



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

William A. Wise, Market Administrator

Volume 42, No. 7

July 2016

Data for June 2016

MARKET SUMMARIES FOR JUNE

Pacific Northwest (FO 124)

Producers delivered a total of 746.6 million pounds of milk to the market during June. Daily deliveries averaged 24.9 million pounds, down 0.3 percent from May. An estimated 553 producers delivered milk to the market during the month. Daily deliveries per producer averaged 45,004 pounds, down 0.3 percent from May.

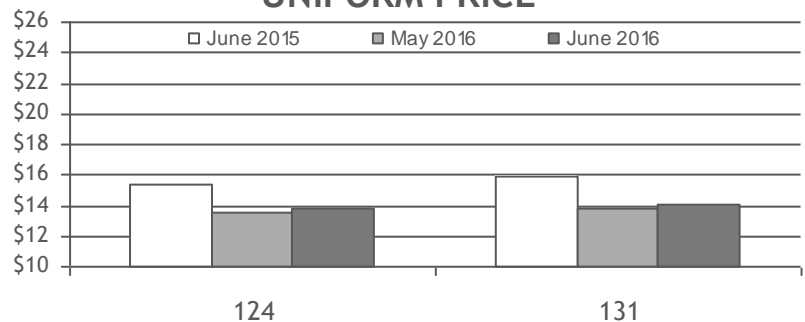
Class I producer milk during June totaled 152.8 million pounds, 20.5 percent of total producer receipts. Daily usage averaged 5.1 million pounds, down 3.9 percent from May. 🐄

Arizona (FO 131)

Producers delivered a total of 434.8 million pounds of milk to the market during June. Daily deliveries averaged 14.5 million pounds, down 4.2 percent from May. An estimated 91 producers delivered milk to the market during the month. Daily deliveries per producer averaged 159,273 pounds, down 4.2 percent from May.

Class I producer milk during June totaled 102.0 million pounds, 23.5 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 2.2 percent from May. 🐄

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	May	Jun	May	Jun
Uniform Price (at 3.5%)	\$13.50	\$13.84	\$13.78	\$14.13
Uniform Price (at test)	\$14.72	\$15.05	\$13.78	\$14.12
PPD	\$0.74	\$0.62		
Butterfat	\$2.2846	\$2.4109	n/a	
Protein	\$1.4935	\$1.4807		
Other Solids	\$0.0529	\$0.0628		
Uniform Skim			\$6.00	\$5.94
Uniform Butterfat	n/a		\$2.2820	\$2.3995
Butterfat	3.894%	3.880%	3.501%	3.497%
Protein	3.199%	3.183%	n/a	
Other Solids	5.738%	5.744%		

HIGHLIGHTS THIS ISSUE

- ✓ Number of Producers and Pounds of Milk: May 2016
- ✓ Pounds of Producer Milk by County: May 2016
- ✓ Staff Article: Changes in Class I Market, 2000-2015

Federal Order Price Summaries

FINAL CLASS PRICES

The June 2016 Final Class Prices were calculated using AMS commodity price surveys from June 4, 11, 18, and 25, 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
May 2016	\$15.60	\$16.05	\$13.53	\$12.76	\$13.09	\$2.2846	\$1.4935	\$0.0529	\$0.5870
Jun 2016	\$15.04	\$15.49	\$14.12	\$13.22	\$13.77	\$2.4109	\$1.4807	\$0.0628	\$0.6148
Change	(\$0.56)	(\$0.56)	\$0.59	\$0.46	\$0.68	\$0.1263	(\$0.0128)	\$0.0099	\$0.0278

ADVANCED CLASS I PRICE

The August 2016 Advanced Price was calculated using AMS commodity price surveys from July 9 and 16, 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
Jul 2016	\$2.3789	\$5.01	\$5.57	\$5.57	\$13.70	\$15.60	\$16.05	\$6.27	\$0.6967
Aug 2016	\$2.6073	\$6.16	\$6.01	\$6.16	\$15.07	\$16.97	\$17.42	\$6.71	\$0.7456
Change	\$0.2284	\$1.15	\$0.44	\$0.59	\$1.37	\$1.37	\$1.37	\$0.44	\$0.0489

