

# Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

January 2005



Volume 6—No. 1

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

## 2005 Southern Dairy Conference

The 31st annual Southern Dairy Conference will be held in Atlanta, GA on February 15 and 16, 2005. This year's agenda will cover a wide array of subject matter, from the role of dairy products in human health to a discussion of national dairy policy. Dana Coale, Deputy Administrator of Dairy Programs within USDA will address the future of Federal orders, but will leave the pros and cons of the proposed merger of the Appalachian and Southeast Milk Marketing Orders to Mississippi State's Dr. Bill Herndon. Other topics include new air quality rules, herd health, the level of market concentration in the dairy industry and the U.S. Department of Justice's criteria for approving mergers. You may register for the conference at [www.peopleware.net/2532](http://www.peopleware.net/2532) or contact Dr. Geoff Benson of North Carolina State University at: 919-515-5184 or [Geoff\\_Benson@ncsu.edu](mailto:Geoff_Benson@ncsu.edu) for additional information. Rooms may be reserved directly with the Westin Atlanta Airport Hotel (4736 Best Rd., Atlanta, GA 30337) at 404-762-7676.

## Class I Price Announcement

The Class I price announcement for January included an assessment entitled 'Hurricane Relief Assessment'. The assessment, which was set at four-cents per hundredweight for January, is temporary and only applies to Class I milk. The funds collected will be disbursed to handlers who incurred extraordinary transportation costs for moving bulk milk to maintain the Class I needs of the Southeast Milk Marketing Area because of hurricanes in August and September of 2004.

The Class I price announcement for February will be delayed as a result of the presidential inauguration. It will be published in the afternoon of January 21, 2005 instead of the usual morning publication. The Hurricane Relief Assessment applicable to February Class I milk is yet to be determined, but according to order language can not exceed four-cents per hundredweight.

## Blend Price Gains as 2004 Closes

The uniform blend price in Fulton County, GA, was \$17.03 per hundredweight of milk at 3.5 percent butterfat for December. This represents an increase of \$0.20 from November and is \$1.70 higher than December 2003. Class I utilization was 70.9 percent, 0.69 percent lower than November, but 6.24 percent higher than December 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in November was 13.6 billion pounds, an increase of 1.0 percent from November 2003 and a decrease of 3.3 percent when compared with October 2004. Total cheese output was 750 million pounds, 5.6 percent above November 2003 and 0.2 percent above October 2004. Butter production was 99.1 million pounds in November, 12.0 percent above November 2003 but 2.4 percent below October 2004. Nonfat dry milk production was 94.5 million pounds in November, 14.8 percent below November 2003 and 0.1 percent lower than October 2004.

## Deadline for Additional Proposals Approaching

The deadline for submitting additional proposals to amend the fluid milk product definition is January 31, 2005. The fluid milk product definition is used to determine how Federal orders classify milk products by stipulating certain conditions on both butterfat and nonfat milk solids percentages. It also requires that the milk product be intended to be consumed as a beverage in order to qualify as a fluid milk product. Find the current definition in Section 1000.15 at [www.fmmatlanta.com/FO\\_7\\_Order\\_Lang.html](http://www.fmmatlanta.com/FO_7_Order_Lang.html). For more details visit [www.ams.usda.gov/dairy/](http://www.ams.usda.gov/dairy/) (click on 'Request for Class I proposals-Northeast, et.al.')

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for December were made for \$596,484.62. Since the available balance was \$280,550.35, eligible claims were paid at the rate of approximately \$0.47 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.29%	9,023,926	\$1.8834	\$ 16,995,662.25
Class I Differential at Location				270,175.64
Class II Butterfat	20.31%	4,335,102	\$2.0436	8,859,214.44
Class III Butterfat	13.80%	2,945,281	\$2.0366	5,998,359.27
Class IV Butterfat	23.60%	5,035,811	\$2.0366	10,255,932.71
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,340,120</b>		<b>\$ 42,379,344.31</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.9859**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	72.03%	391,785,961	\$8.12 /cwt.	\$ 31,813,020.04
Class I Butterfat	42.29%	9,023,926	\$1.8834 /lb.	16,995,662.25
Class I Differential at Location		400,809,887		11,936,173.54
<b>Total Class I Milk</b>	<b>70.90%</b>	<b>400,809,887</b>		<b>\$ 60,744,855.83</b>
Class II Skim Milk	9.61%	52,292,437	\$7.07 /cwt.	\$ 3,697,075.31
Class II Butterfat	20.31%	4,335,102	\$2.0436 /lb.	8,859,214.44
<b>Total Class II Milk</b>	<b>10.02%</b>	<b>56,627,539</b>		<b>\$ 12,556,289.75</b>
Class III Skim Milk	10.90%	59,316,824	\$9.34 /cwt.	\$ 5,540,191.34
Class III Butterfat	13.80%	2,945,281	\$2.0366 /lb.	5,998,359.27
<b>Total Class III Milk</b>	<b>11.01%</b>	<b>62,262,105</b>		<b>\$ 11,538,550.61</b>
Class IV Skim Milk	7.46%	40,571,633	\$6.52 /cwt.	\$ 2,645,270.48
Class IV Butterfat	23.60%	5,035,811	\$2.0366 /lb.	10,255,932.71
<b>Total Class IV Milk</b>	<b>8.07%</b>	<b>45,607,444</b>		<b>\$ 12,901,203.19</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>565,306,975</b>		<b>\$ 97,740,899.38</b>

### Adjustments

Overage and Other Source	\$16,521.34
Inventory Adjustments	\$112,944.08
Producer butterfat at uniform butterfat price	(\$42,379,344.31)
Location Adjustments to Producers	\$1,342,958.79
1/2 Unobligated Balance in P.S.F.	\$243,774.14
<b>Adjusted Pool Value</b>	<b>\$ 10.49287</b>
Reserve for Producer Settlement Fund	\$ 0.04287
	<b>\$57,077,753.42</b>

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

**\$10.45**

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

**\$17.03\***

\* 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 %
	DEC 2004	JAN 2005	NOV 2004	DEC 2004	DEC 2004
Appalachian (Charlotte)	\$ 17.53	\$ 19.75	\$ 16.78	\$ 16.98	75.89%
Arizona-Las Vegas (Phoenix)	\$ 16.78	\$ 19.00	\$ 15.20	\$ 15.55	35.45%
Central (Kansas City)	\$ 16.43	\$ 18.65	\$ 15.10	\$ 15.26	52.84%
Florida (Tampa)	\$ 18.43	\$ 20.65	\$ 17.99	\$ 18.00	85.58%
Mideast (Cleveland)	\$ 16.43	\$ 18.65	\$ 15.21	\$ 15.52	58.30%
Northeast (Boston)	\$ 17.68	\$ 19.90	\$ 16.20	\$ 16.43	49.50%
Pacific Northwest (Seattle)	\$ 16.33	\$ 18.55	\$ 14.75	\$ 14.83	43.04%
<b>Southeast (Atlanta)</b>	<b>\$ 17.53</b>	<b>\$ 19.75</b>	<b>\$ 16.83</b>	<b>\$ 17.03</b>	<b>70.90%</b>
Southwest (Dallas)	\$ 17.43	\$ 19.65	\$ 15.88	\$ 15.67	57.14%
Upper Midwest (Chicago)	\$ 16.23	\$ 18.45	\$ 15.02	\$ 15.19	59.30%

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

<b>Receipts:</b>	<b>December 2004</b>	<b>December 2003</b>
<b>Producer Milk</b>		
Class I	400,809,887	401,066,273
Class II	56,627,539	55,012,630
Class III	62,262,105	103,591,884
Class IV	45,607,444	60,593,717
Total Producer Milk	<u>565,306,975</u>	<u>620,264,504</u>
Average Butterfat Test	3.77%	3.78%
Percent of Producer Milk in Class I	70.90%	64.66%
Daily Average Receipts	18,235,709	20,008,532
<b>Other Source Milk</b>		
Class I	7,652,843	8,067,483
Class II	3,649,519	3,365,849
Class III	2,234,846	2,121,531
Class IV	7,097,617	9,527,886
Total Other Source Milk	<u>20,634,825</u>	<u>23,082,749</u>
<b>Overage</b>		
Class I	0	0
Class II	200,123	0
Class III	0	0
Class IV	1,165	379,716
Total Overage	<u>201,288</u>	
<b>Opening Inventory</b>		
Class I	37,130,332	29,971,482
Class II	1,058,395	3,417,200
Class III	150,177	492,354
Class IV	13,488,612	25,057,771
Total Opening Inventory	<u>51,827,516</u>	<u>58,938,807</u>
<b>Total Receipts</b>	<b>637,970,604</b>	<b>702,665,776</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	35,407,083	29,289,888
Route Disposition Class I	399,700,226	397,990,882
Shrinkage	2,520,863	4,067,901
Transfers & Diversions to Nonpool	7,964,890	7,756,567
Total Class I Utilization	<u>445,593,062</u>	<u>439,105,238</u>
Average Butterfat Test	2.25%	2.29%
Daily Average Utilization	14,373,970	14,164,685
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,242,736	1,267,829
Shrinkage	0	0
Transfers & Diversions to Nonpool	40,208,876	41,821,914
Used To Produce/Other Uses	20,083,964	18,705,936
Total Class II Utilization	<u>61,535,576</u>	<u>61,795,679</u>
Average Butterfat Test	8.12%	8.51%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool	64,647,128	106,205,769
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>64,647,128</u>	<u>106,205,769</u>
Average Butterfat Test		4.63%
<b>Class IV Utilization</b>		
Inventory	11,230,686	16,903,935
Nonfluid Used To Fortify	3,589,190	3,642,083
Shrinkage	6,625,013	7,358,700
Transfers & Diversions to Nonpool	34,767,091	55,210,740
Used To Produce/Other Uses	9,982,858	12,443,632
Total Class IV Utilization	<u>66,194,838</u>	<u>95,559,090</u>
Average Butterfat Test	9.20%	6.55%
<b>Total Utilization</b>	<b>637,970,604</b>	<b>702,665,776</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2004 is \$17.03 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.45 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9859 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 December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 72.03% of all producer skim milk (priced to handlers at \$8.12 per hundredweight, plus the Class I differential, see page 2) and 42.29% of producer butterfat (priced to handlers at \$1.8834 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.61% of all producer skim milk (\$7.07 per hundredweight) and 20.31% of producer butterfat (\$2.0436 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.90% of all producer skim milk (\$9.34 per hundredweight) and 13.80% of producer butterfat (\$2.0366 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.46% of all producer skim milk (\$6.52 per hundredweight) and 23.60% of producer butterfat (\$2.0366 per pound).

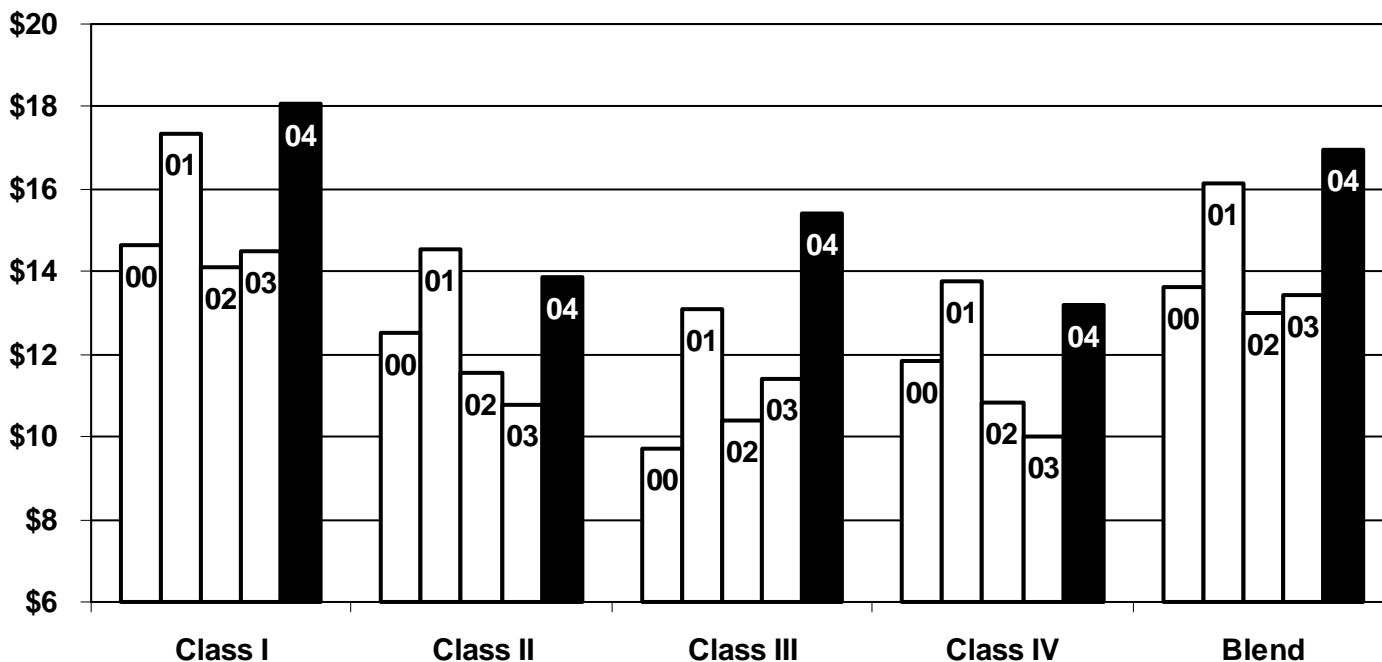
Receipts of producer milk during December 2004 totaled 565.3 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 7 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2004. Class I route disposition in the area totaled 411.8 million pounds in November 2004.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>November 2004</b>		
Whole Milk	155,835,252	37.84%
Fat Free Milk	47,563,344	11.55%
Lowfat Milk (incl. 1%)	27,636,889	6.71%
Reduced Fat Milk (incl. 2%)	122,776,657	29.81%
Cultured Fluid Milk (incl. Buttermilk)	11,264,515	2.74%
Flavored Drinks and Milk	46,760,333	11.35%
<b>Total Disposition in Marketing Area</b>	<b>411,836,990</b>	<b>100.0%</b>
Total Disposition by Pool Plants	341,025,931	82.81%
Total Disposition by Nonpool Plants	70,811,059	17.19%
<b>Total Disposition in Marketing Area</b>	<b>411,836,990</b>	<b>100.0%</b>

### Review of Federal Order Prices: Class I-IV and Blend Prices, 2000-2004

The chart below shows the average Class I, II, III, IV and uniform blend prices in Federal Order 7 since Order reform. All prices are simple averages of monthly prices at 3.5% butterfat, with Class I and blend prices reported for Atlanta, GA. 2004 produced the strongest year of prices in recent memory, with the average blend price \$3.48 higher than last year and \$0.81 above 2001, the previous high-water mark. Class IV (butter) drove 2001's high producer prices, but in 2004, Class III (cheese) was most responsible for the high prices enjoyed by Federal Order 7 producers.



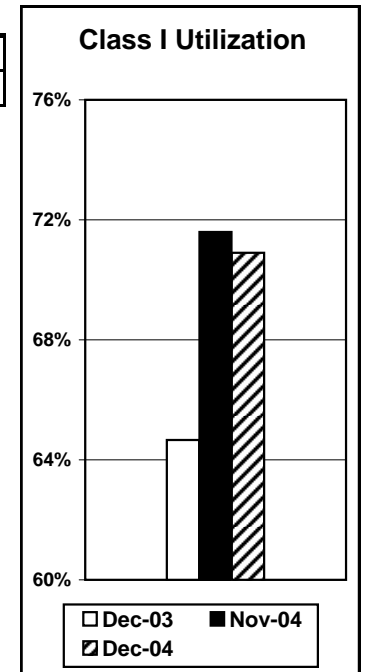
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$10.82	\$1.2040	\$14.65	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 9.65	\$1.2343	\$13.63
<b>2001 Avg</b>	\$11.03	\$1.9202	\$17.37	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 9.90	\$1.8783	\$16.13
<b>2002 Avg</b>	\$10.11	\$1.2433	\$14.11	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 9.10	\$1.2109	\$13.01
<b>2003 Avg</b>	\$10.57	\$1.2247	\$14.48	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 9.53	\$1.2165	\$13.46
Jan <b>2004</b>	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan <b>2005</b>	\$12.80	\$2.1128	\$19.75	\$7.20											

**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.	%
<b>2000 Avg</b>	623,930	4,974	405,592	65.24%	66,778	10.75%	101,812	16.25%	49,747	7.76%
<b>2001 Avg</b>	647,445	4,826	400,433	62.05%	74,258	11.47%	120,713	18.57%	52,041	7.92%
<b>2002 Avg</b>	660,548	4,603	397,278	60.63%	66,345	10.01%	136,479	20.61%	60,447	8.74%
<b>2003 Avg</b>	589,245	4,200	385,752	65.79%	58,764	10.06%	104,806	17.41%	39,923	6.74%
Jan <b>2004</b>	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,600**	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%

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



Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods January 2005 through March 2005							
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
January 2005	02/11/05	02/14/05	02/15/05	01/25/05	01/26/05	02/15/05	02/16/05
February 2005	03/11/05	03/14/05	03/15/05	02/25/05	02/28/05	03/15/05	03/16/05
March 2005	04/11/05	04/12/05	04/13/05	03/25/05	03/28/05	04/13/05	04/14/05

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$15.33 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.03 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

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**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

February 2005

Volume 6—No. 2

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

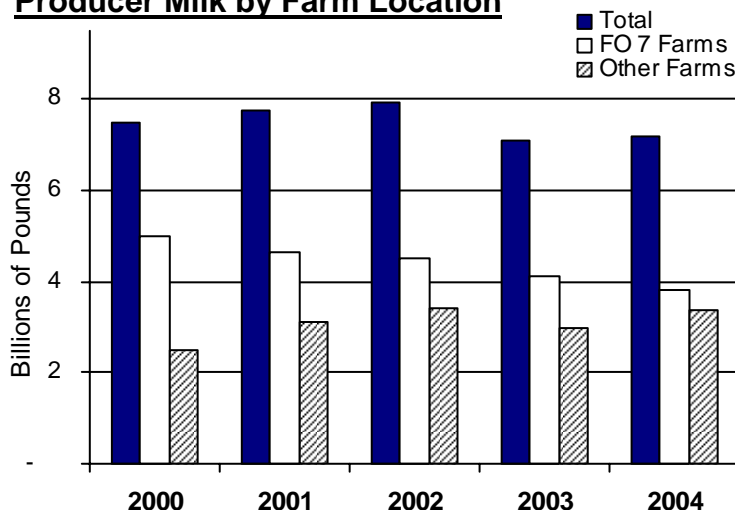
## Trends in Producer Milk Composition Continued During 2004

Federal Order 7 is known as a 'deficit' market because the demand for milk by processors regularly exceeds the available supply from farms located inside the marketing area. Deficits are covered with supplemental milk shipped from farms located in other orders. The chart below, and those on page four, show how the volume and composition of producer milk pooled on Federal Order 7 has changed over the past 5 years.

While more milk was pooled in 2004 than in 2003 (7.16 billion vs. 7.07 billion annually), less of it came from farms inside the marketing area. In fact, less milk was pooled from 'local' farms in 2004 than in any previous year. In 2000, farms inside the marketing area pooled 4.98 billion pounds, 67% of the total volume of producer milk. By 2004 those values fell to 3.80 billion pounds and 53% of the total volume, respectively. This represents a decline of 24 percent.

The amount of milk originating from farms in other orders ('Other Farms' in the chart below) has varied, but in general, it's portion of total producer milk has grown since 2000. This point is further illustrated with the two charts found on page four.

### Producer Milk by Farm Location



## Blend Price Up \$0.13

The uniform blend price in Fulton County, GA, was \$17.16 per hundredweight of milk at 3.5 percent butterfat for January. This represents an increase of \$0.13 from December and is \$3.14 higher than January 2004. Class I utilization was 61.83 percent, 9.07 percent lower than December, and 1.06 percent less than January 2004.

## HURRICANE RELIEF UPDATE

Eligible claims for hurricane-related transportation costs currently total \$279,308.29. The temporary hurricane relief fund collected \$162,254.35 in January based on the 4-cent per hundredweight assessment on Class I producer milk. All dollars assessed were credited to eligible handlers, leaving \$117,053.94 in remaining eligible claims.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in December was 14.3 billion pounds, an increase of 1.0 percent from December 2003 and an increase of 4.6 percent when compared with November 2004. Total U.S. production for 2004 is estimated at 170.5 billion pounds, an increase of 170 million pounds, or 0.1 percent, from 2003. Total cheese output (excluding cottage cheese) was 772 million pounds, 1.8 percent above December 2003 and 3.2 percent above November 2004. Butter production was 112 million pounds in December, 2.3 percent lower than December 2003 but 14.8 percent above November 2004. Nonfat dry milk production was 108.0 million pounds in December, 18.2 percent below December 2003 and 14.3 percent higher than November 2004.

## 2004 Transportation Credit Review

Claims on the Federal Order 7 transportation credit balancing fund in 2004 were made for \$6.25 million. Total assessments were \$3.23 million, so for the year eligible claims were paid at the rate of approximately \$0.52 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.48%	8,411,228	\$2.0818	\$ 17,510,494.46
Class I Differential at Location				251,442.10
Class II Butterfat	19.20%	4,684,837	\$1.7400	8,151,616.38
Class III Butterfat	15.53%	3,790,187	\$1.7330	6,568,394.08
Class IV Butterfat	30.79%	7,511,567	\$1.7330	13,017,545.63
<b>Total Butterfat</b>	<b>100.00%</b>	<b>24,397,819</b>		<b>\$ 45,499,492.65</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8649**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	62.89%	397,224,650	\$9.70 /cwt.	\$ 38,530,791.06
Class I Butterfat	34.48%	8,411,228	\$2.0818 /lb.	17,510,494.46
Class I Differential at Location		405,635,878		12,095,035.07
<b>Total Class I Milk</b>	<b>61.83%</b>	<b>405,635,878</b>		<b>\$ 68,136,320.59</b>
Class II Skim Milk	9.80%	61,910,273	\$7.20 /cwt.	\$ 4,457,539.66
Class II Butterfat	19.20%	4,684,837	\$1.7400 /lb.	8,151,616.38
<b>Total Class II Milk</b>	<b>10.15%</b>	<b>66,595,110</b>		<b>\$ 12,609,156.04</b>
Class III Skim Milk	12.59%	79,500,999	\$8.37 /cwt.	\$ 6,654,233.62
Class III Butterfat	15.53%	3,790,187	\$1.7330 /lb.	6,568,394.08
<b>Total Class III Milk</b>	<b>12.70%</b>	<b>83,291,186</b>		<b>\$ 13,222,627.70</b>
Class IV Skim Milk	14.72%	92,967,640	\$6.69 /cwt.	\$ 6,219,535.12
Class IV Butterfat	30.79%	7,511,567	\$1.7330 /lb.	13,017,545.63
<b>Total Class IV Milk</b>	<b>15.32%</b>	<b>100,479,207</b>		<b>\$ 19,237,080.75</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>656,001,381</b>		<b>\$ 113,205,185.08</b>

### Adjustments

Overage and Other Source	\$21,142.89
Inventory Adjustments	(\$7,163.12)
Producer butterfat at uniform butterfat price	(\$45,499,492.65)
Location Adjustments to Producers	\$1,903,465.44
1/2 Unobligated Balance in P.S.F.	\$238,800.39

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.06104	\$69,861,938.03
	<b>\$ 0.04104</b>	\$259,225.51

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

**\$11.02**

Uniform Price per cwt. (Fulton County, Georgia)

**\$17.16\***

\* 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 2005	FEB 2005	DEC 2004	JAN 2005	JAN 2005
Appalachian (Charlotte)	\$ 19.75	\$ 16.89	\$ 16.98	\$ 17.34	66.06%
Arizona-Las Vegas (Phoenix)	\$ 19.00	\$ 16.14	\$ 15.55	\$ 15.09	33.16%
Central (Kansas City)	\$ 18.65	\$ 15.79	\$ 15.26	\$ 14.95	30.07%
Florida (Tampa)	\$ 20.65	\$ 17.79	\$ 18.00	\$ 19.11	84.67%
Mideast (Cleveland)	\$ 18.65	\$ 15.79	\$ 15.52	\$ 15.22	35.40%
Northeast (Boston)	\$ 19.90	\$ 17.04	\$ 16.43	\$ 16.31	45.70%
Pacific Northwest (Seattle)	\$ 18.55	\$ 15.69	\$ 14.83	\$ 14.73	32.43%
<b>Southeast (Atlanta)</b>	<b>\$ 19.75</b>	<b>\$ 16.89</b>	<b>\$ 17.03</b>	<b>\$ 17.16</b>	<b>61.83%</b>
Southwest (Dallas)	\$ 19.65	\$ 16.79	\$ 15.67	\$ 16.04	44.28%
Upper Midwest (Chicago)	\$ 18.45	\$ 15.59	\$ 15.19	\$ 14.53	17.00%



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

<b>Receipts:</b>	<b>January 2005</b>	<b>January 2004</b>
<b>Producer Milk</b>		
Class I	405,635,878	412,319,938
Class II	66,595,110	64,742,119
Class III	83,291,186	103,943,943
Class IV	100,479,207	74,693,057
Total Producer Milk	<u>656,001,381</u>	<u>655,699,057</u>
Average Butterfat Test	3.72%	3.75%
Percent of Producer Milk in Class I	61.83%	62.89%
Daily Average Receipts	21,161,335	21,151,582
<b>Other Source Milk</b>		
Class I	6,388,274	7,674,617
Class II	5,809,344	2,898,824
Class III	2,463,739	2,175,291
Class IV	7,206,936	4,878,751
Total Other Source Milk	<u>21,868,293</u>	<u>17,627,483</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	1	0
Class IV	91,922	3,225
Total Overage	<u>91,923</u>	<u>3,225</u>
<b>Opening Inventory</b>		
Class I	35,407,083	29,357,883
Class II	432,323	196,615
Class III	0	772,130
Class IV	10,969,541	16,021,270
Total Opening Inventory	<u>46,808,947</u>	<u>46,347,898</u>
<b>Total Receipts</b>	<b>724,770,544</b>	<b>719,677,663</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	29,780,572	31,507,007
Route Disposition Class I	408,011,111	408,578,759
Shrinkage	2,947,343	2,575,928
Transfers & Diversions to Nonpool	6,692,209	6,690,744
Total Class I Utilization	<u>447,431,235</u>	<u>449,352,438</u>
Average Butterfat Test	2.08%	2.15%
Daily Average Utilization	14,433,266	14,495,240
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,681,152	1,560,100
Shrinkage	0	0
Transfers & Diversions to Nonpool	43,676,255	48,209,620
Used To Produce/Other Uses	27,479,370	18,067,838
Total Class II Utilization	<u>72,836,777</u>	<u>67,837,558</u>
Average Butterfat Test		8.28%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool	85,754,926	106,891,364
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>85,754,926</u>	<u>106,891,364</u>
Average Butterfat Test	4.53%	4.71%
<b>Class IV Utilization</b>		
Inventory	22,895,534	15,554,741
Nonfluid Used To Fortify	1,603,980	1,651,109
Shrinkage	7,345,885	7,178,455
Transfers & Diversions to Nonpool	78,080,623	59,695,820
Used To Produce/Other Uses	8,821,584	11,516,178
Total Class IV Utilization	<u>118,747,606</u>	<u>95,596,303</u>
Average Butterfat Test	7.20%	6.86%
<b>Total Utilization</b>	<b>724,770,544</b>	<b>719,677,663</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2004 is \$17.16 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.02 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8649 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 January, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.89% of all producer skim milk (priced to handlers at \$9.70 per hundredweight, plus the Class I differential, see page 2) and 34.48% of producer butterfat (priced to handlers at \$2.0818 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.80% of all producer skim milk (\$7.20 per hundredweight) and 19.20% of producer butterfat (\$1.7400 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.59% of all producer skim milk (\$8.37 per hundredweight) and 15.53% of producer butterfat (\$1.7330 per pound). Class IV use, generally milk processed into butter and powder, accounted for 14.72% of all producer skim milk (\$6.69 per hundredweight) and 30.79% of producer butterfat (\$1.7330 per pound).

