

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

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

January 2007

Volume 8—No. 1

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

## Request Seeks Changes in Pooling Provisions

The Market Administrator has received a request to change producer delivery day requirements and diversion limits for the Southeast Marketing Area (FO 7). A similar request has been submitted to the Market Administrator for the Appalachian Marketing Area.

The request seeks to increase the producer delivery day requirement to 10 days each month for January through June. Currently, the producer delivery requirements for FO 7 are 4 days for January through June and 10 days for July through December. The request also seeks to lower the diversion limits to 15 percent for December through February; to 20 percent for March through June; and to 10 percent for July through November. Currently, the diversion limits for FO 7 are 50 percent for January through June and 33 percent for July through December. A copy of the request is available at [www.fmmatlanta.com](http://www.fmmatlanta.com) by clicking on "What's New" or by calling 770-682-2501.

The Market Administrator invites written comments regarding the request to change producer pooling requirements and diversion limits. Comments should be mailed to: Market Administrator, PO Box 491778, Lawrenceville, GA 30049, emailed to [smosley@fmmatlanta.com](mailto:smosley@fmmatlanta.com) or faxed to 770-822-1038 by February 16, 2007.

## New Class III and IV Product Price Formulas

The U.S. Department of Agriculture has issued an interim order amending the manufacturing (make) allowances contained in the Class III and Class IV product price formulas in all Federal milk marketing orders. The interim order was approved by dairy farmers in all 10 Federal milk marketing orders. A copy of the interim order, which becomes effective on February 1, 2007, is available at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'.

Public comments and exceptions to this decision are due by January 22, 2007.

## Blend Price Increases

The uniform blend price in Fulton County, GA, was \$14.81 per hundredweight of milk at 3.5 percent butterfat for the month of December. The blend price is \$0.13 higher than the previous month but is \$0.63 lower than December 2005. December marks the sixth consecutive month that the uniform blend price has increased.

Class I utilization was 65.53 percent in December, an increase of 0.32 percent compared with the previous month and 1.58 percent above December of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 14.50 billion pounds, an increase of 2.0 percent from November 2005 and an increase of 0.86 percent when compared with October 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 790 million pounds, 3.1 percent above November 2005 but 1.3 percent below October 2006. Butter production was 116 million pounds, 4.3 percent above November 2005 but 2.5 percent below October 2006. Nonfat dry milk production was estimated at 79.3 million pounds in November, 11.0 percent lower than November 2005 and a decrease of 5.3 percent compared with the previous month on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.42 in December, a decline of 0.04 from the previous month.

## Transportation Credit Update

Claims on the Federal Order 7 transportation credit balancing fund for December 2006 were made for \$1,256,345.54. Since the available balance was \$799,673.32, eligible claims were paid at the rate of approximately \$0.64 on the dollar.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2006

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 38.70%             | 8,971,973         | \$1.3770         | \$ 12,354,406.84        |
| Class I Differential at Location |                    |                   |                  | 267,778.04              |
| Class II Butterfat               | 19.50%             | 4,521,892         | \$1.3551         | 6,127,615.85            |
| Class III Butterfat              | 17.24%             | 3,996,261         | \$1.3481         | 5,387,359.46            |
| Class IV Butterfat               | 24.56%             | 5,693,332         | \$1.3481         | 7,675,180.88            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>23,183,458</b> |                  | <b>\$ 31,812,341.07</b> |

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3722**

### 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                | 66.59%             | 390,921,748        | \$7.89 /cwt.          | \$ 30,843,725.92        |
| Class I Butterfat                | 38.70%             | 8,971,973          | \$1.3770 /lb.         | 12,354,406.84           |
| Class I Differential at Location |                    | 399,893,721        |                       | 11,930,242.07           |
| <b>Total Class I Milk</b>        | <b>65.53%</b>      | <b>399,893,721</b> |                       | <b>\$ 55,128,374.83</b> |
| Class II Skim Milk               | 9.89%              | 58,086,747         | \$8.09 /cwt.          | \$ 4,699,217.80         |
| Class II Butterfat               | 19.50%             | 4,521,892          | \$1.3551 /lb.         | 6,127,615.85            |
| <b>Total Class II Milk</b>       | <b>10.26%</b>      | <b>62,608,639</b>  |                       | <b>\$ 10,826,833.65</b> |
| Class III Skim Milk              | 14.98%             | 87,928,673         | \$9.07 /cwt.          | \$ 7,975,130.65         |
| Class III Butterfat              | 17.24%             | 3,996,261          | \$1.3481 /lb.         | 5,387,359.46            |
| <b>Total Class III Milk</b>      | <b>15.06%</b>      | <b>91,924,934</b>  |                       | <b>\$ 13,362,490.11</b> |
| Class IV Skim Milk               | 8.54%              | 50,143,086         | \$7.86 /cwt.          | \$ 3,941,246.58         |
| Class IV Butterfat               | 24.56%             | 5,693,332          | \$1.3481 /lb.         | 7,675,180.88            |
| <b>Total Class IV Milk</b>       | <b>9.15%</b>       | <b>55,836,418</b>  |                       | <b>\$ 11,616,427.46</b> |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>610,263,712</b> |                       | <b>\$ 90,934,126.05</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$25,071.96       |
| Inventory Adjustments                         | \$7,031.95        |
| Producer butterfat at uniform butterfat price | (\$31,812,341.07) |
| Location Adjustments to Producers             | \$1,681,231.25    |
| 1/2 Unobligated Balance in P.S.F              | \$329,220.25      |

### Adjusted Pool Value

|                                      |                    |                        |
|--------------------------------------|--------------------|------------------------|
|                                      | <b>\$ 10.41840</b> | <b>\$61,164,340.39</b> |
| Reserve for Producer Settlement Func | <b>\$ 0.04840</b>  | \$284,118.08           |

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

**\$10.37**

Uniform Price per cwt. (Fulton County, Georgia)

**\$14.81\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | DEC 2006        | JAN 2007        | NOV 2006        | DEC 2006        | DEC 2006      |
| Appalachian (Charlotte)     | \$ 15.90        | \$ 17.06        | \$ 14.68        | \$ 14.62        | 64.99%        |
| Arizona (Phoenix)           | \$ 15.15        | \$ 16.31        | \$ 13.49        | \$ 13.71        | 39.12%        |
| Central (Kansas City)       | \$ 14.80        | \$ 15.96        | \$ 12.96        | \$ 13.32        | 41.38%        |
| Florida (Tampa)             | \$ 16.43        | \$ 17.59        | \$ 15.88        | \$ 15.88        | 85.10%        |
| Mideast (Cleveland)         | \$ 14.80        | \$ 15.96        | \$ 13.13        | \$ 13.41        | 40.70%        |
| Northeast (Boston)          | \$ 16.05        | \$ 17.21        | \$ 14.21        | \$ 14.42        | 49.00%        |
| Pacific Northwest (Seattle) | \$ 14.71        | \$ 15.87        | \$ 12.85        | \$ 12.99        | 43.16%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 15.53</b> | <b>\$ 16.69</b> | <b>\$ 14.68</b> | <b>\$ 14.81</b> | <b>65.53%</b> |
| Southwest (Dallas)          | \$ 15.80        | \$ 16.96        | \$ 13.83        | \$ 14.05        | 32.53%        |
| Upper Midwest (Chicago)     | \$ 14.60        | \$ 15.76        | \$ 12.96        | \$ 13.47        | 17.10%        |

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

| <b>Receipts:</b>   | <b>December 2006</b> | <b>December 2005</b> |
|--|----------------------|----------------------|
| <b>Producer Milk</b>   |                      |                      |
| Class I  | 399,893,721          | 400,937,464          |
| Class II   | 62,608,639           | 56,187,921           |
| Class III  | 91,924,934           | 90,048,812           |
| Class IV   | 55,836,418           | 79,833,598           |
| Total Producer Milk  | <u>610,263,712</u>   | <u>627,007,795</u>   |
| Average Butterfat Test   | 3.80%                | 3.86%                |
| Percent of Producer Milk in Class I  | 65.53%               | 63.95%               |
| Daily Average Receipts   | 19,685,926           | 20,226,058           |
| <b>Other Source Milk</b>   |                      |                      |
| Class I  | 9,531,078            | 9,157,032            |
| Class II   | 11,324,474           | 8,480,032            |
| Class III  | 2,063,576            | 3,467,667            |
| Class IV   | 12,296,882           | 9,713,190            |
| Total Other Source Milk  | <u>35,216,010</u>    | <u>30,817,921</u>    |
| <b>Overage</b>   |                      |                      |
| Class I  | 0                    | 0                    |
| Class II   | 0                    | 0                    |
| Class III  | 0                    | 1                    |
| Class IV   | 18,598               | 24                   |
| Total Overage  | <u>18,598</u>        | <u>25</u>            |
| <b>Opening Inventory</b>   |                      |                      |
| Class I  | 35,559,670           | 31,347,373           |
| Class II   | 901,410              | 2,997,213            |
| Class III  | 166,247              | 507,934              |
| Class IV   | 19,038,960           | 19,038,516           |
| Total Opening Inventory  | <u>55,666,287</u>    | <u>53,891,036</u>    |
| <b>Total Receipts</b>  | <b>701,164,607</b>   | <b>711,716,777</b>   |
| <b>Utilization:</b>  |                      |                      |
| <b>Class I Utilization</b>   |                      |                      |
| Inventory of Packaged FMP  | 30,759,877           | 31,446,220           |
| Route Disposition Class I  | 405,321,655          | 398,548,003          |
| Shrinkage  | 4,482,640            | 4,059,861            |
| Transfers & Diversions to Nonpool  | 4,420,297            | 7,387,785            |
| Total Class I Utilization  | <u>444,984,469</u>   | <u>441,441,869</u>   |
| Average Butterfat Test   | 2.24%                | 2.26%                |
| Daily Average Utilization  | 14,354,338           | 14,240,060           |
| <b>Class II Utilization</b>  |                      |                      |
| Nonfluid Used To Produce   | 1,325,764            | 1,398,078            |
| Shrinkage  | 4,915                | 1,039                |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 40,957,671           | 37,120,079           |
| Total Class II Utilization   | <u>32,546,173</u>    | <u>29,145,970</u>    |
| Average Butterfat Test   | 7.85%                | 67,665,166           |
| <b>Class III Utilization</b>   |                      |                      |
| Shrinkage  | 0                    | 0                    |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 94,154,757           | 94,024,414           |
| Total Class III Utilization  | <u>94,154,757</u>    | <u>94,024,414</u>    |
| Average Butterfat Test   | 4.33%                | 4.30%                |
| <b>Class IV Utilization</b>  |                      |                      |
| Inventory  | 25,484,684           | 17,946,675           |
| Nonfluid Used To Fortify   | 2,676,004            | 3,437,667            |
| Shrinkage  | 7,918,365            | 7,356,479            |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 39,424,021           | 68,511,353           |
| Total Class IV Utilization   | <u>11,687,784</u>    | <u>11,333,154</u>    |
| Average Butterfat Test   | 8.22%                | 7.25%                |
| <b>Total Utilization</b>   | <b>701,164,607</b>   | <b>711,716,777</b>   |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2006 is \$14.81 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.37 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3722 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 66.59% of all producer skim milk (priced to handlers at \$7.89 per hundredweight, plus the Class I differential, see page 2) and 38.70% of producer butterfat (priced to handlers at \$1.3770 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.89% of all producer skim milk (\$8.09 per hundredweight) and 19.50% of producer butterfat (\$1.3551 per pound). Class III use, mostly milk used to produce cheese, accounted for 14.98% of all producer skim milk (\$9.07 per hundredweight) and 17.24% of producer butterfat (\$1.3481 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.54% of all producer skim milk (\$7.86 per hundredweight) and 24.56% of producer butterfat (\$1.3481 per pound).

Receipts of producer milk during December 2006 totaled 610.3 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2006. Class I route disposition in the area totaled 428.2 million pounds in November 2006.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>November 2006</b>                       |                    |                |
| Whole Milk                                 | 146,460,214        | 34.20%         |
| Fat Free Milk                              | 48,375,457         | 11.30%         |
| Lowfat Milk (incl. 1%)                     | 30,209,724         | 7.05%          |
| Reduced Fat Milk (incl. 2%)                | 143,808,034        | 33.58%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 11,098,076         | 2.59%          |
| Flavored Drinks and Milk                   | 48,261,110         | 11.28%         |
| <b>Total Disposition in Marketing Area</b> | <b>428,212,615</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 347,328,469        | 81.11%         |
| Total Disposition by Nonpool Plants        | 80,884,146         | 18.89%         |
| <b>Total Disposition in Marketing Area</b> | <b>428,212,615</b> | <b>100.00%</b> |

## Mailbox Milk Prices, January to September 2006 2/

| Reporting Area 1/          | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sep            |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| New England States 3/      | \$15.08        | \$14.42        | \$13.58        | \$12.64        | \$12.43        | \$12.33        | \$12.21        | \$12.51        | \$13.21        |
| Appalachian States 4/      | \$14.87        | \$14.44        | \$13.55        | \$12.38        | \$12.39        | \$12.18        | \$12.65        | \$12.85        | \$13.20        |
| <b>Southeast States 5/</b> | <b>\$15.81</b> | <b>\$15.31</b> | <b>\$14.13</b> | <b>\$13.20</b> | <b>\$13.08</b> | <b>\$13.15</b> | <b>\$13.71</b> | <b>\$13.95</b> | <b>\$14.47</b> |
| Southern Missouri 6/       | \$13.94        | \$13.48        | \$12.43        | \$11.45        | \$11.44        | \$11.35        | \$11.66        | \$11.73        | \$12.40        |
| Florida                    | \$17.31        | \$16.68        | \$15.56        | \$14.81        | \$14.70        | \$14.85        | \$15.49        | \$15.87        | \$16.39        |
| Indiana                    | \$14.53        | \$13.96        | \$13.01        | \$11.97        | \$11.85        | \$11.62        | \$11.61        | \$12.03        | \$12.80        |
| Michigan                   | \$14.48        | \$13.56        | \$12.60        | \$11.78        | \$11.62        | \$11.54        | \$11.48        | \$11.68        | \$12.52        |
| Wisconsin                  | \$14.70        | \$13.62        | \$12.63        | \$12.12        | \$11.99        | \$12.04        | \$11.70        | \$11.90        | \$13.30        |
| Illinois                   | \$14.68        | \$13.72        | \$12.60        | \$11.76        | \$11.68        | \$11.67        | \$11.39        | \$11.60        | \$12.87        |
| Corn Belt States 7/        | \$13.65        | \$12.65        | \$11.82        | \$11.41        | \$11.13        | \$11.13        | \$11.03        | \$11.39        | \$12.36        |
| Western Texas 8/           | \$13.58        | \$12.45        | \$11.47        | \$10.75        | \$10.68        | \$10.82        | \$10.83        | \$11.36        | \$12.22        |
| New Mexico                 | \$12.74        | \$11.57        | \$10.67        | \$10.10        | \$9.98         | \$9.90         | \$9.88         | \$10.38        | \$11.41        |
| All Federal Orders 9/      | \$14.43        | \$13.57        | \$12.64        | \$11.92        | \$11.80        | \$11.74        | \$11.66        | \$11.92        | \$12.88        |
| California 10/             | \$12.87        | \$11.52        | \$11.05        | \$10.64        | \$10.45        | \$10.42        | \$10.16        | \$10.63        | \$11.44        |

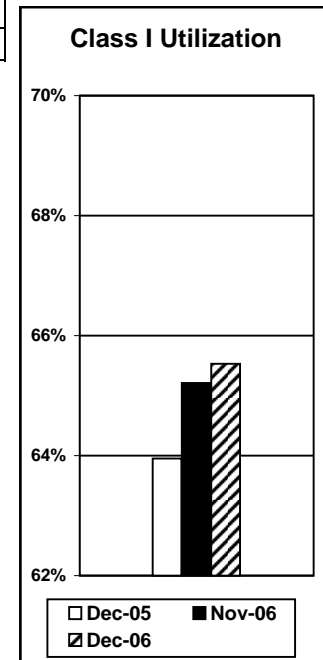
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the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

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

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jun 2005    | \$11.68  | \$1.5576 | \$16.72 | \$7.73   | \$1.6002 | \$13.06 | \$8.65    | \$1.5932 | \$13.92 | \$ 7.00  | \$1.5932 | \$12.33 | \$ 10.29 | \$1.5824 | \$15.47 |
| Jul         | \$11.83  | \$1.5920 | \$16.99 | \$7.73   | \$1.8077 | \$13.79 | \$8.34    | \$1.8007 | \$14.35 | \$ 7.12  | \$1.8007 | \$13.17 | \$ 10.52 | \$1.7218 | \$16.18 |
| Aug         | \$11.39  | \$1.8706 | \$17.54 | \$7.81   | \$1.8316 | \$13.95 | \$7.48    | \$1.8246 | \$13.60 | \$ 7.31  | \$1.8246 | \$13.44 | \$ 10.35 | \$1.8443 | \$16.44 |
| Sep         | \$10.81  | \$1.8182 | \$16.80 | \$8.00   | \$1.8942 | \$14.35 | \$7.97    | \$1.8872 | \$14.30 | \$ 7.40  | \$1.8872 | \$13.75 | \$ 10.16 | \$1.8602 | \$16.32 |
| Oct         | \$11.06  | \$1.9128 | \$17.37 | \$8.12   | \$1.8326 | \$14.25 | \$8.25    | \$1.8256 | \$14.35 | \$ 7.48  | \$1.8256 | \$13.61 | \$ 10.34 | \$1.8605 | \$16.49 |
| Nov         | \$11.58  | \$1.8536 | \$17.66 | \$8.11   | \$1.6184 | \$13.49 | \$7.99    | \$1.6114 | \$13.35 | \$ 7.52  | \$1.6114 | \$12.90 | \$ 10.62 | \$1.7072 | \$16.22 |
| Dec         | \$11.13  | \$1.6943 | \$16.67 | \$8.22   | \$1.5106 | \$13.22 | \$8.40    | \$1.5036 | \$13.37 | \$ 7.57  | \$1.5036 | \$12.57 | \$ 10.28 | \$1.5760 | \$15.44 |
| Jan 2006    | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb         | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar         | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr         | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May         | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk 1000 lbs. | Number of Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|-------------|-------------------------|-----------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|             |                         |                 | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| May 2005    | 723,585                 | 3,457           | 380,247   | 52.55% | 95,120    | 13.15% | 123,726   | 17.10% | 124,492   | 17.20% |
| Jun         | 650,076                 | 3,519           | 361,048   | 55.55% | 84,267    | 12.96% | 109,175   | 16.79% | 95,587    | 14.70% |
| Jul         | 588,307                 | 3,502           | 363,020   | 61.71% | 72,114    | 12.26% | 81,910    | 13.92% | 71,263    | 12.11% |
| Aug         | 608,907                 | 3,456           | 406,022   | 66.69% | 69,260    | 11.37% | 69,487    | 11.41% | 64,138    | 10.53% |
| Sep         | 569,194                 | 3,425           | 397,643   | 69.87% | 59,670    | 10.48% | 69,182    | 12.15% | 42,701    | 7.50%  |
| Oct         | 572,559                 | 3,434           | 390,959   | 68.28% | 56,933    | 9.94%  | 70,188    | 12.26% | 54,479    | 9.52%  |
| Nov         | 575,985                 | 3,291           | 388,326   | 67.42% | 53,896    | 9.36%  | 72,633    | 12.61% | 61,131    | 10.61% |
| Dec         | 627,008                 | 3,346           | 400,937   | 63.95% | 56,188    | 8.96%  | 90,049    | 14.36% | 79,834    | 12.73% |
| Jan 2006    | 773,171                 | 3,366           | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                 | 3,252           | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                 | 3,358           | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                 | 3,277           | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                 | 3,305           | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                 | 3,299           | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                 | 3,248           | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                 | 3,244           | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                 | 3,131           | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                 | 3,102           | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov         | 613,945                 | 3,141           | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec         | 610,264                 | 3,200**         | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods January 2007 through March 2007

| Pool Month    | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|---------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|               |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|               |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| January 2007  | 02/11/07                          | 02/12/07         | 02/13/07       | 01/25/07                   | 01/26/07  | 02/13/07          | 02/14/07  |
| February 2007 | 03/11/07                          | 03/12/07         | 03/13/07       | 02/26/07                   | 02/26/07  | 03/13/07          | 03/14/07  |
| March 2007    | 04/11/07                          | 04/12/07         | 04/13/07       | 03/26/07                   | 03/26/07  | 04/13/07          | 04/16/07  |

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$13.33 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.81 per hundredweight.

#### Producer Touch Base Requirements & Handler Diversion Limits

|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

*"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."*



**MILK MARKET ADMINISTRATOR**  
**U.S. Department Of Agriculture**  
**P.O. Box 491778**  
**Lawrenceville, Georgia 30049**  
*Address Correction Requested*

Visit our Web Site at [www.fmmlatlanta.com](http://www.fmmlatlanta.com)

## Correction:

The milk-feed price ratio for January 2007 was originally printed in error as 3.17.

The correct value is 2.34 as currently shown.

# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

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

February 2007

Volume 8—No. 2

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

## New Class III and IV Product Price Formulas Hearing Announced

The U. S. Department of Agriculture has announced that it will hold a national public hearing to consider proposals seeking to amend the Class III and Class IV product price formulas applicable to all Federal milk marketing orders. The hearing will begin at 9:00 a.m. on February 26, 2007, at the Holiday Inn Select - Strongsville, 15471 Royalton Road, Strongsville, Ohio 44136.

USDA requested proposals from the industry that would examine all features of the Class III and Class IV product price formulas. Both producer cooperatives and milk product manufacturers submitted proposals.

The hearing notice was published in the February 9 Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 - Rm. 2971, 1400 Independence Avenue, SW, Washington, D.C. 20250-0231. The hearing notice is available on the AMS web site at [www.ams.usda.gov/dairy](http://www.ams.usda.gov/dairy). In addition, USDA has made available a preliminary economic analysis of most of the proposals which will be heard in the upcoming hearing.

Anyone interested in participating in the hearing should notify a USDA official upon arrival. The hearing notice and additional information is available at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'. If you have any questions concerning this announcement, please contact this office.

## Implementation of Make Allowances Delayed

The USDA has temporarily withheld the implementation of a decision regarding Class III and IV manufacturing make allowances due to pending litigation. USDA stated "As long as the Interim Final Rule is not enjoined as a result of the litigation, Federal order minimum prices...will be computed using the revised manufacturing allowances" beginning with February's Class III and IV prices.

## Blend Price Increases

The uniform blend price in Fulton County, GA, was \$15.49 per hundredweight of milk at 3.5 percent butterfat for the month of January. The blend price is \$0.68 higher than the previous month and is \$0.48 higher than January 2006. January marks the seventh consecutive month that the uniform blend price has increased.

Class I utilization was 59.00 percent in January, a decrease of 6.53 percent compared with the previous month and 4.98 percent above January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 15.22 billion pounds, an increase of 2.4 percent from December 2005 and an increase of 1.27 percent when compared with November 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 829 million pounds, 3.8 percent above December 2005 and 4.8 percent above November 2006. Butter production was 138 million pounds, 9.5 percent above December 2005 and 17.3 percent above November 2006.

Nonfat dry milk production was estimated at 115.0 million pounds in December, 10.6 percent higher than December 2005 and an increase of 40.3 percent compared with the previous month on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.34 in January, a decrease of 0.07 from the previous month.

## New Fluid Milk Board Appointments

The National Fluid Milk Processor Promotion Board has received several new appointments, including Randy Dean Mooney, Rogersville, Missouri and Charles L. Gaither, Jr., Asheville, North Carolina. Terms for these appointees are slated to begin July 1, 2007, and expire June 30, 2010.



**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2007**

**Calculation of Uniform Butterfat Price:**

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 32.80%             | 9,157,073         | \$1.3547         | \$ 12,405,086.79        |
| Class I Differential at Location |                    |                   |                  | 274,159.48              |
| Class II Butterfat               | 21.91%             | 6,114,803         | \$1.3079         | 7,997,550.84            |
| Class III Butterfat              | 25.62%             | 7,150,619         | \$1.3009         | 9,302,240.25            |
| Class IV Butterfat               | 19.67%             | 5,489,300         | \$1.3009         | 7,141,030.37            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>27,911,795</b> |                  | <b>\$ 37,120,067.73</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.3299**

**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                | 60.03%             | 425,485,352        | \$9.17 /cwt.          | \$ 39,017,006.78         |
| Class I Butterfat                | 32.80%             | 9,157,073          | \$1.3547 /lb.         | 12,405,086.79            |
| Class I Differential at Location |                    | 434,642,425        |                       | 12,956,168.28            |
| <b>Total Class I Milk</b>        | <b>59.00%</b>      | <b>434,642,425</b> |                       | <b>\$ 64,378,261.85</b>  |
| Class II Skim Milk               | 9.47%              | 67,088,828         | \$8.57 /cwt.          | \$ 5,749,512.57          |
| Class II Butterfat               | 21.91%             | 6,114,803          | \$1.3079 /lb.         | 7,997,550.84             |
| <b>Total Class II Milk</b>       | <b>9.94%</b>       | <b>73,203,631</b>  |                       | <b>\$ 13,747,063.41</b>  |
| Class III Skim Milk              | 22.99%             | 162,968,374        | \$9.33 /cwt.          | \$ 15,204,949.30         |
| Class III Butterfat              | 25.62%             | 7,150,619          | \$1.3009 /lb.         | 9,302,240.25             |
| <b>Total Class III Milk</b>      | <b>23.09%</b>      | <b>170,118,993</b> |                       | <b>\$ 24,507,189.55</b>  |
| Class IV Skim Milk               | 7.51%              | 53,191,848         | \$8.27 /cwt.          | \$ 4,398,965.84          |
| Class IV Butterfat               | 19.67%             | 5,489,300          | \$1.3009 /lb.         | 7,141,030.37             |
| <b>Total Class IV Milk</b>       | <b>7.97%</b>       | <b>58,681,148</b>  |                       | <b>\$ 11,539,996.21</b>  |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>736,646,197</b> |                       | <b>\$ 114,172,511.02</b> |

**Adjustments**

|   |  |                        |
|---|--|------------------------|
| Overage and Other Source                      |  | \$25,182.79            |
| Inventory Adjustments                         |  | \$27,871.78            |
| Producer butterfat at uniform butterfat price |  | (\$37,120,067.73)      |
| Location Adjustments to Producers             |  | \$2,536,321.52         |
| 1/2 Unobligated Balance in P.S.F.             |  | \$294,452.64           |
| <b>Adjusted Pool Value</b>                    |  | <b>\$ 11,27873</b>     |
| Reserve for Producer Settlement Fund          |  | <b>\$ 0.04873</b>      |
|   |  | <b>\$79,936,272.02</b> |
|   |  | <b>\$344,710.49</b>    |

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

**\$11.23**

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

**\$15.49\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | JAN 2007        | FEB 2007        | DEC 2006        | JAN 2007        | JAN 2007      |
| Appalachian (Charlotte)     | \$ 17.06        | \$ 16.86        | \$ 14.62        | \$ 15.60        | 68.92%        |
| Arizona (Phoenix)           | \$ 16.31        | \$ 16.11        | \$ 13.71        | \$ 14.12        | 39.26%        |
| Central (Kansas City)       | \$ 15.96        | \$ 15.76        | \$ 13.32        | \$ 13.92        | 38.16%        |
| Florida (Tampa)             | \$ 17.59        | \$ 17.39        | \$ 15.88        | \$ 16.77        | 82.92%        |
| Mideast (Cleveland)         | \$ 15.96        | \$ 15.76        | \$ 13.41        | \$ 14.03        | 39.90%        |
| Northeast (Boston)          | \$ 17.21        | \$ 17.01        | \$ 14.42        | \$ 15.09        | 48.60%        |
| Pacific Northwest (Seattle) | \$ 15.87        | \$ 15.67        | \$ 12.99        | \$ 13.63        | 31.70%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 16.69</b> | <b>\$ 16.49</b> | <b>\$ 14.81</b> | <b>\$ 15.49</b> | <b>59.00%</b> |
| Southwest (Dallas)          | \$ 16.96        | \$ 16.76        | \$ 14.05        | \$ 14.77        | 40.57%        |
| Upper Midwest (Chicago)     | \$ 15.76        | \$ 15.56        | \$ 13.47        | \$ 13.75        | 15.00%        |

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

| <b>Receipts:</b>   | <b>January 2007</b> | <b>January 2006</b> |
|--|---------------------|---------------------|
| <b>Producer Milk</b>   |                     |                     |
| Class I  | 434,642,425         | 417,643,770         |
| Class II   | 73,203,631          | 82,862,691          |
| Class III  | 170,118,993         | 166,644,705         |
| Class IV   | 58,681,148          | 106,020,095         |
|  | <hr/>               | <hr/>               |
| Total Producer Milk  | <b>736,646,197</b>  | <b>773,171,261</b>  |
| Average Butterfat Test   | 3.79%               | 3.76%               |
| Percent of Producer Milk in Class I  | 59.00%              | 54.02%              |
| Daily Average Receipts   | 23,762,781          | 24,941,008          |
| <b>Other Source Milk</b>   |                     |                     |
| Class I  | 9,099,370           | 7,781,044           |
| Class II   | 11,884,318          | 9,277,784           |
| Class III  | 2,018,997           | 2,514,825           |
| Class IV   | 9,987,701           | 7,193,308           |
|  | <hr/>               | <hr/>               |
| Total Other Source Milk  | <b>32,990,386</b>   | <b>26,766,961</b>   |
| <b>Overage</b>   |                     |                     |
| Class I  | 0                   | 0                   |
| Class II   | 17,958              | 0                   |
| Class III  | 0                   | 0                   |
| Class IV   | 612                 | 0                   |
|  | <hr/>               | <hr/>               |
| Total Overage  | <b>18,570</b>       | <b>0</b>            |
| <b>Opening Inventory</b>   |                     |                     |
| Class I  | 30,938,702          | 31,432,754          |
| Class II   | 1,797,757           | 986,481             |
| Class III  | 904,295             | 274,797             |
| Class IV   | 22,603,533          | 16,685,397          |
|  | <hr/>               | <hr/>               |
| Total Opening Inventory  | <b>56,244,287</b>   | <b>49,379,429</b>   |
|  | <hr/>               | <hr/>               |
| <b>Total Receipts</b>  | <b>825,899,440</b>  | <b>849,317,651</b>  |
| <b>Utilization:</b>  |                     |                     |
| <b>Class I Utilization</b>   |                     |                     |
| Inventory of Packaged FMP  | 30,319,011          | 33,918,662          |
| Route Disposition Class I  | 434,608,099         | 411,320,224         |
| Shrinkage  | 4,160,033           | 3,050,830           |
| Transfers & Diversions to Nonpool  | 5,593,354           | 8,567,852           |
|  | <hr/>               | <hr/>               |
| Total Class I Utilization  | <b>474,680,497</b>  | <b>456,857,568</b>  |
| Average Butterfat Test   | 2.11%               | 2.07%               |
| Daily Average Utilization  | 15,312,274          | 14,737,341          |
| <b>Class II Utilization</b>  |                     |                     |
| Nonfluid Used To Produce   | 1,508,089           | 1,572,186           |
| Shrinkage  | 0                   | 481                 |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 49,946,509          | 60,859,936          |
|  | <hr/>               | <hr/>               |
| Total Class II Utilization   | <b>86,903,664</b>   | <b>93,126,956</b>   |
| Average Butterfat Test   | 8.47%               | 7.63%               |
| <b>Class III Utilization</b>   |                     |                     |
| Shrinkage  | 0                   | 0                   |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 173,042,285         | 169,434,327         |
|  | <hr/>               | <hr/>               |
| Total Class III Utilization  | <b>173,042,285</b>  | <b>169,434,327</b>  |
| Average Butterfat Test   | 4.18%               | 3.74%               |
| <b>Class IV Utilization</b>  |                     |                     |
| Inventory  | 24,889,408          | 18,876,902          |
| Nonfluid Used To Fortify   | 1,563,530           | 1,509,162           |
| Shrinkage  | 8,281,363           | 7,522,648           |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 49,843,191          | 80,505,061          |
|  | <hr/>               | <hr/>               |
| Total Class IV Utilization   | <b>91,272,994</b>   | <b>129,898,800</b>  |
| Average Butterfat Test   | 7.85%               | 7.20%               |
|  | <hr/>               | <hr/>               |
| <b>Total Utilization</b>   | <b>825,899,440</b>  | <b>849,317,651</b>  |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2007 is \$15.49 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.23 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3299 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In January, Class I use, which is primarily bottled or packaged fluid milk, accounted for 60.03% of all producer skim milk (priced to handlers at \$9.17 per hundredweight, plus the Class I differential, see page 2) and 32.80% of producer butterfat (priced to handlers at \$1.3547 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.47% of all producer skim milk (\$8.57 per hundredweight) and 21.91% of producer butterfat (\$1.3079 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.99% of all producer skim milk (\$9.33 per hundredweight) and 25.62% of producer butterfat (\$1.3009 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.51% of all producer skim milk (\$8.27 per hundredweight) and 19.67% of producer butterfat (\$1.3009 per pound).

