

Market Information BULLETIN

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www.fmmatlanta.com

January 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 1

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

Dairy Forecasts for 2016

Excerpts from Livestock, Dairy, & Poultry Outlook, January 19, 2016, Economic Research Service, USDA:

Feed price forecasts have been lowered from last month. The corn price for 2015/16 is forecast at \$3.30-\$3.90 per bushel, a reduction from last month's forecast of \$3.35-\$3.95. The 2015/16 soybean meal price forecast is \$270-\$310 per short ton, a reduction from last month's forecast of \$290-\$330. The national average price for alfalfa hay decreased from \$156 to \$150 per short ton from October to November.

The 2016 milk cow number forecast has been lowered by 10 thousand head due to the recent blizzard and lower expected milk prices. With lower expected returns, milk per cow has been lowered by 35 pounds for the year. The milk production forecast for 2016 has been lowered to 211.8 billion pounds, 0.6 billion pounds less than forecast last month and a 1.6 percent year-over-year increase.

Based on lower expected exports of nonfat dry milk, whey products, and cheese, 2016 export forecasts have been lowered by 0.4 billion pounds on a milk-fat basis and 1.0 billion pounds on a skim-solids basis. Although the 2016 forecast for skim-solids basis exports has been significantly reduced from last month, the year-over-year increase is still expected to be positive at 0.4 billion pounds. The forecast for 2016 imports is raised by 0.1 billion pounds on both a milk-fat basis and a skim-solids basis, primarily due to higher expected cheese imports. The domestic commercial use forecast for 2016 has been raised by 0.1 billion pounds on a milk-fat basis and by 0.4 billion pounds on a skim-solids basis due to lower expected cheese, nonfat dry milk (NDM), and whey prices. Ending stock forecasts for 2016 are lowered by 0.2 billion pounds on a milk-fat basis and raised by 0.3 billion pounds on a skim-solids basis.

For 2016, the butter price forecast has been raised to \$1.890-\$2.000 per pound due to relatively strong demand and lower expected production. The cheese price forecast has been lowered to \$1.545-\$1.625 per pound due to expected high beginning cheese stocks, the recent fall in prices, and expected lower exports.

(continued on Page 4)

Uniform Price Declines

The uniform price in Fulton County, GA, was \$19.34 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.87 lower than the previous month and is \$5.32 per hundredweight lower compared to December 2014.

Class I utilization was 74.44 percent in December 2015, 4.18 percent lower than the previous month and 3.36 percent lower than December of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2015 was 16.64 billion pounds, up 0.6 percent from November 2014 and 0.5 percent higher compared with October 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 976 million pounds, 0.6 percent above November 2014 and 1.1 percent above October 2015 on a daily average basis. Butter production was 151 million pounds, 4.4 percent above November 2014 and 5.6 percent above October 2015 on a daily average basis.

Nonfat dry milk powder production was 126.0 million pounds in November, 16.9 percent lower than November of last year and 10.3 percent more than October 2015 on a daily average basis. Total dry whey production was 81.9 million pounds in November 2015, up 14.6 percent November 2014 and 11.9 percent above October 2015 on a daily average basis. Whey protein concentrates production was 40.5 million pounds in November, 13.2 percent less than November 2014 and 2.0 percent above October 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.42 in November 2015, an increase of 0.13 from the previous month but down from the 2.75 ratio from November of last year.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2015

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.82%	7,567,053	\$3.1048	\$ 23,494,186.14
Class I Differential at Location				247,406.69
Class II Butterfat	30.31%	5,233,540	\$2.9127	15,243,731.94
Class III Butterfat	8.59%	1,482,977	\$2.9057	4,309,086.29
Class IV Butterfat	17.28%	2,983,949	\$2.9057	8,670,460.62
Total Butterfat	100.00%	17,267,519		\$ 51,964,871.68

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$3.0094**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	75.64%	332,454,895	\$6.05 /cwt.	\$ 20,113,521.16
Class I Butterfat	43.82%	7,567,053	\$3.1048 /lb.	23,494,186.14
Class I Differential at Location		340,021,948		11,152,893.10
Total Class I Milk	74.44%	340,021,948		\$ 54,760,600.40
Class II Skim Milk	11.84%	52,065,485	\$6.75 /cwt.	\$ 3,514,420.26
Class II Butterfat	30.31%	5,233,540	\$2.9127 /lb.	15,243,731.94
Total Class II Milk	12.54%	57,299,025		\$ 18,758,152.20
Class III Skim Milk	6.54%	28,735,407	\$4.43 /cwt.	\$ 1,272,978.54
Class III Butterfat	8.59%	1,482,977	\$2.9057 /lb.	4,309,086.29
Total Class III Milk	6.61%	30,218,384		\$ 5,582,064.83
Class IV Skim Milk	5.98%	26,307,452	\$5.54 /cwt.	\$ 1,457,432.85
Class IV Butterfat	17.28%	2,983,949	\$2.9057 /lb.	8,670,460.62
Total Class IV Milk	6.41%	29,291,401		\$ 10,127,893.47
Producer Milk	100.00%	456,830,758		\$ 89,228,710.90

Adjustments

Overage and Other Source	\$12,697.97
Inventory Adjustments	(\$39,600.24)
Producer butterfat at uniform butterfat price	(\$51,964,871.68)
Location Adjustments to Producers	\$2,959,479.65
1/2 Unobligated Balance in P.S.F.	\$146,387.62

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.17793	\$40,342,804.22
	\$ 0.04793	\$210,680.51

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

\$9.13

Uniform Price per cwt. (Fulton County, Georgia)

\$19.34*

* 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 2015	JAN 2016	NOV 2015	DEC 2015	DEC 2015
Appalachian (Charlotte)	\$ 20.11	\$ 19.44	\$ 19.65	\$ 18.68	67.30%
Arizona (Phoenix)	\$ 19.06	\$ 18.39	\$ 17.28	\$ 16.24	27.23%
Central (Kansas City)	\$ 18.71	\$ 18.04	\$ 16.60	\$ 15.75	31.76%
Florida (Tampa)	\$ 22.11	\$ 21.44	\$ 21.59	\$ 20.99	85.24%
Midwest (Cleveland)	\$ 18.71	\$ 18.04	\$ 17.15	\$ 16.13	37.80%
Northeast (Boston)	\$ 19.96	\$ 19.29	\$ 18.32	\$ 17.27	35.50%
Pacific Northwest (Seattle)	\$ 18.61	\$ 17.94	\$ 16.68	\$ 15.68	23.46%
Southeast (Atlanta)	\$ 20.51	\$ 19.84	\$ 20.21	\$ 19.34	74.44%
Southwest (Dallas)	\$ 19.71	\$ 19.04	\$ 17.31	\$ 16.51	31.31%
Upper Midwest (Chicago)	\$ 18.51	\$ 17.84	\$ 15.75	\$ 14.86	10.00%

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

Receipts:		December 2015	December 2014
Producer Milk			
Class I		340,021,948	339,340,284
Class II		57,299,025	47,060,230
Class III		30,218,384	19,071,471
Class IV		29,291,401	30,710,293
	Total Producer Milk	456,830,758	436,182,278
	Average Butterfat Test	3.78%	3.78%
	Percent of Producer Milk in Class I	74.44%	77.80%
	Daily Average Receipts	14,736,476	14,070,396
Other Source Milk			
Class I		8,291,275	8,711,625
Class II		3,093,077	3,643,738
Class III		543,046	1,010,024
Class IV		8,262,692	8,989,247
	Total Other Source Milk	20,190,090	22,354,634
Overage			
Class I		0	0
Class II		0	0
Class III		45,194	0
Class IV		3,681	0
	Total Overage	48,875	0
Opening Inventory			
Class I		22,057,541	21,179,638
Class II		1,008,702	1,823,313
Class III		3,918,245	374,146
Class IV		12,818,709	22,984,385
	Total Opening Inventory	39,083,197	46,361,482
	Total Receipts	516,872,920	504,898,394
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		24,663,048	20,589,728
Route Disposition Class I		326,691,063	333,481,988
Shrinkage		3,897,569	3,238,689
Transfers & Diversions to Nonpool		15,119,084	11,921,142
	Total Class I Utilization	370,370,764	369,231,547
	Average Butterfat Test	2.22%	2.17%
	Daily Average Utilization	11,947,444	11,910,695
Class II Utilization			
Nonfluid Used To Produce		2,213,410	2,009,840
Shrinkage		0	24,293
Transfers & Diversions to Nonpool/Commercial Foods		47,382,632	37,872,341
Used To Produce/Other Uses		11,804,762	12,620,807
	Total Class II Utilization	61,400,804	52,527,281
	Average Butterfat Test	8.53%	8.79%
Class III Utilization			
Shrinkage		6,456,150	0
Transfers & Diversions to Nonpool		23,615,155	20,455,641
Used To Produce/Other Uses		4,653,564	0
	Total Class III Utilization	37,724,869	20,455,641
	Average Butterfat Test	4.50%	4.70%
Class IV Utilization			
Inventory		11,692,224	17,936,330
Nonfluid Used To Fortify		2,266,722	2,281,565
Shrinkage		62,635	5,896,745
Transfers & Diversions to Nonpool			31,790,925
Used To Produce/Other Uses		36,354,902 *	4,778,360
	Total Class IV Utilization	50,376,483	62,683,925
	Average Butterfat Test	11.64%	10.27%
	Total Utilization	516,872,920	504,898,394

* Combined

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2015 is \$19.34 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.83 per hundredweight plus 3.5 times the uniform butterfat price of \$3.0094 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 75.64% of all producer skim milk (priced to handlers at \$6.05 per hundredweight, plus the Class I differential, see page 2) and 43.82% of producer

butterfat (priced to handlers at \$3.1048 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.84% of all producer skim milk (\$6.75 per hundredweight) and 30.31% of producer butterfat (\$2.9127 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.54% of all producer skim milk (\$4.43 per hundredweight) and 8.59% of producer butterfat (\$2.9057 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.98% of all producer skim milk (\$5.54 per hundredweight) and 17.28% of producer butterfat (\$2.9057 per pound).

Receipts of producer milk during December totaled 456.8 million pounds.

There were 22 regulated pool distributing plants, 1 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for December 2015. Class I route disposition in the area was 381.9 million pounds in October.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>November 2015</u>		
Whole Milk	125,530,736	32.87%
Fat Free Milk	29,650,503	7.76%
Lowfat Milk (incl. 1%)	44,766,391	11.72%
Reduced Fat Milk (incl. 2%)	124,357,355	32.56%
Cultured Fluid Milk (incl. Buttermilk)	10,083,639	2.64%
Flavored Drinks and Milk	47,487,770	12.44%
Total Disposition in Marketing Area	381,876,394	100.0%
Total Disposition by Pool Plants	289,020,268	75.68%
Total Disposition by Nonpool Plants	92,856,126	24.32%
Total Disposition in Marketing Area	381,876,394	100.0%

Dairy Forecasts for 2016

(continued from Page 1) NDM and whey prices have been lowered to \$0.865-\$0.925 and \$0.240-\$0.270 per pound, respectively, due to weaker expected exports. With lower expected cheese and whey prices, the 2016 Class III milk forecast has been lowered to \$14.05-\$14.85 per cwt. The Class IV milk forecast has been lowered to \$13.35-\$14.25 per cwt, as the projected reduction in the NDM price more than offsets the increase in the butter price. With lower expected Class III and IV prices, the all-milk price forecast for 2016 has been lowered to \$15.35-\$16.15 per cwt, a reduction from the \$15.95-\$16.75 forecast last month.

Outlook for World Dairy Markets

According to the December issue of Dairy: World Markets and Trade, published by the USDA Foreign Agricultural Service, preliminary data indicate that milk production among the world's major dairy exporters (the European Union (EU), United States, New Zealand, Australia, and Argentina) grew by 1 percent from 2014 to 2015. Growth among the major suppliers for 2016 is projected to be 1 percent, restrained by low milk prices largely due to the Russian ban on imports of dairy products and weak import demand from major importing countries such as China. In 2016, milk production is expected to grow by 1 percent for the EU and by about 2 percent for both the United States and Argentina. Australia's 2016 milk production is expected to be about the same as in 2015, a year of unusually high growth (3 percent), due to favorable weather conditions. New Zealand's milk production in 2016 is expected to decline by 3 percent due to low milk prices and pasture growth affected by colder than usual weather from June to mid-September. For more information, see <http://apps.fas.usda.gov/psdonline/circulars/dairy.pdf>.

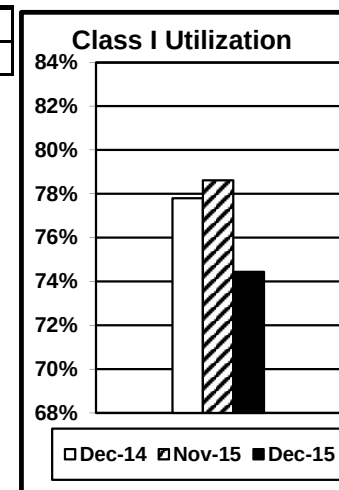
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2014	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31											

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 2014	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,900**	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,900**	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%

* 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 2016

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 2016	02/11/16	02/12/16	02/16/16	01/25/16	01/26/16	02/16/16	02/16/16
FEB 2016	03/11/16	03/14/16	03/15/16	02/25/16	02/26/16	03/15/16	03/16/16
MAR 2016	04/11/16	04/12/16	04/13/16	03/25/16	03/28/16	04/13/16	04/14/16

** The base rate for making partial payments in Fulton County, GA for January will be \$17.41 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.34 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 – 549 January 12, 2016

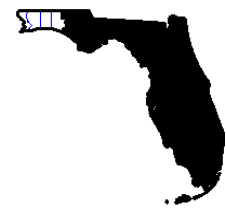
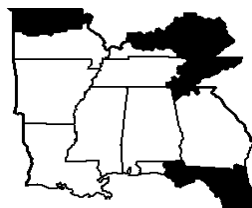
Milk production for 2015 is raised on slightly stronger growth in milk per cow. Forecast 2016 milk production is reduced from last month. Cow numbers are lowered due to lower expected milk prices and the recent blizzard in Texas and New Mexico. Growth in milk per cow is reduced on lower milk prices. Exports are lowered on both a fat- and skim-solids basis as global supplies of dairy products remain large and demand remains relatively weak. Continued strength in domestic butter use will also limit the competitiveness of U.S. butter in world markets. Fat and skim solid-basis imports for 2015 are unchanged. For 2016 both fat and skim-solids imports are raised largely on higher cheese imports.

Dairy product prices for 2015 are adjusted for December data. For 2016, butter prices are raised from last month on relatively strong demand and lower expected production. Cheese, nonfat dry milk (NDM), and whey prices are reduced. Relatively large beginning stocks of cheese and weaker beginning year prices underlie the reduction in the cheese price forecast. NDM and whey prices are expected to be pressured by weakness in exports. The Class III price for 2016 is lowered on lower cheese and whey prices and the Class IV price is reduced as a lower NDM price more than offsets a higher butter price. The all milk price is lowered to \$15.35 to \$16.15 per cwt for 2016.

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.



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February 2016

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Dairy Forecasts for 2016

Excerpts from Livestock, Dairy, & Poultry Outlook, February 16, 2016, Economic Research Service, USDA:

Feed price forecasts remain relatively low. The corn price for 2015/16 is forecast \$3.35-\$3.85 per bushel, unchanged from last month's forecast at the midpoint. The 2015/16 soybean meal price forecast is unchanged at \$270-\$310 per short ton. The national average price for alfalfa hay in December was unchanged from November at \$150 per short ton.

Based on the most recent NASS Milk Production and Cattle reports, the forecast for 2016 first-quarter milk production has been raised by 0.1 billion pounds, with milk cows numbering 9,295 head and milk per cow 5,690 pounds. Milk production for 2016 is forecast at 211.9 billion pounds, an increase of 0.1 billion pounds over last month's forecast.

With high international supplies and weak demand for dairy products expected abroad, 2016 forecasts for exports have been reduced by 0.3 billion pounds on a milk-fat milk-equivalent basis and by 0.7 billion pounds on a skim-solids milk-equivalent basis. With strong demand expected for butter, the domestic commercial use forecast for 2016 has been raised by 0.6 billion pounds on a milk-fat basis. Domestic commercial use on a skim-solids basis has been raised by 0.5 billion pounds due to lower expected NDM and dry whey prices.

For 2016, the butter price forecast has been raised to \$1.990-\$2.090 per pound due to strong domestic demand. Weak exports and high supplies are expected to keep butter prices throughout 2016 from rising to levels seen in the fourth quarter of 2015. The price forecast for cheese has been narrowed to \$1.550-\$1.620 per pound as higher expected prices in the first quarter are offset by lower forecasts in the second half of the year. With lower exports expected, the NDM and dry whey prices have been lowered to \$0.775-\$0.835 and \$0.230-\$0.260 per pound, respectively.

With lower expected whey prices, the 2016 Class III milk forecast has been lowered at the upper end of the range to \$14.05-\$14.75 per hundredweight (cwt). The Class IV milk forecast has (continued on Page 4)

Uniform Price Declines

The uniform price in Fulton County, GA, was \$17.60 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$1.74 lower than the previous month and is \$2.79 per hundredweight lower compared to January 2015.

Class I utilization was 72.84 percent in January, 1.60 percent lower than the previous month and 4.28 percent lower than January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2015 was 17.45 billion pounds, up 0.7 percent from December 2014 and 1.3 percent higher compared with November 2015 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.02 billion pounds, 1.2 percent above December 2014 and 0.5 percent below November 2015 on a daily average basis. Butter production was 177 million pounds, 4.3 percent above December 2014 and 13.2 percent above November 2015 on a daily average basis.

Nonfat dry milk powder production was 147.0 million pounds in December, 10.2 percent lower than December of last year and 13.4 percent more than November 2015 on a daily average basis. Total dry whey production was 94.0 million pounds in December 2015, up 25.1 percent December 2014 and 7.4 percent above November 2015 on a daily average basis. Whey protein concentrates production was 40.0 million pounds in December, 14.8 percent less than December 2014 and 5.8 percent below November 2015 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.27 in December 2015, a decrease of 0.15 from the previous month and down from the 2.40 ratio from December of last year.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.63%	7,051,574	\$3.0362	\$ 21,409,989.00
Class I Differential at Location				229,842.90
Class II Butterfat	29.87%	5,315,245	\$2.3132	12,295,224.75
Class III Butterfat	5.94%	1,056,364	\$2.3062	2,436,186.66
Class IV Butterfat	24.56%	4,370,766	\$2.3062	10,079,860.55
Total Butterfat	100.00%	17,793,949		\$ 46,451,103.86

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.6105**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	74.14%	336,768,312	\$5.61 /cwt.	\$ 18,892,702.30
Class I Butterfat	39.63%	7,051,574	\$3.0362 /lb.	21,409,989.00
Class I Differential at Location		343,819,886		11,306,409.41
Total Class I Milk	72.84%	343,819,886		\$ 51,609,100.71
Class II Skim Milk	12.62%	57,348,525	\$6.31 /cwt.	\$ 3,618,691.92
Class II Butterfat	29.87%	5,315,245	\$2.3132 /lb.	12,295,224.75
Total Class II Milk	13.27%	62,663,770		\$ 15,913,916.67
Class III Skim Milk	5.01%	22,752,969	\$5.85 /cwt.	\$ 1,331,048.70
Class III Butterfat	5.94%	1,056,364	\$2.3062 /lb.	2,436,186.66
Total Class III Milk	5.04%	23,809,333		\$ 3,767,235.36
Class IV Skim Milk	8.23%	37,396,338	\$5.43 /cwt.	\$ 2,030,621.18
Class IV Butterfat	24.56%	4,370,766	\$2.3062 /lb.	10,079,860.55
Total Class IV Milk	8.85%	41,767,104		\$ 12,110,481.73
Producer Milk	100.00%	472,060,093		\$ 83,400,734.47

Adjustments

Overage and Other Source	\$29,014.22
Inventory Adjustments	(\$5,467.48)
Producer butterfat at uniform butterfat price	(\$46,451,103.86)
Location Adjustments to Producers	\$2,923,710.37
1/2 Unobligated Balance in P.S.F.	\$125,057.47

Adjusted Pool Value	\$ 8.81024	\$40,021,945.19
Reserve for Producer Settlement Fund	\$ 0.04024	\$182,804.37

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$8.77**

Uniform Price per cwt. (Fulton County, Georgia) **\$17.60***

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	JAN 2016	FEB 2016	DEC 2015	JAN 2016	JAN 2016
Appalachian (Charlotte)	\$ 19.44	\$ 17.04	\$ 18.68	\$ 17.03	70.46%
Arizona (Phoenix)	\$ 18.39	\$ 15.99	\$ 16.24	\$ 14.50	24.91%
Central (Kansas City)	\$ 18.04	\$ 15.64	\$ 15.75	\$ 14.38	30.46%
Florida (Tampa)	\$ 21.44	\$ 19.04	\$ 20.99	\$ 19.34	84.57%
Mideast (Cleveland)	\$ 18.04	\$ 15.64	\$ 16.13	\$ 14.60	32.20%
Northeast (Boston)	\$ 19.29	\$ 16.89	\$ 17.27	\$ 15.52	33.80%
Pacific Northwest (Seattle)	\$ 17.94	\$ 15.54	\$ 15.68	\$ 14.15	22.05%
Southeast (Atlanta)	\$ 19.84	\$ 17.44	\$ 19.34	\$ 17.60	72.84%
Southwest (Dallas)	\$ 19.04	\$ 16.64	\$ 16.51	\$ 15.35	31.87%
Upper Midwest (Chicago)	\$ 17.84	\$ 15.44	\$ 14.86	\$ 13.95	9.10%

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

Receipts:		January 2016	January 2015
Producer Milk			
Class I		343,819,886	356,700,450
Class II		62,663,770	58,425,273
Class III		23,809,333	13,727,950
Class IV		41,767,104	33,668,830
Total Producer Milk		472,060,093	462,522,503
Average Butterfat Test		3.77%	3.78%
Percent of Producer Milk in Class I		72.84%	77.12%
Daily Average Receipts		15,227,745	14,920,081
Other Source Milk			
Class I		8,739,238	9,924,758
Class II		3,378,153	3,806,570
Class III		0	0
Class IV		10,928,503	8,859,218
Total Other Source Milk		23,045,894	22,590,546
Overage			
Class I		19	0
Class II		2,187	0
Class III		0	144,282
Class IV		10,362	138,523
Total Overage		12,568	282,805
Opening Inventory			
Class I		24,663,048	20,589,728
Class II		21,324	1,207,720
Class III		0	269,166
Class IV		11,670,900	16,457,228
Total Opening Inventory		36,355,272	38,523,842
Total Receipts		531,473,827	523,919,696
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,996,587	21,747,826
Route Disposition Class I		341,329,777	349,865,686
Shrinkage		3,214,261	3,175,924
Transfers & Diversions to Nonpool		12,681,566	12,425,500
Total Class I Utilization		377,222,191	387,214,936
Average Butterfat Test		2.04%	1.99%
Daily Average Utilization		12,168,458	12,490,804
Class II Utilization			
Nonfluid Used To Produce		744,465	2,251,725
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		53,790,940	49,587,215
Used To Produce/Other Uses		11,530,029	11,744,905
Total Class II Utilization		66,065,434	63,583,845
Average Butterfat Test		8.07%	8.42%
Class III Utilization			
Shrinkage		0	275
Transfers & Diversions to Nonpool		23,809,333	13,996,841
Used To Produce/Other Uses		0	0
Total Class III Utilization		23,809,333	13,997,116
Average Butterfat Test		4.44%	5.37%
Class IV Utilization			
Inventory		25,775,165	16,202,625
Nonfluid Used To Fortify		2,208,412	760,922
Shrinkage		6,570,181	6,143,316
Transfers & Diversions to Nonpool		25,699,615	31,542,305
Used To Produce/Other Uses		4,123,496	4,474,631
Total Class IV Utilization		64,376,869	59,123,799
Average Butterfat Test		13.28%	13.28%
Total Utilization		531,473,827	523,919,696

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2016 is \$17.60 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.77 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6105 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 74.14% of all producer skim milk (priced to handlers at \$5.61 per hundredweight, plus the Class I differential, see page 2) and 39.63% of producer butterfat (priced to handlers at \$3.0362 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.62% of all producer skim milk (\$6.31 per hundredweight) and 29.87% of producer butterfat (\$2.3132 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.01% of all producer skim milk (\$5.85 per hundredweight) and 5.94% of producer butterfat (\$2.3062 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.23% of all producer skim milk (\$5.43 per hundredweight) and 24.56% of producer butterfat (\$2.3062 per pound).

