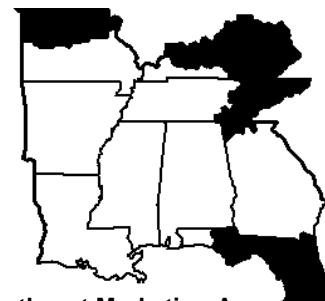


Market Information BULLETIN



Southeast Marketing Area
Federal Order 7

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

January 2011

Volume 12—No. 1

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

Annual 2010 Announced Coop Class I Prices

For 2010, the all-city average announced cooperative Class I price was \$20.51 per cwt., \$2.52 higher than the Federal Milk Order minimum Class I price average for these cities. The 2010 announced cooperative Class I price was \$3.94 higher than the 2009 price while the Federal Milk Order minimum Class I price was \$3.87 higher. The 2010 difference was \$0.07 higher than the 2009 difference. On an individual city basis, the annual average differences between the Federal order and announced cooperative Class I prices ranged from \$0.50 in Phoenix, AZ, to \$3.90 in Miami, FL. The table below is for selected cities.

Source: Dairy Market News, Volume 78, Report 2.	2010 Annual Averages		
	Ann'cd Coop Class I Price	Federal Order Class I Price	Difference
	(dol./cwt, 3.5% bfat)		
Atlanta, GA	22.44	19.15	3.29
Boston, MA	20.10	18.60	1.50
Charlotte, NC	22.00	18.75	3.25
Chicago, IL	20.68	17.15	3.53
Dallas, TX	20.21	18.35	1.86
Indianapolis, IN	20.43	17.35	3.08
Kansas City, MO	19.52	17.35	2.17
Louisville, KY	20.70	17.65	3.05
Memphis, TN	21.67	18.25	3.42
Miami, FL	25.25	21.35	3.90
Milwaukee, WI	20.63	17.10	3.53
New Orleans, LA	22.57	19.15	3.42
Phoenix, AZ	18.20	17.70	0.50
Pittsburgh, PA	20.95	17.45	3.50
St. Louis, MO	19.92	17.35	2.57
Seattle, WA	18.03	17.25	0.78
Springfield, MO	20.16	17.75	2.41
All-City Average	20.51	17.99	2.52

Uniform Price Ends the Year Down

The uniform price in Fulton County, GA, was \$18.33 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$1.29 lower than the previous month and is \$1.10 per hundredweight higher compared with December of last year.

Class I utilization was 64.67 percent in December, a decrease of 5.88 percent compared with the previous month and a decrease of 2.41 percent compared with December 2009.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 15.47 billion pounds, an increase of 2.7 percent from November 2009 and an increase of 0.7 percent when compared with October 2010 on a daily average basis. Total cheese output (excluding cottage cheese) was 890 million pounds, 6.0 percent above November 2009 and 3.1 percent above October 2010 on a daily average basis. Butter production was 133 million pounds, 9.8 percent above November 2009 and 12.8 percent above October 2010 on a daily average basis.

Nonfat dry milk powder production was 115.5 million pounds in November, 13.0 percent higher than November 2009 and 3.5 percent higher than October 2010 on a daily average basis. Dry whey production was 80.0 million pounds in November, an increase of 0.8 percent compared with November 2009 and 5.0 percent above October 2010 on a daily average basis.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for December 2010 were made for \$1,999,751.76. Since the available balance was \$1,220,955.34, eligible claims were paid at the rate of approximately \$0.61 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2010

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	35.77%	8,748,503	\$2.3348	\$ 20,426,004.79
Class I Differential at Location				293,060.57
Class II Butterfat	21.95%	5,369,780	\$1.8022	9,677,417.53
Class III Butterfat	21.29%	5,208,553	\$1.7952	9,350,394.35
Class IV Butterfat	20.99%	5,134,865	\$1.7952	9,218,109.65
Total Butterfat	100.00%	24,461,701		\$ 48,964,986.89

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0017**

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	65.84%	398,241,370	\$9.11 /cwt.	\$ 36,279,788.81
Class I Butterfat	35.77%	8,748,503	\$2.3348 /lb.	20,426,004.79
Class I Differential at Location		406,989,873		13,644,617.42
Total Class I Milk	64.67%	406,989,873		\$ 70,350,411.02
Class II Skim Milk	9.28%	56,115,069	\$9.81 /cwt.	\$ 5,504,888.29
Class II Butterfat	21.95%	5,369,780	\$1.8022 /lb.	9,677,417.53
Total Class II Milk	9.77%	61,484,849		\$ 15,182,305.82
Class III Skim Milk	19.32%	116,876,159	\$7.82 /cwt.	\$ 9,139,715.62
Class III Butterfat	21.29%	5,208,553	\$1.7952 /lb.	9,350,394.35
Total Class III Milk	19.40%	122,084,712		\$ 18,490,109.97
Class IV Skim Milk	5.56%	33,599,498	\$9.06 /cwt.	\$ 3,044,114.48
Class IV Butterfat	20.99%	5,134,865	\$1.7952 /lb.	9,218,109.65
Total Class IV Milk	6.16%	38,734,363		\$ 12,262,224.13
Producer Milk	100.00%	629,293,797		\$ 116,285,050.94

Adjustments

Overage and Other Source	\$15,369.72
Inventory Adjustments	(\$132,833.22)
Producer butterfat at uniform butterfat price	(\$48,964,986.89)
Location Adjustments to Producers	\$3,779,056.90
1/2 Unobligated Balance in P.S.F	\$247,846.59

Adjusted Pool Value

	\$ 11.77674	\$71,229,504.04
Reserve for Producer Settlement Func	\$ 0.04674	\$282,699.19

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

\$11.73

Uniform Price per cwt. (Fulton County, Georgia)

\$18.33*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	DEC 2010	JAN 2011	NOV 2010	DEC 2010	DEC 2010
Appalachian (Charlotte)	\$ 20.36	\$ 18.60	\$ 19.45	\$ 18.31	69.06%
Arizona (Phoenix)	\$ 19.31	\$ 17.55	\$ 17.30	\$ 15.88	31.30%
Central (Kansas City)	\$ 18.96	\$ 17.20	\$ 16.67	\$ 15.29	33.46%
Florida (Tampa)	\$ 22.36	\$ 20.60	\$ 21.61	\$ 20.69	85.73%
Mideast (Cleveland)	\$ 18.96	\$ 17.20	\$ 17.02	\$ 15.76	42.70%
Northeast (Boston)	\$ 20.21	\$ 18.45	\$ 18.17	\$ 16.91	45.30%
Pacific Northwest (Seattle)	\$ 18.86	\$ 17.10	\$ 16.71	\$ 15.32	29.45%
Southeast (Atlanta)	\$ 20.76	\$ 19.00	\$ 19.62	\$ 18.33	64.67%
Southwest (Dallas)	\$ 19.96	\$ 18.20	\$ 17.69	\$ 16.39	38.77%
Upper Midwest (Chicago)	\$ 18.76	\$ 17.00	\$ 15.92	\$ 14.41	14.10%

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

Receipts:	December 2010	December 2009
Producer Milk		
Class I	406,989,873	413,011,788
Class II	61,484,849	61,330,181
Class III	122,084,712	103,722,829
Class IV	38,734,363	37,690,293
Total Producer Milk	<u>629,293,797</u>	<u>615,755,091</u>
Average Butterfat Test	3.89%	3.80%
Percent of Producer Milk in Class I	64.67%	67.08%
Daily Average Receipts	20,299,800	19,863,067
Other Source Milk		
Class I	7,965,792	8,054,741
Class II	4,044,113	5,717,821
Class III	1,582,632	1,484,415
Class IV	11,631,819	6,651,159
Total Other Source Milk	<u>25,224,356</u>	<u>21,908,136</u>
Overage		
Class I	0	0
Class II	0	0
Class III	149,391	93,893
Class IV	2,054	7,387
Total Overage	<u>151,445</u>	<u>101,280</u>
Opening Inventory		
Class I	33,741,032	34,325,789
Class II	2,612,511	5,765,845
Class III	4,394,165	2,620,397
Class IV	13,959,581	15,022,633
Total Opening Inventory	<u>54,707,289</u>	<u>57,734,664</u>
Total Receipts	709,376,887	695,499,171
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	36,086,146	37,341,949
Route Disposition Class I	401,194,943	405,084,757
Shrinkage	3,172,687	3,192,291
Transfers & Diversions to Nonpool	8,242,921	9,773,321
Total Class I Utilization	<u>448,696,697</u>	<u>455,392,318</u>
Average Butterfat Test	2.15%	2.12%
Daily Average Utilization	14,474,087	14,690,075
Class II Utilization		
Nonfluid Used To Produce	1,245,153	1,008,227
Shrinkage	18,260	7,165,251
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	44,479,091	34,672,642
Total Class II Utilization	<u>22,398,969</u>	<u>29,967,727</u>
Average Butterfat Test	68,141,473	72,813,847
Average Butterfat Test	9.68%	9.66%
Class III Utilization		
Shrinkage	7,104,719	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	115,918,167	107,921,534
Total Class III Utilization	<u>5,188,014</u>	<u>0</u>
Average Butterfat Test	128,210,900	107,921,534
Average Butterfat Test	4.11%	4.83%
Class IV Utilization		
Inventory	13,158,472	15,676,556
Nonfluid Used To Fortify	2,778,229	3,122,829
Shrinkage	32	96
Transfers & Diversions to Nonpool Used To Produce/Other Uses	48,391,084	40,571,991
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	64,327,817	59,371,472
Average Butterfat Test	13.57%	9.20%
Total Utilization	709,376,887	695,499,171

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2010 is \$18.33 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.73 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0017 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 65.84% of all producer skim milk (priced to handlers at \$9.11 per hundredweight, plus the Class I differential, see page 2) and 35.77% of producer butterfat (priced to handlers at \$2.3348 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.28% of all producer skim milk (\$9.81 per hundredweight) and 21.95% of producer butterfat (\$1.8022 per pound). Class III use, mostly milk used to produce cheese, accounted for 19.32% of all producer skim milk (\$7.82 per hundredweight) and 21.29% of producer butterfat (\$1.7952 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.56% of all producer skim milk (\$9.06 per hundredweight) and 20.99% of producer butterfat (\$1.7952 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
November 2010		
Whole Milk	131,222,138	30.32%
Fat Free Milk	50,438,759	11.66%
Lowfat Milk (incl. 1%)	36,461,219	8.43%
Reduced Fat Milk (incl. 2%)	152,153,023	35.13%
Cultured Fluid Milk (incl. Buttermilk)	10,256,152	2.37%
Flavored Drinks and Milk	52,232,010	12.07%
Total Disposition in Marketing Area	432,763,301	100.00%
Total Disposition by Pool Plants	348,121,339	80.44%
Total Disposition by Nonpool Plants	84,641,962	19.56%
Total Disposition in Marketing Area	432,763,301	100.00%

Receipts of producer milk during December totaled 629.3 million pounds. There were 25 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 December 2010. Class I route disposition in the area was 432.8 million pounds in November 2010.

USDA Names Members to the National Dairy Board

On December 7, 2010, Agriculture Secretary Thomas J. Vilsack today announced the appointment of 12 members to the National Dairy Promotion and Research Board. All appointees will serve three-year terms.

"These appointees represent a diverse cross section of the dairy industry and I am confident that they will serve dairy producers throughout the United States well," said Vilsack.

Newly appointed members are: Renae A. De Jager, Region 2; Jeffrey A. Hardy, Region 3; Steven R. Hanson, Region 4; Douglas T. Danielson, Region 6; Douglas L. Krickenbarger, Region 9; Zachary H. Myers, Region 10; David P. Crawl, Region 11; and Sanford Stauffer, Region 12. Reappointed members are: James L. Ahlem, Region 2; John B. Fiscalini, Region 2; Stephen D. Maddox, Region 2; and Brad J. Scott, Region 2.

The National Dairy Promotion and Research Board oversees the collection of the mandatory 15-cent per hundredweight assessment on all milk marketed commercially by dairy producers. In addition, the board develops and administers a coordinated program of promotion, research, and nutrition education.

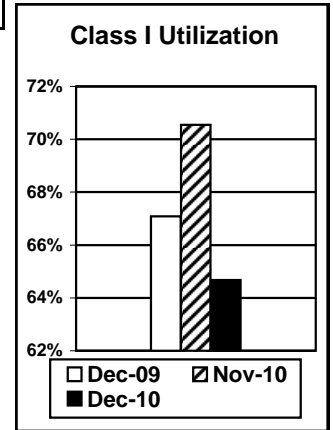
The board is authorized by the Dairy Production Stabilization Act of 1983. The Agriculture Secretary selects the appointees from nominations by dairy producers and farm organizations. USDA's Agricultural Marketing Service monitors operation of the board. *Source: AMS No. 263-10*

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2009	\$13.11	\$1.4690	\$17.79	\$9.14	\$1.5503	\$14.25	\$9.93	\$1.5433	\$14.98	\$ 9.96	\$1.5433	\$15.01	\$ 12.36	\$1.5152	\$17.23
Jan 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Dec 2009	615,755	2,747	413,012	67.08%	61,330	9.96%	103,723	16.84%	37,690	6.12%
Jan 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,700**	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods January through March 2011

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
JAN 2011	02/11/11	02/14/11	02/15/11	01/25/11	01/26/11	02/15/11	02/16/11
FEB 2011	03/11/11	03/14/11	03/15/11	02/25/11	02/28/11	03/15/11	03/16/11
MAR 2011	04/11/11	04/12/11	04/13/11	03/25/11	03/28/11	04/13/11	04/14/11

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

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 490 January 12, 2011

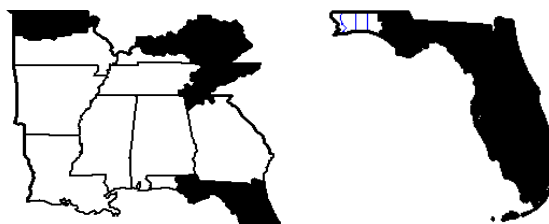
The milk production estimate for 2010 and forecast for 2011 are unchanged from last month. Ending stocks for 2010 are reduced due to expected low stocks of butter and nonfat dry milk (NDM) at the end of the year. Imports for 2010 and 2011 are reduced due to low U.S. prices relative to those internationally coupled with a weak U.S. dollar. Skim-solids basis exports are raised as NDM exports are expected to be supported by tight world supplies into mid-2011. Fat basis exports for 2010 are lowered from last month on weaker-than-expected exports of butterfat.

Butter, NDM, and whey prices are forecast higher, but the cheese price forecast is lowered. Tighter beginning stocks support a higher butter price forecast while generally strong exports of NDM and whey will support higher prices. The cheese price forecast is reduced from last month on moderate demand. The Class III price forecast range is reduced as the lower forecast cheese price more than offsets the higher whey price forecast. The Class IV price forecast is raised as both the butter and NDM price forecasts are raised. The all milk price is forecast to average \$16.10 to \$16.90 per cwt for 2011.

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.*



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



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

February 2011

Volume 12—No. 2

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

Year-Over-Year Milk Production Increases Slowly Adjusting Supply to Demand, Holding the All Milk Price Near the 2010 Price

The latest USDA forecasts indicate rising feed prices for the 2010/11 crop year. The corn price is forecast to average \$4.90 to \$5.70 per bushel, and the soybean meal price is forecast to average \$320 to \$360 per ton. These latest price forecasts represent an increase from last month's forecasts. Positive processor margins for ethanol and strong exports will contribute to the higher price. Supplies of corn are expected to be lower as yield per harvested acre is expected to be lower than in 2009/10, despite higher planted acreage. Supplies of soybeans and soybean meal are also forecast to be slightly lower than in 2009/10.

The current forecast calls for cow numbers to average 9.1 million head in 2011, the first annual increase since 2008. High cow slaughter and heifer prices that are about unchanged from last year suggest little incentive for herd expansion. The availability of heifer replacements at modest prices could provide an opportunity to some producers for herd freshening, which could be a cost-reducing strategy with higher feed prices in the offing. Milk per cow is projected to rise 1.3 percent this year over last to 21,425 pounds. Total milk production in 2011 is expected to reach 195.5 billion pounds, compared with 192.8 billion pounds for 2010.

Milk equivalent exports for 2011 are forecast at 6.4 billion pounds on a fats basis and 30.7 billion pounds on a skim-solids basis. Although representing a retreat from 2010 exports, these forecasts have been raised from last month largely on improved skim-solids basis exports. U.S. dairy product prices are below international prices and a weak dollar relative to foreign currencies makes U.S. dairy products attractively priced. Global demand should be higher in 2011, especially in Asia and South America, because (continued on Page 4)

Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.01 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$0.32 lower than the previous month and is \$0.41 per hundredweight higher compared with January 2010.

Class I utilization was 64.85 percent in January, an increase of 0.18 percent compared with the previous month and a decrease of 3.85 percent compared with January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 16.16 billion pounds, an increase of 2.5 percent from December 2009 and an increase of 1.0 percent when compared with November 2010 on a daily average basis. Total cheese output (excluding cottage cheese) was 904 million pounds, 4.7 percent above December 2009 and 0.9 percent below November 2010 on a daily average basis. Butter production was 158 million pounds, 4.8 percent above December 2009 and 14.8 percent above November 2010 on a daily average basis.

Nonfat dry milk powder production was 139.5 million pounds in December, 10.1 percent higher than December 2009 and 15.7 percent higher than November 2010 on a daily average basis. Dry whey production was 89.6 million pounds in December, an increase of 5.3 percent compared with December 2009 and 8.2 percent above November 2010 on a daily average basis.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for January 2011 were made for \$2,029,209.83. Since the available balance was \$1,222,831.17, eligible claims were paid at the rate of approximately \$0.60 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	33.59%	8,165,732	\$1.7696	\$ 14,450,079.35
Class I Differential at Location				272,926.62
Class II Butterfat	22.40%	5,448,272	\$2.0309	11,064,895.60
Class III Butterfat	25.45%	6,189,394	\$2.0239	12,526,714.51
Class IV Butterfat	18.56%	4,514,524	\$2.0239	9,136,945.12
Total Butterfat	100.00%	24,317,922		\$ 47,451,561.20

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9513**

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	66.11%	399,444,641	\$9.33 /cwt.	\$ 37,268,185.05
Class I Butterfat	33.59%	8,165,732	\$1.7696 /lb.	14,450,079.35
Class I Differential at Location		407,610,373		13,670,034.73
Total Class I Milk	64.85%	407,610,373		\$ 65,388,299.13
Class II Skim Milk	6.91%	41,756,207	\$10.03 /cwt.	\$ 4,188,147.58
Class II Butterfat	22.40%	5,448,272	\$2.0309 /lb.	11,064,895.60
Total Class II Milk	7.51%	47,204,479		\$ 15,253,043.18
Class III Skim Milk	22.64%	136,796,144	\$6.63 /cwt.	\$ 9,069,584.38
Class III Butterfat	25.45%	6,189,394	\$2.0239 /lb.	12,526,714.51
Total Class III Milk	22.75%	142,985,538		\$ 21,596,298.89
Class IV Skim Milk	4.34%	26,225,170	\$9.67 /cwt.	\$ 2,535,973.94
Class IV Butterfat	18.56%	4,514,524	\$2.0239 /lb.	9,136,945.12
Total Class IV Milk	4.89%	30,739,694		\$ 11,672,919.06
Producer Milk	100.00%	628,540,084		\$ 113,910,560.26

Adjustments

Overage and Other Source	\$8,680.37
Inventory Adjustments	\$20,725.43
Producer butterfat at uniform butterfat price	(\$47,451,561.20)
Location Adjustments to Producers	\$3,548,974.45
1/2 Unobligated Balance in P.S.F	\$274,998.33

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 11.63684	\$70,312,377.64
	\$ 0.04684	\$283,029.08

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

\$11.59

Uniform Price per cwt. (Fulton County, Georgia)

\$18.01*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JAN 2011	FEB 2011	DEC 2010	JAN 2011	JAN 2011
Appalachian (Charlotte)	\$ 18.60	\$ 19.29	\$ 18.31	\$ 18.31	69.75%
Arizona (Phoenix)	\$ 17.55	\$ 18.24	\$ 15.88	\$ 16.23	32.88%
Central (Kansas City)	\$ 17.20	\$ 17.89	\$ 15.29	\$ 15.31	35.00%
Florida (Tampa)	\$ 20.60	\$ 21.29	\$ 20.69	\$ 20.32	83.94%
Mideast (Cleveland)	\$ 17.20	\$ 17.89	\$ 15.76	\$ 15.78	44.60%
Northeast (Boston)	\$ 18.45	\$ 19.14	\$ 16.91	\$ 17.01	42.50%
Pacific Northwest (Seattle)	\$ 17.10	\$ 17.79	\$ 15.32	\$ 15.57	28.35%
Southeast (Atlanta)	\$ 19.00	\$ 19.69	\$ 18.33	\$ 18.01	64.85%
Southwest (Dallas)	\$ 18.20	\$ 18.89	\$ 16.39	\$ 16.24	39.58%
Upper Midwest (Chicago)	\$ 17.00	\$ 17.69	\$ 14.41	\$ 14.12	13.10%

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

Receipts:	January 2011	January 2010
Producer Milk		
Class I	407,610,373	410,072,244
Class II	47,204,579	44,733,615
Class III	142,985,538	80,985,221
Class IV	30,739,694	61,094,118
Total Producer Milk	<u>628,540,084</u>	<u>596,885,198</u>
Average Butterfat Test	3.87%	3.90%
Percent of Producer Milk in Class I	64.85%	68.70%
Daily Average Receipts	20,275,487	19,254,361
Other Source Milk		
Class I	8,072,525	11,372,535
Class II	3,792,279	2,401,097
Class III	1,956,487	1,451,225
Class IV	12,291,631	4,492,668
Total Other Source Milk	<u>26,112,922</u>	<u>19,717,525</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	217,405
Class IV	89,766	100,516
Total Overage	<u>89,766</u>	<u>317,921</u>
Opening Inventory		
Class I	35,968,136	37,235,842
Class II	1,049,472	438,735
Class III	145,312	4,238
Class IV	11,963,688	15,283,063
Total Opening Inventory	<u>49,126,608</u>	<u>52,961,878</u>
Total Receipts	703,869,380	669,882,522
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	32,651,425	31,846,654
Route Disposition Class I	408,958,281	414,770,928
Shrinkage	2,049,617	2,574,192
Transfers & Diversions to Nonpool	7,991,711	9,488,847
Total Class I Utilization	<u>451,651,034</u>	<u>458,680,621</u>
Average Butterfat Test	1.99%	2.00%
Daily Average Utilization	14,569,388	14,796,149
Class II Utilization		
Nonfluid Used To Produce	1,086,561	1,172,533
Shrinkage	9,602	9,856
Transfers & Diversions to Nonpool/Commercial Foods	29,272,641	26,491,425
Used To Produce/Other Uses	21,677,426	19,899,633
Total Class II Utilization	<u>52,046,230</u>	<u>47,573,447</u>
Average Butterfat Test	11.65%	10.81%
Class III Utilization		
Shrinkage	7,334,217	0
Transfers & Diversions to Nonpool	133,682,806	82,658,089
Used To Produce/Other Uses	4,070,314	0
Total Class III Utilization	<u>145,087,337</u>	<u>82,658,089</u>
Average Butterfat Test	4.31%	5.10%
Class IV Utilization		
Inventory	26,912,343	29,380,658
Nonfluid Used To Fortify	991,607	1,457,846
Shrinkage	663	7,687,536
Transfers & Diversions to Nonpool	27,180,166	38,098,731
Used To Produce/Other Uses	0	4,345,594
Total Class IV Utilization	<u>55,084,779</u>	<u>80,970,365</u>
Average Butterfat Test	14.97%	8.53%
Total Utilization	703,869,380	669,882,522

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2011 is \$18.01 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.59 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9513 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 66.11% of all producer skim milk (priced to handlers at \$9.33 per hundredweight, plus the Class I differential, see page 2) and 33.59% of producer butterfat (priced to handlers at \$1.7696 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 6.91% of all producer skim milk (\$10.03 per hundredweight) and 22.40% of producer butterfat (\$2.0309 per pound). Class III use, mostly milk used to produce cheese, accounted for 22.64% of all producer skim milk (\$6.63 per hundredweight) and 25.45% of producer butterfat (\$2.0239 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.34% of all producer skim milk (\$9.67 per hundredweight) and 18.56% of producer butterfat (\$2.0239 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
December 2010		
Whole Milk	138,967,238	32.02%
Fat Free Milk	49,704,868	11.45%
Lowfat Milk (incl. 1%)	34,213,271	7.88%
Reduced Fat Milk (incl. 2%)	157,898,180	36.38%
Cultured Fluid Milk (incl. Buttermilk)	9,550,617	2.20%
Flavored Drinks and Milk	43,690,678	10.07%
Total Disposition in Marketing Area	434,024,852	100.00%
Total Disposition by Pool Plants	349,926,820	80.62%
Total Disposition by Nonpool Plants	84,098,032	19.38%
Total Disposition in Marketing Area	434,024,852	100.00%

Receipts of producer milk during January totaled 628.5 million pounds. There were 24 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 January 2011. Class I route disposition in the area was 434.0 million pounds in December 2010.

