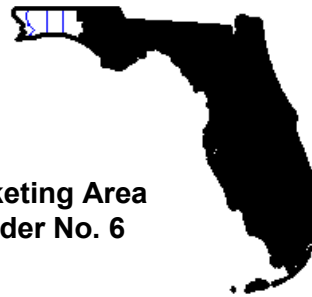


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, October 18, 2017, Economic Research Service, USDA:

Based on recent data, the 2018 yield-per-cow forecast has been raised to 23,335 pounds, 40 pounds higher than last month. Milk cow numbers have been lowered by 5,000 pounds for the first quarter of 2018, but no changes have been made to the forecasts for the outlying quarters. The milk production forecast for 2018 is 220.4 billion pounds, 0.3 billion pounds more than last month's forecast.

The export forecast for 2018 on a milk-fat basis has been raised 0.4 billion pounds to 9.6 billion, based on expectations for higher butter exports, stemming from expectations that domestic prices will remain competitive with international prices. Imports on a milk-fat basis are also expected higher in 2018 than previously forecast, at 5.9 billion pounds, as strong imports of butter are expected to continue. The forecast for ending stocks in 2018 is unchanged at 12.1 billion pounds. The domestic use forecast on a milk-fat basis is 216.7 billion pounds, 0.4 billion more than last month's forecast, as cheese demand is expected to be strong and lower butter prices are expected to contribute to greater butter consumption.

The 2018 forecast for exports on a skim-solids basis has been raised 0.2 billion pounds to 42.0 billion, as the growth in exports of whey products is expected to continue. The import forecast on a skim-solids basis for 2018 is unchanged at 6.2 billion pounds. Ending stocks are forecast 0.3 billion pounds higher than last month, at 9.7 billion pounds for the year. The 2018 domestic use forecast on a skim-solids basis is 185.0 billion pounds, 0.7 billion more than last month's forecast, with stronger expected cheese demand and greater consumption of NDM and dry whey due to lower expected prices.

With higher expected cheese demand, the cheese price forecast for 2018 has been raised to \$1.645-\$1.735 per pound. With recent price declines and higher expected milk (continued on page 4)

Uniform Price Down

The uniform price in Hillsborough County, Florida, was \$21.14 per hundredweight for milk at 3.5 percent butterfat for the month of September. This is a decrease of \$0.29 compared with the previous month and an increase of \$0.27 from September 2016.

Class I utilization was 85.93 percent in September. This is an increase of 1.71 percent compared to last month and is a decrease of 1.94 percent compared with September 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August 2017 was 18.05 billion pounds, 2.0 percent higher than August of last year and 1.2 percent lower compared with July 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.03 billion pounds, 2.3 percent above August 2016 but 0.7 percent below July 2017. Butter production was 131 million pounds, 6.2 percent above August 2016 but 3.4 percent below July 2017.

Nonfat dry milk powder production was 136.0 million pounds in August, up 15.9 percent from August of last year and 7.9 percent lower than July 2017. Total dry whey production was 95.8 million pounds in August, 24.5 percent above August 2016 and 4.5 percent below the previous month. Whey protein concentrates production was 37.9 million pounds in August, 6.3 percent above August 2016 and 9.8 percent below July 2017.

August's milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.49, up from the 2.29 price ratio from the prior month. This is based upon both a higher all-milk price and lower corn, soybeans and alfalfa hay prices.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.71%	3,748,965	\$3.0291	\$ 11,355,989.88
Class I Differential at Location				210,610.14
Class II Butterfat	39.50%	2,978,949	\$2.8629	8,528,433.11
Class III Butterfat	1.29%	96,981	\$2.8559	276,968.05
Class IV Butterfat	9.50%	716,060	\$2.8559	2,044,995.75
Total Butterfat	100.00%	7,540,955		\$ 22,416,996.93
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$2.9727	

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	87.33%	170,483,847	\$6.33 /cwt.	\$ 10,791,627.53
Class I Butterfat	49.71%	3,748,965	\$3.0291 /lb.	11,355,989.88
Class I Differential at Location		174,232,812		9,750,775.59
Total Class I Milk	85.93%	174,232,812		\$ 31,898,393.00
Class II Skim Milk	8.50%	16,583,379	\$7.03 /cwt.	\$ 1,165,811.54
Class II Butterfat	39.50%	2,978,949	\$2.8629 /lb.	8,528,433.11
Total Class II Milk	9.65%	19,562,328		\$ 9,694,244.65
Class III Skim Milk	1.00%	1,961,862	\$6.59 /cwt.	\$ 129,286.72
Class III Butterfat	1.29%	96,981	\$2.8559 /lb.	276,968.05
Total Class III Milk	1.02%	2,058,843		\$ 406,254.77
Class IV Skim Milk	3.17%	6,182,390	\$6.08 /cwt.	\$ 375,889.33
Class IV Butterfat	9.50%	716,060	\$2.8559 /lb.	2,044,995.75
Total Class IV Milk	3.40%	6,898,450		\$ 2,420,885.08
Producer Milk	100.00%	202,752,433		\$ 44,419,777.50

