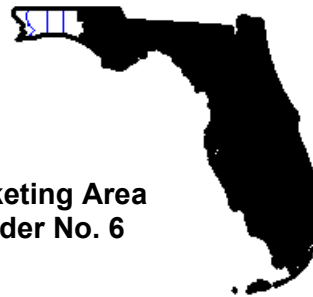


FLORIDA Fluid Milk Report

Harold, H. Friedly, Jr.
Market Administrator

Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, February 2022, USDA, Economic Research Service:

Dairy Forecasts for 2022

Due to declines in milk cows in recent months, higher projected feed prices, a low inventory of replacement heifers, and higher expected cull-cow prices, milk cows are projected to average 9.360 million head in 2022, 25,000 lower than last month's forecast. Milk per cow is projected to average 24,265 pounds per head in 2022, unchanged from the previous forecast. As a result, the milk production forecast for 2022 has been adjusted to 227.2 billion, 0.5 billion pounds lower than last month's forecast but 0.9 billion pounds above 2021.

With U.S. dairy prices expected to be less competitive in international markets, the 2022 export projections are adjusted downward. Lower exports are expected for whey products, dry skim milk products, butter, and cheese.

The forecast for 2022 dairy exports on a milk-fat basis has been adjusted to 11.0 billion pounds, 0.2 billion lower than last month. On a skim-solids basis, the 2022 dairy export forecast has been adjusted to 51.2 billion pounds, 0.6 billion lower than last month's forecast.

Dairy import projections for 2022 have been raised to 6.9 billion pounds on a milk-fat basis (+0.1 billion) and 5.7 billion pounds on a skim-solids basis (+0.1 billion). Higher imports are expected for butter, milk protein products,⁵ and several other miscellaneous dairy products.

The forecast for 2022 ending stocks on a milk-fat basis is adjusted to 14.1 billion pounds, 0.4 billion lower than the previous forecast, mostly due to lower-than-expected beginning stocks and lower projected milk production

On a skim-solids basis, the forecast for ending stocks is unchanged at 10.6 billion pounds, as the higher-than-expected beginning stocks are largely offset by lower projected milk production during the year.

Excerpt—National Milk Producers Federation

DEADLINE EXTENDED: FOR USDA'S DAIRY MARGIN COVERAGE PROGRAM

The signup period for 2022 coverage under USDA's Dairy Margin Coverage (DMC) program has been extended by five weeks to maximize producer participation in this important program. DMC offers effective margin protection for small and mid-sized farms and affordable catastrophic coverage for large farms. Nearly \$1.2 billion – a record – in DMC payments are expected to be distributed to producers under the 2021 program, according to USDA data.

Every dairy farmer should sign up for maximum Tier 1 DMC coverage in 2022 by contacting their local Farm Service Agency (FSA) office by March 25, 2022. For more information, visit the farmers.gov DMC webpage, or contact your local USDA Service Center.

To locate your local FSA office, visit farmers.gov/service-center-locator.

Dairy Forecasts for 2022 (continued)

The projection for 2022 domestic use on a milk-fat basis is 222.2 billion pounds (-0.2 billion). On a skim-solids basis, the forecast for domestic use is 180.8 billion pounds (+0.5 billion). Due to relatively high domestic and international dairy product prices in recent weeks, lower projected milk production, and relatively low beginning stock levels, wholesale price forecasts have been raised for all major dairy products. For 2022, price forecasts for Cheddar cheese, dry whey, butter, and NDM are \$1.900 (+2.5 cents), \$0.705 (+6.0 cents), \$2.390 (+9.0 cents), and \$1.665 (+11.5 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$20.30 per cwt (+\$0.65) and \$22.30 per cwt (+\$1.40), respectively. The all-milk price forecast for 2022 is \$23.55 per cwt, \$0.95 higher than last month's forecast.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - January 2022

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	50.56%	4,208,547	\$2.2660	\$ 9,536,567.51
Class I Differential at Location				235,759.54
Class II Butterfat	43.24%	3,599,128	\$2.9637	10,666,735.65
Class III Butterfat	2.69%	223,523	\$2.9567	660,890.45
Class IV Butterfat	3.51%	291,828	\$2.9567	862,847.86
Total Butterfat	100.00%	8,323,026		\$ 21,962,801.01

