

The Market Administrator's Report

Facilitating the Efficient Marketing of Milk

Pacific Northwest and Arizona Marketing Areas

William A. Wise, Market Administrator

Volume 39, No. 1

January 2013

Data for December 2012

MARKET SUMMARIES FOR DECEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 690.9 million pounds of milk to the market during December. Daily deliveries averaged 22.3 million pounds, up 61.1 percent from November. An estimated 611 producers delivered milk to the market during the month. Daily deliveries per producer averaged 36,475 pounds, up 18.7 percent from November.

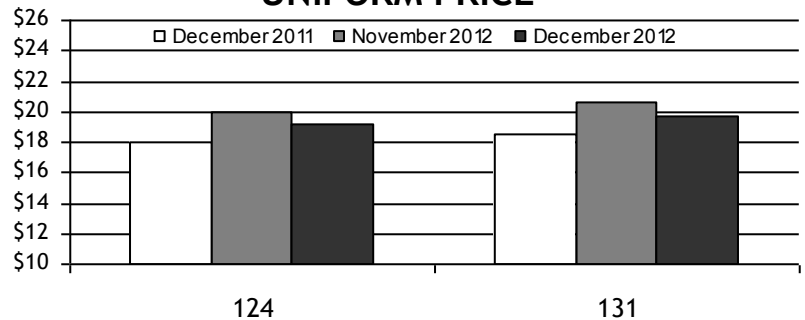
Class I producer milk during December totaled 179.0 million pounds, 25.9 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 7.4 percent from November. 🐄

Arizona (FO 131)

Producers delivered a total of 383.5 million pounds of milk to the market during December. Daily deliveries averaged 12.4 million pounds, up 5.9 percent from November. An estimated 96 producers delivered milk to the market during the month. Daily deliveries per producer averaged 128,850 pounds, up 5.9 percent from November.

Class I producer milk during December totaled 115.3 million pounds, 30.1 percent of total producer receipts. Daily usage averaged 3.7 million pounds, down 6.9 percent from November. 🐄

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Nov	Dec	Nov	Dec
Uniform Price (at 3.5%)	19.98	19.17	\$20.67	\$19.67
Uniform Price (at test)	\$21.71	\$21.05	\$20.93	\$19.90
PPD	(\$0.85)	\$0.51		
Butterfat	\$2.0218	\$1.7276	n/a	
Protein	\$3.7172	\$3.3113		
Other Solids	\$0.4624	\$0.4758		
Uniform Skim			\$14.00	\$13.89
Uniform Butterfat	n/a		\$2.0451	\$1.7891
Butterfat	3.915%	4.011%	3.639%	3.643%
Protein	3.230%	3.289%	n/a	
Other Solids	5.707%	5.717%		

HIGHLIGHTS THIS ISSUE

- ✓ 2012 Census of Agriculture Due February 4, 2013
- ✓ Dairy Products: November 2012 Highlights
- ✓ Number of Producers & Pounds of Milk: November 2012

Federal Order Price Summaries

FINAL CLASS PRICES

The December 2012 Final Class Prices were calculated using AMS commodity price surveys from December 8, 15, 22, and 29, 2012. Current and archived Final Class Price announcements are available at www.fmmaseattle.com/finalprice.htm.

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class II	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Nov 2012	\$22.60	\$23.05	\$18.81	\$20.83	\$18.66	\$2.0218	\$3.7172	\$0.4624	\$1.3330
Dec 2012	\$23.29	\$23.74	\$18.30	\$18.66	\$17.83	\$1.7276	\$3.3113	\$0.4758	\$1.3569
Change	\$0.69	\$0.69	(\$0.51)	(\$2.17)	(\$0.83)	(\$0.2942)	(\$0.4059)	\$0.0134	\$0.0239

ADVANCED CLASS I PRICE

The February 2013 Advanced Price was calculated using AMS commodity price surveys from January 5 and 12, 2013. Current and archived Advanced Price announcements are available at www.fmmaseattle.com/advanceprice.htm.