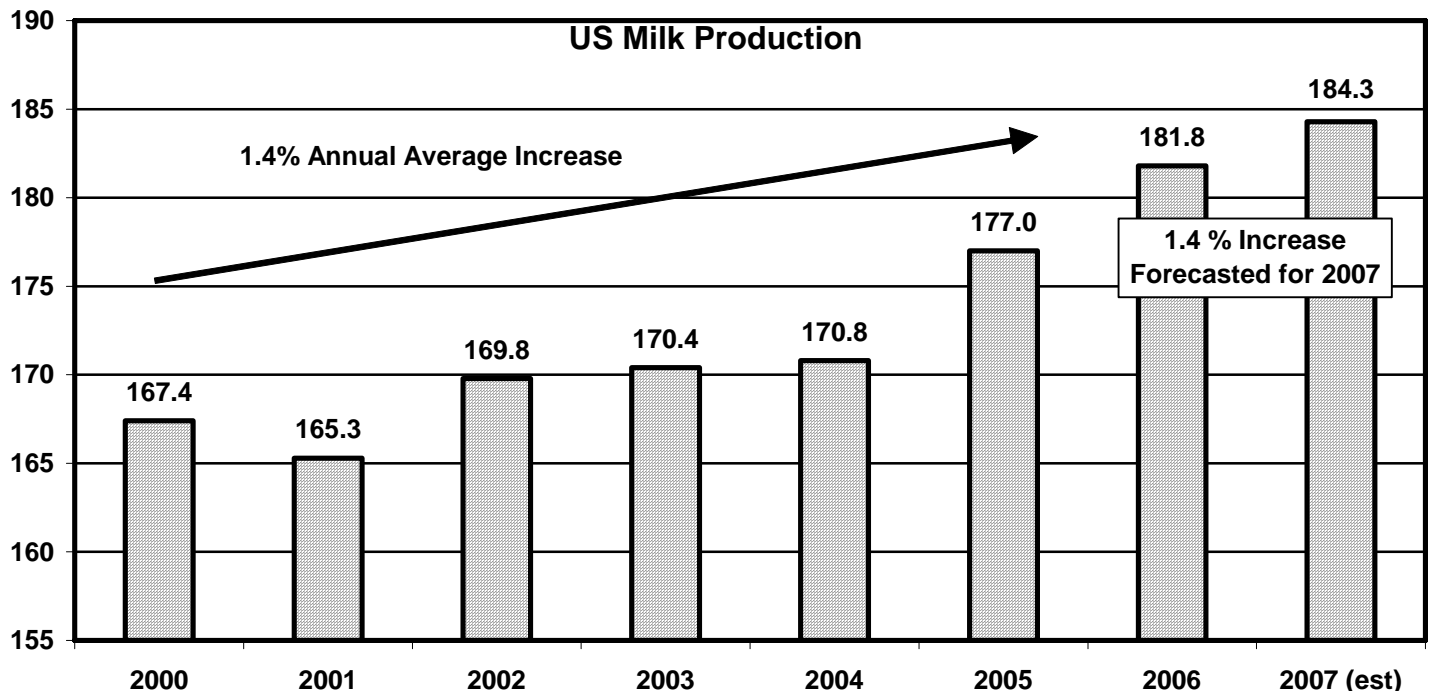
Receipts of producer milk during January 2007 totaled 736.6 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2007. Class I route disposition in the area totaled 431.7 million pounds in December 2006.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>December 2006</b>                       |                    |                |
| Whole Milk                                 | 152,539,436        | 35.33%         |
| Fat Free Milk                              | 49,584,143         | 11.48%         |
| Lowfat Milk (incl. 1%)                     | 30,479,967         | 7.06%          |
| Reduced Fat Milk (incl. 2%)                | 146,737,040        | 33.99%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 10,559,384         | 2.45%          |
| Flavored Drinks and Milk                   | 41,844,350         | 9.69%          |
| <b>Total Disposition in Marketing Area</b> | <b>431,744,320</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 350,868,739        | 81.27%         |
| Total Disposition by Nonpool Plants        | 80,875,581         | 18.73%         |
| <b>Total Disposition in Marketing Area</b> | <b>431,744,320</b> | <b>100.00%</b> |

## US Milk Production: 2000 to 2007

The latest USDA estimate of milk production in the US for last year is 181.8 billion pounds, an increase of 2.7 percent compared to 2005. This level of growth in the milk supply, which almost doubles the 1.4 percent annual average increase in milk production since 2000, greatly contributed to low producer prices last year. USDA projects that in 2007, dairy farmers will produce 184.3 billion pounds of milk, 1.4 percent more milk than 2006.

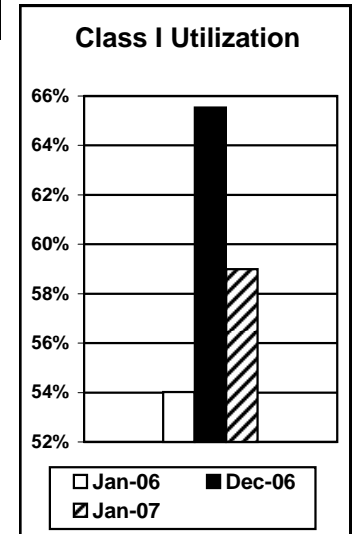


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Oct 2005    | \$11.06  | \$1.9128 | \$17.37 | \$8.12   | \$1.8326 | \$14.25 | \$8.25    | \$1.8256 | \$14.35 | \$ 7.48  | \$1.8256 | \$13.61 | \$ 10.34 | \$1.8605 | \$16.49 |
| Nov         | \$11.58  | \$1.8536 | \$17.66 | \$8.11   | \$1.6184 | \$13.49 | \$7.99    | \$1.6114 | \$13.35 | \$ 7.52  | \$1.6114 | \$12.90 | \$ 10.62 | \$1.7072 | \$16.22 |
| Dec         | \$11.13  | \$1.6943 | \$16.67 | \$8.22   | \$1.5106 | \$13.22 | \$8.40    | \$1.5036 | \$13.37 | \$ 7.57  | \$1.5036 | \$12.57 | \$ 10.28 | \$1.5760 | \$15.44 |
| Jan 2006    | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb         | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar         | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr         | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May         | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb         | \$12.29  | \$1.3216 | \$16.49 | \$8.77   |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|-------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|             |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Oct 2005    | 572,559                    | 3,434              | 390,959   | 68.28% | 56,933    | 9.94%  | 70,188    | 12.26% | 54,479    | 9.52%  |
| Nov         | 575,985                    | 3,291              | 388,326   | 67.42% | 53,896    | 9.36%  | 72,633    | 12.61% | 61,131    | 10.61% |
| Dec         | 627,008                    | 3,346              | 400,937   | 63.95% | 56,188    | 8.96%  | 90,049    | 14.36% | 79,834    | 12.73% |
| Jan 2006    | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov         | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec         | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007    | 736,646                    | 3,200**            | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods February 2007 through April 2007

| Pool Month | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|            |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|            |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Feb 2007   | 03/11/07                          | 03/12/07         | 03/13/07       | 02/26/07                   | 02/26/07  | 03/13/07          | 03/14/07  |
| Mar 2007   | 04/11/07                          | 04/12/07         | 04/13/07       | 03/26/07                   | 03/26/07  | 04/13/07          | 04/16/07  |
| Apr 2007   | 05/11/07                          | 05/14/07         | 05/15/07       | 04/25/07                   | 04/26/07  | 05/15/07          | 05/16/07  |

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$13.94 per hundredweight. This is 90 percent of the preceding month's uniform price of \$14.81 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

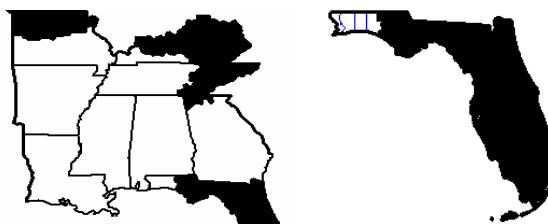
|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

The milk production forecasts for 2006 and 2007 are raised from last month. The recent Milk Production and Cattle reports indicated that the dairy herd remains above last year and producers reported a slightly larger number of replacement dairy heifers. Thus, forecast cow numbers are increased from last month, but the increase will likely be tempered by the recently announced herd buyout by Cooperatives Working Together and higher feed costs. The 2007 forecast continues to assume a declining cow herd from the previous year, albeit at a slower pace than forecast last month. With a slight increase in milk per cow growth and higher overall cow numbers, the milk production forecast is increased 1.3 billion pounds from last month. Despite higher production, milk prices are forecast higher. Demand for dairy products remains firm, although the butter price is reduced slightly on expectations of ample supplies. Cheese price forecasts are slightly higher compared with last month as demand remains strong. However, nonfat dry milk (NDM) and whey price forecasts are raised sharply. Demand for NDM and whey for both domestic ingredient use and international sales support strong prices. Supplies of these products in international markets are expected to remain tight until at least the second half of the year when the next production season in Oceania begins. The all milk price forecast for 2007 is raised to \$14.35 to \$15.05.

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

**USDA** MILK MARKET ADMINISTRATOR  
U.S. Department Of Agriculture  
P.O. Box 491778  
Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

March 2007

Volume 8—No. 3

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

## New Make Allowances Implemented After Judge Denies Injunction

A U. S. District Court Judge in Ohio ruled against Bridgewater Dairy, LLC, et. al., and in favor of the Department of Agriculture in a case that sought to prevent new manufacturing make allowances from being used in Federal order pricing formulas. Accordingly, as of February 22, 2007 the manufacturing allowances used to compute the Federal order minimum advance Class I and Class II prices and Federal order minimum prices for Class III and Class IV milk prices will be the revised manufacturing allowances contained in the Interim Final Rule published in the Federal Register on December 29, 2006 (71 FR 78333-78335). More information on the judge's ruling is available at [www.ams.usda.gov/dairy/hearings.htm](http://www.ams.usda.gov/dairy/hearings.htm) under 'National Hearings—Class III/IV Price Make-Allowances'.

## Comments Regarding Southeast Order Pooling Provisions Available

On December 22, 2006, the Market Administrator issued an invitation for comments on a request to change producer delivery day requirements and diversion limits for the Southeast Marketing Area. The request sought to increase the producer delivery day requirement to 10 days each month for January through June. Currently, the producer delivery requirements for FO 7 are 4 days for January through June and 10 days for July through December. The request also sought to lower the diversion limits to 15 percent for December through February; to 20 percent for March through June; and to 10 percent for July through November. Currently, the diversion limits for FO 7 are 50 percent for January through June and 33 percent for July through December.

Visit [www.fmmatlanta.com](http://www.fmmatlanta.com), and click on 'Hearings & Proposals' to view the comments received by the Market Administrator .

## Blend Price Rises Again

The uniform blend price in Fulton County, GA, was \$15.68 per hundredweight of milk at 3.5 percent butterfat for the month of February. The blend price is \$0.19 higher than the previous month and is \$0.97 higher than February 2006. February marks the eighth consecutive month that the uniform blend price has increased.

Class I utilization was 58.64 percent in February, a slight decrease of 0.36 percent compared with the previous month and 3.00 percent above February of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 15.51 billion pounds, an increase of 1.1 percent from January 2006 and an increase of 1.8 percent when compared with December 2006 on a daily average basis. Total cheese output (excluding cottage cheese) was 824 million pounds, 6.7 percent above January 2006 but 0.8 percent below December 2006 on a daily average basis. Butter production was 151 million pounds, 2.5 percent above January 2006 and 10.0 percent above December 2006 on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.32 in February, a decrease of 0.10 from last month, and a decrease of 0.61 from February 2006

## 2006 Annual Production Statistics

The annual production of milk for the U.S. during 2006 was 182 billion pounds, 2.8 percent above 2005. Production per cow in the U.S. last year averaged 19,951 pounds, 2.0 percent above 2005. The average annual rate of milk production per cow has increased 18.3 percent from 1997, just over 2.0 percent per year. The average number of milk cows on farms in the U.S. during 2006 was 9.11 million head, up 0.8 percent from 2005.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 32.21%             | 7,912,588         | \$1.2906         | \$ 10,211,986.07        |
| Class I Differential at Location |                    |                   |                  | 241,443.95              |
| Class II Butterfat               | 21.73%             | 5,337,235         | \$1.3182         | 7,035,543.17            |
| Class III Butterfat              | 25.20%             | 6,188,605         | \$1.3112         | 8,114,498.88            |
| Class IV Butterfat               | 20.86%             | 5,124,227         | \$1.3112         | 6,718,886.44            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>24,562,655</b> |                  | <b>\$ 32,322,358.51</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.3157**

### Calculation of Uniform Skim Milk Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>             |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                          |
| Class I Skim Milk                | 59.68%             | 373,288,302        | \$9.19 /cwt.          | \$ 34,305,194.94         |
| Class I Butterfat                | 32.21%             | 7,912,588          | \$1.2906 /lb.         | 10,211,986.07            |
| Class I Differential at Location |                    | 381,200,890        |                       | 11,366,034.89            |
| <b>Total Class I Milk</b>        | <b>58.64%</b>      | <b>381,200,890</b> |                       | <b>\$ 55,883,215.90</b>  |
| Class II Skim Milk               | 9.91%              | 62,023,136         | \$8.77 /cwt.          | \$ 5,439,429.02          |
| Class II Butterfat               | 21.73%             | 5,337,235          | \$1.3182 /lb.         | 7,035,543.17             |
| <b>Total Class II Milk</b>       | <b>10.36%</b>      | <b>67,360,371</b>  |                       | <b>\$ 12,474,972.19</b>  |
| Class III Skim Milk              | 24.09%             | 150,717,553        | \$9.94 /cwt.          | \$ 14,981,324.78         |
| Class III Butterfat              | 25.20%             | 6,188,605          | \$1.3112 /lb.         | 8,114,498.88             |
| <b>Total Class III Milk</b>      | <b>24.13%</b>      | <b>156,906,158</b> |                       | <b>\$ 23,095,823.66</b>  |
| Class IV Skim Milk               | 6.32%              | 39,535,679         | \$8.42 /cwt.          | \$ 3,328,904.17          |
| Class IV Butterfat               | 20.86%             | 5,124,227          | \$1.3112 /lb.         | 6,718,886.44             |
| <b>Total Class IV Milk</b>       | <b>6.87%</b>       | <b>44,659,906</b>  |                       | <b>\$ 10,047,790.61</b>  |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>650,127,325</b> |                       | <b>\$ 101,501,802.36</b> |

### Adjustments

|   |                        |
|---|------------------------|
| Overage and Other Source                      | \$66,965.37            |
| Inventory Adjustments                         | \$157,044.03           |
| Producer butterfat at uniform butterfat price | (\$32,322,358.51)      |
| Location Adjustments to Producers             | \$2,311,552.35         |
| 1/2 Unobligated Balance in P.S.F.             | \$412,646.81           |
| <b>Adjusted Pool Value</b>                    | <b>\$ 11.52155</b>     |
| Reserve for Producer Settlement Fund          | \$ 0.04155             |
|   | <b>\$72,127,652.41</b> |
|   | \$260,106.05           |

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

**\$11.48**

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

**\$15.68\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | FEB 2007        | MAR 2007        | JAN 2007        | FEB 2007        | FEB 2007      |
| Appalachian (Charlotte)     | \$ 16.49        | \$ 17.35        | \$ 15.60        | \$ 15.57        | 67.27%        |
| Arizona (Phoenix)           | \$ 16.11        | \$ 16.97        | \$ 14.12        | \$ 14.22        | 36.82%        |
| Central (Kansas City)       | \$ 15.76        | \$ 16.62        | \$ 13.92        | \$ 14.06        | 40.85%        |
| Florida (Tampa)             | \$ 17.39        | \$ 18.25        | \$ 16.77        | \$ 16.71        | 81.18%        |
| Midwest (Cleveland)         | \$ 15.76        | \$ 16.62        | \$ 14.03        | \$ 14.23        | 41.60%        |
| Northeast (Boston)          | \$ 17.01        | \$ 17.87        | \$ 15.09        | \$ 15.21        | 48.60%        |
| Pacific Northwest (Seattle) | \$ 15.67        | \$ 16.53        | \$ 13.63        | \$ 13.81        | 30.03%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 16.49</b> | <b>\$ 17.35</b> | <b>\$ 15.49</b> | <b>\$ 15.68</b> | <b>58.64%</b> |
| Southwest (Dallas)          | \$ 16.76        | \$ 17.62        | \$ 14.77        | \$ 14.98        | 37.07%        |
| Upper Midwest (Chicago)     | \$ 15.56        | \$ 16.42        | \$ 13.75        | \$ 14.23        | 18.40%        |

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

| <b>Receipts:</b>   | <b>February 2007</b> | <b>February 2006</b> |
|--|----------------------|----------------------|
| <b>Producer Milk</b>   |                      |                      |
| Class I  | 381,200,890          | 374,502,307          |
| Class II   | 67,360,371           | 74,400,240           |
| Class III  | 156,906,158          | 151,345,557          |
| Class IV   | 44,659,906           | 72,812,389           |
| Total Producer Milk  | <u>650,127,325</u>   | <u>673,060,493</u>   |
| Average Butterfat Test   | 3.78%                | 3.74%                |
| Percent of Producer Milk in Class I  | 58.64%               | 55.64%               |
| Daily Average Receipts   | 23,218,833           | 24,037,875           |
| <b>Other Source Milk</b>   |                      |                      |
| Class I  | 8,888,039            | 7,153,451            |
| Class II   | 14,970,620           | 7,846,119            |
| Class III  | 2,124,876            | 3,504,363            |
| Class IV   | 6,431,052            | 12,930,143           |
| Total Other Source Milk  | <u>32,414,587</u>    | <u>31,434,076</u>    |
| <b>Overage</b>   |                      |                      |
| Class I  | 1,942                | 14,597               |
| Class II   | 0                    | 0                    |
| Class III  | 18,327               | 0                    |
| Class IV   | 2,738                | 0                    |
| Total Overage  | <u>23,007</u>        | <u>14,597</u>        |
| <b>Opening Inventory</b>   |                      |                      |
| Class I  | 34,646,377           | 34,268,282           |
| Class II   | 1,376,589            | 4,434,359            |
| Class III  | 58,369               | 868,256              |
| Class IV   | 22,433,406           | 13,526,611           |
| Total Opening Inventory  | <u>58,514,741</u>    | <u>53,097,508</u>    |
| <b>Total Receipts</b>  | <b>741,079,660</b>   | <b>757,606,674</b>   |
| <b>Utilization:</b>  |                      |                      |
| <b>Class I Utilization</b>   |                      |                      |
| Inventory of Packaged FMP  | 35,046,958           | 33,614,664           |
| Route Disposition Class I  | 380,903,896          | 372,259,911          |
| Shrinkage  | 2,925,028            | 2,695,355            |
| Transfers & Diversions to Nonpool  | 5,861,367            | 7,368,707            |
| Total Class I Utilization  | <u>424,737,249</u>   | <u>415,938,637</u>   |
| Average Butterfat Test   | 2.06%                | 2.08%                |
| Daily Average Utilization  | 15,169,187           | 14,854,951           |
| <b>Class II Utilization</b>  |                      |                      |
| Nonfluid Used To Produce   | 1,855,470            | 1,227,357            |
| Shrinkage  | 0                    | 1,955                |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 44,731,764           | 54,675,882           |
| Total Class II Utilization   | <u>37,120,345</u>    | <u>30,775,524</u>    |
| Average Butterfat Test   | 7.78%                | 8.59%                |
| <b>Class III Utilization</b>   |                      |                      |
| Shrinkage  | 0                    | 0                    |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 159,107,730          | 155,718,176          |
| Total Class III Utilization  | <u>0</u>             | <u>0</u>             |
| Average Butterfat Test   | 3.95%                | 3.57%                |
| <b>Class IV Utilization</b>  |                      |                      |
| Inventory  | 25,467,938           | 18,482,675           |
| Nonfluid Used To Fortify   | 1,425,585            | 1,421,082            |
| Shrinkage  | 7,419,739            | 6,869,239            |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 35,033,644           | 49,391,278           |
| Total Class IV Utilization   | <u>4,180,196</u>     | <u>23,104,869</u>    |
| Average Butterfat Test   | 8.97%                | 7.11%                |
| <b>Total Utilization</b>   | <b>741,079,660</b>   | <b>757,606,674</b>   |



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2007 is \$15.68 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.48 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3157 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In February, Class I use, which is primarily bottled or packaged fluid milk, accounted for 59.68% of all producer skim milk (priced to handlers at \$9.19 per hundredweight, plus the Class I differential, see page 2) and 32.21% of producer butterfat (priced to handlers at \$1.2906 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.91% of all producer skim milk (\$8.77 per hundredweight) and 21.73% of producer butterfat (\$1.3182 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.09% of all producer skim milk (\$9.94 per hundredweight) and 25.20% of producer butterfat (\$1.3112 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.32% of all producer skim milk (\$8.42 per hundredweight) and 20.86% of producer butterfat (\$1.3112 per pound).

Receipts of producer milk during February 2007 totaled 650.1 million pounds. There were 30 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2007. Class I route disposition in the area totaled 460.5 million pounds in January 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>January 2007</b>                        |                    |                |
| Whole Milk                                 | 158,279,622        | 34.37%         |
| Fat Free Milk                              | 53,773,292         | 11.68%         |
| Lowfat Milk (incl. 1%)                     | 34,881,216         | 7.57%          |
| Reduced Fat Milk (incl. 2%)                | 156,428,777        | 33.97%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 9,798,587          | 2.13%          |
| Flavored Drinks and Milk                   | 47,360,351         | 10.28%         |
| <b>Total Disposition in Marketing Area</b> | <b>460,521,845</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 375,900,481        | 81.62%         |
| Total Disposition by Nonpool Plants        | 84,621,364         | 18.38%         |
| <b>Total Disposition in Marketing Area</b> | <b>460,521,845</b> | <b>100.00%</b> |

## Measures of Growth in Federal Milk Order Markets, Selected Years 1/

|      | Number of Markets | Population in Federal Milk Marketing Areas (Thousands) | Number of Handlers | Number of Producers | Receipts of Producer Milk (Millions) | Producer Milk Used in Class I (Millions) | Percentage of Producer Milk Used in Class I | Daily Deliveries of Producer Milk Per Producer (Pounds) |
|------|-------------------|--|--------------------|---------------------|--------------------------------------|--|---|---|
| 1950 | 39                | ---  | 1,101              | 156,584             | 18,660                               | 11,000                                   | 58.9  | 326   |
| 1960 | 80                | 88,818   | 2,259              | 189,816             | 44,812                               | 28,758                                   | 64.2  | 648   |
| 1970 | 62                | 125,721  | 1,588              | 143,411             | 65,104                               | 40,063                                   | 61.5  | 1,244   |
| 1980 | 47                | 164,908  | 1,091              | 117,490             | 83,998                               | 41,034                                   | 48.9  | 1,954   |
| 1990 | 42                | 195,841  | 753                | 100,397             | 102,396                              | 43,783                                   | 42.8  | 2,796   |
| 1996 | 32                | 209,599  | 570                | 82,947              | 104,501                              | 45,479                                   | 43.5  | 3,442   |
| 2000 | 11                | 228,899  | 346                | 69,590              | 116,920                              | 45,989                                   | 39.3  | 4,590   |
| 2001 | 11                | 231,487  | 350                | 66,423              | 120,223                              | 45,887                                   | 38.2  | 4,959   |
| 2002 | 11                | 234,256  | 338                | 63,856              | 125,546                              | 46,043                                   | 36.7  | 5,387   |
| 2003 | 11                | 236,180  | 331                | 58,110              | 110,581                              | 45,843                                   | 41.5  | 5,178   |
| 2004 | 10                | 234,825  | 306                | 52,341              | 103,048                              | 44,939                                   | 43.6  | 5,352   |
| 2005 | 10                | 238,428  | 302                | 53,036              | 114,682                              | 44,570                                   | 38.9  | 5,904   |
| 2006 | 10                | 239,142  | 314                | 52,725              | 120,618                              | 45,304                                   | 37.6  | 6,264   |

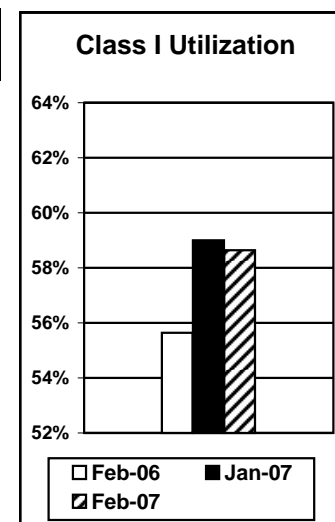
1/ Adapted from Dairy Market News, March 5-9, 2007, Volume 74, Report 10, Page 8

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

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jan 2006    | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb         | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar         | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr         | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May         | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb         | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar         | \$13.10  | \$1.3445 | \$17.35 | \$9.07   |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|-------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|             |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006    | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov         | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec         | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007    | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb         | 650,127                    | 3,201**            | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |



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

## Southeast Marketing Area - Federal Order 7

| <b>Pool and Payment Dates for the Pooling Periods<br/>March through May 2007</b> |   |                  |                |                            |           |                   |           |
|--|---|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month   | Pool & Uniform<br>Price Release<br>Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|  |   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|  |   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Mar 2007   | 04/11/07                                | 04/12/07         | 04/13/07       | 03/26/07                   | 03/26/07  | 04/13/07          | 04/16/07  |
| Apr 2007   | 05/11/07                                | 05/14/07         | 05/15/07       | 04/25/07                   | 04/26/07  | 05/15/07          | 05/16/07  |
| May 2007   | 06/11/07                                | 06/12/07         | 06/13/07       | 05/25/07                   | 05/29/07  | 06/13/07          | 06/14/07  |

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$14.11 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.68 per hundredweight.

| <b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b> |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days   | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits  | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

#### WASDE-444 - March 9, 2007

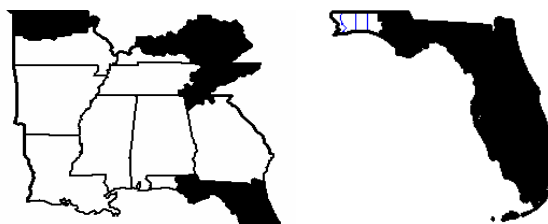
Milk supply and use estimates for 2006 are adjusted to reflect revisions to production and stock data as well as December trade data. Production in first quarter 2007 is lowered because of reduced milk per cow as growth in January output per cow was lower than expected. Production forecasts for the remaining quarters are unchanged. Despite improved milk prices, relatively weak milk-feed ratios are expected to result in a gradual decline in herd numbers through much of the year. Beginning year stocks are higher than last month but demand for dairy products is expected to absorb the additional quantities. Nonfat dry milk (NDM) and whey demand, for both domestic use and exports, remains strong with international markets expected to remain tight through the entire year. Hence, prices for these products are raised from last month and are major drivers of the increase in the Class III and Class IV price forecasts. Butter prices are reduced slightly as butter supplies are relatively large and may grow as increased NDM demand supports increased butter production. Cheese price forecasts are slightly higher than last month as demand is firm. The all milk price forecast for 2007 is raised to \$15.05 to \$15.65.

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



#### MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture  
P.O. Box 491778  
Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

April 2007



Southeast Marketing Area  
Federal Order 7

Volume 8—No. 4

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

## Decision Issued Regarding Southeast Order Pooling Provisions

On December 22, 2006, the Market Administrator issued an invitation for comments on a request to change producer delivery day requirements and diversion limits for the Southeast Marketing Area. The request sought to increase the producer delivery day requirement to 10 days each month for the period of January to June. Currently, they are 4 days for January to June and 10 days for July to December. The request also sought to lower the diversion limits to 15 percent for December to February; to 20 percent for March to June; and to 10 percent for July to November. Currently, they are 50 percent for January to June and 33 percent for July to December.

The Market Administrator received comments from producers, processors and cooperatives which varied from offering full support to complete opposition to the requested change in pooling provisions.

From the comments received, there is near unanimous concern over the plight of local dairy farmers and maintaining a supply of milk near the fluid markets of the Southeast Order. However, there is a significant lack of consensus over how to change Federal order provisions to address these concerns. Given this lack of consensus, and the potential unintended consequences of lowering diversion limits soon after implementation of a new diversion-related provision to the Transportation Credit Balancing Fund, no action will be taken on the request to change diversion limits and delivery day requirements at this time. Neither the merits of the request to change pooling standards nor the merits of opposing arguments to the request are herein adjudicated.

A public hearing on the marketing environment of the Southeast Order is likely to be held in the near future. At such time, parties are urged to review diversion limits and delivery day requirements and other order provisions which could be altered to improve the operation of the Southeast Order.

To obtain a copy of the full decision issued by the Market Administrator, visit [www.fmmatlanta.com](http://www.fmmatlanta.com), and click on the 'Hearings & Proposals' link.

## Blend Price Higher

The uniform blend price in Fulton County, GA, was \$16.54 per hundredweight of milk at 3.5 percent butterfat for the month of March. The blend price is \$0.86 higher than the previous month and is \$2.77 higher than March 2006. March marks the ninth consecutive month that the uniform blend price has increased.

Class I utilization was 58.78 percent in March, a slight increase of 0.14 percent compared with the previous month and 4.67 percent higher than March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 14.30 billion pounds, an increase of 0.4 percent from February 2006 and an increase of 1.8 percent when compared with January 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 745 million pounds, 3.3 percent above February 2006 but 0.1 percent below January 2007 on a daily average basis. Butter production was 134 million pounds, 2.0 percent below February 2006 and 1.6 percent below January 2007 on a daily average basis.

