



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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Data for July 2016

MARKET SUMMARIES FOR JULY

Pacific Northwest (FO 124)

Producers delivered a total of 771.8 million pounds of milk to the market during July. Daily deliveries averaged 24.9 million pounds, up 0.04 percent from June. An estimated 550 producers delivered milk to the market during the month. Daily deliveries per producer averaged 45,269 pounds, up 0.04 percent from June.

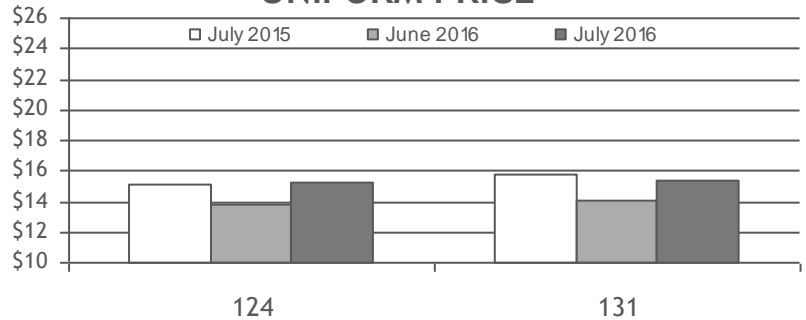
Class I producer milk during July totaled 152.4 million pounds, 19.7 percent of total producer receipts. Daily usage averaged 4.9 million pounds, down 3.5 percent from June. ▼

Arizona (FO 131)

Producers delivered a total of 398.8 million pounds of milk to the market during July. Daily deliveries averaged 12.9 million pounds, down 11.2 percent from June. An estimated 91 producers delivered milk to the market during the month. Daily deliveries per producer averaged 141,381 pounds, down 11.2 percent from June.

Class I producer milk during July totaled 102.1 million pounds, 25.6 percent of total producer receipts. Daily usage averaged 3.3 million pounds, down 3.1 percent from June. ▼

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Jun	Jul	Jun	Jul
Uniform Price (at 3.5%)	\$13.84	\$15.19	\$14.13	\$15.42
Uniform Price (at test)	\$15.05	\$16.50	\$14.12	\$15.32
PPD	\$0.62	(\$0.05)		
Butterfat	\$2.4109	\$2.5964		n/a
Protein	\$1.4807	\$1.9112		
Other Solids	\$0.0628	\$0.0774		
Uniform Skim			\$5.94	\$6.66
Uniform Butterfat		n/a	\$2.3995	\$2.5688
Butterfat	3.880%	3.871%	3.497%	3.462%
Protein	3.183%	3.170%		
Other Solids	5.744%	5.748%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ USDA Announces Safety Net Assistance for Milk Producers Due to Tightening Dairy Margins

Federal Order Price Summaries

FINAL CLASS PRICES

The July 2016 Final Class Prices were calculated using AMS commodity price surveys from July 2, 9, 16, 23 and 30, 2016. Current and archived Final Class Price announcements are available at www.fmmaseattle.com/classcomponent.html.

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Jun 2016	\$15.04	\$15.49	\$14.12	\$13.22	\$13.77	\$2.4109	\$1.4807	\$0.0628	\$0.6148
Jul 2016	\$15.60	\$16.05	\$15.16	\$15.24	\$14.84	\$2.5964	\$1.9112	\$0.0774	\$0.6618
Change	\$0.56	\$0.56	\$1.04	\$2.02	\$1.07	\$0.1855	\$0.4305	\$0.0146	\$0.0470

ADVANCED CLASS I PRICE

The September 2016 Advanced Price was calculated using AMS commodity price surveys from August 6 and 13, 2016. Current and archived Advanced Price announcements are available at 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
Aug 2016	\$2.6073	\$6.16	\$6.01	\$6.16	\$15.07	\$16.97	\$17.42	\$6.71	\$0.7456
Sep 2016	\$2.4775	\$8.17	\$6.09	\$8.17	\$16.56	\$18.46	\$18.91	\$6.79	\$0.7544
Change	(\$0.1298)	\$2.01	\$0.08	\$2.01	\$1.49	\$1.49	\$1.49	\$0.08	\$0.0088

