



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk

Pacific Northwest and Arizona Marketing Areas

William A. Wise, Market Administrator

Volume 40, No. 1

January 2014

Data for December 2013

MARKET SUMMARIES FOR DECEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 698.0 million pounds of milk to the market during December. Daily deliveries averaged 22.5 million pounds, up 0.6 percent from November. An estimated 592 producers delivered milk to the market during the month. Daily deliveries per producer averaged 38,034 pounds, up 0.6 percent from November.

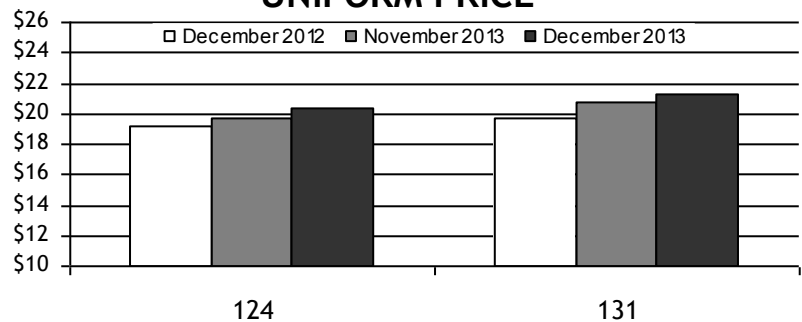
Class I producer milk during December totaled 178.7 million pounds, 25.6 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 3.0 percent from November. ▼

Arizona (FO 131)

Producers delivered a total of 394.3 million pounds of milk to the market during December. Daily deliveries averaged 12.7 million pounds, up 4.6 percent from November. An estimated 91 producers delivered milk to the market during the month. Daily deliveries per producer averaged 139,763 pounds, up 4.6 percent from November.

Class I producer milk during December totaled 118.9 million pounds, 30.2 percent of total producer receipts. Daily usage averaged 3.8 million pounds, down 0.6 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%)	\$19.77	\$20.31	\$20.70	\$21.34
Uniform Price (at test)	\$21.94	\$22.61	\$20.81	\$21.52
PPD	\$0.94	\$1.36		
Butterfat*	\$1.6336	\$1.7672		n/a
Protein*	\$3.6316	\$3.5390		
Other Solids*	\$0.3955	\$0.3826		
Uniform Skim			\$15.48	\$15.78
Uniform Butterfat		n/a	\$1.6471	\$1.7451
Butterfat	4.026%	4.078%	3.575%	3.615%
Protein	3.351%	3.350%		
Other Solids	5.689%	5.701%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Expanding the American Brand
- ✓ Number of Producers & Pounds of Milk: November 2013
- ✓ Map of Pounds of Producer Milk by County

Federal Order Price Summaries

FINAL CLASS PRICES

The December 2013 Final Class Prices were calculated using AMS commodity price surveys from December 7, 14, 21, and 28, 2013. 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 III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Nov 2013	\$22.10	\$22.55	\$20.76	\$18.83	\$20.52	\$1.6336	\$3.6316	\$0.3955	\$1.7042
Dec 2013	\$22.27	\$22.72	\$21.66	\$18.95	\$21.54	\$1.7672	\$3.5390	\$0.3826	\$1.7680
Change	\$0.17	\$0.17	\$0.90	\$0.12	\$1.02	\$0.1336	(\$0.0926)	(\$0.0129)	\$0.0638

ADVANCED CLASS I PRICE

The February 2014 Advanced Price was calculated using AMS commodity price surveys from January 11 and 18, 2014. 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 2014	\$1.7791	\$12.99	\$15.81	\$15.81	\$21.48	\$23.38	\$23.83	\$16.51	\$1.8344
Feb 2014	\$1.7225	\$15.06	\$16.57	\$16.57	\$22.02	\$23.92	\$24.37	\$17.27	\$1.9189
Change	(\$0.0566)	\$2.07	\$0.76	\$0.76	\$0.54	\$0.54	\$0.54	\$0.76	\$0.0845

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	November	December	Change
Cheese	\$1.8612	\$1.8761	\$0.0149
Butter	\$1.5205	\$1.6308	\$0.1103
Nonfat Dry Milk	\$1.8892	\$1.9537	\$0.0645
Whey	\$0.5831	\$0.5706	(\$0.0125)

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	January	February	Change
Cheese	\$1.8583	\$2.0308	\$0.1725
Butter	\$1.6406	\$1.5939	(\$0.0467)
Nonfat Dry Milk	\$1.9423	\$2.0270	\$0.0847
Whey	\$0.5669	\$0.5939	\$0.0270

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 20.23 cents between the December 14 and the January 18 surveys, to \$2.0722 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 19.03 cents to \$2.0424 per pound.

