Plants	183,855,722	88.09%
Total Disposition by Nonpool Plants	24,847,476	11.91%
<b>Total Disposition in Marketing Area</b>	<b>208,703,198</b>	<b>100.00%</b>

### Lower Butter Prices Reflect High Stocks; Higher Nonfat Dry Milk Prices Reflect Strong Exports

(continued from page 1) the July forecast at 36.4 billion pounds.

Cheese prices are increased for August to \$1.750-\$1.770 per pound for 2013. The higher 2013 forecast cheese price reflects continued strong demand. Cheese prices are expected to decline to \$1.630-\$1.730 per pound in 2014. Despite higher stocks, price prospects for NDM reflect continued strong export demand for dry milk products and reduced supplies from the European Union. The NDM price is projected at \$1.635-\$1.655 per pound for the current year, and at \$1.590-\$1.660 per pound next year, both forecasts are increases from July. Butter prices are lowered in August to \$1.495-\$1.535 per pound for 2013 and at \$1.445-\$1.575 per pound for 2014; relatively high butter stocks and currently weakening prices underpin this forecast. Whey price forecasts are unchanged from the July forecast at 58.5-60.5 cents per pound this year and 56.5-59.5 cents per pound for 2014.

Class III milk prices are increased in August to \$ 17.80-\$18.00 per cwt, reflecting the higher expected cheese price and steady whey price. The 2014 Class III price forecast is unchanged from July and is projected to slip from this year to \$16.55-\$17.55 per cwt based on lower expected cheese prices next year. The 2013 Class IV price forecast range is narrowed to \$18.25-\$18.55 per cwt. Next year's Class IV price forecast is unchanged from July's at \$17.65-\$18.75 per cwt based lower butter prices. The 2013 all milk price is changed this month to \$19.60-\$19.80 per cwt by raising the lower end of the price range by 10 cents and is lowered for 2014 to \$18.65-\$19.65 per cwt.

*Source: Livestock, Dairy, and Poultry Outlook/LDP-M-230/Aug 16, 2013: Economic Research Service, USDA*

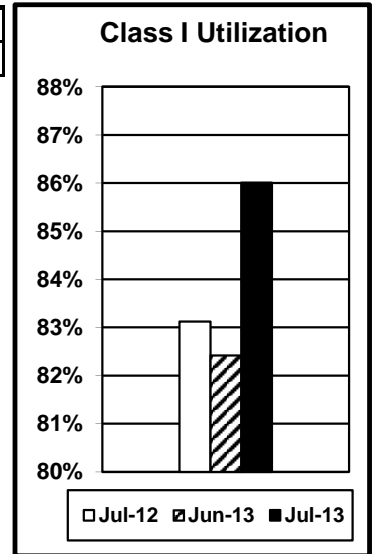


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
Jun 2012	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 18.28	\$1.6561	\$23.44
Aug	\$19.17	\$1.6509	\$24.28	\$14.47											

**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.	%
Jun 2012	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	186	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%
Jul	219,903	200**	189,122	86.01%	18,999	8.64%	6,254	2.84%	5,527	2.51%



\* 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 August through October 2013									
	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
AUG 2013	09/11/13	09/12/13	09/13/13	08/19/13	08/20/13	09/04/13	09/05/13	09/13/13	09/16/13
SEP 2013	10/11/13	10/15/13	10/16/13	09/19/13	09/20/13	10/04/13	10/07/13	10/16/13	10/17/13
OCT 2013	11/11/13	11/12/13	11/13/13	10/21/13	10/21/13	11/04/13	11/05/13	11/13/13	11/14/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for August will be \$21.10 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$19.92 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/

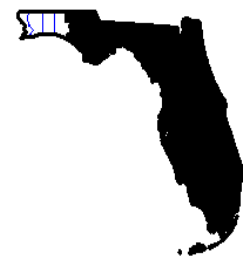
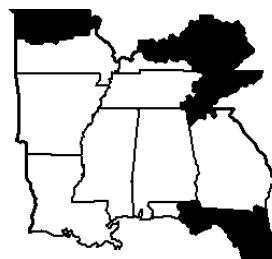
#### WASDE – 521 August 12, 2013

The 2013 milk production forecast is higher than last month based on production data for the second quarter, but subsequent quarters are unchanged. Production for 2014 is unchanged. Exports are raised for 2013 on both a fat and skim-solids basis as continued tight world supplies support higher exports. However, the export forecast for 2014 is unchanged. Fat basis imports are raised for 2013 while the skim solid forecast is lower. Import forecasts for 2014 are unchanged. Fat-basis ending stock forecasts for 2013 and 2014 are lowered as lower prices are expected to support greater butter use. The skim-basis stock forecast is unchanged for 2013 but lowered for 2014 as domestic demand for nonfat dry milk (NDM) is expected to improve. Robust demand for NDM supports increased price forecasts for 2013 and 2014. The cheese price forecast for 2013 is raised on relatively strong demand, but the forecast is unchanged for 2014. Butter prices are forecast lower for both 2013 and 2014 as stocks are relatively high. The whey price forecast is unchanged from last month. For 2013, the Class III price is raised from last month on the stronger cheese price, but the 2014 price is reduced on a lower butterfat price. The range of the 2013 Class IV price is narrowed for 2013 but is unchanged at the midpoint as the lower butter price is largely offset by the higher NDM price. The 2014 Class IV price is unchanged. The all milk price for 2013 is forecast at \$19.60 to \$19.80 per cwt and \$18.65 to \$19.65 per cwt for 2014.

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).



**MILK MARKET ADMINISTRATOR**  
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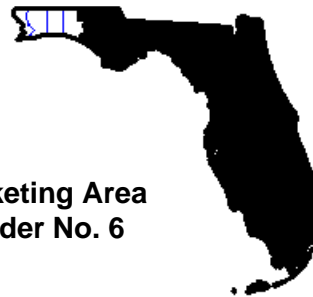
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

September 2013

Volume 14—No. 9

## Americans Not Drinking Milk as Often as Their Parents Did

*From Amber Waves, September, 2013, Economic Research Service, USDA:*

Fluid milk has long been a staple of the American diet. However, as dietary habits change, Americans of all ages are drinking less milk, on average. Since 1970, per capita consumption of fluid milk has fallen from almost 1 cup (8 fl. oz.) to 0.6 cups per day. Contributing to the trend are differences in the eating and drinking habits of newer and older generations. Americans born in the 1970s, for example, drank less milk in their teens, twenties, and thirties than did Americans born in the 1960s at the same age points. Those born in the 1980s and 1990s, in turn, appear poised to drink even less milk in their adulthood than those born in the 1970s.

To study milk drinking by Americans over time and across generations, ERS researchers analyzed data from food consumption surveys conducted in 1977-78, 1989-91, 1994-96, 2003-04, and 2007-08. Individuals participating in these USDA-sponsored surveys reported their food and beverage consumption over a 24-hour period. The surveys reveal that portion size has been fairly steady over this time. Americans—on the occasions when they drink fluid milk—continue to consume about 1 cup.

Changes are instead occurring in the frequency of fluid milk consumption. As teenagers in 1977-78, Americans born in the early 1960s drank milk 1.5 times per day. As they grew older, they drank milk less often, consuming it on 0.7 occasions per day as young adults (in 1994-96) and 0.6 occasions per day in middle age (in 2007-08). By contrast, Americans born in the early 1980s entered their teenage years drinking milk just 1.2 times per day (in 1994-96) and, by the time they were young adults, had already reduced that frequency to 0.5 occasions per day (in 2007-08). (cont. on page 4)

## Uniform Price Higher

The uniform price in Hillsborough County, Florida, was \$23.56 per hundredweight for milk at 3.5 percent butterfat for the month of August. This represents an increase of \$0.12 compared with the previous month and an increase of \$2.10 from August 2012.

Class I utilization was 87.92 percent in August, up 1.92 percent compared to last month and an increase of 1.25 percent compared with August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2013 was 16.78 billion pounds, an increase of 1.1 percent from July 2012 and a decrease of 4.1 percent when compared with June 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 910 million pounds, 3.0 percent above July 2012 but 3.3 percent below June 2013 on a daily average basis. Butter production was 134 million pounds, 0.5 percent above July 2012 but 7.7 percent below June 2013 on a daily average basis.

