

Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

January 2006

Volume 7—No. 1

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

Class III / IV Make Allowance Hearing Announced for All Federal Orders

The U. S. Department of Agriculture has announced a national public hearing will be held to consider, and take evidence on, a proposal seeking to amend the Class III and Class IV milk price formula manufacturing allowances applicable to all Federal milk marketing orders.

The hearing will convene at 8:30 a.m., Tuesday, January 24, 2006 at the Sheraton Suites Old Town Alexandria, 801 North Saint Asaph Street, Alexandria, Virginia 22314. For more information contact : Jack Rower, Marketing Specialist, (202) 720-2357, e-mail-address: jack.rover@usda.gov.

The Department of Agriculture has conducted a preliminary analysis to assist the industry in considering the effects of increasing manufacturing allowances, commonly referred to as 'make allowances'. The following is taken directly from that analysis:

"Increasing the make allowances will generally result in lower Federal order class and blend prices, lower all-milk prices, slightly higher manufactured dairy product prices, and slightly lower fluid milk prices. Federal order cash receipts and U.S. producer revenues decline slightly. Manufacturing plants have higher dairy product prices on the revenue side and lower Federal order class and all-milk prices on the cost side.

The scenarios [of the analysis] also demonstrate that seemingly small changes in the relative values of the various make allowances can result in possibly unexpected changes in the relative values of the manufacturing class prices."

The full text of the preliminary analysis is online at www.ams.usda.gov/dairy/hearings.htm, under the heading 'National Hearings'.

Blend Price Slides Lower

The uniform blend price in Fulton County, GA, was \$15.44 per hundredweight of milk at 3.5 percent butterfat for the month of December. This is a decrease of \$0.78 from November and a decrease of \$1.59 from December 2004. Class I utilization was 63.95 percent, 3.47 percent less than last month and 6.95 percent lower than December 2004.

National Dairy Situation

USDA estimates that the total U.S. production of milk in November was 14.20 billion pounds, an increase of 4.4 percent from November 2004 and a decrease of 2.7 percent when compared with October 2005. Total cheese output (excluding cottage cheese) was 761 million pounds, 0.9 percent above November 2004 and 0.4 percent above October 2005. Butter production was 110 million pounds, 8.6 percent above November 2004 and 2.7 percent above October 2005.

Year-End Review of Southeast Order Prices

The year 2005 drew to a close leaving Southeast Order uniform blend prices, on average, \$0.80 per hundredweight lower than 2004 (\$16.14 versus \$16.94). While this is a large decline, the 2005 average blend price was still \$1.25 higher than the historic average since Federal Order reform(\$14.89). Even after adjusting for inflation, 2005 blend prices were well above long-term expectations.

The average Class I price fell \$0.58 from 2004, along with declines in the Class II price of \$0.38, the Class III price of \$1.35 and the Class IV price of \$0.33. The chart displayed on page 4 of this publication shows annual average uniform and class prices for Federal Order 7 since the year 2000.

Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for December 2005 were made for \$763,073.10. Since the available balance was \$400,822.92, eligible claims were paid at the rate of approximately \$0.53 on the dollar.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.48%	9,067,929	\$1.6633	\$ 15,082,686.32
Class I Differential at Location				270,140.55
Class II Butterfat	19.59%	4,739,778	\$1.5106	7,159,908.65
Class III Butterfat	16.09%	3,892,017	\$1.5036	5,852,036.77
Class IV Butterfat	26.84%	6,491,813	\$1.5036	9,761,090.02
Total Butterfat	100.00%	24,191,537		\$ 38,125,862.31

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5760**

Calculation of Uniform Skim Milk Price

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	65.01%	391,869,535	\$8.03 /cwt.	\$ 31,467,123.64
Class I Butterfat	37.48%	9,067,929	\$1.6633 /lb.	15,082,686.32
Class I Differential at Location		400,937,464		11,930,843.47
Total Class I Milk	63.95%	400,937,464		\$ 58,480,653.43
Class II Skim Milk	8.53%	51,448,143	\$8.22 /cwt.	\$ 4,229,037.35
Class II Butterfat	19.59%	4,739,778	\$1.5106 /lb.	7,159,908.65
Total Class II Milk	8.96%	56,187,921		\$ 11,388,946.00
Class III Skim Milk	14.29%	86,156,795	\$8.40 /cwt.	\$ 7,237,170.78
Class III Butterfat	16.09%	3,892,017	\$1.5036 /lb.	5,852,036.77
Total Class III Milk	14.36%	90,048,812		\$ 13,089,207.55
Class IV Skim Milk	12.17%	73,341,785	\$7.57 /cwt.	\$ 5,551,973.12
Class IV Butterfat	26.84%	6,491,813	\$1.5036 /lb.	9,761,090.02
Total Class IV Milk	12.73%	79,833,598		\$ 15,313,063.14
Producer Milk	100.00%	627,007,795		\$ 98,271,870.12

Adjustments

Overage and Other Source	\$2,935.47
Inventory Adjustments	\$14,132.30
Producer butterfat at uniform butterfat price	(\$38,125,862.31)
Location Adjustments to Producers	\$1,831,570.15
1/2 Unobligated Balance in P.S.F	\$247,467.38
Adjusted Pool Value	\$ 10.32522
Reserve for Producer Settlement Func	\$ 0.04522
	\$62,242,113.11

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

\$10.28

Uniform Price per cwt. (Fulton County, Georgia)

\$15.44*

* 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 %
	DEC 2005	JAN 2005	NOV 2005	DEC 2005	DEC 2005
Appalachian (Charlotte)	\$ 16.67	\$ 16.48	\$ 16.30	\$ 15.51	67.61%
Arizona-Las Vegas (Phoenix)	\$ 15.92	\$ 15.73	\$ 14.50	\$ 14.00	33.94%
Central (Kansas City)	\$ 15.57	\$ 15.38	\$ 14.06	\$ 13.69	29.10%
Florida (Tampa)	\$ 17.57	\$ 17.38	\$ 17.71	\$ 16.89	88.32%
Midwest (Cleveland)	\$ 15.57	\$ 15.38	\$ 14.35	\$ 13.90	39.50%
Northeast (Boston)	\$ 16.82	\$ 16.63	\$ 15.41	\$ 14.83	47.40%
Pacific Northwest (Seattle)	\$ 15.48	\$ 15.29	\$ 13.91	\$ 13.44	29.33%
Southeast (Atlanta)	\$ 16.67	\$ 16.48	\$ 16.22	\$ 15.44	63.95%
Southwest (Dallas)	\$ 16.57	\$ 16.38	\$ 15.15	\$ 14.60	40.75%
Upper Midwest (Chicago)	\$ 15.37	\$ 15.18	\$ 13.79	\$ 13.61	18.00%

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

Receipts:	December 2005	December 2004
Producer Milk		
Class I	400,937,464	400,809,887
Class II	56,187,921	56,627,539
Class III	90,048,812	62,262,105
Class IV	79,833,598	45,607,444
Total Producer Milk	<u>627,007,795</u>	<u>565,306,975</u>
Average Butterfat Test	3.86%	3.77%
Percent of Producer Milk in Class I	63.95%	70.90%
Daily Average Receipts	20,226,058	18,235,709
Other Source Milk		
Class I	9,157,032	7,652,843
Class II	8,480,032	3,649,519
Class III	3,467,667	2,234,846
Class IV	9,713,190	7,097,617
Total Other Source Milk	<u>30,817,921</u>	<u>20,634,825</u>
Overage		
Class I	0	0
Class II	0	200,123
Class III	1	0
Class IV	24	1,165
Total Overage	<u>25</u>	<u>201,288</u>
Opening Inventory		
Class I	31,347,373	37,130,332
Class II	2,997,213	1,058,395
Class III	507,934	150,177
Class IV	19,038,516	13,488,612
Total Opening Inventory	<u>53,891,036</u>	<u>51,827,516</u>
Total Receipts	711,716,777	637,970,604
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,446,220	35,407,083
Route Disposition Class I	398,548,003	399,700,226
Shrinkage	4,059,861	2,520,863
Transfers & Diversions to Nonpool	7,387,785	7,964,890
Total Class I Utilization	<u>441,441,869</u>	<u>445,593,062</u>
Average Butterfat Test	2.26%	2.25%
Daily Average Utilization	14,240,060	14,373,970
Class II Utilization		
Nonfluid Used To Produce	1,398,078	1,242,736
Shrinkage	1,039	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,120,079	40,208,876
Total Class II Utilization	<u>29,145,970</u>	<u>20,083,964</u>
Average Butterfat Test	67,665,166	61,535,576
Average Butterfat Test		8.12%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	94,024,414	64,647,128
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	94,024,414	64,647,128
Average Butterfat Test	4.30%	
Class IV Utilization		
Inventory	17,946,675	11,230,686
Nonfluid Used To Fortify	3,437,667	3,589,190
Shrinkage	7,356,479	6,625,013
Transfers & Diversions to Nonpool Used To Produce/Other Uses	68,511,353	34,767,091
Total Class IV Utilization	<u>11,333,154</u>	<u>9,982,858</u>
Average Butterfat Test	108,585,328	66,194,838
Average Butterfat Test	7.25%	9.20%
Total Utilization	711,716,777	637,970,604

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2005 is \$15.44 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.28 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5760 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

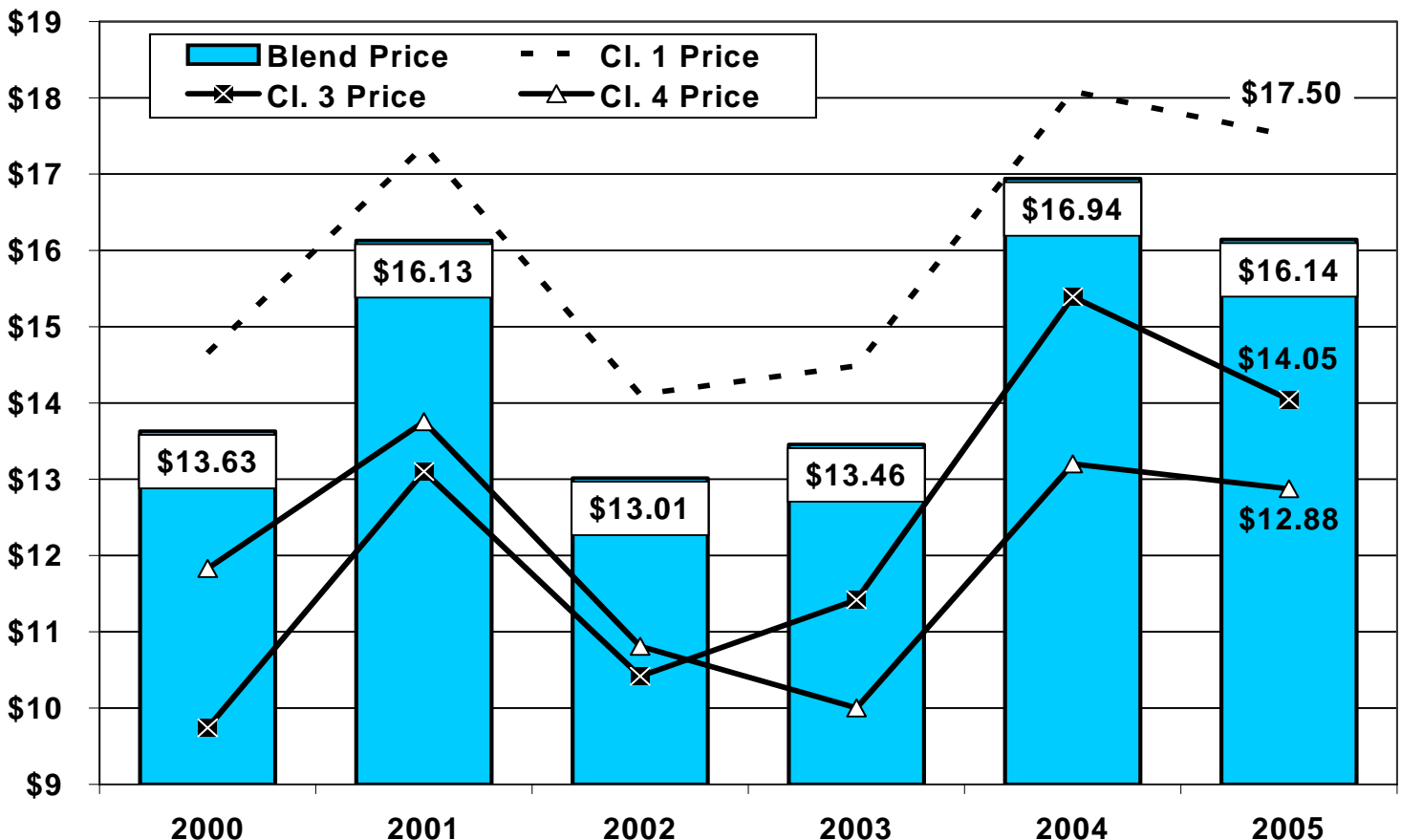
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 65.01% of all producer skim milk (priced to handlers at \$8.03 per hundredweight, plus the Class I differential, see page 2) and 37.48% of producer butterfat (priced to handlers at \$1.6633 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.53% of all producer skim milk (\$8.22 per hundredweight) and 19.59% of producer butterfat (\$1.5106 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.29% of all producer skim milk (\$8.40 per hundredweight) and 16.09% of producer butterfat (\$1.5036 per pound). Class IV use, generally milk processed into butter and powder, accounted for 12.17% of all producer skim milk (\$7.57 per hundredweight) and 26.84% of producer butterfat (\$1.5036 per pound).

Receipts of producer milk during December 2005 totaled 627.0 million pounds. There were 28 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 December 2005. Class I route disposition in the area totaled 419.6 million pounds in November 2005.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2005		
Whole Milk	149,028,648	35.51%
Fat Free Milk	48,004,686	11.44%
Lowfat Milk (incl. 1%)	29,561,474	7.04%
Reduced Fat Milk (incl. 2%)	135,251,712	32.23%
Cultured Fluid Milk (incl. Buttermilk)	10,976,778	2.62%
Flavored Drinks and Milk	46,817,729	11.16%
Total Disposition in Marketing Area	419,641,027	100.00%
Total Disposition by Pool Plants	335,863,600	80.04%
Total Disposition by Nonpool Plants	83,777,427	19.96%
Total Disposition in Marketing Area	419,641,027	100.00%

Year-End Review of Southeast Order Prices, (from Page 1)



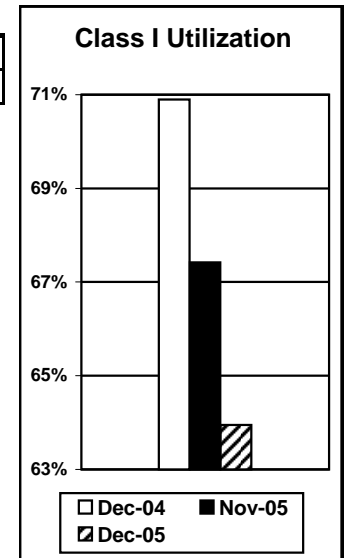
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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
Dec 2004	\$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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38											

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.	%
Dec 2004	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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,500**	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%

* 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 through March 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
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
March 2006	04/11/06	04/12/06	04/13/06	03/27/06	03/27/06	04/13/06	04/14/06

** The base rate for making partial payments in Fulton County, GA for January will be \$13.90 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.44 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%

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Address Correction Requested

Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

February 2006

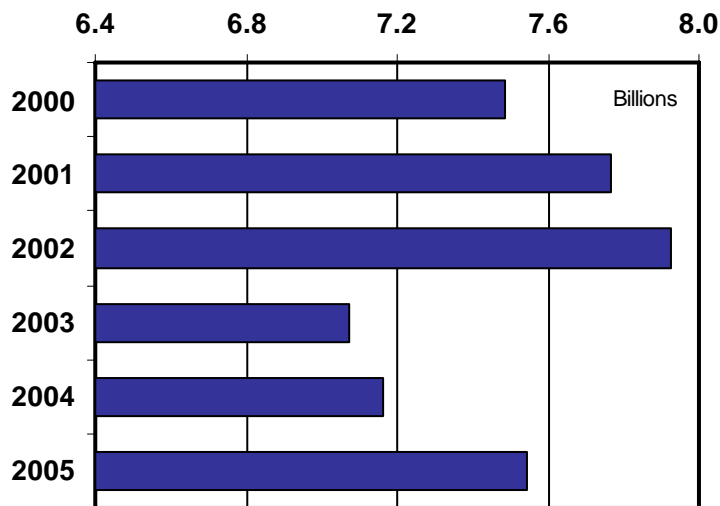
Volume 7—No. 2

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

2005 Review of Southeast Order Producer Milk

Producer milk, that is to say milk participating in the federal order pool, increased 5.3 percent on an annualized basis between 2004 and 2005 on Federal Order 7. The total volume of producer milk pooled during 2005 was 7.54 billion pounds, 379 million pounds more than last year and the third highest annual total since Order Reform of 2000. The average monthly pooled volume during 2005 was 628.6 million pounds, approximately five million pounds more than the average monthly volumes of the previous five years. The chart below shows producer milk totals from 2000 to 2005.

Federal Order 7 Annual Producer Milk



Decision for Mideast Order Announced

USDA has announced a final partial decision that permanently adopts amendments to the pooling provisions of the Mideast Order. The adopted amendments prohibit the ability to simultaneously pool the same milk on the Mideast Order and on a marketwide pool administered by another government entity, increase supply plant performance standards, and lower diversion limit standards. The decision is available in the January 23 Federal Register, at www.gpoaccess.gov/fr/.

January's Blend Price: \$15.14/cwt

The uniform blend price in Fulton County, GA, was \$15.14 per hundredweight of milk at 3.5 percent butterfat for the month of January. This is a decrease of \$0.30 from the previous month and a decrease of \$2.02 from January 2005. Class I utilization was 54.02 percent, 9.93 percent lower than the previous month and 7.81 percent lower than January 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in December was 14.85 billion pounds, an increase of 3.9 percent from December 2004 and a increase of 4.8 percent when compared with November 2005. Total cheese output (excluding cottage cheese) was 791 million pounds, 2.2 percent above December 2004 and 3.9 percent above November 2005. Butter production was 126 million pounds, 5.9 percent above December 2004 and 13.3 percent above November 2005. Nonfat dry milk production was 103 million pounds in December, 10.2 percent more than December 2004 and an increase of 15.5 percent when compared with November 2005.

Annual milk production in the nation is estimated at 176.49 billion pounds for 2005, an increase of 3.3% compared with 2004. Annual total cheese production is estimated to have increased 2.6 percent last year. American and Cheddar cheese varieties grew at less than two percent, but output of Italian varieties increased at an estimated 4.0 percent compared with 2004. Total butter production in 2005 is estimated to have increased 7.0 percent, while the amount of nonfat dry milk produced fell by 15.3 percent.