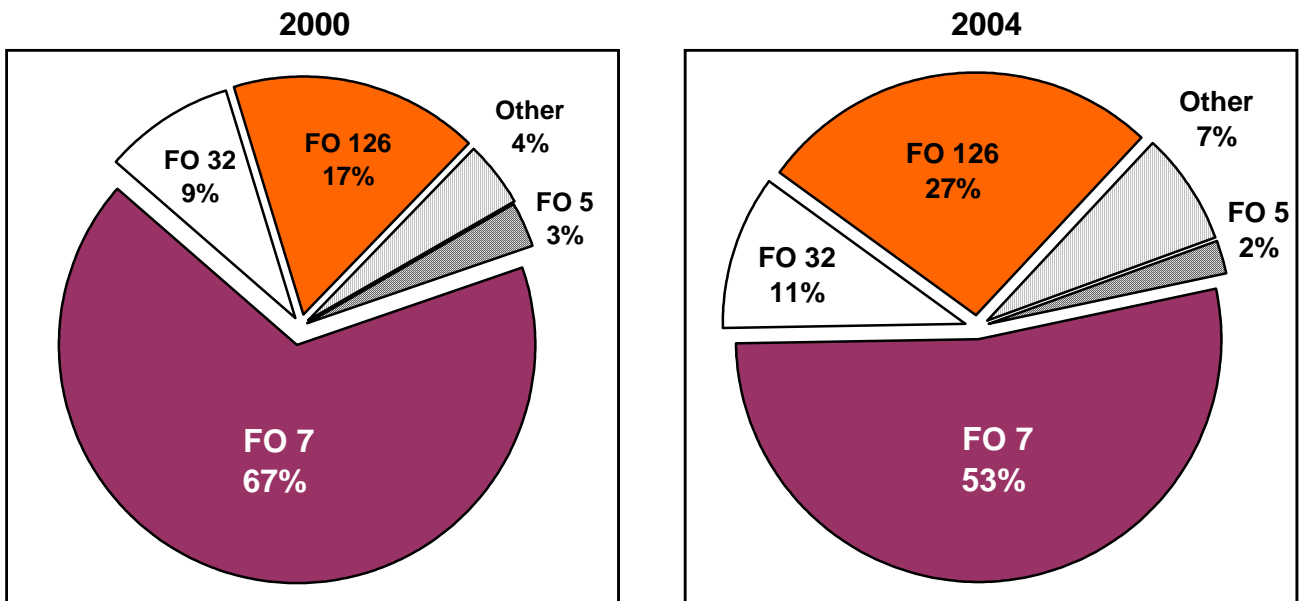
Receipts of producer milk during January 2005 totaled 656.0 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 7 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2005. Class I route disposition in the area totaled 413.3 million pounds in December 2004.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>December 2004</b>		
Whole Milk	157,064,509	38.01%
Fat Free Milk	47,462,853	11.48%
Lowfat Milk (incl. 1%)	27,198,923	6.58%
Reduced Fat Milk (incl. 2%)	130,316,030	31.53%
Cultured Fluid Milk (incl. Buttermilk)	10,639,784	2.57%
Flavored Drinks and Milk	40,605,657	9.83%
<b>Total Disposition in Marketing Area</b>	<b>413,287,756</b>	<b>100.0%</b>
Total Disposition by Pool Plants	342,140,608	82.79%
Total Disposition by Nonpool Plants	71,147,148	17.21%
<b>Total Disposition in Marketing Area</b>	<b>413,287,756</b>	<b>100.0%</b>

### The Changing Sources of Producer Milk

Federal Order 7 producer milk is composed of milk originating from various parts of the country. While this has been true for many years, recent trends reveal rapidly increasing proportions of milk coming from farms located in Federal Order 126 (mainly Texas and New Mexico). In 2000, milk from Federal Order 126 represented 17 percent of producer milk pooled. That figure jumped to 27 percent in 2004, corresponding to the largest increase in producer milk volume from any area. The 'Other' category shown below (representing Federal Order 1, 6, 30, 33 and unregulated areas) had the fastest growth rate, though a relatively small contribution to total producer milk volumes.



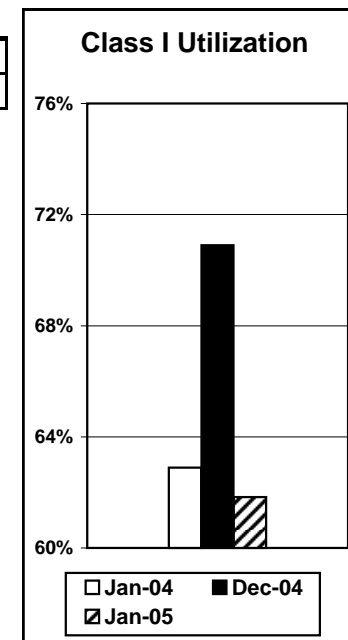
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
<b>2002 Avg</b>	\$10.11	\$1.2433	\$14.11	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 9.10	\$1.2109	\$13.01
<b>2003 Avg</b>	\$10.57	\$1.2247	\$14.48	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 9.53	\$1.2165	\$13.46
Jan <b>2004</b>	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan <b>2005</b>	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38											

**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.	%
<b>2002 Avg</b>	660,548	4,603	397,278	60.63%	66,345	10.01%	136,479	20.61%	60,447	8.74%
<b>2003 Avg</b>	589,245	4,200	385,752	65.79%	58,764	10.06%	104,806	17.41%	39,923	6.74%
Jan <b>2004</b>	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan <b>2005</b>	656,001	3,650**	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%

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



Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods February 2005 through April 2005							
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
February 2005	03/11/05	03/14/05	03/15/05	02/25/05	02/28/05	03/15/05	03/16/05
March 2005	04/11/05	04/12/05	04/13/05	03/25/05	03/28/05	04/13/05	04/14/05
April 2005	05/11/05	05/12/05	05/13/05	04/25/05	04/26/05	05/13/05	05/16/05

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$15.44 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.16 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

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**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

March 2005

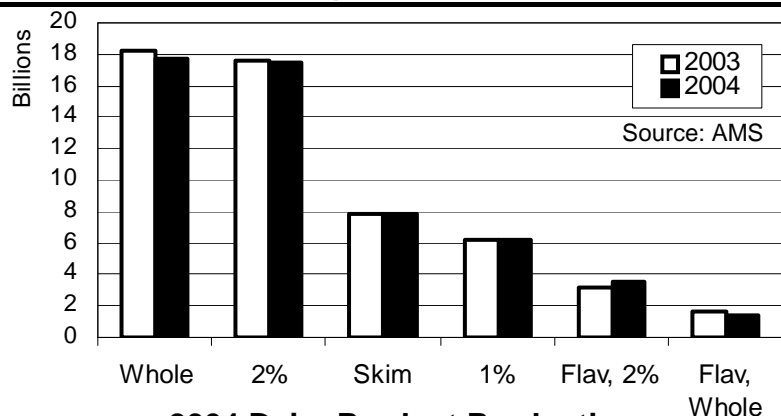
Volume 6—No. 3

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

## 2004 Fluid Milk Consumption

The amount of milk produced in the U.S. in 2004 increased to 170.8 billion pounds, up 0.2 percent versus 2003. But despite a growing population, less milk was consumed in fluid form. In all, Americans drank 53 million fewer gallons of milk in 2004, a 1.2 percent decline after adjusting for calendar composition. The only favorable trend in fluid use was the 10.2 percent growth of reduced-fat flavored products (Flav, 2% in chart).

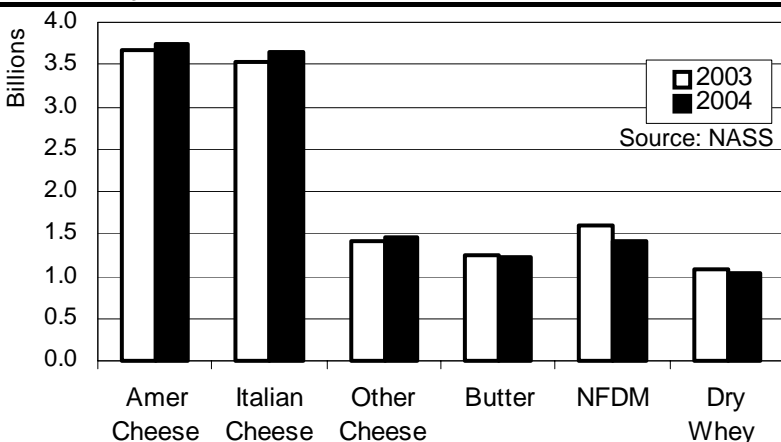
### U.S. Fluid Milk Consumption



## 2004 Dairy Product Production

Total cheese production in 2004 grew by over 250 million pounds or 2.9 percent versus 2003. Italian-type cheeses made up the majority of this increase, though production of all varieties rose. Butter production fell by 25 million pounds or 2.0 percent while non-fat dry milk (NFD) fell by 178 million pounds or 11.2 percent.

### U.S. Dairy Product Production



## Blend Price Falls 8%

The uniform blend price in Fulton County, GA, was \$15.80 per hundredweight of milk at 3.5 percent butterfat for the month of February. This represents a decrease of \$1.36 from January but is \$1.57 higher than February 2004. Class I utilization was 61.00 percent, 0.83 percent lower than January, but 2.68 percent higher than February 2004.

## HURRICANE RELIEF UPDATE

Eligible claims for hurricane-related transportation costs currently total \$128,533.20. The temporary hurricane relief fund collected \$62,738.07 in February based on the 1.75-cent per hundredweight assessment on Class I producer milk. All dollars assessed were credited to eligible handlers, leaving \$65,795.13 in remaining eligible claims. Since outstanding claims on the hurricane relief fund remain, an assessment of 2.0 cents will apply to Class I producer milk for March, the final month of operation for the hurricane relief fund.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in January was 14.5 billion pounds, an increase of 0.9 percent from January 2004 and an increase of 1.6 percent when compared with December 2004. Total cheese output (excluding cottage cheese) was 754 million pounds, 2.4 percent above January 2004 but 2.4 percent below December 2004. Butter production was 126 million pounds in January, 4.6 percent below January 2004 but 9.8 percent above December 2004. Nonfat dry milk production was 93.8 million pounds in January, 22.2 percent below January 2004 and 13.1 percent less than December 2004. The milk-feed price ratio was 3.47 in February, compared to a revised 3.50 ratio in January 2005 and a 2.60 ratio in February 2004.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.39%	7,620,105	\$1.7438	\$ 13,287,939.11
Class I Differential at Location				227,253.92
Class II Butterfat	21.71%	4,812,155	\$1.7824	8,577,185.06
Class III Butterfat	11.36%	2,518,525	\$1.7754	4,471,389.30
Class IV Butterfat	32.54%	7,210,024	\$1.7754	12,800,676.58
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,160,809</b>		<b>\$ 39,364,443.97</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.7763**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	62.03%	359,580,584	\$7.97 /cwt.	\$ 28,658,572.52
Class I Butterfat	34.39%	7,620,105	\$1.7438 /lb.	13,287,939.11
Class I Differential at Location		367,200,689		10,945,637.50
<b>Total Class I Milk</b>	<b>61.00%</b>	<b>367,200,689</b>		<b>\$ 52,892,149.13</b>
Class II Skim Milk	12.30%	71,292,784	\$7.38 /cwt.	\$ 5,261,407.45
Class II Butterfat	21.71%	4,812,155	\$1.7824 /lb.	8,577,185.06
<b>Total Class II Milk</b>	<b>12.65%</b>	<b>76,104,939</b>		<b>\$ 13,838,592.51</b>
Class III Skim Milk	9.99%	57,939,436	\$8.79 /cwt.	\$ 5,092,876.44
Class III Butterfat	11.36%	2,518,525	\$1.7754 /lb.	4,471,389.30
<b>Total Class III Milk</b>	<b>10.05%</b>	<b>60,457,961</b>		<b>\$ 9,564,265.74</b>
Class IV Skim Milk	15.68%	90,875,921	\$6.76 /cwt.	\$ 6,143,212.25
Class IV Butterfat	32.54%	7,210,024	\$1.7754 /lb.	12,800,676.58
<b>Total Class IV Milk</b>	<b>16.30%</b>	<b>98,085,945</b>		<b>\$ 18,943,888.83</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>601,849,534</b>		<b>\$ 95,238,896.21</b>

### Adjustments

Overage and Other Source	\$11,122.71
Inventory Adjustments	\$26,143.04
Producer butterfat at uniform butterfat price	(\$39,364,443.97)
Location Adjustments to Producers	\$1,637,147.25
1/2 Unobligated Balance in P.S.F.	\$256,849.64
<b>Adjusted Pool Value</b>	<b>\$ 9.97185</b>
Reserve for Producer Settlement Fund	\$0.04185
	<b>\$57,805,714.88</b>

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

**\$9.93**

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

**\$15.80\***

\* 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 %
	FEB 2005	MAR 2005	JAN 2005	FEB 2005	FEB 2005
Appalachian (Charlotte)	\$ 16.89	\$ 18.53	\$ 17.34	\$ 15.90	67.30%
Arizona-Las Vegas (Phoenix)	\$ 16.14	\$ 17.78	\$ 15.09	\$ 14.73	33.85%
Central (Kansas City)	\$ 15.79	\$ 17.43	\$ 14.95	\$ 14.50	46.85%
Florida (Tampa)	\$ 17.79	\$ 19.43	\$ 19.11	\$ 17.08	79.12%
Midwest (Cleveland)	\$ 15.79	\$ 17.43	\$ 15.22	\$ 14.71	43.00%
Northeast (Boston)	\$ 17.04	\$ 18.68	\$ 16.31	\$ 15.51	46.40%
Pacific Northwest (Seattle)	\$ 15.69	\$ 17.33	\$ 14.73	\$ 14.04	41.72%
<b>Southeast (Atlanta)</b>	<b>\$ 16.89</b>	<b>\$ 18.53</b>	<b>\$ 17.16</b>	<b>\$ 15.80</b>	<b>61.00%</b>
Southwest (Dallas)	\$ 16.79	\$ 18.43	\$ 16.04	\$ 15.24	57.54%
Upper Midwest (Chicago)	\$ 15.59	\$ 17.23	\$ 14.53	\$ 14.52	56.00%

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

<b>Receipts:</b>	<b>February 2005</b>	<b>February 2004</b>
<b>Producer Milk</b>		
Class I	367,200,689	365,247,568
Class II	76,104,939	67,197,553
Class III	60,457,961	110,869,899
Class IV	98,085,945	82,954,928
Total Producer Milk	<u>601,849,534</u>	<u>626,269,948</u>
Average Butterfat Test	3.68%	3.73%
Percent of Producer Milk in Class I	61.00%	58.32%
Daily Average Receipts	21,494,626	21,595,515
<b>Other Source Milk</b>		
Class I	5,644,846	5,791,222
Class II	5,621,370	2,842,053
Class III	1,997,974	2,092,648
Class IV	6,176,436	4,737,783
Total Other Source Milk	<u>19,440,626</u>	<u>15,463,706</u>
<b>Overage</b>		
Class I	0	0
Class II	3,782	0
Class III	0	12,160
Class IV	2,075	0
Total Overage	<u>5,857</u>	<u>12,160</u>
<b>Opening Inventory</b>		
Class I	29,901,205	31,139,946
Class II	1,672,412	625,417
Class III	13,209	487,284
Class IV	21,092,385	14,442,040
Total Opening Inventory	<u>52,679,211</u>	<u>46,694,687</u>
<b>Total Receipts</b>	<b>673,975,228</b>	<b>688,440,501</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	29,586,895	29,949,373
Route Disposition Class I	362,492,226	361,852,253
Shrinkage	3,672,688	2,391,946
Transfers & Diversions to Nonpool	6,994,931	7,985,164
Total Class I Utilization	<u>402,746,740</u>	<u>402,178,736</u>
Average Butterfat Test	2.08%	2.12%
Daily Average Utilization	14,383,812	13,868,232
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,241,229	1,433,162
Shrinkage	0	0
Transfers & Diversions to Nonpool	55,501,254	51,089,394
Used To Produce/Other Uses	26,660,020	18,142,467
Total Class II Utilization	<u>83,402,503</u>	<u>70,665,023</u>
Average Butterfat Test	6.64%	8.20%
<b>Class III Utilization</b>		
Shrinkage	0	7,617,246
Transfers & Diversions to Nonpool	62,469,144	101,322,257
Used To Produce/Other Uses	0	4,522,488
Total Class III Utilization	<u>62,469,144</u>	<u>113,461,991</u>
Average Butterfat Test	4.16%	4.36%
<b>Class IV Utilization</b>		
Inventory	23,415,071	26,995,674
Nonfluid Used To Fortify	1,576,373	1,542,669
Shrinkage	6,329,838	0
Transfers & Diversions to Nonpool	85,075,584	70,772,456
Used To Produce/Other Uses	8,959,975	2,823,952
Total Class IV Utilization	<u>125,356,841</u>	<u>102,134,751</u>
Average Butterfat Test	6.83%	6.32%
<b>Total Utilization</b>	<b>673,975,228</b>	<b>688,440,501</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2005 is \$15.80 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.93 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7763 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 February, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.03% of all producer skim milk (priced to handlers at \$7.97 per hundredweight, plus the Class I differential, see page 2) and 34.39% of producer butterfat (priced to handlers at \$1.7438 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.30% of all producer skim milk (\$7.38 per hundredweight) and 21.71% of producer butterfat (\$1.7824 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.99% of all producer skim milk (\$8.79 per hundredweight) and 11.36% of producer butterfat (\$1.7754 per pound). Class IV use, generally milk processed into butter and powder, accounted for 15.68% of all producer skim milk (\$6.76 per hundredweight) and 32.54% of producer butterfat (\$1.7754 per pound).

Receipts of producer milk during February 2005 totaled 601.8 million pounds. There were 31 regulated pool distributing plants, 3 pool supply plants and 7 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2005. Class I route disposition in the area totaled 422.5 million pounds in January 2005.

### Packaged Class I Route Sales in Marketing Area

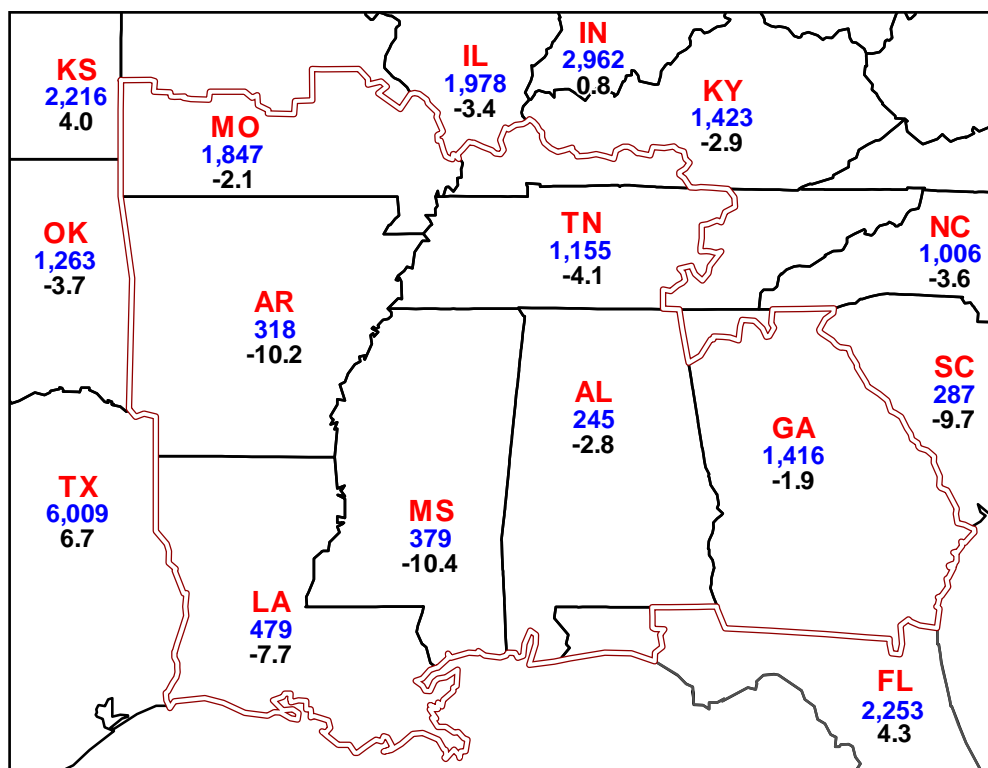
Product Description	Pounds	Percent
<b>January 2005</b>		
Whole Milk	154,992,519	36.68%
Fat Free Milk	51,285,689	12.14%
Lowfat Milk (incl. 1%)	29,500,639	6.98%
Reduced Fat Milk (incl. 2%)	133,653,169	31.63%
Cultured Fluid Milk (incl. Buttermilk)	9,907,245	2.34%
Flavored Drinks and Milk	43,168,938	10.22%
<b>Total Disposition in Marketing Area</b>	<b>422,508,199</b>	<b>100.00%</b>
Total Disposition by Pool Plants	350,225,626	82.89%
Total Disposition by Nonpool Plants	72,282,573	17.11%
<b>Total Disposition in Marketing Area</b>	<b>422,508,199</b>	<b>100.00%</b>

### 2004 State Production

(in millions of pounds with percent change from 2003)

While the total amount of milk produced in the U.S. rose 0.2 percent in 2004, production in the states of the Southeast marketing area experienced various levels of decline. The map at right shows for each state the total amount of milk produced in millions of pounds (the top value) and the percent change in volume produced compared to 2003 (the bottom value). The combined state production of Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi and Tennessee was 7.26 billion pounds in 2004, down 286 million pounds or 3.8 percent from 2003.