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	May	June	Change
Cheese	\$1.4104	\$1.4477	\$0.0373
Butter	\$2.0580	\$2.1623	\$0.1043
Nonfat Dry Milk	\$0.7607	\$0.7888	\$0.0281
Whey	\$0.2505	\$0.2601	\$0.0096

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	July	August	Change
Cheese	\$1.4432	\$1.6231	\$0.1799
Butter	\$2.1359	\$2.3245	\$0.1886
Nonfat Dry Milk	\$0.7925	\$0.8428	\$0.0503
Whey	\$0.2576	\$0.2745	\$0.0169

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed an increase of 16.72 cents between the June 18 and the July 16 surveys, to \$1.5869 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed an increase of 18.60 cents to \$1.6925 per pound.

The AMS butter price showed a net increase of 12.29 cents between the weeks ending June 18 and July 16 from \$2.1852 per pound to \$2.3081 per pound. The AMS nonfat dry milk showed a net increase of 4.01 cents since mid-June to \$0.8357 per pound. The average price for AMS whey showed a net increase of 1.03 cents since mid-June to \$0.2733 per pound. 

Monthly Selected Statistics

	PACIFIC NORTHWEST				ARIZONA			
PRICE & POOL DATA	Jun 2016	May 2016	Jun 2015	May 2015	Jun 2016	May 2016	Jun 2015	May 2015
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.62	\$0.74	(\$1.34)	(\$0.63)	+	+	+	+
Butterfat (\$/pound)	2.4109	2.2846	2.1011	2.0599	+	+	+	+
Protein (\$/pound)	1.4807	1.4935	2.6915	2.5206	+	+	+	+
Other Solids (\$/pound)	0.0628	0.0529	0.2322	0.2533	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$5.94	\$6.00	\$8.93	\$8.83
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.3995	2.2820	2.0954	2.0415
Statistical Uniform Price (\$/cwt)	\$13.84	\$13.50	\$15.38	\$15.56	\$14.13	\$13.78	\$15.95	\$15.67
Producer Data								
Number of Producers	553	553	445	466	91	91	95	95
Avg. Daily Production (pounds)	45,004	45,126	34,524	41,546	159,273	166,306	139,279	146,431
Producer Milk Ratios								
Class I	20.46%	21.24%	34.59%	27.18%	23.45%	22.95%	26.44%	24.76%
Class II	6.27%	6.71%	9.73%	7.61%	12.12%	10.54%	11.70%	9.80%
Class III	41.58%	42.14%	1.96%	27.44%	31.99%	28.62%	25.03%	24.37%
Class IV	31.69%	29.91%	53.72%	37.77%	32.44%	37.89%	36.83%	41.07%
Market Shrinkage								
Pounds	11,748,306	8,493,858	8,556,884	13,082,588	1,579,263	1,405,846	1,305,411	1,586,515
% of Producer Milk	1.57%	1.10%	1.86%	2.18%	0.36%	0.30%	0.33%	0.37%

