

Market Information BULLETIN



Harold H. Friedly, Jr. - Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

June 2021

Volume 22—No. 6

ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, June 16, 2021, USDA, Economic Research Service:

The number of cows is forecast to average 9.495 million head in 2022, 30,000 higher than last month's forecast. Year over year, the annual forecast for milk cow numbers is the same as for 2021. Milk production usually responds to changes in input costs with a lag of several months. Due to relatively high input costs and weaker expected milk prices in mid-2021, milk cow numbers in 2022 are expected to decline from the second half of 2021. The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast. The forecast for 2022 milk production has been raised to 231.1 billion pounds, 0.8 billion higher than last month's forecast.

On a milk-fat basis, the export forecast for 2022 is 10.3 billion pounds, unchanged from last month's forecast. Due to strong anticipated international demand for U.S. lactose and whey products, exports are projected to total 50.7 billion pounds on a skim-solids basis, 0.7 billion higher than the forecast of the previous month.

In 2022, dairy imports on a milk-fat basis and skim-solids basis are projected to total 5.9 billion pounds and 5.4 billion pounds, respectively, both unchanged from last month's forecast. Retaliatory tariffs on some dairy imports from the European Union and the United Kingdom are assumed to remain in place.

With a stronger expected economy, domestic use forecasts for 2022 have been raised. In 2022, the domestic use forecast on a milk-fat basis is 225.7 billion pounds, an increase of 0.9 billion from the previous forecast. On a skim-solids basis, the projection is 185.1 billion pounds, 0.4 billion higher than last month. On a milk-fat basis, the ending-stock forecast for 2022 is 15.1 billion pounds, 0.1 billion higher than last month's forecast. The ending-stock projection on a skim-solids basis is 10.3 billion pounds, 0.1 billion lower than last month's forecast.

Dairy Outlook (continued on Page 4)

Additional Pandemic Assistance Announced

On June 15, 2021, Agriculture Secretary Tom Vilsack announced additional aid to agricultural producers and businesses as part of the USDA Pandemic Assistance for Producers initiative. Earlier this year, Secretary Vilsack announced plans to use available pandemic assistance funds to address a number of gaps and disparities in previous rounds of aid. As part of the Pandemic Assistance initiative announced in March, USDA pledged to continue Coronavirus Food Assistance Pro-gram (CFAP) payments and to provide aid to producers and businesses left behind. Implementation of the assistance announced on June 15th will continue within 60 days to include support to timber harvesters, biofuels, dairy farmers and processors, livestock farmers and contract growers of poultry, assistance for organic cost share, and grants for PPE.

The following programming is planned for implementation within 60 days, which will continue to be focused on filling gaps in previous rounds of assistance and helping beginning, socially disadvantaged and small and medium sized producers that need support most, including support for dairy farmers and processors:

- \$400 million: The new Dairy Donation Program to address food insecurity and mitigate food waste and loss

- Additional pandemic payments targeted to dairy farmers that have demonstrated losses that have not been covered by previous pandemic assistance

- Approximately \$580 million: Supplemental Dairy Margin Coverage for small and medium farms

As USDA looks to long-term solutions to build back a better food system, the Department is committed to delivering financial assistance to farmers, ranchers, and agricultural producers and businesses who have been impacted by COVID-19 market disruptions.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - May 2021

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.44%	5,654,789	\$1.9755	\$ 11,171,035.68
Class I Differential at Location				184,827.55
Class II Butterfat	46.10%	6,782,445	\$1.9921	13,511,308.67
Class III Butterfat	1.47%	216,119	\$1.9851	429,017.82
Class IV Butterfat	13.99%	2,058,934	\$1.9851	4,087,189.88
Total Butterfat	100.00%	14,712,287		\$ 29,383,379.60

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9972**

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	64.80%	240,052,267	\$10.56 /cwt.	\$ 25,349,519.38
Class I Butterfat	38.44%	5,654,789	\$1.9755 /lb.	11,171,035.68
Class I Differential at Location		245,707,056		8,015,207.38
Total Class I Milk	63.80%	245,707,056		\$ 44,535,762.44
Class II Skim Milk	21.05%	77,961,453	\$9.58 /cwt.	\$ 7,468,707.21
Class II Butterfat	46.10%	6,782,445	\$1.9921 /lb.	13,511,308.67
Total Class II Milk	22.00%	84,743,898		\$ 20,980,015.88
Class III Skim Milk	2.66%	9,852,387	\$12.45 /cwt.	\$ 1,226,622.17
Class III Butterfat	1.47%	216,119	\$1.9851 /lb.	429,017.82
Total Class III Milk	2.61%	10,068,506		\$ 1,655,639.99
Class IV Skim Milk	11.49%	42,560,919	\$9.55 /cwt.	\$ 4,064,567.78
Class IV Butterfat	13.99%	2,058,934	\$1.9851 /lb.	4,087,189.88
Total Class IV Milk	11.59%	44,619,853		\$ 8,151,757.66
Producer Milk	100.00%	385,139,313		\$ 75,323,175.97

