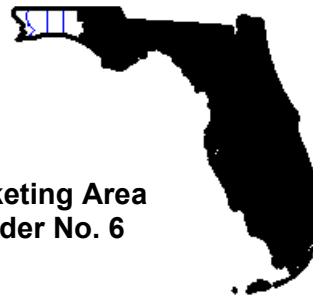


FLORIDA Fluid Milk Report

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Florida Marketing Area
Federal Order No. 6



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Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, September 2021, USDA, Economic Research Service:

Dairy Forecasts for 2021

Based on recent information showing a decline in milk cow numbers, relatively high feed costs, and relatively high culling of dairy cows, the forecast for the average number of milk cows in 2021 has been lowered to 9.475 million head, 10,000 below the previous month's forecast. Based on the decline in milk per cow from July to August, lower yield per cow is projected for the third and fourth quarters of 2021. The projected average yield per cow in 2021 is 23,960 pounds per year, 50 pounds lower than last month's forecast. The milk production forecast for 2021 is 227.0 billion pounds, 0.8 billion less than last month's forecast. The 2021 forecasts for domestic commercial use of dairy products are lower than projected last month, mainly due to higher anticipated wholesale prices and weaker domestic demand. On a milk-fat basis, the annual forecast for 2021 domestic commercial use is 220.8 billion pounds, 1.1 billion lower than last month's forecast. The domestic use forecast on a skim-solids basis for 2021 is 180.0 billion pounds, 0.7 billion lower than last month's projection. Based on recent price data and lower expected milk production, the wholesale price forecasts for most dairy products have been adjusted higher for 2021. Price forecasts for cheese, NDM, and dry whey are \$1.680 (+4.0 cents), \$1.245 (+2.0 cents), \$0.565 (+1.0 cent) per pound, respectively. The 2021 wholesale price forecast for butter is \$1.685 per pound, 0.5 cents lower than last month's projection. With a higher projected wholesale price for cheese, the Class III milk price forecast for 2021 is \$17.05 per hundredweight (cwt), \$0.40 higher than the previous month's forecast. The Class IV milk price projection is \$15.70 per cwt, \$0.15 higher than last month's forecast. The all-milk price forecast for 2021 is \$18.45 per cwt, an increase of \$0.30 from last month's projection.

Dairy Forecasts for 2022 (continued on Page 4)

Pandemic Market Volatility Assistance Program (PMVAP) Update

Since the announcement of the Pandemic Market Volatility Assistance Program (PMVAP) in mid-August, USDA has been actively implementing the administration of this program that will distribute up to \$350 million in payments directly to dairy farmers. The role of the handler/cooperative USDA is wrapping up one-on-one meetings with approximately 200 handlers and cooperatives that purchased milk and participated in the Federal Milk Marketing Order program during the July-December 2020 period. Handlers and cooperatives are critical to the administration of the PMVAP. They have the proprietary producer production data that determines the eligible milk under PMVAP rules. Further, they are the entities that distribute program funds to dairy farmers. To ensure the integrity of the PMVAP and proper distribution of funds, USDA will enter into an agreement with each handler and cooperative. This process, along with a thorough explanation of the mechanics of the program, is currently underway. Dairy farmer payments As reported when the program was announced on August 19, 2021, PMVAP is designed to provide pandemic assistance payments directly to dairy farmers who received a lower value for their milk due to market abnormalities caused by the pandemic. Funds are projected to be paid to dairy farmers by the end of December 2021. AGI Certification Required by Dairy Farmers Similar to many USDA programs the PMVAP requires dairy farmers to meet either of the following adjusted gross income (AGI) requirements of the program: • Less than \$900,000 average AGI for tax years 2016, 2017, and 2018, or • 75 percent of your average taxable income for tax years 2016, 2017, and 2018 came from farming, ranching, or forestry-related activities Your handler or cooperative may have provided you with an attestation statement, which you MUST complete and return in order to receive a payment. Information for handlers and dairy farmers can be found at www.ams.usda.gov/services/pandemicmarket-volatility-assistance-program. For questions not covered in the resources online, please email PMVAP@usda.gov

