

Market Information BULLETIN

Erik F. Rasmussen, Market Administrator



Southeast Marketing Area
Federal Order 7

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

Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, January 19, 2018, Economic Research Service, USDA:

The 2018 forecast for the number of milk cows in the United States has been reduced to 9.415 million head, 20 thousand less than last month's forecast, as lower prices are expected to lead to less expansion throughout the year and growth will occur from a lower base than expected last month. The USDA Cattle report will be released on January 31, and it will provide more information on dairy cow inventory and intentions for heifer retention in 2018. The milk yield forecast has also been reduced for the year, by 10 pounds to 23,240 pounds per head. The milk production forecast for 2018 is 0.5 billion pounds lower than the last forecast, at 218.8 billion pounds.

As demand has weakened and butter imports have followed a downward trend in the past couple of months, the import forecast for 2018 on a milk-fat basis has been lowered 0.1 billion pounds to 6.0 billion. However, exports are forecast 0.1 billion pounds higher for 2018, as domestic prices for butter remain competitive and stocks remain high. As domestic use is expected to be lower than previously forecast, the 2018 forecast has been lowered 0.8 billion pounds to 215.1 billion. The forecast for ending stocks on a milk-fat basis is unchanged at 12.8 billion pounds.

The forecast for imports on a skim-solids basis in 2018 has been reduced to 5.9 billion pounds, 0.2 billion less than last month, due to lower expected imports of milk protein concentrate and casein products. Exports are now projected at 42.0 billion pounds for the year, an increase of 0.2 billion pounds from last month's figure, as lactose exports are now expected to increase and recent strength in NDM exports should continue. As lower ending stocks in 2017 should carry over throughout 2018, the ending stock forecast on a skim-solids basis has been lowered to 11.6 billion pounds for the year, 0.4 billion (cont. on page 4)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$19.04 per hundredweight of milk at 3.5 percent butterfat for the month of December. The uniform price is \$0.03 lower than the previous month and is \$0.74 per hundredweight lower compared to December 2016.

Class I utilization was 70.29 percent in December, 4.60 percent lower than the previous month and 1.35 percent lower than December of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November 2017 was 17.28 billion pounds, 1.0 percent higher than November of last year and 0.4 percent higher compared with October 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.05 billion pounds, 2.8 percent above November 2016 and 1.2 percent above October 2017 on a daily average basis. Butter production was 146 million pounds, 1.8 percent above November 2016 and 5.0 percent above October 2017 on a daily average basis.

Nonfat dry milk powder production was 140.5 million pounds in November, up 9.7 percent from November of last year and 0.4 percent higher than October 2017 on a daily average basis. Total dry whey production was 81.8 million pounds in November, 11.6 percent above November 2016 and 4.7 percent above the previous month on a daily average basis. Whey protein concentrates production was 40.7 million pounds in November, 3.6 percent above November 2016 and 2.4 percent higher than October 2017 on a daily average basis..

November's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.54.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - DECEMBER 2017

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.04%	7,182,781	\$2.5335	\$ 18,197,575.68
Class I Differential at Location				236,997.78
Class II Butterfat	35.77%	6,262,239	\$2.5021	15,668,748.18
Class III Butterfat	5.29%	925,891	\$2.4951	2,310,190.63
Class IV Butterfat	17.90%	3,133,876	\$2.4951	7,819,334.00
Total Butterfat	100.00%	17,504,787		\$ 44,232,846.27

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5269**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	71.47%	311,036,161	\$8.30 /cwt.	\$ 25,816,001.36
Class I Butterfat	41.04%	7,182,781	\$2.5335 /lb.	18,197,575.68
Class I Differential at Location		318,218,942		10,461,266.27
Total Class I Milk	70.29%	318,218,942		\$ 54,474,843.31
Class II Skim Milk	13.83%	60,179,283	\$5.94 /cwt.	\$ 3,574,649.42
Class II Butterfat	35.77%	6,262,239	\$2.5021 /lb.	15,668,748.18
Total Class II Milk	14.68%	66,441,522		\$ 19,243,397.60
Class III Skim Milk	5.08%	22,124,016	\$6.95 /cwt.	\$ 1,537,619.10
Class III Butterfat	5.29%	925,891	\$2.4951 /lb.	2,310,190.63
Total Class III Milk	5.09%	23,049,907		\$ 3,847,809.73
Class IV Skim Milk	9.62%	41,872,032	\$4.95 /cwt.	\$ 2,072,665.60
Class IV Butterfat	17.90%	3,133,876	\$2.4951 /lb.	7,819,334.00
Total Class IV Milk	9.94%	45,005,908		\$ 9,891,999.60
Producer Milk	100.00%	452,716,279		\$ 87,458,050.24

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$1,050.35)
Producer butterfat at uniform butterfat price	(\$44,232,846.27)
Location Adjustments to Producers	\$2,792,410.12
1/2 Unobligated Balance in P.S.F.	\$186,020.18

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.61612	\$46,202,583.92
	\$ 0.04612	\$200,729.20

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

\$10.57

Uniform Price per cwt. (Fulton County, Georgia)

\$19.04*

* 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 2017	JAN 2018	NOV 2017	DEC 2017	DEC 2017
Appalachian (Charlotte)	\$ 20.28	\$ 18.84	\$ 18.63	\$ 18.37	65.59%
Arizona (Phoenix)	\$ 19.23	\$ 17.79	\$ 16.02	\$ 15.44	25.57%
Central (Kansas City)	\$ 18.88	\$ 17.44	\$ 15.98	\$ 15.56	33.78%
Florida (Tampa)	\$ 22.28	\$ 20.84	\$ 20.66	\$ 20.92	81.81%
Mideast (Cleveland)	\$ 18.88	\$ 17.44	\$ 16.24	\$ 15.80	32.60%
Northeast (Boston)	\$ 20.13	\$ 18.69	\$ 17.14	\$ 16.71	34.40%
Pacific Northwest (Seattle)	\$ 18.78	\$ 17.34	\$ 15.69	\$ 15.21	25.85%
Southeast (Atlanta)	\$ 20.68	\$ 19.24	\$ 19.07	\$ 19.04	70.29%
Southwest (Dallas)	\$ 19.88	\$ 18.44	\$ 16.76	\$ 16.36	27.45%
Upper Midwest (Chicago)	\$ 18.68	\$ 17.24	\$ 16.67	\$ 15.57	10.60%

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

Receipts:		Dec 2017	Dec 2016
Producer Milk			
Class I		318,218,942	334,877,036
Class II		66,441,522	67,333,201
Class III		23,049,907	32,680,990
Class IV		45,005,908	32,569,839
Total Producer Milk		452,716,279	467,461,066
Average Butterfat Test		3.87%	3.89%
Percent of Producer Milk in Class I		70.29%	71.64%
Daily Average Receipts		14,603,751	15,079,389
Other Source Milk			
Class I		6,090,993	10,328,439
Class II		3,584,230	2,599,343
Class III		0	0
Class IV		9,410,377	8,908,477
Total Other Source Milk		19,085,600	21,836,259
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		23,033,674	20,705,579
Class II		413,386	2,129,860
Class III		0	28,185
Class IV		14,735,154	13,656,460
Total Opening Inventory		38,182,214	36,520,084
Total Receipts		509,984,093	525,817,409
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		17,973,429	20,863,632
Route Disposition Class I		317,686,515	328,395,353
Shrinkage		3,162,862	3,684,909
Transfers & Diversions to Nonpool		8,520,803	12,967,160
Total Class I Utilization		347,343,609	365,911,054
Average Butterfat Test		2.27%	2.22%
Daily Average Utilization		11,204,633	11,803,582
Class II Utilization			
Nonfluid Used To Produce		2,143,375	2,328,149
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		55,829,925	59,742,101
Used To Produce/Other Uses		12,465,838	9,992,154
Total Class II Utilization		70,439,138	72,062,404
Average Butterfat Test		9.10%	7.97%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		23,049,907	32,709,175
Used To Produce/Other Uses		0	0
Total Class III Utilization		23,049,907	32,709,175
Average Butterfat Test		4.02%	3.72%
Class IV Utilization			
Inventory		19,775,913	14,820,246
Nonfluid Used To Fortify		1,858,293	2,233,488
Shrinkage		5,564,362	6,046,436
Transfers & Diversions to Nonpool		38,283,193	28,153,713
Used To Produce/Other Uses		3,669,678	3,880,888
Total Class IV Utilization		69,151,439	55,134,776
Average Butterfat Test		9.08%	12.15%
Total Utilization		509,984,093	525,817,409

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2017 is \$19.04 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.57 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5269 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 71.47% of all producer skim milk (priced to handlers at \$8.30 per hundredweight, plus the Class I differential, see page 2) and 41.04% of producer butterfat (priced to handlers at \$2.5335 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.83% of all producer skim milk (\$5.94 per hundredweight) and 35.77% of producer butterfat (\$2.5021 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.08% of all producer skim milk (\$6.95 per hundredweight) and 5.29% of producer butterfat (\$2.4951 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.62% of all producer skim milk (\$4.95 per hundredweight) and 17.90% of producer butterfat (\$2.4951 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>November 2017</u>		
Whole Milk	134,947,665	35.57%
Fat Free Milk	23,646,975	6.23%
Low fat Milk (incl. 1%)	40,104,759	10.60%
Reduced Fat Milk (incl. 2%)	120,350,276	31.73%
Cultured Fluid Milk (incl. Buttermilk)	9,309,522	2.45%
Flavored Drinks and Milk	50,931,282	13.42%
Total Disposition in Marketing Area	379,290,479	100.0%
Total Disposition by Pool Plants	282,503,174	74.50%
Total Disposition by Nonpool Plants	96,787,305	25.50%
Total Disposition in Marketing Area	379,290,479	100.0%

Receipts of producer milk during December totaled 452.7 million pounds. There were 20 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 December 2017. Class I route disposition in the area was 379.2 million pounds in November 2017.

Dairy Forecast for 2018, cont.

(continued from page 1) billion less than last month's forecast. Lower demand and lower production should result in less domestic use than previously expected; the domestic use forecast for 2018 has been cut 0.8 billion pounds to 182.4 billion.

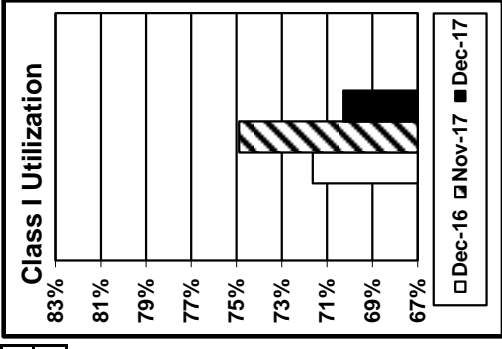
Based on recent declines in product prices and expectations for lower demand, forecasts for prices of all major dairy products in 2018 have been lowered. Price forecasts for cheddar cheese, dry whey, butter, and NDM have been lowered to \$1.535-\$1.615, \$0.270-0.300, \$2.245-\$2.355, and \$0.715-\$0.775 per pound, respectively. The Class III price for 2018 is \$1.05 lower at the midpoint of the range than the last forecast, at \$14.25-\$15.05 per cwt; the Class IV price forecast has been lowered 35 cents at the midpoint to \$13.55-\$14.45. The all-milk price for 2018 is now forecast 85 cents lower at the midpoint of the range than last month's forecast, at \$15.80-\$16.60 per cwt.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Dec 2016	\$13.64	\$2.1484	\$20.68	\$7.32	\$2.3424	\$15.26	\$9.56	\$2.3354	\$17.40	\$7.04	\$2.3354	\$14.97	\$12.30	\$2.2591	\$19.78
Jan 2017	\$13.41	\$2.3754	\$21.25	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$12.05	\$2.4696	\$20.27
Feb	\$12.00	\$2.5572	\$20.53	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$11.08	\$2.4765	\$19.36
Mar	\$12.45	\$2.4808	\$20.70	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$10.99	\$2.4416	\$19.15
Apr	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70											

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 2016	467,461	1,645	334,877	71.64%	67,333	14.40%	32,681	6.99%	32,570	6.97%
Jan 2017	493,261	1,637	344,109	69.76%	72,378	14.67%	37,280	7.56%	39,494	8.01%
Feb	437,752	1,551	299,761	68.48%	49,736	11.36%	59,203	13.52%	29,053	6.64%
Mar	513,245	1,570	334,819	65.23%	65,417	12.75%	65,281	12.72%	47,728	9.30%
Apr	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,800**	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%



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

Southeast Marketing Area - Federal Order 7

2018 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
January	02/11/18	02/12/18	02/13/18	01/25/18	01/26/18	02/13/18	02/14/18
February	03/11/18	03/12/18	03/13/18	02/26/18	02/26/18	03/13/18	03/14/18
March	04/11/18	04/12/18	04/13/18	03/26/18	03/26/18	04/13/18	04/16/18

** The base rate for making partial payments in Fulton County, GA for January will be \$17.14 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.04 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 – 573 January 12, 2018

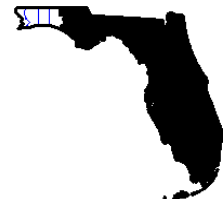
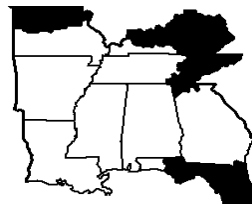
The milk production estimate for 2017 is reduced on recent data. For 2018, the milk production estimate is reduced on slower anticipated growth in the dairy cow herd combined with continued slow growth in milk per cow. Fat basis imports for 2017 are reduced on slower butter imports, but exports are raised on solid global demand for U.S. butter and other dairy products. Skim-solids basis imports are reduced modestly while exports are raised on strong demand for skim milk powder and several other products. For 2018, the fat basis import forecast is reduced on slowing demand for butter products, while the export forecast is raised on expected robust foreign demand for U.S. fat-containing products. On a skim-solids basis, the 2018 import forecast is reduced on weak demand for U.S. milk protein concentrates. The 2018 skim-solids basis export forecast is raised reflecting stronger demand for a number of products.

Dairy product prices for 2017 are adjusted for December data. For 2018, all dairy product prices are reduced on slowing domestic demand and global competition. The Class III and Class IV price forecasts for 2018 are reduced on lower product prices. The all milk price is lowered to \$15.80 to \$16.60 per cwt for 2018.

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 2018

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Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, February 14, 2018, Economic Research Service, USDA:

The forecast for the size of the milking herd in 2018 is unchanged at 9.415 million head, as cow numbers saw little change in December. Due to lower-than-expected yields in the fourth quarter of 2017, lower projected milk prices, and higher expected feed prices, the milk per cow forecast has been lowered slightly for the first half of the year and is now expected to total 23,230 pounds in 2018. As a result, the milk production forecast for the year is 0.1 billion pounds lower than last month's forecast, at 218.7 billion pounds.

Feed price forecasts have been raised since last month. The 2017/18 corn price forecast is \$3.05-\$3.55 per bushel, an increase of 5 cents at the midpoint of the range. The soybean meal price forecast is \$305-\$335 per short ton, an increase of \$5 at the midpoint of the range. The alfalfa hay price was \$148 per short ton in December, unchanged from November but \$21 higher than December 2016.

The annual forecast for exports on a milk-fat basis in 2018 is unchanged at 9.5 billion pounds, as slight growth from 2017 is still expected due to competitive domestic prices, a weaker dollar, and plentiful domestic supplies. The 2018 annual import forecast on a milk-fat basis is also unchanged at 6.0 billion pounds. Expectations of domestic demand for products with high milk-fat content are weaker than reflected in last month's forecast based on recent price weakness and high stocks; therefore, the 2018 domestic use forecast on a milk-fat basis has been lowered 0.2 billion pounds to 214.9 billion. Ending stocks for 2018 on a milk-fat basis are forecast 0.1 billion pounds higher than last month's forecast, at 12.9 billion pounds.

On a skim-solids basis, exports for 2018 are projected 0.5 billion pounds higher than the previous forecast, at 42.5 billion pounds, as recent strength in exports of (continued on page 4)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$18.00 per hundredweight of milk at 3.5 percent butterfat for the month of January. The uniform price is \$1.04 lower than the previous month and is \$2.27 per hundredweight lower compared to January 2017.

Class I utilization was 72.54 percent in January, 2.25 percent higher than the previous month and 2.78 percent higher than January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December 2017 was 18.04 billion pounds, 1.1 percent higher than December of last year and 1.2 percent higher compared with November 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.09 billion pounds, 2.6 percent above December 2016 and 0.3 percent below November 2017 on a daily average basis. Butter production was 170 million pounds, 4.2 percent above December 2016 and 11.8 percent above November 2017 on a daily average basis.

Nonfat dry milk powder production was 163.3 million pounds in December, 5.4 percent higher than December of last year and 11.0 percent higher than November 2017 on a daily average basis. Total dry whey production was 83.1 million pounds in December, 6.1 percent above December 2016 and 1.5 percent below the previous month on a daily average basis. Whey protein concentrates production was 41.8 million pounds in December, 7.0 percent above December 2016 and 1.4 percent lower than November 2017 on a daily average basis.

December's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.38.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JANUARY 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.66%	7,387,023	\$2.4875	\$ 18,375,219.76
Class I Differential at Location				240,553.08
Class II Butterfat	37.74%	7,029,948	\$2.4601	17,294,375.06
Class III Butterfat	3.63%	675,491	\$2.4531	1,657,046.97
Class IV Butterfat	18.97%	3,533,441	\$2.4531	8,667,884.15
Total Butterfat	100.00%	18,625,903		\$ 46,235,079.02

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.4823**

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	73.87%	338,107,503	\$6.98 /cwt.	\$ 23,599,903.73
Class I Butterfat	39.66%	7,387,023	\$2.4875 /lb.	18,375,219.76
Class I Differential at Location		345,494,526		11,326,326.54
Total Class I Milk	72.54%	345,494,526		\$ 53,301,450.03
Class II Skim Milk	13.84%	63,322,439	\$5.70 /cwt.	\$ 3,609,379.08
Class II Butterfat	37.74%	7,029,948	\$2.4601 /lb.	17,294,375.06
Total Class II Milk	14.77%	70,352,387		\$ 20,903,754.14
Class III Skim Milk	4.27%	19,542,477	\$5.61 /cwt.	\$ 1,096,332.97
Class III Butterfat	3.63%	675,491	\$2.4531 /lb.	1,657,046.97
Total Class III Milk	4.24%	20,217,968		\$ 2,753,379.94
Class IV Skim Milk	8.02%	36,715,653	\$4.71 /cwt.	\$ 1,729,307.25
Class IV Butterfat	18.97%	3,533,441	\$2.4531 /lb.	8,667,884.15
Total Class IV Milk	8.45%	40,249,094		\$ 10,397,191.40
Producer Milk	100.00%	476,313,975		\$ 87,355,775.51

Adjustments

Overage and Other Source	\$12,364.72
Inventory Adjustments	\$17,611.61
Producer butterfat at uniform butterfat price	(\$46,235,079.02)
Location Adjustments to Producers	\$3,023,164.67
1/2 Unobligated Balance in P.S.F.	\$192,743.61

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.69363	\$44,366,581.10
	\$ 0.04363	\$199,682.17

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

\$9.65

Uniform Price per cwt. (Fulton County, Georgia)

\$18.00*

* 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 2018	FEB 2018	DEC 2017	JAN 2018	JAN 2018
Appalachian (Charlotte)	\$ 18.84	\$ 17.65	\$ 18.37	\$ 17.53	71.13%
Arizona (Phoenix)	\$ 17.79	\$ 16.60	\$ 16.02	\$ 14.56	23.93%
Central (Kansas City)	\$ 17.44	\$ 16.25	\$ 15.56	\$ 14.52	29.44%
Florida (Tampa)	\$ 20.84	\$ 19.65	\$ 20.92	\$ 19.62	81.83%
Mideast (Cleveland)	\$ 17.44	\$ 16.25	\$ 15.80	\$ 14.84	33.20%
Northeast (Boston)	\$ 18.69	\$ 17.50	\$ 16.71	\$ 15.70	33.40%
Pacific Northwest (Seattle)	\$ 17.34	\$ 16.15	\$ 15.21	\$ 14.32	21.97%
Southeast (Atlanta)	\$ 19.24	\$ 18.05	\$ 19.04	\$ 18.00	72.54%
Southwest (Dallas)	\$ 18.44	\$ 17.25	\$ 16.36	\$ 15.35	28.17%
Upper Midwest (Chicago)	\$ 17.24	\$ 16.05	\$ 15.57	\$ 14.26	9.90%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY

Receipts:		Jan 2018	Jan 2017
Producer Milk			
Class I		345,494,526	344,108,934
Class II		70,352,387	72,378,358
Class III		20,217,968	37,279,643
Class IV		40,249,094	39,494,011
Total Producer Milk		476,313,975	49,360,946
Average Butterfat Test		3.91%	3.83%
Percent of Producer Milk in Class I		72.54%	69.76%
Daily Average Receipts		15,364,967	15,911,643
Other Source Milk			
Class I		8,832,406	9,117,339
Class II		4,523,930	2,834,678
Class III		620,991	0
Class IV		10,459,760	10,192,697
Total Other Source Milk		24,437,087	22,144,714
Overage			
Class I		0	0
Class II		0	0
Class III		220,405	0
Class IV		0	0
Total Overage		220,405	0
Opening Inventory			
Class I		17,968,723	20,865,343
Class II		1,349,584	0
Class III		2,167,407	0
Class IV		18,515,744	17,267,906
Total Opening Inventory		40,001,458	38,133,249
Total Receipts		540,972,925	553,538,909
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,574,587	22,552,999
Route Disposition Class I		336,978,668	337,650,728
Shrinkage		2,953,461	2,654,984
Transfers & Diversions to Nonpool		11,788,939	11,232,905
Total Class I Utilization		37,225,655	374,091,616
Average Butterfat Test		2.13%	2.04%
Daily Average Utilization		12,009,537	12,067,471
Class II Utilization			
Nonfluid Used To Produce		2,034,123	2,473,230
Shrinkage		11,102	212,434
Transfers & Diversions to Nonpool/Commercial Foods		59,466,795	62,063,129
Used To Produce/Other Uses		14,713,881	10,464,243
Total Class II Utilization		76,225,901	75,213,036
Average Butterfat Test		9.59%	8.10%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		23,226,771	37,279,643
Used To Produce/Other Uses		0	0
Total Class III Utilization		23,226,771	37,279,643
Average Butterfat Test		2.97%	3.55%
Class IV Utilization			
Inventory		20,522,734	20,809,223
Nonfluid Used To Fortify		688,087	707,623
Shrinkage		6,009,971	6,258,935
Transfers & Diversions to Nonpool		37,585,029	35,117,694
Used To Produce/Other Uses		4,418,777	4,061,139
Total Class IV Utilization		69,224,598	66,954,614
Average Butterfat Test		10.72%	13.15%
Total Utilization		540,972,925	553,538,909

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2018 is \$18.00 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.65 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4823 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 73.87% of all producer skim milk (priced to handlers at \$6.98 per hundredweight, plus the Class I differential, see page 2) and 39.66% of producer butterfat (priced to handlers at \$2.4875 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.84% of all producer skim milk (\$5.70 per hundredweight) and 37.74% of producer butterfat (\$2.4601 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.27% of all producer skim milk (\$5.61 per hundredweight) and 3.63% of producer butterfat (\$2.4531 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.02% of all producer skim milk (\$4.71 per hundredweight) and 18.97% of producer butterfat (\$2.4531 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>December 2017</u>		
Whole Milk	140,558,321	37.35%
Fat Free Milk	22,967,546	6.10%
Low fat Milk (incl. 1%)	36,741,167	9.79%
Reduced Fat Milk (incl. 2%)	125,911,737	33.46%
Cultured Fluid Milk (incl. Buttermilk)	7,936,797	2.10%
Flavored Drinks and Milk	42,155,646	11.20%
Total Disposition in Marketing Area	376,271,214	100.0%
Total Disposition by Pool Plants	281,433,120	74.80%
Total Disposition by Nonpool Plants	94,838,094	25.20%
Total Disposition in Marketing Area	376,271,214	100.0%

Receipts of producer milk during January totaled 476.3 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2018. Class I route disposition in the area was 376.2 million pounds in December 2017.