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	June	July	Change
Cheese	\$1.4477	\$1.6419	\$0.1942
Butter	\$2.1623	\$2.3155	\$0.1532
Nonfat Dry Milk	\$0.7888	\$0.8363	\$0.0475
Whey	\$0.2601	\$0.2742	\$0.0141

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	August	September	Change
Cheese	\$1.6231	\$1.7771	\$0.1540
Butter	\$2.3245	\$2.2173	(\$0.1072)
Nonfat Dry Milk	\$0.8428	\$0.8512	\$0.0084
Whey	\$0.2745	\$0.2827	\$0.0082

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed an increase of 14.62 cents between the July 16 and the August 13 surveys, to \$1.7327 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed an increase of 15.08 cents to \$1.8433 per pound.

The AMS butter price showed a net decrease of 8.93 cents between the weeks ending July 16 and August 13 from \$2.3081 per pound to \$2.2188 per pound. The AMS nonfat dry milk showed a net increase of 1.69 cents since mid-July to \$0.8534 per pound. The average price for AMS whey showed a net increase of 0.90 cents since mid-July to \$0.2827 per pound. 

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jul 2016	Jun 2016	Jul 2015	Jun 2015	Jul 2016	Jun 2016	Jul 2015	Jun 2015
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.05)	\$0.62	(\$1.15)	(\$1.34)	+	+	+	+
Butterfat (\$/pound)	2.5964	2.4109	2.1125	2.1011	+	+	+	+
Protein (\$/pound)	1.9112	1.4807	2.6070	2.6915	+	+	+	+
Other Solids (\$/pound)	0.0774	0.0628	0.2004	0.2322	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$6.66	\$5.94	\$8.65	\$8.93
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.5688	2.3995	2.1185	2.0954
Statistical Uniform Price (\$/cwt)	\$15.19	\$13.84	\$15.18	\$15.38	\$15.42	\$14.13	\$15.76	\$15.95
Producer Data								
Number of Producers	550	550	455	445	91	91	95	95
Avg. Daily Production (pounds)	45,269	45,429	32,744	34,524	141,381	159,273	130,580	139,279
Producer Milk Ratios								
Class I	19.74%	20.46%	34.96%	34.59%	25.59%	23.45%	28.15%	26.44%
Class II	5.89%	6.27%	10.72%	9.73%	10.78%	12.12%	11.07%	11.70%
Class III	40.30%	41.58%	1.90%	1.96%	31.79%	31.99%	26.24%	25.03%
Class IV	34.07%	31.69%	52.42%	53.72%	31.84%	32.44%	34.54%	36.83%
Market Shrinkage								
Pounds	10,492,721	11,748,306	7,586,905	8,556,884	1,640,417	1,579,263	1,402,009	1,305,411
% of Producer Milk	1.36%	1.57%	1.64%	1.86%	0.41%	0.36%	0.36%	0.33%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jun 2016	May 2016	Jun 2015	May 2015	Jun 2016	May 2016	Jun 2015	May 2015
Number of Handlers								
Pool Handlers	24	24	21	21	8	8	7	7
<i>Distributing Plants</i>	11	11	12	12	6	6	5	5
<i>Supply Plants 1/</i>	7	7	4	4	1	1	1	1
<i>Cooperatives</i>	6	6	5	5	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	20	21	22	21	23	24	24	24
Class I Route Disposition In Area								
By Pool Plants	137,586,404	149,882,222	140,317,798	149,850,328	71,670,107	78,667,736	75,615,276	80,613,169
By Producer-Handlers	6,634,916	6,904,574	6,752,490	7,144,232	0	0	0	0
By Other Plants	12,075,406	11,540,074	11,408,478	11,803,037	6,558,748	7,475,295	6,255,123	7,202,153
Total	156,296,726	168,326,870	158,478,766	168,797,597	78,228,855	86,143,031	81,870,399	87,815,322
Producer-Handler Data								
% Class I Use	57.99%	59.13%	61.89%	64.55%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.25%	4.10%	4.26%	4.23%	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			
