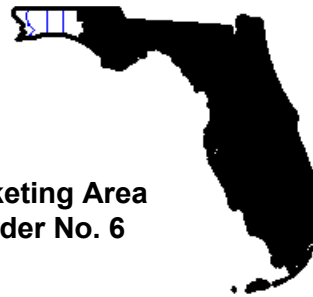


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

July 2017

Volume 18—No. 7

Dairy Outlook

Excerpts from WASDE-567, July 12, 2017, USDA:

The 2017 and 2018 milk production forecasts are lowered from last month. Growth in milk per cow has been slower than expected, and the forecast growth rate is reduced.

Fat basis import forecasts for 2017 and 2018 are unchanged from the previous month. Fat-basis export forecasts for 2017 and 2018 are raised on continued robust exports of cheese. On a skim-solids basis, imports for 2017 were reduced from the previous month on lower expected purchases of milk protein concentrates (MPC), but the 2018 import forecast remains unchanged. The 2018 skim solids import forecast remains unchanged. Skim-solid exports for 2017 and 2018 are raised as nonfat dry milk (NDM) and cheese shipments are expected to remain strong.

For 2017, cheese and whey price forecasts are reduced from the previous month, while butter prices are forecast higher. The NDM price forecast is unchanged but the range is narrowed. Cheese prices for 2018 are reduced while butter prices are raised on continued strong demand. NDM and whey price forecasts for 2018 are unchanged from last month. The 2017 and 2018 Class III price forecasts are lowered from last month in line with lower component product prices. The Class IV price forecasts are increased for 2017 and 2018 reflecting higher butter prices. The 2017 all milk price is forecast at \$17.65 to \$17.95 and the price for 2018 is \$18.00 to \$19.00 per cwt.

Live Webinar “Dairy Market News 101: Understanding Dairy Market Reports”

The USDA Agricultural Marketing Service’s (AMS) Dairy Program (DY) invites you to a free, live, interactive webinar on understanding Dairy Market News reports. We’ll focus on our reports and services that can help your business and decision making. From retail to organic, Dairy Market reports covers the (continued on page 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$20.39 per hundredweight for milk at 3.5 percent butterfat for the month of June. This is an increase of \$0.70 compared with the previous month and an increase of \$2.46 from June 2016.

Class I utilization was 82.01 percent in June. This is an increase of 0.83 percent compared to last month and is a decrease of 1.55 percent compared with June 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2017 was 18.94 billion pounds, 1.8 percent higher than May of last year and 0.1 percent lower compared with April 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.05 billion pounds, 4.0 percent above May 2016 and 2.4 percent below April 2017 on a daily average basis. Butter production was 164 million pounds, 1.5 percent below May 2016 and 2.6 percent lower than April 2017 on a daily average basis.

Nonfat dry milk powder production was 168.0 million pounds in May, up 1.2 percent from May of last year and 5.4 percent lower than April 2017 on a daily average basis. Total dry whey production was 82.8 million pounds in May, 0.5 percent higher than May 2016 and 5.3 percent lower than the previous month on a daily average basis. Whey protein concentrates production was 41.7 million pounds in May, 6.1 above May 2016 and 5.8 percent lower than April 2017 on a daily average basis.

May’s milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.21, down from the 2.23 price ratio from the prior month.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	51.87%	3,860,834	\$2.3492	\$ 9,069,871.22
Class I Differential at Location				9,370,897.91
Class II Butterfat	40.26%	2,996,870	\$2.7136	8,132,306.43
Class III Butterfat	4.28%	318,665	\$2.7066	862,498.68
Class IV Butterfat	3.59%	267,181	\$2.7066	723,152.10
Total Butterfat	100.00%	7,443,550		\$ 19,004,127.51

Uniform Butterfat Price per lb. (Hillsborough County, Florida): \$2.5531

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	83.15%	163,694,249	\$7.34 /cwt.	\$ 12,015,157.89
Class I Butterfat	51.87%	3,860,834	\$2.3492 /lb.	9,069,871.22
Class I Differential at Location		167,555,083		9,370,897.91
Total Class I Milk	82.01%	167,555,083		\$ 30,455,927.02
Class II Skim Milk	9.75%	19,202,433	\$6.89 /cwt.	\$ 1,323,047.61
Class II Butterfat	40.26%	2,996,870	\$2.7136 /lb.	8,132,306.43
Total Class II Milk	10.86%	22,199,303		\$ 9,455,354.04
Class III Skim Milk	4.35%	8,568,732	\$7.22 /cwt.	\$ 618,662.44
Class III Butterfat	4.28%	318,665	\$2.7066 /lb.	862,498.68
Total Class III Milk	4.35%	8,887,397		\$ 1,481,161.12
Class IV Skim Milk	2.75%	5,419,569	\$6.65 /cwt.	\$ 360,401.34
Class IV Butterfat	8.38%	267,181	\$2.7066 /lb.	723,152.10
Total Class IV Milk	2.78%	5,686,750		\$ 1,083,553.44
Producer Milk	100.00%	204,328,533		\$ 42,475,995.62