Dairy Forecast for 2018, cont.

(continued from page 1) NDM/SMP, whey products, and lactose is expected to carry into the first half of 2018. Imports on a skim-solids basis are now forecast at 6.0 billion pounds for the year, 0.1 billion pounds higher than the last forecast. The domestic use forecast has been lowered 0.8 billion pounds to 181.6 billion, as domestic use lagged year-ago levels in November and December despite lower prices for most dairy products. Ending stocks on a skim-solids basis for the year are forecast at 11.6 billion pounds, unchanged from last month's forecast.

Small changes have been made in forecasts for some product prices in 2018. The cheddar cheese price forecast has been lowered to \$1.530-\$1.600 per pound for the year, as prices in the first half are projected lower but should still climb throughout the year. Recent price declines and continued flagging growth in butter consumption have motivated a decrease in the butter price forecast for the year to \$2.195-\$2.295 per pound. The dry whey and NDM price annual forecasts are unchanged at \$0.270-\$0.300 and \$0.715-\$0.775 per pound, respectively.

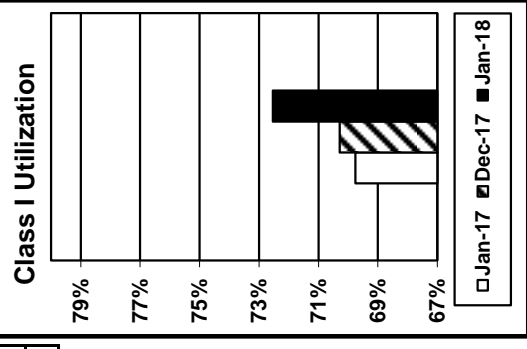
The Class III price forecast has been lowered to \$14.20-\$14.90 per cwt due to lower cheese prices; the Class IV price forecast for 2018 is also lower at \$13.35-\$14.15 because of lower butter prices. The all-milk price forecast for the year is \$15.70-\$16.40 per cwt, 15 cents lower at the midpoint of the range than last month's forecast.

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 2016	\$13.64	\$2.1484	\$20.68	\$7.32	\$2.3424	\$15.26	\$9.56	\$2.3354	\$17.40	\$7.04	\$2.3354	\$14.97	\$12.30	\$2.2591	\$19.78
Jan 2017	\$13.41	\$2.3754	\$21.25	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$12.05	\$2.4696	\$20.27
Feb	\$12.00	\$2.5572	\$20.53	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$11.08	\$2.4765	\$19.36
Mar	\$12.45	\$2.4808	\$20.70	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$10.99	\$2.4416	\$19.15
Apr	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$11.78	\$3.5255	\$23.71	\$6.70											

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 2016	467,461	1,645	334,877	71.64%	67,333	14.40%	32,681	6.99%	32,570	6.97%
Jan 2017	493,261	1,637	344,109	69.76%	72,378	14.67%	37,280	7.56%	39,494	8.01%
Feb	437,752	1,551	299,761	68.48%	49,736	11.36%	59,203	13.52%	29,053	6.64%
Mar	513,245	1,570	334,819	65.23%	65,417	12.75%	65,281	12.72%	47,728	9.30%
Apr	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,830**	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%



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

Southeast Marketing Area - Federal Order 7

2018 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
February	03/11/18	03/12/18	03/13/18	02/26/18	02/26/18	03/13/18	03/14/18
March	04/11/18	04/12/18	04/13/18	03/26/18	03/26/18	04/13/18	04/16/18
April	05/11/18	05/14/18	05/15/18	04/25/18	04/26/18	05/15/18	05/16/18

** The base rate for making partial payments in Fulton County, GA for February will be \$16.20 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.00 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 – 574 February 8, 2018

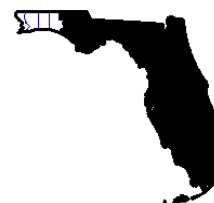
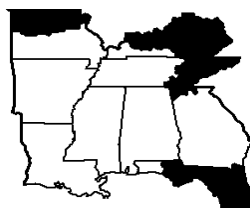
The milk production forecast for 2018 is lowered from last month on expectations of slower growth in milk per cow. The 2018 fat basis export and import forecasts are unchanged from the previous month. On a skim-solids basis, the import forecast is raised slightly while the export forecast is raised on strong global demand for skim milk powder, lactose, and whey products. The 2017 production, trade, and stock estimates are adjusted to reflect December data.

Annual product price forecasts for cheese and butter are lowered from the previous month as demand remains relatively weak. No changes are made to the annual prices for NDM and whey. The Class III price is lowered on the cheese price projection while the Class IV price is down on a lower butter price forecast. The all milk price is forecast is reduced to \$15.70 to \$16.40 per cwt.

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



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Market Information BULLETIN

Erik F. Rasmussen, Market Administrator



Southeast Marketing Area
Federal Order 7

www.fmmatlanta.com

March 2018

Volume 19—No. 3

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

Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, March 14, 2018, Economic Research Service, USDA:

In January, U.S. imports of dairy products fell both year over year and month over month. Imports on a milk-fat basis were 424 million pounds, 151 million less than December and 123 million less than January 2017. On a skim-solids basis, January imports were 487 million pounds, 34 million less than December and 91 million less than January 2017. Much of the decrease on both bases is due to lower milk solids imported in food preparations.

Due to recent growth in milk production per cow, forecasts for milk yields have been increased for the first half of 2018, resulting in a 2018 forecast of 23,255 pounds per head, 25 pounds higher than last month's forecast. The forecast for the size of the milking herd in 2018 is unchanged at 9.415 million head. The milk production forecast for 2018 is 219.0 billion pounds, 0.3 billion pounds higher than last month's forecast.

Feed price forecasts have been raised since last month. The 2017/18 corn price forecast is \$3.15-\$3.55 per bushel, an increase of 5 cents at the midpoint of the range. The soybean meal price forecast is \$325-\$355 per short ton, an increase of \$20 at the midpoint of the range. The alfalfa hay price was \$152 per short ton in January, an increase of \$4 from December and \$26 from January 2017. Drought in alfalfa hay production areas has contributed to higher prices. For more information, see the USDA Economic Research Service publication Feed Outlook, at <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1273>.

With competitive prices and recent strength in exports of cheese and whey products, the 2018 export forecasts have been raised from last month's forecast to 9.6 billion pounds on a milk-fat basis (+0.1 billion) and to 42.8 billion pounds on a skim-solids basis (+0.3 billion). (cont. on page 4)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$16.57 per hundredweight of milk at 3.5 percent butterfat for the month of February. The uniform price is \$1.43 lower than the previous month and is \$2.79 per hundredweight lower compared to February 2017.

Class I utilization was 68.06 percent in February, 4.48 percent lower than the previous month and 0.42 percent lower than February of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 18.45 billion pounds, 1.8 percent higher than January of last year and 2.2 percent higher compared with December 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 3.4 percent above January 2017 but 1.0 percent below December 2017 on a daily average basis. Butter production was 185 million pounds, 4.3 percent higher than January 2017 and 9.0 percent above December 2017 on a daily average basis.

Nonfat dry milk powder production was 161.7 million pounds in January, 5.4 percent higher than January of last year and 1.2 percent lower than December 2017 on a daily average basis. Total dry whey production was 89.3 million pounds in January, 8.5 percent above January 2017 and 7.0 percent higher than the previous month on a daily average basis. Whey protein concentrates production was 44.3 million pounds in January, 10.4 percent above January 2017 and 3.9 percent higher than December 2017 on a daily average basis.

January's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, fell to 2.19.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - FEBRUARY 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.51%	6,154,889	\$2.4976	\$ 15,372,450.76
Class I Differential at Location				200,449.41
Class II Butterfat	37.87%	6,215,414	\$2.3560	14,643,515.38
Class III Butterfat	5.91%	970,006	\$2.3490	2,278,544.07
Class IV Butterfat	18.71%	3,070,085	\$2.3490	7,211,629.70
Total Butterfat	100.00%	16,410,394		\$ 39,706,589.32

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.4196**

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	69.28%	286,112,354	\$5.71 /cwt.	\$ 16,337,015.42
Class I Butterfat	37.51%	6,154,889	\$2.4976 /lb.	15,372,450.76
Class I Differential at Location		292,267,243		9,586,013.33
Total Class I Milk	68.06%	292,267,243		\$ 41,295,479.51
Class II Skim Milk	13.79%	56,961,789	\$5.38 /cwt.	\$ 3,064,544.24
Class II Butterfat	37.87%	6,215,414	\$2.3560 /lb.	14,643,515.38
Total Class II Milk	14.71%	63,177,203		\$ 17,708,059.62
Class III Skim Milk	9.49%	39,211,263	\$5.37 /cwt.	\$ 2,105,644.83
Class III Butterfat	5.91%	970,006	\$2.3490 /lb.	2,278,544.07
Total Class III Milk	9.36%	40,181,269		\$ 4,384,188.90
Class IV Skim Milk	7.44%	30,727,567	\$4.82 /cwt.	\$ 1,481,068.73
Class IV Butterfat	18.71%	3,070,085	\$2.3490 /lb.	7,211,629.70
Total Class IV Milk	7.87%	33,797,652		\$ 8,692,698.43
Producer Milk	100.00%	429,423,367		\$ 72,080,426.46

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$6,477.18)
Producer butterfat at uniform butterfat price	(\$39,706,589.32)
Location Adjustments to Producers	\$2,335,629.65
1/2 Unobligated Balance in P.S.F.	\$196,026.30

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.44986	\$34,899,015.91
	\$ 0.04986	\$205,926.16

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

\$8.40

Uniform Price per cwt. (Fulton County, Georgia)

\$16.57*

* 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 2018	MAR 2018	JAN 2017	FEB 2018	FEB 2018
Appalachian (Charlotte)	\$ 17.65	\$ 16.76	\$ 17.53	\$ 16.31	68.78%
Arizona (Phoenix)	\$ 16.60	\$ 15.71	\$ 14.56	\$ 13.91	23.69%
Central (Kansas City)	\$ 16.25	\$ 15.36	\$ 14.52	\$ 13.72	26.29%
Florida (Tampa)	\$ 19.65	\$ 18.76	\$ 19.62	\$ 18.57	85.35%
Mideast (Cleveland)	\$ 16.25	\$ 15.36	\$ 14.84	\$ 14.01	31.10%
Northeast (Boston)	\$ 17.50	\$ 16.61	\$ 15.70	\$ 14.88	31.70%
Pacific Northwest (Seattle)	\$ 16.15	\$ 15.26	\$ 14.32	\$ 13.66	21.01%
Southeast (Atlanta)	\$ 18.05	\$ 17.16	\$ 18.00	\$ 16.57	68.06%
Southwest (Dallas)	\$ 17.25	\$ 16.36	\$ 15.35	\$ 14.60	27.30%
Upper Midwest (Chicago)	\$ 16.05	\$ 15.16	\$ 14.26	\$ 13.59	8.70%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY

Receipts:		Feb 2018	Feb 2017
Producer Milk			
Class I		292,267,243	299,760,528
Class II		63,177,203	4,975,816
Class III		40,181,269	59,202,945
Class IV		33,797,662	29,052,831
Total Producer Milk		429,423,367	437,752,120
Average Butterfat Test		3.82%	3.76%
Percent of Producer Milk in Class I		68.06%	68.48%
Daily Average Receipts		15,336,549	15,634,004
Other Source Milk			
Class I		6,306,636	5,887,634
Class II		4,885,110	2,732,008
Class III		0	0
Class IV		5,622,354	7,356,088
Total Other Source Milk		16,814,100	15,975,730
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		20,574,588	22,552,999
Class II		508,921	86,824
Class III		0	0
Class IV		20,001,952	20,722,399
Total Opening Inventory		41,085,461	43,362,222
Total Receipts		487,322,928	497,090,072
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,564,875	21,384,867
Route Disposition Class I		288,798,151	297,842,670
Shrinkage		1,530,101	2,529,208
Transfers & Diversions to Nonpool		9,255,340	6,444,416
Total Class I Utilization		319,148,467	328,201,161
Average Butterfat Test		2.09%	2.06%
Daily Average Utilization		11,398,160	11,721,470
Class II Utilization			
Nonfluid Used To Produce		2,721,660	2,403,529
Shrinkage		4,621	569,685
Transfers & Diversions to Nonpool/Commercial Foods		51,181,883	39,566,949
Used To Produce/Other Uses		14,663,070	10,014,485
Total Class II Utilization		68,571,234	52,554,648
Average Butterfat Test		9.68%	9.56%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		40,181,269	59,202,945
Used To Produce/Other Uses		0	0
Total Class III Utilization		40,181,269	59,202,945
Average Butterfat Test		2.41%	2.71%
Class IV Utilization			
Inventory		22,491,037	19,580,239
Nonfluid Used To Fortify		536,347	633,596
Shrinkage		5,185,102	5,732,920
Transfers & Diversions to Nonpool		26,736,074	27,683,264
Used To Produce/Other Uses		4,446,398	3,501,299
Total Class IV Utilization		59,421,958	57,131,318
Average Butterfat Test		9.68%	12.24%
Total Utilization		487,322,928	497,090,072

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2018 is \$16.57 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.40 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4196 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 69.28% of all producer skim milk (priced to handlers at \$5.71 per hundredweight, plus the Class I differential, see page 2) and 37.51% of producer butterfat (priced to handlers at \$2.4976 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.79% of all producer skim milk (\$5.38 per hundredweight) and 37.87% of producer butterfat (\$2.3560 per pound). Class III use, mostly milk used to produce cheese, accounted for 9.49% of all producer skim milk (\$5.37 per hundredweight) and 5.91% of producer butterfat (\$2.3490 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.44% of all producer skim milk (\$4.82 per hundredweight) and 18.71% of producer butterfat (\$2.3490 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>January 2018</u>		
Whole Milk	145,391,574	36.78%
Fat Free Milk	24,990,966	6.32%
Low fat Milk (incl. 1%)	40,790,093	10.32%
Reduced Fat Milk (incl. 2%)	129,779,980	32.82%
Cultured Fluid Milk (incl. Buttermilk)	7,529,687	1.90%
Flavored Drinks and Milk	46,850,760	11.86%
Total Disposition in Marketing Area	395,333,060	100.0%
Total Disposition by Pool Plants	299,446,970	75.75%
Total Disposition by Nonpool Plants	95,886,090	24.25%
Total Disposition in Marketing Area	395,333,060	100.0%

Receipts of producer milk during February totaled 429.4 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for February 2018. Class I route disposition in the area was 395.3 million pounds in January 2018.

Dairy Forecast for 2018, cont.

(continued from page 1) Forecasts for imports have been lowered from last month's forecast to 5.7 billion pounds (-0.3 billion) on a milk-fat basis and to 5.9 billion pounds (-0.1 billion) on a skim-solids basis due to lower expected dairy-related food preparations.

The 2018 domestic use forecasts are 214.8 billion pounds on a milk-fat basis, 0.1 billion less than last month's forecast, and 181.6 billion pounds on a skim-solids basis, unchanged from last month. Ending stock forecasts are 12.8 billion pounds on a milk-fat basis, down 0.1 billion from last month. On a skim-solids basis, the ending stock forecast has been lowered to 11.3 billion pounds, 0.3 billion less than last month, due to the downward revision of beginning stocks and stronger expected exports.

Forecasts for product prices in 2018 have changed only slightly from last month. The cheddar cheese price is forecast slightly higher than the last forecast at \$1.545-\$1.605 per pound, while the dry whey price forecast has been slightly lowered to \$0.265-\$0.295. The butter price forecast has been raised to \$2.210-\$2.300 per pound, based on recent gains in prices. The NDM price forecast has been lowered to \$0.700-\$0.750 as stocks continued to build last month and global supply remains high.

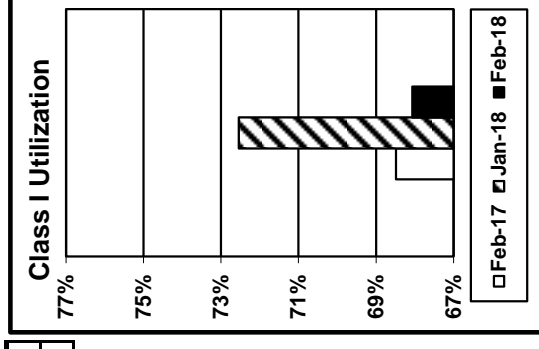
Source: *Livestock, Dairy, and Poultry Outlook, LDP-M-285, March 14, 2018 USDA, Economic Research Service*

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 2017	\$13.41	\$2.3754	\$21.25	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$12.05	\$2.4696	\$20.27
Feb	\$12.00	\$2.5572	\$20.53	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$11.08	\$2.4765	\$19.36
Mar	\$12.45	\$2.4808	\$20.70	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$10.99	\$2.4416	\$19.15
Apr	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55											

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 2017	493,261	1,637	344,109	69.76%	72,378	14.67%	37,280	7.56%	39,494	8.01%
Feb	437,752	1,551	299,761	68.48%	49,736	11.36%	59,203	13.52%	29,053	6.64%
Mar	513,245	1,570	334,819	65.23%	65,417	12.75%	65,281	12.72%	47,728	9.30%
Apr	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,900**	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%



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

Southeast Marketing Area - Federal Order 7

2018 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
March	04/11/18	04/12/18	04/13/18	03/26/18	03/26/18	04/13/18	04/16/18
April	05/11/18	05/14/18	05/15/18	04/25/18	04/26/18	05/15/18	05/16/18
May	06/11/18	06/12/18	06/13/18	05/25/18	05/29/18	06/13/18	06/14/18

** The base rate for making partial payments in Fulton County, GA for March will be \$14.91 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.57 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 – 575 March 8, 2018

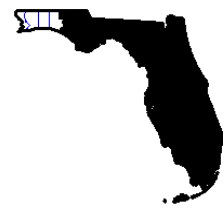
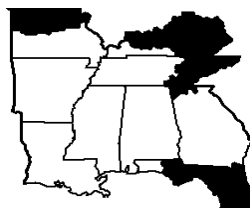
The milk production forecast for 2018 is raised from last month on more rapid growth in milk per cow in the first half of the year. The 2018 imports on a fat and skim-solids basis are reduced on slower sales of a number of processed dairy products. Exports on fat basis are raised on increased cheese sales and exports on a skim-solids basis are raised on stronger sales of both cheese and whey products. The supply and use estimates are adjusted to reflect revisions to 2016 and 2017 milk production and 2017 storage data.

Annual product price forecasts for cheese and butter are raised from the previous month as recent prices have increased. However, continued large supplies of nonfat dry milk (NDM) are expected to pressure NDM prices, and the forecast is reduced. No change is made to the annual whey price forecast. The Class III price is raised on the cheese price projection, while the Class IV price is down, as the lower NDM price more than offsets a higher butter price forecast. The all milk price is forecast at \$15.75 to \$16.35 per cwt, unchanged at the midpoint.

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

April 2018

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

Dairy Forecast for 2018

Excerpts from Livestock, Dairy, & Poultry Outlook, April 16, 2018, Economic Research Service, USDA:

The 2018 estimate for the size of the milking herd is unchanged from the March forecast at 9.415 million head, as growth is expected to taper off later in the year. The forecast for milk per cow in 2018 has been raised slightly to 23,260 pounds, as year-over-year growth was higher than expected in January and February. The annual milk production forecast remains at a rounded 219.0 billion pounds.

The corn price forecast for 2017/18 is \$3.20-\$3.50 per bushel, unchanged from last month's forecast at the midpoint. However, the 2017/18 soybean meal price forecast has been raised to \$340-\$360 per short ton, \$10 higher than last month's forecast at the midpoint. For more information, see the USDA Economic Research Service publication 'Feed Outlook'.

The forecast for imports on a milk-fat basis has been lowered 0.1 billion pounds to 5.6 billion for the year due to lower expected imports of dry whole milk. The export forecast on a milk-fat basis is unchanged at 9.6 billion pounds for the year. With continued weakness in domestic use in recent months, the forecast for 2018 domestic use is now projected slightly lower than it was last month at 214.7 billion pounds. With high stock levels in recent months and weaker expected domestic use, the forecast for 2018 milk-fat basis ending stocks has been raised to 12.9 billion pounds, 0.1 billion pounds higher than the March forecast.

Imports on a skim-solids basis are forecast at 5.9 billion pounds for the year, unchanged from last month's forecast. Exports are forecast 0.6 billion pounds higher, at 43.4 billion pounds, based on higher expected exports of NDM and lactose. Stocks on a skim-solids basis continued to build in

Slight changes have been made in product price forecasts for 2018. The largest change from last month is a 2.5-cent reduction (continued on pg. 4)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$16.30 per hundredweight of milk at 3.5 percent butterfat for the month of March. The uniform price is \$0.27 lower than the previous month and is \$2.85 per hundredweight lower compared to March 2017.

Class I utilization was 64.74 percent in March, 3.32 percent lower than the previous month and 0.49 percent lower than March of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 17.0 billion pounds, 1.8 percent higher than February of last year and 2.0 percent higher compared with January 2018 on a daily average basis. Total cheese output was 982 million pounds, 4.2 percent above February 2017 but 0.9 percent below January 2018 on a daily average basis. Butter production was 169 million pounds, 4.7 percent above February 2017 and 2.5 percent higher than January 2018 on a daily average basis.

Nonfat dry milk powder production was 158.5 million pounds in February, 12.1 percent higher than last year and 9.5 percent higher than January 2017 on a daily average basis. Total dry whey production was 89.4 million pounds in February, 14.6 percent more than February 2017 and 9.6 percent higher than the previous month on a daily average basis. Whey protein concentrates production was 39.9 million pounds in February, 10.7 percent above February 2017 and 1.7 percent higher than January 2017 on a daily average basis.

