



# The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

## Pacific Northwest and Arizona Marketing Areas

Alyce L. Owen, Acting Market Administrator

Volume 44, No. 5

May 2018

Data for April 2018

### MARKET SUMMARIES FOR APRIL

#### Pacific Northwest (FO 124)

Producers delivered a total of 624.2 million pounds of milk to the market during April. Daily deliveries averaged 20.8 million pounds, up 1.6 percent from March. An estimated 439 producers delivered milk to the market during the month. Daily deliveries per producer averaged 47,393 pounds, up 1.6 percent from March.

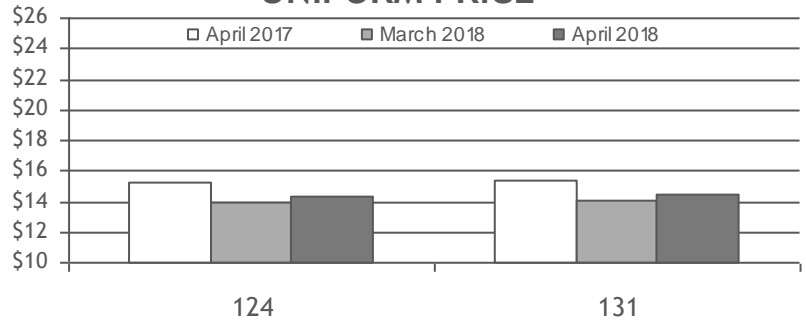
Class I producer milk during April totaled 147.8 million pounds, 23.7 percent of total producer receipts. Daily usage averaged 4.9 million pounds, down 4.8 percent from March. ▼

#### Arizona (FO 131)

Producers delivered a total of 442.2 million pounds of milk to the market during April. Daily deliveries averaged 14.7 million pounds, up 3.5 percent from March. An estimated 82 producers delivered milk to the market during the month. Daily deliveries per producer averaged 179,763 pounds, up 3.5 percent from March.

Class I producer milk during April totaled 104.9 million pounds, 23.7 percent of total producer receipts. Daily usage averaged 3.5 million pounds, down 2.1 percent from March. ▼

### UNIFORM PRICE



## Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Mar	Apr	Mar	Apr
Uniform Price (at 3.5%)	\$13.88	\$14.32	\$14.02	\$14.50
Uniform Price (at test)	\$15.63	\$15.97	\$14.45	\$14.79
PPD	(\$0.34)	(\$0.15)		
Butterfat	\$2.4273	\$2.5113		n/a
Protein	\$1.8066	\$1.7810		
Other Solids	\$0.0556	\$0.0619		
Uniform Skim			\$5.76	\$5.94
Uniform Butterfat		n/a	\$2.4189	\$2.5045
Butterfat	4.036%	3.994%	3.682%	3.619%
Protein	3.243%	3.216%		
Other Solids	5.758%	5.755%		n/a

### HIGHLIGHTS THIS ISSUE

- ✓ Bruce Summers Appointed AMS Administrator
- ✓ Final Decision on Amendment to Florida FMMO

# Federal Order Price Summaries

## FINAL CLASS PRICES

The April 2018 Final Class Prices were calculated using AMS commodity price surveys from April 7, 14, 21, and 28, 2018. Current and archived Final Class Price announcements are available at [www.fmmaseattle.com/classcomponent.html](http://www.fmmaseattle.com/classcomponent.html).

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Mar 2018	\$15.26	\$15.71	\$13.88	\$14.22	\$13.04	\$2.4273	\$1.8066	\$0.0556	\$0.5232
Apr 2018	\$16.00	\$16.45	\$14.03	\$14.47	\$13.48	\$2.5113	\$1.7810	\$0.0619	\$0.5401
Change	\$0.74	\$0.74	\$0.15	\$0.25	\$0.44	\$0.0840	(\$0.0256)	\$0.0063	\$0.0169

## ADVANCED CLASS I PRICE

The June 2018 Advanced Price was calculated using AMS commodity price surveys from May 12 and 19, 2018. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advance.html](http://www.fmmaseattle.com/advance.html).

