

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

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www.fmmatlanta.com

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

## Final Rule Regarding National Dairy Promotion and Research Board Issued

On December 23, 2011, USDA announced a final rule that amends the National Dairy Promotion and Research Order. The final rule adopts the National Dairy Promotion and Research Board's proposal and therefore representation in Region 1 is increased from one member to two members; Region 2 representation is decreased from eight members to seven members; Region 3 is decreased from four members to two members; Region 8 and Region 10 are combined to create a new Region 10 with two members, and is comprised of Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and Virginia; Region 8 is now comprised of Idaho with two members; Region 12 and 13 are combined to create a new Region 12 and is comprised of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont, with three members.

The Dairy Order provides that the board shall review the geographic distribution of milk production throughout the United States and, if warranted, shall recommend to the Secretary a reapportionment of the regions and/or modification of the number of members from the regions in order to better reflect the geographic distribution of milk production volume in the United States.

The board was established under the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of promotion, research, and nutrition education. It is financed by a mandatory 15-cent per hundredweight assessment on all milk marketed commercially and a 7.5-cent per hundredweight assessment, or equivalent thereof, on milk and dairy products imported into the United States. The final rule is available on the AMS website at [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy).

## Uniform Price Lower

The uniform price in Fulton County, GA, was \$20.92 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.71 lower than the previous month but is \$2.59 per hundredweight higher compared with December 2010. Class I utilization was 66.15 percent in December, down 4.05 percent compared with November but up 1.48 percent compared with December of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 15.78 billion pounds, an increase of 1.8 percent from November 2010 and an increase of 0.4 percent when compared with October 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 886 million pounds, 0.3 percent above November 2010 and 2.0 percent higher than October 2011 on a daily average basis. Butter production was 153 million pounds, 14.2 percent above November 2010 and 7.9 percent above October 2011 on a daily average basis.

Nonfat dry milk powder production was 120 million pounds in November, 2.9 percent above November 2010 and 23.3 percent above October 2011 on a daily average basis. Dry whey production was 77.5 million pounds in November, down 2.5 percent from October 2010 but 4.2 percent above October 2011. Whey protein concentrates production was 36.2 million pounds, 3.5 percent above November 2010 and 1.3 percent higher than October 2011 on a daily average basis.

## Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for December 2011 were made for \$1,973,441.98. Since the available balance was \$1,168,910.63, eligible claims were paid at the rate of approximately \$0.59 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2011

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.55%	8,231,620	\$2.0191	\$ 16,620,463.93
Class I Differential at Location				272,929.70
Class II Butterfat	21.57%	4,858,325	\$1.7513	8,508,384.57
Class III Butterfat	19.09%	4,298,842	\$1.7443	7,498,470.08
Class IV Butterfat	22.79%	5,133,538	\$1.7443	8,954,430.31
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,522,325</b>		<b>\$ 41,854,678.59</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8583**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.33%	381,481,855	\$11.82 /cwt.	\$ 45,091,155.28
Class I Butterfat	36.55%	8,231,620	\$2.0191 /lb.	16,620,463.93
Class I Differential at Location		389,713,475		12,902,793.47
<b>Total Class I Milk</b>	<b>66.15%</b>	<b>389,713,475</b>		<b>\$ 74,614,412.68</b>
Class II Skim Milk	6.66%	37,730,078	\$12.38 /cwt.	\$ 4,670,983.65
Class II Butterfat	21.57%	4,858,325	\$1.7513 /lb.	8,508,384.57
<b>Total Class II Milk</b>	<b>7.23%</b>	<b>42,588,403</b>		<b>\$ 13,179,368.22</b>
Class III Skim Milk	14.20%	80,474,279	\$13.12 /cwt.	\$ 10,558,225.39
Class III Butterfat	19.09%	4,298,842	\$1.7443 /lb.	7,498,470.08
<b>Total Class III Milk</b>	<b>14.39%</b>	<b>84,773,121</b>		<b>\$ 18,056,695.47</b>
Class IV Skim Milk	11.81%	66,931,088	\$11.16 /cwt.	\$ 7,469,509.39
Class IV Butterfat	22.79%	5,133,538	\$1.7443 /lb.	8,954,430.31
<b>Total Class IV Milk</b>	<b>12.23%</b>	<b>72,064,626</b>		<b>\$ 16,423,939.70</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>589,139,625</b>		<b>\$ 122,274,416.07</b>

### Adjustments

Overage and Other Source	\$11,675.16
Inventory Adjustments	\$24,873.13
Producer butterfat at uniform butterfat price	(\$41,854,678.59)
Location Adjustments to Producers	\$4,239,376.18
1/2 Unobligated Balance in P.S.F.	\$244,969.97

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.98997	\$84,940,631.92
	\$ 0.04997	\$283,137.44

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

**\$14.94**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.92\***

\* 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 2011	JAN 2012	NOV 2011	DEC 2011	DEC 2011
Appalachian (Charlotte)	\$ 21.87	\$ 22.20	\$ 21.27	\$ 20.43	67.60%
Arizona (Phoenix)	\$ 20.82	\$ 21.15	\$ 19.31	\$ 18.57	30.78%
Central (Kansas City)	\$ 20.47	\$ 20.80	\$ 18.82	\$ 18.25	38.94%
Florida (Tampa)	\$ 23.87	\$ 24.20	\$ 23.15	\$ 22.79	87.01%
Midwest (Cleveland)	\$ 20.47	\$ 20.80	\$ 19.18	\$ 18.54	40.40%
Northeast (Boston)	\$ 21.72	\$ 22.05	\$ 20.23	\$ 19.57	43.70%
Pacific Northwest (Seattle)	\$ 20.37	\$ 20.70	\$ 18.77	\$ 18.05	32.80%
<b>Southeast (Atlanta)</b>	<b>\$ 22.27</b>	<b>\$ 22.60</b>	<b>\$ 21.63</b>	<b>\$ 20.92</b>	<b>66.15%</b>
Southwest (Dallas)	\$ 21.47	\$ 21.80	\$ 19.89	\$ 19.25	45.32%
Upper Midwest (Chicago)	\$ 20.27	\$ 20.60	\$ 19.15	\$ 18.71	14.70%

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

<b>Receipts:</b>	<b>December 2011</b>	<b>December 2010</b>
<b>Producer Milk</b>		
Class I	389,713,475	406,989,873
Class II	42,588,403	61,484,849
Class III	84,773,121	122,084,712
Class IV	72,064,626	38,734,363
Total Producer Milk	<u>589,139,625</u>	<u>629,293,797</u>
Average Butterfat Test	3.82%	3.89%
Percent of Producer Milk in Class I	66.15%	64.67%
Daily Average Receipts	19,004,504	20,299,800
<b>Other Source Milk</b>		
Class I	6,216,233	7,965,792
Class II	4,833,892	4,044,113
Class III	1,721,341	1,582,632
Class IV	13,234,655	11,631,819
Total Other Source Milk	<u>26,006,121</u>	<u>25,224,356</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	149,391
Class IV	15,693	2,054
Total Overage	<u>15,693</u>	<u>151,445</u>
<b>Opening Inventory</b>		
Class I	27,106,336	33,741,032
Class II	1,490,701	2,612,511
Class III	131,072	4,394,165
Class IV	17,549,612	13,959,581
Total Opening Inventory	<u>46,277,721</u>	<u>54,707,289</u>
<b>Total Receipts</b>	<b>661,439,160</b>	<b>709,376,887</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,170,047	36,086,146
Route Disposition Class I	385,123,430	401,194,943
Shrinkage	3,847,068	3,172,687
Transfers & Diversions to Nonpool	7,895,499	8,242,921
Total Class I Utilization	<u>423,036,044</u>	<u>448,696,697</u>
Average Butterfat Test	2.11%	2.15%
Daily Average Utilization	13,646,324	14,474,087
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,604,637	1,245,153
Shrinkage	0	18,260
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	22,937,206	44,479,091
Total Class II Utilization	<u>24,371,153</u>	<u>22,398,969</u>
Average Butterfat Test	12.86%	9.68%
<b>Class III Utilization</b>		
Shrinkage	0	7,104,719
Transfers & Diversions to Nonpool Used To Produce/Other Uses	86,625,534	115,918,167
Total Class III Utilization	<u>86,625,534</u>	<u>5,188,014</u>
Average Butterfat Test	5.07%	4.11%
<b>Class IV Utilization</b>		
Inventory	17,567,810	13,158,472
Nonfluid Used To Fortify	3,583,926	2,778,229
Shrinkage	6,845,681	32
Transfers & Diversions to Nonpool Used To Produce/Other Uses	70,597,425	48,391,084
Total Class IV Utilization	<u>4,269,744</u>	<u>0</u>
Average Butterfat Test	8.33%	13.57%
<b>Total Utilization</b>	<b>661,439,160</b>	<b>709,376,887</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2011 is \$20.92 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.94 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8583 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 67.33% of all producer skim milk (priced to handlers at \$11.82 per hundredweight, plus the Class I differential, see page 2) and 36.55% of producer butterfat (priced to handlers at \$2.0191 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 6.66% of all producer skim milk (\$12.38 per hundredweight) and 21.57% of producer butterfat (\$1.7513 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.20% of all producer skim milk (\$13.12 per hundredweight) and 19.09% of producer butterfat (\$1.7443 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.81% of all producer skim milk (\$11.16 per hundredweight) and 22.79% of producer butterfat (\$1.7443 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>November 2011</b>		
Whole Milk	124,567,208	30.11%
Fat Free Milk	46,559,502	11.25%
Lowfat Milk (incl. 1%)	39,586,724	9.57%
Reduced Fat Milk (incl. 2%)	143,999,600	34.81%
Cultured Fluid Milk (incl. Buttermilk)	10,262,979	2.48%
Flavored Drinks and Milk	48,745,806	11.78%
<b>Total Disposition in Marketing Area</b>	<b>413,721,819</b>	<b>100.0%</b>
Total Disposition by Pool Plants	332,921,678	80.47%
Total Disposition by Nonpool Plants	80,800,141	19.53%
<b>Total Disposition in Marketing Area</b>	<b>413,721,819</b>	<b>100.0%</b>

Receipts of producer milk during December totaled 589.1 million pounds. There were 24 regulated pool distributing plants, 3 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2011. Class I route disposition in the area was 413.7 million pounds in November 2011.

### Notice Mailbox Milk Prices For Selected Reporting Areas 2/

Reporting Area 1/	Aug-11	Sep-11	Oct-11
New England States 3/	23.36	22.69	21.26
Eastern Pennsylvania 4/	22.73	22.30	20.93
Appalachian States 5/	23.89	23.98	21.80
<b>Southeast States 6/</b>	<b>24.87</b>	<b>24.76</b>	<b>22.65</b>
Southern Missouri 7/	22.78	22.54	20.63
Florida	26.72	26.73	24.39
Western Pennsylvania 8/	22.87	22.31	20.99
Wisconsin	22.31	20.95	20.13
Corn Belt States 9/	21.61	20.89	19.82
Western Texas 10/	21.45	20.44	18.40
Northwest States 11/	22.07	20.73	19.66
All Federal Order Areas 12/	22.25	21.39	20.10
California 13/	19.85	18.61	17.89

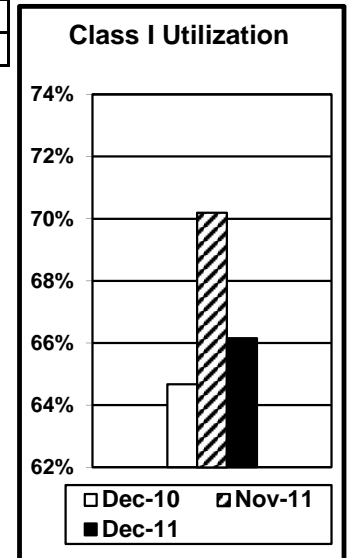
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by CA 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
Oct 2010	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05											

**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 2010	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,550**	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%



\* 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 2012

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 2012	02/11/12	02/13/12	02/14/12	01/25/12	01/26/12	02/14/12	02/15/12
FEB 2012	03/11/12	03/12/12	03/13/12	02/27/12	02/27/12	03/13/12	03/14/12
MAR 2012	04/11/12	04/12/12	04/13/12	03/26/12	03/26/12	04/13/12	04/16/12

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$18.83 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.92 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 – 502 January 12, 2012

The milk production forecast for 2011 is lowered slightly on lower expected cow numbers for the fourth quarter, but the forecast for 2012 is unchanged from last month. Larger-than-expected cheese imports for 2011 and into 2012 boost fat-basis import forecasts, but the strength of cheese imports in 2012 is offset by lower expected imports of skim products resulting in a lower 2012 skim-solids import forecast. The skim-solids exports estimate for 2011 is raised on higher-than-expected October exports.

The forecast 2012 cheese price is lowered, but forecasts for nonfat dry milk (NDM) and whey prices are raised. The higher whey price is expected to more than offset the lowered cheese price forecast, resulting in a higher forecast Class III price. The higher forecast NDM price results in a higher Class IV price. The all milk price for 2012 is raised to \$18.30 to \$19.10 per cwt.

The 38<sup>th</sup> Annual Southern Dairy Conference will be held in Atlanta on January 24-25, 2012. Visit [southerndairyconference.com](http://southerndairyconference.com) for more details.

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](http://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

www.fmmatlanta.com

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

## USDA Issues Final Rule Amending Dairy Product Mandatory Reporting Program

The U. S. Department of Agriculture has issued a final rule amending the Dairy Product Mandatory Reporting Program as required by law.

The Mandatory Price Reporting Act of 2010 amends the Agricultural Marketing Act of 1946 to provide for the establishment of an electronic reporting system for manufacturers to report dairy product sales information for specific dairy products. The amendment further states that the Secretary shall publish the information obtained for the preceding week not later than 3:00 p.m. Eastern Time on Wednesday of each week.

“This market reporting program benefits dairy producers, processors, retailers, and consumers,” said Robert Keeney, acting administrator of the Agricultural Marketing Service. “This change will provide dairy farmers with more timely information and streamline our process for reporting dairy product sales information.”

This final rule includes regulatory changes for implementing the provisions of the Act. It transfers applicable data collection responsibilities from the National Agricultural Statistics Service to the Agricultural Marketing Service (AMS).

Manufacturers that process and market less than one million pounds of the specific dairy products per year are exempt from the reporting requirements. USDA uses the sales data reported to determine minimum class prices for milk marketed through the Federal Milk Marketing Order Program. The final rule appears in the February 15, 2012 Federal Register.

For additional information about the final rule, contact Joe Gaynor; Market Information Branch Chief, Dairy Programs, AMS, USDA, STOP-0232 Room 2977, 1400 Independence Ave., SW, Washington, DC 20250-0232; phone (202) 720-9351; or e-mail at Joseph.Gaynor@ams.usda.gov.

## Uniform Price Higher

The uniform price in Fulton County, GA, was \$21.07 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$0.15 higher than the previous month and is \$3.06 per hundredweight higher compared with January 2011. Class I utilization was 66.22 percent in January, up 0.07 percent compared with December 2011 and up 1.37 percent compared with January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 16.56 billion pounds, an increase of 2.5 percent from December 2010 and an increase of 1.3 percent when compared with November 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 929 million pounds, 2.4 percent above December 2010 and 0.9 percent above November 2011 on a daily average basis. Butter production was 166 million pounds, 5.2 percent above December 2010 and 5.4 percent above November 2011 on a daily average basis.

Nonfat dry milk powder production was 150 million pounds in December, 8.0 percent above December 2010 and 20.8 percent above November 2011 on a daily average basis. Dry whey production was 83.0 million pounds in December, down 7.1 percent from December 2010 but 3.7 percent above November 2011. Whey protein concentrates production was 39.6 million pounds, 5.8 percent above December 2010 and 4.2 percent higher than November 2011 on a daily average basis.

## Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for January 2012 were made for \$1,725,241.85. Since the available balance was \$1,197,428.91, eligible claims were paid at the rate of approximately \$0.69 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.24%	7,794,629	\$1.7395	\$ 13,558,757.17
Class I Differential at Location				257,793.01
Class II Butterfat	19.21%	4,372,409	\$1.7248	7,541,531.02
Class III Butterfat	19.95%	4,540,878	\$1.7178	7,800,320.23
Class IV Butterfat	26.60%	6,055,433	\$1.7178	10,402,022.80
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,763,349</b>		<b>\$ 39,560,424.23</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7379**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.48%	391,405,157	\$13.17 /cwt.	\$ 51,548,059.20
Class I Butterfat	34.24%	7,794,629	\$1.7395 /lb.	13,558,757.17
Class I Differential at Location		399,199,786		13,206,579.58
<b>Total Class I Milk</b>	<b>66.22%</b>	<b>399,199,786</b>		<b>\$ 78,313,395.95</b>
Class II Skim Milk	6.41%	37,170,805	\$12.05 /cwt.	\$ 4,479,082.00
Class II Butterfat	19.21%	4,372,409	\$1.7248 /lb.	7,541,531.02
<b>Total Class II Milk</b>	<b>6.89%</b>	<b>41,543,214</b>		<b>\$ 12,020,613.02</b>
Class III Skim Milk	18.22%	105,688,678	\$11.44 /cwt.	\$ 12,090,784.75
Class III Butterfat	19.95%	4,540,878	\$1.7178 /lb.	7,800,320.23
<b>Total Class III Milk</b>	<b>18.29%</b>	<b>110,229,556</b>		<b>\$ 19,891,104.98</b>
Class IV Skim Milk	7.89%	45,767,778	\$10.93 /cwt.	\$ 5,002,418.13
Class IV Butterfat	26.60%	6,055,433	\$1.7178 /lb.	10,402,022.80
<b>Total Class IV Milk</b>	<b>8.60%</b>	<b>51,823,211</b>		<b>\$ 15,404,440.93</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>602,795,767</b>		<b>\$ 125,629,554.88</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$22,963.96
Producer butterfat at uniform butterfat price	(\$39,560,424.23)
Location Adjustments to Producers	\$3,995,592.94
1/2 Unobligated Balance in P.S.F.	\$254,949.38

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.57545	\$90,342,636.93
	\$ 0.04545	\$263,602.40

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

**\$15.53**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.07\***

\* 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 2012	FEB 2012	DEC 2011	JAN 2012	JAN 2012
Appalachian (Charlotte)	\$ 22.20	\$ 20.43	\$ 20.43	\$ 20.78	68.56%
Arizona (Phoenix)	\$ 21.15	\$ 19.38	\$ 18.57	\$ 18.12	29.54%
Central (Kansas City)	\$ 20.80	\$ 19.03	\$ 18.25	\$ 17.93	32.85%
Florida (Tampa)	\$ 24.20	\$ 22.43	\$ 22.79	\$ 23.11	84.46%
Mideast (Cleveland)	\$ 20.80	\$ 19.03	\$ 18.54	\$ 18.24	36.20%
Northeast (Boston)	\$ 22.05	\$ 20.28	\$ 19.57	\$ 19.37	41.20%
Pacific Northwest (Seattle)	\$ 20.70	\$ 18.93	\$ 18.05	\$ 17.76	27.76%
<b>Southeast (Atlanta)</b>	<b>\$ 22.60</b>	<b>\$ 20.83</b>	<b>\$ 20.92</b>	<b>\$ 21.07</b>	<b>66.22%</b>
Southwest (Dallas)	\$ 21.80	\$ 20.03	\$ 19.25	\$ 18.88	36.18%
Upper Midwest (Chicago)	\$ 20.60	\$ 18.83	\$ 18.71	\$ 17.44	11.60%



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

<b>Receipts:</b>	<b>January 2012</b>	<b>January 2011</b>
<b>Producer Milk</b>		
Class I	399,199,786	407,610,373
Class II	41,543,214	47,204,579
Class III	110,229,556	142,985,538
Class IV	51,823,211	30,739,694
Total Producer Milk	<u>602,795,767</u>	<u>628,540,084</u>
Average Butterfat Test	3.78%	3.87%
Percent of Producer Milk in Class I	66.22%	64.85%
Daily Average Receipts	19,445,025	20,275,487
<b>Other Source Milk</b>		
Class I	5,942,247	8,072,525
Class II	3,977,150	3,792,279
Class III	1,191,527	1,956,487
Class IV	15,141,041	12,291,631
Total Other Source Milk	<u>26,251,965</u>	<u>26,112,922</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	89,766
Total Overage	<u>0</u>	<u>89,766</u>
<b>Opening Inventory</b>		
Class I	26,355,228	35,968,136
Class II	1,652,917	1,049,472
Class III	0	145,312
Class IV	15,721,366	11,963,688
Total Opening Inventory	<u>43,729,511</u>	<u>49,126,608</u>
<b>Total Receipts</b>	<b>672,777,243</b>	<b>703,869,380</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	28,047,489	32,651,425
Route Disposition Class I	392,870,454	408,958,281
Shrinkage	2,504,876	2,049,617
Transfers & Diversions to Nonpool	8,074,442	7,991,711
Total Class I Utilization	<u>431,497,261</u>	<u>451,651,034</u>
Average Butterfat Test	1.94%	1.99%
Daily Average Utilization	13,919,266	14,569,388
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,267,374	1,086,561
Shrinkage	164,631	9,602
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	21,753,783	29,272,641
Total Class II Utilization	<u>22,987,493</u>	<u>21,677,426</u>
Average Butterfat Test	11.64%	11.65%
<b>Class III Utilization</b>		
Shrinkage	0	7,334,217
Transfers & Diversions to Nonpool	111,421,083	133,682,806
Used To Produce/Other Uses	0	4,070,314
Total Class III Utilization	<u>111,421,083</u>	<u>145,087,337</u>
Average Butterfat Test	411.68%	4.31%
<b>Class IV Utilization</b>		
Inventory	21,005,872	26,912,343
Nonfluid Used To Fortify	1,462,520	991,607
Shrinkage	7,187,943	663
Transfers & Diversions to Nonpool	49,066,745	27,180,166
Used To Produce/Other Uses	3,962,538	0
Total Class IV Utilization	<u>82,685,618</u>	<u>55,084,779</u>
Average Butterfat Test	12.78%	14.97%
<b>Total Utilization</b>	<b>672,777,243</b>	<b>703,869,380</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2012 is \$21.07 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7379 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 67.48% of all producer skim milk (priced to handlers at \$13.17 per hundredweight, plus the Class I differential, see page 2) and 34.24% of producer butterfat (priced to handlers at \$1.7395 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 6.41% of all producer skim milk (\$12.05 per hundredweight) and 19.21% of producer butterfat (\$1.7248 per pound). Class III use, mostly milk used to produce cheese, accounted for 18.22% of all producer skim milk (\$11.44 per hundredweight) and 19.95% of producer butterfat (\$1.7178 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.89% of all producer skim milk (\$10.93 per hundredweight) and 26.60% of producer butterfat (\$1.7178 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>December 2011</u></b>		
Whole Milk	130,491,373	31.51%
Fat Free Milk	47,700,052	11.52%
Lowfat Milk (incl. 1%)	36,903,670	8.91%
Reduced Fat Milk (incl. 2%)	149,674,556	36.14%
Cultured Fluid Milk (incl. Buttermilk)	9,720,360	2.35%
Flavored Drinks and Milk	39,663,701	9.58%
<b>Total Disposition in Marketing Area</b>	<b>414,153,712</b>	<b>100.0%</b>
Total Disposition by Pool Plants	335,396,181	80.98%
Total Disposition by Nonpool Plants	78,757,531	19.02%
<b>Total Disposition in Marketing Area</b>	<b>414,153,712</b>	<b>100.0%</b>

Receipts of producer milk during January totaled 602.8 million pounds. There were 23 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2012. Class I route disposition in the area was 414.2 million pounds in December 2011.

