

Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

January 2008

Volume 9—No. 1

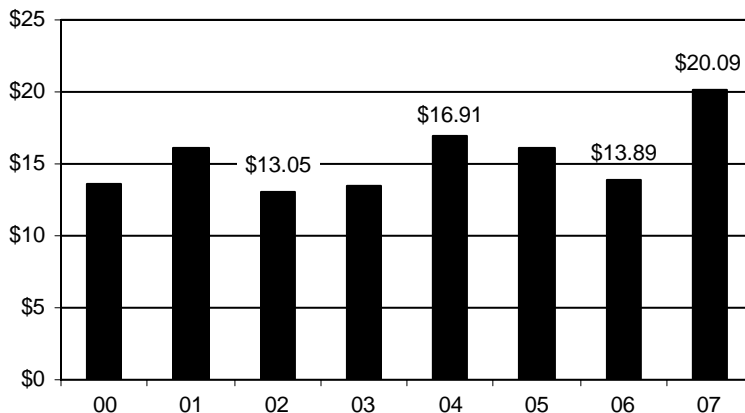
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

2007: A Year of Historic Prices

Due to contracted milk production in the first half of the year and strong demand for milk products, especially abroad, producer milk prices soared to historic heights in 2007. The weighted average Southeast Order uniform price was \$20.09 per hundredweight last year, \$3.18 over the previous high in 2004 and \$6.20 more than 2006 (see chart below). While uniform prices were briefly above \$20 in 2004, within three months they had plummeted to \$16. But during 2007, there was no precipitous decline.

The uniform price rose to \$20.76 in June and remained above that plateau through December, including five consecutive months of uniform prices in excess of \$23. The record high uniform price was set in August at \$23.87, over \$3.50 and 18% more than the prior record set in May 2004. The USDA projects 2008 prices to decline gradually and average 85-cents below last year.

Wtd. Avg. Southeast Order Uniform Prices; 2000-07



34th Annual Southern Dairy Conference

The 34th Annual Southern Dairy Conference will be held on January 30 and 31, 2008 at the Westin Atlanta Airport hotel, 4736 Best Road, Atlanta, Georgia, 30337; 1-888-627-7211. Obtain the agenda and register for the conference at the following website: www.areg.caes.uga.edu/.

Uniform Price Down \$1.02

The uniform price in Fulton County, GA, was \$22.44 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$1.02 less than the previous month but is \$7.63 higher than December 2006.

Class I utilization was 66.17 percent in December, a decrease of 4.16 percent compared with the previous month and 0.64 percent higher than December of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 14.99 billion pounds, an increase of 3.2 percent from November 2006 and an increase of 0.7 percent when compared with October 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 808 million pounds, 1.2 percent above November 2006 but 1.9 percent below October 2007. Butter production was 132 million pounds, 11.7 percent above November 2006 and 2.1 percent above October 2007.

Nonfat dry milk powder production was 98.4 million pounds in November, 27.9 percent higher than November 2006 and 0.5 percent lower than October 2007. Dry whey production was 93.6 million pounds in November, a 9.0 percent decrease from November of last year and a 5.4 percent increase compared with October 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.82 in December. This is a decline of 0.24 points from November 2007's ratio.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for December 2007 was \$1,567,197.40. Preliminary claims were made for \$1,078,540.67. Since sufficient funds were available, all eligible preliminary claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2007

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.98%	8,583,536	\$1.4120	\$ 12,119,952.81
Class I Differential at Location				256,410.54
Class II Butterfat	20.20%	4,564,011	\$1.4418	6,580,391.05
Class III Butterfat	20.36%	4,601,468	\$1.4348	6,602,186.29
Class IV Butterfat	21.46%	4,849,515	\$1.4348	6,958,084.13
Total Butterfat	100.00%	22,598,530		\$ 32,517,024.82

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4389**

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	67.30%	384,265,053	\$15.65 /cwt.	\$ 60,137,480.80
Class I Butterfat	37.98%	8,583,536	\$1.4120 /lb.	12,119,952.81
Class I Differential at Location		392,848,589		11,708,383.11
Total Class I Milk	66.17%	392,848,589		\$ 83,965,816.72
Class II Skim Milk	9.71%	55,426,160	\$16.35 /cwt.	\$ 9,062,177.14
Class II Butterfat	20.20%	4,564,011	\$1.4418 /lb.	6,580,391.05
Total Class II Milk	10.11%	59,990,171		\$ 15,642,568.19
Class III Skim Milk	16.31%	93,135,526	\$16.14 /cwt.	\$ 15,032,073.89
Class III Butterfat	20.36%	4,601,468	\$1.4348 /lb.	6,602,186.29
Total Class III Milk	16.47%	97,736,994		\$ 21,634,260.18
Class IV Skim Milk	6.68%	38,164,431	\$14.67 /cwt.	\$ 5,598,722.04
Class IV Butterfat	21.46%	4,849,515	\$1.4348 /lb.	6,958,084.13
Total Class IV Milk	7.25%	43,013,946		\$ 12,556,806.17
Producer Milk	100.00%	593,589,700		\$ 133,799,451.26

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$11,444.30
Producer butterfat at uniform butterfat price	(\$32,517,024.82)
Location Adjustments to Producers	\$1,672,182.26
1/2 Unobligated Balance in P.S.F	\$260,914.77
Adjusted Pool Value	\$ 18,07856
Reserve for Producer Settlement Func	\$ 0.04856
	\$103,226,967.77
	\$277,259.84

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

\$18.03

Uniform Price per cwt. (Fulton County, Georgia)

\$22.44*

* 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 2007	JAN 2008	NOV 2007	DEC 2007	DEC 2007
Appalachian (Charlotte)	\$ 23.14	\$ 24.07	\$ 23.75	\$ 22.37	68.22%
Arizona (Phoenix)	\$ 22.39	\$ 23.32	\$ 21.49	n/a	n/a
Central (Kansas City)	\$ 22.04	\$ 22.97	\$ 20.79	\$ 20.36	40.63%
Florida (Tampa)	\$ 24.04	\$ 24.97	\$ 24.89	\$ 23.44	82.22%
Mideast (Cleveland)	\$ 22.04	\$ 22.97	\$ 21.08	\$ 20.64	40.40%
Northeast (Boston)	\$ 23.29	\$ 24.22	\$ 23.31	n/a	n/a
Pacific Northwest (Seattle)	\$ 21.94	\$ 22.87	\$ 20.82	n/a	n/a
Southeast (Atlanta)	\$ 23.14	\$ 24.07	\$ 23.46	\$ 22.44	66.17%
Southwest (Dallas)	\$ 23.04	\$ 23.97	\$ 21.58	\$ 21.01	54.15%
Upper Midwest (Chicago)	\$ 21.84	\$ 22.77	\$ 19.86	\$ 20.65	15.60%

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

Receipts:	December 2007	December 2006
Producer Milk		
Class I	392,848,589	399,893,721
Class II	59,990,171	62,608,639
Class III	97,736,994	91,924,934
Class IV	43,013,946	55,836,418
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Total Producer Milk	593,589,700	610,263,712
Average Butterfat Test	3.81%	3.80%
Percent of Producer Milk in Class I	66.17%	65.53%
Daily Average Receipts	19,148,055	19,685,926
Other Source Milk		
Class I	9,289,642	9,531,078
Class II	10,514,307	11,324,474
Class III	2,307,459	2,063,576
Class IV	13,355,149	12,296,882
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Total Other Source Milk	35,466,557	35,216,010
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	18,598
	<hr/>	<hr/>
Total Overage	0	18,598
Opening Inventory		
Class I	38,284,809	35,559,670
Class II	730,746	901,410
Class III	164,055	166,247
Class IV	11,048,730	19,038,960
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Total Opening Inventory	50,228,340	55,666,287
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Total Receipts	679,284,597	701,164,607
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	30,947,741	30,759,877
Route Disposition Class I	398,922,173	405,321,655
Shrinkage	4,238,961	4,482,640
Transfers & Diversions to Nonpool	6,314,165	4,420,297
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Total Class I Utilization	440,423,040	444,984,469
Average Butterfat Test	2.18%	2.24%
Daily Average Utilization	14,207,195	14,354,338
Class II Utilization		
Nonfluid Used To Produce	1,357,877	1,325,764
Shrinkage	112,329	4,915
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	40,265,741	40,957,671
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Total Class II Utilization	71,235,224	74,834,523
Average Butterfat Test	8.16%	7.85%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	100,208,508	94,154,757
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Total Class III Utilization	100,208,508	94,154,757
Average Butterfat Test	4.68%	4.33%
Class IV Utilization		
Inventory	19,130,273	25,484,684
Nonfluid Used To Fortify	2,558,015	2,676,004
Shrinkage	7,124,692	7,918,365
Transfers & Diversions to Nonpool Used To Produce/Other Uses	33,083,229	39,424,021
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Total Class IV Utilization	67,417,825	87,190,858
Average Butterfat Test	9.32%	8.22%
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Total Utilization	679,284,597	701,164,607

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2007 is \$22.44 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.03 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4389 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

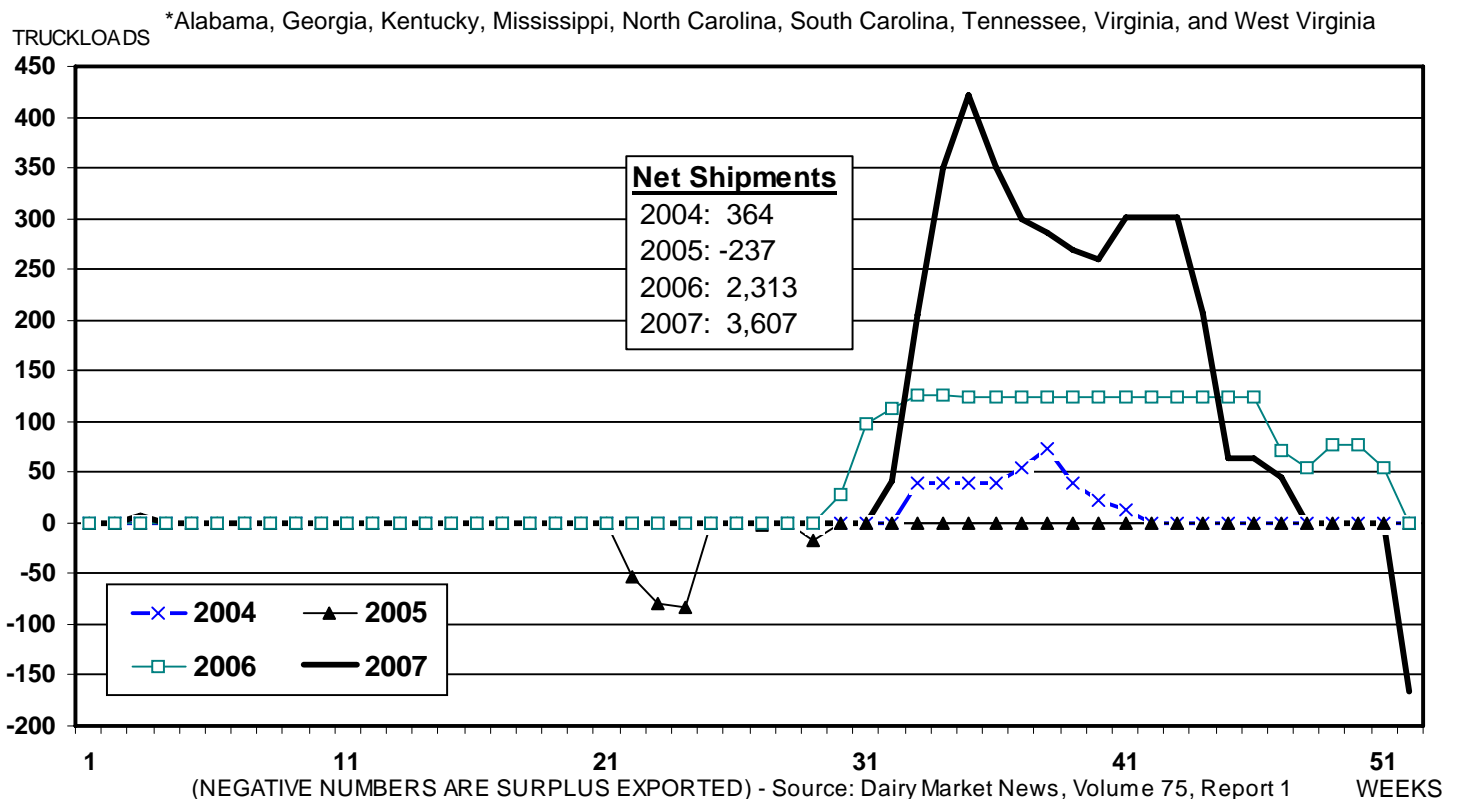
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.30% of all producer skim milk (priced to handlers at \$15.65 per hundredweight, plus the Class I differential, see page 2) and 37.98% of producer butterfat (priced to handlers at \$1.4120 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.71% of all producer skim milk (\$16.35 per hundredweight) and 20.20% of producer butterfat (\$1.4418 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.31% of all producer skim milk (\$16.14 per hundredweight) and 20.36% of producer butterfat (\$1.4348 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.68% of all producer skim milk (\$14.67 per hundredweight) and 21.46% of producer butterfat (\$1.4348 per pound).

Receipts of producer milk during December 2007 totaled 593.6 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2007. Class I route disposition in the area totaled 437.2 million pounds in November 2007.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2007		
Whole Milk	143,602,118	32.84%
Fat Free Milk	49,917,062	11.42%
Lowfat Milk (incl. 1%)	33,107,821	7.57%
Reduced Fat Milk (incl. 2%)	151,312,575	34.61%
Cultured Fluid Milk (incl. Buttermilk)	10,890,492	2.49%
Flavored Drinks and Milk	48,417,267	11.07%
Total Disposition in Marketing Area	437,247,335	100.00%
Total Disposition by Pool Plants	353,260,640	80.79%
Total Disposition by Nonpool Plants	83,986,695	19.21%
Total Disposition in Marketing Area	437,247,335	100.00%

Weekly Southeast* Spot Milk Shipments; 2004-2007

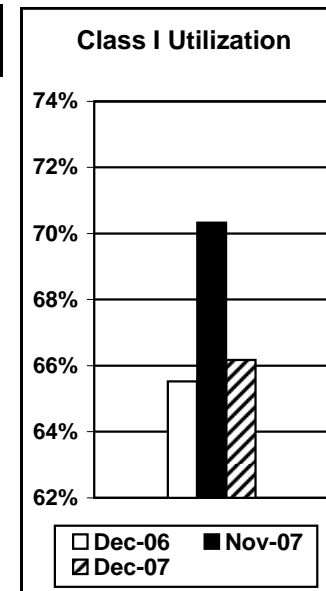


FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2006	\$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	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 10.37	\$1.3722	\$14.81
Jan 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Sep 2006	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	3,141	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%
Dec	610,264	3,153	399,894	65.53%	62,609	10.26%	91,925	15.06%	55,836	9.15%
Jan 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,050**	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%



* 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 2008

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
Jan 2008	02/11/08	02/12/08	02/13/08	01/25/08	01/28/08	02/13/08	02/14/08
Feb 2008	03/11/08	03/12/08	03/13/08	02/25/08	02/26/08	03/13/08	03/14/08
Mar 2008	04/11/08	04/14/08	04/15/08	03/25/08	03/26/08	04/15/08	04/16/08

** The base rate for making partial payments in Fulton County, GA for January will be \$20.20 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.44 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%

WASDE Dairy Report 1/

WASDE – 454 January, 2008

Forecasts for 2008 milk production are lowered as higher forecast feed prices are expected to limit growth in cow numbers and gains in milk per cow. The milk production forecast for 2007 is increased slightly as milk per cow in the fourth quarter continues to recover from weakness earlier in the year. Ending stocks for 2007 on a fat basis are unchanged from last month, but skim solids stocks are raised because nonfat dry milk (NDM) stocks have remained higher than expected.

For 2008, the Class III price forecast is unchanged from last month. Cheese prices are forecast fractionally higher as demand for cheese is expected to be firm. The Class IV price for 2008 is forecast lower. The price forecasts for butter and NDM are reduced as inventories of those products are large. The all milk price forecast for 2008 is lowered slightly to \$17.90 to \$18.70 per cwt. The 2007 all milk price is estimated at \$19.15.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

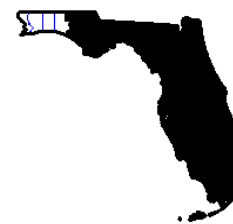
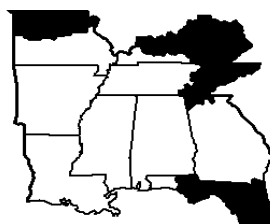


MILK MARKET ADMINISTRATOR

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February 2008

Volume 9—No. 2

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Fluid Milk Sales Grow in Southeast

The packaged sales of total fluid milk products in the U.S. declined slightly last year compared to 2006 (-0.1 percent), but the decline was not uniform across the country. The Southeast Marketing Area led the country with the largest year-to-year increase at +2.0 percent, totaling 5.1 billion total pounds of fluid milk sales. Other regions of the country had sales increases, but none as significant as the Southeast. The Pacific Northwest, essentially Washington state and Oregon, had the largest decrease in fluid milk sales at -2.0 percent.

The Southeast Marketing Area represented 10.1 percent of the fluid milk market within the nation's regulated areas, but less than 5 percent of all milk produced in those regulated locations.

Packaged Sales of Fluid Milk Products: 2007

Marketing Area (Order No.)	Mil. Lbs.	Change from '06	Share of Total
Northeast (001)	9,484	0.2%	18.7%
Appalachian (005)	3,631	0.7%	7.2%
Southeast (007)	5,123	2.0%	10.1%
Florida (006)	2,899	-0.8%	5.7%
Mideast (033)	6,160	-1.9%	12.2%
Upper Midwest (030)	4,458	0.1%	8.8%
Central (032)	4,692	-0.8%	9.3%
Southwest (126)	4,402	0.3%	8.7%
Arizona (131)	1,206	n/a	2.4%
Pacific Northwest (124)	2,133	-2.0%	4.2%
California	6,492	0.2%	12.8%
Total	50,680	-0.1%	100.0%

Source: Dairy Market News: Vol.75, Report 06

New Secretary of Agriculture Appointed

Ed Schafer was sworn in as the 29th Secretary of the U.S. Department of Agriculture (USDA) on January 28, 2008. He served two-terms as governor of North Dakota and brings to USDA extensive private sector experience as both an entrepreneur and a business executive.

Uniform Price Stabilizes

The uniform price in Fulton County, GA, was \$22.46 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$0.02 more than the previous month and is \$6.97 higher than January 2007.

Class I utilization was 66.56 percent in January, an increase of 0.39 percent compared with the previous month and 7.56 percent higher than January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 15.64 billion pounds, an increase of 2.7 percent from December 2006 and an increase of 5.7 percent when compared with November 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 843 million pounds, 1.5 percent above December 2006 and 3.9 percent above November 2007. Butter production was 141 million pounds, 2.6 percent above December 2006 and 8.4 percent above November 2007.

Nonfat dry milk powder production was 108.0 million pounds in December, 5.0 percent lower than December 2006 and 9.8 percent lower than November 2007. Dry whey production was 96.4 million pounds in December, a 4.4 percent increase from December of last year and a 3.0 percent increase compared with November 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.55 in January. This is a decline of 0.30 points from December 2007's ratio.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for January 2008 was \$1,299,698.92. Preliminary claims were made for \$1,174,032.34. Since sufficient funds were available, all eligible preliminary claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.51%	8,866,872	\$1.4333	\$ 12,708,887.67
Class I Differential at Location				264,464.52
Class II Butterfat	21.37%	5,191,395	\$1.3389	6,950,758.79
Class III Butterfat	18.69%	4,540,814	\$1.3319	6,047,910.17
Class IV Butterfat	23.43%	5,690,497	\$1.3319	7,579,172.94
Total Butterfat	100.00%	24,289,578		\$ 33,551,194.09

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3813**

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	67.75%	418,575,780	\$16.53 /cwt.	\$ 69,190,576.44
Class I Butterfat	36.51%	8,866,872	\$1.4333 /lb.	12,708,887.67
Class I Differential at Location		427,442,652		12,743,381.93
Total Class I Milk	66.56%	427,442,652		\$ 94,642,846.04
Class II Skim Milk	8.01%	49,506,901	\$15.61 /cwt.	\$ 7,728,027.26
Class II Butterfat	21.37%	5,191,395	\$1.3389 /lb.	6,950,758.79
Total Class II Milk	8.52%	54,698,296		\$ 14,678,786.05
Class III Skim Milk	17.05%	105,322,149	\$15.19 /cwt.	\$ 15,998,434.42
Class III Butterfat	18.69%	4,540,814	\$1.3319 /lb.	6,047,910.17
Total Class III Milk	17.11%	109,862,963		\$ 22,046,344.59
Class IV Skim Milk	7.19%	44,453,651	\$12.05 /cwt.	\$ 5,356,664.95
Class IV Butterfat	23.43%	5,690,497	\$1.3319 /lb.	7,579,172.94
Total Class IV Milk	7.81%	50,144,148		\$ 12,935,837.89
Producer Milk	100.00%	642,148,059		\$ 144,303,814.57

Adjustments

Overage and Other Source	\$69,151.75
Inventory Adjustments	\$98,511.34
Producer butterfat at uniform butterfat price	(\$33,551,194.09)
Location Adjustments to Producers	\$1,925,399.87
1/2 Unobligated Balance in P.S.F	\$274,172.77

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 18.30838	\$113,119,856.21
	\$ 0.04838	\$298,897.57

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

\$18.26

Uniform Price per cwt. (Fulton County, Georgia)

\$22.46*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JAN 2008	FEB 2008	DEC 2007	JAN 2008	JAN 2008
Appalachian (Charlotte)	\$ 24.07	\$ 22.78	\$ 22.37	\$ 22.60	72.50%
Arizona (Phoenix)	\$ 23.32	\$ 22.03	\$ 20.82	\$ 19.72	36.22%
Central (Kansas City)	\$ 22.97	\$ 21.68	\$ 20.36	\$ 19.71	34.73%
Florida (Tampa)	\$ 24.97	\$ 23.68	\$ 23.44	\$ 23.80	82.61%
Mideast (Cleveland)	\$ 22.97	\$ 21.68	\$ 20.64	\$ 20.25	38.90%
Northeast (Boston)	\$ 24.22	\$ 22.93	\$ 21.59	\$ 21.11	44.10%
Pacific Northwest (Seattle)	\$ 22.87	\$ 21.58	\$ 20.30	\$ 19.39	34.37%
Southeast (Atlanta)	\$ 24.07	\$ 22.78	\$ 22.44	\$ 22.46	66.56%
Southwest (Dallas)	\$ 23.97	\$ 22.68	\$ 21.01	\$ 20.70	44.77%
Upper Midwest (Chicago)	\$ 22.77	\$ 21.48	\$ 20.65	\$ 19.70	15.60%

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

Receipts:	January 2008	January 2007
Producer Milk		
Class I	427,442,652	434,642,425
Class II	54,698,296	73,203,631
Class III	109,862,963	170,118,993
Class IV	50,144,148	58,681,148
Total Producer Milk	<u>642,148,059</u>	<u>736,646,197</u>
Average Butterfat Test	3.78%	3.79%
Percent of Producer Milk in Class I	66.56%	59.00%
Daily Average Receipts	20,714,454	23,762,781
Other Source Milk		
Class I	9,526,630	9,099,370
Class II	11,760,414	11,884,318
Class III	244,868	2,018,997
Class IV	14,788,527	9,987,701
Total Other Source Milk	<u>38,520,439</u>	<u>32,990,386</u>
Overage		
Class I	0	0
Class II	279,611	17,958
Class III	1,892	0
Class IV	9,276	612
Total Overage	<u>290,779</u>	<u>18,570</u>
Opening Inventory		
Class I	32,690,024	30,938,702
Class II	3,727,470	1,797,757
Class III	576,107	904,295
Class IV	13,133,353	22,603,533
Total Opening Inventory	<u>50,126,954</u>	<u>56,244,287</u>
Total Receipts	731,086,231	825,899,440
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	36,641,462	30,319,011
Route Disposition Class I	423,225,692	434,608,099
Shrinkage	1,916,819	4,160,033
Transfers & Diversions to Nonpool	7,875,333	5,593,354
Total Class I Utilization	<u>469,659,306</u>	<u>474,680,497</u>
Average Butterfat Test	2.07%	2.11%
Daily Average Utilization	15,150,300	15,312,274
Class II Utilization		
Nonfluid Used To Produce	2,656,995	1,508,089
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	34,601,655	49,946,509
Total Class II Utilization	<u>33,207,141</u>	<u>35,479,066</u>
Average Butterfat Test	9.23%	8.47%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	112,885,830	173,042,285
Total Class III Utilization	<u>112,885,830</u>	<u>173,042,285</u>
Average Butterfat Test		4.18%
Class IV Utilization		
Inventory	17,880,070	24,889,408
Nonfluid Used To Fortify	1,464,850	1,563,530
Shrinkage	7,857,016	8,281,363
Transfers & Diversions to Nonpool Used To Produce/Other Uses	45,438,302	49,843,191
Total Class IV Utilization	<u>5,435,066</u>	<u>6,695,502</u>
Average Butterfat Test	9.41%	7.85%
Total Utilization	731,086,231	825,899,440

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2008 is \$22.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.26 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3813 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 67.75% of all producer skim milk (priced to handlers at \$16.53 per hundredweight, plus the Class I differential, see page 2) and 36.51% of producer butterfat (priced to handlers at \$1.4333 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.01% of all producer skim milk (\$15.61 per hundredweight) and 21.37% of producer butterfat (\$1.3389 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.05% of all producer skim milk (\$15.19 per hundredweight) and 18.69% of producer butterfat (\$1.3319 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.19% of all producer skim milk (\$12.05 per hundredweight) and 23.43% of producer butterfat (\$1.3319 per pound).

