

# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

January 2014

Volume 15—No. 1

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

## Milk Production Is Raised Slightly From Earlier Forecasts, but 2014 Milk Prices Move Up on Strong Demand

*Excerpts from Livestock, Dairy, & Poultry Outlook, January 16, 2014, Economic Research Service, USDA:*

The season average corn price is unchanged for 2014 in the January World Agricultural Supply and Demand Estimates after being lowered in December. Corn prices for 2013/14 are forecast at \$4.10-\$4.70 per bushel. However, the soybean meal price is raised in the January forecast to \$415-\$455 per ton. According to the December Agricultural Prices report, the preliminary December price for alfalfa hay was \$187 per ton, changing little from November's reported price but still well below year-earlier prices. Open heifer prices rose slightly in December, which may signal increased demand for cows by producers. Expectations of continued moderate feed prices and higher milk prices reinforce the expectation of herd expansion this year. 2014 cow numbers are unchanged from the December forecast at 9.25 million head. Last month's forecast had already indicated a steady but moderate expansion in the Nation's dairy herd. However, yield per cow is forecast up slightly from December at 22,230 pounds. Yield was lowered from December for the first half of the year and raised for the second half. On balance, milk yield is raised slightly from December. The increase is based on improved producer returns as feed prices remain moderate and milk prices are forecast higher. Production for 2014 is forecast at 205.6 billion pounds, up slightly from last month based on the higher expected milk yield in the second half of the year.

Fat-basis imports for 2014 are lowered from December to 3.7 billion pounds based on expected lowered butterfat imports. Skims-solids basis imports remain forecast at 5.2 billion pounds. Exports are raised this month on a fats basis to 11.2 billion pounds and to 38.5 billion (Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$23.74 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.38 higher than the previous month and is \$1.02 per hundredweight higher compared with December 2012. Class I utilization was 72.50 percent in December, 4.63 percent lower compared with the previous month and 9.27 percent higher than December of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2013 was 16.03 billion pounds, an increase of 0.1 percent from November 2012 and an increase of 0.6 percent when compared with October 2013 on a daily average basis. Total cheese output was 941 million pounds, 2.9 percent above November 2012 and 0.1 percent higher than October 2013 on a daily average basis. Butter production was 143 million pounds, 0.1 percent below November 2012 and 1.0 percent higher than October 2013 on a daily average basis.

Nonfat dry milk powder production was 100.1 million pounds in November 2013, down 13.6 percent compared to November 2012 and 20.5 percent higher than October 2013 on a daily average basis. Dry whey production was 75.1 million pounds in November, 3.1 percent above November 2012 and 7.9 percent above last month on a daily average basis. Whey protein concentrates production was 42.1 million pounds in November, a 17.5 percent increase compared to November of last year and 9.1 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.30 in December.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2013

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.93%	7,609,724	\$1.5986	\$ 12,164,904.80
Class I Differential at Location				248,167.55
Class II Butterfat	25.11%	4,668,169	\$1.7742	8,282,265.44
Class III Butterfat	11.96%	2,224,243	\$1.7672	3,930,682.21
Class IV Butterfat	22.00%	4,090,716	\$1.7672	7,229,113.33
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,592,852</b>		<b>\$ 31,855,133.33</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7133**

### 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	73.75%	345,637,931	\$15.31 /cwt.	\$ 52,917,167.24
Class I Butterfat	40.93%	7,609,724	\$1.5986 /lb.	12,164,904.80
Class I Differential at Location		353,247,655		11,564,869.09
<b>Total Class I Milk</b>	<b>72.50%</b>	<b>353,247,655</b>		<b>\$ 76,646,941.13</b>
Class II Skim Milk	9.49%	44,452,082	\$16.01 /cwt.	\$ 7,116,778.31
Class II Butterfat	25.11%	4,668,169	\$1.7742 /lb.	8,282,265.44
<b>Total Class II Milk</b>	<b>10.08%</b>	<b>49,120,251</b>		<b>\$ 15,399,043.75</b>
Class III Skim Milk	7.83%	36,683,981	\$13.23 /cwt.	\$ 4,853,290.70
Class III Butterfat	11.96%	2,224,243	\$1.7672 /lb.	3,930,682.21
<b>Total Class III Milk</b>	<b>7.99%</b>	<b>38,908,224</b>		<b>\$ 8,783,972.91</b>
Class IV Skim Milk	8.93%	41,850,080	\$15.91 /cwt.	\$ 6,658,347.73
Class IV Butterfat	22.00%	4,090,716	\$1.7672 /lb.	7,229,113.33
<b>Total Class IV Milk</b>	<b>9.43%</b>	<b>45,940,796</b>		<b>\$ 13,887,461.06</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>487,216,926</b>		<b>\$ 114,717,418.85</b>

### Adjustments

Overage and Other Source	\$13,436.23
Inventory Adjustments	\$68,426.17
Producer butterfat at uniform butterfat price	(\$31,855,133.33)
Location Adjustments to Producers	\$3,258,680.80
1/2 Unobligated Balance in P.S.F.	\$202,325.05

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18,43805	\$86,405,153.77
	\$ 0.04805	\$225,186.57

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

**\$18.39**

Uniform Price per cwt. (Fulton County, Georgia)

**\$23.74\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	DEC 2013	JAN 2014	NOV 2013	DEC 2013	DEC 2013
Appalachian (Charlotte)	\$ 23.77	\$ 24.88	\$ 22.72	\$ 23.26	68.25%
Arizona (Phoenix)	\$ 22.72	\$ 23.83	\$ 20.70	\$ 21.34	30.15%
Central (Kansas City)	\$ 22.37	\$ 23.48	\$ 19.68	\$ 20.03	32.26%
Florida (Tampa)	\$ 25.77	\$ 26.88	\$ 24.92	\$ 25.28	83.93%
Midwest (Cleveland)	\$ 22.37	\$ 23.48	\$ 20.12	\$ 20.58	42.60%
Northeast (Boston)	\$ 23.62	\$ 24.73	\$ 21.28	\$ 21.79	38.20%
Pacific Northwest (Seattle)	\$ 22.27	\$ 23.38	\$ 19.77	\$ 20.31	25.61%
<b>Southeast (Atlanta)</b>	<b>\$ 24.17</b>	<b>\$ 25.28</b>	<b>\$ 23.36</b>	<b>\$ 23.74</b>	<b>72.50%</b>
Southwest (Dallas)	\$ 23.37	\$ 24.48	\$ 20.50	\$ 20.78	37.03%
Upper Midwest (Chicago)	\$ 22.17	\$ 23.28	\$ 19.16	\$ 19.34	11.10%

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

<b>Receipts:</b>	<b>December 2013</b>	<b>December 2012</b>
<b>Producer Milk</b>		
Class I	353,247,655	361,932,250
Class II	49,120,251	49,542,835
Class III	38,908,224	107,342,884
Class IV	45,940,796	53,611,471
Total Producer Milk	<u>487,216,926</u>	<u>572,429,440</u>
Average Butterfat Test	3.82%	3.84%
Percent of Producer Milk in Class I	72.50%	63.23%
Daily Average Receipts	15,716,675	18,465,466
<b>Other Source Milk</b>		
Class I	6,337,686	6,015,949
Class II	8,828,771	6,039,910
Class III	297,321	1,190,978
Class IV	13,498,308	13,206,243
Total Other Source Milk	<u>28,962,086</u>	<u>26,453,080</u>
<b>Overage</b>		
Class I	0	0
Class II	83,924	0
Class III	0	0
Class IV	0	0
Total Overage	<u>83,924</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	22,056,869	30,746,339
Class II	3,077,767	373,010
Class III	431,401	0
Class IV	13,121,493	9,297,499
Total Opening Inventory	<u>38,687,530</u>	<u>40,416,848</u>
<b>Total Receipts</b>	<b>554,950,466</b>	<b>639,299,368</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	26,377,835	24,048,128
Route Disposition Class I	341,474,341	363,735,704
Shrinkage	3,206,135	2,589,462
Transfers & Diversions to Nonpool	10,583,899	8,321,244
Total Class I Utilization	<u>381,642,210</u>	<u>398,694,538</u>
Average Butterfat Test	2.15%	2.12%
Daily Average Utilization	12,311,039	12,861,114
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,117,295	1,733,738
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	29,283,408	29,708,753
Total Class II Utilization	<u>29,710,010</u>	<u>24,513,264</u>
Average Butterfat Test	12.64%	11.56%
<b>Class III Utilization</b>		
Shrinkage	6,104,523	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	29,374,243	108,533,862
Total Class III Utilization	<u>4,158,180</u>	<u>0</u>
Average Butterfat Test	39,636,946	108,533,862
<b>Class IV Utilization</b>		
Inventory	17,457,103	17,579,712
Nonfluid Used To Fortify	3,207,631	2,542,206
Shrinkage	1,000	6,169,168
Transfers & Diversions to Nonpool Used To Produce/Other Uses	51,894,863	45,236,576
Total Class IV Utilization	<u>0</u>	<u>4,587,551</u>
Average Butterfat Test	72,560,597	76,115,213
<b>Total Utilization</b>	<b>554,950,466</b>	<b>639,299,368</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2013 is \$23.74 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.39 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7133 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 73.75% of all producer skim milk (priced to handlers at \$15.31 per hundredweight, plus the Class I differential, see page 2) and 40.93% of producer butterfat (priced to handlers at \$1.5986 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.49% of all producer skim milk (\$16.01 per hundredweight) and 25.11% of producer butterfat (\$1.7742 per pound). Class III use, mostly milk used to produce cheese, accounted for 7.83% of all producer skim milk (\$13.23 per hundredweight) and 11.96% of producer butterfat (\$1.7672 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.93% of all producer skim milk (\$15.91 per hundredweight) and 22.00% of producer butterfat (\$1.7672 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>November 2013</u></b>		
Whole Milk	120,788,490	30.34%
Fat Free Milk	40,166,413	10.09%
Lowfat Milk (incl. 1%)	39,937,318	10.03%
Reduced Fat Milk (incl. 2%)	140,316,357	35.25%
Cultured Fluid Milk (incl. Buttermilk)	10,117,709	2.54%
Flavored Drinks and Milk	46,768,374	11.75%
<b>Total Disposition in Marketing Area</b>	<b>398,094,661</b>	<b>100.0%</b>
Total Disposition by Pool Plants	307,198,786	77.17%
Total Disposition by Nonpool Plants	90,895,875	22.83%
<b>Total Disposition in Marketing Area</b>	<b>398,094,661</b>	<b>100.0%</b>

Receipts of producer milk during December totaled 487.2 million pounds. There were 23 regulated pool distributing plants, 1 pool supply plants and 17 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2013. Class I route disposition in the area was 398.1 million pounds in November 2013.

### **Milk Production Is Raised Slightly From Earlier Forecasts, but 2014 Milk Prices Move Up on Strong Demand**

(continued from page 1) pounds on a skims-solids basis. Fats-basis exports are raised on continued strong foreign demand for cheese and butterfat. Skims-solids basis exports are increased as continued robust demand for nonfat dry milk (NDM), and cheese offset lower projected lactose shipments. International prices remain firm, and U.S. suppliers will stay competitive despite higher expected output from Australia and New Zealand.

Prices in 2014 for the major dairy products are increased from December for cheese, butter, and NDM. Prices are raised due to continued strong foreign and domestic demand. The 2014 cheese price is raised from December to \$1.760-\$1.840 per pound, and the butter price is increased from December to \$1.515-\$1.625 per pound. The NDM price is forecast at \$1.805-\$1.865 per pound, up from last month.

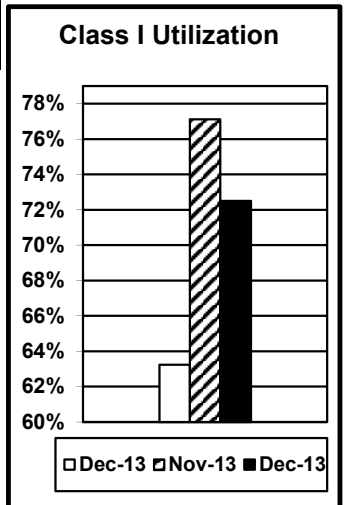
The whey price is expected to be 55.0-58.0 cents per pound this year, unchanged from December. The Class III milk price is raised to \$17.80-\$18.60 per cwt this month based on the higher forecast cheese price. Similarly, the Class IV price is moved up this month to \$19.80-\$20.70 per cwt on the basis of stronger expected butter and NDM prices. The all milk price is increased to \$20.60-\$21.40 per cwt.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2012	\$18.43	\$2.1143	\$25.19	\$12.67	\$1.7346	\$18.30	\$13.07	\$1.7276	\$18.66	\$12.21	\$1.7276	\$17.83	\$16.79	\$1.8616	\$22.72
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5639	\$18.88	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51											

**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 2012	572,429	2,358	361,932	63.23%	49,543	8.65%	107,343	18.75%	53,611	9.37%
Jan 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,000**	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%



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

# Southeast Marketing Area - Federal Order 7

## Pool and Payment Dates for the Pooling Periods January through March 2014

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 2014	02/11/14	02/12/14	02/13/14	01/27/14	01/27/14	02/13/14	02/14/14
FEB 2014	03/11/14	03/12/14	03/13/14	02/25/14	02/26/14	03/13/14	03/14/14
MAR 2014	04/11/14	04/14/14	04/15/14	03/25/14	03/26/14	04/15/14	04/16/14

\*\* The base rate for making partial payments in Fulton County, GA for January will be \$21.37 per hundredweight. This is 90 percent of the preceding month's uniform price of \$23.74 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 – 525 January 10, 2014

The 2013 milk production estimate is reduced from last month, based on recent milk production data. The forecast for 2014 is raised as improving returns are expected to support a more rapid increase in output per cow. Fat basis imports are reduced for 2013 and 2014 on lower expected imports of butterfat. On a skim-solids basis, imports are reduced slightly for 2013 but are unchanged for 2014. Fat basis exports are raised for both 2013 and 2014 on relatively strong demand for cheese and other products. Skim-solids exports are reduced slightly for 2013 as NDM exports lagged in November. However, exports are expected to strengthen in 2014 and the skim-solids export forecast is raised.

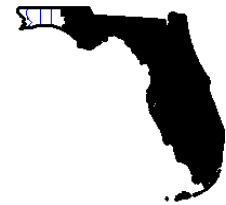
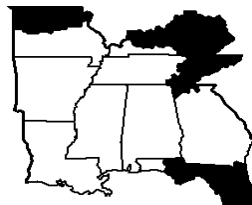
Dairy product and milk prices for 2013 are adjusted to reflect December data. For 2014, cheese, butter, and nonfat dry milk (NDM) prices are raised as export and domestic demand are expected to strengthen, but the forecast for dry whey is unchanged. The Class III price is raised due to the higher cheese prices and the Class IV price forecast reflects higher butter and NDM prices. The all milk price is forecast at \$20.60 to \$21.40 per cwt for 2014.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



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

## Outlook: Higher U.S. Milk Production and Foreign Competition Will Temper Price Increases

*Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2014, Economic Research Service, USDA:*

The most recent USDA World Agricultural Supply and Demand Estimates report raised the 2013/14 season-average price of corn to \$4.20-\$4.80 per bushel. Higher expected exports lie behind the price rise; global trade and strong export sales support increased U.S. corn exports. Similarly, a higher export forecast for soybean meal supports the advance in prices from January to \$425-\$465 per ton. The outlook for forages appears steady, as January preliminary alfalfa prices are reported in January Agricultural Prices at \$185 a ton, down from \$187 in December and well below the January 2013 price. For 2014 as a whole, feed prices should be lower than last year. The February dairy cow forecast is raised fractionally from January to 9.255 million head. Sharply higher year-over-year springer prices, combined with flat heifer calf prices, suggest some short-term herd expansion—though there may be caution on the part of producers toward a longer term expansion. Expected feed and milk prices will push the calculated milk-feed price ratio to the highest in several years.

These factors combined support a modest expansion in the second half of 2014. Milk yield is unchanged from January at 22,230 pounds per cow. However, year-over-year, milk yield is expected to increase by 1.9 percent from 2013. On balance, year-over-year milk production is forecast up about 2 percent to 205.7 billion pounds for February.

Overall, global demand for dairy products is expected to remain strong; however, increased production in competitor countries, most notably EU countries, could limit U.S. exports later in 2014. Much of the increased foreign production will be products that compete directly with U.S. products. Fats-basis ending stocks are raised slightly for February to 11.9 billion pounds. (Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$24.77 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$1.03 higher than the previous month and is \$3.27 per hundredweight higher compared with January 2013. Class I utilization was 78.12 percent in January, 5.62 percent higher compared with the previous month and 9.34 percent higher than January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2013 was 16.81 billion pounds, a decrease of 0.01 percent from December 2012 and an increase of 1.6 percent when compared with November 2013 on a daily average basis. Total cheese output (excluding cottage cheese) was 973 million pounds, 2.3 percent above December 2012 and 1.6 percent above November 2013 on a daily average basis. Butter production was 161 million pounds, 6.9 percent below December 2012 but 9.3 percent above November 2013 on a daily average basis.

Nonfat dry milk powder production was 124.9 million pounds in December 2013, down 20.8 percent compared to December 2012 and 20.1 percent higher than November 2013 on a daily average basis. Dry whey production was 82.1 million pounds in December, 8.0 percent below December 2012 and 6.3 percent above last month on a daily average basis. Whey protein concentrates production was 43.2 million pounds in December, a 12.4 percent increase compared to December of last year and 2.4 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.44 in January.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.29%	7,304,019	\$1.7791	\$ 12,994,580.23
Class I Differential at Location				240,586.29
Class II Butterfat	24.68%	4,366,449	\$1.7944	7,835,156.09
Class III Butterfat	11.31%	2,001,616	\$1.7874	3,577,688.45
Class IV Butterfat	22.72%	4,019,354	\$1.7874	7,184,193.33
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,691,438</b>		<b>\$ 31,832,204.39</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7993**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	79.57%	357,657,429	\$15.81 /cwt.	\$ 56,545,639.52
Class I Butterfat	41.29%	7,304,019	\$1.7791 /lb.	12,994,580.23
Class I Differential at Location		364,961,448		12,018,844.35
<b>Total Class I Milk</b>	<b>78.12%</b>	<b>364,961,448</b>		<b>\$ 81,559,064.10</b>
Class II Skim Milk	10.72%	48,198,465	\$16.51 /cwt.	\$ 7,957,566.59
Class II Butterfat	24.68%	4,366,449	\$1.7944 /lb.	7,835,156.09
<b>Total Class II Milk</b>	<b>11.25%</b>	<b>52,564,914</b>		<b>\$ 15,792,722.68</b>
Class III Skim Milk	6.24%	28,035,485	\$15.43 /cwt.	\$ 4,325,875.34
Class III Butterfat	11.31%	2,001,616	\$1.7874 /lb.	3,577,688.45
<b>Total Class III Milk</b>	<b>6.43%</b>	<b>30,037,101</b>		<b>\$ 7,903,563.79</b>
Class IV Skim Milk	3.47%	15,587,388	\$16.62 /cwt.	\$ 2,590,623.90
Class IV Butterfat	22.72%	4,019,354	\$1.7874 /lb.	7,184,193.33
<b>Total Class IV Milk</b>	<b>4.20%</b>	<b>19,606,742</b>		<b>\$ 9,774,817.23</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>467,170,205</b>		<b>\$ 115,030,167.80</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$18,341.43
Producer butterfat at uniform butterfat price	(\$31,832,204.39)
Location Adjustments to Producers	\$2,796,173.90
1/2 Unobligated Balance in P.S.F.	\$223,018.73

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 19.18567	\$86,235,497.47
	\$ 0.04567	\$205,261.45

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

**\$19.14**

Uniform Price per cwt. (Fulton County, Georgia)

**\$24.77\***

\* 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 2014	FEB 2014	DEC 2013	JAN 2014	JAN 2014
Appalachian (Charlotte)	\$ 24.88	\$ 25.42	\$ 23.26	\$ 24.28	72.88%
Arizona (Phoenix)	\$ 23.83	\$ 24.37	\$ 21.34	\$ 22.46	28.96%
Central (Kansas City)	\$ 23.48	\$ 24.02	\$ 20.03	\$ 21.55	32.80%
Florida (Tampa)	\$ 26.88	\$ 27.42	\$ 25.28	\$ 26.18	84.99%
Midwest (Cleveland)	\$ 23.48	\$ 24.02	\$ 20.58	\$ 21.90	42.80%
Northeast (Boston)	\$ 24.73	\$ 25.27	\$ 21.79	\$ 24.27	37.30%
Pacific Northwest (Seattle)	\$ 23.38	\$ 23.92	\$ 20.31	\$ 21.73	25.12%
<b>Southeast (Atlanta)</b>	<b>\$ 25.28</b>	<b>\$ 25.82</b>	<b>\$ 23.74</b>	<b>\$ 24.77</b>	<b>78.12%</b>
Southwest (Dallas)	\$ 24.48	\$ 25.02	\$ 20.78	\$ 22.40	36.18%
Upper Midwest (Chicago)	\$ 23.28	\$ 23.82	\$ 19.34	\$ 21.35	11.40%



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

<b>Receipts:</b>	<b>January 2014</b>	<b>January 2013</b>
<b>Producer Milk</b>		
Class I	364,961,448	398,844,268
Class II	52,564,914	50,745,923
Class III	30,037,101	73,044,446
Class IV	19,606,742	57,267,813
Total Producer Milk	<u>467,170,205</u>	<u>579,872,450</u>
Average Butterfat Test	3.79%	3.85%
Percent of Producer Milk in Class I	78.12%	68.78%
Daily Average Receipts	15,070,007	18,705,563
<b>Other Source Milk</b>		
Class I	5,252,617	7,988,960
Class II	2,554,574	6,810,449
Class III	188,377	1,154,839
Class IV	10,656,938	12,734,790
Total Other Source Milk	<u>18,652,506</u>	<u>28,689,038</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	6,064
Total Overage	<u>0</u>	<u>6,064</u>
<b>Opening Inventory</b>		
Class I	25,097,446	21,601,644
Class II	1,058,337	3,578,710
Class III	3,927,063	58,766
Class IV	10,626,559	16,374,732
Total Opening Inventory	<u>40,709,405</u>	<u>41,613,852</u>
<b>Total Receipts</b>	<b>526,532,116</b>	<b>650,181,404</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	25,751,890	27,492,414
Route Disposition Class I	359,237,915	388,934,014
Shrinkage	1,979,302	3,302,505
Transfers & Diversions to Nonpool	8,342,404	8,705,939
Total Class I Utilization	<u>395,311,511</u>	<u>428,434,872</u>
Average Butterfat Test	2.00%	1.96%
Daily Average Utilization	12,751,984	13,820,480
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,257,961	1,893,795
Shrinkage	885	1,471
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	41,295,263	31,832,485
Total Class II Utilization	<u>12,623,716</u>	<u>27,407,331</u>
Average Butterfat Test	7.77%	12.09%
<b>Class III Utilization</b>		
Shrinkage	5,843,894	0
Transfers & Diversions to Nonpool	24,581,985	74,258,051
Used To Produce/Other Uses	3,726,662	0
Total Class III Utilization	<u>34,152,541</u>	<u>74,258,051</u>
Average Butterfat Test	5.96%	4.82%
<b>Class IV Utilization</b>		
Inventory	8,559,020	17,373,540
Nonfluid Used To Fortify	775,980	1,210,318
Shrinkage	57,022	6,566,802
Transfers & Diversions to Nonpool	31,498,217	56,329,139
Used To Produce/Other Uses	0	4,873,600
Total Class IV Utilization	<u>40,890,239</u>	<u>86,353,399</u>
Average Butterfat Test	20.01%	12.12%
<b>Total Utilization</b>	<b>526,532,116</b>	<b>650,181,404</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2014 is \$24.77 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$19.14 per hundredweight plus 3.5 times the uniform butterfat price of \$1.7993 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 79.57% of all producer skim milk (priced to handlers at \$15.81 per hundredweight, plus the Class I differential, see page 2) and 41.29% of producer butterfat (priced to handlers at \$1.7791 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.72% of all producer skim milk (\$16.51 per hundredweight) and 24.68% of producer butterfat (\$1.7944 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.24% of all producer skim milk (\$15.43 per hundredweight) and 11.31% of producer butterfat (\$1.7874 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.47% of all producer skim milk (\$16.62 per hundredweight) and 22.72% of producer butterfat (\$1.7874 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>December 2013</u></b>		
Whole Milk	124,438,766	31.84%
Fat Free Milk	38,106,208	9.75%
Lowfat Milk (incl. 1%)	35,748,259	9.15%
Reduced Fat Milk (incl. 2%)	143,765,048	36.78%
Cultured Fluid Milk (incl. Buttermilk)	7,839,049	2.01%
Flavored Drinks and Milk	40,973,6564	10.48%
<b>Total Disposition in Marketing Area</b>	<b>390,870,986</b>	<b>100.0%</b>
Total Disposition by Pool Plants	303,114,267	77.55%
Total Disposition by Nonpool Plants	87,756,719	22.45%
<b>Total Disposition in Marketing Area</b>	<b>390,870,986</b>	<b>100.0%</b>

Receipts of producer milk during January totaled 467.2 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2014. Class I route disposition in the area was 390.9 million pounds in December 2013.

