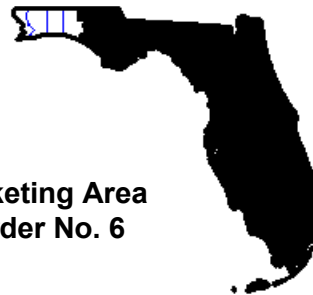


FLORIDA Fluid Milk Report

Erik F. Rasmussen
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

December 2017

Volume 18—No. 12

Dairy Forecast for 2018

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

The forecast for the size of the dairy herd in 2018 has been lowered to 9.435 million head, as lower milk prices are expected to lead to slower growth in the second half of the year. Based on recent data and lower expected prices, the milk per cow forecast has been reduced to 23,250 pounds. With these changes, milk production is now projected at 219.3 billion pounds for the year, 0.4 billion pounds lower than previously forecast.

The forecasts for imports and exports on a milk-fat basis for 2018 are unchanged at 6.1 billion pounds and 9.4 billion pounds, respectively. If realized, these forecasts would represent growth of 0.3 billion pounds in exports and no change in imports from 2017. As high stocks persist, ending stocks are now projected 0.4 billion pounds higher than previously forecast, at 12.8 billion pounds for the year. Recent weakness in dairy product prices coupled with high stocks suggest lower domestic demand than previously thought; therefore, the domestic use forecast for the year on a milk-fat basis has been lowered 0.8 billion pounds to 215.9 billion.

The forecast for imports on a skim-solids basis for 2018 remains at 6.1 billion pounds, level with the forecast for 2017. The export forecast for the year on a skim-solids basis has been raised slightly to 41.8 billion pounds, as some of the growth in whey product exports in 2017 should carry over to the following year. As higher stock levels are expected to continue in 2018, the ending stock forecast has been raised 1.3 billion pounds to 12.0 billion. The domestic use forecast on a skim-solids basis has been lowered to 183.2 billion pounds for the year, 1.9 billion pounds less than last month's forecast, as weaker domestic demand is expected.

Product price forecasts have been lowered across the board for 2018. The cheddar cheese price is now forecast at (continued on page 4)

Uniform Price Up Slightly

The uniform price in Hillsborough County, Florida, was \$20.66 per hundredweight for milk at 3.5 percent butterfat for the month of November. This is an increase of \$0.04 compared with the previous month and an increase of \$1.23 from November 2016.

Class I utilization was 83.34 percent in November. This represents a decrease of 0.62 percent compared to last month and is an increase of 0.19 percent compared with November 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2017 was 17.81 billion pounds, 1.2 percent higher than October of last year and 0.4 percent higher compared with September 2017 on a daily average basis. Total cheese output was 1.07 billion pounds, 1.7 percent above October 2016 and 1.8 percent above September 2017 on a daily average basis. Butter production was 143 million pounds, 2.6 percent above October 2016 and 3.3 percent above September 2017 on a daily average basis.

Nonfat dry milk powder production was 149.2 million pounds in October, up 6.5 percent from October 2016 and 8.1 percent lower than September 2017 on a daily average basis. Total dry whey production was 80.6 million pounds in October, 3.8 percent below October 2016 and 14.5 percent below the previous month on a daily average basis. Whey protein concentrates production was 40.9 million pounds in October, 7.5 percent above October 2016 and 1.8 percent above September 2017 on a daily average basis.

October's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was unchanged at 2.45.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.11%	4,037,183	\$2.6804	\$ 10,821,265.30
Class I Differential at Location				226,239.56
Class II Butterfat	40.08%	3,295,147	\$2.5616	8,440,848.55
Class III Butterfat	1.77%	145,730	\$2.5546	372,281.86
Class IV Butterfat	9.04%	743,256	\$2.5546	1,898,721.79
Total Butterfat	100.00%	8,221,316		\$ 21,759,357.06

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$2.6467**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	85.73%	179,923,915	\$7.28 /cwt.	\$ 13,098,461.02
Class I Butterfat	49.11%	4,037,183	\$2.6804 /lb.	10,821,265.30
Class I Differential at Location		183,961,098		10,286,239.09
Total Class I Milk	84.34%	183,961,098		\$ 34,205,965.41
Class II Skim Milk	9.48%	19,906,690	\$6.58 /cwt.	\$ 1,309,860.21
Class II Butterfat	40.08%	3,295,147	\$2.5616 /lb.	8,440,848.55
Total Class II Milk	10.64%	23,201,837		\$ 9,750,708.76
Class III Skim Milk	1.52%	3,191,196	\$8.23 /cwt.	\$ 262,635.43
Class III Butterfat	1.77%	145,730	\$2.5546 /lb.	372,281.86
Total Class III Milk	1.53%	3,336,926		\$ 634,917.29
Class IV Skim Milk	3.27%	6,858,258	\$5.23 /cwt.	\$ 358,686.89
Class IV Butterfat	9.04%	743,256	\$2.5546 /lb.	1,898,721.79
Total Class IV Milk	3.49%	7,601,514		\$ 2,257,408.68
Producer Milk	100.00%	218,101,375		\$ 46,849,000.14

