

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

January 2015

Volume 16—No. 1

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

## Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, January 16, 2015, Economic Research Service, USDA:*

With higher beginning stock levels expected for 2015 and recent price declines, price forecasts have been lowered for 2015. Wholesale cheese and butter price forecasts have been lowered for the first three quarters, resulting in annual projections of \$1.590-\$1.670 per pound and \$1.600-\$1.710 per pound, respectively. NDM price forecasts have been lowered for the entire year, resulting in an annual projection of \$1.270-\$1.330 per pound. Dry whey price forecasts have been lowered slightly for the first half of the year, resulting in an annual projection of 55.0-58.0 cents per pound. The forecast for the annual Class III price has been lowered to \$16.20-\$17.00 per pound, and the Class IV price forecast has been lowered to \$15.60-16.50 per pound. The projected all-milk price has been lowered to \$17.75-\$18.55 per cwt, a reduction from \$18.45-\$19.25 per cwt forecast last month.

The 2014/15 marketing year price forecast for corn is \$3.35-\$3.95 per bushel, raised from last month's forecast of \$3.20-\$3.80 per bushel. The price forecast for soybean meal is unchanged at \$340-\$380 per short ton. With 2015 milk price forecasts lowered relative to feed prices, cow numbers and milk per cow are still expected to increase over 2014 levels but at a lesser rate than forecast last month. Milk production for 2015 is forecast at 211.7 billion pounds, a reduction from the 212.2 billion pounds that were forecast last month. The 2015 forecast for domestic commercial disappearance on a milk-fat basis has been lowered to 202.9 billion pounds, 0.1 billion pounds less than forecast last month. On a skim-solids basis, commercial disappearance is forecast at 178.8 billion pounds, 0.2 billion pounds more than last month's forecast.

With lower projected domestic dairy prices, U.S. exports, primarily of NDM and whey products, are expected to become somewhat more attractive. Commercial export projections (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$24.66 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.19 lower than the previous month and is \$0.92 per hundredweight higher compared to December 2013.

Class I utilization was 77.80 percent in December, 2.68 percent higher than the previous month and 5.30 percent higher than December of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2014 was 16.54 billion pounds, up 3.4 percent from November 2013 and 0.2 percent higher when compared with October 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 949 million pounds, 2.9 percent above November 2013 but 0.1 percent below October 2014 on a daily average basis. Butter production was 136 million pounds, 4.7 percent below November 2013 and 2.6 percent below October 2014 on a daily average basis.

Nonfat dry milk powder production was 151.0 million pounds in November 2014, up 48.9 percent from November 2013 and 15.2 percent higher than October 2014 on a daily average basis. Dry whey production was 70.1 million pounds in November, a 5.5 percent decrease compared to November 2013 and 3.1 percent higher than October 2014 on a daily average basis. Whey protein concentrates production was 44.9 million pounds in November 2014, 3.9 percent higher compared to November 2013 but 0.2 percent lower than the previous month on a daily average basis.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2014

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.55%	7,354,708	\$2.1935	\$ 16,132,551.99
Class I Differential at Location				242,791.55
Class II Butterfat	27.64%	4,563,251	\$2.1061	9,610,662.92
Class III Butterfat	5.83%	962,040	\$2.0991	2,019,418.16
Class IV Butterfat	21.98%	3,627,986	\$2.0991	7,615,505.41
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,507,985</b>		<b>\$ 35,620,930.03</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1578**

### 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	79.10%	331,985,576	\$15.39 /cwt.	\$ 51,092,580.14
Class I Butterfat	44.55%	7,354,708	\$2.1935 /lb.	16,132,551.99
Class I Differential at Location		339,340,284		11,154,376.26
<b>Total Class I Milk</b>	<b>77.80%</b>	<b>339,340,284</b>		<b>\$ 78,379,508.39</b>
Class II Skim Milk	10.13%	42,496,979	\$12.14 /cwt.	\$ 5,159,133.26
Class II Butterfat	27.64%	4,563,251	\$2.1061 /lb.	9,610,662.92
<b>Total Class II Milk</b>	<b>10.79%</b>	<b>47,060,230</b>		<b>\$ 14,769,796.18</b>
Class III Skim Milk	4.32%	18,109,431	\$10.85 /cwt.	\$ 1,964,873.27
Class III Butterfat	5.83%	962,040	\$2.0991 /lb.	2,019,418.16
<b>Total Class III Milk</b>	<b>4.37%</b>	<b>19,071,471</b>		<b>\$ 3,984,291.43</b>
Class IV Skim Milk	6.45%	27,082,307	\$9.69 /cwt.	\$ 2,624,275.56
Class IV Butterfat	21.98%	3,627,986	\$2.0991 /lb.	7,615,505.41
<b>Total Class IV Milk</b>	<b>7.04%</b>	<b>30,710,293</b>		<b>\$ 10,239,780.97</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>436,182,278</b>		<b>\$ 107,373,376.97</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$25,481.23
Producer butterfat at uniform butterfat price	(\$35,620,930.03)
Location Adjustments to Producers	\$2,638,514.78
1/2 Unobligated Balance in P.S.F.	\$176,650.35

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.77404	\$74,593,093.30
	\$ 0.04404	\$184,841.14

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

**\$17.73**

Uniform Price per cwt. (Fulton County, Georgia)

**\$24.66\***

\* 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 2014	JAN 2015	NOV 2014	DEC 2014	DEC 2014
Appalachian (Charlotte)	\$ 25.93	\$ 21.98	\$ 24.16	\$ 23.52	68.39%
Arizona (Phoenix)	\$ 24.88	\$ 20.93	\$ 21.19	\$ 19.42	26.89%
Central (Kansas City)	\$ 24.53	\$ 20.58	\$ 21.38	\$ 19.51	31.60%
Florida (Tampa)	\$ 27.93	\$ 23.98	\$ 26.64	\$ 26.45	84.70%
Midwest (Cleveland)	\$ 24.53	\$ 20.58	\$ 21.20	\$ 19.74	32.70%
Northeast (Boston)	\$ 25.78	\$ 21.83	\$ 22.26	\$ 21.02	37.00%
Pacific Northwest (Seattle)	\$ 24.43	\$ 20.48	\$ 20.18	\$ 18.87	24.30%
<b>Southeast (Atlanta)</b>	<b>\$ 26.33</b>	<b>\$ 22.38</b>	<b>\$ 24.85</b>	<b>\$ 24.66</b>	<b>77.80%</b>
Southwest (Dallas)	\$ 25.53	\$ 21.58	\$ 22.28	\$ 20.14	29.05%
Upper Midwest (Chicago)	\$ 24.33	\$ 20.38	\$ 21.75	\$ 18.47	10.90%

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

<b>Receipts:</b>	<b>December 2014</b>	<b>December 2013</b>
<b>Producer Milk</b>		
Class I	339,340,284	353,247,655
Class II	47,060,230	49,120,251
Class III	19,071,471	38,908,224
Class IV	30,710,293	45,940,796
	<hr/>	<hr/>
Total Producer Milk	<b>436,182,278</b>	<b>487,216,926</b>
Average Butterfat Test	3.78%	3.82%
Percent of Producer Milk in Class I	77.80%	72.50%
Daily Average Receipts	14,070,396	15,716,675
<b>Other Source Milk</b>		
Class I	8,711,625	6,337,686
Class II	3,643,738	8,828,771
Class III	1,010,024	297,321
Class IV	8,989,247	13,498,308
	<hr/>	<hr/>
Total Other Source Milk	<b>22,354,634</b>	<b>28,962,086</b>
<b>Overage</b>		
Class I	0	0
Class II	0	83,924
Class III	0	0
Class IV	0	0
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>83,924</b>
<b>Opening Inventory</b>		
Class I	21,179,638	22,056,869
Class II	1,823,313	3,077,767
Class III	374,146	431,401
Class IV	22,984,385	13,121,493
	<hr/>	<hr/>
Total Opening Inventory	<b>46,361,482</b>	<b>38,687,530</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>504,898,394</b>	<b>554,950,466</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,589,728	26,377,835
Route Disposition Class I	333,481,988	341,474,341
Shrinkage	3,238,689	3,206,135
Transfers & Diversions to Nonpool	11,921,142	10,583,899
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Total Class I Utilization	<b>369,231,547</b>	<b>381,642,210</b>
Average Butterfat Test	2.17%	2.15%
Daily Average Utilization	11,910,695	12,311,039
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,009,840	2,117,295
Shrinkage	24,293	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,872,341	29,283,408
	<hr/>	<hr/>
Total Class II Utilization	<b>52,527,281</b>	<b>61,110,713</b>
Average Butterfat Test	8.79%	12.64%
<b>Class III Utilization</b>		
Shrinkage	0	6,104,523
Transfers & Diversions to Nonpool	20,455,641	29,374,243
Used To Produce/Other Uses	0	4,158,180
	<hr/>	<hr/>
Total Class III Utilization	<b>20,455,641</b>	<b>39,636,946</b>
Average Butterfat Test	4.70%	5.68%
<b>Class IV Utilization</b>		
Inventory	17,936,330	17,457,103
Nonfluid Used To Fortify	2,281,565	3,207,631
Shrinkage	5,896,745	1,000
Transfers & Diversions to Nonpool	31,790,925	51,894,863
Used To Produce/Other Uses	4,778,360	0
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Total Class IV Utilization	<b>62,683,925</b>	<b>72,560,597</b>
Average Butterfat Test	10.27%	10.77%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>504,898,394</b>	<b>554,950,466</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2014 is \$24.66 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.73 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1578 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 79.10% of all producer skim milk (priced to handlers at \$15.39 per hundredweight, plus the Class I differential, see page 2) and 44.55% of producer butterfat (priced to handlers at \$2.1935 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.13% of all producer skim milk (\$12.14 per hundredweight) and 27.64% of producer butterfat (\$2.1061 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.32% of all producer skim milk (\$10.85 per hundredweight) and 5.83% of producer butterfat (\$2.0991 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.45% of all producer skim milk (\$9.69 per hundredweight) and 21.98% of producer butterfat (\$2.0991 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>November 2014</b>		
Whole Milk	118,639,906	31.30%
Fat Free Milk	34,988,254	9.23%
Lowfat Milk (incl. 1%)	42,954,361	11.33%
Reduced Fat Milk (incl. 2%)	129,491,826	34.17%
Cultured Fluid Milk (incl. Buttermilk)	9,689,315	2.56%
Flavored Drinks and Milk	43,241,861	11.41%
<b>Total Disposition in Marketing Area</b>	<b>379,005,523</b>	<b>100.0%</b>
Total Disposition by Pool Plants	287,887,292	75.96%
Total Disposition by Nonpool Plants	91,118,231	24.04%
<b>Total Disposition in Marketing Area</b>	<b>379,005,523</b>	<b>100.0%</b>

Receipts of producer milk during December totaled 436.2 million pounds. There were 23 regulated pool distributing plants, 1 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2014. Class I route disposition in the area was 379.0 million pounds in November 2014.

### Forecast for 2015

(continued from page 1) for 2015 have been raised by 0.1 billion pounds on a milk-fat basis and by 0.2 billion pounds on a skim-solids basis. Import projections for 2015 are unchanged on a milk-fat basis and have been raised slightly on a skim solids basis.

### World Dairy Situation

The USDA Foreign Agricultural Service estimates 2014 growth in milk production for the five largest dairy exporters combined (Argentina, Australia, EU, New Zealand, and the United States) at about 4 percent. International dairy prices have fallen through the year due to the increase in world milk production, Russia's ban on imports from certain countries (particularly the EU), and a drop in whole-milk powder demand from China. In 2015, exports for the five largest dairy exporters combined are forecast to grow about 1 percent (Argentina, 3 percent; Australia, 1 percent; EU, 0 percent; New Zealand, 2 percent; and the United States, 3 percent).

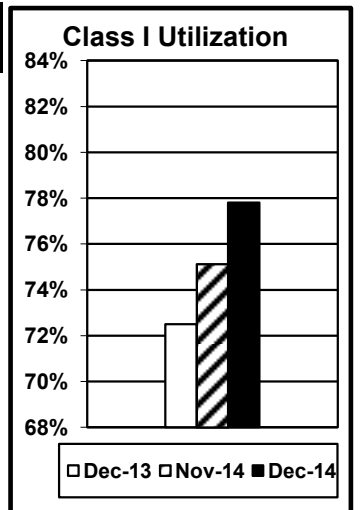
Projections for 2015 assume that the Russian export ban will be lifted as scheduled in August and that China's economic growth will slow from an estimated rate of 7.4 percent in 2014 to 6.5 percent in 2015. For more details, see <http://apps.fas.usda.gov/psdonline/circulars/dairy.pdf>.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2013	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$ 15.91	\$1.7672	\$21.54	\$ 18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$ 16.62	\$1.7874	\$22.29	\$ 19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63											

**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 2013	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	2,000**	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%



\* 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 2015

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 2015	02/11/15	02/12/15	01/26/15	01/26/15	02/13/15	02/13/15	02/17/15
FEB 2015	03/11/15	03/12/15	03/13/15	02/25/15	02/26/15	03/13/15	03/16/15
MAR 2015	04/11/15	04/13/15	04/14/15	03/25/15	03/26/15	04/14/15	04/15/15

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$22.19 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.66 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 – 537 January 12, 2015

The milk production estimate for 2014 and the forecast for 2015 are lowered from last month on slower growth in cow numbers and milk per cow. Skim-solids export forecasts are raised for 2014 and 2015 primarily on stronger sales of whey and nonfat dry milk. Fat basis exports are unchanged for 2014 but slightly higher in 2015. Ending stocks for 2014 are raised as domestic demand has been weaker than expected.

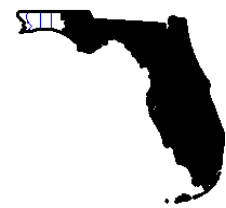
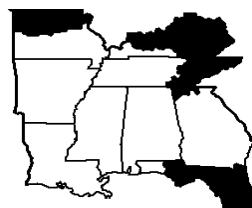
Dairy product prices for 2015 are reduced as carry-in stocks are higher and supplies remain relatively large, especially in the first half of the year. However, demand is expected to strengthen later in the year with lower price levels, limiting further price declines. The Class III and Class IV prices for 2015 are lowered on weaker product prices. The all milk price is lowered to \$17.75-18.55 per cwt for 2015.

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



#### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Proposal for a Federal Milk Marketing Order for California

On February 5, 2015, USDA received a formal hearing request from California Dairies Inc., Land O Lakes Inc., and Dairy Farmers of America Inc., to establish a Federal milk marketing order for the State of California. The proposal may be viewed at [www.ams.usda.gov/AMSV1.0/CAOrder](http://www.ams.usda.gov/AMSV1.0/CAOrder).

After conducting an internal analysis of the proposal, USDA will decide whether a hearing will be held. USDA is requesting additional proposals regarding a potential Federal milk order for California. The proposals must be received by April 10, 2015.

USDA plans to conduct a series of public outreach meetings throughout California in early May 2015. Information regarding these meetings will be released soon.

## Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, February 17, 2015, Economic Research Service, USDA:*

Although milk prices have fallen, milk production expansion is expected to continue. Feed price forecasts remain relatively low compared with recent years. For the 2014-15 marketing year, the corn price is forecast at \$3.40-\$3.90 per bushel and the soybean meal price is forecast at \$350-\$390 per short ton.

Given higher than expected milk cow numbers as of January 1, 2015, the forecast for 2015 cow numbers has been raised to 9,320 thousand head, an increase of 5 thousand head from last month's forecast. With lower milk per cow than expected for the fourth quarter of 2014, lower projected milk prices, and noticeable effects of drought in California, the milk per cow forecast for 2015 has been lowered to 22,690 pounds, 40 pounds less than forecast last month. Milk production for 2015 is forecast at 211.5 billion pounds, a year-over-year increase of 2.7 percent but 0.2 billion pounds less than forecast last month. With the recent rise in CME butter prices and relatively low butter stock levels, butter price (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$20.39 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$4.27 lower than the previous month and is \$4.38 per hundredweight lower compared to January 2014.

Class I utilization was 77.12 percent in January, 0.68 percent lower than the previous month and 1.00 percent lower than January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2014 was 17.32 billion pounds, up 3.1 percent from December 2013 and 1.2 percent higher when compared with November 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.00 billion pounds, 2.5 percent above December 2013 and 2.1 percent above November 2014 on a daily average basis. Butter production was 167 million pounds, 3.3 percent above December 2013 and 13.6 percent above November 2014 on a daily average basis.

Nonfat dry milk powder production was 163.0 million pounds in December 2014, up 29.9 percent from December 2013 and 4.3 percent higher than November 2014 on a daily average basis. Dry whey production was 76.0 million pounds in December, a 9.9 percent decrease compared to December 2013 and 5.1 percent higher than November 2014 on a daily average basis. Whey protein concentrates production was 47.3 million pounds in December 2014, 1.6 percent higher compared to December 2013 and 0.04 percent higher than the previous month on a daily average basis.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.75%	7,125,467	\$2.1787	\$ 15,524,254.95
Class I Differential at Location				234,453.19
Class II Butterfat	30.19%	5,279,244	\$1.6925	8,935,120.51
Class III Butterfat	4.30%	751,873	\$1.6855	1,267,281.93
Class IV Butterfat	24.76%	4,329,274	\$1.6855	7,296,991.34
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,485,858</b>		<b>\$ 33,258,101.92</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9020**

### 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	78.55%	349,574,983	\$11.35 /cwt.	\$ 39,676,760.59
Class I Butterfat	40.75%	7,125,467	\$2.1787 /lb.	15,524,254.95
Class I Differential at Location		356,700,450		11,729,767.26
<b>Total Class I Milk</b>	<b>77.12%</b>	<b>356,700,450</b>		<b>\$ 66,930,782.80</b>
Class II Skim Milk	11.94%	53,146,029	\$10.63 /cwt.	\$ 5,649,422.87
Class II Butterfat	30.19%	5,279,244	\$1.6925 /lb.	8,935,120.51
<b>Total Class II Milk</b>	<b>12.63%</b>	<b>58,425,273</b>		<b>\$ 14,584,543.38</b>
Class III Skim Milk	2.92%	12,976,077	\$10.65 /cwt.	\$ 1,381,952.20
Class III Butterfat	4.30%	751,873	\$1.6855 /lb.	1,267,281.93
<b>Total Class III Milk</b>	<b>2.97%</b>	<b>13,727,950</b>		<b>\$ 2,649,234.13</b>
Class IV Skim Milk	6.59%	29,339,556	\$7.60 /cwt.	\$ 2,229,806.24
Class IV Butterfat	24.76%	4,329,274	\$1.6855 /lb.	7,296,991.34
<b>Total Class IV Milk</b>	<b>7.28%</b>	<b>33,668,830</b>		<b>\$ 9,526,797.58</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>462,522,503</b>		<b>\$ 93,691,357.89</b>

### Adjustments

Overage and Other Source	\$36,903.65
Inventory Adjustments	\$12,570.42
Producer butterfat at uniform butterfat price	(\$33,258,101.92)
Location Adjustments to Producers	\$2,849,578.30
1/2 Unobligated Balance in P.S.F.	\$182,798.28

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14,27188	\$63,515,106.62
	<b>\$ 0.04188</b>	\$186,392.03

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

**\$14.23**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.39\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JAN 2015	FEB 2015	DEC 2014	JAN 2015	JAN 2015
Appalachian (Charlotte)	\$ 21.98	\$ 19.64	\$ 23.52	\$ 19.60	71.39%
Arizona (Phoenix)	\$ 20.93	\$ 18.59	\$ 19.42	\$ 16.04	26.98%
Central (Kansas City)	\$ 20.58	\$ 18.24	\$ 19.51	\$ 16.54	30.53%
Florida (Tampa)	\$ 23.98	\$ 21.64	\$ 26.45	\$ 22.21	86.19%
Mideast (Cleveland)	\$ 20.58	\$ 18.24	\$ 19.74	\$ 16.67	33.10%
Northeast (Boston)	\$ 21.83	\$ 19.49	\$ 21.02	\$ 17.57	35.90%
Pacific Northwest (Seattle)	\$ 20.48	\$ 18.14	\$ 18.87	\$ 15.84	30.28%
<b>Southeast (Atlanta)</b>	<b>\$ 22.38</b>	<b>\$ 20.04</b>	<b>\$ 24.66</b>	<b>\$ 20.39</b>	<b>77.12%</b>
Southwest (Dallas)	\$ 21.58	\$ 19.24	\$ 20.14	\$ 17.48	30.05%
Upper Midwest (Chicago)	\$ 20.38	\$ 18.04	\$ 18.47	\$ 16.39	10.20%



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

<b>Receipts:</b>	<b>January 2015</b>	<b>January 2014</b>
<b>Producer Milk</b>		
Class I	356,700,450	364,961,448
Class II	58,425,273	52,564,914
Class III	13,727,950	30,037,101
Class IV	33,668,830	19,606,742
Total Producer Milk	<u>462,522,503</u>	<u>467,170,205</u>
Average Butterfat Test	3.78%	3.79%
Percent of Producer Milk in Class I	77.12%	78.12%
Daily Average Receipts	14,920,081	15,070,007
<b>Other Source Milk</b>		
Class I	9,924,758	5,252,617
Class II	3,806,570	2,554,574
Class III	0	188,377
Class IV	8,859,218	10,656,938
Total Other Source Milk	<u>22,590,546</u>	<u>18,652,506</u>
<b>Overage</b>		
Class I	0	0
Class II	144,282	0
Class III	0	0
Class IV	138,523	0
Total Overage	<u>282,805</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	20,589,728	25,097,446
Class II	1,207,720	1,058,337
Class III	269,166	3,927,063
Class IV	16,457,228	10,626,559
Total Opening Inventory	<u>38,523,842</u>	<u>40,709,405</u>
<b>Total Receipts</b>	<b>523,919,696</b>	<b>526,532,116</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,747,826	25,751,890
Route Disposition Class I	349,865,686	359,237,915
Shrinkage	3,175,924	1,979,302
Transfers & Diversions to Nonpool	12,425,500	8,342,404
Total Class I Utilization	<u>387,214,936</u>	<u>395,311,511</u>
Average Butterfat Test	1.99%	2.00%
Daily Average Utilization	12,490,804	12,751,984
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,251,725	2,257,961
Shrinkage	0	885
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,587,215	41,295,263
Total Class II Utilization	<u>11,744,905</u>	<u>12,623,716</u>
Average Butterfat Test	63,583,845	56,177,825
Average Butterfat Test	8.42%	7.77%
<b>Class III Utilization</b>		
Shrinkage	275	5,843,894
Transfers & Diversions to Nonpool Used To Produce/Other Uses	13,996,841	24,581,985
Total Class III Utilization	<u>0</u>	<u>3,726,662</u>
Average Butterfat Test	13,997,116	34,152,541
Average Butterfat Test	5.37%	5.96%
<b>Class IV Utilization</b>		
Inventory	16,202,625	8,559,020
Nonfluid Used To Fortify	760,922	775,980
Shrinkage	6,143,316	57,022
Transfers & Diversions to Nonpool Used To Produce/Other Uses	31,542,305	31,498,217
Total Class IV Utilization	<u>4,474,631</u>	<u>0</u>
Average Butterfat Test	59,123,799	40,890,239
Average Butterfat Test	13.28%	20.01%
<b>Total Utilization</b>	<b>523,919,696</b>	<b>526,532,116</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2015 is \$20.39 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.23 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9020 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 78.55% of all producer skim milk (priced to handlers at \$11.35 per hundredweight, plus the Class I differential, see page 2) and 40.75% of producer butterfat (priced to handlers at \$2.1787 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.94% of all producer skim milk (\$10.63 per hundredweight) and 30.19% of producer butterfat (\$1.6925 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.92% of all producer skim milk (\$10.65 per hundredweight) and 4.30% of producer butterfat (\$1.6855 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.59\*% of all producer skim milk (\$7.60 per hundredweight) and 24.76% of producer butterfat (\$1.6855 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>December 2014</b>		
Whole Milk	127,943,604	32.48%
Fat Free Milk	34,858,748	8.85%
Lowfat Milk (incl. 1%)	45,025,242	11.43%
Reduced Fat Milk (incl. 2%)	135,305,634	34.35%
Cultured Fluid Milk (incl. Buttermilk)	9,052,987	2.30%
Flavored Drinks and Milk	41,758,317	10.60%
<b>Total Disposition in Marketing Area</b>	<b>393,944,532</b>	<b>100.0%</b>
Total Disposition by Pool Plants	298,748,237	75.84%
Total Disposition by Nonpool Plants	95,196,295	24.16%
<b>Total Disposition in Marketing Area</b>	<b>393,944,532</b>	<b>100.0%</b>

Receipts of producer milk during January totaled 462.5 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2015. Class I route disposition in the area was 393.9 million pounds in December 2014.