### Higher U.S. Milk Production and Foreign Competition Will Temper Price Increases

(continued from page 1) Strong demand should tighten inventories early this year, while increased production, both foreign and domestic, will result in higher inventories by the end of 2014. Skims-solids ending stocks are unchanged from January as continued robust international demand for nonfat dry milk (NDM) and skim milk powder (SMP) will keep inventories in line despite higher production.

Yearly product prices for cheese, butter, and whey are projected slightly higher for February based on year-to-date price strength. However, higher milk production will likely lead to somewhat lower prices in the second half of 2014. The cheese price is forecast at \$1.815-\$1.885 per pound, up from last month. Butter prices are projected to average \$1.550-\$1.650 per pound. Butter supplies are expected to remain relatively plentiful. Similar logic underlies the raise in whey prices to 56.0-59.0 cents per pound. NDM prices were lowered this month to \$1.785-\$1.845 per pound. Although export demand for powders remains strong, increased world supplies will likely pressure prices.

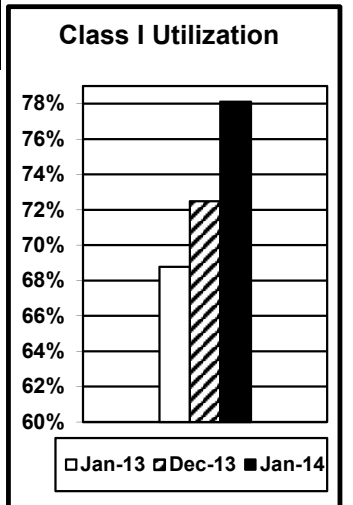
The Class IV price is forecast at \$19.80-\$20.60 per cwt; a decrease from January based on lower forecast prices in the powder market. The Class III price is raised from last month's forecast to \$18.35-\$19.05 per cwt as cheese and whey price forecasts are increased for February. The all milk price is forecast at \$20.85-\$21.55 per cwt, an increase from January.

**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 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27											

**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 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,200**	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%



\* 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 February through April 2014

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 2014	03/11/14	03/12/14	03/13/14	02/25/14	02/26/14	03/13/14	03/14/14
MAR 2014	04/11/14	04/14/14	04/15/14	03/25/14	03/26/14	04/15/14	04/16/14
APR 2014	05/11/14	05/12/14	05/13/14	04/25/14	04/28/14	05/13/14	05/14/14

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$22.29 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.77 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 – 526 February 10, 2014

The milk production forecast for 2014 is raised from last month on expected higher cow numbers in the second half of the year. USDA's Cattle report estimated dairy replacement heifers expected to calve during 2014 were up about 2 percent from a year ago, while the number of milk cows was fractionally below a year ago. Strong returns resulting from higher milk prices and moderate feed costs are expected to boost expansion later in the year. Milk per cow is unchanged. Fat-basis exports for 2014 are raised on increased sales of butter and cheese. Skim-solids exports are lowered mostly on reduced exports of lactose. Fat and skim-solid imports are unchanged. For 2013, supply and use estimates for 2013 are updated based on data for December.

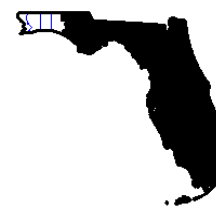
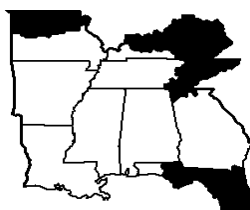
Product price forecasts for cheese, butter, and whey are higher, supported by strong demand and price strength to date. Nonfat dry milk (NDM) is lower for 2014 on expectations of competition from other exporters in second-half 2014. The Class III price is raised on higher cheese and whey prices. The Class IV price is down as lower NDM more than offsets greater butter. The all milk price is forecast at \$20.85-21.55 per cwt.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Dairy Product and All Milk prices Are Raised Again This Month on Robust Demand; Production Expansion Is Slow

*Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2014, Economic Research Service, USDA:*

Corn prices are unchanged from February, but the price range was narrowed in this month's World Agricultural Supply and Demand Estimates report to \$4.25-\$4.75 per bushel despite slightly higher projected corn exports. Soybean meal prices are increased to \$450-\$490 per ton this month as a reduced soybean meal crush lowered projected meal production. The preliminary February alfalfa price is reported in the February Agricultural Prices at \$188 per ton, up from January but well below a year ago. These projected feed prices will likely have little impact on the strongly expansionary milk-feed price ratio, reported at 2.55 in the Agricultural Prices report. Much of the strong milk-feed price ratio can be attributed to record high milk prices. However, cow numbers are unchanged from February's forecast at 9.3 million head. Dairy cow culling remains strong, but prices for replacement heifers and dairy calves are higher than last year, suggesting that herd expansion could be in the offing. Last month's forecast of an expansion beginning during in 2014 is held over this month.

Commercial milk equivalent exports are raised this month to 12.4 billion pounds on a fats basis based on strong year-to-date movement of cheese to Mexico and South Korea. In addition, butter exports to North Africa and Middle East countries are stronger than earlier forecast, helping lift export forecasts. Exports on a skims solids basis are unchanged from last month's forecast at 38.2 billion pounds as increased lactose and cheese sales are offset by slightly lowered forecasts of skim milk powder and whey exports. Imports on both a fats and skims-solids basis are unchanged from February to 3.7 billion and 5.3 billion (continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$25.81 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.04 higher than the previous month and is \$4.76 per hundredweight higher compared with February 2013. Class I utilization was 73.76 percent in February, 4.36 percent lower than the previous month and 7.36 percent higher than February of last year.

## National Dairy Situation

The annual production of milk for the United States during 2013 was 201 billion pounds, 0.3 percent above 2012. Revisions to 2012 production increased the annual total 213 million pounds. Production per cow in the United States averaged 21,822 pounds for 2013, 102 pounds above 2012. The average number of milk cows on farms in the United States during 2013 was 9.22 million head, down 0.1 percent from 2012.

The USDA estimates that the total U.S. production of milk in January 2014 was 17.26 billion pounds, up 0.9 percent from January 2013 and 2.8 percent higher when compared with December 2013. Total cheese output (excluding cottage cheese) was 951 million pounds, 1.6 percent above January 2013 but 1.9 percent below December 2013. Butter production was 182 million pounds, 3.0 percent below January 2013 but 12.9 percent above December 2013.

Nonfat dry milk powder production was 140.0 million pounds in January, down 2.3 percent compared to January 2013 but 11.1 percent higher than December 2013. Dry whey production was 70.0 million pounds in January, 22.8 percent below January 2013 and 14.3 percent below the previous month.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.55 in February.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.87%	6,269,136	\$1.7225	\$ 10,798,586.78
Class I Differential at Location				205,688.29
Class II Butterfat	26.49%	4,271,641	\$2.0179	8,619,744.36
Class III Butterfat	9.51%	1,533,675	\$2.0109	3,084,067.09
Class IV Butterfat	25.13%	4,053,025	\$2.0109	8,150,227.97
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,127,477</b>		<b>\$ 30,858,314.49</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9134**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	75.13%	310,270,339	\$16.57 /cwt.	\$ 51,411,795.16
Class I Butterfat	38.87%	6,269,136	\$1.7225 /lb.	10,798,586.78
Class I Differential at Location		316,539,475		10,438,516.38
<b>Total Class I Milk</b>	<b>73.76%</b>	<b>316,539,475</b>		<b>\$ 72,648,898.32</b>
Class II Skim Milk	10.52%	43,437,851	\$17.27 /cwt.	\$ 7,501,716.87
Class II Butterfat	26.49%	4,271,641	\$2.0179 /lb.	8,619,744.36
<b>Total Class II Milk</b>	<b>11.12%</b>	<b>47,709,492</b>		<b>\$ 16,121,461.23</b>
Class III Skim Milk	8.05%	33,264,733	\$16.90 /cwt.	\$ 5,621,739.90
Class III Butterfat	9.51%	1,533,675	\$2.0109 /lb.	3,084,067.09
<b>Total Class III Milk</b>	<b>8.11%</b>	<b>34,798,408</b>		<b>\$ 8,705,806.99</b>
Class IV Skim Milk	6.30%	26,012,661	\$17.02 /cwt.	\$ 4,427,354.91
Class IV Butterfat	25.13%	4,053,025	\$2.0109 /lb.	8,150,227.97
<b>Total Class IV Milk</b>	<b>7.01%</b>	<b>30,065,686</b>		<b>\$ 12,577,582.88</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>429,113,061</b>		<b>\$ 110,053,749.42</b>

### Adjustments

Overage and Other Source	\$5,184.10
Inventory Adjustments	\$17,033.14
Producer butterfat at uniform butterfat price	(\$30,858,314.49)
Location Adjustments to Producers	\$2,580,547.86
1/2 Unobligated Balance in P.S.F.	\$205,960.46

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 19,85642	\$82,004,160.49
	<b>\$ 0.04642</b>	\$191,716.29

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

**\$19.81**

Uniform Price per cwt. (Fulton County, Georgia)

**\$25.81\***

\* 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 2014	MAR 2014	JAN 2014	FEB 2014	FEB 2014
Appalachian (Charlotte)	\$ 25.42	\$ 27.04	\$ 24.28	\$ 25.38	69.51%
Arizona (Phoenix)	\$ 24.37	\$ 25.99	\$ 22.46	\$ 23.84	25.89%
Central (Kansas City)	\$ 24.02	\$ 25.64	\$ 21.55	\$ 23.21	34.73%
Florida (Tampa)	\$ 27.42	\$ 29.04	\$ 26.18	\$ 27.24	84.40%
Midwest (Cleveland)	\$ 24.02	\$ 25.64	\$ 21.90	\$ 23.37	38.70%
Northeast (Boston)	\$ 25.27	\$ 26.89	\$ 24.27	\$ 24.42	37.00%
Pacific Northwest (Seattle)	\$ 23.92	\$ 25.54	\$ 21.73	\$ 23.22	36.52%
<b>Southeast (Atlanta)</b>	<b>\$ 25.82</b>	<b>\$ 27.44</b>	<b>\$ 24.77</b>	<b>\$ 25.81</b>	<b>73.76%</b>
Southwest (Dallas)	\$ 25.02	\$ 26.64	\$ 22.40	\$ 24.02	54.90%
Upper Midwest (Chicago)	\$ 23.82	\$ 25.44	\$ 21.35	\$ 23.42	12.60%

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

<b>Receipts:</b>	<b>February 2014</b>	<b>February 2013</b>
<b>Producer Milk</b>		
Class I	316,539,475	342,552,097
Class II	47,709,492	51,991,607
Class III	34,798,408	80,450,161
Class IV	30,065,686	40,905,675
Total Producer Milk	<u>429,113,061</u>	<u>515,899,540</u>
Average Butterfat Test	3.76%	3.82%
Percent of Producer Milk in Class I	73.76%	66.40%
Daily Average Receipts	15,325,466	18,424,984
<b>Other Source Milk</b>		
Class I	4,641,264	8,116,943
Class II	2,658,974	6,129,780
Class III	324,136	1,263,744
Class IV	8,181,516	10,355,257
Total Other Source Milk	<u>15,805,890</u>	<u>25,865,724</u>
<b>Overage</b>		
Class I	0	23,951
Class II	0	0
Class III	0	4,203
Class IV	2,578	0
Total Overage	<u>2,578</u>	<u>28,154</u>
<b>Opening Inventory</b>		
Class I	25,885,112	28,522,086
Class II	18,123	774,876
Class III	442,246	1,381,074
Class IV	7,965,429	14,553,650
Total Opening Inventory	<u>34,310,910</u>	<u>45,231,686</u>
<b>Total Receipts</b>	<b>479,232,439</b>	<b>587,025,104</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	25,091,649	27,479,803
Route Disposition Class I	311,988,999	340,515,764
Shrinkage	3,345,860	2,976,313
Transfers & Diversions to Nonpool	6,639,343	8,243,197
Total Class I Utilization	<u>347,065,851</u>	<u>379,215,077</u>
Average Butterfat Test	1.97%	1.96%
Daily Average Utilization	12,395,209	13,543,396
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,289,600	1,748,744
Shrinkage	5,883	4,178
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,268,908	32,031,232
Total Class II Utilization	<u>11,822,198</u>	<u>25,112,109</u>
Average Butterfat Test	50,386,589	58,896,263
Average Butterfat Test	8.51%	11.43%
<b>Class III Utilization</b>		
Shrinkage	5,987,258	5,316,386
Transfers & Diversions to Nonpool Used To Produce/Other Uses	26,441,034	74,149,617
Total Class III Utilization	<u>3,136,498</u>	<u>3,633,179</u>
Average Butterfat Test	35,564,790	83,099,182
Average Butterfat Test	4.40%	4.66%
<b>Class IV Utilization</b>		
Inventory	9,997,843	15,248,294
Nonfluid Used To Fortify	672,328	1,148,515
Shrinkage	-48,757	24,381
Transfers & Diversions to Nonpool Used To Produce/Other Uses	35,593,795	49,393,392
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	46,215,209	65,814,582
Average Butterfat Test	14.87%	12.85%
<b>Total Utilization</b>	<b>479,232,439</b>	<b>587,025,104</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2014 is \$25.81 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$19.81 per hundredweight plus 3.5 times the uniform butterfat price of \$1.9134 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 75.13% of all producer skim milk (priced to handlers at \$16.57 per hundredweight, plus the Class I differential, see page 2) and 38.87% of producer butterfat (priced to handlers at \$1.7225 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.52% of all producer skim milk (\$17.27 per hundredweight) and 26.49% of producer butterfat (\$2.0179 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.05% of all producer skim milk (\$16.90 per hundredweight) and 9.51% of producer butterfat (\$2.0109 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.30% of all producer skim milk (\$17.02 per hundredweight) and 25.13% of producer butterfat (\$2.0109 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>January 2014</b>		
Whole Milk	130,168,416	31.25%
Fat Free Milk	41,718,223	10.01%
Lowfat Milk (incl. 1%)	41,998,359	10.08%
Reduced Fat Milk (incl. 2%)	151,798,755	36.44%
Cultured Fluid Milk (incl. Buttermilk)	7,413,993	1.78%
Flavored Drinks and Milk	43,471,378	10.44%
<b>Total Disposition in Marketing Area</b>	<b>416,569,124</b>	<b>100.0%</b>
Total Disposition by Pool Plants	323,311,102	77.61%
Total Disposition by Nonpool Plants	93,258,022	22.39%
<b>Total Disposition in Marketing Area</b>	<b>416,569,124</b>	<b>100.0%</b>

Receipts of producer milk during February totaled 429.1 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2014. Class I route disposition in the area was 416.6 million pounds in January 2014.

### Dairy Product and All Milk prices Are Raised Again This Month on Robust Demand; Production Expansion Is Slow

(continued from page 1) pounds, respectively. Ending stocks on a on a fats basis are lowered on stronger foreign and domestic demand for cheese and butter. Ending stocks on a skims-solids basis are reduced slightly this month from February.

Dairy product prices, and consequently milk prices, are expected to remain high for the remainder of 2014. Strong demand, both foreign and domestic, will support record and near-record prices despite increased competitor supplies. The March cheese price forecast is substantially higher than February projections at \$1.860-\$1.920 per pound. Similarly, butter prices are raised to \$1.605-\$1.695 per pound in this month's forecast. Nonfat dry milk price forecasts are also sharply higher than February at \$1.825-\$1.875 per pound. The whey price forecast is also raised, but not as dramatically, to 58.0-61.0 cents per pound. Higher prices for dairy products result in higher class and all milk prices. The Class IV price is forecast at \$20.35-\$21.05 per cwt and is higher than the forecast Class III price of \$18.95-\$19.55 per cwt. The all milk price forecast is increased to \$21.40-22.00 per cwt for March.

Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-237/Mar 14, 2014; Economic Research Service, USDA*

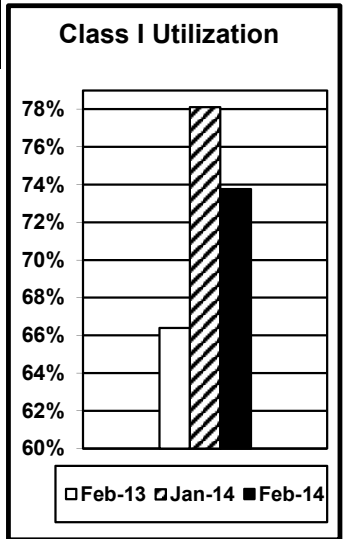


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67											

**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 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,150**	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%



\* 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 2014

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 2014	04/11/14	04/14/14	04/15/14	03/25/14	03/26/14	04/15/14	04/16/14
APR 2014	05/11/14	05/12/14	05/13/14	04/25/14	04/28/14	05/13/14	05/14/14
MAY 2014	06/11/14	06/12/14	06/13/14	05/27/14	05/27/14	06/13/14	06/16/14

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$23.23 per hundredweight. This is 90 percent of the preceding month's uniform price of \$25.81 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 – 527 March 10, 2014

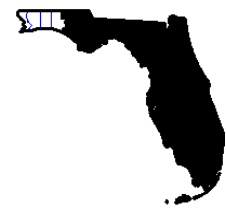
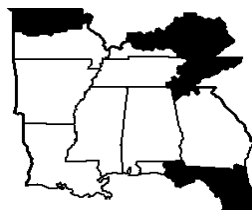
The milk production forecast for 2014 is unchanged from last month, but historical data are adjusted to reflect revised data for 2012 and 2013. Fat-basis exports for 2014 are raised on higher sales of cheese and butter. Skim-solid exports are unchanged as lower lactose and weaker-than-expected early year sales of nonfat dry milk (NDM) offset gains in cheese. Fat-basis imports are unchanged. Skim-solid imports are raised on strong demand for milk protein concentrates.

Product price forecasts for cheese, butter, NDM, and whey are higher, supported by strong demand and price strength to date. Class III and Class IV prices are raised on higher product prices. The all milk price is forecast at \$21.40 to \$22.00 per cwt.

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



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



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

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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Milk Production Responds Slowly to High Milk Prices and Moderate Feed Costs

*Excerpts from Livestock, Dairy, & Poultry Outlook, April 15, 2014, Economic Research Service, USDA:*

Corn price forecasts for 2013/14 are increased to \$4.40-\$4.80 per bushel for April. A 125-million bushel increase in forecast exports tightens corn ending stocks, accounting for the price rise. Soybean meal price forecasts for April are raised to \$460-\$490 per ton. Feed price forecasts are changed only slightly from March and are still favorable for herd expansion. The March Milk Production report indicated a small year-over-year decline in February cow numbers, and first-quarter cow numbers are lowered from March's forecast. The report also indicated continued year-over-year declines in output per cow in upper Midwestern States. This reduction was countered by year-over-year increases in Western States. In light of improved producer returns, however, a herd expansion is expected later this year, and cow numbers are raised slightly from March for the second half of 2014. On balance, cow numbers for 2014 are unchanged from February's forecast at 9,255 thousand head. Milk production is increased from March projections to 206.1 billion pounds. The increased production is based on higher output per cow, which is forecast at 22,280 pounds, with the improvement coming in the second and third quarters of 2014. The yield improvement is predicated on higher forage quality relative to 2013 and improved producer returns that will encourage feeding higher quality rations.

Later this year, U.S. exports will likely encounter stiffer foreign competition. Commercial ending stocks for 2014 are reduced from last month to 10.9 billion pounds on a fats basis and to 11.7 billion pounds on a skims-solids basis. Strong domestic demand supplements export demand to tighten inventories and supports the product prices.

(Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$26.56 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.75 higher than the previous month and is \$5.86 per hundredweight higher compared with March 2013.

Class I utilization was 66.61 percent in March, 7.15 percent lower than the previous month and 1.97 percent higher than March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2014 was 15.94 billion pounds, up 1.1 percent from February 2013 and 2.1 percent higher when compared with January 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 851 million pounds, 0.6 percent below February 2013 and 1.2 percent below January 2014 on a daily average basis. Butter production was 166 million pounds, 4.6 percent below February 2013 and 0.6 percent above January 2014 on a daily average basis.

