

Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

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January 2020



Southeast Marketing Area
Federal Order 7

Volume 21—No. 1

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

USDA's Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, January 2020, USDA, Economic Research Service:

The 2020 annual forecast for milk production has been lowered 0.4 billion pounds to 222.0 billion pounds. The forecast for the average size of the milking herd is 9.335 million head, unchanged from last month's forecast. With the significant drop in milk per cow in November, expectations for 2020 yields have been lowered. The milk per cow estimate is 23,785 pounds per head, 45 pounds lower than last month's forecast.

With lower expected imports of butter and cheese, the 2020 forecast for imports on a milk-fat basis has been lowered 0.1 billion pounds to 6.3 billion. The forecast for imports on a skim-solids basis is unchanged at 5.5 billion. On a milk-fat basis, the 2020 export forecast has been raised 0.1 billion pounds to 9.4 billion. The export forecast on a skim-solids basis has been raised 0.3 billion pounds to 43.4 billion due to higher expected exports of NDM/SMP.

Ending stocks for 2020 on a milk-fat basis are projected at 13.4 billion pounds for the year, 0.1 billion higher than last month's forecast. On a skim-solids basis, ending stocks are projected at 10.4 billion pounds, 0.4 billion below the last forecast, due to lower expected milk production and higher expected exports. Lower expected growth in domestic demand is expected to carry into 2020. The domestic use forecasts for 2020 have been lowered to 218.0 billion pounds on a milk-fat basis (-0.7 billion) and to 182.9 billion pounds on a skim-solids basis (-0.6 billion).

With the lower expected cheese price, the Class III milk price forecast for 2020 has been lowered \$0.30 to \$17.35 per cwt. With the lower butter price forecast more than offsetting the higher NDM price forecast, the Class IV milk price forecast has been lowered by \$0.05 to \$16.90 (continued on page 4)

Uniform Price

The uniform price in Fulton County, GA, was \$21.63 per hundredweight of milk at 3.5 percent butterfat for the month of December 2019. The uniform price is \$0.65 per hundredweight higher than the previous month and is \$3.63 above December 2018.

Class I utilization was 72.72 percent in December. This represents a 4.51 percent decrease from the previous month and is 2.70 percent higher than December of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in November was 17.4 billion pounds, 0.5 percent above November of last year and 0.1 percent lower compared with October 2019 on a daily average basis. Total cheese output was 1.10 billion pounds, 0.5 percent above November 2018 but 3.2 percent below October 2019 on a daily average basis. Butter production was 156 million pounds, 4.4 percent above November 2018 but 0.6 percent below October 2019 on a daily average basis.

Nonfat dry milk powder production was 142.0 million pounds in November, 5.7 percent higher than last November and 5.1 percent above October on a daily average basis. Total dry whey production was 75.1 million pounds, 3.9 percent above November 2018 but 17.3 percent below the prior month on a daily average basis. Whey protein concentrates production was 40.3 million pounds in November, 1.5 percent below November 2018 and 0.6 percent lower than October on a daily average basis.

November's 2.61 milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, was up 0.22.

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

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.82%	6,638,326	\$2.3208	\$ 15,406,227.02
Class I Differential at Location				214,161.84
Class II Butterfat	40.14%	6,224,182	\$2.2022	13,706,893.60
Class III Butterfat	3.67%	569,418	\$2.1952	1,249,986.39
Class IV Butterfat	13.37%	2,072,405	\$2.1952	4,549,343.46
Total Butterfat	100.00%	15,504,331		\$ 35,126,612.31

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.2656**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	73.96%	278,331,327	\$11.61 /cwt.	\$ 32,314,267.05
Class I Butterfat	42.82%	6,638,326	\$2.3208 /lb.	15,406,227.02
Class I Differential at Location		284,969,653		9,207,732.91
Total Class I Milk	72.72%	284,969,653		\$ 56,928,226.98
Class II Skim Milk	13.86%	52,164,165	\$9.43 /cwt.	\$ 4,919,080.77
Class II Butterfat	40.14%	6,224,182	\$2.2022 /lb.	13,706,893.60
Total Class II Milk	14.90%	58,388,347		\$ 18,625,974.37
Class III Skim Milk	3.04%	11,449,761	\$12.11 /cwt.	\$ 1,386,566.06
Class III Butterfat	3.67%	569,418	\$2.1952 /lb.	1,249,986.39
Total Class III Milk	3.07%	12,019,179		\$ 2,636,552.45
Class IV Skim Milk	9.14%	34,395,327	\$9.34 /cwt.	\$ 3,212,523.53
Class IV Butterfat	13.37%	2,072,405	\$2.1952 /lb.	4,549,343.46
Total Class IV Milk	9.31%	36,467,732		\$ 7,761,866.99
Producer Milk	100.00%	391,844,911		\$ 85,952,620.79

Adjustments

Overage and Other Source	\$98.92
Inventory Adjustments	\$2,942.53
Producer butterfat at uniform butterfat price	(\$35,126,612.31)
Location Adjustments to Producers	\$2,652,318.78
1/2 Unobligated Balance in P.S.F.	\$145,389.65
Adjusted Pool Value	\$ 14.24953
Reserve for Producer Settlement Fund	\$ 0.04953

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

\$14.20

Uniform Price per cwt. (Fulton County, Georgia)

\$21.63*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Dec	Jan	Nov	Dec	Dec
Appalachian (Charlotte)	\$ 22.73	\$ 22.41	\$ 20.53	\$ 21.11	70.07%
Arizona (Phoenix)	\$ 21.68	\$ 21.36	\$ 18.53	\$ 18.11	29.38%
California (Woodland)	\$ 21.43	\$ 21.11	\$ 17.06	\$ 17.13	26.10%
Central (Kansas City)	\$ 21.33	\$ 21.01	\$ 17.45	\$ 18.08	37.62%
Florida (Tampa)	\$ 24.73	\$ 24.41	\$ 22.33	\$ 23.18	80.37%
Mideast (Cleveland)	\$ 21.33	\$ 21.01	\$ 18.01	\$ 18.44	37.30%
Northeast (Boston)	\$ 22.58	\$ 22.26	\$ 19.20	\$ 18.72	32.90%
Pacific Northwest (Seattle)	\$ 21.23	\$ 20.91	\$ 17.64	\$ 17.25	24.28%
Southeast (Atlanta)	\$ 23.13	\$ 22.81	\$ 20.98	\$ 21.63	72.72%
Southwest (Dallas)	\$ 22.33	\$ 22.01	\$ 17.48	\$ 18.22	40.48%
Upper Midwest (Chicago)	\$ 21.13	\$ 20.81	\$ 19.51	\$ 18.97	12.90%

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

Receipts:		Dec 2019	Dec 2018
Producer Milk			
Class I		284,969,653	298,319,577
Class II		58,388,347	50,466,966
Class III		12,019,179	35,372,731
Class IV		36,467,732	41,940,969
Total Producer Milk		391,844,911	426,100,243
Average Butterfat Test		3.95%	3.96%
Percent of Producer Milk in Class I		72.72%	70.02%
Daily Average Receipts		12,640,158	13,745,169
Other Source Milk			
Class I		6,966,438	9,033,833
Class II		2,436,099	9,705,304
Class III		0	408,219
Class IV		5,334,682	7,658,671
Total Other Source Milk		14,737,219	26,806,027
Overage			
Class I		0	0
Class II		1,049	0
Class III		0	0
Class IV		0	0
Total Overage		1,049	0
Opening Inventory			
Class I		20,720,303	25,685,424
Class II		2,527,047	1,368,116
Class III		0	1,070,238
Class IV		12,792,216	7,326,285
Total Opening Inventory		36,039,566	35,450,063
Total Receipts		442,622,745	488,356,333
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,309,606	20,517,865
Route Disposition Class I		276,446,073	292,178,720
Shrinkage		3,760,174	5,059,967
Transfers & Diversions to Nonpool		12,140,541	15,282,282
Total Class I Utilization		312,656,394	333,038,834
Average Butterfat Test		2.33%	2.38%
Daily Average Utilization		10,085,690	10,743,188
Class II Utilization			
Nonfluid Used To Produce		1,502,460	2,712,221
Shrinkage		647	87
Transfers & Diversions to Nonpool/Commercial Foods		45,168,739	27,801,552
Used To Produce/Other Uses		16,680,696	31,026,526
Total Class II Utilization		63,352,542	61,540,386
Average Butterfat Test		11.00%	14.43%
Class III Utilization			
Shrinkage		0	5,955,032
Transfers & Diversions to Nonpool		12,019,179	27,082,736
Used To Produce/Other Uses		0	3,813,420
Total Class III Utilization		12,019,179	36,851,188
Average Butterfat Test		4.73%	4.06%
Class IV Utilization			
Inventory		14,165,704	19,779,705
Nonfluid Used To Fortify		1,677,774	2,216,100
Shrinkage		5,168,001	287,666
Transfers & Diversions to Nonpool		29,736,418	34,642,454
Used To Produce/Other Uses		3,846,733	0
Total Class IV Utilization		54,594,630	56,925,925
Average Butterfat Test		6.83%	7.68%
Total Utilization		442,622,745	488,356,333

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during December 2019 is \$21.63 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.20 per hundredweight plus 3.5 times the uniform butterfat price of \$2.2656 per pound. Payment to producers may be reduced by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In December, Class I use, which is primarily bottled or packaged fluid milk, accounted for 73.96% of all producer skim milk (priced to handlers at \$11.61 per hundredweight, plus the Class I differential, see page 2) and 42.82% of producer butterfat (priced to handlers at \$2.3208 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.86% of all producer skim milk (\$9.43 per hundredweight) and 40.14% of producer butterfat (\$2.2022 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.04% of all producer skim milk (\$12.11 per hundredweight) and 3.67% of producer butterfat (\$2.1952 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.14% of all producer skim milk (\$9.34 per hundredweight) and 13.37% of producer butterfat (\$2.1952 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>November 2019</u>		
Whole Milk	127,748,030	38.37%
Fat Free Milk	16,400,202	4.92%
Low fat Milk (incl. 1%)	33,126,140	9.96%
Reduced Fat Milk (incl. 2%)	102,287,660	30.72%
Cultured Fluid Milk (incl. Buttermilk)	7,628,226	2.29%
Flavored Drinks and Milk	45,721,796	13.74%
Total Disposition in Marketing Area	332,912,054	100.0%
Total Disposition by Pool Plants	242,844,162	72.94%
Total Disposition by Nonpool Plants	90,067,892	27.06%
Total Disposition in Marketing Area	332,912,054	100.0%

Receipts of producer milk during December totaled 391.8 million pounds. There were 18 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 December 2019. Class I route disposition in the area was 332.9 million pounds in November 2019.

USDA's Dairy Outlook

(continued from page 1) per cwt. The all-milk forecast for 2020 has been lowered to \$19.25 per cwt, \$0.15 lower than last month's forecast.

Borden Dairy Initiates Chapter 11 Bankruptcy Reorganization

On January 5, 2020, Borden Dairy initiated Chapter 11 bankruptcy reorganization proceedings. Borden Dairy produces fluid milk products, cream, buttermilk, dips, sour cream, and other products. The company had sales of \$1.1 billion in 2018 and is owned by Acon Investments, LLC.

Outlook for Feed Prices

The 2019/20 corn price forecast is unchanged from last month at \$3.85 per bushel. The soybean meal forecast for 2019/20 is \$305 per short ton, \$5 lower than last month's forecast. The November alfalfa hay price was \$173 per short ton, \$6 lower than October but the same as November 2018. The 5-State weighted-average price for premium alfalfa hay in November was \$209 per short ton, \$4 higher than the October price. For more information, see Feed Outlook, published by USDA, Economic Research Service.

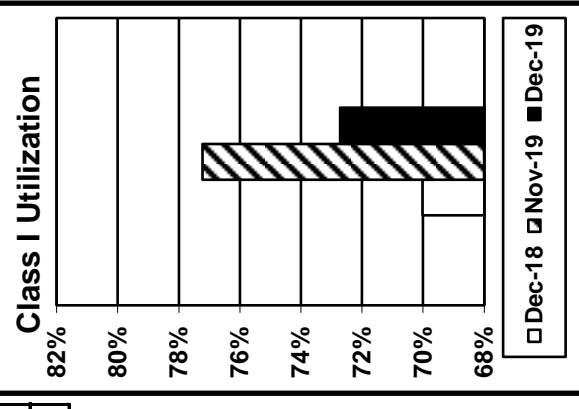
Source: Livestock, Dairy, and Poultry Outlook, LDP-M-307, January 16, 2020, USDA, Economic Research Service

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
Dec 2018	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Dec 2018	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,400**	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%



* 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	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
March	04/11/20	04/13/20	04/14/20	03/25/20	03/26/20	04/14/20	04/15/20

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

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

WASDE Dairy Report 1/ WASDE – 596, January 10, 2020

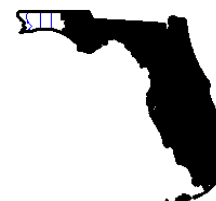
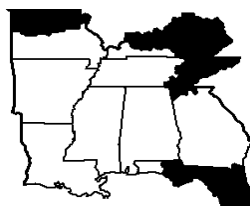
Milk production forecasts for 2019 and 2020 are lowered from December on slower expected growth in milk per cow. The 2019 fat basis import forecast is unchanged from last month, but the 2020 import forecast is reduced on lower expected cheese and butterfat imports. The fat basis export forecast for 2019 and 2020 is raised on recent trade data and strong sales of cheese and other dairy-containing products. On a skim solids basis, the 2019 and 2020 import forecasts are unchanged. Skim-solids basis export forecasts for 2019 and 2020 are raised on strong global demand for nonfat dry milk (NDM).

Dairy product price estimates for 2019 include December price data. For 2020, cheese, butter, and whey price forecasts are reduced on demand weakness and relatively high stocks. The NDM price forecast is raised from December on continued strength in demand from export markets. The Class III price and Class IV price are lowered from the previous month. The 2019 all milk estimate is unchanged at \$18.60, but the 2020 all milk price forecast is reduced to \$19.25 per cwt.

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



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February 2020



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Volume 21—No. 2

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Recent Developments in Trade Policy

Excerpts from Livestock, Dairy, and Poultry Outlook, February 2020, USDA, Economic Research Service:

On January 1, 2020, the U.S.-Japan Trade Agreement (USJTA) became effective. Under the agreement, Japan's tariffs on cheese (some as high as 40 percent) from the United States will be phased out over 15 years. Japan's imports of U.S. cheese totaled \$156 million in 2018. Tariffs on whey products from the United States will be phased out over 5, 15, or 20 years, depending upon the type of whey product. Japan's imports of U.S. whey products totaled \$59 million in 2018. Japan immediately eliminated its 8.5-percent tariff on U.S. lactose and 2.9 percent tariff on U.S. milk albumin. U.S. access to the Japanese market under USJTA is similar to access provided to Japan's trading partners participating in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (entered into force on December 30, 2018) and the EU-Japan Economic Partnership Agreement (entered into force on February 1 2018).

On January 15, 2020, the United States and China signed an agreement called the Phase One trade deal. For dairy products, the agreement addresses several nontariff issues. These include changes related to U.S. facility and product registration; changes to regulations concerning imports of certain U.S. dairy products (including extended shelf-life milk, fortified milk, infant formula, ultra-filtered milk, and permeate powder); and transparency and due process provisions with respect to geographical indications and common food names. China has also agreed that U.S. agricultural exports to China shall exceed the 2017 baseline amount by no less \$12.5 billion in 2020 and \$19.5 billion in 2021. Dairy products are included in the list of agricultural goods for this provision, but there is not a specific value allocation for the dairy sector within the agricultural product category. Retaliatory tariffs were not addressed by the agreement.

On February 6, 2020, China announced that it would reduce some retaliatory (continued on pg. 4)

Uniform Price

The uniform price in Fulton County, GA, was \$21.32 per hundredweight of milk at 3.5 percent butterfat for the month of January 2020. The uniform price is \$0.31 per hundredweight lower than the previous month and is \$3.05 above January 2019.

Class I utilization was 71.33 percent in January. This represents a 1.39 percent decrease from the previous month and is 4.61 percent lower than January of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in December was 18.28 billion pounds, 0.7 percent above December of last year and 1.3 percent higher compared with November 2019 on a daily average basis. Annual milk production for 2019 is estimated to be 0.3 percent above 2018.

Total cheese output (excluding cottage cheese) was 1.11 billion pounds, 0.2 percent above December 2018 and 2.0 percent below November 2019 on a daily average basis. Butter production was 177 million pounds, 4.0 percent above December 2018 and 10.3 percent above November 2019 on a daily average basis.

Nonfat dry milk powder production was 164.3 million pounds in December, 15.3 percent higher than last December and 12.2 percent above November on a daily average basis. Total dry whey production was 79.8 million pounds, 7.1 percent above December 2018 and 2.8 percent above the prior month on a daily average basis. Whey protein concentrates production was 42.8 million pounds in December, 2.2 percent below December 2018 and 2.2 percent higher than November on a daily average basis.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - January 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.43%	6,632,820	\$2.2015	\$ 14,602,153.22
Class I Differential at Location				215,520.35
Class II Butterfat	36.58%	6,002,069	\$2.1187	12,716,583.54
Class III Butterfat	3.44%	565,007	\$2.1117	1,193,125.29
Class IV Butterfat	19.55%	3,207,066	\$2.1117	6,772,361.28
Total Butterfat	100.00%	16,406,962		\$ 35,499,743.68

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.1637**

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	72.60%	292,725,501	\$11.71 /cwt.	\$ 34,278,156.17
Class I Butterfat	40.43%	6,632,820	\$2.2015 /lb.	14,602,153.22
Class I Differential at Location		299,358,321		9,757,154.55
Total Class I Milk	71.33%	299,358,321		\$ 58,637,463.94
Class II Skim Milk	13.24%	53,407,651	\$9.98 /cwt.	\$ 5,330,083.60
Class II Butterfat	36.58%	6,002,069	\$2.1187 /lb.	12,716,583.54
Total Class II Milk	14.16%	59,409,720		\$ 18,046,667.14
Class III Skim Milk	3.18%	12,841,322	\$10.01 /cwt.	\$ 1,285,416.32
Class III Butterfat	3.44%	565,007	\$2.1117 /lb.	1,193,125.29
Total Class III Milk	3.19%	13,406,329		\$ 2,478,541.61
Class IV Skim Milk	10.98%	44,290,136	\$9.60 /cwt.	\$ 4,251,853.06
Class IV Butterfat	19.55%	3,207,066	\$2.1117 /lb.	6,772,361.28
Total Class IV Milk	11.32%	47,497,202		\$ 11,024,214.34
Producer Milk	100.00%	419,671,572		\$ 90,186,887.03

Adjustments

Overage and Other Source	\$126.85
Inventory Adjustments	(\$8,571.52)
Producer butterfat at uniform butterfat price	(\$35,499,743.68)
Location Adjustments to Producers	\$2,630,913.70
1/2 Unobligated Balance in P.S.F.	\$347,338.61

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.29755	\$57,656,950.99
	\$ 0.04755	\$191,744.06

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

\$14.25

Uniform Price per cwt. (Fulton County, Georgia)

\$21.32*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	Jan	Feb	Dec	Jan	Jan
Appalachian (Charlotte)	\$ 22.41	\$ 20.95	\$ 21.11	\$ 21.03	73.99%
Arizona (Phoenix)	\$ 21.36	\$ 19.90	\$ 18.71	\$ 18.11	29.38%
California (Woodland)	\$ 21.11	\$ 19.65	\$ 17.60	\$ 17.13	26.10%
Central (Kansas City)	\$ 21.01	\$ 19.55	\$ 18.08	\$ 17.63	32.12%
Florida (Tampa)	\$ 24.41	\$ 22.95	\$ 23.18	\$ 23.33	85.55%
Mideast (Cleveland)	\$ 21.01	\$ 19.55	\$ 18.44	\$ 17.94	33.30%
Northeast (Boston)	\$ 22.26	\$ 20.80	\$ 19.28	\$ 18.72	32.90%
Pacific Northwest (Seattle)	\$ 20.91	\$ 19.45	\$ 17.77	\$ 17.25	24.28%
Southeast (Atlanta)	\$ 22.81	\$ 21.35	\$ 21.63	\$ 21.32	71.33%
Southwest (Dallas)	\$ 22.01	\$ 20.55	\$ 18.22	\$ 18.27	28.55%
Upper Midwest (Chicago)	\$ 20.81	\$ 19.35	\$ 18.97	\$ 17.33	10.70%

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

Receipts:		Jan 2020	Jan 2019
Producer Milk			
Class I		299,358,321	298,319,577
Class II		59,409,720	50,466,966
Class III		13,406,329	35,372,731
Class IV		47,497,202	41,940,969
Total Producer Milk		419,671,572	426,100,243
Average Butterfat Test		3.90%	3.96%
Percent of Producer Milk in Class I		71.33%	70.02%
Daily Average Receipts		13,537,793	13,745,169
Other Source Milk			
Class I		5,935,656	9,033,833
Class II		2,488,394	9,705,304
Class III		0	408,219
Class IV		5,951,633	7,658,671
Total Other Source Milk		14,375,683	26,806,027
Overage			
Class I		0	0
Class II		1,271	0
Class III		0	0
Class IV		0	0
Total Overage		1,271	0
Opening Inventory			
Class I		20,309,560	25,685,424
Class II		112,046	1,368,116
Class III		0	1,070,238
Class IV		14,053,658	7,326,285
Total Opening Inventory		34,475,264	35,450,063
Total Receipts		468,523,790	488,356,333
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		23,442,690	20,517,865
Route Disposition Class I		293,258,772	292,178,720
Shrinkage		3,637,334	5,059,967
Transfers & Diversions to Nonpool		5,264,741	15,282,282
Total Class I Utilization		325,603,537	333,038,834
Average Butterfat Test		2.20%	2.38%
Daily Average Utilization		10,503,340	10,743,188
Class II Utilization			
Nonfluid Used To Produce		1,957,194	2,712,221
Shrinkage		350,746	87
Transfers & Diversions to Nonpool/Commercial Foods		42,944,428	27,801,552
Used To Produce/Other Uses		16,759,063	31,026,526
Total Class II Utilization		62,011,431	61,540,386
Average Butterfat Test		10.26%	14.43%
Class III Utilization			
Shrinkage		0	5,955,032
Transfers & Diversions to Nonpool		13,406,329	27,082,736
Used To Produce/Other Uses		0	3,813,420
Total Class III Utilization		13,406,329	36,851,188
Average Butterfat Test		4.21%	4.06%
Class IV Utilization			
Inventory		14,712,165	19,779,705
Nonfluid Used To Fortify		693,293	2,216,100
Shrinkage		5,921,770	287,666
Transfers & Diversions to Nonpool		42,677,817	34,642,454
Used To Produce/Other Uses		3,497,448	0
Total Class IV Utilization		67,502,493	56,925,925
Average Butterfat Test		8.54%	7.68%
Total Utilization		468,523,790	488,356,333

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during January 2020 is \$21.32 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.25 per hundredweight plus 3.5 times the uniform butterfat price of \$2.1637 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 72.60% of all producer skim milk (priced to handlers at \$11.71 per hundredweight, plus the Class I differential, see page 2) and 40.43% of producer butterfat (priced to handlers at \$2.2015 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 13.24% of all producer skim milk (\$9.98 per hundredweight) and 36.58% of producer butterfat (\$2.1187 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.18% of all producer skim milk (\$10.01 per hundredweight) and 3.44% of producer butterfat (\$2.1117 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.98% of all producer skim milk (\$9.60 per hundredweight) and 19.55% of producer butterfat (\$2.1117 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>December 2019</u>		
Whole Milk	135,008,590	39.54%
Fat Free Milk	16,663,684	4.90%
Low fat Milk (incl. 1%)	38,924,872	11.40%
Reduced Fat Milk (incl. 2%)	101,120,923	29.61%
Cultured Fluid Milk (incl. Buttermilk)	6,430,327	1.88%
Flavored Drinks and Milk	43,282,179	12.67%
Total Disposition in Marketing Area	341,430,575	100.0%
Total Disposition by Pool Plants	236,597,744	69.29%
Total Disposition by Nonpool Plants	104,832,831	30.71%
Total Disposition in Marketing Area	341,430,575	100.0%

Receipts of producer milk during January totaled 419.7 million pounds. There were 18 regulated pool distributing plants, 2 pool supply plants and 134 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for January 2020. Class I route disposition in the area was 341.4 million pounds in December 2019.