Year-Over-Year Milk Production Increases Slowly Adjusting Supply to Demand, Holding the All Milk Price Near the 2010 Price

(continued from Page 1) economic recovery in those regions has been stronger than in Europe and the United States. What remains to be seen is the scope of recovery in milk production in Oceania.

U.S. imports of dairy products will trail last year's totals and have been adjusted downward. Imports for 2011 are forecast at 3.9 billion pounds on a fats basis and 4.7 billion pounds on a skim-solids basis. The same fundamentals that make U.S. exports attractive on the world markets weaken the U.S. import market.

Butter stocks remain very tight, and consequently, butter prices are expected to remain high relative to recent years but to average below 2010 levels. Butter prices are expected to decline in the second half of 2011 as foreign production eases global tightness and more milk to move to Class IV uses due to adequate domestic supplies of cheese and strong export demand for nonfat dry milk (NDM).

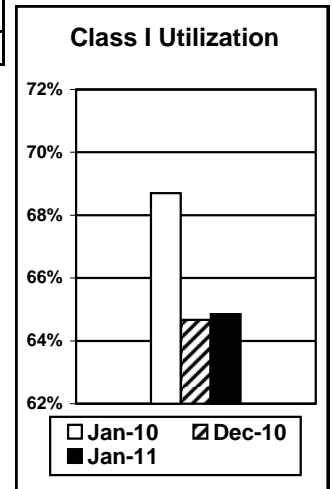
Source: *Livestock, Dairy, & Poultry Outlook/LDP-M-199/January 19, 2011* Economic Research Service, USDA.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2009	\$13.11	\$1.4690	\$17.79	\$9.14	\$1.5503	\$14.25	\$9.93	\$1.5433	\$14.98	\$ 9.96	\$1.5433	\$15.01	\$ 12.36	\$1.5152	\$17.23
Jan 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Dec 2009	615,755	2,747	413,012	67.08%	61,330	9.96%	103,723	16.84%	37,690	6.12%
Jan 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,700**	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods February through April 2011

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 2011	03/11/11	03/14/11	03/15/11	02/25/11	02/28/11	03/15/11	03/16/11
MAR 2011	04/11/11	04/12/11	04/13/11	03/25/11	03/28/11	04/13/11	04/14/11
APR 2011	05/11/11	05/12/11	05/13/11	04/25/11	04/26/11	05/13/11	05/16/11

** The base rate for making partial payments in Fulton County, GA for February will be \$16.21 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.01 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 491 February 9, 2011

The milk production estimate for 2010 and forecast for 2011 are raised from last month. Supply and use estimates for 2010 are adjusted to reflect production and stock estimates for December. Milk production is forecast higher for 2011 based on higher-than-expected January 1 dairy cow and dairy replacement heifer estimates. Import and export forecasts are unchanged from last month.

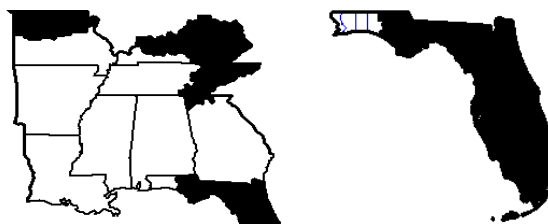
Product prices are forecast higher this month. Strong international demand, coupled with improving domestic demand is expected to help support prices. Butter prices are also benefitting from tight beginning stocks. Class III and Class IV price forecasts are raised to reflect higher product prices. The all milk price is forecast to average \$17.70 to \$18.40 per cwt for 2011.

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.*



MILK MARKET ADMINISTRATOR

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



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 2011

Volume 12—No. 3

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

Dairy Industry Advisory Committee Votes to Approve Final Report of Recommendations to Secretary of Agriculture

On March 3, the Dairy Industry Advisory Committee voted to approve a final report to Agriculture Secretary Tom Vilsack that offers recommendations concerning dairy farm profitability and milk prices. The vote, which was held during a public meeting via conference call, supports a report that offers 23 public policy recommendations.

"A tremendous amount of time and effort has been put into this report by members of the Dairy Industry Advisory Committee and I'm appreciative of their efforts and their willingness to dedicate time in support of the dairy industry," said Agriculture Secretary Tom Vilsack.

The Dairy Industry Advisory Committee was chartered to review farm milk price volatility and dairy farmer profitability. The committee was asked to make recommendations to the Secretary on how USDA can best address these issues to meet the dairy industry's needs, both short and long-term. The committee also was asked to provide feedback on how actions taken by USDA in 2009 have affected the dairy industry.

For a written copy of the committee's report, please contact Solomon Whitfield at Solomon.Whitfield@wdc.usda.gov. An electronic version of the report can be obtained by visiting <http://www.fsa.usda.gov/DIAC>.

2010 Summary of Dairy Production

The annual production of milk for the U.S. during 2010 was 193 billion pounds, 1.8 percent above 2009. Production per cow in the United States averaged 21,149 pounds for 2010, 576 pounds above 2009. The average annual rate of milk production per cow has increased 16.4 percent from 2001. Lastly, the average number of milk cows on farms in the U.S. during 2010 was 9.12 million head, down 0.9 percent from 2009.

Uniform Price Higher in February

The uniform price in Fulton County, GA, was \$19.60 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.59 higher than the previous month and is \$2.01 per hundredweight higher compared with February 2010.

Class I utilization was 65.16 percent in February, an increase of 0.31 percent compared with the previous month and a decrease of 3.07 percent compared with February of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 16.38 billion pounds, an increase of 2.3 percent from January 2010 and an increase of 1.5 percent when compared with December 2010. Total cheese output (excluding cottage cheese) was 883 million pounds, 5.0 percent above January 2010 but 2.7 percent below December 2010. Butter production was 167 million pounds, 2.7 percent above January 2010 and 5.4 percent above December 2010.

Nonfat dry milk powder production was 116.8 million pounds in January, 9.2 percent lower than January 2010 and 17.4 percent lower than December 2010. Dry whey production was 91.2 million pounds in January, an increase of 6.1 percent compared with January 2010 and 2.1 percent above December 2010.

The milk-feed price ratio was 1.96 in February 2011, unchanged from the previous month.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for February 2011 were made for \$1,487,344.97. Since the available balance was \$1,101,563.95, eligible claims were paid at the rate of approximately \$0.74 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.00%	7,321,910	\$1.9003	\$ 13,913,825.55
Class I Differential at Location				244,288.20
Class II Butterfat	24.50%	5,277,598	\$2.3037	12,158,002.51
Class III Butterfat	26.27%	5,658,401	\$2.2967	12,995,649.59
Class IV Butterfat	15.23%	3,280,084	\$2.2967	7,533,368.92
Total Butterfat	100.00%	21,537,993		\$ 46,845,134.77

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1750**

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	66.40%	360,027,635	\$9.57 /cwt.	\$ 34,454,644.65
Class I Butterfat	34.00%	7,321,910	\$1.9003 /lb.	13,913,825.55
Class I Differential at Location		367,349,545		12,331,227.14
Total Class I Milk	65.16%	367,349,545		\$ 60,699,697.34
Class II Skim Milk	7.39%	40,094,669	\$10.27 /cwt.	\$ 4,117,722.51
Class II Butterfat	24.50%	5,277,598	\$2.3037 /lb.	12,158,002.51
Total Class II Milk	8.05%	45,372,267		\$ 16,275,725.02
Class III Skim Milk	23.28%	126,205,946	\$9.29 /cwt.	\$ 11,724,532.37
Class III Butterfat	26.27%	5,658,401	\$2.2967 /lb.	12,995,649.59
Total Class III Milk	23.39%	131,864,347		\$ 24,720,181.96
Class IV Skim Milk	2.93%	15,907,984	\$10.74 /cwt.	\$ 1,708,517.49
Class IV Butterfat	15.23%	3,280,084	\$2.2967 /lb.	7,533,368.92
Total Class IV Milk	3.40%	19,188,068		\$ 9,241,886.41
Producer Milk	100.00%	563,774,227		\$ 110,937,490.73

Adjustments

Overage and Other Source	\$661.45
Inventory Adjustments	\$85,836.76
Producer butterfat at uniform butterfat price	(\$46,845,134.77)
Location Adjustments to Producers	\$3,148,470.56
1/2 Unobligated Balance in P.S.F	\$276,496.29

Adjusted Pool Value

Reserve for Producer Settlement Func **\$ 12.46760** **\$67,603,821.02**

\$ 0.04760 **\$258,080.75**

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

\$12.42

Uniform Price per cwt. (Fulton County, Georgia)

\$19.60*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	FEB 2011	MAR 2011	JAN 2011	FEB 2011	FEB 2011
Appalachian (Charlotte)	\$ 19.29	\$ 21.63	\$ 18.31	\$ 19.58	68.58%
Arizona (Phoenix)	\$ 18.24	\$ 20.58	\$ 16.23	\$ 18.18	32.43%
Central (Kansas City)	\$ 17.89	\$ 20.23	\$ 15.31	\$ 17.50	34.10%
Florida (Tampa)	\$ 21.29	\$ 23.63	\$ 20.32	\$ 21.38	84.24%
Mideast (Cleveland)	\$ 17.89	\$ 20.23	\$ 15.78	\$ 17.68	41.50%
Northeast (Boston)	\$ 19.14	\$ 21.48	\$ 17.01	\$ 19.82	42.50%
Pacific Northwest (Seattle)	\$ 17.79	\$ 20.13	\$ 15.57	\$ 17.78	28.89%
Southeast (Atlanta)	\$ 19.69	\$ 22.03	\$ 18.01	\$ 19.60	65.16%
Southwest (Dallas)	\$ 18.89	\$ 21.23	\$ 16.24	\$ 18.42	37.26%
Upper Midwest (Chicago)	\$ 17.69	\$ 20.03	\$ 14.12	\$ 17.23	13.30%

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

Receipts:	February 2011	February 2010
Producer Milk		
Class I	367,349,545	372,170,227
Class II	45,372,267	46,212,930
Class III	131,864,347	75,070,320
Class IV	19,188,068	52,027,296
Total Producer Milk	<u>563,774,227</u>	<u>545,480,773</u>
Average Butterfat Test	3.82%	3.78%
Percent of Producer Milk in Class I	65.16%	68.23%
Daily Average Receipts	20,134,794	19,481,456
Other Source Milk		
Class I	7,290,139	7,911,301
Class II	2,480,088	2,678,231
Class III	2,004,084	1,575,034
Class IV	7,828,920	3,211,418
Total Other Source Milk	<u>19,603,231</u>	<u>15,375,984</u>
Overage		
Class I	0	303
Class II	0	0
Class III	0	0
Class IV	288	1,257
Total Overage	<u>288</u>	<u>1,560</u>
Opening Inventory		
Class I	32,009,518	31,846,653
Class II	1,214,312	872,948
Class III	2,332,187	47,799
Class IV	22,667,333	28,459,911
Total Opening Inventory	<u>58,223,350</u>	<u>61,227,311</u>
Total Receipts	641,601,096	622,085,628
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	31,241,807	31,100,479
Route Disposition Class I	366,243,279	370,181,444
Shrinkage	1,855,822	2,370,413
Transfers & Diversions to Nonpool	7,308,294	8,276,148
Total Class I Utilization	<u>406,649,202</u>	<u>411,928,484</u>
Average Butterfat Test	1.98%	1.97%
Daily Average Utilization	14,523,186	14,711,732
Class II Utilization		
Nonfluid Used To Produce	1,312,467	989,702
Shrinkage	1,755	2,614
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	27,629,842	28,461,282
Total Class II Utilization	<u>20,122,603</u>	<u>20,130,511</u>
Average Butterfat Test	49,066,667	49,764,109
Average Butterfat Test	12.35%	11.06%
Class III Utilization		
Shrinkage	6,443,009	0
Transfers & Diversions to Nonpool	125,886,607	76,693,153
Used To Produce/Other Uses	3,871,002	0
Total Class III Utilization	<u>136,200,618</u>	<u>76,693,153</u>
Average Butterfat Test	4.25%	4.78%
Class IV Utilization		
Inventory	24,082,710	29,774,841
Nonfluid Used To Fortify	879,478	1,366,669
Shrinkage	0	7,190,883
Transfers & Diversions to Nonpool	24,722,421	41,540,933
Used To Produce/Other Uses	0	3,826,556
Total Class IV Utilization	<u>49,684,609</u>	<u>83,699,882</u>
Average Butterfat Test	13.01%	7.98%
Total Utilization	641,601,096	622,085,628

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2011 is \$19.60 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.42 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1750 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 66.40% of all producer skim milk (priced to handlers at \$9.57 per hundredweight, plus the Class I differential, see page 2) and 34.00% of producer butterfat (priced to handlers at \$1.9003 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 7.39% of all producer skim milk (\$10.27 per hundredweight) and 24.50% of producer butterfat (\$2.3037 per pound). Class III use, mostly milk used to produce cheese, accounted for 23.28% of all producer skim milk (\$9.29 per hundredweight) and 26.27% of producer butterfat (\$2.2967 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.93% of all producer skim milk (\$10.74 per hundredweight) and 15.23% of producer butterfat (\$2.2967 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>January 2011</u>		
Whole Milk	136,835,427	31.00%
Fat Free Milk	52,682,733	11.94%
Lowfat Milk (incl. 1%)	38,418,095	8.70%
Reduced Fat Milk (incl. 2%)	159,583,205	36.16%
Cultured Fluid Milk (incl. Buttermilk)	8,108,299	1.84%
Flavored Drinks and Milk	45,742,684	10.36%
Total Disposition in Marketing Area	441,370,443	100.00%
Total Disposition by Pool Plants	357,982,734	81.11%
Total Disposition by Nonpool Plants	83,387,709	18.89%
Total Disposition in Marketing Area	441,370,443	100.00%

Receipts of producer milk during February totaled 563.7 million pounds. There were 24 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 February 2011. Class I route disposition in the area was 441.4 million pounds in January 2011.

Mailbox Milk Prices For Selected Reporting Areas 2/

Reporting Area 1/	December 2009	November 2010	December 2010
New England States 3/	17.06	19.37	18.02
Eastern Pennsylvania 4/	16.68	18.97	17.68
Appalachian States 5/	17.38	20.19	18.98
Southeast States 6/	17.75	20.65	19.31
Southern Missouri 7/	15.85	18.71	17.23
Florida	18.64	21.54	20.01
Western Pennsylvania 8/	16.63	19.05	17.65
Indiana	16.35	19.00	17.81
Wisconsin	16.61	17.82	16.39
Corn Belt States 9/	16.01	18.27	16.47
Western Texas 10/	15.49	17.71	16.40
Northwest States 11/	16.00	17.56	15.94
All Federal Order Areas 12/	16.37	18.22	16.87
California 13/	15.33	15.62	14.62

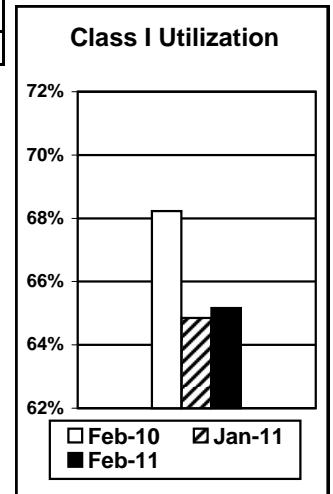
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.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

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,700**	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods March through May 2011

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
MAR 2011	04/11/11	04/12/11	04/13/11	03/25/11	03/28/11	04/13/11	04/14/11
APR 2011	05/11/11	05/12/11	05/13/11	04/25/11	04/26/11	05/13/11	05/16/11
MAY 2011	06/11/11	06/13/11	06/14/11	05/25/11	05/26/11	06/14/11	06/15/11

** The base rate for making partial payments in Fulton County, GA for March will be \$17.64 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.60 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 492 March 10, 2011

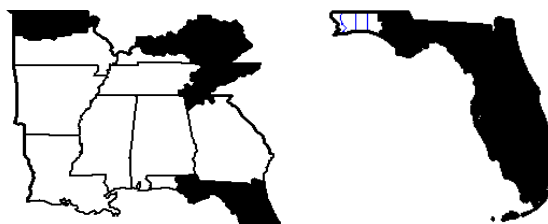
The milk production forecast for 2011 is reduced from last month. Relatively high milk prices and increased supplies of replacement heifers are expected to encourage further increases in the cow herd through much of the year, but the rate of increase in milk per cow is forecast slower than last month. Exports are forecast higher as global nonfat dry milk and cheese demand remains strong with tight supplies in competitor markets expected through the first half of 2011. Estimates of 2010 milk production are adjusted to reflect data revisions.

Dairy product prices are forecast higher this month on strong early year prices. Strong international demand and improving domestic demand will support prices for most products. Currently tight butter stocks are also helping support butter prices. Class III and Class IV price forecasts are raised to reflect higher product prices. The all milk price is forecast to average \$18.10 to \$18.70 per cwt for 2011.

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.*



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



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

April 2011

Volume 12—No. 4

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

USDA Announces Final Rule on the Establishment of a Dairy Import Assessment

The USDA has announced a final rule that will amend the National Dairy Promotion and Research Order and establishes a dairy import assessment program as required by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

Additionally, the term "United States" is amended in the Dairy Production Stabilization Act of 1983 (Act) to mean all states, the District of Columbia and the Commonwealth of Puerto Rico. All provisions are effective April 1, 2011, except those provisions regarding dairy importer assessments in Section 1150.152(b) of the Dairy Order. These provisions are effective August 1, 2011.

"This program will allow U.S. dairy producers and importers to jointly develop programs to build demand for dairy products and dairy ingredients," said Agricultural Marketing Service (AMS) Administrator Rayne Pegg.

The 2002 Farm Bill mandates that the Dairy Order be amended to implement an assessment on imported dairy products to fund promotion and research. The 2008 Farm Bill specifies that importers of dairy products be assessed a rate of 7.5 cents per hundredweight, or the equivalent thereof.

The 2002 Farm Bill authorizes two importer representatives to the current 36 member National Dairy Promotion and Research Board. Thereafter, importer representation on the Dairy Board will be adjusted at least once every three years if necessary to reflect the volume of imports relative to domestic markets. The Dairy Board was established under the Act to develop and administer a coordinated program of promotion, research and nutrition (continued on Page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$21.27 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$1.67 higher than the previous month and is \$4.47 per hundredweight higher compared with March 2010.

Class I utilization was 60.50 percent in March, a decrease of 4.66 percent compared with the previous month and a decrease of 3.52 percent compared with March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 15.01 billion pounds, an increase of 2.0 percent from February 2010 and an increase of 1.9 percent when compared with January 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 807 million pounds, 4.1 percent above February 2010 but 0.8 percent above January 2011 on a daily average basis. Butter production was 150 million pounds, 6.4 percent above February 2010 but 0.1 percent below January 2011 on a daily average basis.

Nonfat dry milk powder production was 109.6 million pounds in February, 6.9 percent lower than February 2010 but 3.7 percent higher than January 2011 on a daily average basis. Dry whey production was 81.8 million pounds in February, an increase of 4.6 percent compared with February 2010 but is 0.5 percent lower than January 2011 on a daily average basis. Whey protein concentrates production was 31.9 million pounds in February, an increase of 1.7 percent compared with February 2010 and is 1.3 percent higher than January 2011 on a daily average basis.

