

# 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

## 2013 Milk Production Inches Upward from Earlier Forecasts; Milk Prices Slip

*From Livestock, Dairy, & Poultry Outlook, January 17, 2013, Economic Research Service, USDA:*

Corn price forecasts were unchanged in the January World Agricultural Supply and Demand Estimates after being lowered in December. Corn prices for 2012/13 are forecast at \$6.80-\$8.00 per bushel. However, soybean meal prices were lowered slightly in the January forecast to \$430 - \$460 per ton. According to the December Agricultural Prices report, the December price for alfalfa hay was \$217 per ton, changing little from November's reported price but still above year-earlier prices. Until the end of December, weekly dairy cow slaughter has been above year-earlier levels and the 3-year average since early in 2012, yet dairy cow numbers for much of 2012 remained above 2011. Along with steady replacement heifer prices, this high slaughter rate suggests some herd freshening among producers. Expectations of moderating feed prices, down from last summer's drought-induced highs, led to slightly higher 2013 forecast dairy cow numbers in January. The dairy herd is expected to average 9,135 million head for 2013. Yield per cow is forecast at 21,880 pounds per cow, unchanged from December. Production for 2013 is projected at 199.9 billion pounds, up slightly from last month based on the higher expected cow numbers.

Imports for 2013, on a fats basis, were raised to 4 billion pounds based on higher expected cheese and butterfat imports. Imports on a skims-solids basis were unchanged from December at 5.4 billion pounds. Exports were raised on both a fats and skims-solids basis, to 9.0 billion pounds and 33.6 billion pounds, respectively. Fats basis exports were raised on stronger expected cheese sales, while the skims solids export forecast increase is based on expected strong demand for nonfat dry milk (NDM) and whey. (Continued on Page 4)

## Uniform Price Declines

The uniform price in Fulton County, GA, was \$22.72 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.75 lower than the previous month and is \$1.80 per hundredweight higher compared with December 2011. Class I utilization was 63.23 percent in December, 10.85 percent lower compared with the previous month and 2.92 percent lower than December 2011.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2012 was 15.97 billion pounds, an increase of 1.0 percent from November 2011 and an increase of 1.5 percent when compared with October 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 912 million pounds, 1.8 percent above November 2011 and 1.5 percent above October 2012 on a daily average basis. Butter production was 144 million pounds, 6.0 percent below November 2011 but 2.5 percent above October 2012 on a daily average basis.

Nonfat dry milk powder production was 116 million pounds in November 2012, a decrease of 3.8 percent versus November of last year and 25.8 percent higher than October 2012 on a daily average basis. Dry whey production was 71.5 million pounds in November, 7.8 percent below November of last year and 2.4 percent below October 2012 on a daily average basis. Whey protein concentrates production was 36.5 million pounds in November, a 0.8 percent decrease compared to November of last year and a 2.0 percent increase over October 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 1.65 in December 2012, 0.08 below the November 2012 value.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.75%	7,645,902	\$2.0763	\$ 15,875,186.31
Class I Differential at Location				250,827.67
Class II Butterfat	20.31%	4,468,075	\$1.7346	7,750,322.86
Class III Butterfat	20.96%	4,610,975	\$1.7276	7,965,920.41
Class IV Butterfat	23.98%	5,276,766	\$1.7276	9,116,140.98
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,001,718</b>		<b>\$ 40,958,398.23</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8616**

### 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	64.37%	354,286,348	\$14.63 /cwt.	\$ 51,832,092.72
Class I Butterfat	34.75%	7,645,902	\$2.0763 /lb.	15,875,186.31
Class I Differential at Location		361,932,250		11,920,915.02
<b>Total Class I Milk</b>	<b>63.23%</b>	<b>361,932,250</b>		<b>\$ 79,628,194.05</b>
Class II Skim Milk	8.19%	45,074,760	\$12.67 /cwt.	\$ 5,710,972.09
Class II Butterfat	20.31%	4,468,075	\$1.7346 /lb.	7,750,322.86
<b>Total Class II Milk</b>	<b>8.65%</b>	<b>49,542,835</b>		<b>\$ 13,461,294.95</b>
Class III Skim Milk	18.66%	102,731,909	\$13.07 /cwt.	\$ 13,427,060.50
Class III Butterfat	20.96%	4,610,975	\$1.7276 /lb.	7,965,920.41
<b>Total Class III Milk</b>	<b>18.75%</b>	<b>107,342,884</b>		<b>\$ 21,392,980.91</b>
Class IV Skim Milk	8.78%	48,334,705	\$12.21 /cwt.	\$ 5,901,667.48
Class IV Butterfat	23.98%	5,276,766	\$1.7276 /lb.	9,116,140.98
<b>Total Class IV Milk</b>	<b>9.37%</b>	<b>53,611,471</b>		<b>\$ 15,017,808.46</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>572,429,440</b>		<b>\$ 129,500,278.37</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$13,802.58)
Producer butterfat at uniform butterfat price	(\$40,958,398.23)
Location Adjustments to Producers	\$3,921,684.86
1/2 Unobligated Balance in P.S.F.	\$221,512.54

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.83623	\$92,671,274.96
	\$ 0.04623	\$254,460.42

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

**\$16.79**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.72\***

\* 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 2012	JAN 2012	NOV 2012	DEC 2012	DEC 2012
Appalachian (Charlotte)	\$ 24.79	\$ 22.37	\$ 22.88	\$ 22.28	64.52%
Arizona (Phoenix)	\$ 23.74	\$ 21.32	\$ 20.67	\$ 19.67	30.08%
Central (Kansas City)	\$ 23.39	\$ 20.97	\$ 20.23	\$ 19.56	37.97%
Florida (Tampa)	\$ 26.79	\$ 24.37	\$ 25.12	\$ 24.90	81.87%
Midwest (Cleveland)	\$ 23.39	\$ 20.97	\$ 20.38	\$ 19.72	37.40%
Northeast (Boston)	\$ 24.64	\$ 22.22	\$ 21.35	\$ 20.65	38.70%
Pacific Northwest (Seattle)	\$ 23.29	\$ 20.87	\$ 19.98	\$ 19.17	25.91%
<b>Southeast (Atlanta)</b>	<b>\$ 25.19</b>	<b>\$ 22.77</b>	<b>\$ 23.47</b>	<b>\$ 22.72</b>	<b>63.23%</b>
Southwest (Dallas)	\$ 24.39	\$ 21.97	\$ 21.37	\$ 20.22	30.01%
Upper Midwest (Chicago)	\$ 23.19	\$ 20.77	\$ 20.68	\$ 18.98	11.60%

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

<b>Receipts:</b>	<b>December 2012</b>	<b>December 2011</b>
<b>Producer Milk</b>		
Class I	361,932,250	389,713,475
Class II	49,542,835	42,588,403
Class III	107,342,884	84,773,121
Class IV	53,611,471	72,064,626
Total Producer Milk	<u>572,429,440</u>	<u>589,139,625</u>
Average Butterfat Test	384.36%	3.82%
Percent of Producer Milk in Class I	63.23%	66.15%
Daily Average Receipts	18,465,466	19,004,504
<b>Other Source Milk</b>		
Class I	6,015,949	6,216,233
Class II	6,039,910	4,833,892
Class III	1,190,978	1,721,341
Class IV	13,206,243	13,234,655
Total Other Source Milk	<u>26,453,080</u>	<u>26,006,121</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	15,693
Total Overage	<u>0</u>	<u>15,693</u>
<b>Opening Inventory</b>		
Class I	30,746,339	27,106,336
Class II	373,010	1,490,701
Class III	0	131,072
Class IV	9,297,499	17,549,612
Total Opening Inventory	<u>40,416,848</u>	<u>46,277,721</u>
<b>Total Receipts</b>	<b>639,299,368</b>	<b>661,439,160</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	24,048,128	26,170,047
Route Disposition Class I	363,735,704	385,123,430
Shrinkage	2,589,462	3,847,068
Transfers & Diversions to Nonpool	8,321,244	7,895,499
Total Class I Utilization	<u>398,694,538</u>	<u>423,036,044</u>
Average Butterfat Test	2.12%	2.11%
Daily Average Utilization	12,861,114	13,646,324
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,733,738	1,604,637
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	29,708,753	22,937,206
Total Class II Utilization	<u>24,513,264</u>	<u>24,371,153</u>
Average Butterfat Test	55,955,755	48,912,996
Average Butterfat Test	11.56%	12.86%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	108,533,862	86,625,534
Total Class III Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	108,533,862	86,625,534
Average Butterfat Test	4.29%	5.07%
<b>Class IV Utilization</b>		
Inventory	17,579,712	17,567,810
Nonfluid Used To Fortify	2,542,206	3,583,926
Shrinkage	6,169,168	6,845,681
Transfers & Diversions to Nonpool Used To Produce/Other Uses	45,236,576	70,597,425
Total Class IV Utilization	<u>4,587,551</u>	<u>4,269,744</u>
Average Butterfat Test	76,115,213	102,864,586
Average Butterfat Test	11.89%	8.33%
<b>Total Utilization</b>	<b>639,299,368</b>	<b>661,439,160</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2012 is \$22.72 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.79 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8616 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 64.37% of all producer skim milk (priced to handlers at \$14.63 per hundredweight, plus the Class I differential, see page 2) and 34.75% of producer butterfat (priced to handlers at \$2.0763 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.19% of all producer skim milk (\$12.67 per hundredweight) and 20.31% of producer butterfat (\$1.7346 per pound). Class III use, mostly milk used to produce cheese, accounted for 18.66% of all producer skim milk (\$13.07 per hundredweight) and 20.96% of producer butterfat (\$1.7276 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.78% of all producer skim milk (\$12.21 per hundredweight) and 23.98% of producer butterfat (\$1.7276 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>November 2012</u></b>		
Whole Milk	121,694,830	29.94%
Fat Free Milk	44,987,729	11.07%
Lowfat Milk (incl. 1%)	41,202,492	10.14%
Reduced Fat Milk (incl. 2%)	142,179,897	34.98%
Cultured Fluid Milk (incl. Buttermilk)	9,973,018	2.45%
Flavored Drinks and Milk	46,371,744	11.41%
<b>Total Disposition in Marketing Area</b>	<b>406,409,710</b>	<b>100.0%</b>
Total Disposition by Pool Plants	328,334,078	80.79%
Total Disposition by Nonpool Plants	78,075,632	19.21%
<b>Total Disposition in Marketing Area</b>	<b>406,409,710</b>	<b>100.0%</b>

Receipts of producer milk during December totaled 572.4 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 December 2012. Class I route disposition in the area was 406.4 million pounds in November 2012.

### 2013 Milk Production Inches Upward from Earlier Forecasts; Milk Prices Slip

(Continued from Page 1) Prices for cheese and butter were lowered this month based on current price weakness and apparent slow demand. Meanwhile, prices for NDM and whey were raised based on current price strength and expected strong export demand for dry products. The 2013 cheese price was lowered from December to \$1.710-\$1.790 per pound, and butter prices were lowered from December to \$1.535-\$1.645 per pound.

The NDM price is forecast at \$1.455-\$1.515 per pound, up from last month. The whey price is expected to be 61.0-64.0 cents per pound this year. The Class III milk price was reduced to \$17.65-\$18.45 per cwt this month as the lower forecast cheese price countered the higher expected whey price. Similarly, the Class IV price was lowered this month to \$16.90-\$17.80 per cwt as weaker butter prices more than offset the higher expected NDM price. The all milk price was reduced to \$18.85-\$19.65 per cwt.

### Statement from Agriculture Secretary Vilsack on Continuing His Service in the Obama Administration

Agriculture Secretary Tom Vilsack made the following statement today regarding the announcement that he will continue his service in the Obama Administration.

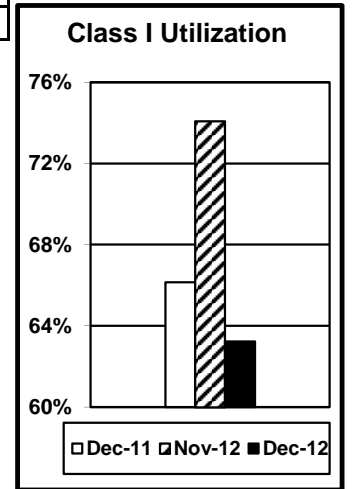
"President Obama and I share a deep appreciation for rural America and its unlimited potential in the years ahead to feed a growing world population, revolutionize America's energy, further protect our natural resources and create more jobs here at home. We will continue to urge Congress to pass a Food, Farm and Jobs Bill that will help us continue USDA's wide range of efforts to support this work. As we look ahead to a promising future in our small towns and rural communities, I am pleased to continue working alongside President Obama to grow more opportunity in rural America."

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Nov 2011	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Nov 2011	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,300**	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%



\* 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 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
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
MAR 2013	04/11/13	04/12/13	04/15/13	03/25/13	03/26/13	04/15/13	04/16/13

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$20.45 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.72 per hundredweight.

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

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

## WASDE Dairy Report 1/

### WASDE – 514 January 11, 2013

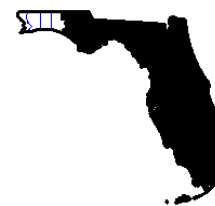
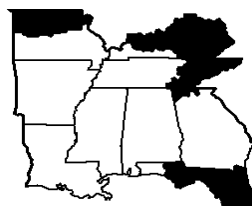
The milk production forecast for 2012 is increased based on a slower decline in cow numbers and greater output per cow in the fourth quarter. Milk production for 2013 is raised as the decline in cow numbers is dampened from last month. Fat-basis imports for 2012 and 2013 are raised on higher butterfat and cheese imports, but skim-solids imports for 2012 are reduced on lower casein imports. Fat-basis exports are unchanged for 2012, but the forecast for 2013 is raised on greater expected cheese and whey sales. The estimate for 2012 skim-solids exports is reduced on lower nonfat dry milk (NDM) exports but the forecast for 2013 is raised.

Butter and cheese prices for 2013 are lowered based on current price weakness and weaker expected demand. NDM and whey prices for 2013 are forecast higher on current price strength. The Class III price forecast is reduced as lower forecast cheese prices more than offset the higher whey price. The Class IV price is lowered as the forecast decline in butter prices more than offsets higher NDM prices. The all milk price forecast is lowered to \$18.85 to \$19.65 per cwt. Product and milk prices for 2012 are adjusted to reflect reported December estimates.

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

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Volume 14—No. 2

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

## USDA Issues Final Decision on Amendments to Milk Orders

On February 7, 2013, the U.S. Department of Agriculture issued a final decision proposing permanent amendments to all Federal milk marketing orders.

The decision proposes a permanent adoption of changes that are currently implemented on an interim basis. The amendments are based on the record of public hearing sessions held in 2007 in Strongsville, OH; Indianapolis, IN; and Pittsburgh, PA.

This decision would permanently adopt changes to the manufacturing cost allowances and the butterfat yield factor used in Class III and Class IV product-price formulas applicable to all Federal milk marketing orders. These amendments were adopted in an interim final rule in July 2008 and became effective in October 2008. This document also terminates the proceeding with regard to additional proposals that addressed the collection of manufacturing cost information, the use of an energy cost adjustor, and providing for a cost add-on feature to Class III and Class IV product-price formulas.

The amendments finalized by this decision require producer approval. The final decision may be obtained at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'.

## Milk Production Continues To Advance Based On Yields, as the U.S. Herd Contracts

*Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2013, Economic Research Service, USDA:*

The most recent USDA World Agricultural Supply and Demand estimates lowered the 2012/13 season-average price of corn to \$6.75-\$7.65 per bushel. Lower expected exports lie behind the price drop. Greater expected competition from Brazil offset higher expected domestic food, seed, and industrial use. In contrast, the soybean meal price forecast was unchanged from January at \$430-\$460 per ton. The outlook for forages remains precarious. The Crop Production report released February 8, 2012, estimated total U.S. hay production in (continued on Page 4)

## Uniform Price Declines

The uniform price in Fulton County, GA, was \$21.50 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$1.22 lower than the previous month and is \$0.43 per hundredweight higher compared with January 2012. Class I utilization was 68.78 percent in January, 5.55 percent higher compared with the previous month and 2.56 percent higher than January 2012.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2012 was 16.83 billion pounds, an increase of 1.6 percent from December 2011 and an increase of 1.7 percent when compared with November 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 949 million pounds, 2.0 percent above December 2011 and 0.5 percent above November 2012 on a daily average basis. Butter production was 173 million pounds, 4.4 percent above December 2011 and 17.0 percent above November 2012 on a daily average basis.

Nonfat dry milk powder production was 157 million pounds in December 2012, an increase of 4.7 percent versus December of last year and 34.1 percent higher than November 2012 on a daily average basis. Dry whey production was 88.6 million pounds in December, 6.6 percent above December of last year and 17.4 percent above November 2012 on a daily average basis. Whey protein concentrates production was 38.6 million pounds in December, a 1.9 percent decrease compared to December of last year and a 4.0 percent increase over November 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 1.58 in January 2013, 0.08 below the December 2012 value.



## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	35.03%	7,814,017	\$1.7452	\$ 13,637,022.49
Class I Differential at Location				256,102.28
Class II Butterfat	23.55%	5,254,946	\$1.6238	8,532,981.32
Class III Butterfat	15.86%	3,537,672	\$1.6168	5,719,708.12
Class IV Butterfat	25.56%	5,703,292	\$1.6168	9,221,082.52
<b>Total Butterfat</b>	<b>100.00%</b>	<b>22,309,927</b>		<b>\$ 37,366,896.73</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6749**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	70.13%	391,030,251	\$13.33 /cwt.	\$ 52,124,332.47
Class I Butterfat	35.03%	7,814,017	\$1.7452 /lb.	13,637,022.49
Class I Differential at Location		398,844,268		13,158,602.39
<b>Total Class I Milk</b>	<b>68.78%</b>	<b>398,844,268</b>		<b>\$ 78,919,957.35</b>
Class II Skim Milk	8.16%	45,490,977	\$12.96 /cwt.	\$ 5,895,630.60
Class II Butterfat	23.55%	5,254,946	\$1.6238 /lb.	8,532,981.32
<b>Total Class II Milk</b>	<b>8.75%</b>	<b>50,745,923</b>		<b>\$ 14,428,611.92</b>
Class III Skim Milk	12.47%	69,506,774	\$12.93 /cwt.	\$ 8,987,225.88
Class III Butterfat	15.86%	3,537,672	\$1.6168 /lb.	5,719,708.12
<b>Total Class III Milk</b>	<b>12.60%</b>	<b>73,044,446</b>		<b>\$ 14,706,934.00</b>
Class IV Skim Milk	9.24%	51,534,521	\$12.41 /cwt.	\$ 6,395,434.06
Class IV Butterfat	25.56%	5,703,292	\$1.6168 /lb.	9,221,082.52
<b>Total Class IV Milk</b>	<b>9.87%</b>	<b>57,237,813</b>		<b>\$ 15,616,516.58</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>579,872,450</b>		<b>\$ 123,672,019.85</b>

### Adjustments

Overage and Other Source	\$9,804.28
Inventory Adjustments	\$9,040.04
Producer butterfat at uniform butterfat price	(\$37,366,896.73)
Location Adjustments to Producers	\$4,005,415.22
1/2 Unobligated Balance in P.S.F.	\$229,796.44

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.24198	\$90,559,179.10
	\$ 0.04198	\$234,050.36

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

**\$16.20**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.50\***

\* 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 2012	JAN 2013	JAN 2013
Appalachian (Charlotte)	\$ 22.37	\$ 21.61	\$ 22.28	\$ 21.10	69.69%
Arizona (Phoenix)	\$ 21.32	\$ 20.56	\$ 19.67	\$ 18.82	29.74%
Central (Kansas City)	\$ 20.97	\$ 20.21	\$ 19.56	\$ 18.57	36.43%
Florida (Tampa)	\$ 24.37	\$ 23.61	\$ 24.90	\$ 23.32	85.95%
Mideast (Cleveland)	\$ 20.97	\$ 20.21	\$ 19.72	\$ 18.73	36.80%
Northeast (Boston)	\$ 22.22	\$ 21.46	\$ 20.65	\$ 19.73	38.80%
Pacific Northwest (Seattle)	\$ 20.87	\$ 20.11	\$ 19.17	\$ 18.41	27.24%
<b>Southeast (Atlanta)</b>	<b>\$ 22.77</b>	<b>\$ 22.01</b>	<b>\$ 22.72</b>	<b>\$ 21.50</b>	<b>68.78%</b>
Southwest (Dallas)	\$ 21.97	\$ 21.21	\$ 20.22	\$ 19.37	31.13%
Upper Midwest (Chicago)	\$ 20.77	\$ 20.01	\$ 18.98	\$ 18.34	11.00%