Receipts of producer milk during January totaled 472.1 million pounds.

There were 23 regulated pool distributing plants, 1 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2016. Class I route disposition in the area was 387.0 million pounds in December 2015.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>December 2015</u>		
Whole Milk	133,100,477	34.39%
Fat Free Milk	30,140,366	7.79%
Lowfat Milk (incl. 1%)	43,121,784	11.14%
Reduced Fat Milk (incl. 2%)	129,517,605	33.46%
Cultured Fluid Milk (incl. Buttermilk)	8,797,933	2.27%
Flavored Drinks and Milk	42,366,142	10.95%
Total Disposition in Marketing Area	387,044,307	100.0%
Total Disposition by Pool Plants	293,819,202	75.91%
Total Disposition by Nonpool Plants	93,225,105	24.09%
Total Disposition in Marketing Area	387,044,307	100.0%

Dairy Forecasts for 2016

(continued from Page 1) been lowered to \$13.00-\$13.80 per cwt, as the projected reduction in the NDM price more than offsets the increase in the butter price. With lower expected Class III and IV prices, the all-milk price forecast for 2016 has been lowered to \$15.30-\$16.00 per cwt, a reduction from \$15.35-\$16.15 forecast last month.

Recent Developments in Dairy Markets

Recent weakness of dairy prices in the United States and abroad can be attributed in large part to international supply and demand conditions. In October and November, cows' milk marketings for the European Union (EU) increased by about 5 percent over the same months of the previous year, a large increase from the world's largest supplier of cows' milk. The termination of EU milk production quotas as of March 31 has undoubtedly contributed to the milk production increase. In the fourth quarter, the United States had a modest 0.6 percent year-over-year increase in milk production, while fourth-quarter milk production for New Zealand and Australia fell by 2.2 and 2.7 percent, respectively. The year-over-year increases in milk production for the EU and the United States have much more than offset recent declines for New Zealand and Australia. Meanwhile, dairy import demand from China continues to be weak, and the Russian trade ban continues to be a factor as Europeans have turned to alternative outlets for their dairy product supplies. High supplies of some dairy products have played a role in recent price declines. Year-end 2015 stocks for butter, cheese, and dry whey for human use were above 2014 levels by 46.0, 12.6, and 11.9 percent, respectively. However, nonfat dry milk (NDM) ending stocks were 16.6 percent lower than the previous year.

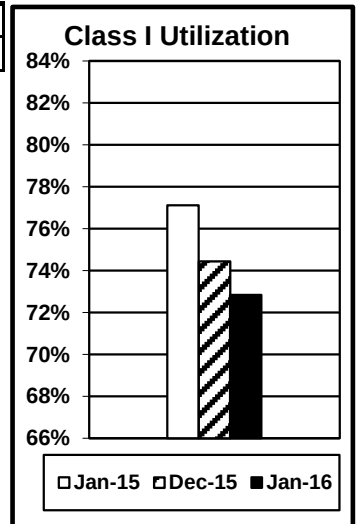
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2014	\$19.19	\$2.2315	\$26.33	\$12.14	\$2.1061	\$19.09	\$10.85	\$2.0991	\$17.82	\$ 9.69	\$2.0991	\$16.70	\$ 17.73	\$2.1578	\$24.66
Jan 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17											

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 2014	436,182	1,991	339,340	77.80%	47,060	10.79%	19,071	4.37%	30,710	7.04%
Jan 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,750**	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%

* 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 February through April 2016

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 2016	03/11/16	03/14/16	03/15/16	02/25/16	02/26/16	03/15/16	03/16/16
MAR 2016	04/11/16	04/12/16	04/13/16	03/25/16	03/28/16	04/13/16	04/14/16
APR 2016	05/11/16	05/12/16	05/13/16	04/25/16	04/26/16	05/13/16	05/16/16

** The base rate for making partial payments in Fulton County, GA for February will be \$15.84 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.34 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 – 550 February 9, 2016

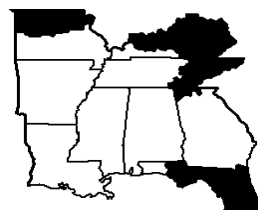
The milk production forecast for 2016 is raised from last month as the cow herd is adjusted slightly to reflect the January 1 dairy cow inventory reported in USDA's Cattle report and milk per cow is raised for the first quarter. Beginning stocks are raised from last month as cheese stocks at the end of 2015 were high. Both fat basis and skim-solids exports for 2016 are reduced from last month reflecting continued pressure on cheese, nonfat dry milk (NDM), whey, and lactose exports, due to large global supplies and a relatively strong dollar. Imports are unchanged from last month. For 2015, production, trade, and stock estimates are updated based on data through December.

Product price forecasts for NDM and whey are forecast lower as U.S. prices continue to reflect weakness in international markets. The butter price forecast is raised as domestic demand remains strong. The cheese price forecast is unchanged from last month, although the range is narrowed. The Class III price is lowered on lower whey prices. The Class IV price is down as a lower NDM price more than offsets a higher butter price. The all milk price is forecast at \$15.30 to \$16.00 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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

March 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 3

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

Recent Developments in Dairy Markets

Excerpts from Livestock, Dairy, & Poultry Outlook, March 15, 2016, Economic Research Service, USDA:

U.S. dairy imports surged for several major products in January. Cheese imports were 66 percent higher than January 2015. Imports of butterfat products (butter, butter oils, and anhydrous milk fat) were nearly double over the previous year. There were also large increases in imports of food preparations with substantial dairy content. Altogether, January imports were 809 million pounds on a milk-fat milk-equivalent basis, an increase from 518 million pounds in December and the highest level for a single month since January 2006. On a skim-solid milk-equivalent basis, imports were 584 million pounds, an increase from 571 million pounds in December and the highest level since February 2009. While January exports were relatively low for many dairy products, nonfat dry milk (NDM) and skim milk powder (SMP) exports remained strong, 23 percent higher than January 2015.

The surge of imports and the relative weakness of exports reflect price differences with major competitors, large global supplies, and relatively weak global demand. The U.S. domestic butter price exceeded the Oceania export price by about 69 and 79 cents in January and February, respectively, while the price differences between the U.S. and Oceania for Cheddar cheese were about 13 and 22 cents.¹ Expansion in milk production for the European Union (EU) has contributed to an abundance of global supplies of dairy products and relatively low prices abroad. In December, EU cow's milk marketings were 4.9 percent higher than in December 2014.

U.S. cheese production for January was 26 million pounds higher than in January 2015. The high cheese production contributed to abundant supplies, with January ending cheese stocks 12.4 percent above January 2015. January production of dry whey, a byproduct of cheese, was up 7 million pounds over January 2015. As more milk moved to cheese and the whey stream, less milk was available for other products. January butter production was 4 million (continued on Page 4)

Uniform Price Declines

The uniform price in Fulton County, GA, was \$16.88 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$0.72 lower than the previous month and is \$2.36 per hundredweight lower compared to February 2015.

Class I utilization was 73.25 percent in February, 0.41 percent higher than the previous month and 3.69 percent lower than February of last year.

National Dairy Situation

The annual production of milk for the United States during 2015 was 209 billion pounds, 1.3 percent above 2014. Revisions to 2014 production increased the annual total 8 million pounds. Revised 2015 production was up 139 million pounds from last month's publication.

Production per cow in the United States averaged 22,393 pounds for 2015, 134 pounds above 2014. The average annual rate of milk production per cow has increased 12.6 percent from 2006. The average number of milk cows on farms in the United States during 2015 was 9.32 million head, up 0.6 percent from 2014. The average number of milk cows was revised up 2,000 head for 2015.

The USDA estimates that the total U.S. production of milk in January 2016 was 17.73 billion pounds, up 0.3 percent from January 2015 and 1.5 percent higher compared with December 2015. Total cheese output (excluding cottage cheese) was 1.00 billion pounds, 2.6 percent above January 2015 but 2.6 percent below December 2015. Butter production was 176 million pounds, 2.1 percent below January 2015 but 1.6 percent above December 2015.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.14 in January 2016, a decrease of 0.13 from the previous month and slightly above the prior year.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.67%	6,341,708	\$2.2678	\$ 14,381,725.40
Class I Differential at Location				208,689.97
Class II Butterfat	32.64%	5,217,836	\$2.3848	12,443,495.28
Class III Butterfat	9.67%	1,544,954	\$2.3778	3,673,591.62
Class IV Butterfat	18.02%	2,880,416	\$2.3778	6,849,053.17
Total Butterfat	100.00%	15,984,914		\$ 37,556,555.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3495**

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	74.56%	306,206,096	\$5.91 /cwt.	\$ 18,096,780.26
Class I Butterfat	39.67%	6,341,708	\$2.2678 /lb.	14,381,725.40
Class I Differential at Location		312,547,804		10,304,057.13
Total Class I Milk	73.25%	312,547,804		\$ 42,782,562.79
Class II Skim Milk	11.42%	46,910,516	\$6.17 /cwt.	\$ 2,894,378.84
Class II Butterfat	32.64%	5,217,836	\$2.3848 /lb.	12,443,495.28
Total Class II Milk	12.22%	52,128,352		\$ 15,337,874.12
Class III Skim Milk	8.14%	33,427,599	\$5.68 /cwt.	\$ 1,898,687.62
Class III Butterfat	9.67%	1,544,954	\$2.3778 /lb.	3,673,591.62
Total Class III Milk	8.20%	34,972,553		\$ 5,572,279.24
Class IV Skim Milk	5.88%	24,133,585	\$5.36 /cwt.	\$ 1,293,560.15
Class IV Butterfat	18.02%	2,880,416	\$2.3778 /lb.	6,849,053.17
Total Class IV Milk	6.33%	27,014,001		\$ 8,142,613.32
Producer Milk	100.00%	426,662,710		\$ 71,835,329.47

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$10,212.73
Producer butterfat at uniform butterfat price	(\$37,556,555.44)
Location Adjustments to Producers	\$2,567,567.34
1/2 Unobligated Balance in P.S.F.	\$152,827.08

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.01178	\$37,009,381.18
	\$ 0.04178	\$171,582.87

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

\$8.97

Uniform Price per cwt. (Fulton County, Georgia)

\$16.88*

* 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 %
	FEB 2016	MAR 2016	JAN 2015	FEB 2016	FEB 2016
Appalachian (Charlotte)	\$ 17.04	\$ 17.18	\$ 17.03	\$ 16.41	69.80%
Arizona (Phoenix)	\$ 15.99	\$ 16.13	\$ 14.50	\$ 14.30	24.04%
Central (Kansas City)	\$ 15.64	\$ 15.78	\$ 14.38	\$ 14.21	30.03%
Florida (Tampa)	\$ 19.04	\$ 19.18	\$ 19.34	\$ 18.43	83.37%
Midwest (Cleveland)	\$ 15.64	\$ 15.78	\$ 14.60	\$ 14.37	32.30%
Northeast (Boston)	\$ 16.89	\$ 17.03	\$ 15.52	\$ 15.29	34.00%
Pacific Northwest (Seattle)	\$ 15.54	\$ 15.68	\$ 14.15	\$ 14.08	22.27%
Southeast (Atlanta)	\$ 17.44	\$ 17.58	\$ 17.60	\$ 16.88	73.25%
Southwest (Dallas)	\$ 16.64	\$ 16.78	\$ 15.35	\$ 15.02	29.46%
Upper Midwest (Chicago)	\$ 15.44	\$ 15.58	\$ 13.95	\$ 13.99	9.20%

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

Receipts:		February 2016	February 2015
Producer Milk			
Class I		312,547,804	318,625,407
Class II		52,128,352	52,300,080
Class III		34,972,553	17,807,506
Class IV		27,014,001	25,393,258
	Total Producer Milk	426,662,710	414,126,251
	Average Butterfat Test	3.75%	3.76%
	Percent of Producer Milk in Class I	73.25%	76.94%
	Daily Average Receipts	14,712,507	14,790,223
Other Source Milk			
Class I		7,397,714	8,245,013
Class II		2,677,175	4,420,955
Class III		0	84,123
Class IV		7,269,193	8,428,378
	Total Other Source Milk	17,344,082	21,178,469
Overage			
Class I		0	427,828
Class II		0	287,968
Class III		0	0
Class IV		0	38,337
	Total Overage	0	754,133
Opening Inventory			
Class I		19,993,163	21,747,827
Class II		1,016,481	1,188,618
Class III		604,654	137,033
Class IV		24,838,908	14,924,636
	Total Opening Inventory	46,453,206	37,998,114
	Total Receipts	490,459,998	474,056,967
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,761,440	20,700,567
Route Disposition Class I		310,872,288	313,753,010
Shrinkage		2,659,519	2,519,982
Transfers & Diversions to Nonpool		6,645,434	12,072,516
	Total Class I Utilization	339,938,681	349,046,075
	Average Butterfat Test	2.01%	2.01%
	Daily Average Utilization	11,722,023	12,465,931
Class II Utilization			
Nonfluid Used To Produce		2,298,053	1,955,420
Shrinkage		0	35,783
Transfers & Diversions to Nonpool/Commercial Foods		41,157,110	42,333,106
Used To Produce/Other Uses		12,366,845	13,873,312
	Total Class II Utilization	55,822,008	58,197,621
	Average Butterfat Test	9.38%	8.14%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		35,577,207	18,028,662
Used To Produce/Other Uses		0	0
	Total Class III Utilization	35,577,207	18,028,662
	Average Butterfat Test	4.34%	4.66%
Class IV Utilization			
Inventory		20,658,337	12,221,218
Nonfluid Used To Fortify		688,405	715,954
Shrinkage		5,686,613	5,316,881
Transfers & Diversions to Nonpool		27,679,769	27,115,000
Used To Produce/Other Uses		4,408,978	3,415,556
	Total Class IV Utilization	59,122,102	48,784,609
	Average Butterfat Test	10.79%	14.60%
	Total Utilization	490,459,998	474,056,967

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2016 is \$16.88 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.97 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3495 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 74.56% of all producer skim milk (priced to handlers at \$5.91 per hundredweight, plus the Class I differential, see page 2) and 39.67% of producer butterfat (priced to handlers at \$2.2678 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 11.42% of all producer skim milk (\$6.17 per hundredweight) and 32.64% of producer butterfat (\$2.3848 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.14% of all producer skim milk (\$5.68 per hundredweight) and 9.67% of producer butterfat (\$2.3778 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.88% of all producer skim milk (\$5.36 per hundredweight) and 18.02% of producer butterfat (\$2.3778 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
January 2016		
Whole Milk	136,105,373	33.66%
Fat Free Milk	31,786,388	7.86%
Lowfat Milk (incl. 1%)	49,263,043	12.18%
Reduced Fat Milk (incl. 2%)	133,715,777	33.07%
Cultured Fluid Milk (incl. Buttermilk)	7,816,244	1.93%
Flavored Drinks and Milk	45,620,200	11.28%
Total Disposition in Marketing Area	404,307,025	100.00%
Total Disposition by Pool Plants	310,473,190	76.79%
Total Disposition by Nonpool Plants	93,833,835	23.21%
Total Disposition in Marketing Area	404,307,025	100.00%

Receipts of producer milk during February totaled 426.7 million pounds. There were 21 regulated pool distributing plants, 1 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2016. Class I route disposition in the area was 404.3 million pounds in January 2016.

Recent Developments in Dairy Markets

(continued from Page 1) pounds less than the previous year, and NDM and SMP production combined was 21 million pounds less.

U.S. milk production was 17,730 million pounds in January, an increase of 0.3 percent over January 2015. Although milk production continued to expand, the expansion was at a lesser rate than the 0.7 percent year-over-year increase in December. Milk cows in January numbered 9.310 thousand head, 2 thousand more than in January 2015, and the average yield was 1,904 pounds per cow, a year-over-year increase of 4 pounds.

Price directions of major dairy commodities, as reported in the USDA National Dairy Products Sales Report, were mixed in February. From the week ending January 30 to the week ending February 27, the price of butter decreased from \$2.150 to \$2.074 per pound. For the same weeks, the price of 40-pound blocks of Cheddar cheese increased from \$1.498 to \$1.504 per pound, but 500-pound barrels (adjusted to 38-percent moisture) decreased from \$1.542 to \$1.521 per pound. The price of dry whey rose from \$0.239 for the week ending January 30 to \$0.259 for the week ending February 27. NDM prices were fairly stable during the month, with prices declining from \$0.771 to \$0.768 per pound.

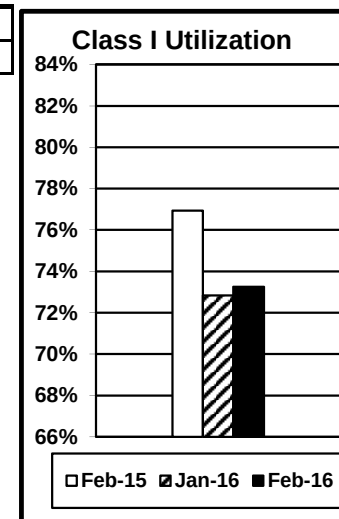
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$15.15	\$2.2167	\$22.38	\$10.63	\$1.6925	\$16.18	\$10.65	\$1.6855	\$16.18	\$ 7.60	\$1.6855	\$13.23	\$ 14.23	\$1.9020	\$20.39
Feb	\$14.56	\$1.7099	\$20.04	\$8.34	\$1.8366	\$14.48	\$9.39	\$1.8296	\$15.46	\$ 7.69	\$1.8296	\$13.82	\$ 13.48	\$1.7798	\$19.24
Mar	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05											

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 2015	462,522	2,098	356,700	77.12%	58,425	12.63%	13,728	2.97%	33,668	7.28%
Feb	414,126	1,958	318,625	76.94%	52,300	12.63%	17,808	4.30%	25,393	6.13%
Mar	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,800**	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%

* 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 2016

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 2016	04/11/16	04/12/16	04/13/16	03/25/16	03/28/16	04/13/16	04/14/16
APR 2016	05/11/16	05/12/16	05/13/16	04/25/16	04/26/16	05/13/16	05/16/16
MAY 2016	06/11/16	06/13/16	06/14/16	05/25/16	05/26/16	06/14/16	06/15/16

** The base rate for making partial payments in Fulton County, GA for March will be \$15.19 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.88 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 – 551 March 9, 2016

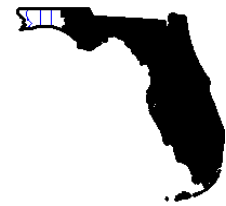
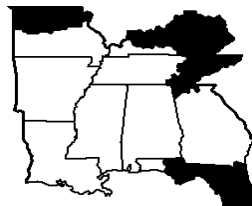
The milk production forecast for 2016 is lowered from last month as a smaller decline in the cowherd is more than offset by slower growth in milk per cow. Fat and skim-solids basis exports are reduced primarily on strong competition in international whey product markets, and exports of a number of other dairy products are facing increased competition. Imports are increased on both a fat and skim-solids basis. Continued strength of the U.S. dollar is expected to keep the United States as an attractive market for dairy products. Expectations of a relatively wide spread between U.S. and international butter prices will support increased butterfat imports while cheese imports will likely benefit from continued demand strength. Whey product exports are also likely to be pressured by large world supplies.

The butter price forecast is raised as demand remains firm. Cheese and nonfat dry milk (NDM) prices are reduced as supplies are expected to be large and in the case of NDM, international prices will remain under pressure from large global supplies. The whey price forecast is unchanged. The Class III price is lowered on the lower cheese price. The Class IV price is unchanged at the midpoint as the higher butter price offsets a lower NDM price; however, the range is narrowed. The all milk price forecast is lowered to \$14.95 to \$15.55 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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

April 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 4

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

Recent Developments in Dairy Markets

Excerpts from Livestock, Dairy, & Poultry Outlook, April 18, 2016, Economic Research Service, USDA:

U.S. dairy imports continued relatively high in February, especially for products with high milk-fat content. Imports of cheese and butterfat products were higher than January 2016 and much higher than February 2015. Imports from New Zealand, the European Union (EU), and Canada made up substantial shares of dairy imports. On the export side, combined exports of nonfat dry milk (NDM) and skim milk powder remained strong compared to exports of other products, with exports to Mexico making up the largest share. Exports of whey products grew from January to February and exceeded February 2015. U.S. exports of butterfat products also increased significantly over the previous month and February 2015.

Price differences between U.S. domestic wholesale prices and foreign export prices have contributed to the increase in imports of products with high milk-fat content and the resilience of exports of products with high skim-solids content. The large price gap between the U.S. and foreign prices for butter has encouraged nonlicensed¹ butter imports at the high-tier tariff rate of \$0.699 per pound. Although U.S. prices for NDM and dry whey are competitive with prices of foreign competitors, U.S. export growth continues to be constrained by slow global demand growth.

