

# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

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January 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 1

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

## USDA Highlights Benefits of Improved Dairy Safety Net Tool

WASHINGTON, Dec. 17, 2018 — More than 21,400 dairy producers opted for coverage through the Margin Protection Program for Dairy (MPP-Dairy) in 2018, up by more than 2,000 producers from the previous year. This U.S. Department of Agriculture (USDA) program was significantly updated in February by the Bipartisan Budget Act of 2018, and Agriculture Secretary Sonny Perdue said those changes attracted more producers to enroll in the safety net program or to increase their coverage.

“Dairy producers have long been battling low prices, high input costs, and a surplus in the global market. Unfortunately, the 2014 Farm Bill did not provide a sufficient safety net to dairy producers and so it was timely that Congress opted to provide additional support through the Margin Protection Program last February,” Secretary Perdue said. “We are pleased to announce that roughly half of our nation’s dairy producers enrolled for coverage under this reworked Program, providing additional capital to keep some of these folks afloat. We understand that this is not a total fix nor long-term solution for dairy producers, but we are glad that the Farm Service Agency was able to spring into action to get these critical payments out the door just a few months after the legislative changes were enacted. USDA is looking forward to prioritizing the implementation of the Dairy Margin Coverage Program, the new longer-term, more comprehensive dairy safety net program, following the passage of the 2018 Farm Bill.”

MPP-Dairy, administered by USDA’s Farm Service Agency, protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Many producers received their first MPP-Dairy payments in February 2018, and most producers who have chosen premium coverage levels of \$7, \$7.50, or \$8 have seen a payment for every (continued on pg. 4)

## Uniform Price Falls

The uniform price in Fulton County, GA, was \$18.00 per hundredweight of milk at 3.5 percent butterfat for the month of December 2018. The uniform price is \$0.71 per hundredweight lower than the previous month and is \$1.04 per hundredweight lower compared to December 2017.

Class I utilization was 70.02 percent in December 2018. This represents an 8.37 percent decline from the previous month and is 0.27 percent less than December of last year.

## USDA Notes that NASS and OCE-WAOB Reports are Suspended

Washington, D.C., January 4, 2019 – Due to a lapse in federal funding, work on National Agricultural Statistics Service (NASS) and Office of the Chief Economist – World Agricultural Outlook Board (OCE-WAOB) reports have been suspended since December 22, 2018 and remain suspended.

Given the lead time required for the analysis and compilation of Crop Production, Crop Production-Annual, World Agricultural Supply and Demand Estimates (WASDE), Grain Stocks, Rice Stocks, Winter Wheat and Canola Seedings, and Cotton Ginnings reports, those reports will not be released on January 11, 2019 as originally scheduled even if funding is restored before that date.

The date of all NASS and OCE-WAOB releases will be determined and made public once funding has been restored. (Release No. 0001.19)

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

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.33%	7,145,662	\$2.5286	\$ 18,068,520.94
Class I Differential at Location				232,391.32
Class II Butterfat	33.05%	5,579,234	\$2.5150	14,031,773.59
Class III Butterfat	8.54%	1,441,300	\$2.5080	3,614,780.39
Class IV Butterfat	16.08%	2,714,718	\$2.5080	6,808,512.74
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,880,914</b>		<b>\$ 42,755,978.98</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5328**

### 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	71.15%	291,173,915	\$6.42 /cwt.	\$ 18,693,365.35
Class I Butterfat	42.33%	7,145,662	\$2.5286 /lb.	18,068,520.94
Class I Differential at Location		298,319,577		9,703,007.12
<b>Total Class I Milk</b>	<b>70.02%</b>	<b>298,319,577</b>		<b>\$ 46,464,893.41</b>
Class II Skim Milk	10.97%	44,887,732	\$7.12 /cwt.	\$ 3,196,006.50
Class II Butterfat	33.05%	5,579,234	\$2.5150 /lb.	14,031,773.59
<b>Total Class II Milk</b>	<b>11.84%</b>	<b>50,466,966</b>		<b>\$ 17,227,780.09</b>
Class III Skim Milk	8.29%	33,931,431	\$5.18 /cwt.	\$ 1,757,648.14
Class III Butterfat	8.54%	1,441,300	\$2.5080 /lb.	3,614,780.39
<b>Total Class III Milk</b>	<b>8.30%</b>	<b>35,372,731</b>		<b>\$ 5,372,428.53</b>
Class IV Skim Milk	9.59%	39,226,251	\$6.54 /cwt.	\$ 2,565,396.82
Class IV Butterfat	16.08%	2,714,718	\$2.5080 /lb.	6,808,512.74
<b>Total Class IV Milk</b>	<b>9.84%</b>	<b>41,940,969</b>		<b>\$ 9,373,909.56</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>426,100,243</b>		<b>\$ 78,439,011.59</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$11,231.16)
Producer butterfat at uniform butterfat price	(\$42,755,978.98)
Location Adjustments to Producers	\$3,082,169.21
1/2 Unobligated Balance in P.S.F.	\$180,739.67
<b>Adjusted Pool Value</b>	<b>\$ 9.51439</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04439</b>
	<b>\$38,934,710.33</b>
	<b>\$181,639.86</b>

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

**\$9.47**

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 %
	December	January	November	December	December
Appalachian (Charlotte)	\$ 18.45	\$ 18.52	\$ 18.12	\$ 17.45	66.57%
Arizona (Phoenix)	\$ 17.40	\$ 17.47	\$ 15.69	\$ 15.30	23.64%
California (Woodland)	\$ 17.15	\$ 17.22	\$ 15.44	\$ 14.91	22.60%
Central (Kansas City)	\$ 17.05	\$ 17.12	\$ 15.22	\$ 14.74	29.28%
Florida (Tampa)	\$ 20.45	\$ 20.52	\$ 20.12	\$ 19.47	81.31%
Midwest (Cleveland)	\$ 17.05	\$ 17.12	\$ 15.68	\$ 15.25	35.40%
Northeast (Boston)	\$ 18.30	\$ 18.37	\$ 16.62	\$ 16.27	34.00%
Pacific Northwest (Seattle)	\$ 16.95	\$ 17.02	\$ 15.22	\$ 14.96	20.99%
<b>Southeast (Atlanta)</b>	<b>\$ 18.85</b>	<b>\$ 18.92</b>	<b>\$ 18.71</b>	<b>\$ 18.00</b>	<b>70.02%</b>
Southwest (Dallas)	\$ 18.05	\$ 18.12	\$ 16.07	\$ 15.53	29.02%
Upper Midwest (Chicago)	\$ 16.85	\$ 16.92	\$ 14.74	\$ 14.11	7.90%

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

<b>Receipts:</b>		<b>Dec. 2018</b>	<b>Dec. 2017</b>
<b>Producer Milk</b>			
Class I		29,831,957	318,218,942
Class II		50,466,966	66,441,522
Class III		35,372,731	23,049,907
Class IV		41,940,969	45,005,908
Total Producer Milk		<b>426,100,243</b>	<b>452,716,279</b>
Average Butterfat Test		3.96%	3.86%
Percent of Producer Milk in Class I		70.02%	70.29%
Daily Average Receipts		13,745,169	14,603,751
<b>Other Source Milk</b>			
Class I		9,033,833	6,090,993
Class II		9,705,305	3,584,230
Class III		408,219	0
Class IV		7,658,671	9,410,377
Total Other Source Milk		<b>26,806,027</b>	<b>19,085,600</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		<b>0</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		25,685,424	23,033,674
Class II		1,368,116	413,386
Class III		1,070,238	0
Class IV		7,326,285	14,735,154
Total Opening Inventory		<b>35,450,063</b>	<b>38,182,214</b>
<b>Total Receipts</b>		<b>488,356,333</b>	<b>509,984,093</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		20,517,865	17,973,429
Route Disposition Class I		292,178,720	317,686,515
Shrinkage		5,059,967	3,162,862
Transfers & Diversions to Nonpool		15,282,282	8,520,803
Total Class I Utilization		<b>333,038,834</b>	<b>347,343,609</b>
Average Butterfat Test		2.38%	2.26%
Daily Average Utilization		10,743,188	11,204,633
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,712,221	2,143,375
Shrinkage		87	0
Transfers & Diversions to Nonpool/Commercial Foods		27,801,552	55,829,925
Used To Produce/Other Uses		31,026,526	12,465,838
Total Class II Utilization		<b>61,540,386</b>	<b>70,439,138</b>
Average Butterfat Test		14.43%	9.09%
<b>Class III Utilization</b>			
Shrinkage		5,955,032	0
Transfers & Diversions to Nonpool		27,082,736	23,049,907
Used To Produce/Other Uses		3,813,420	0
Total Class III Utilization		<b>36,851,188</b>	<b>23,049,907</b>
Average Butterfat Test		4.65%	4.01%
<b>Class IV Utilization</b>			
Inventory		19,779,705	19,775,913
Nonfluid Used To Fortify		2,216,100	1,858,293
Shrinkage		0	5,564,362
Transfers & Diversions to Nonpool		34,642,454	38,283,193
Used To Produce/Other Uses		0	3,669,678
Total Class IV Utilization		<b>56,925,925</b>	<b>69,151,439</b>
Average Butterfat Test		7.68%	9.07%
<b>Total Utilization</b>		<b>488,356,333</b>	<b>509,984,093</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 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 \$9.47 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5328 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 71.15% of all producer skim milk (priced to handlers at \$6.42 per hundredweight, plus the Class I differential, see page 2) and 42.33% of producer butterfat (priced to handlers at \$2.5286 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.97% of all producer skim milk (\$7.12 per hundredweight) and 33.05% of producer butterfat (\$2.5150 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.29% of all producer skim milk (\$5.18 per hundredweight) and 8.54% of producer butterfat (\$2.5080 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.59% of all producer skim milk (\$6.54 per hundredweight) and 16.08% of producer butterfat (\$2.5080 per pound).

Receipts of producer milk during December totaled 426.1 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 December 2018. Class I route disposition in the area was 371.7 million pounds in November 2018.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>November 2018</b>		
Whole Milk	139,773,285	37.60%
Fat Free Milk	20,953,727	5.63%
Low fat Milk (incl. 1%)	37,605,787	10.11%
Reduced Fat Milk (incl. 2%)	117,814,286	31.70%
Cultured Fluid Milk (incl. Buttermilk)	7,271,178	1.96%
Flavored Drinks and Milk	48,332,391	14.00%
<b>Total Disposition in Marketing Area</b>	<b>371,750,664</b>	<b>100.0%</b>
Total Disposition by Pool Plants	258,332,190	69.49%
Total Disposition by Nonpool Plants	113,418,474	30.51%
<b>Total Disposition in Marketing Area</b>	<b>371,750,664</b>	<b>100.0%</b>

## USDA Highlights Benefits of Improved Dairy Safety Net Tool, cont.

(continued. from page 1) month since February. For these seven months, over \$253 million in payments have been made to dairy operators.

The Bipartisan Budget Act made several changes, including:

- Providing monthly payments instead of bi-monthly;
- Permitting of dairy operations that had not participated before to enroll in the program;
- Covering 5 million pounds of production (instead of 4 million) on the Tier 1 premium schedule;
- Significantly reducing premiums per hundredweight under the Tier 1 premium schedule; and
- Exempting limited resource, beginning, veteran, and disadvantaged dairy operators from paying the annual administrative fee.

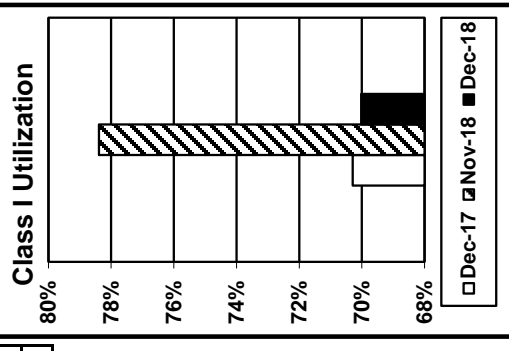
While enrollment for MPP-Dairy has closed, USDA encourages dairy producers to consider other programs, including the Dairy Revenue Protection Program, Livestock Gross Margin Insurance for Dairy Cattle, Environmental Quality Incentives Program, and Conservation Stewardship Program. (Release No. 0274.18)

**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	\$2.5175	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.60	\$2.5342	\$19.10	\$7.50											

**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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,700**	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%



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

## Southeast Marketing Area - Federal Order 7

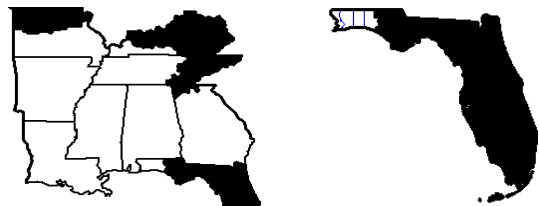
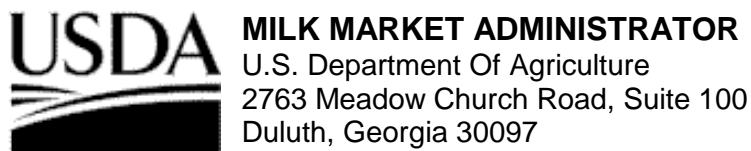
Upcoming Pool and Payment Dates							
Pool Month	Pool & Uniform Price Release Date	MA Payment Dates		Payments for Producer Milk			
		Due to:	Due From:	Partial Payment** Due		Final Payment Due	
		All Funds	P/S & T-Credit	Coop	Nonmember	Coop	Nonmember
January'19	02/11/19	02/12/19	02/13/19	01/25/19	01/28/19	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
March	04/11/19	04/12/19	04/15/19	03/25/19	03/26/19	04/15/19	04/16/19

\*\* The base rate for making partial payments in Fulton County, GA for January 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

Washington, D.C., January 4, 2019 – Due to a lapse in federal funding, work on National Agricultural Statistics Service (NASS) and Office of the Chief Economist – World Agricultural Outlook Board (OCE-WAOB) reports have been suspended since December 22, 2018 and remain suspended. (Release No. 0001.19)



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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator



www.fmmatlanta.com

February 2019

Volume 20—No. 2

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

## USDA Dairy Forecast for 2019

*Excerpts from Livestock, Dairy, & Poultry Outlook, February 2019, Economic Research Service, USDA:*

Following a decline in the number of milk cows in November and relatively high slaughter rates during December, the forecast for the size of the milking herd has been lowered 5 thousand head for the first half of 2019; however, the rounded estimate for the year remains at 9.365 million head. Based on relatively weak yield growth continuing in November, the 2019 milk per cow forecast has been lowered 50 pounds to 23,505. These changes result in a milk production forecast of 220.1 billion pounds for 2019, 0.5 billion pounds lower than the previous forecast.

The outlook for feed prices has changed only slightly since the December forecasts. The corn price forecast for 2018/19 is \$3.35-\$3.85 per bushel, unchanged at the midpoint of the range. The 2018/19 soybean meal price forecast has been raised to \$295-\$335 per short ton, \$5 higher at the midpoint of the range. The alfalfa hay price for November was \$175 per short ton, \$3 higher than October and \$25 higher than November 2017. For more information, see the ERS Feed Price Outlook publication.

On a milk-fat basis, the export forecast for 2019 has been raised 0.3 billion pounds to 10.3 billion, as cheese exports should be stronger than previously forecast and butter exports should find more support from rising EU and Oceania prices. The import forecast for the year has been lowered 0.1 billion pounds to 6.6 billion. The forecast for ending stocks has been lowered to 13.3 billion pounds, as stocks should draw down during the year from a lower forecast base. Domestic use is forecast 0.8 billion pounds lower than previously forecast, at 215.5 billion pounds.

Product price forecasts have mostly been raised for 2019. The exception is the cheddar cheese price, which is forecast slightly lower at \$1.480-\$1.550 per pound, based on recent weakness in prices. The dry whey price forecast has been raised to \$0.435-\$0.465 per pound for the year, also based on recent price data. The butter price is (continued on pg. 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$18.27 per hundredweight of milk at 3.5 percent butterfat for the month of January 2019. The uniform price is \$0.27 per hundredweight higher than the previous month and is \$0.27 per hundredweight higher compared to January 2018.

Class I utilization was 75.94 percent in January. This represents an 5.92 percent increase from the previous month and is 3.40 percent higher than January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 18.16 billion pounds, 0.5 percent higher than December of last year and 1.3 percent higher compared with November 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.08 billion pounds November, 1.0 percent above November 2017 but 7.4 percent below October 2018 on a daily average basis. Butter production was 146 million pounds last November, 2.7 percent below November 2017 and 1.8 percent below October 2018 on a daily average basis.

Nonfat dry milk powder production was 130.5 million pounds in November, 7.7 percent below last November and 4.3 percent above October 2018 on a daily average basis. Total dry whey production was 74.7 million pounds, 8.6 percent lower than November 2017 and 16.9 percent lower than October 2018 on a daily average basis. Whey protein concentrates production was 39.9 million pounds, 2.9 percent less than November 2017 and 8.2 percent below October 2018 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 2.18.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - January 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.06%	7,374,419	\$2.5217	\$ 18,596,072.42
Class I Differential at Location				239,688.52
Class II Butterfat	37.80%	6,475,187	\$2.5051	16,220,990.93
Class III Butterfat	5.67%	971,382	\$2.4981	2,426,609.38
Class IV Butterfat	13.47%	2,307,786	\$2.4981	5,765,080.22
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,128,774</b>		<b>\$ 43,248,441.47</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5249**

### 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	77.26%	326,346,800	\$6.52 /cwt.	\$ 21,277,811.36
Class I Butterfat	43.06%	7,374,419	\$2.5217 /lb.	18,596,072.42
Class I Differential at Location		333,721,219		10,894,488.17
<b>Total Class I Milk</b>	<b>75.94%</b>	<b>333,721,219</b>		<b>\$ 50,768,371.95</b>
Class II Skim Milk	14.12%	59,639,834	\$7.22 /cwt.	\$ 4,305,995.99
Class II Butterfat	37.80%	6,475,187	\$2.5051 /lb.	16,220,990.93
<b>Total Class II Milk</b>	<b>15.04%</b>	<b>66,115,021</b>		<b>\$ 20,526,986.92</b>
Class III Skim Milk	4.76%	20,086,970	\$5.41 /cwt.	\$ 1,086,705.09
Class III Butterfat	5.67%	971,382	\$2.4981 /lb.	2,426,609.38
<b>Total Class III Milk</b>	<b>4.79%</b>	<b>21,058,352</b>		<b>\$ 3,513,314.47</b>
Class IV Skim Milk	3.86%	16,290,703	\$6.98 /cwt.	\$ 1,137,091.08
Class IV Butterfat	13.47%	2,307,786	\$2.4981 /lb.	5,765,080.22
<b>Total Class IV Milk</b>	<b>4.23%</b>	<b>18,598,489</b>		<b>\$ 6,902,171.30</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>439,493,081</b>		<b>\$ 81,710,844.64</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$14,315.60)
Producer butterfat at uniform butterfat price	(\$43,248,441.47)
Location Adjustments to Producers	\$2,789,301.26
1/2 Unobligated Balance in P.S.F.	\$197,065.79
<b>Adjusted Pool Value</b>	<b>\$ 9.81012</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04012</b>

Uniform Skim Milk Price per cwt. (Fulton County, Georgia): **\$9.77**

Uniform Price per cwt. (Fulton County, Georgia) **\$18.27\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	January	February	December	January	January
Appalachian (Charlotte)	\$ 18.52	\$ 18.70	\$ 17.45	\$ 17.82	75.83%
Arizona (Phoenix)	\$ 17.47	\$ 17.65	\$ 15.30	\$ 15.60	24.61%
California (Woodland)	\$ 17.22	\$ 17.40	\$ 14.91	\$ 15.09	24.00%
Central (Kansas City)	\$ 17.12	\$ 17.30	\$ 14.74	\$ 14.93	29.28%
Florida (Tampa)	\$ 20.52	\$ 20.70	\$ 19.47	\$ 19.78	85.95%
Midwest (Cleveland)	\$ 17.12	\$ 17.30	\$ 15.25	\$ 15.46	37.70%
Northeast (Boston)	\$ 18.37	\$ 18.55	\$ 16.27	\$ 16.42	32.70%
Pacific Northwest (Seattle)	\$ 17.02	\$ 17.20	\$ 14.96	\$ 15.15	20.42%
<b>Southeast (Atlanta)</b>	<b>\$ 18.92</b>	<b>\$ 19.10</b>	<b>\$ 18.00</b>	<b>\$ 18.27</b>	<b>75.94%</b>
Southwest (Dallas)	\$ 18.12	\$ 18.30	\$ 15.53	\$ 15.72	32.65%
Upper Midwest (Chicago)	\$ 16.92	\$ 17.10	\$ 14.11	\$ 14.27	7.90%



# SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

## STATISTICAL SUMMARY

Receipts:		Jan. 2019	Jan. 2018
<b>Producer Milk</b>			
Class I		333,721,219	345,494,526
Class II		66,115,021	70,352,387
Class III		21,058,352	20,217,968
Class IV		18,598,489	40,249,094
Total Producer Milk		<b>439,493,081</b>	<b>476,313,975</b>
Average Butterfat Test		3.89%	3.91%
Percent of Producer Milk in Class I		75.94%	72.54%
Daily Average Receipts		14,177,196	15,364,967
<b>Other Source Milk</b>			
Class I		6,114,692	8,832,406
Class II		7,592,392	4,523,930
Class III		356,521	620,991
Class IV		9,154,790	10,459,760
Total Other Source Milk		<b>23,218,395</b>	<b>24,437,087</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	220,405
Class IV		0	0
Total Overage		<b>0</b>	<b>220,405</b>
<b>Opening Inventory</b>			
Class I		20,512,687	17,968,723
Class II		2,575,160	1,349,584
Class III		2,588,100	2,167,407
Class IV		14,616,445	18,515,744
Total Opening Inventory		<b>40,292,392</b>	<b>40,001,458</b>
<b>Total Receipts</b>		<b>503,003,868</b>	<b>540,972,925</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		21,796,448	20,574,587
Route Disposition Class I		317,843,840	336,978,668
Shrinkage		5,105,068	2,953,461
Transfers & Diversions to Nonpool		15,603,242	11,788,939
Total Class I Utilization		<b>360,348,598</b>	<b>372,295,655</b>
Average Butterfat Test		2.19%	2.12%
Daily Average Utilization		11,624,148	12,009,537
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,757,330	2,034,123
Shrinkage		388	11,102
Transfers & Diversions to Nonpool/Commercial Foods		42,114,928	59,466,795
Used To Produce/Other Uses		31,409,927	14,713,881
Total Class II Utilization		<b>76,282,573</b>	<b>76,225,901</b>
Average Butterfat Test		12.11%	9.58%
<b>Class III Utilization</b>			
Shrinkage		5,605,367	0
Transfers & Diversions to Nonpool		14,392,772	23,225,771
Used To Produce/Other Uses		4,004,834	0
Total Class III Utilization		<b>24,002,973</b>	<b>23,226,771</b>
Average Butterfat Test		4.22%	2.96%
<b>Class IV Utilization</b>			
Inventory		15,677,800	20,522,734
Nonfluid Used To Fortify		1,120,728	688,087
Shrinkage		576,408	6,009,971
Transfers & Diversions to Nonpool		24,994,788	37,585,029
Used To Produce/Other Uses		0	4,418,777
Total Class IV Utilization		<b>42,369,724</b>	<b>69,224,598</b>
Average Butterfat Test		13.99%	10.72%
<b>Total Utilization</b>		<b>503,003,868</b>	<b>540,972,925</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2019 is \$18.27 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.77 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5249 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 77.26% of all producer skim milk (priced to handlers at \$6.52 per hundredweight, plus the Class I differential, see page 2) and 43.06% of producer butterfat (priced to handlers at \$2.5217 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.12% of all producer skim milk (\$7.22 per hundredweight) and 37.80% of producer butterfat (\$2.5051 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.76% of all producer skim milk (\$5.41 per hundredweight) and 5.67% of producer butterfat (\$2.4981 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.86% of all producer skim milk (\$6.98 per hundredweight) and 13.47% of producer butterfat (\$2.4981 per pound).