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$87,292.68
Producer butterfat at uniform butterfat price	(\$29,383,379.60)
Location Adjustments to Producers	\$2,033,501.06
1/2 Unobligated Balance in P.S.F.	\$173,830.59
Adjusted Pool Value	\$ 13.02130
Reserve for Producer Settlement Fund	\$ 0.04130
	\$48,234,420.70

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$12.98**

Uniform Price per cwt. (Fulton County, Georgia) **\$19.52***

* 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 %
	May	June	April	May	May
Appalachian (Charlotte)	\$ 20.50	\$ 21.69	\$ 18.43	\$ 19.35	69.21%
Arizona (Phoenix)	\$ 19.45	\$ 20.64	\$ 16.43	\$ 16.43	30.24%
California (Woodland)	\$ 19.20	\$ 20.39	\$ 15.91	\$ 16.73	19.10%
Central (Kansas City)	\$ 19.10	\$ 20.29	\$ 15.88	\$ 16.78	41.09%
Florida (Tampa)	\$ 22.50	\$ 23.69	\$ 20.21	\$ 21.26	80.97%
Mideast (Cleveland)	\$ 19.10	\$ 20.29	\$ 16.33	\$ 17.43	40.00%
Northeast (Boston)	\$ 20.35	\$ 21.54	\$ 18.75	\$ 18.34	32.90%
Pacific Northwest (Seattle)	\$ 19.00	\$ 20.19	\$ 16.28	\$ 16.28	22.57%
Southeast (Atlanta)	\$ 20.90	\$ 22.09	\$ 18.46	\$ 19.52	63.14%
Southwest (Dallas)	\$ 20.10	\$ 21.29	\$ 16.48	\$ 17.32	31.61%
Upper Midwest (Chicago)	\$ 18.90	\$ 20.09	\$ 16.65	\$ 17.52	21.60%

**SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY**

Receipts:	May 2021	May 2020
Producer Milk		
Class I	245,707,056	257,104,508
Class II	84,743,898	61,885,864
Class III	10,068,506	13,859,513
Class IV	44,619,853	53,481,791
Total Producer Milk	385,139,313	386,331,676
Average Butterfat Test	0.38%	0.38%
Percent of Producer Milk in Class I	63.80%	66.55%
Daily Average Receipts	12,423,849	12,462,312
Other Source Milk		
Class I	3,616,132	8,614,556
Class II	3,513,295	3,610,476
Class III	0	0
Class IV	7,526,296	6,265,558
Total Other Source Milk	14,655,723	18,490,590
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	0	0
Opening Inventory		
Class I	22,756,032	14,000,512
Class II	1,443,973	510,178
Class III	2,093,764	0
Class IV	8,525,004	10,008,716
Total Opening Inventory	34,818,773	24,519,406
Total Receipts	434,613,809	429,341,672
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	16,685,437	15,416,924
Route Disposition Class I	249,851,837	259,402,072
Shrinkage	2,254,930	1,608,123
Transfers & Diversions to Nonpool	3,287,016	3,292,457
Total Class I Utilization	272,079,220	279,719,576
Average Butterfat Test	0.23%	0.23%
Daily Average Utilization	8,776,749	9,023,212
Class II Utilization		
Nonfluid Used To Produce	2,435,700	2,629,397
Shrinkage	0	12,814
Transfers & Diversions to Nonpool/Commercial Foods	66,634,361	45,430,674
Used To Produce/Other Uses	20,631,105	17,933,633
Total Class II Utilization	89,701,166	66,006,518
Average Butterfat Test	0.84%	0.95%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool	12,162,270	13,859,513
Used To Produce/Other Uses	0	0
Total Class III Utilization	12,162,270	13,859,513
Average Butterfat Test	0.18%	0.40%
Class IV Utilization		
Inventory	19,635,927	24,013,182
Nonfluid Used To Fortify	517,710	542,286
Shrinkage	5,326,731	4,860,129
Transfers & Diversions to Nonpool	32,676,872	37,385,213
Used To Produce/Other Uses	2,513,913	2,955,255
Total Class IV Utilization	60,671,153	69,756,065
Average Butterfat Test	0.52%	0.47%
Total Utilization	434,613,809	429,341,672