<b>PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR 2011</b>						
Marketing Area	Receipts of Producer Milk		Class I Utilization			Uniform Price
	Total	Change from Prev. Year	Total	Change from Prev. Year	Percent	
	Mil. Lbs.	Percent	Mil. Lbs.	Percent		\$/CWT
Northeast (Boston)	24,358.3	0.1	10,074.9	-3	41	20.62
Appalachian (Charlotte)	6,128.1	1.4	4,207.3	1.8	69	21.70
Florida (Tampa)	2,919.1	0.6	2,463.8	-2	84	23.70
Southeast (Atlanta)	7,057.1	0.8	4,572.3	-2.4	65	21.72
Upper Midwest (Chicago)	32,766.3	-3.1	4,242.5	-3.2	13	18.72
Central (Kansas City)	13,937.8	4.4	4,473.4	2.2	32	19.19
Mideast (Cleveland)	15,938.5	-0.5	6,332.5	-2.7	40	19.59
Pacific Northwest (Seattle)	8,022.8	0.1	2,231.9	-0.2	28	19.25
Southwest (Dallas)	11,233.3	0.2	4,373.7	0.6	39	20.20
Arizona (Phoenix)	4,517.9	6.8	1,410.5	0.7	31	19.67
<b>ALL MARKET AVERAGE OR TOTAL</b>	<b>126,879.1</b>	<b>0.0</b>	<b>44,382.8</b>	<b>-1.3</b>	<b>35</b>	<b>19.87</b>

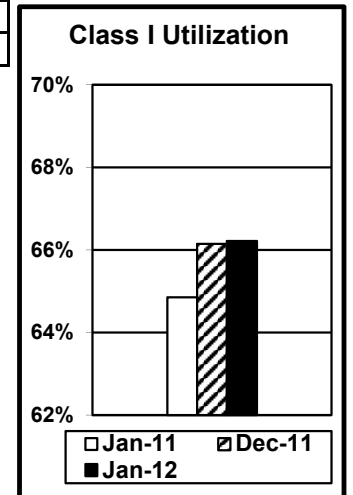
(Source: Dairy Market News, Vol. 79, Report 06)

**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 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,600**	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%



\* 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 2012

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 2012	03/11/12	03/12/12	03/13/12	02/27/12	02/27/12	03/13/12	03/14/12
MAR 2012	04/11/12	04/12/12	04/13/12	03/26/12	03/26/12	04/13/12	04/16/12
APR 2012	05/11/12	05/14/12	05/15/12	04/25/12	04/26/12	05/15/12	05/16/12

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$18.96 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.07 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 – 503 February 9, 2012

The milk production forecast for 2012 is raised. Milk cow numbers are raised for much of the year as USDA's Cattle report indicated 1 percent more dairy cows on January 1, 2012. However, producers are holding 1 percent fewer heifers for addition to the dairy herd, which is expected to push cow numbers lower later in the year. Milk per cow forecasts are raised as milk per cow in the last quarter of 2011 was higher than expected and mild weather in much of the country is supporting increased early year yields. Milk production estimates for 2011 are raised, reflecting end-of-year production data. Fat-basis trade estimates for 2011 are increased due to both stronger-than-expected imports of butter oil and exports of cheese during November. The skim-solids export estimate for 2011 is raised largely on relatively strong November exports of whey and skim milk powders. This strength is expected to carry into this year, thus the skim-solids export forecast for 2012 is raised as well.

With higher forecast 2012 production, cheese and butter prices are lowered. The nonfat dry milk (NDM) price is lowered to reflect slightly weaker early year prices. With stronger forecast demand for whey, the whey price forecast is raised. The lower cheese price is expected to more than offset the higher whey price, resulting in a reduced forecast Class III price. Lower butter and NDM prices result in a lower Class IV price. The all milk price for 2012 is lowered to \$18.00 to \$18.70 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](http://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

www.fmmatlanta.com

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

## Milk Prices Lowered Further; Milk Production Expected To Exceed Earlier Forecasts

Feed prices are expected to be higher during 2012 than last year. The corn price is expected to average \$5.90 to \$6.50 per bushel for the 2011/12 crop year, an increase from the \$5.18 average in 2010/11. Soybean meal prices are forecast higher than in February at \$310 to \$340 per ton, but lower than the \$346 posted in 2010/11. The increase in the soybean meal price forecast this month is due to reduced supplies from South America. The higher feed prices expected this year will continue to pressure the milk-feed price ratio. The preliminary February milk-feed price ratio was 1.58, well below 2.01 posted in February 2011. This producer profitability indicator is unlikely to improve as the effect of higher feed prices will be exacerbated by forecast lower milk and dairy product prices this year.

The February Milk Production report showed January milk production 3.4 percent above January 2011 as both milk cow numbers and output per cow were above expectations (USDA, National Agricultural Statistics Service). Prices for replacement heifers, which will enter the herd during 2012 and into mid-2013, were also above expectations, suggesting that there is demand for dairy replacements and further expansion. Based on these facts, February's forecast cow numbers were increased this month to 9.2 million head for the year and production per cow was raised to 21.7 thousand pounds. Most of the gain in cow numbers is expected to come in the first half of 2012. The relatively mild winter temperatures in most of the United States were ideal for milk production, boosting yield per cow in the first half of 2012. However, weaker producer returns are expected to lead to herd contraction and lower milk per cow in the second half of the year. Milk production is forecast at 199.7 billion pounds this year, an increase over 2011 and a slightly higher than February's forecast. (continued on Page 4 of this publication)

## Uniform Price Falls

The uniform price in Fulton County, GA, was \$19.38 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.69 lower than the previous month and is \$0.22 per hundredweight lower compared with February 2011. Class I utilization was 64.45 percent in February, down 1.77 percent compared with January 2012 and down 0.71 percent compared with February of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in January 2012 was 16.95 billion pounds, an increase of 3.4 percent from January 2011 and an increase of 2.3 percent when compared with December 2011. Total cheese output (excluding cottage cheese) was 912 million pounds in January 2012, 2.9 percent higher than January 2011 but 1.9 percent below December 2011. Butter production was 181 million pounds in January, 8.5 percent above January 2011 and 9.0 percent above December 2011.

Nonfat dry milk powder production was 153 million pounds in January 2012, 30.6 percent above January 2011 and 1.8 percent above December 2011. Dry whey production was 95.1 million pounds in January 2012, 4.4 percent above January 2011 and 14.5 percent higher than December 2011. Whey protein concentrates production was 38.4 million pounds, in January, 10.0 percent above January 2011 but 3.2 percent lower than December 2011.

## Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for February 2012 were made for \$1,353,961.29. Since the available balance was \$1,097,194.18, eligible claims were paid at the rate of approximately \$0.81 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.64%	7,139,843	\$1.7170	\$ 12,259,110.43
Class I Differential at Location				235,328.74
Class II Butterfat	22.34%	4,739,978	\$1.5809	7,493,431.24
Class III Butterfat	22.44%	4,761,766	\$1.5739	7,494,543.53
Class IV Butterfat	21.58%	4,579,139	\$1.5739	7,207,106.85
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,220,726</b>		<b>\$ 34,689,520.79</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6347**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	65.64%	357,818,088	\$11.42 /cwt.	\$ 40,862,825.67
Class I Butterfat	33.64%	7,139,843	\$1.7170 /lb.	12,259,110.43
Class I Differential at Location		364,957,931		12,096,897.79
<b>Total Class I Milk</b>	<b>64.45%</b>	<b>364,957,931</b>		<b>\$ 65,218,833.89</b>
Class II Skim Milk	6.92%	37,703,487	\$11.82 /cwt.	\$ 4,456,552.17
Class II Butterfat	22.34%	4,739,978	\$1.5809 /lb.	7,493,431.24
<b>Total Class II Milk</b>	<b>7.49%</b>	<b>42,443,465</b>		<b>\$ 11,949,983.41</b>
Class III Skim Milk	21.07%	114,856,552	\$10.93 /cwt.	\$ 12,553,821.14
Class III Butterfat	22.44%	4,761,766	\$1.5739 /lb.	7,494,543.53
<b>Total Class III Milk</b>	<b>21.12%</b>	<b>119,618,318</b>		<b>\$ 20,048,364.67</b>
Class IV Skim Milk	6.37%	34,729,491	\$10.79 /cwt.	\$ 3,747,312.10
Class IV Butterfat	21.58%	4,579,139	\$1.5739 /lb.	7,207,106.85
<b>Total Class IV Milk</b>	<b>6.94%</b>	<b>39,308,630</b>		<b>\$ 10,954,418.95</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>566,328,344</b>		<b>\$ 108,171,600.92</b>

### Adjustments

Overage and Other Source	\$685.41
Inventory Adjustments	\$56,899.82
Producer butterfat at uniform butterfat price	(\$34,689,520.79)
Location Adjustments to Producers	\$3,549,245.68
1/2 Unobligated Balance in P.S.F.	\$266,829.28

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.19091	\$77,355,740.32
	\$ 0.04091	\$223,012.36

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

**\$14.15**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.38\***

\* 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 2012	MAR 2012	JAN 2012	FEB 2012	FEB 2012
Appalachian (Charlotte)	\$ 20.43	\$ 19.70	\$ 20.78	\$ 19.22	69.30%
Arizona (Phoenix)	\$ 19.38	\$ 18.65	\$ 18.12	\$ 16.94	28.28%
Central (Kansas City)	\$ 19.03	\$ 18.30	\$ 17.93	\$ 16.63	28.59%
Florida (Tampa)	\$ 22.43	\$ 21.70	\$ 23.11	\$ 21.34	84.50%
Midwest (Cleveland)	\$ 19.03	\$ 18.30	\$ 18.24	\$ 16.98	34.70%
Northeast (Boston)	\$ 20.28	\$ 19.55	\$ 19.37	\$ 18.09	39.90%
Pacific Northwest (Seattle)	\$ 18.93	\$ 18.20	\$ 17.76	\$ 16.64	26.74%
<b>Southeast (Atlanta)</b>	<b>\$ 20.83</b>	<b>\$ 20.10</b>	<b>\$ 21.07</b>	<b>\$ 19.38</b>	<b>64.45%</b>
Southwest (Dallas)	\$ 20.03	\$ 19.30	\$ 18.88	\$ 17.58	32.54%
Upper Midwest (Chicago)	\$ 18.83	\$ 18.10	\$ 17.44	\$ 16.35	11.40%

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

<b>Receipts:</b>	<b>February 2012</b>	<b>February 2011</b>
<b>Producer Milk</b>		
Class I	364,957,931	367,349,545
Class II	42,443,465	45,372,267
Class III	119,618,318	131,864,347
Class IV	39,308,630	19,188,068
Total Producer Milk	<u>566,328,344</u>	<u>563,774,227</u>
Average Butterfat Test	3.75%	3.82%
Percent of Producer Milk in Class I	64.45%	64.16%
Daily Average Receipts	19,528,564	20,134,794
<b>Other Source Milk</b>		
Class I	5,737,950	7,290,139
Class II	4,947,937	2,480,088
Class III	1,208,934	2,004,084
Class IV	13,279,917	7,828,920
Total Other Source Milk	<u>25,174,738</u>	<u>19,603,231</u>
<b>Overage</b>		
Class I	0	0
Class II	334	0
Class III	0	0
Class IV	100	288
Total Overage	<u>434</u>	<u>288</u>
<b>Opening Inventory</b>		
Class I	29,401,616	32,009,518
Class II	1,348,025	1,214,312
Class III	58,451	2,332,187
Class IV	18,268,334	22,667,333
Total Opening Inventory	<u>49,076,426</u>	<u>58,223,350</u>
<b>Total Receipts</b>	<b>640,579,942</b>	<b>641,601,096</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,931,340	31,241,807
Route Disposition Class I	365,296,032	366,243,279
Shrinkage	2,830,186	1,855,822
Transfers & Diversions to Nonpool	8,039,939	7,308,294
Total Class I Utilization	<u>400,097,497</u>	<u>406,649,202</u>
Average Butterfat Test	1.94%	1.98%
Daily Average Utilization	13,796,465	14,523,186
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,016,983	1,312,467
Shrinkage	16,256	1,755
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	21,878,495	27,629,842
Total Class II Utilization	<u>24,828,027</u>	<u>20,122,603</u>
Average Butterfat Test	48,739,761	49,066,667
Average Butterfat Test	12.80%	12.35%
<b>Class III Utilization</b>		
Shrinkage	0	6,443,009
Transfers & Diversions to Nonpool	120,885,703	125,886,607
Used To Produce/Other Uses	0	3,871,002
Total Class III Utilization	<u>120,885,703</u>	<u>136,200,618</u>
Average Butterfat Test	3.98%	4.25%
<b>Class IV Utilization</b>		
Inventory	23,930,579	24,082,710
Nonfluid Used To Fortify	1,582,415	879,478
Shrinkage	6,354,569	0
Transfers & Diversions to Nonpool	35,022,863	24,722,421
Used To Produce/Other Uses	3,966,555	0
Total Class IV Utilization	<u>70,856,981</u>	<u>49,684,609</u>
Average Butterfat Test	11.75%	13.01%
<b>Total Utilization</b>	<b>640,579,942</b>	<b>641,601,096</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2012 is \$19.38 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.15 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6347 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 65.64% of all producer skim milk (priced to handlers at \$11.42 per hundredweight, plus the Class I differential, see page 2) and 33.64% of producer butterfat (priced to handlers at \$1.7170 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 6.92% of all producer skim milk (\$11.82 per hundredweight) and 22.34% of producer butterfat (\$1.5809 per pound). Class III use, mostly milk used to produce cheese, accounted for 21.07% of all producer skim milk (\$10.93 per hundredweight) and 22.44% of producer butterfat (\$1.5739 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.37% of all producer skim milk (\$10.79 per hundredweight) and 21.58% of producer butterfat (\$1.5739 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>January 2012</u></b>		
Whole Milk	126,122,835	29.84%
Fat Free Milk	49,435,861	11.70%
Lowfat Milk (incl. 1%)	43,433,037	10.28%
Reduced Fat Milk (incl. 2%)	148,384,634	35.11%
Cultured Fluid Milk (incl. Buttermilk)	8,349,114	1.98%
Flavored Drinks and Milk	46,947,694	11.11%
<b>Total Disposition in Marketing Area</b>	<b>422,673,175</b>	<b>100.0%</b>
Total Disposition by Pool Plants	342,225,805	80.97%
Total Disposition by Nonpool Plants	80,447,370	19.03%
<b>Total Disposition in Marketing Area</b>	<b>422,673,175</b>	<b>100.0%</b>

Receipts of producer milk during February totaled 566.3 million pounds. There were 24 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2012. Class I route disposition in the area was 422.7 million pounds in January 2012.

### Milk Prices Lowered Further; Milk Production Expected To Exceed Earlier Forecasts

*(continued from Page 1)*

Milk equivalent imports on a fats basis are forecast at 3.3 billion pounds and at 5.1 billion pounds on a skims-solids basis, both unchanged from February. Export forecasts likewise remain unchanged from February at 8.6 billion pounds and at 32.3 billion pounds on a fats and a skims-solids basis, respectively. Exports of most dairy products remain steady; however, butterfat movement is weak. Fats basis ending stocks were raised this month and will end 2012 higher than in 2011. Currently large stocks of butter and higher milk production account for the forecast. Skims-solids stocks will end the year very close to 2011 ending stocks. Lower butter/powder values in the first half of 2012 could draw milk into cheese production, limiting the growth of nonfat dry milk (NDM) stocks and aiding the drawdown in fat basis stocks over the course of the year.

Prices for cheese, butter, NDM, and whey, were lowered this month. Expanded milk production, and slightly lower than earlier forecast economic growth is expected to pressure prices. This month, annual cheese prices are forecast at \$1.600 to \$1.660 a pound. Butter prices are projected at \$1.510 to \$1.600 a pound for the year. NDM prices are forecast at \$1.345 to \$1.395 for the year and whey prices, which had bucked the previous trend toward lower product prices, are now forecast lower this month at 57.0 to 60.0 cents a pound, but are still expected to finish the year above 2011 prices.

Lower dairy product prices resulted in lower milk prices for March than in February. The Class III price is projected at \$16.35 to \$16.95 per cwt. The Class IV price forecast is reduced to \$15.85 to \$16.55 per cwt, and all milk is lowered to \$17.60 to \$18.20 per cwt.

*(Source: Livestock, Dairy, and Poultry Outlook/LDP-M-213/March 15, 2012, Economic Research Service, USDA)*

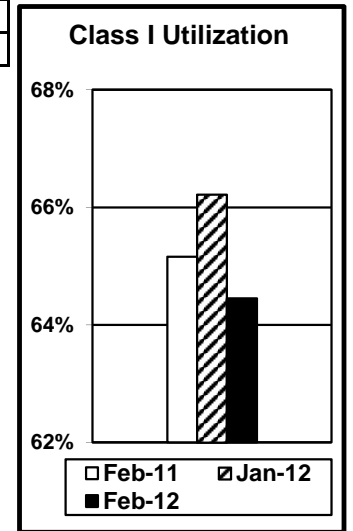


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62											

**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 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,600**	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%



\* 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 2012

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
MAR 2012	04/11/12	04/12/12	04/13/12	03/26/12	03/26/12	04/13/12	04/16/12
APR 2012	05/11/12	05/14/12	05/15/12	04/25/12	04/26/12	05/15/12	05/16/12
MAY 2012	06/11/12	06/12/12	06/13/12	05/25/12	05/29/12	06/13/12	06/14/12

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$17.44 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.38 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 – 504 March 9, 2012**

The milk production forecast for 2012 is raised. Milk cow numbers are raised as herds are increasing more rapidly than expected. Although herds are expected to decline from 2011 in the second half of the year, the rate will be less than previously expected. Mild weather in the early part of the year is also supporting higher levels of milk production. Import and export forecasts are unchanged. Changes in 2011 estimates of supply and use reflect revised annual stocks data and December trade data.

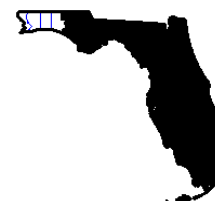
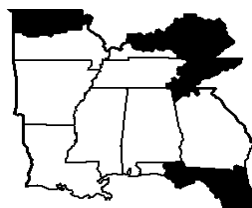
With higher forecast 2012 milk production, prices for cheese, butter, nonfat dry milk, and whey are lowered. As a result, both Class III and Class IV price forecasts are reduced from last month. The all milk price for 2012 is lowered to \$17.60-\$18.20 per cwt.

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](http://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

April 2012



Southeast Marketing Area  
Federal Order 7

Volume 13—No. 4

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

## Milk Production Continues To Advance, Prices Continue To Fall

February cow numbers were higher than anticipated in light of mediocre producer returns and relatively high cow slaughter during the last two quarters. Still, a reduction in herd size is expected late this year, but the decline is projected to be less than expected last month. As a result, cow numbers for 2012 were raised slightly from last month to 9,215 thousand head. Corn prices are forecast at \$6.00 to \$6.40 per bushel in 2011/12, a narrowing of the price range by 10 cents on each end. Soybean meal prices are projected higher this month at \$335 to \$355 per ton. This slightly more adverse feed outlook for producers, combined with higher cull cow prices and lower milk prices over the course of the year, is likely to lead to lower cow numbers by year-end. Production per cow was raised again in April as the February Milk Production report indicated higher milk per cow than previously expected. Ideal weather in most of the United States likely contributed to cow performance. Production per cow is likely to remain above trend this year as a result of the mild winter and the heavy slaughter that has removed marginal producers from the herd. Annual production per cow in April is forecast at 21,825 pounds for 2012. Consequently, milk production was increased to 201.1 billion pounds in the April forecast from last month's 199.7 billion-pound forecast.

Fats basis imports were unchanged from last month at 3.3 billion pounds. Cheese imports were revised lower, but the decline was offset by forecast increases in butterfat, whole milk powder, and ice cream. Imports on a skims-solids basis were increased to 5.4 billion pounds, up from 5.1 billion forecast in March. The increase is based on expected growth in casein imports. World supplies of milk proteins are expected to be higher and prices lower this year. Fats-basis exports were reduced to 8.4 billion (continued on Page 4 of this publication)

## Uniform Price Lower

The uniform price in Fulton County, GA, was \$18.62 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.76 lower than the previous month and is \$2.65 per hundredweight lower compared with March 2011. Class I utilization was 58.88 percent in March, down 5.57 percent compared with the previous month and down 1.62 percent compared with March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2012 was 16.28 billion pounds, an increase of 8.0 percent from February 2011 and an increase of 2.6 percent when compared with January 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 858 million pounds, 6.2 percent higher than February 2011 and 0.7 percent higher than January 2012 on a daily average basis. Butter production was 170 million pounds, 13.9 percent higher than February 2011 and 0.7 percent higher than January 2012 on a daily average basis.

Nonfat dry milk powder production was 171 million pounds in February 2012, 54.7 percent above February 2011 and 18.5 percent above January 2012 on a daily average basis. Dry whey production was 89.3 million pounds in February, 9.2 percent above February 2011 and 0.7 percent lower than January on a daily average basis. Whey protein concentrates production was 35.7 million pounds in February, 11.9 percent above February 2011 but 0.9 percent below last month on a daily average basis.