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - September 2021

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	51.18%	3,717,204	\$1.8553	\$ 6,896,528.59
Class I Differential at Location				207,610.91
Class II Butterfat	44.99%	3,267,902	\$1.9458	6,358,683.72
Class III Butterfat	0.37%	26,904	\$1.9388	52,161.48
Class IV Butterfat	3.46%	251,652	\$1.9388	487,902.90
Total Butterfat	100.00%	7,263,662		\$ 14,002,887.60
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$1.9278	

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	84.57%	160,479,465	\$10.46 /cwt.	\$ 16,786,152.05
Class I Butterfat	51.18%	3,717,204	\$1.8553 /lb.	6,896,528.59
Class I Differential at Location		164,196,669		9,149,218.44
Total Class I Milk	83.34%	164,196,669		\$ 32,831,899.08
Class II Skim Milk	12.79%	24,281,308	\$10.45 /cwt.	\$ 2,537,396.69
Class II Butterfat	44.99%	3,267,902	\$1.9458 /lb.	6,358,683.72
Total Class II Milk	13.98%	27,549,210		\$ 8,896,080.41
Class III Skim Milk	0.32%	611,788	\$10.10 /cwt.	\$ 61,790.60
Class III Butterfat	0.37%	26,904	\$1.9388 /lb.	52,161.48
Total Class III Milk	0.32%	638,692		\$ 113,952.08
Class IV Skim Milk	2.32%	4,400,834	\$9.92 /cwt.	\$ 436,562.73
Class IV Butterfat	3.46%	251,652	\$1.9388 /lb.	487,902.90
Total Class IV Milk	2.36%	4,652,486		\$ 924,465.63
Producer Milk	100.00%	197,037,057		\$ 42,766,397.20

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$9,148.17
Producer butterfat at uniform butterfat price	(\$14,002,887.60)
Location Adjustments to Producers	(\$317,906.36)
1/2 Unobligated Balance in P.S.F.	\$91,260.23
Adjusted Pool Value	\$ 15.04216
Reserve for Producer Settlement Fund	\$ 0.04216
	\$28,546,011.64
	\$80,002.39

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

\$15.00

Uniform Price per cwt. (Hillsborough County, Florida)

\$21.22*

* 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	Oct	Aug	Sept	Dept
Appalachian (Charlotte)	\$ 19.99	\$ 20.48	\$ 19.24	\$ 19.37	73.77%
Arizona (Phoenix)	\$ 18.94	\$ 19.43	\$ 17.08	\$ 17.40	32.65%
California (Woodland)	\$ 18.69	\$ 19.18	\$ 16.59	\$ 16.91	20.80%
Central (Kansas City)	\$ 18.59	\$ 19.08	\$ 16.50	\$ 16.73	28.99%
Florida (Tampa)	\$ 21.99	\$ 22.48	\$ 21.11	\$ 21.22	83.34%
Mideast (Cleveland)	\$ 18.59	\$ 19.08	\$ 16.85	\$ 16.53	31.50%
Northeast (Boston)	\$ 19.84	\$ 20.33	\$ 17.69	\$ 17.96	31.00%
Pacific Northwest (Seattle)	\$ 18.49	\$ 18.98	\$ 16.47	\$ 16.67	23.88%
Southeast (Atlanta)	\$ 20.39	\$ 20.88	\$ 19.60	\$ 19.70	71.14%
Southwest (Dallas)	\$ 19.59	\$ 20.08	\$ 17.33	\$ 17.55	31.59%
Upper Midwest (Chicago)	\$ 18.39	\$ 18.88	\$ 16.22	\$ 16.71	9.20%