U.S. milk production has continued to grow. Daily milk production in February was 1.0 percent higher than February 2015, and daily milk per cow in February was 0.9 percent higher. Milk cows were four-thousand head higher than the previous February. Prices for corn, soybean meal, and alfalfa hay have been relatively low in recent months, contributing to favorable conditions for increased milk production.

For the weeks ending March 5 through March 26, federally inspected milk cow slaughter was below corresponding weeks in 2015. Relatively low cull-cow prices may have contributed to retention of some milk cows that would have otherwise been culled. Although specific price data are not available (continued on Page 4)

Uniform Price Declines

The uniform price in Fulton County, GA, was \$16.22 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.66 lower than the previous month and is \$2.08 per hundredweight lower compared to March 2015.

Class I utilization was 65.61 percent in March, 7.64 percent lower than the previous month and 5.30 percent lower than March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in February 2016 was 16.90 billion pounds, up 4.6 percent from February 2015 and 2.0 percent higher compared with January 2016.. However, adjusting production for the additional day due to leap year causes February milk production to be up 1.0 percent on a per day basis. Total cheese output (excluding cottage cheese) was 956 million pounds, 7.8 percent above February 2015 but 4.7 percent below January 2016. Butter production was 171 million pounds, 9.6 percent above February 2015 but 2.5 percent below January 2016.

Nonfat dry milk powder production was 145.0 million pounds in February, 3.9 percent lower than February of last year and 13.0 percent more than January 2016 on a daily average basis. Total dry whey production was 74.6 million pounds in February, down 4.3 percent from February 2015 and 4.2 percent above January 2016 on a daily average basis. Whey protein concentrates production was 36.9 million pounds in February, 5.1 percent less than February 2015 and 1.0 percent lower than January 2016 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.15 in February, 0.01 more than the prior month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.12%	6,915,426	\$2.4103	\$ 16,668,251.29
Class I Differential at Location				225,910.81
Class II Butterfat	36.30%	6,761,756	\$2.2098	14,942,128.42
Class III Butterfat	9.68%	1,803,445	\$2.2028	3,972,628.67
Class IV Butterfat	16.90%	3,147,443	\$2.2028	6,933,187.43
Total Butterfat	100.00%	18,628,070		\$ 42,742,106.62

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2945**

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	66.69%	326,457,640	\$5.54 /cwt.	\$ 18,085,753.25
Class I Butterfat	37.12%	6,915,426	\$2.4103 /lb.	16,668,251.29
Class I Differential at Location		333,373,066		10,925,312.35
Total Class I Milk	65.61%	333,373,066		\$ 45,679,316.89
Class II Skim Milk	13.05%	63,860,278	\$6.05 /cwt.	\$ 3,863,546.81
Class II Butterfat	36.30%	6,761,756	\$2.2098 /lb.	14,942,128.42
Total Class II Milk	13.90%	70,622,034		\$ 18,805,675.23
Class III Skim Milk	11.91%	58,281,206	\$6.25 /cwt.	\$ 3,642,575.42
Class III Butterfat	9.68%	1,803,445	\$2.2028 /lb.	3,972,628.67
Total Class III Milk	11.83%	60,084,651		\$ 7,615,204.09
Class IV Skim Milk	8.35%	40,866,673	\$5.21 /cwt.	\$ 2,129,153.67
Class IV Butterfat	16.90%	3,147,443	\$2.2028 /lb.	6,933,187.43
Total Class IV Milk	8.66%	44,014,116		\$ 9,062,341.10
Producer Milk	100.00%	508,093,867		\$ 81,162,537.31

Adjustments

Overage and Other Source	\$1,874.58
Inventory Adjustments	\$5,355.32
Producer butterfat at uniform butterfat price	(\$42,742,106.62)
Location Adjustments to Producers	\$3,156,525.19
1/2 Unobligated Balance in P.S.F.	\$168,761.79

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.53031	\$41,752,947.58
	\$ 0.04031	\$197,301.41

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

\$8.49

Uniform Price per cwt. (Fulton County, Georgia)

\$16.22*

* 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 2016	APR 2016	FEB 2015	MAR 2016	MAR 2016
Appalachian (Charlotte)	\$ 17.18	\$ 17.14	\$ 16.41	\$ 15.87	67.23%
Arizona (Phoenix)	\$ 16.13	\$ 16.09	\$ 14.30	\$ 13.84	24.27%
Central (Kansas City)	\$ 15.78	\$ 15.74	\$ 14.21	\$ 13.87	31.07%
Florida (Tampa)	\$ 19.18	\$ 19.14	\$ 18.43	\$ 18.06	84.37%
Midwest (Cleveland)	\$ 15.78	\$ 15.74	\$ 14.37	\$ 13.97	30.80%
Northeast (Boston)	\$ 17.03	\$ 16.99	\$ 15.29	\$ 14.81	33.00%
Pacific Northwest (Seattle)	\$ 15.68	\$ 15.64	\$ 14.08	\$ 13.67	28.00%
Southeast (Atlanta)	\$ 17.58	\$ 17.54	\$ 16.88	\$ 16.22	65.61%
Southwest (Dallas)	\$ 16.78	\$ 16.74	\$ 15.02	\$ 14.72	28.93%
Upper Midwest (Chicago)	\$ 15.58	\$ 15.54	\$ 13.99	\$ 13.84	9.40%

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

Receipts:		March 2016	March 2015
Producer Milk			
Class I		333,373,066	335,909,178
Class II		70,622,034	60,385,908
Class III		60,084,651	33,260,362
Class IV		44,014,116	44,133,918
	Total Producer Milk	508,093,867	473,689,366
	Average Butterfat Test	3.67%	3.71%
	Percent of Producer Milk in Class I	65.61%	70.91%
	Daily Average Receipts	16,390,125	15,280,302
Other Source Milk			
Class I		7,579,616	6,920,918
Class II		0	5,922,569
Class III		2,911,992	246,913
Class IV		6,486,689	9,682,341
	Total Other Source Milk	16,978,297	22,772,741
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		851	15,158
	Total Overage	851	15,158
Opening Inventory			
Class I		19,792,062	20,700,566
Class II		1,266,331	876,891
Class III		34,000	0
Class IV		20,793,981	11,344,327
	Total Opening Inventory	41,886,374	32,921,784
	Total Receipts	566,959,389	529,399,049
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		22,617,277	22,649,427
Route Disposition Class I		323,617,543	323,500,211
Shrinkage		2,359,771	2,300,909
Transfers & Diversions to Nonpool		12,150,153	15,080,115
	Total Class I Utilization	360,744,744	363,530,662
	Average Butterfat Test	2.06%	2.00%
	Daily Average Utilization	11,636,927	11,726,796
Class II Utilization			
Nonfluid Used To Produce		3,722,957	4,129,742
Shrinkage		183,790	59,375
Transfers & Diversions to Nonpool/Commercial Foods		59,064,267	49,550,236
Used To Produce/Other Uses		11,829,343	13,446,015
	Total Class II Utilization	74,800,357	67,185,368
	Average Butterfat Test	9.07%	8.95%
Class III Utilization			
Shrinkage		18,647	0
Transfers & Diversions to Nonpool		60,100,004	33,507,275
Used To Produce/Other Uses		0	0
	Total Class III Utilization	60,118,651	33,507,275
	Average Butterfat Test	3.00%	4.05%
Class IV Utilization			
Inventory		15,049,911	20,133,247
Nonfluid Used To Fortify		784,887	884,250
Shrinkage		6,343,556	5,582,718
Transfers & Diversions to Nonpool		44,752,779	34,471,118
Used To Produce/Other Uses		4,364,504	4,104,411
	Total Class IV Utilization	71,295,637	65,175,744
	Average Butterfat Test	8.41%	8.48%
	Total Utilization	566,959,389	529,399,049

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2016 is \$16.22 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.49 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2945 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 66.69% of all producer skim milk (priced to handlers at \$5.54 per hundredweight, plus the Class I differential, see page 2) and 37.12% of producer butterfat (priced to handlers at \$2.4103 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.05% of all producer skim milk (\$6.05 per hundredweight) and 36.30% of producer butterfat (\$2.2098 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.91% of all producer skim milk (\$6.25 per hundredweight) and 9.68% of producer butterfat (\$2.2028 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.35% of all producer skim milk (\$5.21 per hundredweight) and 16.90% of producer butterfat (\$2.2028 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>February 2016</u>		
Whole Milk	125,240,663	34.00%
Fat Free Milk	28,684,197	7.79%
Lowfat Milk (incl. 1%)	43,960,044	11.94%
Reduced Fat Milk (incl. 2%)	117,229,777	31.83%
Cultured Fluid Milk (incl. Buttermilk)	7,296,680	1.98%
Flavored Drinks and Milk	45,893,748	12.46%
Total Disposition in Marketing Area	368,305,109	100.00%
Total Disposition by Pool Plants	279,009,044	75.75%
Total Disposition by Nonpool Plants	89,296,065	24.25%
Total Disposition in Marketing Area	368,305,109	100.00%

Receipts of producer milk during March totaled 508.1 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2016. Class I route disposition in the area was 368.3 million pounds in February 2016.

Recent Developments in Dairy Markets

(continued from Page 1) for dairy cull-cows, the National dressed domestic cutter-cow price (live weight equivalent) is a reasonable proxy. The cutter-cow price declined substantially through the second half of 2015 and continued to be relatively low in the first quarter of 2016.

Feed price forecasts continue to remain relatively low. The corn price forecast for 2015/16 is \$3.40-\$3.70 per bushel, a decrease from \$3.40-\$3.80 forecast last month. The 2015/16 soybean meal price forecast is \$275-\$295 per short ton, unchanged at the midpoint from last month's forecast. The national average price for alfalfa hay decreased from \$147 per short ton in January to \$142 in February.

Based on recent data for milk production, milk cow slaughter, and expectations of relatively low cull-cow prices, milk production forecasts have been raised to 211.8 billion pounds for 2016, an increase of 0.2 billion pounds from last month's forecast. The 2016 forecast for milk cows is 9.310 million head, 5 thousand more than forecast last month. Milk per cow has been raised to 22,755 pounds per head, 10 pounds more than forecast last month.

Several factors indicate that dairy prices may fall, including recent high stock levels for butter and cheese, higher forecasts for milk production, and higher imports of products with high milk-fat content. However, strong domestic demand is expected to mitigate downward price pressure.

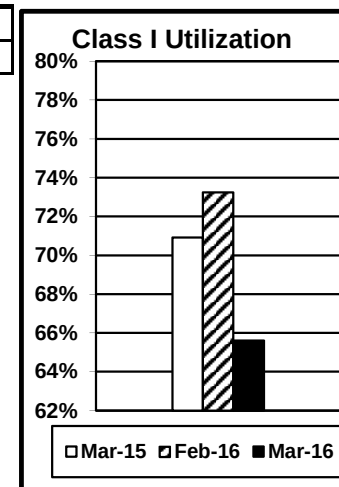
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89											

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 2015	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,800**	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%

* 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 2016

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 2016	05/11/16	05/12/16	05/13/16	04/25/16	04/26/16	05/13/16	05/16/16
MAY 2016	06/11/16	06/13/16	06/14/16	05/25/16	05/26/16	06/14/16	06/15/16
JUN 2016	07/11/16	07/12/16	07/13/16	06/27/16	06/27/16	07/13/16	07/14/16

** The base rate for making partial payments in Fulton County, GA for April will be \$14.60 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.88 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 – 552 April 12, 2016

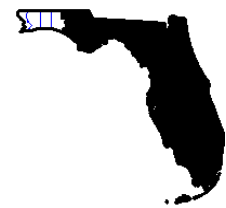
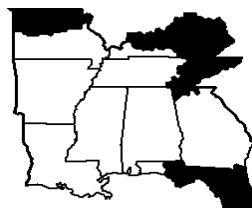
The milk production forecast is increased from last month on a slower reduction in the cow inventory and slightly faster growth in milk per cow. Fat basis exports are raised on strong exports of butterfat-containing products, but strong imports of butterfat and cheese supported an increase in the fat basis import forecast. Skim-solids exports and imports are lowered on the pace of trade to date.

The butter and nonfat dry milk (NDM) price forecast are reduced from last month on relatively large supplies and continued pressure from weak international prices. Cheese and whey prices are unchanged at the midpoint, but the range is narrowed for cheese. With no change made to cheese and whey, the Class III price is unchanged at the midpoint. The Class IV price is lowered on lower butter and NDM prices. The annual all milk price forecast is unchanged at the midpoint as stronger first-half prices are offset by lower second-half price forecasts.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

May 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 5

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

USDA's First 2017 Forecasts

Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2016, Economic Research Service, USDA:

A summary of market conditions for 2015 and 2016 provides context for our 2017 forecasts. In 2015 and the first few months of 2016, dairy prices have been significantly below 2014 levels, and they are expected to remain relatively low for the rest of 2016. Prices of major competitors, the EU and Oceania, have generally been even lower. The low world prices are the result of large global supplies and relatively weak demand abroad. Low input prices for feed and fuel have encouraged growth in the U.S. milk supply. A positive shift in domestic demand for products with high milk-fat content has supported U.S. butter and cheese prices at levels higher than prices of foreign competitors. Under highly competitive conditions, U.S. exports have been lower than in 2014. Imports have been higher, although limited to some extent by tariff rate quotas for cheese, butter, and butterfat products.

Global demand for dairy products is expected to strengthen in 2017. Global milk supplies are expected to grow at a slower rate, but continued low feed prices are expected to encourage growth in U.S. milk production. The gaps between domestic and foreign prices for butter and cheese are expected to narrow. These changes are expected to support an increase in exports and a decrease in imports. While domestic demand for products with high milk-fat content is expected to continue to grow, the rate of growth is expected to decrease.

Year-over-year exports for 2017 are forecast to rise by 0.2 billion pounds on a milk-fat basis and 1.4 billion pounds on a skim-solids basis. Imports are expected to fall by 0.7 pounds on a milk-fat basis and 0.2 billion pounds on a skim-solids basis. Domestic use in 2017 is forecast to grow by 2.3 billion pounds on a milkfat basis and 1.9 billion pounds on a skim-solids basis, significantly slower than growth rates forecast for 2016.

With relatively low expected feed prices and forecasts for growing domestic and foreign demand, milk production is forecast to grow to (continued on Page 4)

Uniform Price Higher in April

The uniform price in Fulton County, GA, was \$16.34 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.12 higher than the previous month and is \$1.99 per hundredweight lower compared to April 2015.

Class I utilization was 64.29 percent in April, 1.32 percent lower than the previous month and 6.44 percent lower than March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March 2016 was 18.41 billion pounds, up 1.8 percent from March 2015 and 1.8 percent higher compared with February 2016 on a daily average basis. Milk production was up 2.1 percent for the first quarter compared with last year.

Total cheese output (excluding cottage cheese) was 1.03 billion pounds, 1.8 percent above March 2015 and 0.8 percent above February 2016 on a daily average basis. Butter production was 182 million pounds, 8.6 percent above March 2015 and 2.4 percent below February 2016 on a daily average basis.

Nonfat dry milk powder production was 171.6 million pounds in March, 5.1 percent lower than March of last year and 14.5 percent more than February 2016 on a daily average basis. Total dry whey production was 82.9 million pounds in March, down 4.5 percent from March 2015 and 2.9 percent above February 2016 on a daily average basis. Whey protein concentrates production was 38.3 million pounds in March, 9.1 percent less than March 2015 and 2.6 percent lower than February 2016 on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.08 in March, 0.07 lower than the prior month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.13%	6,454,005	\$2.2106	\$ 14,267,223.49
Class I Differential at Location				210,917.52
Class II Butterfat	33.54%	5,992,311	\$2.2446	13,450,341.28
Class III Butterfat	9.59%	1,713,611	\$2.2376	3,834,375.98
Class IV Butterfat	20.74%	3,704,982	\$2.2376	8,290,267.71
Total Butterfat	100.00%	17,864,909		\$ 40,053,125.98

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2420**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	65.35%	310,671,113	\$6.22 /cwt.	\$ 19,323,743.24
Class I Butterfat	36.13%	6,454,005	\$2.2106 /lb.	14,267,223.49
Class I Differential at Location		317,125,118		10,383,671.93
Total Class I Milk	64.29%	317,125,118		\$ 43,974,638.66
Class II Skim Milk	12.87%	61,187,568	\$5.89 /cwt.	\$ 3,603,947.75
Class II Butterfat	33.54%	5,992,311	\$2.2446 /lb.	13,450,341.28
Total Class II Milk	13.62%	67,179,879		\$ 17,054,289.03
Class III Skim Milk	12.75%	60,633,802	\$6.01 /cwt.	\$ 3,644,091.51
Class III Butterfat	9.59%	1,713,611	\$2.2376 /lb.	3,834,375.98
Total Class III Milk	12.64%	62,347,413		\$ 7,478,467.49
Class IV Skim Milk	9.03%	42,916,303	\$5.02 /cwt.	\$ 2,154,398.41
Class IV Butterfat	20.74%	3,704,982	\$2.2376 /lb.	8,290,267.71
Total Class IV Milk	9.45%	46,621,285		\$ 10,444,666.12
Producer Milk	100.00%	493,273,695		\$ 78,952,061.30

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$29,402.92
Producer butterfat at uniform butterfat price	(\$40,053,125.98)
Location Adjustments to Producers	\$2,928,974.17
1/2 Unobligated Balance in P.S.F.	\$177,603.49

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.84185	\$42,034,915.90
	\$ 0.04185	\$198,942.75

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

\$8.80

Uniform Price per cwt. (Fulton County, Georgia)

\$16.34*

* 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 2016	MAY 2016	MAR 2015	APR 2016	APR 2016
Appalachian (Charlotte)	\$ 17.14	\$ 17.10	\$ 15.87	\$ 16.01	66.02%
Arizona (Phoenix)	\$ 16.09	\$ 16.05	\$ 13.84	\$ 13.82	23.29%
Central (Kansas City)	\$ 15.74	\$ 15.70	\$ 13.87	\$ 13.91	29.82%
Florida (Tampa)	\$ 19.14	\$ 19.10	\$ 18.06	\$ 18.32	84.47%
Midwest (Cleveland)	\$ 15.74	\$ 15.70	\$ 13.97	\$ 14.02	29.70%
Northeast (Boston)	\$ 16.99	\$ 16.95	\$ 14.81	\$ 14.85	32.00%
Pacific Northwest (Seattle)	\$ 15.64	\$ 15.60	\$ 13.67	\$ 13.67	26.32%
Southeast (Atlanta)	\$ 17.54	\$ 17.50	\$ 16.22	\$ 16.34	64.29%
Southwest (Dallas)	\$ 16.74	\$ 16.70	\$ 14.72	\$ 14.80	29.36%
Upper Midwest (Chicago)	\$ 15.54	\$ 15.50	\$ 13.84	\$ 13.78	8.90%

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

Receipts:		April 2016	April 2015
Producer Milk			
Class I		317,125,118	327,268,957
Class II		67,179,879	58,654,421
Class III		62,347,413	38,140,310
Class IV		46,621,285	38,639,911
Total Producer Milk		493,273,695	462,703,599
Average Butterfat Test		3.62%	3.60%
Percent of Producer Milk in Class I		64.29%	70.73%
Daily Average Receipts		16,442,457	15,423,453
Other Source Milk			
Class I		6,879,783	7,670,259
Class II		3,201,535	4,377,116
Class III		0	3,639,218
Class IV		11,262,339	9,071,013
Total Other Source Milk		21,343,657	24,757,606
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		0	0
Opening Inventory			
Class I		22,912,643	23,387,769
Class II		1,006,124	1,465,659
Class III		879,790	2,390,120
Class IV		12,868,631	15,410,256
Total Opening Inventory		37,667,188	42,653,804
Total Receipts		552,284,540	530,115,009
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,214,732	23,384,232
Route Disposition Class I		312,585,834	318,263,560
Shrinkage		1,964,087	2,797,710
Transfers & Diversions to Nonpool		12,152,891	13,881,483
Total Class I Utilization		346,917,544	358,326,985
Average Butterfat Test		2.02%	1.96%
Daily Average Utilization		11,563,918	11,944,233
Class II Utilization			
Nonfluid Used To Produce		2,591,702	3,235,242
Shrinkage		1,991	69,626
Transfers & Diversions to Nonpool/Commercial Foods		57,019,513	49,813,928
Used To Produce/Other Uses		11,774,332	11,378,400
Total Class II Utilization		71,387,538	64,497,196
Average Butterfat Test		8.47%	9.07%
Class III Utilization			
Shrinkage		0	2,231
Transfers & Diversions to Nonpool		63,227,203	44,167,417
Used To Produce/Other Uses		0	0
Total Class III Utilization		63,227,203	44,169,648
Average Butterfat Test		2.71%	3.21%
Class IV Utilization			
Inventory		17,886,208	15,883,377
Nonfluid Used To Fortify		748,346	813,914
Shrinkage		5,791,129	6,209,845
Transfers & Diversions to Nonpool		42,001,874	36,407,307
Used To Produce/Other Uses		4,324,698	3,806,737
Total Class IV Utilization		70,752,255	63,121,180
Average Butterfat Test		10.08%	7.80%
Total Utilization		552,284,540	530,115,009

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2016 is \$16.34 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.80 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2420 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 65.35% of all producer skim milk (priced to handlers at \$6.22 per hundredweight, plus the Class I differential, see page 2) and 36.13% of producer butterfat (priced to handlers at \$2.2106 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.87% of all producer skim milk (\$5.89 per hundredweight) and 33.54% of producer butterfat (\$2.2446 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.75% of all producer skim milk (\$6.01 per hundredweight) and 9.59% of producer butterfat (\$2.2376 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.03% of all producer skim milk (\$5.02 per hundredweight) and 20.74% of producer butterfat (\$2.2376 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>March 2016</u>		
Whole Milk	129,570,249	33.90%
Fat Free Milk	29,798,308	7.80%
Lowfat Milk (incl. 1%)	45,183,772	11.82%
Reduced Fat Milk (incl. 2%)	125,026,067	32.71%
Cultured Fluid Milk (incl. Buttermilk)	7,838,806	2.05%
Flavored Drinks and Milk	44,814,122	11.72%
Total Disposition in Marketing Area	382,231,324	100.00%
Total Disposition by Pool Plants	288,854,366	75.57%
Total Disposition by Nonpool Plants	93,376,958	24.43%
Total Disposition in Marketing Area	382,231,324	100.00%

Receipts of producer milk during April totaled 493.3 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2016. Class I route disposition in the area was 382.2 million pounds in March 2016.