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$0.00
Producer butterfat at uniform butterfat price	(\$21,759,357.06)
Location Adjustments to Producers	(\$297,586.89)
1/2 Unobligated Balance in P.S.F.	\$92,960.40

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.85678	\$24,885,016.59
	\$ 0.04678	\$98,181.62

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

\$11.81

Uniform Price per cwt. (Hillsborough County, Florida)

\$20.66*

* 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 %
	NOV 2017	DEC 2017	OCT 2017	NOV 2017	NOV 2017
Appalachian (Charlotte)	\$ 19.81	\$ 20.28	\$ 18.59	\$ 18.63	73.95%
Arizona (Phoenix)	\$ 18.76	\$ 19.23	\$ 16.43	\$ 16.02	28.41%
Central (Kansas City)	\$ 18.41	\$ 18.88	\$ 16.72	\$ 15.98	40.59%
Florida (Tampa)	\$ 21.81	\$ 22.28	\$ 20.62	\$ 20.66	84.34%
Midwest (Cleveland)	\$ 18.41	\$ 18.88	\$ 16.69	\$ 16.24	37.70%
Northeast (Boston)	\$ 19.66	\$ 20.13	\$ 17.44	\$ 17.14	35.10%
Pacific Northwest (Seattle)	\$ 18.31	\$ 18.78	\$ 16.03	\$ 15.69	27.29%
Southeast (Atlanta)	\$ 20.21	\$ 20.68	\$ 19.12	\$ 19.07	74.89%
Southwest (Dallas)	\$ 19.41	\$ 19.88	\$ 17.16	\$ 16.76	53.82%
Upper Midwest (Chicago)	\$ 18.21	\$ 18.68	\$ 16.66	\$ 16.67	13.40%

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

Receipts:	Nov 2017	Nov 2016
Producer Milk		
Class I	183,961,098	187,633,008
Class II	23,201,837	23,791,192
Class III	3,336,926	7,254,382
Class IV	7,601,514	7,000,062
Total Producer Milk	<u>218,101,375</u>	<u>225,678,644</u>
Average Butterfat Test	3.77%	3.71%
Percent of Producer Milk in Class I	84.34%	83.15%
Daily Average Receipts	7,270,046	7,522,621
Other Source Milk		
Class I	3,166,639	3,452,793
Class II	4,358,491	4,129,428
Class III	0	0
Class IV	2,016,849	2,556,773
Total Other Source Milk	<u>9,541,979</u>	<u>10,138,994</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	3,652
Total Overage	<u>0</u>	<u>3,652</u>
Opening Inventory		
Class I	9,393,030	9,453,523
Class II	0	432,209
Class III	0	0
Class IV	6,185,974	8,393,670
Total Opening Inventory	<u>15,579,004</u>	<u>18,279,402</u>
Total Receipts	243,222,358	254,100,692
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	9,151,027	9,698,202
Route Disposition Class I	186,332,989	190,391,852
Shrinkage	506,521	265,423
Transfers & Diversions to Nonpool	530,230	183,847
Total Class I Utilization	<u>196,520,767</u>	<u>200,539,324</u>
Average Butterfat Test	2.18%	2.17%
Daily Average Utilization	6,550,692	6,684,644
Class II Utilization		
Nonfluid Used To Produce	4,358,490	3,896,291
Shrinkage	1,202	0
Transfers & Diversions to Nonpool/Comm	9,835,514	7,550,192
Used To Produce/Other Uses	13,365,122	16,906,346
Total Class II Utilization	<u>27,560,328</u>	<u>28,352,829</u>
Average Butterfat Test	11.96%	13.26%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to	3,336,926	7,254,382
Use to Produce/Other Uses	0	0
Total Class III Utilization	<u>3,336,926</u>	<u>7,254,382</u>
Average Butterfat Test	4.37%	3.59%
Class IV Utilization		
Inventory	7,413,847	11,081,340
Nonfluid Used To Fortify	1,676,464	1,467,727
Shrinkage	2,437,649	2,999,312
Transfers & Diversions to Nonpool	3,150,466	1,231,391
Used To Produce/Other Uses	1,125,911	11,743,887
Total Class IV Utilization	<u>15,804,337</u>	<u>17,954,157</u>
Average Butterfat Test	7.08%	6.50%
Total Utilization	243,222,358	254,100,692