	Jul 2016	Jun 2016	Jul 2015	Jun 2015	Jul 2016	Jun 2016	Jul 2015	Jun 2015
Receipts of Milk								
Total Producer Milk	771,833,799	746,614,703	461,859,086	460,895,890	398,835,217	434,815,433	384,556,740	396,946,549
Receipts From Other Sources	11,508,088	10,529,109	54,003,278	46,193,317	10,117,510	6,463,940	15,777,078	13,787,048
Opening Inventory	35,783,348	41,854,289	28,214,378	30,809,454	21,316,915	21,372,080	21,434,567	19,623,940
Total To Be Accounted For	819,125,235	798,998,101	544,076,742	537,898,661	430,269,642	462,651,453	421,768,385	430,357,537
Utilization of Receipts								
Whole milk	39,998,503	38,723,604	36,977,828	35,992,060	25,111,547	24,667,056	25,462,742	24,260,142
Flavored milk & drinks	7,640,745	8,881,784	7,276,551	8,628,091	3,782,339	4,023,229	3,137,514	2,969,759
2% milk	54,893,834	52,551,350	55,685,391	54,120,085	27,378,634	26,881,155	30,054,075	29,016,717
1% milk	21,816,802	21,630,892	23,584,410	23,437,133	10,595,892	10,447,509	12,664,653	12,126,628
Skim milk	14,177,544	14,204,214	16,151,328	16,616,515	5,709,923	5,651,158	7,168,382	6,882,015
Buttermilk	1,682,725	1,594,560	1,651,006	1,523,914	2/	2/	360,215	360,015
Class I dispositions in area	140,210,153	137,586,404	141,326,514	140,317,798	72,578,335	71,670,107	78,847,581	75,615,276
Class I dispositions out of area	11,511,911	12,581,469	14,403,102	14,004,207	29,248,054	28,333,787	27,913,201	26,850,033
Other Class I usage	17,174,428	19,856,120	23,945,036	21,106,926	13,248,963	13,308,078	13,823,582	13,599,803
Utilization by Class								
Total Class I Use	168,896,492	170,023,993	179,674,652	175,428,931	115,075,352	113,311,972	120,584,364	116,065,112
Total Class II Use	50,861,558	51,041,672	56,534,480	54,440,311	44,232,268	53,916,881	43,527,994	47,313,696
Total Class III Use	311,409,381	312,537,229	9,030,484	9,056,768	128,096,636	140,509,256	102,161,517	99,509,792
Total Class IV Use	287,957,804	265,395,207	298,837,126	298,972,651	142,865,386	154,913,344	155,494,510	167,468,937
Total Accounted For	819,125,235	798,998,101	544,076,742	537,898,661	430,269,642	462,651,453	421,768,385	430,357,537

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jul 2016	Jun 2016	Jul 2015	Jun 2015	Jul 2016	Jun 2016	Jul 2015	Jun 2015
Producer milk								
Class I	152,386,123	152,786,416	161,451,019	159,446,882	102,062,001	101,959,490	108,261,659	104,954,107
Class II	45,496,511	46,842,735	49,526,463	44,835,873	43,008,924	52,698,151	42,568,222	46,440,959
Class III	311,042,518	310,427,947	8,787,034	9,013,789	126,789,405	139,093,960	100,891,308	99,360,491
Class IV	262,908,647	236,557,605	242,094,570	247,599,346	126,974,887	141,063,832	132,835,551	146,190,992
Other receipts								
Class I	16,510,369	17,237,577	18,223,633	15,982,049	13,013,351	11,352,482	12,322,705	11,111,005
Class II	5,365,047	4,198,937	7,008,017	9,604,438	1/	1/	1/	1/
Class III	1/	2,109,282	1/	1/	1,307,231	1,415,296	1/	1/
Class IV	25,416,020	28,837,602	56,986,006	51,416,284	17,113,843	15,068,242	24,888,940	22,299,983
Avg. daily producer receipts	24,897,864	24,887,157	14,898,680	15,363,196	12,865,652	14,493,848	12,405,056	13,231,552
Change From Previous Year	67.11%	61.99%	-37.94%	-38.51%	3.71%	9.54%	-1.44%	-2.52%
Avg. daily Class I use	5,448,274	5,667,466	5,795,957	5,847,631	3,712,108	3,777,066	3,889,818	3,868,837
Change From Previous Year	-6.00%	-3.08%	2.40%	0.74%	-4.57%	-2.37%	4.71%	5.71%

