

## Highlights of Changes in Federal Order 7: the Consolidated Southeast Order

**Consolidation (§1007.2) - The expanded Southeast Order includes all of Arkansas, 44 counties in southern Missouri, and 22 counties in Kentucky.**

**Prices for skim milk and butterfat (§1000.50) - Under the new Southeast Order, skim milk and butterfat are priced separately. The skim milk price is a price for milk with 0% butterfat; the butterfat price is the full price of a pound of butterfat.**

### **Class I - fluid milk products, now including eggnog:**

- Skim milk price is based on higher of formulas for powder or cheese, plus the Class I differential at plant location.
- Butterfat price is based on butter prices, plus the Class I differential at plant location.
- Announced by the 23<sup>rd</sup> of previous month (i.e., October price announced by September 23<sup>rd</sup>).
- Announced for Fulton County (Atlanta), Georgia; \$3.10 Class I differential.

### **Class II - soft manufactured dairy products and commercial food processing:**

- Skim milk price announced by the 23<sup>rd</sup> of the previous month (i.e., October price announced by September 23<sup>rd</sup>).
- Skim milk price based on nonfat dry milk prices, plus 70¢ per hundredweight.
- Butterfat price announced by the 5<sup>th</sup> of the following month (i.e., October price announced by November 5<sup>th</sup>).
- Butterfat price based on butter prices (same as Class III butterfat price), plus 0.7¢ per pound.

### **Class III - most cheeses, including cream cheese:**

- Butterfat price based on butter prices.
- Skim milk price based on cheese and whey prices, less the butterfat value in cheese.
- Announced by the 5<sup>th</sup> of the following month (i.e., October price announced by November 5<sup>th</sup>).

### **Class IV - butter and all dry milk (including powder used to fortify Class I):**

- Butterfat price based on butter prices (same as Class III butterfat price)
- Skim milk price based on nonfat dry milk prices.
- Announced by the 5<sup>th</sup> of the following month.
- Month-end inventories of bulk fluid milk and cream (including concentrate) are also added to Class IV.

**Dumps, Animal Feed, Unavoidable Losses are assigned to the lowest priced class each month (usually III or IV).**

**Packaged Buttermilk Biscuit Mix is assigned to Class II if and only if food starch makes up more than 2% of total solids, and it is so labeled.**

### **Location Adjustments for Class I milk, producer milk (§1000.52, §1007.51, §1007.75):**

- Equal to Class I differential at plant location minus \$3.10 (Class I differential at Atlanta). See table below.

<b>Location Adjustments</b>	
<b>City</b>	<b>Loc. Adj.</b>
Atlanta, GA	\$0.00
Baker, LA	\$0.50
Baton Rouge, LA	\$0.50
Birmingham, AL	\$0.00
Braselton, GA	\$0.00
Cabool, MO	(\$0.90)
Canton, MS	\$0.00
Columbus, GA	\$0.20
Covington, TN	(\$0.30)
Cowarts, AL	\$0.35
Fayetteville, AR	(\$0.50)
Fort Smith, AR	(\$0.30)
Franklinton, LA	\$0.40
Fulton, KY	(\$0.70)
Hammond, LA	\$0.50
Hattiesburg, MS	\$0.30
Huntsville, AL	(\$0.20)
Kosciusko, MS	\$0.00
Lafayette, LA	\$0.50
Lawrenceville, GA	\$0.00
Little Rock, AR	(\$0.30)
Memphis, TN	(\$0.30)
Mobile, AL	\$0.40
Monett, MO	(\$0.90)
Monroe, LA	\$0.00
Montgomery, AL	\$0.20
Murfreesboro, TN	(\$0.50)
Murray, KY	(\$0.70)
Nashville, TN	(\$0.50)
New Orleans, LA	\$0.50
Prichard, AL	\$0.40
Shreveport, LA	\$0.00
Springfield, MO	(\$0.90)
Westwego, LA	\$0.50

**Plant pooling requirements (§1007.7):**