Receipts of producer milk during January totaled 439.5 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 January 2019. Class I route disposition in the area was 361.2 million pounds in December 2018.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>December 2018</b>		
Whole Milk	139,164,643	38.52%
Fat Free Milk	20,617,110	5.71%
Low fat Milk (incl. 1%)	34,517,061	9.56%
Reduced Fat Milk (incl. 2%)	117,176,385	32.44%
Cultured Fluid Milk (incl. Buttermilk)	6,534,298	1.81%
Flavored Drinks and Milk	43,205,999	11.96%
<b>Total Disposition in Marketing Area</b>	<b>361,215,496</b>	<b>100.0%</b>
Total Disposition by Pool Plants	248,854,378	68.90%
Total Disposition by Nonpool Plants	112,361,118	31.10%
<b>Total Disposition in Marketing Area</b>	<b>361,215,496</b>	<b>100.0%</b>

## USDA Dairy Forecast for 2019, cont., cont.

(continued. from page 1) forecast slightly higher than previously at \$2.230-\$2.330 per pound for the year, due to expected strength in exports of butter and butterfat products. NDM prices have increased lately and should continue to find support from export growth in 2019; as a result, the NDM price forecast for the year has been raised 12 cents at the midpoint of the range to \$0.955-\$1.015 per pound.

The Class III price forecast for 2019 is \$14.70-\$15.40 per cwt, unchanged from the midpoint from the December forecast, as the lower cheese price is expected to be offset by the higher whey price. With higher prices for butter and NDM in 2019, the Class IV price forecast for the year has been raised to \$15.55-\$16.35 per cwt. The all-milk price forecast for 2019 is \$16.90-\$17.60 per cwt, an increase of 45 cents from the last forecast at the midpoint of the range.

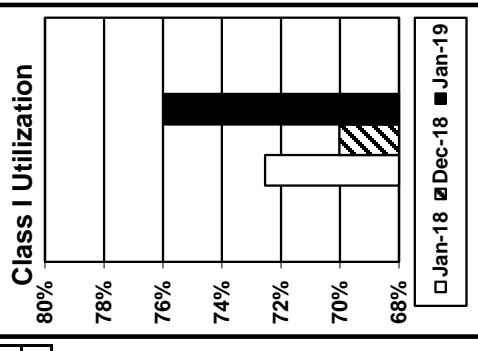
Note: Usually, in February most dairy-related data are available for the entire previous year. However, due to the recent Government shutdown, most dairy-related data reported by USDA National Agricultural Statistics (NASS) and trade data reported by the U.S. Census Bureau have been updated through November but are not yet available for December. Since USDA Agricultural Marketing Service (AMS) continued to provide data during the shutdown period, AMS data referenced in this publication are up to date.

# 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 2018	\$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	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50											

# 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	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	1,744	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,650**	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%



\* 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
February	03/11/19	03/12/19	03/13/19	02/25/19	02/26/19	03/13/19	03/14/19
March	04/11/19	04/12/19	04/15/19	03/25/19	03/26/19	04/15/19	04/16/19
April	05/11/19	05/13/19	05/14/19	04/25/19	04/26/19	05/14/19	05/15/19

\*\* The base rate for making partial payments in Fulton County, GA for February will be \$16.44 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.27 per hundredweight.

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

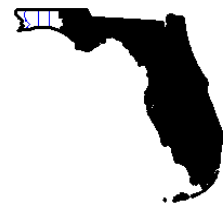
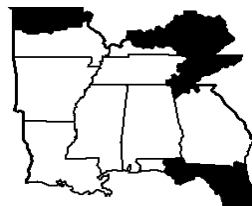
### WASDE Dairy Report 1/ WASDE – 585, February 8, 2019

Milk production for 2018 is lowered on available data through December. The milk production forecast for 2019 is reduced on lower expected first-half dairy cow numbers and continued slow growth in milk per cow. The 2018 and 2019 fat basis import forecasts are reduced from December on recent trade data and lower expected cheese and butterfat imports. The fat basis exports are unchanged for 2018 but the forecast is raised for 2019 primarily on strong expected demand for butter and butterfat products. On a skim-solids basis, the 2018 imports are raised on current trade data while the 2019 import forecast is unchanged. Skim-solids basis exports for 2018 are lowered, but the 2019 export forecast is raised from December on anticipated strong demand for nonfat dry milk (NDM). Dairy product prices for 2018 are adjusted to reflect available December price data. For 2019, the cheese price forecast is lowered while butter, NDM, and whey price forecasts are raised from December. The Class III price for 2019 is unchanged from December while the Class IV price is raised on higher butter and NDM prices. The 2019 all milk price forecast is raised to \$16.90 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](http://www.usda.gov/oce/commodity/wasde/index.htm).



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

March 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 3

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

## USDA Dairy Forecast for 2019

*Excerpts from Livestock, Dairy, & Poultry Outlook, March 2019, Economic Research Service, USDA:*

December cow numbers came in slightly below expected levels; in addition, dairy cow slaughter rates have continued to top those of the prior year. Therefore, the forecast for size of the milking herd has been lowered 15 thousand head to 9.350 million for the year. The milk per cow forecast for the year is unchanged at 23,505 pounds. The milk production forecast for 2019 is now 219.7 billion pounds, 0.4 billion lower than previously forecast.

Only small changes have been made to feed price forecasts. The 2018/19 price forecast for corn is \$3.35-\$3.75 per pound, 5 cents lower at the midpoint of the range than last month's forecast, while the 2018/19 price forecast for soybean meal is unchanged at \$295-\$335 per short ton. The alfalfa hay price in January 2019 was \$181 per short ton, \$1 higher than December and \$28 higher than January 2018. For more information, see the publication Feed Price Outlook published by USDA, Economic Research Service.

Due to lower expected milk production and recent price movements, product prices are generally forecast slightly higher in 2019 than last month's set of forecasts. Based on recent price data and expected domestic use, the cheddar cheese price has been raised 2.5 cents at the midpoint of the range to \$1.510-\$1.570 per pound for 2019. The butter price for the year has been raised 2 cents at the midpoint of the range, based on recent price data, to \$2.255-\$2.345 per pound. The NDM price forecast for the year is slightly higher than the previous forecast at \$0.965-\$1.015 per pound, as relatively low beginning stocks and relatively strong domestic use should support prices through the end of 2019. With lower expected exports of dry whey products, the dry whey price forecast has been lowered 1 cent at the midpoint of the range, to \$0.425-\$0.455 per pound.

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$18.35 per hundredweight of milk at 3.5 percent butterfat for the month of February 2019. The uniform price is \$0.08 per hundredweight higher than the previous month and is \$1.78 per hundredweight higher compared to January 2018.

Class I utilization was 70.33 percent in January. This represents an 5.61 percent decrease from the previous month and is 2.27 percent higher than January of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in January was 18.16 billion pounds, 0.9 percent higher than January of last year and 2.4 percent higher compared with December 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.10 billion pounds, 0.4 percent above January 2018 and 0.7 percent above December 2018 on a daily average basis. Butter production was 190 million pounds, 4.2 percent above January 2018 and 10.4 percent above December 2018 on a daily average basis.

Nonfat dry milk powder production was 173.0 million pounds in January, 7.7 percent above last January and 21.0 percent above December 2018 on a daily average basis. Total dry whey production was 81.2 million pounds, 10.1 percent lower than January 2018 and 9.0 percent higher than December 2018 on a daily average basis. Whey protein concentrates production was 52.2 million pounds, 20.0 percent higher than January 2018 and 27.7 percent above December 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, was 2.05. This is a decline from the 2.18 ratio from January 2018.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - February 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.50%	6,111,149	\$2.4962	\$ 15,254,650.15
Class I Differential at Location				198,094.35
Class II Butterfat	38.33%	5,784,186	\$2.5415	14,700,508.74
Class III Butterfat	8.05%	1,214,429	\$2.5345	3,077,970.32
Class IV Butterfat	13.12%	1,979,329	\$2.5345	5,016,609.38
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,089,093</b>		<b>\$ 38,247,832.94</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5348**

### 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	71.52%	268,743,783	\$6.80 /cwt.	\$ 18,274,577.24
Class I Butterfat	40.50%	6,111,149	\$2.4962 /lb.	15,254,650.15
Class I Differential at Location		274,854,932		8,946,367.20
<b>Total Class I Milk</b>	<b>70.33%</b>	<b>274,854,932</b>		<b>\$ 42,475,594.59</b>
Class II Skim Milk	15.40%	57,857,587	\$7.50 /cwt.	\$ 4,339,319.09
Class II Butterfat	38.33%	5,784,186	\$2.5415 /lb.	14,700,508.74
<b>Total Class II Milk</b>	<b>16.28%</b>	<b>63,641,773</b>		<b>\$ 19,039,827.83</b>
Class III Skim Milk	8.11%	30,487,570	\$5.20 /cwt.	\$ 1,585,353.62
Class III Butterfat	8.05%	1,214,429	\$2.5345 /lb.	3,077,970.32
<b>Total Class III Milk</b>	<b>8.11%</b>	<b>31,701,999</b>		<b>\$ 4,663,323.94</b>
Class IV Skim Milk	4.97%	18,664,119	\$7.24 /cwt.	\$ 1,351,282.20
Class IV Butterfat	13.12%	1,979,329	\$2.5345 /lb.	5,016,609.38
<b>Total Class IV Milk</b>	<b>5.28%</b>	<b>20,643,448</b>		<b>\$ 6,367,891.58</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>390,842,152</b>		<b>\$ 72,546,637.94</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$4,853.99)
Producer butterfat at uniform butterfat price	(\$38,247,832.94)
Location Adjustments to Producers	\$2,581,208.98
1/2 Unobligated Balance in P.S.F.	\$175,075.97

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 9.86026	\$37,050,235.96
	\$ 0.04026	\$151,285.58

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

**\$9.82**

Uniform Price per cwt. (Fulton County, Georgia)

**\$18.35\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	February	March	January	February	February
Appalachian (Charlotte)	\$ 18.70	\$ 19.38	\$ 17.82	\$ 18.00	72.11%
Arizona (Phoenix)	\$ 17.65	\$ 18.33	\$ 15.60	\$ 15.76	23.59%
California (Woodland)	\$ 17.40	\$ 18.08	\$ 15.09	\$ 15.12	23.00%
Central (Kansas City)	\$ 17.30	\$ 17.98	\$ 14.93	\$ 15.07	30.68%
Florida (Tampa)	\$ 20.70	\$ 21.38	\$ 19.78	\$ 19.96	84.32%
Mideast (Cleveland)	\$ 17.30	\$ 17.98	\$ 15.46	\$ 15.60	35.70%
Northeast (Boston)	\$ 18.55	\$ 19.23	\$ 16.42	\$ 16.65	31.40%
Pacific Northwest (Seattle)	\$ 17.20	\$ 17.88	\$ 15.15	\$ 15.28	22.98%
<b>Southeast (Atlanta)</b>	<b>\$ 19.10</b>	<b>\$ 19.78</b>	<b>\$ 18.27</b>	<b>\$ 18.35</b>	<b>70.33%</b>
Southwest (Dallas)	\$ 18.30	\$ 18.98	\$ 15.72	\$ 15.72	30.30%
Upper Midwest (Chicago)	\$ 17.10	\$ 17.78	\$ 14.27	\$ 14.22	7.80%

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

<b>Receipts:</b>		<b>Feb. 2019</b>	<b>Feb. 2018</b>
<b>Producer Milk</b>			
Class I		274,854,931	292,267,243
Class II		63,596,440	63,177,203
Class III		31,702,000	40,181,269
Class IV		11,720,121	33,797,652
Total Producer Milk		<b>381,873,492</b>	<b>429,423,367</b>
Average Butterfat Test		3.86%	3.82%
Percent of Producer Milk in Class I		70.33%	68.06%
Daily Average Receipts		13,638,339	15,336,549
<b>Other Source Milk</b>			
Class I		3,919,286	6,306,636
Class II		5,391,437	4,885,110
Class III		306,799	0
Class IV		6,833,122	5,622,354
Total Other Source Milk		<b>16,450,644</b>	<b>16,814,100</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		<b>0</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		23,027,640	20,574,588
Class II		1,957,510	508,921
Class III		1,715,990	0
Class IV		10,820,234	20,001,952
Total Opening Inventory		<b>37,521,374</b>	<b>41,085,461</b>
<b>Total Receipts</b>		<b>435,845,510</b>	<b>487,322,928</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		22,999,247	19,564,875
Route Disposition Class I		265,978,933	288,798,151
Shrinkage		2,702,633	1,530,101
Transfers & Diversions to Nonpool		10,121,044	9,255,340
Total Class I Utilization		<b>301,801,857</b>	<b>319,148,467</b>
Average Butterfat Test		2.20%	2.09%
Daily Average Utilization		10,778,638	11,398,160
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,178,699	2,721,660
Shrinkage		345	4,621
Transfers & Diversions to Nonpool/Commercial Foods		42,862,230	51,181,883
Used To Produce/Other Uses		25,949,446	14,663,070
Total Class II Utilization		<b>70,990,720</b>	<b>68,571,234</b>
Average Butterfat Test		11.22%	9.68%
<b>Class III Utilization</b>			
Shrinkage		5,084,186	0
Transfers & Diversions to Nonpool		24,808,877	40,181,269
Used To Produce/Other Uses		3,831,726	0
Total Class III Utilization		<b>33,724,789</b>	<b>40,181,269</b>
Average Butterfat Test		3.77%	2.41%
<b>Class IV Utilization</b>			
Inventory		12,696,791	22,491,037
Nonfluid Used To Fortify		1,235,199	536,347
Shrinkage		0	5,185,102
Transfers & Diversions to Nonpool		24,269,054	26,763,074
Used To Produce/Other Uses		0	4,446,398
Total Class IV Utilization		<b>38,201,044</b>	<b>59,421,958</b>
Average Butterfat Test		11.99%	9.68%
<b>Total Utilization</b>		<b>444,718,410</b>	<b>487,322,928</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2019 is \$18.35 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$9.82 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5348 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 71.52% of all producer skim milk (priced to handlers at \$6.80 per hundredweight, plus the Class I differential, see page 2) and 40.50% of producer butterfat (priced to handlers at \$2.4962 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.40% of all producer skim milk (\$7.50 per hundredweight) and 38.33% of producer butterfat (\$2.5415 per pound). Class III use, mostly milk used to produce cheese, accounted for 8.11% of all producer skim milk (\$5.20 per hundredweight) and 8.05% of producer butterfat (\$2.5345 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.97% of all producer skim milk (\$7.24 per hundredweight) and 13.12% of producer butterfat (\$2.5345 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>January 2019</u></b>		
Whole Milk	144,590,575	37.89%
Fat Free Milk	21,878,839	5.73%
Low fat Milk (incl. 1%)	47,275,677	12.39%
Reduced Fat Milk (incl. 2%)	112,578,870	29.50%
Cultured Fluid Milk (incl. Buttermilk)	6,033,280	1.60%
Flavored Drinks and Milk	49,193,246	12.89%
<b>Total Disposition in Marketing Area</b>	<b>381,550,487</b>	<b>100.0%</b>
Total Disposition by Pool Plants	270,284,420	70.83%
Total Disposition by Nonpool Plants	111,266,067	29.17%
<b>Total Disposition in Marketing Area</b>	<b>381,550,487</b>	<b>100.0%</b>

Receipts of producer milk during February totaled 390.8 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 February 2019. Class I route disposition in the area was 381.5 million pounds in January 2019.

## Recap of the 2018 Dairy Industry Situation

The simple average all-milk price was \$16.18 per cwt in 2018, a decrease from \$17.65 in 2017 and the lowest annual average since the average price of \$12.83 per cwt in 2009. Annual average prices for cheese, butter, nonfat dry milk (NDM), and dry whey fell from 2017 to 2018.

Milk production totaled 217.5 billion pounds in 2018, a modest 0.9-percent increase from 215.5 billion pounds in 2017.1 Milk cows averaged 9.385 head in 2018, down 7,000 head from 2017. Average milk per cow was 23,173 pounds in 2018, a modest increase of 1.0 percent. This compares with a compound annual growth rate of 1.3 percent from 2007 to 2017.

The relatively low ratio of milk prices to feed prices in 2018 likely contributed to the relatively slow growth in milk production. The milk-feed ratio averaged 2.04 in 2018, a decrease from 2.42 in 2017. It reached its lowest point of 1.90 in April and May. Calendar-year average prices for corn, soybean meal, and alfalfa hay were all up from the previous year at \$3.47 per bushel (+\$0.11), \$345 per short ton (+\$29), and \$174 per short ton (+\$29), respectively.

*Source: Livestock, Dairy, and Poultry Outlook, LDP-M-297, March 14, 2019.*

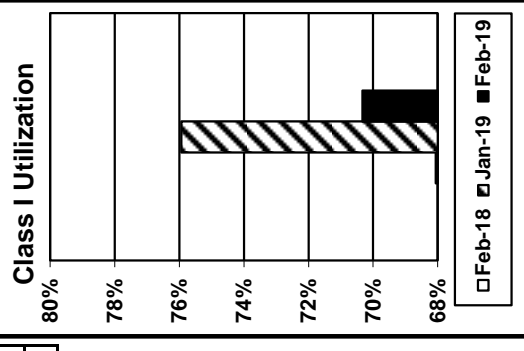


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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 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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95											

**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 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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,650**	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%



\* 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
March	04/11/19	04/12/19	04/15/19	03/25/19	03/26/19	04/15/19	04/16/19
April	05/11/19	05/13/19	05/14/19	04/25/19	04/26/19	05/14/19	05/15/19
May	06/11/19	06/12/19	06/13/19	05/28/19	05/28/19	06/13/19	06/14/19

\*\* The base rate for making partial payments in Fulton County, GA for March will be \$16.52 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.35 per hundredweight.

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

### WASDE Dairy Report 1/ WASDE – 586, March 8, 2019

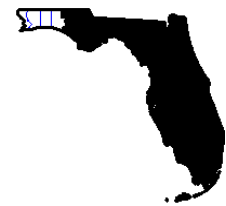
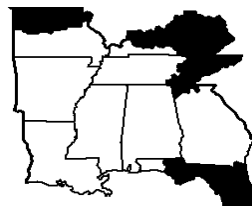
For 2019, the milk production forecast is lowered on smaller expected dairy cow numbers. The fat basis export forecast is reduced on slower expected sales of butterfat due to increased global competition. Skim-solids basis exports are lowered on expected strong competition in international skim milk powder markets and slower expected demand for whey products. The fat basis import forecast is lowered slightly while the skim-solids basis import forecast is unchanged.

Annual product price forecasts for cheese, butter, nonfat dry milk (NDM) are raised from the previous month, but the whey price forecast is reduced slightly. The Class III price is raised as the higher cheese price projection more than offsets the lower whey price. The Class IV price is increased on higher forecast butter and NDM prices. The all milk price forecast is raised to average \$17.00 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](http://www.usda.gov/oce/commodity/wasde/index.htm).



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

April 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 4

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

## USDA Dairy Forecast for 2019

*Excerpts from Livestock, Dairy, & Poultry Outlook, April 2019, Economic Research Service, USDA:*

With upward revisions to 2018 milk cow numbers and a larger milking herd in February than previously expected, the annual estimate for size of the milking herd has been raised 10 thousand head to 9.360 million. However, downward revisions to 2018 milk per cow data motivated a decrease in the forecast for 2019 to 23,455 pounds. With these changes, milk production for 2019 is now forecast at 219.5 billion pounds, a reduction of 0.2 billion pounds from the last forecast.

The 2019 export forecasts have been lowered to 9.8 billion pounds (-0.3 billion) pounds on a milk-fat basis and to 42.2 billion pounds (-1.4 billion) on a skim-solids basis. The changes are primarily due to lower expectations for exports of whey products. Our forecasts assume that China's retaliatory tariffs will remain in place. Although there is considerable uncertainty concerning the spread of African Swine Fever, it is expected that China's swine inventories at the end of 2019 will be 13 percent below the first of the year. In addition to lower expected exports of whey products, lower expectations for exports of butterfat products, lactose, and NDM to a number of markets factor into the forecasts. These forecasts assume that current trade policies remain in place.

The largest changes in product price forecasts have been made for cheese and whey. The cheddar cheese price for 2019 is now forecast at \$1.555-\$1.605 per pound, 4.0 cents higher at the midpoint of the range than the last forecast, based on recent gains in domestic cheese prices and higher expected demand. The dry whey price forecast for 2019 has been lowered 4.5 cents at the midpoint of the range to \$0.380-\$0.410 per pound, as weakness in exports is expected to persist throughout 2019. The butter price forecast for the year is \$2.255-\$2.335 per pound, a slight downward shift from last month's forecast; (continued on pg. 4)

## Uniform Price Increases

The uniform price in Fulton County, GA, was \$18.70 per hundredweight of milk at 3.5 percent butterfat for the month of March 2019. The uniform price is \$0.35 per hundredweight higher than the previous month and is \$2.40 per hundredweight higher compared to March 2018.

Class I utilization was 64.70 percent in March. This represents an 5.63 percent decrease from the previous month and is 0.04 percent lower than March of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in February was 16.99 billion pounds, 0.1 percent higher than February of last year and 1.1 percent higher compared with January on a daily average basis. Total cheese output (excluding cottage cheese) was 991 million pounds, 0.5 percent above February 2018 but 0.1 percent below January 2019 on a daily average basis. Butter production was 165 million pounds, 2.9 percent below February 2018 and 3.5 percent below January 2019 on a daily average basis.

