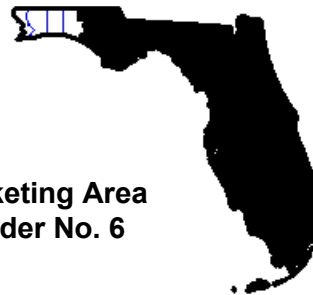


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

January 2018

Volume 19—No. 1

Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, January 19, 2018, Economic Research Service, USDA:

The 2018 forecast for the number of milk cows in the United States has been reduced to 9.415 million head, 20 thousand less than last month's forecast, as lower prices are expected to lead to less expansion throughout the year and growth will occur from a lower base than expected last month. The USDA Cattle report will be released on January 31, and it will provide more information on dairy cow inventory and intentions for heifer retention in 2018. The milk yield forecast has also been reduced for the year, by 10 pounds to 23,240 pounds per head. The milk production forecast for 2018 is 0.5 billion pounds lower than the last forecast, at 218.8 billion pounds.

As demand has weakened and butter imports have followed a downward trend in the past couple of months, the import forecast for 2018 on a milk-fat basis has been lowered 0.1 billion pounds to 6.0 billion. However, exports are forecast 0.1 billion pounds higher for 2018, as domestic prices for butter remain competitive and stocks remain high. As domestic use is expected to be lower than previously forecast, the 2018 forecast has been lowered 0.8 billion pounds to 215.1 billion. The forecast for ending stocks on a milk-fat basis is unchanged at 12.8 billion pounds.

The forecast for imports on a skim-solids basis in 2018 has been reduced to 5.9 billion pounds, 0.2 billion less than last month, due to lower expected imports of milk protein concentrate and casein products. Exports are now projected at 42.0 billion pounds for the year, an increase of 0.2 billion pounds from last month's figure, as lactose exports are now expected to increase and recent strength in NDM exports should continue. As lower ending stocks in 2017 should carry over throughout 2018, the ending stock forecast on a skim-solids basis has been lowered to 11.6 billion pounds for the year, 0.4 billion less than last month's (continued on page 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$20.92 per hundredweight for milk at 3.5 percent butterfat for the month of December. This is an increase of \$0.26 compared with the previous month and a decrease of \$0.72 from December 2016.

Class I utilization was 81.81 percent in December. This represents a decrease of 1.53 percent compared to last month and is a decrease of 1.43 percent compared with December 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2017 was 17.28 billion pounds, 1.0 percent higher than November of last year and 0.4 percent higher compared with October 2017 on a daily average basis. Total cheese output was 1.05 billion pounds, 2.8 percent above November 2016 and 1.2 percent above October 2017 on a daily average basis. Butter production was 146 million pounds, 1.8 percent above November 2016 and 5.0 percent above October 2017 on a daily average basis.

Nonfat dry milk powder production was 140.5 million pounds in November, up 9.7 percent from November of last year and 0.4 percent higher than October 2017 on a daily average basis. Total dry whey production was 81.8 million pounds in November, 11.6 percent above November 2016 and 4.7 percent above the previous month on a daily average basis. Whey protein concentrates production was 40.7 million pounds in November, 3.6 percent above November 2016 and 2.4 percent higher than October 2017 on a daily average basis.

November's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.54.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - DECEMBER 2017

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.74%	4,214,740	\$2.5335	\$ 10,678,043.80
Class I Differential at Location				236,733.24
Class II Butterfat	35.08%	2,972,286	\$2.5021	7,436,956.81
Class III Butterfat	3.45%	291,931	\$2.4951	728,397.04
Class IV Butterfat	11.73%	993,473	\$2.4951	2,478,814.49
Total Butterfat	100.00%	8,472,430		\$ 21,558,945.38
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$2.5446	

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	83.06%	181,310,729	\$8.30 /cwt.	\$ 15,048,790.50
Class I Butterfat	49.74%	4,214,740	\$2.5335 /lb.	10,678,043.80
Class I Differential at Location		185,525,469		10,384,891.63
Total Class I Milk	81.81%	185,525,469		\$ 36,111,725.93
Class II Skim Milk	8.08%	17,641,555	\$5.94 /cwt.	\$ 1,047,908.38
Class II Butterfat	35.08%	2,972,286	\$2.5021 /lb.	7,436,956.81
Total Class II Milk	9.09%	20,613,841		\$ 8,484,865.19
Class III Skim Milk	4.29%	9,374,957	\$6.95 /cwt.	\$ 651,559.52
Class III Butterfat	3.45%	291,931	\$2.4951 /lb.	728,397.04
Total Class III Milk	4.26%	9,666,888		\$ 1,379,956.56
Class IV Skim Milk	4.57%	9,971,113	\$4.95 /cwt.	\$ 493,570.10
Class IV Butterfat	11.73%	993,473	\$2.4951 /lb.	2,478,814.49
Total Class IV Milk	4.84%	10,964,586		\$ 2,972,384.59
Producer Milk	100.00%	226,770,784		\$ 48,948,932.27