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

<b>Receipts:</b>	<b>January 2013</b>	<b>January 2012</b>
<b>Producer Milk</b>		
Class I	398,844,268	399,199,786
Class II	50,745,923	41,543,214
Class III	73,044,446	110,229,556
Class IV	57,267,813	51,823,211
	<hr/>	<hr/>
Total Producer Milk	<b>579,872,450</b>	<b>602,795,767</b>
Average Butterfat Test	3.85%	3.78%
Percent of Producer Milk in Class I	68.78%	66.22%
Daily Average Receipts	18,705,563	19,445,025
<b>Other Source Milk</b>		
Class I	7,988,960	5,942,247
Class II	6,810,449	3,977,150
Class III	1,154,839	1,191,527
Class IV	12,734,790	15,141,041
	<hr/>	<hr/>
Total Other Source Milk	<b>28,689,038</b>	<b>26,251,965</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	6,064	0
	<hr/>	<hr/>
Total Overage	<b>6,064</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	21,601,644	26,355,228
Class II	3,578,710	1,652,917
Class III	58,766	0
Class IV	16,374,732	15,721,366
	<hr/>	<hr/>
Total Opening Inventory	<b>41,613,852</b>	<b>43,729,511</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>650,181,404</b>	<b>672,777,243</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	27,492,414	28,047,489
Route Disposition Class I	388,934,014	392,870,454
Shrinkage	3,302,505	2,504,876
Transfers & Diversions to Nonpool	8,705,939	8,074,442
	<hr/>	<hr/>
Total Class I Utilization	<b>428,434,872</b>	<b>431,497,261</b>
Average Butterfat Test	1.96%	1.94%
Daily Average Utilization	13,820,480	13,919,266
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,893,795	2,267,374
Shrinkage	1,471	164,631
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	31,832,485	21,753,783
	<hr/>	<hr/>
Total Class II Utilization	<b>61,135,082</b>	<b>47,173,281</b>
Average Butterfat Test	12.09%	11.64%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	74,258,051	111,421,083
	<hr/>	<hr/>
Total Class III Utilization	<b>74,258,051</b>	<b>111,421,083</b>
Average Butterfat Test	4.82%	4.12%
<b>Class IV Utilization</b>		
Inventory	17,373,540	21,005,872
Nonfluid Used To Fortify	1,210,318	1,462,520
Shrinkage	6,566,802	7,187,943
Transfers & Diversions to Nonpool Used To Produce/Other Uses	56,329,139	49,066,745
	<hr/>	<hr/>
Total Class IV Utilization	<b>86,353,399</b>	<b>82,685,618</b>
Average Butterfat Test	12.12%	12.78%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>650,181,404</b>	<b>672,777,243</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2013 is \$21.50 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.20 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6749 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 70.13% of all producer skim milk (priced to handlers at \$13.33 per hundredweight, plus the Class I differential, see page 2) and 35.03% of producer butterfat (priced to handlers at \$1.7452 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.16% of all producer skim milk (\$12.96 per hundredweight) and 23.55% of producer butterfat (\$1.6238 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.47% of all producer skim milk (\$12.93 per hundredweight) and 15.86% of producer butterfat (\$1.6168 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.24% of all producer skim milk (\$12.41 per hundredweight) and 25.56% of producer butterfat (\$1.6168 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>December 2012</u></b>		
Whole Milk	122,877,611	31.05%
Fat Free Milk	43,608,761	11.02%
Lowfat Milk (incl. 1%)	37,952,130	9.59%
Reduced Fat Milk (incl. 2%)	143,565,201	36.28%
Cultured Fluid Milk (incl. Buttermilk)	8,912,634	2.25%
Flavored Drinks and Milk	38,798,780	9.80%
<b>Total Disposition in Marketing Area</b>	<b>395,715,117</b>	<b>100.0%</b>
Total Disposition by Pool Plants	320,297,265	80.94%
Total Disposition by Nonpool Plants	75,417,852	19.06%
<b>Total Disposition in Marketing Area</b>	<b>395,715,117</b>	<b>100.0%</b>

Receipts of producer milk during January totaled 579.9 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 January 2013. Class I route disposition in the area was 395.7 million pounds in December 2012.

### Milk Production Continues To Advance Based On Yields, as the U.S. Herd Contracts

(Continued from Page 1) 2012 at 119.9 million tons. This estimate is about 9 percent below 2011 and 16 percent below the 5-year average. However, the drought impact is not uniform. The upper Midwest is most adversely affected, with the 2012 crop trailing last year by 29 percent. The Texas-Oklahoma production is expected to be nearly double 2011 totals, but 2011 was one of the worst drought years ever for the Texas-Oklahoma area.

Feed prices will continue to inch upward early this year; but for the year as a whole, feed prices should be slightly lower in 2013 than last year. The feed outlook is predicated on the lower expected corn price and a return to a more nearly normal forage yield for 2013/14.

Dairy product prices for 2013 were only slightly changed from January forecasts. The cheese price is forecast at \$1.715-\$1.785 per pound, unchanged from last month, although the range was narrowed. Butter prices are projected to average \$1.535-\$1.635 per pound. The upper end of the forecast price range was lowered from last month, effectively lowering the midpoint of the price forecast. Butter supplies are expected to remain relatively plentiful. NDM prices were raised slightly this month to \$1.465-\$1.525 per pound on the basis of current prices, continued export strength, and expected tightening stocks over the course of this year. Similar logic underlies the raise in whey prices to 61.5-64.5 cents per pound.

The Class IV price is forecast at \$17.00-\$17.80 per hundred-weight (cwt). This represents an increase in the lower end of the forecast range from last month and is based on the perceived strength of the powder market. The Class III price range was narrowed from last month's forecast to \$17.70-\$18.40 per cwt as cheese prices are unchanged and only a small increase is forecast in the whey price. The all milk price is forecast at \$18.90-\$19.60 per cwt, representing a narrowing of the forecast range.

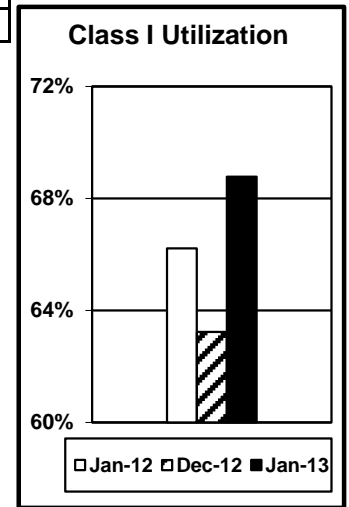
*(Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2013, Economic Research Service, USDA)*

**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
Dec 2011	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Dec 2011	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,320**	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%



\* 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 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
FEB 2013	03/11/13	03/12/13	03/13/13	02/25/13	02/26/13	03/13/13	03/14/13
MAR 2013	04/11/13	04/12/13	04/15/13	03/25/13	03/26/13	04/15/13	04/16/13
APR 2013	05/11/13	05/13/13	05/14/13	04/25/13	04/26/13	05/14/13	05/15/13

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$19.35 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.50 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 – 515 February 8, 2013

The milk production forecast for 2013 is raised. Milk cow numbers are raised as USDA's Cattle report indicated that the number of cows on January 1 was about unchanged from 2012. Milk per cow forecasts are raised as last quarter-2012 estimates were higher than expected and lower forecast feed costs support higher milk yields in 2013. Fat-basis trade estimates for 2013 are unchanged. The skim-solids export estimate for 2013 is raised largely on expectations of stronger nonfat dry milk (NDM) shipments, but the import forecast is unchanged. Milk production estimates for 2012 are raised, reflecting end-of-year production data. Dairy trade estimates for 2012 reflect the pace of trade through November.

Cheese prices are unchanged from last month, but the price range is narrowed. NDM and whey prices are raised reflecting stronger demand, but the butter price is lowered. Despite a higher whey price, the forecast Class III price is unchanged although the range is tightened. Lower butter prices are more than offset by higher NDM prices resulting in a slightly higher forecast Class IV price. The range of all milk price for 2013 is narrowed to \$18.90 to \$19.70 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

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

## Milk Production to Rise, but 'Stronger Exports Are Expected to Keep Milk Prices From Slipping'

*Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2013, Economic Research Service, USDA:*

Corn prices were reduced slightly on the upper end of the projected price range from February in the March USDA World Agricultural Supply and Demand Estimates report. Corn prices are forecast at \$6.75-\$7.45 per bushel. Soybean meal prices were lowered from February to \$425-\$445 per ton in March. Although record-high at the beginning of the year, forage prices are likely to moderate in the second half of 2013.

The number of dairy cows was raised from last month's estimate. Despite a poor milk-feed price ratio, January cow numbers were higher than expected. Forecast cow numbers were raised from last month for the first half of 2013 and lowered from last month for the second half of the year. The U.S. dairy herd is expected to average 9,195 thousand cows for 2013, a contraction from 2012 but higher than February's forecast. Output per cow was raised slightly to 21,960 pounds, based on higher milk per cow in the first quarter. The most recent Milk Production report showed slightly higher year-over-year milk per cow in January for the 23 surveyed States. As a result of the higher milk per cow and a slightly higher average herd size than earlier forecast, 2013 milk production was raised to 201.9 billion pounds. The net additional milk output will help keep a lid on milk prices and continue pressure on producer margins.

Both fat and skims-solids basis imports were unchanged this month; at 4.0 and 5.4 billion pounds respectively. Fat basis exports were raised to 9.4 billion pounds based on likely butter exports through the first part of 2013, but the exports are expected to flag toward the end of 2013. Skims-solids exports were raised to 34.4 billion pounds for the year. The increase is predicated on expected nonfat dry milk (NDM) exports. The apparent (continued on Page 4)

## Uniform Price Declines

The uniform price in Fulton County, GA, was \$21.05 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$0.45 lower than the previous month and is \$1.67 per hundredweight higher compared with February 2012. Class I utilization was 66.40 percent in February, 2.38 percent lower compared with the previous month and 1.95 percent higher than February 2012.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in January 2013 was 17.10 billion pounds, an increase of 0.5 percent from January 2012 and an increase of 1.7 percent when compared with December 2012 on a daily average basis. Total cheese output (excluding cottage cheese) was 933 million pounds in January, 2.4 percent above January 2012 but 2.0 percent below December 2012 on a daily average basis. Butter production was 185 million pounds, 2.6 percent above January 2012 and 7 percent above December 2012 on a daily average basis.

Nonfat dry milk powder production was 143 million pounds in January, a decrease of 6.9 percent versus January of last year and 9.0 percent lower than December 2012 on a daily average basis. Dry whey production was 87.2 million pounds in January, 9.3 percent lower than January of last year and 2.3 percent lower than December 2012 on a daily average basis. Whey protein concentrates production was 38.8 million pounds in January, a 0.8 percent increase compared to January of last year and a 1.1 percent increase over December 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 1.54 in February 2013, 0.03 below the ratio recorded in January.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.29%	6,760,323	\$1.6427	\$ 11,105,182.59
Class I Differential at Location				221,689.99
Class II Butterfat	23.42%	4,618,237	\$1.6689	7,707,375.73
Class III Butterfat	19.38%	3,821,879	\$1.6619	6,351,580.68
Class IV Butterfat	22.91%	4,516,928	\$1.6619	7,506,682.64
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,717,367</b>		<b>\$ 32,892,511.63</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6682**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.68%	335,791,774	\$12.91 /cwt.	\$ 43,350,718.03
Class I Butterfat	34.29%	6,760,323	\$1.6427 /lb.	11,105,182.59
Class I Differential at Location		342,552,097		11,316,910.79
<b>Total Class I Milk</b>	<b>66.40%</b>	<b>342,552,097</b>		<b>\$ 65,772,811.41</b>
Class II Skim Milk	9.55%	47,373,370	\$13.11 /cwt.	\$ 6,210,648.79
Class II Butterfat	23.42%	4,618,237	\$1.6689 /lb.	7,707,375.73
<b>Total Class II Milk</b>	<b>10.08%</b>	<b>51,991,607</b>		<b>\$ 13,918,024.52</b>
Class III Skim Milk	15.44%	76,628,282	\$11.85 /cwt.	\$ 9,080,451.45
Class III Butterfat	19.38%	3,821,879	\$1.6619 /lb.	6,351,580.68
<b>Total Class III Milk</b>	<b>15.59%</b>	<b>80,450,161</b>		<b>\$ 15,432,032.13</b>
Class IV Skim Milk	7.33%	36,388,747	\$12.37 /cwt.	\$ 4,501,288.00
Class IV Butterfat	22.91%	4,516,928	\$1.6619 /lb.	7,506,682.64
<b>Total Class IV Milk</b>	<b>7.93%</b>	<b>40,905,675</b>		<b>\$ 12,007,970.64</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>515,899,540</b>		<b>\$ 107,130,838.70</b>

### Adjustments

Overage and Other Source	\$10,987.18
Inventory Adjustments	\$33,551.72
Producer butterfat at uniform butterfat price	(\$32,892,511.63)
Location Adjustments to Producers	\$3,609,661.78
1/2 Unobligated Balance in P.S.F.	\$525,243.22

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.80423	\$78,417,770.97
	\$ 0.04423	\$219,460.48

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

**\$15.76**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.05\***

\* 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 2013	MAR 2013	JAN 2013	FEB 2013	FEB 2013
Appalachian (Charlotte)	\$ 21.61	\$ 21.20	\$ 21.10	\$ 20.66	67.54%
Arizona (Phoenix)	\$ 20.56	\$ 20.15	\$ 18.82	\$ 18.51	28.51%
Central (Kansas City)	\$ 20.21	\$ 19.80	\$ 18.57	\$ 18.11	33.37%
Florida (Tampa)	\$ 23.61	\$ 23.20	\$ 23.32	\$ 22.90	86.25%
Midwest (Cleveland)	\$ 20.21	\$ 19.80	\$ 18.73	\$ 18.37	37.20%
Northeast (Boston)	\$ 21.46	\$ 21.05	\$ 19.73	\$ 19.43	38.10%
Pacific Northwest (Seattle)	\$ 20.11	\$ 19.70	\$ 18.41	\$ 18.02	25.96%
<b>Southeast (Atlanta)</b>	<b>\$ 22.01</b>	<b>\$ 21.60</b>	<b>\$ 21.50</b>	<b>\$ 21.05</b>	<b>66.40%</b>
Southwest (Dallas)	\$ 21.21	\$ 20.80	\$ 19.37	\$ 18.86	29.80%
Upper Midwest (Chicago)	\$ 20.01	\$ 19.60	\$ 18.34	\$ 17.57	11.00%

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

<b>Receipts:</b>	<b>February 2013</b>	<b>February 2012</b>
<b>Producer Milk</b>		
Class I	342,552,097	364,957,931
Class II	51,991,607	42,443,465
Class III	80,450,161	119,618,318
Class IV	40,905,675	39,308,630
Total Producer Milk	<u>515,899,540</u>	<u>566,328,344</u>
Average Butterfat Test	3.82%	3.75%
Percent of Producer Milk in Class I	66.40%	64.45%
Daily Average Receipts	18,424,984	19,528,564
<b>Other Source Milk</b>		
Class I	8,116,943	5,737,950
Class II	6,129,780	4,947,937
Class III	1,263,744	1,208,934
Class IV	10,355,257	13,279,917
Total Other Source Milk	<u>25,865,724</u>	<u>25,174,738</u>
<b>Overage</b>		
Class I	23,951	0
Class II	0	334
Class III	4,203	0
Class IV	0	100
Total Overage	<u>28,154</u>	<u>434</u>
<b>Opening Inventory</b>		
Class I	28,522,086	29,401,616
Class II	774,876	1,348,025
Class III	1,381,074	58,451
Class IV	14,553,650	18,268,334
Total Opening Inventory	<u>45,231,686</u>	<u>49,076,426</u>
<b>Total Receipts</b>	<b>587,025,104</b>	<b>640,579,942</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	27,479,803	23,931,340
Route Disposition Class I	340,515,764	365,296,032
Shrinkage	2,976,313	2,830,186
Transfers & Diversions to Nonpool	8,243,197	8,039,939
Total Class I Utilization	<u>379,215,077</u>	<u>400,097,497</u>
Average Butterfat Test	1.96%	1.94%
Daily Average Utilization	13,543,396	13,796,465
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,748,744	2,016,983
Shrinkage	4,178	16,256
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,031,232	21,878,495
Total Class II Utilization	<u>25,112,109</u>	<u>24,828,027</u>
Average Butterfat Test	11.43%	12.80%
<b>Class III Utilization</b>		
Shrinkage	5,316,386	0
Transfers & Diversions to Nonpool	74,149,617	120,885,703
Used To Produce/Other Uses	3,633,179	0
Total Class III Utilization	<u>83,099,182</u>	<u>120,885,703</u>
Average Butterfat Test	4.66%	3.98%
<b>Class IV Utilization</b>		
Inventory	15,248,294	23,930,579
Nonfluid Used To Fortify	1,148,515	1,582,415
Shrinkage	24,381	6,354,569
Transfers & Diversions to Nonpool	49,393,392	35,022,863
Used To Produce/Other Uses	0	3,966,555
Total Class IV Utilization	<u>65,814,582</u>	<u>70,856,981</u>
Average Butterfat Test	12.85%	11.75%
<b>Total Utilization</b>	<b>587,025,104</b>	<b>640,579,942</b>



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2013 is \$21.05 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.76 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6682 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 67.68% of all producer skim milk (priced to handlers at \$12.91 per hundredweight, plus the Class I differential, see page 2) and 34.29% of producer butterfat (priced to handlers at \$1.6427 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.55% of all producer skim milk (\$13.11 per hundredweight) and 23.42% of producer butterfat (\$1.6689 per pound). Class III use, mostly milk used to produce cheese, accounted for 15.44% of all producer skim milk (\$11.85 per hundredweight) and 19.38% of producer butterfat (\$1.6619 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.33% of all producer skim milk (\$12.37 per hundredweight) and 22.91% of producer butterfat (\$1.6619 per pound).

Receipts of producer milk during February totaled 515.9 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 February 2013. Class I route disposition in the area was 343.5 million pounds in January 2013.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>January 2013</b>		
Whole Milk	128,041,653	30.23%
Fat Free Milk	45,806,909	10.82%
Lowfat Milk (incl. 1%)	44,311,912	10.46%
Reduced Fat Milk (incl. 2%)	149,871,696	35.39%
Cultured Fluid Milk (incl. Buttermilk)	8,419,900	1.99%
Flavored Drinks and Milk	47,054,786	11.11%
<b>Total Disposition in Marketing Area</b>	423,506,856	100.0%
Total Disposition by Pool Plants	343,503,436	81.11%
Total Disposition by Nonpool Plants	80,003,420	18.89%
<b>Total Disposition in Marketing Area</b>	423,506,856	100.0%

## Milk Production to Rise, but 'Stronger Exports Are Expected to Keep Milk Prices From Slipping'

(Continued from Page 1) unfolding drought conditions in New Zealand could support greater U.S. exports later this spring if they continue into New Zealand's next marketing year. U.S. NDM stocks appear ample for filling any gap resulting from New Zealand's drought.

Year-end stocks on both a fat and a skims-solids basis were unchanged from last month. However, second-quarter ending stocks were raised slightly based on lower expected domestic disappearance. Skims-solids stocks were raised for the first quarter based on greater NDM stocks that are expected to decline as NDM exports accelerate later in the year.

Cheese prices have been lowered in March to \$1.710-\$1.770 per pound as production increases, but demand is expected to remain steady. The same supply-demand fundamentals apply to whey prices, which were lowered to 60.0-63.0 cents per pound. Butter prices are forecast at \$1.540-\$1.630 per pound, unchanged from last month. NDM prices were raised from last month to \$1.505 to \$1.555 per pound based on the export outlook for later in 2013. The Class III price is forecast at \$17.55-\$18.15 per cwt based on lower cheese and whey prices. The Class IV price is raised to \$17.35-\$18.05 per cwt as a higher export forecast supports butter and NDM prices. The all milk price is projected at \$19.00-\$19.60 per cwt, little changed from last month. Despite greater milk production forecast in March, stronger exports are expected to support the projected all milk price at close to February's forecast and above the 2012 all milk price.

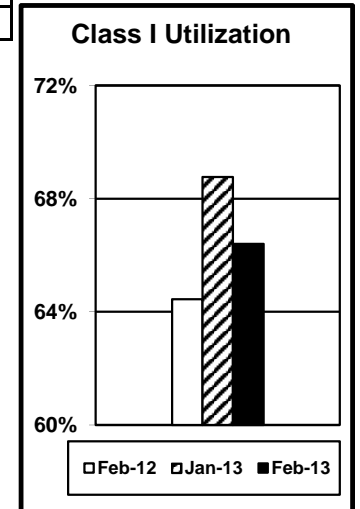
*(Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2013, Economic Research Service, USDA)*

**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 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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$12.21	\$1.7276	\$17.83	\$16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14											

**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 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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,890	2,350**	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%



\* 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 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
MAR 2013	04/11/13	04/12/13	04/15/13	03/25/13	03/26/13	04/15/13	04/16/13
APR 2013	05/11/13	05/13/13	05/14/13	04/25/13	04/26/13	05/14/13	05/15/13
MAY 2013	06/11/13	06/12/13	06/13/13	05/28/13	05/28/13	06/13/13	06/14/13

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$18.95 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.05 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 – 516 March 8, 2013

The milk production forecast for 2013 is raised from last month largely due to a slower pace of herd reduction and higher first-quarter milk per cow. The 2013 fat-basis export forecast is raised largely on stronger shipments of butter. Skim-solid exports are raised based on greater nonfat dry milk (NDM). Imports are unchanged on both a fat and skim-solids basis. Changes in 2012 estimates of supply and use reflect revised annual data.