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
Jan 2013	\$1.7452	\$13.33	\$12.26	\$13.33	\$18.97	\$20.87	\$21.32	\$12.96	\$1.4400
Feb 2013	\$1.6427	\$12.91	\$12.41	\$12.91	\$18.21	\$20.11	\$20.56	\$13.11	\$1.4567
Change	(\$0.1025)	(\$0.42)	\$0.15	(\$0.42)	(\$0.76)	(\$0.76)	(\$0.76)	\$0.15	\$0.0167

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	November	December	Change
Cheese	\$2.0146	\$1.7925	(\$0.2221)
Butter	\$1.8410	\$1.5981	(\$0.2429)
Nonfat Dry Milk	\$1.5143	\$1.5384	\$0.0241
Whey	\$0.6480	\$0.6610	\$0.0130


AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	January	February	Change
Cheese	\$1.8250	\$1.7535	(\$0.0715)
Butter	\$1.6126	\$1.5280	(\$0.0846)
Nonfat Dry Milk	\$1.5442	\$1.5603	\$0.0161
Whey	\$0.6588	\$0.6536	(\$0.0052)

CURRENT COMMODITY PRICES

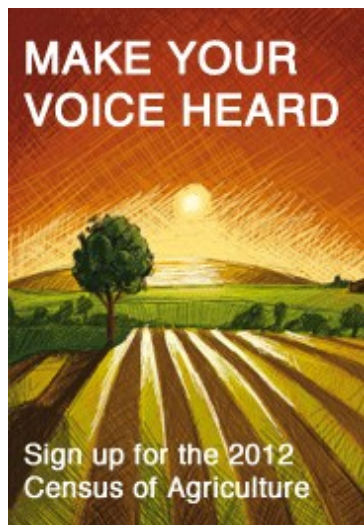
The AMS survey of cheddar cheese prices showed a net decrease in price received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 5.99 cents between the December 15 and the January 12 surveys, to \$1.7542 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 1.58 cents to \$1.7384 per pound.

The AMS butter price showed a net decrease of 7.15 cents between the weeks ending December 15 and January 12 from \$1.5944 per pound to \$1.5229 per pound. The AMS nonfat dry milk showed a net increase of 0.26 cents since mid-December to \$1.5482 per pound. The average price for AMS whey showed a net increase of 0.22 cents since mid-December to \$0.6566 per pound.

A current summary of various commodity prices is available at www.fmmaseattle.com/prices.htm. 

USDA News

2012 CENSUS OF AGRICULTURE DUE FEBRUARY 4, 2013



On January 17, 2013, USDA issued a News Release stating that Agriculture Secretary Tom Vilsack continues to remind producers to complete forms for the 2012 Census of Agriculture—the only source of uniform, comprehensive and impartial agricultural data for every county in the nation. The 2012 Census of Agriculture will provide USDA with current information to help ensure an abundant, safe, and accessible food supply for all of America.

The census collects detailed data covering nearly every facet of U.S. agriculture. It looks at land use and ownership, production practices, expenditures and other factors that affect the way farmers do business and succeed in the 21st Century.

All farmers and ranchers should have received a Census form in the mail by early January. Completed forms are due by February 4, 2013. Farmers can return their forms by mail or online by visiting a secure website, www.agcensus.usda.gov. Federal law requires all agricultural producers to participate in the Census and requires the National Agricultural Statistics Service to keep all individual information confidential.

For more information about the Census, visit www.agcensus.usda.gov or call 1-888-4AG-STAT (1-888-424-7828).

The Census of Agriculture is your voice, your future, your responsibility. 🐾

Source: USDA. National Agricultural Statistics Service. Available at www.nass.usda.gov.

DAIRY PRODUCTS: NOVEMBER 2012 HIGHLIGHTS

Total cheese output (excluding cottage cheese) was 912 million pounds, 1.8 percent above November 2011 but 1.8 percent below October 2012. Italian type cheese production totaled 383 million pounds, while American type cheese production totaled 362 million pounds for November 2012. Butter production was 144 million pounds, 6.0 percent below November 2011 and 0.8 percent below October 2012. Nonfat dry milk was 116 million pounds, down 3.8 percent from November 2011. Dry whey decreased 7.8 percent from November 2011, totaling 71.5 million pounds. 🐾

Source: USDA. National Agricultural Statistic Service. Available at www.nass.usda.gov.

SECRETARY VILSACK TO CONTINUE SERVICE

Agriculture Secretary Tom Vilsack issued the following statement on January 14, 2013, regarding the announcement that he will continue his service in the Obama Administration.