Nonfat dry milk powder production was 153.7 million pounds in February, 2.6 percent below last February and 1.5 percent below January on a daily average basis. Total dry whey production was 74.9 million pounds, 16.4 percent lower than February 2018 and 2.2 percent higher than the prior month on a daily average basis. Whey protein concentrates production was 39.1 million pounds in February, 0.9 percent lower than February 2018 and 0.1 percent over January 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, was 2.07. This is a slight increase of 0.02 from the prior month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MARCH 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	37.90%	6,472,018	\$2.5670	\$ 16,613,670.20
Class I Differential at Location				211,643.63
Class II Butterfat	42.62%	7,277,703	\$2.5531	18,580,703.53
Class III Butterfat	4.87%	831,022	\$2.5461	2,115,865.11
Class IV Butterfat	14.61%	2,494,480	\$2.5461	6,351,195.51
<b>Total Butterfat</b>	<b>100.00%</b>	<b>17,075,223</b>		<b>\$ 43,873,077.98</b>
<b>Uniform Butterfat Price per lb. (Fulton County, Georgia):</b>			<b>\$2.5694</b>	

### 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	65.77%	283,450,842	\$7.25 /cwt.	\$ 20,550,186.08
Class I Butterfat	37.90%	6,472,018	\$2.5670 /lb.	16,613,670.20
Class I Differential at Location		289,922,860		9,450,212.22
<b>Total Class I Milk</b>	<b>64.70%</b>	<b>289,922,860</b>		<b>\$ 46,614,068.50</b>
Class II Skim Milk	14.36%	61,892,076	\$7.95 /cwt.	\$ 4,920,420.04
Class II Butterfat	42.62%	7,277,703	\$2.5531 /lb.	18,580,703.53
<b>Total Class II Milk</b>	<b>15.44%</b>	<b>69,169,779</b>		<b>\$ 23,501,123.57</b>
Class III Skim Milk	6.92%	29,805,961	\$6.35 /cwt.	\$ 1,892,678.52
Class III Butterfat	4.87%	831,022	\$2.5461 /lb.	2,115,865.11
<b>Total Class III Milk</b>	<b>6.84%</b>	<b>30,636,983</b>		<b>\$ 4,008,543.63</b>
Class IV Skim Milk	12.95%	55,833,023	\$7.05 /cwt.	\$ 3,936,228.14
Class IV Butterfat	14.61%	2,494,480	\$2.5461 /lb.	6,351,195.51
<b>Total Class IV Milk</b>	<b>13.02%</b>	<b>58,327,503</b>		<b>\$ 10,287,423.65</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>448,057,125</b>		<b>\$ 84,411,159.35</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$6,153.23
Producer butterfat at uniform butterfat price	(\$43,873,077.98)
Location Adjustments to Producers	\$2,852,241.35
1/2 Unobligated Balance in P.S.F.	\$141,988.73
<b>Adjusted Pool Value</b>	<b>\$ 10.10216</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04216</b>

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

**\$10.06**

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

**\$18.70\***

\* 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 %
	March	April	January	March	March
Appalachian (Charlotte)	\$ 19.38	\$ 19.16	\$ 18.00	\$ 18.31	64.69%
Arizona (Phoenix)	\$ 18.33	\$ 18.11	\$ 15.76	\$ 16.18	22.53%
California (Woodland)	\$ 18.08	\$ 17.86	\$ 15.09	\$ 16.03	19.80%
Central (Kansas City)	\$ 17.98	\$ 17.76	\$ 15.07	\$ 15.76	26.42%
Florida (Tampa)	\$ 21.38	\$ 21.16	\$ 19.96	\$ 20.41	81.92%
Mideast (Cleveland)	\$ 17.98	\$ 17.76	\$ 15.60	\$ 16.19	33.70%
Northeast (Boston)	\$ 19.23	\$ 19.01	\$ 16.65	\$ 17.17	30.60%
Pacific Northwest (Seattle)	\$ 17.88	\$ 17.66	\$ 15.28	\$ 15.79	19.34%
<b>Southeast (Atlanta)</b>	<b>\$ 19.78</b>	<b>\$ 19.56</b>	<b>\$ 18.35</b>	<b>\$ 18.70</b>	<b>64.70%</b>
Southwest (Dallas)	\$ 18.98	\$ 18.76	\$ 15.72	\$ 16.58	27.43%
Upper Midwest (Chicago)	\$ 17.78	\$ 17.56	\$ 14.22	\$ 15.28	7.00%

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

<b>Receipts:</b>		<b>March 2019</b>	<b>March 2018</b>
<b>Producer Milk</b>			
Class I		289,922,860	323,728,494
Class II		69,169,779	83,252,869
Class III		30,636,983	43,477,591
Class IV		58,327,503	49,548,762
Total Producer Milk		<b>448,057,125</b>	<b>500,007,716</b>
Average Butterfat Test		3.81%	3.78%
Percent of Producer Milk in Class I		64.70%	64.74%
Daily Average Receipts		14,453,456	16,129,281
<b>Other Source Milk</b>			
Class I		4,181,478	5,694,500
Class II		6,991,117	3,649,971
Class III		197,194	0
Class IV		4,395,946	5,369,266
Total Other Source Milk		<b>15,765,735</b>	<b>14,713,737</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		<b>0</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		22,990,341	19,564,820
Class II		1,219,810	507,909
Class III		647,457	0
Class IV		10,829,524	21,983,128
Total Opening Inventory		<b>35,687,132</b>	<b>42,055,857</b>
<b>Total Receipts</b>		<b>499,509,992</b>	<b>556,777,310</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		18,813,636	17,875,922
Route Disposition Class I		284,354,447	317,181,308
Shrinkage		2,951,529	3,013,507
Transfers & Diversions to Nonpool		10,975,067	10,917,077
Total Class I Utilization		<b>317,094,679</b>	<b>348,987,814</b>
Average Butterfat Test		2.21%	2.10%
Daily Average Utilization		10,228,861	11,257,671
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,896,077	2,366,283
Shrinkage		1,324,598	80,569
Transfers & Diversions to Nonpool/Commercial Foods		43,454,767	68,579,963
Used To Produce/Other Uses		29,705,264	16,383,934
Total Class II Utilization		<b>77,380,706</b>	<b>87,410,749</b>
Average Butterfat Test		12.86%	9.67%
<b>Class III Utilization</b>			
Shrinkage		6,420,849	0
Transfers & Diversions to Nonpool		21,486,170	43,477,591
Used To Produce/Other Uses		3,574,615	0
Total Class III Utilization		<b>31,481,634</b>	<b>43,477,591</b>
Average Butterfat Test		2.82%	1.75%
<b>Class IV Utilization</b>			
Inventory		25,453,179	19,168,362
Nonfluid Used To Fortify		1,203,079	658,531
Shrinkage		285,640	5,950,093
Transfers & Diversions to Nonpool		46,611,075	47,057,548
Used To Produce/Other Uses		0	4,066,622
Total Class IV Utilization		<b>73,552,973</b>	<b>76,901,156</b>
Average Butterfat Test		4.98%	7.09%
<b>Total Utilization</b>		<b>499,509,992</b>	<b>556,777,310</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2019 is \$18.70 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.06 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5694 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 65.77% of all producer skim milk (priced to handlers at \$7.25 per hundredweight, plus the Class I differential, see page 2) and 37.90% of producer butterfat (priced to handlers at \$2.5670 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.36% of all producer skim milk (\$7.95 per hundredweight) and 42.62% of producer butterfat (\$2.5531 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.92% of all producer skim milk (\$6.35 per hundredweight) and 4.87% of producer butterfat (\$2.5461 per pound). Class IV use, generally milk processed into butter and powder, accounted for 12.95% of all producer skim milk (\$7.05 per hundredweight) and 14.61% of producer butterfat (\$2.5461 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>February 2019</b>		
Whole Milk	119,182,696	37.15%
Fat Free Milk	18,486,823	5.77%
Low fat Milk (incl. 1%)	35,325,508	11.01%
Reduced Fat Milk (incl. 2%)	99,130,657	30.90%
Cultured Fluid Milk (incl. Buttermilk)	4,879,521	1.52%
Flavored Drinks and Milk	43,808,259	13.65%
<b>Total Disposition in Marketing Area</b>	<b>320,813,464</b>	<b>100.0%</b>
Total Disposition by Pool Plants	225,339,604	70.24%
Total Disposition by Nonpool Plants	95,473,860	29.76%
<b>Total Disposition in Marketing Area</b>	<b>320,813,464</b>	<b>100.0%</b>

Receipts of producer milk during March totaled 448.0 million pounds. There were 19 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2019. Class I route disposition in the area was 320.8 million pounds in February 2019.

## USDA Dairy Forecast for 2019

(continued from page 1) however, year-over-year growth in butterfat demand should still offer price support through the end of 2019. The NDM price forecast for 2019 is \$0.965-\$1.005 per pound, also a slight reduction from last month's forecast due to recent declines in prices.

The Class III price forecast for the year is \$15.10-\$15.60 per cwt, 15 cents higher at the midpoint of the range than previously forecast, as higher cheese prices should outweigh lower whey prices. The Class IV price forecast has been lowered 5 cents at the midpoint of the range to \$15.75-\$16.35 per cwt due to lower expected butter and NDM prices. The all-milk price for 2019 is now forecast at \$17.25-\$17.75 per cwt, an increase of 20 cents at the midpoint of the range from the last forecast.

## USDA Announces \$1.5 Million in Grants Available to Support the Dairy Industry

The U.S. Department of Agriculture (USDA) today announced \$1.5 million in competitive grant funding is available for the Dairy Business Innovation (DBI) Initiatives. DBI is authorized through the 2018 Farm Bill. This program supports USDA's efforts to reduce risk and develop higher-value uses for dairy products, diversify farmer income through processing and marketing innovation, and encourage the use of regional milk production.

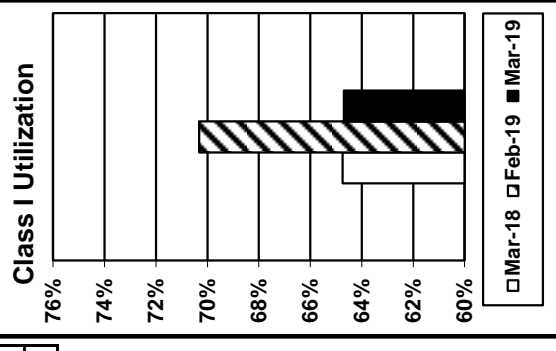
Applications must be submitted electronically through [www.grants.gov](http://www.grants.gov) by 11:59 p.m. Eastern Time on June 17, 2019. For more information about grant eligibility, visit DBI Initiatives at <https://www.ams.usda.gov/services/grants/dbi> or contact [AMSGrants@usda.gov](mailto:AMSGrants@usda.gov).

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75											

**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 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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,540**	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%



\* 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
April	05/11/19	05/13/19	05/14/19	04/25/19	04/26/19	05/14/19	05/15/19
May	06/11/19	06/12/19	06/13/19	05/28/19	05/28/19	06/13/19	06/14/19
June	07/11/19	07/12/19	07/15/19	06/25/19	06/26/19	07/15/19	07/16/19

\*\* The base rate for making partial payments in Fulton County, GA for April will be \$16.83 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.70 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 – 587, April 9, 2019

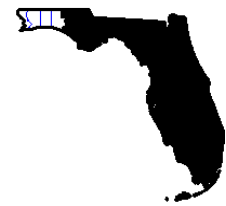
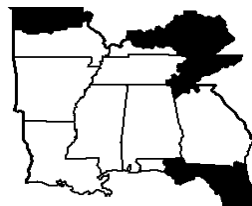
The milk production forecast for 2019 is lowered from last month as higher milk cow numbers are more than offset by lower expected growth in milk per cow for the year. The 2019 fat basis import forecast is unchanged from last month, but the export forecast is lowered on slower expected shipments of butterfat products and whey products. On a skim-solids basis, the current import forecast is raised on higher imports of milk protein products and a number of other dairy products. The skim-solids basis export forecast is lowered from last month on lower shipments of whey products, lactose, and nonfat dry milk (NDM).

The annual product price forecast for cheese is raised from last month on higher current prices and expected stronger demand. Butter, NDM, and whey prices are reduced from the previous month on current prices and expected weaker demand. The Class III price is raised on the higher cheese price forecast while the Class IV price is reduced on lower NDM and butter price forecasts. The all milk price forecast is raised to \$17.25 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](http://www.usda.gov/oce/commodity/wasde/index.htm).



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

May 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 5

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

## USDA Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, May 2019, Economic Research Service, USDA:*

Dairy exports on a milk-fat milk-equivalent basis grew month over month in February and March. In the months of January through March, quantities were 686 million, 807 million, and 858 million pounds in each consecutive month. Likewise, on a skim-solids milk-equivalent basis, exports grew month over month, with quantities of 3.062 billion, 3.161 billion, and 3.719 billion pounds in January through March. Notably, cheese exports were 62 million, 72 million, and 82 million pounds in the consecutive months. Also of note, lactose exports fell from 64 million pounds in January to 60 million in February but then grew to 78 million pounds in March. Lactose exports to China have been relatively strong even though retaliatory tariffs remain in place.

Domestic use was relatively strong in the first quarter. On a milk-fat basis, it was 51.0 billion pounds, 1.5 percent higher than the first quarter of 2018. On a skim-solids basis, it was 45.4 billion pounds, 2.1 percent higher than the first quarter of 2018. This was the second consecutive quarter with solid growth in domestic use, with the fourth quarter of 2018 being up year over year by 2.0 percent on a milk-fat basis and 2.5 percent on a skim-solids basis.

With recent strength in cheese prices and higher expected cheese exports, the cheddar cheese price forecast has been raised to \$1.650 per pound for the year. The dry whey price forecast for 2019 is unchanged at \$0.395 per pound. Butter prices have traded within a relatively small range in 2019, and are expected to continue to do so; the 2019 butter price forecast is \$2.290 per pound. With higher NDM prices in recent weeks and flagging production in Europe and Oceania, the NDM price forecast for 2019 has been raised to \$1.005 per pound.

The Class III price forecast for 2019 has been raised to \$16.05 per cwt due to higher expected cheese prices. The higher (continued on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$18.70 per hundredweight of milk at 3.5 percent butterfat for the month of April 2019. The uniform price is the same per hundredweight higher than the previous month and is \$1.82 per hundredweight higher compared to April 2018.

Class I utilization was 67.16 percent in April. This represents a 2.46 percent increase from the previous month and is 2.14 percent higher than April of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 18.87 billion pounds, 0.6 percent lower than March of last year and 0.4 percent higher compared with February on a daily average basis. Total cheese output (excluding cottage cheese) was 1.10 billion pounds, 0.7 percent below March 2018 but 0.3 percent above February 2019 on a daily average basis. Butter production was 175 million pounds, 3.9 percent below March 2018 and 4.0 percent lower than February 2019 on a daily average basis.

Nonfat dry milk powder production was 163.7 million pounds in March, 8.0 percent below last March and 3.9 percent below February on a daily average basis. Total dry whey production was 78.4 million pounds, 14.2 percent lower than March 2018 and 5.5 percent lower than the prior month on a daily average basis. Whey protein concentrates production was 42.3 million pounds in March, 16.1 percent lower than March 2018 and 2.7 percent below 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 2.14. This is an increase of 0.07 from the prior month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - APRIL 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.81%	6,633,505	\$2.5599	\$ 16,981,109.47
Class I Differential at Location				215,197.33
Class II Butterfat	40.96%	6,824,168	\$2.5445	17,364,095.47
Class III Butterfat	7.39%	1,231,337	\$2.5375	3,124,517.66
Class IV Butterfat	11.84%	1,973,220	\$2.5375	5,007,045.78
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,662,230</b>		<b>\$ 42,691,965.71</b>
<b>Uniform Butterfat Price per lb. (Fulton County, Georgia):</b>			<b>\$2.5622</b>	

### 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	68.22%	291,873,223	\$7.05 /cwt.	\$ 20,577,062.25
Class I Butterfat	39.81%	6,633,505	\$2.5599 /lb.	16,981,109.47
Class I Differential at Location		298,506,728		9,706,717.82
<b>Total Class I Milk</b>	<b>67.16%</b>	<b>298,506,728</b>		<b>\$ 47,264,889.54</b>
Class II Skim Milk	13.26%	56,716,965	\$7.75 /cwt.	\$ 4,395,564.80
Class II Butterfat	40.96%	6,824,168	\$2.5445 /lb.	17,364,095.47
<b>Total Class II Milk</b>	<b>14.29%</b>	<b>63,541,133</b>		<b>\$ 21,759,660.27</b>
Class III Skim Milk	11.17%	47,792,691	\$7.34 /cwt.	\$ 3,507,983.49
Class III Butterfat	7.39%	1,231,337	\$2.5375 /lb.	3,124,517.66
<b>Total Class III Milk</b>	<b>11.03%</b>	<b>49,024,028</b>		<b>\$ 6,632,501.15</b>
Class IV Skim Milk	7.35%	31,462,174	\$7.09 /cwt.	\$ 2,230,668.10
Class IV Butterfat	11.84%	1,973,220	\$2.5375 /lb.	5,007,045.78
<b>Total Class IV Milk</b>	<b>7.52%</b>	<b>33,435,394</b>		<b>\$ 7,237,713.88</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>444,507,283</b>		<b>\$ 82,894,764.84</b>

### Adjustments

Overage and Other Source	\$5,995.01
Inventory Adjustments	\$64,590.86
Producer butterfat at uniform butterfat price	(\$42,691,965.71)
Location Adjustments to Producers	\$2,889,716.25
1/2 Unobligated Balance in P.S.F.	\$208,437.86
<b>Adjusted Pool Value</b>	<b>\$ 10.13721</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04721</b>

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

**\$10.09**

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

**\$18.70\***

\* 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 %
	April	May	March	April	April
Appalachian (Charlotte)	\$ 19.16	\$ 19.82	\$ 18.31	\$ 18.28	66.12%
Arizona (Phoenix)	\$ 18.11	\$ 18.77	\$ 16.18	\$ 16.43	24.07%
California (Woodland)	\$ 17.86	\$ 18.52	\$ 16.03	\$ 16.42	20.70%
Central (Kansas City)	\$ 17.76	\$ 18.42	\$ 15.76	\$ 16.13	26.10%
Florida (Tampa)	\$ 21.16	\$ 21.82	\$ 20.41	\$ 20.46	81.92%
Mideast (Cleveland)	\$ 17.76	\$ 18.42	\$ 16.19	\$ 16.44	33.70%
Northeast (Boston)	\$ 19.01	\$ 19.67	\$ 17.17	\$ 17.34	30.90%
Pacific Northwest (Seattle)	\$ 17.66	\$ 18.32	\$ 15.79	\$ 16.11	19.48%
<b>Southeast (Atlanta)</b>	<b>\$ 19.56</b>	<b>\$ 20.22</b>	<b>\$ 18.70</b>	<b>\$ 18.70</b>	<b>64.70%</b>
Southwest (Dallas)	\$ 18.76	\$ 19.42	\$ 16.58	\$ 17.00	27.95%
Upper Midwest (Chicago)	\$ 17.56	\$ 18.22	\$ 15.28	\$ 16.11	7.70%

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

<b>Receipts:</b>		<b>April 2019</b>	<b>April 2018</b>
<b>Producer Milk</b>			
Class I		298,506,728	313,271,266
Class II		63,541,133	74,794,150
Class III		49,024,028	37,898,501
Class IV		33,435,394	55,821,563
Total Producer Milk		<b>444,507,283</b>	<b>481,785,480</b>
Average Butterfat Test		3.74%	3.77%
Percent of Producer Milk in Class I		67.16%	65.02%
Daily Average Receipts		14,816,909	16,059,516
<b>Other Source Milk</b>			
Class I		5,018,578	5,308,329
Class II		9,156,280	3,089,311
Class III		0	0
Class IV		8,538,461	7,212,712
Total Other Source Milk		<b>22,713,319</b>	<b>15,610,352</b>
<b>Overage</b>			
Class I		0	0
Class II		77,355	5,730
Class III		0	0
Class IV		0	0
Total Overage		<b>77,355</b>	<b>5,730</b>
<b>Opening Inventory</b>			
Class I		19,605,471	17,875,887
Class II		3,709,731	1,465,351
Class III		1,034	613,995
Class IV		20,658,681	17,089,016
Total Opening Inventory		<b>43,974,917</b>	<b>37,044,249</b>
<b>Total Receipts</b>		<b>511,272,874</b>	<b>534,445,811</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		22,818,582	19,293,646
Route Disposition Class I		286,082,165	303,001,652
Shrinkage		3,475,388	2,262,086
Transfers & Diversions to Nonpool		10,754,642	11,898,098
Total Class I Utilization		<b>323,130,777</b>	<b>336,455,482</b>
Average Butterfat Test		2.19%	2.13%
Daily Average Utilization		10,771,026	11,215,183
<b>Class II Utilization</b>			
Nonfluid Used To Produce		3,043,695	2,544,193
Shrinkage		981,229	15,893
Transfers & Diversions to Nonpool/Commercial Foods		41,543,860	60,848,419
Used To Produce/Other Uses		30,915,715	15,946,037
Total Class II Utilization		<b>76,484,499</b>	<b>79,354,542</b>
Average Butterfat Test		12.63%	9.80%
<b>Class III Utilization</b>			
Shrinkage		0	0
Transfers & Diversions to Nonpool		49,025,062	38,512,496
Used To Produce/Other Uses		0	0
Total Class III Utilization		<b>49,025,062</b>	<b>38,512,496</b>
Average Butterfat Test		2.51%	1.28%
<b>Class IV Utilization</b>			
Inventory		20,896,082	20,126,001
Nonfluid Used To Fortify		1,560,379	612,871
Shrinkage		6,388,357	5,207,127
Transfers & Diversions to Nonpool		29,662,233	50,783,938
Used To Produce/Other Uses		4,125,485	3,393,354
Total Class IV Utilization		<b>62,632,536</b>	<b>80,123,291</b>
Average Butterfat Test		5.92%	7.59%
<b>Total Utilization</b>		<b>511,272,874</b>	<b>534,445,811</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2019 is \$18.70 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.09 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5622 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 68.22% of all producer skim milk (priced to handlers at \$7.05 per hundredweight, plus the Class I differential, see page 2) and 39.81% of producer butterfat (priced to handlers at \$2.5599 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.26% of all producer skim milk (\$7.75 per hundredweight) and 40.96% of producer butterfat (\$2.5445 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.17% of all producer skim milk (\$7.34 per hundredweight) and 7.39% of producer butterfat (\$2.5375 per pound). Class IV use, generally milk processed into butter and powder, accounted for 7.35% of all producer skim milk (\$7.09 per hundredweight) and 11.84% of producer butterfat (\$2.5375 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>March 2019</u></b>		
Whole Milk	130,369,962	37.98%
Fat Free Milk	27,576,521	8.03%
Low fat Milk (incl. 1%)	35,071,075	10.22%
Reduced Fat Milk (incl. 2%)	107,939,001	31.45%
Cultured Fluid Milk (incl. Buttermilk)	5,370,370	1.56%
Flavored Drinks and Milk	36,933,381	10.76%
<b>Total Disposition in Marketing Area</b>	<b>343,260,310</b>	<b>100.0%</b>
Total Disposition by Pool Plants	242,393,441	70.61%
Total Disposition by Nonpool Plants	100,866,869	29.39%
<b>Total Disposition in Marketing Area</b>	<b>343,260,310</b>	<b>100.0%</b>

Receipts of producer milk during April totaled 444.5 million pounds. There were 19 regulated pool distributing plants, 2 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for April 2019. Class I route disposition in the area was 343.2 million pounds in March 2019.

## USDA Dairy Outlook

(continued from page 1) forecast for the 2019 NDM price has resulted in a higher Class IV price forecast of \$16.20 per cwt. The 2019 all-milk price has been raised to \$18.05 per cwt.

The 2020 cheese price is forecast to rise to \$1.710 per pound in 2020, 6 cents higher than the 2019 forecast, based on strength in demand. The dry whey price, however, is forecast slightly lower next year at \$0.380 per pound, as relatively low export levels are expected to persist. The 2020 butter price is projected to rise to \$2.360 per pound, 7 cents higher than 2019. The NDM price is expected to rise 4 cents in 2020 to \$1.045 per pound, as limited supply growth overseas should help stimulate U.S. export demand.