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2021 is \$18.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.98 per hundredweight plus 3.5 times the uniform butterfat price of 1.9972 per pound. Payment to producers may be reduced 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 May 2021, Class I use, which is primarily bottled or packaged fluid milk, accounted for 64.80% of all producer skim milk (priced to handlers at \$10.56 hundredweight, plus the Class I differential, see page 2) and 38.44% of producer butterfat (priced to handlers at \$1.9755 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 21.05% of all producer skim milk (\$9.58 per hundredweight) and 46.10% of producer butterfat (\$1.9921 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.66% of all producer skim milk (\$12.45 per hundredweight) and 1.47% of producer butterfat (\$1.9851 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.49% of all producer skim milk (\$9.55 per hundredweight) and 13.99% of producer butterfat (\$1.9851 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>April 2021</u>		
Whole Milk	121,473,642	37.27%
Fat Free Milk	14,469,649	4.45%
Low fat Milk (incl. 1%)	34,946,095	10.72%
Reduced Fat Milk (incl. 2%)	103,053,573	31.62%
Cultured Fluid Milk (incl. Buttermilk)	5,443,071	1.67%
Flavored Drinks and Milk	46,518,184	14.27%
Total Disposition in Marketing Area	325,904,214	100.00%
Total Disposition by Pool Plants	225,470,088	69.18%
Total Disposition by Nonpool Plants	100,434,126	30.82%
Total Disposition in Marketing Area	325,904,214	100.00%

Receipts of producer milk during May 2021 totaled 385.1 million pounds. There were 19 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2021. Class I route disposition in the area was 326 million pounds in April 2021.

Dairy Outlook, continued from page 1

In 2022, the Cheddar cheese price is projected to be \$1.715 per pound, unchanged from last month's forecast. Price forecasts for butter, NDM, and dry whey have been raised to \$1.795 (+0.5 cents), \$1.220 (+2.5 cents), and \$0.510 (+3.5 cents) per pound, respectively.

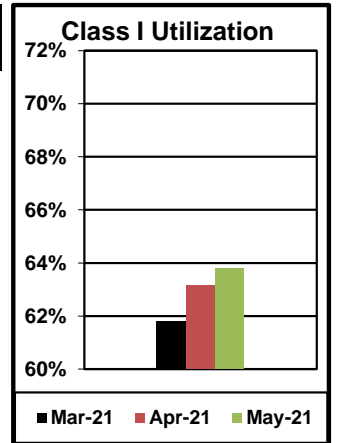
The Class III milk price forecast for 2022 is \$17.15 per cwt, \$0.30 higher than the previous month's forecast, due to higher expected whey prices. With higher butter and NDM prices, the Class IV milk price projection for 2022 is \$15.95 per cwt, \$0.25 higher than last month's forecast. The all-milk price forecast for 2022 is \$18.75 per cwt, an increase of \$0.25 from last month's forecast.

FEDERAL ORDER 7 - SOUTHEAST: 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
May 2020	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$ 6.07	\$1.3756	\$10.67	\$ 11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$ 6.62	\$1.8591	\$12.90	\$ 10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$ 7.16	\$1.9583	\$13.76	\$ 12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82	\$1.6345	\$13.27	\$14.58	\$1.6275	\$19.77	\$ 7.08	\$1.6275	\$12.53	\$ 14.42	\$1.7889	\$20.18
Sep	\$16.82	\$1.7155	\$22.24	\$7.83	\$1.6002	\$13.16	\$11.25	\$1.5932	\$16.43	\$ 7.43	\$1.5932	\$12.75	\$ 14.37	\$1.6436	\$19.62
Oct	\$13.77	\$1.6313	\$19.00	\$8.15	\$1.6458	\$13.63	\$16.45	\$1.6388	\$21.61	\$ 8.01	\$1.6388	\$13.47	\$ 12.57	\$1.6364	\$17.86
Nov	\$16.58	\$1.6696	\$21.84	\$8.70	\$1.5623	\$13.86	\$18.55	\$1.5553	\$23.34	\$ 8.14	\$1.5553	\$13.30	\$ 14.55	\$1.6041	\$19.66
Dec	\$18.68	\$1.6136	\$23.67	\$8.91	\$1.5469	\$14.01	\$10.71	\$1.5399	\$15.72	\$ 8.26	\$1.5399	\$13.36	\$ 16.05	\$1.5709	\$20.99
Jan 2021	\$13.83	\$1.5989	\$18.94	\$9.03	\$1.5611	\$14.18	\$10.99	\$1.5541	\$16.04	\$ 8.61	\$1.5541	\$13.75	\$ 12.53	\$1.5722	\$17.59
Feb	\$14.17	\$1.6184	\$19.34	\$9.27	\$1.4446	\$14.00	\$11.11	\$1.4376	\$15.75	\$ 8.45	\$1.4376	\$13.19	\$ 12.88	\$1.5119	\$17.72
Mar	\$14.42	\$1.4515	\$19.00	\$9.36	\$1.7246	\$15.07	\$10.51	\$1.7176	\$16.15	\$ 8.46	\$1.7176	\$14.18	\$ 12.68	\$1.6243	\$17.92
Apr	\$13.80	\$1.7115	\$19.31	\$9.03	\$1.9566	\$15.56	\$11.24	\$1.9496	\$17.67	\$ 8.91	\$1.9496	\$15.42	\$ 12.38	\$1.8623	\$18.46
May	\$14.36	\$2.0135	\$20.90	\$9.58	\$1.9921	\$16.22	\$12.45	\$1.9851	\$18.96	\$ 9.55	\$1.9851	\$16.16	\$ 12.98	\$1.9972	\$19.52
Jun	\$15.62	\$2.0054	\$22.09	\$10.12											