### Forecast for 2015

(continued from page 1) forecasts for 2015 have been raised to \$1.655-\$1.755 per pound. With substantial recent declines in the NDM prices and relatively high NDM stock levels, NDM price forecasts for 2015 have been lowered to \$1.185-\$1.245 per pound. The annual cheese price has been narrowed from last month's forecast to \$1.595-\$1.665 per pound. The dry whey price forecast for 2015 is raised to 56-59 cents per pound based upon recent strength in NDPSR prices and exports of whey products. The Class IV forecast for 2015 has been lowered to \$15.10-\$15.90 per cwt as lower NDM prices are expected to more than offset higher butter prices. The Class III forecast has been raised to \$16.30-\$17.00 per cwt based upon higher expected whey prices. The all-milk price for 2015 is forecast at \$17.40-\$18.10 per cwt, a reduction from last month's forecast of \$17.75-\$18.55 per cwt.

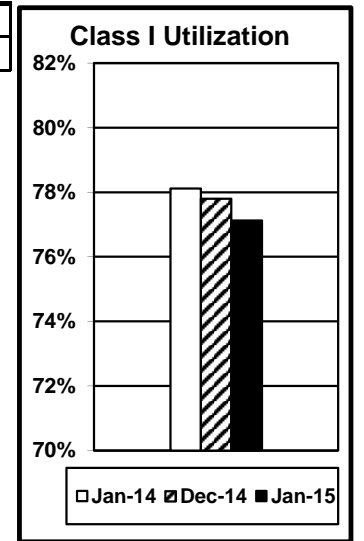
Based upon strength of whey-product exports in recent months, lower forecasts of domestic NDM prices, and recent drought conditions in New Zealand, the 2015 forecast for commercial exports on a skim-solids basis has been raised to 38.0 billion pounds, 0.4 billion pounds more than forecast last month. Forecasts for 2015 imports on a milk-fat basis have been raised by 0.2 billion pounds based on recent strength of cheese imports.

**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 2013	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$15.09	\$2.6349	\$23.78	\$18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$14.44	\$2.8448	\$23.89	\$18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$11.62	\$3.2467	\$22.58	\$17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$11.78	\$2.8507	\$21.35	\$16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$10.89	\$2.2011	\$18.21	\$16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$9.69	\$2.0991	\$16.70	\$17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$7.60	\$1.6855	\$13.23	\$14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34											

**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 2013	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,000**	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,669	7.28%



\* 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 2015

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 2015	03/11/15	03/12/15	03/13/15	02/25/15	02/26/15	03/13/15	03/16/15
MAR 2015	04/11/15	04/13/15	04/14/15	03/25/15	03/26/15	04/14/15	04/15/15
APR 2015	05/11/15	05/12/15	05/13/15	04/27/15	04/27/15	05/13/15	05/14/15

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$18.35 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.39 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 – 538 February 10, 2015

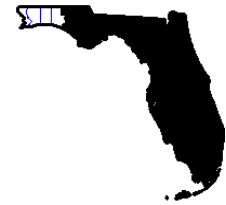
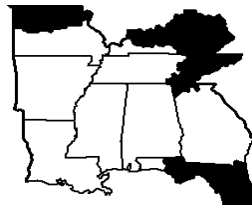
The milk production forecast for 2015 is lowered from last month as slower growth in output per cow more than offsets faster herd expansion. USDA's Cattle report estimated dairy replacement heifers expected to calve during 2015 were up about 1 percent from a year ago, while the number of milk cows on January 1, 2015, was 1 percent above 2014 and the highest since 2009. Fat-basis exports for 2015 are unchanged from last month. Skim-solids exports are higher mostly on greater shipments of whey. Fat basis imports are higher on expectations of greater cheese imports during 2015. For 2014, production, output per cow, trade, price and stock estimates are adjusted based on published data through December.

Product price forecasts for butter and whey are higher, supported by strong demand and price strength to date. The nonfat dry milk (NDM) price is lower as strong competition in export markets is expected to persist during the first half of 2015. The cheese price is unchanged, but the range is narrowed. The Class III price is raised on higher whey prices. The Class IV price is down as a lower NDM price more than offsets a higher butter price. The all milk price is lowered to \$17.40 to \$18.10 per cwt.

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



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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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Southeast Marketing Area  
Federal Order 7

Volume 16—No. 3

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

## Dairy Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, March 16, 2015, Economic Research Service, USDA:*

Feed price forecasts remain conducive to expansion of the milk supply, with the corn price forecast for 2014/15 at \$3.50-\$3.90 per bushel and the soybean meal price forecast at \$350-\$390 per short ton. With January's deceleration in the growth rate of milk per cow and the lingering effects of the drought in California and other western areas, the 2015 milk per cow forecast has been reduced to 22,640 pounds per year, 50 pounds less than forecast last month. Given the January increase in milk cow numbers, the 2015 milk cow forecast is increased in the first half of the year, resulting in an annual forecast of 9,325 thousand head, 5 thousand more than forecast last month. Milk production for 2015 is forecast at 211.1 billion pounds, 2.5 percent higher than the 2014 level of 206.0 billion pounds, but 0.4 billion pounds less than forecast last month.

Given the substantial fall in January exports of dairy products and expectations of strong competition, commercial exports have been reduced from last month's forecast to 10.8 billion pounds on a milk-fat milk-equivalent basis (0.3 billion pounds less) and 37.3 billion pounds on a skim-solids milk-equivalent basis (0.7 billion pounds less). With Russia's ban on dairy products from certain countries scheduled to end in August, exports in the second half of the year are expected to exceed those of the first half.

Strength in domestic demand is expected to support increased use of dairy products. On a milk-fat basis, domestic commercial disappearance is forecast at 203.1 billion pounds, 3.1 percent higher than the 2014 level. On a skim-solids basis, domestic commercial disappearance is forecast at 178.4 billion pounds, 4.9 percent higher than the 2014 level. With a lower milk production forecast, stronger expected domestic use, and price increases that (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$19.24 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.15 lower than the previous month and is \$6.57 per hundredweight lower compared to February 2014.

Class I utilization was 76.94 percent in February, 0.18 percent lower than the previous month and 3.18 percent higher than February of last year.

## National Dairy Situation

The annual production of milk for the United States during 2014 was 206 billion pounds, 2.4 percent above 2013. Revisions to 2013 production increased the annual total 13 million pounds. Revised 2014 production was up 52 million pounds from last month's publication. Production per cow in the United States averaged 22,258 pounds for 2014, 442 pounds above 2013. The average annual rate of milk production per cow has increased 13.9 percent from 2005. The average number of milk cows on farms in the United States during 2014 was 9.26 million head, up 0.4 percent from 2013. The average number of milk cows was revised up 2,000 head for 2014.

The USDA estimates that the total U.S. production of milk in January 2015 was 17.64 billion pounds, up 2.1 percent from January 2014 and 1.8 percent higher when compared with December 2014. Total cheese output (excluding cottage cheese) was 980 million pounds, 2.8 percent above January 2014 but 1.9 percent below December 2014. Butter production was 179 million pounds, 1.6 percent below January 2014 but 7.1 percent above December 2014.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.47%	6,464,516	\$1.6719	\$ 10,808,024.31
Class I Differential at Location				211,039.59
Class II Butterfat	29.58%	4,610,058	\$1.8366	8,466,832.52
Class III Butterfat	5.40%	840,835	\$1.8296	1,538,391.70
Class IV Butterfat	23.55%	3,669,816	\$1.8296	6,714,295.34
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,585,225</b>		<b>\$ 27,738,583.46</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7798**

### 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	78.32%	312,160,891	\$10.76 /cwt.	\$ 33,588,511.87
Class I Butterfat	41.47%	6,464,516	\$1.6719 /lb.	10,808,024.31
Class I Differential at Location		318,625,407		10,475,127.68
<b>Total Class I Milk</b>	<b>76.94%</b>	<b>318,625,407</b>		<b>\$ 54,871,663.86</b>
Class II Skim Milk	11.97%	47,690,022	\$8.34 /cwt.	\$ 3,977,347.82
Class II Butterfat	29.58%	4,610,058	\$1.8366 /lb.	8,466,832.52
<b>Total Class II Milk</b>	<b>12.63%</b>	<b>52,300,080</b>		<b>\$ 12,444,180.34</b>
Class III Skim Milk	4.26%	16,966,671	\$9.39 /cwt.	\$ 1,593,170.42
Class III Butterfat	5.40%	840,835	\$1.8296 /lb.	1,538,391.70
<b>Total Class III Milk</b>	<b>4.30%</b>	<b>17,807,506</b>		<b>\$ 3,131,562.12</b>
Class IV Skim Milk	5.45%	21,723,442	\$7.69 /cwt.	\$ 1,670,532.68
Class IV Butterfat	23.55%	3,669,816	\$1.8296 /lb.	6,714,295.34
<b>Total Class IV Milk</b>	<b>6.13%</b>	<b>25,393,258</b>		<b>\$ 8,384,828.02</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>414,126,251</b>		<b>\$ 78,832,234.34</b>

### Adjustments

Overage and Other Source	\$110,174.85
Inventory Adjustments	\$14,315.66
Producer butterfat at uniform butterfat price	(\$27,738,583.46)
Location Adjustments to Producers	\$2,484,780.88
1/2 Unobligated Balance in P.S.F.	\$190,589.12

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.52270	\$53,893,511.40
	\$ 0.04270	\$170,181.08

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

**\$13.48**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.24\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	FEB 2015	MAR 2015	JAN 2014	FEB 2015	FEB 2015
Appalachian (Charlotte)	\$ 19.64	\$ 18.96	\$ 19.60	\$ 18.55	71.36%
Arizona (Phoenix)	\$ 18.59	\$ 17.91	\$ 16.04	\$ 15.56	26.44%
Central (Kansas City)	\$ 18.24	\$ 17.56	\$ 16.54	\$ 15.78	30.06%
Florida (Tampa)	\$ 21.64	\$ 20.96	\$ 22.21	\$ 20.84	84.80%
Midwest (Cleveland)	\$ 18.24	\$ 17.56	\$ 16.67	\$ 15.77	31.40%
Northeast (Boston)	\$ 19.49	\$ 18.81	\$ 17.57	\$ 16.66	34.80%
Pacific Northwest (Seattle)	\$ 18.14	\$ 17.46	\$ 15.84	\$ 15.42	33.42%
<b>Southeast (Atlanta)</b>	<b>\$ 20.04</b>	<b>\$ 19.36</b>	<b>\$ 20.39</b>	<b>\$ 19.24</b>	<b>76.94%</b>
Southwest (Dallas)	\$ 19.24	\$ 18.56	\$ 17.48	\$ 16.64	28.96%
Upper Midwest (Chicago)	\$ 18.04	\$ 17.36	\$ 16.39	\$ 15.64	9.60%

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

<b>Receipts:</b>	<b>February 2015</b>	<b>February 2014</b>
<b>Producer Milk</b>		
Class I	318,625,407	316,539,475
Class II	52,300,080	47,709,492
Class III	17,807,506	34,798,408
Class IV	25,393,258	30,065,686
Total Producer Milk	<u>414,126,251</u>	<u>429,113,061</u>
Average Butterfat Test	3.76%	3.76%
Percent of Producer Milk in Class I	76.94%	73.76%
Daily Average Receipts	14,790,223	15,325,466
<b>Other Source Milk</b>		
Class I	8,245,013	4,641,264
Class II	4,420,955	2,658,974
Class III	84,123	324,136
Class IV	8,428,378	8,181,516
Total Other Source Milk	<u>21,178,469</u>	<u>15,805,890</u>
<b>Overage</b>		
Class I	427,828	0
Class II	287,968	0
Class III	0	0
Class IV	38,337	2,578
Total Overage	<u>754,133</u>	<u>2,578</u>
<b>Opening Inventory</b>		
Class I	21,747,827	25,885,112
Class II	1,188,618	18,123
Class III	137,033	442,246
Class IV	14,924,636	7,965,429
Total Opening Inventory	<u>37,998,114</u>	<u>34,310,910</u>
<b>Total Receipts</b>	<b>474,056,967</b>	<b>479,232,439</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,700,567	25,091,649
Route Disposition Class I	313,753,010	311,988,999
Shrinkage	2,519,982	3,345,860
Transfers & Diversions to Nonpool	12,072,516	6,639,343
Total Class I Utilization	<u>349,046,075</u>	<u>347,065,851</u>
Average Butterfat Test	2.01%	1.97%
Daily Average Utilization	12,465,931	12,395,209
<b>Class II Utilization</b>		
Nonfluid Used To Produce	1,955,420	2,289,600
Shrinkage	35,783	5,883
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,333,106	36,268,908
Total Class II Utilization	<u>13,873,312</u>	<u>11,822,198</u>
Average Butterfat Test	58,197,621	50,386,589
Average Butterfat Test	8.14%	8.51%
<b>Class III Utilization</b>		
Shrinkage	0	5,987,258
Transfers & Diversions to Nonpool Used To Produce/Other Uses	18,028,662	26,441,034
Total Class III Utilization	<u>0</u>	<u>3,136,498</u>
Average Butterfat Test	18,028,662	35,564,790
Average Butterfat Test	4.66%	4.40%
<b>Class IV Utilization</b>		
Inventory	12,221,218	9,997,843
Nonfluid Used To Fortify	715,954	672,328
Shrinkage	5,316,881	-48,757
Transfers & Diversions to Nonpool Used To Produce/Other Uses	27,115,000	35,593,795
Total Class IV Utilization	<u>3,415,556</u>	<u>0</u>
Average Butterfat Test	48,784,609	46,215,209
Average Butterfat Test	14.60%	14.87%
<b>Total Utilization</b>	<b>474,056,967</b>	<b>479,232,439</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2015 is \$19.24 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.48 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7798 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 78.32% of all producer skim milk (priced to handlers at \$10.76 per hundredweight, plus the Class I differential, see page 2) and 41.47% of producer butterfat (priced to handlers at \$1.6719 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.97% of all producer skim milk (\$8.34 per hundredweight) and 29.58% of producer butterfat (\$1.8366 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.26% of all producer skim milk (\$9.39 per hundredweight) and 5.40% of producer butterfat (\$1.8296 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.45% of all producer skim milk (\$7.69 per hundredweight) and 23.55% of producer butterfat (\$1.8296 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>January 2015</b>		
Whole Milk	129,494,308	31.79%
Fat Free Milk	36,583,766	8.98%
Lowfat Milk (incl. 1%)	50,214,114	12.33%
Reduced Fat Milk (incl. 2%)	136,995,200	33.64%
Cultured Fluid Milk (incl. Buttermilk)	8,202,052	2.01%
Flavored Drinks and Milk	45,801,434	11.25%
<b>Total Disposition in Marketing Area</b>	<b>407,290,874</b>	<b>100.0%</b>
Total Disposition by Pool Plants	314,640,744	77.25%
Total Disposition by Nonpool Plants	92,650,130	22.75%
<b>Total Disposition in Marketing Area</b>	<b>407,290,874</b>	<b>100.0%</b>

Receipts of producer milk during February totaled 414.1 million pounds. There were 23 regulated pool distributing plants, 1 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2015. Class I route disposition in the area was 407.3 million pounds in January.

### Dairy Forecast for 2015

(continued from page 1) occurred for butter and NDM in February, the 2015 forecast prices for butter and NDM have been increased. However, the price forecasts have been tempered by expected export reductions. The 2015 butter price is forecast at \$1.670-\$1.760 per pound, and the NDM price is forecast at \$1.205-\$1.255 per pound. Although the first-quarter cheese price forecast has been raised slightly due to recent price data, the 2015 annual forecast range is unchanged at the midpoint but narrowed to \$1.600-\$1.660 per pound. With substantially lower exports of whey products in January and falling dry whey prices observed in February, the dry whey price forecast for 2015 is lowered to 49.0-52.0 cents per pound.

With the lower whey price forecast for 2015, the Class III milk price forecast has been lowered to \$15.95-\$16.55 per cwt. With higher forecasts for butter and NDM prices, the Class IV milk price forecast has been raised to \$15.30-\$16.00 per cwt. The reduction in the Class III forecast more than offsets the increase in the Class IV price forecast, resulting in a 2015 all-milk price forecast of \$17.05-\$17.65 per cwt, a decrease from last month's forecast of \$17.40-\$18.10 per cwt.

*Source: Livestock, Dairy, and Poultry Outlook/LDP-M-249/Mar. 16, 2015; Economic Research Service, USDA.*

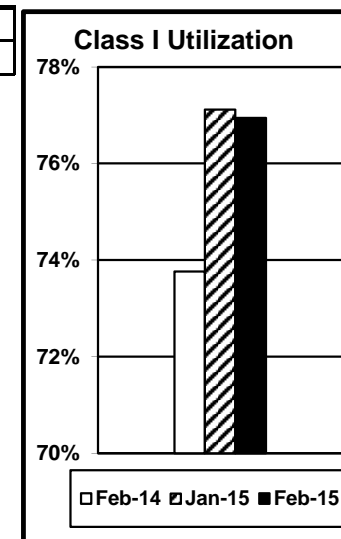


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$15.09	\$2.6349	\$23.78	\$18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$14.44	\$2.8448	\$23.89	\$18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$11.62	\$3.2467	\$22.58	\$17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$11.78	\$2.8507	\$21.35	\$16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$10.89	\$2.2011	\$18.21	\$16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$9.69	\$2.0991	\$16.70	\$17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$7.60	\$1.6855	\$13.23	\$14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$7.69	\$1.8296	\$13.82	\$13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	2,100**	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%



\* 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 2015

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 2015	04/11/15	04/13/15	04/14/15	03/25/15	03/26/15	04/14/15	04/15/15
APR 2015	05/11/15	05/12/15	05/13/15	04/27/15	04/27/15	05/13/15	05/14/15
MAY 2015	06/11/15	06/12/15	06/15/15	05/26/15	05/26/15	06/15/15	06/16/15

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$17.32 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.24 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

## WASDE Dairy Report 1/

### WASDE – 539 March 10, 2015

The milk production forecast for 2015 is lowered from last month as slower growth in output per cow more than offsets faster herd expansion. Both fat and skim-solids exports for 2015 are reduced as export demand is hampered by a strong dollar and increased competition from other exporters. Fat basis imports are higher on expectations of greater butterfat imports. However, robust domestic demand is expected to support increased product use.

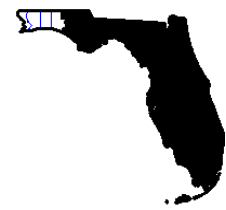
Product price forecasts for butter and nonfat dry milk (NDM) are higher, supported by demand and price strength to date. Cheese prices are unchanged at the midpoint but the range is narrowed. Whey is lower on weaker demand. The Class III price is lowered on reduced whey prices. The Class IV price is higher due to higher NDM prices and butter prices. The all milk price is forecast at \$17.05 to \$17.65 per cwt.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

April 2015



Southeast Marketing Area  
Federal Order 7

Volume 16—No. 4

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

## Dairy Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, April 15, 2015, Economic Research Service, USDA:*

Feed price forecasts remain relatively low compared with prices in recent years. The corn price forecast for 2014/15 is \$3.55-\$3.85 per bushel, and the soybean meal price forecast is \$355-\$385 per short ton. Both price forecasts are unchanged from last month at midpoints of the ranges.

With February's deceleration in the growth rate of milk per cow and the lingering effects of the drought in California and other Western areas, the 2015 milk per cow forecast has been reduced to 22,520 pounds per year, 120 pounds less than forecast last month. Milk cow number forecasts for 2015 are unchanged from last month. Milk production for 2015 is forecast at 210.0 billion pounds, 1.9 percent higher than the 2014 level of 206.0 billion pounds, but 1.1 billion pounds less than forecast last month.

Forecasts for dairy exports have been lowered from those of last month based upon the increasing value of the U.S. dollar, increased global competition, and relatively low exports on a skim-solids basis in January and February. The 2015 export forecasts are 36.5 billion pounds on a skim-solids basis (0.8 billion pounds less) and 10.7 billion pounds on a milk-fat basis (0.1 billion pounds less). With Russia's ban on imports of dairy products from certain countries scheduled to end in August, exports in the second half of the year are expected to exceed those of the first half.

With an improving economy and lower prices in 2015 compared with 2014, growth in domestic demand is expected to be robust in 2015, increasing 2.8 percent on a milk-fat basis and 4.8 percent on a skim-solids basis. Ending stock forecasts for 2015 have been lowered to 11.4 billion pounds on a milk-fat basis (0.1 billion pounds less) and to 12.9 billion pounds on a skim-solids basis (0.1 billion pounds less).