Receipts of producer milk during January 2008 totaled 642.1 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2008. Class I route disposition in the area totaled 428.3 million pounds in December 2007.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2007		
Whole Milk	144,286,313	33.69%
Fat Free Milk	49,167,690	11.48%
Lowfat Milk (incl. 1%)	34,223,740	7.99%
Reduced Fat Milk (incl. 2%)	149,571,835	34.92%
Cultured Fluid Milk (incl. Buttermilk)	10,007,212	2.34%
Flavored Drinks and Milk	41,009,502	9.58%
Total Disposition in Marketing Area	428,266,292	100.00%
Total Disposition by Pool Plants	344,696,588	80.49%
Total Disposition by Nonpool Plants	83,569,704	19.51%
Total Disposition in Marketing Area	428,266,292	100.00%

Federal Milk Marketing Order Annual Pool Summary

Marketing Area (with Principal Pricing City)	Receipts of Producer Milk		Utilization (%)			
	Mil. Lbs.	% Chg vs. '06	Class I	Class II	Class III	Class IV
Northeast (Boston)	23,039.9	1.6	46	21	24	9
Appalachian (Charlotte)	5,865.0	-6.1	70	17	5	8
Southeast (Atlanta)	7,520.6	-6.6	63	12	20	5
Florida (Tampa)	3,206.5	2.6	81	9	5	5
Mideast (Cleveland)	16,267.7	-5.4	40	18	35	7
Upper Midwest (Chicago)	26,489.9	-1.4	17	5	76	2
Central (Kansas City)	11,192.6	-19.6	39	17	32	12
Southwest (Dallas)	9,990.3	-13.9	41	12	35	12
Arizona-Las Vegas (Phoenix)	3,798.9	12.3	37	9	28	26
Pacific Northwest (Seattle)	7,036.0	-7.1	32	7	30	31
ALL MARKET AVERAGE or TOTAL	114,407.5	-5.1	40	13	38	9

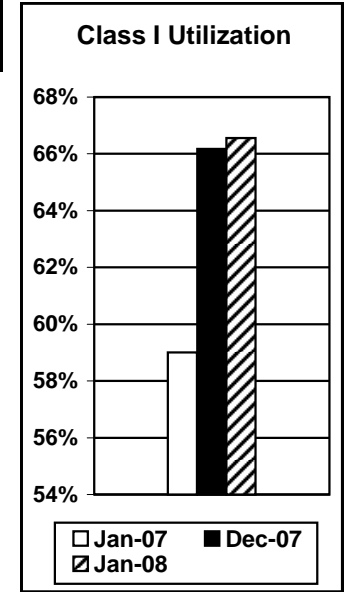
Source: Dairy Market News, Vol. 75, Report 5; HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for 2007 are tabulated above. During 2007 about 114.4 billion pounds of milk were received from producers. This volume of milk is 5.1 percent lower than the 2006 volume. There were significant volumes of milk not pooled due to intraorder disadvantageous price relationships in both years, although the volume in 2007 was much higher. About 45.2 billion pounds of producer milk were used in Class I products, 0.2 percent lower than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2007 as compared to 2006. The all-market average Class utilization percentages were; Class I = 40%, Class II = 13%, Class III = 38%, and Class IV = 9%.

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
Oct 2006	\$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	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 10.37	\$1.3722	\$14.81
Jan 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39											

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.	%
Oct 2006	627,520	3,102	413,408	65.88%	74,676	11.90%	112,827	17.98%	26,609	4.24%
Nov	613,945	3,141	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%
Dec	610,264	3,153	399,894	65.53%	62,609	10.26%	91,925	15.06%	55,836	9.15%
Jan 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,050**	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%



* 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 2008

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
Feb 2008	03/11/08	03/12/08	03/13/08	02/25/08	02/26/08	03/13/08	03/14/08
Mar 2008	04/11/08	04/14/08	04/15/08	03/25/08	03/26/08	04/15/08	04/16/08
Apr 2008	05/11/08	05/12/08	05/13/08	04/25/08	04/28/08	05/13/08	05/14/08

** The base rate for making partial payments in Fulton County, GA for February will be \$20.21 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.46 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%

WASDE Dairy Report 1/

WASDE – 455 February 8, 2008

Forecasts for 2008 milk production are raised as continued growth in cow numbers is expected to more than offset slower growth in output per cow. Producers continue to respond to the strong returns of 2007. USDA's Cattle report indicated that on January 1 dairy cow numbers were 1 percent higher, and producers expect to retain 3 percent more heifers. Heifers expected to calve in 2008 were reported up 3 percent. Higher production and softer demand is expected to pressure prices and in the face of higher feed prices, herd growth is expected to slow in the latter part of 2008. Stocks on both a fats and skim solids basis are forecast higher as production gains outpace increases in demand.

Both Class III and Class IV price forecasts for 2008 are reduced from last month as a result of lower price forecasts for major dairy products. Weakening international prices, larger milk production, and higher stocks are expected to pressure dairy product prices, particularly nonfat dry milk and whey. Butter prices are also reduced from last month as stocks have increased. Cheese prices are reduced slightly reflecting recent price declines. The all milk price forecast for 2008 is reduced to \$16.85 to \$17.55 per cwt. The 2007 all milk price estimate is revised to \$19.13 per cwt.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

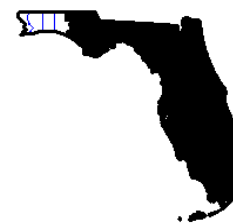
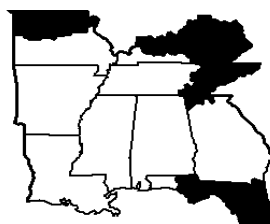


MILK MARKET ADMINISTRATOR

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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

March 2008

Volume 9—No. 3

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

USDA Issues Interim Order for Appalachian, Florida and Southeast

The U. S. Department of Agriculture (USDA) has issued an interim order that temporarily adjusts the Class I pricing surface of the Appalachian, Southeast and Florida Federal milk marketing orders. The interim order was issued after producer approval was obtained for each of the three marketing areas. In addition, this order amends certain features of the touch-base, diversion limit standards and transportation credit provisions for the Appalachian and Southeast Federal milk marketing orders. Other proposals concerning administrative assessments were handled on a non-emergency basis and were addressed in a separate recommended decision (see below).

The interim order will be published in the March 17, 2008 Federal Register (available online at www.fmmatlanta.com under 'What's New'). The amendments to the Class 1 pricing adjustments will become effective on May 1, 2008. All other amendments will be effective for March deliveries.

Public comments and exceptions to the tentative final decision, which was published February 25, 2008, are due on or before April 29, 2008. USDA will consider the comments and exceptions and issue a final decision.

Recommended Decision Issued

The USDA has issued a recommended decision that would raise the maximum administrative assessment rate allowable from the current 5 cents per hundredweight to 8 cents per hundredweight on all pooled milk for the Appalachian, Southeast and Florida Federal milk marketing orders. This allows market administrators to raise rates, if necessary, to maintain the required fund reserves. Please file comments to this decision by April 29, 2008, using the Federal eRulemaking portal at www.regulations.gov.

Uniform Price Tumbles

The uniform price in Fulton County, GA, was \$20.90 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.56 lower than the previous month but is \$5.22 higher than February 2007.

Class I utilization was 64.22 percent in February, a decrease of 2.34 percent compared with the previous month and 5.58 percent higher than February of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 15.90 billion pounds, an increase of 1.9 percent from January 2007 and an increase of 1.7 percent when compared with December 2007. Total cheese output was 810 million pounds, 1.9 percent below January 2007 and 4.0 percent below December 2007. Butter production was 170 million pounds, 12.7 percent above January 2007 and 20.9 percent above December 2007.

Nonfat dry milk powder production was 119.0 million pounds in January, 9.7 percent higher than January 2007 and 9.2 percent higher than December 2007. Dry whey production was 91.6 million pounds in January, a 4.8 percent decrease from January of last year and a 5.2 percent decrease compared with December 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.36 in February. This is a decline of 0.30 points from January's revised ratio.

2007 Annual Milk Production Up 2.1 Percent

The annual production of milk for the U.S. during 2007 was 186 billion pounds, 2.1 percent above 2006. Production per cow in the U.S. averaged 20,267 pounds for 2007, 316 pounds above 2006. The average number of milk cows on farms in the U.S. during 2007 was 9.16 million head, up 0.5 percent from 2006.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.68%	7,887,241	\$1.3660	\$ 10,773,971.20
Class I Differential at Location				234,371.34
Class II Butterfat	23.61%	5,369,823	\$1.3080	7,023,728.47
Class III Butterfat	18.39%	4,182,273	\$1.3010	5,441,137.16
Class IV Butterfat	23.32%	5,303,583	\$1.3010	6,899,961.49
Total Butterfat	100.00%	22,742,920		\$ 30,373,169.66

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.3355

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	65.38%	381,388,303	\$15.44 /cwt.	\$ 58,886,354.00
Class I Butterfat	34.68%	7,887,241	\$1.3660 /lb.	10,773,971.20
Class I Differential at Location		389,275,544		11,608,809.42
Total Class I Milk	64.22%	389,275,544		\$ 81,269,134.62
Class II Skim Milk	10.95%	63,889,565	\$14.39 /cwt.	\$ 9,193,708.42
Class II Butterfat	23.61%	5,369,823	\$1.3080 /lb.	7,023,728.47
Total Class II Milk	11.43%	69,259,388		\$ 16,217,436.89
Class III Skim Milk	15.50%	90,402,084	\$12.93 /cwt.	\$ 11,688,989.46
Class III Butterfat	18.39%	4,182,273	\$1.3010 /lb.	5,441,137.16
Total Class III Milk	15.61%	94,584,357		\$ 17,130,126.62
Class IV Skim Milk	8.17%	47,688,459	\$10.48 /cwt.	\$ 4,997,750.50
Class IV Butterfat	23.32%	5,303,583	\$1.3010 /lb.	6,899,961.49
Total Class IV Milk	8.74%	52,992,042		\$ 11,897,711.99
Producer Milk	100.00%	606,111,331		\$ 126,514,410.12

Adjustments

Overage and Other Source	\$13,152.56
Inventory Adjustments	\$113,713.45
Producer butterfat at uniform butterfat price	(\$30,373,169.66)
Location Adjustments to Producers	\$1,701,531.77
1/2 Unobligated Balance in P.S.F.	\$335,352.52
Adjusted Pool Value	\$ 16.85127
Reserve for Producer Settlement Fund	\$ 0.04127
	\$98,304,990.76
	\$240,760.87

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

\$16.81

Uniform Price per cwt. (Fulton County, Georgia)

\$20.90*

* 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 %
	FEB 2008	MAR 2008	JAN 2008	FEB 2008	FEB 2008
Appalachian (Charlotte)	\$ 22.78	\$ 19.80	\$ 22.60	\$ 21.23	72.26%
Arizona (Phoenix)	\$ 22.03	\$ 19.05	\$ 19.72	\$ 18.00	33.74%
Central (Kansas City)	\$ 21.68	\$ 18.70	\$ 19.71	\$ 18.11	33.14%
Florida (Tampa)	\$ 23.68	\$ 20.70	\$ 23.80	\$ 22.60	83.06%
Mideast (Cleveland)	\$ 21.68	\$ 18.70	\$ 20.25	\$ 18.65	39.00%
Northeast (Boston)	\$ 22.93	\$ 19.95	\$ 21.11	\$ 19.54	42.50%
Pacific Northwest (Seattle)	\$ 21.58	\$ 18.60	\$ 19.39	\$ 17.47	29.94%
Southeast (Atlanta)	\$ 22.78	\$ 19.80	\$ 22.46	\$ 20.90	64.22%
Southwest (Dallas)	\$ 22.68	\$ 19.70	\$ 20.70	\$ 19.28	45.08%
Upper Midwest (Chicago)	\$ 21.48	\$ 18.50	\$ 19.70	\$ 17.63	15.10%

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

Receipts:	February 2008	February 2007
Producer Milk		
Class I	389,275,544	381,200,890
Class II	69,259,388	67,360,371
Class III	94,584,357	156,906,158
Class IV	52,992,042	44,659,906
Total Producer Milk	<u>606,111,331</u>	<u>650,127,325</u>
Average Butterfat Test	3.75%	3.78%
Percent of Producer Milk in Class I	64.22%	58.64%
Daily Average Receipts	20,900,391	23,218,833
Other Source Milk		
Class I	7,529,376	8,888,039
Class II	12,723,612	14,970,620
Class III	2,394,416	2,124,876
Class IV	8,297,361	6,431,052
Total Other Source Milk	<u>30,944,765</u>	<u>32,414,587</u>
Overage		
Class I	1,778	1,942
Class II	0	0
Class III	0	18,327
Class IV	24,907	2,738
Total Overage	<u>26,685</u>	<u>23,007</u>
Opening Inventory		
Class I	37,488,681	34,646,377
Class II	2,806,369	1,376,589
Class III	79,084	58,369
Class IV	14,019,312	22,433,406
Total Opening Inventory	<u>54,393,446</u>	<u>58,514,741</u>
Total Receipts	691,476,227	741,079,660
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	34,862,583	35,046,958
Route Disposition Class I	388,573,939	380,903,896
Shrinkage	3,112,969	2,925,028
Transfers & Diversions to Nonpool	7,745,888	5,861,367
Total Class I Utilization	<u>434,295,379</u>	<u>424,737,249</u>
Average Butterfat Test	2.02%	2.06%
Daily Average Utilization	14,975,703	15,169,187
Class II Utilization		
Nonfluid Used To Produce	2,243,937	1,855,470
Shrinkage	3,378	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	50,739,267	44,731,764
Total Class II Utilization	<u>31,802,787</u>	<u>37,120,345</u>
Average Butterfat Test	84,789,369	83,707,579
Average Butterfat Test	7.97%	7.78%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	97,057,857	159,107,730
Total Class III Utilization	<u>97,057,857</u>	<u>159,107,730</u>
Average Butterfat Test	4.41%	3.95%
Class IV Utilization		
Inventory	14,020,385	25,467,938
Nonfluid Used To Fortify	1,193,563	1,425,585
Shrinkage	7,012,270	7,419,739
Transfers & Diversions to Nonpool Used To Produce/Other Uses	48,462,247	35,033,644
Total Class IV Utilization	<u>4,645,157</u>	<u>75,333,622</u>
Average Butterfat Test	8.61%	8.97%
Total Utilization	691,476,227	741,079,660

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2008 is \$20.90 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.81 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3355 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 65.38% of all producer skim milk (priced to handlers at \$15.44 per hundredweight, plus the Class I differential, see page 2) and 34.68% of producer butterfat (priced to handlers at \$1.3660 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.95% of all producer skim milk (\$14.39 per hundredweight) and 23.61% of producer butterfat (\$1.3080 per pound). Class III use, mostly milk used to produce cheese, accounted for 15.50% of all producer skim milk (\$12.93 per hundredweight) and 18.39% of producer butterfat (\$1.3010 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.17% of all producer skim milk (\$10.48 per hundredweight) and 23.32% of producer butterfat (\$1.3010 per pound).

Receipts of producer milk during February 2008 totaled 606.1 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2008. Class I route disposition in the area totaled 443.7 million pounds in January 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
January 2008		
Whole Milk	144,995,011	32.68%
Fat Free Milk	51,961,072	11.71%
Lowfat Milk (incl. 1%)	34,668,667	7.81%
Reduced Fat Milk (incl. 2%)	157,007,940	35.38%
Cultured Fluid Milk (incl. Buttermilk)	9,234,424	2.08%
Flavored Drinks and Milk	45,870,450	10.34%
Total Disposition in Marketing Area	443,737,564	100.00%
Total Disposition by Pool Plants	366,457,299	82.58%
Total Disposition by Nonpool Plants	77,280,265	17.42%
Total Disposition in Marketing Area	443,737,564	100.00%

Measures of Growth in Federal Milk Order Markets, Selected Years, 1947-2007

	Number of Markets	Number of Handlers	Number of Producers	Receipts of Producer Milk	Producer Milk Used in Class I	% Class I	Uniform Prices	Gross Value of Receipts
1947	29	991	135,830	14,980	9,808	65.5	4.34	682,407
1950	39	1,101	156,584	18,660	11,000	58.9	3.93	769,442
1955	63	1,483	188,611	28,948	18,032	62.3	4.08	1,227,815
1960	80	2,259	189,816	44,812	28,758	64.2	4.47	1,989,615
1965	73	1,891	158,077	54,444	34,561	63.5	4.31	2,418,526
1970	62	1,588	143,411	65,104	40,063	61.5	5.95	3,963,311
1975	56	1,315	123,855	69,249	40,106	57.9	8.64	6,097,768
1980	47	1,091	117,490	83,998	41,034	48.9	12.86	11,007,001
1985	44	884	116,765	97,762	42,201	43.2	12.61	12,595,522
1990	42	753	100,397	102,396	43,783	42.8	13.78	14,289,567
1995	33	571	88,717	108,548	45,004	41.5	12.79	13,995,454
2000	11	346	69,590	116,920	45,989	39.3	12.11	14,468,892
2005	10	302	53,036	114,682	44,570	38.9	15.07	17,747,577
2006	10	314	52,725	120,618	45,304	37.6	12.86	15,998,288
2007	10	312	49,782	114,407	45,226	39.5	19.19	22,507,219

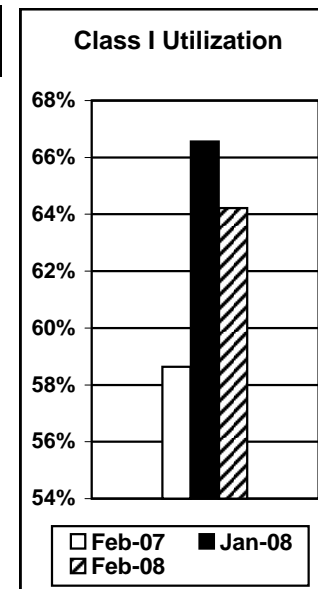
Source: Dairy Market News, Vol. 75, Report 11; pg. 12

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Nov 2006	\$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	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 10.37	\$1.3722	\$14.81
Jan 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Nov 2006	613,945	3,141	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%
Dec	610,264	3,153	399,894	65.53%	62,609	10.26%	91,925	15.06%	55,836	9.15%
Jan 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	3,050**	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%



* 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

March through May 2008

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 2008	04/11/08	04/14/08	04/15/08	03/25/08	03/26/08	04/15/08	04/16/08
April 2008	05/11/08	05/12/08	05/13/08	04/25/08	04/28/08	05/13/08	05/14/08
May 2008	06/11/08	06/12/08	06/13/08	05/27/08	05/27/08	06/13/08	06/16/08

** The base rate for making partial payments in Fulton County, GA for March will be \$18.81 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.90 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%

WASDE Dairy Report 1/

WASDE – 456 March 11, 2008

Forecasts for 2008 milk production are raised as continued growth in cow numbers is expected to more than offset slower growth in output per cow. Producers continue to respond to the strong returns in 2007 but high feed prices are likely to slow the rate of gain in milk per cow.

Both Class III and Class IV price forecasts for 2008 are adjusted from last month. The Class III price forecast is raised as cheese prices are forecast higher which more than offsets a lower forecast whey price. The Class IV price forecast is lowered from last month as lower forecast nonfat dry milk (NDM) prices more than offset a higher butter price forecast. Despite large stocks of butter, prices have remained relatively strong and are forecast higher for the year. However, NDM prices have declined during the first quarter and the 2008 price forecast is lowered from last month. The all milk price forecast for 2008 is raised to \$17.30 to \$17.90 per cwt.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

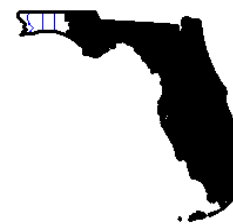
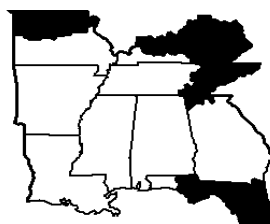


MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

P.O. Box 491778

Lawrenceville, Georgia 30049



www.fmmatlanta.com

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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

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April 2008

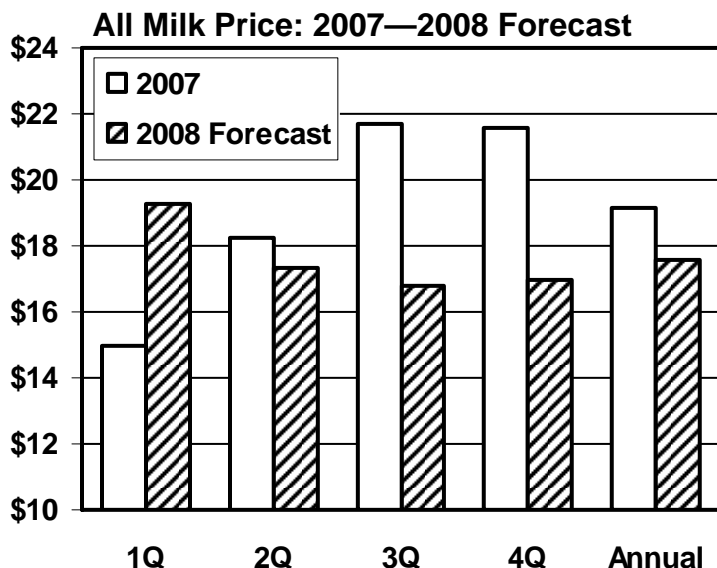
Volume 9—No. 4

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

USDA: 'Soaring Feed Costs Beginning to Curtail Expansion of Milk Production in 2008'

The most recent projections from USDA's Economics Research Service suggest milk production will rise 2.7 percent in 2008 over 2007, reaching 190.7 billion pounds. The increase comes as cow numbers are forecast to rise about 1 percent in 2008. Feed prices continue to rise above year-earlier levels, and are expected to do so for the remainder of 2008. However, those producers who have expansion plans underway are expected continue to implement them.