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

Receipts:	Sept 2021	Sept 2020
Producer Milk		
Class I	164,196,669	158,859,922
Class II	27,549,210	29,128,396
Class III	638,692	1,201,306
Class IV	4,652,486	5,873,032
Total Producer Milk	<u>197,037,057</u>	<u>195,062,656</u>
Average Butterfat Test	3.68%	3.71%
Percent of Producer Milk in Class I	83.34%	81.44%
Daily Average Receipts	6,567,902	6,502,089
Other Source Milk		
Class I	690,194	2,112,899
Class II	5,195,345	5,697,071
Class III	0	0
Class IV	350,729	449,854
Total Other Source Milk	<u>6,236,268</u>	<u>8,259,824</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
Opening Inventory		
Class I	9,509,046	8,136,547
Class II	997,088	50,269
Class III	50,678	147,503
Class IV	5,883,715	7,196,421
Total Opening Inventory	<u>16,440,527</u>	<u>15,530,740</u>
Total Receipts	219,713,852	218,853,220
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	9,588,074	7,101,402
Route Disposition Class I	161,973,408	160,691,855
Shrinkage	795,670	516,469
Transfers & Diversions to Nonpool	2,038,757	799,642
Total Class I Utilization	<u>174,395,909</u>	<u>169,109,368</u>
Average Butterfat Test	2.24%	2.29%
Daily Average Utilization	5,813,197	5,636,979
Class II Utilization		
Nonfluid Used To Produce	5,195,344	5,697,070
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	17,549,111	16,634,934
Total Class II Utilization	<u>10,997,188</u>	<u>12,543,732</u>
Average Butterfat Test	9.76%	9.42%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	558,822	1,201,147
Total Class III Utilization	<u>130,548</u>	<u>147,662</u>
Average Butterfat Test	689,370	1,348,809
Class IV Utilization		
Inventory	6,291,705	7,490,938
Nonfluid Used To Fortify	321,347	276,238
Shrinkage	2,996,361	2,853,242
Transfers & Diversions to Nonpool Used To Produce/Other Uses	522,019	1,660,266
Total Class IV Utilization	<u>755,498</u>	<u>1,238,623</u>
Average Butterfat Test	10,886,930	13,519,307
Total Utilization	219,713,852	218,853,220

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2021 is \$21.22 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$15.00 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9278 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 83.34% of all producer skim milk (priced to handlers at \$10.46 per hundredweight, plus the Class I differential) and 51.18% of producer butterfat (priced to handlers at \$1.8553 per pound plus Class I differential). Class II use accounted for 13.98% of all producer skim milk (\$10.45 per hundredweight) and 44.99% of producer butterfat (\$1.9388 per pound). Class III use accounted for 0.32% of all producer skim milk (\$10.10 per cwt) and 0.37% of producer butterfat (\$1.9388 per pound). Class IV use accounted for 2.36% of all producer skim milk (\$9.92 per cwt) and 3.46% of producer butterfat (\$1.9388 per pound).

Receipts of producer milk during September 2021 totaled 197 million pounds, 2 million more than September 2020. Florida producers supplied 159 million pounds of milk in August 2021 or an estimated 76.35% of the producer milk pooled in Florida. In August 2020, they supplied 79.84% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for September 2021. In-area Class I route disposition was 211.6 million pounds in August 2021, 7.3 million pounds more than August 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2021		
Whole Milk	89,180,238	42.13%
Fat Free Milk	13,018,267	6.15%
Low fat Milk (incl. 1%)	22,936,968	10.85%
Reduced Fat Milk (incl. 2%)	63,102,084	29.81%
Cultured Fluid Milk (incl. Buttermilk)	1,344,175	0.63%
Flavored Drinks and Milk	22,075,528	10.43%
Total Disposition in Marketing Area	211,657,260	100.0%
Total Disposition by Pool Plants	163,900,598	77.43%
Total Disposition by Nonpool Plants	47,756,662	22.57%
Total Disposition in Marketing Area	211,657,260	100.0%

Dairy Outlook

(continued from Page 1) The average number of milk cows is expected to continue declining in the first quarter of 2022. As a result, the annual forecast has been lowered to 9.450 million head, 30,000 head below the last month's forecast. The projection for milk per cow is 24,305 pounds, 25 pounds lower than last month's forecast. The projection for 2022 milk production has been adjusted to 229.7 billion pounds, 0.9 billion pounds lower than last month's forecast but 2.7 billion pounds higher than 2021.

