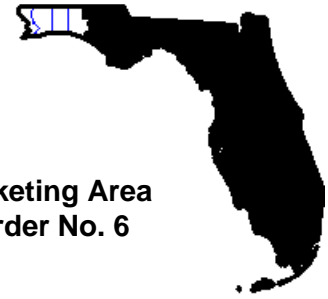


# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator



Florida Marketing Area  
Federal Order No. 6

www.fmmatlanta.com

January 2004

Volume 5—No. 1

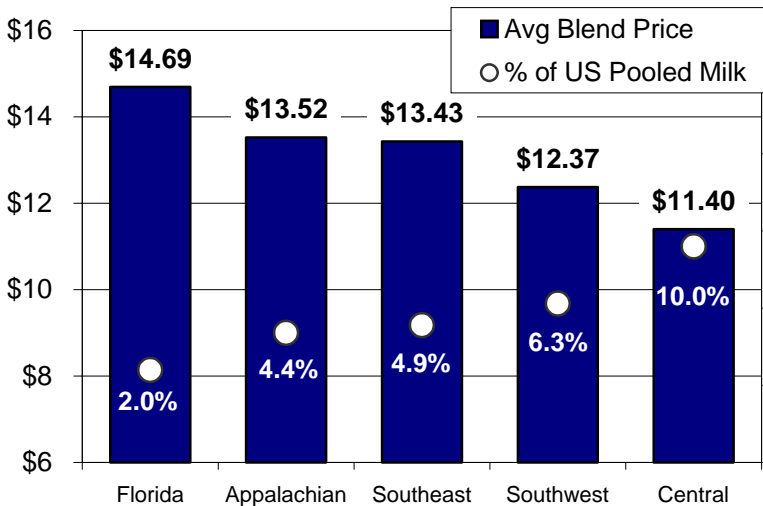
## Termination of Western Order Proposed

The U.S. Department of Agriculture has recently announced that it is considering the termination of the Western milk marketing order to become effective April 1, 2004. This is because producers did not approve the issuance of that order as amended by a tentative final decision issued in August 2003.

This action is necessary because a milk marketing order must be approved by at least two-thirds of the producers whose milk would be regulated under the terms of an order. When an amended milk marketing order is not approved by producers, USDA takes action to terminate it because, without the needed amendments, the order does not comply with the Agricultural Marketing Agreement Act of 1937, as amended.

The proposed termination was published in the January 13 Federal Register. Interested persons will have 30 days to submit written data, views and arguments as to why the order should not be terminated. Send two copies to the USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, Room 2971 - Stop 0231, 1400 Independence Ave., SW, Washington, DC 20250-0231.

## 2003 Price and Pool Statistics: Selected Markets



The chart above displays, for 2003, the weighted average uniform price and the percentage of total US pool milk (both Federal Order and California combined) for the Florida order and the four nearest orders.

## Year Ends Well Above Average

The uniform blend in Hillsborough County, FL, was \$17.16 per hundredweight for milk at 3.5 percent butterfat for the month of December. This represents a decrease of \$0.20 from last month, however it is an increase of \$3.15 compared with November 2002. Class I utilization was 86.65 percent, a decrease of 3.68 percent versus last month and 3.77 percent lower than November 2002.

Despite the decline from November, the blend price closes out the year \$2.47 higher than the weighted average 2003 uniform price of \$14.69 per hundredweight. December's blend price also exceeds the weighted average blend price since Order Reform (\$15.57) by \$1.59.

## National Dairy Situation

The biggest impact on producer prices and, at least in the short-run, more important than the discovery of the first case of Bovine Spongiform Encephalopathy in the U.S., will be the declines in the cheese market that occurred in December. As a result, the Class I price which was \$17.84 in December, will be \$15.85 in January, a decrease of nearly two-dollars.

USDA estimates total U.S. production of milk in November at 13.40 billion pounds, which is a decrease of 2.9 percent from October and a decrease of 0.6 percent when compared with November 2002. Total cheese output (excluding cottage cheese) was 718 million pounds, 1.0 percent below November 2002 and 3.1 percent below October 2003. Butter production was 88.1 million pounds in November, 15.2 percent below November 2002 and 9.2 percent below October 2003. Nonfat dry milk production was 102 million pounds in November, a decline of 2.8 percent from October and an increase of 3.3 percent from November 2002.

The milk-feed price ratio was 2.80 in December; down from last month's revised 3.05 value but up from the 2.44 ratio of December 2002.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - DECEMBER 2003

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	54.94%	5,064,417	\$1.2806	\$ 6,485,492.40
Class I Differential at Location				207,020.77
Class II Butterfat	31.37%	2,892,249	\$1.3758	3,979,156.18
Class III Butterfat	4.26%	393,085	\$1.3688	538,054.75
Class IV Butterfat	9.43%	869,369	\$1.3688	1,189,992.30
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,219,120</b>		<b>\$ 12,399,716.40</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.3450</b>	

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	87.98%	212,535,649	\$9.70 /cwt.	\$ 20,615,957.98
Class I Butterfat	54.94%	5,064,417	\$1.2806 /lb.	6,485,492.40
Class I Differential at Location		217,600,066		8,898,320.43
<b>Total Class I Milk</b>	<b>86.78%</b>	<b>217,600,066</b>		<b>\$ 35,999,770.81</b>
Class II Skim Milk	6.73%	16,248,536	\$6.72 /cwt.	\$ 1,091,901.63
Class II Butterfat	31.37%	2,892,249	\$1.3758 /lb.	3,979,156.18
<b>Total Class II Milk</b>	<b>7.63%</b>	<b>19,140,785</b>		<b>\$ 5,071,057.81</b>
Class III Skim Milk	2.58%	6,233,436	\$7.34 /cwt.	\$ 457,534.20
Class III Butterfat	4.26%	393,085	\$1.3688 /lb.	538,054.75
<b>Total Class III Milk</b>	<b>2.64%</b>	<b>6,626,521</b>		<b>\$ 995,588.95</b>
Class IV Skim Milk	2.71%	6,540,300	\$5.94 /cwt.	\$ 388,493.82
Class IV Butterfat	9.43%	869,369	\$1.3688 /lb.	1,189,992.30
<b>Total Class IV Milk</b>	<b>2.95%</b>	<b>7,409,669</b>		<b>\$ 1,578,486.12</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>250,777,041</b>		<b>\$ 43,644,903.69</b>

### Adjustments

Overage and Other Source	11,733.72
Inventory Adjustments	9,752.65
Producer butterfat at uniform butterfat price	(12,399,716.40)
Location Adjustments to Producers	(96,105.62)
1/2 Unobligated Balance in P.S.F.	95,053.09

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12,94332	\$ 31,265,621.13
	<b>\$ 0.04332</b>	104,649.32

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

**\$12.90**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$17.16\***

\* 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 2003	JAN 2004	NOV 2003	DEC 2003	DEC 2003
Appalachian (Charlotte)	\$ 16.94	\$ 14.95	\$ 15.76	\$ 15.48	69.19%
Arizona-Las Vegas (Phoenix)	\$ 16.19	\$ 14.20	\$ 13.74	\$ 12.98	32.96%
Central (Kansas City)	\$ 15.84	\$ 13.85	\$ 13.67	\$ 12.91	30.37%
<b>Florida (Tampa)</b>	<b>\$ 17.84</b>	<b>\$ 15.85</b>	<b>\$ 17.47</b>	<b>\$ 17.16</b>	<b>86.78%</b>
Mideast (Cleveland)	\$ 15.84	\$ 13.85	\$ 13.93	\$ 13.26	38.60%
Northeast (Boston)	\$ 17.09	\$ 15.10	\$ 14.95	\$ 14.39	46.60%
Pacific Northwest (Seattle)	\$ 15.74	\$ 13.75	\$ 12.95	\$ 12.47	29.66%
Southeast (Atlanta)	\$ 16.94	\$ 14.95	\$ 15.72	\$ 15.33	64.66%
Southwest (Dallas)	\$ 16.84	\$ 14.85	\$ 14.53	\$ 13.86	41.68%
Upper Midwest (Chicago)	\$ 15.64	\$ 13.65	\$ 13.40	\$ 12.41	18.10%
Western (Salt Lake City)	\$ 15.70	\$ 13.71	\$ 13.41	\$ 12.65	22.12%

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

<b>Receipts:</b>	<b>December 2003</b>	<b>December 2002</b>
<b>Producer Milk</b>		
Class I	217,600,066	207,107,676
Class II	19,140,785	18,690,465
Class III	6,626,521	11,202,901
Class IV	7,409,669	7,729,489
Total Producer Milk	<b>250,777,041</b>	<b>244,730,531</b>
Average Butterfat Test	3.68%	3.67%
Percent of Producer Milk in Class I	86.78%	84.62%
Daily Average Receipts	8,089,582	7,894,533
<b>Other Source Milk</b>		
Class I	3,559,847	7,065,134
Class II	7,799,597	10,456,094
Class III	0	134,939
Class IV	5,217,033	5,514,339
Total Other Source Milk	<b>16,576,477</b>	<b>23,170,566</b>
<b>Overage</b>		
Class I	0	0
Class II	0	49,088
Class III	0	0
Class IV	27,161	38,399
Total Overage	<b>27,161</b>	<b>87,487</b>
<b>Opening Inventory</b>		
Class I	12,912,875	11,657,369
Class II	730,207	14,490
Class III	69,169	439,151
Class IV	8,816,231	3,563,626
Total Opening Inventory	<b>22,528,482</b>	<b>15,674,636</b>
<b>Total Receipts</b>	<b>289,909,161</b>	<b>283,663,220</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	11,535,233	11,162,705
Route Disposition Class I	220,536,335	214,212,583
Shrinkage	1,917,634	291,770
Transfers and Diversions to Nonpool	83,586	163,121
Total Class I Utilization	<b>234,072,788</b>	<b>225,830,179</b>
Average Butterfat Test	2.32%	2.32%
Daily Average Utilization	7,550,735	7,284,844
<b>Class II Utilization</b>		
Nonfluid Used To Produce	7,753,618	8,134,352
Shrinkage	0	0
Transfers and Diversions to Nonpool	4,630,674	5,804,391
Used To Produce/Other Uses	15,286,297	15,271,394
Total Class II Utilization	<b>27,670,589</b>	<b>29,210,137</b>
Average Butterfat Test	10.55%	9.89%
<b>Class III Utilization</b>		
Shrinkage	0	3,867,206
Transfers and Diversions to Nonpool	6,695,690	6,581,181
Used To Produce/Other Uses	0	1,328,604
Total Class III Utilization	<b>6,695,690</b>	<b>11,776,991</b>
Average Butterfat Test	5.87%	3.01%
<b>Class IV Utilization</b>		
Inventory	6,787,982	5,243,596
Nonfluid Used To Fortify	4,461,776	4,623,518
Shrinkage	3,657,182	0
Transfers and Diversions to Nonpool	5,173,833	6,978,799
Used To Produce/Other Uses	1,389,321	0
Total Class IV Utilization	<b>21,470,094</b>	<b>16,845,913</b>
Average Butterfat Test	6.59%	8.12%
<b>Total Utilization</b>	<b>289,909,161</b>	<b>283,663,220</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in December 2003 is \$17.16 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$12.90 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3450 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 December, Class I use accounted for 87.98% of all producer skim milk (priced to handlers at \$9.70 per hundredweight, plus the Class I differential and 54.94% of producer butterfat(priced to handlers at \$1.2806 per pound plus Class I differential). Class II use accounted for 6.73% of all producer skim milk (\$6.72 per hundredweight) and 31.37% of producer butterfat (\$1.3758 per pound). Class III use accounted for 2.58% of all producer skim milk (\$7.34 per hundredweight) and 4.26% of producer butterfat (\$1.3688 per pound). Class IV use accounted for 2.71% of all producer skim milk (\$5.94 per hundredweight) and 9.43% of producer butterfat (\$1.3688 per pound).

Receipts of producer milk during December 2003 totaled 250.8 million pounds, 6.2 million pounds more than was pooled in December of last year. Florida producers supplied 161.8 million pounds of milk in November 2003 to pool plants or 73.67% of the total producer milk pooled in Florida. In November 2002 Florida producers supplied 75.82% of the total producer milk pooled in the Florida market.

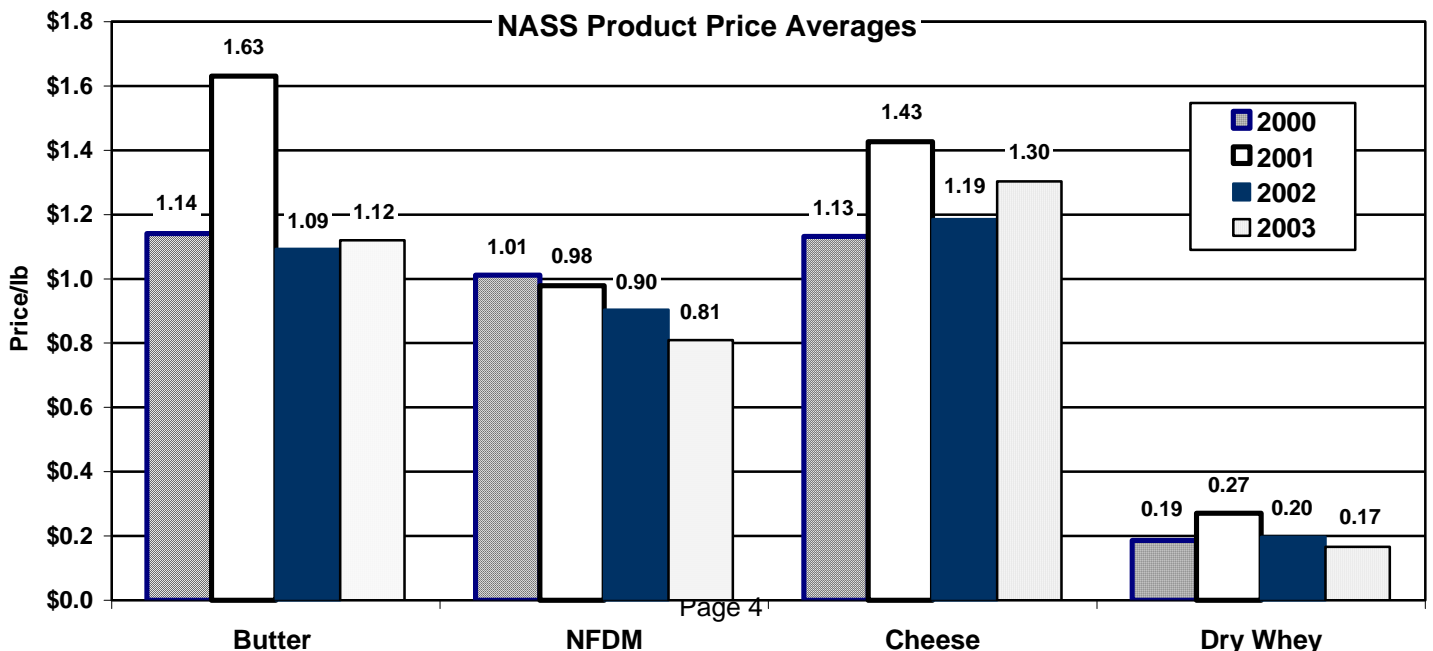
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2003. In-area Class I route disposition totaled 237.2 million pounds in November 2003, which was 9.2 million pounds less than November of last year. This represents a 4.1 percent decrease after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Florida
	<b>November 2003</b>
Whole Milk	98,621,727
Fat Free Milk	32,910,431
Lowfat Milk (incl. 1%)	23,312,945
Reduced Fat Milk (incl. 2%)	60,193,548
Cultured Fluid Milk (incl. Buttermilk)	1,400,580
Flavored Drinks and Milk	20,791,706
<b>Total Disposition in Marketing Area</b>	<b>237,230,937</b>
Total Disposition by Pool Plants	<b>207,270,140</b>
Total Disposition by Nonpool Plants	<b>29,960,797</b>
<b>Total Disposition in Marketing Area</b>	<b>237,230,937</b>

### NASS Dairy Product Price Averages Used in Federal Milk Order Price Formulas

Below are the National Agricultural Statistics Service's (NASS) yearly product price averages collected from their monthly survey and used in calculating Class II butterfat, Class III and Class IV prices. Nearly all of the improvement in milk prices during 2003 is attributed to the cheese market in which prices were, on average, 9.2 percent higher than 2002. Note that reporting just the \$1.30 per pound *average* Cheddar cheese price in 2003 masks the wide fluctuations in monthly prices occurring last year, from \$1.08 per pound in March to \$1.59 per pound in September.

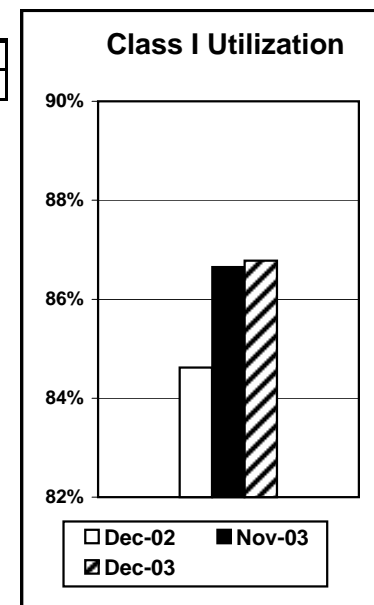


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64											

**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.	%
<b>2000 Avg</b>	234,814	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,970	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	183,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	290**	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%



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

**Florida Marketing Area - Federal Order 6**  
**Pool and Payment Dates For the Pooling Periods**  
**January through March 2004**

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
Jan. 2004	02/11/04	02/12/04	02/13/04	01/20/04	01/20/04	02/04/04	02/05/04	02/13/04	02/17/04
Feb. 2004	03/11/04	03/12/04	03/15/04	02/19/04	02/20/04	03/04/04	03/05/04	03/15/04	03/16/04
Mar. 2004	04/11/04	04/12/04	04/13/04	03/19/04	03/22/04	04/05/04	04/05/04	04/13/04	04/14/04

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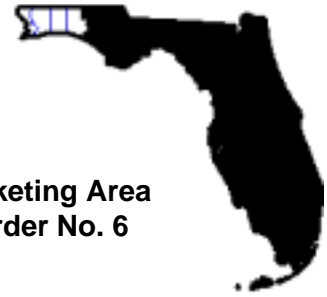
**FEDERAL MILK MARKET ADMINISTRATOR**  
**U.S. DEPARTMENT OF AGRICULTURE**  
**P.O. BOX 491778**  
**LAWRENCEVILLE, GEORGIA 30049**  
*Address Correction Requested*



# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

February 2004

Volume 5—No. 2

## Public Hearing to be Held in Atlanta

A public hearing will be held in response to industry requests to consider proposals to amend the Appalachian and Southeast Federal milk marketing orders. A proposal by Southern Marketing Agency, Inc. (SMA), would merge the Appalachian and Southeast milk marketing areas into a single milk marketing area. A separate SMA proposal and a proposal by The Kroger Company would expand the proposed merged order to include certain currently unregulated counties and cities in the State of Virginia. Also, a proposal submitted by Prairie Farms and Dean Foods Company would create a "Mississippi Valley" milk marketing area by breaking the Southeast order into two orders. Additional proposals that seek to amend certain other terms and provisions of the orders also will be considered at the hearing. The exact language of the proposals may be viewed at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'.

The hearing will convene at 1 p.m. on Monday, February 23, 2004. The hearing will be held at the Westin Atlanta Airport Hotel, 4736 Best Road, Atlanta, GA 30337; (404) 762-7676.

For further information, contact Antoinette M. Carter, Marketing Specialist, Order Formulation and Enforcement, USDA/AMS/Dairy Programs, Room 2971-Stop 0231, 1400 Independence Avenue, SW, Washington, DC 20250-0231, (202) 690-3465, e-mail address: [Antoinette.Carter@usda.gov](mailto:Antoinette.Carter@usda.gov). Persons in need of a sign language interpreter or other accommodations should contact Sue L. Mosley, Market Administrator, at (770) 682-2501; e-mail [smosley@fmmatlanta.com](mailto:smosley@fmmatlanta.com) before the hearing begins.

## Study Reveals Merits of Forward Contracting

USDA has released an update to their continuing evaluation of the Dairy Forward Pricing Pilot Program. In addition to having reduced price variability, the study shows that, on average, milk priced under a forward contract has received an additional \$0.72 per hundredweight versus non-contracted milk. Find more information on the Dairy Forward Pricing Pilot Program on page four of this publication.

## Average Start to '04 Despite Decline

The uniform blend in Hillsborough County, FL, was \$15.54 per hundredweight for milk at 3.5 percent butterfat for the month of January. This represents a decrease of \$1.62 from last month, however it is an increase of \$1.36 compared with January 2003. Even though the blend price fell nearly ten percent from December, the new year begins only slightly below the average Florida blend price since Order Reform (\$15.61 versus \$15.54). And comparing this month to the previous four Januarys actually shows an increase of \$0.26 per hundredweight.

Class I utilization was 86.61 percent, a decrease of 0.17 percent versus last month and 2.30 percent lower than January 2003.

## National Dairy Situation

Butter prices on the Chicago Mercantile Exchange on December 31 of last year closed at \$1.28 per pound. Just six weeks later, the price has risen to \$1.65, an increase of nearly thirty percent. Most, but not all, of this increase was incorporated into January's Federal Order prices, so look for February's Class IV and March's Class I price to climb higher.

USDA estimates total U.S. production of milk in December at 14.1 billion pounds, which is an increase of 5.2 percent from November but a decrease of 0.7 percent when compared with December 2002. Total cheese output (excluding cottage cheese) was 753 million pounds, 0.8 percent above December 2002 and 6.0 percent above November 2003. Butter production was 114 million pounds in December, 10.4 percent below December 2002 but 30.0 percent above November 2003. Nonfat dry milk production was 132 million pounds in December, an increase of 29.4 percent from November but down slightly from production levels of December 2002. The milk-feed price ratio was 2.62 in January; down from last month's revised 2.81 value but up from the 2.40 ratio of January 2003.



## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JANUARY 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	50.93%	4,898,682	\$1.3283	\$ 6,506,919.29
Class I Differential at Location				200,701.65
Class II Butterfat	29.29%	2,817,948	\$1.5048	4,240,448.15
Class III Butterfat	5.34%	513,798	\$1.4978	769,566.65
Class IV Butterfat	14.44%	1,389,435	\$1.4978	2,081,095.75
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,619,863</b>		<b>\$ 13,798,731.49</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.4344</b>	

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	87.97%	222,273,284	\$7.46 /cwt.	\$ 16,581,586.99
Class I Butterfat	50.93%	4,898,682	\$1.3283 /lb.	6,506,919.29
Class I Differential at Location		227,171,966		9,280,937.75
<b>Total Class I Milk</b>	<b>86.61%</b>	<b>227,171,966</b>		<b>\$ 32,369,444.03</b>
Class II Skim Milk	6.45%	16,299,808	\$6.64 /cwt.	\$ 1,082,307.25
Class II Butterfat	29.29%	2,817,948	\$1.5048 /lb.	4,240,448.15
<b>Total Class II Milk</b>	<b>7.29%</b>	<b>19,117,756</b>		<b>\$ 5,322,755.40</b>
Class III Skim Milk	3.48%	8,791,149	\$6.60 /cwt.	\$ 580,215.83
Class III Butterfat	5.34%	513,798	\$1.4978 /lb.	769,566.65
<b>Total Class III Milk</b>	<b>3.55%</b>	<b>9,304,947</b>		<b>\$ 1,349,782.48</b>
Class IV Skim Milk	2.10%	5,304,201	\$5.94 /cwt.	\$ 315,069.56
Class IV Butterfat	14.44%	1,389,435	\$1.4978 /lb.	2,081,095.75
<b>Total Class IV Milk</b>	<b>2.55%</b>	<b>6,693,636</b>		<b>\$ 2,396,165.31</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>262,288,305</b>		<b>\$ 41,438,147.22</b>

### Adjustments

Overage and Other Source	\$17,434.50
Inventory Adjustments	\$14,236.27
Producer butterfat at uniform butterfat price	(\$13,798,731.49)
Location Adjustments to Producers	(\$95,524.55)
1/2 Unobligated Balance in P.S.F.	\$91,596.45

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10,94999	\$ 27,667,158.40
	\$ 0.04999	\$126,298.22

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

**\$10.90**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$15.54\***

\* 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 2004	FEB 2004	DEC 2003	JAN 2004	JAN 2004
Appalachian (Charlotte)	\$ 14.95	\$ 14.69	\$ 15.48	\$ 14.25	69.07%
Arizona-Las Vegas (Phoenix)	\$ 14.20	\$ 13.94	\$ 12.98	\$ 12.39	32.19%
Central (Kansas City)	\$ 13.85	\$ 13.59	\$ 12.91	\$ 12.30	30.35%
<b>Florida (Tampa)</b>	<b>\$ 15.85</b>	<b>\$ 15.59</b>	<b>\$ 17.16</b>	<b>\$ 15.54</b>	<b>86.61%</b>
Mideast (Cleveland)	\$ 13.85	\$ 13.59	\$ 13.26	\$ 12.51	38.60%
Northeast (Boston)	\$ 15.10	\$ 14.84	\$ 14.39	\$ 13.58	47.40%
Pacific Northwest (Seattle)	\$ 13.75	\$ 13.49	\$ 12.47	\$ 12.07	30.15%
Southeast (Atlanta)	\$ 14.95	\$ 14.69	\$ 15.33	\$ 14.02	62.89%
Southwest (Dallas)	\$ 14.85	\$ 14.59	\$ 13.86	\$ 13.29	45.26%
Upper Midwest (Chicago)	\$ 13.65	\$ 13.39	\$ 12.41	\$ 11.98	17.80%
Western (Salt Lake City)	\$ 13.71	\$ 13.45	\$ 12.65	\$ 12.13	20.72%



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

<b>Receipts:</b>	<b>January 2004</b>	<b>January 2003</b>
<b>Producer Milk</b>		
Class I	227,171,966	227,649,572
Class II	19,117,756	17,203,579
Class III	9,304,947	6,041,146
Class IV	6,693,636	5,136,953
Total Producer Milk	<b>262,288,305</b>	<b>256,031,250</b>
Average Butterfat Test	3.67%	3.65%
Percent of Producer Milk in Class I	86.61%	88.91%
Daily Average Receipts	8,460,913	8,259,073
<b>Other Source Milk</b>		
Class I	3,615,339	3,718,889
Class II	8,988,789	9,624,071
Class III	0	12,057
Class IV	1,628,844	2,839,852
Total Other Source Milk	<b>14,232,972</b>	<b>16,194,869</b>
<b>Overage</b>		
Class I	0	0
Class II	2,669	981
Class III	0	0
Class IV	76,849	28,202
Total Overage	<b>79,518</b>	<b>29,183</b>
<b>Opening Inventory</b>		
Class I	11,672,352	10,311,736
Class II	484,320	1,051,111
Class III	198,039	1,407,097
Class IV	5,968,504	3,636,357
Total Opening Inventory	<b>18,323,215</b>	<b>16,406,301</b>
<b>Total Receipts</b>	<b>294,924,010</b>	<b>288,661,603</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	1,447,274	13,715,408
Route Disposition Class I	225,930,449	227,130,950
Shrinkage	1,128,278	663,383
Transfers and Diversions to Nonpool	923,656	170,456
Total Class I Utilization	<b>242,459,657</b>	<b>241,680,197</b>
Average Butterfat Test	2.15%	2.13%
Daily Average Utilization	7,821,279	7,796,135
<b>Class II Utilization</b>		
Nonfluid Used To Produce	8,974,863	7,434,030
Shrinkage	0	0
Transfers and Diversions to Nonpool	4,377,900	5,517,554
Used To Produce/Other Uses	15,240,771	14,928,158
Total Class II Utilization	<b>28,593,534</b>	<b>27,879,742</b>
Average Butterfat Test	9.92%	9.82%
<b>Class III Utilization</b>		
Shrinkage	0	3,277,193
Transfers and Diversions to Nonpool	9,502,986	3,221,511
Used To Produce/Other Uses	0	961,596
Total Class III Utilization	<b>9,502,986</b>	<b>7,460,300</b>
Average Butterfat Test	5.41%	4.58%
<b>Class IV Utilization</b>		
Inventory	2,653,913	3,712,963
Nonfluid Used To Fortify	1,469,643	2,527,094
Shrinkage	3,684,526	0
Transfers and Diversions to Nonpool	4,998,319	5,401,307
Used To Produce/Other Uses	1,561,432	0
Total Class IV Utilization	<b>14,367,833</b>	<b>11,641,364</b>
Average Butterfat Test	12.59%	15.40%
<b>Total Utilization</b>	<b>294,924,010</b>	<b>288,661,603</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in January 2004 is \$15.54 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.90 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4344 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 87.97% of all producer skim milk (priced to handlers at \$7.46 per hundredweight, plus the Class I differential and 50.93% of producer butterfat(priced to handlers at \$1.3283 per pound plus Class I differential). Class II use accounted for 6.45% of all producer skim milk (\$6.64 per hundredweight) and 29.29% of producer butterfat (\$1.5048 per pound). Class III use accounted for 3.48% of all producer skim milk (\$6.60 per hundredweight) and 5.34% of producer butterfat (\$1.4978 per pound). Class IV use accounted for 2.10% of all producer skim milk (\$5.94 per hundredweight) and 14.44% of producer butterfat (\$1.4978 per pound).