According to the latest Livestock Slaughter report (issued by the National Agricultural Statistics Service), January dairy cow slaughter was very near last year's level. Many farmers in the upper Midwest produce much of their feed on farm and are somewhat insulated from rising feed prices. The impetus for expansion continues in the West because of the lengthy process of obtaining permits. Once current expansion is complete, the process may slow because permits are becoming difficult to obtain, especially in California. Milk production per cow is... (continued on page 4)



Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.79 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$2.11 lower than the previous month but is \$2.25 higher than March 2007.

Class I utilization was 64.80 percent in March, a slight increase of 0.58 percent compared with the previous month and 6.02 percent higher than March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 15.11 billion pounds, an increase of 5.5 percent from February 2007 and a decrease of 5.2 percent when compared with January 2008. On a daily average basis, February's production was 1.8 percent higher than February 2007 and 1.3 percent higher than January 2008. Total cheese output (excluding cottage cheese) was 784 million pounds, 4.8 percent above February 2007 but 3.5 percent below January 2008. Butter production was 147 million pounds, 9.4 percent above February 2007 but 13.1 percent below January 2008.

Nonfat dry milk powder production was 120.0 million pounds in February, 21.9 percent higher than February 2007 and 7.3 percent higher than January 2008 on a daily average basis. Dry whey production was 88.0 million pounds in February, a 2.5 percent decrease from February of last year and a 2.2 percent decrease compared with January 2008 on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 2.05 in March. This is a decline of 0.19 points from February's revised ratio.

2007 Annual Statistics Available

Visit our website at www.fmmatlanta.com and click on the "What's New" link for the Southeast Order's 2007 Annual Statistics.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.21%	8,250,047	\$1.3138	\$ 10,838,911.76
Class I Differential at Location				244,820.08
Class II Butterfat	26.13%	5,952,940	\$1.3674	8,140,050.13
Class III Butterfat	16.29%	3,710,103	\$1.3604	5,047,224.12
Class IV Butterfat	21.37%	4,868,665	\$1.3604	6,623,331.87
Total Butterfat	100.00%	22,781,755		\$ 30,894,337.96

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3561**

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	65.91%	389,875,759	\$12.54 /cwt.	\$ 48,890,420.20
Class I Butterfat	36.21%	8,250,047	\$1.3138 /lb.	10,838,911.76
Class I Differential at Location		398,125,806		11,864,586.79
Total Class I Milk	64.80%	398,125,806		\$ 71,593,918.75
Class II Skim Milk	13.09%	77,458,330	\$11.24 /cwt.	\$ 8,706,316.30
Class II Butterfat	26.13%	5,952,940	\$1.3674 /lb.	8,140,050.13
Total Class II Milk	13.58%	83,411,270		\$ 16,846,366.43
Class III Skim Milk	13.37%	79,122,737	\$13.72 /cwt.	\$ 10,855,639.52
Class III Butterfat	16.29%	3,710,103	\$1.3604 /lb.	5,047,224.12
Total Class III Milk	13.48%	82,832,840		\$ 15,902,863.64
Class IV Skim Milk	7.63%	45,130,179	\$9.75 /cwt.	\$ 4,400,192.53
Class IV Butterfat	21.37%	4,868,665	\$1.3604 /lb.	6,623,331.87
Total Class IV Milk	8.14%	49,998,844		\$ 11,023,524.40
Producer Milk	100.00%	614,368,760		\$ 115,366,673.22

Adjustments

Overage and Other Source	\$30,048.72
Inventory Adjustments	\$14,193.63
Producer butterfat at uniform butterfat price	(\$30,894,337.96)
Location Adjustments to Producers	\$1,544,385.14
1/2 Unobligated Balance in P.S.F	\$279,932.97

Adjusted Pool Value	\$ 14.59479	\$86,340,895.72
Reserve for Producer Settlement Func	\$ 0.04479	\$264,986.49

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$14.55**

Uniform Price per cwt. (Fulton County, Georgia) **\$18.79***

* 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 2008	APR 2008	FEB 2008	MAR 2008	MAR 2008
Appalachian (Charlotte)	\$ 19.80	\$ 19.80	\$ 21.23	\$ 18.63	67.90%
Arizona (Phoenix)	\$ 19.05	\$ 19.05	\$ 18.00	\$ 16.86	31.24%
Central (Kansas City)	\$ 18.70	\$ 18.70	\$ 18.11	\$ 16.85	41.30%
Florida (Tampa)	\$ 20.70	\$ 20.70	\$ 22.60	\$ 19.92	82.32%
Mideast (Cleveland)	\$ 18.70	\$ 18.70	\$ 18.65	\$ 17.21	42.80%
Northeast (Boston)	\$ 19.95	\$ 19.95	\$ 19.54	\$ 17.89	40.90%
Pacific Northwest (Seattle)	\$ 18.60	\$ 18.60	\$ 17.47	\$ 15.94	37.67%
Southeast (Atlanta)	\$ 19.80	\$ 19.80	\$ 20.90	\$ 18.79	64.80%
Southwest (Dallas)	\$ 19.70	\$ 19.70	\$ 19.28	\$ 17.32	52.01%
Upper Midwest (Chicago)	\$ 18.50	\$ 18.50	\$ 17.63	\$ 17.75	17.60%

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

Receipts:	March 2008	March 2007
Producer Milk		
Class I	398,125,806	418,047,125
Class II	83,411,270	88,537,161
Class III	82,832,840	163,562,473
Class IV	49,998,844	41,026,462
Total Producer Milk	<u>614,368,760</u>	<u>711,173,221</u>
Average Butterfat Test	3.71%	3.64%
Percent of Producer Milk in Class I	64.80%	58.78%
Daily Average Receipts	19,818,347	22,941,072
Other Source Milk		
Class I	7,161,588	8,938,601
Class II	13,484,873	20,670,579
Class III	3,085,939	3,338,126
Class IV	12,536,956	5,981,463
Total Other Source Milk	<u>36,269,356</u>	<u>38,928,769</u>
Overage		
Class I	0	0
Class II	0	113,900
Class III	0	0
Class IV	140,440	2,751
Total Overage	<u>140,440</u>	<u>116,651</u>
Opening Inventory		
Class I	34,862,583	34,630,576
Class II	1,495,280	6,618,537
Class III	40,875	2,532,912
Class IV	12,604,888	15,612,306
Total Opening Inventory	<u>49,003,626</u>	<u>59,394,331</u>
Total Receipts	699,782,182	809,612,972
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	29,468,238	34,070,302
Route Disposition Class I	399,376,463	417,292,562
Shrinkage	3,407,912	3,694,940
Transfers & Diversions to Nonpool	7,897,364	6,558,498
Total Class I Utilization	<u>440,149,977</u>	<u>461,616,302</u>
Average Butterfat Test	2.06%	2.05%
Daily Average Utilization	14,198,386	14,890,848
Class II Utilization		
Nonfluid Used To Produce	2,162,722	2,120,872
Shrinkage	341	8,380,996
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	60,848,039	53,281,436
Total Class II Utilization	<u>35,380,321</u>	<u>52,156,873</u>
Average Butterfat Test	98,391,423	115,940,177
Average Butterfat Test	7.42%	6.87%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	85,959,654	169,433,511
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	85,959,654	169,433,511
Average Butterfat Test	4.467699%	3.91%
Class IV Utilization		
Inventory	22,502,239	15,719,660
Nonfluid Used To Fortify	1,222,178	1,539,573
Shrinkage	6,241,423	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	40,335,322	45,363,749
Total Class IV Utilization	<u>4,979,966</u>	<u>0</u>
Average Butterfat Test	75,281,128	62,622,982
Average Butterfat Test	8.32%	9.41%
Total Utilization	699,782,182	809,612,972

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2008 is \$18.79 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.55 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3561 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 65.91% of all producer skim milk (priced to handlers at \$12.54 per hundredweight, plus the Class I differential, see page 2) and 36.21% of producer butterfat (priced to handlers at \$1.3138 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.09% of all producer skim milk (\$11.24 per hundredweight) and 26.13% of producer butterfat (\$1.3674 per pound). Class III use, mostly milk used to produce cheese, accounted for 13.37% of all producer skim milk (\$13.72 per hundredweight) and 16.29% of producer butterfat (\$1.3604 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.63% of all producer skim milk (\$9.75 per hundredweight) and 21.37% of producer butterfat (\$1.3604 per pound).

Receipts of producer milk during March 2008 totaled 614.4 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2008. Class I route disposition in the area totaled 414.6 million pounds in February 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2008		
Whole Milk	134,109,714	32.35%
Fat Free Milk	49,736,568	12.00%
Lowfat Milk (incl. 1%)	33,145,517	7.99%
Reduced Fat Milk (incl. 2%)	146,247,294	35.27%
Cultured Fluid Milk (incl. Buttermilk)	8,446,081	2.04%
Flavored Drinks and Milk	42,937,318	10.36%
Total Disposition in Marketing Area	414,622,492	100.00%
Total Disposition by Pool Plants	336,302,219	81.11%
Total Disposition by Nonpool Plants	78,320,273	18.89%
Total Disposition in Marketing Area	414,622,492	100.00%

Soaring Feed Costs Beginning to Curtail Expansion of Milk Production in 2008 (continued from Page 1)

...projected to rise by less than 1 percent on a daily basis, well below the trend of the previous 2 years. Reduced feeding intensity is the short-term response to higher feed prices. Milk-feed ratios are expected to be weaker during 2008. Lower returns in mid-2008 may point toward contraction in the herd by late 2008.

Commercial use of dairy products is expected to increase by better than 3 percent in 2008 compared with 2007, well above the trend of recent years. However, higher production coupled with concerns about the overall economy will likely pressure product prices during the year. Cheese prices have likely crested for 2008 and are expected to decline slightly through the second half of 2008 to average \$1.745 to \$1.805 per pound. Although butter use may be helped by exports, larger supplies and potential weakness in the restaurant sector may exert pressure on prices. Butter prices are expected to average \$1.225 to \$1.315 per pound in 2008.

Although pressured by early-year supplies, nonfat dry milk (NDM) prices should climb in the second half of 2008 as tighter supplies encounter robust export demand and stable domestic demand. NDM prices are forecast to average \$1.350 to \$1.400 a pound in 2008. In 2008, whey prices are not expected to recover much. Lower prices may prompt some demand but supplies are sufficient. Prices will likely average 26.5 to 29.5 cents a pound this year.

Lower product prices will result in lower milk prices in 2008. The Class IV price is forecast at \$14.95 to \$15.65 per cwt, substantially below 2007's average of \$18.36 per cwt. The Class III price is expected to decline to \$16.15 to \$16.75 per cwt, down from 2007's \$18.04 per cwt average. The all milk price is forecast to average \$17.30 to \$17.90 per cwt, a drop from \$19.13 in 2007.

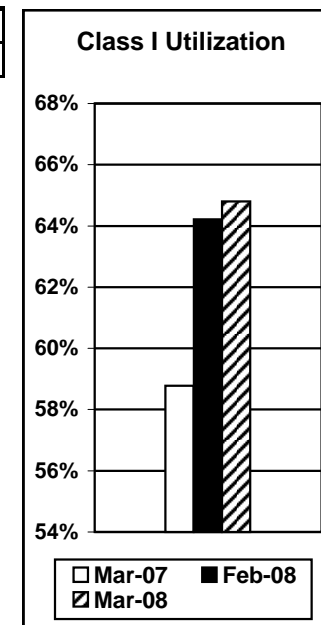
[Source: Livestock, Dairy, & Poultry Outlook/LDP-M-165/March 19, 2008 Economic Research Service, USDA. Available online at www.ers.usda.gov/publications/ldp/]

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Nov 2006	\$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	\$1.3551	\$12.55	\$9.07	\$1.3481	\$13.47	\$ 7.86	\$1.3481	\$12.30	\$ 10.37	\$1.3722	\$14.81
Jan 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Nov 2006	613,945	3,141	400,400	65.21%	73,286	11.94%	110,612	18.02%	29,648	4.83%
Dec	610,264	3,153	399,894	65.53%	62,609	10.26%	91,925	15.06%	55,836	9.15%
Jan 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	3,000**	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%



* 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 2008

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 2008	05/11/08	05/12/08	05/13/08	04/25/08	04/28/08	05/13/08	05/14/08
May 2008	06/11/08	06/12/08	06/13/08	05/27/08	05/27/08	06/13/08	06/16/08
June 2008	07/11/08	07/14/08	07/15/08	06/25/08	06/26/08	07/15/08	07/16/08

** The base rate for making partial payments in Fulton County, GA for April will be \$16.91 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.79 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE – 457 April 9, 2008

Forecasts for 2008 milk production are reduced as growth in output per cow is forecast slower than last month. Higher feed prices are expected to dampen output during the year. The first quarter cow herd forecast is raised but subsequent quarters are unchanged.

Both Class III and Class IV price forecasts for 2008 are raised from last month. Tighter supplies of milk and expected strength in both domestic and export commercial use underlie increased product price forecasts. Cheese prices are forecast higher as supplies remain tight. Despite current relatively heavy production and large stocks, butter prices are forecast higher as later year supplies are expected to tighten. Nonfat dry milk prices are also forecast slightly higher as supplies tighten and export and domestic demand remains relatively firm. Whey price forecasts are raised slightly. The all milk price forecast for 2008 is raised to \$17.65 to \$18.15 per cwt.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

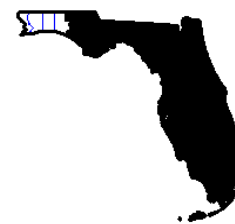
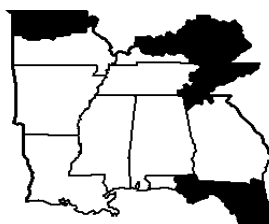


MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

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May 2008

Volume 9—No. 5

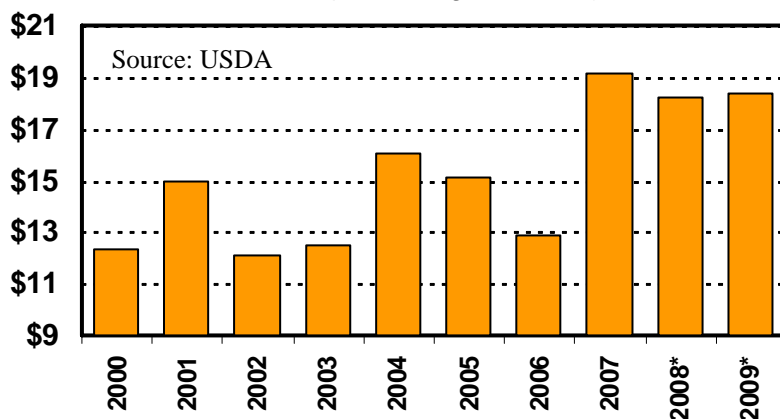
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

USDA's First Look at 2009 Forecasts (Historically) Strong Producer Prices

Below are excerpts from USDA's World Agricultural Supply and Demand Estimates (WASDE) Report 458 issued May 9, 2008. This is USDA's initial assessment and projection of 2009 calendar year dairy products and prices.

"Milk production is forecast to increase fractionally in 2009 reflecting lower cow numbers and minimal gains in milk per cow. Although producers continue to add cows in 2008, poor returns are expected to end the expansionary phase of dairy cow inventories. Commercial exports are forecast to remain relatively robust by historical standards but will likely be lower in 2009 as production in competing supplier countries recovers and tighter U.S. production increases competition between domestic and export uses. Domestic disappearance of fat and skim solids is expected to increase modestly, tightening commercial stocks and supporting higher butter, nonfat dry milk (NDM), and whey prices in 2009. Cheese prices are forecast slightly lower as favorable cheese prices early in the year may encourage increased supplies of milk to flow into cheese vats. With a firmer whey price, the Class III price is forecast to rise from 2008, but will average below its 2007 record. Likewise, strong butter and NDM prices are expected to result in a stronger Class IV price. The all milk price is forecast at \$17.90 to \$18.90 per cwt in 2009."

All-Milk Price: 2000-2009
(*Including forecasts)



Uniform Price Rebounds

The uniform price in Fulton County, GA, was \$19.97 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$1.18 higher than the previous month and is \$2.61 higher than April of last year.

Class I utilization was 63.76 percent in April, a decrease of 1.04 percent compared with the previous month and an increase of 7.98 percent compared to April of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 16.46 billion pounds, an increase of 2.0 percent from March 2007 and an increase of 8.7 percent when compared with February 2008. On a daily average basis, March production was 1.7 percent higher than February 2008.

Total cheese output (excluding cottage cheese) was 834 million pounds, 0.7 percent below March 2007 but 6.3 percent above February 2008. Butter production was 154 million pounds, 11.5 percent above March 2007 and 5.2 percent above February 2008.

Nonfat dry milk powder production was 134.0 million pounds in March, 18.9 percent higher than March 2007 and 4.5 percent higher than February 2008 on a daily average basis. Dry whey production was 96.4 million pounds in March, a 2.0 percent decrease from March of last year and a 2.5 percent increase compared with February 2008 on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.90 in April. This is a decline of 0.17 points from March's revised ratio and represents the lowest value recorded in recent, or distant, memory.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.07%	7,953,998	\$1.3483	\$ 10,724,375.51
Class I Differential at Location				237,888.83
Class II Butterfat	26.27%	5,793,860	\$1.4818	8,585,341.77
Class III Butterfat	18.76%	4,137,647	\$1.4748	6,102,201.80
Class IV Butterfat	18.90%	4,167,067	\$1.4748	6,145,590.40
Total Butterfat	100.00%	22,052,572		\$ 31,795,398.31

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4418**

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	64.81%	380,161,183	\$14.39 /cwt.	\$ 54,705,194.24
Class I Butterfat	36.07%	7,953,998	\$1.3483 /lb.	10,724,375.51
Class I Differential at Location		388,115,181		11,556,383.00
Total Class I Milk	63.76%	388,115,181		\$ 76,985,952.75
Class II Skim Milk	12.84%	75,313,716	\$10.47 /cwt.	\$ 7,885,346.07
Class II Butterfat	26.27%	5,793,860	\$1.4818 /lb.	8,585,341.77
Total Class II Milk	13.33%	81,107,576		\$ 16,470,687.84
Class III Skim Milk	16.45%	96,466,394	\$12.02 /cwt.	\$ 11,595,260.56
Class III Butterfat	18.76%	4,137,647	\$1.4748 /lb.	6,102,201.80
Total Class III Milk	16.53%	100,604,041		\$ 17,697,462.36
Class IV Skim Milk	5.90%	34,636,994	\$9.74 /cwt.	\$ 3,373,643.21
Class IV Butterfat	18.90%	4,167,067	\$1.4748 /lb.	6,145,590.40
Total Class IV Milk	6.38%	38,804,061		\$ 9,519,233.61
Producer Milk	100.00%	608,630,859		\$ 120,673,336.56

Adjustments

Overage and Other Source	\$12,763.69
Inventory Adjustments	\$136,396.98
Producer butterfat at uniform butterfat price	(\$31,795,398.31)
Location Adjustments to Producers	\$1,654,364.67
1/2 Unobligated Balance in P.S.F	\$293,996.21

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 15.50952	\$90,975,459.80
	\$ 0.04952	\$290,456.62

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

\$15.46

Uniform Price per cwt. (Fulton County, Georgia)

\$19.97*

* 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 2008	MAY 2008	MAR 2008	APR 2008	APR 2008
Appalachian (Charlotte)	\$ 21.71	\$ 20.02	\$ 18.63	\$ 20.21	70.94%
Arizona (Phoenix)	\$ 20.96	\$ 20.37	\$ 16.86	\$ 17.28	31.56%
Central (Kansas City)	\$ 20.61	\$ 20.02	\$ 16.85	\$ 17.48	34.34%
Florida (Tampa)	\$ 22.61	\$ 22.02	\$ 19.92	\$ 21.50	81.14%
Mideast (Cleveland)	\$ 20.61	\$ 20.02	\$ 17.21	\$ 17.77	37.10%
Northeast (Boston)	\$ 21.86	\$ 21.27	\$ 17.89	\$ 18.55	40.10%
Pacific Northwest (Seattle)	\$ 20.51	\$ 19.92	\$ 15.94	\$ 16.95	29.56%
Southeast (Atlanta)	\$ 21.71	\$ 20.42	\$ 18.79	\$ 19.97	63.76%
Southwest (Dallas)	\$ 21.61	\$ 21.02	\$ 17.32	\$ 18.18	32.66%
Upper Midwest (Chicago)	\$ 20.41	\$ 19.82	\$ 17.75	\$ 17.23	14.80%

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

Receipts:	April 2008	April 2007
Producer Milk		
Class I	388,115,181	394,567,638
Class II	81,107,576	101,521,153
Class III	100,604,041	162,166,980
Class IV	38,804,061	49,129,298
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Total Producer Milk	608,630,859	707,385,069
Average Butterfat Test	3.62%	3.60%
Percent of Producer Milk in Class I	63.76%	55.78%
Daily Average Receipts	20,287,695	23,579,502
Other Source Milk		
Class I	6,344,256	8,141,081
Class II	14,906,860	21,458,175
Class III	2,524,562	3,257,712
Class IV	9,588,709	9,254,351
	<hr/>	<hr/>
Total Other Source Milk	33,364,387	42,111,319
Overage		
Class I	0	0
Class II	26,334	0
Class III	0	0
Class IV	6,785	4,352
	<hr/>	<hr/>
Total Overage	33,119	4,352
Opening Inventory		
Class I	32,019,591	34,373,915
Class II	2,975,177	2,293,080
Class III	380,875	304,549
Class IV	18,114,621	12,791,673
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Total Opening Inventory	53,490,264	49,763,217
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Total Receipts	695,518,629	799,263,957
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,691,919	32,419,614
Route Disposition Class I	384,285,318	395,441,905
Shrinkage	2,632,904	3,987,861
Transfers & Diversions to Nonpool	7,868,887	5,233,254
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Total Class I Utilization	426,479,028	437,082,634
Average Butterfat Test	2.04%	2.06%
Daily Average Utilization	14,215,968	14,569,421
Class II Utilization		
Nonfluid Used To Produce	1,753,781	1,855,775
Shrinkage	54,382	7,745,730
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	59,961,930	64,178,670
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Total Class II Utilization	99,015,947	125,272,408
Average Butterfat Test	7.50%	6.58%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	103,509,478	165,729,241
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Total Class III Utilization	103,509,478	165,729,241
Average Butterfat Test	4.120460%	3.84%
Class IV Utilization		
Inventory	23,561,350	23,263,971
Nonfluid Used To Fortify	1,272,229	1,880,893
Shrinkage	6,521,945	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	30,134,423	46,034,810
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Total Class IV Utilization	66,514,176	71,179,674
Average Butterfat Test	8.21%	7.93%
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Total Utilization	695,518,629	799,263,957

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2008 is \$19.97 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.46 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4418 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 64.81% of all producer skim milk (priced to handlers at \$14.39 per hundredweight, plus the Class I differential, see page 2) and 36.07% of producer butterfat (priced to handlers at \$1.3483 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.84% of all producer skim milk (\$10.47 per hundredweight) and 26.27% of producer butterfat (\$1.4818 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.45% of all producer skim milk (\$12.02 per hundredweight) and 18.76% of producer butterfat (\$1.4748 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.90% of all producer skim milk (\$9.74 per hundredweight) and 18.90% of producer butterfat (\$1.4748 per pound).

