



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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June 2016

Data for May 2016

MARKET SUMMARIES FOR MAY

Pacific Northwest (FO 124)

Producers delivered a total of 773.6 million pounds of milk to the market during May. Daily deliveries averaged 25.0 million pounds, up 28.9 percent from April. An estimated 559 producers delivered milk to the market during the month. Daily deliveries per producer averaged 44,642 pounds, up 4.0 percent from April.

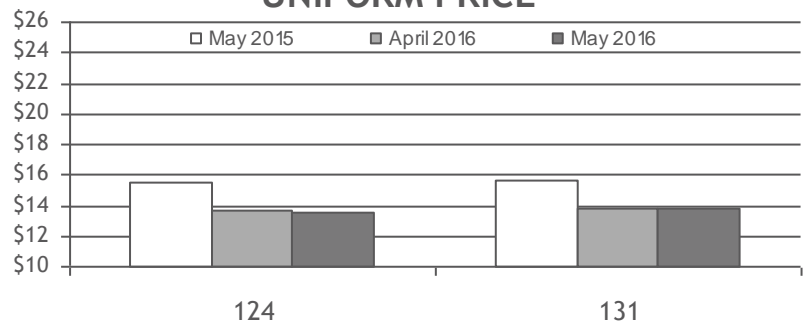
Class I producer milk during May totaled 164.3 million pounds, 21.2 percent of total producer receipts. Daily usage averaged 5.3 million pounds, up 4.1 percent from April. 🐄

Arizona (FO 131)

Producers delivered a total of 469.2 million pounds of milk to the market during May. Daily deliveries averaged 15.1 million pounds, up 2.0 percent from April. An estimated 92 producers delivered milk to the market during the month. Daily deliveries per producer averaged 164,499 pounds, up 2.0 percent from April.

Class I producer milk during May totaled 107.7 million pounds, 23.0 percent of total producer receipts. Daily usage averaged 3.5 million pounds, up 0.5 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%)	\$13.67	\$13.50	\$13.82	\$13.78
Uniform Price (at test)	\$14.79	\$14.72	\$13.82	\$13.78
PPD	\$0.04	\$0.74		
Butterfat	\$2.2376	\$2.2846		n/a
Protein	\$1.8450	\$1.4935		
Other Solids	\$0.0489	\$0.0529		
Uniform Skim			\$6.20	\$6.00
Uniform Butterfat		n/a	\$2.2390	\$2.2820
Butterfat	3.864%	3.894%	3.501%	3.501%
Protein	3.156%	3.199%		
Other Solids	5.746%	5.738%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Fluid Milk Processor Promotion Board Members
- ✓ National Organic Standards Board Recommendations
- ✓ Staff Article: Changes in Class I Market, 2000-2015

Federal Order Price Summaries

FINAL CLASS PRICES

The May 2016 Final Class Prices were calculated using AMS commodity price surveys from May 7, 14, 21, and 28, 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
Apr 2016	\$15.64	\$16.09	\$13.54	\$13.63	\$12.68	\$2.2376	\$1.8450	\$0.0489	\$0.5573
May 2016	\$15.60	\$16.05	\$13.53	\$12.76	\$13.09	\$2.2846	\$1.4935	\$0.0529	\$0.5870
Change	(\$0.04)	(\$0.04)	(\$0.01)	(\$0.87)	\$0.41	\$0.0470	(\$0.3515)	\$0.0040	\$0.0297

ADVANCED CLASS I PRICE

The July 2016 Advanced Price was calculated using AMS commodity price surveys from June 11 and 18, 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
Jun 2016	\$2.2908	\$5.31	\$5.16	\$5.31	\$13.14	\$15.04	\$15.49	\$5.86	\$0.6511
Jul 2016	\$2.3789	\$5.01	\$5.57	\$5.57	\$13.70	\$15.60	\$16.05	\$6.27	\$0.6967
Change	\$0.0881	(\$0.30)	\$0.41	\$0.26	\$0.56	\$0.56	\$0.56	\$0.41	\$0.0456