USDA has recently begun reporting nonfat dry milk in a new way. Skim milk powder, which includes protein standardized and blends of dry skim milk, is now reported as a separate category. Accordingly, nonfat dry milk powder production was 98.1 million pounds, 16.5 percent below February 2006 and 0.2 percent below January 2007 on a daily average basis. Skim milk powder production was 11.0 million pounds, 57.0 percent below February 2006 and 13.0 percent above January 2007 on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.41 in March, an increase of 0.10 from last month, and a decrease of 0.29 from March 2006.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 33.33%             | 8,623,083         | \$1.3135         | \$ 11,326,419.52        |
| Class I Differential at Location |                    |                   |                  | 257,331.69              |
| Class II Butterfat               | 24.08%             | 6,230,292         | \$1.3839         | 8,622,101.08            |
| Class III Butterfat              | 24.94%             | 6,451,365         | \$1.3769         | 8,882,884.46            |
| Class IV Butterfat               | 17.65%             | 4,564,711         | \$1.3769         | 6,285,150.55            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>25,869,451</b> |                  | <b>\$ 35,373,887.30</b> |

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3674**

### Calculation of Uniform Skim Milk Price

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>             |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                          |
| Class I Skim Milk                | 59.74%             | 409,424,042        | \$10.00 /cwt.         | \$ 40,942,404.20         |
| Class I Butterfat                | 33.33%             | 8,623,083          | \$1.3135 /lb.         | 11,326,419.52            |
| Class I Differential at Location |                    | 418,047,125        |                       | 12,488,597.24            |
| <b>Total Class I Milk</b>        | <b>58.78%</b>      | <b>418,047,125</b> |                       | <b>\$ 64,757,420.96</b>  |
| Class II Skim Milk               | 12.01%             | 82,306,869         | \$9.07 /cwt.          | \$ 7,465,233.01          |
| Class II Butterfat               | 24.08%             | 6,230,292          | \$1.3839 /lb.         | 8,622,101.08             |
| <b>Total Class II Milk</b>       | <b>12.45%</b>      | <b>88,537,161</b>  |                       | <b>\$ 16,087,334.09</b>  |
| Class III Skim Milk              | 22.93%             | 157,111,108        | \$10.64 /cwt.         | \$ 16,716,621.88         |
| Class III Butterfat              | 24.94%             | 6,451,365          | \$1.3769 /lb.         | 8,882,884.46             |
| <b>Total Class III Milk</b>      | <b>23.00%</b>      | <b>163,562,473</b> |                       | <b>\$ 25,599,506.34</b>  |
| Class IV Skim Milk               | 5.32%              | 36,461,751         | \$9.21 /cwt.          | \$ 3,358,127.26          |
| Class IV Butterfat               | 17.65%             | 4,564,711          | \$1.3769 /lb.         | 6,285,150.55             |
| <b>Total Class IV Milk</b>       | <b>5.77%</b>       | <b>41,026,462</b>  |                       | <b>\$ 9,643,277.81</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>711,173,221</b> |                       | <b>\$ 116,087,539.20</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$31,982.85       |
| Inventory Adjustments                         | \$157,611.62      |
| Producer butterfat at uniform butterfat price | (\$35,373,887.30) |
| Location Adjustments to Producers             | \$2,463,999.88    |
| 1/2 Unobligated Balance in P.S.F              | \$438,684.44      |

|                                      |                    |                        |
|--------------------------------------|--------------------|------------------------|
| <b>Adjusted Pool Value</b>           | <b>\$ 12.22902</b> | <b>\$83,805,930.69</b> |
| Reserve for Producer Settlement Func | <b>\$ 0.04902</b>  | \$335,931.52           |

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$12.18**

Uniform Price per cwt. (Fulton County, Georgia) **\$16.54\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | MAR 2007        | APR 2007        | FEB 2007        | MAR 2007        | MAR 2007      |
| Appalachian (Charlotte)     | \$ 17.35        | \$ 18.10        | \$ 15.57        | \$ 16.46        | 66.89%        |
| Arizona (Phoenix)           | \$ 16.97        | \$ 17.72        | \$ 14.22        | \$ 15.12        | 34.49%        |
| Central (Kansas City)       | \$ 16.62        | \$ 17.37        | \$ 14.06        | \$ 14.94        | 40.18%        |
| Florida (Tampa)             | \$ 18.25        | \$ 19.00        | \$ 16.71        | \$ 17.57        | 78.19%        |
| Midwest (Cleveland)         | \$ 16.62        | \$ 17.37        | \$ 14.23        | \$ 15.12        | 41.00%        |
| Northeast (Boston)          | \$ 17.87        | \$ 18.62        | \$ 15.21        | \$ 16.08        | 47.40%        |
| Pacific Northwest (Seattle) | \$ 16.53        | \$ 17.28        | \$ 13.81        | \$ 14.84        | 31.80%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 17.35</b> | <b>\$ 18.10</b> | <b>\$ 15.68</b> | <b>\$ 16.54</b> | <b>58.78%</b> |
| Southwest (Dallas)          | \$ 17.62        | \$ 18.37        | \$ 14.98        | \$ 15.87        | 35.58%        |
| Upper Midwest (Chicago)     | \$ 16.42        | \$ 17.17        | \$ 14.23        | \$ 15.14        | 19.60%        |

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

| <b>Receipts:</b>   | <b>March 2007</b>  | <b>March 2006</b>  |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 418,047,125        | 412,671,604        |
| Class II   | 88,537,161         | 85,719,459         |
| Class III  | 163,562,473        | 187,350,953        |
| Class IV   | 41,026,462         | 76,897,633         |
|  | <hr/>              | <hr/>              |
| Total Producer Milk  | <b>711,173,221</b> | <b>762,639,649</b> |
| Average Butterfat Test   | 3.64%              | 3.67%              |
| Percent of Producer Milk in Class I  | 58.78%             | 54.11%             |
| Daily Average Receipts   | 22,941,072         | 24,601,279         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 8,938,601          | 7,745,676          |
| Class II   | 20,670,579         | 11,559,030         |
| Class III  | 3,338,126          | 9,222,855          |
| Class IV   | 5,981,463          | 9,748,053          |
|  | <hr/>              | <hr/>              |
| Total Other Source Milk  | <b>38,928,769</b>  | <b>38,275,614</b>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 0                  |
| Class II   | 113,900            | 123,221            |
| Class III  | 0                  | 1,101              |
| Class IV   | 2,751              | 1,293              |
|  | <hr/>              | <hr/>              |
| Total Overage  | <b>116,651</b>     | <b>125,615</b>     |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 34,630,576         | 34,404,223         |
| Class II   | 6,618,537          | 3,045,605          |
| Class III  | 2,532,912          | 1,186,981          |
| Class IV   | 15,612,306         | 13,460,530         |
|  | <hr/>              | <hr/>              |
| Total Opening Inventory  | <b>59,394,331</b>  | <b>52,097,339</b>  |
|  | <hr/>              | <hr/>              |
| <b>Total Receipts</b>  | <b>809,612,972</b> | <b>853,138,217</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 34,070,302         | 34,302,048         |
| Route Disposition Class I  | 417,292,562        | 410,020,554        |
| Shrinkage  | 3,694,940          | 2,896,373          |
| Transfers & Diversions to Nonpool  | 6,558,498          | 7,602,528          |
|  | <hr/>              | <hr/>              |
| Total Class I Utilization  | <b>461,616,302</b> | <b>454,821,503</b> |
| Average Butterfat Test   | 2.05%              | 2.08%              |
| Daily Average Utilization  | 14,890,848         | 14,671,661         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 2,120,872          | 1,638,526          |
| Shrinkage  | 8,380,996          | 4,086              |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 53,281,436         | 61,223,162         |
|  | <hr/>              | <hr/>              |
| Total Class II Utilization   | <b>115,940,177</b> | <b>100,447,315</b> |
| Average Butterfat Test   | 6.87%              | 8.71%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 0                  | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 169,433,511        | 197,761,890        |
|  | <hr/>              | <hr/>              |
| Total Class III Utilization  | <b>169,433,511</b> | <b>197,761,890</b> |
| Average Butterfat Test   | 3.91%              | 3.61%              |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 15,719,660         | 11,391,139         |
| Nonfluid Used To Fortify   | 1,539,573          | 1,517,656          |
| Shrinkage  | 0                  | 7,177,966          |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 45,363,749         | 53,647,504         |
|  | <hr/>              | <hr/>              |
| Total Class IV Utilization   | <b>62,622,982</b>  | <b>100,107,509</b> |
| Average Butterfat Test   | 9.41%              | 6.64%              |
|  | <hr/>              | <hr/>              |
| <b>Total Utilization</b>   | <b>809,612,972</b> | <b>853,138,217</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2007 is \$16.54 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.18 per hundredweight plus 3.5 times the uniform butterfat price of \$1.3674 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In March, Class I use, which is primarily bottled or packaged fluid milk, accounted for 59.74% of all producer skim milk (priced to handlers at \$10.00 per hundredweight, plus the Class I differential, see page 2) and 33.33% of producer butterfat (priced to handlers at \$1.3135 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.01% of all producer skim milk (\$9.07 per hundredweight) and 24.08% of producer butterfat (\$1.3839 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.93% of all producer skim milk (\$10.64 per hundredweight) and 24.94% of producer butterfat (\$1.3769 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.32% of all producer skim milk (\$9.21 per hundredweight) and 17.65% of producer butterfat (\$1.3769 per pound).

Receipts of producer milk during March 2007 totaled 711.2 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 9 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2007. Class I route disposition in the area totaled 405.7 million pounds in February 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>February 2007</b>                       |                    |                |
| Whole Milk                                 | 137,720,236        | 33.94%         |
| Fat Free Milk                              | 48,404,600         | 11.93%         |
| Lowfat Milk (incl. 1%)                     | 30,962,629         | 7.63%          |
| Reduced Fat Milk (incl. 2%)                | 137,435,895        | 33.88%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,790,027          | 2.17%          |
| Flavored Drinks and Milk                   | 42,385,246         | 10.45%         |
| <b>Total Disposition in Marketing Area</b> | <b>405,698,633</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 328,871,199        | 81.06%         |
| Total Disposition by Nonpool Plants        | 76,827,434         | 18.94%         |
| <b>Total Disposition in Marketing Area</b> | <b>405,698,633</b> | <b>100.00%</b> |

## Mailbox Milk Prices, 2006 2/

| Reporting Area 1/          | 1st Quarter    | 2nd Quarter    | 3rd Quarter    | 4th Quarter    | 2006 Annual Average |
|----------------------------|----------------|----------------|----------------|----------------|---------------------|
| New England States 3/      | \$14.36        | \$12.47        | \$12.64        | \$14.43        | \$13.47             |
| Appalachian States 4/      | \$14.29        | \$12.32        | \$12.90        | \$14.53        | \$13.51             |
| <b>Southeast States 5/</b> | <b>\$15.08</b> | <b>\$13.14</b> | <b>\$14.04</b> | <b>\$15.58</b> | <b>\$14.46</b>      |
| Southern Missouri 6/       | \$13.28        | \$11.41        | \$11.93        | \$13.66        | \$12.57             |
| Florida                    | \$16.52        | \$14.79        | \$15.92        | \$17.10        | \$16.08             |
| Indiana                    | \$13.83        | \$11.81        | \$12.15        | \$13.94        | \$12.93             |
| Michigan                   | \$13.55        | \$11.65        | \$11.89        | \$13.53        | \$12.65             |
| Wisconsin                  | \$13.65        | \$12.05        | \$12.30        | \$14.28        | \$13.07             |
| Illinois                   | \$13.67        | \$11.70        | \$11.95        | \$14.03        | \$12.84             |
| Corn Belt States 7/        | \$12.71        | \$11.22        | \$11.59        | \$13.31        | \$12.21             |
| Western Texas 8/           | \$12.50        | \$10.75        | \$11.47        | \$13.11        | \$11.96             |
| New Mexico                 | \$11.66        | \$9.99         | \$10.56        | \$12.31        | \$11.13             |
| All Federal Orders 9/      | \$13.55        | \$11.82        | \$12.15        | \$13.95        | \$12.87             |
| California 10/             | \$11.81        | \$10.50        | \$10.74        | \$12.05        | \$11.28             |

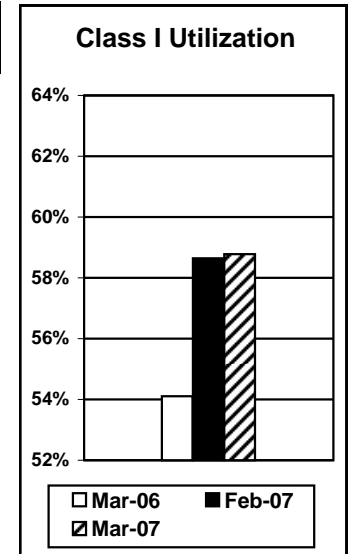
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the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

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

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jan 2006    | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb         | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar         | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr         | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May         | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb         | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar         | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr         | \$13.60  | \$1.4206 | \$18.10 | \$9.69   |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|-------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|             |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006    | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov         | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec         | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007    | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb         | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar         | 711,173                    | 3,100**            | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |



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



## Southeast Marketing Area - Federal Order 7

| <b>Pool and Payment Dates for the Pooling Periods<br/>April through June 2007</b> |                                   |                  |                |                            |           |                   |           |
|---|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month  | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|   |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|   |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Apr 2007  | 05/11/07                          | 05/14/07         | 05/15/07       | 04/25/07                   | 04/26/07  | 05/15/07          | 05/16/07  |
| May 2007  | 06/11/07                          | 06/12/07         | 06/13/07       | 05/25/07                   | 05/29/07  | 06/13/07          | 06/14/07  |
| Jun 2007  | 07/11/07                          | 07/12/07         | 07/13/07       | 06/25/07                   | 06/26/07  | 07/13/07          | 07/16/07  |

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$14.89 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.54 per hundredweight.

| <b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b> |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days   | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits  | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

#### WASDE-445 – April 10, 2007

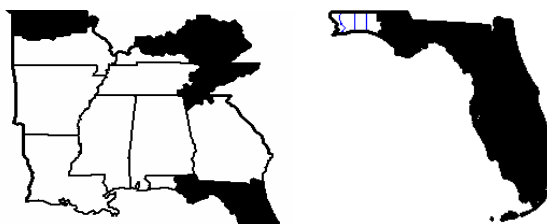
Milk production forecasts for 2007 are lowered as growth in milk per cow continues to lag historical growth. Prices are forecast higher as demand for dairy products remains strong. Tight international supplies have pushed nonfat dry milk (NDM) and dry whey prices higher as exporters compete with domestic users for relatively tight supplies. With growth in international supplies expected to remain limited through the year, price forecasts for NDM and whey are raised from last month. Cheese and butter price forecasts are also raised to reflect slower production growth and robust demand. Class III and Class IV price forecasts are raised to reflect higher product prices. The all milk price forecast for 2007 is raised to \$15.55 to \$16.05.

Also:

U.S. corn ending stocks for 2006/07 are projected at 877 million bushels, up 125 million from last month based on lower projected feed and residual use. The season-average farm price is projected at \$3.00 to \$3.20 per bushel, 20 cents per bushel lower on the top end of the range reflecting higher projected carryout, larger 2007 intended area, and prices received by producers to date.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

May 2007

Volume 8—No. 5

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

## Hearing Announced for Appalachian, Florida, and Southeast Orders

The U.S. Department of Agriculture has announced that it will hold a public hearing to consider proposals to amend the Appalachian, Florida, and Southeast Orders. The hearing will begin at 1:00 p.m. on Monday, May, 21, 2007, at the Sheraton Suites Tampa Airport, 4400 West Cypress Street, Tampa, Florida, 33607. The telephone number is 800-325-3535.

The proposals seek to amend the Appalachian, Florida, and Southeast Orders by temporarily adjusting the Class I pricing surface for each county within each of the three milk marketing orders until such time that USDA is able to comprehensively address the Class I pricing surface on a national scale.

Proposals also include changing the diversion percentage limits, the producer delivery days, and the transportation credit provisions of the Appalachian and Southeast orders. Other proposals would change the maximum rates for each of the three orders the market administrator may charge for the administration of the orders from 5 cents per hundredweight to as much as 8 cents per hundredweight. Testimony will be taken to determine if any of the proposals should be handled on an emergency basis.

The hearing notice was published as a proposed rule in the May 8 Federal Register. Copies of the hearing notice may be obtained from the USDA/AMS/Dairy Programs, STOP 0231 – Room 2971-A, 1400 Independence Avenue, SW, Washington, DC 20250-0231. Additionally, copies the hearing notice may be obtained online at [www.fmmatlanta.com](http://www.fmmatlanta.com) by clicking on 'What's New'.

If you have any questions concerning this announcement, please contact this office.

## Blend Price Increases \$0.82

The uniform blend price in Fulton County, GA, was \$17.36 per hundredweight of milk at 3.5 percent butterfat for the month of April. The blend price is \$0.82 higher than the previous month and is \$4.42 higher than April 2006. April marks the tenth consecutive month that the uniform blend price has increased.

Class I utilization was 55.78 percent in April, a decrease of 3.0 percent compared with the previous month and 5.1 percent above April of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 16.11 billion pounds, an increase of 0.9 percent from March 2006 and an increase of 1.8 percent when compared with February 2007 on a daily average basis. Total cheese output was 837 million pounds, 1.9 percent above March 2006 and 11.8 percent above February 2007. Butter production was 140 million pounds, 1.1 percent below March 2006 but 4.4 percent above February 2007.

Nonfat dry milk powder production was 118.0 million pounds in March, 8.8 percent below March 2006 and 8.6 percent above February 2007 on a daily average basis. Skim milk powder production was 10.2 million pounds, 52.8 percent below March 2006 and 16.2 percent below February 2007 on a daily average basis.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.54 in April, an increase of 0.14 from last month, and an increase of 0.06 from April 2006.

---

*\*Pursuant to 7 CFR §1000.25(c)(5)(ii) the following plant has not paid its February 2007 obligation to the Market Administrator funds as required by 7 CFR §1007.71, §1007.81, §1007.85: Universal Food and Beverage, Savannah, Georgia*

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 32.11%             | 8,176,606         | \$1.3896         | \$ 11,362,211.67        |
| Class I Differential at Location |                    |                   |                  | 244,984.28              |
| Class II Butterfat               | 26.01%             | 6,624,992         | \$1.4727         | 9,756,625.72            |
| Class III Butterfat              | 24.44%             | 6,225,874         | \$1.4657         | 9,125,263.51            |
| Class IV Butterfat               | 17.44%             | 4,441,638         | \$1.4657         | 6,510,108.82            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>25,469,110</b> |                  | <b>\$ 36,999,194.00</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.4527**

### 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                | 56.66%             | 386,391,032        | \$10.50 /cwt.         | \$ 40,571,058.44         |
| Class I Butterfat                | 32.11%             | 8,176,606          | \$1.3896 /lb.         | 11,362,211.67            |
| Class I Differential at Location |                    | 394,567,638        |                       | 11,764,025.98            |
| <b>Total Class I Milk</b>        | <b>55.78%</b>      | <b>394,567,638</b> |                       | <b>\$ 63,697,296.09</b>  |
| Class II Skim Milk               | 13.92%             | 94,896,161         | \$9.69 /cwt.          | \$ 9,195,438.02          |
| Class II Butterfat               | 26.01%             | 6,624,992          | \$1.4727 /lb.         | 9,756,625.72             |
| <b>Total Class II Milk</b>       | <b>14.35%</b>      | <b>101,521,153</b> |                       | <b>\$ 18,952,063.74</b>  |
| Class III Skim Milk              | 22.87%             | 155,941,106        | \$11.36 /cwt.         | \$ 17,714,909.65         |
| Class III Butterfat              | 24.44%             | 6,225,874          | \$1.4657 /lb.         | 9,125,263.51             |
| <b>Total Class III Milk</b>      | <b>22.92%</b>      | <b>162,166,980</b> |                       | <b>\$ 26,840,173.16</b>  |
| Class IV Skim Milk               | 6.55%              | 44,687,660         | \$11.39 /cwt.         | \$ 5,089,924.46          |
| Class IV Butterfat               | 17.44%             | 4,441,638          | \$1.4657 /lb.         | 6,510,108.82             |
| <b>Total Class IV Milk</b>       | <b>6.95%</b>       | <b>49,129,298</b>  |                       | <b>\$ 11,600,033.28</b>  |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>707,385,069</b> |                       | <b>\$ 121,089,566.27</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$7,480.30        |
| Inventory Adjustments                         | \$41,071.95       |
| Producer butterfat at uniform butterfat price | (\$36,999,194.00) |
| Location Adjustments to Producers             | \$2,447,989.96    |
| 1/2 Unobligated Balance in P.S.F.             | \$447,298.40      |

### Adjusted Pool Value

|                                      |                   |                 |
|--------------------------------------|-------------------|-----------------|
| Reserve for Producer Settlement Fund | \$ 12,76319       | \$87,034,212.88 |
|                                      | <b>\$ 0.04319</b> | \$293,639.48    |

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

\$12.72

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

\$17.36\*

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | APR 2007        | MAY 2007        | MAR 2007        | APR 2007        | APR 2007      |
| Appalachian (Charlotte)     | \$ 18.10        | \$ 19.02        | \$ 16.46        | \$ 17.41        | 66.12%        |
| Arizona (Phoenix)           | \$ 17.72        | \$ 18.64        | \$ 15.12        | \$ 16.43        | 33.55%        |
| Central (Kansas City)       | \$ 17.37        | \$ 18.29        | \$ 14.94        | \$ 15.98        | 39.08%        |
| Florida (Tampa)             | \$ 19.00        | \$ 19.92        | \$ 17.57        | \$ 18.35        | 75.15%        |
| Midwest (Cleveland)         | \$ 17.37        | \$ 18.29        | \$ 15.12        | \$ 16.09        | 37.50%        |
| Northeast (Boston)          | \$ 18.62        | \$ 19.54        | \$ 16.08        | \$ 17.02        | 44.30%        |
| Pacific Northwest (Seattle) | \$ 17.28        | \$ 18.20        | \$ 14.84        | \$ 16.24        | 32.06%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 18.10</b> | <b>\$ 19.02</b> | <b>\$ 16.54</b> | <b>\$ 17.36</b> | <b>55.78%</b> |
| Southwest (Dallas)          | \$ 18.37        | \$ 19.29        | \$ 15.87        | \$ 16.97        | 34.57%        |
| Upper Midwest (Chicago)     | \$ 17.17        | \$ 18.09        | \$ 15.14        | \$ 16.15        | 18.90%        |

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

| <b>Receipts:</b>   | <b>April 2007</b>  | <b>April 2006</b>  |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 394,567,638        | 377,264,602        |
| Class II   | 101,521,153        | 83,715,395         |
| Class III  | 162,166,980        | 190,401,968        |
| Class IV   | 49,129,298         | 93,112,828         |
|  | <hr/>              | <hr/>              |
| Total Producer Milk  | <b>707,385,069</b> | <b>744,494,793</b> |
| Average Butterfat Test   | 3.60%              | 3.60%              |
| Percent of Producer Milk in Class I  | 55.78%             | 50.68%             |
| Daily Average Receipts   | 23,579,502         | 24,816,493         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 8,141,081          | 6,747,777          |
| Class II   | 21,458,175         | 10,990,022         |
| Class III  | 3,257,712          | 2,798,109          |
| Class IV   | 9,254,351          | 11,816,841         |
|  | <hr/>              | <hr/>              |
| Total Other Source Milk  | <b>42,111,319</b>  | <b>32,352,749</b>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 0                  |
| Class II   | 0                  | 126,450            |
| Class III  | 0                  | 0                  |
| Class IV   | 4,352              | 0                  |
|  | <hr/>              | <hr/>              |
| Total Overage  | <b>4,352</b>       | <b>126,450</b>     |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 34,373,915         | 34,096,705         |
| Class II   | 2,293,080          | 513,667            |
| Class III  | 304,549            | 279,073            |
| Class IV   | 12,791,673         | 10,410,820         |
|  | <hr/>              | <hr/>              |
| Total Opening Inventory  | <b>49,763,217</b>  | <b>45,300,265</b>  |
|  | <hr/>              | <hr/>              |
| <b>Total Receipts</b>  | <b>799,263,957</b> | <b>822,274,257</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 32,419,614         | 30,071,475         |
| Route Disposition Class I  | 395,441,905        | 376,325,154        |
| Shrinkage  | 3,987,861          | 4,536,989          |
| Transfers & Diversions to Nonpool  | 5,233,254          | 7,175,466          |
|  | <hr/>              | <hr/>              |
| Total Class I Utilization  | <b>437,082,634</b> | <b>418,109,084</b> |
| Average Butterfat Test   | 2.06%              | 2.08%              |
| Daily Average Utilization  | 14,569,421         | 13,936,969         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 1,855,775          | 1,878,377          |
| Shrinkage  | 7,745,730          | 1,543              |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 64,178,670         | 59,159,975         |
|  | <hr/>              | <hr/>              |
| Total Class II Utilization   | <b>125,272,408</b> | <b>95,345,534</b>  |
| Average Butterfat Test   | 6.58%              | 8.48%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 0                  | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 165,729,241        | 193,479,150        |
|  | <hr/>              | <hr/>              |
| Total Class III Utilization  | <b>165,729,241</b> | <b>193,479,150</b> |
| Average Butterfat Test   | 3.84%              |                    |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 23,263,971         | 27,802,815         |
| Nonfluid Used To Fortify   | 1,880,893          | 1,409,200          |
| Shrinkage  | 0                  | 7,220,746          |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 46,034,810         | 58,403,297         |
|  | <hr/>              | <hr/>              |
| Total Class IV Utilization   | <b>71,179,674</b>  | <b>115,340,489</b> |
| Average Butterfat Test   | 7.93%              | 5.77%              |
|  | <hr/>              | <hr/>              |
| <b>Total Utilization</b>   | <b>799,263,957</b> | <b>822,274,257</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2007 is \$17.36 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.72 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4527 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

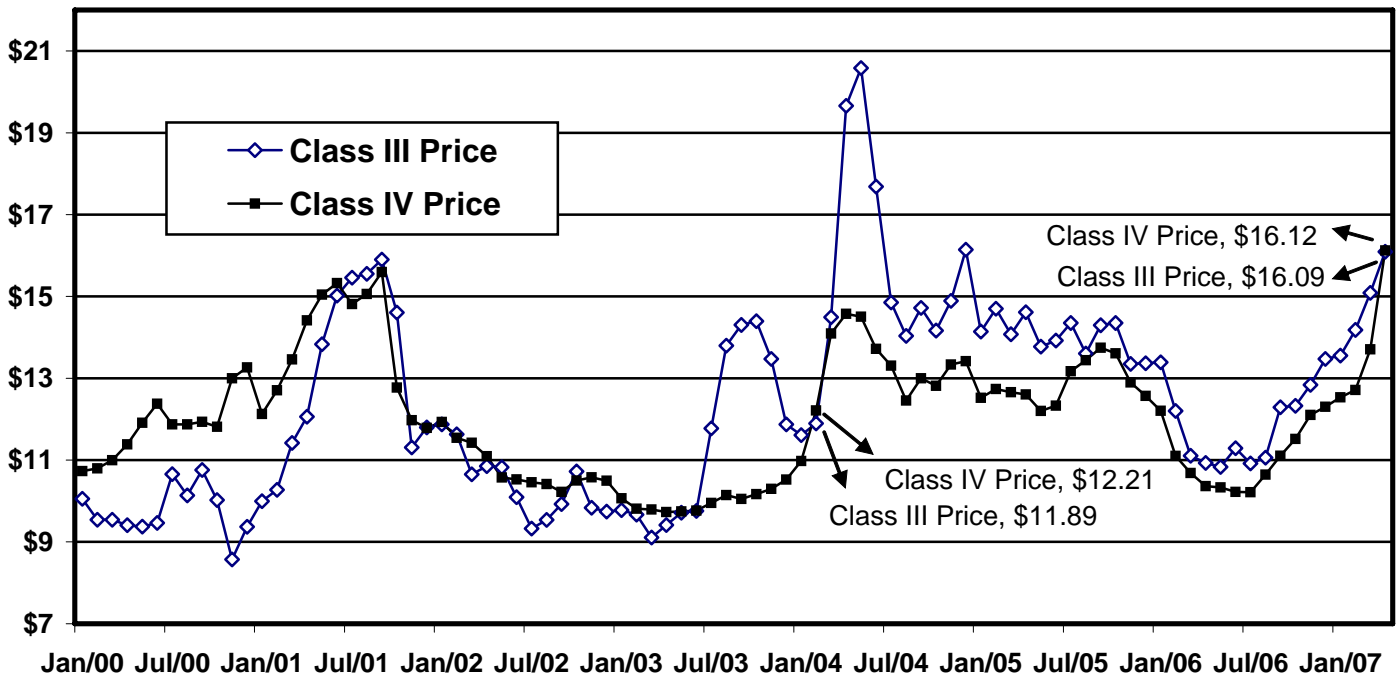
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use, which is primarily bottled or packaged fluid milk, accounted for 56.66% of all producer skim milk (priced to handlers at \$10.50 per hundredweight, plus the Class I differential, see page 2) and 32.11% of producer butterfat (priced to handlers at \$1.3896 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.92% of all producer skim milk (\$9.69 per hundredweight) and 26.01% of producer butterfat (\$1.4727 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.87% of all producer skim milk (\$11.36 per hundredweight) and 24.44% of producer butterfat (\$1.4657 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.55% of all producer skim milk (\$11.39 per hundredweight) and 17.44% of producer butterfat (\$1.4657 per pound).

Receipts of producer milk during April 2007 totaled 707.4 million pounds. There were 29 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2007. Class I route disposition in the area totaled 445.0 million pounds in March 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>March 2007</b>                          |                    |                |
| Whole Milk                                 | 149,695,940        | 33.65%         |
| Fat Free Milk                              | 53,367,844         | 11.99%         |
| Lowfat Milk (incl. 1%)                     | 34,101,149         | 7.66%          |
| Reduced Fat Milk (incl. 2%)                | 151,990,065        | 34.16%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 9,392,388          | 2.11%          |
| Flavored Drinks and Milk                   | 46,410,708         | 10.43%         |
| <b>Total Disposition in Marketing Area</b> | <b>444,958,094</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 360,195,878        | 80.95%         |
| Total Disposition by Nonpool Plants        | 84,762,216         | 19.05%         |
| <b>Total Disposition in Marketing Area</b> | <b>444,958,094</b> | <b>100.00%</b> |

### Class IV Price Exceeds Class III Price



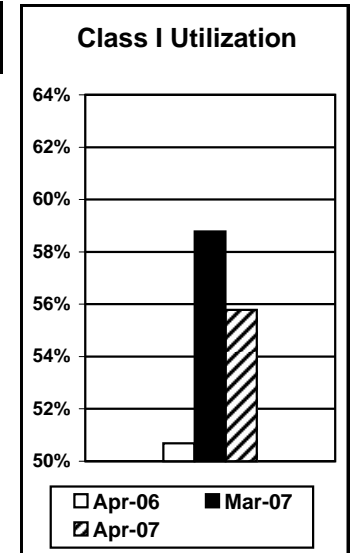
In March, the Class IV price was higher than the Class III price, the first time this has occurred since February 2004. Over this 37 month period, the Class III price was, on average, \$1.45 per hundredweight higher than the Class IV price, but strong demand for nonfat dry milk has pushed the Class IV price \$0.03 above the cheese-based Class III price.

