



# The Market Administrator's Report

Facilitating the Efficient Marketing of Milk

## Pacific Northwest and Arizona Marketing Areas

William A. Wise, Market Administrator

Volume 41, No. 6

June 2015

Data for May 2015

### MARKET SUMMARIES FOR MAY

#### Pacific Northwest (FO 124)

Producers delivered a total of 600.2 million pounds of milk to the market during May. Daily deliveries averaged 19.4 million pounds, up 23.8 percent from April. An estimated 480 producers delivered milk to the market during the month. Daily deliveries per producer averaged 40,335 pounds, up 8.9 percent from April.

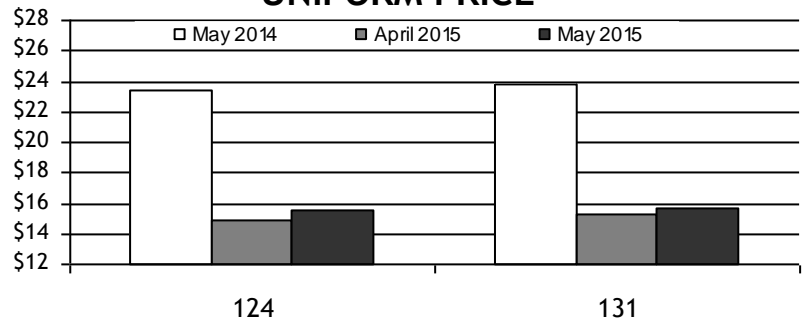
Class I producer milk during May totaled 163.1 million pounds, 27.2 percent of total producer receipts. Daily usage averaged 5.3 million pounds, down 3.0 percent from April. ▼

#### Arizona (FO 131)

Producers delivered a total of 431.2 million pounds of milk to the market during May. Daily deliveries averaged 13.9 million pounds, down 1.8 percent from April. An estimated 95 producers delivered milk to the market during the month. Daily deliveries per producer averaged 146,431 pounds, down 1.8 percent from April.

Class I producer milk during May totaled 106.8 million pounds, 24.8 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 6.2 percent from April. ▼

### UNIFORM PRICE



## Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Apr	May	Apr	May
Uniform Price (at 3.5%)	\$14.86	\$15.56	\$15.25	\$15.67
Uniform Price (at test)	\$15.98	\$16.48	\$15.07	\$15.48
PPD	(\$0.95)	(\$0.63)		
Butterfat	\$1.8940	\$2.0599		n/a
Protein	\$2.5551	\$2.5206		
Other Solids	\$0.2698	\$0.2533		
Uniform Skim			\$8.94	\$8.83
Uniform Butterfat		n/a	\$1.8922	\$2.0415
Butterfat	3.872%	3.785%	3.402%	3.403%
Protein	3.152%	3.119%		
Other Solids	5.725%	5.736%		n/a

### HIGHLIGHTS THIS ISSUE

- ✓ Happy June Dairy Month
- ✓ USDA Extends Deadline to Submit Proposals
- ✓ Producer Milk Marketed Under Federal Milk Orders

# Federal Order Price Summaries

## FINAL CLASS PRICES

The May 2015 Final Class Prices were calculated using AMS commodity price surveys from May 2,9,16, 23, and 30, 2015. Current and archived Final Class Price announcements are available at [www.fmmaseattle.com/finalprice.htm](http://www.fmmaseattle.com/finalprice.htm).