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	April	May	Change
Cheese	\$1.5041	\$1.4104	(\$0.0937)
Butter	\$2.0192	\$2.0580	\$0.0388
Nonfat Dry Milk	\$0.7307	\$0.7607	\$0.0300
Whey	\$0.2466	\$0.2505	\$0.0039

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	June	July	Change
Cheese	\$1.4477	\$1.4432	(\$0.0045)
Butter	\$2.0632	\$2.1359	\$0.0727
Nonfat Dry Milk	\$0.7469	\$0.7925	\$0.0456
Whey	\$0.2522	\$0.2576	\$0.0054

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 0.23 cents between the May 14 and the June 18 surveys, to \$1.4208 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 8.47 cents to \$1.5065 per pound.

The AMS butter price showed a net increase of 14.05 cents between the weeks ending May 14 and June 18 from \$2.0521 per pound to \$2.1926 per pound. The AMS nonfat dry milk showed a net increase of 4.47 cents since mid-May to \$0.7955 per pound. The average price for AMS whey showed a net increase of 1.05 cents since mid-May to \$0.2630 per pound. ▼

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2016	Apr 2016	May 2015	Apr 2015	May 2016	Apr 2016	May 2015	Apr 2015
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.74	\$0.04	(\$0.63)	(\$0.95)	+	+	+	+
Butterfat (\$/pound)	2.2846	2.2376	2.0599	1.8940	+	+	+	+
Protein (\$/pound)	1.4935	1.8450	2.5206	2.5551	+	+	+	+
Other Solids (\$/pound)	0.0529	0.0489	0.2533	0.2698	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$6.00	\$6.20	\$8.83	\$8.94
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.2820	2.2390	2.0415	1.8922
Statistical Uniform Price (\$/cwt)	\$13.50	\$13.67	\$15.56	\$14.86	\$13.78	\$13.82	\$15.67	\$15.25
Producer Data								
Number of Producers	559	451	466	422	92	92	95	95
Avg. Daily Production (pounds)	44,642	42,922	41,546	37,047	164,499	161,320	146,431	149,114
Producer Milk Ratios								
Class I	21.24%	26.32%	27.18%	34.68%	22.95%	23.29%	24.76%	25.91%
Class II	6.71%	7.09%	7.61%	9.27%	10.54%	10.35%	9.80%	9.81%
Class III	42.14%	26.43%	27.44%	5.27%	28.62%	25.99%	24.37%	19.89%
Class IV	29.91%	40.16%	37.77%	50.78%	37.89%	40.37%	41.07%	44.39%
Market Shrinkage								
Pounds	8,493,858	9,208,709	13,082,588	9,093,493	1,405,846	1,763,355	1,586,515	1,270,052
% of Producer Milk	1.10%	1.59%	2.18%	1.94%	0.30%	0.40%	0.37%	0.30%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2016	Mar 2016	Apr 2015	Mar 2015	Apr 2016	Mar 2016	Apr 2015	Mar 2015
Number of Handlers								
Pool Handlers	22	22	21	21	8	8	7	7
<i>Distributing Plants</i>	12	12	13	12	6	6	5	5
<i>Supply Plants 1/</i>	4	4	3	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	19	20	21	19	24	25	23	24
Class I Route Disposition In Area								
By Pool Plants	141,174,789	152,044,065	146,749,264	152,123,960	82,399,506	85,481,928	81,839,070	86,358,157
By Producer-Handlers	6,319,696	6,929,419	7,023,087	7,266,700	0	0	0	0
By Other Plants	11,642,984	11,644,213	10,511,195	11,303,368	7,786,438	8,087,978	8,620,697	7,542,191
Total	159,137,469	170,617,697	164,283,546	170,694,028	90,185,944	93,569,906	90,459,767	93,900,348
Producer-Handler Data								
% Class I Use	57.38%	58.43%	63.11%	67.76%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.97%	4.06%	4.27%	4.26%	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	Apr	May	Apr	May	Apr	May	Apr
	2016	2016	2015	2015	2016	2016	2015	2015
Receipts of Milk								
Total Producer Milk	773,600,435	580,732,044	600,178,419	469,017,444	469,150,626	445,244,577	431,240,029	424,974,951
Receipts From Other Sources	11,708,044	44,959,744	34,088,702	32,390,956	2,904,804	6,976,562	11,376,896	6,591,620
Opening Inventory	39,106,252	33,147,716	32,336,641	29,623,905	23,581,007	24,496,005	23,750,436	23,004,574
Total To Be Accounted For	824,414,731	658,839,504	666,603,762	531,032,305	495,636,437	476,717,144	466,367,361	454,571,145
Utilization of Receipts								
Whole milk	39,660,397	37,086,717	36,318,133	34,449,705	25,463,458	25,548,643	24,569,002	23,914,337
Flavored milk & drinks	13,818,392	12,284,144	13,665,546	10,586,625	6,520,634	7,746,590	4,973,457	6,282,581
2% milk	54,543,380	52,087,886	55,658,803	54,939,920	27,951,969	28,882,393	29,535,425	29,307,032
1% milk	24,930,318	23,768,554	26,324,577	25,539,340	12,234,564	13,230,976	13,579,314	13,997,670
Skim milk	15,299,575	14,625,923	16,381,693	19,783,218	6,497,111	6,990,904	7,570,060	7,933,634
Buttermilk	1,630,160	1,321,565	1,501,576	1,450,456	2/	2/	385,911	403,816
Class I dispositions in area	149,882,222	141,174,789	149,850,328	146,749,264	78,667,736	82,399,506	80,613,169	81,839,070
Class I dispositions out of area	10,933,752	10,870,454	13,569,966	13,673,218	27,706,681	24,059,950	28,096,777	27,454,068
Other Class I usage	19,677,680	18,844,092	15,376,622	17,292,355	11,446,280	10,497,491	10,533,686	12,346,416
Utilization by Class								
Total Class I Use	180,493,654	170,889,335	178,796,916	177,714,837	117,820,697	116,956,947	119,243,632	121,639,554
Total Class II Use	57,188,911	45,253,750	52,209,356	49,121,649	50,612,387	47,571,866	43,168,545	42,579,822
Total Class III Use	327,446,799	154,161,898	164,751,768	24,725,725	135,002,885	115,708,258	105,091,431	84,519,946
Total Class IV Use	259,285,367	288,534,521	270,845,722	279,470,094	192,200,468	196,480,073	198,863,753	205,831,823
Total Accounted For	824,414,731	658,839,504	666,603,762	531,032,305	495,636,437	476,717,144	466,367,361	454,571,145