“President Obama and I share a deep appreciation for rural America and its unlimited potential in the years ahead to feed a growing world population, revolutionize America’s energy, further protect our natural resources and create more jobs here at home. We will continue to urge Congress to pass a Food, Farm, and Jobs Bill that will help us continue USDA’s wide range of efforts to support this work. As we look ahead to a promising future in our small towns and rural communities, I am pleased to continue working alongside President Obama to grow more opportunity in rural America.” 🐾

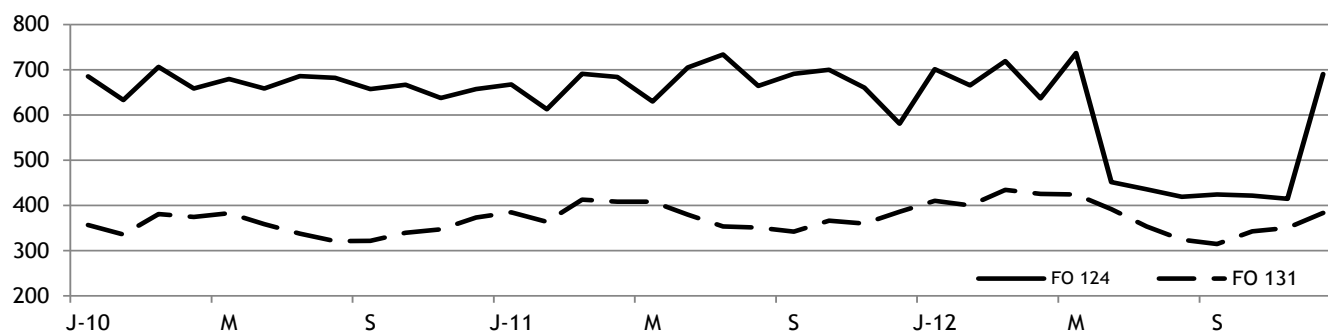


Source: USDA. Release No. 0008.13. Available at www.usda.gov.

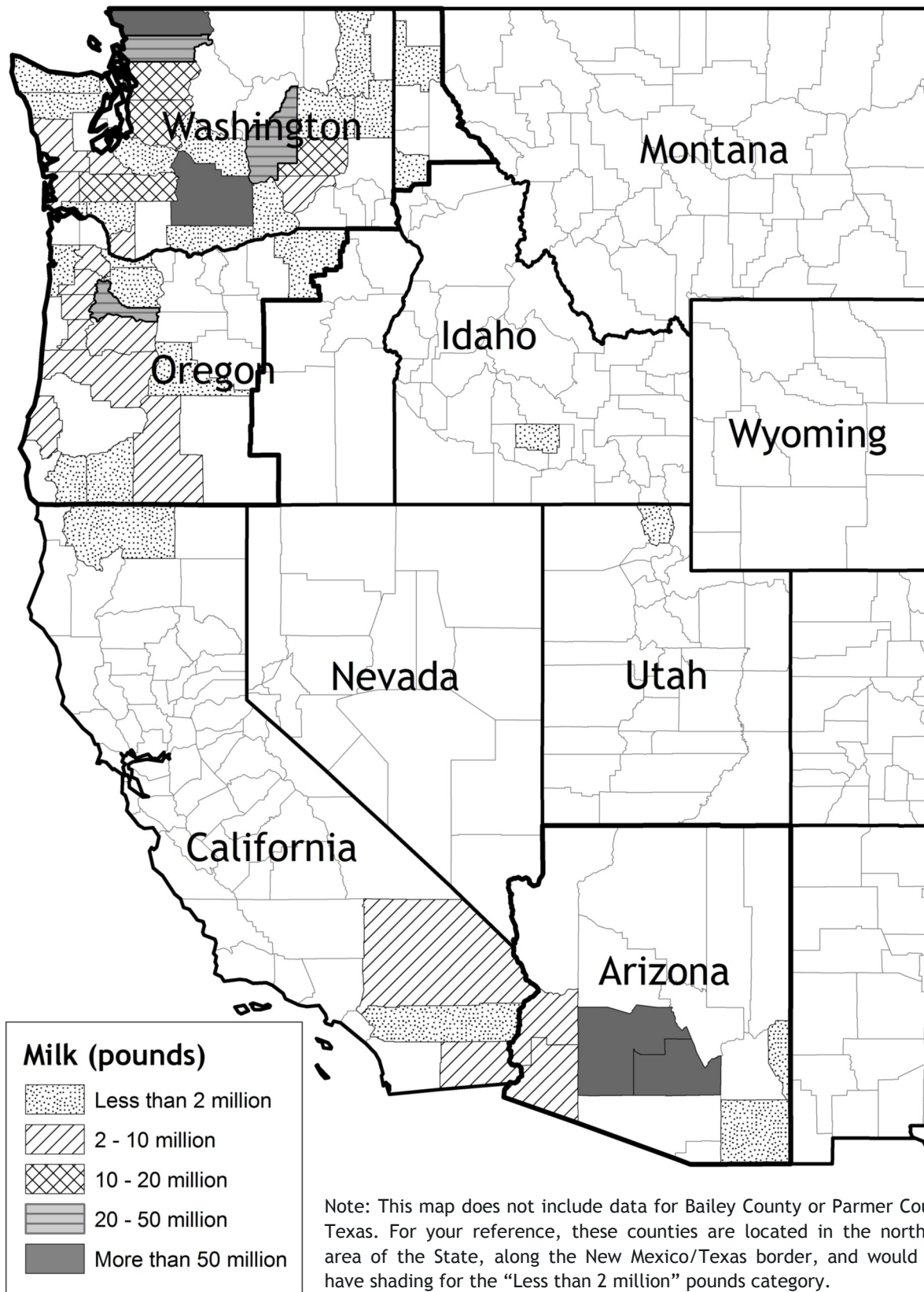
Number of Producers and Pounds of Milk: November 2012