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Apr 2015	\$17.40	\$17.85	\$14.98	\$15.81	\$13.51	\$1.8940	\$2.5551	\$0.2698	\$0.7926
May 2015	\$17.73	\$18.18	\$14.81	\$16.19	\$13.91	\$2.0599	\$2.5206	\$0.2533	\$0.7708
Change	\$0.33	\$0.33	(\$0.17)	\$0.38	\$0.40	\$0.1659	(\$0.0345)	(\$0.0165)	(\$0.0218)

## ADVANCED CLASS I PRICE

The July 2015 Advanced Price was calculated using AMS commodity price surveys from June 6 and 13, 2015. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advanceprice.htm](http://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
Jun 2015	\$2.0281	\$9.37	\$6.96	\$9.37	\$16.14	\$18.04	\$18.49	\$7.66	\$0.8511
July 2015	\$2.1115	\$9.47	\$6.85	\$9.47	\$16.53	\$18.43	\$18.88	\$7.55	\$0.8389
Change	\$0.0834	\$0.10	(\$0.11)	\$0.10	\$0.39	\$0.39	\$0.39	(\$0.11)	(\$0.0122)

# Commodity Price Summaries

## AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	April	May	Change
Cheese	\$1.6122	\$1.6557	\$0.0435
Butter	\$1.7355	\$1.8725	\$0.1370
Nonfat Dry Milk	\$0.9684	\$0.9464	(\$0.0220)
Whey	\$0.4610	\$0.4450	(\$0.0160)

## AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	June	July	Change
Cheese	\$1.6520	\$1.6955	\$0.0435
Butter	\$1.8462	\$1.9151	\$0.0689
Nonfat Dry Milk	\$0.9489	\$0.9362	(\$0.0127)
Whey	\$0.4443	\$0.4341	(\$0.0102)

## 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 6.93 cents between the May 16 and the June 13 surveys, to \$1.6962 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 3.70 cents to \$1.7040 per pound.

The AMS butter price showed a net increase of 5.42 cents between the weeks ending May 16 and June 13 from \$1.8803 per pound to \$1.9345 per pound. The AMS nonfat dry milk showed a net decrease of 3.10 cents since mid-May to \$0.9252 per pound. The average price for AMS whey showed a net decrease of 2.36 cents since mid-May to \$0.4317 per pound. 

# Happy June Dairy Month

## FROM THE USDA BLOG: LET THE GOOD TIMES FLOW FOR NATIONAL DAIRY MONTH

*Posted by Dana Coale, Deputy Administrator of the Agricultural Marketing Service's Dairy Programs*

June is an eventful and versatile month—the start of warm summer days, school vacations, and holidays like Father's Day and Flag Day. We also celebrate many unusual observances in June such as Heimlich Maneuver Day, National Yo-Yo Day, and National Donut Day. But who can enjoy a donut without a nice, cold glass of milk? June is the perfect month to combine the two as USDA joins the rest of the country in celebrating National Dairy Month.

For more than 75 years, we have celebrated dairy and all of its goodness during June. What started out as National Milk Month in 1937 to promote milk consumption and stabilize the dairy demand has turned into a month-long celebration and tradition that acknowledges the dairy industry's contributions to the United States and around the world.

Dairy has played an important role in America's history since before the Revolutionary War, but it was not until the early 1900s that the U.S. dairy industry began to change dramatically. Many scientific advances and processes radically changed the industry, including pasteurization, the development of the centrifugal separator that removes milkfat and allows the manufacturing of more dairy products, and the Babcock test that determines milk fat content. When it comes to dairy products, our country has a rich history. The versatility of dairy products makes it easy to participate in this month-long celebration. The National Dairy Council has some great recipes for dairy-based foods.

Whether you're serving cheese at a family graduation party or wedding or just eating yogurt every morning, you are supporting our country's dairy farmers and getting many nutritional benefits. Studies have demonstrated the positive role milk plays in children's development. Consuming low-fat and fat-free milk and dairy products also provides important protein for adults, reduces the risk of bone disease and fractures, and may help reduce the risk of getting cavities.

At USDA's Agricultural Marketing Service (AMS), we do our part to make sure you can enjoy dairy products in June and throughout the rest of the year. AMS graders use internationally recognized standards to ensure quality cheese and other dairy products are sold in retail establishments. Our Market News specialists create reports that offer valuable information to help dairy producers and businesses make informed buying and selling decisions. Our export specialists help the rest of the world enjoy America's delicious dairy products.