Source: "Milk Production," Da 1-1 (2-05), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.





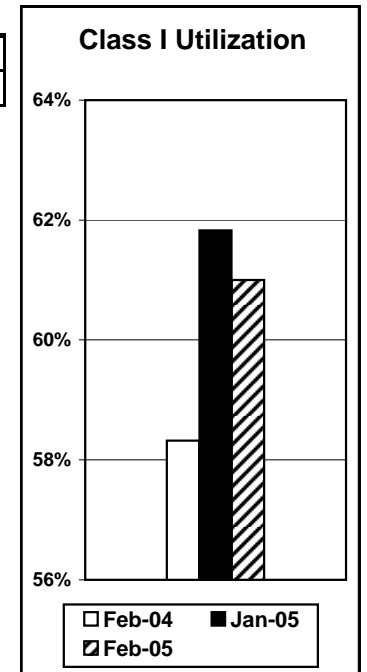
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
<b>2002 Avg</b>	\$10.11	\$1.2433	\$14.11	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 9.10	\$1.2109	\$13.01
<b>2003 Avg</b>	\$10.57	\$1.2247	\$14.48	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 9.53	\$1.2165	\$13.46
Jan <b>2004</b>	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan <b>2005</b>	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44											

**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.	%
<b>2002 Avg</b>	660,548	4,603	397,278	60.63%	66,345	10.01%	136,479	20.61%	60,447	8.74%
<b>2003 Avg</b>	589,245	4,200	385,752	65.79%	58,764	10.06%	104,806	17.41%	39,923	6.74%
Jan <b>2004</b>	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan <b>2005</b>	656,001	3,650**	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,650**	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%

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



Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods March 2005 through May 2005							
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
March 2005	04/11/05	04/12/05	04/13/05	03/25/05	03/28/05	04/13/05	04/14/05
April 2005	05/11/05	05/12/05	05/13/05	04/25/05	04/26/05	05/13/05	05/16/05
May 2005	06/11/05	06/13/05	06/14/05	05/25/05	05/26/05	06/14/05	06/15/05

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$14.22 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.80 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

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**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

April 2005

Volume 6—No. 4

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

## Hearing Set on Fluid Milk Product Definition

The U.S. Department of Agriculture (USDA) has announced that it will hold a national public hearing to consider proposals seeking to amend the Class I fluid milk product definition in all Federal milk marketing orders. The hearing will begin at 8:00 a.m. on June 20, 2005, at the Sheraton Station Square Hotel, 300 West Station Square Drive, Pittsburgh, PA 15219-1122.

The hearing was requested by Dairy Farmers of America, Inc. (DFA), who asked USDA to reconsider which dairy products should be classified as Class I products. DFA contends that many fluid consumable milk products are currently classified as Class II products because of the current formulation standard. The hearing notice, along with the proposed order language, was published in the April 12th Federal Register. Additional information is available on the Agriculture Marketing Services' website at: [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy). Contact this office with questions regarding the hearing notice.

## Producer-Handler Recommended Decision

The U.S. Department of Agriculture has issued a recommended decision to amend the Pacific Northwest and Arizona-Las Vegas Orders. The decision recommends establishing a three million pound per month route disposition limit, which if exceeded, would make a producer-handler subject to the pooling and pricing provisions of those Orders.

Interested parties have 60 days to file comments in response to the decision. Comments (six copies) should be filed with the Hearing Clerk, STOP 9200-Room 1083, United States Department of Agriculture, 1400 Independence Avenue, SW., Washington, DC 20250-9200. Comments may also be submitted to [amsdairycomments@usda.gov](mailto:amsdairycomments@usda.gov). Reference should be made to the title of action and docket number. The decision was published in the April 13th edition of the Federal Register and is also available at [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

## Blend Price Climbs

The uniform blend price in Fulton County, GA, was \$16.63 per hundredweight of milk at 3.5 percent butterfat for the month of March. This represents an increase of \$0.83 from February and is a \$1.02 more than March 2004. Class I utilization was 59.28 percent, 1.72 percent lower than February and 1.87 percent lower than March 2004.

## HURRICANE RELIEF UPDATE

Eligible claims for hurricane-related transportation costs totaled \$65,795.13 for March, the final month of operation of the hurricane relief fund. In March, the fund collected \$80,447.87 based on the 2.0-cent per hundredweight assessment on Class I producer milk. Dollars assessed in excess of eligible claims will be returned to handlers on a pro rata basis.

In total, the hurricane relief fund collected and distributed over \$290,000 to handlers for extraordinary transportation expenses occurring over a 7-week period in the fall of 2004, when four hurricanes disrupted the orderly marketing of milk in the Appalachian, Florida and Southeast Orders.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in February was 13.5 billion pounds, a decrease of 1.1 percent from February 2004 (but up 2.5 percent when accounting for leap year) and a decrease of 7.6 percent when compared with January 2005 (but up 2.2 percent on a daily average basis). Total cheese output (excluding cottage cheese) was 708 million pounds, 0.5 percent above February 2004 but 6.2 percent below January 2005. Butter production was 113 million pounds in February, 7.3 percent above February 2004 but 11.8 percent below January 2005. Non-fat dry milk production was 94.3 million pounds in February, 18.6 percent below February 2004 but 0.5 percent more than January 2005. The milk-feed price ratio was 3.35 in March 2005.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.18%	8,409,453	\$1.7658	\$ 14,849,412.13
Class I Differential at Location				252,020.55
Class II Butterfat	24.36%	5,994,053	\$1.7349	10,399,082.53
Class III Butterfat	15.70%	3,862,989	\$1.7279	6,674,858.68
Class IV Butterfat	25.76%	6,338,550	\$1.7279	10,952,380.54
<b>Total Butterfat</b>	<b>100.00%</b>	<b>24,605,045</b>		<b>\$ 43,127,754.43</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.7528**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	60.22%	393,829,884	\$9.59 /cwt.	\$ 37,768,285.86
Class I Butterfat	34.18%	8,409,453	\$1.7658 /lb.	14,849,412.13
Class I Differential at Location		402,239,337		11,987,799.18
<b>Total Class I Milk</b>	<b>59.28%</b>	<b>402,239,337</b>		<b>\$ 64,605,497.17</b>
Class II Skim Milk	12.34%	80,694,425	\$7.44 /cwt.	\$ 6,003,665.24
Class II Butterfat	24.36%	5,994,053	\$1.7349 /lb.	10,399,082.53
<b>Total Class II Milk</b>	<b>12.78%</b>	<b>86,688,478</b>		<b>\$ 16,402,747.77</b>
Class III Skim Milk	13.46%	88,001,489	\$8.32 /cwt.	\$ 7,321,723.87
Class III Butterfat	15.70%	3,862,989	\$1.7279 /lb.	6,674,858.68
<b>Total Class III Milk</b>	<b>13.54%</b>	<b>91,864,478</b>		<b>\$ 13,996,582.55</b>
Class IV Skim Milk	13.98%	91,384,614	\$6.85 /cwt.	\$ 6,259,846.09
Class IV Butterfat	25.76%	6,338,550	\$1.7279 /lb.	10,952,380.54
<b>Total Class IV Milk</b>	<b>14.40%</b>	<b>97,723,164</b>		<b>\$ 17,212,226.63</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>678,515,457</b>		<b>\$ 112,217,054.12</b>

### Adjustments

Overage and Other Source	\$72,234.96
Inventory Adjustments	\$65,680.93
Producer butterfat at uniform butterfat price	(\$43,127,754.43)
Location Adjustments to Producers	\$2,049,047.85
1/2 Unobligated Balance in P.S.F.	\$181,442.87

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.92775	\$71,457,706.30
	\$ 0.04775	\$312,165.90

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

**\$10.88**

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

**\$16.63\***

\* 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 %
	MAR 2005	APR 2005	FEB 2005	MAR 2005	MAR 2005
Appalachian (Charlotte)	\$ 18.53	\$ 17.23	\$ 15.90	\$ 16.74	61.77%
Arizona-Las Vegas (Phoenix)	\$ 17.78	\$ 16.48	\$ 14.73	\$ 14.86	31.28%
Central (Kansas City)	\$ 17.43	\$ 16.13	\$ 14.50	\$ 14.73	28.04%
Florida (Tampa)	\$ 19.43	\$ 18.13	\$ 17.08	\$ 18.15	77.10%
Mideast (Cleveland)	\$ 17.43	\$ 16.13	\$ 14.71	\$ 14.95	32.90%
Northeast (Boston)	\$ 18.68	\$ 17.38	\$ 15.51	\$ 16.04	44.80%
Pacific Northwest (Seattle)	\$ 17.33	\$ 16.03	\$ 14.04	\$ 14.59	32.96%
<b>Southeast (Atlanta)</b>	<b>\$ 18.53</b>	<b>\$ 17.23</b>	<b>\$ 15.80</b>	<b>\$ 16.63</b>	<b>59.28%</b>
Southwest (Dallas)	\$ 18.43	\$ 17.13	\$ 15.24	\$ 15.79	43.91%
Upper Midwest (Chicago)	\$ 17.23	\$ 15.93	\$ 14.52	\$ 14.49	17.70%

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

<b>Receipts:</b>	<b>March 2005</b>	<b>March 2004</b>
<b>Producer Milk</b>		
Class I	402,239,337	401,134,305
Class II	86,688,478	78,229,727
Class III	91,864,478	132,948,975
Class IV	97,723,164	43,776,406
	<hr/>	<hr/>
Total Producer Milk	<b>678,515,457</b>	<b>656,089,413</b>
Average Butterfat Test	3.63%	3.62%
Percent of Producer Milk in Class I	59.28%	61.15%
Daily Average Receipts	21,887,595	21,164,175
<b>Other Source Milk</b>		
Class I	6,213,783	7,088,105
Class II	8,690,616	3,397,578
Class III	5,339,086	2,827,392
Class IV	12,347,529	4,963,956
	<hr/>	<hr/>
Total Other Source Milk	<b>32,591,014</b>	<b>18,277,031</b>
<b>Overage</b>		
Class I	0	0
Class II	135,395	13,355
Class III	0	0
Class IV	3,694	14,773
	<hr/>	<hr/>
Total Overage	<b>139,089</b>	<b>28,128</b>
<b>Opening Inventory</b>		
Class I	30,401,819	29,997,391
Class II	3,085,381	1,913,039
Class III	222,319	117,163
Class IV	19,292,447	24,917,454
	<hr/>	<hr/>
Total Opening Inventory	<b>53,001,966</b>	<b>56,945,047</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>764,247,526</b>	<b>731,339,619</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	32,913,910	30,472,483
Route Disposition Class I	395,324,628	398,156,593
Shrinkage	2,001,886	2,080,918
Transfers & Diversions to Nonpool	8,614,515	7,509,807
	<hr/>	<hr/>
Total Class I Utilization	<b>438,854,939</b>	<b>438,219,801</b>
Average Butterfat Test	2.09%	2.12%
Daily Average Utilization	14,156,611	14,136,123
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,908,335	1,641,211
Shrinkage	0	0
Transfers & Diversions to Nonpool	60,058,458	59,946,310
Used To Produce/Other Uses	36,633,077	21,966,178
	<hr/>	<hr/>
Total Class II Utilization	<b>98,599,870</b>	<b>83,553,699</b>
Average Butterfat Test	7.32%	7.51%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool	97,425,883	135,893,530
Used To Produce/Other Uses	0	0
	<hr/>	<hr/>
Total Class III Utilization	<b>97,425,883</b>	<b>135,893,530</b>
Average Butterfat Test	4.17%	4.41%
<b>Class IV Utilization</b>		
Inventory	17,999,715	23,241,345
Nonfluid Used To Fortify	1,638,227	1,752,954
Shrinkage	7,146,001	7,721,126
Transfers & Diversions to Nonpool	81,496,614	29,652,408
Used To Produce/Other Uses	21,086,277	11,304,756
	<hr/>	<hr/>
Total Class IV Utilization	<b>129,366,834</b>	<b>73,672,589</b>
Average Butterfat Test	6.06%	6.57%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>764,247,526</b>	<b>731,339,619</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2005 is \$16.63 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.88 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7528 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 March, Class I use, which is primarily bottled or packaged fluid milk, accounted for 60.22% of all producer skim milk (priced to handlers at \$9.59 per hundredweight, plus the Class I differential, see page 2) and 34.18% of producer butterfat (priced to handlers at \$1.7658 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.34% of all producer skim milk (\$7.44 per hundredweight) and 24.36% of producer butterfat (\$1.7349 per pound). Class III use, mostly milk used to produce cheese, accounted for 13.46% of all producer skim milk (\$8.32 per hundredweight) and 15.70% of producer butterfat (\$1.7279 per pound). Class IV use, generally milk processed into butter and powder, accounted for 13.98% of all producer skim milk (\$6.85 per hundredweight) and 25.76% of producer butterfat (\$1.7279 per pound).

Receipts of producer milk during March 2005 totaled 678.5 million pounds. There were 27 regulated pool distributing plants, 3 pool supply plants and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2005. Class I route disposition in the area totaled 381.2 million pounds in February 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2005</b>		
Whole Milk	137,773,112	36.14%
Fat Free Milk	46,366,987	12.16%
Lowfat Milk (incl. 1%)	26,568,723	6.97%
Reduced Fat Milk (incl. 2%)	120,964,667	31.73%
Cultured Fluid Milk (incl. Buttermilk)	8,619,548	2.26%
Flavored Drinks and Milk	40,945,940	10.74%
<b>Total Disposition in Marketing Area</b>	<b>381,238,977</b>	<b>100.0%</b>
Total Disposition by Pool Plants	312,821,588	82.05%
Total Disposition by Nonpool Plants	68,417,389	17.95%
<b>Total Disposition in Marketing Area</b>	<b>381,238,977</b>	<b>100.0%</b>

### 2004 Mailbox Milk Prices 2/

Reporting Area 1/	July	August	September	October	November	December	2004 Average
Northeast Federal Order	\$17.01	\$15.07	\$15.74	\$16.20	\$16.55	\$16.70	\$16.32
Appalachian States 3/	\$18.14	\$15.11	\$15.71	\$15.96	\$16.06	\$16.36	\$16.21
<b>Southeast States 4/</b>	<b>\$19.04</b>	<b>\$15.75</b>	<b>\$16.46</b>	<b>\$16.57</b>	<b>\$16.68</b>	<b>\$16.80</b>	<b>\$16.81</b>
<b>Southern Missouri 5/</b>	<b>\$17.51</b>	<b>\$14.46</b>	<b>\$15.15</b>	<b>\$15.50</b>	<b>\$15.57</b>	<b>\$15.97</b>	<b>\$15.61</b>
Florida	\$20.47	\$17.18	\$17.56	\$18.13	\$18.17	\$18.10	\$18.26
Indiana	\$16.36	\$14.68	\$15.35	\$15.68	\$16.16	\$16.51	\$15.87
Michigan	\$16.94	\$14.92	\$15.55	\$15.79	\$16.20	\$16.52	\$16.02
Wisconsin	\$16.09	\$14.53	\$15.10	\$15.37	\$15.92	\$16.09	\$15.57
Iowa	\$16.11	\$15.23	\$15.86	\$16.00	\$16.65	\$17.25	\$16.56
Corn Belt States 6/	\$15.71	\$15.05	\$15.57	\$15.58	\$16.47	\$16.60	\$16.29
Western Texas 7/	\$15.76	\$14.89	\$15.47	\$15.71	\$16.19	\$16.57	\$16.02
New Mexico	\$16.00	\$14.80	\$15.68	\$15.95	\$16.41	\$16.87	\$16.12
Northwest States 8/	\$15.02	\$13.76	\$14.36	\$14.42	\$14.93	\$15.30	\$14.80
All Federal Order Areas 9/	\$16.32	\$14.75	\$15.37	\$15.58	\$16.12	\$16.38	\$15.93
California 10/	\$13.91	\$13.73	\$14.37	\$14.12	\$15.23	\$15.18	\$14.76

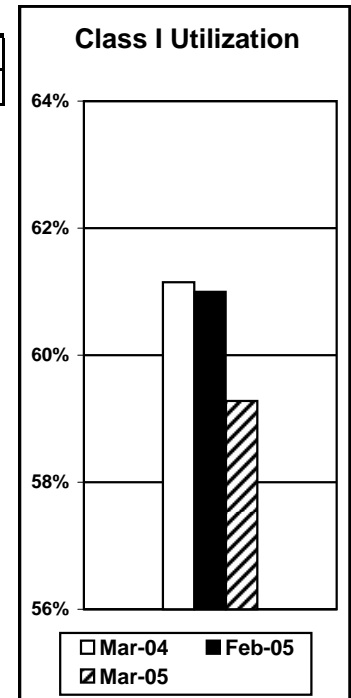
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average. 10/ From California Department of Food and Agriculture.

**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
<b>2002 Avg</b>	\$10.11	\$1.2433	\$14.11	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 9.10	\$1.2109	\$13.01
<b>2003 Avg</b>	\$10.57	\$1.2247	\$14.48	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 9.53	\$1.2165	\$13.46
Jan <b>2004</b>	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan <b>2005</b>	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54											

**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.	%
<b>2002 Avg</b>	660,548	4,603	397,278	60.63%	66,345	10.01%	136,479	20.61%	60,447	8.74%
<b>2003 Avg</b>	589,245	4,200	385,752	65.79%	58,764	10.06%	104,806	17.41%	39,923	6.74%
Jan <b>2004</b>	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan <b>2005</b>	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,500**	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%



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

Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods April 2005 through June 2005							
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 2005	05/11/05	05/12/05	05/13/05	04/25/05	04/26/05	05/13/05	05/16/05
May 2005	06/11/05	06/13/05	06/14/05	05/25/05	05/26/05	06/14/05	06/15/05
June 2005	07/11/05	07/12/05	07/13/05	06/27/05	06/27/05	07/13/05	07/14/05

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$14.97 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.63 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

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**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*



# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

May 2005

Volume 6—No. 5

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

## 04' Cash Receipts Up 29%

The U.S. Department of Agriculture (USDA), through its National Agricultural Statistics Service (NASS) department, has released the Milk Production, Disposition and Income Summary for 2004. It estimates that U.S. milk production was 170.8 billion pounds last year, a slight 0.2 percent above 2003. Not surprisingly, the size of the U.S. milking herd continued to decline, falling by 73,000 head from 2003, to 9.01 million cows.

Milk per cow, which in 2004 averaged 18,957 pounds, was 197 pounds more than during 2003. For perspective, over the past ten years, the annual average change in milk per cow has been an increase of 325 pounds.

The most significant change for 2004, and the most welcomed by dairy farmers, was the increase in cash receipts from marketings of milk. During 2004, farm revenue from the sale of milk and cream totaled \$27.4 billion, an increase of 29 percent from the previous year. This corresponds with the 29 percent rise in the annual average all-milk price from \$12.55 per hundredweight in 2003 to \$16.13 per hundredweight during 2004.

To view the full 2004 summary, including a state by state comparison of these data, visit the NASS website at <http://usda.mannlib.cornell.edu/reports/nassr/dairy/pmp-bbm/>.

## Nominees Sought for National Dairy Board

USDA is asking dairy and farm organizations to nominate candidates to serve on the National Dairy Promotion and Research Board. Regions in need of new members include Region 4 (Arkansas, Kansas, New Mexico, Oklahoma and Texas), Region 7 (Illinois, Iowa, Missouri and Nebraska) and Region 8 (Alabama, Kentucky, Louisiana, Mississippi and Tennessee). To nominate a candidate, contact the Promotions and Research Branch at (202) 720-6909 or email [michael.johnson2@usda.gov](mailto:michael.johnson2@usda.gov) before May 31.

## Blend Tumbles Lower

The uniform blend price in Fulton County, GA, was \$15.85 per hundredweight of milk at 3.5 percent butterfat for the month of April. This represents a decrease of \$0.78 from March and a decrease of \$0.87 from April 2004. Class I utilization was 56.55 percent, 2.73 percent lower than the previous month and 12.91 percent lower than April 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in March was 15.2 billion pounds, an increase of 2.8 percent from March 2004 and an increase of 12.5 percent when compared with February 2005 (but only 1.6 percent higher on a daily average basis). First quarter 2005 milk production was 1.1 percent above 2004. Total cheese output (excluding cottage cheese) was 797 million pounds, 1.4 percent above March 2004 and 12.6 percent above February 2005. Butter production was 120 million pounds in March, 19.3 percent above March 2004 and 5.5 percent above February 2005. Nonfat dry milk production was 109 million pounds in March, 7.7 percent less than March 2004 but 15.6 percent more than was produced in February 2005.

## New Associate Deputy Administrator

USDA's Agricultural Marketing Service (AMS), Dairy Programs has a new Associate Deputy Administrator, David Jamison. Mr. Jamison will also serve as the Acting Associate Deputy Administrator for Order Formulation and Enforcement Branch temporarily. Most recently, Mr. Jamison spent 8 years serving as AMS's Promotion and Research Branch Chief, but is well versed in the various aspects of the Federal milk order program.