The milk-feed price ratio was 2.18 in March 2011, up 0.16 from the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	31.78%	7,877,017	\$2.3136	\$ 18,224,266.54
Class I Differential at Location				260,480.56
Class II Butterfat	26.87%	6,656,836	\$2.2929	15,263,459.24
Class III Butterfat	25.57%	6,334,433	\$2.2859	14,479,880.40
Class IV Butterfat	15.78%	3,908,685	\$2.2859	8,934,863.05
Total Butterfat	100.00%	24,776,971		\$ 57,162,949.79

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3071**

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	61.61%	392,636,830	\$10.50 /cwt.	\$ 41,226,867.23
Class I Butterfat	31.78%	7,877,017	\$2.3136 /lb.	18,224,266.54
Class I Differential at Location		400,513,847		13,335,263.67
Total Class I Milk	60.50%	400,513,847		\$ 72,786,397.44
Class II Skim Milk	9.96%	63,436,436	\$11.20 /cwt.	\$ 7,104,880.83
Class II Butterfat	26.87%	6,656,836	\$2.2929 /lb.	15,263,459.24
Total Class II Milk	10.59%	70,093,272		\$ 22,368,340.07
Class III Skim Milk	20.94%	133,412,879	\$11.81 /cwt.	\$ 15,756,061.04
Class III Butterfat	25.57%	6,334,433	\$2.2859 /lb.	14,479,880.40
Total Class III Milk	21.11%	139,747,312		\$ 30,235,941.44
Class IV Skim Milk	7.49%	47,715,656	\$11.82 /cwt.	\$ 5,639,990.52
Class IV Butterfat	15.78%	3,908,685	\$2.2859 /lb.	8,934,863.05
Total Class IV Milk	7.80%	51,624,341		\$ 14,574,853.57
Producer Milk	100.00%	661,978,772		\$ 139,965,532.52

Adjustments

Overage and Other Source	\$8,778.23
Inventory Adjustments	\$51,818.77
Producer butterfat at uniform butterfat price	(\$57,162,949.79)
Location Adjustments to Producers	\$4,289,132.11
1/2 Unobligated Balance in P.S.F	\$246,658.20

Adjusted Pool Value	\$ 13.71606	\$87,398,970.04
Reserve for Producer Settlement Func	\$ 0.04606	\$293,483.81

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$13.67**

Uniform Price per cwt. (Fulton County, Georgia) **\$21.27***

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	MAR 2011	APR 2011	FEB 2011	MAR 2011	MAR 2011
Appalachian (Charlotte)	\$ 21.63	\$ 22.83	\$ 19.58	\$ 21.06	69.38%
Arizona (Phoenix)	\$ 20.58	\$ 21.78	\$ 18.18	\$ 19.70	29.45%
Central (Kansas City)	\$ 20.23	\$ 21.43	\$ 17.50	\$ 19.21	38.87%
Florida (Tampa)	\$ 23.63	\$ 24.83	\$ 21.38	\$ 22.88	82.38%
Mideast (Cleveland)	\$ 20.23	\$ 21.43	\$ 17.68	\$ 19.40	40.90%
Northeast (Boston)	\$ 21.48	\$ 22.68	\$ 18.75	\$ 20.28	41.40%
Pacific Northwest (Seattle)	\$ 20.13	\$ 21.33	\$ 17.78	\$ 19.43	28.67%
Southeast (Atlanta)	\$ 22.03	\$ 23.23	\$ 19.60	\$ 21.27	60.50%
Southwest (Dallas)	\$ 21.23	\$ 22.43	\$ 18.42	\$ 20.33	62.58%
Upper Midwest (Chicago)	\$ 20.03	\$ 21.23	\$ 17.23	\$ 19.43	14.20%

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

Receipts:	March 2011	March 2010
Producer Milk		
Class I	400,513,847	410,387,281
Class II	70,093,272	52,439,295
Class III	139,747,312	128,747,555
Class IV	51,624,341	49,515,519
Total Producer Milk	<u>661,978,772</u>	<u>641,089,650</u>
Average Butterfat Test	3.74%	3.66%
Percent of Producer Milk in Class I	60.50%	64.02%
Daily Average Receipts	21,354,154	20,680,311
Other Source Milk		
Class I	6,757,726	7,920,720
Class II	5,767,721	3,488,338
Class III	1,416,139	2,156,249
Class IV	8,954,839	6,284,110
Total Other Source Milk	<u>22,896,425</u>	<u>19,849,417</u>
Overage		
Class I	7,057	0
Class II	0	0
Class III	187	0
Class IV	3,187	101,970
Total Overage	<u>10,431</u>	<u>101,970</u>
Opening Inventory		
Class I	29,959,036	31,100,477
Class II	4,066,440	1,912,963
Class III	1,953,635	3,041,748
Class IV	17,665,593	24,820,131
Total Opening Inventory	<u>53,644,704</u>	<u>60,875,319</u>
Total Receipts	738,530,332	721,916,356
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	30,416,972	31,886,252
Route Disposition Class I	394,844,400	406,416,595
Shrinkage	2,378,083	1,466,191
Transfers & Diversions to Nonpool	9,598,211	9,639,440
Total Class I Utilization	<u>437,237,666</u>	<u>449,408,478</u>
Average Butterfat Test	1.96%	1.96%
Daily Average Utilization	14,104,441	14,497,048
Class II Utilization		
Nonfluid Used To Produce	1,824,375	1,183,241
Shrinkage	7,001,109	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,095,074	31,579,525
Total Class II Utilization	<u>29,006,875</u>	<u>25,077,830</u>
Average Butterfat Test	9.70%	11.45%
Class III Utilization		
Shrinkage	0	7,606,886
Transfers & Diversions to Nonpool Used To Produce/Other Uses	143,117,273	121,686,456
Total Class III Utilization	<u>0</u>	<u>4,652,210</u>
Average Butterfat Test	143,117,237	133,945,552
Class IV Utilization		
Inventory	17,343,297	26,045,595
Nonfluid Used To Fortify	967,632	1,529,566
Shrinkage	0	100,965
Transfers & Diversions to Nonpool Used To Produce/Other Uses	59,937,031	53,045,604
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	78,247,960	80,721,730
Total Utilization	738,530,332	721,916,356
	8.56%	8.56%

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2011 is \$21.27 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.67 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3071 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 61.61% of all producer skim milk (priced to handlers at \$10.50 per hundredweight, plus the Class I differential, see page 2) and 31.78% of producer butterfat (priced to handlers at \$2.3136 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.96% of all producer skim milk (\$11.20 per hundredweight) and 26.87% of producer butterfat (\$2.2929 per pound). Class III use, mostly milk used to produce cheese, accounted for 20.94% of all producer skim milk (\$11.81 per hundredweight) and 25.57% of producer butterfat (\$2.2859 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.49% of all producer skim milk (\$11.82 per hundredweight) and 15.78% of producer butterfat (\$2.2859 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2011		
Whole Milk	119,411,192	30.40%
Fat Free Milk	47,314,751	12.05%
Lowfat Milk (incl. 1%)	35,610,449	9.07%
Reduced Fat Milk (incl. 2%)	138,662,441	35.31%
Cultured Fluid Milk (incl. Buttermilk)	7,425,837	1.89%
Flavored Drinks and Milk	44,322,296	11.29%
Total Disposition in Marketing Area	392,746,966	100.00%
Total Disposition by Pool Plants	321,066,494	81.75%
Total Disposition by Nonpool Plants	71,680,472	18.25%
Total Disposition in Marketing Area	392,746,966	100.00%

Receipts of producer milk during March totaled 662.0 million pounds. There were 24 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 March 2011. Class I route disposition in the area was 392.7 million pounds in February 2011.

USDA Announces Final Rule on the Establishment of a Dairy Import Assessment

(continued from Page 1) education.

Producers in the United States, including the added areas of Alaska, Hawaii and the Commonwealth of Puerto Rico are assessed 15 cents per hundredweight of milk produced and marketed. The new areas are added to the regions of closest geographic proximity.

Copies of the final rule may be obtained from USDA, AMS, Dairy Programs, Room 2958-S, Washington, DC 202250-0233, USA from 9 a.m. to 4 p.m., Monday through Friday. The final rule is also available on www.regulations.gov and the AMS website at www.ams.usda.gov/dairyimportassessment.

USDA Appoints Nominees to National Fluid Milk Processor Promotion Board

Agriculture Secretary Tom Vilsack has announced six appointments to the National Fluid Milk Processor Promotion Board. All appointees will serve 3-year terms.

"These appointees represent a diverse cross-section of the fluid milk industry, and I am confident that they will serve fluid milk processors throughout the United States well," said Vilsack.

Newly appointed members are: Scott W. Shehadey, At Large.

Newly reappointed members are: Christopher S. Ross, Region 2; Michael R. Smith, Region 5 (Florida); Michael A. Bell, Region 8; Steven M. Turner, Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska, and Oklahoma); and Jay B. Simon, Region 14.

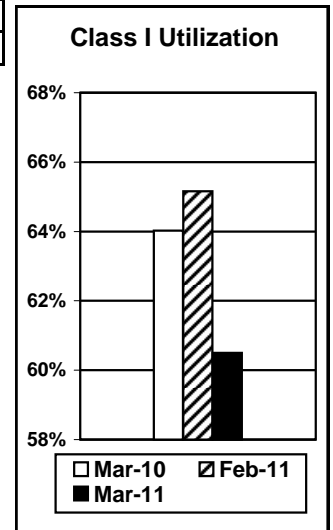
The 20-member Board is authorized by the Fluid Milk Promotion Act of 1990, as amended. The Secretary selected the appointees from nominations submitted by eligible processor organizations.

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 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.35											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,700**	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods April through June 2011

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 2011	05/11/11	05/12/11	05/13/11	04/25/11	04/26/11	05/13/11	05/16/11
MAY 2011	06/11/11	06/13/11	06/14/11	05/25/11	05/26/11	06/14/11	06/15/11
JUN 2011	07/11/11	07/12/11	07/13/11	06/27/11	06/27/11	07/13/11	07/14/11

** The base rate for making partial payments in Fulton County, GA for April will be \$19.14 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.27 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 493 April 8, 2011

The milk production forecast for 2011 is reduced slightly from last month. Relatively high milk prices are being offset by high feed costs and only slight growth is expected in the herd for the remainder of the year. Fat-basis imports are lowered from last month but skim-solids imports are forecast higher. Both skim and fat-basis exports are raised largely on the strength of first-quarter butter, cheese, and nonfat dry milk (NDM) sales.

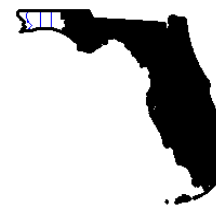
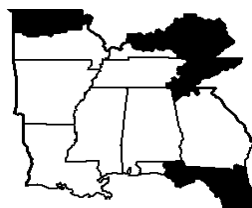
Butter and cheese prices are forecast lower this month, reflecting recent price declines but NDM and whey price forecasts are raised. The Class III price forecast is lowered as the weaker cheese price more than offsets higher whey prices. The Class IV price forecast is raised as higher NDM prices more than offset the lower forecast butter price. The all milk price is forecast to average \$18.15 to \$18.65 per cwt for 2011.

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.*



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

May 2011



Southeast Marketing Area
Federal Order 7

Volume 12—No. 5

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

Comments Sought on Request to Extend Transportation Credits to June 2011

The Atlanta Market Administrator received a request to extend the Transportation Credit Balancing Fund payout period to June 2011. The Market Administrator is considering the request and, in accordance with Section 1007.82(b) of the Order Regulating the Handling of Milk in the Southeast Marketing Area, is inviting written data, views, and comments regarding the request.

The request was made by the Southern Marketing Agency, Inc. and is available online at www.fmmatlanta.com under the 'What's New' link. Please submit comments by close of business May 25, 2011 via email to smosley@fmmatlanta.com, via fax to (770) 822-1038 or to Market Administrator, 1550 North Brown Road Suite 120, Lawrenceville, GA 30043.

2010 Milk Production and Dairy Product Manufacturing Summaries Published

The USDA has recently made available annual summary statistics for 2010 for milk production and for manufactured dairy products. Both reports, available at www.nass.usda.gov, are summarized below.

"Milk production increased 1.8 percent in 2010 to 193 billion pounds. The rate per cow, at 21,149 pounds, was 576 pounds above 2009. The annual average number of milk cows on farms was 9.12 million head, down 86,000 head from 2009.

Cash receipts from marketings of milk during 2010 totaled \$31.4 billion, 28.9 percent higher than 2009. Producer returns averaged \$16.35 per hundredweight, 26.5 percent above 2009. Marketings totaled 191.8 billion pounds, 1.9 percent above 2009. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers. (continued on page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$21.35 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.08 higher than the previous month and is \$5.32 per hundredweight higher compared with April 2010.

Class I utilization was 57.24 percent in April, a decrease of 3.26 percent compared with the previous month and a decrease of 4.94 percent compared with April of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 16.98 billion pounds, an increase of 2.2 percent from March 2010 and an increase of 1.8 percent when compared with February 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 916 million pounds, 2.4 percent above March 2010 and 2.4 percent above February 2011 on a daily average basis. Butter production was 157 million pounds, 12.4 percent above March 2010 and 5.3 percent lower than February 2011 on a daily average basis.

Nonfat dry milk powder production was 126.0 million pounds in March, 8.9 percent lower than March 2010 but 3.1 percent higher than February 2011 on a daily average basis. Dry whey production was 85.3 million pounds in March, a decrease of 7.8 percent compared with March 2010 and is 5.8 percent lower than February 2011 on a daily average basis. Whey protein concentrates production was 37.2 million pounds in March, a decrease of 1.4 percent compared with March 2010 and 5.5 percent higher than February 2011 on a daily average basis.

The milk-feed price ratio was 1.84 in April 2011, down 0.3 from the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	30.76%	7,370,781	\$2.2583	\$ 16,645,434.75
Class I Differential at Location				243,797.63
Class II Butterfat	23.12%	5,539,854	\$2.2183	12,289,058.16
Class III Butterfat	29.61%	7,096,116	\$2.2113	15,691,641.30
Class IV Butterfat	16.51%	3,955,151	\$2.2113	8,746,025.42
Total Butterfat	100.00%	23,961,902		\$ 53,615,957.26

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2375**

Calculation of Uniform Skim Milk Price

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	58.24%	364,966,561	\$11.94 /cwt.	\$ 43,577,007.38
Class I Butterfat	30.76%	7,370,781	\$2.2583 /lb.	16,645,434.75
Class I Differential at Location		372,337,342		12,333,602.30
Total Class I Milk	57.24%	372,337,342		\$ 72,556,044.43
Class II Skim Milk	8.91%	55,835,011	\$12.33 /cwt.	\$ 6,884,456.84
Class II Butterfat	23.12%	5,539,854	\$2.2183 /lb.	12,289,058.16
Total Class II Milk	9.43%	61,374,865		\$ 19,173,515.00
Class III Skim Milk	25.79%	161,573,490	\$9.46 /cwt.	\$ 15,284,852.18
Class III Butterfat	29.61%	7,096,116	\$2.2113 /lb.	15,691,641.30
Total Class III Milk	25.93%	168,669,606		\$ 30,976,493.48
Class IV Skim Milk	7.06%	44,206,324	\$12.48 /cwt.	\$ 5,516,949.26
Class IV Butterfat	16.51%	3,955,151	\$2.2113 /lb.	8,746,025.42
Total Class IV Milk	7.40%	48,161,475		\$ 14,262,974.68
Producer Milk	100.00%	650,543,288		\$ 136,969,027.59

Adjustments

Overage and Other Source	\$56,961.12
Inventory Adjustments	(\$24,468.07)
Producer butterfat at uniform butterfat price	(\$53,615,957.26)
Location Adjustments to Producers	\$4,322,282.43
1/2 Unobligated Balance in P.S.F	\$332,270.47

Adjusted Pool Value

Reserve for Producer Settlement Func	\$ 14.05087	\$88,040,116.28
	<u>\$ 0.04087</u>	\$252,211.08

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

\$14.01

Uniform Price per cwt. (Fulton County, Georgia)

\$21.35*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	APR 2011	MAY 2011	MAR 2011	APR 2011	APR 2011
Appalachian (Charlotte)	\$ 22.83	\$ 23.15	\$ 21.06	\$ 21.74	67.80%
Arizona (Phoenix)	\$ 21.78	\$ 22.10	\$ 19.70	\$ 19.56	28.49%
Central (Kansas City)	\$ 21.43	\$ 21.75	\$ 19.21	\$ 18.71	32.38%
Florida (Tampa)	\$ 24.83	\$ 25.15	\$ 22.88	\$ 23.88	83.21%
Midwest (Cleveland)	\$ 21.43	\$ 21.75	\$ 19.40	\$ 19.19	40.50%
Northeast (Boston)	\$ 22.68	\$ 23.00	\$ 20.28	\$ 20.38	38.30%
Pacific Northwest (Seattle)	\$ 21.33	\$ 21.65	\$ 19.43	\$ 18.95	26.86%
Southeast (Atlanta)	\$ 23.23	\$ 23.55	\$ 21.27	\$ 21.35	57.24%
Southwest (Dallas)	\$ 22.43	\$ 22.75	\$ 20.33	\$ 19.89	34.66%
Upper Midwest (Chicago)	\$ 21.23	\$ 21.55	\$ 19.43	\$ 17.51	13.00%

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

Receipts:	April 2011	April 2010
Producer Milk		
Class I	372,337,342	398,534,461
Class II	61,374,865	55,349,466
Class III	168,669,606	139,943,203
Class IV	48,161,475	47,110,697
	<hr/>	<hr/>
Total Producer Milk	650,543,288	640,937,827
Average Butterfat Test	3.68%	3.55%
Percent of Producer Milk in Class I	57.24%	62.18%
Daily Average Receipts	21,684,776	21,364,594
Other Source Milk		
Class I	6,311,362	7,124,043
Class II	4,596,826	8,339,371
Class III	3,163,084	7,451,114
Class IV	9,117,475	6,110,623
	<hr/>	<hr/>
Total Other Source Milk	23,187,747	29,025,151
Overage		
Class I	0	0
Class II	0	0
Class III	7,075	12,769
Class IV	16,283	4
	<hr/>	<hr/>
Total Overage	23,358	12,773
Opening Inventory		
Class I	31,347,615	32,937,188
Class II	1,076,873	5,134,441
Class III	2,613,409	7,672,839
Class IV	12,726,672	12,158,389
	<hr/>	<hr/>
Total Opening Inventory	47,764,569	57,902,857
	<hr/>	<hr/>
Total Receipts	721,518,962	727,878,608
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	28,141,157	37,486,552
Route Disposition Class I	371,323,289	390,304,945
Shrinkage	2,097,011	3,270,308
Transfers & Diversions to Nonpool	8,434,862	7,533,887
	<hr/>	<hr/>
Total Class I Utilization	409,996,319	438,595,692
Average Butterfat Test	1.97%	1.97%
Daily Average Utilization	13,666,544	14,619,856
Class II Utilization		
Nonfluid Used To Produce	1,844,414	1,450,515
Shrinkage	33,934	3,247
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	42,011,217	43,995,759
	<hr/>	<hr/>
Total Class II Utilization	67,047,564	68,823,278
Average Butterfat Test	10.00%	10.19%
Class III Utilization		
Shrinkage	6,377,669	7,561,915
Transfers & Diversions to Nonpool Used To Produce/Other Uses	164,270,010	142,905,204
	<hr/>	<hr/>
Total Class III Utilization	174,453,174	155,079,925
Average Butterfat Test	4.12%	3.68%
Class IV Utilization		
Inventory	19,477,566	12,740,416
Nonfluid Used To Fortify	879,908	1,438,559
Shrinkage	0	904
Transfers & Diversions to Nonpool Used To Produce/Other Uses	49,664,431	51,199,834
	<hr/>	<hr/>
Total Class IV Utilization	70,021,905	65,379,713
Average Butterfat Test	9.55%	7.70%
	<hr/>	<hr/>
Total Utilization	721,518,962	727,878,608

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2011 is \$21.35 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.01 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2375 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 58.24% of all producer skim milk (priced to handlers at \$11.94 per hundredweight, plus the Class I differential, see page 2) and 30.76% of producer butterfat (priced to handlers at \$2.2583 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.91% of all producer skim milk (\$12.33 per hundredweight) and 23.12% of producer butterfat (\$2.2183 per pound). Class III use, mostly milk used to produce cheese, accounted for 25.79% of all producer skim milk (\$9.46 per hundredweight) and 29.61% of producer butterfat (\$2.2113 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.06% of all producer skim milk (\$12.48 per hundredweight) and 16.51% of producer butterfat (\$2.2113 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2011		
Whole Milk	129,118,564	30.19%
Fat Free Milk	51,170,520	11.96%
Lowfat Milk (incl. 1%)	38,895,043	9.09%
Reduced Fat Milk (incl. 2%)	151,611,483	35.45%
Cultured Fluid Milk (incl. Buttermilk)	7,891,405	1.85%
Flavored Drinks and Milk	48,990,042	11.45%
Total Disposition in Marketing Area	427,677,057	100.00%
Total Disposition by Pool Plants	347,086,408	81.16%
Total Disposition by Nonpool Plants	80,590,649	18.84%
Total Disposition in Marketing Area	427,677,057	100.00%

Receipts of producer milk during April totaled 650.5 million pounds. There were 23 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 April 2011. Class I route disposition in the area was 392.7 million pounds in March 2011.

2010 Milk Production and Dairy Product Manufacturing Summaries Published, cont.

(continued from page 1) An estimated 991 million pounds of milk were used on farms where produced, 2.0 percent less than 2009. Calves were fed 89 percent of this milk, with the remainder consumed in producer households." *Source: Milk Production, Disposition, and Income 2010 Summary (April 2011)*

"Total cheese production, excluding cottage cheeses, was 10.4 billion pounds, 3.6 percent above 2009 production. Wisconsin was the leading State with 25.0 percent of the production.