Yogurt production grew at 6.8 percent and sour cream production increased by 4.5 percent in 2005. Total ice cream production was up 1.8 percent, with increases in regular fat versions outweighing declines in reduced fat ice creams.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	29.73%	8,644,540	\$1.5016	\$ 12,980,641.28
Class I Differential at Location				259,883.69
Class II Butterfat	21.29%	6,188,682	\$1.4754	9,130,781.40
Class III Butterfat	21.49%	6,248,879	\$1.4684	9,175,853.92
Class IV Butterfat	27.49%	7,991,947	\$1.4684	11,735,374.97
Total Butterfat	100.00%	29,074,048		\$ 43,282,535.26

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4887**

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	54.97%	408,999,230	\$8.42 /cwt.	\$ 34,437,735.17
Class I Butterfat	29.73%	8,644,540	\$1.5016 /lb.	12,980,641.28
Class I Differential at Location		417,643,770		12,428,864.94
Total Class I Milk	54.02%	417,643,770		\$ 59,847,241.39
Class II Skim Milk	10.30%	76,674,009	\$8.38 /cwt.	\$ 6,425,281.95
Class II Butterfat	21.29%	6,188,682	\$1.4754 /lb.	9,130,781.40
Total Class II Milk	10.72%	82,862,691		\$ 15,556,063.35
Class III Skim Milk	21.56%	160,395,826	\$8.55 /cwt.	\$ 13,713,843.11
Class III Butterfat	21.49%	6,248,879	\$1.4684 /lb.	9,175,853.92
Total Class III Milk	21.55%	166,644,705		\$ 22,889,697.03
Class IV Skim Milk	13.17%	98,028,148	\$7.32 /cwt.	\$ 7,175,660.43
Class IV Butterfat	27.49%	7,991,947	\$1.4684 /lb.	11,735,374.97
Total Class IV Milk	13.71%	106,020,095		\$ 18,911,035.40
Producer Milk	100.00%	773,171,261		\$ 117,204,037.17

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$7,707.65
Producer butterfat at uniform butterfat price	(\$43,282,535.26)
Location Adjustments to Producers	\$2,698,323.63
1/2 Unobligated Balance in P.S.F	\$256,119.73
Adjusted Pool Value	\$ 10.33247
Reserve for Producer Settlement Func	\$ 0.04247
	\$76,883,652.92
	\$316,043.68

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

\$10.29

Uniform Price per cwt. (Fulton County, Georgia)

\$15.14*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

<u>MARKET NAME</u> (Priced at)	<u>CLASS I</u>		<u>UNIFORM</u>		<u>CLASS I %</u>
	<u>JAN 2005</u>	<u>FEB 2005</u>	<u>DEC 2005</u>	<u>JAN 2005</u>	<u>JAN 2005</u>
Appalachian (Charlotte)	\$ 16.48	\$ 16.48	\$ 15.51	\$ 15.52	69.42%
Arizona-Las Vegas (Phoenix)	\$ 15.73	\$ 15.73	\$ 14.00	\$ 13.76	31.79%
Central (Kansas City)	\$ 15.38	\$ 15.38	\$ 13.69	\$ 13.75	31.07%
Florida (Tampa)	\$ 17.38	\$ 17.38	\$ 16.89	\$ 16.71	85.42%
Mideast (Cleveland)	\$ 15.38	\$ 15.38	\$ 13.90	\$ 13.95	37.90%
Northeast (Boston)	\$ 16.63	\$ 16.63	\$ 14.83	\$ 14.78	45.00%
Pacific Northwest (Seattle)	\$ 15.29	\$ 15.29	\$ 13.44	\$ 13.44	29.76%
Southeast (Atlanta)	\$ 16.48	\$ 16.48	\$ 15.44	\$ 15.14	54.02%
Southwest (Dallas)	\$ 16.38	\$ 16.38	\$ 14.60	\$ 14.50	40.73%
Upper Midwest (Chicago)	\$ 15.18	\$ 15.18	\$ 13.61	\$ 13.66	17.20%

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

Receipts:	January 2006	January 2005
Producer Milk		
Class I	417,643,770	405,635,878
Class II	82,862,691	66,595,110
Class III	166,644,705	83,291,186
Class IV	106,020,095	100,479,207
Total Producer Milk	<u>773,171,261</u>	<u>656,001,381</u>
Average Butterfat Test	3.76%	3.72%
Percent of Producer Milk in Class I	54.02%	61.83%
Daily Average Receipts	24,941,008	21,161,335
Other Source Milk		
Class I	7,781,044	6,388,274
Class II	9,277,784	5,809,344
Class III	2,514,825	2,463,739
Class IV	7,193,308	7,206,936
Total Other Source Milk	<u>26,766,961</u>	<u>21,868,293</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	1
Class IV	0	91,922
Total Overage	<u>0</u>	<u>91,923</u>
Opening Inventory		
Class I	31,432,754	35,407,083
Class II	986,481	432,323
Class III	274,797	0
Class IV	16,685,397	10,969,541
Total Opening Inventory	<u>49,379,429</u>	<u>46,808,947</u>
Total Receipts	849,317,651	724,770,544
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	33,918,662	29,780,572
Route Disposition Class I	411,320,224	408,011,111
Shrinkage	3,050,830	2,947,343
Transfers & Diversions to Nonpool	8,567,852	6,692,209
Total Class I Utilization	<u>456,857,568</u>	<u>447,431,235</u>
Average Butterfat Test	2.07%	2.08%
Daily Average Utilization	14,737,341	14,433,266
Class II Utilization		
Nonfluid Used To Produce	1,572,186	1,681,152
Shrinkage	481	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	60,859,936	43,676,255
Total Class II Utilization	<u>30,694,353</u>	<u>27,479,370</u>
Average Butterfat Test	7.63%	
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	169,434,327	85,754,926
Total Class III Utilization	<u>169,434,327</u>	<u>85,754,926</u>
Average Butterfat Test	3.74%	4.53%
Class IV Utilization		
Inventory	18,876,902	22,895,534
Nonfluid Used To Fortify	1,509,162	1,603,980
Shrinkage	7,522,648	7,345,885
Transfers & Diversions to Nonpool Used To Produce/Other Uses	80,505,061	78,080,623
Total Class IV Utilization	<u>21,485,027</u>	<u>8,821,584</u>
Average Butterfat Test	7.20%	7.20%
Total Utilization	849,317,651	724,770,544

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2006 is \$15.14 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 \$1.4887 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

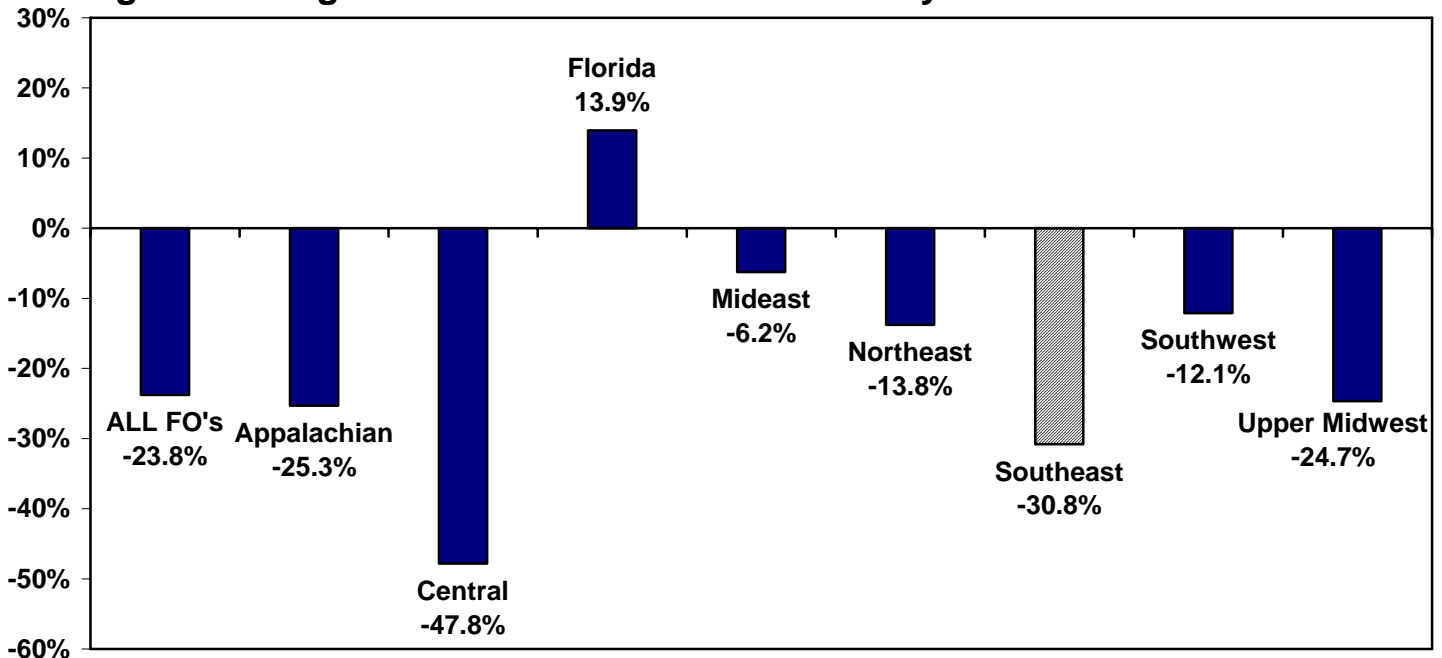
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In January, Class I use, which is primarily bottled or packaged fluid milk, accounted for 54.97% of all producer skim milk (priced to handlers at \$8.42 per hundredweight, plus the Class I differential, see page 2) and 29.73% of producer butterfat (priced to handlers at \$1.5016 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.30% of all producer skim milk (\$8.38 per hundredweight) and 21.29% of producer butterfat (\$1.4754 per pound). Class III use, mostly milk used to produce cheese, accounted for 21.56% of all producer skim milk (\$8.55 per hundredweight) and 21.49% of producer butterfat (\$1.4684 per pound). Class IV use, generally milk processed into butter and powder, accounted for 13.17% of all producer skim milk (\$7.32 per hundredweight) and 27.49% of producer butterfat (\$1.4684 per pound).

Receipts of producer milk during January 2006 totaled 773.2 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 January 2006. Class I route disposition in the area totaled 422.9 million pounds in December 2005.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2005		
Whole Milk	156,242,993	36.95%
Fat Free Milk	48,223,413	11.40%
Lowfat Milk (incl. 1%)	29,560,313	6.99%
Reduced Fat Milk (incl. 2%)	138,298,268	32.71%
Cultured Fluid Milk (incl. Buttermilk)	10,502,940	2.48%
Flavored Drinks and Milk	40,020,050	9.47%
Total Disposition in Marketing Area	422,847,977	100.00%
Total Disposition by Pool Plants	341,673,695	80.80%
Total Disposition by Nonpool Plants	81,174,282	19.20%
Total Disposition in Marketing Area	422,847,977	100.00%

Change in Average Number of Producers Pooled by Federal Orders: 2000 to 2005



In 2005, the average number of *farms* pooled per month on the Southeast Order fell to 3,467, down 6.9 percent from the previous year. Taking a longer view, there has been a 30.3 percent loss in the average number of *farms* pooled since 2000. The chart above uses a corollary statistic, the average number of *producers* pooled per month, taken from the Federal milk order public database (available at www.ams.usda.gov/USDAMIB). It shows declines from 2000 to 2005 in the Southeast are quite similar to the Appalachian and Upper Midwest Orders, but not as precipitous as the declines in the Central Order. In the entire Federal Order system (ALL FO's), the decline was 23.8 percent over this same time period.

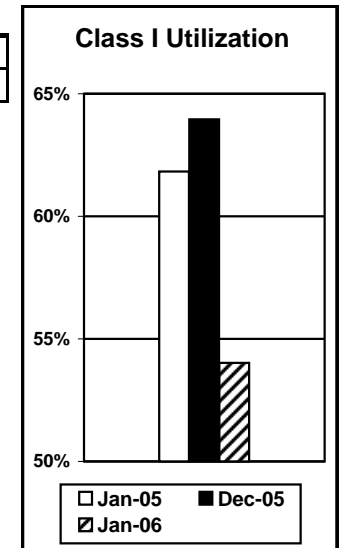
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,400**	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%

* 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 through April 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
February 2006	03/11/06	03/13/06	03/14/06	02/27/06	02/27/06	03/14/06	03/15/06
March 2006	04/11/06	04/12/06	04/13/06	03/27/06	03/27/06	04/13/06	04/14/06
April 2006	05/11/06	05/12/06	05/15/06	04/25/06	04/26/06	05/15/06	05/16/06

** The base rate for making partial payments in Fulton County, GA for February will be \$13.63 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.14 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

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

March 2006



Southeast Marketing Area
Federal Order 7

Volume 7—No. 3

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

USDA Issues Three 'De-Pooling' Decisions

The U.S. Department of Agriculture (USDA) has issued recommended decisions to adopt amendments to the pooling provisions of three federal orders. Each of these decisions pertains either in part or in whole to preventing handlers from withholding manufacturing milk from a marketwide pool when manufacturing milk prices exceed fluid milk prices, a practice known as 'de-pooling'. Because it is not mandatory to pool manufacturing milk, handlers (for example, a cheese plant) may choose to pool or 'de-pool' whenever it is economically advantageous. Regulated fluid milk handlers do not have this same 'de-pooling' opportunity.

In an effort to curb the practice of 'de-pooling', USDA recommended limiting the volume of milk pooled in any given month to a percentage of milk pooled in the previous month. In the Central Milk Order, for example, the volume of milk a handler could pool in any month would be capped at 125 percent of the total volume of milk pooled the previous month, if producers there approve the recommended decision. Such a provision would provide a disincentive to withhold milk from the marketwide pool because doing so would limit the potential benefits of participating in the marketwide pool in future months.

Similar to the Central Order, the Upper Midwest Milk Order has proposed limits on the volume of milk pooled set at 125 percent and 135 percent of the previous month's pooled volume, dependant on the time of year. The Mideast Milk Order has proposed limits for different times of the year as well, set at 115 percent and 120 percent of the previous month's total pooled volume of milk.

The full text of these three recommend decisions may be viewed at www.ams.usda.gov/dairy/ by clicking on the 'Hearings' link. Public comments must be filed by April 24, 2006.

Blend Price Falls to \$14.71

The uniform blend price in Fulton County, GA, was \$14.71 per hundredweight of milk at 3.5 percent butterfat for the month of February. This is a decrease of \$0.43 from the previous month and a decrease of \$1.09 from February 2005. Class I utilization was 55.64 percent, a gain of 1.62 percent compared with the previous month but 5.36 percent lower than February 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in January was 14.85 billion pounds, an increase of 3.3 percent from January 2005 and an increase of 5.0 percent when compared with December 2005. Total cheese output (excluding cottage cheese) was 764 million pounds, 1.3 percent above January 2005 but 3.4 percent below December 2005. Butter production was 145 million pounds, 13.1 percent above January 2005 and 15.3 percent above December 2005. Nonfat dry milk production was 102 million pounds in January, 9.2 percent more than January 2005 and a decrease of 1.0 percent when compared with December 2005.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.99 in February, down from 3.50 in February 2005 and also lower than January 2006's 3.18 feed price ratio.

Final Rule Issued in Producer-Handler Case

USDA has issued a final rule that amends pooling and pricing provisions of the Arizona-Las Vegas and Pacific Northwest Milk Orders. Specifically, this final rule permanently adopts a provision that will eliminate the exemption from regulations, by the Orders cited, for producer-handlers with in-area route disposition in excess of 3 million pounds per month. Having the approval of more than two-thirds of producers in these two Orders, this final rule will take effect April 1, 2006.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	31.12%	7,827,002	\$1.4771	\$ 11,561,264.63
Class I Differential at Location				233,297.64
Class II Butterfat	25.78%	6,484,578	\$1.3539	8,779,470.15
Class III Butterfat	21.51%	5,409,930	\$1.3469	7,286,634.73
Class IV Butterfat	21.59%	5,428,981	\$1.3469	7,312,294.51
Total Butterfat	100.00%	25,150,491		\$ 35,172,961.66

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3985**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	56.60%	366,675,305	\$8.51 /cwt.	\$ 31,204,068.45
Class I Butterfat	31.12%	7,827,002	\$1.4771 /lb.	11,561,264.63
Class I Differential at Location		374,502,307		11,142,949.60
Total Class I Milk	55.64%	374,502,307		\$ 53,908,282.68
Class II Skim Milk	10.48%	67,915,662	\$8.17 /cwt.	\$ 5,548,709.59
Class II Butterfat	25.78%	6,484,578	\$1.3539 /lb.	8,779,470.15
Total Class II Milk	11.05%	74,400,240		\$ 14,328,179.74
Class III Skim Milk	22.52%	145,935,627	\$7.76 /cwt.	\$ 11,324,604.66
Class III Butterfat	21.51%	5,409,930	\$1.3469 /lb.	7,286,634.73
Total Class III Milk	22.49%	151,345,557		\$ 18,611,239.39
Class IV Skim Milk	10.40%	67,383,408	\$6.62 /cwt.	\$ 4,460,781.61
Class IV Butterfat	21.59%	5,428,981	\$1.3469 /lb.	7,312,294.51
Total Class IV Milk	10.82%	72,812,389		\$ 11,773,076.12
Producer Milk	100.00%	673,060,493		\$ 98,620,777.93

Adjustments

Overage and Other Source	\$1,740.56
Inventory Adjustments	\$28,051.81
Producer butterfat at uniform butterfat price	(\$35,172,961.66)
Location Adjustments to Producers	\$2,355,622.64
1/2 Unobligated Balance in P.S.F.	\$334,105.80
Adjusted Pool Value	\$ 10.21243
Reserve for Producer Settlement Fund	\$ 0.04243
	\$66,167,337.08

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$10.17**

Uniform Price per cwt. (Fulton County, Georgia) **\$14.71***

* 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)	\$ 16.48	\$ 15.59	\$ 15.52	\$ 15.01	67.17%
Arizona-Las Vegas (Phoenix)	\$ 15.73	\$ 14.84	\$ 13.76	\$ 13.03	32.34%
Central (Kansas City)	\$ 15.38	\$ 14.49	\$ 13.75	\$ 12.91	28.16%
Florida (Tampa)	\$ 17.38	\$ 16.49	\$ 16.71	\$ 16.34	82.33%
Midwest (Cleveland)	\$ 15.38	\$ 14.49	\$ 13.95	\$ 13.28	37.70%
Northeast (Boston)	\$ 16.63	\$ 15.74	\$ 14.78	\$ 14.25	44.30%
Pacific Northwest (Seattle)	\$ 15.29	\$ 14.40	\$ 13.44	\$ 12.60	26.87%
Southeast (Atlanta)	\$ 16.48	\$ 15.59	\$ 15.14	\$ 14.71	55.64%
Southwest (Dallas)	\$ 16.38	\$ 15.49	\$ 14.50	\$ 13.73	37.58%
Upper Midwest (Chicago)	\$ 15.18	\$ 14.29	\$ 13.66	\$ 12.68	17.10%

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

Receipts:	February 2006	February 2005
Producer Milk		
Class I	374,502,307	367,200,689
Class II	74,400,240	76,104,939
Class III	151,345,557	60,457,961
Class IV	72,812,389	98,085,945
Total Producer Milk	<u>673,060,493</u>	<u>601,849,534</u>
Average Butterfat Test	3.74%	3.68%
Percent of Producer Milk in Class I	55.64%	61.00%
Daily Average Receipts	24,037,875	21,494,626
Other Source Milk		
Class I	7,153,451	5,644,846
Class II	7,846,119	5,621,370
Class III	3,504,363	1,997,974
Class IV	12,930,143	6,176,436
Total Other Source Milk	<u>31,434,076</u>	<u>19,440,626</u>
Overage		
Class I	14,597	0
Class II	0	3,782
Class III	0	0
Class IV	0	2,075
Total Overage	<u>14,597</u>	<u>5,857</u>
Opening Inventory		
Class I	34,268,282	29,901,205
Class II	4,434,359	1,672,412
Class III	868,256	13,209
Class IV	13,526,611	21,092,385
Total Opening Inventory	<u>53,097,508</u>	<u>52,679,211</u>
Total Receipts	757,606,674	673,975,228
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	33,614,664	29,586,895
Route Disposition Class I	372,259,911	362,492,226
Shrinkage	2,695,355	3,672,688
Transfers & Diversions to Nonpool	7,368,707	6,994,931
Total Class I Utilization	<u>415,938,637</u>	<u>402,746,740</u>
Average Butterfat Test	2.08%	2.08%
Daily Average Utilization	14,854,951	14,383,812
Class II Utilization		
Nonfluid Used To Produce	1,227,357	1,241,229
Shrinkage	1,955	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	54,675,882	55,501,254
Total Class II Utilization	<u>30,775,524</u>	<u>26,660,020</u>
Average Butterfat Test	8.59%	6.64%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	155,718,176	62,469,144
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	155,718,176	62,469,144
Class IV Utilization		
Inventory	18,482,675	23,415,071
Nonfluid Used To Fortify	1,421,082	1,576,373
Shrinkage	6,869,239	6,329,838
Transfers & Diversions to Nonpool Used To Produce/Other Uses	49,391,278	85,075,584
Total Class IV Utilization	<u>23,104,869</u>	<u>8,959,975</u>
Average Butterfat Test	99,269,143	125,356,841
Total Utilization	757,606,674	673,975,228

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2006 is \$14.71 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.17 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3985 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

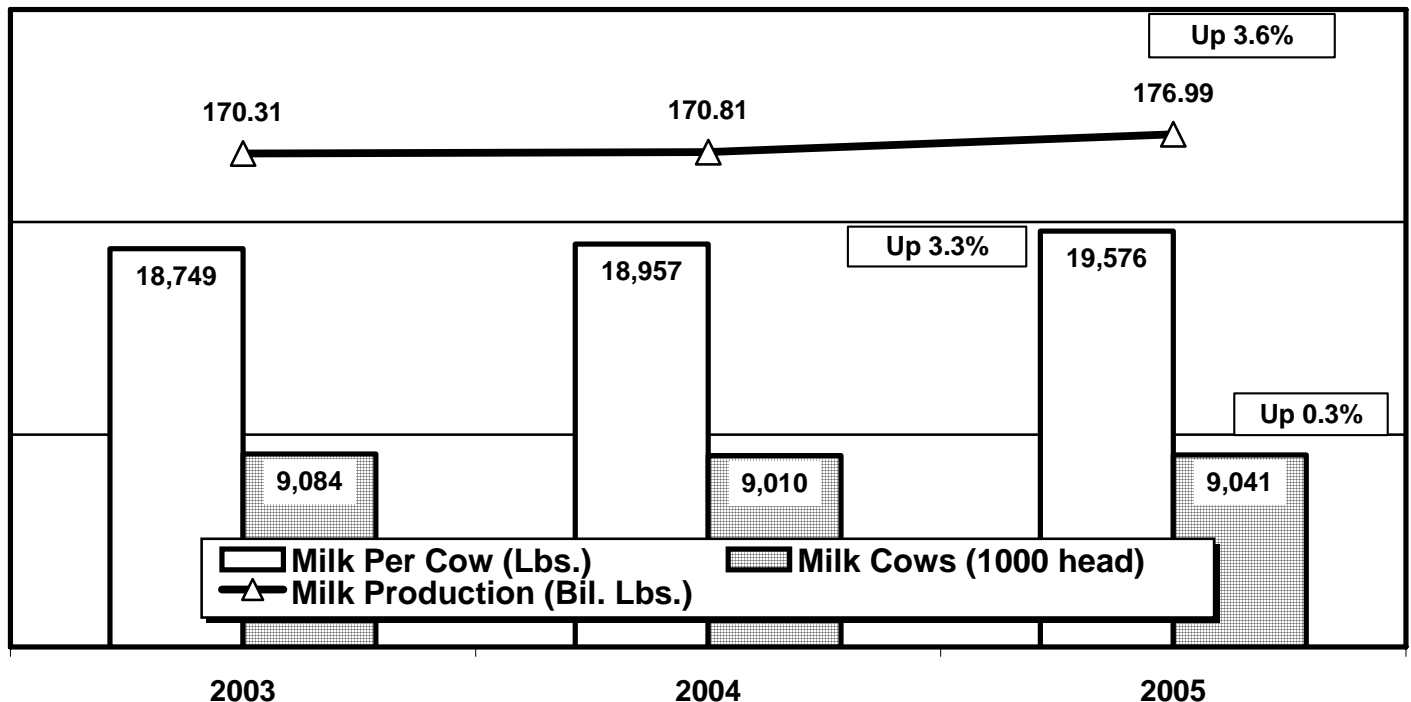
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In February, Class I use, which is primarily bottled or packaged fluid milk, accounted for 56.60% of all producer skim milk (priced to handlers at \$8.51 per hundredweight, plus the Class I differential, see page 2) and 31.12% of producer butterfat (priced to handlers at \$1.4771 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.48% of all producer skim milk (\$8.17 per hundredweight) and 25.78% of producer butterfat (\$1.3539 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.52% of all producer skim milk (\$7.76 per hundredweight) and 21.51% of producer butterfat (\$1.3469 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.40% of all producer skim milk (\$6.62 per hundredweight) and 21.59% of producer butterfat (\$1.3469 per pound).