The AMS butter price showed a net decrease of 0.72 cents between the weeks ending December 14 and January 18 from \$1.6316 per pound to \$1.6244 per pound. The AMS nonfat dry milk showed an increase of 8.90 cents since mid-December to \$2.0362 per pound. The average price for AMS whey showed a net increase of 2.05 cents since mid-December to \$0.5950 per pound.

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

USDA News

EXPANDING THE AMERICAN BRAND

The American brand of agriculture is surging in popularity worldwide. The last four years represent the strongest in history for agricultural trade, with U.S. agricultural exports exceeding \$478 billion. This international success is critical to achieving one of USDA's core missions - fostering economic opportunity and innovation that will continue to help American agriculture grow and thrive in a global economy.

USDA's Agricultural Marketing Service (AMS) plays a key role in this area by opening new markets for American producers. We enjoy a close working relationship and collaborate on many projects with our colleagues at USDA's Foreign Agricultural Service (FAS). Through our export certification and verification programs, we create opportunities for American farmers and businesses to succeed by connecting them with foreign markets.

AMS issued 37 percent more dairy export certificates this year, thanks to new programs developed with countries that import U.S. dairy products. In 2012, AMS issued dairy export certificates for goods going to more than 100 different countries, supporting the export of nearly 3.3 billion pounds of dairy products valued at more than \$4.1 billion. One company was able to meet the international demand for their popular blue cheeses after receiving a certificate to export raw milk cheese products to the European Union (EU). The certificate gave the creamery a huge boost, and its sales have quadrupled.

This year, we launched the Processed Eggs and Egg Products Export Verification program, which verifies that facilities handling further processed eggs and egg products are operating according to FDA Good Manufacturing Practices for sanitation and food safety. To date, AMS has received 26 applications and has certified 11 facilities to export products to Mexico and the EU.

Similarly, the AMS Poultry Export Verification Program helps U.S. poultry companies export their products to EU countries. Thanks to this program, one American turkey processor was able to export close to 300,000 pounds of product in 2013. The Animal Protein Verification Program was developed for customers looking for poultry products that are not fed animal products or by-products. In some nations, such as Saudi Arabia, this is a requirement for all poultry products. By participating in the program, one company exports close to 20 million pounds of products every year.

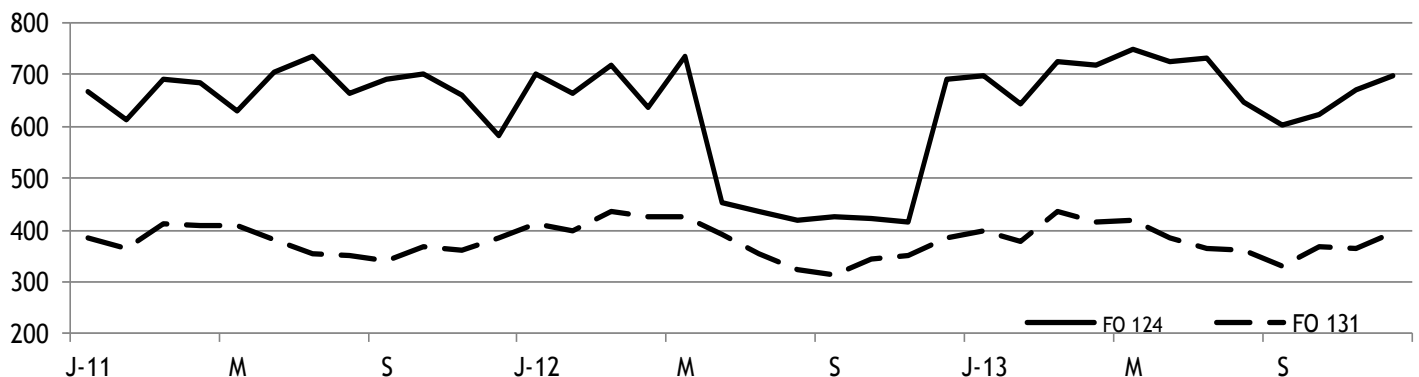
This year, Japan expanded access to U.S. beef by accepting bone-in and boneless beef from animals less than 30 months of age. This marked a historic transition from Japan's previous policy to only accept beef from animals 20 months of age or less. Since the changes went into effect, the LT30 Age Verification QSA Program - which verifies the age of cattle - has grown by more than 20 percent. There are currently 72 companies approved to export beef to Japan. Additional changes in June opened the Japanese market for U.S. ground beef, and 9 companies are now approved to export ground beef to Japan.

