



# 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. 4

April 2018

Data for March 2018

### MARKET SUMMARIES FOR MARCH

#### Pacific Northwest (FO 124)

Producers delivered a total of 635.0 million pounds of milk to the market during March. Daily deliveries averaged 20.5 million pounds, down 15.2 percent from February. An estimated 443 producers delivered milk to the market during the month. Daily deliveries per producer averaged 46,238 pounds, up 1.4 percent from February.

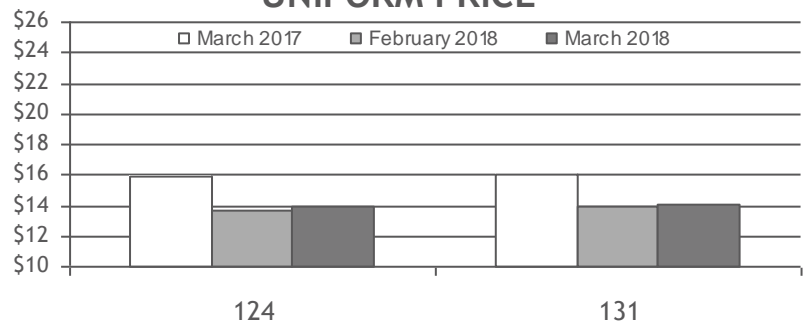
Class I producer milk during March totaled 160.4 million pounds, 25.3 percent of total producer receipts. Daily usage averaged 5.2 million pounds, up 1.9 percent from February. ▼

#### Arizona (FO 131)

Producers delivered a total of 441.6 million pounds of milk to the market during March. Daily deliveries averaged 14.2 million pounds, down 6.9 percent from February. An estimated 86 producers delivered milk to the market during the month. Daily deliveries per producer averaged 165,628 pounds, down 6.9 percent from February.

Class I producer milk during March totaled 110.7 million pounds, 25.1 percent of total producer receipts. Daily usage averaged 3.6 million pounds, down 1.4 percent from February. ▼

### UNIFORM PRICE



## Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Feb	Mar	Feb	Mar
Uniform Price (at 3.5%)	\$13.66	\$13.88	\$13.91	\$14.02
Uniform Price (at test)	\$15.72	\$15.63	\$14.34	\$14.45
PPD	\$0.26	(\$0.34)		
Butterfat	\$2.3490	\$2.4273		n/a
Protein	\$1.6265	\$1.8066		
Other Solids	\$0.0550	\$0.0556		
Uniform Skim			\$5.80	\$5.76
Uniform Butterfat		n/a	\$2.3740	\$2.4189
Butterfat	4.160%	4.036%	3.690%	3.682%
Protein	3.303%	3.243%		
Other Solids	5.741%	5.758%		n/a

### HIGHLIGHTS THIS ISSUE

- ✓ Final Decision on California FMMO
- ✓ USDA Reopens Enrollment for MPP-Dairy

# Federal Order Price Summaries

## FINAL CLASS PRICES

The March 2018 Final Class Prices were calculated using AMS commodity price surveys from March 3, 10, 17, 24, and 31, 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
Feb 2018	\$16.15	\$16.60	\$13.44	\$13.40	\$12.87	\$2.3490	\$1.6265	\$0.0550	\$0.5352
Mar 2018	\$15.26	\$15.71	\$13.88	\$14.22	\$13.04	\$2.4273	\$1.8066	\$0.0556	\$0.5232
Change	(\$0.89)	(\$0.89)	\$0.44	\$0.82	\$0.17	\$0.0783	\$0.1801	\$0.0006	(\$0.0120)

## ADVANCED CLASS I PRICE

The May 2018 Advanced Price was calculated using AMS commodity price surveys from April 7 and 14, 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
Apr 2018	\$2.4251	\$5.82	\$4.71	\$5.82	\$14.10	\$16.00	\$16.45	\$5.41	\$0.6011
May 2018	\$2.4777	\$5.98	\$4.75	\$5.98	\$14.44	\$16.34	\$16.79	\$5.45	\$0.6056
Change	\$0.0526	\$0.16	\$0.04	\$0.16	\$0.34	\$0.34	\$0.34	\$0.04	\$0.0045