Nonfat dry milk powder production was 115.6 million pounds in July 2013, a decrease of 17.5 percent compared to July of last year and 14.5 percent lower than June 2013 on a daily average basis. Dry whey production was 76.2 million pounds in July, 4.5 percent lower than July of last year and 2.2 percent below June 2013 on a daily average basis. Whey protein concentrates production was 39.1 million pounds in July, a 15.4 percent increase compared to July of last year and 9.7 percent lower than June 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.69 in August, up 0.17 from the previous month.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - AUGUST 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.57%	4,119,026	\$1.5969	\$ 6,577,672.62
Class I Differential at Location				229,885.51
Class II Butterfat	36.53%	3,035,662	\$1.5174	4,606,313.50
Class III Butterfat	4.28%	355,607	\$1.5104	537,108.82
Class IV Butterfat	9.62%	799,293	\$1.5104	1,207,252.15
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,309,588</b>		<b>\$ 13,158,232.60</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.5835**

### 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	89.35%	198,972,536	\$13.77 /cwt.	\$ 27,398,518.20
Class I Butterfat	49.57%	4,119,026	\$1.5969 /lb.	6,577,672.62
Class I Differential at Location		203,091,562		11,308,122.23
<b>Total Class I Milk</b>	<b>87.92%</b>	<b>203,091,562</b>		<b>\$ 45,284,313.05</b>
Class II Skim Milk	7.28%	16,201,395	\$14.47 /cwt.	\$ 2,344,341.85
Class II Butterfat	36.53%	3,035,662	\$1.5174 /lb.	4,606,313.50
<b>Total Class II Milk</b>	<b>8.33%</b>	<b>19,237,057</b>		<b>\$ 6,950,655.35</b>
Class III Skim Milk	1.85%	4,126,171	\$13.08 /cwt.	\$ 539,703.16
Class III Butterfat	4.28%	355,607	\$1.5104 /lb.	537,108.82
<b>Total Class III Milk</b>	<b>1.94%</b>	<b>4,481,778</b>		<b>\$ 1,076,811.98</b>
Class IV Skim Milk	1.52%	3,376,316	\$14.28 /cwt.	\$ 482,137.94
Class IV Butterfat	9.62%	799,293	\$1.5104 /lb.	1,207,252.15
<b>Total Class IV Milk</b>	<b>1.81%</b>	<b>4,175,609</b>		<b>\$ 1,689,390.09</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>230,986,006</b>		<b>\$ 55,001,170.47</b>

### Adjustments

Overage and Other Source	\$39.27
Inventory Adjustments	\$15,251.27
Producer butterfat at uniform butterfat price	(\$13,158,232.60)
Location Adjustments to Producers	(\$318,213.50)
1/2 Unobligated Balance in P.S.F.	\$129,624.43

### Adjusted Pool Value

Reserve for Producer Settlement Fund	<b>\$ 18.71309</b>	<b>\$41,669,639.34</b>
	<b>\$ 0.04309</b>	<b>\$95,952.09</b>

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

**\$18.67**

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

**\$23.56\***

\* 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 %
	AUG 2013	SEPT 2013	JUL 2013	AUG 2013	AUG 2013
Appalachian (Charlotte)	\$ 22.28	\$ 22.56	\$ 21.26	\$ 21.35	70.58%
Arizona (Phoenix)	\$ 21.23	\$ 21.51	\$ 19.17	\$ 19.41	32.17%
Central (Kansas City)	\$ 20.88	\$ 21.16	\$ 18.62	\$ 18.92	33.16%
<b>Florida (Tampa)</b>	<b>\$ 24.28</b>	<b>\$ 24.56</b>	<b>\$ 23.44</b>	<b>\$ 23.56</b>	<b>87.92%</b>
Mideast (Cleveland)	\$ 20.88	\$ 21.16	\$ 19.12	\$ 19.32	39.20%
Northeast (Boston)	\$ 22.13	\$ 22.41	\$ 20.18	\$ 20.28	36.90%
Pacific Northwest (Seattle)	\$ 20.78	\$ 21.06	\$ 18.65	\$ 18.93	27.88%
Southeast (Atlanta)	\$ 22.68	\$ 22.96	\$ 21.57	\$ 21.81	79.29%
Southwest (Dallas)	\$ 21.88	\$ 22.16	\$ 19.40	\$ 19.74	36.73%
Upper Midwest (Chicago)	\$ 20.68	\$ 20.96	\$ 17.78	\$ 18.25	10.60%

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

<b>Receipts:</b>		<b>August 2013</b>	<b>August 2012</b>
<b>Producer Milk</b>			
Class I		203,091,562	205,212,163
Class II		19,237,057	22,727,456
Class III		4,481,778	1,873,476
Class IV		4,175,609	6,965,828
	Total Producer Milk	<b>230,986,006</b>	<b>236,778,923</b>
	Average Butterfat Test	3.60%	3.67%
	Percent of Producer Milk in Class I	87.92%	86.67%
	Daily Average Receipts	7,451,161	7,638,030
<b>Other Source Milk</b>			
Class I		6,699,636	4,358,975
Class II		6,839,215	7,867,263
Class III		20,321	0
Class IV		309,252	322,086
	Total Other Source Milk	<b>13,868,424</b>	<b>12,548,324</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		26	0
	Total Overage	<b>26</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		7,799,774	8,757,149
Class II		264,464	2,413,739
Class III		1,527,536	126,657
Class IV		7,491,091	5,203,092
	Total Opening Inventory	<b>17,082,865</b>	<b>16,500,637</b>
	<b>Total Receipts</b>	<b>261,937,321</b>	<b>265,827,884</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
	Inventory of Packaged FMP	9,967,477	10,492,478
	Route Disposition Class I	206,243,794	206,814,713
	Shrinkage	1,078,560	641,975
	Transfers & Diversions to Nonpool	301,141	379,121
	Total Class I Utilization	<b>217,590,972</b>	<b>218,328,287</b>
	Average Butterfat Test	2.02%	2.02%
	Daily Average Utilization	7,019,064	7,042,848
<b>Class II Utilization</b>			
	Nonfluid Used To Produce	6,689,601	7,867,263
	Shrinkage	3,039	3,105,165
	Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,419,038	8,888,881
	Total Class II Utilization	<b>26,340,736</b>	<b>33,008,458</b>
	Average Butterfat Test	11.52%	10.03%
<b>Class III Utilization</b>			
	Shrinkage	3,904,612	0
	Transfers & Diversions to Nonpool/Used to Produce	680,161	2,000,133
	Use to Produce/Other Uses	1,444,862	0
	Total Class III Utilization	<b>6,029,635</b>	<b>2,000,133</b>
	Average Butterfat Test	5.90%	8.58%
<b>Class IV Utilization</b>			
	Inventory	6,771,944	6,657,570
	Nonfluid Used To Fortify	245,231	261,832
	Shrinkage	0	382
	Transfers & Diversions to Nonpool	4,958,803	5,571,222
	Used To Produce/Other Uses	0	0
	Total Class IV Utilization	<b>11,975,978</b>	<b>12,491,006</b>
	Average Butterfat Test	11.34%	12.65%
	<b>Total Utilization</b>	<b>261,937,321</b>	<b>265,827,884</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in August 2013 is \$23.56 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$18.67 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5835 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 August, Class I use accounted for 89.35% of all producer skim milk (priced to handlers at \$13.77 per hundredweight, plus the Class I differential) and 49.57% of producer butterfat (priced to handlers at \$1.5969 per pound plus Class I differential). Class II use accounted for 7.28% of all producer skim milk (\$14.47 per hundredweight) and 36.53% of producer butterfat (\$1.5174 per pound). Class III use accounted for 1.85% of all producer skim milk (\$13.08 per hundredweight) and 4.28% of producer butterfat (\$1.5104 per pound). Class IV use accounted for 1.52% of all producer skim milk (\$14.28 per hundredweight) and 9.62% of producer butterfat (\$1.5104 per pound).

Receipts of producer milk during August 2013 totaled 231 million pounds, 5.8 million pounds less than August 2012. Florida producers supplied 184.7 million pounds of milk in July 2013 or 83.99% of the producer milk pooled in Florida. In July 2012, Florida producers supplied 76.37% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 8 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for August 2013. In-area Class I route disposition totaled 219.7 million pounds in July 2013, 0.3 million pounds less than July 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2013</b>		
Whole Milk	82,744,835	37.66%
Fat Free Milk	26,936,915	12.26%
Lowfat Milk (incl. 1%)	30,671,258	13.96%
Reduced Fat Milk (incl. 2%)	67,998,185	30.94%
Cultured Fluid Milk (incl. Buttermilk)	1,176,238	0.54%
Flavored Drinks and Milk	10,216,454	4.65%
<b>Total Disposition in Marketing Area</b>	<b>219,743,885</b>	<b>100.0%</b>
Total Disposition by Pool Plants	192,131,793	87.43%
Total Disposition by Nonpool Plants	27,612,092	12.57%
<b>Total Disposition in Marketing Area</b>	<b>219,743,885</b>	<b>100.0%</b>

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## Americans Not Drinking Milk as Often as Their Parents Did

(continued from page 1) These generational differences in the frequency of milk drinking are contributing to decreases in per capita consumption. Between the 1977-78 and 2007-08 surveys, children's consumption of fluid milk declined from an average of 1.7 cups to 1.2 cups per day, and milk consumption by American teenagers and adults fell from 0.8 cups to 0.6 cups per day.

Several factors may account for variations in milk drinking habits across generations, including the food environment in which people come of age and a generation's unique experiences as children. Every decade brings a wider selection of beverage choices at supermarkets, restaurants, and other food outlets. Soft drinks, sports drinks, bottled water, juice boxes, and other products increasingly compete with fluid milk to quench consumers' thirst.