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

| Pool<br>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 2006       | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb            | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar            | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr            | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May            | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun            | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul            | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006       | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb            | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar            | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr            | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May            | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun            | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul            | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |
| Apr            | 707,385                    | 3,100**            | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95%  |



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

## Southeast Marketing Area - Federal Order 7

| Pool and Payment Dates for the Pooling Periods<br>May through July 2007 |                                   |                  |                |                            |           |                   |           |
|---|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month  | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|   |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|   |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| May 2007  | 06/11/07                          | 06/12/07         | 06/13/07       | 05/25/07                   | 05/29/07  | 06/13/07          | 06/14/07  |
| Jun 2007  | 07/11/07                          | 07/12/07         | 07/13/07       | 06/25/07                   | 06/26/07  | 07/13/07          | 07/16/07  |
| Jul 2007  | 08/11/07                          | 08/13/07         | 08/14/07       | 07/25/07                   | 07/26/07  | 08/14/07          | 08/15/07  |

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$15.62 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.36 per hundredweight.

| Producer Touch Base Requirements & Handler Diversion Limits |     |     |     |     |     |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|   | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days                                    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits                                 | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

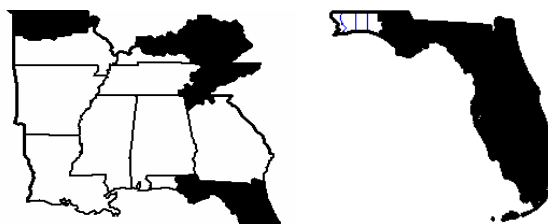
#### WASDE - 446 May 11, 2007

Milk production is forecast to increase in 2008 reflecting strong milk prices and expected improved availability of hay. Milk cow numbers are likely to be only fractionally below 2007 and milk per cow growth should increase more rapidly than in 2007. Commercial use of fat and skim solids is expected to remain strong and commercial stocks will likely tighten. Butter prices are forecast to increase in 2008 but cheese prices are forecast to decline slightly. Continued strength in export demand as well as domestic use of nonfat dry milk (NDM) and whey will help support prices with the annual average price of NDM above 2007. Whey prices are expected to decline modestly from 2007 with increased supplies but will remain above historical prices. In the face of slightly weaker product prices, the Class III price is forecast to decline slightly from 2007 but, supported by continued strength in NDM prices, the Class IV price is expected to increase from 2007. The all milk price is forecast at \$17.00 to \$18.00 per cwt in 2008.

Forecast milk supply in 2007 is raised from last month as higher milk prices are expected to slow the pace of decline in cow numbers. Price forecasts for all products are raised sharply from last month as demand for all products remains strong and production growth is expected to lag the past several years. Class III and Class IV prices are raised and the all milk price is forecast to average \$17.05 to \$17.55 per cwt.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."



# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

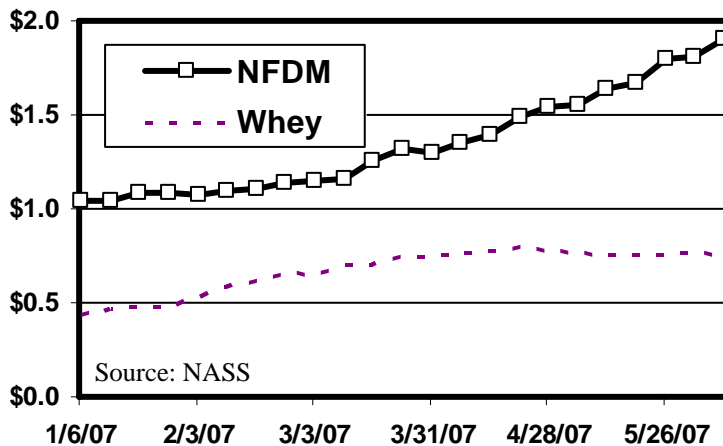
June 2007

Volume 8—No. 6

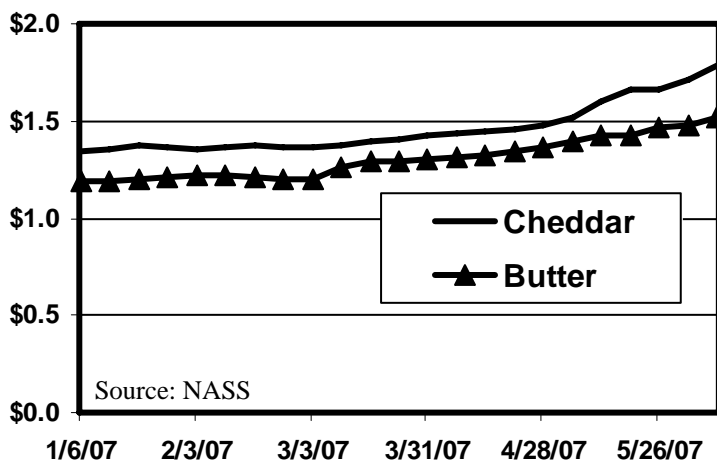
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

## '07 Commodity Prices Soar

Manufactured dairy product prices have been rising dramatically over the past several months. In fact, since the beginning of the year, labeled '1/6/07' in the charts below for the first week of 2007, the four major commodities have increased from 27 to over 80 percent according to National Agricultural Statistics Service (NASS) weekly reports. Nonfat dry milk powder (NFDM) prices are



up 82 percent, dry whey prices are up 73 percent, Cheddar Cheese prices have increased 33 percent and butter prices have risen 27 percent between January 6, 2007 and June 9, 2007.



## Blend Price Increases \$1.37

The uniform blend price in Fulton County, GA, was \$18.73 per hundredweight of milk at 3.5 percent butterfat for the month of May. The blend price is \$1.37 higher than the previous month and is \$5.83 higher than May 2006. April marks the eleventh consecutive month that the uniform blend price has increased.

Class I utilization was 57.36 percent in May, an increase of 1.58 percent compared with the previous month and 2.88 percent higher than May of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 15.74 billion pounds, an increase of 1.3 percent from April 2006 and an increase of 0.9 percent when compared with March 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 803 million pounds, 1.2 percent above April 2006 but 4.1 percent below March 2007. Butter production was 134 million pounds, 5.2 percent above April 2006 but 2.8 percent below March 2007. Nonfat dry milk powder production was 128.0 million pounds in April, 2.2 percent below April 2006 and 8.5 percent above March 2007. Skim milk powder production was 15.6 million pounds in April, 11.1 percent below April 2006 and 52.9 percent above March 2007.

The milk-feed price ratio, the number of pounds of 16% mixed dairy feed equal in value to one pound of whole milk, was 2.52 in May, an increase of 0.02 from last month, and an increase of 0.2 from May 2006.

*\*Pursuant to 7 CFR §1000.25(c)(5)(ii) the following plant has not paid its February 2007 obligation to the Market Administrator funds as required by 7 CFR §1007.71, §1007.81, §1007.85: Universal Food and Beverage, Savannah, Georgia*



## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 34.09%             | 8,439,674         | \$1.4389         | \$ 12,143,846.91        |
| Class I Differential at Location |                    |                   |                  | 252,978.91              |
| Class II Butterfat               | 25.61%             | 6,338,495         | \$1.5776         | 9,999,609.72            |
| Class III Butterfat              | 26.03%             | 6,444,452         | \$1.5706         | 10,121,656.31           |
| Class IV Butterfat               | 14.27%             | 3,531,868         | \$1.5706         | 5,547,151.91            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>24,754,489</b> |                  | <b>\$ 38,065,243.76</b> |

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.5377**

### 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                | 58.21%             | 390,221,959        | \$11.28 /cwt.         | \$ 44,017,036.98         |
| Class I Butterfat                | 34.09%             | 8,439,674          | \$1.4389 /lb.         | 12,143,846.91            |
| Class I Differential at Location |                    | 398,661,633        |                       | 11,874,265.74            |
| <b>Total Class I Milk</b>        | <b>57.36%</b>      | <b>398,661,633</b> |                       | <b>\$ 68,035,149.63</b>  |
| Class II Skim Milk               | 13.40%             | 89,829,171         | \$11.50 /cwt.         | \$ 10,330,354.76         |
| Class II Butterfat               | 25.61%             | 6,338,495          | \$1.5776 /lb.         | 9,999,609.72             |
| <b>Total Class II Milk</b>       | <b>13.83%</b>      | <b>96,167,666</b>  |                       | <b>\$ 20,329,964.48</b>  |
| Class III Skim Milk              | 24.09%             | 161,488,089        | \$12.54 /cwt.         | \$ 20,250,606.35         |
| Class III Butterfat              | 26.03%             | 6,444,452          | \$1.5706 /lb.         | 10,121,656.31            |
| <b>Total Class III Milk</b>      | <b>24.16%</b>      | <b>167,932,541</b> |                       | <b>\$ 30,372,262.66</b>  |
| Class IV Skim Milk               | 4.30%              | 28,817,157         | \$13.45 /cwt.         | \$ 3,875,907.61          |
| Class IV Butterfat               | 14.27%             | 3,531,868          | \$1.5706 /lb.         | 5,547,151.91             |
| <b>Total Class IV Milk</b>       | <b>4.65%</b>       | <b>32,349,025</b>  |                       | <b>\$ 9,423,059.52</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>695,110,865</b> |                       | <b>\$ 128,160,436.29</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$12,688.69       |
| Inventory Adjustments                         | \$111,103.98      |
| Producer butterfat at uniform butterfat price | (\$38,065,243.76) |
| Location Adjustments to Producers             | \$2,404,094.61    |
| 1/2 Unobligated Balance in P.S.F.             | \$371,327.04      |

### Adjusted Pool Value

|                                      |             |                 |
|--------------------------------------|-------------|-----------------|
| Reserve for Producer Settlement Fund | \$ 13.87238 | \$92,994,406.85 |
|                                      | \$ 0.04238  | \$283,060.28    |

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

**\$13.83**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.73\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | MAY 2007        | JUN 2007        | APR 2007        | MAY 2007        | MAY 2007      |
| Appalachian (Charlotte)     | \$ 19.02        | \$ 20.94        | \$ 17.41        | \$ 18.82        | 73.71%        |
| Arizona (Phoenix)           | \$ 18.64        | \$ 20.56        | \$ 16.43        | \$ 18.07        | 34.07%        |
| Central (Kansas City)       | \$ 18.29        | \$ 20.21        | \$ 15.98        | \$ 17.50        | 39.92%        |
| Florida (Tampa)             | \$ 19.92        | \$ 21.84        | \$ 18.35        | \$ 19.55        | 74.78%        |
| Mideast (Cleveland)         | \$ 18.29        | \$ 20.21        | \$ 16.09        | \$ 17.63        | 38.40%        |
| Northeast (Boston)          | \$ 19.54        | \$ 21.46        | \$ 17.02        | \$ 18.60        | 44.60%        |
| Pacific Northwest (Seattle) | \$ 18.20        | \$ 20.12        | \$ 16.24        | \$ 17.87        | 32.33%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 19.02</b> | <b>\$ 20.94</b> | <b>\$ 17.36</b> | <b>\$ 18.73</b> | <b>57.36%</b> |
| Southwest (Dallas)          | \$ 19.29        | \$ 21.21        | \$ 16.97        | \$ 18.51        | 73.31%        |
| Upper Midwest (Chicago)     | \$ 18.09        | \$ 20.01        | \$ 16.15        | \$ 17.65        | 20.30%        |

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

| <b>Receipts:</b>   | <b>May 2007</b>    | <b>May 2006</b>    |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 398,661,633        | 396,219,830        |
| Class II   | 96,167,666         | 85,703,017         |
| Class III  | 167,932,541        | 176,133,672        |
| Class IV   | 32,349,025         | 69,274,229         |
| Total Producer Milk  | <u>695,110,865</u> | <u>727,330,748</u> |
| Average Butterfat Test   | 3.56%              | 3.58%              |
| Percent of Producer Milk in Class I  | 57.36%             | 54.48%             |
| Daily Average Receipts   | 22,422,931         | 23,462,282         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 8,591,912          | 6,235,898          |
| Class II   | 24,365,237         | 12,229,600         |
| Class III  | 3,323,286          | 7,916,083          |
| Class IV   | 6,966,514          | 9,272,655          |
| Total Other Source Milk  | <u>43,246,949</u>  | <u>35,654,236</u>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 0                  |
| Class II   | 76,797             | 0                  |
| Class III  | 0                  | 0                  |
| Class IV   | 0                  | 0                  |
| Total Overage  | <u>76,797</u>      | <u>0</u>           |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 35,257,982         | 32,068,020         |
| Class II   | 6,245,469          | 2,954,290          |
| Class III  | 926,989            | 1,579,543          |
| Class IV   | 14,127,411         | 21,272,437         |
| Total Opening Inventory  | <u>56,557,851</u>  | <u>57,874,290</u>  |
| <b>Total Receipts</b>  | <b>794,992,462</b> | <b>820,859,274</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 36,553,124         | 26,149,699         |
| Route Disposition Class I  | 396,758,706        | 398,254,404        |
| Shrinkage  | 3,270,423          | 3,175,342          |
| Transfers & Diversions to Nonpool  | 5,929,274          | 6,944,303          |
| Total Class I Utilization  | <u>442,511,527</u> | <u>434,523,748</u> |
| Average Butterfat Test   | 2.09%              | 2.14%              |
| Daily Average Utilization  | 14,274,565         | 14,016,895         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 2,203,476          | 1,815,671          |
| Shrinkage  | 6,394,562          | 741                |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 66,605,416         | 62,510,120         |
| Total Class II Utilization   | <u>51,651,715</u>  | <u>36,560,375</u>  |
| Average Butterfat Test   | 6.57%              | 7.91%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 0                  | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 172,182,816        | 185,629,298        |
| Total Class III Utilization  | <u>172,182,816</u> | <u>185,629,298</u> |
| Average Butterfat Test   | 3.83%              | 3.73%              |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 17,337,456         | 21,630,710         |
| Nonfluid Used To Fortify   | 1,478,987          | 1,446,817          |
| Shrinkage  | 0                  | 7,458,728          |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 34,626,507         | 51,380,798         |
| Total Class IV Utilization   | <u>53,442,950</u>  | <u>99,819,321</u>  |
| Average Butterfat Test   | 8.96%              | 5.98%              |
| <b>Total Utilization</b>   | <b>794,992,462</b> | <b>820,859,274</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2007 is \$18.73 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.83 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5377 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In May, Class I use, which is primarily bottled or packaged fluid milk, accounted for 58.21% of all producer skim milk (priced to handlers at \$11.28 per hundredweight, plus the Class I differential, see page 2) and 34.09% of producer butterfat (priced to handlers at \$1.4389 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.40% of all producer skim milk (\$11.50 per hundredweight) and 25.61% of producer butterfat (\$1.5776 per pound). Class III use, mostly milk used to produce cheese, accounted for 24.09% of all producer skim milk (\$12.54 per hundredweight) and 26.03% of producer butterfat (\$1.5706 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.30% of all producer skim milk (\$13.45 per hundredweight) and 14.27% of producer butterfat (\$1.5706 per pound).

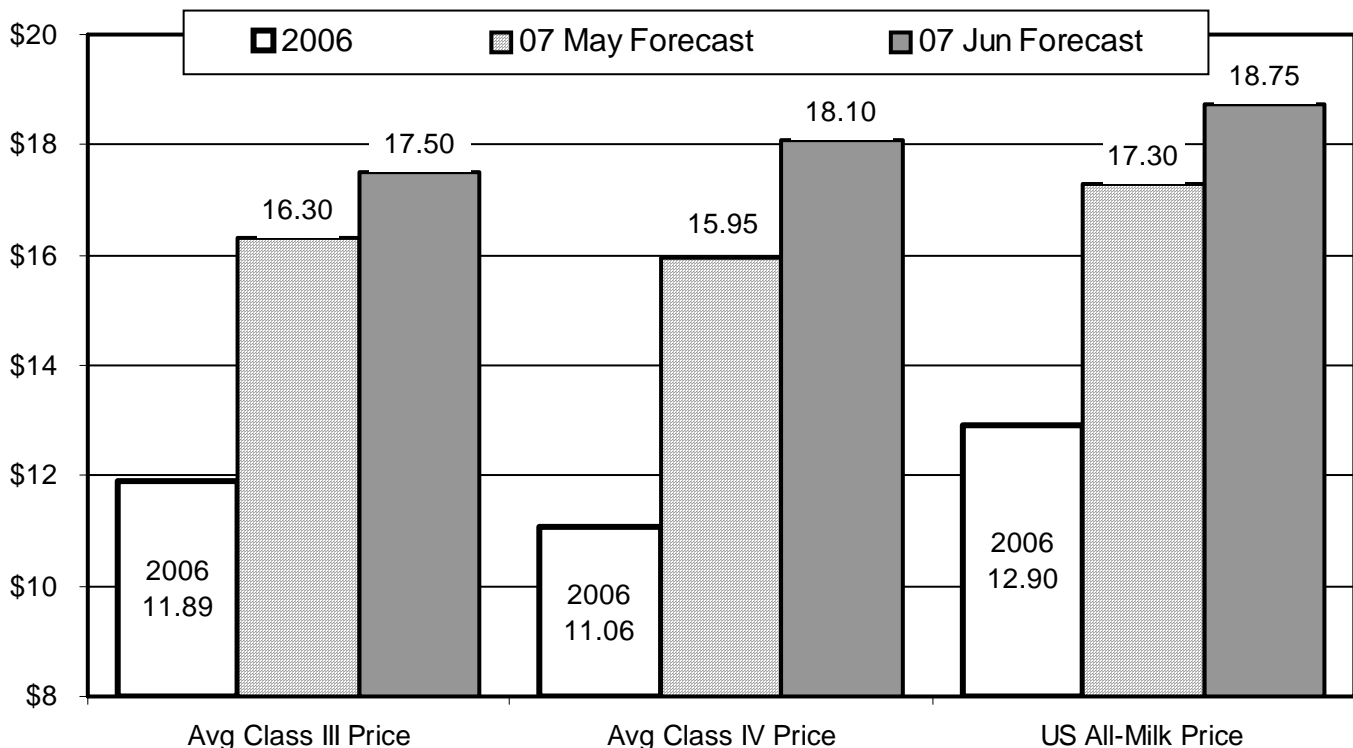
Receipts of producer milk during May 2007 totaled 695.1 million pounds. There were 30 regulated pool distributing plants, 3 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2007. Class I route disposition in the area totaled 421.6 million pounds in April 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>April 2007</b>                          |                    |                |
| Whole Milk                                 | 142,033,684        | 33.69%         |
| Fat Free Milk                              | 49,985,981         | 11.86%         |
| Lowfat Milk (incl. 1%)                     | 32,361,200         | 7.68%          |
| Reduced Fat Milk (incl. 2%)                | 144,718,987        | 34.33%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,778,387          | 2.08%          |
| Flavored Drinks and Milk                   | 43,732,732         | 10.37%         |
| <b>Total Disposition in Marketing Area</b> | <b>421,610,971</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 340,648,356        | 80.80%         |
| Total Disposition by Nonpool Plants        | 80,962,615         | 19.20%         |
| <b>Total Disposition in Marketing Area</b> | <b>421,610,971</b> | <b>100.00%</b> |

### USDA's Price Forecasts Revised Up, Way Up

This chart shows how Class III and IV price forecasts for 2007 have increased in recent weeks. USDA's price forecasts are up \$1.20 and \$2.15 since May for Class III and IV, respectively, which would push the all-milk price to an all-time record average of \$18.75. See the last page of this publication for more on the WASDE Dairy Report.

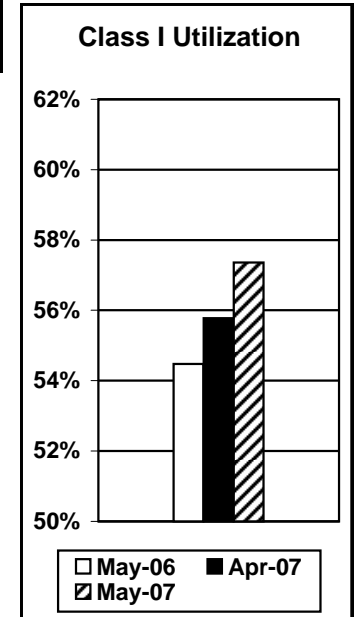


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

| Pool<br>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 2006       | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb            | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar            | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr            | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May            | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun            | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul            | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June           | \$15.98  | \$1.5776 | \$20.94 | \$13.58  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006       | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb            | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar            | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr            | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May            | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun            | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul            | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |
| Apr            | 707,385                    | 2,961              | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95%  |
| May            | 695,111                    | 3,000**            | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65%  |



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

## Southeast Marketing Area - Federal Order 7

| <b>Pool and Payment Dates for the Pooling Periods<br/>June through August 2007</b> |   |                  |                |                            |           |                   |           |
|--|---|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month   | Pool & Uniform<br>Price Release<br>Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|  |   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|  |   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Jun 2007   | 07/11/07                                | 07/12/07         | 07/13/07       | 06/25/07                   | 06/26/07  | 07/13/07          | 07/16/07  |
| Jul 2007   | 08/11/07                                | 08/13/07         | 08/14/07       | 07/25/07                   | 07/26/07  | 08/14/07          | 08/15/07  |
| Aug 2007   | 09/11/07                                | 09/12/07         | 09/13/07       | 08/27/07                   | 08/27/07  | 09/13/07          | 09/14/07  |

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$16.86 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.73 per hundredweight.

| <b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b> |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days   | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits  | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

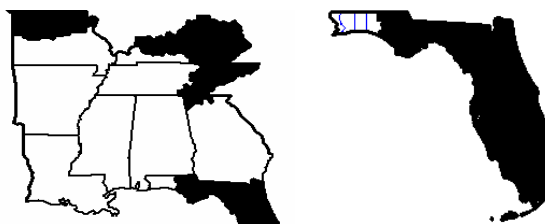
#### WASDE - 447 June 11, 2007

Strong demand for dairy products and limited ability to adjust production in the short term has resulted in significantly higher price forecasts this month. Milk production forecasts for both 2007 and 2008 are raised from last month but relatively high feed costs are expected to limit growth into 2008. Cow numbers are forecast higher than last month, with the cow herd in 2007 averaging about the same as 2006, and expanding in 2008. Output per cow is forecast to continue to increase modestly in both 2007 and 2008.

However, in the face of continued strong demand for dairy products and expected tightness in international supplies, most product prices for 2007 and 2008 are forecast higher than last month. Forecast nonfat dry milk prices are increased significantly, which coupled with higher forecast butter prices, support a stronger Class IV price forecast. Although cheese prices are also forecast higher, a reduced forecast for whey prices limits the increase in the Class III price forecast for both 2007 and 2008. With strong Class prices, the forecast for all milk is also raised. In 2007, the all milk price is forecast to average a record \$18.55 to \$18.95 per cwt, and then decline to \$17.90 to \$18.90 per cwt in 2008.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

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

July 2007

Volume 8—No. 7

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

## Rule Issued Establishes Mandatory Reporting of Dairy Product Prices

The USDA has issued an interim final rule establishing a Dairy Product Mandatory Reporting Program as required by law. The Dairy Market Enhancement Act of 2000, and certain provisions of the 2002 Farm Bill amend the Agricultural Marketing Act of 1946 to establish the program.

The mandatory reporting program will provide timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry. The program will: (1) Require persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) Require persons storing dairy products to report information on the quantity of dairy products stored. Under the interim final rule, USDA's National Agricultural Statistics Service (NASS) will collect the information. Any manufacturer that processes and markets less than 1 million pounds of dairy products per year is exempt from the reporting requirements.

USDA's Agricultural Marketing Service (AMS) will implement a plan to verify the price information submitted to NASS. AMS will visit butter, nonfat dry milk, cheese and dry whey manufacturers that file reports. AMS will verify that eligible sales transactions agree with information reported to NASS and will check for eligible sales transactions that were not reported.

The rule was published in the Federal Register on July 3, a copy of which is posted at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'. Public comments are due September 4, and may be filed at [www.regulations.gov](http://www.regulations.gov), or submitted to the mailing address listed in the rule. USDA will issue a final rule once public comments have been received.

## Highest Blend Price Ever

The uniform blend price in Fulton County, GA, was \$20.76 per hundredweight of milk at 3.5 percent butterfat for the month of June. The blend price is \$2.03 higher than the previous month and is \$7.86 higher than June 2006. June marks the twelfth consecutive month that the uniform blend price has increased and is the highest Southeast Order uniform blend price ever reported, before or after the Federal Order consolidation which occurred in January 2000.

Class I utilization was 66.67 percent in June, an increase of 9.31 percent compared with the previous month and 10.32 percent higher than June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 16.2 billion pounds, an increase of 0.8 percent from May 2006 and a decrease of 0.5 percent when compared with April 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 820 million pounds, slightly below May 2006 but 2.2 percent above April 2007. Butter production was 125 million pounds, 2.8 percent below May 2006 and 7.0 percent below April 2007. Nonfat dry milk powder production was 116.0 million pounds in May, 12.9 percent below May 2006 and 9.4 percent below April 2007. Skim milk powder production was 13.0 million pounds in May, 34.3 percent below May 2006 and 16.7 percent below April 2007.

The milk-feed price ratio was 2.76 in June, an increase of 0.22 from last month, and an increase of 0.31 from June 2006.

*\*Pursuant to 7 CFR §1000.25(c)(5)(ii) the following plant has not paid its February 2007 obligation to the Market Administrator funds as required by 7 CFR §1007.71, §1007.81, §1007.85: Universal Food and Beverage, Savannah, Georgia*

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 40.88%             | 8,153,072         | \$1.5466         | \$ 12,609,541.15        |
| Class I Differential at Location |                    |                   |                  | 244,275.91              |
| Class II Butterfat               | 30.92%             | 6,165,707         | \$1.6527         | 10,190,063.94           |
| Class III Butterfat              | 14.60%             | 2,912,322         | \$1.6457         | 4,792,808.32            |
| Class IV Butterfat               | 13.60%             | 2,712,715         | \$1.6457         | 4,464,315.07            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>19,943,816</b> |                  | <b>\$ 32,301,004.39</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.6196**

### Calculation of Uniform Skim Milk Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>             |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                          |
| Class I Skim Milk                | 67.63%             | 364,458,983        | \$12.88 /cwt.         | \$ 46,942,317.01         |
| Class I Butterfat                | 40.88%             | 8,153,072          | \$1.5466 /lb.         | 12,609,541.15            |
| Class I Differential at Location |                    | 372,612,055        |                       | 11,102,480.06            |
| <b>Total Class I Milk</b>        | <b>66.67%</b>      | <b>372,612,055</b> |                       | <b>\$ 70,654,338.22</b>  |
| Class II Skim Milk               | 16.75%             | 90,293,886         | \$13.58 /cwt.         | \$ 12,261,909.71         |
| Class II Butterfat               | 30.92%             | 6,165,707          | \$1.6527 /lb.         | 10,190,063.94            |
| <b>Total Class II Milk</b>       | <b>17.26%</b>      | <b>96,459,593</b>  |                       | <b>\$ 22,451,973.65</b>  |
| Class III Skim Milk              | 10.79%             | 58,127,309         | \$14.93 /cwt.         | \$ 8,678,407.23          |
| Class III Butterfat              | 14.60%             | 2,912,322          | \$1.6457 /lb.         | 4,792,808.32             |
| <b>Total Class III Milk</b>      | <b>10.92%</b>      | <b>61,039,631</b>  |                       | <b>\$ 13,471,215.55</b>  |
| Class IV Skim Milk               | 4.83%              | 26,042,586         | \$15.54 /cwt.         | \$ 4,047,017.85          |
| Class IV Butterfat               | 13.60%             | 2,712,715          | \$1.6457 /lb.         | 4,464,315.07             |
| <b>Total Class IV Milk</b>       | <b>5.15%</b>       | <b>28,755,301</b>  |                       | <b>\$ 8,511,332.92</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>558,866,580</b> |                       | <b>\$ 115,088,860.34</b> |

### Adjustments

|   |                        |
|---|------------------------|
| Overage and Other Source                      | \$0.00                 |
| Inventory Adjustments                         | \$43,900.44            |
| Producer butterfat at uniform butterfat price | (\$32,301,004.39)      |
| Location Adjustments to Producers             | \$1,375,903.10         |
| 1/2 Unobligated Balance in P.S.F.             | \$325,594.00           |
| <b>Adjusted Pool Value</b>                    | <b>\$ 15.68560</b>     |
| Reserve for Producer Settlement Fund          | \$ 0.04560             |
|   | <b>\$84,533,253.49</b> |

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

**\$15.64**

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

**\$20.76\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | JUN 2007        | JUL 2007        | MAY 2007        | JUN 2007        | JUN 2007      |
| Appalachian (Charlotte)     | \$ 20.94        | \$ 24.01        | \$ 18.82        | \$ 20.70        | 73.40%        |
| Arizona (Phoenix)           | \$ 20.56        | \$ 23.63        | \$ 18.07        | \$ 20.30        | 33.40%        |
| Central (Kansas City)       | \$ 20.21        | \$ 23.28        | \$ 17.50        | \$ 19.80        | 41.18%        |
| Florida (Tampa)             | \$ 21.84        | \$ 24.91        | \$ 19.55        | \$ 21.62        | 79.18%        |
| Midwest (Cleveland)         | \$ 20.21        | \$ 23.28        | \$ 17.63        | \$ 19.91        | 37.50%        |
| Northeast (Boston)          | \$ 21.46        | \$ 24.53        | \$ 18.60        | \$ 20.80        | 44.80%        |
| Pacific Northwest (Seattle) | \$ 20.12        | \$ 23.19        | \$ 17.87        | \$ 20.19        | 30.62%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 20.94</b> | <b>\$ 24.01</b> | <b>\$ 18.73</b> | <b>\$ 20.76</b> | <b>66.67%</b> |
| Southwest (Dallas)          | \$ 21.21        | \$ 24.28        | \$ 18.51        | \$ 20.48        | 73.84%        |
| Upper Midwest (Chicago)     | \$ 20.01        | \$ 23.08        | \$ 17.65        | \$ 20.12        | 17.30%        |

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

| <b>Receipts:</b>             |  | <b>June 2007</b>   | <b>June 2006</b>   |
|------------------------------|--|--------------------|--------------------|
| <b>Producer Milk</b>         |  |                    |                    |
| Class I                      |  | 372,612,055        | 382,229,770        |
| Class II                     |  | 96,459,593         | 73,883,532         |
| Class III                    |  | 61,039,631         | 166,353,587        |
| Class IV                     |  | 28,755,301         | 55,887,637         |
|                              | Total Producer Milk  | <u>558,866,580</u> | <u>678,354,526</u> |
|                              | Average Butterfat Test   | 3.57%              | 3.54%              |
|                              | Percent of Producer Milk in Class I  | 66.67%             | 56.35%             |
|                              | Daily Average Receipts   | 18,628,886         | 22,611,818         |
| <b>Other Source Milk</b>     |  |                    |                    |
| Class I                      |  | 5,634,319          | 4,336,245          |
| Class II                     |  | 21,955,576         | 14,091,341         |
| Class III                    |  | 2,915,887          | 3,389,619          |
| Class IV                     |  | 3,041,059          | 8,096,723          |
|                              | Total Other Source Milk  | <u>33,546,841</u>  | <u>29,913,928</u>  |
| <b>Overage</b>               |  |                    |                    |
| Class I                      |  | 0                  | 0                  |
| Class II                     |  | 0                  | 41,647             |
| Class III                    |  | 0                  | 2,621              |
| Class IV                     |  | 0                  | 0                  |
|                              | Total Overage  | <u>0</u>           | <u>44,268</u>      |
| <b>Opening Inventory</b>     |  |                    |                    |
| Class I                      |  | 35,823,842         | 27,619,067         |
| Class II                     |  | 5,058,493          | 4,238,828          |
| Class III                    |  | 1,415,543          | 2,164,241          |
| Class IV                     |  | 10,885,518         | 13,758,273         |
|                              | Total Opening Inventory  | <u>53,183,396</u>  | <u>47,780,409</u>  |
|                              | <b>Total Receipts</b>  | <b>645,596,817</b> | <b>756,093,131</b> |
| <b>Utilization:</b>          |  |                    |                    |
| <b>Class I Utilization</b>   |  |                    |                    |
|                              | Inventory of Packaged FMP  | 34,593,181         | 32,211,948         |
|                              | Route Disposition Class I  | 371,767,540        | 371,916,955        |
|                              | Shrinkage  | 2,394,224          | 2,717,316          |
|                              | Transfers & Diversions to Nonpool  | 5,315,271          | 7,338,863          |
|                              | Total Class I Utilization  | <u>414,070,216</u> | <u>414,185,082</u> |
|                              | Average Butterfat Test   | 2.18%              | 2.21%              |
|                              | Daily Average Utilization  | 13,802,341         | 13,806,169         |
| <b>Class II Utilization</b>  |  |                    |                    |
|                              | Nonfluid Used To Produce   | 1,845,723          | 1,916,431          |
|                              | Shrinkage  | 7,403,887          | 10,968             |
|                              | Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 64,645,448         | 49,600,532         |
|                              |  | 49,578,604         | 40,727,417         |
|                              | Total Class II Utilization   | <u>123,473,662</u> | <u>92,255,348</u>  |
|                              | Average Butterfat Test   | 6.61%              | 8.60%              |
| <b>Class III Utilization</b> |  |                    |                    |
|                              | Shrinkage  | 0                  | 0                  |
|                              | Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 65,371,061         | 171,910,068        |
|                              |  | 0                  | 0                  |
|                              | Total Class III Utilization  | <u>65,371,061</u>  | <u>171,910,068</u> |
|                              | Average Butterfat Test   | 4.61%              | 3.56%              |
| <b>Class IV Utilization</b>  |  |                    |                    |
|                              | Inventory  | 13,078,049         | 11,024,082         |
|                              | Nonfluid Used To Fortify   | 1,294,129          | 1,155,319          |
|                              | Shrinkage  | 0                  | 6,566,952          |
|                              | Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 28,309,700         | 51,110,931         |
|                              |  | 0                  | 7,885,349          |
|                              | Total Class IV Utilization   | <u>42,681,878</u>  | <u>77,742,633</u>  |
|                              | Average Butterfat Test   | 8.48%              | 5.90%              |
|                              | <b>Total Utilization</b>   | <b>645,596,817</b> | <b>756,093,131</b> |