We have an historic opportunity to continue building on these successes and to help our farmers and ranchers sell more products than ever before. While robust exports benefit farms and rural communities, agricultural trade is also an important building block to a strong national economy with good jobs and benefits all Americans. From helping individual farmers to international businesses, our mission at AMS is to support American agriculture by making sure the U.S. remains competitive in a global marketplace. 🐾

Number of Producers and Pounds of Milk: November 2013

State	County	Producers	Milk	State	County	Producers	Milk
ARIZONA ORDER				PACIFIC NORTHWEST ORDER (CONTINUED)			
<i>Arizona</i>				<i>Idaho</i>			
	Maricopa	47	180,544,588		Bonner, Latah & Lincoln, ID and Cache, UT	5	644,033
	Cochise, Greenlee, & Pinal, AZ and Bailey & Parmer, TX	31	152,684,669		Total Idaho	5	644,033
	La Paz, Pima & Yuma, AZ and Imperial, Riverside, & San Bernardino, CA	13	31,655,971	<i>Washington</i>			
	Total Arizona	91	364,885,228		Adams	9	18,116,238
PACIFIC NORTHWEST ORDER					Clallam, Grays Harbor & Jefferson	10	4,865,857
<i>Oregon</i>					Clark & Cowlitz	9	7,173,189
	Clackamas & Multnomah	7	908,937		Franklin & Benton	14	48,276,122
	Clatsop	4	1,182,729		Grant & Kittitas	21	47,245,948
	Coos	11	4,055,763		King	25	12,023,786
	Deschutes, Jackson & Klamath	7	4,909,060		Klickitat	3	1,200,170
	Josephine	3	904,693		Lewis	30	9,674,454
	Lane & Benton	6	7,419,474		Pacific	7	1,892,802
	Linn	7	2,430,310		Skagit	30	22,737,009
	Marion	27	25,640,331		Snohomish & Island	23	16,225,601
	Morrow & Umatilla	9	68,126,753		Spokane & Lincoln	7	1,329,827
	Polk	5	9,810,198		Stevens	7	962,127
	Tillamook	98	41,632,748		Thurston & Pierce	10	10,661,027
	Washington	12	4,427,041		Wahkiakum	4	571,973
	Yamhill	6	8,635,703		Whatcom	105	76,628,770
	Total Oregon	202	180,083,740		Yakima	68	209,898,883
					Total Washington	382	489,483,783
<i>California</i>					Total Arizona Order	91	364,885,228
	Siskiyou	3	1,228,356		Total Pacific Northwest Order	592	671,439,912
	Total California	3	1,228,356		Total	683	1,036,325,140

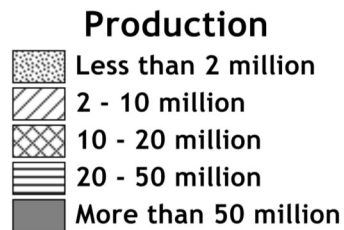
**Pacific Northwest (FO 124) and Arizona (FO 131) Producer Milk Pooled
January 2011 - December 2013 (million pounds)**



Pounds of Producer Milk by County: November 2013



Note: This map does not include data for Bailey and Parmer Counties, Texas. For your reference, these counties are located in the northwest area of the State, along the New Mexico/Texas border, and would have shading for the “2–10 million” pounds category.



Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Dec 2013	Nov 2013	Dec 2012	Nov 2012	Dec 2013	Nov 2013	Dec 2012	Nov 2012
Minimum Class Prices (3.5% B.F.)								
Class I Milk (\$/cwt)	\$22.27	\$22.10	\$23.29	\$22.60	\$22.72	\$22.55	\$23.74	\$23.05
Class II Milk (\$/cwt)	21.66	20.76	18.30	18.81	21.66	20.76	18.30	18.81
Class III Milk (\$/cwt)	18.95	18.83	18.66	20.83	18.95	18.83	18.66	20.83
Class IV Milk (\$/cwt)	21.54	20.52	17.83	18.66	21.54	20.52	17.83	18.66
Producer Prices								
Producer Price Differential (\$/cwt)	\$1.36	\$0.94	\$0.51	(\$0.85)	+	+	+	+
Butterfat (\$/pound)	1.7672	1.6336	1.7276	2.0218	+	+	+	+
Protein (\$/pound)	3.5390	3.6316	3.3113	3.7172	+	+	+	+
Other Solids (\$/pound)	0.3826	0.3955	0.4758	0.4624	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$15.78	\$15.48	\$13.89	\$14.00
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.7451	1.6471	1.7891	2.0451
Statistical Uniform Price (\$/cwt)	\$20.31	\$19.77	\$19.17	\$19.98	\$21.34	\$20.70	\$19.67	\$20.67
Producer Data								
Number of Producers	592	592	607	450	91	91	94	96
Avg. Daily Production (pounds)	38,034	37,806	36,715	30,739	139,763	133,658	131,591	121,621
Producer Milk Ratios								
Class I	25.61%	26.55%	25.91%	45.10%	30.15%	31.71%	30.08%	34.21%
Class II	5.99%	6.21%	4.64%	7.86%	8.16%	9.84%	6.77%	8.96%
Class III	41.96%	41.92%	43.31%	10.90%	26.63%	28.64%	22.21%	24.98%
Class IV	26.44%	25.32%	26.14%	36.14%	35.06%	29.81%	40.94%	31.85%

+ Not Applicable. Preliminary data indicated in **bold**. Equivalent Prices, computed pursuant to 7 CFR, Section 1000.54, noted in *italics*.

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Nov 2013	Oct 2013	Nov 2012	Oct 2012	Nov 2013	Oct 2013	Nov 2012	Oct 2012
Number of Handlers								
Pool Handlers	24	23	22	22	7	7	7	7
<i>Distributing Plants</i>	13	13	14	14	5	5	5	5
<i>Supply Plants 1/</i>	6	5	3	3	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	18	18	15	16	22	22	22	23
Class I Route Disposition In Area								
By Pool Plants	160,862,534	168,319,058	168,945,437	175,014,942	89,872,106	89,840,142	91,523,995	93,861,163
By Producer-Handlers	7,367,822	7,480,275	7,306,346	7,236,506	0	0	0	0
By Other Plants	9,626,195	10,620,296	10,157,642	10,635,334	8,428,942	8,030,860	5,987,020	6,621,586
Total	177,856,551	186,419,629	186,409,425	192,886,782	98,301,048	97,871,002	97,511,015	100,482,749
Producer-Handler Data								
% Class I Use	68.90%	64.62%	72.38%	73.33%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.14%	4.01%	3.92%	3.75%	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 2013	Nov 2013	Dec 2012	Nov 2012	Dec 2013	Nov 2013	Dec 2012	Nov 2012
Receipts of Milk								
Total Producer Milk	698,005,897	671,439,912	690,863,608	414,972,725	394,272,732	364,885,048	383,456,602	350,267,427
Receipts From Other Sources	8,477,289	8,949,633	12,816,083	14,592,480	6,302,651	5,319,559	1,924,955	3,797,663
Opening Inventory	37,256,863	37,162,416	36,824,325	28,471,851	21,903,686	23,104,773	21,999,128	22,212,170
Total To Be Accounted For	743,740,049	717,551,961	740,504,016	458,037,056	422,479,069	393,309,380	407,380,685	376,277,260
Utilization of Receipts								
Whole milk	33,838,163	33,003,139	33,473,968	32,770,610	25,206,324	24,313,073	25,166,196	23,840,753
Flavored milk & drinks	14,526,627	14,948,197	13,820,450	16,201,589	6,509,623	6,887,884	6,473,497	6,683,544
2% milk	67,201,525	65,821,007	68,803,289	68,176,335	33,770,567	32,733,976	35,199,604	33,345,803
1% milk	23,802,307	24,303,752	25,528,337	26,186,811	15,070,247	15,279,172	15,795,027	15,894,168
Skim milk	20,982,815	21,355,219	24,215,778	24,153,667	10,471,585	10,213,102	11,366,696	11,324,130
Buttermilk	1,412,086	1,431,220	1,371,723	1,456,425	433,336	444,899	423,085	435,597
Class I dispositions in area	161,763,523	160,862,534	167,213,545	168,945,437	91,461,682	89,872,106	94,424,105	91,523,995
Class I dispositions out of area	14,546,380	15,796,500	14,501,276	16,058,801	26,389,924	26,057,488	24,270,689	23,966,617
Other Class I usage	20,633,218	19,720,600	17,446,955	21,545,479	13,656,042	13,822,502	11,439,255	17,514,277
Utilization by Class								
Total Class I Use	196,943,121	196,379,634	199,161,776	206,549,717	131,507,648	129,752,096	130,134,049	133,004,889
Total Class II Use	46,253,638	45,647,209	39,949,425	40,816,611	34,375,099	36,633,753	26,438,900	32,241,655
Total Class III Use	293,798,819	286,796,900	299,222,648	45,236,727	106,393,735	106,262,991	85,289,918	87,498,221
Total Class IV Use	206,744,471	188,728,218	202,170,167	165,434,001	150,202,587	120,660,540	165,517,818	123,532,495
Total Accounted For	743,740,049	717,551,961	740,504,016	458,037,056	422,479,069	393,309,380	407,380,685	376,277,260