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$445.57)
Producer butterfat at uniform butterfat price	(\$21,558,945.38)
Location Adjustments to Producers	(\$191,306.29)
1/2 Unobligated Balance in P.S.F.	\$88,445.21

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.49972	\$27,286,680.24
	\$ 0.04972	\$108,535.17

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

\$12.45

Uniform Price per cwt. (Hillsborough County, Florida)

\$20.92*

* 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 %
	DEC 2017	JAN 2018	NOV 2017	DEC 2017	DEC 2017
Appalachian (Charlotte)	\$ 20.28	\$ 18.84	\$ 18.63	\$ 18.37	65.59%
Arizona (Phoenix)	\$ 19.23	\$ 17.79	\$ 16.02	\$ 15.44	25.57%
Central (Kansas City)	\$ 18.88	\$ 17.44	\$ 15.98	\$ 15.56	33.78%
Florida (Tampa)	\$ 22.28	\$ 20.84	\$ 20.66	\$ 20.92	81.81%
Mideast (Cleveland)	\$ 18.88	\$ 17.44	\$ 16.24	\$ 15.80	32.60%
Northeast (Boston)	\$ 20.13	\$ 18.69	\$ 17.14	\$ 16.71	34.40%
Pacific Northwest (Seattle)	\$ 18.78	\$ 17.34	\$ 15.69	\$ 15.21	25.85%
Southeast (Atlanta)	\$ 20.68	\$ 19.24	\$ 19.07	\$ 19.04	70.29%
Southwest (Dallas)	\$ 19.88	\$ 18.44	\$ 16.76	\$ 16.36	27.45%
Upper Midwest (Chicago)	\$ 18.68	\$ 17.24	\$ 16.67	\$ 15.57	10.60%

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

Receipts:	Dec 2017	Dec 2016
Producer Milk		
Class I	185,525,469	195,491,688
Class II	20,613,841	22,540,119
Class III	9,666,888	11,287,119
Class IV	10,964,586	5,529,721
Total Producer Milk	<u>226,770,784</u>	<u>234,848,647</u>
Average Butterfat Test	3.74%	3.70%
Percent of Producer Milk in Class I	81.81%	83.24%
Daily Average Receipts	7,315,187	7,575,763
Other Source Milk		
Class I	3,370,288	3,835,805
Class II	4,159,485	208,642
Class III	0	0
Class IV	1,942,112	2,440,061
Total Other Source Milk	<u>9,471,885</u>	<u>8,284,508</u>
Overage		
Class I	0	0
Class II	0	13,036
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>13,036</u>
Opening Inventory		
Class I	9,151,027	10,025,152
Class II	8,487	847,586
Class III	0	241,470
Class IV	7,405,360	9,665,334
Total Opening Inventory	<u>16,564,874</u>	<u>20,779,542</u>
Total Receipts	252,807,543	263,925,733
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	5,957,086	10,237,321
Route Disposition Class I	190,555,195	198,203,917
Shrinkage	1,231,278	383,973
Transfers & Diversions to Nonpool	303,225	527,434
Total Class I Utilization	<u>198,046,784</u>	<u>209,352,645</u>
Average Butterfat Test	2.26%	2.21%
Daily Average Utilization	6,388,606	6,753,311
Class II Utilization		
Nonfluid Used To Produce	4,159,486	1,995,074
Shrinkage	0	0
Transfers & Diversions to Nonpool/Comm	8,658,354	7,202,301
Used To Produce/Other Uses	11,963,973	16,212,008
Total Class II Utilization	<u>24,781,813</u>	<u>25,409,383</u>
Average Butterfat Test	12.03%	13.55%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to	9,666,888	11,528,589
Use to Produce/Other Uses	0	0
Total Class III Utilization	<u>9,666,888</u>	<u>11,528,589</u>
Average Butterfat Test	3.02%	2.73%
Class IV Utilization		
Inventory	9,135,129	7,527,954
Nonfluid Used To Fortify	1,570,632	1,720,348
Shrinkage	3,340,700	3,585,927
Transfers & Diversions to Nonpool	4,907,323	3,530,431
Used To Produce/Other Uses	1,358,274	1,270,456
Total Class IV Utilization	<u>20,312,058</u>	<u>17,635,116</u>
Average Butterfat Test	6.91%	7.45%
Total Utilization	252,807,543	263,925,733