State	County	Producers	Milk	State	County	Producers	Milk
ARIZONA ORDER				PACIFIC NORTHWEST ORDER (CONTINUED)			
<i>Arizona</i>				<i>Idaho</i>			
	Maricopa	67	264,998,836		Bonner, Latah & Lincoln, ID		
	Cochise, Greenlee, & Pinal, AZ				and Cache, UT	5	633,044
	and Bailey & Parmer, TX	17	59,147,939	Total Idaho		5	633,044
	La Paz & Yuma, AZ						
	and Imperial, Riverside,			<i>Washington</i>			
	& San Bernardino, CA	12	26,120,652		Adams	9	16,741,639
Total Arizona		96	350,267,427		Clark & Cowlitz	9	7,020,062
PACIFIC NORTHWEST ORDER					Franklin & Benton	4	5,664,154
<i>Oregon</i>					Grant & Kittitas	22	46,693,760
	Clackamas & Multnomah	7	1,004,143		Grays Harbor, Jefferson		
	Coos	12	3,837,850		& Clallam	10	4,643,520
	Deschutes, Jackson, Klamath				King	25	12,155,943
	& Umatilla	10	6,675,601		Klickitat	3	1,158,706
	Josephine	3	890,349		Lewis	30	10,023,891
	Lane & Benton	5	7,723,874		Lincoln & Spokane	7	1,347,575
	Linn	8	2,365,754		Pacific	8	2,331,538
	Marion	28	25,766,552		Skagit	30	21,540,891
	Polk	5	9,747,824		Snohomish & Island	24	15,973,228
	Tillamook	5	806,518		Stevens	8	1,001,355
	Washington	11	4,277,103		Thurston & Pierce	9	10,175,411
	Yamhill	6	8,287,614		Wahkiakum	4	517,296
Total Oregon		100	71,383,182	Total Washington		342	337,525,071
<i>California</i>				Total Arizona Order		96	350,267,427
	Siskiyou	3	1,333,064	Total Pacific Northwest Order		450	410,874,361
Total California		3	1,333,064	Total		546	761,141,788

Pacific Northwest (FO 124) and Arizona (FO 131) Producer Milk Pooled
January 2010 - December 2012 (million pounds)