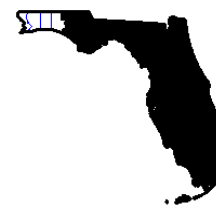
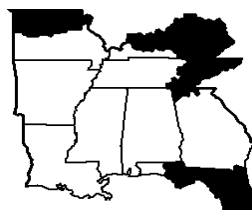
Prices for cheese and whey are lowered based on expectations of increased production and moderate demand. The forecast butter price is unchanged from last month and the range is tightened. The forecast price of NDM is raised as stronger export demand is expected to support prices. The Class III price forecast is reduced from last month, reflecting weaker cheese and whey prices while Class IV is increased due to higher NDM prices. The all milk price for 2013 is raised to \$19.00-\$19.60 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

April 2013

Volume 14—No. 4

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

## Milk Production Forecast Is Tightened in April, Prices Rise

*Excerpts from Livestock, Dairy, & Poultry Outlook, April 16, 2013, Economic Research Service, USDA:*

Corn price forecasts were lowered slightly from March to \$6.65-\$7.15 per bushel for 2012/13. Higher world grain production and lower estimated U.S. domestic feed use are the basis for the forecast. Soybean meal prices were also lowered slightly from last month to \$415-\$435 a ton. Higher soybean crush increased meal supplies, which affected prices, although the increased supply is slated for export. The lower price for concentrate feeds along with a slightly higher expected all milk price will improve producer margins somewhat. The improvement is not large enough to boost herd size. Consequently, herd size is projected at 9,195 thousand for 2013, unchanged from March's forecast and below 2012's average herd size. Output per cow for the year was lowered in April to 21,945 pounds, based on lower February milk per cow data. Based on forecast herd size and output per cow, production is projected at 201.8 billion pounds for 2013.

Milk equivalent imports on both a fats and skims-solids basis were lowered in April's forecast. Fats-basis imports are now placed at 3.9 billion pounds for the year, while skims-solids imports are forecast at 5.3 billion pounds. Fats-basis imports were lowered based on lower expected imports of anhydrous products, and skims-solids basis imports were lowered based on lower expected imports of milk protein concentrates. Fats-basis exports are unchanged from the March forecast at 9.4 billion pounds. Skims-solids exports were unchanged at 34.4 billion pounds for the year. The price differential between U.S. and world nonfat dry milk (NDM) prices will likely strengthen exports in the second half of the year. Both fats- and skim-solids export forecasts represent increases above 2012 totals.

(continued on Page 4)

## Uniform Price Declines

The uniform price in Fulton County, GA, was \$20.70 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.35 lower than the previous month and is \$2.08 per hundredweight higher compared with March 2012. Class I utilization was 64.64 percent in March, 1.76 percent lower compared with the previous month and 5.76 percent higher than March 2012.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2013 was 15.74 billion pounds, a decrease of 0.05 percent from February 2012 on a daily average basis and an increase of 1.9 percent when compared with January 2013 on a daily average basis. Total cheese output was 857 million pounds, slightly below February 2012 and 1.4 percent above January 2013 on a daily average basis. Butter production was 171 million pounds, 1.1 percent above February 2012 and 0.8 percent below January 2013 on a daily average basis.

Nonfat dry milk powder production was 138 million pounds in February, a decrease of 20.0 percent versus February of last year and 6.6 percent higher than January 2013 on a daily average basis. Dry whey production was 80.8 million pounds in February, 9.6 percent lower than February of last year and 1.3 percent lower than January 2013 on a daily average basis. Whey protein concentrates production was 34.2 million pounds in February, a 3.5 percent decrease compared to February of last year and a 2.8 percent increase over January 2013 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 1.47 in March, 0.05 below February's revised ratio.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2013**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.39%	7,175,129	\$1.6564	\$ 11,884,883.67
Class I Differential at Location				236,275.20
Class II Butterfat	26.28%	5,483,762	\$1.7546	9,621,808.79
Class III Butterfat	16.38%	3,416,635	\$1.7476	5,970,911.34
Class IV Butterfat	22.95%	4,787,673	\$1.7476	8,366,937.35
<b>Total Butterfat</b>	<b>100.00%</b>	<b>20,863,199</b>		<b>\$ 36,080,816.35</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.7294**

**Calculation of Uniform Skim Milk Price:**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	65.82%	349,945,446	\$12.44 /cwt.	\$ 43,533,213.47
Class I Butterfat	34.39%	7,175,129	\$1.6564 /lb.	11,884,883.67
Class I Differential at Location		357,120,575		11,810,671.19
<b>Total Class I Milk</b>	<b>64.64%</b>	<b>357,120,575</b>		<b>\$ 67,228,768.33</b>
Class II Skim Milk	10.23%	54,388,963	\$13.14 /cwt.	\$ 7,146,709.76
Class II Butterfat	26.28%	5,483,762	\$1.7546 /lb.	9,621,808.79
<b>Total Class II Milk</b>	<b>10.84%</b>	<b>59,872,725</b>		<b>\$ 16,768,518.55</b>
Class III Skim Milk	15.28%	81,225,497	\$11.21 /cwt.	\$ 9,105,378.21
Class III Butterfat	16.38%	3,416,635	\$1.7476 /lb.	5,970,911.34
<b>Total Class III Milk</b>	<b>15.32%</b>	<b>84,642,132</b>		<b>\$ 15,076,289.55</b>
Class IV Skim Milk	8.67%	46,065,354	\$12.06 /cwt.	\$ 5,555,481.70
Class IV Butterfat	22.95%	4,787,673	\$1.7476 /lb.	8,366,937.35
<b>Total Class IV Milk</b>	<b>9.20%</b>	<b>50,853,027</b>		<b>\$ 13,922,419.05</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>552,488,459</b>		<b>\$ 112,995,995.48</b>

**Adjustments**

Overage and Other Source	\$0.00
Inventory Adjustments	\$56,711.30
Producer butterfat at uniform butterfat price	(\$36,080,816.35)
Location Adjustments to Producers	\$3,655,579.48
1/2 Unobligated Balance in P.S.F.	\$335,883.20

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	\$ 15.22940	\$80,963,353.11
	\$ 0.04940	\$262,638.67

**Uniform Skim Milk Price per cwt. (Fulton County, Georgia):** **\$15.18**

**Uniform Price per cwt. (Fulton County, Georgia)** **\$20.70\***

\* 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 2013	APR 2013	FEB 2013	MAR 2013	MAR 2013
Appalachian (Charlotte)	\$ 21.20	\$ 21.06	\$ 20.66	\$ 20.29	60.69%
Arizona (Phoenix)	\$ 20.15	\$ 20.01	\$ 18.51	\$ 18.30	26.45%
Central (Kansas City)	\$ 19.80	\$ 19.66	\$ 18.11	\$ 17.87	30.38%
Florida (Tampa)	\$ 23.20	\$ 23.06	\$ 22.90	\$ 22.59	85.19%
Midwest (Cleveland)	\$ 19.80	\$ 19.66	\$ 18.37	\$ 18.22	38.10%
Northeast (Boston)	\$ 21.05	\$ 20.91	\$ 19.43	\$ 19.32	36.10%
Pacific Northwest (Seattle)	\$ 19.70	\$ 19.56	\$ 18.02	\$ 17.82	24.39%
<b>Southeast (Atlanta)</b>	<b>\$ 21.60</b>	<b>\$ 21.46</b>	<b>\$ 21.05</b>	<b>\$ 20.70</b>	<b>64.64%</b>
Southwest (Dallas)	\$ 20.80	\$ 20.66	\$ 18.86	\$ 18.64	29.25%
Upper Midwest (Chicago)	\$ 19.60	\$ 19.46	\$ 17.57	\$ 17.26	10.40%

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

<b>Receipts:</b>	<b>March 2013</b>	<b>March 2012</b>
<b>Producer Milk</b>		
Class I	357,120,575	392,250,090
Class II	59,872,725	66,836,940
Class III	84,642,132	139,790,946
Class IV	50,835,027	67,329,062
Total Producer Milk	<u>552,488,459</u>	<u>666,207,038</u>
Average Butterfat Test	3.78%	3.66%
Percent of Producer Milk in Class I	64.64%	58.88%
Daily Average Receipts	17,822,208	21,490,550
<b>Other Source Milk</b>		
Class I	6,224,428	5,760,712
Class II	9,046,444	5,714,608
Class III	3,210,780	1,488,534
Class IV	10,871,162	9,484,888
Total Other Source Milk	<u>29,352,814</u>	<u>22,448,742</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	52,217
Class IV	0	0
Total Overage	<u>0</u>	<u>52,217</u>
<b>Opening Inventory</b>		
Class I	28,465,801	23,298,907
Class II	1,017,047	789,101
Class III	88,431	1,082,409
Class IV	13,208,948	22,106,039
Total Opening Inventory	<u>42,780,227</u>	<u>47,276,456</u>
<b>Total Receipts</b>	<b>624,621,500</b>	<b>735,984,453</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,509,002	24,789,664
Route Disposition Class I	360,025,332	383,794,820
Shrinkage	2,393,754	3,599,958
Transfers & Diversions to Nonpool	8,882,716	9,125,267
Total Class I Utilization	<u>391,810,804</u>	<u>421,309,709</u>
Average Butterfat Test	1.99%	1.94%
Daily Average Utilization	12,639,058	13,590,636
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,485,481	2,475,344
Shrinkage	1,285	24,581
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	38,611,693	42,531,806
Total Class II Utilization	<u>28,837,757</u>	<u>23,308,918</u>
Average Butterfat Test	69,936,216	73,340,649
Average Butterfat Test	11.62%	10.46%
<b>Class III Utilization</b>		
Shrinkage	6,203,500	0
Transfers & Diversions to Nonpool	78,376,341	142,414,106
Used To Produce/Other Uses	3,361,502	0
Total Class III Utilization	<u>87,941,343</u>	<u>142,414,106</u>
Average Butterfat Test	4.01%	3.86%
<b>Class IV Utilization</b>		
Inventory	26,646,805	19,321,337
Nonfluid Used To Fortify	1,207,013	1,728,663
Shrinkage	717	7,023,002
Transfers & Diversions to Nonpool	47,078,602	66,817,687
Used To Produce/Other Uses	0	4,029,300
Total Class IV Utilization	<u>74,933,137</u>	<u>98,919,989</u>
Average Butterfat Test	10.92%	8.01%
<b>Total Utilization</b>	<b>624,621,500</b>	<b>735,984,453</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2013 is \$20.70 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.18 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7294 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In March, Class I use, which is primarily bottled or packaged fluid milk, accounted for 65.82% of all producer skim milk (priced to handlers at \$12.44 per hundredweight, plus the Class I differential, see page 2) and 34.39% of producer butterfat (priced to handlers at \$1.6564 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.23% of all producer skim milk (\$13.14 per hundredweight) and 26.28% of producer butterfat (\$1.7546 per pound). Class III use, mostly milk used to produce cheese, accounted for 15.28% of all producer skim milk (\$11.21 per hundredweight) and 16.38% of producer butterfat (\$1.7476 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.67% of all producer skim milk (\$12.06 per hundredweight) and 22.95% of producer butterfat (\$1.7476 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>February 2013</u></b>		
Whole Milk	110,498,733	29.81%
Fat Free Milk	40,592,019	10.95%
Lowfat Milk (incl. 1%)	39,303,854	10.60%
Reduced Fat Milk (incl. 2%)	129,979,606	35.06%
Cultured Fluid Milk (incl. Buttermilk)	7,470,411	2.02%
Flavored Drinks and Milk	42,880,740	11.57%
<b>Total Disposition in Marketing Area</b>	<b>370,725,363</b>	<b>100.0%</b>
Total Disposition by Pool Plants	299,399,030	80.76%
Total Disposition by Nonpool Plants	71,326,333	19.24%
<b>Total Disposition in Marketing Area</b>	<b>370,725,363</b>	<b>100.0%</b>

Receipts of producer milk during March totaled 552.5 million pounds. There were 25 regulated pool distributing plants, 2 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2013. Class I route disposition in the area was 370.7 million pounds in February 2013.

### Milk Production Forecast Is Tightened in April, Prices Rise

(Continued from Page 1) Fats-basis ending stocks were raised to 11.4 billion pounds as butter stocks persisted at higher than expected quantities. Skims-solids ending stocks were trimmed in April to 11.5 billion pounds as stronger expected second-half NDM exports and domestic demand are expected to tighten stocks by year-end.

Prices for cheese, butter, NDM and whey are all forecast higher in April as lower forecast milk production and strength in demand are firming prices. Cheese prices are forecast at \$1.735-\$1.785 per pound. The butter price forecast was raised to \$1.560-\$1.640 per pound. In light of the export forecast, NDM prices were boosted to \$1.585-\$1.625 per pound and whey prices were raised slightly to 60.5-63.5 cents per pound. Higher dairy product prices provided a lift to milk prices in April's forecast. Class IV milk is forecast at \$18.10-\$18.70 per cwt, and Class III prices were increased to \$17.85-\$18.35 per cwt. The all milk price forecast is \$19.45-\$19.95 per cwt.

*(Excerpts from Livestock, Dairy, & Poultry Outlook, April 16, 2013, Economic Research Service, USDA)*

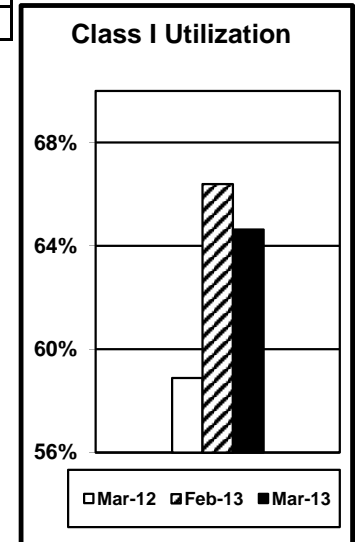


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$12.21	\$1.7276	\$17.83	\$16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77											

**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 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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,350**	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods April through June 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
APR 2013	05/11/13	05/13/13	05/14/13	04/25/13	04/26/13	05/14/13	05/15/13
MAY 2013	06/11/13	06/12/13	06/13/13	05/28/13	05/28/13	06/13/13	06/14/13
JUN 2013	07/11/13	07/12/13	07/15/13	06/25/13	06/26/13	07/15/13	07/16/13

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$18.63 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.70 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 – 517 April 10, 2013

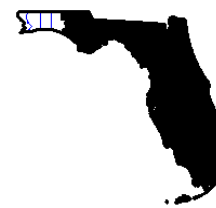
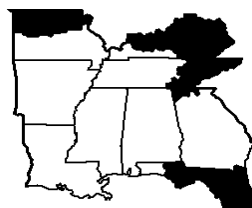
The milk production forecast for 2013 is reduced on lower milk per cow in the first quarter. Cow numbers are unchanged from last month. Fat-basis imports are reduced mostly on lower imports of anhydrous products. The skim solids import forecast is reduced largely on lower expected imports of milk protein concentrates. Export forecasts are unchanged from last month. Fat-basis ending stocks are forecast higher, but skim-basis stocks are lowered.

With slightly lower forecast 2013 milk production and improved domestic product demand, price forecasts for cheese, butter, NDM, and whey are raised. As a result, both Class III and Class IV price forecasts are higher than last month. The all milk price for 2013 is higher at \$19.45-\$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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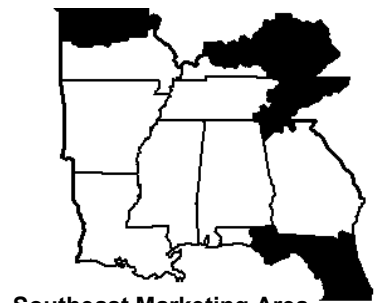
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# Market Information BULLETIN

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www.fmmatlanta.com

May 2013



Southeast Marketing Area  
Federal Order 7

Volume 14—No. 5

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

## Lower Feed Costs Will Improve Producer Margins Next Year, Boosting Milk Output; Strong Demand Will Keep Prices Near Current Levels

*Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2013, Economic Research Service, USDA:*

Corn prices for 2012/13 are forecast at \$6.70-\$7.10 per bushel—the price range was narrowed, but the mid-point is unchanged from April. Initial forecasts for the 2013/14 year call for corn prices to decline to \$4.30-\$5.10 per bushel. Higher expected yields and higher expected global supplies counter the slow start to this season's planting and underpin the 2013/14 forecast. Current-year soybean price estimates are unchanged from April's forecast; similarly, the soybean meal price forecasts are unchanged from April at \$425 a ton. In 2013/14, soybean meal prices are forecast much lower at \$280-\$320 per ton. Soybean production is forecast up based on higher yields and slightly higher harvested acreage. Meanwhile, the April Milk Production report shows the January-March 2013 U.S. milk production at 50.5 billion pounds, 1.1 percent lower than the corresponding period last year. Some of the decline is due to the absence of a February 29th this year. However, some of the southern and western States are showing larger declines this year than can be accounted for by 2012's leap-day. Meanwhile, many other States are posting year-over-year quarterly increases in milk production.

Beginning with the April Milk Production report, the National Agricultural Statistics Service is no longer reporting cow numbers or output per cow, at least through the end of this fiscal year. Consequently, USDA is not forecasting milk cow inventories or milk per cow. For May, the milk production forecast is unchanged from April. This year's milk production is projected at 201.8 billion pounds. The 2014 milk production forecast is 204.6 billion pounds. Improved producer margins would auger for a sizeable rebound in milk production in 2014. (continued on Page 4)

## Uniform Price Stabilizes

The uniform price in Fulton County, GA, was \$20.80 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.10 higher than the previous month and is \$2.56 per hundredweight higher compared with April 2012. Class I utilization was 65.19 percent in April, 0.55 percent higher compared with the previous month and 8.53 percent higher than April of last year.

## National Dairy Situation

Special Note: USDA's National Agricultural Statistics Service is suspending a number of statistical surveys and reports for the remainder of the fiscal year resulting from reduced funding, also known as sequestration. Thus, administrative data will be used for all releases of the milk production report beginning with March data and extending through the end of the fiscal year on September 30, 2013. Releases will contain milk production data only. No information on the number of cows or milk per cow will be released. Please check the NASS website at [www.nass.usda.gov](http://www.nass.usda.gov) for any future updates on NASS programs.

The USDA estimates that the total U.S. production of milk in March 2013 was 17.66 billion pounds, a decrease of 0.3 percent from March 2012 and an increase of 1.3 percent when compared with February 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 954 million pounds, 0.2 percent below March 2012 but 0.7 percent above February 2013 on a daily average basis. Butter production was 184 million pounds, 4.2 percent above March 2012 but 4.6 percent below February 2013 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 1.56 in April, 0.08 higher than March's revised ratio.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.39%	7,009,694	\$1.7189	\$ 12,048,963.02
Class I Differential at Location				229,860.52
Class II Butterfat	30.33%	6,181,002	\$1.8297	11,309,379.35
Class III Butterfat	18.68%	3,806,530	\$1.8227	6,938,162.23
Class IV Butterfat	16.60%	3,382,984	\$1.8227	6,166,164.96
<b>Total Butterfat</b>	<b>100.00%</b>	<b>20,380,210</b>		<b>\$ 36,692,530.08</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8004**

### 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	66.38%	352,133,810	\$12.07 /cwt.	\$ 42,502,550.86
Class I Butterfat	34.39%	7,009,694	\$1.7189 /lb.	12,048,963.02
Class I Differential at Location		359,143,504		11,848,037.46
<b>Total Class I Milk</b>	<b>65.19%</b>	<b>359,143,504</b>		<b>\$ 66,399,551.34</b>
Class II Skim Milk	11.01%	58,407,806	\$12.77 /cwt.	\$ 7,458,676.85
Class II Butterfat	30.33%	6,181,002	\$1.8297 /lb.	11,309,379.35
<b>Total Class II Milk</b>	<b>11.73%</b>	<b>64,588,808</b>		<b>\$ 18,768,056.20</b>
Class III Skim Milk	15.66%	83,069,309	\$11.62 /cwt.	\$ 9,652,653.71
Class III Butterfat	18.68%	3,806,530	\$1.8227 /lb.	6,938,162.23
<b>Total Class III Milk</b>	<b>15.77%</b>	<b>86,875,839</b>		<b>\$ 16,590,815.94</b>
Class IV Skim Milk	6.95%	36,865,085	\$12.15 /cwt.	\$ 4,479,107.83
Class IV Butterfat	16.60%	3,382,984	\$1.8227 /lb.	6,166,164.96
<b>Total Class IV Milk</b>	<b>7.31%</b>	<b>40,248,069</b>		<b>\$ 10,645,272.79</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>550,856,220</b>		<b>\$ 112,403,696.27</b>

### Adjustments

Overage and Other Source	\$1,239.44
Inventory Adjustments	\$20,520.17
Producer butterfat at uniform butterfat price	(\$36,692,530.08)
Location Adjustments to Producers	\$3,847,415.50
1/2 Unobligated Balance in P.S.F.	\$311,654.72

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.06044	\$79,891,996.02
	\$ 0.04044	\$214,499.30

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

**\$15.02**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.80\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	APR 2013	MAY 2013	MAR 2013	APR 2013	APR 2013
Appalachian (Charlotte)	\$ 21.06	\$ 21.16	\$ 20.29	\$ 20.42	63.48%
Arizona (Phoenix)	\$ 20.01	\$ 20.11	\$ 18.30	\$ 18.61	27.96%
Central (Kansas City)	\$ 19.66	\$ 19.76	\$ 17.87	\$ 18.17	30.21%
Florida (Tampa)	\$ 23.06	\$ 23.16	\$ 22.59	\$ 22.50	84.01%
Midwest (Cleveland)	\$ 19.66	\$ 19.76	\$ 18.22	\$ 18.49	38.00%
Northeast (Boston)	\$ 20.91	\$ 21.01	\$ 19.32	\$ 19.50	36.50%
Pacific Northwest (Seattle)	\$ 19.56	\$ 19.66	\$ 17.82	\$ 18.16	24.17%
<b>Southeast (Atlanta)</b>	<b>\$ 21.46</b>	<b>\$ 21.56</b>	<b>\$ 20.70</b>	<b>\$ 20.80</b>	<b>65.19%</b>
Southwest (Dallas)	\$ 20.66	\$ 20.76	\$ 18.64	\$ 19.04	31.49%
Upper Midwest (Chicago)	\$ 19.46	\$ 19.56	\$ 17.26	\$ 17.84	10.80%