Nonfat dry milk powder production was 140.9 million pounds in February, up 2.3 percent compared to February 2013 and 12.3 percent higher than January 2014. Dry whey production was 65.5 million pounds in February, 15.1 percent lower than February 2013 but 3.5 percent higher than the previous month. Whey protein concentrates production was 42.5 million pounds in February, a 24.1 percent increase compared to February of last year and 0.1 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.58 in March.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.17%	6,548,154	\$2.0298	\$ 13,291,442.96
Class I Differential at Location				213,868.44
Class II Butterfat	32.11%	5,811,930	\$2.0472	11,898,183.09
Class III Butterfat	11.61%	2,101,427	\$2.0402	4,287,331.38
Class IV Butterfat	20.11%	3,640,539	\$2.0402	7,427,427.66
<b>Total Butterfat</b>	<b>100.00%</b>	<b>18,102,050</b>		<b>\$ 37,118,253.53</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0505**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.77%	321,952,841	\$17.14 /cwt.	\$ 55,182,716.95
Class I Butterfat	36.17%	6,548,154	\$2.0298 /lb.	13,291,442.96
Class I Differential at Location		328,500,995		10,821,593.43
<b>Total Class I Milk</b>	<b>66.61%</b>	<b>328,500,995</b>		<b>\$ 79,295,753.34</b>
Class II Skim Milk	11.35%	53,905,844	\$17.67 /cwt.	\$ 9,525,162.65
Class II Butterfat	32.11%	5,811,930	\$2.0472 /lb.	11,898,183.09
<b>Total Class II Milk</b>	<b>12.11%</b>	<b>59,717,774</b>		<b>\$ 21,423,345.74</b>
Class III Skim Milk	10.43%	49,558,174	\$16.78 /cwt.	\$ 8,315,861.64
Class III Butterfat	11.61%	2,101,427	\$2.0402 /lb.	4,287,331.38
<b>Total Class III Milk</b>	<b>10.48%</b>	<b>51,659,601</b>		<b>\$ 12,603,193.02</b>
Class IV Skim Milk	10.45%	49,645,618	\$17.12 /cwt.	\$ 8,499,329.79
Class IV Butterfat	20.11%	3,640,539	\$2.0402 /lb.	7,427,427.66
<b>Total Class IV Milk</b>	<b>10.80%</b>	<b>53,286,157</b>		<b>\$ 15,926,757.45</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>493,164,527</b>		<b>\$ 129,249,049.55</b>

### Adjustments

Overage and Other Source	\$58,214.14
Inventory Adjustments	\$0.00
Producer butterfat at uniform butterfat price	(\$37,118,253.53)
Location Adjustments to Producers	\$3,237,812.48
1/2 Unobligated Balance in P.S.F.	\$208,813.43

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 20,131.17	\$95,635,636.08
	\$ 0.04117	\$195,584.46

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

**\$20.09**

Uniform Price per cwt. (Fulton County, Georgia)

**\$26.56\***

\* 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 2014	APR 201(	FEB 201(	MAR 2014	MAR 2014
Appalachian (Charlotte)	\$ 27.04	\$ 27.05	\$ 25.38	\$ 26.02	60.79%
Arizona (Phoenix)	\$ 25.99	\$ 26.00	\$ 23.84	\$ 24.22	24.48%
Central (Kansas City)	\$ 25.64	\$ 25.65	\$ 23.21	\$ 23.68	29.66%
Florida (Tampa)	\$ 29.04	\$ 29.05	\$ 27.24	\$ 28.19	82.70%
Midwest (Cleveland)	\$ 25.64	\$ 25.65	\$ 23.37	\$ 23.95	36.50%
Northeast (Boston)	\$ 26.89	\$ 26.90	\$ 24.42	\$ 24.42	37.00%
Pacific Northwest (Seattle)	\$ 25.54	\$ 25.55	\$ 23.22	\$ 23.68	22.58%
<b>Southeast (Atlanta)</b>	<b>\$ 27.44</b>	<b>\$ 27.45</b>	<b>\$ 25.81</b>	\$ 26.56	66.61%
Southwest (Dallas)	\$ 26.64	\$ 26.65	\$ 24.02	\$ 24.52	28.41%
Upper Midwest (Chicago)	\$ 25.44	\$ 25.45	\$ 23.42	\$ 23.52	10.80%

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

<b>Receipts:</b>	<b>March 2014</b>	<b>March 2013</b>
<b>Producer Milk</b>		
Class I	328,500,995	357,120,575
Class II	59,717,774	59,872,725
Class III	51,659,601	84,642,132
Class IV	53,286,157	50,835,027
Total Producer Milk	<u>493,164,527</u>	<u>552,488,459</u>
Average Butterfat Test	3.67%	3.78%
Percent of Producer Milk in Class I	66.61%	64.64%
Daily Average Receipts	15,908,533	17,822,208
<b>Other Source Milk</b>		
Class I	4,925,169	6,224,428
Class II	2,907,805	9,046,444
Class III	0	3,210,780
Class IV	3,711,845	10,871,162
Total Other Source Milk	<u>11,544,819</u>	<u>29,352,814</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	285,789	0
Total Overage	<u>285,789</u>	<u>0</u>
<b>Opening Inventory</b>		
Class I	25,091,651	28,465,801
Class II	0	1,017,047
Class III	0	88,431
Class IV	10,083,748	13,208,948
Total Opening Inventory	<u>34,175,399</u>	<u>42,780,227</u>
<b>Total Receipts</b>	<b>540,170,534</b>	<b>624,621,500</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	20,148,068	20,509,002
Route Disposition Class I	326,980,095	360,025,332
Shrinkage	1,686,711	2,393,754
Transfers & Diversions to Nonpool	9,702,941	8,882,716
Total Class I Utilization	<u>358,517,815</u>	<u>391,810,804</u>
Average Butterfat Test	1.99%	1.99%
Daily Average Utilization	11,565,091	12,639,058
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,506,146	2,485,481
Shrinkage	1,714	1,285
Transfers & Diversions to Nonpool/Commercial Foods	45,567,056	38,611,693
Used To Produce/Other Uses	14,550,663	28,837,757
Total Class II Utilization	<u>62,625,579</u>	<u>69,936,216</u>
Average Butterfat Test	9.28%	11.62%
<b>Class III Utilization</b>		
Shrinkage	5,089,874	6,203,500
Transfers & Diversions to Nonpool	43,028,148	78,376,341
Used To Produce/Other Uses	3,541,579	3,361,502
Total Class III Utilization	<u>51,659,601</u>	<u>87,941,343</u>
Average Butterfat Test	4.07%	4.01%
<b>Class IV Utilization</b>		
Inventory	21,396,573	26,646,805
Nonfluid Used To Fortify	705,259	1,207,013
Shrinkage	0	717
Transfers & Diversions to Nonpool	45,265,707	47,078,602
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>67,367,539</u>	<u>74,933,137</u>
Average Butterfat Test	7.65%	10.92%
<b>Total Utilization</b>	<b>540,170,534</b>	<b>624,621,500</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2014 is \$26.56 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$20.09 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0505 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 67.77% of all producer skim milk (priced to handlers at \$17.14 per hundredweight, plus the Class I differential, see page 2) and 36.17% of producer butterfat (priced to handlers at \$2.0298 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.35% of all producer skim milk (\$17.67 per hundredweight) and 32.11% of producer butterfat (\$2.0472 per pound). Class III use, mostly milk used to produce cheese, accounted for 10.43% of all producer skim milk (\$16.78 per hundredweight) and 11.61% of producer butterfat (\$2.0402 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.45% of all producer skim milk (\$17.12 per hundredweight) and 20.11% of producer butterfat (\$2.0402 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2014</b>		
Whole Milk	114,730,897	30.99%
Fat Free Milk	37,270,080	10.07%
Lowfat Milk (incl. 1%)	37,425,082	10.11%
Reduced Fat Milk (incl. 2%)	132,262,788	35.73%
Cultured Fluid Milk (incl. Buttermilk)	7,514,582	2.03%
Flavored Drinks and Milk	40,970,480	11.07%
<b>Total Disposition in Marketing Area</b>	<b>370,173,909</b>	<b>100.0%</b>
Total Disposition by Pool Plants	281,758,424	76.12%
Total Disposition by Nonpool Plants	88,415,485	23.88%
<b>Total Disposition in Marketing Area</b>	<b>370,173,909</b>	<b>100.0%</b>

Receipts of producer milk during March totaled 493.2 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2014. Class I route disposition in the area was 370.2 million pounds in February 2014.

## Milk Production Responds Slowly to High Milk Prices and Moderate Feed Costs

(continued from page 1)

Price forecasts for cheese, butter and whey are raised from March forecasts. Price strength is a result of strong demand, both foreign and domestic. The cheese price is forecast at \$1.985-\$2.035 per pound. Butter is projected at \$1.760-\$1.840 per pound. Whey prices are increased this month to 61.5 to 64.5 cents per pound. Nonfat dry milk (NDM) prices are essentially unchanged from March forecasts at \$1.830-\$1.870, although the price range is narrowed as U.S. product encounters competition from other exporting countries.

Milk price forecasts are raised this month as well. The Class III price is increased to \$20.40-\$20.90 per cwt, and the Class IV price is boosted to \$21.05-\$21.65 per cwt. The all milk price is now forecast at \$22.55-\$23.05 per cwt.

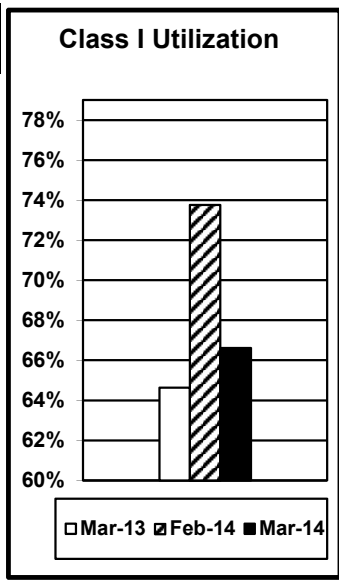
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-238/Apr 15, 2014; Economic Research Service, USDA*

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92											

**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 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,150**	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%



\* 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 2014

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 2014	05/11/14	05/12/14	05/13/14	04/25/14	04/28/14	05/13/14	05/14/14
MAY 2014	06/11/14	06/12/14	06/13/14	05/27/14	05/27/14	06/13/14	06/16/14
JUN 2014	07/11/14	07/14/14	07/15/14	06/25/14	06/26/14	07/15/14	07/16/14

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$23.90 per hundredweight. This is 90 percent of the preceding month's uniform price of \$26.56 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 – 528 April 9, 2014

The milk production forecast for 2014 is raised from last month as strong returns are expected to encourage a more rapid expansion in cow numbers and increased milk per cow. Fat-basis exports are raised on higher sales of cheese and butter, but the skim-solids export forecast is lowered on weaker-than-expected nonfat dry milk (NDM) sales. Skim-solid imports are reduced slightly due to lower imports of milk protein concentrate and casein.

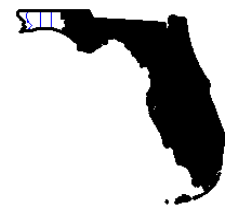
Product price forecasts for cheese, butter, and whey are higher, supported by strong demand and price strength to date. However, the NDM price is unchanged at the midpoint as export demand is weaker than expected. Class III and Class IV prices are raised on higher product prices. The all milk price is forecast at \$22.55-23.05 per cwt.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

May 2014



Southeast Marketing Area  
Federal Order 7

Volume 15—No. 5

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

## Prices Are Forecast Lower in 2015

*Excerpts from Livestock, Dairy, & Poultry Outlook, May 15, 2014, Economic Research Service, USDA:*

Feed prices are likely to remain moderate compared with recent years for the balance of 2013/14 and into 2014/15. Corn prices for 2013/14 are raised in May from April and forecast at \$4.50-\$4.80 per bushel; the price range was narrowed at the lower end, boosting the mid-point by 5 cents. Initial forecasts for the 2014/15 year call for corn prices to decline to \$3.85-\$4.55 per bushel. Current-year soybean meal price estimates are raised slightly from April to \$485 per ton. The initial 2014/15 soybean meal price forecast is much lower, at \$355-\$395 per ton. The forecast is based on higher soybean plantings and yields. April's Agricultural Prices report placed April's preliminary price for alfalfa hay at \$206 per ton, above March's \$191 price but below the April 2013 price of \$213 per ton.

April's Milk Production report shows the January-March 2014 U.S. milk production at 51.1 billion pounds, up 1 percent from the corresponding period last year. Cow numbers are forecast at 9.255 million head for 2014, unchanged from April and only slightly higher than 2013 levels. Forecast cow numbers for 2015 are for 9.34 million head. Prices for dairy replacements are ahead of year-earlier prices, and first-quarter dairy cow slaughter trails last year. However, this is a modest expansion in light of the strong profit signals to producers. Current-year output per cow also remains unchanged in May from April at 22,280 pounds per cow. Output per cow is projected at 22,710 pounds in 2015. Continued month-over-month declines in Midwestern milk output are moderated by higher milk output in the West. Increased output per cow reflects both improved producer returns and improved forage conditions, especially in the Midwest, after last year's poor-quality harvest. Total milk production is forecast at 206.1 billion pounds this year, climbing to 212.1 billion pounds in 2015. Milk production expansion to date appears to be coming mostly from increased output per cow rather than from herd expansion. (Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$26.73 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.17 higher than the previous month and is \$5.93 per hundredweight higher compared with April 2013.

Class I utilization was 65.90 percent in April, 0.71 percent lower than the previous month and 0.71 percent higher than April of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in March 2014 was 17.83 billion pounds, up 0.9 percent from March 2013 and 1.1 percent higher when compared with February 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 964 million pounds, 1.0 percent above March 2013 and 2.3 percent above February 2014 on a daily average basis. Butter production was 165 million pounds, 9.0 percent below March 2013 and 9.1 percent lower than February 2014 on a daily average basis.

Nonfat dry milk powder production was 162.6 million pounds in March, up 11.0 percent from March 2013 and 4.5 percent higher than February 2014 on a daily average basis. Dry whey production was 65.8 million pounds in March, 24.9 percent lower than March 2013 and 4.3 percent lower than the previous month. Whey protein concentrates production was 46.2 million pounds in March, a 10.8 percent increase compared to March of last year and 1.0 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.44 in April.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	35.92%	6,386,426	\$2.0094	\$ 12,832,884.39
Class I Differential at Location				210,110.38
Class II Butterfat	32.36%	5,751,941	\$2.1277	12,238,404.85
Class III Butterfat	9.84%	1,749,748	\$2.1207	3,710,690.59
Class IV Butterfat	21.88%	3,889,308	\$2.1207	8,248,055.49
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,777,423</b>		<b>\$ 37,240,145.70</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0948**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	67.02%	320,614,131	\$17.22 /cwt.	\$ 55,209,753.36
Class I Butterfat	35.92%	6,386,426	\$2.0094 /lb.	12,832,884.39
Class I Differential at Location		327,000,557		10,778,178.28
<b>Total Class I Milk</b>	<b>65.90%</b>	<b>327,000,557</b>		<b>\$ 78,820,816.03</b>
Class II Skim Milk	11.62%	55,610,495	\$17.92 /cwt.	\$ 9,965,400.71
Class II Butterfat	32.36%	5,751,941	\$2.1277 /lb.	12,238,404.85
<b>Total Class II Milk</b>	<b>12.37%</b>	<b>61,362,436</b>		<b>\$ 22,203,805.56</b>
Class III Skim Milk	9.61%	45,973,724	\$17.50 /cwt.	\$ 8,045,401.76
Class III Butterfat	9.84%	1,749,748	\$2.1207 /lb.	3,710,690.59
<b>Total Class III Milk</b>	<b>9.62%</b>	<b>47,723,472</b>		<b>\$ 11,756,092.35</b>
Class IV Skim Milk	11.75%	56,204,546	\$16.50 /cwt.	\$ 9,273,750.16
Class IV Butterfat	21.88%	3,889,308	\$2.1207 /lb.	8,248,055.49
<b>Total Class IV Milk</b>	<b>12.11%</b>	<b>60,093,854</b>		<b>\$ 17,521,805.65</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>496,180,319</b>		<b>\$ 130,302,519.59</b>

### Adjustments

Overage and Other Source	\$16,583.91
Inventory Adjustments	\$151.75
Producer butterfat at uniform butterfat price	(\$37,240,145.70)
Location Adjustments to Producers	\$3,103,676.82
1/2 Unobligated Balance in P.S.F.	\$186,661.82

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 20.14399	\$96,369,448.19
	\$ 0.04399	\$210,446.08

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

**\$20.10**

Uniform Price per cwt. (Fulton County, Georgia)

**\$26.73\***

\* 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 2014	MAY 2014	MAR 2014	APR 2014	APR 2014
Appalachian (Charlotte)	\$ 27.05	\$ 27.87	\$ 26.02	\$ 26.31	62.26%
Arizona (Phoenix)	\$ 26.00	\$ 26.82	\$ 24.22	\$ 24.43	25.55%
Central (Kansas City)	\$ 25.65	\$ 26.47	\$ 23.68	\$ 24.20	32.79%
Florida (Tampa)	\$ 29.05	\$ 29.87	\$ 28.19	\$ 28.45	84.29%
Midwest (Cleveland)	\$ 25.65	\$ 26.47	\$ 23.95	\$ 24.48	36.00%
Northeast (Boston)	\$ 26.90	\$ 27.72	\$ 24.42	\$ 25.46	34.40%
Pacific Northwest (Seattle)	\$ 25.55	\$ 26.37	\$ 23.68	\$ 24.03	29.10%
<b>Southeast (Atlanta)</b>	<b>\$ 27.45</b>	<b>\$ 28.27</b>	<b>\$ 26.56</b>	<b>\$ 26.73</b>	<b>65.90%</b>
Southwest (Dallas)	\$ 26.65	\$ 27.47	\$ 24.52	\$ 25.12	45.80%
Upper Midwest (Chicago)	\$ 25.45	\$ 26.27	\$ 23.52	\$ 24.41	11.30%

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

<b>Receipts:</b>	<b>April 2014</b>	<b>April 2013</b>
<b>Producer Milk</b>		
Class I	327,000,557	359,143,504
Class II	61,362,436	64,588,808
Class III	47,723,472	86,875,839
Class IV	60,093,854	40,248,069
Total Producer Milk	<u>496,180,319</u>	<u>550,856,220</u>
Average Butterfat Test	3.58%	3.70%
Percent of Producer Milk in Class I	65.90%	65.19%
Daily Average Receipts	16,539,344	18,361,874
<b>Other Source Milk</b>		
Class I	4,610,346	7,289,321
Class II	2,961,108	7,130,360
Class III	52,883	6,320,284
Class IV	4,014,611	12,951,106
Total Other Source Milk	<u>11,638,948</u>	<u>33,691,071</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	680
Class IV	28,041	0
Total Overage	<u>28,041</u>	<u>680</u>
<b>Opening Inventory</b>		
Class I	20,148,068	20,650,332
Class II	0	2,820,904
Class III	39,936	7,541,927
Class IV	23,468,385	18,519,903
Total Opening Inventory	<u>43,656,389</u>	<u>49,533,066</u>
<b>Total Receipts</b>	<b>551,503,697</b>	<b>634,081,037</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,131,324	26,007,994
Route Disposition Class I	320,762,195	347,325,691
Shrinkage	1,971,047	2,313,787
Transfers & Diversions to Nonpool	7,894,405	11,435,685
Total Class I Utilization	<u>351,758,971</u>	<u>387,083,157</u>
Average Butterfat Test	1.95%	1.95%
Daily Average Utilization	11,725,299	12,902,772
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,560,336	2,183,770
Shrinkage	0	932
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	47,055,685	42,778,507
Total Class II Utilization	<u>14,707,523</u>	<u>29,576,863</u>
Average Butterfat Test	8.94%	11.68%
<b>Class III Utilization</b>		
Shrinkage	0	6,634,118
Transfers & Diversions to Nonpool Used To Produce/Other Uses	47,816,291	90,562,047
Total Class III Utilization	<u>0</u>	<u>3,542,565</u>
Average Butterfat Test	47,816,291	100,738,730
<b>Class IV Utilization</b>		
Inventory	21,469,698	20,385,603
Nonfluid Used To Fortify	709,033	1,244,532
Shrinkage	5,784,153	769,942
Transfers & Diversions to Nonpool Used To Produce/Other Uses	55,926,768	49,319,001
Total Class IV Utilization	<u>3,715,239</u>	<u>0</u>
Average Butterfat Test	87,604,891	71,719,078
<b>Total Utilization</b>	<b>551,503,697</b>	<b>634,081,037</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2014 is \$26.73 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$20.10 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0948 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 67.02% of all producer skim milk (priced to handlers at \$17.22 per hundredweight, plus the Class I differential, see page 2) and 35.92% of producer butterfat (priced to handlers at \$2.0094 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.62% of all producer skim milk (\$17.92 per hundredweight) and 32.36% of producer butterfat (\$2.1277 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.61% of all producer skim milk (\$17.50 per hundredweight) and 9.84% of producer butterfat (\$2.1207 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.75% of all producer skim milk (\$16.50 per hundredweight) and 21.88% of producer butterfat (\$2.1207 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>March 2014</u></b>		
Whole Milk	119,331,288	30.75%
Fat Free Milk	38,631,812	9.96%
Lowfat Milk (incl. 1%)	40,661,298	10.48%
Reduced Fat Milk (incl. 2%)	138,917,613	35.80%
Cultured Fluid Milk (incl. Buttermilk)	7,714,777	1.99%
Flavored Drinks and Milk	42,754,613	11.02%
<b>Total Disposition in Marketing Area</b>	<b>388,011,401</b>	<b>100.0%</b>
Total Disposition by Pool Plants	294,404,561	75.88%
Total Disposition by Nonpool Plants	93,606,840	24.12%
<b>Total Disposition in Marketing Area</b>	<b>388,011,401</b>	<b>100.0%</b>

Receipts of producer milk during April totaled 496.2 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2014. Class I route disposition in the area was 396.06 million pounds in March 2014.

### Prices Are Forecast Lower in 2015

(continued from page 1) For 2014, the price range for cheese is narrowed from April at \$1.995-\$2.025 per pound. Nonfat dry milk (NDM) prices have weakened in the face of foreign competition, and the forecast is lowered slightly to \$1.830-\$1.860 per pound as the upper end of the price range is lowered from April. In contrast, butter and whey prices are forecast higher at \$1.800-\$1.860 per pound, and to 63.0-65.0 cents per pound, respectively. The price increases are based on strong year-to-date demand for these products. The Class III price is bumped up slightly to \$20.55-\$20.85 per cwt as whey price strength more than offsets the cheese price. The Class IV price is raised to \$21.25-\$21.65 per cwt as butter price strength more than balances lower NDM prices. The all milk price for 2014 is projected at \$22.70-\$23.00 per cwt.