*Source: Amber Waves, September, 2013, Economic Research Service, USDA. Available at: <http://www.ers.usda.gov/amber-waves/2013-september/americans-not-drinking-milk-as-often-as-their-parents-did.aspx>*

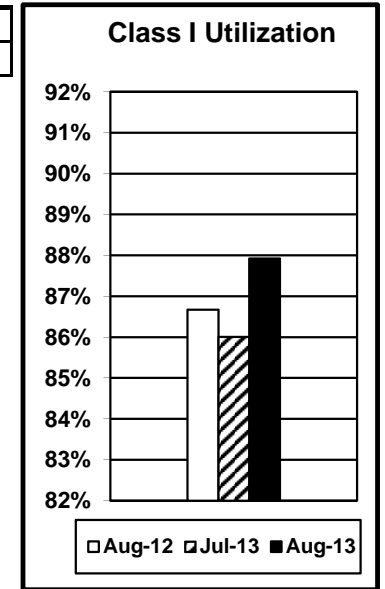
**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
Jun 2012	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 18.28	\$1.6561	\$23.44
Aug	\$19.17	\$1.6509	\$24.28	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 18.67	\$1.5835	\$23.56
Sep	\$19.66	\$1.5960	\$24.56	\$14.96											

**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.	%
Jun 2012	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
Jul	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	186	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%
Jul	219,903	188	189,122	86.01%	18,999	8.64%	6,254	2.84%	5,527	2.51%
Aug	230,986	200**	203,092	87.92%	19,237	8.33%	4,482	1.94%	4,176	1.81%

\* 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 September through November 2013									
	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
SEP 2013	10/11/13	10/15/13	10/16/13	09/19/13	09/20/13	10/04/13	10/07/13	10/16/13	10/17/13
OCT 2013	11/11/13	11/12/13	11/13/13	10/21/13	10/21/13	11/04/13	11/05/13	11/13/13	11/14/13
NOV 2013	12/11/13	12/12/13	12/13/13	11/19/13	11/20/13	12/04/13	12/05/13	12/13/13	12/16/13

\*\*The base rate for making partial payments in Hillsborough Co., FL for September will be \$21.20 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$20.03 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 – 522 September 12, 2013

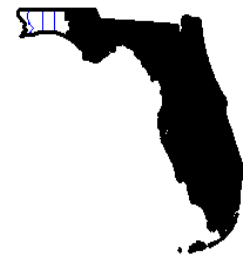
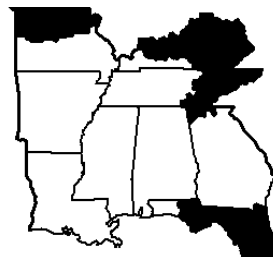
The 2013 milk production forecast is reduced from last month, reflecting recent slower growth in milk production. The production forecast for 2014 is unchanged. For 2013 fat basis and skim solids imports are lowered slightly from last month. Exports are raised for 2013 and carried into 2014 on strong international demand for dairy products. With forecast export demand, fat and skim-basis ending stocks are reduced in 2013 and 2014.

Product price forecasts are mostly higher, with strong export demand and tightening supplies supporting increases for nonfat dry milk (NDM), butter and cheese prices in 2013 and 2014. The whey price forecast is unchanged for 2013 but raised for 2014. With increased product prices, Class III and Class IV price forecasts for 2013 and 2014 are higher. The all milk price is forecast at \$19.70 to \$19.90 per cwt for 2013 and \$19.35 to \$20.35 per cwt for 2014.

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).*



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
1550 North Brown Road, Suite 120  
Lawrenceville, Georgia 30043



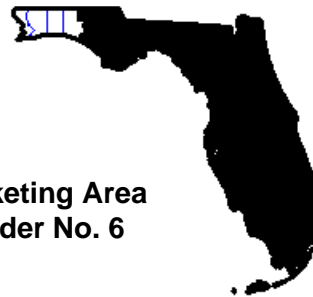
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



www.fmmatlanta.com

October 2013

Volume 14—No. 10

## A Lower Forecast Milk Supply in 2013 Helps Keep Prices Firm

*From Livestock, Dairy, & Poultry Outlook/LDP-M-219/  
September 18, 2012, Economic Research Service, USDA:*

Milk production for the current year was reduced fractionally in September from the August forecast to 199.9 billion pounds. The production forecast for 2013 was unchanged from August at 198.9 billion pounds. Dairy cow number forecasts for both 2012 and 2013 remain unchanged from August at 9,215- and 9,110- thousand head, respectively. The dairy cow slaughter rate and the prices of replacement heifers suggest a continued gradual decline in the dairy herd through 2013. The reduced milk production forecast for 2012 is based on lower forecast milk per cow of 21,690 pounds. Lower milk per cow is expected in the third and fourth quarters of this year due to high summer temperatures that likely adversely affected milk yields as well as tight alfalfa supplies. Yield per cow is forecast at 21,830 pounds for 2013, unchanged from August's forecast. The slight yield increase next year is largely based on expected larger forage supplies.

The 2012/13 price forecast for corn was lowered from August's projection to \$7.20-\$8.60 per bushel. Despite a slightly lowered corn yield forecast from August, higher estimated carrying stocks and a lowered export forecast are resulting in larger domestic supply estimates than were made earlier. The soybean meal price was increased for 2012/13 to \$485-\$515 per ton. This is due to a lower soybean crush forecast for 2012/13 as soybean ending stocks are projected to reach a 9-year low. The August Agricultural Prices report places the preliminary August price for alfalfa hay at \$203 per ton, up slightly from last month and up from August 2011. Higher milk prices in 2013 will help offset higher feed prices.

Milk equivalent imports on a fats basis are unchanged from August at 3.7 billion pounds for 2012 and 3.6 billion pounds in 2013. Imports on a skims-solids basis were raised from August estimates to 5.7 billion pounds for 2012 and to 5.0 billion pounds in 2013. Strong imports of casein to date are the basis for the import boost. The higher pace of casein imports is expected to continue into 2013.

Export forecasts remain unchanged from August. Current-year exports are forecast at 9.8 billion pounds, fats basis, and 33.4 billion pounds, skims-solids basis. For next year, milk equivalent exports are forecast at 8.9 billion pounds on a fats basis and 32.5 billion pounds on a skims-solids basis. U.S. nonfat dry milk (NDM) exports are ahead of 2011, but slowed sharply in July. Seasonally rising production and exports from Australia and New Zealand are expected to offer increased competition to U.S. exporters for the remainder of the year, dampening prospects of increasing export forecasts. On a fats basis, butter exports have lagged 2011 year-to-date, but cheese exports have been well ahead of 2011, offsetting butter.

Price forecasts were raised in the September forecast. Demand remains firm, while production is likely to decline in coming months. Cheese prices were raised from August to (continued on page 4)

## Uniform Price Rises

The uniform price in Hillsborough County, Florida, was \$23.86 per hundredweight for milk at 3.5 percent butterfat in September. This represents an increase of \$0.30 compared with last month and an increase of \$1.46 from September 2012. Class I utilization was 86.50 percent in September, down 1.42 percent compared to last month and an increase of 1.38 percent compared with September of last year.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	46.98%	3,793,192	\$1.5420	\$ 5,849,102.07
Class I Differential at Location				211,527.48
Class II Butterfat	38.24%	3,087,566	\$1.5266	4,713,478.24
Class III Butterfat	3.84%	309,833	\$1.5196	470,822.21
Class IV Butterfat	10.94%	883,214	\$1.5196	1,342,132.00
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,073,805</b>		<b>\$ 12,587,062.00</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.5590**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	87.99%	189,027,383	\$14.26 /cwt.	\$ 26,955,304.83
Class I Butterfat	46.98%	3,793,192	\$1.5420 /lb.	5,849,102.07
Class I Differential at Location		192,820,575		10,740,380.63
<b>Total Class I Milk</b>	<b>86.50%</b>	<b>192,820,575</b>		<b>\$ 43,544,787.53</b>
Class II Skim Milk	7.06%	15,163,316	\$14.96 /cwt.	\$ 2,268,432.06
Class II Butterfat	38.24%	3,087,566	\$1.5266 /lb.	4,713,478.24
<b>Total Class II Milk</b>	<b>8.19%</b>	<b>18,250,882</b>		<b>\$ 6,981,910.30</b>
Class III Skim Milk	2.11%	4,540,301	\$13.29 /cwt.	\$ 603,406.01
Class III Butterfat	3.84%	309,833	\$1.5196 /lb.	470,822.21
<b>Total Class III Milk</b>	<b>2.18%</b>	<b>4,850,134</b>		<b>\$ 1,074,228.22</b>
Class IV Skim Milk	2.84%	6,091,768	\$14.62 /cwt.	\$ 890,616.48
Class IV Butterfat	10.94%	883,214	\$1.5196 /lb.	1,342,132.00
<b>Total Class IV Milk</b>	<b>3.13%</b>	<b>6,974,982</b>		<b>\$ 2,232,748.48</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>222,896,573</b>		<b>\$ 53,833,674.53</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$5,932.73
Producer butterfat at uniform butterfat price	(\$12,587,062.00)
Location Adjustments to Producers	(\$308,463.60)
1/2 Unobligated Balance in P.S.F.	\$110,257.63

### Adjusted Pool Value

Reserve for Producer Settlement Fund	<b>\$ 19.11080</b>	<b>\$41,054,339.30</b>
	<b>\$ 0.04080</b>	<b>\$87,637.44</b>