# Commodity Price Summaries

### AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	February	March	Change
Cheese	\$1.4727	\$1.5542	\$0.0815
Butter	\$2.1112	\$2.1759	\$0.0647
Nonfat Dry Milk	\$0.7084	\$0.6963	(\$0.0121)
Whey	\$0.2525	\$0.2531	\$0.0006

### AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	April	May	Change
Cheese	\$1.5468	\$1.5730	\$0.0262
Butter	\$2.1741	\$2.2175	\$0.0434
Nonfat Dry Milk	\$0.6964	\$0.7004	\$0.0040
Whey	\$0.2467	\$0.2575	\$0.0108

## CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net increase in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed a net increase of 2.00 cents between the March 17 and the April 14 surveys, to \$1.5890 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 0.07 cents to \$1.5158 per pound.

The AMS butter price showed a net increase of 8.59 cents between the weeks ending March 17 and April 14 from \$2.1700 per pound to \$2.2559 per pound. The AMS nonfat dry milk showed a net increase of 1.58 cents since mid-March to \$0.7049 per pound. The average price for AMS whey showed a net increase of 1.89 cents since mid-March to \$0.2594 per pound. 

# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Mar 2018	Feb 2018	Mar 2017	Feb 2017	Mar 2018	Feb 2018	Mar 2017	Feb 2017
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	(\$0.34)	\$0.26	\$0.12	(\$0.30)	+	+	+	+
Butterfat (\$/pound)	2.4273	2.3490	2.4176	2.4274	+	+	+	+
Protein (\$/pound)	1.8066	1.6265	1.8198	2.2348	+	+	+	+
Other Solids (\$/pound)	0.0556	0.0550	0.3345	0.2990	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$5.76	\$5.80	\$7.80	\$8.47
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.4189	2.3740	2.4263	2.4458
Statistical Uniform Price (\$/cwt)	\$13.88	\$13.66	\$15.93	\$16.58	\$14.02	\$13.91	\$16.02	\$16.73
<b>Producer Data</b>								
Number of Producers	<b>443</b>	530	445	446	<b>86</b>	86	88	89
Avg. Daily Production (pounds)	<b>46,238</b>	45,593	44,884	44,174	<b>165,628</b>	177,838	167,893	157,386
<b>Producer Milk Ratios</b>								
Class I	25.26%	21.01%	26.59%	26.82%	25.08%	23.69%	24.33%	25.54%
Class II	6.73%	6.14%	7.22%	7.22%	8.74%	7.48%	9.18%	9.12%
Class III	30.02%	41.45%	30.42%	30.42%	17.18%	22.91%	22.57%	14.77%
Class IV	37.99%	31.40%	35.77%	35.54%	49.00%	45.92%	43.92%	50.57%
<b>Market Shrinkage</b>								
Pounds	7,974,821	7,043,180	10,149,060	8,605,623	2,395,279	1,793,841	908,468	1,776,355
% of Producer Milk	1.26%	1.04%	1.64%	1.56%	0.54%	0.42%	0.20%	0.45%