Recent Developments in Trade Policy

(continued from page 1) tariffs on various imports from the United States, including some dairy products, effective February 14. Some dairy products receive tariff rate reductions of 2.5 percentage points under the agreement. These include milk and cream in liquid form; yogurt; buttermilk and curdled, fermented, or acidified milk and cream; and cheese. These are small tariff-rate reductions, with most retaliatory tariffs remaining in place. Prior to these tariff-rate reductions, China's total applied tariffs have been 45 percent for milk and cream in liquid form; 40 percent for yogurt; 50 percent for buttermilk and curdled, fermented, or acidified milk and cream; and 38 to 42 percent for cheese, depending on the type.

On January 29, President Trump signed legislation to implement the U.S.-Mexico-Canada Agreement (USMCA), which would replace the North American Free Trade Agreement. Under the agreement, Mexico's zero tariffs for U.S. dairy products would be preserved. Canada would agree to allow greater access to U.S. dairy imports, and the United States would agree to allow greater access to dairy imports from Canada. Canada would also agree to make changes to its classified pricing system with respect to milk used to produce certain dairy ingredients. Mexico ratified USMCA in June 2019, but Canada has not yet approved the agreement. Since our projections reflect government policies in place, our forecasts do not reflect potential effects of USMCA because it has not been ratified by Canada.

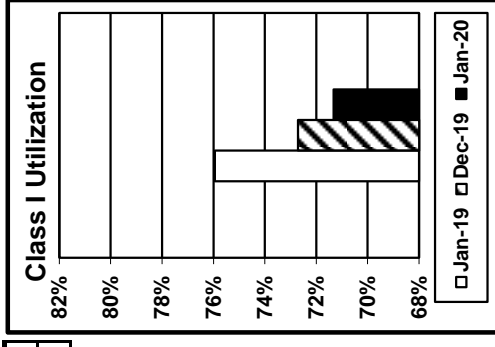
Source: Livestock, Dairy, and Poultry Outlook, LDP-M-308, February 18, 2020, USDA, Economic Research Service

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24											

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 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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,425**	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%



* 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	03/11/20	03/12/20	03/13/20	02/25/20	02/26/20	03/13/20	03/16/20
March	04/11/20	04/13/20	04/14/20	03/25/20	03/26/20	04/14/20	04/15/20
April	05/11/20	05/12/20	05/13/20	04/27/20	04/27/20	05/13/20	05/14/20

** The base rate for making partial payments in Fulton County, GA for February will be \$19.19 per hundredweight. This is 90 percent of the preceding month's uniform price of \$21.32 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 – 597, February 11, 2020

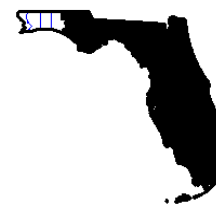
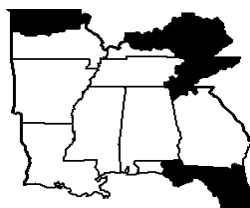
The milk production forecast for 2020 is unchanged from last month. The 2020 fat basis export and import forecasts are unchanged from the previous month. On a skim-solids basis, the import forecast is unchanged while the export forecast is raised on the strength of international demand for nonfat dry milk/skim milk powder. Dairy supply and use estimates for 2019 are adjusted to reflect December data.

Annual product price forecasts for cheese and butter are lowered from the previous month as demand remains relatively weak. The 2020 nonfat dry milk forecast is unchanged while the whey price forecast is raised from last month. The Class III price is reduced on the lower cheese price forecast while the Class IV price is reduced, reflecting a lower butter price forecast. The 2020 all milk price forecast is reduced 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/.



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

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

Dairy Forecasts for 2020

Excerpts from Livestock, Dairy, and Poultry Outlook, March 2020, USDA, Economic Research Service:

Based on recent milk production data, the 2020 forecast for the number of milk cows has been raised to 9.345 million head, 10,000 higher than last month's forecast. Milk per cow is now forecast at 23,780 pounds, 5 pounds lower than the previous forecast. With the higher projection for milk cows more than offsetting the lower projection for milk per cow, the milk production forecast has been raised by 0.3 billion pounds to 222.3 billion.

With relatively low exports on a milk-fat basis in January, the export forecast for 2020 has been lowered to 9.2 billion pounds, 0.2 lower than last month's forecast. The forecast for 2020 dairy exports on a skim-solids basis has been raised to 43.9 billion pounds, 0.3 billion higher than last month's forecast. Strong exports of NDM&SMP, whey products, and lactose are expected to continue. The higher forecast reflects improved access to China's markets and the impact of drought on New Zealand's dairy sector. However, with potential effects of the COVID-19, expectations for higher dairy export forecasts have been tempered.

The import forecast for 2020 on a milk-fat basis has been raised to 6.8 billion pounds as higher imports of cheese and butterfat products are expected. On a skim solids basis, the forecast for 2020 has been raised to 43.9 billion pounds, as higher imports of cheese, milk protein products, and other products are expected.

The forecast for domestic commercial use has been raised to 218.2 billion pounds on a milk-fat basis (+0.3 billion) but is unchanged at 182.7 billion pounds on a skim-solids basis. The forecast for ending stocks on a milk-fat basis has been raised to 14.1 billion pounds (+0.7 billion) and to 10.4 billion pounds on a skim-solids basis (+0.1 billion). (continued on page 4)

Uniform Price

The uniform price in Fulton County, GA, was \$20.00 per hundredweight of milk at 3.5 percent butterfat for the month of February 2020. The uniform price is \$1.32 per hundredweight lower than the previous month and is \$1.65 above February 2019.

Class I utilization was 72.51 percent in February. This represents a 1.18 percent increase from the previous month and is 2.18 percent higher than February of last year.

Uncertainties Due to Coronavirus

Excerpts from Livestock, Dairy, and Poultry Outlook, March 2020, USDA, Economic Research Service:

There are two types of potential effects of the coronavirus (COVID-19) on the U.S. dairy industry: (1) supply chain disruptions and (2) lower global demand for dairy products resulting from weaker economic conditions. Since data concerning domestic and foreign supply and demand quantities are not yet available for February or March, the extent of the effects on the U.S. dairy industry thus far are unknown. Health authorities are highly uncertain of the severity and duration of the epidemic in the coming months, and macroeconomists are highly uncertain of the potential impact on the global economy.

The COVID-19 epidemic has already caused supply chain disruptions for exports to China. According to a Reuters news report, the average wait time for container vessels at Zhoushan in southern China spiked to more than 60 hours in the week of February 11-17. Due to travel restrictions for workers returning from the Lunar New Year holiday, several ports in China operated with reduced staffing. Since then, the situation at China's ports has started to improve as many workers have returned to work.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - February 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.98%	5,745,076	\$2.1309	\$ 12,242,182.43
Class I Differential at Location				186,711.02
Class II Butterfat	38.12%	5,343,678	\$1.9883	10,624,834.97
Class III Butterfat	2.76%	386,293	\$1.9813	765,362.31
Class IV Butterfat	18.14%	2,542,807	\$1.9813	5,038,063.51
Total Butterfat	100.00%	14,017,854		\$ 28,857,154.24

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$2.0586**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	73.81%	253,888,053	\$10.46 /cwt.	\$ 26,556,690.38
Class I Butterfat	40.98%	5,745,076	\$2.1309 /lb.	12,242,182.43
Class I Differential at Location		259,633,129		8,458,557.15
Total Class I Milk	72.51%	259,633,129		\$ 47,257,429.96
Class II Skim Milk	10.92%	37,571,165	\$10.24 /cwt.	\$ 3,847,287.30
Class II Butterfat	38.12%	5,343,678	\$1.9883 /lb.	10,624,834.97
Total Class II Milk	11.99%	42,914,843		\$ 14,472,122.27
Class III Skim Milk	3.91%	13,458,101	\$10.43 /cwt.	\$ 1,403,679.95
Class III Butterfat	2.76%	386,293	\$1.9813 /lb.	765,362.31
Total Class III Milk	3.87%	13,844,394		\$ 2,169,042.26
Class IV Skim Milk	11.36%	39,088,643	\$9.60 /cwt.	\$ 3,752,509.74
Class IV Butterfat	18.14%	2,542,807	\$1.9813 /lb.	5,038,063.51
Total Class IV Milk	11.63%	41,631,450		\$ 8,790,573.25
Producer Milk	100.00%	358,023,816		\$ 72,689,167.74

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$8,688.09)
Producer butterfat at uniform butterfat price	(\$28,857,154.24)
Location Adjustments to Producers	\$1,892,869.29
1/2 Unobligated Balance in P.S.F.	\$63,045.81

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 13.30769	\$45,779,240.51
	\$ 0.04769	\$164,049.94

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

\$13.26

Uniform Price per cwt. (Fulton County, Georgia)

\$20.00*

* 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 %
	FEB	March	Jan	FEB	FEB
Appalachian (Charlotte)	\$ 20.95	\$ 20.86	\$ 21.03	\$ 19.63	70.37%
Arizona (Phoenix)	\$ 19.90	\$ 19.81	\$ 18.71	\$ 18.11	29.38%
California (Woodland)	\$ 19.65	\$ 19.56	\$ 17.56	\$ 17.13	26.10%
Central (Kansas City)	\$ 19.55	\$ 19.46	\$ 17.63	\$ 16.89	27.75%
Florida (Tampa)	\$ 22.95	\$ 22.86	\$ 23.33	\$ 21.69	81.50%
Midwest (Cleveland)	\$ 19.55	\$ 19.46	\$ 17.94	\$ 17.78	30.80%
Northeast (Boston)	\$ 20.80	\$ 20.71	\$ 18.78	\$ 18.72	32.90%
Pacific Northwest (Seattle)	\$ 19.45	\$ 19.36	\$ 17.33	\$ 17.25	24.28%
Southeast (Atlanta)	\$ 21.35	\$ 21.26	\$ 21.32	\$ 20.00	72.51%
Southwest (Dallas)	\$ 20.55	\$ 20.46	\$ 18.27	\$ 17.52	35.51%
Upper Midwest (Chicago)	\$ 19.35	\$ 19.26	\$ 17.33	\$ 17.06	9.40%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

STATISTICAL SUMMARY

Receipts:		Feb 2020	Feb 2019
Producer Milk			
Class I		259,633,129	274,854,932
Class II		42,914,843	63,641,773
Class III		13,844,394	31,701,999
Class IV		41,631,450	20,643,448
Total Producer Milk		358,023,816	390,842,152
Average Butterfat Test		3.91%	3.86%
Percent of Producer Milk in Class I		72.51%	70.33%
Daily Average Receipts		12,345,649	13,958,648
Other Source Milk			
Class I		4,864,521	3,919,286
Class II		2,084,493	5,391,437
Class III		0	306,799
Class IV		2,508,164	6,833,122
Total Other Source Milk		9,457,178	16,450,644
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	0
Total Overage		0	0
Opening Inventory			
Class I		23,442,650	23,027,640
Class II		915,507	1,957,510
Class III		0	1,715,990
Class IV		13,796,658	10,820,234
Total Opening Inventory		38,154,815	37,521,374
Total Receipts		405,635,809	444,814,178
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		18,807,826	22,999,247
Route Disposition Class I		261,002,826	265,978,933
Shrinkage		3,348,935	2,702,634
Transfers & Diversions to Nonpool		4,780,713	10,121,044
Total Class I Utilization		287,940,300	301,801,858
Average Butterfat Test		2.20%	2.20%
Daily Average Utilization		9,928,976	10,778,638
Class II Utilization			
Nonfluid Used To Produce		1,684,963	2,178,699
Shrinkage		1,072,756	345
Transfers & Diversions to Nonpool/Commercial Foods		27,825,173	42,862,230
Used To Produce/Other Uses		15,331,951	25,949,446
Total Class II Utilization		45,914,843	70,990,720
Average Butterfat Test		12.18%	11.22%
Class III Utilization			
Shrinkage		0	5,084,185
Transfers & Diversions to Nonpool		13,844,394	24,808,877
Used To Produce/Other Uses		0	3,831,726
Total Class III Utilization		13,844,394	33,724,788
Average Butterfat Test		2.79%	3.77%
Class IV Utilization			
Inventory		15,995,311	12,696,791
Nonfluid Used To Fortify		713,725	1,235,199
Shrinkage		5,140,560	-4,471
Transfers & Diversions to Nonpool		29,877,723	24,273,525
Used To Produce/Other Uses		6,208,953	0
Total Class IV Utilization		57,936,272	38,201,044
Average Butterfat Test		6.84%	11.98%
Total Utilization		405,635,809	444,718,410

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during February 2020 is \$20.00 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.26 per hundredweight plus 3.5 times the uniform butterfat price of \$2.0586 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 73.81% of all producer skim milk (priced to handlers at \$10.46 per hundredweight, plus the Class I differential, see page 2) and 40.98% of producer butterfat (priced to handlers at \$2.1309 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.92% of all producer skim milk (\$10.24 per hundredweight) and 38.12% of producer butterfat (\$1.9883 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.91% of all producer skim milk (\$10.43 per hundredweight) and 2.76% of producer butterfat (\$1.9813 per pound). Class IV use, generally milk processed into butter and powder, accounted for 11.36% of all producer skim milk (\$9.60 per hundredweight) and 18.14% of producer butterfat (\$1.9813 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>January 2020</u>		
Whole Milk	135,797,021	38.08%
Fat Free Milk	17,784,011	5.00%
Low fat Milk (incl. 1%)	39,070,333	10.95%
Reduced Fat Milk (incl. 2%)	108,957,853	30.57%
Cultured Fluid Milk (incl. Buttermilk)	6,090,201	1.70%
Flavored Drinks and Milk	48,867,413	13.70%
Total Disposition in Marketing Area	356,566,832	100.0%
Total Disposition by Pool Plants	250,275,486	73.30%
Total Disposition by Nonpool Plants	106,291,346	26.70%
Total Disposition in Marketing Area	356,566,832	100.0%

Receipts of producer milk during February 2020 totaled 358 million pounds. There were 18 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 February 2020. Class I route disposition in the area was 356.5 million pounds in January 2020.

Dairy Forecasts for 2020

(continued from page 1) Based on recent price weakening, higher expected milk production, and lower expectations for global demand, 2020 price forecasts for cheese, butter, and NDM have been lowered to \$1.755 (-3.5 cents), \$1.845 (-6.5 cents), and \$1.175 (-8.0 cents) per pound, respectively. With recent strengthening in the dry whey price, its forecast has been raised by 1.0 cent to \$0.355 per pound.

With the lower expected cheese price more than offsetting the higher expected dry whey price, the Class III milk price forecast has been lowered \$0.30 to \$16.65 per hundredweight (cwt). With lower expected prices for butter and NDM, the Class IV price forecast has been lowered by \$0.95 to \$15.75 per cwt. The all-milk price forecast for 2020 is \$18.25 per cwt, a reduction of \$0.60 from last month's forecast of \$18.85 per cwt.

Source: Livestock, Dairy, and Poultry Outlook, LDP-M-309, March 16, 2020, USDA, Economic Research Service

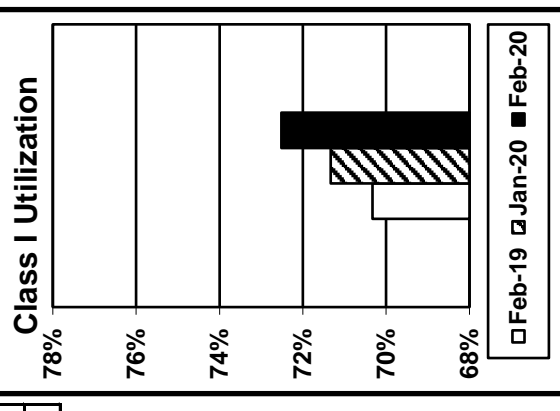
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,430**	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%

* 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	04/11/20	04/13/20	04/14/20	03/25/20	03/26/20	04/14/20	04/15/20
April	05/11/20	05/12/20	05/13/20	04/27/20	04/27/20	05/13/20	05/14/20
May	06/11/20	06/12/20	06/15/20	05/26/20	05/26/20	06/15/20	06/16/19

** The base rate for making partial payments in Fulton County, GA for March will be \$18.00 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.00 per hundredweight.

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

WASDE Dairy Report 1/ WASDE – 598, March 10, 2020

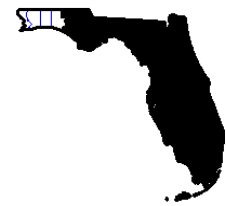
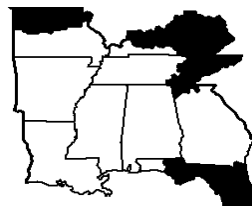
The milk production forecast for 2020 is raised from last month on a higher expected cow inventory. The 2020 fat basis import forecast is raised from the previous month on recent trade data and stronger anticipated imports of cheese and butterfat products. The fat basis export forecast is reduced on slower expected demand in the first half of the year. On a skim-solids basis, the import forecast is raised on stronger imports of cheese, milk proteins, and several other dairy products. The skim-solids basis export forecast is raised on expectations of continued strength in international demand.

Annual product price forecasts for cheese, butter, and nonfat dry milk (NDM) are lowered from the previous month. However, the whey price forecast is raised. The Class III price is reduced on the lower cheese price forecast, while the Class IV price is reduced on lower butter and NDM price forecasts. The all milk price forecast is lowered from the previous month to \$18.25 per cwt.

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



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

www.fmmatlanta.com

April 2020



Southeast Marketing Area
Federal Order 7

Volume 21—No. 4

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

Effects of COVID-19 on Dairy Markets and USDA's Response

Excerpts from Livestock, Dairy, and Poultry Outlook, April 2020, USDA, Economic Research Service:

It is clear that the COVID-19 pandemic has brought about disorderly market conditions in dairy markets. However, the extent of the problems is highly uncertain, and the situation continues to evolve. Although price data for milk and dairy products are available for March and April, supply and use data are not yet available.

Domestic demand for dairy products has declined due to the crisis. Americans facing financial hardship have likely scaled back consumption of some dairy products. In addition, Americans typically consume high proportions of cheese, butter, and other dairy products through food service establishments. With the shift to a greater proportion of at-home food consumption, people are eating less of these products. With reduced food-service demand and greater demand from supermarkets, supply chain bottlenecks have developed due to logistical and packaging issues. At the same time, the dairy industry is entering its peak season of milk production. Since dairy industry supply and demand shocks are happening around the world, global dairy trade is also affected, limiting the ability of U.S. suppliers to export dairy products.

Americans tend to consume much more fluid milk at home than at food-service outlets. However, school closures have hampered fluid milk sales to some extent. According to a report by USDA Agricultural Marketing Service (AMS) entitled *Packaged Fluid Milk Sales in Milk Order Markets*, distribution to schools accounted for 8 percent of fluid milk sales under Federal Milk Marketing Orders (FMMOs) in 2015. On March 26, USDA announced waivers that would give States the option to allow parents or guardians to take meals received through USDA's child nutrition programs, (continued on right column)

Uniform Price

The uniform price in Fulton County, GA, was \$19.64 per hundredweight of milk at 3.5 percent butterfat for the month of March 2020. The uniform price is \$0.36 per hundredweight lower than the previous month and is \$1.23 above March 2019.

Class I utilization was 66.16 percent in March. This represents a 6.35 percent decrease from the previous month and is 1.46 percent higher than March of last year.

Effects of COVID-19 on Dairy Markets and USDA's Response, (cont.)

Excerpts from Livestock, Dairy, and Poultry Outlook, April 2020, USDA, Economic Research Service:

National School Lunch Program, home to their children. Typically, children would need to be present to receive these meals. These waivers help families provide nutrition for their children and mitigate losses to the agricultural sector. For more information, see USDA Press Release 0206.20.

The dramatic decline in demand for dairy products has shocked milk processing channels. For the week ending April 10, USDA Dairy Market News (DMN) reported that farm milk production was steady to increasing, with mostly mild weather in all regions. Cheese, butter, and dry product inventories had all been growing. Food-service demand for cheese was extremely weak. Butter makers were looking outside of their localities for additional storage. Demand for fluid milk had been very strong a few weeks ago due to the retail rush related to COVID-19, but demand has since slowed drastically.