Receipts of producer milk during April 2008 totaled 608.6 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plants and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2008. Class I route disposition in the area totaled 431.0 million pounds in March 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2008		
Whole Milk	141,050,421	32.73%
Fat Free Milk	51,449,539	11.94%
Lowfat Milk (incl. 1%)	37,342,899	8.66%
Reduced Fat Milk (incl. 2%)	150,455,254	34.91%
Cultured Fluid Milk (incl. Buttermilk)	9,217,873	2.14%
Flavored Drinks and Milk	41,459,143	9.62%
Total Disposition in Marketing Area	430,975,129	100.00%
Total Disposition by Pool Plants	349,211,618	81.03%
Total Disposition by Nonpool Plants	81,763,511	18.97%
Total Disposition in Marketing Area	430,975,129	100.00%

Mailbox Milk Prices, January-February 2007 & 2008 2/

Reporting Area 1/	January 2007	February 2007	2007 Average	January 2008	February 2008
New England Sts 3/	\$15.31	\$15.46	\$20.14	\$21.78	\$20.09
Appalachian States 4/	\$15.41	\$15.49	\$20.02	\$22.21	\$21.26
Southeast States 5/	\$16.18	\$16.13	\$20.66	\$22.94	\$21.70
Southern Missouri 6/	\$14.36	\$14.54	\$18.95	\$21.15	\$19.77
Florida	\$17.51	\$17.27	\$21.98	\$23.87	\$22.63
Indiana	\$14.44	\$14.77	\$19.26	\$21.23	\$19.98
Michigan	\$14.25	\$14.51	\$18.52	\$19.99	\$19.11
Wisconsin	\$14.79	\$15.31	\$19.01	\$20.79	\$18.85
Corn Belt States 7/	\$13.96	\$14.19	\$18.28	\$19.97	\$18.45
Western Texas 8/	\$13.96	\$14.01	\$18.30	\$19.53	\$17.43
New Mexico	\$13.30	\$13.19	\$17.54	\$18.83	\$16.45
All Federal Orders 9/	\$14.66	\$14.92	\$19.02	\$20.70	\$19.03
California 10/	\$12.55	\$13.09	\$17.56	\$17.97	\$17.05

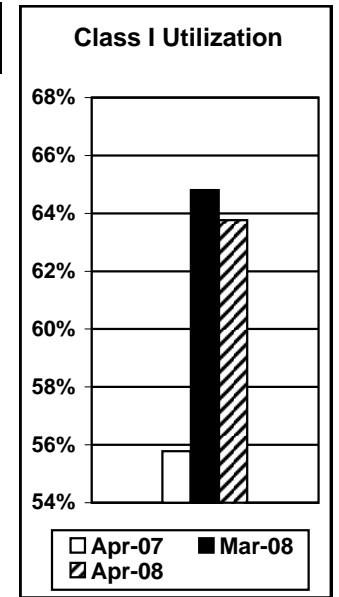
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the 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 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40											

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 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	3,001**	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%



* 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 2008

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
May 2008	06/11/08	06/12/08	06/13/08	05/27/08	05/27/08	06/13/08	06/16/08
June 2008	07/11/08	07/14/08	07/15/08	06/25/08	06/26/08	07/15/08	07/16/08
July 2008	08/11/08	08/12/08	08/13/08	07/25/08	07/28/08	08/13/08	08/14/08

** The base rate for making partial payments in Fulton County, GA for May will be \$17.97 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.97 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE-458 May 9, 2008

Forecast milk production in 2008 is lowered slightly from last month. Milk per cow in the first quarter was weaker than expected. Price forecasts for most products are raised sharply from last month as demand for all products remains strong. Fat basis exports are robust although exports on a skims solids basis are forecast weaker than last year, NDM exports are helping support prices. Class III and Class IV prices are raised and the all milk price is forecast to average \$17.95 to \$18.45 per cwt.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

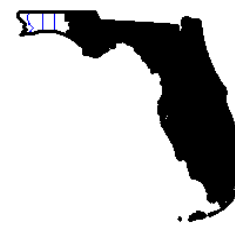
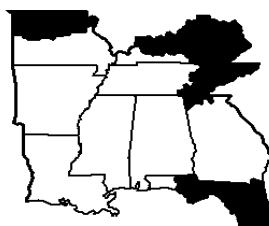


MILK MARKET ADMINISTRATOR

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Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

June 2008



Southeast Marketing Area
Federal Order 7

Volume 9—No. 6

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

Impact of USDA Decision to Temporarily Adjust Class I Prices in Southeast

Beginning May 1, 2008, Class I prices throughout the Southeast, Appalachian and Florida Orders were increased to reflect increases in marketing milk in these regions. The impact of these adjustments to Class I prices was approximately \$1.4 million dollars of additional Federal order value, or a weighted average uniform price increase of approximately \$0.24 per hundredweight, for producers on the Southeast Order.

Also, the Transportation Credit Balancing Fund assessment was increased from \$0.20 to \$0.30 per hundredweight on Class I producer milk in May. This raised an additional \$386,638 to help partially reimburse handlers for transportation costs associated with supplemental fluid milk deliveries to pool plants.

Announcements Regarding Fluid Milk Promotion

The USDA has announced a final rule that amends the Fluid Milk Promotion Order. The amendment reduces the burden of late-fee charges applied to processors who underreport the amount of assessments they owe to the board due to unintentional errors and miscalculations. Specifically, the amendment will only apply to processors who have not made more than two reporting errors in the prior 12-month period.

Additionally, the USDA has announced the appointment of a new member to the National Fluid Milk Processor Promotion Board. Newly appointed to fill a vacancy lasting less than 18 months is Jay S. Bryant, of Reston, Virginia. (Region 6). The term for this appointee expires June 30, 2009. This new member will be seated at the board meeting July 17-19, 2008.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and five at-large members. The program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia.

Uniform Price Decline

The uniform price in Fulton County, GA, was \$19.60 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.37 lower than the previous month and is \$0.87 higher than May of last year.

Class I utilization was 64.74 percent in May, an increase of 0.98 percent compared with the previous month and an increase of 7.38 percent compared to May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 16.11 billion pounds, an increase of 2.2 percent from April 2007 and a decrease of 2.1 percent when compared with March 2008. On a daily average basis, April production was 1.2 percent higher than March 2008.

Total cheese output (excluding cottage cheese) was 815 million pounds, 1.4 percent above April 2007 but 2.4 percent below March 2008. Butter production was 153 million pounds, 14.8 percent above April 2007 and 0.5 percent above March 2008.

Nonfat dry milk powder production was 133.0 million pounds in April, 7.7% percent higher than April 2007 and 2.6% percent higher than March 2008 on a daily average basis. Dry whey production was 97.0 million pounds in April, a 0.2 percent increase from April of last year and a 4.0 percent increase compared with March 2008 on a daily average basis.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 1.83 in May. This is a decline of 0.06 points from April and sets another record low feed-price ratio.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.68%	8,052,418	\$1.4663	\$ 11,807,260.52
Class I Differential at Location				268,292.45
Class II Butterfat	27.40%	5,856,482	\$1.5632	9,154,852.65
Class III Butterfat	19.21%	4,105,516	\$1.5562	6,389,003.99
Class IV Butterfat	15.71%	3,357,985	\$1.5562	5,225,696.25
Total Butterfat	100.00%	21,372,401		\$ 32,845,105.86

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5368**

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	65.75%	378,585,974	\$11.90 /cwt.	\$ 45,051,730.92
Class I Butterfat	37.68%	8,052,418	\$1.4663 /lb.	11,807,260.52
Class I Differential at Location		386,638,392		12,925,308.97
Total Class I Milk	64.74%	386,638,392		\$ 69,784,300.41
Class II Skim Milk	12.76%	73,466,451	\$10.40 /cwt.	\$ 7,640,510.90
Class II Butterfat	27.40%	5,856,482	\$1.5632 /lb.	9,154,852.65
Total Class II Milk	13.28%	79,322,933		\$ 16,795,363.55
Class III Skim Milk	16.05%	92,441,827	\$13.20 /cwt.	\$ 12,202,321.17
Class III Butterfat	19.21%	4,105,516	\$1.5562 /lb.	6,389,003.99
Total Class III Milk	16.17%	96,547,343		\$ 18,591,325.16
Class IV Skim Milk	5.44%	31,309,786	\$10.17 /cwt.	\$ 3,184,205.23
Class IV Butterfat	15.71%	3,357,985	\$1.5562 /lb.	5,225,696.25
Total Class IV Milk	5.81%	34,667,771		\$ 8,409,901.48
Producer Milk	100.00%	597,176,439		\$ 113,580,890.60

Adjustments

Overage and Other Source	\$10,764.15
Inventory Adjustments	\$134,654.93
Producer butterfat at uniform butterfat price	(\$32,845,105.86)
Location Adjustments to Producers	\$3,980,997.13
1/2 Unobligated Balance in P.S.F.	\$292,537.91

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14,78884	\$85,154,738.86
	\$ 0.04884	\$281,223.67

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

\$14.74

Uniform Price per cwt. (Fulton County, Georgia)

\$19.60*

* 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 %
	MAY 2008	JUN 2008	APR 2008	MAY 2008	MAY 2008
Appalachian (Charlotte)	\$ 20.02	\$ 21.58	\$ 20.21	\$ 19.11	70.18%
Arizona (Phoenix)	\$ 20.37	\$ 21.93	\$ 17.28	\$ 17.20	30.65%
Central (Kansas City)	\$ 20.02	\$ 21.58	\$ 17.48	\$ 17.08	42.77%
Florida (Tampa)	\$ 22.02	\$ 23.58	\$ 21.50	\$ 21.38	84.25%
Midwest (Cleveland)	\$ 20.02	\$ 21.58	\$ 17.77	\$ 17.53	46.00%
Northeast (Boston)	\$ 21.27	\$ 22.83	\$ 18.55	\$ 18.18	42.90%
Pacific Northwest (Seattle)	\$ 19.92	\$ 21.48	\$ 16.95	\$ 16.83	35.71%
Southeast (Atlanta)	\$ 20.42	\$ 21.98	\$ 19.97	\$ 19.60	64.74%
Southwest (Dallas)	\$ 21.02	\$ 22.58	\$ 18.18	\$ 17.88	51.11%
Upper Midwest (Chicago)	\$ 19.82	\$ 21.38	\$ 17.23	\$ 17.99	20.30%

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

Receipts:	May 2008	May 2007
Producer Milk		
Class I	386,638,392	398,661,633
Class II	79,322,933	96,167,666
Class III	96,547,343	167,932,541
Class IV	34,667,771	32,349,025
Total Producer Milk	<u>597,176,439</u>	<u>695,110,865</u>
Average Butterfat Test	3.58%	3.56%
Percent of Producer Milk in Class I	64.74%	57.36%
Daily Average Receipts	19,263,756	22,422,931
Other Source Milk		
Class I	5,093,594	8,591,912
Class II	16,538,083	24,365,237
Class III	3,620,638	3,323,286
Class IV	7,266,967	6,966,514
Total Other Source Milk	<u>32,519,282</u>	<u>43,246,949</u>
Overage		
Class I	0	0
Class II	3,800	76,797
Class III	201	0
Class IV	97,277	0
Total Overage	<u>101,278</u>	<u>76,797</u>
Opening Inventory		
Class I	31,791,443	35,257,982
Class II	3,579,347	6,245,469
Class III	1,290,645	926,989
Class IV	17,883,175	14,127,411
Total Opening Inventory	<u>54,544,610</u>	<u>56,557,851</u>
Total Receipts	684,341,609	794,992,462
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	29,551,486	36,553,124
Route Disposition Class I	381,826,635	396,758,706
Shrinkage	3,991,452	3,270,423
Transfers & Diversions to Nonpool	8,153,856	5,929,274
Total Class I Utilization	<u>423,523,429</u>	<u>442,511,527</u>
Average Butterfat Test	2.07%	2.09%
Daily Average Utilization	13,662,046	14,274,565
Class II Utilization		
Nonfluid Used To Produce	2,027,663	2,203,476
Shrinkage	0	6,394,562
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	59,167,841	66,605,416
Total Class II Utilization	<u>38,248,659</u>	<u>51,651,715</u>
Average Butterfat Test	7.53%	6.57%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	101,458,827	172,182,816
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	4.19%	3.83%
Class IV Utilization		
Inventory	12,847,116	17,337,456
Nonfluid Used To Fortify	1,155,244	1,478,987
Shrinkage	6,563,655	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	34,354,079	34,626,507
Total Class IV Utilization	<u>4,995,096</u>	<u>0</u>
Average Butterfat Test	7.69%	8.96%
Total Utilization	684,341,609	794,992,462

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2008 is \$19.60 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.74 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5368 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 65.75% of all producer skim milk (priced to handlers at \$11.90 per hundredweight, plus the Class I differential, see page 2) and 37.68% of producer butterfat (priced to handlers at \$1.4663 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.76% of all producer skim milk (\$10.40 per hundredweight) and 27.40% of producer butterfat (\$1.5632 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.05% of all producer skim milk (\$13.20 per hundredweight) and 19.21% of producer butterfat (\$1.5562 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.44% of all producer skim milk (\$10.17 per hundredweight) and 15.71% of producer butterfat (\$1.5562 per pound).

Receipts of producer milk during May 2008 totaled 597.2 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2008. Class I route disposition in the area totaled 431.0 million pounds in April 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
April 2008		
Whole Milk	138,044,210	32.12%
Fat Free Milk	50,750,714	11.81%
Lowfat Milk (incl. 1%)	34,341,080	7.99%
Reduced Fat Milk (incl. 2%)	150,620,458	35.04%
Cultured Fluid Milk (incl. Buttermilk)	8,678,657	2.02%
Flavored Drinks and Milk	47,367,827	11.02%
Total Disposition in Marketing Area	429,802,946	100.00%
Total Disposition by Pool Plants	337,235,471	78.46%
Total Disposition by Nonpool Plants	92,567,475	21.54%
Total Disposition in Marketing Area	429,802,946	100.00%

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS: JAN-APR 2008

	Jan	Feb	Mar	Apr	Jan-Apr Total	Change from 2007
	Millions of Pounds					Percent
Whole Milk	1,334	1,219	1,276	1,220	5,049	-6.3%
Flavored Whole Milk	48	49	49	49	195	-16.3%
Organic Whole Milk	33	30	33	31	127	28.3%
Reduced Fat Milk (2%)	1,580	1,458	1,535	1,486	6,059	1.3%
Low Fat Milk (1%)	580	549	572	559	2,260	1.9%
Fat-Free Milk (Skim)	708	668	694	677	2,747	0.4%
Flavored Fat-Reduced Milk	364	342	331	380	1,417	1.0%
Organic Fat-Reduced Milk	109	115	110	103	437	28.9%
Buttermilk	53	48	54	44	199	14.4%
Total Fluid Milk Products 3/	4,824	4,489	4,666	4,562	18,541	-0.4%
Total Fluid Milk Products Adj. 3/ 4/	4,811	4,287	4,728	4,556	18,382	-1.0%

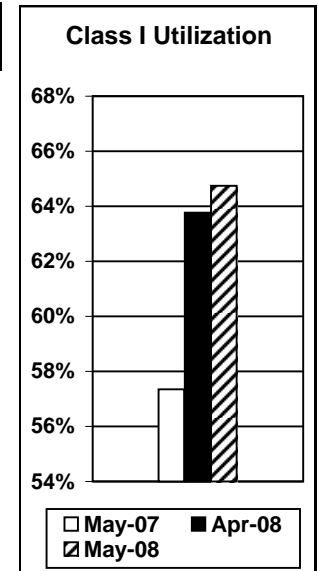
Source: USDA/Agricultural Marketing Service. 1/ These figures are based on the consumption of fluid milk products in Federal milk order marketing areas and California, which represents approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. The procedure used for estimating U.S. fluid milk sales by the Agricultural Marketing Service is different from that used by the Economic Research Service (ERS) of USDA. Consequently, the sum of the monthly figures presented here may differ from the annual figures published by ERS. 2/ Percent changes, as well as sales volumes, unless otherwise noted, are not shown on a calendar composition basis. See 4/. Some data for January have been revised due to changes in the information from some reporting areas. 3/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 4/ Sales volumes and percent changes have been adjusted for calendar composition; see http://www.ams.usda.gov/dyfmos/mib/clndr_comp_rpt.pdf.

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 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89											

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 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,950**	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%



* 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 2008

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 2008	07/11/08	07/14/08	07/15/08	06/25/08	06/26/08	07/15/08	07/16/08
July 2008	08/11/08	08/12/08	08/13/08	07/25/08	07/28/08	08/13/08	08/14/08
August 2008	09/11/08	09/12/08	09/15/08	08/25/08	08/26/08	09/15/08	09/16/08

** The base rate for making partial payments in Fulton County, GA for June will be \$17.64 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.60 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE- 459 June 10, 2008

Milk production forecasts for 2008 and 2009 are reduced primarily because high feed prices are expected to limit growth in milk per cow. For 2008, cow numbers are fractionally lower reflecting expected cow removals through the Cooperatives Working Together (CWT) program. Commercial exports are forecast higher in 2008 as sales have been stronger than expected. However, with relatively tight supplies forecast in 2009, the export forecast for 2009 is unchanged. Forecasts of domestic disappearance of fat and skim solids are reduced from last month. Tighter supplies of dairy products and competition between export and domestic markets are expected to result in relatively strong prices. Dairy product prices are forecast higher in both 2008 and 2009. Cheese prices are forecast higher in both years, which coupled with higher whey price forecasts, lead to an increase in the forecast Class III price. The butter price forecast is raised for 2008 as demand remains robust in the face of relatively large supplies. However, as prices remain relatively strong in 2008, export demand may weaken and the price forecast for 2009 is reduced slightly from last month. Conversely, forecasts for 2009 nonfat dry milk are raised as exports are expected to support higher prices. The Class IV price forecast is little changed from last month. The all milk price is forecast higher this month, averaging \$18.90 to \$19.30 in 2008 and \$18.15 to \$19.15 in 2009.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

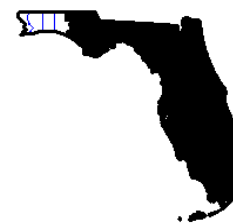
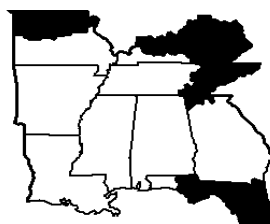


MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

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Lawrenceville, Georgia 30049



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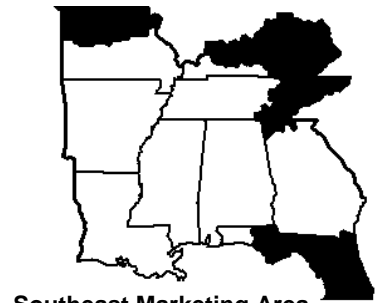
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Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

July 2008



Southeast Marketing Area
Federal Order 7

Volume 9—No. 7

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

Decision to Amend Class III and IV Product Price Formulas Issued

The U. S. Department of Agriculture (USDA) has issued a tentative final decision to amend 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 Strongsville, Ohio on February 26 through March 2, 2007, a second session of a public hearing held in Indianapolis, Indiana, on April 9 through 13, 2007, and a third session of a public hearing held in Pittsburgh, Pennsylvania, on July 9 through 11, 2007.

The decision would amend the manufacturing (make) allowances for cheese, butter, nonfat dry milk (NFD) and dry whey. Specifically, this decision would adopt the following make allowances:

- Cheese - \$0.2003 per lb. (up \$0.0321)
- Butter - \$0.1715 per lb. (up \$0.0513)
- NFD - \$0.1678 per lb. (up \$0.0108), and
- Dry whey - \$0.1991 per lb. (up \$0.0035).

This decision also proposes to increase the butterfat yield factor of the butterfat price formula from 1.20 to 1.211. These amendments are subject to producer approval before they can be implemented. The tentative final decision was published in the June 20 Federal Register and is available at www.fmmatlanta.com under 'What's New'. Comments are due by August 19, 2008.

Final Rule Implements Dairy Product Mandatory Reporting Program

The USDA has issued a final rule that adopts amendments to the Dairy Products Mandatory Reporting Program that was established on August 2, 2007. The Dairy Market Enhancement Act of 2000, and certain provisions of the Farm Security and Rural Investment Act of 2002, amend the Agricultural Marketing Act *(continued on page 4)*

Uniform Price Increases

The uniform price in Fulton County, GA, was \$20.80 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$1.20 higher than the previous month and is \$0.04 higher than June of last year.

Class I utilization was 70.25 percent in June, an increase of 5.51 percent compared with the previous month and an increase of 3.58 percent compared to June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 16.67 billion pounds, an increase of 3.0 percent from May 2007 and a increase of 3.4 percent when compared with April 2008. On a daily average basis, May production was 0.1 percent higher than April 2008.

Total cheese output (excluding cottage cheese) was 828 million pounds, 0.5 percent higher than May 2007 and 2.3 percent higher than April 2008. Butter production was 144 million pounds, 15.8 percent above May 2007 but a 4.4 percent decrease compared with April 2008.