## Processor Promotion Board Appointments

Secretary of Agriculture Johanns has appointed new members to the National Fluid Milk Processor Promotion Board. Re-appointed to represent Region 11 (which includes Arkansas and Missouri) is Gary Aggus, of Hiland Dairy Foods Company, LLC.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.04%	8,137,116	\$1.7359	\$ 14,125,219.69
Class I Differential at Location				244,124.37
Class II Butterfat	22.52%	5,546,027	\$1.7034	9,447,102.40
Class III Butterfat	16.44%	4,049,144	\$1.6964	6,868,967.88
Class IV Butterfat	28.00%	6,897,366	\$1.6964	11,700,691.68
<b>Total Butterfat</b>	<b>100.00%</b>	<b>24,629,653</b>		<b>\$ 42,386,106.02</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.7209**

### 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	57.41%	382,972,437	\$8.35 /cwt.	\$ 31,978,198.49
Class I Butterfat	33.04%	8,137,116	\$1.7359 /lb.	14,125,219.69
Class I Differential at Location		391,109,553		11,666,663.85
<b>Total Class I Milk</b>	<b>56.55%</b>	<b>391,109,553</b>		<b>\$ 57,770,082.03</b>
Class II Skim Milk	12.06%	80,469,513	\$7.54 /cwt.	\$ 6,067,401.29
Class II Butterfat	22.52%	5,546,027	\$1.7034 /lb.	9,447,102.40
<b>Total Class II Milk</b>	<b>12.43%</b>	<b>86,015,540</b>		<b>\$ 15,514,503.69</b>
Class III Skim Milk	14.69%	97,994,424	\$8.99 /cwt.	\$ 8,809,698.73
Class III Butterfat	16.44%	4,049,144	\$1.6964 /lb.	6,868,967.88
<b>Total Class III Milk</b>	<b>14.75%</b>	<b>102,043,568</b>		<b>\$ 15,678,666.61</b>
Class IV Skim Milk	15.84%	105,661,933	\$6.91 /cwt.	\$ 7,301,239.58
Class IV Butterfat	28.00%	6,897,366	\$1.6964 /lb.	11,700,691.68
<b>Total Class IV Milk</b>	<b>16.27%</b>	<b>112,559,299</b>		<b>\$ 19,001,931.26</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>691,727,960</b>		<b>\$ 107,965,183.59</b>

### Adjustments

Overage and Other Source	\$34,272.71
Inventory Adjustments	\$9,912.24
Producer butterfat at uniform butterfat price	(\$42,386,106.02)
Location Adjustments to Producers	\$2,208,386.67
1/2 Unobligated Balance in P.S.F.	\$375,013.05
<b>Adjusted Pool Value</b>	<b>\$ 10.22438</b>
Reserve for Producer Settlement Fund	\$ 0.04438
	<b>\$68,206,662.24</b>
	\$293,527.37

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

**\$10.18**

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

**\$15.85\***

\* 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 %
	APR 2005	MAY 2005	MAR 2005	APR 2005	APR 2005
Appalachian (Charlotte)	\$ 17.23	\$ 17.90	\$ 16.74	\$ 15.92	61.65%
Arizona-Las Vegas (Phoenix)	\$ 16.48	\$ 17.15	\$ 14.86	\$ 14.59	30.61%
Central (Kansas City)	\$ 16.13	\$ 16.80	\$ 14.73	\$ 14.59	46.99%
Florida (Tampa)	\$ 18.13	\$ 18.80	\$ 18.15	\$ 17.30	78.93%
Mideast (Cleveland)	\$ 16.13	\$ 16.80	\$ 14.95	\$ 14.76	36.50%
Northeast (Boston)	\$ 17.38	\$ 18.05	\$ 16.04	\$ 15.52	42.90%
Pacific Northwest (Seattle)	\$ 16.03	\$ 16.70	\$ 14.59	\$ 14.12	39.01%
<b>Southeast (Atlanta)</b>	<b>\$ 17.23</b>	<b>\$ 17.90</b>	<b>\$ 16.63</b>	<b>\$ 15.85</b>	<b>56.55%</b>
Southwest (Dallas)	\$ 17.13	\$ 17.80	\$ 15.79	\$ 15.28	49.00%
Upper Midwest (Chicago)	\$ 15.93	\$ 16.60	\$ 14.49	\$ 14.65	53.40%

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

<b>Receipts:</b>	<b>April 2005</b>	<b>April 2004</b>
<b>Producer Milk</b>		
Class I	391,109,553	390,524,980
Class II	86,015,540	74,196,191
Class III	102,043,568	13,399,219
Class IV	112,559,299	84,104,282
Total Producer Milk	<u>691,727,960</u>	<u>562,224,672</u>
Average Butterfat Test	56.55%	3.56%
Percent of Producer Milk in Class I	3.56%	69.46%
Daily Average Receipts	23,057,599	18,740,822
<b>Other Source Milk</b>		
Class I	5,871,373	6,558,491
Class II	7,652,610	3,992,003
Class III	11,583,406	103,135
Class IV	11,870,529	3,316,656
Total Other Source Milk	<u>36,977,918</u>	<u>13,970,285</u>
<b>Overage</b>		
Class I	0	0
Class II	4,591	0
Class III	1	5,075
Class IV	27,656	0
Total Overage	<u>32,248</u>	<u>5,075</u>
<b>Opening Inventory</b>		
Class I	32,913,910	31,249,082
Class II	1,020,429	2,191,339
Class III	259,277	402,891
Class IV	16,720,009	18,809,049
Total Opening Inventory	<u>50,913,625</u>	<u>52,652,361</u>
<b>Total Receipts</b>	<b>779,651,751</b>	<b>628,852,393</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	31,569,058	38,325,268
Route Disposition Class I	388,365,431	379,817,580
Shrinkage	2,699,349	2,028,010
Transfers & Diversions to Nonpool	7,260,998	8,161,695
Total Class I Utilization	<u>429,894,836</u>	<u>428,332,553</u>
Average Butterfat Test	2.08%	2.12%
Daily Average Utilization	14,329,828	14,277,752
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,533,169	1,773,352
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	61,110,776	56,074,914
Total Class II Utilization	<u>32,049,225</u>	<u>22,531,267</u>
Average Butterfat Test	94,693,170	80,379,533
Average Butterfat Test	6.76%	7.33%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	113,886,252	13,910,320
Total Class III Utilization	<u>113,886,252</u>	<u>13,910,320</u>
Average Butterfat Test	3.92%	9.09%
<b>Class IV Utilization</b>		
Inventory	16,593,813	9,810,402
Nonfluid Used To Fortify	1,469,737	1,670,228
Shrinkage	6,825,560	7,201,533
Transfers & Diversions to Nonpool Used To Produce/Other Uses	91,832,351	82,703,745
Total Class IV Utilization	<u>24,456,032</u>	<u>4,844,079</u>
Average Butterfat Test	141,177,493	106,229,987
Average Butterfat Test	5.86%	5.67%
<b>Total Utilization</b>	<b>779,651,751</b>	<b>628,852,393</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2005 is \$15.85 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.88 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7209 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 April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 57.41% of all producer skim milk (priced to handlers at \$8.35 per hundredweight, plus the Class I differential, see page 2) and 33.04% of producer butterfat (priced to handlers at \$1.7359 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.06% of all producer skim milk (\$7.54 per hundredweight) and 22.52% of producer butterfat (\$1.7034 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.69% of all producer skim milk (\$8.99 per hundredweight) and 16.44% of producer butterfat (\$1.6964 per pound). Class IV use, generally milk processed into butter and powder, accounted for 15.84% of all producer skim milk (\$6.91 per hundredweight) and 28.00% of producer butterfat (\$1.6964 per pound).

Receipts of producer milk during April 2005 totaled 691.7 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2005. Class I route disposition in the area totaled 414.6 million pounds in March 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>March 2005</b>		
Whole Milk	152,312,619	36.74%
Fat Free Milk	50,420,225	12.16%
Lowfat Milk (incl. 1%)	28,976,556	6.99%
Reduced Fat Milk (incl. 2%)	132,118,347	31.87%
Cultured Fluid Milk (incl. Buttermilk)	9,618,734	2.32%
Flavored Drinks and Milk	41,130,499	9.92%
<b>Total Disposition in Marketing Area</b>	<b>414,576,980</b>	<b>100.00%</b>
Total Disposition by Pool Plants	337,057,769	81.30%
Total Disposition by Nonpool Plants	77,519,211	18.70%
<b>Total Disposition in Marketing Area</b>	<b>414,576,980</b>	<b>100.00%</b>

### \*\*Notice of Proposal to Change Administration of 'Touch-Base' Provision\*\*

On April 25, 2005, the Market Administrator of the Southeast Order received a written request from Arkansas Dairy Cooperative Association, Dairy Farmers of America, Inc., Dairymen's Marketing Cooperative Association, Inc., Lone Star Milk Producers, Inc., and Maryland and Virginia Milk Producers Cooperatives Association, Inc. to change the administration of the producer milk definition. Specifically, the request seeks to alter the administration of Sections 1007.13(d)(1) and (2) by eliminating the requirement that at least one day's production of a dairy farmer be received at a pool plant prior to being eligible for diversion. Under proponent's request, a producer would be eligible to divert milk before being received at a pool plant, that is to say, prior to establishing market association. The proponents do not seek to alter the current 4 or 10 days' shipping requirement nor the maximum diversion limits found in Sections 1007.13(d)(3) and (4). The full proposal is available for viewing at [www.fmmatlanta.com](http://www.fmmatlanta.com) (click on 'What's New').

As Sections 1007.13(d)(1) and (2) are currently administered, at least one day's production of a producer must be received at a pool plant prior to the producer's milk being eligible for diversion. Such milk will only remain eligible for diversion if not less than 4 days' production is physically received at a pool plant during the months of January through June, and not less than 10 days' production is physically received at a pool plant during the months of July through December. Stated differently, a producer must 'touch-base' at a pool plant one day in order to establish association with the market before being able to divert milk to nonpool plants. Such market association will continue as long as an entire day's production of Grade A milk is not withheld from the Southeast Order pool. In addition, a producer must continue to 'touch-base' at least 4 or 10 days during the month for the milk diverted to nonpool plants to be pooled on this Order.

The current Market Administrator application reflects long-standing policy in the administration of Sections 1007.13(d)(1) and (2) and has been utilized to conform order operations to historical order provisions. Producer milk provisions and procedures vary among the Federal milk orders in an effort to address unique market needs and circumstances. An administrative policy change of this nature does not require a public hearing, but may be made at the discretion of the Market Administrator.

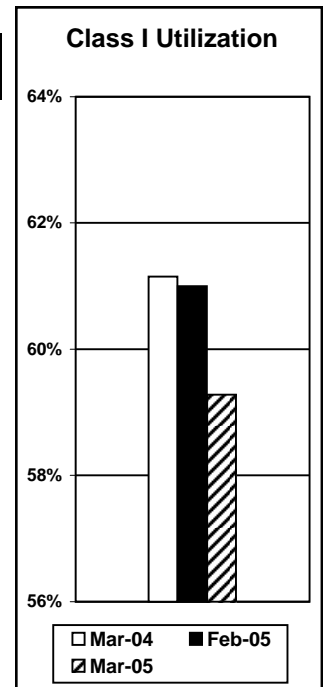
Written comments are requested from handlers and interested parties on this proposed change to policy. **Comments should be received by the Market Administrator no later than May 24, 2005.** Send comments by mail to USDA-Milk Market Administrator, Federal Order 7, P.O. Box 491778, Lawrenceville, GA 30049, by fax to 770-822-1038, or by email to [smosley@fmmatlanta.com](mailto:smosley@fmmatlanta.com).

**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
<b>2002 Avg</b>	\$10.11	\$1.2433	\$14.11	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 9.10	\$1.2109	\$13.01
<b>2003 Avg</b>	\$10.57	\$1.2247	\$14.48	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 9.53	\$1.2165	\$13.46
Jan <b>2004</b>	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan <b>2005</b>	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61											

**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.	%
<b>2002 Avg</b>	660,548	4,603	397,278	60.63%	66,345	10.01%	136,479	20.61%	60,447	8.74%
<b>2003 Avg</b>	589,245	4,200	385,752	65.79%	58,764	10.06%	104,806	17.41%	39,923	6.74%
Jan <b>2004</b>	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan <b>2005</b>	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,500**	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%



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

Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods May 2005 through July 2005							
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
May 2005	06/11/05	06/13/05	06/14/05	05/25/05	05/26/05	06/14/05	06/15/05
June 2005	07/11/05	07/12/05	07/13/05	06/27/05	06/27/05	07/13/05	07/14/05
July 2005	08/11/05	08/12/05	08/15/05	07/25/05	07/26/05	08/15/05	08/16/05

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$14.27 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.85 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

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**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*

# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

June 2005

Volume 6—No. 6

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

## USDA Announces Partial Recommended Decision on Proposed Merger

The U.S. Department of Agriculture has announced a decision that recommends adopting proposed amendments to the Appalachian and Southeast Federal milk marketing orders. This decision is based on record evidence of a public hearing held in February 2004 in Atlanta, GA.

This decision recommends expanding the Appalachian milk marketing area to include 25 unregulated counties and 14 unregulated cities in Virginia and eliminating the ability to simultaneously pool the same milk on the Appalachian or Southeast order and a state-operated milk order that has market-wide pooling. The decision also recommends amending the transportation credit provisions of the Appalachian and Southeast orders to increase the maximum rate of assessment by 3 cents per hundredweight to \$0.095 per hundredweight and \$0.10 per hundredweight, respectively.

This decision does not recommend adopting a proposal that would merge the Appalachian and Southeast milk marketing areas into a single order or a proposal that would create a new "Mississippi Valley" milk order by splitting the Southeast marketing area. Proposals regarding the producer-handler provisions of the Appalachian and Southeast orders will be addressed in a separate decision.

The partial recommended decision was published in the May 20, 2005, Federal Register (available at [www.fmmatlanta.com](http://www.fmmatlanta.com) click on 'What's New'). **Interested persons are provided 60 days to file comments in response to the decision.** Comments should be sent to David Jamison, Acting Chief, Order Formulation and Enforcement Branch, Dairy Programs/AMS/USDA, Room 2968-S, Washington, DC 20250.

Due to prohibitions on ex-parte communications, only procedural questions may be addressed to the Market Administrator's office at 770-682-2501.

## Blend Price Slips Lower

The uniform blend price in Fulton County, GA, was \$15.73 per hundredweight of milk at 3.5 percent butterfat for the month of May. This represents a decrease of \$0.12 from April and a decrease of \$4.54 from May 2004. Class I utilization was 52.55 percent, 4.00 percent lower than the previous month and 5.07 percent lower than May 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in April was 14.9 billion pounds, an increase of 2.9 percent from April 2004 and a decrease of 1.4 percent when compared with March 2005 (but 1.9 percent higher on a daily average basis). Total cheese output (excluding cottage cheese) was 764 million pounds, 0.4 percent above April 2004 but 4.4 percent below March 2005. Butter production was 115 million pounds in April, 15.1 percent above April 2004 but 5.5 percent below March 2005. Nonfat dry milk production was 109 million pounds in April, 18.8 percent less than April 2004 but no change from March 2005.

## Upper Midwest Dairymen Approve Order

The U.S. Department of Agriculture has issued an interim order amending provisions of the Upper Midwest Federal milk marketing order. This interim order amends the performance standards and transportation credit provisions of the Upper Midwest order. The amendments include revising the supply plant performance standards so that milk seeking to be pooled on the order demonstrates consistent service to the Class I market and several provisions designed to limit the ability to pool milk from states that are not associated with the order. The decision was published in the Federal Register on June 1, 2005. Additional information is available online at [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm).

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2005**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	31.26%	7,967,232	\$1.7092	\$ 13,617,592.94
Class I Differential at Location				237,560.52
Class II Butterfat	24.70%	6,294,004	\$1.5545	9,784,029.22
Class III Butterfat	18.18%	4,634,474	\$1.5475	7,171,848.54
Class IV Butterfat	25.86%	6,590,005	\$1.5475	10,198,032.79
<b>Total Butterfat</b>	<b>100.00%</b>	<b>25,485,715</b>		<b>\$ 41,009,064.01</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6091**

**Calculation of Uniform Skim Milk Price**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	53.33%	372,279,545	\$9.14 /cwt.	\$ 34,026,350.39
Class I Butterfat	31.26%	7,967,232	\$1.7092 /lb.	13,617,592.94
Class I Differential at Location		380,246,777		11,322,256.41
<b>Total Class I Milk</b>	<b>52.55%</b>	<b>380,246,777</b>		<b>\$ 58,966,199.74</b>
Class II Skim Milk	12.72%	88,826,455	\$7.61 /cwt.	\$ 6,759,693.24
Class II Butterfat	24.70%	6,294,004	\$1.5545 /lb.	9,784,029.22
<b>Total Class II Milk</b>	<b>13.15%</b>	<b>95,120,459</b>		<b>\$ 16,543,722.46</b>
Class III Skim Milk	17.06%	119,091,608	\$8.66 /cwt.	\$ 10,313,333.24
Class III Butterfat	18.18%	4,634,474	\$1.5475 /lb.	7,171,848.54
<b>Total Class III Milk</b>	<b>17.10%</b>	<b>123,726,082</b>		<b>\$ 17,485,181.78</b>
Class IV Skim Milk	16.89%	117,902,065	\$7.03 /cwt.	\$ 8,288,515.14
Class IV Butterfat	25.86%	6,590,005	\$1.5475 /lb.	10,198,032.79
<b>Total Class IV Milk</b>	<b>17.20%</b>	<b>124,492,070</b>		<b>\$ 18,486,547.93</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>723,585,388</b>		<b>\$ 111,481,651.91</b>

**Adjustments**

Overage and Other Source	\$42,069.37
Inventory Adjustments	\$17,896.46
Producer butterfat at uniform butterfat price	(\$41,009,064.01)
Location Adjustments to Producers	\$2,501,047.48
1/2 Unobligated Balance in P.S.F	\$306,811.31

**Adjusted Pool Value**

Reserve for Producer Settlement Func	\$ 10.50572	\$73,340,412.52
	\$ 0.04572	\$319,186.74

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

**\$10.46**

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

**\$15.73\***

\* 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 2005	JUN 2005	APR 2005	MAY 2005	MAY 2005
Appalachian (Charlotte)	\$ 17.90	\$ 16.72	\$ 15.92	\$ 15.85	57.52%
Arizona-Las Vegas (Phoenix)	\$ 17.15	\$ 15.97	\$ 14.59	\$ 14.21	28.52%
Central (Kansas City)	\$ 16.80	\$ 15.62	\$ 14.59	\$ 14.21	25.79%
Florida (Tampa)	\$ 18.80	\$ 17.62	\$ 17.30	\$ 17.28	73.29%
Mideast (Cleveland)	\$ 16.80	\$ 15.62	\$ 14.76	\$ 14.40	30.20%
Northeast (Boston)	\$ 18.05	\$ 16.87	\$ 15.52	\$ 15.35	42.10%
Pacific Northwest (Seattle)	\$ 16.70	\$ 15.52	\$ 14.12	\$ 13.98	28.66%
<b>Southeast (Atlanta)</b>	<b>\$ 17.90</b>	<b>\$ 16.72</b>	<b>\$ 15.85</b>	<b>\$ 15.73</b>	<b>52.55%</b>
Southwest (Dallas)	\$ 17.80	\$ 16.62	\$ 15.28	\$ 15.10	39.73%
Upper Midwest (Chicago)	\$ 16.60	\$ 15.42	\$ 14.65	\$ 14.05	16.10%



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

<b>Receipts:</b>	<b>May 2005</b>	<b>May 2004</b>
<b>Producer Milk</b>		
Class I	380,246,777	354,867,884
Class II	95,120,459	85,576,347
Class III	123,726,082	71,572,916
Class IV	124,492,070	103,918,872
Total Producer Milk	<u>723,585,388</u>	<u>615,936,019</u>
Average Butterfat Test	3.52%	3.53%
Percent of Producer Milk in Class I	52.55%	57.62%
Daily Average Receipts	23,341,464	19,868,904
<b>Other Source Milk</b>		
Class I	5,396,804	7,696,352
Class II	7,543,157	3,351,703
Class III	10,973,777	2,752,658
Class IV	15,481,790	9,541,050
Total Other Source Milk	<u>39,395,528</u>	<u>23,341,763</u>
<b>Overage</b>		
Class I	0	0
Class II	8,468	0
Class III	1	2,095
Class IV	22,903	0
Total Overage	<u>31,372</u>	<u>2,095</u>
<b>Opening Inventory</b>		
Class I	31,273,090	38,326,087
Class II	1,164,257	418,472
Class III	20,079	17,953
Class IV	15,104,927	9,483,037
Total Opening Inventory	<u>47,562,353</u>	<u>48,245,549</u>
<b>Total Receipts</b>	<b>810,574,641</b>	<b>687,525,426</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	29,307,564	25,591,298
Route Disposition Class I	378,601,469	364,699,522
Shrinkage	2,294,408	2,585,673
Transfers & Diversions to Nonpool	6,713,230	8,013,830
Total Class I Utilization	<u>416,916,671</u>	<u>400,890,323</u>
Average Butterfat Test	2.09%	2.15%
Daily Average Utilization	13,448,925	12,931,946
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,681,581	1,790,998
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	68,882,286	64,078,481
Total Class II Utilization	<u>33,272,474</u>	<u>23,477,043</u>
Average Butterfat Test	6.69%	7.00%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	134,719,939	74,345,622
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	134,719,939	74,345,622
<b>Class IV Utilization</b>		
Inventory	17,214,952	20,275,248
Nonfluid Used To Fortify	1,498,626	1,555,480
Shrinkage	6,729,898	6,978,446
Transfers & Diversions to Nonpool Used To Produce/Other Uses	103,315,503	73,911,032
Total Class IV Utilization	<u>26,342,711</u>	<u>20,222,753</u>
Average Butterfat Test	155,101,690	122,942,959
<b>Total Utilization</b>	<b>810,574,641</b>	<b>687,525,426</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2005 is \$15.73 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.46 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6091 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, Class I use, which is primarily bottled or packaged fluid milk, accounted for 53.33% of all producer skim milk (priced to handlers at \$9.14 per hundredweight, plus the Class I differential, see page 2) and 31.26% of producer butterfat (priced to handlers at \$1.7092 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.72% of all producer skim milk (\$7.61 per hundredweight) and 24.70% of producer butterfat (\$1.5545 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.06% of all producer skim milk (\$8.66 per hundredweight) and 18.18% of producer butterfat (\$1.5475 per pound). Class IV use, generally milk processed into butter and powder, accounted for 16.89% of all producer skim milk (\$7.03 per hundredweight) and 25.86% of producer butterfat (\$1.5475 per pound).

Receipts of producer milk during May 2005 totaled 723.6 million pounds. There were 30 regulated pool distributing plants, 3 pool supply plants and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2005. Class I route disposition in the area totaled 404.7 million pounds in April 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2005</b>		
Whole Milk	146,807,403	36.28%
Fat Free Milk	49,519,234	12.24%
Lowfat Milk (incl. 1%)	29,024,575	7.17%
Reduced Fat Milk (incl. 2%)	129,353,523	31.96%
Cultured Fluid Milk (incl. Buttermilk)	8,453,588	2.09%
Flavored Drinks and Milk	41,500,702	10.26%
<b>Total Disposition in Marketing Area</b>	<b>404,659,025</b>	<b>100.00%</b>
Total Disposition by Pool Plants	331,895,829	82.02%
Total Disposition by Nonpool Plants	72,763,196	17.98%
<b>Total Disposition in Marketing Area</b>	<b>404,659,025</b>	<b>100.00%</b>

### We Want You to Hear From Us, and We Want to Hear From You!

Among the functions Federal order Market Administrators are required to perform is the dissemination of information. Class and uniform prices, market wide utilizations, fluid milk sales and hearing-related materials are all published for interested parties via mass mailing, fax, the Market Administrator website and in some cases the use of e-mail. Using more advanced technology saves time and money and is hopefully more convenient for users.

We have experienced some technological growing pains and received feedback on some of our initiatives. As a result, our main telephone line is now manned by a receptionist during our core business hours of 8am to 5pm EST. An automated system will aid in directing your call outside of these core business hours. (Individual direct dial and voicemail options remain unchanged.)

We have also recently installed computer software to help protect us from viruses and unsolicited emails otherwise known as spam. This may require a bit of patience from those who send e-mails as some safe communications may be mistakenly rejected. If you send an e-mail and we fail to respond in a timely fashion, please call us so that we can address your questions or concerns.

**If you call us between 8am and 5pm, you will now be greeted by a staff member. Our automated system will direct your call at all other times.**



Call us at:  
770-682-2501

**If you send us an e-mail and do not get a timely reply, call us! The software which keeps our computers safe may have blocked your email.**



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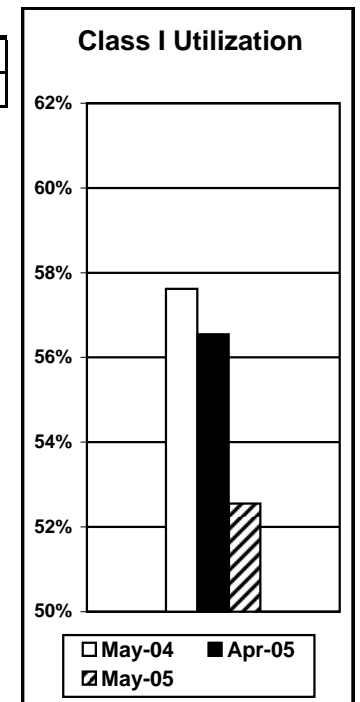
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jan 2004	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73											

**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.	%
Jan 2004	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,500**	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%

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



Southeast Marketing Area Federal Order 7							
Pool and Payment Dates for the Pooling Periods June 2005 through August 2005							
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
June 2005	07/11/05	07/12/05	07/13/05	06/27/05	06/27/05	07/13/05	07/14/05
July 2005	08/11/05	08/12/05	08/15/05	07/25/05	07/26/05	08/15/05	08/16/05
August 2005	09/11/05	09/12/05	09/13/05	08/25/05	08/26/05	09/13/05	09/14/05

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$14.16 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.73 per hundredweight. According to part 1007.73, partial payments shall be made at a rate not less than 90 percent of the preceding month's uniform price for milk received during the first 15 days of the month, adjusted for plant location and authorized deductions. Plant location adjustments can be found on the back of the price announcements published by the Market Administrator office.

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.*



**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*



# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

July 2005

Volume 6—No. 7

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

## Notice Regarding 'Touch Base' Provision

On June 24, the Market Administrator issued the following notice:

"The Market Administrator received a request to change certain administrative provisions of the producer milk definition known as market association or 'touch-base' provisions. Comments from interested parties offered support of and opposition to the proposed change, while others sought additional time to allow market participants to investigate the issue further.

After a review of all comments received, the Market Administrator deems it appropriate that no action be taken on the proposal until interested parties can complete their investigations of the issue. "

## Dairy Exports Soared in 2004

The value of dairy products that were sold for export in 2004 was estimated to be \$1.32 billion in FY 2004, an increase of 28.3 percent over FY 2003. By comparison, the value of total U.S. agricultural exports rose 10.8% versus 2003. The value of dairy products has hovered near 2 percent of the total value of agricultural goods exports for several years, and was 2.1 percent for 2004. California is the leading state exporter, with \$282 million in dairy products sold internationally, followed by Wisconsin with \$170 million. Additional information on state exports can be found at [www.ers.usda.gov/Data/StateExports/](http://www.ers.usda.gov/Data/StateExports/).

## Class I Definition Hearing Update

Posted on the Agricultural Marketing Service's website are the transcripts and exhibits from the recent hearing on proposals to alter the definition of Class I products. Post hearing briefs are due by August 22, 2005. Hearing transcripts and more can be found at [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm).

## Blend Price Dips

The uniform blend price in Fulton County, GA, was \$15.47 per hundredweight of milk at 3.5 percent but-terfat for the month of June. This represents a decrease of \$0.26 from May and a decrease of \$4.64 from June 2004. Class I utilization was 55.55 percent, 3.00 percent higher than the previous month and a 1.99 percent increase when compared with June 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in May was 15.6 billion pounds, an increase of 4.1 percent from May 2004 and an increase of 4.3 percent when compared with April 2005 (but only 1.0 percent higher on a daily average basis). Total cheese output (excluding cottage cheese) was 782 million pounds, 4.0 percent above May 2004 and 3.4 percent above April 2005. Butter production was 120 million pounds in May, 9.2 percent above May 2004 and 4.0 percent above April 2005.