This overwhelming imbalance between supply and demand has caused considerable handling problems. Many loads of milk from various parts of the country (continued on page 4)

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - March 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	39.73%	7,126,058	\$2.0057	\$ 14,292,734.55
Class I Differential at Location				231,741.39
Class II Butterfat	31.66%	5,679,269	\$1.9247	10,930,889.06
Class III Butterfat	3.75%	672,438	\$1.9177	1,289,534.33
Class IV Butterfat	24.86%	4,458,151	\$1.9177	8,549,396.17
Total Butterfat	100.00%	17,935,916		\$ 35,294,295.50

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9678**

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	67.22%	299,460,782	\$10.82 /cwt.	\$ 32,401,656.62
Class I Butterfat	39.73%	7,126,058	\$2.0057 /lb.	14,292,734.55
Class I Differential at Location		306,586,840		9,966,682.40
Total Class I Milk	66.16%	306,586,840		\$ 56,661,073.57
Class II Skim Milk	10.87%	48,402,172	\$10.38 /cwt.	\$ 5,024,145.47
Class II Butterfat	31.66%	5,679,269	\$1.9247 /lb.	10,930,889.06
Total Class II Milk	11.67%	54,081,441		\$ 15,955,034.53
Class III Skim Milk	3.90%	17,393,814	\$9.88 /cwt.	\$ 1,718,508.84
Class III Butterfat	3.75%	672,438	\$1.9177 /lb.	1,289,534.33
Total Class III Milk	3.90%	18,066,252		\$ 3,008,043.17
Class IV Skim Milk	18.01%	80,216,924	\$8.45 /cwt.	\$ 6,778,330.07
Class IV Butterfat	24.86%	4,458,151	\$1.9177 /lb.	8,549,396.17
Total Class IV Milk	18.27%	84,675,075		\$ 15,327,726.24
Producer Milk	100.00%	463,409,608		\$ 90,951,877.51

Adjustments

Overage and Other Source	\$866.80
Inventory Adjustments	\$10,353.75
Producer butterfat at uniform butterfat price	(\$35,294,295.50)
Location Adjustments to Producers	\$3,255,481.45
1/2 Unobligated Balance in P.S.F.	\$112,781.31
Adjusted Pool Value	\$ 13.25265
Reserve for Producer Settlement Fund	\$ 0.04265

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

\$13.21

Uniform Price per cwt. (Fulton County, Georgia)

\$19.64*

* 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	February	March	March
Appalachian (Charlotte)	\$ 20.86	\$ 20.04	\$ 19.63	\$ 19.49	70.75%
Arizona (Phoenix)	\$ 19.81	\$ 18.99	\$ 17.25	\$ 16.56	29.38%
California (Woodland)	\$ 19.56	\$ 18.74	\$ 16.88	\$ 16.02	26.10%
Central (Kansas City)	\$ 19.46	\$ 18.64	\$ 16.89	\$ 16.40	29.53%
Florida (Tampa)	\$ 22.86	\$ 22.04	\$ 21.69	\$ 21.64	82.44%
Mideast (Cleveland)	\$ 19.46	\$ 18.64	\$ 17.78	\$ 16.97	35.40%
Northeast (Boston)	\$ 20.71	\$ 19.89	\$ 18.12	\$ 17.74	32.90%
Pacific Northwest (Seattle)	\$ 19.36	\$ 18.54	\$ 16.82	\$ 16.11	24.28%
Southeast (Atlanta)	\$ 21.26	\$ 20.44	\$ 20.00	\$ 19.64	66.16%
Southwest (Dallas)	\$ 20.46	\$ 19.64	\$ 17.52	\$ 17.12	38.69%
Upper Midwest (Chicago)	\$ 19.26	\$ 18.44	\$ 17.06	\$ 16.42	9.60%

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

Receipts:		March 2020	March 2019
Producer Milk			
Class I		306,586,840	289,922,860
Class II		54,081,441	69,169,779
Class III		18,066,252	30,636,983
Class IV		84,675,075	58,327,503
Total Producer Milk		463,409,608	448,057,125
Average Butterfat Test		3.87%	3.81%
Percent of Producer Milk in Class I		66.16%	64.70%
Daily Average Receipts		14,948,697	14,453,456
Other Source Milk			
Class I		5,363,231	4,181,478
Class II		2,902,362	6,991,117
Class III		0	197,194
Class IV		7,328,538	4,395,946
Total Other Source Milk		15,594,131	15,765,735
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		452	0
Total Overage		452	0
Opening Inventory			
Class I		18,807,800	22,990,341
Class II		1,808,350	1,219,810
Class III		1,347,840	647,457
Class IV		12,839,121	10,829,524
Total Opening Inventory		34,803,111	35,687,132
Total Receipts		513,807,302	499,509,992
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,958,615	18,813,636
Route Disposition Class I		304,167,340	284,354,447
Shrinkage		2,494,810	2,951,529
Transfers & Diversions to Nonpool		4,137,106	10,975,067
Total Class I Utilization		330,757,871	317,094,679
Average Butterfat Test		2.30%	2.21%
Daily Average Utilization		10,669,609	10,228,861
Class II Utilization			
Nonfluid Used To Produce		1,811,971	2,896,077
Shrinkage		440,410	1,324,598
Transfers & Diversions to Nonpool/Commercial Foods		40,031,655	43,454,767
Used To Produce/Other Uses		16,508,117	29,705,264
Total Class II Utilization		58,792,153	77,380,706
Average Butterfat Test		10.54%	12.85%
Class III Utilization			
Shrinkage		0	6,420,849
Transfers & Diversions to Nonpool		19,414,092	21,486,170
Used To Produce/Other Uses		0	3,574,615
Total Class III Utilization		19,414,092	31,481,634
Average Butterfat Test		3.46%	2.81%
Class IV Utilization			
Inventory		19,498,781	25,453,179
Nonfluid Used To Fortify		674,850	1,203,079
Shrinkage		6,653,151	285,640
Transfers & Diversions to Nonpool		74,395,167	46,611,075
Used To Produce/Other Uses		3,621,237	0
Total Class IV Utilization		104,843,186	73,552,973
Average Butterfat Test		6.44%	4.97%
Total Utilization		513,807,302	499,509,992

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during March 2020 is \$19.64 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$13.21 per hundredweight plus 3.5 times the uniform butterfat price of 1.9678 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.22% of all producer skim milk (priced to handlers at \$10.82 per hundredweight, plus the Class I differential, see page 2) and 39.73% of producer butterfat (priced to handlers at \$2.0057 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.87% of all producer skim milk (\$10.38 per hundredweight) and 31.66% of producer butterfat (\$1.9247 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.90% of all producer skim milk (\$9.88 per hundredweight) and 3.75% of producer butterfat (\$1.9177 per pound). Class IV use, generally milk processed into butter and powder, accounted for 18.01% of all producer skim milk (\$8.45 per hundredweight) and 24.86% of producer butterfat (\$1.9177 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2020		
Whole Milk	123,477,816	38.26%
Fat Free Milk	15,684,562	4.87%
Low fat Milk (incl. 1%)	35,637,136	11.04%
Reduced Fat Milk (incl. 2%)	97,648,202	30.25%
Cultured Fluid Milk (incl. Buttermilk)	5,371,976	1.67%
Flavored Drinks and Milk	44,922,853	13.91%
Total Disposition in Marketing Area	322,742,545	100.0%
Total Disposition by Pool Plants	223,655,437	69.29%
Total Disposition by Nonpool Plants	99,087,108	30.71%
Total Disposition in Marketing Area	322,742,545	100.0%

Receipts of producer milk during March 2020 totaled 483.4 million pounds. There were 18 regulated pool distributing plants, 2 pool supply plants and 134 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for March 2020. Class I route disposition in the area was 322.7 million pounds in February 2020.

Recent Effects of COVID-19 on Dairy Markets and USDA's Response, (cont.)

(continued from page 1) are not being processed under these conditions. Such milk is often spread on fields as fertilizer, added to manure lagoons, or fed to animals.

By not processing some of the milk, the industry avoids incurring additional costs for producing, transporting, and storing products that have limited market value. For milk that would usually be pooled on a FMMO but currently has no market, USDA is providing flexibility at the request of the farmers' cooperative or non-cooperative milk handler. This milk may remain pooled on the FMMO, though the handler still bears the loss of the manufacturing value of that milk. If that handler is a farmer cooperative, as is most common, that loss is borne by its farmer-owners together.

On March 27, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law. The CARES Act contains \$9.5 billion in assistance for agricultural producers who have been impacted by COVID-19 along with a \$14 billion replenishment to the Commodity Credit Corporation. The implementation details have not yet been announced. For more information, see USDA Press Release 0208.20.

Source: Livestock, Dairy, and Poultry Outlook, LDP-M-310, April 15, 2020, USDA, Economic Research Service

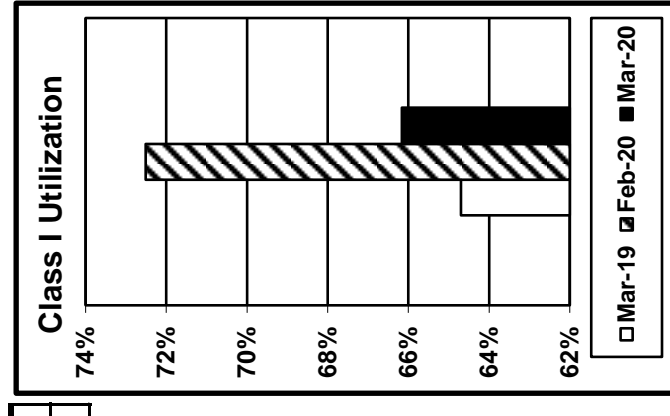
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jan 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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jan 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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,400**	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%

* 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	05/11/20	05/12/20	05/13/20	04/27/20	04/27/20	05/13/20	05/14/20
May	06/11/20	06/12/20	06/15/20	05/26/20	05/26/20	06/15/20	06/16/19
June	07/11/20	07/13/20	07/14/20	06/25/20	06/26/20	07/14/20	07/15/20

** The base rate for making partial payments in Fulton County, GA for April will be \$17.68 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.64 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%

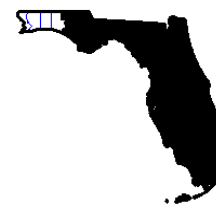
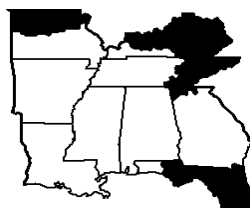
WASDE Dairy Report 1/ WASDE – 599, April 9, 2020

The milk production forecast is reduced from last month on slower growth in milk per cow. The average dairy cow inventory is little changed as a higher-than-expected early year inventory is expected to decline later in the year. The 2020 fat basis export forecast is reduced primarily on lower expected exports of butterfat products and cheese due to weaker global demand. The fat basis import forecast is also reduced on lower imports of butter. On a skim-solids basis, the export forecast is reduced, reflecting slowing international demand for nonfat dry milk (NDM) and lactose. The skim-solids basis import forecast is unchanged from last month. Product prices are forecast lower on weak demand, large supplies, and larger stocks. Thus, both the Class III and Class IV prices are forecast lower. The all milk price is forecast lower than the previous month at \$14.35 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/.



MILK MARKET ADMINISTRATOR
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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

www.fmmatlanta.com

May 2020



Southeast Marketing Area
Federal Order 7

Volume 21—No. 5

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

Dairy Forecast for 2020

Excerpts from Livestock, Dairy, and Poultry Outlook, May 2020, USDA, Economic Research Service:

Milk cows for the first quarter averaged 7,000 head higher than expected last month. Due to low milk prices, recent dairy cow slaughter data, and actions by some milk handlers to discourage milk production growth, milk cow numbers are expected to decline gradually through the year. For 2020, milk cows are expected to average 9.355 million head, an increase of 5,000 from last month's forecast. Although milk per cow was higher than expected in the first quarter, yield forecasts for the remaining quarters of 2020 are unchanged from last month's forecast as some dairy farmers are expected to take steps to limit yields. Milk per cow for the year is forecast at 23,770 pounds, 5 pounds higher than last month's forecast. The milk production forecast for 2020 is 222.4 billion pounds, 0.2 billion pounds higher than forecast last month.

Based on recent price strength, 2020 price forecasts for Cheddar cheese and dry whey have been raised to \$1.420 per pound (+4.0 cents) and 0.380 per pound (+ 3.5 cents), respectively. With lower expected demand, the butter price forecast has been lowered to \$1.410 per pound (-2.0 cents). The NDM price forecast has been lowered to \$0.940 per pound (-1.5 cents) based upon high stock levels and low expected demand. With higher price forecasts for Cheddar cheese and dry whey, the 2020 Class III milk price forecast has been raised to \$13.35 per cwt (+\$0.60). With lower price forecasts for butter and NDM, the Class IV milk price forecast has been lowered to \$11.90 per cwt (-\$0.25). The all-milk price forecast for 2020 is \$14.55 per cwt, an increase from last month's forecast of \$14.35 per cwt.

Uniform Price

The uniform price in Fulton County, GA, was \$17.75 per hundredweight of milk at 3.5 percent butterfat for the month of April 2020. The uniform price is \$1.89 per hundredweight lower than the previous month and is \$0.95 lower than April 2019.

Class I utilization was 69.42 percent in April. This represents a 3.26 percent increase from the previous month and is 2.26 percent higher than April of last year.

U.S. Government Assistance for the Dairy Industry

Excerpts from Livestock, Dairy, and Poultry Outlook, May 2020, USDA, Economic Research Service:

There are several Government programs and actions that have been taken to assist the dairy industry during the crisis. Some of these programs are risk management tools that were available before the crisis. Others were added due to effects of the pandemic. Below is a list of some of the major programs and actions:

Revenue and margin protection programs:

- The Dairy Margin Coverage program (administered by USDA Farm Service Agency (FSA)) is a voluntary program that offers protection to dairy producers when the difference between the U.S. all-milk price and the national average feed cost (as calculated by a formula) falls below a certain dollar amount selected by the dairy farmer.

- The Dairy Revenue Protection Program (Dairy -RP) and the Livestock Gross Margin for Dairy Cattle Program (LGM-Dairy) are administered by USDA Risk Management Agency (RMA). These are subsidized programs that allow farmers to manage price risk. To ensure that milk producers are not inappropriately penalized, RMA announced that it would allow dumped milk to be counted as milk marketings under both programs.

(continued on page 4)

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - April 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	43.01%	6,305,467	\$1.9439	\$ 12,257,197.29
Class I Differential at Location				204,536.43
Class II Butterfat	27.84%	4,083,036	\$1.3288	5,425,538.26
Class III Butterfat	5.58%	818,714	\$1.3218	1,082,176.17
Class IV Butterfat	23.57%	3,456,681	\$1.3218	4,569,040.92
Total Butterfat	100.00%	14,663,898		\$ 23,538,489.07

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6052**

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	70.46%	262,203,997	\$10.19 /cwt.	\$ 26,718,587.30
Class I Butterfat	43.01%	6,305,467	\$1.9439 /lb.	12,257,197.29
Class I Differential at Location		268,509,464		8,711,009.56
Total Class I Milk	69.42%	268,509,464		\$ 47,686,794.15
Class II Skim Milk	10.52%	39,154,982	\$9.55 /cwt.	\$ 3,739,300.79
Class II Butterfat	27.84%	4,083,036	\$1.3288 /lb.	5,425,538.26
Total Class II Milk	11.18%	43,238,018		\$ 9,164,839.05
Class III Skim Milk	5.22%	19,415,222	\$8.75 /cwt.	\$ 1,698,831.94
Class III Butterfat	5.58%	818,714	\$1.3218 /lb.	1,082,176.17
Total Class III Milk	5.23%	20,233,936		\$ 2,781,008.11
Class IV Skim Milk	13.80%	51,345,559	\$7.02 /cwt.	\$ 3,604,458.25
Class IV Butterfat	23.57%	3,456,681	\$1.3218 /lb.	4,569,040.92
Total Class IV Milk	14.17%	54,802,240		\$ 8,173,499.17
Producer Milk	100.00%	386,783,658		\$ 67,806,140.48

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$76,581.72)
Producer butterfat at uniform butterfat price	(\$23,538,489.07)
Location Adjustments to Producers	\$2,601,192.23
1/2 Unobligated Balance in P.S.F.	\$147,521.68
Adjusted Pool Value	\$ 12.61416
Reserve for Producer Settlement Fund	\$ 0.04416

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

\$12.57

Uniform Price per cwt. (Fulton County, Georgia)

\$17.75*

* 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)	\$ 20.04	\$ 16.35	\$ 19.49	\$ 17.49	71.21%
Arizona (Phoenix)	\$ 18.99	\$ 15.30	\$ 16.56	\$ 13.33	29.38%
California (Woodland)	\$ 18.74	\$ 15.05	\$ 16.02	\$ 12.94	26.10%
Central (Kansas City)	\$ 18.64	\$ 14.95	\$ 16.40	\$ 13.51	24.30%
Florida (Tampa)	\$ 22.04	\$ 18.35	\$ 21.64	\$ 19.35	77.61%
Mideast (Cleveland)	\$ 18.64	\$ 14.95	\$ 16.97	\$ 14.22	32.90%
Northeast (Boston)	\$ 19.89	\$ 16.20	\$ 17.74	\$ 14.92	32.90%
Pacific Northwest (Seattle)	\$ 18.54	\$ 14.85	\$ 16.82	\$ 13.15	24.28%
Southeast (Atlanta)	\$ 20.44	\$ 16.75	\$ 19.64	\$ 17.75	69.42%
Southwest (Dallas)	\$ 19.64	\$ 15.95	\$ 17.12	\$ 14.22	28.64%
Upper Midwest (Chicago)	\$ 18.44	\$ 14.75	\$ 16.42	\$ 13.31	8.20%

SOUTHEAST MILK MARKETING AREA-FEDERAL ORDER 7

STATISTICAL SUMMARY

Receipts:		April 2020	April 2019
Producer Milk			
Class I		268,509,464	298,506,728
Class II		43,238,018	63,541,133
Class III		20,233,936	49,024,028
Class IV		54,802,240	33,435,394
Total Producer Milk		386,783,658	444,507,283
Average Butterfat Test		3.79%	3.74%
Percent of Producer Milk in Class I		69.42%	67.16%
Daily Average Receipts		12,892,789	14,816,909
Other Source Milk			
Class I		3,961,565	5,018,578
Class II		2,756,101	9,156,280
Class III		0	0
Class IV		8,889,834	8,538,461
Total Other Source Milk		15,607,500	22,713,319
Overage			
Class I		0	0
Class II		0	77,355
Class III		0	0
Class IV		0	0
Total Overage		0	77,355
Opening Inventory			
Class I		19,958,881	19,605,471
Class II		2,320,768	3,709,731
Class III		0	1,034
Class IV		17,178,013	20,658,681
Total Opening Inventory		39,457,662	43,974,917
Total Receipts		441,848,820	511,272,874
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		14,000,619	22,818,582
Route Disposition Class I		269,236,701	286,082,165
Shrinkage		1,341,933	3,475,388
Transfers & Diversions to Nonpool		7,850,657	10,754,642
Total Class I Utilization		292,429,910	323,130,777
Average Butterfat Test		2.34%	2.19%
Daily Average Utilization		9,747,664	10,771,026
Class II Utilization			
Nonfluid Used To Produce		2,108,383	3,043,695
Shrinkage		4,966	981,229
Transfers & Diversions to Nonpool/Commercial Foods		30,372,734	41,543,860
Used To Produce/Other Uses		15,828,804	30,915,715
Total Class II Utilization		48,314,887	76,484,499
Average Butterfat Test		9.53%	12.63%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		20,233,936	49,025,062
Used To Produce/Other Uses		0	0
Total Class III Utilization		20,233,936	49,025,062
Average Butterfat Test		4.04%	2.51%
Class IV Utilization			
Inventory		10,054,896	20,896,082
Nonfluid Used To Fortify		627,349	1,560,379
Shrinkage		4,700,835	6,388,357
Transfers & Diversions to Nonpool		62,121,438	29,662,233
Used To Produce/Other Uses		3,365,569	4,125,485
Total Class IV Utilization		80,870,087	62,632,536
Average Butterfat Test		8.85%	5.92%
Total Utilization		441,848,820	511,272,874

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during April 2020 is \$17.75 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.57 per hundredweight plus 3.5 times the uniform butterfat price of 1.6052 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.46% of all producer skim milk (priced to handlers at \$10.19 per hundredweight, plus the Class I differential, see page 2) and 43.01% of producer butterfat (priced to handlers at \$1.9439 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 10.52% of all producer skim milk (\$9.55 per hundredweight) and 27.84% of producer butterfat (\$1.3288 per pound). Class III use, mostly milk used to produce cheese, accounted for 5.22% of all producer skim milk (\$8.75 per hundredweight) and 5.58% of producer butterfat (\$1.3218 per pound). Class IV use, generally milk processed into butter and powder, accounted for 13.80% of all producer skim milk (\$7.02 per hundredweight) and 23.57% of producer butterfat (\$1.3218 per pound).

Receipts of producer milk during April 2020 totaled 386.8 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 April 2020. Class I route disposition in the area was 370.4 million pounds in March 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>March 2020</u>		
Whole Milk	152,589,588	41.19%
Fat Free Milk	17,882,318	4.83%
Low fat Milk (incl. 1%)	35,139,708	9.49%
Reduced Fat Milk (incl. 2%)	123,510,100	33.34%
Cultured Fluid Milk (incl. Buttermilk)	5,467,720	1.48%
Flavored Drinks and Milk	35,813,353	9.67%
Total Disposition in Marketing Area	370,402,787	100.0%
Total Disposition by Pool Plants	261,493,928	70.60%
Total Disposition by Nonpool Plants	108,908,859	29.40%
Total Disposition in Marketing Area	370,402,787	100.0%

U.S. Government Assistance for the Dairy Industry, (continued from page 1)

Federal Milk Marketing Order (FMMO) provisions (administered by USDA Agricultural Marketing Service (AMS)):

- At the request of milk handlers, administrators of FMMOs have allowed milk not processed to be pooled on a FMMO if that milk would normally have been pooled. This allows a handler to draw the difference between the pooled uniform price and the lowest use value of the milk; but the handler still bears the loss of that manufacturing value. If the handler is a farmer cooperative, as is most common, that loss is borne by its farmer-owners together.

In addition to these, there are USDA purchases of dairy products (administered by AMS), of at least \$317 million and \$68 million in dairy products to mitigate the impact on farmers of unjustified trade retaliation by foreign nations. There are USDA Direct Payments (administered by FSA) from the Coronavirus Food Assistance Program, providing \$2.9 billion in direct payments to dairy farmers. And finally, U.S. Small Business Administration (SBA) assistance for agricultural producers is eligible for the Economic Injury Disaster Loan (EIDL) and EIDL Advance programs, as well as the Paycheck Protection Program.

