



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 2018

Data for May 2018

MARKET SUMMARIES FOR MAY

Pacific Northwest (FO 124)

Producers delivered a total of 770.2 million pounds of milk to the market during May. Daily deliveries averaged 24.8 million pounds, up 19.4 percent from April. An estimated 528 producers delivered milk to the market during the month. Daily deliveries per producer averaged 47,054 pounds, down 0.9 percent from April.

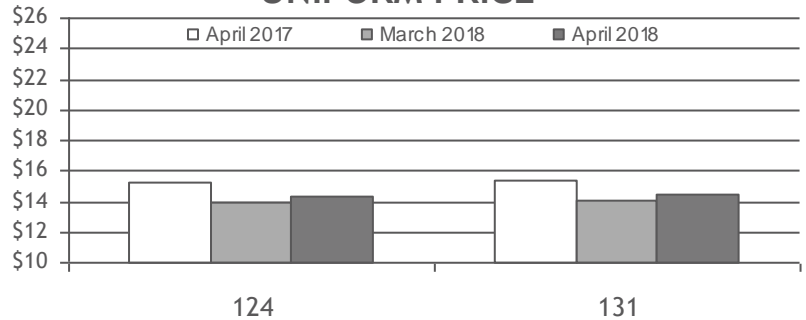
Class I producer milk during May totaled 156.0 million pounds, 20.3 percent of total producer receipts. Daily usage averaged 5.0 million pounds, up 2.1 percent from April. 🐄

Arizona (FO 131)

Producers delivered a total of 459.3 million pounds of milk to the market during May. Daily deliveries averaged 14.8 million pounds, up 0.5 percent from April. An estimated 80 producers delivered milk to the market during the month. Daily deliveries per producer averaged 185,220 pounds, up 0.5 percent from April.

Class I producer milk during May totaled 105.5 million pounds, 23.0 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 2.7 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%)	\$14.32	\$15.18	\$14.50	\$15.28
Uniform Price (at test)	\$15.97	\$16.78	\$14.79	\$15.55
PPD	(\$0.15)	\$0.00		
Butterfat	\$2.5113	\$2.6239		n/a
Protein	\$1.7810	\$1.8609		
Other Solids	\$0.0619	\$0.0742		
Uniform Skim			\$5.94	\$6.37
Uniform Butterfat		n/a	\$2.5045	\$2.6087
Butterfat	3.994%	3.967%	3.619%	3.605%
Protein	3.216%	3.192%		
Other Solids	5.755%	5.762%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ California Producers Approve FMMO
- ✓ FMMO Training Sessions for California Handlers

Federal Order Price Summaries

FINAL CLASS PRICES

The May 2018 Final Class Prices were calculated using AMS commodity price surveys from May 5, 12, 19, and 26, 2018. 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 2018	\$16.00	\$16.45	\$14.03	\$14.47	\$13.48	\$2.5113	\$1.7810	\$0.0619	\$0.5401
May 2018	\$16.34	\$16.79	\$14.47	\$15.18	\$14.57	\$2.6239	\$1.8609	\$0.0742	\$0.6196
Change	\$0.34	\$0.34	\$0.44	\$0.71	\$1.09	\$0.1126	\$0.0799	\$0.0123	\$0.0795

ADVANCED CLASS I PRICE

The July 2018 Advanced Price was calculated using AMS commodity price surveys from June 9 and 16, 2018. 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 2018	\$2.6074	\$6.35	\$5.63	\$6.35	\$15.25	\$17.15	\$17.60	\$6.33	\$0.7033
Jul 2018	\$2.6641	\$6.25	\$5.85	\$6.25	\$15.36	\$17.26	\$17.71	\$6.55	\$0.7278
Change	\$0.0567	(\$0.10)	\$0.22	(\$0.10)	\$0.11	\$0.11	\$0.11	\$0.22	\$0.0245