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$2.6388**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	83.80%	181,216,129	\$12.21 /cwt.	\$ 22,126,489.36
Class I Butterfat	50.56%	4,208,547	\$2.2660 /lb.	9,536,567.51
Class I Differential at Location		185,424,676		10,361,261.05
Total Class I Milk	82.56%	185,424,676		\$ 42,024,317.92
Class II Skim Milk	13.03%	28,187,575	\$12.91 /cwt.	\$ 3,639,015.92
Class II Butterfat	43.24%	3,599,128	\$2.9637 /lb.	10,666,735.65
Total Class II Milk	14.15%	31,786,703		\$ 14,305,751.57
Class III Skim Milk	1.93%	4,169,390	\$10.40 /cwt.	\$ 433,616.57
Class III Butterfat	2.69%	223,523	\$2.9567 /lb.	660,890.45
Total Class III Milk	1.96%	4,392,913		\$ 1,094,507.02
Class IV Skim Milk	1.24%	2,685,150	\$13.20 /cwt.	\$ 354,439.80
Class IV Butterfat	3.51%	291,828	\$2.9567 /lb.	862,847.86
Total Class IV Milk	1.33%	2,976,978		\$ 1,217,287.66
Producer Milk	100.00%	224,581,270		\$ 58,641,864.17

Adjustments

Overage and Other Source	\$82,371.22
Inventory Adjustments	\$1,446.94
Producer butterfat at uniform butterfat price	(\$21,962,801.01)
Location Adjustments to Producers	(\$327,887.26)
1/2 Unobligated Balance in P.S.F.	\$88,893.87

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.88902	\$36,523,887.93
	\$ 0.04902	\$105,999.65

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida):

\$16.84

Uniform Price per cwt. (Hillsborough County, Florida)

\$25.49*

* 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	Feb	Dec	Jan	Jan
Appalachian (Charlotte)	\$ 23.11	\$ 25.04	\$ 22.08	\$ 23.72	71.62%
Arizona (Phoenix)	\$ 22.06	\$ 23.99	\$ 20.07	\$ 22.44	27.34%
California (Woodland)	\$ 21.81	\$ 23.74	\$ 19.33	\$ 21.25	22.10%
Central (Kansas City)	\$ 21.71	\$ 23.64	\$ 19.03	\$ 21.09	30.22%
Florida (Tampa)	\$ 25.11	\$ 27.04	\$ 23.97	\$ 25.49	82.56%
Mideast (Cleveland)	\$ 21.71	\$ 23.64	\$ 19.35	\$ 21.34	36.00%
Northeast (Boston)	\$ 22.96	\$ 24.89	\$ 20.49	\$ 22.74	31.40%
Pacific Northwest (Seattle)	\$ 21.61	\$ 23.54	\$ 19.12	\$ 21.49	19.63%
Southeast (Atlanta)	\$ 23.51	\$ 25.44	\$ 22.28	\$ 24.17	77.27%
Southwest (Dallas)	\$ 22.71	\$ 24.64	\$ 19.77	\$ 21.63	30.44%
Upper Midwest (Chicago)	\$ 21.51	\$ 23.44	\$ 18.61	\$ 20.59	8.50%