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

Monthly Supplemental Statistics

	PACIFIC NORTHWEST				ARIZONA			
SUPPLEMENTAL DATA	May 2016	Apr 2016	May 2015	Apr 2015	May 2016	Apr 2016	May 2015	Apr 2015
Number of Handlers								
Pool Handlers	24	22	21	21	8	8	7	7
Distributing Plants	11	12	12	13	6	6	5	5
Supply Plants 1/	7	4	4	3	1	1	1	1
Cooperatives	6	6	5	5	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	21	19	21	21	24	24	24	23
Class I Route Disposition In Area								
By Pool Plants	149,882,222	141,174,789	149,850,328	146,749,264	78,667,736	82,399,506	80,613,169	81,839,070
By Producer-Handlers	6,904,574	6,319,696	7,144,232	7,023,087	0	0	0	0
By Other Plants	11,540,074	11,642,984	11,803,037	10,511,195	7,475,295	7,786,438	7,202,153	8,620,697
Total	168,326,870	159,137,469	168,797,597	164,283,546	86,143,031	90,185,944	87,815,322	90,459,767
Producer-Handler Data								
% Class I Use	59.13%	57.38%	64.55%	63.11%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.10%	3.97%	4.23%	4.27%	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			
	Jun	May	Jun	May	Jun	May	Jun	May
	2016	2016	2015	2015	2016	2016	2015	2015
Receipts of Milk								
Total Producer Milk	746,614,703	773,600,435	460,895,890	600,178,419	434,815,433	469,150,626	396,946,549	431,240,029
Receipts From Other Sources	10,529,109	11,708,044	46,193,317	34,088,702	6,463,940	2,904,804	13,787,048	11,376,896
Opening Inventory	41,854,289	39,106,252	30,809,454	32,336,641	21,372,080	23,581,007	19,623,940	23,750,436
Total To Be Accounted For	798,998,101	824,414,731	537,898,661	666,603,762	462,651,453	495,636,437	430,357,537	466,367,361
Utilization of Receipts								
Whole milk	38,723,604	39,660,397	35,992,060	36,318,133	24,667,056	25,463,458	24,260,142	24,569,002
Flavored milk & drinks	8,881,784	13,818,392	8,628,091	13,665,546	4,023,229	6,520,634	2,969,759	4,973,457
2% milk	52,551,350	54,543,380	54,120,085	55,658,803	26,881,155	27,951,969	29,016,717	29,535,425
1% milk	21,630,892	24,930,318	23,437,133	26,324,577	10,447,509	12,234,564	12,126,628	13,579,314
Skim milk	14,204,214	15,299,575	16,616,515	16,381,693	5,651,158	6,497,111	6,882,015	7,570,060
Buttermilk	1,594,560	1,630,160	1,523,914	1,501,576	2/	2/	360,015	385,911
Class I dispositions in area	137,586,404	149,882,222	140,317,798	149,850,328	71,670,107	78,667,736	75,615,276	80,613,169
Class I dispositions out of area	12,581,469	10,933,752	14,004,207	13,569,966	28,333,787	27,706,681	26,850,033	28,096,777
Other Class I usage	19,856,120	19,677,680	21,106,926	15,376,622	13,308,078	11,446,280	13,599,803	10,533,686
Utilization by Class								
Total Class I Use	170,023,993	180,493,654	175,428,931	178,796,916	113,311,972	117,820,697	116,065,112	119,243,632
Total Class II Use	51,041,672	57,188,911	54,440,311	52,209,356	53,916,881	50,612,387	47,313,696	43,168,545
Total Class III Use	312,537,229	327,446,799	9,056,768	164,751,768	140,509,256	135,002,885	99,509,792	105,091,431
Total Class IV Use	265,395,207	259,285,367	298,972,651	270,845,722	154,913,344	192,200,468	167,468,937	198,863,753
Total Accounted For	798,998,101	824,414,731	537,898,661	666,603,762	462,651,453	495,636,437	430,357,537	466,367,361

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jun	May	Jun	May	Jun	May	Jun	May
	2016	2016	2015	2015	2016	2016	2015	2015
Producer milk								
Class I	152,786,416	164,321,290	159,446,882	163,113,285	101,959,490	107,680,523	104,954,107	106,769,413
Class II	46,842,735	51,894,198	44,835,873	45,686,389	52,698,151	49,448,581	46,440,959	42,279,243
Class III	310,427,947	325,968,113	9,013,789	164,674,790	139,093,960	134,273,493	99,360,491	105,091,431
Class IV	236,557,605	231,416,834	247,599,346	226,703,955	141,063,832	177,748,029	146,190,992	177,099,942
Other receipts								
Class I	17,237,577	16,172,364	15,982,049	15,683,631	11,352,482	10,140,174	11,111,005	12,474,219
Class II	4,198,937	5,294,713	9,604,438	6,522,967	1/	1/	1/	1/
Class III	2,109,282	1,478,686	1/	1/	1,415,296	1/	1/	0
Class IV	28,837,602	27,868,533	51,416,284	44,218,745	15,068,242	16,345,637	22,299,983	22,653,113
Avg. daily producer receipts	24,887,157	24,954,853	15,363,196	19,360,594	14,493,848	15,133,891	13,231,552	13,910,969
Change From Previous Year	61.99%	28.90%	-38.51%	-22.59%	9.54%	8.79%	-2.52%	-4.35%
Avg. daily Class I use	5,667,466	5,822,376	5,847,631	5,767,642	3,777,066	3,800,668	3,868,837	3,846,569
Change From Previous Year	-3.08%	0.95%	0.74%	-4.58%	-2.37%	-1.19%	5.71%	4.88%