FEDERAL ORDER 7 - SOUTHEAST: 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.	%
May 2020	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,328	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%
Aug	368,292	1,328	250,480	68.01%	80,105	21.75%	3,498	0.95%	34,209	9.29%
Sep	393,116	1,388	264,494	67.28%	76,306	19.41%	12,489	3.18%	39,826	10.13%
Oct	385,884	1,395	272,133	70.52%	74,008	19.18%	6,641	1.72%	33,103	8.58%
Nov	375,340	1,268	258,579	68.89%	68,826	18.34%	7,806	2.08%	40,129	10.69%
Dec	410,122	1,276	280,090	68.29%	68,680	16.75%	35,031	8.54%	26,321	6.42%
Jan 2021	396,015	1,272	268,924	67.91%	81,387	20.55%	3,963	1.00%	41,740	10.54%
Feb	355,112	1,297	253,450	71.37%	67,513	19.01%	6,956	1.96%	27,193	7.66%
Mar	439,938	1,276	271,841	61.79%	103,290	23.48%	16,331	3.71%	48,476	11.02%
Apr	420,663	1,287	265,574	63.14%	94,748	22.52%	12,847	3.05%	47,494	11.29%
May	385,139	1,289	245,707	63.80%	84,743	22.00%	10,068	2.61%	44,619	11.59%



*Class I and uniform prices are at Fulton County (Atlanta), Georgia, **Estimated

Southeast Marketing Area - Federal Order 7

Upcoming Pool and Payment Dates							
Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
April	05/11/21	05/12/21	05/13/21	04/26/21	04/26/21	05/13/21	05/14/21
May	06/11/21	06/14/21	06/15/21	05/25/21	05/26/21	06/15/21	06/16/21
June	07/11/21	07/12/21	07/13/21	06/25/21	06/28/21	07/13/21	07/14/21

** The base rate for making partial payments in Fulton County, GA for February will be \$15.95 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.72 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits												
[per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

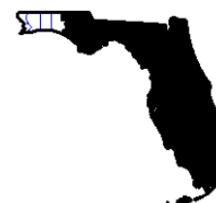
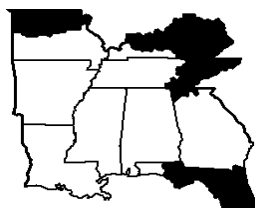
WASDE Dairy Report 1/ WASDE – 613, June 14, 2021

Milk production for 2021 is raised from last month on higher expected cow numbers. The fat basis import forecast is reduced from the previous month on lower expected imports of butterfat containing products, while the skim-solids basis import forecast is unchanged. Exports on both fat and skims-solids bases are raised from last month. Fat basis export increases are underpinned largely by higher shipments of butterfat-containing products and cheese, while skim-solids increases primarily reflect stronger expected cheese, lactose, and whey shipments. Price forecasts for butter, nonfat dry milk (NDM), and whey are raised from the previous month on recent price strength and stronger anticipated demand. The cheese price forecast is lowered from last month on relatively large stocks and current prices. The lower forecast cheese price results in a lower Class III price, but the higher NDM and butter prices support result in a higher Class IV price. The all milk price forecast is lowered to \$18.85 per cwt for 2021.

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 WASDE report is available at www.usda.gov/oce/commodity/wasde/.



MILK MARKET ADMINISTRATOR
 U.S. Department Of Agriculture
 2763 Meadow Church Road, Suite 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](http://www.usda.gov/complaint_filing_cust.html) (PDF), found online at http://www.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.