We also work closely with the National Dairy Council (NDC), which was founded 100 years ago by America's dairy farmers. The NDC, with its strong foundation in science, focuses on health and wellness, child nutrition and well-being, and alleviating food insecurity. In addition, the national Dairy Promotion and Research Program and the Fluid Milk Processor Promotion Program, which AMS oversees, offer great data and fun ways to get people excited about eating dairy products.

So let's all raise our cold glasses of milk (with or without the donut) in celebration of National Dairy Month! 🍷

*Source: USDA. USDA Blog Posted by Dana Coale, Deputy Administrator of the Agricultural Marketing Service's Dairy Program, on June 4, 2015. Available at <http://blogs.usda.gov/2015/06/04/let-the-good-times-flow-for-national-dairy-month/>.*

# AMS News

## USDA EXTENDS DEADLINE TO SUBMIT PROPOSALS ON NEW ORGANIC PROMOTION ORDER

The United States Department of Agriculture's Agricultural Marketing Service (AMS) is extending a deadline by 30 days to allow members of the public to submit alternative proposals or partial proposals on a new industry-funded promotion, research and information order for organic products. The new order would be developed under the Commodity Promotion, Research, and Information Act of 1996 (1996 Act).

AMS received a number of requests from organic stakeholders for additional time and will accept proposals or partial proposals until July 20, 2015. AMS originally announced that it would accept proposals until June 19, 2015.

Proposals may be submitted to Organic Promotion, Research, and Information Order; Room 3071-S, STOP 0201; Agricultural Marketing Service, USDA; 1400 Independence Avenue, SW.; Washington, D.C. 20250-0201; telephone number (202) 720-5115. AMS is only seeking proposals or partial proposals. Comments on the submitted proposal or any other aspect of an organic research and promotion program will not be considered. Interested parties will have full opportunity to submit comments when AMS publishes a proposed order. ▼

## 2014 PRODUCER MILK MARKETED UNDER FEDERAL MILK ORDERS BY STATE OF ORIGIN

*The following is an excerpt from a report published by Dairy Programs*

Sixty-three percent of the 2014 U.S. milk production sold to milk dealers was marketed under Federal milk marketing orders in 2014. Forty-six of the fifty states marketed some milk under Federal milk marketing orders in 2014.

Thirty-six states marketed 70% or more of their milk marketings under Federal milk marketing orders. Thirteen states marketed 98% or more of their milk marketings under Federal milk marketing orders: Maryland and South Carolina (100%); Florida, North Carolina, Vermont, Kentucky, Louisiana, and Mississippi (all 99%); Delaware, Maine, Arizona, Arkansas, and Tennessee (all 98%).

Three states marketed very small amounts of producer milk under Federal milk marketing orders: California (0.5%), Idaho (0.7%), and Utah (0.1%) while four states did not market any milk under federal milk marketing orders: Alaska, Hawaii, Montana, and Nevada.

States marketing milk under Federal milk marketing orders varied from marketing milk under as many as seven different milk marketing orders to as few as a single milk marketing order area. States marketing milk into seven different Federal milk marketing orders include: Indiana, Ohio, and Texas. Arizona marketed milk into two different Federal milk marketing areas, while both Oregon and Washington marketed into only one milk marketing order area.

The ten Federal milk marketing orders received producer milk from the following numbers of states in 2014:

- Southeast and Appalachian - 23 states
- Central - 22 states
- Northeast - 20 states
- Midwest - 19 states
- Upper Midwest - 17 states
- Southwest - 10 states
- Florida - 8 states
- Pacific Northwest - 5 states
- Arizona - 3 states