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

**\$19.07**

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

**\$23.86\***

\* 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 %
	SEPT 2013	OCT 2013	AUG 2013	SEP 2013	SEP 2013
Appalachian (Charlotte)	\$ 22.56	\$ 22.60	\$ 21.35	\$ 21.72	70.81%
Arizona (Phoenix)	\$ 21.51	\$ 21.55	\$ 19.41	\$ 19.79	33.44%
Central (Kansas City)	\$ 21.16	\$ 21.20	\$ 18.92	\$ 19.17	32.57%
<b>Florida (Tampa)</b>	<b>\$ 24.56</b>	<b>\$ 24.60</b>	<b>\$ 23.56</b>	<b>\$ 23.86</b>	<b>86.50%</b>
Mideast (Cleveland)	\$ 21.16	\$ 21.20	\$ 19.32	\$ 19.56	40.80%
Northeast (Boston)	\$ 22.41	\$ 22.45	\$ 20.28	\$ 20.58	38.90%
Pacific Northwest (Seattle)	\$ 21.06	\$ 21.10	\$ 18.93	\$ 19.13	28.92%
Southeast (Atlanta)	\$ 22.96	\$ 23.00	\$ 21.81	\$ 22.10	69.72%
Southwest (Dallas)	\$ 22.16	\$ 22.20	\$ 19.74	\$ 19.97	36.02%
Upper Midwest (Chicago)	\$ 20.96	\$ 21.00	\$ 18.25	\$ 18.50	10.80%

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

Receipts:	September 2013	September 2012
<b>Producer Milk</b>		
Class I	192,820,575	190,537,792
Class II	18,250,882	23,469,011
Class III	4,850,134	673,972
Class IV	6,974,982	9,183,368
	<hr/>	<hr/>
Total Producer Milk	<b>222,896,573</b>	<b>223,864,143</b>
Average Butterfat Test	3.62%	3.70%
Percent of Producer Milk in Class I	86.50%	85.12%
Daily Average Receipts	7,429,886	7,462,138
<b>Other Source Milk</b>		
Class I	5,668,605	4,266,821
Class II	6,743,524	6,714,451
Class III	0	0
Class IV	469,644	359,683
	<hr/>	<hr/>
Total Other Source Milk	<b>12,881,773</b>	<b>11,340,955</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	10,221,766	10,492,478
Class II	240,285	75,494
Class III	924,911	96,627
Class IV	5,352,459	6,485,449
	<hr/>	<hr/>
Total Opening Inventory	<b>16,739,421</b>	<b>17,150,048</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>252,517,767</b>	<b>252,355,146</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	8,483,783	8,253,588
Route Disposition Class I	198,977,308	196,196,904
Shrinkage	691,247	323,377
Transfers & Diversions to Nonpool	558,608	523,222
	<hr/>	<hr/>
Total Class I Utilization	<b>208,710,946</b>	<b>205,297,091</b>
Average Butterfat Test	1.96%	1.93%
Daily Average Utilization	6,957,032	6,843,236
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,743,523	6,714,451
Shrinkage	0	3,008,530
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	6,923,700	8,616,601
	<hr/>	<hr/>
Total Class II Utilization	<b>25,234,691</b>	<b>30,258,956</b>
Average Butterfat Test	12.35%	9.96%
<b>Class III Utilization</b>		
Shrinkage	3,653,628	0
Transfers & Diversions to Nonpool/Used to Produce	772,579	770,599
Use to Produce/Other Uses	1,348,838	0
	<hr/>	<hr/>
Total Class III Utilization	<b>5,775,045</b>	<b>770,599</b>
Average Butterfat Test	5.84%	27.19%
<b>Class IV Utilization</b>		
Inventory	6,992,475	10,775,718
Nonfluid Used To Fortify	278,929	231,812
Shrinkage	4,873	316
Transfers & Diversions to Nonpool Used To Produce/Other Uses	5,520,808	5,020,654
	<hr/>	<hr/>
Total Class IV Utilization	<b>12,797,085</b>	<b>16,028,500</b>
Average Butterfat Test	10.33%	11.90%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>252,517,767</b>	<b>252,355,146</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2013 is \$23.86 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$19.07 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5590 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 September, Class I use accounted for 87.99% of all producer skim milk (priced to handlers at \$14.26 per hundredweight, plus the Class I differential) and 46.98% of producer butterfat (priced to handlers at \$1.5420 per pound plus Class I differential). Class II use accounted for 7.06% of all producer skim milk (\$14.96 per hundredweight) and 38.24% of producer butterfat (\$1.5266 per pound). Class III use accounted for 2.11% of all producer skim milk (\$13.29 per hundredweight) and 3.84% of producer butterfat (\$1.5196 per pound). Class IV use accounted for 2.84% of all producer skim milk (\$14.62 per hundredweight) and 10.94% of producer butterfat (\$1.5196 per pound).

Receipts of producer milk during September 2013 totaled 222.9 million pounds, 1 million pounds less than September 2012. Florida producers supplied 168 million pounds of milk in August 2013 or 72.71% of the producer milk pooled in Florida. In August 2012, Florida producers supplied 68.02% of producer milk pooled on the Florida market.

There were 11 regulated pool distributing plants and 8 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for September 2013. In-area Class I route disposition totaled 233.2 million pounds in August 2013, 6.8 million pounds less than August 2012.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2013</b>		
Whole Milk	83,349,196	35.74%
Fat Free Milk	28,022,531	12.02%
Lowfat Milk (incl. 1%)	33,095,554	14.19%
Reduced Fat Milk (incl. 2%)	69,347,604	29.73%
Cultured Fluid Milk (incl. Buttermilk)	1,230,476	0.53%
Flavored Drinks and Milk	18,177,395	7.79%
<b>Total Disposition in Marketing Area</b>	<b>233,222,756</b>	<b>100.0%</b>
Total Disposition by Pool Plants	205,148,957	88.10%
Total Disposition by Nonpool Plants	27,763,799	11.90%
<b>Total Disposition in Marketing Area</b>	<b>233,222,756</b>	<b>100.0%</b>

### A Lower Forecast Milk Supply in 2013 Helps Keep Prices Firm

(continued from page 1) \$1.650-\$1.670 per pound this year and are unchanged for 2013 at \$1.640-\$1.740 per pound. Butter prices were raised for 2012 to \$1.565-\$1.605 per pound but lowered slightly for next year to \$1.510-\$1.640 per pound. Weaker demand for butter will lead to higher fats basis stocks and softening prices next year. NDM prices are expected to be higher in 2012 at \$1.275-\$1.295 per pound and \$1.350-\$1.420 per pound next year, unchanged from August. Similarly, whey prices were raised to 56.5-58.5 cents per pound for the current year and unchanged from August for 2013 at 57.0-60.0 cents per pound.

Milk prices reflect the pricing in the underlying products. The Class III price is forecast higher than August for 2012 at \$16.75-\$16.95 per cwt and unchanged for 2013 at \$16.70-\$17.70 per cwt. The Class IV price is projected higher at \$15.45-\$15.75 this year and is lowered from August to \$15.85-\$16.95 per cwt next year. The lower 2013 price reflects the softer butter prices next year. The all milk price was raised from August to \$17.80-\$18.00 per cwt and raised for 2013 to \$17.85-\$18.85 per cwt.

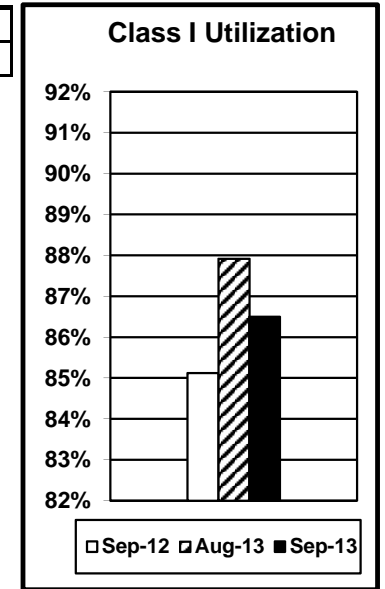
*Source: Livestock, Dairy, & Poultry Outlook/LDP-M-219/September 18, 2012, Economic Research Service, USDA.*

**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
Jul 2012	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 18.28	\$1.6561	\$23.44
Aug	\$19.17	\$1.6509	\$24.28	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 18.67	\$1.5835	\$23.56
Sep	\$19.66	\$1.5960	\$24.56	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 19.07	\$1.5590	\$23.86
Oct	\$19.95	\$1.5267	\$24.60	\$15.25											

**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.	%
Jul 2012	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	186	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%
Jul	219,903	188	189,122	86.01%	18,999	8.64%	6,254	2.84%	5,527	2.51%
Aug	230,986	298	203,092	87.92%	19,237	8.33%	4,482	1.94%	4,176	1.81%
Sep	222,896	300**	192,821	86.50%	18,251	8.19%	4,850	2.18%	6,975	3.13%



\* 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 October through December 2013									
	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
OCT 2013	11/11/13	11/12/13	11/13/13	10/21/13	10/21/13	11/04/13	11/05/13	11/13/13	11/14/13
NOV 2013	12/11/13	12/12/13	12/13/13	11/19/13	11/20/13	12/04/13	12/05/13	12/13/13	12/16/13
DEC 2013	01/11/14	01/13/14	01/14/14	12/19/13	12/20/13	01/06/14	01/06/14	01/14/14	01/15/14

\*\*The base rate for making partial payments in Hillsborough Co., FL for October will be \$21.47 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$20.28 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%	

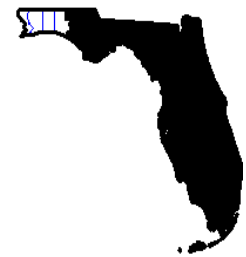
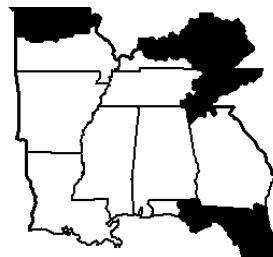
### WASDE Dairy Report 1/

Due to the lapse in federal government funding, the World Agricultural Supply and Demand Estimate report was not available at time of publication.