Nonfat dry milk powder production was 129 million pounds in May, 11.8% percent higher than May 2007 and 6.1% percent lower than April 2008 on a daily average basis. Dry whey production was 97 million pounds in May, a 2.3 percent decrease from May of last year and a 3.2 percent decline from April 2008 on a daily average basis. The milk-feed price ratio was 1.78 in June, a decline of 1.1 points from June of last year.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for June 2008 was \$4,634,237.16. Preliminary claims were made for \$1,289,687.33. Since sufficient funds were available, all eligible preliminary claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.97%	7,537,715	\$1.5625	\$ 11,777,679.73
Class I Differential at Location				251,364.27
Class II Butterfat	30.85%	5,411,638	\$1.6230	8,783,088.51
Class III Butterfat	9.27%	1,625,776	\$1.6160	2,627,254.01
Class IV Butterfat	16.91%	2,966,711	\$1.6160	4,794,204.96
Total Butterfat	100.00%	17,541,840		\$ 28,233,591.48

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.6095

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	71.25%	339,144,266	\$13.17 /cwt.	\$ 44,665,299.81
Class I Butterfat	42.97%	7,537,715	\$1.5625 /lb.	11,777,679.73
Class I Differential at Location		346,681,981		11,549,747.77
Total Class I Milk	70.25%	346,681,981		\$ 67,992,727.31
Class II Skim Milk	13.86%	65,949,085	\$10.89 /cwt.	\$ 7,181,855.35
Class II Butterfat	30.85%	5,411,638	\$1.6230 /lb.	8,783,088.51
Total Class II Milk	14.46%	71,360,723		\$ 15,964,943.86
Class III Skim Milk	5.41%	25,736,754	\$15.12 /cwt.	\$ 3,891,397.21
Class III Butterfat	9.27%	1,625,776	\$1.6160 /lb.	2,627,254.01
Total Class III Milk	5.54%	27,362,530		\$ 6,518,651.22
Class IV Skim Milk	9.48%	45,127,624	\$10.64 /cwt.	\$ 4,801,579.20
Class IV Butterfat	16.91%	2,966,711	\$1.6160 /lb.	4,794,204.96
Total Class IV Milk	9.75%	48,094,335		\$ 9,595,784.16
Producer Milk	100.00%	493,499,569		\$ 100,072,106.55

Adjustments

Overage and Other Source	\$20,068.10
Inventory Adjustments	\$46,213.17
Producer butterfat at uniform butterfat price	(\$28,233,591.48)
Location Adjustments to Producers	\$2,866,486.04
1/2 Unobligated Balance in P.S.F.	\$280,749.40

Adjusted Pool Value

	\$ 15.76863	\$75,052,031.78
Reserve for Producer Settlement Fund	\$ 0.04863	\$231,476.76

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

\$15.72

Uniform Price per cwt. (Fulton County, Georgia)

\$20.80*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JUN 2008	JUL 2008	MAY 2008	JUN 2008	JUN 2008
Appalachian (Charlotte)	\$ 21.58	\$ 24.18	\$ 19.11	\$ 20.22	67.06%
Arizona (Phoenix)	\$ 21.93	\$ 24.53	\$ 17.20	\$ 18.65	29.94%
Central (Kansas City)	\$ 21.58	\$ 24.18	\$ 17.08	\$ 18.50	40.56%
Florida (Tampa)	\$ 23.58	\$ 26.18	\$ 21.38	\$ 22.36	75.56%
Mideast (Cleveland)	\$ 21.58	\$ 24.18	\$ 17.53	\$ 18.96	39.30%
Northeast (Boston)	\$ 22.83	\$ 25.43	\$ 18.18	\$ 19.56	43.80%
Pacific Northwest (Seattle)	\$ 21.48	\$ 24.08	\$ 16.83	\$ 18.03	34.48%
Southeast (Atlanta)	\$ 21.98	\$ 24.58	\$ 19.60	\$ 20.80	70.25%
Southwest (Dallas)	\$ 22.58	\$ 25.18	\$ 17.88	\$ 19.02	47.61%
Upper Midwest (Chicago)	\$ 21.38	\$ 23.98	\$ 17.99	\$ 19.79	16.80%

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

Receipts:	June 2008	June 2007
Producer Milk		
Class I	346,681,981	372,612,055
Class II	71,360,723	96,459,593
Class III	27,362,530	61,039,631
Class IV	48,094,335	28,755,301
Total Producer Milk	<u>493,499,569</u>	<u>558,866,580</u>
Average Butterfat Test	3.55%	3.57%
Percent of Producer Milk in Class I	70.25%	66.67%
Daily Average Receipts	16,449,986	18,628,886
Other Source Milk		
Class I	4,664,397	5,634,319
Class II	19,336,620	21,955,576
Class III	0	2,915,887
Class IV	7,505,007	3,041,059
Total Other Source Milk	<u>31,506,024</u>	<u>33,546,841</u>
Overage		
Class I	106	0
Class II	528	0
Class III	33,441	0
Class IV	103,784	0
Total Overage	<u>137,859</u>	<u>0</u>
Opening Inventory		
Class I	29,557,177	35,823,842
Class II	1,494,491	5,058,493
Class III	526,541	1,415,543
Class IV	10,826,084	10,885,518
Total Opening Inventory	<u>42,404,293</u>	<u>53,183,396</u>
Total Receipts	567,547,745	645,596,817
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	28,581,040	34,593,181
Route Disposition Class I	342,288,609	371,767,540
Shrinkage	2,874,468	2,394,224
Transfers & Diversions to Nonpool	7,159,544	5,315,271
Total Class I Utilization	<u>380,903,661</u>	<u>414,070,216</u>
Average Butterfat Test	2.17%	2.18%
Daily Average Utilization	12,696,789	13,802,341
Class II Utilization		
Nonfluid Used To Produce	2,334,022	1,845,723
Shrinkage	125	7,403,887
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,993,548	64,645,448
Total Class II Utilization	<u>39,864,667</u>	<u>49,578,604</u>
Average Butterfat Test	7.81%	6.61%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	27,909,418	65,371,061
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	27,909,418	65,371,061
Class IV Utilization		
Inventory	21,909,367	13,078,049
Nonfluid Used To Fortify	1,072,737	1,294,129
Shrinkage	6,059,932	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	33,089,063	28,309,700
Total Class IV Utilization	<u>4,398,111</u>	<u>0</u>
Average Butterfat Test	66,529,210	42,681,878
Total Utilization	567,534,651	645,596,817

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2008 is \$20.80 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.72 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6095 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 71.25% of all producer skim milk (priced to handlers at \$13.17 per hundredweight, plus the Class I differential, see page 2) and 42.97% of producer butterfat (priced to handlers at \$1.5625 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.86% of all producer skim milk (\$10.89 per hundredweight) and 30.85% of producer butterfat (\$1.6230 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.41% of all producer skim milk (\$15.12 per hundredweight) and 9.27% of producer butterfat (\$1.6160 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.48% of all producer skim milk (\$10.64 per hundredweight) and 16.91% of producer butterfat (\$1.6160 per pound).

Receipts of producer milk during June 2008 totaled 493.5 million pounds. There were 27 regulated pool distributing plants, 1 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2008. Class I route disposition in the area totaled 424.0 million pounds in May 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2008		
Whole Milk	140,068,276	33.04%
Fat Free Milk	51,114,298	12.06%
Lowfat Milk (incl. 1%)	33,070,870	7.80%
Reduced Fat Milk (incl. 2%)	153,403,218	36.18%
Cultured Fluid Milk (incl. Buttermilk)	8,386,267	1.98%
Flavored Drinks and Milk	37,928,144	8.95%
Total Disposition in Marketing Area	423,971,073	100.00%
Total Disposition by Pool Plants	332,047,651	78.32%
Total Disposition by Nonpool Plants	91,923,422	21.68%
Total Disposition in Marketing Area	423,971,073	100.00%

Final Rule Implements Dairy Product Mandatory Reporting Program

(continued from page 1) of 1946 to provide for timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry.

This program: (1) requires persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) requires persons storing dairy products to report information on the quantity of dairy products stored. The National Agricultural Statistics Service (NASS) collects such information for the program. The Agricultural Marketing Service (AMS) has implemented a plan to verify the price information submitted by dairy product manufacturing plants to NASS. Any manufacturer that processes and markets less than one million pounds of dairy products per year is exempt from the price reporting requirements.

AMS reviewed all comments received in response to the interim final rule and considered those comments in developing the final rule. All changes in the final rule from the interim rule concern price reporting. There are no changes concerning stock reporting. Certain products are now excluded in the reporting specifications:

- Products that are produced under faith-based close supervision and are marketed at a higher price than the manufacturer's wholesale market price for the basic commodity.
- Dairy Export Incentive Program sales or other premium-assisted sales.
- Products certified as organic by USDA-accredited certifying agents.

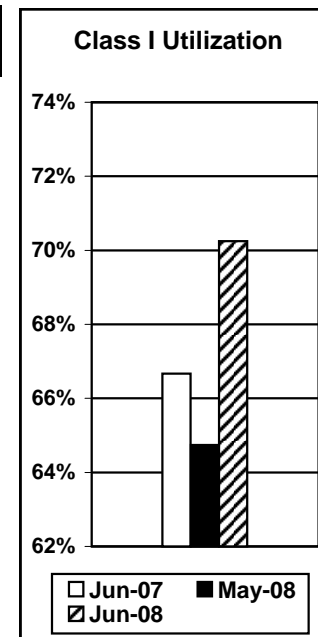
Another substantive change is that in calculating the total dollars received or dollars per pound, the reporting entity shall not deduct brokerage fees or clearing charges paid by the manufacturer. Other changes have been made in organization or content for greater clarity. The final rule appears in the June 17 Federal Register and became effective June 22, 2008.

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 2007	\$12.27	\$1.3857	\$16.69	\$8.57	\$1.3079	\$12.85	\$9.33	\$1.3009	\$13.56	\$ 8.27	\$1.3009	\$12.53	\$ 11.23	\$1.3299	\$15.49
Feb	\$12.29	\$1.3216	\$16.49	\$8.77	\$1.3182	\$13.08	\$9.94	\$1.3112	\$14.18	\$ 8.42	\$1.3112	\$12.71	\$ 11.48	\$1.3157	\$15.68
Mar	\$13.10	\$1.3445	\$17.35	\$9.07	\$1.3839	\$13.60	\$10.64	\$1.3769	\$15.09	\$ 9.21	\$1.3769	\$13.71	\$ 12.18	\$1.3674	\$16.54
Apr	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31											

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 2007	736,646	3,133	434,642	59.00%	73,204	9.94%	170,119	23.09%	58,681	7.97%
Feb	650,127	3,081	381,201	58.64%	67,360	10.36%	156,906	24.13%	44,660	6.87%
Mar	711,173	3,038	418,047	58.78%	88,537	12.45%	163,562	23.00%	41,026	5.77%
Apr	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	3,000**	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%



* 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 2008

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 2008	08/11/08	08/12/08	08/13/08	07/25/08	07/28/08	08/13/08	08/14/08
August 2008	09/11/08	09/12/08	09/15/08	08/25/08	08/26/08	09/15/08	09/16/08
Sept. 2008	10/11/08	10/14/08	10/15/08	09/25/08	09/26/08	10/15/08	10/16/08

** The base rate for making partial payments in Fulton County, GA for July will be \$18.72 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.80 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE- 460 July 11, 2008

Milk production forecasts for 2008 are increased due to slightly higher forecast cow numbers and slightly stronger growth in milk per cow. However, higher feed prices are expected to largely offset higher milk prices and the production forecast for 2009 is unchanged. The July Cattle report, scheduled for release on July 25, will provide an indication of producer intentions for dairy heifer retention. Commercial exports of dairy products in both 2008 and 2009 are raised from last month as foreign demand remains strong. In light of relatively slow growth in milk production and strong demand in 2008, domestic disappearance on both a fat and skim-solids basis are raised and ending stocks reduced. With continued tight milk supplies in 2009, forecast domestic disappearance is lowered and stocks are reduced from last month.

Despite relatively slow growth in cheese production, recent prices have been lower-than-expected and the price forecast for 2008 is reduced from last month. However, strong demand is boosting butter and nonfat dry milk (NDM) prices. The whey price forecast is fractionally lower than last month as stocks are high. The 2008 Class III price is reduced, but the Class IV price is raised. For 2009, slow growth in milk production and expectations of relatively strong demand are expected to support a higher cheese price forecast. Butter, NDM, and whey price forecasts are unchanged. The Class III price forecast is raised to reflect higher cheese prices; the Class IV price forecast is unchanged. The all milk price is forecast higher this month, averaging \$18.95 to \$19.25 in 2008 and \$18.60 to \$19.60 in 2009. These forecasts, if realized, will result in milk prices at or near record levels since 2007.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

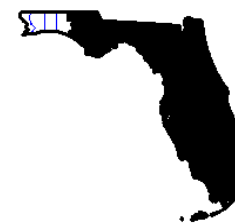
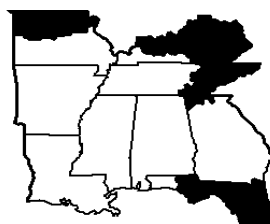


MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

P.O. Box 491778

Lawrenceville, Georgia 30049



www.fmmatlanta.com

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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

August 2008

Volume 9—No. 8

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

Interim Final Rule Amends Class III and IV Product Price Formulas

The U. S. Department of Agriculture (USDA) has issued an interim final rule amending the Class III and Class IV product price formulas in all Federal milk marketing orders. The interim order incorporating these amendments was approved by dairy farmers in all 10 Federal milk marketing orders. The interim order amends the manufacturing (make) allowances for cheese, butter, nonfat dry milk (NFDM) and dry whey. Specifically, this rule adopts the following make allowances:

- Cheese - \$0.2003 per lb. (up \$0.0321)
- Butter - \$0.1715 per lb. (up \$0.0513)
- NFDM - \$0.1678 per lb. (up \$0.0108), and
- Dry whey - \$0.1991 per lb. (up \$0.0035).

This rule also increase the butterfat yield factor of the butterfat price formula from 1.20 to 1.211. These amendments will be effective for milk marketed on or after September 1, 2008.

Copies of the interim final rule are available at www.fmmatlanta.com under 'What's New'.

Public Hearing to Consider Increases in Class I Differentials in Mideast Order

The USDA will hold a public hearing to consider proposals seeking to temporarily increase the Class I differentials in the southern tier of the Mideast marketing area. The Mideast marketing area consists of the following: most of Michigan, Indiana and Ohio and parts of Kentucky, Pennsylvania and West Virginia. The hearing will begin at 9 a.m. on August 19, at the Westin Cincinnati Hotel, 21 E 5th Street, Cincinnati, Ohio 45202.

The hearing notice was published in the July 24, 2008, Federal Register. Copies of the hearing notice may be found on our website at www.fmmatlanta.com under 'What's New' or at www.regulations.gov, keyword 'Mideast hearing'.

Uniform Price Increases

The uniform price in Fulton County, GA, was \$22.68 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$1.88 higher than the previous month but is \$0.61 less than July of last year.

Class I utilization was 67.73 percent in July, a decrease of 2.52 percent compared with the previous month and an increase of 1.93 percent compared to July of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 15.93 billion pounds, an increase of 3.0 percent from June 2007 and a decrease of 4.4 percent when compared with May 2008. On a daily average basis, June production was 1.2 percent lower than May 2008.

Total cheese output (excluding cottage cheese) was 803 million pounds, 1.3 percent higher than June 2007 but 3.4 percent below May 2008. Butter production was 120 million pounds, 9.0 percent more than June 2007 but a 16.0 percent decrease compared with May 2008.

Nonfat dry milk powder production was 132 million pounds in June, 11.9% percent higher than June 2007 and 5.7% percent higher than May 2008 on a daily average basis. Dry whey production was 92.5 million pounds in June, a 2.3 percent decrease from June of last year and a 1.5 percent decline from May 2008 on a daily average basis. The milk-feed price ratio was 1.82 in June, a decline of 1.34 points from July of last year.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2008 was \$4,444,786.34. Preliminary claims were made for \$2,347,209.06. Since sufficient funds were available, all eligible preliminary claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.75%	7,806,294	\$1.6086	\$ 12,557,204.55
Class I Differential at Location				259,834.04
Class II Butterfat	29.58%	5,667,269	\$1.6844	9,545,947.91
Class III Butterfat	15.28%	2,928,342	\$1.6774	4,912,000.87
Class IV Butterfat	14.39%	2,756,812	\$1.6774	4,624,276.44
Total Butterfat	100.00%	19,158,717		\$ 31,899,263.81

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6650**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	68.73%	357,886,069	\$15.70 /cwt.	\$ 56,188,112.86
Class I Butterfat	40.75%	7,806,294	\$1.6086 /lb.	12,557,204.55
Class I Differential at Location		365,692,363		12,162,022.34
Total Class I Milk	67.73%	365,692,363		\$ 80,907,339.75
Class II Skim Milk	11.29%	58,770,405	\$11.31 /cwt.	\$ 6,646,932.81
Class II Butterfat	29.58%	5,667,269	\$1.6844 /lb.	9,545,947.91
Total Class II Milk	11.94%	64,437,674		\$ 16,192,880.72
Class III Skim Milk	12.51%	65,158,122	\$12.82 /cwt.	\$ 8,353,271.24
Class III Butterfat	15.28%	2,928,342	\$1.6774 /lb.	4,912,000.87
Total Class III Milk	12.61%	68,086,464		\$ 13,265,272.11
Class IV Skim Milk	7.47%	38,911,425	\$11.12 /cwt.	\$ 4,326,950.46
Class IV Butterfat	14.39%	2,756,812	\$1.6774 /lb.	4,624,276.44
Total Class IV Milk	7.72%	41,668,237		\$ 8,951,226.90
Producer Milk	100.00%	539,884,738		\$ 119,316,719.48

Adjustments

Overage and Other Source	\$29,339.40
Inventory Adjustments	\$110,805.22
Producer butterfat at uniform butterfat price	(\$31,899,263.81)
Location Adjustments to Producers	\$3,367,309.90
1/2 Unobligated Balance in P.S.F.	\$247,939.88
Adjusted Pool Value	\$ 17,50879
Reserve for Producer Settlement Fund	\$ 0.04879
	\$91,172,850.08

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$17.46**

Uniform Price per cwt. (Fulton County, Georgia) **\$22.68***

* 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 %
	JUL 2008	AUG 2008	JUN 2008	JUL 2008	JUL 2008
Appalachian (Charlotte)	\$ 24.18	\$ 21.87	\$ 20.22	\$ 22.31	69.43%
Arizona (Phoenix)	\$ 24.53	\$ 22.22	\$ 18.65	\$ 19.31	32.04%
Central (Kansas City)	\$ 24.18	\$ 21.87	\$ 18.50	\$ 19.38	35.17%
Florida (Tampa)	\$ 26.18	\$ 23.87	\$ 22.36	\$ 24.89	83.54%
Mideast (Cleveland)	\$ 24.18	\$ 21.87	\$ 18.96	\$ 19.71	36.40%
Northeast (Boston)	\$ 25.43	\$ 23.12	\$ 19.56	\$ 20.61	40.50%
Pacific Northwest (Seattle)	\$ 24.08	\$ 21.77	\$ 18.03	\$ 18.94	27.06%
Southeast (Atlanta)	\$ 24.58	\$ 22.27	\$ 20.80	\$ 22.68	67.73%
Southwest (Dallas)	\$ 25.18	\$ 22.87	\$ 19.02	\$ 20.09	31.35%
Upper Midwest (Chicago)	\$ 23.98	\$ 21.67	\$ 19.79	\$ 18.90	14.60%

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

Receipts:	July 2008	July 2007
Producer Milk		
Class I	365,692,363	369,734,760
Class II	64,437,674	74,156,643
Class III	68,086,464	95,276,150
Class IV	41,668,237	22,698,818
	<hr/>	<hr/>
Total Producer Milk	539,884,738	561,866,371
Average Butterfat Test	3.548668%	3.56%
Percent of Producer Milk in Class I	67.73%	65.80%
Daily Average Receipts	17,415,637	18,124,722
Other Source Milk		
Class I	6,392,106	6,144,199
Class II	20,234,399	18,708,128
Class III	10,925,375	4,918,323
Class IV	3,685,429	6,071,755
	<hr/>	<hr/>
Total Other Source Milk	41,237,309	35,842,405
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	17,491	1,867
	<hr/>	<hr/>
Total Overage	17,491	1,867
Opening Inventory		
Class I	28,635,085	31,982,680
Class II	3,118,704	1,325,162
Class III	2,887,400	2,435,165
Class IV	18,365,481	9,317,616
	<hr/>	<hr/>
Total Opening Inventory	53,006,670	45,060,623
	<hr/>	<hr/>
Total Receipts	634,146,208	642,771,266
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,465,841	32,273,562
Route Disposition Class I	358,333,922	367,751,488
Shrinkage	2,431,405	2,225,354
Transfers & Diversions to Nonpool	7,488,386	5,611,235
	<hr/>	<hr/>
Total Class I Utilization	400,719,554	407,861,639
Average Butterfat Test	2.133594%	2.18%
Daily Average Utilization	12,926,437	13,156,827
Class II Utilization		
Nonfluid Used To Produce	2,550,913	2,130,298
Shrinkage	25,968	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	43,334,547	51,576,990
	<hr/>	<hr/>
Total Class II Utilization	87,790,777	94,189,933
Average Butterfat Test	8.797668%	7.74%
Class III Utilization		
Shrinkage	0	7,432,884
Transfers & Diversions to Nonpool Used To Produce/Other Uses	81,899,239	90,343,571
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Total Class III Utilization	81,899,239	102,629,638
Average Butterfat Test	3.980236%	4.23%
Class IV Utilization		
Inventory	14,469,650	16,630,009
Nonfluid Used To Fortify	1,113,455	1,290,661
Shrinkage	6,581,984	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	37,026,739	20,169,386
	<hr/>	<hr/>
Total Class IV Utilization	63,736,638	38,090,056
Average Butterfat Test	6.307934%	8.77%
	<hr/>	<hr/>
Total Utilization	634,146,208	642,771,266

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2008 is \$22.68 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.46 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6650 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 68.73% of all producer skim milk (priced to handlers at \$15.70 per hundredweight, plus the Class I differential, see page 2) and 40.75% of producer butterfat (priced to handlers at \$1.6086 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.29% of all producer skim milk (\$11.31 per hundredweight) and 29.58% of producer butterfat (\$1.6844 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.51% of all producer skim milk (\$12.82 per hundredweight) and 15.28% of producer butterfat (\$1.6774 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.47% of all producer skim milk (\$11.12 per hundredweight) and 14.39% of producer butterfat (\$1.6774 per pound).