Receipts of producer milk during February 2006 totaled 673.0 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 February 2006. Class I route disposition in the area totaled 438.6 million pounds in January 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
January 2006		
Whole Milk	156,061,737	35.58%
Fat Free Milk	52,199,348	11.90%
Lowfat Milk (incl. 1%)	31,824,022	7.26%
Reduced Fat Milk (incl. 2%)	144,225,876	32.89%
Cultured Fluid Milk (incl. Buttermilk)	9,450,148	2.15%
Flavored Drinks and Milk	44,809,417	10.22%
Total Disposition in Marketing Area	438,570,548	100.00%
Total Disposition by Pool Plants	352,551,040	80.39%
Total Disposition by Nonpool Plants	86,019,508	19.61%
Total Disposition in Marketing Area	438,570,548	100.00%

2005 U.S. Milk Production Increased 3.6%



Total U.S. milk production in 2005 is estimated to be 176.99 billion pounds, an increase of 3.6 percent when compared with 2004. Combining an increase of 0.3 percent in the number of milking cows with a 3.3 percent increase in the average milk per cow yielded one of the largest gains in year-to-year milk output in the past decade. Source: NASS-USDA

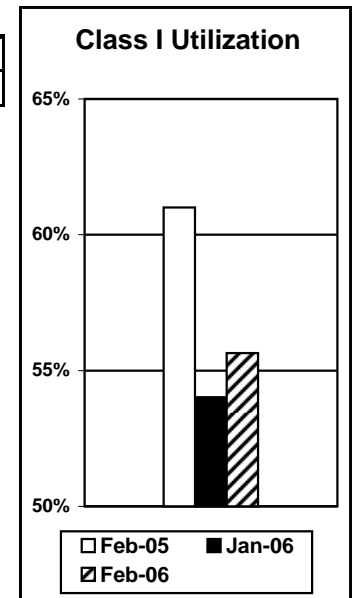
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,400**	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%

* 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 through May 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
March 2006	04/11/06	04/12/06	04/13/06	03/27/06	03/27/06	04/13/06	04/14/06
April 2006	05/11/06	05/12/06	05/15/06	04/25/06	04/26/06	05/15/06	05/16/06
May 2006	06/11/06	06/12/06	06/13/06	05/25/06	05/26/06	06/13/06	06/14/06

** The base rate for making partial payments in Fulton County, GA for March will be \$13.24 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.71 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

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

April 2006



Volume 7—No. 4

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

Milk Regulatory Equity Act Signed into Law

The Milk Regulatory Equity Act of 2005 was signed into law on April 11, 2006, by President Bush. It amends the Agricultural Marketing Agreement Act of 1937 to ensure regulatory equity between and among dairy farmers and handlers for sales of packaged fluid milk in Federal milk marketing order areas and into certain unregulated milk marketing areas from Federal milk marketing areas. It essentially closes a loophole that allowed a milk processor to escape Federal order regulations based on the physical location of a plant.

There are three main parts of the Milk Regulatory Equity Act of 2005 that have Federal order implications. The first portion deals with how plants become subject to Federal order regulation. Generally, a plant is regulated based on where its sales are distributed. Previously, if a plant was located in a Federal milk marketing area but sold fluid milk into a state with minimum milk pricing plans, it could avoid both the Federal and state pricing laws. Under the new rules, such a plant would be subject to Federal order pooling and pricing regulations, helping to establish equitable pricing for farmers and handlers alike.

Under a second provision, producer-handlers, that is to say farmers that bottle their own milk, would be regulated by the Arizona-Las Vegas Order if the producer-handler's total milk sales exceeded 3 million pounds per month and if a portion of those sales were distributed in the Arizona-Las Vegas marketing area.

Lastly, the Act exempts the State of Nevada from Federal milk marketing order regulations.

Fluid Milk Board Appointments Made

USDA Secretary of Agriculture Mike Johanns has announced the appointment of four incumbents and five new members to the National Fluid Milk Processor Promotion Board. For more information, visit www.ams.usda.gov/dairy/dairyhp.htm.

Blend Price Declines

The uniform blend price in Fulton County, GA, was \$13.77 per hundredweight of milk at 3.5 percent butterfat for the month of March. This is a decrease of \$0.94 from the previous month and a decrease of \$2.86 from March 2005. Class I utilization was 54.11 percent, a decline of 1.53 percent compared with the previous month and 5.17 percent lower than March 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in February was 14.28 billion pounds, an increase of 5.5 percent from February 2005 and an increase of 2.9 percent when compared with January 2006 on a daily average basis. Total cheese output was 719 million pounds, 1.6 percent above February 2005 but 7.0 percent below January 2006. Butter production was 134 million pounds, 18.1 percent above February 2005 but 9.0 percent below January 2006.

Nonfat dry milk production was 117 million pounds in February, 24.1 percent more than February 2005 and an increase of 14.7 percent when compared with January 2006. Note that when compared on a daily average basis, 27.0 percent more nonfat dry milk was produced in February than in January. The amount of nonfat dry milk produced was so large that approximately 1.3 million pounds was offered to and purchased by the Commodity Credit Corporation in March, the first support price purchases made by the government since November 2004.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.77 in March, down from 3.35 in March 2005 and lower, also, than February 2006's 2.92 feed price ratio. The value of milk used in the ratio, the all-milk price, fell \$0.70 to \$12.80 per hundredweight in March, while feed prices were generally unchanged.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	30.72%	8,610,158	\$1.3768	\$ 11,854,465.53
Class I Differential at Location				257,543.21
Class II Butterfat	25.73%	7,209,883	\$1.2666	9,132,037.81
Class III Butterfat	24.14%	6,763,698	\$1.2596	8,519,553.98
Class IV Butterfat	19.41%	5,440,152	\$1.2596	6,852,415.45
Total Butterfat	100.00%	28,023,891		\$ 36,616,015.98

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.3066

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	55.00%	404,061,446	\$7.95 /cwt.	\$ 32,122,884.97
Class I Butterfat	30.72%	8,610,158	\$1.3768 /lb.	11,854,465.53
Class I Differential at Location		412,671,604		12,316,250.47
Total Class I Milk	54.11%	412,671,604		\$ 56,293,600.97
Class II Skim Milk	10.69%	78,509,576	\$7.52 /cwt.	\$ 5,903,920.10
Class II Butterfat	25.73%	7,209,883	\$1.2666 /lb.	9,132,037.81
Total Class II Milk	11.24%	85,719,459		\$ 15,035,957.91
Class III Skim Milk	24.58%	180,587,255	\$6.94 /cwt.	\$ 12,532,755.49
Class III Butterfat	24.14%	6,763,698	\$1.2596 /lb.	8,519,553.98
Total Class III Milk	24.57%	187,350,953		\$ 21,052,309.47
Class IV Skim Milk	9.73%	71,457,481	\$6.50 /cwt.	\$ 4,644,736.32
Class IV Butterfat	19.41%	5,440,152	\$1.2596 /lb.	6,852,415.45
Total Class IV Milk	10.08%	76,897,633		\$ 11,497,151.77
Producer Milk	100.00%	762,639,649		\$ 103,879,020.12

Adjustments

Overage and Other Source	\$37,663.41
Inventory Adjustments	\$47,897.20
Producer butterfat at uniform butterfat price	(\$36,616,015.98)
Location Adjustments to Producers	\$2,579,769.88
1/2 Unobligated Balance in P.S.F.	\$391,174.93

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.57228	\$70,319,509.56
	<u>\$ 0.04228</u>	\$310,627.79

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

\$9.53

Uniform Price per cwt. (Fulton County, Georgia)

\$13.77*

* 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 2006	APR 2006	FEB 2006	MAR 2006	MAR 2006
Appalachian (Charlotte)	\$ 15.59	\$ 14.32	\$ 15.01	\$ 14.13	64.08%
Arizona-Las Vegas (Phoenix)	\$ 14.84	\$ 13.57	\$ 13.03	\$ 12.21	32.66%
Central (Kansas City)	\$ 14.49	\$ 13.22	\$ 12.91	\$ 12.00	28.03%
Florida (Tampa)	\$ 16.49	\$ 15.22	\$ 16.34	\$ 15.41	80.76%
Mideast (Cleveland)	\$ 14.49	\$ 13.22	\$ 13.28	\$ 12.36	37.90%
Northeast (Boston)	\$ 15.74	\$ 14.47	\$ 14.25	\$ 13.43	45.30%
Pacific Northwest (Seattle)	\$ 14.40	\$ 13.13	\$ 12.60	\$ 11.86	27.38%
Southeast (Atlanta)	\$ 15.59	\$ 14.32	\$ 14.71	\$ 13.77	54.11%
Southwest (Dallas)	\$ 15.49	\$ 14.22	\$ 13.73	\$ 12.95	36.45%
Upper Midwest (Chicago)	\$ 14.29	\$ 13.02	\$ 12.68	\$ 11.67	17.50%

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

Receipts:	March 2006	March 2005
Producer Milk		
Class I	412,671,604	402,239,337
Class II	85,719,459	86,688,478
Class III	187,350,953	91,864,478
Class IV	76,897,633	97,723,164
Total Producer Milk	<u>762,639,649</u>	<u>678,515,457</u>
Average Butterfat Test	3.67%	3.63%
Percent of Producer Milk in Class I	54.11%	59.28%
Daily Average Receipts	24,601,279	21,887,595
Other Source Milk		
Class I	7,745,676	6,213,783
Class II	11,559,030	8,690,616
Class III	9,222,855	5,339,086
Class IV	9,748,053	12,347,529
Total Other Source Milk	<u>38,275,614</u>	<u>32,591,014</u>
Overage		
Class I	0	0
Class II	123,221	135,395
Class III	1,101	0
Class IV	1,293	3,694
Total Overage	<u>125,615</u>	<u>139,089</u>
Opening Inventory		
Class I	34,404,223	30,401,819
Class II	3,045,605	3,085,381
Class III	1,186,981	222,319
Class IV	13,460,530	19,292,447
Total Opening Inventory	<u>52,097,339</u>	<u>53,001,966</u>
Total Receipts	853,138,217	764,247,526
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	34,302,048	32,913,910
Route Disposition Class I	410,020,554	395,324,628
Shrinkage	2,896,373	2,001,886
Transfers & Diversions to Nonpool	7,602,528	8,614,515
Total Class I Utilization	<u>454,821,503</u>	<u>438,854,939</u>
Average Butterfat Test	2.08%	2.09%
Daily Average Utilization	14,671,661	14,156,611
Class II Utilization		
Nonfluid Used To Produce	1,638,526	1,908,335
Shrinkage	4,086	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	61,223,162	60,058,458
Total Class II Utilization	<u>37,581,541</u>	<u>36,633,077</u>
Average Butterfat Test	100,447,315	98,599,870
Average Butterfat Test	8.71%	7.32%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	197,761,890	97,425,883
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	197,761,890	97,425,883
Average Butterfat Test	3.61%	4.17%
Class IV Utilization		
Inventory	11,391,139	17,999,715
Nonfluid Used To Fortify	1,517,656	1,638,227
Shrinkage	7,177,966	7,146,001
Transfers & Diversions to Nonpool Used To Produce/Other Uses	53,647,504	81,496,614
Total Class IV Utilization	<u>26,373,244</u>	<u>21,086,277</u>
Average Butterfat Test	100,107,509	129,366,834
Average Butterfat Test	6.64%	6.06%
Total Utilization	853,138,217	764,247,526

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2006 is \$13.77 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3066 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 55.00% of all producer skim milk (priced to handlers at \$7.95 per hundredweight, plus the Class I differential, see page 2) and 30.72% of producer butterfat (priced to handlers at \$1.3768 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.69% of all producer skim milk (\$7.52 per hundredweight) and 25.73% of producer butterfat (\$1.2666 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.58% of all producer skim milk (\$6.94 per hundredweight) and 24.14% of producer butterfat (\$1.2596 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.73% of all producer skim milk (\$6.50 per hundredweight) and 19.41% of producer butterfat (\$1.2596 per pound).

Receipts of producer milk during March 2006 totaled 762.6 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 March 2006. Class I route disposition in the area totaled 390.2 million pounds in February 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2006		
Whole Milk	138,296,936	35.44%
Fat Free Milk	45,816,192	11.74%
Lowfat Milk (incl. 1%)	28,507,705	7.31%
Reduced Fat Milk (incl. 2%)	127,179,144	32.60%
Cultured Fluid Milk (incl. Buttermilk)	8,512,959	2.18%
Flavored Drinks and Milk	41,849,903	10.73%
Total Disposition in Marketing Area	390,162,839	100.00%
Total Disposition by Pool Plants	316,956,772	81.24%
Total Disposition by Nonpool Plants	73,206,067	18.76%
Total Disposition in Marketing Area	390,162,839	100.00%

Mailbox Milk Prices, January 2006 2/

Reporting Area 1/	January 2005	December 2005	January 2006
New England States 3/	16.65	15.20	15.08
Appalachian States 4/	16.57	14.93	14.87
Southeast States 5/	17.21	16.01	15.81
Southern Missouri 6/	16.01	14.43	13.94
Florida	18.70	17.98	17.31
Indiana	16.11	14.76	14.53
Michigan	15.58	14.70	14.48
Wisconsin	16.00	15.06	14.70
Illinois	15.88	15.06	14.68
Corn Belt States 7/	14.98	13.82	13.65
Western Texas 8/	15.00	13.77	13.58
New Mexico	14.09	12.94	12.74
All Federal Order Areas 9/	15.89	14.73	14.43
California 10/	14.85	13.49	12.87

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. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these 7/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by California Department of Food and Agriculture.

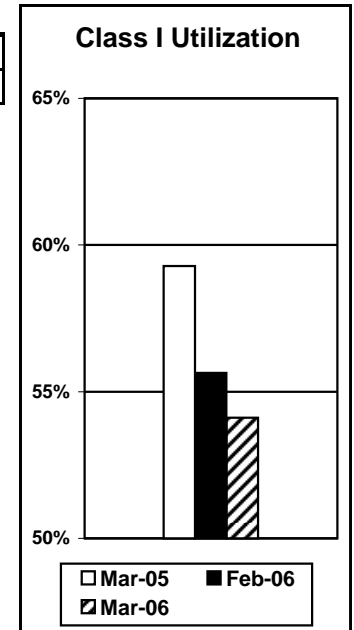
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,350**	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%

* 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 through June 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
April 2006	05/11/06	05/12/06	05/15/06	04/25/06	04/26/06	05/15/06	05/16/06
May 2006	06/11/06	06/12/06	06/13/06	05/25/06	05/26/06	06/13/06	06/14/06
June 2006	07/11/06	07/12/06	07/13/06	06/26/06	06/26/06	07/13/06	07/14/06

** The base rate for making partial payments in Fulton County, GA for April will be \$12.39 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.77 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



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

May 2006

Volume 7—No. 5

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

USDA Hurricane Assistance Programs

Department of Agriculture Secretary Mike Johanns has announced that sign-up begins May 17, 2006, for four crop and livestock assistance programs providing aid to producers affected by the destructive 2005 hurricanes. The four programs - Livestock Indemnity Program, Feed Indemnity Program, Hurricane Indemnity Program and Tree Indemnity Program - are funded through the use of \$250 million authorized in October 2005 for crop disaster, livestock, and tree assistance. Additionally, funding is being made available for aquaculture operations.

The Livestock Indemnity Program provides payments to livestock owners or growers for the death of livestock caused by the hurricanes at the rate of 75 percent of fair market value. The Feed Indemnity Program provides payments to livestock owners that incurred increased feed costs or sustained feed losses from the hurricanes. The Hurricane Indemnity Program provides additional payments to those who suffered crop losses, provided they have already received compensation from a Federal crop insurance program. The Tree Indemnity Program will provide payments to owners of commercially grown fruit trees, nut trees, bushes and vines that were lost or damaged due to the hurricanes.

Producers in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas counties declared primary presidential or secretarial disaster areas in 2005 because of hurricanes are eligible for the new programs. A complete list of the counties is posted online at www.fsa.usda.gov/PAS/news/releases/. Producers must also meet other eligibility requirements to received assistance.

Additional information about U.S. Department of Agriculture hurricane assistance is available at USDA Service Centers nationwide and online at www.usda.gov/HurricaneInfo.xml.

Blend Price Lower

The uniform blend price in Fulton County, GA, was \$12.94 per hundredweight of milk at 3.5 percent butterfat for the month of April. This is a decrease of \$0.83 from the previous month and a decrease of \$2.91 from April 2005. Class I utilization was 50.68 percent, a decline of 3.43 percent compared with the previous month and 5.87 percent lower than April 2005.

National Dairy Situation

USDA estimates that the total U.S. production of milk in March was 15.95 billion pounds, an increase of 4.9 percent from March 2005 and an increase of 1.1 percent when compared with February 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 810 million pounds, 1.5 percent above March 2005 and 12.3 percent above February 2006. Butter production was 142 million pounds, 16.0 percent above March 2005 and 3.7 percent above February 2006. Nonfat dry milk production was 28 million pounds in March, 17.2 percent more than March 2005 and a decrease of 1.2 percent versus February 2006 on a daily average basis.

National Dairy Situation

The U.S. Department of Agriculture's National Organic Program (NOP) published an Advanced Notice of Proposed Rulemaking (ANPR) in the Federal Register April 13, exploring the role of pasture in organic management of ruminant animals—particularly dairy animals. It gives a history of the pasture issue as it relates to the development of the NOP standards and the discussion surrounding the issue since the standards were implemented in October 2002. The ANPR also contains questions that interested parties might consider for making formal comments. The comment period is open for 60 days, ending June 12. Visit the NOP website at www.ams.usda.gov/nop under Today's News for April 10 for more details.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	29.42%	7,883,395	\$1.2715	\$ 10,023,736.74
Class I Differential at Location				236,826.00
Class II Butterfat	24.53%	6,572,794	\$1.2413	8,158,809.18
Class III Butterfat	25.66%	6,874,653	\$1.2343	8,485,384.18
Class IV Butterfat	20.39%	5,464,406	\$1.2343	6,744,716.34
Total Butterfat	100.00%	26,795,248		\$ 33,649,472.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2558

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	51.47%	369,381,207	\$7.02 /cwt.	\$ 25,930,560.72
Class I Butterfat	29.42%	7,883,395	\$1.2715 /lb.	10,023,736.74
Class I Differential at Location		377,264,602		11,243,839.73
Total Class I Milk	50.68%	377,264,602		\$ 47,198,137.19
Class II Skim Milk	10.75%	77,142,601	\$7.28 /cwt.	\$ 5,615,981.37
Class II Butterfat	24.53%	6,572,794	\$1.2413 /lb.	8,158,809.18
Total Class II Milk	11.24%	83,715,395		\$ 13,774,790.55
Class III Skim Milk	25.57%	183,527,315	\$6.85 /cwt.	\$ 12,571,621.09
Class III Butterfat	25.66%	6,874,653	\$1.2343 /lb.	8,485,384.18
Total Class III Milk	25.57%	190,401,968		\$ 21,057,005.27
Class IV Skim Milk	12.21%	87,648,422	\$6.26 /cwt.	\$ 5,486,791.22
Class IV Butterfat	20.39%	5,464,406	\$1.2343 /lb.	6,744,716.34
Total Class IV Milk	12.51%	93,112,828		\$ 12,231,507.56
Producer Milk	100.00%	744,494,793		\$ 94,261,440.57

Adjustments

Overage and Other Source	\$156,962.39
Inventory Adjustments	\$4,148.93
Producer butterfat at uniform butterfat price	(\$33,649,472.44)
Location Adjustments to Producers	\$2,645,523.05
1/2 Unobligated Balance in P.S.F.	\$412,706.81

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.89388	\$63,831,309.31
	\$ 0.04388	\$314,899.57

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

\$8.85

Uniform Price per cwt. (Fulton County, Georgia)

\$12.94*

* 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 2006	MAY 2006	MAR 2006	APR 2006	APR 2006
Appalachian (Charlotte)	\$ 14.32	\$ 14.07	\$ 14.13	\$ 13.01	56.25%
Arizona-Las Vegas (Phoenix)	\$ 13.57	\$ 13.32	\$ 12.21	\$ 11.66	32.26%
Central (Kansas City)	\$ 13.22	\$ 12.97	\$ 12.00	\$ 11.49	25.90%
Florida (Tampa)	\$ 15.22	\$ 14.97	\$ 15.41	\$ 14.36	79.12%
Mideast (Cleveland)	\$ 13.22	\$ 12.97	\$ 12.36	\$ 11.75	34.20%
Northeast (Boston)	\$ 14.47	\$ 14.22	\$ 13.43	\$ 12.64	41.50%
Pacific Northwest (Seattle)	\$ 13.13	\$ 12.88	\$ 11.86	\$ 11.35	25.84%
Southeast (Atlanta)	\$ 14.32	\$ 14.07	\$ 13.77	\$ 12.94	50.68%
Southwest (Dallas)	\$ 14.22	\$ 13.97	\$ 12.95	\$ 12.41	35.55%
Upper Midwest (Chicago)	\$ 13.02	\$ 12.77	\$ 11.67	\$ 11.29	16.10%