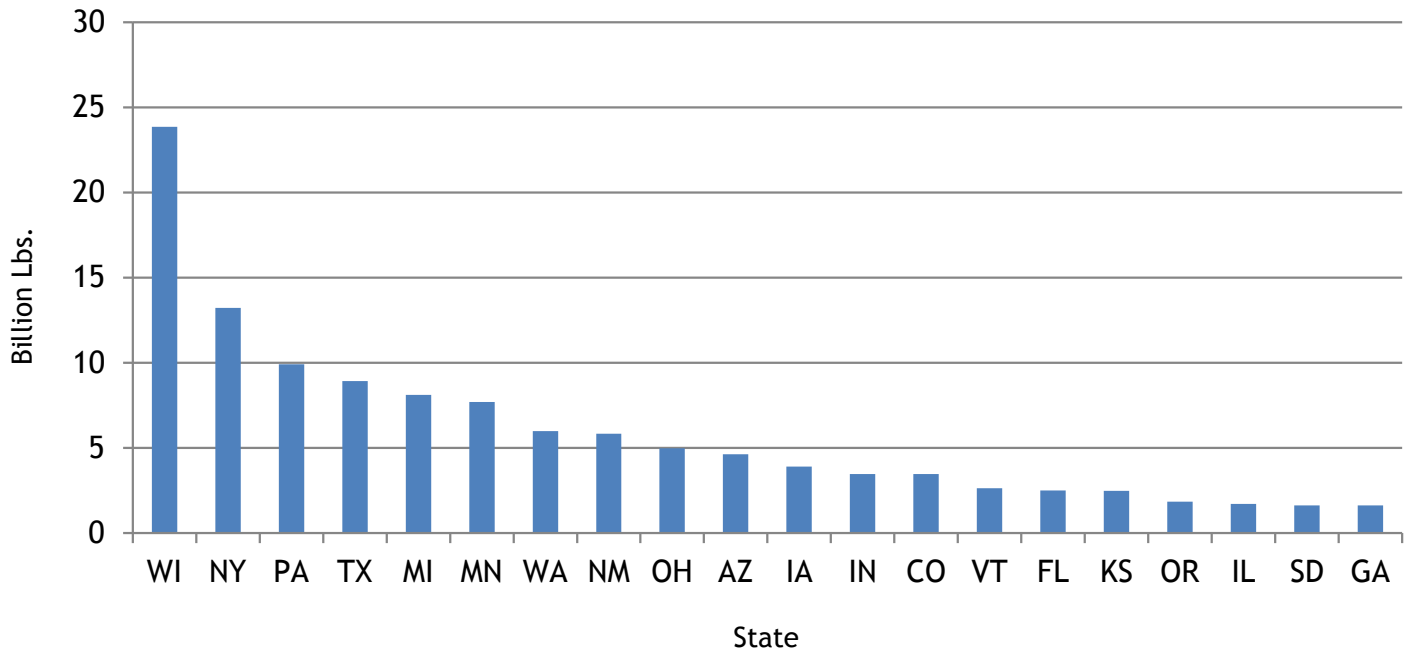
See graphs on page 5 for the Top 20 States Contributing to the Federal Order Pools and Producer Milk marketed by each marketing area. ▼

Source: USDA. Agricultural Marketing Service. "Producer Milk Marketed under Federal Milk Orders by State of Origin - 2014". Available at [www.ams.usda.gov/AMSV1.0/dairy](http://www.ams.usda.gov/AMSV1.0/dairy).