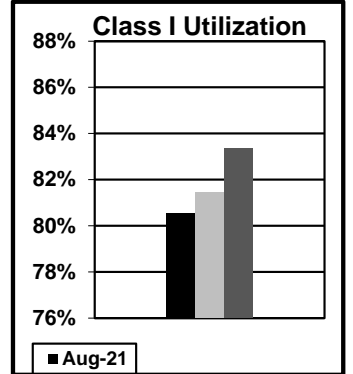
In 2022, domestic use is projected to be lower than the previous month's forecast as wholesale prices are projected higher and milk production is projected down. On a milk-fat basis, the domestic use forecast for 2022 is 224.5 billion pounds, 1.0 billion lower than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.2 billion pounds, 0.7 billion lower than last month's forecast

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 2020	\$18.42	\$1.7315	\$23.84	\$7.83	\$1.6002	\$13.16	\$11.25	\$1.5932	\$16.43	\$ 7.43	\$1.5932	\$12.75	\$ 16.59	\$1.6675	\$21.85
Oct	\$15.37	\$1.6473	\$20.60	\$8.15	\$1.6458	\$13.63	\$16.45	\$1.6388	\$21.61	\$ 8.01	\$1.6388	\$13.47	\$ 14.39	\$1.6470	\$19.65
Nov	\$18.18	\$1.6856	\$23.44	\$8.70	\$1.5623	\$13.86	\$18.55	\$1.5553	\$23.34	\$ 8.14	\$1.5553	\$13.30	\$ 16.58	\$1.6292	\$21.70
Dec	\$20.28	\$1.6296	\$25.27	\$8.91	\$1.5469	\$14.01	\$10.71	\$1.5399	\$15.72	\$ 8.26	\$1.5399	\$13.36	\$ 18.25	\$1.5898	\$23.18
Jan 2021	\$15.43	\$1.6149	\$20.54	\$9.03	\$1.5611	\$14.18	\$10.99	\$1.5541	\$16.04	\$ 8.61	\$1.5541	\$13.75	\$ 14.20	\$1.5871	\$19.26
Feb	\$15.77	\$1.6344	\$20.94	\$9.27	\$1.4446	\$14.00	\$11.11	\$1.4376	\$15.75	\$ 8.45	\$1.4376	\$13.19	\$ 14.67	\$1.5384	\$19.54
Mar	\$16.02	\$1.4675	\$20.60	\$9.36	\$1.7246	\$15.07	\$10.51	\$1.7176	\$16.15	\$ 8.46	\$1.7176	\$14.18	\$ 15.07	\$1.5916	\$20.11
Apr	\$15.40	\$1.7275	\$20.91	\$9.03	\$1.9566	\$15.56	\$11.24	\$1.9496	\$17.67	\$ 8.91	\$1.9496	\$15.42	\$ 14.26	\$1.8438	\$20.21
May	\$15.96	\$2.0295	\$22.50	\$9.58	\$1.9921	\$16.22	\$12.45	\$1.9851	\$18.96	\$ 9.55	\$1.9851	\$16.16	\$ 14.74	\$2.0113	\$21.26
Jun	\$17.22	\$2.0214	\$23.69	\$10.12	\$1.9711	\$16.66	\$10.71	\$1.9641	\$17.21	\$ 9.82	\$1.9641	\$16.35	\$ 15.96	\$1.9989	\$22.40
Jul	\$16.35	\$2.0130	\$22.82	\$10.53	\$1.9066	\$16.83	\$10.20	\$1.8996	\$16.49	\$ 9.69	\$1.8996	\$16.00	\$ 15.63	\$1.9694	\$21.98
Aug	\$16.00	\$1.9590	\$22.30	\$10.37	\$1.8578	\$16.51	\$9.82	\$1.8508	\$15.95	\$ 9.78	\$1.8508	\$15.92	\$ 14.95	\$1.9097	\$21.11
Sep	\$15.86	\$1.9093	\$21.99	\$10.45	\$1.9458	\$16.89	\$10.10	\$1.9388	\$16.53	\$ 9.92	\$1.9388	\$16.36	\$ 15.00	\$1.9278	\$21.22
Oct	\$16.06	\$1.9961	\$22.48	\$10.63											