With a lowered outlook for exports on a skim solids basis and recent declines in (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$18.30 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.94 lower than the previous month and is \$8.26 per hundredweight lower compared to March 2014.

Class I utilization was 70.91 percent in March 2015, 6.03 percent lower than the previous month and 4.30 percent higher than March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2015 was 16.17 billion pounds, up 1.7 percent from February 2014 and 1.4 percent higher when compared with January 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 884 million pounds, 3.9 percent above February 2014 and 0.2 percent higher than January 2015 on a daily average basis. Butter production was 156 million pounds, 4.8 percent below February 2014 and 3.8 percent below January 2015 on a daily average basis.

Nonfat dry milk powder production was 148.1 million pounds in February 2015, 5.4 percent higher than February of last year but 0.6 percent lower than January 2015 on a daily average basis. Total dry whey production was 78.0 million pounds in February 2015, 25.7 percent more than February 2014 and 14.3 percent higher than January 2015 on a daily average basis. Whey protein concentrates production was 38.8 million pounds in February 2015, 8.0 percent less than February 2014 and 8.8 percent lower than the previous month on a daily average basis.

The milk-feed price ratio was 2.02 in February 2015, down 0.07 from January 2015.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.52%	6,766,059	\$1.8008	\$ 12,184,319.07
Class I Differential at Location				221,784.73
Class II Butterfat	33.83%	5,942,387	\$1.8514	11,001,735.30
Class III Butterfat	7.73%	1,358,157	\$1.8444	2,504,984.78
Class IV Butterfat	19.92%	3,499,323	\$1.8444	6,454,151.37
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,565,926</b>		<b>\$ 32,366,975.25</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8426**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	72.16%	329,143,119	\$9.59 /cwt.	\$ 31,564,825.11
Class I Butterfat	38.52%	6,766,059	\$1.8008 /lb.	12,184,319.07
Class I Differential at Location		335,909,178		11,032,862.50
<b>Total Class I Milk</b>	<b>70.91%</b>	<b>335,909,178</b>		<b>\$ 54,782,006.68</b>
Class II Skim Milk	11.94%	54,443,521	\$8.31 /cwt.	\$ 4,524,256.58
Class II Butterfat	33.83%	5,942,387	\$1.8514 /lb.	11,001,735.30
<b>Total Class II Milk</b>	<b>12.75%</b>	<b>60,385,908</b>		<b>\$ 15,525,991.88</b>
Class III Skim Milk	6.99%	31,902,205	\$9.43 /cwt.	\$ 3,008,377.93
Class III Butterfat	7.73%	1,358,157	\$1.8444 /lb.	2,504,984.78
<b>Total Class III Milk</b>	<b>7.02%</b>	<b>33,260,362</b>		<b>\$ 5,513,362.71</b>
Class IV Skim Milk	8.91%	40,634,595	\$7.61 /cwt.	\$ 3,092,292.70
Class IV Butterfat	19.92%	3,499,323	\$1.8444 /lb.	6,454,151.37
<b>Total Class IV Milk</b>	<b>9.32%</b>	<b>44,133,918</b>		<b>\$ 9,546,444.07</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>473,689,366</b>		<b>\$ 85,367,805.34</b>

### Adjustments

Overage and Other Source	\$11,991.43
Inventory Adjustments	\$5,518.98
Producer butterfat at uniform butterfat price	(\$32,366,975.25)
Location Adjustments to Producers	\$3,013,292.26
1/2 Unobligated Balance in P.S.F.	\$167,385.75

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.32101	\$56,199,018.51
	\$ 0.04101	\$187,060.10

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

**\$12.28**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.30\***

\* 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 2015	APR 2015	FEB 2015	MAR 2015	MAR 2015
Appalachian (Charlotte)	\$ 18.96	\$ 18.90	\$ 18.55	\$ 17.63	65.41%
Arizona (Phoenix)	\$ 17.91	\$ 17.85	\$ 15.56	\$ 15.33	26.14%
Central (Kansas City)	\$ 17.56	\$ 17.50	\$ 15.78	\$ 15.49	31.71%
Florida (Tampa)	\$ 20.96	\$ 20.90	\$ 20.84	\$ 19.93	82.67%
Midwest (Cleveland)	\$ 17.56	\$ 17.50	\$ 15.77	\$ 15.53	33.90%
Northeast (Boston)	\$ 18.81	\$ 18.75	\$ 16.66	\$ 16.40	34.30%
Pacific Northwest (Seattle)	\$ 17.46	\$ 17.40	\$ 15.42	\$ 15.00	32.80%
<b>Southeast (Atlanta)</b>	<b>\$ 19.36</b>	<b>\$ 19.30</b>	<b>\$ 19.24</b>	<b>\$ 18.30</b>	<b>70.91%</b>
Southwest (Dallas)	\$ 18.56	\$ 18.50	\$ 16.64	\$ 16.32	42.39%
Upper Midwest (Chicago)	\$ 17.36	\$ 17.30	\$ 15.64	\$ 15.63	11.30%

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

<b>Receipts:</b>	<b>March 2015</b>	<b>March 2014</b>
<b>Producer Milk</b>		
Class I	335,909,178	328,500,995
Class II	60,385,908	59,717,774
Class III	33,260,362	51,659,601
Class IV	44,133,918	53,286,157
Total Producer Milk	<u>473,689,366</u>	<u>493,164,527</u>
Average Butterfat Test	3.71%	3.67%
Percent of Producer Milk in Class I	70.91%	66.61%
Daily Average Receipts	15,280,302	15,908,533
<b>Other Source Milk</b>		
Class I	6,920,918	4,925,169
Class II	5,822,569	2,907,805
Class III	246,913	0
Class IV	9,682,341	3,711,845
Total Other Source Milk	<u>22,772,741</u>	<u>11,544,819</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	15,158	285,789
Total Overage	<u>15,158</u>	<u>285,789</u>
<b>Opening Inventory</b>		
Class I	20,700,566	25,091,651
Class II	876,891	0
Class III	0	0
Class IV	11,344,327	10,083,748
Total Opening Inventory	<u>32,921,784</u>	<u>34,175,399</u>
<b>Total Receipts</b>	<b>529,399,049</b>	<b>540,170,534</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	22,649,427	20,148,068
Route Disposition Class I	323,500,211	326,980,095
Shrinkage	2,300,909	1,686,711
Transfers & Diversions to Nonpool	15,080,115	9,702,941
Total Class I Utilization	<u>363,530,662</u>	<u>358,517,815</u>
Average Butterfat Test	2.00%	1.99%
Daily Average Utilization	11,726,796	11,565,091
<b>Class II Utilization</b>		
Nonfluid Used To Produce	4,129,742	2,506,146
Shrinkage	59,375	1,714
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,550,236	45,567,056
Total Class II Utilization	<u>13,446,015</u>	<u>14,550,663</u>
Average Butterfat Test	67,185,368	62,625,579
Average Butterfat Test	8.95%	9.28%
<b>Class III Utilization</b>		
Shrinkage	0	5,089,874
Transfers & Diversions to Nonpool	33,507,275	43,028,148
Used To Produce/Other Uses	0	3,541,579
Total Class III Utilization	<u>33,507,275</u>	<u>51,659,601</u>
Average Butterfat Test	4.05%	4.07%
<b>Class IV Utilization</b>		
Inventory	20,133,247	21,396,573
Nonfluid Used To Fortify	884,250	705,259
Shrinkage	5,582,718	0
Transfers & Diversions to Nonpool	34,471,118	45,265,707
Used To Produce/Other Uses	4,104,411	0
Total Class IV Utilization	<u>65,175,744</u>	<u>67,367,539</u>
Average Butterfat Test	8.48%	7.65%
<b>Total Utilization</b>	<b>529,399,049</b>	<b>540,170,534</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2015 is \$18.30 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.28 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8426 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 72.16% of all producer skim milk (priced to handlers at \$9.59 per hundredweight, plus the Class I differential, see page 2) and 38.52% of producer butterfat (priced to handlers at \$1.8008 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.94% of all producer skim milk (\$8.31 per hundredweight) and 33.83% of producer butterfat (\$1.8514 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.99% of all producer skim milk (\$9.43 per hundredweight) and 7.73% of producer butterfat (\$1.8444 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.91% of all producer skim milk (\$7.61 per hundredweight) and 19.92% of producer butterfat (\$1.8444 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2015</b>		
Whole Milk	117,998,757	32.33%
Fat Free Milk	32,959,335	9.03%
Lowfat Milk (incl. 1%)	43,909,811	12.03%
Reduced Fat Milk (incl. 2%)	122,032,930	33.44%
Cultured Fluid Milk (incl. Buttermilk)	7,464,367	2.05%
Flavored Drinks and Milk	40,611,254	11.13%
<b>Total Disposition in Marketing Area</b>	<b>364,976,454</b>	<b>100.0%</b>
Total Disposition by Pool Plants	280,048,474	76.73%
Total Disposition by Nonpool Plants	84,927,980	23.27%
<b>Total Disposition in Marketing Area</b>	<b>364,976,454</b>	<b>100.0%</b>

Receipts of producer milk during March totaled 473.7 million pounds. There were 23 regulated pool distributing plants, 2 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2015. Class I route disposition in the area was 365.0 million pounds in February.

### Dairy Forecast for 2015

(continued from page 1) NDM prices, the NDM price forecast for 2015 has been lowered to \$1.090-\$1.130 per pound. Butter and cheese price forecasts have been raised to \$1.705-\$1.785 and \$1.625-\$1.675 per pound, respectively, based on recent price movements, the lower milk production forecast, and expected strong demand. Although small quarterly changes have been made to the dry whey price forecasts, the rounded annual forecast remains unchanged at 49.0-52.0 cents per pound.

Based on the higher cheese price forecast, the 2015 Class III milk price forecast has been increased to \$16.20-\$16.70 per hundredweight (cwt). The Class IV milk price forecast has been lowered to \$14.45-\$15.05 per cwt, as the lower forecast for the NDM price more than offsets the higher forecast for the butter price. With offsetting effects of the changes to Class III and Class IV milk price forecasts, the 2015 all-milk price forecast is \$17.10-\$17.60 per cwt, unchanged from last month's forecast at the midpoint of the range.

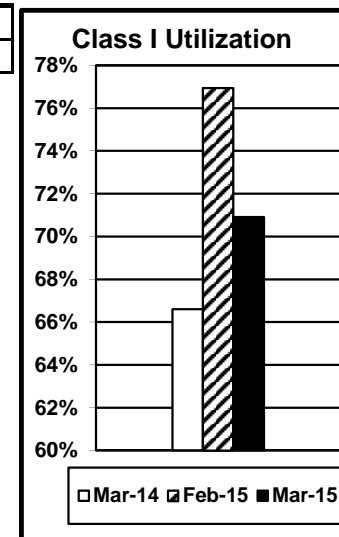
Dairy farmers participating in the Margin Protection Program for Dairy who chose coverage at the maximum margin level will receive small Government payments based on milk and feed prices for January and February. The average milk margin calculated for the program (the all-milk price minus a feed value calculation) for the January-February period was \$7.99554 per cwt. Dairy farmers who chose coverage of \$8.00 per cwt will receive a payment of \$0.00446 per cwt for the selected volume of coverage.

**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
Feb 2014	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63											

**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.	%
Feb 2014	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,000**	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods April through June 2015

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 2015	05/11/15	05/12/15	05/13/15	04/27/15	04/27/15	05/13/15	05/14/15
MAY 2015	06/11/15	06/12/15	06/15/15	05/26/15	05/26/15	06/15/15	06/16/15
JUN 2015	07/11/15	07/13/15	07/14/15	06/25/15	06/26/15	07/14/15	07/15/15

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$16.47 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.30 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 – 540 April 9, 2015

The milk production forecast for 2015 is lowered from last month as growth in output per cow is constrained by dry conditions in the West. Fat basis imports are raised on demand for butterfat, but skim-solids imports are unchanged. Exports are hampered by relatively weak international prices and the strong dollar; thus forecasts for both fat and skim-solids are reduced from last month.

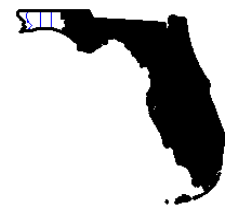
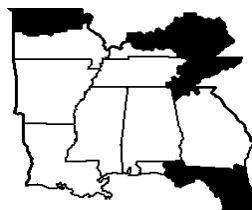
Product price forecasts for butter and cheese are raised on domestic demand strength. However, relatively weak exports of nonfat dry milk (NDM) are expected to pressure prices lower. The whey price forecast is unchanged. The Class III price is raised on the strength of cheese prices, but the Class IV price is reduced as a lower NDM price more than offsets a higher butter price. The all milk price is forecast at \$17.10 to \$17.60 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

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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## Dairy Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, May 18, 2015, Economic Research Service, USDA:*

Although milk cow numbers declined in March, the dairy herd is forecast to grow in the second half of 2015 due to expectations of relatively low feed prices and rising milk prices. However, milk cow numbers for 2015 are expected to be lower than forecast last month, averaging 9.305 million head. With lower-than-expected yield per cow for the first quarter and the current drought situation in some Western areas, the 2015 milk per cow forecast has been lowered to 22,410 pounds. Milk production for 2015 is forecast at 208.6 billion pounds for 2015, 1.4 billion pounds less than forecast last month but 1.3 percent above 2014.

Based on March data, changes have been made to 2015 dairy trade forecasts, especially to exports on a skim-solids basis. Commercial export forecasts for 2015 have been increased from last month's forecasts, to 10.8 billion on a milk-fat basis (0.1 billion pounds more) and 37.8 billion pounds on a skim-solids basis (1.3 billion pounds more). With Russia's ban on imports of dairy products from certain countries scheduled to end in August, exports in the second half of the year are expected to exceed those of the first half. Forecast imports for 2015 have been raised from last month to 4.8 billion pounds on a milk-fat basis (0.4 billion more) and 5.7 billion pounds on a skim-solids basis (0.2 billion pounds more).

With lower milk production and higher export forecasts, 2015 forecasts for commercial use and ending stocks have been reduced. Domestic commercial disappearance forecasts have been reduced to 201.5 billion pounds on a milk-fat basis (1.0 billion pounds less) and 176.2 billion pounds on a skim-solids basis (2.0 billion pounds less). Forecast ending stocks for 2015 are 11.3 billion pounds on a milk-fat basis (0.1 billion pounds less) and 12.5 billion pounds on a skim-solids basis (0.4 billion pounds less).

Forecasts for 2015 dairy (continued on page 4)

## Uniform Price Up Slightly

The uniform price in Fulton County, GA, was \$18.33 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.03 higher than the previous month and is \$8.40 per hundredweight lower compared to April 2014.

Class I utilization was 70.73 percent in April 2015, 0.18 percent lower than the previous month and 4.83 percent higher than April of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in March 2015 was 18.05 billion pounds, up 1.2 percent from March 2014 and 0.7 percent higher compared with February 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 987 million pounds, 1.8 percent above March 2014 and 0.5 percent above February 2015 on a daily average basis. Butter production was 162 million pounds, 3.0 percent below March 2014 and 6.5 percent below February 2015 on a daily average basis.

Nonfat dry milk powder production was 182.4 million pounds in March 2015, 8.7 percent higher than March of last year and 9.2 percent higher than February 2015 on a daily average basis. Total dry whey production was 82.8 million pounds in March 2015, 15.8 percent more than March 2014 and 4.0 percent less than February 2015 on a daily average basis. Whey protein concentrates production was 42.6 million pounds in March 2015, 5.3 percent less than March 2014 and 0.8 percent lower than the previous month on a daily average basis.

The milk-feed price ratio was 2.00 in March 2015, down 0.02 from February 2015.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.88%	6,472,763	\$1.8442	\$ 11,937,069.55
Class I Differential at Location				213,174.20
Class II Butterfat	35.13%	5,846,761	\$1.9010	11,114,692.69
Class III Butterfat	8.38%	1,394,023	\$1.8940	2,640,279.56
Class IV Butterfat	17.61%	2,930,845	\$1.8940	5,551,020.44
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,644,392</b>		<b>\$ 31,456,236.44</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.8899**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	71.91%	320,796,194	\$9.37 /cwt.	\$ 30,058,603.37
Class I Butterfat	38.88%	6,472,763	\$1.8442 /lb.	11,937,069.55
Class I Differential at Location		327,268,957		10,763,019.98
<b>Total Class I Milk</b>	<b>70.73%</b>	<b>327,268,957</b>		<b>\$ 52,758,692.90</b>
Class II Skim Milk	11.84%	52,807,660	\$8.63 /cwt.	\$ 4,557,301.05
Class II Butterfat	35.13%	5,846,761	\$1.9010 /lb.	11,114,692.69
<b>Total Class II Milk</b>	<b>12.68%</b>	<b>58,654,421</b>		<b>\$ 15,671,993.74</b>
Class III Skim Milk	8.24%	36,746,287	\$9.51 /cwt.	\$ 3,494,571.89
Class III Butterfat	8.38%	1,394,023	\$1.8940 /lb.	2,640,279.56
<b>Total Class III Milk</b>	<b>8.24%</b>	<b>38,140,310</b>		<b>\$ 6,134,851.45</b>
Class IV Skim Milk	8.01%	35,709,066	\$7.13 /cwt.	\$ 2,546,056.40
Class IV Butterfat	17.61%	2,930,845	\$1.8940 /lb.	5,551,020.44
<b>Total Class IV Milk</b>	<b>8.35%</b>	<b>38,639,911</b>		<b>\$ 8,097,076.84</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>462,703,599</b>		<b>\$ 82,662,614.93</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$101,060.07
Producer butterfat at uniform butterfat price	(\$31,456,236.44)
Location Adjustments to Producers	\$2,915,172.12
1/2 Unobligated Balance in P.S.F.	\$146,386.52

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.18874	\$54,368,997.20
	\$ 0.04874	\$217,409.48

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

**\$12.14**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.33\***

\* 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 2015	MAY 2015	MAR 2015	APR 2015	APR 2015
Appalachian (Charlotte)	\$ 18.90	\$ 19.23	\$ 17.63	\$ 17.64	65.23%
Arizona (Phoenix)	\$ 17.85	\$ 18.18	\$ 15.33	\$ 15.25	25.91%
Central (Kansas City)	\$ 17.50	\$ 17.83	\$ 15.49	\$ 15.62	36.15%
Florida (Tampa)	\$ 20.90	\$ 21.23	\$ 19.93	\$ 19.98	83.27%
Mideast (Cleveland)	\$ 17.50	\$ 17.83	\$ 15.53	\$ 15.70	34.30%
Northeast (Boston)	\$ 18.75	\$ 19.08	\$ 16.40	\$ 16.51	32.80%
Pacific Northwest (Seattle)	\$ 17.40	\$ 17.73	\$ 15.00	\$ 14.86	34.68%
<b>Southeast (Atlanta)</b>	<b>\$ 19.30</b>	<b>\$ 19.63</b>	<b>\$ 18.30</b>	<b>\$ 18.33</b>	<b>70.73%</b>
Southwest (Dallas)	\$ 18.50	\$ 18.83	\$ 16.32	\$ 16.47	53.96%
Upper Midwest (Chicago)	\$ 17.30	\$ 17.63	\$ 15.63	\$ 15.84	12.80%

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

<b>Receipts:</b>	<b>April 2015</b>	<b>April 2014</b>
<b>Producer Milk</b>		
Class I	327,268,957	327,000,557
Class II	58,654,421	61,362,436
Class III	38,140,310	47,723,472
Class IV	38,639,911	60,093,854
	<hr/>	<hr/>
Total Producer Milk	<b>462,703,599</b>	<b>496,180,319</b>
Average Butterfat Test	3.60%	3.58%
Percent of Producer Milk in Class I	70.73%	65.90%
Daily Average Receipts	15,423,453	16,539,344
<b>Other Source Milk</b>		
Class I	7,670,259	4,610,346
Class II	4,377,116	2,961,108
Class III	3,639,218	52,883
Class IV	9,071,013	4,014,611
	<hr/>	<hr/>
Total Other Source Milk	<b>24,757,606</b>	<b>11,638,948</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	28,041
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>28,041</b>
<b>Opening Inventory</b>		
Class I	23,387,769	20,148,068
Class II	1,465,659	0
Class III	2,390,120	39,936
Class IV	15,410,256	23,468,385
	<hr/>	<hr/>
Total Opening Inventory	<b>42,653,804</b>	<b>43,656,389</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>530,115,009</b>	<b>551,503,697</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	23,384,232	21,131,324
Route Disposition Class I	318,263,560	320,762,195
Shrinkage	2,797,710	1,971,047
Transfers & Diversions to Nonpool	13,881,483	7,894,405
	<hr/>	<hr/>
Total Class I Utilization	<b>358,326,985</b>	<b>351,758,971</b>
Average Butterfat Test	1.96%	1.95%
Daily Average Utilization	11,944,233	11,725,299
<b>Class II Utilization</b>		
Nonfluid Used To Produce	3,235,242	2,560,336
Shrinkage	69,626	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,813,928	47,055,685
	<hr/>	<hr/>
Total Class II Utilization	<b>64,497,196</b>	<b>64,323,544</b>
Average Butterfat Test	9.07%	8.94%
<b>Class III Utilization</b>		
Shrinkage	2,231	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	44,167,417	47,816,291
	<hr/>	<hr/>
Total Class III Utilization	<b>44,169,648</b>	<b>47,816,291</b>
Average Butterfat Test	3.21%	3.66%
<b>Class IV Utilization</b>		
Inventory	15,883,377	21,469,698
Nonfluid Used To Fortify	813,914	709,033
Shrinkage	6,209,845	5,784,153
Transfers & Diversions to Nonpool Used To Produce/Other Uses	36,407,307	55,926,768
	<hr/>	<hr/>
Total Class IV Utilization	<b>63,121,180</b>	<b>87,604,891</b>
Average Butterfat Test	7.80%	6.65%
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<b>Total Utilization</b>	<b>530,115,009</b>	<b>551,503,697</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2015 is \$18.33 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.14 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8899 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 71.91% of all producer skim milk (priced to handlers at \$9.37 per hundredweight, plus the Class I differential, see page 2) and 38.88% of producer butterfat (priced to handlers at \$1.8442 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.84% of all producer skim milk (\$8.63 per hundredweight) and 35.13% of producer butterfat (\$1.9010 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.24% of all producer skim milk (\$9.51 per hundredweight) and 8.38% of producer butterfat (\$1.8940 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.01% of all producer skim milk (\$7.13 per hundredweight) and 17.61% of producer butterfat (\$1.8940 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>March 2015</b>		
Whole Milk	121,779,760	32.04%
Fat Free Milk	33,614,732	8.84%
Lowfat Milk (incl. 1%)	46,975,077	12.36%
Reduced Fat Milk (incl. 2%)	126,178,390	33.20%
Cultured Fluid Milk (incl. Buttermilk)	7,759,965	2.04%
Flavored Drinks and Milk	43,782,298	11.52%
<b>Total Disposition in Marketing Area</b>	<b>380,090,222</b>	<b>100.0%</b>
Total Disposition by Pool Plants	289,871,388	76.26%
Total Disposition by Nonpool Plants	90,218,834	23.74%
<b>Total Disposition in Marketing Area</b>	<b>380,090,222</b>	<b>100.0%</b>

Receipts of producer milk during April totaled 462.7 million pounds. There were 22 regulated pool distributing plants, 2 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2015. Class I route disposition in the area was 380.1 million pounds in March.

