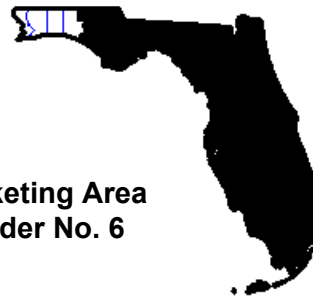


FLORIDA Fluid Milk Report

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Florida Marketing Area
Federal Order No. 6



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Recap of 2016 Dairy Industry Situation

Excerpts from Livestock, Dairy, & Poultry Outlook, February 15, 2017, Economic Research Service, USDA:

The all-milk price fell from an average of \$17.12 per cwt in 2015 to \$16.24 in 2016. It reached a low of \$14.77 per cwt in the second quarter before rising to \$17.67 in the fourth quarter.

The relatively low milk prices in 2016 largely reflect the global dairy situation. European Union (EU) milk production increased substantially after milk supply quotas ended on March 31, 2015 and remained above previous-year levels through May 2016, contributing to an abundant global supply. At the same time, global demand for dairy products grew at a relatively slow pace in some countries. For example, China's whole milk powder imports in 2016 increased over 2015 but remained well below 2014 levels. With continuance of the Russian trade ban, Russian imports are lower and the EU has been more competitive in alternative markets, including some of those traditionally supplied by the United States. In addition, the strong dollar has caused U.S. products to be less competitive in foreign markets.

Milk production in 2016 was a record 212.5 billion pounds, 1.7 percent higher than 2015 (adjusted for leap year). Milk cows averaged 9.333 million head, 16,000 higher than 2015 and the highest annual average since 1996. Average milk per cow was 22,770 pounds, 1.4 percent higher than 2015 (adjusted for leap year).

The increased milk production in 2016 can be attributed in part to relatively low feed prices in the latter part of 2015 (due to lagged supply response) and throughout 2016. In 2015, the benchmark 16-percent protein mixed dairy feed,¹ as calculated by USDA National Agricultural Statistics Service (NASS), fell from \$8.57 per cwt in the first quarter to \$7.77 in the fourth quarter. The 2016 average was \$7.48 per cwt, 9.8 (continued on page 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$22.22 per hundredweight for milk at 3.5 percent butterfat for the month of January. This is an increase of \$0.58 compared with the previous month and an increase of \$2.88 from January 2016.

Class I utilization was 85.71 percent in January. This is an increase of 2.47 percent compared to last month and is an increase of 1.14 percent compared with January 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2016 was 17.86 billion pounds, up 2.2 percent from December 2015 and 1.0 percent higher compared with November 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.05 billion pounds, 1.3 percent above December 2015 and 0.3 percent lower than November 2016 on a daily average basis. Butter production was 164 million pounds, 6.7 percent below December 2015 but 9.6 percent above November 2016 on a daily average basis.

Nonfat dry milk powder production was 156.0 million pounds in December, 3.2 percent higher than December of last year and 17.8 percent higher than November 2016 on a daily average basis. Total dry whey production was 79.6 million pounds in December, 13.3 percent lower than December 2015 and 5.7 percent higher than November 2016 on a daily average basis. Whey protein concentrates production was 36.9 million pounds in December, 12.8 percent lower than December of last year and 4.8 percent lower than the previous month on a daily average basis.

December's milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.70.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.63%	4,085,312	\$2.3374	\$ 9,549,008.28
Class I Differential at Location				228,779.36
Class II Butterfat	38.88%	3,335,181	\$2.5323	8,445,678.83
Class III Butterfat	0.50%	42,531	\$2.5253	107,403.54
Class IV Butterfat	12.99%	1,114,422	\$2.5253	2,814,249.87
Total Butterfat	100.00%	8,577,446		\$ 21,145,119.88
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$2.4652	

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	87.17%	194,934,484	\$9.61 /cwt.	\$ 18,733,203.90
Class I Butterfat	47.63%	4,085,312	\$2.3374 /lb.	9,549,008.28
Class I Differential at Location		199,019,796		11,127,567.26
Total Class I Milk	85.71%	199,019,796		\$ 39,409,779.44
Class II Skim Milk	9.50%	21,237,890	\$7.77 /cwt.	\$ 1,650,184.05
Class II Butterfat	38.88%	3,335,181	\$2.5323 /lb.	8,445,678.83
Total Class II Milk	10.58%	24,573,071		\$ 10,095,862.88
Class III Skim Milk	0.49%	1,102,051	\$8.22 /cwt.	\$ 90,588.59
Class III Butterfat	0.50%	42,531	\$2.5253 /lb.	107,403.54
Total Class III Milk	0.49%	1,144,582		\$ 197,992.13
Class IV Skim Milk	2.84%	6,360,333	\$7.62 /cwt.	\$ 484,657.39
Class IV Butterfat	12.99%	1,114,422	\$2.5253 /lb.	2,814,249.87
Total Class IV Milk	3.22%	7,474,755		\$ 3,298,907.26
Producer Milk	100.00%	232,212,204		\$ 53,002,541.71