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

Receipts:	April 2006	April 2005
Producer Milk		
Class I	377,264,602	391,109,553
Class II	83,715,395	86,015,540
Class III	190,401,968	102,043,568
Class IV	93,112,828	112,559,299
Total Producer Milk	<u>744,494,793</u>	<u>691,727,960</u>
Average Butterfat Test	3.60%	3.56%
Percent of Producer Milk in Class I	50.68%	56.55%
Daily Average Receipts	24,816,493	23,057,599
Other Source Milk		
Class I	6,747,777	5,871,373
Class II	10,990,022	7,652,610
Class III	2,798,109	11,583,406
Class IV	11,816,841	11,870,529
Total Other Source Milk	<u>32,352,749</u>	<u>36,977,918</u>
Overage		
Class I	0	0
Class II	126,450	4,591
Class III	0	1
Class IV	0	27,656
Total Overage	<u>126,450</u>	<u>32,248</u>
Opening Inventory		
Class I	34,096,705	32,913,910
Class II	513,667	1,020,429
Class III	279,073	259,277
Class IV	10,410,820	16,720,009
Total Opening Inventory	<u>45,300,265</u>	<u>50,913,625</u>
Total Receipts	822,274,257	779,651,751
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	30,071,475	31,569,058
Route Disposition Class I	376,325,154	388,365,431
Shrinkage	4,536,989	2,699,349
Transfers & Diversions to Nonpool	7,175,466	7,260,998
Total Class I Utilization	<u>418,109,084</u>	<u>429,894,836</u>
Average Butterfat Test	2.08%	2.08%
Daily Average Utilization	13,936,969	14,329,828
Class II Utilization		
Nonfluid Used To Produce	1,878,377	1,533,169
Shrinkage	1,543	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	59,159,975	61,110,776
Total Class II Utilization	<u>34,305,639</u>	<u>32,049,225</u>
Average Butterfat Test	8.48%	6.76%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	193,479,150	113,886,252
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	193,479,150	113,886,252
Class IV Utilization		
Inventory	27,802,815	16,593,813
Nonfluid Used To Fortify	1,409,200	1,469,737
Shrinkage	7,220,746	6,825,560
Transfers & Diversions to Nonpool Used To Produce/Other Uses	58,403,297	91,832,351
Total Class IV Utilization	<u>20,504,431</u>	<u>24,456,032</u>
Average Butterfat Test	115,340,489	141,177,493
Total Utilization	822,274,257	779,651,751

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2006 is \$12.94 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.85 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2558 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

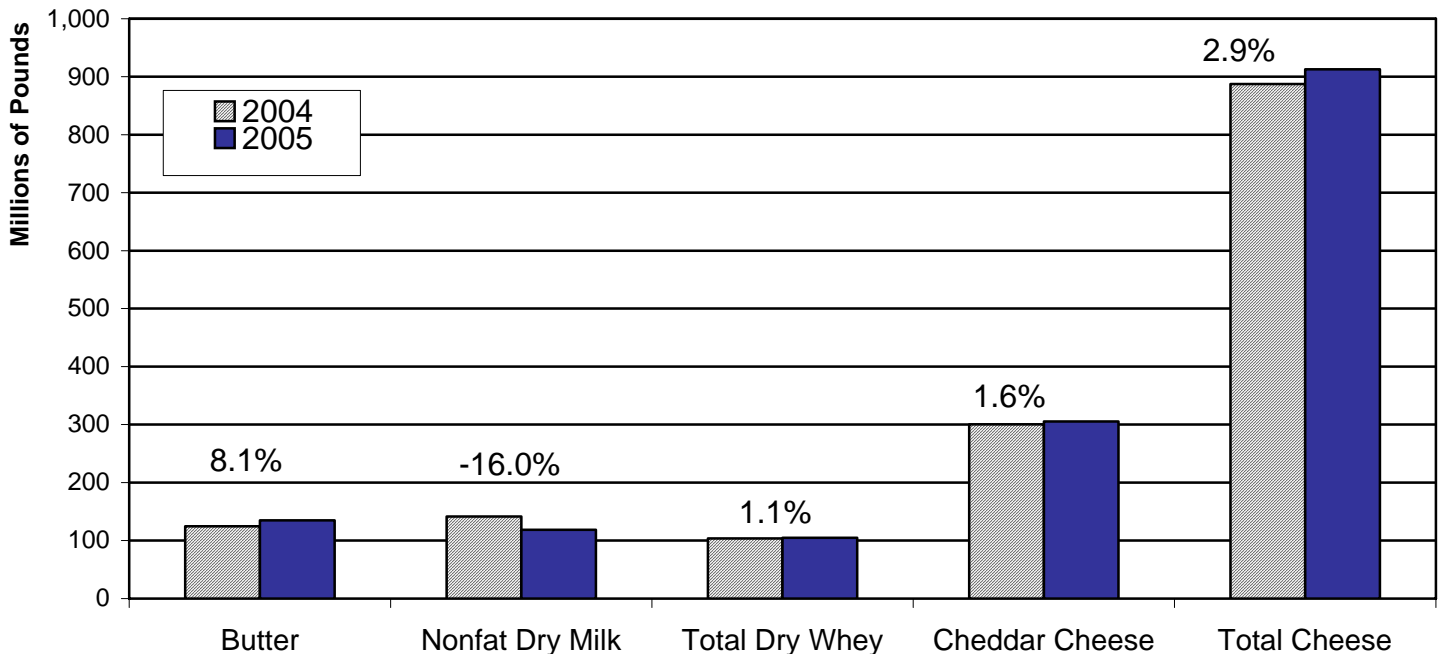
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 51.47% of all producer skim milk (priced to handlers at \$7.02 per hundredweight, plus the Class I differential, see page 2) and 29.42% of producer butterfat (priced to handlers at \$1.2715 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.75% of all producer skim milk (\$7.28 per hundredweight) and 24.53% of producer butterfat (\$1.2413 per pound). Class III use, mostly milk used to produce cheese, accounted for 25.57% of all producer skim milk (\$6.85 per hundredweight) and 25.66% of producer butterfat (\$1.2343 per pound). Class IV use, generally milk processed into butter and powder, accounted for 12.21% of all producer skim milk (\$6.26 per hundredweight) and 20.39% of producer butterfat (\$1.2343 per pound).

Receipts of producer milk during April 2006 totaled 744.5 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 April 2006. Class I route disposition in the area totaled 433.7 million pounds in March 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2006		
Whole Milk	154,179,826	35.55%
Fat Free Milk	51,361,331	11.84%
Lowfat Milk (incl. 1%)	32,155,094	7.41%
Reduced Fat Milk (incl. 2%)	142,318,262	32.82%
Cultured Fluid Milk (incl. Buttermilk)	9,245,322	2.13%
Flavored Drinks and Milk	44,452,098	10.25%
Total Disposition in Marketing Area	433,711,933	100.0%
Total Disposition by Pool Plants	349,650,204	80.62%
Total Disposition by Nonpool Plants	84,061,729	19.38%
Total Disposition in Marketing Area	433,711,933	100.0%

2005 U.S. Production of Dairy Products



Last year, U.S. milk production rose 3.5 percent compared with 2004. The chart above shows how dairy markets allocated milk to the four products used in Federal Order pricing formulas: butter, nonfat dry milk, dry whey and Cheddar cheese. Not shown but included in 'Total Cheese' is the other major style of cheeses in this country, 'Italian-type' cheeses, production of which grew nearly twice as fast (3.9 percent) as 'American-type' cheeses (2.0 percent) in 2005 compared with 2004. Source: Dairy Market News

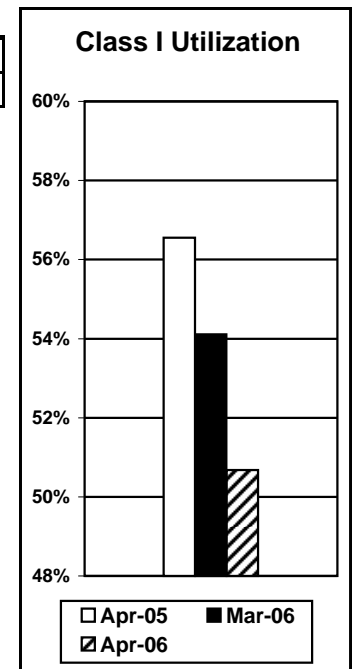
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,400**	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%

* 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 through July 2006

		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						
May 2006	06/11/06	06/12/06	06/13/06	05/25/06	05/26/06	06/13/06	06/14/06
June 2006	07/11/06	07/12/06	07/13/06	06/26/06	06/26/06	07/13/06	07/14/06
July 2006	08/11/06	08/14/06	08/15/06	07/25/06	07/26/06	08/15/06	08/16/06

** The base rate for making partial payments in Fulton County, GA for May will be \$11.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.94 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



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

June 2006

Volume 7—No. 6

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

Recommend Decision Issued Regarding Fluid Milk Product Definition

The U. S. Department of Agriculture (USDA) has issued a recommended decision to amend the fluid milk product definition for all Federal milk marketing orders. This recommended decision was based on the record of a public hearing held on June 20-23, 2005, in Pittsburgh, Pennsylvania.

Specifically, the decision recommends maintaining the current 6.5 percent nonfat milk solids criteria and incorporating an equivalent 2.25 percent true protein criteria in determining if a product meets the fluid milk product definition. These criteria are not intended to be absolute determinates of whether a product meets the fluid milk product definition. The form and intended use of the product will be the primary criteria used by USDA for determining whether a product meets the fluid milk product definition. In addition, the recommended decision proposes to clarify how milk and milk-derived ingredients should be priced under all orders.

USDA is also proposing that, regardless of packaging, "drinkable" yogurt products containing at least 20 percent yogurt, kefir and products designed to be meal replacements be exempted from the fluid milk product definition.

The recommended decision was published in the May 17 Federal Register and is available on the Agricultural Marketing Service website at www.ams.usda.gov/dairy/class_I_defintion.htm.

Public comments are due July 17, 2006 and should be sent to the Hearing Clerk, Stop 9200-Room 1031, U.S. Department of Agriculture, 1400 Independence Ave., S.W., Washington, D.C. 20250-9200. Comments may also be submitted at the Federal E-Rulemaking portal at www.regulations.gov or through e-mail to amsdairycomments@usda.gov.

For a copy of the present Southeast Federal Milk Order language, visit www.fmmatlanta.com or contact this office at (770)-682-2501.

Blend Price Levels Off

The uniform blend price in Fulton County, GA, was \$12.90 per hundredweight of milk at 3.5 percent butterfat for the month of May. This is a decrease of \$0.04 from the previous month and a decrease of \$2.83 from May 2005. It is also the smallest decrease in the blend price in the past six months, a period over which the blend price has averaged a \$0.59 per hundred-weight decline per month.

Class I utilization was 54.48 percent in May, an increase of 3.80 percent compared with the previous month and 1.93 percent higher than May of last year.

National Dairy Situation

USDA estimates that the total U.S. production of milk in April was 15.53 billion pounds, an increase of 3.2 percent from April 2005 and a decrease of 2.8 percent when compared with March 2006. But note that on a daily average basis, production in April 2006 was 0.5 percent higher than March 2006. Total cheese output (excluding cottage cheese) was 780 million pounds in April, 3.3 percent above April 2005 but 4.0 percent less than March 2006. Production of butter in the U.S. was 128 million pounds in April, 9.2 percent above April 2005 but 10.0 percent less than March 2006.

Nonfat dry milk production was 129 million pounds in April, 23.0 percent more than April 2005 and an increase of 0.8 percent versus March 2006. However, on a daily average basis, nonfat dry milk production was 4.1 percent higher in April than in March.

The milk-feed price ratio, the number of pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.33 in May. This is the lowest value computed in nearly three years, when in mid-2003 milk prices reached historic, post-Order Reform lows.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	32.89%	8,573,941	\$1.2331	\$ 10,572,526.63
Class I Differential at Location				256,117.21
Class II Butterfat	24.72%	6,443,634	\$1.2652	8,152,485.72
Class III Butterfat	25.32%	6,599,218	\$1.2582	8,303,136.08
Class IV Butterfat	17.07%	4,448,865	\$1.2582	5,597,561.93
Total Butterfat	100.00%	26,065,658		\$ 32,881,827.57

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2615

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	55.28%	387,645,889	\$6.90 /cwt.	\$ 26,747,566.34
Class I Butterfat	32.89%	8,573,941	\$1.2331 /lb.	10,572,526.63
Class I Differential at Location		396,219,830		11,808,322.85
Total Class I Milk	54.48%	396,219,830		\$ 49,128,415.82
Class II Skim Milk	11.30%	79,259,383	\$6.94 /cwt.	\$ 5,500,601.19
Class II Butterfat	24.72%	6,443,634	\$1.2652 /lb.	8,152,485.72
Total Class II Milk	11.78%	85,703,017		\$ 13,653,086.91
Class III Skim Milk	24.18%	169,534,454	\$6.66 /cwt.	\$ 11,290,994.64
Class III Butterfat	25.32%	6,599,218	\$1.2582 /lb.	8,303,136.08
Total Class III Milk	24.22%	176,133,672		\$ 19,594,130.72
Class IV Skim Milk	9.24%	64,825,364	\$6.14 /cwt.	\$ 3,980,277.37
Class IV Butterfat	17.07%	4,448,865	\$1.2582 /lb.	5,597,561.93
Total Class IV Milk	9.52%	69,274,229		\$ 9,577,839.30
Producer Milk	100.00%	727,330,748		\$ 91,953,472.75

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$101,583.07
Producer butterfat at uniform butterfat price	(\$32,881,827.57)
Location Adjustments to Producers	\$2,451,316.12
1/2 Unobligated Balance in P.S.F.	\$337,338.42

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.83573	\$61,961,882.79
	<u>\$ 0.04573</u>	\$320,681.37

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

\$8.79

Uniform Price per cwt. (Fulton County, Georgia)

\$12.90*

* 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 2006	JUN 2006	APR 2006	MAY 2006	MAY 2006
Appalachian (Charlotte)	\$ 14.07	\$ 13.85	\$ 13.01	\$ 13.05	60.54%
Arizona (Phoenix)	\$ 13.32	\$ 13.10	\$ 11.66	\$ 11.62	34.27%
Central (Kansas City)	\$ 12.97	\$ 12.75	\$ 11.49	\$ 11.42	25.81%
Florida (Tampa)	\$ 14.97	\$ 14.75	\$ 14.36	\$ 14.28	80.43%
Mideast (Cleveland)	\$ 12.97	\$ 12.75	\$ 11.75	\$ 11.65	35.40%
Northeast (Boston)	\$ 14.22	\$ 14.00	\$ 12.64	\$ 12.61	43.20%
Pacific Northwest (Seattle)	\$ 12.88	\$ 12.66	\$ 11.35	\$ 11.30	27.04%
Southeast (Atlanta)	\$ 14.07	\$ 13.85	\$ 12.94	\$ 12.90	54.48%
Southwest (Dallas)	\$ 13.97	\$ 13.75	\$ 12.41	\$ 12.26	33.71%
Upper Midwest (Chicago)	\$ 12.77	\$ 12.55	\$ 11.29	\$ 11.21	16.90%

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

Receipts:	May 2006	May 2005
Producer Milk		
Class I	396,219,830	380,246,777
Class II	85,703,017	95,120,459
Class III	176,133,672	123,726,082
Class IV	69,274,229	124,492,070
Total Producer Milk	<u>727,330,748</u>	<u>723,585,388</u>
Average Butterfat Test	3.58%	3.52%
Percent of Producer Milk in Class I	54.48%	52.55%
Daily Average Receipts	23,462,282	23,341,464
Other Source Milk		
Class I	6,235,898	5,396,804
Class II	12,229,600	7,543,157
Class III	7,916,083	10,973,777
Class IV	9,272,655	15,481,790
Total Other Source Milk	<u>35,654,236</u>	<u>39,395,528</u>
Overage		
Class I	0	0
Class II	0	8,468
Class III	0	1
Class IV	0	22,903
Total Overage	<u>0</u>	<u>31,372</u>
Opening Inventory		
Class I	32,068,020	31,273,090
Class II	2,954,290	1,164,257
Class III	1,579,543	20,079
Class IV	21,272,437	15,104,927
Total Opening Inventory	<u>57,874,290</u>	<u>47,562,353</u>
Total Receipts	820,859,274	810,574,641
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	26,149,699	29,307,564
Route Disposition Class I	398,254,404	378,601,469
Shrinkage	3,175,342	2,294,408
Transfers & Diversions to Nonpool	6,944,303	6,713,230
Total Class I Utilization	<u>434,523,748</u>	<u>416,916,671</u>
Average Butterfat Test	2.14%	2.09%
Daily Average Utilization	14,016,895	13,448,925
Class II Utilization		
Nonfluid Used To Produce	1,815,671	1,681,581
Shrinkage	741	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	62,510,120	6,882,286
Total Class II Utilization	<u>36,560,375</u>	<u>33,272,474</u>
Average Butterfat Test	7.91%	
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	185,629,298	134,719,939
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	185,629,298	134,719,939
Average Butterfat Test	3.74%	
Class IV Utilization		
Inventory	21,630,710	17,214,952
Nonfluid Used To Fortify	1,446,817	1,498,626
Shrinkage	7,458,728	6,729,898
Transfers & Diversions to Nonpool Used To Produce/Other Uses	51,380,798	103,315,503
Total Class IV Utilization	<u>17,902,268</u>	<u>26,342,711</u>
Average Butterfat Test	99,819,321	155,101,690
Average Butterfat Test	5.98%	5.18%
Total Utilization	820,859,274	810,574,641

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2006 is \$12.90 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.79 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2615 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

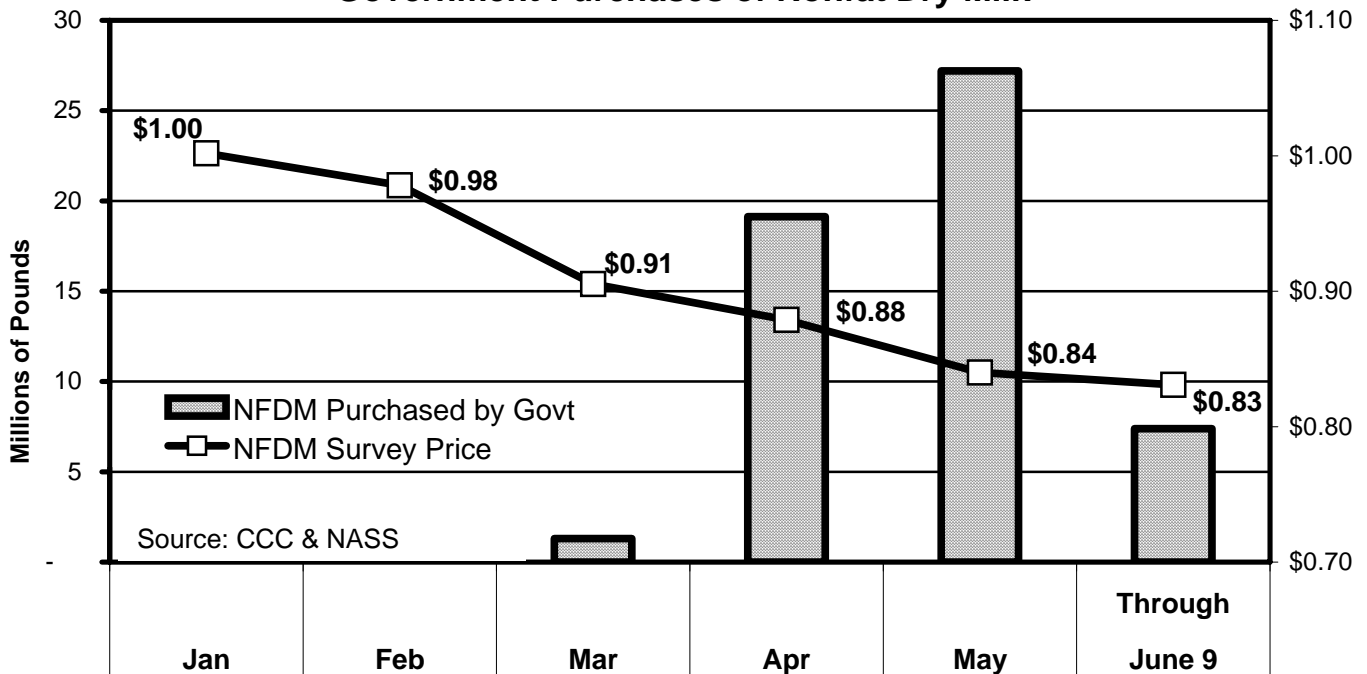
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In May, Class I use, which is primarily bottled or packaged fluid milk, accounted for 55.28% of all producer skim milk (priced to handlers at \$6.90 per hundredweight, plus the Class I differential, see page 2) and 32.89% of producer butterfat (priced to handlers at \$1.2331 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.30% of all producer skim milk (\$6.94 per hundredweight) and 24.72% of producer butterfat (\$1.2652 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.18% of all producer skim milk (\$6.66 per hundredweight) and 25.32% of producer butterfat (\$1.2582 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.24% of all producer skim milk (\$6.14 per hundredweight) and 17.07% of producer butterfat (\$1.2582 per pound).

Receipts of producer milk during May 2006 totaled 727.3 million pounds. There were 28 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 2006. Class I route disposition in the area totaled 433.7 million pounds in April 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
April 2006		
Whole Milk	138,729,089	35.20%
Fat Free Milk	47,681,183	12.10%
Lowfat Milk (incl. 1%)	33,306,800	8.45%
Reduced Fat Milk (incl. 2%)	126,390,149	32.07%
Cultured Fluid Milk (incl. Buttermilk)	8,461,566	2.15%
Flavored Drinks and Milk	39,516,968	10.03%
Total Disposition in Marketing Area	394,085,755	100.0%
Total Disposition by Pool Plants	320,949,217	81.44%
Total Disposition by Nonpool Plants	73,136,538	18.56%
Total Disposition in Marketing Area	394,085,755	100.0%

Government Purchases of Nonfat Dry Milk



The Milk Price Support Program purchases cheese, butter and nonfat dry milk (NFDM) to ensure the annual average price of milk is at least \$9.90 per hundredweight for milk 3.67 percent butterfat. The program is operated by the Commodity Credit Corporation (CCC), which stands ready to purchase nonfortified NFDM at \$0.80 per pound, fortified NFDM at \$0.81 per pound and instant NFDM at \$0.96 per pound. The chart above shows recent CCC purchases, and the NFDM price as surveyed by the National Agricultural Statistics Service (NASS) for use in Federal Order Class I and Class II skim milk pricing. The last time CCC purchased NFDM was in November 2004.