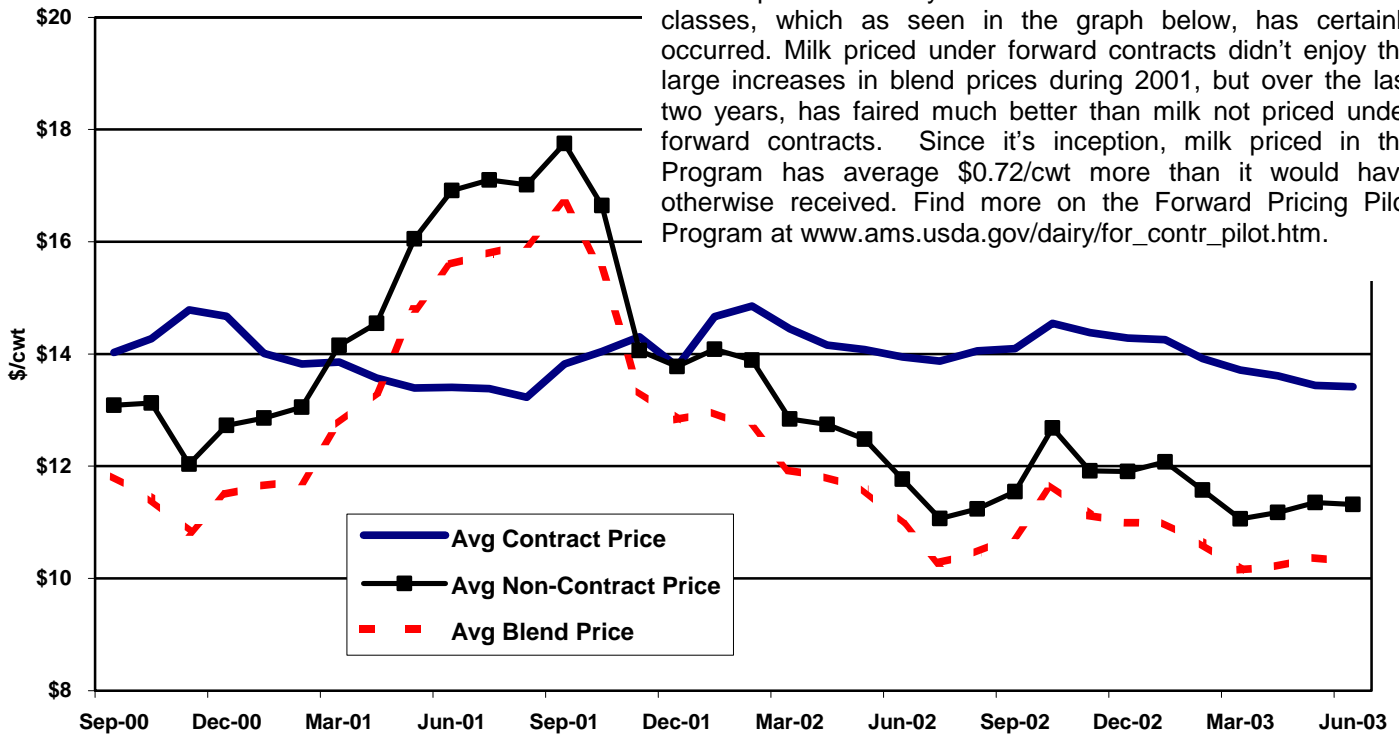
Receipts of producer milk during January 2004 totaled 262.3 million pounds, 6.3 million pounds more than was pooled in January of last year. Florida producers supplied 188.7 million pounds of milk in December 2003 to pool plants or 75.24% of the total producer milk pooled in Florida. In December 2002 Florida producers supplied 75.42% of the total producer milk pooled in the Florida market.

There were 12 regulated pool distributing plants and 4 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2004. In-area Class I route disposition totaled 253.4 million pounds in December 2003, which was 10.1 million pounds more than December of last year. This represents a 6.4 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Florida December 2003
Whole Milk	107,531,057
Fat Free Milk	33,825,717
Lowfat Milk (incl. 1%)	24,266,653
Reduced Fat Milk (incl. 2%)	63,729,514
Cultured Fluid Milk (incl. Buttermilk)	1,434,086
Flavored Drinks and Milk	22,563,251
<b>Total Disposition in Marketing Area</b>	<b>253,350,278</b>
Total Disposition by Pool Plants	<b>220,060,823</b>
Total Disposition by Nonpool Plants	<b>33,289,455</b>
<b>Total Disposition in Marketing Area</b>	<b>253,350,278</b>

### Price of Forward Contracted Milk;



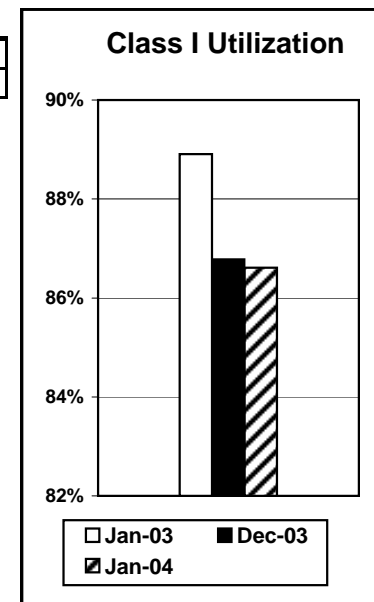
USDA's Dairy Forward Pricing Pilot Program allows non-Class I milk to be priced into the future and not be subject to Federal Order pricing regulations. One of the Program's objectives is to reduce pricing variability for milk utilized in the manufacturing classes, which as seen in the graph below, has certainly occurred. Milk priced under forward contracts didn't enjoy the large increases in blend prices during 2001, but over the last two years, has fared much better than milk not priced under forward contracts. Since its inception, milk priced in the Program has average \$0.72/cwt more than it would have otherwise received. Find more on the Forward Pricing Pilot Program at [www.ams.usda.gov/dairy/for\\_contr\\_pilot.htm](http://www.ams.usda.gov/dairy/for_contr_pilot.htm).

**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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan <b>2004</b>	262,288	290**	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods February through April 2004

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
Feb 2004	03/11/04	03/12/04	03/15/04	02/19/04	02/20/04	03/04/04	03/05/04	03/15/04	03/16/04
Mar 2004	04/11/04	04/12/04	04/13/04	03/19/04	03/22/04	04/05/04	04/05/04	04/13/04	04/14/04
Apr 2004	05/11/04	05/12/04	05/13/04	04/19/04	04/20/04	05/04/04	05/05/04	05/13/04	05/14/04

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*

got milk?

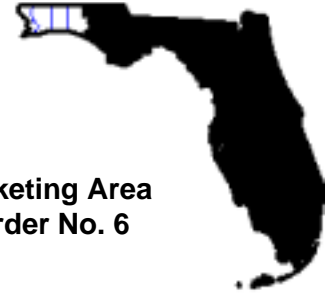


It does a body good!

# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



www.fmmatlanta.com

March 2004

Volume 5—No. 3

## '03 State Production Totals In; Southeastern Decline Continues

The National Agricultural Statistics Service (NASS) has released state production estimates for 2003 and they reveal a continuation in the expansion of milk production in the western U.S. and the contraction of milk supplies in the southeastern and northeastern U.S. The southeastern states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri and Tennessee (bolded in the chart below and combined into SE States) have each lost production, though Florida and Georgia seem to be losing it at a slower rate than the others. Combined, states in the southeastern U.S. produced 6.5% less milk in 2003 than the prior year.

NASS reports that the state of Florida produced 2.16 billion pounds of milk in 2003, down 6.4 percent from 2002, and down 9.2 percent from 1995. This long term trend compares favorably with other southeastern states, which have seen production decline by as much as half over the past 9 years.

Production Rank		2003	2002	1995	'02-03 % chg	'95-03 % chg
millions of pounds						
1	CA	35,437	35,065	25,327	1.1%	39.9%
2	WI	22,266	22,074	22,942	0.9%	-2.9%
3	NY	11,952	12,218	11,643	-2.2%	2.7%
4	PA	10,338	10,775	10,600	-4.1%	-2.5%
5	ID	8,774	8,155	4,210	7.6%	108.4%
6	MN	8,258	8,458	9,442	-2.4%	-12.5%
7	NM	6,666	6,316	3,623	5.5%	84.0%
8	MI	6,360	6,120	5,565	3.9%	14.3%
9	TX	5,630	5,300	6,113	6.2%	-7.9%
10	WA	5,581	5,620	5,302	-0.7%	5.3%
<b>18</b>	<b>FL</b>	<b>2,161</b>	<b>2,308</b>	<b>2,381</b>	<b>-6.4%</b>	<b>-9.2%</b>
<b>21</b>	<b>MO</b>	<b>1,886</b>	<b>1,946</b>	<b>2,690</b>	<b>-3.1%</b>	<b>-29.9%</b>
<b>24</b>	<b>KY</b>	<b>1,464</b>	<b>1,614</b>	<b>2,020</b>	<b>-9.3%</b>	<b>-27.5%</b>
<b>25</b>	<b>GA</b>	<b>1,444</b>	<b>1,470</b>	<b>1,555</b>	<b>-1.8%</b>	<b>-7.1%</b>
<b>29</b>	<b>TN</b>	<b>1,205</b>	<b>1,315</b>	<b>1,745</b>	<b>-8.4%</b>	<b>-30.9%</b>
<b>34</b>	<b>LA</b>	<b>519</b>	<b>579</b>	<b>905</b>	<b>-10.4%</b>	<b>-42.7%</b>
<b>36</b>	<b>MS</b>	<b>423</b>	<b>478</b>	<b>710</b>	<b>-11.5%</b>	<b>-40.4%</b>
<b>38</b>	<b>AR</b>	<b>352</b>	<b>393</b>	<b>732</b>	<b>-10.4%</b>	<b>-51.9%</b>
<b>43</b>	<b>AL</b>	<b>252</b>	<b>277</b>	<b>482</b>	<b>-9.0%</b>	<b>-47.7%</b>
	US	170,312	170,063	155,644	0.1%	9.4%
	<b>SE States</b>	<b>9,706</b>	<b>10,380</b>	<b>13,220</b>	<b>-6.5%</b>	<b>-26.6%</b>

## Price Inches Downward

The uniform blend in Hillsborough County, FL, was \$15.48 per hundredweight for milk at 3.5 percent butterfat for the month of February. This is a decrease of \$0.06 from last month, however it is an increase of \$1.83 compared with February 2003. Class I utilization was 81.90 percent, a decrease of 4.71 percent versus last month and 5.20 percent lower than February 2003.

## National Dairy Situation

USDA estimates total U.S. production of milk in January at 14.4 billion pounds, which is an increase of 1.5 percent from December but a decrease of 1.3 percent when compared with January 2003. Total cheese output (excluding cottage cheese) was 735 million pounds, 2.4 percent above January 2003 but 2.5 percent below December 2003. Butter production was 132 million pounds in January, 6.8 percent below January 2003 but 15.3 percent above December 2003. Nonfat dry milk production was 120 million pounds in January, a decrease of 9.1 percent from December and down 10.2 percent from January 2003.

## Decision Issued on Product Classifications

USDA has announced a tentative final decision to amend all Federal milk marketing orders. If approved by producers, this decision would reclassify evaporated milk and sweetened condensed milk in consumer-type packages from Class III to Class IV. It is projected to have minimal impact on producer prices. For more information, visit [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy) or contact this office directly.

## Western Order to Terminate

Producers in the Western order failed to approve the issuance of their order, as amended, which sought to increase pooling standards. As a result, the order will terminate as of April 1, 2004. Certain administrative functions, such as plant audits, will continue to operate for a few months before the order's provisions can officially cease.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - FEBRUARY 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.78%	4,343,848	\$1.5044	\$ 6,534,884.94
Class I Differential at Location				178,182.64
Class II Butterfat	33.71%	3,065,424	\$1.8588	5,698,010.14
Class III Butterfat	7.32%	666,064	\$1.8518	1,233,417.32
Class IV Butterfat	11.19%	1,017,804	\$1.8518	1,884,769.45
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,093,140</b>		<b>\$ 15,529,264.49</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.7078</b>	

### 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	83.20%	199,752,953	\$6.55 /cwt.	\$ 13,083,818.43
Class I Butterfat	47.78%	4,343,848	\$1.5044 /lb.	6,534,884.94
Class I Differential at Location		204,096,801		8,348,349.80
<b>Total Class I Milk</b>	<b>81.90%</b>	<b>204,096,801</b>		<b>\$ 27,967,053.17</b>
Class II Skim Milk	7.48%	17,961,793	\$6.63 /cwt.	\$ 1,190,866.89
Class II Butterfat	33.71%	3,065,424	\$1.8588 /lb.	5,698,010.14
<b>Total Class II Milk</b>	<b>8.44%</b>	<b>21,027,217</b>		<b>\$ 6,888,877.03</b>
Class III Skim Milk	5.95%	14,285,168	\$5.61 /cwt.	\$ 801,397.93
Class III Butterfat	7.32%	666,064	\$1.8518 /lb.	1,233,417.32
<b>Total Class III Milk</b>	<b>6.00%</b>	<b>14,951,232</b>		<b>\$ 2,034,815.25</b>
Class IV Skim Milk	3.37%	8,092,460	\$5.94 /cwt.	\$ 480,692.12
Class IV Butterfat	11.19%	1,017,804	\$1.8518 /lb.	1,884,769.45
<b>Total Class IV Milk</b>	<b>3.66%</b>	<b>9,110,264</b>		<b>\$ 2,365,461.57</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>249,185,514</b>		<b>\$ 39,256,207.02</b>

### Adjustments

Overage and Other Source	\$4,166.28
Inventory Adjustments	\$24,124.67
Producer butterfat at uniform butterfat price	(\$15,529,264.49)
Location Adjustments to Producers	(\$100,060.42)
1/2 Unobligated Balance in P.S.F.	\$94,455.72

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9,89187	\$ 23,749,628.78
	\$ 0.04187	\$100,529.94

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

**\$9.85**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$15.48\***

\* 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 2004	MAR 2004	JAN 2004	FEB 2004	FEB 2004
Appalachian (Charlotte)	\$ 14.69	\$ 15.04	\$ 14.25	\$ 14.49	66.52%
Arizona-Las Vegas (Phoenix)	\$ 13.94	\$ 14.29	\$ 12.39	\$ 12.89	31.41%
Central (Kansas City)	\$ 13.59	\$ 13.94	\$ 12.30	\$ 12.66	29.49%
<b>Florida (Tampa)</b>	<b>\$ 15.59</b>	<b>\$ 15.94</b>	<b>\$ 15.54</b>	<b>\$ 15.48</b>	<b>81.90%</b>
Mideast (Cleveland)	\$ 13.59	\$ 13.94	\$ 12.51	\$ 12.87	36.30%
Northeast (Boston)	\$ 14.84	\$ 15.19	\$ 13.58	\$ 13.95	43.60%
Pacific Northwest (Seattle)	\$ 13.49	\$ 13.84	\$ 12.07	\$ 12.67	28.34%
Southeast (Atlanta)	\$ 14.69	\$ 15.04	\$ 14.02	\$ 14.23	58.32%
Southwest (Dallas)	\$ 14.59	\$ 14.94	\$ 13.29	\$ 13.67	44.39%
Upper Midwest (Chicago)	\$ 13.39	\$ 13.74	\$ 11.98	\$ 12.36	18.30%
Western (Salt Lake City)	\$ 13.45	\$ 13.80	\$ 12.13	\$ 12.53	19.40%

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

<b>Receipts:</b>	<b>February 2004</b>	<b>February 2003</b>
<b>Producer Milk</b>		
Class I	204,096,801	201,537,400
Class II	21,027,217	16,882,687
Class III	14,951,232	7,303,444
Class IV	9,110,264	5,656,129
Total Producer Milk	<b>249,185,514</b>	<b>231,379,660</b>
Average Butterfat Test	3.65%	3.59%
Percent of Producer Milk in Class I	81.90%	87.10%
Daily Average Receipts	8,592,604	8,263,559
<b>Other Source Milk</b>		
Class I	3,017,832	2,224,794
Class II	9,897,316	10,157,172
Class III	19,307	2,261
Class IV	1,803,994	1,692,683
Total Other Source Milk	<b>14,738,449</b>	<b>14,076,910</b>
<b>Overage</b>		
Class I	0	0
Class II	0	25,794
Class III	0	30,998
Class IV	18,178	24,244
Total Overage	<b>18,178</b>	<b>81,036</b>
<b>Opening Inventory</b>		
Class I	14,477,274	13,746,175
Class II	135,318	24,928
Class III	887	70,741
Class IV	2,517,708	3,586,527
Total Opening Inventory	<b>17,131,187</b>	<b>17,428,371</b>
<b>Total Receipts</b>	<b>281,073,328</b>	<b>262,965,977</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	12,107,616	13,335,652
Route Disposition Class I	208,673,496	202,865,599
Shrinkage	621,283	1,193,844
Transfers and Diversions to Nonpool	189,512	113,274
Total Class I Utilization	<b>221,591,907</b>	<b>217,508,369</b>
Average Butterfat Test	2.12%	2.11%
Daily Average Utilization	7,641,100	7,768,156
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,819,400	8,176,356
Shrinkage	0	0
Transfers and Diversions to Nonpool	4,750,897	5,358,793
Used To Produce/Other Uses	16,489,554	13,555,432
Total Class II Utilization	<b>31,059,851</b>	<b>27,090,581</b>
Average Butterfat Test	10.29%	9.46%
<b>Class III Utilization</b>		
Shrinkage	3,370,726	3,447,918
Transfers and Diversions to Nonpool	10,646,434	3,157,275
Used To Produce/Other Uses	954,266	802,251
Total Class III Utilization	<b>14,971,426</b>	<b>7,407,444</b>
Average Butterfat Test	4.52%	3.65%
<b>Class IV Utilization</b>		
Inventory	9,354,485	4,733,384
Nonfluid Used To Fortify	1,397,097	1,489,935
Shrinkage	0	0
Transfers and Diversions to Nonpool	2,698,562	4,736,264
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<b>13,450,144</b>	<b>10,959,583</b>
Average Butterfat Test	9.66%	13.97%
<b>Total Utilization</b>	<b>281,073,328</b>	<b>262,965,977</b>



## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in February 2004 is \$15.48 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$9.85 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7078 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 February, Class I use accounted for 83.20% of all producer skim milk (priced to handlers at \$6.55 per hundredweight, plus the Class I differential and 47.78% of producer butterfat (priced to handlers at \$1.5044 per pound plus Class I differential). Class II use accounted for 7.48% of all producer skim milk (\$6.63 per hundredweight) and 33.71% of producer butterfat (\$1.8588 per pound). Class III use accounted for 5.95% of all producer skim milk (\$5.61 per hundredweight) and 7.32% of producer butterfat (\$1.8518 per pound). Class IV use accounted for 3.37% of all producer skim milk (\$5.94 per hundredweight) and 11.19% of producer butterfat (\$1.8518 per pound).

Receipts of producer milk during February 2004 totaled 249.2 million pounds, 17.8 million pounds more than was pooled in February of last year. Florida producers supplied 197.5 million pounds of milk in January 2004 to pool plants or 75.29% of the total producer milk pooled in Florida. In January 2003 Florida producers supplied 77.09% of the total producer milk pooled in the Florida market.

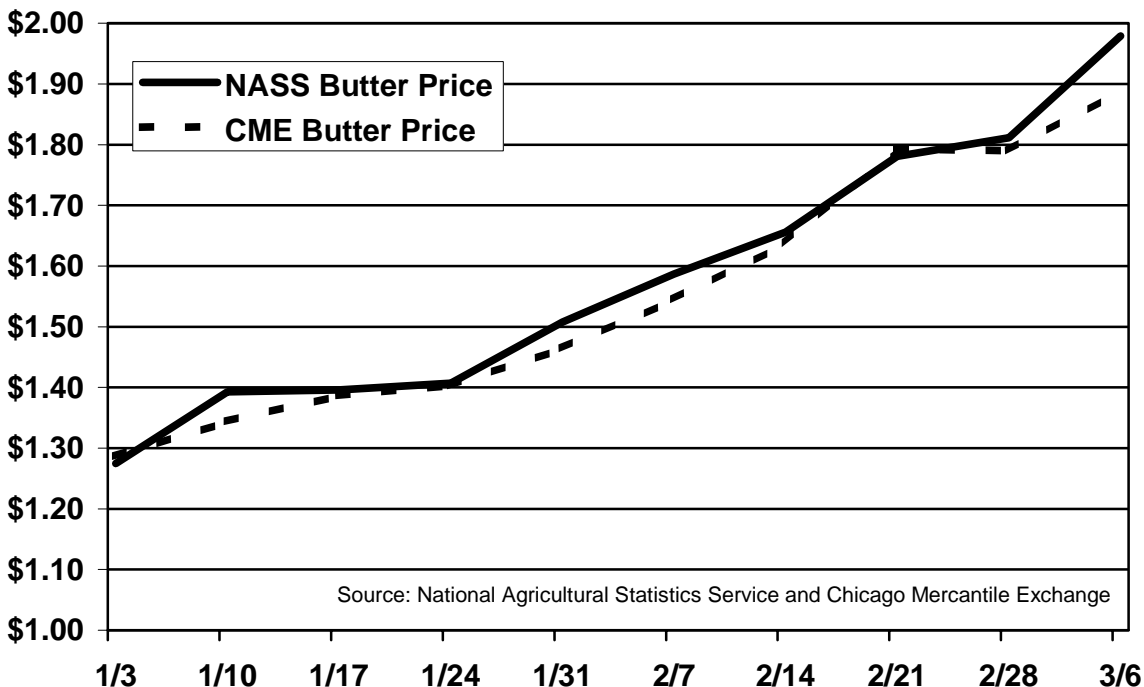
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2004. In-area Class I route disposition totaled 259.1 million pounds in January 2004, which was 0.3 million pounds more than January of last year. This represents a 0.1 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Florida January 2004
Whole Milk	107,106,440
Fat Free Milk	36,768,016
Lowfat Milk (incl. 1%)	26,680,564
Reduced Fat Milk (incl. 2%)	67,195,611
Cultured Fluid Milk (incl. Buttermilk)	1,300,634
Flavored Drinks and Milk	<u>20,074,018</u>
<b>Total Disposition in Marketing Area</b>	<b><u>259,125,283</u></b>
Total Disposition by Pool Plants	225,388,034
Total Disposition by Nonpool Plants	<u>33,737,249</u>
<b>Total Disposition in Marketing Area</b>	<b><u>259,125,283</u></b>

### Charting the Recent Surge in Butter Prices

Recent declines in U.S. butter production, coupled with increases in commercial disappearance, have fueled speculation regarding tight butter supplies and higher prices throughout the remainder of 2004. Butter production during the fourth quarter of 2003 was 34.7 million pounds, or 10.4 percent below prior year levels. At the same time, commercial disappearance increased by 18 million pounds, or about 5 percent. As a result, NASS (National Agricultural Statistics



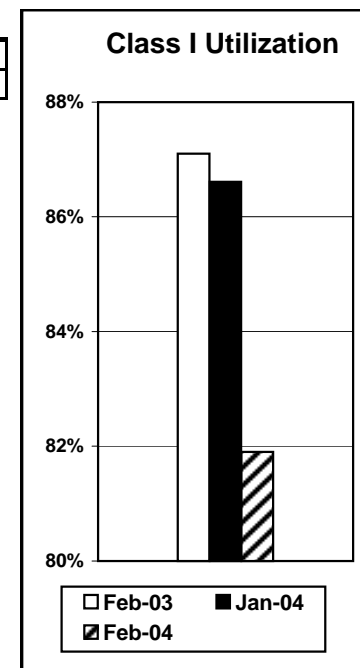
Service) survey prices have increased quickly, from \$1.2867 per pound for the week ending January 3 to \$1.8888 per pound for the week ending March 6 (see graph at left), an increase of nearly 47 percent. The weekly average cash butter prices on the Chicago Mercantile Exchange (CME) have increased from \$1.2750 per pound to \$1.9790 per pound over the same period of time, an increase of just over 55 percent.

**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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	280**	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%



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

**Florida Marketing Area - Federal Order 6**  
**Pool and Payment Dates For the Pooling Periods**  
**March through May 2004**

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
Mar 2004	04/11/04	04/12/04	04/13/04	03/19/04	03/22/04	04/05/04	04/05/04	04/13/04	04/14/04
Apr 2004	05/11/04	05/12/04	05/13/04	04/19/04	04/20/04	05/04/04	05/05/04	05/13/04	05/14/04
May 2004	06/11/04	06/14/04	06/15/04	05/19/04	05/20/04	06/04/04	06/07/04	06/15/04	06/16/04

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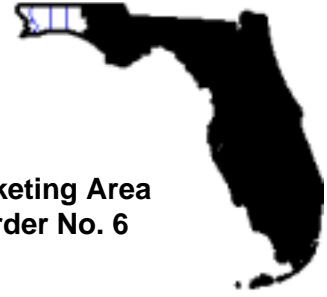
**FEDERAL MILK MARKET ADMINISTRATOR**  
**U.S. DEPARTMENT OF AGRICULTURE**  
**P.O. BOX 491778**  
**LAWRENCEVILLE, GEORGIA 30049**  
*Address Correction Requested*



# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



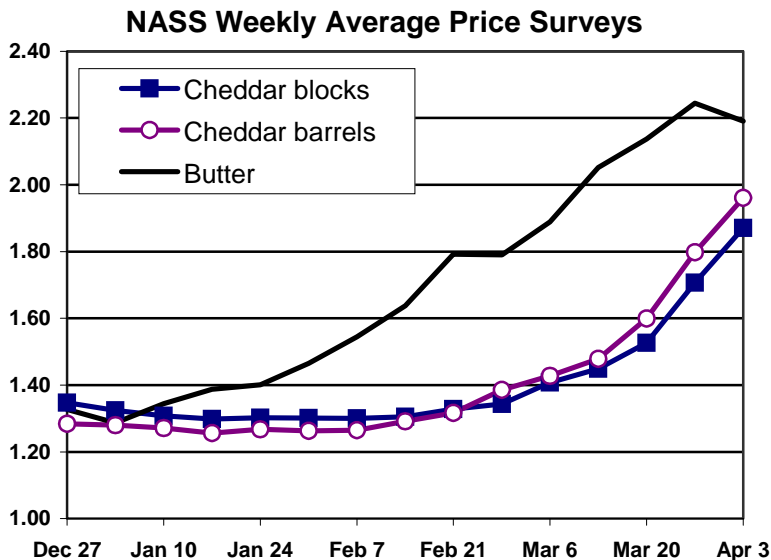
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April 2004

Volume 5—No. 4

## Commodity Prices Flying High

The National Agricultural Statistics Service (NASS) commodity price survey finds Cheddar cheese prices at record-breaking highs and butter prices over 50 percent higher than the average price since Order Reform (January 2000). The prices observed in these surveys are used in Federal order pricing formulas which establish minimum class prices for pooled milk. The weekly average prices for Cheddar blocks and barrels were \$1.87/lb and \$1.96/lb, respectively, for the week ending April 3. These prices normally average



around \$1.25/lb. Meanwhile, the weekly average butter price was \$2.19/lb for the week ending April 3, nearly one dollar above its long-run average.

It's reasonable to expect another significant increase in the blend price for April, despite the fact an inversion of the blend price and the Class III price is possible. Such an inversion discourages the pooling of Class III manufacturing milk, effectively removing the higher-valued milk from the market-wide pool. But because Class III milk is limited in the Florida market, and higher cheese and butter prices assure that all class prices will be higher in April, the blend price will also be higher.

## Blend Price Up \$1.00

The uniform blend in Hillsborough County, FL, was \$16.48 per hundredweight for milk at 3.5 percent butterfat for the month of March. This is an increase of \$1.00 from last month and is \$3.17 higher when compared with March 2003. Class I utilization was 83.01 percent, an increase of 1.11 percent versus last month but 3.39 percent lower than March 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in February was 13.6 billion pounds, which is a decrease of 5.4 percent from January and a decrease of 2.2 percent when compared with February 2003 (after adjusting for the extra day in February due to leap year). Note that January 2004's estimate was revised downward by 19 million pounds. Total cheese output (excluding cottage cheese) was 701 million pounds, 3.5 percent above February 2003 (after adjusting for leap year) but 4.8 percent below January 2004. Butter production was 106 million pounds in February, 20.5 percent below February 2003 (after adjusting for leap year) and 19.8 percent below January 2004.