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2017 is \$20.92 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$12.45 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5446 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 83.06% of all producer skim milk (priced to handlers at \$8.30 hundredweight, plus the Class I differential) and 49.74% of producer butterfat (priced to handlers at \$2.5335 per pound plus Class I differential). Class II use accounted for 8.08% of all producer skim milk (\$5.94 per hundredweight) and 35.08% of producer butterfat (\$2.5021 per pound). Class III use accounted for 4.29% of all producer skim milk (\$6.95 per cwt) and 3.45% of producer butterfat (\$2.4951 per pound). Class IV use accounted for 4.57% of all producer skim milk (\$4.95 per cwt) and 11.73% of producer butterfat (\$2.4951 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2017		
Whole Milk	90,053,791	38.60%
Fat Free Milk	19,262,023	8.00%
Low fat Milk (incl. 1%)	27,159,829	11.64%
Reduced Fat Milk (incl. 2%)	67,830,174	29.07%
Cultured Fluid Milk (incl. Buttermilk)	1,632,491	0.69%
Flavored Drinks and Milk	27,330,593	12.00%
Total Disposition in Marketing Area	233,268,901	100.0%
Total Disposition by Pool Plants	186,332,989	79.87%
Total Disposition by Non pool Plants	46,935,912	20.12%
Total Disposition in Marketing Area	233,268,901	100.0%

Receipts of producer milk during December 2017 totaled 226.8 million pounds, 8.1 million pounds less than December 2016. Florida producers supplied an estimated 181 million pounds of milk in November 2017 or an estimated 82.98% of the producer milk pooled in Florida. In November 2016, Florida producers supplied 82.69% of producer milk pooled on the Florida market. There were 10 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for December. In-area Class I route disposition was 233.3 million pounds in November 2017, 4.2 million pounds more than last year.

Dairy Forecast for 2018, cont.

(continued from page 1) forecast. Lower demand and lower production should result in less domestic use than previously expected; the domestic use forecast for 2018 has been cut 0.8 billion pounds to 182.4 billion.

Based on recent declines in product prices and expectations for lower demand, forecasts for prices of all major dairy products in 2018 have been lowered. Price forecasts for cheddar cheese, dry whey, butter, and NDM have been lowered to \$1.535-\$1.615, \$0.270-0.300, \$2.245-\$2.355, and \$0.715-\$0.775 per pound, respectively. The Class III price for 2018 is \$1.05 lower at the midpoint of the range than the last forecast, at \$14.25-\$15.05 per cwt; the Class IV price forecast has been lowered 35 cents at the midpoint to \$13.55-\$14.45. The all-milk price for 2018 is now forecast 85 cents lower at the midpoint of the range than last month's forecast, at \$15.80-\$16.60 per cwt.

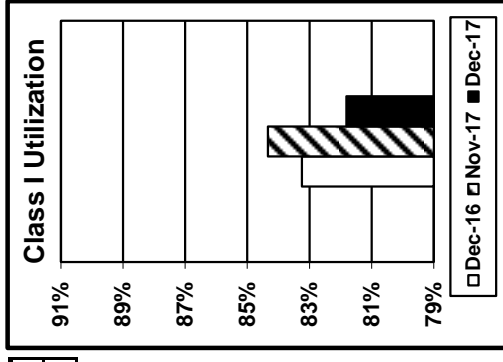
Source: Livestock, Dairy, Poultry Outlook/LDP-M-283/January 19, 2018 Economic Research Service, USDA

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 2016	\$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	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$14.08	\$2.4652	\$22.22
Feb	\$13.60	\$2.5732	\$22.13	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$12.77	\$2.4994	\$21.07
Mar	\$14.05	\$2.4968	\$22.30	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$13.12	\$2.4614	\$21.28
Apr	\$13.15	\$2.5023	\$21.45	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$12.01	\$2.4267	\$20.08
May	\$12.54	\$2.4276	\$20.60	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$11.61	\$2.4239	\$19.69
Jun	\$12.74	\$2.4032	\$20.71	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$11.87	\$2.5531	\$20.39
Jul	\$12.72	\$2.7752	\$21.99	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$11.85	\$2.8603	\$21.45
Aug	\$11.95	\$3.0259	\$22.12	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$11.24	\$3.0224	\$21.43
Sep	\$11.73	\$3.0831	\$22.11	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$11.13	\$2.9727	\$21.14
Oct	\$12.07	\$2.9120	\$21.84	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$11.26	\$2.7874	\$20.62
Nov	\$12.68	\$2.7344	\$21.81	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$11.81	\$2.6467	\$20.66
Dec 2018	\$13.70	\$2.5875	\$22.28	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$12.45	\$2.5446	\$20.92
Jan 2018	\$12.38	\$2.5415	\$20.84	\$5.70											