The preliminary milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.48 in March 2012, down 0.07 from the February ratio.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	31.38%	7,653,759	\$1.6355	\$ 12,517,722.87
Class I Differential at Location				253,800.27
Class II Butterfat	25.60%	6,243,012	\$1.5367	9,593,636.55
Class III Butterfat	22.34%	5,449,114	\$1.5297	8,335,509.70
Class IV Butterfat	20.68%	5,043,303	\$1.5297	7,714,740.63
<b>Total Butterfat</b>	<b>100.00%</b>	<b>24,389,188</b>		<b>\$ 38,415,410.02</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5751**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	59.93%	384,596,331	\$10.96 /cwt.	\$ 42,151,757.88
Class I Butterfat	31.38%	7,653,759	\$1.6355 /lb.	12,517,722.87
Class I Differential at Location		392,250,090		12,999,287.60
<b>Total Class I Milk</b>	<b>58.88%</b>	<b>392,250,090</b>		<b>\$ 67,668,768.35</b>
Class II Skim Milk	9.44%	60,593,928	\$11.62 /cwt.	\$ 7,041,014.43
Class II Butterfat	25.60%	6,243,012	\$1.5367 /lb.	9,593,636.55
<b>Total Class II Milk</b>	<b>10.03%</b>	<b>66,836,940</b>		<b>\$ 16,634,650.98</b>
Class III Skim Milk	20.93%	134,341,832	\$10.74 /cwt.	\$ 14,428,312.75
Class III Butterfat	22.34%	5,449,114	\$1.5297 /lb.	8,335,509.70
<b>Total Class III Milk</b>	<b>20.98%</b>	<b>139,790,946</b>		<b>\$ 22,763,822.45</b>
Class IV Skim Milk	9.70%	62,285,759	\$10.36 /cwt.	\$ 6,452,804.64
Class IV Butterfat	20.68%	5,043,303	\$1.5297 /lb.	7,714,740.63
<b>Total Class IV Milk</b>	<b>10.11%</b>	<b>67,329,062</b>		<b>\$ 14,167,545.27</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>666,207,038</b>		<b>\$ 121,234,787.05</b>

### Adjustments

Overage and Other Source	\$5,608.11
Inventory Adjustments	\$4,275.91
Producer butterfat at uniform butterfat price	(\$38,415,410.02)
Location Adjustments to Producers	\$4,535,569.40
1/2 Unobligated Balance in P.S.F.	\$112,722.03

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.62965	\$87,477,552.48
	\$ 0.04965	\$318,688.43

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

**\$13.58**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.62\***

\* 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 2012	APR 2012	FEB 2012	MAR 2012	MAR 2012
Appalachian (Charlotte)	\$ 19.70	\$ 19.06	\$ 19.22	\$ 18.48	64.44%
Arizona (Phoenix)	\$ 18.65	\$ 18.01	\$ 16.94	\$ 16.40	27.92%
Central (Kansas City)	\$ 18.30	\$ 17.66	\$ 16.63	\$ 16.22	27.55%
Florida (Tampa)	\$ 21.70	\$ 21.06	\$ 21.34	\$ 20.83	86.36%
Midwest (Cleveland)	\$ 18.30	\$ 17.66	\$ 16.98	\$ 16.55	34.30%
Northeast (Boston)	\$ 19.55	\$ 18.91	\$ 18.09	\$ 17.64	39.80%
Pacific Northwest (Seattle)	\$ 18.20	\$ 17.56	\$ 16.64	\$ 16.14	26.60%
<b>Southeast (Atlanta)</b>	<b>\$ 20.10</b>	<b>\$ 19.46</b>	<b>\$ 19.38</b>	<b>\$ 18.62</b>	<b>58.88%</b>
Southwest (Dallas)	\$ 19.30	\$ 18.66	\$ 17.58	\$ 17.18	32.40%
Upper Midwest (Chicago)	\$ 18.10	\$ 17.46	\$ 16.35	\$ 15.98	11.00%

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

<b>Receipts:</b>	<b>March 2012</b>	<b>March 2011</b>
<b>Producer Milk</b>		
Class I	392,250,090	400,513,847
Class II	66,836,940	70,093,272
Class III	139,790,946	139,747,312
Class IV	67,329,062	51,624,341
Total Producer Milk	<u>666,207,038</u>	<u>661,978,772</u>
Average Butterfat Test	3.66%	3.74%
Percent of Producer Milk in Class I	58.88%	60.50%
Daily Average Receipts	21,490,550	21,354,154
<b>Other Source Milk</b>		
Class I	5,760,712	6,757,726
Class II	5,714,608	5,767,721
Class III	1,488,534	1,416,139
Class IV	9,484,888	8,954,839
Total Other Source Milk	<u>22,448,742</u>	<u>22,896,425</u>
<b>Overage</b>		
Class I	0	7,057
Class II	0	0
Class III	52,217	187
Class IV	0	3,187
Total Overage	<u>52,217</u>	<u>10,431</u>
<b>Opening Inventory</b>		
Class I	23,298,907	29,959,036
Class II	789,101	4,066,440
Class III	1,082,409	1,953,635
Class IV	22,106,039	17,665,593
Total Opening Inventory	<u>47,276,456</u>	<u>53,644,704</u>
<b>Total Receipts</b>	<b>735,984,453</b>	<b>738,530,332</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	24,789,664	30,416,972
Route Disposition Class I	383,794,820	394,844,400
Shrinkage	3,599,958	2,378,083
Transfers & Diversions to Nonpool	9,125,267	9,598,211
Total Class I Utilization	<u>421,309,709</u>	<u>437,237,666</u>
Average Butterfat Test	1.94%	1.96%
Daily Average Utilization	13,590,636	14,104,441
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,475,344	1,824,375
Shrinkage	24,581	7,001,109
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,531,806	42,095,074
Total Class II Utilization	<u>23,308,918</u>	<u>29,006,875</u>
Average Butterfat Test	73,340,649	79,927,433
Average Butterfat Test	10.46%	9.70%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	142,414,106	143,117,273
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	142,414,106	143,117,237
Average Butterfat Test	3.86%	4.47%
<b>Class IV Utilization</b>		
Inventory	19,321,337	17,343,297
Nonfluid Used To Fortify	1,728,663	967,632
Shrinkage	7,023,002	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	66,817,687	59,937,031
Total Class IV Utilization	<u>4,029,300</u>	<u>0</u>
Average Butterfat Test	98,919,989	78,247,960
Average Butterfat Test	8.01%	8.56%
<b>Total Utilization</b>	<b>735,984,453</b>	<b>738,530,332</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2012 is \$18.62 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.58 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5751 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 59.93% of all producer skim milk (priced to handlers at \$10.96 per hundredweight, plus the Class I differential, see page 2) and 31.38% of producer butterfat (priced to handlers at \$1.6355 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.44% of all producer skim milk (\$11.62 per hundredweight) and 25.60% of producer butterfat (\$1.5367 per pound). Class III use, mostly milk used to produce cheese, accounted for 20.93% of all producer skim milk (\$10.74 per hundredweight) and 22.34% of producer butterfat (\$1.5297 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.70% of all producer skim milk (\$10.36 per hundredweight) and 20.68% of producer butterfat (\$1.5297 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2012</b>		
Whole Milk	117,543,182	29.81%
Fat Free Milk	46,701,235	11.84%
Lowfat Milk (incl. 1%)	40,819,107	10.35%
Reduced Fat Milk (incl. 2%)	136,762,662	34.68%
Cultured Fluid Milk (incl. Buttermilk)	7,968,244	2.02%
Flavored Drinks and Milk	44,540,414	11.30%
<b>Total Disposition in Marketing Area</b>	<b>394,334,844</b>	<b>100.0%</b>
Total Disposition by Pool Plants	318,275,087	80.71%
Total Disposition by Nonpool Plants	76,059,757	19.29%
<b>Total Disposition in Marketing Area</b>	<b>394,334,844</b>	<b>100.0%</b>

Receipts of producer milk during March totaled 666.2 million pounds. There were 23 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2012. Class I route disposition in the area was 394.3 million pounds in February 2012.

## Milk Production Continues To Advance, Prices Continue To Fall

(continued from Page 1) pounds from 8.6 billion pounds. The year-to-date totals suggest that butter exports will be below earlier expectations. Exports of fluid milk and cream, largely to Mexico and Canada, will likely be lower than earlier expected. Exports on a skims-solids basis were raised to 32.8 billion pounds from 32.3 billion pounds. Year-to-date exports to Mexico and Asian countries have been stronger than earlier expected. Despite the higher early totals, exports for the year are unlikely to match last year.

Commercial ending stocks are forecast at 11.8 billion pounds on a fats basis and 12.0 billion pounds on a skims-solids basis, both up from March's projections. Larger than expected supplies of cheese and NDM were reported in storage in February, which—combined with the higher forecast milk production—is likely to lead to higher than previously forecast stocks.

Ample stocks of dairy products and higher milk production lead to a lower price forecast in April for all major dairy products. Prices forecast for cheese, butter, and NDM are below both March forecasts and 2011 average prices. The cheese price is forecast at \$1.590 to \$1.640 per pound. Butter is projected at \$1.490 to \$1.570 per pound, and NDM prices are projected at \$1.300 to \$1.340 per pound. Whey prices, which have run counter to the downward price trend for other products, are now forecast lower this month at 55.0 to 58.0 cents per pound. While the April forecast whey price is lower than in March, it is still above the 2011 average price.

Milk price forecasts were lowered this month as well. The Class III price was reduced to \$16.10 to \$16.60 per cwt, and the Class IV price was lowered to \$15.35 to \$15.95 per cwt. The all-milk price is now forecast at \$17.25 to \$17.75 per cwt.

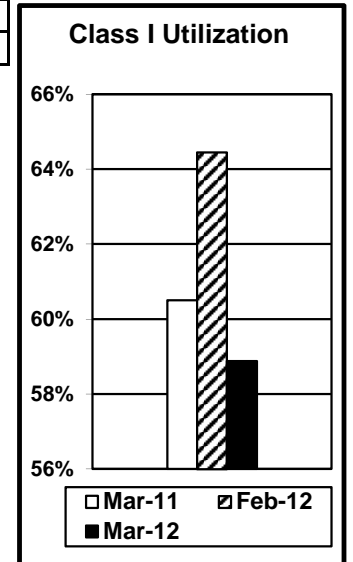
(Source: *Livestock, Dairy, and Livestock Outlook/LDP-M-214/April 16, 2012, Economic Research Service, USDA*)

**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
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,600**	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods April through June 2012

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
APR 2012	05/11/12	05/14/12	05/15/12	04/25/12	04/26/12	05/15/12	05/16/12
MAY 2012	06/11/12	06/12/12	06/13/12	05/25/12	05/29/12	06/13/12	06/14/12
JUN 2012	07/11/12	07/12/12	07/13/12	06/25/12	06/26/12	07/13/12	07/16/12

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$16.76 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.62 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 – 505 April 10, 2012

The milk production forecast for 2012 is raised on increased milk cow numbers and gains in milk per cow. The skim solids import forecast is raised. The fat-basis export forecast is reduced on lower butter exports, but skim solids exports are forecast higher on stronger nonfat dry milk (NDM) sales. Ending stock forecasts are raised on both a fat and skim-solids basis.

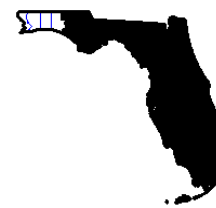
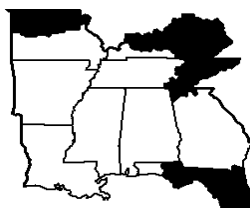
With higher forecast 2012 milk production and weaker than expected product demand, price forecasts for cheese, butter, NDM, and whey are lowered. As a result, both Class III and Class IV price forecasts are reduced from last month. The all milk price for 2012 is lowered to \$17.25-\$17.75 per cwt.

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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



#### MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture  
1550 North Brown Road, Suite 120  
Lawrenceville, Georgia 30043



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

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# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## USDA Announces Equivalent Price Determination for Dairy Product Sales Report

The U.S. Department of Agriculture has announced a determination of equivalent price series notice for the Dairy Product Sales report.

The Secretary of Agriculture has determined that the dairy product price series in the Dairy Products Sales report, as published by the Agricultural Marketing Service (AMS), is equivalent to those prices previously released by the National Agricultural Statistics Service (NASS) in the Dairy Products Prices report.

As NASS has discontinued the publication of the Dairy Products Prices report and AMS has recently implemented an electronic reporting system to compile and publish these data, USDA will consider these two series as being equivalent. The AMS data, published in the Dairy Product Sales report, will be used in the calculation of milk component values and the subsequent computation of Federal milk market order minimum classified milk prices.

The notice was published in the April 13, 2012 Federal Register. For additional information about this determination contact: Bret Tate, USDA/AMS/Dairy Programs, 1400 Independence Ave., SW, Washington, D.C. 20250 or by email at [bret.tate@ams.usda.gov](mailto:bret.tate@ams.usda.gov).

## Dairy Products 2011 Summary (April 2012)

**Total cheese** production, excluding cottage cheeses, was 10.6 billion pounds, 1.5 percent above 2010 production. Wisconsin was the leading State with 24.9 percent of the production.

**Italian varieties**, with 4.56 billion pounds were 3.3 percent above 2010 production and accounted for 43.0 percent of total cheese in 2011. Mozzarella accounted for 78.1 percent of the Italian production followed by Provolone with 7.7 percent and Parmesan with 6.1 percent. California was the leading State in Italian cheese production with 31.0 percent of the production. (continued on Page 4 )

## Uniform Price Lower

The uniform price in Fulton County, GA, was \$18.24 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.38 lower than the previous month and is \$3.11 per hundredweight lower compared with April 2011. Class I utilization was 56.66 percent in April, down 2.22 percent compared with the previous month and down 0.58 percent compared with April of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in March 2012 was 17.70 billion pounds, an increase of 4.2 percent from March 2011 and an increase of 1.6 percent when compared with February 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 946 million pounds, 3.7 percent above March 2011 and 3.2 percent above February 2012 on a daily average basis. Butter production was 176 million pounds, 6.4 percent above March 2011 and 2.8 percent below February 2012 on a daily average basis.

Nonfat dry milk powder production was 189 million pounds in March 2012, 49.9 percent above March 2011 and 2.6 percent above February 2012 on a daily average basis. Dry whey production was 90.2 million pounds in March, 4.3 percent lower than March 2011 and 5.6 percent lower than February on a daily average basis. Whey protein concentrates production was 38.9 million pounds in March, 5.6 percent above March of last year and 2.7 percent above last month on a daily average basis.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.45 in April 2012, 0.03 lower than the revised milk-feed price ratio observed for last month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	30.43%	7,080,710	\$1.5239	\$ 10,790,293.96
Class I Differential at Location				233,608.07
Class II Butterfat	24.50%	5,700,951	\$1.5715	8,959,044.49
Class III Butterfat	23.02%	5,357,559	\$1.5645	8,381,901.06
Class IV Butterfat	22.05%	5,130,974	\$1.5645	8,027,408.82
<b>Total Butterfat</b>	<b>100.00%</b>	<b>23,270,194</b>		<b>\$ 36,392,256.40</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5639**

### Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	57.64%	357,899,281	\$10.70 /cwt.	\$ 38,295,223.07
Class I Butterfat	30.43%	7,080,710	\$1.5239 /lb.	10,790,293.96
Class I Differential at Location		364,979,991		12,071,397.50
<b>Total Class I Milk</b>	<b>56.66%</b>	<b>364,979,991</b>		<b>\$ 61,156,914.53</b>
Class II Skim Milk	9.84%	61,115,719	\$11.09 /cwt.	\$ 6,777,733.23
Class II Butterfat	24.50%	5,700,951	\$1.5715 /lb.	8,959,044.49
<b>Total Class II Milk</b>	<b>10.37%</b>	<b>66,816,670</b>		<b>\$ 15,736,777.72</b>
Class III Skim Milk	21.86%	135,752,094	\$10.62 /cwt.	\$ 14,416,872.42
Class III Butterfat	23.02%	5,357,559	\$1.5645 /lb.	8,381,901.06
<b>Total Class III Milk</b>	<b>21.90%</b>	<b>141,109,653</b>		<b>\$ 22,798,773.48</b>
Class IV Skim Milk	10.66%	66,174,660	\$9.66 /cwt.	\$ 6,392,472.13
Class IV Butterfat	22.05%	5,130,974	\$1.5645 /lb.	8,027,408.82
<b>Total Class IV Milk</b>	<b>11.07%</b>	<b>71,305,634</b>		<b>\$ 14,419,880.95</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>644,211,948</b>		<b>\$ 114,112,346.68</b>

### Adjustments

Overage and Other Source	\$11,113.01
Inventory Adjustments	\$49,275.17
Producer butterfat at uniform butterfat price	(\$36,392,256.40)
Location Adjustments to Producers	\$4,420,200.87
1/2 Unobligated Balance in P.S.F.	\$225,046.27

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.27431	\$82,425,725.60
	\$ 0.04431	\$275,131.53

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

**\$13.23**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.24\***

\* 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 2012	MAY 2012	MAR 2012	APR 2012	APR 2012
Appalachian (Charlotte)	\$ 19.06	\$ 19.25	\$ 18.48	\$ 18.10	62.62%
Arizona (Phoenix)	\$ 18.01	\$ 18.20	\$ 16.40	\$ 16.02	27.77%
Central (Kansas City)	\$ 17.66	\$ 17.85	\$ 16.22	\$ 16.03	28.81%
Florida (Tampa)	\$ 21.06	\$ 21.25	\$ 20.83	\$ 20.31	83.39%
Midwest (Cleveland)	\$ 17.66	\$ 17.85	\$ 16.55	\$ 16.23	32.50%
Northeast (Boston)	\$ 18.91	\$ 19.10	\$ 17.64	\$ 17.20	37.00%
Pacific Northwest (Seattle)	\$ 17.56	\$ 17.75	\$ 16.14	\$ 15.87	27.53%
<b>Southeast (Atlanta)</b>	<b>\$ 19.46</b>	<b>\$ 19.65</b>	<b>\$ 18.62</b>	<b>\$ 18.24</b>	<b>56.66%</b>
Southwest (Dallas)	\$ 18.66	\$ 18.85	\$ 17.18	\$ 16.90	30.58%
Upper Midwest (Chicago)	\$ 17.46	\$ 17.65	\$ 15.98	\$ 15.92	10.60%

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

<b>Receipts:</b>	<b>April 2012</b>	<b>April 2011</b>
<b>Producer Milk</b>		
Class I	364,979,991	372,337,342
Class II	66,816,670	61,374,865
Class III	141,109,653	168,669,606
Class IV	71,305,634	48,161,475
Total Producer Milk	<u>644,211,948</u>	<u>650,543,288</u>
Average Butterfat Test	3.61%	3.68%
Percent of Producer Milk in Class I	56.66%	57.24%
Daily Average Receipts	21,473,732	21,684,776
<b>Other Source Milk</b>		
Class I	4,898,993	6,311,362
Class II	5,278,770	4,596,826
Class III	1,407,942	3,163,084
Class IV	11,348,624	9,117,475
Total Other Source Milk	<u>22,934,329</u>	<u>23,187,747</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	86,655	7,075
Class IV	1,221	16,283
Total Overage	<u>87,876</u>	<u>23,358</u>
<b>Opening Inventory</b>		
Class I	25,618,087	31,347,615
Class II	894,701	1,076,873
Class III	1,376,757	2,613,409
Class IV	16,327,856	12,726,672
Total Opening Inventory	<u>44,217,401</u>	<u>47,764,569</u>
<b>Total Receipts</b>	<b>711,451,554</b>	<b>721,518,962</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,391,685	28,141,157
Route Disposition Class I	362,072,883	371,323,289
Shrinkage	1,909,043	2,097,011
Transfers & Diversions to Nonpool	8,123,460	8,434,862
Total Class I Utilization	<u>395,497,071</u>	<u>409,996,319</u>
Average Butterfat Test	1.93%	1.97%
Daily Average Utilization	13,183,236	13,666,544
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,768,665	1,844,414
Shrinkage	25,432	33,934
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	44,195,420	42,011,217
Total Class II Utilization	<u>26,000,624</u>	<u>23,157,999</u>
Average Butterfat Test	9.62%	10.00%
<b>Class III Utilization</b>		
Shrinkage	0	6,377,669
Transfers & Diversions to Nonpool	143,981,007	164,270,010
Used To Produce/Other Uses	0	3,805,495
Total Class III Utilization	<u>143,981,007</u>	<u>174,453,174</u>
Average Butterfat Test	3.80%	4.12%
<b>Class IV Utilization</b>		
Inventory	24,257,238	19,477,566
Nonfluid Used To Fortify	1,436,153	879,908
Shrinkage	5,810,002	0
Transfers & Diversions to Nonpool	63,444,392	49,664,431
Used To Produce/Other Uses	4,035,550	0
Total Class IV Utilization	<u>98,983,335</u>	<u>70,021,905</u>
Average Butterfat Test	8.08%	9.55%
<b>Total Utilization</b>	<b>711,451,554</b>	<b>721,518,962</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2012 is \$18.24 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.23 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5639 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 57.64% of all producer skim milk (priced to handlers at \$10.70 per hundredweight, plus the Class I differential, see page 2) and 30.43% of producer butterfat (priced to handlers at \$1.5239 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.84% of all producer skim milk (\$11.09 per hundredweight) and 24.50% of producer butterfat (\$1.5715 per pound). Class III use, mostly milk used to produce cheese, accounted for 21.86% of all producer skim milk (\$10.62 per hundredweight) and 23.02% of producer butterfat (\$1.5645 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.66% of all producer skim milk (\$9.66 per hundredweight) and 22.05% of producer butterfat (\$1.5645 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>March 2012</u></b>		
Whole Milk	123,167,199	29.97%
Fat Free Milk	48,362,574	11.77%
Lowfat Milk (incl. 1%)	41,381,359	10.07%
Reduced Fat Milk (incl. 2%)	145,597,193	35.43%
Cultured Fluid Milk (incl. Buttermilk)	8,043,622	1.96%
Flavored Drinks and Milk	44,398,489	10.80%
<b>Total Disposition in Marketing Area</b>	410,950,436	100.0%
Total Disposition by Pool Plants	334,386,043	81.37%
Total Disposition by Nonpool Plants	76,564,393	18.63%
<b>Total Disposition in Marketing Area</b>	410,950,436	100.0%

Receipts of producer milk during April totaled 644.2 million pounds. There were 23 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2012. Class I route disposition in the area was 411.0 million pounds in March 2012.

## Dairy Products 2011 Summary (April 2012)

(continued from Page 1)

**American type cheese** production was 4.27 billion pounds, 0.5 percent below 2010 and accounted for 40.3 percent of total cheese in 2011. Wisconsin was the leading State in American type cheese production with 18.6 percent of the production.

**Butter** production in the United States during 2011 totaled 1.81 billion pounds, 15.7 percent above 2010. California accounted for 34.4 percent of the production.

**Dry milk powders** (2011 United States production, comparisons with 2010)

Nonfat dry milk, human - 1.51 billion pounds, down 3.1 percent.

Skim milk powders - 446 million pounds, up 75.7 percent.

**Whey products** (2011 United States production, comparisons with 2010)

Dry whey, total - 1.01 billion pounds, down slightly.

Lactose, human and animal - 1.00 billion pounds, up 10.1 percent.

Whey protein concentrate, total - 431 million pounds, up 0.7 percent.

**Frozen products** (2011 United States production, comparisons with 2010)

Ice cream, Regular (total) - 900 million gallons, down 3.1 percent.

Ice cream, Lowfat (total) - 440 million gallons, up 5.8 percent.

Sherbet (total) - 45.0 million gallons, down 8.7 percent.

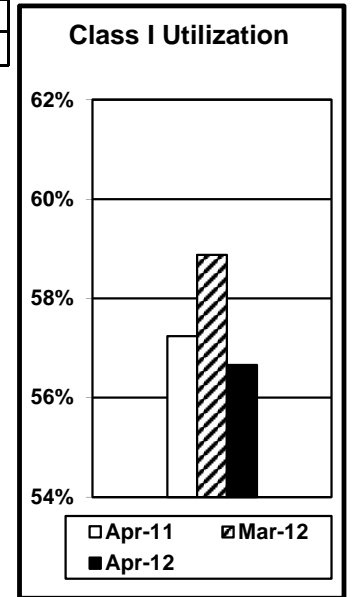
Frozen Yogurt (total) - 60.7 million gallons, up 21.2 percent.

**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 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$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.	%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,600**	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods May through July 2012

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 2012	06/11/12	06/12/12	06/13/12	05/25/12	05/29/12	06/13/12	06/14/12
JUN 2012	07/11/12	07/12/12	07/13/12	06/25/12	06/26/12	07/13/12	07/16/12
JUL 2012	08/11/12	08/13/12	08/14/12	07/25/12	07/26/12	08/14/12	08/15/12

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$16.42 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.24 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 – 506 May 10, 2012

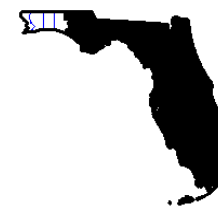
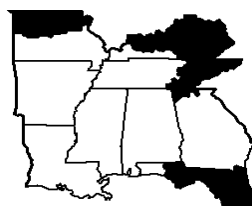
Milk production for 2013 is forecast to increase slightly. High feed prices and weakening milk prices during 2012 are expected to pressure producer returns, leading to declines in 2013 cow numbers. However, improvements in returns during 2013 will moderate the rate of decline. Milk per cow is expected to continue to grow, supporting increased milk production. Commercial exports are forecast to increase as the global economy improves and milk production increases. Imports will be slightly lower as domestic supplies increase. With improving demand and only modest increases in production, cheese, butter, and nonfat dry milk (NDM) prices are forecast higher. Whey prices will average near 2012 levels. Both Class III and Class IV prices are forecast higher, and the all milk price is forecast at \$17.25 to \$18.25 per cwt for 2013.

Forecast milk production in 2012 is raised from last month, primarily reflecting a slower decline in cow numbers and slightly faster growth in milk per cow. Cheese, butter, and NDM prices are reduced from last month on weaker-than-expected demand but whey demand has been stronger than expected and the price forecast has been raised. Class price forecasts are reduced. The milk price is forecast to average \$16.90 to \$17.40 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



**MILK MARKET ADMINISTRATOR**  
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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Acting Market Administrator

www.fmmatlanta.com

June 2012

Volume 13—No. 6

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

## Appointment of Acting Southeast and Florida Market Administrator

*From Dana H. Coale, Deputy Administrator, Dairy Programs, AMS, USDA:*

Effective June 1, 2012, Sue Mosley, Market Administrator for the Southeast and Florida Federal milk marketing orders retired. Sue served the dairy industry as a public servant for over 42 years with the last 18 years as Market Administrator. Sue began her career as an accountant in the Atlanta, Georgia, Market Administrator office on August 3, 1970. On March 14, 1991, Sue was promoted to Assistant Market Administrator and she became the first female appointed as Market Administrator on January 4, 1994, succeeding Paul W. Halnon.