USDA's First 2017 Forecasts

(continued from Page 1) 215.2 billion pounds, 1.6 percent more than forecast for 2016 (adjusted for leap year). While cow numbers in 2017 are forecast to remain at 9.320 million head, yield per cow is forecast to increase to 63.3 pounds of milk per day, an increase of 1.6 percent above the 2016 forecast. With higher exports, lower imports, and continued growth in domestic demand, most 2017 dairy product prices are expected to increase from 2016. The forecasts for cheese, NDM, and dry whey are \$1.540-\$1.640, \$0.855-\$0.925, and \$0.255-\$0.285 per pound, respectively. The butter price forecast of \$1.880-\$2.010 per pound for 2017 is lower than the 2016 forecast due to a lower expected growth in butter demand and an expected increase in butter supplies.

With year-over-year cheese and whey prices expected higher in 2017, the Class III milk price forecast for 2017 is \$14.05-\$15.05 per cwt. The higher year-over-year NDM price is expected to more than offset the lower butter price, resulting in a Class IV price forecast of \$13.15-\$14.25. The all-milk price forecast for 2017 is \$15.25-\$16.25.

Outlook for Feed Prices

Feed prices for remainder of 2015/2016 and for 2016-17 are expected to remain relatively low. The corn price forecast for 2015/2016 is \$3.50-\$3.70 per bushel, and the soybean meal price forecast is \$310 per short ton. The national average price for alfalfa hay increased from \$142 per short ton in February to \$144 in March. For 2016/2017, corn and soybean meal price forecasts are \$3.05-\$3.65 per bushel and \$300-\$340 per short ton, respectively.

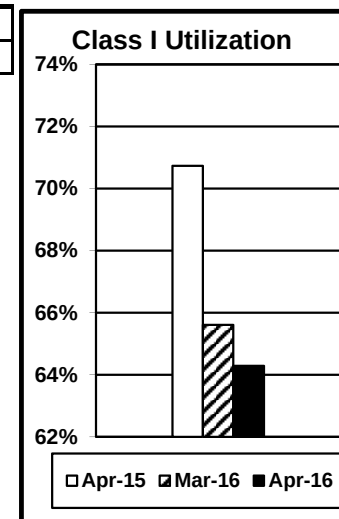
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71											

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 2015	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,750**	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%

* 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 2016

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 2016	06/11/16	06/13/16	06/14/16	05/25/16	05/26/16	06/14/16	06/15/16
JUN 2016	07/11/16	07/12/16	07/13/16	06/27/16	06/27/16	07/13/16	07/14/16
JUL 2016	08/11/16	08/12/16	08/15/16	07/25/16	07/26/16	08/15/16	08/16/16

** The base rate for making partial payments in Fulton County, GA for May will be \$14.71 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.34 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 – 553 May 10, 2016

Milk production for 2017 is forecast higher as improved forage availability and continued favorable feed costs are expected to support gains in milk per cow. Cow numbers are expected to remain near 2016 levels. Commercial exports on both a fat and skim-solids basis are forecast higher as expected tighter world supplies and increasing demand lead to expanded export opportunities. Imports are forecast lower as domestic production increases. With stronger domestic and export demand, cheese, nonfat dry milk (NDM), and whey prices are forecast higher but butter prices are forecast lower. The Class III price is forecast higher on stronger cheese and whey prices, and the Class IV price is forecast higher as a weaker butter price is more than offset by the higher NDM price. The all milk price is forecast higher than 2016 at \$15.25 to \$16.25 per cwt.

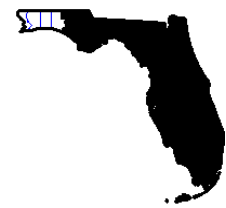
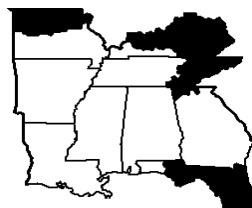
Milk production in 2016 is forecast higher than last month, as the cow inventory is expected to expand slightly and growth in milk per cow during the first half of the year is forecast higher. Imports are raised on both a fat and skim-solids basis; exports on a fat basis are raised but are unchanged on a skim-solids basis. Cheese, butter, and NDM prices are forecast lower on weaker demand and larger supplies, but whey prices are raised. Both Class III and Class IV prices are reduced. The milk price is forecast lower at \$14.60 to \$15.10 per cwt.

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



MILK MARKET ADMINISTRATOR

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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator



www.fmmatlanta.com

June 2016

Volume 17—No. 6

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

Dairy Forecast for Remainder of 2016

Excerpts from Livestock, Dairy, & Poultry Outlook, June 16, 2016, Economic Research Service, USDA:

Recent data suggest a larger supply of milk cows for 2016 than forecast last month; accordingly, the milk cow forecast has been increased to 9.325 million head, 5 thousand more than forecast last month. The milk per cow forecast is unchanged. With milk cow numbers higher than expected, the forecast for milk production for the year has been increased from 212.4 to 212.6 billion pounds.

With lower expectations for imports of butterfat products and cheese, the forecast for imports on a milk-fat basis has been reduced from 7.7 to 6.8 billion pounds. With the decrease in expected imports and the increase in expected milk production, the net effect for the total supply on a milk-fat basis is a reduction of 0.7 billion pounds. Exports on a milk-fat basis are lowered from 8.9 to 8.5 billion pounds based on recent export data. The forecast for domestic use on a milk-fat basis has been lowered by 0.5 billion pounds but remains relatively high, 3.8 percent over 2015. Ending stocks on a milk-fat basis are raised to 13.1 billion pounds.

Smaller changes have been made to the 2016 outlook on a skim-solids basis. Imports are unchanged from last month, at 6.4 billion pounds. The export forecast has been lowered by 0.2 billion pounds based on lower expected exports of nonfat dry milk, cheese, and lactose. The domestic commercial-use forecast on a skim solids basis has been raised by 0.2 billion pounds. Ending commercial stock forecasts are raised from 14.1 to 14.3 billion pounds due to recent high stock levels and the higher forecast for milk production.

Based on recent strength in CME butter prices and lower expected total supply on a milk-fat basis due to lower imports, the butter price forecast for 2016 is raised to \$2.050-\$2.120 per pound. Based on recent price data, the forecast for the 2016 NDM price has been raised to \$0.760-\$0.800 per pound. With higher prices for butter and NDM, more milk is expected to move to butter and powder production, tightening the milk supply for cheese. Based (continued on Page 4)

Uniform Price Down Slightly

The uniform price in Fulton County, GA, was \$16.27 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.07 lower than the previous month and is \$2.32 per hundredweight lower compared to May 2015.

Class I utilization was 64.45 percent in May, 0.16 percent higher than the previous month and 3.23 percent lower than May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April 2016 was 18.00 billion pounds, up 1.2 percent from April 2015 and 1.0 percent higher compared with March 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 992 million pounds, 1.4 percent above April 2015 but 0.1 percent below March 2016 on a daily average basis. Butter production was 176 million pounds, 6.4 percent above April 2015 but 0.1 percent below March 2016 on a daily average basis.

Nonfat dry milk powder production was 169.9 million pounds in April, 6.0 percent lower than April of last year and 2.0 percent more than March 2016 on a daily average basis. Total dry whey production was 82.3 million pounds in April, up 5.3 percent from April 2015 and 2.5 percent above March 2016 on a daily average basis. Whey protein concentrates production was 39.6 million pounds in April, 7.1 percent lower than April of last year and 4.2 higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 1.97 in April, 0.11 lower than the prior month. The U.S. all milk price fell to \$15.00 in April, its lowest level since April 2010.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	38.58%	6,642,962	\$2.2255	\$ 14,783,911.92
Class I Differential at Location				216,097.38
Class II Butterfat	36.48%	6,279,032	\$2.2916	14,389,029.73
Class III Butterfat	10.27%	1,767,398	\$2.2846	4,037,797.47
Class IV Butterfat	14.67%	2,524,695	\$2.2846	5,767,918.19
Total Butterfat	100.00%	17,214,087		\$ 39,194,754.69

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2769**

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	65.42%	302,186,380	\$6.12 /cwt.	\$ 18,493,806.47
Class I Butterfat	38.58%	6,642,962	\$2.2255 /lb.	14,783,911.92
Class I Differential at Location		308,829,342		10,122,798.32
Total Class I Milk	64.45%	308,829,342		\$ 43,400,516.71
Class II Skim Milk	13.67%	63,122,523	\$5.71 /cwt.	\$ 3,604,296.06
Class II Butterfat	36.48%	6,279,032	\$2.2916 /lb.	14,389,029.73
Total Class II Milk	14.49%	69,401,555		\$ 17,993,325.79
Class III Skim Milk	13.62%	62,887,662	\$4.94 /cwt.	\$ 3,106,650.51
Class III Butterfat	10.27%	1,767,398	\$2.2846 /lb.	4,037,797.47
Total Class III Milk	13.50%	64,655,060		\$ 7,144,447.98
Class IV Skim Milk	7.29%	33,677,523	\$5.28 /cwt.	\$ 1,778,173.19
Class IV Butterfat	14.67%	2,524,695	\$2.2846 /lb.	5,767,918.19
Total Class IV Milk	7.56%	36,202,218		\$ 7,546,091.38
Producer Milk	100.00%	479,088,175		\$ 76,084,381.86

Adjustments

Overage and Other Source	\$15,347.94
Inventory Adjustments	\$2,339.85
Producer butterfat at uniform butterfat price	(\$39,194,754.69)
Location Adjustments to Producers	\$2,788,656.34
1/2 Unobligated Balance in P.S.F.	\$237,774.20

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.64602	\$39,933,745.50
	\$ 0.04602	\$212,573.95

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

\$8.60

Uniform Price per cwt. (Fulton County, Georgia)

\$16.27*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	MAY 2016	JUN 2016	APR 2015	MAY 2016	MAY 2016
Appalachian (Charlotte)	\$ 17.10	\$ 16.54	\$ 16.01	\$ 15.98	63.97%
Arizona (Phoenix)	\$ 16.05	\$ 15.49	\$ 13.82	\$ 13.78	22.95%
Central (Kansas City)	\$ 15.70	\$ 15.14	\$ 13.91	\$ 13.53	26.00%
Florida (Tampa)	\$ 19.10	\$ 18.54	\$ 18.32	\$ 18.10	81.11%
Midwest (Cleveland)	\$ 15.70	\$ 15.14	\$ 14.02	\$ 13.81	28.50%
Northeast (Boston)	\$ 16.95	\$ 16.39	\$ 14.85	\$ 14.73	31.00%
Pacific Northwest (Seattle)	\$ 15.60	\$ 15.04	\$ 13.67	\$ 13.50	21.24%
Southeast (Atlanta)	\$ 17.50	\$ 16.94	\$ 16.34	\$ 16.27	64.45%
Southwest (Dallas)	\$ 16.70	\$ 16.14	\$ 14.80	\$ 14.40	28.32%
Upper Midwest (Chicago)	\$ 15.50	\$ 14.94	\$ 13.78	\$ 13.08	8.90%

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

Receipts:		May 2016	May 2015
Producer Milk			
Class I		308,829,342	306,976,850
Class II		69,401,555	58,199,243
Class III		64,655,060	47,950,104
Class IV		36,202,218	40,476,408
Total Producer Milk		479,088,175	453,602,605
Average Butterfat Test		3.59%	3.58%
Percent of Producer Milk in Class I		64.45%	67.68%
Daily Average Receipts		15,454,457	14,632,342
Other Source Milk			
Class I		5,815,340	5,847,139
Class II		3,779,498	4,098,886
Class III		2,688,117	215,936
Class IV		8,880,784	9,402,437
Total Other Source Milk		21,163,739	19,564,398
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		6,718	222,086
Total Overage		6,718	222,086
Opening Inventory			
Class I		20,214,732	23,384,232
Class II		413,942	944,140
Class III		5,633,948	353,238
Class IV		11,838,318	14,585,999
Total Opening Inventory		38,100,940	39,267,609
Total Receipts		538,359,572	512,656,698
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,263,420	17,306,758
Route Disposition Class I		302,206,711	304,713,114
Shrinkage		1,538,281	2,596,785
Transfers & Diversions to Nonpool		11,851,002	11,591,564
Total Class I Utilization		334,859,414	336,208,221
Average Butterfat Test		2.13%	2.06%
Daily Average Utilization		10,801,917	10,845,426
Class II Utilization			
Nonfluid Used To Produce		3,447,983	2,647,279
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		56,830,050	47,783,321
Used To Produce/Other Uses		13,316,962	12,811,669
Total Class II Utilization		73,594,995	63,242,269
Average Butterfat Test		8.55%	8.83%
Class III Utilization			
Shrinkage		5,257,331	0
Transfers & Diversions to Nonpool		62,507,063	48,519,278
Used To Produce/Other Uses		5,212,731	0
Total Class III Utilization		72,977,125	48,519,278
Average Butterfat Test		2.52%	2.97%
Class IV Utilization			
Inventory		16,790,343	24,656,341
Nonfluid Used To Fortify		707,726	715,121
Shrinkage		0	5,779,454
Transfers & Diversions to Nonpool		39,429,969	29,654,483
Used To Produce/Other Uses		0	3,881,531
Total Class IV Utilization		56,928,038	64,686,930
Average Butterfat Test		8.46%	7.14%
Total Utilization		538,359,572	512,656,698

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2016 is \$16.27 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.60 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2769 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 65.42% of all producer skim milk (priced to handlers at \$6.12 per hundredweight, plus the Class I differential, see page 2) and 38.58% of producer butterfat (priced to handlers at \$2.2255 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.67% of all producer skim milk (\$5.71 per hundredweight) and 36.48% of producer butterfat (\$2.2916 per pound). Class III use, mostly milk used to produce cheese, accounted for 13.62% of all producer skim milk (\$4.94 per hundredweight) and 10.27% of producer butterfat (\$2.2846 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.29% of all producer skim milk (\$5.28 per hundredweight) and 14.67% of producer butterfat (\$2.2846 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>April 2016</u>		
Whole Milk	124,391,322	33.72%
Fat Free Milk	28,142,103	7.63%
Lowfat Milk (incl. 1%)	44,902,067	12.17%
Reduced Fat Milk (incl. 2%)	118,274,437	32.06%
Cultured Fluid Milk (incl. Buttermilk)	6,955,656	1.89%
Flavored Drinks and Milk	46,228,449	12.53%
Total Disposition in Marketing Area	368,894,034	100.00%
Total Disposition by Pool Plants	278,412,368	75.47%
Total Disposition by Nonpool Plants	90,481,666	24.53%
Total Disposition in Marketing Area	368,894,034	100.00%

Receipts of producer milk during May totaled 479.1 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2016. Class I route disposition in the area was 368.9 million pounds in April 2016.

Dairy Forecast for Remainder of 2016

(continued from Page 1) on the expected change in milk allocation, lower expected cheese imports, and the recent strength of CME prices, the 2016 cheese price forecast has been raised to \$1.475-\$1.515 per pound. The whey price forecast is \$0.240-\$0.260 per pound, unchanged from last month at the midpoint of the range.

Given the higher forecasts for butter, NDM and cheese, the Class III and Class IV prices are raised to \$13.40-\$13.80 per cwt and \$13.15-\$13.65, respectively. The all milk price is raised accordingly to \$14.95-\$15.35 per cwt, an increase from \$14.60-\$15.10 per cwt forecast last month.

Outlook for Feed Prices

Feed price forecasts for 2015/2016 and 2016/17 have been raised significantly. The 2015/16 corn price forecast is \$3.60-\$3.80 per bushel, up \$0.10 at the midpoint from last month's forecast. The 2016/17 corn price forecast is \$3.20-\$3.80 per bushel, up \$0.15 at the midpoint. The estimated 2015/16 soybean meal price is \$335 per short ton, up \$25. The 2016/17 soybean meal price forecast is \$320-\$360 per short ton, up \$20 at the midpoint. The national average price for alfalfa hay increased from \$144 per short ton in March to \$153 in April.

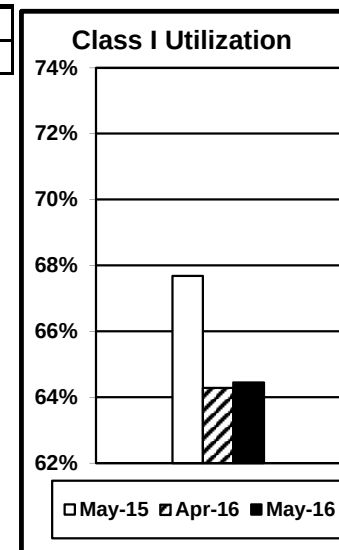
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$13.39	\$1.8388	\$19.36	\$8.31	\$1.8514	\$14.50	\$9.43	\$1.8444	\$15.56	\$ 7.61	\$1.8444	\$13.80	\$ 12.28	\$1.8426	\$18.30
Apr	\$13.17	\$1.8822	\$19.30	\$8.63	\$1.9010	\$14.98	\$9.51	\$1.8940	\$15.81	\$ 7.13	\$1.8940	\$13.51	\$ 12.14	\$1.8899	\$18.33
May	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
June	\$9.11	\$2.3288	\$16.94	\$5.86											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Mar 2015	473,689	2,012	335,909	70.91%	60,386	12.75%	33,260	7.02%	44,134	9.32%
Apr	462,704	1,951	327,269	70.73%	58,654	12.68%	38,140	8.24%	38,640	8.35%
May	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,700**	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%

* 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 2016

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 2016	07/11/16	07/12/16	07/13/16	06/27/16	06/27/16	07/13/16	07/14/16
JUL 2016	08/11/16	08/12/16	08/15/16	07/25/16	07/26/16	08/15/16	08/16/16
AUG 2016	09/11/16	09/12/16	09/13/16	08/25/16	08/26/16	09/13/16	09/14/16

** The base rate for making partial payments in Fulton County, GA for June will be \$14.64 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.27 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits

[per Order Amendment issued March 17, 2008]

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

WASDE Dairy Report 1/

WASDE – 554 June 10, 2016

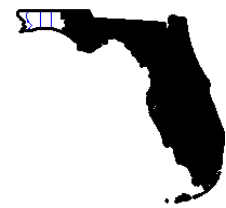
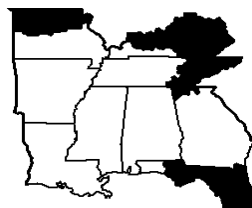
Milk production forecasts for 2016 and 2017 are raised from last month as recently reported cow numbers indicate the herd continues to expand. No change is made to output per cow. Fat and skim -solids basis export forecasts for 2016 and 2017 are lowered as international supplies of dairy products remain abundant and U.S. prices remain high relative to those of competitors. Fat and skim-solids basis stocks are forecast higher as stocks of butter and cheese are expected to remain relatively high. Fat basis imports are reduced for both 2016 and 2017 on expectations of slower imports of butterfat products, and to a lesser extent, cheese.

Cheese and butter prices for 2016 are forecast higher based on recent price data and lower forecast imports, despite relatively large stocks. The nonfat dry milk (NDM) price is raised based on recent price strength. The whey price forecast is unchanged at the midpoint. Cheese prices are forecast lower for 2017 as relatively high stocks pressure the market, but the prices of butter, NDM, and whey are unchanged from last month. Class III and Class IV price forecasts are raised for 2016 on component product prices. For 2017, the Class III price is lowered on lower cheese prices, but the Class IV price is unchanged. The all milk price is forecast higher at \$14.95 to \$15.35 per cwt for 2016, but is unchanged at \$15.25 to \$16.25 per cwt for 2017.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

July 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 7

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

Dairy Forecast for 2016

Excerpts from Livestock, Dairy, & Poultry Outlook, July 18, 2016, Economic Research Service, USDA:

The forecast for milk cows is increased by 15,000 cows for 2017 to 9.335 million, due to higher forecasts for milk prices and lower forecasts for feed prices. Output per cow is unchanged, at 23,095 pounds for the year. Total production is forecast at 215.6 billion pounds, 0.3 billion pounds higher than last month, and an increase of 1.5 percent from 2016.

Forecasts for imports and exports on a milk-fat basis are unchanged for 2017, at 6.7 and 8.7 billion pounds, respectively. Higher expected exports of whole milk powder are offset by lower expected exports of butterfat products. The domestic commercial use forecast on a milk-fat basis has been raised to 213.3 billion pounds, 0.1 billion pounds higher than forecast last month; the forecast for ending stocks has been raised to 12.8 billion pounds, 0.6 billion pounds higher.

On a skim-solids basis, 2017 import and export forecasts have been increased slightly from last month. Imports are now forecast at 6.3 billion pounds, 0.1 billion pounds higher, due to higher expected imports of milk albumin and food preparations with significant dairy content. Exports are forecast at 37.3 billion pounds, 0.2 billion pounds higher due to higher expected exports of dry whole milk. Ending commercial stocks are forecast at 13.8 billion pounds, 0.2 billion pounds lower than last month. The domestic commercial use forecast is lowered 0.1 billion pounds to 183.6 billion for 2017.

Higher dairy product price forecasts are extended into 2017. Robust domestic demand is expected to contribute to higher prices for all major dairy products, and improving international markets are expected to support higher domestic prices for NDM and dry whey. Price forecasts for cheese, butter, NDM and dry whey have been raised to \$1.565-\$1.665, \$1.940-\$2.070, \$0.865-\$0.935 and \$0.280-\$0.310 per pound, respectively. (continued on Pg. 4)

Uniform Price Falls

The uniform price in Fulton County, GA, was \$16.17 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.10 lower than the previous month and is \$2.77 per hundredweight lower compared to June 2015.

Class I utilization was 64.78 percent in June, 0.33 percent higher than the previous month and 6.64 percent lower than June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May 2016 was 18.65 billion pounds, up 1.2 percent from May 2015 and 0.3 percent higher compared with April 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 998 million pounds, 1.2 percent above May 2015 but 2.5 percent below April 2016 on a daily average basis. Butter production was 170 million pounds, 0.3 percent above May 2015 but 6.8 percent below April 2016 on a daily average basis.