**FLORIDA MILK MARKETING AREA-FEDERAL ORDER 6
STATISTICAL SUMMARY**

Receipts:	Jan 2022	Jan 2021
Producer Milk		
Class I	185,424,676	175,808,318
Class II	31,786,703	33,071,796
Class III	4,392,913	3,598,340
Class IV	2,976,978	10,035,624
Total Producer Milk	224,581,270	222,514,078
Average Butterfat Test	3.71%	3.74%
Percent of Producer Milk in Class I	82.56%	79.01%
Daily Average Receipts	7,244,557	7,177,873
Other Source Milk		
Class I	526,941	963,200
Class II	4,751,485	4,554,598
Class III	0	0
Class IV	409,912	1,623,276
Total Other Source Milk	5,688,338	7,141,074
Overage		
Class I	0	0
Class II	312,066	0
Class III	79,684	0
Class IV	256,033	0
Total Overage	647,783	0
Opening Inventory		
Class I	7,715,742	7,974,286
Class II	35	135,480
Class III	176,098	56,483
Class IV	4,495,745	8,945,915
Total Opening Inventory	12,387,623	17,112,164
Total Receipts	243,305,014	246,767,316
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	9,141,836	7,689,046
Route Disposition Class I	182,093,859	175,832,204
Shrinkage	917,900	349,838
Transfers & Diversions to Nonpool	1,513,764	874,716
Total Class I Utilization	193,667,359	184,745,804
Average Butterfat Test	2.26%	2.25%
Daily Average Utilization	6,247,334	5,959,542
Class II Utilization		
Nonfluid Used To Produce	4,751,485	4,085,979
Shrinkage	1715	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	21,228,252	22,521,628
Total Class II Utilization	36,850,292	37,761,874
Average Butterfat Test	9.77%	9.45%
Class III Utilization		
Shrinkage	2,375,957	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	1,475,339	3,504,151
Total Class III Utilization	4,648,695	3,654,823
Average Butterfat Test	4.96%	1.67%
Class IV Utilization		
Inventory	7,016,649	9,918,160
Nonfluid Used To Fortify	245,985	223,921
Shrinkage	0	3,409,723
Transfers & Diversions to Nonpool Used To Produce/Other Uses	876,034	6,119,315
Total Class IV Utilization	8,138,668	20,604,815
Average Butterfat Test	6.94%	5.99%
Total Utilization	243,305,014	246,767,316

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in January 2022 is \$25.49 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$16.84 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6388 per pound. Payment to producers may be adjusted 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 accounted for 83.80% of all producer skim milk (priced to handlers at \$12.21 per hundredweight, plus the Class I differential) and 50.56% of producer butterfat (priced to handlers at \$2.2660 per pound plus Class I differential). Class II use accounted for 13.03% of all producer skim milk (\$12.91 per hundredweight) and 43.24% of producer butterfat (\$2.9637 per pound). Class III use accounted for 1.93% of all producer skim milk (\$10.40 per cwt) and 2.69% of producer butterfat (\$2.9567 per pound). Class IV use accounted for 1.24% of all producer skim milk (\$13.20 per cwt) and 3.51% of producer butterfat (\$2.9567 per pound).

Receipts of producer milk during January 2022 totaled 224.6 million pounds, 2.1 million more than January 2021. Florida producers supplied 165 million pounds of milk in December 2021 or an estimated 77% of the producer milk pooled in Florida. In December 2020, they supplied 78% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 2 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for January 2022. In-area Class I route disposition was 228.7 million pounds in December 2021, 8.1 million pounds more than December 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2021		
Whole Milk	99,903,226	43.69%
Fat Free Milk	13,252,394	5.80%
Low fat Milk (incl. 1%)	21,484,378	9.40%
Reduced Fat Milk (incl. 2%)	69,364,613	30.33%
Cultured Fluid Milk (incl. Buttermilk)	1,747,584	0.76%
Flavored Drinks and Milk	22,919,388	10.02%
Total Disposition in Marketing Area	228,671,583	100.0%
Total Disposition by Pool Plants	178,333,245	77.99%
Total Disposition by Nonpool Plants	50,338,338	22.01%
Total Disposition in Marketing Area	228,671,583	100.0%

Class prices rise

January prices for all individual classes of milk were up from December:

The advanced January Class I base price moved to a 13-month high, up 54 cents from December to \$19.71 per hundredweight (cwt). Adding Class I differentials, the January Class I price averaged \$22.53 per cwt, with a high of \$25.11 per cwt in the Florida FMMO and a low of \$21.51 per cwt in the Upper Midwest FMMO. January's Class II milk price was \$22.83 per cwt, up \$2.99 from December, up \$8.65 from January 2021 and the highest since September 2014. The January 2022 Class III price rose \$2.02 from December 2021 to \$20.38 per cwt, the highest since November 2020, when government purchases of cheese for food boxes supported Class III prices. It's also up \$4.34 from January 2021. The Class IV milk price soared to a 90-month high in January 2022 and is \$9.34 higher than a year ago. At \$23.09 per cwt, it's up \$3.21 from December 2021 and the highest since August 2017. After reaching \$23 per cwt six times in 2014, the Class IV price hadn't topped \$20 per cwt since October 2017.

January Class III-IV milk prices moved higher due to increases in values of butterfat and milk solids used in monthly milk price calculations, but the value of protein was down.