## USDA Requests Comments and Proposals

In three separate actions, USDA is requesting input from all segments of the dairy industry. First, transcripts and exhibits for the Southeast and Appalachian proposed merger hearing are now available and comments or briefs associated with the proposed merger should be filed by June 30. The second action invites proposals regarding the pooling provisions of the Upper Midwest Order. Currently, two separate requests seek higher pooling standards to be implemented on an emergency basis. The third departmental action is the issuance of a recommended decision in the Northeast Order that would increase pooling standards. For more information on all of these actions, including deadlines for submission of comments and proposals, visit [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm) or contact this office directly at 770-682-2501.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - MARCH 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	49.47%	4,789,448	\$1.7675	\$ 8,465,349.35
Class I Differential at Location				195,506.06
Class II Butterfat	35.86%	3,472,694	\$2.3883	8,293,835.08
Class III Butterfat	7.63%	738,984	\$2.3813	1,759,742.61
Class IV Butterfat	7.04%	681,851	\$2.3813	1,623,691.79
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,682,977</b>		<b>\$ 20,338,124.89</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$2.1004</b>	

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	84.27%	219,831,123	\$5.96 /cwt.	\$ 13,101,934.93
Class I Butterfat	49.47%	4,789,448	\$1.7675 /lb.	8,465,349.35
Class I Differential at Location		224,620,571		9,187,703.06
<b>Total Class I Milk</b>	<b>83.01%</b>	<b>224,620,571</b>		<b>\$ 30,754,987.34</b>
Class II Skim Milk	7.54%	19,681,535	\$6.66 /cwt.	\$ 1,310,790.24
Class II Butterfat	35.86%	3,472,694	\$2.3883 /lb.	8,293,835.08
<b>Total Class II Milk</b>	<b>8.56%</b>	<b>23,154,229</b>		<b>\$ 9,604,625.32</b>
Class III Skim Milk	5.88%	15,348,121	\$6.38 /cwt.	\$ 979,210.12
Class III Butterfat	7.63%	738,984	\$2.3813 /lb.	1,759,742.61
<b>Total Class III Milk</b>	<b>5.95%</b>	<b>16,087,105</b>		<b>\$ 2,738,952.73</b>
Class IV Skim Milk	2.31%	6,023,409	\$5.97 /cwt.	\$ 359,597.51
Class IV Butterfat	7.04%	681,851	\$2.3813 /lb.	1,623,691.79
<b>Total Class IV Milk</b>	<b>2.48%</b>	<b>6,705,260</b>		<b>\$ 1,983,289.30</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>270,567,165</b>		<b>\$ 45,081,854.69</b>

### Adjustments

Overage and Other Source	\$35,976.88
Inventory Adjustments	\$9,821.78
Producer butterfat at uniform butterfat price	(\$20,338,124.89)
Location Adjustments to Producers	(\$96,572.51)
1/2 Unobligated Balance in P.S.F.	\$101,394.84

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9,50397	\$ 24,794,350.79
	<b>\$ 0.04397</b>	<b>\$114,706.60</b>

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

**\$9.46**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$16.48\***

\* 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 2004	APR 2004	FEB 2004	MAR 2004	MAR 2004
Appalachian (Charlotte)	\$ 15.04	\$ 16.74	\$ 14.49	\$ 15.80	76.20%
Arizona-Las Vegas (Phoenix)	\$ 14.29	\$ 15.99	\$ 12.89	\$ 14.69	32.35%
Central (Kansas City)	\$ 13.94	\$ 15.64	\$ 12.66	\$ 14.63	53.77%
<b>Florida (Tampa)</b>	<b>\$ 15.94</b>	<b>\$ 17.64</b>	<b>\$ 15.48</b>	<b>\$ 16.48</b>	<b>83.01%</b>
Mideast (Cleveland)	\$ 13.94	\$ 15.64	\$ 12.87	\$ 14.68	44.50%
Northeast (Boston)	\$ 15.19	\$ 16.89	\$ 13.95	\$ 15.56	44.60%
Pacific Northwest (Seattle)	\$ 13.84	\$ 15.54	\$ 12.67	\$ 14.55	31.61%
Southeast (Atlanta)	\$ 15.04	\$ 16.74	\$ 14.23	\$ 15.61	61.15%
Southwest (Dallas)	\$ 14.94	\$ 16.64	\$ 13.67	\$ 15.22	58.74%
Upper Midwest (Chicago)	\$ 13.74	\$ 15.44	\$ 12.36	\$ 14.70	58.70%
Western (Salt Lake City)	\$ 13.80	\$ 15.50	\$ 12.53	\$ 14.69	60.03%

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

<b>Receipts:</b>	<b>March 2004</b>	<b>March 2003</b>
<b>Producer Milk</b>		
Class I	224,620,571	218,983,481
Class II	23,154,229	20,602,150
Class III	16,087,105	8,828,677
Class IV	6,705,260	5,040,457
Total Producer Milk	<b>270,567,165</b>	<b>253,454,765</b>
Average Butterfat Test	3.58%	3.53%
Percent of Producer Milk in Class I	83.01%	86.40%
Daily Average Receipts	8,727,973	8,175,960
<b>Other Source Milk</b>		
Class I	3,892,742	2,548,614
Class II	9,184,842	11,060,131
Class III	0	0
Class IV	1,742,571	1,792,806
Total Other Source Milk	<b>14,820,155</b>	<b>15,401,551</b>
<b>Overage</b>		
Class I	0	0
Class II	14,386	0
Class III	374	0
Class IV	32,399	10,862
Total Overage	<b>47,159</b>	<b>10,862</b>
<b>Opening Inventory</b>		
Class I	12,107,616	13,335,652
Class II	338,394	22,960
Class III	68	61,657
Class IV	9,016,023	4,648,767
Total Opening Inventory	<b>21,462,101</b>	<b>18,069,036</b>
<b>Total Receipts</b>	<b>306,896,580</b>	<b>286,936,214</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	11,606,518	11,084,611
Route Disposition Class I	227,425,064	223,373,384
Shrinkage	768,438	343,805
Transfers and Diversions to Nonpool	820,909	65,947
Total Class I Utilization	<b>240,620,929</b>	<b>234,867,747</b>
Average Butterfat Test	2.13%	2.13%
Daily Average Utilization	7,761,965	7,576,379
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,164,964	8,878,532
Shrinkage	0	0
Transfers and Diversions to Nonpool	6,058,447	6,370,293
Used To Produce/Other Uses	17,468,440	16,436,416
Total Class II Utilization	<b>32,691,851</b>	<b>31,685,241</b>
Average Butterfat Test	10.69%	9.71%
<b>Class III Utilization</b>		
Shrinkage	0	3,589,576
Transfers and Diversions to Nonpool	16,087,547	4,386,779
Used To Produce/Other Uses	0	913,979
Total Class III Utilization	<b>16,087,547</b>	<b>8,890,334</b>
Average Butterfat Test	4.60%	4.50%
<b>Class IV Utilization</b>		
Inventory	9,108,693	7,418,873
Nonfluid Used To Fortify	1,543,558	1,589,402
Shrinkage	3,921,719	0
Transfers and Diversions to Nonpool	1,662,618	2,484,617
Used To Produce/Other Uses	1,259,665	0
Total Class IV Utilization	<b>17,496,253</b>	<b>11,492,892</b>
Average Butterfat Test	6.78%	9.77%
<b>Total Utilization</b>	<b>306,896,580</b>	<b>286,936,214</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in March 2004 is \$16.48 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$9.46 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1004 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 March, Class I use accounted for 84.27% of all producer skim milk (priced to handlers at \$5.96 per hundredweight, plus the Class I differential and 49.47% of producer butterfat (priced to handlers at \$1.7675 per pound plus Class I differential). Class II use accounted for 7.54% of all producer skim milk (\$6.66 per hundredweight) and 35.86% of producer butterfat (\$2.3883 per pound). Class III use accounted for 5.88% of all producer skim milk (\$6.38 per hundredweight) and 7.63% of producer butterfat (\$2.3813 per pound). Class IV use accounted for 2.31% of all producer skim milk (\$5.97 per hundredweight) and 7.04% of producer butterfat (\$2.3813 per pound).

Receipts of producer milk during March 2004 totaled 270.6 million pounds, 17.1 million pounds more than was pooled in March of last year. Florida producers supplied 193.0 million pounds of milk in February 2004 to pool plants or 77.44% of the total producer milk pooled in Florida. In February 2003 Florida producers supplied 80.60% of the total producer milk pooled in the Florida market.

There were 12 regulated pool distributing plants and 4 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2004. In-area Class I route disposition totaled 239.8 million pounds in February 2004, which was 6.9 million pounds more than February of last year. This represents a 0.25 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2004</b>		
Whole Milk	97,285,487	40.6%
Fat Free Milk	34,618,267	14.4%
Lowfat Milk (incl. 1%)	25,264,370	10.6%
Reduced Fat Milk (incl. 2%)	61,894,892	25.8%
Cultured Fluid Milk (incl. Buttermilk)	1,223,658	0.5%
Flavored Drinks and Milk	19,480,872	8.1%
<b>Total Disposition in Marketing Area</b>	<b>239,767,872</b>	<b>100.0%</b>
Total Disposition by Pool Plants	208,377,333	86.9%
Total Disposition by Nonpool Plants	31,390,213	13.1%
<b>Total Disposition in Marketing Area</b>	<b>239,767,872</b>	<b>100.0%</b>

### State Production, Number of Farms, and Average Pounds Per Farm: 2003

	2003 Production		No. Farms		Avg. Pounds	
	Rank	Rank	Rank	Rank	Rank	Rank
	Million lbs.				Million lbs.	
CA	35,437	1	2,060	8	17.20	3
WI	22,266	2	16,400	1	1.36	42
NY	11,952	3	6,700	3	1.78	26
PA	10,338	4	9,130	2	1.13	47
ID	8,774	5	775	18	11.32	7
MN	8,258	6	6,235	4	1.32	43
NM	6,666	7	170	37	39.21	1
MI	6,360	8	2,840	6	2.24	21
TX	5,630	9	850	15	6.62	10
WA	5,581	10	640	20	8.72	9
<b>FL</b>	<b>2,161</b>	<b>18</b>	<b>190</b>	<b>35</b>	<b>11.37</b>	<b>6</b>
<b>MO</b>	<b>1,886</b>	<b>21</b>	<b>1,980</b>	<b>10</b>	<b>0.95</b>	<b>49</b>
<b>KY</b>	<b>1,464</b>	<b>24</b>	<b>1,630</b>	<b>11</b>	<b>0.90</b>	<b>50</b>
<b>GA</b>	<b>1,444</b>	<b>25</b>	<b>360</b>	<b>28</b>	<b>4.01</b>	<b>13</b>
<b>TN</b>	<b>1,205</b>	<b>29</b>	<b>820</b>	<b>16</b>	<b>1.47</b>	<b>38</b>
<b>LA</b>	<b>519</b>	<b>34</b>	<b>340</b>	<b>30</b>	<b>1.53</b>	<b>35</b>
<b>MS</b>	<b>423</b>	<b>36</b>	<b>270</b>	<b>32</b>	<b>1.57</b>	<b>32</b>
<b>AR</b>	<b>352</b>	<b>38</b>	<b>290</b>	<b>31</b>	<b>1.21</b>	<b>45</b>
<b>AL</b>	<b>252</b>	<b>43</b>	<b>110</b>	<b>44</b>	<b>2.29</b>	<b>19</b>
US	170,312		70,410		2.42	

The table at left shows, for the top ten largest states, as well as the states in the Southeast and Florida marketing areas, the total amount of milk produced in the state, the total number of farms in the state and the average production per farm. Also, each state's ranking among the fifty states in these categories is provided. Florida's huge average farm size (11.37 million lbs.) more than compensated for its small number of farms (190), earning it the eighteenth spot in terms of total state production. It is also interesting to note the disparities in the number of farms and the average pounds per farm between states that, in aggregate, have similar production levels. Kentucky and Georgia are good examples of states that produce similar amounts of milk, yet have vastly different average farm size. (The source of this data is NASS's 'Licensed Dairy Herds', available at <http://usda.mannlib.cornell.edu/reports/nassr/dairy/pmp-bb/specda04.txt>.)

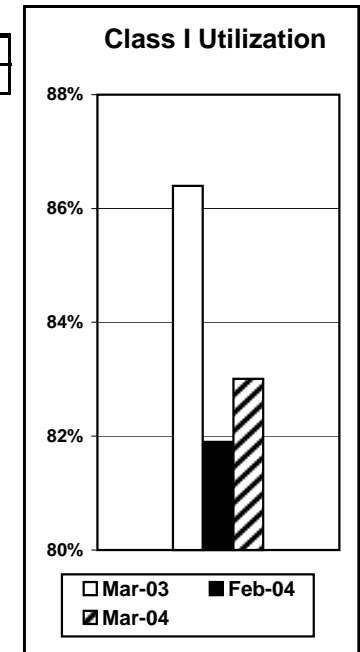


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	280**	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods April through June 2004

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
April 2004	05/11/04	05/12/04	05/13/04	04/19/04	04/20/04	05/04/04	05/05/04	05/13/04	05/14/04
May 2004	06/11/04	06/14/04	06/15/04	05/19/04	05/20/04	06/04/04	06/07/04	06/15/04	06/16/04
June 2004	07/11/04	07/12/04	07/13/04	06/21/04	06/21/04	07/06/04	07/06/04	07/13/04	07/14/04

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049  
*Address Correction Requested***



# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



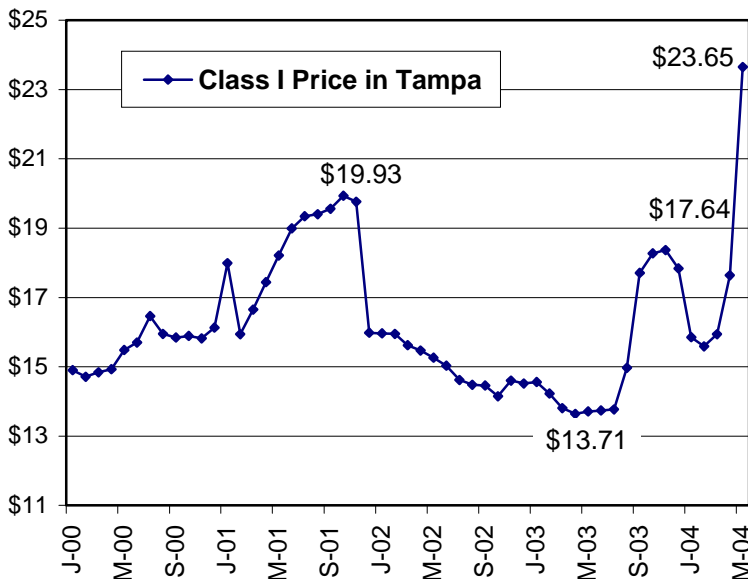
www.fmmatlanta.com

May 2004

Volume 5—No. 5

## Record High Class I Price

With butter prices on the Chicago Mercantile Exchange (CME) averaging over \$2.20/pound and Cheddar cheese blocks and barrels both above \$2.10/pound during the month of April, it should come as no surprise that milk prices are on their way up. So high up, in fact, that the Order minimum Class I price at 3.5 percent butterfat in



Tampa will be \$23.65 per hundredweight in May. This is more than six dollars above April's price and \$3.72 higher than the previous record high of \$19.93 per hundredweight set in October 2001. Perhaps most shocking is how much difference a year can make, with May 2003's Class I price (\$13.71 per hundredweight) a whopping \$9.94 less than next month's Class I value!

Relatively strong demand for dairy products coupled with an expected decline in U.S. production bodes well for producer prices spending much of the year above historical averages. Cow numbers are constrained by the continued ban on Canadian replacements and the size of the U.S. herd is down 1.7 percent from a year ago. Also, milk per cow in the first quarter of 2004 is only 0.8 percent above last year, less than half of the 1.9 percent annual growth rate seen over the past ten years.

## Blend Price Up \$1.26

The uniform blend in Hillsborough County, FL, was \$17.74 per hundredweight for milk at 3.5 percent butterfat for the month of April. This is an increase of \$1.26 from last month and is \$4.78 higher when compared with April 2003. Class I utilization was 90.57 percent, an increase of 7.56 percent versus last month and 12.81 percent higher than April 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in March was 14.7 billion pounds, which is an increase of 8.4 percent from February and a decrease of 2.1 percent when compared with March 2003. Note that on a daily average basis, March was only 1.4 percent above February.

Total cheese output (excluding cottage cheese) was 779 million pounds, 6.6 percent above March 2003 and 10.6 percent above February 2004. Butter production was 97.7 million pounds in March, 22.7 percent below March 2003 and 7.7 percent below February 2004. Nonfat dry milk production was 118 million pounds, 24.0 percent below March 2003 and 7.3 percent below February 2004.

## National Dairy Board Nominations Sought

USDA is requesting nominations be made for the National Dairy Promotion and Research Board by May 31 for the following regions: Region 1 (Oregon and Washington); Region 2 (California); Region 3 (Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Florida, Georgia, North Carolina, South Carolina, and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (New York). Those appointed will serve from Nov. 1, 2004 until Oct. 31, 2007 and administer promotional, educational and research activities financed with the 15-cent per hundredweight assessment on dairy producers who market milk commercially.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - APRIL 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	55.06%	4,708,990	\$2.2525	\$ 10,607,000.00
Class I Differential at Location				193,322.83
Class II Butterfat	37.08%	3,170,546	\$2.5083	7,952,680.51
Class III Butterfat	1.46%	125,239	\$2.5013	313,260.31
Class IV Butterfat	6.40%	546,925	\$2.5013	1,368,023.50
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,551,700</b>		<b>\$ 20,434,287.15</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$2.3895**

### 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	91.89%	212,313,609	\$5.96 /cwt.	\$ 12,653,891.09
Class I Butterfat	55.06%	4,708,990	\$2.2525 /lb.	10,607,000.00
Class I Differential at Location		217,022,599		8,883,353.44
<b>Total Class I Milk</b>	<b>90.57%</b>	<b>217,022,599</b>		<b>\$ 32,144,244.53</b>
Class II Skim Milk	6.64%	15,341,280	\$6.66 /cwt.	\$ 1,021,729.24
Class II Butterfat	37.08%	3,170,546	\$2.5083 /lb.	7,952,680.51
<b>Total Class II Milk</b>	<b>7.73%</b>	<b>18,511,826</b>		<b>\$ 8,974,409.75</b>
Class III Skim Milk	0.07%	166,218	\$11.30 /cwt.	\$ 18,782.64
Class III Butterfat	1.46%	125,239	\$2.5013 /lb.	313,260.31
<b>Total Class III Milk</b>	<b>0.12%</b>	<b>291,457</b>		<b>\$ 332,042.95</b>
Class IV Skim Milk	1.40%	3,230,207	\$6.03 /cwt.	\$ 194,781.48
Class IV Butterfat	6.40%	546,925	\$2.5013 /lb.	1,368,023.50
<b>Total Class IV Milk</b>	<b>1.58%</b>	<b>3,777,132</b>		<b>\$ 1,562,804.98</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>239,603,014</b>		<b>\$ 43,013,502.21</b>

### Adjustments

Overage and Other Source	\$27,316.74
Inventory Adjustments	\$46,851.15
Producer butterfat at uniform butterfat price	(\$20,434,287.15)
Location Adjustments to Producers	(\$210,051.67)
1/2 Unobligated Balance in P.S.F.	\$110,832.66

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9,761.54	\$ 22,554,163.94
	\$ 0.04154	\$95,976.22

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

**\$9.72**

**Uniform Price per cwt. (Hillsborough County, Florida)**

**\$17.74\***

\* 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 2004	MAY 2004	MAR 2004	APR 2004	APR 2004
Appalachian (Charlotte)	\$ 16.74	\$ 22.75	\$ 15.80	\$ 16.76	76.38%
Arizona-Las Vegas (Phoenix)	\$ 15.99	\$ 22.00	\$ 14.69	\$ 17.29	32.67%
Central (Kansas City)	\$ 15.64	\$ 21.65	\$ 14.63	\$ 15.64	60.62%
<b>Florida (Tampa)</b>	<b>\$ 17.64</b>	<b>\$ 23.65</b>	<b>\$ 16.48</b>	<b>\$ 17.74</b>	<b>90.57%</b>
Mideast (Cleveland)	\$ 15.64	\$ 21.65	\$ 14.68	\$ 15.88	62.30%
Northeast (Boston)	\$ 16.89	\$ 22.90	\$ 15.56	\$ 17.28	48.50%
Pacific Northwest (Seattle)	\$ 15.54	\$ 21.55	\$ 14.55	\$ 15.34	43.24%
Southeast (Atlanta)	\$ 16.74	\$ 22.75	\$ 15.61	\$ 16.72	69.46%
Southwest (Dallas)	\$ 16.64	\$ 22.65	\$ 15.22	\$ 16.18	55.24%
Upper Midwest (Chicago)	\$ 15.44	\$ 21.45	\$ 14.70	\$ 15.55	62.80%

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

<b>Receipts:</b>	<b>April 2004</b>	<b>April 2003</b>
<b>Producer Milk</b>		
Class I	217,022,599	209,474,101
Class II	18,511,826	18,928,204
Class III	291,457	22,173,195
Class IV	3,777,132	18,793,097
Total Producer Milk	<u>239,603,014</u>	<u>269,368,597</u>
Average Butterfat Test	3.57%	3.50%
Percent of Producer Milk in Class I	90.57%	77.76%
Daily Average Receipts	7,986,767	8,978,953
<b>Other Source Milk</b>		
Class I	3,745,004	2,221,818
Class II	9,540,379	12,235,166
Class III	0	9,405
Class IV	1,979,163	1,801,876
Total Other Source Milk	<u>16,268,265</u>	<u>16,268,265</u>
<b>Overage</b>		
Class I	11,299	0
Class II	0	4
Class III	0	0
Class IV	13,534	37,482
Total Overage	<u>24,833</u>	<u>37,486</u>
<b>Opening Inventory</b>		
Class I	12,220,359	10,717,735
Class II	972,759	63,057
Class III	6,840	52,579
Class IV	7,515,252	7,311,836
Total Opening Inventory	<u>20,715,210</u>	<u>18,145,207</u>
<b>Total Receipts</b>	<b>275,607,603</b>	<b>303,819,555</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	14,759,934	11,468,827
Route Disposition Class I	215,596,173	209,908,146
Shrinkage	1,337,336	918,411
Transfers and Diversions to Nonpool	1,305,818	118,270
Total Class I Utilization	<u>232,999,261</u>	<u>222,413,654</u>
Average Butterfat Test	2.16%	2.15%
Daily Average Utilization	7,766,642	7,413,788
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,516,794	9,163,575
Shrinkage	0	0
Transfers and Diversions to Nonpool	3,112,336	5,237,757
Used To Produce/Other Uses	16,395,834	16,825,099
Total Class II Utilization	<u>29,024,964</u>	<u>31,226,431</u>
Average Butterfat Test	11.42%	9.26%
<b>Class III Utilization</b>		
Shrinkage	0	3,663,460
Transfers and Diversions to Nonpool	298,297	17,556,023
Used To Produce/Other Uses	0	1,015,696
Total Class III Utilization	<u>298,297</u>	<u>22,235,179</u>
Average Butterfat Test	42.56%	3.70%
<b>Class IV Utilization</b>		
Inventory	4,983,820	9,171,839
Nonfluid Used To Fortify	1,683,161	1,529,851
Shrinkage	3,814,898	0
Transfers and Diversions to Nonpool	1,494,204	17,242,601
Used To Produce/Other Uses	1,308,998	0
Total Class IV Utilization	<u>13,285,081</u>	<u>27,944,291</u>
Average Butterfat Test	6.72%	5.90%
<b>Total Utilization</b>	<b>275,607,603</b>	<b>303,819,555</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2004 is \$17.74 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$9.72 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3895 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 April, Class I use accounted for 91.89% of all producer skim milk (priced to handlers at \$5.96 per hundredweight, plus the Class I differential and 55.06% of producer butterfat (priced to handlers at \$2.2525 per pound plus Class I differential). Class II use accounted for 6.64% of all producer skim milk (\$6.66 per hundredweight) and 37.08% of producer butterfat (\$2.5083 per pound). Class III use accounted for 0.07% of all producer skim milk (\$11.30 per hundredweight) and 1.46% of producer butterfat (\$2.5013 per pound). Class IV use accounted for 1.40% of all producer skim milk (\$6.03 per hundredweight) and 6.40% of producer butterfat (\$2.5013 per pound).

Receipts of producer milk during April 2004 totaled 239.6 million pounds, 29.8 million pounds less than was pooled in April of last year. Florida producers supplied 209.8 million pounds of milk in March 2004 to pool plants or 77.56% of the total producer milk pooled in Florida. In March 2003 Florida producers supplied 80.34% of the total producer milk pooled in the Florida market.

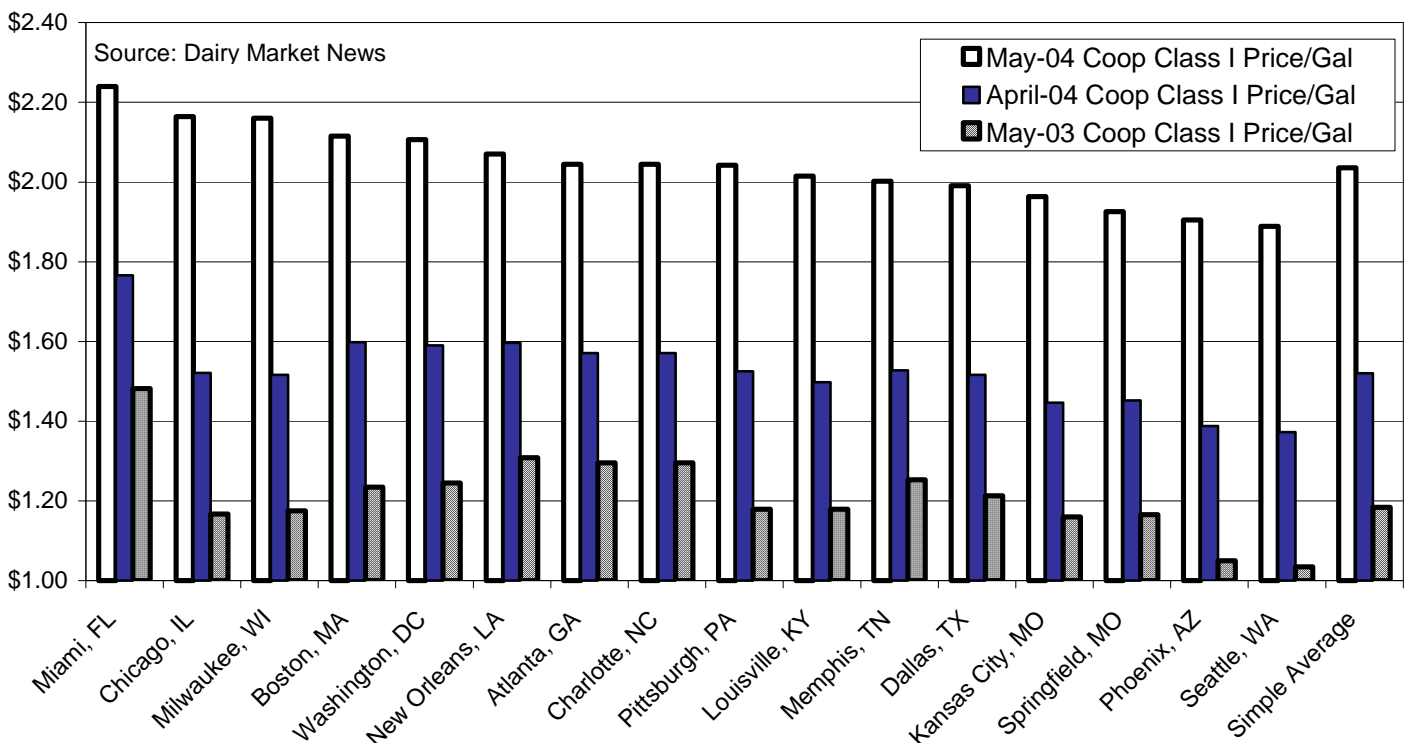
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2004. In-area Class I route disposition totaled 262.1 million pounds in March 2004, which was 7.8 million pounds more than March of last year. This represents a 5.42 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>March 2004</b>		
Whole Milk	107,447,893	41.0%
Fat Free Milk	37,355,656	14.3%
Lowfat Milk (incl. 1%)	24,089,913	9.2%
Reduced Fat Milk (incl. 2%)	68,666,197	26.2%
Cultured Fluid Milk (incl. Buttermilk)	1,422,824	0.5%
Flavored Drinks and Milk	23,155,301	8.8%
<b>Total Disposition in Marketing Area</b>	<b>262,137,784</b>	<b>100.0%</b>
Total Disposition by Pool Plants	226,816,900	86.5%
Total Disposition by Nonpool Plants	35,320,884	13.5%
<b>Total Disposition in Marketing Area</b>	<b>262,137,784</b>	<b>100.0%</b>

### Announced Cooperative Class I Price at 3.5% Per Gallon in Selected Cities

The anticipated rise in retail milk prices that have been widely reported should correspond to the rise in prices being paid to dairy cooperatives for Class I milk. Cooperatives announce, at 3.5 percent butterfat, what they will charge for milk used in Class I. Dividing these hundredweight prices by 11.63 yields the per gallon prices found in the chart below. The full report of cooperative Class I prices can be found at [www.ams.usda.gov/dairy/mncs/v71rpt17.pdf](http://www.ams.usda.gov/dairy/mncs/v71rpt17.pdf).