Pounds of Producer Milk by County: November 2012



Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Dec 2012	Nov 2012	Dec 2011	Nov 2011	Dec 2012	Nov 2012	Dec 2011	Nov 2011
Minimum Class Prices (3.5% B.F.)								
Class I Milk (\$/cwt)	\$23.29	\$22.60	\$20.37	\$20.35	\$23.74	\$23.05	\$20.82	\$20.80
Class II Milk (\$/cwt)	18.30	18.81	18.08	19.26	18.30	18.81	18.08	19.26
Class III Milk (\$/cwt)	18.66	20.83	18.77	19.07	18.66	20.83	18.77	19.07
Class IV Milk (\$/cwt)	17.83	18.66	16.87	17.87	17.83	18.66	16.87	17.87
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.51	(\$0.85)	(\$0.72)	(\$0.30)	+	+	+	+
Butterfat (\$/pound)	1.7276	2.0218	1.7443	1.9508	+	+	+	+
Protein (\$/pound)	3.3113	3.7172	3.3404	3.2341	+	+	+	+
Other Solids (\$/pound)	0.4758	0.4624	0.4683	0.4521	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$13.89	\$14.00	\$12.74	\$12.93
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.7891	2.0451	1.7944	1.9512
Statistical Uniform Price (\$/cwt)	\$19.17	\$19.98	\$18.05	\$18.77	\$19.67	\$20.67	\$18.57	\$19.31
Producer Data								
Number of Producers	611	450	518	625	96	96	101	98
Avg. Daily Production (pounds)	36,475	30,739	36,183	35,241	128,850	121,621	123,306	122,404
Producer Milk Ratios								
Class I	25.91%	45.10%	32.80%	29.11%	30.08%	34.21%	30.78%	33.83%
Class II	4.64%	7.86%	5.75%	5.56%	6.77%	8.96%	6.93%	8.97%
Class III	43.31%	10.90%	28.31%	38.58%	22.21%	24.98%	28.72%	25.48%
Class IV	26.14%	36.14%	33.14%	26.75%	40.94%	31.85%	33.57%	31.72%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Nov 2012	Oct 2012	Nov 2011	Oct 2011	Nov 2012	Oct 2012	Nov 2011	Oct 2011
Number of Handlers								
Pool Handlers	22	22	26	26	7	7	7	7
<i>Distributing Plants</i>	14	14	14	14	5	5	5	5
<i>Supply Plants 1/</i>	3	3	7	7	1	1	1	1
<i>Cooperatives</i>	5	5	5	5	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	15	16	18	18	22	23	24	23
Class I Route Disposition In Area								
By Pool Plants	168,945,437	175,014,942	175,444,098	176,109,318	91,523,995	93,861,163	96,201,416	94,149,772
By Producer-Handlers	7,306,346	7,236,506	7,362,105	7,194,482	0	0	0	0
By Other Plants	10,157,642	10,635,334	8,049,920	7,821,451	5,987,020	6,621,586	5,893,064	5,492,354
Total	186,409,425	192,886,782	190,856,123	191,125,251	97,511,015	100,482,749	102,094,480	99,642,126
Producer-Handler Data								
% Class I Use	72.38%	73.33%	65.77%	62.33%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.92%	3.75%	3.86%	3.76%	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			
	Dec 2012	Nov 2012	Dec 2011	Nov 2011	Dec 2012	Nov 2012	Dec 2011	Nov 2011
Receipts of Milk								
Total Producer Milk	690,863,608	414,972,725	581,020,887	660,777,003	383,456,602	350,267,427	386,072,110	359,866,729
Receipts From Other Sources	12,816,083	14,592,480	12,336,269	14,117,150	1,924,955	3,797,663	4,801,469	3,528,851
Opening Inventory	36,824,325	28,471,851	34,009,035	37,331,489	21,999,128	22,212,170	22,455,042	21,884,692
Total To Be Accounted For	740,504,016	458,037,056	627,366,191	712,225,642	407,380,685	376,277,260	413,328,621	385,280,272
Utilization of Receipts								
Whole milk	33,473,968	32,770,610	34,021,113	33,180,379	25,166,196	23,840,753	24,442,862	24,284,324
Flavored milk & drinks	13,820,450	16,201,589	14,472,113	16,656,902	6,473,497	6,683,544	6,148,340	6,803,883
2% milk	68,803,289	68,176,335	73,198,868	70,842,976	35,199,604	33,345,803	35,006,216	35,028,906
1% milk	25,528,337	26,186,811	27,282,281	27,162,670	15,795,027	15,894,168	15,827,305	16,892,585
Skim milk	24,215,778	24,153,667	26,935,208	26,101,112	11,366,696	11,324,130	11,953,719	12,740,266
Buttermilk	1,371,723	1,456,425	1,433,521	1,500,059	423,085	435,597	436,878	451,452
Class I dispositions in area	167,213,545	168,945,437	177,343,104	175,444,098	94,424,105	91,523,995	93,815,320	96,201,416
Class I dispositions out of area	14,501,276	16,058,801	16,531,963	14,432,513	24,270,689	23,966,617	25,373,272	24,827,706
Other Class I usage	17,446,955	21,545,479	14,933,195	19,506,283	11,439,255	17,514,277	12,307,495	12,660,558
Utilization by Class								
Total Class I Use	199,161,776	206,549,717	208,808,262	209,382,894	130,134,049	133,004,889	131,496,087	133,689,680
Total Class II Use	39,949,425	40,816,611	40,055,484	44,677,015	26,438,900	32,241,655	27,380,381	33,127,764
Total Class III Use	299,222,648	45,236,727	164,458,921	255,416,900	85,289,918	87,498,221	110,873,702	91,696,763
Total Class IV Use	202,170,167	165,434,001	214,043,524	202,748,833	165,517,818	123,532,495	143,578,451	126,766,065
Total Accounted For	740,504,016	458,037,056	627,366,191	712,225,642	407,380,685	376,277,260	413,328,621	385,280,272