Italian varieties, with 4.42 billion pounds were 5.8 percent above 2009 production and accounted for 42.4 percent of total cheese in 2010. Mozzarella accounted for 78.9 percent of the Italian production followed by Provolone with 8.0 percent and Ricotta with 5.9 percent. California was the leading State in Italian cheese production with 31.1 percent of the the production.

American type cheese production was 4.28 billion pounds, 1.7 percent above 2009 and accounted for 41.0 percent of total cheese in 2010. Wisconsin was the leading State in American type cheese production with 19.5 percent of the production.

Butter production in the United States during 2010 totaled 1.56 billion pounds, 0.5 percent below 2009. California accounted for 35.6 percent of the production.

2010 United States production, comparisons with 2009, selected products:

- Nonfat dry milk, human - 1.56 billion pounds, up 3.4 percent.
- Skim milk powders - 254 million pounds, up 14.4 percent.
- Dry whey, total - 1.01 billion pounds, up 1.2 percent.
- Whey protein concentrate, total - 428 million pounds, up 3.1 percent.
- Ice cream, Regular (total) - 912 million gallons, down 0.6 percent.
- Ice cream, Lowfat (total) - 380 million gallons, down 4.9 percent.

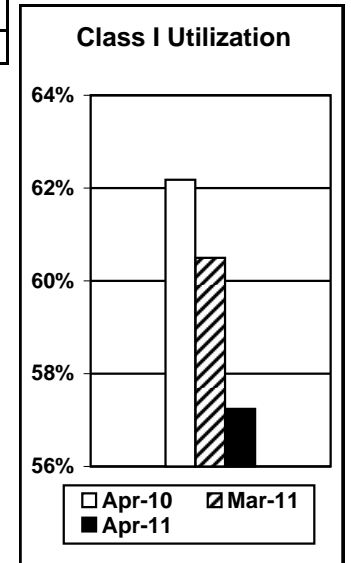
Source: Dairy Products 2010 Summary (April 2011)

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 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19											

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 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,700**	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods May through July 2011

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 2011	06/11/11	06/13/11	06/14/11	05/25/11	05/26/11	06/14/11	06/15/11
JUN 2011	07/11/11	07/12/11	07/13/11	06/27/11	06/27/11	07/13/11	07/14/11
JUL 2011	08/11/11	08/12/11	08/15/11	07/25/11	07/26/11	08/15/11	08/16/11

** The base rate for making partial payments in Fulton County, GA for May will be \$19.22 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.35 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 494 May 11, 2011

Milk production for 2012 is forecast to increase as the decline in milk cows is expected to be offset by growth in milk per cow. Although inventories are expected to expand during 2011, weakening milk prices and relatively high feed costs will set the stage for herds to contract slightly in 2012. Growth in milk production also reflects an additional milking day in 2012. Commercial exports are forecast to increase as the global economy improves. Imports will be lower as domestic supplies increase. With increasing domestic production, cheese, butter, nonfat dry milk, and whey prices are forecast lower. Both Class III and Class IV prices are forecast lower, consistent with the lower product price forecasts. The all milk price is forecast at \$17.35 to \$18.35 per cwt for 2012.

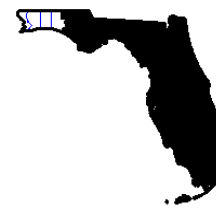
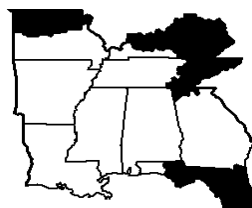
Forecast milk production in 2011 is lowered from last month primarily reflecting slower growth in milk per cow despite more rapid growth in cow numbers. Imports are reduced and exports are raised from last month due to an increase in global dairy demand and a weak U.S. dollar. All dairy product prices are raised from last month with Class prices increased to reflect higher product prices. The milk price is forecast to average \$18.95 to \$19.45 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.*



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Market Information BULLETIN

Sue L. Mosley, Market Administrator

www.fmmatlanta.com

June 2011



Southeast Marketing Area
Federal Order 7

Volume 12—No. 6

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

USDA Issues Proposed Rule to Implement Electronic Dairy Product Mandatory Reporting Program

The U. S. Department of Agriculture has issued a proposed rule to amend the Dairy Product Mandatory Reporting Program as required by law. The Mandatory Price Reporting Act of 2010 amends the Agricultural Marketing Act of 1946 to, among other things, provide for the establishment of an electronic reporting system for manufacturers to report sales information for specific dairy products.

“This change will provide dairy farmers with more timely information and streamline our process for reporting dairy product prices,” said Agricultural Marketing Service Administrator Rayne Pegg.

The proposed rule will establish an electronic reporting system for dairy product sales information. It requires the Secretary to publish a report on Wednesday of each week of the information obtained for the previous week, transfers the data collection responsibilities from the National Agricultural Statistics Service to the Agricultural Marketing Service (AMS), and announces AMS’ intention to request approval by the Office of Management and Budget of the associated information collection requirements.

Any manufacturer that processes and markets less than one million pounds of the specific dairy products per year would remain exempt from the reporting requirements. Price data reported are used by USDA to determine minimum class prices for raw milk under the Federal Milk Marketing Order Program.

The proposed rule was published on June 10, 2011, in the Federal Register. Public comments must be received by August 9, 2011. Comments may be filed by visiting (continued on page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$21.65 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.30 higher than the previous month and is \$5.06 per hundredweight higher compared with May 2010.

Class I utilization was 59.91 percent in May, an increase of 2.67 percent compared with the previous month and an increase of 0.02 percent compared with May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 16.66 billion pounds, an increase of 1.5 percent from April 2010 and an increase of 1.4 percent when compared with March 2011 on a daily average basis. Total cheese production (excluding cottage cheese) was 882 million pounds in April, 2.1 percent above April 2010 but essentially unchanged from March 2011 on a daily average basis. Butter production was 159 million pounds in April, 19.4 percent above April 2010 but 0.5 percent below March 2011 on a daily average basis.

Nonfat dry milk powder production was 146.2 million pounds in April, 4.4 percent lower than April 2010 but 20.1 percent higher than March 2011 on a daily average basis. Dry whey production was 92.2 million pounds in April, an increase of 5.0 percent compared with April 2010 and is 1.0 percent higher than March 2011 on a daily average basis. Whey protein concentrates production was 31.4 million pounds in April, a decrease of 6.0 percent compared with April 2010 and 5.5 percent lower than March 2011 on a daily average basis.

The preliminary milk-feed price ratio was 1.74 in May 2011, down 0.1 from the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	32.93%	7,481,246	\$2.1984	\$ 16,446,771.21
Class I Differential at Location				246,689.80
Class II Butterfat	26.20%	5,953,581	\$2.2567	13,435,446.23
Class III Butterfat	30.66%	6,964,861	\$2.2497	15,668,847.80
Class IV Butterfat	10.21%	2,320,084	\$2.2497	5,219,492.99
Total Butterfat	100.00%	22,719,772		\$ 51,017,248.03

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2455**

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	60.94%	364,775,620	\$12.49 /cwt.	\$ 45,560,474.93
Class I Butterfat	32.93%	7,481,246	\$2.1984 /lb.	16,446,771.21
Class I Differential at Location		372,256,866		12,342,052.57
Total Class I Milk	59.91%	372,256,866		\$ 74,349,298.71
Class II Skim Milk	7.12%	42,616,879	\$13.19 /cwt.	\$ 5,621,166.33
Class II Butterfat	26.20%	5,953,581	\$2.2567 /lb.	13,435,446.23
Total Class II Milk	7.82%	48,570,460		\$ 19,056,612.56
Class III Skim Milk	26.93%	161,198,800	\$8.96 /cwt.	\$ 14,443,412.49
Class III Butterfat	30.66%	6,964,861	\$2.2497 /lb.	15,668,847.80
Total Class III Milk	27.07%	168,163,661		\$ 30,112,260.29
Class IV Skim Milk	5.01%	30,007,079	\$12.87 /cwt.	\$ 3,861,911.07
Class IV Butterfat	10.21%	2,320,084	\$2.2497 /lb.	5,219,492.99
Total Class IV Milk	5.20%	32,327,163		\$ 9,081,404.06
Producer Milk	100.00%	621,318,150		\$ 132,599,575.62

Adjustments

Overage and Other Source	\$26,206.39
Inventory Adjustments	(\$69,668.74)
Producer butterfat at uniform butterfat price	(\$51,017,248.03)
Location Adjustments to Producers	\$3,983,694.98
1/2 Unobligated Balance in P.S.F.	\$309,178.30

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.33879	\$85,831,738.52
	\$ 0.04879	\$292,030.29

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

\$14.29

Uniform Price per cwt. (Fulton County, Georgia)

\$21.65*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	MAY 2011	JUN 2011	APR 2011	MAY 2011	MAY 2011
Appalachian (Charlotte)	\$ 23.15	\$ 23.72	\$ 21.74	\$ 22.10	65.54%
Arizona (Phoenix)	\$ 22.10	\$ 22.67	\$ 19.56	\$ 19.88	28.05%
Central (Kansas City)	\$ 21.75	\$ 22.32	\$ 18.71	\$ 18.66	29.31%
Florida (Tampa)	\$ 25.15	\$ 25.72	\$ 23.88	\$ 24.18	79.95%
Mideast (Cleveland)	\$ 21.75	\$ 22.32	\$ 19.19	\$ 19.34	42.10%
Northeast (Boston)	\$ 23.00	\$ 23.57	\$ 20.38	\$ 20.79	37.80%
Pacific Northwest (Seattle)	\$ 21.65	\$ 22.22	\$ 18.95	\$ 19.02	29.82%
Southeast (Atlanta)	\$ 23.55	\$ 24.12	\$ 21.35	\$ 21.65	59.91%
Southwest (Dallas)	\$ 22.75	\$ 23.32	\$ 19.89	\$ 19.94	34.41%
Upper Midwest (Chicago)	\$ 21.55	\$ 22.12	\$ 17.51	\$ 17.26	11.90%

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

Receipts:	May 2011	May 2010
Producer Milk		
Class I	372,256,866	372,856,517
Class II	48,570,460	74,055,730
Class III	168,163,661	153,652,417
Class IV	32,327,163	21,887,663
Total Producer Milk	<u>621,318,150</u>	<u>622,452,327</u>
Average Butterfat Test	3.66%	3.54%
Percent of Producer Milk in Class I	59.91%	59.89%
Daily Average Receipts	20,042,521	20,079,107
Other Source Milk		
Class I	5,491,775	6,098,879
Class II	10,760,838	3,434,785
Class III	6,895,501	2,528,055
Class IV	11,387,416	5,709,680
Total Other Source Milk	<u>34,535,530</u>	<u>17,771,399</u>
Overage		
Class I	0	0
Class II	0	0
Class III	292,482	0
Class IV	0	0
Total Overage	<u>292,482</u>	<u>0</u>
Opening Inventory		
Class I	28,972,731	37,462,871
Class II	3,560,398	935,304
Class III	3,717,533	1,910,497
Class IV	11,368,056	9,894,615
Total Opening Inventory	<u>47,618,718</u>	<u>50,203,287</u>
Total Receipts	703,764,880	690,427,013
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	24,818,572	27,317,520
Route Disposition Class I	371,218,864	378,306,086
Shrinkage	2,896,038	1,516,418
Transfers & Diversions to Nonpool	7,787,898	9,278,243
Total Class I Utilization	<u>406,721,372</u>	<u>416,418,267</u>
Average Butterfat Test	2.00%	1.99%
Daily Average Utilization	13,120,044	13,432,847
Class II Utilization		
Nonfluid Used To Produce	1,831,261	1,529,701
Shrinkage	18,935	8,160
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,123,266	53,391,983
Total Class II Utilization	<u>23,918,234</u>	<u>23,495,975</u>
Average Butterfat Test	62,891,696	78,425,819
Average Butterfat Test	11.07%	9.30%
Class III Utilization		
Shrinkage	6,541,757	7,030,125
Transfers & Diversions to Nonpool Used To Produce/Other Uses	168,583,600	146,716,573
Total Class III Utilization	<u>3,943,820</u>	<u>4,344,271</u>
Average Butterfat Test	179,069,177	158,090,969
Average Butterfat Test	4.03%	3.76%
Class IV Utilization		
Inventory	19,080,289	21,561,164
Nonfluid Used To Fortify	1,109,677	1,315,998
Shrinkage	79,128	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	34,813,541	14,614,796
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	55,082,635	37,491,958
Average Butterfat Test	8.23%	9.45%
Total Utilization	703,764,880	690,427,013

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2011 is \$21.65 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.29 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2455 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 60.94% of all producer skim milk (priced to handlers at \$12.49 per hundredweight, plus the Class I differential, see page 2) and 32.93% of producer butterfat (priced to handlers at \$2.1984 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 7.12% of all producer skim milk (\$13.19 per hundredweight) and 26.20% of producer butterfat (\$2.2567 per pound). Class III use, mostly milk used to produce cheese, accounted for 26.93% of all producer skim milk (\$8.96 per hundredweight) and 30.66% of producer butterfat (\$2.2497 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.01% of all producer skim milk (\$12.87 per hundredweight) and 10.21% of producer butterfat (\$2.2497 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>April 2011</u>		
Whole Milk	122,743,372	30.45%
Fat Free Milk	48,400,065	12.01%
Lowfat Milk (incl. 1%)	36,538,698	9.06%
Reduced Fat Milk (incl. 2%)	144,730,025	35.91%
Cultured Fluid Milk (incl. Buttermilk)	7,365,698	1.83%
Flavored Drinks and Milk	43,312,536	10.75%
Total Disposition in Marketing Area	403,090,394	100.0%
Total Disposition by Pool Plants	326,540,203	81.01%
Total Disposition by Nonpool Plants	76,550,191	18.99%
Total Disposition in Marketing Area	403,090,394	100.0%

Receipts of producer milk during May totaled 621.3 million pounds. There were 23 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2011. Class I route disposition in the area was 403.1 million pounds in April 2011.

USDA Issues Proposed Rule to Implement Electronic Dairy Product Mandatory Reporting Program, cont.

(continued from page 1) www.regulations.gov. USDA will issue a final rule implementing the program once public comments have been reviewed.

For additional information about the decision, contact Joe Gaynor; USDA, AMS, Dairy Programs, Market Information Branch Chief; 1400 Independence Ave., SW, STOP-0232 Washington, DC 20250-0232; phone (202) 720-9351; or e-mail at Joseph.Gaynor@ams.usda.gov.

Southeast Order Transportation Credits Extended to June

The Atlanta Market Administrator has approved a request to extend the Transportation Credit Balancing Fund payout period to June 2011. Section 1007.82(b) of the Order Regulating the Handling of Milk in the Southeast Marketing Area provides regulatory authority to the Market Administrator for this action.

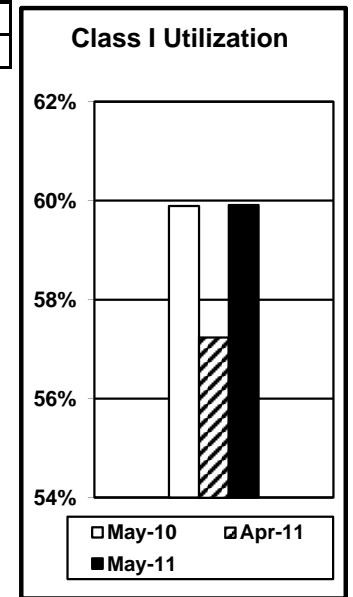
Visit www.fmmlatlanta.com and click on 'What's New' for more information on this action.

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 2010	\$13.62	\$1.6254	\$18.83	\$10.52	\$1.4475	\$15.22	\$9.80	\$1.4405	\$14.50	\$ 9.13	\$1.4405	\$13.85	\$ 12.77	\$1.5074	\$17.60
Feb	\$14.07	\$1.4470	\$18.64	\$10.97	\$1.4474	\$15.65	\$9.57	\$1.4404	\$14.28	\$ 8.14	\$1.4404	\$12.90	\$ 13.00	\$1.4427	\$17.59
Mar	\$13.40	\$1.4895	\$18.14	\$9.39	\$1.5417	\$14.46	\$7.68	\$1.5347	\$12.78	\$ 7.82	\$1.5347	\$12.92	\$ 11.90	\$1.5193	\$16.80
Apr	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52											

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 2010	596,885	2,665	410,072	68.70%	44,734	7.49%	80,985	13.57%	61,094	10.24%
Feb	545,481	2,619	372,170	68.23%	46,213	8.47%	75,070	13.76%	52,027	9.54%
Mar	641,090	2,655	410,387	64.02%	52,439	8.18%	128,748	20.08%	49,516	7.72%
Apr	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,700**	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods June through August 2011

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
JUN 2011	07/11/11	07/12/11	07/13/11	06/27/11	06/27/11	07/13/11	07/14/11
JUL 2011	08/11/11	08/12/11	08/15/11	07/25/11	07/26/11	08/15/11	08/16/11
AUG 2011	09/11/11	09/12/11	09/13/11	08/25/11	08/26/11	09/13/11	09/14/11

** The base rate for making partial payments in Fulton County, GA for June will be \$19.49 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.65 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 495 June 9, 2011

The milk production forecast for 2011 is raised. Producers are expected to continue to expand herds through the middle of the year and although herds may begin to decline toward the end of the year, cow numbers are expected to be above 2010. However, higher feed costs will impact profitability and the dairy cow inventory is expected to decline in 2012. Tighter feed supplies will also likely impact the rate of increase of milk per cow. As a result, the milk production forecast for 2012 is reduced from last month. Commercial exports are forecast higher for 2011 largely due to stronger expected cheese exports. However, imports of cheese and milk proteins have been stronger than expected and the import forecast for both 2011 and 2012 is raised.

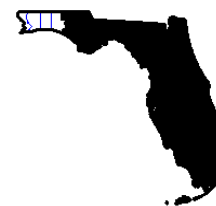
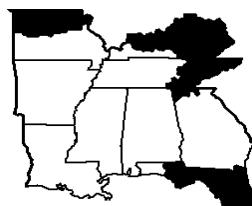
Dairy product price forecasts are raised from last month. Butter supplies are tight and demand for cheese, nonfat dry milk (NDM), and whey are expected to support product prices. Class III and Class IV price forecasts are raised from last month in line with the increased product prices. The all milk price is forecast at \$19.65 to \$20.05 per cwt for 2011. Price forecasts for 2012 are also raised as the smaller production increase is expected to support higher product and Class prices. The all milk price is forecast at \$17.75 to \$18.75 per cwt for 2012.

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.*



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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

July 2011

Volume 12—No. 7

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

July is Ice Cream Month

In 1984, President Ronald Reagan designated July as National Ice Cream Month and the third Sunday of the month as National Ice Cream Day. He recognized ice cream as a fun and nutritious food that is enjoyed by a full 90% of the nation's population. In the proclamation, President Reagan called for all people of the United States to observe these events with "appropriate ceremonies and activities." In 2011, National Ice Cream Day will be Sunday, July 17. The U.S. ice cream industry generates more than \$21 billion in annual sales and provides jobs for thousands of citizens. About 9% of all the milk produced by U.S. dairy farmers is used to produce ice cream.

Three New Reports on Food Prices

In June, the USDA's Economic Research Service issued three new reports addressing food prices. The first, "Why Have Food Commodity Prices Risen Again?" explains that the price spikes in food commodities between June 2010 and February 2011 were due to "global growth in population and per capita incomes, increasing world per capita consumption of animal products, rising energy prices and growing global biofuel production, depreciation of the U.S. dollar, and slower growth in agricultural productivity." The second report, "Geographic Differences in the Relative Price of Healthy Foods" shows that low-fat milks were nearly always priced below higher-fat milks in the U.S. but they could be priced above or below nonalcoholic-carbonated drinks (sodas) depending on location. The third report, "The Effect of Food and Beverage Prices on Children's Weights" in part examines low-fat milk prices and their impact on children's body mass index (BMI). It found that as the price of low-fat milks declined, children's BMI also declined, indicative of improved health. All three of these reports can be viewed in full at www.ers.usda.gov/WhatsNew/.

Uniform Price Higher

The uniform price in Fulton County, GA, was \$22.93 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$1.28 higher than the previous month and is \$5.29 per hundredweight higher compared with June 2010. Class I utilization was 61.71 percent in June, an increase of 1.80 percent compared with the previous month and a decrease of 0.42 percent compared with June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 17.27 billion pounds, an increase of 1.3 percent from May 2010 and an increase of 0.3 percent when compared with April 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 915 million pounds, 3.9 percent above May 2010 and 0.4 percent above April 2011 on a daily average basis. Butter production was 156 million pounds, 18.3 percent above May 2010 but 5.0 percent below April 2011 on a daily average basis.