ADVANCED	Butterfat	Class III Skim	Class IV Skim	Base Skim	Base Class I	Class I (FO124)	Class I (FO131)	Class II Skim	Class II Non-fat Solids
May 2018	\$2.4777	\$5.98	\$4.75	\$5.98	\$14.44	\$16.34	\$16.79	\$5.45	\$0.6056
Jun 2018	\$2.6074	\$6.35	\$5.63	\$6.35	\$15.25	\$17.15	\$17.60	\$6.33	\$0.7033
Change	\$0.1297	\$0.37	\$0.88	\$0.37	\$0.81	\$0.81	\$0.81	\$0.88	\$0.0977

# Commodity Price Summaries

## AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	March	April	Change
Cheese	\$1.5542	\$1.5737	\$0.0195
Butter	\$2.1759	\$2.2452	\$0.0693
Nonfat Dry Milk	\$0.6963	\$0.7134	\$0.0171
Whey	\$0.2531	\$0.2592	\$0.0061

## AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	May	June	Change
Cheese	\$1.5730	\$1.6438	\$0.0708
Butter	\$2.2175	\$2.3246	\$0.1071
Nonfat Dry Milk	\$0.7004	\$0.7993	\$0.0989
Whey	\$0.2575	\$0.2712	\$0.0137

## CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and a net increase for 500-pound barrels. The survey of 40-pound blocks showed an increase of 8.96 cents between the April 14 and the May 19 surveys, to \$1.6785 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 9.89 cents to \$1.6147 per pound.

The AMS butter price showed a net increase of 6.58 cents between the weeks ending April 14 and May 19 from \$2.2585 per pound to \$2.3243 per pound. The AMS nonfat dry milk showed an increase of 11.22 cents since mid-April to \$0.8171 per pound. The average price for AMS whey showed a net increase of 1.35 cents since mid-April to \$0.2727 per pound. ▼

# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2018	Mar 2018	Apr 2017	Mar 2017	Apr 2018	Mar 2018	Apr 2017	Mar 2017
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	(\$0.15)	(\$0.34)	\$0.01	\$0.12	+	+	+	+
Butterfat (\$/pound)	2.5113	2.4273	2.3548	2.4176	+	+	+	+
Protein (\$/pound)	1.7810	1.8066	1.6955	1.8198	+	+	+	+
Other Solids (\$/pound)	0.0619	0.0556	0.3350	0.3345	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$5.94	\$5.76	\$7.30	\$7.80
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.5045	2.4189	2.3723	2.4263
Statistical Uniform Price (\$/cwt)	\$14.32	\$13.88	\$15.23	\$15.93	\$14.50	\$14.02	\$15.35	\$16.02
<b>Producer Data</b>								
Number of Producers	<b>439</b>	439	446	445	<b>82</b>	82	88	88
Avg. Daily Production (pounds)	<b>47,393</b>	46,660	45,562	44,884	<b>179,763</b>	173,707	167,167	167,893
<b>Producer Milk Ratios</b>								
Class I	23.69%	25.26%	24.18%	26.59%	23.73%	25.08%	22.99%	24.33%
Class II	7.34%	6.73%	6.96%	7.22%	8.79%	8.74%	8.85%	9.18%
Class III	30.50%	30.02%	29.87%	30.42%	21.88%	17.18%	23.40%	22.57%
Class IV	38.47%	37.99%	38.99%	35.77%	45.60%	49.00%	44.76%	43.92%
<b>Market Shrinkage</b>								
Pounds	7,496,152	7,974,821	8,751,440	10,149,060	2,044,768	2,395,279	2,306,328	908,468
% of Producer Milk	1.20%	1.26%	1.44%	1.64%	0.46%	0.54%	0.52%	0.20%

+ Not Applicable. Preliminary data indicated in **bold**.

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Mar 2018	Feb 2018	Mar 2017	Feb 2017	Mar 2018	Feb 2018	Mar 2017	Feb 2017
<b>Number of Handlers</b>								
Pool Handlers	22	25	23	23	8	8	8	8
<i>Distributing Plants</i>	11	12	12	12	6	6	6	6
<i>Supply Plants 1/</i>	5	7	4	4	1	1	1	1
<i>Cooperatives</i>	6	6	7	7	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	<b>23</b>	24	19	20	<b>24</b>	23	23	22
<b>Class I Route Disposition In Area</b>								
By Pool Plants	143,020,840	131,102,632	150,222,695	135,822,553	83,100,769	75,707,754	80,553,790	73,997,192
By Producer-Handlers	6,384,115	5,733,278	6,952,698	6,095,549	0	0	0	0
By Other Plants	<b>12,527,611</b>	11,012,920	12,136,822	11,322,269	<b>8,594,398</b>	7,774,421	9,057,959	8,077,965
Total	161,932,566	147,848,830	169,312,215	153,240,371	91,695,167	83,482,175	89,611,749	82,075,157
<b>Producer-Handler Data</b>								
% Class I Use	49.11%	51.06%	56.71%	55.57%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.94%	3.88%	4.11%	3.98%	0.00%	0.00%	0.00%	0.00%

Preliminary data indicated in **bold**. 1/ Includes Cooperative Pool Manufacturing Plants.