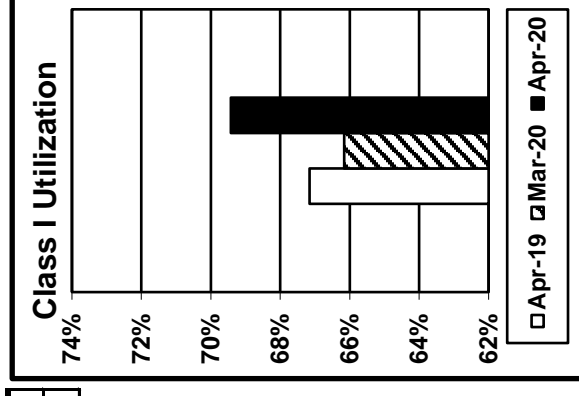
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73											

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 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,400**	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%

* 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	06/11/20	06/12/20	06/15/20	05/26/20	05/26/20	06/15/20	06/16/19
June	07/11/20	07/13/20	07/14/20	06/25/20	06/26/20	07/14/20	07/15/20
July	08/11/20	08/12/20	08/13/20	07/27/20	07/27/20	08/13/20	08/14/20

** The base rate for making partial payments in Fulton County, GA for May will be \$15.98 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.75 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%

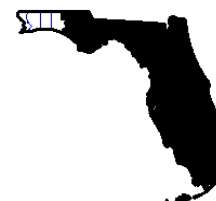
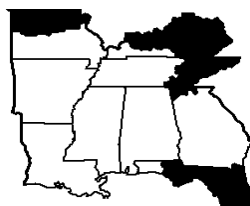
WASDE Dairy Report 1/ WASDE – 600, May 12, 2020

The 2020 milk production forecast is raised from the previous month primarily on higher-than expected cow numbers. The fat basis export forecast is raised from the previous month on recent trade data and stronger expected global demand. The fat basis import forecast is also raised from last month on stronger expected imports of cheese. On a skim-solids basis, the export forecast for 2020 is raised on stronger global import demand for skim milk powder, whey products, and a number of dairy products, while the import forecast is raised on increased imports of cheese and milk protein products. Cheese and whey prices are raised from the previous month resulting in a higher Class III price forecast. Butter and NDM prices are lowered from last month, resulting in a lower Class IV price forecast. The 2020 all milk price is forecast at \$14.55 per cwt.

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



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

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June 2020



Southeast Marketing Area
Federal Order 7

Volume 21—No. 6

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

Dairy Forecast for 2020

Excerpts from Livestock, Dairy, and Poultry Outlook, June 2020, USDA, Economic Research Service:

Based on higher-than-expected milk cow numbers in April, higher expected milk prices, and the decline in dairy cow slaughter numbers in recent weeks, the milk cow average for 2020 is forecast at 9.375 million head, 20,000 higher than last month's forecast. The milk per cow forecast has been lowered for the second quarter of 2020 as some dairy farmers have likely taken steps to reduce output in response to actions taken by cooperatives and milk handlers to limit growth in milk production. For the year, average milk per cow is forecast at 23,740 pounds, 30 pounds less than last month's forecast. Milk production is forecast at 222.5 billion pounds, an increase of 0.1 billion pounds from the previous forecast.

The forecast for 2020 exports on a milk-fat basis is 8.9 billion pounds, 0.3 billion lower than last month's forecast, as higher U.S. cheese prices are expected to dampen cheese exports. On a skim-solids basis, exports are forecast at 45.1 billion pounds, 0.7 billion higher than forecast last month, due to higher expected exports of dry skim milk products and lactose.

For 2020, the forecast for imports on a milk-fat basis is 6.8 billion pounds, 0.1 billion higher than last month's forecast, due to higher expected butter imports. The forecast for 2020 imports on a skim-solids basis has been raised to 5.8 billion pounds, 0.1 billion higher than last month, due to higher expected imports of low-fat milk powder in the second quarter.

With foodservice establishments reopening in many parts of the country, expected improvement in economic conditions, and relatively large Government purchases of dairy products, domestic use forecasts have (cont. at right)

Uniform Price

The uniform price in Fulton County, GA, was \$15.39 per hundredweight of milk at 3.5 percent butterfat for the month of May 2020. The uniform price is \$2.36 per hundredweight lower than the previous month and is \$3.85 lower than May 2019.

Class I utilization was 66.55 percent in May. This represents a 2.87 percent decrease from the previous month and is 0.73 percent higher than May of last year.

Dairy Forecast for 2020

(cont. from left) been raised for 2020. On a milk-fat basis, the 2020 domestic commercial use forecast is 218.6 billion pounds, 1.7 billion higher than last month's forecast. The 2020 forecast for domestic commercial use on a skim-solids basis is 181.7 billion pounds, 0.2 billion higher than last month's forecast. The forecast for 2020 ending stocks on a milk-fat basis is 14.2 billion pounds, 1.1 billion lower than last month's forecast. On a skim-solids basis, the 2020 forecast for ending stocks is 10.6 billion pounds, 0.7 billion lower than the previous forecast.

Based on recent price strength and higher expected domestic demand, the cheese price forecast for 2020 has been raised to \$1.660 per pound, 24 cents higher than last month's forecast. Likewise, the butter price forecast has been raised to \$1.680 per pound, 27 cents higher than the previous forecast. With higher expected exports, the NDM price forecast has been raised to \$1.000 per pound, 6 cents higher than forecast last month.

With the higher expected cheese price, the Class III price forecast for 2020 has been raised to \$15.65 per hundredweight (cwt), \$2.30 higher than last month's forecast. Higher expected butter and NDM prices translate to a Class IV price of \$13.55 per cwt, \$1.65 higher than last month's forecast. The all-milk price forecast for 2020 is \$16.65 an increase from the May forecast of \$14.55 per cwt.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - May 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	41.49%	6,054,354	\$1.2948	\$ 7,839,177.59
Class I Differential at Location				196,634.86
Class II Butterfat	37.81%	5,518,397	\$1.3826	7,629,735.68
Class III Butterfat	4.46%	650,501	\$1.3756	894,829.19
Class IV Butterfat	16.24%	2,370,320	\$1.3756	3,260,612.17
Total Butterfat	100.00%	14,593,572		\$ 19,820,989.49

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.3582**

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	67.54%	251,050,154	\$8.72 /cwt.	\$ 21,891,573.42
Class I Butterfat	41.49%	6,054,354	\$1.2948 /lb.	7,839,177.59
Class I Differential at Location		257,104,508		8,353,089.18
Total Class I Milk	66.55%	257,104,508		\$ 38,083,840.19
Class II Skim Milk	15.16%	56,367,467	\$7.73 /cwt.	\$ 4,357,205.20
Class II Butterfat	37.81%	5,518,397	\$1.3826 /lb.	7,629,735.68
Total Class II Milk	16.02%	61,885,864		\$ 11,986,940.88
Class III Skim Milk	3.55%	13,209,012	\$7.59 /cwt.	\$ 1,002,564.02
Class III Butterfat	4.46%	650,501	\$1.3756 /lb.	894,829.19
Total Class III Milk	3.59%	13,859,513		\$ 1,897,393.21
Class IV Skim Milk	13.75%	51,111,471	\$6.07 /cwt.	\$ 3,102,466.25
Class IV Butterfat	16.24%	2,370,320	\$1.3756 /lb.	3,260,612.17
Total Class IV Milk	13.84%	53,481,791		\$ 6,363,078.42
Producer Milk	100.00%	386,331,676		\$ 58,331,252.70

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$8,468.15
Producer butterfat at uniform butterfat price	(\$19,820,989.49)
Location Adjustments to Producers	\$2,465,727.40
1/2 Unobligated Balance in P.S.F.	\$164,843.42
Adjusted Pool Value	\$ 11.06943
Reserve for Producer Settlement Fund	\$ 0.04943

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

\$11.02

Uniform Price per cwt. (Fulton County, Georgia)

\$15.39*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	May	June	April	May	May
Appalachian (Charlotte)	\$ 16.35	\$ 14.82	\$ 17.49	\$ 15.14	68.71%
Arizona (Phoenix)	\$ 15.30	\$ 13.77	\$ 13.33	\$ 12.38	29.38%
California (Woodland)	\$ 15.05	\$ 13.52	\$ 12.94	\$ 11.95	26.10%
Central (Kansas City)	\$ 14.95	\$ 13.42	\$ 13.51	\$ 12.24	27.31%
Florida (Tampa)	\$ 18.35	\$ 16.82	\$ 19.35	\$ 17.29	81.11%
Mideast (Cleveland)	\$ 14.95	\$ 13.42	\$ 14.22	\$ 12.73	31.20%
Northeast (Boston)	\$ 16.20	\$ 14.67	\$ 14.92	\$ 13.47	32.90%
Pacific Northwest (Seattle)	\$ 14.85	\$ 13.32	\$ 13.15	\$ 11.97	24.28%
Southeast (Atlanta)	\$ 16.75	\$ 15.22	\$ 17.75	\$ 15.39	66.55%
Southwest (Dallas)	\$ 15.95	\$ 14.42	\$ 14.22	\$ 13.01	36.12%
Upper Midwest (Chicago)	\$ 14.75	\$ 13.22	\$ 13.31	\$ 12.31	7.90%

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

Receipts:		May 2020	May 2019
Producer Milk			
Class I		257,104,508	287,784,462
Class II		61,885,864	61,239,632
Class III		13,859,513	50,168,687
Class IV		53,481,791	37,996,915
Total Producer Milk		386,331,676	437,189,696
Average Butterfat Test		3.77%	3.72%
Percent of Producer Milk in Class I		66.55%	65.82%
Daily Average Receipts		12,462,312	14,102,893
Other Source Milk			
Class I		8,614,556	3,778,540
Class II		3,610,476	12,189,174
Class III		0	0
Class IV		6,265,558	6,225,606
Total Other Source Milk		18,490,590	22,193,320
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	476
Total Overage		0	476
Opening Inventory			
Class I		14,000,512	22,899,091
Class II		510,178	7,180,545
Class III		0	80,124
Class IV		10,008,716	14,441,642
Total Opening Inventory		24,519,406	44,601,402
Total Receipts		429,341,672	503,984,894
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		15,416,924	23,838,623
Route Disposition Class I		259,402,072	277,286,510
Shrinkage		1,608,123	3,132,492
Transfers & Diversions to Nonpool		3,292,457	10,204,468
Total Class I Utilization		279,719,576	314,462,093
Average Butterfat Test		2.34%	2.28%
Daily Average Utilization		9,023,212	10,143,938
Class II Utilization			
Nonfluid Used To Produce		2,629,397	3,667,847
Shrinkage		12,814	283,632
Transfers & Diversions to Nonpool/Commercial Foods		45,430,674	41,138,796
Used To Produce/Other Uses		17,933,633	35,519,076
Total Class II Utilization		66,006,518	80,609,351
Average Butterfat Test		9.49%	12.27%
Class III Utilization			
Shrinkage		0	3,467
Transfers & Diversions to Nonpool		13,859,513	50,245,344
Used To Produce/Other Uses		0	0
Total Class III Utilization		13,859,513	50,248,811
Average Butterfat Test		4.69%	2.07%
Class IV Utilization			
Inventory		24,013,182	12,067,022
Nonfluid Used To Fortify		542,286	1,249,454
Shrinkage		4,860,129	5,940,576
Transfers & Diversions to Nonpool		37,385,213	35,043,402
Used To Produce/Other Uses		2,955,255	4,364,185
Total Class IV Utilization		69,756,065	58,664,639
Average Butterfat Test		4.73%	4.92%
Total Utilization		429,341,672	503,984,894

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during May 2020 is \$15.39 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$11.02 per hundredweight plus 3.5 times the uniform butterfat price of 1.3582 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 67.54% of all producer skim milk (priced to handlers at \$8.72 per hundredweight, plus the Class I differential, see page 2) and 41.49% of producer butterfat (priced to handlers at \$1.2948 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 15.16% of all producer skim milk (\$7.73 per hundredweight) and 37.81% of producer butterfat (\$1.3826 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.55% of all producer skim milk (\$7.59 per hundredweight) and 4.46% of producer butterfat (\$1.3756 per pound). Class IV use, generally milk processed into butter and powder, accounted for 13.75% of all producer skim milk (\$6.07 per hundredweight) and 16.24% of producer butterfat (\$1.3756 per pound).

Receipts of producer milk during May 2020 totaled 386.3 million pounds. There were 18 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 May 2020. Class I route disposition in the area was 328.2 million pounds in April 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>April 2020</u>		
Whole Milk	137,075,546	41.77%
Fat Free Milk	17,213,880	5.24%
Low fat Milk (incl. 1%)	33,036,452	10.07%
Reduced Fat Milk (incl. 2%)	111,300,496	33.91%
Cultured Fluid Milk (incl. Buttermilk)	5,396,996	1.64%
Flavored Drinks and Milk	24,177,378	7.37%
Total Disposition in Marketing Area	328,200,748	100.0%
Total Disposition by Pool Plants	229,157,401	61.93%
Total Disposition by Nonpool Plants	99,043,347	38.07%
Total Disposition in Marketing Area	328,200,748	100.0%

Excerpts from USDA's Dairy Outlook

In April, substantial quantities of milk from various parts of the country were not processed due to low demand for dairy products and logistical problems resulting from effects of the COVID-19 pandemic. NASS milk production estimates generally include this milk. At the request of milk handlers, administrators of FMMOs have allowed this unprocessed milk to be pooled on a FMMO if that milk would normally have been pooled through the FMMO. This allows a handler to draw the difference between the pooled uniform price and the lowest use value of the milk, but the handler still bears the loss of that manufacturing value. If the handler is a farmer cooperative, as is most common, that loss is borne by its farmer-owners together.

This unprocessed milk priced and pooled on FMMOs falls within the broader regulatory category of milk in "other uses," which includes milk "that is dumped, used for animal feed, destroyed, or lost by a handler in a vehicular accident, flood, fire, or similar occurrence beyond the handler's control" (7 CFR §1000.40 (e)). This could include milk lost during processing and transportation, as well as milk discarded before or after processing. Every month, there is at least some milk that falls in this category. However, the quantity in April was extremely large, totaling nearly 350 million pounds. This quantity was 2.6 percent of total milk pooled on FMMOs in April. (Total milk pooled on FMMOs accounted for 73 percent of U.S. milk production in April.) For milk outside of the FMMO system, no data are available comparable to FMMO milk in "other uses."

Source: Livestock, Dairy, and Poultry Outlook, LDP-M-312, June 17, 2020, USDA, Economic Research Service

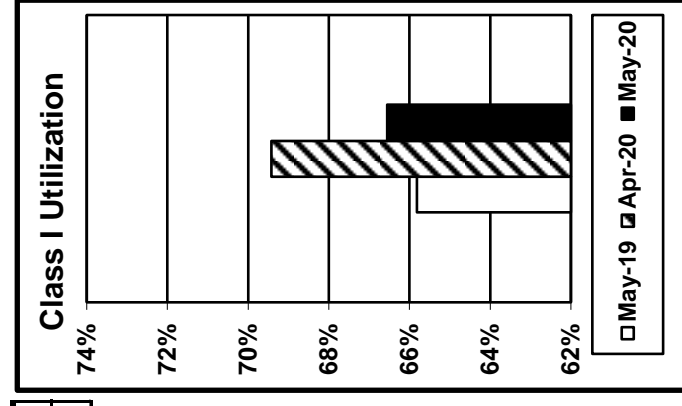
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
June	\$10.88	\$1.3487	\$15.22	\$6.69											

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 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,393**	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%

* 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
June	07/11/20	07/13/20	07/14/20	06/25/20	06/26/20	07/14/20	07/15/20
July	08/11/20	08/12/20	08/13/20	07/27/20	07/27/20	08/13/20	08/14/20
August	09/11/20	09/14/20	09/15/20	08/25/20	08/26/20	09/15/20	09/16/20

** The base rate for making partial payments in Fulton County, GA for June will be \$13.85 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.39 per hundredweight.

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

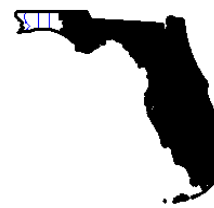
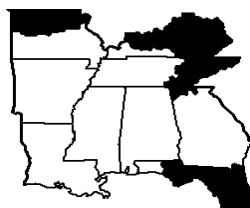
WASDE Dairy Report 1/ WASDE – 601, June 11, 2020

Milk production for 2020 is raised from last month on higher expected cow numbers. The fat basis import forecast is raised from the previous month on higher imports of butter fat products, while the fat basis export forecast is reduced on lower expected sales of cheese. The 2020 skim-solids basis import forecast is raised from last month on recent trade data and expectations of higher imports of a number of dairy products. The skim-solids basis export forecast is raised primarily on higher skim milk powder and lactose exports. Price forecasts for cheese, butter, and nonfat dry milk are raised from the previous month on recent price strength and stronger anticipated demand. The whey price forecast is lowered from last month. Class III and Class IV prices are raised for 2020. The all milk price forecast is raised to \$16.65 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/.



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

www.fmmatlanta.com

July 2020



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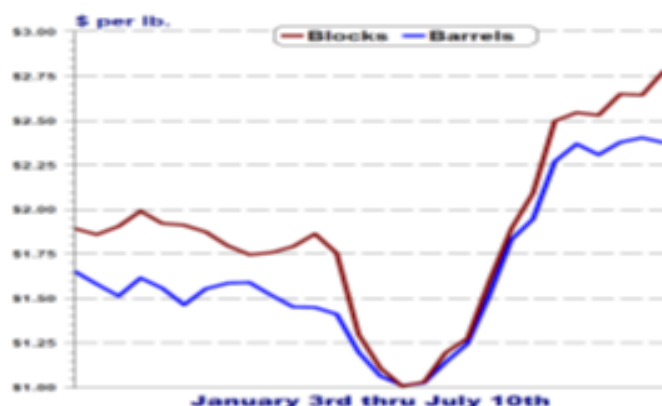
ISSUED FOR THE INFORMATION OF PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

Explanation of Producer Price Differential

In the seven Federal Milk Marketing Orders (FMMO) that pay producers based on milk components (butterfat, protein, and other solids) plus a producer price differential (PPD) value, the June PPD was significantly negative and in fact reached new lows in most of the FMMOs. This occurred when the June 2020 Class III price jumped a record \$8.90 per hundredweight from the May value.

Dairy commodity markets, which are the basis for all FMMO pricing, have registered extreme swings in price levels this year, the magnitude and rapidity not previously experienced. For example, block and barrel cheese prices were relatively strong at the beginning of this year, with block prices above \$1.90 per pound during most of January, and barrel prices above \$1.50 per pound. Blocks even surpassed the \$2.00 per pound mark on a couple of days in January. Prices remained relatively strong until early April when they plunged dramatically. Both block and barrel prices fell as low as \$1.00 per pound in April, before skyrocketing in May. Blocks surpassed the \$2.00 per pound threshold in late May and have continued to climb to record levels, approaching \$3.00 during the second week of July. The graph below details average weekly CME prices for barrel and block since the beginning of this year. (continued at right)

2020 CME Weekly
Price Averages



Uniform Price

The uniform price in Fulton County, GA, was \$15.38 per hundredweight of milk at 3.5 percent butterfat for June 2020. The uniform price is \$0.01 per hundredweight lower than the previous month and is \$4.20 lower than June 2019.

Class I utilization was 70.06 percent in June. This represents a 3.51 percent increase from the previous month and is 12.89 percent higher than June of last year.

Explanation of Producer Price Differential

(cont. from left) The magnitude of these rapid variations in dairy commodity markets results in unusual, or "non-typical", FMMO class price alignment. Although unusual alignment of prices has occurred in the past, the magnitude of the current disparity between class prices is unprecedented. In June, the Southeast Order Class III price (\$21.04) was \$5.82 higher than the announced Class I price (\$15.22), at the base zone. The spread between the Class III price and the Class II (\$12.99) and Class IV (\$12.90) prices in June was \$8.05 and \$8.14, respectively, also unprecedented differences.

Producer Price Differential

The PPD is a per hundredweight payment and is but one portion of the total revenue paid to dairy farmers marketing milk in a Federal Order that pay producers based on milk components. The butterfat, protein, and other solids in producer milk comprise the other portions of producer revenue, and these are paid on a per pound basis. Some orders with multiple component pricing also include a per hundredweight price adjustment based on somatic cell levels in producer milk.