February's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, fell 0.16 in value from January 2018 to 2.03.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.22%	6,837,126	\$2.3334	\$ 15,953,749.83
Class I Differential at Location				223,333.82
Class II Butterfat	42.51%	8,026,574	\$2.4343	19,539,089.07
Class III Butterfat	4.03%	760,400	\$2.4273	1,845,718.92
Class IV Butterfat	17.24%	3,255,396	\$2.4273	7,901,822.68
Total Butterfat	100.00%	18,879,496		\$ 45,463,714.32

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.4081**

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	65.86%	316,891,368	\$5.38 /cwt.	\$ 17,048,755.63
Class I Butterfat	36.22%	6,837,126	\$2.3334 /lb.	15,953,749.83
Class I Differential at Location		323,728,494		10,629,395.68
Total Class I Milk	64.74%	323,728,494		\$ 43,631,901.14
Class II Skim Milk	15.64%	75,226,295	\$5.55 /cwt.	\$ 4,175,059.40
Class II Butterfat	42.51%	8,026,574	\$2.4343 /lb.	19,539,089.07
Total Class II Milk	16.65%	83,252,869		\$ 23,714,148.47
Class III Skim Milk	8.88%	42,717,191	\$5.93 /cwt.	\$ 2,533,129.43
Class III Butterfat	4.03%	760,400	\$2.4273 /lb.	1,845,718.92
Total Class III Milk	8.70%	43,477,591		\$ 4,378,848.35
Class IV Skim Milk	9.62%	46,293,366	\$4.71 /cwt.	\$ 2,180,417.52
Class IV Butterfat	17.24%	3,255,396	\$2.4273 /lb.	7,901,822.68
Total Class IV Milk	9.91%	49,548,762		\$ 10,082,240.20
Producer Milk	100.00%	500,007,716		\$ 81,807,138.16

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$12,973.20
Producer butterfat at uniform butterfat price	(\$45,463,714.32)
Location Adjustments to Producers	\$2,909,533.10
1/2 Unobligated Balance in P.S.F.	\$202,571.24

Adjusted Pool Value

	\$ 8.20332	\$39,468,501.38
Reserve for Producer Settlement Fund	\$ 0.04332	\$208,438.65

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

\$8.16

Uniform Price per cwt. (Fulton County, Georgia)

\$16.30*

* 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 2018	APR 2018	FEB 2017	MAR 2018	MAR 2018
Appalachian (Charlotte)	\$ 16.76	\$ 17.50	\$ 16.31	\$ 16.02	66.81%
Arizona (Phoenix)	\$ 15.71	\$ 16.45	\$ 13.91	\$ 14.02	25.08%
Central (Kansas City)	\$ 15.36	\$ 16.10	\$ 13.72	\$ 13.92	32.11%
Florida (Tampa)	\$ 18.76	\$ 19.50	\$ 18.57	\$ 18.14	85.24%
Midwest (Cleveland)	\$ 15.36	\$ 16.10	\$ 14.01	\$ 14.24	33.60%
Northeast (Boston)	\$ 16.61	\$ 17.35	\$ 14.88	\$ 15.06	32.40%
Pacific Northwest (Seattle)	\$ 15.26	\$ 16.00	\$ 13.66	\$ 13.88	25.26%
Southeast (Atlanta)	\$ 17.16	\$ 17.90	\$ 16.57	\$ 16.30	64.74%
Southwest (Dallas)	\$ 16.36	\$ 17.10	\$ 14.60	\$ 14.79	44.04%
Upper Midwest (Chicago)	\$ 15.16	\$ 15.90	\$ 13.59	\$ 14.25	10.00%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7
STATISTICAL SUMMARY

Receipts:		March 2018	March 2017
Producer Milk			
Class I		323,728,494	334,818,759
Class II		83,252,869	65,417,015
Class III		43,477,591	65,280,968
Class IV		49,548,762	47,728,357
Total Producer Milk		500,007,716	513,245,099
Average Butterfat Test		3.78%	3.74%
Percent of Producer Milk in Class I		64.74%	65.23%
Daily Average Receipts		16,129,281	16,556,294
Other Source Milk			
Class I		5,694,500	9,597,750
Class II			0
Class III		3,649,971	2,818,577
Class IV		5,369,266	6,443,881
Total Other Source Milk		14,713,737	18,860,208
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		19,564,820	21,411,779
Class II		507,909	1,586,787
Class III		0	32,128
Class IV		21,983,128	17,934,412
Total Opening Inventory		42,055,857	40,965,106
Total Receipts		556,777,310	573,070,413
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		17,875,922	22,193,788
Route Disposition Class I		317,181,308	327,878,405
Shrinkage		3,013,507	3,113,604
Transfers & Diversions to Nonpool		10,917,077	12,642,491
Total Class I Utilization		348,987,814	365,828,288
Average Butterfat Test		2.10%	2.13%
Daily Average Utilization		11,257,671	11,800,913
Class II Utilization			
Nonfluid Used To Produce		2,366,283	2,495,567
Shrinkage		80,569	436,818
Transfers & Diversions to Nonpool/Commercial Foods		68,579,963	55,691,690
Used To Produce/Other Uses		16,383,934	11,198,304
Total Class II Utilization		87,410,749	69,822,379
Average Butterfat Test		9.67%	8.66%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		0	65,313,096
Used To Produce/Other Uses		43,477,591	0
Total Class III Utilization		43,477,591	65,313,096
Average Butterfat Test		1.75%	2.65%
Class IV Utilization			
Inventory		19,168,362	14,385,214
Nonfluid Used To Fortify		658,531	708,348
Shrinkage		5,950,093	6,506,849
Transfers & Diversions to Nonpool		47,057,548	47,395,248
Used To Produce/Other Uses		4,066,622	3,110,991
Total Class IV Utilization		76,901,156	72,106,650
Average Butterfat Test		7.09%	10.21%
Total Utilization		556,777,310	573,070,413

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2018 is \$16.30 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.16 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4081 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 65.86% of all producer skim milk (priced to handlers at \$5.38 per hundredweight, plus the Class I differential, see page 2) and 36.22% of producer butterfat (priced to handlers at \$2.3334 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.64% of all producer skim milk (\$5.55 per hundredweight) and 42.51% of producer butterfat (\$2.4343 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.88% of all producer skim milk (\$5.93 per hundredweight) and 4.03% of producer butterfat (\$2.4273 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.62% of all producer skim milk (\$4.71 per hundredweight) and 17.24% of producer butterfat (\$2.4273 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2018		
Whole Milk	122,750,404	36.01%
Fat Free Milk	21,822,528	6.40%
Low fat Milk (incl. 1%)	35,827,941	10.53%
Reduced Fat Milk (incl. 2%)	108,748,699	31.92%
Cultured Fluid Milk (incl. Buttermilk)	6,228,252	1.82%
Flavored Drinks and Milk	45,390,475	13.32%
Total Disposition in Marketing Area	340,768,299	100.0%
Total Disposition by Pool Plants	255,395,328	74.94%
Total Disposition by Nonpool Plants	85,372,921	25.06%
Total Disposition in Marketing Area	340,768,249	100.0%

Receipts of producer milk during March totaled 500.0 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2018. Class I route disposition in the area was 340.8 million pounds in February 2018.

Dairy Forecast for 2018, cont.

(continued from page 1) in the dry whey price forecast to \$0.240-\$0.270 per pound, due to recent price data, large supplies, and lower expected demand. The cheddar cheese price forecast is \$1.550-\$1.600 per pound, unchanged at the midpoint of the range from last month. The butter and NDM price forecasts are slightly lower for the year than previously forecast at \$2.210-\$2.290 and \$0.700-\$0.740 per pound, respectively, based on recent data.

The Class III price for 2018 is now forecast lower than last month, at \$14.20-\$14.70 per cwt, due mainly to the lower dry whey price forecast. The Class IV price is projected slightly lower than the previous forecast at \$13.25-\$13.85 per cwt for the year. The all-milk price forecast for 2018 is now \$15.60-\$16.10 per cwt, 20 cents lower at the midpoint of the range than last month's forecast.

Changes to the Dairy Margin Protection Program for Dairy Producers

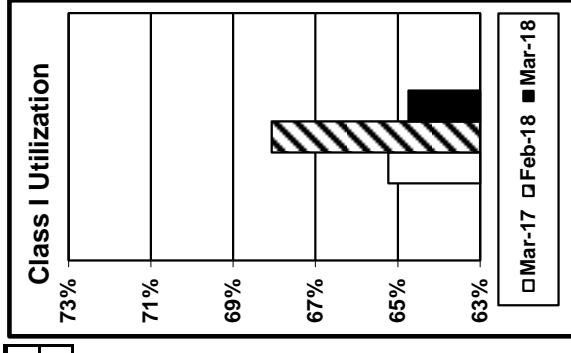
Significant changes have been made to the Margin Protection Program for Dairy Producers as authorized by the Bipartisan Budget Act of 2018. USDA has reopened enrollment for the program, and it will remain open until June 1. Dairy producers who choose to participate must make new coverage elections for 2018, even if they enrolled in a previous signup period. For more information, see USDA press release 0074.18, "USDA Reopens Enrollment for Improved Safety Net Tool."

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 2017	\$13.41	\$2.3754	\$21.25	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$7.62	\$2.5253	\$16.19	\$12.05	\$2.4696	\$20.27
Feb	\$12.00	\$2.5572	\$20.53	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$7.35	\$2.4274	\$15.59	\$11.08	\$2.4765	\$19.36
Mar	\$12.45	\$2.4808	\$20.70	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$6.07	\$2.4176	\$14.32	\$10.99	\$2.4416	\$19.15
Apr	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41											

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 2017	493,261	1,637	344,109	69.76%	72,378	14.67%	37,280	7.56%	39,494	8.01%
Feb	437,752	1,551	299,761	68.48%	49,736	11.36%	59,203	13.52%	29,053	6.64%
Mar	513,245	1,570	334,819	65.23%	65,417	12.75%	65,281	12.72%	47,728	9.30%
Apr	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,700**	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%



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

Southeast Marketing Area - Federal Order 7

2018 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
April	05/11/18	05/14/18	05/15/18	04/25/18	04/26/18	05/15/18	05/16/18
May	06/11/18	06/12/18	06/13/18	05/25/18	05/29/18	06/13/18	06/14/18
June	07/11/18	07/12/18	07/13/18	06/25/18	06/26/18	07/13/18	07/16/18

** The base rate for making partial payments in Fulton County, GA for April will be \$14.67 per hundredweight. This is 90 percent of the preceding month's uniform price of \$16.30 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 – 576 April 10, 2018

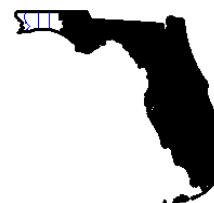
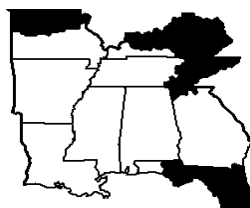
The milk production forecast for 2018 is unchanged from last month. The 2018 import forecast is reduced slightly on a fat basis, but is unchanged on a skim-solids basis. Exports on fat basis are unchanged from last month, but skim-solids-basis exports are raised on stronger sales of nonfat dry milk and skim milk powder, and lactose.

The annual product price forecast for cheese is unchanged at the midpoint although the range is narrowed. Butter prices are expected to increase more slowly in the second half of the year and the price forecast is reduced. The nonfat dry milk (NDM) price is reduced slightly on current prices. The annual whey price forecast is lowered on larger supplies and weaker demand. The Class III price is lowered on the lower whey price forecast while the Class IV price is down on lower NDM and butter price forecasts. The all milk price forecast is lowered to \$15.60 to \$16.10 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.



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Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

May 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 5

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

Dairy Forecast for 2019

Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2018, Economic Research Service, USDA:

The forecast for the size of the milking herd is 9.410 million, level with the 2018 forecast. Milk per cow, however, is expected to continue to grow, averaging 23,535 pounds for 2019. Milk production for 2019 is projected at 221.5 billion pounds, a modest 1.3 percent increase from the 2018 forecast.

Imports on a milk-fat basis are forecast at 5.5 billion pounds, the same as the 2018 forecast. Exports on a milk-fat basis are forecast to increase 0.3 billion pounds year-over-year to 10.2 billion. Domestic use is forecast at 216.6 billion pounds, a 1.1 percent increase from the forecast for 2018. Ending stocks on a milk-fat basis for 2019 are projected at 11.8 billion, 0.8 billion less than 2018.

On a skim-solids basis, 2019 imports are expected to remain steady at 5.8 billion pounds. Exports are forecast at 45.3 billion pounds, 0.2 billion pounds higher than the current 2018 forecast. While global demand is expected to continue growing in 2019, competition may limit export growth. Domestic use is expected to grow to 181.1 billion pounds, 1.1 percent higher than the 2018 forecast. Ending stocks are projected at 10.8 billion pounds, 0.2 billion less than the 2018 forecast.

Prices for butter and cheese in 2019 are expected to hold near 2018 levels. The 2019 cheddar cheese price forecast is \$1.585-\$1.685 per pound, 1 cent higher at the midpoint of the range than 2018. The 2019 butter price forecast is \$2.215-\$2.345 per pound, slightly lower at the midpoint of the range than the 2018 projection. The 2019 nonfat dry milk price is expected to be 2 cents higher at the midpoint than 2018 at \$0.745-\$0.815, as growth in export demand is expected to carry over into next year. Similarly, the domestic dry whey price is expected to continue to find support from overseas trading partners, rising 3 cents from 2018 at the midpoint of the range to (continued on pg. 4)

Uniform Price Decreases

The uniform price in Fulton County, GA, was \$16.88 per hundredweight of milk at 3.5 percent butterfat for the month of April. The uniform price is \$0.58 higher than the previous month and is \$1.09 per hundredweight lower compared to April 2017.

Class I utilization was 65.02 percent in April, 0.28 percent higher than the previous month and 5.45 percent higher than April of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 19.0 billion pounds, 1.3 percent higher than March of last year and 1.0 percent higher compared with February 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.10 billion pounds in March, 2.7 percent above March 2017 and 0.8 percent above February 2018 on a daily average basis. Butter production was 186 million pounds in March, 4.8 percent above March 2017 and 1.5 percent below February 2018 on a daily average basis.

Nonfat dry milk powder production was 180.3 million pounds in March, 12.0 percent higher than last year and 3.2 percent higher than February on a daily average basis. Total dry whey production was 88.0 million pounds in March, 1.5 percent above March 2017 and 11.3 percent lower than the previous month on a daily average basis. Whey protein concentrates production was 43.6 million pounds in March, 2.7 percent above March 2017 and 0.1 percent lower than February on a daily average basis.

March's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.97, a decline from the previous month's ratio of 2.03.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - April 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.86%	6,709,466	\$2.4251	\$ 16,271,125.99
Class I Differential at Location				219,062.63
Class II Butterfat	40.53%	7,378,641	\$2.5183	18,581,631.63
Class III Butterfat	2.72%	494,333	\$2.5113	1,241,418.46
Class IV Butterfat	19.89%	3,621,279	\$2.5113	9,094,117.96
Total Butterfat	100.00%	18,203,719		\$ 45,407,356.67

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.4944**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	66.13%	306,561,800	\$5.82 /cwt.	\$ 17,841,896.76
Class I Butterfat	36.86%	6,709,466	\$2.4251 /lb.	16,271,125.99
Class I Differential at Location		313,271,266		10,277,740.55
Total Class I Milk	65.02%	313,271,266		\$ 44,390,763.30
Class II Skim Milk	14.54%	67,415,509	\$5.41 /cwt.	\$ 3,647,179.03
Class II Butterfat	40.53%	7,378,641	\$2.5183 /lb.	18,581,631.63
Total Class II Milk	15.52%	74,794,150		\$ 22,228,810.66
Class III Skim Milk	8.07%	37,404,168	\$5.89 /cwt.	\$ 2,203,105.48
Class III Butterfat	2.72%	494,333	\$2.5113 /lb.	1,241,418.46
Total Class III Milk	7.87%	37,898,501		\$ 3,444,523.94
Class IV Skim Milk	11.26%	52,200,284	\$4.86 /cwt.	\$ 2,536,933.79
Class IV Butterfat	19.89%	3,621,279	\$2.5113 /lb.	9,094,117.96
Total Class IV Milk	11.59%	55,821,563		\$ 11,631,051.75
Producer Milk	100.00%	481,785,480		\$ 81,695,149.65

Adjustments

Overage and Other Source	\$309.99
Inventory Adjustments	\$26,382.50
Producer butterfat at uniform butterfat price	(\$45,407,356.67)
Location Adjustments to Producers	\$2,865,834.78
1/2 Unobligated Balance in P.S.F.	\$206,242.98

Adjusted Pool Value

	\$ 8.49614	\$39,386,563.23
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Reserve for Producer Settlement Fund	\$ 0.04614	\$213,904.41
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Uniform Skim Milk Price per cwt. (Fulton County, Georgia):

\$8.45

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 %
	APR 2018	MAY 2018	MAR 2017	APR 2018	APR 2018
Appalachian (Charlotte)	\$ 17.50	\$ 17.84	\$ 16.02	\$ 16.56	65.80%
Arizona (Phoenix)	\$ 16.45	\$ 16.79	\$ 14.02	\$ 14.50	23.73%
Central (Kansas City)	\$ 16.10	\$ 16.44	\$ 13.92	\$ 14.34	28.49%
Florida (Tampa)	\$ 19.50	\$ 19.84	\$ 18.14	\$ 18.72	83.86%
Mideast (Cleveland)	\$ 16.10	\$ 16.44	\$ 14.24	\$ 14.63	30.20%
Northeast (Boston)	\$ 17.35	\$ 17.69	\$ 15.06	\$ 15.46	30.80%
Pacific Northwest (Seattle)	\$ 16.00	\$ 16.34	\$ 13.88	\$ 14.32	23.69%
Southeast (Atlanta)	\$ 17.90	\$ 18.24	\$ 16.30	\$ 16.88	65.02%
Southwest (Dallas)	\$ 17.10	\$ 17.44	\$ 14.79	\$ 15.24	36.80%
Upper Midwest (Chicago)	\$ 15.90	\$ 16.24	\$ 14.25	\$ 14.54	9.80%

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

Receipts:		April 2018	April 2017
Producer Milk			
Class I		313,271,266	298,804,467
Class II		74,794,150	64,104,363
Class III		37,898,501	68,087,530
Class IV		55,821,563	70,649,985
Total Producer Milk		481,785,480	501,646,345
Average Butterfat Test		3.78%	3.68%
Percent of Producer Milk in Class I		65.02%	59.57%
Daily Average Receipts		16,059,516	16,721,545
Other Source Milk			
Class I		5,308,329	6,399,563
Class II		3,089,311	2,943,688
Class III		0	0
Class IV		7,212,712	3,749,068
Total Other Source Milk		15,610,352	13,092,319
Overage			
Class I		0	0
Class II		5,730	0
Class III		0	0
Class IV		0	0
Total Overage		5,730	0
Opening Inventory			
Class I		17,875,887	22,193,788
Class II		1,465,351	0
Class III		613,995	0
Class IV		17,089,016	14,385,214
Total Opening Inventory		37,044,249	36,579,002
Total Receipts		534,445,811	551,317,666
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,293,646	17,460,903
Route Disposition Class I		303,001,652	298,321,327
Shrinkage		2,262,086	1,697,401
Transfers & Diversions to Nonpool		11,898,098	9,918,187
Total Class I Utilization		336,455,482	327,397,818
Average Butterfat Test		2.13%	2.04%
Daily Average Utilization		11,215,183	10,913,261
Class II Utilization			
Nonfluid Used To Produce		2,544,193	2,650,726
Shrinkage		15,893	271,062
Transfers & Diversions to Nonpool/Commercial Foods		60,848,419	53,396,220
Used To Produce/Other Uses		15,946,037	10,730,043
Total Class II Utilization		79,354,542	67,048,051
Average Butterfat Test		9.81%	9.59%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		38,512,496	68,087,530
Used To Produce/Other Uses		0	0
Total Class III Utilization		38,512,496	68,087,530
Average Butterfat Test		1.28%	2.61%
Class IV Utilization			
Inventory		20,126,001	27,488,026
Nonfluid Used To Fortify		612,871	654,908
Shrinkage		5,207,127	5,522,946
Transfers & Diversions to Nonpool		50,783,938	51,397,054
Used To Produce/Other Uses		3,393,354	3,721,333
Total Class IV Utilization		80,123,291	88,784,267
Average Butterfat Test		7.59%	6.68%
Total Utilization		534,445,811	551,317,666

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2018 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 \$8.45 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4944 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 66.13% of all producer skim milk (priced to handlers at \$5.82 per hundredweight, plus the Class I differential, see page 2) and 36.86% of producer butterfat (priced to handlers at \$2.4251 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.54% of all producer skim milk (\$5.41 per hundredweight) and 40.53% of producer butterfat (\$2.5183 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.07% of all producer skim milk (\$5.89 per hundredweight) and 2.72% of producer butterfat (\$2.5113 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.26% of all producer skim milk (\$4.86 per hundredweight) and 19.89% of producer butterfat (\$2.5113 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>March 2018</u>		
Whole Milk	136,311,950	36.30%
Fat Free Milk	23,786,618	6.33%
Low fat Milk (incl. 1%)	40,322,218	10.73%
Reduced Fat Milk (incl. 2%)	119,928,414	31.94%
Cultured Fluid Milk (incl. Buttermilk)	7,264,729	1.93%
Flavored Drinks and Milk	47,861,464	12.77%
Total Disposition in Marketing Area	375,475,393	100.0%
Total Disposition by Pool Plants	281,102,756	74.86%
Total Disposition by Nonpool Plants	94,372,637	25.14%
Total Disposition in Marketing Area	375,475,393	100.0%

Receipts of producer milk during April totaled 481.8 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2018. Class I route disposition in the area was 375.5 million pounds in March 2018.

Dairy Forecast for 2019, cont.

(continued from page 1)) \$0.285-\$0.315 per pound.

With higher expected cheese and whey prices, the Class III price forecast for 2019 is \$14.80-\$15.80 per cwt, 25 cents higher than the forecast for 2018. The Class IV price is forecast at \$13.65-\$14.75 per cwt, 15 cents higher at the midpoint of the range than the 2018 forecast, as the higher forecast for nonfat dry milk price more than offsets the lower butter price. The all-milk price for 2019 is projected at \$16.25-\$17.25 per cwt, 30 cents higher at the midpoint of the range than the current 2018 forecast.

Outlook for Feed Prices

Feed price forecasts for 2017/18 have been raised from last month's forecast, with price forecasts for corn and soybean meal of \$3.25-\$3.55 per bushel and \$360 per short ton, respectively. The alfalfa hay price in March was \$166 per short ton, \$11 higher than February and \$32 higher than March of last year. The average corn price for 2018/19 is expected to be \$3.30-\$4.30 per bushel, 40 cents higher than the 2017/18 estimate at the midpoint. The 2018/19 average soybean meal is projected at \$330-\$370 per short ton, \$10 lower than the 2017/18 estimate at the midpoint. For more information, see the USDA Economic Research Service publication Feed Price Outlook.