Nonfat dry milk powder production was 147.7 million pounds in May, 4.6 percent lower than May 2010 and 2.3 percent lower than April 2011 on a daily average basis. Dry whey production was 91.5 million pounds in May, 2.6 percent above May 2010 but is 3.8 percent less than April 2011 on a daily average basis. Whey protein concentrates production was 36.6 million pounds in May, down 0.5 percent compared with May 2010 but 3.9 percent above April 2011 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for June 2011 was \$4,484,977.18. Preliminary claims were made for \$1,438,647.54. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.85%	7,487,932	\$2.2700	\$ 16,997,605.64
Class I Differential at Location				246,076.96
Class II Butterfat	28.79%	5,849,791	\$2.3772	13,906,123.19
Class III Butterfat	26.49%	5,382,072	\$2.3702	12,756,587.04
Class IV Butterfat	7.87%	1,598,857	\$2.3702	3,789,610.87
Total Butterfat	100.00%	20,318,652		\$ 47,696,003.70

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3474**

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	62.63%	342,822,182	\$12.82 /cwt.	\$ 43,949,803.73
Class I Butterfat	36.85%	7,487,932	\$2.2700 /lb.	16,997,605.64
Class I Differential at Location		350,310,114		11,611,204.42
Total Class I Milk	61.71%	350,310,114		\$ 72,558,613.79
Class II Skim Milk	9.04%	49,460,309	\$13.52 /cwt.	\$ 6,687,033.76
Class II Butterfat	28.79%	5,849,791	\$2.3772 /lb.	13,906,123.19
Total Class II Milk	9.74%	55,310,100		\$ 20,593,156.95
Class III Skim Milk	25.45%	139,290,267	\$11.21 /cwt.	\$ 15,614,438.94
Class III Butterfat	26.49%	5,382,072	\$2.3702 /lb.	12,756,587.04
Total Class III Milk	25.49%	144,672,339		\$ 28,371,025.98
Class IV Skim Milk	2.88%	15,767,035	\$13.22 /cwt.	\$ 2,084,402.01
Class IV Butterfat	7.87%	1,598,857	\$2.3702 /lb.	3,789,610.87
Total Class IV Milk	3.06%	17,365,892		\$ 5,874,012.88
Producer Milk	100.00%	567,658,445		\$ 127,396,809.60

Adjustments

Overage and Other Source	\$38,717.99
Inventory Adjustments	(\$23,062.85)
Producer butterfat at uniform butterfat price	(\$47,696,003.70)
Location Adjustments to Producers	\$3,705,836.49
1/2 Unobligated Balance in P.S.F.	\$298,170.44

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.29589	\$83,720,467.97
	\$ 0.04589	\$251,149.55

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

\$15.25

Uniform Price per cwt. (Fulton County, Georgia)

\$22.93*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JUN 2011	JUL 2011	MAY 2011	JUN 2011	JUN 2011
Appalachian (Charlotte)	\$ 23.72	\$ 24.43	\$ 22.10	\$ 22.90	63.54%
Arizona (Phoenix)	\$ 22.67	\$ 23.38	\$ 19.88	\$ 21.02	28.05%
Central (Kansas City)	\$ 22.32	\$ 23.03	\$ 18.66	\$ 20.36	27.26%
Florida (Tampa)	\$ 25.72	\$ 26.43	\$ 24.18	\$ 25.04	82.41%
Midwest (Cleveland)	\$ 22.32	\$ 23.03	\$ 19.34	\$ 20.80	36.30%
Northeast (Boston)	\$ 23.57	\$ 24.28	\$ 20.79	\$ 22.09	39.00%
Pacific Northwest (Seattle)	\$ 22.22	\$ 22.93	\$ 19.02	\$ 20.60	25.14%
Southeast (Atlanta)	\$ 24.12	\$ 24.83	\$ 21.65	\$ 22.93	61.71%
Southwest (Dallas)	\$ 23.32	\$ 24.03	\$ 19.94	\$ 21.50	32.31%
Upper Midwest (Chicago)	\$ 22.12	\$ 22.83	\$ 17.26	\$ 19.58	11.60%

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

Receipts:	June 2011	June 2010
Producer Milk		
Class I	350,310,114	351,651,036
Class II	55,310,100	62,478,178
Class III	144,672,339	137,637,738
Class IV	17,365,892	14,230,586
Total Producer Milk	<u>567,658,445</u>	<u>565,997,538</u>
Average Butterfat Test	3.58%	3.50%
Percent of Producer Milk in Class I	61.71%	62.13%
Daily Average Receipts	18,921,948	18,866,585
Other Source Milk		
Class I	5,493,100	5,949,291
Class II	5,253,925	4,311,343
Class III	4,317,100	2,131,149
Class IV	7,118,277	4,106,553
Total Other Source Milk	<u>22,182,402</u>	<u>16,498,336</u>
Overage		
Class I	0	0
Class II	79,888	0
Class III	0	0
Class IV	796	0
Total Overage	<u>80,684</u>	<u>0</u>
Opening Inventory		
Class I	25,420,489	27,317,520
Class II	1,563,980	1,400,820
Class III	5,154,006	2,538,361
Class IV	11,896,144	17,621,983
Total Opening Inventory	<u>44,034,619</u>	<u>48,878,684</u>
Total Receipts	633,956,150	631,374,558
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	27,621,097	28,651,208
Route Disposition Class I	343,371,878	347,666,652
Shrinkage	1,900,311	1,872,189
Transfers & Diversions to Nonpool	8,330,417	6,727,798
Total Class I Utilization	<u>381,223,703</u>	<u>384,917,847</u>
Average Butterfat Test	2.12%	2.11%
Daily Average Utilization	12,707,457	12,830,595
Class II Utilization		
Nonfluid Used To Produce	2,287,401	1,546,879
Shrinkage	4,211	239,384
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	32,473,424	41,584,985
Total Class II Utilization	<u>27,442,857</u>	<u>24,819,093</u>
Average Butterfat Test	11.46%	10.13%
Class III Utilization		
Shrinkage	6,432,588	6,887,825
Transfers & Diversions to Nonpool	144,012,019	130,761,041
Used To Produce/Other Uses	3,698,838	4,658,382
Total Class III Utilization	<u>154,143,445</u>	<u>142,307,248</u>
Average Butterfat Test	3.61%	3.55%
Class IV Utilization		
Inventory	19,341,996	21,315,018
Nonfluid Used To Fortify	963,112	1,102,695
Shrinkage	0	0
Transfers & Diversions to Nonpool	16,076,001	13,541,409
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>36,381,109</u>	<u>35,959,122</u>
Average Butterfat Test	7.63%	7.87%
Total Utilization	633,956,150	631,374,558

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2011 is \$22.93 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.25 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3474 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 62.63% of all producer skim milk (priced to handlers at \$12.82 per hundredweight, plus the Class I differential, see page 2) and 36.85% of producer butterfat (priced to handlers at \$2.2700 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.04% of all producer skim milk (\$13.52 per hundredweight) and 28.79% of producer butterfat (\$2.3772 per pound). Class III use, mostly milk used to produce cheese, accounted for 25.45% of all producer skim milk (\$11.21 per hundredweight) and 26.49% of producer butterfat (\$2.3702 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.88% of all producer skim milk (\$13.22 per hundredweight) and 7.87% of producer butterfat (\$2.3702 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
May 2011		
Whole Milk	125,282,595	31.24%
Fat Free Milk	48,287,503	12.04%
Lowfat Milk (incl. 1%)	35,614,954	8.88%
Reduced Fat Milk (incl. 2%)	145,821,353	36.36%
Cultured Fluid Milk (incl. Buttermilk)	7,435,684	1.85%
Flavored Drinks and Milk	38,593,390	9.62%
Total Disposition in Marketing Area	401,035,479	100.0%
Total Disposition by Pool Plants	326,361,604	81.38%
Total Disposition by Nonpool Plants	74,673,875	18.62%
Total Disposition in Marketing Area	401,035,479	100.0%

Receipts of producer milk during June totaled 567.7 million pounds. There were 24 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2011. Class I route disposition in the area was 403.1 million pounds in May 2011.

Mailbox Milk Prices For Selected Reporting Areas 2/

Reporting Area 1/	January 2011	February 2011	March 2011
New England States 3/	18.09	19.91	21.33
Eastern Pennsylvania 4/	17.72	19.41	20.80
Appalachian States 5/	18.71	19.87	21.13
Southeast States 6/	18.77	19.89	21.07
Southern Missouri 7/	16.67	18.30	19.85
Florida	19.69	20.57	21.58
Western Pennsylvania 8/	17.68	19.60	21.28
Wisconsin	16.01	18.91	20.78
Corn Belt States 9/	16.58	18.89	20.47
Western Texas 10/	15.63	18.43	20.10
Northwest States 11/	15.93	18.55	20.32
All Federal Order Areas 12/	16.66	18.93	20.50
California 13/	15.31	17.50	18.00

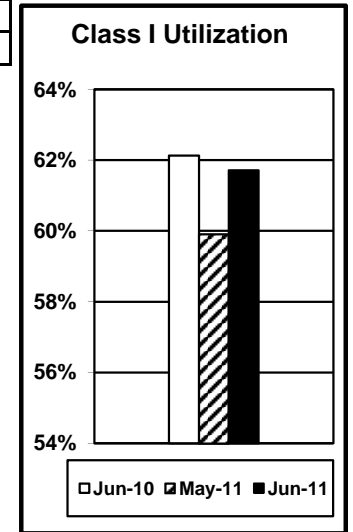
Source: Dairy Market News; 1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. 2/ Net pay price received by dairy farmers for milk. 3/ Includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.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

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2010	\$11.99	\$1.5559	\$17.02	\$8.52	\$1.5883	\$13.78	\$7.65	\$1.5813	\$12.92	\$ 8.49	\$1.5813	\$13.73	\$ 10.91	\$1.5728	\$16.03
May	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2010	640,938	2,706	398,534	62.18%	55,349	8.64%	139,943	21.83%	47,111	7.35%
May	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,650**	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%



* 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 2011

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 2011	08/11/11	08/12/11	08/15/11	07/25/11	07/26/11	08/15/11	08/16/11
AUG 2011	09/11/11	09/12/11	09/13/11	08/25/11	08/26/11	09/13/11	09/14/11
SEPT 2011	10/11/11	10/12/11	10/13/11	09/26/11	09/26/11	10/13/11	10/14/11

** The base rate for making partial payments in Fulton County, GA for July will be \$20.64 per hundredweight. This is 90 percent of the preceding month's uniform price of \$22.93 per hundredweight.

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

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

WASDE Dairy Report 1/

WASDE – 496 July 12, 2011

Milk production forecasts for 2011 and 2012 are raised. Cow numbers are forecast higher as higher milk prices and lower forecast feed prices support further herd expansion, but milk per cow is unchanged from last month. Commercial exports on a fat basis are forecast higher for 2011. Ending stock forecasts are raised as cheese stocks are larger than expected.

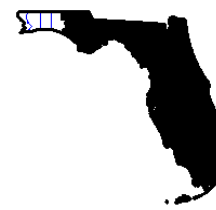
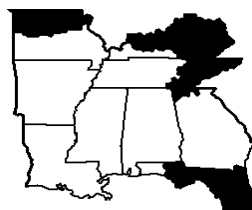
Dairy product price forecasts for 2011 are raised from last month. The Class III and Class IV price forecasts are raised from last month in line with increased product prices. The all milk price is forecast at \$20.00 to \$20.30 per cwt for 2011. For 2012, the butter price is forecast slightly higher than last month, but forecasts for other products are unchanged. Class price forecasts are unchanged. The all milk price forecast for 2012 is unchanged at \$17.75 to \$18.75 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.*



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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 2011

Volume 12—No. 8

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

USDA Requests Proposals, Issues Action Plan

On July 15, the USDA requested additional proposals to amend the pooling standards of distributing plants in the Mideast Milk Marketing Order. The proponents of a change to these standards assert that the current pool distributing plant definition enables distributing plants to change their regulatory status and this has led to a disruption of orderly marketing conditions.

Based on information submitted by proponents, USDA has issued a plan of action that may include a public hearing, possibly in October 2011, regarding these proposed changes. For more information visit www.ams.usda.gov/dairy.

USDA Terminates Proceeding

On July 22, the USDA announced that proceedings on proposed amendments to the Class I price surface of the Mideast milk marketing order have been terminated.

USDA has determined that significant changes in the marketing conditions of the Mideast marketing area make any increase in the Class I prices unjustified and is terminating this rulemaking proceeding. This notice was published in the July 22, 2011 Federal Register.

Dairy Outlook

The June Acreage report indicated that producers planted 92.3 million acres of corn, up 4.1 million acres from last year, and the second highest since 1944. The prospects for a larger crop in 2011/12, coupled with larger beginning stocks, resulted in lower expected corn prices compared with last month's forecast. Corn prices are forecast at \$5.50 to \$6.50 a bushel. Soybean meal prices were lowered this month from last month's forecast to \$345 to \$375 a ton. While corn and soybean prices in 2011/12 are likely to be lower than earlier season expectations, forage prices could remain near record highs. (cont. page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$23.69 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.76 higher than the previous month and is \$5.32 per hundredweight higher compared with July 2010. Class I utilization was 64.06 percent in July, an increase of 2.35 percent compared with the previous month and a decrease of 3.24 percent compared with July of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 16.53 billion pounds, an increase of 1.1 percent from June 2010 and a decrease of 1.1 percent when compared with May 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 894 million pounds, 1.3 percent above June 2010 and 0.9 percent above May 2011 on a daily average basis. Butter production was 141 million pounds, 20.1 percent above June 2010 but 6.5 percent below May 2011 on a daily average basis.

Nonfat dry milk powder production was 146 million pounds in June, 6.4 percent above June 2010 and 1.7 percent higher than May 2011 on a daily average basis. Dry whey production was 84 million pounds in June, 2.4 percent below June 2010 and is 5.2 percent less than May 2011 on a daily average basis. Whey protein concentrates production was 37 million pounds in June, up 4.4 percent compared with June 2010 and 3.4 percent above May 2011 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for July 2011 was \$4,098,429.35. Preliminary claims were made for \$1,631,234.20. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.40%	7,420,879	\$2.3770	\$ 17,639,429.40
Class I Differential at Location				245,788.27
Class II Butterfat	29.08%	5,620,015	\$2.2581	12,690,555.84
Class III Butterfat	12.40%	2,396,743	\$2.2511	5,395,308.18
Class IV Butterfat	20.12%	3,887,514	\$2.2511	8,751,182.75
Total Butterfat	100.00%	19,325,151		\$ 44,722,264.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3142**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	65.00%	340,459,731	\$13.17 /cwt.	\$ 44,838,546.56
Class I Butterfat	38.40%	7,420,879	\$2.3770 /lb.	17,639,429.40
Class I Differential at Location		347,880,610		11,543,910.73
Total Class I Milk	64.06%	347,880,610		\$ 74,021,886.69
Class II Skim Milk	8.35%	43,737,191	\$13.87 /cwt.	\$ 6,066,348.43
Class II Butterfat	29.08%	5,620,015	\$2.2581 /lb.	12,690,555.84
Total Class II Milk	9.09%	49,357,206		\$ 18,756,904.27
Class III Skim Milk	11.22%	58,752,897	\$14.00 /cwt.	\$ 8,225,405.58
Class III Butterfat	12.40%	2,396,743	\$2.2511 /lb.	5,395,308.18
Total Class III Milk	11.26%	61,149,640		\$ 13,620,713.76
Class IV Skim Milk	15.43%	80,799,219	\$12.90 /cwt.	\$ 10,423,099.26
Class IV Butterfat	20.12%	3,887,514	\$2.2511 /lb.	8,751,182.75
Total Class IV Milk	15.59%	84,686,733		\$ 19,174,282.01
Producer Milk	100.00%	543,074,189		\$ 125,573,786.73

Adjustments

Overage and Other Source	\$2,969.20
Inventory Adjustments	\$1,611.32
Producer butterfat at uniform butterfat price	(\$44,722,264.44)
Location Adjustments to Producers	\$3,692,364.09
1/2 Unobligated Balance in P.S.F.	\$317,374.47

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.20353	\$84,865,841.37
	\$ 0.04353	\$227,996.81

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

\$16.16

Uniform Price per cwt. (Fulton County, Georgia)

\$23.69*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JUL 2011	AUG 2011	JUN 2011	JUL 2011	JUL 2011
Appalachian (Charlotte)	\$ 24.43	\$ 24.83	\$ 22.90	\$ 23.35	66.39%
Arizona (Phoenix)	\$ 23.38	\$ 23.78	\$ 21.02	\$ 21.58	31.12%
Central (Kansas City)	\$ 23.03	\$ 23.43	\$ 20.36	\$ 21.60	26.88%
Florida (Tampa)	\$ 26.43	\$ 26.83	\$ 25.04	\$ 25.44	84.80%
Midwest (Cleveland)	\$ 23.03	\$ 23.43	\$ 20.80	\$ 21.91	33.90%
Northeast (Boston)	\$ 24.28	\$ 24.68	\$ 22.09	\$ 22.76	38.70%
Pacific Northwest (Seattle)	\$ 22.93	\$ 23.33	\$ 20.60	\$ 21.34	23.44%
Southeast (Atlanta)	\$ 24.83	\$ 25.23	\$ 22.93	\$ 23.69	64.06%
Southwest (Dallas)	\$ 24.03	\$ 24.43	\$ 21.50	\$ 22.56	35.20%
Upper Midwest (Chicago)	\$ 22.83	\$ 23.23	\$ 19.58	\$ 21.60	11.30%

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

Receipts:	July 2011	July 2010
Producer Milk		
Class I	347,880,610	371,559,835
Class II	49,357,206	48,196,804
Class III	61,149,640	122,959,189
Class IV	84,686,733	9,373,740
Total Producer Milk	<u>543,074,189</u>	<u>552,089,568</u>
Average Butterfat Test	3.56%	3.51%
Percent of Producer Milk in Class I	64.06%	67.30%
Daily Average Receipts	17,518,522	17,809,341
Other Source Milk		
Class I	5,297,716	6,008,000
Class II	4,415,517	5,112,118
Class III	2,600,956	2,400,888
Class IV	5,815,568	2,843,873
Total Other Source Milk	<u>18,129,757</u>	<u>16,364,879</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	1,319	0
Total Overage	<u>1,319</u>	<u>0</u>
Opening Inventory		
Class I	26,728,204	27,903,106
Class II	1,463,868	905,484
Class III	1,989,777	6,391,490
Class IV	15,557,576	13,821,367
Total Opening Inventory	<u>45,739,425</u>	<u>49,021,447</u>
Total Receipts	606,944,690	617,475,894
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	19,679,469	27,837,905
Route Disposition Class I	350,953,924	367,587,811
Shrinkage	1,571,343	3,041,298
Transfers & Diversions to Nonpool	7,701,794	7,003,927
Total Class I Utilization	<u>379,906,530</u>	<u>405,470,941</u>
Average Butterfat Test	2.12%	2.11%
Daily Average Utilization	12,255,049	13,079,708
Class II Utilization		
Nonfluid Used To Produce	2,524,444	1,344,863
Shrinkage	329,233	235,482
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	27,395,886	28,815,663
Total Class II Utilization	<u>24,987,028</u>	<u>23,818,398</u>
Average Butterfat Test	12.05%	11.70%
Class III Utilization		
Shrinkage	0	7,128,639
Transfers & Diversions to Nonpool	65,740,373	120,502,927
Used To Produce/Other Uses	0	4,120,001
Total Class III Utilization	<u>65,740,373</u>	<u>131,751,567</u>
Average Butterfat Test	3.83%	3.50%
Class IV Utilization		
Inventory	25,972,077	14,507,240
Nonfluid Used To Fortify	1,043,326	1,139,453
Shrinkage	6,429,364	5,197
Transfers & Diversions to Nonpool	68,494,572	10,387,090
Used To Produce/Other Uses	4,121,857	0
Total Class IV Utilization	<u>106,061,196</u>	<u>26,038,980</u>
Average Butterfat Test	4.79%	11.11%
Total Utilization	606,944,690	617,475,894

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2011 is \$23.69 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.16 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3142 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 65.00% of all producer skim milk (priced to handlers at \$13.17 per hundredweight, plus the Class I differential, see page 2) and 38.40% of producer butterfat (priced to handlers at \$2.3770 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.35% of all producer skim milk (\$13.87 per hundredweight) and 29.08% of producer butterfat (\$2.2581 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.22% of all producer skim milk (\$14.00 per hundredweight) and 12.40% of producer butterfat (\$2.2511 per pound). Class IV use, generally milk processed into butter and powder, accounted for 15.43% of all producer skim milk (\$12.90 per hundredweight) and 20.12% of producer butterfat (\$2.2511 per pound).

Receipts of producer milk during July totaled 543.1 million pounds. There were 23 regulated pool distributing plants, 3 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2011. Class I route disposition in the area was 370.8 million pounds in June 2011.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
June 2011		
Whole Milk	126,214,486	34.04%
Fat Free Milk	46,054,472	12.42%
Lowfat Milk (incl. 1%)	29,854,752	8.05%
Reduced Fat Milk (incl. 2%)	144,576,105	38.99%
Cultured Fluid Milk (incl. Buttermilk)	7,100,984	1.91%
Flavored Drinks and Milk	17,013,954	4.59%
Total Disposition in Marketing Area	370,814,753	100.0%
Total Disposition by Pool Plants	301,085,580	81.20%
Total Disposition by Nonpool Plants	69,729,173	18.80%
Total Disposition in Marketing Area	370,814,753	100.0%

Dairy Outlook

(continued from page 1) Nationally, alfalfa prices set a record high in May. The June Acreage report confirmed expectations that the harvested area of alfalfa hay and alfalfa mixtures had declined from 2010. The expected harvested area decline, along with severe drought in parts of Texas and the southwest and excessive wetness in parts of the northwest (which adversely impacted first cutting), will keep alfalfa hay prices high for the rest of 2011 and into 2012. On balance, the change in feed ingredient prices will offer only scant relief for dairy producers, as the benchmark 16-percent protein ration will likely remain well above 2010 for both the balance of 2011 and 2012.

Dairy cow numbers continue to advance and are projected to average 9,185 thousand head this year. Some retrenchment is expected in 2012 based on relatively high feed prices and lower expected milk prices in 2012. Milk per cow is estimated at 21,305 pounds this year and forecast at 21,665 pounds in 2012; both numbers are unchanged from June. The result will be continued expansion in milk production, with 195.7 billion pounds expected in 2011 and 198.8 billion pounds forecast for 2012. This year, both an increase in cow numbers and output per cow support the rise. In 2012, a strong year-over-year rise in output per cow, and the added leapyear milking day, will offset the expected decline in cow numbers.

Growth in domestic commercial use of dairy products continues despite slow economic growth. Domestic commercial use is forecast at 188.8 billion pounds this year on a fats basis, but a stronger rise is forecast for 2012 as use is forecast to rise to 192.2 billion pounds. Somewhat stronger economic growth and moderating prices, especially for butter, prompt the rise. Year-to-date use through April shows butter 15 percent above 2010, American cheese 4 percent above last year, and other cheese 7.1 percent above last year. Domestic commercial use, on a skims-solids basis, is on track for a robust 2.1 percent year-over-year rise to 167.5 billion pounds for 2011. For 2012, domestic use is forecast at 170.4 billion pounds, a strong 1.7- percent rise.