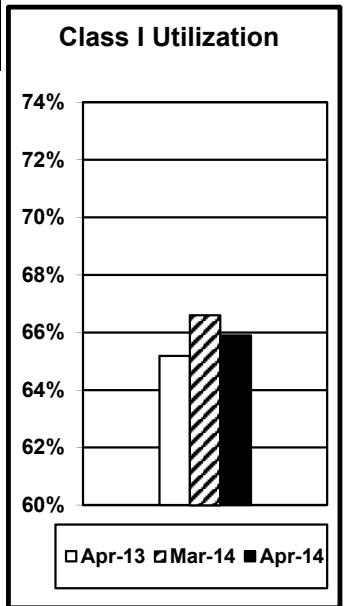
Cheese prices are lowered next year to \$1.670-\$1.770 per pound compared with this year's forecast. Higher milk production, both domestic and globally, is expected to soften prices from 2014 and into 2015. Likewise, butter prices are expected to slip to \$1.615-\$1.745 per pound in 2015. NDM prices are lowered to \$1.605-\$1.675 per pound. Whey prices are lowered to 55.0-58.0 cents per pound. The 2015 Class III milk price is forecast at \$16.90-\$17.90 per cwt and the Class IV milk price is forecast at \$18.55-\$19.65 per cwt. The 2015 all milk price is forecast at \$19.70- \$20.70 per cwt.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 2013	\$17.13	\$1.7832	\$22.77	\$12.96	\$1.6238	\$18.19	\$12.93	\$1.6168	\$18.14	\$12.41	\$1.6168	\$17.63	\$16.20	\$1.6749	\$21.50
Feb	\$16.71	\$1.6807	\$22.01	\$13.11	\$1.6689	\$18.49	\$11.85	\$1.6619	\$17.25	\$12.37	\$1.6619	\$17.75	\$15.76	\$1.6682	\$21.05
Mar	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06											

**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 2013	579,872	2,359	398,844	68.78%	50,746	8.75%	73,044	12.60%	57,238	9.87%
Feb	515,900	2,312	342,552	66.40%	51,992	10.08%	80,450	15.59%	40,906	7.93%
Mar	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,130**	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%



\* 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 2014

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 2014	06/11/14	06/12/14	06/13/14	05/27/14	05/27/14	06/13/14	06/16/14
JUN 2014	07/11/14	07/14/14	07/15/14	06/25/14	06/26/14	07/15/14	07/16/14
JUL 2014	08/11/14	08/12/14	08/13/14	07/25/14	07/28/14	08/13/14	08/14/14

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$24.06 per hundredweight. This is 90 percent of the preceding month's uniform price of \$26.73 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 – 529 May 9, 2014

Milk production for 2015 is forecast higher as lower feed costs and strong milk prices are expected to support both herd expansion and gains in milk per cow. Fat-basis exports are forecast lower on increased competition from traditional exporters, primarily in butterfat markets. Continued strength in nonfat dry milk (NDM) will help limit declines in skim-solids exports. Fat-basis import forecasts are expected to be about the same as 2014 but skim-solids imports will be lower. With higher domestic production, cheese, butter, NDM, and whey prices are forecast lower. The all milk price is forecast at \$19.70 to \$20.70 per cwt for 2015.

Milk production for 2014 is unchanged from last month. Fat basis imports are forecast lower while skim-solids imports are higher. Exports are raised on stronger sales of NDM, butterfat and cheese. Butter and whey prices are raised from last month while NDM is lower. Cheese is unchanged but the range is narrowed. The Class III price is raised on higher whey prices. Class IV is up as higher prices for butter more than offset reduced prices for NDM. The all milk price is forecast to average \$22.70 to \$23.00 per cwt.

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

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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

## **This Year, Milk and Dairy Product Prices Remain Near Record Levels on Continued Strong Demand; Next Year, Prices Are Forecast To Decline With Greater Production**

*Excerpts from Livestock, Dairy, & Poultry Outlook, June 18, 2014, Economic Research Service, USDA:*

June projected corn prices were lowered slightly from May to \$4.45 - \$4.65 per bushel for 2013/14, based on reported prices to date. The 2014/15 corn price is forecast below current year prices but is unchanged from the May projection of \$3.85 - \$4.55 per bushel. The soybean meal price for 2013/14 is estimated at \$485 per ton. The 2014/15 soybean meal price forecast is unchanged from May but is expected to be sharply lower than this year at \$355 - \$395 per ton. The preliminary alfalfa price was reported in the May Agricultural Prices report at \$224 per ton; higher than April's reported price and about the same as May a year ago. Consequently, the milk-feed price ratio is likely to remain at a level that would support expansion in the dairy herd in 2015.

Last month's forecast of herd expansion in the second half of the year was based on strong milk prices and moderating feed costs. The June forecast is unchanged from May and cow numbers are placed at 9,255 thousand head for the current year. Cow numbers for 2015 are forecast up slightly from 2014 to 9,340 thousand head, also unchanged from the May forecast. Current-year output per cow is lowered fractionally from May to 22,270 pounds per cow and is based on lower expected output per cow in the second quarter. Next year's forecast of output per cow is unchanged from May and is up nearly 2 percent from the 2014 projection. The June milk production forecast for 2014 rounds to 206.1 billion pounds, unchanged from May. For 2015, milk production is unchanged from May at 212.1 billion pounds. The likely stronger milk-feed price ratios for both this year and next should presage expanded year-over-year production.

Although June price forecasts are higher than May for some dairy products, on a year-over-year basis prices will be lower in 2015 than in (Continued on page 4)

## **Uniform Price Increases**

The uniform price in Fulton County, GA, was \$26.83 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.10 higher than the previous month and is \$5.94 per hundredweight higher compared with May 2013.

Class I utilization was 64.10 percent in May, 1.80 percent lower than the previous month and 0.15 percent lower than May of last year.

## **National Dairy Situation**

The USDA estimates that the total U.S. production of milk in April 2014 was 17.43 billion pounds, up 1.0 percent from April 2013 and 1.0 percent higher when compared with March 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 950 million pounds, 2.2 percent above April 2013 and 1.9 percent higher than March 2014 on a daily average basis. Butter production was 158 million pounds, 4.9 percent below April 2013 and 1.0 percent below March 2014 on a daily average basis.

Nonfat dry milk powder production was 158.2 million pounds in April, down 1.2 percent from April 2013 and 0.5 percent higher than March 2014 on a daily average basis. Dry whey production was 74.5 million pounds in April, 12.8 percent lower than April 2013 and 7.6 percent higher than the previous month. Whey protein concentrates production was 45.7 million pounds in April, a 13.0 percent increase compared to April of last year and 5.3 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.28 in May.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.54%	6,458,741	\$2.1790	\$ 14,073,596.65
Class I Differential at Location				213,122.48
Class II Butterfat	33.74%	5,963,721	\$2.2791	13,591,916.50
Class III Butterfat	11.79%	2,084,454	\$2.2721	4,736,087.94
Class IV Butterfat	17.93%	3,168,607	\$2.2721	7,199,391.99
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,675,523</b>		<b>\$ 39,814,115.56</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2525**

### Calculation of Uniform Skim Milk Price:

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	65.11%	313,433,801	\$17.45 /cwt.	\$ 54,694,198.28
Class I Butterfat	36.54%	6,458,741	\$2.1790 /lb.	14,073,596.65
Class I Differential at Location		319,892,542		10,568,538.83
<b>Total Class I Milk</b>	<b>64.10%</b>	<b>319,892,542</b>		<b>\$ 79,336,333.76</b>
Class II Skim Milk	10.55%	50,794,865	\$17.06 /cwt.	\$ 8,665,604.00
Class II Butterfat	33.74%	5,963,721	\$2.2791 /lb.	13,591,916.50
<b>Total Class II Milk</b>	<b>11.37%</b>	<b>56,758,586</b>		<b>\$ 22,257,520.50</b>
Class III Skim Milk	12.78%	61,508,471	\$15.15 /cwt.	\$ 9,318,533.40
Class III Butterfat	11.79%	2,084,454	\$2.2721 /lb.	4,736,087.94
<b>Total Class III Milk</b>	<b>12.74%</b>	<b>63,592,925</b>		<b>\$ 14,054,621.34</b>
Class IV Skim Milk	11.56%	55,652,205	\$15.23 /cwt.	\$ 8,475,830.82
Class IV Butterfat	17.93%	3,168,607	\$2.2721 /lb.	7,199,391.99
<b>Total Class IV Milk</b>	<b>11.79%</b>	<b>58,820,812</b>		<b>\$ 15,675,222.81</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>499,064,865</b>		<b>\$ 131,323,698.41</b>

### Adjustments

Overage and Other Source	\$23,602.30
Inventory Adjustments	(\$35,737.95)
Producer butterfat at uniform butterfat price	(\$39,814,115.56)
Location Adjustments to Producers	\$2,996,933.28
1/2 Unobligated Balance in P.S.F.	\$215,868.67

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 19.67436	\$94,710,249.15
	\$ 0.04436	\$213,521.30

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

**\$19.63**

Uniform Price per cwt. (Fulton County, Georgia)

**\$26.83\***

\* 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 2014	JUN 2014	APR 2014	MAY 2014	MAY 2014
Appalachian (Charlotte)	\$ 27.87	\$ 26.26	\$ 26.31	\$ 26.45	61.31%
Arizona (Phoenix)	\$ 26.82	\$ 25.21	\$ 24.43	\$ 23.75	22.32%
Central (Kansas City)	\$ 26.47	\$ 24.86	\$ 24.20	\$ 23.58	27.44%
Florida (Tampa)	\$ 29.87	\$ 28.26	\$ 28.45	\$ 29.25	86.85%
Midwest (Cleveland)	\$ 26.47	\$ 24.86	\$ 24.48	\$ 24.04	33.30%
Northeast (Boston)	\$ 27.72	\$ 26.11	\$ 25.46	\$ 25.24	34.60%
Pacific Northwest (Seattle)	\$ 26.37	\$ 24.76	\$ 24.03	\$ 23.42	21.77%
<b>Southeast (Atlanta)</b>	<b>\$ 28.27</b>	<b>\$ 26.66</b>	<b>\$ 26.73</b>	<b>\$ 26.83</b>	<b>64.10%</b>
Southwest (Dallas)	\$ 27.47	\$ 25.86	\$ 25.12	\$ 24.43	29.06%
Upper Midwest (Chicago)	\$ 26.27	\$ 24.66	\$ 24.41	\$ 23.00	9.90%



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

<b>Receipts:</b>	<b>May 2014</b>	<b>May 2013</b>
<b>Producer Milk</b>		
Class I	319,892,542	338,884,122
Class II	56,758,586	69,575,407
Class III	63,592,925	79,251,198
Class IV	58,820,812	36,695,120
Total Producer Milk	<u>499,064,865</u>	<u>527,405,847</u>
Average Butterfat Test	3.54%	3.65%
Percent of Producer Milk in Class I	64.10%	64.25%
Daily Average Receipts	16,098,867	17,013,092
<b>Other Source Milk</b>		
Class I	4,349,231	4,542,742
Class II	4,985,498	8,986,629
Class III	291,949	8,153,707
Class IV	3,284,822	9,506,020
Total Other Source Milk	<u>12,911,500</u>	<u>31,189,098</u>
<b>Overage</b>		
Class I	0	0
Class II	67,525	15,248
Class III	44,224	0
Class IV	2,369	0
Total Overage	<u>114,118</u>	<u>15,248</u>
<b>Opening Inventory</b>		
Class I	21,453,409	27,053,958
Class II	359,836	5,308,042
Class III	4,466,657	2,683,489
Class IV	16,366,377	10,538,958
Total Opening Inventory	<u>42,646,279</u>	<u>45,584,447</u>
<b>Total Receipts</b>	<b>554,736,762</b>	<b>604,194,640</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	19,194,697	24,632,018
Route Disposition Class I	318,718,570	336,406,767
Shrinkage	1,010,059	1,281,899
Transfers & Diversions to Nonpool	6,771,856	8,160,138
Total Class I Utilization	<u>345,695,182</u>	<u>370,480,822</u>
Average Butterfat Test	2.01%	2.03%
Daily Average Utilization	11,151,457	11,950,994
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,627,216	2,553,678
Shrinkage	153,073	6,707,521
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	41,818,450	42,513,689
Total Class II Utilization	<u>17,572,706</u>	<u>32,111,438</u>
Average Butterfat Test	62,171,445	83,885,326
Average Butterfat Test	9.81%	10.46%
<b>Class III Utilization</b>		
Shrinkage	5,673,729	0
Transfers & Diversions to Nonpool	58,390,244	90,088,394
Used To Produce/Other Uses	4,331,782	0
Total Class III Utilization	<u>68,395,755</u>	<u>90,088,394</u>
Average Butterfat Test	3.09%	3.75%
<b>Class IV Utilization</b>		
Inventory	17,598,492	12,162,744
Nonfluid Used To Fortify	707,913	1,194,035
Shrinkage	0	397,440
Transfers & Diversions to Nonpool	60,167,975	45,985,879
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>78,474,380</u>	<u>59,740,098</u>
Average Butterfat Test	5.49%	8.85%
<b>Total Utilization</b>	<b>554,736,762</b>	<b>604,194,640</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2014 is \$26.83 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$19.63 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2525 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 65.11% of all producer skim milk (priced to handlers at \$17.45 per hundredweight, plus the Class I differential, see page 2) and 36.54% of producer butterfat (priced to handlers at \$2.1790 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.55% of all producer skim milk (\$17.06 per hundredweight) and 33.74% of producer butterfat (\$2.2791 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.78% of all producer skim milk (\$15.15 per hundredweight) and 11.79% of producer butterfat (\$2.2721 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.56% of all producer skim milk (\$15.23 per hundredweight) and 17.93% of producer butterfat (\$2.2721 per pound).

Receipts of producer milk during May totaled 499.1 million pounds. There were 22 regulated pool distributing plants, 2 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2014. Class I route disposition in the area was 381.17 million pounds in April 2014.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>April 2014</b>		
Whole Milk	115,600,359	30.33%
Fat Free Milk	37,181,295	9.75%
Lowfat Milk (incl. 1%)	40,902,495	10.73%
Reduced Fat Milk (incl. 2%)	134,606,403	35.31%
Cultured Fluid Milk (incl. Buttermilk)	7,580,238	1.99%
Flavored Drinks and Milk	45,298,259	11.88%
<b>Total Disposition in Marketing Area</b>	<b>381,169,049</b>	<b>100.0%</b>
Total Disposition by Pool Plants	289,350,725	75.91%
Total Disposition by Nonpool Plants	91,818,324	24.09%
<b>Total Disposition in Marketing Area</b>	<b>381,169,049</b>	<b>100.0%</b>

### This Year, Milk and Dairy Product Prices Remain Near Record Levels on Continued Strong Demand; Next Year, Prices Are Forecast To Decline With Greater Production

(continued from page 1) 2014. Greater milk production and slightly lower exports explain the forecast price scenario. The 2014 cheese price range is raised this month to \$2.015 - \$2.055 per pound based on robust year-to-date demand. Cheese price forecasts are unchanged for 2015 at \$1.670 - \$1.770 per pound. Forecast butter prices are raised to \$1.870 - \$1.940 per pound for 2014 based on apparent demand strength and tight supplies and to \$1.640 - \$1.770 per pound next year. Current year whey prices are unchanged from May, at 63.0 – 65.0 cents per pound and 55.0 – 58.0 cents per pound for 2015. Nonfat dry milk (NDM) prices are lowered slightly to \$1.820 - \$1.860, based on lower reported May prices. However as prices have appeared to rebound, the forecast for the balance of 2014 is unchanged. NDM prices for 2015 are unchanged from May at \$1.605 - \$1.675 per pound.

The Class IV price forecast is increased for both this year and next as higher butter prices more than offset lower NDM prices. The Class IV price is forecast at \$21.45 – \$21.95 per cwt for this year and \$18.65 - \$19.75 per cwt for 2015. The June Class III milk price forecast is raised to \$20.80 - \$21.20 per cwt for the current year and raised fractionally to \$16.95 - \$17.95 per cwt for 2015. The all milk price forecast is increased from May for both 2014 and 2015 to \$22.90 - \$23.30 and \$19.75 - \$20.75 per cwt, respectively.

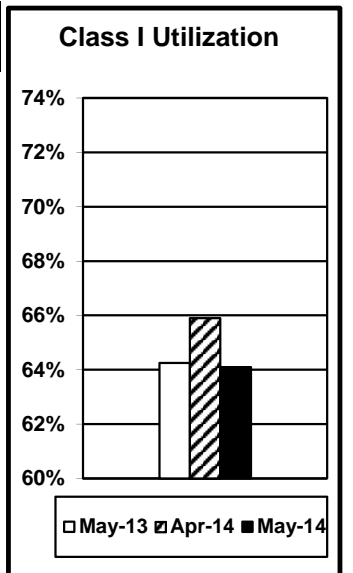
*(Source: Livestock, Dairy, and Poultry Outlook/LDP-M-240/June 18, 2014; Economic Research Service, USDA)*

**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
Mar 2013	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93											

**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.	%
Mar 2013	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,200**	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%



\* 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 2014

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 2014	07/11/14	07/14/14	07/15/14	06/25/14	06/26/14	07/15/14	07/16/14
JUL 2014	08/11/14	08/12/14	08/13/14	07/25/14	07/28/14	08/13/14	08/14/14
AUG 2014	09/11/14	09/12/14	09/15/14	08/25/14	08/26/14	09/15/14	09/16/14

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$24.15 per hundredweight. This is 90 percent of the preceding month's uniform price of \$26.83 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 – 530 June 11, 2014

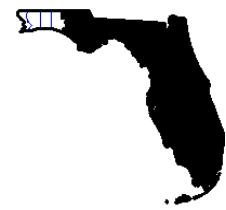
Milk production forecasts for 2014 and 2015 are unchanged from last month. Export forecasts are raised on a fat basis for 2014 and 2015 with higher cheese exports. However, growth in 2014 exports is constrained by weaker butter sales as higher domestic prices have made U.S. butter less competitive on world markets. Skim-solids exports reflect strength in cheese and nonfat dry milk (NDM) exports. Imports for 2014 and 2015 are raised on higher imports of food ingredients.

Cheese and butter prices for 2014 are forecast higher on strong demand for cheese and tight supplies of butter. The NDM price is lowered, but the whey price forecast is unchanged. Strength in butter prices is expected to carry into early 2015 resulting in an increase in the 2015 price, but the prices of cheese, NDM, and whey are unchanged from last month. Class III and Class IV prices for 2014 and 2015 are raised on stronger butterfat values. The all milk price is forecast at \$22.90 to \$23.30 per cwt for 2014 and \$19.75 to \$20.75 per cwt for 2015.

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



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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

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

## Strong Demand, Both Foreign and Domestic, Keeps Milk Prices High and Production Advancing as Feed Prices Moderate

*Excerpts from Livestock, Dairy, & Poultry Outlook, July 17, 2014, Economic Research Service, USDA:*

While corn and soybean meal prices in 2014/15 are likely to be lower than this year's prices, forage prices are likely to remain firm. On balance, the lower corn and soybean meal prices will continue to moderate feed prices through the balance of 2014 and into 2015. The feed price outlook, combined with continued strong milk prices, is expected to signal producers to increase cow numbers in 2015.

Firm domestic commercial use of dairy products is expected in light of continued economic recovery. Domestic commercial use, on a fats basis, is forecast at 195.6 billion pounds, unchanged from June. However, next year domestic commercial use on a fats basis is expected to climb to 200.6 billion pounds, an increase from June's forecast as well as a 2.6 percent year-over-year rise. On a skims-solids basis, domestic commercial use is forecast to reach 169.3 billion pounds, a dropoff from June's forecast, and then to rise to 177.2 billion pounds in 2015.

Dairy product prices are increased this month for 2014. Cheese prices are projected higher this month based on current price strength. The prices are forecast to average \$2.030 to \$2.060 per pound this year and fall to \$1.670- \$1.770 in 2015 based on continued increases in milk production. Butter prices are revised upward from June to \$1.965-\$2.025 per pound based on strength in demand and tight supply. That condition is expected to continue into 2015 as butter prices are revised upward this month to \$1.650-\$1.780 per pound; however, prices will decline on a year-over-year basis. July NDM price forecasts reflect the robust export outlook for those products and will likely average \$1.835-\$1.865 per pound in 2014 and decline to \$1.605-\$1.675 per pound in 2015.

(Continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$25.88 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.95 lower than the previous month and is \$4.57 per hundredweight higher compared with June 2013.

Class I utilization was 68.64 percent in June, 4.54 percent higher than the previous month and 12.40 percent higher than June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2014 was 18.06 billion pounds, up 1.4 percent from May 2013 and 0.1 percent higher when compared with April 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 965 million pounds, 2.2 percent above May 2013 and 2.0 percent lower than April 2014 on a daily average basis. Butter production was 165 million pounds, 0.5 percent above May 2013 but 3.9 percent below April 2014 on a daily average basis.