Nonfat dry milk powder production was 165 million pounds in May, 8.3 percent lower than May of last year and 5.7 percent lower than April 2016 on a daily average basis. Total dry whey production was 81.8 million pounds in May, up 3.1 percent from May 2015 and 3.8 percent lower than April 2016 on a daily average basis. Whey protein concentrates production was 38.4 million pounds in May, 12.6 percent lower than May of last year and 0.9 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 1.89 in May, the same value as the prior month. The U.S. all milk price fell to \$14.50 in May, down 50 cents from the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.08%	6,721,336	\$2.2908	\$ 15,397,236.52
Class I Differential at Location				218,354.64
Class II Butterfat	38.54%	6,304,411	\$2.4179	15,243,435.35
Class III Butterfat	8.45%	1,382,082	\$2.4109	3,332,061.50
Class IV Butterfat	11.93%	1,950,939	\$2.4109	4,703,518.79
Total Butterfat	100.00%	16,358,768		\$ 38,894,606.80

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3776**

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	65.67%	289,537,683	\$5.31 /cwt.	\$ 15,374,450.97
Class I Butterfat	41.08%	6,721,336	\$2.2908 /lb.	15,397,236.52
Class I Differential at Location		296,259,019		9,678,196.99
Total Class I Milk	64.78%	296,259,019		\$ 40,449,884.48
Class II Skim Milk	15.32%	67,530,714	\$5.86 /cwt.	\$ 3,957,299.84
Class II Butterfat	38.54%	6,304,411	\$2.4179 /lb.	15,243,435.35
Total Class II Milk	16.15%	73,835,125		\$ 19,200,735.19
Class III Skim Milk	12.55%	55,349,273	\$4.96 /cwt.	\$ 2,745,323.95
Class III Butterfat	8.45%	1,382,082	\$2.4109 /lb.	3,332,061.50
Total Class III Milk	12.41%	56,731,355		\$ 6,077,385.45
Class IV Skim Milk	6.46%	28,482,108	\$5.53 /cwt.	\$ 1,575,060.58
Class IV Butterfat	11.93%	1,950,939	\$2.4109 /lb.	4,703,518.79
Total Class IV Milk	6.66%	30,433,047		\$ 6,278,579.37
Producer Milk	100.00%	457,258,546		\$ 72,006,584.49

Adjustments

Overage and Other Source	\$19,557.22
Inventory Adjustments	\$9,477.12
Producer butterfat at uniform butterfat price	(\$38,894,606.80)
Location Adjustments to Producers	\$2,700,500.71
1/2 Unobligated Balance in P.S.F.	\$215,397.77

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.17803	\$36,056,910.51
	\$ 0.04803	\$211,758.56

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

\$8.13

Uniform Price per cwt. (Fulton County, Georgia)

\$16.17*

* 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 2016	JUL 2016	MAY 2015	JUN 2016	JUN 2016
Appalachian (Charlotte)	\$ 16.54	\$ 17.10	\$ 15.98	\$ 15.93	64.84%
Arizona (Phoenix)	\$ 15.49	\$ 16.05	\$ 13.78	\$ 14.13	23.45%
Central (Kansas City)	\$ 15.14	\$ 15.70	\$ 13.53	\$ 13.84	25.96%
Florida (Tampa)	\$ 18.54	\$ 19.10	\$ 18.10	\$ 17.93	83.56%
Midwest (Cleveland)	\$ 15.14	\$ 15.70	\$ 13.81	\$ 14.17	29.30%
Northeast (Boston)	\$ 16.39	\$ 16.95	\$ 14.73	\$ 15.01	30.10%
Pacific Northwest (Seattle)	\$ 15.04	\$ 15.60	\$ 13.50	\$ 13.84	20.46%
Southeast (Atlanta)	\$ 16.94	\$ 17.50	\$ 16.27	\$ 16.17	64.78%
Southwest (Dallas)	\$ 16.14	\$ 16.70	\$ 14.40	\$ 14.68	29.83%
Upper Midwest (Chicago)	\$ 14.94	\$ 15.50	\$ 13.08	\$ 13.46	8.60%

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

Receipts:		June 2016	June 2015
Producer Milk			
Class I		296,259,019	304,103,965
Class II		73,835,125	56,075,316
Class III		56,731,355	35,376,153
Class IV		30,433,047	30,242,620
	Total Producer Milk	457,258,546	425,798,054
	Average Butterfat Test	3.58%	3.56%
	Percent of Producer Milk in Class I	64.78%	71.42%
	Daily Average Receipts	15,241,952	14,193,268
Other Source Milk			
Class I		6,518,123	6,595,337
Class II		3,212,087	5,992,199
Class III		0	1,448,947
Class IV		3,386,038	3,470,121
	Total Other Source Milk	13,116,248	17,506,604
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		8,112	0
	Total Overage	8,112	0
Opening Inventory			
Class I		19,289,367	17,365,818
Class II		1,440,041	2,291,970
Class III		2,359,169	2,845,085
Class IV		12,937,497	19,510,979
	Total Opening Inventory	36,026,074	42,013,852
	Total Receipts	506,408,980	485,318,510
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		21,911,831	21,263,162
Route Disposition Class I		285,512,915	293,237,123
Shrinkage		2,197,123	1,768,657
Transfers & Diversions to Nonpool		12,444,640	11,796,178
	Total Class I Utilization	322,066,509	328,065,120
	Average Butterfat Test	2.26%	2.19%
	Daily Average Utilization	10,735,550	10,935,504
Class II Utilization			
Nonfluid Used To Produce		2,936,023	3,383,894
Shrinkage		0	7,897
Transfers & Diversions to Nonpool/Commercial Foods		62,319,035	16,833,735
Used To Produce/Other Uses		13,232,195	14,133,959
	Total Class II Utilization	78,487,253	64,359,485
	Average Butterfat Test	8.07%	8.99%
Class III Utilization			
Shrinkage		4,799,595	2,804
Transfers & Diversions to Nonpool		49,970,514	39,667,381
Used To Produce/Other Uses		4,320,415	0
	Total Class III Utilization	59,090,524	39,670,185
	Average Butterfat Test	2.39%	2.84%
Class IV Utilization			
Inventory		18,042,418	15,842,873
Nonfluid Used To Fortify		674,713	779,822
Shrinkage		0	5,592,509
Transfers & Diversions to Nonpool		28,047,563	26,717,251
Used To Produce/Other Uses		0	4,291,265
	Total Class IV Utilization	46,764,694	53,223,720
	Average Butterfat Test	6.01%	5.21%
	Total Utilization	506,408,980	485,318,510

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2016 is \$16.17 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.13 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3776 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 65.67% of all producer skim milk (priced to handlers at \$5.31 per hundredweight, plus the Class I differential, see page 2) and 41.08% of producer butterfat (priced to handlers at \$2.2908 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.32% of all producer skim milk (\$5.86 per hundredweight) and 38.54% of producer butterfat (\$2.4179 per pound). Class III use, mostly milk used to produce cheese, accounted for 12.55% of all producer skim milk (\$4.96 per hundredweight) and 8.45% of producer butterfat (\$2.4109 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.46% of all producer skim milk (\$5.53 per hundredweight) and 11.93% of producer butterfat (\$2.4109 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>May 2016</u>		
Whole Milk	126,532,416	35.02%
Fat Free Milk	27,611,330	7.64%
Lowfat Milk (incl. 1%)	41,774,186	11.56%
Reduced Fat Milk (incl. 2%)	118,807,013	32.88%
Cultured Fluid Milk (incl. Buttermilk)	7,166,517	1.98%
Flavored Drinks and Milk	39,427,729	10.91%
Total Disposition in Marketing Area	361,319,191	100.00%
Total Disposition by Pool Plants	269,292,751	74.53%
Total Disposition by Nonpool Plants	92,026,440	25.47%
Total Disposition in Marketing Area	361,319,191	100.00%

Receipts of producer milk during June totaled 457.3 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2016. Class I route disposition in the area was 361.3 million pounds in May 2016.

Excerpts from Latest Livestock, Dairy & Poultry Outlook

(continued from Page 1) Recent data for imports of milk albumin and food preparations suggest slightly higher skim-solids imports for the year. The 2016 forecast for imports on a skim-solids basis is 6.5 billion pounds, 0.1 billion pounds higher than last month's forecast. The forecast for exports has been raised significantly, from 36.0 to 36.4 billion pounds on a skim-solids basis, partly due to increasing dry whey prices in Europe and increasing international prices for milk powder. Ending stocks have been reduced from 14.3 to 13.8 billion pounds for the year as result of the increase in exports and a higher forecast for domestic commercial use, which has been raised to 181.7 billion pounds, 0.2 billion pounds above last month's forecast.

Outlook for Feed Prices

Feed price forecasts for 2015/2016 and 2016/17 have generally been lowered from last month. The 2015/16 corn price forecast is \$3.60-\$3.70 per bushel, down \$0.05 from last month's forecast at the midpoint. The 2016/17 corn price forecast is \$3.10-\$3.70 per bushel, down \$0.10 at both ends of the range. The estimated 2015/16 soybean meal price is \$340 per short ton, up \$5. The 2016/17 soybean meal price forecast is \$325-\$365 per short ton, up \$5 at both ends of the range. The reductions in the corn price forecasts are proportionally greater than the higher forecasts for the soybean meal prices. The national average price for alfalfa hay decreased from \$153 per short ton in April to \$147 in May.

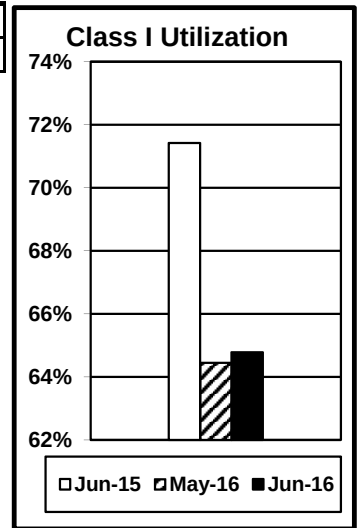
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2015	\$13.32	\$1.9352	\$19.63	\$7.85	\$2.0669	\$14.81	\$9.31	\$2.0599	\$16.19	\$ 6.94	\$2.0599	\$13.91	\$ 11.97	\$2.0113	\$18.59
Jun	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27											

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.	%
May 2015	453,603	1,919	306,977	67.68%	58,199	12.83%	47,950	10.57%	40,476	8.92%
Jun	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,700**	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%

* 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 2016

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 2016	08/11/16	08/12/16	08/15/16	07/25/16	07/26/16	08/15/16	08/16/16
AUG 2016	09/11/16	09/12/16	09/13/16	08/25/16	08/26/16	09/13/16	09/14/16
SEP 2016	10/11/16	10/12/16	10/13/16	09/26/16	09/26/16	10/13/16	10/14/16

** The base rate for making partial payments in Fulton County, GA for July will be \$14.55 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.17 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%

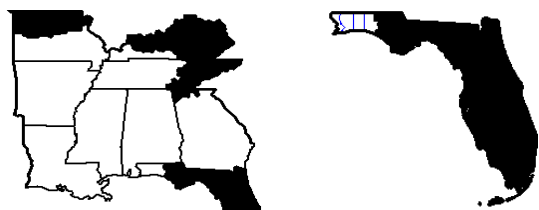
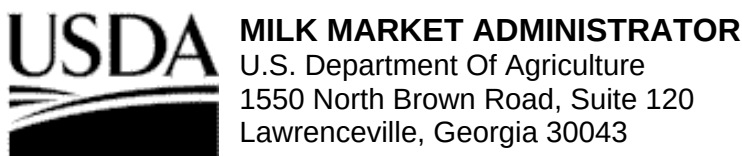
WASDE Dairy Report 1/

WASDE – 555 July 12, 2016

The milk production forecast for 2016 is lowered from last month as the pace of cow herd expansion has slowed. However, the production forecast for 2017 is raised as higher forecast milk prices and lower feed costs in late 2016 and early 2017 are expected to lead to higher 2017 cow numbers. Fat basis exports are lowered for 2016 as slowing sales of butterfat products more than offset higher whole milk powder (WMP) exports. The forecast for 2017 is unchanged.

On a skim-solids basis, the export forecasts for 2016 and 2017 are raised on higher WMP sales. For 2016 and 2017, imports are unchanged on a fat basis, but are raised on a skim-solids basis. Fat basis stocks are forecast higher as stocks of butter remain high, but on a skim-solids basis, stocks are reduced. Cheese, butter, nonfat dry milk, and whey prices for 2016 and 2017 are forecast higher as demand remains robust. Class III and Class IV price forecasts are raised for both 2016 and 2017 as the component product prices forecasts are raised. The all milk prices are forecast higher at \$15.55 to \$15.85 per cwt for 2016 and \$15.70 to \$16.70 per cwt for 2017.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

August 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 8

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

Dairy Forecast for 2016/2017

Excerpts from Livestock, Dairy, & Poultry Outlook, August 18, 2016, Economic Research Service, USDA:

With recent increases in wholesale cheese prices and relatively high expected demand, the cheese price forecasts have been raised to \$1.750-1.780 and \$1.725-\$1.785 per pound in the third and fourth quarters [of 2016], respectively. Whey prices are forecast slightly higher in the third quarter, \$0.270-0.290 per pound, but are unchanged in the fourth quarter at \$0.265-0.295 per pound. NDM prices are also slightly higher, at \$0.830-0.860 per pound for the third quarter and \$0.825-0.875 for the fourth quarter. Given recent price movements and large stocks, butter prices are forecast lower, at \$2.235-\$2.295 and \$2.185-2.275 per pound in the third and fourth quarters, respectively.

Significantly higher cheese prices result in increased Class III price forecasts, \$16.25-\$16.55 and \$16.00-16.60 per hundredweight (cwt) in the third and fourth quarters, respectively. With the lower butter prices more than offsetting higher NDM prices, Class IV price forecasts have been reduced to \$14.50-14.90 and \$14.25-14.95 per cwt in the third and fourth quarters, respectively. The all-milk price forecasts are raised to \$16.80-17.10 per cwt for the third quarter and \$17.60-18.20 per cwt for the fourth quarter. For the year, the all-milk price forecast is \$16.25-\$16.45 per cwt, up from \$15.55-15.85 forecast last month.

As improved returns are expected to result in higher feeding of quality ingredients, the 2017 forecast of yield per cow has been raised by 10 pounds per head. The milk production forecast has been raised to 215.8 billion pounds, 0.2 billion pounds more than forecast last month.

With larger expected imports of products with high milk-fat content, milk-fat basis imports for 2017 are raised to 6.9 billion pounds, 0.2 billion more than forecast last month. The export forecast on a milk-fat basis is unchanged at 8.7 billion pounds. With higher butter stocks expected to (continued on Pg. 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$17.20 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price is \$1.03 higher than the previous month and is \$2.11 per hundredweight lower compared to July 2015.

Class I utilization was 68.70 percent in July, 3.92 percent higher than the previous month and 8.32 percent lower than July of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June 2016 was 17.77 billion pounds, up 1.5 percent from June 2015 and 1.4 percent lower compared with May 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 987 million pounds, 1.1 percent above June 2015 and 1.8 percent higher than May 2016 on a daily average basis. Butter production was 153 million pounds, 6.4 percent above June 2015 but 7.1 percent below May 2016 on a daily average basis.

Nonfat dry milk powder production was 144 million pounds in June, 13.2 percent lower than June of last year and 10.6 percent lower than May 2016 on a daily average basis. Total dry whey production was 79.2 million pounds in June, down 7.7 percent from June 2015 and 0.3 percent lower than May 2016 on a daily average basis. Whey protein concentrates production was 35.9 million pounds in June, 7.9 percent lower than June of last year and 2.3 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 1.91 in June, 0.02 higher than the prior month. The U.S. all milk price fell to \$14.80 in June, up 30 cents from the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.18%	6,470,139	\$2.3789	\$ 15,391,813.67
Class I Differential at Location				211,370.77
Class II Butterfat	37.25%	5,581,521	\$2.6034	14,530,931.79
Class III Butterfat	7.33%	1,098,644	\$2.5964	2,852,519.28
Class IV Butterfat	12.24%	1,834,331	\$2.5964	4,762,656.98
Total Butterfat	100.00%	14,984,635		\$ 37,749,292.49

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5192**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	69.66%	280,793,776	\$5.57 /cwt.	\$ 15,640,213.31
Class I Butterfat	43.18%	6,470,139	\$2.3789 /lb.	15,391,813.67
Class I Differential at Location		287,263,915		9,413,919.47
Total Class I Milk	68.70%	287,263,915		\$ 40,445,946.45
Class II Skim Milk	15.12%	60,965,815	\$6.27 /cwt.	\$ 3,822,556.58
Class II Butterfat	37.25%	5,581,521	\$2.6034 /lb.	14,530,931.79
Total Class II Milk	15.92%	66,547,336		\$ 18,353,488.37
Class III Skim Milk	7.97%	32,119,856	\$6.38 /cwt.	\$ 2,049,246.82
Class III Butterfat	7.33%	1,098,644	\$2.5964 /lb.	2,852,519.28
Total Class III Milk	7.95%	33,218,500		\$ 4,901,766.10
Class IV Skim Milk	7.25%	29,228,345	\$5.96 /cwt.	\$ 1,742,009.35
Class IV Butterfat	12.24%	1,834,331	\$2.5964 /lb.	4,762,656.98
Total Class IV Milk	7.43%	31,062,676		\$ 6,504,666.33
Producer Milk	100.00%	418,092,427		\$ 70,205,867.25

Adjustments

Overage and Other Source	\$21,269.71
Inventory Adjustments	\$28,630.22
Producer butterfat at uniform butterfat price	(\$37,749,292.49)
Location Adjustments to Producers	\$2,498,281.05
1/2 Unobligated Balance in P.S.F.	\$215,098.11

Adjusted Pool Value

	\$ 8.73708	\$35,219,853.85
Reserve for Producer Settlement Fund	\$ 0.04708	\$189,786.74

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

\$8.69

Uniform Price per cwt. (Fulton County, Georgia)

\$17.20*

* 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 2016	AUG 2016	JUN 2016	JUL 2016	JUL 2016
Appalachian (Charlotte)	\$ 17.10	\$ 18.47	\$ 15.93	\$ 16.80	67.84%
Arizona (Phoenix)	\$ 16.05	\$ 17.42	\$ 14.13	\$ 15.42	25.59%
Central (Kansas City)	\$ 15.70	\$ 17.07	\$ 13.84	\$ 15.26	28.16%
Florida (Tampa)	\$ 19.10	\$ 20.47	\$ 17.93	\$ 18.71	83.33%
Mideast (Cleveland)	\$ 15.70	\$ 17.07	\$ 14.17	\$ 15.45	29.70%
Northeast (Boston)	\$ 16.95	\$ 18.32	\$ 15.01	\$ 16.22	29.30%
Pacific Northwest (Seattle)	\$ 15.60	\$ 16.97	\$ 13.84	\$ 15.19	19.74%
Southeast (Atlanta)	\$ 17.50	\$ 18.87	\$ 16.17	\$ 17.20	68.70%
Southwest (Dallas)	\$ 16.70	\$ 18.07	\$ 14.68	\$ 16.11	27.56%
Upper Midwest (Chicago)	\$ 15.50	\$ 16.87	\$ 13.46	\$ 15.34	9.50%

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

Receipts:		July 2016	July 2015
Producer Milk			
Class I		287,263,915	314,563,979
Class II		66,547,336	54,370,729
Class III		33,218,500	22,398,661
Class IV		31,062,676	17,134,317
	Total Producer Milk	418,092,427	408,467,686
	Average Butterfat Test	3.58%	3.55%
	Percent of Producer Milk in Class I	68.70%	77.02%
	Daily Average Receipts	13,486,852	13,176,377
Other Source Milk			
Class I		7,175,649	6,943,501
Class II		2,834,983	5,890,454
Class III		0	226,048
Class IV		2,279,797	2,800,779
	Total Other Source Milk	12,290,429	15,860,782
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		8,192	0
	Total Overage	8,192	0
Opening Inventory			
Class I		21,911,831	21,353,920
Class II		0	1,860,228
Class III		3,368,261	126,104
Class IV		14,674,157	12,748,777
	Total Opening Inventory	39,954,249	36,089,029
	Total Receipts	470,345,297	460,417,497
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		17,558,582	24,528,386
Route Disposition Class I		289,260,692	303,247,252
Shrinkage		3,337,166	2,415,796
Transfers & Diversions to Nonpool		6,194,955	12,669,966
	Total Class I Utilization	316,351,395	342,861,400
	Average Butterfat Test	2.24%	2.21%
	Daily Average Utilization	10,204,884	11,060,045
Class II Utilization			
Nonfluid Used To Produce		2,714,787	3,212,968
Shrinkage		1,535,135	7,121
Transfers & Diversions to Nonpool/Commercial Foods		53,104,556	44,490,784
Used To Produce/Other Uses		12,027,841	14,410,538
	Total Class II Utilization	69,382,319	62,121,411
	Average Butterfat Test	8.04%	8.84%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		36,586,761	22,750,813
Used To Produce/Other Uses		0	0
	Total Class III Utilization	36,586,761	22,750,813
	Average Butterfat Test	3.00%	4.43%
Class IV Utilization			
Inventory		22,520,459	9,313,029
Nonfluid Used To Fortify		628,855	706,863
Shrinkage		4,826,509	6,048,681
Transfers & Diversions to Nonpool		15,473,150	12,719,391
Used To Produce/Other Uses		4,575,849	3,895,909
	Total Class IV Utilization	48,024,822	32,683,873
	Average Butterfat Test	5.75%	6.03%
	Total Utilization	470,345,297	460,417,497

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2016 is \$17.20 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.69 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5192 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 69.66% of all producer skim milk (priced to handlers at \$5.57 per hundredweight, plus the Class I differential, see page 2) and 43.18% of producer butterfat (priced to handlers at \$2.3789 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.12% of all producer skim milk (\$6.27 per hundredweight) and 37.25% of producer butterfat (\$2.6034 per pound). Class III use, mostly milk used to produce cheese, accounted for 7.97% of all producer skim milk (\$6.38 per hundredweight) and 7.33% of producer butterfat (\$2.5964 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.25% of all producer skim milk (\$5.96 per hundredweight) and 12.24% of producer butterfat (\$2.5964 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>June 2016</u>		
Whole Milk	129,384,294	37.81%
Fat Free Milk	26,130,730	7.64%
Lowfat Milk (incl. 1%)	35,358,524	10.33%
Reduced Fat Milk (incl. 2%)	121,528,841	35.52%
Cultured Fluid Milk (incl. Buttermilk)	7,036,053	2.06%
Flavored Drinks and Milk	22,751,147	6.65%
Total Disposition in Marketing Area	342,189,589	100.00%
Total Disposition by Pool Plants	253,153,499	73.98%
Total Disposition by Nonpool Plants	89,036,090	26.02%
Total Disposition in Marketing Area	342,189,589	100.00%

Receipts of producer milk during July totaled 418.1 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 7 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2016. Class I route disposition in the area was 361.3 million pounds in June 2016.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from Page 1) continue into 2017, milk-fat basis ending stocks are now predicted to be 13.0 billion pounds, 0.2 billion pounds higher than last month. The milk-fat basis domestic use forecast for 2017 is up to 213.8 billion for the year, an increase of 0.5 billion pounds above last month's forecast.