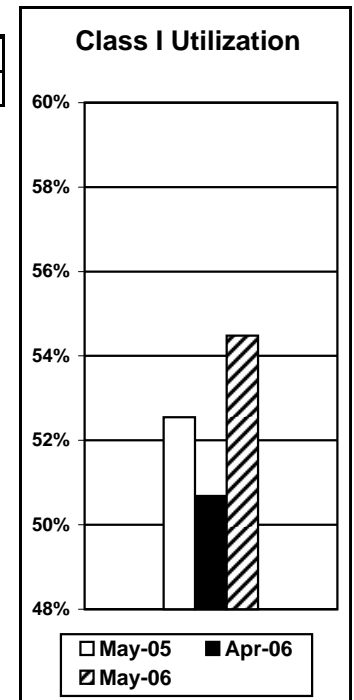
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,278	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,400**	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	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 June through August 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
June 2006	07/11/06	07/12/06	07/13/06	06/26/06	06/26/06	07/13/06	07/14/06
July 2006	08/11/06	08/14/06	08/15/06	07/25/06	07/26/06	08/15/06	08/16/06
August 2006	09/11/06	09/12/06	09/13/06	08/25/06	08/28/06	09/13/06	09/14/06

** The base rate for making partial payments in Fulton County, GA for June will be \$11.61 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.90 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



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

July 2006

Volume 7—No. 7

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

USDA to Reconvene Hearing on Class III and IV Price Formulas

The U. S. Department of Agriculture has announced its intent to reconvene a national public hearing to amend the Class III and Class IV price formulas. USDA will reconvene the national hearing, originally held January 24 to 27, 2006, in Alexandria, Virginia, to assure that any changes made to manufacturing allowance factors used in Federal Order Class III and Class IV product price formulas are appropriate and reflective of manufacturing costs.

USDA also welcomes additional proposals addressing the Federal Order Class III and Class IV price formulas for further consideration in the reconvened hearing. Additional proposals are due on or before September 30, 2006.

The notice of intent to reconvene the hearing was published as a proposed rule in the June 28 Federal Register. Copies of the notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. A copy of this notice is also available at www.fmmatlanta.com under 'What's New'.

Retail Price Survey Summary Available

A summary of retail milk prices has been made available by USDA's Dairy Programs for 2001 through 2005. The survey was performed by Federal Milk Marketing Order staff throughout the nation at specific marketing outlets (such as the largest food store chain and largest convenience store chain) in 32 selected cities for whole milk and reduced fat (2%) milk. While the survey does have certain limitations, it is the only source providing information on national retail milk prices over time. The report may be found by visiting www.ams.usda.gov/dairy and clicking first on 'Milk Marketing Order Statistics' and then on 'Other Related Information'.

No Change in Blend Price

The uniform blend price in Fulton County, GA, was \$12.90 per hundredweight of milk at 3.5 percent butterfat for the month of June. The blend price is unchanged from the previous month but is \$2.57 lower than June 2005. Class I utilization was 56.35 percent in June, an increase of 1.87 percent compared with the previous month and 0.80 percent higher than June of last year.

National Dairy Situation

USDA estimates that the total U.S. production of milk in May was 16.07 billion pounds, an increase of 2.4 percent from May 2005 and an increase of 3.5 percent when compared with April 2006. However, on a daily average basis, total production of milk during May 2006 was 0.1 percent higher than during April 2006. Total cheese output (excluding cottage cheese) was 807 million pounds in May, 3.0 percent more than May 2005 and 2.6 percent above April 2006. Butter production during May was 129 million pounds, 7.3 percent higher than May 2005 and 1 percent more than April 2006.

Nonfat dry milk production was 132 million pounds in May, 6.0 percent more than May 2005 and an increase of 2.3 percent compared with April 2006. However, on a daily average basis, production of nonfat dry milk was actually 1.0 percent lower in May than in April.

The milk-feed price ratio, the number of pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.44 in June. This is a slight improvement over the previous month based on an all-milk price that inched higher (\$12.10 per hundredweight in June, up \$0.10 from May) and lower feed prices across the board. Even with the improvement in the ratio, it remains at a low level historically speaking and would tend to discourage increases in milk output.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	35.35%	8,488,657	\$1.2610	\$ 10,704,196.49
Class I Differential at Location				253,745.63
Class II Butterfat	25.48%	6,119,827	\$1.2506	7,653,455.63
Class III Butterfat	24.81%	5,959,356	\$1.2436	7,411,055.12
Class IV Butterfat	14.36%	3,447,676	\$1.2436	4,287,529.87
Total Butterfat	100.00%	24,015,516		\$ 30,309,982.74

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2621

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	57.12%	373,741,113	\$6.57 /cwt.	\$ 24,554,791.13
Class I Butterfat	35.35%	8,488,657	\$1.2610 /lb.	10,704,196.49
Class I Differential at Location		382,229,770		11,382,639.11
Total Class I Milk	56.35%	382,229,770		\$ 46,641,626.73
Class II Skim Milk	10.36%	67,763,705	\$6.86 /cwt.	\$ 4,648,590.17
Class II Butterfat	25.48%	6,119,827	\$1.2506 /lb.	7,653,455.63
Total Class II Milk	10.89%	73,883,532		\$ 12,302,045.80
Class III Skim Milk	24.51%	160,394,231	\$7.19 /cwt.	\$ 11,532,345.22
Class III Butterfat	24.81%	5,959,356	\$1.2436 /lb.	7,411,055.12
Total Class III Milk	24.52%	166,353,587		\$ 18,943,400.34
Class IV Skim Milk	8.01%	52,439,961	\$6.08 /cwt.	\$ 3,188,349.62
Class IV Butterfat	14.36%	3,447,676	\$1.2436 /lb.	4,287,529.87
Total Class IV Milk	8.24%	55,887,637		\$ 7,475,879.49
Producer Milk	100.00%	678,354,526		\$ 85,362,952.36

Adjustments

Overage and Other Source	\$3,143.85
Inventory Adjustments	\$95,704.78
Producer butterfat at uniform butterfat price	(\$30,309,982.74)
Location Adjustments to Producers	\$2,344,172.16
1/2 Unobligated Balance in P.S.F.	\$331,042.64

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.83747	\$57,827,033.05
	\$ 0.04747	\$310,634.10

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

\$8.79

Uniform Price per cwt. (Fulton County, Georgia)

\$12.90*

* 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 2006	JUL 2006	MAY 2006	JUN 2006	JUN 2006
Appalachian (Charlotte)	\$ 13.85	\$ 14.44	\$ 13.05	\$ 12.84	61.02%
Arizona (Phoenix)	\$ 13.10	\$ 13.69	\$ 11.62	\$ 11.67	34.93%
Central (Kansas City)	\$ 12.75	\$ 13.34	\$ 11.42	\$ 11.62	33.45%
Florida (Tampa)	\$ 14.75	\$ 15.34	\$ 14.28	\$ 14.14	82.84%
Mideast (Cleveland)	\$ 12.75	\$ 13.34	\$ 11.65	\$ 11.74	33.70%
Northeast (Boston)	\$ 14.00	\$ 14.59	\$ 12.61	\$ 12.66	44.30%
Pacific Northwest (Seattle)	\$ 12.66	\$ 13.25	\$ 11.30	\$ 11.30	27.89%
Southeast (Atlanta)	\$ 13.85	\$ 14.44	\$ 12.90	\$ 12.90	56.35%
Southwest (Dallas)	\$ 13.75	\$ 14.34	\$ 12.26	\$ 12.36	33.13%
Upper Midwest (Chicago)	\$ 12.55	\$ 13.14	\$ 11.21	\$ 11.52	16.30%

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

Receipts:	June 2006	June 2005
Producer Milk		
Class I	382,229,770	361,047,722
Class II	73,883,532	84,266,661
Class III	166,353,587	109,175,202
Class IV	55,887,637	95,586,749
	<hr/>	<hr/>
Total Producer Milk	678,354,526	650,076,334
Average Butterfat Test	3.54%	3.51%
Percent of Producer Milk in Class I	56.35%	55.55%
Daily Average Receipts	22,611,818	21,669,211
Other Source Milk		
Class I	4,336,245	4,595,009
Class II	14,091,341	8,360,473
Class III	3,389,619	8,486,517
Class IV	8,096,723	8,832,311
	<hr/>	<hr/>
Total Other Source Milk	29,913,928	30,274,310
Overage		
Class I	0	0
Class II	41,647	20,309
Class III	2,621	8,189
Class IV	0	590
	<hr/>	<hr/>
Total Overage	44,268	29,088
Opening Inventory		
Class I	27,619,067	29,665,342
Class II	4,238,828	2,358,408
Class III	2,164,241	344,985
Class IV	13,758,273	14,153,781
	<hr/>	<hr/>
Total Opening Inventory	47,780,409	46,522,516
	<hr/>	<hr/>
Total Receipts	756,093,131	726,902,248
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,211,948	30,500,082
Route Disposition Class I	371,916,955	354,773,174
Shrinkage	2,717,316	3,899,661
Transfers & Diversions to Nonpool	7,338,863	6,135,156
	<hr/>	<hr/>
Total Class I Utilization	414,185,082	395,308,073
Average Butterfat Test	2.21%	2.19%
Daily Average Utilization	13,806,169	13,176,936
Class II Utilization		
Nonfluid Used To Produce	1,916,431	1,881,913
Shrinkage	10,968	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,600,532	57,504,198
	<hr/>	<hr/>
Total Class II Utilization	92,255,348	95,005,851
Average Butterfat Test	8.60%	7.52%
Class III Utilization		
Shrinkage	0	456
Transfers & Diversions to Nonpool Used To Produce/Other Uses	171,910,068	118,014,437
	<hr/>	<hr/>
Total Class III Utilization	171,910,068	118,014,893
Average Butterfat Test	3.56%	3.65%
Class IV Utilization		
Inventory	11,024,082	17,414,820
Nonfluid Used To Fortify	1,155,319	1,399,194
Shrinkage	6,566,952	6,952,215
Transfers & Diversions to Nonpool Used To Produce/Other Uses	51,110,931	71,766,017
	<hr/>	<hr/>
Total Class IV Utilization	77,742,633	118,573,431
Average Butterfat Test	5.90%	4.90%
	<hr/>	<hr/>
Total Utilization	756,093,131	726,902,248

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2006 is \$12.90 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.79 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2621 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 57.12% of all producer skim milk (priced to handlers at \$6.57 per hundredweight, plus the Class I differential, see page 2) and 35.35% of producer butterfat (priced to handlers at \$1.2610 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.36% of all producer skim milk (\$6.86 per hundredweight) and 25.48% of producer butterfat (\$1.2506 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.51% of all producer skim milk (\$7.19 per hundredweight) and 24.81% of producer butterfat (\$1.2436 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.01% of all producer skim milk (\$6.08 per hundredweight) and 14.36% of producer butterfat (\$1.2436 per pound).

Receipts of producer milk during June 2006 totaled 678.4 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 June 2006. Class I route disposition in the area totaled 418.7 million pounds in May 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2006		
Whole Milk	150,277,482	35.89%
Fat Free Milk	50,384,251	12.03%
Lowfat Milk (incl. 1%)	30,719,747	7.34%
Reduced Fat Milk (incl. 2%)	139,667,780	33.36%
Cultured Fluid Milk (incl. Buttermilk)	9,090,251	2.17%
Flavored Drinks and Milk	38,544,090	9.21%
Total Disposition in Marketing Area	418,683,601	100.00%
Total Disposition by Pool Plants	339,598,965	81.11%
Total Disposition by Nonpool Plants	79,084,636	18.89%
Total Disposition in Marketing Area	418,683,601	100.00%

Mailbox Milk Prices, January to March 2006 2/

Reporting Area 1/	January 2006	February 2006	March 2006
New England States 3/	15.08	14.42	13.58
Appalachian States 4/	14.87	14.44	13.55
Southeast States 5/	15.81	15.31	14.13
Southern Missouri 6/	13.94	13.48	12.43
Florida	17.31	16.68	15.56
Indiana	14.53	13.96	13.01
Michigan	14.48	13.56	12.60
Wisconsin	14.70	13.62	12.63
Illinois	14.68	13.72	12.60
Corn Belt States 7/	13.65	12.65	11.82
Western Texas 8/	13.58	12.45	11.47
New Mexico	12.74	11.57	10.67
All Federal Order Areas 9/	14.43	13.57	12.64
California 10/	12.87	11.52	11.05

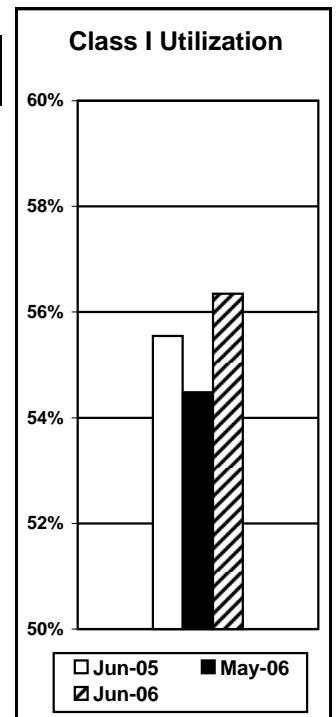
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these 7/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by 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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,278	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,306	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,300**	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%



* 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 through September 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
July 2006	08/11/06	08/14/06	08/15/06	07/25/06	07/26/06	08/15/06	08/16/06
August 2006	09/11/06	09/12/06	09/13/06	08/25/06	08/28/06	09/13/06	09/14/06
September 2006	10/11/06	10/12/06	10/13/06	09/25/06	09/26/06	10/13/06	10/16/06

** The base rate for making partial payments in Fulton County, GA for July will be \$11.61 per hundredweight. This is 90 percent of the preceding month's uniform price of \$12.90 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

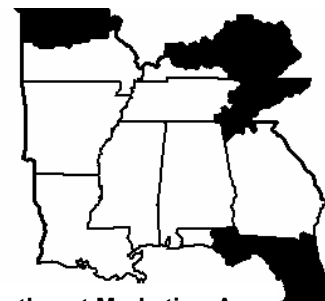
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	4	4	4	4	4	4	10	10	10	10	10	10
Diversion Percentage Limits	50%	50%	50%	50%	50%	50%	33%	33%	33%	33%	33%	33%

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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



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

August 2006

Volume 7—No. 8

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

Mid-Year Production Down 3.6% in Southeast

The National Agricultural Statistics Service (NASS) has recently released estimates for June milk production, allowing a comparison of cumulative production through the mid-point of the year. Taken as a whole, states that are either in part or in total located inside the Southeast Marketing Area (see "SE States" in the chart below)

Milk Produced By State

(in millions of pounds)

	1st Half 2005	2nd Half 2005	1st Half 2006	1st Half 06 v. 05
AL	127	97	117	-7.9%
AR	157	131	145	-7.6%
FL	1,275	1,003	1,202	-5.7%
GA	761	639	762	0.1%
KY	721	650	703	-2.5%
LA	252	182	231	-8.3%
MO	978	830	985	0.7%
MS	218	161	190	-12.8%
TN	595	507	568	-4.5%
SE States	5,084	4,200	4,903	-3.6%
US Total	89,181	87,589	92,449	3.7%

produced 3.6 percent less milk in the first half of 2006 compared with the first half of 2005. While some southeast states have managed to maintain production levels of late (Georgia and Missouri in particular), none have thus far kept pace with national production growth of 3.7 percent. The chart on page four shows a longer view of milk production in the states of the Southeast.

Industry Requests Review of Pooling Policy

The Market Administrator has received a request from a coalition of dairy cooperatives to review the market association policy in the Southeast Marketing Area. The market association guideline is a component of the producer performance standards that determine who is eligible to share in the proceeds of the marketwide pool. A review will be conducted by the Market Administrator in the upcoming weeks.

Blend Price Up in July

The uniform blend price in Fulton County, GA, was \$13.28 per hundredweight of milk at 3.5 percent butterfat for the month of July. The blend price is \$0.38 higher than the previous month but is \$2.90 lower than July 2005. Class I utilization was 62.10 percent in July, an increase of 5.75 percent compared with the previous month and 0.39 percent higher than July of last year.

National Dairy Situation

USDA estimates that the total U.S. production of milk in June was 15.30 billion pounds, an increase of 1.4 percent from June 2005 and a decrease of 4.7 percent when compared with May 2006. On a daily average basis, total production of milk during June 2006 was only 1.5 percent lower than during May 2006, however this is still an encouraging sign for those who would like milk price levels to rise. Total cheese output (excluding cottage cheese) was 793 million pounds, 3.8 percent above June 2005 but 2.3 percent below May 2006. Butter production was 101 million pounds, 5.3 percent below June 2005 and 21.2 percent below May 2006.

Nonfat dry milk production was 116 million pounds in June, 6.2 percent less than June 2005 and a decrease of 12.1 percent compared with May 2006. The government has made no purchases of nonfat dry milk under the Price Support Program in four weeks, yet the cumulative pounds of powder purchased thus far in fiscal year 2006 already doubles what was purchased during the entire fiscal year 2005.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2006 was \$2,797,012.52. Claims were made for \$1,019,310.75. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.28%	8,321,137	\$1.2430	\$ 10,343,173.32
Class I Differential at Location				248,847.04
Class II Butterfat	27.49%	5,823,653	\$1.2298	7,161,928.44
Class III Butterfat	17.93%	3,796,969	\$1.2228	4,642,933.72
Class IV Butterfat	15.30%	3,240,030	\$1.2228	3,961,908.68
Total Butterfat	100.00%	21,181,789		\$ 26,358,791.20

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2444

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	62.94%	366,036,112	\$7.24 /cwt.	\$ 26,501,014.52
Class I Butterfat	39.28%	8,321,137	\$1.2430 /lb.	10,343,173.32
Class I Differential at Location		374,357,249		11,153,751.77
Total Class I Milk	62.10%	374,357,249		\$ 47,997,939.61
Class II Skim Milk	12.24%	71,210,414	\$6.76 /cwt.	\$ 4,813,824.01
Class II Butterfat	27.49%	5,823,653	\$1.2298 /lb.	7,161,928.44
Total Class II Milk	12.78%	77,034,067		\$ 11,975,752.45
Class III Skim Milk	16.18%	94,123,518	\$6.88 /cwt.	\$ 6,475,698.05
Class III Butterfat	17.93%	3,796,969	\$1.2228 /lb.	4,642,933.72
Total Class III Milk	16.24%	97,920,487		\$ 11,118,631.77
Class IV Skim Milk	8.64%	50,265,707	\$6.15 /cwt.	\$ 3,091,340.98
Class IV Butterfat	15.30%	3,240,030	\$1.2228 /lb.	3,961,908.68
Total Class IV Milk	8.88%	53,505,737		\$ 7,053,249.66
Producer Milk	100.00%	602,817,540		\$ 78,145,573.49

Adjustments

Overage and Other Source	\$877.46
Inventory Adjustments	\$38,124.67
Producer butterfat at uniform butterfat price	(\$26,358,791.20)
Location Adjustments to Producers	\$1,803,016.48
1/2 Unobligated Balance in P.S.F.	\$427,304.68
Adjusted Pool Value	\$ 9.29381
Reserve for Producer Settlement Fund	\$ 0.04381
	\$54,056,105.58
	\$254,139.66

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

\$9.25

Uniform Price per cwt. (Fulton County, Georgia)

\$13.28*

* 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 2006	AUG 2006	JUN 2006	JUL 2006	JUL 2006
Appalachian (Charlotte)	\$ 14.44	\$ 14.07	\$ 12.84	\$ 13.33	66.30%
Arizona (Phoenix)	\$ 13.69	\$ 13.32	\$ 11.67	\$ 11.85	37.91%
Central (Kansas City)	\$ 13.34	\$ 12.97	\$ 11.62	\$ 11.53	25.23%
Florida (Tampa)	\$ 15.34	\$ 14.97	\$ 14.14	\$ 14.65	84.86%
Mideast (Cleveland)	\$ 13.34	\$ 12.97	\$ 11.74	\$ 11.74	33.30%
Northeast (Boston)	\$ 14.59	\$ 14.22	\$ 12.66	\$ 12.79	42.70%
Pacific Northwest (Seattle)	\$ 13.25	\$ 12.88	\$ 11.30	\$ 11.29	24.24%
Southeast (Atlanta)	\$ 14.44	\$ 14.07	\$ 12.90	\$ 13.28	62.10%
Southwest (Dallas)	\$ 14.34	\$ 13.97	\$ 12.36	\$ 12.32	30.68%
Upper Midwest (Chicago)	\$ 13.14	\$ 12.77	\$ 11.52	\$ 11.30	15.10%

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

Receipts:	July 2006	July 2005
Producer Milk		
Class I	374,357,249	363,020,061
Class II	77,034,067	72,114,316
Class III	97,920,487	81,909,652
Class IV	53,505,737	71,263,464
Total Producer Milk	<u>602,817,540</u>	<u>588,307,493</u>
Average Butterfat Test	3.51%	3.52%
Percent of Producer Milk in Class I	62.10%	61.71%
Daily Average Receipts	19,445,727	18,977,661
Other Source Milk		
Class I	4,039,288	4,510,856
Class II	11,713,836	9,597,024
Class III	2,321,999	3,374,902
Class IV	9,757,626	7,620,779
Total Other Source Milk	<u>27,832,749</u>	<u>25,103,561</u>
Overage		
Class I	0	0
Class II	0	0
Class III	1	0
Class IV	0	60,404
Total Overage	<u>1</u>	<u>60,404</u>
Opening Inventory		
Class I	32,896,262	30,708,750
Class II	736,107	984,806
Class III	497,917	0
Class IV	9,844,661	16,379,095
Total Opening Inventory	<u>43,974,947</u>	<u>48,072,651</u>
Total Receipts	674,625,237	661,544,109
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	28,582,404	26,779,880
Route Disposition Class I	373,313,871	363,515,882
Shrinkage	2,759,021	2,580,345
Transfers & Diversions to Nonpool	6,637,502	5,363,560
Total Class I Utilization	<u>411,292,798</u>	<u>398,239,667</u>
Average Butterfat Test	2.21%	2.20%
Daily Average Utilization	13,267,510	12,846,441
Class II Utilization		
Nonfluid Used To Produce	1,690,030	2,006,895
Shrinkage	853	426,468
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	50,050,844	45,806,304
Total Class II Utilization	<u>37,742,284</u>	<u>34,456,479</u>
Average Butterfat Test	8.25%	
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	100,740,404	85,284,554
Total Class III Utilization	<u>100,740,404</u>	<u>85,284,554</u>
Average Butterfat Test		4.19%
Class IV Utilization		
Inventory	23,717,240	25,186,731
Nonfluid Used To Fortify	1,215,212	1,395,542
Shrinkage	6,369,927	6,740,715
Transfers & Diversions to Nonpool Used To Produce/Other Uses	37,412,139	43,480,194
Total Class IV Utilization	<u>4,393,506</u>	<u>18,520,560</u>
Average Butterfat Test	5.84%	5.04%
Total Utilization	674,625,237	661,544,109