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$13,635.84
Producer butterfat at uniform butterfat price	(\$21,145,119.88)
Location Adjustments to Producers	(\$399,245.10)
1/2 Unobligated Balance in P.S.F.	\$112,647.39
Adjusted Pool Value	\$ 14.12323
Reserve for Producer Settlement Fund	\$ 0.04323
	\$31,584,459.96
	\$96,686.03

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

\$14.08

Uniform Price per cwt. (Hillsborough County, Florida)

\$22.22*

* 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 %
	JAN 2017	FEB 2017	DEC 2016	JAN 2017	JAN 2017
Appalachian (Charlotte)	\$ 20.85	\$ 20.13	\$ 19.34	\$ 20.06	72.88%
Arizona (Phoenix)	\$ 19.80	\$ 19.08	\$ 16.80	\$ 17.36	24.85%
Central (Kansas City)	\$ 19.45	\$ 18.73	\$ 16.87	\$ 17.32	33.97%
Florida (Tampa)	\$ 22.85	\$ 22.13	\$ 21.64	\$ 22.22	85.71%
Mideast (Cleveland)	\$ 19.45	\$ 18.73	\$ 16.79	\$ 17.35	32.10%
Northeast (Boston)	\$ 20.70	\$ 19.98	\$ 17.68	\$ 18.21	32.60%
Pacific Northwest (Seattle)	\$ 19.35	\$ 18.63	\$ 16.37	\$ 17.03	27.89%
Southeast (Atlanta)	\$ 21.25	\$ 20.53	\$ 19.78	\$ 20.27	69.76%
Southwest (Dallas)	\$ 20.45	\$ 19.73	\$ 17.65	\$ 17.97	27.84%
Upper Midwest (Chicago)	\$ 19.25	\$ 18.53	\$ 17.21	\$ 16.99	11.40%

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

Receipts:	January 2017	January 2016
Producer Milk		
Class I	199,019,796	209,629,060
Class II	24,573,071	22,506,673
Class III	1,144,582	2,821,610
Class IV	7,474,755	12,909,535
	232,212,204	247,866,878
Total Producer Milk		
Average Butterfat Test	3.69%	3.62%
Percent of Producer Milk in Class I	85.71%	84.57%
Daily Average Receipts	7,490,716	7,995,706
Other Source Milk		
Class I	4,115,304	5,787,727
Class II	5,022,108	5,416,516
Class III	0	0
Class IV	1,185,297	348,847
	10,322,709	11,553,090
Total Other Source Milk		
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
	0	0
Total Overage		
Opening Inventory		
Class I	10,237,321	9,813,546
Class II	284,218	0
Class III	5,697	0
Class IV	7,238,039	6,229,390
	17,765,275	16,042,936
Total Opening Inventory		
Total Receipts	260,300,188	275,462,904
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	10,945,703	9,437,546
Route Disposition Class I	201,873,203	215,639,915
Shrinkage	114,268	53,640
Transfers & Diversions to Nonpool	439,247	99,232
	213,372,421	225,230,333
Total Class I Utilization		
Average Butterfat Test	2.04%	2.03%
Daily Average Utilization	6,882,981	7,265,495
Class II Utilization		
Nonfluid Used To Produce	4,865,400	5,383,294
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods	8,663,704	9,268,890
Used To Produce/Other Uses	16,350,293	13,271,005
	29,879,397	27,923,189
Total Class II Utilization		
Average Butterfat Test	11.87%	11.66%
Class III Utilization		
Shrinkage	0	718
Transfers & Diversions to Nonpool/Used to Produce	1,150,279	2,820,892
Use to Produce/Other Uses	0	0
	1,150,279	2,821,610
Total Class III Utilization		
Average Butterfat Test	4.19%	2.84%
Class IV Utilization		
Inventory	8,304,578	9,575,036
Nonfluid Used To Fortify	399,436	238,209
Shrinkage	3,649,436	3,795,228
Transfers & Diversions to Nonpool	2,368,040	4,769,745
Used To Produce/Other Uses	1,176,601	1,109,554
	15,898,091	19,487,772
Total Class IV Utilization		
Average Butterfat Test	10.16%	8.99%
Total Utilization	260,300,188	275,462,904