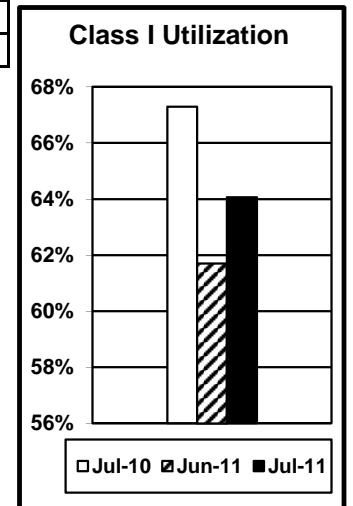
(Excerpts from Livestock, Dairy, & Poultry Outlook/LDP-M-205/July 18, 2011, Economic Research Service, USDA)

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2010	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97											

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 2010	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,650**	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods August through October 2011

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
AUG 2011	09/11/11	09/12/11	09/13/11	08/25/11	08/26/11	09/13/11	09/14/11
SEPT 2011	10/11/11	10/12/11	10/13/11	09/26/11	09/26/11	10/13/11	10/14/11
OCT 2011	11/11/11	11/14/11	11/15/11	10/25/11	10/26/11	11/15/11	11/16/11

** The base rate for making partial payments in Fulton County, GA for August will be \$21.32 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.69 per hundredweight.

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

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

WASDE Dairy Report 1/

WASDE – 497 August 11, 2011

The milk production forecast for 2011 is reduced. Although the July Cattle report indicated that producers are holding relatively large numbers of dairy replacement heifers which supports a higher forecast dairy herd, recent hot, humid weather and relatively high priced feed may constrain the growth in milk per cow. Milk production is forecast higher for 2012, reflecting a larger herd in the first part of 2012 but slightly slower growth in milk per cow. Commercial exports for 2011 are forecast higher on the strength of butterfat exports. Imports are lowered reflecting lower imports of cheese and milk proteins. Trade forecasts for 2012 are unchanged.

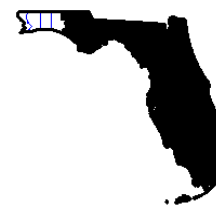
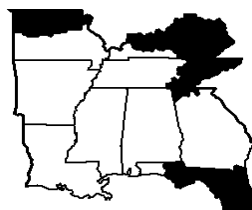
Cheese, butter, and whey prices are forecast higher for 2011, but nonfat dry milk (NDM) is forecast lower. Tighter milk supplies are expected to support higher product prices but softening international prices will likely weigh on U.S. NDM markets. The Class III price is raised, based on higher forecast cheese and whey prices, but lower forecast NDM prices will outweigh higher butter prices and the Class IV price forecast is reduced. For 2012, NDM prices are forecast lower on expected weaker early-year demand but cheese prices are forecast slightly higher. Forecast butter and whey prices are unchanged from last month. The Class III price is raised reflecting higher forecast cheese prices but lower NDM prices result in a reduced forecast for the Class IV price. The all milk price forecast is raised to \$20.30 to \$20.50 per cwt for 2011 and \$17.80 to \$18.80 per cwt for 2012.

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.



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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

September 2011

Volume 12—No. 9

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

Midwest Order Hearing Announced

The USDA has announced it will hold a public hearing to consider proposals seeking to amend the pooling standards for pool distributing plants in the Midwest Milk Marketing Area.

The hearing will begin at 8:00 a.m. on October 4, 2011, at the Westin Cincinnati Hotel, 21 E. 5th Street, Cincinnati, Ohio 45202.

The hearing notice was published in the September 8, 2011 Federal Register, available at: www.regulations.gov.

Anyone interested in participating in the hearing should notify a USDA official upon arrival to the hotel. For additional information contact Paul A. Huber, Market Administrator; USDA/AMS/Dairy Programs; P.O. Box 5102; Brunswick, OH 44212; (330) 225-4758; email: phuber@fmmaclev.com.

Proposed Promotion Order Amendments

The USDA has issued a proposed rule amending the National Dairy Promotion and Research Order. The proposed rule would modify the number of National Dairy Promotion and Research Board members in eight regions; merge Region 8 (Alabama, Kentucky, Louisiana, Mississippi and Tennessee) and Region 10 (District of Columbia, Florida, Georgia, North Carolina, Puerto Rico, South Carolina and Virginia); merge Region 12 (New York) and Region 13 (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont); and apportion Idaho as a separate region. The total number of domestic board members would remain the same at 36 and the total number of regions would be reduced from 13 to 12.

This modification was requested by the board. The Order provides that the board shall review the geographic distribution of milk production throughout the United States and, if warranted, shall recommend to the (continued on page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$24.52 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.83 higher than the previous month and is \$5.50 per hundredweight higher compared with August 2010. Class I utilization was 72.22 percent in August, an increase of 8.16 percent compared with the previous month and a decrease of 1.27 percent compared with August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 16.55 billion pounds, an increase of 0.7 percent from July 2010 and a decrease of 3.1 percent when compared with June 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 859 million pounds in July, 2.0 percent below July 2010 and 7.1 percent below June 2011 on a daily average basis. Butter production was 135 million pounds, 21.6 percent above July 2010 but 7.0 percent below June 2011 on a daily average basis.

Nonfat dry milk powder production was 133 million pounds in July, 1.4 percent above July 2010 and 12.0 percent lower than June 2011 on a daily average basis. Dry whey production was 82 million pounds in July, 6.5 percent below July 2010 and 5.6 percent less than June 2011 on a daily average basis. Whey protein concentrates production was 35 million pounds in July, down 4.2 percent compared with July 2010 and 4.4 percent below June 2011 on a daily average basis.

Transportation Credit Update

The available balance in the Federal Order 7 transportation credit balancing fund for August 2011 was \$3,682,950.25. Preliminary claims were made for \$2,926,098.76. Since sufficient funds were available, all eligible claims were paid in full.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.75%	7,942,540	\$2.2496	\$ 17,867,537.97
Class I Differential at Location				261,823.59
Class II Butterfat	31.89%	6,374,570	\$2.3055	14,696,571.14
Class III Butterfat	13.67%	2,732,993	\$2.2985	6,281,784.39
Class IV Butterfat	14.69%	2,936,395	\$2.2985	6,749,303.92
Total Butterfat	100.00%	19,986,498		\$ 45,857,021.01

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2944**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	73.42%	397,374,104	\$14.05 /cwt.	\$ 55,831,061.62
Class I Butterfat	39.75%	7,942,540	\$2.2496 /lb.	17,867,537.97
Class I Differential at Location		405,316,644		13,432,589.71
Total Class I Milk	72.22%	405,316,644		\$ 87,131,189.30
Class II Skim Milk	9.99%	54,053,557	\$13.97 /cwt.	\$ 7,551,281.92
Class II Butterfat	31.89%	6,374,570	\$2.3055 /lb.	14,696,571.14
Total Class II Milk	10.77%	60,428,127		\$ 22,247,853.06
Class III Skim Milk	9.96%	53,880,331	\$14.12 /cwt.	\$ 7,607,902.74
Class III Butterfat	13.67%	2,732,993	\$2.2985 /lb.	6,281,784.39
Total Class III Milk	10.09%	56,613,324		\$ 13,889,687.13
Class IV Skim Milk	6.63%	35,890,032	\$12.53 /cwt.	\$ 4,497,021.02
Class IV Butterfat	14.69%	2,936,395	\$2.2985 /lb.	6,749,303.92
Total Class IV Milk	6.92%	38,826,427		\$ 11,246,324.94
Producer Milk	100.00%	561,184,522		\$ 134,515,054.43

Adjustments

Overage and Other Source	\$10,463.07
Inventory Adjustments	\$35,489.03
Producer butterfat at uniform butterfat price	(\$45,857,021.01)
Location Adjustments to Producers	\$3,739,925.77
1/2 Unobligated Balance in P.S.F.	\$269,347.92

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.13112	\$92,713,259.21
	\$ 0.04112	\$222,516.92

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

\$17.09

Uniform Price per cwt. (Fulton County, Georgia)

\$24.52*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	AUG 2011	SEPT 2011	JUL 2011	AUG 2011	AUG 2011
Appalachian (Charlotte)	\$ 24.83	\$ 25.18	\$ 23.35	\$ 24.03	70.89%
Arizona (Phoenix)	\$ 23.78	\$ 24.13	\$ 21.58	\$ 21.58	31.12%
Central (Kansas City)	\$ 23.43	\$ 23.78	\$ 21.60	\$ 21.97	31.92%
Florida (Tampa)	\$ 26.83	\$ 27.18	\$ 25.44	\$ 26.18	86.69%
Midwest (Cleveland)	\$ 23.43	\$ 23.78	\$ 21.91	\$ 22.29	37.80%
Northeast (Boston)	\$ 24.68	\$ 25.03	\$ 22.76	\$ 23.22	42.00%
Pacific Northwest (Seattle)	\$ 23.33	\$ 23.68	\$ 21.34	\$ 21.34	23.44%
Southeast (Atlanta)	\$ 25.23	\$ 25.58	\$ 23.69	\$ 24.52	72.22%
Southwest (Dallas)	\$ 24.43	\$ 24.78	\$ 22.56	\$ 23.06	39.10%
Upper Midwest (Chicago)	\$ 23.23	\$ 23.58	\$ 21.60	\$ 21.92	12.40%

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

Receipts:	August 2011	August 2010
Producer Milk		
Class I	405,316,644	402,091,947
Class II	60,428,127	46,055,416
Class III	56,613,324	80,688,945
Class IV	38,826,427	18,294,928
Total Producer Milk	<u>561,184,522</u>	<u>547,131,236</u>
Average Butterfat Test	3.56%	3.52%
Percent of Producer Milk in Class I	72.22%	73.49%
Daily Average Receipts	18,102,727	17,649,395
Other Source Milk		
Class I	6,564,024	11,855,675
Class II	4,892,336	6,182,564
Class III	2,200,047	2,554,470
Class IV	4,367,546	6,090,091
Total Other Source Milk	<u>18,023,953</u>	<u>26,682,800</u>
Overage		
Class I	0	0
Class II	2,999	0
Class III	0	0
Class IV	1,544	0
Total Overage	<u>4,543</u>	<u>0</u>
Opening Inventory		
Class I	19,720,247	27,837,905
Class II	2,161,191	1,358,992
Class III	126,810	1,344,559
Class IV	23,643,298	11,803,689
Total Opening Inventory	<u>45,651,546</u>	<u>42,345,145</u>
Total Receipts	624,864,564	616,159,181
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	25,825,018	33,456,036
Route Disposition Class I	393,875,562	396,665,229
Shrinkage	2,928,958	3,814,689
Transfers & Diversions to Nonpool	8,971,377	7,849,573
Total Class I Utilization	<u>431,600,915</u>	<u>441,785,527</u>
Average Butterfat Test	1.96%	2.03%
Daily Average Utilization	13,922,610	14,251,146
Class II Utilization		
Nonfluid Used To Produce	2,668,516	1,708,411
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,173,351	27,028,895
Total Class II Utilization	<u>28,642,786</u>	<u>24,859,666</u>
Average Butterfat Test	11.35%	12.64%
Class III Utilization		
Shrinkage	0	7,441,398
Transfers & Diversions to Nonpool Used To Produce/Other Uses	58,940,181	73,036,889
Total Class III Utilization	<u>0</u>	<u>4,109,687</u>
Average Butterfat Test	58,940,181	84,587,974
Class IV Utilization		
Inventory	21,992,210	19,181,795
Nonfluid Used To Fortify	1,568,142	1,500,117
Shrinkage	6,766,050	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	32,206,383	15,506,796
Total Class IV Utilization	<u>4,306,030</u>	<u>0</u>
Average Butterfat Test	66,838,815	36,188,708
Total Utilization	624,864,564	616,159,181

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2011 is \$24.52 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.09 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2944 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In August, Class I use, which is primarily bottled or packaged fluid milk, accounted for 73.42% of all producer skim milk (priced to handlers at \$14.05 per hundredweight, plus the Class I differential, see page 2) and 39.75% of producer butterfat (priced to handlers at \$2.2496 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.99% of all producer skim milk (\$13.97 per hundredweight) and 31.89% of producer butterfat (\$2.3055 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.96% of all producer skim milk (\$14.12 per hundredweight) and 13.67% of producer butterfat (\$2.2985 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.63% of all producer skim milk (\$12.53 per hundredweight) and 14.69% of producer butterfat (\$2.2985 per pound).

Receipts of producer milk during August totaled 561.2 million pounds. There were 23 regulated pool distributing plants, 2 pool supply plants and 16 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2011. Class I route disposition in the area was 372.7 million pounds in July 2011.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2011</u>		
Whole Milk	127,176,592	34.12%
Fat Free Milk	46,346,769	12.43%
Lowfat Milk (incl. 1%)	30,868,914	8.28%
Reduced Fat Milk (incl. 2%)	145,510,792	39.04%
Cultured Fluid Milk (incl. Buttermilk)	7,108,532	1.91%
Flavored Drinks and Milk	15,713,904	4.22%
Total Disposition in Marketing Area	372,725,503	100.0%
Total Disposition by Pool Plants	305,212,242	81.89%
Total Disposition by Nonpool Plants	67,513,261	18.11%
Total Disposition in Marketing Area	372,725,503	100.0%

Proposed Promotion Order Amendments, cont.

(continued from page 1) Secretary a reapportionment of the regions and/or modification of the number of members from the regions in order to better reflect the geographic distribution of milk production volume in the United States. The U.S. Department of Agriculture will issue a final rule once comments have been received and considered.

The board was established under the Dairy Production Stabilization Act of 1983, as amended, to develop and administer a coordinated program of promotion, research and nutrition education. The 38-member board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The program is financed by a mandatory 15-cent per hundredweight assessment on all milk marketed commercially and a 7.5-cent per hundredweight assessment on milk, or equivalent thereof, on dairy products imported into the United States.

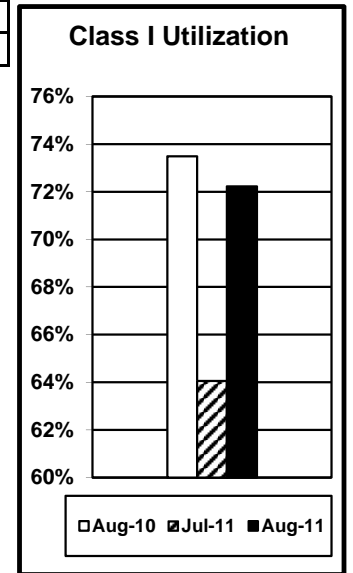
Copies of the proposed rule may be obtained from USDA, AMS, Dairy Programs, Room 2958-S, Washington, DC 20250-0233, USA from 9 a.m. to 4 p.m., Monday through Friday. The proposed rule is also available on www.regulations.gov and USDA's Agricultural Marketing Service (AMS) website at www.ams.usda.gov/dairy.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2010	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29											

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 2010	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,660**	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%



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

Southeast Marketing Area - Federal Order 7

Pool and Payment Dates for the Pooling Periods September through November 2011

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
SEPT 2011	10/11/11	10/12/11	10/13/11	09/26/11	09/26/11	10/13/11	10/14/11
OCT 2011	11/11/11	11/14/11	11/15/11	10/25/11	10/26/11	11/15/11	11/16/11
NOV 2011	12/11/11	12/12/11	12/13/11	11/25/11	11/28/11	12/13/11	12/14/11

** The base rate for making partial payments in Fulton County, GA for September will be \$22.07 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.52 per hundredweight.

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

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

WASDE Dairy Report 1/

WASDE – 498 September 13, 2011

The milk production forecast for 2011 is raised as the dairy herd has been expanding at a more rapid rate than expected. However, the forecast for 2012 is reduced as higher forecast feed prices reduce the rate of growth in milk per cow. Commercial exports for 2011 are raised on the strength of current product exports. For 2012, fat basis exports are lowered, largely on slightly weaker butter exports.

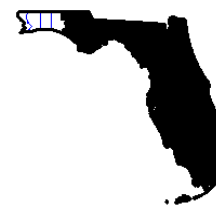
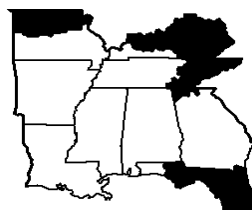
Skim solids imports are raised for both 2011 and 2012. Cheese prices for 2011 are forecast lower, but nonfat dry milk (NDM) and whey prices are forecast higher on the strength of relatively strong exports. Butter prices remain unchanged. The Class III price is lowered, based on the lower forecast cheese price, but the Class IV price forecast is unchanged from last month. For 2012, butter and cheese prices are unchanged but NDM and whey prices are forecast higher. The Class III price is unchanged, but the Class IV price forecast is raised. The all milk price forecast is lowered to \$20.15 to \$20.35 per cwt for 2011, but is unchanged at \$17.80 to \$18.80 per cwt for 2012.

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.



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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 2011

Volume 12—No. 10

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

Welcoming New Marketing-Service Leadership

On October 11, Chris Thompson became the Associate Market Administrator of Marketing Services for the Southeast and Florida Orders. Chris is a Kentucky native who previously worked at the University of Kentucky, Division of Regulatory Services. In his 21 years at the university, Chris served in various roles including leading the Division's Milk Regulatory Program where he managed a dairy laboratory and had oversight of dairy field programs. Contact Chris at 770-682-2526 or cthompson@fmmatlanta.com.

Report Examines Role of Dry Distillers' Grains

The Economic Research Service has issued a report which examines the rising use of distillers' grains and how they affect the markets for other types of feeds. The report, titled "Estimating the Substitution of Distillers' Grains for Corn and Soybean Meal in the U.S. Feed Complex" is available at www.ers.usda.gov. From the report: "How does the continued market expansion of Distillers' dried grains with solubles (DDGS) affect the U.S. feed complex (or processed feeds fed) and to what extent do DDGS substitute for corn and soybean meal, thereby reducing the grain market impact of using corn to produce ethanol? A bushel of corn used for dry-mill ethanol production yields DDGS equal to about a third of the corn's original weight. Researchers are less sure, however, how this coproduct substitutes for corn and soybean meal in the diets of different types of livestock and poultry. Understanding of the characteristics of DDGS may demonstrate more effectively how they can be substituted into different livestock/poultry diets and the impact this substitution may have on the U.S. feed complex."

USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

The USDA is asking fluid milk processors and other interested parties to (continued on page 4)

Uniform Price Lower

The uniform price in Fulton County, GA, was \$24.06 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.46 lower than the previous month but is \$4.68 per hundredweight higher compared with September 2010. Class I utilization was 71.51 percent in September, down 0.71 percent compared with August and a decrease of 2.50 percent compared with September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 16.43 billion pounds, an increase of 2.1 percent from August 2010 and a decrease of 0.5 percent when compared with July 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 868 million pounds, 0.3 percent below August 2010 but 1.5 percent above July 2011 on a daily average basis. Butter production was 133 million pounds, 31.0 percent above August 2010 but 1.6 percent below July 2011 on a daily average basis.

Nonfat dry milk powder production was 113 million pounds in August, 5.1 percent below August 2010 and 15.0 percent lower than July 2011 on a daily average basis. Dry whey production was 80 million pounds in August, 2.1 percent below August 2010 and 2.4 percent less than July 2011. Whey protein concentrates production was 36 million pounds in August, 1.2 percent above August 2010 and 1.8 percent above July 2011.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for September 2011 were made for \$2,860,437.89. Since the available balance was \$1,943,946.73, eligible claims were paid at the rate of approximately \$0.68 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.65%	7,527,409	\$2.3175	\$ 17,444,770.38
Class I Differential at Location				248,776.80
Class II Butterfat	27.08%	5,412,438	\$2.2075	11,947,956.93
Class III Butterfat	23.89%	4,775,047	\$2.2005	10,507,490.94
Class IV Butterfat	11.38%	2,274,332	\$2.2005	5,004,667.56
Total Butterfat	100.00%	19,989,226		\$ 45,153,662.61

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2589**

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	72.80%	382,667,321	\$14.16 /cwt.	\$ 54,185,692.66
Class I Butterfat	37.65%	7,527,409	\$2.3175 /lb.	17,444,770.38
Class I Differential at Location		390,194,730		12,940,358.72
Total Class I Milk	71.51%	390,194,730		\$ 84,570,821.76
Class II Skim Milk	7.41%	38,932,140	\$13.29 /cwt.	\$ 5,174,081.41
Class II Butterfat	27.08%	5,412,438	\$2.2075 /lb.	11,947,956.93
Total Class II Milk	8.13%	44,344,578		\$ 17,122,038.34
Class III Skim Milk	18.11%	95,213,526	\$11.78 /cwt.	\$ 11,216,153.37
Class III Butterfat	23.89%	4,775,047	\$2.2005 /lb.	10,507,490.94
Total Class III Milk	18.33%	99,988,573		\$ 21,723,644.31
Class IV Skim Milk	1.68%	8,809,376	\$12.26 /cwt.	\$ 1,080,029.52
Class IV Butterfat	11.38%	2,274,332	\$2.2005 /lb.	5,004,667.56
Total Class IV Milk	2.03%	11,083,708		\$ 6,084,697.08
Producer Milk	100.00%	545,611,589		\$ 129,501,201.49

Adjustments

Overage and Other Source	\$3,351.52
Inventory Adjustments	(\$19,361.97)
Producer butterfat at uniform butterfat price	(\$45,153,662.61)
Location Adjustments to Producers	\$3,712,005.97
1/2 Unobligated Balance in P.S.F.	\$193,444.01

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.78714	\$88,236,978.41
	\$ 0.04714	\$247,794.83

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

\$16.74

Uniform Price per cwt. (Fulton County, Georgia)

\$24.06*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	SEPT 2011	OCT 2011	AUG 2011	SEPT 2011	SEPT 2011
Appalachian (Charlotte)	\$ 25.18	\$ 22.96	\$ 24.03	\$ 23.82	73.22%
Arizona (Phoenix)	\$ 24.13	\$ 21.91	\$ 21.58	\$ 20.95	32.96%
Central (Kansas City)	\$ 23.78	\$ 21.56	\$ 21.97	\$ 20.43	29.43%
Florida (Tampa)	\$ 27.18	\$ 24.96	\$ 26.18	\$ 26.17	87.50%
Midwest (Cleveland)	\$ 23.78	\$ 21.56	\$ 22.29	\$ 21.15	41.50%
Northeast (Boston)	\$ 25.03	\$ 22.81	\$ 23.22	\$ 22.33	43.30%
Pacific Northwest (Seattle)	\$ 23.68	\$ 21.46	\$ 21.34	\$ 20.40	27.30%
Southeast (Atlanta)	\$ 25.58	\$ 23.36	\$ 24.52	\$ 24.06	71.51%
Southwest (Dallas)	\$ 24.78	\$ 22.56	\$ 23.06	\$ 21.66	38.97%
Upper Midwest (Chicago)	\$ 23.58	\$ 21.36	\$ 21.92	\$ 19.71	13.60%