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2007 is \$20.76 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.64 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6196 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

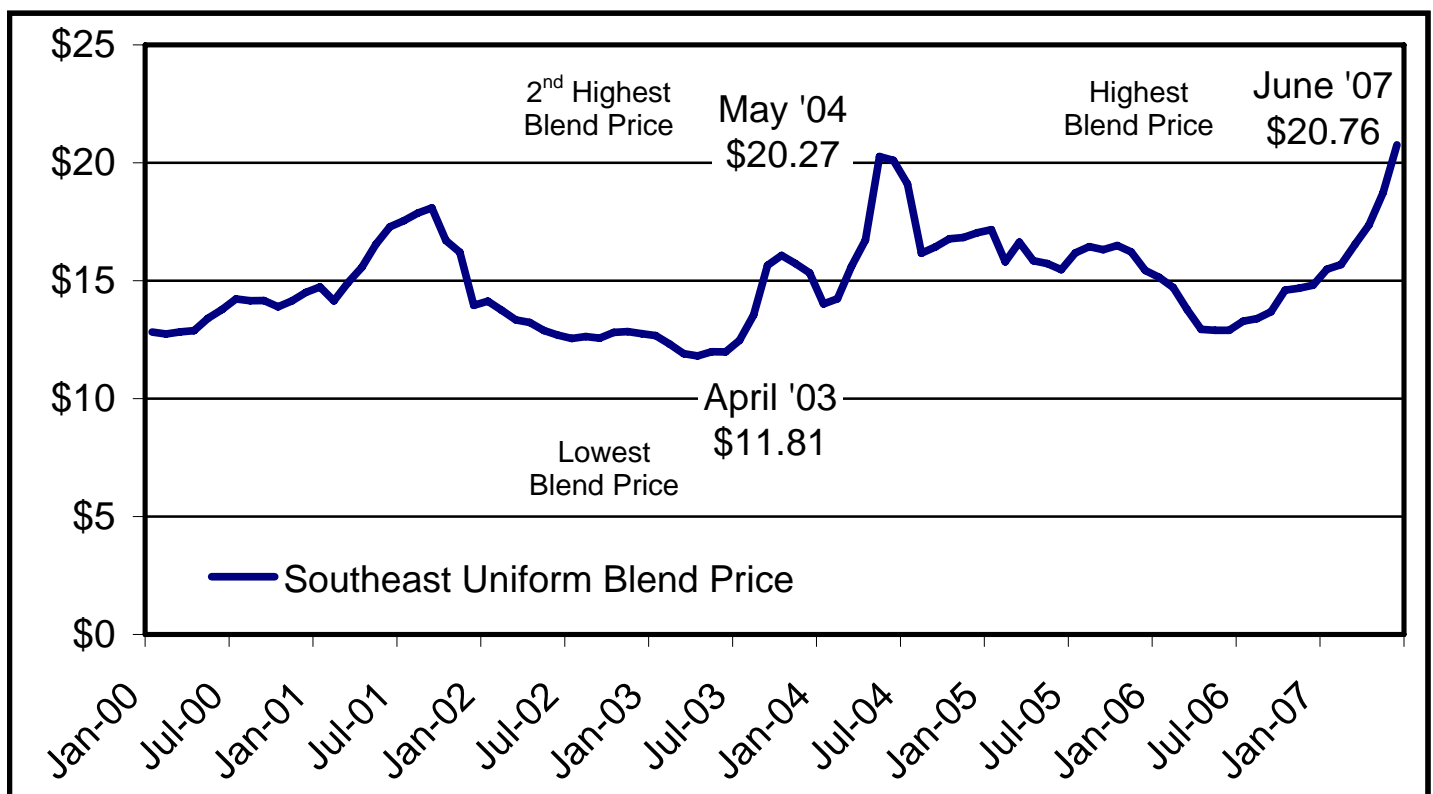
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In June, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.63% of all producer skim milk (priced to handlers at \$12.88 per hundredweight, plus the Class I differential, see page 2) and 40.88% of producer butterfat (priced to handlers at \$1.5466 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 16.75% of all producer skim milk (\$13.58 per hundredweight) and 30.92% of producer butterfat (\$1.6527 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.79% of all producer skim milk (\$14.93 per hundredweight) and 14.60% of producer butterfat (\$1.6457 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.83% of all producer skim milk (\$15.54 per hundredweight) and 13.60% of producer butterfat (\$1.6457 per pound).

Receipts of producer milk during June 2007 totaled 558.9 million pounds. There were 29 regulated pool distributing plants, 2 pool supply plants and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2007. Class I route disposition in the area totaled 423.3 million pounds in May 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <u>May 2007</u>                            |                    |                |
| Whole Milk                                 | 145,471,089        | 34.37%         |
| Fat Free Milk                              | 50,600,969         | 11.95%         |
| Lowfat Milk (incl. 1%)                     | 32,563,334         | 7.69%          |
| Reduced Fat Milk (incl. 2%)                | 146,348,477        | 34.58%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,822,106          | 2.08%          |
| Flavored Drinks and Milk                   | 39,469,464         | 9.32%          |
| <b>Total Disposition in Marketing Area</b> | <b>423,275,439</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 342,002,334        | 80.80%         |
| Total Disposition by Nonpool Plants        | 81,273,105         | 19.20%         |
| <b>Total Disposition in Marketing Area</b> | <b>423,275,439</b> | <b>100.00%</b> |

## Southeast Order Blend Prices since January 2000's Federal Order Consolidation

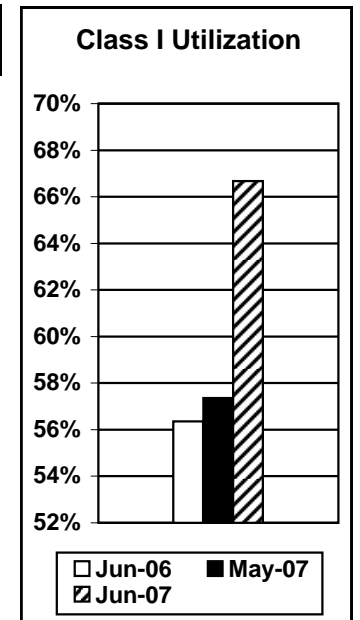


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

| Pool<br>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 2006       | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb            | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar            | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr            | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May            | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun            | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul            | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June           | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$ 15.54 | \$1.6457 | \$20.76 | \$ 15.64 | \$1.6196 | \$20.76 |
| July           | \$18.71  | \$1.7018 | \$24.01 | \$16.31  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006       | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb            | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar            | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr            | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May            | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun            | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul            | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |
| Apr            | 707,385                    | 2,961              | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95%  |
| May            | 695,111                    | 2,925              | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65%  |
| June           | 558,867                    | 3,000**            | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15%  |



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods July through September 2007

| Pool Month | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|            |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|            |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Jul 2007   | 08/11/07                          | 08/13/07         | 08/14/07       | 07/25/07                   | 07/26/07  | 08/14/07          | 08/15/07  |
| Aug 2007   | 09/11/07                          | 09/12/07         | 09/13/07       | 08/27/07                   | 08/27/07  | 09/13/07          | 09/14/07  |
| Sept 2007  | 10/11/07                          | 10/12/07         | 10/15/07       | 09/25/07                   | 09/26/07  | 10/15/07          | 10/16/07  |

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$18.68 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.76 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

## WASDE Dairy Report 1/

### WASDE - 448 July 12, 2007

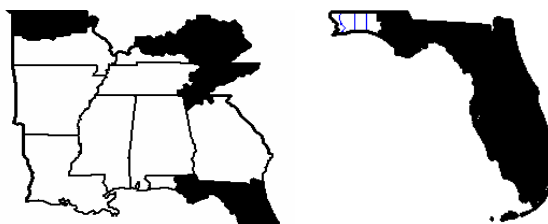
Milk production and use forecasts are virtually unchanged for both 2007 and 2008. Cow numbers are forecast higher than last month as producers are expected to respond to favorable returns, but output per cow is reduced slightly as growth continues to lag expectations. The July 20 USDA Cattle report will provide further indications of producer expansion plans. Dairy prices remain strong as both domestic and international demand remains firm.

Cheese and nonfat dry milk (NDM) price forecasts are raised from last month, but butter prices are forecast lower. Class III and Class IV price forecasts are raised due to higher cheese and NDM prices. However, the increase in Class IV prices is moderated by the lower forecast for butter. The forecast for all milk is also raised. In 2007, the all milk price is forecast to average a record \$19.00 to \$19.30 per cwt, and then decline to \$18.20 to \$19.20 per cwt in 2008.

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



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
P.O. Box 491778  
Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

August 2007

Volume 8—No. 8

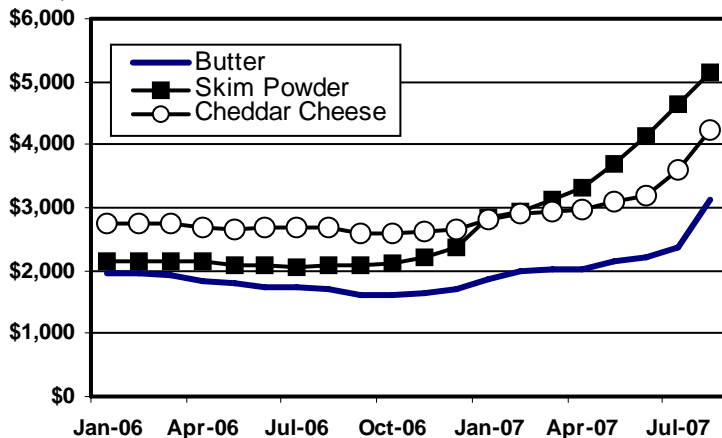
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

## Global Dairy Markets Help Push Federal Order Prices to Record Levels

While domestic consumption of dairy products has been strong and domestic milk production growth has been slow, the primary reason milk prices are currently at record levels is the world's demand for US dairy products. Due to several causes, among them a drought in Australia, removal of European dairy exports subsidies, and growing demand from expanding middle class populations in countries such as China, world dairy prices have skyrocketed over the past several months. As seen in the chart below, compared

### Jan. 2006-Aug. 2007 Oceania Export Prices

(US dollars / Metric ton: Oceania=Australia, New Zealand, etc.)



with one year ago, butter prices are up over 110 percent, skim milk powder prices are up nearly 150 percent and Cheddar prices are up over 75 percent on Oceania export markets. (Source: Dairy Market News; [www.ams.usda.gov/dairy/mncs/INTER.HTM](http://www.ams.usda.gov/dairy/mncs/INTER.HTM)).

Feed and fuel prices have driven up milk production costs and slowed milk production growth, but recent price gains are due more to increases in demand rather than constrictions of milk supply.

*\*Pursuant to 7 CFR §1000.25(c)(5)(ii) the following plant has not paid its February 2007 obligation to the Market Administrator funds as required by 7 CFR §1007.71, §1007.81, §1007.85: Universal Food and Beverage, Savannah, Georgia.*

## Highest Blend Price Ever (Again!)

The uniform blend price in Fulton County, GA, was \$23.29 per hundredweight of milk at 3.5 percent butterfat for the month of July. The blend price is \$2.53 higher than the previous month and is \$10.01 higher than July 2006. July marks the thirteenth consecutive month that the uniform blend price has increased and is the second consecutive month a record high Southeast Order uniform blend price was established, before or after the Federal Order consolidation in January 2000.

Class I utilization was 65.80 percent in July, a slight decrease of 0.87 percent compared with the previous month and 3.70 percent higher than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 15.5 billion pounds, an increase of 1.0 percent from June 2006 and a decrease of 1.4 percent when compared with May 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 790 million pounds, 0.8 percent below June 2006 and 3.7 percent below May 2007. Butter production was 110 million pounds, 9.3 percent above June 2006 but 11.2 percent below May 2007. Nonfat dry milk powder production was 119 million pounds in June, 2.1 percent above June 2006 and 2.6 percent above May 2007. Skim milk powder production was 16.4 million pounds in June, 31.2 percent below June 2006 and 26.2 percent above May 2007. The milk-feed price ratio was 3.19 in July, the first time since January 2006, 16 months ago, that the milk-feed ratio exceeded 3.0.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2007 was \$5,639,780.21. Claims were made for \$986,754.94. Since sufficient funds were available, all eligible claims were paid in full.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 40.36%             | 8,080,471         | \$1.6708         | \$ 13,500,850.95        |
| Class I Differential at Location |                    |                   |                  | 241,930.85              |
| Class II Butterfat               | 27.49%             | 5,503,123         | \$1.6180         | 8,904,053.02            |
| Class III Butterfat              | 20.75%             | 4,152,623         | \$1.6110         | 6,689,875.68            |
| Class IV Butterfat               | 11.40%             | 2,281,236         | \$1.6110         | 3,675,071.24            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>20,017,453</b> |                  | <b>\$ 33,011,781.74</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.6491**

### Calculation of Uniform Skim Milk Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>             |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                          |
| Class I Skim Milk                | 66.74%             | 361,654,289        | \$15.61 /cwt.         | \$ 56,454,234.49         |
| Class I Butterfat                | 40.36%             | 8,080,471          | \$1.6708 /lb.         | 13,500,850.95            |
| Class I Differential at Location |                    | 369,734,760        |                       | 11,017,068.96            |
| <b>Total Class I Milk</b>        | <b>65.80%</b>      | <b>369,734,760</b> |                       | <b>\$ 80,972,154.40</b>  |
| Class II Skim Milk               | 12.67%             | 68,653,520         | \$16.31 /cwt.         | \$ 11,197,389.08         |
| Class II Butterfat               | 27.49%             | 5,503,123          | \$1.6180 /lb.         | 8,904,053.02             |
| <b>Total Class II Milk</b>       | <b>13.20%</b>      | <b>74,156,643</b>  |                       | <b>\$ 20,101,442.10</b>  |
| Class III Skim Milk              | 16.82%             | 91,123,527         | \$16.31 /cwt.         | \$ 14,862,247.24         |
| Class III Butterfat              | 20.75%             | 4,152,623          | \$1.6110 /lb.         | 6,689,875.68             |
| <b>Total Class III Milk</b>      | <b>16.96%</b>      | <b>95,276,150</b>  |                       | <b>\$ 21,552,122.92</b>  |
| Class IV Skim Milk               | 3.77%              | 20,417,582         | \$16.58 /cwt.         | \$ 3,385,235.11          |
| Class IV Butterfat               | 11.40%             | 2,281,236          | \$1.6110 /lb.         | 3,675,071.24             |
| <b>Total Class IV Milk</b>       | <b>4.04%</b>       | <b>22,698,818</b>  |                       | <b>\$ 7,060,306.35</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>561,866,371</b> |                       | <b>\$ 129,686,025.77</b> |

### Adjustments

|   |                        |
|---|------------------------|
| Overage and Other Source                      | \$3,007.73             |
| Inventory Adjustments                         | \$23,007.99            |
| Producer butterfat at uniform butterfat price | (\$33,011,781.74)      |
| Location Adjustments to Producers             | \$1,583,733.75         |
| 1/2 Unobligated Balance in P.S.F.             | \$299,456.61           |
| <b>Adjusted Pool Value</b>                    | <b>\$ 18.19390</b>     |
| Reserve for Producer Settlement Fund          | \$ 0.04390             |
|   | <b>\$98,583,450.11</b> |
|   | \$238,868.51           |

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

**\$18.15**

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

**\$23.29\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | JUL 2007        | AUG 2007        | JUN 2007        | JUL 2007        | JUL 2007      |
| Appalachian (Charlotte)     | \$ 24.01        | \$ 24.86        | \$ 20.70        | \$ 23.28        | 68.08%        |
| Arizona (Phoenix)           | \$ 23.63        | \$ 24.48        | \$ 20.30        | \$ 22.09        | 34.41%        |
| Central (Kansas City)       | \$ 23.28        | \$ 24.13        | \$ 19.80        | \$ 21.90        | 33.61%        |
| Florida (Tampa)             | \$ 24.91        | \$ 25.76        | \$ 21.62        | \$ 24.22        | 80.05%        |
| Mideast (Cleveland)         | \$ 23.28        | \$ 24.13        | \$ 19.91        | \$ 21.97        | 34.00%        |
| Northeast (Boston)          | \$ 24.53        | \$ 25.38        | \$ 20.80        | \$ 22.94        | 42.00%        |
| Pacific Northwest (Seattle) | \$ 23.19        | \$ 24.04        | \$ 20.19        | \$ 21.98        | 30.10%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 24.01</b> | <b>\$ 24.86</b> | <b>\$ 20.76</b> | <b>\$ 23.29</b> | <b>65.80%</b> |
| Southwest (Dallas)          | \$ 24.28        | \$ 25.13        | \$ 20.48        | \$ 22.69        | 29.90%        |
| Upper Midwest (Chicago)     | \$ 23.08        | \$ 23.93        | \$ 20.12        | \$ 21.65        | 14.30%        |

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

| <b>Receipts:</b>   | <b>July 2007</b>   | <b>July 2006</b>   |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 369,734,760        | 374,357,249        |
| Class II   | 74,156,643         | 77,034,067         |
| Class III  | 95,276,150         | 97,920,487         |
| Class IV   | 22,698,818         | 53,505,737         |
|  | <hr/>              | <hr/>              |
| Total Producer Milk  | <b>561,866,371</b> | <b>602,817,540</b> |
| Average Butterfat Test   | 3.56%              | 3.51%              |
| Percent of Producer Milk in Class I  | 65.80%             | 62.10%             |
| Daily Average Receipts   | 18,124,722         | 19,445,727         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 6,144,199          | 4,039,288          |
| Class II   | 18,708,128         | 11,713,836         |
| Class III  | 4,918,323          | 2,321,999          |
| Class IV   | 6,071,755          | 9,757,626          |
|  | <hr/>              | <hr/>              |
| Total Other Source Milk  | <b>35,842,405</b>  | <b>27,832,749</b>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 0                  |
| Class II   | 0                  | 0                  |
| Class III  | 0                  | 1                  |
| Class IV   | 1,867              | 0                  |
|  | <hr/>              | <hr/>              |
| Total Overage  | <b>1,867</b>       | <b>1</b>           |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 31,982,680         | 32,896,262         |
| Class II   | 1,325,162          | 736,107            |
| Class III  | 2,435,165          | 497,917            |
| Class IV   | 9,317,616          | 9,844,661          |
|  | <hr/>              | <hr/>              |
| Total Opening Inventory  | <b>45,060,623</b>  | <b>43,974,947</b>  |
| <b>Total Receipts</b>  | <b>642,771,266</b> | <b>674,625,237</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 32,273,562         | 28,582,404         |
| Route Disposition Class I  | 367,751,488        | 373,313,871        |
| Shrinkage  | 2,225,354          | 2,759,021          |
| Transfers & Diversions to Nonpool  | 5,611,235          | 6,637,502          |
|  | <hr/>              | <hr/>              |
| Total Class I Utilization  | <b>407,861,639</b> | <b>411,292,798</b> |
| Average Butterfat Test   | 2.18%              | 2.21%              |
| Daily Average Utilization  | 13,156,827         | 13,267,510         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 2,130,298          | 1,690,030          |
| Shrinkage  | 0                  | 853                |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 51,576,990         | 50,050,844         |
|  | <hr/>              | <hr/>              |
| Total Class II Utilization   | <b>94,189,933</b>  | <b>89,484,011</b>  |
| Average Butterfat Test   | 7.74%              | 8.25%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 7,432,884          | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 90,343,571         | 100,740,404        |
|  | <hr/>              | <hr/>              |
| Total Class III Utilization  | <b>102,629,638</b> | <b>100,740,404</b> |
| Average Butterfat Test   | 4.23%              |                    |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 16,630,009         | 23,717,240         |
| Nonfluid Used To Fortify   | 1,290,661          | 1,215,212          |
| Shrinkage  | 0                  | 6,369,927          |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 20,169,386         | 37,412,139         |
|  | <hr/>              | <hr/>              |
| Total Class IV Utilization   | <b>38,090,056</b>  | <b>73,108,024</b>  |
| Average Butterfat Test   | 8.77%              | 5.84%              |
| <b>Total Utilization</b>   | <b>642,771,266</b> | <b>674,625,237</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2007 is \$23.29 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.15 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6491 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In July, Class I use, which is primarily bottled or packaged fluid milk, accounted for 66.74% of all producer skim milk (priced to handlers at \$15.61 per hundredweight, plus the Class I differential, see page 2) and 40.36% of producer butterfat (priced to handlers at \$1.6708 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.67% of all producer skim milk (\$16.31 per hundredweight) and 27.49% of producer butterfat (\$1.6180 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.82% of all producer skim milk (\$16.31 per hundredweight) and 20.75% of producer butterfat (\$1.6110 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.77% of all producer skim milk (\$16.58 per hundredweight) and 11.40% of producer butterfat (\$1.6110 per pound).

Receipts of producer milk during July 2007 totaled 561.9 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2007. Class I route disposition in the area totaled 399.2 million pounds in June 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>June 2007</b>                           |                    |                |
| Whole Milk                                 | 147,635,664        | 36.98%         |
| Fat Free Milk                              | 48,559,079         | 12.16%         |
| Lowfat Milk (incl. 1%)                     | 30,224,841         | 7.57%          |
| Reduced Fat Milk (incl. 2%)                | 145,347,003        | 36.41%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,507,683          | 2.13%          |
| Flavored Drinks and Milk                   | 18,948,163         | 4.75%          |
| <b>Total Disposition in Marketing Area</b> | <b>399,222,433</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 319,729,755        | 80.09%         |
| Total Disposition by Nonpool Plants        | 79,492,678         | 19.91%         |
| <b>Total Disposition in Marketing Area</b> | <b>399,222,433</b> | <b>100.00%</b> |

## Mailbox Milk Prices, January to May 2007 2/

| Reporting Area 1/          | Jan            | Feb            | Mar            | Apr            | May            | Average        |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| New England States 3/      | \$15.31        | \$15.46        | \$16.46        | \$17.29        | \$18.69        | \$16.64        |
| Appalachian States 4/      | \$15.41        | \$15.49        | \$16.27        | \$16.94        | \$18.24        | \$16.47        |
| <b>Southeast States 5/</b> | <b>\$16.18</b> | <b>\$16.13</b> | <b>\$16.51</b> | <b>\$17.14</b> | <b>\$18.22</b> | <b>\$16.84</b> |
| Southern Missouri 6/       | \$14.36        | \$14.54        | \$15.14        | \$15.75        | \$16.98        | \$15.35        |
| Florida                    | \$17.51        | \$17.27        | \$17.59        | \$18.11        | \$19.09        | \$17.91        |
| Indiana                    | \$14.44        | \$14.77        | \$15.50        | \$16.36        | \$17.75        | \$15.76        |
| Michigan                   | \$14.25        | \$14.51        | \$15.09        | \$16.03        | \$17.29        | \$15.43        |
| Wisconsin                  | \$14.79        | \$15.31        | \$16.03        | \$16.84        | \$18.17        | \$16.23        |
| Illinois                   | \$14.63        | \$14.90        | \$15.50        | \$16.39        | \$17.76        | \$15.84        |
| Corn Belt States 7/        | \$13.96        | \$14.19        | \$14.69        | \$15.54        | \$16.66        | \$15.01        |
| Western Texas 8/           | \$13.96        | \$14.01        | \$14.55        | \$15.57        | \$16.99        | \$15.02        |
| New Mexico                 | \$13.30        | \$13.19        | \$13.83        | \$14.85        | \$16.28        | \$14.29        |
| All Federal Orders 9/      | \$14.66        | \$14.92        | \$15.60        | \$16.45        | \$17.78        | \$15.88        |
| California 10/             | \$12.55        | \$13.09        | \$13.89        | \$14.83        | \$16.77        | \$14.23        |

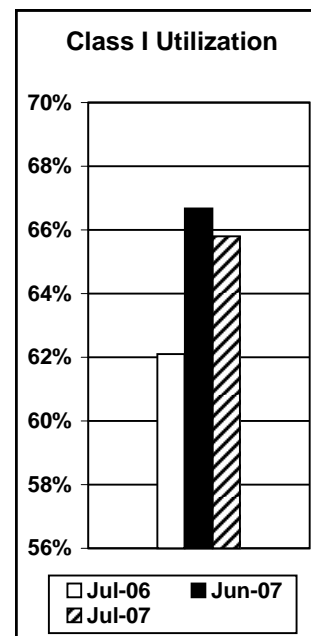
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the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

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

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jan 2006    | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb         | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar         | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr         | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May         | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun         | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul         | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb         | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar         | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr         | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May         | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June        | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$ 15.54 | \$1.6457 | \$20.76 | \$ 15.64 | \$1.6196 | \$20.76 |
| July        | \$18.71  | \$1.7018 | \$24.01 | \$16.31  | \$1.6180 | \$21.40 | \$16.31   | \$1.6110 | \$21.38 | \$ 16.58 | \$1.6110 | \$21.64 | \$ 18.15 | \$1.6491 | \$23.29 |
| August      | \$19.84  | \$1.6320 | \$24.86 | \$17.44  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk 1000 lbs. | Number of Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|-------------|-------------------------|-----------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|             |                         |                 | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006    | 773,171                 | 3,366           | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb         | 673,060                 | 3,252           | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar         | 762,640                 | 3,358           | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr         | 744,495                 | 3,277           | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May         | 727,331                 | 3,305           | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun         | 678,355                 | 3,299           | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul         | 602,818                 | 3,248           | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug         | 634,266                 | 3,244           | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep         | 607,301                 | 3,131           | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct         | 627,520                 | 3,102           | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov         | 613,945                 | 3,141           | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec         | 610,264                 | 3,153           | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007    | 736,646                 | 3,133           | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb         | 650,127                 | 3,081           | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar         | 711,173                 | 3,038           | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |
| Apr         | 707,385                 | 2,961           | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95%  |
| May         | 695,111                 | 2,925           | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65%  |
| June        | 558,867                 | 2,956           | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15%  |
| July        | 561,866                 | 3,000**         | 369,735   | 65.80% | 74,157    | 13.20% | 95,276    | 16.96% | 22,699    | 4.04%  |



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



## Southeast Marketing Area - Federal Order 7

| <b>Pool and Payment Dates for the Pooling Periods<br/>August through October 2007</b> |   |                  |                |                            |           |                   |           |
|---|---|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month  | Pool & Uniform<br>Price Release<br>Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|   |   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|   |   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Aug 2007  | 09/11/07                                | 09/12/07         | 09/13/07       | 08/27/07                   | 08/27/07  | 09/13/07          | 09/14/07  |
| Sept 2007   | 10/11/07                                | 10/12/07         | 10/15/07       | 09/25/07                   | 09/26/07  | 10/15/07          | 10/16/07  |
| Oct 2007  | 11/11/07                                | 11/13/07         | 11/14/07       | 10/25/07                   | 10/26/07  | 11/14/07          | 11/15/07  |

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$20.96 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.29 per hundredweight.

| <b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b> |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days   | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits  | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

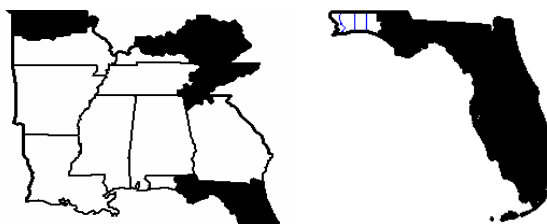
#### WASDE - 448 August 10, 2007

Forecast milk production for 2007 is unchanged but raised for 2008. Cow numbers are forecast higher as USDA's Cattle report indicated that producers held 3 percent more heifers for milk cow replacement. High replacement heifer and dairy cow prices indicate strong demand for dairy cows. However, milk production growth is tempered by slower-than-expected gains in milk output per cow. Milk per cow growth is slowed due to continued tight supplies of alfalfa hay and lower rBST use than previously assumed.

Demand for dairy products remains firm with strong world prices continuing to support U.S. prices. Cheese and nonfat dry milk price forecasts are raised for both 2007 and 2008. Butter price forecasts are increased in 2007 but lowered in 2008. Whey price forecasts are reduced both years. Despite higher cheese forecasts, the Class III price forecasts are reduced slightly because of lower whey prices. The Class IV price forecast for 2007 is increased, and unchanged in 2008. The forecasts for all milk are raised from last month. In 2007, the all milk price is forecast to average a record \$19.15 to \$19.35 per cwt, and then decline to \$18.25 to \$19.25 per cwt in 2008.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049

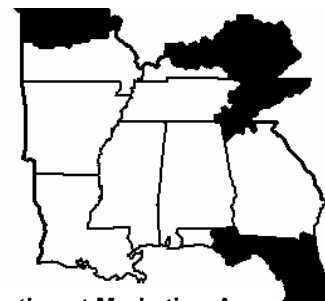


**[www.fmmatlanta.com](http://www.fmmatlanta.com)**

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN

Sue L. Mosley, Market Administrator



Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

September 2007

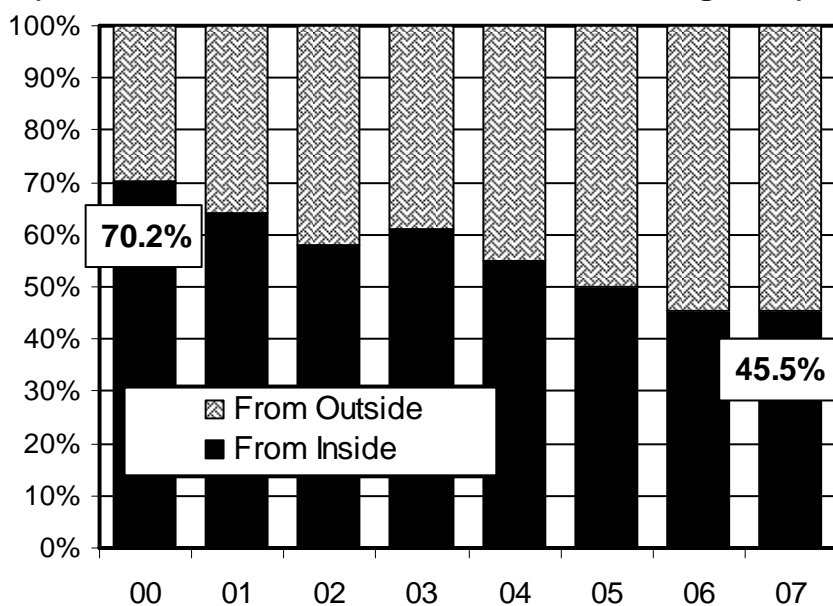
Volume 8—No. 9

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

## Sources of Southeast Order Producer Milk

As a share of the total amount of producer milk pooled on the Southeast Order, 'local milk' (milk from farms located inside the marketing area) has fallen steadily between 2000 and 2007. The chart below shows that between January and July of 2000, 70.2 percent of the milk pooled on the Southeast Order was 'local milk'. That number fell to 45.5 percent in 2007. However, the share of milk pooled from farms outside the marketing area and the total amount of milk pooled from farms outside the marketing area has not increased from last year. In fact, fewer pounds of producer milk were pooled from farms located outside the Order between the January and July of this year compared with the same period last year.