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

<b>Receipts:</b>	<b>April 2013</b>	<b>April 2012</b>
<b>Producer Milk</b>		
Class I	359,143,504	364,979,991
Class II	64,588,808	66,816,670
Class III	86,875,839	141,109,653
Class IV	40,248,069	71,305,634
	<hr/>	<hr/>
Total Producer Milk	<b>550,856,220</b>	<b>644,211,948</b>
Average Butterfat Test	3.70%	3.61%
Percent of Producer Milk in Class I	65.19%	56.66%
Daily Average Receipts	18,361,874	21,473,732
 <b>Other Source Milk</b>		
Class I	7,289,321	4,898,993
Class II	7,130,360	5,278,770
Class III	6,320,284	1,407,942
Class IV	12,951,106	11,346,624
	<hr/>	<hr/>
Total Other Source Milk	<b>22,934,329</b>	<b>22,934,329</b>
 <b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	680	86,655
Class IV	0	1,221
	<hr/>	<hr/>
Total Overage	<b>680</b>	<b>87,876</b>
 <b>Opening Inventory</b>		
Class I	20,650,332	25,618,087
Class II	2,820,904	894,701
Class III	7,541,927	1,376,757
Class IV	18,519,903	16,327,856
	<hr/>	<hr/>
Total Opening Inventory	<b>49,533,066</b>	<b>44,217,401</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>634,081,037</b>	<b>711,451,554</b>
 <b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,007,994	23,391,685
Route Disposition Class I	347,325,691	362,072,883
Shrinkage	2,313,787	1,909,043
Transfers & Diversions to Nonpool	11,435,685	8,123,460
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Total Class I Utilization	<b>387,083,157</b>	<b>395,497,071</b>
Average Butterfat Test	1.95%	1.93%
Daily Average Utilization	12,902,772	13,183,236
 <b>Class II Utilization</b>		
Nonfluid Used To Produce	2,183,770	2,768,665
Shrinkage	932	25,432
Transfers & Diversions to Nonpool/Commercial Foods	42,778,507	44,195,420
Used To Produce/Other Uses	29,576,863	26,000,624
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Total Class II Utilization	<b>74,500,072</b>	<b>72,990,141</b>
Average Butterfat Test	11.68%	9.62%
 <b>Class III Utilization</b>		
Shrinkage	6,634,118	0
Transfers & Diversions to Nonpool	90,562,047	143,981,007
Used To Produce/Other Uses	3,542,565	0
	<hr/>	<hr/>
Total Class III Utilization	<b>100,738,730</b>	<b>143,981,007</b>
Average Butterfat Test	3.96%	3.80%
 <b>Class IV Utilization</b>		
Inventory	20,385,603	24,257,238
Nonfluid Used To Fortify	1,244,532	1,436,153
Shrinkage	769,942	5,810,002
Transfers & Diversions to Nonpool	49,319,001	63,444,392
Used To Produce/Other Uses	0	4,035,550
	<hr/>	<hr/>
Total Class IV Utilization	<b>71,719,078</b>	<b>98,983,335</b>
Average Butterfat Test	9.15%	8.08%
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<b>Total Utilization</b>	<b>634,081,037</b>	<b>711,451,554</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2013 is \$20.80 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.02 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8004 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 66.38% of all producer skim milk (priced to handlers at \$12.07 per hundredweight, plus the Class I differential, see page 2) and 34.39% of producer butterfat (priced to handlers at \$1.7189 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 (\$12.77 per hundredweight) and 30.33% of producer butterfat (\$1.8297 per pound). Class III use, mostly milk used to produce cheese, accounted for 15.66% of all producer skim milk (\$11.62 per hundredweight) and 18.68% of producer butterfat (\$1.8227 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.95% of all producer skim milk (\$12.15 per hundredweight) and 16.60% of producer butterfat (\$1.8227 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>March 2013</u></b>		
Whole Milk	119,746,867	30.23%
Fat Free Milk	43,650,911	11.02%
Lowfat Milk (incl. 1%)	41,067,387	10.37%
Reduced Fat Milk (incl. 2%)	141,327,958	35.68%
Cultured Fluid Milk (incl. Buttermilk)	8,010,559	2.02%
Flavored Drinks and Milk	42,252,342	10.67%
<b>Total Disposition in Marketing Area</b>	<b>396,056,024</b>	<b>100.0%</b>
Total Disposition by Pool Plants	317,279,771	80.11%
Total Disposition by Nonpool Plants	78,776,253	19.89%
<b>Total Disposition in Marketing Area</b>	<b>396,056,024</b>	<b>100.0%</b>

Receipts of producer milk during April totaled 550.9 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 April 2013. Class I route disposition in the area was 396.1 million pounds in March 2013.

### **Lower Feed Costs Will Improve Producer Margins Next Year, Boosting Milk Output; Strong Demand Will Keep Prices Near Current Levels**

(continued from Page 1) For 2013, prices for cheese, butter, and nonfat dry milk (NDM) were raised based on expected second-quarter strength. Cheese prices are forecast at \$1.745-\$1.795 per pound, butter prices are forecast at \$1.570-\$1.650 per pound, and NDM prices are projected at \$1.590-\$1.630 per pound. In contrast, whey prices are lowered, based on current and expected whey price weakness, to 58.0-61.0 cents per pound. The Class III price is lowered to \$17.80-\$18.30 per cwt as whey price weakness more than offset the higher cheese price. The Class IV price is raised to \$18.20-\$18.80 per cwt as a result of higher NDM and butter prices. The all milk price for 2013 is projected at \$19.50-\$20.00 per cwt.

Next year, increased demand will likely offset greater expected production to some degree, but prices for cheese, butter and whey are forecast lower. Cheese prices are forecast at \$1.675-\$1.75 per pound, butter is forecast at \$1.485-\$1.615 per pound and whey prices are forecast lower at 56.5-59.5 cents per pound. NDM prices are forecast slightly higher at \$1.585-\$1.655 per pound based on continued international demand. The 2014 Class III milk price is forecast at \$17.00-\$18.00 per cwt, and the Class IV milk price is forecast at \$17.80-\$18.90 per cwt. The 2014 all milk price is forecast at \$18.85-\$19.85 per cwt.

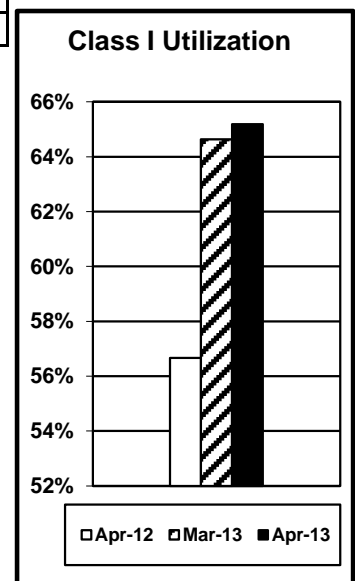
*(Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2013, Economic Research Service, USDA)*

**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 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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.56											

**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 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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,350**	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%



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



## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods May through July 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
MAY 2013	06/11/13	06/12/13	06/13/13	05/28/13	05/28/13	06/13/13	06/14/13
JUN 2013	07/11/13	07/12/13	07/15/13	06/25/13	06/26/13	07/15/13	07/16/13
JUL 2013	08/11/13	08/12/13	08/13/13	07/25/13	07/26/13	08/13/13	08/14/13

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

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

## WASDE Dairy Report 1/

### WASDE – 518 May 10, 2013

Milk production for 2014 is forecast higher as lower feed costs and relatively strong milk prices are expected to support production. Commercial exports are forecast higher on robust international demand. Imports will be lower on greater domestic supplies. With higher domestic production, cheese, butter, and whey prices are forecast lower than last year, while nonfat dry milk (NDM) is higher largely on continued strength in international demand. Both Class III and Class IV prices are forecast lower. In the case of Class IV, lower forecast butter prices more than offset higher NDM prices. The all milk price is forecast at \$18.85 to \$19.85 per cwt for 2014.

Forecast milk production in 2013 is unchanged from last month. Imports are raised. Exports are higher as abundant U.S. supplies and competitive prices are expected to spur foreign demand. Cheese, butter, and NDM prices are raised from last month while whey is lower. The Class III price is lowered as lower whey prices more than offset greater cheese prices. Class IV is up reflecting higher prices for butter and NDM. The all milk price is forecast at \$19.50 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).

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

June 2013

Volume 14—No. 6

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

## Appointment of Florida and Southeast Market Administrator

On May 23, 2013, the Deputy Administrator of Dairy Programs, Dana H. Cole, announced the following:

"I am pleased to announce the appointment of Patrick S. Clark as Market Administrator for the Florida and Southeast Orders effective June 2, 2013.

Pat has spent the past 24 years working with the USDA-AMS-Dairy Programs serving the dairy industry and brings a highly diverse background and vast experience base to this position. Pat has worked the past 13 years for the Southwest Federal milk marketing order in Dallas, Texas, and served the last 5 years there as the Associate Market Administrator. Prior to joining the Southwest Order, Pat spent 4 years working in the Arizona order as an Assistant to the Market Administrator, 4 years as the National Coordinator for Laboratory and Marketing Services in the Washington, DC, headquarters office, and he began his career in the Louisville, Kentucky, office as Marketing Specialist/Laboratory Coordinator. While Pat has spent the majority of his time work with marketing services aspects of Federal orders, he also has spent time addressing pooling, pricing, and auditing issues. During his tenure with AMS-Dairy Programs, Pat has had the opportunity to serve on several national Federal order committees working on various issues.

Pat graduated from the University of Kentucky with a Bachelor of Science degree in Agriculture and a Masters of Science degree in Vocational Education. He served 5 years in the U.S. Army prior to joining USDA. Pat grew up on a dairy farm near Lebanon, Kentucky.

I extend a special thank you to Erik Rasmussen, Northeast Market Administrator, who has been serving in an acting capacity upon the retirement of the previous Market Administrator, Sue Mosley, last year. I also extend appreciation to (continued on Page 4)

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$20.89 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.09 higher than the previous month and is \$2.65 per hundredweight higher compared with May 2012. Class I utilization was 64.25 percent in May, 0.94 percent lower compared with the previous month and 7.59 percent higher than May of last year.

## National Dairy Situation

Special Note: USDA's National Agricultural Statistics Service is suspending a number of statistical surveys and reports for the remainder of the fiscal year resulting from reduced funding, also known as sequestration. Thus, administrative data will be used for all releases of the milk production report beginning with March data and extending through the end of the fiscal year on September 30, 2013. Releases will contain milk production data only. No information on the number of cows or milk per cow will be released. Please check the NASS website at [www.nass.usda.gov](http://www.nass.usda.gov) for any future updates on NASS programs.

The USDA estimates that the total U.S. production of milk in April 2013 was 17.27 billion pounds, an increase of 0.2 percent from April 2012 and an increase of 1.0 percent when compared with March 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 928 million pounds, 3.2 percent above April 2012 and 0.4 percent higher than March 2013 on a daily average basis. Butter production was 169 million pounds, 0.3 percent below April 2012 and 3.8 percent below March 2013 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 1.55 in May, 0.01 higher than the previous month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	35.96%	6,921,693	\$1.7955	\$ 12,427,899.78
Class I Differential at Location				228,065.02
Class II Butterfat	31.39%	6,041,565	\$1.7954	10,847,025.82
Class III Butterfat	17.01%	3,273,570	\$1.7884	5,854,452.57
Class IV Butterfat	15.64%	3,010,159	\$1.7884	5,383,368.35
<b>Total Butterfat</b>	<b>100.00%</b>	<b>19,246,987</b>		<b>\$ 34,740,811.54</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8050**

### 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	65.33%	331,962,429	\$11.89 /cwt.	\$ 39,470,332.82
Class I Butterfat	35.96%	6,921,693	\$1.7955 /lb.	12,427,899.78
Class I Differential at Location		338,884,122		11,195,225.87
<b>Total Class I Milk</b>	<b>64.25%</b>	<b>338,884,122</b>		<b>\$ 63,093,458.47</b>
Class II Skim Milk	12.50%	63,533,842	\$12.59 /cwt.	\$ 7,998,910.70
Class II Butterfat	31.39%	6,041,565	\$1.7954 /lb.	10,847,025.82
<b>Total Class II Milk</b>	<b>13.19%</b>	<b>69,575,407</b>		<b>\$ 18,845,936.52</b>
Class III Skim Milk	14.95%	75,977,628	\$12.71 /cwt.	\$ 9,656,756.52
Class III Butterfat	17.01%	3,273,570	\$1.7884 /lb.	5,854,452.57
<b>Total Class III Milk</b>	<b>15.03%</b>	<b>79,251,198</b>		<b>\$ 15,511,209.09</b>
Class IV Skim Milk	7.22%	36,684,961	\$13.09 /cwt.	\$ 4,802,061.41
Class IV Butterfat	15.64%	3,010,159	\$1.7884 /lb.	5,383,368.35
<b>Total Class IV Milk</b>	<b>7.53%</b>	<b>39,695,120</b>		<b>\$ 10,185,429.76</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>527,405,847</b>		<b>\$ 107,636,033.84</b>

### Adjustments

Overage and Other Source	\$2,038.26
Inventory Adjustments	\$79,908.60
Producer butterfat at uniform butterfat price	(\$34,740,811.54)
Location Adjustments to Producers	\$3,721,043.52
1/2 Unobligated Balance in P.S.F.	\$272,874.37

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.14705	\$76,971,087.06
	\$ 0.04705	\$239,099.21

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

**\$15.10**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.89\***

\* 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 2013	JUN 2013	APR 2013	MAY 2013	MAY 2013
Appalachian (Charlotte)	\$ 21.16	\$ 22.33	\$ 20.42	\$ 20.46	63.64%
Arizona (Phoenix)	\$ 20.11	\$ 21.28	\$ 18.61	\$ 19.11	26.97%
Central (Kansas City)	\$ 19.76	\$ 20.93	\$ 18.17	\$ 18.65	32.35%
Florida (Tampa)	\$ 23.16	\$ 24.33	\$ 22.50	\$ 22.47	83.78%
Midwest (Cleveland)	\$ 19.76	\$ 20.93	\$ 18.49	\$ 18.89	34.40%
Northeast (Boston)	\$ 21.01	\$ 22.18	\$ 19.50	\$ 19.78	35.60%
Pacific Northwest (Seattle)	\$ 19.66	\$ 20.83	\$ 18.16	\$ 18.79	24.69%
<b>Southeast (Atlanta)</b>	<b>\$ 21.56</b>	<b>\$ 22.73</b>	<b>\$ 20.80</b>	<b>\$ 20.89</b>	<b>64.25%</b>
Southwest (Dallas)	\$ 20.76	\$ 21.93	\$ 19.04	\$ 19.54	34.07%
Upper Midwest (Chicago)	\$ 19.56	\$ 20.73	\$ 17.81	\$ 18.63	11.00%

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

<b>Receipts:</b>	<b>May 2013</b>	<b>May 2012</b>
<b>Producer Milk</b>		
Class I	338,884,122	368,840,353
Class II	69,575,407	59,718,754
Class III	79,251,198	112,923,821
Class IV	36,695,120	60,708,670
Total Producer Milk	<b>527,405,847</b>	<b>602,191,598</b>
Average Butterfat Test	3.65%	3.61%
Percent of Producer Milk in Class I	64.25%	61.25%
Daily Average Receipts	17,013,092	19,425,535
<b>Other Source Milk</b>		
Class I	4,542,742	5,328,183
Class II	8,986,629	5,075,218
Class III	8,153,707	9,060,380
Class IV	9,506,020	12,593,603
Total Other Source Milk	<b>31,189,098</b>	<b>32,057,384</b>
<b>Overage</b>		
Class I	0	0
Class II	15,248	11,083
Class III	0	763
Class IV	0	133
Total Overage	<b>15,248</b>	<b>11,979</b>
<b>Opening Inventory</b>		
Class I	27,053,958	24,495,493
Class II	5,308,042	1,982,201
Class III	2,683,489	2,728,656
Class IV	10,538,958	18,455,071
Total Opening Inventory	<b>45,584,447</b>	<b>47,661,421</b>
<b>Total Receipts</b>	<b>604,194,640</b>	<b>681,922,382</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	24,632,018	23,337,430
Route Disposition Class I	336,406,767	364,717,392
Shrinkage	1,281,899	3,310,514
Transfers & Diversions to Nonpool	8,160,138	7,298,693
Total Class I Utilization	<b>370,480,822</b>	<b>398,664,029</b>
Average Butterfat Test	2.03%	1.99%
Daily Average Utilization	11,950,994	12,860,130
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,553,678	2,388,760
Shrinkage	6,707,521	20,140
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,513,689	37,361,778
Total Class II Utilization	<b>83,885,326</b>	<b>66,787,256</b>
Average Butterfat Test	10.46%	11.34%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	90,088,394	124,713,620
Total Class III Utilization	<b>90,088,394</b>	<b>124,713,620</b>
Average Butterfat Test	3.75%	3.64%
<b>Class IV Utilization</b>		
Inventory	12,162,744	17,603,488
Nonfluid Used To Fortify	1,194,035	1,252,874
Shrinkage	397,440	7,075,579
Transfers & Diversions to Nonpool Used To Produce/Other Uses	45,985,879	61,337,576
Total Class IV Utilization	<b>59,740,098</b>	<b>91,757,477</b>
Average Butterfat Test	8.85%	7.15%
<b>Total Utilization</b>	<b>604,194,640</b>	<b>681,922,382</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2013 is \$20.89 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.10 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8050 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In May, Class I use, which is primarily bottled or packaged fluid milk, accounted for 65.33% of all producer skim milk (priced to handlers at \$11.89 per hundredweight, plus the Class I differential, see page 2) and 35.96% of producer butterfat (priced to handlers at \$1.7955 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.50% of all producer skim milk (\$12.59 per hundredweight) and 31.39% of producer butterfat (\$1.7954 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.95% of all producer skim milk (\$12.71 per hundredweight) and 17.01% of producer butterfat (\$1.7884 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.22% of all producer skim milk (\$13.09 per hundredweight) and 15.64% of producer butterfat (\$1.7884 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2013</b>		
Whole Milk	114,831,757	29.48%
Fat Free Milk	42,573,750	10.93%
Lowfat Milk (incl. 1%)	42,249,435	10.85%
Reduced Fat Milk (incl. 2%)	135,348,064	34.75%
Cultured Fluid Milk (incl. Buttermilk)	7,611,230	1.95%
Flavored Drinks and Milk	46,923,800	12.05%
<b>Total Disposition in Marketing Area</b>	<b>389,538,036</b>	<b>100.0%</b>
Total Disposition by Pool Plants	307,856,784	79.03%
Total Disposition by Nonpool Plants	81,681,252	20.97%
<b>Total Disposition in Marketing Area</b>	<b>389,538,036</b>	<b>100.0%</b>

Receipts of producer milk during May totaled 527.4 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 May 2013. Class I route disposition in the area was 389.5 million pounds in April 2013.

### Appointment of Florida and Southeast Market Administrator

(continued from Page 1) Shawn Boockoff, Assistant Northeast Market Administrator, for serving as the Acting Assistant Market Administrator. Pat and the staff look forward to continuing to provide the Southeast and Florida Orders with excellent customer service.

### Request to Extend Transportation Credits to June 2013 Denied

The Atlanta Market Administrator has denied a request to extend the Transportation Credit Balancing Fund payout period to June 2013. Section 1007.82(b) of the Order Regulating the Handling of Milk in the Southeast Marketing Area provides regulatory authority to the Market Administrator for this action.

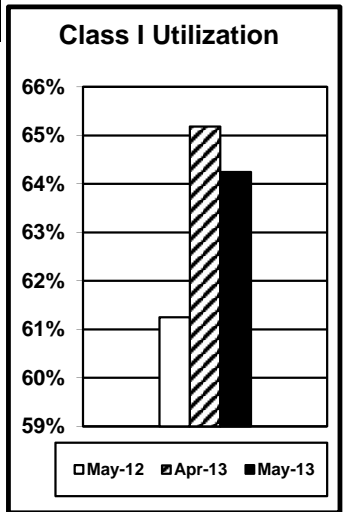
The following is quoted from the denial letter issued May 29: "Providing for no reimbursements in June is deemed less injurious to the market than having substantially reduced reimbursements later in the year. By denying the extension to June 2013, TCBF revenues will be preserved for such a time when deficits and the need for supplemental milk will be more acute." For more details on the decision, visit [www.fmmlatlanta.com](http://www.fmmlatlanta.com) and click on 'What's New'.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
June	\$16.89	\$1.8380	\$22.73	\$13.79											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,300**	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods June through August 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
JUN 2013	07/11/13	07/12/13	07/15/13	06/25/13	06/26/13	07/15/13	07/16/13
JUL 2013	08/11/13	08/12/13	08/13/13	07/25/13	07/26/13	08/13/13	08/14/13
AUG 2013	09/11/13	09/12/13	09/13/13	08/26/13	08/26/13	09/13/13	09/16/13

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$18.80 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.89 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 – 519 June 12, 2013

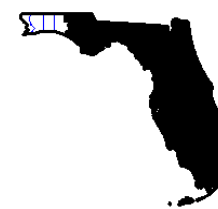
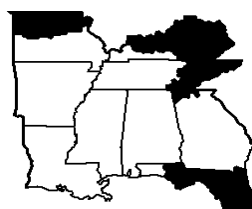
The milk production forecast for 2013 is unchanged. For 2014, the production forecast is lowered as relatively weak milk-to-feed ratios in the third and fourth quarter of 2013 are expected to slow production growth in the first half of 2014. Fat basis exports for 2013 are lowered based on slow butter exports through April. Skim-solid exports are higher based on expectations of continued robust nonfat dry milk (NDM) exports. Fat and skim basis exports for 2014 are unchanged. Fat basis imports are raised for 2013 and 2014.