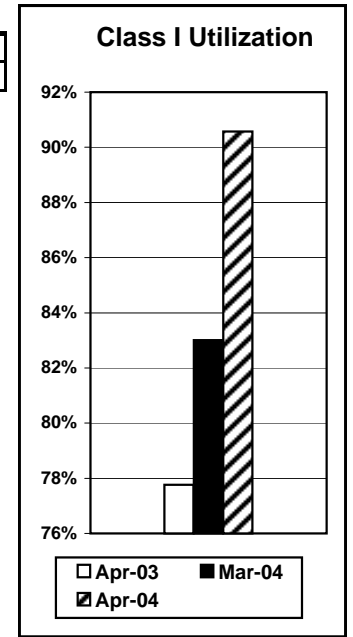


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	280**	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%



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



**Florida Marketing Area - Federal Order 6**  
**Pool and Payment Dates For the Pooling Periods**  
**May through July 2004**

	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	1st Partial Pay Due		2nd Partial Pay Due		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
May 2004	06/11/04	06/14/04	06/15/04	05/19/04	05/20/04	06/04/04	06/07/04	06/15/04	06/16/04
June 2004	07/11/04	07/12/04	07/13/04	06/21/04	06/21/04	07/06/04	07/06/04	07/13/04	07/14/04
July 2004	08/11/04	08/12/04	08/13/04	07/19/04	07/20/04	08/04/04	08/05/04	08/13/04	08/16/04

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**FEDERAL MILK MARKET ADMINISTRATOR**  
**U.S. DEPARTMENT OF AGRICULTURE**  
**P.O. BOX 491778**  
**LAWRENCEVILLE, GEORGIA 30049**  
*Address Correction Requested*

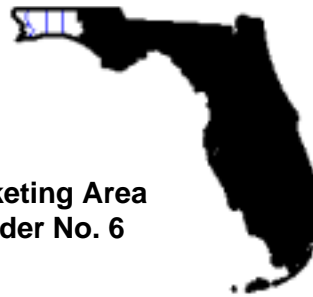


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# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

June 2004

Volume 5—No. 6

## Partial Payments Explained

The sudden large gains observed in milk prices of late have highlighted the differences between Federal order requirements regarding partial payments and minimum order value. On May 19, cooperatives should have received the first partial payment for milk delivered during the first half of the month. On June 4, the second partial payment was due to cooperatives for milk shipped during the latter half of May. These payments were smaller than some might have anticipated, given the Class I price for May was \$23.65 per hundredweight in Tampa and, as we now know, May's uniform price was \$22.23. The reason is partial payments are required to be made at a rate not less than 90 percent of the preceding month's uniform price. So May's minimum partial payment rate was \$15.97 per hundredweight in Tampa before adjusting for plant location. (See sample calculation below) These partial payments do not adjust for actual butterfat pounds. The final payment cooperatives receive for May production, due by June 15, will be adjusted for actual butterfat pounds and for the value of the partial payments. It will make cooperatives whole for pooled production received during May at the uniform skim and butterfat prices, adjusted for actual butterfat pounds and individual plant locations. Thus, the sum of first and second partial payments and the final payment must not be less than the minimum order value for all of the cooperative's pooled production.

The partial payment rate calculation example below is of a cooperative that shipped milk to a pool plant located in a \$4.30 Class I differential zone (plus \$0.30 relative to Tampa) during the first 15 days of May.

### Calculation for May's Partial Payment Rate:

April's uniform price @ 3.5 % in Tampa = \$17.74  
\$17.74 X 90% = \$15.97 (May's partial payment rate in Tampa)  
\$15.97 + \$0.30 = \$16.27 (May's partial payment rate in a \$4.30 zone)

## Blend Surpasses \$22 Mark

The uniform blend in Hillsborough County, FL, was \$22.23 per hundredweight for milk at 3.5 percent butterfat for the month of May. This is an increase of \$4.49 from last month and is \$9.13 higher when compared with May 2003. Class I utilization was 75.70 percent, a decrease of 14.87 percent versus last month and 3.43 percent lower than May 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in April was 14.47 billion pounds, which is a decrease of 1.2 percent from April 2003 and a decrease of 1.9 percent when compared with March 2004. Total cheese output (excluding cottage cheese) was 755 million pounds, 5.0 percent above April 2003 but 3.2 percent below March 2004. Butter production was 97.1 million pounds in April, 21.0 percent below April 2003 but slightly above March 2004. Nonfat dry milk production was 134 million pounds, 16.4 percent below April 2003 but 13.4 percent higher than March 2004.

## USDA Announcements

USDA has extended the time period for submission of comments on the proposal to exempt producers and marketers of solely 100 percent organic products from paying assessments to any research or promotion program administered by the Agricultural Marketing Service. Comments must be received by June 25, 2004. Send to Angela C. Snyder, Office of the Deputy Administrator, Poultry Programs, Agricultural Marketing Service, U.S. Department of Agriculture, 1400 Independence Ave., SW, STOP 0256, Room 3932 South, Washington, D.C. 20250 or via fax at (202) 720 5631.

The deadline for filing briefs, written arguments and proposed findings of fact and conclusions in the proposed merger of the Appalachian and Southeast orders has also been extended. Parties now have until July 14, 2004 to make such submissions. Contact this office directly at (770) 682-2501 for questions regarding these announcements.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - MAY 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	46.61%	4,317,891	\$2.4437	\$ 10,551,630.25
Class I Differential at Location				176,377.05
Class II Butterfat	33.42%	3,096,809	\$2.4352	7,541,349.27
Class III Butterfat	11.02%	1,021,123	\$2.4282	2,479,490.87
Class IV Butterfat	8.95%	829,283	\$2.4282	2,013,664.98
<b>Total Butterfat</b>	<b>100.00%</b>	<b>9,265,106</b>		<b>\$ 22,762,512.42</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$2.4568</b>	

### 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	76.77%	193,162,434	\$11.50 /cwt.	\$ 22,213,679.94
Class I Butterfat	46.61%	4,317,891	\$2.4437 /lb.	10,551,630.25
Class I Differential at Location		197,480,325		8,074,965.15
<b>Total Class I Milk</b>	<b>75.70%</b>	<b>197,480,325</b>		<b>\$ 40,840,275.34</b>
Class II Skim Milk	7.28%	18,306,180	\$6.74 /cwt.	\$ 1,233,836.54
Class II Butterfat	33.42%	3,096,809	\$2.4352 /lb.	7,541,349.27
<b>Total Class II Milk</b>	<b>8.21%</b>	<b>21,402,989</b>		<b>\$ 8,775,185.81</b>
Class III Skim Milk	10.05%	25,273,374	\$12.52 /cwt.	\$ 3,164,226.43
Class III Butterfat	11.02%	1,021,123	\$2.4282 /lb.	2,479,490.87
<b>Total Class III Milk</b>	<b>10.08%</b>	<b>26,294,497</b>		<b>\$ 5,643,717.30</b>
Class IV Skim Milk	5.90%	14,845,505	\$6.22 /cwt.	\$ 923,390.41
Class IV Butterfat	8.95%	829,283	\$2.4282 /lb.	2,013,664.98
<b>Total Class IV Milk</b>	<b>6.01%</b>	<b>15,674,788</b>		<b>\$ 2,937,055.39</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>260,852,599</b>		<b>\$ 58,196,233.84</b>

### Adjustments

Overage and Other Source	\$38,906.94
Inventory Adjustments	\$22,927.11
Producer butterfat at uniform butterfat price	(\$22,762,512.42)
Location Adjustments to Producers	\$83,512.91
1/2 Unobligated Balance in P.S.F.	\$90,809.05

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.17792	\$ 35,669,877.43
	\$ 0.04792	\$120,564.68

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

**\$14.13**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$22.23\***

\* 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 2004	JUNE 2004	APR 2004	MAY 2004	MAY 2004
Appalachian (Charlotte)	\$ 22.75	\$ 24.23	\$ 16.76	\$ 20.18	64.17%
Arizona-Las Vegas (Phoenix)	\$ 22.00	\$ 23.48	\$ 17.29	\$ 19.36	29.32%
Central (Kansas City)	\$ 21.65	\$ 23.13	\$ 15.64	\$ 18.40	50.62%
<b>Florida (Tampa)</b>	<b>\$ 23.65</b>	<b>\$ 25.13</b>	<b>\$ 17.74</b>	<b>\$ 22.23</b>	<b>75.70%</b>
Mideast (Cleveland)	\$ 21.65	\$ 23.13	\$ 15.88	\$ 18.99	54.60%
Northeast (Boston)	\$ 22.90	\$ 24.38	\$ 17.28	\$ 19.84	44.80%
Pacific Northwest (Seattle)	\$ 21.55	\$ 23.03	\$ 15.34	\$ 17.40	38.40%
Southeast (Atlanta)	\$ 22.75	\$ 24.23	\$ 16.72	\$ 20.27	57.62%
Southwest (Dallas)	\$ 22.65	\$ 24.13	\$ 16.18	\$ 18.67	47.27%
Upper Midwest (Chicago)	\$ 21.45	\$ 22.93	\$ 15.55	\$ 18.61	53.20%

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

<b>Receipts:</b>	<b>May 2004</b>	<b>May 2003</b>
<b>Producer Milk</b>		
Class I	197,480,325	207,074,646
Class II	21,402,989	14,839,710
Class III	26,294,497	19,646,342
Class IV	15,674,788	20,119,778
Total Producer Milk	<b>260,852,599</b>	<b>261,680,476</b>
Average Butterfat Test	3.55%	3.46%
Percent of Producer Milk in Class I	75.70%	79.13%
Daily Average Receipts	8,414,600	8,441,306
<b>Other Source Milk</b>		
Class I	3,079,270	2,357,674
Class II	9,447,615	11,161,192
Class III	5,011	0
Class IV	1,818,305	1,629,244
Total Other Source Milk	<b>14,350,201</b>	<b>15,148,110</b>
<b>Overage</b>		
Class I	174,599	0
Class II	1,980	22,452
Class III	0	0
Class IV	18,626	19,253
Total Overage	<b>195,205</b>	<b>41,705</b>
<b>Opening Inventory</b>		
Class I	15,022,117	11,726,951
Class II	246,380	1,549,556
Class III	6,951	3,330,601
Class IV	4,468,306	4,033,558
Total Opening Inventory	<b>19,743,754</b>	<b>20,640,666</b>
<b>Total Receipts</b>	<b>295,141,759</b>	<b>297,510,957</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	10,595,871	11,858,674
Route Disposition Class I	202,627,670	208,358,860
Shrinkage	351,321	897,407
Transfers and Diversions to Nonpool	2,181,449	44,330
Total Class I Utilization	<b>215,756,311</b>	<b>221,159,271</b>
Average Butterfat Test	2.17%	2.19%
Daily Average Utilization	6,959,881	7,134,170
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,348,007	8,817,335
Shrinkage	0	0
Transfers and Diversions to Nonpool	5,804,144	4,935,720
Used To Produce/Other Uses	15,946,813	13,819,855
Total Class II Utilization	<b>31,098,964</b>	<b>27,572,910</b>
Average Butterfat Test	10.42%	9.49%
<b>Class III Utilization</b>		
Shrinkage	0	3,657,538
Transfers and Diversions to Nonpool	26,306,459	18,234,460
Used To Produce/Other Uses	0	1,084,945
Total Class III Utilization	<b>26,306,459</b>	<b>22,976,943</b>
Average Butterfat Test		3.90%
<b>Class IV Utilization</b>		
Inventory	8,007,487	3,248,501
Nonfluid Used To Fortify	1,314,069	1,391,618
Shrinkage	2,895,894	0
Transfers and Diversions to Nonpool	7,806,529	21,161,714
Used To Produce/Other Uses	1,956,046	0
Total Class IV Utilization	<b>21,980,025</b>	<b>25,801,833</b>
Average Butterfat Test	5.20%	5.65%
<b>Total Utilization</b>	<b>295,141,759</b>	<b>297,510,957</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in May 2004 is \$22.23 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.13 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4568 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 May, Class I use accounted for 76.77% of all producer skim milk (priced to handlers at \$11.50 per hundredweight, plus the Class I differential and 46.61% of producer butterfat (priced to handlers at \$2.4437 per pound plus Class I differential). Class II use accounted for 7.28% of all producer skim milk (\$6.74 per hundredweight) and 33.42% of producer butterfat (\$2.4352 per pound). Class III use accounted for 10.05% of all producer skim milk (\$12.52 per hundredweight) and 11.02% of producer butterfat (\$2.4282 per pound). Class IV use accounted for 5.90% of all producer skim milk (\$6.22 per hundredweight) and 8.95% of producer butterfat (\$2.4282 per pound).

Receipts of producer milk during May 2004 totaled 260.9 million pounds, 0.9 million pounds less than was pooled in May of last year. Florida producers supplied 200.4 million pounds of milk in April 2004 to pool plants or 83.63% of the total producer milk pooled in Florida. In April 2003 Florida producers supplied 75.29% of the total producer milk pooled in the Florida market.

There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2004. In-area Class I route disposition totaled 248.8 million pounds in April 2004, which was 5.4 million pounds more than April of last year. This represents a 3.22 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2004</b>		
Whole Milk	103,163,747	41.58%
Fat Free Milk	34,209,115	13.79%
Lowfat Milk (incl. 1%)	24,923,149	10.05%
Reduced Fat Milk (incl. 2%)	65,228,055	26.29%
Cultured Fluid Milk (incl. Buttermilk)	1,279,941	0.52%
Flavored Drinks and Milk	19,279,201	7.77%
<b>Total Disposition in Marketing Area</b>	<b>248,083,208</b>	<b>100.0%</b>
Total Disposition by Pool Plants	214,287,162	86.38%
Total Disposition by Nonpool Plants	33,796,046	13.62%
<b>Total Disposition in Marketing Area</b>	<b>248,083,208</b>	<b>100.0%</b>

### Retail Price Update

Market Administrator offices across the country perform a survey of retail milk prices in major metropolitan areas on a monthly basis. Over the past two months, retail prices have increased between 17 and 22 percent in the Atlanta, Miami and New Orleans markets. April's price surveys did not show any sizable price movements, but retailers in all three cites imposed increases in whole and 2 percent milk prices for both May and June. In Atlanta, the price of whole milk rose \$0.37 in May and another \$0.17 in June to \$3.59 per gallon. Miami had similar increases (albeit at a higher price level), with June's price averaging \$3.74 per gallon. In New Orleans, however, a slight increase in May was followed by a \$0.60 increase in June. The current average price of a gallon of whole milk in New Orleans in \$4.11. Whether these increases occurred in May or June may be of less importance than their similarities in magnitude since the surge in fluid prices began.

### Cost of Production Estimates

Several requests for cost of production data have recently been made of this office. Data on the cost of milk production by state is available for selected states from the Economic Research Service (ERS). On a monthly basis dating back to January 2003, ERS publishes highly detailed cost of production information for 15 states, including Georgia, Kentucky and Tennessee. Estimates of operating costs and allocated overhead costs are available on a per hundredweight basis. Another resource of interest may be "Characteristics and Production Costs of U.S. Dairy Operations" published in February 2004 by the Department of Agriculture. You may find both of these items at [www.ers.usda.gov/briefing/dairy/](http://www.ers.usda.gov/briefing/dairy/).

### 2002 Census of Agriculture Published

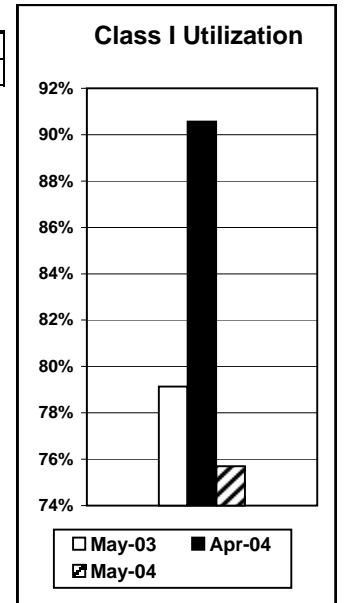
USDA recently released the 2002 Census of Agriculture. It is a massive survey that attempts to reach all agricultural operators in the nation every five years and is the only source of comprehensive agricultural data on every county in America. The last census, taken in 1997, showed 125,041 farms with dairy cows and 9,139,812 total head. In 2002, the number of farms fell 26.4 percent to 91,989 but the number of cows slipped by only 0.4 percent to 9,103,959. Find detailed information on all types agricultural activities, including dairying, in your county or state at [www.usda.gov/nass/](http://www.usda.gov/nass/) under "Census of Agriculture".

**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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
Jan <b>2003</b>	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91											

**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.	%
			<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
Jan <b>2003</b>	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	270**	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods June through August 2004

	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
June 2004	07/11/04	07/12/04	07/13/04	06/21/04	06/21/04	07/06/04	07/06/04	07/13/04	07/14/04
July 2004	08/11/04	08/12/04	08/13/04	07/19/04	07/20/04	08/04/04	08/05/04	08/13/04	08/16/04
August 2004	09/11/04	09/13/04	09/14/04	08/19/04	08/20/04	09/07/04	09/07/04	09/14/04	09/15/04

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*



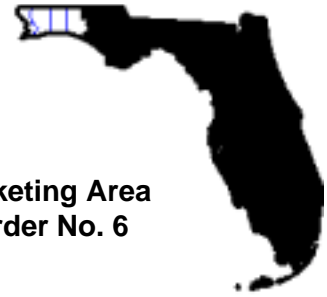


# FLORIDA

## Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

July 2004

Volume 5—No. 7

### Focus on Blend Prices

Federal milk order pricing can, admittedly, be confusing. Adding rapid changes in commodity prices into the mix can be even more frustrating for producers. But understanding the basics of the Federal order pricing structure can help to demystify the process.

The pricing mechanisms have been designed, through decades of refinement, to put a value on milk used in each of its various forms and ensure dairy producers receive at least the average of those values. Formulas convert the price of cheese, butter, nonfat dry milk and dry whey into the price of milk utilized in each use, or class. This is because these storable commodities are bought and sold in free and competitive national markets, whereas milk is not storable and is sold into a local market with few options for sellers. So free-market determined commodity prices are the preferred source to extract the true underlying price of milk.

Fluid milk prices are announced a week prior to the month they become effective, based on a two-week commodity price survey. Manufacturing milk prices are announced at the end of the month in which they apply, based on a four-week commodity price survey. In a wildly fluctuating market, this is where much confusion can occur. For example, in April, when the price of cheese skyrocketed, the fluid or Class I price had already been announced at \$17.64/cwt in Tampa. The Class III price based on a later survey did capture the high cheese prices and was set at \$19.66/cwt. Then, in May, the Class I price jumped to \$23.65/cwt because the high cheese prices were captured in its pricing survey. Though confusing for some, the system was conveying what was occurring in the commodity markets.

But none of the above mentioned prices ever made it into a producer's milk check. The price of real concern to producers, at least in terms of Federal orders, is the uniform blend price. It's the blend price that plants are required to pay for producer milk and it's the blend price that is enforced by the Market Administrator, ensuring cooperatives and nonmember producers receive proper compensation for their pooled milk production. Tracking class prices can be beneficial if the nature of the pricing structure is understood, however it's the uniform blend price that forms the basis of producer pay.

### Blend Pushed Higher

The uniform blend in Hillsborough County, FL, was \$22.93 per hundredweight for milk at 3.5 percent butterfat for the month of June. This is an increase of \$0.70 from last month and is \$9.91 higher when compared with June 2003. Class I utilization was 78.42 percent, an increase of 2.72 percent versus last month and 1.17 percent higher compared to June 2003.

### National Dairy Situation

USDA estimates that the total U.S. production of milk in May was 14.9 billion pounds, which is a decrease of 0.4 percent from May 2003 and an increase of 3.3 percent when compared with April 2004. Total cheese output (excluding cottage cheese) was 744 million pounds, 1.0 percent above May 2003 but 1.7 percent below April 2004. Butter production was 102 million pounds in May, 10.9 percent below May 2003 but 6.1 percent above April 2004.

### USDA Announcements

The deadline for filing briefs, written arguments and proposed findings of fact and conclusions in the proposed merger of the Appalachian and Southeast Orders has been extended a second time by USDA. Parties now have until August 16, 2004 to make such submissions.

USDA has also announced a hearing for the Upper Midwest Order to consider proposals that would limit the volume of distant milk pooled on the order by changing the pooling requirements for producer milk originating outside the order. Other proposals would limit the amount of milk, normally associated with the market, that was not pooled in prior months. The proposed tightening of pooling qualifications is intended to discourage the 'depooling' of milk and the pooling of milk located far from the marketing area.

In addition, the Department has issued final rules for recent hearings in the Mideast, Pacific-Northwest and Arizona-Las Vegas Orders.

Contact this office directly at (770) 682-2501 for questions regarding these announcements.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JUNE 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.99%	4,177,543	\$2.4580	\$ 10,268,400.70
Class I Differential at Location				170,106.73
Class II Butterfat	36.82%	3,139,184	\$2.1838	6,855,350.03
Class III Butterfat	9.66%	823,904	\$2.1768	1,793,474.23
Class IV Butterfat	4.53%	385,920	\$2.1768	840,070.65
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,526,551</b>		<b>\$ 19,927,402.34</b>

**Uniform Butterfat Price per lb. (Hillsborough County, Florida):** **\$2.3371**

### 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	79.50%	184,880,312	\$12.98 /cwt.	\$ 23,997,464.50
Class I Butterfat	48.99%	4,177,543	\$2.4580 /lb.	10,268,400.70
Class I Differential at Location		189,057,855		7,700,452.60
<b>Total Class I Milk</b>	<b>78.42%</b>	<b>189,057,855</b>		<b>\$ 41,966,317.80</b>
Class II Skim Milk	8.60%	20,011,895	\$6.91 /cwt.	\$ 1,382,821.94
Class II Butterfat	36.82%	3,139,184	\$2.1838 /lb.	6,855,350.03
<b>Total Class II Milk</b>	<b>9.60%</b>	<b>23,151,079</b>		<b>\$ 8,238,171.97</b>
Class III Skim Milk	8.90%	20,687,300	\$10.43 /cwt.	\$ 2,157,685.39
Class III Butterfat	9.66%	823,904	\$2.1768 /lb.	1,793,474.23
<b>Total Class III Milk</b>	<b>8.92%</b>	<b>21,511,204</b>		<b>\$ 3,951,159.62</b>
Class IV Skim Milk	3.00%	6,985,758	\$6.32 /cwt.	\$ 441,499.91
Class IV Butterfat	4.53%	385,920	\$2.1768 /lb.	840,070.65
<b>Total Class IV Milk</b>	<b>3.06%</b>	<b>7,371,678</b>		<b>\$ 1,281,570.56</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>241,091,816</b>		<b>\$ 55,437,219.95</b>

### Adjustments

Overage and Other Source	\$1,824.01
Inventory Adjustments	(\$15,505.00)
Producer butterfat at uniform butterfat price	(\$19,927,402.34)
Location Adjustments to Producers	\$66,748.11
1/2 Unobligated Balance in P.S.F.	\$89,481.71

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.33005	\$ 35,652,366.44
	<b>\$ 0.04005</b>	\$93,137.41

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

**\$15.29**

**Uniform Price per cwt. (Hillsborough County, Florida)**

**\$22.93\***

\* 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 %
	JUNE 2004	JULY 2004	MAY 2004	JUNE 2004	JUNE 2004
Appalachian (Charlotte)	\$ 24.23	\$ 21.05	\$ 20.18	\$ 20.54	60.87%
Arizona-Las Vegas (Phoenix)	\$ 23.48	\$ 20.30	\$ 19.36	\$ 17.97	28.74%
Central (Kansas City)	\$ 23.13	\$ 19.95	\$ 18.40	\$ 18.23	26.00%
<b>Florida (Tampa)</b>	<b>\$ 25.13</b>	<b>\$ 21.95</b>	<b>\$ 22.23</b>	<b>\$ 22.93</b>	<b>78.42%</b>
Midwest (Cleveland)	\$ 23.13	\$ 19.95	\$ 18.99	\$ 18.56	30.50%
Northeast (Boston)	\$ 24.38	\$ 21.20	\$ 19.84	\$ 19.70	45.80%
Pacific Northwest (Seattle)	\$ 23.03	\$ 19.85	\$ 17.40	\$ 17.45	27.70%
Southeast (Atlanta)	\$ 24.23	\$ 21.05	\$ 20.27	\$ 20.11	53.56%
Southwest (Dallas)	\$ 24.13	\$ 20.95	\$ 18.67	\$ 19.40	40.37%
Upper Midwest (Chicago)	\$ 22.93	\$ 19.75	\$ 18.61	\$ 17.98	15.90%

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

<b>Receipts:</b>	<b>June 2004</b>	<b>June 2003</b>
<b>Producer Milk</b>		
Class I	189,057,855	186,335,135
Class II	23,151,079	17,608,900
Class III	21,511,204	18,838,793
Class IV	7,371,678	18,436,886
Total Producer Milk	<b>241,091,816</b>	<b>241,219,714</b>
Average Butterfat Test	3.54%	3.47%
Percent of Producer Milk in Class I	78.42%	77.25%
Daily Average Receipts	8,036,394	8,040,657
<b>Other Source Milk</b>		
Class I	3,377,014	2,023,973
Class II	9,505,068	9,248,364
Class III	0	8,322
Class IV	1,480,473	1,414,929
Total Other Source Milk	<b>14,362,555</b>	<b>12,695,588</b>
<b>Overage</b>		
Class I	0	0
Class II	23,845	0
Class III	0	0
Class IV	81	48,891
Total Overage	<b>23,926</b>	<b>48,891</b>
<b>Opening Inventory</b>		
Class I	10,595,871	11,858,674
Class II	535,277	59,930
Class III	55,385	63,296
Class IV	7,416,825	3,125,275
Total Opening Inventory	<b>18,603,358</b>	<b>15,107,175</b>
<b>Total Receipts</b>	<b>274,081,655</b>	<b>269,071,368</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	11,266,579	8,985,971
Route Disposition Class I	187,850,905	189,641,505
Shrinkage	831,401	1,565,171
Transfers and Diversions to Nonpool	3,081,855	25,135
Total Class I Utilization	<b>203,030,740</b>	<b>200,217,782</b>
Average Butterfat Test	2.20%	2.25%
Daily Average Utilization	6,767,691	6,673,926
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,469,138	7,257,373
Shrinkage	17	0
Transfers and Diversions to Nonpool	7,268,241	4,847,893
Used To Produce/Other Uses	16,477,873	14,811,928
Total Class II Utilization	<b>33,215,269</b>	<b>26,917,194</b>
Average Butterfat Test	9.79%	9.81%
<b>Class III Utilization</b>		
Shrinkage	0	3,474,627
Transfers and Diversions to Nonpool	21,566,589	14,282,419
Used To Produce/Other Uses	0	1,153,365
Total Class III Utilization	<b>21,566,589</b>	<b>18,910,411</b>
Average Butterfat Test	3.82%	3.73%
<b>Class IV Utilization</b>		
Inventory	7,427,200	8,127,952
Nonfluid Used To Fortify	1,068,860	1,187,505
Shrinkage	3,792,113	0
Transfers and Diversions to Nonpool	2,731,575	13,710,524
Used To Produce/Other Uses	1,249,309	0
Total Class IV Utilization	<b>16,269,057</b>	<b>23,025,981</b>
Average Butterfat Test	5.13%	4.93%
<b>Total Utilization</b>	<b>274,081,655</b>	<b>269,071,368</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in June 2004 is \$22.93 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$15.29 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3371 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 June, Class I use accounted for 79.50% of all producer skim milk (priced to handlers at \$12.98 per hundredweight, plus the Class I differential and 48.99% of producer butterfat (priced to handlers at \$2.4580 per pound plus Class I differential). Class II use accounted for 8.60% of all producer skim milk (\$6.91 per hundredweight) and 36.82% of producer butterfat (\$2.1838 per pound). Class III use accounted for 8.90% of all producer skim milk (\$10.43 per hundredweight) and 9.66% of producer butterfat (\$2.1768 per pound). Class IV use accounted for 3.00% of all producer skim milk (\$6.32 per hundredweight) and 4.53% of producer butterfat (\$2.1768 per pound).

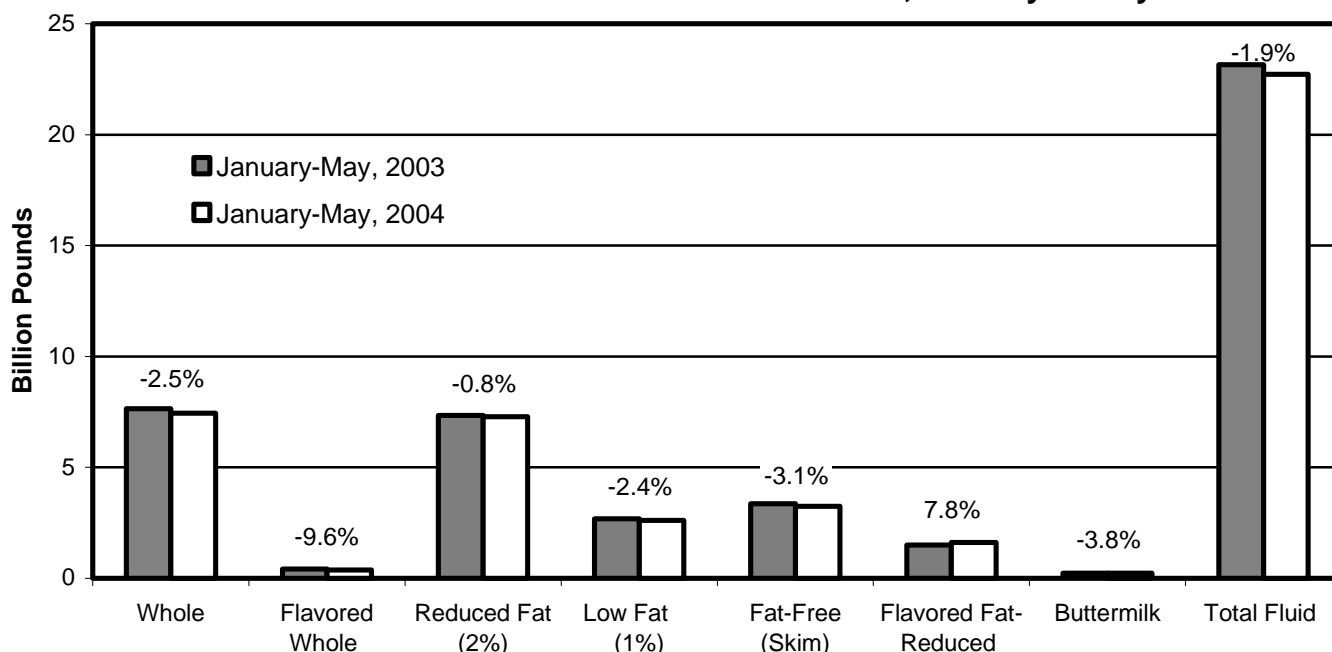
Receipts of producer milk during June 2004 totaled 241.1 million pounds, 0.1 million pounds less than was pooled in June of last year. Florida producers supplied 207.2 million pounds of milk in May 2004 to pool plants or 79.43% of the total producer milk pooled in Florida. In May 2003 Florida producers supplied 74.79% of the total producer milk pooled in the Florida market.

