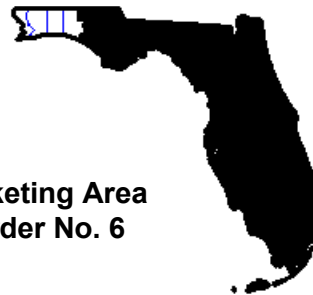


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

January 2017

Volume 18—No. 1

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Please update your records to reflect our new mailing address and fax numbers.

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All other contact information remains unchanged.

2017 Dairy Forecast

Excerpts from Livestock, Dairy, & Poultry Outlook, January 19, 2017, Economic Research Service, USDA:

The feed price outlook is changed little from last month's forecast. For 2016/17, the corn price forecast is \$3.10-\$3.70 per bushel (an increase of 5 cents on both ends of the range), and the soybean meal price forecast is unchanged at \$305-\$345 per short ton. The alfalfa hay price fell from \$135 per short ton in October to \$130 in November.

The forecast for milk cows is raised by 5 thousand head to 9.365 million for 2017, as higher expected milk prices and relatively low feed costs are expected to encourage greater expansion of the herd. Similarly, the forecast for milk per cow is raised to 23,185 pounds per head, an increase of 15 pounds. These changes result in a milk production forecast of 217.1 billion pounds for the year, 0.3 billion pounds higher than forecast last month.

On both milk-fat and skim-solids bases, 2017 forecasts for imports are unchanged from last month, at 7.0 billion and 6.2 billion pounds, respectively. For exports, small changes have been made. The export forecasts are 8.3 billion pounds on a milk-fat basis (-0.1 billion) and 40.2 billion pounds on a skim-solids basis (+0.1 billion).

Based on recent commercial disappearance data and a strengthening economy, the 2017 domestic use forecast has been raised from last month's forecast to 215.0 (continued on page 4)

Uniform Price Surges

The uniform price in Hillsborough County, Florida, was \$21.64 per hundredweight for milk at 3.5 percent butterfat for the month of December. This is an increase of \$2.21 compared with the previous month and an increase of \$0.65 from December 2015.

Class I utilization was 83.24 percent in December. This is an increase of 0.09 percent compared to last month and is a decrease of 2.00 percent compared with December 2015.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2016 was 17.09 billion pounds, up 2.4 percent from November 2015 and 0.6 percent higher compared with October 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.01 billion pounds, 2.7 percent above November 2015 and 0.6 percent above October 2016 on a daily average basis. Butter production was 144 million pounds, 5.7 percent below November 2015 but 4.8 percent above October 2016 on a daily average basis.

Nonfat dry milk powder production was 127.0 million pounds in November, 0.9 percent lower than November of last year and 7.0 percent lower than October 2016 on a daily average basis. Total dry whey production was 73.5 million pounds in November, 6.9 percent lower than November 2015 and 9.5 percent lower than October 2016 on a daily average basis. Whey protein concentrates production was 37.6 million pounds in November, 8.9 percent lower than November of last year and 7.4 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.56 in November, 0.19 higher than the prior month.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - DECEMBER 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.93%	4,342,485	\$2.1104	\$ 9,164,380.34
Class I Differential at Location				243,245.17
Class II Butterfat	38.06%	3,310,896	\$2.3424	7,755,442.78
Class III Butterfat	3.37%	293,520	\$2.3354	685,486.60
Class IV Butterfat	8.64%	751,235	\$2.3354	1,754,434.21
Total Butterfat	100.00%	8,698,136		\$ 19,602,989.10
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$2.2537	

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.53%	191,149,203	\$9.84 /cwt.	\$ 18,809,081.58
Class I Butterfat	49.93%	4,342,485	\$2.1104 /lb.	9,164,380.34
Class I Differential at Location		195,491,688		10,934,665.48
Total Class I Milk	83.24%	195,491,688		\$ 38,908,127.40
Class II Skim Milk	8.50%	19,229,223	\$7.32 /cwt.	\$ 1,407,579.11
Class II Butterfat	38.06%	3,310,896	\$2.3424 /lb.	7,755,442.78
Total Class II Milk	9.60%	22,540,119		\$ 9,163,021.89
Class III Skim Milk	4.86%	10,993,599	\$9.56 /cwt.	\$ 1,050,988.06
Class III Butterfat	3.37%	293,520	\$2.3354 /lb.	685,486.60
Total Class III Milk	4.81%	11,287,119		\$ 1,736,474.66
Class IV Skim Milk	2.11%	4,778,486	\$7.04 /cwt.	\$ 336,405.41
Class IV Butterfat	8.64%	751,235	\$2.3354 /lb.	1,754,434.21
Total Class IV Milk	2.35%	5,529,721		\$ 2,090,839.62
Producer Milk	100.00%	234,848,647		\$ 51,898,463.57