With a higher expected cheese price more than offsetting a lower expected dry whey price, the Class III price is forecast to increase to \$16.55 per cwt, 50 cents higher than the 2019 forecast. Higher butter and NDM prices in 2020 would result in a Class IV price of \$16.80 per cwt, 60 cents higher than the 2019 forecast. The all-milk price is forecast to increase to \$18.80 per cwt in 2020, 75 cents higher than 2019. If realized, this would be the highest all-milk price since the price of \$23.97 per cwt in 2014.

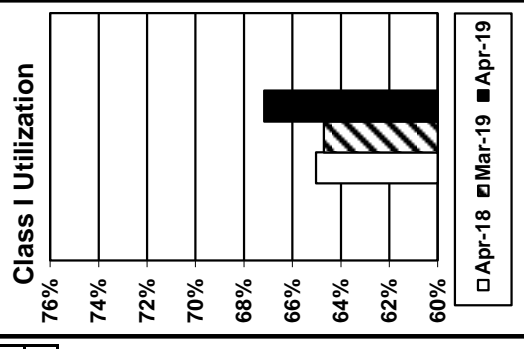
The corn price estimate for the 2018/19 marketing year is \$3.50 per bushel. The corn price is forecast to fall to \$3.30 in 2019/20. The soybean mean price estimate for 2018/19 is \$305 per short ton. The price is forecast to fall to \$290 per in 2019/20. The alfalfa hay price was \$184 per short ton in March, \$4 more than February and \$19 above March 2018. For more information, see the Feed Outlook report, published by 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
Mar 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Mar 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,650**	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%



\* 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
May	06/11/19	06/12/19	06/13/19	05/28/19	05/28/19	06/13/19	06/14/19
June	07/11/19	07/12/19	07/15/19	06/25/19	06/26/19	07/15/19	07/16/19
July	07/11/19	07/12/19	07/15/19	06/25/19	06/26/19	07/15/19	07/16/19

\*\* The base rate for making partial payments in Fulton County, GA for May will be \$16.83 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.70 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 – 588, May 10, 2019

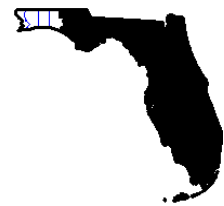
Milk production for 2020 is forecast higher than 2019. Dairy herds are expected to begin to expand as producers respond to higher milk prices and lower feed costs. Milk per cow is expected to continue increasing, and the forecast also reflects the one extra day due to leap year. Commercial exports on both fat and skim-solids bases are expected to grow in 2020 as U.S. products are expected to become more competitive due to slower growth in competitor supplies. Cheese, butter, and nonfat dry milk (NDM) prices are forecast higher than the previous year on robust demand expectations. The Class III price is forecast to increase as stronger cheese prices more than offset the weaker expected whey price. The Class IV price is expected to increase due to higher NDM and butter prices. The 2020 all milk price is forecast at \$18.80.

The 2019 milk production forecast is reduced from the previous month on declining milk cow inventories and slow growth in milk per cow. Fat basis exports are raised from the previous month on strong cheese sales to key trading partners. Cheese and NDM price forecasts are raised from the previous month resulting in both Class III and Class IV prices being raised. The 2019 all milk price is forecast at \$18.05.

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



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

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

## USDA Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, June 2019, Economic Research Service, USDA:*

Unusually wet weather in corn production areas is expected to have significant effects on feed prices. According to the USDA World Agricultural Supply and Demand Estimates report, "Unprecedented planting delays observed through early June are expected to prevent some plantings and reduce yield prospects." The 2019/20 corn price forecast has been raised 50 cents to \$3.80 per bushel. While the forecast last month was for a decrease in the corn price from 2018/19, the new forecast is for a year-over-year increase. The soybean meal forecast for 2019/20 has been raised to \$295 per short ton, \$5 higher than last month's forecast. The April alfalfa hay price was \$199 per short ton, \$15 higher than March and \$16 higher than April 2018. For more information, see Feed Outlook, published by USDA, Economic Research Service.

Due to recent declines in milk cow numbers, relatively high slaughter levels, and higher expected feed prices, the forecast for the size of the milking herd in 2019 has been lowered 10 thousand head to 9.335 million. The higher expected feed prices should also impact yields; therefore, the milk per cow forecast for the year has been lowered 25 pounds to 23,375. Milk production in 2019 is now forecast at 218.2 billion pounds, 0.5 billion pounds lower than the last forecast.

Although lower milk production usually contributes to higher dairy product prices, expectations for cheese prices in 2019 are lower due to recent price movements. The cheese price forecast for 2019 has been lowered to \$1.64 per pound, 1 cent lower than last month's forecast. The whey price forecast has been lowered one-half cent to \$0.390 per pound due to recent price movements and continued weakness in exports. Prices for butter and NDM have been raised to \$2.325 (+3.5 cents) and \$1.015 (+1.0 cent), respectively, due to recent price movements and lower expected milk production. (cont. on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$19.24 per hundredweight of milk at 3.5 percent butterfat for the month of May 2019. The uniform price is \$0.54 per hundredweight higher than the previous month and is \$1.78 per hundredweight higher compared to May 2018.

Class I utilization was 65.82 percent in May. This represents a 1.34 percent decrease from the previous month and is 1.93 percent lower than May of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in April was 19.06 billion pounds, 0.3 percent higher than April of last year and 6.6 percent higher compared with March on a daily average basis. Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 0.2 percent above April 2018 but 0.4 percent below March 2019 on a daily average basis. Butter production was 167 million pounds, 4.8 percent below April 2018 and 0.7 percent below March 2019 on a daily average basis.

Nonfat dry milk powder production was 165.1 million pounds in April, 2.6 percent below last April and 4.0 percent above March 2019 on a daily average basis. Total dry whey production was 74.0 million pounds, 13.7 percent lower than April 2018 and 0.1 percent higher than the prior month on a daily average basis. Whey protein concentrates production was 41.4 million pounds in April, 1.1 percent lower than April 2018 and 0.1 percent higher than March 2019 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 2.11. This is a decrease of 0.03 from the prior month.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - MAY 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.81%	6,640,931	\$2.5355	\$ 16,838,080.53
Class I Differential at Location				216,243.93
Class II Butterfat	41.79%	6,800,208	\$2.5788	17,536,376.39
Class III Butterfat	6.41%	1,042,357	\$2.5718	2,680,733.75
Class IV Butterfat	10.99%	1,787,647	\$2.5718	4,597,470.57
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,271,143</b>		<b>\$ 41,868,905.17</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5732**

### 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	66.80%	281,143,531	\$7.82 /cwt.	\$ 21,985,424.13
Class I Butterfat	40.81%	6,640,931	\$2.5355 /lb.	16,838,080.53
Class I Differential at Location		287,784,462		9,380,754.50
<b>Total Class I Milk</b>	<b>65.82%</b>	<b>287,784,462</b>		<b>\$ 48,204,259.16</b>
Class II Skim Milk	12.93%	54,439,424	\$7.72 /cwt.	\$ 4,202,723.55
Class II Butterfat	41.79%	6,800,208	\$2.5788 /lb.	17,536,376.39
<b>Total Class II Milk</b>	<b>14.01%</b>	<b>61,239,632</b>		<b>\$ 21,739,099.94</b>
Class III Skim Milk	11.67%	49,126,330	\$7.65 /cwt.	\$ 3,758,164.26
Class III Butterfat	6.41%	1,042,357	\$2.5718 /lb.	2,680,733.75
<b>Total Class III Milk</b>	<b>11.48%</b>	<b>50,168,687</b>		<b>\$ 6,438,898.01</b>
Class IV Skim Milk	8.60%	36,209,268	\$7.55 /cwt.	\$ 2,733,799.71
Class IV Butterfat	10.99%	1,787,647	\$2.5718 /lb.	4,597,470.57
<b>Total Class IV Milk</b>	<b>8.69%</b>	<b>37,996,915</b>		<b>\$ 7,331,270.28</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>437,189,696</b>		<b>\$ 83,713,527.39</b>

### Adjustments

Overage and Other Source	\$1,224.18
Inventory Adjustments	\$67,596.90
Producer butterfat at uniform butterfat price	(\$41,868,905.17)
Location Adjustments to Producers	\$2,683,431.02
1/2 Unobligated Balance in P.S.F.	\$229,246.23
<b>Adjusted Pool Value</b>	<b>\$ 10.64959</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04959</b>

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

**\$10.60**

Uniform Price per cwt. (Fulton County, Georgia)

**\$19.24\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	May	June	April	May	May
Appalachian (Charlotte)	\$ 19.82	\$ 20.47	\$ 18.28	\$ 18.93	67.14%
Arizona (Phoenix)	\$ 18.77	\$ 19.42	\$ 16.43	\$ 16.94	23.86%
California (Woodland)	\$ 18.52	\$ 19.17	\$ 16.42	\$ 16.93	18.20%
Central (Kansas City)	\$ 18.42	\$ 19.07	\$ 16.13	\$ 16.62	25.51%
Florida (Tampa)	\$ 21.82	\$ 22.47	\$ 20.46	\$ 21.13	85.74%
Mideast (Cleveland)	\$ 18.42	\$ 19.07	\$ 16.44	\$ 16.94	30.05%
Northeast (Boston)	\$ 19.67	\$ 20.32	\$ 17.34	\$ 17.80	29.90%
Pacific Northwest (Seattle)	\$ 18.32	\$ 18.97	\$ 16.11	\$ 16.62	18.94%
<b>Southeast (Atlanta)</b>	<b>\$ 20.22</b>	<b>\$ 20.87</b>	<b>\$ 18.70</b>	<b>\$ 19.24</b>	<b>65.82%</b>
Southwest (Dallas)	\$ 19.42	\$ 20.07	\$ 17.10	\$ 17.51	28.06%
Upper Midwest (Chicago)	\$ 18.22	\$ 18.87	\$ 16.11	\$ 16.55	7.30%



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

Receipts:		May 2019	May 2018
<b>Producer Milk</b>			
Class I		287,784,462	309,463,911
Class II		61,239,632	77,488,135
Class III		50,168,687	36,648,867
Class IV		37,996,915	33,234,419
Total Producer Milk		<b>437,189,696</b>	<b>456,835,332</b>
Average Butterfat Test		3.72%	3.68%
Percent of Producer Milk in Class I		65.82%	67.75%
Daily Average Receipts		14,102,893	14,736,624
<b>Other Source Milk</b>			
Class I		3,778,540	5,119,543
Class II		12,189,174	3,338,651
Class III		0	0
Class IV		6,225,606	3,080,497
Total Other Source Milk		<b>22,193,320</b>	<b>11,538,691</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		476	0
Total Overage		<b>476</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		22,899,091	19,319,674
Class II		7,180,545	5,647,325
Class III		80,124	61,425
Class IV		14,441,642	14,391,184
Total Opening Inventory		<b>44,601,402</b>	<b>39,419,608</b>
<b>Total Receipts</b>		<b>503,984,894</b>	<b>507,793,631</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		23,838,623	18,223,838
Route Disposition Class I		277,286,510	301,340,312
Shrinkage		3,132,492	2,117,924
Transfers & Diversions to Nonpool		10,204,468	12,221,054
Total Class I Utilization		<b>314,462,093</b>	<b>333,903,128</b>
Average Butterfat Test		2.28%	2.17%
Daily Average Utilization		10,143,938	10,771,069
<b>Class II Utilization</b>			
Nonfluid Used To Produce		3,667,847	2,719,677
Shrinkage		283,632	5,408,291
Transfers & Diversions to Nonpool/Commercial Foods		41,138,796	57,203,301
Used To Produce/Other Uses		35,519,076	21,142,842
Total Class II Utilization		<b>80,609,351</b>	<b>86,474,111</b>
Average Butterfat Test		12.27%	9.36%
<b>Class III Utilization</b>			
Shrinkage		3,467	0
Transfers & Diversions to Nonpool		50,245,344	36,710,292
Used To Produce/Other Uses		0	0
Total Class III Utilization		<b>50,248,811</b>	<b>36,710,292</b>
Average Butterfat Test		2.07%	0.98%
<b>Class IV Utilization</b>			
Inventory		12,067,022	14,437,531
Nonfluid Used To Fortify		1,249,454	591,528
Shrinkage		5,940,576	98,667
Transfers & Diversions to Nonpool		35,043,402	35,578,374
Used To Produce/Other Uses		4,364,185	0
Total Class IV Utilization		<b>58,664,639</b>	<b>50,706,100</b>
Average Butterfat Test		4.92%	7.13%
<b>Total Utilization</b>		<b>503,984,894</b>	<b>507,793,631</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2019 is \$19.24 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.60 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5732 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 66.80% of all producer skim milk (priced to handlers at \$7.82 per hundredweight, plus the Class I differential, see page 2) and 40.81% of producer butterfat (priced to handlers at \$2.5355 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 12.93% of all producer skim milk (\$7.72 per hundredweight) and 41.79% of producer butterfat (\$2.5788 per pound). Class III use, mostly milk used to produce cheese, accounted for 11.67% of all producer skim milk (\$7.65 per hundredweight) and 6.41% of producer butterfat (\$2.5718 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.60% of all producer skim milk (\$7.55 per hundredweight) and 10.99% of producer butterfat (\$2.5718 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>April 2019</u></b>		
Whole Milk	128,505,355	37.25%
Fat Free Milk	19,364,771	5.61%
Low fat Milk (incl. 1%)	37,361,307	10.83%
Reduced Fat Milk (incl. 2%)	106,008,541	30.74%
Cultured Fluid Milk (incl. Buttermilk)	5,432,868	1.58%
Flavored Drinks and Milk	48,269,532	13.99%
<b>Total Disposition in Marketing Area</b>	<b>344,942,374</b>	<b>100.0%</b>
Total Disposition by Pool Plants	244,840,097	70.98%
Total Disposition by Nonpool Plants	100,102,277	29.02%
<b>Total Disposition in Marketing Area</b>	<b>344,942,374</b>	<b>100.0%</b>

Receipts of producer milk during May totaled 437.2 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for May 2019. Class I route disposition in the area was 344.9 million pounds in April 2019.

## USDA Dairy Outlook, (continued from page 1)

### Trade Policy Changes Potentially Affecting U.S. Dairy Exports

In the summer of 2018, China levied supplementary tariffs on many products imported from the United States, including virtually all dairy products, in response to higher tariffs imposed by the U.S. Government on certain goods imported from China. On May 13, 2019, China announced that tariffs on imports of certain U.S. products would be increased in response to additional U.S. tariffs levied on imports from China. U.S. dairy products subject to the latest round of increased tariffs include whey products, lactose, infant formula, and casein products.

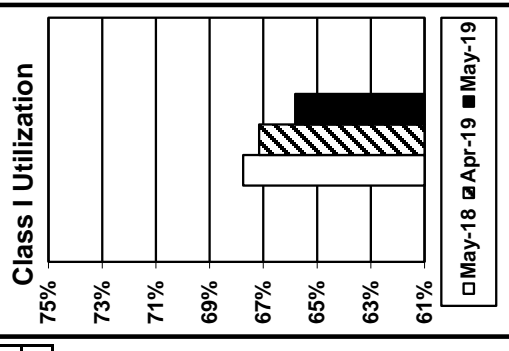
In the summer of 2018, Canada and Mexico levied retaliatory tariffs on some products imported from the United States in response to higher tariffs imposed by the U.S. Government on imports of steel and aluminum products. With respect to dairy-related products, Canada imposed a 10-percent surtax on yogurt and pizza imports, and Mexico imposed tariffs of 20 or 25 percent on cheese imports, depending upon the type of cheese. On May 17, 2019, the United States agreed to lift the tariffs on steel and aluminum imports from Mexico and Canada. On May 19, Canada responded by repealing retaliatory measures, including surtaxes on yogurt and pizza. Likewise, on May 20, Mexico responded by removing retaliatory measures, including tariffs on cheese.

# FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Mar 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
June	\$12.19	\$2.6014	\$20.87	\$8.26											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Mar 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,650**	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%



\* 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
June	07/11/19	07/12/19	07/15/19	06/25/19	06/26/19	07/15/19	07/16/19
July	08/11/19	08/12/19	08/13/19	07/25/19	07/26/19	08/13/19	08/14/19
August	09/11/19	09/12/19	09/13/19	08/26/19	08/26/19	09/13/19	09/16/19

\*\* The base rate for making partial payments in Fulton County, GA for June will be \$17.32 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.24 per hundredweight.

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

### WASDE Dairy Report 1/ WASDE – 589, June 11, 2019

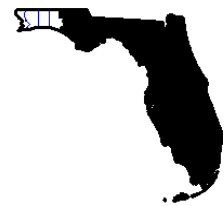
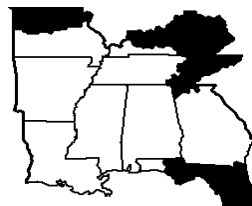
Milk production for 2019 is lowered from last month on slower-than-anticipated growth in milk per cow and lower expected cow numbers. The 2020 milk production forecast is reduced from last month as higher expected feed costs are expected to weaken producer margins, limiting growth in the dairy cow herd and milk per cow next year.

The 2019 cheese and whey price forecasts are reduced from the previous month while NDM and butter price forecasts are raised. For 2020, cheese and butter price forecasts are raised from the previous month, while NDM is unchanged. The whey price forecast is fractionally lower for 2020. The 2019 Class III price is reduced on lower cheese and whey price forecasts and the Class IV price forecast is raised on higher forecast butter and NDM prices. Class III and Class IV prices are raised in 2020. The all milk price forecast is reduced to \$18.00 per cwt for 2019 but is raised to \$18.90 per cwt for 2020.

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 WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

July 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 7

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

## USDA Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, July 2019, Economic Research Service, USDA:*

Due to recent strength in domestic use and expectations for strong economic growth this year and next, domestic use forecasts have been raised. Domestic use on a milk-fat basis for 2019 is forecast at 215.1 billion pounds, 0.6 billion higher than the previous forecast. Domestic use on a skim-solids basis is forecast higher on a skim-solids basis for 2019 than the last forecast, at 181.7 billion pounds. Ending stocks on a milk-fat basis for 2019 are forecast at 13.1 billion pounds, unchanged from the previous forecast. On a skim-solids basis, ending stocks are forecast at 10.0 billion pounds, down 0.2 billion from last month's forecast.

As the Cheddar cheese price has risen faster than expected in recent weeks, and demand appears to be relatively strong, the cheese price forecast for 2019 has been raised 2 cents to \$1.660 per pound. Further declines in whey product exports have motivated a decrease in the dry whey price forecast to \$0.375 per pound. The butter price forecast for the year is \$2.315 per pound, 1 cent lower than last month's forecast, because of higher imports of butterfat products. The NDM price forecast for 2019 is \$1.020 per pound, half a cent higher than last month's forecast.

The Class III milk price forecast for the year has been raised 15 cents to \$16.05 per hundredweight (cwt) as the higher expected cheese price more than offsets the lower expected whey price. The Class IV price forecast for 2019 has been raised 5 cents to \$16.45 per cwt as the higher expected NDM price more than offsets the lower expected butter price. The all-milk price forecast for 2019 is \$18.20 per cwt, an increase of 20 cents from last month's forecast.

Only slight changes have been made in product price forecasts for 2020. The Cheddar cheese price forecast for the year has been increased by one-half cent to \$1.730 per pound. As whey exports are expected to remain relatively (continued on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$19.58 per hundredweight of milk at 3.5 percent butterfat for the month of June 2019. The uniform price is \$0.34 per hundredweight higher than the previous month and is \$1.46 per hundredweight higher compared to June 2018.

Class I utilization was 57.17 percent in June. This represents an 8.65 percent decrease from the previous month and is 10.66 percent lower than June of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in May was 19.05 billion pounds, 0.4 percent lower than May of last year and 0.1 percent lower compared with April on a daily average basis. Total cheese output was 1.10 billion pounds, 1.6 percent above May 2018 and 1.7 percent below April 2019 on a daily average basis. Butter production was 163 million pounds, 4.2 percent below May 2018 and 4.2 percent below April 2019 on a daily average basis.

Nonfat dry milk powder production was 173.9 million pounds in May, 5.0 percent higher than last May and 1.9 percent above April on a daily average basis. Total dry whey production was 78.8 million pounds, 8.2 percent lower than May 2018 and 1.7 percent higher than the prior month on a daily average basis. Whey protein concentrates production was 41.2 million pounds in May, 2.8 percent lower than May 2018 and 2.0 percent below 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 2.10. A higher all-milk price was offset by higher corn and alfalfa prices, placing the ratio 0.01 lower than April.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - June 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	36.51%	5,944,112	\$2.5634	\$ 15,237,136.70
Class I Differential at Location				194,092.05
Class II Butterfat	39.75%	6,471,067	\$2.6649	17,244,746.45
Class III Butterfat	10.58%	1,722,343	\$2.6579	4,577,815.44
Class IV Butterfat	13.16%	2,141,725	\$2.6579	5,692,490.87
<b>Total Butterfat</b>	<b>100.00%</b>	<b>16,279,247</b>		<b>\$ 42,946,281.51</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.6381**

### 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	57.97%	246,498,985	\$8.39 /cwt.	\$ 20,681,264.87
Class I Butterfat	36.51%	5,944,112	\$2.5634 /lb.	15,237,136.70
Class I Differential at Location		252,443,097		8,211,994.59
<b>Total Class I Milk</b>	<b>57.17%</b>	<b>252,443,097</b>		<b>\$ 44,130,396.16</b>
Class II Skim Milk	14.41%	61,299,333	\$8.26 /cwt.	\$ 5,063,324.94
Class II Butterfat	39.75%	6,471,067	\$2.6649 /lb.	17,244,746.45
<b>Total Class II Milk</b>	<b>15.35%</b>	<b>67,770,400</b>		<b>\$ 22,308,071.39</b>
Class III Skim Milk	16.29%	69,289,887	\$7.22 /cwt.	\$ 5,002,729.85
Class III Butterfat	10.58%	1,722,343	\$2.6579 /lb.	4,577,815.44
<b>Total Class III Milk</b>	<b>16.08%</b>	<b>71,012,230</b>		<b>\$ 9,580,545.29</b>
Class IV Skim Milk	11.33%	48,199,762	\$7.80 /cwt.	\$ 3,759,581.40
Class IV Butterfat	13.16%	2,141,725	\$2.6579 /lb.	5,692,490.87
<b>Total Class IV Milk</b>	<b>11.40%</b>	<b>50,341,487</b>		<b>\$ 9,452,072.27</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>441,567,214</b>		<b>\$ 85,471,085.11</b>

### Adjustments

Overage and Other Source	\$6,437.43
Inventory Adjustments	\$8,297.63
Producer butterfat at uniform butterfat price	(\$42,946,281.51)
Location Adjustments to Producers	\$3,011,846.37
1/2 Unobligated Balance in P.S.F.	\$222,561.93