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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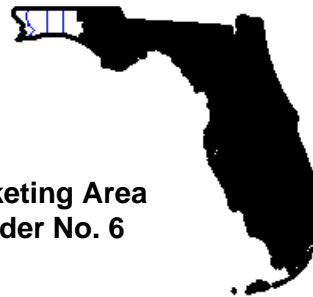
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

November 2013

Volume 14—No. 11

## Dairy Outlook

*From The World Agricultural Supply and Demand Estimates (WASDE), USDA:*

The 2013 milk production forecast is reduced from September, reflecting slower growth in third-quarter production. The production forecast for 2014 is raised as producers are expected to increase cow herds in response to improving returns. Growth in milk per cow is also expected to be higher than 2013 as moderating feed costs and improved forage availability supports feeding higher quality rations. Import forecasts are reduced for both 2013 and 2014 on lower expected milk protein concentrate imports. Exports are raised for both 2013 and 2014 on stronger sales of fat containing products and nonfat/skim milk powders.

Price forecasts for cheese, butter, and nonfat dry milk (NDM) are forecast higher on strong domestic and international demand. However, the price of whey is forecast lower, reflecting current prices. For 2014 higher dairy production is expected to pressure cheese, butter, and whey prices but expected strength in exports supports a higher NDM price forecast. Pressured by lower whey prices, the Class III milk price is reduced for 2013 and the forecast is reduced for 2014 on reduced price forecast for both whey and cheese. The Class IV price forecast is raised for both years, largely on higher NDM prices although higher butter prices in 2013 also provide support for the higher forecast. The all milk price is forecast at \$19.80 to \$19.90 per cwt for 2013 and \$19.30 to \$20.20 per cwt for 2014.

## USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

The USDA is asking fluid milk processors and others to nominate candidates for the National Fluid Milk Processor Promotion Board from, among others, Regions 5 & 11 with relate to both the Florida and Southeast Orders. For more information, visit [www.ams.usda.gov/Dairy](http://www.ams.usda.gov/Dairy).

## Uniform Price Higher

The uniform price in Hillsborough County, Florida, was \$24.28 per hundredweight for milk at 3.5 percent butterfat for the month of October. This represents an increase of \$0.42 compared with the previous month and an increase of \$0.58 from October 2012.

Class I utilization was 87.14 percent in October, up 0.64 percent compared to last month and an increase of 0.97 percent compared with October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2013 was 15.84 billion pounds, an increase of 1.0 percent from September 2012 and a decrease of 2.5 percent when compared with August 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 892 million pounds, 2.3 percent above September 2012 but 1.5 percent below August 2013 on a daily average basis. Butter production was 134 million pounds, 1.9 percent below September 2012 and 1.7 percent above August 2013 on a daily average basis.

Nonfat dry milk powder production was 76.4 million pounds in September 2013, a decrease of 9.6 percent compared to September of last year and 26.2 percent lower than August 2013 on a daily average basis. Dry whey production was 69.1 million pounds in September, 6.9 percent lower than September of last year and 2.4 percent below August 2013 on a daily average basis. Whey protein concentrates production was 37.2 million pounds in September, a 3.6 percent increase compared to September of last year and 1.2 percent lower than August 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 2.09 in October.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - OCTOBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.57%	4,132,960	\$1.4727	\$ 6,086,610.18
Class I Differential at Location				231,166.66
Class II Butterfat	41.18%	3,579,079	\$1.6708	5,979,925.20
Class III Butterfat	2.87%	249,643	\$1.6638	415,356.06
Class IV Butterfat	8.38%	728,683	\$1.6638	1,212,382.78
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,690,365</b>		<b>\$ 13,925,440.88</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.6024**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	88.63%	204,039,275	\$14.55 /cwt.	\$ 29,687,714.50
Class I Butterfat	47.57%	4,132,960	\$1.4727 /lb.	6,086,610.18
Class I Differential at Location		208,172,235		11,624,638.77
<b>Total Class I Milk</b>	<b>87.14%</b>	<b>208,172,235</b>		<b>\$ 47,398,963.45</b>
Class II Skim Milk	7.17%	16,503,856	\$15.25 /cwt.	\$ 2,516,838.07
Class II Butterfat	41.18%	3,579,079	\$1.6708 /lb.	5,979,925.20
<b>Total Class II Milk</b>	<b>8.41%</b>	<b>20,082,935</b>		<b>\$ 8,496,763.27</b>
Class III Skim Milk	2.23%	5,133,855	\$12.85 /cwt.	\$ 659,700.37
Class III Butterfat	2.87%	249,643	\$1.6638 /lb.	415,356.06
<b>Total Class III Milk</b>	<b>2.25%</b>	<b>5,383,498</b>		<b>\$ 1,075,056.43</b>
Class IV Skim Milk	1.97%	4,525,809	\$14.87 /cwt.	\$ 672,987.80
Class IV Butterfat	8.38%	728,683	\$1.6638 /lb.	1,212,382.78
<b>Total Class IV Milk</b>	<b>2.20%</b>	<b>5,254,492</b>		<b>\$ 1,885,370.58</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>238,893,160</b>		<b>\$ 58,856,153.73</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$9,596.90)
Producer butterfat at uniform butterfat price	(\$13,925,440.88)
Location Adjustments to Producers	(\$379,869.12)
1/2 Unobligated Balance in P.S.F.	\$103,855.99

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 19,39381	\$44,645,102.82
	<b>\$ 0.04381</b>	\$100,862.00

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

**\$19.35**

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

**\$24.28\***

\* 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 %
	OCT 2013	NOV 2013	SEP 2013	OCT 2013	OCT 2013
Appalachian (Charlotte)	\$ 22.60	\$ 23.60	\$ 21.72	\$ 22.25	73.12%
Arizona (Phoenix)	\$ 21.55	\$ 22.55	\$ 19.79	\$ 20.24	31.91%
Central (Kansas City)	\$ 21.20	\$ 22.20	\$ 19.17	\$ 19.25	34.44%
<b>Florida (Tampa)</b>	<b>\$ 24.60</b>	<b>\$ 25.60</b>	<b>\$ 23.86</b>	<b>\$ 24.28</b>	<b>87.14%</b>
Mideast (Cleveland)	\$ 21.20	\$ 22.20	\$ 19.56	\$ 19.77	43.40%
Northeast (Boston)	\$ 22.45	\$ 23.45	\$ 20.58	\$ 20.88	40.20%
Pacific Northwest (Seattle)	\$ 21.10	\$ 22.10	\$ 19.13	\$ 19.28	29.89%
Southeast (Atlanta)	\$ 23.00	\$ 24.00	\$ 22.10	\$ 22.58	72.41%
Southwest (Dallas)	\$ 22.20	\$ 23.20	\$ 19.97	\$ 20.00	37.04%
Upper Midwest (Chicago)	\$ 21.00	\$ 22.00	\$ 18.50	\$ 18.60	11.30%