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

Number of Producers and Pounds of Milk: May 2016

State	County 1/	Producers	Milk	State	County 1/	Producers	Milk
ARIZONA ORDER				PACIFIC NORTHWEST ORDER (CONTINUED)			
<i>Arizona</i>				<i>Washington</i>			
	Maricopa	47	234,077,059		Adams	9	19,830,719
	Pinal	26	174,725,319		Benton	3	7,597,182
	Restricted 2/	7	33,264,960		Clark	6	6,840,751
	Total Arizona	80	442,067,338		Franklin	11	50,732,825
<i>California</i>					Grant	20	59,490,139
	Restricted 3/	11	27,083,288		Grays Harbor	9	5,107,350
Total Arizona Order					King	22	13,242,432
					Klickitat	3	1,679,006
					Lewis	27	10,902,651
					Pacific	7	2,402,885
					Skagit	30	24,119,723
					Snohomish	20	20,817,683
					Spokane	5	1,317,309
					Stevens	7	1,226,243
					Thurston	9	11,578,544
					Whatcom	97	83,611,827
					Yakima	64	233,851,329
					Restricted 4/ 6/	9	5,195,894
					Total Washington	358	559,544,492
					Total Pacific Northwest Order	553	773,553,894
					Total for Both Orders	644	1,242,704,520
PACIFIC NORTHWEST ORDER							
<i>Idaho</i>							
	Restricted	4/	4/				
<i>Oregon</i>							
	Benton	4	3,297,587				
	Clackamas	6	776,941				
	Clatsop	3	1,767,811				
	Coos	10	5,607,471				
	Josephine	3	891,807				
	Klamath	5	5,768,717				
	Lane	3	5,070,647				
	Linn	6	3,621,587				
	Marion	27	28,737,860				
	Morrow	6	74,637,054				
	Polk	4	10,907,053				
	Tillamook	92	50,393,548				
	Umatilla	4	5,788,738				
	Washington	11	4,690,701				
	Yamhill	6	10,995,919				
	Restricted 5/	5	1,055,961				
	Total Oregon	195	214,009,402				

1/ Restricted Counties Identified in Footnotes 2-6.

2/ Cochise, Greenlee, La Paz, & Yuma, AZ, & Bailey & Parmer, TX.

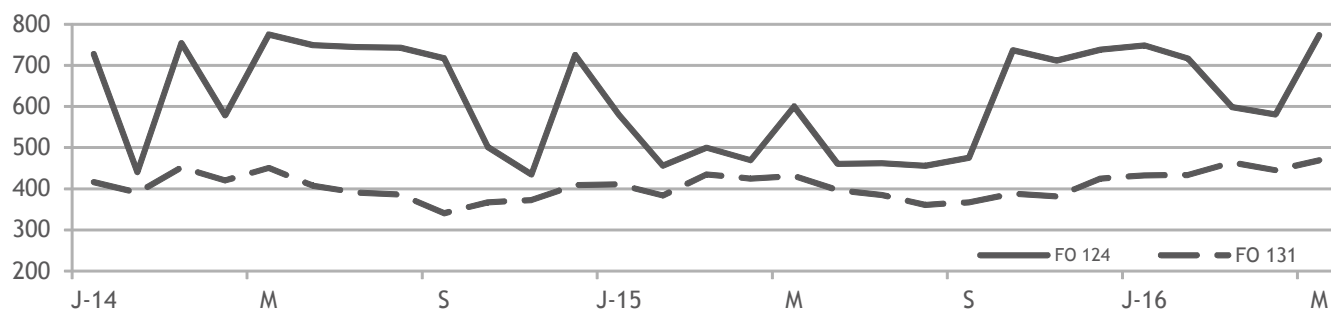
3/ Imperial, Riverside, & San Bernardino, CA.