Adjustments

Overage and Other Source	\$30,535.53
Inventory Adjustments	\$71,745.22
Producer butterfat at uniform butterfat price	(\$19,602,989.10)
Location Adjustments to Producers	(\$208,732.07)
1/2 Unobligated Balance in P.S.F.	\$131,359.74

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.29154	\$32,320,382.89
	\$ 0.04154	\$93,935.07

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

\$14.25

Uniform Price per cwt. (Hillsborough County, Florida)

\$21.64*

* 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 2016	JAN 2017	NOV 2016	DEC 2016	DEC 2016
Appalachian (Charlotte)	\$ 20.28	\$ 20.85	\$ 17.48	\$ 19.34	71.53%
Arizona (Phoenix)	\$ 19.23	\$ 19.80	\$ 15.52	\$ 16.80	27.13%
Central (Kansas City)	\$ 18.88	\$ 19.45	\$ 15.40	\$ 16.87	41.18%
Florida (Tampa)	\$ 22.28	\$ 22.85	\$ 19.43	\$ 21.64	83.24%
Mideast (Cleveland)	\$ 18.88	\$ 19.45	\$ 15.38	\$ 16.79	37.00%
Northeast (Boston)	\$ 20.13	\$ 20.70	\$ 16.34	\$ 17.68	34.60%
Pacific Northwest (Seattle)	\$ 18.78	\$ 19.35	\$ 15.07	\$ 16.37	28.97%
Southeast (Atlanta)	\$ 20.68	\$ 21.25	\$ 18.02	\$ 19.78	71.64%
Southwest (Dallas)	\$ 19.88	\$ 20.45	\$ 15.96	\$ 17.65	61.66%
Upper Midwest (Chicago)	\$ 18.68	\$ 19.25	\$ 16.24	\$ 17.21	14.50%

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

Receipts:	December 2016	December 2015
Producer Milk		
Class I	195,491,688	202,931,843
Class II	22,540,119	24,774,169
Class III	11,287,119	6,935,991
Class IV	5,529,721	3,422,974
	<hr/>	<hr/>
Total Producer Milk	234,848,647	238,064,977
Average Butterfat Test	3.70	3.62
Percent of Producer Milk in Class I	83.24%	85.24%
Daily Average Receipts	7,575,763	7,679,515
Other Source Milk		
Class I	3,835,805	6,275,285
Class II	2,008,642	4,298,519
Class III	0	11,660
Class IV	2,440,061	2,095,819
	<hr/>	<hr/>
Total Other Source Milk	8,284,508	12,681,283
Overage		
Class I	0	0
Class II	13,036	0
Class III	0	0
Class IV	0	3,440
	<hr/>	<hr/>
Total Overage	13,036	3,440
Opening Inventory		
Class I	10,025,152	8,408,356
Class II	847,586	224,398
Class III	241,470	3,276,568
Class IV	9,665,334	5,818,934
	<hr/>	<hr/>
Total Opening Inventory	20,779,542	17,728,256
	<hr/>	<hr/>
Total Receipts	263,925,733	268,477,956
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	10,237,321	9,813,546
Route Disposition Class I	198,203,917	206,755,228
Shrinkage	3,883,973	769,738
Transfers & Diversions to Nonpool	527,434	276,972
	<hr/>	<hr/>
Total Class I Utilization	209,352,645	217,615,484
Average Butterfat Test	2.21	2.16
Daily Average Utilization	6,753,311	7,019,854
Class II Utilization		
Nonfluid Used To Produce	1,995,074	4,267,805
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods	7,202,301	10,360,683
Used To Produce/Other Uses	16,212,008	14,668,598
	<hr/>	<hr/>
Total Class II Utilization	25,409,383	29,297,086
Average Butterfat Test	13.55	11.89
Class III Utilization		
Shrinkage	0	3,599,646
Transfers & Diversions to Nonpool/Used to Produce	11,528,589	5,271,426
Use to Produce/Other Uses	0	1,353,147
	<hr/>	<hr/>
Total Class III Utilization	11,528,589	10,224,219
Average Butterfat Test	2.73	2.65
Class IV Utilization		
Inventory	7,527,954	6,229,390
Nonfluid Used To Fortify	1,720,348	1,514,546
Shrinkage	3,585,927	0
Transfers & Diversions to Nonpool	3,530,431	3,597,231
Used To Produce/Other Uses	1,270,456	0
	<hr/>	<hr/>
Total Class IV Utilization	17,635,116	11,341,167
Average Butterfat Test	7.45	10.19
	<hr/>	<hr/>
Total Utilization	263,925,733	268,477,956