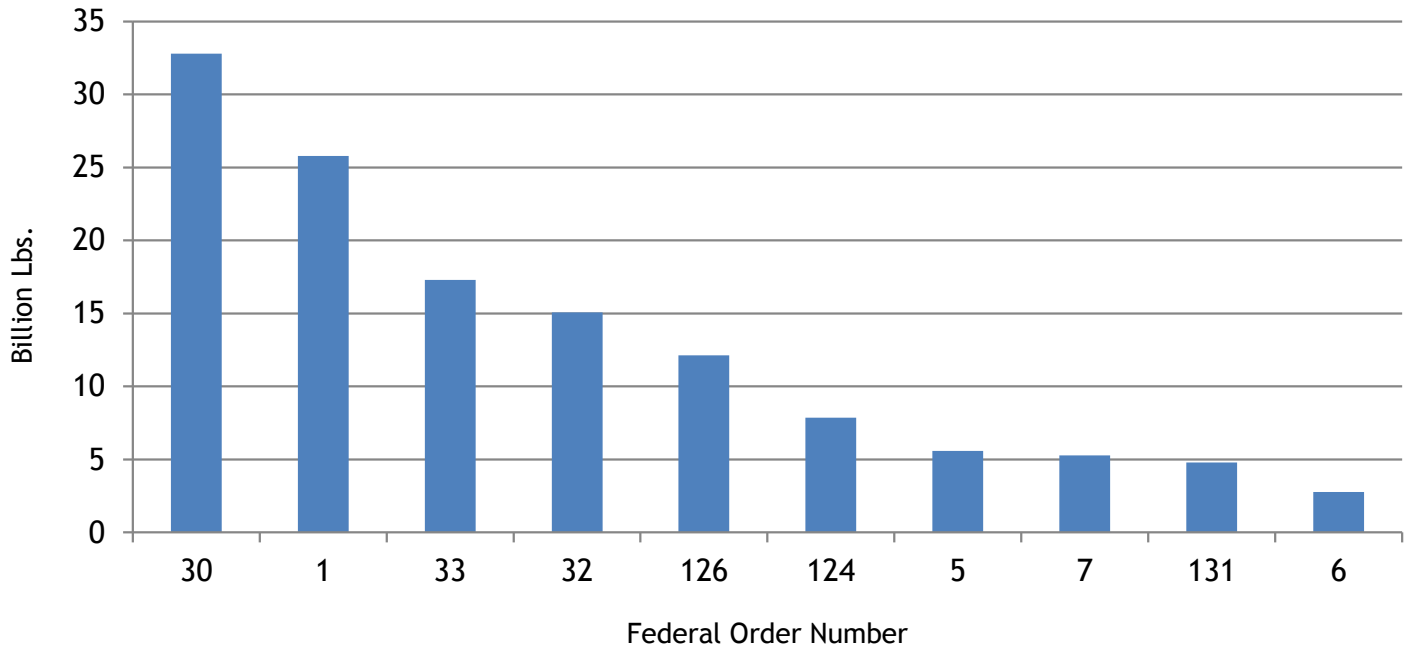
# AMS News

## Producer Milk Marketed under Federal Milk Orders by State of Origin

**Top 20 States Contributing to the Federal Order Pool, 2014**



**Producer Milk by Federal Order Pools, 2014**



# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2015	Apr 2015	May 2014	Apr 2014	May 2015	Apr 2015	May 2014	Apr 2014
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	(\$0.63)	(\$0.95)	\$0.85	(\$0.28)	+	+	+	+
Butterfat (\$/pound)	2.0599	1.8940	2.2721	2.1207	+	+	+	+
Protein (\$/pound)	2.5206	2.5551	3.9553	4.7089	+	+	+	+
Other Solids (\$/pound)	0.2533	0.2698	0.4897	0.4926	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$8.83	\$8.94	\$16.40	\$17.66
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.0415	1.8922	2.2653	2.1103
Statistical Uniform Price (\$/cwt)	\$15.56	\$14.86	\$23.42	\$24.03	\$15.67	\$15.25	\$23.75	\$24.43
<b>Producer Data</b>								
Number of Producers	<b>480</b>	422	582	473	<b>95</b>	95	94	91
Avg. Daily Production (pounds)	<b>40,335</b>	37,047	42,974	40,785	<b>146,431</b>	149,114	154,716	153,769
<b>Producer Milk Ratios</b>								
Class I	27.18%	34.68%	21.77%	29.10%	24.76%	25.91%	22.32%	25.55%
Class II	7.61%	9.27%	6.36%	8.40%	9.80%	9.81%	8.30%	10.75%
Class III	27.44%	5.27%	41.41%	25.28%	24.37%	19.89%	25.99%	22.57%
Class IV	37.77%	50.78%	30.46%	37.22%	41.07%	44.39%	43.39%	41.13%
<b>Market Shrinkage</b>								
Pounds	13,082,588	9,093,493	9,510,205	7,006,003	1,586,515	1,270,052	1,388,936	1,335,083
% of Producer Milk	2.18%	1.94%	1.23%	1.21%	0.37%	0.30%	0.31%	0.32%