Nonfat dry milk (NFDM) production was 123 million pounds in May, 19.0 percent less than May 2004 but an increase 12.8 percent from April 2005. The chart below demonstrates the dramatic decline in Commodity Credit Corporation (CCC) inventories of nonfat dry milk powder over the past twelve months.

## CCC-Owned Inventories (mil. lbs.)

	Jun-04	Jan-05	Jun-05
NFDM	733.2	422.3	150.0
Cheese	11.0	4.6	1.6
Butter	0.3	0.0	0.0

The level of nonfat dry milk powder in government warehouses has decreased by 64.5 percent (or 272.3 million pounds) since January 1, 2005. Over the past year, stocks of powder have been reduced by 79.5 percent (or 583.2 million pounds). Various powder donation programs account for most of these reductions. Additional data on CCC-owned inventories can be found at [www.fsa.usda.gov/daco/reports.htm](http://www.fsa.usda.gov/daco/reports.htm)

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2005**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.65%	7,909,827	\$1.5266	\$ 12,075,141.91
Class I Differential at Location				237,383.32
Class II Butterfat	27.12%	6,189,453	\$1.6002	9,904,362.73
Class III Butterfat	17.54%	4,002,387	\$1.5932	6,376,602.96
Class IV Butterfat	20.69%	4,721,047	\$1.5932	7,521,572.06
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,822,714</b>		<b>\$ 36,115,062.98</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5824**

**Calculation of Uniform Skim Milk Price**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	56.29%	353,137,895	\$8.58 /cwt.	\$ 30,299,231.38
Class I Butterfat	34.65%	7,909,827	\$1.5266 /lb.	12,075,141.91
Class I Differential at Location		361,047,722		10,748,561.53
<b>Total Class I Milk</b>	<b>55.55%</b>	<b>361,047,722</b>		<b>\$ 53,122,934.82</b>
Class II Skim Milk	12.45%	78,077,208	\$7.73 /cwt.	\$ 6,035,368.18
Class II Butterfat	27.12%	6,189,453	\$1.6002 /lb.	9,904,362.73
<b>Total Class II Milk</b>	<b>12.96%</b>	<b>84,266,661</b>		<b>\$ 15,939,730.91</b>
Class III Skim Milk	16.77%	105,172,815	\$8.65 /cwt.	\$ 9,097,448.50
Class III Butterfat	17.54%	4,002,387	\$1.5932 /lb.	6,376,602.96
<b>Total Class III Milk</b>	<b>16.79%</b>	<b>109,175,202</b>		<b>\$ 15,474,051.46</b>
Class IV Skim Milk	14.49%	90,865,702	\$7.00 /cwt.	\$ 6,360,599.14
Class IV Butterfat	20.69%	4,721,047	\$1.5932 /lb.	7,521,572.06
<b>Total Class IV Milk</b>	<b>14.70%</b>	<b>95,586,749</b>		<b>\$ 13,882,171.20</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>650,076,334</b>		<b>\$ 98,418,888.39</b>

**Adjustments**

Overage and Other Source	\$35,758.67
Inventory Adjustments	\$47,898.41
Producer butterfat at uniform butterfat price	(\$36,115,062.98)
Location Adjustments to Producers	\$2,118,796.38
1/2 Unobligated Balance in P.S.F	\$297,541.36
<b>Adjusted Pool Value</b>	<b>\$ 10.33136</b>
Reserve for Producer Settlement Func	\$ 0.04136
	<b>\$64,803,820.23</b>
	\$258,300.69

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

**\$10.29**

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

**\$15.47\***

\* 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 %
	JUN 2005	JUL 2005	MAY 2005	JUN 2005	JUN 2005
Appalachian (Charlotte)	\$ 16.72	\$ 16.99	\$ 15.85	\$ 15.49	59.10%
Arizona-Las Vegas (Phoenix)	\$ 15.97	\$ 16.24	\$ 14.21	\$ 14.19	30.48%
Central (Kansas City)	\$ 15.62	\$ 15.89	\$ 14.21	\$ 14.18	37.54%
Florida (Tampa)	\$ 17.62	\$ 17.89	\$ 17.28	\$ 16.80	76.75%
Mideast (Cleveland)	\$ 15.62	\$ 15.89	\$ 14.40	\$ 14.36	29.70%
Northeast (Boston)	\$ 16.87	\$ 17.14	\$ 15.35	\$ 15.23	41.40%
Pacific Northwest (Seattle)	\$ 15.52	\$ 15.79	\$ 13.98	\$ 13.81	27.08%
<b>Southeast (Atlanta)</b>	<b>\$ 16.72</b>	<b>\$ 16.99</b>	<b>\$ 15.73</b>	<b>\$ 15.47</b>	<b>55.55%</b>
Southwest (Dallas)	\$ 16.62	\$ 16.89	\$ 15.10	\$ 14.87	37.35%
Upper Midwest (Chicago)	\$ 15.42	\$ 15.69	\$ 14.05	\$ 14.12	18.40%

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

<b>Receipts:</b>	<b>June 2005</b>	<b>June 2004</b>
<b>Producer Milk</b>		
Class I	361,047,722	346,813,429
Class II	84,266,661	90,522,210
Class III	109,175,202	90,316,717
Class IV	95,586,749	119,821,060
Total Producer Milk	<u>650,076,334</u>	<u>647,473,416</u>
Average Butterfat Test	3.51%	3.52%
Percent of Producer Milk in Class I	55.55%	53.56%
Daily Average Receipts	21,669,211	21,582,447
<b>Other Source Milk</b>		
Class I	4,595,009	5,312,222
Class II	8,360,473	3,950,523
Class III	8,486,517	2,888,367
Class IV	8,832,311	7,524,906
Total Other Source Milk	<u>30,274,310</u>	<u>19,676,018</u>
<b>Overage</b>		
Class I	0	0
Class II	20,309	0
Class III	8,189	0
Class IV	590	21,501
Total Overage	<u>29,088</u>	<u>21,501</u>
<b>Opening Inventory</b>		
Class I	29,665,342	25,591,298
Class II	2,358,408	1,811,785
Class III	344,985	583,568
Class IV	14,153,781	17,189,924
Total Opening Inventory	<u>46,522,516</u>	<u>45,176,575</u>
<b>Total Receipts</b>	<b>726,902,248</b>	<b>712,347,510</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	30,500,082	24,861,383
Route Disposition Class I	354,773,174	343,695,475
Shrinkage	3,899,661	1,513,928
Transfers & Diversions to Nonpool	6,135,156	7,646,163
Total Class I Utilization	<u>395,308,073</u>	<u>377,716,949</u>
Average Butterfat Test	2.19%	2.23%
Daily Average Utilization	13,176,936	12,590,565
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,881,913	1,770,417
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	57,504,198	67,502,690
Total Class II Utilization	<u>35,619,740</u>	<u>27,011,411</u>
Average Butterfat Test	7.52%	7.09%
<b>Class III Utilization</b>		
Shrinkage	456	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	118,014,437	93,788,652
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	118,014,893	93,788,652
<b>Class IV Utilization</b>		
Inventory	17,414,820	23,684,105
Nonfluid Used To Fortify	1,399,194	1,435,517
Shrinkage	6,952,215	5,664,687
Transfers & Diversions to Nonpool Used To Produce/Other Uses	71,766,017	94,126,874
Total Class IV Utilization	<u>21,041,185</u>	<u>19,646,208</u>
Average Butterfat Test	118,573,431	144,557,391
<b>Total Utilization</b>	<b>726,902,248</b>	<b>712,347,510</b>

## Southeast Market Summary

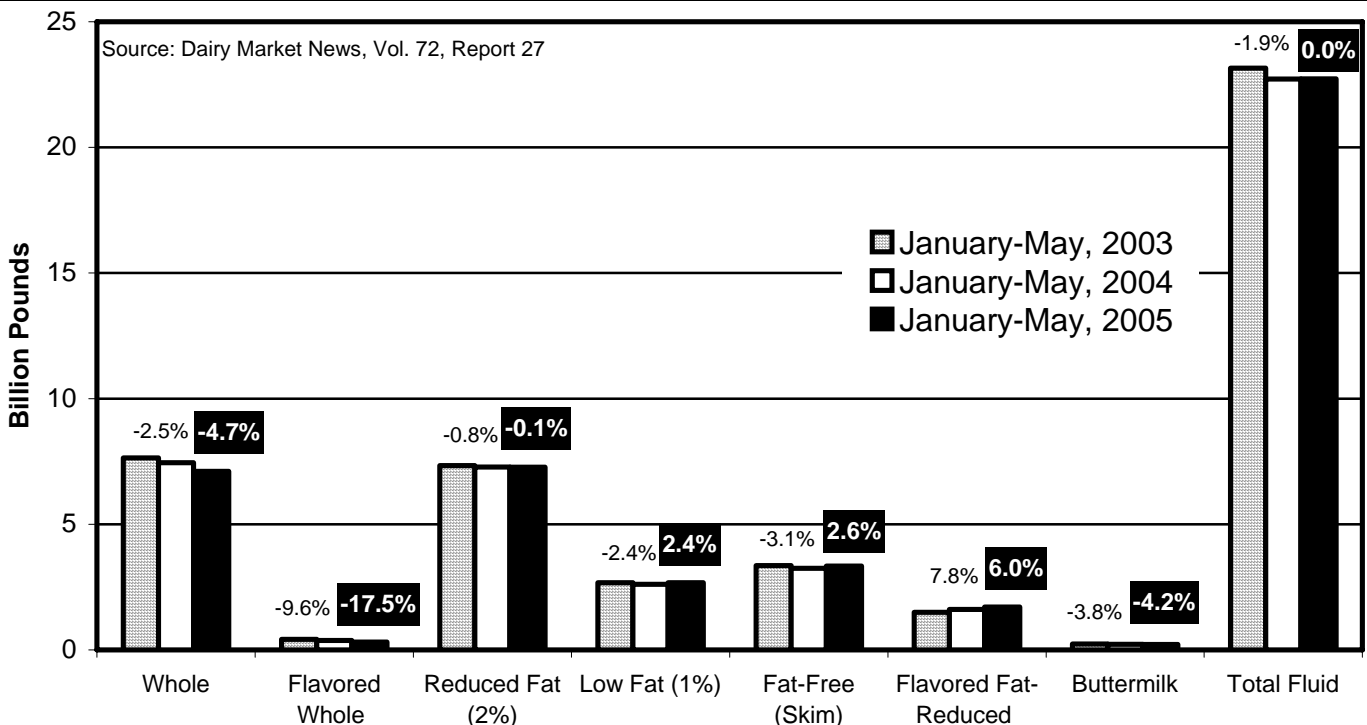
The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2005 is \$15.47 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.29 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5824 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 June, Class I use, which is primarily bottled or packaged fluid milk, accounted for 56.29% of all producer skim milk (priced to handlers at \$8.58 per hundredweight, plus the Class I differential, see page 2) and 34.65% of producer butterfat (priced to handlers at \$1.5266 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.45% of all producer skim milk (\$7.73 per hundredweight) and 27.12% of producer butterfat (\$1.6002 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.77% of all producer skim milk (\$8.65 per hundredweight) and 17.54% of producer butterfat (\$1.5932 per pound). Class IV use, generally milk processed into butter and powder, accounted for 14.49% of all producer skim milk (\$7.00 per hundredweight) and 20.69% of producer butterfat (\$1.5932 per pound).

Receipts of producer milk during June 2005 totaled 650.1 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2005. Class I route disposition in the area totaled 394.3 million pounds in May 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>May 2005</b>		
Whole Milk	146,439,006	37.14%
Fat Free Milk	48,620,516	12.33%
Lowfat Milk (incl. 1%)	28,405,202	7.21%
Reduced Fat Milk (incl. 2%)	126,150,251	31.99%
Cultured Fluid Milk (incl. Buttermilk)	8,842,946	2.24%
Flavored Drinks and Milk	35,855,586	9.09%
<b>Total Disposition in Marketing Area</b>	<b>394,313,507</b>	<b>100.0%</b>
Total Disposition by Pool Plants	322,570,956	81.81%
Total Disposition by Nonpool Plants	71,742,551	18.19%
<b>Total Disposition in Marketing Area</b>	<b>394,313,507</b>	<b>100.0%</b>



### Through May, Decline in U.S. Fluid Milk Sales has Abated

Total U.S. packaged Class I sales of fluid milk products over the January to May 2005 period were equivalent to sales during the January to May 2004 period. Though not increasing, they are an improvement over the 1.9% decline in fluid milk sales comparing the first five months of 2003 with the first five months of 2004. The percentage changes in fluid milk sales are adjusted for calendar composition, with the 2004 to 2005 changes shown with a highlighted background. More sales data can be found at [www.ams.usda.gov/dyfmoms/mib/in-areasales.htm](http://www.ams.usda.gov/dyfmoms/mib/in-areasales.htm).

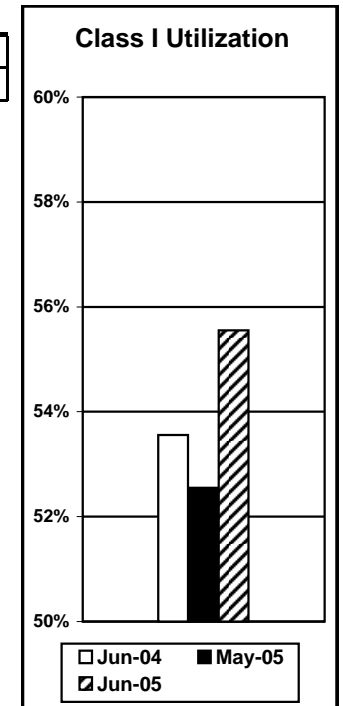


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jan 2004	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73											

**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.	%
Jan 2004	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,450**	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%



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

## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods July 2005 through September 2005

		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
Pool Month	Pool & Uniform Price Release Date						
July 2005	08/11/05	08/12/05	08/15/05	07/25/05	07/26/05	08/15/05	08/16/05
August 2005	09/11/05	09/12/05	09/13/05	08/25/05	08/26/05	09/13/05	09/14/05
September 2005	10/11/05	10/12/05	10/13/05	09/26/05	09/26/05	10/13/05	10/14/05

\*\* The base rate for making partial payments in Fulton County, GA for July will be \$13.92 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.47 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

August 2005

Volume 6—No. 8

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

## Mid-Year Review: State Production

The National Agricultural Statistics Service (NASS) estimates milk production in the nation for the first half of 2005 to be 88.871 billion pounds, up 2.6 percent from the same period of last year. The trend line continues to point downward for states located in the southeastern U.S., except for Florida and surprisingly, Mississippi.

	1st Half '04	1st Half '05	% Change
	Millions of Pounds		
FL	1,227	1,275	3.9%
MS	213	218	2.3%
GA	763	759	-0.5%
KY	741	726	-2.0%
MO	966	935	-3.2%
AR	171	164	-4.1%
TN	620	590	-4.8%
LA	270	251	-7.0%
AL	137	126	-8.0%
SE States	5,108	5,044	-1.3%
U.S.	86,583	88,871	2.6%

Taken as a whole, the Southeast states produced just over 5 billion pounds of milk, down 1.3 percent from tallies at the midpoint of 2004. Florida production, estimated at 1.275 billion pounds and up 3.9 percent from last year, ranks 16th in the nation. Missouri production, ranked 21st in the nation, fell by 3.2 percent. Georgia, ranked 24th and Kentucky, ranked 26th, fell by 0.5 percent and 2.0 percent respectively. NASS reserves the right to revise these production estimates as additional information becomes available.

## Lloyd Day Appointed New AMS Administrator

The Secretary of Agriculture has named Lloyd Day as Administrator of the Agriculture Marketing Service. Day has a background in trade policy, economic development and international affairs.

## Blend Price Rebounds

The uniform blend price in Fulton County, GA, was \$16.18 per hundredweight of milk at 3.5 percent butterfat for the month of July. This represents an increase of \$0.71 from June and a decrease of \$2.92 from July 2004. Class I utilization was 61.71 percent, 6.16 percent higher than the previous month and a 7.0 percent decrease when compared with July 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in June was 15.0 billion pounds, an increase of 5.0 percent from June 2004 and a decrease of 4.1 percent when compared with May 2005. Total cheese output (excluding cottage cheese) was 761 million pounds, 6.4 percent above June 2004 but 3.1 percent below May 2005. Butter production was 104 million pounds in June, 5.2 percent above June 2004 but 12.8 percent below May 2005.

Nonfat dry milk production was 125 million pounds in June, 13.1 percent less than June 2004 but an increase of 1.6 percent from May 2005.

## Decision Issued for the Mideast Order

USDA has issued a tentative partial decision that recommends various amendments to current provisions of the Mideast Federal Milk Marketing Order. It adopts proposals to amend certain features of the pooling standards of the Mideast Order on an interim final and emergency basis. Specifically, the decision prohibits the ability to simultaneously pool the same milk on the Mideast Order and on a marketwide pool administered by another government entity, lowers the diversion limit standards and increases the performance standards for supply plants.

USDA will issue a separate decision to address proposals regarding de-pooling, transportation credits and the clarification of the Producer definition of the Mideast Order at a later date.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.51%	7,974,605	\$1.5610	\$ 12,448,358.43
Class I Differential at Location				238,966.24
Class II Butterfat	27.02%	5,592,926	\$1.8077	10,110,332.33
Class III Butterfat	16.70%	3,456,358	\$1.8007	6,223,863.87
Class IV Butterfat	17.77%	3,678,281	\$1.8007	6,623,480.60
<b>Total Butterfat</b>	<b>100.00%</b>	<b>20,702,170</b>		<b>\$ 35,645,001.47</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.7218**

### 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	62.55%	355,045,456	\$8.73 /cwt.	\$ 30,995,468.32
Class I Butterfat	38.51%	7,974,605	\$1.5610 /lb.	12,448,358.43
Class I Differential at Location		363,020,061		10,802,868.52
<b>Total Class I Milk</b>	<b>61.71%</b>	<b>363,020,061</b>		<b>\$ 54,246,695.27</b>
Class II Skim Milk	11.72%	66,521,390	\$7.73 /cwt.	\$ 5,142,103.48
Class II Butterfat	27.02%	5,592,926	\$1.8077 /lb.	10,110,332.33
<b>Total Class II Milk</b>	<b>12.26%</b>	<b>72,114,316</b>		<b>\$ 15,252,435.81</b>
Class III Skim Milk	13.82%	78,453,294	\$8.34 /cwt.	\$ 6,543,004.73
Class III Butterfat	16.70%	3,456,358	\$1.8007 /lb.	6,223,863.87
<b>Total Class III Milk</b>	<b>13.92%</b>	<b>81,909,652</b>		<b>\$ 12,766,868.60</b>
Class IV Skim Milk	11.91%	67,585,183	\$7.12 /cwt.	\$ 4,812,065.04
Class IV Butterfat	17.77%	3,678,281	\$1.8007 /lb.	6,623,480.60
<b>Total Class IV Milk</b>	<b>12.11%</b>	<b>71,263,464</b>		<b>\$ 11,435,545.64</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>588,307,493</b>		<b>\$ 93,701,545.32</b>

### Adjustments

Overage and Other Source	\$4,314.69
Inventory Adjustments	\$28,749.85
Producer butterfat at uniform butterfat price	(\$35,645,001.47)
Location Adjustments to Producers	\$1,588,463.13
1/2 Unobligated Balance in P.S.F.	\$311,888.18

### Adjusted Pool Value

	<b>\$ 10.56896</b>	<b>\$59,989,959.70</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04896</b>	\$277,870.89

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

**\$10.52**

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

**\$16.18\***

\* 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 %
	JUL 2005	AUG 2005	JUN 2005	JUL 2005	JUL 2005
Appalachian (Charlotte)	\$ 16.99	\$ 17.54	\$ 15.49	\$ 16.26	66.02%
Arizona-Las Vegas (Phoenix)	\$ 16.24	\$ 16.79	\$ 14.19	\$ 14.89	32.15%
Central (Kansas City)	\$ 15.89	\$ 16.44	\$ 14.18	\$ 14.76	25.69%
Florida (Tampa)	\$ 17.89	\$ 18.44	\$ 16.80	\$ 17.47	81.59%
Midwest (Cleveland)	\$ 15.89	\$ 16.44	\$ 14.36	\$ 14.96	30.00%
Northeast (Boston)	\$ 17.14	\$ 17.69	\$ 15.23	\$ 15.85	40.90%
Pacific Northwest (Seattle)	\$ 15.79	\$ 16.34	\$ 13.81	\$ 14.38	24.71%
<b>Southeast (Atlanta)</b>	<b>\$ 16.99</b>	<b>\$ 17.54</b>	<b>\$ 15.47</b>	<b>\$ 16.18</b>	<b>61.71%</b>
Southwest (Dallas)	\$ 16.89	\$ 17.44	\$ 14.87	\$ 15.44	35.83%
Upper Midwest (Chicago)	\$ 15.69	\$ 16.24	\$ 14.12	\$ 14.69	16.80%

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

<b>Receipts:</b>	<b>July 2005</b>	<b>July 2004</b>
<b>Producer Milk</b>		
Class I	363,020,061	372,617,123
Class II	72,114,316	61,455,160
Class III	81,909,652	75,288,875
Class IV	71,263,464	32,950,589
Total Producer Milk	<u>588,307,493</u>	<u>542,311,747</u>
Average Butterfat Test	3.52%	3.55%
Percent of Producer Milk in Class I	61.71%	68.71%
Daily Average Receipts	18,977,661	17,493,927
<b>Other Source Milk</b>		
Class I	4,510,856	5,695,106
Class II	9,597,024	5,885,680
Class III	3,374,902	2,383,010
Class IV	7,620,779	8,410,966
Total Other Source Milk	<u>25,103,561</u>	<u>22,374,762</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	1
Class IV	60,404	2,131
Total Overage	<u>60,404</u>	<u>2,132</u>
<b>Opening Inventory</b>		
Class I	30,708,750	25,057,712
Class II	984,806	3,386,022
Class III	0	406,380
Class IV	16,379,095	19,695,374
Total Opening Inventory	<u>48,072,651</u>	<u>48,545,488</u>
<b>Total Receipts</b>	<b>661,544,109</b>	<b>613,234,129</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,779,880	29,127,345
Route Disposition Class I	363,515,882	365,011,088
Shrinkage	2,580,345	1,971,895
Transfers & Diversions to Nonpool	5,363,560	7,259,613
Total Class I Utilization	<u>398,239,667</u>	<u>403,369,941</u>
Average Butterfat Test	2.20%	2.22%
Daily Average Utilization	12,846,441	13,011,934
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,006,895	1,947,154
Shrinkage	426,468	0
Transfers & Diversions to Nonpool/Commercial Foods	45,806,304	42,941,671
Used To Produce/Other Uses	34,456,479	25,838,037
Total Class II Utilization	<u>82,696,146</u>	<u>70,726,862</u>
Average Butterfat Test		8.62%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool	85,284,554	78,078,266
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>85,284,554</u>	<u>78,078,266</u>
Average Butterfat Test	4.19%	4.28%
<b>Class IV Utilization</b>		
Inventory	25,186,731	15,923,896
Nonfluid Used To Fortify	1,395,542	1,640,402
Shrinkage	6,740,715	6,822,149
Transfers & Diversions to Nonpool	43,480,194	21,209,116
Used To Produce/Other Uses	18,520,560	15,463,497
Total Class IV Utilization	<u>95,323,742</u>	<u>61,059,060</u>
Average Butterfat Test	5.04%	5.58%
<b>Total Utilization</b>	<b>661,544,109</b>	<b>613,234,129</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2005 is \$16.18 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.52 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7218 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 July, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.55% of all producer skim milk (priced to handlers at \$8.73 per hundredweight, plus the Class I differential, see page 2) and 38.51% of producer butterfat (priced to handlers at \$1.5610 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.72% of all producer skim milk (\$7.73 per hundredweight) and 27.02% of producer butterfat (\$1.8077 per pound). Class III use, mostly milk used to produce cheese, accounted for 13.82% of all producer skim milk (\$8.34 per hundredweight) and 16.70% of producer butterfat (\$1.8007 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.91% of all producer skim milk (\$7.12 per hundredweight) and 17.77% of producer butterfat (\$1.8007 per pound).