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Dec 2013	Nov 2013	Dec 2012	Nov 2012	Dec 2013	Nov 2013	Dec 2012	Nov 2012
Producer milk								
Class I	178,731,902	178,234,548	179,008,062	187,166,727	118,878,166	115,691,722	115,344,538	119,834,575
Class II	41,776,826	41,677,912	32,046,362	32,610,582	32,171,398	35,892,191	25,964,400	31,395,760
Class III	292,879,672	281,466,296	299,222,648	45,236,727	105,009,867	104,499,952	85,171,452	87,498,221
Class IV	184,617,497	170,061,156	180,586,536	149,958,689	138,213,301	108,801,183	156,976,212	111,538,871
Other receipts								
Class I	18,211,219	18,145,086	20,153,714	19,382,990	12,629,482	14,060,374	14,789,511	13,170,314
Class II	4,476,812	3,969,297	7,903,063	8,206,029	1/	1/	1/	1/
Class III	919,147	5,330,604	0	0	1/	1/	1/	1/
Class IV	22,126,974	18,667,062	21,583,631	15,475,312	15,576,855	14,363,958	9,134,572	12,839,519
Avg. daily producer receipts	22,516,319	22,381,330	22,285,923	13,832,424	12,718,475	12,162,835	12,369,568	11,675,581
Change From Previous Year	1.03%	61.80%	18.91%	-37.20%	2.82%	4.17%	-0.68%	-2.67%
Avg. daily Class I use	6,353,004	6,545,988	6,424,573	6,884,991	4,242,182	4,325,070	4,197,873	4,433,496
Change From Previous Year	-1.11%	-4.92%	-4.62%	-1.35%	1.06%	-2.45%	-1.04%	-0.51%

1/ Restricted - Included with Class IV.



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Visit the MA website

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)	2,134.3	814.5	38.16%	\$23.62	\$21.79
Appalachian (FO 5)	469.2	320.2	68.25%	\$23.77	\$23.26
Florida (FO 6)	243.6	204.5	83.93%	\$25.77	\$25.28
Southeast (FO 7)	487.2	353.2	72.50%	\$24.17	\$23.74
Upper Midwest (FO 30)	2,866.0	316.6	11.05%	\$22.17	\$19.34
Central (FO 32)	1,298.3	418.9	32.26%	\$22.37	\$20.03
Mideast (FO 33)	1,284.4	546.7	42.57%	\$22.37	\$20.58
Pacific Northwest (FO 124)	698.0	178.7	25.61%	\$22.27	\$20.31
Southwest (FO 126)	1,002.9	371.4	37.03%	\$23.37	\$20.78
Arizona (FO 131)	394.3	118.9	30.15%	\$22.72	\$21.34

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