### January to July Producer Milk Volumes; 2000 to 2007 (Percent from Inside & Outside the Marketing Area)



## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for August 2007 was \$5,486,295.05. Preliminary claims were made for \$1,818,019.50. Since sufficient funds were available, all eligible preliminary claims were paid in full.

## Highest Blend Price Ever (Again!)

The uniform blend price in Fulton County, GA, was \$23.87 per hundred-weight of milk at 3.5 percent butterfat for the month of August. The blend price is \$0.58 higher than the previous month and is \$10.48 higher than August 2006. August marks the fourteenth consecutive month that the uniform blend price has increased and is the third consecutive month a record high Southeast Order uniform blend price was established, before or after the Federal Order consolidation in January 2000.

Class I utilization was 70.57 percent in August, an increase of 4.77 percent compared with the previous month and 3.95 percent higher than August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 15.7 billion pounds, an increase of 3.7 percent from July 2006 and a decrease of 1.6 percent when compared with June 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 795 million pounds, 2.6 percent higher than July 2006 and 0.6 percent above June 2007. Butter production was 115 million pounds, 21.8 percent above July 2006 and 5.2 percent above June 2007.

Nonfat dry milk powder production was 121 million pounds in July, 36.7 percent higher than July 2006 and 1.7 percent higher than June 2007. Dry whey production was 95.2 million pounds in July, a slight increase from July 2006 and 0.6 percent greater than June 2007. The milk-feed price ratio was 3.24 in August, an increase of 0.07 points from the revised 3.17 ratio recorded for July 2007.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 41.51%             | 8,661,864         | \$1.6010         | \$ 13,867,644.31        |
| Class I Differential at Location |                    |                   |                  | 261,320.96              |
| Class II Butterfat               | 25.62%             | 5,347,266         | \$1.5942         | 8,524,611.46            |
| Class III Butterfat              | 20.96%             | 4,374,058         | \$1.5872         | 6,942,504.88            |
| Class IV Butterfat               | 11.91%             | 2,485,447         | \$1.5872         | 3,944,901.45            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>20,868,635</b> |                  | <b>\$ 33,540,983.06</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia): \$1.6072**

### Calculation of Uniform Skim Milk Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>      | <u>Price per unit</u> | <u>Value</u>             |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------------|
| <b>Producer Milk</b>             |                    |                    |                       |                          |
| Class I Skim Milk                | 71.64%             | 401,325,018        | \$16.74 /cwt.         | \$ 67,181,808.04         |
| Class I Butterfat                | 41.51%             | 8,661,864          | \$1.6010 /lb.         | 13,867,644.31            |
| Class I Differential at Location |                    | 409,986,882        |                       | 12,281,886.84            |
| <b>Total Class I Milk</b>        | <b>70.57%</b>      | <b>409,986,882</b> |                       | <b>\$ 93,331,339.19</b>  |
| Class II Skim Milk               | 9.93%              | 55,619,640         | \$17.44 /cwt.         | \$ 9,700,065.18          |
| Class II Butterfat               | 25.62%             | 5,347,266          | \$1.5942 /lb.         | 8,524,611.46             |
| <b>Total Class II Milk</b>       | <b>10.49%</b>      | <b>60,966,906</b>  |                       | <b>\$ 18,224,676.64</b>  |
| Class III Skim Milk              | 16.10%             | 90,183,057         | \$14.79 /cwt.         | \$ 13,338,074.13         |
| Class III Butterfat              | 20.96%             | 4,374,058          | \$1.5872 /lb.         | 6,942,504.88             |
| <b>Total Class III Milk</b>      | <b>16.27%</b>      | <b>94,557,115</b>  |                       | <b>\$ 20,280,579.01</b>  |
| Class IV Skim Milk               | 2.33%              | 13,053,177         | \$16.91 /cwt.         | \$ 2,207,292.24          |
| Class IV Butterfat               | 11.91%             | 2,485,447          | \$1.5872 /lb.         | 3,944,901.45             |
| <b>Total Class IV Milk</b>       | <b>2.67%</b>       | <b>15,538,624</b>  |                       | <b>\$ 6,152,193.69</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>581,049,527</b> |                       | <b>\$ 137,988,788.53</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$14,758.14       |
| Inventory Adjustments                         | (\$27,428.93)     |
| Producer butterfat at uniform butterfat price | (\$33,540,983.06) |
| Location Adjustments to Producers             | \$1,507,632.12    |
| 1/2 Unobligated Balance in P.S.F.             | \$262,559.71      |

### Adjusted Pool Value

|                                      |                   |                  |
|--------------------------------------|-------------------|------------------|
| Reserve for Producer Settlement Fund | \$ 18.95911       | \$106,205,326.51 |
|                                      | <u>\$ 0.04911</u> | \$269,904.63     |

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

**\$18.91**

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

**\$23.87\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | AUG 2007        | SEP 2007        | JUL 2007        | AUG 2007        | AUG 2007      |
| Appalachian (Charlotte)     | \$ 24.86        | \$ 25.01        | \$ 23.28        | \$ 24.16        | 73.27%        |
| Arizona (Phoenix)           | \$ 24.48        | \$ 24.63        | \$ 22.09        | \$ 22.22        | 41.01%        |
| Central (Kansas City)       | \$ 24.13        | \$ 24.28        | \$ 21.90        | \$ 21.93        | 39.03%        |
| Florida (Tampa)             | \$ 25.76        | \$ 25.91        | \$ 24.22        | \$ 25.24        | 86.72%        |
| Mideast (Cleveland)         | \$ 24.13        | \$ 24.28        | \$ 21.97        | \$ 22.19        | 44.60%        |
| Northeast (Boston)          | \$ 25.38        | \$ 25.53        | \$ 22.94        | \$ 23.14        | 43.90%        |
| Pacific Northwest (Seattle) | \$ 24.04        | \$ 24.19        | \$ 21.98        | \$ 21.84        | 31.50%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 24.86</b> | <b>\$ 25.01</b> | <b>\$ 23.29</b> | <b>\$ 23.87</b> | <b>70.57%</b> |
| Southwest (Dallas)          | \$ 25.13        | \$ 25.28        | \$ 22.69        | \$ 22.76        | 44.65%        |
| Upper Midwest (Chicago)     | \$ 23.93        | \$ 24.08        | \$ 21.65        | \$ 20.61        | 16.60%        |

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

| <b>Receipts:</b>   | <b>August 2007</b> | <b>August 2006</b> |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 409,986,882        | 422,575,084        |
| Class II   | 60,966,906         | 77,858,953         |
| Class III  | 94,557,115         | 99,137,983         |
| Class IV   | 15,538,624         | 34,694,108         |
| Total Producer Milk  | <u>581,049,527</u> | <u>634,266,128</u> |
| Average Butterfat Test   | 3.59%              | 3.60%              |
| Percent of Producer Milk in Class I  | 70.57%             | 66.62%             |
| Daily Average Receipts   | 18,743,533         | 20,460,198         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 18,863,317         | 13,142,245         |
| Class II   | 23,840,640         | 17,581,862         |
| Class III  | 4,470,501          | 2,398,481          |
| Class IV   | 8,595,224          | 12,486,069         |
| Total Other Source Milk  | <u>55,769,682</u>  | <u>45,608,657</u>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 0                  |
| Class II   | 3,433              | 0                  |
| Class III  | 0                  | 0                  |
| Class IV   | 1,900              | 0                  |
| Total Overage  | <u>5,333</u>       | <u>0</u>           |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 32,802,508         | 29,692,383         |
| Class II   | 4,096,368          | 3,771,380          |
| Class III  | 4,242,768          | 830,286            |
| Class IV   | 7,794,927          | 18,005,595         |
| Total Opening Inventory  | <u>48,936,571</u>  | <u>52,299,644</u>  |
| <b>Total Receipts</b>  | <b>685,761,113</b> | <b>732,174,429</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 36,020,885         | 35,171,562         |
| Route Disposition Class I  | 413,709,412        | 419,908,957        |
| Shrinkage  | 4,512,743          | 3,712,120          |
| Transfers & Diversions to Nonpool  | 7,409,667          | 6,617,073          |
| Total Class I Utilization  | <u>461,652,707</u> | <u>465,409,712</u> |
| Average Butterfat Test   | 2.10%              | 2.12%              |
| Daily Average Utilization  | 14,892,023         | 15,013,217         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 2,527,753          | 1,850,673          |
| Shrinkage  | 2,381              | 1,377              |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 42,540,158         | 55,985,973         |
| Total Class II Utilization   | <u>43,837,055</u>  | <u>41,374,172</u>  |
| Average Butterfat Test   | 8.30%              | 8.28%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 8,078,567          | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 89,816,682         | 102,366,750        |
| Total Class III Utilization  | <u>5,375,135</u>   | <u>0</u>           |
| Average Butterfat Test   | 103,270,384        | 102,366,750        |
| Average Butterfat Test   | 4.37%              | 4.18%              |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 14,967,832         | 18,683,723         |
| Nonfluid Used To Fortify   | 1,472,460          | 1,394,743          |
| Shrinkage  | 188                | 7,829,031          |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 15,490,195         | 33,005,488         |
| Total Class IV Utilization   | <u>0</u>           | <u>4,272,787</u>   |
| Average Butterfat Test   | 31,930,675         | 65,185,772         |
| Average Butterfat Test   | 12.00%             | 7.36%              |
| <b>Total Utilization</b>   | <b>685,761,113</b> | <b>732,174,429</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2007 is \$23.87 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.91 per hundredweight plus 3.5 times the uniform butterfat price of \$1.6072 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

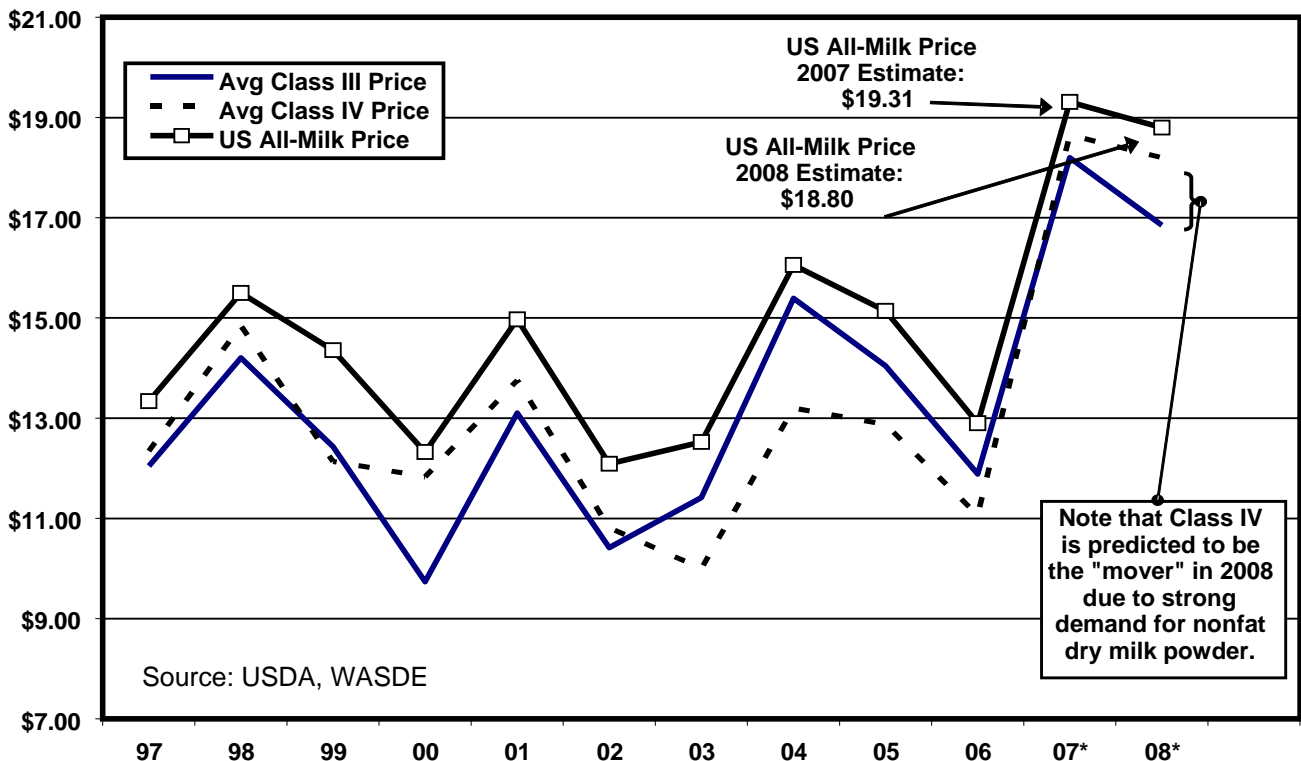
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In August, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.64% of all producer skim milk (priced to handlers at \$16.74 per hundredweight, plus the Class I differential, see page 2) and 41.51% of producer butterfat (priced to handlers at \$1.6010 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.93% of all producer skim milk (\$17.44 per hundredweight) and 25.62% of producer butterfat (\$1.5942 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.10% of all producer skim milk (\$14.79 per hundredweight) and 20.96% of producer butterfat (\$1.5872 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.33% of all producer skim milk (\$16.91 per hundredweight) and 11.91% of producer butterfat (\$1.5872 per pound).

Receipts of producer milk during August 2007 totaled 581.0 million pounds. There were 28 regulated pool distributing plants, 3 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2007. Class I route disposition in the area totaled 394.9 million pounds in July 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <u>July 2007</u>                           |                    |                |
| Whole Milk                                 | 146,708,611        | 37.16%         |
| Fat Free Milk                              | 49,266,055         | 12.48%         |
| Lowfat Milk (incl. 1%)                     | 28,603,416         | 7.24%          |
| Reduced Fat Milk (incl. 2%)                | 144,320,193        | 36.55%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,453,301          | 2.14%          |
| Flavored Drinks and Milk                   | 17,503,342         | 4.43%          |
| <b>Total Disposition in Marketing Area</b> | <b>394,854,918</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 315,924,251        | 80.01%         |
| Total Disposition by Nonpool Plants        | 78,930,667         | 19.99%         |
| <b>Total Disposition in Marketing Area</b> | <b>394,854,918</b> | <b>100.00%</b> |

## Average US All-Milk, Class III & Class IV Prices: 1997 to 2008(est)



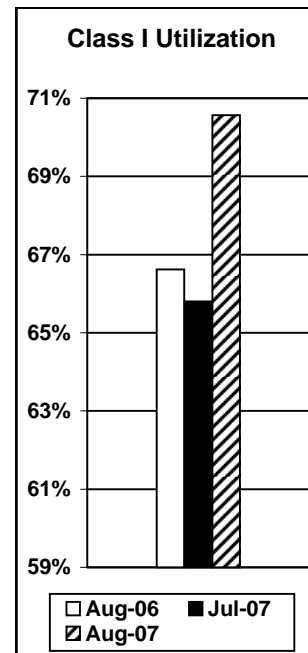
\*2007-08 are estimates. Source: USDA, World Agricultural Supply and Demand Estimates report; Sept. 12, 2007.

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

| Pool<br>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 2006       | \$11.52  | \$1.5326 | \$16.48 | \$8.38   | \$1.4754 | \$13.25 | \$8.55    | \$1.4684 | \$13.39 | \$ 7.32  | \$1.4684 | \$12.20 | \$ 10.29 | \$1.4887 | \$15.14 |
| Feb            | \$11.61  | \$1.5081 | \$16.48 | \$8.17   | \$1.3539 | \$12.62 | \$7.76    | \$1.3469 | \$12.20 | \$ 6.62  | \$1.3469 | \$11.10 | \$ 10.17 | \$1.3985 | \$14.71 |
| Mar            | \$11.05  | \$1.4078 | \$15.59 | \$7.52   | \$1.2666 | \$11.69 | \$6.94    | \$1.2596 | \$11.11 | \$ 6.50  | \$1.2596 | \$10.68 | \$ 9.53  | \$1.3066 | \$13.77 |
| Apr            | \$10.12  | \$1.3025 | \$14.32 | \$7.28   | \$1.2413 | \$11.37 | \$6.85    | \$1.2343 | \$10.93 | \$ 6.26  | \$1.2343 | \$10.36 | \$ 8.85  | \$1.2558 | \$12.94 |
| May            | \$10.00  | \$1.2641 | \$14.07 | \$6.94   | \$1.2652 | \$11.13 | \$6.66    | \$1.2582 | \$10.83 | \$ 6.14  | \$1.2582 | \$10.33 | \$ 8.79  | \$1.2615 | \$12.90 |
| Jun            | \$9.67   | \$1.2920 | \$13.85 | \$6.86   | \$1.2506 | \$11.00 | \$7.19    | \$1.2436 | \$11.29 | \$ 6.08  | \$1.2436 | \$10.22 | \$ 8.79  | \$1.2621 | \$12.90 |
| Jul            | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June           | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$ 15.54 | \$1.6457 | \$20.76 | \$ 15.64 | \$1.6196 | \$20.76 |
| July           | \$18.71  | \$1.7018 | \$24.01 | \$16.31  | \$1.6180 | \$21.40 | \$16.31   | \$1.6110 | \$21.38 | \$ 16.58 | \$1.6110 | \$21.64 | \$ 18.15 | \$1.6491 | \$23.29 |
| Aug            | \$19.84  | \$1.6320 | \$24.86 | \$17.44  | \$1.5942 | \$22.41 | \$14.79   | \$1.5872 | \$19.83 | \$ 16.91 | \$1.5872 | \$21.87 | \$ 18.91 | \$1.6072 | \$23.87 |
| Sep            | \$19.86  | \$1.6692 | \$25.01 | \$17.46  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |        |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      |
| Jan 2006       | 773,171                    | 3,366              | 417,644   | 54.02% | 82,863    | 10.72% | 166,645   | 21.55% | 106,020   | 13.71% |
| Feb            | 673,060                    | 3,252              | 374,502   | 55.64% | 74,400    | 11.05% | 151,346   | 22.49% | 72,812    | 10.82% |
| Mar            | 762,640                    | 3,358              | 412,672   | 54.11% | 85,719    | 11.24% | 187,351   | 24.57% | 76,898    | 10.08% |
| Apr            | 744,495                    | 3,277              | 377,265   | 50.68% | 83,715    | 11.24% | 190,402   | 25.57% | 93,113    | 12.51% |
| May            | 727,331                    | 3,305              | 396,220   | 54.48% | 85,703    | 11.78% | 176,134   | 24.22% | 69,274    | 9.52%  |
| Jun            | 678,355                    | 3,299              | 382,230   | 56.35% | 73,884    | 10.89% | 166,354   | 24.52% | 55,888    | 8.24%  |
| Jul            | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88%  |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47%  |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74%  |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24%  |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83%  |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15%  |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97%  |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87%  |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77%  |
| Apr            | 707,385                    | 2,961              | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95%  |
| May            | 695,111                    | 2,925              | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65%  |
| June           | 558,867                    | 2,956              | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15%  |
| July           | 561,866                    | 2,962              | 369,735   | 65.80% | 74,157    | 13.20% | 95,276    | 16.96% | 22,699    | 4.04%  |
| Aug            | 581,050                    | 3,000**            | 409,987   | 70.57% | 60,967    | 10.49% | 94,557    | 16.27% | 15,539    | 2.67%  |



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

## Southeast Marketing Area - Federal Order 7

| <b>Pool and Payment Dates for the Pooling Periods<br/>September through November 2007</b> |   |                  |                |                            |           |                   |           |
|---|---|------------------|----------------|----------------------------|-----------|-------------------|-----------|
| Pool Month  | Pool & Uniform<br>Price Release<br>Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|   |   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|   |   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Sept 2007   | 10/11/07                                | 10/12/07         | 10/15/07       | 09/25/07                   | 09/26/07  | 10/15/07          | 10/16/07  |
| Oct 2007  | 11/11/07                                | 11/13/07         | 11/14/07       | 10/25/07                   | 10/26/07  | 11/14/07          | 11/15/07  |
| Nov 2007  | 12/11/07                                | 12/12/07         | 12/13/07       | 11/26/07                   | 11/26/07  | 12/13/07          | 12/14/07  |

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$21.48 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.87 per hundredweight.

| <b>Producer Touch Base Requirements &amp; Handler Diversion Limits</b> |     |     |     |     |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Producer Touch Base Days   | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits  | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

### WASDE Dairy Report 1/

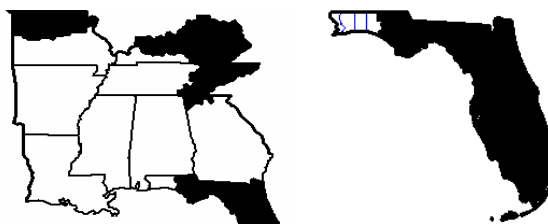
#### WASDE - 450 September 12, 2007

Forecast milk production for 2007 and 2008 is raised as producers respond to strong milk prices by expanding cow herds through next year. High replacement heifer and dairy cow prices indicate strong demand for dairy animals. Milk cow numbers and milk per cow growth in July were higher than expected, but continued tight supplies of alfalfa hay are expected to moderate growth in output per cow into 2008. Despite higher milk production forecasts, demand is expected to continue to support milk prices at record levels in 2007 and near record levels in 2008. World dairy supplies are expected to remain relatively tight and demand for U.S. dairy products, both domestically and internationally, is forecast to help absorb higher production levels. However, stock forecasts are raised in both years reflecting the stronger production growth forecasts.

Cheese and nonfat dry milk (NDM) price forecasts are raised for both 2007 and 2008 as demand for these products will remain strong. Butter and whey price forecasts are decreased for both 2007 and 2008. The Class III price forecast is raised for 2007 as a higher cheese price forecast more than offsets lower expected whey prices, but the forecast for 2008 is lowered due to weaker whey prices. The Class IV price forecast for both 2007 and 2008 is raised due to the increased forecast for NDM prices. For 2007 and 2008, the all milk price forecasts are raised, with prices in 2007 forecast to average a record \$19.20 to \$19.40 per cwt, and then decline to \$18.30 to \$19.30 per cwt in 2008.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."



# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

October 2007

Volume 8—No. 10

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

## Comparing Retail and Producer Milk Prices

Retail milk prices have increased considerably this year, following the increases in producer prices. But how do the increases faced by consumers compare with the increases in producer prices? Examining two different retail price surveys, one conducted by the U.S. Department of Agriculture (USDA) and one conducted by the U.S. Department of Labor suggests the answer depends on where the milk is sold. While the Class I base price has increased \$0.72 per gallon (or, \$8.32 per hundredweight) from January to September, the retail price of whole milk has increased \$0.60 in New Orleans, LA, \$0.86 in Miami, FL and \$0.90 in Atlanta, GA according to the USDA survey. The Department of Labor's more comprehensive survey demonstrates that

*(continued on Page 4 of this publication)*

## Nominations Sought for Fluid Milk Board

The USDA is asking fluid milk processors and other interested parties to nominate candidates for the National Fluid Milk Processor Promotion Board. Nominees must be active owners or employees of a fluid milk processor in one of the fifteen regions that are currently open for reappointment, including: Region 5 (Florida) and Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska, and Oklahoma).

To nominate an individual, please submit originals of both the nomination form and a signed background form for each nominee by Oct. 31, 2007, to: Promotion and Research Branch, Dairy Programs, AMS, MRP, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233. To obtain forms or additional information, call (202) 720-6909. Blank forms are available on the Dairy Promotion and Research Branch's website at <http://www.ams.usda.gov/Dairy>.

## Blend Price Down Slightly

The uniform blend price in Fulton County, GA, was \$23.77 per hundredweight of milk at 3.5 percent butterfat for the month of September. The blend price is \$0.10 lower than the previous month but is \$10.09 higher than September 2006.

Class I utilization was 67.75 percent in September, a decrease of 2.82 percent compared with the previous month and 1.41 percent higher than September of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 15.6 billion pounds, an increase of 3.4 percent from August 2006 and a decrease of 1.1 percent when compared with July 2007. Total cheese output (excluding cottage cheese) was 795 million pounds, 0.1 percent below August 2006 and 0.1 percent below July 2007. Butter production was 110 million pounds, 23.6 percent above August 2006 but 4.9 percent below July 2007.

Nonfat dry milk powder production was 103 million pounds in August, 40.7 percent higher than August 2006 and 14.9 percent less than July 2007. Dry whey production was 94.6 million pounds in August, a 3.4 percent increase from August of last year and a 0.9 percent decrease compared with July 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 3.21 in September. This is an increase of 0.03 points from the revised 3.17 ratio recorded for August 2007.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for September 2007 was \$4,302,724.84. Preliminary claims were made for \$1,651,163.29. Since sufficient funds were available, all eligible preliminary claims were paid in full.



## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 38.28%             | 7,746,519         | \$1.6382         | \$ 12,690,347.45        |
| Class I Differential at Location |                    |                   |                  | 232,108.53              |
| Class II Butterfat               | 24.03%             | 4,860,812         | \$1.5171         | 7,374,337.87            |
| Class III Butterfat              | 20.41%             | 4,128,242         | \$1.5101         | 6,234,058.23            |
| Class IV Butterfat               | 17.28%             | 3,495,591         | \$1.5101         | 5,278,691.98            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>20,231,164</b> |                  | <b>\$ 31,809,544.06</b> |

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$1.5723**

### 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                | 68.86%             | 370,484,318        | \$16.76 /cwt.         | \$ 62,093,171.70         |
| Class I Butterfat                | 38.28%             | 7,746,519          | \$1.6382 /lb.         | 12,690,347.45            |
| Class I Differential at Location |                    | 378,230,837        |                       | 11,328,963.30            |
| <b>Total Class I Milk</b>        | <b>67.75%</b>      | <b>378,230,837</b> |                       | <b>\$ 86,112,482.45</b>  |
| Class II Skim Milk               | 8.97%              | 48,273,148         | \$17.46 /cwt.         | \$ 8,428,491.63          |
| Class II Butterfat               | 24.03%             | 4,860,812          | \$1.5171 /lb.         | 7,374,337.87             |
| <b>Total Class II Milk</b>       | <b>9.52%</b>       | <b>53,133,960</b>  |                       | <b>\$ 15,802,829.50</b>  |
| Class III Skim Milk              | 16.54%             | 88,985,935         | \$15.32 /cwt.         | \$ 13,632,645.26         |
| Class III Butterfat              | 20.41%             | 4,128,242          | \$1.5101 /lb.         | 6,234,058.23             |
| <b>Total Class III Milk</b>      | <b>16.68%</b>      | <b>93,114,177</b>  |                       | <b>\$ 19,866,703.49</b>  |
| Class IV Skim Milk               | 5.63%              | 30,296,474         | \$16.92 /cwt.         | \$ 5,126,163.38          |
| Class IV Butterfat               | 17.28%             | 3,495,591          | \$1.5101 /lb.         | 5,278,691.98             |
| <b>Total Class IV Milk</b>       | <b>6.05%</b>       | <b>33,792,065</b>  |                       | <b>\$ 10,404,855.36</b>  |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>558,271,039</b> |                       | <b>\$ 132,186,870.80</b> |

### Adjustments

|   |                         |
|---|-------------------------|
| Overage and Other Source                      | \$656.77                |
| Inventory Adjustments                         | (\$28,064.93)           |
| Producer butterfat at uniform butterfat price | (\$31,809,544.06)       |
| Location Adjustments to Producers             | \$1,479,087.99          |
| 1/2 Unobligated Balance in P.S.F.             | \$289,267.69            |
| <b>Adjusted Pool Value</b>                    | <b>\$ 18.97969</b>      |
| Reserve for Producer Settlement Fund          | \$ 0.04969              |
|   | <b>\$102,118,274.26</b> |

**Uniform Skim Milk Price per cwt. (Fulton County, Georgia):** **\$18.93**

**Uniform Price per cwt. (Fulton County, Georgia)** **\$23.77\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | SEP 2007        | OCT 2007        | AUG 2007        | SEP 2007        | SEP 2007      |
| Appalachian (Charlotte)     | \$ 25.01        | \$ 24.69        | \$ 24.16        | \$ 24.00        | 70.08%        |
| Arizona (Phoenix)           | \$ 24.26        | \$ 23.94        | \$ 22.22        | \$ 22.15        | 39.28%        |
| Central (Kansas City)       | \$ 23.91        | \$ 23.59        | \$ 21.93        | \$ 21.66        | 36.99%        |
| Florida (Tampa)             | \$ 25.91        | \$ 25.59        | \$ 25.24        | \$ 25.08        | 84.40%        |
| Mideast (Cleveland)         | \$ 23.91        | \$ 23.59        | \$ 22.19        | \$ 21.94        | 40.80%        |
| Northeast (Boston)          | \$ 25.16        | \$ 24.84        | \$ 23.14        | \$ 22.99        | 44.50%        |
| Pacific Northwest (Seattle) | \$ 23.81        | \$ 23.49        | \$ 21.84        | \$ 21.65        | 31.42%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 25.01</b> | <b>\$ 24.69</b> | <b>\$ 23.87</b> | <b>\$ 23.77</b> | <b>67.75%</b> |
| Southwest (Dallas)          | \$ 24.91        | \$ 24.59        | \$ 22.76        | \$ 22.43        | 34.55%        |
| Upper Midwest (Chicago)     | \$ 23.71        | \$ 23.39        | \$ 20.61        | \$ 20.71        | 16.40%        |