Receipts of producer milk during July 2005 totaled 588.3 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 8 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2005. Class I route disposition in the area totaled 370.2 million pounds in June 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2005</b>		
Whole Milk	146,116,216	39.47%
Fat Free Milk	46,503,134	12.56%
Lowfat Milk (incl. 1%)	26,312,793	7.11%
Reduced Fat Milk (incl. 2%)	123,792,104	33.44%
Cultured Fluid Milk (incl. Buttermilk)	8,523,544	2.31%
Flavored Drinks and Milk	18,917,619	5.11%
<b>Total Disposition in Marketing Area</b>	<b>370,165,410</b>	<b>100.0%</b>
Total Disposition by Pool Plants	301,297,230	81.40%
Total Disposition by Nonpool Plants	68,868,180	18.60%
<b>Total Disposition in Marketing Area</b>	<b>370,165,410</b>	<b>100.0%</b>

### 2005 Mailbox Milk Prices 2/

Reporting Area 1/	Jan	Feb	Mar	Apr	May	YTD Average
Northeast Federal Order	\$16.37	\$15.50	\$16.01	\$15.28	\$14.95	\$15.62
Appalachian States 3/	\$16.57	\$15.18	\$15.97	\$14.97	\$14.59	\$15.46
<b>Southeast States 4/</b>	<b>\$17.21</b>	<b>\$15.61</b>	<b>\$16.37</b>	<b>\$15.25</b>	<b>\$15.04</b>	<b>\$15.90</b>
<b>Southern Missouri 5/</b>	<b>\$16.01</b>	<b>\$14.75</b>	<b>\$15.44</b>	<b>\$14.25</b>	<b>\$13.97</b>	<b>\$14.88</b>
Florida	\$18.70	\$16.87	\$17.69	\$16.72	\$16.44	\$17.28
Indiana	\$16.11	\$15.27	\$15.69	\$15.06	\$14.66	\$15.36
Michigan	\$15.58	\$15.13	\$15.13	\$14.64	\$14.18	\$14.93
Wisconsin	\$16.00	\$15.91	\$15.77	\$15.68	\$14.98	\$15.67
Iowa	\$15.92	\$15.39	\$15.41	\$15.23	\$14.64	\$15.32
Corn Belt States 6/	\$14.98	\$14.37	\$14.42	\$14.16	\$13.61	\$14.31
Western Texas 7/	\$15.00	\$14.42	\$14.44	\$13.90	\$13.31	\$14.21
New Mexico	\$14.09	\$13.65	\$13.61	\$13.11	\$12.52	\$13.40
Northwest States 8/	\$14.76	\$13.97	\$14.39	\$13.89	\$13.47	\$14.10
All Federal Order Areas 9/	\$15.89	\$15.24	\$15.46	\$14.97	\$14.48	\$15.21
California 10/	\$14.85	\$14.86	\$13.99	\$14.11	n/a	\$14.45

Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average. 10/ From California Department of Food and Agriculture.

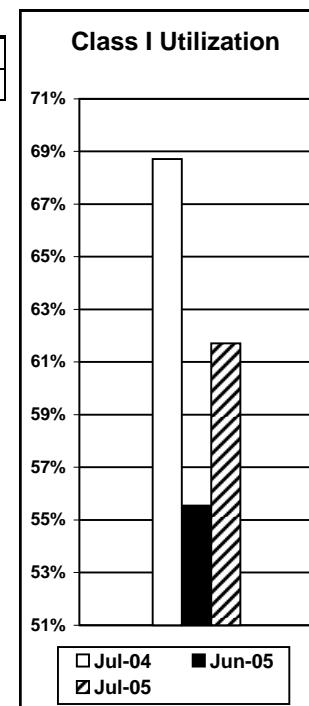
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jan 2004	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81											

**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.	%
Jan 2004	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,550**	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%

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



## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods August 2005 through October 2005

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
August 2005	09/11/05	09/12/05	09/13/05	08/25/05	08/26/05	09/13/05	09/14/05
September 2005	10/11/05	10/12/05	10/13/05	09/26/05	09/26/05	10/13/05	10/14/05
October 2005	11/11/05	11/14/05	11/15/05	10/25/05	10/26/05	11/15/05	11/16/05

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$14.56 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.18 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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**MILK MARKET ADMINISTRATOR**  
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# Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

September 2005



Southeast Marketing Area  
Federal Order 7

Volume 6—No. 9

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

## Hurricane Katrina's Impact

Until a few weeks ago, it would have been difficult to imagine a hurricane season that was worse for the Southeastern U.S. than 2004. After Hurricane Katrina, we don't have to imagine anymore. Though she struck on August 29, Katrina's impact on Alabama, Louisiana and Mississippi, will linger on for months, if not years to come.

The immediate impacts on the dairy industry were the same felt by most in the area. Loss of electrical, communication and physical infrastructures caused tremendous disruption and hardship. Two fluid milk plants and one supply plant were without power for over a week (one fluid plant remains closed), and at least two had to operate on back-up generators for many days. In the first few days of the tragedy, plant silos and finished product coolers quickly became full due to the loss of retail outlets. Soon after, the situation reversed as plants demanded additional loads to replenish store shelves and serve the displaced populace.

Dairy farmers, up to 400 by some estimates, were forced to use back-up generators, but with plants closed, roads impassible and milk haulers in short supply, large volumes of milk were dumped. Generators failed under the stress of extended use, and the effectiveness of those that didn't was limited by the availability of diesel fuel.

Reports that milk was moved to market to qualify as producer milk only to be dumped upon arrival, or shipped back to the farm of origin, because of inadequate temperature or a plants inability to process it, raised many concerns. Using scarce resources to ship milk in these ways was imprudent under the circumstances and deemed disorderly. To prevent this and help mitigate producer losses from this unprecedented tragedy, a rule suspension was issued affording producer milk status to milk lost on farms in affected areas between August 29 and September 6. A notice of the suspension is on our website under 'What's New'.

## Blend Price Continues to Climb

The uniform blend price in Fulton County, GA, was \$16.44 per hundredweight of milk at 3.5 percent butterfat for the month of August. This represents an increase of \$0.26 from July and an increase of \$0.27 from August 2004. Class I utilization was 66.69 percent, 4.98 percent higher than the previous month and a decrease of less than one percent when compared with August 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in July was 14.97 billion pounds, an increase of 3.9 percent from July 2004 and a decrease of 0.5 percent when compared with June 2005. Total cheese output (excluding cottage cheese) was 737 million pounds, 4.0 percent above July 2004 but 3.3 percent less than June 2005. Butter production was 94.7 million pounds in July, 2.3 percent higher than July 2004 but 10.9 percent below June 2005. Nonfat dry milk production was 120 million pounds in July, 11.1 percent less than July 2004 and a decrease of 4.0 percent from June 2005.

## National Dairy Board Appointments

Secretary of Agriculture Johanns has appointed new members to the National Dairy Promotion and Research Board, including William R. D. Anglin, of Bentonville, AR. Members were also reappointed to serve a second term, including Michael M. Ferguson, Senatobia, MS. The promotion and research program is financed by a mandatory 15 cent per hundredweight assessment on milk produced in the contiguous 48 states and marketed commercially by dairy farmers.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for August 2005 was \$1,362,481.76. Claims were made for \$1,254,947.08. Since sufficient funds were available, all eligible claims were paid in full.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.61%	8,508,953	\$1.8396	\$ 15,653,069.92
Class I Differential at Location				254,200.48
Class II Butterfat	27.52%	5,913,254	\$1.8316	10,830,716.04
Class III Butterfat	14.43%	3,099,771	\$1.8246	5,655,842.19
Class IV Butterfat	18.44%	3,961,655	\$1.8246	7,228,435.71
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,483,633</b>		<b>\$ 39,622,264.34</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.8443**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.68%	397,513,545	\$8.29 /cwt.	\$ 32,953,872.90
Class I Butterfat	39.61%	8,508,953	\$1.8396 /lb.	15,653,069.92
Class I Differential at Location		406,022,498		12,049,288.72
<b>Total Class I Milk</b>	<b>66.69%</b>	<b>406,022,498</b>		<b>\$ 60,656,231.54</b>
Class II Skim Milk	10.78%	63,346,819	\$7.81 /cwt.	\$ 4,947,386.56
Class II Butterfat	27.52%	5,913,254	\$1.8316 /lb.	10,830,716.04
<b>Total Class II Milk</b>	<b>11.37%</b>	<b>69,260,073</b>		<b>\$ 15,778,102.60</b>
Class III Skim Milk	11.30%	66,386,933	\$7.48 /cwt.	\$ 4,965,742.59
Class III Butterfat	14.43%	3,099,771	\$1.8246 /lb.	5,655,842.19
<b>Total Class III Milk</b>	<b>11.41%</b>	<b>69,486,704</b>		<b>\$ 10,621,584.78</b>
Class IV Skim Milk	10.24%	60,176,141	\$7.31 /cwt.	\$ 4,398,875.90
Class IV Butterfat	18.44%	3,961,655	\$1.8246 /lb.	7,228,435.71
<b>Total Class IV Milk</b>	<b>10.53%</b>	<b>64,137,796</b>		<b>\$ 11,627,311.61</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>608,907,071</b>		<b>\$ 98,683,230.53</b>

### Adjustments

Overage and Other Source	\$18,011.89
Inventory Adjustments	\$22,377.05
Producer butterfat at uniform butterfat price	(\$39,622,264.34)
Location Adjustments to Producers	\$1,615,262.68
1/2 Unobligated Balance in P.S.F.	\$320,732.99

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.39069	\$61,037,350.80
	<u>\$ 0.04069</u>	\$239,024.95

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

**\$10.35**

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

**\$16.44\***

\* 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 %
	AUG 2005	SEPT 2005	JUL 2005	AUG 2005	AUG 2005
Appalachian (Charlotte)	\$ 17.54	\$ 16.80	\$ 16.26	\$ 16.65	71.41%
Arizona-Las Vegas (Phoenix)	\$ 16.79	\$ 16.05	\$ 14.89	\$ 14.86	37.50%
Central (Kansas City)	\$ 16.44	\$ 15.70	\$ 14.76	\$ 14.49	28.60%
Florida (Tampa)	\$ 18.44	\$ 17.70	\$ 17.47	\$ 17.87	87.63%
Midwest (Cleveland)	\$ 16.44	\$ 15.70	\$ 14.96	\$ 14.94	39.30%
Northeast (Boston)	\$ 17.69	\$ 16.95	\$ 15.85	\$ 15.84	43.50%
Pacific Northwest (Seattle)	\$ 16.34	\$ 15.60	\$ 14.38	\$ 14.38	26.00%
<b>Southeast (Atlanta)</b>	<b>\$ 17.54</b>	<b>\$ 16.80</b>	<b>\$ 16.18</b>	<b>\$ 16.44</b>	<b>66.69%</b>
Southwest (Dallas)	\$ 17.44	\$ 16.70	\$ 15.44	\$ 15.70	43.92%
Upper Midwest (Chicago)	\$ 16.24	\$ 15.50	\$ 14.69	\$ 14.15	17.50%

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

<b>Receipts:</b>	<b>August 2005</b>	<b>August 2004</b>
<b>Producer Milk</b>		
Class I	406,022,498	401,050,392
Class II	69,260,073	75,420,523
Class III	69,486,704	65,465,086
Class IV	64,137,796	51,657,225
Total Producer Milk	<u>608,907,071</u>	<u>593,593,226</u>
Average Butterfat Test	3.53%	3.58%
Percent of Producer Milk in Class I	66.69%	67.56%
Daily Average Receipts	19,642,164	19,148,169
<b>Other Source Milk</b>		
Class I	11,363,140	6,758,054
Class II	11,734,750	7,158,002
Class III	4,560,134	2,240,383
Class IV	9,861,766	4,578,283
Total Other Source Milk	<u>37,519,790</u>	<u>20,734,722</u>
<b>Overage</b>		
Class I	0	0
Class II	230,626	0
Class III	0	0
Class IV	0	0
Total Overage	<u>230,626</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	26,795,284	29,127,337
Class II	2,173,036	767,357
Class III	1,017,074	634,785
Class IV	21,981,217	14,567,734
Total Opening Inventory	<u>51,966,611</u>	<u>45,097,213</u>
<b>Total Receipts</b>	<b>698,624,098</b>	<b>659,425,161</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,886,708	34,657,810
Route Disposition Class I	405,850,158	391,863,956
Shrinkage	3,911,430	3,153,435
Transfers & Diversions to Nonpool	7,532,626	7,260,582
Total Class I Utilization	<u>444,180,922</u>	<u>436,935,783</u>
Average Butterfat Test	2.09%	2.12%
Daily Average Utilization	14,328,417	14,094,703
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,969,847	1,893,991
Shrinkage	946	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,234,683	55,675,084
Total Class II Utilization	<u>39,193,009</u>	<u>25,776,807</u>
Average Butterfat Test	8.54%	7.91%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	75,063,912	68,340,254
Total Class III Utilization	<u>75,063,912</u>	<u>68,340,254</u>
Average Butterfat Test	4.44%	4.52%
<b>Class IV Utilization</b>		
Inventory	21,768,317	14,226,623
Nonfluid Used To Fortify	1,589,064	1,649,754
Shrinkage	7,817,512	7,785,060
Transfers & Diversions to Nonpool Used To Produce/Other Uses	52,919,507	39,980,484
Total Class IV Utilization	<u>11,886,379</u>	<u>7,161,321</u>
Average Butterfat Test	5.63%	6.53%
<b>Total Utilization</b>	<b>698,624,098</b>	<b>659,425,161</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2005 is \$16.44 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.35 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8443 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

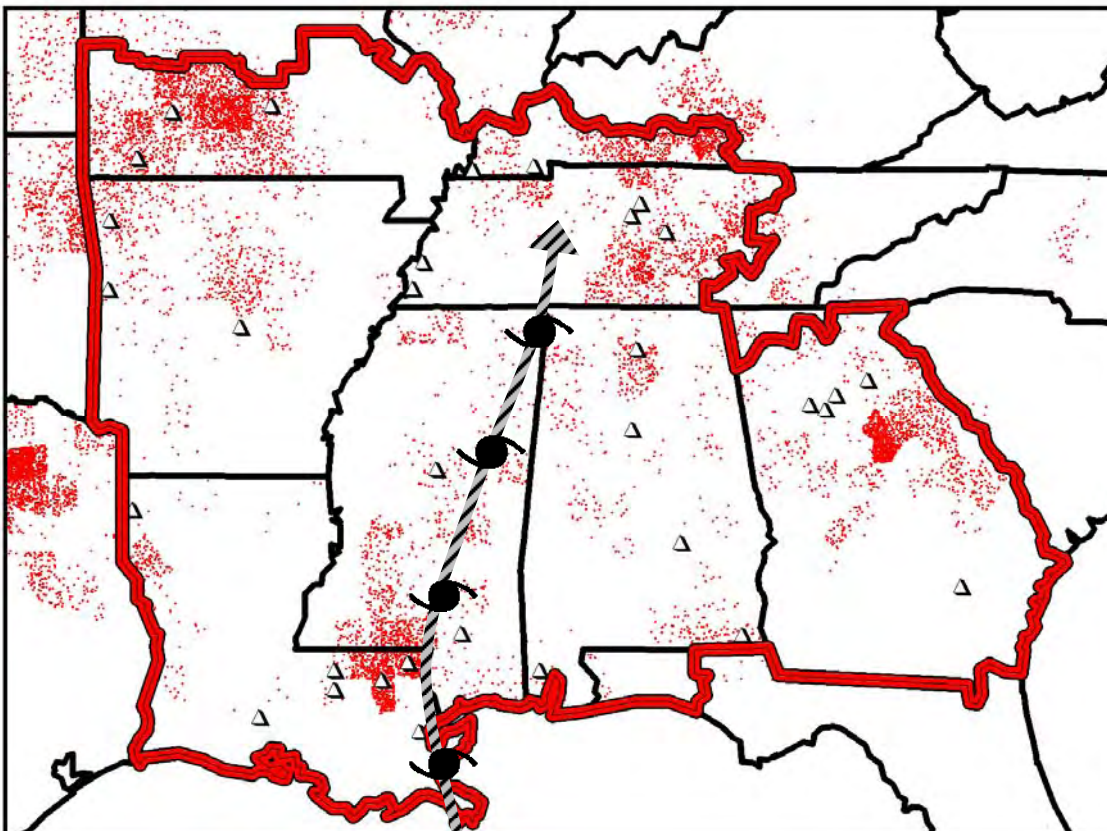
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In August, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.68% of all producer skim milk (priced to handlers at \$8.29 per hundredweight, plus the Class I differential, see page 2) and 39.61% of producer butterfat (priced to handlers at \$1.8396 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.78% of all producer skim milk (\$7.81 per hundredweight) and 27.52% of producer butterfat (\$1.8316 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.30% of all producer skim milk (\$7.48 per hundredweight) and 14.43% of producer butterfat (\$1.8246 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.24% of all producer skim milk (\$7.31 per hundredweight) and 18.44% of producer butterfat (\$1.8246 per pound).

Receipts of producer milk during August 2005 totaled 608.9 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2005. Class I route disposition in the area totaled 377.1 million pounds in July 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2005</b>		
Whole Milk	147,790,540	39.19%
Fat Free Milk	48,035,745	12.74%
Lowfat Milk (incl. 1%)	27,135,866	7.19%
Reduced Fat Milk (incl. 2%)	127,978,273	33.94%
Cultured Fluid Milk (incl. Buttermilk)	8,431,627	2.24%
Flavored Drinks and Milk	17,733,219	4.70%
<b>Total Disposition in Marketing Area</b>	<b>377,105,270</b>	<b>100.00%</b>
Total Disposition by Pool Plants	308,905,589	81.91%
Total Disposition by Nonpool Plants	68,199,681	18.09%
<b>Total Disposition in Marketing Area</b>	<b>377,105,270</b>	<b>100.00%</b>

### Southeast Order Milk Production in Hurricane Katrina's Path



The map at left displays the origin of producer milk pooled on the Southeast Order from January to July 2005. Each dot represents 250,000 pounds of milk and each triangle represents the location of a pool plant.

Hurricane Katrina, which made landfall on August 29 approximately 40 miles south of New Orleans, LA, created a swath of destruction through some highly productive parishes and counties in Louisiana and Mississippi. Areas with smaller volumes of production along the Gulf Coast of Alabama and Mississippi were also greatly disrupted, as were several pool plants in the affected area.

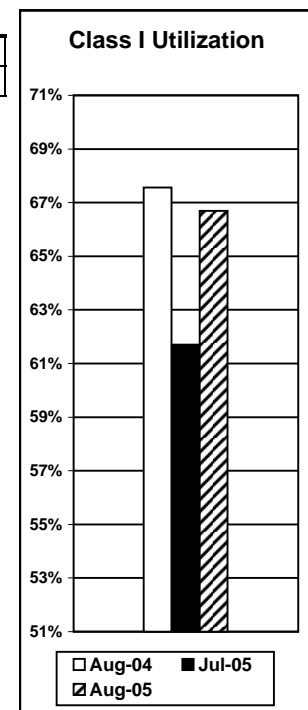
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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
Jan 2004	\$10.56	\$1.3593	\$14.95	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 9.27	\$1.4492	\$14.02
Feb	\$9.65	\$1.5354	\$14.69	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 8.41	\$1.7481	\$14.23
Mar	\$9.06	\$1.7985	\$15.04	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 8.29	\$2.1737	\$15.61
Apr	\$9.06	\$2.2835	\$16.74	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 8.58	\$2.4128	\$16.72
May	\$14.60	\$2.4747	\$22.75	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 12.13	\$2.4460	\$20.27
Jun	\$16.08	\$2.4890	\$24.23	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 12.55	\$2.2841	\$20.11
Jul	\$14.05	\$2.1398	\$21.05	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 12.20	\$2.0927	\$19.10
Aug	\$10.65	\$2.1262	\$17.72	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 9.76	\$1.9285	\$16.17
Sep	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00											

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.	%
Jan 2004	655,699	4,040	412,320	62.89%	64,742	9.87%	103,944	15.85%	74,693	11.39%
Feb	626,270	3,918	365,248	58.32%	67,198	10.73%	110,870	17.70%	82,955	13.25%
Mar	656,089	3,848	401,134	61.15%	78,230	11.92%	132,949	20.26%	43,776	6.67%
Apr	562,225	3,444	390,525	69.46%	74,196	13.20%	13,399	2.38%	84,104	14.96%
May	615,936	3,795	354,868	57.62%	85,576	13.89%	71,573	11.62%	103,919	16.87%
Jun	647,473	3,716	346,813	53.56%	90,522	13.98%	90,317	13.95%	119,821	18.51%
Jul	542,312	3,686	372,617	68.71%	61,455	11.33%	75,289	13.88%	32,951	6.08%
Aug	593,593	3,597	401,050	67.56%	75,421	12.71%	65,465	11.03%	51,657	8.70%
Sep	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,500**	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%

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



## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods September 2005 through November 2005

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
September 2005	10/11/05	10/12/05	10/13/05	09/26/05	09/26/05	10/13/05	10/14/05
October 2005	11/11/05	11/14/05	11/15/05	10/25/05	10/26/05	11/15/05	11/16/05
November 2005	12/11/05	12/12/05	12/13/05	11/25/05	11/28/05	12/13/05	12/14/05

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$14.80 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.44 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.*



**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*

**United States Department of Agriculture  
Agricultural Marketing Service, Dairy Programs**

**Market Administrator**

Federal Order No. 6 – Florida Marketing Area  
Federal Order No. 7 – Southeast Marketing Area

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Lawrenceville, GA 30049

October 14, 2005

TO: Interested Parties – Southeast Marketing Area

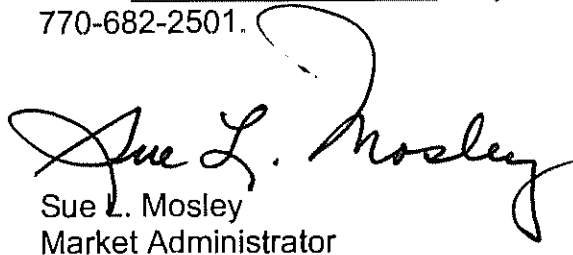
FROM: Market Administrator, Atlanta, Georgia

SUBJECT: **Partial Final Rule Issued for Appalachian and Southeast Marketing Areas**

The U.S. Department of Agriculture has announced a partial final rule that amends the Appalachian and Southeast Milk Marketing Orders. Dairy farmers approved the amended orders through the polling of cooperatives.

The partial final rule will expand the Appalachian milk marketing area to include 25 unregulated counties and 15 unregulated cities in Virginia and eliminate the ability to simultaneously pool the same milk on the Appalachian or Southeast Order and a state-operated milk order that has marketwide pooling. The partial final rule amends the transportation credit provisions of the Appalachian and Southeast Orders to increase the maximum rate of assessment by 3 cents per hundredweight (cwt) to \$0.095 per cwt and \$0.10 per cwt, respectively. The amendments also provide Market Administrators the ability to adjust the milk production standard for determining the milk of a dairy farmer that is eligible to receive transportation credits.

The partial final rule was published in the Federal Register on October 12, 2005 and will become effective on November 1, 2005. It may be viewed by clicking on the 'What's New' link at [www.fmmatlanta.com](http://www.fmmatlanta.com). If you need additional information, please contact this office at 770-682-2501.



Sue L. Mosley  
Market Administrator

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

[www.fmmatlanta.com](http://www.fmmatlanta.com)

October 2005

Volume 6—No. 10

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

## USDA Assistance Available

USDA has two main emergency assistance programs through which dairy farmers may be eligible to receive funding to recover from recent natural disasters - the Emergency Conservation Program (ECP) and the Emergency Loan Program. Both programs are administered by local and state Farm Service Agency (FSA) offices.

USDA is providing more than \$20 million in Emergency Conservation Program funds to help producers repair damage to their lands. ECP participants will receive cost-share assistance of up to 75 percent of the cost to implement approved emergency conservation practices such as debris removal and restoration of fences and conservation structures. The ECP is administered at the county level under the guidance of USDA Farm Service Agency state offices. The following states will receive the ECP funding: Alabama (\$855,000), Louisiana (\$12,452,000), Mississippi (\$7,102,000), and Tennessee (\$25,000).

A total of \$152 million in FSA's Emergency Loan Program is available to eligible producers who have suffered at least a 30 percent reduction in crop production or have sustained physical losses to buildings, chattel or livestock. Farmers have eight months from the date of a presidential or secretarial disaster declaration to apply for low-interest agency loans.

Contact information for local FSA offices can be found by clicking on the 'Your Local Office' link at [www.fsa.usda.gov](http://www.fsa.usda.gov). Producers should contact state FSA offices if local FSA offices are closed due to hurricane considerations. The following telephone numbers are for state FSA offices: Alabama: (334) 279-3500, Louisiana: (318) 473-7721, Arkansas: (501) 301-3000, Mississippi: (601) 965-4300, Florida: (352) 338-3400, and Tennessee: (615) 277-2600. Additional details may be found at [www.fmmatlanta.com](http://www.fmmatlanta.com) by clicking on the 'USDA Hurricane Disaster Resources' link.