The PPD represents, on a per hundredweight basis, total dollars accumulated by the market-wide pool minus the amount paid out to producers for priced components – protein, butterfat, and other solids. Market-wide pool revenue, or the pool classified value, is (continued on page 4)

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - June 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.40%	6,043,760	\$1.3107	\$ 7,921,556.23
Class I Differential at Location				196,108.39
Class II Butterfat	46.46%	6,325,650	\$1.8661	11,804,295.46
Class III Butterfat	1.23%	166,923	\$1.8591	310,326.55
Class IV Butterfat	7.91%	1,077,529	\$1.8591	2,003,234.17
Total Butterfat	100.00%	13,613,862		\$ 22,235,520.80

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6333**

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	71.05%	249,932,609	\$7.08 /cwt.	\$ 17,695,228.71
Class I Butterfat	44.40%	6,043,760	\$1.3107 /lb.	7,921,556.23
Class I Differential at Location		255,976,369		8,322,821.08
Total Class I Milk	70.06%	255,976,369		\$ 33,939,606.02
Class II Skim Milk	21.05%	74,032,547	\$6.69 /cwt.	\$ 4,952,777.43
Class II Butterfat	46.46%	6,325,650	\$1.8661 /lb.	11,804,295.46
Total Class II Milk	21.99%	80,358,197		\$ 16,757,072.89
Class III Skim Milk	1.62%	5,701,094	\$15.06 /cwt.	\$ 858,584.75
Class III Butterfat	1.23%	166,923	\$1.8591 /lb.	310,326.55
Total Class III Milk	1.61%	5,868,017		\$ 1,168,911.30
Class IV Skim Milk	6.28%	22,105,602	\$6.62 /cwt.	\$ 1,463,390.85
Class IV Butterfat	7.91%	1,077,529	\$1.8591 /lb.	2,003,234.17
Total Class IV Milk	6.34%	23,183,131		\$ 3,466,625.02
Producer Milk	100.00%	365,385,714		\$ 55,332,215.23

Adjustments

Overage and Other Source	\$44,404.25
Inventory Adjustments	\$165,866.63
Producer butterfat at uniform butterfat price	(\$22,235,520.80)
Location Adjustments to Producers	\$1,889,627.82
1/2 Unobligated Balance in P.S.F.	\$174,654.87
Adjusted Pool Value	\$ 10.05517
Reserve for Producer Settlement Fund	\$ 0.04517

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

\$10.01

Uniform Price per cwt. (Fulton County, Georgia)

\$15.38*

* 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)	\$ 14.82	\$ 19.96	\$ 15.14	\$ 15.27	83.01%
Arizona (Phoenix)	\$ 13.77	\$ 18.91	\$ 12.38	\$ 15.50	29.38%
California (Woodland)	\$ 13.52	\$ 18.66	\$ 11.95	\$ 13.13	26.10%
Central (Kansas City)	\$ 13.42	\$ 18.56	\$ 12.24	\$ 13.53	43.06%
Florida (Tampa)	\$ 16.82	\$ 21.96	\$ 17.29	\$ 16.83	85.38%
Mideast (Cleveland)	\$ 13.42	\$ 18.56	\$ 12.73	\$ 13.99	40.40%
Northeast (Boston)	\$ 14.67	\$ 19.81	\$ 13.47	\$ 15.66	32.90%
Pacific Northwest (Seattle)	\$ 13.32	\$ 18.46	\$ 11.97	\$ 15.17	24.28%
Southeast (Atlanta)	\$ 15.22	\$ 20.36	\$ 15.39	\$ 15.38	71.05%
Southwest (Dallas)	\$ 14.42	\$ 19.56	\$ 13.01	\$ 13.42	40.96%
Upper Midwest (Chicago)	\$ 13.22	\$ 18.36	\$ 12.31	\$ 17.23	19.50%

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

Receipts:		June 2020	June 2019
Producer Milk			
Class I		255,976,369	252,443,097
Class II		80,358,197	67,770,400
Class III		5,868,017	71,012,230
Class IV		23,183,131	50,341,487
Total Producer Milk		365,385,714	441,567,214
Average Butterfat Test		3.72%	3.66%
Percent of Producer Milk in Class I		70.06%	57.17%
Daily Average Receipts		12,179,524	14,718,907
Other Source Milk			
Class I		4,531,197	3,782,475
Class II		3,782,581	2,777,808
Class III		0	8,306
Class IV		1,824,494	1,449,759
Total Other Source Milk		10,138,272	8,018,348
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		670,759	2,422
Total Overage		670,759	2,422
Opening Inventory			
Class I		15,557,779	21,469,879
Class II		4,703,826	62,628
Class III		93,229	234,020
Class IV		19,075,290	9,920,491
Total Opening Inventory		39,430,124	31,687,018
Total Receipts		415,624,869	481,275,002
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,578,487	13,741,698
Route Disposition Class I		246,817,106	249,205,688
Shrinkage		1,264,264	1,722,862
Transfers & Diversions to Nonpool		8,405,488	13,025,203
Total Class I Utilization		276,065,345	277,695,451
Average Butterfat Test		2.35%	2.34%
Daily Average Utilization		9	9,256,515
Class II Utilization			
Nonfluid Used To Produce		2,883,508	2,155,415
Shrinkage		0	683,863
Transfers & Diversions to Nonpool/Commercial Foods		65,194,725	50,669,729
Used To Produce/Other Uses		20,766,371	17,101,829
Total Class II Utilization		88,844,604	70,610,836
Average Butterfat Test		8.06%	9.76%
Class III Utilization			
Shrinkage		0	5,735,727
Transfers & Diversions to Nonpool		5,961,246	61,608,310
Used To Produce/Other Uses		0	3,910,519
Total Class III Utilization		5,961,246	71,254,556
Average Butterfat Test		2.80%	2.47%
Class IV Utilization			
Inventory		17,234,352	22,814,267
Nonfluid Used To Fortify		566,995	500,639
Shrinkage		3,940,850	0
Transfers & Diversions to Nonpool		20,188,187	38,399,253
Used To Produce/Other Uses		2,823,290	0
Total Class IV Utilization		44,753,674	61,714,156
Average Butterfat Test		4.72%	4.53%
Total Utilization		415,624,869	481,275,002

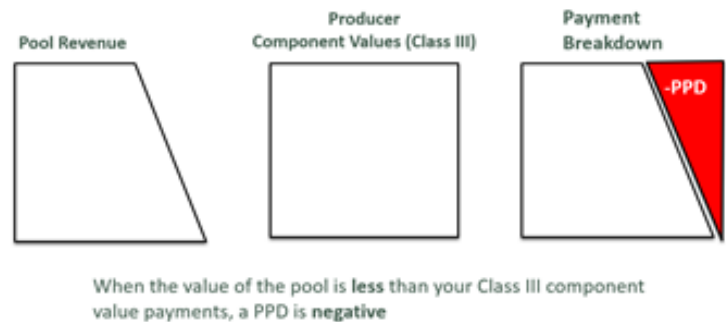
Explanation of Producer Price Differential, (continued)

(continued from page 1) determined by the amount of milk utilized in each class, along with the price level for each class. Class I products include fluid bottled milk, Class II products are typically described as “soft” manufactured dairy products (such as ice cream, cottage cheese, dips, fluid cream products, etc.), cheeses are the products that make up Class III, while Class IV is comprised of butter and dry milk powders.

When the total value of producer components exceeds the pool’s classified value, the result is a negative PPD since money out of the FMMO pool at producer component values plus the PPD must equal money in the pool’s classified value (pool revenue). In this measure, the calculation of a PPD can be thought of as an accounting method to “balance the books” of the monthly Federal Order pool (see illustrations below).

In the fat and skim pricing orders (four Federal milk orders where the largest utilization of milk is typically Class I fluid milk products – including the Appalachian, Florida, and Southeast Orders) producers are paid based on the weighted average classified use value of pooled fat in the order and the weighted average classified use value of pooled skim in the order (Class fat prices times the of amount of fat utilized in each class and the Class skim prices times the amount of skim utilized in each class). The total sum of the values paid to producers for pooled fat and pooled skim are equal to the classified use value of the pool and there is no PPD.

Negative Producer Price Differential



Factors Behind Negative PPD

The monthly PPD value can be positive or negative depending on several factors particular to the individual order. In some orders, negative PPD values can occur on a regular basis due to the utilization of producer milk among the four classes and the differences between the class prices. The PPD payment is adjusted by location of the plant where a producer’s milk is delivered, so within a specific marketing area the per hundredweight value of the PPD can range from positive at the base zone where the price is announced and turn negative in the more distant differential zones

A significant short-term change in commodity prices used in the class and component price formulas can also have an impact on the PPD value, which is the case in June. In just over a one-month period, cheese prices recovered from among the lowest levels seen in recent years to the highest levels. Under the Federal Order system, Class I prices are announced in advanced of the effective month. The June 2020 Class I price was announced on May 20th using an average cheese price of \$1.1859 per pound from the first two weeks in May. The June 2020 Class III price was announced on July 1st based on an average cheese price of \$2.2152 per pound, calculated from four weeks in June when cheese market prices were rising. The nonfat dry milk market has not experienced the same increase as the cheese market, so Class II and IV prices have remained low as the Class II price is set off the Class IV price. These dynamics have resulted in the Class III component values, specifically the protein value, being very high relative to the other class values. Producers paid on multiple component pricing will notice the high value paid for protein in their June milk checks, when compared to what was paid out in their May milk checks. As explained above, the higher component prices result in more money paid out at the Class III component values than is available in the monthly Federal order pool and creates a negative PPD.

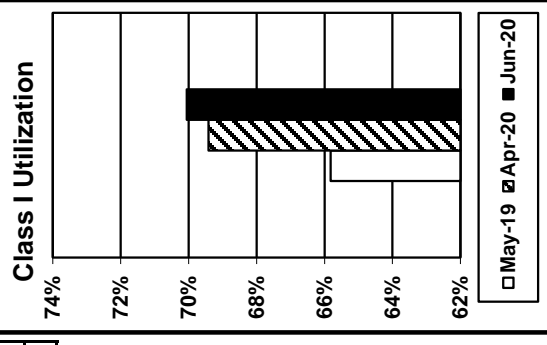
Only milk delivered to pool distributing plants is required to be producer milk under the Federal order system. Pool supply plants and deliveries to non-pool plants have specific qualifications that must be met to be eligible as producer milk. Those handlers typically have just Class II, Class III, or Class IV products and are not required to participate in the order’s pool. Therefore, due to expected price relationships in some months, handlers may decide not to pool some of (continued on page 6)

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,390**	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%



* 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	08/11/20	08/12/20	08/13/20	07/27/20	07/27/20	08/13/20	08/14/20
August	09/11/20	09/14/20	09/15/20	08/25/20	08/26/20	09/15/20	09/16/20
September	10/11/20	10/13/20	10/14/20	09/25/20	09/28/20	10/14/20	10/15/20

** The base rate for making partial payments in Fulton County, GA for July will be \$13.84 per hundredweight. This is 90 percent of the preceding month's uniform price of \$15.38 per hundredweight.

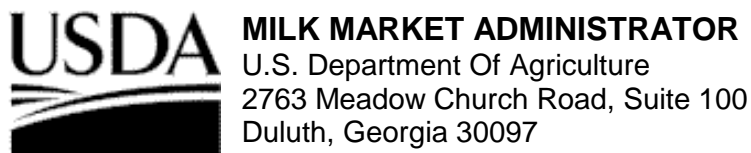
Producer Touch Base Requirements & Handler Diversion Limits [per Order Amendment issued March 17, 2008]												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Producer Touch Base Days	1	1	1	1	1	1	1	1	1	1	1	1
Diversion Percentage Limits	25%	25%	35%	35%	35%	35%	25%	25%	25%	25%	25%	35%

Explanation of Producer Price Differential, (continued)

(continued from page 4) their milk receipts. In June 2020, handlers decided to not pool a significant volume of Class III milk due to its higher value. While that milk may not have been pooled, it is also important to note that the higher Class III value still exists in the marketplace.

It is expected that Class I, II, and IV prices will continue to be low relative to the Class III price for July 2020 resulting in a negative PPD value. It is likely that multiple component pricing orders will experience some level of negative PPD values until the Class III and IV skim prices converge.

Since the Appalachian, Florida, and Southeast Orders are markets with high Class I utilization and low Class III utilization, the June uniform prices in these orders were not significantly impacted by the increase in cheese prices as explained above. The July Class I price (announced on June 17th) increased by \$5.24 from the June 2020 Class I price, so this price increase will be reflected in the July uniform prices for the Appalachian, Florida, and Southeast Orders.



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator



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

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, August 2020, USDA, Economic Research Service:

With the decline in the number of milk cows from May to June, forecasts of milk cow numbers for the remainder of the year have been lowered. For the year, milk cows are forecast to average 9.365 million head, 5,000 less than last month's forecast. Since milk per cow was 30 pounds higher than expected in the second quarter, it has been raised by 15 pounds for the third quarter. For the year, the forecast for milk per cow is 23,685 pounds, 50 pounds higher than the previous forecast.

The milk production forecast is 221.8 billion pounds, 0.3 billion higher than forecast last month. On a skim-solids basis, exports are forecast at 46.2 billion pounds, 0.4 billion higher than forecast last month, due to higher expected exports of dry skim milk products. On a milk-fat basis, the domestic use forecast for 2020 is 218.9 billion pounds, 0.3 billion higher than last month's forecast. The domestic use forecast on a skim-solids basis is 180.2 billion pounds, 0.1 billion lower than the previous forecast.

Based on recent price changes, the 2020 forecasts for Cheddar cheese, butter, and NDM have been lowered to \$1.845 (-6.0 cents), \$1.625 (-6.0 cents), and \$1.025 per pound (-1.5 cents), respectively.

With the lower expected cheese price, the Class III price forecast for 2020 has been lowered to \$17.40 per cwt, \$0.60 lower than last month's forecast. Lower expected butter and NDM prices result in a Class IV price of \$13.55 per cwt, \$0.40 lower than last month's forecast. The all-milk price forecast for 2020 is \$17.95 per cwt, a decrease from the July forecast of \$18.25 per cwt.

The forecast for the average number of milk cows in 2021 has been (continued at right)

Uniform Price

The uniform price in Fulton County, GA, was \$18.89 per hundredweight of milk at 3.5 percent butterfat for July 2020. The uniform price is \$3.51 per hundredweight higher than the previous month and is \$1.36 lower than July 2019.

Class I utilization was 69.38 percent in July. This represents a 0.68 percent decrease from the previous month and is 0.34 percent lower than July of last year.

Dairy Outlook, continued

(continued from left) lowered to 9.370 million head, 10,000 head lower than last month's forecast. The forecast for 2021 is driven by a smaller forecast for the milking herd in 2020 and lower expected milk prices in 2020 and first quarter of 2021. With lower expected cow numbers, the milk production has been lowered by 0.3 billion pounds to 225.3 billion pounds. The forecast for 2021 domestic use on a milk-fat basis is 221.7 billion pounds, 0.4 billion less than last month's forecast.

On a skim-solids basis, the forecast for domestic use is 183.6 billion pounds, 1.1 billion less than the previous forecast. The 2021 price forecast for Cheddar cheese has been lowered by 1.0 cent to \$1.715 per pound, as lower prices for 2020 are expected to carry forward into the first quarter of 2021. The butter price forecast for 2021 has been lowered to \$1.680 per pound, 3.5 cents less than last month's forecast.

With the lower expected cheese price more than offsetting the higher expected whey price, the Class III price forecast for 2021 is \$16.10 per cwt, \$0.10 lower than last month's forecast. With lower expected prices for butter, the Class IV price forecast has been lowered by \$0.15 to \$13.65 per cwt. The all-milk price forecast for 2021 is \$17.05 per cwt, unchanged from the previous forecast.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - July 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	44.32%	6,355,622	\$1.8023	\$ 11,454,737.55
Class I Differential at Location				206,735.30
Class II Butterfat	41.78%	5,990,978	\$1.9653	11,774,069.06
Class III Butterfat	2.70%	386,884	\$1.9583	757,634.94
Class IV Butterfat	11.20%	1,606,378	\$1.9583	3,145,770.05
Total Butterfat	100.00%	14,339,862		\$ 27,338,946.90

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.9065**

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	70.34%	262,893,151	\$10.62 /cwt.	\$ 27,919,252.64
Class I Butterfat	44.32%	6,355,622	\$1.8023 /lb.	11,454,737.55
Class I Differential at Location		269,248,773		8,714,866.40
Total Class I Milk	69.38%	269,248,773		\$ 48,088,856.59
Class II Skim Milk	19.77%	73,872,406	\$7.16 /cwt.	\$ 5,289,264.26
Class II Butterfat	41.78%	5,990,978	\$1.9653 /lb.	11,774,069.06
Total Class II Milk	20.58%	79,863,384		\$ 17,063,333.32
Class III Skim Milk	1.07%	3,987,075	\$18.33 /cwt.	\$ 730,830.86
Class III Butterfat	2.70%	386,884	\$1.9583 /lb.	757,634.94
Total Class III Milk	1.13%	4,373,959		\$ 1,488,465.80
Class IV Skim Milk	8.82%	32,957,011	\$7.16 /cwt.	\$ 2,359,721.99
Class IV Butterfat	11.20%	1,606,378	\$1.9583 /lb.	3,145,770.05
Total Class IV Milk	8.91%	34,563,389		\$ 5,505,492.04
Producer Milk	100.00%	388,049,505		\$ 72,146,147.75

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$244,840.82
Producer butterfat at uniform butterfat price	(\$27,338,946.90)
Location Adjustments to Producers	\$2,254,911.35
1/2 Unobligated Balance in P.S.F.	\$165,976.91
Adjusted Pool Value	\$ 12.70316
Reserve for Producer Settlement Fund	\$ 0.04316

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

\$12.66

Uniform Price per cwt. (Fulton County, Georgia)

\$18.89*

* 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	August	June	July	July
Appalachian (Charlotte)	\$ 19.96	\$ 23.18	\$ 15.27	\$ 19.34	84.85%
Arizona (Phoenix)	\$ 18.91	\$ 22.13	\$ 15.50	\$ 16.12	29.38%
California (Woodland)	\$ 18.66	\$ 21.88	\$ 13.13	\$ 14.72	26.10%
Central (Kansas City)	\$ 18.56	\$ 21.78	\$ 13.53	\$ 15.85	45.38%
Florida (Tampa)	\$ 21.96	\$ 25.18	\$ 16.83	\$ 20.80	83.22%
Mideast (Cleveland)	\$ 18.56	\$ 21.78	\$ 13.99	\$ 16.52	43.70%
Northeast (Boston)	\$ 19.81	\$ 23.03	\$ 15.66	\$ 19.08	32.90%
Pacific Northwest (Seattle)	\$ 18.46	\$ 21.68	\$ 15.17	\$ 17.11	24.28%
Southeast (Atlanta)	\$ 20.36	\$ 23.58	\$ 15.38	\$ 18.89	69.38%
Southwest (Dallas)	\$ 19.56	\$ 22.78	\$ 13.42	\$ 15.70	38.66%
Upper Midwest (Chicago)	\$ 18.36	\$ 21.58	\$ 17.23	\$ 19.68	19.50%

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

Receipts:		July 2020	July 2019
Producer Milk			
Class I		269,248,773	280,070,078
Class II		79,863,384	66,719,241
Class III		4,373,959	30,026,982
Class IV		34,563,389	24,851,818
Total Producer Milk		388,049,505	401,668,119
Average Butterfat Test		3.69%	3.67%
Percent of Producer Milk in Class I		69.38%	69.72%
Daily Average Receipts		12,517,726	12,957,036
Other Source Milk			
Class I		7,459,007	3,794,532
Class II		9,580,871	7,022,795
Class III		0	1,295,246
Class IV		4,746,626	4,658,590
Total Other Source Milk		21,786,504	16,771,163
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		0	1,296
Total Overage		0	1,296
Opening Inventory			
Class I		15,717,827	13,742,080
Class II		5,170,421	5,559,266
Class III		1,596,716	3,484,731
Class IV		12,814,990	18,575,950
Total Opening Inventory		35,299,954	41,362,027
Total Receipts		445,135,963	459,802,605
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		22,690,260	18,458,591
Route Disposition Class I		260,912,613	269,885,507
Shrinkage		2,827,829	2,846,400
Transfers & Diversions to Nonpool		5,994,905	6,416,192
Total Class I Utilization		292,425,607	297,606,690
Average Butterfat Test		2.35%	2.36%
Daily Average Utilization		9,433,064	9,600,216
Class II Utilization			
Nonfluid Used To Produce		3,615,209	3,365,259
Shrinkage		49,932	95,411
Transfers & Diversions to Nonpool/Commercial Foods		58,231,861	45,486,960
Used To Produce/Other Uses		32,717,674	30,353,672
Total Class II Utilization		94,614,676	79,301,302
Average Butterfat Test		9.91%	11.03%
Class III Utilization			
Shrinkage		0	5,532
Transfers & Diversions to Nonpool		5,970,675	34,801,427
Used To Produce/Other Uses		0	0
Total Class III Utilization		5,970,675	34,806,959
Average Butterfat Test		7.03%	2.74%
Class IV Utilization			
Inventory		12,422,027	18,315,599
Nonfluid Used To Fortify		1,059,769	1,497,993
Shrinkage		5,074,690	5,472,092
Transfers & Diversions to Nonpool		30,868,358	19,534,587
Used To Produce/Other Uses		2,700,161	3,267,383
Total Class IV Utilization		52,125,005	48,087,654
Average Butterfat Test		4.78%	4.59%
Total Utilization		445,135,963	459,802,605

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during July 2020 is \$18.89 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.66 per hundredweight plus 3.5 times the uniform butterfat price of 1.9065 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.34% of all producer skim milk (priced to handlers at \$10.62 per hundredweight, plus the Class I differential, see page 2) and 44.32% of producer butterfat (priced to handlers at \$1.8023 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 19.77% of all producer skim milk (\$7.16 per hundredweight) and 41.78% of producer butterfat (\$1.9653 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.07% of all producer skim milk (\$18.33 per hundredweight) and 2.70% of producer butterfat (\$1.9653 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.82% of all producer skim milk (\$7.16 per hundredweight) and 11.20% of producer butterfat (\$1.19583 per pound).

Receipts of producer milk during July 2020 totaled 388.0 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 July 2020. Class I route disposition in the area was 309.9 million pounds in June 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>June 2020</u>		
Whole Milk	127,250,818	41.06%
Fat Free Milk	15,858,207	5.12%
Low fat Milk (incl. 1%)	34,588,425	11.16%
Reduced Fat Milk (incl. 2%)	101,625,624	32.80%
Cultured Fluid Milk (incl. Buttermilk)	5,302,795	1.71%
Flavored Drinks and Milk	25,261,258	8.15%
Total Disposition in Marketing Area	309,887,127	100.0%
Total Disposition by Pool Plants	211,330,787	68.19%
Total Disposition by Nonpool Plants	98,556,340	31.81%
Total Disposition in Marketing Area	309,887,127	100.0%

Consolidation in U.S. Dairy Farming

The Economic Research Service of USDA has recently published a report on the consolidation of U.S. dairy farms. It reported that the number of licensed U.S. dairy herds fell by more than half between 2002 and 2019, with an accelerating rate of decline in 2018 and 2019, even as milk production continued to grow. Production has been shifting to much larger but fewer farms.

American dairy farms cover a wide range of herd sizes, from 50 cows or fewer, through midsize operations of 300-400 cows, and up to larger operations with several thousand cows. The report found that on average, larger farms have lower production costs than smaller farms; the differences are substantial and hold across a wide range of herd sizes. While herd size is not the only factor that matters for production costs, these scale-related cost differences are important. As a result, larger farms are more likely to realize positive net financial returns to milk production, even though their average revenues per hundredweight of milk produced are, on average, somewhat smaller than the revenues of smaller farms.

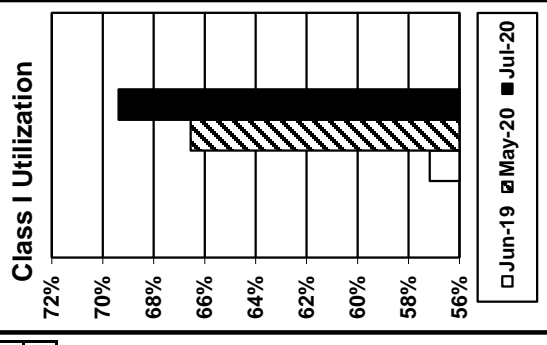
To continue reading Consolidation in U.S. Dairy Farming, the Economic Research Report No. (ERR-274) and report summary can be found at the following link: <https://www.ers.usda.gov/publications/pub-details/?pubid=98900>.

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 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$7.16	\$1.9583	\$13.76	\$12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82											

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 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,350**	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%



* 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	09/11/20	09/14/20	09/15/20	08/25/20	08/26/20	09/15/20	09/16/20
September	10/11/20	10/13/20	10/14/20	09/25/20	09/28/20	10/14/20	10/15/20
October	11/11/20	11/12/20	11/13/20	10/26/20	10/26/20	11/13/20	11/16/20

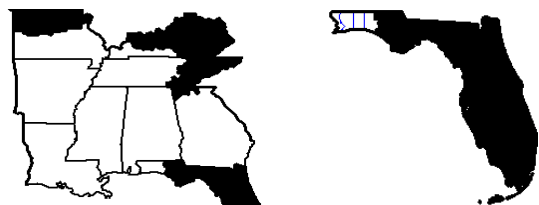
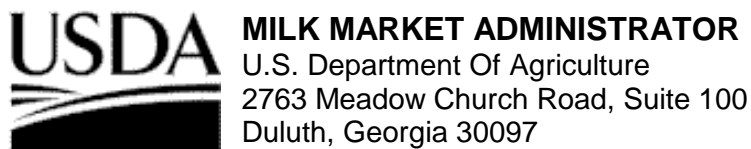
** The base rate for making partial payments in Fulton County, GA for August will be \$17.00 per hundredweight. This is 90 percent of the preceding month's uniform price of \$18.89 per hundredweight.