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

Receipts:	September 2011	September 2010
Producer Milk		
Class I	390,194,730	392,248,671
Class II	44,344,578	45,194,521
Class III	99,988,573	83,120,952
Class IV	11,083,708	9,434,160
Total Producer Milk	<u>545,611,589</u>	<u>529,998,304</u>
Average Butterfat Test	3.66%	3.62%
Percent of Producer Milk in Class I	71.51%	74.01%
Daily Average Receipts	18,187,053	17,666,610
Other Source Milk		
Class I	6,189,694	8,919,361
Class II	3,668,995	4,223,970
Class III	3,558,765	1,769,662
Class IV	3,496,444	2,214,978
Total Other Source Milk	<u>16,913,898</u>	<u>17,127,971</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	27,337	2,740
Total Overage	<u>27,337</u>	<u>2,740</u>
Opening Inventory		
Class I	26,651,221	33,608,228
Class II	3,096,251	1,204,335
Class III	4,517,982	2,187,111
Class IV	13,598,993	15,558,152
Total Opening Inventory	<u>47,864,447</u>	<u>52,555,826</u>
Total Receipts	610,417,271	599,684,841
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	29,876,991	34,037,429
Route Disposition Class I	382,977,716	389,688,180
Shrinkage	2,004,060	3,511,638
Transfers & Diversions to Nonpool	8,176,878	7,537,013
Total Class I Utilization	<u>423,035,645</u>	<u>434,774,260</u>
Average Butterfat Test	1.92%	2.00%
Daily Average Utilization	14,101,188	14,492,475
Class II Utilization		
Nonfluid Used To Produce	2,070,482	1,492,043
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	23,538,188	25,827,092
Total Class II Utilization	<u>25,501,154</u>	<u>23,303,691</u>
Average Butterfat Test	12.73%	11.82%
Class III Utilization		
Shrinkage	6,493,639	6,871,262
Transfers & Diversions to Nonpool Used To Produce/Other Uses	97,627,526	76,138,560
Total Class III Utilization	<u>3,944,155</u>	<u>4,067,903</u>
Average Butterfat Test	108,065,320	87,077,725
Average Butterfat Test	4.54%	4.64%
Class IV Utilization		
Inventory	12,849,611	15,574,989
Nonfluid Used To Fortify	1,423,198	1,142,395
Shrinkage	2,772	434
Transfers & Diversions to Nonpool Used To Produce/Other Uses	13,930,901	10,492,212
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	28,206,482	27,210,030
Average Butterfat Test	12.28%	12.22%
Total Utilization	610,417,271	599,684,841

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2011 is \$24.06 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.74 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2589 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 72.80% of all producer skim milk (priced to handlers at \$14.16 per hundredweight, plus the Class I differential, see page 2) and 37.65% of producer butterfat (priced to handlers at \$2.3175 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 7.41% of all producer skim milk (\$13.29 per hundredweight) and 27.08% of producer butterfat (\$2.2075 per pound). Class III use, mostly milk used to produce cheese, accounted for 18.11% of all producer skim milk (\$11.78 per hundredweight) and 23.89% of producer butterfat (\$2.2005 per pound). Class IV use, generally milk processed into butter and powder, accounted for 1.68% of all producer skim milk (\$12.26 per hundredweight) and 11.38% of producer butterfat (\$2.2005 per pound).

Receipts of producer milk during September totaled 545.6 million pounds. There were 23 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2011. Class I route disposition in the area was 428.5 million pounds in August 2011.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>August 2011</u>		
Whole Milk	131,095,022	30.59%
Fat Free Milk	51,617,011	12.05%
Lowfat Milk (incl. 1%)	41,564,425	9.70%
Reduced Fat Milk (incl. 2%)	153,951,823	35.93%
Cultured Fluid Milk (incl. Buttermilk)	8,634,343	2.01%
Flavored Drinks and Milk	41,653,656	9.72%
Total Disposition in Marketing Area	428,516,280	100.0%
Total Disposition by Pool Plants	347,956,016	81.20%
Total Disposition by Nonpool Plants	80,560,264	18.80%
Total Disposition in Marketing Area	428,516,280	100.0%

USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

(continued from page 1) nominate candidates for the National Fluid Milk Processor Promotion Board. Appointed members will serve 3-year terms from July 1, 2012, through June 30, 2015.

USDA will accept nominations for board representation in seven geographic regions and two at-large positions. The geographic regions are: Region 3 (Delaware, Maryland, Pennsylvania, Virginia and the District of Columbia); Region 4 (Georgia, North Carolina and South Carolina); Region 6 (Ohio and West Virginia); Region 8 (Illinois and Indiana); Region 9 (Alabama, Kentucky, Louisiana, Mississippi and Tennessee); Region 12 (Arizona, Colorado, New Mexico, Nevada and Utah); and Region 15 (So. California).

The national fluid milk program is financed by a mandatory 20-cent per hundredweight assessment on fluid milk processors who process and market commercially in consumer-type packages more than 3 million pounds of fluid milk products per month in the contiguous 48 states and the District of Columbia, excluding those fluid milk products delivered directly to consumer residences.

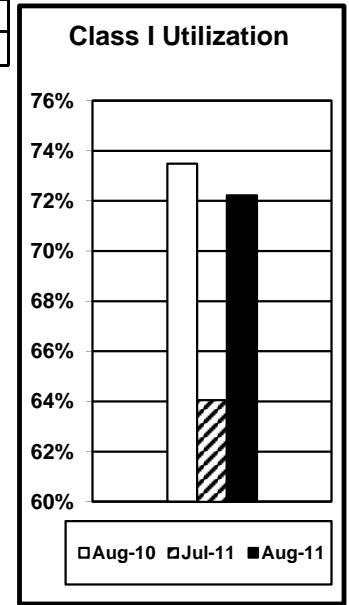
To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by October 31, 2011, to: Whitney Rick, Director, Promotion, Research and Planning Division, Dairy Programs, AMS, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233 or via email at whitney.rick@ams.usda.gov. To obtain forms or additional information, call (202) 720-6909. Blank forms are available on the Dairy Promotion and Research Branch's website at www.ams.usda.gov/Dairy.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2010	\$12.33	\$1.6300	\$17.60	\$9.23	\$1.7128	\$14.90	\$7.68	\$1.7058	\$13.38	\$ 9.66	\$1.7058	\$15.29	\$ 11.10	\$1.6808	\$16.59
Jun	\$13.41	\$1.7535	\$19.08	\$10.31	\$1.7304	\$16.01	\$7.86	\$1.7234	\$13.62	\$ 9.76	\$1.7234	\$15.45	\$ 11.99	\$1.7351	\$17.64
Jul	\$13.92	\$1.7219	\$19.46	\$10.82	\$1.9034	\$17.10	\$7.36	\$1.8964	\$13.74	\$ 9.44	\$1.8964	\$15.75	\$ 12.42	\$1.8255	\$18.37
Aug	\$13.29	\$1.9279	\$19.57	\$10.19	\$2.0406	\$16.98	\$8.35	\$2.0336	\$15.18	\$ 8.80	\$2.0336	\$15.61	\$ 12.50	\$1.9887	\$19.02
Sep	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98											

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 2010	622,452	2,751	372,857	59.89%	74,056	11.90%	153,652	24.69%	21,888	3.52%
Jun	565,997	2,761	351,651	62.13%	62,478	11.04%	137,638	24.32%	14,231	2.51%
Jul	552,090	2,774	371,560	67.30%	48,197	8.73%	122,959	22.27%	9,374	1.70%
Aug	547,131	2,731	402,092	73.49%	46,055	8.42%	80,689	14.75%	18,295	3.34%
Sep	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,650**	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%



* 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 2011

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 2011	11/11/11	11/14/11	11/15/11	10/25/11	10/26/11	11/15/11	11/16/11
NOV 2011	12/11/11	12/12/11	12/13/11	11/25/11	11/28/11	12/13/11	12/14/11
DEC 2011	01/11/12	01/12/12	01/13/12	12/27/11	12/27/11	01/13/12	01/17/12

** The base rate for making partial payments in Fulton County, GA for October will be \$21.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.06 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 499 October 12, 2011

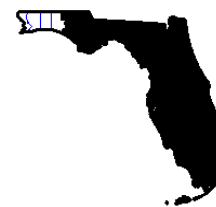
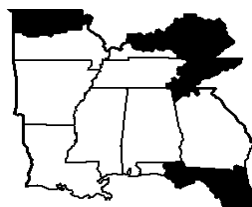
The milk production forecast for 2011 is raised as the dairy herd has been expanding at a more rapid rate and milk per cow during the summer increased more rapidly than expected. However, the forecast for 2012 is reduced as forecast lower milk prices and weakening milk-feed ratios increase the pace of later year declines in cow numbers. Fat basis exports are lowered for 2011 on slightly weaker butter and cheese exports, but are unchanged for 2012. Skim solids exports are unchanged for 2011 but are lowered for 2012. Import forecasts are unchanged.

Butter and cheese prices for 2011 are forecast lower, but the nonfat dry milk (NDM) price forecast is unchanged and whey prices are forecast higher. International prices have been weaker which has put some pressure on butter and cheese prices. Butter and cheese price forecasts are also reduced for 2012. NDM prices have also been under pressure from weakening international prices and although the forecast for 2011 is unchanged from last month, the price forecast for 2012 is reduced. Whey prices are raised for both 2011 and 2012 as demand is strong. The Class III price is lowered for 2011, but for 2012 the higher whey price more than offsets a decline in the cheese price, and the Class III price forecast is raised. The Class IV price is lowered for both years due to lower forecast butter and NDM prices. The all milk price forecast is lowered to \$20.00 to \$20.10 per cwt for 2011, and \$17.75 to \$18.65 per cwt for 2012.

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.*



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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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

November 2011

Volume 12—No. 11

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

Milk Production Continues a Modest Advance in 2012, Prices Will Likely Soften from 2011

*From the November 16, 2011 Livestock, Dairy,
and Poultry Outlook(LDP-M-209):*

“The November World Agricultural Supply and Demand Estimates report projected the season average corn price at \$6.20 to \$7.20 per bushel for the 2011/12 crop year, unchanged from October’s price forecast. Soybean meal prices are projected at \$310 to \$340 per ton, a \$25 per ton reduction from October on both ends of the price range. USDA does not forecast alfalfa prices; however, the preliminary price paid for alfalfa was reported in the October Agricultural Prices report to be \$203 per ton in October, up from \$196 per ton reported in September. Alfalfa prices will likely remain well above the average of recent years until at least next spring.

Overall, dairy producers are facing exceptionally high feed prices and this situation will likely continue into 2012. Despite high feed prices, milk production continues to advance. USDA forecasts 2011 milk production at 196 billion pounds in 2011, virtually unchanged from October’s forecast. While third-quarter reported cow numbers were slightly lower than October projections, the U.S. herd size estimate remains at 9,200 thousand cows for this year and is expected to slip to 9,185 thousand cows in 2012. Milk per cow is forecast higher than October’s forecast, largely offsetting the lower than forecast third-quarter cow number. Production in 2012 is forecast at 198.4 billion pounds, unchanged from October. Next year, production per cow is forecast at 21,600 pounds, up from the 21,305 pounds expected this year. The increase in milk per cow forecast in 2012 and the additional milking day more than offsets the small projected decline in cow numbers, accounting for the overall increased milk production next year.

(continued on page 4)

Uniform Price Lower

The uniform price in Fulton County, GA, was \$21.79 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$2.27 lower than the previous month but is \$1.95 per hundredweight higher compared with October 2010. Class I utilization was 66.63 percent in October, down 4.88 percent compared with September and a decrease of 3.64 percent compared with October of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 15.80 billion pounds, an increase of 1.7 percent from September 2010 and a decrease of 0.6 percent when compared with August 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 867 million pounds, 0.6 percent below September 2010 and 3.1 percent above August 2011 on a daily average basis. Butter production was 138 million pounds, 21.0 percent above September 2010 and 6.9 percent above August 2011 on a daily average basis.

Nonfat dry milk powder production was 104 million pounds in September, 5.0 percent below September 2010 and 6.6 percent below August 2011 on a daily average basis. Dry whey production was 77 million pounds in September, 0.8 percent below September 2010 and 0.1 percent less than August 2011. Whey protein concentrates production was 36 million pounds, 1.1 percent below September 2010 and 3.4 percent higher than August 2011.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for October 2011 were made for \$2,672,330.71. Since the available balance was \$1,147,343.69, eligible claims were paid at the rate of approximately \$0.43 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	34.53%	7,456,795	\$2.2014	\$ 16,415,388.51
Class I Differential at Location				247,161.18
Class II Butterfat	25.86%	5,583,102	\$1.9662	10,977,495.16
Class III Butterfat	25.55%	5,516,203	\$1.9592	10,807,344.94
Class IV Butterfat	14.06%	3,036,043	\$1.9592	5,948,215.43
Total Butterfat	100.00%	21,592,143		\$ 44,395,605.22

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0561**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	67.89%	374,991,089	\$12.28 /cwt.	\$ 46,048,905.74
Class I Butterfat	34.53%	7,456,795	\$2.2014 /lb.	16,415,388.51
Class I Differential at Location		382,447,884		12,651,871.31
Total Class I Milk	66.63%	382,447,884		\$ 75,116,165.56
Class II Skim Milk	6.89%	38,039,680	\$12.98 /cwt.	\$ 4,937,550.47
Class II Butterfat	25.86%	5,583,102	\$1.9662 /lb.	10,977,495.16
Total Class II Milk	7.60%	43,622,782		\$ 15,915,045.63
Class III Skim Milk	20.56%	113,572,431	\$11.58 /cwt.	\$ 13,151,687.53
Class III Butterfat	25.55%	5,516,203	\$1.9592 /lb.	10,807,344.94
Total Class III Milk	20.75%	119,088,634		\$ 23,959,032.47
Class IV Skim Milk	4.66%	25,755,054	\$11.97 /cwt.	\$ 3,082,879.96
Class IV Butterfat	14.06%	3,036,043	\$1.9592 /lb.	5,948,215.43
Total Class IV Milk	5.02%	28,791,097		\$ 9,031,095.39
Producer Milk	100.00%	573,950,397		\$ 124,021,339.05

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$4,582.82)
Producer butterfat at uniform butterfat price	(\$44,395,605.22)
Location Adjustments to Producers	\$3,940,054.33
1/2 Unobligated Balance in P.S.F.	\$226,784.67

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.16914	\$83,787,990.01
	\$ 0.04914	\$271,422.00

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

\$15.12

Uniform Price per cwt. (Fulton County, Georgia)

\$21.79*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	OCT 2011	NOV 2011	SEP 2011	OCT 2011	OCT 2011
Appalachian (Charlotte)	\$ 22.96	\$ 21.85	\$ 23.82	\$ 21.57	69.20%
Arizona (Phoenix)	\$ 21.91	\$ 20.80	\$ 20.95	\$ 19.39	33.11%
Central (Kansas City)	\$ 21.56	\$ 20.45	\$ 20.43	\$ 18.82	28.83%
Florida (Tampa)	\$ 24.96	\$ 23.85	\$ 26.17	\$ 23.77	85.94%
Midwest (Cleveland)	\$ 21.56	\$ 20.45	\$ 21.15	\$ 19.23	38.10%
Northeast (Boston)	\$ 22.81	\$ 21.70	\$ 22.33	\$ 20.42	43.50%
Pacific Northwest (Seattle)	\$ 21.46	\$ 20.35	\$ 20.40	\$ 18.80	27.18%
Southeast (Atlanta)	\$ 23.36	\$ 22.25	\$ 24.06	\$ 21.79	66.63%
Southwest (Dallas)	\$ 22.56	\$ 21.45	\$ 21.66	\$ 19.85	38.72%
Upper Midwest (Chicago)	\$ 21.36	\$ 20.25	\$ 19.71	\$ 18.41	13.30%

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

Receipts:	October 2011	October 2010
Producer Milk		
Class I	382,447,884	391,226,789
Class II	43,622,782	62,713,513
Class III	119,088,634	75,962,167
Class IV	28,791,097	26,876,787
Total Producer Milk	<u>573,950,397</u>	<u>556,779,256</u>
Average Butterfat Test	3.76%	3.74%
Percent of Producer Milk in Class I	66.63%	70.27%
Daily Average Receipts	18,514,529	17,960,621
Other Source Milk		
Class I	6,163,051	8,658,927
Class II	4,692,752	4,717,309
Class III	1,544,239	1,640,834
Class IV	4,310,437	3,760,742
Total Other Source Milk	<u>16,710,479</u>	<u>18,777,812</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
Opening Inventory		
Class I	29,886,510	34,637,165
Class II	1,019,478	481,125
Class III	83,100	46,811
Class IV	11,747,033	15,256,391
Total Opening Inventory	<u>42,736,121</u>	<u>50,421,492</u>
Total Receipts	633,396,997	625,978,560
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	24,849,850	31,240,957
Route Disposition Class I	383,500,319	394,644,613
Shrinkage	2,922,837	1,502,400
Transfers & Diversions to Nonpool	7,224,439	7,134,911
Total Class I Utilization	<u>418,497,445</u>	<u>434,522,881</u>
Average Butterfat Test	1.94%	2.04%
Daily Average Utilization	13,499,918	14,016,867
Class II Utilization		
Nonfluid Used To Produce	2,093,580	1,353,673
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	21,956,376	43,002,064
Total Class II Utilization	<u>25,285,056</u>	<u>23,556,210</u>
Average Butterfat Test	13.92%	10.23%
Class III Utilization		
Shrinkage	7,514,342	7,179,995
Transfers & Diversions to Nonpool	109,461,622	66,594,960
Used To Produce/Other Uses	3,740,009	3,874,857
Total Class III Utilization	<u>120,715,973</u>	<u>77,649,812</u>
Average Butterfat Test	4.62%	5.05%
Class IV Utilization		
Inventory	22,641,441	26,223,246
Nonfluid Used To Fortify	1,907,538	1,401,352
Shrinkage	0	0
Transfers & Diversions to Nonpool	20,299,588	18,269,322
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>44,848,567</u>	<u>45,893,920</u>
Average Butterfat Test	9.40%	10.32%
Total Utilization	633,396,997	625,978,560

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2011 is \$21.79 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.12 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0561 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 67.89% of all producer skim milk (priced to handlers at \$12.28 per hundredweight, plus the Class I differential, see page 2) and 34.53% of producer butterfat (priced to handlers at \$2.2014 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 6.89% of all producer skim milk (\$12.98 per hundredweight) and 25.86% of producer butterfat (\$1.9662 per pound). Class III use, mostly milk used to produce cheese, accounted for 20.56% of all producer skim milk (\$11.58 per hundredweight) and 25.55% of producer butterfat (\$1.9592 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.66% of all producer skim milk (\$11.97 per hundredweight) and 14.06% of producer butterfat (\$1.9592 per pound).

Receipts of producer milk during October totaled 574.0 million pounds. There were 24 regulated pool distributing plants, 2 pool supply plants and 16 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2011. Class I route disposition in the area was 417.0 million pounds in September 2011.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>September 2011</u>		
Whole Milk	123,516,323	29.62%
Fat Free Milk	49,057,720	11.77%
Lowfat Milk (incl. 1%)	42,076,202	10.09%
Reduced Fat Milk (incl. 2%)	146,063,815	35.03%
Cultured Fluid Milk (incl. Buttermilk)	8,600,580	2.06%
Flavored Drinks and Milk	47,646,700	11.43%
Total Disposition in Marketing Area	416,961,340	100.0%
Total Disposition by Pool Plants	337,845,630	81.03%
Total Disposition by Nonpool Plants	79,115,710	18.97%
Total Disposition in Marketing Area	416,961,340	100.0%

Milk Production Continues a Modest Advance in 2012, Prices Will Likely Soften from 2011

(continued from page 1)

Overall, dairy product and milk prices are expected to be lower in 2012 after rising sharply in 2011. Cheese, butter, and whey prices for 2011 were raised slightly for November from October based on relatively strong foreign and domestic demand. Nonfat dry milk (NDM) prices were lowered slightly in this month's forecast. The 2011 cheese price is forecast at \$1.820 to \$1.830 per pound and the butter price at \$1.960 to \$1.990 per pound. NDM prices are projected at \$1.500 to \$1.520 per pound and whey prices at 52.5 to 53.5 cents per pound. Both domestic use and exports for whey have been robust this year. Next year, the major product prices are all expected to be lower than in 2011. However, the 2012 price forecasts, except for NDM, were revised upward slightly from October. The cheese price is expected to be \$1.685 to \$1.775 per pound; the butter price is forecast at \$1.625 to \$1.745 per pound. The NDM price is forecast at \$1.355 to \$1.425 per pound and the whey price at 48.5 to 51.5 cents per pound. The lower prices expected next year reflect larger domestic production, and stronger competition overseas, which will pressure exports.

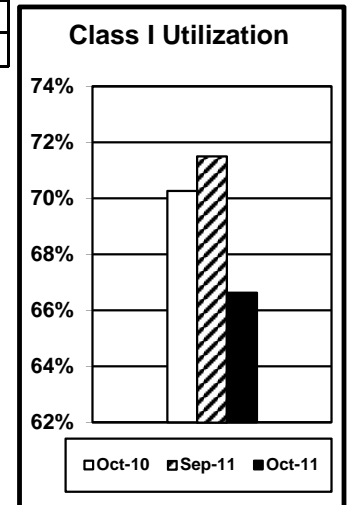
Milk prices will be lower in 2012 compared with 2011. The Class III milk price, which is projected to average \$18.30 to \$18.40 per cwt this year, is forecast to slide to \$16.70 to \$17.60 per cwt in 2012. Likewise, the Class IV price will average \$19.05 to \$19.25 per cwt in 2011 and is forecast at \$16.40 to \$17.40 in 2012. The all milk price is forecast at \$18.05 to \$18.95 per cwt next year, lower than the \$20.10 to \$20.20 per cwt expected in 2011."