## Blend Price Lower in September

The uniform blend price in Fulton County, GA, was \$16.32 per hundredweight of milk at 3.5 percent butterfat for the month of September. This is a decrease of \$0.12 from August and a decrease of \$0.11 from September 2004. Class I utilization was 69.87 percent, 3.18 percent higher than the previous month and a decrease of 0.49 percent when compared with September 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in August was 14.83 billion pounds, an increase of 4.3 percent from August 2004 and a decrease of 0.9 percent when compared with July 2005. Total cheese output (excluding cottage cheese) was 748 million pounds, 4.0 percent above August 2004 and 1.4 percent above July 2005. Butter production was 91.4 million pounds in July, 1.2 percent above August 2004 but 4.1 percent below July 2005.

## USDA Announcements

USDA has announced amendments to both the Mideast and Upper Midwest Orders. The Mideast Order was amended, on an interim basis, by a vote of dairy farmers to prohibit 'double-dipping' of milk in more than one marketwide equalization pool, lower diversion limits and increase supply plant performance standards.

The Upper Midwest Order will conduct a vote to determine if dairy farmers approve of amendments that would increase supply plant performance standards, limit diversions to nonpool plants by geography and restrict transportation credits to the first 400 miles of milk movements.

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for September 2005 were made for \$999,794.87. Since the available balance was \$412,977.50, eligible claims were paid at the rate of approximately \$0.41 on the dollar.



## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.72%	8,343,748	\$1.7872	\$ 14,911,946.41
Class I Differential at Location				247,468.26
Class II Butterfat	23.70%	4,854,772	\$1.8942	9,195,909.14
Class III Butterfat	14.57%	2,983,870	\$1.8872	5,631,159.45
Class IV Butterfat	21.01%	4,303,617	\$1.8872	8,121,786.00
<b>Total Butterfat</b>	<b>100.00%</b>	<b>20,486,007</b>		<b>\$ 38,108,269.26</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.8602**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	70.95%	389,298,904	\$7.71 /cwt.	\$ 30,014,945.50
Class I Butterfat	40.72%	8,343,748	\$1.7872 /lb.	14,911,946.41
Class I Differential at Location		397,642,652		11,776,239.82
<b>Total Class I Milk</b>	<b>69.87%</b>	<b>397,642,652</b>		<b>\$ 56,703,131.73</b>
Class II Skim Milk	9.99%	54,814,769	\$8.00 /cwt.	\$ 4,385,181.52
Class II Butterfat	23.70%	4,854,772	\$1.8942 /lb.	9,195,909.14
<b>Total Class II Milk</b>	<b>10.48%</b>	<b>59,669,541</b>		<b>\$ 13,581,090.66</b>
Class III Skim Milk	12.06%	66,197,754	\$7.97 /cwt.	\$ 5,275,961.00
Class III Butterfat	14.57%	2,983,870	\$1.8872 /lb.	5,631,159.45
<b>Total Class III Milk</b>	<b>12.15%</b>	<b>69,181,624</b>		<b>\$ 10,907,120.45</b>
Class IV Skim Milk	7.00%	38,396,981	\$7.40 /cwt.	\$ 2,841,376.60
Class IV Butterfat	21.01%	4,303,617	\$1.8872 /lb.	8,121,786.00
<b>Total Class IV Milk</b>	<b>7.50%</b>	<b>42,700,598</b>		<b>\$ 10,963,162.60</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>569,194,415</b>		<b>\$ 92,154,505.44</b>

### Adjustments

Overage and Other Source	\$20,536.61
Inventory Adjustments	\$80,324.26
Producer butterfat at uniform butterfat price	(\$38,108,269.26)
Location Adjustments to Producers	\$1,516,008.29
1/2 Unobligated Balance in P.S.F.	\$327,370.86

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10,20405	\$55,990,476.20
	<u>\$ 0.04405</u>	\$241,287.70

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

**\$10.16**

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

**\$16.32\***

\* 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 2005	OCT 2005	AUG 2005	SEPT 2005	SEPT 2005
Appalachian (Charlotte)	\$ 16.80	\$ 17.37	\$ 16.65	\$ 16.37	72.46%
Arizona-Las Vegas (Phoenix)	\$ 16.05	\$ 16.62	\$ 14.86	\$ 15.02	39.64%
Central (Kansas City)	\$ 15.70	\$ 16.27	\$ 14.49	\$ 14.75	31.04%
Florida (Tampa)	\$ 17.70	\$ 18.27	\$ 17.87	\$ 17.47	88.67%
Midwest (Cleveland)	\$ 15.70	\$ 16.27	\$ 14.94	\$ 14.94	40.30%
Northeast (Boston)	\$ 16.95	\$ 17.52	\$ 15.84	\$ 15.92	49.50%
Pacific Northwest (Seattle)	\$ 15.60	\$ 16.17	\$ 14.38	\$ 14.50	29.38%
<b>Southeast (Atlanta)</b>	<b>\$ 16.80</b>	<b>\$ 17.37</b>	<b>\$ 16.44</b>	<b>\$ 16.32</b>	<b>69.87%</b>
Southwest (Dallas)	\$ 16.70	\$ 17.27	\$ 15.70	\$ 15.70	46.97%
Upper Midwest (Chicago)	\$ 15.50	\$ 16.07	\$ 14.15	\$ 14.59	18.90%

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

<b>Receipts:</b>	<b>September 2005</b>	<b>September 2004</b>
<b>Producer Milk</b>		
Class I	397,642,652	393,789,636
Class II	59,669,541	63,784,400
Class III	69,181,624	58,719,101
Class IV	42,700,598	43,399,587
Total Producer Milk	<u>569,194,415</u>	<u>559,692,724</u>
Average Butterfat Test	3.60%	3.64%
Percent of Producer Milk in Class I	69.87%	70.36%
Daily Average Receipts	18,973,147	18,656,424
<b>Other Source Milk</b>		
Class I	14,244,421	10,990,030
Class II	9,224,726	6,388,113
Class III	2,424,160	2,462,981
Class IV	6,208,017	5,471,770
Total Other Source Milk	<u>32,101,324</u>	<u>25,312,894</u>
<b>Overage</b>		
Class I	89	0
Class II	247,001	0
Class III	0	0
Class IV	0	25,557
Total Overage	<u>247,090</u>	<u>25,557</u>
<b>Opening Inventory</b>		
Class I	27,783,892	34,727,784
Class II	5,033,286	2,550,388
Class III	608,803	188,995
Class IV	15,322,921	11,417,266
Total Opening Inventory	<u>48,748,902</u>	<u>48,884,433</u>
<b>Total Receipts</b>	<b>650,291,731</b>	<b>633,915,608</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	32,480,681	33,699,558
Route Disposition Class I	398,743,148	394,224,870
Shrinkage	2,426,195	2,653,408
Transfers & Diversions to Nonpool	6,021,030	8,929,614
Total Class I Utilization	<u>439,671,054</u>	<u>439,507,450</u>
Average Butterfat Test	2.09%	2.11%
Daily Average Utilization	14,655,702	14,650,248
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,400,619	1,609,729
Shrinkage	1,477	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	40,782,853	48,097,267
Total Class II Utilization	<u>31,989,605</u>	<u>23,015,905</u>
Average Butterfat Test	74,174,554	72,722,901
Average Butterfat Test	8.37%	8.26%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	72,214,587	61,371,077
Total Class III Utilization	<u>72,214,587</u>	<u>61,371,077</u>
Average Butterfat Test	4.33%	4.72%
<b>Class IV Utilization</b>		
Inventory	10,412,355	18,809,361
Nonfluid Used To Fortify	1,596,109	1,729,312
Shrinkage	5,655,854	7,180,639
Transfers & Diversions to Nonpool Used To Produce/Other Uses	41,491,665	26,377,070
Total Class IV Utilization	<u>5,075,553</u>	<u>6,217,798</u>
Average Butterfat Test	64,231,536	60,314,180
Average Butterfat Test	8.44%	7.96%
<b>Total Utilization</b>	<b>650,291,731</b>	<b>633,915,608</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2005 is \$16.32 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.16 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8602 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 September, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.95% of all producer skim milk (priced to handlers at \$7.71 per hundredweight, plus the Class I differential, see page 2) and 40.72% of producer butterfat (priced to handlers at \$1.7872 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.99% of all producer skim milk (\$8.00 per hundredweight) and 23.70% of producer butterfat (\$1.8942 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.06% of all producer skim milk (\$7.97 per hundredweight) and 14.57% of producer butterfat (\$1.8872 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.00% of all producer skim milk (\$7.40 per hundredweight) and 21.01% of producer butterfat (\$1.8872 per pound).

Receipts of producer milk during September 2005 totaled 569.2 million pounds. There were 28 regulated pool distributing plants, 4 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2005. Class I route disposition in the area totaled 424.3 million pounds in August 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2005</b>		
Whole Milk	153,062,862	36.07%
Fat Free Milk	51,537,777	12.15%
Lowfat Milk (incl. 1%)	31,142,312	7.34%
Reduced Fat Milk (incl. 2%)	139,377,412	32.85%
Cultured Fluid Milk (incl. Buttermilk)	9,216,396	2.17%
Flavored Drinks and Milk	39,989,916	9.42%
<b>Total Disposition in Marketing Area</b>	<b>424,326,675</b>	<b>100.00%</b>
Total Disposition by Pool Plants	345,901,852	81.52%
Total Disposition by Nonpool Plants	78,424,823	18.48%
<b>Total Disposition in Marketing Area</b>	<b>424,326,675</b>	<b>100.00%</b>

### 2005 Mailbox Milk Prices 2/

Reporting Area 1/	Jan	Feb	Mar	Apr	May	June
Northeast Federal Order	\$16.37	\$15.50	\$16.01	\$15.28	\$14.95	\$14.50
Appalachian States 3/	\$16.57	\$15.18	\$15.97	\$14.97	\$14.59	\$13.92
<b>Southeast States 4/</b>	<b>\$17.21</b>	<b>\$15.61</b>	<b>\$16.37</b>	<b>\$15.25</b>	<b>\$15.04</b>	<b>\$14.49</b>
<b>Southern Missouri 5/</b>	<b>\$16.01</b>	<b>\$14.75</b>	<b>\$15.44</b>	<b>\$14.25</b>	<b>\$13.97</b>	<b>\$13.18</b>
Florida	\$18.70	\$16.87	\$17.69	\$16.72	\$16.44	\$16.40
Indiana	\$16.11	\$15.27	\$15.69	\$15.06	\$14.66	\$14.29
Michigan	\$15.58	\$15.13	\$15.13	\$14.64	\$14.18	\$13.78
Wisconsin	\$16.00	\$15.91	\$15.77	\$15.68	\$14.98	\$14.67
Iowa	\$15.92	\$15.39	\$15.41	\$15.23	\$14.64	\$14.32
Corn Belt States 6/	\$14.98	\$14.37	\$14.42	\$14.16	\$13.61	\$13.27
Western Texas 7/	\$15.00	\$14.42	\$14.44	\$13.90	\$13.31	\$13.26
New Mexico	\$14.09	\$13.65	\$13.61	\$13.11	\$12.52	\$12.55
Northwest States 8/	\$14.76	\$13.97	\$14.39	\$13.89	\$13.47	\$13.35
All Federal Order Areas 9/	\$15.89	\$15.24	\$15.46	\$14.97	\$14.48	\$14.13
California 10/	\$14.85	\$14.86	\$13.99	\$14.11	\$13.48	NA

Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average. 10/ From California Department of Food and Agriculture.

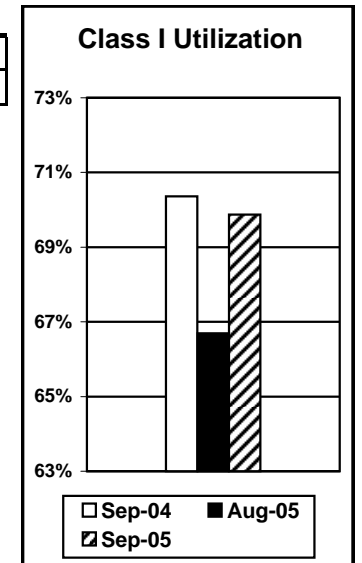
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Sep 2004	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 10.16	\$1.8602	\$16.32
Oct	\$11.06	\$1.9128	\$17.37	\$8.12											

**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.	%
Sep 2004	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,458	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%
Sep	569,194	3,500**	397,643	69.87%	59,670	10.48%	69,182	12.15%	42,701	7.50%

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



## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods October 2005 through December 2005

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
October 2005	11/11/05	11/14/05	11/15/05	10/25/05	10/26/05	11/15/05	11/16/05
November 2005	12/11/05	12/12/05	12/13/05	11/25/05	11/28/05	12/13/05	12/14/05
December 2005	01/11/06	01/12/06	01/13/06	12/27/05	12/27/05	01/13/06	01/17/06

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$14.69 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.32 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

*The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie L. Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.*



**MILK MARKET ADMINISTRATOR**  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049  
*Address Correction Requested*

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

November 2005

Volume 6—No. 11

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

## Invitation for Additional Proposals

A cooperative association, Dairy Farmers of America (DFA), has requested that the U. S. Department of Agriculture (USDA) hold an emergency public hearing to consider proposals to increase the maximum assessment rate of the transportation credit balancing funds of the Appalachian and Southeast Milk Marketing Orders. The request also proposes to establish transportation credit funds for intra-market movements of milk within the marketing areas, and fuel cost adjustments for both the current transportation credit balancing funds and the proposed intra-market transportation credit funds.

Copies of the DFA proposals may be obtained from Antoinette Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231 – Room 2971, 1400 Independence Ave, SW, Washington, DC 20250, (202) 690-3465, e-mail: antoinette.carter@usda.gov.

These proposals have not yet been approved for inclusion in a Notice of Hearing. Before deciding whether a hearing should be held, the Department is providing interested parties an opportunity to submit additional proposals.

The deadline for submitting proposals is November 25, 2005. Proposals should be mailed to: Deputy Administrator, USDA/AMS/Dairy Programs, Room 2968-S, STOP 0225, 1400 Independence Avenue, SW, Washington, DC 20250-0225, by November 25, 2005.

Each proposal should be accompanied by a brief but comprehensive statement on the need for the proposal. The statement will be used in deciding whether the proposal should be considered if a hearing to amend the order is to be held. If you have questions concerning the filing of the proposals or desire a copy of the present order, please contact the Market Administrator at 770-682-2501 or visit [www.fmmatlanta.com](http://www.fmmatlanta.com).

## October's Blend Up \$0.17

The uniform blend price in Fulton County, GA, was \$16.49 per hundredweight of milk at 3.5 percent butterfat for the month of October. This is an increase of \$0.17 from September and a decrease of \$0.29 from October 2004. Class I utilization was 68.28 percent, 1.59 percent less than last month and 0.66 percent lower than October 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in September was 14.23 billion pounds, an increase of 4.5 percent from September 2004 and a decrease of 4.0 percent when compared with August 2005. Total cheese output was 742 million pounds, 3.9 percent above September 2004 but 1.6 percent below August 2005. Butter production was 101 million pounds, 7.2 percent above September 2004 and 10.3 percent above August 2005.

## USDA Seeks Fluid Milk Board Nominations

The U.S. Department of Agriculture is asking dairy processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. Nominations will be accepted for board representation in five geographic regions, including Region 9 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee) and two at-large positions. To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by Dec. 5, 2005, to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. For more information, call (202) 720-6909 or visit [www.ams.usda.gov/dairy/dairyprp.htm](http://www.ams.usda.gov/dairy/dairyprp.htm).

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for October 2005 were made for \$1,183,953.93. Since the available balance was \$273,672.55, eligible claims were paid at the rate of approximately \$0.23 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.65%	8,156,371	\$1.8818	\$ 15,348,658.95
Class I Differential at Location				242,955.15
Class II Butterfat	23.78%	5,017,444	\$1.8326	9,194,967.89
Class III Butterfat	14.57%	3,075,049	\$1.8256	5,613,809.44
Class IV Butterfat	23.00%	4,853,294	\$1.8256	8,860,173.53
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,102,158</b>		<b>\$ 39,260,564.96</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.8605**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	69.42%	382,802,985	\$7.96 /cwt.	\$ 30,471,117.61
Class I Butterfat	38.65%	8,156,371	\$1.8818 /lb.	15,348,658.95
Class I Differential at Location		390,959,356		11,587,774.10
<b>Total Class I Milk</b>	<b>68.28%</b>	<b>390,959,356</b>		<b>\$ 57,407,550.66</b>
Class II Skim Milk	9.41%	51,915,255	\$8.12 /cwt.	\$ 4,215,518.72
Class II Butterfat	23.78%	5,017,444	\$1.8326 /lb.	9,194,967.89
<b>Total Class II Milk</b>	<b>9.94%</b>	<b>56,932,699</b>		<b>\$ 13,410,486.61</b>
Class III Skim Milk	12.17%	67,112,516	\$8.25 /cwt.	\$ 5,536,782.63
Class III Butterfat	14.57%	3,075,049	\$1.8256 /lb.	5,613,809.44
<b>Total Class III Milk</b>	<b>12.26%</b>	<b>70,187,565</b>		<b>\$ 11,150,592.07</b>
Class IV Skim Milk	9.00%	49,626,185	\$7.48 /cwt.	\$ 3,712,038.62
Class IV Butterfat	23.00%	4,853,294	\$1.8256 /lb.	8,860,173.53
<b>Total Class IV Milk</b>	<b>9.52%</b>	<b>54,479,479</b>		<b>\$ 12,572,212.15</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>572,559,099</b>		<b>\$ 94,540,841.49</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$2,052.97
Producer butterfat at uniform butterfat price	(\$39,260,564.96)
Location Adjustments to Producers	\$1,599,368.18
1/2 Unobligated Balance in P.S.F.	\$377,566.66
<b>Adjusted Pool Value</b>	<b>\$ 10.38327</b>
Reserve for Producer Settlement Fund	\$0.04327
	<b>\$57,259,264.34</b>
	\$238,616.63

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

**\$10.34**

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

**\$16.49\***

\* 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 %
	OCT 2005	NOV 2005	SEPT 2005	OCT 2005	OCT 2005
Appalachian (Charlotte)	\$ 17.37	\$ 17.66	\$ 16.37	\$ 16.48	69.30%
Arizona-Las Vegas (Phoenix)	\$ 16.62	\$ 16.91	\$ 15.02	\$ 15.03	35.45%
Central (Kansas City)	\$ 16.27	\$ 16.56	\$ 14.75	\$ 14.70	29.61%
Florida (Tampa)	\$ 18.27	\$ 18.56	\$ 17.47	\$ 17.69	87.17%
Mideast (Cleveland)	\$ 16.27	\$ 16.56	\$ 14.94	\$ 14.91	38.90%
Northeast (Boston)	\$ 17.52	\$ 17.81	\$ 15.92	\$ 15.88	48.20%
Pacific Northwest (Seattle)	\$ 16.17	\$ 16.46	\$ 14.50	\$ 14.46	28.34%
<b>Southeast (Atlanta)</b>	<b>\$ 17.37</b>	<b>\$ 17.66</b>	<b>\$ 16.32</b>	<b>\$ 16.49</b>	<b>68.28%</b>
Southwest (Dallas)	\$ 17.27	\$ 17.56	\$ 15.70	\$ 15.58	42.75%
Upper Midwest (Chicago)	\$ 16.07	\$ 16.36	\$ 14.59	\$ 14.59	17.90%

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

<b>Receipts:</b>	<b>October 2005</b>	<b>October 2004</b>
<b>Producer Milk</b>		
Class I	390,959,356	395,196,799
Class II	56,932,699	66,827,017
Class III	70,187,565	65,141,200
Class IV	54,479,479	45,997,775
Total Producer Milk	<u>572,559,099</u>	<u>573,162,791</u>
Average Butterfat Test	3.69%	3.74%
Percent of Producer Milk in Class I	68.28%	68.94%
Daily Average Receipts	18,469,648	18,489,122
<b>Other Source Milk</b>		
Class I	14,487,171	11,720,157
Class II	9,281,894	5,136,174
Class III	4,000,640	2,327,034
Class IV	8,726,379	5,282,283
Total Other Source Milk	<u>36,496,084</u>	<u>24,465,648</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	32,480,681	33,699,558
Class II	456,355	175,422
Class III	0	0
Class IV	9,956,000	18,633,939
Total Opening Inventory	<u>42,893,036</u>	<u>52,508,919</u>
<b>Total Receipts</b>	<b>651,948,219</b>	<b>650,137,358</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	28,917,695	31,704,002
Route Disposition Class I	399,874,965	398,811,828
Shrinkage	2,703,891	2,717,551
Transfers & Diversions to Nonpool	6,430,657	7,383,133
Total Class I Utilization	<u>437,927,208</u>	<u>440,616,514</u>
Average Butterfat Test	2.08%	2.13%
Daily Average Utilization	14,126,684	14,213,436
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,341,868	1,493,998
Shrinkage	1,661	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,864,535	49,004,543
Total Class II Utilization	<u>30,462,884</u>	<u>21,640,072</u>
Average Butterfat Test	9.20%	8.07%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	74,188,205	67,468,234
Total Class III Utilization	<u>74,188,205</u>	<u>67,468,234</u>
Average Butterfat Test	4.37%	5.01%
<b>Class IV Utilization</b>		
Inventory	22,376,359	26,381,363
Nonfluid Used To Fortify	2,059,554	2,008,778
Shrinkage	7,782,468	7,815,710
Transfers & Diversions to Nonpool Used To Produce/Other Uses	36,531,571	28,865,569
Total Class IV Utilization	<u>4,411,906</u>	<u>4,842,577</u>
Average Butterfat Test	8.21%	8.01%
<b>Total Utilization</b>	<b>651,948,219</b>	<b>650,137,358</b>



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2005 is \$16.49 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.34 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8605 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

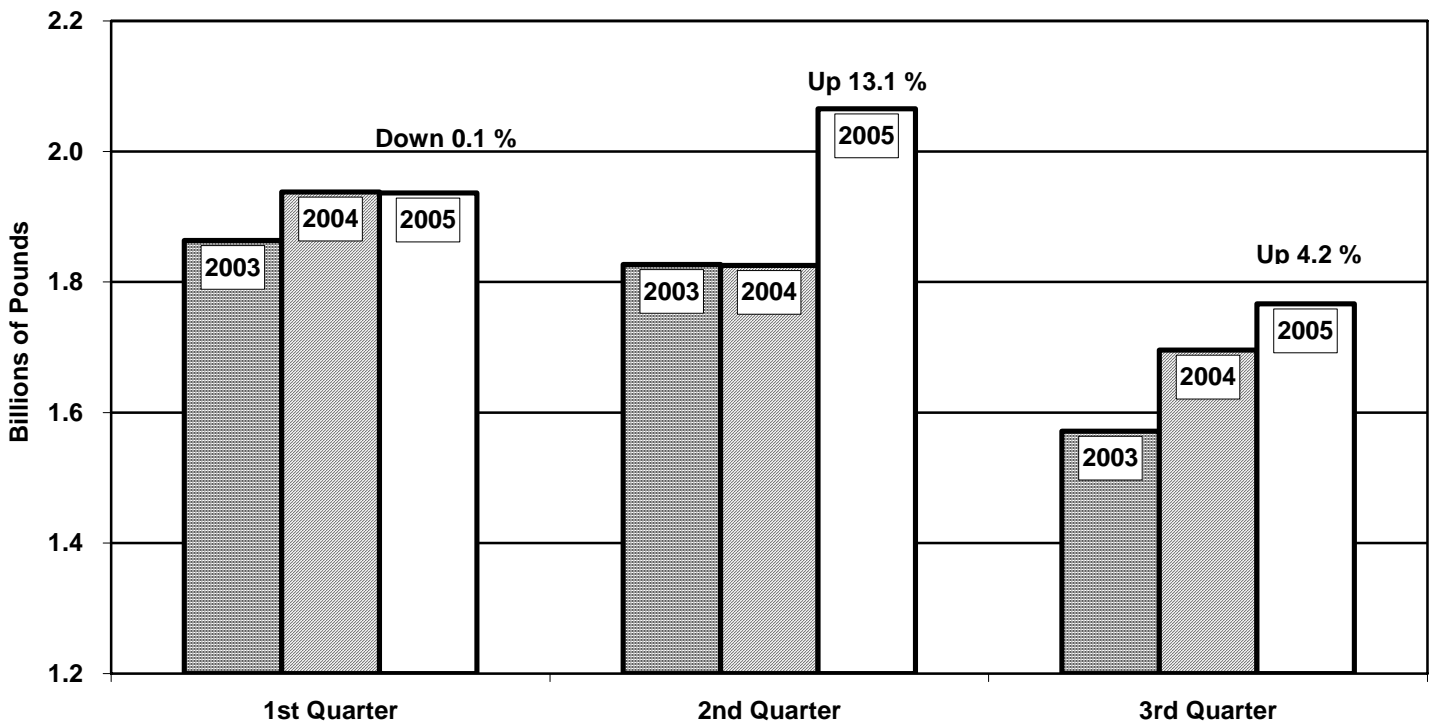
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In October, Class I use, which is primarily bottled or packaged fluid milk, accounted for 69.42% of all producer skim milk (priced to handlers at \$7.96 per hundredweight, plus the Class I differential, see page 2) and 38.65% of producer butterfat (priced to handlers at \$1.8818 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.41% of all producer skim milk (\$8.12 per hundredweight) and 23.78% of producer butterfat (\$1.8326 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.17% of all producer skim milk (\$8.25 per hundredweight) and 14.57% of producer butterfat (\$1.8256 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.00% of all producer skim milk (\$7.48 per hundredweight) and 23.00% of producer butterfat (\$1.8256 per pound).