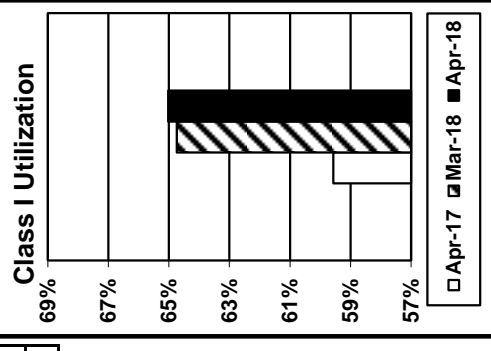
Source: Livestock, Dairy, and Poultry Outlook, LDP-M-287, May 16, 2018 USDA, Economic Research Service

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2017	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$ 5.98	\$2.3548	\$14.01	\$ 9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$ 6.26	\$2.4134	\$14.49	\$ 9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$ 6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$ 6.52	\$2.9456	\$16.60	\$ 9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$ 6.29	\$3.0109	\$16.61	\$ 9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$ 6.08	\$2.8559	\$15.86	\$ 9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$ 5.72	\$2.6646	\$14.85	\$ 9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$ 5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$ 4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$ 4.71	\$2.4531	\$13.13	\$ 9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$ 4.82	\$2.3490	\$12.87	\$ 8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$ 4.71	\$2.4273	\$13.04	\$ 8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$ 4.86	\$2.5113	\$13.48	\$ 8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2017	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,700**	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%



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

Southeast Marketing Area - Federal Order 7

2018 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
May	06/11/18	06/12/18	06/13/18	05/25/18	05/29/18	06/13/18	06/14/18
June	07/11/18	07/12/18	07/13/18	06/25/18	06/26/18	07/13/18	07/16/18
July	08/11/18	08/13/18	08/14/18	07/25/18	07/26/18	08/14/18	08/15/18

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

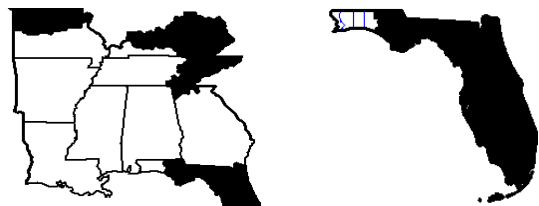
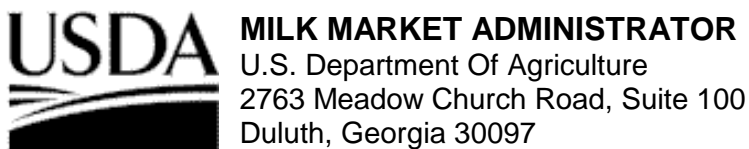
Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/ WASDE – 577 May 10, 2018

Milk production for 2019 is forecast higher on gradual recovery in milk per cow. Cow numbers are expected to remain near 2018 levels. Commercial exports on both a fat and skim-solids basis are forecast higher than the previous year on robust global demand. Fat and skim-solids basis imports are unchanged from 2018. With stronger expected domestic and export demand, cheese, nonfat dry milk (NDM), and whey prices are forecast higher for 2019. Butter prices are forecast slightly lower. The Class III price is forecast higher on stronger cheese and whey prices. The Class IV price is forecast higher also as a stronger expected NDM price more than offsets the lower butter price. The 2019 all milk price is forecast at \$16.25 to \$17.25 per cwt, slightly higher than 2018.

The 2018 milk production forecast is reduced from the previous month on lowered milk cow numbers and slow growth in milk per cow. Exports are raised from the previous month on both a fat and skim-solids basis on strong global demand. Imports are lowered on a fat and skim-solids basis. Cheese, butter, NDM and whey prices are raised from the previous month resulting in both Class III and Class IV prices being raised. The 2018 all milk price is increased to \$16.20 to \$16.70 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

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

June 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 6

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

Dairy Market Update and Forecasts

Excerpts from Livestock, Dairy, & Poultry Outlook, June 18, 2018, Economic Research Service, USDA:

On June 7, USDA announced that California dairy producers had voted to approve a Federal Milk Marketing Order (FMMO) for California. Affected parties must comply with all provisions beginning November 1, 2018. The California FMMO would replace the current California State Order (CSO) classified price formulas with uniform end-product pricing formulas currently used in the 10 existing FMMOs. According to the economic analysis provided by USDA Agricultural Marketing Service (AMS), regulated minimum prices to be received by farmers would likely be greater than CSO minimum prices. However, pooling regulations under the proposed FMMO would allow handlers to elect not to pool milk used in manufacturing.

On June 5, 2018, Mexico published a list of tariffs on U.S. product imports in response to tariffs recently imposed by the United States on steel and aluminum. The list includes several types of agricultural products, including cheese. With publication of the list, Mexico has imposed tariffs on cheese of 10 or 15 percent, depending on the cheese type, and the tariffs will be increased to 20 and 25 percent on July 5. In 2017, the listed cheeses made up more than 99 percent of the volume of cheeses exported from the United States to Mexico. Mexico is the largest export U.S. destination for cheese. In 2017, 28.3 percent of U.S. cheese exports went to Mexico, accounting for 1.7 percent of U.S. cheese production. According to Mexico's statistics as reported in the Global Trade Atlas, 75.1 percent of Mexico's 2017 cheese imports came from the United States.

With lower milk production forecast, higher expected exports, and recent price strength, price forecasts have been raised for butter, nonfat dry milk, and dry whey to \$2.295-2.365, \$0.775-0.815, and \$0.295-\$0.315, respectively. The cheese price forecast is unchanged at the midpoint from last month's forecast, at \$1.605-\$1.645 per pound, as negative effects of Mexico's tariffs are expected to be offset by robust exports to other countries and competing uses for milk. The all milk price forecast for 2018 is \$16.60-\$17.00/cwt, an increase of 35 cents from the last forecast at the midpoint of the range. (continued on pg. 4)

Uniform Price Higher in May

The uniform price in Fulton County, GA, was \$17.46 per hundredweight of milk at 3.5 percent butterfat for the month of May. The uniform price is \$0.58 higher than the previous month and is \$0.37 per hundredweight lower compared to May 2017.

Class I utilization was 67.75 percent in May, 2.73 percent higher than the previous month and 4.83 percent higher than May of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 18.4 billion pounds, 0.6 percent higher than April of last year and 0.4 percent higher compared with March 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.07 billion pounds, 0.9 percent above April 2017 but 0.5 percent below March 2018 on a daily average basis. Butter production was 175 million pounds, 8.3 percent above April 2017 but 0.5 percent below March 2018 on a daily average basis.

Nonfat dry milk powder production was 166.3 million pounds in April, 3.8 percent lower than last year and 3.8 percent lower than March on a daily average basis. Total dry whey production was 85.3 million pounds in April, 0.7 percent higher than April 2017 and 2.8 percent lower than the previous month on a daily average basis. Whey protein concentrates production was 40.7 million pounds in April, 3.3 percent lower than April 2017 and 6.5 percent lower than March on a daily average basis.

April's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.90, a decline from the previous month's ratio of 1.97. Higher feed costs outweighed an increase in the all milk price, forcing the ratio lower.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.37%	6,791,527	\$2.4777	\$ 16,827,366.44
Class I Differential at Location				223,243.80
Class II Butterfat	44.98%	7,568,059	\$2.6309	19,910,806.42
Class III Butterfat	2.16%	363,337	\$2.6239	953,359.92
Class IV Butterfat	12.49%	2,101,046	\$2.6239	5,512,934.60
Total Butterfat	100.00%	16,823,969		\$ 43,427,711.18

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5813**

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	68.78%	302,672,384	\$5.98 /cwt.	\$ 18,099,808.59
Class I Butterfat	40.37%	6,791,527	\$2.4777 /lb.	16,827,366.44
Class I Differential at Location		309,463,911		10,149,650.66
Total Class I Milk	67.75%	309,463,911		\$ 45,076,825.69
Class II Skim Milk	15.89%	69,920,076	\$5.45 /cwt.	\$ 3,810,644.17
Class II Butterfat	44.98%	7,568,059	\$2.6309 /lb.	19,910,806.42
Total Class II Milk	16.96%	77,488,135		\$ 23,721,450.59
Class III Skim Milk	8.25%	36,285,530	\$6.21 /cwt.	\$ 2,253,331.42
Class III Butterfat	2.16%	363,337	\$2.6239 /lb.	953,359.92
Total Class III Milk	8.02%	36,648,867		\$ 3,206,691.34
Class IV Skim Milk	7.08%	31,133,373	\$5.58 /cwt.	\$ 1,737,242.21
Class IV Butterfat	12.49%	2,101,046	\$2.6239 /lb.	5,512,934.60
Total Class IV Milk	7.27%	33,234,419		\$ 7,250,176.81
Producer Milk	100.00%	456,835,332		\$ 79,255,144.43

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$56,499.32
Producer butterfat at uniform butterfat price	(\$43,427,711.18)
Location Adjustments to Producers	\$2,530,947.96
1/2 Unobligated Balance in P.S.F.	\$211,556.82

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.77851	\$38,626,437.35
	\$ 0.04851	\$213,445.38

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

\$8.73

Uniform Price per cwt. (Fulton County, Georgia)

\$17.46*

* 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 2018	June 2018	Apr 2018	May 2018	May 2018
Appalachian (Charlotte)	\$ 17.84	\$ 18.65	\$ 16.56	\$ 17.20	67.75%
Arizona (Phoenix)	\$ 16.79	\$ 17.60	\$ 14.50	\$ 15.28	22.98%
Central (Kansas City)	\$ 16.44	\$ 17.25	\$ 14.34	\$ 15.11	27.65%
Florida (Tampa)	\$ 19.84	\$ 20.65	\$ 18.72	\$ 19.25	84.86%
Mideast (Cleveland)	\$ 16.44	\$ 17.25	\$ 14.63	\$ 15.33	30.50%
Northeast (Boston)	\$ 17.69	\$ 18.50	\$ 15.46	\$ 16.14	30.20%
Pacific Northwest (Seattle)	\$ 16.34	\$ 17.15	\$ 14.32	\$ 15.18	20.26%
Southeast (Atlanta)	\$ 18.24	\$ 19.05	\$ 16.88	\$ 17.46	67.75%
Southwest (Dallas)	\$ 17.44	\$ 18.25	\$ 15.24	\$ 16.02	27.32%
Upper Midwest (Chicago)	\$ 16.24	\$ 17.05	\$ 14.54	\$ 15.25	10.00%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

STATISTICAL SUMMARY

Receipts:		May 2018	May 2017
Producer Milk			
Class I		309,463,911	312,445,622
Class II		77,486,135	68,895,029
Class III		36,648,867	66,352,593
Class IV		33,234,419	48,890,296
Total Producer Milk		456,835,332	496,583,540
Average Butterfat Test		3.68%	3.66%
Percent of Producer Milk in Class I		67.75%	62.92%
Daily Average Receipts		14,736,624	16,018,824
Other Source Milk			
Class I		5,119,543	5,777,665
Class II		3,338,651	3,098,843
Class III		0	0
Class IV		3,080,497	7,137,761
Total Other Source Milk		11,538,691	16,014,269
Overage			
Class I		0	0
Class II		0	19,670
Class III		0	0
Class IV		0	172,175
Total Overage		0	191,845
Opening Inventory			
Class I		19,319,674	17,460,903
Class II		5,647,325	2,206,026
Class III		61,425	48,951
Class IV		14,391,184	25,233,049
Total Opening Inventory		39,419,608	44,948,929
Total Receipts		507,793,631	557,738,583
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		18,223,838	15,567,360
Route Disposition Class I		301,340,312	308,359,553
Shrinkage		2,117,924	2,273,568
Transfers & Diversions to Nonpool		12,221,054	9,483,709
Total Class I Utilization		333,903,128	335,684,190
Average Butterfat Test		2.17%	2.12%
Daily Average Utilization		10,771,069	10,828,522
Class II Utilization			
Nonfluid Used To Produce		2,719,677	2,788,939
Shrinkage		5,408,291	169
Transfers & Diversions to Nonpool/Commercial Foods		57,203,301	59,170,060
Used To Produce/Other Uses		21,142,842	122,240,710
Total Class II Utilization		86,474,111	74,199,898
Average Butterfat Test		9.36%	8.59%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		36,710,292	66,421,214
Used To Produce/Other Uses		0	0
Total Class III Utilization		36,710,292	66,421,214
Average Butterfat Test		0.99%	2.57%
Class IV Utilization			
Inventory		14,437,531	18,494,644
Nonfluid Used To Fortify		591,528	715,623
Shrinkage		98,667	5,891,770
Transfers & Diversions to Nonpool		35,578,374	52,835,547
Used To Produce/Other Uses		0	3,495,697
Total Class IV Utilization		50,706,100	81,433,281
Average Butterfat Test		7.13%	7.88%
Total Utilization		507,793,631	557,738,583

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2018 is \$17.46 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$8.73 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5813 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 68.78% of all producer skim milk (priced to handlers at \$5.98 per hundredweight, plus the Class I differential, see page 2) and 40.37% of producer butterfat (priced to handlers at \$2.4777 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.89% of all producer skim milk (\$5.45 per hundredweight) and 44.98% of producer butterfat (\$2.6309 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.25% of all producer skim milk (\$6.21 per hundredweight) and 2.16% of producer butterfat (\$2.6239 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.08% of all producer skim milk (\$5.58 per hundredweight) and 12.49% of producer butterfat (\$2.6239 per pound).

Receipts of producer milk during May totaled 456.8 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2018. Class I route disposition in the area was 356.3 million pounds in April 2018.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>April 2018</u>		
Whole Milk	127,917,100	35.90%
Fat Free Milk	21,905,029	6.15%
Low fat Milk (incl. 1%)	38,853,020	10.91%
Reduced Fat Milk (incl. 2%)	111,698,672	31.35%
Cultured Fluid Milk (incl. Buttermilk)	6,583,856	1.85%
Flavored Drinks and Milk	49,325,170	13.84%
Total Disposition in Marketing Area	356,282,847	100.0%
Total Disposition by Pool Plants	268,059,058	75.24%
Total Disposition by Nonpool Plants	88,223,789	24.76%
Total Disposition in Marketing Area	356,282,847	100.0%

Dairy Market Update and Forecasts, cont.

(continued from page 1) Dairy Forecasts for 2019: This month's forecasts account for the recently announced implementation of the California FMMO, which is expected to have product price impacts in 2019. According to an economic analysis by USDA AMS, the higher minimum milk prices to be paid by handlers manufacturing cheese and whey (Class III in the Federal order system) would result in less cheese production, contributing to higher cheese prices. As less cheese is produced, more milk would move into butter and nonfat dry milk production, lowering prices for those products. For California, the largest milk-producing State, milk prices received by dairy farmers are expected to be higher under the new FMMO than they have been under the CSO. In other regions, dairy farmers would receive either higher or lower prices depending on class utilization in the region. On average, the U.S. all-milk price would be higher.

With lower expectations for milk production and the effects of the California FMMO more than offsetting the effects of Mexican cheese tariffs, the cheese price forecast for 2019 has been raised to \$1.625-\$1.725 per pound. The dry whey price forecast has been raised to \$0.300-\$0.330 based on higher expected exports and effects of the California FMMO. The butter price forecast has been lowered slightly to \$2.210-\$2.340 per pound as higher exports of butterfat are more than offset by the effects of more butter production as a result of the California FMMO. The NDM price, however, has been raised 1 cent at the midpoint of the range to \$0.755-\$0.825, as the effects of strong export demand should outweigh higher NDM production as a result of the California FMMO.

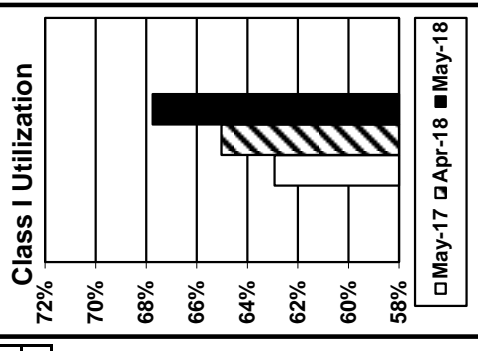
The Class III milk price forecast has been raised to \$15.30-\$16.30 due to higher expected prices for cheese and dry whey. The Class IV milk price forecast has been raised to \$13.70-\$14.80/cwt as the higher expected NDM price forecast is expected to more than offset the lower butter price forecast. The all milk price forecast for 2019 has been raised 45 cents at the midpoint of the range to \$16.70-\$17.70/cwt.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2017	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2017	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	33,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	23,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,740**	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%



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

Southeast Marketing Area - Federal Order 7

2018 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
June	07/11/18	07/12/18	07/13/18	06/25/18	06/26/18	07/13/18	07/16/18
July	08/11/18	08/13/18	08/14/18	07/25/18	07/26/18	08/14/18	08/15/18
August	09/11/18	09/12/18	09/13/18	08/27/18	08/27/18	09/13/18	09/14/18

** The base rate for making partial payments in Fulton County, GA for June will be \$15.71 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.46 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 – 578 June 12, 2018

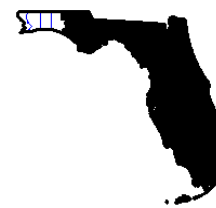
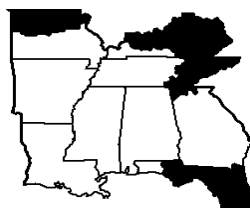
The milk production forecast for 2018 is reduced from last month on slightly lower cow numbers and slower expected growth in milk per cow. No change is made to the annual cow herd for 2019, but the milk production forecast for 2019 is lowered from last month on continued slow growth in milk per cow.

The 2018 cheese price is unchanged at the midpoint of the range, but is raised for 2019. The 2018 butter price forecast is raised, but is reduced slightly for 2019. Nonfat dry milk (NDM) and whey price forecasts are raised for both 2018 and 2019 on strong demand and a reduced production forecast. For 2018, the Class III price is raised on the stronger whey price. The Class IV price forecast reflects higher butter and NDM prices. For 2019, both Class III and Class IV prices are raised. The all milk price is forecast higher at \$16.60 to \$17.00 per cwt for 2018 and is increased to \$16.70 to \$17.70 per cwt for 2019.

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

Shawn Boockoff, Acting Market Administrator

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July 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 7

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

Dairy Market Forecasts for 2018/19

Excerpts from Livestock, Dairy, & Poultry Outlook, July 18, 2018, Economic Research Service, USDA:

The 2018 forecast for the average size of the U.S. milking herd is 9.405 million cows, unchanged from last month. Due to relatively slow year-over-year growth in milk per cow in recent months and lower expected margins, the milk per cow forecast has been lowered to 23,170 pounds, 15 pounds less than last month's forecast. The milk production forecast for 2018 is 0.1 billion pounds lower than last month, at 217.9 billion pounds.

Imports for 2018 on a milk-fat basis are now forecast at 5.9 billion pounds for 2018, 0.1 billion pounds higher than the last forecast, due to higher expected imports of butterfat products. The export forecast on a milk-fat basis is unchanged at 10.2 billion pounds as lower expected cheese exports are expected to be offset by higher expected exports of butterfat products. The domestic use forecast on a milk-fat basis has been lowered 1.0 billion pounds to 212.5 billion pounds for the year. Due to growing stocks of butter and cheese in May and flagging prices suggesting relatively weak demand, the forecast for ending stocks has been raised 0.9 billion pounds to 13.5 billion.

On a skim-solids basis, the import forecast remains at 5.6 billion pounds for the year. The 2018 export forecast has been lowered 0.2 billion pounds to 46.0 billion for the year. Recently enacted tariffs by China are expected to primarily affect exports of NDM/SMP and whey products. Also, cheese exports are expected to be lower than previously forecast based upon recent export data. The domestic use forecast on a skim-solids basis is 177.8 billion pounds, 0.1 billion pounds lower than last month's forecast. Due to lower expected exports and domestic use, the ending stock forecast for the year has been raised slightly to 10.5 billion pounds.

Product prices for 2018 are expected lower in the second half of the year than previously forecast. Price forecasts for cheddar cheese and butter have been lowered to \$1.540-\$1.570 and \$2.245-\$2.305 per pound, respectively, due to relatively weak price data in recent weeks, high stock levels, and lower expectations for domestic demand. The price forecast for NDM has been (continued on pg. 4)

Uniform Price Increases

The uniform price in Fulton County, GA, was \$18.12 per hundredweight of milk at 3.5 percent butterfat for the month of June. The uniform price is \$0.66 higher than the previous month and is \$1.52 per hundredweight lower compared to June 2017.

Class I utilization was 67.83 percent in June, a slight 0.08 percent higher than the previous month and 0.32 percent higher than June of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 19.10 billion pounds, 0.8 percent higher than May of last year and 0.4 percent higher compared with April 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.09 billion pounds, 1.4 percent above May 2017 and 1.6 percent below April 2018 on a daily average basis. Butter production was 167.9 million pounds, 2.8 percent above May 2017 but 7.3 percent below April 2018 on a daily average basis.

Nonfat dry milk powder production was 160.4 million pounds in May, 4.5 percent lower than last year and 5.3 percent lower than April on a daily average basis. Total dry whey production was 85.6 million pounds in May, 3.2 percent higher than May 2017 and 2.7 percent lower than the previous month on a daily average basis. Whey protein concentrates production was 41.5 million pounds in May, 0.2 percent lower than May 2017 and 1.8 percent lower than April on a daily average basis.