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	April	May	Change
Cheese	\$1.5737	\$1.6353	\$0.0616
Butter	\$2.2452	\$2.3382	\$0.0930
Nonfat Dry Milk	\$0.7134	\$0.7937	\$0.0803
Whey	\$0.2592	\$0.2711	\$0.0119

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	June	July	Change
Cheese	\$1.6438	\$1.6324	(\$0.0114)
Butter	\$2.3246	\$2.3714	\$0.0468
Nonfat Dry Milk	\$0.7993	\$0.8249	\$0.0256
Whey	\$0.2712	\$0.3041	\$0.0329

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and a net decrease for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 3.14 cents between the May 19 and the June 16 surveys, to \$1.6473 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 4.01 cents to \$1.5747 per pound.

The AMS butter price showed a net increase of 3.88 cents between the weeks ending May 19 and June 16 from \$2.3251 per pound to \$2.3639 per pound. The AMS nonfat dry milk showed a net increase of 0.54 cents since mid-May to \$0.8212 per pound. The average price for AMS whey showed an increase of 3.73 cents since mid-May to \$0.3099 per pound. 

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2018	Apr 2018	May 2017	Apr 2017	May 2018	Apr 2018	May 2017	Apr 2017
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.00	(\$0.15)	(\$0.14)	\$0.01	+	+	+	+
Butterfat (\$/pound)	2.6239	2.5113	2.4134	2.3548	+	+	+	+
Protein (\$/pound)	1.8609	1.7810	1.7723	1.6955	+	+	+	+
Other Solids (\$/pound)	0.0742	0.0619	0.3196	0.3350	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$6.37	\$5.94	\$7.34	\$7.30
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.6087	2.5045	2.4129	2.3723
Statistical Uniform Price (\$/cwt)	\$15.18	\$14.32	\$15.43	\$15.23	\$15.28	\$14.50	\$15.53	\$15.35
Producer Data								
Number of Producers	528	438	445	446	80	80	89	88
Avg. Daily Production (pounds)	47,054	47,501	45,891	45,562	185,220	184,257	162,141	167,167
Producer Milk Ratios								
Class I	20.26%	23.69%	25.71%	24.18%	22.98%	23.73%	24.10%	22.99%
Class II	6.85%	7.34%	7.33%	6.96%	8.99%	8.79%	9.13%	8.85%
Class III	41.51%	30.50%	29.60%	29.87%	23.81%	21.88%	23.65%	23.40%
Class IV	31.38%	38.47%	37.36%	38.99%	44.22%	45.60%	43.12%	44.76%
Market Shrinkage								
Pounds	8,000,672	7,496,152	7,382,417	8,751,440	2,916,307	2,044,768	1,339,003	2,306,328
% of Producer Milk	1.04%	1.20%	1.17%	1.44%	0.63%	0.46%	0.30%	0.52%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2018	Mar 2018	Apr 2017	Mar 2017	Apr 2018	Mar 2018	Apr 2017	Mar 2017
Number of Handlers								
Pool Handlers	22	22	21	23	8	8	8	8
<i>Distributing Plants</i>	11	11	11	12	6	6	6	6
<i>Supply Plants 1/</i>	5	5	4	4	1	1	1	1
<i>Cooperatives</i>	6	6	6	7	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	24	23	21	19	24	24	22	23
Class I Route Disposition In Area								
By Pool Plants	134,774,037	143,020,840	138,043,950	150,222,695	80,058,114	83,100,769	73,806,329	80,553,790
By Producer-Handlers	6,164,548	6,384,115	6,371,805	6,952,698	0	0	0	0
By Other Plants	11,711,027	12,527,611	11,666,382	12,136,822	8,050,172	8,594,398	8,162,480	9,057,959
Total	152,649,612	161,932,566	156,082,137	169,312,215	88,108,286	91,695,167	81,968,809	89,611,749
Producer-Handler Data								
% Class I Use	54.02%	49.11%	51.54%	56.71%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.04%	3.94%	4.08%	4.11%	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 2018	Apr 2018	May 2017	Apr 2017	May 2018	Apr 2018	May 2017	Apr 2017
Receipts of Milk								
Total Producer Milk	770,186,686	624,166,019	633,064,445	609,623,580	459,346,473	442,217,701	447,345,641	441,319,701
Receipts From Other Sources	13,146,858	10,651,440	19,203,438	14,316,870	4,854,092	6,755,816	2,901,749	2,995,900
Opening Inventory	40,069,076	35,503,848	34,746,111	33,828,342	19,155,043	24,959,075	23,706,406	22,608,817
Total To Be Accounted For	823,402,620	670,321,307	687,013,994	657,768,792	483,355,608	473,932,592	473,953,796	466,924,418
Utilization of Receipts								
Whole milk	41,797,820	40,391,686	41,464,383	38,898,377	26,905,120	26,930,268	25,785,745	24,091,923
Flavored milk & drinks	13,869,220	12,898,124	13,914,106	13,199,678	6,216,497	7,617,091	6,963,215	7,244,199
2% milk	49,360,771	48,426,402	51,596,764	50,022,328	27,213,112	27,990,197	26,953,589	25,747,988
1% milk	21,237,895	20,267,203	22,937,447	21,880,326	10,519,676	11,579,474	11,255,077	11,158,575
Skim milk	11,752,571	11,334,453	13,303,800	12,584,558	5,278,756	5,941,084	5,571,110	5,563,644
Buttermilk	1,527,228	1,456,169	1,625,078	1,458,683	2/	2/	2/	2/
Class I dispositions in area	139,545,505	134,774,037	144,841,578	138,043,950	76,133,161	80,058,114	76,528,736	73,806,329
Class I dispositions out of area	10,837,798	10,012,537	11,079,933	10,564,423	27,408,294	26,258,373	30,103,893	28,895,548
Other Class I usage	24,064,693	22,224,715	23,166,262	18,647,910	12,564,933	11,067,404	12,075,011	11,353,732
Utilization by Class								
Total Class I Use	174,447,996	167,011,289	179,087,773	167,256,283	116,106,388	117,383,891	118,707,640	114,055,609
Total Class II Use	59,746,255	48,638,502	51,649,580	45,393,062	44,958,280	42,140,990	42,419,359	40,459,563
Total Class III Use	320,750,383	190,379,442	187,757,022	182,103,356	109,448,408	96,762,953	1/	1/
Total Class IV Use	268,457,986	264,292,074	268,519,619	263,016,091	212,842,532	217,644,758	312,826,797	312,409,246
Total Accounted For	823,402,620	670,321,307	687,013,994	657,768,792	483,355,608	473,932,592	473,953,796	466,924,418