Forecasts for 2013 cheese and butter prices are lowered from last month, reflecting greater stocks and weaker-than-expected prices to date. The NDM price is raised on tightening supplies and expectations of continued robust export demand. The price range for whey is narrowed. As a result of the lower cheese price forecast, the Class III price is reduced. The Class IV price is down as lower butter prices more than offset higher NDM. For 2014, the butter price forecast is lowered as stocks remain high, but other product prices are unchanged. The Class III price forecast is unchanged, but the Class IV price is lowered. The all milk price is forecast at \$19.60 to \$20.00 per cwt for 2013 and \$18.95 to \$19.95 for 2014.

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

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

July 2013



Southeast Marketing Area  
Federal Order 7

Volume 14—No. 7

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

## Feed Price Relief on the Horizon for Producers but High Stocks Dampen Milk and Product Prices

*Excerpts from Livestock, Dairy, & Poultry Outlook, July 17, 2013, Economic Research Service, USDA:*

Corn prices for the 2012/13 year are unchanged in July at \$6.75-\$7.15 per bushel. For the 2013/14 year, corn prices were also unchanged from last month at \$4.40- \$5.20 per bushel. The production forecast for the 2013 corn crop was lowered based on lower expected harvested acreage. However, slightly higher imports and reduced feed and residual use maintained prices. The soybean meal price forecast remains at \$290-\$330 per ton where it was in June. According to the most recent Agricultural Prices report, preliminary June alfalfa prices were \$220 per ton, fractionally lower than May but 10 percent above the June 2012 price.

The 2013 milk production forecast was raised slightly in July. Second-quarter estimated production was higher than forecast last month, and milk production is expected to remain slightly higher for the remainder of the year. Production is forecast at 202.0 billion pounds for 2013 and at 204.5 billion pounds in 2014, unchanged from June's forecast. Producers will see lower feed prices into 2014, but milk prices are forecast slightly lower as well. The net effect should be a modest expansion in milk production by late next year.

Cheese prices were lowered fractionally in July to \$1.735-\$1.765 per pound for the current year. Cheese prices are expected to decline to \$1.630-\$1.730 per pound in 2014. Butter prices are forecast at \$1.515-\$1.575 per pound (continued on Page 4)

### Improvements to Lab Producer Test Results Website

The Market Administrator is working to enhance the 'lab producer test results' website. Independent producers will be sent, by mail, new login procedures and additional information about these changes prior to implementation.

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$21.31 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.42 higher than the previous month and is \$3.45 per hundredweight higher compared with June 2012. Class I utilization was 56.24 percent in June, 8.01 percent lower compared with the previous month and 6.59 percent lower than June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2013 was 17.74 billion pounds, an increase of 0.8 percent from May 2012 and a decrease of 0.5 percent when compared with April 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 954 million pounds, 3.9 percent higher than May 2012 and 0.8 percent below April 2013 on a daily average basis. Butter production was 167 million pounds, 1.5 percent above May 2012 but 3.4 percent lower than April 2013 on a daily average basis.

Nonfat dry milk powder production was 167 million pounds in May 2013, a decrease of 13.4 percent compared to May of last year and 1.2 percent higher than April 2013 on a daily average basis. Dry whey production was 78.0 million pounds in May, 10.0 percent lower than May of last year and 7.5 percent below April 2013 on a daily average basis. Whey protein concentrates production was 42.8 million pounds in May, a 16.9 percent increase compared to May of last year and a 2.2 percent increase over April 2013 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 1.53 in June, unchanged from the previous month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.41%	6,345,004	\$1.8000	\$ 11,421,007.20
Class I Differential at Location				209,138.59
Class II Butterfat	29.88%	5,675,957	\$1.6669	9,461,252.73
Class III Butterfat	18.26%	3,469,058	\$1.6599	5,758,289.38
Class IV Butterfat	18.45%	3,505,062	\$1.6599	5,818,052.40
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,995,081</b>		<b>\$ 32,667,740.30</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7198**

### 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	57.09%	287,976,227	\$13.09 /cwt.	\$ 37,696,088.12
Class I Butterfat	33.41%	6,345,004	\$1.8000 /lb.	11,421,007.20
Class I Differential at Location		294,321,231		9,690,673.59
<b>Total Class I Milk</b>	<b>56.24%</b>	<b>294,321,231</b>		<b>\$ 58,807,768.91</b>
Class II Skim Milk	12.64%	63,739,825	\$13.79 /cwt.	\$ 8,789,721.87
Class II Butterfat	29.88%	5,675,957	\$1.6669 /lb.	9,461,252.73
<b>Total Class II Milk</b>	<b>13.26%</b>	<b>69,415,782</b>		<b>\$ 18,250,974.60</b>
Class III Skim Milk	16.92%	85,336,083	\$12.65 /cwt.	\$ 10,795,014.50
Class III Butterfat	18.26%	3,469,058	\$1.6599 /lb.	5,758,289.38
<b>Total Class III Milk</b>	<b>16.97%</b>	<b>88,805,141</b>		<b>\$ 16,553,303.88</b>
Class IV Skim Milk	13.35%	67,316,855	\$13.54 /cwt.	\$ 9,114,702.15
Class IV Butterfat	18.45%	3,505,062	\$1.6599 /lb.	5,818,052.40
<b>Total Class IV Milk</b>	<b>13.53%</b>	<b>70,821,917</b>		<b>\$ 14,932,754.55</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>523,364,071</b>		<b>\$ 108,544,801.94</b>

### Adjustments

Overage and Other Source	\$46,718.47
Inventory Adjustments	(\$2,105.46)
Producer butterfat at uniform butterfat price	(\$32,667,740.30)
Location Adjustments to Producers	\$3,999,141.66
1/2 Unobligated Balance in P.S.F.	\$254,862.66

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.89623	\$80,175,678.97
	\$ 0.04623	\$233,194.04

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

**\$15.85**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.31\***

\* 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 2013	JUL 2013	MAY 2013	JUN 2013	JUN 2013
Appalachian (Charlotte)	\$ 22.33	\$ 22.31	\$ 20.46	\$ 21.00	58.46%
Arizona (Phoenix)	\$ 21.28	\$ 21.26	\$ 19.11	\$ 19.27	25.89%
Central (Kansas City)	\$ 20.93	\$ 20.91	\$ 18.65	\$ 18.80	26.05%
Florida (Tampa)	\$ 24.33	\$ 24.31	\$ 22.47	\$ 23.27	82.42%
Midwest (Cleveland)	\$ 20.93	\$ 20.91	\$ 18.89	\$ 19.22	33.40%
Northeast (Boston)	\$ 22.18	\$ 22.16	\$ 19.78	\$ 20.20	33.70%
Pacific Northwest (Seattle)	\$ 20.83	\$ 20.81	\$ 18.79	\$ 18.84	22.13%
<b>Southeast (Atlanta)</b>	<b>\$ 22.73</b>	<b>\$ 22.71</b>	<b>\$ 20.89</b>	<b>\$ 21.31</b>	<b>56.24%</b>
Southwest (Dallas)	\$ 21.93	\$ 21.91	\$ 19.54	\$ 19.71	31.84%
Upper Midwest (Chicago)	\$ 20.73	\$ 20.71	\$ 18.63	\$ 18.32	9.50%

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

<b>Receipts:</b>	<b>June 2013</b>	<b>June 2012</b>
<b>Producer Milk</b>		
Class I	294,321,231	345,665,464
Class II	69,415,782	57,001,889
Class III	88,805,141	82,559,833
Class IV	70,821,917	64,917,899
Total Producer Milk	<u>523,364,071</u>	<u>550,145,085</u>
Average Butterfat Test	3.63%	3.59%
Percent of Producer Milk in Class I	56.24%	62.83%
Daily Average Receipts	17,445,469	18,338,170
<b>Other Source Milk</b>		
Class I	4,241,567	4,749,523
Class II	7,777,185	6,906,714
Class III	1,521,077	12,607,645
Class IV	9,196,060	8,018,578
Total Other Source Milk	<u>22,735,889</u>	<u>32,282,460</u>
<b>Overage</b>		
Class I	266,128	0
Class II	0	8,191
Class III	0	0
Class IV	1,066	2,739
Total Overage	<u>267,194</u>	<u>10,930</u>
<b>Opening Inventory</b>		
Class I	25,032,221	23,723,420
Class II	606,449	1,560,963
Class III	131,168	2,394,138
Class IV	11,129,527	13,344,673
Total Opening Inventory	<u>36,899,365</u>	<u>41,023,194</u>
<b>Total Receipts</b>	<b>583,266,519</b>	<b>623,461,669</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	18,317,670	22,185,430
Route Disposition Class I	296,286,703	342,971,255
Shrinkage	1,126,051	2,066,602
Transfers & Diversions to Nonpool	8,130,723	6,915,120
Total Class I Utilization	<u>323,861,147</u>	<u>374,138,407</u>
Average Butterfat Test	2.14%	2.10%
Daily Average Utilization	10,795,372	12,471,280
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,457,691	3,846,368
Shrinkage	5,374	31,686
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	46,234,561	32,156,774
Total Class II Utilization	<u>29,101,790</u>	<u>29,442,929</u>
Average Butterfat Test	77,799,416	65,477,757
Average Butterfat Test	10.47%	11.41%
<b>Class III Utilization</b>		
Shrinkage	5,223,479	0
Transfers & Diversions to Nonpool	82,299,863	97,561,616
Used To Produce/Other Uses	2,934,044	0
Total Class III Utilization	<u>90,457,386</u>	<u>97,561,616</u>
Average Butterfat Test	4.02%	3.59%
<b>Class IV Utilization</b>		
Inventory	26,511,144	17,834,053
Nonfluid Used To Fortify	1,026,569	1,185,265
Shrinkage	0	6,426,772
Transfers & Diversions to Nonpool	63,610,857	57,180,615
Used To Produce/Other Uses	0	3,657,184
Total Class IV Utilization	<u>91,148,570</u>	<u>86,283,889</u>
Average Butterfat Test	4.94%	5.33%
<b>Total Utilization</b>	<b>583,266,519</b>	<b>623,461,669</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2013 is \$21.31 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.85 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7198 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In June, Class I use, which is primarily bottled or packaged fluid milk, accounted for 57.09% of all producer skim milk (priced to handlers at \$13.09 per hundredweight, plus the Class I differential, see page 2) and 33.41% of producer butterfat (priced to handlers at \$1.8000 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.64% of all producer skim milk (\$13.79 per hundredweight) and 29.88% of producer butterfat (\$1.6669 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.92% of all producer skim milk (\$12.65 per hundredweight) and 18.26% of producer butterfat (\$1.6599 per pound). Class IV use, generally milk processed into butter and powder, accounted for 13.35% of all producer skim milk (\$13.54 per hundredweight) and 18.45% of producer butterfat (\$1.6599 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>May 2013</u></b>		
Whole Milk	117,994,872	31.04%
Fat Free Milk	41,345,795	10.88%
Lowfat Milk (incl. 1%)	38,207,142	10.05%
Reduced Fat Milk (incl. 2%)	138,093,305	36.33%
Cultured Fluid Milk (incl. Buttermilk)	7,835,237	2.06%
Flavored Drinks and Milk	36,648,296	9.64%
<b>Total Disposition in Marketing Area</b>	<b>380,124,647</b>	<b>100.0%</b>
Total Disposition by Pool Plants	299,853,207	78.88%
Total Disposition by Nonpool Plants	80,271,440	21.12%
<b>Total Disposition in Marketing Area</b>	<b>380,124,647</b>	<b>100.0%</b>

Receipts of producer milk during June totaled 523.4 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 June 2013. Class I route disposition in the area was 380.1 million pounds in May 2013.

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### Feed Price Relief on the Horizon for Producers but High Stocks Dampen Milk / Product Prices

(continued from Page 1) in 2013 and at \$1.450- \$1.580 per pound in 2014; both downward revisions from June forecasts. Higher stocks of these products--especially this year and carrying into next year--will likely pressure prices. Despite higher stocks, price prospects for NDM reflect continued strong export demand for dry milk products and reduced supplies from the European Union. The NDM price is projected at \$1.615-\$1.645 per pound, an increase from last month for the current year, and at \$1.585-\$1.655 per pound next year, unchanged from June. Whey prices are unchanged from the June forecast at 58.5-60.5 cents per pound this year and 56.5-59.5 cents per pound for 2014.

Class III milk prices were lowered slightly in July to \$ 17.65-\$17.95 per cwt reflecting the lower forecast cheese price. Next year, the Class III price is projected to slip to \$16.60-\$17.60 per cwt on weaker expected cheese prices. The Class IV price forecast was unchanged this month, but the price range was narrowed to \$18.20-\$18.60 per cwt. Next year's Class IV price also lowered from the June forecast to \$17.65-\$18.75 per cwt based on lower forecast butter prices. The prospect of higher forecast milk production in 2014 compared with 2013 will also pressure prices downward. The 2013 all milk price was lowered this month to \$19.50-\$19.80 per cwt and to \$18.70-\$19.70 per cwt for 2014.

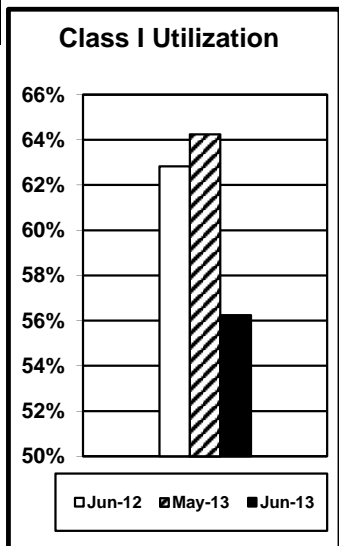
*(Excerpts from Livestock, Dairy, & Poultry Outlook, July 17, 2013, Economic Research Service, USDA)*

**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
Apr 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,301**	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods July through September 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
JUL 2013	08/11/13	08/12/13	08/13/13	07/25/13	07/26/13	08/13/13	08/14/13
AUG 2013	09/11/13	09/12/13	09/13/13	08/26/13	08/26/13	09/13/13	09/16/13
SEP 2013	10/11/13	10/15/13	10/16/13	09/25/13	09/26/13	10/16/13	10/17/13

\*\* The base rate for making partial payments in Fulton County, GA for July will be \$19.18 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.31 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 – 520 July 11, 2013

The 2013 milk production forecast is raised from last month based on growth in milk production to date. The milk production forecast for 2014 is unchanged from last month. Despite weaker forecast milk prices, forage supplies and feeding margins will likely continue to support modest gains in milk production.

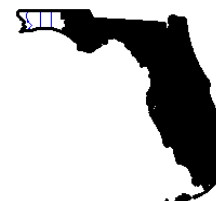
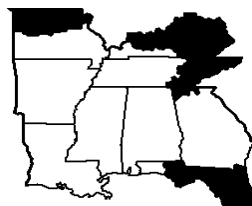
Cheese and butter prices are forecast lower for 2013 on larger supplies. Prices for 2014 are lowered as the larger carry-in stocks overhang the market. The 2013 NDM price forecast is raised from last month on strong export demand, but the forecast for 2014 is unchanged. The whey price forecasts for both 2013 and 2014 are unchanged from last month. The Class III price forecasts are lowered from last month in line with lower product prices. The Class IV price forecast is unchanged for 2013 as lower butter prices are largely offset by higher NDM prices. However, the Class IV price is lowered for 2014, reflecting lower butter prices. The 2013 all-milk price is forecast at \$19.50 to \$19.80 and the price for 2014 is \$18.70 to \$19.70 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).*



### MILK MARKET ADMINISTRATOR

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

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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Volume 14—No. 8

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

## Lower Butter Prices Reflect High Stocks; Higher Nonfat Dry Milk Prices Reflect Strong Exports

*Excerpts from Livestock, Dairy, & Poultry Outlook, August 16, 2013, Economic Research Service, USDA:*

Corn prices for the 2012/13 year are unchanged from July; however, the price range is narrowed to \$6.90-\$7.00 per bushel. For the 2013/14 year, corn prices are raised to \$4.50-\$5.30 per bushel. The production forecast for the 2013 corn crop is lowered for August based on slightly lower expected yield. The soybean meal price forecast for 2013/14 is increased to \$305-\$345 per ton from July. Soybean meal production is lowered for August, and the higher price keeps the production in domestic use at the expense of exports, which were lowered. According to the most recent Agricultural Prices report, the preliminary July alfalfa price was \$209 per ton, lower than June but 6 percent above the July 2012 price.

The 2013 milk production forecast is raised slightly in August from July to 202.1 billion pounds. The 2013 forecast is raised due to changes in second-quarter reported production. The 2014 milk production forecast remains unchanged from the July forecast at 204.5 billion pounds.

Current-year fat basis imports are raised in August to 4.2 billion pounds, largely on the basis of year-to-date cheese imports, and are expected to decline to 4.1 billion pounds in 2014, unchanged from the July forecast. This year's skim-solids basis imports were lowered to 5.4 based on a year-to-date decline in casein imports. Imports are forecast at 5.4 billion pounds for 2014, unchanged from July's forecast. Current-year fat basis exports are increased to 10.3 billion pounds for 2013, based on strong shipments of butterfat. Fat basis exports are expected to hold at 10.3 billion pounds in 2014. Current-year skim-solids exports were raised in August to 37.0 billion pounds based on continued strength in nonfat dry milk (NDM) exports; exports in 2014 were unchanged from the July forecast at 36.4 billion (continued on page 4)

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$21.57 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.26 higher than the previous month and is \$2.93 per hundredweight higher compared with July 2012. Class I utilization was 68.05 percent in July, 11.81 percent higher compared with the previous month and 1.75 percent lower than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2013 was 16.93 billion pounds, an increase of 1.5 percent from June 2012 and a decrease of 1.6 percent when compared with May 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 914 million pounds, 1.4 percent above June 2012 but 0.7 percent below May 2013 on a daily average basis. Butter production was 141 million pounds, 2.7 percent above June 2012 but 11.0 percent below May 2013 on a daily average basis.