Imports on a skim-solids basis are unchanged this month, but exports are forecast 0.1 billion pounds higher due to larger expected exports of whey products. Ending stocks are forecast 0.5 billion pounds lower, at 13.3 billion pounds. The domestic use forecast for 2017 is raised 0.4 billion pounds to 184.0 billion.

With higher expected demand and improving international markets, the 2017 price forecasts for cheese, butter, and dry whey are raised to \$1.615-\$1.715, \$1.965-\$2.095, and \$0.285-\$0.315 per pound, respectively. The NDM price forecast is unchanged from last month.

The increase in cheese price and whey price forecasts results in a Class III price forecast raised to \$15.00-16.00 per cwt. With the higher butter price forecast, the Class IV price forecast is raised to \$13.60-14.70 per cwt. The all-milk price forecast for 2017 is raised to \$16.15-17.15 per cwt, an increase from \$15.70-\$16.70 forecast last month.

Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-266/August 18, 2016*

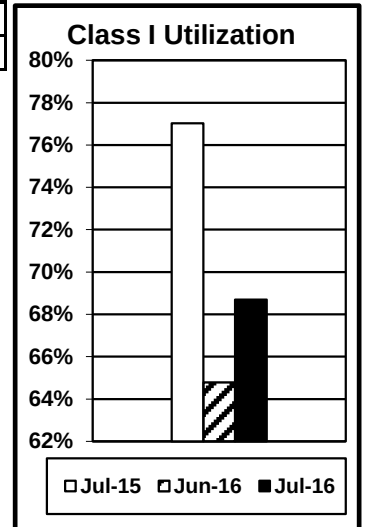
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 8.69	\$2.5192	\$17.20
Aug	\$9.96	\$2.6453	\$18.87	\$6.71											

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.	%
Jun 2015	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,720	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%
Jul	418,092	1,700**	287,264	68.70%	66,547	15.92%	33,218	7.95%	31,063	7.43%

* 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 August through October 2016

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 2016	09/11/16	09/12/16	09/13/16	08/25/16	08/26/16	09/13/16	09/14/16
SEP 2016	10/11/16	10/12/16	10/13/16	09/26/16	09/26/16	10/13/16	10/14/16
OCT 2016	11/11/16	11/14/16	11/15/16	10/25/16	10/26/16	11/15/16	11/16/16

** The base rate for making partial payments in Fulton County, GA for August will be \$15.48 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.20 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 – 556 August 12, 2016

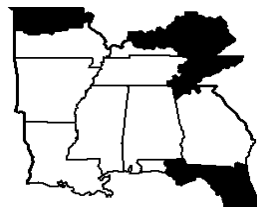
The milk production forecast for 2016 is lowered from last month as growth in milk per cow is reduced. However, the production forecast for 2017 is raised as higher forecast milk prices and lower feed costs in late 2016 and 2017 are expected to lead to a modest expansion in the cow inventory and more rapid growth in milk per cow. Fat basis exports are raised for 2016 on continued strength in whole milk powder (WMP) exports. The forecast for 2017 is unchanged. On a skim-solids basis, the export forecasts for 2016 and 2017 are raised on higher sales of WMP and whey products. Imports are raised for 2016 and 2017 as imports of fat-containing products has increased. Fat basis stocks are forecast higher as stocks of butter remain high, but on a skim-solids basis, stocks are reduced.

Cheese, nonfat dry milk (NDM) and whey prices for 2016 are forecast higher as demand remains firm, but the forecast for butter price is reduced as stocks remain larger than expected. The Class III price is raised, reflecting higher cheese and whey prices, but the Class IV price is lowered as the lower butter price more than offsets the higher NDM price. For 2017, prices of cheese, butter, and whey are increased, but NDM is unchanged from last month. The Class III and Class IV price forecasts are raised on the stronger component prices. The all milk prices are forecast higher at \$16.25 to \$16.45 per cwt for 2016 and \$16.15 to \$17.15 per cwt for 2017.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator



Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

September 2016

Volume 17—No. 9

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

US and International Dairy Developments

Excerpts from Livestock, Dairy, & Poultry Outlook, September 16, 2016, Economic Research Service, USDA:

Tighter milk supplies abroad have contributed to higher international export prices for dairy products in recent weeks. Milk production in the European Union (EU) decreased year-over-year in June, the first time it has done so since production quotas were terminated on March 31, 2015. EU supplies may become even tighter as the EU recently announced the details of its voluntary program for reducing milk production. This was part of the €500 million aid package to dairy farmers announced on July 18, 2016. This is in addition to the EU's existing intervention scheme through which it purchases butter and skim milk powder (SMP) at fixed prices and a private storage aid scheme through which it pays traders to keep products in storage. Milk supplies have been relatively low for Oceania in recent months, with New Zealand milk production about the same as last year and Australia below last year.

In contrast to the EU and Oceania, U.S. milk production has been increasing over the previous year. U.S. milk production in July totaled 17.9 billion pounds, an increase of 1.4 percent from July 2015. Milk per cow averaged 1,920 pounds, 23 pounds higher than July 2015. Milk cows totaled 9.332 million head in July, an increase of 18- thousand head from July 2015 and an increase of 2 thousand from June 2016.

Imports of dairy products fell from June to July, while exports were mixed. Imports were 39 million pounds lower on a milk-fat milk-equivalent basis and 79 million pounds lower on a skim-solids milk-equivalent basis. Exports rose 2 million pounds on a milk-fat milk-equivalent basis but fell 33 million pounds on a skim-solids milk-equivalent basis. Exports of cream, SMP, and cheese increased from June to July. Although exports of whole milk powder (WMP) and whey products decreased, they remained relatively strong. (continued on Pg. 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$18.24 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$1.04 higher than the previous month and is \$0.94 per hundredweight lower compared to August 2015.

Class I utilization was 80.97 percent in August, 12.27 percent higher than the previous month and 3.97 percent higher than August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July 2016 was 17.92 billion pounds, up 1.4 percent from July 2015 and 2.5 percent lower compared with June 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.02 billion pounds, 1.4 percent above July 2015 and 0.7 percent lower than June 2016 on a daily average basis. Butter production was 144 million pounds, 6.0 percent above July 2015 but 8.1 percent below June 2016 on a daily average basis.

Nonfat dry milk powder production was 153 million pounds in July, 1.5 percent lower than July of last year and 1.4 percent higher than June 2016 on a daily average basis. Total dry whey production was 83.9 million pounds in July, up 2.7 percent from July 2015 and 1.4 percent higher than June 2016 on a daily average basis. Whey protein concentrates production was 37.8 million pounds in July, 9.4 percent lower than July of last year and 1.0 percent higher than the previous month on a daily average basis.

The preliminary milk-feed price ratio (the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk) was 2.14 in July, 0.23 higher than the prior month. The U.S. all milk price increased to \$16.10 in July.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	46.34%	7,015,120	\$2.6073	\$ 18,290,522.37
Class I Differential at Location				228,217.40
Class II Butterfat	40.20%	6,084,818	\$2.4943	15,177,361.53
Class III Butterfat	4.21%	637,602	\$2.4873	1,585,907.45
Class IV Butterfat	9.25%	1,400,222	\$2.4873	3,482,772.18
Total Butterfat	100.00%	15,137,762		\$ 38,764,780.93

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5608**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	82.28%	332,462,660	\$6.16 /cwt.	\$ 20,479,699.86
Class I Butterfat	46.34%	7,015,120	\$2.6073 /lb.	18,290,522.37
Class I Differential at Location		339,477,780		11,085,591.87
Total Class I Milk	80.97%	339,477,780		\$ 49,855,814.10
Class II Skim Milk	13.49%	54,520,109	\$6.71 /cwt.	\$ 3,658,299.31
Class II Butterfat	40.20%	6,084,818	\$2.4943 /lb.	15,177,361.53
Total Class II Milk	14.46%	60,604,927		\$ 18,835,660.84
Class III Skim Milk	2.21%	8,942,575	\$8.50 /cwt.	\$ 760,118.91
Class III Butterfat	4.21%	637,602	\$2.4873 /lb.	1,585,907.45
Total Class III Milk	2.29%	9,580,177		\$ 2,346,026.36
Class IV Skim Milk	2.02%	8,166,824	\$6.16 /cwt.	\$ 503,076.35
Class IV Butterfat	9.25%	1,400,222	\$2.4873 /lb.	3,482,772.18
Total Class IV Milk	2.28%	9,567,046		\$ 3,985,848.53
Producer Milk	100.00%	419,229,930		\$ 75,023,349.83

Adjustments

Overage and Other Source	\$8,265.30
Inventory Adjustments	\$18,782.42
Producer butterfat at uniform butterfat price	(\$38,764,780.93)
Location Adjustments to Producers	\$2,511,028.41
1/2 Unobligated Balance in P.S.F.	\$202,442.42

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.65104	\$38,999,087.45
	\$ 0.04104	\$165,830.09

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

\$9.61

Uniform Price per cwt. (Fulton County, Georgia)

\$18.24*

* 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 2016	SEP 2016	JUL 2016	AUG 2016	AUG 2016
Appalachian (Charlotte)	\$ 18.47	\$ 19.96	\$ 16.80	\$ 17.62	74.23%
Arizona (Phoenix)	\$ 17.42	\$ 18.91	\$ 15.42	\$ 16.16	30.95%
Central (Kansas City)	\$ 17.07	\$ 18.56	\$ 15.26	\$ 16.09	41.73%
Florida (Tampa)	\$ 20.47	\$ 21.96	\$ 18.71	\$ 19.51	84.14%
Midwest (Cleveland)	\$ 17.07	\$ 18.56	\$ 15.45	\$ 16.14	36.20%
Northeast (Boston)	\$ 18.32	\$ 19.81	\$ 16.22	\$ 16.97	31.70%
Pacific Northwest (Seattle)	\$ 16.97	\$ 18.46	\$ 15.19	\$ 15.79	27.55%
Southeast (Atlanta)	\$ 18.87	\$ 20.36	\$ 17.20	\$ 18.24	80.97%
Southwest (Dallas)	\$ 18.07	\$ 19.56	\$ 16.11	\$ 16.83	64.69%
Upper Midwest (Chicago)	\$ 16.87	\$ 18.36	\$ 15.34	\$ 16.66	13.20%

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

Receipts:		August 2016	August 2015
Producer Milk			
Class I		339,477,780	324,476,741
Class II		60,604,927	60,708,480
Class III		9,580,177	11,824,304
Class IV		9,567,046	24,364,629
	Total Producer Milk	419,229,930	421,374,154
	Average Butterfat Test	3.61%	3.57%
	Percent of Producer Milk in Class I	80.97%	77.00%
	Daily Average Receipts	13,523,546	13,592,715
Other Source Milk			
Class I		14,331,422	19,202,216
Class II		4,212,931	6,334,817
Class III		0	56,605
Class IV		2,353,660	8,833,421
	Total Other Source Milk	20,898,013	34,427,059
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		3,323	0
	Total Overage	3,323	0
Opening Inventory			
Class I		17,541,883	24,528,386
Class II		1,262,980	429,990
Class III		366,538	218,839
Class IV		20,890,941	8,678,288
	Total Opening Inventory	40,062,342	33,855,503
	Total Receipts	480,193,608	489,656,716
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		21,180,632	20,085,512
Route Disposition Class I		332,593,207	330,403,601
Shrinkage		4,167,689	3,052,582
Transfers & Diversions to Nonpool		13,409,557	14,665,648
	Total Class I Utilization	371,351,085	368,207,343
	Average Butterfat Test	2.06%	2.02%
	Daily Average Utilization	11,979,067	11,877,656
Class II Utilization			
Nonfluid Used To Produce		2,748,224	3,063,085
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		51,046,991	49,727,902
Used To Produce/Other Uses		12,285,623	14,682,300
	Total Class II Utilization	66,080,838	67,473,287
	Average Butterfat Test	9.21%	9.14%
Class III Utilization			
Shrinkage		9,946,715	763
Transfers & Diversions to Nonpool		0	12,098,985
Used To Produce/Other Uses		0	0
	Total Class III Utilization	9,946,715	12,099,748
	Average Butterfat Test	6.41%	7.04%
Class IV Utilization			
Inventory		15,739,163	21,139,246
Nonfluid Used To Fortify		705,031	749,090
Shrinkage		5,844,994	5,559,772
Transfers & Diversions to Nonpool		6,997,213	10,596,334
Used To Produce/Other Uses		3,528,569	3,831,896
	Total Class IV Utilization	32,814,970	41,876,338
	Average Butterfat Test	7.77%	6.21%
	Total Utilization	480,193,608	489,656,716

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2016 is \$18.24 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.61 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5608 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 82.28% of all producer skim milk (priced to handlers at \$6.16 per hundredweight, plus the Class I differential, see page 2) and 46.34% of producer butterfat (priced to handlers at \$2.6073 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.49% of all producer skim milk (\$6.71 per hundredweight) and 40.20% of producer butterfat (\$2.4943 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.21% of all producer skim milk (\$8.50 per hundredweight) and 4.21% of producer butterfat (\$2.4873 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.02% of all producer skim milk (\$6.16 per hundredweight) and 9.25% of producer butterfat (\$2.4873 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2016</u>		
Whole Milk	132,582,239	38.36%
Fat Free Milk	26,014,250	7.53%
Lowfat Milk (incl. 1%)	34,230,646	9.90%
Reduced Fat Milk (incl. 2%)	123,697,893	35.79%
Cultured Fluid Milk (incl. Buttermilk)	7,152,633	2.07%
Flavored Drinks and Milk	21,943,153	6.35%
Total Disposition in Marketing Area	345,620,814	100.00%
Total Disposition by Pool Plants	255,987,598	74.07%
Total Disposition by Nonpool Plants	89,633,216	25.93%
Total Disposition in Marketing Area	345,620,814	100.00%

Receipts of producer milk during August totaled 419.2 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2016. Class I route disposition in the area was 345.6 million pounds in July 2016.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from Page 1) With lower expected feed costs, the 2017 forecast for milk per cow has been raised to 23,135 pounds per head. Milk cows are forecast at 9.340 million head. The 2017 milk production forecast is 216.1 billion pounds, 0.3 billion pounds higher than forecast last month and a year-over-year increase of 2.1 percent above 2016 (adjusted for leap year).

With relatively tight milk supplies expected in the EU and Oceania and increasing foreign dairy export prices, the United States is expected to become more competitive in global markets. Expectations for exports of WMP and whey products are greater for 2017, and forecasts of commercial exports have been increased to 8.9 billion pounds on a milk-fat basis (0.2 billion pounds more than last month's forecast) and to 38.1 billion pounds on a skim-solids basis (0.7 billion pounds more). Import forecasts for 2017 are unchanged from last month.

With the lower expected cheese price more than offsetting the higher expected whey price, the Class III milk price forecast for 2017 has been lowered to \$14.95-\$15.95 per cwt. With the higher expected NDM price more than offsetting the lower expected butter price, the Class IV milk price forecast has been raised to \$13.80-\$14.90 per cwt. The all-milk price forecast for 2017 is \$16.15-\$17.15 per cwt, unchanged from last month's forecast.

Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-267/September 16, 2016*

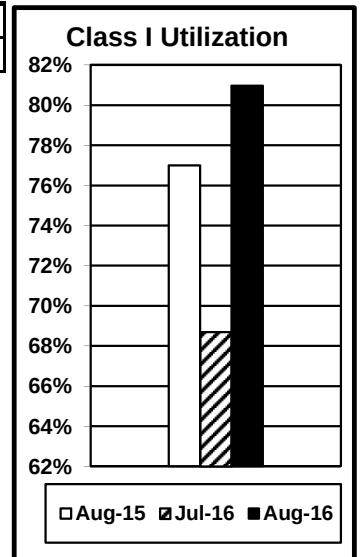
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$13.17	\$2.0661	\$19.94	\$7.66	\$2.1081	\$14.77	\$9.71	\$2.1011	\$16.72	\$ 6.78	\$2.1011	\$13.90	\$ 12.06	\$2.0860	\$18.94
Jul	\$13.27	\$2.1495	\$20.33	\$7.55	\$2.1195	\$14.70	\$9.26	\$2.1125	\$16.33	\$ 5.96	\$2.1125	\$13.15	\$ 12.28	\$2.1305	\$19.31
Aug	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 8.69	\$2.5192	\$17.20
Aug	\$9.96	\$2.6453	\$18.87	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 9.61	\$2.5608	\$18.24
Sep	\$11.97	\$2.5155	\$20.36	\$6.79											

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 2015	425,798	1,928	304,104	71.42%	56,075	13.17%	35,376	8.31%	30,243	7.10%
Jul	408,467	1,905	314,564	77.02%	54,371	13.31%	22,399	5.48%	17,134	4.19%
Aug	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,720	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%
Jul	418,092	1,706	287,264	68.70%	66,547	15.92%	33,218	7.95%	31,063	7.43%
Aug	419,230	1,750**	339,478	80.97%	60,605	14.46%	9,580	2.29%	9,567	2.28%

* 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 2016

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 2016	10/11/16	10/12/16	10/13/16	09/26/16	09/26/16	10/13/16	10/14/16
OCT 2016	11/11/16	11/14/16	11/15/16	10/25/16	10/26/16	11/15/16	11/16/16
NOV 2016	12/11/16	12/12/16	12/13/16	11/25/16	11/28/16	12/13/16	12/14/16

** The base rate for making partial payments in Fulton County, GA for September will be \$16.42 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.24 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 – 557 September 12, 2016

The milk production forecast for 2016 is raised from last month as the cow inventory appears to have steadied in the face of expected improvements in returns. The production forecast for 2017 is raised to reflect slightly more rapid growth in milk per cow. Fat basis exports are raised for 2016 and 2017. For 2016, cheese and cream exports have remained firm, and strength in whole milk powder (WMP) exports is expected to carry into 2017. On a skim-solids basis, the export forecasts for 2016 and 2017 are raised on higher WMP and whey sales. Both fat and skim-solids basis ending stocks for 2016 are forecast higher as butter and cheese stocks remain high; fat basis ending stocks are raised for 2017 as well.

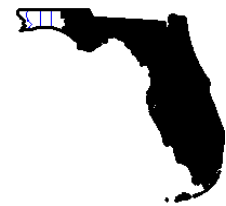
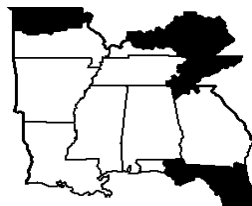
Cheese and butter prices are lowered for 2016 and 2017 as supplies remain high, but prices for nonfat dry milk (NDM) and whey are forecast higher as the global supply tightens and demand strengthens. The Class III price is lowered for 2016 and 2017 as the reduction in the cheese price more than offsets the whey price increase. The Class IV price is lowered for 2016 as the lower butter price more than offsets the higher NDM price but is raised for 2017 as higher NDM prices more than offset the lower butter price forecast. The all milk price is forecast lower at \$16.10 to \$16.30 per cwt for 2016 but is unchanged from last month at \$16.15 to \$17.15 per cwt for 2017.

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



MILK MARKET ADMINISTRATOR

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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

www.fmmatlanta.com

October 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 10

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

Recent Developments in Dairy Markets

Excerpts from Livestock, Dairy, & Poultry Outlook, October 18, 2016, Economic Research Service, USDA:

After month-to-month increases of 3,000 head in June and 14,000 head in July, milk cow numbers increased by an additional 16,000 head in August, to 9.360 million head. This was 45,000 head more than August 2015. The increase in milk cow numbers likely reflects growth in herds for expanding dairy product facilities. In addition, low cull-cow prices in recent months have likely played a role. In 2015, the national average price for cutter cows, live-weight equivalent, was \$99.56 per cwt. By the third quarter of 2016, the price had fallen to \$73.16 per cwt. With low cull-cow prices, dairy farmers may cull cows at a lower rate, breed a smaller proportion of their herds to beef bulls, and use sexed semen more extensively.

Dairy product exports increased by 0.4 billion pounds on a skim-solids milk-equivalent basis from July to August. Notably, exports of nonfat dry milk increased from 106 million pounds in July to 116 million pounds in August, and exports of dry whey increased from 37 million to 45 million pounds. On a milk-fat milk-equivalent basis, exports declined slightly from July to August. Imports increased from July to August by about 0.1 billion pounds on both milk-fat and skim-solids bases, with notable increases in imports of butterfat products, milk protein concentrate, and whole milk powder.

Wholesale price movements for dairy products were mixed in September. The average butter price, as reported in the USDA National Dairy Products Sales Report (NDPSR) fell from \$2.128 per pound for the week ending September 3 to \$2.049 for the week ending October 1. Over the same period, the NDPSR price of cheddar cheese 40-pound blocks fell from \$1.825 to \$1.668 per pound, while the NDPSR price of 500-pound barrels (adjusted to 38 percent moisture) fell from \$1.876 to \$1.595. Chicago Mercantile Exchange (CME) prices for the week ending October 7 fell to (continued on page 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$19.21 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.97 higher than the previous month and is \$0.98 per hundredweight lower compared to September 2015.

Class I utilization was 78.91 percent in September, 2.06 percent lower than the previous month and 1.23 percent lower than September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August 2016 was 17.35 billion pounds, up 1.9 percent from August 2015 and 1.3 percent lower compared with July 2016. Total cheese output (excluding cottage cheese) was 990 million pounds, 1.2 percent above August 2015 but 2.2 percent below July 2016. Butter production was 129 million pounds, 0.7 percent above August 2015 but 10.4 percent below July 2016.

Nonfat dry milk powder production was 116.7 million pounds in August, 5.8 percent lower than August of last year and 22.7 percent lower than July 2016. Total dry whey production was 75.8 million pounds in August, down 8.8 percent from August 2015 and 8.0 percent lower than June 2016. Whey protein concentrates production was 34.2 million pounds in August, 13.7 percent lower than August of last year and 6.8 percent lower than the previous month.