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	195,063	103	158,860	81.44%	29,128	14.93%	1,201	0.62%	5,873	3.01%
Oct	213,746	104	180,370	84.39%	28,106	13.15%	330	0.15%	4,939	2.31%
Nov	214,461	122	175,969	82.05%	27,892	13.01%	160	0.07%	10,440	4.87%
Dec	216,335	101	174,890	80.84%	28,285	13.07%	2,896	1.34%	10,265	4.75%
Jan 2021	222,514	102	175,808	79.01%	33,072	14.86%	3,598	1.62%	10,036	4.51%
Feb	196,128	82	161,090	82.13%	31,088	15.85%	501	0.26%	3,449	1.76%
Mar	205,728	77	173,605	84.38%	29,575	14.38%	796	0.39%	1,752	0.85%
Apr	210,966	81	170,792	80.97%	33,953	16.09%	896	0.42%	5,324	2.52%
May	205,959	91	162,901	79.10%	32,581	15.82%	459	0.22%	10,016	4.86%
Jun	185,491	89	149,440	80.56%	28,141	15.17%	2,255	1.22%	5,654	3.05%
Jul	184,471	85	159,249	86.33%	22,157	12.01%	561	0.30%	2,504	1.36%
Aug	207,603	91	167,218	80.55%	31,650	15.25%	753	0.36%	7,980	3.84%
Sept	197,037	85**	164,196	83.34%	27,549	13.98%	638	0.32%	4,652	2.36%



*Class 1 and uniform prices are at Hillsborough County (Tampa), Florida: **Estimated

Florida Marketing Area - Federal Order 6

Upcoming Pool and Payment Dates									
	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
October	11/11/21	11/12/21	11/15/21	10/19/21	10/20/21	11/04/21	11/05/21	11/15/21	11/16/21
November	12/11/21	12/13/21	12/14/21	11/19/21	11/22/21	12/06/21	12/06/21	12/14/21	12/15/21
December	01/11/22	01/12/22	01/13/22	12/20/21	12/20/21	01/04/22	01/05/22	01/13/22	01/14/22

**The base rate for making partial payments in Hillsborough Co., FL for October will be \$19.09 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$18.03 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 – 617-5, October 10, 2021

Milk production forecasts for 2021 and 2022 are reduced from last month on smaller dairy cow numbers and slower growth in milk per cow. For 2021 and 2022, fat basis import forecasts are unchanged from the previous month, while the fat basis export forecasts are raised on stronger expected sales of cheese and butterfat containing products. The skim-solids basis import forecast for 2021 is lowered slightly on weaker expected imports of milk protein concentrates, but the 2022 forecast is unchanged. Skim-solids basis export forecast for 2021 is reduced on weaker sales of skim milk powder, whey, and lactose; however, the forecast for 2022 is unchanged. For 2021, cheese, nonfat dry milk (NDM), and whey price forecasts are raised on current prices and lower expected production. The butter price is lowered slightly on current prices. For 2022, all dairy product prices are raised, largely on tighter supplies. The 2021 and 2022 Class III and Class IV price forecasts are raised from last month on higher dairy product prices. The 2021 all milk price is forecast higher at \$18.45 per cwt. The all milk price forecast for 2022 is \$19.20 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 WASDE report is available at www.usda.gov/oce/commodity/wasde/



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