Nonfat dry milk powder production was 163.6 million pounds in May, up 8.7 percent from May 2013 and 0.2 percent lower than April 2014 on a daily average basis. Dry whey production was 81.3 million pounds in May, 2.0 percent higher than May 2013 and 3.8 percent higher than April 2014 on a daily average basis. Whey protein concentrates production was 48.2 million pounds in May, 11.1 percent higher compared to May 2013 and 2.0 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.24 in June.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2014**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.28%	6,331,300	\$2.2356	\$ 14,154,254.27
Class I Differential at Location				208,169.42
Class II Butterfat	35.21%	5,273,033	\$2.4483	12,909,966.69
Class III Butterfat	11.33%	1,696,956	\$2.4413	4,142,778.69
Class IV Butterfat	11.18%	1,674,175	\$2.4413	4,087,163.43
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,975,464</b>		<b>\$ 35,502,332.50</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$2.3707**

**Calculation of Uniform Skim Milk Price:**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	69.60%	286,751,847	\$15.58 /cwt.	\$ 44,675,937.77
Class I Butterfat	42.28%	6,331,300	\$2.2356 /lb.	14,154,254.27
Class I Differential at Location		293,083,147		9,653,662.27
<b>Total Class I Milk</b>	<b>68.64%</b>	<b>293,083,147</b>		<b>\$ 68,483,854.31</b>
Class II Skim Milk	10.96%	45,141,208	\$15.93 /cwt.	\$ 7,190,994.47
Class II Butterfat	35.21%	5,273,033	\$2.4483 /lb.	12,909,966.69
<b>Total Class II Milk</b>	<b>11.81%</b>	<b>50,414,241</b>		<b>\$ 20,100,961.16</b>
Class III Skim Milk	12.23%	50,393,079	\$13.28 /cwt.	\$ 6,692,200.90
Class III Butterfat	11.33%	1,696,956	\$2.4413 /lb.	4,142,778.69
<b>Total Class III Milk</b>	<b>12.20%</b>	<b>52,090,035</b>		<b>\$ 10,834,979.59</b>
Class IV Skim Milk	7.21%	29,716,453	\$15.11 /cwt.	\$ 4,490,156.05
Class IV Butterfat	11.18%	1,674,175	\$2.4413 /lb.	4,087,163.43
<b>Total Class IV Milk</b>	<b>7.35%</b>	<b>31,390,628</b>		<b>\$ 8,577,319.48</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>426,978,051</b>		<b>\$ 107,997,114.54</b>

**Adjustments**

Overage and Other Source	\$15,321.46
Inventory Adjustments	(\$53,587.67)
Producer butterfat at uniform butterfat price	(\$35,502,332.50)
Location Adjustments to Producers	\$2,593,987.03
1/2 Unobligated Balance in P.S.F.	\$201,913.88

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	\$ 18.26504	\$75,252,416.74
	\$ 0.04504	\$185,545.37

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

**\$18.22**

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

**\$25.88\***

\* 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 2014	JUL 2014	MAY 2014	JUN 2014	JUN 2014
Appalachian (Charlotte)	\$ 26.26	\$ 26.42	\$ 26.45	\$ 25.48	61.86%
Arizona (Phoenix)	\$ 25.21	\$ 25.37	\$ 23.75	\$ 23.33	24.91%
Central (Kansas City)	\$ 24.86	\$ 25.02	\$ 23.58	\$ 22.75	29.36%
Florida (Tampa)	\$ 28.26	\$ 28.42	\$ 29.25	\$ 27.53	80.59%
Mideast (Cleveland)	\$ 24.86	\$ 25.02	\$ 24.04	\$ 23.21	33.60%
Northeast (Boston)	\$ 26.11	\$ 26.27	\$ 25.24	\$ 24.38	31.90%
Pacific Northwest (Seattle)	\$ 24.76	\$ 24.92	\$ 23.42	\$ 22.76	20.96%
<b>Southeast (Atlanta)</b>	<b>\$ 26.66</b>	<b>\$ 26.82</b>	<b>\$ 26.83</b>	<b>\$ 25.88</b>	<b>68.64%</b>
Southwest (Dallas)	\$ 25.86	\$ 26.02	\$ 24.43	\$ 23.27	28.58%
Upper Midwest (Chicago)	\$ 24.66	\$ 24.82	\$ 23.00	\$ 21.79	9.10%

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

<b>Receipts:</b>	<b>June 2014</b>	<b>June 2013</b>
<b>Producer Milk</b>		
Class I	293,083,147	294,321,231
Class II	50,414,241	69,415,782
Class III	52,090,035	88,805,141
Class IV	31,390,628	70,821,917
	<hr/>	<hr/>
Total Producer Milk	<b>426,978,051</b>	<b>523,364,071</b>
Average Butterfat Test	3.51%	3.63%
Percent of Producer Milk in Class I	68.64%	56.24%
Daily Average Receipts	14,232,602	17,445,469
 <b>Other Source Milk</b>		
Class I	4,129,344	4,241,567
Class II	6,010,840	7,777,185
Class III	8,143,054	1,521,077
Class IV	6,182,260	9,196,060
	<hr/>	<hr/>
Total Other Source Milk	<b>24,465,498</b>	<b>22,735,889</b>
 <b>Overage</b>		
Class I	0	266,128
Class II	6,258	0
Class III	0	0
Class IV	0	1,066
	<hr/>	<hr/>
Total Overage	<b>6,258</b>	<b>267,194</b>
 <b>Opening Inventory</b>		
Class I	19,194,697	25,032,221
Class II	165,004	606,449
Class III	4,503,285	131,168
Class IV	12,930,203	11,129,527
	<hr/>	<hr/>
Total Opening Inventory	<b>36,793,189</b>	<b>36,899,365</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>488,242,996</b>	<b>583,266,519</b>
 <b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	17,683,015	18,317,670
Route Disposition Class I	290,215,160	296,286,703
Shrinkage	1,914,449	1,126,051
Transfers & Diversions to Nonpool	6,594,564	8,130,723
	<hr/>	<hr/>
Total Class I Utilization	<b>316,407,188</b>	<b>323,861,147</b>
Average Butterfat Test	2.15%	2.14%
Daily Average Utilization	10,546,906	10,795,372
 <b>Class II Utilization</b>		
Nonfluid Used To Produce	2,828,885	2,457,691
Shrinkage	60,720	5,374
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,844,565	46,234,561
	<hr/>	<hr/>
Total Class II Utilization	<b>56,596,343</b>	<b>77,799,416</b>
Average Butterfat Test	10.25%	10.47%
 <b>Class III Utilization</b>		
Shrinkage	5,496,089	5,223,479
Transfers & Diversions to Nonpool Used To Produce/Other Uses	55,652,359	82,299,863
	<hr/>	<hr/>
Total Class III Utilization	<b>64,736,374</b>	<b>90,457,386</b>
Average Butterfat Test	2.73%	4.02%
 <b>Class IV Utilization</b>		
Inventory	20,843,942	26,511,144
Nonfluid Used To Fortify	679,980	1,026,569
Shrinkage	0	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	28,979,169	63,610,857
	<hr/>	<hr/>
Total Class IV Utilization	<b>50,503,091</b>	<b>91,148,570</b>
Average Butterfat Test	5.22%	4.94%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>488,242,996</b>	<b>583,266,519</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2014 is \$25.88 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.22 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3707 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 69.60% of all producer skim milk (priced to handlers at \$15.58 per hundredweight, plus the Class I differential, see page 2) and 42.28% of producer butterfat (priced to handlers at \$2.2356 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.96% of all producer skim milk (\$15.93 per hundredweight) and 35.21% of producer butterfat (\$2.4483 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.23% of all producer skim milk (\$13.28 per hundredweight) and 11.33% of producer butterfat (\$2.4413 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.21% of all producer skim milk (\$15.11 per hundredweight) and 11.18% of producer butterfat (\$2.4413 per pound).

Receipts of producer milk during June totaled 427.0 million pounds. There were 22 regulated pool distributing plants, 2 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2014. Class I route disposition in the area was 378.4 million pounds in May 2014.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>May 2014</b>		
Whole Milk	119,351,405	31.54%
Fat Free Milk	37,031,147	9.79%
Lowfat Milk (incl. 1%)	38,291,734	10.12%
Reduced Fat Milk (incl. 2%)	140,082,845	37.02%
Cultured Fluid Milk (incl. Buttermilk)	7,276,442	1.92%
Flavored Drinks and Milk	36,405,864	9.62%
<b>Total Disposition in Marketing Area</b>	<b>378,439,437</b>	<b>100.0%</b>
Total Disposition by Pool Plants	287,232,778	75.90%
Total Disposition by Nonpool Plants	91,206,659	24.10%
<b>Total Disposition in Marketing Area</b>	<b>378,439,437</b>	<b>100.0%</b>

## Strong Demand, Both Foreign and Domestic, Keeps Milk Prices High and Production Advancing as Feed Prices Moderate

(continued from page 1) July whey prices are forecast up from June to 63.5-65.5 cents per pound for the current year and to fall to 55.0-58.0 cents per pound in 2015, unchanged from June.

The price outlook for the major dairy products points to declines in 2015 in class and all milk prices. The Class III price is forecast at \$21.00- \$21.30 per cwt this year, falling to \$16.95-\$17.95 per cwt in 2015. The Class IV prices continue to lead Class III prices both this year and next, averaging \$21.95-\$22.35 per cwt and sliding to \$18.70-\$19.80 per cwt in 2014 and 2015, respectively. The all milk price is forecast to average \$23.25-\$23.55 per cwt in 2014 and to fall to \$19.75-\$20.75 per cwt in 2015.

Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-240/July 17, 2014; Economic Research Service, USDA;*  
Available at: <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/ldpm-241.aspx>

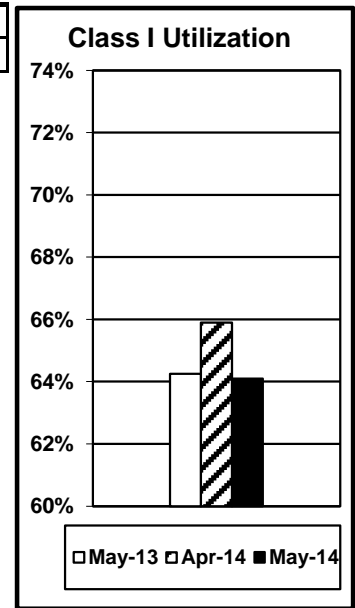


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
Mar 2013	\$16.24	\$1.6944	\$21.60	\$13.14	\$1.7546	\$18.82	\$11.21	\$1.7476	\$16.93	\$12.06	\$1.7476	\$17.75	\$15.18	\$1.7294	\$20.70
Apr	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$12.15	\$1.8227	\$18.10	\$15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$13.09	\$1.7884	\$18.89	\$15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71											

**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.	%
Mar 2013	552,488	2,335	357,121	64.64%	59,873	10.84%	84,642	15.32%	50,853	9.20%
Apr	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,200**	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%



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

## Southeast Marketing Area - Federal Order 7

### Pool and Payment Dates for the Pooling Periods July through September 2014

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 2014	08/11/14	08/12/14	08/13/14	07/25/14	07/28/14	08/13/14	08/14/14
AUG 2014	09/11/14	09/12/14	09/15/14	08/25/14	08/26/14	09/15/14	09/16/14
SEPT 2014	10/11/14	10/14/14	10/15/14	09/25/14	09/26/14	10/15/14	10/16/14

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$23.29 per hundredweight. This is 90 percent of the preceding month's uniform price of \$25.88 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 – 531 July 11, 2014

The milk production forecast for 2014 is lowered from last month as slower growth in output per cow more than offsets a more rapid expansion in cow numbers. The forecast for 2015 is raised as higher milk prices and lower feed costs are expected to support more rapid growth in cow numbers and output per cow. Export forecasts for 2014 are lowered on a fat basis but raised on a skim-solids basis. High domestic butter prices are expected to limit export opportunities, but nonfat dry milk/skim milk powder (NDM/SMP) exports are expected to remain strong. For 2015, no change is forecast to fat-basis exports, but strength in NDM/SMP sales will help support higher skim-solids exports. Product prices are forecast higher for 2014 with strength in butter prices expected to carry into 2015.

Despite increased production, robust domestic demand and stronger NDM/SMP exports will support prices. Class III and Class IV prices for 2014 are raised on stronger component product prices and the Class IV price forecast for 2015 is raised reflecting strength in butter prices. The all milk price is forecast at \$23.25 to \$23.55 per cwt for 2014, and \$19.75 to \$20.75 per cwt for 2015.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN



Patrick S. Clark, Market Administrator

Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## Feed and Milk Prices Favor Higher Production; Exports Will Likely Decline Next Year; Current-Year Domestic Butter Prices Soar on Tight Stocks

*Excerpts from Livestock, Dairy, & Poultry Outlook, August 18, 2014, Economic Research Service, USDA:*

Record corn yields due to excellent growing conditions have led to a record production forecast of 14.0 billion bushels. Higher forecast production lowers the 2014/15 corn price forecast from last month to \$3.55-\$4.25 per bushel. The soybean supply and use balance for 2014/15 is changed fractionally on slightly higher production. The soybean meal price forecast for the 2014/15 year is lowered from last month to \$340-\$380 per ton. The attractive feed and milk prices have provided an incentive for producers to raise milk production. Forecast milk cow numbers are unchanged from July at 9.26 million head for 2014 and 9.34 million head next year. High replacement heifer prices and strong cull cow prices may have dampened the expansion. Milk per cow is increased from July for both this year and next to 22,250 and 22,760 pounds, respectively, based on relatively lower feed costs and improved forage in much of the Country. Milk production is increased slightly from July to 206.0 billion pounds in 2014 and to 212.5 billion pounds next year.

Fat-basis exports are lowered to 12.8 billion pounds for 2014, based on lower shipments of butter and cheese. Fat-basis exports are lowered this month to 11.8 billion pounds for 2015. Butterfat exports in June were well below year-earlier levels as U.S. prices are uncompetitive with world prices. Russia's announced ban on agricultural imports from a number of dairy-exporting countries, including the United States, will likely increase competition for sales to other markets.

Although U.S. dairy exports to Russia are small, Russia has been a large destination for butterfat exports from the European Union (EU) and has accounted for nearly a third of EU cheese exports in recent years.

(Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$26.43 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$0.55 higher than the previous month and is \$4.86 per hundredweight higher compared with July 2013.

Class I utilization was 78.72 percent in July, 10.08 percent higher than the previous month and 10.67 percent higher than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2014 was 17.27 billion pounds, up 1.9 percent from June 2013 and 1.3 percent lower when compared with May 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 942 million pounds, 3.3 percent above June 2013 and 0.7 percent above May 2014 on a daily average basis. Butter production was 140 million pounds, 0.2 percent below June 2013 and 12.1 percent below May 2014 on a daily average basis.

Nonfat dry milk powder production was 148.0 million pounds in June, up 13.1 percent from June 2013 and 6.3 percent lower than May 2014 on a daily average basis. Dry whey production was 79.1 million pounds in June, 0.6 percent lower than June 2013 and 0.9 percent lower than May 2014 on a daily average basis. Whey protein concentrates production was 43.7 million pounds in June 2014, 5.4 percent higher compared to June 2013 and 1.7 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.44 in July.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.11%	6,747,424	\$2.4377	\$ 16,448,195.47
Class I Differential at Location				221,461.09
Class II Butterfat	35.31%	4,952,881	\$2.6419	13,085,016.30
Class III Butterfat	8.74%	1,226,566	\$2.6349	3,231,878.75
Class IV Butterfat	7.84%	1,100,032	\$2.6349	2,898,474.33
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,026,903</b>		<b>\$ 35,885,025.94</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5583**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	79.85%	305,324,236	\$15.01 /cwt.	\$ 45,829,167.87
Class I Butterfat	48.11%	6,747,424	\$2.4377 /lb.	16,448,195.47
Class I Differential at Location		312,071,660		10,276,653.28
<b>Total Class I Milk</b>	<b>78.72%</b>	<b>312,071,660</b>		<b>\$ 72,554,016.62</b>
Class II Skim Milk	9.96%	38,075,941	\$15.71 /cwt.	\$ 5,981,730.34
Class II Butterfat	35.31%	4,952,881	\$2.6419 /lb.	13,085,016.30
<b>Total Class II Milk</b>	<b>10.86%</b>	<b>43,028,822</b>		<b>\$ 19,066,746.64</b>
Class III Skim Milk	7.61%	29,080,415	\$12.83 /cwt.	\$ 3,731,017.23
Class III Butterfat	8.74%	1,226,566	\$2.6349 /lb.	3,231,878.75
<b>Total Class III Milk</b>	<b>7.65%</b>	<b>30,306,981</b>		<b>\$ 6,962,895.98</b>
Class IV Skim Milk	2.58%	9,880,213	\$15.09 /cwt.	\$ 1,490,924.13
Class IV Butterfat	7.84%	1,100,032	\$2.6349 /lb.	2,898,474.33
<b>Total Class IV Milk</b>	<b>2.77%</b>	<b>10,980,245</b>		<b>\$ 4,389,398.46</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>396,387,708</b>		<b>\$ 102,973,057.70</b>

### Adjustments

Overage and Other Source	\$3,233.96
Inventory Adjustments	(\$74,020.07)
Producer butterfat at uniform butterfat price	(\$35,885,025.94)
Location Adjustments to Producers	\$2,241,814.04
1/2 Unobligated Balance in P.S.F.	\$171,576.54

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18.15841	\$69,430,636.23
	\$ 0.04841	\$185,094.44

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

**\$18.11**

Uniform Price per cwt. (Fulton County, Georgia)

**\$26.43\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JUL 2014	AUG 2014	JUN 2014	JUL 2014	JUL 2014
Appalachian (Charlotte)	\$ 26.42	\$ 27.27	\$ 25.48	\$ 25.95	70.50%
Arizona (Phoenix)	\$ 25.37	\$ 26.22	\$ 23.33	\$ 23.73	26.73%
Central (Kansas City)	\$ 25.02	\$ 25.87	\$ 22.75	\$ 23.02	29.46%
Florida (Tampa)	\$ 28.42	\$ 29.27	\$ 27.53	\$ 27.95	84.69%
Midwest (Cleveland)	\$ 25.02	\$ 25.87	\$ 23.21	\$ 23.48	34.90%
Northeast (Boston)	\$ 26.27	\$ 27.12	\$ 24.38	\$ 24.75	32.60%
Pacific Northwest (Seattle)	\$ 24.92	\$ 25.77	\$ 22.76	\$ 23.15	21.45%
<b>Southeast (Atlanta)</b>	<b>\$ 26.82</b>	<b>\$ 27.67</b>	<b>\$ 25.88</b>	<b>\$ 26.43</b>	<b>78.72%</b>
Southwest (Dallas)	\$ 26.02	\$ 26.87	\$ 23.27	\$ 23.55	30.34%
Upper Midwest (Chicago)	\$ 24.82	\$ 25.67	\$ 21.79	\$ 22.05	9.80%

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

<b>Receipts:</b>	<b>July 2014</b>	<b>July 2013</b>
<b>Producer Milk</b>		
Class I	312,071,660	324,966,449
Class II	43,028,822	56,567,481
Class III	30,306,981	67,965,951
Class IV	10,980,245	28,008,780
Total Producer Milk	<u>396,387,708</u>	<u>477,508,661</u>
Average Butterfat Test	3.54%	3.59%
Percent of Producer Milk in Class I	78.72%	68.05%
Daily Average Receipts	12,786,700	15,403,505
<b>Other Source Milk</b>		
Class I	4,928,016	5,483,673
Class II	8,615,997	9,575,496
Class III	2,047,022	2,207,022
Class IV	2,420,660	3,660,211
Total Other Source Milk	<u>18,011,695</u>	<u>20,926,402</u>
<b>Overage</b>		
Class I	0	0
Class II	14,922	189,685
Class III	0	0
Class IV	117	2,730
Total Overage	<u>15,039</u>	<u>192,415</u>
<b>Opening Inventory</b>		
Class I	17,795,716	19,663,873
Class II	2,265,075	1,682,697
Class III	5,756,413	3,811,756
Class IV	12,727,858	19,672,932
Total Opening Inventory	<u>38,554,062</u>	<u>44,831,258</u>
<b>Total Receipts</b>	<b>452,968,504</b>	<b>543,458,736</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	24,070,250	20,063,727
Route Disposition Class I	301,293,495	320,061,287
Shrinkage	2,406,556	2,071,114
Transfers & Diversions to Nonpool	7,025,091	7,917,867
Total Class I Utilization	<u>334,795,392</u>	<u>350,113,995</u>
Average Butterfat Test	2.16%	2.19%
Daily Average Utilization	10,799,851	11,294,000
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,898,266	2,575,626
Shrinkage	78,247	171,722
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	36,848,018	33,963,092
Total Class II Utilization	<u>14,100,285</u>	<u>31,304,919</u>
Average Butterfat Test	<b>53,924,816</b>	<b>68,015,359</b>
Average Butterfat Test	9.57%	11.73%
<b>Class III Utilization</b>		
Shrinkage	5,085,088	5,132,564
Transfers & Diversions to Nonpool	29,346,211	65,579,537
Used To Produce/Other Uses	3,688,117	3,272,628
Total Class III Utilization	<u>38,119,416</u>	<u>73,984,729</u>
Average Butterfat Test	3.65%	3.97%
<b>Class IV Utilization</b>		
Inventory	12,290,542	20,127,144
Nonfluid Used To Fortify	722,722	1,209,326
Shrinkage	13,114,751	0
Transfers & Diversions to Nonpool	13,115,616	30,008,183
Used To Produce/Other Uses	0	0
Total Class IV Utilization	<u>26,128,880</u>	<u>51,344,653</u>
Average Butterfat Test	7.78%	6.56%
<b>Total Utilization</b>	<b>452,968,504</b>	<b>543,458,736</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2014 is \$26.43 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.11 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5583 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 79.85% of all producer skim milk (priced to handlers at \$15.01 per hundredweight, plus the Class I differential, see page 2) and 48.11% of producer butterfat (priced to handlers at \$2.4377 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 (\$15.71 per hundredweight) and 35.31% of producer butterfat (\$2.6419 per pound). Class III use, mostly milk used to produce cheese, accounted for 7.61% of all producer skim milk (\$12.83 per hundredweight) and 8.74% of producer butterfat (\$2.6349 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.58% of all producer skim milk (\$15.09 per hundredweight) and 7.84% of producer butterfat (\$2.6349 per pound).

Receipts of producer milk during July totaled 396.4 million pounds. There were 22 regulated pool distributing plants, 2 pool supply plant and 16 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2014. Class I route disposition in the area was 345.1 million pounds in June 2014.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>June 2014</b>		
Whole Milk	117,871,497	34.16%
Fat Free Milk	34,338,136	9.95%
Lowfat Milk (incl. 1%)	31,722,292	9.19%
Reduced Fat Milk (incl. 2%)	135,951,857	39.40%
Cultured Fluid Milk (incl. Buttermilk)	7,122,332	2.06%
Flavored Drinks and Milk	18,071,290	5.24%
<b>Total Disposition in Marketing Area</b>	<b>345,077,404</b>	<b>100.0%</b>
Total Disposition by Pool Plants	260,612,301	75.52%
Total Disposition by Nonpool Plants	84,465,103	24.48%
<b>Total Disposition in Marketing Area</b>	<b>345,077,404</b>	<b>100.0%</b>

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## Feed and Milk Prices Favor Higher Production; Exports Will Likely Decline Next Year; Current-Year Domestic Butter Prices Soar on Tight Stocks

(continued from page 1)

Milk prices follow the pattern of the dairy product prices, high this year and falling in 2015. Class III milk prices for 2014 are increased from July to \$21.25-\$21.45 per cwt this year and to \$17.00-\$18.00 per cwt in 2015. However, on a year-over-year basis, prices are sharply down on lower export prospects and higher expected milk production. Current-year Class IV prices were raised this month to \$22.35-\$22.65 per cwt and are then expected to fall to \$18.70-\$19.80 per cwt in 2015, an unchanged forecast from July. The all milk price is forecast at \$23.55-\$23.75 per cwt, an increase from the July forecast. Next year, the all milk price is expected to slip to \$19.75-\$20.75 per cwt, unchanged from last month's forecast.2015.

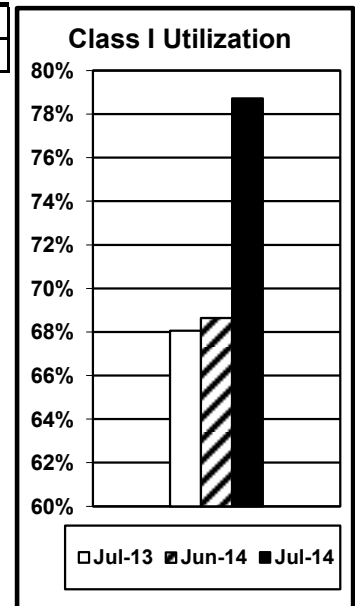
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-242/Aug 18, 2014; Economic Research Service, USDA;*  
Available at: <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/ldpm-242.aspx>

**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 2013	\$15.87	\$1.7569	\$21.46	\$12.77	\$1.8297	\$18.73	\$11.62	\$1.8227	\$17.59	\$ 12.15	\$1.8227	\$18.10	\$ 15.02	\$1.8004	\$20.80
May	\$15.69	\$1.8335	\$21.56	\$12.59	\$1.7954	\$18.43	\$12.71	\$1.7884	\$18.52	\$ 13.09	\$1.7884	\$18.89	\$ 15.10	\$1.8050	\$20.89
Jun	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$ 13.54	\$1.6599	\$18.88	\$ 15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$ 13.89	\$1.5693	\$18.90	\$ 16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$ 15.34	\$1.6336	\$20.52	\$ 18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$ 15.91	\$1.7672	\$21.54	\$ 18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$ 16.62	\$1.7874	\$22.29	\$ 19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92											

**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 2013	550,856	2,291	359,144	65.19%	64,589	11.73%	86,876	15.77%	40,248	7.31%
May	527,406	2,280	338,884	64.25%	69,575	13.19%	79,251	15.03%	39,695	7.53%
Jun	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,150**	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%



\* 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 2014

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 2014	09/11/14	09/12/14	09/15/14	08/25/14	08/26/14	09/15/14	09/16/14
SEP 2014	10/11/14	10/14/14	10/15/14	09/25/14	09/26/14	10/15/14	10/16/14
OCT 2014	11/11/14	11/12/14	11/13/14	10/27/14	10/27/14	11/13/14	11/14/14

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$23.79 per hundredweight. This is 90 percent of the preceding month's uniform price of \$26.43 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

## WASDE Dairy Report 1/

### WASDE – 532 August 12, 2014

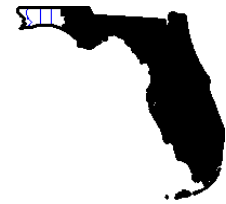
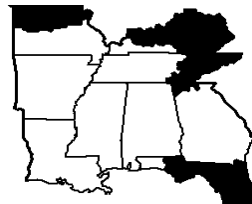
The milk production forecasts for 2014 and 2015 are raised slightly as lower feed costs are expected to support higher output per cow. Fat basis export forecasts for 2014 and 2015 are lowered as Russia's ban on imports from a number of dairy exporting countries will likely increase competition in export markets. Fat basis imports are raised as supplies in competing exporters are expected to be large. The skim-solids export forecast is raised slightly for 2014, but is reduced in 2015 as competition increases. Skim-solids imports are unchanged from last month.