Nonfat dry milk powder production was 130.5 million pounds in June 2013, a decrease of 22.5 percent compared to June of last year and 10.4 percent lower than May 2013 on a daily average basis. Dry whey production was 79.1 million pounds in June, 5.2 percent lower than June of last year and 3.0 percent above May 2013 on a daily average basis. Whey protein concentrates production was 40.3 million pounds in June, a 4.6 percent increase compared to June of last year and 3.5 percent lower than May 2013 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 1.52 in July, unchanged from the previous month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.73%	7,161,088	\$1.6803	\$ 12,032,776.19
Class I Differential at Location				233,986.06
Class II Butterfat	29.38%	5,042,643	\$1.5763	7,948,718.13
Class III Butterfat	16.53%	2,837,914	\$1.5693	4,453,538.45
Class IV Butterfat	12.36%	2,122,312	\$1.5693	3,330,544.22
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,163,957</b>		<b>\$ 27,999,563.05</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6313**

### 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	69.04%	317,805,361	\$13.50 /cwt.	\$ 42,903,723.80
Class I Butterfat	41.73%	7,161,088	\$1.6803 /lb.	12,032,776.19
Class I Differential at Location		324,966,449		10,692,277.60
<b>Total Class I Milk</b>	<b>68.05%</b>	<b>324,966,449</b>		<b>\$ 65,628,777.59</b>
Class II Skim Milk	11.19%	51,524,838	\$14.20 /cwt.	\$ 7,316,526.98
Class II Butterfat	29.38%	5,042,643	\$1.5763 /lb.	7,948,718.13
<b>Total Class II Milk</b>	<b>11.85%</b>	<b>56,567,481</b>		<b>\$ 15,265,245.11</b>
Class III Skim Milk	14.15%	65,128,037	\$12.32 /cwt.	\$ 8,023,774.15
Class III Butterfat	16.53%	2,837,914	\$1.5693 /lb.	4,453,538.45
<b>Total Class III Milk</b>	<b>14.23%</b>	<b>67,965,951</b>		<b>\$ 12,477,312.60</b>
Class IV Skim Milk	5.62%	25,886,468	\$13.89 /cwt.	\$ 3,595,630.42
Class IV Butterfat	12.36%	2,122,312	\$1.5693 /lb.	3,330,544.22
<b>Total Class IV Milk</b>	<b>5.87%</b>	<b>28,008,780</b>		<b>\$ 6,926,174.64</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>477,508,661</b>		<b>\$ 100,297,509.94</b>

### Adjustments

Overage and Other Source	\$31,219.46
Inventory Adjustments	(\$15,386.42)
Producer butterfat at uniform butterfat price	(\$27,999,563.05)
Location Adjustments to Producers	\$3,350,348.51
1/2 Unobligated Balance in P.S.F.	\$239,701.99

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16,48848	\$75,903,830.43
	<b>\$ 0.04848</b>	\$223,161.07

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

**\$16.44**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.57\***

\* 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 2013	AUG 2013	JUN 2013	JUL 2013	JUL 2013
Appalachian (Charlotte)	\$ 22.31	\$ 22.28	\$ 21.00	\$ 21.26	68.87%
Arizona (Phoenix)	\$ 21.26	\$ 21.23	\$ 19.27	\$ 19.17	29.60%
Central (Kansas City)	\$ 20.91	\$ 20.88	\$ 18.80	\$ 18.62	30.05%
Florida (Tampa)	\$ 24.31	\$ 24.28	\$ 23.27	\$ 23.44	86.01%
Midwest (Cleveland)	\$ 20.91	\$ 20.88	\$ 19.22	\$ 19.12	38.10%
Northeast (Boston)	\$ 22.16	\$ 22.13	\$ 20.20	\$ 20.18	35.50%
Pacific Northwest (Seattle)	\$ 20.81	\$ 20.78	\$ 18.84	\$ 18.65	22.94%
<b>Southeast (Atlanta)</b>	<b>\$ 22.71</b>	<b>\$ 22.68</b>	<b>\$ 21.31</b>	<b>\$ 21.57</b>	<b>68.05%</b>
Southwest (Dallas)	\$ 21.91	\$ 21.88	\$ 19.71	\$ 19.40	33.29%
Upper Midwest (Chicago)	\$ 20.71	\$ 20.68	\$ 18.32	\$ 17.78	10.10%



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

<b>Receipts:</b>	<b>July 2013</b>	<b>July 2012</b>
<b>Producer Milk</b>		
Class I	324,966,449	351,813,861
Class II	56,567,481	59,186,888
Class III	67,965,951	53,101,622
Class IV	28,008,780	39,980,381
Total Producer Milk	<u>477,508,661</u>	<u>504,082,752</u>
Average Butterfat Test	3.59%	3.59%
Percent of Producer Milk in Class I	68.05%	69.80%
Daily Average Receipts	15,403,505	16,260,734
<b>Other Source Milk</b>		
Class I	5,483,673	6,018,953
Class II	9,575,496	6,050,302
Class III	2,207,022	5,158,286
Class IV	3,660,211	4,668,796
Total Other Source Milk	<u>20,926,402</u>	<u>21,896,337</u>
<b>Overage</b>		
Class I	0	0
Class II	189,685	0
Class III	0	728
Class IV	2,730	9,447
Total Overage	<u>192,415</u>	<u>10,175</u>
<b>Opening Inventory</b>		
Class I	19,663,873	22,185,430
Class II	1,682,697	1,390,624
Class III	3,811,756	2,223,172
Class IV	19,672,932	14,220,257
Total Opening Inventory	<u>44,831,258</u>	<u>40,019,483</u>
<b>Total Receipts</b>	<b>543,458,736</b>	<b>566,008,747</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,063,727	25,375,199
Route Disposition Class I	320,061,287	345,734,422
Shrinkage	2,071,114	1,586,581
Transfers & Diversions to Nonpool	7,917,867	7,322,042
Total Class I Utilization	<u>350,113,995</u>	<u>380,018,244</u>
Average Butterfat Test	2.19%	2.10%
Daily Average Utilization	11,294,000	12,258,653
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,575,626	2,871,324
Shrinkage	171,722	457,414
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	33,963,092	32,063,948
Total Class II Utilization	<u>31,304,919</u>	<u>31,235,128</u>
Average Butterfat Test	68,015,359	66,627,814
Average Butterfat Test	11.73%	10.70%
<b>Class III Utilization</b>		
Shrinkage	5,132,564	0
Transfers & Diversions to Nonpool	65,579,537	60,483,808
Used To Produce/Other Uses	3,272,628	0
Total Class III Utilization	<u>73,984,729</u>	<u>60,483,808</u>
Average Butterfat Test	3.97%	4.06%
<b>Class IV Utilization</b>		
Inventory	20,127,144	16,876,473
Nonfluid Used To Fortify	1,209,326	1,268,124
Shrinkage	0	5,782,491
Transfers & Diversions to Nonpool	30,008,183	30,904,922
Used To Produce/Other Uses	0	4,046,871
Total Class IV Utilization	<u>51,344,653</u>	<u>58,878,881</u>
Average Butterfat Test	6.56%	6.36%
<b>Total Utilization</b>	<b>543,458,736</b>	<b>566,008,747</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2013 is \$21.57 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.44 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6313 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 69.04% of all producer skim milk (priced to handlers at \$13.50 per hundredweight, plus the Class I differential, see page 2) and 41.73% of producer butterfat (priced to handlers at \$1.6803 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.19% of all producer skim milk (\$14.20 per hundredweight) and 29.38% of producer butterfat (\$1.5763 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.15% of all producer skim milk (\$12.32 per hundredweight) and 16.53% of producer butterfat (\$1.5693 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.62% of all producer skim milk (\$13.89 per hundredweight) and 12.36% of producer butterfat (\$1.5693 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>June 2013</u></b>		
Whole Milk	112,386,122	33.25%
Fat Free Milk	37,462,056	11.08%
Lowfat Milk (incl. 1%)	30,186,855	8.93%
Reduced Fat Milk (incl. 2%)	132,682,246	39.25%
Cultured Fluid Milk (incl. Buttermilk)	6,996,764	2.07%
Flavored Drinks and Milk	18,315,573	5.42%
<b>Total Disposition in Marketing Area</b>	<b>338,029,616</b>	<b>100.0%</b>
Total Disposition by Pool Plants	262,707,472	77.72%
Total Disposition by Nonpool Plants	75,322,144	22.28%
<b>Total Disposition in Marketing Area</b>	<b>338,029,616</b>	<b>100.0%</b>

Receipts of producer milk during July totaled 477.5 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 July 2013. Class I route disposition in the area was 338.0 million pounds in June 2013.

### **Lower Butter Prices Reflect High Stocks; Higher Nonfat Dry Milk Prices Reflect Strong Exports**

(continued from page 1) pounds. Cheese prices are increased for August to \$1.750-\$1.770 per pound for 2013. The higher 2013 forecast cheese price reflects continued strong demand. Cheese prices are expected to decline to \$1.630-\$1.730 per pound in 2014. Despite higher stocks, price prospects for NDM reflect continued strong export demand for dry milk products and reduced supplies from the European Union. The NDM price is projected at \$1.635-\$1.655 per pound for the current year, and at \$1.590-\$1.660 per pound next year, both forecasts are increases from July. Butter prices are lowered in August to \$1.495-\$1.535 per pound for 2013 and at \$1.445-\$1.575 per pound for 2014; relatively high butter stocks and currently weakening prices underpin this forecast. Whey price forecasts are unchanged from the July forecast at 58.5-60.5 cents per pound this year and 56.5-59.5 cents per pound for 2014.

Class III milk prices are increased in August to \$ 17.80-\$18.00 per cwt, reflecting the higher expected cheese price and steady whey price. The 2014 Class III price forecast is unchanged from July and is projected to slip from this year to \$16.55-\$17.55 per cwt based on lower expected cheese prices next year. The 2013 Class IV price forecast range is narrowed to \$18.25-\$18.55 per cwt. Next year's Class IV price forecast is unchanged from July's at \$17.65-\$18.75 per cwt based lower butter prices. The 2013 all milk price is changed this month to \$19.60-\$19.80 per cwt by raising the lower end of the price range by 10 cents and is lowered for 2014 to \$18.65-\$19.65 per cwt.

*Source: Livestock, Dairy, and Poultry Outlook/LDP-M-230/Aug 16, 2013: Economic Research Service, USDA*

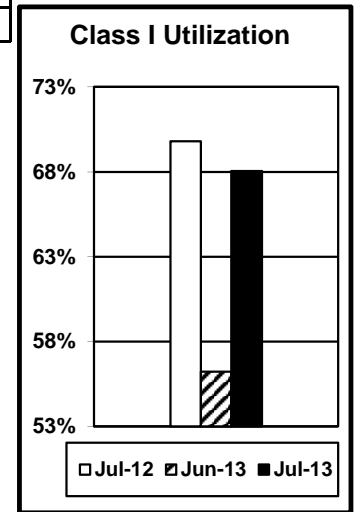
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Jun 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47											

**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.	%
Jun 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,300**	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%

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



## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods August through October 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
AUG 2013	09/11/13	09/12/13	09/13/13	08/26/13	08/26/13	09/13/13	09/16/13
SEP 2013	10/11/13	10/15/13	10/16/13	09/25/13	09/26/13	10/16/13	10/17/13
OCT 2013	11/11/13	11/12/13	11/13/13	10/25/13	10/28/13	11/13/13	11/14/13

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$19.41 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.57 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 – 521 August 12, 2013

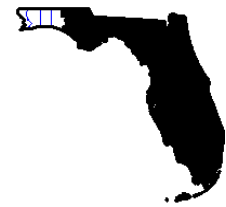
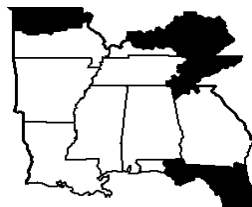
The 2013 milk production forecast is higher than last month based on production data for the second quarter, but subsequent quarters are unchanged. Production for 2014 is unchanged. Exports are raised for 2013 on both a fat and skim-solids basis as continued tight world supplies support higher exports. However, the export forecast for 2014 is unchanged. Fat basis imports are raised for 2013 while the skim solid forecast is lower. Import forecasts for 2014 are unchanged. Fat-basis ending stock forecasts for 2013 and 2014 are lowered as lower prices are expected to support greater butter use. The skim-basis stock forecast is unchanged for 2013 but lowered for 2014 as domestic demand for nonfat dry milk (NDM) is expected to improve. Robust demand for NDM supports increased price forecasts for 2013 and 2014. The cheese price forecast for 2013 is raised on relatively strong demand, but the forecast is unchanged for 2014. Butter prices are forecast lower for both 2013 and 2014 as stocks are relatively high. The whey price forecast is unchanged from last month. For 2013, the Class III price is raised from last month on the stronger cheese price, but the 2014 price is reduced on a lower butterfat price. The range of the 2013 Class IV price is narrowed for 2013 but is unchanged at the midpoint as the lower butter price is largely offset by the higher NDM price. The 2014 Class IV price is unchanged. The all milk price for 2013 is forecast at \$19.60 to \$19.80 per cwt and \$18.65 to \$19.65 per cwt for 2014.

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

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

September 2013

Volume 14—No. 9

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

## Americans Not Drinking Milk as Often as Their Parents Did

*From Amber Waves, September, 2013, Economic Research Service, USDA:*

Fluid milk has long been a staple of the American diet. However, as dietary habits change, Americans of all ages are drinking less milk, on average. Since 1970, per capita consumption of fluid milk has fallen from almost 1 cup (8 fl. oz.) to 0.6 cups per day. Contributing to the trend are differences in the eating and drinking habits of newer and older generations. Americans born in the 1970s, for example, drank less milk in their teens, twenties, and thirties than did Americans born in the 1960s at the same age points. Those born in the 1980s and 1990s, in turn, appear poised to drink even less milk in their adulthood than those born in the 1970s.

To study milk drinking by Americans over time and across generations, ERS researchers analyzed data from food consumption surveys conducted in 1977-78, 1989-91, 1994-96, 2003-04, and 2007-08. Individuals participating in these USDA-sponsored surveys reported their food and beverage consumption over a 24-hour period. The surveys reveal that portion size has been fairly steady over this time. Americans—on the occasions when they drink fluid milk—continue to consume about 1 cup.

Changes are instead occurring in the frequency of fluid milk consumption. As teenagers in 1977-78, Americans born in the early 1960s drank milk 1.5 times per day. As they grew older, they drank milk less often, consuming it on 0.7 occasions per day as young adults (in 1994-96) and 0.6 occasions per day in middle age (in 2007-08). By contrast, Americans born in the early 1980s entered their teenage years drinking milk just 1.2 times per day (in 1994-96) and, by the time they were young adults, had already reduced that frequency to 0.5 occasions per day (in 2007-08). (continued on page 4)

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$21.81 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.24 higher than the previous month and is \$1.86 per hundredweight higher compared with August 2012. Class I utilization was 72.29 percent in August, 4.24 percent higher compared with the previous month and 2.81 percent lower than August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2013 was 16.78 billion pounds, an increase of 1.1 percent from July 2012 and a decrease of 4.1 percent when compared with June 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 910 million pounds, 3.0 percent above July 2012 but 3.3 percent below June 2013 on a daily average basis. Butter production was 134 million pounds, 0.5 percent above July 2012 but 7.7 percent below June 2013 on a daily average basis.

Nonfat dry milk powder production was 115.6 million pounds in July 2013, a decrease of 17.5 percent compared to July of last year and 14.5 percent lower than June 2013 on a daily average basis. Dry whey production was 76.2 million pounds in July, 4.5 percent lower than July of last year and 2.2 percent below June 2013 on a daily average basis. Whey protein concentrates production was 39.1 million pounds in July, a 15.4 percent increase compared to July of last year and 9.7 percent lower than June 2013 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 1.69 in August, up 0.17 from the previous month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.47%	7,121,621	\$1.5969	\$ 11,372,516.59
Class I Differential at Location				234,697.66
Class II Butterfat	33.71%	6,084,218	\$1.5174	9,232,192.41
Class III Butterfat	13.89%	2,506,704	\$1.5104	3,786,125.72
Class IV Butterfat	12.93%	2,334,072	\$1.5104	3,525,382.36
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,046,615</b>		<b>\$ 28,150,914.74</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5599**

### 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	73.52%	352,268,894	\$13.77 /cwt.	\$ 48,507,426.71
Class I Butterfat	39.47%	7,121,621	\$1.5969 /lb.	11,372,516.59
Class I Differential at Location		359,390,515		11,832,093.26
<b>Total Class I Milk</b>	<b>72.29%</b>	<b>359,390,515</b>		<b>\$ 71,712,036.56</b>
Class II Skim Milk	12.31%	58,963,485	\$14.47 /cwt.	\$ 8,532,016.29
Class II Butterfat	33.71%	6,084,218	\$1.5174 /lb.	9,232,192.41
<b>Total Class II Milk</b>	<b>13.08%</b>	<b>65,047,703</b>		<b>\$ 17,764,208.70</b>
Class III Skim Milk	9.70%	46,481,538	\$13.08 /cwt.	\$ 6,079,785.18
Class III Butterfat	13.89%	2,506,704	\$1.5104 /lb.	3,786,125.72
<b>Total Class III Milk</b>	<b>9.85%</b>	<b>48,988,242</b>		<b>\$ 9,865,910.90</b>
Class IV Skim Milk	4.47%	21,406,373	\$14.28 /cwt.	\$ 3,056,830.05
Class IV Butterfat	12.93%	2,334,072	\$1.5104 /lb.	3,525,382.36
<b>Total Class IV Milk</b>	<b>4.78%</b>	<b>23,740,445</b>		<b>\$ 6,582,212.41</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>497,166,905</b>		<b>\$ 105,924,368.57</b>

### Adjustments

Overage and Other Source	\$4,417.42
Inventory Adjustments	(\$35,200.15)
Producer butterfat at uniform butterfat price	(\$28,150,914.74)
Location Adjustments to Producers	\$3,402,919.48
1/2 Unobligated Balance in P.S.F.	\$243,875.64

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.98727	\$81,389,466.22
	\$ 0.04727	\$226,489.07

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

**\$16.94**

Uniform Price per cwt. (Fulton County, Georgia)

**\$21.81\***

\* 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 2013	SEPT 2013	JUL 2013	AUG 2013	AUG 2013
Appalachian (Charlotte)	\$ 22.28	\$ 22.56	\$ 21.26	\$ 21.35	70.58%
Arizona (Phoenix)	\$ 21.23	\$ 21.51	\$ 19.17	\$ 19.41	32.17%
Central (Kansas City)	\$ 20.88	\$ 21.16	\$ 18.62	\$ 18.92	33.16%
Florida (Tampa)	\$ 24.28	\$ 24.56	\$ 23.44	\$ 23.56	87.92%
Midwest (Cleveland)	\$ 20.88	\$ 21.16	\$ 19.12	\$ 19.32	39.20%
Northeast (Boston)	\$ 22.13	\$ 22.41	\$ 20.18	\$ 20.28	36.90%
Pacific Northwest (Seattle)	\$ 20.78	\$ 21.06	\$ 18.65	\$ 18.93	27.88%
<b>Southeast (Atlanta)</b>	<b>\$ 22.68</b>	<b>\$ 22.96</b>	<b>\$ 21.57</b>	<b>\$ 21.81</b>	<b>79.29%</b>
Southwest (Dallas)	\$ 21.88	\$ 22.16	\$ 19.40	\$ 19.74	36.73%
Upper Midwest (Chicago)	\$ 20.68	\$ 20.96	\$ 17.78	\$ 18.25	10.60%

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

<b>Receipts:</b>	<b>August 2013</b>	<b>August 2012</b>
<b>Producer Milk</b>		
Class I	359,390,515	399,702,490
Class II	65,047,703	68,689,736
Class III	48,988,242	46,626,539
Class IV	23,740,445	17,255,741
Total Producer Milk	<u>497,166,905</u>	<u>532,274,506</u>
Average Butterfat Test	3.63%	3.62%
Percent of Producer Milk in Class I	72.29%	75.10%
Daily Average Receipts	16,037,642	17,170,145
<b>Other Source Milk</b>		
Class I	9,175,930	7,005,007
Class II	9,482,458	6,438,473
Class III	1,444,140	1,880,609
Class IV	4,773,443	5,293,488
Total Other Source Milk	<u>24,875,971</u>	<u>20,617,577</u>
<b>Overage</b>		
Class I	0	0
Class II	1,439	31
Class III	627	0
Class IV	852	5,225
Total Overage	<u>2,918</u>	<u>5,256</u>
<b>Opening Inventory</b>		
Class I	20,202,526	26,322,350
Class II	1,048,129	5,151,284
Class III	4,720,310	1,816,375
Class IV	14,213,608	8,908,646
Total Opening Inventory	<u>40,184,573</u>	<u>42,198,655</u>
<b>Total Receipts</b>	<b>562,230,367</b>	<b>595,095,994</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,959,777	31,437,400
Route Disposition Class I	353,158,491	390,853,768
Shrinkage	1,796,275	2,477,238
Transfers & Diversions to Nonpool	9,854,428	8,261,441
Total Class I Utilization	<u>388,768,971</u>	<u>433,029,847</u>
Average Butterfat Test	1.98%	1.96%
Daily Average Utilization	12,540,935	13,968,705
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,362,791	2,575,680
Shrinkage	4,960	6,551,732
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	43,442,015	37,548,320
Total Class II Utilization	<u>29,769,963</u>	<u>33,603,792</u>
Average Butterfat Test	11.49%	10.01%
<b>Class III Utilization</b>		
Shrinkage	6,525,144	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	45,690,647	50,323,523
Total Class III Utilization	<u>2,937,528</u>	<u>0</u>
Average Butterfat Test	55,153,319	50,323,523
<b>Class IV Utilization</b>		
Inventory	15,488,933	10,492,850
Nonfluid Used To Fortify	1,243,955	1,303,988
Shrinkage	338	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	25,995,122	19,666,262
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	42,728,348	31,463,100
<b>Total Utilization</b>	<b>562,230,367</b>	<b>595,095,994</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2013 is \$21.81 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.94 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5599 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In August, Class I use, which is primarily bottled or packaged fluid milk, accounted for 73.52% of all producer skim milk (priced to handlers at \$13.77 per hundredweight, plus the Class I differential, see page 2) and 39.47% of producer butterfat (priced to handlers at \$1.5969 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.31% of all producer skim milk (\$14.47 per hundredweight) and 33.71% of producer butterfat (\$1.5174 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.70% of all producer skim milk (\$13.08 per hundredweight) and 13.89% of producer butterfat (\$1.5104 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.47% of all producer skim milk (\$14.28 per hundredweight) and 12.93% of producer butterfat (\$1.5104 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>July 2013</u></b>		
Whole Milk	122,590,007	33.55%
Fat Free Milk	38,623,715	10.57%
Lowfat Milk (incl. 1%)	32,443,302	8.88%
Reduced Fat Milk (incl. 2%)	144,634,339	39.58%
Cultured Fluid Milk (incl. Buttermilk)	7,768,309	2.13%
Flavored Drinks and Milk	19,381,730	5.30%
<b>Total Disposition in Marketing Area</b>	<b>365,441,402</b>	<b>100.0%</b>
Total Disposition by Pool Plants	283,271,690	77.51%
Total Disposition by Nonpool Plants	82,169,712	22.49%
<b>Total Disposition in Marketing Area</b>	<b>365,441,402</b>	<b>100.0%</b>

Receipts of producer milk during August totaled 497.2 million pounds. There were 23 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 2013. Class I route disposition in the area was 365.4 million pounds in July 2013.

## Americans Not Drinking Milk as Often as Their Parents Did

(continued from page 1) These generational differences in the frequency of milk drinking are contributing to decreases in per capita consumption. Between the 1977-78 and 2007-08 surveys, children's consumption of fluid milk declined from an average of 1.7 cups to 1.2 cups per day, and milk consumption by American teenagers and adults fell from 0.8 cups to 0.6 cups per day.