Sue has served USDA superbly over the past 42 years and will be deeply missed by all. She willingly shared her knowledge with all and led the Southeast administrations through numerous order amendments including the historic consolidation of several smaller orders into the current orders. In 1997, Sue was recognized by USDA with the Secretary's Honor Award for her "personal and professional excellence in carrying out the objectives of the Federal Milk Order Program." Sue plans on spending her new found time enjoying family especially her grandchildren and improving her golf game. Dairy Programs wishes Sue much enjoyment and happiness in the years to come.

Over the course of the next few months, I want to continue a review of office efficiencies and operations that began under Sue's leadership. Consequently, until I appoint a permanent Market Administrator to oversee the operations of the Southeast and Florida orders, I am appointing Erik Rasmussen, Northeast Market Administrator, to serve as the Acting Southeast and Florida Market Administrators. (continued on Page 4 )

## Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.07 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.17 lower than the previous month and is \$3.58 per hundredweight lower compared with May 2011. Class I utilization was 61.25 percent in May, up 4.59 percent compared with the previous month and 1.34 percent higher compared to May of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in April 2012 was 17.19 billion pounds, an increase of 3.2 percent from April 2011 and an increase of 0.4 percent when compared with March 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 903 million pounds, 2.1 percent above April 2011 but 1.5 percent below March 2012 on a daily average basis. Butter production was 170 million pounds, 7.2 percent above April 2011 but 0.1 percent below March 2012 on a daily average basis.

Nonfat dry milk powder production was 192.0 million pounds in April 2012, 31.1 percent above April 2011 and 5.4 percent above March 2012 on a daily average basis. Dry whey production was 86.0 million pounds in April, 6.6 percent lower than April of last year and 0.7 percent higher than March 2012 on a daily average basis. Whey protein concentrates production was 37.1 million pounds in April, 6.9 percent above April of last year and 1.5 percent lower than last month on a daily average basis.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.38 in May 2012, 0.04 lower than the revised milk-feed price ratio observed for April 2012.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.20%	7,432,229	\$1.5633	\$ 11,618,803.62
Class I Differential at Location				245,660.95
Class II Butterfat	27.82%	6,046,460	\$1.4532	8,786,715.69
Class III Butterfat	20.36%	4,424,548	\$1.4462	6,398,781.32
Class IV Butterfat	17.62%	3,828,475	\$1.4462	5,536,740.56
<b>Total Butterfat</b>	<b>100.00%</b>	<b>21,731,712</b>		<b>\$ 32,586,702.14</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4995**

### 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	62.26%	361,408,124	\$10.76 /cwt.	\$ 38,887,514.16
Class I Butterfat	34.20%	7,432,229	\$1.5633 /lb.	11,618,803.62
Class I Differential at Location		368,840,353		12,216,648.36
<b>Total Class I Milk</b>	<b>61.25%</b>	<b>368,840,353</b>		<b>\$ 62,722,966.14</b>
Class II Skim Milk	9.25%	53,672,294	\$10.47 /cwt.	\$ 5,619,489.17
Class II Butterfat	27.82%	6,046,460	\$1.4532 /lb.	8,786,715.69
<b>Total Class II Milk</b>	<b>9.92%</b>	<b>59,718,754</b>		<b>\$ 14,406,204.86</b>
Class III Skim Milk	18.69%	108,499,273	\$10.54 /cwt.	\$ 11,435,823.36
Class III Butterfat	20.36%	4,424,548	\$1.4462 /lb.	6,398,781.32
<b>Total Class III Milk</b>	<b>18.75%</b>	<b>112,923,821</b>		<b>\$ 17,834,604.68</b>
Class IV Skim Milk	9.80%	56,880,195	\$8.80 /cwt.	\$ 5,005,457.16
Class IV Butterfat	17.62%	3,828,475	\$1.4462 /lb.	5,536,740.56
<b>Total Class IV Milk</b>	<b>10.08%</b>	<b>60,708,670</b>		<b>\$ 10,542,197.72</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>602,191,598</b>		<b>\$ 105,505,973.40</b>

### Adjustments

Overage and Other Source	\$5,518.62
Inventory Adjustments	\$69,786.85
Producer butterfat at uniform butterfat price	(\$32,586,702.14)
Location Adjustments to Producers	\$4,177,004.78
1/2 Unobligated Balance in P.S.F.	\$249,847.28

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.33795	\$77,421,428.79
	<b>\$ 0.04795</b>	\$278,309.91

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

**\$13.29**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.07\***

\* 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 2012	JUN 2012	APR 2012	MAY 2012	MAY 2012
Appalachian (Charlotte)	\$ 19.25	\$ 18.64	\$ 18.10	\$ 17.69	63.08%
Arizona (Phoenix)	\$ 18.20	\$ 17.59	\$ 16.02	\$ 15.27	26.42%
Central (Kansas City)	\$ 17.85	\$ 17.24	\$ 16.03	\$ 15.51	28.02%
Florida (Tampa)	\$ 21.25	\$ 20.64	\$ 20.31	\$ 19.98	81.76%
Midwest (Cleveland)	\$ 17.85	\$ 17.24	\$ 16.23	\$ 15.74	32.10%
Northeast (Boston)	\$ 19.10	\$ 18.49	\$ 17.20	\$ 16.79	38.50%
Pacific Northwest (Seattle)	\$ 17.75	\$ 17.14	\$ 15.87	\$ 15.31	25.35%
<b>Southeast (Atlanta)</b>	<b>\$ 19.65</b>	<b>\$ 19.04</b>	<b>\$ 18.24</b>	<b>\$ 18.07</b>	<b>61.25%</b>
Southwest (Dallas)	\$ 18.85	\$ 18.24	\$ 16.90	\$ 16.50	32.29%
Upper Midwest (Chicago)	\$ 17.65	\$ 17.04	\$ 15.92	\$ 15.45	10.50%



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

<b>Receipts:</b>	<b>May 2012</b>	<b>May 2011</b>
<b>Producer Milk</b>		
Class I	368,840,353	372,256,866
Class II	59,718,754	48,570,460
Class III	112,923,821	168,163,661
Class IV	60,708,670	32,327,163
Total Producer Milk	<u>602,191,598</u>	<u>621,318,150</u>
Average Butterfat Test	3.61%	3.66%
Percent of Producer Milk in Class I	61.25%	59.91%
Daily Average Receipts	19,425,535	20,042,521
<b>Other Source Milk</b>		
Class I	5,328,183	5,491,775
Class II	5,075,218	10,760,838
Class III	9,060,380	6,895,501
Class IV	12,593,603	11,387,416
Total Other Source Milk	<u>32,057,384</u>	<u>34,535,530</u>
<b>Overage</b>		
Class I	0	0
Class II	11,083	0
Class III	763	292,482
Class IV	133	0
Total Overage	<u>11,979</u>	<u>292,482</u>
<b>Opening Inventory</b>		
Class I	24,495,493	28,972,731
Class II	1,982,201	3,560,398
Class III	2,728,656	3,717,533
Class IV	18,455,071	11,368,056
Total Opening Inventory	<u>47,661,421</u>	<u>47,618,718</u>
<b>Total Receipts</b>	<b>681,922,382</b>	<b>703,764,880</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,337,430	24,818,572
Route Disposition Class I	364,717,392	371,218,864
Shrinkage	3,310,514	2,896,038
Transfers & Diversions to Nonpool	7,298,693	7,787,898
Total Class I Utilization	<u>398,664,029</u>	<u>406,721,372</u>
Average Butterfat Test	1.99%	1.99%
Daily Average Utilization	12,860,130	13,120,044
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,388,760	1,831,261
Shrinkage	20,140	18,935
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,361,778	37,123,266
Total Class II Utilization	<u>27,016,578</u>	<u>23,918,234</u>
Average Butterfat Test	11.34%	11.07%
<b>Class III Utilization</b>		
Shrinkage	0	6,541,757
Transfers & Diversions to Nonpool Used To Produce/Other Uses	124,713,620	1,683,600
Total Class III Utilization	<u>0</u>	<u>3,943,820</u>
Average Butterfat Test	124,713,620	179,069,177
Average Butterfat Test	3.64%	4.03%
<b>Class IV Utilization</b>		
Inventory	17,603,488	19,080,289
Nonfluid Used To Fortify	1,252,874	1,109,677
Shrinkage	7,075,579	79,128
Transfers & Diversions to Nonpool Used To Produce/Other Uses	61,337,576	34,813,541
Total Class IV Utilization	<u>4,487,960</u>	<u>0</u>
Average Butterfat Test	91,757,477	55,082,635
Average Butterfat Test	7.15%	8.23%
<b>Total Utilization</b>	<b>681,922,382</b>	<b>703,764,880</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2012 is \$18.07 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.29 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4995 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 62.26% of all producer skim milk (priced to handlers at \$10.76 per hundredweight, plus the Class I differential, see page 2) and 34.20% of producer butterfat (priced to handlers at \$1.5633 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.25% of all producer skim milk (\$10.47 per hundredweight) and 27.82% of producer butterfat (\$1.4532 per pound). Class III use, mostly milk used to produce cheese, accounted for 18.69% of all producer skim milk (\$10.54 per hundredweight) and 20.36% of producer butterfat (\$1.4462 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.80% of all producer skim milk (\$8.80 per hundredweight) and 17.62% of producer butterfat (\$1.4462 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>April 2012</u></b>		
Whole Milk	114,576,825	29.68%
Fat Free Milk	45,455,539	11.77%
Lowfat Milk (incl. 1%)	39,603,001	10.26%
Reduced Fat Milk (incl. 2%)	135,394,999	35.07%
Cultured Fluid Milk (incl. Buttermilk)	7,801,059	2.02%
Flavored Drinks and Milk	43,257,117	11.20%
<b>Total Disposition in Marketing Area</b>	<b>386,088,540</b>	<b>100.0%</b>
Total Disposition by Pool Plants	315,001,819	81.59%
Total Disposition by Nonpool Plants	71,086,721	18.41%
<b>Total Disposition in Marketing Area</b>	<b>386,088,540</b>	<b>100.0%</b>

Receipts of producer milk during May totaled 602.2 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2012. Class I route disposition in the area was 386.1 million pounds in April 2012.

### Appointment of Acting Southeast and Florida Market Administrator

(Continued from page 1) Shawn Boockoff, Assistant Northeast Market Administrator, and David Jamison, Associate Deputy Administrator, Dairy Programs, will continue to serve as Acting Assistant Market Administrators.

Dairy Programs looks forward to continuing to serve the Southeast and Florida dairy industries with quality service during this transitional period.

### Secretary Vilsack Announces National Dairy Board Appointments

Agriculture Secretary Tom Vilsack has announced the appointment of 12 dairy members to the National Dairy Promotion and Research Board. All appointees' terms will begin immediately with terms ending October 31, 2014.

"These appointees represent a cross section of the dairy industry and I am confident that the industry will be well served by them," said Vilsack.

Newly appointed members are: Kima L. Simonson, Washington (Region 1); Lynda S. Foster, Kansas (Region 4); John R. Howerton, Arkansas (Region 4); Amber L. Horn-Leiterman, Wisconsin (Region 6); Larry R. Shover, Iowa (Region 7); Julie A. Veldhuis Lund, Idaho (Region 8); Urban A. Mescher, Ohio (Region 9); Celeste Y. Deaderick Blackburn, Tennessee (Region 10); and Harold J. Howrigan, Jr., Vermont (Region 12).

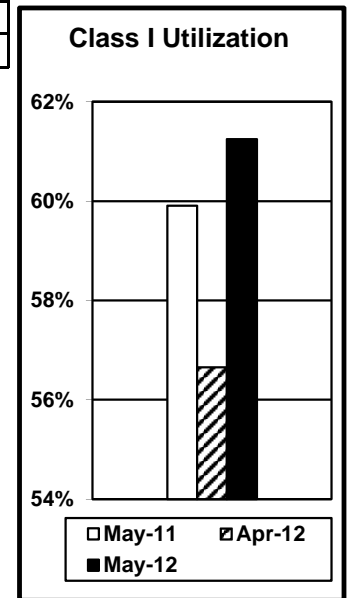
Reappointed to serve second terms were: Ronald E. Shelton, Colorado (Region 3); Kenton W. Holle, North Dakota (Region 5); and Sharon K. Laubscher, Wisconsin (Region 6).

**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 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42											

**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 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,600**	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%



## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods June through August 2012

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
JUN 2012	07/11/12	07/12/12	07/13/12	06/25/12	06/26/12	07/13/12	07/16/12
JUL 2012	08/11/12	08/13/12	08/14/12	07/25/12	07/26/12	08/14/12	08/15/12
Aug 2012	09/11/12	09/12/12	09/13/12	08/27/12	08/27/12	09/13/12	09/14/12

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$16.26 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.07 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 – 507 June 12, 2012

The milk production forecast for 2012 is raised as cow numbers are expected to decline more slowly. The production forecast for 2013 is unchanged. Export forecasts are raised for both 2012 and 2013 on expected strength in cheese and nonfat dry milk (NDM) sales. Imports on a skim-solids basis are reduced slightly on lower expected imports of several dairy products.

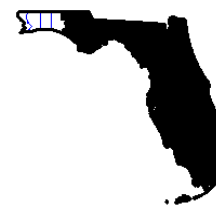
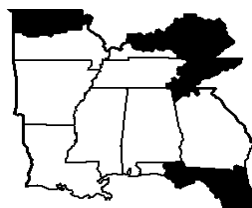
NDM and whey prices for 2012 are forecast lower than last month on higher production and weaker demand. However, the cheese price is raised at the low end of the range on stronger demand and the butter price range is narrowed. The Class III price forecast is lowered from last month as the weaker whey price more than offsets the slightly higher forecast cheese price and the Class IV price is lowered on the weaker NDM price. The all milk price is forecast at \$16.85 to \$17.25 per cwt for 2012, down slightly from last month. The all milk price for 2013 remains unchanged from last month at \$17.25 to \$18.25 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



#### MILK MARKET ADMINISTRATOR

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Acting Market Administrator

www.fmmatlanta.com

July 2012

Volume 13—No. 7

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

## Outlook: Feed Price Increases Will Push Herd

### Liquidation and Output per Cow

*From Livestock, Dairy, & Poultry Outlook, July 17, 2012, Economic Research Service, USDA:*

U.S. corn supplies were forecast sharply lower for 2012/13 as yields were lowered 20 bushels per acre. Soybean production was also reduced in the July WASDE report. Projected corn prices were raised from the June report to \$5.40 to \$6.40 per bushel, and soybean meal prices were boosted to \$365 to \$395 per ton since supplies are expected to be tighter for the balance of 2012/13. Preliminary June alfalfa hay prices were posted at \$201 per ton according to the June Agricultural Prices report. This price is below May's reported price but still well above the June 2011 reported price. Consequently, the field crop outlook is expected to lead to higher feed prices for the balance of 2012 and into 2013.

Cow numbers began to show a decline with the May Milk Production report. The prospect of rising feed prices will likely accelerate this trend for the balance of 2012 and into 2013. Cow numbers were lowered to 9,230 thousand head in 2012 and to 9,145 thousand head for 2013 in July's forecast. Recent high temperatures will likely restrain milk production over the course of the summer and, coupled with higher feed costs, milk output per cow is lowered to 21,830 pounds from June projections. Milk per cow is forecast at 22,060 in 2013, a decline from June as higher feed prices take a toll. The result is a projected 201.6 billion pounds of milk production in 2012, a decline from last month's projection, and to 201.7 billion pounds of milk forecast in 2013, also a drop from June.

Fat-basis milk equivalent imports were raised this month to 3.5 billion pounds for 2012 and to 3.4 billion pounds in 2013, mostly on the basis of stronger cheese imports, which will likely continue into 2013. On a skim-solids basis, milk (continued on Page 4 )

## Uniform Price Falls

The uniform price in Fulton County, GA, was \$17.86 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.21 lower than the previous month and is \$5.07 per hundredweight lower compared with June 2011. Class I utilization was 62.83 percent in June, up 1.58 percent compared with the previous month and 1.12 percent higher compared to June of last year.

### National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2012 was 17.63 billion pounds, an increase of 2.0 percent from May 2011 and a decrease of 1.0 percent when compared with April 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 916 million pounds, 0.4 percent above May 2011 and 1.8 percent less than April 2012 on a daily average basis. Butter production was 163 million pounds, 4.8 percent above May 2011 but 6.9 percent below April 2012 on a daily average basis.

Nonfat dry milk powder production was 195.0 million pounds in May 2012, 31.4 percent above May 2011 and 1.5 percent below April 2012 on a daily average basis. Dry whey production was 86.3 million pounds in May, 5.5 percent lower than May of last year and 2.9 percent lower than April 2012 on a daily average basis. Whey protein concentrates production was 36.7 million pounds in May 2012, 0.2 percent above May of last year but 4.2 percent lower than last month on a daily average basis.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.38 in June 2012, 0.03 lower than the revised milk-feed price ratio reported for May 2012.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.90%	7,291,092	\$1.4279	\$ 10,410,950.24
Class I Differential at Location				240,459.08
Class II Butterfat	28.42%	5,617,007	\$1.4936	8,389,561.65
Class III Butterfat	17.32%	3,422,230	\$1.4866	5,087,487.14
Class IV Butterfat	17.36%	3,430,867	\$1.4866	5,100,326.89
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,761,196</b>		<b>\$ 29,228,785.00</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4791**

### 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	63.80%	338,374,372	\$10.61 /cwt.	\$ 35,901,520.86
Class I Butterfat	36.90%	7,291,092	\$1.4279 /lb.	10,410,950.24
Class I Differential at Location		345,665,464		11,417,484.38
<b>Total Class I Milk</b>	<b>62.83%</b>	<b>345,665,464</b>		<b>\$ 57,729,955.48</b>
Class II Skim Milk	9.69%	51,384,882	\$9.42 /cwt.	\$ 4,840,455.92
Class II Butterfat	28.42%	5,617,007	\$1.4936 /lb.	8,389,561.65
<b>Total Class II Milk</b>	<b>10.36%</b>	<b>57,001,889</b>		<b>\$ 13,230,017.57</b>
Class III Skim Milk	14.92%	79,137,603	\$10.81 /cwt.	\$ 8,554,774.86
Class III Butterfat	17.32%	3,422,230	\$1.4866 /lb.	5,087,487.14
<b>Total Class III Milk</b>	<b>15.01%</b>	<b>82,559,833</b>		<b>\$ 13,642,262.00</b>
Class IV Skim Milk	11.59%	61,487,032	\$8.33 /cwt.	\$ 5,121,869.74
Class IV Butterfat	17.36%	3,430,867	\$1.4866 /lb.	5,100,326.89
<b>Total Class IV Milk</b>	<b>11.80%</b>	<b>64,917,899</b>		<b>\$ 10,222,196.63</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>550,145,085</b>		<b>\$ 94,824,431.68</b>

### Adjustments

Overage and Other Source	\$4,843.39
Inventory Adjustments	\$87,490.84
Producer butterfat at uniform butterfat price	(\$29,228,785.00)
Location Adjustments to Producers	\$3,975,595.53
1/2 Unobligated Balance in P.S.F.	\$249,636.92

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.18162	\$69,913,213.36
	\$ 0.04162	\$220,770.33

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

**\$13.14**

Uniform Price per cwt. (Fulton County, Georgia)

**\$17.86\***

\* 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 2012	JUL 2012	MAY 2012	JUN 2012	JUN 2012
Appalachian (Charlotte)	\$ 18.64	\$ 18.91	\$ 17.69	\$ 17.45	64.57%
Arizona (Phoenix)	\$ 17.59	\$ 17.86	\$ 15.27	\$ 15.18	26.92%
Central (Kansas City)	\$ 17.24	\$ 17.51	\$ 15.51	\$ 15.38	36.16%
Florida (Tampa)	\$ 20.64	\$ 20.91	\$ 19.98	\$ 19.73	81.67%
Midwest (Cleveland)	\$ 17.24	\$ 17.51	\$ 15.74	\$ 15.53	32.80%
Northeast (Boston)	\$ 18.49	\$ 18.76	\$ 16.79	\$ 16.58	38.10%
Pacific Northwest (Seattle)	\$ 17.14	\$ 17.41	\$ 15.31	\$ 15.06	39.23%
<b>Southeast (Atlanta)</b>	<b>\$ 19.04</b>	<b>\$ 19.31</b>	<b>\$ 18.07</b>	<b>\$ 17.86</b>	<b>62.83%</b>
Southwest (Dallas)	\$ 18.24	\$ 18.51	\$ 16.50	\$ 16.67	59.02%
Upper Midwest (Chicago)	\$ 17.04	\$ 17.31	\$ 15.45	\$ 15.70	11.40%

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

<b>Receipts:</b>	<b>June 2012</b>	<b>June 2011</b>
<b>Producer Milk</b>		
Class I	345,665,464	350,310,114
Class II	57,001,889	55,310,100
Class III	82,559,833	144,672,339
Class IV	64,917,899	17,365,892
	<hr/>	<hr/>
Total Producer Milk	<b>550,145,085</b>	<b>567,658,445</b>
Average Butterfat Test	3.59%	3.58%
Percent of Producer Milk in Class I	62.83%	61.71%
Daily Average Receipts	18,338,170	18,921,948
<b>Other Source Milk</b>		
Class I	4,749,523	5,493,100
Class II	6,906,714	5,253,925
Class III	12,607,645	4,317,100
Class IV	8,018,578	7,118,277
	<hr/>	<hr/>
Total Other Source Milk	<b>32,282,460</b>	<b>22,182,402</b>
<b>Overage</b>		
Class I	0	0
Class II	8,191	79,888
Class III	0	0
Class IV	2,739	796
	<hr/>	<hr/>
Total Overage	<b>10,930</b>	<b>80,684</b>
<b>Opening Inventory</b>		
Class I	23,723,420	25,420,489
Class II	1,560,963	1,563,980
Class III	2,394,138	5,154,006
Class IV	13,344,673	11,896,144
	<hr/>	<hr/>
Total Opening Inventory	<b>41,023,194</b>	<b>44,034,619</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>623,461,669</b>	<b>633,956,150</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	22,185,430	27,621,097
Route Disposition Class I	342,971,255	343,371,878
Shrinkage	2,066,602	1,900,311
Transfers & Diversions to Nonpool	6,915,120	8,330,417
	<hr/>	<hr/>
Total Class I Utilization	<b>374,138,407</b>	<b>381,223,703</b>
Average Butterfat Test	2.10%	2.12%
Daily Average Utilization	12,471,280	12,707,457
<b>Class II Utilization</b>		
Nonfluid Used To Produce	3,846,368	2,287,401
Shrinkage	31,686	4,211
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,156,774	32,473,424
	<hr/>	<hr/>
Total Class II Utilization	<b>65,477,757</b>	<b>62,207,893</b>
Average Butterfat Test	11.41%	11.46%
<b>Class III Utilization</b>		
Shrinkage	0	6,432,588
Transfers & Diversions to Nonpool	97,561,616	144,012,019
Used To Produce/Other Uses	0	3,698,838
	<hr/>	<hr/>
Total Class III Utilization	<b>97,561,616</b>	<b>154,143,445</b>
Average Butterfat Test	3.59%	3.61%
<b>Class IV Utilization</b>		
Inventory	17,834,053	19,341,996
Nonfluid Used To Fortify	1,185,265	963,112
Shrinkage	6,426,772	0
Transfers & Diversions to Nonpool	57,180,615	16,076,001
Used To Produce/Other Uses	3,657,184	0
	<hr/>	<hr/>
Total Class IV Utilization	<b>86,283,889</b>	<b>36,381,109</b>
Average Butterfat Test	5.33%	7.63%
<b>Total Utilization</b>	<b>623,461,669</b>	<b>633,956,150</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2012 is \$17.86 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.14 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4791 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 63.80% of all producer skim milk (priced to handlers at \$10.61 per hundredweight, plus the Class I differential, see page 2) and 36.90% of producer butterfat (priced to handlers at \$1.4279 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.69% of all producer skim milk (\$9.42 per hundredweight) and 28.42% of producer butterfat (\$1.4936 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.92% of all producer skim milk (\$10.81 per hundredweight) and 17.32% of producer butterfat (\$1.4866 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.59% of all producer skim milk (\$8.33 per hundredweight) and 17.36% of producer butterfat (\$1.4866 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>May 2012</u></b>		
Whole Milk	121,367,173	31.08%
Fat Free Milk	46,192,504	11.83%
Lowfat Milk (incl. 1%)	37,881,176	9.70%
Reduced Fat Milk (incl. 2%)	141,815,188	36.32%
Cultured Fluid Milk (incl. Buttermilk)	7,935,068	2.03%
Flavored Drinks and Milk	35,286,116	9.04%
<b>Total Disposition in Marketing Area</b>	<b>390,477,225</b>	<b>100.0%</b>
Total Disposition by Pool Plants	318,695,177	81.62%
Total Disposition by Nonpool Plants	71,782,048	18.38%
<b>Total Disposition in Marketing Area</b>	<b>390,477,225</b>	<b>100.0%</b>

Receipts of producer milk during June totaled 550.1 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2012. Class I route disposition in the area was 390.5 million pounds in May 2012.