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2017 is \$20.66 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.81 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6467 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 November, Class I use accounted for 85.73% of all producer skim milk (priced to handlers at \$7.28 per hundredweight, plus the Class I differential) and 49.11% of producer butterfat (priced to handlers at \$2.6804 per pound plus Class I differential). Class II use accounted for 9.48% of all producer skim milk (\$6.58 per hundredweight) and 40.08% of producer butterfat (\$2.5616 per pound). Class III use accounted for 1.52% of all producer skim milk (\$8.23 per cwt) and 1.77% of producer butterfat (\$2.5546 per pound). Class IV use accounted for 3.27% of all producer skim milk (\$5.23 per cwt) and 9.04% of producer butterfat (\$2.5546 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
October 2017		
Whole Milk	88,313,511	37.63%
Fat Free Milk	19,568,048	8.33%
Low fat Milk (incl. 1%)	30,015,457	12.80%
Reduced Fat Milk (incl. 2%)	67,102,961	28.60%
Cultured Fluid Milk (incl. Buttermilk)	1,245,173	0.53%
Flavored Drinks and Milk	28,434,831	12.11%
Total Disposition in Marketing Area	234,679,981	100.0%
Total Disposition by Pool Plants	186,637,961	79.52%
Total Disposition by Non pool Plants	48,042,020	20.48%
Total Disposition in Marketing Area	234,679,981	100.0%

Receipts of producer milk during November 2017 totaled 218.1 million pounds, 7.6 million pounds less than November 2016. Florida producers supplied an estimated 174.5 million pounds of milk in October 2017 or an estimated 79.80% of the producer milk pooled in Florida. In October 2016, Florida producers supplied 76.41% 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 November. In-area Class I route disposition was 234.7 million pounds in October 2017, 6.3 million pounds less than last year.

Dairy Forecast for 2018, cont.

(continued from page 1) \$1.620-\$1.700 per pound, while the dry whey price is now forecast at \$0.310-\$0.340 per pound for the year. The butter price is forecast at \$2.270-\$2.380 per pound for the year, 2 cents lower at the midpoint of the range than last month, and the NDM price is forecast at \$0.745-\$0.805 per pound for 2018, 3 cents lower at the midpoint of the range. The Class III and Class IV price forecasts for the year are \$15.30-\$16.10 and \$13.90-\$14.80 per cwt, respectively. The all-milk price forecast for 2018 is 30 cents lower at the midpoint of the range than the previous projection, at \$16.65-\$17.45 per cwt.

Outlook for Dairy Feed Prices

The 2017/18 price forecast for corn is \$2.85-\$3.55 per pound, unchanged from last month's forecast at the midpoint of the range. The soybean meal price forecast for 2017/18 is \$295-\$335 per short ton, unchanged from last month's forecast. The alfalfa hay price in October was \$152 per short ton, \$3 more than September and \$17 more than October 2016.

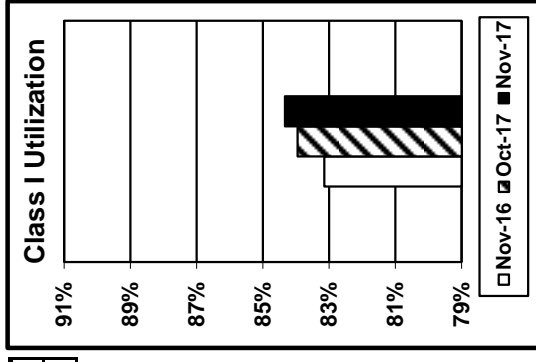
Source: Livestock, Dairy, Poultry Outlook/LDP-M-282/December 18, 2017 Economic Research Service, USDA

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
Oct 2016	\$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	\$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	\$13.70	\$2.5875	\$22.28	\$5.94											

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.	%
Oct 2016	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	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	180**	183,961	84.34%	23,202	10.64%	3,337	1.53%	7,601	3.49%



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

Florida Marketing Area - Federal Order 6

2017 & 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
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
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

**The base rate for making partial payments in Hillsborough Co., FL for December will be \$18.59 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$17.56 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 – 572 December 12, 2017

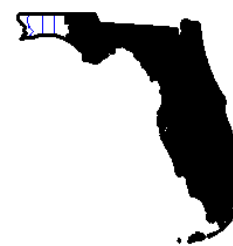
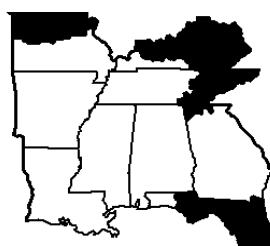
The milk production forecast is lowered for 2017 on slower growth in milk per cow. The slower growth in milk per cow is expected to carry into 2018 and combined with an expected slower rate of growth in cow numbers, the 2018 milk production forecast is lowered. The 2017 and 2018 fat basis import and export forecasts are unchanged from the previous month. On a skim-solids basis, the 2017 and 2018 export forecasts are raised on higher expected whey exports. No changes are made to 2017 and 2018 skim-solids basis import forecasts.

Price forecasts for cheese, butter, and nonfat dry milk are lowered for 2017 on current price weakness and slower demand. The 2017 whey price forecast is unchanged at the midpoint. All dairy product price forecasts are reduced for 2018 on pressure from large stocks and slower expected demand.

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.