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

Receipts:	October 2013	October 2012
<b>Producer Milk</b>		
Class I	208,172,235	210,948,172
Class II	20,082,935	27,624,780
Class III	5,383,498	683,538
Class IV	5,254,492	5,552,508
	<hr/>	<hr/>
Total Producer Milk	<b>238,893,160</b>	<b>244,808,998</b>
Average Butterfat Test	3.64%	3.72%
Percent of Producer Milk in Class I	87.14%	86.17%
Daily Average Receipts	7,706,231	7,897,064
<b>Other Source Milk</b>		
Class I	6,439,067	4,660,644
Class II	6,344,378	7,146,654
Class III	12,361	0
Class IV	636,657	852,263
	<hr/>	<hr/>
Total Other Source Milk	<b>13,432,463</b>	<b>12,659,561</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	4,676
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>4,676</b>
<b>Opening Inventory</b>		
Class I	8,483,783	8,788,846
Class II	0	1,479,093
Class III	574,541	45,224
Class IV	6,336,768	8,716,143
	<hr/>	<hr/>
Total Opening Inventory	<b>15,395,092</b>	<b>19,029,306</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>267,720,715</b>	<b>276,502,541</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	7,894,542	9,128,303
Route Disposition Class I	211,604,213	214,185,396
Shrinkage	1,075,424	618,630
Transfers & Diversions to Nonpool	2,520,906	465,333
	<hr/>	<hr/>
Total Class I Utilization	<b>223,095,085</b>	<b>224,397,662</b>
Average Butterfat Test	1.98%	1.94%
Daily Average Utilization	7,196,616	7,238,634
<b>Class II Utilization</b>		
Nonfluid Used To Produce	6,333,849	7,404,613
Shrinkage	0	3,311,413
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,608,816	11,280,998
	<hr/>	<hr/>
Total Class II Utilization	<b>26,427,313</b>	<b>36,250,527</b>
Average Butterfat Test	13.54%	9.34%
<b>Class III Utilization</b>		
Shrinkage	4,138,216	0
Transfers & Diversions to Nonpool/Used to Produce	238,550	728,762
Use to Produce/Other Uses	1,593,634	0
	<hr/>	<hr/>
Total Class III Utilization	<b>5,970,400</b>	<b>728,762</b>
Average Butterfat Test	4.24%	23.36%
<b>Class IV Utilization</b>		
Inventory	6,949,379	8,244,090
Nonfluid Used To Fortify	537,412	495,797
Shrinkage	0	414
Transfers & Diversions to Nonpool	4,741,126	6,385,289
Used To Produce/Other Uses	0	0
	<hr/>	<hr/>
Total Class IV Utilization	<b>12,227,917</b>	<b>15,125,590</b>
Average Butterfat Test	10.08%	13.53%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>267,720,715</b>	<b>276,502,541</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in October 2013 is \$24.28 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$19.35 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6024 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 October, Class I use accounted for 88.63% of all producer skim milk (priced to handlers at \$14.55 per hundredweight, plus the Class I differential) and 47.57% of producer butterfat (priced to handlers at \$1.4727 per pound plus Class I differential). Class II use accounted for 7.17% of all producer skim milk (\$15.25 per hundredweight) and 41.18% of producer butterfat (\$1.6708 per pound). Class III use accounted for 2.23% of all producer skim milk (\$12.85 per hundredweight) and 2.87% of producer butterfat (\$1.6638 per pound). Class IV use accounted for 1.97% of all producer skim milk (\$14.87 per hundredweight) and 8.38% of producer butterfat (\$1.6638 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2013</b>		
Whole Milk	76,781,537	34.20%
Fat Free Milk	26,584,916	11.84%
Lowfat Milk (incl. 1%)	32,650,679	14.54%
Reduced Fat Milk (incl. 2%)	64,078,458	28.54%
Cultured Fluid Milk (incl. Buttermilk)	1,119,122	0.50%
Flavored Drinks and Milk	23,275,875	10.37%
<b>Total Disposition in Marketing Area</b>	<b>224,490,587</b>	<b>100.0%</b>
Total Disposition by Pool Plants	198,201,815	88.29%
Total Disposition by Nonpool Plants	26,288,772	11.71%
<b>Total Disposition in Marketing Area</b>	<b>224,490,587</b>	<b>100.0%</b>

Receipts of producer milk during October 2013 totaled 238.9 million pounds, 5.9 million pounds less than October 2012. Florida producers supplied 158.9 million pounds of milk in September 2013 or 71.28% of the producer milk pooled in Florida. In September 2012, Florida producers supplied 63.67% of producer milk pooled on the Florida market.

There were 10 regulated pool distributing plants and 8 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for October 2013. In-area Class I route disposition totaled 224.5 million pounds in September 2013, 1.0 million pounds more than September 2012.

### Mailbox Price Estimates for Select Reporting Areas

Reporting Area 1/	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
New England States 3/	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60
Eastern Pennsylvania 4/	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67
Appalachian States 5/	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76
Southeast States 6/	\$21.71	\$21.04	\$20.43	\$20.26	\$20.41	\$20.85	\$21.34
Southern Missouri 7/	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63
<b>Florida</b>	<b>\$23.22</b>	<b>\$22.60</b>	<b>\$21.96</b>	<b>\$21.73</b>	<b>\$21.67</b>	<b>\$22.30</b>	<b>\$22.86</b>
Western Pennsylvania 8/	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33
Corn Belt States 9/	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23
Western Texas 10/	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93
Northwest States 11/	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73
All Federal Order Areas 12/	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08

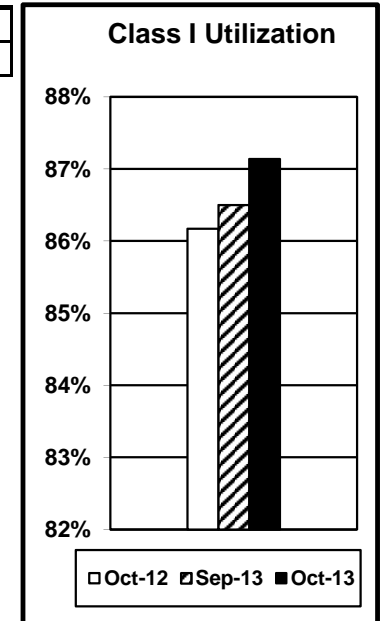
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 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.

**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
Jul 2012	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$ 8.97	\$1.6556	\$14.45	\$ 15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$ 9.68	\$1.8339	\$15.76	\$ 15.82	\$1.7700	\$21.46
Sep	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 18.28	\$1.6561	\$23.44
Aug	\$19.17	\$1.6509	\$24.28	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 18.67	\$1.5835	\$23.56
Sep	\$19.66	\$1.5960	\$24.56	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 19.07	\$1.5590	\$23.86
Oct	\$19.95	\$1.5267	\$24.60	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 19.35	\$1.6024	\$24.28
Nov	\$20.26	\$1.7295	\$25.60	\$15.56											

**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.	%
Jul 2012	223,477	233	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%
Aug	236,779	319	205,212	86.67%	22,727	9.60%	1,873	0.79%	6,966	2.94%
Sep	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	186	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%
Jul	219,903	188	189,122	86.01%	18,999	8.64%	6,254	2.84%	5,527	2.51%
Aug	230,986	298	203,092	87.92%	19,237	8.33%	4,482	1.94%	4,176	1.81%
Sep	222,896	321	192,821	86.50%	18,251	8.19%	4,850	2.18%	6,975	3.13%
Oct	238,893	315**	208,172	87.14%	20,083	8.41%	5,383	2.25%	5,254	2.20%



\* Class I and uniform prices are at Hillsborough County (Tampa), Florida; \*\* Estimated

## Florida Marketing Area - Federal Order 6

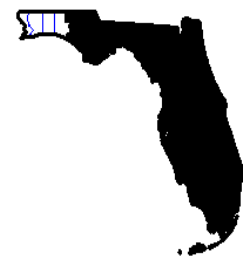
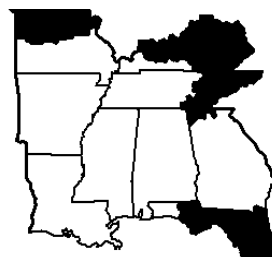
Pool and Payment Dates For the Pooling Periods November 2013 through January 2014									
	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
NOV 2013	12/11/13	12/12/13	12/13/13	11/19/13	11/20/13	12/04/13	12/05/13	12/13/13	12/16/13
DEC 2013	01/11/14	01/13/14	01/14/14	12/19/13	12/20/13	01/06/14	01/06/14	01/14/14	01/15/14
JAN 2014	02/11/14	02/12/14	02/13/14	01/21/14	01/21/14	02/04/14	02/05/14	02/13/14	02/14/14

\*\*The base rate for making partial payments in Hillsborough Co., FL for November will be \$21.85 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$20.64 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%



**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 1550 North Brown Road, Suite 120  
 Lawrenceville, Georgia 30043



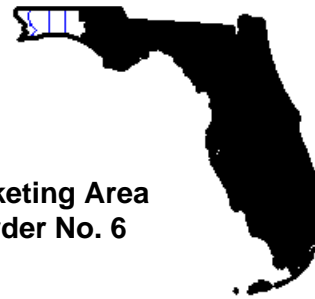
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# FLORIDA Fluid Milk Report

Patrick S. Clark  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



[www.fmmatlanta.com](http://www.fmmatlanta.com)

December 2013

Volume 14—No. 12

## Feed Prices To Ease in 2014, Production To Expand and Prices To Soften Slightly

*Excerpts from Livestock, Dairy, & Poultry Outlook, November 15, 2013, Economic Research Service, USDA:*

Feed price forecasts continue to decline, based on the most recent World Agricultural Supply and Demand Estimates report. The forecast corn price for 2013/14 is lowered to \$4.10-\$4.90 a bushel in November from September. Lower harvested acreage is more than offset by higher yield, leading to a record production forecast. However, the soybean meal price is revised higher for 2013/14 in November to \$375-\$415 a ton. Soybean production forecasts for 2013/14 are raised in November based on higher yield expectations, but stronger exports of soybean meal are expected to boost prices. According to the October Agricultural Prices report, the preliminary October price for alfalfa was \$193 a ton, down fractionally from September's estimate and below the October 2012 price. Dairy feed ration prices will likely be lower in 2014 than this year.