Butter prices and whey price forecasts are raised for 2014 with strength in butter prices expected to carry into 2015. Cheese prices and nonfat dry milk prices are forecast higher in 2014, but their price forecasts for 2015 are unchanged from last month. Class III and Class IV prices for 2014 are raised on stronger component product prices and the Class III price forecast for 2015 is raised reflecting strength in whey prices. The all milk price is raised to \$23.55 to \$23.75 per cwt for 2014, but remains unchanged at \$19.75 to \$20.75 per cwt for 2015.

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



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



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

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# Market Information BULLETIN



Southeast Marketing Area  
Federal Order 7

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

September 2014

Volume 15—No. 9

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

## Educational and Listening Sessions

The Appalachian and Southeast Market Administrators, in conjunction with the Agricultural Marketing Services Dairy Programs, will hold Federal Order educational and listening sessions with dairy industry stakeholders. These sessions will be held at the:

- (1) Warren County Extension Office, 3132 Nashville Road, Bowling Green, Kentucky 42101 on Tuesday, October 7, 2014 between the hours of 10:00 am and 12:00 pm CDT. (Phone: 270-842-1681)
- (2) Macon Farmers Market, 2055 Eisenhower Parkway, Macon, Georgia 31206 on Wednesday, October 8, 2014 between the hours of 4:00 pm and 6:00 pm EDT. (Phone: 478-752-1097)
- (3) Renaissance Asheville Hotel, 31 Woodfin Street, Asheville, North Carolina 28801 on Thursday, October 9, 2014 between the hours of 3:00 pm and 5:00 pm EDT. (Phone: 828-252-8211)

If you have any questions concerning these sessions, please do not hesitate to contact this office at 770-682-2501.

## Exports Weaken Across the Board As Imports Move Upward; Prices Still Favor Expansion

*Excerpts from Livestock, Dairy, & Poultry Outlook, September 17, 2014, Economic Research Service, USDA:*

The 2014/15 price forecast for corn was lowered from the August projection to \$3.20-\$3.80 per bushel. Soybean meal price is lowered to \$330-\$370 per ton based on higher forecast soybean and soybean meal production. The August Agricultural Prices report places the preliminary August price for alfalfa hay at \$209 per ton, down slightly from last month and slightly higher than the reported August 2013 price of \$199 per ton. On balance, feed prices continue to moderate, and the milk-feed price ratio indicates incentive for expansion in milk production. World dairy product prices continue to decline and are below domestic prices, that and continued strengthening of the dollar versus the Euro and Oceania countries' (Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$27.39 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.96 higher than the previous month and is \$5.58 per hundredweight higher compared with August 2013.

Class I utilization was 79.02 percent in August, 0.30 percent higher than the previous month and 6.73 percent higher than August of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2014 was 17.45 billion pounds, up 3.9 percent from July 2013 and 2.5 percent lower when compared with June 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 956 million pounds, 7.0 percent above July 2013 and 2.1 percent below June 2014 on a daily average basis. Butter production was 136 million pounds, 2.6 percent above July 2013 but 6.1 percent below June 2014 on a daily average basis.

Nonfat dry milk powder production was 166.0 million pounds in July, up 42.7 percent from July 2013 and 8.5 percent higher than June 2014 on a daily average basis. Dry whey production was 73.8 million pounds in July, 7.1 percent lower than July 2013 and 9.9 percent lower than June 2014 on a daily average basis. Whey protein concentrates production was 45.0 million pounds in July 2014, 11.8 percent higher compared to July 2013 and 0.6 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.55 in August.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.82%	6,414,763	\$2.6235	\$ 16,829,130.73
Class I Differential at Location				210,843.32
Class II Butterfat	33.63%	4,924,100	\$2.8518	14,042,548.38
Class III Butterfat	9.26%	1,356,433	\$2.8448	3,858,780.62
Class IV Butterfat	13.29%	1,946,537	\$2.8448	5,537,508.46
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,641,833</b>		<b>\$ 40,478,811.51</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.7646**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	80.31%	318,109,271	\$15.22 /cwt.	\$ 48,416,231.04
Class I Butterfat	43.82%	6,414,763	\$2.6235 /lb.	16,829,130.73
Class I Differential at Location		324,524,034		10,703,730.41
<b>Total Class I Milk</b>	<b>79.02%</b>	<b>324,524,034</b>		<b>\$ 75,949,092.18</b>
Class II Skim Milk	9.48%	37,563,349	\$15.92 /cwt.	\$ 5,980,085.17
Class II Butterfat	33.63%	4,924,100	\$2.8518 /lb.	14,042,548.38
<b>Total Class II Milk</b>	<b>10.34%</b>	<b>42,487,449</b>		<b>\$ 20,022,633.55</b>
Class III Skim Milk	5.92%	23,429,494	\$12.74 /cwt.	\$ 2,984,917.52
Class III Butterfat	9.26%	1,356,433	\$2.8448 /lb.	3,858,780.62
<b>Total Class III Milk</b>	<b>6.03%</b>	<b>24,785,927</b>		<b>\$ 6,843,698.14</b>
Class IV Skim Milk	4.29%	16,994,551	\$14.44 /cwt.	\$ 2,454,013.17
Class IV Butterfat	13.29%	1,946,537	\$2.8448 /lb.	5,537,508.46
<b>Total Class IV Milk</b>	<b>4.61%</b>	<b>18,941,088</b>		<b>\$ 7,991,521.63</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>410,738,498</b>		<b>\$ 110,806,945.50</b>

### Adjustments

Overage and Other Source	\$122.74
Inventory Adjustments	\$13,039.53
Producer butterfat at uniform butterfat price	(\$40,478,811.51)
Location Adjustments to Producers	\$2,403,630.97
1/2 Unobligated Balance in P.S.F.	\$172,435.18

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 18.40898	\$72,917,362.41
	<b>\$ 0.04898</b>	\$194,014.72

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

**\$18.36**

Uniform Price per cwt. (Fulton County, Georgia)

**\$27.39\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	AUG 2014	SEPT 2014	JUL 2014	AUG 2014	AUG 2014
Appalachian (Charlotte)	\$ 27.27	\$ 27.03	\$ 25.95	\$ 26.73	68.64%
Arizona (Phoenix)	\$ 26.22	\$ 25.98	\$ 23.73	\$ 24.28	27.64%
Central (Kansas City)	\$ 25.87	\$ 25.63	\$ 23.02	\$ 23.76	30.26%
Florida (Tampa)	\$ 29.27	\$ 29.03	\$ 27.95	\$ 28.84	84.67%
Midwest (Cleveland)	\$ 25.87	\$ 25.63	\$ 23.48	\$ 24.20	35.40%
Northeast (Boston)	\$ 27.12	\$ 26.88	\$ 24.75	\$ 25.41	33.50%
Pacific Northwest (Seattle)	\$ 25.77	\$ 25.53	\$ 23.15	\$ 23.69	21.71%
<b>Southeast (Atlanta)</b>	<b>\$ 27.67</b>	<b>\$ 27.43</b>	<b>\$ 26.43</b>	<b>\$ 27.39</b>	<b>79.02%</b>
Southwest (Dallas)	\$ 26.87	\$ 26.63	\$ 23.55	\$ 24.29	30.84%
Upper Midwest (Chicago)	\$ 25.67	\$ 25.43	\$ 22.05	\$ 22.73	9.80%

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

<b>Receipts:</b>	<b>August 2014</b>	<b>August 2013</b>
<b>Producer Milk</b>		
Class I	324,524,034	359,390,515
Class II	42,487,449	65,047,703
Class III	24,785,927	48,988,242
Class IV	18,941,088	23,740,445
Total Producer Milk	<u>410,738,498</u>	<u>497,166,905</u>
Average Butterfat Test	3.56%	3.63%
Percent of Producer Milk in Class I	79.02%	72.29%
Daily Average Receipts	13,249,629	16,037,642
<b>Other Source Milk</b>		
Class I	11,909,624	9,175,930
Class II	8,416,358	9,482,458
Class III	2,874,783	1,444,140
Class IV	6,189,198	4,773,443
Total Other Source Milk	<u>29,389,963</u>	<u>24,875,971</u>
<b>Overage</b>		
Class I	0	0
Class II	771	1,439
Class III	0	627
Class IV	0	852
Total Overage	<u>771</u>	<u>2,918</u>
<b>Opening Inventory</b>		
Class I	24,066,571	20,202,526
Class II	633,640	1,048,129
Class III	232,004	4,720,310
Class IV	11,504,115	14,213,608
Total Opening Inventory	<u>36,436,330</u>	<u>40,184,573</u>
<b>Total Receipts</b>	<b>476,565,562</b>	<b>562,230,367</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,761,840	23,959,777
Route Disposition Class I	327,866,983	353,158,491
Shrinkage	3,911,270	1,796,275
Transfers & Diversions to Nonpool	6,960,136	9,854,428
Total Class I Utilization	<u>360,500,229</u>	<u>388,768,971</u>
Average Butterfat Test	1.98%	1.98%
Daily Average Utilization	11,629,040	12,540,935
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,610,464	2,362,791
Shrinkage	15,203	4,960
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	33,807,103	43,442,015
Total Class II Utilization	<u>15,105,448</u>	<u>29,769,963</u>
Average Butterfat Test	9.87%	11.49%
<b>Class III Utilization</b>		
Shrinkage	6,347,590	6,525,144
Transfers & Diversions to Nonpool Used To Produce/Other Uses	17,811,658	45,690,647
Total Class III Utilization	<u>3,733,466</u>	<u>2,937,528</u>
Average Butterfat Test	27,892,714	55,153,319
<b>Class IV Utilization</b>		
Inventory	23,655,660	15,488,933
Nonfluid Used To Fortify	703,441	1,243,955
Shrinkage	1,085	338
Transfers & Diversions to Nonpool Used To Produce/Other Uses	12,274,215	25,995,122
Total Class IV Utilization	<u>0</u>	<u>0</u>
Average Butterfat Test	36,634,401	42,728,348
<b>Total Utilization</b>	<b>476,565,562</b>	<b>562,230,367</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2014 is \$27.39 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$18.36 per hundredweight plus 3.5 times the uniform butterfat price of \$2.7646 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 80.31% of all producer skim milk (priced to handlers at \$15.22 per hundredweight, plus the Class I differential, see page 2) and 43.82% of producer butterfat (priced to handlers at \$2.6235 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 9.48% of all producer skim milk (\$15.92 per hundredweight) and 33.63% of producer butterfat (\$2.8518 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.92% of all producer skim milk (\$12.74 per hundredweight) and 9.26% of producer butterfat (\$2.8448 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.29% of all producer skim milk (\$14.44 per hundredweight) and 13.29% of producer butterfat (\$2.8448 per pound).

Receipts of producer milk during August totaled 410.7 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plant and 17 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2014. Class I route disposition in the area was 356.1 million pounds in July 2014.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2014</b>		
Whole Milk	123,566,006	34.70%
Fat Free Milk	34,676,372	9.74%
Lowfat Milk (incl. 1%)	31,554,461	8.86%
Reduced Fat Milk (incl. 2%)	141,264,725	39.68%
Cultured Fluid Milk (incl. Buttermilk)	7,618,005	2.14%
Flavored Drinks and Milk	17,374,129	4.88%
<b>Total Disposition in Marketing Area</b>	<b>356,053,698</b>	<b>100.0%</b>
Total Disposition by Pool Plants	270,434,402	75.95%
Total Disposition by Nonpool Plants	85,619,296	24.05%
<b>Total Disposition in Marketing Area</b>	<b>356,053,698</b>	<b>100.0%</b>

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### Exports Weaken Across the Board As Imports Move Upward; Prices Still Favor Expansion

(continued from page 1) currencies lead to an increase in dairy imports and a drop in exports. Milk and dairy product production in the European Union (EU) continues to expand with deliveries up 5 percent year-over-year in the first half of 2014. New Zealand's milk production is expected to increase with the seasonal flush in October. Higher global milk supplies are expected to pressure prices for the balance of 2014 and into 2015. Milk-equivalent fat-basis imports for 2014 are raised this month to 4.1 billion pounds. Similarly, milk-equivalent imports on a skim-solids basis are increased from August to 5.3 billion pounds this year. Next year's imports were also increased from August to 3.8 billion pounds on a fat basis and to 5.2 billion pounds on a skim-solids basis. Milk-equivalent exports are lowered for both 2014 and 2015. Current-year fat-basis exports are lowered to 12.6 billion pounds mostly on lower expected cheese and butter exports. Current-year skim-solids exports are lowered to 39.8 billion pounds based on lower expected exports of whey, lactose and skim milk powder (SMP). For next year, fat and skim-solids basis exports are lowered to 11.5 billion pounds and to 38.5 billion pounds respectively based on greater global competition.

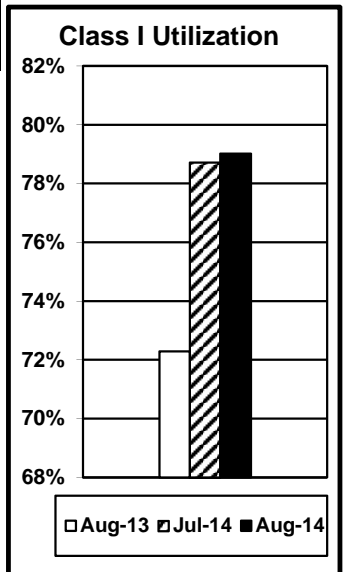
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-243/Sept. 17, 2014; Economic Research Service, USDA*

**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
Jun 2013	\$16.89	\$1.8380	\$22.73	\$13.79	\$1.6669	\$19.14	\$12.65	\$1.6599	\$18.02	\$13.54	\$1.6599	\$18.88	\$15.85	\$1.7198	\$21.31
Jul	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$15.09	\$2.6349	\$23.78	\$18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$14.44	\$2.8448	\$23.89	\$18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26											

**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.	%
Jun 2013	523,364	2,309	294,321	56.24%	69,416	13.26%	88,805	16.97%	70,822	13.53%
Jul	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	2,050**	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%



\* 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 2014

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
SEP 2014	10/11/14	10/14/14	10/15/14	09/25/14	09/26/14	10/15/14	10/16/14
OCT 2014	11/11/14	11/12/14	11/13/14	10/27/14	10/27/14	11/13/14	11/14/14
NOV 2014	12/11/14	12/12/14	12/15/14	11/25/14	11/26/14	12/15/14	12/16/14

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$24.65 per hundredweight. This is 90 percent of the preceding month's uniform price of \$27.39 per hundredweight.

### Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

## WASDE Dairy Report 1/

### WASDE – 533 September 11, 2014

The milk production forecast for 2014 is raised on growth in output per cow, but the forecast for 2015 is unchanged. Export forecasts for 2014 and 2015 are lowered as higher forecast U.S. prices for butter and cheese make those products less competitive in world markets and sales of a number of other dairy products are limited as well. Skim-solids and fat-basis imports are raised for both 2014 and 2015 as supplies in competing exporters are expected to be large while U.S. prices remain relatively high.

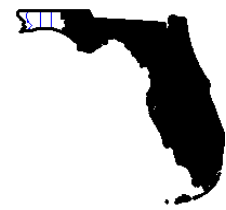
Butter and cheese price forecasts are raised for 2014 with strength in both expected to continue into the first part of 2015. Nonfat dry milk prices are forecast lower in 2014 and 2015. The forecast whey price is unchanged for 2014 but is lowered fractionally for 2015. Class III prices for 2014 and 2015 are raised. The Class IV price is higher in 2014 but reduced in 2015. The all milk price is raised to \$23.80 to \$24.00 per cwt for 2014, and is lowered for 2015 to \$19.40 to \$20.40 per cwt..

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



#### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

October 2014



Southeast Marketing Area  
Federal Order 7

Volume 15—No. 10

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

## Milk Prices Are Forecast Lower Next Year and Milk Production Is Forecast Higher

*Excerpts from Livestock, Dairy, & Poultry Outlook, October 17, 2014, Economic Research Service, USDA:*

U.S. corn prices for 2014/15 are lowered again in October from September to \$3.10-\$3.70 per bushel on higher forecast corn production. Soybean meal prices for 2014/15 are unchanged from September at \$330-\$370 per ton. Soybean supplies are tightened slightly but not enough to affect prices. The September Agricultural Prices reported September preliminary alfalfa hay prices at \$197 per ton, lower than August and about the same as a year ago. Lower forecast grain and an unchanged soymeal price in 2014/15, along with anticipated forage prices, will likely maintain a milk-feed price ratio in 2015 that is conducive to expansion.

The September Milk Production report placed April to June milk production 1.7 percent above the corresponding period in 2013. Although milk prices are projected lower for 2015, the dairy herd is expected to expand next year on lower expected feed costs. The October dairy cow herd forecast is maintained at 9.260 million head for the current year and is unchanged from September at 9.335 million head for 2015. Based on year-to-date reported data, the forecast of annual output per cow is lowered slightly to 22,255 pounds this year, with an increase expected next year to 22,790 pounds. Milk production in 2014 is forecast at 206.1 billion pounds, slightly lower than September's forecast. Forecast production in 2015 was raised in October to 212.8 billion pounds based on the higher forecast yield per cow.

Milk equivalent exports for 2014 and 2015 on a fats basis are unchanged in October from last month at 12.6 billion pounds for the current year and 11.5 billion pounds for 2015. Current U.S. dairy product prices are above world prices. Lower expected domestic milk and dairy product prices in 2015 should help maintain exports next year. (Continued on page 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$27.86 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.47 higher than the previous month and is \$5.76 per hundredweight higher compared to September 2013.

Class I utilization was 82.12 percent in September, 3.10 percent higher than the previous month and 12.4 percent higher than September of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in August 2014 was 17.22 billion pounds, up 2.5 percent from August 2013 and 1.3 percent lower when compared with July 2014. Total cheese output (excluding cottage cheese) was 940 million pounds, 0.9 percent above August 2013 but 1.7 percent below July 2014. Butter production was 131 million pounds, 2.4 percent below August 2013 and 4.3 percent below July 2014.

Nonfat dry milk powder production was 118.0 million pounds in August, up 11.6 percent from August 2013 and 28.5 percent lower than July 2014. Dry whey production was 69.7 million pounds in August, 8.0 percent lower than August 2013 and 5.1 percent lower than July 2014. Whey protein concentrates production was 45.4 million pounds in August 2014, 15.1 percent higher compared to August 2013 and 2.1 percent higher than the previous month.