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

| <b>Receipts:</b>   | <b>September 2007</b> | <b>September 2006</b> |
|--|-----------------------|-----------------------|
| <b>Producer Milk</b>   |                       |                       |
| Class I  | 378,230,837           | 402,879,399           |
| Class II   | 53,133,960            | 78,996,584            |
| Class III  | 93,114,177            | 108,793,467           |
| Class IV   | 33,792,065            | 16,631,580            |
|  | <hr/>                 | <hr/>                 |
| Total Producer Milk  | <b>558,271,039</b>    | <b>607,301,030</b>    |
| Average Butterfat Test   | 3.62%                 | 3.68%                 |
| Percent of Producer Milk in Class I  | 67.75%                | 66.34%                |
| Daily Average Receipts   | 18,609,035            | 20,243,368            |
| <b>Other Source Milk</b>   |                       |                       |
| Class I  | 15,041,659            | 16,983,362            |
| Class II   | 20,281,753            | 13,256,769            |
| Class III  | 4,437,322             | 3,050,304             |
| Class IV   | 10,667,926            | 11,720,540            |
|  | <hr/>                 | <hr/>                 |
| Total Other Source Milk  | <b>50,428,660</b>     | <b>45,010,975</b>     |
| <b>Overage</b>   |                       |                       |
| Class I  | 0                     | 0                     |
| Class II   | 0                     | 146,418               |
| Class III  | 64                    | 0                     |
| Class IV   | 0                     | 32,089                |
|  | <hr/>                 | <hr/>                 |
| Total Overage  | <b>64</b>             | <b>178,507</b>        |
| <b>Opening Inventory</b>   |                       |                       |
| Class I  | 36,413,832            | 34,320,499            |
| Class II   | 1,804,984             | 2,554,500             |
| Class III  | 2,040,233             | 1,771,490             |
| Class IV   | 11,026,818            | 13,612,535            |
|  | <hr/>                 | <hr/>                 |
| Total Opening Inventory  | <b>51,285,867</b>     | <b>52,259,024</b>     |
|  |                       |                       |
| <b>Total Receipts</b>  | <b>659,985,630</b>    | <b>704,749,536</b>    |
| <b>Utilization:</b>  |                       |                       |
| <b>Class I Utilization</b>   |                       |                       |
| Inventory of Packaged FMP  | 32,295,060            | 33,125,494            |
| Route Disposition Class I  | 386,816,464           | 409,385,087           |
| Shrinkage  | 2,914,959             | 3,360,664             |
| Transfers & Diversions to Nonpool  | 7,659,845             | 8,312,015             |
|  | <hr/>                 | <hr/>                 |
| Total Class I Utilization  | <b>429,686,328</b>    | <b>454,183,260</b>    |
| Average Butterfat Test   | 2.03%                 | 2.10%                 |
| Daily Average Utilization  | 14,322,878            | 15,139,442            |
| <b>Class II Utilization</b>  |                       |                       |
| Nonfluid Used To Produce   | 1,672,669             | 1,790,998             |
| Shrinkage  | 0                     | 2,991                 |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 39,718,909            | 58,536,310            |
|  | <hr/>                 | <hr/>                 |
| Total Class II Utilization   | <b>75,220,697</b>     | <b>94,954,271</b>     |
| Average Butterfat Test   | 8.42%                 | 7.61%                 |
| <b>Class III Utilization</b>   |                       |                       |
| Shrinkage  | 7,246,114             | 0                     |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 86,893,340            | 113,615,261           |
|  | <hr/>                 | <hr/>                 |
| Total Class III Utilization  | <b>99,591,796</b>     | <b>113,615,261</b>    |
| Average Butterfat Test   | 4.30%                 | 4.42%                 |
| <b>Class IV Utilization</b>  |                       |                       |
| Inventory  | 25,617,398            | 15,192,448            |
| Nonfluid Used To Fortify   | 1,306,731             | 1,299,190             |
| Shrinkage  | 0                     | 7,431,006             |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 28,562,680            | 13,813,447            |
|  | <hr/>                 | <hr/>                 |
| Total Class IV Utilization   | <b>55,486,809</b>     | <b>41,996,744</b>     |
| Average Butterfat Test   | 9.16%                 | 11.17%                |
|  |                       |                       |
| <b>Total Utilization</b>   | <b>659,985,630</b>    | <b>704,749,536</b>    |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2007 is \$23.77 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.93 per hundredweight plus 3.5 times the uniform butterfat price of \$1.5723 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

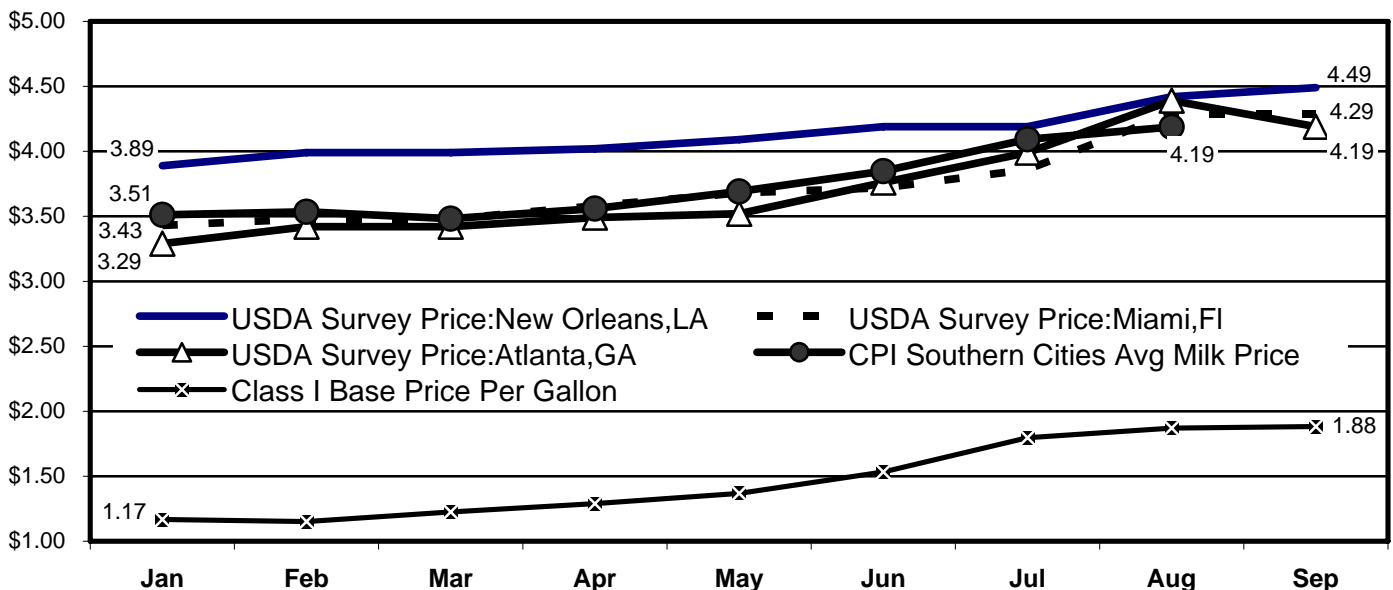
Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In September, Class I use, which is primarily bottled or packaged fluid milk, accounted for 68.86% of all producer skim milk (priced to handlers at \$16.76 per hundredweight, plus the Class I differential, see page 2) and 38.28% of producer butterfat (priced to handlers at \$1.6382 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.97% of all producer skim milk (\$17.46 per hundredweight) and 24.03% of producer butterfat (\$1.5171 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.54% of all producer skim milk (\$15.32 per hundredweight) and 20.41% of producer butterfat (\$1.5101 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.63% of all producer skim milk (\$16.92 per hundredweight) and 17.28% of producer butterfat (\$1.5101 per pound).

Receipts of producer milk during September 2007 totaled 558.3 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2007. Class I route disposition in the area totaled 443.2 million pounds in August 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>August 2007</b>                         |                    |                |
| Whole Milk                                 | 147,578,450        | 33.30%         |
| Fat Free Milk                              | 52,842,566         | 11.92%         |
| Lowfat Milk (incl. 1%)                     | 34,339,517         | 7.75%          |
| Reduced Fat Milk (incl. 2%)                | 156,841,638        | 35.39%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,831,142          | 1.99%          |
| Flavored Drinks and Milk                   | 42,803,348         | 9.66%          |
| <b>Total Disposition in Marketing Area</b> | <b>443,236,661</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 357,859,706        | 80.74%         |
| Total Disposition by Nonpool Plants        | 85,376,955         | 19.26%         |
| <b>Total Disposition in Marketing Area</b> | <b>443,236,661</b> | <b>100.00%</b> |

## 2007 Retail Whole Milk & Federal Order Class I Base Prices (per gallon)



Source: USDA, AMS, Dairy Programs; Department of Labor, Bureau of Labor Statistics

(from Page 1) the price of whole milk has increased an average of \$0.68 per gallon from January to August in its survey of Southern cities. (September data was not available at time of printing). It seems reasonable to assume some cities would have increases above the average reported, \$0.68, and some would be below it as well.

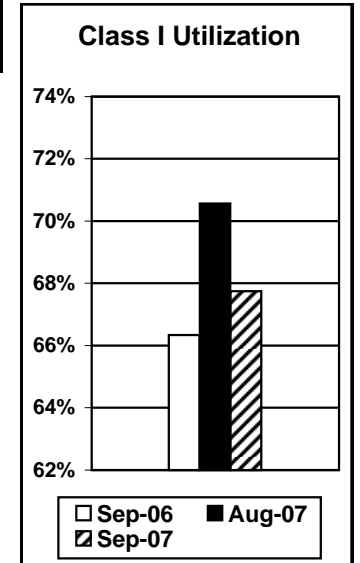
Note: The chart above is meant to show changes in milk prices over time, not necessarily their absolute values. The line "Class I Base Price Per Gallon", also known as "the mover" shows how Federal Order prices have increased this year and is valid for all locations. While Class I price differentials (for example, \$3.10 per hundredweight, or \$0.27 per gallon, in Atlanta, GA) are not shown, including differentials would not alter the analysis.

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

| Pool Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|-------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|             | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jul 2006    | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$6.15   | \$1.2228 | \$10.21 | \$9.25   | \$1.2444 | \$13.28 |
| Aug         | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$6.31   | \$1.3008 | \$10.64 | \$9.23   | \$1.2809 | \$13.39 |
| Sep         | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$6.36   | \$1.4191 | \$11.10 | \$9.19   | \$1.3758 | \$13.68 |
| Oct         | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$6.80   | \$1.4149 | \$11.51 | \$9.94   | \$1.4300 | \$14.60 |
| Nov         | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$7.52   | \$1.3852 | \$12.11 | \$10.12  | \$1.4038 | \$14.68 |
| Dec         | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$7.86   | \$1.3481 | \$12.30 | \$10.37  | \$1.3722 | \$14.81 |
| Jan 2007    | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$8.27   | \$1.3009 | \$12.53 | \$11.23  | \$1.3299 | \$15.49 |
| Feb         | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$8.42   | \$1.3112 | \$12.71 | \$11.48  | \$1.3157 | \$15.68 |
| Mar         | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$9.21   | \$1.3769 | \$13.71 | \$12.18  | \$1.3674 | \$16.54 |
| Apr         | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$11.39  | \$1.4657 | \$16.12 | \$12.72  | \$1.4527 | \$17.36 |
| May         | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$13.45  | \$1.5706 | \$18.48 | \$13.83  | \$1.5377 | \$18.73 |
| June        | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$15.54  | \$1.6457 | \$20.76 | \$15.64  | \$1.6196 | \$20.76 |
| July        | \$18.71  | \$1.7018 | \$24.01 | \$16.31  | \$1.6180 | \$21.40 | \$16.31   | \$1.6110 | \$21.38 | \$16.58  | \$1.6110 | \$21.64 | \$18.15  | \$1.6491 | \$23.29 |
| Aug         | \$19.84  | \$1.6320 | \$24.86 | \$17.44  | \$1.5942 | \$22.41 | \$14.79   | \$1.5872 | \$19.83 | \$16.91  | \$1.5872 | \$21.87 | \$18.91  | \$1.6072 | \$23.87 |
| Sep         | \$19.86  | \$1.6692 | \$25.01 | \$17.46  | \$1.5171 | \$22.16 | \$15.32   | \$1.5101 | \$20.07 | \$16.92  | \$1.5101 | \$21.61 | \$18.93  | \$1.5723 | \$23.77 |
| Oct         | \$19.96  | \$1.5519 | \$24.69 | \$17.56  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool Period | Producer Milk 1000 lbs. | Number of Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |       |
|-------------|-------------------------|-----------------|-----------|--------|-----------|--------|-----------|--------|-----------|-------|
|             |                         |                 | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %     |
| Jul 2006    | 602,818                 | 3,248           | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88% |
| Aug         | 634,266                 | 3,244           | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47% |
| Sep         | 607,301                 | 3,131           | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74% |
| Oct         | 627,520                 | 3,102           | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24% |
| Nov         | 613,945                 | 3,141           | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83% |
| Dec         | 610,264                 | 3,153           | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15% |
| Jan 2007    | 736,646                 | 3,133           | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97% |
| Feb         | 650,127                 | 3,081           | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87% |
| Mar         | 711,173                 | 3,038           | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77% |
| Apr         | 707,385                 | 2,961           | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95% |
| May         | 695,111                 | 2,925           | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65% |
| June        | 558,867                 | 2,956           | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15% |
| July        | 561,866                 | 2,962           | 369,735   | 65.80% | 74,157    | 13.20% | 95,276    | 16.96% | 22,699    | 4.04% |
| Aug         | 581,050                 | 3,208           | 409,987   | 70.57% | 60,967    | 10.49% | 94,557    | 16.27% | 15,539    | 2.67% |
| Sep         | 558,271                 | 3,250**         | 378,231   | 67.75% | 53,134    | 9.52%  | 93,114    | 16.68% | 33,792    | 6.05% |



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

# Southeast Marketing Area - Federal Order 7

## Pool and Payment Dates for the Pooling Periods October through December 2007

| Pool Month | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|            |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|            |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Oct 2007   | 11/11/07                          | 11/13/07         | 11/14/07       | 10/25/07                   | 10/26/07  | 11/14/07          | 11/15/07  |
| Nov 2007   | 12/11/07                          | 12/12/07         | 12/13/07       | 11/26/07                   | 11/26/07  | 12/13/07          | 12/14/07  |
| Dec 2007   | 01/11/08                          | 01/14/08         | 01/15/08       | 12/26/07                   | 12/26/07  | 01/15/08          | 01/16/08  |

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$21.39 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.77 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

## WASDE Dairy Report 1/

### WASDE - 451 October 12, 2007

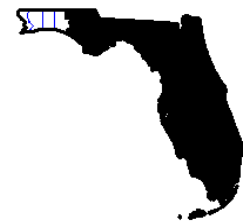
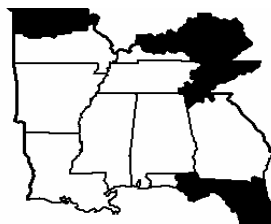
Milk production forecasts for 2007 and 2008 are raised. Producers continue to respond to high milk prices with high replacement heifer and calf prices pointing to continued expansion plans. Milk per cow growth into 2008 is expected to be moderated by tight supplies of alfalfa hay and relatively high feed prices. Stocks, both on a fat and skim-solids basis, are forecast higher than last month reflecting increased supplies of butter and stocks of nonfat dry milk (NDM). Although NDM stocks are expected to dissipate somewhat as product moves into export channels, increased production of dairy products in 2008 likely will result in somewhat higher fat and skim-solids basis stocks than forecast last month.

Higher milk production is expected to pressure prices despite relatively robust demand. Cheese, butter, and whey prices are reduced as supplies are expected to build. NDM prices should remain relatively strong despite increased production as world supplies are expected to remain tight through much of 2008. Dry whey prices are lowered as prices have dropped significantly. As a result of generally reduced product price forecasts, Class price forecasts are reduced. The Class III price forecasts are lowered for 2007 and 2008 due to lower cheese and whey prices. The Class IV price forecast for both years is lowered as a lower butter price forecast more than offsets slightly higher forecast NDM prices. For 2007 and 2008 the all milk price forecasts are also reduced, with prices in 2007 forecast to average a record \$18.95 to \$19.05 per cwt, and decline to \$17.70 to \$18.60 per cwt in 2008.

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



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
P.O. Box 491778  
Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

November 2007



Volume 8—No. 11

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

## USDA Reopens Comment Period for Mandatory Reporting Program

The U.S. Department of Agriculture (USDA) has announced that it is reopening the comment period for the interim final rule for the Dairy Product Mandatory Reporting program. The rule was published on July 3, 2007 and became effective August 2, 2007. The original comment period ended September 4, 2007.

Under this action, additional comments are due December 3, 2007. Comments submitted during the first comment period need not be re-submitted. The reopening of the comment period will provide interested parties with an additional opportunity to submit comments on all aspects of the program. USDA's Agricultural Marketing Service (AMS) will review and consider all submitted comments as it writes a final rule.

The Dairy Market Enhancement Act of 2000, and certain provisions of the 2002 Farm Bill amended the Agricultural Marketing Act of 1946 to establish the program. The mandatory reporting program provides timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry.

The program: (1) Requires persons engaged in manufacturing dairy products to report certain information including the price, quantity, and moisture content where applicable, of dairy products sold by the manufacturer; and (2) Requires persons storing dairy products to report information on the quantity of dairy products stored. USDA's National Agricultural Statistics Service (NASS) collects the information. Any manufacturer that processes and markets less than 1 million pounds of dairy products per year

*(continued on Page 4 of this publication)*

## Blend Price Lower

The uniform blend price in Fulton County, GA, was \$23.36 per hundredweight of milk at 3.5 percent butterfat for the month of October. The blend price is \$0.41 lower than the previous month but is \$8.76 higher than October 2006.

Class I utilization was 70.58 percent in October, an increase of 2.83 percent compared with the previous month and 4.70 percent higher than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 14.85 billion pounds, an increase of 2.6 percent from September 2006 and a decrease of 1.2 percent when compared with August 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 778 million pounds, 1.4 percent below September 2006 and 2.3 percent below August 2007. Butter production was 112 million pounds, 7.3 percent above September 2006 and 2.0 percent above August 2007.

Nonfat dry milk powder production was 90.3 million pounds in September, 42.7 percent higher than September 2006 and 12.3 percent less than August 2007. Dry whey production was 88.1 million pounds in September, a 2.1 percent increase from September of last year and a 6.9 percent decrease compared with August 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 3.05 in October. This is a decrease of 0.12 points from September 2007's ratio.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for October 2007 was \$3,450,961.97. Preliminary claims were made for \$1,926,694.47. Since sufficient funds were available, all eligible preliminary claims were paid in full.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2007**

**Calculation of Uniform Butterfat Price:**

|  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|--|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat  | 39.81%             | 8,566,697         | \$1.5209         | \$ 13,029,089.43        |
| Class I Differential at Location                                 |                    |                   |                  | 259,332.97              |
| Class II Butterfat   | 25.77%             | 5,545,433         | \$1.4162         | 7,853,442.23            |
| Class III Butterfat  | 21.24%             | 4,571,472         | \$1.4092         | 6,442,118.32            |
| Class IV Butterfat   | 13.18%             | 2,835,263         | \$1.4092         | 3,995,452.61            |
| <b>Total Butterfat</b>   | <b>100.00%</b>     | <b>21,518,865</b> |                  | <b>\$ 31,579,435.56</b> |
| <b>Uniform Butterfat Price per lb. (Fulton County, Georgia):</b> |                    |                   |                  | <b>\$1.4674</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                | 71.76%             | 403,691,189        | \$16.86 /cwt.         | \$ 68,062,334.48         |
| Class I Butterfat                | 39.81%             | 8,566,697          | \$1.5209 /lb.         | 13,029,089.43            |
| Class I Differential at Location |                    | 412,257,886        |                       | 12,347,130.09            |
| <b>Total Class I Milk</b>        | <b>70.58%</b>      | <b>412,257,886</b> |                       | <b>\$ 93,438,554.00</b>  |
| Class II Skim Milk               | 9.34%              | 52,565,279         | \$17.56 /cwt.         | \$ 9,230,463.00          |
| Class II Butterfat               | 25.77%             | 5,545,433          | \$1.4162 /lb.         | 7,853,442.23             |
| <b>Total Class II Milk</b>       | <b>9.95%</b>       | <b>58,110,712</b>  |                       | <b>\$ 17,083,905.23</b>  |
| Class III Skim Milk              | 16.88%             | 94,973,232         | \$14.27 /cwt.         | \$ 13,552,680.22         |
| Class III Butterfat              | 21.24%             | 4,571,472          | \$1.4092 /lb.         | 6,442,118.32             |
| <b>Total Class III Milk</b>      | <b>17.04%</b>      | <b>99,544,704</b>  |                       | <b>\$ 19,994,798.54</b>  |
| Class IV Skim Milk               | 2.02%              | 11,373,001         | \$16.97 /cwt.         | \$ 1,929,998.25          |
| Class IV Butterfat               | 13.18%             | 2,835,263          | \$1.4092 /lb.         | 3,995,452.61             |
| <b>Total Class IV Milk</b>       | <b>2.43%</b>       | <b>14,208,264</b>  |                       | <b>\$ 5,925,450.86</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>584,121,566</b> |                       | <b>\$ 136,442,708.63</b> |

**Adjustments**

|   |                         |
|---|-------------------------|
| Overage and Other Source                      | \$36,678.79             |
| Inventory Adjustments                         | (\$153,547.85)          |
| Producer butterfat at uniform butterfat price | (\$31,579,435.56)       |
| Location Adjustments to Producers             | \$1,499,970.29          |
| 1/2 Unobligated Balance in P.S.F              | \$320,074.75            |
| <b>Adjusted Pool Value</b>                    | <b>\$ 18.93866</b>      |
| Reserve for Producer Settlement Func          | <b>\$ 0.04866</b>       |
|   | <b>\$106,566,449.05</b> |
|   | \$273,814.27            |

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

**\$18.89**

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

**\$23.36\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | OCT 2007        | NOV 2007        | SEP 2007        | OCT 2007        | OCT 2007      |
| Appalachian (Charlotte)     | \$ 24.69        | \$ 24.55        | \$ 24.00        | \$ 23.75        | 74.08%        |
| Arizona (Phoenix)           | \$ 23.94        | \$ 23.80        | \$ 22.15        | \$ 21.57        | 39.93%        |
| Central (Kansas City)       | \$ 23.59        | \$ 23.45        | \$ 21.66        | \$ 20.82        | 39.38%        |
| Florida (Tampa)             | \$ 25.59        | \$ 25.45        | \$ 25.08        | \$ 24.81        | 85.33%        |
| Mideast (Cleveland)         | \$ 23.59        | \$ 23.45        | \$ 21.94        | \$ 21.13        | 45.60%        |
| Northeast (Boston)          | \$ 24.84        | \$ 24.70        | \$ 22.99        | \$ 22.38        | 46.40%        |
| Pacific Northwest (Seattle) | \$ 23.49        | \$ 23.35        | \$ 21.65        | \$ 20.91        | 35.04%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 24.69</b> | <b>\$ 24.55</b> | <b>\$ 23.77</b> | <b>\$ 23.36</b> | <b>70.58%</b> |
| Southwest (Dallas)          | \$ 24.59        | \$ 24.45        | \$ 22.43        | \$ 21.62        | 43.86%        |
| Upper Midwest (Chicago)     | \$ 23.39        | \$ 23.25        | \$ 20.71        | \$ 19.53        | 17.10%        |



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

| <b>Receipts:</b>   | <b>October 2007</b>      | <b>October 2006</b> |
|--|--------------------------|---------------------|
| <b>Producer Milk</b>   |                          |                     |
| Class I  | 412,257,886              | 413,408,367         |
| Class II   | 58,110,712               | 74,675,619          |
| Class III  | 99,544,704               | 112,826,798         |
| Class IV   | 14,208,264               | 26,609,482          |
|  | <hr/>                    | <hr/>               |
| Total Producer Milk  | <b>584,121,566</b>       | <b>627,520,266</b>  |
| Average Butterfat Test   | 3.68%                    | 3.76%               |
| Percent of Producer Milk in Class I  | 70.58%                   | 65.88%              |
| Daily Average Receipts   | 18,842,631               | 20,242,589          |
| <b>Other Source Milk</b>   |                          |                     |
| Class I  | 19,826,721               | 19,393,792          |
| Class II   | 24,667,562               | 20,540,974          |
| Class III  | 4,022,584                | 3,101,070           |
| Class IV   | 11,508,565               | 12,523,197          |
|  | <hr/>                    | <hr/>               |
| Total Other Source Milk  | <b>60,025,432</b>        | <b>55,559,033</b>   |
| <b>Overage</b>   |                          |                     |
| Class I  | 0                        | 60,036              |
| Class II   | 33,621                   | 0                   |
| Class III  | 0                        | 0                   |
| Class IV   | 0                        | 2,847               |
|  | <hr/>                    | <hr/>               |
| Total Overage  | <b>33,621</b>            | <b>62,883</b>       |
| <b>Opening Inventory</b>   |                          |                     |
| Class I  | 32,520,992               | 37,220,857          |
| Class II   | 2,715,281                | 2,321,160           |
| Class III  | 5,933,917                | 139,182             |
| Class IV   | 17,608,274               | 13,942,179          |
|  | <hr/>                    | <hr/>               |
| Total Opening Inventory  | <b>58,778,464</b>        | <b>53,623,378</b>   |
|  |                          |                     |
|  | <b>Total Receipts</b>    | <b>702,959,083</b>  |
|  |                          | <b>736,765,560</b>  |
| <b>Utilization:</b>  |                          |                     |
| <b>Class I Utilization</b>   |                          |                     |
| Inventory of Packaged FMP  | 31,954,152               | 39,279,611          |
| Route Disposition Class I  | 420,116,680              | 419,323,512         |
| Shrinkage  | 4,643,696                | 5,006,237           |
| Transfers & Diversions to Nonpool  | 7,891,071                | 6,473,692           |
|  | <hr/>                    | <hr/>               |
| Total Class I Utilization  | <b>464,605,599</b>       | <b>470,083,052</b>  |
| Average Butterfat Test   | 2.06%                    | 2.10%               |
| Daily Average Utilization  | 14,987,277               | 15,163,969          |
| <b>Class II Utilization</b>  |                          |                     |
| Nonfluid Used To Produce   | 1,635,666                | 1,579,369           |
| Shrinkage  | 0                        | 1,104               |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 44,351,979               | 52,720,590          |
|  | <hr/>                    | <hr/>               |
| Total Class II Utilization   | <b>85,527,176</b>        | <b>97,537,753</b>   |
| Average Butterfat Test   | 8.71%                    | 7.97%               |
| <b>Class III Utilization</b>   |                          |                     |
| Shrinkage  | 8,420,153                | 0                   |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 95,569,692               | 116,067,050         |
|  | <hr/>                    | <hr/>               |
| Total Class III Utilization  | <b>109,501,205</b>       | <b>116,067,050</b>  |
| Average Butterfat Test   | 4.31%                    | 4.44%               |
| <b>Class IV Utilization</b>  |                          |                     |
| Inventory  | 24,565,331               | 18,013,305          |
| Nonfluid Used To Fortify   | 1,676,744                | 2,959,380           |
| Shrinkage  | 0                        | 7,574,699           |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 17,083,028               | 19,473,745          |
|  | <hr/>                    | <hr/>               |
| Total Class IV Utilization   | <b>43,325,103</b>        | <b>53,077,705</b>   |
| Average Butterfat Test   | 11.23%                   | 10.39%              |
|  |                          |                     |
|  | <b>Total Utilization</b> | <b>702,959,083</b>  |
|  |                          | <b>736,765,560</b>  |



## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2007 is \$23.36 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.89 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4674 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In October, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.76% of all producer skim milk (priced to handlers at \$16.86 per hundredweight, plus the Class I differential, see page 2) and 39.81% of producer butterfat (priced to handlers at \$1.5209 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.34% of all producer skim milk (\$17.56 per hundredweight) and 25.77% of producer butterfat (\$1.4162 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.88% of all producer skim milk (\$14.27 per hundredweight) and 21.24% of producer butterfat (\$1.4092 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.02% of all producer skim milk (\$16.97 per hundredweight) and 13.18% of producer butterfat (\$1.4092 per pound).

Receipts of producer milk during October 2007 totaled 584.1 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2007. Class I route disposition in the area totaled 412.1 million pounds in September 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>September 2007</b>                      |                    |                |
| Whole Milk                                 | 133,412,211        | 32.37%         |
| Fat Free Milk                              | 48,450,009         | 11.76%         |
| Lowfat Milk (incl. 1%)                     | 32,965,179         | 8.00%          |
| Reduced Fat Milk (incl. 2%)                | 143,362,233        | 34.79%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 8,081,438          | 1.96%          |
| Flavored Drinks and Milk                   | 45,832,496         | 11.12%         |
| <b>Total Disposition in Marketing Area</b> | <b>412,103,566</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 335,094,801        | 81.31%         |
| Total Disposition by Nonpool Plants        | 77,008,765         | 18.69%         |
| <b>Total Disposition in Marketing Area</b> | <b>412,103,566</b> | <b>100.00%</b> |

## USDA Reopens Comment Period for Establishment of the Dairy Product Mandatory Reporting Program

(from Page 1) is exempt from the reporting requirements.

AMS has implemented a plan to verify the price information submitted to NASS. AMS visits butter, nonfat dry milk, cheese and dry whey manufacturers that file reports. AMS verifies that eligible sales transactions agree with information reported to NASS and will check for eligible sales transactions that were not reported.

Details of the reopening of the comment period for the interim final rule were published in the November 2, 2007 Federal Register and are available at [www.fmmatlanta.com](http://www.fmmatlanta.com) under 'What's New'. Comments should be sent to John R. Mengel, Chief Economist, USDA/AMS/Dairy Programs, Office of the Chief Economist, STOP 0229-Room 2753, 1400 Independence Ave., SW, Washington, DC 2025—0229. Comments may also be submitted through the Federal eRulemaking portal at <http://www.regulations.gov>.

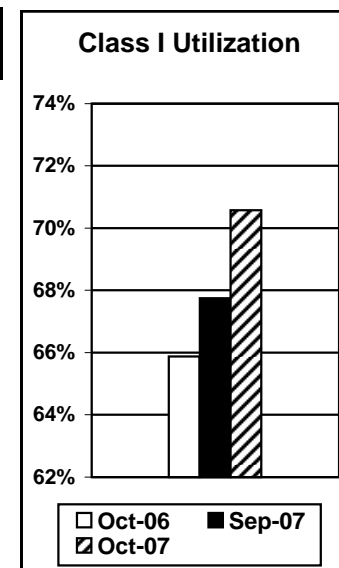
If you have any questions concerning this announcement, please contact this office.

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

| Pool<br>Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|----------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|                | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jul 2006       | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June           | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$ 15.54 | \$1.6457 | \$20.76 | \$ 15.64 | \$1.6196 | \$20.76 |
| July           | \$18.71  | \$1.7018 | \$24.01 | \$16.31  | \$1.6180 | \$21.40 | \$16.31   | \$1.6110 | \$21.38 | \$ 16.58 | \$1.6110 | \$21.64 | \$ 18.15 | \$1.6491 | \$23.29 |
| Aug            | \$19.84  | \$1.6320 | \$24.86 | \$17.44  | \$1.5942 | \$22.41 | \$14.79   | \$1.5872 | \$19.83 | \$ 16.91 | \$1.5872 | \$21.87 | \$ 18.91 | \$1.6072 | \$23.87 |
| Sep            | \$19.86  | \$1.6692 | \$25.01 | \$17.46  | \$1.5171 | \$22.16 | \$15.32   | \$1.5101 | \$20.07 | \$ 16.92 | \$1.5101 | \$21.61 | \$ 18.93 | \$1.5723 | \$23.77 |
| Oct            | \$19.96  | \$1.5519 | \$24.69 | \$17.56  | \$1.4162 | \$21.90 | \$14.27   | \$1.4092 | \$18.70 | \$ 16.97 | \$1.4092 | \$21.31 | \$ 18.89 | \$1.4674 | \$23.36 |
| Nov            | \$20.14  | \$1.4628 | \$24.55 | \$17.74  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |       |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|-------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %     |
| Jul 2006       | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88% |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47% |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74% |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24% |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83% |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15% |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97% |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87% |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77% |
| Apr            | 707,385                    | 2,961              | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95% |
| May            | 695,111                    | 2,925              | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65% |
| June           | 558,867                    | 2,956              | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15% |
| July           | 561,866                    | 2,962              | 369,735   | 65.80% | 74,157    | 13.20% | 95,276    | 16.96% | 22,699    | 4.04% |
| Aug            | 581,050                    | 3,208              | 409,987   | 70.57% | 60,967    | 10.49% | 94,557    | 16.27% | 15,539    | 2.67% |
| Sep            | 558,271                    | 3,075              | 378,231   | 67.75% | 53,134    | 9.52%  | 93,114    | 16.68% | 33,792    | 6.05% |
| Oct            | 584,122                    | 3,100**            | 412,258   | 70.58% | 58,111    | 9.95%  | 99,545    | 17.04% | 14,208    | 2.43% |



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods

November 2007 through January 2008

| Pool Month | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|            |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|            |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Nov 2007   | 12/11/07                          | 12/12/07         | 12/13/07       | 11/26/07                   | 11/26/07  | 12/13/07          | 12/14/07  |
| Dec 2007   | 01/11/08                          | 01/14/08         | 01/15/08       | 12/26/07                   | 12/26/07  | 01/15/08          | 01/16/08  |
| Jan 2008   | 02/11/08                          | 02/12/08         | 02/13/08       | 01/25/08                   | 01/28/08  | 02/13/08          | 02/14/08  |

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

### Producer Touch Base Requirements & Handler Diversion Limits

|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

## WASDE Dairy Report 1/

### WASDE – 452 November 9, 2007

Milk Forecast milk production for 2007 and 2008 is reduced. Cow herds and milk per cow are expanding gradually although USDA's Milk Production report released in October indicated that the pace is slightly below earlier expectations. Imports are reduced for both 2007 and 2008. A weak U.S. dollar and tight milk supplies in major exporting countries are expected to result in lower imports on both a fat and skim-solids basis. Ending stocks for 2007 on a fat basis are forecast higher than last month reflecting continued large supplies of butter. Skim-solids stocks are unchanged from last month as nonfat dry milk (NDM) stocks are expected to diminish as product moves into export channels.