### Dairy Forecast for 2015

(continued from page 1) product prices were adjusted from last month's forecasts to reflect recent price and allocation changes, as well as expected changes in demand. Price forecasts for cheese, NDM, and whey have been lowered respectively to \$1.615-1.665, \$1.025-\$1.065, and 47.5-50.5 cents per pound. The butter price forecast has been raised to \$1.810-\$1.890 per pound. With lower cheese and whey prices, the Class III forecast has been lowered to \$16.05-\$16.55 per cwt. With the lower NDM price more than offsetting the higher butter price, the Class IV forecast has been lowered to \$14.35-\$14.95 per cwt. The all-milk price for 2015 is forecast at \$17.10-\$17.60 per cwt.

### Dairy Forecast for 2016

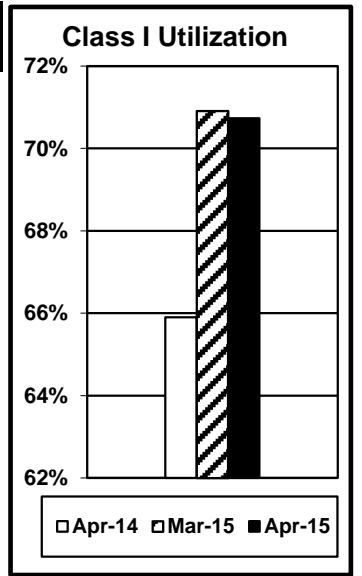
Prices for cheese, NDM, and whey in 2016 are expected to be above 2015 prices due to strengthening domestic and foreign demand. Since the NDM market is the most sensitive to exports, NDM prices are expected to increase more than the other dairy product prices. With higher prices providing an incentive for increased NDM production, butter prices are expected to fall as more milk fat is expected to be available for butter production. Prices for 2016 are forecast at \$1.610-\$1.710 for cheese, \$1.215-\$1.285 for NDM, 51.5-54.5 cents for dry whey, and \$1.725-\$1.855 for butter. The Class III price for 2016 is forecast at \$16.20-\$17.20 per cwt, and the Class IV price is forecast at \$15.60-\$16.70 per cwt. The all-milk price for 2016 is forecast at \$17.45-\$18.45 per cwt.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Feb 2014	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85											

**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.	%
Feb 2014	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	2,000**	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%



\* 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 2015

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 2015	06/11/15	06/12/15	06/15/15	05/26/15	05/26/15	06/15/15	06/16/15
JUN 2015	07/11/15	07/13/15	07/14/15	06/25/15	06/26/15	07/14/15	07/15/15
JUL 2015	08/11/15	08/12/15	08/13/15	07/27/15	07/27/15	08/13/15	08/14/15

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$16.50 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.33 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 – 541 May 12, 2015

Milk production for 2016 is forecast higher as improved forage availability and moderate feed costs are expected to support gains in milk per cow. Cow numbers are forecast slightly higher. Commercial exports on both a fat and skim-solids basis are forecast higher with a resumption of normal trade patterns. Imports are forecast lower as domestic production increases and demand from competing importers is higher. With stronger domestic demand and export, cheese, nonfat dry milk (NDM) and whey prices are forecast higher, but butter prices are forecast lower as strong NDM demand is expected to support relatively high levels of butter production. Both Class III and Class IV prices are forecast higher. The all milk price is forecast at \$17.45 to \$18.45 per cwt for 2016.

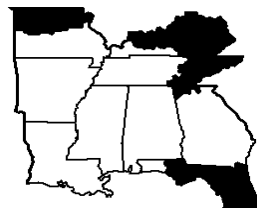
Forecast milk production in 2015 is forecast lower than last month as drought in the West impacts milk per cow and growth in the cow herd is expected to be slower. Fat and skim-solids imports are raised on strong cheese demand. Fat basis exports are raised on better-than-expected March exports. Skim-solids exports are higher based on higher NDM and lactose shipments. Cheese, NDM, and whey prices are forecast lower on weaker demand, but the butter price forecast is raised on strong demand. The Class III price is lowered on weaker cheese and whey prices. The Class IV price is lower as the stronger butter price is more than offset by the reduced prices for NDM. The milk price is forecast to average \$17.10 to \$17.60 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

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

June 2015



Southeast Marketing Area  
Federal Order 7

Volume 16—No. 6

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

## Dairy Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, June 16, 2015, Economic Research Service, USDA:*

Given robust skim-solids-basis exports in April and higher expectations for export demand, the 2015 forecast for commercial exports on a skim-solids basis has been raised to 38.7 billion pounds, 0.9 billion pounds higher than forecast last month. This is still less than the record of 39.2 billion pounds for skim-solids-basis exports in 2014. Exports on a milk-fat basis are raised to 10.9 billion pounds, 0.1 pounds more than forecast last month but 1.6 billion pounds less than 2014. The Russian trade ban has caused the European Union (EU) to find other dairy export outlets, some in competition with the United States. With the ban scheduled to end in August, 1 U.S. exports in the second half of the year are expected to exceed those of the first half.

Based on April data, the 2015 forecast for milk production has been raised by 0.1 billion pounds from last month's projection, as the forecast for yield per cow has been increased by 10 pounds for the year. The 2015 forecast for imports on a milkfat basis has been raised from last month's forecast by 0.2 billion pounds but is unchanged on a skim-solids basis. The forecast for domestic commercial disappearance has been raised by 0.3 billion pounds on a milk-fat basis, reflecting greater expected cheese demand. On a skim-solids basis, domestic commercial disappearance has been lowered by 0.5 billion, as exports are expected to make up a greater proportion of total demand. Forecast ending stocks for 2015 are unchanged on a milk-fat basis but lowered by 0.3 billion pounds on a skim-solids basis, as larger exports are expected to result in lower NDM stocks.

Based on recent price data and strong expected cheese demand, the 2015 forecast for the cheese price has been raised to \$1.635-\$1.675 per pound. With recent price changes and abundant supplies, price forecasts for butter, NDM, and dry whey have been lowered, respectively, to \$1.800-\$1.870, \$1.005-\$1.045, and 46.5-48.5 cents per pound. With the higher cheese price more than (continued on page 4)

## Uniform Price Up

The uniform price in Fulton County, GA, was \$18.59 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.26 higher than the previous month and is \$8.24 per hundredweight lower compared to May 2014.

Class I utilization was 67.68 percent in May 2015, 3.05 percent lower than the previous month and 3.58 percent higher than May of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in April 2015 was 17.78 billion pounds, up 1.7 percent from April 2014 and 1.6 percent higher when compared with March 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 979 million pounds, 1.9 percent above April 2014 and 1.6 percent higher than March 2015 on a daily average basis. Butter production was 165 million pounds, 1.7 percent below April 2014 but 3.7 percent above March 2015 on a daily average basis.

Nonfat dry milk powder production was 181.0 million pounds in April 2015, 13.1 percent higher than April of last year and 4.1 percent higher than March 2015 on a daily average basis. Total dry whey production was 77.4 million pounds in April 2015, 8.1 percent more than April 2014 and 7.5 percent less than March 2015 on a daily average basis. Whey protein concentrates production was 42.0 million pounds in April 2015, 8.7 percent less than April 2014 but 3.2 percent higher than the prior month on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 1.95 in April 2015, down 0.05 from the prior month and down from the 2.42 ratio of April 2014.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2015**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.25%	6,369,164	\$1.8972	\$ 12,083,577.93
Class I Differential at Location				208,570.30
Class II Butterfat	34.41%	5,583,739	\$2.0669	11,541,030.14
Class III Butterfat	8.65%	1,402,801	\$2.0599	2,889,629.76
Class IV Butterfat	17.69%	2,870,768	\$2.0599	5,913,495.00
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,226,472</b>		<b>\$ 32,636,303.13</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$2.0113**

**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	68.73%	300,607,686	\$9.52 /cwt.	\$ 28,617,851.72
Class I Butterfat	39.25%	6,369,164	\$1.8972 /lb.	12,083,577.93
Class I Differential at Location		306,976,850		10,095,524.90
<b>Total Class I Milk</b>	<b>67.68%</b>	<b>306,976,850</b>		<b>\$ 50,796,954.55</b>
Class II Skim Milk	12.03%	52,615,504	\$7.85 /cwt.	\$ 4,130,317.06
Class II Butterfat	34.41%	5,583,739	\$2.0669 /lb.	11,541,030.14
<b>Total Class II Milk</b>	<b>12.83%</b>	<b>58,199,243</b>		<b>\$ 15,671,347.20</b>
Class III Skim Milk	10.64%	46,547,303	\$9.31 /cwt.	\$ 4,333,553.94
Class III Butterfat	8.65%	1,402,801	\$2.0599 /lb.	2,889,629.76
<b>Total Class III Milk</b>	<b>10.57%</b>	<b>47,950,104</b>		<b>\$ 7,223,183.70</b>
Class IV Skim Milk	8.60%	37,605,640	\$6.94 /cwt.	\$ 2,609,831.41
Class IV Butterfat	17.69%	2,870,768	\$2.0599 /lb.	5,913,495.00
<b>Total Class IV Milk</b>	<b>8.92%</b>	<b>40,476,408</b>		<b>\$ 8,523,326.41</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>453,602,605</b>		<b>\$ 82,214,811.86</b>

**Adjustments**

Overage and Other Source	\$35,271.98
Inventory Adjustments	\$20,129.82
Producer butterfat at uniform butterfat price	(\$32,636,303.13)
Location Adjustments to Producers	\$2,676,676.84
1/2 Unobligated Balance in P.S.F.	\$232,406.22

**Adjusted Pool Value**

	\$ 12.01323	\$52,542,993.59
Reserve for Producer Settlement Fund	\$ 0.04323	\$189,070.49

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

**\$11.97**

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

**\$18.59\***

\* 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 2015	JUN 2015	APR 2015	MAY 2015	MAY 2015
Appalachian (Charlotte)	\$ 19.23	\$ 19.54	\$ 17.64	\$ 17.83	60.92%
Arizona (Phoenix)	\$ 18.18	\$ 18.49	\$ 15.25	\$ 15.67	24.76%
Central (Kansas City)	\$ 17.83	\$ 18.14	\$ 15.62	\$ 15.98	34.46%
Florida (Tampa)	\$ 21.23	\$ 21.54	\$ 19.98	\$ 20.36	83.01%
Mideast (Cleveland)	\$ 17.83	\$ 18.14	\$ 15.70	\$ 15.98	33.70%
Northeast (Boston)	\$ 19.08	\$ 19.39	\$ 16.51	\$ 16.82	32.50%
Pacific Northwest (Seattle)	\$ 17.73	\$ 18.04	\$ 14.86	\$ 15.56	27.18%
<b>Southeast (Atlanta)</b>	<b>\$ 19.63</b>	<b>\$ 19.94</b>	<b>\$ 18.33</b>	<b>\$ 18.59</b>	<b>67.68%</b>
Southwest (Dallas)	\$ 18.83	\$ 19.14	\$ 16.47	\$ 16.74	51.44%
Upper Midwest (Chicago)	\$ 17.63	\$ 17.94	\$ 15.84	\$ 16.20	12.30%



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

<b>Receipts:</b>	<b>May 2015</b>	<b>May 2014</b>
<b>Producer Milk</b>		
Class I	306,976,850	319,892,542
Class II	58,199,243	56,758,586
Class III	47,950,104	63,592,925
Class IV	40,476,408	58,820,812
	<hr/>	<hr/>
Total Producer Milk	<b>453,602,605</b>	<b>499,064,865</b>
Average Butterfat Test	3.58%	3.54%
Percent of Producer Milk in Class I	67.68%	64.10%
Daily Average Receipts	14,632,342	16,098,867
<b>Other Source Milk</b>		
Class I	5,847,139	4,349,231
Class II	4,098,886	4,985,498
Class III	215,936	291,949
Class IV	9,402,437	3,284,822
	<hr/>	<hr/>
Total Other Source Milk	<b>19,564,398</b>	<b>12,911,500</b>
<b>Overage</b>		
Class I	0	0
Class II	0	67,525
Class III	0	44,224
Class IV	222,086	2,369
	<hr/>	<hr/>
Total Overage	<b>222,086</b>	<b>114,118</b>
<b>Opening Inventory</b>		
Class I	23,384,232	21,453,409
Class II	944,140	359,836
Class III	353,238	4,466,657
Class IV	14,585,999	16,366,377
	<hr/>	<hr/>
Total Opening Inventory	<b>39,267,609</b>	<b>42,646,279</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>512,656,698</b>	<b>554,736,762</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	17,306,758	19,194,697
Route Disposition Class I	304,713,114	318,718,570
Shrinkage	2,596,785	1,010,059
Transfers & Diversions to Nonpool	11,591,564	6,771,856
	<hr/>	<hr/>
Total Class I Utilization	<b>336,208,221</b>	<b>345,695,182</b>
Average Butterfat Test	2.06%	2.01%
Daily Average Utilization	10,845,426	11,151,457
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,647,279	2,627,216
Shrinkage	0	153,073
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	47,783,321	41,818,450
	<hr/>	<hr/>
Total Class II Utilization	<b>63,242,269</b>	<b>62,171,445</b>
Average Butterfat Test	8.83%	9.81%
<b>Class III Utilization</b>		
Shrinkage	0	5,673,729
Transfers & Diversions to Nonpool Used To Produce/Other Uses	48,519,278	58,390,244
	<hr/>	<hr/>
Total Class III Utilization	<b>48,519,278</b>	<b>68,395,755</b>
Average Butterfat Test	2.97%	3.09%
<b>Class IV Utilization</b>		
Inventory	24,656,341	17,598,492
Nonfluid Used To Fortify	715,121	707,913
Shrinkage	5,779,454	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	29,654,483	60,167,975
	<hr/>	<hr/>
Total Class IV Utilization	<b>64,686,930</b>	<b>78,474,380</b>
Average Butterfat Test	7.14%	5.49%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>512,656,698</b>	<b>554,736,762</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2015 is \$18.59 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.97 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0113 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 68.73% of all producer skim milk (priced to handlers at \$9.52 per hundredweight, plus the Class I differential, see page 2) and 39.25% of producer butterfat (priced to handlers at \$1.8972 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.03% of all producer skim milk (\$7.85 per hundredweight) and 34.41% of producer butterfat (\$2.0669 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.64% of all producer skim milk (\$9.31 per hundredweight) and 8.65% of producer butterfat (\$2.0599 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.60% of all producer skim milk (\$6.94 per hundredweight) and 17.69% of producer butterfat (\$2.0599 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2015</b>		
Whole Milk	120,950,531	32.41%
Fat Free Milk	31,971,807	8.57%
Lowfat Milk (incl. 1%)	46,473,992	12.45%
Reduced Fat Milk (incl. 2%)	118,986,179	31.89%
Cultured Fluid Milk (incl. Buttermilk)	7,318,058	1.96%
Flavored Drinks and Milk	47,471,098	12.72%
<b>Total Disposition in Marketing Area</b>	<b>373,171,665</b>	<b>100.0%</b>
Total Disposition by Pool Plants	285,206,538	76.43%
Total Disposition by Nonpool Plants	97,965,127	23.57%
<b>Total Disposition in Marketing Area</b>	<b>373,171,665</b>	<b>100.0%</b>

Receipts of producer milk during May totaled 453.6 million pounds. There were 22 regulated pool distributing plants, 2 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2015. Class I route disposition in the area was 373.2 million pounds in April.

### Dairy Forecast for 2015

(continued from page 1) offsetting the lower whey price, the Class III milk price forecast has been raised to \$16.15-\$16.55 per hundredweight (cwt). With lower forecasts for butter and nonfat dry milk, the Class IV price forecast has been lowered to \$14.20-\$14.70 per cwt. Changes in class prices are largely offsetting, resulting in an all-milk price forecast that is unchanged at the midpoint from last month's forecast at \$17.15-\$17.55 per cwt.

### Dairy Forecast for 2016

The forecast for imports has been increased by 0.1 billion pounds on a milk-fat basis but is unchanged on a skim-solids basis. The forecast for domestic commercial disappearance has been increased by 0.3 billion pounds on a milk-fat basis but decreased by 0.5 billion pounds on a skim-solids basis. On a milk-fat basis, the forecast for commercial exports remains the same as last month at 11.5 billion pounds. Forecasts for ending stocks are unchanged from last month's forecast on a skim-solids basis but are raised by 0.1 billion pounds on a milk-fat basis.

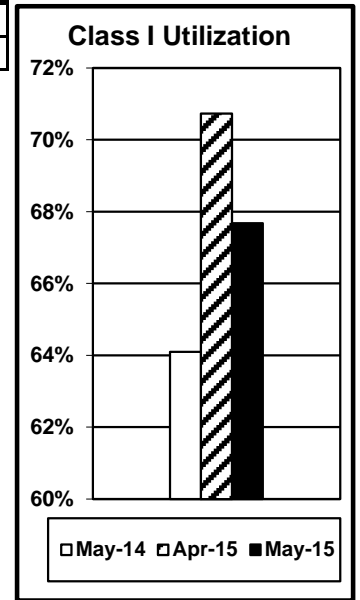
The 2016 forecast for NDM has been lowered to \$1.195-\$1.265 per pound as U.S. exporters maintain relatively low prices to meet competition. The dry whey price forecast has been lowered to 50.5-53.5 cents per pound. The cheese price forecast is unchanged from last month at \$1.610-\$1.710 per pound. The butter price forecast is \$1.720-\$1.850 per pound. With lower prices forecast for NDM and dry whey, Class III and IV prices have been lowered to \$16.15-\$17.15 and \$15.40-\$16.50 per cwt, respectively. The all-milk price forecast is unchanged at \$17.45-\$18.45 per cwt.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Feb 2014	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66											

**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.	%
Feb 2014	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	2,000**	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%



\* 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 2015

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 2015	07/11/15	07/13/15	07/14/15	06/25/15	06/26/15	07/14/15	07/15/15
JUL 2015	08/11/15	08/12/15	08/13/15	07/27/15	07/27/15	08/13/15	08/14/15
AUG 2015	09/11/15	09/14/15	09/15/15	08/25/15	08/26/15	09/15/15	09/16/15

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$16.73 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.59 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 – 542 June 10, 2015**

Milk production forecasts for 2015 and 2016 are raised from last month on gains in output per cow. The fat basis export forecast for 2015 is raised on higher cheese exports. Skim solids exports for both 2015 and 2016 are raised on larger exports of nonfat dry milk (NDM). Fat basis imports are raised for both 2015 and 2016 on expectations of strong demand for imported cheese.

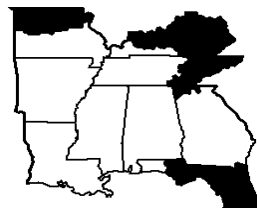
Butter, NDM, and whey prices for 2015 are forecast lower on relatively abundant supplies of those products. The cheese price forecast is raised on strong demand. NDM and whey prices are reduced for 2016. The 2016 butter price range is narrowed. The Class III price forecast is raised for 2015 on stronger cheese prices but reduced for 2016 on lower whey prices. Class IV prices for 2015 and 2016 are lowered on weaker product prices. The all milk price is forecast at \$17.15 to \$17.55 per cwt for 2015 and \$17.45 to \$18.45 per cwt for 2016.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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

## Dairy Forecasts for 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, July 16, 2015, Economic Research Service, USDA:*

Given robust skim-solids basis exports in May and higher expectations of export demand, the 2015 forecast for commercial exports on a skim-solids basis has been raised to 39.7 billion pounds, 1.0 billion pounds higher than forecast last month. If realized, this would be higher than the record level of 39.2 billion pounds for skim-solids basis exports in 2014. With relatively weak exports on a milk-fat basis in May, lower expectations for export demand, and increased competition, the 2015 forecast for commercial exports on a milk-fat basis has been lowered to 10.5 billion for 2015, 0.4 billion pounds less than forecast last month.

Based on recent data, milk production for 2015 is forecast higher at 208.8 billion pounds, with cows numbering 9.315 million and milk per cow at 22,425 pounds per head. Higher domestic commercial disappearance is expected, at 202.3 billion pounds, 0.5 billion pounds more than forecast last month. On a skim-solids basis, domestic commercial disappearance is forecast at 175.1 billion pounds, 0.6 billion pounds less. Forecasts for 2015 ending stocks have been raised by 0.3 billion pounds on a milk-fat basis and 0.1 billion pounds on a skim-solids basis.

For 2015, price forecasts for butter and cheese have been raised to \$1.810-\$1.870 and \$1.650-\$1.680 per pound, respectively, based upon recent data and expectations of robust demand for butter and cheese. Prices for NDM and whey have been lowered to \$0.945-\$0.975 per pound and 44.0-46.0 cents per pound, respectively, based upon recent data and competition from foreign exporters. The Class III price forecast has been lowered slightly to \$16.15-\$16.45 per cwt, as the lower expected whey price more than offsets the higher expected cheese price. The Class IV price forecast has been lowered to \$13.70-\$14.10 per cwt, as the lower expected NDM price more than offsets the higher expected butter price. The all-milk price forecast for 2015 is \$17.05-\$17.35, lower than last month's forecast of \$17.15-\$17.55.(cont'd on page 4)

## Uniform Price Up

The uniform price in Fulton County, GA, was \$18.94 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.35 higher than the previous month and is \$6.94 per hundredweight lower compared to June 2014.

Class I utilization was 71.42 percent in June 2015, 3.74 percent higher than the previous month and 2.78 percent higher than June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2015 was 18.35 billion pounds, up 1.4 percent from May 2014 and 0.2 percent lower when compared with April 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 989 million pounds, 1.8 percent above May 2014 and 1.4 percent below April 2015 on a daily average basis. Butter production was 169 million pounds, 1.9 percent above May 2014 and 0.1 percent lower than April 2015 on a daily average basis.