The preliminary milk-feed price ratio, (the pounds of 16% mixed dairy feed equal in value to 1 lb. of whole milk), was 2.90 in September based on higher milk prices and lower corn, alfalfa and soybean prices.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.44%	6,344,297	\$2.7373	\$ 17,366,244.17
Class I Differential at Location				207,209.27
Class II Butterfat	35.39%	5,051,767	\$3.2537	16,436,934.28
Class III Butterfat	6.86%	978,882	\$3.2467	3,178,136.19
Class IV Butterfat	13.31%	1,900,189	\$3.2467	6,169,343.63
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,275,135</b>		<b>\$ 43,357,867.54</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$3.0373**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	83.52%	318,915,912	\$14.56 /cwt.	\$ 46,434,156.79
Class I Butterfat	44.44%	6,344,297	\$2.7373 /lb.	17,366,244.17
Class I Differential at Location		325,260,209		10,691,411.70
<b>Total Class I Milk</b>	<b>82.12%</b>	<b>325,260,209</b>		<b>\$ 74,491,812.66</b>
Class II Skim Milk	8.86%	33,818,350	\$15.26 /cwt.	\$ 5,160,680.22
Class II Butterfat	35.39%	5,051,767	\$3.2537 /lb.	16,436,934.28
<b>Total Class II Milk</b>	<b>9.81%</b>	<b>38,870,117</b>		<b>\$ 21,597,614.50</b>
Class III Skim Milk	3.21%	12,266,200	\$13.72 /cwt.	\$ 1,682,922.65
Class III Butterfat	6.86%	978,882	\$3.2467 /lb.	3,178,136.19
<b>Total Class III Milk</b>	<b>3.34%</b>	<b>13,245,082</b>		<b>\$ 4,861,058.84</b>
Class IV Skim Milk	4.41%	16,823,400	\$11.62 /cwt.	\$ 1,954,879.10
Class IV Butterfat	13.31%	1,900,189	\$3.2467 /lb.	6,169,343.63
<b>Total Class IV Milk</b>	<b>4.73%</b>	<b>18,723,589</b>		<b>\$ 8,124,222.73</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>396,098,997</b>		<b>\$ 109,074,708.73</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$34,195.30
Producer butterfat at uniform butterfat price	(\$43,357,867.54)
Location Adjustments to Producers	\$2,385,658.57
1/2 Unobligated Balance in P.S.F.	\$183,308.85

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 17.89307	\$68,320,003.91
	\$ 0.04307	\$164,444.55

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

**\$17.85**

Uniform Price per cwt. (Fulton County, Georgia)

**\$27.86\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	SEP 2014	OCT 2014	AUG 2014	SEP 2014	SEP 2014
Appalachian (Charlotte)	\$ 27.03	\$ 27.59	\$ 26.73	\$ 27.23	73.19%
Arizona (Phoenix)	\$ 25.98	\$ 26.54	\$ 24.28	\$ 24.91	31.64%
Central (Kansas City)	\$ 25.63	\$ 26.19	\$ 23.76	\$ 24.83	32.79%
Florida (Tampa)	\$ 29.03	\$ 29.59	\$ 28.84	\$ 29.29	86.85%
Midwest (Cleveland)	\$ 25.63	\$ 26.19	\$ 24.20	\$ 25.07	35.90%
Northeast (Boston)	\$ 26.88	\$ 27.44	\$ 25.41	\$ 26.16	36.70%
Pacific Northwest (Seattle)	\$ 25.53	\$ 26.09	\$ 23.69	\$ 24.30	23.88%
<b>Southeast (Atlanta)</b>	<b>\$ 27.43</b>	<b>\$ 27.99</b>	<b>\$ 27.39</b>	<b>\$ 27.86</b>	<b>82.12%</b>
Southwest (Dallas)	\$ 26.63	\$ 27.19	\$ 24.29	\$ 25.80	32.60%
Upper Midwest (Chicago)	\$ 25.43	\$ 25.99	\$ 22.73	\$ 24.76	10.80%



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

<b>Receipts:</b>	<b>September 2014</b>	<b>September 2013</b>
<b>Producer Milk</b>		
Class I	325,260,209	332,018,529
Class II	38,870,117	63,124,953
Class III	13,245,082	58,739,625
Class IV	18,723,589	22,375,961
Total Producer Milk	<u>396,098,997</u>	<u>476,259,068</u>
Average Butterfat Test	3.60%	3.64%
Percent of Producer Milk in Class I	82.12%	69.72%
Daily Average Receipts	13,203,300	15,875,302
<b>Other Source Milk</b>		
Class I	14,496,313	13,611,518
Class II	11,106,286	6,699,500
Class III	406,636	1,313,891
Class IV	5,860,704	6,361,976
Total Other Source Milk	<u>31,869,939</u>	<u>27,986,885</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	15,863
Total Overage	<u>0</u>	<u>15,863</u>
<b>Opening Inventory</b>		
Class I	22,481,016	24,130,748
Class II	1,000,722	323,259
Class III	132,563	840,941
Class IV	21,726,989	14,251,578
Total Opening Inventory	<u>45,341,290</u>	<u>39,546,526</u>
<b>Total Receipts</b>	<b>473,310,226</b>	<b>543,808,342</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	22,742,787	22,817,096
Route Disposition Class I	328,566,399	334,588,556
Shrinkage	3,196,237	2,461,203
Transfers & Diversions to Nonpool	7,732,115	9,893,940
Total Class I Utilization	<u>362,237,538</u>	<u>369,760,795</u>
Average Butterfat Test	1.94%	1.92%
Daily Average Utilization	12,074,585	12,325,360
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,654,933	2,786,279
Shrinkage	3,015	397
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	35,798,275	39,975,465
Total Class II Utilization	<u>12,520,902</u>	<u>27,385,571</u>
Average Butterfat Test	50,977,125	70,147,712
<b>Class III Utilization</b>		
Shrinkage	0	5,795,054
Transfers & Diversions to Nonpool Used To Produce/Other Uses	13,784,281	51,576,199
Total Class III Utilization	<u>0</u>	<u>3,523,204</u>
Average Butterfat Test	13,784,281	60,894,457
<b>Class IV Utilization</b>		
Inventory	19,857,771	21,751,754
Nonfluid Used To Fortify	737,871	1,100,891
Shrinkage	5,864,629	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	15,665,363	20,152,733
Total Class IV Utilization	<u>4,185,648</u>	<u>0</u>
Average Butterfat Test	46,311,282	43,005,378
<b>Total Utilization</b>	<b>473,310,226</b>	<b>543,808,342</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2014 is \$27.86 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$17.85 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0373 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 83.52% of all producer skim milk (priced to handlers at \$14.56 per hundredweight, plus the Class I differential, see page 2) and 44.44% of producer butterfat (priced to handlers at \$2.7373 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 8.86% of all producer skim milk (\$15.26 per hundredweight) and 35.39% of producer butterfat (\$3.2537 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.21% of all producer skim milk (\$13.72 per hundredweight) and 6.86% of producer butterfat (\$3.2467 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.41% of all producer skim milk (\$11.62 per hundredweight) and 13.31% of producer butterfat (\$3.2467 per pound).

Receipts of producer milk during September totaled 396.1 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2014. Class I route disposition in the area was 388.8 million pounds in August 2014.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>August 2014</u></b>		
Whole Milk	120,896,343	31.09%
Fat Free Milk	36,727,801	9.45%
Lowfat Milk (incl. 1%)	41,677,601	10.72%
Reduced Fat Milk (incl. 2%)	140,801,034	36.21%
Cultured Fluid Milk (incl. Buttermilk)	7,400,216	1.90%
Flavored Drinks and Milk	41,312,610	10.63%
<b>Total Disposition in Marketing Area</b>	<b>388,815,605</b>	<b>100.0%</b>
Total Disposition by Pool Plants	295,301,850	75.95%
Total Disposition by Nonpool Plants	93,513,755	24.05%
<b>Total Disposition in Marketing Area</b>	<b>388,815,605</b>	<b>100.0%</b>

### Prices Are Forecast Lower Next Year and Milk Production Is Forecast Higher

(continued from page 1) Dairy product prices for 2014 are raised from September, with the exception of a lower forecast price for NDM. The monthly NDM price, as reported by the Agricultural Marketing Service, dropped by 32 cents from August to September. For 2015, prices are forecast lower on a year-over-year basis but with the exception of NDM are unchanged from September's forecast; however, forecast ranges are narrowed.

The lower year-over-year product prices expected in 2015 will result in lower milk price forecasts for next year. However, prices are higher than those forecast in September. With higher projected cheese and butter prices this month compared with last month, the Class III price was raised to \$22.40-\$22.50 per cwt for this year. The forecast 2015 price range is narrowed this month to \$17.25-\$18.15 per cwt. The Class IV price is forecast at \$22.40-\$22.60 per cwt for 2014 and lowered to \$17.45-\$18.45 per cwt for 2015. The all milk price is raised at \$24.10-\$24.20 per cwt in 2014 and lowered to \$18.95-\$19.95 per cwt in 2015.

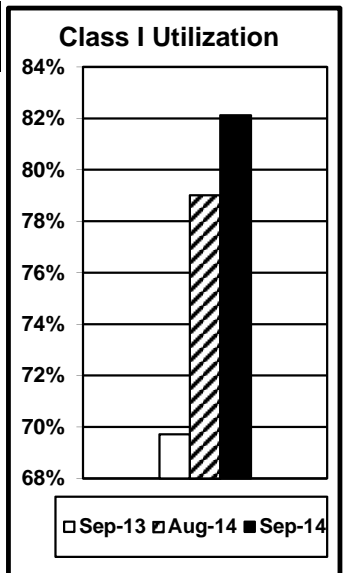
Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-244/Oct. 17, 2014; Economic Research Service, USDA; Available at: <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook/ldpm-244.aspx>*

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2013	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$15.09	\$2.6349	\$23.78	\$18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$14.44	\$2.8448	\$23.89	\$18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$11.62	\$3.2467	\$22.58	\$17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2013	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	2,000**	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%



\* 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 2014

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 2014	11/11/14	11/12/14	11/13/14	10/27/14	10/27/14	11/13/14	11/14/14
NOV 2014	12/11/14	12/12/14	12/15/14	11/25/14	11/26/14	12/15/14	12/16/14
DEC 2014	01/11/15	01/12/15	01/13/15	12/26/14	12/26/14	01/13/15	01/14/15

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$25.07 per hundredweight. This is 90 percent of the preceding month's uniform price of \$27.86 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 – 534 October 10, 2014

The milk production forecast for 2014 is reduced from last month on slower growth in milk per cow. However, for 2015, the production forecast is raised as growth in output per cow is expected higher with relatively lower-priced feed. Export forecasts for 2014 are lowered as U.S. dairy prices are less competitive, but import forecasts are raised as relatively high U.S. prices encourage larger imports. The trade forecasts for 2015 are unchanged.

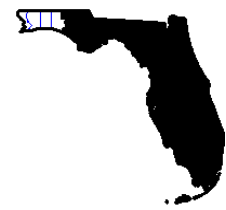
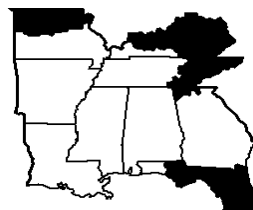
Butter, cheese, and whey prices for 2014 are raised from last month as domestic demand continues to support prices. Prices of these products are unchanged for 2015. However, the nonfat dry milk (NDM) price forecasts for both 2014 and 2015 are reduced as U.S. prices are expected to decline to increase the competitiveness of NDM exports. The Class III price for 2014 is raised on stronger cheese and whey prices, but is unchanged for 2015. The Class IV price is raised for 2014 as higher butter prices more than offset the decline in NDM prices, but for 2015, the lower forecast NDM price results in a lower Class IV price. The all milk price is raised to \$24.10 to \$24.20 per cwt for 2014, and is lowered for 2015 to \$18.95 to \$19.85 per cwt.

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



### MILK MARKET ADMINISTRATOR

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



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

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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

November 2014



Southeast Marketing Area  
Federal Order 7

Volume 15—No. 11

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

## Dairy Prices Decline in October After a Record-Setting Increase

*Excerpts from Livestock, Dairy, & Poultry Outlook, November 17, 2014, Economic Research Service, USDA:*

The October all milk price of \$25.30 per cwt was second only to the record-high September price of \$25.70 per hundredweight (cwt). The October USDA benchmark 16-percent dairy-feed ration was \$8.25 per cwt of feed, the lowest since November 2010. The milk-feed ratio of 3.07 for October 2014 was at its highest level since October 2007. However, from September to October, dairy product prices and Federal order minimum milk prices declined. As buyers felt more comfortable with supplies ahead of the holidays, the national weekly butter price as reported by USDA Agricultural Marketing Service (AMS) fell more than a dollar in 4 weeks, from a record high of \$3.01 per pound for the week ending October 4 to \$1.99 per pound for the week ending November 1.

Although U.S. dairy product prices have declined, they are still significantly higher than export prices of competitors. For example, for the week ending November 1, the AMS butter price was \$1.99 per pound while the Oceania export price ranged from \$1.10 to \$1.45 per pound for the 2 weeks ending November 7. Several factors are contributing to relatively low dairy prices abroad. New Zealand and the European Union (EU) have both experienced robust growth in milk production. For the January through August period, New Zealand experienced 14-percent year-over-year growth, while the growth for the EU was 5 percent over the same period (Dairy Companies Association of New Zealand and Eurostat). A reduction in dairy import demand from China has played a role as China's imports of milk powder have fallen from a peak of 159,034 metric tons in January 2014 to 25,518 metric tons in September. EU export prices have declined since Russia announced a 1-year ) ban on agricultural product imports from several countries in August. (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$26.73 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$1.13 lower than the previous month and is \$4.15 per hundredweight higher compared to October 2013.

Class I utilization was 81.01 percent in October, 1.11 percent lower than the previous month and 8.60 percent higher than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2014 was 16.47 billion pounds, up 4.0 percent from September 2013 and 1.1 percent lower when compared with August 2014. Total cheese output in September (excluding cottage cheese) was 942 million pounds, 4.7 percent above September 2013 and 3.5 percent above August 2014 on a daily average basis. September 2014 butter production was 130 million pounds, 1.6 percent below September 2013 but 4.5 percent above August 2014 on a daily average basis.

Nonfat dry milk powder production was 114.0 million pounds in September 2014, up 54.1 percent from September 2013 and 0.1 percent lower than August 2014 on a daily average basis. Dry whey production was 69.5 million pounds in September, a 3.9 percent decrease compared to September 2013 and 3.3 percent higher than August 2014 on a daily average basis. Whey protein concentrates production was 42.1 million pounds in September 2014, 7.0 percent higher compared to September 2013 but 2.8 percent lower than the previous month on a daily average basis.

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.22%	6,620,660	\$3.1410	\$ 20,795,493.07
Class I Differential at Location				216,884.12
Class II Butterfat	34.20%	5,240,121	\$2.8577	14,974,693.77
Class III Butterfat	6.25%	957,410	\$2.8507	2,729,288.68
Class IV Butterfat	16.33%	2,502,531	\$2.8507	7,133,965.09
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,320,722</b>		<b>\$ 45,850,324.73</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.9927**

### Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
<b>Producer Milk</b>				
Class I Skim Milk	82.48%	327,997,740	\$13.67 /cwt.	\$ 44,837,291.06
Class I Butterfat	43.22%	6,620,660	\$3.1410 /lb.	20,795,493.07
Class I Differential at Location		334,618,400		11,009,760.06
<b>Total Class I Milk</b>	<b>81.01%</b>	<b>334,618,400</b>		<b>\$ 76,642,544.19</b>
Class II Skim Milk	10.73%	42,672,854	\$12.36 /cwt.	\$ 5,274,364.77
Class II Butterfat	34.20%	5,240,121	\$2.8577 /lb.	14,974,693.77
<b>Total Class II Milk</b>	<b>11.60%</b>	<b>47,912,975</b>		<b>\$ 20,249,058.54</b>
Class III Skim Milk	3.43%	13,657,970	\$14.34 /cwt.	\$ 1,958,552.90
Class III Butterfat	6.25%	957,410	\$2.8507 /lb.	2,729,288.68
<b>Total Class III Milk</b>	<b>3.54%</b>	<b>14,615,380</b>		<b>\$ 4,687,841.58</b>
Class IV Skim Milk	3.36%	13,381,679	\$11.78 /cwt.	\$ 1,576,361.80
Class IV Butterfat	16.33%	2,502,531	\$2.8507 /lb.	7,133,965.09
<b>Total Class IV Milk</b>	<b>3.85%</b>	<b>15,884,210</b>		<b>\$ 8,710,326.89</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>413,030,965</b>		<b>\$ 110,289,771.20</b>

### Adjustments

Overage and Other Source	\$267.97
Inventory Adjustments	\$41,613.82
Producer butterfat at uniform butterfat price	(\$45,850,324.73)
Location Adjustments to Producers	\$2,501,739.18
1/2 Unobligated Balance in P.S.F.	\$160,516.58

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 16.88254	\$67,143,584.02
	\$ 0.04254	\$169,179.10

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

**\$16.84**

Uniform Price per cwt. (Fulton County, Georgia)

**\$26.73\***

\* 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 2014	NOV 2014	SEP 2014	OCT 2014	OCT 2014
Appalachian (Charlotte)	\$ 27.59	\$ 27.46	\$ 27.23	\$ 25.97	73.50%
Arizona (Phoenix)	\$ 26.54	\$ 26.41	\$ 24.91	\$ 23.45	30.87%
Central (Kansas City)	\$ 26.19	\$ 26.06	\$ 24.83	\$ 23.46	38.48%
Florida (Tampa)	\$ 29.59	\$ 29.46	\$ 29.29	\$ 28.10	85.46%
Midwest (Cleveland)	\$ 26.19	\$ 26.06	\$ 25.07	\$ 23.31	38.70%
Northeast (Boston)	\$ 27.44	\$ 27.31	\$ 26.16	\$ 24.35	37.90%
Pacific Northwest (Seattle)	\$ 26.09	\$ 25.96	\$ 24.30	\$ 22.83	35.79%
<b>Southeast (Atlanta)</b>	<b>\$ 27.99</b>	<b>\$ 27.86</b>	<b>\$ 27.86</b>	<b>\$ 26.73</b>	<b>81.01%</b>
Southwest (Dallas)	\$ 27.19	\$ 27.06	\$ 25.80	\$ 24.50	53.10%
Upper Midwest (Chicago)	\$ 25.99	\$ 25.86	\$ 24.76	\$ 23.71	13.70%

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

<b>Receipts:</b>	<b>October 2014</b>	<b>October 2013</b>
<b>Producer Milk</b>		
Class I	334,618,400	360,942,312
Class II	47,912,975	69,064,529
Class III	14,615,380	58,006,155
Class IV	15,884,210	10,481,631
Total Producer Milk	<u>413,030,965</u>	<u>498,494,627</u>
Average Butterfat Test	3.71%	3.73%
Percent of Producer Milk in Class I	81.01%	72.41%
Daily Average Receipts	13,323,580	16,080,472
<b>Other Source Milk</b>		
Class I	17,011,651	10,058,014
Class II	5,526,873	9,912,394
Class III	481,393	1,714,827
Class IV	6,640,432	4,886,879
Total Other Source Milk	<u>29,660,349</u>	<u>26,572,114</u>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	94	34,928
Class IV	0	13,724
Total Overage	<u>94</u>	<u>48,652</u>
<b>Opening Inventory</b>		
Class I	23,054,577	23,006,323
Class II	2,645,487	1,603,779
Class III	564,449	3,016,098
Class IV	16,342,354	17,122,975
Total Opening Inventory	<u>42,606,867</u>	<u>44,749,175</u>
<b>Total Receipts</b>	<b>485,298,275</b>	<b>569,864,568</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	25,677,752	26,918,618
Route Disposition Class I	339,623,232	355,090,031
Shrinkage	1,702,908	2,551,727
Transfers & Diversions to Nonpool	7,680,736	9,446,273
Total Class I Utilization	<u>374,684,628</u>	<u>394,006,649</u>
Average Butterfat Test	1.98%	1.97%
Daily Average Utilization	12,083,601	12,709,892
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,730,613	2,909,149
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	41,313,864	47,527,555
Total Class II Utilization	<u>12,040,858</u>	<u>30,178,926</u>
Average Butterfat Test	56,085,335	80,615,630
Average Butterfat Test	9.66%	10.86%
<b>Class III Utilization</b>		
Shrinkage	0	5,982,299
Transfers & Diversions to Nonpool Used To Produce/Other Uses	15,661,316	53,210,574
Total Class III Utilization	<u>15,661,316</u>	<u>62,737,080</u>
Average Butterfat Test	6.19%	4.71%
<b>Class IV Utilization</b>		
Inventory	12,731,460	16,185,167
Nonfluid Used To Fortify	1,077,135	1,670,536
Shrinkage	5,807,284	0
Transfers & Diversions to Nonpool Used To Produce/Other Uses	15,554,472	14,649,506
Total Class IV Utilization	<u>38,866,996</u>	<u>32,505,209</u>
Average Butterfat Test	10.90%	11.77%
<b>Total Utilization</b>	<b>485,298,275</b>	<b>569,864,568</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2014 is \$26.73 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.84 per hundredweight plus 3.5 times the uniform butterfat price of \$2.9927 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 82.48% of all producer skim milk (priced to handlers at \$13.67 per hundredweight, plus the Class I differential, see page 2) and 43.22% of producer butterfat (priced to handlers at \$3.1410 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.73% of all producer skim milk (\$12.36 per hundredweight) and 34.20% of producer butterfat (\$2.8577 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.43% of all producer skim milk (\$14.34 per hundredweight) and 6.25% of producer butterfat (\$2.8507 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.36% of all producer skim milk (\$11.78 per hundredweight) and 16.33% of producer butterfat (\$2.8507 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>September 2014</b>		
Whole Milk	116,751,840	30.27%
Fat Free Milk	35,767,304	9.27%
Lowfat Milk (incl. 1%)	43,324,280	11.23%
Reduced Fat Milk (incl. 2%)	134,712,828	34.92%
Cultured Fluid Milk (incl. Buttermilk)	7,366,805	1.91%
Flavored Drinks and Milk	47,824,409	12.40%
<b>Total Disposition in Marketing Area</b>	<b>385,747,466</b>	<b>100.0%</b>
Total Disposition by Pool Plants	295,518,365	76.61%
Total Disposition by Nonpool Plants	90,229,101	23.39%
<b>Total Disposition in Marketing Area</b>	<b>385,747,466</b>	<b>100.0%</b>

Receipts of producer milk during October totaled 413.0 million pounds. There were 22 regulated pool distributing plants, 1 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2014. Class I route disposition in the area was 388.8 million pounds in September 2014.

### Excerpts from the Latest Livestock, Dairy, & Poultry Outlook

(continued from page 1) Receipts U.S. milk production during the third quarter totaled 51.1 billion pounds, up 3.5 percent from the third quarter last year and slightly higher than projected last month. Milk cow numbers for the quarter were lower than expected, while milk per cow for the quarter was higher than expected. Of the 23 Selected States reported monthly by USDA National Agricultural Statistics Service, all had September year-over-year gains in milk production with the exception of Illinois, which had a decline of 0.7 percent. Despite persistent drought conditions, milk production for California continues to grow, with September milk production 2.9 percent above last year.

Reflecting recent data, for the fourth quarter of 2014, there are offsetting adjustments from last month's forecast in cow numbers (down 20-thousand head) and milk per cow (up 15 pounds), leaving milk production for the quarter unchanged at 51.2 billion pounds. The annual milk production projection for 2014 is increased 0.1 billion pounds to 206.2 billion pounds, reflecting higher milk per cow in the third quarter. Milk prices relative to feed prices are expected to continue to encourage expansion of milk production in 2015, though at a lesser rate than forecast last month. Milk production for 2015 is projected at 212.3 billion pounds.

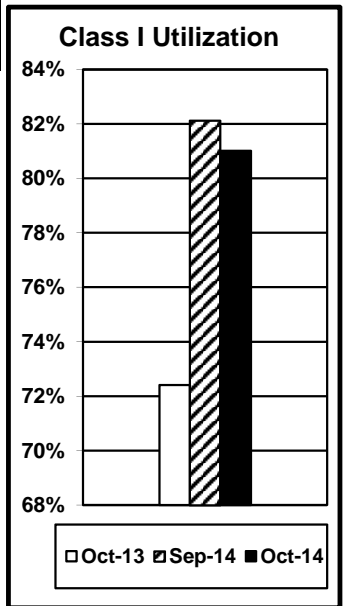


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2013	\$17.30	\$1.7183	\$22.71	\$14.20	\$1.5763	\$19.22	\$12.32	\$1.5693	\$17.38	\$13.89	\$1.5693	\$18.90	\$16.44	\$1.6313	\$21.57
Aug	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$14.28	\$1.5104	\$19.07	\$16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$14.62	\$1.5196	\$19.43	\$17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$14.87	\$1.6638	\$20.17	\$17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$15.34	\$1.6336	\$20.52	\$18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$15.91	\$1.7672	\$21.54	\$18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$16.62	\$1.7874	\$22.29	\$19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$17.02	\$2.0109	\$23.46	\$19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$17.12	\$2.0402	\$23.66	\$20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$16.50	\$2.1207	\$23.34	\$20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$15.23	\$2.2721	\$22.65	\$19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$15.11	\$2.4413	\$23.13	\$18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$15.09	\$2.6349	\$23.78	\$18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$14.44	\$2.8448	\$23.89	\$18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$11.62	\$3.2467	\$22.58	\$17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$11.78	\$2.8507	\$21.35	\$16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2013	477,509	2,189	324,966	68.05%	56,567	11.85%	67,966	14.23%	28,009	5.87%
Aug	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,950**	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%



\* 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 2014 through January 2015

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
NOV 2014	12/11/14	12/12/14	12/15/14	11/25/14	11/26/14	12/15/14	12/16/14
DEC 2014	01/11/15	01/12/15	01/13/15	12/26/14	12/26/14	01/13/15	01/14/15
JAN 2015	02/11/15	02/12/15	01/26/15	01/26/15	02/13/15	02/13/15	02/17/15

\*\* The base rate for making partial payments in Fulton County, GA for November will be \$24.06 per hundredweight. This is 90 percent of the preceding month's uniform price of \$26.73 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 – 535 November 10, 2014

The milk production forecast for 2014 is increased from last month as growth in milk per cow has increased. However, for 2015, the production forecast is lowered as the expansion in cow numbers and growth in milk per cow are expected to be more moderate. Export forecasts for 2014 and 2015 are lowered as U.S. dairy products, especially on a skim solids basis, remain less competitive in world markets.