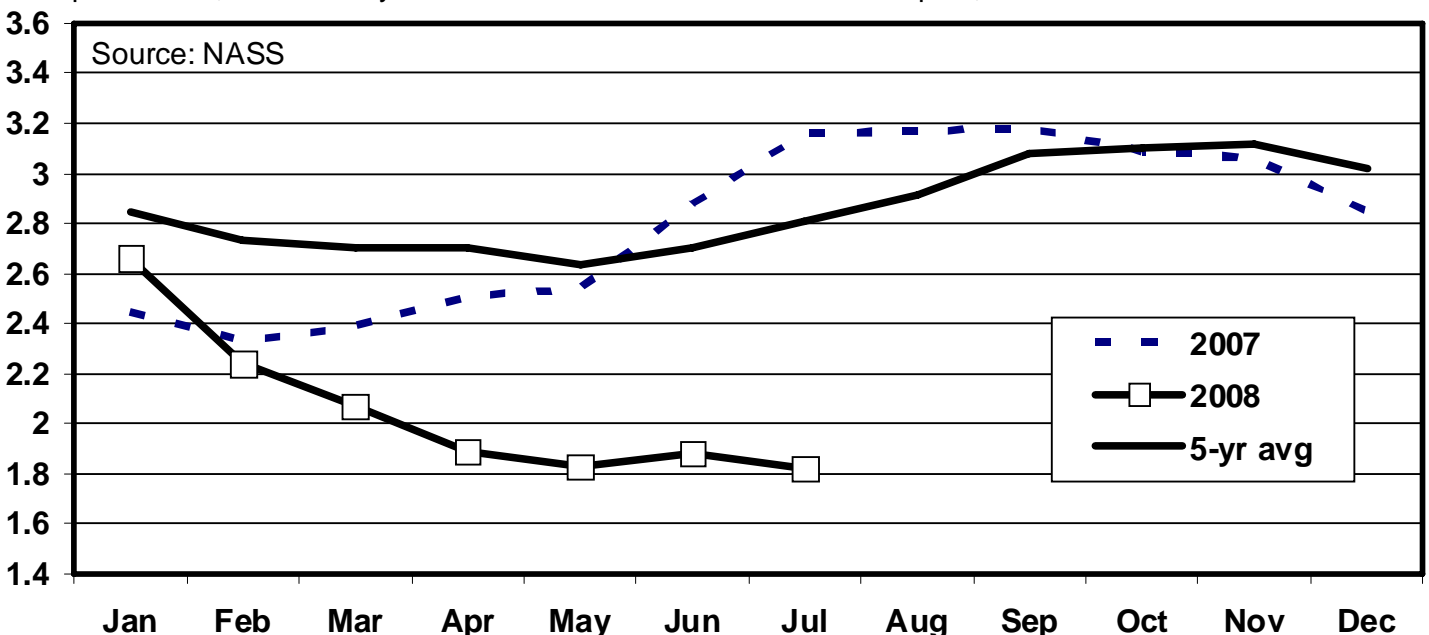
Receipts of producer milk during July 2008 totaled 539.89 million pounds. There were 27 regulated pool distributing plants, 3 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2008. Class I route disposition in the area totaled 383.8 million pounds in June 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2008		
Whole Milk	136,837,783	35.65%
Fat Free Milk	47,412,197	12.35%
Lowfat Milk (incl. 1%)	28,347,172	7.39%
Reduced Fat Milk (incl. 2%)	145,458,325	37.90%
Cultured Fluid Milk (incl. Buttermilk)	7,863,318	2.05%
Flavored Drinks and Milk	17,871,311	4.66%
Total Disposition in Marketing Area	383,790,106	100.00%
Total Disposition by Pool Plants	298,017,583	77.65%
Total Disposition by Nonpool Plants	85,772,523	22.35%
Total Disposition in Marketing Area	383,790,106	100.00%

Milk-Feed Price Ratio

The milk-feed price ratio is the number of pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk. It's a basic measure of how input costs relate with milk revenue. When the ratio is falling over time, feed(input cost) is growing in relationship to the milk price(revenue) and when the milk-feed ratio is moving higher, feed is becoming cheaper relative to the milk price. This year has brought historically low milk-feed price ratios, substantially less than values observed in the recent past, as seen in the chart below.

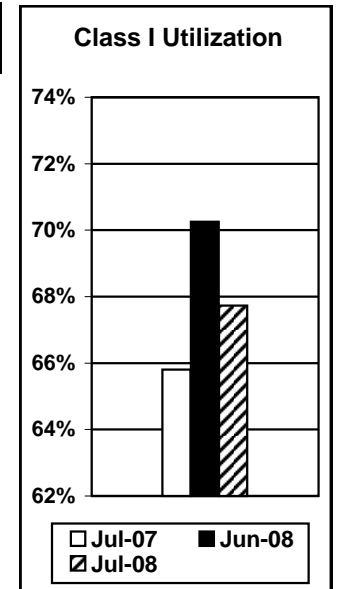


FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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
Apr 2007	\$13.60	\$1.4206	\$18.10	\$9.69	\$1.4727	\$14.51	\$11.36	\$1.4657	\$16.09	\$ 11.39	\$1.4657	\$16.12	\$ 12.72	\$1.4527	\$17.36
May	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$ 13.45	\$1.5706	\$18.48	\$ 13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$ 15.54	\$1.6457	\$20.76	\$ 15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$ 16.58	\$1.6110	\$21.64	\$ 18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$ 16.91	\$1.5872	\$21.87	\$ 18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74											

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.	%
Apr 2007	707,385	2,961	394,568	55.78%	101,521	14.35%	162,167	22.92%	49,129	6.95%
May	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,900**	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%



* 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 2008

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 2008	09/11/08	09/12/08	09/15/08	08/25/08	08/26/08	09/15/08	09/16/08
Sept. 2008	10/11/08	10/14/08	10/15/08	09/25/08	09/26/08	10/15/08	10/16/08
Sept. 2008	11/11/08	11/12/08	11/13/08	10/27/08	10/27/08	11/13/08	11/14/08

** The base rate for making partial payments in Fulton County, GA for August will be \$20.41 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.68 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE- 461 August 12, 2008

Milk production forecasts for 2008 and 2009 are unchanged, as lower feed prices are partly offset by lower milk prices. Dairy trade forecasts are adjusted with lower forecast imports and higher forecast commercial exports. Imports to date have been weaker than expected as world supplies are tight and the U.S. dollar is relatively weak. Conversely, these conditions are expected to support higher forecast commercial exports. In the face of tighter supplies, forecast domestic disappearance is lowered. However, ending stocks are unchanged from last month.

Although cheese production growth has been relatively slow, recent prices have been lower than expected and the price forecast for 2008 is reduced from last month. However, reduced supplies are expected to support prices in 2009 and the forecast for that year is unchanged. Strong demand is boosting butter prices and nonfat dry milk (NDM) prices. As demand is expected to remain firm into 2009, price forecasts are raised for that year. The whey price forecast is reduced for both 2008 and 2009 as stocks are high and exports are expected to lag. For 2008 and 2009, the Class III and Class IV prices are adjusted to reflect changes in the make allowances, which are due to take effect in September 2008. For 2008, Class III prices are lowered but Class IV prices are raised reflecting higher butter and NDM prices. For 2009, both Class prices are lowered. The all milk price is forecast lower this month, averaging \$18.85 to \$19.05 in 2008 and \$18.25 to \$19.25 in 2009.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.

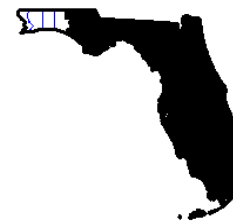
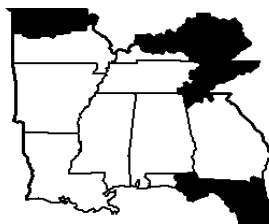


MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

September 2008

Volume 9—No. 9

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

Implementation of Class III and IV Manufacturing Cost Allowances and Butterfat Yield Factor Delayed to October

The U. S. Department of Agriculture (USDA) has announced an interim rule that delays the effective date of an Interim Final Rule published July 31, 2008 amending the manufacturing cost allowances and the butterfat yield factor used in Class III and Class IV product-price formulas in all Federal milk marketing orders. The effective date, which had been September 1, 2008, will now be October 1, 2008. USDA is delaying the effective date because of a complaint filed in the U. S. District Court for the District of Columbia to enjoin the implementation of the revised manufacturing allowances and butterfat yield factor. Delaying implementation allows sufficient time for a preliminary injunction hearing.

The interim rule was published in the September 3 Federal Register and is available at www.fmmatlanta.com under 'What's New'. For additional information contact Jack Rower at jack.rower@usda.gov.

USDA Announces Final Rule to Establish Rules of Practice for the Federal Milk Order Hearing Process

The USDA has announced a final rule establishing supplemental rules of practice for the Federal milk marketing order hearing process. The intent of this rule is to establish guidelines and timeframes to improve the timeliness of the Federal milk order hearing process.

This final rule amends the general regulations for Federal milk marketing agreements and marketing orders by establishing supplemental rules of practice in accordance with section 1504 of the Food, Conservation and Energy Act of 2008 (otherwise known as the 2008 Farm Bill). This rule defines supplemental (*continued on Page 4*)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$21.25 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$1.43 lower than the previous month and is \$2.62 less than August of last year.

Class I utilization was 72.09 percent in August, an increase of 4.36 percent compared with the previous month and an increase of 1.52 percent compared to August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 15.93 billion pounds, an increase of 1.4 percent from July 2007 and an increase of 0.1 percent when compared with June 2008. On a daily average basis, July production was 3.1 percent lower than June 2008.

Total cheese output (excluding cottage cheese) was 812 million pounds, 1.5 percent above July 2007 and 0.3 percent above June 2008. Butter production was 117 million pounds, slightly above July 2007 but 2.7 percent below June 2008.

Nonfat dry milk powder production was 136 million pounds in July, 11.0% percent higher than July 2007 and 0.3% percent lower than June 2008 on a daily average basis. Dry whey production was 90 million pounds in July, a 5.8 percent decrease from July of last year and a 6.3 percent decline from June 2008 on a daily average basis. The milk-feed price ratio was 1.89 in August, a decline of 0.02 points from last month.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for August 2008 were made for \$3,918,565.29. Since the available balance was \$3,281,749.09, eligible claims were paid at the rate of approximately \$0.84 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.90%	8,281,236	\$1.6804	\$ 13,915,788.99
Class I Differential at Location				275,840.89
Class II Butterfat	26.61%	5,258,003	\$1.7483	9,192,566.66
Class III Butterfat	13.05%	2,578,007	\$1.7413	4,489,083.61
Class IV Butterfat	18.44%	3,643,612	\$1.7413	6,344,621.56
Total Butterfat	100.00%	19,760,858		\$ 34,217,901.71

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7316**

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	73.21%	390,640,521	\$13.05 /cwt.	\$ 50,978,588.03
Class I Butterfat	41.90%	8,281,236	\$1.6804 /lb.	13,915,788.99
Class I Differential at Location		398,921,757		13,377,251.03
Total Class I Milk	72.09%	398,921,757		\$ 78,271,628.05
Class II Skim Milk	9.78%	52,183,090	\$11.74 /cwt.	\$ 6,126,294.77
Class II Butterfat	26.61%	5,258,003	\$1.7483 /lb.	9,192,566.66
Total Class II Milk	10.38%	57,441,093		\$ 15,318,861.43
Class III Skim Milk	9.08%	48,455,108	\$11.63 /cwt.	\$ 5,635,329.09
Class III Butterfat	13.05%	2,578,007	\$1.7413 /lb.	4,489,083.61
Total Class III Milk	9.22%	51,033,115		\$ 10,124,412.70
Class IV Skim Milk	7.93%	42,337,574	\$10.93 /cwt.	\$ 4,627,496.84
Class IV Butterfat	18.44%	3,643,612	\$1.7413 /lb.	6,344,621.56
Total Class IV Milk	8.31%	45,981,186		\$ 10,972,118.40
Producer Milk	100.00%	553,377,151		\$ 114,687,020.58

Adjustments

Overage and Other Source	\$47,957.99
Inventory Adjustments	\$11,108.01
Producer butterfat at uniform butterfat price	(\$34,217,901.71)
Location Adjustments to Producers	\$3,437,934.04
1/2 Unobligated Balance in P.S.F	\$260,803.81
Adjusted Pool Value	\$ 15.78417
Reserve for Producer Settlement Func	\$ 0.04417
	\$84,226,922.72

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

\$15.74

Uniform Price per cwt. (Fulton County, Georgia)

\$21.25*

* 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 2008	SEP 2008	JUL 2008	AUG 2008	AUG 2008
Appalachian (Charlotte)	\$ 21.87	\$ 21.05	\$ 22.31	\$ 20.72	69.48%
Arizona (Phoenix)	\$ 22.22	\$ 21.40	\$ 19.31	\$ 18.50	36.70%
Central (Kansas City)	\$ 21.87	\$ 21.05	\$ 19.38	\$ 18.32	33.58%
Florida (Tampa)	\$ 23.87	\$ 23.05	\$ 24.89	\$ 23.01	84.90%
Mideast (Cleveland)	\$ 21.87	\$ 21.05	\$ 19.71	\$ 18.70	40.50%
Northeast (Boston)	\$ 23.12	\$ 22.30	\$ 20.61	\$ 19.50	42.10%
Pacific Northwest (Seattle)	\$ 21.77	\$ 20.95	\$ 18.94	\$ 18.03	28.05%
Southeast (Atlanta)	\$ 22.27	\$ 21.45	\$ 22.68	\$ 21.25	72.09%
Southwest (Dallas)	\$ 22.87	\$ 22.05	\$ 20.09	\$ 19.32	37.04%
Upper Midwest (Chicago)	\$ 21.67	\$ 20.85	\$ 18.90	\$ 17.81	13.40%

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

Receipts:	August 2008	August 2007
Producer Milk		
Class I	398,921,757	409,986,882
Class II	57,441,093	60,966,906
Class III	51,033,115	94,557,115
Class IV	45,981,186	15,538,624
Total Producer Milk	<u>553,377,151</u>	<u>581,049,527</u>
Average Butterfat Test	3.57%	3.59%
Percent of Producer Milk in Class I	72.09%	70.57%
Daily Average Receipts	17,850,876	18,743,533
Other Source Milk		
Class I	7,628,787	18,863,317
Class II	18,418,070	23,840,640
Class III	2,068,413	4,470,501
Class IV	5,579,266	8,595,224
Total Other Source Milk	<u>33,694,536</u>	<u>55,769,682</u>
Overage		
Class I	0	0
Class II	0	3,433
Class III	0	0
Class IV	122,154	1,900
Total Overage	<u>122,154</u>	<u>5,333</u>
Opening Inventory		
Class I	32,495,840	32,802,508
Class II	453,095	4,096,368
Class III	31,004	4,242,768
Class IV	13,871,030	7,794,927
Total Opening Inventory	<u>46,850,969</u>	<u>48,936,571</u>
Total Receipts	634,044,810	685,761,113
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,973,462	36,020,885
Route Disposition Class I	396,308,313	413,709,412
Shrinkage	3,045,652	4,512,743
Transfers & Diversions to Nonpool	7,718,957	7,409,667
Total Class I Utilization	<u>439,046,384</u>	<u>461,652,707</u>
Average Butterfat Test	2.07%	2.10%
Daily Average Utilization	14,162,787	14,892,023
Class II Utilization		
Nonfluid Used To Produce	2,135,315	2,527,753
Shrinkage	3,418	2,381
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,062,238	42,540,158
Total Class II Utilization	<u>38,111,287</u>	<u>43,837,055</u>
Average Butterfat Test	8.83%	8.30%
Class III Utilization		
Shrinkage	0	8,078,567
Transfers & Diversions to Nonpool Used To Produce/Other Uses	53,132,532	89,816,682
Total Class III Utilization	<u>53,132,532</u>	<u>5,375,135</u>
Average Butterfat Test	5.00%	4.37%
Class IV Utilization		
Inventory	22,649,078	14,967,832
Nonfluid Used To Fortify	1,395,729	1,472,460
Shrinkage	7,517,375	188
Transfers & Diversions to Nonpool Used To Produce/Other Uses	29,494,732	15,490,195
Total Class IV Utilization	<u>4,496,722</u>	<u>0</u>
Average Butterfat Test	7.10%	12.00%
Total Utilization	634,044,810	685,761,113

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2008 is \$21.25 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.74 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7316 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 73.21% of all producer skim milk (priced to handlers at \$13.05 per hundredweight, plus the Class I differential, see page 2) and 41.90% of producer butterfat (priced to handlers at \$1.6804 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.78% of all producer skim milk (\$11.74 per hundredweight) and 26.61% of producer butterfat (\$1.7483 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.08% of all producer skim milk (\$11.63 per hundredweight) and 13.05% of producer butterfat (\$1.7413 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.93% of all producer skim milk (\$10.93 per hundredweight) and 18.44% of producer butterfat (\$1.7413 per pound).

Receipts of producer milk during August 2008 totaled 553.4 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2008. Class I route disposition in the area totaled 396.3 million pounds in July 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2008</u>		
Whole Milk	141,200,220	35.63%
Fat Free Milk	49,007,237	12.36%
Lowfat Milk (incl. 1%)	29,433,758	7.43%
Reduced Fat Milk (incl. 2%)	151,268,580	38.17%
Cultured Fluid Milk (incl. Buttermilk)	8,368,481	2.11%
Flavored Drinks and Milk	17,027,811	4.30%
Total Disposition in Marketing Area	396,306,087	100.00%
Total Disposition by Pool Plants	307,738,229	77.65%
Total Disposition by Nonpool Plants	88,567,858	22.35%
Total Disposition in Marketing Area	396,306,087	100.00%

USDA Announces Final Rule to Establish Rules of Practice for the Federal Milk Order Hearing Process

(Continued from Page 1) guidelines, timeframes and procedures for amending Federal milk marketing agreements and orders; authorizes the use of informal rulemaking (5 U.S.C. 553) to amend such agreements and orders; and establishes provisions that permit the USDA to impose assessments on pooled milk under the Federal milk marketing order program to fund expedited rulemaking. Such assessments would supplement appropriated funds for the procurement of services required by USDA to perform rulemaking functions.

The final rule was published in the August 20 Federal Register and is available at www.fmmatlanta.com under 'What's New'. For additional information contact Bill Richmond at william.richmond@usda.gov.

Florida Market Administrator Office Closure

In October, the lease on the Market Administrator office located in Winter Park, Florida will expire and will not be renewed. The three auditors based in the Florida area will continue to perform Federal Order 6 handler audits and will work from home offices.

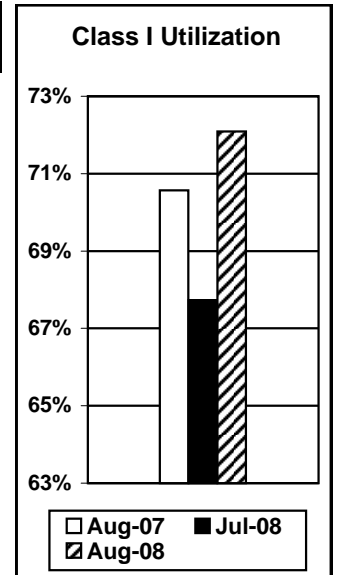
Beginning with the September pool, (run October 7-11) the Florida Order pool will be worked from our Franklinton, Louisiana office. The Atlanta office will remain as the primary contact for general questions and Southeast Order issues, questions or concerns. For more details, visit www.fmmatlanta.com and click on 'What's New'.

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 2007	\$14.38	\$1.4699	\$19.02	\$11.50	\$1.5776	\$16.62	\$12.54	\$1.5706	\$17.60	\$13.45	\$1.5706	\$18.48	\$13.83	\$1.5377	\$18.73
June	\$15.98	\$1.5776	\$20.94	\$13.58	\$1.6527	\$18.89	\$14.93	\$1.6457	\$20.17	\$15.54	\$1.6457	\$20.76	\$15.64	\$1.6196	\$20.76
July	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$16.58	\$1.6110	\$21.64	\$18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$16.91	\$1.5872	\$21.87	\$18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$16.92	\$1.5101	\$21.61	\$18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$16.97	\$1.4092	\$21.31	\$18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$16.03	\$1.4077	\$20.40	\$19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$14.67	\$1.4348	\$19.18	\$18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59											

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 2007	695,111	2,925	398,662	57.36%	96,168	13.83%	167,933	24.16%	32,349	4.65%
June	558,867	2,956	372,612	66.67%	96,460	17.26%	61,040	10.92%	28,755	5.15%
July	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
August	553,377	2,900**	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%



* 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 2008

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
SEP 2008	10/11/08	10/14/08	10/15/08	09/25/08	09/26/08	10/15/08	10/16/08
OCT 2008	11/11/08	11/12/08	11/13/08	10/27/08	10/27/08	11/13/08	11/14/08
NOV 2008	12/11/08	12/12/08	12/15/08	11/25/08	11/26/08	12/15/08	12/16/08

** The base rate for making partial payments in Fulton County, GA for September will be \$19.131 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.25 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE-462 September 12, 2008

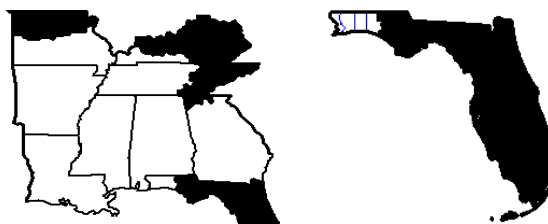
The milk production forecast for 2008 is fractionally higher than last month, and forecast 2009 production is raised. For both years, cow numbers are expected to decline less rapidly than previously expected, and milk per cow in 2009 is expected to increase at a slightly higher rate. Dairy trade forecasts are adjusted to reflect complete second quarter data but forecasts are unchanged from last month. Stocks are adjusted to reflect tighter expected stocks of fat-basis products but potentially larger stocks of nonfat dry milk (NDM).

Prices for butter, cheese, NDM, and whey are forecast lower as milk production is forecast higher. As a result of lower product prices, Class III and IV prices forecasts are reduced. The all milk price is forecast lower this month, averaging \$18.65 to \$18.85 in 2008 and \$17.85 to \$18.85 in 2009.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



MILK MARKET ADMINISTRATOR
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Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

October 2008

Volume 9—No. 10

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

National Dairy Promotion and Research Board Membership Reapportioned

The U. S. Department of Agriculture (USDA) has announced a final rule that amends the Dairy Promotion and Research Order (Order). The amendment modifies the composition of the National Dairy Promotion and Research Board (Dairy Board) by changing the number of members in six of the 13 geographic regions.

The Dairy Board, which administers the Order, requested the amendment in order to better reflect the geographic distribution of milk production in the contiguous 48 States. It is required to review the composition of the Dairy Board to best reflect the geographic distribution of milk production at least every five years. The last review and modification occurred in (*continued on Page 4*)

Nominations Sought for Fluid Milk Board

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. The Fluid Milk Board's purpose is to develop and administer a coordinated program of advertising and education to promote fluid milk products. It's financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who package more than 3 million pounds of fluid milk products per month.

The USDA will accept nominations for board representation in five geographic regions, including Region 9 (Alabama, Kentucky, Louisiana, Mississippi, and Tennessee) and two at-large positions. The Secretary of Agriculture will appoint seven individuals from those nominated to serve 3-year terms from July 2009 through June 2012. The deadline for nominations is October 31. To obtain nomination forms or for more details, call (202) 720-6909 or visit www.ams.usda.gov/Dairy.

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$20.63 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.62 lower than the previous month and is \$3.14 less than September of last year.

Class I utilization was 74.55 percent in September, an increase of 2.46 percent compared with the previous month and an increase of 6.80 percent compared to September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.70 billion pounds, an increase of 1.1 percent from August 2007 and a decrease of 1.5 percent when compared with July 2008.