### **Outlook: Feed Price Increases Will Push Herd Liquidation and Output per Cow**

(Continued from page 1) equivalent imports were lowered this month to 4.9 billion pounds for this year and to 4.7 billion pounds in 2013. Imports of casein and milk protein concentrates (MPC) are lowered for the year and into 2013 and will partially counter the higher expected cheese imports.

Exports on both a fat- and skim-solids basis were increased for both 2012 and 2013. Fat-basis exports were raised to 9.3 billion pounds for this year and to 9.2 billion pounds for 2013. Both cheese and nonfat dry milk (NDM) exports were strong in April and are expected to remain resilient for the remainder of 2012. A continued optimistic outlook for cheese exports is the basis for increasing 2013 fat-basis exports. The fundamentals for skim-solids exports are similar. First-quarter skim solids exports exceeded expectations, largely as a result of strong nonfat dry milk (NDM) exports. The higher export pace is expected to continue for the balance of 2012 and into 2013. Skim-solids exports were raised in July to 32.4 billion pounds for this year and to 32.9 billion pounds in 2013.

Current-year price forecasts for cheese and butter were raised this month. The prospect of lowered production and continued strong exports are expected to support the higher prices. Current-year cheese prices were forecast higher at \$1.590 to \$1.620 per pound and butter prices were raised slightly to \$1.470 to \$1.530 per pound. For 2013, cheese prices were raised slightly to \$1.605 to \$1.705 per pound and butter prices were unchanged from June's forecast at \$1.465 to \$1.595 per pound. Prices for NDM were lowered slightly for this year to \$1.210 to \$1.240 per pound by lowering the upper end of the price range. Relatively weak forecast income growth is expected to soften demand, tempering the price effect of reduced milk production. Next year's NDM prices were unchanged from June at \$1.320 to \$1.390. Whey prices were unchanged at 54.0 to 56.0 cents per pound for 2012 and 55.5 to 58.5 cents per pound next year.

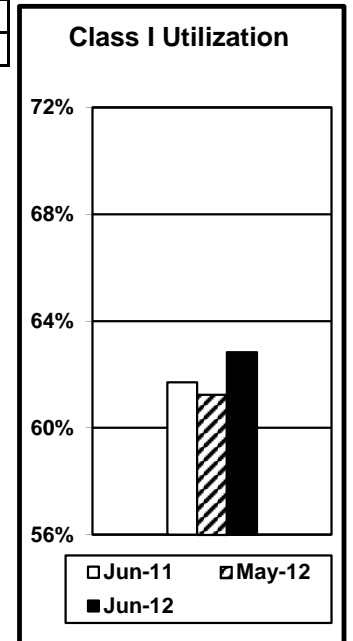


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$ 11.16	\$1.7443	\$16.87	\$ 14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$ 10.93	\$1.7178	\$16.56	\$ 15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$ 10.79	\$1.5739	\$15.92	\$ 14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$ 10.36	\$1.5297	\$15.35	\$ 13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$ 9.66	\$1.5645	\$14.80	\$ 13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$ 8.80	\$1.4462	\$13.55	\$ 13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$ 8.33	\$1.4866	\$13.24	\$ 13.14	\$1.4791	\$17.86
Jul	\$14.58	\$1.4974	\$19.31	\$9.01											

**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 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,592	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%
June	550,145	2,600**	345,665	62.83%	57,002	10.36%	82,560	15.01%	64,918	11.80%



\* 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 2012

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
JUL 2012	08/11/12	08/13/12	08/14/12	07/25/12	07/26/12	08/14/12	08/15/12
AUG 2012	09/11/12	09/12/12	09/13/12	08/27/12	08/27/12	09/13/12	09/14/12
SEP 2012	10/11/12	10/12/12	10/15/12	09/25/12	09/26/12	10/15/12	10/16/12

\*\* The base rate for making partial payments in Fulton County, GA for July will be \$16.07 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.86 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 – 508 July 11, 2012

The milk production forecasts for 2012 and 2013 are reduced from last month as higher forecast feed prices are expected to pressure producer returns and encourage a more rapid decline in the cow herd. Milk per cow is also reduced due to higher forecast feed prices this year and next. In addition, milk yields in the short term may be affected by recent high temperatures. Imports are raised on a fat basis, reflecting stronger imports of cheese. Exports are raised on stronger sales of cheese, whey, and nonfat dry milk (NDM).

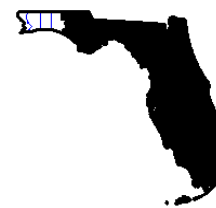
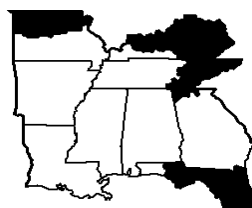
Cheese prices are forecast higher for 2012 and into early 2013 as stronger exports support prices. Butter prices are forecast higher in 2012 but weaker domestic demand is expected to offset lower production in 2013 and the price forecast is unchanged. Weaker expected domestic demand will also limit price movements for NDM and whey. The NDM price is reduced slightly from last month, but the forecast for 2013 is unchanged. The whey price forecasts for both 2012 and 2013 are unchanged from last month. The Class III price forecasts for 2012 and 2013 are raised from last month due to the higher forecast cheese price and the Class IV price for 2012 is raised on the higher butter price. The 2012 all milk price is forecast at \$17.05 to \$17.35 per cwt and the all milk price for 2013 is raised to \$17.35 to \$18.35 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



### MILK MARKET ADMINISTRATOR

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# Market Information BULLETIN



Erik F. Rasmussen, Acting Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Drought Affected Feed Prices Will Lower Herd Size and Milk Production in 2013 Over 2012

*From Livestock, Dairy, & Poultry Outlook, August 16, 2012, Economic Research Service, USDA:*

Exceptionally hot and dry weather throughout most of the United States, but especially for the Midwest, has reduced expected U.S. corn yields to an average 123.4 bushels per acre for 2012/13. By contrast, U.S. corn yield in 2010/11 was 152.8 bushels per acre. Corn production for the upcoming 2012/13 season is now forecast at 10,780 million bushels compared with the 12,358 million bushels from 2011/12. Corn prices on the cash market have soared and the season average price for 2012/13 is now projected at \$7.50 - \$8.90 per bushel, a substantial increase from July's forecast \$5.40 - \$6.40 per bushel. Recent rains could rescue the soybean crop; but, soybean production is forecast to be 2,692 million bushels for 2012/13. Lower yields and lower-than-expected harvested acreage account for the decline. Soybean meal production for 2012/13 is forecast at 36.0 million tons, a decline from July's forecast and a year-over-year decline as well. Soybean meal prices for the upcoming season are projected at \$460 - \$490 a ton. According to the July Agricultural Prices report, alfalfa hay prices have been steady at about \$200 per ton for the last 2 months and up 5 percent from July 2011. The forecast production shortfall in feedstuffs is expected to raise feed prices for dairy producers in both 2012 and into 2013.

According to USDA/AMS, weekly estimated dairy cow slaughter turned substantially upward in July. Higher apparent culling, combined with higher feed prices, leads to a reduced 2012 herd size estimate of 9,215 thousand head in August. While herd size is expected to be slightly higher on a year-over-year basis compared to 2011, the U.S. dairy herd is forecast to contract to 9,110 thousand head in 2013. The severe drought will impact milk production per cow both this year and next. (continued on Page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$18.64 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.78 higher than the previous month and is \$5.05 per hundredweight lower compared with July 2011. Class I utilization was 69.80 percent in July, up 6.97 percent compared with the previous month and 5.74 percent higher compared to July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2012 was 16.67 billion pounds, an increase of 0.9 percent from June 2011 and a decrease of 2.1 percent when compared with May 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 897 million pounds, 0.9 percent above June 2011 and 1.1 percent above May 2012 on a daily average basis. Butter production was 137 million pounds, 3.2 percent below June 2011 and 13.4 percent below May 2012 on a daily average basis.

Nonfat dry milk powder production was 169.1 million pounds in June 2012, 15.1 percent above June 2011 and 10.3 percent below May 2012 on a daily average basis. Dry whey production was 83.2 million pounds in June, 0.7 percent lower than June of last year and 0.2 percent lower than May 2012 on a daily average basis. Whey protein concentrates production was 38.6 million pounds in June 2012, 6.4 percent above June of last year and 7.9 percent higher than last month on a daily average basis.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.29 in July 2012, 0.09 lower than the revised milk-feed price ratio reported for June 2012.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.95%	7,418,012	\$1.4594	\$ 10,825,846.73
Class I Differential at Location				243,677.44
Class II Butterfat	31.41%	5,688,596	\$1.6626	9,457,859.71
Class III Butterfat	13.21%	2,392,998	\$1.6556	3,961,847.48
Class IV Butterfat	14.43%	2,613,475	\$1.6556	4,326,869.20
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,113,081</b>		<b>\$ 28,816,100.56</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5909**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	70.87%	344,395,849	\$10.78 /cwt.	\$ 37,125,872.56
Class I Butterfat	40.95%	7,418,012	\$1.4594 /lb.	10,825,846.73
Class I Differential at Location		351,813,861		11,599,043.58
<b>Total Class I Milk</b>	<b>69.80%</b>	<b>351,813,861</b>		<b>\$ 59,550,762.87</b>
Class II Skim Milk	11.01%	53,498,292	\$9.01 /cwt.	\$ 4,820,196.14
Class II Butterfat	31.41%	5,688,596	\$1.6626 /lb.	9,457,859.71
<b>Total Class II Milk</b>	<b>11.74%</b>	<b>59,186,888</b>		<b>\$ 14,278,055.85</b>
Class III Skim Milk	10.43%	50,708,624	\$11.28 /cwt.	\$ 5,719,932.77
Class III Butterfat	13.21%	2,392,998	\$1.6556 /lb.	3,961,847.48
<b>Total Class III Milk</b>	<b>10.53%</b>	<b>53,101,622</b>		<b>\$ 9,681,780.25</b>
Class IV Skim Milk	7.69%	37,366,906	\$8.97 /cwt.	\$ 3,351,811.47
Class IV Butterfat	14.43%	2,613,475	\$1.6556 /lb.	4,326,869.20
<b>Total Class IV Milk</b>	<b>7.93%</b>	<b>39,980,381</b>		<b>\$ 7,678,680.67</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>504,082,752</b>		<b>\$ 91,189,279.64</b>

### Adjustments

Overage and Other Source	\$16,845.73
Inventory Adjustments	\$114,938.37
Producer butterfat at uniform butterfat price	(\$28,816,100.56)
Location Adjustments to Producers	\$3,355,835.30
1/2 Unobligated Balance in P.S.F.	\$229,633.18

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.59970	\$66,090,431.66
	\$ 0.04970	\$241,541.21

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

**\$13.55**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.64\***

\* 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 2012	AUG 2012	JUN 2012	JUL 2012	JUL 2012
Appalachian (Charlotte)	\$ 18.91	\$ 19.95	\$ 17.45	\$ 18.04	68.54%
Arizona (Phoenix)	\$ 17.86	\$ 18.90	\$ 15.18	\$ 15.18	26.92%
Central (Kansas City)	\$ 17.51	\$ 18.55	\$ 15.38	\$ 16.29	41.65%
Florida (Tampa)	\$ 20.91	\$ 21.95	\$ 19.73	\$ 20.20	83.12%
Mideast (Cleveland)	\$ 17.51	\$ 18.55	\$ 15.53	\$ 16.39	37.50%
Northeast (Boston)	\$ 18.76	\$ 19.80	\$ 16.58	\$ 17.26	37.30%
Pacific Northwest (Seattle)	\$ 17.41	\$ 18.45	\$ 15.06	\$ 15.06	39.23%
<b>Southeast (Atlanta)</b>	<b>\$ 19.31</b>	<b>\$ 20.35</b>	<b>\$ 17.86</b>	<b>\$ 18.64</b>	<b>69.80%</b>
Southwest (Dallas)	\$ 18.51	\$ 19.55	\$ 16.67	\$ 17.19	57.32%
Upper Midwest (Chicago)	\$ 17.31	\$ 18.35	\$ 15.70	\$ 16.66	13.20%

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

<b>Receipts:</b>	<b>July 2012</b>	<b>July 2011</b>
<b>Producer Milk</b>		
Class I	351,813,861	347,880,610
Class II	59,186,888	49,357,206
Class III	53,101,622	61,149,640
Class IV	39,980,381	84,686,733
Total Producer Milk	<u>504,082,752</u>	<u>543,074,189</u>
Average Butterfat Test	3.59%	3.56%
Percent of Producer Milk in Class I	69.80%	64.06%
Daily Average Receipts	16,260,734	17,518,522
<b>Other Source Milk</b>		
Class I	6,018,953	5,297,716
Class II	6,050,302	4,415,517
Class III	5,158,286	2,600,956
Class IV	4,668,796	5,815,568
Total Other Source Milk	<u>21,896,337</u>	<u>18,129,757</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	728	0
Class IV	9,447	1,319
Total Overage	<u>10,175</u>	<u>1,319</u>
<b>Opening Inventory</b>		
Class I	22,185,430	26,728,204
Class II	1,390,624	1,463,868
Class III	2,223,172	1,989,777
Class IV	14,220,257	15,557,576
Total Opening Inventory	<u>40,019,483</u>	<u>45,739,425</u>
<b>Total Receipts</b>	<b>566,008,747</b>	<b>606,944,690</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	25,375,199	19,679,469
Route Disposition Class I	345,734,422	350,953,924
Shrinkage	1,586,581	1,571,343
Transfers & Diversions to Nonpool	7,322,042	7,701,794
Total Class I Utilization	<u>380,018,244</u>	<u>379,906,530</u>
Average Butterfat Test	2.10%	2.12%
Daily Average Utilization	12,258,653	12,255,049
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,871,324	2,524,444
Shrinkage	457,414	329,233
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,063,948	27,395,886
Total Class II Utilization	<u>31,235,128</u>	<u>24,987,028</u>
Average Butterfat Test	66,627,814	55,236,591
Average Butterfat Test	10.70%	12.05%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	60,483,808	65,740,373
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	60,483,808	65,740,373
Average Butterfat Test	4.06%	3.83%
<b>Class IV Utilization</b>		
Inventory	16,876,473	25,972,077
Nonfluid Used To Fortify	1,268,124	1,043,326
Shrinkage	5,782,491	6,429,364
Transfers & Diversions to Nonpool Used To Produce/Other Uses	30,904,922	68,494,572
Total Class IV Utilization	<u>4,046,871</u>	<u>4,121,857</u>
Average Butterfat Test	58,878,881	106,061,196
Average Butterfat Test	6.36%	4.79%
<b>Total Utilization</b>	<b>566,008,747</b>	<b>606,944,690</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2012 is \$18.64 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.55 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5909 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 70.87% of all producer skim milk (priced to handlers at \$10.78 per hundredweight, plus the Class I differential, see page 2) and 40.95% of producer butterfat (priced to handlers at \$1.4594 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.01% of all producer skim milk (\$9.01 per hundredweight) and 31.41% of producer butterfat (\$1.6626 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.43% of all producer skim milk (\$11.28 per hundredweight) and 13.21% of producer butterfat (\$1.6556 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.69% of all producer skim milk (\$8.97 per hundredweight) and 14.43% of producer butterfat (\$1.6556 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>June 2012</u></b>		
Whole Milk	122,113,770	33.38%
Fat Free Milk	43,177,874	11.80%
Lowfat Milk (incl. 1%)	31,708,187	8.67%
Reduced Fat Milk (incl. 2%)	142,996,502	39.09%
Cultured Fluid Milk (incl. Buttermilk)	7,573,738	2.07%
Flavored Drinks and Milk	18,227,973	4.98%
<b>Total Disposition in Marketing Area</b>	<b>365,798,044</b>	<b>100.0%</b>
Total Disposition by Pool Plants	299,051,938	81.75%
Total Disposition by Nonpool Plants	66,746,106	18.25%
<b>Total Disposition in Marketing Area</b>	<b>365,798,044</b>	<b>100.0%</b>

Receipts of producer milk during July totaled 504.1 million pounds. There were 25 regulated pool distributing plants, 3 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2012. Class I route disposition in the area was 365.8 million pounds in June 2012.

### **Drought Affected Feed Prices Will Lower Herd Size and Milk Production in 2013 Over 2012**

(Continued from page 1) In light of higher feed prices, USDA has lowered milk yield per cow to 21,705 pounds this year and 21,830 pounds in 2013. Consequently, the milk production forecast for 2012 was lowered from July by 1.6 billion pounds to 200.0 billion pounds this year and to 198.9 billion pounds in 2013, a year-over-year decline in production.

Projected milk equivalent imports for 2012 on a fats basis were raised in August to 3.7 billion pounds and to 5.5 billion pounds on a skim-solids basis. Strong imports of butterfat, milk proteins, and casein during April, May and June supported the higher forecast. For 2013, forecast imports were also raised to 3.6 billion pounds on a fats basis as butterfat imports are expected to remain high. Imports on a skim solids basis were unchanged at 4.7 billion pounds as the pace of skim-solids imports is not expected to carry into 2013.

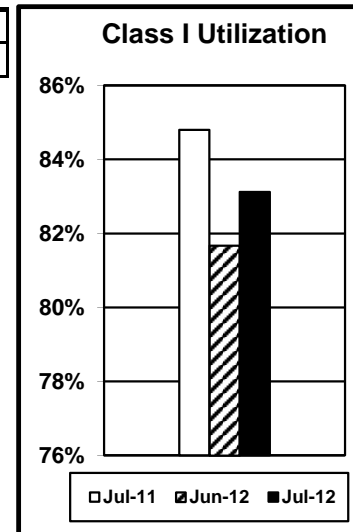
Exports on a fats basis for this year were increased to 9.8 billion pounds on a fats basis and to 33.4 billion pounds on a skim-solids basis based on a strong first half of the year performance. The export pace is likely to slow in the second half of 2012 due to higher prices. Exports in 2013 were lowered from July's projection to 8.9 billion pounds on a fats basis and to 32.5 billion pounds on a skim-solids basis as reduced supplies and higher prices are expected to impact all dairy exports. Milk equivalent stocks on both a fats and skim solids basis were tightened for both 2012 and 2013. Lower expected milk production, especially in 2013, will contribute to the tighter stocks position. Prices across the board are expected to be higher for the rest of 2012 and in 2013 than previously forecast. Product prices will be higher in 2013 than in 2012, but will still be below 2011 prices. The cheese price is forecast at \$1.635 - \$1.655 per pound this year rising to \$1.640 - \$1.740 per pound in 2013. The forecast butter price was also raised from July to \$1.535 - \$1.575 per pound in 2012 and to \$1.515 - \$1.645 per pound in 2013. The nonfat dry milk price forecast was increased in August to \$1.250 - \$1.270 per pound for the current year and to \$1.350 - \$1.420 per pound in 2013.

**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jun 2011	\$18.22	\$2.3240	\$25.72	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$13.22	\$2.3702	\$21.05	\$17.42	\$2.3516	\$25.04
Jul	\$18.57	\$2.4310	\$26.43	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$12.90	\$2.2511	\$20.33	\$17.87	\$2.3420	\$25.44
Aug	\$19.45	\$2.3036	\$26.83	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$12.53	\$2.2985	\$20.14	\$18.77	\$2.3043	\$26.18
Sep	\$19.56	\$2.3715	\$27.18	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$12.26	\$2.2005	\$19.53	\$18.84	\$2.2815	\$26.17
Oct	\$17.68	\$2.2554	\$24.96	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$11.97	\$1.9592	\$18.41	\$17.04	\$2.0945	\$23.77
Nov	\$17.56	\$1.9719	\$23.85	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$11.44	\$1.9508	\$17.87	\$16.87	\$1.9635	\$23.15
Dec	\$17.22	\$2.0731	\$23.87	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$11.16	\$1.7443	\$16.87	\$16.69	\$1.9085	\$22.79
Jan 2012	\$18.57	\$1.7935	\$24.20	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$10.93	\$1.7178	\$16.56	\$17.59	\$1.7535	\$23.11
Feb	\$16.82	\$1.7710	\$22.43	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$10.79	\$1.5739	\$15.92	\$16.08	\$1.6627	\$21.34
Mar	\$16.36	\$1.6895	\$21.70	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$10.36	\$1.5297	\$15.35	\$15.76	\$1.6066	\$20.83
Apr	\$16.10	\$1.5779	\$21.06	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$9.66	\$1.5645	\$14.80	\$15.34	\$1.5735	\$20.31
May	\$16.16	\$1.6173	\$21.25	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$8.80	\$1.4462	\$13.55	\$15.17	\$1.5250	\$19.98
Jun	\$16.01	\$1.4819	\$20.64	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$8.33	\$1.4866	\$13.24	\$15.05	\$1.4881	\$19.73
Jul	\$16.18	\$1.5134	\$20.91	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$8.97	\$1.6556	\$14.45	\$15.16	\$1.5915	\$20.20
Aug	\$16.61	\$1.6926	\$21.95	\$9.53											

**FEDERAL ORDER 6 - FLORIDA: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK**

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jun 2011	227,101	313	187,176	82.41%	19,432	8.56%	10,890	4.80%	9,603	4.23%
Jul	222,040	343	188,318	84.80%	18,842	8.49%	990	0.45%	13,889	6.26%
Aug	234,915	388	203,650	86.69%	21,671	9.23%	1,342	0.57%	8,251	3.51%
Sep	231,359	378	202,430	87.50%	18,882	8.16%	5,435	2.35%	4,612	1.99%
Oct	240,525	333	206,684	85.94%	20,167	8.38%	6,359	2.64%	7,315	3.04%
Nov	241,982	317	206,386	85.29%	21,261	8.79%	1,499	0.62%	12,836	5.30%
Dec	247,783	293	215,593	87.01%	20,357	8.22%	4,215	1.70%	7,618	3.07%
Jan 2012	256,982	246	217,061	84.46%	19,995	7.78%	3,000	1.17%	16,925	6.59%
Feb	241,554	244	204,102	84.50%	22,185	9.18%	1,976	0.82%	13,291	5.50%
Mar	254,175	224	219,505	86.36%	22,896	9.01%	3,337	1.31%	8,437	3.32%
Apr	244,366	213	203,767	83.39%	19,504	7.98%	5,651	2.31%	15,445	6.32%
May	243,392	213	199,008	81.76%	21,288	8.75%	3,651	1.50%	19,445	7.99%
June	227,029	216	185,432	81.67%	18,931	8.34%	13,000	5.73%	9,665	4.26%
July	223,477	220**	185,764	83.12%	21,034	9.41%	5,979	2.68%	10,699	4.79%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods August through October 2012

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
AUG 2012	09/11/12	09/12/12	09/13/12	08/27/12	08/27/12	09/13/12	09/14/12
SEP 2012	10/11/12	10/12/12	10/15/12	09/25/12	09/26/12	10/15/12	10/16/12
OCT 2012	11/11/12	11/13/12	11/14/12	10/25/12	10/26/12	11/14/12	11/15/12

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$16.78 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.64 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 – 509 August 10, 2012

Milk production forecasts for 2012 and 2013 are reduced from last month as higher forecast feed prices are expected to pressure producer returns and encourage a more rapid decline in the cow herd. Milk per cow is also reduced due to tighter feed supplies. Imports for 2012 are raised on both a fat and skim-solids basis and are raised on a fat basis for 2013. Exports are raised for 2012 but exports for 2013 are reduced from last month on tighter supplies. Ending stocks are reduced.