**Adjusted Pool Value** **\$ 10.76305**  
**\$ 0.04305**  
**\$45,773,946.96**  
**\$183,076.90**

**Uniform Skim Milk Price per cwt. (Fulton County, Georgia):** **\$10.72**

**Uniform Price per cwt. (Fulton County, Georgia)** **\$19.58\***

\* 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	July	May	June	June
Appalachian (Charlotte)	\$ 20.47	\$ 20.58	\$ 18.93	\$ 19.44	62.97%
Arizona (Phoenix)	\$ 19.42	\$ 19.53	\$ 16.94	\$ 17.32	22.07%
California (Woodland)	\$ 19.17	\$ 19.28	\$ 16.93	\$ 17.23	16.30%
Central (Kansas City)	\$ 19.07	\$ 19.18	\$ 16.62	\$ 16.91	21.60%
Florida (Tampa)	\$ 22.47	\$ 22.58	\$ 21.13	\$ 21.62	82.05%
Mideast (Cleveland)	\$ 19.07	\$ 19.18	\$ 16.94	\$ 17.40	29.40%
Northeast (Boston)	\$ 20.32	\$ 20.43	\$ 17.80	\$ 18.28	28.00%
Pacific Northwest (Seattle)	\$ 18.97	\$ 19.08	\$ 16.62	\$ 16.94	16.65%
<b>Southeast (Atlanta)</b>	<b>\$ 20.87</b>	<b>\$ 20.98</b>	<b>\$ 19.24</b>	<b>\$ 19.58</b>	<b>57.17%</b>
Southwest (Dallas)	\$ 20.07	\$ 20.18	\$ 17.51	\$ 17.88	26.68%
Upper Midwest (Chicago)	\$ 18.87	\$ 18.98	\$ 16.55	\$ 16.52	6.10%

# SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

## STATISTICAL SUMMARY

Receipts:		June 2019	June 2018
<b>Producer Milk</b>			
Class I		252,443,097	284,842,832
Class II		67,770,400	72,373,481
Class III		71,012,230	31,298,405
Class IV		50,341,487	31,450,741
	Total Producer Milk	<b>441,567,214</b>	<b>419,965,459</b>
	Average Butterfat Test	3.68%	3.64%
	Percent of Producer Milk in Class I	57.17%	67.83%
	Daily Average Receipts	14,708,907	13,998,849
<b>Other Source Milk</b>			
Class I		3,782,475	5,285,224
Class II		2,777,808	7,113,888
Class III		8,306	0
Class IV		1,449,759	2,681,701
	Total Other Source Milk	<b>8,018,348</b>	<b>15,080,813</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		2,422	0
	Total Overage	<b>2,422</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		21,469,879	18,333,508
Class II		62,628	4,504,919
Class III		234,020	2,463,880
Class IV		9,920,491	11,025,565
	Total Opening Inventory	<b>31,687,018</b>	<b>36,327,872</b>
	<b>Total Receipts</b>	<b>481,275,002</b>	<b>471,374,144</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		13,741,698	18,314,210
Route Disposition Class I		249,205,688	281,501,722
Shrinkage		1,722,862	1,578,759
Transfers & Diversions to Nonpool		13,025,203	7,066,873
	Total Class I Utilization	<b>277,695,451</b>	<b>308,461,564</b>
	Average Butterfat Test	2.34%	2.32%
	Daily Average Utilization	9,256,515	10,282,052
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,155,415	3,520,846
Shrinkage		683,863	13,882
Transfers & Diversions to Nonpool/Commercial Foods		50,669,729	55,205,263
Used To Produce/Other Uses		17,101,829	25,252,297
	Total Class II Utilization	<b>70,610,836</b>	<b>83,992,288</b>
	Average Butterfat Test	9.76%	10.38%
<b>Class III Utilization</b>			
Shrinkage		5,735,727	74
Transfers & Diversions to Nonpool		61,608,310	33,762,211
Used To Produce/Other Uses		3,910,519	0
	Total Class III Utilization	<b>71,254,556</b>	<b>33,762,285</b>
	Average Butterfat Test	2.47%	1.16%
<b>Class IV Utilization</b>			
Inventory		22,814,267	11,870,176
Nonfluid Used To Fortify		500,639	907,182
Shrinkage		0	5,769,878
Transfers & Diversions to Nonpool		38,399,253	22,897,241
Used To Produce/Other Uses		0	3,713,530
	Total Class IV Utilization	<b>61,714,159</b>	<b>45,158,007</b>
	Average Butterfat Test	4.53%	4.93%
	<b>Total Utilization</b>	<b>481,275,002</b>	<b>471,374,144</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during June 2019 is \$19.58 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$10.72 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6381 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 57.97% of all producer skim milk (priced to handlers at \$8.39 per hundredweight, plus the Class I differential, see page 2) and 36.51% of producer butterfat (priced to handlers at \$2.5634 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 14.41% of all producer skim milk (\$8.26 per hundredweight) and 39.75% of producer butterfat (\$2.6649 per pound). Class III use, mostly milk used to produce cheese, accounted for 16.29% of all producer skim milk (\$7.22 per hundredweight) and 10.58% of producer butterfat (\$2.6579 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.33% of all producer skim milk (\$7.80 per hundredweight) and 13.16% of producer butterfat (\$2.6579 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>May 2019</u></b>		
Whole Milk	130,255,254	39.11%
Fat Free Milk	18,929,874	5.68%
Low fat Milk (incl. 1%)	34,274,952	10.29%
Reduced Fat Milk (incl. 2%)	105,933,297	31.77%
Cultured Fluid Milk (incl. Buttermilk)	5,864,087	1.81%
Flavored Drinks and Milk	37,783,403	11.34%
<b>Total Disposition in Marketing Area</b>	<b>333,040,867</b>	<b>100.0%</b>
Total Disposition by Pool Plants	236,765,960	71.09%
Total Disposition by Nonpool Plants	96,274,907	28.91%
<b>Total Disposition in Marketing Area</b>	<b>333,040,867</b>	<b>100.0%</b>

Receipts of producer milk during June totaled 441.6 million pounds. There were 20 regulated pool distributing plants, 2 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for June 2019. Class I route disposition in the area was 333.0 million pounds in May 2019.

## USDA Dairy Outlook

(continued from page 1) weak in 2020, the dry whey price forecast has been lowered 1.5 cents to \$0.360 per pound. The butter price is forecast at \$2.345 per pound, 2 cents lower than the last forecast, because of higher expected imports and lower expected exports of butterfat products. The Class III price forecast for 2020 is \$16.65 per cwt, unchanged from last month's projection. Due to a slightly lower butter price, the Class IV price forecast has been lowered 10 cents to \$16.75 for the year. The all-milk price for 2020 is projected to be \$18.85 per cwt, 5 cents lower than last month.

### Outlook for Feed Prices

The 2019/20 corn price forecast has been lowered 10 cents to \$3.70 per bushel. The soybean meal forecast for 2019/20 has been raised to \$300 per short ton, \$5 higher than last month's forecast. The May alfalfa hay price was \$204 per short ton, \$5 higher than April and \$15 higher than May 2018. NASS has been reporting a new monthly price series, prices received for premium and supreme alfalfa hay price for 5 States, with data starting in January 2019. In May, the premium and supreme alfalfa hay price was \$222, \$3 higher than April. For more information, see Feed Outlook, published by USDA, Economic Research Service.

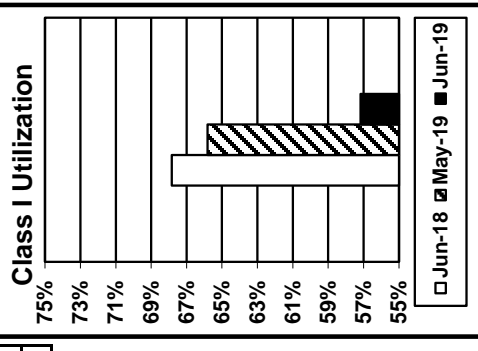


**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
May 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
May 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,500**	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%



\* 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
July	08/11/19	08/12/19	08/13/19	07/25/19	07/26/19	08/13/19	08/14/19
August	09/11/19	09/12/19	09/13/19	08/26/19	08/26/19	09/13/19	09/16/19
September	10/11/19	10/15/19	10/16/19	09/25/19	09/26/19	10/16/19	10/17/19

\*\* The base rate for making partial payments in Fulton County, GA for July will be \$17.62 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.58 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 – 590, July 11, 2019

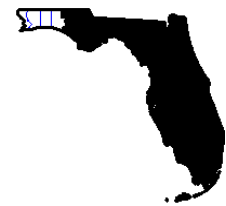
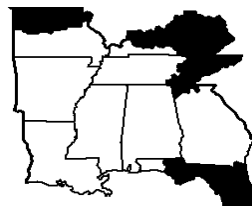
The milk production forecast for 2019 is unchanged, but the forecast for 2020 is reduced on slower expected growth in milk per cow. USDA's Cattle report, to be released on July 19th, will provide a mid-year estimate of the dairy cow inventory and producer intentions regarding retention of heifers for dairy cow replacement.

The 2019 cheese and nonfat dry milk (NDM) price forecasts are increased from the previous month while butter and whey price forecasts are reduced. The 2020 cheese price forecast is raised fractionally as demand is expected to improve, but the butter price forecast is lowered. The whey price forecast is also reduced as export prospects remain relatively weak. The NDM price forecast is unchanged. The 2019 Class III price is raised as the higher cheese price more than offsets a lower whey price, and the Class IV price is raised as a higher NDM price more than offsets the lower butter price. The 2020 Class III price forecast is unchanged as the fractionally higher cheese price is offset by a lower whey price. The Class IV price forecast reflects a lower butter price. The 2019 all milk price is forecast higher at \$18.20 per cwt, but the all milk price forecast for 2020 is slightly lower than the previous month at \$18.85.

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 WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Shawn Boockoff, Acting Market Administrator

www.fmmatlanta.com

August 2019



Southeast Marketing Area  
Federal Order 7

Volume 20—No. 8

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

## USDA Dairy Outlook

*Excerpts from Livestock, Dairy, & Poultry Outlook, August 2019, Economic Research Service, USDA:*

Slight changes in dairy product price forecasts have been made for the remainder of 2019. Recent strength in cheese prices and growth in domestic use have motivated an increase of 2.5 cents in the Cheddar cheese price for the year to \$1.685 per pound. The dry whey price has also been raised slightly for the year to \$0.380 per pound. Domestic demand continues to support the U.S. butter price; as a result, the butter price forecast has been raised slightly to \$2.320 per pound for the year. In contrast, weakening shipments of NDM in recent months have allowed the NDM price to weaken somewhat of late; therefore, the NDM price forecast has been lowered 1.5 cents to \$1.005 per pound for the year.

With slightly higher prices for cheese and whey, the Class III price for 2019 has been raised 25 cents to \$16.30 per cwt. The lower NDM price forecast has led to a decrease of 15 cents in the Class IV price forecast to \$16.30 per cwt. The all-milk price for 2019 is now forecast at \$18.30 per cwt, 10 cents higher than the previous forecast.

Most dairy product price forecasts for 2020 have been lowered slightly. The Cheddar cheese price is now forecast at \$1.725 per pound for the year, half a cent lower than last month's forecast. The projection for the dry whey price in 2020 is \$0.360 per pound, unchanged from the last forecast. The butter price forecast has been lowered 1 cent to \$2.335 per pound. As recent struggles for NDM exports suggest significant competition abroad, the NDM price forecast has been lowered 3 cents to \$1.015 per pound.

With the lower expected cheese price, the Class III milk price estimate for 2020 is now \$16.55 per cwt, 10 cents lower than last month's forecast. Since the butter and NDM price forecasts have been lowered, the Class IV milk price forecast has been lowered 30 cents to \$16.45 per cwt. The all-milk price forecast for 2020 is now \$18.80 per cwt, 5 cents lower than previously forecast. (continued on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$20.25 per hundredweight of milk at 3.5 percent butterfat for the month of July 2019. The uniform price is \$0.67 per hundredweight higher than the previous month and is \$2.13 per hundredweight higher compared to July 2018.

Class I utilization was 69.72 percent in July. This represents an 12.55 percent increase from the previous month and is 3.59 percent lower than July of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in June was 18.23 billion pounds, 0.3 percent lower than June of last year and 1.2 percent lower compared with May on a daily average basis. Total cheese output (excluding cottage cheese) was 1.07 billion pounds, 0.6 percent above June 2018 but 0.05 percent below May 2019 on daily average basis. Butter production was 146 million pounds, 3.1 percent above June 2018 but 6.0 percent below May 2019 on a daily average basis.

Nonfat dry milk powder production was 155.6 million pounds in June, 2.2 percent higher than last June and 5.8 percent below May on a daily average basis. Total dry whey production was 81.1 million pounds, 6.3 percent lower than June 2018 and 5.5 percent higher than the prior month on a daily average basis. Whey protein concentrates production was 41.1 million pounds in June, 0.3 percent higher than June 2018 and 3.3 percent higher than May on a daily average basis.

June's 2.08 milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was down 0.02 from the prior month but up 0.10 from June 2018.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - July 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.98%	6,637,694	\$2.6529	\$ 17,609,138.40
Class I Differential at Location				215,339.51
Class II Butterfat	41.51%	6,128,059	\$2.6928	16,501,637.28
Class III Butterfat	6.37%	941,019	\$2.6858	2,527,388.82
Class IV Butterfat	7.14%	1,054,620	\$2.6858	2,832,498.38
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,761,392</b>		<b>\$ 39,686,002.39</b>
<b>Uniform Butterfat Price per lb. (Fulton County, Georgia):</b>			<b>\$2.6885</b>	

### 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	70.67%	273,432,384	\$8.18 /cwt.	\$ 22,366,769.01
Class I Butterfat	44.98%	6,637,694	\$2.6529 /lb.	17,609,138.40
Class I Differential at Location		280,070,078		9,082,540.14
<b>Total Class I Milk</b>	<b>69.72%</b>	<b>280,070,078</b>		<b>\$ 49,058,447.55</b>
Class II Skim Milk	15.66%	60,591,182	\$8.48 /cwt.	\$ 5,138,132.24
Class II Butterfat	41.51%	6,128,059	\$2.6928 /lb.	16,501,637.28
<b>Total Class II Milk</b>	<b>16.61%</b>	<b>66,719,241</b>		<b>\$ 21,639,769.52</b>
Class III Skim Milk	7.52%	29,085,963	\$8.45 /cwt.	\$ 2,457,763.86
Class III Butterfat	6.37%	941,019	\$2.6858 /lb.	2,527,388.82
<b>Total Class III Milk</b>	<b>7.48%</b>	<b>30,026,982</b>		<b>\$ 4,985,152.68</b>
Class IV Skim Milk	6.15%	23,797,198	\$7.77 /cwt.	\$ 1,849,042.30
Class IV Butterfat	7.14%	1,054,620	\$2.6858 /lb.	2,832,498.38
<b>Total Class IV Milk</b>	<b>6.19%</b>	<b>24,851,818</b>		<b>\$ 4,681,540.68</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>401,668,119</b>		<b>\$ 80,364,910.43</b>

### Adjustments

Overage and Other Source	\$3,480.80
Inventory Adjustments	\$71,620.38
Producer butterfat at uniform butterfat price	(\$39,686,002.39)
Location Adjustments to Producers	\$2,644,504.15
1/2 Unobligated Balance in P.S.F.	\$209,738.17
<b>Adjusted Pool Value</b>	<b>\$ 11.27100</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04100</b>

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

**\$11.23**

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

**\$20.25\***

\* 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	Aug	June	July	July
Appalachian (Charlotte)	\$ 20.58	\$ 21.29	\$ 19.44	\$ 19.84	70.71%
Arizona (Phoenix)	\$ 19.53	\$ 20.24	\$ 17.32	\$ 17.88	25.65%
California (Woodland)	\$ 19.28	\$ 19.99	\$ 17.23	\$ 17.82	21.90%
Central (Kansas City)	\$ 19.18	\$ 19.89	\$ 16.91	\$ 17.64	26.39%
Florida (Tampa)	\$ 22.58	\$ 23.29	\$ 21.62	\$ 21.75	82.56%
Mideast (Cleveland)	\$ 19.18	\$ 19.89	\$ 17.40	\$ 18.02	30.30%
Northeast (Boston)	\$ 20.43	\$ 21.14	\$ 18.28	\$ 18.83	29.60%
Pacific Northwest (Seattle)	\$ 19.08	\$ 19.79	\$ 16.94	\$ 17.52	17.68%
<b>Southeast (Atlanta)</b>	<b>\$ 20.98</b>	<b>\$ 21.69</b>	<b>\$ 19.58</b>	<b>\$ 20.25</b>	<b>69.72%</b>
Southwest (Dallas)	\$ 20.18	\$ 20.89	\$ 17.88	\$ 18.47	27.98%
Upper Midwest (Chicago)	\$ 18.98	\$ 19.69	\$ 16.52	\$ 17.71	7.50%

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

Receipts:		July 2019	July 2018
<b>Producer Milk</b>			
Class I		280,070,078	289,503,476
Class II		66,719,241	66,379,612
Class III		30,026,982	27,068,859
Class IV		24,851,818	11,961,313
Total Producer Milk		<b>401,668,119</b>	<b>394,913,260</b>
Average Butterfat Test		3.67%	3.66%
Percent of Producer Milk in Class I		69.72%	73.31%
Daily Average Receipts		12,957,036	12,739,137
<b>Other Source Milk</b>			
Class I		3,794,532	5,726,522
Class II		7,022,795	3,114,351
Class III		1,295,246	23,773
Class IV		4,658,590	1,897,882
Total Other Source Milk		<b>16,771,163</b>	<b>10,762,528</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		1,296	324,677
Total Overage		<b>1,296</b>	<b>324,677</b>
<b>Opening Inventory</b>			
Class I		13,742,080	17,059,958
Class II		5,559,266	564,204
Class III		3,484,731	2,539,142
Class IV		18,575,950	8,745,511
Total Opening Inventory		<b>41,362,027</b>	<b>28,908,815</b>
<b>Total Receipts</b>		<b>459,802,605</b>	<b>434,909,280</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		18,458,591	17,720,059
Route Disposition Class I		269,885,507	281,616,368
Shrinkage		2,846,400	4,878,166
Transfers & Diversions to Nonpool		6,416,192	8,075,343
Total Class I Utilization		<b>297,606,690</b>	<b>312,289,956</b>
Average Butterfat Test		2.36%	2.34%
Daily Average Utilization		9,600,216	10,073,870
<b>Class II Utilization</b>			
Nonfluid Used To Produce		3,365,259	2,461,080
Shrinkage		95,411	0
Transfers & Diversions to Nonpool/Commercial Foods		45,486,960	49,399,360
Used To Produce/Other Uses		30,353,672	18,197,727
Total Class II Utilization		<b>79,301,302</b>	<b>70,058,167</b>
Average Butterfat Test		11.03%	9.35%
<b>Class III Utilization</b>			
Shrinkage		5,532	5,085,621
Transfers & Diversions to Nonpool		34,801,427	21,041,672
Used To Produce/Other Uses		0	3,504,481
Total Class III Utilization		<b>34,806,959</b>	<b>29,631,774</b>
Average Butterfat Test		2.74%	3.52%
<b>Class IV Utilization</b>			
Inventory		18,315,599	12,080,435
Nonfluid Used To Fortify		1,497,993	539,932
Shrinkage		5,472,092	0
Transfers & Diversions to Nonpool		19,534,587	10,309,016
Used To Produce/Other Uses		3,267,383	0
Total Class IV Utilization		<b>48,087,654</b>	<b>22,929,383</b>
Average Butterfat Test		4.59%	5.70%
<b>Total Utilization</b>		<b>459,802,605</b>	<b>434,909,280</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2019 is \$20.25 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.23 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6885 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.67% of all producer skim milk (priced to handlers at \$8.18 per hundredweight, plus the Class I differential, see page 2) and 44.98% of producer butterfat (priced to handlers at \$2.6529 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.66% of all producer skim milk (\$8.48 per hundredweight) and 41.51% of producer butterfat (\$2.6928 per pound). Class III use, mostly milk used to produce cheese, accounted for 7.52% of all producer skim milk (\$8.45 per hundredweight) and 6.37% of producer butterfat (\$2.6858 per pound). Class IV use, generally milk processed into butter and powder, accounted for 6.15% of all producer skim milk (\$7.77 per hundredweight) and 7.14% of producer butterfat (\$2.6858 per pound).

Receipts of producer milk during July totaled 401.7 million pounds. There were 19 regulated pool distributing plants, 2 pool supply plants and 12 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for July 2019. Class I route disposition in the area was 303.4 million pounds in June 2019.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>June 2019</u></b>		
Whole Milk	127,448,884	42.00%
Fat Free Milk	17,205,079	5.67%
Low fat Milk (incl. 1%)	33,234,684	10.96%
Reduced Fat Milk (incl. 2%)	97,005,312	31.96%
Cultured Fluid Milk (incl. Buttermilk)	4,607,152	1.51%
Flavored Drinks and Milk	23,943,946	7.90%
<b>Total Disposition in Marketing Area</b>	<b>303,445,057</b>	<b>100.0%</b>
Total Disposition by Pool Plants	215,074,478	70.87%
Total Disposition by Nonpool Plants	88,370,579	29.13%
<b>Total Disposition in Marketing Area</b>	<b>303,445,057</b>	<b>100.0%</b>

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### USDA Dairy Outlook, (continued from page 1)

#### Outlook for Feed Prices

The 2019/20 corn price forecast has been lowered 10 cents to \$3.60 per bushel. The soybean meal forecast for 2019/20 is \$300 per short ton, unchanged from last month's forecast. The June alfalfa hay price was \$193 per short ton, a drop of \$11 from May but \$12 higher than June 2018. The price for premium alfalfa hay in June was \$217 per short ton, \$5 lower than the May price. For more information, see Feed Outlook, published by USDA, Economic Research Service.

#### Details Announced on USDA's Market Facilitation Program

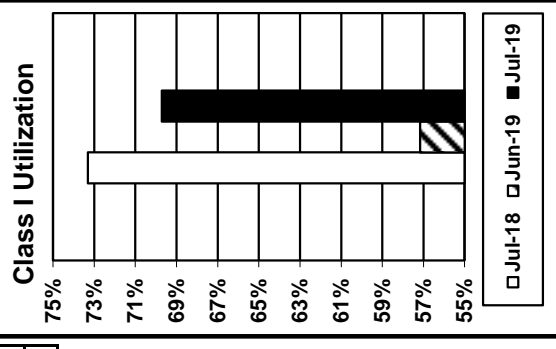
On July 25th, USDA announced the terms of its Market Facilitation Program (MFP), which is intended to support farmers affected by retaliatory tariffs and non-tariff trade disruptions by China and other nations. Dairy producers who were in business as of June 1, 2019, will receive a per hundredweight payment on production history. The program is being administered by the Farm Service Agency (FSA), and signup for the program is currently open through December 6, 2019. For more information, see USDA Press Release No. 0114.19.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
May 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48	\$2.6928	\$17.61	\$8.45	\$2.6858	\$17.55	\$7.77	\$2.6858	\$16.90	\$11.23	\$2.6885	\$20.25
Aug	\$12.61	\$2.7210	\$21.69	\$8.57											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
May 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,446	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%
Jul	401,668	1,450**	280,070	69.72%	66,719	16.61%	30,027	7.48%	24,852	6.19%



\* 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
August	09/11/19	09/12/19	09/13/19	08/26/19	08/26/19	09/13/19	09/16/19
September	10/11/19	10/15/19	10/16/19	09/25/19	09/26/19	10/16/19	10/17/19
October	11/11/19	11/12/19	11/13/19	10/25/19	10/28/19	11/13/19	11/14/19

\*\* The base rate for making partial payments in Fulton County, GA for August will be \$18.23 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.25 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 – 591, August 12, 2019

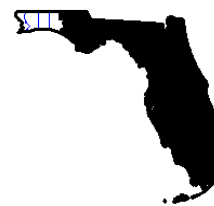
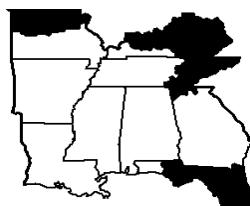
The milk production forecasts for 2019 and 2020 are reduced from last month on expectations of a smaller dairy herd and slower growth in milk per cow. For 2019, the fat basis import forecast is raised from last month on strong demand for imported butter, while the fat basis export forecast is reduced slightly. The skim-solid basis import forecast for 2019 is raised on higher imports of milk protein concentrates and other dairy products. The 2019 skim-solids basis export forecast is reduced primarily on weaker-than-expected sales of nonfat dry milk (NDM). For 2020, the fat basis import forecast is raised on continued strong import demand for butter, while the fat basis export forecast is reduced on slowing sales of butterfat.