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$8,474.58
Producer butterfat at uniform butterfat price	(\$22,416,996.93)
Location Adjustments to Producers	(\$284,828.29)
1/2 Unobligated Balance in P.S.F.	\$95,989.36

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.17886	\$21,822,416.22
	\$ 0.04886	\$95,378.73

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

\$11.13

Uniform Price per cwt. (Hillsborough County, Florida)

\$21.14*

* 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 2017	OCT 2017	AUG 2017	SEPT 2017	SEPT 2017
Appalachian (Charlotte)	\$ 20.11	\$ 19.84	\$ 19.53	\$ 19.06	72.07%
Arizona (Phoenix)	\$ 19.06	\$ 18.79	\$ 17.40	\$ 16.89	26.54%
Central (Kansas City)	\$ 18.71	\$ 18.44	\$ 17.13	\$ 16.72	28.79%
Florida (Tampa)	\$ 22.11	\$ 21.84	\$ 21.43	\$ 21.14	85.93%
Mideast (Cleveland)	\$ 18.71	\$ 18.44	\$ 17.47	\$ 17.00	33.20%
Northeast (Boston)	\$ 19.96	\$ 19.69	\$ 18.33	\$ 17.89	33.90%
Pacific Northwest (Seattle)	\$ 18.61	\$ 18.34	\$ 17.05	\$ 16.59	22.24%
Southeast (Atlanta)	\$ 20.51	\$ 20.24	\$ 20.02	\$ 19.61	76.55%
Southwest (Dallas)	\$ 19.71	\$ 19.44	\$ 17.98	\$ 17.58	30.24%
Upper Midwest (Chicago)	\$ 18.51	\$ 18.24	\$ 16.80	\$ 16.54	8.40%

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

Receipts:	SEPT 2017	SEPT 2016
Producer Milk		
Class I	174,232,812	184,860,937
Class II	19,562,328	20,487,276
Class III	2,058,843	599,799
Class IV	6,898,450	4,407,769
Total Producer Milk	<u>202,752,433</u>	<u>210,355,781</u>
Average Butterfat Test	3.72%	3.67%
Percent of Producer Milk in Class I	85.93%	87.87%
Daily Average Receipts	6,758,414	7,011,859
Other Source Milk		
Class I	5,022,921	3,742,000
Class II	5,102,246	5,561,999
Class III	0	0
Class IV	388,385	486,241
Total Other Source Milk	<u>10,513,552</u>	<u>9,790,240</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	7,760,363	8,646,084
Class II	622,995	1,772,554
Class III	2,846	21,958
Class IV	7,383,149	8,906,602
Total Opening Inventory	<u>15,769,353</u>	<u>19,347,198</u>
Total Receipts	229,035,338	239,493,219
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	8,907,925	10,242,727
Route Disposition Class I	177,075,957	186,276,900
Shrinkage	502,041	541,547
Transfers & Diversions to Nonpool	530,173	187,847
Total Class I Utilization	<u>187,016,096</u>	<u>197,249,021</u>
Average Butterfat Test	2.14%	2.06%
Daily Average Utilization	6,233,870	6,574,967
Class II Utilization		
Nonfluid Used To Produce	511,476	5,562,979
Shrinkage	1,120	0
Transfers & Diversions to Nonpool/Comm	9,085,451	7,674,441
Used To Produce/Other Uses	11,084,522	14,584,409
Total Class II Utilization	<u>25,287,569</u>	<u>27,821,829</u>
Average Butterfat Test	11.78%	11.33%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to	2,061,689	621,757
Use to Produce/Other Uses	0	0
Total Class III Utilization	<u>2,061,689</u>	<u>621,757</u>
Average Butterfat Test	4.70%	6.48%
Class IV Utilization		
Inventory	4,089,380	5,854,088
Nonfluid Used To Fortify	168,480	223,240
Shrinkage	2,433,041	3,018,123
Transfers & Diversions to Nonpool	6,019,334	2,472,528
Used To Produce/Other Uses	1,959,749	2,231,633
Total Class IV Utilization	<u>14,669,984</u>	<u>13,800,612</u>
Average Butterfat Test	7.71%	9.28%
Total Utilization	229,035,338	239,493,219