# Monthly Statistical Summary

RECEIPTS & UTILIZATION	PACIFIC NORTHWEST				ARIZONA			
	Apr 2018	Mar 2018	Apr 2017	Mar 2017	Apr 2018	Mar 2018	Apr 2017	Mar 2017
<b>Receipts of Milk</b>								
Total Producer Milk	624,166,019	634,992,932	609,623,580	619,178,089	442,217,701	441,564,187	441,319,701	458,012,389
Receipts From Other Sources	10,651,440	12,133,968	14,316,870	8,573,940	6,755,816	6,630,473	2,995,900	2,880,907
Opening Inventory	35,503,848	34,241,602	33,828,342	36,885,711	24,959,075	26,892,558	22,608,817	22,618,299
<b>Total To Be Accounted For</b>	<b>670,321,307</b>	<b>681,368,502</b>	<b>657,768,792</b>	<b>664,637,740</b>	<b>473,932,592</b>	<b>475,087,218</b>	<b>466,924,418</b>	<b>483,511,595</b>
<b>Utilization of Receipts</b>								
Whole milk	40,391,686	43,014,645	38,898,377	41,793,218	26,930,268	28,257,679	24,091,923	26,440,939
Flavored milk & drinks	12,898,124	12,961,195	13,199,678	14,602,007	7,617,091	6,875,154	7,244,199	7,563,116
2% milk	48,426,402	52,044,181	50,022,328	54,984,399	27,990,197	29,729,592	25,747,988	28,003,785
1% milk	20,267,203	21,451,095	21,880,326	23,458,550	11,579,474	11,939,163	11,158,575	12,161,265
Skim milk	11,334,453	11,997,272	12,584,558	13,805,516	5,941,084	6,299,181	5,563,644	6,384,685
Buttermilk	1,456,169	1,552,452	1,458,683	1,579,005	2/	2/	2/	2/
Class I dispositions in area	134,774,037	143,020,840	138,043,950	150,222,695	80,058,114	83,100,769	73,806,329	80,553,790
Class I dispositions out of area	10,012,537	11,387,957	10,564,423	11,517,692	26,258,373	28,866,699	28,895,548	30,719,076
Other Class I usage	22,224,715	23,434,489	18,647,910	22,668,902	11,067,404	12,666,686	11,353,732	12,753,700
<b>Utilization by Class</b>								
Total Class I Use	167,011,289	177,843,286	167,256,283	184,409,289	117,383,891	124,634,154	114,055,609	124,026,566
Total Class II Use	48,638,502	46,515,136	45,393,062	48,069,239	42,140,990	43,160,272	40,459,563	43,467,554
Total Class III Use	190,379,442	190,742,532	182,103,356	188,811,024	96,762,953	75,916,244	1/	103,382,318
Total Class IV Use	264,292,074	266,267,548	263,016,091	243,348,188	217,644,758	231,376,548	312,409,246	212,635,157
<b>Total Accounted For</b>	<b>670,321,307</b>	<b>681,368,502</b>	<b>657,768,792</b>	<b>664,637,740</b>	<b>473,932,592</b>	<b>475,087,218</b>	<b>466,924,418</b>	<b>483,511,595</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Apr 2018	Mar 2018	Apr 2017	Mar 2017	Apr 2018	Mar 2018	Apr 2017	Mar 2017
<b>Producer milk</b>								
Class I	147,841,257	160,422,650	147,380,695	164,648,846	104,936,788	110,735,048	101,451,452	111,454,281
Class II	45,789,089	42,756,409	42,427,421	44,689,615	38,873,309	38,600,760	39,061,514	42,032,290
Class III	190,377,600	190,624,487	182,103,356	188,377,524	96,762,953	75,853,063	103,258,641	103,380,813
Class IV	240,158,073	241,189,386	237,712,108	221,462,104	201,644,651	216,375,316	197,548,094	201,145,005
<b>Other receipts</b>								
Class I	19,170,032	17,420,636	19,875,588	19,760,443	12,447,103	13,899,106	12,604,157	12,572,285
Class II	2,849,413	3,758,727	2,965,641	3,379,624	1/	1/	1/	1,435,264
Class III	1/	1/	0	1/	0	1/	1/	1/
Class IV	24,135,843	25,196,207	25,303,983	22,319,584	19,267,788	19,623,925	13,000,560	11,491,657
<b>Avg. daily producer receipts</b>	<b>20,805,534</b>	<b>20,483,643</b>	<b>20,320,786</b>	<b>19,973,487</b>	<b>14,740,590</b>	<b>14,244,006</b>	<b>14,710,657</b>	<b>14,774,593</b>
Change From Previous Year	2.39%	2.55%	4.98%	3.42%	0.20%	-3.59%	-0.88%	-1.29%
<b>Avg. daily Class I use</b>	<b>5,567,043</b>	<b>5,736,880</b>	<b>5,575,209</b>	<b>5,948,687</b>	<b>3,912,796</b>	<b>4,020,457</b>	<b>3,801,854</b>	<b>4,000,857</b>
Change From Previous Year	-0.15%	-3.56%	-2.13%	-0.17%	2.92%	0.49%	-2.48%	0.03%

1/ Restricted - Included with Class IV. 2/ Restricted - Included with Flavored milk and drinks.