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	May	Apr	May	Apr	May	Apr	May	Apr
	2016	2016	2015	2015	2016	2016	2015	2015
Producer milk								
Class I	164,321,290	152,824,420	163,113,285	162,672,155	107,680,523	103,676,471	106,769,413	110,108,463
Class II	51,894,198	41,190,632	45,686,389	43,501,112	49,448,581	46,096,917	42,279,243	41,686,365
Class III	325,968,113	153,514,393	164,674,790	24,721,598	134,273,493	115,708,258	105,091,431	84,519,946
Class IV	231,416,834	233,202,599	226,703,955	238,122,579	177,748,029	179,762,931	177,099,942	188,660,177
Other receipts								
Class I	16,172,364	18,064,915	15,683,631	15,042,682	10,140,174	13,280,476	12,474,219	11,531,091
Class II	5,294,713	4,063,118	6,522,967	5,620,537	1/	1/	1/	1/
Class III	1,478,686	1/	1/	1/	1/	0	0	0
Class IV	27,868,533	55,979,427	44,218,745	41,351,642	16,345,637	18,192,091	22,653,113	18,065,103
Avg. daily producer receipts	24,954,853	19,357,735	19,360,594	15,633,915	15,133,891	14,841,486	13,910,969	14,165,832
Change From Previous Year	28.90%	23.82%	-22.59%	-18.96%	8.79%	4.77%	-4.35%	1.24%
Avg. daily Class I use	5,822,376	5,696,311	5,767,642	5,923,828	3,800,668	3,898,565	3,846,569	4,054,652
Change From Previous Year	0.95%	-3.84%	-4.58%	-4.33%	-1.19%	-3.85%	4.88%	1.38%

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

USDA Updates

NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD MEMBER APPOINTMENTS

On June 2, 2016, Agriculture Secretary Vilsack announced the appointment of six members to fill vacancies on the National Fluid Milk Processor Promotion Board. The terms for these appointees are effective July 1, 2016, and expire on June 30, 2019.