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2017 is \$21.14 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.13 per hundredweight plus 3.5 times the uniform butterfat price of \$2.9727 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 87.33% of all producer skim milk (priced to handlers at \$6.33 per hundredweight, plus the Class I differential) and 49.71% of producer butterfat (priced to handlers at \$3.0291 per pound plus Class I differential). Class II use accounted for 8.50% of all producer skim milk (\$7.03 per hundredweight) and 39.50% of producer butterfat (\$2.8629 per pound). Class III use accounted for 1.00% of all producer skim milk (\$6.59 per cwt) and 1.29% of producer butterfat (\$2.8559 per pound). Class IV use accounted for 3.17% of all producer skim milk (\$6.08 per cwt) and 9.50% of producer butterfat (\$2.8559 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2017		
Whole Milk	91,764,427	39.88%
Fat Free Milk	18,660,897	8.11%
Lowfat Milk (incl. 1%)	27,932,055	12.14%
Reduced Fat Milk (incl. 2%)	67,524,581	29.34%
Cultured Fluid Milk (incl. Buttermilk)	1,211,919	0.53%
Flavored Drinks and Milk	23,035,326	10.00%
Total Disposition in Marketing Area	230,129,205	100.0%
Total Disposition by Pool Plants	184,537,840	80.19%
Total Disposition by Nonpool Plants	45,591,365	19.81%
Total Disposition in Marketing Area	230,129,205	100.0%

Receipts of producer milk during September 2017 totaled 202.8 million pounds, 7.6 million pounds less than September 2016. Florida producers supplied an estimated 181.8 million pounds of milk in August 2017 or an estimated 84.52% of the producer milk pooled in Florida. In August 2016, Florida producers supplied 82.94% 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 September. In-area Class I route disposition was 230.1 million pounds in August, 3.8 million pounds more than last year.

Dairy Forecast for 2018, cont.

(continued from page 1) production, the butter price forecast has been lowered to \$2.315-2.435 per pound. With high stock levels, recent price declines, and higher expected milk production, and continued pressure from international competitors, NDM and dry whey price forecasts for 2018 have been lowered to \$0.815-\$0.885 and \$0.380-\$0.410 per pound, respectively.

With the lower whey price forecast more than offsetting the higher cheese price forecast, the Class III price forecast for 2018 is \$16.00-\$16.90 per cwt, a 10-cent decrease from last month's forecast at the upper end of the range. With lower forecasts for butter and NDM, the Class IV price forecast for 2018 has been lowered to \$14.70-\$15.70. The all-milk price forecast for 2018 is \$17.45-\$18.35 per cwt, a reduction from \$17.55-\$18.55 forecast last month.

Outlook for Dairy Feed Prices

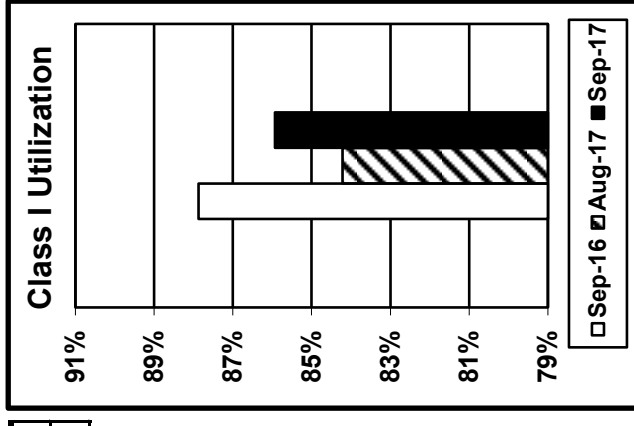
For the 2016/17 marketing year, prices for corn and soybean meal are estimated to be \$3.36 per bushel and \$316.88 per short ton, respectively. The 2017/18 price forecasts for corn and soybean meal are both unchanged from last month's forecasts at \$2.80-\$3.60 per bushel and \$290-\$330 per short ton, respectively. The alfalfa hay price in August was \$147 per short ton, \$5 less than July but \$10 more than August 2016