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

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2015	Mar 2015	Apr 2014	Mar 2014	Apr 2015	Mar 2015	Apr 2014	Mar 2014
<b>Number of Handlers</b>								
Pool Handlers	21	21	22	24	7	7	7	7
<i>Distributing Plants</i>	13	12	13	13	5	5	5	5
<i>Supply Plants 1/</i>	3	4	4	6	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	<b>21</b>	19	20	19	<b>23</b>	24	21	23
<b>Class I Route Disposition In Area</b>								
By Pool Plants	146,749,264	152,123,960	150,059,515	152,685,874	81,839,070	86,358,157	83,341,075	87,044,497
By Producer-Handlers	7,023,087	7,266,700	6,199,688	7,246,652	0	0	0	0
By Other Plants	<b>10,511,195</b>	11,303,368	10,509,287	10,694,567	<b>8,620,697</b>	7,542,191	8,643,784	8,516,408
Total	164,283,546	170,694,028	166,768,490	170,627,093	90,459,767	93,900,348	91,984,859	95,560,905
<b>Producer-Handler Data</b>								
% Class I Use	63.11%	67.76%	58.41%	61.44%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.27%	4.26%	3.72%	4.25%	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			
	May 2015	Apr 2015	May 2014	Apr 2014	May 2015	Apr 2015	May 2014	Apr 2014
<i>Receipts of Milk</i>								
Total Producer Milk	600,178,419	469,017,444	775,339,697	578,737,220	431,240,029	424,974,951	450,842,574	419,790,454
Receipts From Other Sources	34,088,702	32,390,956	6,412,239	22,345,787	11,376,896	6,591,620	2,431,730	6,345,419
Opening Inventory	32,336,641	29,623,905	41,008,046	35,117,226	23,750,436	23,004,574	19,667,339	22,314,660
<b>Total To Be Accounted For</b>	<b>666,603,762</b>	<b>531,032,305</b>	<b>822,759,982</b>	<b>636,200,233</b>	<b>466,367,361</b>	<b>454,571,145</b>	<b>472,941,643</b>	<b>448,450,533</b>
<i>Utilization of Receipts</i>								
<i>Whole milk</i>	36,318,133	34,449,705	34,166,407	32,347,210	24,569,002	23,914,337	23,851,913	23,044,354
<i>Flavored milk &amp; drinks</i>	13,665,546	10,586,625	12,486,936	12,264,771	4,973,457	6,282,581	5,001,747	6,550,756
<i>2% milk</i>	55,658,803	54,939,920	61,957,088	61,410,335	29,535,425	29,307,032	30,104,508	29,647,476
<i>1% milk</i>	26,324,577	25,539,340	23,883,005	23,416,180	13,579,314	13,997,670	13,730,859	14,693,474
<i>Skim milk</i>	16,381,693	19,783,218	19,447,355	19,213,211	7,570,060	7,933,634	8,519,287	8,984,025
<i>Buttermilk</i>	1,501,576	1,450,456	1,477,526	1,407,808	385,911	403,816	413,259	420,990
Class I dispositions in area	149,850,328	146,749,264	153,418,317	150,059,515	80,613,169	81,839,070	81,621,573	83,341,075
Class I dispositions out of area	13,569,966	13,673,218	14,866,055	15,494,413	28,096,777	27,454,068	23,798,168	23,659,462
Other Class I usage	15,376,622	17,292,355	19,086,310	20,203,158	10,533,686	12,346,416	8,275,995	12,977,796
<i>Utilization by Class</i>								