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in January 2017 is \$22.22 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.08 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4652 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 87.17% of all producer skim milk (priced to handlers at \$9.61 per hundredweight, plus the Class I differential) and 47.63% of producer butterfat (priced to handlers at \$2.3374 per pound plus Class I differential). Class II use accounted for 9.50% of all producer skim milk (\$7.77 per hundredweight) and 38.88% of producer butterfat (\$2.5253 per pound). Class III use accounted for 0.49% of all producer skim milk (\$8.22 per cwt) and 0.50% of producer butterfat (\$2.5253 per pound). Class IV use accounted for 2.84% of all producer skim milk (\$7.62 per cwt) and 12.99% of producer butterfat (\$2.5253 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2016		
Whole Milk	94,981,464	39.39%
Fat Free Milk	21,572,485	8.95%
Lowfat Milk (incl. 1%)	28,467,212	11.81%
Reduced Fat Milk (incl. 2%)	70,647,780	29.30%
Cultured Fluid Milk (incl. Buttermilk)	1,329,502	0.56%
Flavored Drinks and Milk	24,108,519	9.99%
Total Disposition in Marketing Area	241,106,962	100.0%
Total Disposition by Pool Plants	197,597,985	81.95%
Total Disposition by Nonpool Plants	43,508,977	18.05%
Total Disposition in Marketing Area	241,106,962	100.0%

Receipts of producer milk during January totaled 232.2 million pounds, 15.6 million pounds less than January 2016. Florida producers supplied an estimated 203.4 million pounds of milk in December 2016 or an estimated 86.61% of the producer milk pooled in Florida. In December 2015, Florida producers supplied 86.21% 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 January. In-area Class I route disposition was 241.1 million pounds in December, 4.4 million pounds more than December 2015.

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

(continued from page 1) percent lower than 2015. Although the all-milk price fell from 2015 to 2016, the milk-feed ratio increased from 2.07 to 2.18. Domestic use in 2016 was robust, especially on a milk-fat milk-equivalent basis (2.9 percent higher than the previous year). U.S. consumer perceptions regarding health effects of butterfat have likely changed due to media reports. On a skim-solids milk-equivalent basis, domestic use grew by 1.6 percent over the previous year.

Commercial exports in 2016 were higher than 2015, but they did not reach the record levels of 2014. On a milk-fat basis, 2016 exports were 9.2 billion pounds, 4.4 percent higher than 2015 but 26.4 percent lower than 2014. On a skim-solids basis, exports were 38.9 billion pounds, 4.1 percent higher than 2015 but 0.5 percent lower than 2014. With competitive foreign prices, 2016 imports grew to 7.0 billion pounds on a milk-fat basis (23.1 percent higher than 2015) and 6.5 billion pounds on a skim-solids basis (9.5 percent higher than 2015). Stocks ended the year at a relatively high level, growing from 13.3 billion to 14.3 billion pounds on a milk-fat basis and from 13.9 to 14.8 billion pounds on a skim-solids basis.

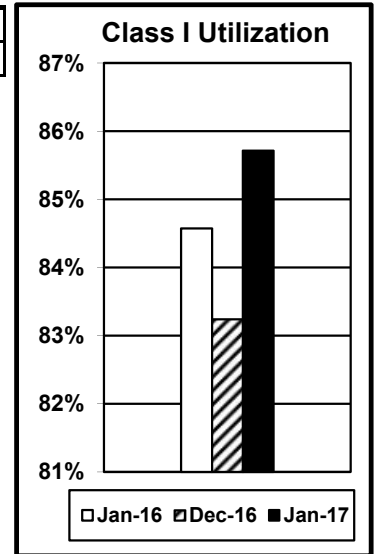
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-272/February 15, 2017 ERS, USDA*

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
Dec 2015	\$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	\$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											

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 2015	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	137	195,492	83.24%	22,540	9.60%	11,287	4.81%	5,530	2.35%
Jan 2017	232,212	150**	199,020	85.71%	24,573	10.58%	1,145	0.49%	7,475	3.22%



* 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
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
April	05/11/17	05/12/17	05/15/17	04/19/17	04/20/17	05/04/17	05/05/17	05/15/17	05/16/17

**The base rate for making partial payments in Hillsborough Co., FL for February will be \$20.00 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$18.89 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/

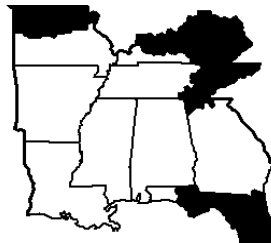
WASDE – 562 February 9, 2017

The milk production forecast for 2017 is raised from last month. Improved returns in 2017 are expected to result in a slightly higher forecast cow inventory during the late part of 2017. Milk output per cow is also raised as improved returns are expected to support continued improvements in the quality of dairy rations. Beginning stocks on both a fat and skim-solids basis are raised from last month on December 31 storage data; stocks at the end of 2017 are raised, reflecting increased beginning inventories and higher dairy product production in 2017. Fat-basis imports are reduced as domestic butterfat is expected to be more competitive with the EU; skim-solids imports are unchanged. Fat basis exports are unchanged and skim-solids basis exports are raised slightly. Skim-solids imports are virtually unchanged as weaker exports of nonfat dry milk (NDM) are offset with stronger whey sales. For 2016, milk production, output per cow, trade, and stock estimates are updated based on data through December.

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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