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	May 2018	Apr 2018	May 2017	Apr 2017	May 2018	Apr 2018	May 2017	Apr 2017
Producer milk								
Class I	156,005,159	147,841,257	162,757,871	147,380,695	105,536,264	104,936,788	107,796,944	101,451,452
Class II	52,739,464	45,789,089	46,421,381	42,427,421	41,306,481	38,873,309	40,833,857	39,061,514
Class III	319,701,503	190,377,600	187,395,170	182,103,356	109,379,451	96,762,953	105,781,858	103,258,641
Class IV	241,740,560	240,158,073	236,490,023	237,712,108	203,124,277	201,644,651	192,932,982	197,548,094
Other receipts								
Class I	18,442,837	19,170,032	16,329,902	19,875,588	10,570,124	12,447,103	10,910,696	12,604,157
Class II	7,006,791	2,849,413	5,228,199	2,965,641	3,651,799	1/	1/	1/
Class III	1/	1/	1/	0	1/	0	1/	1/
Class IV	27,766,306	24,135,843	32,391,448	25,303,983	9,787,212	19,267,788	15,697,459	13,000,560
Avg. daily producer receipts	24,844,732	20,805,534	20,421,434	20,320,786	14,817,628	14,740,590	14,430,505	14,710,657
Change From Previous Year	21.66%	2.39%	-18.17%	4.98%	2.68%	0.20%	-4.65%	-0.88%
Avg. daily Class I use	5,627,355	5,567,043	5,777,025	5,575,209	3,745,367	3,912,796	3,829,279	3,801,854
Change From Previous Year	-2.59%	-0.15%	-0.78%	-2.13%	-2.19%	2.92%	0.75%	-2.48%