4/ Idaho included with Washington's restricted counties.

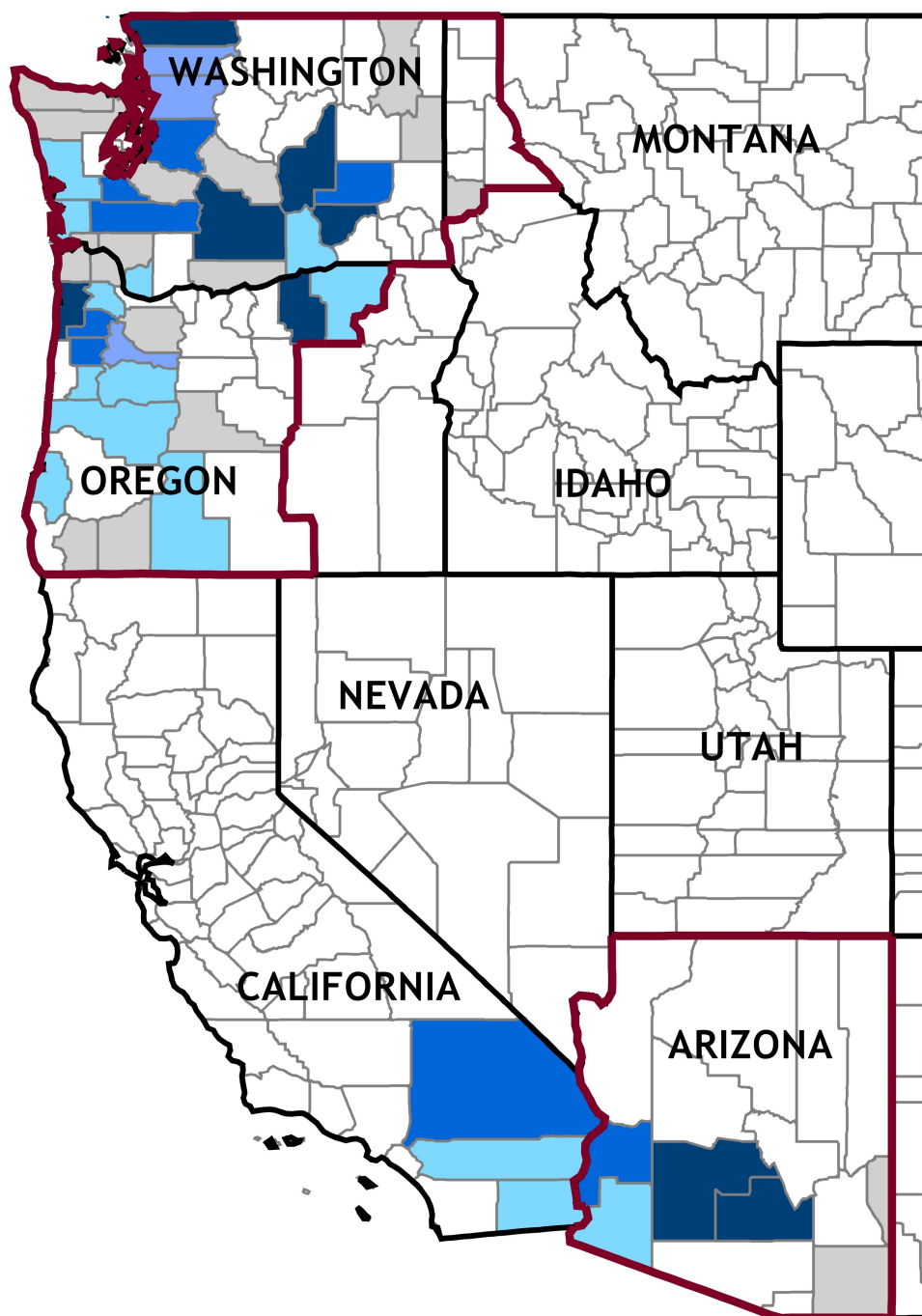
5/ Columbia, Deschutes, & Jackson, OR.