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2006 is \$13.28 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.25 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2444 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

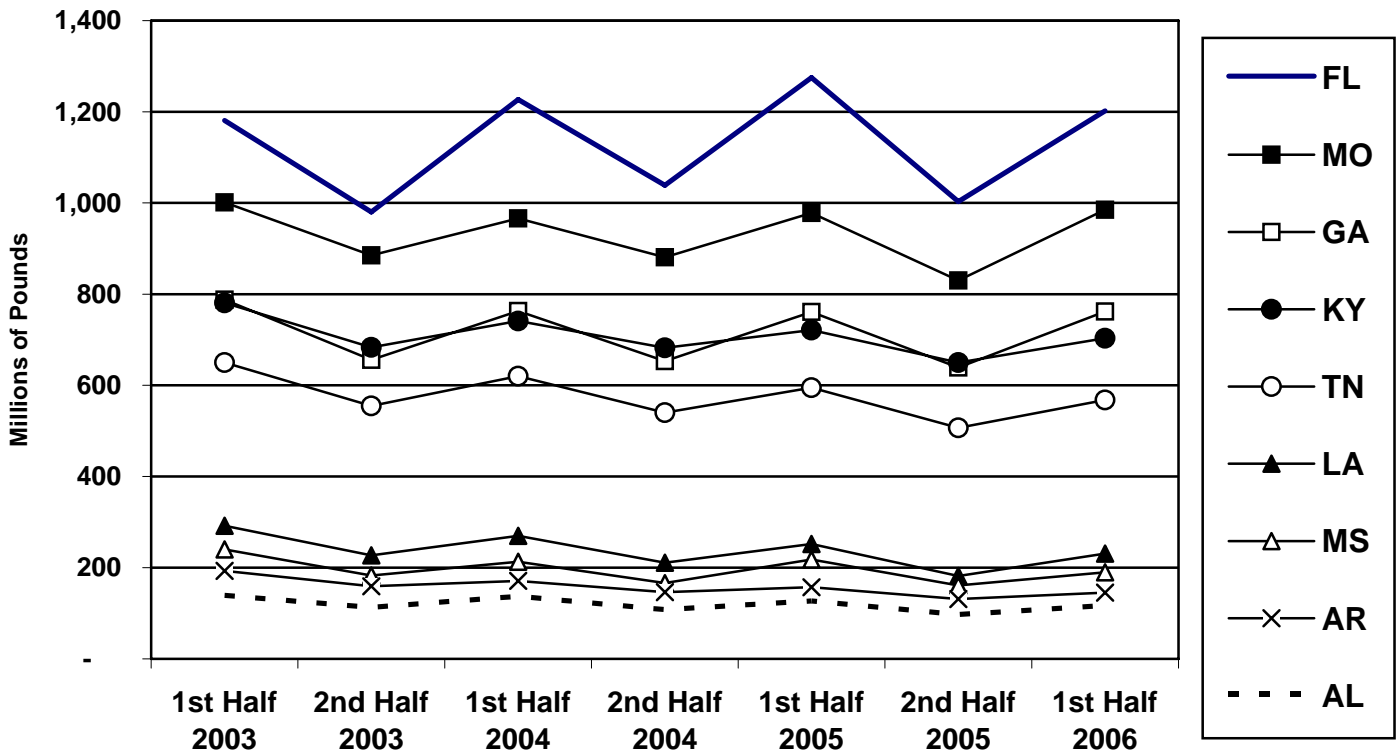
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In July, Class I use, which is primarily bottled or packaged fluid milk, accounted for 62.94% of all producer skim milk (priced to handlers at \$7.24 per hundredweight, plus the Class I differential, see page 2) and 39.28% of producer butterfat (priced to handlers at \$1.2430 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.24% of all producer skim milk (\$6.76 per hundredweight) and 27.49% of producer butterfat (\$1.2298 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.18% of all producer skim milk (\$6.88 per hundredweight) and 17.93% of producer butterfat (\$1.2228 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.64% of all producer skim milk (\$6.15 per hundredweight) and 15.30% of producer butterfat (\$1.2228 per pound).

Receipts of producer milk during July 2006 totaled 602.8 million pounds. There were 29 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 July 2006. Class I route disposition in the area totaled 391.2 million pounds in June 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2006		
Whole Milk	150,767,710	38.54%
Fat Free Milk	48,097,033	12.30%
Lowfat Milk (incl. 1%)	26,860,743	6.87%
Reduced Fat Milk (incl. 2%)	137,473,016	35.15%
Cultured Fluid Milk (incl. Buttermilk)	8,660,078	2.21%
Flavored Drinks and Milk	19,296,967	4.93%
Total Disposition in Marketing Area	391,155,547	100.00%
Total Disposition by Pool Plants	314,198,799	80.33%
Total Disposition by Nonpool Plants	76,956,748	19.67%
Total Disposition in Marketing Area	391,155,547	100.00%

Milk Production By State: 2003 to 2006YTD*



*Milk produced by state according to the National Agricultural Statistics Service from 2003 to June 2006, by six month (January to June and July to December) intervals.

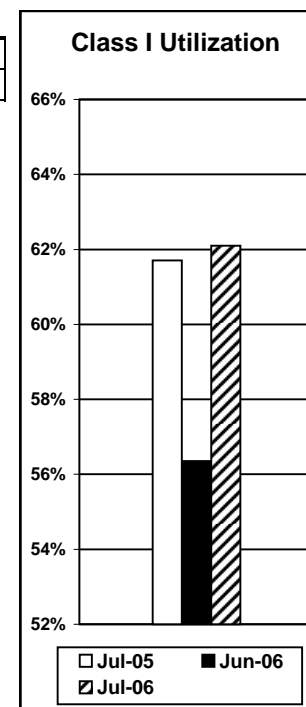
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$ 6.15	\$1.2228	\$10.21	\$ 9.25	\$1.2444	\$13.28
Aug	\$10.06	\$1.2464	\$14.07	\$6.82											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,278	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,306	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,300	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%
Jul	602,818	3,300**	374,357	62.10%	77,034	12.78%	97,920	16.24%	53,506	8.88%

* 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 through October 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
August 2006	09/11/06	09/12/06	09/13/06	08/25/06	08/28/06	09/13/06	09/14/06
September 2006	10/11/06	10/12/06	10/13/06	09/25/06	09/26/06	10/13/06	10/16/06
October 2006	11/11/06	11/13/06	11/14/06	10/25/06	10/26/06	11/14/06	11/15/06

** The base rate for making partial payments in Fulton County, GA for August will be \$11.95 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.28 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

September 2006

Volume 7—No. 9

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

Transportation Credit Decision Issued

The USDA has announced a tentative partial decision that recommends amendments to the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. This decision is based on testimony and evidence given at a public hearing held in Louisville, Kentucky, on January 10 – 12, 2006.

This decision adopts, on an interim final and emergency basis, proposals to amend certain features of the transportation credit provisions of the Appalachian and Southeast Federal milk marketing orders. Specifically, the decision will:

1. Establish a variable mileage rate factor using a diesel fuel cost adjustor to determine transportation credit payments;
2. Increase the maximum transportation credit assessment rate on Class I milk from 9.5 cents to 15 cents per hundredweight in the Appalachian Order and from 10 cents to 20 cents per hundredweight in the Southeast Order; and
3. Establish a zero diversion limit standard on all milk for which transportation credits are requested.

Interested persons have until November 13, 2006 to file comments in response to the tentative partial decision. The USDA will determine if producers in the Appalachian and Southeast marketing areas approve the amended order, a copy of which is located at www.fmmatlanta.com under the link 'What's New'.

A separate decision will be issued by the USDA addressing other proposals heard at the public hearing in January concerning producer milk provisions and transportation credits on intra-market order movement of milk within the Appalachian and Southeast marketing areas.

Questions concerning this decision may be directed to this office at 770-682-2501.

Blend Price Up

The uniform blend price in Fulton County, GA, was \$13.39 per hundredweight of milk at 3.5 percent butterfat for the month of August. The blend price is \$0.11 higher than the previous month but is \$3.05 lower than August 2005. Class I utilization was 66.62 percent in August, an increase of 4.52 percent compared with the previous month and 0.07 percent lower than August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 15.20 billion pounds, an increase of 1.5 percent from July 2005 and a decrease of 0.7 percent when compared with June 2006. However, when examined on a daily average basis, total production of milk during July 2006 was 3.9 percent lower than during June 2006. Total cheese output (excluding cottage cheese) was 768 million pounds, 3.9 percent above July 2005 but 3.3 percent below June 2006. Butter production was 92.7 million pounds, 3.3 percent below July 2005 and 8.0 percent below June 2006.

Nonfat dry milk production was 88.2 million pounds in July, 24.0 percent lower than July 2005 and a decrease of 18.9 percent compared with the previous month.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.48 in August, a decrease of 0.50 from August 2005 but an increase of 0.13 compared with July 2006's 2.35 milk-feed price ratio.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for August 2006 was \$2,187,255.52. Claims were made for \$1,244,921.68. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.37%	8,986,989	\$1.2154	\$ 10,922,786.44
Class I Differential at Location				267,704.85
Class II Butterfat	28.40%	6,485,560	\$1.3078	8,481,815.39
Class III Butterfat	18.32%	4,183,702	\$1.3008	5,442,159.58
Class IV Butterfat	13.91%	3,177,170	\$1.3008	4,132,862.70
Total Butterfat	100.00%	22,833,421		\$ 29,247,328.96

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.2809

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	67.65%	413,588,095	\$6.96 /cwt.	\$ 28,785,731.44
Class I Butterfat	39.37%	8,986,989	\$1.2154 /lb.	10,922,786.44
Class I Differential at Location		422,575,084		12,612,734.89
Total Class I Milk	66.62%	422,575,084		\$ 52,321,252.77
Class II Skim Milk	11.67%	71,373,393	\$6.82 /cwt.	\$ 4,867,665.42
Class II Butterfat	28.40%	6,485,560	\$1.3078 /lb.	8,481,815.39
Total Class II Milk	12.28%	77,858,953		\$ 13,349,480.81
Class III Skim Milk	15.53%	94,954,281	\$6.74 /cwt.	\$ 6,399,918.58
Class III Butterfat	18.32%	4,183,702	\$1.3008 /lb.	5,442,159.58
Total Class III Milk	15.63%	99,137,983		\$ 11,842,078.16
Class IV Skim Milk	5.15%	31,516,938	\$6.31 /cwt.	\$ 1,988,718.81
Class IV Butterfat	13.91%	3,177,170	\$1.3008 /lb.	4,132,862.70
Total Class IV Milk	5.47%	34,694,108		\$ 6,121,581.51
Producer Milk	100.00%	634,266,128		\$ 83,634,393.25

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$89,813.42
Producer butterfat at uniform butterfat price	(\$29,247,328.96)
Location Adjustments to Producers	\$1,858,218.84
1/2 Unobligated Balance in P.S.F.	\$361,370.53
Adjusted Pool Value	\$ 9.27272
Reserve for Producer Settlement Fund	\$0.04272
	\$56,696,467.08

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

\$9.23

Uniform Price per cwt. (Fulton County, Georgia)

\$13.39*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	AUG 2006	SEP 2006	JUL 2006	AUG 2006	AUG 2006
Appalachian (Charlotte)	\$ 14.44	\$ 14.32	\$ 13.33	\$ 13.51	74.25%
Arizona (Phoenix)	\$ 13.69	\$ 13.57	\$ 11.85	\$ 12.15	45.95%
Central (Kansas City)	\$ 13.34	\$ 13.22	\$ 11.53	\$ 11.74	31.57%
Florida (Tampa)	\$ 14.97	\$ 14.85	\$ 14.65	\$ 14.65	88.32%
Mideast (Cleveland)	\$ 13.34	\$ 13.22	\$ 11.74	\$ 11.98	41.00%
Northeast (Boston)	\$ 14.59	\$ 14.47	\$ 12.79	\$ 13.06	48.80%
Pacific Northwest (Seattle)	\$ 13.25	\$ 13.13	\$ 11.29	\$ 11.48	26.12%
Southeast (Atlanta)	\$ 14.07	\$ 13.95	\$ 13.28	\$ 13.39	66.62%
Southwest (Dallas)	\$ 14.34	\$ 14.22	\$ 12.32	\$ 12.66	39.24%
Upper Midwest (Chicago)	\$ 13.14	\$ 13.02	\$ 11.30	\$ 11.43	16.10%

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

Receipts:	August 2006	August 2005
Producer Milk		
Class I	422,575,084	406,022,498
Class II	77,858,953	69,260,073
Class III	99,137,983	69,486,704
Class IV	34,694,108	64,137,796
Total Producer Milk	<u>634,266,128</u>	<u>608,907,071</u>
Average Butterfat Test	3.60%	3.53%
Percent of Producer Milk in Class I	66.62%	66.69%
Daily Average Receipts	20,460,198	19,642,164
Other Source Milk		
Class I	13,142,245	11,363,140
Class II	17,581,862	11,734,750
Class III	2,398,481	4,560,134
Class IV	12,486,069	9,861,766
Total Other Source Milk	<u>45,608,657</u>	<u>37,519,790</u>
Overage		
Class I	0	0
Class II	0	230,626
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>230,626</u>
Opening Inventory		
Class I	29,692,383	26,795,284
Class II	3,771,380	2,173,036
Class III	830,286	1,017,074
Class IV	18,005,595	21,981,217
Total Opening Inventory	<u>52,299,644</u>	<u>51,966,611</u>
Total Receipts	732,174,429	698,624,098
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	35,171,562	26,886,708
Route Disposition Class I	419,908,957	405,850,158
Shrinkage	3,712,120	3,911,430
Transfers & Diversions to Nonpool	6,617,073	7,532,626
Total Class I Utilization	<u>465,409,712</u>	<u>444,180,922</u>
Average Butterfat Test	2.12%	2.09%
Daily Average Utilization	15,013,217	14,328,417
Class II Utilization		
Nonfluid Used To Produce	1,850,673	1,969,847
Shrinkage	1,377	946
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	55,985,973	42,234,683
Total Class II Utilization	<u>41,374,172</u>	<u>39,193,009</u>
Average Butterfat Test	8.28%	
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	102,366,750	75,063,912
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	4.18%	4.44%
Class IV Utilization		
Inventory	18,683,723	21,768,317
Nonfluid Used To Fortify	1,394,743	1,589,064
Shrinkage	7,829,031	7,817,512
Transfers & Diversions to Nonpool Used To Produce/Other Uses	33,005,488	52,919,507
Total Class IV Utilization	<u>4,272,787</u>	<u>11,886,379</u>
Average Butterfat Test	7.36%	5.63%
Total Utilization	732,174,429	698,624,098

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2006 is \$13.39 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.23 per hundredweight plus 3.5 times the uniform butterfat price of \$1.2809 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 67.65% of all producer skim milk (priced to handlers at \$6.96 per hundredweight, plus the Class I differential, see page 2) and 39.37% of producer butterfat (priced to handlers at \$1.2154 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.67% of all producer skim milk (\$6.82 per hundredweight) and 28.40% of producer butterfat (\$1.3078 per pound). Class III use, mostly milk used to produce cheese, accounted for 15.53% of all producer skim milk (\$6.74 per hundredweight) and 18.32% of producer butterfat (\$1.3008 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.15% of all producer skim milk (\$6.31 per hundredweight) and 13.91% of producer butterfat (\$1.3008 per pound).

Receipts of producer milk during August 2006 totaled 634.3 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2006. Class I route disposition in the area totaled 391.1 million pounds in July 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2006</u>		
Whole Milk	150,880,905	38.58%
Fat Free Milk	48,505,207	12.40%
Lowfat Milk (incl. 1%)	27,877,779	7.13%
Reduced Fat Milk (incl. 2%)	137,344,190	35.12%
Cultured Fluid Milk (incl. Buttermilk)	8,392,274	2.15%
Flavored Drinks and Milk	18,067,429	4.62%
Total Disposition in Marketing Area	391,067,784	100.00%
Total Disposition by Pool Plants	316,239,960	80.87%
Total Disposition by Nonpool Plants	74,827,824	19.13%
Total Disposition in Marketing Area	391,067,784	100.00%

Summary of Recent USDA Actions

The USDA has issued several decisions, in addition to the tentative partial decision discussed on the front page of this publication, and has announced and held a reconvened public hearing in the past few weeks. All hearing activity can be tracked in detail at www.ams.usda.gov/dairy/hearings.htm, but here is a quick summary of recent departmental actions:

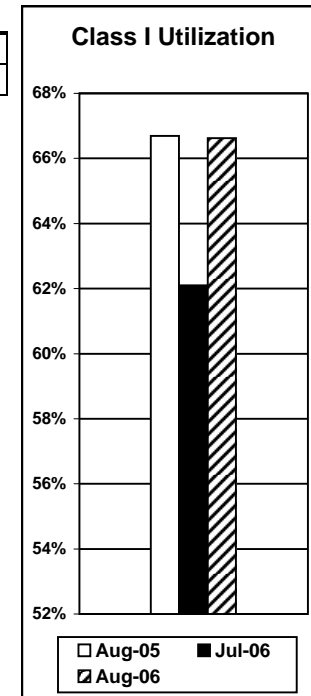
- Announced the reconvening of the Class III and Class IV manufacturing make allowance hearing for September 14 in Strongsville, OH. The hearing was set to take into evidence only data on plant manufacturing costs compiled by Cornell University and any other pertinent data or information specifically addressing plant manufacturing costs that are publicly available.
- Issued a final decision on pooling provisions in the Mideast Order. The decision establishes limits on the volume of milk handlers may pool to a percentage (either 115 percent or 120 percent depending on the month) of their previous month's volume.
- Issued a final decision on pooling provisions in the Upper Midwest Order. The decision establishes limits on the volume of milk handlers may pool to a percentage (either 125 percent or 135 percent depending on the month) of their previous month's volume.
- Issued a final decision on pooling provisions in the Central Order. The decision establishes limits on the volume of milk handlers may pool to a 125 percent of their previous month's volume. The decision also adopted amendments to increase supply plant performance standards, amend features of the "touch-base" provision, amend certain features of the "split plant" provision and decrease the diversion limit standards of the order.

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$ 6.15	\$1.2228	\$10.21	\$ 9.25	\$1.2444	\$13.28
Aug	\$10.06	\$1.2464	\$14.07	\$6.82	\$1.3078	\$11.16	\$6.74	\$1.3008	\$11.06	\$ 6.31	\$1.3008	\$10.64	\$ 9.23	\$1.2809	\$13.39
Sep	\$9.74	\$1.3013	\$13.95	\$6.99											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,278	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,306	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,300	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%
Jul	602,818	3,250	374,357	62.10%	77,034	12.78%	97,920	16.24%	53,506	8.88%
Aug	634,266	3,300**	422,575	66.62%	77,859	12.28%	99,138	15.63%	34,694	5.47%



* 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 through November 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
September 2006	10/11/06	10/12/06	10/13/06	09/25/06	09/26/06	10/13/06	10/16/06
October 2006	11/11/06	11/13/06	11/14/06	10/25/06	10/26/06	11/14/06	11/15/06
November 2006	12/11/06	12/12/06	12/13/06	11/27/06	11/27/06	12/13/06	12/14/06

** The base rate for making partial payments in Fulton County, GA for September will be \$12.05 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.39 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

October 2006

Volume 7—No. 10

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

'07 Outlook Forecasts Modest Producer Gains

As the final quarter of 2006 arrives, forecasts about 2007 become more abundant and, hopefully, more accurate. The latest estimates from the World Agricultural Outlook Board, the USDA's main economic forecasting unit, project average annual producer milk prices in 2007 between \$13.00 and \$13.90 per hundredweight, about \$0.70 higher than 2006. These producer price improvements should range from \$0.25 to \$1.15 higher. The 2007 Class III price should range between \$12.10 and \$13.00 per hundredweight while the Class IV price is projected to range from \$10.45 to \$11.45 per hundredweight.

Milk Promotion Programs Announcements

The USDA has made recent announcements regarding both the producer and processor milk promotion programs. The National Dairy Promotion and Research Board, composed of 36 dairy farmers representing 13 regions of the country, administers a coordinated program of promotion, research and nutrition education. Seven new members and five incumbent members were re-appointed to serve three-year terms through 2009. Region 8 (the states of FL, GA, NC, SC and VA) remain represented by John M. Larson of Okeechobee, FL.

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board, the program of advertising and education designed to promote fluid milk products. Five of the positions on the Board represent geographic regions, and two are at-large processor positions. All nominees must be active owners or employees of a fluid milk processor for all regional positions and both at-large positions. For more details on the program, including forms required for nominating candidates, visit www.ams.usda.gov/dairy/dairyprp.htm.

Blend Price Continues to Climb

The uniform blend price in Fulton County, GA, was \$13.68 per hundredweight of milk at 3.5 percent butterfat for the month of September. The blend price is \$0.29 higher than the previous month but is \$2.64 lower than September 2005. September is the third consecutive month the uniform blend price has risen.