There were 11 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2004. In-area Class I route disposition totaled 231.5 million pounds in May 2004, which was 8.0 million pounds less than May of last year. This represents a 0.63 percent decrease after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>May 2004</b>		
Whole Milk	98,040,761	42.35%
Fat Free Milk	31,711,800	13.70%
Lowfat Milk (incl. 1%)	22,831,657	9.86%
Reduced Fat Milk (incl. 2%)	61,059,922	26.37%
Cultured Fluid Milk (incl. Buttermilk)	1,159,370	0.50%
Flavored Drinks and Milk	16,703,929	7.22%
<b>Total Disposition in Marketing Area</b>	<b>231,507,439</b>	<b>100.0%</b>
Total Disposition by Pool Plants	201,313,155	86.96%
Total Disposition by Nonpool Plants	30,194,284	13.04%
<b>Total Disposition in Marketing Area</b>	<b>231,507,439</b>	<b>100.0%</b>

### Estimated Total Sales of U.S. Fluid Milk Products, January to May 2004



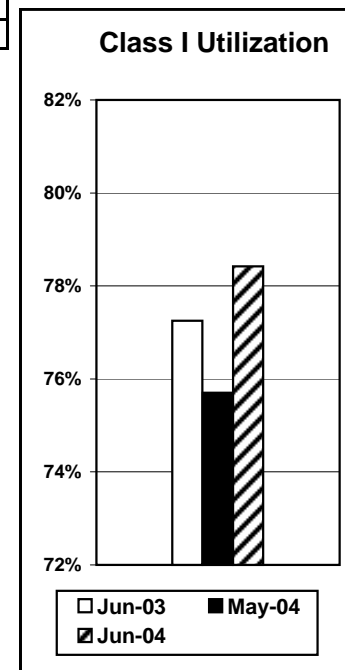
Sales of fluid milk products in May were down 4.3 percent when compared with May 2003, even after adjusting for calendar composition. This suggests demand for dairy products could be more responsive to price changes than what is commonly believed since May is the month when consumers were faced with retail price increases (based on Class I prices above the \$23 mark in the Florida marketing area). As shown in the chart above, total fluid demand is down just under two percent on the year versus the same January to May period of 2003. See [www.ams.usda.gov/dyfmoms/mib/fluidsales.htm](http://www.ams.usda.gov/dyfmoms/mib/fluidsales.htm) for more detailed information.

**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 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03											

**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 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	262	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%
Jun	241,092	270**	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%



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

**Florida Marketing Area - Federal Order 6**  
**Pool and Payment Dates For the Pooling Periods**  
**July through September 2004**

	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
July 2004	08/11/04	08/12/04	08/13/04	07/19/04	07/20/04	08/04/04	08/05/04	08/13/04	08/16/04
August 2004	09/11/04	09/13/04	09/14/04	08/19/04	08/20/04	09/07/04	09/07/04	09/14/04	09/15/04
Sept. 2004	10/11/04	10/12/04	10/13/04	09/20/04	09/20/04	10/04/04	10/05/04	10/13/04	10/14/04

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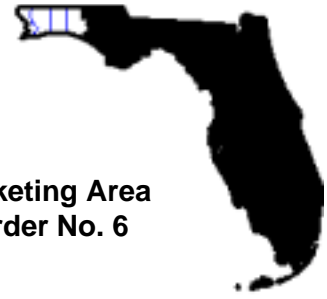
**FEDERAL MILK MARKET ADMINISTRATOR**  
**U.S. DEPARTMENT OF AGRICULTURE**  
**P.O. BOX 491778**  
**LAWRENCEVILLE, GEORGIA 30049**  
*Address Correction Requested*



# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

August 2004

Volume 5—No. 8

## Focus on Blend Prices, pt. II

Last month's Bulletin described the role class prices play in determining uniform blend prices. But that was only part of the story of how uniform blend prices come to be each month. The other part that must be considered is utilization, or how milk is used in the marketing area during the month. In Federal order terminology, milk is used in one of four classes, with each class uniquely valued based upon underlying dairy commodity prices. In general, if milk is used in a beverage, it's Class I; if used to make ice cream or yogurt, it's Class II; if used to make cheese, it's Class III; and finally, if milk is used to make butter or milk powder, it's Class IV. The amount of milk used in each class across the entire marketing area is referred to as its class 'utilization' and is expressed as a percentage or in pounds.

This marketwide utilization of milk is used along with class prices to blend together lower value and higher value uses of milk in the uniform blend price. Blending minimum class prices through marketwide utilization serves the purpose of reducing the impact of competitive forces that might otherwise prove harmful to producers. These forces include producers competing with each other over the high value uses of milk and processors using their market power to bid down prices paid to producers. These competitive forces have been viewed historically as disruptive, if not destructive, to milk markets given the perishable and bulky nature of milk, the intense capital investments required in dairying, and producers' traditional lack of power to set milk prices.

The uniform blend price, therefore, imposes the marketwide utilization on each individual producer or cooperative, ensuring an equitable distribution of milk's regulatory minimum value. (Additional value, in excess of Federal order minimums, may be extracted from the marketplace via premiums.) The calculation of the uniform blend price is available each month on page 2 of this publication. In addition, the Florida Market Summary on page 4 provides a descriptive account of utilizations and prices for each class of milk.

## Blend Price Falls

The uniform blend in Hillsborough County, FL, was \$21.01 per hundredweight for milk at 3.5 percent butterfat for the month of July. This is a decrease of \$1.92 from last month but is \$7.55 higher when compared with July 2003. Class I utilization was 87.81 percent, an increase of 9.38 percent when compared with last month and 1.14 percent higher compared to July 2003.

What's behind the decrease in blend price? Not surprisingly, it is the underlying commodity prices. First, the two-week NASS survey of butter and Cheddar cheese used for June's Class I price found both commodities above \$2.15 per pound. But in July, both prices fell about 15 percent, to \$1.87 per pound each. This contributed to a large decline in the Class I price. Second, the monthly NASS survey used to calculate the remaining classes fell significantly as well. Monthly average butter prices were \$0.10 per pound lower between June and July, while cheese prices fell \$0.27 per pound, which lowered butterfat prices and the Class III skim price.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in June was 14.3 billion pounds, which is a decrease of 0.4 percent from June 2003 and a decrease of 4.6 percent when compared with May 2004. Milk production in the U.S. during the April-June quarter totaled 43.7 billion pounds, down 0.6 percent from the April-June quarter last year, but up 2.3 percent from the first quarter of 2004. Cow numbers in June were estimated at just over 9.0 million, an increase of 0.3 percent, or 23,000 head, when compared with the previous month. This is the first increase in cow numbers in 18 months.

Total cheese output was 717 million pounds, 0.6 percent above June 2003 but 4.2 percent below May 2004. Butter production was 97.0 million pounds in June, 15.2 percent above June 2003 but 9.0 percent below May 2004.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - JULY 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	54.67%	4,517,554	\$2.1088	\$ 9,526,617.88
Class I Differential at Location				183,711.36
Class II Butterfat	38.17%	3,154,163	\$2.0613	6,501,676.21
Class III Butterfat	3.28%	270,683	\$2.0543	556,064.08
Class IV Butterfat	3.88%	320,803	\$2.0543	659,025.60
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,263,203</b>		<b>\$ 17,427,095.13</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$2.1090</b>	

### 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	89.04%	198,876,671	\$10.95 /cwt.	\$ 21,776,995.48
Class I Butterfat	54.67%	4,517,554	\$2.1088 /lb.	9,526,617.88
Class I Differential at Location		203,394,225		8,287,402.10
<b>Total Class I Milk</b>	<b>87.81%</b>	<b>203,394,225</b>		<b>\$ 39,591,015.46</b>
Class II Skim Milk	7.26%	16,205,074	\$7.03 /cwt.	\$ 1,139,216.70
Class II Butterfat	38.17%	3,154,163	\$2.0613 /lb.	6,501,676.21
<b>Total Class II Milk</b>	<b>8.36%</b>	<b>19,359,237</b>		<b>\$ 7,640,892.91</b>
Class III Skim Milk	2.32%	5,184,640	\$7.94 /cwt.	\$ 411,660.41
Class III Butterfat	3.28%	270,683	\$2.0543 /lb.	556,064.08
<b>Total Class III Milk</b>	<b>2.36%</b>	<b>5,455,323</b>		<b>\$ 967,724.49</b>
Class IV Skim Milk	1.38%	3,089,039	\$6.34 /cwt.	\$ 195,845.06
Class IV Butterfat	3.88%	320,803	\$2.0543 /lb.	659,025.60
<b>Total Class IV Milk</b>	<b>1.47%</b>	<b>3,409,842</b>		<b>\$ 854,870.66</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>231,618,627</b>		<b>\$ 49,054,503.52</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$7,547.09
Producer butterfat at uniform butterfat price	(\$17,427,095.13)
Location Adjustments to Producers	(\$99,967.09)
1/2 Unobligated Balance in P.S.F.	\$93,785.39

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.16074	\$31,628,773.78
	<b>\$ 0.04074</b>	<b>\$90,987.92</b>

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

**\$14.12**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$21.01\***

\* 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 %
	JULY 2004	AUGUST 2004	JUNE 2004	JULY 2004	JULY 2004
Appalachian (Charlotte)	\$ 21.05	\$ 17.72	\$ 20.54	\$ 18.94	67.28%
Arizona-Las Vegas (Phoenix)	\$ 20.30	\$ 16.97	\$ 17.97	\$ 16.19	32.39%
Central (Kansas City)	\$ 19.95	\$ 16.62	\$ 18.23	\$ 16.03	27.08%
<b>Florida (Tampa)</b>	<b>\$ 21.95</b>	<b>\$ 18.62</b>	<b>\$ 22.93</b>	<b>\$ 21.01</b>	<b>87.81%</b>
Mideast (Cleveland)	\$ 19.95	\$ 16.62	\$ 18.56	\$ 16.55	35.00%
Northeast (Boston)	\$ 21.20	\$ 17.87	\$ 19.70	\$ 17.64	43.40%
Pacific Northwest (Seattle)	\$ 19.85	\$ 16.52	\$ 17.45	\$ 15.74	26.74%
Southeast (Atlanta)	\$ 21.05	\$ 17.72	\$ 20.11	\$ 19.10	68.71%
Southwest (Dallas)	\$ 20.95	\$ 17.62	\$ 19.40	\$ 17.08	37.56%
Upper Midwest (Chicago)	\$ 19.75	\$ 16.42	\$ 17.98	\$ 15.57	16.10%



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

<b>Receipts:</b>		<b>July 2004</b>	<b>July 2003</b>
<b>Producer Milk</b>			
Class I		23,394,225	196,225,292
Class II		19,359,237	18,434,307
Class III		5,455,323	7,937,579
Class IV		3,409,842	3,807,107
	Total Producer Milk	<b>231,618,627</b>	<b>226,404,285</b>
	Average Butterfat Test	3.57%	3.52%
	Percent of Producer Milk in Class I	87.81%	86.67%
	Daily Average Receipts	7,471,569	7,303,364
<b>Other Source Milk</b>			
Class I		4,585,874	3,405,886
Class II		8,496,633	11,215,466
Class III		961	0
Class IV		1,822,494	1,968,700
	Total Other Source Milk	<b>14,905,962</b>	<b>16,590,052</b>
<b>Overage</b>			
Class I		0	0
Class II		0	4,801
Class III		0	0
Class IV		0	27,166
	Total Overage	<b>0</b>	<b>31,967</b>
<b>Opening Inventory</b>			
Class I		11,322,975	9,038,591
Class II		710,151	173,164
Class III		9,741	0
Class IV		6,662,742	7,902,168
	Total Opening Inventory	<b>15,705,609</b>	<b>17,112,923</b>
	<b>Total Receipts</b>	<b>265,230,198</b>	<b>260,140,227</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
	Inventory of Packaged FMP	13,226,412	12,111,117
	Route Disposition Class I	203,717,854	195,495,183
	Shrinkage	319,734	1,014,161
	Transfers and Diversions to Nonpool	2,039,074	49,308
	Total Class I Utilization	<b>219,303,074</b>	<b>208,669,769</b>
	Average Butterfat Test	2.21%	2.28%
	Daily Average Utilization	7,074,293	6,731,283
<b>Class II Utilization</b>			
	Nonfluid Used To Produce	8,400,024	9,198,292
	Shrinkage	0	149
	Transfers and Diversions to Nonpool	5,943,318	4,682,795
	Used To Produce/Other Uses	14,222,679	15,946,502
	Total Class II Utilization	<b>28,566,021</b>	<b>29,827,738</b>
	Average Butterfat Test	11.20%	10.19%
<b>Class III Utilization</b>			
	Shrinkage	0	0
	Transfers and Diversions to Nonpool/Used To Produce	5,466,025	7,937,579
	Total Class III Utilization	<b>5,466,025</b>	<b>7,937,579</b>
	Average Butterfat Test		5.17%
<b>Class IV Utilization</b>			
	Inventory	3,798,867	6,796,459
	Nonfluid Used To Fortify	1,104,704	1,255,103
	Shrinkage	3,897,401	3,579,875
	Transfers and Diversions to Nonpool	1,797,876	776,081
	Used To Produce/Other Uses	1,296,230	1,297,623
	Total Class IV Utilization	<b>11,895,078</b>	<b>13,705,141</b>
	Average Butterfat Test	6.13%	5.06%
	<b>Total Utilization</b>	<b>265,230,198</b>	<b>260,140,227</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in July 2004 is \$21.01 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$14.12 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1090 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 July, Class I use accounted for 89.04% of all producer skim milk (priced to handlers at \$10.95 per hundredweight, plus the Class I differential and 54.67% of producer butterfat (priced to handlers at \$2.1088 per pound plus Class I differential). Class II use accounted for 7.26% of all producer skim milk (\$7.03 per hundredweight) and 38.17% of producer butterfat (\$2.0613 per pound). Class III use accounted for 2.32% of all producer skim milk (\$7.94 per hundredweight) and 3.28% of producer butterfat (\$2.0543 per pound). Class IV use accounted for 1.38% of all producer skim milk (\$6.34 per hundredweight) and 3.88% of producer butterfat (\$2.0543 per pound).

Receipts of producer milk during July 2004 totaled 231.6 million pounds, 5.2 million pounds more than was pooled in July of last year. Florida producers supplied 189.2 million pounds of milk in June 2004 to pool plants or 78.47% of the total producer milk pooled in Florida. In June 2003 Florida producers supplied 75.23% of the total producer milk pooled in the Florida market.

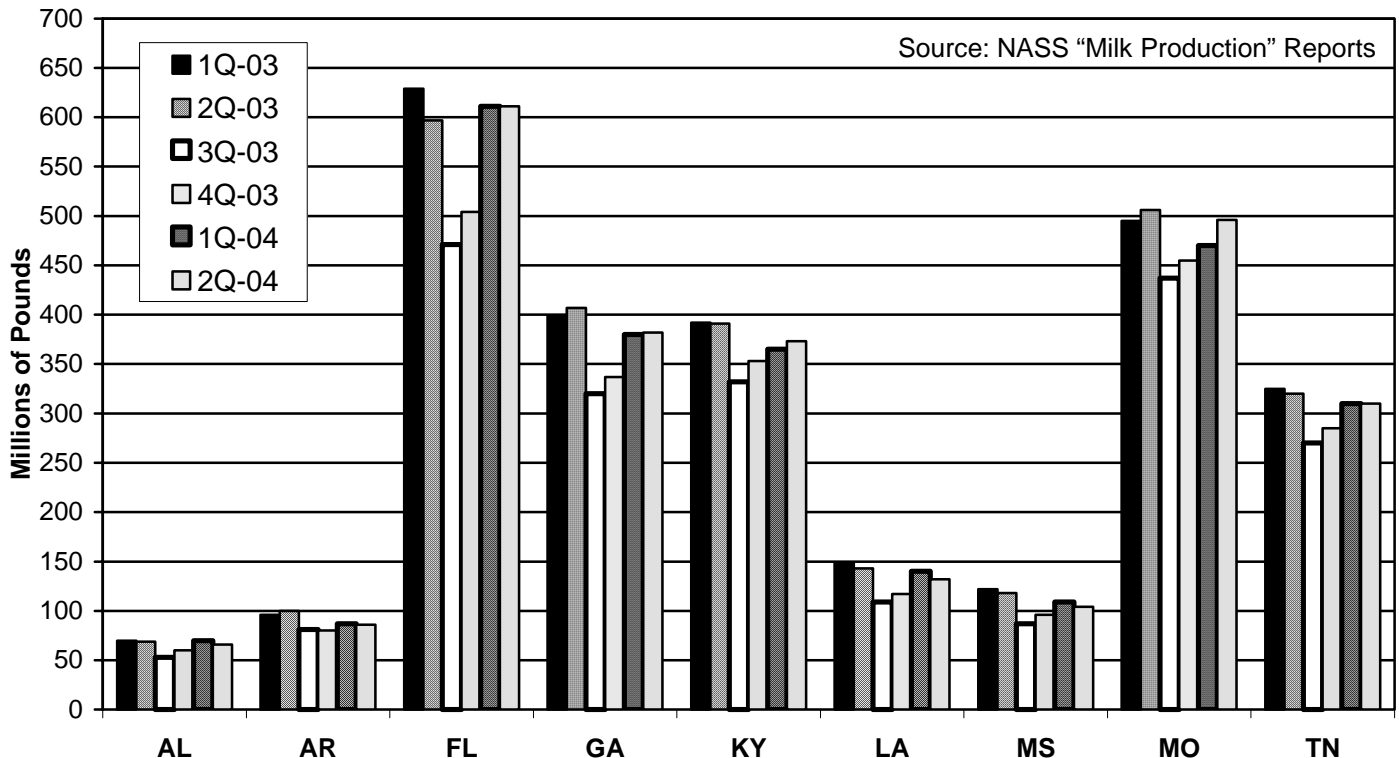
There were 12 regulated pool distributing plants and 2 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2004. In-area Class I route disposition totaled 217.8 million pounds in June 2004, which was 1.9 million pounds less than June of last year. This represents a 2.66 percent decrease after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2004</b>		
Whole Milk	94,938,580	43.58%
Fat Free Milk	29,937,024	13.74%
Lowfat Milk (incl. 1%)	21,386,645	9.82%
Reduced Fat Milk (incl. 2%)	59,775,233	27.44%
Cultured Fluid Milk (incl. Buttermilk)	1,099,861	0.51%
Flavored Drinks and Milk	10,699,746	4.91%
<b>Total Disposition in Marketing Area</b>	<b>217,837,089</b>	<b>100.0%</b>
Total Disposition by Pool Plants	186,807,275	85.76%
Total Disposition by Nonpool Plants	31,029,814	14.24%
<b>Total Disposition in Marketing Area</b>	<b>217,837,089</b>	<b>100.0%</b>

### NASS Estimates of Quarterly State Production; 1Q-2003 to 2Q-2004

NASS has released April-June 2004 quarterly estimates of state production. The first quarter of 2003 (1Q-03) through the second quarter of 2004 (2Q-04) are shown below for states in the region. Despite the higher prices of 2004, all but Florida posted a decline in second quarter production compared with the second quarter of 2003.

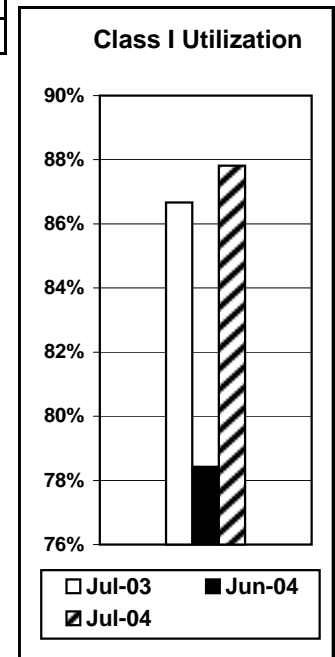


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 14.12	\$2.1090	\$21.01
Aug	\$11.55	\$2.1352	\$18.62	\$7.07											

**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 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
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Jun	241,092	264	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%
Jul	231,619	265**	203,394	87.81%	19,359	8.36%	5,455	2.36%	3,410	1.47%



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

**Florida Marketing Area - Federal Order 6**

**Pool and Payment Dates For the Pooling Periods  
August through October 2004**

	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
August 2004	09/11/04	09/13/04	09/14/04	08/19/04	08/20/04	09/07/04	09/07/04	09/14/04	09/15/04
Sept. 2004	10/11/04	10/12/04	10/13/04	09/20/04	09/20/04	10/04/04	10/05/04	10/13/04	10/14/04
October 2004	11/11/04	11/12/04	11/15/04	10/19/04	10/20/04	11/04/04	11/05/04	11/15/04	11/16/04

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*

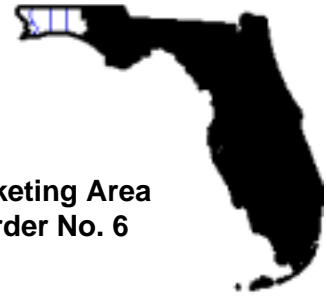


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# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

September 2004

Volume 5—No. 9

## Coale Named Deputy Administrator

The U.S. Department of Agriculture's Agricultural Marketing Service has announced the selection of Dana Hamilton Coale as the new deputy administrator of AMS' Dairy Programs.

"I am pleased to announce the appointment of Ms. Coale to head the AMS Dairy Programs," said AMS Administrator A. J. Yates. "Her varied background and proven abilities in various leadership positions makes her an ideal choice for this important post."

As Dairy Programs deputy administrator, Ms. Coale is responsible for overseeing various programs including the Federal milk marketing order program, the standardization program, the inspection and grading program, the market news program, and the dairy producer and fluid milk processor promotion and research programs. In this capacity, Ms. Coale will promote a competitive and efficient marketplace that benefits U.S. dairy farmers, dairy processors, and consumers. Ms. Coale replaces Richard McKee, who retired April 3, 2004. Since December 2001, Ms. Coale has served as the Dairy Programs' associate deputy administrator.

Ms. Coale's previous experience includes serving as an agricultural marketing specialist with the AMS Dairy Programs for 11 years working with the Federal milk marketing order program. Ms. Coale received a bachelor of science in public service and administration and international agriculture from Iowa State University.

## Admirable Efforts Keep Order Through Frances

Hurricane Frances affected just about every facet of life in Florida, including Federal Order operations. Despite the impediments, cooperative, plant and market administrator employees worked hard to keep operations running smoothly, so that the computation of August's uniform blend price could proceed on schedule. The Market Administrator extends gratitude to those who performed their duties under extraordinary circumstances.

## Blend Loses Ground

The uniform blend in Hillsborough County, FL, was \$17.49 per hundredweight for milk at 3.5 percent butterfat for the month of August. This is a decrease of \$3.52 from last month but still \$2.96 higher when compared with August 2003. The blend price now stands where it was prior to the large, unsustainable price increases of the cheese market earlier this year. Class I utilization was 86.32 percent, a decrease of 1.49 percent when compared with last month and 1.46 percent lower compared to August 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in July was 14.3 billion pounds, an increase of 0.4 percent from July 2003 and an increase of 0.4 percent when compared with June 2004. Total cheese output (excluding cottage cheese) was 708 million pounds, 1.5 percent below July 2003 and 1.4 percent below June 2004. Butter production was 91.5 million pounds in July, 14.3 percent above July 2003 but 5.6 percent below June 2004. Nonfat dry milk production was 134 million pounds in July, 5.1 percent above July 2003 but 6.3 percent lower than June 2004.

## Review of National Fluid Milk Prices

As farm milk prices have recently fluctuated, so to has the average price of a gallon of whole milk fluctuated. But while both farm and retail prices have moved in the same direction, the magnitude of those changes has not always been the same. To illustrate, look at the spread between what cooperatives charge for milk used in Class I and what consumers pay for a gallon of milk. The Bureau of Labor Statistics tracks the average retail price of a gallon of whole milk in major U.S. cities and AMS reports the average cooperative Class I price for major cities. The retail-to-cooperative Class I price spread has increased \$0.25 per gallon or \$2.93 per hundredweight between May and July of this year. The spread, which has averaged \$1.38 per gallon since 1997, was \$1.59 (continued on pg. 4)

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - AUGUST 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	52.27%	4,160,416	\$2.0952	\$ 8,716,903.61
Class I Differential at Location				170,119.78
Class II Butterfat	40.18%	3,197,210	\$1.8011	5,758,494.93
Class III Butterfat	2.52%	200,577	\$1.7941	359,855.18
Class IV Butterfat	5.03%	399,955	\$1.7941	717,559.26
<b>Total Butterfat</b>	<b>100.00%</b>	<b>7,958,158</b>		<b>\$ 15,722,932.76</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.9757</b>	

### 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	87.60%	185,615,965	\$7.55 /cwt.	\$ 14,014,005.36
Class I Butterfat	52.27%	4,160,416	\$2.0952 /lb.	8,716,903.61
Class I Differential at Location		189,776,381		7,751,713.22
<b>Total Class I Milk</b>	<b>86.32%</b>	<b>189,776,381</b>		<b>\$ 30,482,622.19</b>
Class II Skim Milk	8.59%	18,211,479	\$7.07 /cwt.	\$ 1,287,551.58
Class II Butterfat	40.18%	3,197,210	\$1.8011 /lb.	5,758,494.93
<b>Total Class II Milk</b>	<b>9.74%</b>	<b>21,408,689</b>		<b>\$ 7,046,046.51</b>
Class III Skim Milk	0.17%	360,036	\$8.04 /cwt.	\$ 28,946.88
Class III Butterfat	2.52%	200,577	\$1.7941 /lb.	359,855.18
<b>Total Class III Milk</b>	<b>0.25%</b>	<b>560,613</b>		<b>\$ 388,802.06</b>
Class IV Skim Milk	3.64%	7,708,308	\$6.40 /cwt.	\$ 493,331.70
Class IV Butterfat	5.03%	399,955	\$1.7941 /lb.	717,559.26
<b>Total Class IV Milk</b>	<b>3.69%</b>	<b>8,108,263</b>		<b>\$ 1,210,890.96</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>219,853,946</b>		<b>\$ 39,128,361.72</b>

### Adjustments

Overage and Other Source	\$5,929.50
Inventory Adjustments	(\$9,903.41)
Producer butterfat at uniform butterfat price	(\$15,722,932.76)
Location Adjustments to Producers	(\$154,005.21)
1/2 Unobligated Balance in P.S.F.	\$65,078.90

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11,00188	\$23,312,528.74
	\$ 0.04188	\$88,750.37

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

**\$10.96**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$17.49\***

\* 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 %
	AUG 2004	SEPT 2004	JULY 2004	AUG 2004	AUG 2004
Appalachian (Charlotte)	\$ 17.72	\$ 17.04	\$ 18.94	\$ 16.16	68.20%
Arizona-Las Vegas (Phoenix)	\$ 16.97	\$ 16.29	\$ 16.19	\$ 14.56	37.06%
Central (Kansas City)	\$ 16.62	\$ 15.94	\$ 16.03	\$ 14.46	29.85%
<b>Florida (Tampa)</b>	<b>\$ 18.62</b>	<b>\$ 17.94</b>	<b>\$ 21.01</b>	<b>\$ 17.49</b>	<b>86.32%</b>
Mideast (Cleveland)	\$ 16.62	\$ 15.94	\$ 16.55	\$ 14.61	34.50%
Northeast (Boston)	\$ 17.87	\$ 17.19	\$ 17.64	\$ 15.57	45.60%
Pacific Northwest (Seattle)	\$ 16.52	\$ 15.84	\$ 15.74	\$ 14.15	28.44%
Southeast (Atlanta)	\$ 17.72	\$ 17.04	\$ 19.10	\$ 16.17	67.56%
Southwest (Dallas)	\$ 17.62	\$ 16.94	\$ 17.08	\$ 15.49	45.62%
Upper Midwest (Chicago)	\$ 16.42	\$ 15.74	\$ 15.57	\$ 14.26	18.00%

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

<b>Receipts:</b>	<b>August 2004</b>	<b>August 2003</b>
<b>Producer Milk</b>		
Class I	189,776,381	186,378,621
Class II	21,408,689	19,520,163
Class III	560,613	964,311
Class IV	8,108,263	5,484,609
Total Producer Milk	<b>219,853,946</b>	<b>212,347,704</b>
Average Butterfat Test	3.62%	3.55%
Percent of Producer Milk in Class I	86.32%	87.78%
Daily Average Receipts	7,092,063	6,849,926
<b>Other Source Milk</b>		
Class I	25,476,308	21,672,796
Class II	8,895,502	11,162,568
Class III	54,791	42,347
Class IV	5,484,318	4,666,411
Total Other Source Milk	<b>39,910,919</b>	<b>37,544,122</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	3,305	58,535
Total Overage	<b>3,305</b>	<b>58,535</b>
<b>Opening Inventory</b>		
Class I	13,235,412	12,111,117
Class II	72,693	82,973
Class III	0	0
Class IV	3,726,174	6,762,106
Total Opening Inventory	<b>17,034,279</b>	<b>18,956,196</b>
<b>Total Receipts</b>	<b>276,802,449</b>	<b>268,906,557</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	11,606,046	11,315,064
Route Disposition Class I	213,684,518	207,329,511
Shrinkage	748,588	1,455,352
Transfers and Diversions to Nonpool	2,448,949	62,607
Total Class I Utilization	<b>228,488,101</b>	<b>220,162,534</b>
Average Butterfat Test	2.17%	2.21%
Daily Average Utilization	7,370,584	7,102,017
<b>Class II Utilization</b>		
Nonfluid Used To Produce	8,826,915	10,934,963
Shrinkage	0	0
Transfers and Diversions to Nonpool	6,025,182	3,559,034
Used To Produce/Other Uses	15,524,787	16,271,707
Total Class II Utilization	<b>30,376,884</b>	<b>30,765,704</b>
Average Butterfat Test	10.84%	10.32%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers and Diversions to Nonpool/Used To Produce	615,404	1,006,658
Total Class III Utilization	<b>615,404</b>	<b>1,006,658</b>
Average Butterfat Test		18.57%
<b>Class IV Utilization</b>		
Inventory	7,987,733	9,265,320
Nonfluid Used To Fortify	1,384,378	1,342,138
Shrinkage	3,385,776	3,745,628
Transfers and Diversions to Nonpool	2,873,637	1,320,387
Used To Produce/Other Uses	1,690,536	1,298,188
Total Class IV Utilization	<b>17,322,060</b>	<b>16,971,661</b>
Average Butterfat Test	6.23%	6.01%
<b>Total Utilization</b>	<b>276,802,449</b>	<b>268,906,557</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in August 2004 is \$17.49 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.96 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9757 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 August, Class I use accounted for 87.60% of all producer skim milk (priced to handlers at \$7.55 per hundredweight, plus the Class I differential and 52.27% of producer butterfat (priced to handlers at \$2.0952 per pound plus Class I differential). Class II use accounted for 8.59% of all producer skim milk (\$7.07 per hundredweight) and 40.18% of producer butterfat (\$1.8011 per pound). Class III use accounted for 0.17% of all producer skim milk (\$8.04 per hundredweight) and 2.52% of producer butterfat (\$1.7941 per pound). Class IV use accounted for 3.64% of all producer skim milk (\$6.40 per hundredweight) and 5.03% of producer butterfat (\$1.7941 per pound).