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$65,024.10
Producer butterfat at uniform butterfat price	(\$19,004,127.51)
Location Adjustments to Producers	(\$177,778.58)
1/2 Unobligated Balance in P.S.F.	\$97,492.30

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.91386	\$23,456,605.94
	\$ 0.04386	\$86,358.46

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

\$11.87

Uniform Price per cwt. (Hillsborough County, Florida)

\$20.39*

* 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 %
	June 2017	July 2017	May 2017	June 2017	June 2017
Appalachian (Charlotte)	\$ 18.71	\$ 19.99	\$ 17.65	\$ 18.37	63.56%
Arizona (Phoenix)	\$ 17.66	\$ 18.94	\$ 15.53	\$ 16.59	23.49%
Central (Kansas City)	\$ 17.31	\$ 18.59	\$ 15.50	\$ 16.50	27.32%
Florida (Tampa)	\$ 20.71	\$ 21.99	\$ 19.69	\$ 20.39	82.01%
Mideast (Cleveland)	\$ 17.31	\$ 18.59	\$ 15.67	\$ 16.71	28.70%
Northeast (Boston)	\$ 18.56	\$ 19.84	\$ 16.51	\$ 17.53	30.70%
Pacific Northwest (Seattle)	\$ 17.21	\$ 18.49	\$ 15.43	\$ 16.49	24.67%
Southeast (Atlanta)	\$ 19.11	\$ 20.39	\$ 17.83	\$ 18.70	66.25%
Southwest (Dallas)	\$ 18.31	\$ 19.59	\$ 16.37	\$ 17.33	27.69%
Upper Midwest (Chicago)	\$ 17.11	\$ 18.39	\$ 15.65	\$ 16.56	9.10%

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

Receipts:	JUNE 2017	JUNE 2016
Producer Milk		
Class I	167,550,883	173,694,465
Class II	22,199,303	22,887,687
Class III	8,887,397	9,236,119
Class IV	5,686,750	2,047,580
	<hr/>	<hr/>
Total Producer Milk	204,328,533	207,865,851
Average Butterfat Test	3.64%	3.55%
Percent of Producer Milk in Class I	82.01%	83.56%
Daily Average Receipts	6,810,951	6,928,862
Other Source Milk		
Class I	3,500,711	3,492,292
Class II	5,676,962	5,340,532
Class III	0	18,281
Class IV	1,212,280	662,235
	<hr/>	<hr/>
Total Other Source Milk	10,389,953	9,513,340
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
	<hr/>	<hr/>
Total Overage	0	0
Opening Inventory		
Class I	8,593,723	9,926,456
Class II	2,492,942	695,316
Class III	101,292	1,645,170
Class IV	8,242,549	6,464,813
	<hr/>	<hr/>
Total Opening Inventory	19,430,506	18,731,755
Total Receipts	234,148,992	236,110,946

Utilization:

Class I Utilization		
Inventory of Packaged FMP	9,562,399	9,197,100
Route Disposition Class I	169,415,215	177,514,596
Shrinkage	232,971	301,279
Transfers & Diversions to Nonpool	438,932	100,238
	<hr/>	<hr/>
Total Class I Utilization	179,649,517	187,113,213
Average Butterfat Test	2.29%	2.20%
Daily Average Utilization	5,988,317	6,237,107
Class II Utilization		
Nonfluid Used To Produce	5,250,479	5,257,299
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,730,023	8,697,289
	<hr/>	<hr/>
Total Class II Utilization	30,369,207	28,923,535
Average Butterfat Test	11.82%	10.89%
Class III Utilization		
Shrinkage	0	3,054,079
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	8,988,689	2,876,287
	<hr/>	<hr/>
Total Class III Utilization	8,988,689	10,899,570
Average Butterfat Test	3.55%	1.83%
Class IV Utilization		
Inventory	4,888,311	6,496,205
Nonfluid Used To Fortify	301,177	293,462
Shrinkage	2,628,982	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	1,325,633	2,384,961
	<hr/>	<hr/>
Total Class IV Utilization	15,141,579	9,174,628
Average Butterfat Test	5.05%	8.81%
Total Utilization	234,148,992	236,110,946