May's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.90, exactly the same as the previous month's ratio. The cost of corn, soybeans and alfalfa hay were higher, offsetting gains in the all-milk price.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JUNE 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.49%	6,662,027	\$2.6074	\$ 17,370,569.23
Class I Differential at Location				218,185.45
Class II Butterfat	44.75%	6,855,938	\$2.6762	18,347,861.25
Class III Butterfat	2.23%	342,164	\$2.6692	913,304.18
Class IV Butterfat	9.53%	1,459,473	\$2.6692	3,895,625.33
Total Butterfat	100.00%	15,319,602		\$ 40,745,545.44

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.6597**

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	68.75%	278,180,805	\$6.35 /cwt.	\$ 17,664,481.14
Class I Butterfat	43.49%	6,662,027	\$2.6074 /lb.	17,370,569.23
Class I Differential at Location		284,842,832		9,297,282.73
Total Class I Milk	67.83%	284,842,832		\$ 44,332,333.10
Class II Skim Milk	16.19%	65,517,543	\$6.33 /cwt.	\$ 4,147,260.45
Class II Butterfat	44.75%	6,855,938	\$2.6762 /lb.	18,347,861.25
Total Class II Milk	17.23%	72,373,481		\$ 22,495,121.70
Class III Skim Milk	7.65%	30,956,241	\$6.08 /cwt.	\$ 1,882,139.45
Class III Butterfat	2.23%	342,164	\$2.6692 /lb.	913,304.18
Total Class III Milk	7.45%	31,298,405		\$ 2,795,443.63
Class IV Skim Milk	7.41%	29,991,268	\$5.77 /cwt.	\$ 1,730,496.15
Class IV Butterfat	9.53%	1,459,473	\$2.6692 /lb.	3,895,625.33
Total Class IV Milk	7.49%	31,450,741		\$ 5,626,121.48
Producer Milk	100.00%	419,965,459		\$ 75,249,019.91

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$60,882.89
Producer butterfat at uniform butterfat price	(\$40,745,545.44)
Location Adjustments to Producers	\$2,360,977.65
1/2 Unobligated Balance in P.S.F.	\$199,363.06

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.17461	\$37,124,698.07
	\$ 0.04461	\$180,531.33

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

\$9.13

Uniform Price per cwt. (Fulton County, Georgia)

\$18.12*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	June 2018	July 2018	May 2018	June 2018	June 2018
Appalachian (Charlotte)	\$ 18.65	\$ 18.76	\$ 17.20	\$ 17.81	67.00%
Arizona (Phoenix)	\$ 17.60	\$ 17.71	\$ 15.28	\$ 15.70	23.26%
Central (Kansas City)	\$ 17.25	\$ 17.36	\$ 15.11	\$ 15.53	24.20%
Florida (Tampa)	\$ 20.65	\$ 20.76	\$ 19.25	\$ 19.96	84.69%
Mideast (Cleveland)	\$ 17.25	\$ 17.36	\$ 15.33	\$ 15.84	27.60%
Northeast (Boston)	\$ 18.50	\$ 18.61	\$ 16.14	\$ 16.70	29.30%
Pacific Northwest (Seattle)	\$ 17.15	\$ 17.26	\$ 15.18	\$ 15.47	18.58%
Southeast (Atlanta)	\$ 19.05	\$ 19.16	\$ 17.46	\$ 18.12	67.83%
Southwest (Dallas)	\$ 18.25	\$ 18.36	\$ 16.02	\$ 16.43	27.14%
Upper Midwest (Chicago)	\$ 17.05	\$ 17.16	\$ 15.25	\$ 15.40	7.70%

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

Receipts:		June 2018	June 2017
Producer Milk			
Class I		284,842,832	298,762,778
Class II		72,373,481	69,833,601
Class III		31,298,405	56,702,744
Class IV		31,450,741	25,675,411
Total Producer Milk		419,965,459	450,974,534
Average Butterfat Test		3.64%	3.67%
Percent of Producer Milk in Class I		67.83%	66.25%
Daily Average Receipts		13,998,849	15,032,484
Other Source Milk			
Class I		5,285,224	5,305,916
Class II		7,113,888	3,200,881
Class III		0	0
Class IV		2,681,701	3,197,391
Total Other Source Milk		15,080,813	11,704,188
Overage			
Class I		0	0
Class II		0	0
Class III		0	84,887
Class IV		0	157,956
Total Overage		0	242,843
Opening Inventory			
Class I		18,333,508	15,685,164
Class II		4,504,919	2,243,829
Class III		2,463,880	540,321
Class IV		11,025,565	15,592,690
Total Opening Inventory		36,327,872	34,062,004
Total Receipts		471,374,144	496,983,569
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		18,314,210	21,514,636
Route Disposition Class I		281,501,722	288,550,527
Shrinkage		1,578,759	1,729,301
Transfers & Diversions to Nonpool		7,066,873	7,959,394
Total Class I Utilization		308,461,564	319,753,858
Average Butterfat Test		2.32%	2.26%
Daily Average Utilization		10,282,052	10,658,462
Class II Utilization			
Nonfluid Used To Produce		3,520,846	2,859,423
Shrinkage		13,882	5,078
Transfers & Diversions to Nonpool/Commercial Foods		55,205,263	60,502,009
Used To Produce/Other Uses		25,252,297	11,911,801
Total Class II Utilization		83,992,288	75,278,311
Average Butterfat Test		10.38%	8.81%
Class III Utilization			
Shrinkage		74	0
Transfers & Diversions to Nonpool		33,762,211	57,327,952
Used To Produce/Other Uses		0	0
Total Class III Utilization		33,762,285	57,327,952
Average Butterfat Test		1.16%	2.60%
Class IV Utilization			
Inventory		11,870,176	10,195,725
Nonfluid Used To Fortify		907,182	698,292
Shrinkage		5,769,878	5,301,095
Transfers & Diversions to Nonpool		22,897,241	25,248,762
Used To Produce/Other Uses		3,713,530	3,179,574
Total Class IV Utilization		45,158,007	44,623,448
Average Butterfat Test		4.93%	6.55%
Total Utilization		471,374,144	496,983,569

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2018 is \$18.12 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.13 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6597 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 68.75% of all producer skim milk (priced to handlers at \$6.35 per hundredweight, plus the Class I differential, see page 2) and 43.49% of producer butterfat (priced to handlers at \$2.6074 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 16.19% of all producer skim milk (\$6.33 per hundredweight) and 44.75% of producer butterfat (\$2.6762 per pound). Class III use, mostly milk used to produce cheese, accounted for 7.65% of all producer skim milk (\$6.08 per hundredweight) and 2.23% of producer butterfat (\$2.6692 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.41% of all producer skim milk (\$5.77 per hundredweight) and 9.53% of producer butterfat (\$2.6692 per pound).

Receipts of producer milk during June totaled 420.0 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2018. Class I route disposition in the area was 355.4 million pounds in May 2018.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>May 2018</u>		
Whole Milk	133,717,818	37.62%
Fat Free Milk	27,517,751	7.74%
Low fat Milk (incl. 1%)	38,003,257	10.69%
Reduced Fat Milk (incl. 2%)	111,534,474	31.40%
Cultured Fluid Milk (incl. Buttermilk)	6,796,407	1.91%
Flavored Drinks and Milk	37,832,673	10.64%
Total Disposition in Marketing Area	355,402,380	100.0%
Total Disposition by Pool Plants	266,680,681	75.03%
Total Disposition by Nonpool Plants	88,721,699	24.97%
Total Disposition in Marketing Area	355,402,380	100.0%

Dairy Market Forecasts for 2018/19, cont.

(continued from page 1) lowered to \$0.730-\$0.760 per pound due to recent price weakness. Although dry whey prices have increased recently, the dry whey price forecast has been lowered to \$0.275-\$0.295 per pound due to lower expected exports. With lower product prices, the Class III and Class IV price forecasts have been lowered to \$14.30-\$14.60 and \$13.65-\$14.05 per cwt, respectively. The all-milk price for 2018 is now forecast at \$15.95-\$16.25 per cwt, 70 cents lower at the midpoint of the range than the previous forecast.

Lower dairy prices in late 2018 and 2019 are expected to lead to a slight contraction in cow numbers in 2019. The new forecast for the size of the milking herd is 9.395 million head for the year, a decrease of 15 thousand head from last month's forecast and a year-over-year decrease of 10 thousand head. Milk per cow is forecast 20 pounds lower than last month's projection, at 23,475 pounds for the year. These changes result in a milk production forecast of 220.6 billion pounds for 2019, 0.5 billion pounds lower than last month's projection.

Lower product prices in the second half of 2018 are expected to persist into 2019 for most dairy products. The cheddar cheese price forecast has been lowered to \$1.575-\$1.675 per pound due to high stock levels and weaker expected demand. Due to higher tariffs imposed by China and competition from other global suppliers, 2019 forecasts have been lowered for NDM and dry whey to \$0.740-\$0.810 and \$0.280-\$0.310, respectively. The butter price forecast for 2019 has been raised 1 cent at the midpoint of the range to \$2.220-\$2.350 per pound.

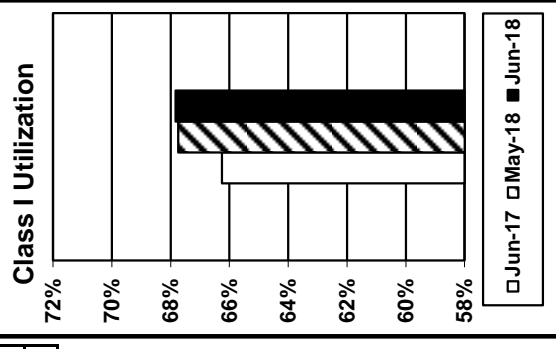
The Class III and Class IV price forecasts are \$14.70-\$15.70 and \$13.65-\$14.75 per cwt, respectively, reductions of 60 cents and 5 cents from last month's forecast at the midpoints of the ranges. The all-milk price for 2019 is now forecast at \$16.25-\$17.25 per cwt, 45 cents lower at the midpoint than the last forecast.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2017	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2017	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,700**	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%



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

Southeast Marketing Area - Federal Order 7

2018 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
July	08/11/18	08/13/18	08/14/18	07/25/18	07/26/18	08/14/18	08/15/18
August	09/11/18	09/12/18	09/13/18	08/27/18	08/27/18	09/13/18	09/14/18
September	10/11/18	10/12/18	10/15/18	09/25/18	09/26/18	10/15/18	10/16/18

** The base rate for making partial payments in Fulton County, GA for July will be \$16.31 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.12 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 – 579 July 12, 2018

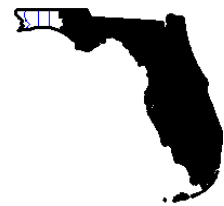
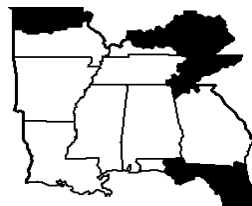
Milk production forecasts for both 2018 and 2019 are lowered from last month on slower-than-anticipated growth in milk per cow and lower cow numbers. Although tempered by lower expected feed costs, lower milk prices will likely weaken producer margins, resulting in lower cow numbers and slower growth in milk per cow. USDA's Cattle report, to be released on July 20th, will provide a mid-year estimate of dairy cow and dairy replacement heifer inventories.

The 2018 butter, cheese, nonfat dry milk (NDM), and whey price forecasts are reduced from the previous month. Forecasts are reduced for cheese, NDM, and whey prices for 2019 as cheese stocks will remain large and prices for NDM and whey will have to remain competitive with competing exporters. However, the 2019 butter price is raised as stocks are worked down. The 2018 and 2019 Class III price and Class IV price forecasts are lowered from last month. The 2018 all milk price is forecast at \$15.95-\$16.25 and the price for 2019 is \$16.25-\$17.25 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

Shawn Boockoff, Acting Market Administrator

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August 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 8

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

Dairy Market Forecasts for 2018/19

Excerpts from Livestock, Dairy, & Poultry Outlook, August 18, 2018, Economic Research Service, USDA:

The annual forecast for the size of the milking herd in 2018 is unchanged at 9.405 million. The 2018 milk-per-cow forecast has been raised to 23,175 pounds per head, 5 pounds higher than last month's forecast, since the second-quarter number was higher than expected. However, the milk production forecast rounds to 217.9 billion pounds for the year, unchanged from last month's forecast.

The import forecast for 2018 on a milk-fat basis has been raised to 6.0 billion pounds, 0.1 billion more than last month's forecast, based on higher expected imports of butterfat products. The export forecast for the year has been raised 0.2 billion pounds to 10.4 billion, based on higher expected exports of butterfat products and whole milk powder. The forecast for ending stocks on a milk-fat basis is unchanged at 13.5 billion pounds. With a strengthening economy, the domestic use forecast on a milk-fat basis has been raised for the second half of the year. However, the annual forecast has been lowered by 0.1 billion pounds to 212.4 billion, as the lower-than-expected domestic use in the second quarter more than offsets the higher forecast for the second half of the year.

For 2018, the annual forecast for imports on a skim-solids basis is 5.6 billion pounds, unchanged from last month's projection. The export forecast on a skim-solids basis, however, has been reduced 0.6 billion pounds to 45.4 billion as exports of whey products were relatively low in June and the newly announced Chinese tariffs are expected to reduce exports of lactose. Ending stocks on a skim-solids basis are forecast at 10.5 billion pounds for 2018, unchanged from the last forecast. With a strengthening economy contributing to higher demand, the domestic use forecast on a skim-solids basis is 178.4 billion pounds, 0.6 billion pounds higher than last month's forecast.

Due to stronger expected demand and recent price strength, 2018 price forecasts for cheddar cheese, butter, and NDM have been raised to \$1.550-\$1.570, \$2.265-\$2.305, and 0.755-\$0.775 per pound, respectively. In addition to recent price strength and stronger expected demand, relatively low stock levels have contributed to a higher dry whey price forecast of (continued on pg. 4)

Uniform Price @ 3.5% Unchanged

The uniform price in Fulton County, GA, was \$18.12 per hundredweight of milk at 3.5 percent butterfat for the month of July. The uniform price, at 3.5 percent butterfat, is the same as the previous month and is \$1.52 per hundredweight lower compared to July 2017.

Class I utilization was 73.31 percent in July, 5.48 percent higher than the previous month and 5.80 percent higher than July of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 18.27 billion pounds, 1.2 percent higher than June of last year and 1.3 percent lower compared with May 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.06 billion pounds, 1.8 percent above June 2017 but 1.4 percent above May 2018 on a daily average basis. Butter production was 143 million pounds, 3.1 percent above June 2017 but 11.8 percent lower than May 2018 on a daily average basis.

Nonfat dry milk powder production was 148.2 million pounds in June, 9.0 percent lower than last year and 4.2 percent lower than May on a daily average basis. Total dry whey production was 87.4 million pounds in June, 0.7 percent lower than June 2017 and 5.6 percent higher than the previous month on a daily average basis. Whey protein concentrates production was 39.9 million pounds in June, 1.1 percent lower than June 2017 and 1.6 percent lower than May on a daily average basis.

June's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.98, 0.08 points above the previous month's ratio.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - JULY 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	47.05%	6,815,409	\$2.6641	\$ 18,156,931.10
Class I Differential at Location				223,972.87
Class II Butterfat	41.80%	6,054,163	\$2.5357	15,351,541.12
Class III Butterfat	6.79%	982,918	\$2.5287	2,485,504.75
Class IV Butterfat	4.36%	631,778	\$2.5287	1,597,577.05
Total Butterfat	100.00%	14,484,268		\$ 37,815,526.89

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.6108**

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	74.30%	282,688,067	\$6.25 /cwt.	\$ 17,668,004.21
Class I Butterfat	47.05%	6,815,409	\$2.6641 /lb.	18,156,931.10
Class I Differential at Location		289,503,476		9,485,754.59
Total Class I Milk	73.31%	289,503,476		\$ 45,310,689.90
Class II Skim Milk	15.86%	60,325,449	\$6.55 /cwt.	\$ 3,951,316.93
Class II Butterfat	41.80%	6,054,163	\$2.5357 /lb.	15,351,541.12
Total Class II Milk	16.81%	66,379,612		\$ 19,302,858.05
Class III Skim Milk	6.86%	26,085,941	\$5.44 /cwt.	\$ 1,419,075.18
Class III Butterfat	6.79%	982,918	\$2.5287 /lb.	2,485,504.75
Total Class III Milk	6.85%	27,068,859		\$ 3,904,579.93
Class IV Skim Milk	2.98%	11,329,535	\$5.48 /cwt.	\$ 620,858.52
Class IV Butterfat	4.36%	631,778	\$2.5287 /lb.	1,597,577.05
Total Class IV Milk	3.03%	11,961,313		\$ 2,218,435.57
Producer Milk	100.00%	394,913,260		\$ 70,736,563.45

Adjustments

Overage and Other Source	\$20,501.22
Inventory Adjustments	(24,583.45)
Producer butterfat at uniform butterfat price	(37,815,526.89)
Location Adjustments to Producers	\$2,483,590.24
1/2 Unobligated Balance in P.S.F.	\$185,756.50

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.35426	\$35,586,301.07
	\$ 0.04426	\$168,361.89

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

\$9.31

Uniform Price per cwt. (Fulton County, Georgia)

\$18.12*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	July 2018	August 2018	June 2018	July 2018	July 2018
Appalachian (Charlotte)	\$ 18.76	\$ 17.55	\$ 17.81	\$ 17.52	69.06%
Arizona (Phoenix)	\$ 17.71	\$ 16.50	\$ 15.70	\$ 15.03	23.72%
Central (Kansas City)	\$ 17.36	\$ 16.15	\$ 15.53	\$ 14.78	23.31%
Florida (Tampa)	\$ 20.76	\$ 19.55	\$ 19.96	\$ 19.57	81.10%
Mideast (Cleveland)	\$ 17.36	\$ 16.15	\$ 15.84	\$ 15.22	29.00%
Northeast (Boston)	\$ 18.61	\$ 17.40	\$ 16.70	\$ 16.14	29.10%
Pacific Northwest (Seattle)	\$ 17.26	\$ 16.05	\$ 15.47	\$ 14.73	18.77%
Southeast (Atlanta)	\$ 19.16	\$ 17.95	\$ 18.12	\$ 18.12	73.31%
Southwest (Dallas)	\$ 18.36	\$ 17.15	\$ 16.43	\$ 15.77	28.39%
Upper Midwest (Chicago)	\$ 17.16	\$ 15.95	\$ 15.40	\$ 14.37	7.20%

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

Receipts:		July 2018	July 2017
Producer Milk			
Class I		289,503,476	285,118,531
Class II		66,379,612	67,810,024
Class III		27,068,859	43,037,459
Class IV		11,961,313	26,350,474
Total Producer Milk		394,913,260	422,316,488
Average Butterfat Test		3.66%	3.66%
Percent of Producer Milk in Class I		73.31%	67.51%
Daily Average Receipts		12,739,137	13,623,113
Other Source Milk			
Class I		5,726,522	4,719,231
Class II		3,114,351	3,352,236
Class III		23,773	0
Class IV		1,897,882	1,176,500
Total Other Source Milk		10,762,528	9,247,967
Overage			
Class I		0	0
Class II		0	23,072
Class III		0	0
Class IV		324,677	0
Total Overage		324,677	23,072
Opening Inventory			
Class I		17,059,958	21,514,636
Class II		564,204	218,198
Class III		2,539,142	1,179,995
Class IV		8,745,511	8,797,532
Total Opening Inventory		28,908,815	31,710,361
Total Receipts		434,909,280	463,297,888
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		17,720,059	17,540,683
Route Disposition Class I		281,616,388	283,301,879
Shrinkage		4,878,166	1,633,432
Transfers & Diversions to Nonpool		8,075,343	8,876,404
Total Class I Utilization		31,228,956	311,352,398
Average Butterfat Test		2.34%	2.26%
Daily Average Utilization		10,073,870	10,043,626
Class II Utilization			
Nonfluid Used To Produce		2,461,080	2,533,274
Shrinkage		0	13,229
Transfers & Diversions to Nonpool/Commercial Foods		49,399,360	58,355,267
Used To Produce/Other Uses		18,197,727	10,501,760
Total Class II Utilization		70,058,167	71,403,530
Average Butterfat Test		9.35%	8.12%
Class III Utilization			
Shrinkage		5,085,621	5,052,687
Transfers & Diversions to Nonpool		21,041,672	36,073,624
Used To Produce/Other Uses		3,504,481	3,091,143
Total Class III Utilization		29,631,774	44,217,454
Average Butterfat Test		3.52%	2.89%
Class IV Utilization			
Inventory		12,080,435	18,416,914
Nonfluid Used To Fortify		539,932	623,056
Shrinkage		0	236
Transfers & Diversions to Nonpool		10,309,016	17,284,300
Used To Produce/Other Uses		0	0
Total Class IV Utilization		22,929,383	36,324,506
Average Butterfat Test		5.70%	7.19%
Total Utilization		434,909,280	463,297,888

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2018 is \$18.12 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.31 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6108 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 75.39% of all producer skim milk (priced to handlers at \$6.25 per hundredweight, plus the Class I differential, see page 2) and 47.76% of producer butterfat (priced to handlers at \$2.6641 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 16.09% of all producer skim milk (\$6.55 per hundredweight) and 42.42% of producer butterfat (\$2.5357 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.74% of all producer skim milk (\$5.44 per hundredweight) and 5.68% of producer butterfat (\$2.5287 per pound). Class IV use, generally milk processed into butter and powder, accounted for 2.78% of all producer skim milk (\$5.48 per hundredweight) and 4.14% of producer butterfat (\$2.5287 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>June 2018</u>		
Whole Milk	134,743,121	41.60%
Fat Free Milk	19,923,247	6.15%
Low fat Milk (incl. 1%)	30,141,763	9.30%
Reduced Fat Milk (incl. 2%)	109,215,655	33.71%
Cultured Fluid Milk (incl. Buttermilk)	5,971,036	1.84%
Flavored Drinks and Milk	23,922,885	7.40%
Total Disposition in Marketing Area	323,917,707	100.0%
Total Disposition by Pool Plants	243,171,703	75.07%
Total Disposition by Nonpool Plants	80,746,004	24.92%
Total Disposition in Marketing Area	323,917,707	100.0%

Receipts of producer milk during June totaled 389.2 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2018. Class I route disposition in the area was 324 million pounds in June 2018.

Dairy Market Forecasts for 2018/19, cont.

(continued from page 1) of \$0.295-\$0.315 per pound.

With higher dairy product price forecasts, milk price forecasts for 2018 are higher than the last forecasts as well. The Class III and IV prices are projected at \$14.50-\$14.70 and \$13.95-\$14.25 per cwt, respectively, increases of 15 cents and 25 cents at the midpoints of the ranges. The all-milk price forecast has been raised 10 cents at the midpoint of the range to \$16.10-\$16.30 per cwt for the year.

With higher milk price forecasts and lower feed price forecasts, the 2019 milk production forecast has been raised to 220.9 billion pounds, 0.3 billion higher than last month's forecast. The milk cow forecast for 2019 has been raised 10 thousand head to 9.405 million, and milk per cow is projected at 23,495 pounds, 20 pounds higher than projected last month.

Due to stronger expected demand, 2019 price forecasts for cheese, nonfat dry milk, and dry whey have been raised to \$1.590-\$1.690, \$0.755-0.825, and \$0.300-\$0.330 per pound, respectively. The butter price forecast for the year is unchanged at \$2.220-\$2.350 per pound.