Total Class I Use	178,796,916	177,714,837	187,370,682	185,757,086	119,243,632	121,639,554	113,695,736	119,978,333
Total Class II Use	52,209,356	49,121,649	54,505,026	53,632,454	43,168,545	42,579,822	38,341,708	45,901,460
Total Class III Use	164,751,768	24,725,725	323,681,324	158,292,461	105,091,431	84,519,946	117,381,792	94,733,530
Total Class IV Use	270,845,722	279,470,094	257,202,950	238,518,232	198,863,753	205,831,823	203,522,407	187,837,210
<b>Total Accounted For</b>	<b>666,603,762</b>	<b>531,032,305</b>	<b>822,759,982</b>	<b>636,200,233</b>	<b>466,367,361</b>	<b>454,571,145</b>	<b>472,941,643</b>	<b>448,450,533</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	May 2015	Apr 2015	May 2014	Apr 2014	May 2015	Apr 2015	May 2014	Apr 2014
<i>Producer milk</i>								
Class I	163,113,285	162,672,155	168,782,560	168,420,887	106,769,413	110,108,463	100,649,350	107,241,751
Class II	45,686,389	43,501,112	49,298,953	48,636,011	42,279,243	41,686,365	37,437,746	45,122,241
Class III	164,674,790	24,721,598	321,071,307	146,332,777	105,091,431	84,519,946	117,181,203	94,732,324
Class IV	226,703,955	238,122,579	236,186,877	215,347,545	177,099,942	188,660,177	195,574,275	172,694,138
<i>Other receipts</i>								
Class I	15,683,631	15,042,682	18,588,122	17,336,199	12,474,219	11,531,091	13,046,386	12,736,582
Class II	6,522,967	5,620,537	5,206,073	4,996,443	1/	1/	1/	1/
Class III	1/	1/	2,610,017	1/	0	0	1/	1/
Class IV	44,218,745	41,351,642	21,016,073	35,130,371	22,653,113	18,065,103	9,052,683	15,923,497
<i>Avg. daily producer receipts</i>	19,360,594	15,633,915	25,010,958	19,291,241	13,910,969	14,165,832	14,543,309	13,993,015
Change From Previous Year	-22.59%	-18.96%	3.49%	-19.53%	-4.35%	1.24%	7.51%	0.93%
<i>Avg. daily Class I use</i>	5,767,642	5,923,828	6,044,216	6,191,903	3,846,569	4,054,652	3,667,604	3,999,278
Change From Previous Year	-4.58%	-4.33%	-5.72%	-2.23%	4.88%	1.38%	-9.86%	-6.81%

1/ Restricted - Included with Class IV.



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Visit the MA website  
[www.fmmaseattle.com](http://www.fmmaseattle.com)

## FEDERAL ORDER STATISTICS FOR MAY

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)	2,252.3	731.9	32.50%	\$19.08	\$16.82
Appalachian (FO 5)	499.8	304.5	60.92%	\$19.23	\$17.83
Florida (FO 6)	223.3	185.3	83.01%	\$21.23	\$20.36
Southeast (FO 7)	453.6	307.0	67.68%	\$19.63	\$18.59
Upper Midwest (FO 30)	2,306.9	284.2	12.32%	\$17.63	\$16.20
Central (FO 32)	1,115.5	384.4	34.46%	\$17.83	\$15.98
Mideast (FO 33)	1,486.6	501.4	33.73%	\$17.83	\$15.98
Pacific Northwest (FO 124)	600.2	163.1	27.18%	\$17.73	\$15.56
Southwest (FO 126)	683.7	351.7	51.44%	\$18.83	\$16.74
Arizona (FO 131)	431.2	106.8	24.76%	\$18.18	\$15.67

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