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2017 is \$20.39 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.87 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5531 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 83.15% of all producer skim milk (priced to handlers at \$7.34 per hundredweight, plus the Class I differential) and 51.87% of producer butterfat (priced to handlers at \$2.3492 per pound plus Class I differential). Class II use accounted for 9.75% of all producer skim milk (\$6.89 per hundredweight) and 40.26% of producer butterfat (\$2.7136 per pound). Class III use accounted for 4.35% of all producer skim milk (\$7.22 per cwt) and 4.28% of producer butterfat (\$2.7066 per pound). Class IV use accounted for 2.75% of all producer skim milk (\$6.65 per cwt) and 3.59% of producer butterfat (\$2.7066 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>May 2017</u>		
Whole Milk	88,815,390	38.88%
Fat Free Milk	19,394,635	8.50%
Lowfat Milk (incl. 1%)	28,563,660	12.51%
Reduced Fat Milk (incl. 2%)	65,183,192	28.53%
Cultured Fluid Milk (incl. Buttermilk)	1,191,926	0.52%
Flavored Drinks and Milk	25,256,981	11.06%
Total Disposition in Marketing Area	228,405,784	100.0%
Total Disposition by Pool Plants	180,731,037	79.12%
Total Disposition by Nonpool Plants	47,674,747	20.88%
Total Disposition in Marketing Area	228,405,784	100.0%

Receipts of producer milk during June 2017 totaled 204.3 million pounds, 3.5 million pounds less than June 2016. Florida producers supplied an estimated 218.4 million pounds of milk in May 2017 or an estimated 95.46% of the producer milk pooled in Florida. In May 2016, Florida producers supplied 93.52% 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 June. In-area Class I route disposition was 228.4 million pounds in May, 8.7 million pounds more than last year.

Dairy Market News 101: Understanding Dairy Market Reports, cont.

(continued from page 1) supply, demand, and price situation every week on a regional, national, and international basis for milk, butter, cheese, and dry and fluid products. The presentation will be led by Butch Speth, Acting Branch Chief, and Janet Linder, Acting National Supervisor for the Madison, Wisconsin Dairy Market News office. Butch and Janet will present an overview of how DMN collects information and direct you to find the latest market news reports and to access data on the DMN website and Market News Portal. Other areas covered include: the scope and role of Dairy Market News, the types of market and price information available free to all users, the process to access current and historic nonfat dry milk data on the Market News Portal and the steps to access domestic and international dry whey reports on the DMN website

Register at: <https://www.ams.usda.gov/event/dairy-market-news-101-understanding-dairy-market-reports>

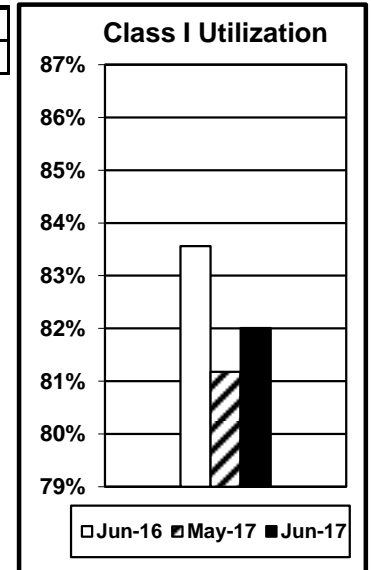
Event Date: Thursday, July 27, 2017 - 2:00pm to 3:00pm

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 2016	\$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	\$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											

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 2016	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	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	130**	167,555	82.01%	22,199	10.86%	8,887	4.35%	5,687	2.78%



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

Florida Marketing Area - Federal Order 6

2017 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
July	08/11/17	08/14/17	08/15/17	07/19/17	07/20/17	08/04/17	08/07/17	08/15/17	08/16/17
August	09/11/17	09/12/17	09/13/17	08/21/17	08/21/17	09/05/17	09/05/17	09/13/17	09/14/17
September	10/11/17	10/12/17	10/13/17	09/19/17	09/20/17	10/04/17	10/05/17	10/13/17	10/16/17

**The base rate for making partial payments in Hillsborough Co., FL for July will be \$18.35 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$17.33 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%	

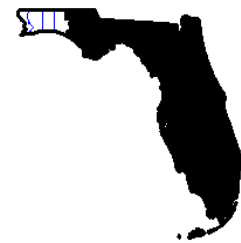
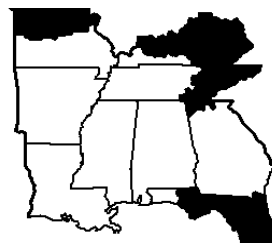
2017 Mailbox Price Update (\$/cwt)

Reported Area	January	February	March	April
Appalachian States	19.71	18.45	18.35	16.72
Florida	20.52	18.96	18.87	17.45
Indiana	18.68	17.90	17.74	16.22
Michigan	17.12	16.42	16.42	14.29
New Mexico	16.80	15.99	14.59	13.69
New York	18.69	18.11	17.74	16.44
Ohio	19.00	18.35	18.35	16.58
Southeast States	19.47	17.96	17.27	15.67
Southern Missouri	19.67	18.12	17.39	15.06
Western Texas	18.13	17.37	15.92	15.28
Wisconsin	19.21	18.85	17.89	17.00
All Reported Areas	18.72	18.06	17.31	16.16



MILK MARKET ADMINISTRATOR
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