Total cheese output (excluding cottage cheese) was 821 million pounds, 3.0 percent above August 2007 and 1.0 percent above July 2008. Butter production was 116 million pounds, 4.4 percent above August 2007 and 1.4 percent above July 2008. Nonfat dry milk powder production was 117 million pounds in August, 14.0% percent higher than August 2007 and 14.0% percent lower than July 2008 on a daily average basis. Dry whey production was 87.6 million pounds in August, a 7.2 percent decrease from August of last year and a 2.7 percent decline from July 2008 on a daily average basis. The milk-feed price ratio was 1.82 in September, an increase of 0.01 points from last month's revised estimate.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for September 2008 were made for \$3,977,081.19. Since the available balance was \$1,163,765.19, eligible claims were paid at the rate of approximately \$0.29 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.01%	8,188,043	\$1.7411	\$ 14,256,201.65
Class I Differential at Location				271,881.85
Class II Butterfat	26.14%	5,094,013	\$1.8266	9,304,724.15
Class III Butterfat	15.22%	2,966,805	\$1.8196	5,398,398.34
Class IV Butterfat	16.63%	3,240,760	\$1.8196	5,896,886.90
Total Butterfat	100.00%	19,489,621		\$ 35,128,092.89

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8024**

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	75.77%	391,828,836	\$11.98 /cwt.	\$ 46,941,094.54
Class I Butterfat	42.01%	8,188,043	\$1.7411 /lb.	14,256,201.65
Class I Differential at Location		400,016,879		13,365,232.96
Total Class I Milk	74.55%	400,016,879		\$ 74,562,529.15
Class II Skim Milk	9.20%	47,550,299	\$11.59 /cwt.	\$ 5,511,079.67
Class II Butterfat	26.14%	5,094,013	\$1.8266 /lb.	9,304,724.15
Total Class II Milk	9.81%	52,644,312		\$ 14,815,803.82
Class III Skim Milk	11.33%	58,573,105	\$10.27 /cwt.	\$ 6,015,457.91
Class III Butterfat	15.22%	2,966,805	\$1.8196 /lb.	5,398,398.34
Total Class III Milk	11.47%	61,539,910		\$ 11,413,856.25
Class IV Skim Milk	3.70%	19,156,057	\$9.41 /cwt.	\$ 1,802,584.97
Class IV Butterfat	16.63%	3,240,760	\$1.8196 /lb.	5,896,886.90
Total Class IV Milk	4.17%	22,396,817		\$ 7,699,471.87
Producer Milk	100.00%	536,597,918		\$ 108,491,661.09

Adjustments

Overage and Other Source	\$54,213.76
Inventory Adjustments	\$29,567.95
Producer butterfat at uniform butterfat price	(\$35,128,092.89)
Location Adjustments to Producers	\$3,290,998.49
1/2 Unobligated Balance in P.S.F.	\$230,679.78
Adjusted Pool Value	\$ 14.88451
Reserve for Producer Settlement Fund	\$ 0.04451
	\$76,969,028.18
	\$230,156.89

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

\$14.84

Uniform Price per cwt. (Fulton County, Georgia)

\$20.63*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	SEP 2008	OCT 2008	AUG 2008	SEP 2008	SEP 2008
Appalachian (Charlotte)	\$ 21.05	\$ 18.93	\$ 20.72	\$ 20.23	72.36%
Arizona (Phoenix)	\$ 21.40	\$ 19.28	\$ 18.50	\$ 17.66	38.07%
Central (Kansas City)	\$ 21.05	\$ 18.93	\$ 18.32	\$ 17.44	35.41%
Florida (Tampa)	\$ 23.05	\$ 20.93	\$ 23.01	\$ 22.39	86.75%
Mideast (Cleveland)	\$ 21.05	\$ 18.93	\$ 18.70	\$ 18.05	45.20%
Northeast (Boston)	\$ 22.30	\$ 20.18	\$ 19.50	\$ 18.90	46.50%
Pacific Northwest (Seattle)	\$ 20.95	\$ 18.83	\$ 18.03	\$ 17.07	30.10%
Southeast (Atlanta)	\$ 21.45	\$ 19.33	\$ 21.25	\$ 20.63	74.55%
Southwest (Dallas)	\$ 22.05	\$ 19.93	\$ 19.32	\$ 18.46	39.79%
Upper Midwest (Chicago)	\$ 20.85	\$ 18.73	\$ 17.81	\$ 16.85	14.90%

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

Receipts:	September 2008	September 2007
Producer Milk		
Class I	400,016,879	378,230,837
Class II	52,644,312	53,133,960
Class III	61,539,910	93,114,177
Class IV	22,396,817	33,792,065
Total Producer Milk	<u>536,597,918</u>	<u>558,271,039</u>
Average Butterfat Test	3.63%	3.62%
Percent of Producer Milk in Class I	74.55%	67.75%
Daily Average Receipts	17,886,597	18,609,035
Other Source Milk		
Class I	9,002,471	15,041,659
Class II	17,536,760	20,281,753
Class III	1,878,574	4,437,322
Class IV	5,836,268	10,667,926
Total Other Source Milk	<u>34,254,073</u>	<u>50,428,660</u>
Overage		
Class I	0	0
Class II	196,142	0
Class III	0	64
Class IV	17,301	0
Total Overage	<u>213,443</u>	<u>64</u>
Opening Inventory		
Class I	32,279,944	36,413,832
Class II	1,403,576	1,804,984
Class III	203,677	2,040,233
Class IV	20,735,364	11,026,818
Total Opening Inventory	<u>54,622,561</u>	<u>51,285,867</u>
Total Receipts	625,687,995	659,985,630
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	35,584,417	32,295,060
Route Disposition Class I	395,443,285	386,816,464
Shrinkage	2,405,766	2,914,959
Transfers & Diversions to Nonpool	7,865,826	7,659,845
Total Class I Utilization	<u>441,299,294</u>	<u>429,686,328</u>
Average Butterfat Test	2.04%	2.03%
Daily Average Utilization	14,709,976	14,322,878
Class II Utilization		
Nonfluid Used To Produce	2,448,147	1,672,669
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,685,816	39,718,909
Total Class II Utilization	<u>36,646,827</u>	<u>33,829,119</u>
Average Butterfat Test	8.76%	8.42%
Class III Utilization		
Shrinkage	0	7,246,114
Transfers & Diversions to Nonpool Used To Produce/Other Uses	63,622,161	86,893,340
Total Class III Utilization	<u>63,622,161</u>	<u>5,452,342</u>
Average Butterfat Test	4.78%	4.30%
Class IV Utilization		
Inventory	19,203,266	25,617,398
Nonfluid Used To Fortify	1,338,979	1,306,731
Shrinkage	7,385,465	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	15,910,335	28,562,680
Total Class IV Utilization	<u>5,147,705</u>	<u>0</u>
Average Butterfat Test	9.54%	9.16%
Total Utilization	625,687,995	659,985,630

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2008 is \$20.63 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.84 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8024 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 75.77% of all producer skim milk (priced to handlers at \$11.98 per hundredweight, plus the Class I differential, see page 2) and 42.01% of producer butterfat (priced to handlers at \$1.7411 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.20% of all producer skim milk (\$11.59 per hundredweight) and 26.14% of producer butterfat (\$1.8266 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.33% of all producer skim milk (\$10.27 per hundredweight) and 15.22% of producer butterfat (\$1.8196 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.70% of all producer skim milk (\$9.41 per hundredweight) and 16.63% of producer butterfat (\$1.8196 per pound).

Receipts of producer milk during September 2008 totaled 536.6 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2008. Class I route disposition in the area totaled 439.9 million pounds in August 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
August 2008		
Whole Milk	141,070,930	32.14%
Fat Free Milk	53,002,773	12.08%
Lowfat Milk (incl. 1%)	35,417,193	8.07%
Reduced Fat Milk (incl. 2%)	160,236,125	36.51%
Cultured Fluid Milk (incl. Buttermilk)	8,759,979	2.00%
Flavored Drinks and Milk	40,415,545	9.21%
Total Disposition in Marketing Area	438,902,545	100.00%
Total Disposition by Pool Plants	344,631,111	78.52%
Total Disposition by Nonpool Plants	94,271,434	21.48%
Total Disposition in Marketing Area	438,902,545	100.00%

National Dairy Promotion and Research Board Membership Reapportioned

(Continued from Page 1) 2003 based upon 2002 milk production. The chart below shows, based upon 2007 milk production statistics, how the final rule alters the board membership of six regions. For more information, visit www.regulations.gov and search "AMS-DA-008-0035".

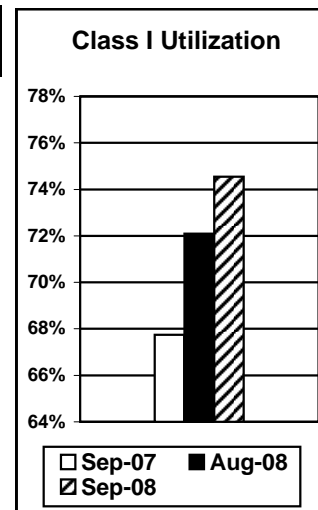
Dairy Board Region and States	Milk Production (mil lbs)	% Milk Production	Previous Board Seats	New Board Seats	Gain (Loss)
1: Oregon, Washington	7,764	4.2	2	1	(-1)
2: California	40,683	21.9	7	8	1
3: Arizona, Colorado, Idaho, Montana, Nevada, Utah	21,212	11.4	3	4	1
4: Arkansas, Kansas, New Mexico, Oklahoma, Texas	18,200	9.8	3	4	1
5: Minnesota, North Dakota, South Dakota	10,741	5.8	2	2	0
6: Wisconsin	24,080	13.0	5	5	0
7: Illinois, Iowa, Missouri, Nebraska	8,948	4.8	2	2	0
8: Alabama, Kentucky, Louisiana, Mississippi, Tennessee	3,119	1.7	1	1	0
9: Indiana, Michigan, Ohio, West Virginia	16,148	8.7	3	3	0
10: Florida, Georgia, North Carolina, South Carolina, Virginia	6,506	3.5	1	1	0
11: Delaware, Maryland, New Jersey, Pennsylvania	12,008	6.5	3	2	(-1)
12: New York	12,103	6.5	3	2	(-1)
13: Connecticut, Maine, Massachusetts, New Hampshire	4,046	2.2	1	1	0
Total: 48 Contiguous States	185,558	100	36	36	0

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
July 2007	\$18.71	\$1.7018	\$24.01	\$16.31	\$1.6180	\$21.40	\$16.31	\$1.6110	\$21.38	\$16.58	\$1.6110	\$21.64	\$18.15	\$1.6491	\$23.29
Aug	\$19.84	\$1.6320	\$24.86	\$17.44	\$1.5942	\$22.41	\$14.79	\$1.5872	\$19.83	\$16.91	\$1.5872	\$21.87	\$18.91	\$1.6072	\$23.87
Sep	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$16.92	\$1.5101	\$21.61	\$18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$16.97	\$1.4092	\$21.31	\$18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$16.03	\$1.4077	\$20.40	\$19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$14.67	\$1.4348	\$19.18	\$18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46											

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.	%
July 2007	561,866	2,962	369,735	65.80%	74,157	13.20%	95,276	16.96%	22,699	4.04%
Aug	581,050	3,208	409,987	70.57%	60,967	10.49%	94,557	16.27%	15,539	2.67%
Sep	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sept	536,598	3,000**	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%



* 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 2008

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
OCT 2008	11/11/08	11/12/08	11/13/08	10/27/08	10/27/08	11/13/08	11/14/08
NOV 2008	12/11/08	12/12/08	12/15/08	11/25/08	11/26/08	12/15/08	12/16/08
DEC 2008	01/11/09	01/12/09	01/13/09	12/26/08	12/26/08	01/13/09	01/14/09

** The base rate for making partial payments in Fulton County, GA for October will be \$18.57 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.63 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE- 463 October 10, 2008

Milk production forecasts for 2008 are unchanged as higher cow numbers are offset by lower milk per cow. Forecast milk production for 2009 is raised fractionally as cow numbers are forecast slightly higher. Dairy export forecasts are reduced, reflecting current slowing movement and weaker international demand. Import forecasts are also reduced from last month as cheese imports are expected to be weaker. Stocks are adjusted to reflect larger expected stocks of dairy products with notably larger stocks of nonfat dry milk (NDM). Small sales of NDM to the CCC are forecast for 2008, but no sales are forecast for 2009.

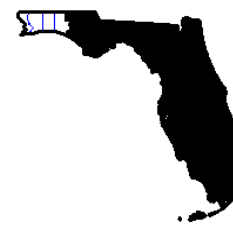
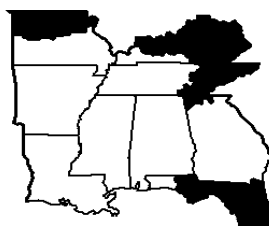
Class price forecasts are lowered from last month. Weaker international demand for NDM is expected to result in sharply lower forecast NDM prices. Lower NDM prices more than offset higher forecast butter prices and push the Class IV price lower. Cheese prices are forecast lower as demand is softening and weaker Class IV prices are expected to encourage milk to flow into cheese vats in 2009. Thus, coupled with lower expected whey prices Class III price forecasts are reduced from last month. The all milk price is forecast lower this month, averaging \$18.40 to \$18.50 in 2008 and \$16.50 to \$17.40 in 2009.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

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November 2008

Volume 9—No. 11

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

Link Named Newest AMS Administrator

On November 3, James E. Link was appointed as Administrator of the Agricultural Marketing Service (AMS), an agency within the U.S. Department of Agriculture under which Federal milk marketing orders are administered. Link will direct several marketing programs that facilitate the efficient marketing of U.S. agricultural products, including food, fiber and specialty crops. He also will be responsible for procuring commodities, including fruits and vegetables, meat, poultry, fish and egg products, for the national school lunch and other Federal food and nutrition programs. AMS is part of USDA's Marketing and Regulatory Programs, which works to ensure a productive and competitive global marketplace for U.S. agricultural products. Prior to this appointment, he served as administrator (*continued on Page 4*)

Southern Dairy Conference Announcement

The 35th Annual Southern Dairy Conference is scheduled for January 28-29, 2009 in Atlanta, Georgia. For more additional conference information, visit www.areg.caes.uga.edu.

National Dairy Board Appointments

Agriculture Secretary Ed Schafer has announced the appointment of eight new members and reappointment of five incumbents to the National Dairy Promotion and Research Board. The appointees will serve three-year terms, November 1, 2008 through October 31, 2011. They include Larry B. Jaggars of Glendale, Kentucky and William R. D. Anglin, of Bentonville, Arkansas.

The National Dairy Promotion and Research Board administers a coordinated program of promotion, research and nutrition education financed by a 15-cent per hundredweight assessment on milk commercially marketed by dairy farmers.

Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.95 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$1.68 lower than the previous month and is \$4.41 less than October of last year.

Class I utilization was 73.62 percent in October, a decrease of 0.93 percent compared with the previous month and an increase of 3.04 percent compared to October of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.12 billion pounds, an increase of 1.7 percent from September 2007 and a decrease of 4.0 percent when compared with August 2008.

Total cheese output (excluding cottage cheese) was 795 million pounds, 2.3 percent above September 2007 but 3.1 percent below August 2008. Butter production was 121 million pounds, 7.4 percent above September 2007 and 4.8 percent above August 2008. Nonfat dry milk powder production was 86.3 million pounds in September, 4.0% percent lower than September 2007 and 23.8% percent lower than August 2008 on a daily average basis. Dry whey production was 83.2 million pounds in September, a 5.7 percent decrease from September of last year and a 1.9 percent decline from August 2008 on a daily average basis. The milk-feed price ratio was 2.12 in October, up 0.23 points from last month.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for October 2008 were made for \$3,369,954.60. Since the available balance was \$1,243,294.50, eligible claims were paid at the rate of approximately \$0.37 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.80%	8,539,892	\$1.7451	\$ 14,902,965.54
Class I Differential at Location				283,682.35
Class II Butterfat	26.18%	5,479,569	\$1.8577	10,179,395.32
Class III Butterfat	16.24%	3,398,542	\$1.8507	6,289,681.67
Class IV Butterfat	16.78%	3,512,440	\$1.8507	6,500,472.71
Total Butterfat	100.00%	20,930,443		\$ 38,156,197.59

Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.8230

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	74.88%	406,322,850	\$9.76 /cwt.	\$ 39,657,110.13
Class I Butterfat	40.80%	8,539,892	\$1.7451 /lb.	14,902,965.54
Class I Differential at Location		414,862,742		13,884,336.60
Total Class I Milk	73.62%	414,862,742		\$ 68,444,412.27
Class II Skim Milk	9.86%	53,475,177	\$10.46 /cwt.	\$ 5,593,503.51
Class II Butterfat	26.18%	5,479,569	\$1.8577 /lb.	10,179,395.32
Total Class II Milk	10.46%	58,954,746		\$ 15,772,898.83
Class III Skim Milk	11.30%	61,309,558	\$10.97 /cwt.	\$ 6,725,658.54
Class III Butterfat	16.24%	3,398,542	\$1.8507 /lb.	6,289,681.67
Total Class III Milk	11.48%	64,708,100		\$ 13,015,340.21
Class IV Skim Milk	3.96%	21,489,550	\$7.40 /cwt.	\$ 1,590,226.67
Class IV Butterfat	16.78%	3,512,440	\$1.8507 /lb.	6,500,472.71
Total Class IV Milk	4.44%	25,001,990		\$ 8,090,699.38
Producer Milk	100.00%	563,527,578		\$ 105,323,350.69

Adjustments

Overage and Other Source	\$22,408.29
Inventory Adjustments	\$48,855.92
Producer butterfat at uniform butterfat price	(\$38,156,197.59)
Location Adjustments to Producers	\$3,499,720.22
1/2 Unobligated Balance in P.S.F.	\$225,651.03

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13,07854	\$70,963,788.56
	<u>\$ 0.04854</u>	\$263,381.86

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

\$13.03

Uniform Price per cwt. (Fulton County, Georgia)

\$18.95*

* 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 2008	NOV 2008	SEP 2008	OCT 2008	OCT 2008
Appalachian (Charlotte)	\$ 18.93	\$ 20.73	\$ 20.23	\$ 18.49	73.57%
Arizona (Phoenix)	\$ 19.28	\$ 21.08	\$ 17.66	\$ 16.59	37.49%
Central (Kansas City)	\$ 18.93	\$ 20.73	\$ 17.44	\$ 16.30	41.14%
Florida (Tampa)	\$ 20.93	\$ 22.73	\$ 22.39	\$ 20.42	86.98%
Mideast (Cleveland)	\$ 18.93	\$ 20.73	\$ 18.05	\$ 16.80	50.70%
Northeast (Boston)	\$ 20.18	\$ 21.98	\$ 18.90	\$ 17.44	47.40%
Pacific Northwest (Seattle)	\$ 18.83	\$ 20.63	\$ 17.07	\$ 15.49	45.55%
Southeast (Atlanta)	\$ 19.33	\$ 21.13	\$ 20.63	\$ 18.95	73.62%
Southwest (Dallas)	\$ 19.93	\$ 21.73	\$ 18.46	\$ 17.26	67.64%
Upper Midwest (Chicago)	\$ 18.73	\$ 20.53	\$ 16.85	\$ 17.02	18.30%

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

Receipts:	October 2008	October 2007
Producer Milk		
Class I	414,862,742	412,257,886
Class II	58,954,746	58,110,712
Class III	64,708,100	99,544,704
Class IV	25,001,990	14,208,264
Total Producer Milk	<u>563,527,578</u>	<u>584,121,566</u>
Average Butterfat Test	3.71%	3.68%
Percent of Producer Milk in Class I	73.62%	70.58%
Daily Average Receipts	18,178,309	18,842,631
Other Source Milk		
Class I	9,467,439	19,826,721
Class II	6,113,911	24,667,562
Class III	2,042,703	4,022,584
Class IV	5,535,717	11,508,565
Total Other Source Milk	<u>23,159,770</u>	<u>60,025,432</u>
Overage		
Class I	0	0
Class II	9,210	33,621
Class III	185	0
Class IV	22,370	0
Total Overage	<u>31,765</u>	<u>33,621</u>
Opening Inventory		
Class I	35,931,377	32,520,992
Class II	2,627,526	2,715,281
Class III	53,012	5,933,917
Class IV	15,392,581	17,608,274
Total Opening Inventory	<u>54,004,496</u>	<u>58,778,464</u>
Total Receipts	640,723,609	702,959,083
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	38,423,877	31,954,152
Route Disposition Class I	407,798,040	420,116,680
Shrinkage	3,641,909	4,643,696
Transfers & Diversions to Nonpool	10,397,732	7,891,071
Total Class I Utilization	<u>460,261,558</u>	<u>464,605,599</u>
Average Butterfat Test	2.04%	2.06%
Daily Average Utilization	14,847,147	14,987,277
Class II Utilization		
Nonfluid Used To Produce	1,741,971	1,635,666
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	39,287,420	44,351,979
Total Class II Utilization	<u>26,676,002</u>	<u>39,539,531</u>
Average Butterfat Test	9.62%	8.71%
Class III Utilization		
Shrinkage	0	8,420,153
Transfers & Diversions to Nonpool Used To Produce/Other Uses	66,804,000	95,569,692
Total Class III Utilization	<u>0</u>	<u>5,511,360</u>
Average Butterfat Test	66,804,000	109,501,205
Class IV Utilization		
Inventory	12,725,262	24,565,331
Nonfluid Used To Fortify	1,513,590	1,676,744
Shrinkage	7,808,811	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	19,265,274	17,083,028
Total Class IV Utilization	<u>4,639,721</u>	<u>0</u>
Average Butterfat Test	45,952,658	43,325,103
Total Utilization	640,723,609	702,959,083

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2008 is \$18.95 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.03 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8230 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 74.88% of all producer skim milk (priced to handlers at \$9.76 per hundredweight, plus the Class I differential, see page 2) and 40.80% of producer butterfat (priced to handlers at \$1.7451 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.86% of all producer skim milk (\$10.46 per hundredweight) and 26.18% of producer butterfat (\$1.8577 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.30% of all producer skim milk (\$10.97 per hundredweight) and 16.24% of producer butterfat (\$1.8507 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.96% of all producer skim milk (\$7.40 per hundredweight) and 16.78% of producer butterfat (\$1.8507 per pound).

Receipts of producer milk during October 2008 totaled 563.5 million pounds. There were 27 regulated pool distributing plants, 2 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2008. Class I route disposition in the area totaled 436.9 million pounds in September 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
September 2008		
Whole Milk	137,629,832	31.50%
Fat Free Milk	51,135,152	11.70%
Lowfat Milk (incl. 1%)	35,805,325	8.20%
Reduced Fat Milk (incl. 2%)	155,179,461	35.52%
Cultured Fluid Milk (incl. Buttermilk)	8,872,170	2.03%
Flavored Drinks and Milk	48,275,275	11.05%
Total Disposition in Marketing Area	436,897,215	100.00%
Total Disposition by Pool Plants	343,962,734	78.73%
Total Disposition by Nonpool Plants	92,934,481	21.27%
Total Disposition in Marketing Area	436,897,215	100.00%

Link Named Newest AMS Administrator

(Continued from Page 1) of USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) since 2005.

"Jim Link's experience as a rancher, businessman and educator will be an asset in his new role at AMS, where he will help to market U.S. agricultural products in domestic and international markets," said Agriculture Under Secretary for Marketing and Regulatory Programs Bruce Knight. "His background and service make Jim well suited to continue to enhance the economic opportunities available to U.S. agricultural producers."

Link has a bachelor's degree in business administration from Emporia State University and an MBA from Texas Christian University. Link and his wife, Karin, have been in the cattle business for most of their adult lives, most recently as owners of the Link Cattle Company of Crowley, Texas. He and his wife have two sons and four grandchildren.

Link replaces former AMS Administrator Lloyd Day, who had held the position since August 2005.

USDA Announces Final Rule to Establish a Dairy Forward Pricing Program

The USDA has announced a final rule establishing the Dairy Forward Pricing Program as directed by the Food, Conservation and Energy Act of 2008 (a.k.a The Farm Bill). This program will allow milk producers and cooperative associations to voluntarily enter into forward price contracts with milk handlers for milk used for non-fluid purposes. The program exempts handlers regulated under the Federal milk order program from paying producers and cooperative associations the minimum Federal order price for milk under forward contract.