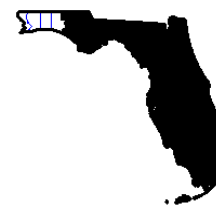
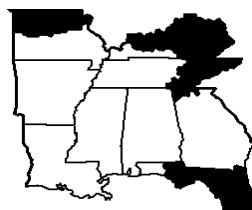
Product prices are forecast higher for 2012 and 2013 as tighter supplies support prices. With higher product prices, both Class III and Class IV price forecasts are raised. The all milk price is forecast at \$17.55 to \$17.75 per cwt for 2012 and \$17.80 to \$18.80 per cwt for 2013.

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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



### MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture  
1550 North Brown Road, Suite 120  
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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Acting Market Administrator

www.fmmatlanta.com

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Volume 13—No. 9

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

## A Lower Forecast Milk Supply in 2013 Helps Keep Prices Firm

*From Livestock, Dairy, & Poultry Outlook, September 18, 2012, Economic Research Service, USDA:*

Milk production for the current year was reduced fractionally in September from the August forecast to 199.9 billion pounds. The production forecast for 2013 was unchanged from August at 198.9 billion pounds. Dairy cow number forecasts for both 2012 and 2013 remain unchanged from August at 9,215- and 9,110- thousand head, respectively. The dairy cow slaughter rate and the prices of replacement heifers suggest a continued gradual decline in the dairy herd through 2013. The reduced milk production forecast for 2012 is based on lower forecast milk per cow of 21,690 pounds. Lower milk per cow is expected in the third and fourth quarters of this year due to high summer temperatures that likely adversely affected milk yields as well as tight alfalfa supplies. Yield per cow is forecast at 21,830 pounds for 2013, unchanged from August's forecast. The slight yield increase next year is largely based on expected larger forage supplies.

The 2012/13 price forecast for corn was lowered from August's projection to \$7.20-\$8.60 per bushel. Despite a slightly lowered corn yield forecast from August, higher estimated carrying stocks and a lowered export forecast are resulting in larger domestic supply estimates than were made earlier. The soybean meal price was increased for 2012/13 to \$485-\$515 per ton. This is due to a lower soybean crush forecast for 2012/13 as soybean ending stocks are projected to reach a 9-year low. The August Agricultural Prices report places the preliminary August price for alfalfa hay at \$203 per ton, up slightly from last month and up from August 2011. Higher milk prices in 2013 will help offset higher feed prices.

Milk equivalent imports on a fats basis are unchanged from August at 3.7 billion pounds for 2012 and 3.6 billion pounds in 2013.(continued on Page 4 )

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$19.95 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$1.31 higher than the previous month and is \$4.57 per hundredweight lower compared with August 2011. Class I utilization was 75.10 percent in August, up 5.30 percent compared with the previous month and 2.88 percent higher compared to August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2012 was 16.60 billion pounds, an increase of 0.7 percent from July 2011 and a decrease of 3.6 percent when compared with June 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 874 million pounds, 2.3 percent above July 2011 but 5.4 percent below June 2012 on a daily average basis. Butter production was 133 million pounds, 2.0 percent below July 2011 and 6.5 percent below June 2012 on a daily average basis..

Nonfat dry milk powder production was 149.0 million pounds in July 2012, 12.0 percent above July 2011 and 14.4 percent below June 2012 on a daily average basis. Dry whey production was 90.3 million pounds in July, 10.4 percent higher than July of last year and 5.0 percent higher than June 2012 on a daily average basis. Whey protein concentrates production was 34.1 million pounds in July 2012, 1.7 percent below July of last year and 14.7 percent lower than last month on a daily average basis.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.35 in August 2012, 0.01 above the revised milk-feed price ratio reported for July 2012.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.78%	7,847,243	\$1.6386	\$ 12,858,492.42
Class I Differential at Location				258,154.67
Class II Butterfat	33.49%	6,445,016	\$1.8409	11,864,629.97
Class III Butterfat	13.96%	2,686,733	\$1.8339	4,927,199.67
Class IV Butterfat	11.77%	2,264,977	\$1.8339	4,153,741.34
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,243,969</b>		<b>\$ 34,062,218.07</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7700**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	76.39%	391,855,247	\$11.21 /cwt.	\$ 43,926,973.15
Class I Butterfat	40.78%	7,847,243	\$1.6386 /lb.	12,858,492.42
Class I Differential at Location		399,702,490		13,189,933.23
<b>Total Class I Milk</b>	<b>75.10%</b>	<b>399,702,490</b>		<b>\$ 69,975,398.80</b>
Class II Skim Milk	12.13%	62,244,720	\$9.53 /cwt.	\$ 5,931,921.82
Class II Butterfat	33.49%	6,445,016	\$1.8409 /lb.	11,864,629.97
<b>Total Class II Milk</b>	<b>12.90%</b>	<b>68,689,736</b>		<b>\$ 17,796,551.79</b>
Class III Skim Milk	8.56%	43,939,806	\$11.72 /cwt.	\$ 5,149,745.25
Class III Butterfat	13.96%	2,686,733	\$1.8339 /lb.	4,927,199.67
<b>Total Class III Milk</b>	<b>8.76%</b>	<b>46,626,539</b>		<b>\$ 10,076,944.92</b>
Class IV Skim Milk	2.92%	14,990,764	\$9.68 /cwt.	\$ 1,451,105.94
Class IV Butterfat	11.77%	2,264,977	\$1.8339 /lb.	4,153,741.34
<b>Total Class IV Milk</b>	<b>3.24%</b>	<b>17,255,741</b>		<b>\$ 5,604,847.28</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>532,274,506</b>		<b>\$ 103,453,742.79</b>

### Adjustments

Overage and Other Source	\$4,732.44
Inventory Adjustments	\$173,775.77
Producer butterfat at uniform butterfat price	(\$34,062,218.07)
Location Adjustments to Producers	\$3,543,533.41
1/2 Unobligated Balance in P.S.F.	\$222,726.09

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.29472	\$73,336,292.43
	<b>\$ 0.04472</b>	\$228,152.86

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

**\$14.25**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.95\***

\* 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 %
	AUG 2012	SEPT 2012	JUL 2012	AUG 2012	AUG 2012
Appalachian (Charlotte)	\$ 19.95	\$ 20.99	\$ 18.04	\$ 19.32	72.49%
Arizona (Phoenix)	\$ 18.90	\$ 19.94	\$ 15.18	\$ 17.69	37.46%
Central (Kansas City)	\$ 18.55	\$ 19.59	\$ 16.29	\$ 17.43	47.17%
Florida (Tampa)	\$ 21.95	\$ 22.99	\$ 20.20	\$ 21.46	86.67%
Mideast (Cleveland)	\$ 18.55	\$ 19.59	\$ 16.39	\$ 17.47	40.00%
Northeast (Boston)	\$ 19.80	\$ 20.84	\$ 17.26	\$ 18.40	39.60%
Pacific Northwest (Seattle)	\$ 18.45	\$ 19.49	\$ 15.06	\$ 17.13	43.41%
<b>Southeast (Atlanta)</b>	<b>\$ 20.35</b>	<b>\$ 21.39</b>	<b>\$ 18.64</b>	<b>\$ 19.95</b>	<b>75.10%</b>
Southwest (Dallas)	\$ 19.55	\$ 20.59	\$ 17.19	\$ 18.54	64.12%
Upper Midwest (Chicago)	\$ 18.35	\$ 19.39	\$ 16.66	\$ 17.69	14.50%

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

<b>Receipts:</b>	<b>August 2012</b>	<b>August 2011</b>
<b>Producer Milk</b>		
Class I	399,702,490	405,316,644
Class II	68,689,736	60,428,127
Class III	46,626,539	56,613,324
Class IV	17,255,741	38,826,427
Total Producer Milk	<u>532,274,506</u>	<u>561,184,522</u>
Average Butterfat Test	3.62%	3.56%
Percent of Producer Milk in Class I	75.10%	72.22%
Daily Average Receipts	17,170,145	18,102,727
<b>Other Source Milk</b>		
Class I	7,005,007	6,564,024
Class II	6,438,473	4,892,336
Class III	1,880,609	2,200,047
Class IV	5,293,488	4,367,546
Total Other Source Milk	<u>20,617,577</u>	<u>18,023,953</u>
<b>Overage</b>		
Class I	0	0
Class II	31	2,999
Class III	0	0
Class IV	5,225	1,544
Total Overage	<u>5,256</u>	<u>4,543</u>
<b>Opening Inventory</b>		
Class I	26,322,350	19,720,247
Class II	5,151,284	2,161,191
Class III	1,816,375	126,810
Class IV	8,908,646	23,643,298
Total Opening Inventory	<u>42,198,655</u>	<u>45,651,546</u>
<b>Total Receipts</b>	<b>595,095,994</b>	<b>624,864,564</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	31,437,400	25,825,018
Route Disposition Class I	390,853,768	393,875,562
Shrinkage	2,477,238	2,928,958
Transfers & Diversions to Nonpool	8,261,441	8,971,377
Total Class I Utilization	<u>433,029,847</u>	<u>431,600,915</u>
Average Butterfat Test	1.96%	1.96%
Daily Average Utilization	13,968,705	13,922,610
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,575,680	2,668,516
Shrinkage	6,551,732	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,548,320	36,173,351
Total Class II Utilization	<u>33,603,792</u>	<u>28,642,786</u>
Average Butterfat Test	10.01%	11.35%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	50,323,523	58,940,181
Total Class III Utilization	<u>50,323,523</u>	<u>58,940,181</u>
Average Butterfat Test	5.41%	4.77%
<b>Class IV Utilization</b>		
Inventory	10,492,850	21,992,210
Nonfluid Used To Fortify	1,303,988	1,568,142
Shrinkage	0	6,766,050
Transfers & Diversions to Nonpool Used To Produce/Other Uses	19,666,262	32,206,383
Total Class IV Utilization	<u>31,463,100</u>	<u>66,838,815</u>
Average Butterfat Test	10.75%	6.38%
<b>Total Utilization</b>	<b>595,095,994</b>	<b>624,864,564</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2012 is \$19.95 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.25 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7700 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 76.39% of all producer skim milk (priced to handlers at \$11.21 per hundredweight, plus the Class I differential, see page 2) and 40.78% of producer butterfat (priced to handlers at \$1.6386 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.13% of all producer skim milk (\$9.53 per hundredweight) and 33.49% of producer butterfat (\$1.8409 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.56% of all producer skim milk (\$11.72 per hundredweight) and 13.96% of producer butterfat (\$1.8339 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.92% of all producer skim milk (\$9.68 per hundredweight) and 11.77% of producer butterfat (\$1.8339 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>July 2012</u></b>		
Whole Milk	124,328,599	33.71%
Fat Free Milk	43,443,171	11.78%
Lowfat Milk (incl. 1%)	31,146,980	8.44%
Reduced Fat Milk (incl. 2%)	144,864,091	39.28%
Cultured Fluid Milk (incl. Buttermilk)	7,508,472	2.04%
Flavored Drinks and Milk	17,546,026	4.76%
<b>Total Disposition in Marketing Area</b>	<b>368,837,339</b>	<b>100.0%</b>
Total Disposition by Pool Plants	301,012,441	81.61%
Total Disposition by Nonpool Plants	<u>67,824,898</u>	<u>18.39%</u>
<b>Total Disposition in Marketing Area</b>	<b>368,837,339</b>	<b>100.0%</b>

Receipts of producer milk during August totaled 532.3 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2012. Class I route disposition in the area was 368.8 million pounds in July 2012.

### A Lower Forecast Milk Supply in 2013 Helps Keep Prices Firm

(continued from page 1) Imports on a skims-solids basis were raised from August estimates to 5.7 billion pounds for 2012 and to 5.0 billion pounds in 2013. Strong imports of casein to date are the basis for the import boost. The higher pace of casein imports is expected to continue into 2013.

Export forecasts remain unchanged from August. Current-year exports are forecast at 9.8 billion pounds, fats basis, and 33.4 billion pounds, skims-solids basis. For next year, milk equivalent exports are forecast at 8.9 billion pounds on a fats basis and 32.5 billion pounds on a skims-solids basis. U.S. nonfat dry milk (NDM) exports are ahead of 2011, but slowed sharply in July. Seasonally rising production and exports from Australia and New Zealand are expected to offer increased competition to U.S. exporters for the remainder of the year, dampening prospects of increasing export forecasts. On a fats basis, butter exports have lagged 2011 year-to-date, but cheese exports have been well ahead of 2011, offsetting butter.

Price forecasts were raised in the September forecast. Demand remains firm, while production is likely to decline in coming months. Cheese prices were raised from August to \$1.650-\$1.670 per pound this year and are unchanged for 2013 at \$1.640-\$1.740 per pound. Butter prices were raised for 2012 to \$1.565-\$1.605 per pound but lowered slightly for next year to \$1.510-\$1.640 per pound. Weaker demand for butter will lead to higher fats basis stocks and softening prices next year. NDM prices are expected to be higher in 2012 at \$1.275-\$1.295 per pound and \$1.350-\$1.420 per pound next year, unchanged from August. Similarly, whey prices were raised to 56.5-58.5 cents per pound for the current year and unchanged from August for 2013 at 57.0-60.0 cents per pound.

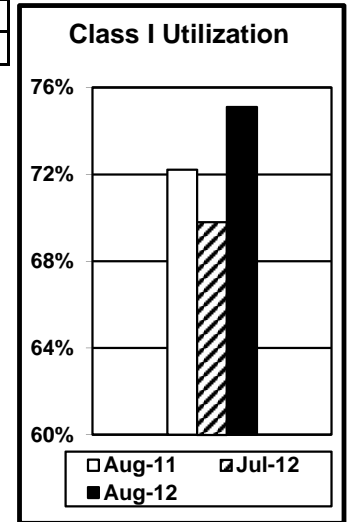
Milk prices reflect the pricing in the underlying products. The Class III price is forecast higher than August for 2012 at \$16.75-\$16.95 per cwt and unchanged for 2013 at \$16.70-\$17.70 per cwt. The Class IV price is projected higher at \$15.45-\$15.75 this year and is lowered from August to \$15.85-\$16.95 per cwt next year. The lower 2013 price reflects the softer butter prices next year. The all milk price was raised from August to \$17.80-\$18.00 per cwt and raised for 2013 to \$17.85-\$18.85 per cwt.

**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
Jun 2011	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$13.22	\$2.3702	\$21.05	\$15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$12.90	\$2.2511	\$20.33	\$16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$12.53	\$2.2985	\$20.14	\$17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$12.26	\$2.2005	\$19.53	\$16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$11.97	\$1.9592	\$18.41	\$15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$11.44	\$1.9508	\$17.87	\$15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$11.16	\$1.7443	\$16.87	\$14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$10.93	\$1.7178	\$16.56	\$15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$10.79	\$1.5739	\$15.92	\$14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$10.36	\$1.5297	\$15.35	\$13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$9.66	\$1.5645	\$14.80	\$13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$8.80	\$1.4462	\$13.55	\$13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$8.33	\$1.4866	\$13.24	\$13.14	\$1.4791	\$17.86
Jul	\$14.58	\$1.4974	\$19.31	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$8.97	\$1.6556	\$14.45	\$13.55	\$1.5909	\$18.64
Aug	\$15.01	\$1.6766	\$20.35	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$9.68	\$1.8339	\$15.76	\$14.25	\$1.7700	\$19.95
Sep	\$15.37	\$1.8741	\$21.39	\$10.36											

**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.	%
Jun 2011	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,592	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%
Jun	550,145	2,498	345,665	62.83%	57,002	10.36%	82,560	15.01%	64,918	11.80%
Jul	504,083	2,424	351,814	69.80%	59,187	11.74%	53,102	10.53%	39,980	7.93%
Aug	532,275	2,450**	399,702	75.10%	68,690	12.90%	46,627	8.76%	17,256	3.24%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods September through November 2012

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 2012	10/11/12	10/12/12	10/15/12	09/25/12	09/26/12	10/15/12	10/16/12
OCT 2012	11/11/12	11/13/12	11/14/12	10/25/12	10/26/12	11/14/12	11/15/12
NOV 2012	12/11/12	12/12/12	12/13/12	11/26/12	11/26/12	12/13/12	12/14/12

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$17.96 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.95 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 – 510 September 12, 2012

Milk The 2012 milk production forecast is reduced slightly from last month, reflecting a slower rate of growth in milk per cow in the second half of the year. The production forecast for 2013 is unchanged from last month. Skim-solids imports are raised, but the export forecast is unchanged.

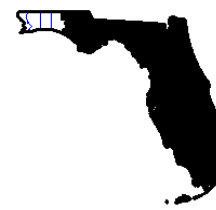
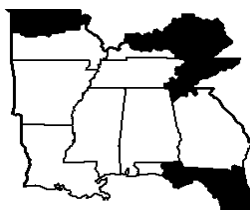
Product prices are forecast higher for 2012 as the milk production forecast is reduced and demand is somewhat stronger. With higher product prices, both the Class III and Class IV price forecasts are raised. For 2013, the butter price forecast is reduced slightly on weaker expected demand but forecasts for other products are unchanged. Thus, the Class II price forecast is unchanged but the Class IV price is lowered. The all milk price is forecast at \$17.80 to \$18.00 per cwt for 2012 and \$17.85 to \$18.85 per cwt for 2013.

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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



### MILK MARKET ADMINISTRATOR

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Acting Market Administrator

www.fmmatlanta.com

October 2012

Volume 13—No. 10

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

## Milk Prices Are Forecast Higher and the Pace of Herd Contraction Slows

*From Livestock, Dairy, & Poultry Outlook, October 17, 2012, Economic Research Service, USDA:*

U.S. corn prices for 2012/13 were reduced slightly in October to \$7.10-\$8.50 per bushel, while production was lowered only slightly from September estimates. Soybean meal prices for 2012/13 were also forecast lower this month at \$470-\$500 per ton. Lower forecast grain and soymeal prices in 2013, along with anticipated lower alfalfa prices, will lower the feed ration price, supporting a higher milk-feed price ratio in 2013 than in 2012.

The September Milk Production report indicated that producers were culling at a slower pace than earlier projected. An improving feed outlook along with higher milk prices may have reduced the urgency to reduce herd size. The October forecast places the dairy cow herd at 9,225 thousand head in the current year and 9,125 thousand head in 2013. The residual effects of last summer's heat and pressure from high feed prices suggest a small reduction from September's forecast of annual output per cow to 21,635 pounds this year, with a slight increase expected next year to 21,880 pounds. An improved feed price outlook and an uptick in milk prices are the basis for the forecast. Milk production in 2012 is forecast at 199.6 billion pounds, a reduction from September's forecast. Forecast production in 2013 was raised in October to 199.7 billion pounds based on the higher forecast yield per cow and a slower decline in cow numbers compared with earlier 2013 forecasts.

Milk equivalent imports on both a fats and skims-solids basis were increased in this month's forecast for both 2012 and 2013. On a fats basis, imports in 2012 were raised to 3.8 billion pounds due to increased imports of butterfat. Imports in 2013 were raised to 3.8 billion pounds based on improved demand and higher prices. (continued on Page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$20.87 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.92 higher than the previous month and is \$3.19 per hundredweight lower compared with September 2011. Class I utilization was 69.86 percent in September, down 5.24 percent compared with the previous month and 1.65 percent lower than September of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in August 2012 was 16.38 billion pounds, a decrease of 0.3 percent from August 2011 and a decrease of 1.2 percent when compared with July 2012. Total cheese output (excluding cottage cheese) was 884 million pounds in August, a 2.6 percent increase versus August 2011 and 0.5 percent higher than July 2012. Butter production was 129 million pounds in August, a 3.5 percent decrease compared to August 2011 and a 3.1 percent decline with respect to July 2012.

Nonfat dry milk powder production was 105.9 million pounds in August 2012, a decrease of 7.8 percent versus August 2011 and 30.0 percent lower than July 2012. Dry whey production was 89.1 million pounds in August, 11.8 percent higher than August of last year and 1.3 percent below July 2012. Whey protein concentrates production was 34.9 million pounds in August 2012, a 0.9 percent decrease compared to August of last year and a 2.5 percent increase over July 2012.