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

USDA News

USDA ANNOUNCES SAFETY NET ASSISTANCE FOR MILK PRODUCERS DUE TO TIGHTENING DAIRY MARGINS

On August 4, 2016, Agriculture Secretary Tom Vilsack announced approximately \$11.2 million in financial assistance to American dairy producers enrolled in the 2016 Margin Protection Program for Dairy (MPP-Dairy). The payment rate for May/June 2016 will be the largest since the program began in 2014. The narrowing margin between milk prices and the cost of feed triggered the payments, as provided for by the 2014 Farm Bill.

"We understand the nation's dairy producers are experiencing challenges due to market conditions," said Vilsack. "MPP-Dairy payments are part of a robust, comprehensive farm safety net that help to provide dairy producing families with greater peace of mind during tough times. Dairy operations enrolled in the 2016 MPP-Dairy program will receive approximately \$11.2 million this month. I want to urge dairy producers to use this opportunity to evaluate their enrollment options for 2017, as the enrollment period is currently scheduled to end September 30, 2016. By supporting a strong farm safety net, expanding credit options and growing domestic and foreign markets, USDA is committed to helping America's dairy operations remain successful."

Dairy producers who enrolled at the \$6 through \$8 margin trigger coverage level will receive payments. MPP-Dairy payments are triggered when the national average margin (the difference between the price of milk and the cost of feed) falls below a level of coverage selected by the dairy producer, ranging from \$4 to \$8, for a specified consecutive two-month period. All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016.

The national average margin for the May/June 2016 two-month consecutive period is \$5.76277 per hundred weight (cwt.), resulting in the following MPP payment rates:

Margin Trigger Coverage Levels	Payment Rate/cwt.
\$6.00	\$0.23723
\$6.50	\$0.73723
\$7.00	\$1.23723
\$7.50	\$1.72723
\$8.00	\$2.23723

State specific payment amounts can be found at www.fsa.usda.gov/dairy.

To learn more about the Margin Protection Program for dairy, visit the Farm Service Agency (FSA) online at www.fsa.usda.gov/dairy or stop by a local FSA office. Producers may visit www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. To find an FSA office near you, visit <http://offices.usda.gov>.

Source: USDA. Office of Communications. Release No. 0177.16. Available at www.usda.gov.

Federal Order Statistics for July 2016

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price
	<i>- million pounds -</i>			<i>- per cwt (at location) -</i>	
Northeast (FO 1)	2,300.8	673.9	29.29%	\$16.95	\$16.22
Appalachian (FO 5)	436.5	296.1	67.84%	\$17.10	\$16.80
Florida (FO 6)	205.8	171.4	83.33%	\$19.10	\$18.71
Southeast (FO 7)	418.1	287.3	68.70%	\$17.50	\$17.20
Upper Midwest (FO 30)	2,713.0	258.6	9.53%	\$15.50	\$15.34
Central (FO 32)	1,298.4	365.6	28.16%	\$15.70	\$15.26
Mideast (FO 33)	1,686.1	500.1	29.66%	\$15.70	\$15.45
Pacific Northwest (FO 124)	771.8	152.4	19.74%	\$15.60	\$15.19
Southwest (FO 126)	1,172.0	323.0	27.56%	\$16.70	\$16.11
Arizona (FO 131)	398.8	102.1	25.59%	\$16.05	\$15.42

For links to Market Administrator's webpages, see www.fmmaseattle.com/links.html.



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