Several factors may account for variations in milk drinking habits across generations, including the food environment in which people come of age and a generation's unique experiences as children. Every decade brings a wider selection of beverage choices at supermarkets, restaurants, and other food outlets. Soft drinks, sports drinks, bottled water, juice boxes, and other products increasingly compete with fluid milk to quench consumers' thirst.

*Source: Amber Waves, September, 2013, Economic Research Service, USDA. Available at: <http://www.ers.usda.gov/amber-waves/2013-september/americans-not-drinking-milk-as-often-as-their-parents-did.aspx>*

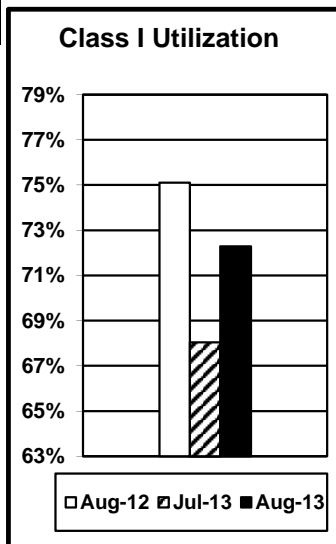


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96											

**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 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,200**	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%



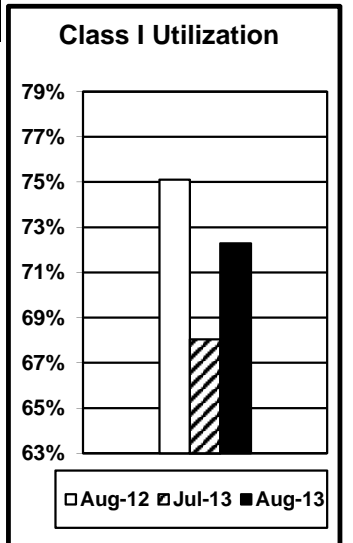
\* Class I and uniform prices are at Fulton County (Atlanta), Georgia;\*\* Estimated

**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 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 16.68	\$1.8198	\$22.47
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5691	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96											

**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 2012	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%
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Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
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May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
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Aug	497,167	2,200**	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%



\* 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 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
SEP 2013	10/11/13	10/15/13	10/16/13	09/25/13	09/26/13	10/16/13	10/17/13
OCT 2013	11/11/13	11/12/13	11/13/13	10/25/13	10/28/13	11/13/13	11/14/13
NOV 2013	12/11/13	12/12/13	12/13/13	11/25/13	11/26/13	12/13/13	12/16/13

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$19.63 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.81 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 – 522 September 12, 2013

The 2013 milk production forecast is reduced from last month, reflecting recent slower growth in milk production. The production forecast for 2014 is unchanged. For 2013 fat basis and skim solids imports are lowered slightly from last month. Exports are raised for 2013 and carried into 2014 on strong international demand for dairy products. With forecast export demand, fat and skim-basis ending stocks are reduced in 2013 and 2014.

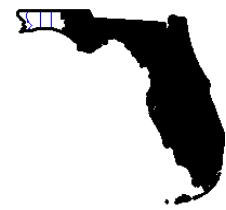
Product price forecasts are mostly higher, with strong export demand and tightening supplies supporting increases for nonfat dry milk (NDM), butter and cheese prices in 2013 and 2014. The whey price forecast is unchanged for 2013 but raised for 2014. With increased product prices, Class III and Class IV price forecasts for 2013 and 2014 are higher. The all milk price is forecast at \$19.70 to \$19.90 per cwt for 2013 and \$19.35 to \$20.35 per cwt for 2014.

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



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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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Volume 14—No. 10

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/LDP-M-219/  
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. 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 (continued on page 4)

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$22.10 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.29 higher than last month and is \$1.23 per hundredweight higher compared with September 2012. Class I utilization was 69.72 percent in September, 2.57 percent higher compared with last month and 0.14 percent less than September of last year.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.07%	6,418,774	\$1.5420	\$ 9,897,749.52
Class I Differential at Location				210,137.41
Class II Butterfat	32.29%	5,590,352	\$1.5266	8,534,231.37
Class III Butterfat	16.09%	2,785,707	\$1.5196	4,233,160.33
Class IV Butterfat	14.55%	2,520,164	\$1.5196	3,829,641.24
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,314,997</b>		<b>\$ 26,704,919.87</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5423**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	70.94%	325,599,755	\$14.26 /cwt.	\$ 46,430,525.07
Class I Butterfat	37.07%	6,418,774	\$1.5420 /lb.	9,897,749.52
Class I Differential at Location		332,018,529		10,918,609.64
<b>Total Class I Milk</b>	<b>69.72%</b>	<b>332,018,529</b>		<b>\$ 67,246,884.23</b>
Class II Skim Milk	12.54%	57,534,601	\$14.96 /cwt.	\$ 8,607,176.29
Class II Butterfat	32.29%	5,590,352	\$1.5266 /lb.	8,534,231.37
<b>Total Class II Milk</b>	<b>13.25%</b>	<b>63,124,953</b>		<b>\$ 17,141,407.66</b>
Class III Skim Milk	12.19%	55,953,918	\$13.29 /cwt.	\$ 7,436,275.68
Class III Butterfat	16.09%	2,785,707	\$1.5196 /lb.	4,233,160.33
<b>Total Class III Milk</b>	<b>12.33%</b>	<b>58,739,625</b>		<b>\$ 11,669,436.01</b>
Class IV Skim Milk	4.33%	19,855,797	\$14.62 /cwt.	\$ 2,902,917.52
Class IV Butterfat	14.55%	2,520,164	\$1.5196 /lb.	3,829,641.24
<b>Total Class IV Milk</b>	<b>4.70%</b>	<b>22,375,961</b>		<b>\$ 6,732,558.76</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>476,259,068</b>		<b>\$ 102,790,286.66</b>

### Adjustments

Overage and Other Source	\$24,105.42
Inventory Adjustments	(\$2,603.39)
Producer butterfat at uniform butterfat price	(\$26,704,919.87)
Location Adjustments to Producers	\$3,319,978.30
1/2 Unobligated Balance in P.S.F.	\$225,132.05

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.35549	\$79,651,979.17
	\$ 0.04549	\$208,760.49

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

**\$17.31**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.10\***

\* 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 2013	OCT 2013	AUG 2013	SEP 2013	SEP 2013
Appalachian (Charlotte)	\$ 22.56	\$ 22.60	\$ 21.35	\$ 21.72	70.81%
Arizona (Phoenix)	\$ 21.51	\$ 21.55	\$ 19.41	\$ 19.79	33.44%
Central (Kansas City)	\$ 21.16	\$ 21.20	\$ 18.92	\$ 19.17	32.57%
Florida (Tampa)	\$ 24.56	\$ 24.60	\$ 23.56	\$ 23.86	86.50%
Midwest (Cleveland)	\$ 21.16	\$ 21.20	\$ 19.32	\$ 19.56	40.80%
Northeast (Boston)	\$ 22.41	\$ 22.45	\$ 20.28	\$ 20.58	38.90%
Pacific Northwest (Seattle)	\$ 21.06	\$ 21.10	\$ 18.93	\$ 19.13	28.92%
<b>Southeast (Atlanta)</b>	<b>\$ 22.96</b>	<b>\$ 23.00</b>	<b>\$ 21.81</b>	<b>\$ 22.10</b>	<b>69.72%</b>
Southwest (Dallas)	\$ 22.16	\$ 22.20	\$ 19.74	\$ 19.97	36.02%
Upper Midwest (Chicago)	\$ 20.96	\$ 21.00	\$ 18.25	\$ 18.50	10.80%

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

<b>Receipts:</b>	<b>September 2013</b>	<b>September 2012</b>
<b>Producer Milk</b>		
Class I	332,018,529	358,512,626
Class II	63,124,953	64,703,863
Class III	58,739,625	65,823,570
Class IV	22,375,961	24,097,800
Total Producer Milk	<u>476,259,068</u>	<u>513,137,859</u>
Average Butterfat Test	3.64%	3.69%
Percent of Producer Milk in Class I	69.72%	69.86%
Daily Average Receipts	15,875,302	17,104,595
<b>Other Source Milk</b>		
Class I	13,611,518	7,310,297
Class II	6,699,500	4,429,208
Class III	1,313,891	945,812
Class IV	6,361,976	4,699,846
Total Other Source Milk	<u>27,986,885</u>	<u>17,385,163</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	15,863	110,247
Total Overage	<u>15,863</u>	<u>110,247</u>
<b>Opening Inventory</b>		
Class I	24,130,748	31,432,655
Class II	323,259	460,942
Class III	840,941	91,953
Class IV	14,251,578	9,939,955
Total Opening Inventory	<u>39,546,526</u>	<u>41,925,505</u>
<b>Total Receipts</b>	<b>543,808,342</b>	<b>572,558,774</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	22,817,096	23,475,026
Route Disposition Class I	334,588,556	363,598,357
Shrinkage	2,461,203	2,832,758
Transfers & Diversions to Nonpool	9,893,940	7,349,437
Total Class I Utilization	<u>369,760,795</u>	<u>397,255,578</u>
Average Butterfat Test	1.92%	1.94%
Daily Average Utilization	12,325,360	13,241,853
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,786,279	1,864,373
Shrinkage	397	6,277,939
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	39,975,465	32,126,762
Total Class II Utilization	<u>27,385,571</u>	<u>29,324,939</u>
Average Butterfat Test	10.87%	10.07%
<b>Class III Utilization</b>		
Shrinkage	5,795,054	0
Transfers & Diversions to Nonpool	51,576,199	66,861,335
Used To Produce/Other Uses	3,523,204	0
Total Class III Utilization	<u>60,894,457</u>	<u>66,861,335</u>
Average Butterfat Test	4.70%	4.99%
<b>Class IV Utilization</b>		
Inventory	21,751,754	28,779,772
Nonfluid Used To Fortify	1,100,891	1,146,659
Shrinkage	0	0
Transfers & Diversions to Nonpool	20,152,733	8,921,417
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>43,005,378</u>	<u>38,847,848</u>
Average Butterfat Test	8.70%	10.50%
<b>Total Utilization</b>	<b>543,808,342</b>	<b>572,558,774</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2013 is \$22.10 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.31 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5423 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In September, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.94% of all producer skim milk (priced to handlers at \$14.26 per hundredweight, plus the Class I differential, see page 2) and 37.07% of producer butterfat (priced to handlers at \$1.5420 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.54% of all producer skim milk (\$14.96 per hundredweight) and 32.29% of producer butterfat (\$1.5266 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.19% of all producer skim milk (\$13.29 per hundredweight) and 16.09% of producer butterfat (\$1.5196 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.33% of all producer skim milk (\$14.62 per hundredweight) and 14.55% of producer butterfat (\$1.5196 per pound).

Receipts of producer milk during September totaled 476.3 million pounds. There were 21 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 September 2013. Class I route disposition in the area was 403.6 million pounds in August 2013.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2013</b>		
Whole Milk	123,007,727	30.48%
Fat Free Milk	42,785,221	10.60%
Lowfat Milk (incl. 1%)	40,822,743	10.12%
Reduced Fat Milk (incl. 2%)	147,026,364	36.43%
Cultured Fluid Milk (incl. Buttermilk)	7,949,608	1.97%
Flavored Drinks and Milk	41,983,795	10.40%
<b>Total Disposition in Marketing Area</b>	<b>403,575,458</b>	<b>100.0%</b>
Total Disposition by Pool Plants	313,802,613	77.76%
Total Disposition by Nonpool Plants	89,772,845	22.24%
<b>Total Disposition in Marketing Area</b>	<b>403,575,458</b>	<b>100.0%</b>

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

(continued from page 1) \$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.

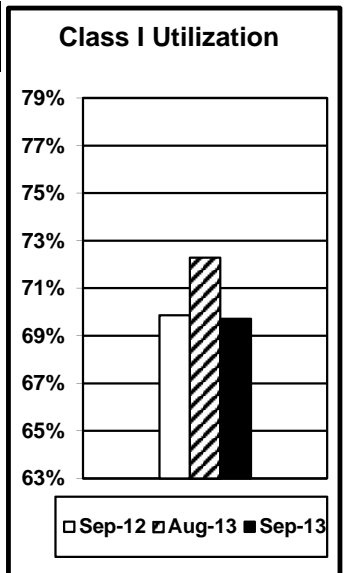
Source: Livestock, Dairy, & Poultry Outlook/LDP-M-219/September 18, 2012, Economic Research Service, USDA.

**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 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25											

**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 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,200**	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	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 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
OCT 2013	11/11/13	11/12/13	11/13/13	10/25/13	10/28/13	11/13/13	11/14/13
NOV 2013	12/11/13	12/12/13	12/13/13	11/25/13	11/26/13	12/13/13	12/16/13
DEC 2013	01/11/14	01/13/14	01/14/14	12/26/13	12/26/13	01/14/14	01/15/14

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$19.89 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.10 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%

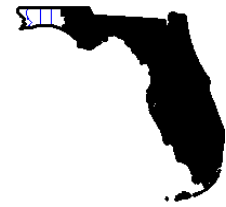
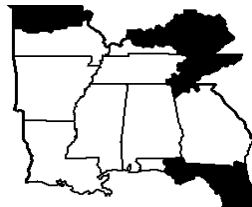
## WASDE Dairy Report 1/

**Due to the lapse in federal government funding, the World Agricultural Supply and Demand Estimate report was not available at time of publication.**

*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

Patrick S. Clark, Market Administrator

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

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

## Dairy Outlook

*From The World Agricultural Supply and Demand Estimates (WASDE), USDA:*

The 2013 milk production forecast is reduced from September, reflecting slower growth in third-quarter production. The production forecast for 2014 is raised as producers are expected to increase cow herds in response to improving returns. Growth in milk per cow is also expected to be higher than 2013 as moderating feed costs and improved forage availability supports feeding higher quality rations. Import forecasts are reduced for both 2013 and 2014 on lower expected milk protein concentrate imports. Exports are raised for both 2013 and 2014 on stronger sales of fat containing products and nonfat/skim milk powders.

Price forecasts for cheese, butter, and nonfat dry milk (NDM) are forecast higher on strong domestic and international demand. However, the price of whey is forecast lower, reflecting current prices. For 2014 higher dairy production is expected to pressure cheese, butter, and whey prices but expected strength in exports supports a higher NDM price forecast. Pressured by lower whey prices, the Class III milk price is reduced for 2013 and the forecast is reduced for 2014 on reduced price forecast for both whey and cheese. The Class IV price forecast is raised for both years, largely on higher NDM prices although higher butter prices in 2013 also provide support for the higher forecast. The all milk price is forecast at \$19.80 to \$19.90 per cwt for 2013 and \$19.30 to \$20.20 per cwt for 2014.

## USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

The USDA is asking fluid milk processors and others to nominate candidates for the National Fluid Milk Processor Promotion Board from, among others, Regions 5 & 11 with relate to both the Florida and Southeast Orders. For more information, visit [www.ams.usda.gov/Dairy](http://www.ams.usda.gov/Dairy).

## Uniform Price Rises

The uniform price in Fulton County, GA, was \$22.58 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$0.48 higher than the previous month and is \$0.23 per hundredweight higher compared with October 2012. Class I utilization was 72.41 percent in October, 2.69 percent higher compared with the previous month and 2.64 percent lower than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2013 was 15.84 billion pounds, an increase of 1.0 percent from September 2012 and a decrease of 2.5 percent when compared with August 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 892 million pounds, 2.3 percent above September 2012 but 1.5 percent below August 2013 on a daily average basis. Butter production was 134 million pounds, 1.9 percent below September 2012 and 1.7 percent above August 2013 on a daily average basis.

Nonfat dry milk powder production was 76.4 million pounds in September 2013, a decrease of 9.6 percent compared to September of last year and 26.2 percent lower than August 2013 on a daily average basis. Dry whey production was 69.1 million pounds in September, 6.9 percent lower than September of last year and 2.4 percent below August 2013 on a daily average basis. Whey protein concentrates production was 37.2 million pounds in September, a 3.6 percent increase compared to September of last year and 1.2 percent lower than August 2013 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 2.09 in October.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.21%	7,096,751	\$1.4727	\$ 10,451,385.18
Class I Differential at Location				232,197.51
Class II Butterfat	33.19%	6,163,104	\$1.6708	10,297,314.17
Class III Butterfat	15.55%	2,888,500	\$1.6638	4,805,886.34
Class IV Butterfat	13.05%	2,422,948	\$1.6638	4,031,300.90
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,571,303</b>		<b>\$ 29,818,084.10</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6056**

### 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	73.73%	353,845,561	\$14.55 /cwt.	\$ 51,484,529.12
Class I Butterfat	38.21%	7,096,751	\$1.4727 /lb.	10,451,385.18
Class I Differential at Location		360,942,312		11,867,747.42
<b>Total Class I Milk</b>	<b>72.41%</b>	<b>360,942,312</b>		<b>\$ 73,803,661.72</b>
Class II Skim Milk	13.11%	62,901,425	\$15.25 /cwt.	\$ 9,592,467.36
Class II Butterfat	33.19%	6,163,104	\$1.6708 /lb.	10,297,314.17
<b>Total Class II Milk</b>	<b>13.85%</b>	<b>69,064,529</b>		<b>\$ 19,889,781.53</b>
Class III Skim Milk	11.48%	55,117,655	\$12.85 /cwt.	\$ 7,082,618.66
Class III Butterfat	15.55%	2,888,500	\$1.6638 /lb.	4,805,886.34
<b>Total Class III Milk</b>	<b>11.64%</b>	<b>58,006,155</b>		<b>\$ 11,888,505.00</b>
Class IV Skim Milk	1.68%	8,058,683	\$14.87 /cwt.	\$ 1,198,326.16
Class IV Butterfat	13.05%	2,422,948	\$1.6638 /lb.	4,031,300.90
<b>Total Class IV Milk</b>	<b>2.10%</b>	<b>10,481,631</b>		<b>\$ 5,229,627.06</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>498,494,627</b>		<b>\$ 110,811,575.31</b>

### Adjustments

Overage and Other Source	\$28,160.51
Inventory Adjustments	(\$19,885.30)
Producer butterfat at uniform butterfat price	(\$29,818,084.10)
Location Adjustments to Producers	\$3,415,467.58
1/2 Unobligated Balance in P.S.F.	\$192,592.23

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.62986	\$84,609,826.23
	\$ 0.04986	\$239,305.89

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

**\$17.58**

Uniform Price per cwt. (Fulton County, Georgia)

**\$22.58\***

\* 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 2013	NOV 2013	SEP 2013	OCT 2013	OCT 2013
Appalachian (Charlotte)	\$ 22.60	\$ 23.60	\$ 21.72	\$ 22.25	73.12%
Arizona (Phoenix)	\$ 21.55	\$ 22.55	\$ 19.79	\$ 20.24	31.91%
Central (Kansas City)	\$ 21.20	\$ 22.20	\$ 19.17	\$ 19.25	34.44%
Florida (Tampa)	\$ 24.60	\$ 25.60	\$ 23.86	\$ 24.28	87.14%
Midwest (Cleveland)	\$ 21.20	\$ 22.20	\$ 19.56	\$ 19.77	43.40%
Northeast (Boston)	\$ 22.45	\$ 23.45	\$ 20.58	\$ 20.88	40.20%
Pacific Northwest (Seattle)	\$ 21.10	\$ 22.10	\$ 19.13	\$ 19.28	29.89%
<b>Southeast (Atlanta)</b>	<b>\$ 23.00</b>	<b>\$ 24.00</b>	<b>\$ 22.10</b>	<b>\$ 22.58</b>	<b>72.41%</b>
Southwest (Dallas)	\$ 22.20	\$ 23.20	\$ 19.97	\$ 20.00	37.04%
Upper Midwest (Chicago)	\$ 21.00	\$ 22.00	\$ 18.50	\$ 18.60	11.30%

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

<b>Receipts:</b>	<b>October 2013</b>	<b>October 2012</b>
<b>Producer Milk</b>		
Class I	360,942,312	393,149,003
Class II	69,064,529	69,929,021
Class III	58,006,155	52,659,852
Class IV	10,481,631	8,142,793
Total Producer Milk	<u>498,494,627</u>	<u>523,880,669</u>
Average Butterfat Test	3.73%	3.79%
Percent of Producer Milk in Class I	72.41%	75.05%
Daily Average Receipts	16,080,472	16,899,376
<b>Other Source Milk</b>		
Class I	10,058,014	7,468,195
Class II	9,912,394	6,519,613
Class III	1,714,827	999,679
Class IV	4,886,879	5,176,629
Total Other Source Milk	<u>26,572,114</u>	<u>20,164,116</u>
<b>Overage</b>		
Class I	0	214
Class II	0	0
Class III	34,928	0
Class IV	13,724	11,126
Total Overage	<u>48,652</u>	<u>11,340</u>
<b>Opening Inventory</b>		
Class I	23,006,323	23,000,836
Class II	1,603,779	6,051,487
Class III	3,016,098	1,541,593
Class IV	17,122,975	20,826,404
Total Opening Inventory	<u>44,749,175</u>	<u>51,420,320</u>
<b>Total Receipts</b>	<b>569,864,568</b>	<b>595,476,445</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,918,618	25,227,802
Route Disposition Class I	355,090,031	386,831,191
Shrinkage	2,551,727	2,843,446
Transfers & Diversions to Nonpool	9,446,273	8,715,809
Total Class I Utilization	<u>394,006,649</u>	<u>423,618,248</u>
Average Butterfat Test	1.97%	1.96%
Daily Average Utilization	12,709,892	13,665,105
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,909,149	1,795,412
Shrinkage	0	6,168,123
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	47,527,555	39,558,980
Total Class II Utilization	<u>30,178,926</u>	<u>34,977,606</u>
Average Butterfat Test	10.86%	10.15%
<b>Class III Utilization</b>		
Shrinkage	5,982,299	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	53,210,574	55,201,124
Total Class III Utilization	<u>3,544,207</u>	<u>0</u>
Average Butterfat Test	62,737,080	55,201,124
Average Butterfat Test	4.71%	5.67%
<b>Class IV Utilization</b>		
Inventory	16,185,167	21,140,973
Nonfluid Used To Fortify	1,670,536	1,696,232
Shrinkage	0	586
Transfers & Diversions to Nonpool Used To Produce/Other Uses	14,649,506	11,319,161
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	32,505,209	34,156,952
Average Butterfat Test	11.77%	12.66%
<b>Total Utilization</b>	<b>569,864,568</b>	<b>595,476,445</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2013 is \$22.58 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.58 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6056 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 73.73% of all producer skim milk (priced to handlers at \$14.55 per hundredweight, plus the Class I differential, see page 2) and 38.21% of producer butterfat (priced to handlers at \$1.4727 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.11% of all producer skim milk (\$15.25 per hundredweight) and 33.19% of producer butterfat (\$1.6708 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.48% of all producer skim milk (\$12.85 per hundredweight) and 15.55% of producer butterfat (\$1.6638 per pound). Class IV use, generally milk processed into butter and powder, accounted for 1.68% of all producer skim milk (\$14.87 per hundredweight) and 13.05% of producer butterfat (\$1.6638 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2013</b>		
Whole Milk	112,951,465	29.30%
Fat Free Milk	39,788,167	10.32%
Lowfat Milk (incl. 1%)	42,193,434	10.94%
Reduced Fat Milk (incl. 2%)	135,046,854	35.03%
Cultured Fluid Milk (incl. Buttermilk)	7,453,602	1.93%
Flavored Drinks and Milk	48,098,175	12.48%
<b>Total Disposition in Marketing Area</b>	<b>385,531,697</b>	<b>100.0%</b>
Total Disposition by Pool Plants	297,498,592	77.17%
Total Disposition by Nonpool Plants	88,033,105	22.83%
<b>Total Disposition in Marketing Area</b>	<b>385,531,697</b>	<b>100.0%</b>

Receipts of producer milk during October totaled 498.5 million pounds. There were 24 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 2013. Class I route disposition in the area was 385.5 million pounds in September 2013.