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 – 603, August 12, 2020

The milk production forecast for 2020 is raised from last month as higher expected growth in milk per cow more than offsets slightly lower dairy cow numbers. The fat basis import forecast is raised from last month on continued strong demand for imported butter. The fat basis export forecast is raised on increased shipments of cheese and butterfat products. The skim-solids basis import forecast is lowered on recent trade data and lower expected imports of cheese and a number of other dairy products. The skim-solids basis export forecast is raised primarily on higher exports of dry skim milk products. Cheese, butter, and nonfat dry milk (NDM) price forecasts are reduced from last month. The whey price forecast is unchanged. The Class III price forecast is reduced on lower cheese prices, while the Class IV price forecast is reduced on lower butter and NDM price forecasts. The all milk price forecast is lowered to \$17.95 per cwt.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/.



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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

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, September 2020, USDA, Economic Research Service:

The dairy production forecast for 2020 was raised on higher-than-expected milk per cow. Revised second-quarter milk per cow was 6 pounds higher than expected, and with the expectation of stronger trend growth milk per cow was increased by 10 pounds for the last two quarters of this year, giving an annual average of 23,710 pounds of milk per cow. Cow numbers are forecast to grow at a slow pace, and the forecast is unchanged from last month at 9.365 million head. Strong exports in July and expectations of continued strength in foreign demand led to increases in forecast exports. The forecast for milk-fat equivalent exports for 2020 is raised 200 million pounds on firm demand for butter, cheese, and whey products. Skim-solids exports for 2020 are raised 1 billion pounds for skim milk powder and whey products. Annual 2020 forecasts for exports are 9.4 billion pounds on a milk-fat basis and 47.2 billion pounds on a skim-solids basis. Lower-than-expected butter and cheese imports led to lower forecasts for third and fourth-quarter milkfat equivalent imports.

Milk-fat equivalent import forecasts for the second half are 200 million pounds lower than last month's forecasts. The forecast for 2020 milk-fat equivalent imports is 6.9 billion pounds. Third- and fourth-quarter domestic use forecasts are slightly lower than last month's forecasts on both a skim-solids and a milk-fat basis.

Dairy product price forecasts for cheese, butter, and dry whey are lower this month compared to last, but the forecast for nonfat dry milk is unchanged. The lower prices for the three products result in lower Class III and Class IV price forecasts. The Class III 2020 annual price forecast is \$17.25 per cwt and the (continued at right)

Uniform Price

The uniform price in Fulton County, GA, was \$20.18 per hundredweight of milk at 3.5 percent butterfat for August 2020. The uniform price is \$1.29 per hundredweight higher than the previous month and is \$0.67 lower than August 2019.

Class I utilization was 68.01 percent in August. This represents a 1.37 percent decrease from the previous month and is 5.59 percent lower than August of last year.

Dairy Outlook, continued

(continued from left) Class IV forecast is \$13.40 per cwt. The annual average all-milk price forecast is \$17.75 dollars per hundredweight, \$0.20 lower than the August forecast.

The 2021 production forecast is raised 100 million pounds. This reflects slightly stronger growth in milk per cow. Imports on a fat basis are reduced 200 million pounds to 6.7 billion pounds, largely on continued weaker demand for imported cheese and butter. On a skims-solids basis, imports are raised 100 million pounds to 5.7 billion pounds, reflecting increased imports of several dairy products. Fat-basis exports are raised 100 million pounds to 9.6 billion pounds on increased international competitiveness for U.S. butter, while exports on a skim-solids basis are raised 900 million pounds to 47.2 billion pounds on continued strength in demand for skim-milk powder and whey products.

Domestic commercial use forecasts are lowered 100 million pounds on a fat basis and 700 million pounds on a skim-solids basis. Annual 2021 forecasts for cheese, dry whey, and butter prices are lower, reflecting continued weakness in domestic demand. The Class III price is lowered to \$16.00 per cwt and the Class IV price is lowered to \$13.60 per cwt. The all-milk price in 2021 is also lowered by \$0.05 to \$17.00 per cwt.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - August 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.00%	5,786,860	\$1.9743	\$ 11,424,997.69
Class I Differential at Location				188,530.30
Class II Butterfat	43.76%	6,029,992	\$1.6345	9,856,021.92
Class III Butterfat	2.38%	327,403	\$1.6275	532,848.38
Class IV Butterfat	11.86%	1,634,214	\$1.6275	2,659,683.37
Total Butterfat	100.00%	13,778,469		\$ 24,662,081.66

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.7899**

Calculation of Uniform Skim Milk Price:

<u>Producer Milk</u>	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	69.03%	244,693,090	\$13.34 /cwt.	\$ 32,642,058.22
Class I Butterfat	42.00%	5,786,860	\$1.9743 /lb.	11,424,997.69
Class I Differential at Location		250,479,950		8,148,687.92
Total Class I Milk	68.01%	250,479,950		\$ 52,215,743.83
Class II Skim Milk	20.89%	74,075,358	\$7.82 /cwt.	\$ 5,792,692.97
Class II Butterfat	43.76%	6,029,992	\$1.6345 /lb.	9,856,021.92
Total Class II Milk	21.75%	80,105,350		\$ 15,648,714.89
Class III Skim Milk	0.89%	3,170,256	\$14.58 /cwt.	\$ 462,223.33
Class III Butterfat	2.38%	327,403	\$1.6275 /lb.	532,848.38
Total Class III Milk	0.95%	3,497,659		\$ 995,071.71
Class IV Skim Milk	9.19%	32,574,914	\$7.08 /cwt.	\$ 2,306,303.91
Class IV Butterfat	11.86%	1,634,214	\$1.6275 /lb.	2,659,683.37
Total Class IV Milk	9.29%	34,209,128		\$ 4,965,987.28
Producer Milk	100.00%	368,292,087		\$ 73,825,517.71

Adjustments

Overage and Other Source	\$56,913.04
Inventory Adjustments	(\$45,662.00)
Producer butterfat at uniform butterfat price	(\$24,662,081.66)
Location Adjustments to Producers	\$1,932,935.70
1/2 Unobligated Balance in P.S.F.	\$166,060.99

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 14.46311	\$51,273,683.78
	\$ 0.04311	\$152,820.08

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

\$14.42

Uniform Price per cwt. (Fulton County, Georgia)

\$20.18*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	August	September	July	August	August
Appalachian (Charlotte)	\$ 23.18	\$ 21.84	\$ 19.34	\$ 20.25	70.86%
Arizona (Phoenix)	\$ 22.13	\$ 20.79	\$ 16.12	\$ 15.84	29.38%
California (Woodland)	\$ 21.88	\$ 20.54	\$ 14.75	\$ 14.53	26.10%
Central (Kansas City)	\$ 21.78	\$ 20.44	\$ 15.85	\$ 16.15	42.91%
Florida (Tampa)	\$ 25.18	\$ 23.84	\$ 20.80	\$ 22.69	81.54%
Mideast (Cleveland)	\$ 21.78	\$ 20.44	\$ 16.52	\$ 16.84	40.70%
Northeast (Boston)	\$ 23.03	\$ 21.69	\$ 19.08	\$ 18.02	32.90%
Pacific Northwest (Seattle)	\$ 21.68	\$ 20.34	\$ 17.11	\$ 16.16	24.28%
Southeast (Atlanta)	\$ 23.58	\$ 22.24	\$ 18.89	\$ 20.18	68.01%
Southwest (Dallas)	\$ 22.78	\$ 21.44	\$ 15.70	\$ 16.01	37.04%
Upper Midwest (Chicago)	\$ 21.58	\$ 20.24	\$ 19.68	\$ 17.71	18.60%

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

Receipts:		August 2020	August 2019
Producer Milk			
Class I		250,479,950	298,250,105
Class II		80,105,350	65,105,200
Class III		3,497,659	26,947,786
Class IV		34,209,128	14,897,057
Total Producer Milk		368,292,087	405,200,148
Average Butterfat Test		3.74%	3.71%
Percent of Producer Milk in Class I		68.01%	73.60%
Daily Average Receipts		11,880,390	13,070,973
Other Source Milk			
Class I		6,651,084	7,904,983
Class II		4,500,573	7,585,026
Class III		0	0
Class IV		5,418,147	5,336,107
Total Other Source Milk		16,569,804	20,826,116
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		580,158	0
Total Overage		580,158	0
Opening Inventory			
Class I		20,611,105	18,458,591
Class II		263,001	2,027,741
Class III		20,512	0
Class IV		11,403,462	16,287,858
Total Opening Inventory		32,298,080	36,774,190
Total Receipts		417,740,129	462,800,454
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,507,231	19,752,134
Route Disposition Class I		252,548,940	295,137,942
Shrinkage		1,753,937	3,966,399
Transfers & Diversions to Nonpool		3,932,031	5,757,204
Total Class I Utilization		277,742,139	324,613,679
Average Butterfat Test		2.31%	2.20%
Daily Average Utilization		8,959,424	10,471,409
Class II Utilization			
Nonfluid Used To Produce		2,345,148	3,266,710
Shrinkage		15,205	534
Transfers & Diversions to Nonpool/Commercial Foods		63,488,960	39,275,304
Used To Produce/Other Uses		19,019,611	32,175,419
Total Class II Utilization		84,868,924	74,717,967
Average Butterfat Test		8.00%	12.11%
Class III Utilization			
Shrinkage		0	7,456
Transfers & Diversions to Nonpool		3,518,171	26,940,330
Used To Produce/Other Uses		0	0
Total Class III Utilization		3,518,171	26,947,786
Average Butterfat Test		9.88%	3.88%
Class IV Utilization			
Inventory		21,165,340	16,240,620
Nonfluid Used To Fortify		519,253	1,568,877
Shrinkage		4,334,487	6,082,468
Transfers & Diversions to Nonpool		22,657,889	9,244,491
Used To Produce/Other Uses		2,933,926	3,384,566
Total Class IV Utilization		51,610,895	36,521,022
Average Butterfat Test		4.88%	5.74%
Total Utilization		417,740,129	462,800,454

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during August 2020 is \$20.18 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.42 per hundredweight plus 3.5 times the uniform butterfat price of 1.7899 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 69.03% of all producer skim milk (priced to handlers at \$13.34 hundredweight, plus the Class I differential, see page 2) and 42.00% of producer butterfat (priced to handlers at \$1.9743 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 20.89% of all producer skim milk (\$7.82 per hundredweight) and 43.76% of producer butterfat (\$1.6345 per pound). Class III use, mostly milk used to produce cheese, accounted for 0.89% of all producer skim milk (\$14.58 per hundredweight) and 2.38% of producer butterfat (\$1.6275 per pound). Class IV use, generally milk processed into butter and powder, accounted for 9.19% of all producer skim milk (\$7.08 per hundredweight) and 11.86% of producer butterfat (\$1.6275 per pound).

Receipts of producer milk during August 2020 totaled 368.3 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 August 2020. Class I route disposition in the area was 312.9 million pounds in July 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>July 2020</u>		
Whole Milk	131,254,126	42.00%
Fat Free Milk	15,310,468	4.90%
Low fat Milk (incl. 1%)	27,004,561	8.63%
Reduced Fat Milk (incl. 2%)	110,251,014	35.23%
Cultured Fluid Milk (incl. Buttermilk)	5,417,060	1.73%
Flavored Drinks and Milk	23,672,753	7.51%
Total Disposition in Marketing Area	312,909,982	100.0%
Total Disposition by Pool Plants	219,121,896	70.02%
		29.98284
Total Disposition by Nonpool Plants	93,788,086	9457%
Total Disposition in Marketing Area	312,909,982	100.0%

USDA Announces Contracts for Farmers to Families Food Box Program

Following President Donald Trump's approval to include up to an additional \$1 billion in the Farmers to Families Food Box Program, U.S. Secretary of Agriculture Sonny Perdue announced the U.S. Department of Agriculture (USDA) has approved up to \$1 billion in contracts to support American producers and communities in need through the USDA Farmers to Families Food Box Program. Earlier this week, USDA reached a milestone of having distributed more than 90 million food boxes in support of American farmers and families affected by the COVID-19 pandemic.

"These contract awards will go to vendors who submitted the strongest proposals in support of American agriculture and the American people. The high level of interest and quality of proposals are a testament that the program is accomplishing what we intended – supporting U.S. farmers and distributors and getting food to those who need it most. It's a real trifecta, which is why we call it a win-win-win," said Secretary Perdue.

These contract awards are a result of the third round of Farmers to Families Food Box program announced on July 24, 2020, and President Trump's announcement on August 24 that up to an additional \$1 billion was being made available for deliveries through October 31, 2020. A full list of approved suppliers will be posted on the Farmers to Families Food Box Program webpage after 5 p.m. ET, Thursday, Sept. 17, 2020.

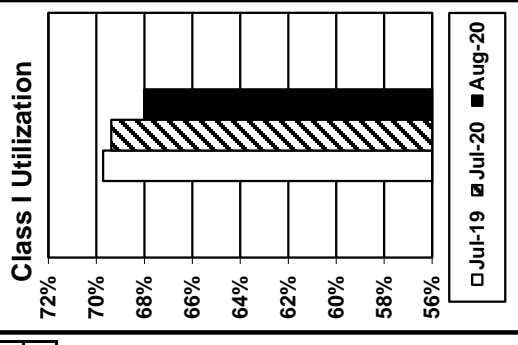
More information can be found at the following link: <https://www.ams.usda.gov/press-release/usdaannounces-contracts-round-3-farmers-families-food-box-program>

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$7.16	\$1.9583	\$13.76	\$12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82	\$1.6345	\$13.27	\$14.58	\$1.6275	\$19.77	\$7.08	\$1.6275	\$12.53	\$14.42	\$1.7889	\$20.18
Sep	\$16.82	\$1.7155	\$22.24	\$7.83											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,328	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%
Aug	368,292	1,350**	250,480	68.01%	80,105	21.75%	3,498	0.95%	34,209	9.29%



* 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	10/11/20	10/13/20	10/14/20	09/25/20	09/28/20	10/14/20	10/15/20
October	11/11/20	11/12/20	11/13/20	10/26/20	10/26/20	11/13/20	11/16/20
November	12/11/20	12/14/20	12/15/20	11/25/20	11/27/20	12/15/20	12/16/20

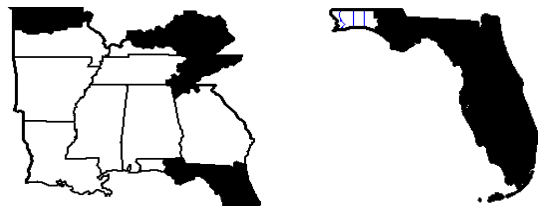
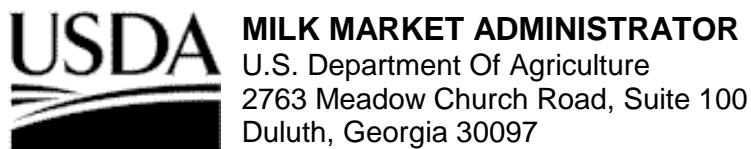
** The base rate for making partial payments in Fulton County, GA for September will be \$18.16 per hundredweight. This is 90 percent of the preceding month's uniform price of \$20.18 per hundredweight.

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 – 604, September 11, 2020

For 2021, the milk production forecast is raised on stronger anticipated growth in milk per cow. The fat basis import forecast is reduced from the previous month primarily on lower expected imports of cheese and other dairy products, while the fat basis export forecast is raised on anticipated firm global demand for U.S. butter. The skim-solids basis import forecast is raised slightly, but the export forecast is raised on continued strong international demand for skim milk powder and whey products. Price forecasts for cheese, butter, and whey are lowered while the nonfat dry milk forecast is unchanged. The Class III price forecast is reduced on lower cheese and whey price forecasts. The Class IV price forecast is reduced on the lower butter price forecast. The all milk price forecast is lowered to \$17.00 per cwt for 2021.

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/.



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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

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October 2020



Southeast Marketing Area
Federal Order 7

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

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, October 2020, USDA, Economic Research Service:

Dairy Forecasts for 2020

Based on recent milk production data, milk cows for the third quarter of 2020 are expected to number 5,000 more than last month's forecast. For the year, the rounded forecast for the average number of milk cows is 9.365 million head, unchanged from last month's forecast. The milk per cow forecast for 2020 has been raised by 25 pounds to 23,735 pounds per head. The milk production forecast is 222.3 billion pounds, 0.3 billion higher than last month's forecast. On a skim-solids basis, the forecast for ending stocks is 10.5 billion pounds, 0.3 billion higher than last month's forecast. The forecast for 2020 domestic use on a milk-fat basis is 218.2 billion pounds, 0.5 billion lower than last month's forecast. On a skim-solids basis, the forecast for domestic use is 179.5 billion pounds, 0.2 billion higher than the previous forecast. With the higher Cheddar cheese price forecast, the 2020 forecast for the Class III milk price has been raised to \$18.00 per hundredweight (cwt), \$0.75 higher than last month's forecast. With the higher NDM price forecast more than offsetting the lower butter price forecast, the Class IV milk price forecast has been raised by \$0.10 to \$13.50 per cwt. The all-milk price forecast for 2020 is \$18.00 per cwt, an increase from last month's forecast of \$17.75 per cwt.

Dairy Forecasts for 2021

Based on recent milk production data and higher expected milk prices, the milk production forecast has been raised. However, growth is expected to be muted due to higher expected feed costs. The forecast for milk per cow in 2021 has been raised by 10 pounds to 24,070 pounds per head. The milk production forecast for 2021 is 225.5 billion pounds, 0.1 (continued at right)

Uniform Price

The uniform price in Fulton County, GA, was \$19.62 per hundredweight of milk at 3.5 percent butterfat for September 2020. The uniform price is \$0.56 per hundredweight lower than the previous month and is \$0.90 lower than September 2019.

Class I utilization was 67.28 percent in September. This represents a 0.73 percent decrease from the previous month and is 5.73 percent lower than September of last year.

Dairy Outlook, continued

(continued from left) billion higher than last month's forecast. The forecast for 2021 exports on a milk-fat basis has been lowered to 9.5 billion pounds, 0.1 billion less than last month's forecast, due to lower expected exports of butterfat products.

The forecast for exports on a skim-solids basis has been raised by to 47.8 billion pounds, up 0.6 billion, due to higher expected exports of dry skim milk products and whey products. The forecast for 2021 domestic use on a milk-fat basis is 221.9 billion pounds, 0.3 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use is 182.7 billion pounds, 0.2 billion lower than the previous forecast. On a skim-solids basis, the ending stock forecast has been raised to 10.2 billion pounds, 0.1 billion higher than the previous forecast. Based on recent price movements and improving economic conditions, price forecasts for 2021 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.80 (+9.5 cents), \$0.360 (+1.0 cents), \$1.705 (+3.0 cents), and \$1.050 (+4.0 cents) per pound, respectively. With the higher dairy product prices, Class III and IV milk price forecasts have been raised to \$17.00 (+\$1.00) and \$14.10 (+0.50) per cwt, respectively. The all-milk price forecast for 2021 has been raised to \$17.60 per cwt, \$0.60 higher.