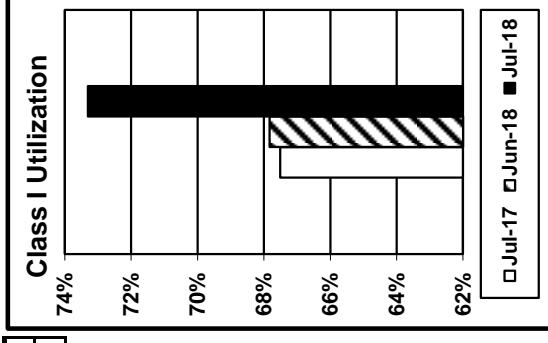
Class III and IV price forecasts have been raised for 2019. The Class III price for the year is projected at \$14.95-\$15.95 per cwt, a 25-cent increase at the midpoint of the range. The Class IV price is now forecast at \$13.75-\$14.85 per cwt, a 10-cent increase at the midpoint of the range. The all-milk price forecast for 2019 has been raised 20 cents at the midpoint of the range to \$16.45-\$17.45 per cwt.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2017	\$11.55	\$2.4863	\$19.85	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$5.98	\$2.3548	\$14.01	\$9.92	\$2.3992	\$17.97
May	\$10.94	\$2.4116	\$19.00	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$6.26	\$2.4134	\$14.49	\$9.72	\$2.4133	\$17.83
Jun	\$11.14	\$2.3872	\$19.11	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$6.65	\$2.7066	\$15.89	\$10.04	\$2.5760	\$18.70
Jul	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55		\$15.20	\$5.44	\$2.5287	\$14.10						
Aug	\$9.26	\$2.5743	\$17.95	\$6.16											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2017	501,646	1,578	298,804	59.57%	64,104	12.78%	68,088	13.57%	70,650	14.08%
May	496,584	1,589	312,446	62.92%	68,895	13.87%	66,353	13.36%	48,890	9.85%
Jun	450,975	1,645	298,763	66.25%	69,834	15.49%	56,703	12.57%	25,675	5.69%
Jul	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,687	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%
Jul	394,913	1,700**	289,503	73.31%	66,380	16.81%	27,069	6.85%	11,961	3.03%



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

Southeast Marketing Area - Federal Order 7

2018 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
August	09/11/18	09/12/18	09/13/18	08/27/18	08/27/18	09/13/18	09/14/18
September	10/11/18	10/12/18	10/15/18	09/25/18	09/26/18	10/15/18	10/16/18
October	11/11/18	11/13/18	11/14/18	10/25/18	10/26/18	11/14/18	11/15/18

** The base rate for making partial payments in Fulton County, GA for August will be \$16.31 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.12 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 – 580, August 10, 2018

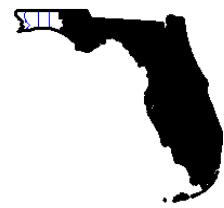
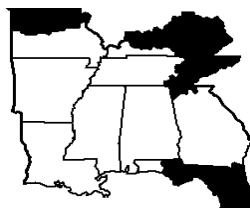
For 2018, fat basis exports are raised from the previous month on higher sales of butter and other fat-containing products. The fat basis import forecast is also raised on higher expected imports of butterfat products. The skim-solids basis export forecast for 2018 is lowered on weaker sales of nonfat dry milk (NDM) and the imposition of tariffs by China on lactose and other dairy products. The import forecast is unchanged. For 2019, the fat basis import and export forecasts are unchanged from the previous month. Skim-solids basis exports are lowered on expected continued weak sales of lactose.

For 2018, cheese, butter, NDM and whey price forecasts are raised for 2018. Prices for cheese, NDM and whey are also raised for 2019 as demand strength is expected to carry into next year. However, the 2019 butter price forecast remains unchanged from the previous month. The 2018 Class III and Class IV price forecasts are raised from the previous month to reflect the higher dairy product price forecasts. For 2019, Class III price forecast is raised on higher forecast cheese and whey prices. The Class IV price forecast is raised on the stronger forecast NDM price. The all milk price is raised to \$16.10 to \$16.30 per cwt for 2018, and is raised to \$16.45 to \$17.45 per cwt for 2019.

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

Shawn Boockoff, Acting Market Administrator



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

USDA Assistance for the Dairy Industry

Excerpts from Livestock, Dairy, & Poultry Outlook, September 18, 2018, Economic Research Service, USDA:

In recent weeks, USDA has taken several steps in support of the U.S. dairy industry. On August 8, USDA Risk Management Agency (RMA) announced a new Dairy Revenue Protection program that insures against unexpected declines in quarterly revenue from milk sales. Sign-up for the new product begins Tuesday, October 9, 2018, with the first available coverage starting the first quarter of 2019. For more information see the RMA website's Livestock page.

On August 14, USDA announced plans to purchase fluid milk (whole, 2-percent, 1-percent, and skim) in half-gallons for distribution to The Emergency Food Assistance Program (TEFAP). Purchases will be made under the authority of Section 32 of the Act of August 24, 1935. This will be the first time that the Government has purchased fluid milk under this authority.

On September 4, U.S. Secretary of Agriculture Sonny Perdue launched a trade mitigation package to assist farmers adversely affected by recent trade actions of foreign countries. The package includes three programs: (1) a Market Facilitation Program that will provide payments to producers of designated agricultural products; (2) a Food Purchase and Distribution Program that will distribute designated commodities through nutrition assistance programs; and (3) an Agricultural Trade and Promotion Program to develop foreign markets for agricultural products.

Under the Market Facilitation Program, participating dairy producers will be paid the market facilitation program rate of \$0.12 per cwt times 50 percent of production, with production calculated in the same manner as for the Margin Protection Program for Dairy Producers. For existing dairy operations, the production history is established based on the highest annual production marketed during the full calendar years of 2011, 2012, and 2013. Payments are capped at \$125,000 per person or legal entity. Dairy operations are also required to have been in operation on June 1, 2018. The sign-up period runs through January 15, 2019. Estimated initial payments to dairy producers under the program are expected to total \$127.4 million. USDA may announce an additional payment (continued on pg. 4)

Uniform Price Declines

The uniform price in Fulton County, GA, was \$17.53 per hundredweight of milk at 3.5 percent butterfat for the month of August. The uniform price is \$0.59 per hundredweight lower than the previous month and is \$2.49 per hundredweight lower compared to August 2017.

Class I utilization was 75.65 percent in August, 2.34 percent higher than the previous month and 1.57 percent lower than August of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in July was 18.35 billion pounds, 0.4 percent higher than July of last year and 3.0 percent lower compared with June 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.09 billion pounds, 3.7 percent higher than July 2017 and 0.6 percent lower than June 2018 on a daily average basis. Butter production was 136 million pounds, 0.5 percent above July 2017 but 7.5 percent lower than June 2018 on a daily average basis.

Nonfat dry milk powder production was 146.7 million pounds in July, 3.4 percent lower than last year and also 3.4 percent lower than June 2018 on a daily average basis. Total dry whey production was 91.4 million pounds in July, 9.0 percent lower than July 2017 and 0.7 percent higher than the previous month on a daily average basis. Whey protein concentrates production was 40.3 million pounds in July, 2.1 percent lower than July 2017 and 2.1 percent lower than June on a daily average basis.

July's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 1.91, 0.07 points lower than prior month with the lower milk price outweighing the decline in feed costs.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - AUGUST 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.43%	6,936,084	\$2.5363	\$ 17,591,989.86
Class I Differential at Location				226,102.49
Class II Butterfat	43.14%	6,733,752	\$2.6079	17,560,951.84
Class III Butterfat	2.64%	411,775	\$2.6009	1,070,985.59
Class IV Butterfat	9.79%	1,528,411	\$2.6009	3,975,244.19
Total Butterfat	100.00%	15,610,022		\$ 40,425,273.97

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5897**

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	76.84%	311,459,803	\$5.46 /cwt.	\$ 17,005,705.22
Class I Butterfat	44.43%	6,936,084	\$2.5363 /lb.	17,591,989.86
Class I Differential at Location		318,395,887		10,386,162.66
Total Class I Milk	75.65%	318,395,887		\$ 44,983,857.74
Class II Skim Milk	15.03%	60,907,345	\$6.16 /cwt.	\$ 3,751,892.47
Class II Butterfat	43.14%	6,733,752	\$2.6079 /lb.	17,560,951.84
Total Class II Milk	16.07%	67,641,097		\$ 21,312,844.31
Class III Skim Milk	1.98%	8,008,510	\$6.06 /cwt.	\$ 485,315.71
Class III Butterfat	2.64%	411,775	\$2.6009 /lb.	1,070,985.59
Total Class III Milk	2.00%	8,420,285		\$ 1,556,301.30
Class IV Skim Milk	6.15%	24,910,884	\$5.73 /cwt.	\$ 1,427,393.64
Class IV Butterfat	9.79%	1,528,411	\$2.6009 /lb.	3,975,244.19
Total Class IV Milk	6.28%	26,439,295		\$ 5,402,637.83
Producer Milk	100.00%	420,896,564		\$ 73,255,641.18

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$19,919.21
Producer butterfat at uniform butterfat price	(\$40,425,273.97)
Location Adjustments to Producers	\$2,713,664.80
1/2 Unobligated Balance in P.S.F.	\$174,665.11

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 8.81811	\$35,738,616.33
	\$ 0.04811	\$194,986.60

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

\$8.77

Uniform Price per cwt. (Fulton County, Georgia)

\$17.53*

* 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 %
	August	September	July	August	August
Appalachian (Charlotte)	\$ 17.55	\$ 18.25	\$ 17.52	\$ 17.03	72.47%
Arizona (Phoenix)	\$ 16.50	\$ 17.20	\$ 15.03	\$ 15.32	26.47%
Central (Kansas City)	\$ 16.15	\$ 16.85	\$ 14.78	\$ 15.09	30.49%
Florida (Tampa)	\$ 19.55	\$ 20.25	\$ 19.57	\$ 18.89	83.55%
Mideast (Cleveland)	\$ 16.15	\$ 16.85	\$ 15.22	\$ 15.35	32.40%
Northeast (Boston)	\$ 17.40	\$ 18.10	\$ 16.14	\$ 16.21	31.10%
Pacific Northwest (Seattle)	\$ 16.05	\$ 16.75	\$ 14.73	\$ 15.07	23.99%
Southeast (Atlanta)	\$ 17.95	\$ 18.65	\$ 18.12	\$ 17.53	75.65%
Southwest (Dallas)	\$ 17.15	\$ 17.85	\$ 15.77	\$ 15.96	28.08%
Upper Midwest (Chicago)	\$ 15.95	\$ 16.65	\$ 14.37	\$ 15.08	8.60%

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

Receipts:		August 2018	August 2017
Producer Milk			
Class I		318,395,887	330,006,451
Class II		67,641,097	64,617,927
Class III		8,420,285	18,283,938
Class IV		26,439,295	14,451,937
	Total Producer Milk	420,896,564	427,360,263
	Average Butterfat Test	3.70%	3.67%
	Percent of Producer Milk in Class I	75.65%	77.22
	Daily Average Receipts	13,577,309	13,785,815
Other Source Milk			
Class I		14,673,188	10,099,605
Class II		4,295,966	4,488,985
Class III		0	291,815
Class IV		2,638,755	1,195,874
	Total Other Source Milk	21,607,909	16,076,279
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		19,891,573	17,574,446
Class II		1,486,002	912,744
Class III		0	2,754,578
Class IV		10,594,433	14,696,227
	Total Opening Inventory	31,972,008	35,937,995
	Total Receipts	474,476,481	479,374,527
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		23,372,075	21,471,012
Route Disposition Class I		316,841,797	323,670,973
Shrinkage		1,998,134	2,113,328
Transfers & Diversions to Nonpool		10,748,642	10,426,189
	Total Class I Utilization	362,960,648	357,680,502
	Average Butterfat Test	2.16%	2.08%
	Daily Average Utilization	11,385,827	11,538,081
Class II Utilization			
Nonfluid Used To Produce		1,970,215	2,963,559
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		52,372,148	55,539,076
Used To Produce/Other Uses		19,080,702	11,517,021
	Total Class II Utilization	73,423,065	70,019,656
	Average Butterfat Test	10.07%	9.56%
Class III Utilization			
Shrinkage		0	5,700,101
Transfers & Diversions to Nonpool		8,420,285	12,182,437
Used To Produce/Other Uses		0	3,447,793
	Total Class III Utilization	8,420,285	21,330,331
	Average Butterfat Test	4.89%	4.33%
Class IV Utilization			
Inventory		9,485,340	13,136,717
Nonfluid Used To Fortify		500,057	696,830
Shrinkage		5,881,769	96,307
Transfers & Diversions to Nonpool		19,689,173	16,414,184
Used To Produce/Other Uses		4,116,144	0
	Total Class IV Utilization	39,672,483	30,344,038
	Average Butterfat Test	5.99%	7.55%
	Total Utilization	474,476,481	479,374,527

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2018 is \$17.53 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 \$2.5897 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 76.84% of all producer skim milk (priced to handlers at \$5.46 per hundredweight, plus the Class I differential, see page 2) and 44.43% of producer butterfat (priced to handlers at \$2.5363 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.03% of all producer skim milk (\$6.16 per hundredweight) and 43.14% of producer butterfat (\$2.6079 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.98% of all producer skim milk (\$5.44 per hundredweight) and 6.06% of producer butterfat (\$2.6009 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.15% of all producer skim milk (\$5.73 per hundredweight) and 9.79% of producer butterfat (\$2.6009 per pound).

Receipts of producer milk during August totaled 420.9 million pounds. There were 21 regulated pool distributing plants, 2 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2018. Class I route disposition in the area was 331.0 million pounds in July 2018.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2018</u>		
Whole Milk	131,033,627	39.58%
Fat Free Milk	21,620,507	6.57%
Low fat Milk (incl. 1%)	30,370,760	9.20%
Reduced Fat Milk (incl. 2%)	114,713,338	34.65%
Cultured Fluid Milk (incl. Buttermilk)	6,018,813	1.81%
Flavored Drinks and Milk	27,235,504	8.22%
Total Disposition in Marketing Area	330,992,549	100.0%
Total Disposition by Pool Plants	258,257,964	78.02%
Total Disposition by Nonpool Plants	72,734,585	21.98%
Total Disposition in Marketing Area	330,992,549	100.0%

USDA Assistance for the Dairy Industry, cont.

(continued from page 1) period.

Dairy Forecasts for 2019

With higher milk price forecasts and lower feed price forecasts, the size of the milking herd is expected to grow fractionally in 2019; the milk cow forecast for the year is now 9.405 million head. Milk per cow is forecast at 23,495 pounds for 2019, unchanged from last month. Milk production is projected at 221.0 billion pounds for the year, an increase of 0.1 billion pounds from the last forecast.

Although expectations are lower for whey product exports, tightness in the whey product markets is expected to last into the first part of 2019. As a result, the dry whey price forecast for 2019 has been raised to \$0.350-\$0.380 per pound. The NDM price forecast has been raised to \$0.825-\$0.895 per pound as recent price strength should continue into 2019. The cheddar cheese price forecast for 2019 is unchanged at \$1.590-\$1.690 per pound, while the butter price forecast has been lowered slightly to \$2.205-\$2.335 per pound.

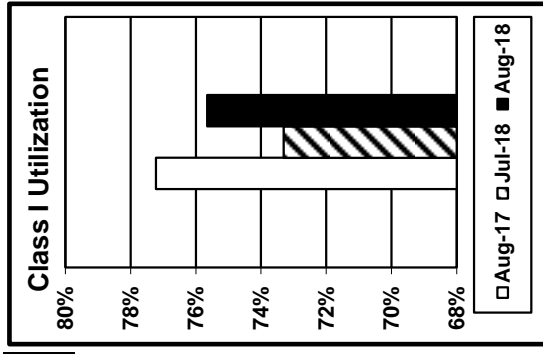
As a result of the higher whey price forecast, the 2019 Class III price forecast has been raised to \$15.20-\$16.20 per cwt. With the higher expected NDM price expected to more than offset the lower expected butter price, the Class IV forecast has been raised to \$14.30-\$15.40 per cwt. The all-milk price is forecast 30 cents higher at the midpoint of the range for the year, at \$16.75-\$17.75 per cwt.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2017	\$11.12	\$2.7592	\$20.39	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$6.52	\$2.9456	\$16.60	\$9.95	\$2.8681	\$19.64
Aug	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55	\$2.5357	\$15.20	\$5.44	\$2.5287	\$14.10	\$5.48	\$2.5287	\$14.14	\$9.31	\$2.6108	\$18.12
Aug	\$9.26	\$2.5743	\$17.95	\$6.16	\$2.6079	\$15.07	\$6.06	\$2.6009	\$14.95	\$5.73	\$2.6009	\$14.63	\$8.77	\$2.5897	\$17.53
Sep	\$9.72	\$2.6498	\$18.65	\$6.43											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2017	422,316	1,814	285,119	67.51%	67,810	16.06%	43,037	10.19%	26,350	6.24%
Aug	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,687	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%
Jul	394,913	1,609	289,503	73.31%	66,380	16.81%	27,069	6.85%	11,961	3.03%
Aug	420,897	1,650**	318,396	75.65%	67,641	16.07%	8,420	2.00%	26,439	6.28%



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

Southeast Marketing Area - Federal Order 7

2018 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
September	10/11/18	10/12/18	10/15/18	09/25/18	09/26/18	10/15/18	10/16/18
October	11/11/18	11/13/18	11/14/18	10/25/18	10/26/18	11/14/18	11/15/18
November	12/11/18	12/12/18	12/13/18	11/26/18	11/26/18	12/13/18	12/14/18

** The base rate for making partial payments in Fulton County, GA for September will be \$15.78 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.53 per hundredweight.

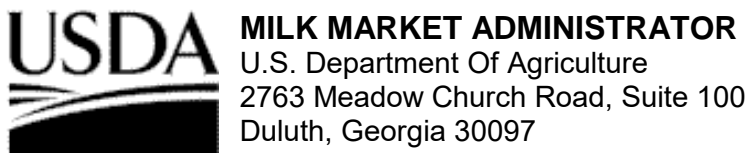
Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/ WASDE – 581, September 12, 2018

The milk production forecast for 2018 is lowered from the previous month on slightly lower milk cow numbers and a slower rate of growth in milk per cow in the third quarter. However, for 2019, the milk production forecast is raised from the previous month on slightly higher cow inventories. For 2018 and 2019, fat basis export forecasts are reduced from the previous month on slowing shipments of whey products and a number of other dairy products, while fat basis import forecasts for 2018 and 2019 are raised on higher purchases of imported butterfat products and cheese. On a skim-solids basis, the export forecasts for 2018 and 2019 are lowered on weaker whey products sales to China. Skim-solids basis import forecasts for 2018 and 2019 are raised on continued strong purchases of cheese and other miscellaneous dairy products. CCC donations reflect the recent pre-solicitation notice for the Trade Mitigation Food Purchase and Distribution Program.

Cheese, NDM, and whey prices are forecast higher for 2018 while butter prices are lowered from the previous month. The 2018 Class III price forecast is raised on higher forecast cheese and whey prices. The Class IV price is raised as higher forecast NDM prices more than offset lower butter prices. For 2019, NDM and whey prices are raised while the butter price forecast is reduced from last month. The 2019 cheese price forecast is unchanged. The all-milk price is raised to \$16.30 to \$16.50 per cwt for 2018 and \$16.75 to \$17.75 per cwt for 2019.

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

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

October 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 10

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

USDA Dairy Forecast for 2019

Excerpts from Livestock, Dairy, & Poultry Outlook, October 17, 2018, Economic Research Service, USDA:

Based on the recent increase in milk cow numbers, the forecast for the size of the milking herd has been raised 5,000 head to 9.410 million head for the year. The 2019 forecast for yield per cow has been raised to 23,525 pounds, 30 pounds higher than last month's forecast, due to recent growth and continued expectations of relatively low feed prices. With both higher expected cow numbers and higher expected yields, the milk production forecast for 2019 is 221.4 billion pounds, 0.4 billion pounds higher than the last forecast.

Strength in imports of butterfat and cheese is expected to continue in 2019. As a result, imports on a milk-fat basis are now forecast at 6.3 billion pounds for 2019, an increase of 0.3 billion pounds from the last forecast. The export forecast remains at 9.8 billion pounds for the year. The domestic use forecast has been raised 0.6 billion pounds to 217.5 billion, as strong demand is expected to continue into next year. Strength in demand is expected to contribute to a year-over-year decrease in ending stocks, which are forecast at 12.5 billion pounds at the end of 2019.

On a skim-solids basis, the import forecast has been lowered 0.1 billion pounds to 5.5 billion pounds, based on lower expected MPC imports. Exports on a skim-solids basis are projected at 44.1 billion pounds for 2019, unchanged from last month's forecast. Ending stocks are forecast at 10.8 billion pounds, the same as previously forecast. The forecast for domestic use on a milk-fat basis has been raised 0.1 billion pounds to 181.6 billion, which would represent year-over-year growth of 1.7 percent from the 2018 forecast.

Small changes were made in the product price forecasts for 2019, with the largest being for the dry whey price forecast; the price was raised 3.5 cents at the midpoint of the range to \$0.385-\$0.415 per pound, based on recent domestic price strength. The cheddar cheese price forecast has been lowered to \$1.575-\$1.665 per pound. The butter price forecast is slightly higher for the first quarter, based on recent price strength; the annual 2019 projection is \$2.215-\$2.335 per pound. The NDM (continued on pg. 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$17.94 per hundredweight of milk at 3.5 percent butterfat for the month of September. The uniform price is \$0.41 per hundredweight higher than the previous month and is \$1.67 per hundredweight lower compared to September 2017.

Class I utilization was 74.76 percent in September, 0.89 percent lower than the previous month and 1.79 percent lower than September of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 18.25 billion pounds, 1.1 percent higher than August of last year and 0.5 percent lower compared with July 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 2.8 percent above August 2017 but 0.7 percent below July 2018. Butter production was 134 million pounds, 2.1 percent above August 2017 but 0.5 percent below July 2018 on a daily average basis.

Nonfat dry milk powder production was 123.0 million pounds in August, 10.1 percent below last August and 14.8 percent below July 2018 on a daily average basis. Total dry whey production was 79.7 million pounds, 15.4 percent lower than August 2017 and 13.9 percent lower than July on a daily average basis. Whey protein concentrates production was 41.2 million pounds, 7.4 percent above August 2017 and 3.5 percent above July.