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*		CLASS II		CLASS III		CLASS IV		UNIFORM*				
	Skim/cwt	Bfat/lb	Skim/cwt	Bfat/lb	Skim/cwt	Bfat/lb	Skim/cwt	Bfat/lb	Skim/cwt	Bfat/lb			
Aug 2016	\$11.56	\$2.6613	\$20.47	\$2.4943	\$15.21	\$2.4873	\$16.91	\$6.16	\$2.4873	\$14.65	\$10.87	\$2.5765	@ 3.5
Sep	\$13.57	\$2.5315	\$21.96	\$2.3152	\$14.66	\$2.3082	\$16.39	\$6.39	\$2.3032	\$14.23	\$12.84	\$2.4226	\$20.87
Oct	\$14.18	\$2.3763	\$22.00	\$2.0563	\$14.09	\$2.0493	\$14.82	\$6.72	\$2.0493	\$13.66	\$13.13	\$2.2060	\$20.39
Nov	\$13.19	\$2.1289	\$20.18	\$2.1114	\$14.60	\$2.1044	\$16.76	\$6.63	\$2.1044	\$13.76	\$12.44	\$2.1202	\$19.43
Dec	\$15.24	\$2.1644	\$22.28	\$2.3424	\$15.26	\$2.3354	\$17.40	\$7.04	\$2.3354	\$14.97	\$14.25	\$2.2537	\$21.64
Jan 2017	\$15.01	\$2.3914	\$22.85	\$2.5323	\$16.36	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$14.08	\$2.4652	\$22.22
Feb	\$13.60	\$2.5732	\$22.13	\$2.4344	\$16.52	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$12.77	\$2.4994	\$21.07
Mar	\$14.05	\$2.4968	\$22.30	\$2.4246	\$16.21	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$13.12	\$2.4614	\$21.28
Apr	\$13.15	\$2.5023	\$21.45	\$2.3618	\$14.81	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$12.01	\$2.4267	\$20.08
May	\$12.54	\$2.4276	\$20.60	\$2.4204	\$14.84	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$11.61	\$2.4239	\$19.69
Jun	\$12.74	\$2.4032	\$20.71	\$2.7136	\$16.15	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$11.87	\$2.5531	\$20.39
Jul	\$12.72	\$2.7752	\$21.99	\$2.9526	\$17.48	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$11.85	\$2.8603	\$21.45
Aug	\$11.95	\$3.0259	\$22.12	\$3.0179	\$17.56	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$11.24	\$3.0224	\$21.43
Sep	\$11.73	\$3.0831	\$22.11	\$2.8629	\$16.80	\$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									

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.	%
Aug 2016	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	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	170**	174,233	85.93%	19,562	9.65%	2,059	1.02%	6,898	3.40%



* 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
October	11/11/17	11/13/17	11/14/17	10/19/17	10/20/17	11/06/17	11/06/17	11/14/17	11/15/17
November	12/11/17	12/12/17	12/13/17	11/20/17	11/20/17	12/04/17	12/05/17	12/13/17	12/14/17
December	01/11/18	01/12/18	01/16/18	12/19/17	12/20/17	01/04/18	01/05/18	01/16/18	01/17/18

**The base rate for making partial payments in Hillsborough Co., FL for October will be \$19.03 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$17.97 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 – 570 October 12, 2017

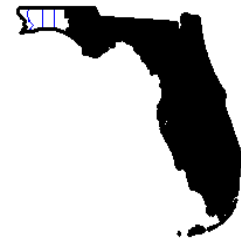
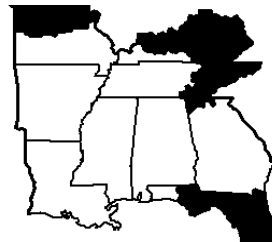
The milk production forecast for 2017 and 2018 is raised on a slightly more rapid pace of growth in milk per cow. However, forecast cow numbers for late 2017 and 2018 are slightly lower. Fat basis imports for 2017 and 2018 are raised on strength in butter imports but skim-solids imports are lowered for 2017 and unchanged for 2018. Exports on a fat basis are raised for 2017 on stronger butter and cheese exports, and increased sales of butter and anhydrous milkfat are expected to support higher fat basis exports in 2018. Skim-solids exports for 2017 and 2018 are raised, primarily on stronger expected shipments of whey products.

For 2017, butter and nonfat dry milk (NDM) prices are lowered on large supplies, but the whey price is unchanged at the midpoint and the cheese price forecast is raised on current demand strength. For 2018, continued demand strength for cheese is reflected in a higher price forecast, while butter, NDM, and whey prices are lowered on larger supplies and pressure from international prices. The Class III price is raised for 2017 on stronger cheese prices, but for 2018, lower whey prices are expected to more than offset the increases in cheese prices, and the price forecast is lowered. The Class IV price is lowered for both years due to lower forecast butter and NDM prices. The 2017 all milk price forecast range is \$17.75 to \$17.85 per cwt, unchanged at the midpoint, but the 2018 price is lowered to \$17.45 to \$18.35 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.



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



www.fmmatlanta.com

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