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES -September 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	40.55%	6,019,740	\$1.6775	\$ 10,098,113.89
Class I Differential at Location				194,448.22
Class II Butterfat	44.37%	6,584,400	\$1.6002	10,536,356.86
Class III Butterfat	4.29%	636,175	\$1.5932	1,013,554.01
Class IV Butterfat	10.79%	1,601,016	\$1.5932	2,550,738.65
Total Butterfat	100.00%	14,841,331		\$ 24,393,211.63

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6436**

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	68.33%	258,474,682	\$13.02 /cwt.	\$ 33,653,403.60
Class I Butterfat	40.55%	6,019,740	\$1.6775 /lb.	10,098,113.89
Class I Differential at Location		264,494,422		8,545,127.95
Total Class I Milk	67.28%	264,494,422		\$ 52,296,645.44
Class II Skim Milk	18.43%	69,721,433	\$7.83 /cwt.	\$ 5,459,188.20
Class II Butterfat	44.37%	6,584,400	\$1.6002 /lb.	10,536,356.86
Total Class II Milk	19.41%	76,305,833		\$ 15,995,545.06
Class III Skim Milk	3.13%	11,853,247	\$11.25 /cwt.	\$ 1,333,490.30
Class III Butterfat	4.29%	636,175	\$1.5932 /lb.	1,013,554.01
Total Class III Milk	3.18%	12,489,422		\$ 2,347,044.31
Class IV Skim Milk	10.11%	38,225,083	\$7.43 /cwt.	\$ 2,840,123.67
Class IV Butterfat	10.79%	1,601,016	\$1.5932 /lb.	2,550,738.65
Total Class IV Milk	10.13%	39,826,099		\$ 5,390,862.32
Producer Milk	100.00%	393,115,776		\$ 76,030,097.13

Adjustments

Overage and Other Source	\$514.60
Inventory Adjustments	\$158,224.87
Producer butterfat at uniform butterfat price	(\$24,393,211.63)
Location Adjustments to Producers	\$2,553,956.16
1/2 Unobligated Balance in P.S.F.	\$171,251.49
Adjusted Pool Value	\$ 14.41304
Reserve for Producer Settlement Fund	\$ 0.04304

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

\$14.37

Uniform Price per cwt. (Fulton County, Georgia)

\$19.62*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	September	October	August	September	September
Appalachian (Charlotte)	\$ 21.84	\$ 18.60	\$ 20.25	\$ 19.68	72.25%
Arizona (Phoenix)	\$ 20.79	\$ 17.55	\$ 15.84	\$ 16.00	29.38%
California (Woodland)	\$ 20.54	\$ 17.30	\$ 14.53	\$ 14.47	26.10%
Central (Kansas City)	\$ 20.44	\$ 17.20	\$ 16.15	\$ 15.71	43.97%
Florida (Tampa)	\$ 23.84	\$ 20.60	\$ 22.69	\$ 21.85	81.44%
Mideast (Cleveland)	\$ 20.44	\$ 17.20	\$ 16.84	\$ 16.16	38.30%
Northeast (Boston)	\$ 21.69	\$ 18.45	\$ 18.02	\$ 16.80	32.90%
Pacific Northwest (Seattle)	\$ 20.34	\$ 17.10	\$ 16.16	\$ 15.19	24.28%
Southeast (Atlanta)	\$ 22.24	\$ 19.00	\$ 20.18	\$ 19.62	67.28%
Southwest (Dallas)	\$ 21.44	\$ 18.20	\$ 16.01	\$ 15.83	39.00%
Upper Midwest (Chicago)	\$ 20.24	\$ 17.00	\$ 17.71	\$ 15.97	20.00%

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

Receipts:		Sept. 2020	Sept. 2019
Producer Milk			
Class I		264,494,422	278,544,403
Class II		76,305,833	62,745,759
Class III		12,489,422	18,817,640
Class IV		39,826,099	21,386,592
Total Producer Milk		393,115,776	381,494,394
Average Butterfat Test		3.77%	3.74%
Percent of Producer Milk in Class I		67.28%	73.01%
Daily Average Receipts		13,103,859	12,716,480
Other Source Milk			
Class I		7,318,599	10,822,626
Class II		9,693,640	6,144,536
Class III		2,916,434	17,634
Class IV		7,735,096	6,774,255
Total Other Source Milk		27,663,769	23,759,051
Overage			
Class I		0	0
Class II		0	0
Class III		0	0
Class IV		323	0
Total Overage		323	0
Opening Inventory			
Class I		19,108,669	19,759,051
Class II		3,919,945	1,959,411
Class III		3,490,163	0
Class IV		16,842,613	14,281,210
Total Opening Inventory		43,361,390	35,992,717
Total Receipts		464,141,258	441,246,162
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		22,888,832	19,699,373
Route Disposition Class I		261,495,099	278,128,639
Shrinkage		2,799,982	4,141,407
Transfers & Diversions to Nonpool		3,737,777	7,149,706
Total Class I Utilization		290,921,690	309,119,125
Average Butterfat Test		2.27%	2.16%
Daily Average Utilization		9,697,390	10,303,971
Class II Utilization			
Nonfluid Used To Produce		3,395,629	2,644,230
Shrinkage		32,158	0
Transfers & Diversions to Nonpool/Commercial Foods		53,751,055	39,457,085
Used To Produce/Other Uses		32,740,576	28,748,391
Total Class II Utilization		89,919,418	70,849,706
Average Butterfat Test		10.80%	11.96%
Class III Utilization			
Shrinkage		0	7,469
Transfers & Diversions to Nonpool		18,896,019	18,827,805
Used To Produce/Other Uses		0	0
Total Class III Utilization		18,896,019	18,835,274
Average Butterfat Test		4.23%	4.14%
Class IV Utilization			
Inventory		21,363,072	20,363,669
Nonfluid Used To Fortify		1,134,121	1,570,472
Shrinkage		5,453,034	5,468,316
Transfers & Diversions to Nonpool		33,875,327	11,546,372
Used To Produce/Other Uses		2,578,577	3,493,228
Total Class IV Utilization		64,404,131	42,442,057
Average Butterfat Test		4.40%	6.08%
Total Utilization		464,141,258	441,246,162

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during September 2020 is \$19.62 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.37 per hundredweight plus 3.5 times the uniform butterfat price of 1.6436 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 68.33% of all producer skim milk (priced to handlers at \$13.02 hundredweight, plus the Class I differential, see page 2) and 40.55% of producer butterfat (priced to handlers at \$1.6775 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 18.43% of all producer skim milk (\$7.83 per hundredweight) and 44.37% of producer butterfat (\$1.6002 per pound). Class III use, mostly milk used to produce cheese, accounted for 3.13% of all producer skim milk (\$11.25 per hundredweight) and 4.29% of producer butterfat (\$1.5932 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.11% of all producer skim milk (\$7.43 per hundredweight) and 10.79% of producer butterfat (\$1.5932 per pound).

Receipts of producer milk during September 2020 totaled 393.1 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 September 2020. Class I route disposition in the area was 314.9 million pounds in August 2020.

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>August 2020</u>		
Whole Milk	128,280,074	40.85%
Fat Free Milk	15,626,240	4.98%
Low fat Milk (incl. 1%)	30,369,223	9.67%
Reduced Fat Milk (incl. 2%)	105,337,685	33.55%
Cultured Fluid Milk (incl. Buttermilk)	5,155,561	1.64%
Flavored Drinks and Milk	29,236,052	9.31%
Total Disposition in Marketing Area	314,004,835	100.00%
Total Disposition by Pool Plants	214,636,332	68.35%
Total Disposition by Nonpool Plants	99,368,503	31.65%
Total Disposition in Marketing Area	314,004,835	100.00%

USDA Dairy Margin Coverage Program Enrollment for 2021

Following USDA is now enrolling dairy farmers for the 2021 Dairy Margin Coverage program year. The enrollment period runs through December 11, 2021. To determine the appropriate level of coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool.

The decision tool is designed to assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

Improvements to the decision tool, made in cooperation with representatives from the University of Minnesota and University of Wisconsin, include historical analysis that illustrates what DMC indemnity payments might have been had the program been available over the previous two decades. The analysis indicates that over the course of time, DMC payments made to producers exceed premiums paid. These decision tool enhancements provide a more comprehensive decision support experience for producers considering DMC. In addition to DMC, USDA offers a variety of programs that have helped dairy producers, including insurance, disaster assistance, and conservation programs. Most recently, the Coronavirus Food Assistance Program 1 provided \$1.75 billion in direct relief to dairy producers who faced price declines and additional marketing costs due to COVID-19 in early 2020. Now, signup is underway for the Coronavirus Food Assistance Program 2, which provides another round of assistance for dairy producers and many other eligible producers.

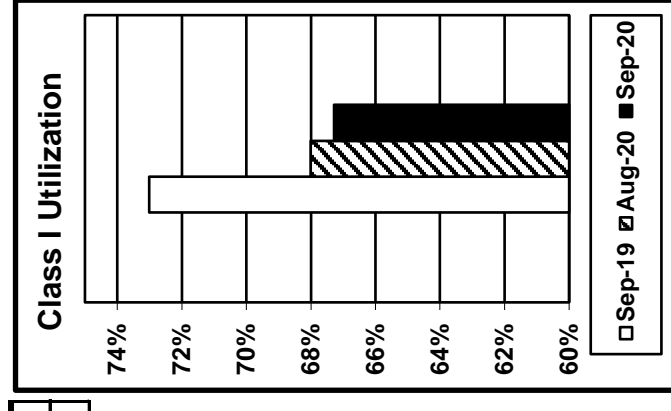
More information can be found at <https://www.fsa.usda.gov/programs-and-services/dairy-margin-coverageprogram/index>.

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Jul 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$7.16	\$1.9583	\$13.76	\$12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82	\$1.6345	\$13.27	\$14.58	\$1.6275	\$19.77	\$7.08	\$1.6275	\$12.53	\$14.42	\$1.7889	\$20.18
Sep	\$16.82	\$1.7155	\$22.24	\$7.83	\$1.6002	\$13.16	\$11.25	\$1.5932	\$16.43	\$7.43	\$1.5932	\$12.75	\$14.37	\$1.6436	\$19.62
Oct	\$13.77	\$1.6313	\$19.00	\$8.15											

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

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Jul 2019	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	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,328	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%
Aug	368,292	1,329	250,480	68.01%	80,105	21.75%	3,498	0.95%	34,209	9.29%
Sep	393,116	1,350**	264,494	67.28%	76,306	19.41%	12,489	3.18%	39,826	10.13%



* 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	11/11/20	11/12/20	11/13/20	10/26/20	10/26/20	11/13/20	11/16/20
November	12/11/20	12/14/20	12/15/20	11/25/20	11/27/20	12/15/20	12/16/20
December	01/11/21	01/12/21	01/13/21	12/28/20	12/28/20	01/13/21	01/14/21

** The base rate for making partial payments in Fulton County, GA for October will be \$17.66 per hundredweight. This is 90 percent of the preceding month's uniform price of \$19.62 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%

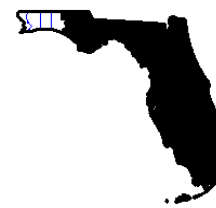
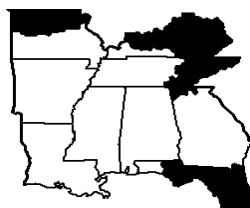
WASDE Dairy Report 1/ WASDE – 605, October 9, 2020

For 2021, a larger dairy herd and higher milk per cow are expected to support higher milk production from last month. The fat basis import forecast is unchanged, while the fat basis export forecast is lowered on weak global import demand for butterfat products. The skim-solids basis import forecast is unchanged, while the export forecast is raised on expected robust international demand for skim milk powder and whey products. Dairy product price forecasts for cheese, butter, NDM, and whey are raised from last month. Class III and Class IV price forecasts are raised on higher product prices. The all milk price forecast is raised to \$17.60 per cwt for 2021.

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/.



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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

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, November 2020, USDA, Economic Research Service:

Dairy Forecasts for the Remainder of 2020

Based on recent milk production data, milk cows for the fourth quarter of 2020 are expected to average 9.370 million head, 5,000 more than last month's forecast. Average milk output per cow in the third quarter was 5,910 pounds per head, 10 pounds more than expected. For the fourth quarter, the forecast has been raised by 10 pounds to 5,875 pounds per head. The forecast for the year is 23,755 pounds, 20 pounds higher than last month's forecast. The milk production forecast for 2020 is 222.5 billion pounds, 0.2 billion higher than last month's forecast.

Based on recent price strength, price forecasts for the fourth quarter of 2020 have been raised for Cheddar cheese, nonfat dry milk, and dry whey to \$2.295 per pound (+21.5 cents), \$1.080 per pound (+1.5 cents), and \$0.360 per pound (+2.0 cents), respectively. The forecast for the fourth-quarter butter price has been lowered to \$1.500 per pound (-3.5 cents) due to recent price declines and high stock levels. For the year, price forecasts for Cheddar cheese, nonfat dry milk, and dry whey have been raised to \$1.965 (+5.5 cents), \$1.040 (+0.5 cents), and \$0.355 (+0.5 cents), respectively. The forecast for the 2020 butter price has been lowered to \$1.585 per pound (-1.0 cent).

With higher price forecasts for Cheddar cheese and dry whey, the fourth-quarter Class III milk price forecast has been raised to \$21.70 per hundredweight (cwt), \$2.20 higher than last month's forecast. With the lower butter price forecast more than offsetting the higher NDM price forecast, the fourth-quarter Class IV milk price forecast has been lowered to \$13.45 per cwt, \$0.05 lower than the previous forecast. The all-milk price forecast for the fourth quarter has been (continued at right)

Uniform Price

The uniform price in Fulton County, GA, was \$17.86 per hundredweight of milk at 3.5 percent butterfat for October 2020. The uniform price is \$1.76 per hundredweight lower than the previous month and is \$2.79 lower than October 2019.

Class I utilization was 70.52 percent in October. This represents a 3.24 percent increase from the previous month and is 7.39 percent lower than October of last year.

Dairy Outlook, continued

(continued from left) raised by \$0.85 to \$19.75 per cwt \$19.75 per cwt. For the year, the Class III price forecast has been raised \$0.55 to \$18.55 per cwt, but the rounded Class IV price annual forecast is unchanged at \$13.50 per cwt. The all-milk price forecast for 2020 is \$18.25 per cwt, \$0.25 higher than the previous forecast.

Dairy Forecasts for 2021

The milk production forecast for 2021 has been raised based on recent milk production data and higher expected milk prices. However, higher feed costs are expected to slow the rate of growth.

On a skim-solids basis, the forecast for dairy exports has been raised 48.1 billion pounds, 0.3 billion higher than last month, due to higher expected exports of dry skim milk products brought about by competitive U.S. prices. The forecast for 2021 imports on a milk-fat basis has been raised to 6.9 billion pounds, 0.2 billion higher than last month's forecast, due to higher expected imports of cheese and butterfat products. On a skim-solids basis, the import forecast for 2021 has been lowered to 5.6 billion pounds (-0.1 billion) due to lower expected imports of miscellaneous dairy products.

The forecast for milk per cow in 2021 has been raised by 20 pounds to 24,090 pounds per head. The forecast for (continued on page 4)

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - October 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.47%	6,430,712	\$1.5933	\$ 10,246,053.44
Class I Differential at Location				209,237.83
Class II Butterfat	44.35%	6,716,435	\$1.6458	11,053,908.73
Class III Butterfat	1.14%	172,409	\$1.6388	282,543.86
Class IV Butterfat	12.04%	1,823,993	\$1.6388	2,989,159.72
Total Butterfat	100.00%	15,143,549		\$ 24,780,903.58

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6364**

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	71.67%	265,701,875	\$9.97 /cwt.	\$ 26,490,476.94
Class I Butterfat	42.47%	6,430,712	\$1.5933 /lb.	10,246,053.44
Class I Differential at Location		272,132,587		8,837,741.21
Total Class I Milk	70.52%	272,132,587		\$ 45,574,271.59
Class II Skim Milk	18.15%	67,291,137	\$8.15 /cwt.	\$ 5,484,227.68
Class II Butterfat	44.35%	6,716,435	\$1.6458 /lb.	11,053,908.73
Total Class II Milk	19.18%	74,007,572		\$ 16,538,136.41
Class III Skim Milk	1.74%	6,468,645	\$16.45 /cwt.	\$ 1,064,092.11
Class III Butterfat	1.14%	172,409	\$1.6388 /lb.	282,543.86
Total Class III Milk	1.72%	6,641,054		\$ 1,346,635.97
Class IV Skim Milk	8.44%	31,279,030	\$8.01 /cwt.	\$ 2,505,450.31
Class IV Butterfat	12.04%	1,823,993	\$1.6388 /lb.	2,989,159.72
Total Class IV Milk	8.58%	33,103,023		\$ 5,494,610.03
Producer Milk	100.00%	385,884,236		\$ 68,953,654.00

Adjustments

Overage and Other Source	\$25,423.54
Inventory Adjustments	\$294,683.80
Producer butterfat at uniform butterfat price	(\$24,780,903.58)
Location Adjustments to Producers	\$2,124,592.56
1/2 Unobligated Balance in P.S.F.	\$162,977.80

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 12.61810	\$46,780,428.12
	\$ 0.04810	\$178,323.75

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

\$12.57

Uniform Price per cwt. (Fulton County, Georgia)

\$17.86*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	October	November	September	October	October
Appalachian (Charlotte)	\$ 18.60	\$ 21.44	\$ 19.68	\$ 17.82	80.77%
Arizona (Phoenix)	\$ 17.55	\$ 20.39	\$ 16.00	\$ 15.24	29.38%
California (Woodland)	\$ 17.30	\$ 20.14	\$ 14.47	\$ 13.88	26.10%
Central (Kansas City)	\$ 17.20	\$ 20.04	\$ 15.71	\$ 14.23	47.60%
Florida (Tampa)	\$ 20.60	\$ 23.44	\$ 21.85	\$ 19.65	84.39%
Mideast (Cleveland)	\$ 17.20	\$ 20.04	\$ 16.16	\$ 14.74	46.20%
Northeast (Boston)	\$ 18.45	\$ 21.29	\$ 16.80	\$ 17.07	32.90%
Pacific Northwest (Seattle)	\$ 17.10	\$ 19.94	\$ 15.19	\$ 15.84	24.28%
Southeast (Atlanta)	\$ 19.00	\$ 21.84	\$ 19.62	\$ 17.86	70.52%
Southwest (Dallas)	\$ 18.20	\$ 21.04	\$ 15.83	\$ 14.23	38.35%
Upper Midwest (Chicago)	\$ 17.00	\$ 19.84	\$ 15.97	\$ 17.18	24.40%

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

Receipts:		Oct. 2020	Oct. 2019
Producer Milk			
Class I		272,132,587	299,335,080
Class II		74,007,572	65,484,462
Class III		6,641,054	6,058,163
Class IV		33,103,023	13,281,500
Total Producer Milk		385,884,236	384,159,205
Average Butterfat Test		3.92%	3.86%
Percent of Producer Milk in Class I		70.52%	77.91%
Daily Average Receipts		12,447,879	12,392,232
Other Source Milk			
Class I		7,920,892	9,347,325
Class II		3,667,020	2,776,589
Class III		1,084,202	0
Class IV		8,231,590	4,217,000
Total Other Source Milk		20,903,704	16,340,914
Overage			
Class I		0	0
Class II		0	0
Class III		150,954	0
Class IV		361	0
Total Overage		151,315	0
Opening Inventory			
Class I		20,274,192	17,622,807
Class II		788,369	352,536
Class III		3,088,974	0
Class IV		16,632,517	18,449,412
Total Opening Inventory		40,784,052	36,424,755
Total Receipts		447,723,307	436,924,874
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		20,978,841	21,128,064
Route Disposition Class I		271,979,093	289,333,551
Shrinkage		4,716,837	3,828,029
Transfers & Diversions to Nonpool		2,652,900	12,015,568
Total Class I Utilization		300,327,671	326,305,212
Average Butterfat Test		2.35%	2.22%
Daily Average Utilization		9,687,989	10,525,975
Class II Utilization			
Nonfluid Used To Produce		2,170,600	1,850,569
Shrinkage		0	0
Transfers & Diversions to Nonpool/Commercial Foods		61,386,877	49,868,194
Used To Produce/Other Uses		14,905,484	16,894,824
Total Class II Utilization		78,462,961	68,613,587
Average Butterfat Test		8.79%	10.32%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		10,965,184	6,058,163
Used To Produce/Other Uses		0	0
Total Class III Utilization		10,965,184	6,058,163
Average Butterfat Test		1.57%	5.60%
Class IV Utilization			
Inventory		16,782,721	14,549,373
Nonfluid Used To Fortify		1,604,765	1,897,577
Shrinkage		5,299,210	5,575,913
Transfers & Diversions to Nonpool		31,060,895	10,617,456
Used To Produce/Other Uses		3,219,900	3,307,593
Total Class IV Utilization		57,967,491	35,947,912
Average Butterfat Test		5.54%	7.07%
Total Utilization		447,723,307	436,924,874

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during October 2020 is \$17.86 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$12.57 per hundredweight plus 3.5 times the uniform butterfat price of 1.6434 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 71.67% of all producer skim milk (priced to handlers at \$9.97 hundredweight, plus the Class I differential, see page 2) and 42.47% of producer butterfat (priced to handlers at \$1.5933 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 18.15% of all producer skim milk (\$8.15 per hundredweight) and 44.35% of producer butterfat (\$1.6458 per pound). Class III use, mostly milk used to produce cheese, accounted for 1.74% of all producer skim milk (\$16.45 per hundredweight) and 1.14% of producer butterfat (\$1.6388 per pound). Class IV use, generally milk processed into butter and powder, accounted for 8.44% of all producer skim milk (\$8.01 per hundredweight) and 12.04% of producer butterfat (\$1.6388 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>September 2020</u>		
Whole Milk	126,017,506	40.02%
Fat Free Milk	14,703,594	4.67%
Low fat Milk (incl. 1%)	31,443,319	10.00%
Reduced Fat Milk (incl. 2%)	100,552,734	31.94%
Cultured Fluid Milk (incl. Buttermilk)	4,954,921	1.57%
Flavored Drinks and Milk	37,184,504	11.80%
Total Disposition in Marketing Area	314,856,578	100.00%
Total Disposition by Pool Plants	215,904,989	68.57%
Total Disposition by Nonpool Plants	98,951,589	31.43%
Total Disposition in Marketing Area	314,856,578	100.00%

Receipts of producer milk during October 2020 totaled 385.9 million pounds. There were 18 regulated pool distributing plants, 2 pool supply plants and 16 cooperative associations submitting reports of receipts and utilization that were included in the computation of the uniform prices for October 2020. Class I route disposition in the area was 314.9 million pounds in September 2020.

Dairy Outlook, (continued)

(continued from page 4) 2020 average size of the milking herd has been raised to 9.380 million head, 10,000 higher than last month's forecast. The milk production forecast for 2021 is 225.9 billion pounds, 0.4 billion higher than last month's forecast.

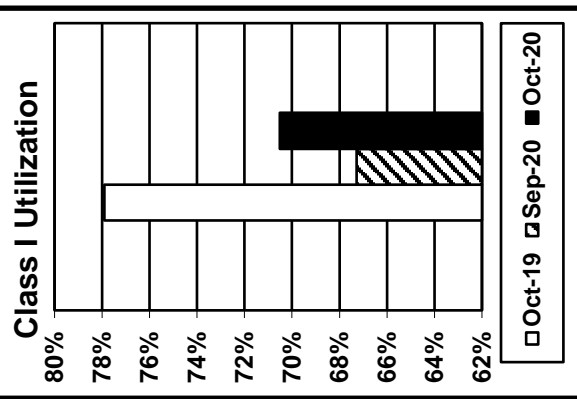
The forecast for 2021 domestic use on a milk-fat basis is 222.5 billion pounds, 0.6 billion higher than last month's forecast, due to an improved outlook for the U.S. economy. Based on recent price movements and an improved economic outlook, price forecasts for 2021 have been raised for Cheddar cheese, dry whey, and NDM to \$1.825 (+2.5 cents), \$0.365 (+0.5 cents), and \$1.055 (+0.5 cents) per pound, respectively. However, with recent price movements and high stock levels for butter expected to carry into 2021, the butter price forecast has been lowered to \$1.685 per pound (-2.0 cents). With higher expected prices for cheese and dry whey, the Class III price forecast for 2021 has been raised by \$0.25 to \$17.25 per cwt. With the lower expected butter price more than offsetting the higher expected NDM price, the Class IV price forecast has been lowered by \$0.10 to \$14.00 per cwt. The all-milk price forecast for 2021 has been raised by \$0.10 to \$17.70 per cwt.

Source: Livestock, Dairy, and Poultry Outlook, LDP-M-317, November 17, 2020, USDA, Economic Research Service

FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Oct 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$7.16	\$1.9583	\$13.76	\$12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82	\$1.6345	\$13.27	\$14.58	\$1.6275	\$19.77	\$7.08	\$1.6275	\$12.53	\$14.42	\$1.7889	\$20.18
Sep	\$16.82	\$1.7155	\$22.24	\$7.83	\$1.6002	\$13.16	\$11.25	\$1.5932	\$16.43	\$7.43	\$1.5932	\$12.75	\$14.37	\$1.6436	\$19.62
Oct	\$13.77	\$1.6313	\$19.00	\$8.15	\$1.6458	\$13.63	\$16.45	\$1.6388	\$21.61	\$8.01	\$1.6388	\$13.47	\$12.57	\$1.6364	\$17.86
Nov	\$16.58	\$1.6696	\$21.84	\$8.70											

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 2019	384,159	1,501	299,335	77.91%	65,484	17.05%	6,058	1.58%	13,282	3.46%
Nov	336,588	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,328	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%
Aug	368,292	1,328	250,480	68.01%	80,105	21.75%	3,498	0.95%	34,209	9.29%
Sep	393,116	1,388	264,494	67.28%	76,306	19.41%	12,489	3.18%	39,826	10.13%
Oct	385,884	1,375**	272,133	70.52%	74,008	19.18%	6,641	1.72%	33,103	8.58%



* 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	12/11/20	12/14/20	12/15/20	11/25/20	11/27/20	12/15/20	12/16/20
December	01/11/21	01/12/21	01/13/21	12/28/20	12/28/20	01/13/21	01/14/21
January-21	02/11/21	02/12/21	02/16/21	01/25/21	01/26/21	02/16/21	02/17/21

** The base rate for making partial payments in Fulton County, GA for November will be \$16.07 per hundredweight. This is 90 percent of the preceding month's uniform price of \$17.86 per hundredweight.