Receipts of producer milk during October 2005 totaled 572.6 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plants and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2005. Class I route disposition in the area totaled 416.2 million pounds in September 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2005</b>		
Whole Milk	146,195,612	35.13%
Fat Free Milk	49,468,702	11.89%
Lowfat Milk (incl. 1%)	29,920,215	7.19%
Reduced Fat Milk (incl. 2%)	137,557,497	33.05%
Cultured Fluid Milk (incl. Buttermilk)	9,171,296	2.20%
Flavored Drinks and Milk	43,868,974	10.54%
<b>Total Disposition in Marketing Area</b>	<b>416,182,296</b>	<b>100.00%</b>
Total Disposition by Pool Plants	340,118,527	81.72%
Total Disposition by Nonpool Plants	76,063,769	18.28%
<b>Total Disposition in Marketing Area</b>	<b>416,182,296</b>	<b>100.00%</b>

### Federal Order 7 Producer Milk by Quarter: 2003-2005



The chart above shows volumes of Federal Order 7 producer milk by quarter for 2005 and the previous two years, and the percentage change in the amount of producer milk pooled each quarter in 2005 versus the comparable period of 2004. The amount of milk pooled on the Southeast Order is 5.7 percent higher in 2005 through the first three quarters compared with 2004, despite posting a slight decline in producer milk during the first quarter of 2005.

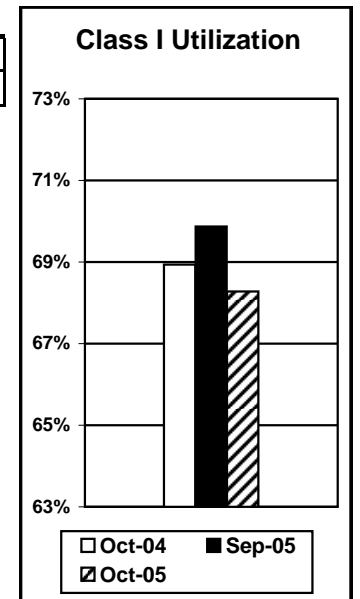
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Sep 2004	\$11.06	\$1.8200	\$17.04	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 10.17	\$1.8899	\$16.43
Oct 2004	\$11.63	\$1.9025	\$17.88	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 10.48	\$1.9035	\$16.78
Nov	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 10.16	\$1.8602	\$16.32
Oct	\$11.06	\$1.9128	\$17.37	\$8.12	\$1.8326	\$14.25	\$8.25	\$1.8256	\$14.35	\$ 7.48	\$1.8256	\$13.61	\$ 10.34	\$1.8605	\$16.49
Nov	\$11.58	\$1.8536	\$17.66	\$8.11											

**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.	%
Sep 2004	559,693	3,787	393,790	70.36%	63,784	11.40%	58,719	10.49%	43,400	7.75%
Oct 2004	573,163	3,568	395,197	68.94%	66,827	11.66%	65,141	11.37%	45,998	8.03%
Nov	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,458	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%
Sep	569,194	3,425	397,643	69.87%	59,670	10.48%	69,182	12.15%	42,701	7.50%
Oct	572,559	3,550**	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%

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



## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods November 2005 through January 2006

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
November 2005	12/11/05	12/12/05	12/13/05	11/25/05	11/28/05	12/13/05	12/14/05
December 2005	01/11/06	01/12/06	01/13/06	12/27/05	12/27/05	01/13/06	01/17/06
January 2006	02/11/06	02/13/06	02/14/06	01/25/06	01/26/06	02/14/06	02/15/06

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$14.84 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.49 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Producer-Handler Decision Issued for Pacific Northwest and Arizona-Las Vegas Orders

The U. S. Department of Agriculture has announced a final decision that adopts amendments to the current provisions of the Pacific Northwest and Arizona-Las Vegas Milk Marketing Orders. This decision is based on testimony and evidence given at separate public hearings held in Tempe, Arizona, beginning on September 23, 2003, reconvened and continued in Seattle, Washington, on November 17, 2003, and reconvened and concluded in Alexandria, Virginia, on January 23, 2004.

The decision establishes a three million pound per month route disposition limit, which if exceeded, would subject a producer-handler to the pooling and pricing provisions of the Pacific Northwest and the Arizona-Las Vegas Orders.

The final decision was published in the December 14 Federal Register, at [www.gpoaccess.gov/fr/index.html](http://www.gpoaccess.gov/fr/index.html). USDA will conduct a vote to determine producer approval. If producers approve the order as amended by the final decision, a final rule will be issued to implement the changes.

For additional information regarding the producer-handler decision, contact the Market Administrator of the Pacific Northwest and Arizona-Las Vegas Federal Orders, James R. Daughtery, at [fmmaseattle@fmmaseattle.com](mailto:fmmaseattle@fmmaseattle.com) or (425) 487-6009.

In a related USDA announcement, a final rule was adopted to amend, on a permanent basis, the producer milk provision of the Arizona-Las Vegas Order by eliminating the ability to simultaneously pool the same milk on that order and a state-operated milk order that has marketwide pooling. Producers on that order voted to approve the amendment, which will become effective January 1, 2006.

## Blend Price Falls \$0.27

The uniform blend price in Fulton County, GA, was \$16.22 per hundredweight of milk at 3.5 percent butterfat for the month of November. This is a decrease of \$0.27 from October and a decrease of \$0.61 from November 2004. Class I utilization was 67.42 percent, 0.86 percent less than last month and 4.17 percent lower than November 2004.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in October was 14.65 billion pounds, an increase of 4.1 percent from October 2004 and an increase of 3.2 percent when compared with September 2005. Total cheese output (excluding cottage cheese) was 755 million pounds, 0.9 percent above October 2004 and 1.7 percent above September 2005. Butter production was 108 million pounds, 3.0 percent above October 2004 and 7.4 percent above September 2005.

## Final Rule Amends Upper Midwest Order

USDA has announced a final rule that permanently adopts amendments to the pooling and transportation credit provisions of the Upper Midwest Milk Marketing Order that were previously implemented on an interim basis.

The producer-approved amendments allow only supply plants located in the states that comprise the Upper Midwest marketing area to use milk delivered directly from producers' farms for qualification purposes. They also eliminate the ability to pool as producer milk diversions to nonpool plants outside of the states that comprise the marketing area, and limit the transportation credit received by handlers to the first 400 miles of applicable milk movements.

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for November 2005 were made for \$963,389.61. Since the available balance was \$387,845.20, eligible claims were paid at the rate of approximately \$0.40 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2005

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.15%	8,548,506	\$1.8226	\$ 15,580,507.04
Class I Differential at Location				254,195.57
Class II Butterfat	21.40%	4,674,952	\$1.6184	7,565,942.32
Class III Butterfat	15.12%	3,302,529	\$1.6114	5,321,695.24
Class IV Butterfat	24.33%	5,314,981	\$1.6114	8,564,560.40
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,840,968</b>		<b>\$ 37,286,900.57</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7072**

### 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	68.54%	379,777,590	\$8.48 /cwt.	\$ 32,205,139.63
Class I Butterfat	39.15%	8,548,506	\$1.8226 /lb.	15,580,507.04
Class I Differential at Location		388,326,096		11,503,073.57
<b>Total Class I Milk</b>	<b>67.42%</b>	<b>388,326,096</b>		<b>\$ 59,288,720.24</b>
Class II Skim Milk	8.88%	49,220,825	\$8.11 /cwt.	\$ 3,991,808.88
Class II Butterfat	21.40%	4,674,952	\$1.6184 /lb.	7,565,942.32
<b>Total Class II Milk</b>	<b>9.36%</b>	<b>53,895,777</b>		<b>\$ 11,557,751.20</b>
Class III Skim Milk	12.51%	69,330,045	\$7.99 /cwt.	\$ 5,539,470.61
Class III Butterfat	15.12%	3,302,529	\$1.6114 /lb.	5,321,695.24
<b>Total Class III Milk</b>	<b>12.61%</b>	<b>72,632,574</b>		<b>\$ 10,861,165.85</b>
Class IV Skim Milk	10.07%	55,815,851	\$7.52 /cwt.	\$ 4,197,352.00
Class IV Butterfat	24.33%	5,314,981	\$1.6114 /lb.	8,564,560.40
<b>Total Class IV Milk</b>	<b>10.61%</b>	<b>61,130,832</b>		<b>\$ 12,761,912.40</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>575,985,279</b>		<b>\$ 94,469,549.69</b>

### Adjustments

Overage and Other Source	\$32,786.98
Inventory Adjustments	(\$19,897.76)
Producer butterfat at uniform butterfat price	(\$37,286,900.57)
Location Adjustments to Producers	\$1,653,768.02
1/2 Unobligated Balance in P.S.F	\$260,909.99
<b>Adjusted Pool Value</b>	<b>\$ 10.66694</b>
Reserve for Producer Settlement Func	<b>\$ 0.04694</b>
	<b>\$59,110,216.35</b>
	<b>\$240,901.77</b>

Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

**\$10.62**

Uniform Price per cwt. (Fulton County, Georgia)

**\$16.22\***

\* 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 %
	NOV 2005	DEC 2005	OCT 2005	NOV 2005	NOV 2005
Appalachian (Charlotte)	\$ 17.66	\$ 16.67	\$ 16.48	\$ 16.30	69.93%
Arizona-Las Vegas (Phoenix)	\$ 16.91	\$ 15.92	\$ 15.03	\$ 14.50	37.25%
Central (Kansas City)	\$ 16.56	\$ 15.57	\$ 14.70	\$ 14.06	30.26%
Florida (Tampa)	\$ 18.56	\$ 17.57	\$ 17.69	\$ 17.71	88.23%
Mideast (Cleveland)	\$ 16.56	\$ 15.57	\$ 14.91	\$ 14.35	40.00%
Northeast (Boston)	\$ 17.81	\$ 16.82	\$ 15.88	\$ 15.41	48.70%
Pacific Northwest (Seattle)	\$ 16.47	\$ 15.48	\$ 14.46	\$ 13.91	30.69%
<b>Southeast (Atlanta)</b>	<b>\$ 17.66</b>	<b>\$ 16.67</b>	<b>\$ 16.49</b>	<b>\$ 16.22</b>	<b>67.42%</b>
Southwest (Dallas)	\$ 17.56	\$ 16.57	\$ 15.58	\$ 15.15	43.11%
Upper Midwest (Chicago)	\$ 16.36	\$ 15.37	\$ 14.59	\$ 13.79	18.60%

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

<b>Receipts:</b>	<b>November 2005</b>	<b>November 2004</b>
<b>Producer Milk</b>		
Class I	388,326,096	405,676,071
Class II	53,895,777	58,889,354
Class III	72,632,574	69,594,808
Class IV	61,130,832	32,513,050
Total Producer Milk	<u>575,985,279</u>	<u>566,673,283</u>
Average Butterfat Test	3.79%	3.75%
Percent of Producer Milk in Class I	67.42%	71.59%
Daily Average Receipts	19,199,509	18,889,109
<b>Other Source Milk</b>		
Class I	15,890,836	8,845,888
Class II	8,800,002	3,816,362
Class III	3,947,103	2,207,100
Class IV	12,095,615	6,658,261
Total Other Source Milk	<u>40,733,556</u>	<u>21,527,611</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	117,336	0
Total Overage	<u>117,336</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	29,680,849	31,974,546
Class II	1,563,756	2,124,143
Class III	836,266	537,508
Class IV	19,976,337	23,449,168
Total Opening Inventory	<u>52,057,208</u>	<u>58,085,365</u>
<b>Total Receipts</b>	<b>668,893,379</b>	<b>646,286,259</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	30,734,244	34,888,549
Route Disposition Class I	392,252,373	399,342,576
Shrinkage	2,705,789	3,711,256
Transfers & Diversions to Nonpool	8,205,375	8,554,124
Total Class I Utilization	<u>433,897,781</u>	<u>446,496,505</u>
Average Butterfat Test	2.19%	2.21%
Daily Average Utilization	14,463,259	14,883,217
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,185,173	1,219,966
Shrinkage	4,466	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,472,525	41,412,507
Total Class II Utilization	<u>30,597,371</u>	<u>22,197,386</u>
Average Butterfat Test	64,259,535	64,829,859
Average Butterfat Test	9.59%	9.12%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	77,415,943	72,339,416
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	77,415,943	72,339,416
Average Butterfat Test	4.49%	9.08%
<b>Class IV Utilization</b>		
Inventory	23,156,792	16,938,967
Nonfluid Used To Fortify	3,212,253	4,264,331
Shrinkage	7,402,041	7,774,203
Transfers & Diversions to Nonpool Used To Produce/Other Uses	51,270,297	28,628,819
Total Class IV Utilization	<u>8,278,737</u>	<u>5,014,159</u>
Average Butterfat Test	93,320,120	62,620,479
Average Butterfat Test	7.58%	8.38%
<b>Total Utilization</b>	<b>668,893,379</b>	<b>646,286,259</b>

## Southeast Market Summary

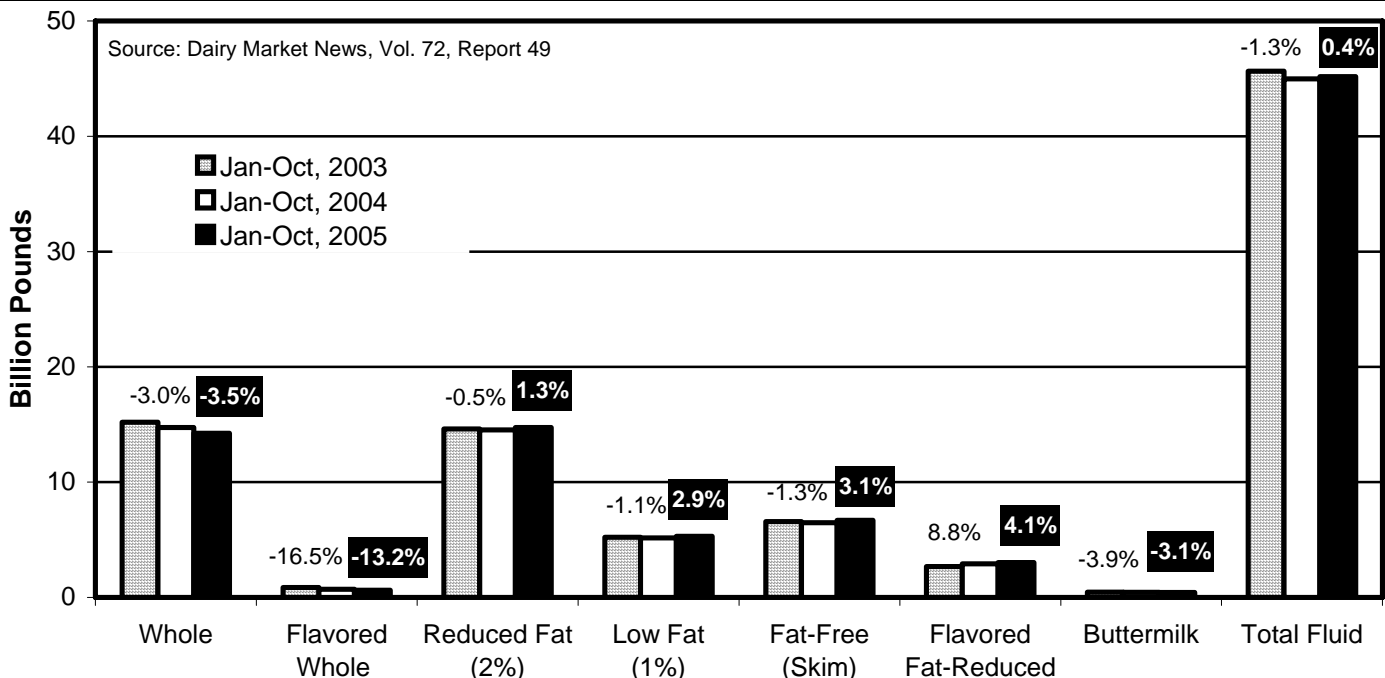
The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2005 is \$16.22 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.62 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7072 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 November, Class I use, which is primarily bottled or packaged fluid milk, accounted for 68.54% of all producer skim milk (priced to handlers at \$8.48 per hundredweight, plus the Class I differential, see page 2) and 39.15% of producer butterfat (priced to handlers at \$1.8226 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.88% of all producer skim milk (\$8.11 per hundredweight) and 21.40% of producer butterfat (\$1.6184 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.51% of all producer skim milk (\$7.99 per hundredweight) and 15.12% of producer butterfat (\$1.6114 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.07% of all producer skim milk (\$7.52 per hundredweight) and 24.33% of producer butterfat (\$1.6114 per pound).

Receipts of producer milk during November 2005 totaled 576.0 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2005. Class I route disposition in the area totaled 424.7 million pounds in October 2005.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2005</b>		
Whole Milk	153,135,277	36.05%
Fat Free Milk	49,078,589	11.56%
Lowfat Milk (incl. 1%)	32,045,600	7.54%
Reduced Fat Milk (incl. 2%)	134,912,732	31.76%
Cultured Fluid Milk (incl. Buttermilk)	9,142,830	2.15%
Flavored Drinks and Milk	46,416,798	10.94%
<b>Total Disposition in Marketing Area</b>	<b>424,731,826</b>	<b>100.00%</b>
Total Disposition by Pool Plants	340,659,364	80.21%
Total Disposition by Nonpool Plants	84,072,462	19.79%
<b>Total Disposition in Marketing Area</b>	<b>424,731,826</b>	<b>100.00%</b>



### Through October, US Fluid Milk Sales Increased

Total U.S. packaged Class I sales of fluid milk products over the January to October 2005 period were 0.4% higher than sales during the January to October 2004 period. This growth, though slight, is an improvement over the 1.3% decline in total fluid milk sales comparing the first ten months of 2003 with the first ten months of 2004. The percentage changes in fluid milk sales are adjusted for calendar composition, with the 2004 to 2005 changes shown with a highlighted background. More sales data can be found at [www.ams.usda.gov/dyfmoms/mib/in-areasales.htm](http://www.ams.usda.gov/dyfmoms/mib/in-areasales.htm).

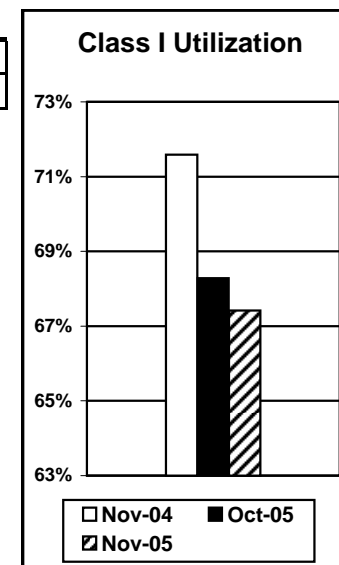
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Nov 2004	\$10.91	\$1.9598	\$17.39	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 10.14	\$2.0125	\$16.83
Dec	\$11.22	\$1.9144	\$17.53	\$7.07	\$2.0436	\$13.98	\$9.34	\$2.0366	\$16.14	\$ 6.52	\$2.0366	\$13.42	\$ 10.45	\$1.9859	\$17.03
Jan 2005	\$12.80	\$2.1128	\$19.75	\$7.20	\$1.7400	\$13.04	\$8.37	\$1.7330	\$14.14	\$ 6.69	\$1.7330	\$12.52	\$ 11.02	\$1.8649	\$17.16
Feb	\$11.07	\$1.7748	\$16.89	\$7.38	\$1.7824	\$13.36	\$8.79	\$1.7754	\$14.70	\$ 6.76	\$1.7754	\$12.74	\$ 9.93	\$1.7763	\$15.80
Mar	\$12.69	\$1.7968	\$18.53	\$7.44	\$1.7349	\$13.25	\$8.32	\$1.7279	\$14.08	\$ 6.85	\$1.7279	\$12.66	\$ 10.88	\$1.7528	\$16.63
Apr	\$11.45	\$1.7669	\$17.23	\$7.54	\$1.7034	\$13.24	\$8.99	\$1.6964	\$14.61	\$ 6.91	\$1.6964	\$12.61	\$ 10.18	\$1.7209	\$15.85
May	\$12.24	\$1.7402	\$17.90	\$7.61	\$1.5545	\$12.78	\$8.66	\$1.5475	\$13.77	\$ 7.03	\$1.5475	\$12.20	\$ 10.46	\$1.6091	\$15.73
Jun	\$11.68	\$1.5576	\$16.72	\$7.73	\$1.6002	\$13.06	\$8.65	\$1.5932	\$13.92	\$ 7.00	\$1.5932	\$12.33	\$ 10.29	\$1.5824	\$15.47
Jul	\$11.83	\$1.5920	\$16.99	\$7.73	\$1.8077	\$13.79	\$8.34	\$1.8007	\$14.35	\$ 7.12	\$1.8007	\$13.17	\$ 10.52	\$1.7218	\$16.18
Aug	\$11.39	\$1.8706	\$17.54	\$7.81	\$1.8316	\$13.95	\$7.48	\$1.8246	\$13.60	\$ 7.31	\$1.8246	\$13.44	\$ 10.35	\$1.8443	\$16.44
Sep	\$10.81	\$1.8182	\$16.80	\$8.00	\$1.8942	\$14.35	\$7.97	\$1.8872	\$14.30	\$ 7.40	\$1.8872	\$13.75	\$ 10.16	\$1.8602	\$16.32
Oct	\$11.06	\$1.9128	\$17.37	\$8.12	\$1.8326	\$14.25	\$8.25	\$1.8256	\$14.35	\$ 7.48	\$1.8256	\$13.61	\$ 10.34	\$1.8605	\$16.49
Nov	\$11.58	\$1.8536	\$17.66	\$8.11	\$1.6184	\$13.49	\$7.99	\$1.6114	\$13.35	\$ 7.52	\$1.6114	\$12.90	\$ 10.62	\$1.7072	\$16.22
Dec	\$11.13	\$1.6943	\$16.67	\$8.22											

**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.	%
Nov 2004	566,673	3,615	405,676	71.59%	58,889	10.39%	69,595	12.28%	32,513	5.74%
Dec	565,307	3,678	400,810	70.90%	56,628	10.02%	62,262	11.01%	45,607	8.07%
Jan 2005	656,001	3,652	405,636	61.83%	66,595	10.15%	83,291	12.70%	100,479	15.32%
Feb	601,850	3,513	367,201	61.00%	76,105	12.65%	60,458	10.05%	98,086	16.30%
Mar	678,515	3,470	402,239	59.28%	86,688	12.78%	91,864	13.54%	97,723	14.40%
Apr	691,728	3,527	391,110	56.55%	86,016	12.43%	102,044	14.75%	112,559	16.27%
May	723,585	3,457	380,247	52.55%	95,120	13.15%	123,726	17.10%	124,492	17.20%
Jun	650,076	3,519	361,048	55.55%	84,267	12.96%	109,175	16.79%	95,587	14.70%
Jul	588,307	3,502	363,020	61.71%	72,114	12.26%	81,910	13.92%	71,263	12.11%
Aug	608,907	3,458	406,022	66.69%	69,260	11.37%	69,487	11.41%	64,138	10.53%
Sep	569,194	3,425	397,643	69.87%	59,670	10.48%	69,182	12.15%	42,701	7.50%
Oct	572,559	3,436	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%
Nov	575,985	3,500**	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%

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





## Southeast Marketing Area Federal Order 7

### Pool and Payment Dates for the Pooling Periods December 2005 through February 2006

		MA Payment Dates		Payments for Producer Milk			
Pool Month	Pool & Uniform Price Release Date	Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
December 2005	01/11/06	01/12/06	01/13/06	12/27/05	12/27/05	01/13/06	01/17/06
January 2006	02/11/06	02/13/06	02/14/06	01/25/06	01/26/06	02/14/06	02/15/06
February 2006	03/11/06	03/13/06	03/14/06	02/27/06	02/27/06	03/14/06	03/15/06

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$14.60 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.22 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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