Newly appointed members are: Stephen Jones, Chicago, Illinois; and Paul Corney, Dallas, Texas.

Newly reappointed are: James Walsh, Lynnfield, Massachusetts; Alan Bernon, Kansas City, Missouri; Jeffrey Springer, Dallas, Texas; and Brian DeFelice, Orrville, Ohio. 🐾

Source: USDA. Agricultural Marketing Service.

USDA PUBLISHES INDICES OF NATIONAL ORGANIC STANDARDS BOARD RECOMMENDATIONS

The U.S. Department of Agriculture's Agricultural Marketing Service (AMS) has published indices of recommendations made by the National Organic Standards Board (NOSB). The indices will facilitate public awareness of the status of all NOSB recommendations.

The National Organic Program has developed three indices, one each for recommendations related to practice standards, the National List of Allowed and Prohibited Substances, and the sunset review process.

The NOSB Recommendations Indices will be living documents that will be regularly updated and posted on the AMS website, www.ams.usda.gov. Questions, comments, or corrections related to the indices can be submitted via nop.guidance@ams.usda.gov. 🐾

Source: USDA. Agricultural Marketing Service.

FROM THE USDA BLOG: USDA MARKET NEWS—YOUR SOURCE FOR RETAIL COMMODITY PRICES

The following is an excerpt posted on the USDA blog.

As an unbiased agricultural resource, Market News retail reports help encourage market stability and transparency by promoting healthy competition within the marketplace and providing equal access to market information for small and mid-sized producers and retailers.

The entire agricultural supply chain turns to USDA Market News—administered by USDA's Agricultural Marketing Service—for the data they need when they need it. Serving stakeholders of all sizes and at all levels of trading, from small producer to retailer to consumer, USDA Market News allows producers and purchasers to realistically compare prices, trends, supply and demand from day to day and from market to market across the country. 🐾

Source: USDA.

NEW STAFF ARTICLE POSTED ON MA WEBSITE

Changes in the Pacific Northwest Order's Class I Market: 2000 - 2015

Change is perhaps the only constant. Significant changes in the character of the Class I market of the Pacific Northwest Order over the last 15 years illustrate this point. The Class I market is essentially milk sold as a beverage. Staff Article 16-03 uses a variety of perspectives to illustrate the changes in the Class I market from 2000 through 2015.

The article can be found at: www.fmmaseattle.com/statistics/PNWClassI2000-2015.pdf. 🐾

Federal Order Statistics for May 2016

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price
	- million pounds -			- per cwt (at location) -	
Northeast (FO 1)	2,372.9	736.5	31.04%	\$16.95	\$14.73
Appalachian (FO 5)	490.4	313.7	63.97%	\$17.10	\$15.98
Florida (FO 6)	228.2	185.1	81.11%	\$19.10	\$18.10
Southeast (FO 7)	479.1	308.8	64.45%	\$17.50	\$16.27
Upper Midwest (FO 30)	3,164.9	280.2	8.85%	\$15.50	\$13.08
Central (FO 32)	1,509.2	392.4	26.00%	\$15.70	\$13.53
Mideast (FO 33)	1,825.6	520.7	28.52%	\$15.70	\$13.81
Pacific Northwest (FO 124)	773.6	164.3	21.24%	\$15.60	\$13.50
Southwest (FO 126)	1,260.9	357.1	28.32%	\$16.70	\$14.40
Arizona (FO 131)	469.2	107.7	22.95%	\$16.05	\$13.78

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



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