Class I utilization was 66.34 percent in September, a slight decrease of 0.28 percent compared with the previous month and 3.53 percent lower than September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.13 billion pounds, an increase of 1.5 percent from August 2005 and a decrease of 0.52 percent when compared with July 2006. Estimated total cheese output (excluding cottage cheese) in August was 787 million pounds, 3.9 percent above August 2005 and 2.5 percent above July 2006. Butter production was 89.2 million pounds, 4.3 percent below August 2005 and 5.7 percent below July 2006. Nonfat dry milk production was estimated at 74.4 million pounds in August, 14.2 percent lower than August 2005 and a decrease of 18.6 percent compared with the previous month.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.57 in September. This is a decline of 0.70 from September 2005 but an increase of 0.10 compared to a revised August 2006 feed price ratio of 2.47.

Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for September 2006 were made for \$1,198,791.23. Since the available balance was \$968,612.86, eligible claims were paid at the rate of approximately \$0.81 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.01%	8,505,251	\$1.2703	\$ 10,804,220.34
Class I Differential at Location				256,221.12
Class II Butterfat	25.93%	5,802,485	\$1.4261	8,274,923.90
Class III Butterfat	21.72%	4,861,192	\$1.4191	6,898,517.56
Class IV Butterfat	14.34%	3,209,286	\$1.4191	4,554,297.79
Total Butterfat	100.00%	22,378,214		\$ 30,788,180.71

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.3758

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	67.43%	394,374,148	\$6.64 /cwt.	\$ 26,186,443.44
Class I Butterfat	38.01%	8,505,251	\$1.2703 /lb.	10,804,220.34
Class I Differential at Location		402,879,399		12,048,144.53
Total Class I Milk	66.34%	402,879,399		\$ 49,038,808.31
Class II Skim Milk	12.51%	73,194,099	\$6.99 /cwt.	\$ 5,116,267.52
Class II Butterfat	25.93%	5,802,485	\$1.4261 /lb.	8,274,923.90
Total Class II Milk	13.01%	78,996,584		\$ 13,391,191.42
Class III Skim Milk	17.77%	103,932,275	\$7.59 /cwt.	\$ 7,888,459.65
Class III Butterfat	21.72%	4,861,192	\$1.4191 /lb.	6,898,517.56
Total Class III Milk	17.91%	108,793,467		\$ 14,786,977.21
Class IV Skim Milk	2.29%	13,422,294	\$6.36 /cwt.	\$ 853,657.93
Class IV Butterfat	14.34%	3,209,286	\$1.4191 /lb.	4,554,297.79
Total Class IV Milk	2.74%	16,631,580		\$ 5,407,955.72
Producer Milk	100.00%	607,301,030		\$ 82,624,932.66

Adjustments

Overage and Other Source	\$13,051.35
Inventory Adjustments	\$65,439.22
Producer butterfat at uniform butterfat price	(\$30,788,180.71)
Location Adjustments to Producers	\$1,749,750.55
1/2 Unobligated Balance in P.S.F.	\$344,467.73

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.23360	\$54,009,460.80
	\$ 0.04360	\$254,504.92

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

\$9.19

Uniform Price per cwt. (Fulton County, Georgia)

\$13.68*

* 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 %
	SEP 2006	OCT 2006	AUG 2006	SEP 2006	SEP 2006
Appalachian (Charlotte)	\$ 14.32	\$ 15.89	\$ 13.51	\$ 13.63	73.53%
Arizona (Phoenix)	\$ 13.57	\$ 15.14	\$ 12.15	\$ 12.76	46.18%
Central (Kansas City)	\$ 13.22	\$ 14.79	\$ 11.74	\$ 12.23	45.97%
Florida (Tampa)	\$ 14.85	\$ 16.42	\$ 14.65	\$ 14.70	88.52%
Midwest (Cleveland)	\$ 13.22	\$ 14.79	\$ 11.98	\$ 12.40	45.90%
Northeast (Boston)	\$ 14.47	\$ 16.04	\$ 13.06	\$ 13.43	52.10%
Pacific Northwest (Seattle)	\$ 13.13	\$ 14.70	\$ 11.48	\$ 11.89	39.05%
Southeast (Atlanta)	\$ 13.95	\$ 15.52	\$ 13.39	\$ 13.68	66.34%
Southwest (Dallas)	\$ 14.22	\$ 15.79	\$ 12.66	\$ 13.20	40.76%
Upper Midwest (Chicago)	\$ 13.02	\$ 14.59	\$ 11.43	\$ 12.37	20.20%

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

Receipts:	September 2006	September 2005
Producer Milk		
Class I	402,879,399	397,642,652
Class II	78,996,584	59,669,541
Class III	108,793,467	69,181,624
Class IV	16,631,580	42,700,598
Total Producer Milk	<u>607,301,030</u>	<u>569,194,415</u>
Average Butterfat Test	3.68%	3.60%
Percent of Producer Milk in Class I	66.34%	69.87%
Daily Average Receipts	20,243,368	18,973,147
Other Source Milk		
Class I	16,983,362	14,244,421
Class II	13,256,769	9,224,726
Class III	3,050,304	2,424,160
Class IV	11,720,540	6,208,017
Total Other Source Milk	<u>45,010,975</u>	<u>32,101,324</u>
Overage		
Class I	0	89
Class II	146,418	247,001
Class III	0	0
Class IV	32,089	0
Total Overage	<u>178,507</u>	<u>247,090</u>
Opening Inventory		
Class I	34,320,499	27,783,892
Class II	2,554,500	5,033,286
Class III	1,771,490	608,803
Class IV	13,612,535	15,322,921
Total Opening Inventory	<u>52,259,024</u>	<u>48,748,902</u>
Total Receipts	704,749,536	650,291,731
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	33,125,494	32,480,681
Route Disposition Class I	409,385,087	398,743,148
Shrinkage	3,360,664	2,426,195
Transfers & Diversions to Nonpool	8,312,015	6,021,030
Total Class I Utilization	<u>454,183,260</u>	<u>439,671,054</u>
Average Butterfat Test	2.10%	2.09%
Daily Average Utilization	15,139,442	14,655,702
Class II Utilization		
Nonfluid Used To Produce	1,790,998	1,400,619
Shrinkage	2,991	1,477
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	58,536,310	40,782,853
Total Class II Utilization	<u>34,623,972</u>	<u>31,989,605</u>
Average Butterfat Test	7.61%	
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	113,615,261	72,214,587
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	4.42%	4.33%
Class IV Utilization		
Inventory	15,192,448	10,412,355
Nonfluid Used To Fortify	1,299,190	1,596,109
Shrinkage	7,431,006	5,655,854
Transfers & Diversions to Nonpool Used To Produce/Other Uses	13,813,447	41,491,665
Total Class IV Utilization	<u>4,260,653</u>	<u>5,075,553</u>
Average Butterfat Test	11.17%	8.44%
Total Utilization	704,749,536	650,291,731

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2006 is \$13.68 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.19 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3758 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 67.43% of all producer skim milk (priced to handlers at \$6.64 per hundredweight, plus the Class I differential, see page 2) and 38.01% of producer butterfat (priced to handlers at \$1.2703 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.51% of all producer skim milk (\$6.99 per hundredweight) and 25.93% of producer butterfat (\$1.4261 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.77% of all producer skim milk (\$7.59 per hundredweight) and 21.72% of producer butterfat (\$1.4191 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.29% of all producer skim milk (\$6.36 per hundredweight) and 14.34% of producer butterfat (\$1.4191 per pound).

Receipts of producer milk during September 2006 totaled 607.3 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2006. Class I route disposition in the area totaled 436.5 million pounds in August 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2006		
Whole Milk	153,155,584	35.09%
Fat Free Milk	52,031,206	11.92%
Lowfat Milk (incl. 1%)	35,999,450	8.25%
Reduced Fat Milk (incl. 2%)	143,864,436	32.96%
Cultured Fluid Milk (incl. Buttermilk)	9,093,030	2.08%
Flavored Drinks and Milk	42,350,650	9.70%
Total Disposition in Marketing Area	436,494,356	100.0%
Total Disposition by Pool Plants	356,726,177	81.73%
Total Disposition by Nonpool Plants	79,768,179	18.27%
Total Disposition in Marketing Area	436,494,356	100.0%

Mailbox Milk Prices, January to July 2006 2/

Reporting Area 1/	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06
New England States 3/	15.08	14.42	13.58	12.64	12.43	12.33	12.21
Appalachian States 4/	14.87	14.44	13.55	12.38	12.39	12.18	12.65
Southeast States 5/	15.81	15.31	14.13	13.20	13.08	13.15	13.71
Southern Missouri 6/	13.94	13.48	12.43	11.45	11.44	11.35	11.66
Florida	17.31	16.68	15.56	14.81	14.70	14.85	15.49
Indiana	14.53	13.96	13.01	11.97	11.85	11.62	11.61
Michigan	14.48	13.56	12.60	11.78	11.62	11.54	11.48
Wisconsin	14.70	13.62	12.63	12.12	11.99	12.04	11.70
Illinois	14.68	13.72	12.60	11.76	11.68	11.67	11.39
Corn Belt States 7/	13.65	12.65	11.82	11.41	11.13	11.13	11.03
Western Texas 8/	13.58	12.45	11.47	10.75	10.68	10.82	10.83
New Mexico	12.74	11.57	10.67	10.10	9.98	9.90	9.88
All Federal Order Areas 9/	14.43	13.57	12.64	11.92	11.8	11.74	11.66
California 10/	12.87	11.52	11.05	10.64	10.45	10.42	10.16

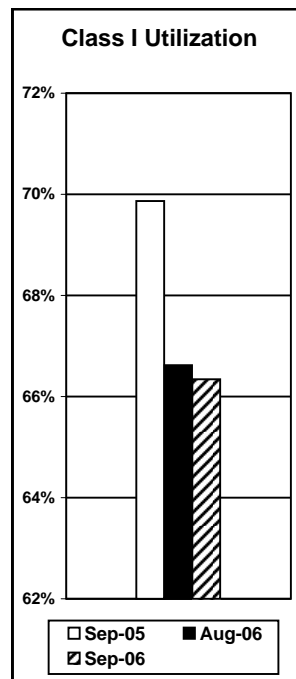
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 5/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 6/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these 7/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 6/. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by 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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$7.57	\$1.5036	\$12.57	\$10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$7.32	\$1.4684	\$12.20	\$10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$6.62	\$1.3469	\$11.10	\$10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$6.50	\$1.2596	\$10.68	\$9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$6.26	\$1.2343	\$10.36	\$8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$6.14	\$1.2582	\$10.33	\$8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$6.08	\$1.2436	\$10.22	\$8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$6.15	\$1.2228	\$10.21	\$9.25	\$1.2444	\$13.28
Aug	\$10.06	\$1.2464	\$14.07	\$6.82	\$1.3078	\$11.16	\$6.74	\$1.3008	\$11.06	\$6.31	\$1.3008	\$10.64	\$9.23	\$1.2809	\$13.39
Sep	\$9.74	\$1.3013	\$13.95	\$6.99	\$1.4261	\$11.74	\$7.59	\$1.4191	\$12.29	\$6.36	\$1.4191	\$11.10	\$9.19	\$1.3758	\$13.68
Oct	\$10.82	\$1.4517	\$15.52	\$7.06											

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 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	3,293	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,347	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,367	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,254	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,359	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,278	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,306	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,300	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%
Jul	602,818	3,250	374,357	62.10%	77,034	12.78%	97,920	16.24%	53,506	8.88%
Aug	634,266	3,244	422,575	66.62%	77,859	12.28%	99,138	15.63%	34,694	5.47%
Sep	607,301	3,250**	402,879	66.34%	78,997	13.01%	108,793	17.91%	16,632	2.74%



* 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 through December 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
October 2006	11/11/06	11/13/06	11/14/06	10/25/06	10/26/06	11/14/06	11/15/06
November 2006	12/11/06	12/12/06	12/13/06	11/27/06	11/27/06	12/13/06	12/14/06
December 2006	01/11/07	01/12/07	01/16/07	12/26/06	12/26/06	01/16/07	01/17/07

** The base rate for making partial payments in Fulton County, GA for October will be \$12.31 per hundredweight. This is 90 percent of the preceding month's uniform price of \$13.68 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%

Pursuant to 7 CFR §1000.25(c)(5)(i) the following plant did not submit a monthly report of receipts and utilization by the 7th day after the end of the month as required by 7 CFR §1007.30: Universal Food and Beverage, Savannah, Georgia

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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

November 2006

Volume 7—No. 11

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

Interim Final Rule Issued in Transportation Credit Decision

Having received the approval of Appalachian and Southeast dairy farmers, the USDA has issued an interim final rule amending current provisions of the Appalachian and Southeast milk marketing orders. Effective December 1, 2006, these two Federal orders will be amended to:

1. Establish a variable mileage rate factor using a diesel fuel cost adjustor to determine transportation credit payments;
2. Increase the maximum transportation credit assessment rate on Class I milk from 9.5 cents to 15 cents per hundredweight in the Appalachian Order and from 10 cents to 20 cents per hundredweight in the Southeast Order; and
3. Establish a zero diversion limit standard on all milk for which transportation credits are requested.

Dairy Disaster Payment Program

Sign-up began November 1, 2006, for the 2005 Dairy Disaster Assistance Payment Program (DDAP-II), which will provide \$17 million to help dairy producers recover from 2005 hurricane losses. To be eligible for participation, a dairy producer must have suffered dairy production and spoilage losses from August through December 2005 due to the 2005 hurricanes Katrina, Ophelia, Wilma or Rita (or related conditions), and suffered the losses in an eligible DDAP-II county. A fact sheet on the payment program is available at www.fsa.usda.gov/Internet/FSA_File/ddap06.pdf.

DDAP-II participants will receive immediate payments to help pay operating expenses and meet other financial obligations. Dairy producers can apply for the program at their local FSA office. Applications are available at FSA offices and online at www.sc.egov.usda.gov (Click 'eForms', then Browse for Form number CCC-743).

»»»»» Special Announcement «««««

The USDA is holding a public information session in Washington, DC on December 5, 2006 to address proposals it has received regarding Class III and Class IV product price formulas. See page four of this publication for more details.

Blend Price Up \$0.92

The uniform blend price in Fulton County, GA, was \$14.60 per hundredweight of milk at 3.5 percent butterfat for the month of October. The blend price is \$0.92 higher than the previous month but is \$1.89 lower than October 2005. October marks the fourth consecutive month that the uniform blend price has increased. Class I utilization was 65.88 percent in October, a decrease of 0.46 percent compared with the previous month and 2.40 percent lower than October of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.49 billion pounds, an increase of 1.6 percent from September 2005 and a decrease of 0.72 percent when compared with August 2006 on a daily average basis. Estimated total cheese output (excluding cottage cheese) was 785 million pounds, 5.3 percent above September 2005 but 0.5 percent below August 2006. Butter production was 103 million pounds, 2.0 percent above September 2005 and 16.3 percent above August 2006. Nonfat dry milk production was estimated at 64.9 million pounds in September, 8.5 percent lower than September 2005 and a decrease of 12.8 percent compared with the previous month.

Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for October 2006 were made for \$1,216,865.27. Since the available balance was \$432,427.72, eligible claims were paid at the rate of approximately \$0.36 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.23%	8,790,555	\$1.4207	\$ 12,488,741.48
Class I Differential at Location				264,074.11
Class II Butterfat	25.13%	5,935,838	\$1.4219	8,440,168.03
Class III Butterfat	21.35%	5,043,220	\$1.4149	7,135,651.99
Class IV Butterfat	16.29%	3,846,955	\$1.4149	5,443,056.63
Total Butterfat	100.00%	23,616,568		\$ 33,771,692.24

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.4300

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	67.00%	404,617,812	\$7.72 /cwt.	\$ 31,236,495.11
Class I Butterfat	37.23%	8,790,555	\$1.4207 /lb.	12,488,741.48
Class I Differential at Location		413,408,367		12,349,881.59
Total Class I Milk	65.88%	413,408,367		\$ 56,075,118.18
Class II Skim Milk	11.38%	68,739,781	\$7.06 /cwt.	\$ 4,853,028.53
Class II Butterfat	25.13%	5,935,838	\$1.4219 /lb.	8,440,168.03
Total Class II Milk	11.90%	74,675,619		\$ 13,293,196.56
Class III Skim Milk	17.85%	107,783,578	\$7.64 /cwt.	\$ 8,234,665.37
Class III Butterfat	21.35%	5,043,220	\$1.4149 /lb.	7,135,651.99
Total Class III Milk	17.98%	112,826,798		\$ 15,370,317.36
Class IV Skim Milk	3.77%	22,762,527	\$6.80 /cwt.	\$ 1,547,851.84
Class IV Butterfat	16.29%	3,846,955	\$1.4149 /lb.	5,443,056.63
Total Class IV Milk	4.24%	26,609,482		\$ 6,990,908.47
Producer Milk	100.00%	627,520,266		\$ 91,729,540.57

Adjustments

Overage and Other Source	\$22,638.35
Inventory Adjustments	\$41,959.53
Producer butterfat at uniform butterfat price	(\$33,771,692.24)
Location Adjustments to Producers	\$1,838,039.37
1/2 Unobligated Balance in P.S.F.	\$463,952.84
Adjusted Pool Value	\$ 9,98908
Reserve for Producer Settlement Fund	\$ 0.04908
	\$60,324,438.42

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

\$9.94

Uniform Price per cwt. (Fulton County, Georgia)

\$14.60*

* 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 2006	NOV 2006	SEPT 2006	OCT 2006	OCT 2006
Appalachian (Charlotte)	\$ 15.89	\$ 15.87	\$ 13.63	\$ 14.58	70.37%
Arizona (Phoenix)	\$ 15.14	\$ 15.12	\$ 12.76	\$ 13.24	42.41%
Central (Kansas City)	\$ 14.79	\$ 14.77	\$ 12.23	\$ 12.73	33.36%
Florida (Tampa)	\$ 16.42	\$ 16.40	\$ 14.70	\$ 15.73	84.60%
Mideast (Cleveland)	\$ 14.79	\$ 14.77	\$ 12.40	\$ 12.91	42.40%
Northeast (Boston)	\$ 16.04	\$ 16.02	\$ 13.43	\$ 14.04	51.60%
Pacific Northwest (Seattle)	\$ 14.70	\$ 14.68	\$ 11.89	\$ 12.52	31.86%
Southeast (Atlanta)	\$ 15.52	\$ 15.50	\$ 13.68	\$ 14.60	65.88%
Southwest (Dallas)	\$ 15.79	\$ 15.77	\$ 13.20	\$ 13.65	40.01%
Upper Midwest (Chicago)	\$ 14.59	\$ 14.57	\$ 12.37	\$ 12.56	16.60%

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

Receipts:	October 2006	October 2005
Producer Milk		
Class I	413,408,367	390,959,356
Class II	74,675,619	56,932,699
Class III	112,826,798	70,187,565
Class IV	26,609,482	54,479,479
Total Producer Milk	<u>627,520,266</u>	<u>572,559,099</u>
Average Butterfat Test	3.76%	3.69%
Percent of Producer Milk in Class I	65.88%	68.28%
Daily Average Receipts	20,242,589	18,469,648
Other Source Milk		
Class I	19,393,792	14,487,171
Class II	20,540,974	9,281,894
Class III	3,101,070	4,000,640
Class IV	12,523,197	8,726,379
Total Other Source Milk	<u>55,559,033</u>	<u>36,496,084</u>
Overage		
Class I	60,036	0
Class II	0	0
Class III	0	0
Class IV	2,847	0
Total Overage	<u>62,883</u>	<u>0</u>
Opening Inventory		
Class I	37,220,857	32,480,681
Class II	2,321,160	456,355
Class III	139,182	0
Class IV	13,942,179	9,956,000
Total Opening Inventory	<u>53,623,378</u>	<u>42,893,036</u>
Total Receipts	736,765,560	651,948,219
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	39,279,611	28,917,695
Route Disposition Class I	419,323,512	399,874,965
Shrinkage	5,006,237	2,703,891
Transfers & Diversions to Nonpool	6,473,692	6,430,657
Total Class I Utilization	<u>470,083,052</u>	<u>437,927,208</u>
Average Butterfat Test	2.10%	2.08%
Daily Average Utilization	15,163,969	14,126,684
Class II Utilization		
Nonfluid Used To Produce	1,579,369	1,341,868
Shrinkage	1,104	1,661
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	52,720,590	34,864,535
Total Class II Utilization	<u>43,236,690</u>	<u>30,462,884</u>
Average Butterfat Test	97,537,753	66,670,948
Average Butterfat Test	7.97%	9.20%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	116,067,050	74,188,205
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	116,067,050	74,188,205
Average Butterfat Test	4.44%	4.37%
Class IV Utilization		
Inventory	18,013,305	22,376,359
Nonfluid Used To Fortify	2,959,380	2,059,554
Shrinkage	7,574,699	7,782,468
Transfers & Diversions to Nonpool Used To Produce/Other Uses	19,473,745	36,531,571
Total Class IV Utilization	<u>5,056,576</u>	<u>4,411,906</u>
Average Butterfat Test	53,077,705	73,161,858
Average Butterfat Test	10.39%	8.21%
Total Utilization	736,765,560	651,948,219

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2006 is \$14.60 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.94 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4300 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 67.00% of all producer skim milk (priced to handlers at \$7.72 per hundredweight, plus the Class I differential, see page 2) and 37.23% of producer butterfat (priced to handlers at \$1.4207 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.38% of all producer skim milk (\$7.06 per hundredweight) and 25.13% of producer butterfat (\$1.4219 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.85% of all producer skim milk (\$7.64 per hundredweight) and 21.35% of producer butterfat (\$1.4149 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.77% of all producer skim milk (\$6.80 per hundredweight) and 16.29% of producer butterfat (\$1.4149 per pound).