The preliminary milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.42 in August, 0.28 higher than the prior month. (For more information on the situation and outlook for feed prices, see page 4.) The U.S. all milk price rose by \$1.00 in August to \$17.10.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - SEPTEMBER 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.67%	6,573,419	\$2.4775	\$ 16,285,645.61
Class I Differential at Location				213,323.65
Class II Butterfat	38.61%	5,812,592	\$2.3152	13,457,312.99
Class III Butterfat	4.62%	696,193	\$2.3082	1,606,952.70
Class IV Butterfat	13.10%	1,971,669	\$2.3082	4,551,006.38
Total Butterfat	100.00%	15,053,873		\$ 36,114,241.33

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3990**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	80.26%	315,647,334	\$8.17 /cwt.	\$ 25,788,387.21
Class I Butterfat	43.67%	6,573,419	\$2.4775 /lb.	16,285,645.61
Class I Differential at Location		322,220,753		10,542,037.86
Total Class I Milk	78.91%	322,220,753		\$ 52,616,070.68
Class II Skim Milk	13.63%	53,589,540	\$6.79 /cwt.	\$ 3,638,729.75
Class II Butterfat	38.61%	5,812,592	\$2.3152 /lb.	13,457,312.99
Total Class II Milk	14.55%	59,402,132		\$ 17,096,042.74
Class III Skim Milk	2.71%	10,675,288	\$8.61 /cwt.	\$ 919,142.30
Class III Butterfat	4.62%	696,193	\$2.3082 /lb.	1,606,952.70
Total Class III Milk	2.78%	11,371,481		\$ 2,526,095.00
Class IV Skim Milk	3.40%	13,368,321	\$6.39 /cwt.	\$ 854,235.72
Class IV Butterfat	13.10%	1,971,669	\$2.3082 /lb.	4,551,006.38
Total Class IV Milk	3.76%	15,339,990		\$ 5,405,242.10
Producer Milk	100.00%	408,334,356		\$ 77,643,450.52

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$25,029.51
Producer butterfat at uniform butterfat price	(\$36,114,241.33)
Location Adjustments to Producers	\$2,538,001.99
1/2 Unobligated Balance in P.S.F.	\$185,875.52

Adjusted Pool Value

\$ 11.25866	\$44,278,116.21
\$ 0.04866	\$191,374.06

Reserve for Producer Settlement Fund

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

\$11.21

Uniform Price per cwt. (Fulton County, Georgia)

\$19.21*

* 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 2016	OCT 2016	AUG 2016	SEP 2016	SEP 2016
Appalachian (Charlotte)	\$ 19.96	\$ 20.00	\$ 17.62	\$ 18.56	74.07%
Arizona (Phoenix)	\$ 18.91	\$ 18.95	\$ 16.16	\$ 16.22	31.02%
Central (Kansas City)	\$ 18.56	\$ 18.60	\$ 16.09	\$ 16.32	37.96%
Florida (Tampa)	\$ 21.96	\$ 22.00	\$ 19.51	\$ 20.87	87.87%
Mideast (Cleveland)	\$ 18.56	\$ 18.60	\$ 16.14	\$ 16.27	37.40%
Northeast (Boston)	\$ 19.81	\$ 19.85	\$ 16.97	\$ 17.10	34.60%
Pacific Northwest (Seattle)	\$ 18.46	\$ 18.50	\$ 15.79	\$ 15.77	27.56%
Southeast (Atlanta)	\$ 20.36	\$ 20.40	\$ 18.24	\$ 19.21	78.91%
Southwest (Dallas)	\$ 19.56	\$ 19.60	\$ 16.83	\$ 17.29	30.95%
Upper Midwest (Chicago)	\$ 18.36	\$ 18.40	\$ 16.66	\$ 16.37	12.60%

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

Receipts:		September 2016	September 2015
Producer Milk			
Class I		322,220,753	321,049,813
Class II		59,402,132	52,639,191
Class III		11,371,481	16,134,974
Class IV		15,339,990	10,762,893
	Total Producer Milk	408,334,356	400,586,871
	Average Butterfat Test	3.69%	3.65%
	Percent of Producer Milk in Class I	78.91%	80.14%
	Daily Average Receipts	13,611,145	13,352,896
Other Source Milk			
Class I		17,231,431	19,136,040
Class II		4,067,408	5,376,026
Class III		20,645	22,458
Class IV		2,559,228	6,377,124
	Total Other Source Milk	23,878,712	30,911,648
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
	Total Overage	0	0
Opening Inventory			
Class I		21,180,632	20,668,065
Class II		1,600,446	1,921,128
Class III		636,415	293,513
Class IV		13,502,302	18,342,051
	Total Opening Inventory	36,919,795	41,224,757
	Total Receipts	469,132,863	472,723,276
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		25,051,634	19,778,389
Route Disposition Class I		318,341,521	325,273,302
Shrinkage		3,096,854	2,976,228
Transfers & Diversions to Nonpool		14,142,807	12,825,999
	Total Class I Utilization	360,632,816	360,853,918
	Average Butterfat Test	2.03%	2.01%
	Daily Average Utilization	12,021,094	12,028,464
Class II Utilization			
Nonfluid Used To Produce		2,161,806	2,457,686
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		51,452,135	45,270,050
Used To Produce/Other Uses		11,456,045	12,208,609
	Total Class II Utilization	65,069,986	59,936,345
	Average Butterfat Test	9.00%	10.11%
Class III Utilization			
Shrinkage		0	1,090
Transfers & Diversions to Nonpool		12,028,541	16,449,855
Used To Produce/Other Uses		0	0
	Total Class III Utilization	12,028,541	16,450,945
	Average Butterfat Test	5.96%	6.83%
Class IV Utilization			
Inventory		9,078,338	17,680,564
Nonfluid Used To Fortify		714,235	760,854
Shrinkage		5,266,161	5,939,179
Transfers & Diversions to Nonpool		12,241,247	7,100,731
Used To Produce/Other Uses		4,101,539	4,000,740
	Total Class IV Utilization	31,401,520	35,482,068
	Average Butterfat Test	9.60%	6.93%
	Total Utilization	469,132,863	472,723,276

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2016 is \$19.21 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.21 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3990 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 80.26% of all producer skim milk (priced to handlers at \$8.17 per hundredweight, plus the Class I differential, see page 2) and 43.67% of producer butterfat (priced to handlers at \$2.4775 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.63% of all producer skim milk (\$6.79 per hundredweight) and 38.61% of producer butterfat (\$2.3152 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.71% of all producer skim milk (\$8.61 per hundredweight) and 4.62% of producer butterfat (\$2.3082 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.40% of all producer skim milk (\$6.39 per hundredweight) and 13.10% of producer butterfat (\$2.3082 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>August 2016</u>		
Whole Milk	136,009,084	33.97%
Fat Free Milk	30,919,220	7.72%
Lowfat Milk (incl. 1%)	46,362,642	11.58%
Reduced Fat Milk (incl. 2%)	130,180,025	32.51%
Cultured Fluid Milk (incl. Buttermilk)	7,662,321	1.91%
Flavored Drinks and Milk	49,253,399	12.30%
Total Disposition in Marketing Area	400,386,691	100.00%
Total Disposition by Pool Plants	297,447,579	74.29%
Total Disposition by Nonpool Plants	102,939,112	25.71%
Total Disposition in Marketing Area	400,386,691	100.00%

Receipts of producer milk during September totaled 408.3 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2016. Class I route disposition in the area was 400.4 million pounds in August 2016.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from Page 1) even lower levels, with weekly average prices for butter, 40-pound blocks of cheddar cheese, and 500-pound barrels of cheddar cheese falling to \$1.857, \$1.536, and \$1.481 per pound, respectively. The NDPSR prices for nonfat dry milk (NDM) and dry whey rose from \$0.853 to \$0.906 per pound and from \$0.298 to \$0.314 per pound, respectively, from the week ending September 3 to the week ending October 1.

Situation and Outlook for Feed Prices

Feed prices have been low relative to milk prices in recent months. The milk-feed ratio, seen in the chart below, in August was 2.42, a considerable increase from 1.91 in June and 2.14 in July. Feed prices are expected to remain low for the remainder of 2016 and for 2017. The 2016/17 corn price forecast is \$2.95-\$3.55 per bushel, a 5-cent increase on both ends of the range from last month's forecast. The 2016/17 soybean meal price forecast is \$300-\$340 per short ton, unchanged from last month. The national average price for alfalfa hay decreased from \$140 per short ton in July to \$138 in August, \$23 lower than August 2015.

Source: *Livestock, Dairy, and Poultry Outlook/LDP-M-268/October 18, 2016.*

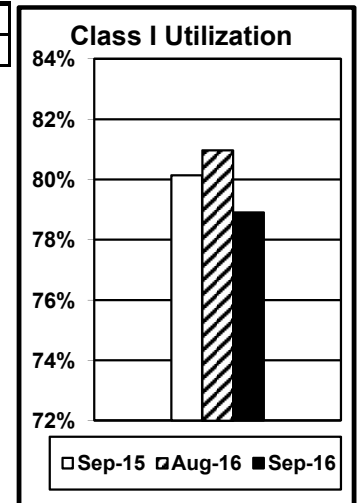
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 8.69	\$2.5192	\$17.20
Aug	\$9.96	\$2.6453	\$18.87	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 9.61	\$2.5608	\$18.24
Sep	\$11.97	\$2.5155	\$20.36	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 11.21	\$2.3990	\$19.21
Oct	\$12.58	\$2.3603	\$20.40	\$7.14											

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 2016	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,720	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%
Jul	418,092	1,706	287,264	68.70%	66,547	15.92%	33,218	7.95%	31,063	7.43%
Aug	419,230	1,764	339,478	80.97%	60,605	14.46%	9,580	2.29%	9,567	2.28%
Sep	408,334	1,760**	322,221	78.91%	59,402	14.55%	11,371	2.78%	15,340	3.76%

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



Southeast Marketing Area - Federal Order 7

Pool and Payment Dates							
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
October	11/11/16	11/14/16	11/15/16	10/25/16	10/26/16	11/15/16	11/16/16
November	12/11/16	12/12/16	12/13/16	11/25/16	11/28/16	12/13/16	12/14/16
December	01/11/17	01/12/17	01/13/17	12/27/16	12/27/16	01/13/17	01/17/17

** The base rate for making partial payments in Fulton County, GA for October will be \$17.29 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.21 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 – 558 October 12, 2016

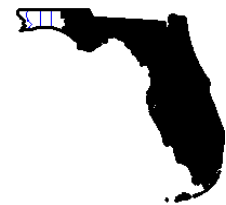
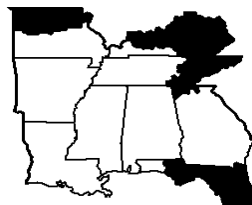
The milk production forecasts for 2016 and 2017 are raised from last month as the cow inventory has grown more rapidly than previously expected. The higher cow inventories appear to reflect growth in herds supplying expanding dairy product facilities. Import forecasts for 2016 and 2017 are raised on higher expected imports of butter and several other dairy products. Exports are forecast higher as increases in Oceania prices and relatively low U.S. prices are expected to make the United States more competitive in world markets. Ending stocks are reduced as lower prices encourage increased demand from both export and domestic markets.

Cheese and butter price forecasts for 2016 and 2017 have been lowered due to higher expected milk supplies. However, nonfat dry milk (NDM) and whey will likely benefit from increased competitiveness in export markets, and stronger exports will help support prices of those products. Thus, price forecasts for NDM and whey are raised from last month. Class III and Class IV prices are lowered from last month as lower cheese prices more than offset the higher whey price in the Class III calculation and the lower butter price outweighs the NDM price increase in the calculation of the Class IV price. All milk prices are forecast lower at \$15.80 to \$15.90 per cwt for 2016 and \$15.55 to \$16.45 per cwt for 2017.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator

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November 2016



Southeast Marketing Area
Federal Order 7

Volume 17—No. 11

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

Recent Developments in Dairy Markets

Excerpts from Livestock, Dairy, & Poultry Outlook, November 16, 2016, Economic Research Service, USDA:

The National Agricultural Statistics Service (NASS) reported that milk cow numbers fell in September to a total of 9.338 million head, a drop of 3,000 head from August. Notably, this drop is from a lower base than reported in the October Milk Production report, due to NASS downward revisions in milk cow numbers for July and August. Milk per cow fell seasonally in September from the previous month, but increased year-over-year to 1,817 pounds. Milk production in September totaled 17.0 billion pounds, an increase of 2.1 percent from September 2015.

Dairy product exports fell about 0.1 billion pounds on a milk-fat milk-equivalent basis from August to September, while exports on a skim-solids milk-equivalent basis fell about 0.4 billion pounds. Dry whey exports and nonfat dry milk (NDM) exports fell about 12 million pounds and 6 million pounds, respectively, from last month. Imports fell about 0.1 billion pounds on both milk-fat and skim-solids milk-equivalent bases from August to September.

Cheese prices have trended upward over the second half of October; prices of 40-pound blocks of cheddar cheese, as reported in the USDA National Dairy Products Sales Report (NDPSR), fell from \$1.668 for the week ending October 1st to \$1.576 mid-month, but rebounded to \$1.603 for the week ending October 29th. Similarly, prices of 500-pound barrels of cheddar (adjusted to 38-percent moisture) fell from \$1.595 to \$1.544 and rebounded to \$1.572 in the same period. Chicago Mercantile Exchange (CME) cheese prices have risen even higher recently, to an average of \$1.831 for 40-pound blocks and \$1.776 for 500-pound barrels for the week ending November 5th. Dry whey prices, as reported in the NDPSR, rose during the month from \$0.314 for the week ending October 1st to \$0.345 on October 29th. NDM prices in the NDPSR rose from \$0.905 to \$0.913 during the same (continued on page 4)

Uniform Price Lower

The uniform price in Fulton County, GA, was \$18.72 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$0.49 lower than the previous month and is \$0.71 per hundredweight lower compared to October 2015.

Class I utilization was 74.29 percent in October, 4.62 percent lower than the previous month and 6.24 percent lower than September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September 2016 was 16.97 billion pounds, up 2.1 percent from September 2015 and 0.9 percent lower compared with August 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 981 million pounds, 1.6 percent above September 2015 and 1.4 percent above August 2016 on a daily average basis. Butter production was 133 million pounds, 0.4 percent below September 2015 but 5.8 percent above August 2016 on a daily average basis..

Nonfat dry milk powder production was 125.6 million pounds in September, 4.7 percent above September of last year and 10.3 percent higher than August 2016 on a daily average basis. Total dry whey production was 74.5 million pounds in September, down 6.0 percent from September 2015 and 0.8 percent above August 2016 on a daily average basis. Whey protein concentrates production was 34.2 million pounds in September, 8.7 percent lower than September of last year and 0.5 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.47 in September, 0.05 higher than the prior month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.29%	6,599,223	\$2.3223	\$ 15,325,375.57
Class I Differential at Location				215,057.71
Class II Butterfat	38.91%	6,219,398	\$2.0563	12,788,948.10
Class III Butterfat	3.29%	525,548	\$2.0493	1,077,005.52
Class IV Butterfat	16.51%	2,638,619	\$2.0493	5,407,321.92
Total Butterfat	100.00%	15,982,788		\$ 34,813,708.82

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1782**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	75.58%	309,745,137	\$8.78 /cwt.	\$ 27,195,623.02
Class I Butterfat	41.29%	6,599,223	\$2.3223 /lb.	15,325,375.57
Class I Differential at Location		316,344,360		10,352,200.29
Total Class I Milk	74.29%	316,344,360		\$ 52,873,198.88
Class II Skim Milk	14.74%	60,429,138	\$7.14 /cwt.	\$ 4,314,640.45
Class II Butterfat	38.91%	6,219,398	\$2.0563 /lb.	12,788,948.10
Total Class II Milk	15.65%	66,648,536		\$ 17,103,588.55
Class III Skim Milk	2.72%	11,156,467	\$7.92 /cwt.	\$ 883,592.20
Class III Butterfat	3.29%	525,548	\$2.0493 /lb.	1,077,005.52
Total Class III Milk	2.74%	11,682,015		\$ 1,960,597.72
Class IV Skim Milk	6.96%	28,527,413	\$6.72 /cwt.	\$ 1,917,042.14
Class IV Butterfat	16.51%	2,638,619	\$2.0493 /lb.	5,407,321.92
Total Class IV Milk	7.32%	31,166,032		\$ 7,324,364.06
Producer Milk	100.00%	425,840,943		\$ 79,261,749.21

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$0.00
Producer butterfat at uniform butterfat price	(\$34,813,708.82)
Location Adjustments to Producers	\$2,676,345.81
1/2 Unobligated Balance in P.S.F.	\$190,610.91

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.54424	\$47,314,997.11
	\$ 0.04424	\$181,309.28

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

\$11.50

Uniform Price per cwt. (Fulton County, Georgia)

\$18.72*

* 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 2016	NOV 2016	SEPT 2016	OCT 2016	OCT 2016
Appalachian (Charlotte)	\$ 20.00	\$ 18.18	\$ 18.56	\$ 18.10	70.57%
Arizona (Phoenix)	\$ 18.95	\$ 17.13	\$ 16.22	\$ 15.39	27.83%
Central (Kansas City)	\$ 18.60	\$ 16.78	\$ 16.32	\$ 15.35	30.76%
Florida (Tampa)	\$ 22.00	\$ 20.18	\$ 20.87	\$ 20.39	83.09%
Mideast (Cleveland)	\$ 18.60	\$ 16.78	\$ 16.27	\$ 15.41	33.10%
Northeast (Boston)	\$ 19.85	\$ 18.03	\$ 17.10	\$ 16.23	33.80%
Pacific Northwest (Seattle)	\$ 18.50	\$ 16.68	\$ 15.77	\$ 14.96	27.46%
Southeast (Atlanta)	\$ 20.40	\$ 18.58	\$ 19.21	\$ 18.72	74.29%
Southwest (Dallas)	\$ 19.60	\$ 17.78	\$ 17.29	\$ 16.13	29.32%
Upper Midwest (Chicago)	\$ 18.40	\$ 16.58	\$ 16.37	\$ 15.01	10.20%

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

Receipts:		October 2016	October 2015
Producer Milk			
Class I		316,344,360	333,479,952
Class II		66,648,536	54,443,485
Class III		11,682,015	20,709,068
Class IV		31,166,032	5,449,121
	Total Producer Milk	425,840,943	414,081,626
	Average Butterfat Test	3.75%	3.77%
	Percent of Producer Milk in Class I	74.29%	80.53%
	Daily Average Receipts	13,736,805	13,357,472
Other Source Milk			
Class I		14,971,751	21,802,647
Class II		3,304,055	5,716,847
Class III		157,954	1,344,253
Class IV		5,050,674	6,326,345
	Total Other Source Milk	23,484,434	35,190,092
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
	Total Overage	0	0
Opening Inventory			
Class I		25,051,634	19,771,940
Class II		0	1,562,595
Class III		0	2,734,276
Class IV		9,078,338	13,383,693
	Total Opening Inventory	34,129,972	37,452,504
	Total Receipts	483,455,349	486,724,222
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,050,620	21,728,583
Route Disposition Class I		318,981,120	335,508,125
Shrinkage		3,670,872	2,762,918
Transfers & Diversions to Nonpool		13,665,133	15,054,913
	Total Class I Utilization	356,367,745	375,054,539
	Average Butterfat Test	2.08%	2.04%
	Daily Average Utilization	11,495,734	12,098,534
Class II Utilization			
Nonfluid Used To Produce		2,489,065	2,504,477
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		56,820,165	47,175,742
Used To Produce/Other Uses		10,643,361	12,042,708
	Total Class II Utilization	69,952,591	61,722,927
	Average Butterfat Test	8.89%	10.14%
Class III Utilization			
Shrinkage		0	5,765,329
Transfers & Diversions to Nonpool		11,839,969	14,964,831
Used To Produce/Other Uses		0	4,057,437
	Total Class III Utilization	11,839,969	24,787,597
	Average Butterfat Test	4.83%	5.53%
Class IV Utilization			
Inventory		20,338,415	14,195,904
Nonfluid Used To Fortify		967,917	1,045,564
Shrinkage		5,456,521	46,770
Transfers & Diversions to Nonpool		15,123,164	9,870,921
Used To Produce/Other Uses		3,409,027	0
	Total Class IV Utilization	45,295,044	25,159,159
	Average Butterfat Test	8.79%	12.43%
	Total Utilization	483,455,349	486,724,222

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2016 is \$18.72 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.50 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1782 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 75.58% of all producer skim milk (priced to handlers at \$8.78 per hundredweight, plus the Class I differential, see page 2) and 41.29% of producer butterfat (priced to handlers at \$2.3223 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.74% of all producer skim milk (\$7.14 per hundredweight) and 38.91% of producer butterfat (\$2.0563 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.72% of all producer skim milk (\$7.92 per hundredweight) and 3.29% of producer butterfat (\$2.0493 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.96% of all producer skim milk (\$6.72 per hundredweight) and 16.51% of producer butterfat (\$2.0493 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>September 2016</u>		
Whole Milk	127,569,424	33.41%
Fat Free Milk	27,517,519	7.21%
Lowfat Milk (incl. 1%)	44,445,441	11.64%
Reduced Fat Milk (incl. 2%)	122,618,389	32.11%
Cultured Fluid Milk (incl. Buttermilk)	7,306,757	1.91%
Flavored Drinks and Milk	52,394,094	13.72%
Total Disposition in Marketing Area	381,851,624	100.0%
Total Disposition by Pool Plants	283,663,077	74.29%
Total Disposition by Nonpool Plants	98,188,547	25.71%
Total Disposition in Marketing Area	381,851,624	100.0%

Receipts of producer milk during October totaled 425.8 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 11 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2016. Class I route disposition in the area was 381.9 million pounds in September 2016.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from page 1) period while NDPSR butter prices fell from \$2.049 to \$1.819 during the month. International dairy prices have generally moved higher over the last month. The largest price increase in the Global Dairy Trade (GDT) auction on November 1 was for whole milk powder, a 19.8-percent weighted-average increase from October 18 to \$1.50 per pound.¹ GDT-weighted-average prices for skim milk powder and butter saw increases of 6.5 percent (to \$1.06 per pound) and 4.0 percent (to \$1.88 per pound), respectively, over the same period.

The forecast for milk cows is lowered 25 thousand head for 2017 to 9.370 million head. With a lower expected dairy herd more than offsetting a slightly higher milk per cow forecast, the new forecast for milk production in 2017 is 217.0 billion pounds, 0.3 billion pounds lower than last month. The forecast for exports on a milk-fat basis has been lowered to 8.9 billion pounds, 0.2 billion pounds below last month's forecast, as exports of cheese and whole milk powder are expected to be lower. The forecasts for skim-solids imports and both fat- and skim-solids basis exports for 2017 are unchanged. The cheese price for the year is raised \$0.10 at the midpoint of the range to \$1.610-\$1.700, while the whey price for the year is raised \$0.03 at the midpoint to \$0.360-\$0.390. The all-milk price forecast for 2017 is \$16.30-\$17.20 per cwt, \$0.75 higher than last month's forecast at both ends of the range.