Nonfat dry milk powder production was 178.2 million pounds in May 2015, 9.9 percent higher than May of last year and 5.2 percent lower than April 2015 on a daily average basis. Total dry whey production was 80.0 million pounds in May 2015, 3.0 percent less than May 2014 and 1.2 percent more than April 2015 on a daily average basis. Whey protein concentrates production was 44.1 million pounds in May 2015, 5.0 percent less than May 2014 but 1.9 percent higher than the April 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 1.96 in May 2015, down 0.01 from the prior month and down from the 2.24 ratio of May 2014.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.18%	6,693,195	\$2.0281	\$ 13,574,468.79
Class I Differential at Location				219,453.32
Class II Butterfat	38.09%	5,770,313	\$2.1081	12,164,396.84
Class III Butterfat	6.75%	1,022,081	\$2.1011	2,147,494.38
Class IV Butterfat	10.98%	1,663,928	\$2.1011	3,496,079.13
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,149,517</b>		<b>\$ 31,601,892.46</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0860**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	72.42%	297,410,770	\$9.37 /cwt.	\$ 27,867,389.15
Class I Butterfat	44.18%	6,693,195	\$2.0281 /lb.	13,574,468.79
Class I Differential at Location		304,103,965		9,945,942.87
<b>Total Class I Milk</b>	<b>71.42%</b>	<b>304,103,965</b>		<b>\$ 51,387,800.81</b>
Class II Skim Milk	12.25%	50,305,003	\$7.66 /cwt.	\$ 3,853,363.25
Class II Butterfat	38.09%	5,770,313	\$2.1081 /lb.	12,164,396.84
<b>Total Class II Milk</b>	<b>13.17%</b>	<b>56,075,316</b>		<b>\$ 16,017,760.09</b>
Class III Skim Milk	8.37%	34,354,072	\$9.71 /cwt.	\$ 3,335,780.40
Class III Butterfat	6.75%	1,022,081	\$2.1011 /lb.	2,147,494.38
<b>Total Class III Milk</b>	<b>8.31%</b>	<b>35,376,153</b>		<b>\$ 5,483,274.78</b>
Class IV Skim Milk	6.96%	28,578,692	\$6.78 /cwt.	\$ 1,937,635.32
Class IV Butterfat	10.98%	1,663,928	\$2.1011 /lb.	3,496,079.13
<b>Total Class IV Milk</b>	<b>7.10%</b>	<b>30,242,620</b>		<b>\$ 5,433,714.45</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>425,798,054</b>		<b>\$ 78,322,550.13</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$114,351.42
Producer butterfat at uniform butterfat price	(\$31,601,892.46)
Location Adjustments to Producers	\$2,648,152.82
1/2 Unobligated Balance in P.S.F.	\$211,344.71

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.10147	\$49,694,506.62
	\$ 0.04147	\$170,293.07

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

**\$12.06**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.94\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JUN 2015	JUL 2015	MAY 2015	JUN 2015	JUN 2015
Appalachian (Charlotte)	\$ 19.54	\$ 19.93	\$ 17.83	\$ 18.24	66.33%
Arizona (Phoenix)	\$ 18.49	\$ 18.88	\$ 15.67	\$ 15.95	26.44%
Central (Kansas City)	\$ 18.14	\$ 18.53	\$ 15.98	\$ 16.30	34.77%
Florida (Tampa)	\$ 21.54	\$ 21.93	\$ 20.36	\$ 20.62	83.96%
Midwest (Cleveland)	\$ 18.14	\$ 18.53	\$ 15.98	\$ 16.26	33.80%
Northeast (Boston)	\$ 19.39	\$ 19.78	\$ 16.82	\$ 17.09	34.10%
Pacific Northwest (Seattle)	\$ 18.04	\$ 18.43	\$ 15.56	\$ 15.38	34.59%
<b>Southeast (Atlanta)</b>	<b>\$ 19.94</b>	<b>\$ 20.33</b>	<b>\$ 18.59</b>	<b>\$ 18.94</b>	<b>71.42%</b>
Southwest (Dallas)	\$ 19.14	\$ 19.53	\$ 16.74	\$ 17.21	57.05%
Upper Midwest (Chicago)	\$ 17.94	\$ 18.33	\$ 16.20	\$ 16.62	13.10%

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

<b>Receipts:</b>	<b>June 2015</b>	<b>June 2014</b>
<b>Producer Milk</b>		
Class I	304,103,965	293,083,147
Class II	56,075,316	50,414,241
Class III	35,376,153	52,090,035
Class IV	30,242,620	31,390,628
Total Producer Milk	<u>425,798,054</u>	<u>426,978,051</u>
Average Butterfat Test	3.56%	3.51%
Percent of Producer Milk in Class I	71.42%	68.64%
Daily Average Receipts	14,193,268	14,232,602
<b>Other Source Milk</b>		
Class I	6,595,337	4,129,344
Class II	5,992,199	6,010,840
Class III	1,448,947	8,143,054
Class IV	3,470,121	6,182,260
Total Other Source Milk	<u>17,506,604</u>	<u>24,465,498</u>
<b>Overage</b>		
Class I	0	0
Class II	0	6,258
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>6,258</u>
<b>Opening Inventory</b>		
Class I	17,365,818	19,194,697
Class II	2,291,970	165,004
Class III	2,845,085	4,503,285
Class IV	19,510,979	12,930,203
Total Opening Inventory	<u>42,013,852</u>	<u>36,793,189</u>
<b>Total Receipts</b>	<b>485,318,510</b>	<b>488,242,996</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,263,162	17,683,015
Route Disposition Class I	293,237,123	290,215,160
Shrinkage	1,768,657	1,914,449
Transfers & Diversions to Nonpool	11,796,178	6,594,564
Total Class I Utilization	<u>328,065,120</u>	<u>316,407,188</u>
Average Butterfat Test	2.19%	2.15%
Daily Average Utilization	10,935,504	10,546,906
<b>Class II Utilization</b>		
Nonfluid Used To Produce	3,383,894	2,828,885
Shrinkage	7,897	60,720
Transfers & Diversions to Nonpool/Commercial Foods	16,833,735	36,844,565
Used To Produce/Other Uses	14,133,959	16,862,173
Total Class II Utilization	<u>64,359,485</u>	<u>56,596,343</u>
Average Butterfat Test	8.99%	10.25%
<b>Class III Utilization</b>		
Shrinkage	2,804	5,496,089
Transfers & Diversions to Nonpool	39,667,381	55,652,359
Used To Produce/Other Uses	0	3,587,926
Total Class III Utilization	<u>39,670,185</u>	<u>64,736,374</u>
Average Butterfat Test	2.84%	2.73%
<b>Class IV Utilization</b>		
Inventory	15,842,873	20,843,942
Nonfluid Used To Fortify	779,822	679,980
Shrinkage	5,592,509	0
Transfers & Diversions to Nonpool	26,717,251	28,979,169
Used To Produce/Other Uses	4,291,265	0
Total Class IV Utilization	<u>53,223,720</u>	<u>50,503,091</u>
Average Butterfat Test	5.21%	5.22%
<b>Total Utilization</b>	<b>485,318,510</b>	<b>488,242,996</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2015 is \$18.94 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.06 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0860 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 72.42% of all producer skim milk (priced to handlers at \$9.37 per hundredweight, plus the Class I differential, see page 2) and 44.18% of producer butterfat (priced to handlers at \$2.0281 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.25% of all producer skim milk (\$7.66 per hundredweight) and 38.09% of producer butterfat (\$2.1081 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.37% of all producer skim milk (\$9.71 per hundredweight) and 6.75% of producer butterfat (\$2.1011 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.96% of all producer skim milk (\$6.78 per hundredweight) and 10.98% of producer butterfat (\$2.1011 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>May 2015</u></b>		
Whole Milk	119,797,357	33.23%
Fat Free Milk	31,385,499	8.71%
Lowfat Milk (incl. 1%)	44,015,578	12.21%
Reduced Fat Milk (incl. 2%)	122,452,916	33.97%
Cultured Fluid Milk (incl. Buttermilk)	7,134,587	1.98%
Flavored Drinks and Milk	35,733,918	9.91%
<b>Total Disposition in Marketing Area</b>	<b>360,519,855</b>	<b>100.0%</b>
Total Disposition by Pool Plants	273,332,165	75.82%
Total Disposition by Nonpool Plants	87,187,690	24.18%
<b>Total Disposition in Marketing Area</b>	<b>360,519,855</b>	<b>100.0%</b>

Receipts of producer milk during June totaled 425.8 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2015. Class I route disposition in the area was 360.5 million pounds in May.

### Dairy Forecast for 2016

(continued from page 1) The milk production forecast for 2016 has been lowered to 213.6 billion pounds, 0.3 billion pounds less than forecast last month. Despite higher feed costs, margins are still expected to encourage gradual expansion of the dairy herd, although at a slower rate than forecast last month. Milk cows are projected at 9.330 million head, 5 thousand cows less than forecast last month. Milk per cow is forecast at 22,890 pounds per head, 20 pounds less than forecast last month.

Stronger U.S. demand for butter is expected to boost domestic commercial disappearance on a milk-fat basis to 206.1 billion pounds, 0.9 billion pounds more than forecast last month. Commercial use on a skim-solids basis has been lowered to 178.1 billion pounds, 0.2 billion pounds less than forecast last month. Forecasts for ending stocks have been raised by 0.1 billion pounds on a milk-fat basis but are unchanged on a skim-solids basis.

The 2016 forecast for NDM has been lowered to \$1.065-\$1.135 as U.S. exporters maintain relatively low prices to meet competition. The whey price forecast has been lowered to 46.0-49.0 cents per pound. The cheese price forecast is unchanged at \$1.610-\$1.710 per pound. With greater expected domestic butter demand, the butter price has been raised to \$1.750-\$1.880 per pound. With the lower expected whey price, the Class III price has been lowered to \$15.90-\$16.90 per cwt. With the lower NDM price more than offsetting the higher butter price, the Class IV price has been lowered to \$14.45-\$15.55 per cwt. The all-milk price forecast for 2016 has been lowered to \$17.00-\$18.00 per cwt, a reduction from \$17.45-\$18.45 forecast last month.



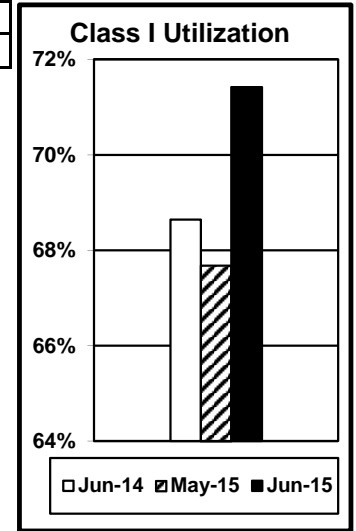
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2014	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
May 2014	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,950**	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%

\* 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 July through September 2015

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 2015	08/11/15	08/12/15	08/13/15	07/27/15	07/27/15	08/13/15	08/14/15
AUG 2015	09/11/15	09/14/15	09/15/15	08/25/15	08/26/15	09/15/15	09/16/15
SEP 2015	10/11/15	10/13/15	10/14/15	09/25/15	09/28/15	10/14/15	10/15/15

\*\* The base rate for making partial payments in Fulton County, GA for July will be \$17.05 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.94 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 – 543 July 10, 2015

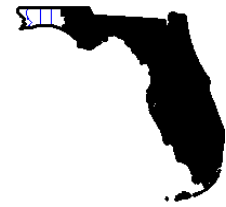
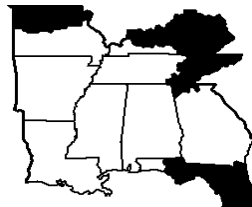
The milk production forecast for 2015 is raised on a slightly more rapid increase in cow numbers and milk per cow. However, higher expected feed prices and weaker milk prices during late 2015 and 2016 are expected to temper the rate of growth in production and the 2016 production forecast is lowered. Fat basis exports are reduced as competition in world markets is expected to be strong in both 2015 and 2016 and domestic butter demand is expected to absorb much of the available supply. Skim-solids exports are raised from last month as weaker nonfat dry milk (NDM) prices allow the United States to remain competitive in export markets. Fat basis and skim-solids imports are raised for both 2015 and 2016 on expectations of abundant global supplies of dairy products and continued strength in U.S. domestic demand for butter and cheese.

Cheese and butter prices for 2015 are raised from last month on continued domestic demand strength, but NDM and whey prices are forecast lower as the supplies of those products are abundant and prices decline to maintain competitiveness in export markets. For 2016, the cheese price is unchanged, but the butter price is raised on expectations of robust domestic demand. NDM and whey prices are reduced as lower prices are expected to maintain export competitiveness. For 2015 and 2016 Class III prices are reduced on lower whey prices. Class IV prices for both years are reduced on lower NDM prices. The all milk price is forecast at \$17.05 to \$17.35 per cwt for 2015 and \$17.00 to \$18.00 per cwt for 2016.

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



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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

August 2015



Southeast Marketing Area  
Federal Order 7

Volume 16—No. 8

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

## Dairy Outlook

*Excerpts from World Supply and Demand Estimates (WASDE) report, August 12, 2015:*

The milk production forecast for 2015 is unchanged from last month, but weaker milk prices in late 2015 and 2016 result in lower production for 2016 than forecast last month. Exports are reduced as competition in world markets is expected to be robust in both 2015 and 2016 and relatively strong domestic demand will likely encourage increased imports. Stocks at the end of 2015 are forecast higher than last month as a result of increased imports and reduced exports. Skim stocks for the end of 2016 are also forecast higher than last month.

Larger domestic supplies as a result of increased imports and weaker exports are expected to pressure product prices in 2015. Forecast prices for butter, cheese, nonfat dry milk (NDM) and whey are lowered from last month. Price forecasts for 2016 for cheese, whey, and NDM are reduced. However, domestic demand strength and expectations that milk will flow away from butter and NDM production in 2016 support an increase in the butter price forecast. NDM prices are expected to be pressured by continued competition in international markets. Class III and Class IV prices are reduced from last month for both 2015 and 2016. The all milk price is forecast at \$16.75 to \$16.95 per cwt for 2015 and \$16.40 to \$17.40 per cwt for 2016.

## California Hearing Announced

The U.S. Department of Agriculture will hold a public hearing starting on Sept. 22, 2015, in Clovis, Calif., to consider the establishment of a Federal Milk Marketing Order (FMMO) for California. Those interested in testifying should notify USDA upon arrival at the hearing. For a copy of the hearing notice and additional information, visit [www.ams.usda.gov/CAOrder](http://www.ams.usda.gov/CAOrder) or contact William Francis, Director, Order Formulation and Enforcement Division by mail at USDA/AMS/Dairy Program, Stop 0231-Room 2969-S, 1400 Independence Avenue, SW., Washington, DC 20250-0231; by phone at (202) 720-6274; or by e-mail at [william.francis@ams.usda.gov](mailto:william.francis@ams.usda.gov).

## Uniform Price Up

The uniform price in Fulton County, GA, was \$19.31 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.37 higher than the previous month and is \$7.12 per hundredweight lower compared to July 2014.

Class I utilization was 77.02 percent in July 2015, 5.60 percent higher than the previous month and 1.70 percent lower than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2015 was 17.45 billion pounds, up 0.7 percent from June 2014 and 1.9 percent lower when compared with May 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 959 million pounds, 1.5 percent above June 2014 and 0.2 percent higher than May 2015 on a daily average basis. Butter production was 143 million pounds, 1.7 percent above June 2014 but 13.1 percent below May 2015 on a daily average basis.

Nonfat dry milk powder production was 164.0 million pounds in June 2015, 10.6 percent higher than June of last year and 5.8 percent lower than May 2015 on a daily average basis. Total dry whey production was 80.7 million pounds in June 2015, 1.7 percent more than June 2014 and 3.4 percent more than May 2015 on a daily average basis. Whey protein concentrates production was 38.6 million pounds in June 2015, 11.6 percent less than June 2014 and 9.7 percent less than the May 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.06 in June 2015, up 0.1 from the prior month and down from the 2.20 ratio of June 2014.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.30%	6,996,580	\$2.1115	\$ 14,773,278.71
Class I Differential at Location				229,511.38
Class II Butterfat	37.70%	5,461,229	\$2.1195	11,575,074.85
Class III Butterfat	6.47%	936,514	\$2.1125	1,978,385.84
Class IV Butterfat	7.53%	1,091,425	\$2.1125	2,305,635.33
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,485,748</b>		<b>\$ 30,861,886.11</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1305**

### 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	78.07%	307,567,399	\$9.47 /cwt.	\$ 29,126,632.69
Class I Butterfat	48.30%	6,996,580	\$2.1115 /lb.	14,773,278.71
Class I Differential at Location		314,563,979		10,306,402.98
<b>Total Class I Milk</b>	<b>77.02%</b>	<b>314,563,979</b>		<b>\$ 54,206,314.38</b>
Class II Skim Milk	12.41%	48,909,500	\$7.55 /cwt.	\$ 3,692,667.27
Class II Butterfat	37.70%	5,461,229	\$2.1195 /lb.	11,575,074.85
<b>Total Class II Milk</b>	<b>13.31%</b>	<b>54,370,729</b>		<b>\$ 15,267,742.12</b>
Class III Skim Milk	5.45%	21,462,147	\$9.26 /cwt.	\$ 1,987,394.79
Class III Butterfat	6.47%	936,514	\$2.1125 /lb.	1,978,385.84
<b>Total Class III Milk</b>	<b>5.48%</b>	<b>22,398,661</b>		<b>\$ 3,965,780.63</b>
Class IV Skim Milk	4.07%	16,042,892	\$5.96 /cwt.	\$ 956,156.37
Class IV Butterfat	7.53%	1,091,425	\$2.1125 /lb.	2,305,635.33
<b>Total Class IV Milk</b>	<b>4.19%</b>	<b>17,134,317</b>		<b>\$ 3,261,791.70</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>408,467,686</b>		<b>\$ 76,701,628.83</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$30,631.38
Producer butterfat at uniform butterfat price	(\$30,861,886.11)
Location Adjustments to Producers	\$2,507,974.71
1/2 Unobligated Balance in P.S.F.	\$190,819.59

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.32777	\$48,569,168.40
	\$ 0.04777	\$188,186.42

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

**\$12.28**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.31\***

\* 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 %
	JUL 2015	AUG 2015	JUN 2015	JUL 2015	JUL 2015
Appalachian (Charlotte)	\$ 19.93	\$ 19.68	\$ 18.24	\$ 18.50	69.50%
Arizona (Phoenix)	\$ 18.88	\$ 18.63	\$ 15.95	\$ 15.76	28.15%
Central (Kansas City)	\$ 18.53	\$ 18.28	\$ 16.30	\$ 16.27	36.82%
Florida (Tampa)	\$ 21.93	\$ 21.68	\$ 20.62	\$ 21.05	86.76%
Mideast (Cleveland)	\$ 18.53	\$ 18.28	\$ 16.26	\$ 16.16	35.30%
Northeast (Boston)	\$ 19.78	\$ 19.53	\$ 17.09	\$ 16.91	31.30%
Pacific Northwest (Seattle)	\$ 18.43	\$ 18.18	\$ 15.38	\$ 15.18	34.96%
<b>Southeast (Atlanta)</b>	<b>\$ 20.33</b>	<b>\$ 20.08</b>	<b>\$ 18.94</b>	<b>\$ 19.31</b>	<b>77.02%</b>
Southwest (Dallas)	\$ 19.53	\$ 19.28	\$ 17.21	\$ 17.25	43.84%
Upper Midwest (Chicago)	\$ 18.33	\$ 18.08	\$ 16.62	\$ 16.35	14.90%

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

<b>Receipts:</b>	<b>July 2015</b>	<b>July 2014</b>
<b>Producer Milk</b>		
Class I	314,563,979	312,071,660
Class II	54,370,729	43,028,822
Class III	22,398,661	30,306,981
Class IV	17,134,317	10,980,245
Total Producer Milk	<u>408,467,686</u>	<u>396,387,708</u>
Average Butterfat Test	3.55%	3.54%
Percent of Producer Milk in Class I	77.02%	78.72%
Daily Average Receipts	13,176,377	12,786,700
<b>Other Source Milk</b>		
Class I	6,943,501	4,928,016
Class II	5,890,454	8,615,997
Class III	226,048	2,047,022
Class IV	2,800,779	2,420,660
Total Other Source Milk	<u>15,860,782</u>	<u>18,011,695</u>
<b>Overage</b>		
Class I	0	0
Class II	0	14,922
Class III	0	117
Class IV	0	0
Total Overage	<u>0</u>	<u>15,039</u>
<b>Opening Inventory</b>		
Class I	21,353,920	17,795,716
Class II	1,860,228	2,265,075
Class III	126,104	5,756,413
Class IV	12,748,777	12,727,858
Total Opening Inventory	<u>36,089,029</u>	<u>38,554,062</u>
<b>Total Receipts</b>	<b>460,417,497</b>	<b>452,968,504</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	24,528,386	24,070,250
Route Disposition Class I	303,247,252	301,293,495
Shrinkage	2,415,796	2,406,556
Transfers & Diversions to Nonpool	12,669,966	7,025,091
Total Class I Utilization	<u>342,861,400</u>	<u>334,795,392</u>
Average Butterfat Test	2.21%	2.16%
Daily Average Utilization	11,060,045	10,799,851
<b>Class II Utilization</b>		
Nonfluid Used To Produce	3,212,968	2,898,266
Shrinkage	7,121	78,247
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	44,490,784	36,848,018
Total Class II Utilization	<u>14,410,538</u>	<u>14,100,285</u>
Average Butterfat Test	62,121,411	53,924,816
Average Butterfat Test	8.84%	9.57%
<b>Class III Utilization</b>		
Shrinkage	0	5,085,088
Transfers & Diversions to Nonpool	22,750,813	29,346,211
Used To Produce/Other Uses	0	3,688,117
Total Class III Utilization	<u>22,750,813</u>	<u>38,119,416</u>
Average Butterfat Test	4.43%	3.65%
<b>Class IV Utilization</b>		
Inventory	9,313,029	12,290,542
Nonfluid Used To Fortify	706,863	722,722
Shrinkage	6,048,681	13,114,751
Transfers & Diversions to Nonpool	12,719,391	13,115,616
Used To Produce/Other Uses	3,895,909	0
Total Class IV Utilization	<u>32,683,873</u>	<u>26,128,880</u>
Average Butterfat Test	6.03%	7.78%
<b>Total Utilization</b>	<b>460,417,497</b>	<b>452,968,504</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2015 is \$19.31 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.28 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1305 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 78.07% of all producer skim milk (priced to handlers at \$9.47 per hundredweight, plus the Class I differential, see page 2) and 48.30% of producer butterfat (priced to handlers at \$2.1115 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.41% of all producer skim milk (\$7.55 per hundredweight) and 37.70% of producer butterfat (\$2.1195 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.45% of all producer skim milk (\$9.26 per hundredweight) and 6.47% of producer butterfat (\$2.1125 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.07% of all producer skim milk (\$5.96 per hundredweight) and 7.53% of producer butterfat (\$2.1125 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2015</b>		
Whole Milk	125,088,625	36.06%
Fat Free Milk	30,724,998	8.86%
Lowfat Milk (incl. 1%)	38,881,943	11.21%
Reduced Fat Milk (incl. 2%)	124,877,280	36.00%
Cultured Fluid Milk (incl. Buttermilk)	7,334,848	2.11%
Flavored Drinks and Milk	19,958,647	5.75%
<b>Total Disposition in Marketing Area</b>	<b>346,866,341</b>	<b>100.0%</b>
Total Disposition by Pool Plants	262,724,915	75.74%
Total Disposition by Nonpool Plants	84,141,426	24.26%
<b>Total Disposition in Marketing Area</b>	<b>346,866,341</b>	<b>100.0%</b>

Receipts of producer milk during July totaled 408.5 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2015. Class I route disposition in the area was 346.9 million pounds in June.