Receipts of producer milk during October 2006 totaled 627.5 million pounds. There were 30 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2006. Class I route disposition in the area totaled 427.0 million pounds in September 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
September 2006		
Whole Milk	144,935,852	33.94%
Fat Free Milk	50,448,621	11.81%
Lowfat Milk (incl. 1%)	32,616,634	7.64%
Reduced Fat Milk (incl. 2%)	143,823,695	33.68%
Cultured Fluid Milk (incl. Buttermilk)	8,842,468	2.07%
Flavored Drinks and Milk	46,358,231	10.86%
Total Disposition in Marketing Area	427,025,501	100.0%
Total Disposition by Pool Plants	347,257,766	81.32%
Total Disposition by Nonpool Plants	79,767,735	18.68%
Total Disposition in Marketing Area	427,025,501	100.0%

»»»»» Special Announcement «««««

Pre-Hearing Public Information Session Regarding Class III and Class IV Product Price Formulas

The USDA has announced a public information session will be held to address proposals it has received that seek to amend the Federal order Class III and Class IV product price formulas. The purpose of the pre-hearing information session is for interested parties to learn about the intent of proposals that have been submitted to amend Class III and Class IV product price formulas and how the proposals would accomplish that intent. The session is intended to clarify the intent and effect of proposed amendments. The session will enable proponents to better prepare testimony and evidence in support of, or in opposition to, proposals that may be included in the Hearing Notice announcing the Class III and Class IV product price formulas hearing.

The Department recognizes the importance of Class III and IV product pricing formulas and is hosting this pre-hearing public information session to ensure that all proposals received are fully understood. The information session will not become part of an official hearing record and will be conducted outside of ex-parte rules thus allowing government officials to freely discuss proposed amendments. Participation in the information session is strongly encouraged by all parties who have submitted proposals.

The session will begin at 8:30 a.m. on December 5, 2006 and will be held in the USDA Whitten Building, 1400 Independence Avenue, SW., Room 107-A, Washington, DC 20250.

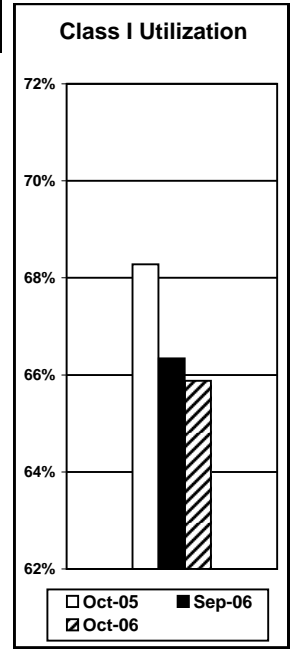
Submitted proposals and information regarding the purpose and procedure of the information session are available through the Dairy Programs web site at www.ams.usda.gov/dairy.

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 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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$ 6.15	\$1.2228	\$10.21	\$ 9.25	\$1.2444	\$13.28
Aug	\$10.06	\$1.2464	\$14.07	\$6.82	\$1.3078	\$11.16	\$6.74	\$1.3008	\$11.06	\$ 6.31	\$1.3008	\$10.64	\$ 9.23	\$1.2809	\$13.39
Sep	\$9.74	\$1.3013	\$13.95	\$6.99	\$1.4261	\$11.74	\$7.59	\$1.4191	\$12.29	\$ 6.36	\$1.4191	\$11.10	\$ 9.19	\$1.3758	\$13.68
Oct	\$10.82	\$1.4517	\$15.52	\$7.06	\$1.4219	\$11.79	\$7.64	\$1.4149	\$12.32	\$ 6.80	\$1.4149	\$11.51	\$ 9.94	\$1.4300	\$14.60
Nov	\$10.87	\$1.4314	\$15.50	\$7.37											

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 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	3,456	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	3,434	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%
Nov	575,985	3,291	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,346	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,366	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,252	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,358	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,277	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,305	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,299	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%
Jul	602,818	3,248	374,357	62.10%	77,034	12.78%	97,920	16.24%	53,506	8.88%
Aug	634,266	3,244	422,575	66.62%	77,859	12.28%	99,138	15.63%	34,694	5.47%
Sep	607,301	3,131	402,879	66.34%	78,997	13.01%	108,793	17.91%	16,632	2.74%
Oct	627,520	3,250**	413,408	65.88%	74,676	11.90%	112,827	17.98%	26,609	4.24%



* 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 2006 through January 2007

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 2006	12/11/06	12/12/06	12/13/06	11/27/06	11/27/06	12/13/06	12/14/06
December 2006	01/11/07	01/12/07	01/16/07	12/26/06	12/26/06	01/16/07	01/17/07
January 2007	02/11/07	02/12/07	02/13/07	01/25/07	01/26/07	02/13/07	02/14/07

** The base rate for making partial payments in Fulton County, GA for November will be \$13.14 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.60 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



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

December 2006

Volume 7—No. 12

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

Class III and Class IV Product Price Formulas Tentative Final Decision Issued

The U.S. Department of Agriculture (USDA) has announced a tentative final decision to amend the manufacturing (make) allowances contained in the Class III and Class IV product price formulas in all Federal milk marketing orders. The decision was based on the record of the first session of a public hearing held in Alexandria, VA, on January 24-27, 2006, and a second session held in Strongsville, OH, on September 14-15, 2006.

The decision amends the manufacturing (make) allowances for cheese, butter, nonfat dry milk (NFDM) and dry whey. Specifically, this decision adopts the following increased manufacturing allowances: cheese -- \$0.1682 per pound; butter -- \$0.1202 per pound; NFDM -- \$.1570 per pound; and dry whey -- \$0.1956 per pound. These amendments are subject to producer approval before they can be implemented. A vote is currently underway to determine if producers approve of the order as amended by this decision.

The tentative final decision was published in the November 22 Federal Register. A link to the tentative final decision has been provided under "What's New" at www.fmmatlanta.com. Public comments are due on January 22, 2007.

Hearing Held On Class I and II Price Formulas

The USDA recently held a hearing on proposed amendments to the Class I and Class II milk price formulas applicable to all Federal milk marketing orders. The hearing, held on December 11 in Pittsburgh, Pennsylvania, was requested by the National Milk Producers Federation (NMPF). The proposed changes would effectively increase the Class I and Class II price movers to account for increases in marketing costs associated with serving these markets, according to the NMPF. A link to more information on the hearing is available at www.fmmatlanta.com under "What's New".

Blend Price Increases

The uniform blend price in Fulton County, GA, was \$14.68 per hundredweight of milk at 3.5 percent butterfat for the month of November. The blend price is \$0.08 higher than the previous month but is \$1.54 lower than November 2005. November marks the fifth consecutive month that the uniform blend price has increased.

Class I utilization was 65.21 percent in November, a decrease of 0.67 percent compared with the previous month and 2.21 percent lower than November of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 14.86 billion pounds, an increase of 1.7 percent from October 2005 and a decrease of 0.76 percent when compared with September 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 800 million pounds, 5.2 percent above October 2005 and 2.0 percent above September 2006. Butter production in October was 118 million pounds, 8.5 percent above October 2005 and 13.9 percent above September 2006. Nonfat dry milk production was estimated at 72.7 million pounds in October, 1.2 percent lower than October 2005 and a decrease of 8.4 percent compared with the previous month on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.34 in November, a decline of 0.19 from the previous month.

Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for November 2006 were made for \$1,092,215.53. Since the available balance was \$427,373.02, eligible claims were paid at the rate of approximately \$0.39 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2006

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.63%	8,800,324	\$1.4004	\$ 12,323,973.73
Class I Differential at Location				263,527.88
Class II Butterfat	23.01%	5,380,086	\$1.3922	7,490,155.73
Class III Butterfat	21.59%	5,048,163	\$1.3852	6,992,715.36
Class IV Butterfat	17.77%	4,156,017	\$1.3852	5,756,914.74
Total Butterfat	100.00%	23,384,590		\$ 32,827,287.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.4038

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	66.30%	391,599,330	\$7.77 /cwt.	\$ 30,427,267.95
Class I Butterfat	37.63%	8,800,324	\$1.4004 /lb.	12,323,973.73
Class I Differential at Location		400,399,654		11,945,233.87
Total Class I Milk	65.21%	400,399,654		\$ 54,696,475.55
Class II Skim Milk	11.50%	67,905,526	\$7.37 /cwt.	\$ 5,004,637.20
Class II Butterfat	23.01%	5,380,086	\$1.3922 /lb.	7,490,155.73
Total Class II Milk	11.94%	73,285,612		\$ 12,494,792.93
Class III Skim Milk	17.88%	105,563,945	\$8.28 /cwt.	\$ 8,740,694.67
Class III Butterfat	21.59%	5,048,163	\$1.3852 /lb.	6,992,715.36
Total Class III Milk	18.02%	110,612,108		\$ 15,733,410.03
Class IV Skim Milk	4.32%	25,491,866	\$7.52 /cwt.	\$ 1,916,988.32
Class IV Butterfat	17.77%	4,156,017	\$1.3852 /lb.	5,756,914.74
Total Class IV Milk	4.83%	29,647,883		\$ 7,673,903.06
Producer Milk	100.00%	613,945,257		\$ 90,598,581.57

Adjustments

Overage and Other Source	\$71,669.96
Inventory Adjustments	\$21,879.31
Producer butterfat at uniform butterfat price	(\$32,827,287.44)
Location Adjustments to Producers	\$1,818,527.57
1/2 Unobligated Balance in P.S.F.	\$373,502.61
Adjusted Pool Value	\$ 10.16947
Reserve for Producer Settlement Fund	\$ 0.04947
	\$60,056,873.58

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

\$10.12

Uniform Price per cwt. (Fulton County, Georgia)

\$14.68*

* 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 2006	DEC 2006	OCT 2006	NOV 2006	NOV 2006
Appalachian (Charlotte)	\$ 15.87	\$ 15.90	\$ 14.58	\$ 14.68	71.38%
Arizona (Phoenix)	\$ 15.12	\$ 15.15	\$ 13.24	\$ 13.49	42.39%
Central (Kansas City)	\$ 14.77	\$ 14.80	\$ 12.73	\$ 12.96	38.66%
Florida (Tampa)	\$ 16.40	\$ 16.43	\$ 15.73	\$ 15.88	87.86%
Mideast (Cleveland)	\$ 14.77	\$ 14.80	\$ 12.91	\$ 13.13	43.80%
Northeast (Boston)	\$ 16.02	\$ 16.05	\$ 14.04	\$ 14.88	52.30%
Pacific Northwest (Seattle)	\$ 14.68	\$ 14.71	\$ 12.52	\$ 12.85	33.20%
Southeast (Atlanta)	\$ 15.50	\$ 15.53	\$ 14.60	\$ 14.68	65.21%
Southwest (Dallas)	\$ 15.77	\$ 15.80	\$ 13.65	\$ 13.83	38.24%
Upper Midwest (Chicago)	\$ 14.57	\$ 14.60	\$ 12.56	\$ 12.96	16.80%

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

Receipts:	November 2006	November 2005
Producer Milk		
Class I	400,399,654	388,326,096
Class II	73,285,612	53,895,777
Class III	110,612,108	72,632,574
Class IV	29,647,883	61,130,832
Total Producer Milk	<u>613,945,257</u>	<u>575,985,279</u>
Average Butterfat Test	3.81%	3.79%
Percent of Producer Milk in Class I	65.21%	67.42%
Daily Average Receipts	20,464,842	19,199,509
Other Source Milk		
Class I	15,794,456	15,890,836
Class II	14,526,949	8,800,002
Class III	1,983,840	3,947,103
Class IV	7,202,043	12,095,615
Total Other Source Milk	<u>39,507,288</u>	<u>40,733,556</u>
Overage		
Class I	31,155	0
Class II	12,197	0
Class III	0	0
Class IV	42,438	117,336
Total Overage	<u>85,790</u>	<u>117,336</u>
Opening Inventory		
Class I	36,219,030	29,680,849
Class II	3,607,291	1,563,756
Class III	499,047	836,266
Class IV	13,581,552	19,976,337
Total Opening Inventory	<u>53,906,920</u>	<u>52,057,208</u>
Total Receipts	707,445,255	668,893,379
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	35,440,556	30,734,244
Route Disposition Class I	408,916,058	392,252,373
Shrinkage	2,946,289	2,705,789
Transfers & Diversions to Nonpool	5,141,392	8,205,375
Total Class I Utilization	<u>452,444,295</u>	<u>433,897,781</u>
Average Butterfat Test	2.19%	2.19%
Daily Average Utilization	15,081,477	14,463,259
Class II Utilization		
Nonfluid Used To Produce	1,240,536	1,185,173
Shrinkage	7,104,345	4,466
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,923,053	32,472,525
Total Class II Utilization	<u>40,164,115</u>	<u>30,597,371</u>
Average Butterfat Test	91,432,049	64,259,535
Average Butterfat Test	8.25%	9.59%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	113,094,995	77,415,943
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	113,094,995	77,415,943
Average Butterfat Test	4.56%	4.49%
Class IV Utilization		
Inventory	20,225,731	23,156,792
Nonfluid Used To Fortify	2,562,025	3,212,253
Shrinkage	0	7,402,041
Transfers & Diversions to Nonpool Used To Produce/Other Uses	27,686,160	51,270,297
Total Class IV Utilization	<u>0</u>	<u>8,278,737</u>
Average Butterfat Test	50,473,916	93,320,120
Average Butterfat Test	11.14%	7.58%
Total Utilization	707,445,255	668,893,379

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2006 is \$14.68 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.12 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4038 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 66.30% of all producer skim milk (priced to handlers at \$7.77 per hundredweight, plus the Class I differential, see page 2) and 37.63% of producer butterfat (priced to handlers at \$1.4004 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.50% of all producer skim milk (\$7.37 per hundredweight) and 23.01% of producer butterfat (\$1.3922 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.88% of all producer skim milk (\$8.28 per hundredweight) and 21.59% of producer butterfat (\$1.3852 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.32% of all producer skim milk (\$7.52 per hundredweight) and 17.77% of producer butterfat (\$1.3852 per pound).

Receipts of producer milk during November 2006 totaled 613.9 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2006. Class I route disposition in the area totaled 436.9 million pounds in October 2006.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
October 2006		
Whole Milk	148,449,813	33.98%
Fat Free Milk	50,279,732	11.51%
Lowfat Milk (incl. 1%)	32,937,818	7.54%
Reduced Fat Milk (incl. 2%)	146,616,549	33.56%
Cultured Fluid Milk (incl. Buttermilk)	9,487,165	2.17%
Flavored Drinks and Milk	49,127,904	11.24%
Total Disposition in Marketing Area	427,025,501	100.0%
Total Disposition by Pool Plants	354,355,905	81.11%
Total Disposition by Nonpool Plants	82,543,076	18.89%
Total Disposition in Marketing Area	436,898,981	100.0%

New Market Information Available

Recently, the U. S. Department of Agriculture made available two new sources of market information. The first of these is an updated survey of milk handlers in Federal milk marketing orders who package Class I products. Handlers were asked to submit information on the containers in which fluid milk products are sold, and the methods of distribution used to market such products. "*Packaged Fluid Milk Sales in Federal Milk Order Markets: By Size and Type of Container and Distribution Method during November 2005*" is available at the AMS Dairy Programs website (www.ams.usda.gov/dairy) under 'Milk Marketing Order Statistics' and the 'Special Reports' link.

The second new source of dairy market information is the Over-Order Price Report. Federal milk marketing orders set minimum prices for regulated handlers that purchase milk. These prices are not necessarily what sellers of milk receive, as cooperatives and independent dairy producers can negotiate prices higher than Federal order minimums. Any higher than minimum price is known as an over-order price, which is the effective price processors pay for milk. This information, collected in the Over-Order Price Report, is obtained from the price lists issued by cooperatives or pricing agencies (including all the credits that milk processors can earn), billing statements of the cooperatives or pricing agencies, and producer payrolls for cooperatives and independent producers alike. All milk pooled and priced by an order is included in the report.

The Over-Order Price Report contains information for all Federal milk marketing orders, except for the Northeast Order. The reports list over-order charges for each class of milk and for all classes combined by Federal milk order marketing area on a monthly basis. For example, the report shows that in July the over-order charge in the Southeast Order for Class I milk was \$2.16, Class II was \$0.54, Class III was \$0.01 and Class IV was \$0.18 for an average on all classes of \$1.43 per hundredweight.

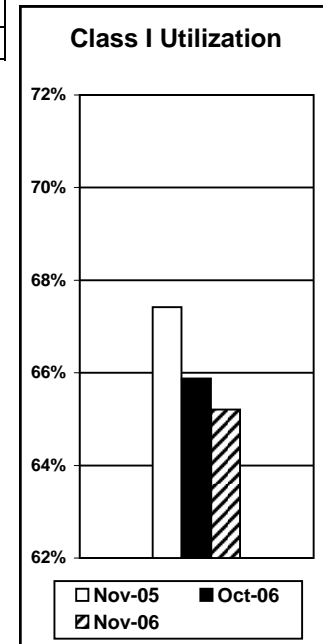
This report is available at the AMS Dairy Programs website (www.ams.usda.gov/dairy) under 'Milk Marketing Order Statistics' and the 'Class and Producer Prices and Component Prices' link.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2005	\$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	\$1.5106	\$13.22	\$8.40	\$1.5036	\$13.37	\$ 7.57	\$1.5036	\$12.57	\$ 10.28	\$1.5760	\$15.44
Jan 2006	\$11.52	\$1.5326	\$16.48	\$8.38	\$1.4754	\$13.25	\$8.55	\$1.4684	\$13.39	\$ 7.32	\$1.4684	\$12.20	\$ 10.29	\$1.4887	\$15.14
Feb	\$11.61	\$1.5081	\$16.48	\$8.17	\$1.3539	\$12.62	\$7.76	\$1.3469	\$12.20	\$ 6.62	\$1.3469	\$11.10	\$ 10.17	\$1.3985	\$14.71
Mar	\$11.05	\$1.4078	\$15.59	\$7.52	\$1.2666	\$11.69	\$6.94	\$1.2596	\$11.11	\$ 6.50	\$1.2596	\$10.68	\$ 9.53	\$1.3066	\$13.77
Apr	\$10.12	\$1.3025	\$14.32	\$7.28	\$1.2413	\$11.37	\$6.85	\$1.2343	\$10.93	\$ 6.26	\$1.2343	\$10.36	\$ 8.85	\$1.2558	\$12.94
May	\$10.00	\$1.2641	\$14.07	\$6.94	\$1.2652	\$11.13	\$6.66	\$1.2582	\$10.83	\$ 6.14	\$1.2582	\$10.33	\$ 8.79	\$1.2615	\$12.90
Jun	\$9.67	\$1.2920	\$13.85	\$6.86	\$1.2506	\$11.00	\$7.19	\$1.2436	\$11.29	\$ 6.08	\$1.2436	\$10.22	\$ 8.79	\$1.2621	\$12.90
Jul	\$10.34	\$1.2740	\$14.44	\$6.76	\$1.2298	\$10.83	\$6.88	\$1.2228	\$10.92	\$ 6.15	\$1.2228	\$10.21	\$ 9.25	\$1.2444	\$13.28
Aug	\$10.06	\$1.2464	\$14.07	\$6.82	\$1.3078	\$11.16	\$6.74	\$1.3008	\$11.06	\$ 6.31	\$1.3008	\$10.64	\$ 9.23	\$1.2809	\$13.39
Sep	\$9.74	\$1.3013	\$13.95	\$6.99	\$1.4261	\$11.74	\$7.59	\$1.4191	\$12.29	\$ 6.36	\$1.4191	\$11.10	\$ 9.19	\$1.3758	\$13.68
Oct	\$10.82	\$1.4517	\$15.52	\$7.06	\$1.4219	\$11.79	\$7.64	\$1.4149	\$12.32	\$ 6.80	\$1.4149	\$11.51	\$ 9.94	\$1.4300	\$14.60
Nov	\$10.87	\$1.4314	\$15.50	\$7.37	\$1.3922	\$11.98	\$8.28	\$1.3852	\$12.84	\$ 7.52	\$1.3852	\$12.11	\$ 10.12	\$1.4038	\$14.68
Dec	\$10.99	\$1.4080	\$15.53	\$8.09											

FEDERAL ORDER 7 - SOUTHEAST: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
May 2005	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	3,456	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	3,434	390,959	68.28%	56,933	9.94%	70,188	12.26%	54,479	9.52%
Nov	575,985	3,291	388,326	67.42%	53,896	9.36%	72,633	12.61%	61,131	10.61%
Dec	627,008	3,346	400,937	63.95%	56,188	8.96%	90,049	14.36%	79,834	12.73%
Jan 2006	773,171	3,366	417,644	54.02%	82,863	10.72%	166,645	21.55%	106,020	13.71%
Feb	673,060	3,252	374,502	55.64%	74,400	11.05%	151,346	22.49%	72,812	10.82%
Mar	762,640	3,358	412,672	54.11%	85,719	11.24%	187,351	24.57%	76,898	10.08%
Apr	744,495	3,277	377,265	50.68%	83,715	11.24%	190,402	25.57%	93,113	12.51%
May	727,331	3,305	396,220	54.48%	85,703	11.78%	176,134	24.22%	69,274	9.52%
Jun	678,355	3,299	382,230	56.35%	73,884	10.89%	166,354	24.52%	55,888	8.24%
Jul	602,818	3,248	374,357	62.10%	77,034	12.78%	97,920	16.24%	53,506	8.88%
Aug	634,266	3,244	422,575	66.62%	77,859	12.28%	99,138	15.63%	34,694	5.47%
Sep	607,301	3,131	402,879	66.34%	78,997	13.01%	108,793	17.91%	16,632	2.74%
Oct	627,520	3,102	413,408	65.88%	74,676	11.90%	112,827	17.98%	26,609	4.24%
Nov	613,945	3,100**	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%



* 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 2006 through February 2007

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
December 2006	01/11/07	01/12/07	01/16/07	12/26/06	12/26/06	01/16/07	01/17/07
January 2007	02/11/07	02/12/07	02/13/07	01/25/07	01/26/07	02/13/07	02/14/07
February 2007	03/11/07	03/12/07	03/13/07	02/26/07	02/26/07	03/13/07	03/14/07

** The base rate for making partial payments in Fulton County, GA for December will be \$13.21 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.68 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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