Receipts of producer milk during August 2004 totaled 219.9 million pounds, 7.5 million pounds more than was pooled in August of last year. Florida producers supplied 182.2 million pounds of milk in July 2004 to pool plants or 78.65% of the total producer milk pooled in Florida. In July 2003 Florida producers supplied 74.60% of the total producer milk pooled in the Florida market.

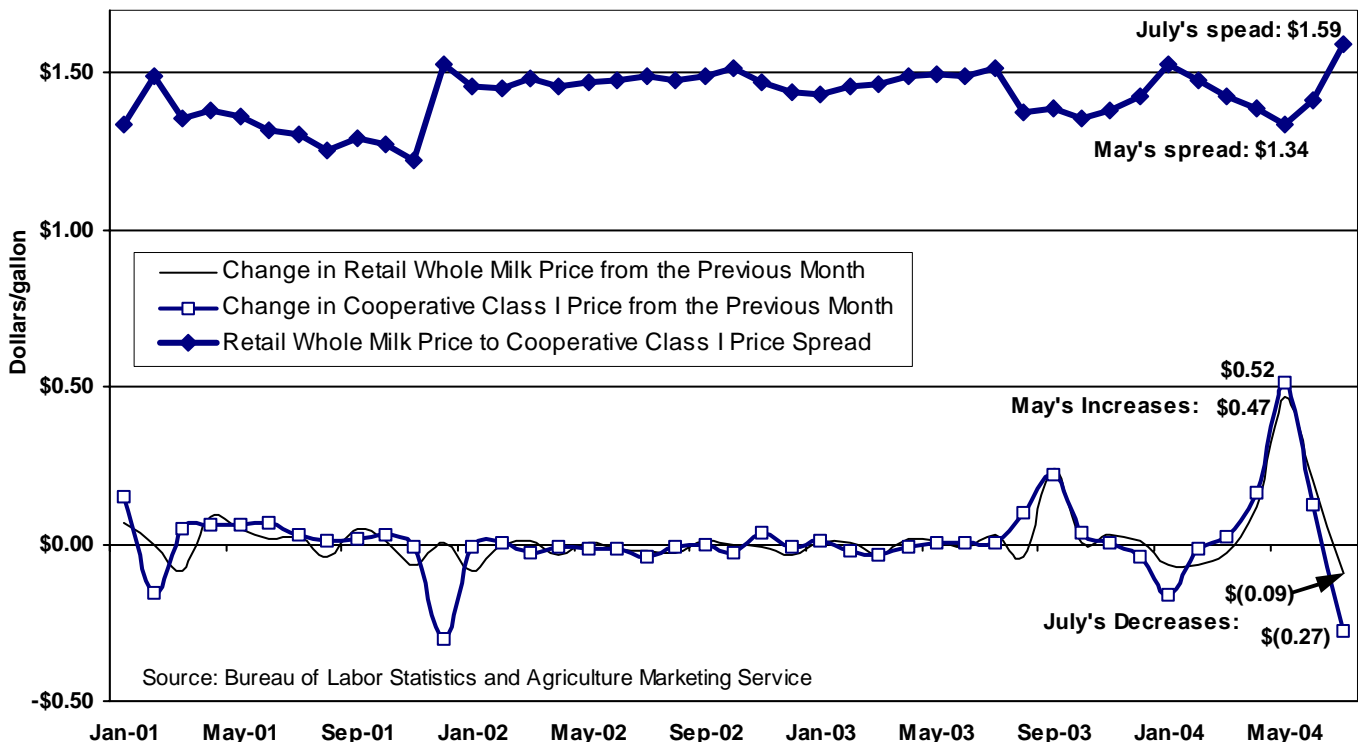
There were 12 regulated pool distributing plants and 3 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2004. In-area Class I route disposition totaled 236.3 million pounds in July 2004, which was 9.6 million pounds more than July of last year. This represents a 2.91 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2004</b>		
Whole Milk	102,195,585	43.25%
Fat Free Milk	32,522,265	13.76%
Lowfat Milk (incl. 1%)	23,589,495	9.98%
Reduced Fat Milk (incl. 2%)	65,667,077	27.79%
Cultured Fluid Milk (incl. Buttermilk)	1,265,469	0.54%
Flavored Drinks and Milk	11,071,946	4.69%
<b>Total Disposition in Marketing Area</b>	<b>236,311,837</b>	<b>100.0%</b>
Total Disposition by Pool Plants	202,461,810	85.68%
Total Disposition by Nonpool Plants	33,850,027	14.32%
<b>Total Disposition in Marketing Area</b>	<b>236,311,837</b>	<b>100.0%</b>

### Change in U.S. Fluid Milk Prices & Retail-to-Coop Class I Price Spread: Jan 2001 to July 2004

(continued from pg.1) in July. The chart below shows the retail-to-cooperative Class I price spread and the monthly changes in both price series. Notice that on average, the retail (and/or wholesale) level passed along all but five cents (0.52 - 0.47) of May's increases to consumers, but failed to pass along \$0.18 (0.27 - 0.09) of the \$0.27 decline in the cooperative Class I price during July. However, further retail price declines should be seen in August and September.



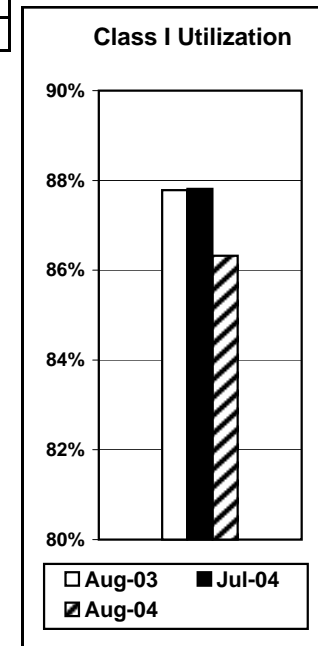


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 14.12	\$2.1090	\$21.01
Aug	\$11.55	\$2.1352	\$18.62	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 10.96	\$1.9757	\$17.49
Sep	\$11.96	\$1.8290	\$17.94	\$7.11											

**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 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	262	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%
Jun	241,092	264	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%
Jul	231,619	262	203,394	87.81%	19,359	8.36%	5,455	2.36%	3,410	1.47%
Aug	219,854	260**	189,776	86.32%	21,409	9.74%	561	0.25%	8,108	3.69%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods September through November 2004

	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
Sept. 2004	10/11/04	10/12/04	10/13/04	09/20/04	09/20/04	10/04/04	10/05/04	10/13/04	10/14/04
October 2004	11/11/04	11/12/04	11/15/04	10/19/04	10/20/04	11/04/04	11/05/04	11/15/04	11/16/04
Nov. 2004	12/11/04	12/13/04	12/14/04	11/19/04	11/22/04	12/06/04	12/06/04	12/14/04	12/15/04

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*

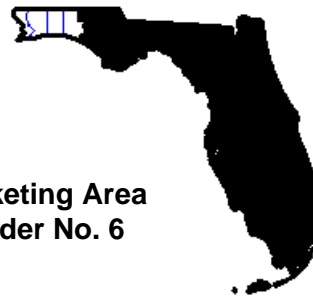


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# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

October 2004

Volume 5—No. 10

## Final Decision on Class III / IV Reclassification

Market Administrators' offices have mailed notices to interested parties announcing that the U.S. Department of Agriculture has issued a final decision amending the current classification of milk provisions of all Federal milk marketing orders. The amendments reclassify milk used to produce evaporated milk in consumer-type packages and sweetened condensed milk in consumer-type packages from Class III to Class IV. Details of the final decision were published in the September 24 *Federal Register* (available at [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm)). USDA will determine producer approval of the amended orders.

## Time Extended for Submission of Proposals

The U.S. Department of Agriculture is extending the time period for interested parties to submit additional proposals for consideration with a public hearing request currently under review that would amend the fluid milk product definition in all Federal milk marketing orders. The public hearing request was submitted by Dairy Farmers of America. The deadline for submitting proposals is extended from September 30, 2004, to January 31, 2005. For information on submitting proposals, visit [www.ams.usda.gov/dairy/](http://www.ams.usda.gov/dairy/) under "Request for Class I Proposals—Northeast, et. al."

## Emergency Hearing Held in Atlanta

The U.S. Department of Agriculture held a hearing on October 7 in Atlanta, GA to consider proposed amendments to three Federal milk marketing orders: the Appalachian, Florida and Southeast Orders. The proposals would increase Class I prices by up to nine cents per hundredweight in the Florida Order (up to four cents for the Appalachian and Southeast Orders) for January through March of 2005, with the funds generated to reimburse handlers for hurricane related transportation costs. A decision has not been issued and the Market Administrator can not discuss the merits of these proposals. For more details visit [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm).

## Blend Up Slightly

The uniform blend in Hillsborough County, FL, was \$17.69 per hundredweight for milk at 3.5 percent butterfat for the month of September. This is an increase of \$0.20 from last month and \$0.70 higher when compared with September 2003. Class I utilization was 88.86 percent, an increase of 2.54 percent when compared with last month and a decrease of 1.37 percent when compared to September 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in August was 14.2 billion pounds, an increase of 1.2 percent from August 2003 and a decrease of 1.3 percent when compared with July 2004. Total cheese output (excluding cottage cheese) was 712 million pounds, 1.7 percent above August 2003 and 0.6 percent above July 2004. Butter production was 88.9 million pounds in August, 25.4 percent above August 2003 but 2.5 percent below July 2004. Nonfat dry milk production was 114 million pounds in August, 6.8 percent above August 2003 but 17.5 percent lower than July 2004. The milk-feed price ratio (pounds of 16 percent mixed dairy feed equal in value to one pound of milk) was 3.24 in September, up from September 2003's 3.16 ratio and a sizable increase from August 2004's 2.98 value.

Increases in milk production, and the continued decline in fluid milk sales (through August, total sales of fluid milk product are 1.8 percent lower than last year) are the reasons for the rise in surplus product production and likely contributors to the recent declines in cheese and butter prices. On the Chicago Mercantile Exchange, Cheddar block and barrels were above \$1.50 per pound at the end of September, while butter was above \$1.80 per pound. As of October 12, blocks have fallen ten cents, barrels \$0.27, and butter prices have drifted \$0.17 lower. This will push October's Class III and IV prices lower, mitigating some of the \$0.84 increase in October's Class I price.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	53.63%	3,795,442	\$1.7890	\$ 6,790,045.75
Class I Differential at Location				155,019.06
Class II Butterfat	34.48%	2,440,145	\$1.9424	4,739,737.64
Class III Butterfat	4.46%	315,504	\$1.9354	610,626.43
Class IV Butterfat	7.43%	525,526	\$1.9354	1,017,103.02
<b>Total Butterfat</b>	<b>100.00%</b>	<b>7,076,617</b>		<b>\$ 13,312,531.90</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.8812</b>	

### 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	90.22%	165,623,365	\$7.96 /cwt.	\$ 13,183,619.84
Class I Butterfat	53.63%	3,795,442	\$1.7890 /lb.	6,790,045.75
Class I Differential at Location		169,418,807		6,918,228.64
<b>Total Class I Milk</b>	<b>88.86%</b>	<b>169,418,807</b>		<b>\$ 26,891,894.23</b>
Class II Skim Milk	6.57%	12,067,728	\$7.11 /cwt.	\$ 858,015.46
Class II Butterfat	34.48%	2,440,145	\$1.9424 /lb.	4,739,737.64
<b>Total Class II Milk</b>	<b>7.61%</b>	<b>14,507,873</b>		<b>\$ 5,597,753.10</b>
Class III Skim Milk	0.84%	1,538,369	\$8.23 /cwt.	\$ 126,607.78
Class III Butterfat	4.46%	315,504	\$1.9354 /lb.	610,626.43
<b>Total Class III Milk</b>	<b>0.97%</b>	<b>1,853,873</b>		<b>\$ 737,234.21</b>
Class IV Skim Milk	2.37%	4,354,878	\$6.45 /cwt.	\$ 280,889.62
Class IV Butterfat	7.43%	525,526	\$1.9354 /lb.	1,017,103.02
<b>Total Class IV Milk</b>	<b>2.56%</b>	<b>4,880,404</b>		<b>\$ 1,297,992.64</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>190,660,957</b>		<b>\$ 34,524,874.18</b>

### Adjustments

Overage and Other Source	\$14,644.90
Inventory Adjustments	\$19,195.19
Producer butterfat at uniform butterfat price	(\$13,312,531.90)
Location Adjustments to Producers	(\$104,947.95)
1/2 Unobligated Balance in P.S.F.	\$63,426.59

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.55036	\$21,204,661.01
	\$ 0.04036	\$74,103.47

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

**\$11.51**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$17.69\***

\* 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 2004	OCT 2004	AUG 2004	SEP 2004	SEP 2004
Appalachian (Charlotte)	\$ 17.04	\$ 17.88	\$ 16.16	\$ 16.52	73.81%
Arizona-Las Vegas (Phoenix)	\$ 16.29	\$ 17.13	\$ 14.56	\$ 15.18	37.82%
Central (Kansas City)	\$ 15.94	\$ 16.78	\$ 14.46	\$ 14.93	48.63%
<b>Florida (Tampa)</b>	<b>\$ 17.94</b>	<b>\$ 18.78</b>	<b>\$ 17.49</b>	<b>\$ 17.69</b>	<b>88.86%</b>
Mideast (Cleveland)	\$ 15.94	\$ 16.78	\$ 14.61	\$ 15.06	41.60%
Northeast (Boston)	\$ 17.19	\$ 18.03	\$ 15.57	\$ 16.06	51.10%
Pacific Northwest (Seattle)	\$ 15.84	\$ 16.68	\$ 14.15	\$ 14.44	37.89%
Southeast (Atlanta)	\$ 17.04	\$ 17.88	\$ 16.17	\$ 16.43	70.36%
Southwest (Dallas)	\$ 16.94	\$ 17.78	\$ 15.49	\$ 15.75	47.88%
Upper Midwest (Chicago)	\$ 15.74	\$ 16.58	\$ 14.26	\$ 14.85	29.10%

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

<b>Receipts:</b>	<b>September 2004</b>	<b>September 2003</b>
<b>Producer Milk</b>		
Class I	169,418,807	177,206,788
Class II	14,507,873	15,898,478
Class III	1,853,873	597,107
Class IV	4,880,404	2,708,988
Total Producer Milk	<u>190,660,957</u>	<u>196,411,371</u>
Average Butterfat Test	3.71%	3.59%
Percent of Producer Milk in Class I	88.86%	90.23%
Daily Average Receipts	6,355,365	6,547,046
<b>Other Source Milk</b>		
Class I	33,434,027	28,107,838
Class II	10,551,435	10,662,099
Class III	142,008	189,328
Class IV	5,731,826	2,470,902
Total Other Source Milk	<u>49,859,296</u>	<u>41,430,167</u>
<b>Overage</b>		
Class I	21,235	0
Class II	117,637	0
Class III	0	0
Class IV	1,858	19,388
Total Overage	<u>140,730</u>	<u>19,388</u>
<b>Opening Inventory</b>		
Class I	11,585,981	11,494,465
Class II	624,268	398,902
Class III	0	124,400
Class IV	7,363,465	8,562,617
Total Opening Inventory	<u>19,573,714</u>	<u>20,580,384</u>
<b>Total Receipts</b>	<b>260,234,697</b>	<b>258,441,310</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	11,744,324	12,218,186
Route Disposition Class I	201,126,128	203,817,616
Shrinkage	383,463	688,849
Transfers and Diversions to Nonpool	1,206,135	84,440
Total Class I Utilization	<u>214,460,050</u>	<u>216,809,091</u>
Average Butterfat Test	2.20%	2.19%
Daily Average Utilization	7,148,668	7,226,970
<b>Class II Utilization</b>		
Nonfluid Used To Produce	7,988,935	8,929,027
Shrinkage	0	0
Transfers and Diversions to Nonpool	5,337,231	2,943,664
Used To Produce/Other Uses	12,475,047	15,086,788
Total Class II Utilization	<u>25,801,213</u>	<u>26,959,479</u>
Average Butterfat Test	10.49%	10.98%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers and Diversions to Nonpool	1,995,881	910,835
Used To Produce/Other Uses	0	0
Total Class III Utilization	<u>1,995,881</u>	<u>910,835</u>
Average Butterfat Test		26.47%
<b>Class IV Utilization</b>		
Inventory	7,289,081	6,142,738
Nonfluid Used To Fortify	1,538,587	1,351,240
Shrinkage	2,563,574	3,575,666
Transfers and Diversions to Nonpool	4,694,832	1,431,099
Used To Produce/Other Uses	1,891,479	1,261,162
Total Class IV Utilization	<u>17,977,553</u>	<u>13,761,905</u>
Average Butterfat Test	7.67%	6.62%
<b>Total Utilization</b>	<b>260,234,697</b>	<b>258,441,310</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in September 2004 is \$17.69 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.51 per hundredweight plus 3.5 times the uniform butterfat price of \$1.8812 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 September, Class I use accounted for 90.22% of all producer skim milk (priced to handlers at \$7.96 per hundredweight, plus the Class I differential and 53.63% of producer butterfat (priced to handlers at \$1.7890 per pound plus Class I differential). Class II use accounted for 6.57% of all producer skim milk (\$7.11 per hundredweight) and 34.48% of producer butterfat (\$1.9424 per pound). Class III use accounted for 0.84% of all producer skim milk (\$8.23 per hundredweight) and 4.46% of producer butterfat (\$1.9354 per pound). Class IV use accounted for 2.37% of all producer skim milk (\$6.45 per hundredweight) and 7.43% of producer butterfat (\$1.9354 per pound).

Receipts of producer milk during September 2004 totaled 190.7 million pounds, 5.8 million pounds less than was pooled in September of last year. Florida producers supplied 164.8 million pounds of milk in August 2004 to pool plants or 74.96% of the total producer milk pooled in Florida. In August 2003 Florida producers supplied 73.33% of the total producer milk pooled in the Florida market.

There were 11 regulated pool distributing plants and 5 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2004. In-area Class I route disposition totaled 248.3 million pounds in August 2004, which was 9.5 million pounds more than August of last year. This is a 4.09 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2004</b>		
Whole Milk	103,292,252	41.60%
Fat Free Milk	33,270,045	13.40%
Lowfat Milk (incl. 1%)	24,145,544	9.72%
Reduced Fat Milk (incl. 2%)	67,528,186	27.20%
Cultured Fluid Milk (incl. Buttermilk)	1,828,958	0.74%
Flavored Drinks and Milk	18,235,039	7.34%
<b>Total Disposition in Marketing Area</b>	<b>248,300,024</b>	<b>100.0%</b>
Total Disposition by Pool Plants	212,586,561	85.62%
Total Disposition by Nonpool Plants	35,713,463	14.38%
<b>Total Disposition in Marketing Area</b>	<b>248,300,024</b>	<b>100.0%</b>

### 2004 Mailbox Milk Prices for Selected Reporting Areas 2/

Reporting Area 1/	January	February	March	April	May	June	Average
Northeast Federal Order	\$13.50	\$13.98	\$15.57	\$17.12	\$19.28	\$19.08	\$16.42
Appalachian States 3/	\$13.74	\$14.05	\$15.06	\$15.95	\$19.02	\$19.31	\$16.19
Southeast States 4/	\$14.30	\$14.61	\$15.28	\$16.52	\$19.79	\$19.91	\$16.74
Southern Missouri 5/	\$12.97	\$13.37	\$14.55	\$15.16	\$18.45	\$18.61	\$15.52
<b>Florida</b>	<b>\$15.97</b>	<b>\$16.00</b>	<b>\$16.82</b>	<b>\$18.07</b>	<b>\$20.98</b>	<b>\$21.69</b>	<b>\$18.26</b>
Indiana	\$13.30	\$13.54	\$15.28	\$16.36	\$19.14	\$18.68	\$16.05
Michigan	\$13.04	\$13.34	\$14.85	\$16.34	\$18.28	\$17.85	\$15.62
Wisconsin	\$13.34	\$13.80	\$16.13	\$19.89	\$20.39	\$18.04	\$16.93
Iowa	\$13.17	\$13.51	\$15.55	\$18.55	\$19.29	\$17.56	\$16.27
Corn Belt States 6/	\$12.46	\$12.77	\$14.31	\$16.07	\$17.40	\$16.81	\$14.97
Western Texas 7/	\$12.72	\$13.17	\$14.51	\$16.35	\$18.16	\$17.69	\$15.43
New Mexico	\$11.74	\$12.09	\$13.46	\$15.27	\$16.85	\$16.47	\$14.31
Northwest States 8/	\$12.39	\$12.76	\$14.34	\$15.00	\$16.59	\$17.75	\$14.81
All Federal Order Areas 9/	\$13.12	\$13.54	\$15.27	\$17.40	\$19.01	\$18.25	\$16.10
California 10/	\$12.11	\$12.69	\$14.65	\$17.21	\$17.57	NA	\$14.85

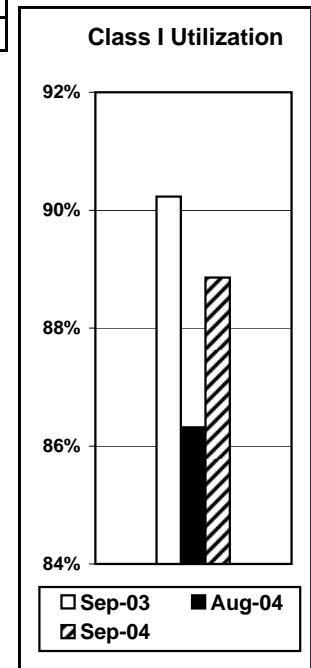
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average. 10/ From California Department of Food and Agriculture.

**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 2003	\$10.67	\$1.2184	\$14.56	\$7.37	\$1.1926	\$11.29	\$5.83	\$1.1856	\$9.78	\$ 6.13	\$1.1856	\$10.07	\$ 10.32	\$1.2052	\$14.18
Feb	\$10.20	\$1.2533	\$14.23	\$6.90	\$1.1443	\$10.66	\$5.89	\$1.1373	\$9.66	\$ 6.04	\$1.1373	\$9.81	\$ 9.79	\$1.1995	\$13.65
Mar	\$10.04	\$1.1774	\$13.81	\$6.74	\$1.1529	\$10.54	\$5.28	\$1.1459	\$9.11	\$ 5.99	\$1.1459	\$9.79	\$ 9.57	\$1.1652	\$13.31
Apr	\$9.92	\$1.1627	\$13.64	\$6.62	\$1.1573	\$10.44	\$5.58	\$1.1503	\$9.41	\$ 5.91	\$1.1503	\$9.73	\$ 9.23	\$1.1588	\$12.96
May	\$9.91	\$1.1862	\$13.71	\$6.61	\$1.1582	\$10.43	\$5.89	\$1.1512	\$9.71	\$ 5.92	\$1.1512	\$9.74	\$ 9.33	\$1.1713	\$13.10
Jun	\$9.92	\$1.1900	\$13.74	\$6.62	\$1.1646	\$10.46	\$5.91	\$1.1576	\$9.75	\$ 5.92	\$1.1576	\$9.76	\$ 9.23	\$1.1765	\$13.02
Jul	\$9.92	\$1.1990	\$13.77	\$6.62	\$1.2125	\$10.63	\$7.83	\$1.2055	\$11.78	\$ 5.94	\$1.2055	\$9.95	\$ 9.58	\$1.2048	\$13.46
Aug	\$11.07	\$1.2254	\$14.97	\$6.64	\$1.2584	\$10.81	\$9.76	\$1.2514	\$13.80	\$ 5.97	\$1.2514	\$10.14	\$ 10.56	\$1.2403	\$14.53
Sep	\$13.51	\$1.3344	\$17.71	\$6.69	\$1.2288	\$10.76	\$10.39	\$1.2218	\$14.30	\$ 5.98	\$1.2218	\$10.05	\$ 12.94	\$1.2876	\$16.99
Oct	\$14.43	\$1.2407	\$18.27	\$6.66	\$1.2623	\$10.84	\$10.36	\$1.2553	\$14.39	\$ 5.98	\$1.2553	\$10.16	\$ 13.78	\$1.2501	\$17.67
Nov	\$14.33	\$1.2963	\$18.37	\$6.69	\$1.2947	\$10.99	\$9.29	\$1.2877	\$13.47	\$ 6.00	\$1.2877	\$10.30	\$ 13.40	\$1.2956	\$17.47
Dec	\$13.70	\$1.3206	\$17.84	\$6.72	\$1.3758	\$11.30	\$7.34	\$1.3688	\$11.87	\$ 5.94	\$1.3688	\$10.52	\$ 12.90	\$1.3450	\$17.16
Jan 2004	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 14.12	\$2.1090	\$21.01
Aug	\$11.55	\$2.1352	\$18.62	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 10.96	\$1.9757	\$17.49
Sep	\$11.96	\$1.8290	\$17.94	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 11.51	\$1.8812	\$17.69
Oct	\$12.53	\$1.9115	\$18.78	\$7.14											

**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 2003	256,031	297	227,650	88.91%	17,204	6.72%	6,041	2.36%	5,137	2.01%
Feb	231,380	247	201,537	87.10%	16,883	7.30%	7,303	3.16%	5,656	2.44%
Mar	253,455	259	218,983	86.40%	20,602	8.13%	8,829	3.48%	5,040	1.99%
Apr	269,369	288	209,474	77.76%	18,928	7.03%	22,173	8.23%	18,793	6.98%
May	261,680	284	207,075	79.13%	14,840	5.67%	19,646	7.51%	20,120	7.69%
Jun	241,220	286	186,335	77.25%	17,609	7.30%	18,839	7.81%	18,437	7.64%
Jul	226,404	284	196,226	86.67%	18,434	8.14%	7,938	3.51%	3,807	1.68%
Aug	212,348	295	186,379	87.78%	19,520	9.19%	964	0.45%	5,485	2.58%
Sep	196,411	294	177,207	90.23%	15,898	8.09%	597	0.30%	2,709	1.38%
Oct	214,113	292	193,389	90.33%	16,389	7.65%	305	0.14%	4,029	1.88%
Nov	219,667	297	190,342	86.65%	19,944	9.08%	673	0.31%	8,707	3.96%
Dec	250,777	282	217,600	86.78%	19,141	7.63%	6,627	2.64%	7,410	2.95%
Jan 2004	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	262	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%
Jun	241,092	264	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%
Jul	231,619	262	203,394	87.81%	19,359	8.36%	5,455	2.36%	3,410	1.47%
Aug	219,854	278	189,776	86.32%	21,409	9.74%	561	0.25%	8,108	3.69%
Sep	190,661	280**	169,419	88.86%	14,508	7.61%	1,854	0.97%	4,880	2.56%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods October through December 2004

	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
Oct. 2004	11/11/04	11/12/04	11/15/04	10/19/04	10/20/04	11/04/04	11/05/04	11/15/04	11/16/04
Nov. 2004	12/11/04	12/13/04	12/14/04	11/19/04	11/22/04	12/06/04	12/06/04	12/14/04	12/15/04
Dec. 2004	01/11/05	01/12/05	01/13/05	12/20/04	12/20/04	01/04/05	01/05/05	01/13/05	01/14/05

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*



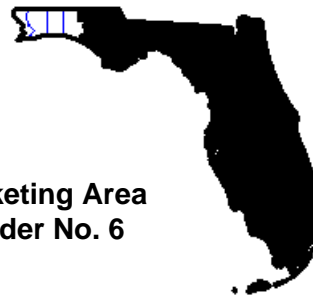
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# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

November 2004

Volume 5—No. 11

## Update on Retail-Coop Class I Price Spread

September's Fluid Milk Report compared average U.S. retail milk prices to the prevailing prices charged to processors for milk used in fluid form, the national average cooperative Class I price. The difference, or 'spread' between these two prices, which has averaged \$1.38 per gallon since 1997, had reached a peak of \$1.59 in July. (Page 4 contains a chart of this data) As farm prices have fallen from their peak in June, retailers have more gradually lowered milk prices. The result has been the largest spreads between retail and producer prices ever measured in August (\$1.70) and September (\$1.60). Corroborating these findings is the farm-to-retail price spread reported by USDA's Economic Research Service (ERS) in their latest Agriculture Outlook Statistical Indicators publication ([www.ers.usda.gov/publications/Agoutlook/AOTables/](http://www.ers.usda.gov/publications/Agoutlook/AOTables/)). It shows August 2004 with the highest 'farm-retail spread' since ERS began reporting this series. Retailers appear to have been making up for not fully passing along to consumers the increases in producer milk prices during April and May.