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2010	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Sep 2010	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,550**	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%



* 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 2011 through January 2012

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 2011	12/11/11	12/12/11	12/13/11	11/25/11	11/28/11	12/13/11	12/14/11
DEC 2011	01/11/12	01/12/12	01/13/12	12/27/11	12/27/11	01/13/12	01/17/12
JAN 2012	02/11/12	02/13/12	02/14/12	01/25/12	01/26/12	02/14/12	02/15/12

** The base rate for making partial payments in Fulton County, GA for November will be \$19.61 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.79 per hundredweight.

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

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

WASDE Dairy Report 1/

WASDE – 500 November 9, 2011

Milk production forecasts for 2011 and 2012 are unchanged from last month. Commercial exports are forecast higher for 2011. Fat and skim-solids ending stocks for 2011 are lowered.

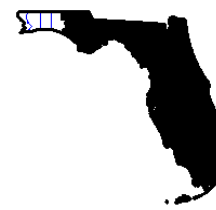
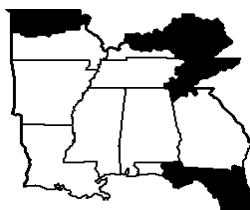
Cheese, butter, and whey prices are forecast higher for both 2011 and 2012, but the nonfat dry milk (NDM) price forecast is reduced for 2011 and unchanged for 2012. Class III prices are raised for 2011 and 2012 on the increased price forecast for cheese and whey. The Class IV price is unchanged for 2011 as the higher butter price is mostly offset by a lower NDM price forecast. However, for 2012 with an unchanged NDM price forecast, the Class IV price forecast is raised due to higher butter prices. The all milk price is forecast at \$20.10 to \$20.20 per cwt for 2011, and \$18.05 to \$18.95 per cwt for 2012.

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.*



MILK MARKET ADMINISTRATOR

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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). 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

December 2011

Volume 12—No. 12

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

Higher Domestic Production, Competition in Export Markets Will Lower Milk Prices in 2012

Excerpts from the December 15, 2011 Livestock, Dairy, and Poultry Outlook(LDP-M-210):

“Dairy cow slaughter for the January to October 2011 period is about 4 percent above slaughter for the corresponding period of 2010 according to the November Livestock Slaughter report, and replacement heifer prices are steady. This suggests no major liquidation is in the offing, but cow numbers are expected to decline slightly next year. Output per cow continues to rise, and lower expected feed prices are the basis for the increase in the December projected output per cow to 21,315 pounds this year and 21,610 pounds next year. Slightly more milk is forecast in December than in November, both this year and next. Production is forecast at 196.1 billion pounds this year, rising to 198.5 billion pounds in 2012.”

“Domestic use of cheese was lower in the third quarter of 2011 compared with 2010, and both domestic and Oceania prices have recently declined sharply, supporting the lowered price forecast. Recent weakness in butter prices has led to a lowering of 2011 butter prices from November projections to \$1.935 to \$1.965 a pound in the December forecast. Stronger global competition in 2012 is expected to moderate butter prices even further in 2012. Butter prices are forecast at \$1.605 to \$1.715 a pound next year. Higher global production will similarly affect NDM prices. NDM prices are projected at \$1.495 to \$1.515 a pound this year, a slight downward revision from last month. Next year, prices are expected to drop more significantly to \$1.360 to \$1.420.”

“Milk prices will be lower next year based on lower product prices....The 2012 all milk price is forecast at \$18.10 to \$18.90 per cwt, down from \$20.05 to 20.15 per cwt in 2011.”

Uniform Price Lower

The uniform price in Fulton County, GA, was \$21.63 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.16 lower than the previous month but is \$2.01 per hundredweight higher compared with November 2010. Class I utilization was 70.20 percent in November, up 3.57 percent compared with October and a slight decrease of 0.35 percent compared with November of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 16.23 billion pounds, an increase of 2.1 percent from October 2010 and a decrease of 0.5 percent when compared with September 2011 on a daily average basis. Total cheese output (excluding cottage cheese) was 896 million pounds, 1.7 percent above October 2010 and 0.1 percent below September 2011 on a daily average basis. Butter production was 146 million pounds, 19.6 percent above October 2010 and 2.9 percent above September 2011 on a daily average basis.

Nonfat dry milk powder production was 101 million pounds in October, 12.1 percent below October 2010 and 6.1 percent below September 2011 on a daily average basis. Dry whey production was 77 million pounds in October, 1.8 percent below October 2010 and 3.0 percent less than September 2011. Whey protein concentrates production was 37 million pounds, 3.5 percent above October 2010 and 0.2 percent higher than September 2011.

Transportation Credit Update

Preliminary claims on the Federal Order 7 transportation credit balancing fund for November 2011 were made for 2,291,820.30. Since the available balance was 1,159,204.72, eligible claims were paid at the rate of approximately \$0.51 on the dollar.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2011

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.04%	7,962,463	\$1.9179	\$ 15,271,207.80
Class I Differential at Location				262,731.55
Class II Butterfat	26.62%	5,572,102	\$1.9578	10,909,061.27
Class III Butterfat	16.63%	3,480,407	\$1.9508	6,789,577.97
Class IV Butterfat	18.71%	3,917,245	\$1.9508	7,641,761.55
Total Butterfat	100.00%	20,932,217		\$ 40,874,340.14

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9527**

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	71.48%	378,408,009	\$12.16 /cwt.	\$ 46,014,413.91
Class I Butterfat	38.04%	7,962,463	\$1.9179 /lb.	15,271,207.80
Class I Differential at Location		386,370,472		12,766,497.48
Total Class I Milk	70.20%	386,370,472		\$ 74,052,119.19
Class II Skim Milk	9.30%	49,224,727	\$12.86 /cwt.	\$ 6,330,299.90
Class II Butterfat	26.62%	5,572,102	\$1.9578 /lb.	10,909,061.27
Total Class II Milk	9.96%	54,796,829		\$ 17,239,361.17
Class III Skim Milk	11.91%	63,029,141	\$12.69 /cwt.	\$ 7,998,398.00
Class III Butterfat	16.63%	3,480,407	\$1.9508 /lb.	6,789,577.97
Total Class III Milk	12.09%	66,509,548		\$ 14,787,975.97
Class IV Skim Milk	7.31%	38,710,560	\$11.44 /cwt.	\$ 4,428,488.06
Class IV Butterfat	18.71%	3,917,245	\$1.9508 /lb.	7,641,761.55
Total Class IV Milk	7.75%	42,627,805		\$ 12,070,249.61
Producer Milk	100.00%	550,304,654		\$ 118,149,705.94

Adjustments

Overage and Other Source	\$1,611.36
Inventory Adjustments	\$66,867.89
Producer butterfat at uniform butterfat price	(\$40,874,340.14)
Location Adjustments to Producers	\$3,802,605.99
1/2 Unobligated Balance in P.S.F.	\$245,792.49

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 15.37523	\$81,392,243.53
	\$ 0.04523	\$239,448.92

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

\$15.33

Uniform Price per cwt. (Fulton County, Georgia)

\$21.63*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	NOV 2011	DEC 2011	OCT 2011	NOV 2011	NOV 2011
Appalachian (Charlotte)	\$ 21.85	\$ 21.87	\$ 21.57	\$ 21.27	72.28%
Arizona (Phoenix)	\$ 20.80	\$ 20.82	\$ 19.39	\$ 19.31	33.83%
Central (Kansas City)	\$ 20.45	\$ 20.47	\$ 18.82	\$ 18.82	36.23%
Florida (Tampa)	\$ 23.85	\$ 23.87	\$ 23.77	\$ 23.15	85.29%
Midwest (Cleveland)	\$ 20.45	\$ 20.47	\$ 19.23	\$ 19.18	40.20%
Northeast (Boston)	\$ 21.70	\$ 21.72	\$ 20.42	\$ 20.23	44.30%
Pacific Northwest (Seattle)	\$ 20.35	\$ 20.37	\$ 18.80	\$ 18.77	29.11%
Southeast (Atlanta)	\$ 22.25	\$ 22.27	\$ 21.79	\$ 21.63	70.20%
Southwest (Dallas)	\$ 21.45	\$ 21.47	\$ 19.85	\$ 19.89	39.66%
Upper Midwest (Chicago)	\$ 20.25	\$ 20.27	\$ 18.41	\$ 19.15	13.50%

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

Receipts:	November 2011	November 2010
Producer Milk		
Class I	386,370,472	404,279,194
Class II	54,796,829	51,671,373
Class III	66,509,548	97,009,684
Class IV	42,627,805	20,027,975
Total Producer Milk	<u>550,304,654</u>	<u>572,988,226</u>
Average Butterfat Test	3.80%	3.84%
Percent of Producer Milk in Class I	70.20%	70.55%
Daily Average Receipts	18,343,488	19,099,608
Other Source Milk		
Class I	6,900,519	7,982,331
Class II	5,310,681	3,748,605
Class III	1,465,973	1,640,143
Class IV	10,292,086	6,489,848
Total Other Source Milk	<u>23,969,259</u>	<u>19,860,927</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	826	98,142
Total Overage	<u>826</u>	<u>98,142</u>
Opening Inventory		
Class I	26,285,376	31,444,134
Class II	1,003,914	2,222,920
Class III	197,036	3,584,704
Class IV	20,004,965	20,212,445
Total Opening Inventory	<u>47,491,291</u>	<u>57,464,203</u>
Total Receipts	621,766,030	650,411,498
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	26,341,839	33,655,724
Route Disposition Class I	382,458,835	400,460,677
Shrinkage	2,876,318	1,807,819
Transfers & Diversions to Nonpool	7,879,375	7,781,439
Total Class I Utilization	<u>419,556,367</u>	<u>443,705,659</u>
Average Butterfat Test	2.05%	2.10%
Daily Average Utilization	13,985,212	14,790,189
Class II Utilization		
Nonfluid Used To Produce	1,989,107	1,170,844
Shrinkage	0	260,249
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	33,279,992	29,813,089
Total Class II Utilization	<u>25,842,325</u>	<u>26,398,716</u>
Average Butterfat Test	11.72%	11.81%
Class III Utilization		
Shrinkage	0	6,630,461
Transfers & Diversions to Nonpool Used To Produce/Other Uses	68,172,557	91,709,648
Total Class III Utilization	<u>68,172,557</u>	<u>3,894,422</u>
Average Butterfat Test	5.19%	4.83%
Class IV Utilization		
Inventory	19,935,882	21,051,565
Nonfluid Used To Fortify	3,252,977	2,719,200
Shrinkage	6,913,740	98,790
Transfers & Diversions to Nonpool Used To Produce/Other Uses	39,013,322	22,958,855
Total Class IV Utilization	<u>3,809,761</u>	<u>0</u>
Average Butterfat Test	860.58%	10.53%
Total Utilization	621,766,030	650,411,498

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2011 is \$21.63 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$15.33 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9527 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 71.48% of all producer skim milk (priced to handlers at \$12.16 per hundredweight, plus the Class I differential, see page 2) and 38.04% of producer butterfat (priced to handlers at \$1.9179 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.30% of all producer skim milk (\$12.86 per hundredweight) and 26.62% of producer butterfat (\$1.9578 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.91% of all producer skim milk (\$12.69 per hundredweight) and 16.63% of producer butterfat (\$1.9508 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.31% of all producer skim milk (\$11.44 per hundredweight) and 18.71% of producer butterfat (\$1.9508 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>October 2011</u>		
Whole Milk	123,124,129	29.62%
Fat Free Milk	48,747,490	11.73%
Lowfat Milk (incl. 1%)	41,843,362	10.07%
Reduced Fat Milk (incl. 2%)	144,501,918	34.76%
Cultured Fluid Milk (incl. Buttermilk)	8,497,151	2.04%
Flavored Drinks and Milk	48,945,319	11.78%
Total Disposition in Marketing Area	415,659,369	100.0%
Total Disposition by Pool Plants	336,682,976	81.00%
Total Disposition by Nonpool Plants	78,976,393	19.00%
Total Disposition in Marketing Area	415,659,369	100.0%

Receipts of producer milk during November totaled 550.3 million pounds. There were 24 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2011. Class I route disposition in the area was 415.7 million pounds in October 2011.

Notice to the Industry Regarding European Union Health Certification Program

- Effective January 1, 2012, the U.S. dairy industry must begin the transition to the farm level milk sampling program to verify somatic cell count (SCC) and standard plate count (SPC) compliance with EU regulations No. 853/2004 Annex III, Section IX, Chapter 1.III.
- AMS, Dairy Grading Branch will continue to accept Certificates of Conformance based on milk sampled at the plant and processed prior to April 1, 2012. After March 31, 2012, all shipments of dairy products requiring an EU health certificate must comply with the updated certification program, including new Certificate of Conformance.
- The program only applies to companies that are manufacturing products for export to the EU and the producers whose milk they are receiving. Dairy farmers, milk processors and other manufacturers that do not export or facilitate in marketing of products to the EU are not impacted by this change.
- The program instructions provide for a level of flexibility (derogation) for farms that exceed EU SCC or SPC requirements, but work toward compliance to ensure that US dairy farmers are not negatively harmed.
- All farms will be given three months to establish an initial rolling three-month means for SCC. Non-Grade A farms will be given two months to establish an initial rolling two-month means for SPC.
- Only milk suppliers, dairy processors, and applicants for EU Health Certificates are responsible for maintaining records to trace their products back one step in the supply chain (toward the raw milk production) for all dairy products/ingredients intended for export to the EU.

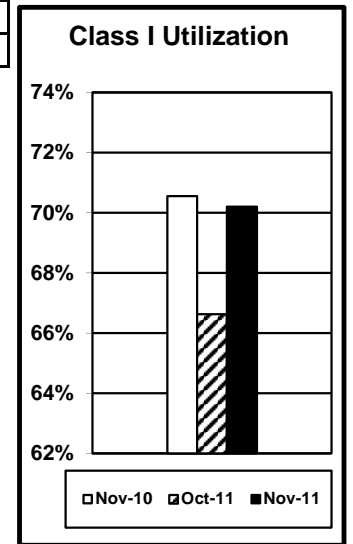
If questions arise regarding this modified program, please contact Ken Vorgert at 630-437-5037; email Ken.Vorgert@ams.usda.gov or Carrie Sayasithsena at 202-720-3171; email Carrie.Sayasithsena@ams.usda.gov. For more information about AMS, Dairy Programs, Export Certification Issues, please contact Diane Lewis, Director of Grading and Standards Division at 202-690-0530; Diane.Lewis@ams.usda.gov.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2010	\$12.59	\$2.0427	\$19.30	\$9.49	\$2.4114	\$17.60	\$8.13	\$2.4044	\$16.26	\$ 8.65	\$2.4044	\$16.76	\$ 11.90	\$2.2551	\$19.38
Oct	\$12.42	\$2.3974	\$20.38	\$9.32	\$2.4506	\$17.57	\$8.69	\$2.4436	\$16.94	\$ 8.91	\$2.4436	\$17.15	\$ 11.76	\$2.4260	\$19.84
Nov	\$12.78	\$2.4875	\$21.04	\$9.68	\$2.2492	\$17.21	\$7.87	\$2.2422	\$15.44	\$ 9.15	\$2.2422	\$16.68	\$ 11.86	\$2.3364	\$19.62
Dec	\$12.91	\$2.3728	\$20.76	\$9.81	\$1.8022	\$15.77	\$7.82	\$1.7952	\$13.83	\$ 9.06	\$1.7952	\$15.03	\$ 11.73	\$2.0017	\$18.33
Jan 2011	\$13.13	\$1.8076	\$19.00	\$10.03	\$2.0309	\$16.79	\$6.63	\$2.0239	\$13.48	\$ 9.67	\$2.0239	\$16.42	\$ 11.59	\$1.9513	\$18.01
Feb	\$13.37	\$1.9383	\$19.69	\$10.27	\$2.3037	\$17.97	\$9.29	\$2.2967	\$17.00	\$ 10.74	\$2.2967	\$18.40	\$ 12.42	\$2.1750	\$19.60
Mar	\$14.30	\$2.3516	\$22.03	\$11.20	\$2.2929	\$18.83	\$11.81	\$2.2859	\$19.40	\$ 11.82	\$2.2859	\$19.41	\$ 13.67	\$2.3071	\$21.27
Apr	\$15.74	\$2.2963	\$23.23	\$12.33	\$2.2183	\$19.66	\$9.46	\$2.2113	\$16.87	\$ 12.48	\$2.2113	\$19.78	\$ 14.01	\$2.2375	\$21.35
May	\$16.29	\$2.2364	\$23.55	\$13.19	\$2.2567	\$20.63	\$8.96	\$2.2497	\$16.52	\$ 12.87	\$2.2497	\$20.29	\$ 14.29	\$2.2455	\$21.65
Jun	\$16.62	\$2.3080	\$24.12	\$13.52	\$2.3772	\$21.37	\$11.21	\$2.3702	\$19.11	\$ 13.22	\$2.3702	\$21.05	\$ 15.25	\$2.3474	\$22.93
Jul	\$16.97	\$2.4150	\$24.83	\$13.87	\$2.2581	\$21.29	\$14.00	\$2.2511	\$21.39	\$ 12.90	\$2.2511	\$20.33	\$ 16.16	\$2.3142	\$23.69
Aug	\$17.85	\$2.2876	\$25.23	\$13.97	\$2.3055	\$21.55	\$14.12	\$2.2985	\$21.67	\$ 12.53	\$2.2985	\$20.14	\$ 17.09	\$2.2944	\$24.52
Sep	\$17.96	\$2.3555	\$25.58	\$13.29	\$2.2075	\$20.55	\$11.78	\$2.2005	\$19.07	\$ 12.26	\$2.2005	\$19.53	\$ 16.74	\$2.2589	\$24.06
Oct	\$16.08	\$2.2394	\$23.36	\$12.98	\$1.9662	\$19.41	\$11.58	\$1.9592	\$18.03	\$ 11.97	\$1.9592	\$18.41	\$ 15.12	\$2.0561	\$21.79
Nov	\$15.96	\$1.9559	\$22.25	\$12.86	\$1.9578	\$19.26	\$12.69	\$1.9508	\$19.07	\$ 11.44	\$1.9508	\$17.87	\$ 15.33	\$1.9527	\$21.63
Dec	\$15.62	\$2.0571	\$22.27	\$12.38											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Sep 2010	529,998	2,684	392,249	74.01%	45,195	8.53%	83,121	15.68%	9,434	1.78%
Oct	556,780	2,706	391,227	70.27%	62,714	11.26%	75,962	13.64%	26,877	4.83%
Nov	572,988	2,711	404,279	70.55%	51,671	9.02%	97,010	16.93%	20,028	3.50%
Dec	629,294	2,753	406,990	64.67%	61,485	9.77%	122,085	19.40%	38,734	6.16%
Jan 2011	628,540	2,659	407,610	64.85%	47,204	7.51%	142,986	22.75%	30,740	4.89%
Feb	563,774	2,674	367,350	65.16%	45,372	8.05%	131,864	23.39%	19,188	3.40%
Mar	661,979	2,628	400,514	60.50%	70,093	10.59%	139,747	21.11%	51,624	7.80%
Apr	650,543	2,641	372,337	57.24%	61,375	9.43%	168,670	25.93%	48,161	7.40%
May	621,318	2,604	372,257	59.91%	48,570	7.82%	168,164	27.07%	32,327	5.20%
Jun	567,658	2,664	350,310	61.71%	55,310	9.74%	144,672	25.49%	17,366	3.06%
Jul	543,074	2,659	347,881	64.06%	49,357	9.09%	61,150	11.26%	84,687	15.59%
Aug	561,185	2,634	405,317	72.22%	60,428	10.77%	56,613	10.09%	38,826	6.92%
Sep	545,612	2,503	390,195	71.51%	44,345	8.13%	99,989	18.33%	11,084	2.03%
Oct	573,950	2,545	382,448	66.63%	43,623	7.60%	119,089	20.75%	28,791	5.02%
Nov	550,305	2,550**	386,370	70.20%	54,797	9.96%	66,510	12.09%	42,628	7.75%



* 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 2011 through February 2012

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 2011	01/11/12	01/12/12	01/13/12	12/27/11	12/27/11	01/13/12	01/17/12
JAN 2012	02/11/12	02/13/12	02/14/12	01/25/12	01/26/12	02/14/12	02/15/12
FEB 2012	03/11/12	03/12/12	03/13/12	02/27/12	02/27/12	03/13/12	03/14/12

** The base rate for making partial payments in Fulton County, GA for December will be \$19.47 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.63 per hundredweight.

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

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

WASDE Dairy Report 1/

WASDE – 501 December 9, 2011

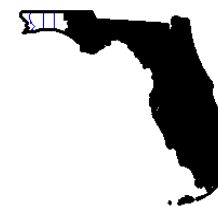
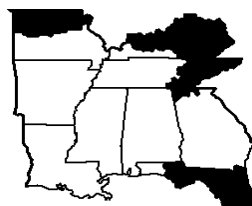
Milk production forecasts for 2011 and 2012 are raised slightly, reflecting higher growth in milk per cow and slightly more cows in 2011. Fat basis imports are raised for 2011 and skim-solids basis imports are forecast slightly higher in 2012. Exports are forecast higher for 2011.

For 2011, cheese and whey prices are unchanged, but butter and nonfat dry milk (NDM) price forecasts are reduced. Thus, the Class III price forecast is unchanged but the Class IV price is reduced. Cheese and butter prices for 2012 are lowered from last month but the whey price is raised. The range of the NDM price is narrowed. As a result of the higher whey price, the Class III price is raised, and the lower butter price results in a reduction in the Class IV price forecast. The all milk price forecast is forecast at \$20.05 to \$20.15 per cwt for 2011, and \$18.10 to \$18.90 per cwt for 2012.

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.



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



www.fmmatlanta.com

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, reprisal, or because all or 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.