For 2019, cheese, butter, and whey price forecasts are raised. The NDM price forecast is reduced on current price weakness and slowing demand. For 2020, price forecasts for cheese, butter, and NDM are lowered from the previous month, but the whey price forecast is unchanged. The 2019 Class III price forecast is raised on higher forecast cheese and whey prices. The 2019 Class IV price forecasts is reduced from the previous month as the lower forecast NDM price more than offsets the higher butter price. For 2020, the Class III and Class IV product price forecasts are lower on weaker dairy product prices. The 2019 all milk price is forecast higher at \$18.30 per cwt, but the all milk price forecast for 2020 is forecast lower than the previous month at \$18.80 per cwt

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



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

**Shawn Boockoff, Acting Market Administrator**

**www.fmmatlanta.com**

**September 2019**



**Southeast Marketing Area  
Federal Order 7**

**Volume 20—No. 9**

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

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## **Milk Donation Reimbursement Program**

On September 16, 2019, USDA established the Milk Donation Reimbursement Program (MDRP). The program was authorized as part of the 2018 Farm Bill and is intended to encourage the donation of Grade A fluid milk products, provide nutrition assistance to individuals in low income groups, and reduce food waste. The program will provide limited financial reimbursements for fluid milk production donations made by eligible dairy organizations who account to a Federal milk marketing order pool. The program requires a formalized partnership between eligible dairy organizations and eligible distributors. Congress authorized \$9 million for Fiscal Year 2019 and \$5 million per fiscal year thereafter, for the life of the current Farm Bill. The deadline for submitting applications is November 6, 2019. Details about program eligibility and participation are available at [www.ams.usda.gov/mdrp](http://www.ams.usda.gov/mdrp).

## **Dairy Business Innovation Initiatives**

USDA recently announced three grant recipients for the Dairy Business Innovation (DBI) Initiatives. The DBI Initiatives support dairy businesses in the development, production and marketing and distribution of dairy products. DBI Initiatives will provide direct technical assistance and grants to dairy businesses, including niche dairy products, such as specialty cheese, or dairy products derived from the milk of a dairy animal, including cow, sheep and goat milk. These initiatives will specifically focus on: diversifying dairy product markets to reduce risk and develop higher-value uses for dairy products; Promoting business development that diversifies farmer income through processing and marketing innovation; and encouraging the use of regional milk production. The University of Tennessee, the Vermont Agency of Agriculture, Food and Markets, and the University of Wisconsin were all grant awardees. More information on the DBI Initiatives is available at <https://www.ams.usda.gov/services/grants/dbi>.

## **Uniform Price**

The uniform price in Fulton County, GA, was \$20.85 per hundredweight of milk at 3.5 percent butterfat for the month of August 2019. The uniform price is \$0.60 per hundredweight higher than the previous month and is \$3.32 per hundredweight higher compared to August 2018.

Class I utilization was 73.60 percent in August. This represents a 3.88 percent increase from the previous month and is 2.05 percent lower than August of last year.

## **National Dairy Situation**

The USDA estimates that the total U.S. production of milk in July was 18.33 billion pounds, nearly the same as July of last year and 2.8 percent lower compared with June on a daily average basis. Total cheese output (excluding cottage cheese) was 1.09 billion pounds, 0.5 percent above July 2018 and 1.0 percent below June 2019 on a daily average basis. Butter production was 142.7 million pounds, 6.0 percent above July 2018 but 4.6 percent lower than June 2019 on a daily average basis.

Nonfat dry milk powder production was 168.8 million pounds in July, 12.4 percent higher than last July and 4.8 percent above June on a daily average basis. Total dry whey production was 82.1 million pounds, 8.9 percent lower than July 2018 and 4.2 percent lower than the prior month on a daily average basis. Whey protein concentrates production was 39.8 million pounds in July, 2.6 percent lower than July 2018 and 1.8 percent lower than June on a daily average basis.

July's 2.16 milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was up 0.08 from the prior month and 0.23 higher than July 2018.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - August 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.85%	6,586,496	\$2.6830	\$ 17,671,568.79
Class I Differential at Location				213,497.16
Class II Butterfat	42.28%	6,350,488	\$2.6644	16,920,240.23
Class III Butterfat	6.97%	1,046,975	\$2.6574	2,782,231.36
Class IV Butterfat	6.90%	1,035,932	\$2.6574	2,752,885.71
<b>Total Butterfat</b>	<b>100.00%</b>	<b>15,019,891</b>		<b>\$ 40,340,423.25</b>
<b>Uniform Butterfat Price per lb. (Fulton County, Georgia):</b>			<b>\$2.6858</b>	

### 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	74.75%	291,663,609	\$8.81 /cwt.	\$ 25,695,563.96
Class I Butterfat	43.85%	6,586,496	\$2.6830 /lb.	17,671,568.79
Class I Differential at Location		298,250,105		9,666,166.60
<b>Total Class I Milk</b>	<b>73.60%</b>	<b>298,250,105</b>		<b>\$ 53,033,299.35</b>
Class II Skim Milk	15.06%	58,754,712	\$8.57 /cwt.	\$ 5,035,278.81
Class II Butterfat	42.28%	6,350,488	\$2.6644 /lb.	16,920,240.23
<b>Total Class II Milk</b>	<b>16.07%</b>	<b>65,105,200</b>		<b>\$ 21,955,519.04</b>
Class III Skim Milk	6.64%	25,900,811	\$8.60 /cwt.	\$ 2,227,469.74
Class III Butterfat	6.97%	1,046,975	\$2.6574 /lb.	2,782,231.36
<b>Total Class III Milk</b>	<b>6.65%</b>	<b>26,947,786</b>		<b>\$ 5,009,701.10</b>
Class IV Skim Milk	3.55%	13,861,125	\$7.71 /cwt.	\$ 1,068,692.73
Class IV Butterfat	6.90%	1,035,932	\$2.6574 /lb.	2,752,885.71
<b>Total Class IV Milk</b>	<b>3.68%</b>	<b>14,897,057</b>		<b>\$ 3,821,578.44</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>405,200,148</b>		<b>\$ 83,820,097.93</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$8,398.33
Producer butterfat at uniform butterfat price	(\$40,340,423.25)
Location Adjustments to Producers	\$2,794,743.24
1/2 Unobligated Balance in P.S.F.	\$175,018.74

### Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 11.90676	\$46,457,834.99
	\$ 0.04676	\$182,456.52

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

**\$11.86**

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

**\$20.85\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Aug	Sept	July	Aug	Aug
Appalachian (Charlotte)	\$ 21.29	\$ 21.25	\$ 19.84	\$ 20.34	72.88%
Arizona (Phoenix)	\$ 20.24	\$ 20.20	\$ 17.88	\$ 18.11	27.88%
California (Woodland)	\$ 19.99	\$ 19.95	\$ 17.82	\$ 17.84	23.60%
Central (Kansas City)	\$ 19.89	\$ 19.85	\$ 17.64	\$ 17.85	29.46%
Florida (Tampa)	\$ 23.29	\$ 23.25	\$ 21.75	\$ 22.48	85.79%
Mideast (Cleveland)	\$ 19.89	\$ 19.85	\$ 18.02	\$ 18.20	33.30%
Northeast (Boston)	\$ 21.14	\$ 21.10	\$ 18.83	\$ 18.97	30.40%
Pacific Northwest (Seattle)	\$ 19.79	\$ 19.75	\$ 17.52	\$ 17.60	17.88%
<b>Southeast (Atlanta)</b>	<b>\$ 21.69</b>	<b>\$ 21.65</b>	<b>\$ 20.25</b>	<b>\$ 20.85</b>	<b>73.60%</b>
Southwest (Dallas)	\$ 20.89	\$ 20.85	\$ 18.47	\$ 18.69	27.88%
Upper Midwest (Chicago)	\$ 19.69	\$ 19.65	\$ 17.71	\$ 17.75	7.00%

# SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

## STATISTICAL SUMMARY

Receipts:		August 2019	August 2018
<b>Producer Milk</b>			
Class I		298,250,105	318,395,887
Class II		65,105,200	67,641,097
Class III		26,947,786	8,420,285
Class IV		14,897,057	26,439,295
	Total Producer Milk	<b>405,200,148</b>	<b>420,896,564</b>
	Average Butterfat Test	3.70%	3.70%
	Percent of Producer Milk in Class I	73.60%	75.65%
	Daily Average Receipts	13,070,973	13,577,309
<b>Other Source Milk</b>			
Class I		7,904,983	14,673,188
Class II		7,585,026	4,295,966
Class III		0	0
Class IV		5,336,107	2,638,755
	Total Other Source Milk	<b>20,826,116</b>	<b>21,607,909</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
	Total Overage	<b>0</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		18,458,591	19,891,573
Class II		2,027,741	1,486,002
Class III		0	0
Class IV		16,287,858	10,594,433
	Total Opening Inventory	<b>36,774,190</b>	<b>31,972,008</b>
	<b>Total Receipts</b>	<b>462,800,454</b>	<b>474,476,481</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		19,752,134	23,372,075
Route Disposition Class I		295,137,942	316,841,797
Shrinkage		3,966,399	1,998,134
Transfers & Diversions to Nonpool		5,757,204	10,748,642
	Total Class I Utilization	<b>324,613,679</b>	<b>352,960,648</b>
	Average Butterfat Test	2.20%	2.16%
	Daily Average Utilization	10,471,409	11,385,827
<b>Class II Utilization</b>			
Nonfluid Used To Produce		3,266,710	1,970,215
Shrinkage		534	0
Transfers & Diversions to Nonpool/Commercial Foods		39,275,304	52,372,148
Used To Produce/Other Uses		32,175,419	19,080,702
	Total Class II Utilization	<b>74,717,967</b>	<b>73,423,065</b>
	Average Butterfat Test	12.11%	10.07%
<b>Class III Utilization</b>			
Shrinkage		7,456	0
Transfers & Diversions to Nonpool		26,940,330	8,420,285
Used To Produce/Other Uses		0	0
	Total Class III Utilization	<b>26,947,786</b>	<b>8,420,285</b>
	Average Butterfat Test	3.88%	4.89%
<b>Class IV Utilization</b>			
Inventory		16,240,620	9,485,340
Nonfluid Used To Fortify		1,568,877	500,057
Shrinkage		6,082,468	5,881,769
Transfers & Diversions to Nonpool		9,244,491	19,689,173
Used To Produce/Other Uses		3,384,566	4,116,144
	Total Class IV Utilization	<b>36,521,022</b>	<b>39,672,483</b>
	Average Butterfat Test	5.74%	5.99%
	<b>Total Utilization</b>	<b>462,800,454</b>	<b>474,476,481</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2019 is \$20.85 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.86 per hundredweight plus 3.5 times the uniform butterfat price of \$2.6858 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 74.75% of all producer skim milk (priced to handlers at \$8.81 per hundredweight, plus the Class I differential, see page 2) and 43.85% of producer butterfat (priced to handlers at \$2.6830 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.06% of all producer skim milk (\$8.57 per hundredweight) and 42.28% of producer butterfat (\$2.6644 per pound). Class III use, mostly milk used to produce cheese, accounted for 6.64% of all producer skim milk (\$8.60 per hundredweight) and 6.97% of producer butterfat (\$2.6574 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.55% of all producer skim milk (\$7.71 per hundredweight) and 6.90% of producer butterfat (\$2.6574 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>July 2019</b>		
Whole Milk	135,877,811	42.40%
Fat Free Milk	17,793,128	5.55%
Low fat Milk (incl. 1%)	28,265,947	8.83%
Reduced Fat Milk (incl. 2%)	108,766,192	33.94%
Cultured Fluid Milk (incl. Buttermilk)	5,270,095	1.64%
Flavored Drinks and Milk	24,484,559	7.64%
<b>Total Disposition in Marketing Area</b>	<b>320,457,732</b>	<b>100.0%</b>
Total Disposition by Pool Plants	229,648,228	71.66%
Total Disposition by Nonpool Plants	90,809,504	28.34%
<b>Total Disposition in Marketing Area</b>	<b>320,457,732</b>	<b>100.0%</b>

Receipts of producer milk during August totaled 405.2 million pounds. There were 19 regulated pool distributing plants, 1 pool supply plants and 13 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for August 2019. Class I route disposition in the area was 320.5 million pounds in July 2019.

### 2019 Mailbox Milk Prices for Selected Reporting Areas

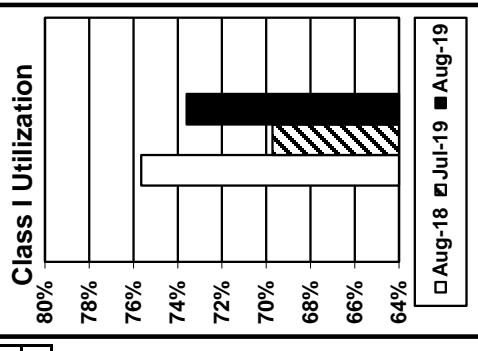
	Jan	Feb	Mar	Apr	May	Jun	Average
New England States	\$17.92	\$18.06	\$18.47	\$18.34	\$18.56	\$18.74	\$18.35
New York	\$16.67	\$16.86	\$17.32	\$17.21	\$17.52	\$17.70	\$17.22
Appalachian States	\$17.04	\$17.24	\$17.30	\$17.03	\$17.45	\$17.96	\$17.33
Southeast States	\$16.99	\$17.10	\$17.10	\$17.22	\$17.69	\$18.03	\$17.34
Southern Missouri	\$16.77	\$16.63	\$17.01	\$16.78	\$17.25	\$17.47	\$17.00
Florida	\$18.58	\$18.31	\$18.48	\$18.67	\$18.73	\$19.16	\$18.66
Indiana	\$16.09	\$16.22	\$16.72	\$16.77	\$17.12	\$17.17	\$16.69
Michigan	\$14.83	\$14.82	\$15.59	\$15.72	\$16.06	\$16.23	\$15.57
Wisconsin	\$16.18	\$16.18	\$17.11	\$17.65	\$17.92	\$17.67	\$17.12
Illinois	\$16.70	\$16.73	\$17.39	\$17.62	\$17.89	\$17.80	\$17.36
Corn Belt States	\$15.05	\$15.25	\$15.94	\$15.90	\$16.17	\$16.28	\$15.77
Western Texas	\$15.47	\$15.70	\$16.67	\$16.73	\$17.08	\$17.25	\$16.50
New Mexico	\$14.01	\$14.05	\$15.06	\$15.21	\$15.63	\$15.75	\$14.97
All Federal Order Areas	\$16.14	\$16.24	\$16.95	\$17.09	\$17.39	\$17.45	\$16.89

**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
<b>Jul 2018</b>	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
<b>Jan 2019</b>	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48	\$2.6928	\$17.61	\$8.45	\$2.6858	\$17.55	\$7.77	\$2.6858	\$16.90	\$11.23	\$2.6885	\$20.25
Aug	\$12.61	\$2.7210	\$21.69	\$8.57	\$2.6644	\$17.60	\$8.60	\$2.6574	\$17.60	\$7.71	\$2.6574	\$16.74	\$11.86	\$2.6858	\$20.85
Sep	\$12.67	\$2.6935	\$21.65	\$8.46											

**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.	%
<b>Jul 2018</b>	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
<b>Jan 2019</b>	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,446	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%
Jul	401,668	1,588	280,070	69.72%	66,719	16.61%	30,027	7.48%	24,852	6.19%
Aug	405,200	1,575**	298,250	73.60%	65,105	16.07%	26,948	6.65%	14,897	3.68%



\* 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
September	10/11/19	10/15/19	10/16/19	09/25/19	09/26/19	10/16/19	10/17/19
October	11/11/19	11/12/19	11/13/19	10/25/19	10/28/19	11/13/19	11/14/19
November	12/11/19	12/12/19	12/13/19	11/25/19	11/26/19	12/13/19	12/16/19

\*\* The base rate for making partial payments in Fulton County, GA for September will be \$18.77 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.85 per hundredweight.

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

### WASDE Dairy Report 1/ WASDE – 592, September 12, 2019

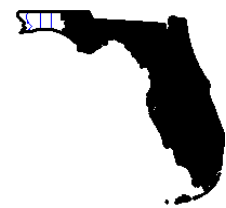
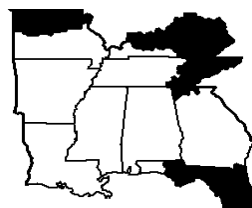
The milk production forecast for 2019 is raised as stronger growth in milk per cow more than offsets forecast lower cow numbers. For 2020, the milk production forecast is reduced from the previous month on slower expected growth in dairy cow numbers; however this is partly offset by slightly higher forecast milk per cow. The 2019 and 2020 fat basis import forecasts are lowered on recent trade data and expectations of slower butterfat imports. Fat basis export forecasts for 2019 and 2020 are reduced from last month on weaker expected global demand for U.S. butterfat products. The 2019 skim-solids basis import forecast is raised from the previous month on higher-than-expected imports of milk protein concentrates and a number of other dairy products. This strength is expected to carry over into 2020 and the 2020 skim-solids basis import forecast is raised. The skim-solids basis export forecast for 2019 is reduced from last month on weakness in a number of dairy products, but the 2020 skim-solids basis export forecast is raised primarily on expected strong global demand for lactose.

For 2019 and 2020, cheese, nonfat dry milk (NDM), and whey prices are raised from the previous month, but the price forecast for butter is reduced. The 2019 and 2020 the Class III price forecasts are raised from last month on higher cheese and whey prices. The 2019 and 2020 Class IV price forecasts are lowered from the previous month as lower forecast butter prices more than offset higher NDM prices. The 2019 all milk price is forecast raised to \$18.35 per cwt, and the all milk price forecast for 2020 is raised to \$18.85 per cwt.

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



**MILK MARKET ADMINISTRATOR**  
U.S. Department Of Agriculture  
2763 Meadow Church Road, Suite 100  
Duluth, Georgia 30097



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

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# Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator



www.fmmatlanta.com

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

## USDA Opens 2020 Enrollment for Dairy Margin Coverage Program

Dairy producers can now enroll in the Dairy Margin Coverage (DMC) for calendar year 2020. USDA's Farm Service Agency (FSA) opened sign-up today for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

"We know it's tough out there for American farmers, including our dairy producers," said Bill Northey, Under Secretary for Farm Production and Conservation. "As Secretary Perdue said, farmers are pretty good at managing through tough times, and we know that more dairy farmers will be able to survive with this 2018 Farm Bill and its risk mitigation measures, like the Dairy Margin Coverage program." The DMC program offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. The deadline to enroll in DMC for 2020 is Dec. 13, 2019.

Dairy farmers earned more than \$300 million dollars from the program in 2019 so far. Producers are encouraged to take advantage of this very important risk management tool for 2020. All producers who want 2020 coverage, even those who took advantage of the 25 percent premium discount by locking in the coverage level for five years of margin protection coverage are required to visit the office during this signup period to pay the annual administrative fee.

"Dairy producers should definitely consider coverage for 2020 as even the slightest drop in the margin can trigger pay-ments," said Northey. "Dairy producers should consider enrolling in DMC to guard against what has been, for several years, an extremely unforgiving market."

For more information on enrolling in DMC and taking advantage of an (continued on page 4)

## Appointment of Market Administrator

Harold H. Friedly, Jr., was appointed Market Administrator, Southeast and Florida Milk Marketing Orders effective October 7, 2019. Harold will continue to serve as the Appalachian Market Administrator. Harold has been serving as the Appalachian Market Administrator since July 2003. With over 36 years of experience working with the USDA-AMS-Dairy Program, Harold has held a variety of positions in the Appalachian and predecessor Federal milk marketing orders resulting in a diverse background and vast experience base. Harold's familiarity with the Southeastern United States and stakeholders in the region will ensure consistency in the administration of these two orders and enhance efficiencies in overall operations.

## Uniform Price

The uniform price in Fulton County, GA, was \$20.52 per hundredweight of milk at 3.5 percent butterfat for the month of September 2019. The uniform price is \$0.33 per hundredweight lower than the previous month and is \$2.58 above September 2018.