### Retail Prices for Whole Milk, Average of Three Outlets, Selected Cities, by Months, 2015

Prices are collected by Federal milk order market administrators based on a survey conducted one day between the 1st and 10th of each month in selected cities or metropolitan areas. One outlet of the largest and second largest food store chains and the largest convenience store chain are surveyed. The price represents the most common brand in nonreturnable plastic containers.

Type	City	January	February	March	April	May	June	July	Simple Average
2%	Atlanta, GA	4.02	3.82	3.82	3.76	3.76	3.88	3.82	3.84
2%	Miami, FL	4.14	4.02	3.78	4.02	3.91	3.75	3.74	3.91
2%	New Orleans, LA	4.28	4.25	4.62	4.11	4.04	4.01	4.01	4.19
Whole	Atlanta, GA	4.02	3.82	3.82	3.76	3.76	3.88	3.82	3.84
Whole	Miami, FL	4.14	4.09	3.78	4.08	3.98	3.75	3.75	3.94
Whole	New Orleans, LA	4.28	4.25	4.62	4.11	4.04	4.01	4.01	4.19
Organic 2%	Atlanta, GA	3.99	3.99	3.64	3.94	3.94	3.94	3.97	3.92
Organic 2%	Miami, FL	4.22	4.22	4.39	4.42	4.42	4.29	4.29	4.32
Organic 2%	New Orleans, LA	5.04	5.04	4.37	5.04	5.04	5.24	4.99	4.97
Organic Whole	Atlanta, GA	3.99	3.99	3.84	3.94	3.94	3.94	3.97	3.94
Organic Whole	Miami, FL	4.22	4.22	4.39	4.42	4.42	4.19	4.19	4.29
Organic Whole	New Orleans, LA	5.04	5.04	4.37	5.04	5.04	5.24	4.99	4.97

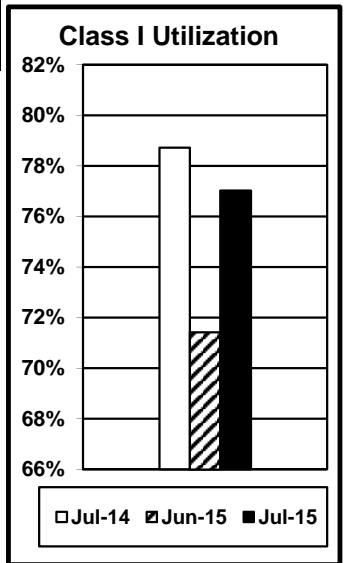
Source: <http://www.ams.usda.gov/sites/default/files/media/RetailMilkPrices.pdf>

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2014	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
May 2014	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,930**	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%



\* 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 2015

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 2015	09/11/15	09/14/15	09/15/15	08/25/15	08/26/15	09/15/15	09/16/15
SEP 2015	10/11/15	10/13/15	10/14/15	09/25/15	09/28/15	10/14/15	10/15/15
OCT 2015	11/11/15	11/12/15	11/13/15	10/26/15	10/26/15	11/13/15	11/16/15

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$17.38 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.31 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%

## 2015 Dairy Margin Protection Program Prices<sup>1/</sup>

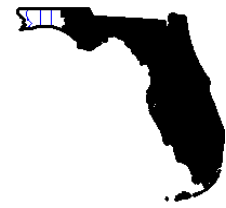
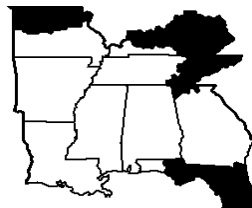
Month	Pay Periods	Corn (\$/bu)	Alfalfa Hay (\$/ton)	Soybean Meal (\$/ton)	All Milk (\$/cwt)	Final Feed Costs for MPP-D (\$/cwt)	Milk Margin Above Feed Costs (\$/cwt)	Milk Margin /pay Period*
June	3	3.58	178	335.03	16.90	8.74170	8.15831	7.99534
May		3.62	192	320.23	16.70	8.86763	7.83237	
Apr	2	3.75	184	336.61	16.50	9.01788	7.48212	7.50415
Mar		3.81	172	357.83	16.60	9.07382	7.52618	
Feb	1	3.79	172	370.38	16.80	9.14461	7.65540	7.99554
Jan		3.81	174	380.02	17.60	9.26432	8.33569	

\* At a milk margin minus feed costs of \$8 or less, payments are possible depending on the level of coverage chosen by the dairy producer.

<sup>1/</sup> For more information, please visit: <http://www.fsa.usda.gov/programs-and-services/Dairy-MPP/index>



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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

September 2015



Southeast Marketing Area  
Federal Order 7

Volume 16—No. 9

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

## Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, September 17, 2015, Economic Research Service, USDA:*

The Dairy exports fell from June to July on both the milk-fat and skim-solids milk-equivalent bases, reflecting weak global demand and competition from foreign countries. Products with significant month-over-month declines in exports included milk powder, fresh cheese, and cream.

Dairy imports increased from June to July on a milk-fat milk-equivalent basis. Products with significant month-over-month increases in imports included butter, anhydrous milk fat (AMF), and cheese.

The U.S. domestic nonfat dry milk price (NDM) averaged \$0.744 per pound in August, the lowest monthly price since June 1988. The price reached a low point of \$0.736 per pound for the week ending August 22 but increased to \$0.755 for the week ending September 5. The domestic dry whey price averaged \$0.311 per pound in August, the lowest monthly level since September 2009. The price fell from \$0.355 for the week ending August 8 to \$0.269 for the week ending September 5. Export prices of major competitors for skim milk powder (SMP) and dry whey were similar for August. SMP prices for Oceania and Western Europe were \$0.737 and \$0.798 per pound, respectively. The Western Europe dry whey export price for August was \$0.303 per pound.

In contrast to NDM and dry whey, butter showed large differences between the August U.S. domestic price and foreign export prices. The U.S. domestic price was \$2.044 per pound, while the Oceania and Western Europe export prices were \$1.24 and \$1.28 per pound, respectively. The over-quota tariff for butter is about \$0.70 per pound. With large gaps between foreign and domestic prices, some importers have found it economical to import at the over-quota tariff rate. In recent months, most of the butter was imported at the relatively high over-quota tariff rate. In recent weeks, domestic butter prices have moved further upward, reaching \$2.229 for the week ending September 5, as reported in the USDA National Dairy Product Sales Report. The domestic cheddar (continued on page 4)

## Uniform Price Lower in August

The uniform price in Fulton County, GA, was \$19.18 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.13 lower than the previous month and is \$8.21 per hundredweight lower compared to August 2014.

Class I utilization was 77.00 percent in August 2015, 0.02 percent lower than the previous month and 2.02 percent lower than August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2015 was 17.65 billion pounds, up 1.2 percent from July 2014 and 2.3 percent lower when compared with June 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 988 million pounds, 3.1 percent above July 2014 and 0.8 percent below June 2015 on a daily average basis. Butter production was 133 million pounds, 3.2 percent below July 2014 and 9.2 percent below June 2015 on a daily average basis.

Nonfat dry milk powder production was 155.1 million pounds in July 2015, 6.8 percent lower than July of last year and 9.1 percent lower than June 2015 on a daily average basis. Total dry whey production was 80.7 million pounds in July 2015, 9.8 percent more than July 2014 and 8.2 percent less than June 2015 on a daily average basis. Whey protein concentrates production was 41.4 million pounds in July 2015, 7.1 percent less than July 2014 and 4.2 percent more than the July 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.01 in July 2015, down 0.05 from the prior month and down 0.35 from the ratio of July 2014.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2015**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.76%	6,587,184	\$2.1332	\$ 14,051,780.90
Class I Differential at Location				214,365.76
Class II Butterfat	39.81%	5,992,379	\$2.2744	13,629,066.79
Class III Butterfat	5.63%	847,154	\$2.2674	1,920,836.99
Class IV Butterfat	10.80%	1,625,745	\$2.2674	3,686,214.23
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,052,462</b>		<b>\$ 33,502,264.67</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$2.2257**

**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	78.23%	317,889,557	\$9.13 /cwt.	\$ 29,023,316.54
Class I Butterfat	43.76%	6,587,184	\$2.1332 /lb.	14,051,780.90
Class I Differential at Location		324,476,741		10,624,560.39
<b>Total Class I Milk</b>	<b>77.00%</b>	<b>324,476,741</b>		<b>\$ 53,699,657.83</b>
Class II Skim Milk	13.47%	54,716,101	\$6.82 /cwt.	\$ 3,731,638.06
Class II Butterfat	39.81%	5,992,379	\$2.2744 /lb.	13,629,066.79
<b>Total Class II Milk</b>	<b>14.41%</b>	<b>60,708,480</b>		<b>\$ 17,360,704.85</b>
Class III Skim Milk	2.70%	10,977,150	\$8.64 /cwt.	\$ 948,425.77
Class III Butterfat	5.63%	847,154	\$2.2674 /lb.	1,920,836.99
<b>Total Class III Milk</b>	<b>2.81%</b>	<b>11,824,304</b>		<b>\$ 2,869,262.76</b>
Class IV Skim Milk	5.60%	22,738,884	\$5.14 /cwt.	\$ 1,168,778.65
Class IV Butterfat	10.80%	1,625,745	\$2.2674 /lb.	3,686,214.23
<b>Total Class IV Milk</b>	<b>5.78%</b>	<b>24,364,629</b>		<b>\$ 4,854,992.88</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>421,374,154</b>		<b>\$ 78,784,618.32</b>

**Adjustments**

Overage and Other Source	\$0.00
Inventory Adjustments	\$10,217.39
Producer butterfat at uniform butterfat price	(\$33,502,264.67)
Location Adjustments to Producers	\$2,622,249.83
1/2 Unobligated Balance in P.S.F.	\$194,163.32

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	\$ 11.84012	\$48,108,984.19
	\$ 0.04012	\$163,024.51

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

**\$11.80**

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

**\$19.18\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	AUG 2015	SEP 2015	JUL 2015	AUG 2015	AUG 2015
Appalachian (Charlotte)	\$ 19.68	\$ 19.74	\$ 18.50	\$ 18.37	69.20%
Arizona (Phoenix)	\$ 18.63	\$ 18.69	\$ 15.76	\$ 15.88	30.28%
Central (Kansas City)	\$ 18.28	\$ 18.34	\$ 16.27	\$ 16.27	34.85%
Florida (Tampa)	\$ 21.68	\$ 21.74	\$ 21.05	\$ 20.62	83.01%
Mideast (Cleveland)	\$ 18.28	\$ 18.34	\$ 16.16	\$ 16.05	36.60%
Northeast (Boston)	\$ 19.53	\$ 19.59	\$ 16.91	\$ 17.20	32.20%
Pacific Northwest (Seattle)	\$ 18.18	\$ 18.24	\$ 15.18	\$ 14.85	34.58%
<b>Southeast (Atlanta)</b>	<b>\$ 20.08</b>	<b>\$ 20.14</b>	<b>\$ 19.31</b>	<b>\$ 19.18</b>	<b>77.00%</b>
Southwest (Dallas)	\$ 19.28	\$ 19.34	\$ 17.25	\$ 17.27	29.32%
Upper Midwest (Chicago)	\$ 18.08	\$ 18.14	\$ 16.35	\$ 16.25	13.90%

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

<b>Receipts:</b>	<b>August 2015</b>	<b>August 2014</b>
<b>Producer Milk</b>		
Class I	324,476,741	324,524,034
Class II	60,708,480	42,487,449
Class III	11,824,304	24,785,927
Class IV	24,364,629	18,941,088
	<hr/>	<hr/>
Total Producer Milk	<b>421,374,154</b>	<b>410,738,498</b>
Average Butterfat Test	3.57%	3.56%
Percent of Producer Milk in Class I	77.00%	79.02%
Daily Average Receipts	13,592,715	13,249,629
 <b>Other Source Milk</b>		
Class I	19,202,216	11,909,624
Class II	6,334,817	8,416,358
Class III	56,605	2,874,783
Class IV	8,833,421	6,189,198
	<hr/>	<hr/>
Total Other Source Milk	<b>34,427,059</b>	<b>29,389,963</b>
 <b>Overage</b>		
Class I	0	0
Class II	0	771
Class III	0	0
Class IV	0	0
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>771</b>
 <b>Opening Inventory</b>		
Class I	24,528,386	24,066,571
Class II	429,990	633,640
Class III	218,839	232,004
Class IV	8,678,288	11,504,115
	<hr/>	<hr/>
Total Opening Inventory	<b>33,855,503</b>	<b>36,436,330</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>489,656,716</b>	<b>476,565,562</b>
 <b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,085,512	21,761,840
Route Disposition Class I	330,403,601	327,866,983
Shrinkage	3,052,582	3,911,270
Transfers & Diversions to Nonpool	14,665,648	6,960,136
	<hr/>	<hr/>
Total Class I Utilization	<b>368,207,343</b>	<b>360,500,229</b>
Average Butterfat Test	2.02%	1.98%
Daily Average Utilization	11,877,656	11,629,040
 <b>Class II Utilization</b>		
Nonfluid Used To Produce	3,063,085	2,610,464
Shrinkage	0	15,203
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	49,727,902	33,807,103
	<hr/>	<hr/>
Total Class II Utilization	<b>67,473,287</b>	<b>51,538,218</b>
Average Butterfat Test	9.14%	9.87%
 <b>Class III Utilization</b>		
Shrinkage	763	6,347,590
Transfers & Diversions to Nonpool Used To Produce/Other Uses	12,098,985	17,811,658
	<hr/>	<hr/>
Total Class III Utilization	<b>12,099,748</b>	<b>27,892,714</b>
Average Butterfat Test	7.04%	5.33%
 <b>Class IV Utilization</b>		
Inventory	21,139,246	23,655,660
Nonfluid Used To Fortify	749,090	703,441
Shrinkage	5,559,772	1,085
Transfers & Diversions to Nonpool Used To Produce/Other Uses	10,596,334	12,274,215
	<hr/>	<hr/>
Total Class IV Utilization	<b>41,876,338</b>	<b>36,634,401</b>
Average Butterfat Test	6.21%	8.10%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>489,656,716</b>	<b>476,565,562</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2015 is \$19.18 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.80 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2257 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 78.23% of all producer skim milk (priced to handlers at \$9.13 per hundredweight, plus the Class I differential, see page 2) and 43.76% of producer butterfat (priced to handlers at \$2.1332 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.47% of all producer skim milk (\$6.82 per hundredweight) and 39.81% of producer butterfat (\$2.2744 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.70% of all producer skim milk (\$8.64 per hundredweight) and 5.63% of producer butterfat (\$2.2674 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.60% of all producer skim milk (\$5.14 per hundredweight) and 10.80% of producer butterfat (\$2.2674 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2015</b>		
Whole Milk	130,712,597	36.40%
Fat Free Milk	30,919,638	8.61%
Lowfat Milk (incl. 1%)	38,730,921	10.79%
Reduced Fat Milk (incl. 2%)	131,468,670	36.61%
Cultured Fluid Milk (incl. Buttermilk)	7,648,103	2.13%
Flavored Drinks and Milk	19,624,150	5.46%
<b>Total Disposition in Marketing Area</b>	<b>359,104,079</b>	<b>100.0%</b>
Total Disposition by Pool Plants	272,082,503	75.77%
Total Disposition by Nonpool Plants	87,021,576	24.23%
<b>Total Disposition in Marketing Area</b>	<b>359,104,079</b>	<b>100.0%</b>

Receipts of producer milk during August totaled 421.4 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2015. Class I route disposition in the area was 359.1 million pounds in July.

### Dairy Outlook

(Continued from page 1) cheese price in August was \$1.739 per pound, notably higher than the Oceania export price of \$1.35 per pound, but not high enough to attract substantial quantities of over-quota imports at the high-tier tariff for cheddar cheese of about \$0.58 per pound.

The milk production forecast for 2016 is 213.0 billion pounds, unchanged from last month. The forecast for domestic commercial disappearance on a milk-fat basis has been raised to 207.8 billion pounds (+1.1 billion pounds) due to higher expectations of butter demand and, to a lesser extent, cheese demand. The forecast for commercial disappearance on a skim-solids basis has been raised to 178.6 billion pounds (+0.2 billion pounds). The forecasts for ending stocks have been raised by 0.1 billion pounds on a milk-fat basis and are unchanged on a skim-solids basis.

With continued firm expected butter demand, the forecast for the 2016 butter price has been raised to \$1.785-\$1.915. The cheese price forecast has been lowered to \$1.590-\$1.690, as higher expected cheese production may pressure prices despite growing domestic demand. The NDM price forecast of \$0.950-\$1.020 is unchanged from last month. The dry whey price forecast has been lowered to \$0.345-\$0.375, reflecting relatively weak domestic demand and lower expectations for exports.

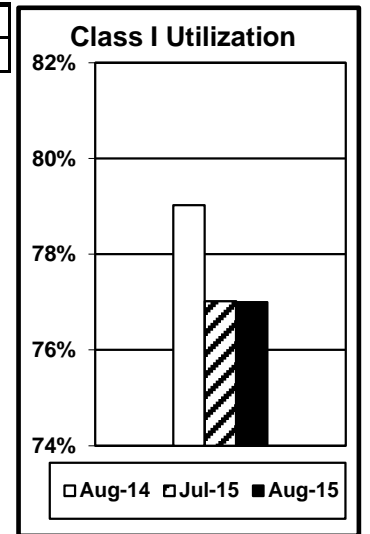
The 2015/16 forecast for corn is raised from last month to \$3.45-\$4.05 per bushel. The soybean meal price forecast is unchanged at \$310-\$350 per short ton. The alfalfa hay price fell from \$178 to \$169 per short ton from June to July.

**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 2014	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91											

**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 2014	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	1,900**	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%



\* 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 2015

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 2015	10/11/15	10/13/15	10/14/15	09/25/15	09/28/15	10/14/15	10/15/15
OCT 2015	11/11/15	11/12/15	11/13/15	10/26/15	10/26/15	11/13/15	11/16/15
NOV 2015	12/11/15	12/14/15	12/15/15	11/25/15	11/27/15	12/15/15	12/16/15

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$17.26 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.18 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/

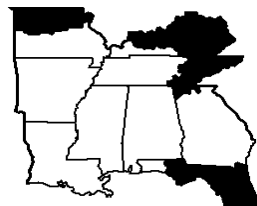
### WASDE – 545 September 11, 2015

The milk production forecast for 2015 is raised on a larger expected cow herd and slightly more rapid growth in milk per cow. However, the forecast for 2016 is unchanged. Fat-basis imports are increased and exports are reduced for 2015 and 2016. Domestic demand for butter, and to a lesser extent cheese, encourages imports and limits export potential. Fat basis ending stocks are raised. Skim-solids imports are unchanged for 2015 and 2016. Exports are reduced on lower expected sales of nonfat dry milk and whey.

Domestic demand for butter is expected to support relatively high prices in the United States. As a result, the butter price forecast is increased for both 2015 and 2016. Cheese prices are raised for 2015, but increased production in 2016 may pressure prices despite growing domestic demand. Thus, the price forecast for 2016 is lowered. Nonfat dry milk prices are forecast higher in 2015 reflecting the recent rebound in prices, but the forecast is unchanged for 2016. Whey prices are lowered for both 2015 and 2016. Class III prices are reduced for 2015 and 2016, largely reflecting lower whey prices. Class IV prices are raised primarily due to the higher butter price. The all milk price is raised to \$16.80 to \$17.00 per cwt for 2015, but lowered to \$16.10 to \$17.10 per cwt for 2016.

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  
1550 North Brown Road, Suite 120  
Lawrenceville, Georgia 30043



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

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# Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

October 2015



Volume 16—No. 10

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

## Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, October 16, 2015, Economic Research Service, USDA:*

Average national wholesale prices for basic dairy products, as reported by USDA Agricultural Marketing Service (AMS), moved in mixed directions from August to September. The cheddar cheese price decreased from \$1.739 to \$1.715 per pound. The nonfat dry milk (NDM) price rose from the low level of \$0.744 to \$0.801 per pound. The dry whey price fell substantially from \$0.311 to \$0.244 per pound. The greatest change was in the butter price, which rose from \$2.044 to \$2.445.

Notably, the daily Chicago Mercantile Exchange (CME) spot price for butter spiked over a few days to a record high of \$3.135 per pound on September 25, but the price fell substantially thereafter. The AMS September national average butter price of \$2.445 per pound was much higher than average export prices, as reported by AMS Dairy Market News: \$1.357 per pound for Oceania and \$1.309 per pound for Europe.

With large price differences between the domestic price and foreign export prices, butter imports have grown to high levels, even at the high-tier tariff rate of about \$0.70 per pound. For January through August 2015, licensed imports were 11.8 million pounds, high-tier butter imports were 12.4 million pounds, and imports under free trade agreements were 2.1 million pounds. With butter imports exceeding a trigger level of about 20.8 million pounds, a safeguard duty of \$0.233 per pound has been implemented, effective from October 5 through December 31, 2015.

Milk production for August was 0.8 percent above August 2014. While year-over-year milk production increased for most States, it was notably lower in California (-3.4 percent) and New Mexico (-4.3 percent). Notably, August ending stocks for cheese and dry whey were higher than August 2014 levels by 12 percent and 43 percent, respectively.

The 2015/16 forecast for corn is raised from last month to \$3.50-\$4.10 per bushel. The soybean meal price forecast is unchanged at \$310-\$350 per short ton. The alfalfa hay price fell from \$169 to \$159 per short ton from July to August.

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$20.19 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$1.01 higher than the previous month and is \$7.76 per hundredweight lower compared to September 2014.