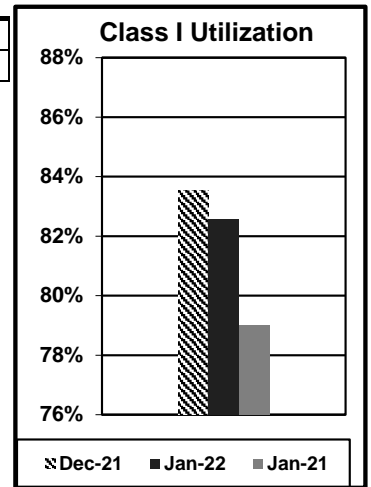
The value of butterfat rose about 66.5 cents from December to almost \$2.96 per pound. The value of milk protein slipped about 24 cents from December to \$2.36 per pound. The value of nonfat solids rose a dime in January to \$1.47 per pound, while the value of other solids increased 7 cents to 52.5 cents per pound. <https://www.progressivedairy.com/news/industry-news>

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2021	\$15.43	\$1.6149	\$20.54	\$9.03	\$1.5611	\$14.18	\$10.99	\$1.5541	\$16.04	\$ 8.61	\$1.5541	\$13.75	\$ 14.20	\$1.5871	\$19.26
Feb	\$15.77	\$1.6344	\$20.94	\$9.27	\$1.4446	\$14.00	\$11.11	\$1.4376	\$15.75	\$ 8.45	\$1.4376	\$13.19	\$ 14.67	\$1.5384	\$19.54
Mar	\$16.02	\$1.4675	\$20.60	\$9.36	\$1.7246	\$15.07	\$10.51	\$1.7176	\$16.15	\$ 8.46	\$1.7176	\$14.18	\$ 15.07	\$1.5916	\$20.11
Apr	\$15.40	\$1.7275	\$20.91	\$9.03	\$1.9566	\$15.56	\$11.24	\$1.9496	\$17.67	\$ 8.91	\$1.9496	\$15.42	\$ 14.26	\$1.8438	\$20.21
May	\$15.96	\$2.0295	\$22.50	\$9.58	\$1.9921	\$16.22	\$12.45	\$1.9851	\$18.96	\$ 9.55	\$1.9851	\$16.16	\$ 14.74	\$2.0113	\$21.26
Jun	\$17.22	\$2.0214	\$23.69	\$10.12	\$1.9711	\$16.66	\$10.71	\$1.9641	\$17.21	\$ 9.82	\$1.9641	\$16.35	\$ 15.96	\$1.9989	\$22.40
Jul	\$16.35	\$2.0130	\$22.82	\$10.53	\$1.9066	\$16.83	\$10.20	\$1.8996	\$16.49	\$ 9.69	\$1.8996	\$16.00	\$ 15.63	\$1.9694	\$21.98
Aug	\$16.00	\$1.9590	\$22.30	\$10.37	\$1.8578	\$16.51	\$9.82	\$1.8508	\$15.95	\$ 9.78	\$1.8508	\$15.92	\$ 14.95	\$1.9097	\$21.11
Sep	\$15.86	\$1.9093	\$21.99	\$10.45	\$1.9458	\$16.89	\$10.10	\$1.9388	\$16.53	\$ 9.92	\$1.9388	\$16.36	\$ 15.00	\$1.9278	\$21.22
Oct	\$16.06	\$1.9961	\$22.48	\$10.63	\$1.9484	\$17.08	\$11.44	\$1.9414	\$17.83	\$ 10.62	\$1.9414	\$17.04	\$ 15.17	\$1.9733	\$21.55
Nov	\$17.13	\$1.9578	\$23.38	\$11.23	\$2.1611	\$18.40	\$10.87	\$2.1541	\$18.03	\$ 11.66	\$2.1541	\$18.79	\$ 16.32	\$2.0518	\$22.93
Dec	\$17.60	\$2.1679	\$24.57	\$12.22	\$2.2989	\$19.84	\$10.71	\$2.2919	\$18.36	\$ 12.29	\$2.2919	\$19.88	\$ 16.76	\$2.2283	\$23.97
Jan 2022	\$17.61	\$2.3200	\$25.11	\$12.91	\$2.9637	\$22.83	\$10.40	\$2.9567	\$20.38	\$ 13.20	\$2.9567	\$23.09	\$ 16.84	\$2.6388	\$25.49
Feb	\$17.84	\$2.8077	\$27.04	\$13.67											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2021	222,514	102	175,808	79.01%	33,072	14.86%	3,598	1.62%	10,036	4.51%
Feb	196,128	82	161,090	82.13%	31,088	15.85%	501	0.26%	3,449	1.76%
Mar	205,728	77	173,605	84.38%	29,575	14.38%	796	0.39%	1,752	0.85%
Apr	210,966	81	170,792	80.97%	33,953	16.09%	896	0.42%	5,325	2.52%
May	205,959	91	162,902	79.10%	32,581	15.82%	460	0.22%	10,017	4.86%
Jun	185,491	89	149,440	80.56%	28,142	15.17%	2,256	1.22%	5,654	3.05%
Jul	184,471	85	159,249	86.33%	22,157	12.01%	561	0.30%	2,505	1.36%
Aug	207,603	91	167,219	80.55%	31,650	15.25%	754	0.36%	7,981	3.84%
Sept	197,037	85	164,196	83.34%	27,549	13.98%	639	0.32%	4,652	2.36%
Oct	206,312	89	170,202	82.50%	28,830	13.97%	601	0.29%	6,680	3.24%
Nov	207,064	97	176,104	85.05%	26,596	12.84%	2,620	1.27%	1,744	0.84%
Dec	214,653	102	179,339	83.54%	29,249	13.63%	2,721	1.27%	3,344	1.56%
Jan 2022	224,581	96**	185,425	82.56%	31,787	14.15%	4,393	1.96%	2,977	1.33%