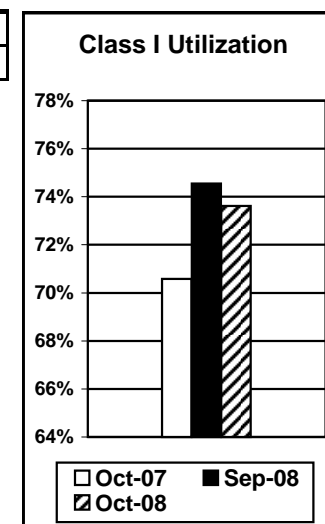
The final rule appeared in the October 31, 2008 Federal Register. For additional information contact: John R. Mengel, Chief Economist, at (202) 720-4664, or e-mail address: john.mengel@usda.gov.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2007	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$ 16.92	\$1.5101	\$21.61	\$ 18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$ 16.97	\$1.4092	\$21.31	\$ 18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$ 16.03	\$1.4077	\$20.40	\$ 19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$ 14.67	\$1.4348	\$19.18	\$ 18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$ 12.05	\$1.3319	\$16.29	\$ 18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$ 10.48	\$1.3010	\$14.67	\$ 16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$ 9.75	\$1.3604	\$14.17	\$ 14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$ 9.74	\$1.4748	\$14.56	\$ 15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$ 10.17	\$1.5562	\$15.26	\$ 14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$ 10.64	\$1.6160	\$15.92	\$ 15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$ 11.12	\$1.6774	\$16.60	\$ 17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$ 10.93	\$1.7413	\$16.64	\$ 15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$ 9.41	\$1.8196	\$15.45	\$ 14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$ 7.40	\$1.8507	\$13.62	\$ 13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52											

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.	%
Sep 2007	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	3,000**	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%



* 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 2008 through January 2009

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
NOV 2008	12/11/08	12/12/08	12/15/08	11/25/08	11/26/08	12/15/08	12/16/08
DEC 2008	01/11/09	01/12/09	01/13/09	12/26/08	12/26/08	01/13/09	01/14/09
JAN 2009	02/11/09	02/12/09	02/13/09	01/26/09	01/26/09	02/13/09	02/17/09

** The base rate for making partial payments in Fulton County, GA for November will be \$17.06 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.95 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE- 464 November 10, 2008

Milk production forecasts for 2008 and 2009 are increased slightly from last month. Cow number forecasts are unchanged from last month. Forecast 2008 milk per cow is raised from last month due to higher-than-expected August and September estimates. Lower expected feed prices in 2009 should support slightly higher growth in milk per cow although gains are expected to remain below historical rates of increase. Weaker international markets will boost domestic supplies. Skim solids stocks for 2009 are reduced as domestic use of skims is forecast higher albeit at lower prices. Sales of nonfat dry milk (NDM) to the CCC are forecast for 2008 and 2009.

Class III and Class IV prices for 2008 and 2009 are reduced from last month as most product price forecasts are lowered. Weak international demand and relatively large supplies of NDM are expected to result in sharply lower forecast NDM prices. Although relatively weak expected demand could pressure butter prices, relatively higher values of Class III products versus Class IV products may encourage milk to flow to cheese production, tightening butter supplies and supporting prices. Cheese prices are lowered reflecting larger expected supplies of cheese. Whey prices are forecast lower than last month on weaker demand. The all milk price is forecast lower this month, averaging \$18.30 to \$18.40 in 2008 and \$15.30 to \$16.20 in 2009.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



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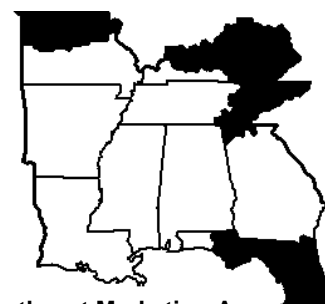
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Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

December 2008

Volume 9—No. 12

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

Total Fluid Milk Product Sales Steady

Through October, total sales of fluid milk products in the U.S. were steady versus 2007 milk sales (January through October), or down 0.3 percent when adjusted for calendar composition.

U.S. Sales of Fluid Milk Products-2008 YTD 1/

Product Category	Milk Pounds (millions)	Percent Change from 2007
Whole Milk	12,579	-4.8
Flavored Whole Milk	496	-12.4
Organic Whole Milk	318	24.7
Reduced Fat Milk (2%)	15,193	1.7
Low Fat Milk (1%)	5,563	2
Fat-Free Milk (Skim)	6,812	0.7
Flavored Fat-Reduced Milk	3,103	1.2
Organic Fat-Reduced Milk	1,075	22.2
Buttermilk	441	3
Total 2/	45,701	0
Total Adjusted 2/ 3/	45,482	-0.3

This compares favorably to the recent trends in fluid milk sales given the rise in prices milk consumers have faced.

1/Year-to-date data through October; Source: USDA; These figures are representative of the consumption of fluid milk products for approximately 92 percent of total fluid milk sales in the U.S. 2/ Total fluid milk products include the products listed plus miscellaneous products and eggnog. 3/ Adjusted for calendar composition.

Southern Dairy Conference Announcement

The 35th Annual Southern Dairy Conference is scheduled for January 28-29, 2009 in Atlanta, Georgia. For additional conference information, visit www.areg.caes.uga.edu.

Uniform Price Increases

The uniform price in Fulton County, GA, was \$19.21 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.26 higher than the previous month and is \$4.25 less than November of last year.

Class I utilization was 67.96 percent in November, a decrease of 5.66 percent compared with the previous month and a decrease of 2.73 percent compared to November of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 15.56 billion pounds, an increase of 1.2 percent from October 2007 and a decrease of 0.3 percent when compared with September 2008 on a daily average basis. Total cheese output was 842 million pounds, 2.0 percent above October 2007 and 5.8 percent above September 2008. Butter production was 130 million pounds, slightly below October 2007 but 7.4 percent above September 2008.

Nonfat dry milk powder production was 121.0 million pounds in October, 21.1% percent higher than October 2007 and 35.7% percent higher than September 2008 on a daily average basis. Dry whey production was 85.2 million pounds in October, a 4.2 percent decrease from October of last year and a 0.9 percent decline from September 2008 on a daily average basis. The milk-feed price ratio was 2.13 in November, up 0.13 points from last month's revised ratio.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for November 2008 were made for \$2,944,163.85. Since the available balance was \$1,143,791.94, eligible claims were paid at the rate of approximately \$0.39 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2008

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.26%	8,106,511	\$1.8388	\$ 14,906,252.43
Class I Differential at Location				269,169.99
Class II Butterfat	23.10%	4,894,232	\$1.7800	8,711,732.96
Class III Butterfat	15.17%	3,213,026	\$1.7730	5,696,695.10
Class IV Butterfat	23.47%	4,972,005	\$1.7730	8,815,364.90
Total Butterfat	100.00%	21,185,774		\$ 38,399,215.38
Uniform Butterfat Price per lb. (Fulton County, Georgia):				\$1.8125

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	69.12%	373,157,475	\$11.29 /cwt.	\$ 42,129,478.93
Class I Butterfat	38.26%	8,106,511	\$1.8388 /lb.	14,906,252.43
Class I Differential at Location		381,263,986		12,701,263.41
Total Class I Milk	67.96%	381,263,986		\$ 69,736,994.77
Class II Skim Milk	10.13%	54,678,782	\$8.52 /cwt.	\$ 4,658,632.24
Class II Butterfat	23.10%	4,894,232	\$1.7800 /lb.	8,711,732.96
Total Class II Milk	10.62%	59,573,014		\$ 13,370,365.20
Class III Skim Milk	11.21%	60,531,305	\$9.64 /cwt.	\$ 5,835,217.82
Class III Butterfat	15.17%	3,213,026	\$1.7730 /lb.	5,696,695.10
Total Class III Milk	11.36%	63,744,331		\$ 11,531,912.92
Class IV Skim Milk	9.54%	51,491,815	\$6.26 /cwt.	\$ 3,223,387.62
Class IV Butterfat	23.47%	4,972,005	\$1.7730 /lb.	8,815,364.90
Total Class IV Milk	10.06%	56,463,820		\$ 12,038,752.52
Producer Milk	100.00%	561,045,151		\$ 106,678,025.41

Adjustments

Overage and Other Source	\$80,955.02
Inventory Adjustments	(\$1,562.19)
Producer butterfat at uniform butterfat price	(\$38,399,215.38)
Location Adjustments to Producers	\$3,600,401.60
1/2 Unobligated Balance in P.S.F	\$236,070.04
Adjusted Pool Value	\$ 13.37287
Reserve for Producer Settlement Func	\$ 0.04287
	\$72,194,674.51
	\$231,419.58

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

\$13.33

Uniform Price per cwt. (Fulton County, Georgia)

\$19.21*

* 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 2008	DEC 2008	OCT 2008	NOV 2008	NOV 2008
Appalachian (Charlotte)	\$ 20.73	\$ 18.83	\$ 18.49	\$ 18.75	68.25%
Arizona (Phoenix)	\$ 19.68	\$ 17.78	\$ 16.59	\$ 15.83	34.37%
Central (Kansas City)	\$ 19.33	\$ 17.43	\$ 16.30	\$ 15.61	32.31%
Florida (Tampa)	\$ 22.73	\$ 20.83	\$ 20.42	\$ 21.25	83.80%
Mideast (Cleveland)	\$ 19.33	\$ 17.43	\$ 16.80	\$ 16.32	42.40%
Northeast (Boston)	\$ 20.58	\$ 18.68	\$ 17.44	\$ 17.09	45.30%
Pacific Northwest (Seattle)	\$ 19.23	\$ 17.33	\$ 15.49	\$ 15.29	29.41%
Southeast (Atlanta)	\$ 21.33	\$ 19.23	\$ 18.95	\$ 19.21	67.96%
Southwest (Dallas)	\$ 20.33	\$ 18.43	\$ 17.26	\$ 16.89	36.22%
Upper Midwest (Chicago)	\$ 19.13	\$ 17.23	\$ 17.02	\$ 15.85	13.90%

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

Receipts:	November 2008	November 2007
Producer Milk		
Class I	381,263,986	409,617,045
Class II	59,573,014	48,794,589
Class III	63,744,331	105,213,667
Class IV	56,463,820	18,794,177
Total Producer Milk	<u>561,045,151</u>	<u>582,419,478</u>
Average Butterfat Test	3.78%	3.77%
Percent of Producer Milk in Class I	67.96%	70.33%
Daily Average Receipts	18,701,505	19,413,983
Other Source Milk		
Class I	9,014,549	13,944,708
Class II	4,373,806	14,019,716
Class III	2,973,899	5,625,762
Class IV	8,566,006	8,399,258
Total Other Source Milk	<u>24,928,260</u>	<u>41,989,444</u>
Overage		
Class I	0	0
Class II	62,203	198,908
Class III	129,494	0
Class IV	335,225	6,156
Total Overage	<u>526,922</u>	<u>205,064</u>
Opening Inventory		
Class I	38,400,337	34,097,607
Class II	822,229	5,513,226
Class III	0	6,931,732
Class IV	11,903,182	9,976,918
Total Opening Inventory	<u>51,125,748</u>	<u>56,519,483</u>
Total Receipts	637,626,081	681,133,469
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,816,577	37,944,059
Route Disposition Class I	383,406,852	408,838,362
Shrinkage	2,909,415	3,099,401
Transfers & Diversions to Nonpool	9,546,028	7,777,538
Total Class I Utilization	<u>428,678,872</u>	<u>457,659,360</u>
Average Butterfat Test	2.11%	2.13%
Daily Average Utilization	14,289,296	15,255,312
Class II Utilization		
Nonfluid Used To Produce	1,350,074	1,720,994
Shrinkage	1,809	0
Transfers & Diversions to Nonpool/Commercial Foods	39,328,657	31,456,845
Used To Produce/Other Uses	24,150,712	35,348,600
Total Class II Utilization	<u>64,831,252</u>	<u>68,526,439</u>
Average Butterfat Test	9.22%	10.15%
Class III Utilization		
Shrinkage	276,896	7,785,280
Transfers & Diversions to Nonpool	66,570,828	105,086,683
Used To Produce/Other Uses	0	4,899,198
Total Class III Utilization	<u>66,847,724</u>	<u>117,771,161</u>
Average Butterfat Test	4.99%	4.42%
Class IV Utilization		
Inventory	30,113,201	12,301,481
Nonfluid Used To Fortify	2,898,666	2,383,719
Shrinkage	7,136,838	0
Transfers & Diversions to Nonpool	32,297,314	22,491,309
Used To Produce/Other Uses	4,822,214	0
Total Class IV Utilization	<u>77,268,233</u>	<u>37,176,509</u>
Average Butterfat Test	7.87%	12.57%
Total Utilization	637,626,081	681,133,469

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2008 is \$19.21 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.33 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8125 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 69.12% of all producer skim milk (priced to handlers at \$11.29 per hundredweight, plus the Class I differential, see page 2) and 38.26% of producer butterfat (priced to handlers at \$1.8388 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.13% of all producer skim milk (\$8.52 per hundredweight) and 23.10% of producer butterfat (\$1.7800 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.21% of all producer skim milk (\$9.64 per hundredweight) and 15.17% of producer butterfat (\$1.7730 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.54% of all producer skim milk (\$6.26 per hundredweight) and 23.47% of producer butterfat (\$1.7730 per pound).

Receipts of producer milk during November 2008 totaled 561.0 million pounds. There were 26 regulated pool distributing plants, 3 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2008. Class I route disposition in the area totaled 467.9 million pounds in October 2008.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
October 2008		
Whole Milk	146,579,327	31.33%
Fat Free Milk	54,589,639	11.67%
Lowfat Milk (incl. 1%)	38,872,001	8.31%
Reduced Fat Milk (incl. 2%)	165,617,881	35.40%
Cultured Fluid Milk (incl. Buttermilk)	9,137,691	1.95%
Flavored Drinks and Milk	53,066,120	11.34%
Total Disposition in Marketing Area	467,862,659	100.00%
Total Disposition by Pool Plants	355,618,283	76.01%
Total Disposition by Nonpool Plants	112,244,376	23.99%
Total Disposition in Marketing Area	467,862,659	100.00%

Farm Sector Financial Performance Remains Strong

“Although there is considerable uncertainty regarding macroeconomic events, commodity prices, and input costs going into 2009, farm sector financial performance remains strong despite volatile financial and commodity markets.”

-Agricultural Income and Finance Outlook

December 2008

“The story for the farm sector in 2008 has two main themes: a large increase in the value of crop production but rising costs of production as well. The value of crop production, at \$181 billion, is forecast to exceed its previous record (set in 2007) by \$30 billion, a 20-percent increase. Prices of major crops (corn, soybeans, wheat) were trending upward in late 2007 and continued doing so in the first part of 2008 during the marketing of the remainder of the 2007 harvest. These prices have declined in recent months as the 2008 harvests have occurred but are still high by historical standards. Consequently, with large harvests to sell at high prices, 2008 has proven to be another good year for the U.S. farm economy as a whole, driven by strong demand for feed crops, oilseeds, and food grains.

Nonetheless, the farm production sector still faces vulnerabilities as it enters 2009. These include: 1) the relative importance of input price rises in affecting farm operator profit margins, 2) farmland value volatility, 3) the overall debt structure and solvency of farm businesses, 4) access of farm households to credit and 5) off-farm income during a national recession.”

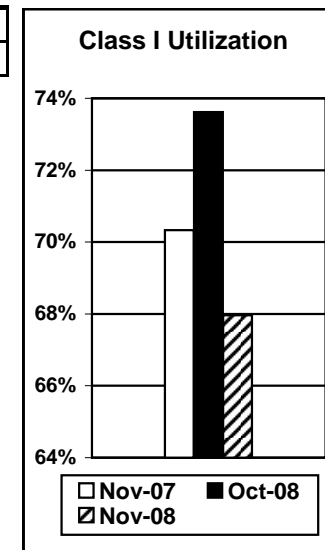
Source: Agricultural Income and Finance Outlook / AIS-86 / December 2008, Economic Research Service/USDA

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
Sep 2007	\$19.86	\$1.6692	\$25.01	\$17.46	\$1.5171	\$22.16	\$15.32	\$1.5101	\$20.07	\$16.92	\$1.5101	\$21.61	\$18.93	\$1.5723	\$23.77
Oct	\$19.96	\$1.5519	\$24.69	\$17.56	\$1.4162	\$21.90	\$14.27	\$1.4092	\$18.70	\$16.97	\$1.4092	\$21.31	\$18.89	\$1.4674	\$23.36
Nov	\$20.14	\$1.4628	\$24.55	\$17.74	\$1.4147	\$22.07	\$14.81	\$1.4077	\$19.22	\$16.03	\$1.4077	\$20.40	\$19.12	\$1.4310	\$23.46
Dec	\$18.75	\$1.4430	\$23.14	\$16.35	\$1.4418	\$20.82	\$16.14	\$1.4348	\$20.60	\$14.67	\$1.4348	\$19.18	\$18.03	\$1.4389	\$22.44
Jan 2008	\$19.63	\$1.4643	\$24.07	\$15.61	\$1.3389	\$19.75	\$15.19	\$1.3319	\$19.32	\$12.05	\$1.3319	\$16.29	\$18.26	\$1.3813	\$22.46
Feb	\$18.54	\$1.3970	\$22.78	\$14.39	\$1.3080	\$18.46	\$12.93	\$1.3010	\$17.03	\$10.48	\$1.3010	\$14.67	\$16.81	\$1.3355	\$20.90
Mar	\$15.64	\$1.3448	\$19.80	\$11.24	\$1.3674	\$15.63	\$13.72	\$1.3604	\$18.00	\$9.75	\$1.3604	\$14.17	\$14.55	\$1.3561	\$18.79
Apr	\$17.49	\$1.3793	\$21.71	\$10.47	\$1.4818	\$15.29	\$12.02	\$1.4748	\$16.76	\$9.74	\$1.4748	\$14.56	\$15.46	\$1.4418	\$19.97
May	\$15.70	\$1.5043	\$20.42	\$10.40	\$1.5632	\$15.51	\$13.20	\$1.5562	\$18.18	\$10.17	\$1.5562	\$15.26	\$14.74	\$1.5368	\$19.60
June	\$16.97	\$1.6005	\$21.98	\$10.89	\$1.6230	\$16.19	\$15.12	\$1.6160	\$20.25	\$10.64	\$1.6160	\$15.92	\$15.72	\$1.6095	\$20.80
July	\$19.50	\$1.6466	\$24.58	\$11.31	\$1.6844	\$16.81	\$12.82	\$1.6774	\$18.24	\$11.12	\$1.6774	\$16.60	\$17.46	\$1.6650	\$22.68
Aug	\$16.85	\$1.7184	\$22.27	\$11.74	\$1.7483	\$17.45	\$11.63	\$1.7413	\$17.32	\$10.93	\$1.7413	\$16.64	\$15.74	\$1.7316	\$21.25
Sep	\$15.78	\$1.7791	\$21.45	\$11.59	\$1.8266	\$17.58	\$10.27	\$1.8196	\$16.28	\$9.41	\$1.8196	\$15.45	\$14.84	\$1.8024	\$20.63
Oct	\$13.56	\$1.7831	\$19.33	\$10.46	\$1.8577	\$16.60	\$10.97	\$1.8507	\$17.06	\$7.40	\$1.8507	\$13.62	\$13.03	\$1.8230	\$18.95
Nov	\$15.09	\$1.8768	\$21.13	\$8.52	\$1.7800	\$14.45	\$9.64	\$1.7730	\$15.51	\$6.26	\$1.7730	\$12.25	\$13.33	\$1.8125	\$19.21
Dec	\$13.29	\$1.8305	\$19.23	\$6.88											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Sep 2007	558,271	3,075	378,231	67.75%	53,134	9.52%	93,114	16.68%	33,792	6.05%
Oct	584,122	3,000	412,258	70.58%	58,111	9.95%	99,545	17.04%	14,208	2.43%
Nov	582,419	3,097	409,617	70.33%	48,795	8.38%	105,214	18.06%	18,794	3.23%
Dec	593,590	3,143	392,849	66.17%	59,990	10.11%	97,737	16.47%	43,014	7.25%
Jan 2008	642,148	3,068	427,443	66.56%	54,698	8.52%	109,863	17.11%	50,144	7.81%
Feb	606,111	2,989	389,276	64.22%	69,259	11.43%	94,584	15.61%	52,992	8.74%
Mar	614,369	2,948	398,126	64.80%	83,411	13.58%	82,833	13.48%	49,999	8.14%
Apr	608,631	2,943	388,115	63.76%	81,108	13.33%	100,604	16.53%	38,804	6.38%
May	597,176	2,956	386,639	64.74%	79,323	13.28%	96,547	16.17%	34,668	5.81%
June	493,500	2,666	346,682	70.25%	71,361	14.46%	27,363	5.54%	48,094	9.75%
July	539,885	2,936	365,692	67.73%	64,438	11.94%	68,086	12.61%	41,668	7.72%
Aug	553,377	3,073	398,922	72.09%	57,441	10.38%	51,033	9.22%	45,981	8.31%
Sep	536,598	2,933	400,017	74.55%	52,644	9.81%	61,540	11.47%	22,397	4.17%
Oct	563,528	2,905	414,863	73.62%	58,955	10.46%	64,708	11.48%	25,002	4.44%
Nov	561,045	3,000**	381,264	67.96%	59,573	10.62%	63,744	11.36%	56,464	10.06%



* 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 2008 through February 2009

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
DEC 2008	01/11/09	01/12/09	01/13/09	12/26/08	12/26/08	01/13/09	01/14/09
JAN 2009	02/11/09	02/12/09	02/13/09	01/26/09	01/26/09	02/13/09	02/17/09
FEB 2009	03/11/09	03/12/09	03/13/09	02/25/09	02/26/09	03/13/09	03/16/09

** The base rate for making partial payments in Fulton County, GA for December will be \$17.29 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.21 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/

WASDE-465 December 11, 2008

Milk production forecasts for 2008 and 2009 are reduced slightly from last month. The cow number forecasts are unchanged. Forecast milk per cow for both years is reduced reflecting the continued slow rate of growth in output per cow. Commercial export forecasts for 2008 are raised as export data points towards stronger-than-expected sales, especially on a fat basis. However, the forecasts for 2009 are unchanged as weaker international demand is expected to limit exports. Fat basis imports for 2008 are reduced due to weaker demand but skim-solids imports are adjusted to reflect higher-than-expected third-quarter imports. Weakness in demand for fat basis imports is expected to carry into 2009, thus the fat basis import forecast for 2009 is lowered. Sales of nonfat dry milk (NDM) to the CCC are forecast for higher 2008 and 2009.

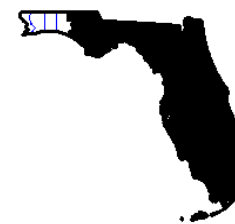
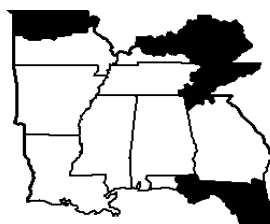
Class III and Class IV prices for 2008 and 2009 are reduced from last month as most product price forecasts are lowered. Demand both domestically and in international markets will likely be affected by economic weakness. Although relative product values may encourage milk to shift to cheese production, butter and NDM prices will be pressured by relatively weak demand for much of the year. Cheese prices are forecast weaker as domestic demand lags in a weak economy. Although the whey price is unchanged from last month, weaker cheese prices will push the Class III price lower while lower butter and NDM prices will result in a reduced Class IV price. The 2008 all milk price forecast is unchanged this month, averaging \$18.30 to \$18.40 per cwt, but the 2009 forecast is lowered to \$14.95 to \$15.75 per cwt.

1/The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



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