Class I utilization was 80.14 percent in September 2015, 3.14 percent higher than the previous month and 1.98 percent lower than September of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in August 2015 was 17.37 billion pounds, up 0.8 percent from August 2014 and 1.6 percent lower compared with July 2015. Total cheese output (excluding cottage cheese) was 974 million pounds, 3.5 percent above August 2014 but 1.7 percent below July 2015. Butter production was 129 million pounds, 1.2 percent below August 2014 and 3.5 percent below July 2015.

Nonfat dry milk powder production was 124.4 million pounds in August, 6.7 percent higher than August 2014 and 20.1 percent lower than July 2015. Total dry whey production was 83.9 million pounds in August 2015, 18.1 percent more than August 2014 and 3.9 percent less than July 2015. Whey protein concentrates production was 39.8 million pounds in August, 11.4 percent less than August 2014 and 4.2 percent below July 2015.

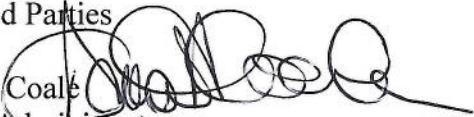
The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.11 in August 2015, an increase of 0.10 from the previous month but down from the 2.63 ratio from August of last year. This is based on a slightly higher all-milk price and lower prices observed for each of the feeds included in the calculation: corn, soybeans and alfalfa hay.



1400 Independence Avenue, SW.  
Room 2968-S, STOP 0225  
Washington, DC 20250-0225

October 20, 2015

TO: Interested Parties

FROM: Dana H. Coale   
Deputy Administrator  
Dairy Programs

SUBJECT: Appointment of Southeast and Florida Market Administrator

Effective October 18, the responsibilities for Erik Rasmussen, Northeast Market Administrator, have been expanded to include serving as the Southeast and Florida Market Administrator in addition to his responsibilities as the Northeast Market Administrator. Additionally, Shawn Boockoff, Assistant Northeast Market Administrator, will serve as Assistant Market Administrator for the Southeast and Florida orders.

After nearly 2 ½ years of service as Market Administrator for the Southeast and Florida orders, Patrick Clark has taken another position with the Office of the Deputy Administrator in Dairy Programs. Many thanks to Pat for his service as Market Administrator.

Dairy Programs looks forward to continuing to serve the Southeast and Florida dairy industries. Erik and Shawn can be reached by contacting the Atlanta MA office at 770.682.2501.



## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.71%	6,534,295	\$2.1653	\$ 14,148,708.97
Class I Differential at Location				213,660.19
Class II Butterfat	39.90%	5,830,545	\$2.7601	16,092,887.27
Class III Butterfat	7.40%	1,081,528	\$2.7531	2,977,554.74
Class IV Butterfat	7.99%	1,168,076	\$2.7531	3,215,830.05
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,614,444</b>		<b>\$ 36,648,641.22</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5077**

### 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	81.48%	314,515,518	\$9.08 /cwt.	\$ 28,558,009.03
Class I Butterfat	44.71%	6,534,295	\$2.1653 /lb.	14,148,708.97
Class I Differential at Location		321,049,813		10,513,953.32
<b>Total Class I Milk</b>	<b>80.14%</b>	<b>321,049,813</b>		<b>\$ 53,220,671.32</b>
Class II Skim Milk	12.13%	46,808,646	\$5.91 /cwt.	\$ 2,766,390.95
Class II Butterfat	39.90%	5,830,545	\$2.7601 /lb.	16,092,887.27
<b>Total Class II Milk</b>	<b>13.14%</b>	<b>52,639,191</b>		<b>\$ 18,859,278.22</b>
Class III Skim Milk	3.90%	15,053,446	\$6.41 /cwt.	\$ 964,925.88
Class III Butterfat	7.40%	1,081,528	\$2.7531 /lb.	2,977,554.74
<b>Total Class III Milk</b>	<b>4.03%</b>	<b>16,134,974</b>		<b>\$ 3,942,480.62</b>
Class IV Skim Milk	2.49%	9,594,817	\$5.64 /cwt.	\$ 541,147.66
Class IV Butterfat	7.99%	1,168,076	\$2.7531 /lb.	3,215,830.05
<b>Total Class IV Milk</b>	<b>2.69%</b>	<b>10,762,893</b>		<b>\$ 3,756,977.71</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>400,586,871</b>		<b>\$ 79,779,407.87</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$96,355.55
Producer butterfat at uniform butterfat price	(\$36,648,641.22)
Location Adjustments to Producers	\$2,436,514.19
1/2 Unobligated Balance in P.S.F.	\$176,870.08

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.87663	\$45,840,506.47
	\$ 0.04663	\$179,968.37

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

**\$11.83**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.19\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	SEP 2015	OCT 2015	AUG 2015	SEP 2015	SEP 2015
Appalachian (Charlotte)	\$ 19.74	\$ 19.24	\$ 18.37	\$ 19.44	72.35%
Arizona (Phoenix)	\$ 18.69	\$ 18.19	\$ 15.88	\$ 16.80	29.65%
Central (Kansas City)	\$ 18.34	\$ 17.84	\$ 16.27	\$ 16.68	33.01%
Florida (Tampa)	\$ 21.74	\$ 21.24	\$ 20.62	\$ 21.66	85.50%
Mideast (Cleveland)	\$ 18.34	\$ 17.84	\$ 16.05	\$ 16.77	33.40%
Northeast (Boston)	\$ 19.59	\$ 19.09	\$ 17.20	\$ 17.68	35.20%
Pacific Northwest (Seattle)	\$ 18.24	\$ 17.74	\$ 14.85	\$ 16.36	35.74%
<b>Southeast (Atlanta)</b>	<b>\$ 20.14</b>	<b>\$ 19.64</b>	<b>\$ 19.18</b>	<b>\$ 20.19</b>	<b>80.14%</b>
Southwest (Dallas)	\$ 19.34	\$ 18.84	\$ 17.27	\$ 17.49	30.49%
Upper Midwest (Chicago)	\$ 18.14	\$ 17.64	\$ 16.25	\$ 16.20	11.90%

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

<b>Receipts:</b>	<b>September 2015</b>	<b>September 2014</b>
<b>Producer Milk</b>		
Class I	321,049,813	325,260,209
Class II	52,639,191	38,870,117
Class III	16,134,974	13,245,082
Class IV	10,762,893	18,723,589
Total Producer Milk	<u>400,586,871</u>	<u>396,098,997</u>
Average Butterfat Test	3.65%	3.60%
Percent of Producer Milk in Class I	80.14%	82.12%
Daily Average Receipts	13,352,896	13,203,300
<b>Other Source Milk</b>		
Class I	19,136,040	14,496,313
Class II	5,376,026	11,106,286
Class III	22,458	406,636
Class IV	6,377,124	5,860,704
Total Other Source Milk	<u>30,911,648</u>	<u>31,869,939</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	20,668,065	22,481,016
Class II	1,921,128	1,000,722
Class III	293,513	132,563
Class IV	18,342,051	21,726,989
Total Opening Inventory	<u>41,224,757</u>	<u>45,341,290</u>
<b>Total Receipts</b>	<b>472,723,276</b>	<b>473,310,226</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	19,778,389	22,742,787
Route Disposition Class I	325,273,302	328,566,399
Shrinkage	2,976,228	3,196,237
Transfers & Diversions to Nonpool	12,825,999	7,732,115
Total Class I Utilization	<u>360,853,918</u>	<u>362,237,538</u>
Average Butterfat Test	2.01%	1.94%
Daily Average Utilization	12,028,464	12,074,585
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,457,686	2,654,933
Shrinkage	0	3,015
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	45,270,050	35,798,275
Total Class II Utilization	<u>12,208,609</u>	<u>12,520,902</u>
Average Butterfat Test	59,936,345	50,977,125
Average Butterfat Test	10.11%	10.47%
<b>Class III Utilization</b>		
Shrinkage	1,090	0
Transfers & Diversions to Nonpool	16,449,855	13,784,281
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>16,450,945</u>	<u>13,784,281</u>
Average Butterfat Test	6.83%	7.27%
<b>Class IV Utilization</b>		
Inventory	17,680,564	19,857,771
Nonfluid Used To Fortify	760,854	737,871
Shrinkage	5,939,179	5,864,629
Transfers & Diversions to Nonpool	7,100,731	15,665,363
Used To Produce/Other Uses	4,000,740	4,185,648
Total Class IV Utilization	<u>35,482,068</u>	<u>46,311,282</u>
Average Butterfat Test	6.93%	7.19%
<b>Total Utilization</b>	<b>472,723,276</b>	<b>473,310,226</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2015 is \$20.19 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.83 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5077 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 81.48% of all producer skim milk (priced to handlers at \$9.08 per hundredweight, plus the Class I differential, see page 2) and 44.71% of producer butterfat (priced to handlers at \$2.1653 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.13% of all producer skim milk (\$5.91 per hundredweight) and 39.90% of producer butterfat (\$2.7601 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.90% of all producer skim milk (\$6.41 per hundredweight) and 7.40% of producer butterfat (\$2.7531 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.49% of all producer skim milk (\$5.64 per hundredweight) and 7.99% of producer butterfat (\$2.7531 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2015</b>		
Whole Milk	125,105,135	32.09%
Fat Free Milk	32,432,014	8.32%
Lowfat Milk (incl. 1%)	47,276,349	12.13%
Reduced Fat Milk (incl. 2%)	129,567,868	33.23%
Cultured Fluid Milk (incl. Buttermilk)	7,681,439	1.97%
Flavored Drinks and Milk	47,843,971	12.27%
<b>Total Disposition in Marketing Area</b>	<b>389,906,776</b>	<b>100.0%</b>
Total Disposition by Pool Plants	298,392,783	76.53%
Total Disposition by Nonpool Plants	91,513,993	23.47%
<b>Total Disposition in Marketing Area</b>	<b>389,906,776</b>	<b>100.0%</b>

Receipts of producer milk during September totaled 400.6 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2015. Class I route disposition in the area was 389.9 million pounds in August.

### USDA Extends Dairy Margin Protection Program Deadline

On September 22, 2015, Agriculture Secretary Tom Vilsack announced that the deadline to enroll for the Dairy Margin Protection Program for coverage in 2016 has been extended until Nov. 20, 2015. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating farmers when the margin (the difference between the price of milk and feed costs) falls below the coverage level selected by the farmer. To enroll in the program, a dairy farmer needs to contact a local USDA Service Center. A locator is available online at this address: <http://offices.sc.egov.usda.gov/locator/app>.

### Hearing Request – Organic Milk Amendment to All Federal Orders

On September 29, 2015, USDA received a formal request from the Organic Trade Association for a national hearing to amend all Federal Milk Marketing Orders regarding organic milk. The proposal is available at <http://www.ams.usda.gov/rules-regulations/moa/dairy/organic-amendment>.

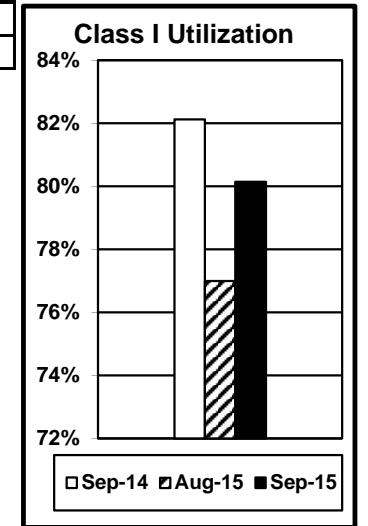
Additional information regarding Federal Milk Marketing Orders can be found at <http://www.ams.usda.gov/rules-regulations/moa/dairy>.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Aug 2014	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Aug 2014	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	2,000**	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%



\* 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 2015

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 2015	11/11/15	11/12/15	11/13/15	10/26/15	10/26/15	11/13/15	11/16/15
NOV 2015	12/11/15	12/14/15	12/15/15	11/25/15	11/27/15	12/15/15	12/16/15
DEC 2015	01/11/16	01/12/16	01/13/16	12/28/15	12/28/15	01/13/16	01/14/16

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$18.17 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.19 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 – 546 October 9, 2015

Milk production forecasts for 2015 and 2016 are unchanged from last month. Fat-basis imports are increased as domestic demand continues to support higher imports of cheese and butter. Exports are reduced for 2015 on weaker cheese sales, but are unchanged for 2016. Skim-solids imports are reduced for 2015 and 2016, while exports are reduced for 2015 and unchanged for 2016. Large world supplies of dairy products, a strong dollar, and generally weak global demand are expected to continue to pressure exports during 2015 and 2016.

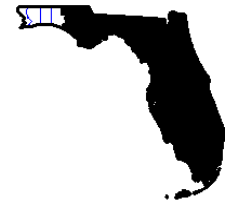
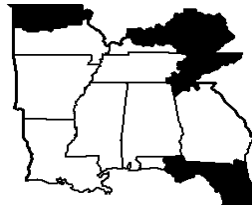
Although butter prices have declined sharply from recent high levels, domestic demand for butter is expected to support relatively high butter prices during 2016. The butter price for 2015 is unchanged at the midpoint, and is raised for 2016. Cheese prices are raised for 2015 and 2016 on support from domestic demand. Nonfat dry milk (NDM) prices are forecast higher in 2015 and 2016 reflecting a rebound in both domestic and international prices. Whey prices are lowered for both 2015 and 2016 as supplies are large. Class III prices are raised for 2015, but lowered for 2016 as the decline in whey prices more than offsets higher cheese prices. Class IV prices are raised for both 2015 and 2016 due to higher butter and NDM prices. The all milk price is raised to \$16.90 to \$17.00 per cwt for 2015, but lowered to \$16.05 to \$16.95 per cwt for 2016.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

November 2015

Volume 16—No. 11

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

## Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, November 17, 2015, Economic Research Service, USDA:*

Average national wholesale prices for basic dairy products, as reported by USDA Agricultural Marketing Service (AMS), moved in mixed directions from September to October. The cheddar cheese price decreased from \$1.715 to \$1.679 per pound. The nonfat dry milk price (NDM) rose from \$0.801 to \$0.895 per pound. The dry whey price fell from 24.4 to 23.1 cents per pound. The greatest change was in the butter price, which rose from \$2.445 to \$2.573 per pound.

The butter price has been particularly variable in recent weeks. National average butter prices, as reported in the AMS National Dairy Products Sale Report (NDPSR), are highly correlated with Chicago Mercantile Exchange (CME) spot prices of the previous week. After the CME average butter price reached a peak of \$2.970 per pound for the week ending September 26, the NDPSR price peaked at \$2.865 the following week. CME and NDPSR prices fell substantially for the 2 weeks following peak levels before rising significantly in more recent weeks.

The milk production forecast for 2016 has been lowered to 212.9 billion pounds, 0.1 billion pounds less than forecast last month. The milk cow forecasts have been lowered for the first half of the year, resulting in an annual forecast of 9.305 million head. The yield of 22,880 pounds per head is unchanged from last month.

Based on recent data and expectations of lower exports of butterfat products and cheese, the 2016 forecast for exports on a milk-fat basis has been lowered by 0.6 billion pounds. The forecast for exports on a skim-solids basis is unchanged. The 2016 forecast for imports has been lowered on both a milk-fat basis (-0.1 billion pounds) and a skim solids basis (-0.2 billion pounds), based on lower expected imports of milk protein concentrate and casein.

The forecast for 2016 domestic commercial use on a milk-fat basis has been raised by 0.6 billion pounds based on expectations of stronger cheese and butter demand. With relatively high supplies expected for cheese, butter, and NDM, price forecasts have been lowered to \$1.595-\$1.685, \$1.835-1.955, and \$0.955-\$1.025 per pound, respectively. The dry whey forecast is unchanged at 28.0-31.0 cents per pound.

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$19.43 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$0.76 lower than the previous month and is \$7.30 per hundredweight lower compared to October 2014.

Class I utilization was 80.53 percent in October 2015, 0.39 percent higher than the previous month and 0.48 percent lower than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2015 was 16.59 billion pounds, up 0.4 percent from September 2014 and 1.4 percent lower compared with August 2015. Total cheese output (excluding cottage cheese) was 956 million pounds, 2.4 percent above September 2014 and 0.9 percent higher than August 2015 on a daily average basis. Butter production was 134 million pounds, 0.9 percent higher than September 2014 and 7.8 percent above August 2015 on a daily average basis.

Nonfat dry milk powder production was 121.0 million pounds in September, 7.3 percent higher than September of last year and 0.2 percent more than August 2015 on a daily average basis. Total dry whey production was 78.4 million pounds in September 2015, up 12.5 percent September 2014 and 3.5 percent less than August 2015 on a daily average basis. Whey protein concentrates production was 37.4 million pounds in September, 9.4 percent less than September 2014 and 3.1 percent below August 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.25 in September 2015, an increase of 0.14 from the previous month but down from the 2.96 ratio from September of last year.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2015

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.80%	6,828,156	\$2.7152	\$ 18,539,809.21
Class I Differential at Location				221,484.28
Class II Butterfat	39.09%	6,094,619	\$2.9157	17,770,080.63
Class III Butterfat	8.22%	1,282,338	\$2.9087	3,729,936.52
Class IV Butterfat	8.89%	1,386,355	\$2.9087	4,032,490.80
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,591,468</b>		<b>\$ 44,293,801.44</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.8409**

### 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	81.97%	326,651,796	\$6.57 /cwt.	\$ 21,461,023.00
Class I Butterfat	43.80%	6,828,156	\$2.7152 /lb.	18,539,809.21
Class I Differential at Location		333,479,952		10,896,624.41
<b>Total Class I Milk</b>	<b>80.53%</b>	<b>333,479,952</b>		<b>\$ 50,897,456.62</b>
Class II Skim Milk	12.13%	48,348,866	\$6.46 /cwt.	\$ 3,123,336.72
Class II Butterfat	39.09%	6,094,619	\$2.9157 /lb.	17,770,080.63
<b>Total Class II Milk</b>	<b>13.15%</b>	<b>54,443,485</b>		<b>\$ 20,893,417.35</b>
Class III Skim Milk	4.88%	19,426,730	\$5.47 /cwt.	\$ 1,062,642.14
Class III Butterfat	8.22%	1,282,338	\$2.9087 /lb.	3,729,936.52
<b>Total Class III Milk</b>	<b>5.00%</b>	<b>20,709,068</b>		<b>\$ 4,792,578.66</b>
Class IV Skim Milk	1.02%	4,062,766	\$6.48 /cwt.	\$ 263,267.23
Class IV Butterfat	8.89%	1,386,355	\$2.9087 /lb.	4,032,490.80
<b>Total Class IV Milk</b>	<b>1.32%</b>	<b>5,449,121</b>		<b>\$ 4,295,758.03</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>414,081,626</b>		<b>\$ 80,879,210.66</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$11,649.67
Producer butterfat at uniform butterfat price	(\$44,293,801.44)
Location Adjustments to Producers	\$2,611,954.31
1/2 Unobligated Balance in P.S.F.	\$160,853.52

### Adjusted Pool Value

	<b>\$ 9.87976</b>	<b>\$39,369,866.72</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04976</b>	\$198,284.20

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

**\$9.83**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.43\***

\* 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 2015	NOV 2015	SEP 2015	OCT 2015	OCT 2015
Appalachian (Charlotte)	\$ 19.24	\$ 19.88	\$ 19.44	\$ 18.82	73.29%
Arizona (Phoenix)	\$ 18.19	\$ 18.83	\$ 16.80	\$ 16.80	28.94%
Central (Kansas City)	\$ 17.84	\$ 18.48	\$ 16.68	\$ 16.28	33.71%
Florida (Tampa)	\$ 21.24	\$ 21.88	\$ 21.66	\$ 20.89	87.02%
Mideast (Cleveland)	\$ 17.84	\$ 18.48	\$ 16.77	\$ 16.59	34.00%
Northeast (Boston)	\$ 19.09	\$ 19.73	\$ 17.68	\$ 17.60	37.60%
Pacific Northwest (Seattle)	\$ 17.74	\$ 18.38	\$ 16.36	\$ 16.28	23.54%
<b>Southeast (Atlanta)</b>	<b>\$ 19.64</b>	<b>\$ 20.28</b>	<b>\$ 20.19</b>	<b>\$ 19.43</b>	<b>80.53%</b>
Southwest (Dallas)	\$ 18.84	\$ 19.48	\$ 17.49	\$ 17.06	31.16%
Upper Midwest (Chicago)	\$ 17.64	\$ 18.28	\$ 16.20	\$ 15.77	11.10%

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

<b>Receipts:</b>	<b>October 2015</b>	<b>October 2014</b>
<b>Producer Milk</b>		
Class I	333,479,952	334,618,400
Class II	54,443,485	47,912,975
Class III	20,709,068	14,615,380
Class IV	5,449,121	15,884,210
	<hr/>	<hr/>
Total Producer Milk	<b>414,081,626</b>	<b>413,030,965</b>
Average Butterfat Test	3.76%	3.71%
Percent of Producer Milk in Class I	80.53%	81.01%
Daily Average Receipts	13,357,472	13,323,580
<b>Other Source Milk</b>		
Class I	21,802,647	17,011,651
Class II	5,716,847	5,526,873
Class III	1,344,253	481,393
Class IV	6,326,345	6,640,432
	<hr/>	<hr/>
Total Other Source Milk	<b>35,190,092</b>	<b>29,660,349</b>
<b>Overage</b>		
Class I	19,771,940	0
Class II	1,562,595	0
Class III	2,734,276	94
Class IV	13,383,693	0
	<hr/>	<hr/>
Total Overage	<b>37,452,504</b>	<b>94</b>
<b>Opening Inventory</b>		
Class I	19,771,940	23,054,577
Class II	1,562,595	2,645,487
Class III	2,734,276	564,449
Class IV	13,383,693	16,342,354
	<hr/>	<hr/>
Total Opening Inventory	<b>37,452,504</b>	<b>42,606,867</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>486,724,222</b>	<b>485,298,275</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,728,583	25,677,752
Route Disposition Class I	335,508,125	339,623,232
Shrinkage	2,762,918	1,702,908
Transfers & Diversions to Nonpool	15,054,913	7,680,736
	<hr/>	<hr/>
Total Class I Utilization	<b>375,054,539</b>	<b>374,684,628</b>
Average Butterfat Test	2.04%	1.98%
Daily Average Utilization	12,098,534	12,083,601
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,504,477	2,730,613
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	47,175,742	41,313,864
	<hr/>	<hr/>
Total Class II Utilization	<b>61,722,927</b>	<b>56,085,335</b>
Average Butterfat Test	10.14%	9.66%
<b>Class III Utilization</b>		
Shrinkage	5,765,329	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	14,964,831	15,661,316
	<hr/>	<hr/>
Total Class III Utilization	<b>24,787,597</b>	<b>15,661,316</b>
Average Butterfat Test	5.53%	6.19%
<b>Class IV Utilization</b>		
Inventory	14,195,904	12,731,460
Nonfluid Used To Fortify	1,045,564	1,077,135
Shrinkage	46,770	5,807,284
Transfers & Diversions to Nonpool Used To Produce/Other Uses	9,870,921	15,554,472
	<hr/>	<hr/>
Total Class IV Utilization	<b>25,159,159</b>	<b>38,866,996</b>
Average Butterfat Test	12.43%	10.90%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>486,724,222</b>	<b>485,298,275</b>



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2015 is \$19.43 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.83 per hundredweight plus 3.5 times the uniform butterfat price of \$2.8409 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 81.97% of all producer skim milk (priced to handlers at \$6.57 per hundredweight, plus the Class I differential, see page 2) and 43.80% of producer butterfat (priced to handlers at \$2.7152 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.13% of all producer skim milk (\$6.46 per hundredweight) and 39.09% of producer butterfat (\$2.9157 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.88% of all producer skim milk (\$5.47 per hundredweight) and 8.22% of producer butterfat (\$2.9087 per pound). Class IV use, generally milk processed into butter and powder, accounted for 1.02% of all producer skim milk (\$6.48 per hundredweight) and 8.89% of producer butterfat (\$2.9087 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2015</b>		
Whole Milk	122,584,250	31.91%
Fat Free Milk	31,783,831	8.27%
Lowfat Milk (incl. 1%)	47,222,742	12.29%
Reduced Fat Milk (incl. 2%)	124,880,087	32.50%
Cultured Fluid Milk (incl. Buttermilk)	7,566,868	1.97%
Flavored Drinks and Milk	50,173,422	13.06%
<b>Total Disposition in Marketing Area</b>	<b>384,211,098</b>	<b>100.0%</b>
Total Disposition by Pool Plants	292,589,098	76.15%
Total Disposition by Nonpool Plants	91,622,102	23.85%
<b>Total Disposition in Marketing Area</b>	<b>384,211,200</b>	<b>100.0%</b>

Receipts of producer milk during October totaled 414.1 million pounds.