Herd size projections were resumed this month, and the National Agricultural Statistics Service estimated the nation's herd at 9.227 million head for the July-September quarter. The U.S. dairy herd is expected to average 9.225 million head in 2013 and increase to 9.245 million head in 2014 as producers respond to improved returns. The current-year milk yield per cow is forecast at 21,865 pounds. Milk per cow is forecast at 22,170 pounds next year, based on expectations that cheaper feed and abundant forages will support improved yields. Milk production this year is projected at 201.7 billion pounds, slightly lower than forecast in September. Production in 2014 is forecast at 204.9 billion pounds, based on slightly higher cow numbers next year and trend yield growth. The improved feed price outlook should lead to some herd expansion in 2014. (Continued on page 4)

## Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$24.92 per hundredweight for milk at 3.5 percent butterfat for the month of November. This represents an increase of \$0.64 compared with the previous month and a decrease of \$0.20 from November 2012.

Class I utilization was 87.38 percent in November, up 0.24 percent compared to last month and a decrease of 0.29 percent compared with November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2013 was 15.36 billion pounds, an increase of 1.2 percent from October 2012 and an increase of 0.4 percent when compared with September 2013 on a daily average basis. Total cheese output was 950 million pounds, 2.1 percent above October 2012 and 3.2 percent above September 2013 on a daily average basis. Butter production was 146 million pounds, 1.2 percent above October 2012 and 6.6 percent above September 2013 on a daily average basis.

Nonfat dry milk powder production was 85.5 million pounds in October 2013, a decrease of 10.1 percent compared to October of last year and 11.7 percent higher than September 2013 on a daily average basis. Dry whey production was 72.7 million pounds in October, 5.7 percent lower than October of last year and 2.5 percent above September 2013 on a daily average basis. Whey protein concentrates production was 44.7 million pounds in October, a 20.9 percent increase compared to October of last year and 11.9 percent higher than September 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.25 in November.



## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - NOVEMBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.89%	4,251,172	\$1.6755	\$ 7,122,838.68
Class I Differential at Location				238,327.79
Class II Butterfat	41.50%	3,608,434	\$1.6406	5,919,996.82
Class III Butterfat	2.55%	221,691	\$1.6336	362,154.42
Class IV Butterfat	7.06%	613,800	\$1.6336	1,002,703.68
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,695,097</b>		<b>\$ 14,646,021.39</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$1.6844**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	88.84%	203,539,406	\$14.86 /cwt.	\$ 30,245,955.74
Class I Butterfat	48.89%	4,251,172	\$1.6755 /lb.	7,122,838.68
Class I Differential at Location		207,790,578		11,627,812.41
<b>Total Class I Milk</b>	<b>87.38%</b>	<b>207,790,578</b>		<b>\$ 48,996,606.83</b>
Class II Skim Milk	7.59%	17,401,285	\$15.56 /cwt.	\$ 2,707,639.96
Class II Butterfat	41.50%	3,608,434	\$1.6406 /lb.	5,919,996.82
<b>Total Class II Milk</b>	<b>8.83%</b>	<b>21,009,719</b>		<b>\$ 8,627,636.78</b>
Class III Skim Milk	1.48%	3,397,327	\$13.59 /cwt.	\$ 461,696.75
Class III Butterfat	2.55%	221,691	\$1.6336 /lb.	362,154.42
<b>Total Class III Milk</b>	<b>1.52%</b>	<b>3,619,018</b>		<b>\$ 823,851.17</b>
Class IV Skim Milk	2.09%	4,792,248	\$15.34 /cwt.	\$ 735,130.86
Class IV Butterfat	7.06%	613,800	\$1.6336 /lb.	1,002,703.68
<b>Total Class IV Milk</b>	<b>2.27%</b>	<b>5,406,048</b>		<b>\$ 1,737,834.54</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>237,825,363</b>		<b>\$ 60,185,929.32</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$29,918.61)
Producer butterfat at uniform butterfat price	(\$14,646,021.39)
Location Adjustments to Producers	(\$368,253.96)
1/2 Unobligated Balance in P.S.F.	\$118,884.06

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 19,75323	\$45,260,619.42
	<b>\$ 0.04323</b>	\$99,043.99

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

**\$19.71**

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

**\$24.92\***

\* 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 2013	DEC 2013	OCT 2013	NOV 2013	NOV 2013
Appalachian (Charlotte)	\$ 23.60	\$ 23.77	\$ 22.25	\$ 22.72	72.01%
Arizona (Phoenix)	\$ 22.55	\$ 22.72	\$ 20.24	\$ 20.70	31.71%
Central (Kansas City)	\$ 22.20	\$ 22.37	\$ 19.25	\$ 19.68	34.02%
<b>Florida (Tampa)</b>	<b>\$ 25.60</b>	<b>\$ 25.77</b>	<b>\$ 24.28</b>	<b>\$ 24.92</b>	<b>87.38%</b>
Mideast (Cleveland)	\$ 22.20	\$ 22.37	\$ 19.77	\$ 20.12	42.60%
Northeast (Boston)	\$ 23.45	\$ 23.62	\$ 20.88	\$ 21.28	41.00%
Pacific Northwest (Seattle)	\$ 22.10	\$ 22.27	\$ 19.28	\$ 19.77	26.55%
Southeast (Atlanta)	\$ 24.00	\$ 24.17	\$ 22.58	\$ 23.36	77.13%
Southwest (Dallas)	\$ 23.20	\$ 23.37	\$ 20.00	\$ 20.50	36.60%
Upper Midwest (Chicago)	\$ 22.00	\$ 22.17	\$ 18.60	\$ 19.16	11.50%

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

Receipts:	November 2013	November 2012
<b>Producer Milk</b>		
Class I	207,790,578	211,223,477
Class II	21,009,719	21,159,659
Class III	3,619,018	663,425
Class IV	5,406,048	7,888,626
	<hr/>	<hr/>
Total Producer Milk	<b>237,825,363</b>	<b>240,935,187</b>
Average Butterfat Test	3.65%	3.76%
Percent of Producer Milk in Class I	87.38%	87.67%
Daily Average Receipts	7,927,512	8,031,173
<b>Other Source Milk</b>		
Class I	5,604,615	4,954,731
Class II	4,827,278	6,589,245
Class III	0	0
Class IV	1,922,287	2,324,236
	<hr/>	<hr/>
Total Other Source Milk	<b>12,354,180</b>	<b>13,868,212</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	8,497,956	9,342,473
Class II	137,565	100,005
Class III	2,382,841	0
Class IV	3,920,279	7,929,915
	<hr/>	<hr/>
Total Opening Inventory	<b>14,938,641</b>	<b>17,372,393</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>265,118,184</b>	<b>272,175,792</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,143,827	10,297,309
Route Disposition Class I	210,432,740	214,184,372
Shrinkage	1,122,620	715,821
Transfers & Diversions to Nonpool	193,962	323,179
	<hr/>	<hr/>
Total Class I Utilization	<b>221,893,149</b>	<b>225,520,681</b>
Average Butterfat Test	2.05%	2.03%
Daily Average Utilization	7,396,438	7,517,356
<b>Class II Utilization</b>		
Nonfluid Used To Produce	4,816,211	6,589,245
Shrinkage	46,598	13,560
Transfers & Diversions to Nonpool/Commercial Foods	8,672,848	9,702,092
Used To Produce/Other Uses	12,438,905	11,544,012
	<hr/>	<hr/>
Total Class II Utilization	<b>25,974,562</b>	<b>27,848,909</b>
Average Butterfat Test	13.89%	10.61%
<b>Class III Utilization</b>		
Shrinkage	4,172,662	0
Transfers & Diversions to Nonpool/Used to Produce	287,220	663,425
Use to Produce/Other Uses	1,541,977	0
	<hr/>	<hr/>
Total Class III Utilization	<b>6,001,859</b>	<b>663,425</b>
Average Butterfat Test	4.05%	16.61%
<b>Class IV Utilization</b>		
Inventory	3,533,421	5,052,471
Nonfluid Used To Fortify	1,543,037	1,755,157
Shrinkage	0	3,895,629
Transfers & Diversions to Nonpool	6,172,156	5,944,431
Used To Produce/Other Uses	0	1,495,089
	<hr/>	<hr/>
Total Class IV Utilization	<b>11,248,614</b>	<b>18,142,777</b>
Average Butterfat Test	9.52%	12.25%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>265,118,184</b>	<b>272,175,792</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2013 is \$24.92 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$19.71 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6844 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 88.84% of all producer skim milk (priced to handlers at \$14.86 per hundredweight, plus the Class I differential) and 48.89% of producer butterfat (priced to handlers at \$1.6755 per pound plus Class I differential). Class II use accounted for 7.59% of all producer skim milk (\$15.56 per hundredweight) and 41.50% of producer butterfat (\$1.6406 per pound). Class III use accounted for 1.48% of all producer skim milk (\$13.59 per hundredweight) and 2.55% of producer butterfat (\$1.6336 per pound). Class IV use accounted for 2.09% of all producer skim milk (\$15.34 per hundredweight) and 7.06% of producer butterfat (\$1.6336 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2013</b>		
Whole Milk	81,041,302	33.77%
Fat Free Milk	28,443,702	11.85%
Lowfat Milk (incl. 1%)	34,718,911	14.47%
Reduced Fat Milk (incl. 2%)	67,717,526	28.22%
Cultured Fluid Milk (incl. Buttermilk)	1,261,750	0.53%
Flavored Drinks and Milk	26,763,888	11.15%
<b>Total Disposition in Marketing Area</b>	<b>239,947,079</b>	<b>100.0%</b>
Total Disposition by Pool Plants	210,850,683	87.87%
Total Disposition by Nonpool Plants	29,096,396	12.13%
<b>Total Disposition in Marketing Area</b>	<b>239,947,079</b>	<b>100.0%</b>

Receipts of producer milk during November 2013 totaled 237.8 million pounds, 3.1 million pounds less than November 2012. Florida producers supplied 167.1 million pounds of milk in October 2013 or 69.94% of the producer milk pooled in Florida. In October 2012, Florida producers supplied 60.60% of producer milk pooled on the Florida market.