## USDA Seeks Nominations

The U.S. Department of Agriculture is asking the dairy industry to nominate candidates for the National Fluid Milk Processors Promotion Board. The Board has been charged, since 1990, with the responsibility of coordinating advertising and education programs to promote fluid milk products. These promotion programs are funded via the twenty cents per hundredweight assessment on fluid milk processors who market more than three million pounds of fluid milk products per month. Six of the twenty board seats are currently open for nominations of individuals who own or are employed by a fluid milk processor. Two of the vacancies are of specific interest to the southern dairy industry; one would represent Region 5 (the state of Florida) and another would represent Region 11 (the states of Arkansas and Missouri among others). For more information visit the Dairy Promotion and Research website at [www.ams.usda.gov/dairy/dairyhp.htm](http://www.ams.usda.gov/dairy/dairyhp.htm).

## Blend Up Slightly

The uniform blend in Hillsborough County, FL, was \$18.19 per hundredweight for milk at 3.5 percent butterfat for the month of October. This is an increase of \$0.50 from last month and \$0.52 higher when compared with October 2003. Class I utilization was 87.52 percent, a decrease of 1.34 percent when compared with last month and a decrease of 2.81 percent when compared to October 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in September was 13.6 billion pounds, an increase of 1.1 percent from September 2003 and a decrease of 4.0 percent when compared with August 2004. Total cheese output was 718 million pounds, 1.3 percent above September 2003 and 0.5 percent above August 2004. Butter production was 92.2 million pounds in September, 25.8 percent above September 2003 and 4.0 percent above August 2004. Nonfat dry milk production was 94.6 million pounds in September, 2.3 percent lower than September 2003 and 17.0 percent below August 2004.

## USDA Announcements

The release dates for 2005 Federal milk order prices are currently available at the Market Administrator website ([www.fmmatlanta.com](http://www.fmmatlanta.com)) under 'What's New'. Both advance price and class price release dates are shown.

Also available on the 'What's New' webpage are recently published pool and payment dates for the Florida Marketing Area. First partial, second partial and final payment due dates for cooperatives can be found there for all of 2005, whereas only three months of dates are listed on the last page of this publication.

Finally, the National Dairy Promotion and Research Board has a new member to represent Region 10, which includes the state of Florida. John M. Larson of Okeechobee, FL will serve a three year term beginning November 1, 2004.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - OCTOBER 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	51.42%	4,114,102	\$1.8715	\$ 7,699,541.90
Class I Differential at Location				167,613.25
Class II Butterfat	39.05%	3,123,870	\$1.9090	5,963,467.84
Class III Butterfat	4.04%	322,841	\$1.9020	614,043.57
Class IV Butterfat	5.49%	439,218	\$1.9020	835,392.65
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,000,031</b>		<b>\$ 15,280,059.21</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$1.9100</b>	

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	88.89%	186,136,619	\$8.53 /cwt.	\$ 15,877,453.60
Class I Butterfat	51.42%	4,114,102	\$1.8715 /lb.	7,699,541.90
Class I Differential at Location		190,250,721		7,755,495.92
<b>Total Class I Milk</b>	<b>87.52%</b>	<b>190,250,721</b>		<b>\$ 31,332,491.42</b>
Class II Skim Milk	8.43%	17,644,442	\$7.14 /cwt.	\$ 1,259,813.16
Class II Butterfat	39.05%	3,123,870	\$1.9090 /lb.	5,963,467.84
<b>Total Class II Milk</b>	<b>9.55%</b>	<b>20,768,312</b>		<b>\$ 7,223,281.00</b>
Class III Skim Milk	0.16%	336,100	\$7.78 /cwt.	\$ 26,148.59
Class III Butterfat	4.04%	322,841	\$1.9020 /lb.	614,043.57
<b>Total Class III Milk</b>	<b>0.30%</b>	<b>658,941</b>		<b>\$ 640,192.16</b>
Class IV Skim Milk	2.52%	5,285,791	\$6.38 /cwt.	\$ 337,233.46
Class IV Butterfat	5.49%	439,218	\$1.9020 /lb.	835,392.65
<b>Total Class IV Milk</b>	<b>2.63%</b>	<b>5,725,009</b>		<b>\$ 1,172,626.11</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>217,402,983</b>		<b>\$ 40,368,590.69</b>

### Adjustments

Overage and Other Source	\$52,608.61
Inventory Adjustments	\$2,031.33
Producer butterfat at uniform butterfat price	(\$15,280,059.21)
Location Adjustments to Producers	(\$149,524.22)
1/2 Unobligated Balance in P.S.F.	\$68,867.11

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.96856	\$25,062,514.31
	\$ 0.04856	\$101,682.43

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

<b>\$11.92</b>
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### Uniform Price per cwt. (Hillsborough County, Florida)

<b>\$18.19*</b>
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\* 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 2004	NOV 2004	SEP 2004	OCT 2004	OCT 2004
Appalachian (Charlotte)	\$ 17.88	\$ 17.39	\$ 16.52	\$ 16.69	67.69%
Arizona-Las Vegas (Phoenix)	\$ 17.13	\$ 16.64	\$ 15.18	\$ 15.01	35.03%
Central (Kansas City)	\$ 16.78	\$ 16.29	\$ 14.93	\$ 14.70	30.69%
<b>Florida (Tampa)</b>	<b>\$ 18.78</b>	<b>\$ 18.29</b>	<b>\$ 17.69</b>	<b>\$ 18.19</b>	<b>87.52%</b>
Midwest (Cleveland)	\$ 16.78	\$ 16.29	\$ 15.06	\$ 14.89	35.80%
Northeast (Boston)	\$ 18.03	\$ 17.54	\$ 16.06	\$ 16.07	50.80%
Pacific Northwest (Seattle)	\$ 16.68	\$ 16.19	\$ 14.44	\$ 14.40	29.95%
Southeast (Atlanta)	\$ 17.88	\$ 17.39	\$ 16.43	\$ 16.78	68.94%
Southwest (Dallas)	\$ 17.78	\$ 17.29	\$ 15.75	\$ 15.68	45.32%
Upper Midwest (Chicago)	\$ 16.58	\$ 16.09	\$ 14.85	\$ 14.47	18.90%

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

<b>Receipts:</b>	<b>October 2004</b>	<b>October 2003</b>
<b>Producer Milk</b>		
Class I	190,250,721	193,389,045
Class II	20,768,312	16,389,413
Class III	658,941	304,951
Class IV	5,725,009	4,029,395
Total Producer Milk	<u>217,402,983</u>	<u>214,112,804</u>
Average Butterfat Test	3.68%	3.64%
Percent of Producer Milk in Class I	87.52%	90.33%
Daily Average Receipts	7,012,999	6,906,865
<b>Other Source Milk</b>		
Class I	32,380,705	24,176,274
Class II	10,193,387	9,118,753
Class III	109,296	32,796
Class IV	5,735,184	3,650,096
Total Other Source Milk	<u>48,418,572</u>	<u>36,977,919</u>
<b>Overage</b>		
Class I	0	0
Class II	6,691	5,997
Class III	4,932	0
Class IV	16,012	75,289
Total Overage	<u>27,635</u>	<u>81,286</u>
<b>Opening Inventory</b>		
Class I	11,744,324	12,238,962
Class II	303,971	764,801
Class III	208,961	105,978
Class IV	6,924,927	5,251,183
Total Opening Inventory	<u>19,182,183</u>	<u>18,360,924</u>
<b>Total Receipts</b>	<b>285,031,373</b>	<b>269,532,933</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	13,558,498	15,124,477
Route Disposition Class I	217,045,129	212,955,590
Shrinkage	2,406,484	1,625,422
Transfers and Diversions to Nonpool	1,365,639	98,792
Total Class I Utilization	<u>234,375,750</u>	<u>229,804,281</u>
Average Butterfat Test	2.14%	2.19%
Daily Average Utilization	7,560,508	7,413,041
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,182,102	8,316,788
Shrinkage	0	0
Transfers and Diversions to Nonpool	5,220,318	3,047,207
Used To Produce/Other Uses	16,869,941	14,914,969
Total Class II Utilization	<u>31,272,361</u>	<u>26,278,964</u>
Average Butterfat Test	10.92%	12.01%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers and Diversions to Nonpool/Used to Produce	982,130	443,725
Other Uses	0	0
Total Class III Utilization	<u>982,130</u>	<u>443,725</u>
Average Butterfat Test	42.74%	21.29%
<b>Class IV Utilization</b>		
Inventory	8,516,534	4,331,736
Nonfluid Used To Fortify	1,658,835	1,479,592
Shrinkage	3,678,298	3,649,547
Transfers and Diversions to Nonpool	2,227,127	2,027,987
Used To Produce/Other Uses	2,320,338	1,517,101
Total Class IV Utilization	<u>18,401,132</u>	<u>13,005,963</u>
Average Butterfat Test	7.20%	8.37%
<b>Total Utilization</b>	<b>285,031,373</b>	<b>269,532,933</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in October 2004 is \$18.19 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.92 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9100 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 October, Class I use accounted for 88.89% of all producer skim milk (priced to handlers at \$8.53 per hundredweight, plus the Class I differential and 51.42% of producer butterfat (priced to handlers at \$1.8715 per pound plus Class I differential). Class II use accounted for 8.43% of all producer skim milk (\$7.14 per hundredweight) and 39.05% of producer butterfat (\$1.9090 per pound). Class III use accounted for 0.16% of all producer skim milk (\$7.78 per hundredweight) and 4.04% of producer butterfat (\$1.9020 per pound). Class IV use accounted for 2.52% of all producer skim milk (\$6.38 per hundredweight) and 5.49% of producer butterfat (\$1.9020 per pound).

Receipts of producer milk during October 2004 totaled 217.4 million pounds, 3.3 million pounds more than was pooled in October of last year. Florida producers supplied 135.0 million pounds of milk in September 2004 to pool plants or 70.82% of the total producer milk pooled in Florida. In September 2003 Florida producers supplied 71.35% of the total producer milk pooled in the Florida market.

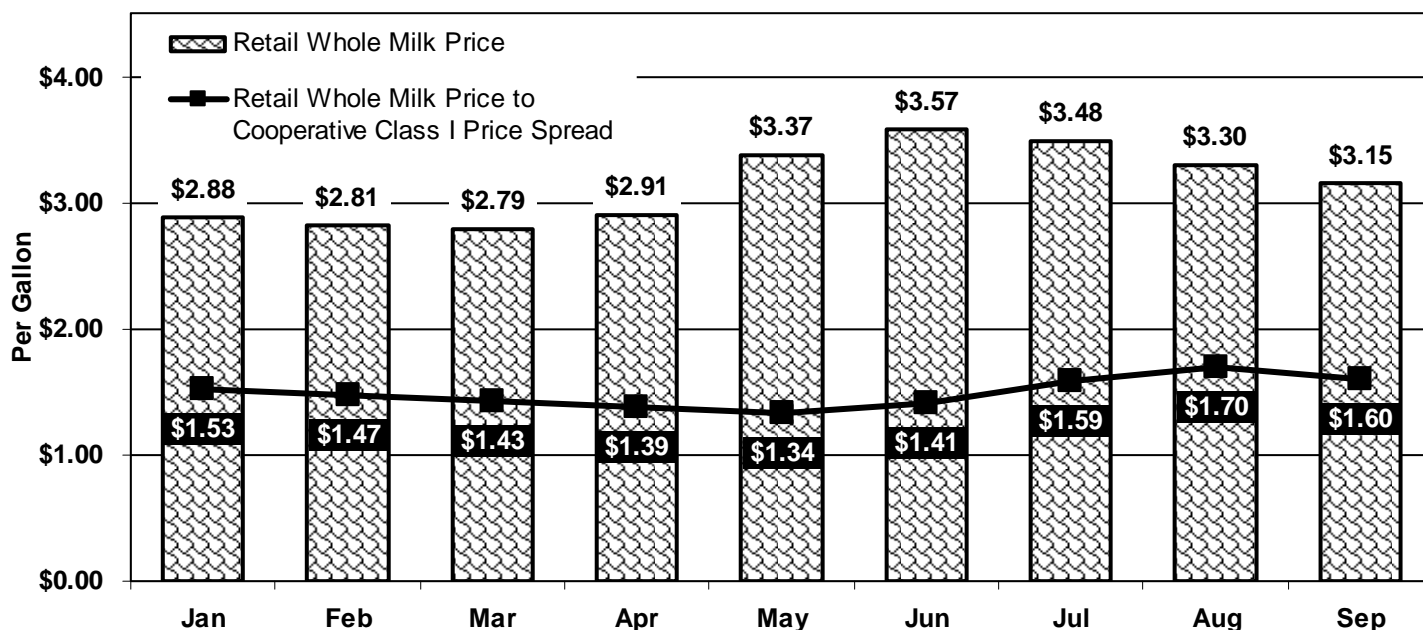
There were 12 regulated pool distributing plants and 4 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2004. In-area Class I route disposition totaled 237.1 million pounds in September 2004, 2.6 million pounds more than September 2003. This is a 2.69 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2004</b>		
Whole Milk	100,340,716	42.33%
Fat Free Milk	31,697,290	13.37%
Lowfat Milk (incl. 1%)	23,069,111	9.73%
Reduced Fat Milk (incl. 2%)	64,225,032	27.09%
Cultured Fluid Milk (incl. Buttermilk)	1,502,786	0.63%
Flavored Drinks and Milk	16,234,480	6.85%
<b>Total Disposition in Marketing Area</b>	<b>237,069,415</b>	<b>100.0%</b>
Total Disposition by Pool Plants	200,189,060	84.44%
Total Disposition by Nonpool Plants	36,880,355	15.56%
<b>Total Disposition in Marketing Area</b>	<b>237,069,415</b>	<b>100.0%</b>

### Update: Retail-to-Cooperative Class I Price Spread

September's Fluid Milk Report compared average U.S. retail milk prices to the prevailing prices charged to processors for milk used in fluid form, the national average cooperative Class I price. The difference, or 'spread' between these two prices, which has averaged \$1.38 per gallon since 1997, had reached a peak of \$1.59 in July. As farm prices have fallen from their peak in June, retailers have more gradually lowered milk prices. The result has been the largest spreads between retail and producer prices ever measured in August (\$1.70) and September (\$1.60). Retailers appear to have been making up for not fully passing along to consumers the increases in producer prices in April and May.

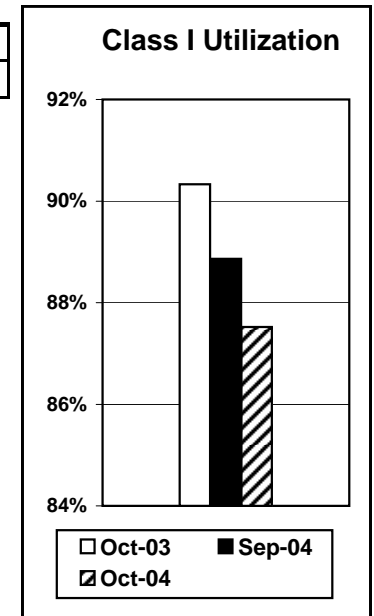


**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
<b>2003 Avg</b>	\$11.47	\$1.2337	\$15.38	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 10.89	\$1.2250	\$14.79
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 14.12	\$2.1090	\$21.01
Aug	\$11.55	\$2.1352	\$18.62	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 10.96	\$1.9757	\$17.49
Sep	\$11.96	\$1.8290	\$17.94	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 11.51	\$1.8812	\$17.69
Oct	\$12.53	\$1.9115	\$18.78	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 11.92	\$1.9100	\$18.19
Nov	\$11.81	\$1.9688	\$18.29	\$7.14											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
<b>2003 Avg</b>	236,071	284	201,016	85.42%	17,949	7.66%	8,328	3.33%	8,778	3.60%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	262	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%
Jun	241,092	264	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%
Jul	231,619	262	203,394	87.81%	19,359	8.36%	5,455	2.36%	3,410	1.47%
Aug	219,854	278	189,776	86.32%	21,409	9.74%	561	0.25%	8,108	3.69%
Sep	190,661	362	169,419	88.86%	14,508	7.61%	1,854	0.97%	4,880	2.56%
Oct	217,403	320**	190,251	87.52%	20,768	9.55%	659	0.30%	5,725	2.63%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods November 2004 through January 2005

	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
Nov. 2004	12/11/04	12/13/04	12/14/04	11/19/04	11/22/04	12/06/04	12/06/04	12/14/04	12/15/04
Dec. 2004	01/11/05	01/12/05	01/13/05	12/20/04	12/20/04	01/04/05	01/05/05	01/13/05	01/14/05
Jan. 2005	02/11/05	02/14/05	02/15/05	01/19/05	01/20/05	02/04/05	02/07/05	02/15/05	02/16/05

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

*Address Correction Requested*

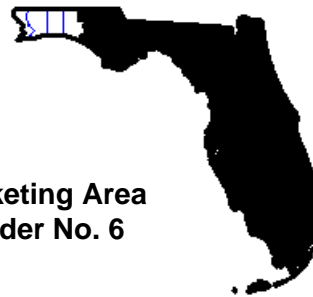


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# FLORIDA Fluid Milk Report

Sue L. Mosley  
Market Administrator

Florida Marketing Area  
Federal Order No. 6



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

December 2004

Volume 5—No. 12

## Final Rules Issued to Amend Order

USDA has issued a final rule to amend the Florida Order (along with the Appalachian and Southeast orders) to address the extraordinary costs imposed by the hurricanes which struck earlier this year. The process began with an emergency public hearing on October 7 in Atlanta, GA followed by a final decision issued November 19. A polling of cooperatives provided the necessary producer approval, allowing the issuance of a final rule on December 10.

This final rule will implement a temporary supplemental charge on Class I milk that will be disbursed to handlers who incurred extraordinary transportation costs for moving bulk milk to maintain the Class I needs of the Appalachian, Florida, and Southeast orders because of hurricanes in August and September. The supplemental charge will be determined by the Market Administrator but may not exceed four cents per hundredweight in the Appalachian and Southeast marketing areas and may not exceed nine cents per hundredweight in the Florida marketing area. The time period of the supplemental charge is limited to three months; January through March of 2005.

Transportation cost reimbursements may be provided if the milk movements are determined to be related to the hurricanes of August and September 2004. Reimbursements will be based on the lesser of actual costs or \$2.25 per loaded mile of eligible milk movements. A copy of the final rule is attached within, but additional background information can be found at [www.fmmatlanta.com](http://www.fmmatlanta.com) (click on the 'Hurricane Relief' link).

In a separate action, USDA issued a final rule to amend all Federal milk orders. It permanently alters the classification of evaporated and sweetened condensed milk in consumer-type packages from Class III to Class IV. This final rule makes permanent changes that were first implemented, on an interim basis, in May 2004.

## Blend Price Slips Lower

The uniform blend in Hillsborough County, FL, was \$17.99 per hundredweight for milk at 3.5 percent butterfat for the month of November. This represents a decrease of \$0.20 from last month, but is \$0.52 higher when compared with November 2003. Class I utilization was 89.05 percent, an increase of 1.53 percent when compared with last month and an increase of 2.40 percent when compared to November 2003.

## National Dairy Situation

USDA estimates that the total U.S. production of milk in October was 14.1 billion pounds, an increase of 1.2 percent from October 2003 and an increase of 3.3 percent when compared with September 2004. Total cheese output was 746 million pounds, 0.8 percent above October 2003 and 4.2 percent above September 2004. Butter production was 103 million pounds in October, 6.4 percent above October 2003 and 11.8 percent above September 2004. Nonfat dry milk production was 94.6 million pounds in October, 11.5 percent below October 2003 and 0.7 percent above September 2004.

## Invitation for Proposals on Mideast Pooling

USDA has received a request from producer organizations for a public hearing on the pooling standards of the Mideast Order. (The Mideast order includes most of Michigan, Indiana and Ohio and parts of three other states.) The request includes two proposals that would change how milk is pooled: one proposal seeks a year-round commitment by producers to pool milk while a second would limit the amount of milk a handler could pool to 115% of the previous month's volume. Both proposals are intended to reduce the impact of depooling on producer prices. Before deciding if a hearing will be held, USDA is accepting additional proposals regarding the pooling standards of the Mideast Order. Visit [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm), or contact this office for more details regarding this invitation.

## F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - NOVEMBER 2004

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	54.70%	4,578,456	\$1.9288	\$ 8,830,925.94
Class I Differential at Location				186,284.90
Class II Butterfat	39.15%	3,276,784	\$2.0559	6,736,740.23
Class III Butterfat	3.18%	265,976	\$2.0489	544,958.23
Class IV Butterfat	2.97%	248,567	\$2.0489	509,288.92
<b>Total Butterfat</b>	<b>100.00%</b>	<b>8,369,783</b>		<b>\$ 16,808,198.22</b>
<b>Uniform Butterfat Price per lb. (Hillsborough County, Florida):</b>			<b>\$2.0082</b>	

### Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	90.36%	200,414,429	\$7.81 /cwt.	\$ 15,652,366.91
Class I Butterfat	54.70%	4,578,456	\$1.9288 /lb.	8,830,925.94
Class I Differential at Location		204,992,885		8,361,973.92
<b>Total Class I Milk</b>	<b>89.05%</b>	<b>204,992,885</b>		<b>\$ 32,845,266.77</b>
Class II Skim Milk	7.69%	17,063,525	\$7.14 /cwt.	\$ 1,218,335.70
Class II Butterfat	39.15%	3,276,784	\$2.0559 /lb.	6,736,740.23
<b>Total Class II Milk</b>	<b>8.84%</b>	<b>20,340,309</b>		<b>\$ 7,955,075.93</b>
Class III Skim Milk	0.18%	393,158	\$8.00 /cwt.	\$ 31,452.64
Class III Butterfat	3.18%	265,976	\$2.0489 /lb.	544,958.23
<b>Total Class III Milk</b>	<b>0.29%</b>	<b>659,134</b>		<b>\$ 576,410.87</b>
Class IV Skim Milk	1.77%	3,936,129	\$6.39 /cwt.	\$ 251,518.64
Class IV Butterfat	2.97%	248,567	\$2.0489 /lb.	509,288.92
<b>Total Class IV Milk</b>	<b>1.82%</b>	<b>4,184,696</b>		<b>\$ 760,807.56</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>230,177,024</b>		<b>\$ 42,137,561.13</b>

### Adjustments

Overage and Other Source	\$27,156.99
Inventory Adjustments	\$16,011.39
Producer butterfat at uniform butterfat price	(\$16,808,198.22)
Location Adjustments to Producers	(\$164,946.06)
1/2 Unobligated Balance in P.S.F.	\$85,361.68

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.40312	\$25,292,946.91
	\$ 0.04312	\$95,644.32

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

**\$11.36**

### Uniform Price per cwt. (Hillsborough County, Florida)

**\$17.99\***

\* 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 2004	DEC 2004	OCT 2004	NOV 2004	NOV 2004
Appalachian (Charlotte)	\$ 17.39	\$ 17.53	\$ 16.69	\$ 16.78	72.53%
Arizona-Las Vegas (Phoenix)	\$ 16.64	\$ 16.78	\$ 15.01	\$ 15.20	36.95%
Central (Kansas City)	\$ 16.29	\$ 16.43	\$ 14.70	\$ 15.10	50.39%
<b>Florida (Tampa)</b>	<b>\$ 18.29</b>	<b>\$ 18.43</b>	<b>\$ 18.19</b>	<b>\$ 17.99</b>	<b>89.05%</b>
Mideast (Cleveland)	\$ 16.29	\$ 16.43	\$ 14.89	\$ 15.21	38.10%
Northeast (Boston)	\$ 17.54	\$ 17.68	\$ 16.07	\$ 16.20	52.00%
Pacific Northwest (Seattle)	\$ 16.19	\$ 16.33	\$ 14.40	\$ 14.75	41.68%
Southeast (Atlanta)	\$ 17.39	\$ 17.53	\$ 16.78	\$ 16.83	71.59%
Southwest (Dallas)	\$ 17.29	\$ 17.43	\$ 15.68	\$ 15.88	47.40%
Upper Midwest (Chicago)	\$ 16.09	\$ 16.23	\$ 14.47	\$ 15.02	40.60%



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

<b>Receipts:</b>	<b>November 2004</b>	<b>November 2003</b>
<b>Producer Milk</b>		
Class I	204,992,885	190,341,899
Class II	20,340,309	19,944,157
Class III	659,134	673,426
Class IV	4,184,696	8,707,033
Total Producer Milk	<u>230,177,024</u>	<u>219,666,515</u>
Average Butterfat Test	3.64%	3.62%
Percent of Producer Milk in Class I	89.05%	86.65%
Daily Average Receipts	7,672,567	7,322,217
<b>Other Source Milk</b>		
Class I	17,779,834	17,069,678
Class II	10,680,105	7,180,398
Class III	14,655	18,227
Class IV	5,323,040	5,579,855
Total Other Source Milk	<u>33,797,634</u>	<u>29,848,158</u>
<b>Overage</b>		
Class I	0	0
Class II	5,160	0
Class III	6,995	0
Class IV	8,655	50,169
Total Overage	<u>20,810</u>	<u>50,169</u>
<b>Opening Inventory</b>		
Class I	13,653,790	15,124,477
Class II	522,480	203,019
Class III	10,622	298,821
Class IV	7,888,140	3,829,896
Total Opening Inventory	<u>22,075,032</u>	<u>19,456,213</u>
<b>Total Receipts</b>	<b>286,070,500</b>	<b>269,021,055</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	13,248,971	12,891,231
Route Disposition Class I	220,074,522	207,718,480
Shrinkage	2,011,305	1,816,425
Transfers & Diversions to Nonpool	1,091,711	109,918
Total Class I Utilization	<u>236,426,509</u>	<u>222,536,054</u>
Average Butterfat Test	2.23%	2.24%
Daily Average Utilization	7,880,884	7,417,868
<b>Class II Utilization</b>		
Nonfluid Used To Produce	9,767,328	7,061,084
Shrinkage	0	0
Transfers & Diversions to Nonpool	4,688,840	4,356,784
Used To Produce/Other Uses	17,091,886	15,909,706
Total Class II Utilization	<u>31,548,054</u>	<u>27,327,574</u>
Average Butterfat Test	11.07%	11.55%
<b>Class III Utilization</b>		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	691,406	990,474
Other Uses	0	0
Total Class III Utilization	<u>691,406</u>	<u>990,474</u>
Average Butterfat Test	41.60%	15.74%
<b>Class IV Utilization</b>		
Inventory	7,049,382	9,637,251
Nonfluid Used To Fortify	3,301,337	3,071,786
Shrinkage	4,056,214	2,758,310
Transfers & Diversions to Nonpool	1,580,817	1,388,451
Used To Produce/Other Uses	1,416,781	1,311,155
Total Class IV Utilization	<u>17,404,531</u>	<u>18,166,953</u>
Average Butterfat Test	5.61%	5.98%
<b>Total Utilization</b>	<b>286,070,500</b>	<b>269,021,055</b>

## Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in November 2004 is \$17.99 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$11.36 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0082 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 November, Class I use accounted for 90.36% of all producer skim milk (priced to handlers at \$7.81 per hundredweight, plus the Class I differential and 54.70% of producer butterfat (priced to handlers at \$1.9288 per pound plus Class I differential). Class II use accounted for 7.69% of all producer skim milk (\$7.14 per hundredweight) and 39.15% of producer butterfat (\$2.0559 per pound). Class III use accounted for 0.18% of all producer skim milk (\$8.00 per hundredweight) and 3.18% of producer butterfat (\$2.0489 per pound). Class IV use accounted for 1.77% of all producer skim milk (\$6.39 per hundredweight) and 2.97% of producer butterfat (\$2.0489 per pound).

Receipts of producer milk during November 2004 totaled 230.2 million pounds, 10.5 million pounds more than was pooled in November of last year. Florida producers supplied 155.6 million pounds of milk in October 2004 to pool plants or 71.57% of the total producer milk pooled in Florida. In October 2003 Florida producers supplied 71.78% of the total producer milk pooled in the Florida market.