Dairy product prices are changed slightly in 2007 and 2008. Cheese price forecasts are raised in both years reflecting good demand and modest growth in supplies. Butter prices are reduced for 2007 and early 2008 as supplies have been building. NDM prices are reduced for 2007 on rising inventories. Dry whey prices are little changed. As a result of stronger cheese price forecasts, the Class III price forecast is raised for 2007 and 2008. The Class IV price forecast is lowered for 2007, but unchanged in 2008. The all milk price is forecast at \$18.95 to \$19.05 per cwt for 2007 and \$17.70 to \$18.60 per cwt for 2008, unchanged from last month.

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

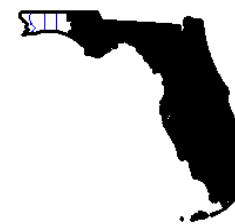
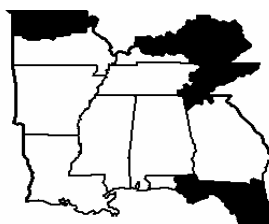


### MILK MARKET ADMINISTRATOR

U.S. Department Of Agriculture

P.O. Box 491778

Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

# Market Information BULLETIN



Sue L. Mosley, Market Administrator

Southeast Marketing Area  
Federal Order 7

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

December 2007

Volume 8—No. 12

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

## Request to Extend Transportation Credit Payout Period to January 2008

On November 27, 2007, the Market Administrator received a request to add the month of January 2008 to the Transportation Credit Balancing Fund payout period. The Market Administrator is considering the request in accordance with Section 1007.82(b) of the Order Regulating the Handling of Milk in the Southeast Marketing Area. On December 3, 2007, the Market Administrator has provided notice to all milk handlers and requested their written data, views, and comments regarding the request.

The Transportation Credit Balancing Fund is funded through a marketwide assessment on the total pounds of Class I producer milk of all milk handlers. More information on the fund's operation is available at [www.fmmatlanta.com](http://www.fmmatlanta.com).

## Sign-up Begins for Dairy Disaster Program

Eligible dairy producers can sign up for the Dairy Disaster Assistance Program (DDAP-III) at local USDA Farm Service Agency (FSA) service centers beginning Monday, Dec. 3, 2007.

DDAP-III will help dairy producers recover production losses resulting from a variety of adverse weather conditions in the last few years. The program provides \$16 million in benefits to dairy producers for production losses that occurred between January 1, 2005, and February 28, 2007, because of qualifying natural disasters. It compensates producers for production losses that resulted from lost herds or dumped milk when dairy plants closed or the natural disaster damaged containment equipment.

To be eligible for DDAP-III, dairy producers must have suffered losses in primary and contiguous counties declared or designated a natural disaster. USDA provides more information on proposed DDAP-III provisions in a fact sheet posted online at: <http://disaster.fsa.usda.gov>.

## Blend Price Rises

The uniform blend price in Fulton County, GA, was \$23.46 per hundredweight of milk at 3.5 percent butterfat for the month of November. The blend price is \$0.10 higher than the previous month and is \$8.78 higher than November 2006.

Class I utilization was 70.33 percent in November, a decrease of 0.25 percent compared with the previous month and 5.12 percent higher than November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 15.38 billion pounds, an increase of 3.5 percent from October 2006 and an increase of 0.1 percent when compared with September 2007 on a daily average basis. Total cheese output (excluding cottage cheese) was 825 million pounds, 1.6 percent above October 2006 and 6.4 percent above September 2007. Butter production was 130 million pounds, 9.1 percent above October 2006 and 16.3 percent above September 2007.

Nonfat dry milk powder production was 98.9 million pounds in October, 41.4 percent higher than October 2006 and 9.8 percent higher than September 2007. Dry whey production was 88.8 million pounds in October, a 1.6 percent increase from October of last year and a 0.8 percent increase compared with September 2007.

The milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to one pound of whole milk, was 3.00 in November. This is a decrease of 0.09 points from October 2007's ratio.

## Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for November 2007 was \$2,355,025.87. Preliminary claims were made for \$1,532,585.53. Since sufficient funds were available, all eligible preliminary claims were paid in full.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2007

### Calculation of Uniform Butterfat Price:

|                                  | <u>Utilization</u> | <u>Pounds</u>     | <u>Price/lb.</u> | <u>Value</u>            |
|----------------------------------|--------------------|-------------------|------------------|-------------------------|
| Class I Butterfat                | 40.19%             | 8,819,905         | \$1.4318         | \$ 12,628,339.99        |
| Class I Differential at Location |                    |                   |                  | 264,051.05              |
| Class II Butterfat               | 22.61%             | 4,961,698         | \$1.4147         | 7,019,314.19            |
| Class III Butterfat              | 22.90%             | 5,026,398         | \$1.4077         | 7,075,660.48            |
| Class IV Butterfat               | 14.30%             | 3,138,037         | \$1.4077         | 4,417,414.67            |
| <b>Total Butterfat</b>           | <b>100.00%</b>     | <b>21,946,038</b> |                  | <b>\$ 31,404,780.38</b> |

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.4310**

### 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                | 71.51%             | 400,797,140        | \$17.04 /cwt.         | \$ 68,295,832.62         |
| Class I Butterfat                | 40.19%             | 8,819,905          | \$1.4318 /lb.         | 12,628,339.99            |
| Class I Differential at Location |                    | 409,617,045        |                       | 12,217,877.56            |
| <b>Total Class I Milk</b>        | <b>70.33%</b>      | <b>409,617,045</b> |                       | <b>\$ 93,142,050.17</b>  |
| Class II Skim Milk               | 7.82%              | 43,832,891         | \$17.74 /cwt.         | \$ 7,775,954.85          |
| Class II Butterfat               | 22.61%             | 4,961,698          | \$1.4147 /lb.         | 7,019,314.19             |
| <b>Total Class II Milk</b>       | <b>8.38%</b>       | <b>48,794,589</b>  |                       | <b>\$ 14,795,269.04</b>  |
| Class III Skim Milk              | 17.88%             | 100,187,269        | \$14.81 /cwt.         | \$ 14,837,734.52         |
| Class III Butterfat              | 22.90%             | 5,026,398          | \$1.4077 /lb.         | 7,075,660.48             |
| <b>Total Class III Milk</b>      | <b>18.06%</b>      | <b>105,213,667</b> |                       | <b>\$ 21,913,395.00</b>  |
| Class IV Skim Milk               | 2.79%              | 15,656,140         | \$16.03 /cwt.         | \$ 2,509,679.27          |
| Class IV Butterfat               | 14.30%             | 3,138,037          | \$1.4077 /lb.         | 4,417,414.67             |
| <b>Total Class IV Milk</b>       | <b>3.23%</b>       | <b>18,794,177</b>  |                       | <b>\$ 6,927,093.94</b>   |
| <b>Producer Milk</b>             | <b>100.00%</b>     | <b>582,419,478</b> |                       | <b>\$ 136,777,808.15</b> |

### Adjustments

|   |                   |
|---|-------------------|
| Overage and Other Source                      | \$43,952.08       |
| Inventory Adjustments                         | (\$37,463.87)     |
| Producer butterfat at uniform butterfat price | (\$31,404,780.38) |
| Location Adjustments to Producers             | \$1,713,512.65    |
| 1/2 Unobligated Balance in P.S.F              | \$294,917.90      |

### Adjusted Pool Value

|                                      |             |                  |
|--------------------------------------|-------------|------------------|
| Reserve for Producer Settlement Func | \$ 19.16022 | \$107,387,946.53 |
|                                      | \$ 0.04022  | \$225,424.83     |

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

**\$19.12**

Uniform Price per cwt. (Fulton County, Georgia)

**\$23.46\***

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

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

| MARKET NAME<br>(Priced at)  | CLASS I         |                 | UNIFORM         |                 | CLASS I %     |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                             | NOV 2007        | DEC 2007        | OCT 2007        | NOV 2007        | NOV 2007      |
| Appalachian (Charlotte)     | \$ 24.55        | \$ 23.14        | \$ 23.75        | \$ 23.75        | 74.37%        |
| Arizona (Phoenix)           | \$ 23.80        | \$ 22.39        | \$ 21.57        | \$ 21.49        | 39.27%        |
| Central (Kansas City)       | \$ 23.45        | \$ 22.04        | \$ 20.82        | \$ 20.79        | 37.81%        |
| Florida (Tampa)             | \$ 25.45        | \$ 24.04        | \$ 24.81        | \$ 24.89        | 86.87%        |
| Mideast (Cleveland)         | \$ 23.45        | \$ 22.04        | \$ 21.13        | \$ 21.08        | 45.30%        |
| Northeast (Boston)          | \$ 24.70        | \$ 23.29        | \$ 22.38        | \$ 23.31        | 46.70%        |
| Pacific Northwest (Seattle) | \$ 23.35        | \$ 21.94        | \$ 20.91        | \$ 20.82        | 35.52%        |
| <b>Southeast (Atlanta)</b>  | <b>\$ 24.55</b> | <b>\$ 23.14</b> | <b>\$ 23.36</b> | <b>\$ 23.46</b> | <b>70.33%</b> |
| Southwest (Dallas)          | \$ 24.45        | \$ 23.04        | \$ 21.62        | \$ 21.58        | 38.40%        |
| Upper Midwest (Chicago)     | \$ 23.25        | \$ 21.84        | \$ 19.53        | \$ 19.86        | 16.80%        |

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

| Receipts:  | November 2007      | November 2006      |
|--|--------------------|--------------------|
| <b>Producer Milk</b>   |                    |                    |
| Class I  | 409,617,045        | 400,399,654        |
| Class II   | 48,794,589         | 73,285,612         |
| Class III  | 105,213,667        | 110,612,108        |
| Class IV   | 18,794,177         | 29,647,883         |
| Total Producer Milk  | <u>582,419,478</u> | <u>613,945,257</u> |
| Average Butterfat Test   | 3.77%              | 3.81%              |
| Percent of Producer Milk in Class I  | 70.33%             | 65.21%             |
| Daily Average Receipts   | 19,413,983         | 20,464,842         |
| <b>Other Source Milk</b>   |                    |                    |
| Class I  | 13,944,708         | 15,794,456         |
| Class II   | 14,019,716         | 14,526,949         |
| Class III  | 5,625,762          | 1,983,840          |
| Class IV   | 8,399,258          | 7,202,043          |
| Total Other Source Milk  | <u>41,989,444</u>  | <u>39,507,288</u>  |
| <b>Overage</b>   |                    |                    |
| Class I  | 0                  | 31,155             |
| Class II   | 198,908            | 12,197             |
| Class III  | 0                  | 0                  |
| Class IV   | 6,156              | 42,438             |
| Total Overage  | <u>205,064</u>     | <u>85,790</u>      |
| <b>Opening Inventory</b>   |                    |                    |
| Class I  | 34,097,607         | 36,219,030         |
| Class II   | 5,513,226          | 3,607,291          |
| Class III  | 6,931,732          | 499,047            |
| Class IV   | 9,976,918          | 13,581,552         |
| Total Opening Inventory  | <u>56,519,483</u>  | <u>53,906,920</u>  |
| <b>Total Receipts</b>  | <b>681,133,469</b> | <b>707,445,255</b> |
| <b>Utilization:</b>  |                    |                    |
| <b>Class I Utilization</b>   |                    |                    |
| Inventory of Packaged FMP  | 37,944,059         | 35,440,556         |
| Route Disposition Class I  | 408,838,362        | 408,916,058        |
| Shrinkage  | 3,099,401          | 2,946,289          |
| Transfers & Diversions to Nonpool  | 7,777,538          | 5,141,392          |
| Total Class I Utilization  | <u>457,659,360</u> | <u>452,444,295</u> |
| Average Butterfat Test   | 2.13%              | 2.19%              |
| Daily Average Utilization  | 15,255,312         | 15,081,477         |
| <b>Class II Utilization</b>  |                    |                    |
| Nonfluid Used To Produce   | 1,720,994          | 1,240,536          |
| Shrinkage  | 0                  | 7,104,345          |
| Transfers & Diversions to Nonpool/Commercial Foods<br>Used To Produce/Other Uses | 31,456,845         | 42,923,053         |
| Total Class II Utilization   | <u>35,348,600</u>  | <u>40,164,115</u>  |
| Average Butterfat Test   | 10.15%             | 8.25%              |
| <b>Class III Utilization</b>   |                    |                    |
| Shrinkage  | 7,785,280          | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 105,086,683        | 113,094,995        |
| Total Class III Utilization  | <u>4,899,198</u>   | <u>0</u>           |
| Average Butterfat Test   | 117,771,161        | 113,094,995        |
| Average Butterfat Test   | 4.42%              | 4.56%              |
| <b>Class IV Utilization</b>  |                    |                    |
| Inventory  | 12,301,481         | 20,225,731         |
| Nonfluid Used To Fortify   | 2,383,719          | 2,562,025          |
| Shrinkage  | 0                  | 0                  |
| Transfers & Diversions to Nonpool<br>Used To Produce/Other Uses                  | 22,491,309         | 27,686,160         |
| Total Class IV Utilization   | <u>0</u>           | <u>0</u>           |
| Average Butterfat Test   | 37,176,509         | 50,473,916         |
| Average Butterfat Test   | 12.57%             | 11.14%             |
| <b>Total Utilization</b>   | <b>681,133,469</b> | <b>707,445,255</b> |

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2007 is \$23.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$19.12 per hundredweight plus 3.5 times the uniform butterfat price of \$1.4310 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In November, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.51% of all producer skim milk (priced to handlers at \$17.04 per hundredweight, plus the Class I differential, see page 2) and 40.19% of producer butterfat (priced to handlers at \$1.4318 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 7.82% of all producer skim milk (\$17.74 per hundredweight) and 22.61% of producer butterfat (\$1.4147 per pound). Class III use, mostly milk used to produce cheese, accounted for 17.88% of all producer skim milk (\$14.81 per hundredweight) and 22.90% of producer butterfat (\$1.4077 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.79% of all producer skim milk (\$16.03 per hundredweight) and 14.30% of producer butterfat (\$1.4077 per pound).

Receipts of producer milk during November 2007 totaled 582.4 million pounds. There were 28 regulated pool distributing plants, 2 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2007. Class I route disposition in the area totaled 447.1 million pounds in October 2007.

### Packaged Class I Route Sales in Marketing Area

| Product Description                        | Pounds             | Percent        |
|--|--------------------|----------------|
| <b>October 2007</b>                        |                    |                |
| Whole Milk                                 | 145,124,611        | 32.46%         |
| Fat Free Milk                              | 52,302,057         | 11.70%         |
| Lowfat Milk (incl. 1%)                     | 34,510,875         | 7.72%          |
| Reduced Fat Milk (incl. 2%)                | 154,609,927        | 34.58%         |
| Cultured Fluid Milk (incl. Buttermilk)     | 9,170,293          | 2.05%          |
| Flavored Drinks and Milk                   | 51,406,386         | 11.50%         |
| <b>Total Disposition in Marketing Area</b> | <b>447,124,149</b> | <b>100.00%</b> |
| Total Disposition by Pool Plants           | 363,154,205        | 81.22%         |
| Total Disposition by Nonpool Plants        | 83,969,944         | 18.78%         |
| <b>Total Disposition in Marketing Area</b> | <b>447,124,149</b> | <b>100.00%</b> |

### Mailbox Milk Prices, January to September 2007 2/

| Reporting Area 1/          | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sept           | Average        |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| New England States 3/      | \$15.31        | \$15.46        | \$16.46        | \$17.29        | \$18.69        | \$20.72        | \$22.75        | \$22.99        | \$23.25        | \$19.21        |
| Appalachian States 4/      | \$15.41        | \$15.49        | \$16.27        | \$16.94        | \$18.24        | \$20.13        | \$22.58        | \$23.38        | \$23.29        | \$19.08        |
| <b>Southeast States 5/</b> | <b>\$16.18</b> | <b>\$16.13</b> | <b>\$16.51</b> | <b>\$17.14</b> | <b>\$18.22</b> | <b>\$20.28</b> | <b>\$23.07</b> | <b>\$24.34</b> | <b>\$24.43</b> | <b>\$19.59</b> |
| Southern Missouri 6/       | \$14.36        | \$14.54        | \$15.14        | \$15.75        | \$16.98        | \$19.13        | \$21.49        | \$22.10        | \$22.25        | \$17.97        |
| Florida                    | \$17.51        | \$17.27        | \$17.59        | \$18.11        | \$19.09        | \$21.29        | \$24.45        | \$26.14        | \$26.33        | \$20.86        |
| Indiana                    | \$14.44        | \$14.77        | \$15.50        | \$16.36        | \$17.75        | \$19.64        | \$21.84        | \$22.07        | \$22.38        | \$18.31        |
| Michigan                   | \$14.25        | \$14.51        | \$15.09        | \$16.03        | \$17.29        | \$19.04        | \$20.70        | \$20.89        | \$21.29        | \$17.68        |
| Wisconsin                  | \$14.79        | \$15.31        | \$16.03        | \$16.84        | \$18.17        | \$20.17        | \$21.26        | \$20.62        | \$21.14        | \$18.26        |
| Corn Belt States 7/        | \$13.96        | \$14.19        | \$14.69        | \$15.54        | \$16.66        | \$18.66        | \$20.72        | \$20.73        | \$21.15        | \$17.37        |
| Western Texas 8/           | \$13.96        | \$14.01        | \$14.55        | \$15.57        | \$16.99        | \$19.35        | \$20.96        | \$20.91        | \$21.02        | \$17.48        |
| New Mexico                 | \$13.30        | \$13.19        | \$13.83        | \$14.85        | \$16.28        | \$18.60        | \$20.16        | \$20.11        | \$20.21        | \$16.73        |
| All Federal Orders 9/      | \$14.66        | \$14.92        | \$15.60        | \$16.45        | \$17.78        | \$19.80        | \$21.49        | \$21.47        | \$21.78        | \$18.22        |
| California 10/             | \$12.55        | \$13.09        | \$13.89        | \$14.83        | \$16.77        | \$19.12        | \$19.98        | \$20.06        | \$20.19        | \$16.72        |

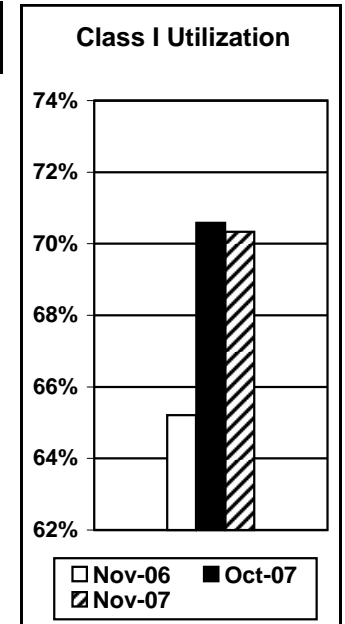
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the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

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

| Pool<br>Period | CLASS I* |          |         | CLASS II |          |         | CLASS III |          |         | CLASS IV |          |         | UNIFORM* |          |         |
|----------------|----------|----------|---------|----------|----------|---------|-----------|----------|---------|----------|----------|---------|----------|----------|---------|
|                | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt  | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   | Skim/cwt | Bfat/lb  | @ 3.5   |
| Jul 2006       | \$10.34  | \$1.2740 | \$14.44 | \$6.76   | \$1.2298 | \$10.83 | \$6.88    | \$1.2228 | \$10.92 | \$ 6.15  | \$1.2228 | \$10.21 | \$ 9.25  | \$1.2444 | \$13.28 |
| Aug            | \$10.06  | \$1.2464 | \$14.07 | \$6.82   | \$1.3078 | \$11.16 | \$6.74    | \$1.3008 | \$11.06 | \$ 6.31  | \$1.3008 | \$10.64 | \$ 9.23  | \$1.2809 | \$13.39 |
| Sep            | \$9.74   | \$1.3013 | \$13.95 | \$6.99   | \$1.4261 | \$11.74 | \$7.59    | \$1.4191 | \$12.29 | \$ 6.36  | \$1.4191 | \$11.10 | \$ 9.19  | \$1.3758 | \$13.68 |
| Oct            | \$10.82  | \$1.4517 | \$15.52 | \$7.06   | \$1.4219 | \$11.79 | \$7.64    | \$1.4149 | \$12.32 | \$ 6.80  | \$1.4149 | \$11.51 | \$ 9.94  | \$1.4300 | \$14.60 |
| Nov            | \$10.87  | \$1.4314 | \$15.50 | \$7.37   | \$1.3922 | \$11.98 | \$8.28    | \$1.3852 | \$12.84 | \$ 7.52  | \$1.3852 | \$12.11 | \$ 10.12 | \$1.4038 | \$14.68 |
| Dec            | \$10.99  | \$1.4080 | \$15.53 | \$8.09   | \$1.3551 | \$12.55 | \$9.07    | \$1.3481 | \$13.47 | \$ 7.86  | \$1.3481 | \$12.30 | \$ 10.37 | \$1.3722 | \$14.81 |
| Jan 2007       | \$12.27  | \$1.3857 | \$16.69 | \$8.57   | \$1.3079 | \$12.85 | \$9.33    | \$1.3009 | \$13.56 | \$ 8.27  | \$1.3009 | \$12.53 | \$ 11.23 | \$1.3299 | \$15.49 |
| Feb            | \$12.29  | \$1.3216 | \$16.49 | \$8.77   | \$1.3182 | \$13.08 | \$9.94    | \$1.3112 | \$14.18 | \$ 8.42  | \$1.3112 | \$12.71 | \$ 11.48 | \$1.3157 | \$15.68 |
| Mar            | \$13.10  | \$1.3445 | \$17.35 | \$9.07   | \$1.3839 | \$13.60 | \$10.64   | \$1.3769 | \$15.09 | \$ 9.21  | \$1.3769 | \$13.71 | \$ 12.18 | \$1.3674 | \$16.54 |
| Apr            | \$13.60  | \$1.4206 | \$18.10 | \$9.69   | \$1.4727 | \$14.51 | \$11.36   | \$1.4657 | \$16.09 | \$ 11.39 | \$1.4657 | \$16.12 | \$ 12.72 | \$1.4527 | \$17.36 |
| May            | \$14.38  | \$1.4699 | \$19.02 | \$11.50  | \$1.5776 | \$16.62 | \$12.54   | \$1.5706 | \$17.60 | \$ 13.45 | \$1.5706 | \$18.48 | \$ 13.83 | \$1.5377 | \$18.73 |
| June           | \$15.98  | \$1.5776 | \$20.94 | \$13.58  | \$1.6527 | \$18.89 | \$14.93   | \$1.6457 | \$20.17 | \$ 15.54 | \$1.6457 | \$20.76 | \$ 15.64 | \$1.6196 | \$20.76 |
| July           | \$18.71  | \$1.7018 | \$24.01 | \$16.31  | \$1.6180 | \$21.40 | \$16.31   | \$1.6110 | \$21.38 | \$ 16.58 | \$1.6110 | \$21.64 | \$ 18.15 | \$1.6491 | \$23.29 |
| Aug            | \$19.84  | \$1.6320 | \$24.86 | \$17.44  | \$1.5942 | \$22.41 | \$14.79   | \$1.5872 | \$19.83 | \$ 16.91 | \$1.5872 | \$21.87 | \$ 18.91 | \$1.6072 | \$23.87 |
| Sep            | \$19.86  | \$1.6692 | \$25.01 | \$17.46  | \$1.5171 | \$22.16 | \$15.32   | \$1.5101 | \$20.07 | \$ 16.92 | \$1.5101 | \$21.61 | \$ 18.93 | \$1.5723 | \$23.77 |
| Oct            | \$19.96  | \$1.5519 | \$24.69 | \$17.56  | \$1.4162 | \$21.90 | \$14.27   | \$1.4092 | \$18.70 | \$ 16.97 | \$1.4092 | \$21.31 | \$ 18.89 | \$1.4674 | \$23.36 |
| Nov            | \$20.14  | \$1.4628 | \$24.55 | \$17.74  | \$1.4147 | \$22.07 | \$14.81   | \$1.4077 | \$19.22 | \$ 16.03 | \$1.4077 | \$20.40 | \$ 19.12 | \$1.4310 | \$23.46 |
| Dec            | \$18.75  | \$1.4430 | \$23.14 | \$16.35  |          |         |           |          |         |          |          |         |          |          |         |

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

| Pool<br>Period | Producer Milk<br>1000 lbs. | Number of<br>Farms | CLASS I   |        | CLASS II  |        | CLASS III |        | CLASS IV  |       |
|----------------|----------------------------|--------------------|-----------|--------|-----------|--------|-----------|--------|-----------|-------|
|                |                            |                    | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %      | 1000 lbs. | %     |
| Jul 2006       | 602,818                    | 3,248              | 374,357   | 62.10% | 77,034    | 12.78% | 97,920    | 16.24% | 53,506    | 8.88% |
| Aug            | 634,266                    | 3,244              | 422,575   | 66.62% | 77,859    | 12.28% | 99,138    | 15.63% | 34,694    | 5.47% |
| Sep            | 607,301                    | 3,131              | 402,879   | 66.34% | 78,997    | 13.01% | 108,793   | 17.91% | 16,632    | 2.74% |
| Oct            | 627,520                    | 3,102              | 413,408   | 65.88% | 74,676    | 11.90% | 112,827   | 17.98% | 26,609    | 4.24% |
| Nov            | 613,945                    | 3,141              | 400,400   | 65.21% | 73,286    | 11.94% | 110,612   | 18.02% | 29,648    | 4.83% |
| Dec            | 610,264                    | 3,153              | 399,894   | 65.53% | 62,609    | 10.26% | 91,925    | 15.06% | 55,836    | 9.15% |
| Jan 2007       | 736,646                    | 3,133              | 434,642   | 59.00% | 73,204    | 9.94%  | 170,119   | 23.09% | 58,681    | 7.97% |
| Feb            | 650,127                    | 3,081              | 381,201   | 58.64% | 67,360    | 10.36% | 156,906   | 24.13% | 44,660    | 6.87% |
| Mar            | 711,173                    | 3,038              | 418,047   | 58.78% | 88,537    | 12.45% | 163,562   | 23.00% | 41,026    | 5.77% |
| Apr            | 707,385                    | 2,961              | 394,568   | 55.78% | 101,521   | 14.35% | 162,167   | 22.92% | 49,129    | 6.95% |
| May            | 695,111                    | 2,925              | 398,662   | 57.36% | 96,168    | 13.83% | 167,933   | 24.16% | 32,349    | 4.65% |
| June           | 558,867                    | 2,956              | 372,612   | 66.67% | 96,460    | 17.26% | 61,040    | 10.92% | 28,755    | 5.15% |
| July           | 561,866                    | 2,962              | 369,735   | 65.80% | 74,157    | 13.20% | 95,276    | 16.96% | 22,699    | 4.04% |
| Aug            | 581,050                    | 3,208              | 409,987   | 70.57% | 60,967    | 10.49% | 94,557    | 16.27% | 15,539    | 2.67% |
| Sep            | 558,271                    | 3,075              | 378,231   | 67.75% | 53,134    | 9.52%  | 93,114    | 16.68% | 33,792    | 6.05% |
| Oct            | 584,122                    | 3,000              | 412,258   | 70.58% | 58,111    | 9.95%  | 99,545    | 17.04% | 14,208    | 2.43% |
| Nov            | 582,419                    | 3,050**            | 409,617   | 70.33% | 48,795    | 8.38%  | 105,214   | 18.06% | 18,794    | 3.23% |



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



## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods

December 2007 through February 2008

| Pool Month | Pool & Uniform Price Release Date | MA Payment Dates |                | Payments for Producer Milk |           |                   |           |
|------------|-----------------------------------|------------------|----------------|----------------------------|-----------|-------------------|-----------|
|            |                                   | Due to:          | Due From:      | Partial Payment** Due      |           | Final Payment Due |           |
|            |                                   | All Funds        | P/S & T-Credit | Coop                       | Nonmember | Coop              | Nonmember |
| Dec 2007   | 01/11/08                          | 01/14/08         | 01/15/08       | 12/26/07                   | 12/26/07  | 01/15/08          | 01/16/08  |
| Jan 2008   | 02/11/08                          | 02/12/08         | 02/13/08       | 01/25/08                   | 01/28/08  | 02/13/08          | 02/14/08  |
| Feb 2008   | 03/11/08                          | 03/12/08         | 03/13/08       | 02/25/08                   | 02/26/08  | 03/13/08          | 03/14/08  |

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$21.11 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.46 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

|                             | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Producer Touch Base Days    | 4   | 4   | 4   | 4   | 4   | 4   | 10  | 10  | 10  | 10  | 10  | 10  |
| Diversion Percentage Limits | 50% | 50% | 50% | 50% | 50% | 50% | 33% | 33% | 33% | 33% | 33% | 33% |

## WASDE Dairy Report 1/

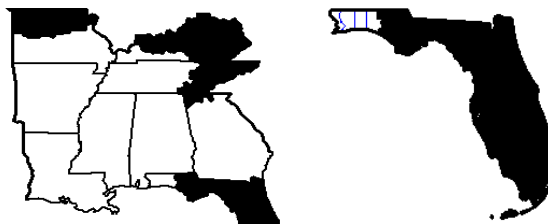
### WASDE – 453 December 11, 2007

Forecasts for 2007 and 2008 milk production are raised slightly as milk per cow rates are recovering from early year weakness. Ending stocks on a fat basis are unchanged from last month, but skim-solids stocks are raised because nonfat dry milk (NDM) stocks have remained higher than expected.

Dairy prices are changed in 2007 and 2008. Stronger cheese price forecasts are expected to result in higher Class III price forecasts in both years. The Class IV price forecast is lowered for 2007 but unchanged for 2008. Forecast butter prices are raised slightly in both years. Weaker NDM prices in November and December result in a lower Class IV price for 2007. However, a weaker forecast NDM price in the first half of 2008 is largely offset by a higher forecast NDM price in the second half of the year as world supplies remain tight. The 2007 all milk price is forecast 10 cents higher than last month at \$19.05 to \$19.15. In 2008, the all milk price is forecast at \$18.00 to \$18.80 per cwt.

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

**USDA** MILK MARKET ADMINISTRATOR  
 U.S. Department Of Agriculture  
 P.O. Box 491778  
 Lawrenceville, Georgia 30049



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

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."