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

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Feb 2018	Jan 2018	Feb 2017	Jan 2017	Feb 2018	Jan 2018	Feb 2017	Jan 2017
<b>Number of Handlers</b>								
Pool Handlers	25	24	23	23	8	8	8	8
<i>Distributing Plants</i>	12	11	12	12	6	6	6	6
<i>Supply Plants 1/</i>	7	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>24</b>	23	20	21	<b>23</b>	24	22	23
<b>Class I Route Disposition In Area</b>								
By Pool Plants	131,102,632	146,045,502	135,822,553	152,281,876	75,707,754	83,402,954	73,997,192	81,819,674
By Producer-Handlers	5,733,278	6,413,777	6,095,549	7,067,159	0	0	0	0
By Other Plants	<b>11,012,920</b>	13,550,072	11,322,269	13,654,008	<b>7,774,421</b>	9,840,012	8,077,965	8,867,771
Total	147,848,830	166,009,351	153,240,371	173,003,043	83,482,175	93,242,966	82,075,157	90,687,445
<b>Producer-Handler Data</b>								
% Class I Use	51.06%	54.69%	55.57%	60.73%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.88%	3.86%	3.98%	4.08%	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			
	Mar 2018	Feb 2018	Mar 2017	Feb 2017	Mar 2018	Feb 2018	Mar 2017	Feb 2017
<b>Receipts of Milk</b>								
Total Producer Milk	634,992,932	676,597,124	619,178,089	551,642,867	441,564,187	428,233,490	458,012,389	392,205,273
Receipts From Other Sources	12,133,968	11,042,677	8,573,940	12,043,915	6,630,473	6,811,373	2,880,907	2,362,695
Opening Inventory	34,241,602	38,537,422	36,885,711	32,501,637	26,892,558	25,936,478	22,618,299	25,395,365
<b>Total To Be Accounted For</b>	<b>681,368,502</b>	<b>726,177,223</b>	<b>664,637,740</b>	<b>596,188,419</b>	<b>475,087,218</b>	<b>460,981,341</b>	<b>483,511,595</b>	<b>419,963,333</b>
<b>Utilization of Receipts</b>								
Whole milk	43,014,645	38,636,872	41,793,218	37,675,819	28,257,679	25,222,623	26,440,939	23,495,767
Flavored milk & drinks	12,961,195	12,414,254	14,602,007	12,744,084	6,875,154	7,251,035	7,563,116	7,219,668
2% milk	52,044,181	47,926,173	54,984,399	50,145,288	29,729,592	26,475,013	28,003,785	25,907,293
1% milk	21,451,095	19,704,618	23,458,550	21,324,249	11,939,163	10,980,850	12,161,265	11,382,316
Skim milk	11,997,272	11,031,305	13,805,516	12,583,105	6,299,181	5,778,233	6,384,685	5,992,148
Buttermilk	1,552,452	1,389,410	1,579,005	1,350,008	2/	2/	2/	2/
Class I dispositions in area	143,020,840	131,102,632	150,222,695	135,822,553	83,100,769	75,707,754	80,553,790	73,997,192
Class I dispositions out of area	11,387,957	9,570,593	11,517,692	10,136,444	28,866,699	24,989,217	30,719,076	27,080,018
Other Class I usage	23,434,489	20,612,334	22,668,902	20,963,367	12,666,686	13,531,885	12,753,700	12,812,201
<b>Utilization by Class</b>								
Total Class I Use	177,843,286	161,285,559	184,409,289	166,922,364	124,634,154	114,228,856	124,026,566	113,889,411
Total Class II Use	46,515,136	46,556,865	48,069,239	42,144,722	43,160,272	35,705,130	43,467,554	36,803,442
Total Class III Use	190,742,532	281,064,604	188,811,024	168,081,045	75,916,244	1/	103,382,318	1/
Total Class IV Use	266,267,548	237,270,195	243,348,188	219,040,288	231,376,548	311,047,355	212,635,157	269,270,480
<b>Total Accounted For</b>	<b>681,368,502</b>	<b>726,177,223</b>	<b>664,637,740</b>	<b>596,188,419</b>	<b>475,087,218</b>	<b>460,981,341</b>	<b>483,511,595</b>	<b>419,963,333</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Mar 2018	Feb 2018	Mar 2017	Feb 2017	Mar 2018	Feb 2018	Mar 2017	Feb 2017
<b>Producer milk</b>								
Class I	160,422,650	142,184,559	164,648,846	147,968,037	110,735,048	101,466,757	111,454,281	100,176,236
Class II	42,756,409	41,524,731	44,689,615	39,808,610	38,600,760	32,049,395	42,032,290	35,771,213
Class III	190,624,487	280,439,197	188,377,524	167,792,459	75,853,063	98,092,514	103,380,813	57,933,226
Class IV	241,189,386	212,448,637	221,462,104	196,073,761	216,375,316	196,624,824	201,145,005	198,324,598
<b>Other receipts</b>								
Class I	17,420,636	19,101,000	19,760,443	18,954,327	13,899,106	12,762,099	12,572,285	13,713,175
Class II	3,758,727	5,032,134	3,379,624	2,336,112	1/	1/	1,435,264	1/
Class III	1/	1/	1/	1/	1/	1/	1/	0
Class IV	25,196,207	25,446,965	22,319,584	23,255,113	19,623,925	19,985,752	11,491,657	14,044,885
<b>Avg. daily producer receipts</b>	<b>20,483,643</b>	<b>24,164,183</b>	<b>19,973,487</b>	<b>19,701,531</b>	<b>14,244,006</b>	<b>15,294,053</b>	<b>14,774,593</b>	<b>14,007,331</b>
Change From Previous Year	2.55%	22.65%	3.42%	-20.26%	-3.59%	9.19%	-1.29%	-6.21%
<b>Avg. daily Class I use</b>	<b>5,736,880</b>	<b>5,760,199</b>	<b>5,948,687</b>	<b>5,961,513</b>	<b>4,020,457</b>	<b>4,079,602</b>	<b>4,000,857</b>	<b>4,067,479</b>
Change From Previous Year	-3.56%	-3.38%	-0.17%	-1.61%	0.49%	0.30%	0.03%	2.01%