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2016 is \$21.64 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.25 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2537 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 84.53% of all producer skim milk (priced to handlers at \$9.84 per hundredweight, plus the Class I differential) and 49.93% of producer butterfat (priced to handlers at \$2.1104 per pound plus Class I differential). Class II use accounted for 8.50% of all producer skim milk (\$7.32 per hundredweight) and 38.06% of producer butterfat (\$2.3424 per pound). Class III use accounted for 4.86% of all producer skim milk (\$9.56 per cwt) and 3.37% of producer butterfat (\$2.3354 per pound). Class IV use accounted for 2.11% of all producer skim milk (\$7.04 per cwt) and 8.64% of producer butterfat (\$2.3354 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2016		
Whole Milk	88,266,274	38.54%
Fat Free Milk	19,917,513	8.70%
Lowfat Milk (incl. 1%)	29,059,342	12.70%
Reduced Fat Milk (incl. 2%)	64,882,008	28.33%
Cultured Fluid Milk (incl. Buttermilk)	1,449,980	0.63%
Flavored Drinks and Milk	25,417,929	11.10%
Total Disposition in Marketing Area	228,993,046	100.0%
Total Disposition by Pool Plants	189,788,500	82.88%
Total Disposition by Nonpool Plants	39,203,546	17.12%
Total Disposition in Marketing Area	228,993,046	100.0%

Receipts of producer milk during December totaled 234.8 million pounds, 3.2 million pounds less than December 2015. Florida producers supplied an estimated 187 million pounds of milk in November 2016 or an estimated 82.69% of the producer milk pooled in Florida. In November 2015, Florida producers supplied 78.61% of producer milk pooled on the Florida market.

There were 10 regulated pool distributing plants and 6 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for December. In-area Class I route disposition was 228.9 million pounds in November, 1.6 million pounds more than November 2015.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from page 1) billion pounds on a skim-solids basis (+1.0 billion). Ending stock forecasts for 2017 are lowered to 13.2 billion pounds on a milk-fat basis (-0.5 billion) and 12.9 billion pounds on a skim-solids basis (-0.3 billion).

With higher expected demand, 2017 dairy product price forecasts have been raised for butter, cheese, NDM, and dry whey to \$2.095-\$2.205, \$1.675-\$1.755, \$0.990-\$1.050, and \$0.415-\$0.445 per pound, respectively. Lower expected beginning stocks on a milk-fat basis will also support higher butter prices. With higher dairy product prices, the Class III and IV price forecasts have been raised to \$16.35-\$17.15 and \$15.25-\$16.15 per cwt, respectively. The all-milk price forecast has been raised to \$17.60-\$18.40 per cwt, an increase from \$16.85-\$17.65 forecast last month.

The United States is expected to face strong competition from the European Union (EU) for cheese exports in 2017. After a setback in 2014 and 2015 due to a Russian trade ban, EU cheese exports are expected to total 1.808 billion pounds in 2016 and are forecast to reach a record 1.819 billion pounds in 2017. A key issue facing the United States' export competitiveness with the EU is the strong dollar compared to the euro.

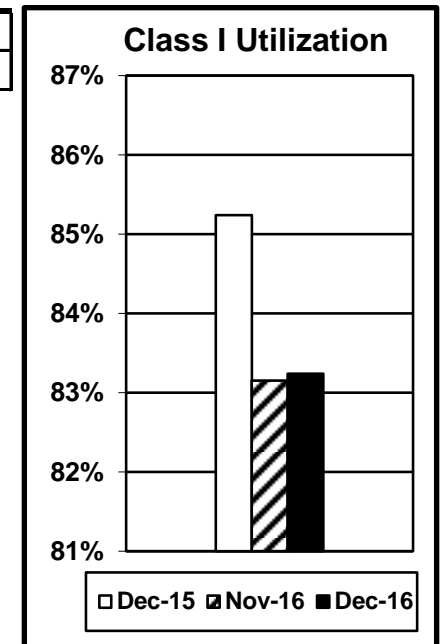
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-271/January 19, 2017 ERS, USDA*