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Dec 2012	Nov 2012	Dec 2011	Nov 2011	Dec 2012	Nov 2012	Dec 2011	Nov 2011
Producer milk								
Class I	179,008,062	187,166,727	190,556,629	192,384,142	115,344,538	119,834,575	118,822,975	121,746,579
Class II	32,046,362	32,610,582	33,424,509	36,725,392	25,964,400	31,395,760	26,747,289	32,298,031
Class III	299,222,648	45,236,727	164,458,921	254,955,863	85,171,452	87,498,221	110,873,702	91,696,763
Class IV	180,586,536	149,958,689	192,580,828	176,711,606	156,976,212	111,538,871	129,628,144	114,125,356
Other receipts								
Class I	20,153,714	19,382,990	18,251,633	16,998,752	14,789,511	13,170,314	12,673,112	11,943,101
Class II	7,903,063	8,206,029	6,630,975	7,951,623	1/	1/	1/	1/
Class III	0	0	0	461,037	1/	1/	1/	1/
Class IV	21,583,631	15,475,312	21,462,696	26,037,227	9,134,572	12,839,519	14,583,399	13,470,442
Avg. daily producer receipts	22,285,923	13,832,424	18,742,609	22,025,900	12,369,568	11,675,581	12,453,939	11,995,558
Change From Previous Year	18.91%	-37.20%	-11.66%	3.66%	-0.68%	-2.67%	3.37%	3.65%
Avg. daily Class I use	6,424,573	6,884,991	6,735,750	6,979,430	4,197,873	4,433,496	4,241,809	4,456,323
Change From Previous Year	-4.62%	-1.35%	-0.15%	0.37%	-1.04%	-0.51%	0.89%	-0.76%

1/ Restricted - Included with Class IV.



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www.fmmaseattle.com

FEDERAL ORDER STATISTICS FOR DECEMBER

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)	2,157.0	834.2	38.68%	\$24.64	\$20.65
Appalachian (FO 5)	498.4	321.5	64.52%	\$24.79	\$22.28
Florida (FO 6)	252.5	206.7	81.87%	\$26.79	\$24.90
Southeast (FO 7)	572.4	361.9	63.23%	\$25.19	\$22.72
Upper Midwest (FO 30)	2,782.0	321.4	11.55%	\$23.19	\$18.98
Central (FO 32)	1,085.4	412.1	37.97%	\$23.39	\$19.56
Mideast (FO 33)	1,443.8	540.3	37.42%	\$23.39	\$19.72
Pacific Northwest (FO 124)	690.9	179.0	25.91%	\$23.29	\$19.17
Southwest (FO 126)	1,177.3	353.4	30.01%	\$24.39	\$20.22
Arizona (FO 131)	383.5	115.3	30.08%	\$23.74	\$19.67

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