6/ Clallam, Cowlitz, Island, Jefferson, Kittitas, Pierce, & Wahkiakum, WA, & Latah, ID.

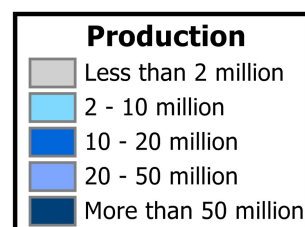
Pacific Northwest (FO 124) and Arizona (FO 131) Producer Milk Pooled
January 2014 - May 2016 (million pounds)



Pounds of Producer Milk by County: May 2016



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



USDA Updates

MILK COWS AND PRODUCTION—23 SELECTED STATES: MAY 2015 AND 2016

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2015	2016	2015	2016	2015	2016	Change
	1,000 head		pounds		million pounds		percent
Arizona	195	198	2,210	2,225	431	441	2.3
California	1,778	1,772	2,055	2,005	3,654	3,553	-2.8
Colorado	145	149	2,200	2,225	319	332	4.1
Florida	125	123	1,920	1,895	240	233	-2.9
Idaho	586	591	2,105	2,125	1,234	1,256	1.8
Illinois	95	94	1,810	1,820	172	171	-0.6
Indiana	181	184	1,960	1,965	355	362	2.0
Iowa	212	211	2,015	2,070	427	437	2.3
Kansas	144	144	1,965	1,970	283	284	0.4
Michigan	407	418	2,195	2,285	893	955	6.9
Minnesota	460	460	1,795	1,835	826	844	2.2
New Mexico	323	310	2,190	2,195	707	680	-3.8
New York	618	620	1,990	2,080	1,230	1,290	4.9
Ohio	267	266	1,815	1,830	485	487	0.4
Oregon	124	126	1,800	1,810	223	228	2.2
Pennsylvania	530	530	1,815	1,820	962	965	0.3
South Dakota	105	114	1,905	1,920	200	219	9.5
Texas	462	465	1,975	1,990	912	925	1.4
Utah	96	93	2,030	2,000	195	186	-4.6
Vermont	132	131	1,775	1,810	234	237	1.3
Virginia	92	90	1,730	1,705	159	153	-3.8
Washington	276	276	2,090	2,090	577	577	0.0
Wisconsin	1,280	1,279	1,975	2,060	2,528	2,635	4.2
23 States	8,633	8,644	1,998	2,019	17,246	17,450	1.2

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

Source: USDA. National Agricultural Statistics Service. Milk Production (June 2016).

NEW STAFF ARTICLE POSTED ON MA WEBSITE

Changes in the Arizona 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 Arizona Order over the last 15 years illustrate this point. The Class I market is essentially milk sold as a beverage. Staff Article 16-04 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/AZClassI2000-2015.pdf. 

Federal Order Statistics for June 2016

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)	2,263.1	681.0	30.09%	\$16.39	\$15.01
Appalachian (FO 5)	460.7	298.7	64.84%	\$16.54	\$15.93
Florida (FO 6)	207.9	173.7	83.56%	\$18.54	\$17.93
Southeast (FO 7)	457.3	296.3	64.78%	\$16.94	\$16.17
Upper Midwest (FO 30)	3,034.6	262.1	8.64%	\$14.94	\$13.46
Central (FO 32)	1,422.3	369.3	25.96%	\$15.14	\$13.84
Mideast (FO 33)	1,647.9	483.0	29.31%	\$15.14	\$14.17
Pacific Northwest (FO 124)	746.6	152.8	20.46%	\$15.04	\$13.84
Southwest (FO 126)	1,124.6	335.4	29.83%	\$16.14	\$14.68
Arizona (FO 131)	434.8	102.0	23.45%	\$15.49	\$14.13

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



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