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
Nov 2015	\$12.05	\$2.9296	\$21.88	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 11.27	\$3.0626	\$21.59
Dec	\$11.45	\$3.1588	\$22.11	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 10.73	\$3.0386	\$20.99
Jan 2016	\$11.01	\$3.0902	\$21.44	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 10.31	\$2.6824	\$19.34
Feb	\$11.31	\$2.3218	\$19.04	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 10.55	\$2.3556	\$18.43
Mar	\$10.94	\$2.4643	\$19.18	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 10.25	\$2.3325	\$18.06
Apr	\$11.62	\$2.2646	\$19.14	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 10.81	\$2.2546	\$18.32
May	\$11.52	\$2.2795	\$19.10	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 10.47	\$2.2859	\$18.10
Jun	\$10.71	\$2.3448	\$18.54	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 9.95	\$2.3803	\$17.93
Jul	\$10.97	\$2.4329	\$19.10	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 10.27	\$2.5146	\$18.71
Aug	\$11.56	\$2.6613	\$20.47	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 10.87	\$2.5765	\$19.51
Sep	\$13.57	\$2.5315	\$21.96	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 12.84	\$2.4226	\$20.87
Oct	\$14.18	\$2.3763	\$22.00	\$7.14	\$2.0563	\$14.09	\$7.92	\$2.0493	\$14.82	\$ 6.72	\$2.0493	\$13.66	\$ 13.13	\$2.2060	\$20.39
Nov	\$13.19	\$2.1289	\$20.18	\$7.47	\$2.1114	\$14.60	\$9.74	\$2.1044	\$16.76	\$ 6.63	\$2.1044	\$13.76	\$ 12.44	\$2.1202	\$19.43
Dec	\$15.24	\$2.1644	\$22.28	\$7.32	\$2.3424	\$15.26	\$9.56	\$2.3354	\$17.40	\$ 7.04	\$2.3354	\$14.97	\$ 14.25	\$2.2537	\$21.64
Jan 2017	\$15.01	\$2.3914	\$22.85	\$7.77											

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.	%
Nov 2015	231,006	194	193,765	83.88%	26,701	11.56%	4,918	2.13%	5,621	2.43%
Dec	238,065	175	202,932	85.24%	24,774	10.41%	6,936	2.91%	3,423	1.44%
Jan 2016	247,867	154	209,629	84.57%	22,507	9.08%	2,822	1.14%	12,910	5.21%
Feb	235,525	146	196,350	83.37%	24,600	10.44%	8,711	3.70%	5,863	2.49%
Mar	241,647	141	203,871	84.37%	27,503	11.38%	4,958	2.05%	5,315	2.20%
Apr	231,542	141	195,608	84.47%	23,700	10.24%	3,096	1.34%	9,138	3.95%
May	228,210	112	185,108	81.11%	22,863	10.02%	10,515	4.61%	9,724	4.26%
Jun	207,866	137	173,694	83.56%	22,888	11.01%	9,236	4.44%	2,048	0.99%
Jul	205,763	144	171,449	83.33%	22,088	10.73%	3,622	1.76%	8,603	4.18%
Aug	220,576	165	185,586	84.14%	27,353	12.40%	843	0.38%	6,796	3.08%
Sep	210,356	169	184,861	87.87%	20,487	9.74%	600	0.29%	4,408	2.10%
Oct	224,195	165	186,283	83.09%	24,145	10.77%	4,101	1.83%	9,666	4.31%
Nov	225,679	165	187,633	83.15%	23,791	10.54%	7,254	3.21%	7,000	3.10%
Dec	234,849	165**	195,492	83.24%	22,540	9.60%	11,287	4.81%	5,530	2.35%



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

Florida Marketing Area - Federal Order 6

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
January	02/11/17	02/13/17	02/14/17	01/19/17	01/20/17	02/06/17	02/06/17	02/14/17	02/15/17
February	03/11/17	03/13/17	03/14/17	02/21/17	02/21/17	03/06/17	03/06/17	03/14/17	03/15/17
March	04/11/17	04/12/17	04/13/17	03/20/17	03/20/17	04/04/17	04/05/17	04/13/17	04/14/17

**The base rate for making partial payments in Hillsborough Co., FL for January will be \$19.48 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$18.39 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 – 561 January 12, 2017

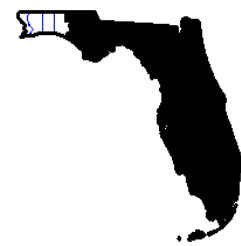
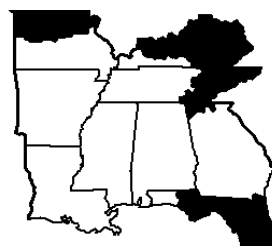
Milk production for 2016 is raised on slightly larger milk cow numbers. The 2017 milk production forecast is raised from last month as improved returns support increases in both cow numbers and milk per cow. Fat and skim-solids basis exports for 2016 are raised on recent trade data. Imports are unchanged. Exports on a fat basis are reduced slightly for 2017, but are raised on a skim-solids basis. Import forecasts are unchanged for 2017.

Dairy product prices and Class prices for 2016 are adjusted to incorporate December price data. For 2017, butter, cheese, nonfat dry milk, and whey prices are raised from last month on demand strength. Class prices for 2017 are raised, reflecting higher product price forecasts. The all milk price range is raised to \$17.60 to \$18.40 per cwt.

1/ The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



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