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

WASDE Dairy Report 1/ WASDE – 606, November 10, 2020

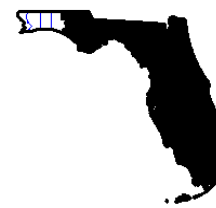
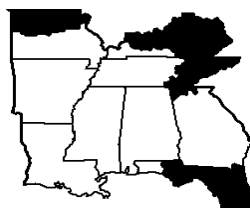
The milk production forecasts for 2020 and 2021 are raised from the previous month on stronger growth in milk per cow and higher expected dairy cow inventory.... Cheese, nonfat dry milk (NDM), and whey price forecasts for 2020 are raised from last month on strength in demand. The butter price forecast for 2020 is reduced on current and expected continued weakness in prices. The 2020 Class III price forecast is raised on higher prices for cheese and whey. The Class IV price forecast is unchanged from last month as the higher NDM price offsets the lower butter price. The 2020 all-milk price forecast is raised to \$18.25 per cwt.

For 2021, cheese, NDM, and whey price forecasts are raised on continued strength in demand. The butter price forecast is reduced on lower expected prices through the first part of the year. The 2021 Class III price forecast is raised on higher forecast prices for cheese and whey. The Class IV price forecast is reduced as the lowered butter price more than offsets the increase in NDM. The all milk price forecast for 2021 is raised to \$17.70 per cwt.

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



MILK MARKET ADMINISTRATOR
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Market Information BULLETIN

Harold H. Friedly, Jr. - Market Administrator

www.fmmatlanta.com

December 2020



Southeast Marketing Area
Federal Order 7

Volume 21—No. 12

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

Dairy Outlook

Excerpts from Livestock, Dairy, and Poultry Outlook, December 2020, USDA, Economic Research Service:

Dairy Forecasts for the Remainder of 2020

Based on recent milk production data, the milk production forecast for the fourth quarter of 2020 has been raised significantly. The forecast for the average number of milk cows has been raised to 9.400 million head, 30,000 more than last month's forecast. The forecast for milk per cow for the fourth quarter is 5,880 pounds per head, 5 pounds higher than last month's forecast. The milk production forecast for 2020 is 222.7 billion pounds, 0.2 billion higher than last month's forecast. The forecast for dairy exports on a milk-fat basis for the fourth quarter of 2020 has been lowered to 2.1 billion pounds, 0.2 billion lower than last month's forecast, based on lower expected cheese exports. On a skim-solids basis, the forecast has been raised by 0.3 billion pounds to 11.9 billion, as higher exports of whey products are expected to more than offset lower expected cheese exports.

The forecast for fourth-quarter dairy imports on a milk-fat basis has been lowered to 1.6 billion pounds (-0.1 billion) due to lower expected imports of butterfat products. On a skim-solids basis, the forecast for ending stocks is 10.4 billion pounds, 0.1 billion higher than last month's forecast. The forecast for 2020 fourth-quarter domestic use on a milk-fat basis is 57.8 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use is 44.4 billion pounds for the fourth quarter, 0.2 billion lower than the previous forecast. Based on recent price weakness, price forecasts for the fourth quarter of 2020 have been lowered for Cheddar cheese, butter, and nonfat dry milk to \$2.140 per pound (-15.5 cents), \$1.470 per pound (-3.0 cents), and \$1.075 per pound (-0.05 cents), respectively. (continued at right)

Uniform Price

The uniform price in Fulton County, GA, was \$19.66 per hundredweight of milk at 3.5 percent butterfat for November 2020. The uniform price is \$1.80 per hundredweight higher than the previous month and is \$1.32 lower than last year.

Class I utilization was 68.89 percent in November. This represents a 1.32 percent decrease from the previous month and is 8.34 percent lower than November of last year.

Dairy Outlook, continued

(continued from left) Based on recent price strength, the dry whey price forecast for the fourth quarter has been raised to \$0.380 per pound, 2.0 cents higher than last month's forecast. With the lower Cheddar cheese price forecast more than offsetting the higher dry whey price forecast, the fourth-quarter Class III milk price forecast has been lowered to \$20.35 per hundredweight (cwt), \$1.35 lower than last month's forecast. With the lower price forecasts for butter and NDM, the fourth quarter Class IV milk price forecast has been lowered to \$13.30 per cwt, \$0.15 lower than the previous forecast. Although the Class III and IV price forecasts for the fourth quarter have been lowered, the all-milk price forecast has been raised by \$0.05 to \$19.80 per cwt, due in part to changing relationships among Federal milk marketing order prices and the all-milk price. The all-milk price forecast for 2020 rounds to \$18.25 per cwt, unchanged from last month's forecast.

Dairy Forecasts for 2021

Based on recent data, the forecast for the 2021 average size of the milking herd has been raised to 9.395 million head, 15,000 higher than last month's forecast. The forecast for milk per cow in 2021 is unchanged at 24,090 pounds per head. With higher expected milk cow numbers, the milk production forecast for 2021 is 226.3 billion pounds, 0.4 billion higher (continued on page 4)

F.O. 7 - SOUTHEAST: CALCULATION OF UNIFORM PRICES - November 2020

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	42.05%	6,258,135	\$1.6316	\$ 10,210,773.07
Class I Differential at Location				204,479.51
Class II Butterfat	42.58%	6,337,686	\$1.5623	9,901,366.86
Class III Butterfat	1.56%	232,472	\$1.5553	361,563.71
Class IV Butterfat	13.81%	2,055,704	\$1.5553	3,197,236.44
Total Butterfat	100.00%	14,883,997		\$ 23,875,419.59

Uniform Butterfat Price per lb. (Fulton County, Georgia): **\$1.6041**

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	70.00%	252,320,812	\$12.78 /cwt.	\$ 32,246,599.77
Class I Butterfat	42.05%	6,258,135	\$1.6316 /lb.	10,210,773.07
Class I Differential at Location		258,578,947		8,407,621.91
Total Class I Milk	68.89%	258,578,947		\$ 50,864,994.75
Class II Skim Milk	17.34%	62,488,051	\$8.70 /cwt.	\$ 5,436,460.46
Class II Butterfat	42.58%	6,337,686	\$1.5623 /lb.	9,901,366.86
Total Class II Milk	18.34%	68,825,737		\$ 15,337,827.32
Class III Skim Milk	2.10%	7,573,301	\$18.55 /cwt.	\$ 1,404,847.34
Class III Butterfat	1.56%	232,472	\$1.5553 /lb.	361,563.71
Total Class III Milk	2.08%	7,805,773		\$ 1,766,411.05
Class IV Skim Milk	10.56%	38,073,742	\$8.14 /cwt.	\$ 3,099,202.59
Class IV Butterfat	13.81%	2,055,704	\$1.5553 /lb.	3,197,236.44
Total Class IV Milk	10.69%	40,129,446		\$ 6,296,439.03
Producer Milk	100.00%	375,339,903		\$ 74,265,672.15

Adjustments

Overage and Other Source	\$19,193.14
Inventory Adjustments	(\$2,554.79)
Producer butterfat at uniform butterfat price	(\$23,875,419.59)
Location Adjustments to Producers	\$2,011,766.58
1/2 Unobligated Balance in P.S.F.	\$173,591.49
Adjusted Pool Value	\$ 14.59048
Reserve for Producer Settlement Fund	\$ 0.04048

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

\$14.55

Uniform Price per cwt. (Fulton County, Georgia)

\$19.66*

* At 3.5% butterfat test; for information purposes.

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

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	November	December	October	November	November
Appalachian (Charlotte)	\$ 21.44	\$ 23.27	\$ 17.82	\$ 19.72	76.31%
Arizona (Phoenix)	\$ 20.39	\$ 22.22	\$ 15.24	\$ 16.04	29.38%
California (Woodland)	\$ 20.14	\$ 21.97	\$ 13.88	\$ 13.79	26.10%
Central (Kansas City)	\$ 20.04	\$ 21.87	\$ 14.23	\$ 14.84	44.02%
Florida (Tampa)	\$ 23.44	\$ 25.27	\$ 19.65	\$ 21.70	82.05%
Mideast (Cleveland)	\$ 20.04	\$ 21.87	\$ 14.74	\$ 15.94	46.10%
Northeast (Boston)	\$ 21.29	\$ 23.12	\$ 17.07	\$ 18.27	32.90%
Pacific Northwest (Seattle)	\$ 19.94	\$ 21.77	\$ 15.84	\$ 16.46	24.28%
Southeast (Atlanta)	\$ 21.84	\$ 23.67	\$ 17.86	\$ 19.66	68.89%
Southwest (Dallas)	\$ 21.04	\$ 22.87	\$ 14.23	\$ 14.89	37.36%
Upper Midwest (Chicago)	\$ 19.84	\$ 21.67	\$ 17.18	\$ 17.91	23.80%

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

Receipts:		Nov. 2020	Nov. 2019
Producer Milk			
Class I		258,578,947	287,684,649
Class II		68,825,737	56,582,561
Class III		7,805,773	4,138,093
Class IV		40,129,446	22,436,602
Total Producer Milk		375,339,903	370,841,905
Average Butterfat Test		0.40%	0.40%
Percent of Producer Milk in Class I		68.89%	77.23%
Daily Average Receipts		12,511,330	12,361,397
Other Source Milk			
Class I		7,313,874	8,781,487
Class II		2,412,464	2,323,979
Class III		0	0
Class IV		7,013,548	6,377,382
Total Other Source Milk		16,739,886	17,482,848
Overage			
Class I		0	0
Class II		0	18,240
Class III		0	0
Class IV		235,788	0
Total Overage		235,788	18,240
Opening Inventory			
Class I		20,978,812	21,128,011
Class II		43,769	512,816
Class III		1,717	0
Class IV		16,737,235	14,040,108
Total Opening Inventory		37,761,533	35,680,935
Total Receipts		430,077,110	424,023,928
Utilization:			
Class I Utilization			
Inventory of Packaged FMP		19,110,947	20,547,245
Route Disposition Class I		262,896,124	281,910,544
Shrinkage		2,018,184	3,546,189
Transfers & Diversions to Nonpool		2,846,378	11,590,169
Total Class I Utilization		286,871,633	317,594,147
Average Butterfat Test		0.24%	0.23%
Daily Average Utilization		9,562,388	10,586,472
Class II Utilization			
Nonfluid Used To Produce		1,863,462	1,667,844
Shrinkage		4,798	209
Transfers & Diversions to Nonpool/Commercial Foods		53,883,746	42,149,357
Used To Produce/Other Uses		15,529,964	15,620,186
Total Class II Utilization		71,281,970	59,437,596
Average Butterfat Test		0.90%	1.08%
Class III Utilization			
Shrinkage		0	0
Transfers & Diversions to Nonpool		7,807,490	4,138,093
Used To Produce/Other Uses		0	0
Total Class III Utilization		7,807,490	4,138,093
Average Butterfat Test		0.30%	0.65%
Class IV Utilization			
Inventory		21,902,336	15,492,361
Nonfluid Used To Fortify		2,136,893	2,270,145
Shrinkage		4,656,952	6,195,642
Transfers & Diversions to Nonpool		32,131,140	15,618,828
Used To Produce/Other Uses		3,288,696	3,277,116
Total Class IV Utilization		64,116,017	42,854,092
Average Butterfat Test		0.58%	0.89%
Total Utilization		430,077,110	424,023,928

Southeast Market Summary

The minimum order uniform price for payment to producers supplying the Southeast Order marketing area during November 2020 is \$19.66 per hundredweight for milk with a 3.5% butterfat test in Fulton County, Georgia. This is .965 times the uniform skim milk price of \$14.55 per hundredweight plus 3.5 times the uniform butterfat price of 1.6041 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 2020, Class I use, which is primarily bottled or packaged fluid milk, accounted for 70.00% of all producer skim milk (priced to handlers at \$12.78 hundredweight, plus the Class I differential, see page 2) and 42.05% of producer butterfat (priced to handlers at \$1.6316 per pound plus Class I differential). Class II use, which is milk used in fluid cream products and miscellaneous manufacturing, accounted for 17.34% of all producer skim milk (\$8.70 per hundredweight) and 42.58% of producer butterfat (\$1.5623 per pound). Class III use, mostly milk used to produce cheese, accounted for 2.10% of all producer skim milk (\$16.45 per hundredweight) and 1.56% of producer butterfat (\$1.5553 per pound). Class IV use, generally milk processed into butter and powder, accounted for 10.56% of all producer skim milk (\$8.14 per hundredweight) and 13.81% of producer butterfat (\$1.5553 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
<u>October 2020</u>		
Whole Milk	126,312,996	37.66%
Fat Free Milk	15,324,595	4.58%
Low fat Milk (incl. 1%)	35,167,611	10.48%
Reduced Fat Milk (incl. 2%)	109,737,155	32.71%
Cultured Fluid Milk (incl. Buttermilk)	5,751,174	1.71%
Flavored Drinks and Milk	43,121,869	12.86%
Total Disposition in Marketing Area	335,415,400	100.00%
Total Disposition by Pool Plants	232,204,179	69.23%
Total Disposition by Nonpool Plants	103,211,221	30.77%
Total Disposition in Marketing Area	335,415,400	100.00%

Receipts of producer milk during November 2020 totaled 375.3 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 November 2020. Class I route disposition in the area was 335.4 million pounds in October 2020.

Dairy Outlook, continued

(continued from page 1) than last month's forecast. The forecast for 2021 imports on a milk-fat basis has been lowered to 6.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower expected imports of various dairy products. On a skim-solids basis, the forecast for domestic use has been lowered by 0.4 billion pounds to 182.3 billion pounds. Price forecasts for 2021 have been lowered for Cheddar cheese and butter to \$1.635 (-19.0 cents) and \$1.570 (-11.5 cents) per pound, respectively, due to recent price movements and lowered expectations for domestic demand.

The NDM price forecast for 2021 has been raised to \$1.065 per pound, 1.0 cent higher than last month's forecast. The dry whey price has been raised by 4.0 cents to \$0.405 per pound, due to recent price movements and higher expectations for exports of whey products. With the lower cheese price forecast for 2021 more than offsetting the higher dry whey price forecast, the Class III milk price forecast for 2021 is \$15.60, \$1.65 lower than last month's forecast. With the lower butter price forecast more than offsetting the higher NDM price forecast, the Class IV milk price forecast has been lowered \$0.40 to \$13.60 per cwt. The all-milk price forecast for 2021 is \$16.60 per cwt, \$1.10 lower than forecast last month.

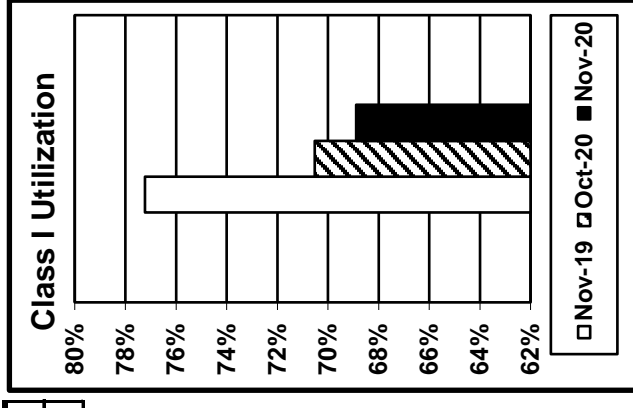
FEDERAL ORDER 7 - SOUTHEAST: CLASS AND UNIFORM PRICES

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 2019	\$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	\$2.2022	\$16.81	\$12.11	\$2.1952	\$19.37	\$9.34	\$2.1952	\$16.70	\$14.20	\$2.2656	\$21.63
Jan 2020	\$15.51	\$2.2395	\$22.81	\$9.98	\$2.1187	\$17.05	\$10.01	\$2.1117	\$17.05	\$9.60	\$2.1117	\$16.65	\$14.25	\$2.1637	\$21.32
Feb	\$14.26	\$2.1689	\$21.35	\$10.24	\$1.9883	\$16.84	\$10.43	\$1.9813	\$17.00	\$9.60	\$1.9813	\$16.20	\$13.26	\$2.0586	\$20.00
Mar	\$14.62	\$2.0437	\$21.26	\$10.38	\$1.9247	\$16.75	\$9.88	\$1.9177	\$16.25	\$8.45	\$1.9177	\$14.87	\$13.21	\$1.9678	\$19.64
Apr	\$13.99	\$1.9819	\$20.44	\$9.55	\$1.3288	\$13.87	\$8.75	\$1.3218	\$13.07	\$7.02	\$1.3218	\$11.40	\$12.57	\$1.6052	\$17.75
May	\$12.52	\$1.3328	\$16.75	\$7.73	\$1.3826	\$12.30	\$7.59	\$1.3756	\$12.14	\$6.07	\$1.3756	\$10.67	\$11.02	\$1.3582	\$15.39
Jun	\$10.88	\$1.3487	\$15.22	\$6.69	\$1.8661	\$12.99	\$15.06	\$1.8591	\$21.04	\$6.62	\$1.8591	\$12.90	\$10.01	\$1.6333	\$15.38
Jul	\$14.42	\$1.8403	\$20.36	\$7.16	\$1.9653	\$13.79	\$18.33	\$1.9583	\$24.54	\$7.16	\$1.9583	\$13.76	\$12.66	\$1.9065	\$18.89
Aug	\$17.14	\$2.0123	\$23.58	\$7.82	\$1.6345	\$13.27	\$14.58	\$1.6275	\$19.77	\$7.08	\$1.6275	\$12.53	\$14.42	\$1.7889	\$20.18
Sep	\$16.82	\$1.7155	\$22.24	\$7.83	\$1.6002	\$13.16	\$11.25	\$1.5932	\$16.43	\$7.43	\$1.5932	\$12.75	\$14.37	\$1.6436	\$19.62
Oct	\$13.77	\$1.6313	\$19.00	\$8.15	\$1.6458	\$13.63	\$16.45	\$1.6388	\$21.61	\$8.01	\$1.6388	\$13.47	\$12.57	\$1.6364	\$17.86
Nov	\$16.58	\$1.6696	\$21.84	\$8.70	\$1.5623	\$13.86	\$18.55	\$1.5553	\$23.34	\$8.14	\$1.5553	\$13.30	\$14.55	\$1.6041	\$19.66
Dec	\$18.68	\$1.6136	\$23.67	\$8.91											

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 2019	384,159	1,501	299,335	77.91%	65,484	17.05%	6,058	1.58%	13,282	3.46%
Nov	336,588	1,380	259,960	77.23%	55,026	16.35%	4,138	1.23%	17,463	5.19%
Dec	391,845	1,437	284,970	72.72%	58,388	14.90%	12,019	3.07%	36,468	9.31%
Jan 2020	419,672	1,430	299,358	71.33%	59,410	14.16%	13,406	3.19%	47,497	11.32%
Feb	358,024	1,353	259,633	72.51%	42,915	11.99%	13,844	3.87%	41,631	11.63%
Mar	463,410	1,390	306,587	66.16%	54,081	11.67%	18,066	3.90%	84,675	18.27%
Apr	386,784	1,393	268,509	69.42%	43,238	11.18%	20,234	5.23%	54,802	14.17%
May	386,332	1,388	257,105	66.55%	61,886	16.02%	13,860	3.59%	53,482	13.84%
Jun	365,386	1,322	255,976	70.06%	80,358	21.99%	5,868	1.61%	23,183	6.34%
Jul	388,050	1,328	269,249	69.38%	79,863	20.58%	4,374	1.13%	34,563	8.91%
Aug	368,292	1,328	250,480	68.01%	80,105	21.75%	3,498	0.95%	34,209	9.29%
Sep	393,116	1,388	264,494	67.28%	76,306	19.41%	12,489	3.18%	39,826	10.13%
Oct	385,884	1,395	272,133	70.52%	74,008	19.18%	6,641	1.72%	33,103	8.58%
Nov	375,340	1,395**	258,579	68.89%	68,826	18.34%	7,806	2.08%	40,129	10.69%

* 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
November	12/11/20	12/14/20	12/15/20	11/25/20	11/27/20	12/15/20	12/16/20
December	01/11/21	01/12/21	01/13/21	12/28/20	12/28/20	01/13/21	01/14/21
January-21	02/11/21	02/12/21	02/16/21	01/25/21	01/26/21	02/16/21	02/17/21

** The base rate for making partial payments in Fulton County, GA for December will be \$17.69 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 – 607, December 10, 2020

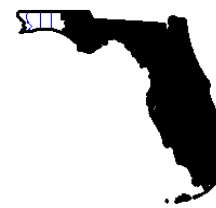
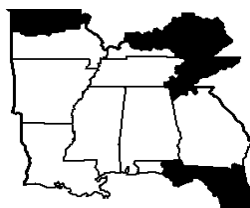
Milk production is projected higher for 2020, on higher cow numbers. The 2020 fat basis import forecast is reduced on lower imports of butterfat products while the fat basis export forecast is lowered on weaker foreign demand for cheese. The 2020 skim-solids basis import forecast is unchanged, but the export forecast is raised on strong global demand for whey and whey products. For 2021, milk production is raised on higher cow numbers. The fat basis import forecast is reduced on lower expected imports of a number of dairy products, but the export forecast is raised. The skim-solids basis import forecast is unchanged, but the export forecast is raised on larger shipments of nonfat dry milk powder and dry whey products.

Based on recent price movements, cheese and butter price forecasts for 2020 are lowered, but the whey price is raised. The nonfat dry milk (NDM) price is unchanged. For 2021, cheese and butter price forecasts are reduced on weaker expected demand and larger supplies, but NDM and whey prices are raised. The 2020 Class III price forecast is lowered as the weaker cheese price more than offsets higher whey price projections; the Class IV price is also lowered from last month on the lower butter price. For 2021, forecasts of both Class III and Class IV are reduced from last month on weaker prices for cheese and butter respectively. The 2020 all milk price is unchanged at \$18.25 per cwt; the 2021 all milk price is lowered to \$16.60 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 WASDE report is available at www.usda.gov/oce/commodity/wasde/.



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