The preliminary milk-feed price ratio, which represents the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.46 in September 2012, 0.10 above the revised ratio reported for August 2012.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.89%	6,986,776	\$1.8361	\$ 12,828,419.42
Class I Differential at Location				229,365.01
Class II Butterfat	29.81%	5,645,188	\$2.0117	11,356,424.68
Class III Butterfat	17.41%	3,298,053	\$2.0047	6,611,606.83
Class IV Butterfat	15.89%	3,009,340	\$2.0047	6,032,823.90
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,939,357</b>		<b>\$ 37,058,639.84</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9567**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	71.13%	351,525,850	\$11.57 /cwt.	\$ 40,671,540.84
Class I Butterfat	36.89%	6,986,776	\$1.8361 /lb.	12,828,419.42
Class I Differential at Location		358,512,626		11,854,165.20
<b>Total Class I Milk</b>	<b>69.86%</b>	<b>358,512,626</b>		<b>\$ 65,354,125.46</b>
Class II Skim Milk	11.95%	59,058,675	\$10.36 /cwt.	\$ 6,118,478.73
Class II Butterfat	29.81%	5,645,188	\$2.0117 /lb.	11,356,424.68
<b>Total Class II Milk</b>	<b>12.61%</b>	<b>64,703,863</b>		<b>\$ 17,474,903.41</b>
Class III Skim Milk	12.65%	62,525,517	\$12.42 /cwt.	\$ 7,765,669.21
Class III Butterfat	17.41%	3,298,053	\$2.0047 /lb.	6,611,606.83
<b>Total Class III Milk</b>	<b>12.83%</b>	<b>65,823,570</b>		<b>\$ 14,377,276.04</b>
Class IV Skim Milk	4.27%	21,088,460	\$10.77 /cwt.	\$ 2,271,227.15
Class IV Butterfat	15.89%	3,009,340	\$2.0047 /lb.	6,032,823.90
<b>Total Class IV Milk</b>	<b>4.70%</b>	<b>24,097,800</b>		<b>\$ 8,304,051.05</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>513,137,859</b>		<b>\$ 105,510,355.96</b>

### Adjustments

Overage and Other Source	\$23,902.48
Inventory Adjustments	\$18,769.10
Producer butterfat at uniform butterfat price	(\$37,058,639.84)
Location Adjustments to Producers	\$3,350,186.49
1/2 Unobligated Balance in P.S.F.	\$209,190.36

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.57992	\$72,053,764.55
	\$ 0.04992	\$246,722.23

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

**\$14.53**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.87\***

\* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	SEPT 2012	Oct 2012	AUG 2012	SEPT 2012	SEPT 2012
Appalachian (Charlotte)	\$ 20.99	\$ 22.28	\$ 19.32	\$ 20.32	69.44%
Arizona (Phoenix)	\$ 19.94	\$ 21.23	\$ 17.69	\$ 18.94	37.17%
Central (Kansas City)	\$ 19.59	\$ 20.88	\$ 17.43	\$ 18.37	47.68%
Florida (Tampa)	\$ 22.99	\$ 24.28	\$ 21.46	\$ 22.40	85.12%
Mideast (Cleveland)	\$ 19.59	\$ 20.88	\$ 17.47	\$ 18.53	40.40%
Northeast (Boston)	\$ 20.84	\$ 22.13	\$ 18.40	\$ 19.45	40.70%
Pacific Northwest (Seattle)	\$ 19.49	\$ 20.78	\$ 17.13	\$ 18.17	40.66%
<b>Southeast (Atlanta)</b>	<b>\$ 21.39</b>	<b>\$ 22.68</b>	<b>\$ 19.95</b>	<b>\$ 20.87</b>	<b>69.86%</b>
Southwest (Dallas)	\$ 20.59	\$ 21.88	\$ 18.54	\$ 19.38	67.45%
Upper Midwest (Chicago)	\$ 19.39	\$ 20.68	\$ 17.69	\$ 18.86	15.10%



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

<b>Receipts:</b>	<b>September 2012</b>	<b>September 2011</b>
<b>Producer Milk</b>		
Class I	358,512,626	390,194,730
Class II	64,703,863	44,344,578
Class III	65,823,570	99,988,573
Class IV	24,097,800	11,083,708
Total Producer Milk	<u>513,137,859</u>	<u>545,611,589</u>
Average Butterfat Test	3.69%	3.66%
Percent of Producer Milk in Class I	69.86%	71.51%
Daily Average Receipts	17,104,595	18,187,053
<b>Other Source Milk</b>		
Class I	7,310,297	6,189,694
Class II	4,429,208	3,668,995
Class III	945,812	3,558,765
Class IV	4,699,846	3,496,444
Total Other Source Milk	<u>17,385,163</u>	<u>16,913,898</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	110,247	27,337
Total Overage	<u>110,247</u>	<u>27,337</u>
<b>Opening Inventory</b>		
Class I	31,432,655	26,651,221
Class II	460,942	3,096,251
Class III	91,953	4,517,982
Class IV	9,939,955	13,598,993
Total Opening Inventory	<u>41,925,505</u>	<u>47,864,447</u>
<b>Total Receipts</b>	<b>572,558,774</b>	<b>610,417,271</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,475,026	29,876,991
Route Disposition Class I	363,598,357	382,977,716
Shrinkage	2,832,758	2,004,060
Transfers & Diversions to Nonpool	7,349,437	8,176,878
Total Class I Utilization	<u>397,255,578</u>	<u>423,035,645</u>
Average Butterfat Test	1.94%	1.92%
Daily Average Utilization	13,241,853	14,101,188
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,864,373	2,070,482
Shrinkage	6,277,939	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,126,762	23,538,188
Total Class II Utilization	<u>29,324,939</u>	<u>25,501,154</u>
Average Butterfat Test	69,594,013	51,109,824
Average Butterfat Test	10.07%	12.73%
<b>Class III Utilization</b>		
Shrinkage	0	6,493,639
Transfers & Diversions to Nonpool Used To Produce/Other Uses	66,861,335	97,627,526
Total Class III Utilization	<u>0</u>	<u>3,944,155</u>
Average Butterfat Test	66,861,335	108,065,320
Average Butterfat Test	4.99%	4.54%
<b>Class IV Utilization</b>		
Inventory	28,779,772	12,849,611
Nonfluid Used To Fortify	1,146,659	1,423,198
Shrinkage	0	2,772
Transfers & Diversions to Nonpool Used To Produce/Other Uses	8,921,417	13,930,901
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	38,847,848	28,206,482
Average Butterfat Test	10.50%	12.28%
<b>Total Utilization</b>	<b>572,558,774</b>	<b>610,417,271</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2012 is \$20.87 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.53 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9567 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 71.13% of all producer skim milk (priced to handlers at \$11.57 per hundredweight, plus the Class I differential, see page 2) and 36.89% of producer butterfat (priced to handlers at \$1.8361 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.95% of all producer skim milk (\$10.36 per hundredweight) and 29.81% of producer butterfat (\$2.0117 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.65% of all producer skim milk (\$12.42 per hundredweight) and 17.41% of producer butterfat (\$2.0047 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.27% of all producer skim milk (\$10.77 per hundredweight) and 15.89% of producer butterfat (\$2.0047 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>August 2012</u></b>		
Whole Milk	127,424,555	30.46%
Fat Free Milk	48,605,644	11.62%
Lowfat Milk (incl. 1%)	41,199,115	9.85%
Reduced Fat Milk (incl. 2%)	151,886,929	36.31%
Cultured Fluid Milk (incl. Buttermilk)	8,161,021	1.95%
Flavored Drinks and Milk	40,989,473	9.80%
<b>Total Disposition in Marketing Area</b>	<b>418,266,737</b>	<b>100.0%</b>
Total Disposition by Pool Plants	341,614,025	81.67%
Total Disposition by Nonpool Plants	<u>76,652,712</u>	<u>18.33%</u>
<b>Total Disposition in Marketing Area</b>	<b>418,266,737</b>	<b>100.0%</b>

Receipts of producer milk during September totaled 513.1 million pounds. There were 24 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2012. Class I route disposition in the area was 418.3 million pounds in August 2012.

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### Milk Prices Are Forecast Higher and the Pace of Herd Contraction Slows

(continued from page 1) On a skims-solids basis, imports were raised to 5.9 billion pounds in 2012 and to 5.4 billion pounds in 2013. Milk protein concentrate imports rose sharply from June to July, and imports are expected to remain relatively strong into 2013.

Milk equivalent exports for 2012 on a fats basis were lowered in October from last month to 9.6 billion pounds, while 2013 fats basis exports are unchanged at 8.9 billion pounds. Butter exports remain lackluster and higher forecast prices may limit any upturn. Current year exports on a skims-solids basis were increased from September to 33.5 billion pounds. Nonfat dry milk (NDM) exports declined month-over-month in both June and July, but were countered by strong export performances in whey protein concentrates and lactose. Milk equivalent exports on a skims-solids basis for 2013 were unchanged from last month at 32.5 billion pounds.

Ending stocks on a fats basis were unchanged for 2012 and lowered slightly for next year. On a skims-solids basis, ending stocks were tightened slightly for both 2012 and 2013. NDM stocks at the end of August were at their lowest level for the month since 2006 and the forecast 2012 skims-solids basis ending stocks were reduced. With tighter carrying stocks and stronger demand expected in 2013, the ending stock forecast for 2013 was also lowered.

Dairy product prices for both 2012 and 2013 were raised this month as milk supplies are tightening this year and demand is expected to remain firm into next year. Cheese prices were increased to \$1.725-\$1.735 per pound for 2012 and to \$1.735-\$1.825 per pound for 2013. Butter price forecasts were raised to \$1.615-\$1.645 per pound and to \$1.625-\$1.745 per pound for 2012 and 2013, respectively.

NDM prices are forecast at \$1.310-\$1.330 per pound in 2012 and \$1.390-\$1.460 per pound in 2013, both increases from September. Whey prices are projected at 58.5-59.5 cents per pound this year and 58.5-61.5 cents per pound next year.

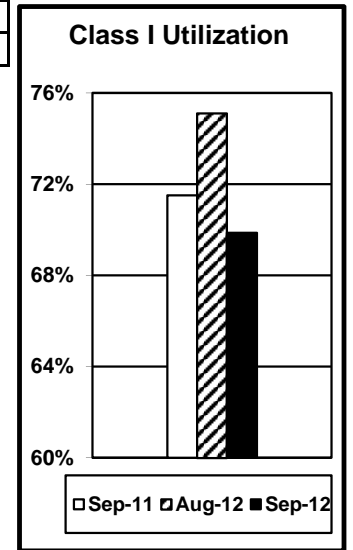
*Source: Livestock, Dairy, & Poultry Outlook/LDP-M-220/October 17, 2012; Economic Research Service, USDA*

**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
Jul 2011	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$12.90	\$2.2511	\$20.33	\$16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$12.53	\$2.2985	\$20.14	\$17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$12.26	\$2.2005	\$19.53	\$16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$11.97	\$1.9592	\$18.41	\$15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$11.44	\$1.9508	\$17.87	\$15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$11.16	\$1.7443	\$16.87	\$14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$10.93	\$1.7178	\$16.56	\$15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$10.79	\$1.5739	\$15.92	\$14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$10.36	\$1.5297	\$15.35	\$13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$9.66	\$1.5645	\$14.80	\$13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$8.80	\$1.4462	\$13.55	\$13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$8.33	\$1.4866	\$13.24	\$13.14	\$1.4791	\$17.86
Jul	\$14.58	\$1.4974	\$19.31	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$8.97	\$1.6556	\$14.45	\$13.55	\$1.5909	\$18.64
Aug	\$15.01	\$1.6766	\$20.35	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$9.68	\$1.8339	\$15.76	\$14.25	\$1.7700	\$19.95
Sep	\$15.37	\$1.8741	\$21.39	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$10.77	\$2.0047	\$17.41	\$14.53	\$1.9567	\$20.87
Oct	\$16.11	\$2.0388	\$22.68	\$11.42											

**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.	%
Jul 2011	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,592	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%
Jun	550,145	2,498	345,665	62.83%	57,002	10.36%	82,560	15.01%	64,918	11.80%
Jul	504,083	2,424	351,814	69.80%	59,187	11.74%	53,102	10.53%	39,980	7.93%
Aug	532,275	2,384	399,702	75.10%	68,690	12.90%	46,627	8.76%	17,256	3.24%
Sep	513,138	2,400**	358,513	69.86%	64,704	12.61%	65,824	12.83%	24,098	4.70%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods October through December 2012

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 2012	11/11/12	11/13/12	11/14/12	10/25/12	10/26/12	11/14/12	11/15/12
NOV 2012	12/11/12	12/12/12	12/13/12	11/26/12	11/26/12	12/13/12	12/14/12
DEC 2012	01/11/13	01/14/13	01/15/13	12/26/12	12/26/12	01/15/13	01/16/13

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$18.78 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.87 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/

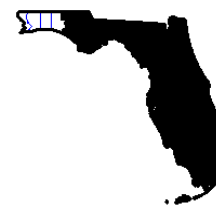
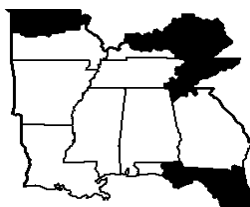
### WASDE – 511 October 11, 2012

The 2012 milk production forecast is reduced from last month, as slower growth in milk per cow more than offsets a slower expected decline in cow numbers. Higher forecast milk prices in late 2012 and into 2013 are expected to slow the rate of decline in cow numbers and help support higher growth in milk per cow in 2013. Thus, the production forecast for 2013 is raised. Imports are forecast higher for both 2012 and 2013. Fat basis exports for 2012 are lowered but skim solids exports are forecast higher. Exports for 2013 are unchanged from last month.

Product prices are forecast higher for 2012 and 2013 as recent strength in dairy product demand is expected to carry into 2013. Forecasts for butter, cheese, nonfat dry milk, and whey are raised from last month. With higher product prices, both the Class III and Class IV price forecasts are raised. The all milk price is forecast at \$18.50 to \$18.60 per cwt for 2012 and \$19.00 to \$19.90 per cwt for 2013.

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](http://www.usda.gov/oce/commodity/wasde/index.htm).

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Acting Market Administrator

www.fmmatlanta.com

November 2012

Volume 13—No. 11

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

## Feed Prices Ease but No Production Rebound Is Expected in 2013

*From Livestock, Dairy, & Poultry Outlook, November 16, 2012, Economic Research Service, USDA:*

Feed price forecasts continue to decline, based on the most recent World Agricultural Supply and Demand Estimates report. The forecast corn price for 2012/13 was lowered to \$6.95-\$8.25 a bushel in November from October. Slightly higher expected production and an increase in imports support the lower price forecast. Similarly, the soybean meal price was lowered in November to \$455-\$485 a ton. Soybean production forecasts were raised in October based on higher yield expectations. Late-season rains helped to boost yields. On balance, corn and soybean meal prices will be higher in 2013 than in 2012 despite the small downward revisions in November forecasts from October. According to the October Agricultural Prices report, the preliminary October price for alfalfa was \$212 a ton, up slightly from September's estimate and the October 2011 price. Assuming more normal weather in 2013, alfalfa prices could reflect improved yields. Dairy feed ration prices will likely be lower in 2013 than this year, but will remain high by historic standards.

Herd size projections were unchanged this month from October. The U.S. dairy herd is expected to average 9,225 thousand head in 2012 and slip to 9,125 thousand head next year as a result of the profit squeeze experienced by producers this year. Profitability could improve next year but is unlikely to support herd expansion during the year. Current-year yield per cow was increased to 21,640 pounds based on a higher than forecast third-quarter yield reported in the October Milk Production report. Milk per cow is forecast at 21,880 pounds next year, unchanged from October's forecast. Milk production is projected at 199.7 billion pounds in 2012 based on the slightly increased yield per cow; production in 2013 is also forecast at 199.7 billion pounds, unchanged from the October forecast. (continued on Page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$22.35 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$1.48 higher than the previous month and is \$0.56 per hundredweight higher compared with October 2011. Class I utilization was 75.05 percent in October, 5.19 percent higher compared with the previous month and 8.42 percent above October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2012 was 15.71 billion pounds, a decrease of 0.5 percent from September 2011 and a decrease of 1.2 percent when compared with August 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 871 million pounds, 0.3 percent above September 2011 and 1.4 percent above August 2012 on a daily average basis. Butter production was 136 million pounds, 1.1 percent below September 2011 but 8.9 percent above August 2012 on a daily average basis.

Nonfat dry milk powder production was 84.4 million pounds in September 2012, a decrease of 18.7 percent versus September 2011 and 17.9 percent lower than August 2012 on a daily average basis. Dry whey production was 74.0 million pounds in September, 3.6 percent below September of last year and 2.0 percent below August 2012 on a daily average basis. Whey protein concentrates production was 34.0 million pounds in September 2012, a 4.4 percent decrease compared to September of last year and a 0.7 percent increase over August 2012 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.68 in October 2012, 0.10 above the September 2012 figure.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.80%	7,712,344	\$2.0008	\$ 15,430,857.89
Class I Differential at Location				253,266.64
Class II Butterfat	31.73%	6,308,123	\$2.1206	13,377,005.62
Class III Butterfat	15.56%	3,093,451	\$2.1136	6,538,318.04
Class IV Butterfat	13.91%	2,765,557	\$2.1136	5,845,281.29
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,879,475</b>		<b>\$ 41,444,729.48</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0848**

### 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	76.48%	385,436,659	\$12.31 /cwt.	\$ 47,447,252.72
Class I Butterfat	38.80%	7,712,344	\$2.0008 /lb.	15,430,857.89
Class I Differential at Location		393,149,003		12,955,096.64
<b>Total Class I Milk</b>	<b>75.05%</b>	<b>393,149,003</b>		<b>\$ 75,833,207.25</b>
Class II Skim Milk	12.62%	63,620,898	\$11.42 /cwt.	\$ 7,265,506.55
Class II Butterfat	31.73%	6,308,123	\$2.1206 /lb.	13,377,005.62
<b>Total Class II Milk</b>	<b>13.35%</b>	<b>69,929,021</b>		<b>\$ 20,642,512.17</b>
Class III Skim Milk	9.83%	49,566,401	\$14.12 /cwt.	\$ 6,998,775.83
Class III Butterfat	15.56%	3,093,451	\$2.1136 /lb.	6,538,318.04
<b>Total Class III Milk</b>	<b>10.05%</b>	<b>52,659,852</b>		<b>\$ 13,537,093.87</b>
Class IV Skim Milk	1.07%	5,377,236	\$11.55 /cwt.	\$ 621,070.75
Class IV Butterfat	13.91%	2,765,557	\$2.1136 /lb.	5,845,281.29
<b>Total Class IV Milk</b>	<b>1.55%</b>	<b>8,142,793</b>		<b>\$ 6,466,352.04</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>523,880,669</b>		<b>\$ 116,479,165.33</b>

### Adjustments

Overage and Other Source	\$23,542.25
Inventory Adjustments	\$129,584.71
Producer butterfat at uniform butterfat price	(\$41,444,729.48)
Location Adjustments to Producers	\$3,377,040.56
1/2 Unobligated Balance in P.S.F.	\$262,233.17

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.64021	\$78,826,836.54
	\$ 0.04021	\$202,640.28

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

**\$15.60**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.35\***

\* 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 2012	NOV 2012	SEP 2012	OCT 2012	OCT 2012
Appalachian (Charlotte)	\$ 22.28	\$ 24.10	\$ 20.32	\$ 21.85	76.53%
Arizona (Phoenix)	\$ 21.23	\$ 23.05	\$ 18.94	\$ 20.23	35.90%
Central (Kansas City)	\$ 20.88	\$ 22.70	\$ 18.37	\$ 19.45	55.80%
Florida (Tampa)	\$ 24.28	\$ 26.10	\$ 22.40	\$ 23.70	86.17%
Midwest (Cleveland)	\$ 20.88	\$ 22.70	\$ 18.53	\$ 19.67	47.40%
Northeast (Boston)	\$ 22.13	\$ 23.95	\$ 19.45	\$ 20.78	42.80%
Pacific Northwest (Seattle)	\$ 20.78	\$ 22.60	\$ 18.17	\$ 19.18	45.64%
<b>Southeast (Atlanta)</b>	<b>\$ 22.68</b>	<b>\$ 24.50</b>	<b>\$ 20.87</b>	<b>\$ 22.35</b>	<b>75.05%</b>
Southwest (Dallas)	\$ 21.88	\$ 23.70	\$ 19.38	\$ 20.35	72.46%
Upper Midwest (Chicago)	\$ 20.68	\$ 22.50	\$ 18.86	\$ 20.53	16.70%

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

<b>Receipts:</b>	<b>October 2012</b>	<b>October 2011</b>
<b>Producer Milk</b>		
Class I	393,149,003	382,447,884
Class II	69,929,021	43,622,782
Class III	52,659,852	119,088,634
Class IV	8,142,793	28,791,097
	<hr/>	<hr/>
Total Producer Milk	<b>523,880,669</b>	<b>573,950,397</b>
Average Butterfat Test	3.79%	3.76%
Percent of Producer Milk in Class I	75.05%	66.63%
Daily Average Receipts	16,899,376	18,514,529
<b>Other Source Milk</b>		
Class I	7,468,195	6,163,051
Class II	6,519,613	4,692,752
Class III	999,679	1,544,239
Class IV	5,176,629	4,310,437
	<hr/>	<hr/>
Total Other Source Milk	<b>20,164,116</b>	<b>16,710,479</b>
<b>Overage</b>		
Class I	214	0
Class II	0	0
Class III	0	0
Class IV	11,126	0
	<hr/>	<hr/>
Total Overage	<b>11,340</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	23,000,836	29,886,510
Class II	6,051,487	1,019,478
Class III	1,541,593	83,100
Class IV	20,826,404	11,747,033
	<hr/>	<hr/>
Total Opening Inventory	<b>51,420,320</b>	<b>42,736,121</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>595,476,445</b>	<b>633,396,997</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	25,227,802	24,849,850
Route Disposition Class I	386,831,191	383,500,319
Shrinkage	2,843,446	2,922,837
Transfers & Diversions to Nonpool	8,715,809	7,224,439
	<hr/>	<hr/>
Total Class I Utilization	<b>423,618,248</b>	<b>418,497,445</b>
Average Butterfat Test	1.96%	1.94%
Daily Average Utilization	13,665,105	13,499,918
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,795,412	2,093,580
Shrinkage	6,168,123	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	39,558,980	21,956,376
	<hr/>	<hr/>
Total Class II Utilization	<b>82,500,121</b>	<b>49,335,012</b>
Average Butterfat Test	10.15%	13.92%
<b>Class III Utilization</b>		
Shrinkage	0	7,514,342
Transfers & Diversions to Nonpool Used To Produce/Other Uses	55,201,124	109,461,622
	<hr/>	<hr/>
Total Class III Utilization	<b>55,201,124</b>	<b>120,715,973</b>
Average Butterfat Test	5.67%	4.62%
<b>Class IV Utilization</b>		
Inventory	21,140,973	22,641,441
Nonfluid Used To Fortify	1,696,232	1,907,538
Shrinkage	586	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	11,319,161	20,299,588
	<hr/>	<hr/>
Total Class IV Utilization	<b>34,156,952</b>	<b>44,848,567</b>
Average Butterfat Test	12.66%	9.40%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>595,476,445</b>	<b>633,396,997</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2012 is \$22.35 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.60 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0848 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 76.48% of all producer skim milk (priced to handlers at \$12.31 per hundredweight, plus the Class I differential, see page 2) and 38.80% of producer butterfat (priced to handlers at \$2.0008 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.62% of all producer skim milk (\$11.42 per hundredweight) and 31.73% of producer butterfat (\$2.1206 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.83% of all producer skim milk (\$14.12 per hundredweight) and 15.56% of producer butterfat (\$2.1136 per pound). Class IV use, generally milk processed into butter and powder, accounted for 1.07% of all producer skim milk (\$11.55 per hundredweight) and 13.91% of producer butterfat (\$2.1136 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>September 2012</u></b>		
Whole Milk	114,284,595	29.22%
Fat Free Milk	44,664,584	11.42%
Lowfat Milk (incl. 1%)	42,686,569	10.91%
Reduced Fat Milk (incl. 2%)	135,993,968	34.77%
Cultured Fluid Milk (incl. Buttermilk)	7,837,783	2.00%
Flavored Drinks and Milk	45,677,093	11.68%
<b>Total Disposition in Marketing Area</b>	<b>391,144,592</b>	<b>100.0%</b>
Total Disposition by Pool Plants	319,850,158	81.77%
Total Disposition by Nonpool Plants	71,294,434	18.23%
<b>Total Disposition in Marketing Area</b>	<b>391,144,592</b>	<b>100.0%</b>

Receipts of producer milk during October totaled 523.9 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2012. Class I route disposition in the area was 391.1 million pounds in September 2012.

### Feed Prices Ease but No Production Rebound Is Expected in 2013

(continued from Page 1) Fats basis imports are forecast at 3.8 billion pounds for both this year and next, unchanged from October. Skims-solids basis imports for this year were reduced slightly from last month to 5.8 billion pounds based on lower year-to-date cheese imports. Fats basis exports were reduced in November for both 2012 and 2013 to 9.1 and 8.8 billion pounds, respectively. The export reductions are based on reduced year-to-date and projected butterfat exports. Skims-solids basis exports were raised from October to 33.7 billion pounds for 2012 and to 32.8 billion pounds in 2013, based mostly on projected nonfat dry milk (NDM) and whey product exports.

Commercial ending stocks for 2012 on a fats basis were raised in November as butterfat exports are reduced. Fats basis commercial ending stocks were raised slightly in November for 2013 as higher beginning stocks are worked off over the course of next year. Commercial ending stocks on a skims-solids basis were lowered in November for the current year due to tighter supplies of NDM. Price forecasts for 2012 were reduced in November for cheese and butter but raised for NDM. Prices for NDM were raised from October based on expected export demand. The cheese price was lowered this month to \$1.720-\$1.730 per pound for 2012 and was unchanged at \$1.735-\$1.825 per pound for 2013. Butter price forecasts were lowered to \$1.605-\$1.635 per pound and to \$1.610-\$1.730 per pound for 2012 and 2013, respectively. NDM prices are forecast at \$1.315-\$1.335 per pound in 2012 and \$1.420-\$1.490 per pound in 2013. Whey prices are projected at 58.5-59.5 cents per pound this year, unchanged from October, and raised from last month to 59.5-62.5 cents per pound for 2013.

The Class III price forecast was unchanged this month from October at \$17.55- \$17.65 per cwt and raised for 2013 to \$17.85-\$18.75 per cwt based on higher whey prices. The Class IV price was lowered for 2012 based on lower butter prices to \$15.95-\$16.15 per cwt but raised in 2013 to \$16.90-\$17.90 per cwt due to higher forecast NDM prices next year. The all milk price is unchanged from October at \$18.50-\$18.60 per cwt but raised for 2013 to \$19.10-\$20.00 per cwt.