August's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.03, 0.11 higher than the prior month based on both higher all-milk prices and lower corn, alfalfa hay and soybean input prices.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES -September 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.96%	6,371,269	\$2.6118	\$ 16,640,480.40
Class I Differential at Location				208,080.74
Class II Butterfat	43.29%	6,420,350	\$2.5512	16,379,596.92
Class III Butterfat	2.88%	427,634	\$2.5442	1,087,986.42
Class IV Butterfat	10.87%	1,612,005	\$2.5442	4,101,263.12
Total Butterfat	100.00%	14,831,258		\$ 38,417,407.60

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5903**

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	76.00%	288,363,489	\$5.92 /cwt.	\$ 17,071,118.55
Class I Butterfat	42.96%	6,371,269	\$2.6118 /lb.	16,640,480.40
Class I Differential at Location		294,734,758		9,579,374.58
Total Class I Milk	74.76%	294,734,758		\$ 43,290,973.53
Class II Skim Milk	14.54%	55,168,060	\$6.43 /cwt.	\$ 3,547,306.26
Class II Butterfat	43.29%	6,420,350	\$2.5512 /lb.	16,379,596.92
Total Class II Milk	15.62%	61,588,410		\$ 19,926,903.18
Class III Skim Milk	2.00%	7,606,970	\$7.45 /cwt.	\$ 566,719.27
Class III Butterfat	2.88%	427,634	\$2.5442 /lb.	1,087,986.42
Total Class III Milk	2.04%	8,034,604		\$ 1,654,705.69
Class IV Skim Milk	7.46%	28,287,682	\$6.12 /cwt.	\$ 1,731,206.16
Class IV Butterfat	10.87%	1,612,005	\$2.5442 /lb.	4,101,263.12
Total Class IV Milk	7.58%	29,899,687		\$ 5,832,469.28
Producer Milk	100.00%	394,257,459		\$ 70,705,051.68

Adjustments

Overage and Other Source	\$6,869.58
Inventory Adjustments	\$18,449.69
Producer butterfat at uniform butterfat price	(\$38,417,407.60)
Location Adjustments to Producers	\$2,572,136.81
1/2 Unobligated Balance in P.S.F.	\$207,106.82
Adjusted Pool Value	\$ 9.24876
Reserve for Producer Settlement Fund	\$ 0.04876

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

\$9.20

Uniform Price per cwt. (Fulton County, Georgia)

\$17.94*

* 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 %
	September	October	August	September	September
Appalachian (Charlotte)	\$ 18.25	\$ 19.73	\$ 17.03	\$ 17.35	69.42%
Arizona (Phoenix)	\$ 17.20	\$ 18.68	\$ 15.32	\$ 15.85	28.34%
Central (Kansas City)	\$ 16.85	\$ 18.33	\$ 15.09	\$ 15.64	35.80%
Florida (Tampa)	\$ 20.25	\$ 21.73	\$ 18.89	\$ 19.23	81.88%
Midwest (Cleveland)	\$ 16.85	\$ 18.33	\$ 15.35	\$ 15.83	36.10%
Northeast (Boston)	\$ 18.10	\$ 19.58	\$ 16.21	\$ 16.71	33.20%
Pacific Northwest (Seattle)	\$ 16.75	\$ 18.23	\$ 15.07	\$ 15.44	24.19%
Southeast (Atlanta)	\$ 18.65	\$ 20.13	\$ 17.53	\$ 17.94	74.76%
Southwest (Dallas)	\$ 17.85	\$ 19.33	\$ 15.96	\$ 16.31	45.77%
Upper Midwest (Chicago)	\$ 16.65	\$ 18.13	\$ 15.08	\$ 16.02	10.40%

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

Receipts:		Sept. 2018	Sept. 2017
Producer Milk			
Class I		294,734,758	312,636,684
Class II		61,588,410	61,080,381
Class III		8,034,604	11,500,018
Class IV		29,899,687	23,158,824
	Total Producer Milk	394,257,459	408,375,907
	Average Butterfat Test	3.76%	3.74%
	Percent of Producer Milk in Class I	74.76%	0.7655
	Daily Average Receipts	13,141,915	13,612,530
Other Source Milk			
Class I		14,733,783	12,958,243
Class II		10,611,015	3,996,948
Class III		0	3,079
Class IV		5,885,221	6,627,406
	Total Other Source Milk	31,230,019	23,585,676
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		112,248	95
	Total Overage	112,248	95
Opening Inventory			
Class I		23,372,010	21,540,617
Class II		3,978,796	88,214
Class III		0	435,117
Class IV		9,239,513	12,659,500
	Total Opening Inventory	36,590,319	34,723,448
	Total Receipts	462,190,045	466,685,126
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,217,571	19,316,529
Route Disposition Class I		296,778,803	313,117,331
Shrinkage		3,905,599	2,446,980
Transfers & Diversions to Nonpool		11,938,578	12,237,504
	Total Class I Utilization	332,840,551	347,118,344
	Average Butterfat Test	2.15%	2.08%
	Daily Average Utilization	11,094,685	11,570,611
Class II Utilization			
Nonfluid Used To Produce		2,716,589	2,488,162
Shrinkage		4,835	0
Transfers & Diversions to Nonpool/Commercial Foods		46,413,889	52,067,176
Used To Produce/Other Uses		27,042,908	10,626,405
	Total Class II Utilization	76,178,221	65,182,743
	Average Butterfat Test	11.36%	9.30%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		8,034,604	11,938,214
Used To Produce/Other Uses		0	0
	Total Class III Utilization	8,034,604	11,938,214
	Average Butterfat Test	5.32%	5.77%
Class IV Utilization			
Inventory		22,220,165	11,825,505
Nonfluid Used To Fortify		1,344,365	1,127,099
Shrinkage		5,398,010	5,734,609
Transfers & Diversions to Nonpool		13,116,242	19,362,400
Used To Produce/Other Uses		3,057,887	4,396,212
	Total Class IV Utilization	45,136,669	42,445,825
	Average Butterfat Test	6.48%	9.07%
	Total Utilization	462,190,045	466,685,126

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2018 is \$17.94 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.20 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5903 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 76.00% of all producer skim milk (priced to handlers at \$5.92 per hundredweight, plus the Class I differential, see page 2) and 42.96% of producer butterfat (priced to handlers at \$2.6118 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.54% of all producer skim milk (\$6.43 per hundredweight) and 43.29% of producer butterfat (\$2.5512 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.00% of all producer skim milk (\$7.45 per hundredweight) and 2.88% of producer butterfat (\$2.5442 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.46% of all producer skim milk (\$6.12 per hundredweight) and 10.87% of producer butterfat (\$2.5442 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>August 2018</u>		
Whole Milk	138,856,995	36.90%
Fat Free Milk	22,567,858	6.00%
Low fat Milk (incl. 1%)	42,038,696	11.16%
Reduced Fat Milk (incl. 2%)	117,596,527	31.23%
Cultured Fluid Milk (incl. Buttermilk)	5,561,142	1.47%
Flavored Drinks and Milk	49,851,087	13.24%
Total Disposition in Marketing Area	376,472,305	100.0%
Total Disposition by Pool Plants	276,992,371	73.57%
Total Disposition by Nonpool Plants	99,479,934	26.43%
Total Disposition in Marketing Area	376,472,305	100.0%

Receipts of producer milk during August totaled 394.26 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2018. Class I route disposition in the area was 376.47 million pounds in August 2018.

USDA Dairy Forecast for 2019, cont.

(continued from page 1) price forecast is unchanged at \$0.825-\$0.895 per pound.

With the higher dry whey price forecast more than offsetting the lower cheese price forecast, the Class III price forecast has been raised to \$15.30-\$16.20 per cwt. The Class IV price forecast is \$14.35-\$15.35 per cwt, unchanged from last month's forecast at the midpoint of the range. The all-milk price forecast for 2019 is \$16.85-\$17.75 per cwt, 5 cents higher at the midpoint of the range than previously forecast.

Dairy Provisions in the United States-Mexico-Canada Agreement

On September 30, the United States, Canada, and Mexico reached an agreement called the United States-Mexico-Canada Agreement (USMCA). It would replace the North America Free Trade Agreement, and it has several provisions relevant to the dairy industry. For more information, see the website for the Office of the United States Trade Representative. The agreement must be approved by legislative bodies in all three countries before it can be implemented. Since the agreement has not yet been approved and the potential effective date is not yet known, impacts of the agreement are not considered in USDA forecasts.

Outlook for Feed Prices

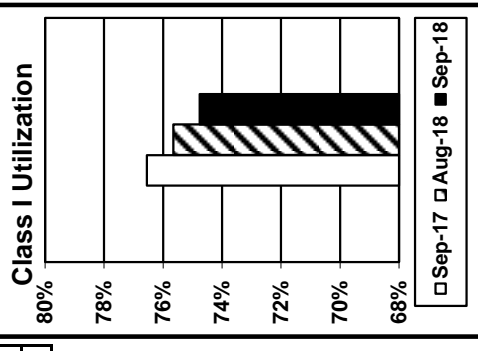
The alfalfa hay price in August was \$177 per short ton, \$2 lower than July but \$30 higher than August of last year. The 2018/19 price forecasts for corn and soybean meal are unchanged from last month's forecasts at \$3.00-\$4.00 per bushel and \$290-\$330 per short ton, respectively. For more information, see the USDA Economic Research Service publication *Feed Price Outlook*.

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 2017	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55	\$2.5357	\$15.20	\$5.44	\$2.5287	\$14.10	\$5.48	\$2.5287	\$14.14	\$9.31	\$2.6108	\$18.12
Aug	\$9.26	\$2.5743	\$17.95	\$6.16	\$2.6079	\$15.07	\$6.06	\$2.6009	\$14.95	\$5.73	\$2.6009	\$14.63	\$8.77	\$2.5897	\$17.53
Sep	\$9.72	\$2.6498	\$18.65	\$6.43	\$2.5512	\$15.13	\$7.45	\$2.5442	\$16.09	\$6.12	\$2.5442	\$14.81	\$9.20	\$2.5903	\$17.94
Oct	\$11.51	\$2.5773	\$20.13	\$6.81											

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 2017	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,687	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%
Jul	394,913	1,609	289,503	73.31%	66,380	16.81%	27,069	6.85%	11,961	3.03%
Aug	420,897	1,725	318,396	75.65%	67,641	16.07%	8,420	2.00%	26,439	6.28%
Sep	394,257	1,700**	294,735	74.76%	61,588	15.62%	8,034	2.04%	29,900	7.58%



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

Southeast Marketing Area - Federal Order 7

2018 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	11/11/18	11/13/18	11/14/18	10/25/18	10/26/18	11/14/18	11/15/18
November	12/11/18	12/12/18	12/13/18	11/26/18	11/26/18	12/13/18	12/14/18
December	01/11/19	01/14/19	01/15/19	12/26/18	12/26/18	01/15/19	01/16/19

** The base rate for making partial payments in Fulton County, GA for October will be \$16.15 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.94 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 – 582, October 11, 2018

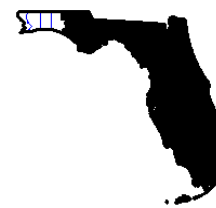
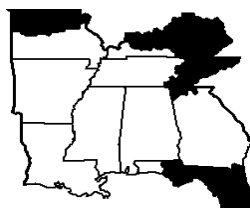
The milk production forecasts for 2018 and 2019 are raised from the previous month on a more rapid pace of growth in milk per cow. Cow numbers are raised for 2019. Fat basis imports for 2018 and 2019 are raised on continued strength in butterfat imports and slightly higher cheese imports. The 2018 and 2019 skim-solids basis import forecasts are lowered from the previous month. Exports on a fat basis are raised for 2018 on stronger cheese exports, but no change is made to the 2019 export forecast. Skim-solids basis exports for 2018 are raised, primarily on stronger nonfat dry milk (NDM) and whey product shipments.

For 2018 and 2019, butter and whey price forecasts are raised from the previous month on expected demand strength, but the cheese price forecasts are lowered on continued large supplies. The NDM price forecast is unchanged. The Class III price is lowered for 2018; but for 2019, higher whey prices are expected to more than offset the declines in cheese prices, and the Class III price forecast is raised. The Class IV price is raised for both years due to higher forecast butter prices. The 2018 all milk price forecast is unchanged at the midpoint at \$16.35 to \$16.45 per cwt, and the 2019 price is raised to \$16.85 to \$17.75 per cwt.

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



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Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

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

USDA Dairy Forecast for 2019

Excerpts from Livestock, Dairy, & Poultry Outlook, November 15, 2018, Economic Research Service, USDA:

A smaller milking herd in late 2018 is expected to persist into 2019; therefore, the milk cow forecast has been lowered to 9.375 million head, 35,000 less than last month's forecast. However, with increased culling of the herd, higher milking efficiency is expected, motivating an increase in the milk per cow forecast to 23,565 pounds. With these changes, the overall milk production forecast for 2019 is now 220.9 billion pounds, 0.5 billion pounds lower than the last forecast.

Due to lower expected imports of milk protein concentrate and casein, imports on a milk-fat basis are forecast 0.1 billion pounds lower than last month's forecast, at 6.2 billion pounds for the year. The export forecast for 2019 is unchanged at 9.8 billion pounds. Ending stocks are now forecast at 12.6 billion pounds, 0.1 billion pounds higher than the last forecast, as higher stocks in late 2018 will carry through 2019 to some extent. The domestic use forecast for the year has been lowered 0.2 billion pounds to 217.3 billion.

The import forecast on a skim-solids basis has been lowered 0.2 billion pounds to 5.3 billion, as lower milk protein concentrate and casein imports are expected to continue into 2019. Exports on a skim-solids basis are forecast at 44.1 billion pounds, unchanged from the previous forecast. Ending stocks are forecast at 10.5 billion pounds for the year, a reduction of 0.3 billion pounds from last month's projection, as lower production should result in some drawdown in stocks. Domestic use in 2019 is projected at 181.2 billion pounds, 0.4 billion pounds lower than the last forecast.

Current weakness in cheese prices is expected to carry into 2019 but should begin to abate in the second half of the year; as a result, the cheddar cheese price has been lowered 15 cents at the midpoint of the range to \$1.560-\$1.650 per pound. With lower butter prices expected to continue next year, the butter price forecast has been lowered to \$2.200-\$2.320 per pound for the year. The dry whey price and NDM price forecasts for 2019 have been raised slightly to \$0.390-\$0.420 and \$0.830-\$0.900 per pound, respectively. (continued on pg. 4)

Uniform Price Higher

The uniform price in Fulton County, GA, was \$19.39 per hundredweight of milk at 3.5 percent butterfat for the month of October. The uniform price is \$1.45 per hundredweight higher than the previous month and is \$0.27 per hundredweight higher compared to October 2017.

Class I utilization was 78.53 percent in October, 3.77 percent higher than the previous month and 14.13 percent higher than October of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 17.37 billion pounds, 1.3 percent higher than September of last year and 1.6 percent lower compared with August 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.06 billion pounds, 3.1 percent above September 2017 and 1.3 percent higher than August 2018 on a daily average basis. Butter production was 134 million pounds, 0.1 percent below September 2017 but 3.6 percent above August 2018 on a daily average basis.

Nonfat dry milk powder production was 106.3 million pounds in September, 21.0 percent below last September and 10.5 percent below August 2018 on a daily average basis. Total dry whey production was 71.3 million pounds, 21.9 percent lower than September 2017 and 6.6 percent lower than August 2018 on a daily average basis. Whey protein concentrates production was 42.2 million pounds, 9.1 percent above September 2017 and 4.5 percent above August on a daily average basis.

September's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.10, 0.07 higher than the previous month.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - OCTOBER 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	45.63%	7,085,886	\$2.5393	\$ 17,993,190.33
Class I Differential at Location				229,810.84
Class II Butterfat	44.45%	6,903,501	\$2.5621	17,687,459.91
Class III Butterfat	2.61%	405,312	\$2.5551	1,035,612.71
Class IV Butterfat	7.31%	1,135,990	\$2.5551	2,902,568.05
Total Butterfat	100.00%	15,530,689		\$ 39,848,641.84

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5658**

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	79.85%	308,341,986	\$7.71 /cwt.	\$ 23,773,167.15
Class I Butterfat	45.63%	7,085,886	\$2.5393 /lb.	17,993,190.33
Class I Differential at Location		315,427,872		10,236,037.11
Total Class I Milk	78.53%	315,427,872		\$ 52,002,394.59
Class II Skim Milk	14.44%	55,772,536	\$6.81 /cwt.	\$ 3,798,109.71
Class II Butterfat	44.45%	6,903,501	\$2.5621 /lb.	17,687,459.91
Total Class II Milk	15.60%	62,676,037		\$ 21,485,569.62
Class III Skim Milk	1.32%	5,102,767	\$6.83 /cwt.	\$ 348,518.98
Class III Butterfat	2.61%	405,312	\$2.5551 /lb.	1,035,612.71
Total Class III Milk	1.37%	5,508,079		\$ 1,384,131.69
Class IV Skim Milk	4.39%	16,950,177	\$6.29 /cwt.	\$ 1,066,166.15
Class IV Butterfat	7.31%	1,135,990	\$2.5551 /lb.	2,902,568.05
Total Class IV Milk	4.50%	18,086,167		\$ 3,968,734.20
Producer Milk	100.00%	401,698,155		\$ 78,840,830.10

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$16,689.29
Producer butterfat at uniform butterfat price	(\$39,848,641.84)
Location Adjustments to Producers	\$2,631,368.56
1/2 Unobligated Balance in P.S.F.	\$213,859.17
Adjusted Pool Value	\$ 10.83833
Reserve for Producer Settlement Fund	\$ 0.04833

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

\$10.79

Uniform Price per cwt. (Fulton County, Georgia)

\$19.39*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	October	November	September	October	October
Appalachian (Charlotte)	\$ 19.73	\$ 18.92	\$ 17.35	\$ 18.76	74.50%
Arizona (Phoenix)	\$ 18.68	\$ 17.87	\$ 15.85	\$ 16.22	25.79%
Central (Kansas City)	\$ 18.33	\$ 17.52	\$ 15.64	\$ 16.02	31.95%
Florida (Tampa)	\$ 21.73	\$ 20.92	\$ 19.23	\$ 20.87	84.23%
Mideast (Cleveland)	\$ 18.33	\$ 17.52	\$ 15.83	\$ 16.30	35.00%
Northeast (Boston)	\$ 19.58	\$ 18.77	\$ 16.71	\$ 17.19	34.90%
Pacific Northwest (Seattle)	\$ 18.23	\$ 17.42	\$ 15.44	\$ 15.77	21.91%
Southeast (Atlanta)	\$ 20.13	\$ 19.32	\$ 17.94	\$ 19.39	78.53%
Southwest (Dallas)	\$ 19.33	\$ 18.52	\$ 16.31	\$ 16.86	28.98%
Upper Midwest (Chicago)	\$ 18.13	\$ 17.32	\$ 16.02	\$ 15.75	9.30%

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

Receipts:		Oct. 2018	Oct. 2017
Producer Milk			
Class I		315,427,872	315,628,399
Class II		62,676,037	64,365,896
Class III		5,508,079	10,281,389
Class IV		18,086,167	33,969,973
Total Producer Milk		401,698,155	42,424,567
Average Butterfat Test		3.87%	3.76%
Percent of Producer Milk in Class I		78.53%	74.40%
Daily Average Receipts		12,958,005	13,685,344
Other Source Milk			
Class I		17,325,394	16,705,310
Class II		7,910,585	4,113,457
Class III		4,642	3,297
Class IV		6,992,201	6,108,444
Total Other Source Milk		32,232,822	26,930,508
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		20,217,545	19,283,045
Class II		2,102,510	975,827
Class III		0	132
Class IV		20,117,655	12,126,595
Total Opening Inventory		42,437,710	32,385,599
Total Receipts		476,368,687	483,561,764
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		21,072,634	23,163,195
Route Disposition Class I		310,295,401	318,250,920
Shrinkage		5,928,891	2,732,250
Transfers & Diversions to Nonpool		15,673,885	7,470,389
Total Class I Utilization		352,970,811	351,616,754
Average Butterfat Test		2.23%	2.11%
Daily Average Utilization		11,386,155	11,342,476
Class II Utilization			
Nonfluid Used To Produce		2,673,241	2,664,579
Shrinkage		1,815	0
Transfers & Diversions to Nonpool/Commercial Foods		40,843,296	54,299,877
Used To Produce/Other Uses		29,170,780	12,490,724
Total Class II Utilization		72,689,132	69,455,180
Average Butterfat Test		12.97%	9.27%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		5,512,721	10,284,818
Used To Produce/Other Uses		0	0
Total Class III Utilization		5,512,721	10,284,818
Average Butterfat Test		7.44%	4.93%
Class IV Utilization			
Inventory		18,834,818	16,507,218
Nonfluid Used To Fortify		2,916,944	1,148,214
Shrinkage		6,059,038	6,053,457
Transfers & Diversions to Nonpool		13,481,039	24,374,485
Used To Produce/Other Uses		3,904,184	4,121,638
Total Class IV Utilization		45,196,023	52,205,012
Average Butterfat Test		5.32%	7.28%
Total Utilization		476,368,687	483,561,764

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2018 is \$19.39 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.79 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5658 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 79.85% of all producer skim milk (priced to handlers at \$7.71 per hundredweight, plus the Class I differential, see page 2) and 45.63% of producer butterfat (priced to handlers at \$2.5393 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.44% of all producer skim milk (\$6.81 per hundredweight) and 44.45% of producer butterfat (\$2.5621 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.32% of all producer skim milk (\$6.83 per hundredweight) and 2.61% of producer butterfat (\$2.5551 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.39% of all producer skim milk (\$6.29 per hundredweight) and 7.31% of producer butterfat (\$2.5551 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
September 2018		
Whole Milk	126,459,009	36.34%
Fat Free Milk	20,403,342	5.87%
Low fat Milk (incl. 1%)	39,037,281	11.21%
Reduced Fat Milk (incl. 2%)	108,688,866	31.24%
Cultured Fluid Milk (incl. Buttermilk)	5,143,220	1.48%
Flavored Drinks and Milk	48,224,296	13.86%
Total Disposition in Marketing Area	347,956,014	100.0%
Total Disposition by Pool Plants	252,930,284	72.70%
Total Disposition by Nonpool Plants	95,025,730	27.30%
Total Disposition in Marketing Area	347,956,014	100.0%

Receipts of producer milk during October totaled 401.70 million pounds. There were 19 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2018. Class I route disposition in the area was 347.96 million pounds in September 2018.

USDA Dairy Forecast for 2019, cont.

(continued from page 1) With lower projected cheese prices, the Class III price forecast has been lowered to \$15.15-\$16.05 per cwt. The Class IV price forecast for the year is unchanged at \$14.35-\$15.35 per cwt. With the lower Class III price forecast, the all-milk price for 2019 is now forecast 15 cents lower at the midpoint of the range than the previous estimate, at \$16.70-\$17.60 per cwt.

Outlook for Feed Prices

The alfalfa hay price in September was \$180 per short ton, \$3 higher than August and \$31 higher than September of last year. The 2018/19 price forecast for corn is \$3.20-\$4.00 per bushel, 10 cents higher than last month's forecast at the midpoint. The 2018/19 soybean meal price forecast is unchanged from last month at \$290-\$330 per short ton. For more information, see the USDA Economic Research Service publication *Feed Price Outlook*.