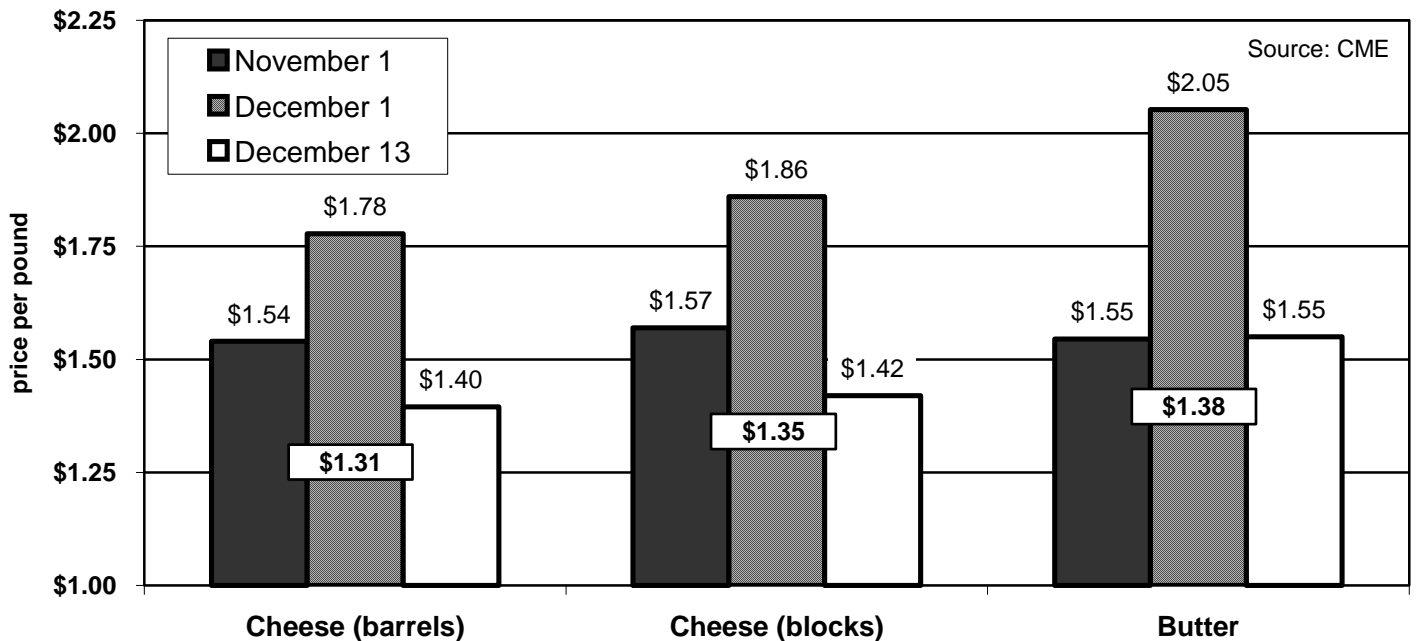
There were 12 regulated pool distributing plants and 4 cooperative association submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2004. In-area Class I route disposition totaled 247.6 million pounds in October 2004, 2.5 million pounds more than October 2003. This is a 2.87 percent increase after adjusting for calendar composition.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2004</b>		
Whole Milk	100,576,581	40.62%
Fat Free Milk	33,452,437	13.51%
Lowfat Milk (incl. 1%)	25,303,178	10.22%
Reduced Fat Milk (incl. 2%)	65,324,548	26.38%
Cultured Fluid Milk (incl. Buttermilk)	1,205,371	0.49%
Flavored Drinks and Milk	21,756,493	8.78%
<b>Total Disposition in Marketing Area</b>	<b>247,618,608</b>	<b>100.0%</b>
Total Disposition by Pool Plants	215,972,184	87.22%
Total Disposition by Nonpool Plants	31,646,424	12.78%
<b>Total Disposition in Marketing Area</b>	<b>247,618,608</b>	<b>100.0%</b>

### Commodities Up, Commodities Down: CME Prices Nov. 1, Dec. 1 and Dec. 13

Cheese and butter prices have displayed a measure of volatility over the past six weeks. Depicted below are Chicago Mercantile Exchange (CME) prices for AA Butter, 500lb. Cheddar cheese barrels and 40lb. Cheddar cheese blocks on November 1, December 1 and December 13 of this year along with their respective daily average prices since January 2000. Each commodity rose dramatically over the course of November despite already being appreciably higher than their historic average, and then each dramatically fell during the second week of December. Look for January's fluid and December's manufacturing class prices to reflect these lower commodity prices.



**DEPARTMENT OF AGRICULTURE  
Agricultural Marketing Service  
7 CFR Parts 1005, 1006, and 1007  
[Docket No. AO-388-A16, AO-356-A38,  
and AO-366-A45; DA-04-07]**

**Milk in the Appalachian, Florida,  
and Southeast Marketing Areas;  
Order Amending the Orders**

**AGENCY:** Agricultural Marketing Service, USDA.

**ACTION:** Final Rule.

**SUMMARY:** This final rule amends the Appalachian, Florida, and Southeast Federal milk marketing orders (Orders 5, 6, and 7). Specifically, the final rule implements a temporary supplemental charge on Class I milk that will be disbursed to handlers who incurred extraordinary transportation costs for bulk milk movements in and to Orders 5, 6, and 7 as a result of hurricanes Charley, Frances, Ivan and Jeanne. The amendments are based on record evidence of a public hearing held on October 7, 2004. More than the required number of dairy farmers approved the issuance of the amended orders.

**DATES:** *Effective Date:* December 10, 2004.

**FOR FURTHER INFORMATION CONTACT:**

Antoinette M. Carter, Marketing Specialist, USDA/AMS/Dairy Programs, Order Formulation and Enforcement Branch, STOP 0231—Room 2971, 1400 Independence Avenue, SW., Washington, DC 20250-0231, (202) 690-3465, e-mail address: [antoinette.carter@usda.gov](mailto:antoinette.carter@usda.gov).

**SUPPLEMENTARY INFORMATION:** This administrative action is governed by the provisions of Sections 556 and 557 of Title 5 of the United States Code and, therefore, is excluded from the requirements of Executive Order 12866. This final rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule is not intended to have a retroactive effect. This rule will not preempt any state or local laws, regulations, or policies, unless they present an irreconcilable conflict with the rule.

The Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), provides that administrative proceedings must be exhausted before parties may file suit in court. Under section 608c(15)(A) of the Act, any handler subject to an order may request modification or exemption from such order by filing with the Department a petition stating that the order, any provision of the order, or any

obligation imposed in connection with the order is not in accordance with the law. A handler is afforded the opportunity for a hearing on the petition. After a hearing, the Department would rule on the petition. The Act provides that the district court of the United States in any district in which the handler is an inhabitant, or has its principal place of business, has jurisdiction in equity to review the Department's ruling on the petition, provided a bill in equity is filed not later than 20 days after the date of the entry of the ruling.

**Regulatory Flexibility Act**

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Agricultural Marketing Service has considered the economic impact of this action on small entities and has certified that this rule will not have a significant economic impact on a substantial number of small entities. For the purpose of the Regulatory Flexibility Act, a dairy farm is considered a "small business" if it has an annual gross revenue of less than \$750,000, and a dairy products manufacturer is a "small business" if it has fewer than 500 employees.

For the purposes of determining which dairy farms are "small businesses," the \$750,000 per year criterion was used to establish a production guideline of 500,000 pounds per month. Although this guideline does not factor in additional monies that may be received by dairy producers, it should be an inclusive standard for most "small" dairy farmers. For purposes of determining a handler's size, if the plant is part of a larger company operating multiple plants that collectively exceed the 500-employee limit, the plant will be considered a large business even if the local plant has fewer than 500 employees.

During August 2004, the most recent representative month, the milk of 7,239 dairy farmers was pooled under the Appalachian (Order 5), Florida (Order 6), and Southeast (Order 7) milk orders (3,400 Order 5 dairy farmers, 267 Order 6 dairy farmers, and 3,572 Order 7 dairy farmers, respectively). Of the 7,239 dairy farmers, 80 percent met the definition of small business. Specifically, the number of dairy farmers considered small businesses for Order 5, Order 6, and Order 7 were 3,230 or 95 percent, 134 or 50 percent, and 3,407 or 95 percent, respectively.

During August 2004, there were 65 fully regulated plants under Orders 5, 6, and 7. Of the 65 plants, 7 were considered small businesses. Specifically, there were 25 Order 5 plants (of which 2 were small businesses), 12 Order 6 plants (of which 3 were small businesses), and 28 Order 7 plants (of which 2 were small businesses).

The amendments in this final rule will provide temporary reimbursement to handlers (cooperative associations and proprietary handlers) who incurred extraordinary transportation expenses for bulk milk movements resulting from the impact of hurricanes Charley, Frances, Ivan, and Jeanne on the Southeastern United States, particularly the State of Florida. The proposed amendments were requested by Dairy Farmers of America, Inc., Lone Star Milk Producers, Inc., Maryland & Virginia Milk Producers Cooperative Association, Inc., and Southeast Milk, Inc. The dairy farmer members of these four cooperatives supply the majority of the milk pooled under the Appalachian, Florida, and Southeast orders. The final rule will implement, for a 3-month period beginning January 1, 2005, a supplemental increase in the Class I milk price at a rate not to exceed \$.04 per hundredweight of milk in the Appalachian and Southeast orders, and a rate not to exceed \$.09 per hundredweight of milk in the Florida order. The amount generated through the Class I milk increase will be disbursed during February 2005 through April 2005 to qualifying handlers who incurred extraordinary transportation costs as a result of the hurricanes. The reimbursement for extraordinary transportation costs will be disbursed to qualifying handlers on an actual transportation costs basis or at a rate of \$2.25 per loaded mile, whichever is less.

The aforementioned hurricanes occurred during a 7-week period of time and disrupted the orderly flow of milk movements in and to the Appalachian, Florida, and Southeast marketing areas. The four hurricanes caused handlers in the southeastern markets, particularly in the Florida marketing area, to experience disruptions in moving bulk milk to supply the Class I (fluid milk) needs of the individual marketing areas. One of the functions of the Federal milk order program is to provide for the orderly exchange of milk between the dairy farmer and the handler (first

buyer) to ensure the Class I needs of the market are met. The record evidence clearly reveals that the movements of bulk milk for Orders 5 and 7, and particularly Order 6 were disrupted due to the hurricanes. Accordingly, the amendments adopted in this final rule will provide temporary transportation cost reimbursement to handlers who incurred additional transportation expenses for bulk milk movements that were disrupted as a result of extraordinary weather conditions in Orders 5, 6, and 7.

The amendments will provide reimbursement to handlers for transportation expenses totaling over \$1.6 million for movements of bulk milk due to the hurricanes. The supplemental increase in the minimum price of Class I milk at a maximum rate of \$.09 per hundredweight for Order 6 is anticipated to increase the price of a gallon of milk by not more than \$.0078 (*i.e.*, less than 1-cent) during each month of the 3-month period. Likewise, a supplemental increase at a maximum rate of \$.04 per hundredweight for Orders 5 and 7 is anticipated to increase the price of a gallon of milk by not more than \$.0034 (*i.e.*, less than 1-cent) during each month of the 3-month period. The estimated impact on the price per gallon of milk was calculated by converting the hundredweight value to gallons using 8.62 pounds of milk per gallon.

Handlers in Orders 5, 6, and 7 should not be placed at a competitive disadvantage because of the temporary and limited supplemental increase in the minimum Class I milk price. The amendments also are not expected to impact the blend price of dairy farmers. Accordingly, the adopted amendments should not significantly impact producers or handlers due to the limited implementation period and the minimum increase in the Class I milk price.

**Paperwork Reduction Act**

A review of reporting requirements was completed under the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35). As such, the information collection requirements in this final rule do not require clearance by the Office of Management and Budget (OMB) beyond the currently approved information collections. This final rule will impose only minimal reporting requirements on handlers applying for reimbursement of additional transportation expenses

incurred due to the aforementioned hurricanes.

Prior documents in this proceeding: *Notice of Hearing*: Issued September 28, 2004; published September 30, 2004 (69 FR 58368).

*Final Decision*: Issued November 15, 2004; published November 19, 2004 (69 FR 67670).

**Findings and Determinations**

The following findings and determinations hereinafter set forth supplement those that were made when the Appalachian, Florida, and Southeast orders were first issued and when they were amended. The previous findings and determinations are hereby ratified and confirmed, except where they may conflict with those set forth herein. The following findings are hereby made with respect to each of the aforesaid orders:

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreements and to the orders regulating the handling of milk in the specified marketing areas.

Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

- (1) The said orders as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;
- (2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the aforesaid marketing areas. The minimum prices specified in the orders as hereby amended are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and
- (3) The said orders as hereby amended regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, marketing agreements upon which a hearing has been held.

(b) *Additional Findings.* It is

necessary and in the public interest to make these amendments to the Appalachian, Florida, and Southeast orders effective December 10, 2004. This effective date will ensure the timely implementation of the amendments. The amendments to these orders are known to handlers. The final decision containing the proposed amendments to these orders was issued on November 15, 2004.

The changes that result from these amendments will not require extensive preparation or substantial alteration in the method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making these amendments effective December 10, 2004. It would be contrary to the public interest to delay the effective date of these amendments for 30 days after their publication in the **Federal Register**. (Sec. 553(d), Administrative Procedure Act, 5 U.S.C 551–559.)

(c) *Determinations.* It is hereby determined that:

- (1) The refusal or failure of handlers (excluding cooperative associations specified in Section 8c(9) of the Act) of more than 50 percent of the milk that is marketed within the specified marketing areas to sign a proposed marketing agreement tends to prevent the effectuation of the declared policy of the Act;
- (2) The issuance of this order amending the Appalachian, Florida, and Southeast orders are the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the orders as hereby amended;
- (3) The issuance of the order amending the Appalachian, Florida, and Southeast orders are favored by at least two-thirds of the producers who were engaged in the production of milk for sale in each of the marketing areas.

**List of Subjects in 7 CFR Parts 1005, 1006, and 1007**

Milk marketing orders.

**Order Relative to Handling**

✦ *It is therefore ordered*, that on and after the effective date hereof, the handling of milk in the Appalachian, Florida, and Southeast marketing areas shall be in conformity to and in compliance with the terms and conditions of the orders, as amended, and as hereby further amended, as follows:

**PARTS 1005, 1006, and 1007—**

**[AMENDED]**

✦ 1. The authority citation for 7 CFR parts 1005, 1006, and 1007 continues to read as follows:

Authority: 7 U.S.C. 601–674.

**PART 1005—MILK IN THE APPALACHIAN MARKETING AREA**

✦ 2. Section 1005.60 is amended by revising paragraph (a) and adding a new paragraph (g) to read as follows:

**§ 1005.60 Handler's value of milk.**

\* \* \* \* \*

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts; except that for the months of January 2005 through March 2005, the Class I skim milk price for this purpose shall be the Class I skim milk price as determined in § 1000.50(b) plus \$0.04 per hundredweight, and the Class I butterfat price for this purpose shall be the Class I butterfat price as determined in § 1000.50(c) plus \$0.0004 per pound. The adjustments to the Class I skim milk and butterfat prices provided herein may be reduced by the market administrator for any month if the market administrator determines that the payments yet unpaid computed pursuant to paragraphs (g)(1) through (5) and paragraph (g)(7) of this section will be less than the amount computed pursuant to paragraph (g)(6) of this section. The adjustments to the Class I skim milk and butterfat prices provided herein during the months of January 2005 through March 2005 shall be announced along with the prices announced in § 1000.53(b);

\* \* \* \* \*

(g) For the months of January 2005 through March 2005 for handlers who have submitted proof satisfactory to the market administrator to determine eligibility for reimbursement of transportation costs, subtract an amount equal to:

- (1) The cost of transportation on loads of producer milk delivered or rerouted to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
- (2) The cost of transportation on loads of producer milk delivered or rerouted to a pool supply plant that was then transferred to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
- (3) The cost of transportation on loads of bulk milk delivered or rerouted to a

pool distributing plant from a pool supply plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;

- (4) The cost of transportation on loads of bulk milk delivered or rerouted to a pool distributing plant from another order plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne; and
  - (5) The cost of transportation on loads of bulk milk transferred or diverted to a plant regulated under another Federal order or to other nonpool plants which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne.
- (6) The total amount of payment to all handlers under this section shall be limited for each month to an amount determined by multiplying the total Class I producer milk for all handlers pursuant to § 1000.44(c) times \$0.04 per hundredweight.

(7) If the cost of transportation computed pursuant to paragraphs (g)(1) through (5) of this section exceeds the amount computed pursuant to paragraph (g)(6) of this section, the market administrator shall prorate such payments to each handler based on the handler's proportion of transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section. Transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section which are not paid as a result of such a proration shall be included in each subsequent month's transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section until paid, or until the time period for such payments is concluded.

(8) The reimbursement of transportation costs pursuant to this section shall be the actual demonstrated cost of such transportation of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section, or the miles of transportation on loads of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section multiplied by \$2.25 per loaded mile, whichever is less.

(9) For each handler, the reimbursement of transportation costs pursuant to paragraph (g) of this section for bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section shall be reduced by the amount of payments received for such milk movements from the transportation credit balancing fund pursuant to § 1005.82.

**PART 1006—MILK IN THE FLORIDA MARKETING AREA**

✦ 3. Section 1006.60 is amended by revising paragraph (a) and adding a new paragraph (g) to read as follows:

**§ 1006.60 Handler's value of milk.**

\* \* \* \* \*

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts; except that for the months of January 2005 through March 2005, the Class I skim milk price for this purpose shall be the Class I skim milk price as determined in § 1000.50(b) plus \$0.09 per hundredweight, and the Class I butterfat price for this purpose shall be the Class I butterfat price as determined in § 1000.50(c) plus \$0.0009 per pound. The adjustments to the Class I skim milk and butterfat prices provided herein may be reduced by the market administrator for any month if the market administrator determines that the payments yet unpaid computed pursuant to paragraphs (g)(1) through (5) and paragraph (g)(7) of this section will be less than the amount computed pursuant to paragraph (g)(6) of this section. The adjustments to the Class I skim milk and butterfat prices provided herein during the months of January 2005 through March 2005 shall be announced along with the prices announced in § 1000.53(b);

\* \* \* \* \*

(g) For the months of January 2005 through March 2005 for handlers who have submitted proof satisfactory to the market administrator to determine eligibility for reimbursement of transportation costs subtract an amount equal to:

- (1) The cost of transportation on loads of producer milk delivered or rerouted to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
- (2) The cost of transportation on loads of producer milk delivered or rerouted to a pool supply plant that was then transferred to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
- (3) The cost of transportation on loads of bulk milk delivered or rerouted to a pool distributing plant from a pool supply plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;

(4) The cost of transportation on loads of bulk milk delivered or rerouted to a pool distributing plant from another order plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne; and

(5) The cost of transportation on loads of bulk milk transferred or diverted to a plant regulated under another Federal order or to other nonpool plants which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne.

(6) The total amount of payment to all handlers under this section shall be limited for each month to an amount determined by multiplying the total Class I producer milk for all handlers pursuant to § 1000.44(c) times \$0.09 per hundredweight.

(7) If the cost of transportation computed pursuant to paragraphs (g)(1) through (5) of this section exceeds the amount computed pursuant to paragraph (g)(6) of this section, the market administrator shall prorate such payments to each handler based on each handler's proportion of transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section. Transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section which are not paid as a result of such a proration shall be included in each subsequent month's transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section until paid, or until the time period for such payments has concluded.

(8) The reimbursement of transportation costs pursuant to this section shall be the actual demonstrated cost of such transportation of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section, or the miles of transportation on loads of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section multiplied by \$2.25 per loaded mile, whichever is less.

**PART 1007—MILK IN THE SOUTHEAST MARKETING AREA**

✪ 4. Section 1007.60 is amended by revising paragraph (a) and adding a new paragraph (g) to read as follows:

**§ 1007.60 Handler's value of milk**  
\* \* \* \* \*

(a) Multiply the pounds of skim milk and butterfat in producer milk that were classified in each class pursuant to § 1000.44(c) by the applicable skim milk and butterfat prices, and add the resulting amounts; except that for the

months of January 2005 through March 2005, the Class I skim milk price for this purpose shall be the Class I skim milk price as determined in § 1000.50(b) plus \$0.04 per hundredweight, and the Class I butterfat price for this purpose shall be the Class I butterfat price as determined in § 1000.50(c) plus \$0.0004 per pound. The adjustments to the Class I skim milk and butterfat prices provided herein may be reduced by the market administrator for any month if the market administrator determines that the payments yet unpaid computed pursuant to paragraphs (g)(1) through (5) and paragraph (g)(7) of this section will be less than the amount computed pursuant to paragraph (g)(6) of this section. The adjustments to the Class I skim milk and butterfat prices provided herein during the months of January 2005 through March 2005 shall be announced along with the prices announced in § 1000.53(b);

\* \* \* \* \*

(g) For the months of January 2005 through March 2005 for handlers who have submitted proof satisfactory to the market administrator to determine eligibility for reimbursement of transportation costs, subtract an amount equal to:

- (1) The cost of transportation on loads of producer milk delivered or rerouted to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
  - (2) The cost of transportation on loads of producer milk delivered or rerouted to a pool supply plant that was then transferred to a pool distributing plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
  - (3) The cost of transportation on loads of bulk milk delivered or rerouted to a pool distributing plant from a pool supply plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne;
  - (4) The cost of transportation on loads of bulk milk delivered or rerouted to a pool distributing plant from another order plant which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne; and
  - (5) The cost of transportation on loads of bulk milk transferred or diverted to a plant regulated under another Federal order or to other nonpool plants which were delivered as a result of hurricanes Charley, Frances, Ivan, and Jeanne.
- (6) The total amount of payment to all handlers under this section shall be

limited for each month to an amount determined by multiplying the total Class I producer milk for all handlers pursuant to § 1000.44(c) times \$0.04 per hundredweight.

(7) If the cost of transportation computed pursuant to paragraphs (g)(1) through (5) of this section exceeds the amount computed pursuant to paragraph (g)(6) of this section, the market administrator shall prorate such payments to each handler based on each handler's proportion of transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section.

Transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section which are not paid as a result of such a proration shall be included in each subsequent month's transportation costs submitted pursuant to paragraphs (g)(1) through (5) of this section until paid, or until the time period for such payments has concluded.

(8) The reimbursement of transportation costs pursuant to this section shall be the actual demonstrated cost of such transportation of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section, or the miles of transportation on loads of bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section multiplied by \$2.25 per loaded mile, whichever is less.

(9) For each handler, the reimbursement of transportation costs pursuant to paragraph (g) of this section for bulk milk delivered or rerouted as described in paragraphs (g)(1) through (5) of this section shall be reduced by the amount of payments received for such milk movements from the transportation credit balancing fund pursuant to § 1007.82.

Dated: December 7, 2004.

**A.J. Yates,**  
*Administrator, Agricultural Marketing Service.*

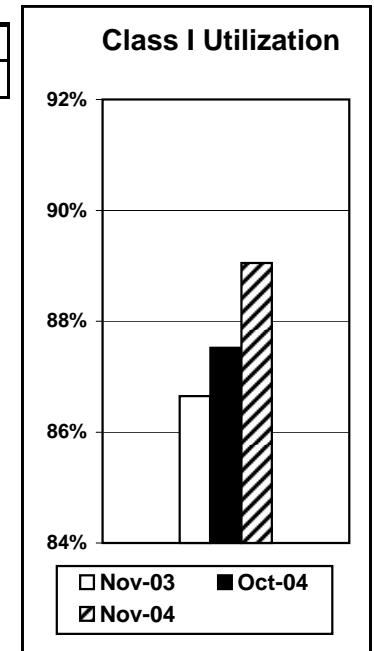
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**FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES**

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
<b>2000 Avg</b>	\$11.72	\$1.2130	\$15.55	\$8.42	\$1.2592	\$12.53	\$5.55	\$1.2522	\$9.74	\$ 7.72	\$1.2522	\$11.83	\$ 11.33	\$1.2331	\$15.25
<b>2001 Avg</b>	\$11.93	\$1.9292	\$18.27	\$8.33	\$1.8550	\$14.53	\$6.87	\$1.8480	\$13.10	\$ 7.55	\$1.8480	\$13.76	\$ 11.59	\$1.8942	\$17.82
<b>2002 Avg</b>	\$11.01	\$1.2523	\$15.01	\$7.62	\$1.1998	\$11.55	\$6.47	\$1.1928	\$10.42	\$ 6.88	\$1.1928	\$10.81	\$ 10.67	\$1.2277	\$14.60
<b>2003 Avg</b>	\$11.47	\$1.2337	\$15.38	\$6.74	\$1.2169	\$10.76	\$7.45	\$1.2099	\$11.42	\$ 5.98	\$1.2099	\$10.00	\$ 10.89	\$1.2250	\$14.79
Jan <b>2004</b>	\$11.46	\$1.3683	\$15.85	\$6.64	\$1.5048	\$11.67	\$6.60	\$1.4978	\$11.61	\$ 5.94	\$1.4978	\$10.97	\$ 10.90	\$1.4344	\$15.54
Feb	\$10.55	\$1.5444	\$15.59	\$6.63	\$1.8588	\$12.90	\$5.61	\$1.8518	\$11.89	\$ 5.94	\$1.8518	\$12.21	\$ 9.85	\$1.7078	\$15.48
Mar	\$9.96	\$1.8075	\$15.94	\$6.66	\$2.3883	\$14.79	\$6.38	\$2.3813	\$14.49	\$ 5.97	\$2.3813	\$14.10	\$ 9.46	\$2.1004	\$16.48
Apr	\$9.96	\$2.2925	\$17.64	\$6.66	\$2.5083	\$15.21	\$11.30	\$2.5013	\$19.66	\$ 6.03	\$2.5013	\$14.57	\$ 9.72	\$2.3895	\$17.74
May	\$15.50	\$2.4837	\$23.65	\$6.74	\$2.4352	\$15.03	\$12.52	\$2.4282	\$20.58	\$ 6.22	\$2.4282	\$14.50	\$ 14.13	\$2.4568	\$22.23
Jun	\$16.98	\$2.4980	\$25.13	\$6.91	\$2.1838	\$14.31	\$10.43	\$2.1768	\$17.68	\$ 6.32	\$2.1768	\$13.72	\$ 15.29	\$2.3371	\$22.93
Jul	\$14.95	\$2.1488	\$21.95	\$7.03	\$2.0613	\$14.00	\$7.94	\$2.0543	\$14.85	\$ 6.34	\$2.0543	\$13.31	\$ 14.12	\$2.1090	\$21.01
Aug	\$11.55	\$2.1352	\$18.62	\$7.07	\$1.8011	\$13.13	\$8.04	\$1.7941	\$14.04	\$ 6.40	\$1.7941	\$12.46	\$ 10.96	\$1.9757	\$17.49
Sep	\$11.96	\$1.8290	\$17.94	\$7.11	\$1.9424	\$13.66	\$8.23	\$1.9354	\$14.72	\$ 6.45	\$1.9354	\$13.00	\$ 11.51	\$1.8812	\$17.69
Oct	\$12.53	\$1.9115	\$18.78	\$7.14	\$1.9090	\$13.57	\$7.78	\$1.9020	\$14.16	\$ 6.38	\$1.9020	\$12.81	\$ 11.92	\$1.9100	\$18.19
Nov	\$11.81	\$1.9688	\$18.29	\$7.14	\$2.0559	\$14.09	\$8.00	\$2.0489	\$14.89	\$ 6.39	\$2.0489	\$13.34	\$ 11.36	\$2.0082	\$17.99
Dec	\$12.12	\$1.9234	\$18.43	\$7.07											

**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.	%
<b>2000 Avg</b>	238,930	280	210,482	88.26%	16,133	6.72%	5,308	2.21%	7,008	2.81%
<b>2001 Avg</b>	230,986	271	207,653	89.90%	15,243	6.59%	3,271	1.38%	4,819	2.13%
<b>2002 Avg</b>	224,381	269	199,552	89.12%	16,449	7.24%	4,537	1.97%	3,843	1.67%
<b>2003 Avg</b>	236,071	284	201,016	85.42%	17,949	7.66%	8,328	3.33%	8,778	3.60%
Jan <b>2004</b>	262,288	281	227,172	86.61%	19,118	7.29%	9,305	3.55%	6,694	2.55%
Feb	249,186	273	204,097	81.90%	21,027	8.44%	14,951	6.00%	9,110	3.66%
Mar	270,567	275	224,621	83.01%	23,154	8.56%	16,087	5.95%	6,705	2.48%
Apr	239,603	264	217,023	90.57%	18,512	7.73%	291	0.12%	3,777	1.58%
May	260,853	262	197,480	75.70%	21,403	8.21%	26,294	10.08%	15,675	6.01%
Jun	241,092	264	189,058	78.42%	23,151	9.60%	21,511	8.92%	7,372	3.06%
Jul	231,619	262	203,394	87.81%	19,359	8.36%	5,455	2.36%	3,410	1.47%
Aug	219,854	278	189,776	86.32%	21,409	9.74%	561	0.25%	8,108	3.69%
Sep	190,661	362	169,419	88.86%	14,508	7.61%	1,854	0.97%	4,880	2.56%
Oct	217,403	281	190,251	87.52%	20,768	9.55%	659	0.30%	5,725	2.63%
Nov	230,177	280**	204,993	89.05%	20,340	8.84%	659	0.29%	4,185	1.82%



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

## Florida Marketing Area - Federal Order 6

### Pool and Payment Dates For the Pooling Periods December 2004 through February 2005

	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
Dec 2004	01/11/05	01/12/05	01/13/05	12/20/04	12/20/04	01/04/05	01/05/05	01/13/05	01/14/05
Jan 2005	02/11/05	02/14/05	02/15/05	01/19/05	01/20/05	02/04/05	02/07/05	02/15/05	02/16/05
Feb 2005	03/11/05	03/14/05	03/15/05	02/22/05	02/22/05	03/04/05	03/07/05	03/15/05	03/16/05

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**FEDERAL MILK MARKET ADMINISTRATOR  
U.S. DEPARTMENT OF AGRICULTURE  
P.O. BOX 491778  
LAWRENCEVILLE, GEORGIA 30049**

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