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

USDA News

USDA ANNOUNCES PRODUCER APPROVAL OF CALIFORNIA FEDERAL MILK MARKETING ORDER

The U.S. Department of Agriculture has announced that California dairy producers have voted to approve a Federal Milk Marketing Order (FMMO) for the entire State of California. As a result of this favorable vote, USDA published a final rule in the Federal Register on June 8, 2018, indicating that approval. The new California FMMO will be implemented October 17, 2018, with publication of the Announcement of Advanced Prices and Pricing Factors, and affected parties must comply with all provisions beginning November 1, 2018. USDA will work over the next few months to educate handlers who will become regulated by the new FMMO.

California represents over 18 percent of all U.S. milk production and is currently regulated by a state milk marketing order administered by the California Department of Agriculture (CDFA). Once this new FMMO is established, over 80 percent of the U.S. milk supply would fall under the FMMO regulatory framework.

FMMOs are legal instruments that regulate the sale of milk between dairy farmers and the first buyer. Where appropriate, the California FMMO adopts the uniform order provisions contained in the 10 current FMMOs in the national system. These uniform provisions include, but are not limited to, dairy product classification, end-product price formulas, and the producer-handler definition. The new FMMO recognizes the unique market structure of the California dairy industry through tailored, performance-based standards to determine eligibility for pool participation. The order also provides for the recognition of producer quota as administered by the CDFA.

The entire record of the rulemaking is available at www.ams.usda.gov/caorder. The full text of the Final Rule can be found on the [Federal Register](#) website. 🐮

Source: USDA. Press Release No. 0123.18. Available at www.usda.gov.

FMMO TRAINING SESSIONS FOR CALIFORNIA HANDLERS

Beginning in July, a group of current Federal Milk Marketing Order (FMMO) employees will lead in-person handler training sessions designed to build on the informational webinar found on the new [California FMMO](#) website. The trainings will begin with a half-day group training session, to be followed by individual meetings between FMMO employees and handlers. The individual meetings will focus on answering questions and providing information relevant to specific plant operations. There will be three training locations:

Los Angeles Area: July 16-20, 2018

Central Valley Area: July 23-27, 2018

San Francisco Bay Area: July 23-27, 2018

Details regarding the training sessions and information on how to register, as well as a copy of the regulations, can be found at www.cafmmo.com. 🐮

Federal Order Statistics for May 2018

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)	2,435.4	735.7	30.21%	\$17.69	\$16.14
Appalachian (FO 5)	487.4	330.2	67.75%	\$17.84	\$17.20
Florida (FO 6)	209.0	177.4	84.86%	\$19.84	\$19.25
Southeast (FO 7)	456.8	309.5	67.75%	\$18.24	\$17.46
Upper Midwest (FO 30)	2,589.9	257.9	9.96%	\$16.24	\$15.25
Central (FO 32)	1,416.6	391.8	27.65%	\$16.44	\$15.11
Mideast (FO 33)	1,673.8	511.1	30.54%	\$16.44	\$15.33
Pacific Northwest (FO 124)	770.2	156.0	20.26%	\$16.34	\$15.18
Southwest (FO 126)	1,282.6	350.4	27.32%	\$17.44	\$16.02
Arizona (FO 131)	459.3	105.5	22.98%	\$16.79	\$15.28

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



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