### Mailbox Price Estimates for Select Reporting Areas

Reporting Area 1/	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
New England States 3/	\$21.45	\$21.00	\$20.65	\$20.80	\$20.77	\$20.90	\$20.60
Eastern Pennsylvania 4/	\$20.39	\$20.08	\$19.90	\$19.91	\$19.94	\$20.01	\$19.67
Appalachian States 5/	\$21.31	\$20.74	\$20.08	\$20.02	\$20.04	\$20.41	\$20.76
<b>Southeast States 6/</b>	<b>\$21.71</b>	<b>\$21.04</b>	<b>\$20.43</b>	<b>\$20.26</b>	<b>\$20.41</b>	<b>\$20.85</b>	<b>\$21.34</b>
Southern Missouri 7/	\$19.98	\$19.35	\$19.00	\$18.87	\$18.74	\$19.13	\$19.63
Florida	\$23.22	\$22.60	\$21.96	\$21.73	\$21.67	\$22.30	\$22.86
Western Pennsylvania 8/	\$20.39	\$20.02	\$19.90	\$19.94	\$19.98	\$19.86	\$19.33
Corn Belt States 9/	\$19.50	\$18.87	\$18.51	\$18.71	\$18.82	\$18.45	\$18.23
Western Texas 10/	\$19.08	\$18.63	\$18.11	\$18.40	\$18.65	\$18.30	\$17.93
Northwest States 11/	\$19.70	\$19.00	\$18.66	\$19.22	\$19.26	\$19.07	\$18.73
All Federal Order Areas 12/	\$20.18	\$19.56	\$19.30	\$19.45	\$19.63	\$19.46	\$19.08

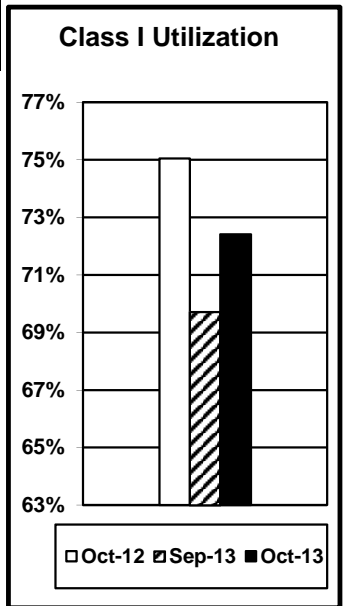
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. 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
Jul 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56											

**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 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	2,220**	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%



\* 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 2013 through January 2014

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 2013	12/11/13	12/12/13	12/13/13	11/25/13	11/26/13	12/13/13	12/16/13
DEC 2013	01/11/14	01/13/14	01/14/14	12/26/13	12/26/13	01/14/14	01/15/14
JAN 2014	02/11/14	02/12/14	02/13/14	01/27/14	01/27/14	02/13/14	02/14/14

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$20.32 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.58 per hundredweight.

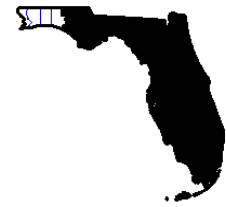
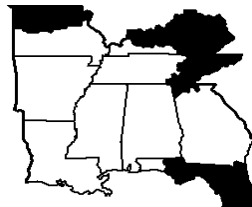
### Producer Touch Base Requirements & Handler Diversion Limits

[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%



**MILK MARKET ADMINISTRATOR**  
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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

December 2013

Volume 14—No. 12

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

## Feed Prices To Ease in 2014, Production To Expand and Prices To Soften Slightly

*Excerpts from Livestock, Dairy, & Poultry Outlook, November 15, 2013, 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 2013/14 is lowered to \$4.10-\$4.90 a bushel in November from September. Lower harvested acreage is more than offset by higher yield, leading to a record production forecast. However, the soybean meal price is revised higher for 2013/14 in November to \$375-\$415 a ton. Soybean production forecasts for 2013/14 are raised in November based on higher yield expectations, but stronger exports of soybean meal are expected to boost prices. According to the October Agricultural Prices report, the preliminary October price for alfalfa was \$193 a ton, down fractionally from September's estimate and below the October 2012 price. Dairy feed ration prices will likely be lower in 2014 than this year.

Herd size projections were resumed this month, and the National Agricultural Statistics Service estimated the nation's herd at 9.227 million head for the July-September quarter. The U.S. dairy herd is expected to average 9.225 million head in 2013 and increase to 9.245 million head in 2014 as producers respond to improved returns. The current-year milk yield per cow is forecast at 21,865 pounds. Milk per cow is forecast at 22,170 pounds next year, based on expectations that cheaper feed and abundant forages will support improved yields. Milk production this year is projected at 201.7 billion pounds, slightly lower than forecast in September. Production in 2014 is forecast at 204.9 billion pounds, based on slightly higher cow numbers next year and trend yield growth. The improved feed price outlook should lead to some herd expansion in 2014.

(Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$23.36 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.78 higher than the previous month and is \$0.11 per hundredweight lower compared with November 2012. Class I utilization was 77.13 percent in November, 4.72 percent higher compared with the previous month and 3.05 percent higher than November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2013 was 15.36 billion pounds, an increase of 1.2 percent from October 2012 and an increase of 0.4 percent when compared with September 2013 on a daily average basis. Total cheese output was 950 million pounds, 2.1 percent above October 2012 and 3.2 percent above September 2013 on a daily average basis. Butter production was 146 million pounds, 1.2 percent above October 2012 and 6.6 percent above September 2013 on a daily average basis.

Nonfat dry milk powder production was 85.5 million pounds in October 2013, a decrease of 10.1 percent compared to October of last year and 11.7 percent higher than September 2013 on a daily average basis. Dry whey production was 72.7 million pounds in October, 5.7 percent lower than October of last year and 2.5 percent above September 2013 on a daily average basis. Whey protein concentrates production was 44.7 million pounds in October, a 20.9 percent increase compared to October of last year and 11.9 percent higher than September 2013 on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.25 in November.



**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2013**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.65%	7,021,485	\$1.6755	\$ 11,764,498.11
Class I Differential at Location				230,248.31
Class II Butterfat	29.91%	5,043,300	\$1.6406	8,274,037.99
Class III Butterfat	9.23%	1,556,398	\$1.6336	2,542,531.77
Class IV Butterfat	19.21%	3,238,806	\$1.6336	5,290,913.49
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,859,989</b>		<b>\$ 28,102,229.67</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.6668**

**Calculation of Uniform Skim Milk Price:**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	78.54%	334,510,184	\$14.86 /cwt.	\$ 49,708,213.33
Class I Butterfat	41.65%	7,021,485	\$1.6755 /lb.	11,764,498.11
Class I Differential at Location		341,531,669		11,257,764.29
<b>Total Class I Milk</b>	<b>77.13%</b>	<b>341,531,669</b>		<b>\$ 72,730,475.73</b>
Class II Skim Milk	10.84%	46,155,529	\$15.56 /cwt.	\$ 7,181,800.32
Class II Butterfat	29.91%	5,043,300	\$1.6406 /lb.	8,274,037.99
<b>Total Class II Milk</b>	<b>11.56%</b>	<b>51,198,829</b>		<b>\$ 15,455,838.31</b>
Class III Skim Milk	4.71%	20,081,102	\$13.59 /cwt.	\$ 2,729,021.75
Class III Butterfat	9.23%	1,556,398	\$1.6336 /lb.	2,542,531.77
<b>Total Class III Milk</b>	<b>4.89%</b>	<b>21,637,500</b>		<b>\$ 5,271,553.52</b>
Class IV Skim Milk	5.91%	25,174,455	\$15.34 /cwt.	\$ 3,861,761.40
Class IV Butterfat	19.21%	3,238,806	\$1.6336 /lb.	5,290,913.49
<b>Total Class IV Milk</b>	<b>6.42%</b>	<b>28,413,261</b>		<b>\$ 9,152,674.89</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>442,781,259</b>		<b>\$ 102,610,542.45</b>

**Adjustments**

Overage and Other Source	\$17,915.68
Inventory Adjustments	(\$18,783.46)
Producer butterfat at uniform butterfat price	(\$28,102,229.67)
Location Adjustments to Producers	\$2,796,749.57
1/2 Unobligated Balance in P.S.F.	\$221,676.92

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	<b>\$ 18.20193</b>	<b>\$77,525,871.49</b>
	<b>\$ 0.04193</b>	\$178,568.86

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

**\$18.16**

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

**\$23.36\***

\* 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 2013	DEC 2013	OCT 2013	NOV 2013	NOV 2013
Appalachian (Charlotte)	\$ 23.60	\$ 23.77	\$ 22.25	\$ 22.72	72.01%
Arizona (Phoenix)	\$ 22.55	\$ 22.72	\$ 20.24	\$ 20.70	31.71%
Central (Kansas City)	\$ 22.20	\$ 22.37	\$ 19.25	\$ 19.68	34.02%
Florida (Tampa)	\$ 25.60	\$ 25.77	\$ 24.28	\$ 24.92	87.38%
Mideast (Cleveland)	\$ 22.20	\$ 22.37	\$ 19.77	\$ 20.12	42.60%
Northeast (Boston)	\$ 23.45	\$ 23.62	\$ 20.88	\$ 21.28	41.00%
Pacific Northwest (Seattle)	\$ 22.10	\$ 22.27	\$ 19.28	\$ 19.77	26.55%
<b>Southeast (Atlanta)</b>	<b>\$ 24.00</b>	<b>\$ 24.17</b>	<b>\$ 22.58</b>	<b>\$ 23.36</b>	<b>77.13%</b>
Southwest (Dallas)	\$ 23.20	\$ 23.37	\$ 20.00	\$ 20.50	36.60%
Upper Midwest (Chicago)	\$ 22.00	\$ 22.17	\$ 18.60	\$ 19.16	11.50%

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

<b>Receipts:</b>	<b>November 2013</b>	<b>November 2012</b>
<b>Producer Milk</b>		
Class I	341,531,669	382,126,049
Class II	51,198,829	47,980,255
Class III	21,637,500	62,114,200
Class IV	28,412,261	23,651,037
	<hr/>	<hr/>
Total Producer Milk	<b>442,781,259</b>	<b>515,871,541</b>
Average Butterfat Test	3.81%	3.85%
Percent of Producer Milk in Class I	77.13%	74.08%
Daily Average Receipts	14,759,375	17,195,718
<b>Other Source Milk</b>		
Class I	6,694,184	7,460,568
Class II	2,475,583	8,051,102
Class III	210,975	1,405,085
Class IV	6,657,229	9,093,354
	<hr/>	<hr/>
Total Other Source Milk	<b>16,037,971</b>	<b>26,010,109</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	10,967	911
	<hr/>	<hr/>
Total Overage	<b>10,967</b>	<b>911</b>
<b>Opening Inventory</b>		
Class I	24,660,721	25,493,293
Class II	151,683	2,105,373
Class III	1,584,473	968,905
Class IV	13,660,949	17,801,204
	<hr/>	<hr/>
Total Opening Inventory	<b>40,057,826</b>	<b>46,368,775</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>498,888,023</b>	<b>588,251,336</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	22,007,427	30,746,339
Route Disposition Class I	341,066,600	372,298,084
Shrinkage	2,327,891	3,179,743
Transfers & Diversions to Nonpool	7,484,656	8,855,744
	<hr/>	<hr/>
Total Class I Utilization	<b>372,886,574</b>	<b>415,079,910</b>
Average Butterfat Test	2.07%	2.04%
Daily Average Utilization	12,429,552	13,835,997
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,999,215	1,955,689
Shrinkage	324	6,905
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	39,509,073	26,672,639
	<hr/>	<hr/>
Total Class II Utilization	<b>53,826,095</b>	<b>58,136,730</b>
Average Butterfat Test	9.37%	12.79%
<b>Class III Utilization</b>		
Shrinkage	5,646,290	0
Transfers & Diversions to Nonpool	14,305,299	64,488,190
Used To Produce/Other Uses	3,481,359	0
	<hr/>	<hr/>
Total Class III Utilization	<b>23,432,948</b>	<b>64,488,190</b>
Average Butterfat Test	6.64%	5.38%
<b>Class IV Utilization</b>		
Inventory	14,323,685	9,670,509
Nonfluid Used To Fortify	2,300,675	2,947,508
Shrinkage	108,692	6,336,701
Transfers & Diversions to Nonpool	32,009,354	27,697,445
Used To Produce/Other Uses	0	3,894,343
	<hr/>	<hr/>
Total Class IV Utilization	<b>48,742,406</b>	<b>50,546,506</b>
Average Butterfat Test	9.98%	12.25%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>498,888,023</b>	<b>588,251,336</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2013 is \$23.36 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.16 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6668 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 78.54% of all producer skim milk (priced to handlers at \$14.86 per hundredweight, plus the Class I differential, see page 2) and 41.65% of producer butterfat (priced to handlers at \$1.6755 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.84% of all producer skim milk (\$15.56 per hundredweight) and 29.91% of producer butterfat (\$1.6406 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.71% of all producer skim milk (\$13.59 per hundredweight) and 9.23% of producer butterfat (\$1.6336 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.91% of all producer skim milk (\$15.34 per hundredweight) and 19.21% of producer butterfat (\$1.6336 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2013</b>		
Whole Milk	121,064,893	29.59%
Fat Free Milk	41,641,444	10.18%
Lowfat Milk (incl. 1%)	43,815,823	10.71%
Reduced Fat Milk (incl. 2%)	143,019,584	34.96%
Cultured Fluid Milk (incl. Buttermilk)	8,286,487	2.03%
Flavored Drinks and Milk	51,314,680	12.54%
<b>Total Disposition in Marketing Area</b>	<b>409,142,911</b>	<b>100.0%</b>
Total Disposition by Pool Plants	315,928,596	77.22%
Total Disposition by Nonpool Plants	93,214,315	22.78%
<b>Total Disposition in Marketing Area</b>	<b>409,142,911</b>	<b>100.0%</b>

Receipts of producer milk during November totaled 442.8 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2013. Class I route disposition in the area was 409.1 million pounds in October 2013.

### Feed Prices To Ease in 2014, Production To Expand and Prices To Soften Slightly

(continued from page 1) Dairy product price forecasts for 2013 are projected mostly higher in November since September. Cheese, butter, and NDM prices are projected higher this year based on recent price performance and apparent robust demand. Cheese prices are forecast at \$1.765-\$1.775 per pound. For 2014, the price is reduced to \$1.670- \$1.760 per pound from September. The butter price is forecast to be \$1.515-\$1.545 per pound this year and is expected to decline to \$1.465-\$1.585 per pound next year on lower exports and increased production. NDM prices are forecast at \$1.685- \$1.705 per pound this year and to climb to \$1.685-\$1.755 per pound in 2014. Whey prices are reduced from the September forecast to 58.0-59.0 cents per pound based on lower than expected year-to-date prices, and they are expected to soften to 54.5-57.5 cents per pound in 2014.

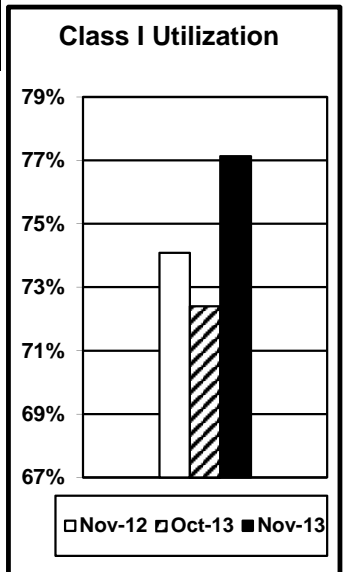
The Class III price forecast is lowered this month from September to \$17.90-\$18.00 per cwt and lowered for 2014 to \$16.85-\$17.75 per cwt, based on forecast lower cheese and whey prices. The Class IV price is raised from September for 2013 to \$18.80-\$19.00 per cwt and to \$18.60-\$19.60 per cwt next year, based on continued international demand for NDM. On a year-over-year basis, the Class IV price is forecast lower next year as skim-solids based exports are expected to decline from 2013 forecast totals. The all milk price range is narrowed from September to \$19.80-\$19.90 per cwt this year and dropped for 2014 to \$19.30-\$20.20 per cwt on the basis of expected lower 2014 Class III prices.

**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 2012	\$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	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$ 12.21	\$1.7276	\$17.83	\$ 16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$ 12.41	\$1.6168	\$17.63	\$ 16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$ 12.37	\$1.6619	\$17.75	\$ 15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$ 12.06	\$1.7476	\$17.75	\$ 15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$ 15.34	\$1.6336	\$20.52	\$ 18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01											

**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.	%
Sep 2012	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	2,326	382,126	74.08%	47,980	9.30%	62,114	12.04%	23,651	4.58%
Dec	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	2,000**	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%



\* 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 2013 through February 2014

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 2013	01/11/14	01/13/14	01/14/14	12/26/13	12/26/13	01/14/14	01/15/14
JAN 2014	02/11/14	02/12/14	02/13/14	01/27/14	01/27/14	02/13/14	02/14/14
FEB 2014	03/11/14	03/12/14	03/13/14	02/25/14	02/26/14	03/13/14	03/14/14

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$21.02 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.36 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 – 524 December 10, 2013

The 2013 milk production forecast is reduced slightly from last month, based on recent estimates of cow numbers. The forecast for 2014 is raised as higher milk forecast prices and lower expected feed costs support a more rapid increase in cow numbers and output per cow. Fat basis imports are reduced for 2013 but are unchanged for 2014. On a skims-solids basis, imports are raised in 2013 but unchanged for 2014. Exports are raised on a fats basis based on the strength of butterfat shipments to non-traditional markets. On a skims-solids basis, higher nonfat dry milk (NDM) and whey exports are offset by lower lactose exports leading to a lower forecast for 2013, but for 2014, expected strength in NDM results in a higher skim-solids forecast.

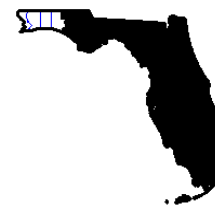
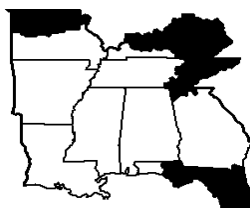
For 2013, the cheese price forecast is reduced, reflecting current prices. However, strength in current prices for butter, NDM, and whey resulted in higher price forecasts for those products. For 2014, despite higher dairy production, demand strength in importing countries and improving domestic demand in the United States is expected to support prices for all products. The Class III milk price is unchanged for 2013 as lower forecast cheese prices offset higher whey prices but the forecast is raised for 2014 based on higher forecast cheese and whey prices. The Class IV price forecast is raised for both years on higher butter and NDM prices. The all milk price is forecast at \$19.90 to \$20.00 per cwt for 2013 and \$19.70 to \$20.50 per cwt for 2014.

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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