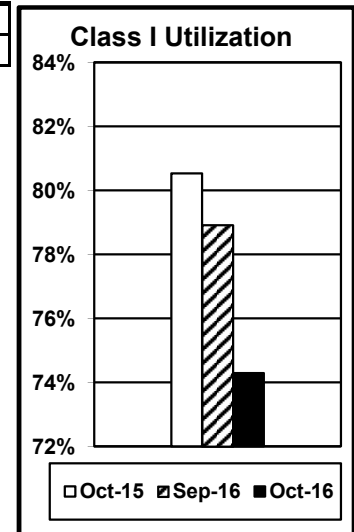
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2015	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 8.69	\$2.5192	\$17.20
Aug	\$9.96	\$2.6453	\$18.87	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 9.61	\$2.5608	\$18.24
Sep	\$11.97	\$2.5155	\$20.36	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 11.21	\$2.3990	\$19.21
Oct	\$12.58	\$2.3603	\$20.40	\$7.14	\$2.0563	\$14.09	\$7.92	\$2.0493	\$14.82	\$ 6.72	\$2.0493	\$13.66	\$ 11.50	\$2.1782	\$18.72
Nov	\$11.59	\$2.1129	\$18.58	\$7.47											

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 2016	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,720	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%
Jul	418,092	1,706	287,264	68.70%	66,547	15.92%	33,218	7.95%	31,063	7.43%
Aug	419,230	1,764	339,478	80.97%	60,605	14.46%	9,580	2.29%	9,567	2.28%
Sep	408,334	1,715	322,221	78.91%	59,402	14.55%	11,371	2.78%	15,340	3.76%
Oct	425,841	1,750**	316,344	74.29%	66,649	15.65%	11,682	2.74%	31,166	7.32%

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



Southeast Marketing Area - Federal Order 7

Pool and Payment Dates							
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
November	12/11/16	12/12/16	12/13/16	11/25/16	11/28/16	12/13/16	12/14/16
December	01/11/17	01/12/17	01/13/17	12/27/16	12/27/16	01/13/17	01/17/17
January-17	02/11/17	02/13/17	02/14/17	01/25/16	01/26/16	02/14/17	02/15/17

** The base rate for making partial payments in Fulton County, GA for November will be \$16.85 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.72 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%

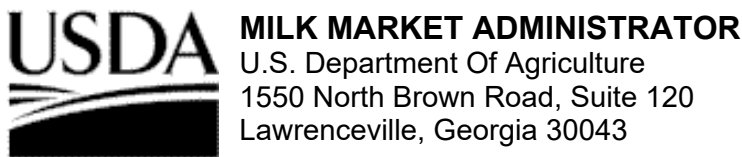
WASDE Dairy Report 1/

WASDE – 559 November 9, 2016

Milk production forecasts for 2016 and 2017 are lowered from last month as recent data indicated that the U.S. cow inventory increased less rapidly than previously expected. However, output per cow is raised from last month. The skim-solids basis import forecast for 2016 is lowered, reflecting recent trade data, but the 2017 fat and skim-solid basis forecasts are unchanged. Fat basis exports are lowered for 2016 and 2017 on slower sales of cheese and whole milk powder. On a skim-solids basis, exports for 2016 are forecast lower on weaker sales of milk protein concentrates and whey, but are unchanged for 2017.

Cheese and whey price forecasts for 2016 are raised on current price strength. The forecasts for butter and nonfat dry milk (NDM) are lowered as supplies remain large. For 2017, large supplies of butter are expected to continue to pressure prices, but prices of cheese, whey and NDM are expected to strengthen. The Class III price forecast is raised for both 2016 and 2017 on higher cheese and whey prices. However, lower butter prices are expected to more than offset higher NDM prices and Class IV prices for both years are lowered from last month. All milk prices are forecast higher at \$16.00 to \$16.10 per cwt for 2016 and \$16.30 to \$17.20 per cwt for 2017.

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.



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator



Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

December 2016

Volume 17—No. 12

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

2017 Dairy Forecast

Excerpts from Livestock, Dairy, & Poultry Outlook, December 15, 2016, Economic Research Service, USDA:

Small changes have been made in feed price forecasts from last month. The corn price forecast for 2016/17 is \$3.05-\$3.65 per bushel, an increase of \$0.05 on both ends of the range. The soybean meal forecast for 2016/17 is unchanged at \$305-\$345 per short ton. The alfalfa hay price decreased from \$137 to \$135 per short ton from September to October.

Based on recent data, the milk cow estimate for the year has been reduced to 9.360 million head, 10,000 less than forecast last month. Milk per cow for the first quarter is forecast 10 pounds higher but is unchanged for the remainder of 2017. With fewer expected milk cows more than offsetting the slight increase in milk per cow, the milk production forecast for 2017 is 216.8 billion pounds, a reduction of 0.2 billion pounds.

Exports on a milk-fat basis are forecast lower than last month, at 8.4 billion pounds (0.5 billion pounds lower), and are now expected to fall from 2016; this is largely due to a less competitive position for cheese exports due to higher expected domestic prices. However, exports on a skim-solids basis are expected to gain in 2017 due to strong expected demand for NDM and lactose, especially from Asian countries. The export forecast for 2017 on a skim-solids basis is 40.1 billion pounds, 0.4 billion pounds higher than last month. The 2017 forecast for imports on a milk-fat basis is 7.0 billion pounds, 0.1 billion less than last month; on a skim-solids basis, the import forecast is 6.2 billion pounds, 0.2 billion pounds lower.

As domestic demand for cheese and butter is expected to remain relatively strong in 2017, the 2017 forecast for domestic use on a milk-fat basis is increased slightly this month to 214.8 billion pounds. With higher (continued on page 4)

Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.02 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.70 lower than the previous month and is \$2.19 per hundredweight lower compared to November 2015.

Class I utilization was 78.81 percent in November, 4.52 percent higher than the previous month and 0.19 percent higher than November of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October 2016 was 17.55 billion pounds, up 2.5 percent from October 2015 and 0.1 percent lower compared with September 2016 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.03 billion pounds, 0.5 percent above October 2015 and 1.4 percent above September 2016 on daily average basis. Butter production was 143 million pounds, 3.6 percent below October 2015 but 2.3 percent above September 2016 on a daily average basis.

Nonfat dry milk powder production was 140.0 million pounds in October, 18.0 percent above October of last year and 7.4 percent higher than September 2016 on a daily average basis. Total dry whey production was 84.1 million pounds in October, up 9.0 percent from October 2015 and 7.3 percent above September 2016 on a daily average basis. Whey protein concentrates production was 36.3 million pounds in October, 0.5 percent higher than October of last year and 0.7 percent lower than the previous month on a daily average basis.

The preliminary milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.37 in October, 0.10 lower than the prior month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - November 2016

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.12%	6,955,327	\$2.0749	\$ 14,431,607.97
Class I Differential at Location				228,089.06
Class II Butterfat	39.24%	6,186,367	\$2.1114	13,061,895.27
Class III Butterfat	3.59%	566,127	\$2.1044	1,191,357.65
Class IV Butterfat	13.05%	2,056,804	\$2.1044	4,328,338.33
Total Butterfat	100.00%	15,764,625		\$ 33,241,288.28

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1086**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	80.81%	319,495,978	\$7.79 /cwt.	\$ 24,888,736.68
Class I Butterfat	44.12%	6,955,327	\$2.0749 /lb.	14,431,607.97
Class I Differential at Location		326,451,305		10,709,479.58
Total Class I Milk	78.81%	326,451,305		\$ 50,029,824.23
Class II Skim Milk	14.18%	56,509,257	\$7.47 /cwt.	\$ 4,221,241.53
Class II Butterfat	39.24%	6,186,367	\$2.1114 /lb.	13,061,895.27
Total Class II Milk	15.13%	62,695,624		\$ 17,283,136.80
Class III Skim Milk	2.54%	10,116,495	\$9.74 /cwt.	\$ 985,346.63
Class III Butterfat	3.59%	566,127	\$2.1044 /lb.	1,191,357.65
Total Class III Milk	2.58%	10,682,622		\$ 2,176,704.28
Class IV Skim Milk	3.10%	12,364,358	\$6.63 /cwt.	\$ 819,756.95
Class IV Butterfat	13.05%	2,056,804	\$2.1044 /lb.	4,328,338.33
Total Class IV Milk	3.48%	14,421,162		\$ 5,148,095.28
Producer Milk	100.00%	414,250,713		\$ 74,637,760.59

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$9,601.67
Producer butterfat at uniform butterfat price	(\$33,241,288.28)
Location Adjustments to Producers	\$2,478,681.03
1/2 Unobligated Balance in P.S.F.	\$228,665.46

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.07025	\$44,113,420.47
	\$ 0.04025	\$160,404.96

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

\$11.03

Uniform Price per cwt. (Fulton County, Georgia)

\$18.02*

* 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 2016	DEC 2016	OCT 2016	NOV 2016	NOV 2016
Appalachian (Charlotte)	\$ 18.18	\$ 20.28	\$ 18.10	\$ 17.48	75.09%
Arizona (Phoenix)	\$ 17.13	\$ 19.23	\$ 15.39	\$ 15.52	29.65%
Central (Kansas City)	\$ 16.78	\$ 18.88	\$ 15.35	\$ 15.40	43.76%
Florida (Tampa)	\$ 20.18	\$ 22.28	\$ 20.39	\$ 19.43	83.15%
Mideast (Cleveland)	\$ 16.78	\$ 18.88	\$ 15.41	\$ 15.38	38.90%
Northeast (Boston)	\$ 18.03	\$ 20.13	\$ 16.23	\$ 16.34	34.60%
Pacific Northwest (Seattle)	\$ 16.68	\$ 18.78	\$ 14.96	\$ 15.07	29.29%
Southeast (Atlanta)	\$ 18.58	\$ 20.68	\$ 18.72	\$ 18.02	78.81%
Southwest (Dallas)	\$ 17.78	\$ 19.88	\$ 16.13	\$ 15.96	64.13%
Upper Midwest (Chicago)	\$ 16.58	\$ 18.68	\$ 15.01	\$ 16.24	15.70%

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

Receipts:		November 2016	November 2015
Producer Milk			
Class I		326,451,305	323,073,383
Class II		62,695,624	52,814,244
Class III		10,682,622	21,311,054
Class IV		14,421,162	13,737,380
Total Producer Milk		414,250,713	410,936,061
Average Butterfat Test		3.81	3.80
Percent of Producer Milk in Class I		78.81	78.62
Daily Average Receipts		13,808,357	13,697,869
Other Source Milk			
Class I		10,290,334	14,153,239
Class II		2,458,286	3,439,969
Class III		0	370,785
Class IV		4,524,833	7,522,018
Total Other Source Milk		17,273,453	25,486,011
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	1,303
Total Overage		0	1,303
Opening Inventory			
Class I		20,080,594	21,728,583
Class II		1,073,856	0
Class III		16,160	217,629
Class IV		19,614,030	13,978,275
Total Opening Inventory		40,784,640	35,924,487
Total Receipts		472,308,806	472,347,862
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,801,735	21,201,809
Route Disposition Class I		322,068,672	321,350,325
Shrinkage		3,210,074	2,780,002
Transfers & Diversions to Nonpool		10,741,752	13,623,069
Total Class I Utilization		356,822,233	358,955,205
Average Butterfat Test		2.13	2.15
Daily Average Utilization		11,894,074	11,965,174
Class II Utilization			
Nonfluid Used To Produce		2,208,583	2,189,796
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		54,156,360	42,619,795
Used To Produce/Other Uses		9,862,823	11,444,622
Total Class II Utilization		66,227,766	56,254,213
Average Butterfat Test		9.34	10.44
Class III Utilization			
Shrinkage		0	6,193,923
Transfers & Diversions to Nonpool		10,698,782	11,807,658
Used To Produce/Other Uses		0	3,897,887
Total Class III Utilization		10,698,782	21,899,468
Average Butterfat Test		5.29	4.55
Class IV Utilization			
Inventory		15,814,505	18,593,871
Nonfluid Used To Fortify		2,086,230	2,149,612
Shrinkage		5,390,298	1,086
Transfers & Diversions to Nonpool		11,386,875	1,494,407
Used To Produce/Other Uses		3,882,117	0
Total Class IV Utilization		38,560,025	35,238,976
Average Butterfat Test		9.90	9.76
Total Utilization		472,308,806	472,347,862

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2016 is \$18.02 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.03 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1086 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 80.18% of all producer skim milk (priced to handlers at \$7.79 per hundredweight, plus the Class I differential, see page 2) and 44.12% of producer butterfat (priced to handlers at \$2.0749 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.18% of all producer skim milk (\$7.47 per hundredweight) and 39.24% of producer butterfat (\$2.1114 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.54% of all producer skim milk (\$9.74 per hundredweight) and 3.59% of producer butterfat (\$2.1044 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.10% of all producer skim milk (\$6.63 per hundredweight) and 13.05% of producer butterfat (\$2.1044 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>October 2016</u>		
Whole Milk	130,080,743	33.80%
Fat Free Milk	27,656,245	7.19%
Lowfat Milk (incl. 1%)	44,882,922	11.66%
Reduced Fat Milk (incl. 2%)	121,954,902	31.69%
Cultured Fluid Milk (incl. Buttermilk)	7,688,743	2.00%
Flavored Drinks and Milk	52,566,875	13.66%
Total Disposition in Marketing Area	384,830,430	100.0%
Total Disposition by Pool Plants	283,506,934	73.68%
Total Disposition by Nonpool Plants	101,323,496	26.32%
Total Disposition in Marketing Area	384,830,430	100.0%

Receipts of producer milk during November totaled 414.3 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 10 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2016. Class I route disposition in the area was 384.8 million pounds in October 2016.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from page 1) expected prices for NDM, the domestic use forecast on a skim-solids basis is lowered to 182.5 billion (0.4 billion pounds lower). Ending stock forecasts for 2017 have been raised to 13.7 pounds on a milk-fat basis (0.9 billion pounds higher) but are unchanged at 13.2 billion pounds on a skim-solids basis.

With expected strength in domestic demand, higher exports of nonfat dry milk and lactose, and lower milk production compared to last month's forecasts, all of the dairy product price forecasts for 2017 have been raised. Price forecasts for cheddar cheese, dry whey, butter, and NDM are \$1.650-\$1.730, \$0.380-\$0.410, \$1.920-\$2.030, and \$0.950-\$1.010 per pound, respectively. With higher dairy product price forecasts across the board, the Class III and IV milk price forecasts are raised to \$15.85-\$16.65 and \$14.20-\$15.10, respectively. The 2017 all-milk price is forecast is \$16.85-\$17.65, an increase from \$16.30-\$17.20 forecast last month.

Source: Livestock, Dairy, and Poultry Outlook/LDP-M-270/December 15, 2016 Economic Research Service, USDA

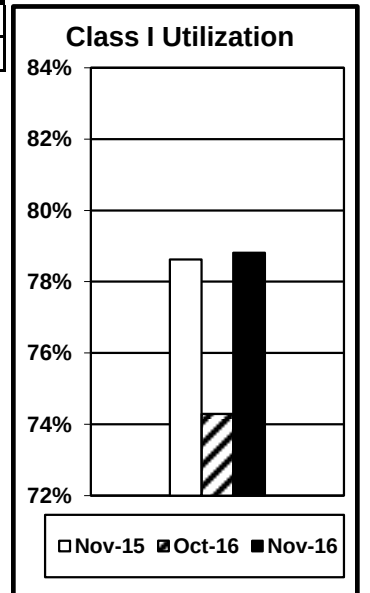
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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
Aug 2015	\$12.93	\$2.1712	\$20.08	\$6.82	\$2.2744	\$14.54	\$8.64	\$2.2674	\$16.27	\$ 5.14	\$2.2674	\$12.90	\$ 11.80	\$2.2257	\$19.18
Sep	\$12.88	\$2.2033	\$20.14	\$5.91	\$2.7601	\$15.36	\$6.41	\$2.7531	\$15.82	\$ 5.64	\$2.7531	\$15.08	\$ 11.83	\$2.5077	\$20.19
Oct	\$10.37	\$2.7532	\$19.64	\$6.46	\$2.9157	\$16.44	\$5.47	\$2.9087	\$15.46	\$ 6.48	\$2.9087	\$16.43	\$ 9.83	\$2.8409	\$19.43
Nov	\$10.45	\$2.9136	\$20.28	\$7.35	\$3.1900	\$18.26	\$4.31	\$3.1830	\$15.30	\$ 5.96	\$3.1830	\$16.89	\$ 9.83	\$3.0627	\$20.21
Dec	\$9.85	\$3.1428	\$20.51	\$6.75	\$2.9127	\$16.71	\$4.43	\$2.9057	\$14.44	\$ 5.54	\$2.9057	\$15.52	\$ 9.13	\$3.0094	\$19.34
Jan 2016	\$9.41	\$3.0742	\$19.84	\$6.31	\$2.3132	\$14.19	\$5.85	\$2.3062	\$13.72	\$ 5.43	\$2.3062	\$13.31	\$ 8.77	\$2.6105	\$17.60
Feb	\$9.71	\$2.3058	\$17.44	\$6.17	\$2.3848	\$14.30	\$5.68	\$2.3778	\$13.80	\$ 5.36	\$2.3778	\$13.49	\$ 8.97	\$2.3495	\$16.88
Mar	\$9.34	\$2.4483	\$17.58	\$6.05	\$2.2098	\$13.57	\$6.25	\$2.2028	\$13.74	\$ 5.21	\$2.2028	\$12.74	\$ 8.49	\$2.2945	\$16.22
Apr	\$10.02	\$2.2486	\$17.54	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 8.80	\$2.2420	\$16.34
May	\$9.92	\$2.2635	\$17.50	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 8.60	\$2.2769	\$16.27
Jun	\$9.11	\$2.3288	\$16.94	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 8.13	\$2.3776	\$16.17
Jul	\$9.37	\$2.4169	\$17.50	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 8.69	\$2.5192	\$17.20
Aug	\$9.96	\$2.6453	\$18.87	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 9.61	\$2.5608	\$18.24
Sep	\$11.97	\$2.5155	\$20.36	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 11.21	\$2.3990	\$19.21
Oct	\$12.58	\$2.3603	\$20.40	\$7.14	\$2.0563	\$14.09	\$7.92	\$2.0493	\$14.82	\$ 6.72	\$2.0493	\$13.66	\$ 11.50	\$2.1782	\$18.72
Nov	\$11.59	\$2.1129	\$18.58	\$7.47	\$2.1114	\$14.60	\$9.74	\$2.1044	\$16.76	\$ 6.63	\$2.1044	\$13.76	\$ 11.03	\$2.1086	\$18.02
Dec	\$13.64	\$2.1484	\$20.68	\$7.32											

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 2016	421,374	2,008	324,477	77.00%	60,708	14.41%	11,824	2.81%	24,365	5.78%
Sep	400,587	1,930	321,050	80.14%	52,639	13.14%	16,135	4.03%	10,763	2.69%
Oct	414,082	1,893	333,480	80.53%	54,443	13.15%	20,709	5.00%	5,449	1.32%
Nov	410,936	1,767	323,073	78.62%	52,814	12.85%	21,311	5.19%	13,737	3.34%
Dec	456,831	1,762	340,022	74.44%	57,299	12.54%	30,218	6.61%	29,291	6.41%
Jan 2016	472,060	1,880	343,820	72.84%	62,664	13.27%	23,809	5.04%	41,767	8.85%
Feb	426,663	1,769	312,548	73.25%	52,128	12.22%	34,973	8.20%	27,014	6.33%
Mar	508,094	1,757	333,373	65.61%	70,622	13.90%	60,085	11.83%	44,014	8.66%
Apr	493,274	1,681	317,125	64.29%	67,180	13.62%	62,347	12.64%	46,621	9.45%
May	479,088	1,685	308,829	64.45%	69,402	14.49%	64,655	13.50%	36,202	7.56%
Jun	457,259	1,720	296,259	64.78%	73,835	16.15%	56,731	12.41%	30,433	6.66%
Jul	418,092	1,706	287,264	68.70%	66,547	15.92%	33,218	7.95%	31,063	7.43%
Aug	419,230	1,764	339,478	80.97%	60,605	14.46%	9,580	2.29%	9,567	2.28%
Sep	408,334	1,715	322,221	78.91%	59,402	14.55%	11,371	2.78%	15,340	3.76%
Oct	425,841	1,690	316,344	74.29%	66,649	15.65%	11,682	2.74%	31,166	7.32%
Nov	414,251	1,700**	326,451	78.81%	62,696	15.13%	10,683	2.58%	14,421	3.48%

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



Southeast Marketing Area - Federal Order 7

Pool and Payment Dates							
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
December	01/11/17	01/12/17	01/13/17	12/27/16	12/27/16	01/13/17	01/17/17
January-17	02/11/17	02/13/17	02/14/17	01/25/16	01/26/16	02/14/17	02/15/17
February-17	03/11/17	03/13/17	03/14/17	02/27/17	02/27/17	03/14/17	03/15/17

** The base rate for making partial payments in Fulton County, GA for December will be \$16.22 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.02 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 – 560 December 9, 2016

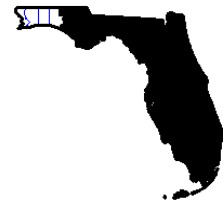
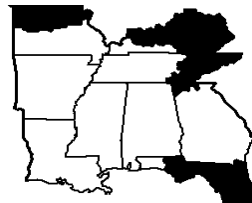
The milk production forecast is lowered for both 2016 and 2017 as slower growth in cow numbers more than offsets slightly higher growth in milk per cow. Fat basis exports are raised for 2016 on higher butter exports, and skim-solids basis exports are increased on stronger sales of lactose. For 2017, fat basis exports are reduced on expected increased competition in cheese markets, but strength in lactose and nonfat dry milk (NDM) exports are expected to support higher skim-solids basis exports. Import forecasts are lowered from last month for both fat and skim-solids bases. Fat basis ending stock forecasts for 2016 and 2017 are raised on higher expected cheese stocks. Although the skim-solids basis ending stock forecast for 2016 is raised on higher-than-expected cheese and NDM stocks, the forecast for 2017 is unchanged as robust NDM exports are expected to draw down stocks during the year.

Price forecasts for cheese and butter are raised for 2016 on current price strength, but the forecasts for NDM and whey prices are unchanged. Product prices are forecast higher for 2017 as domestic demand strength is expected to carry into next year and higher export demand will support NDM and whey prices. As a result of the higher cheese and butter price forecasts, Class III and Class IV price forecasts are raised for 2016. Class III and IV prices are forecast higher for 2017 on higher component product prices. All milk prices are forecast higher at \$16.05 to \$16.15 per cwt for 2016 and \$16.85 to \$17.65 per cwt for 2017.

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.



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