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 2016	234,849	137	195,492	83.24%	22,540	9.60%	11,287	4.81%	5,530	2.35%
Jan 2017	232,212	129	199,020	85.71%	24,573	10.58%	1,145	0.49%	7,475	3.22%
Feb	213,014	125	177,729	83.43%	27,152	12.75%	2,381	1.12%	5,752	2.70%
Mar	235,520	119	196,479	83.42%	26,392	11.21%	7,334	3.11%	5,316	2.26%
Apr	219,859	131	177,183	80.58%	24,000	10.92%	7,056	3.21%	11,620	5.29%
May	218,418	109	177,322	81.18%	23,737	10.87%	8,401	3.85%	8,958	4.10%
Jun	204,329	127	167,555	82.01%	22,199	10.86%	8,887	4.35%	5,687	2.78%
Jul	197,380	126	164,694	83.44%	24,357	12.34%	4,829	2.45%	3,500	1.77%
Aug	215,152	176	181,228	84.22%	27,271	12.68%	4,187	1.95%	2,466	1.15%
Sep	202,752	184	174,233	85.93%	19,562	9.65%	2,059	1.02%	6,898	3.40%
Oct	218,757	173	183,666	83.96%	25,663	11.73%	394	0.18%	9,034	4.13%
Nov	218,101	147	183,961	84.34%	23,202	10.64%	3,337	1.53%	7,601	3.49%
Dec	226,771	140**	185,525	81.81%	20,614	9.09%	9,667	4.26%	10,965	4.84%



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

Florida Marketing Area - Federal Order 6

2018 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	02/11/18	02/12/18	02/13/18	01/19/18	01/22/18	02/05/18	02/05/18	02/13/18	02/14/18
February	03/11/18	03/12/18	03/13/18	02/20/18	02/20/18	03/05/18	03/05/18	03/13/18	03/14/18
March	04/11/18	04/12/18	04/13/18	03/19/18	03/20/18	04/04/18	04/05/18	04/13/18	04/16/18

**The base rate for making partial payments in Hillsborough Co., FL for January will be \$18.83 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$17.78 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 – 573 January 12, 2018

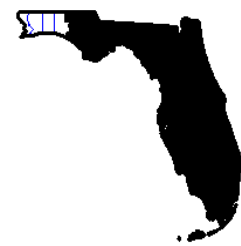
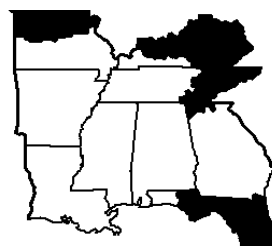
The milk production estimate for 2017 is reduced on recent data. For 2018, the milk production estimate is reduced on slower anticipated growth in the dairy cow herd combined with continued slow growth in milk per cow. Fat basis imports for 2017 are reduced on slower butter imports, but exports are raised on solid global demand for U.S. butter and other dairy products. Skim-solids basis imports are reduced modestly while exports are raised on strong demand for skim milk powder and several other products. For 2018, the fat basis import forecast is reduced on slowing demand for butter products, while the export forecast is raised on expected robust foreign demand for U.S. fat-containing products. On a skim-solids basis, the 2018 import forecast is reduced on weak demand for U.S. milk protein concentrates. The 2018 skim-solids basis export forecast is raised reflecting stronger demand for a number of products.

Dairy product prices for 2017 are adjusted for December data. For 2018, all dairy product prices are reduced on slowing domestic demand and global competition. The Class III and Class IV price forecasts for 2018 are reduced on lower product prices. The all milk price is lowered to \$15.80 to \$16.60 per cwt for 2018.

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.*



MILK MARKET ADMINISTRATOR
 U.S. Department Of Agriculture
 2763 Meadow Church Rd, Ste 100
 Duluth, Georgia 30097



www.fmmatlanta.com

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) If you wish to file a Civil Rights program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form \(PDF\)](#), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.