Class I utilization was 73.01 percent in September. This represents a 0.59 percent decrease from the previous month and is 1.75 percent lower than September of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in August was 18.28 billion pounds, 0.2 percent above August of last year and 2.8 percent lower compared with July. Total cheese output was 1.11 billion pounds, 2.2 percent above August 2018 and 1.6 percent above July 2019. Butter production was 136 million pounds, 2.1 percent above August 2018 but 4.3 percent below July 2019.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - September 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.58%	6,077,666	\$2.6555	\$ 16,139,242.07
Class I Differential at Location				196,855.20
Class II Butterfat	43.30%	6,180,604	\$2.5052	15,483,649.13
Class III Butterfat	5.42%	773,784	\$2.4982	1,933,067.21
Class IV Butterfat	8.70%	1,241,649	\$2.4982	3,101,887.54
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,273,703</b>		<b>\$ 36,854,701.15</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.5820**

### 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	74.20%	272,466,737	\$8.87 /cwt.	\$ 24,167,799.57
Class I Butterfat	42.58%	6,077,666	\$2.6555 /lb.	16,139,242.07
Class I Differential at Location		278,544,403		9,048,563.17
<b>Total Class I Milk</b>	<b>73.01%</b>	<b>278,544,403</b>		<b>\$ 49,355,604.81</b>
Class II Skim Milk	15.40%	56,565,155	\$8.46 /cwt.	\$ 4,785,412.12
Class II Butterfat	43.30%	6,180,604	\$2.5052 /lb.	15,483,649.13
<b>Total Class II Milk</b>	<b>16.45%</b>	<b>62,745,759</b>		<b>\$ 20,269,061.25</b>
Class III Skim Milk	4.91%	18,043,856	\$9.91 /cwt.	\$ 1,788,146.12
Class III Butterfat	5.42%	773,784	\$2.4982 /lb.	1,933,067.21
<b>Total Class III Milk</b>	<b>4.93%</b>	<b>18,817,640</b>		<b>\$ 3,721,213.33</b>
Class IV Skim Milk	5.49%	20,144,943	\$7.88 /cwt.	\$ 1,587,421.53
Class IV Butterfat	8.70%	1,241,649	\$2.4982 /lb.	3,101,887.54
<b>Total Class IV Milk</b>	<b>5.61%</b>	<b>21,386,592</b>		<b>\$ 4,689,309.07</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>381,494,394</b>		<b>\$ 78,035,188.46</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$10,988.33)
Producer butterfat at uniform butterfat price	(\$36,854,701.15)
Location Adjustments to Producers	\$2,525,038.50
1/2 Unobligated Balance in P.S.F.	\$182,660.82
<b>Adjusted Pool Value</b>	<b>\$ 11.94845</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04845</b>

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

**\$11.90**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.52\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Sept	Oct	Aug	Sept	Sept
Appalachian (Charlotte)	\$ 21.25	\$ 21.24	\$ 20.34	\$ 20.04	72.57%
Arizona (Phoenix)	\$ 20.20	\$ 20.19	\$ 18.11	\$ 18.08	30.39%
California (Woodland)	\$ 19.95	\$ 19.94	\$ 17.84	\$ 17.37	25.80%
Central (Kansas City)	\$ 19.85	\$ 19.84	\$ 17.85	\$ 17.71	35.92%
Florida (Tampa)	\$ 23.25	\$ 23.24	\$ 22.48	\$ 21.85	80.00%
Midwest (Cleveland)	\$ 19.85	\$ 19.84	\$ 18.20	\$ 18.00	36.80%
Northeast (Boston)	\$ 21.10	\$ 21.09	\$ 18.97	\$ 18.78	31.80%
Pacific Northwest (Seattle)	\$ 19.75	\$ 19.74	\$ 17.60	\$ 17.43	22.83%
<b>Southeast (Atlanta)</b>	<b>\$ 21.65</b>	<b>\$ 21.64</b>	<b>\$ 20.85</b>	<b>\$ 20.52</b>	<b>73.01%</b>
Southwest (Dallas)	\$ 20.85	\$ 20.84	\$ 18.69	\$ 18.21	44.30%
Upper Midwest (Chicago)	\$ 19.65	\$ 19.64	\$ 17.75	\$ 18.23	9.70%



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

Receipts:		Sept 2019	Sept 2018
<b>Producer Milk</b>			
Class I		278,544,403	294,734,758
Class II		62,745,759	61,588,410
Class III		18,817,640	8,034,604
Class IV		21,386,592	29,899,687
	Total Producer Milk	<b>381,494,394</b>	<b>394,257,459</b>
	Average Butterfat Test	3.74%	3.76%
	Percent of Producer Milk in Class I	73.01%	74.76%
	Daily Average Receipts	12,716,480	13,141,915
<b>Other Source Milk</b>			
Class I		10,822,626	14,733,783
Class II		6,144,536	10,611,015
Class III		17,634	0
Class IV		6,774,255	5,885,221
	Total Other Source Milk	<b>23,759,051</b>	<b>31,230,019</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	112,248
	Total Overage	<b>0</b>	<b>112,248</b>
<b>Opening Inventory</b>			
Class I		19,752,096	23,372,010
Class II		1,959,411	3,978,796
Class III		0	0
Class IV		14,281,210	9,239,513
	Total Opening Inventory	<b>35,992,717</b>	<b>36,590,319</b>
	<b>Total Receipts</b>	<b>441,246,162</b>	<b>462,190,045</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		19,699,373	20,217,571
Route Disposition Class I		278,128,639	296,778,803
Shrinkage		4,141,407	3,905,599
Transfers & Diversions to Nonpool		7,149,706	11,938,578
	Total Class I Utilization	<b>309,119,125</b>	<b>332,840,551</b>
	Average Butterfat Test	2.16%	2.15%
	Daily Average Utilization	10,303,971	11,094,685
<b>Class II Utilization</b>			
Nonfluid Used To Produce		2,644,230	2,716,589
Shrinkage		0	4,835
Transfers & Diversions to Nonpool/Commercial Foods		39,457,085	46,413,889
Used To Produce/Other Uses		28,748,391	27,042,908
	Total Class II Utilization	<b>70,849,706</b>	<b>76,178,221</b>
	Average Butterfat Test	11.96%	11.36%
<b>Class III Utilization</b>			
Shrinkage		7,469	0
Transfers & Diversions to Nonpool		18,827,805	8,034,604
Used To Produce/Other Uses		0	0
	Total Class III Utilization	<b>18,835,274</b>	<b>8,034,604</b>
	Average Butterfat Test	4.14%	5.32%
<b>Class IV Utilization</b>			
Inventory		20,363,669	22,220,165
Nonfluid Used To Fortify		1,570,472	1,344,365
Shrinkage		5,468,316	5,398,010
Transfers & Diversions to Nonpool		11,546,372	13,116,242
Used To Produce/Other Uses		3,493,228	3,057,887
	Total Class IV Utilization	<b>42,442,057</b>	<b>45,136,669</b>
	Average Butterfat Test	6.08%	6.47%
	<b>Total Utilization</b>	<b>441,246,162</b>	<b>462,190,045</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2019 is \$20.52 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.90 per hundredweight plus 3.5 times the uniform butterfat price of \$2.5820 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 74.20% of all producer skim milk (priced to handlers at \$8.87 per hundredweight, plus the Class I differential, see page 2) and 42.58% of producer butterfat (priced to handlers at \$2.6555 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.40% of all producer skim milk (\$8.46 per hundredweight) and 43.30% of producer butterfat (\$2.5052 per pound). Class III use, mostly milk used to produce cheese, accounted for 4.91% of all producer skim milk (\$9.91 per hundredweight) and 5.42% of producer butterfat (\$2.4982 per pound). Class IV use, generally milk processed into butter and powder, accounted for 5.49% of all producer skim milk (\$7.88 per hundredweight) and 8.70% of producer butterfat (\$2.4982 per pound).

Receipts of producer milk during September totaled 381.5 million pounds. There were 19 regulated pool distributing plants, 1 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for September 2019. Class I route disposition in the area was 341.2 million pounds in August 2019.

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b>August 2019</b>		
Whole Milk	129,103,288	37.84%
Fat Free Milk	18,128,623	5.31%
Low fat Milk (incl. 1%)	37,746,071	11.06%
Reduced Fat Milk (incl. 2%)	105,899,253	31.03%
Cultured Fluid Milk (incl. Buttermilk)	5,461,943	1.60%
Flavored Drinks and Milk	44,849,496	13.16%
<b>Total Disposition in Marketing Area</b>	<b>341,188,674</b>	<b>100.0%</b>
Total Disposition by Pool Plants	252,739,838	71.66%
Total Disposition by Nonpool Plants	88,448,836	28.34%
<b>Total Disposition in Marketing Area</b>	<b>341,188,674</b>	<b>100.0%</b>

## USDA Opens 2020 Enrollment for Dairy Margin Coverage Program

(continued from page 1) online dairy decision tool that assists producers in selecting coverage for 2020, visit the DMC webpage. Enrollment Ends Dec. 13, 2019. For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

### Opens 2020 Enrollment for Dairy Margin Coverage Program

USDA Agricultural Marketing Service (AMS) is updating their performance measures and looking for feedback from farmers, producers, ranchers, farmer organizations, trade associations, universities, etc. for their grant programs, including the Farmers Market and Local Food Promotion Programs, Specialty Crop Block Grant Program, and Dairy Business Innovation Initiatives. Visit their website to learn more about the Performance Measures project.

You may provide your feedback at <https://nasda.foundation/contact-us>.

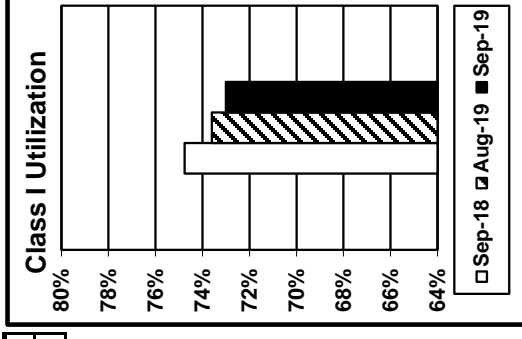
**FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES**

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
<b>Jul 2018</b>	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
<b>Jan 2019</b>	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48	\$2.6928	\$17.61	\$8.45	\$2.6858	\$17.55	\$7.77	\$2.6858	\$16.90	\$11.23	\$2.6885	\$20.25
Aug	\$12.61	\$2.7210	\$21.69	\$8.57	\$2.6644	\$17.60	\$8.60	\$2.6574	\$17.60	\$7.71	\$2.6574	\$16.74	\$11.86	\$2.6858	\$20.85
Sep	\$12.67	\$2.6935	\$21.65	\$8.46	\$2.5052	\$16.93	\$9.91	\$2.4982	\$18.31	\$7.88	\$2.4982	\$16.35	\$11.90	\$2.5820	\$20.52
Oct	\$13.09	\$2.5750	\$21.64	\$8.54											

**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.	%
<b>Jul 2018</b>	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
<b>Jan 2019</b>	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,446	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%
Jul	401,668	1,438	280,070	69.72%	66,719	16.61%	30,027	7.48%	24,852	6.19%
Aug	405,200	1,588	298,250	73.60%	65,105	16.07%	26,948	6.65%	14,897	3.68%
Sep	381,494	1,550**	278,544	73.01%	62,746	16.45%	18,818	4.93%	21,387	5.61%

\* 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
October	11/11/19	11/12/19	11/13/19	10/25/19	10/28/19	11/13/19	11/14/19
November	12/11/19	12/12/19	12/13/19	11/25/19	11/26/19	12/13/19	12/16/19
December	01/11/20	01/13/20	01/14/20	12/26/19	12/26/19	01/14/20	01/15/20

\*\* The base rate for making partial payments in Fulton County, GA for October will be \$18.47 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.52 per hundredweight.

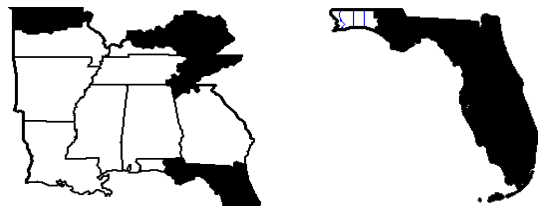
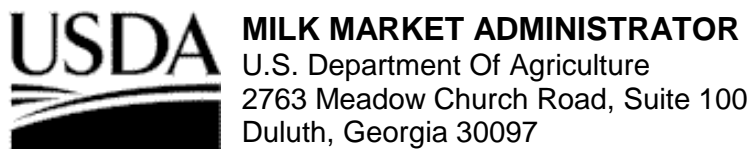
Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

### WASDE Dairy Report 1/ WASDE – 593, October 10, 2019

Milk production forecasts for 2019 are raised on higher cow numbers and stronger growth in milk per cow. For 2020, expected continued gains in milk per cow supported an increase in the milk production forecast.

For 2019, cheese and NDM prices are raised from the previous month, but price forecasts for butter and whey are reduced. The Class III price is raised from last month as the higher cheese price more than offsets the lower whey price; the Class IV price is raised as the higher NDM price more than offsets the lower butter price. For 2020, cheese and NDM prices are raised from the previous month, but the price forecast for butter is reduced. The whey price is unchanged. As a result, the Class III price forecast is higher, but the Class IV price is lowered, as the higher NDM price is more than offset by the lower butter price. The 2019 all milk price is forecast higher at \$18.40; for 2020 the price is unchanged at \$18.85 per cwt.

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



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# Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator



www.fmmatlanta.com

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

## USDA's Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, November 2019, USDA, Economic Research Service:*

### Dairy Estimates for the Remainder of 2019

Based on recent milk cow and heifer statistics, the forecast of the milking herd in 2019 has been lowered 5 thousand head to 9.335 million. Due to a lower number than expected for milk per cow in June, the milk per cow estimate for the year has been lowered 15 pounds to 23,350. With these changes, total milk production for 2019 is now forecast at 217.9 billion pounds, 0.3 billion lower than the previous forecast.

Slight changes in dairy product price forecasts have been made for the remainder of 2019. Recent strength in cheese prices and growth in domestic use have motivated an increase of 2.5 cents in the Cheddar cheese price for the year to \$1.685 per pound. Domestic demand continues to support the U.S. butter price; as a result, the butter price forecast has been raised slightly to \$2.320 per pound for the year. With slightly higher prices for cheese and whey, the Class III price for 2019 has been raised 25 cents to \$16.30 per cwt. The lower NDM price forecast has led to a decrease of 15 cents in the Class IV price forecast to \$16.30 per cwt. The all-milk price for 2019 is now forecast at \$18.30 per cwt, 10 cents higher than the previous forecast.

### Dairy Forecasts for 2020

Lower expected growth in milk cow numbers and higher expected milk per cow for the latter part of 2019 are expected to carry into 2020. Milk cows are forecast to average 9.335 million head in 2020.

Milk per cow is forecast at 23,830 pounds, 105 pounds higher than last month's forecast. With higher yields expected to more than offset lower growth in the milking herd, milk production for 2020 is forecast at 222.4 billion pounds, 0.8 billion pounds higher than last month's forecast.

(continued on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$20.65 per hundredweight of milk at 3.5 percent butterfat for the month of October 2019. The uniform price is \$0.13 per hundredweight higher than the previous month and is \$1.26 above October 2018.

Class I utilization was 77.91 percent in October. This represents a 4.90 percent increase from the previous month and is 0.62 percent lower than October of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in September was 17.6 billion pounds, 1.3 percent above September of last year and 0.5 percent lower compared with August 2019 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 2.1 percent above September 2018 but 0.5 percent below August 2019 on a daily average basis. Butter production was 137 million pounds, 1.2 percent above September 2018 and 2.8 percent above August 2019 on a daily average basis.

Nonfat dry milk powder production was 123.0 million pounds in September, 7.9 percent higher than last September but 5.0 percent below August on a daily average basis. Total dry whey production was 92.0 million pounds, 31.5 percent above September 2018 and 12.0 above the prior month on a daily average basis. Whey protein concentrates production was 38.9 million pounds in September, 7.3 percent below September 2018 but 1.1 percent above August on a daily average basis.

September's 2.33 milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was up 0.07.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - October 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.99%	6,679,843	\$2.5370	\$ 16,946,761.71
Class I Differential at Location				216,303.16
Class II Butterfat	44.18%	6,559,736	\$2.4101	15,809,619.74
Class III Butterfat	2.29%	339,749	\$2.4031	816,450.83
Class IV Butterfat	8.54%	1,268,584	\$2.4031	3,048,534.23
<b>Total Butterfat</b>	<b>100.00%</b>	<b>14,847,912</b>		<b>\$ 36,837,669.67</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.4810**

### 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	79.24%	292,655,237	\$9.29 /cwt.	\$ 27,187,671.52
Class I Butterfat	44.99%	6,679,843	\$2.5370 /lb.	16,946,761.71
Class I Differential at Location		299,335,080		9,711,086.58
<b>Total Class I Milk</b>	<b>77.91%</b>	<b>299,335,080</b>		<b>\$ 53,845,519.81</b>
Class II Skim Milk	15.96%	58,924,726	\$8.54 /cwt.	\$ 5,032,171.61
Class II Butterfat	44.18%	6,559,736	\$2.4101 /lb.	15,809,619.74
<b>Total Class II Milk</b>	<b>17.05%</b>	<b>65,484,462</b>		<b>\$ 20,841,791.35</b>
Class III Skim Milk	1.55%	5,718,414	\$10.68 /cwt.	\$ 610,726.63
Class III Butterfat	2.29%	339,749	\$2.4031 /lb.	816,450.83
<b>Total Class III Milk</b>	<b>1.58%</b>	<b>6,058,163</b>		<b>\$ 1,427,177.46</b>
Class IV Skim Milk	3.25%	12,012,916	\$8.27 /cwt.	\$ 993,468.16
Class IV Butterfat	8.54%	1,268,584	\$2.4031 /lb.	3,048,534.23
<b>Total Class IV Milk</b>	<b>3.46%</b>	<b>13,281,500</b>		<b>\$ 4,042,002.39</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>384,159,205</b>		<b>\$ 80,156,491.01</b>

### Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$10,791.99)
Producer butterfat at uniform butterfat price	(\$36,837,669.67)
Location Adjustments to Producers	\$2,463,411.87
1/2 Unobligated Balance in P.S.F.	\$183,259.50
<b>Adjusted Pool Value</b>	<b>\$ 12.44335</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04335</b>
	<b>\$45,954,700.72</b>
	<b>\$160,100.40</b>

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

**\$12.40**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.65\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Oct	Nov	Sept	Oct	Oct
Appalachian (Charlotte)	\$ 21.24	\$ 21.54	\$ 20.04	\$ 20.17	75.33%
Arizona (Phoenix)	\$ 20.19	\$ 20.49	\$ 18.08	\$ 18.11	29.38%
California (Woodland)	\$ 19.94	\$ 20.24	\$ 17.37	\$ 17.13	26.10%
Central (Kansas City)	\$ 19.84	\$ 20.14	\$ 17.71	\$ 17.43	42.90%
Florida (Tampa)	\$ 23.24	\$ 23.54	\$ 21.85	\$ 22.00	83.02%
Mideast (Cleveland)	\$ 19.84	\$ 20.14	\$ 18.00	\$ 17.86	40.50%
Northeast (Boston)	\$ 21.09	\$ 21.39	\$ 18.78	\$ 18.72	32.90%
Pacific Northwest (Seattle)	\$ 19.74	\$ 20.04	\$ 17.43	\$ 17.25	24.28%
<b>Southeast (Atlanta)</b>	<b>\$ 21.64</b>	<b>\$ 21.94</b>	<b>\$ 20.52</b>	<b>\$ 20.65</b>	<b>77.91%</b>
Southwest (Dallas)	\$ 20.84	\$ 21.14	\$ 18.21	\$ 17.87	45.12%
Upper Midwest (Chicago)	\$ 19.64	\$ 19.94	\$ 18.23	\$ 18.42	12.20%

# SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

## STATISTICAL SUMMARY

Receipts:		Oct 2019	Oct 2018
<b>Producer Milk</b>			
Class I		299,335,080	315,427,872
Class II		65,484,462	62,676,037
Class III		6,058,163	5,508,079
Class IV		13,281,500	18,086,167
Total Producer Milk		<b>384,159,205</b>	<b>401,698,155</b>
Average Butterfat Test		3.86%	3.86%
Percent of Producer Milk in Class I		77.91%	78.53%
Daily Average Receipts		12,392,232	12,958,005
<b>Other Source Milk</b>			
Class I		9,347,325	17,325,394
Class II		2,776,589	7,910,585
Class III		0	4,642
Class IV		4,217,000	6,992,201
Total Other Source Milk		<b>16,340,914</b>	<b>32,232,822</b>
<b>Overage</b>			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		<b>0</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		17,622,807	20,217,545
Class II		352,536	2,102,510
Class III		0	0
Class IV		18,449,412	20,117,655
Total Opening Inventory		<b>36,424,755</b>	<b>42,437,710</b>
<b>Total Receipts</b>		<b>436,924,874</b>	<b>476,368,687</b>
Utilization:			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		21,128,064	21,072,634
Route Disposition Class I		289,333,551	310,295,401
Shrinkage		3,828,029	5,928,891
Transfers & Diversions to Nonpool		12,015,568	15,673,885
Total Class I Utilization		<b>326,305,212</b>	<b>352,970,811</b>
Average Butterfat Test		2.21%	2.22%
Daily Average Utilization		10,525,975	11,386,155
<b>Class II Utilization</b>			
Nonfluid Used To Produce		1,850,569	2,673,241
Shrinkage		0	1,815
Transfers & Diversions to Nonpool/Commercial Foods		49,868,194	40,843,296
Used To Produce/Other Uses		16,894,824	29,170,780
Total Class II Utilization		<b>68,613,587</b>	<b>72,689,132</b>
Average Butterfat Test		10.32%	12.96%
<b>Class III Utilization</b>			
Shrinkage		0	0
Transfers & Diversions to Nonpool		6,058,163	5,512,721
Used To Produce/Other Uses		0	0
Total Class III Utilization		<b>6,058,163</b>	<b>5,512,721</b>
Average Butterfat Test		5.60%	7.43%
<b>Class IV Utilization</b>			
Inventory		14,549,373	18,834,818
Nonfluid Used To Fortify		1,897,577	2,916,944
Shrinkage		5,575,913	6,059,038
Transfers & Diversions to Nonpool		10,617,456	13,481,039
Used To Produce/Other Uses		3,307,593	3,904,184
Total Class IV Utilization		<b>35,947,912</b>	<b>45,196,023</b>
Average Butterfat Test		7.07%	5.32%
<b>Total Utilization</b>		<b>436,924,874</b>	<b>476,368,687</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2019 is \$20.65 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.40 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4810 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 2019, Class I use, which is primarily bottled or packaged fluid milk, accounted for 79.24% of all producer skim milk (priced to handlers at \$9.29 per hundredweight, plus the Class I differential, see page 2) and 44.99% of producer butterfat (priced to handlers at \$2.5370 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.96% of all producer skim milk (\$8.54 per hundredweight) and 44.18% of producer butterfat (\$2.4101 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.55% of all producer skim milk (\$10.68 per hundredweight) and 2.29% of producer butterfat (\$2.4031 per pound). Class IV use, generally milk processed into butter and powder, accounted for 3.25% of all producer skim milk (\$8.27 per hundredweight) and 8.54% of producer butterfat (\$2.4031 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>September 2019</u></b>		
Whole Milk	123,111,067	37.08%
Fat Free Milk	17,533,464	5.28%
Low fat Milk (incl. 1%)	42,214,964	12.71%
Reduced Fat Milk (incl. 2%)	93,933,399	28.28%
Cultured Fluid Milk (incl. Buttermilk)	5,263,487	1.59%
Flavored Drinks and Milk	50,000,563	15.06%
<b>Total Disposition in Marketing Area</b>	<b>332,056,944</b>	<b>100.0%</b>
Total Disposition by Pool Plants	236,057,162	71.08%
Total Disposition by Nonpool Plants	95,999,782	28.92%
<b>Total Disposition in Marketing Area</b>	<b>332,056,944</b>	<b>100.0%</b>

Receipts of producer milk during October totaled 384.2 million pounds. There were 18 regulated pool distributing plants, 1 pool supply plants and 15 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2019. Class I route disposition in the area was 332.1 million pounds in September 2019.

## USDA's Dairy Outlook

(continued from page 1) The domestic use forecast for 2020 on a milk-fat basis has been raised by 1.2 billion pounds to 219.0 billion, but the domestic use forecast on a skim-solids basis has been lowered 0.2 billion pounds to 183.6 billion.

With higher expected higher domestic demand for cheese, the cheese price forecast for 2020 has been raised 7.0 cents to \$1.860 per pound for the year. With the higher expected cheese price more than offsetting the lower expected whey price, the Class III milk price forecast for 2020 has been raised to \$17.50 per cwt, \$0.30 higher than last month's forecast. The Class IV milk price forecast has been lowered to \$15.95 per cwt, \$0.15 lower than last month's forecast, as the lower butter price forecast more than offsets the higher NDM price forecast. With largely offsetting price forecasts for Class III and IV milk, the all-milk price forecast for 2020 is unchanged at \$18.85 per cwt.