There were 21 regulated pool distributing plants, 1 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2015. Class I route disposition in the area was 384.2 million pounds in September.

### Mailbox Milk Prices 1/

<u>Reporting Area 2/</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Avg 3/</u>
New England States 4/	19.33	18.44	18.08	17.97	18.07	18.18	17.74	18.26
Eastern Pennsylvania 5/	17.85	17.03	16.56	16.41	16.48	16.49	16.28	16.72
Appalachian States 6/	19.09	17.94	16.91	16.54	16.49	17.02	17.53	17.34
<b>Southeast States 7/</b>	<b>19.81</b>	<b>18.29</b>	<b>17.06</b>	<b>16.61</b>	<b>16.69</b>	<b>17.28</b>	<b>18.05</b>	<b>17.67</b>
<b>Southern Missouri 8/</b>	<b>18.39</b>	<b>17.72</b>	<b>16.79</b>	<b>15.95</b>	<b>15.99</b>	<b>16.59</b>	<b>17.88</b>	<b>16.93</b>
Florida	21.33	19.55	17.98	17.77	17.77	18.21	18.96	18.78
Wisconsin	18.18	17.57	17.46	17.51	17.65	17.82	17.49	17.69
Corn Belt States 10/	16.55	16.01	15.63	15.56	15.76	15.86	15.68	15.86
Western Texas 11/	16.38	15.78	15.47	15.49	15.71	15.70	15.55	15.73
Northwest States 12/	16.79	15.39	16.65	15.69	16.81	15.83	15.33	16.07
All Reported Areas 13/	17.71	16.91	16.60	16.44	16.60	16.62	16.43	16.77
California 14/	15.11	14.49	14.45	14.43	14.72	15.05	14.62	14.70

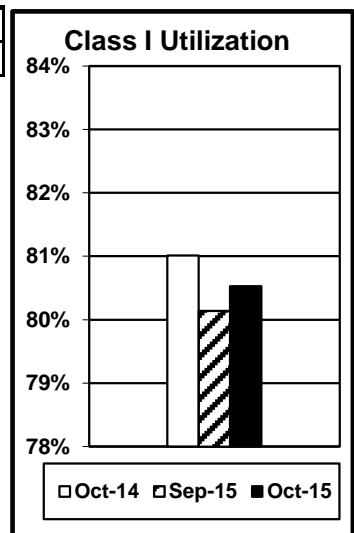
1/Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk.  
 2/Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from that area. 3/Figures are annual. 4/Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. 5/All counties to the east of those listed in 9. 6/Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 7/Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 8/The counties Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry, and all those to the south of these. 9/The counties of Warren, Elk, Clearfield, Indiana, Westmoreland, and Fayette, and all those counties to the west of these. 10/Includes Kansas, Nebraska, and the Missouri counties to the north of those listed in 8. 11/All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Houston, Cherokee, Nacogdoches, and Shelby. 12/Includes Oregon and Washington. 13/Weighted average of the information for all selected reporting areas in Federal milk orders. 14/Calculated by California Department of Food and Agriculture, and published at

**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 2014	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35											

**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 2014	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	2,000**	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods November 2015 through January 2016

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 2015	12/11/15	12/14/15	12/15/15	11/25/15	11/27/15	12/15/15	12/16/15
DEC 2015	01/11/16	01/12/16	01/13/16	12/28/15	12/28/15	01/13/16	01/14/16
JAN 2016	02/11/16	02/12/16	02/16/16	01/25/16	01/26/16	02/16/16	02/16/16

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$17.49 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.43 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 – 547 November 10, 2015

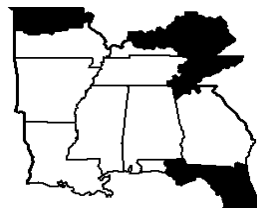
The milk production forecasts for 2015 and 2016 are reduced from last month as the dairy herd is expected to decline more rapidly from its second-quarter peak and growth in milk per cow in 2015 remains slower than expected. Imports are reduced on both a fat and skim-solids basis for both years as imports of milk protein concentrates and casein are expected to be lower. Exports are reduced for 2015 on weaker butter, cheese and whey sales. Largely uncompetitive prices are likely to limit growth in export sales of butter and to a lesser extent, cheese in 2016, and fat-based exports are reduced.

Strong domestic demand for butter is expected to support relatively high butter prices during the remainder of 2015, but supplies are expected to be large, and the price forecast for 2016 is lowered. Cheese prices are lowered for 2015 and 2016 as supplies remain large. The nonfat dry milk (NDM) price is reduced for 2015 and 2016 as prices move closer to international levels. Whey prices are unchanged from last month. Class III prices are lowered for 2015 and 2016 reflecting the lower 2015 cheese price forecasts. Class IV prices are raised for 2015 due to the stronger forecast butter price which more than offsets the lower NDM price. However, the 2016 price is lowered as cheese and NDM forecasts are reduced. The all milk price is raised to \$17.00 to \$17.10 per cwt for 2015 and lowered to \$15.95 to \$16.85 per cwt for 2016.

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



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



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

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

December 2015

Volume 16—No. 12

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

## Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, December 15, 2015, Economic Research Service, USDA:*

Milk production typically responds to milk and feed prices with a lag of several months. The milk-feed ratio dipped to a low point of 1.95 in April, contributing to lower milk-production growth in the following months. Since April, the milk-feed ratio has risen, reaching 2.29 in October. There has been wide disparity in milk production patterns across the Nation. Drought has contributed to lower milk production in Western States, with a year-over-year October decline of 5.5 percent in California. In contrast, milk production increased by 4.5 percent in Wisconsin.

Monthly national wholesale prices for basic dairy products, as reported by USDA Agricultural Marketing Service (AMS), moved in mixed directions from October to November. The cheddar cheese price decreased from \$1.679 to \$1.650 per pound.

From September to October this year, commercial exports decreased by 23 million pounds on a milk-fat milk-equivalent basis and by 171 million pounds on a skim solids milk-equivalent basis. Lactose and whey protein concentrate exports

October ending stocks for butter and cheese were substantially higher than for October 2014, by 21.0 percent for butter and 15.4 percent for cheese. In contrast, October NDM ending stocks were 1.5 percent below the previous year. Typically, cheese stocks decline seasonally from July to September at a much more rapid rate than they have in 2015.

The 2015/16 forecast for corn is unchanged from last month at \$3.35-\$3.95 per bushel. The soybean meal price forecast is lowered to \$290-\$330 per short ton. The national average alfalfa hay price decreased from \$157 to \$156 per short ton

The milk production forecast for 2016 has been lowered to 212.4 billion pounds, 0.5 billion pounds less than forecast last month and a 2.0 percent year-over-year increase. The milk cow forecast is unchanged. Based on recent deceleration of yield growth, the milk per cow forecast is 22,825 pounds per head, 55 pounds less than forecast last month. (continued on Page 4)

## Uniform Price Higher

The uniform price in Fulton County, GA, was \$20.21 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 \$4.64 per hundredweight lower compared to November 2014.

Class I utilization was 78.62 percent in November 2015, 1.91 percent lower than the previous month and 3.50 percent higher than November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2015 was 17.08 billion pounds, up 0.1 percent from October 2014 and 0.4 percent lower compared with September 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 991 million pounds, 1.5 percent above October 2014 and 0.5 percent above September 2015 on a daily average basis. Butter production was 148 million pounds, 1.7 percent below October 2014 but 5.9 percent above September 2015, on a daily average basis.

Nonfat dry milk powder production was 119.0 million pounds in October, 11.9 percent lower than October of last year and 4.1 percent less than September 2015 on a daily average basis. Total dry whey production was 75.8 million pounds in October 2015, up 11.0 percent October 2014 and 6.8 percent less than September 2015 on a daily average basis. Whey protein concentrates production was 41.2 million pounds in October, 10.8 percent less than October 2014 and 6.9 percent above September 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.29 in October 2015, an increase of 0.04 from the previous month but down from the 2.92 ratio from October of last year.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2015**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.74%	6,987,608	\$2.8756	\$ 20,093,565.58
Class I Differential at Location				228,231.96
Class II Butterfat	37.52%	5,859,025	\$3.1900	18,690,289.75
Class III Butterfat	6.04%	943,300	\$3.1830	3,002,523.90
Class IV Butterfat	11.70%	1,827,237	\$3.1830	5,816,095.37
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,617,170</b>		<b>\$ 47,830,706.56</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$3.0627**

**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	79.96%	316,085,775	\$6.65 /cwt.	\$ 21,019,704.05
Class I Butterfat	44.74%	6,987,608	\$2.8756 /lb.	20,093,565.58
Class I Differential at Location		323,073,383		10,589,452.34
<b>Total Class I Milk</b>	<b>78.62%</b>	<b>323,073,383</b>		<b>\$ 51,702,721.97</b>
Class II Skim Milk	11.88%	46,955,219	\$7.35 /cwt.	\$ 3,451,208.63
Class II Butterfat	37.52%	5,859,025	\$3.1900 /lb.	18,690,289.75
<b>Total Class II Milk</b>	<b>12.85%</b>	<b>52,814,244</b>		<b>\$ 22,141,498.38</b>
Class III Skim Milk	5.15%	20,367,754	\$4.31 /cwt.	\$ 877,850.20
Class III Butterfat	6.04%	943,300	\$3.1830 /lb.	3,002,523.90
<b>Total Class III Milk</b>	<b>5.19%</b>	<b>21,311,054</b>		<b>\$ 3,880,374.10</b>
Class IV Skim Milk	3.01%	11,910,143	\$5.96 /cwt.	\$ 709,844.53
Class IV Butterfat	11.70%	1,827,237	\$3.1830 /lb.	5,816,095.37
<b>Total Class IV Milk</b>	<b>3.34%</b>	<b>13,737,380</b>		<b>\$ 6,525,939.90</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>410,936,061</b>		<b>\$ 84,250,534.35</b>

**Adjustments**

Overage and Other Source	\$4,147.45
Inventory Adjustments	(\$3,249.96)
Producer butterfat at uniform butterfat price	(\$47,830,706.56)
Location Adjustments to Producers	\$2,545,170.33
1/2 Unobligated Balance in P.S.F.	\$69,945.54

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	\$ 9.87452	\$39,035,841.15
	\$ 0.04452	\$175,994.15

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

**\$9.83**

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

**\$20.21\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	NOV 2015	DEC 2015	OCT 2015	NOV 2015	NOV 2015
Appalachian (Charlotte)	\$ 19.88	\$ 20.11	\$ 18.82	\$ 19.65	71.66%
Arizona (Phoenix)	\$ 18.83	\$ 19.06	\$ 16.80	\$ 17.28	28.44%
Central (Kansas City)	\$ 18.48	\$ 18.71	\$ 16.28	\$ 16.60	32.42%
Florida (Tampa)	\$ 21.88	\$ 22.11	\$ 20.89	\$ 21.59	83.88%
Mideast (Cleveland)	\$ 18.48	\$ 18.71	\$ 16.59	\$ 17.15	36.10%
Northeast (Boston)	\$ 19.73	\$ 19.96	\$ 17.60	\$ 18.32	36.30%
Pacific Northwest (Seattle)	\$ 18.38	\$ 18.61	\$ 16.28	\$ 16.68	23.44%
<b>Southeast (Atlanta)</b>	<b>\$ 20.28</b>	<b>\$ 20.51</b>	<b>\$ 19.43</b>	<b>\$ 20.21</b>	<b>78.62%</b>
Southwest (Dallas)	\$ 19.48	\$ 19.71	\$ 17.06	\$ 17.31	33.71%
Upper Midwest (Chicago)	\$ 18.28	\$ 18.51	\$ 15.77	\$ 15.75	10.30%

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

<b>Receipts:</b>	<b>November 2015</b>	<b>November 2014</b>
<b>Producer Milk</b>		
Class I	323,073,383	319,177,839
Class II	52,814,244	47,862,208
Class III	21,311,054	18,423,789
Class IV	13,737,380	39,395,695
	<hr/>	<hr/>
Total Producer Milk	<b>410,936,061</b>	<b>424,859,531</b>
Average Butterfat Test	3.80%	3.81%
Percent of Producer Milk in Class I	78.62%	75.12%
Daily Average Receipts	13,697,869	14,161,984
<b>Other Source Milk</b>		
Class I	14,153,239	11,772,735
Class II	3,439,969	3,825,383
Class III	370,785	28,311
Class IV	7,522,018	7,171,223
	<hr/>	<hr/>
Total Other Source Milk	<b>25,486,011</b>	<b>22,797,652</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	1,303	0
	<hr/>	<hr/>
Total Overage	<b>1,303</b>	<b>0</b>
<b>Opening Inventory</b>		
Class I	21,728,583	25,677,752
Class II	0	102,760
Class III	217,629	0
Class IV	13,978,275	12,743,147
	<hr/>	<hr/>
Total Opening Inventory	<b>35,924,487</b>	<b>38,523,659</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>472,347,862</b>	<b>486,180,842</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,201,809	21,136,252
Route Disposition Class I	321,350,325	321,030,614
Shrinkage	2,780,002	3,387,943
Transfers & Diversions to Nonpool	13,623,069	11,073,517
	<hr/>	<hr/>
Total Class I Utilization	<b>358,955,205</b>	<b>356,628,326</b>
Average Butterfat Test	2.15%	2.08%
Daily Average Utilization	11,965,174	11,887,611
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,189,796	2,273,817
Shrinkage	0	22,942
Transfers & Diversions to Nonpool/Commercial Foods	42,619,795	37,117,941
Used To Produce/Other Uses	11,444,622	12,375,651
	<hr/>	<hr/>
Total Class II Utilization	<b>56,254,213</b>	<b>51,790,351</b>
Average Butterfat Test	10.44%	9.76%
<b>Class III Utilization</b>		
Shrinkage	6,193,923	0
Transfers & Diversions to Nonpool	11,807,658	18,452,100
Used To Produce/Other Uses	3,897,887	0
	<hr/>	<hr/>
Total Class III Utilization	<b>21,899,468</b>	<b>18,452,100</b>
Average Butterfat Test	4.55%	6.00%
<b>Class IV Utilization</b>		
Inventory	18,593,871	25,225,230
Nonfluid Used To Fortify	2,149,612	2,216,438
Shrinkage	1,086	6,178,464
Transfers & Diversions to Nonpool	14,494,407	22,192,465
Used To Produce/Other Uses	0	3,497,468
	<hr/>	<hr/>
Total Class IV Utilization	<b>35,238,976</b>	<b>59,310,065</b>
Average Butterfat Test	9.76%	9.23%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>472,347,862</b>	<b>486,180,842</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2015 is \$20.21 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.83 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0627 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 79.96% of all producer skim milk (priced to handlers at \$6.65 per hundredweight, plus the Class I differential, see page 2) and 44.74% of producer butterfat (priced to handlers at \$2.8756 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.88% of all producer skim milk (\$7.35 per hundredweight) and 37.52% of producer butterfat (\$3.1900 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.15% of all producer skim milk (\$4.31 per hundredweight) and 6.04% of producer butterfat (\$3.1830 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.01% of all producer skim milk (\$5.96 per hundredweight) and 11.70% of producer butterfat (\$3.1830 per pound).

Receipts of producer milk during November totaled 410.9 million pounds.

There were 21 regulated pool distributing plants, 1 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2015. Class I route disposition in the area was 398.5 million pounds in October.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2015</b>		
Whole Milk	128,641,621	32.28%
Fat Free Milk	34,044,850	8.54%
Lowfat Milk (incl. 1%)	47,406,234	11.90%
Reduced Fat Milk (incl. 2%)	129,154,153	32.41%
Cultured Fluid Milk (incl. Buttermilk)	8,329,009	2.09%
Flavored Drinks and Milk	<u>50,920,077</u>	<u>12.78%</u>
<b>Total Disposition in Marketing Area</b>	398,495,944	100.0%
Total Disposition by Pool Plants	302,271,369	75.85%
Total Disposition by Nonpool Plants	<u>96,224,575</u>	<u>24.15%</u>
<b>Total Disposition in Marketing Area</b>	398,495,944	100.0%

### Dairy Outlook

(continued from Page 1) Based on recent data and expectations of lower exports of butterfat products, the 2016 forecast for exports on a milk-fat basis has been lowered by 0.4 billion pounds. With lower exports of lactose and whey protein products expected, the forecast for exports on a skim-solids basis has been lowered by 0.8 billion pounds. While export forecasts have been lowered substantially, they are still expected to increase over 2015, by 2.3 percent on a milk-fat basis and 2.7 percent on a skim solids basis. Import forecasts are unchanged from last month.

Based on higher domestic demand expected for butter and cheese, 2016 commercial disappearance on a milk-fat basis has been raised by 0.3 billion pounds. Commercial disappearance on a skim-solids basis has been raised by 0.5 billion pounds based upon higher expected domestic demand for NDM. Lower price forecasts for NDM should contribute to greater use. Ending stock forecasts for 2016 are unchanged from last month on a milk-fat basis and are 0.1 billion pounds higher on a skim-solids basis.

With relatively high butter supplies, butter prices are expected to fall substantially within the next few months. The butter price forecast for the first quarter of 2016 is \$2.010-\$2.090 per pound. For the year, the butter price forecast has been raised to \$1.880-\$1.990 per pound. The cheese price forecast has been lowered to \$1.565-\$1.615 for the first quarter. For the year, the cheese price forecast is \$1.595-\$1.675 per pound, adjusted slightly from last month at the upper end of the range. With recent declines in the NDM price and lower expectations for commercial exports on a skim-solids basis, NDM price forecasts have been lowered for all of 2016 and are expected to average \$0.915-\$0.975 for the year. The dry whey price forecast is unchanged at 28.0-31.0 cents per pound.

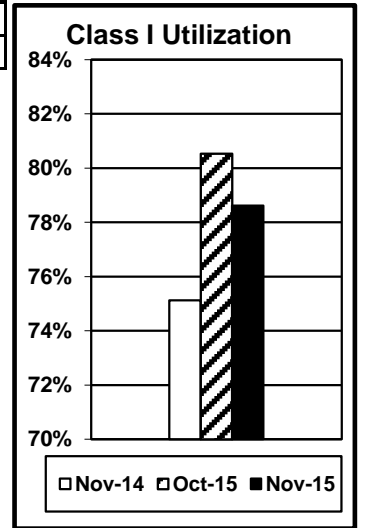
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-258/Dec. 15, 2015, Economic Research Service.*

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Oct 2014	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Oct 2014	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,980	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%
Dec	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,900**	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%



\* 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 2015 through February 2016

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 2015	01/11/16	01/12/16	01/13/16	12/28/15	12/28/15	01/13/16	01/14/16
JAN 2016	02/11/16	02/12/16	02/16/16	01/25/16	01/26/16	02/16/16	02/16/16
FEB 2016	03/11/16	03/14/16	03/15/16	02/25/16	02/26/16	03/15/16	03/16/16

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$18.19 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.21 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

## WASDE Dairy Report 1/

### WASDE – 548 December 9, 2015

The milk production forecasts for 2015 and 2016 are reduced from last month as growth in milk per cow in 2015 and 2016 is slowed. Fat basis imports are reduced for 2015 on slower butter imports; on a skim-solids basis, imports are unchanged. No change is made to 2016 imports. Fat basis exports are unchanged for 2015 but are lowered for 2016 as global supplies of dairy products are expected to remain large and sales of cheese are expected to be pressured. On a skim-solids basis, exports are lowered for 2015 as lactose and whey protein concentrates sales to date are limiting exports, and weaker expected sales of cheese and lactose in 2016 will dampen skim-solids export growth in 2016.

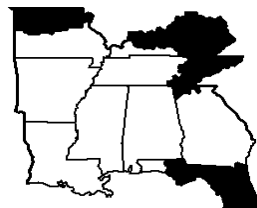
Butter prices for remainder of 2015 and early 2016 are raised as prices have remained stronger than expected into early December. Cheese prices are lowered slightly for 2015 and 2016 based on current price movements and expected larger domestic supplies. The nonfat dry milk (NDM) prices are reduced for 2015 and 2016 as domestic and international supplies are expected to pressure prices. Whey prices are unchanged from last month. Class III prices are unchanged for 2015 and 2016 as the cheese price change was small. Class IV prices are raised for 2015 due to the stronger forecast butter price which more than offsets the lower NDM price. The 2016 Class IV price is lowered as the NDM price forecast is reduced. The all milk price is raised to \$17.05 to \$17.15 per cwt for 2015 and lowered to \$15.95 to \$16.75 per cwt for 2016.

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



### MILK MARKET ADMINISTRATOR

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



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

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