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

# USDA News

## FINAL DECISION ON A CALIFORNIA FEDERAL MILK MARKETING ORDER

On March 30, 2018, the U.S. Department of Agriculture (USDA) published in the *Federal Register* a final decision to establish a Federal Milk Marketing Order (FMMO) for California. The proposed FMMO would incorporate the entire state of California. The final decision is based on the evidentiary record of a public hearing held in Clovis, California, from September to November 2015. A recommended decision regarding the proposed program was published February 14, 2017.

USDA will conduct a referendum among dairy producers to determine whether they support the proposed FMMO. The referendum began on April 2, 2018, and will continue through May 5, 2018. USDA mailed ballot materials to all known eligible dairy producers supplying milk to the proposed marketing area. The FMMO would become effective if approved by two-thirds of the voting producers, or by producers of two-thirds of the milk represented in the voting process.

USDA held a public meeting on Tuesday, April 10, to answer questions related to how the proposed California FMMO would operate and how eligible dairy producers can participate in the referendum. Meeting details, as well as information regarding the producer referendum and a video recording of the meeting, are available on the AMS website's [California FMMO page](#). 🐮

Source: USDA. Press Release No. 0073.18. Available at [www.ams.usda.gov](http://www.ams.usda.gov).

## USDA REOPENS ENROLLMENT FOR DAIRY SAFETY NET TOOL

U.S. Secretary of Agriculture Sonny Perdue is encouraging dairy producers to consider enrolling in the new and improved Margin Protection Program for Dairy (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, USDA's Farm Service Agency (FSA) has set the enrollment period to run from April 9, 2018 to June 1, 2018.

Changes to the program include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers. Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 sign-up period. Coverage elections made for 2018 will be retroactive to January 1, 2018.

For more information, visit FSA's [MPP-Dairy webpage](#) or contact your local [USDA service center](#). 🐮

Source: USDA. Press Release No. 0074.18. Available at [www.usda.gov](http://www.usda.gov).

# Federal Order Statistics for March 2018

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)	2,370.8	768.9	32.43%	\$16.61	\$15.06
Appalachian (FO 5)	519.9	347.3	66.81%	\$16.76	\$16.02
Florida (FO 6)	227.6	194.0	85.24%	\$18.76	\$18.14
Southeast (FO 7)	500.0	323.7	64.74%	\$17.16	\$16.30
Upper Midwest (FO 30)	2,688.1	269.9	10.04%	\$15.16	\$14.25
Central (FO 32)	1,286.7	413.3	32.11%	\$15.36	\$13.92
Mideast (FO 33)	1,614.3	542.6	33.61%	\$15.36	\$14.24
<b>Pacific Northwest (FO 124)</b>	<b>635.0</b>	<b>160.4</b>	<b>25.26%</b>	<b>\$15.26</b>	<b>\$13.88</b>
Southwest (FO 126)	810.1	356.7	44.04%	\$16.36	\$14.79
<b>Arizona (FO 131)</b>	<b>441.6</b>	<b>110.7</b>	<b>25.08%</b>	<b>\$15.71</b>	<b>\$14.02</b>

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



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

### 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

### Visit the MA Website

[www.fmmaseattle.com](http://www.fmmaseattle.com)