Source: *Livestock, Dairy, and Poultry Outlook, LDP-M-305, November 15, 2019, USDA, Economic Research Service*

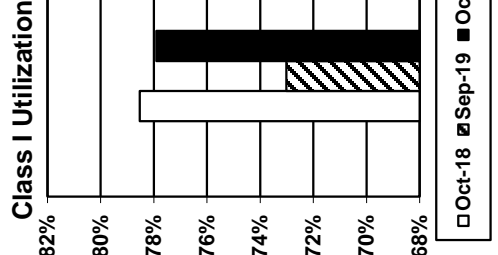


# FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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
Aug 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48	\$2.6928	\$17.61	\$8.45	\$2.6858	\$17.55	\$7.77	\$2.6858	\$16.90	\$11.23	\$2.6885	\$20.25
Aug	\$12.61	\$2.7210	\$21.69	\$8.57	\$2.6644	\$17.60	\$8.60	\$2.6574	\$17.60	\$7.71	\$2.6574	\$16.74	\$11.86	\$2.6858	\$20.85
Sep	\$12.67	\$2.6935	\$21.65	\$8.46	\$2.5052	\$16.93	\$9.91	\$2.4982	\$18.31	\$7.88	\$2.4982	\$16.35	\$11.90	\$2.5820	\$20.52
Oct	\$13.09	\$2.5750	\$21.64	\$8.54	\$2.4101	\$16.68	\$10.68	\$2.4031	\$18.72	\$8.27	\$2.4031	\$16.39	\$12.40	\$2.4810	\$20.65
Nov	\$13.91	\$2.4335	\$21.94	\$9.02											

# 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 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,446	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%
Jul	401,668	1,438	280,070	69.72%	66,719	16.61%	30,027	7.48%	24,852	6.19%
Aug	405,200	1,588	298,250	73.60%	65,105	16.07%	26,948	6.65%	14,897	3.68%
Sep	381,494	1,510	278,544	73.01%	62,746	16.45%	18,818	4.93%	21,387	5.61%
Oct	384,159	1,500**	299,335	77.91%	65,484	17.05%	6,058	1.58%	13,282	3.46%



\* 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	12/11/19	12/12/19	12/13/19	11/25/19	11/26/19	12/13/19	12/16/19
December	01/11/20	01/13/20	01/14/20	12/26/19	12/26/19	01/14/20	01/15/20
Jan'20	02/11/20	02/12/20	02/13/20	01/27/20	01/27/20	02/13/20	02/14/20

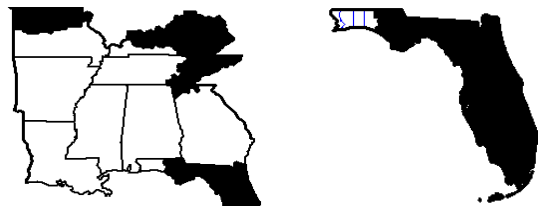
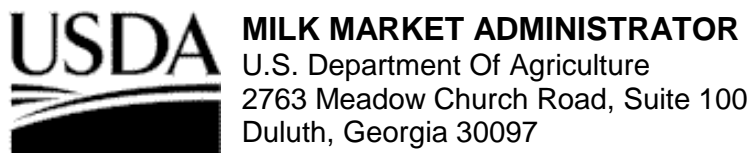
\*\* The base rate for making partial payments in Fulton County, GA for November will be \$18.59 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.65 per hundredweight.

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

### WASDE Dairy Report 1/ WASDE – 594, November 8, 2019

Cheese and nonfat dry milk (NDM) price forecasts for both 2019 and 2020 are raised from last month on strength in demand. For both 2019 and 2020, butter and whey prices are lowered on current price weakness which is expected to carry into 2020. The 2019 Class III and Class IV price forecasts are raised as the higher cheese price more than offsets the lower whey price. The 2019 Class IV price is raised as the higher NDM price more than offsets a weaker butter price, but for 2020, the lower butter price outweighs the higher NDM price and the Class IV price is reduced. The 2019 all milk price forecast is raised to \$18.60 per cwt; the 2020 all milk price is forecast unchanged at \$18.85 per cwt.

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



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# Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator



Southeast Marketing Area  
Federal Order 7

www.fmmatlanta.com

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

## USDA's Dairy Outlook

*Excerpts from Livestock, Dairy, and Poultry Outlook, December 2019, USDA, Economic Research Service:*

The 2020 annual forecast for milk production is unchanged from last month at 222.4 billion pounds. Milk cows are forecast to average 9.335 million head, and milk per cow is forecast at 23,830 pounds.

On a milk-fat basis, the 2020 export forecast has been raised 0.1 billion pounds to 9.3 billion as lower expected U.S. prices for butter and milkfat are expected to be more competitive in global markets for butterfat products. The export forecast on a skim-solids basis has been raised 0.1 billion pounds to 43.1 billion due to higher expected NDM/SMP exports. The 2020 forecast for imports on a milk-fat basis has been lowered 0.1 billion pounds to 6.4 billion, and the forecast for imports on a skim-solids basis is unchanged at 5.5 billion pounds.

Ending stocks for 2020 on a milk-fat basis are projected at 13.3 billion pounds for the year, 0.1 billion pounds higher than last month's forecast. On a skim-solids basis, ending stocks are projected at 10.8 billion pounds, unchanged from the last forecast. The domestic use forecasts for 2020 have been lowered to 218.7 billion pounds on a milk-fat basis (-0.3 billion) and to 183.5 billion pounds on a skim-solids basis (-0.1 billion).

The NDM price forecast for 2020 has been raised substantially to \$1.230 per pound (+13.5 cents) based on recent price increases, relatively low stock levels, and higher expected exports. Since whey products are sometimes used as a substitutes for NDM/SMP, domestic demand for whey products may increase with the higher expected NDM price. Accordingly, the dry whey price forecast has been raised to \$0.345 per pound (+2.5 cents). With higher expected demand for cheese, the 2020 cheese price forecast has been raised to \$1.865 per pound (continued on page 4)

## Uniform Price

The uniform price in Fulton County, GA, was \$20.98 per hundredweight of milk at 3.5 percent butterfat for the month of November 2019. The uniform price is \$0.33 per hundredweight higher than the previous month and is \$2.27 above November 2018.

Class I utilization was 77.23 percent in November. This represents a 0.68 percent decrease from the previous month and is 1.16 percent lower than November of last year.

## National Dairy Situation

The USDA estimates that the total U.S. production of milk in October was 18.0 billion pounds, 1.0 percent above October of last year and 0.9 percent lower compared with September 2019 on a daily average basis. Total cheese output was 1.13 billion pounds, 2.1 percent below October 2018 but 1.2 percent above September 2019 on a daily average basis. Butter production was 157 million pounds, 5.4 percent above October 2018 and 10.2 percent above September 2019 on a daily average basis.

Nonfat dry milk powder production was 135.1 million pounds in October, 11.1 percent higher than last October and 8.7 percent above September on a daily average basis. Total dry whey production was 89.9 million pounds, 7.0 percent above October 2018 but 4.0 percent below the prior month on a daily average basis. Whey protein concentrates production was 38.9 million pounds in October, 6.0 percent below October 2018 and 3.2 percent lower than September on a daily average basis.

October's 2.39 milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was up 0.06.

## F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - November 2019

### Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.38%	6,002,314	\$2.3955	\$ 14,378,543.19
Class I Differential at Location				194,547.87
Class II Butterfat	41.17%	5,567,489	\$2.3265	12,952,763.19
Class III Butterfat	2.01%	271,315	\$2.3195	629,315.15
Class IV Butterfat	12.44%	1,682,337	\$2.3195	3,902,180.68
<b>Total Butterfat</b>	<b>100.00%</b>	<b>13,523,455</b>		<b>\$ 32,057,350.08</b>

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.3705**

### 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	78.61%	253,957,768	\$10.11 /cwt.	\$ 25,675,130.36
Class I Butterfat	44.38%	6,002,314	\$2.3955 /lb.	14,378,543.19
Class I Differential at Location		259,960,082		8,405,000.23
<b>Total Class I Milk</b>	<b>77.23%</b>	<b>259,960,082</b>		<b>\$ 48,458,673.78</b>
Class II Skim Milk	15.31%	49,458,577	\$9.02 /cwt.	\$ 4,461,163.62
Class II Butterfat	41.17%	5,567,489	\$2.3265 /lb.	12,952,763.19
<b>Total Class II Milk</b>	<b>16.35%</b>	<b>55,026,066</b>		<b>\$ 17,413,926.81</b>
Class III Skim Milk	1.20%	3,866,778	\$12.78 /cwt.	\$ 494,174.23
Class III Butterfat	2.01%	271,315	\$2.3195 /lb.	629,315.15
<b>Total Class III Milk</b>	<b>1.23%</b>	<b>4,138,093</b>		<b>\$ 1,123,489.38</b>
Class IV Skim Milk	4.88%	15,781,070	\$8.79 /cwt.	\$ 1,387,156.06
Class IV Butterfat	12.44%	1,682,337	\$2.3195 /lb.	3,902,180.68
<b>Total Class IV Milk</b>	<b>5.19%</b>	<b>17,463,407</b>		<b>\$ 5,289,336.74</b>
<b>Producer Milk</b>	<b>100.00%</b>	<b>336,587,648</b>		<b>\$ 72,285,426.71</b>

### Adjustments

Overage and Other Source	\$42,435.36
Inventory Adjustments	(\$10,021.21)
Producer butterfat at uniform butterfat price	(\$32,057,350.08)
Location Adjustments to Producers	\$2,159,477.63
1/2 Unobligated Balance in P.S.F.	\$166,909.50
<b>Adjusted Pool Value</b>	<b>\$ 13.18217</b>
Reserve for Producer Settlement Fund	<b>\$ 0.04217</b>

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

**\$13.14**

Uniform Price per cwt. (Fulton County, Georgia)

**\$20.98\***

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

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Nov	Dec	Oct	Nov	Nov
Appalachian (Charlotte)	\$ 21.54	\$ 22.73	\$ 20.17	\$ 20.53	73.92%
Arizona (Phoenix)	\$ 20.49	\$ 21.68	\$ 18.11	\$ 18.11	29.38%
California (Woodland)	\$ 20.24	\$ 21.43	\$ 17.13	\$ 17.13	26.10%
Central (Kansas City)	\$ 20.14	\$ 21.33	\$ 17.43	\$ 17.45	42.39%
Florida (Tampa)	\$ 23.54	\$ 24.73	\$ 22.00	\$ 22.33	82.23%
Midwest (Cleveland)	\$ 20.14	\$ 21.33	\$ 17.86	\$ 18.01	39.90%
Northeast (Boston)	\$ 21.39	\$ 22.58	\$ 18.72	\$ 18.72	32.90%
Pacific Northwest (Seattle)	\$ 20.04	\$ 21.23	\$ 17.25	\$ 17.25	24.28%
<b>Southeast (Atlanta)</b>	<b>\$ 21.94</b>	<b>\$ 23.13</b>	<b>\$ 20.65</b>	<b>\$ 20.98</b>	<b>77.23%</b>
Southwest (Dallas)	\$ 21.14	\$ 22.33	\$ 17.87	\$ 17.48	41.29%
Upper Midwest (Chicago)	\$ 19.94	\$ 21.13	\$ 18.42	\$ 19.51	14.50%

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

<b>Receipts:</b>		<b>Nov 2019</b>	<b>Nov 2018</b>
<b>Producer Milk</b>			
Class I		259,960,082	319,113,534
Class II		55,026,066	56,843,370
Class III		4,138,093	16,138,472
Class IV		17,463,407	15,018,966
Total Producer Milk		<b>336,587,648</b>	<b>407,114,342</b>
Average Butterfat Test		4.02%	3.98%
Percent of Producer Milk in Class I		77.23%	78.39%
Daily Average Receipts		11,219,588	13,570,478
<b>Other Source Milk</b>			
Class I		19,012,462	10,517,264
Class II		2,783,561	11,790,043
Class III		0	447,884
Class IV		10,938,954	6,899,677
Total Other Source Milk		<b>32,734,977</b>	<b>29,654,868</b>
<b>Overage</b>			
Class I		0	0
Class II		18,240	0
Class III		0	0
Class IV		0	0
Total Overage		<b>18,240</b>	<b>0</b>
<b>Opening Inventory</b>			
Class I		17,152,169	21,195,155
Class II		500,095	5,311,115
Class III		0	5,717,920
Class IV		10,635,528	8,750,512
Total Opening Inventory		<b>28,287,792</b>	<b>40,974,702</b>
<b>Total Receipts</b>		<b>397,628,657</b>	<b>477,743,912</b>
<b>Utilization:</b>			
<b>Class I Utilization</b>			
Inventory of Packaged FMP		20,547,245	25,810,524
Route Disposition Class I		265,899,065	305,366,535
Shrinkage		2,042,584	4,360,961
Transfers & Diversions to Nonpool		7,753,874	15,287,933
Total Class I Utilization		<b>296,242,768</b>	<b>350,825,953</b>
Average Butterfat Test		2.26%	2.31%
Daily Average Utilization		6,365,400	11,694,198
<b>Class II Utilization</b>			
Nonfluid Used To Produce		1,585,399	3,220,422
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		42,055,185	38,095,623
Used To Produce/Other Uses		14,684,378	32,628,483
Total Class II Utilization		<b>58,324,962</b>	<b>73,944,528</b>
Average Butterfat Test		10.80%	14.09%
<b>Class III Utilization</b>			
Shrinkage		0	6,256,916
Transfers & Diversions to Nonpool		4,138,093	12,532,205
Used To Produce/Other Uses		0	3,515,155
Total Class III Utilization		<b>4,138,093</b>	<b>22,304,276</b>
Average Butterfat Test		3.77%	4.43%
<b>Class IV Utilization</b>			
Inventory		15,492,361	10,258,164
Nonfluid Used To Fortify		2,211,500	3,275,879
Shrinkage		6,364,863	0
Transfers & Diversions to Nonpool		13,657,496	17,135,112
Used To Produce/Other Uses		1,196,614	0
Total Class IV Utilization		<b>38,922,834</b>	<b>30,669,155</b>
Average Butterfat Test		5.99%	8.38%
<b>Total Utilization</b>		<b>397,628,657</b>	<b>477,743,912</b>

## Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2019 is \$20.98 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.14 per hundredweight plus 3.5 times the uniform butterfat price of \$2.3705 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 78.61% of all producer skim milk (priced to handlers at \$10.11 per hundredweight, plus the Class I differential, see page 2) and 44.38% of producer butterfat (priced to handlers at \$2.3955 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.31% of all producer skim milk (\$9.02 per hundredweight) and 41.17% of producer butterfat (\$2.3265 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.20% of all producer skim milk (\$12.78 per hundredweight) and 2.01% of producer butterfat (\$2.3195 per pound). Class IV use, generally milk processed into butter and powder, accounted for 4.88% of all producer skim milk (\$8.79 per hundredweight) and 12.44% of producer butterfat (\$2.3195 per pound).

### Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<b><u>October 2019</u></b>		
Whole Milk	132,029,188	37.18%
Fat Free Milk	18,861,031	5.31%
Low fat Milk (incl. 1%)	44,513,377	12.54%
Reduced Fat Milk (incl. 2%)	100,707,908	28.36%
Cultured Fluid Milk (incl. Buttermilk)	5,889,339	1.66%
Flavored Drinks and Milk	53,073,163	14.95%
<b>Total Disposition in Marketing Area</b>	<b>355,074,006</b>	<b>100.0%</b>
Total Disposition by Pool Plants	248,637,256	70.02%
Total Disposition by Nonpool Plants	106,436,750	29.98%
<b>Total Disposition in Marketing Area</b>	<b>355,074,006</b>	<b>100.0%</b>

Receipts of producer milk during November totaled 336.6 million pounds. There were 18 regulated pool distributing plants, 1 pool supply plants and 14 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for November 2019. Class I route disposition in the area was 355.1 million pounds in October 2019.

## USDA's Dairy Outlook

(continued from page 1) per pound (+0.5 cents). With recent weakness in butter prices expected to extend into next year, the butter price forecast for 2020 has been lowered to \$2.020 per pound (-4.0 cents).

With the higher expected prices for all major dairy product prices except for butter, the Class III price has been raised to \$17.65 per cwt (+\$0.15) and the Class IV price has been raised to \$16.95 per cwt (+\$1.00). The all-milk forecast for 2020 has been raised to \$19.40 per cwt, \$0.55 higher than last month's forecast.

### Dean Foods Files for Chapter 11 Bankruptcy Protection

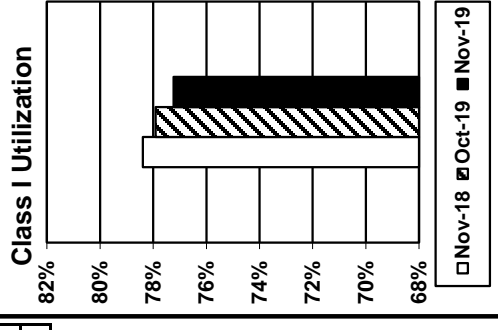
On November 12, 2019, Dean Foods filed for Chapter 11 bankruptcy protection. Dean Foods is the largest processor of packaged fluid milk in the United States, with net sales totaling about \$7.8 billion in 2018. The bankruptcy case is being heard in the US Bankruptcy Court for the Southern District of Texas. USDA has been monitoring the proceedings.

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

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Sep 2018	\$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	\$2.5150	\$15.67	\$5.18	\$2.5080	\$13.78	\$6.54	\$2.5080	\$15.09	\$9.47	\$2.5328	\$18.00
Jan 2019	\$10.32	\$2.5597	\$18.92	\$7.22	\$2.5051	\$15.74	\$5.41	\$2.4981	\$13.96	\$6.98	\$2.4981	\$15.48	\$9.77	\$2.5249	\$18.27
Feb	\$10.60	\$2.5342	\$19.10	\$7.50	\$2.5415	\$16.13	\$5.20	\$2.5345	\$13.89	\$7.24	\$2.5345	\$15.86	\$9.82	\$2.5348	\$18.35
Mar	\$11.05	\$2.6050	\$19.78	\$7.95	\$2.5531	\$16.61	\$6.35	\$2.5461	\$15.04	\$7.05	\$2.5461	\$15.71	\$10.06	\$2.5694	\$18.70
Apr	\$10.85	\$2.5979	\$19.56	\$7.75	\$2.5445	\$16.38	\$7.34	\$2.5375	\$15.96	\$7.09	\$2.5375	\$15.72	\$10.09	\$2.5622	\$18.70
May	\$11.62	\$2.5735	\$20.22	\$7.72	\$2.5788	\$16.48	\$7.65	\$2.5718	\$16.38	\$7.55	\$2.5718	\$16.29	\$10.60	\$2.5732	\$19.24
Jun	\$12.19	\$2.6014	\$20.87	\$8.26	\$2.6649	\$17.30	\$7.22	\$2.6579	\$16.27	\$7.80	\$2.6579	\$16.83	\$10.72	\$2.6381	\$19.58
Jul	\$11.98	\$2.6909	\$20.98	\$8.48	\$2.6928	\$17.61	\$8.45	\$2.6858	\$17.55	\$7.77	\$2.6858	\$16.90	\$11.23	\$2.6885	\$20.25
Aug	\$12.61	\$2.7210	\$21.69	\$8.57	\$2.6644	\$17.60	\$8.60	\$2.6574	\$17.60	\$7.71	\$2.6574	\$16.74	\$11.86	\$2.6858	\$20.85
Sep	\$12.67	\$2.6935	\$21.65	\$8.46	\$2.5052	\$16.93	\$9.91	\$2.4982	\$18.31	\$7.88	\$2.4982	\$16.35	\$11.90	\$2.5820	\$20.52
Oct	\$13.09	\$2.5750	\$21.64	\$8.54	\$2.4101	\$16.68	\$10.68	\$2.4031	\$18.72	\$8.27	\$2.4031	\$16.39	\$12.40	\$2.4810	\$20.65
Nov	\$13.91	\$2.4335	\$21.94	\$9.02	\$2.3265	\$16.85	\$12.78	\$2.3195	\$20.45	\$8.79	\$2.3195	\$16.60	\$13.14	\$2.3705	\$20.98
Dec	\$15.41	\$2.3588	\$23.13	\$9.43											

**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.	%
Sep 2018	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	1,699	319,114	78.39%	56,843	13.96%	16,138	3.96%	15,019	3.69%
Dec	426,100	1,627	298,320	70.02%	50,467	11.84%	35,373	8.30%	41,941	9.84%
Jan 2019	439,493	1,646	333,721	75.94%	66,115	15.04%	21,058	4.79%	18,598	4.23%
Feb	390,842	1,531	274,855	70.33%	63,642	16.28%	31,702	8.11%	20,643	5.28%
Mar	448,057	1,611	289,923	64.70%	69,170	15.44%	30,637	6.84%	58,328	13.02%
Apr	444,507	1,649	298,507	67.16%	63,541	14.29%	49,024	11.03%	33,435	7.52%
May	437,190	1,457	287,784	65.82%	61,240	14.01%	50,169	11.48%	37,997	8.69%
Jun	441,567	1,446	252,443	57.17%	67,770	15.35%	71,012	16.08%	50,341	11.40%
Jul	401,668	1,438	280,070	69.72%	66,719	16.61%	30,027	7.48%	24,852	6.19%
Aug	405,200	1,588	298,250	73.60%	65,105	16.07%	26,948	6.65%	14,897	3.68%
Sep	381,494	1,510	278,544	73.01%	62,746	16.45%	18,818	4.93%	21,387	5.61%
Oct	384,159	1,501	299,335	77.91%	65,484	17.05%	6,058	1.58%	13,282	3.46%
Nov	336,588	1,500**	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%



\* 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	01/11/20	01/13/20	01/14/20	12/26/19	12/26/19	01/14/20	01/15/20
Jan'20	02/11/20	02/12/20	02/13/20	01/27/20	01/27/20	02/13/20	02/14/20
February	03/11/20	03/12/20	03/13/20	02/25/20	02/26/20	03/13/20	03/16/20

\*\* The base rate for making partial payments in Fulton County, GA for December will be \$18.88 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.98 per hundredweight.

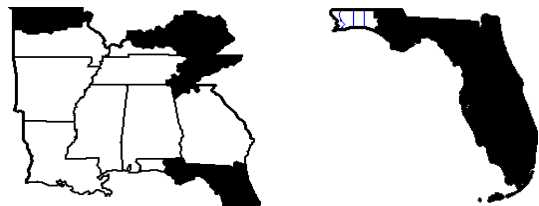
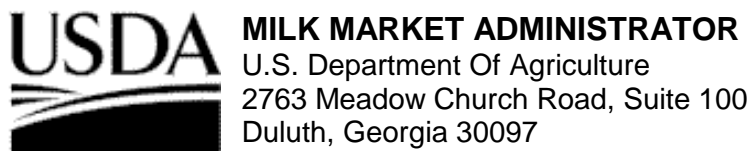
Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

### WASDE Dairy Report 1/ WASDE – 595, December 10, 2019

The milk production forecasts for 2019 and 2020 are unchanged from the previous month. The 2019 and 2020 fat basis import forecasts are lowered largely on lower expected imports of butterfat products. The fat basis export forecast for 2019 is unchanged, but 2020 is raised on higher exports of butterfat products. Skim-solids basis import forecasts for 2019 and 2020 are unchanged. Skim-solids basis exports are raised on larger shipments of nonfat dry milk/skim milk powder.

Cheese and butter price forecasts for 2019 are lowered, but the nonfat dry milk (NDM) price is raised. The whey price is unchanged. For 2020, the butter price is reduced on continued demand softness, but cheese prices are forecast slightly higher on stronger demand. NDM and whey prices are raised, supported by higher expected export demand. The 2019 Class III price forecasts is lowered on the weaker cheese price; the Class IV price is unchanged from last month as the lower butter price is offset by a higher NDM price. The 2020 forecast of both Class III and Class IV are raised on gains in most product prices with the exception of butter. The 2019 all milk price forecast is unchanged at \$18.60 per cwt; the 2020 all milk price is raised to \$19.40 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 WASDE report is available at [www.usda.gov/oce/commodity/wasde/](http://www.usda.gov/oce/commodity/wasde/).



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