*Class 1 and uniform prices are at Hillsborough County (Tampa), Florida: **Estimated

Florida Marketing Area - Federal Order 6

Upcoming Pool and Payment Dates									
	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
February	3/11/22	03/14/22	03/15/22	02/22/22	02/22/22	03/04/22	03/07/22	03/15/22	03/16/22
March	04/11/22	04/12/22	04/13/22	03/21/22	03/21/22	04/04/22	04/05/22	04/13/22	04/14/22
April	05/11/22	05/12/22	05/13/22	04/19/22	04/20/22	05/04/22	05/05/22	05/13/22	05/16/22

**The base rate for making partial payments in Hillsborough Co., FL for February will be \$22.94 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$21.67 for nonmembers (85 percent of the preceding month's uniform price).

Producer Touch Base Requirements & Handler Diversion Limits												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	10	10	10	10	10	10	10	10	10	10	10	10
Diversion Percentage Limits	15%	15%	20%	20%	20%	20%	10%	10%	10%	10%	10%	15%

WASDE Dairy Report 1/ WASDE – 621-4 February 9, 2022

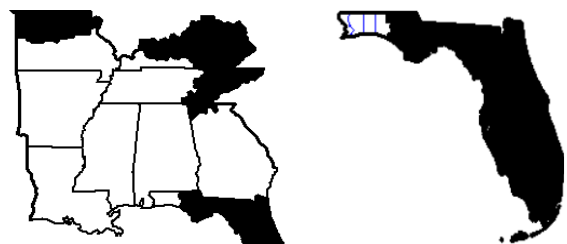
The 2021 milk production, trade, and stock estimates are adjusted to reflect December data. For 2022, the milk production forecast is lowered from last month, on lower dairy cow numbers. The Cattle report estimated the dairy cow inventory on January 1 almost one percent below 2021, and the number of heifers held for dairy cow replacement was 3 percent lower. The 2022 fat basis import forecast is raised on higher expected imports of butter, while exports are reduced on lower expected shipments of butter and cheese.

On a skim-solids basis, the import forecast is raised, reflecting higher imports of milk proteins and several other dairy-containing products while the export forecast is reduced on weaker expected sales of whey products and skim milk powder. Annual product price forecasts for cheese, butter, nonfat dry milk, and whey are raised from the previous month on current prices, lower expected milk production, and tightening stocks. With higher product prices, both the Class III and the Class IV prices are raised. The 2022 all milk price forecast is increased to \$23.55 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 WASDE report is available at www.usda.gov/oce/commodity/wasde/

USDA MILK MARKET ADMINISTRATOR
 U.S. Department of Agriculture
 2763 Meadow Church Rd, Ste 100
 Duluth, Georgia 30097

www.fmmatlanta.com



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