(Source: *Livestock, Dairy, & Poultry Outlook/LDP-M-221/November 16, 2012; Economic Research Service, USDA*)

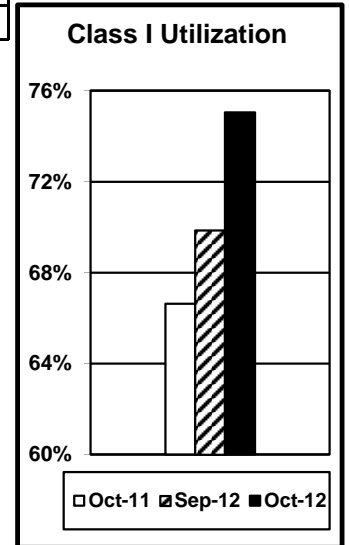


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jul 2011	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$12.90	\$2.2511	\$20.33	\$16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$12.53	\$2.2985	\$20.14	\$17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$12.26	\$2.2005	\$19.53	\$16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$11.97	\$1.9592	\$18.41	\$15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$11.44	\$1.9508	\$17.87	\$15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$11.16	\$1.7443	\$16.87	\$14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$10.93	\$1.7178	\$16.56	\$15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$10.79	\$1.5739	\$15.92	\$14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$10.36	\$1.5297	\$15.35	\$13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$9.66	\$1.5645	\$14.80	\$13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$8.80	\$1.4462	\$13.55	\$13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$8.33	\$1.4866	\$13.24	\$13.14	\$1.4791	\$17.86
Jul	\$14.58	\$1.4974	\$19.31	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$8.97	\$1.6556	\$14.45	\$13.55	\$1.5909	\$18.64
Aug	\$15.01	\$1.6766	\$20.35	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$9.68	\$1.8339	\$15.76	\$14.25	\$1.7700	\$19.95
Sep	\$15.37	\$1.8741	\$21.39	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$10.77	\$2.0047	\$17.41	\$14.53	\$1.9567	\$20.87
Oct	\$16.11	\$2.0388	\$22.68	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$11.55	\$2.1136	\$18.54	\$15.60	\$2.0848	\$22.35
Nov	\$17.57	\$2.1551	\$24.50	\$12.13											

**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.	%
Jul 2011	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,592	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%
Jun	550,145	2,498	345,665	62.83%	57,002	10.36%	82,560	15.01%	64,918	11.80%
Jul	504,083	2,424	351,814	69.80%	59,187	11.74%	53,102	10.53%	39,980	7.93%
Aug	532,275	2,384	399,702	75.10%	68,690	12.90%	46,627	8.76%	17,256	3.24%
Sep	513,138	2,396	358,513	69.86%	64,704	12.61%	65,824	12.83%	24,098	4.70%
Oct	523,881	2,400**	393,149	75.05%	69,929	13.35%	52,660	10.05%	8,143	1.55%



\* 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 2012 through January 2013

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 2012	12/11/12	12/12/12	12/13/12	11/26/12	11/26/12	12/13/12	12/14/12
DEC 2012	01/11/13	01/14/13	01/15/13	12/26/12	12/26/12	01/15/13	01/16/13
JAN 2013	02/11/13	02/12/13	02/13/13	01/25/13	01/28/13	02/13/13	02/14/13

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$20.12 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.35 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 – 512 November 9, 2012

The 2012 milk production forecast is raised on higher estimated milk per cow in the third quarter, but production forecasts for the remainder of 2012 and 2013 are unchanged from last month. Fat basis exports in both years are reduced largely on lower butterfat exports, but skim solids export forecasts are raised, largely due to whey protein product sales.

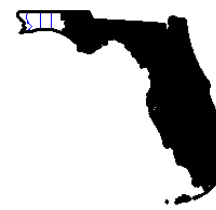
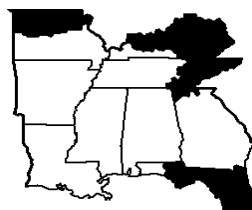
Cheese prices are forecast lower in 2012, but the forecast is unchanged for 2013. Butter prices for both 2012 and 2013 are lowered as butter stocks are forecast higher than last month. Nonfat dry milk is forecast higher for both years. The whey price forecast is unchanged for 2012 but is raised for 2013. The Class III price for 2012 is unchanged, but the Class IV price forecast is lower on weaker butter prices. For 2013, higher whey and nonfat dry milk prices push the Class III and Class IV price forecasts higher. The all milk price is forecast at \$18.50 to \$18.60 per cwt for 2012, unchanged from last month, but the forecast for 2013 is raised to \$19.10 to \$20.00 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



### MILK MARKET ADMINISTRATOR

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# Market Information BULLETIN



Erik F. Rasmussen, Acting Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

December 2012

Volume 13—No. 12

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

## Dairy Producers Don't Forget to Fill Out Your Agriculture Census!

The Census of Agriculture is the leading source of facts and figures about American agriculture. Conducted every five years, the Census provides a detailed picture of U.S. farms and ranches and the people who operate them. It is the only source of uniform, comprehensive agricultural data for every state and county in the United States.

For the 2012 Census of Agriculture, forms will be mailed in late December 2012 and farmers and ranchers are asked to respond by mail or online by February 4, 2013. Participation by every farmer and rancher, regardless of the size or type of operation, is vitally important. By responding to the Census, producers are helping themselves, their communities and all of U.S. agriculture.

The 2012 Census of Agriculture will collect information concerning all areas of farming and ranching operations, including production expenses, market value of products, and operator characteristics. This information is used by everyone who provides services to farmers and rural communities - including federal, state and local governments, agribusinesses, and many others. Census data is used to make decisions about many things that directly impact farmers, including:

- community planning
- store/company locations
- availability of operational loans and other funding
- location and staffing of service centers
- farm programs and policies

Participation in the Census is required by law, and that same law protects the confidentiality of all individual responses.

The Census of Agriculture is your voice, your future and your responsibility! For more information or to respond to the census online, visit the following website: <http://www.agcensus.usda.gov/index.php>.

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$23.47 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$1.12 higher than the previous month and is \$1.84 per hundredweight higher compared with November 2011. Class I utilization was 74.08 percent in November, 0.97 percent lower compared with the previous month and 3.88 percent higher than November 2011.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2012 was 16.26 billion pounds, a decrease of 0.1 percent from October 2011 and an increase of 0.3 percent when compared with September 2012 on a daily average basis. Total cheese output was 928 million pounds, 3.2 percent above October 2011 and 2.8 percent above September 2012 on a daily average basis. Butter production was 146 million pounds, slightly above October 2011 and 3.4 percent above September 2012 on a daily average basis.

Nonfat dry milk powder production was 95.0 million pounds in October 2012, a decrease of 5.6 percent versus October 2011 and 8.8 percent lower than September 2012 on a daily average basis. Dry whey production was 76.0 million pounds in October, 1.9 percent below October of last year and 0.8 percent below September 2012 on a daily average basis. Whey protein concentrates production was 37.0 million pounds in October, a 0.8 percent decrease compared to October of last year and a 1.0 percent increase over September 2012 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk), was 1.79 in November 2012, 0.06 above the October 2012 value.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2012

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.20%	7,784,537	\$2.1171	\$ 16,480,643.28
Class I Differential at Location				255,006.42
Class II Butterfat	25.62%	5,086,425	\$2.0288	10,319,339.07
Class III Butterfat	17.20%	3,415,085	\$2.0218	6,904,618.86
Class IV Butterfat	17.98%	3,569,295	\$2.0218	7,216,400.61
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,855,342</b>		<b>\$ 41,176,008.24</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0738**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	75.47%	374,341,512	\$13.77 /cwt.	\$ 51,546,826.22
Class I Butterfat	39.20%	7,784,537	\$2.1171 /lb.	16,480,643.28
Class I Differential at Location		382,126,049		12,605,968.33
<b>Total Class I Milk</b>	<b>74.08%</b>	<b>382,126,049</b>		<b>\$ 80,633,437.83</b>
Class II Skim Milk	8.65%	42,893,830	\$12.13 /cwt.	\$ 5,203,021.58
Class II Butterfat	25.62%	5,086,425	\$2.0288 /lb.	10,319,339.07
<b>Total Class II Milk</b>	<b>9.30%</b>	<b>47,980,255</b>		<b>\$ 15,522,360.65</b>
Class III Skim Milk	11.83%	58,699,115	\$14.25 /cwt.	\$ 8,364,623.90
Class III Butterfat	17.20%	3,415,085	\$2.0218 /lb.	6,904,618.86
<b>Total Class III Milk</b>	<b>12.04%</b>	<b>62,114,200</b>		<b>\$ 15,269,242.76</b>
Class IV Skim Milk	4.05%	20,081,742	\$12.00 /cwt.	\$ 2,409,809.04
Class IV Butterfat	17.98%	3,569,295	\$2.0218 /lb.	7,216,400.61
<b>Total Class IV Milk</b>	<b>4.58%</b>	<b>23,651,037</b>		<b>\$ 9,626,209.65</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>515,871,541</b>		<b>\$ 121,051,250.89</b>

### Adjustments

Overage and Other Source	\$1,841.86
Inventory Adjustments	\$42,940.92
Producer butterfat at uniform butterfat price	(\$41,176,008.24)
Location Adjustments to Producers	\$3,414,113.09
1/2 Unobligated Balance in P.S.F.	\$231,990.55

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.84746	\$83,566,129.07
	\$ 0.04746	\$235,407.65

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

**\$16.80**

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

**\$23.47\***

\* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	NOV 2012	DEC 2012	OCT 2012	NOV 2012	NOV 2012
Appalachian (Charlotte)	\$ 24.10	\$ 24.79	\$ 21.85	\$ 22.88	73.00%
Arizona (Phoenix)	\$ 23.05	\$ 23.74	\$ 20.23	\$ 20.67	34.21%
Central (Kansas City)	\$ 22.70	\$ 23.39	\$ 19.45	\$ 20.23	49.23%
Florida (Tampa)	\$ 26.10	\$ 26.79	\$ 23.70	\$ 25.12	87.67%
Mideast (Cleveland)	\$ 22.70	\$ 23.39	\$ 19.67	\$ 20.38	42.80%
Northeast (Boston)	\$ 23.95	\$ 24.64	\$ 20.78	\$ 21.35	42.90%
Pacific Northwest (Seattle)	\$ 22.60	\$ 23.29	\$ 19.18	\$ 19.98	45.10%
<b>Southeast (Atlanta)</b>	<b>\$ 24.50</b>	<b>\$ 25.19</b>	<b>\$ 22.35</b>	<b>\$ 23.47</b>	<b>74.08%</b>
Southwest (Dallas)	\$ 23.70	\$ 24.39	\$ 20.35	\$ 21.37	67.24%
Upper Midwest (Chicago)	\$ 22.50	\$ 23.19	\$ 20.53	\$ 20.68	14.80%

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

<b>Receipts:</b>	<b>November 2012</b>	<b>November 2011</b>
<b>Producer Milk</b>		
Class I	382,126,049	386,370,472
Class II	47,980,255	54,796,829
Class III	62,114,200	66,509,548
Class IV	23,651,037	42,627,805
	<hr/>	<hr/>
Total Producer Milk	<b>515,871,541</b>	<b>550,304,654</b>
Average Butterfat Test	3.85%	3.80%
Percent of Producer Milk in Class I	74.08%	70.20%
Daily Average Receipts	17,195,718	18,343,488
<b>Other Source Milk</b>		
Class I	7,460,568	6,900,519
Class II	8,051,102	5,310,681
Class III	1,405,085	1,465,973
Class IV	9,093,354	10,292,086
	<hr/>	<hr/>
Total Other Source Milk	<b>26,010,109</b>	<b>23,969,259</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	911	826
	<hr/>	<hr/>
Total Overage	<b>911</b>	<b>826</b>
<b>Opening Inventory</b>		
Class I	25,493,293	26,285,376
Class II	2,105,373	1,003,914
Class III	968,905	197,036
Class IV	17,801,204	20,004,965
	<hr/>	<hr/>
Total Opening Inventory	<b>46,368,775</b>	<b>47,491,291</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>588,251,336</b>	<b>621,766,030</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	30,746,339	26,341,839
Route Disposition Class I	372,298,084	382,458,835
Shrinkage	3,179,743	2,876,318
Transfers & Diversions to Nonpool	8,855,744	7,879,375
	<hr/>	<hr/>
Total Class I Utilization	<b>415,079,910</b>	<b>419,556,367</b>
Average Butterfat Test	2.04%	2.05%
Daily Average Utilization	13,835,997	13,985,212
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,955,689	1,989,107
Shrinkage	6,905	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	26,672,639	33,279,992
	<hr/>	<hr/>
Total Class II Utilization	<b>58,136,730</b>	<b>61,111,424</b>
Average Butterfat Test	12.79%	11.72%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	64,488,190	68,172,557
	<hr/>	<hr/>
Total Class III Utilization	<b>64,488,190</b>	<b>68,172,557</b>
Average Butterfat Test	5.38%	5.19%
<b>Class IV Utilization</b>		
Inventory	9,670,509	19,935,882
Nonfluid Used To Fortify	2,947,508	3,252,977
Shrinkage	6,336,701	6,913,740
Transfers & Diversions to Nonpool Used To Produce/Other Uses	27,697,445	39,013,322
	<hr/>	<hr/>
Total Class IV Utilization	<b>50,546,506</b>	<b>72,925,682</b>
Average Butterfat Test	12.25%	8.61%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>588,251,336</b>	<b>621,766,030</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2012 is \$23.47 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.80 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0738 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 75.47% of all producer skim milk (priced to handlers at \$13.77 per hundredweight, plus the Class I differential, see page 2) and 39.20% of producer butterfat (priced to handlers at \$2.1171 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.65% of all producer skim milk (\$12.13 per hundredweight) and 25.62% of producer butterfat (\$2.0288 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.83% of all producer skim milk (\$14.25 per hundredweight) and 17.20% of producer butterfat (\$2.0218 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.05% of all producer skim milk (\$12.00 per hundredweight) and 17.98% of producer butterfat (\$2.0218 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>October 2012</u></b>		
Whole Milk	122,283,739	29.06%
Fat Free Milk	46,290,530	11.00%
Lowfat Milk (incl. 1%)	45,705,279	10.86%
Reduced Fat Milk (incl. 2%)	145,564,785	34.59%
Cultured Fluid Milk (incl. Buttermilk)	8,480,085	2.02%
Flavored Drinks and Milk	52,473,318	12.47%
<b>Total Disposition in Marketing Area</b>	<b>420,797,736</b>	<b>100.0%</b>
Total Disposition by Pool Plants	340,470,951	80.91%
Total Disposition by Nonpool Plants	80,326,785	19.09%
<b>Total Disposition in Marketing Area</b>	<b>420,797,736</b>	<b>100.0%</b>

Receipts of producer milk during November totaled 515.9 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2012. Class I route disposition in the area was 420.8 million pounds in October 2012.

### Notice Mailbox Milk Prices For Selected Reporting Areas 2/

Reporting Area 1/	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
New England States 3/	\$20.50	\$19.06	\$18.46	\$18.03	\$17.45	\$17.06	\$17.55	\$18.73
Eastern Pennsylvania 4/	\$19.98	\$18.60	\$17.92	\$17.48	\$16.83	\$16.50	\$16.88	\$18.15
Appalachian States 5/	\$20.79	\$19.12	\$17.62	\$17.12	\$17.06	\$17.07	\$17.93	\$19.23
<b>Southeast States 6/</b>	<b>\$21.57</b>	<b>\$19.29</b>	<b>\$18.47</b>	<b>\$17.57</b>	<b>\$17.50</b>	<b>\$17.60</b>	<b>\$18.49</b>	<b>\$19.98</b>
Southern Missouri 7/	\$19.10	\$17.05	\$15.64	\$15.37	\$15.54	\$15.83	\$16.73	\$18.25
Florida	\$22.85	\$20.23	\$19.54	\$18.71	\$18.49	\$18.61	\$19.60	\$21.41
Western Pennsylvania 8/	\$19.78	\$18.34	\$17.83	\$17.33	\$16.45	\$16.06	\$16.76	\$18.15
Wisconsin	\$19.31	\$18.16	\$17.57	\$17.46	\$16.81	\$16.94	\$17.55	\$18.91
Corn Belt States 9/	\$18.80	\$17.49	\$16.65	\$16.22	\$15.63	\$15.68	\$16.36	\$17.85
Western Texas 10/	\$17.96	\$16.57	\$15.92	\$15.51	\$15.15	\$15.49	\$16.18	\$17.43
Northwest States 11/	\$18.61	\$17.26	\$16.76	\$16.43	\$15.49	\$15.43	\$16.27	\$17.64
All Federal Order Areas 12/	\$19.30	\$17.92	\$17.24	\$16.87	\$16.29	\$16.21	\$16.88	\$18.22
California 13/	\$15.28	\$15.22	\$14.99	\$14.59	\$13.97	\$14.38	\$14.77	\$16.20

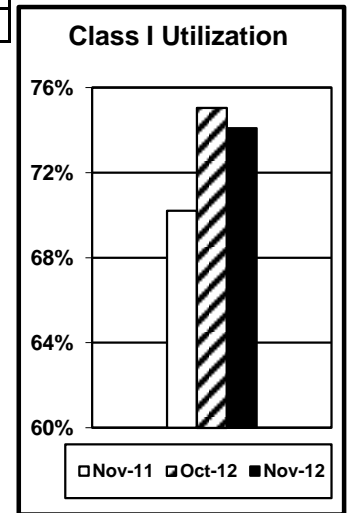
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 4/ All the counties to the east of those listed in 8/. 5/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 6/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 7/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 8/ The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those to the west of these. 9/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 7/. 10/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 11/ Includes Oregon and Washington. 12/ Weighted average of the information for all selected reporting areas in Federal milk orders. 13/ Calculated by CA Department of Food and Agriculture.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2011	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$12.26	\$2.2005	\$19.53	\$16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$11.97	\$1.9592	\$18.41	\$15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$11.44	\$1.9508	\$17.87	\$15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38	\$1.7513	\$18.08	\$13.12	\$1.7443	\$18.77	\$11.16	\$1.7443	\$16.87	\$14.94	\$1.8583	\$20.92
Jan 2012	\$16.97	\$1.7775	\$22.60	\$12.05	\$1.7248	\$17.67	\$11.44	\$1.7178	\$17.05	\$10.93	\$1.7178	\$16.56	\$15.53	\$1.7379	\$21.07
Feb	\$15.22	\$1.7550	\$20.83	\$11.82	\$1.5809	\$16.94	\$10.93	\$1.5739	\$16.06	\$10.79	\$1.5739	\$15.92	\$14.15	\$1.6347	\$19.38
Mar	\$14.76	\$1.6735	\$20.10	\$11.62	\$1.5367	\$16.59	\$10.74	\$1.5297	\$15.72	\$10.36	\$1.5297	\$15.35	\$13.58	\$1.5751	\$18.62
Apr	\$14.50	\$1.5619	\$19.46	\$11.09	\$1.5715	\$16.20	\$10.62	\$1.5645	\$15.72	\$9.66	\$1.5645	\$14.80	\$13.23	\$1.5639	\$18.24
May	\$14.56	\$1.6013	\$19.65	\$10.47	\$1.4532	\$15.19	\$10.54	\$1.4462	\$15.23	\$8.80	\$1.4462	\$13.55	\$13.29	\$1.4995	\$18.07
Jun	\$14.41	\$1.4659	\$19.04	\$9.42	\$1.4936	\$14.32	\$10.81	\$1.4866	\$15.63	\$8.33	\$1.4866	\$13.24	\$13.14	\$1.4791	\$17.86
Jul	\$14.58	\$1.4974	\$19.31	\$9.01	\$1.6626	\$14.51	\$11.28	\$1.6556	\$16.68	\$8.97	\$1.6556	\$14.45	\$13.55	\$1.5909	\$18.64
Aug	\$15.01	\$1.6766	\$20.35	\$9.53	\$1.8409	\$15.64	\$11.72	\$1.8339	\$17.73	\$9.68	\$1.8339	\$15.76	\$14.25	\$1.7700	\$19.95
Sep	\$15.37	\$1.8741	\$21.39	\$10.36	\$2.0117	\$17.04	\$12.42	\$2.0047	\$19.00	\$10.77	\$2.0047	\$17.41	\$14.53	\$1.9567	\$20.87
Oct	\$16.11	\$2.0388	\$22.68	\$11.42	\$2.1206	\$18.44	\$14.12	\$2.1136	\$21.02	\$11.55	\$2.1136	\$18.54	\$15.60	\$2.0848	\$22.35
Nov	\$17.57	\$2.1551	\$24.50	\$12.13	\$2.0288	\$18.81	\$14.25	\$2.0218	\$20.83	\$12.00	\$2.0218	\$18.66	\$16.80	\$2.0738	\$23.47
Dec	\$18.43	\$2.1143	\$25.19	\$12.67											

**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 2011	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,534	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%
Dec	589,140	2,615	389,713	66.15%	42,588	7.23%	84,773	14.39%	72,065	12.23%
Jan 2012	602,796	2,580	399,200	66.22%	41,543	6.89%	110,230	18.29%	51,823	8.60%
Feb	566,328	2,556	364,958	64.45%	42,443	7.49%	119,618	21.12%	39,309	6.94%
Mar	666,207	2,597	392,250	58.88%	66,837	10.03%	139,791	20.98%	67,329	10.11%
Apr	644,212	2,608	364,980	56.66%	66,817	10.37%	141,110	21.90%	71,306	11.07%
May	602,192	2,592	368,840	61.25%	59,719	9.92%	112,924	18.75%	60,709	10.08%
Jun	550,145	2,498	345,665	62.83%	57,002	10.36%	82,560	15.01%	64,918	11.80%
Jul	504,083	2,424	351,814	69.80%	59,187	11.74%	53,102	10.53%	39,980	7.93%
Aug	532,275	2,384	399,702	75.10%	68,690	12.90%	46,627	8.76%	17,256	3.24%
Sep	513,138	2,396	358,513	69.86%	64,704	12.61%	65,824	12.83%	24,098	4.70%
Oct	523,881	2,318	393,149	75.05%	69,929	13.35%	52,660	10.05%	8,143	1.55%
Nov	515,872	2,300**	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%



\* 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 2012 through February 2013

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 2012	01/11/13	01/14/13	01/15/13	12/26/12	12/26/12	01/15/13	01/16/13
JAN 2013	02/11/13	02/12/13	02/13/13	01/25/13	01/28/13	02/13/13	02/14/13
FEB 2013	03/11/13	03/12/13	03/13/13	02/25/13	02/26/13	03/13/13	03/14/13

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$21.12 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.47 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 – 513 December 11, 2012

The 2012 and 2013 milk production forecasts are unchanged from last month. Lower forecast fat basis exports in 2012 reflect weakness in butter exports but exports in 2013 are raised on higher expected cheese and whey protein solids shipments.

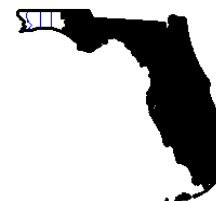
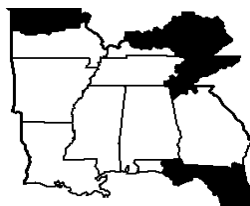
Cheese prices are forecast lower in 2012 on current weakness but the forecast is raised for 2013 as demand is expected to improve. Butter prices for both 2012 and 2013 are lowered as demand is expected to remain relatively weak. Nonfat dry milk (NDM) and whey prices are raised for 2012 and 2013. The Class III price for 2012 is reduced on the lower cheese price but the Class IV price is unchanged as the lower butter price is offset by a higher NDM price. For 2013, Class III and Class IV price forecasts are raised as prices for cheese, NDM, and whey are increased. The 2012 all milk price is unchanged from last month at \$18.50 to \$18.60 per cwt, but the range of the 2013 price is tightened to \$19.15 to \$19.95 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](http://www.usda.gov/oce/commodity/wasde/index.htm).



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