FDA Extends Comment Period for Use of the Names of Dairy Foods in the Labeling of Plant-Based Products

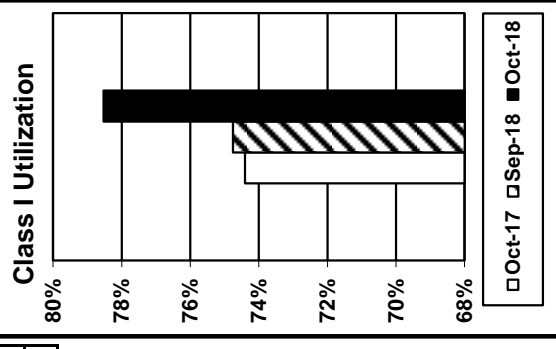
The Food and Drug Administration (FDA) is extending the comment period for the notice that appeared in the Federal Register of September 28, 2018. In the notice, FDA invited interested parties to provide information on specific topics related to the labeling of plant-based products with names that include the names of dairy foods such as "milk," "cultured milk," "yogurt," and "cheese." Submit electronic comments by January 28, 2019 by following the instructions found at <https://www.regulations.gov>.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Aug 2017	\$10.35	\$3.0099	\$20.52	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$6.29	\$3.0109	\$16.61	\$9.83	\$3.0111	\$20.02
Sep	\$10.13	\$3.0671	\$20.51	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$6.08	\$2.8559	\$15.86	\$9.63	\$2.9466	\$19.61
Oct	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55	\$2.5357	\$15.20	\$5.44	\$2.5287	\$14.10	\$5.48	\$2.5287	\$14.14	\$9.31	\$2.6108	\$18.12
Aug	\$9.26	\$2.5743	\$17.95	\$6.16	\$2.6079	\$15.07	\$6.06	\$2.6009	\$14.95	\$5.73	\$2.6009	\$14.63	\$8.77	\$2.5897	\$17.53
Sep	\$9.72	\$2.6498	\$18.65	\$6.43	\$2.5512	\$15.13	\$7.45	\$2.5442	\$16.09	\$6.12	\$2.5442	\$14.81	\$9.20	\$2.5903	\$17.94
Oct	\$11.51	\$2.5773	\$20.13	\$6.81	\$2.5621	\$15.54	\$6.83	\$2.5551	\$15.53	\$6.29	\$2.5551	\$15.01	\$10.79	\$2.5658	\$19.39
Nov	\$10.61	\$2.5958	\$19.32	\$6.96											

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 2017	427,360	1,902	330,006	77.22%	64,618	15.12%	18,284	4.28%	14,452	3.38%
Sep	408,376	1,824	312,637	76.55%	61,080	14.96%	11,500	2.82%	23,159	5.67%
Oct	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,687	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%
Jul	394,913	1,609	289,503	73.31%	66,380	16.81%	27,069	6.85%	11,961	3.03%
Aug	420,897	1,725	318,396	75.65%	67,641	16.07%	8,420	2.00%	26,439	6.28%
Sep	394,257	1,744	294,735	74.76%	61,588	15.62%	8,034	2.04%	29,900	7.58%
Oct	401,698	1,750**	315,428	78.53%	62,676	15.60%	5,508	1.37%	18,086	4.50%



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

Southeast Marketing Area - Federal Order 7

Upcoming 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	12/11/18	12/12/18	12/13/18	11/26/18	11/26/18	12/13/18	12/14/18
December	01/11/19	01/14/19	01/15/19	12/26/18	12/26/18	01/15/19	01/16/19
January'19	02/11/19	02/12/19	02/13/19	01/25/19	01/28/19	02/13/19	02/14/19

** The base rate for making partial payments in Fulton County, GA for November will be \$17.45 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.39 per hundredweight.

Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

WASDE Dairy Report 1/ WASDE – 583, November 8, 2018

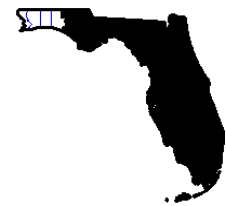
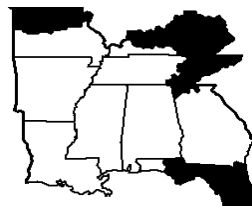
The milk production forecasts for 2018 and 2019 are reduced from the previous month on lower cow numbers; however, stronger growth in milk per cow is expected to partially offset smaller dairy cow numbers. The 2018 fat basis import forecast is unchanged from the previous month, but is reduced for 2019 on lower imports of milk protein concentrates. Fat basis export forecasts for 2018 and 2019 are unchanged from last month. The skim-solids basis import forecasts for 2018 and 2019 are reduced primarily on lower expected imports of milk protein concentrates and casein. The 2018 and 2019 skim-solids basis export forecasts are unchanged.

For 2018, the cheese and butter price forecasts are lowered from last month on recent price weakness, but the nonfat dry milk (NDM) price forecast is unchanged. The whey price forecast is raised from the previous month. For 2019, cheese and butter price forecasts are lowered from the previous month, but NDM and whey price forecasts are raised. The 2018 and 2019 Class III price forecasts are lowered from the last month on lower cheese prices. The 2018 and 2019 Class IV prices are reduced from last month on lower forecast butter prices. The 2018 all milk price forecast is lowered to \$16.20 to \$16.30 per cwt and the 2019 all milk price is forecast lower at \$16.70 to \$17.60 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

Shawn Boockoff, Acting Market Administrator

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December 2018



Southeast Marketing Area
Federal Order 7

Volume 19—No. 12

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

USDA Dairy Forecast for 2019

Excerpts from Livestock, Dairy, & Poultry Outlook, December 17, 2018, Economic Research Service, USDA:

Based on recent data and lower expected returns, the 2019 forecast for the milking herd has been lowered to 9.365 million head, 10,000 lower than last month's forecast. The milk per cow forecast has been lowered to 23,555 pounds per head, 10 pounds less than last month. Milk production for 2019 is projected at 220.6 billion pounds, 0.3 billion less than projected last month.

With higher expected butter imports, the forecast for 2019 imports on a milk-fat basis has been raised to 6.7 billion pounds, 0.5 billion higher than forecast last month. The forecast for imports on a skim-solids basis has been lowered to 5.2 billion pounds, down 0.1 from last month, due to lower expected imports of milk protein concentrate and various other products.

The 2019 forecast for exports on a milk-fat basis has been raised to 10.0 billion pounds, up 0.2 billion from last month's forecast, due to higher expected exports of butteroil and AMF. With lower expected lactose exports offsetting higher expected NDM/SMP exports, the forecast for exports on a skim-solids basis is unchanged.

Due to relatively weak growth of domestic use in recent months, 2019 forecasts of domestic use have been lowered to 216.3 billion pounds on a milk-fat basis (-1.0 billion) and 180.9 billion pounds on a skim-solids basis (-0.3 billion). The forecast for ending stocks on a milk-fat basis has been raised to 13.7 billion pounds (+1.1 billion), as relatively high stocks of cheese and butter are expected to persist in 2019. The 2019 forecast for ending stocks on a skim-solids basis has been lowered to 10.4 billion pounds (-0.1 billion), as lower expected stocks of NDM and whey products more than offset higher expected cheese stocks.

Due to recent low cheese prices and high stock levels, the 2019 cheese price forecast has been lowered from last month's forecast to \$1.495-\$1.575 per pound. The 2019 butter price forecast has been lowered at the midpoint of the range to \$2.200-\$2.310 per pound. The NDM price forecast is \$0.835-\$0.895 per pound, unchanged from last month at the midpoint of the range. With considerably lower expected cheese prices, some milk (continued on pg. 4)

Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.71 per hundredweight of milk at 3.5 percent butterfat for the month of November. The uniform price is \$0.68 per hundredweight lower than the previous month and is \$0.36 per hundredweight lower compared to November 2017.

Class I utilization was 78.39 percent in November, 0.14 percent lower than the previous month and 3.50 percent higher than November of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 17.91 billion pounds, 0.8 percent higher than October of last year and 0.3 percent lower compared with September 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.12 billion pounds, 3.0 percent above October 2017 and 2.7 percent above September 2018 on a daily average basis. Butter production was 144 million pounds, 0.3 percent below October 2017 but 3.6 percent above September 2018 on a daily average basis.

Nonfat dry milk powder production was 125.3 million pounds in October, 13.6 percent below last October and 11.4 percent above September 2018 on a daily average basis. Total dry whey production was 87.2 million pounds, 8.0 percent higher than October 2017 and 18.5 percent higher than September 2018 on a daily average basis. Whey protein concentrates production was 41.1 million pounds, 0.9 percent above October 2017 and 5.2 percent below September on a daily average basis.

October's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was 2.20.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - November 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	45.71%	7,412,869	\$2.5578	\$ 18,960,636.33
Class I Differential at Location				240,942.04
Class II Butterfat	41.73%	6,768,276	\$2.5455	17,228,646.59
Class III Butterfat	5.61%	909,550	\$2.5385	2,308,892.68
Class IV Butterfat	6.95%	1,126,914	\$2.5385	2,860,671.21
Total Butterfat	100.00%	16,217,609		\$ 41,599,788.85
Uniform Butterfat Price per lb. (Fulton County, Georgia):			\$2.5651	

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	79.74%	311,700,665	\$6.81 /cwt.	\$ 21,226,815.29
Class I Butterfat	45.71%	7,412,869	\$2.5578 /lb.	18,960,636.33
Class I Differential at Location		319,113,534		10,365,423.93
Total Class I Milk	78.39%	319,113,534		\$ 50,552,875.55
Class II Skim Milk	12.81%	50,075,094	\$6.96 /cwt.	\$ 3,485,226.53
Class II Butterfat	41.73%	6,768,276	\$2.5455 /lb.	17,228,646.59
Total Class II Milk	13.96%	56,843,370		\$ 20,713,873.12
Class III Skim Milk	3.90%	15,228,922	\$5.76 /cwt.	\$ 877,185.89
Class III Butterfat	5.61%	909,550	\$2.5385 /lb.	2,308,892.68
Total Class III Milk	3.96%	16,138,472		\$ 3,186,078.57
Class IV Skim Milk	3.55%	13,892,052	\$6.40 /cwt.	\$ 889,091.32
Class IV Butterfat	6.95%	1,126,914	\$2.5385 /lb.	2,860,671.21
Total Class IV Milk	3.69%	15,018,966		\$ 3,749,762.53
Producer Milk	100.00%	407,114,342		\$ 78,202,589.77

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$2,082.12)
Producer butterfat at uniform butterfat price	(\$41,599,788.85)
Location Adjustments to Producers	\$2,763,829.67
1/2 Unobligated Balance in P.S.F.	\$199,573.08
Adjusted Pool Value	\$ 10.12137
Reserve for Producer Settlement Fund	\$ 0.04137

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

\$10.08

Uniform Price per cwt. (Fulton County, Georgia)

\$18.71*

* 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 %
	November	December	October	November	November
Appalachian (Charlotte)	\$ 18.92	\$ 18.45	\$ 18.76	\$ 18.12	74.77%
Arizona (Phoenix)	\$ 17.87	\$ 17.40	\$ 16.22	\$ 15.69	26.12%
California (Woodland)	n/a	\$ 17.15	n/a	\$ 15.44	22.50%
Central (Kansas City)	\$ 17.52	\$ 17.05	\$ 16.02	\$ 15.22	29.73%
Florida (Tampa)	\$ 20.92	\$ 20.45	\$ 20.87	\$ 20.12	85.35%
Mideast (Cleveland)	\$ 17.52	\$ 17.05	\$ 16.30	\$ 15.68	37.30%
Northeast (Boston)	\$ 18.77	\$ 18.30	\$ 17.19	\$ 18.22	35.70%
Pacific Northwest (Seattle)	\$ 17.42	\$ 16.95	\$ 15.77	\$ 15.22	20.69%
Southeast (Atlanta)	\$ 19.32	\$ 18.85	\$ 19.39	\$ 18.71	78.39%
Southwest (Dallas)	\$ 18.52	\$ 18.05	\$ 16.86	\$ 16.07	29.99%
Upper Midwest (Chicago)	\$ 17.32	\$ 16.85	\$ 15.75	\$ 14.74	9.20%

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

Receipts:		Nov. 2018	Nov. 2017
Producer Milk			
Class I		319,113,534	316,742,337
Class II		56,843,370	66,678,955
Class III		16,138,472	10,918,406
Class IV		15,018,966	28,585,559
Total Producer Milk		407,114,342	422,925,257
Average Butterfat Test		3.98%	3.85%
Percent of Producer Milk in Class I		78.39%	74.89%
Daily Average Receipts		13,570,478	14,097,509
Other Source Milk			
Class I		10,517,264	11,624,290
Class II		11,790,043	3,273,575
Class III		447,884	0
Class IV		6,899,677	7,015,387
Total Other Source Milk		29,654,868	21,913,252
Overage			
Class I		0	0
Class II		0	5,763
Class III		0	0
Class IV		0	0
Total Overage		0	5,763
Opening Inventory			
Class I		21,195,155	23,305,122
Class II		5,311,115	1,365,085
Class III		5,717,920	0
Class IV		8,750,512	14,936,592
Total Opening Inventory		40,974,702	39,606,799
Total Receipts		477,743,912	484,451,071
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		25,814,524	23,033,674
Route Disposition Class I		305,366,535	317,023,073
Shrinkage		4,360,961	2,634,171
Transfers & Diversions to Nonpool		15,287,933	8,980,831
Total Class I Utilization		350,825,953	351,671,749
Average Butterfat Test		2.31%	2.18%
Daily Average Utilization		11,694,198	11,722,392
Class II Utilization			
Nonfluid Used To Produce		3,220,422	1,976,941
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		38,095,623	57,184,857
Used To Produce/Other Uses		32,628,483	12,161,580
Total Class II Utilization		73,944,528	71,323,378
Average Butterfat Test		14.09%	9.14%
Class III Utilization			
Shrinkage		6,256,916	0
Transfers & Diversions to Nonpool		12,532,205	10,918,406
Used To Produce/Other Uses		3,515,155	0
Total Class III Utilization		22,304,276	10,918,406
Average Butterfat Test		4.43%	4.99%
Class IV Utilization			
Inventory		10,258,164	15,148,540
Nonfluid Used To Fortify		3,275,879	2,124,178
Shrinkage		0	5,876,978
Transfers & Diversions to Nonpool		17,135,112	23,890,471
Used To Produce/Other Uses		0	3,497,371
Total Class IV Utilization		30,669,155	50,537,538
Average Butterfat Test		8.38%	8.51%
Total Utilization		477,743,912	484,451,071

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2018 is \$18.71 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.08 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5651 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 79.74% of all producer skim milk (priced to handlers at \$6.81 per hundredweight, plus the Class I differential, see page 2) and 45.71% of producer butterfat (priced to handlers at \$2.5578 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.81% of all producer skim milk (\$6.96 per hundredweight) and 41.73% of producer butterfat (\$2.5455 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.90% of all producer skim milk (\$5.76 per hundredweight) and 5.61% of producer butterfat (\$2.5385 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.55% of all producer skim milk (\$6.40 per hundredweight) and 6.95% of producer butterfat (\$2.5385 per pound).

Receipts of producer milk during November totaled 407.1 million pounds. There were 20 regulated pool distributing plants, 1 pool supply plant and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2018. Class I route disposition in the area was 374.4 million pounds in October 2018.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>October 2018</u>		
Whole Milk	136,750,415	36.52%
Fat Free Milk	21,356,323	5.70%
Low fat Milk (incl. 1%)	41,491,278	11.08%
Reduced Fat Milk (incl. 2%)	116,436,206	31.10%
Cultured Fluid Milk (incl. Buttermilk)	5,922,170	1.60%
Flavored Drinks and Milk	52,402,231	14.00%
Total Disposition in Marketing Area	374,358,623	100.0%
Total Disposition by Pool Plants	262,678,453	70.17%
Total Disposition by Nonpool Plants	111,680,170	29.83%
Total Disposition in Marketing Area	374,358,623	100.0%

USDA Dairy Forecast for 2019, cont.

(continued from page 1) will likely shift from cheese manufacturing to production of butter and NDM. With less expected cheese production, less whey solids will be produced. Due to relatively low stock levels and lower expected whey production, the dry whey price forecast has been raised to \$0.405-\$0.435 per pound.

With lower projected cheese prices more than offsetting higher expected dry whey prices, the 2019 Class III price forecast has been lowered to \$14.65-\$15.45 per cwt. The Class IV price forecast for the year is \$14.40-\$15.30 per cwt, unchanged from last month at the midpoint of the range. With the lower Class III price forecast, the all-milk price for 2019 is now forecast \$16.40-\$17.20 per cwt, a reduction from last month's forecast of \$16.70-\$17.60.

Outlook for Feed Prices

The alfalfa hay price in October was \$178 per short ton, \$2 lower than September but \$25 higher than October 2017. The 2018/19 price forecasts for corn and soybean meal are \$3.25-\$3.95 per pound and \$290-\$330 per short ton, respectively—both unchanged at the midpoints from last month's forecasts. For more information, see the USDA Economic Research Service publication *Feed Price Outlook*.

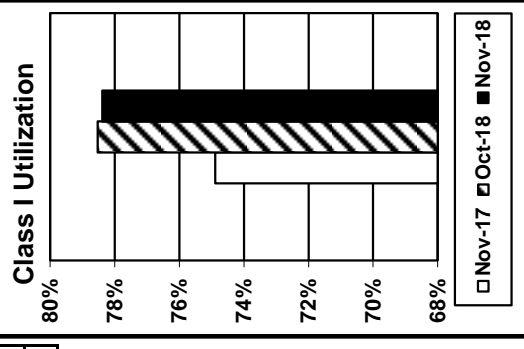
Source: Livestock, Dairy, and Poultry Outlook, LDP-M-294, December 17, 2018 USDA, Economic Research Service

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Oct 2017	\$10.47	\$2.8960	\$20.24	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$5.72	\$2.6646	\$14.85	\$9.80	\$2.7619	\$19.12
Nov	\$11.08	\$2.7184	\$20.21	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$5.23	\$2.5546	\$13.99	\$10.24	\$2.6246	\$19.07
Dec	\$12.10	\$2.5715	\$20.68	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$4.95	\$2.4951	\$13.51	\$10.57	\$2.5269	\$19.04
Jan 2018	\$10.78	\$2.5255	\$19.24	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$4.71	\$2.4531	\$13.13	\$9.65	\$2.4823	\$18.00
Feb	\$9.51	\$2.5356	\$18.05	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$4.82	\$2.3490	\$12.87	\$8.40	\$2.4196	\$16.57
Mar	\$9.18	\$2.3714	\$17.16	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$4.71	\$2.4273	\$13.04	\$8.16	\$2.4081	\$16.30
Apr	\$9.62	\$2.4631	\$17.90	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$4.86	\$2.5113	\$13.48	\$8.45	\$2.4944	\$16.88
May	\$9.78	\$2.5157	\$18.24	\$5.45	\$2.6309	\$14.47	\$6.21	\$2.6239	\$15.18	\$5.58	\$2.6239	\$14.57	\$8.73	\$2.5813	\$17.46
Jun	\$10.15	\$2.6454	\$19.05	\$6.33	\$2.6762	\$15.48	\$6.08	\$2.6692	\$15.21	\$5.77	\$2.6692	\$14.91	\$9.13	\$2.6597	\$18.12
Jul	\$10.05	\$2.7021	\$19.16	\$6.55	\$2.5357	\$15.20	\$5.44	\$2.5287	\$14.10	\$5.48	\$2.5287	\$14.14	\$9.31	\$2.6108	\$18.12
Aug	\$9.26	\$2.5743	\$17.95	\$6.16	\$2.6079	\$15.07	\$6.06	\$2.6009	\$14.95	\$5.73	\$2.6009	\$14.63	\$8.77	\$2.5897	\$17.53
Sep	\$9.72	\$2.6498	\$18.65	\$6.43	\$2.5512	\$15.13	\$7.45	\$2.5442	\$16.09	\$6.12	\$2.5442	\$14.81	\$9.20	\$2.5903	\$17.94
Oct	\$11.51	\$2.5773	\$20.13	\$6.81	\$2.5621	\$15.54	\$6.83	\$2.5551	\$15.53	\$6.29	\$2.5551	\$15.01	\$10.79	\$2.5658	\$19.39
Nov	\$10.61	\$2.5958	\$19.32	\$6.96	\$2.5455	\$15.63	\$5.76	\$2.5385	\$14.44	\$6.40	\$2.5385	\$15.06	\$10.08	\$2.5651	\$18.71
Dec	\$10.22	\$2.5666	\$18.85	\$7.12											

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.	%
Oct 2017	424,246	1,840	315,628	74.40%	64,366	15.17%	10,281	2.42%	33,970	8.01%
Nov	422,925	1,808	316,742	74.89%	66,679	15.77%	10,918	2.58%	28,586	6.76%
Dec	452,716	1,830	318,219	70.29%	66,442	14.68%	23,050	5.09%	45,006	9.94%
Jan 2018	476,314	1,922	345,495	72.54%	70,352	14.77%	20,218	4.24%	40,249	8.45%
Feb	429,423	1,683	292,267	68.06%	63,177	14.71%	40,181	9.36%	33,798	7.87%
Mar	500,008	1,693	323,728	64.74%	83,253	16.65%	43,478	8.70%	49,549	9.91%
Apr	481,785	1,738	313,271	65.02%	74,794	15.52%	37,899	7.87%	55,822	11.59%
May	456,835	1,670	309,464	67.75%	77,488	16.96%	36,649	8.02%	33,234	7.27%
Jun	419,965	1,687	284,843	67.83%	72,373	17.23%	31,298	7.45%	31,451	7.49%
Jul	394,913	1,609	289,503	73.31%	66,380	16.81%	27,069	6.85%	11,961	3.03%
Aug	420,897	1,725	318,396	75.65%	67,641	16.07%	8,420	2.00%	26,439	6.28%
Sep	394,257	1,744	294,735	74.76%	61,588	15.62%	8,034	2.04%	29,900	7.58%
Oct	401,698	1,695	315,428	78.53%	62,676	15.60%	5,508	1.37%	18,086	4.50%
Nov	407,114	1,700**	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%



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

Southeast Marketing Area - Federal Order 7

Upcoming 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	01/11/19	01/14/19	01/15/19	12/26/18	12/26/18	01/15/19	01/16/19
January'19	02/11/19	02/12/19	02/13/19	01/25/19	01/28/19	02/13/19	02/14/19
February	03/11/19	03/12/19	03/13/19	02/25/19	02/26/19	03/13/19	03/14/19

** The base rate for making partial payments in Fulton County, GA for December will be \$16.84 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.71 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 – 584, December 11, 2018

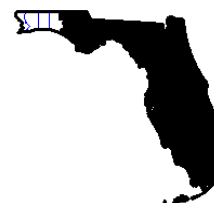
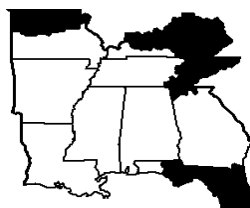
The 2018 and 2019 milk production forecasts are lowered from the previous month on slower growth in milk per cow and lower cow numbers. Relatively weak returns are expected to result in a smaller 2019 cow herd. Fat basis import forecasts are raised for 2018 and 2019, primarily as strong domestic demand supports higher imports of butter. Fat basis export forecasts are raised for both 2018 and 2019 on higher sales of butteroil and anhydrous milk fat (AMF). On a skim-solids basis, the 2018 export forecast is raised on higher expected sales of skim milk/nonfat dry milk powder (SMP/NDM), but the 2019 export forecast is unchanged as higher SMP/NDM sales are largely offset by weaker exports of lactose.

The price forecast for cheese is lowered for 2018 on current price weakness and continued high stock levels, but the forecasts for butter, NDM, and whey are unchanged. For 2019, cheese and butter price forecasts are reduced while the NDM price forecast is unchanged. The 2019 whey price forecast is raised from last month as stocks remain relatively low. The 2018 and 2019 Class III price forecasts are lowered from last month on lower cheese prices. The 2018 and 2019 Class IV prices are unchanged at the midpoint of the range. The all milk price is forecast lower at \$16.15 to \$16.25 per cwt for 2018 and \$16.40 to \$17.20 per cwt for 2019. 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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