There were 10 regulated pool distributing plants and 7 cooperative associations submitting reports of receipts and utilization included in the computation of the uniform prices for November 2013. In-area Class I route disposition totaled 239.9 million pounds in October 2013, 4.0 million pounds less than October 2012.

### Feed Prices To Ease in 2014, Production To Expand and Prices To Soften Slightly

(continued from page 1) Dairy product price forecasts for 2013 are projected mostly higher in November since September. Cheese, butter, and NDM prices are projected higher this year based on recent price performance and apparent robust demand. Cheese prices are forecast at \$1.765-\$1.775 per pound. For 2014, the price is reduced to \$1.670- \$1.760 per pound from September. The butter price is forecast to be \$1.515-\$1.545 per pound this year and is expected to decline to \$1.465-\$1.585 per pound next year on lower exports and increased production. NDM prices are forecast at \$1.685- \$1.705 per pound this year and to climb to \$1.685-\$1.755 per pound in 2014. Whey prices are reduced from the September forecast to 58.0-59.0 cents per pound based on lower than expected year-to-date prices, and they are expected to soften to 54.5-57.5 cents per pound in 2014.

The Class III price forecast is lowered this month from September to \$17.90-\$18.00 per cwt and lowered for 2014 to \$16.85-\$17.75 per cwt, based on forecast lower cheese and whey prices. The Class IV price is raised from September for 2013 to \$18.80-\$19.00 per cwt and to \$18.60-\$19.60 per cwt next year, based on continued international demand for NDM. On a year-over-year basis, the Class IV price is forecast lower next year as skim-solids based exports are expected to decline from 2013 forecast totals. The all milk price range is narrowed from September to \$19.80-\$19.90 per cwt this year and dropped for 2014 to \$19.30-\$20.20 per cwt on the basis of expected lower 2014 Class III prices.

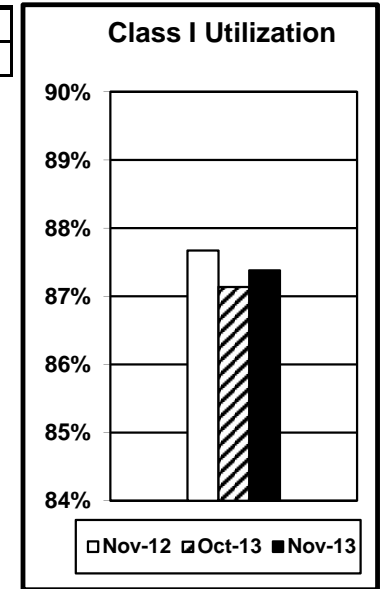
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-233/Nov 15, 2013, Economic Research Service, USDA*

**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 2012	\$16.97	\$1.8901	\$22.99	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$ 10.77	\$2.0047	\$17.41	\$ 16.11	\$1.9571	\$22.40
Oct	\$17.71	\$2.0548	\$24.28	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$ 11.55	\$2.1136	\$18.54	\$ 16.98	\$2.0903	\$23.70
Nov	\$19.17	\$2.1711	\$26.10	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$ 12.00	\$2.0218	\$18.66	\$ 18.43	\$2.0957	\$25.12
Dec	\$20.03	\$2.1303	\$26.79	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 18.86	\$1.9137	\$24.90
Jan 2013	\$18.73	\$1.7992	\$24.37	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 18.00	\$1.7010	\$23.32
Feb	\$18.31	\$1.6967	\$23.61	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 17.64	\$1.6802	\$22.90
Mar	\$17.84	\$1.7104	\$23.20	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 17.12	\$1.7342	\$22.59
Apr	\$17.47	\$1.7729	\$23.06	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 16.77	\$1.8037	\$22.50
May	\$17.29	\$1.8495	\$23.16	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$18.49	\$1.8540	\$24.33	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 17.74	\$1.7570	\$23.27
Jul	\$18.90	\$1.7343	\$24.31	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 18.28	\$1.6561	\$23.44
Aug	\$19.17	\$1.6509	\$24.28	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 18.67	\$1.5835	\$23.56
Sep	\$19.66	\$1.5960	\$24.56	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 19.07	\$1.5590	\$23.86
Oct	\$19.95	\$1.5267	\$24.60	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 19.35	\$1.6024	\$24.28
Nov	\$20.26	\$1.7295	\$25.60	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$ 15.34	\$1.6336	\$20.52	\$ 19.71	\$1.6844	\$24.92
Dec	\$20.71	\$1.6526	\$25.77	\$16.01											

**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 2012	223,864	343	190,538	85.12%	23,469	10.48%	674	0.30%	9,183	4.10%
Oct	244,809	349	210,948	86.17%	27,625	11.28%	684	0.28%	5,553	2.27%
Nov	240,935	298	211,223	87.67%	21,160	8.78%	663	0.28%	7,889	3.27%
Dec	252,480	308	206,711	81.87%	19,509	7.73%	10,051	3.98%	16,208	6.42%
Jan 2013	255,186	254	219,322	85.95%	19,735	7.73%	4,096	1.61%	12,032	4.71%
Feb	229,114	205	197,616	86.25%	18,865	8.23%	5,560	2.43%	7,072	3.09%
Mar	251,321	227	214,091	85.19%	20,692	8.23%	7,023	2.79%	9,515	3.79%
Apr	244,715	204	205,587	84.01%	18,316	7.48%	11,231	4.59%	9,581	3.92%
May	242,563	194	203,227	83.78%	23,425	9.66%	7,445	3.07%	8,466	3.49%
Jun	216,242	186	178,214	82.42%	17,933	8.29%	6,039	2.79%	14,057	6.50%
Jul	219,903	188	189,122	86.01%	18,999	8.64%	6,254	2.84%	5,527	2.51%
Aug	230,986	298	203,092	87.92%	19,237	8.33%	4,482	1.94%	4,176	1.81%
Sep	222,896	321	192,821	86.50%	18,251	8.19%	4,850	2.18%	6,975	3.13%
Oct	238,893	330	208,172	87.14%	20,083	8.41%	5,383	2.25%	5,254	2.20%
Nov	237,825	330**	207,791	87.38%	21,010	8.83%	3,619	1.52%	5,406	2.27%



\* 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 2013 through February 2014									
	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 2013	01/11/14	01/13/14	01/14/14	12/19/13	12/20/13	01/06/14	01/06/14	01/14/14	01/15/14
JAN 2014	02/11/14	02/12/14	02/13/14	01/21/14	01/21/14	02/04/14	02/05/14	02/13/14	02/14/14
FEB 2014	03/11/14	03/12/14	03/13/14	02/19/14	02/20/14	03/04/14	03/05/14	03/13/14	03/14/14

\*\*The base rate for making partial payments in Hillsborough Co., FL for December will be \$22.43 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$21.18 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 – 524 December 10, 2013

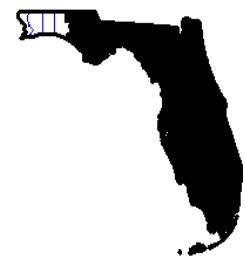
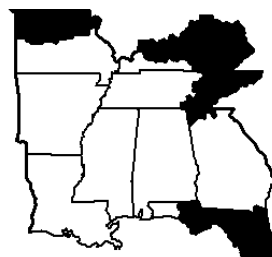
The 2013 milk production forecast is reduced slightly from last month, based on recent estimates of cow numbers. The forecast for 2014 is raised as higher milk forecast prices and lower expected feed costs support a more rapid increase in cow numbers and output per cow. Fat basis imports are reduced for 2013 but are unchanged for 2014. On a skims-solids basis, imports are raised in 2013 but unchanged for 2014. Exports are raised on a fats basis based on the strength of butterfat shipments to non-traditional markets. On a skims-solids basis, higher nonfat dry milk (NDM) and whey exports are offset by lower lactose exports leading to a lower forecast for 2013, but for 2014, expected strength in NDM results in a higher skim-solids forecast.

For 2013, the cheese price forecast is reduced, reflecting current prices. However, strength in current prices for butter, NDM, and whey resulted in higher price forecasts for those products. For 2014, despite higher dairy production, demand strength in importing countries and improving domestic demand in the United States is expected to support prices for all products. The Class III milk price is unchanged for 2013 as lower forecast cheese prices offset higher whey prices but the forecast is raised for 2014 based on higher forecast cheese and whey prices. The Class IV price forecast is raised for both years on higher butter and NDM prices. The all milk price is forecast at \$19.90 to \$20.00 per cwt for 2013 and \$19.70 to \$20.50 per cwt for 2014.

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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