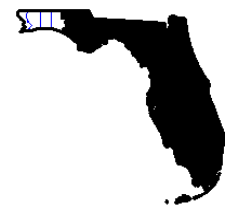
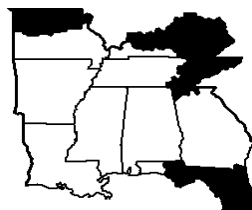
Cheese and nonfat dry milk (NDM) prices are raised for 2014, reflecting current price movements, but the price forecasts for 2015 are lowered as domestic supplies are expected to be relatively large. Butter prices are reduced for both 2014 and 2015 based on prices to date and weaker expected exports. Whey prices are unchanged from last month. The Class III price for 2014 is raised on stronger cheese prices, but weaker cheese prices in 2015 result in a lower expected Class III price. The Class IV price is lowered for 2014 as lower butter prices more than offset a higher NDM price. For 2015 both butter and NDM prices will be weaker, resulting in a lower Class IV price forecast. The all milk price is raised to \$24.15 to \$24.25 per cwt for 2014, but is lowered for 2015 to \$18.85 to \$19.75 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](http://www.usda.gov/oce/commodity/wasde/index.htm).*



#### MILK MARKET ADMINISTRATOR

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



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

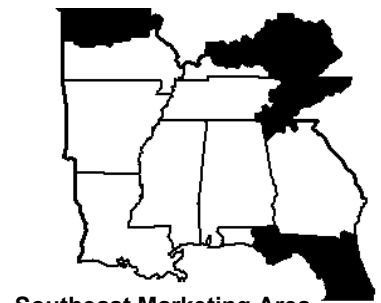
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# Market Information BULLETIN

Patrick S. Clark, Market Administrator

www.fmmatlanta.com

December 2014



Southeast Marketing Area  
Federal Order 7

Volume 15—No. 12

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

## Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, December 16, 2014, Economic Research Service, USDA:*

According to USDA National Agricultural Statistics Service (NASS), October milk production was 17.1 billion pounds, 3.8 percent higher than it was in October 2013. Milk production per cow averaged 1,842 pounds, 2.9 percent over October 2013, and milk cows numbered 9.280 million head, 77,000 more than October 2013 and 4,000 head more than September 2014. Of the 23 selected States reported monthly by NASS, all had October year-over-year gains in milk production with the exception of Illinois, which had milk production equal to that of the year before.

The preliminary November milk-feed price ratio as reported by NASS was 2.80, down slightly from 2.91 in October. Feed prices are expected to remain relatively low for 2014/15. The corn price projection for 2014/15 is unchanged from last month's forecast of \$3.20 - \$3.80 per bushel, and the soybean meal price is raised to \$340 - \$380 per short ton. With relatively low feed costs compared with milk prices in recent months and expectations of relatively low feed prices in the near future, price signals indicate continued solid growth in milk production.

As with the fourth quarter of 2014, the most substantial changes to 2015 are for the cheese prices, NDM prices, and the associated farm milk prices. The NDM price forecast for 2015 is lowered to \$1.340 - \$1.400 per pound. With the lower NDM prices, more milk is expected to be allocated into cheese manufacturing, resulting in lower cheese prices of \$1.625 - \$1.705 per pound for 2015. The 2015 annual price forecast of \$1.665 - \$1.775 for butter is unchanged from last month's forecast at the midpoint of the range. The dry whey price forecast is unchanged at 56.0 - 59.0 cents. Dairy product prices are projected to rise in the second half of 2015 as global demand reflects an expected end of the Russian import ban. For 2015, the Class III milk price has been (continued on page 4)

## Uniform Price Decreases

The uniform price in Fulton County, GA, was \$24.85 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$1.88 lower than the previous month and is \$1.49 per hundredweight higher compared to November 2013.

Class I utilization was 75.12 percent in November, 5.89 percent lower than the previous month and 2.01 percent lower than November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2014 was 17.09 billion pounds, up 3.8 percent from October 2013 and 0.3 percent higher when compared with September 2014 on a daily average basis. Total cheese output (excluding cottage cheese) was 977 million pounds, 2.3 percent above October 2013 and 0.2 percent above September 2014 on a daily average basis. Butter production was 148 million pounds, 1.5 percent above October 2013 and 10.1 percent above September 2014 on a daily average basis.

Nonfat dry milk powder production was 132.0 million pounds in October 2014, up 54.1 percent from October 2013 and 11.4 percent higher than September 2014 on a daily average basis. Dry whey production was 70.6 million pounds in October, a 1.2 percent decrease compared to October 2013 and 3.4 percent lower than September 2014 on a daily average basis. Whey protein concentrates production was 46.3 million pounds in October 2014, 1.7 percent higher compared to October 2013 and 7.2 percent higher than the previous month on a daily average basis.

**F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - NOVEMBER 2014**

**Calculation of Uniform Butterfat Price:**

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.74%	6,596,427	\$3.2216	\$ 21,251,049.22
Class I Differential at Location				215,976.03
Class II Butterfat	30.98%	5,017,381	\$2.2081	11,078,879.01
Class III Butterfat	6.78%	1,098,384	\$2.2011	2,417,653.01
Class IV Butterfat	21.50%	3,481,573	\$2.2011	7,663,290.34
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,193,765</b>		<b>\$ 42,626,847.61</b>

**Uniform Butterfat Price per lb. (Fulton County, Georgia):** **\$2.6323**

**Calculation of Uniform Skim Milk Price:**

<b>Producer Milk</b>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	76.49%	312,581,412	\$13.25 /cwt.	\$ 41,417,037.13
Class I Butterfat	40.74%	6,596,427	\$3.2216 /lb.	21,251,049.22
Class I Differential at Location		319,177,839		10,464,409.52
<b>Total Class I Milk</b>	<b>75.12%</b>	<b>319,177,839</b>		<b>\$ 73,132,495.87</b>
Class II Skim Milk	10.48%	42,844,827	\$12.62 /cwt.	\$ 5,407,017.15
Class II Butterfat	30.98%	5,017,381	\$2.2081 /lb.	11,078,879.01
<b>Total Class II Milk</b>	<b>11.27%</b>	<b>47,862,208</b>		<b>\$ 16,485,896.16</b>
Class III Skim Milk	4.24%	17,325,405	\$14.75 /cwt.	\$ 2,555,497.27
Class III Butterfat	6.78%	1,098,384	\$2.2011 /lb.	2,417,653.01
<b>Total Class III Milk</b>	<b>4.34%</b>	<b>18,423,789</b>		<b>\$ 4,973,150.28</b>
Class IV Skim Milk	8.79%	35,914,122	\$10.89 /cwt.	\$ 3,911,047.88
Class IV Butterfat	21.50%	3,481,573	\$2.2011 /lb.	7,663,290.34
<b>Total Class IV Milk</b>	<b>9.27%</b>	<b>39,395,695</b>		<b>\$ 11,574,338.22</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>424,859,531</b>		<b>\$ 106,165,880.53</b>

**Adjustments**

Overage and Other Source	\$0.00
Inventory Adjustments	(\$10,841.80)
Producer butterfat at uniform butterfat price	(\$42,626,847.61)
Location Adjustments to Producers	\$2,711,099.75
1/2 Unobligated Balance in P.S.F.	\$161,134.04

**Adjusted Pool Value**

Reserve for Producer Settlement Fund	\$ 16.24810	\$66,400,424.91
	\$ 0.04810	\$196,570.81

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

**\$16.20**

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

**\$24.85\***

\* 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 2014	DEC 2014	OCT 2014	NOV 2014	NOV 2014
Appalachian (Charlotte)	\$ 27.46	\$ 25.93	\$ 25.97	\$ 24.16	70.60%
Arizona (Phoenix)	\$ 26.41	\$ 24.88	\$ 23.45	\$ 21.19	27.89%
Central (Kansas City)	\$ 26.06	\$ 24.53	\$ 23.46	\$ 21.38	36.83%
Florida (Tampa)	\$ 29.46	\$ 27.93	\$ 28.10	\$ 26.64	84.51%
Mideast (Cleveland)	\$ 26.06	\$ 24.53	\$ 23.31	\$ 21.20	36.20%
Northeast (Boston)	\$ 27.31	\$ 25.78	\$ 24.35	\$ 22.26	36.30%
Pacific Northwest (Seattle)	\$ 25.96	\$ 24.43	\$ 22.83	\$ 20.18	37.99%
<b>Southeast (Atlanta)</b>	<b>\$ 27.86</b>	<b>\$ 26.33</b>	<b>\$ 26.73</b>	<b>\$ 24.85</b>	<b>75.12%</b>
Southwest (Dallas)	\$ 27.06	\$ 25.53	\$ 24.50	\$ 22.28	54.27%
Upper Midwest (Chicago)	\$ 25.86	\$ 24.33	\$ 23.71	\$ 21.75	12.40%

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

<b>Receipts:</b>	<b>November 2014</b>	<b>November 2013</b>
<b>Producer Milk</b>		
Class I	319,177,839	341,531,669
Class II	47,862,208	51,198,829
Class III	18,423,789	21,637,500
Class IV	39,395,695	28,412,261
	<hr/>	<hr/>
Total Producer Milk	<b>424,859,531</b>	<b>442,781,259</b>
Average Butterfat Test	3.81%	3.81%
Percent of Producer Milk in Class I	75.12%	77.13%
Daily Average Receipts	14,161,984	14,759,375
<b>Other Source Milk</b>		
Class I	11,772,735	6,694,184
Class II	3,825,383	2,475,583
Class III	28,311	210,975
Class IV	7,171,223	6,657,229
	<hr/>	<hr/>
Total Other Source Milk	<b>22,797,652</b>	<b>16,037,971</b>
<b>Overage</b>		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	10,967
	<hr/>	<hr/>
Total Overage	<b>0</b>	<b>10,967</b>
<b>Opening Inventory</b>		
Class I	25,677,752	24,660,721
Class II	102,760	151,683
Class III	0	1,584,473
Class IV	12,743,147	13,660,949
	<hr/>	<hr/>
Total Opening Inventory	<b>38,523,659</b>	<b>40,057,826</b>
	<hr/>	<hr/>
<b>Total Receipts</b>	<b>486,180,842</b>	<b>498,888,023</b>
<b>Utilization:</b>		
<b>Class I Utilization</b>		
Inventory of Packaged FMP	21,136,252	22,007,427
Route Disposition Class I	321,030,614	341,066,600
Shrinkage	3,387,943	2,327,891
Transfers & Diversions to Nonpool	11,073,517	7,484,656
	<hr/>	<hr/>
Total Class I Utilization	<b>356,628,326</b>	<b>372,886,574</b>
Average Butterfat Test	2.08%	2.07%
Daily Average Utilization	11,887,611	12,429,552
<b>Class II Utilization</b>		
Nonfluid Used To Produce	2,273,817	1,999,215
Shrinkage	22,942	324
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	37,117,941	39,509,073
	<hr/>	<hr/>
Total Class II Utilization	<b>51,790,351</b>	<b>53,826,095</b>
Average Butterfat Test	9.76%	9.37%
<b>Class III Utilization</b>		
Shrinkage	0	5,646,290
Transfers & Diversions to Nonpool Used To Produce/Other Uses	18,452,100	14,305,299
	<hr/>	<hr/>
Total Class III Utilization	<b>18,452,100</b>	<b>23,432,948</b>
Average Butterfat Test	6.00%	6.64%
<b>Class IV Utilization</b>		
Inventory	25,225,230	14,323,685
Nonfluid Used To Fortify	2,216,438	2,300,675
Shrinkage	6,178,464	108,692
Transfers & Diversions to Nonpool Used To Produce/Other Uses	22,192,465	32,009,354
	<hr/>	<hr/>
Total Class IV Utilization	<b>59,310,065</b>	<b>48,742,406</b>
Average Butterfat Test	9.23%	9.98%
	<hr/>	<hr/>
<b>Total Utilization</b>	<b>486,180,842</b>	<b>498,888,023</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2014 is \$24.85 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$16.20 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6323 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 76.49% of all producer skim milk (priced to handlers at \$13.25 per hundredweight, plus the Class I differential, see page 2) and 40.74% of producer butterfat (priced to handlers at \$3.2216 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.48% of all producer skim milk (\$12.62 per hundredweight) and 30.98% of producer butterfat (\$2.2081 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.24% of all producer skim milk (\$14.75 per hundredweight) and 6.78% of producer butterfat (\$2.2011 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.79% of all producer skim milk (\$10.89 per hundredweight) and 21.50% of producer butterfat (\$2.2011 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>October 2014</b>		
Whole Milk	122,302,479	30.50%
Fat Free Milk	37,016,744	9.23%
Lowfat Milk (incl. 1%)	46,737,286	11.66%
Reduced Fat Milk (incl. 2%)	137,396,307	34.26%
Cultured Fluid Milk (incl. Buttermilk)	8,104,106	2.02%
Flavored Drinks and Milk	49,438,345	12.33%
<b>Total Disposition in Marketing Area</b>	<b>400,995,267</b>	<b>100.0%</b>
Total Disposition by Pool Plants	305,102,011	76.09%
Total Disposition by Nonpool Plants	95,893,256	23.91%
<b>Total Disposition in Marketing Area</b>	<b>400,995,267</b>	<b>100.0%</b>

Receipts of producer milk during November totaled 424.9 million pounds. There were 23 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2014. Class I route disposition in the area was 401.0 million pounds in October 2014.

### Dairy Outlook

(continued from page 1) reduced to \$16.55 - \$17.35 per cwt, and the Class IV price has been reduced to \$16.45 - \$17.35 per cwt. This month, the forecast for the all-milk price is \$18.45 - \$19.25 per cwt, a reduction from last month's forecast of \$18.85 - \$19.75 per cwt.

With lower milk price forecasts, the milk production forecast for 2015 is lowered to 212.2 billion pounds (0.1 billion pounds less) as growth in milk per cow is expected to be more moderate. Trade forecasts for 2015 are unchanged from last month's forecast.

### Margin Protection Program Application Deadline Extended

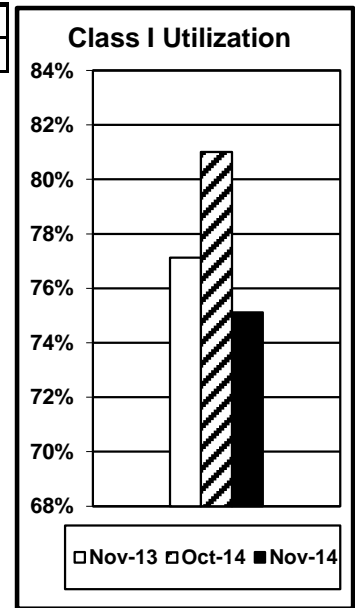
On December 4, U.S. Department of Agriculture Secretary Tom Vilsack announced that the application deadline for the dairy Margin Protection Program (MPP) will be extended until Dec. 19, 2014. The program, established by the 2014 Farm Bill, protects participating dairy producers when the margin—the difference between the national all-milk price and a national average feed value—falls below levels of protection selected by the applicant. To learn more about the Margin Protection Program for dairy, contact a local USDA Farm Service Agency county office at [offices.usda.gov](http://offices.usda.gov) or visit [www.fsa.usda.gov](http://www.fsa.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
Aug 2013	\$17.57	\$1.6349	\$22.68	\$14.47	\$1.5174	\$19.27	\$13.08	\$1.5104	\$17.91	\$ 14.28	\$1.5104	\$19.07	\$ 16.94	\$1.5599	\$21.81
Sep	\$18.06	\$1.5800	\$22.96	\$14.96	\$1.5266	\$19.78	\$13.29	\$1.5196	\$18.14	\$ 14.62	\$1.5196	\$19.43	\$ 17.31	\$1.5423	\$22.10
Oct	\$18.35	\$1.5107	\$23.00	\$15.25	\$1.6708	\$20.56	\$12.85	\$1.6638	\$18.22	\$ 14.87	\$1.6638	\$20.17	\$ 17.58	\$1.6056	\$22.58
Nov	\$18.66	\$1.7135	\$24.00	\$15.56	\$1.6406	\$20.76	\$13.59	\$1.6336	\$18.83	\$ 15.34	\$1.6336	\$20.52	\$ 18.16	\$1.6668	\$23.36
Dec	\$19.11	\$1.6366	\$24.17	\$16.01	\$1.7742	\$21.66	\$13.23	\$1.7672	\$18.95	\$ 15.91	\$1.7672	\$21.54	\$ 18.39	\$1.7133	\$23.74
Jan 2014	\$19.61	\$1.8171	\$25.28	\$16.51	\$1.7944	\$22.21	\$15.43	\$1.7874	\$21.15	\$ 16.62	\$1.7874	\$22.29	\$ 19.14	\$1.7993	\$24.77
Feb	\$20.37	\$1.7605	\$25.82	\$17.27	\$2.0179	\$23.73	\$16.90	\$2.0109	\$23.35	\$ 17.02	\$2.0109	\$23.46	\$ 19.81	\$1.9134	\$25.81
Mar	\$20.94	\$2.0678	\$27.44	\$17.67	\$2.0472	\$24.22	\$16.78	\$2.0402	\$23.33	\$ 17.12	\$2.0402	\$23.66	\$ 20.09	\$2.0505	\$26.56
Apr	\$21.02	\$2.0474	\$27.45	\$17.92	\$2.1277	\$24.74	\$17.50	\$2.1207	\$24.31	\$ 16.50	\$2.1207	\$23.34	\$ 20.10	\$2.0948	\$26.73
May	\$21.25	\$2.2170	\$28.27	\$17.06	\$2.2791	\$24.44	\$15.15	\$2.2721	\$22.57	\$ 15.23	\$2.2721	\$22.65	\$ 19.63	\$2.2525	\$26.83
Jun	\$19.38	\$2.2736	\$26.66	\$15.93	\$2.4483	\$23.94	\$13.28	\$2.4413	\$21.36	\$ 15.11	\$2.4413	\$23.13	\$ 18.22	\$2.3707	\$25.88
Jul	\$18.81	\$2.4757	\$26.82	\$15.71	\$2.6419	\$24.41	\$12.83	\$2.6349	\$21.60	\$ 15.09	\$2.6349	\$23.78	\$ 18.11	\$2.5583	\$26.43
Aug	\$19.02	\$2.6615	\$27.67	\$15.92	\$2.8518	\$25.34	\$12.74	\$2.8448	\$22.25	\$ 14.44	\$2.8448	\$23.89	\$ 18.36	\$2.7646	\$27.39
Sep	\$18.36	\$2.7753	\$27.43	\$15.26	\$3.2537	\$26.11	\$13.72	\$3.2467	\$24.60	\$ 11.62	\$3.2467	\$22.58	\$ 17.85	\$3.0373	\$27.86
Oct	\$17.47	\$3.1790	\$27.99	\$12.36	\$2.8577	\$21.93	\$14.34	\$2.8507	\$23.82	\$ 11.78	\$2.8507	\$21.35	\$ 16.84	\$2.9927	\$26.73
Nov	\$17.05	\$3.2596	\$27.86	\$12.62	\$2.2081	\$19.91	\$14.75	\$2.2011	\$21.94	\$ 10.89	\$2.2011	\$18.21	\$ 16.20	\$2.6323	\$24.85
Dec	\$19.19	\$2.2315	\$26.33	\$12.14											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Aug 2013	497,167	2,199	359,391	72.29%	65,048	13.08%	48,988	9.85%	23,740	4.78%
Sep	476,259	2,238	332,019	69.72%	63,125	13.25%	58,740	12.33%	22,376	4.70%
Oct	498,495	1,982	360,942	72.41%	69,065	13.85%	58,006	11.64%	10,482	2.10%
Nov	442,781	1,982	341,532	77.13%	51,199	11.56%	21,638	4.89%	28,413	6.42%
Dec	487,217	2,162	353,248	72.50%	49,120	10.08%	38,908	7.99%	45,941	9.43%
Jan 2014	467,170	2,147	364,961	78.12%	52,565	11.25%	30,037	6.43%	19,607	4.20%
Feb	429,113	2,129	316,539	73.76%	47,709	11.12%	34,798	8.11%	30,066	7.01%
Mar	493,165	2,129	328,501	66.61%	59,718	12.11%	51,660	10.48%	53,286	10.80%
Apr	496,180	2,196	327,001	65.90%	61,362	12.37%	47,724	9.62%	60,094	12.11%
May	499,065	2,181	319,893	64.10%	56,759	11.37%	63,593	12.74%	58,821	11.79%
Jun	426,978	2,117	293,083	68.64%	50,414	11.81%	52,090	12.20%	31,391	7.35%
Jul	396,388	2,033	312,072	78.72%	43,029	10.86%	30,307	7.65%	10,980	2.77%
Aug	410,738	1,958	324,524	79.02%	42,487	10.34%	24,786	6.03%	18,941	4.61%
Sep	396,099	1,901	325,260	82.12%	38,870	9.81%	13,245	3.34%	18,724	4.73%
Oct	413,031	1,925	334,618	81.01%	47,913	11.60%	14,615	3.54%	15,884	3.85%
Nov	424,860	1,925**	319,178	75.12%	47,862	11.27%	18,424	4.34%	39,396	9.27%



\* 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 2014 through February 2015

Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
DEC 2014	01/11/15	01/12/15	01/13/15	12/26/14	12/26/14	01/13/15	01/14/15
JAN 2015	02/11/15	02/12/15	01/26/15	01/26/15	02/13/15	02/13/15	02/17/15
FEB 2015	03/11/15	03/12/15	03/13/15	02/25/15	02/26/15	03/13/15	03/16/15

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$22.37 per hundredweight. This is 90 percent of the preceding month's uniform price of \$24.85 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 – 536 December 10, 2014

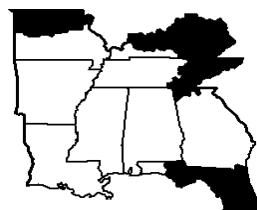
The milk production forecast for 2014 is unchanged from last month, but is lowered for 2015 as growth in milk per cow is expected to be more moderate. Fat basis imports are reduced for 2014 as milkfat imports have been lower than expected. Export forecasts on a skim-solids basis are raised for 2014 on stronger whey product sales to date. Fat and skim-solids basis trade forecasts for 2015 are unchanged.

The butter price is raised for 2014, reflecting current price movements, but the price forecast for 2015 is unchanged at the midpoint of the range. Cheese and nonfat dry milk (NDM) prices are reduced for both 2014 and 2015 as supplies are expected to remain large. Whey prices are unchanged from last month. Class III prices for 2014 and 2015 are lowered on weaker cheese prices. The Class IV price is unchanged for 2014 as a higher butter price is offset by a lower NDM price. For 2015 a lower NDM price results in a reduced Class IV price forecast. The all milk price is lowered to \$24.05 to \$24.15 per cwt for 2014 and \$18.45 to \$19.25 per cwt for 2015.

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



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



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

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