# USDA News

## BRUCE SUMMERS APPOINTED AS AMS ADMINISTRATOR

On May 11, U.S. Secretary of Agriculture Sonny Perdue announced the appointment of Bruce Summers as the Administrator of USDA's Agricultural Marketing Service (AMS), part of the Marketing and Regulatory Programs mission area.

"During his many years at the department, Bruce Summers has earned a reputation for excellence and effectiveness," Secretary Sonny Perdue said. "As the Acting Administrator, Bruce has proved he has the knowledge and steady hand needed to continue leading AMS in their service to American farmers and families. I know that as AMS Administrator, Bruce will build on his great record of success."

AMS administers programs that create domestic and international marketing opportunities for U.S. producers of food, fiber, and specialty crops through voluntary grading, laboratory and quality verification programs. The agency also manages the USDA Market News Service. Federal Milk Marketing Orders are one of many programs administered by AMS.

Summers began at USDA in the Fruit and Vegetable program, working in a number of key leadership roles at AMS for more than 30 years, and most recently serving as acting administrator. He earned a degree in Agricultural Economics from the University of Maryland. 🐾

Source: USDA. Press Release No. 0106.18. Available at [www.usda.gov](http://www.usda.gov).

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## USDA ISSUES FINAL RULE ON REIMBURSEMENT TO FLORIDA MILK HANDLERS AND PRODUCERS AFFECTED BY HURRICANE IRMA

On May 10, USDA's Agricultural Marketing Service announced in a final rule published in the *Federal Register* its adoption of amendments to the Florida Federal Milk Marketing Order (FMMO). The amendments implement a temporary assessment on Class I milk. Revenues collected through the assessment will be disbursed to handlers and producers who incurred extraordinary marketing costs and losses due to Hurricane Irma.

The proposed amendments to the Florida FMMO were approved by eligible producers and were based on the evidentiary record of a public hearing held in Tampa, Florida, December 12 through 14, 2017. In September 2017, Hurricane Irma caused widespread devastation throughout the entire state of Florida, resulting in dairy processing and manufacturing plant closures, store closures, and extensive road closures, cumulatively resulting in negative market impacts for all Florida dairy farmers in the market.

USDA held the hearing on an emergency basis to consider a proposal submitted by Southeast Milk, Inc., Dairy Farmers of America, Inc., Premier Milk, Inc., Maryland and Virginia Milk Producers Cooperative Association, Inc., and Lone Star Milk Producers, L.C. At the hearing, USDA took testimony and received evidence regarding the proposal. 🐾

Source: USDA. Agricultural Marketing Service. Available at [www.ams.usda.gov](http://www.ams.usda.gov).

# Federal Order Statistics for April 2018

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price
	- million pounds -			- per cwt (at location) -	
Northeast (FO 1)	2,294.8	706.6	30.79%	\$17.35	\$15.46
Appalachian (FO 5)	495.5	326.0	65.80%	\$17.50	\$16.56
Florida (FO 6)	211.4	177.3	83.86%	\$19.50	\$18.72
Southeast (FO 7)	481.8	313.3	65.02%	\$17.90	\$16.88
Upper Midwest (FO 30)	2,596.6	254.8	9.81%	\$15.90	\$14.54
Central (FO 32)	1,391.7	396.5	28.49%	\$16.10	\$14.34
Mideast (FO 33)	1,675.6	505.5	30.17%	\$16.10	\$14.63
<b>Pacific Northwest (FO 124)</b>	<b>624.2</b>	<b>147.8</b>	<b>23.69%</b>	<b>\$16.00</b>	<b>\$14.32</b>
Southwest (FO 126)	935.2	344.1	36.80%	\$17.10	\$15.24
<b>Arizona (FO 131)</b>	<b>442.2</b>	<b>104.9</b>	<b>23.73%</b>	<b>\$16.45</b>	<b>\$14.50</b>

For links to Market Administrator's webpages, see [www.fmmaseattle.com/links.html](http://www.fmmaseattle.com/links.html).



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## E-mail the MA Office

[fmmaseattle@fmmaseattle.com](mailto:fmmaseattle@fmmaseattle.com)

### Bothell Office

1930 220th Street SE, Suite 102  
Bothell, Washington 98021

Phone: (425) 487-6009  
Fax: (425) 487-2775



### Phoenix Office

4835 E Cactus Road, Suite 365  
Scottsdale, Arizona 85254

Phone: (602) 547-2909  
Fax: (602) 547-2906

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