



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

Lisa K. Wyatt, Acting Market Administrator

Volume 44, No. 7

July 2018

Data for June 2018

MARKET SUMMARIES FOR JUNE

Pacific Northwest (FO 124)

Producers delivered a total of 752.9 million pounds of milk to the market during June. Daily deliveries averaged 25.1 million pounds, up 1.0 percent from May. An estimated 526 producers delivered milk to the market during the month. Daily deliveries per producer averaged 47,711 pounds, up 1.0 percent from May.

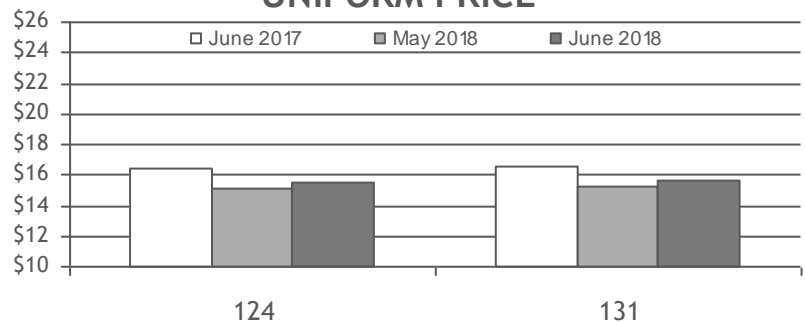
Class I producer milk during June totaled 139.9 million pounds, 18.6 percent of total producer receipts. Daily usage averaged 4.7 million pounds, down 7.3 percent from May. ▼

Arizona (FO 131)

Producers delivered a total of 417.8 million pounds of milk to the market during June. Daily deliveries averaged 13.9 million pounds, down 6.0 percent from May. An estimated 76 producers delivered milk to the market during the month. Daily deliveries per producer averaged 183,249 pounds, down 6.0 percent from May.

Class I producer milk during June totaled 97.2 million pounds, 23.3 percent of total producer receipts. Daily usage averaged 3.2 million pounds, down 4.9 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%)	\$15.18	\$15.47	\$15.28	\$15.70
Uniform Price (at test)	\$16.78	\$16.97	\$15.55	\$15.97
PPD	\$0.00	\$0.26		
Butterfat	\$2.6239	\$2.6692	n/a	
Protein	\$1.8609	\$1.7478		
Other Solids	\$0.0742	\$0.1128		
Uniform Skim			\$6.37	\$6.60
Uniform Butterfat	n/a		\$2.6087	\$2.6659
Butterfat	3.967%	3.933%	3.605%	3.604%
Protein	3.192%	3.182%	n/a	
Other Solids	5.762%	5.755%		

HIGHLIGHTS THIS ISSUE

- ✓ Producer Data by County for May 2018
- ✓ Federal Order Staff Papers
- ✓ USDA Appoints Members to National Dairy Board

Federal Order Price Summaries

FINAL CLASS PRICES

The June 2018 Final Class Prices were calculated using AMS commodity price surveys from June 2, 9, 16, 23, and 30, 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
May 2018	\$16.34	\$16.79	\$14.47	\$15.18	\$14.57	\$2.6239	\$1.8609	\$0.0742	\$0.6196
Jun 2018	\$17.15	\$17.60	\$15.48	\$15.21	\$14.91	\$2.6692	\$1.7478	\$0.1128	\$0.6407
Change	\$0.81	\$0.81	\$1.01	\$0.03	\$0.34	\$0.0453	(\$0.1131)	\$0.0386	\$0.0211

ADVANCED CLASS I PRICE

The August 2018 Advanced Price was calculated using AMS commodity price surveys from July 7 and 14, 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
Jul 2018	\$2.6641	\$6.25	\$5.85	\$6.25	\$15.36	\$17.26	\$17.71	\$6.55	\$0.7278
Aug 2018	\$2.2363	\$5.39	\$5.46	\$5.46	\$14.15	\$16.05	\$16.50	\$6.16	\$0.6844
Change	(\$0.4278)	(\$0.86)	(\$0.39)	(\$0.79)	(\$1.21)	(\$1.21)	(\$1.21)	(\$0.39)	(\$0.0434)

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	May	June	Change
Cheese	\$1.6353	\$1.6150	(\$0.0203)
Butter	\$2.3382	\$2.3756	\$0.0374
Nonfat Dry Milk	\$0.7937	\$0.8150	\$0.0213
Whey	\$0.2711	\$0.3086	\$0.0375

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	July	August	Change
Cheese	\$1.6324	\$1.4849	(\$0.1475)
Butter	\$2.3714	\$2.2659	(\$0.1055)
Nonfat Dry Milk	\$0.8249	\$0.7806	(\$0.0443)
Whey	\$0.3041	\$0.3361	\$0.0320

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and a decrease for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 7.31 cents between the June 16 and the July 14 surveys, to \$1.5725 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a decrease of 20.46 cents to \$1.3701 per pound.

The AMS butter price showed a net decrease of 12.50 cents between the weeks ending June 16 and July 14 from \$2.3617 per pound to \$2.2367 per pound. The AMS nonfat dry milk showed a net decrease of 3.99 cents since mid-June to \$0.7819 per pound. The average price for AMS whey showed a net increase of 2.64 cents since mid-June to \$0.3358 per pound. 

Monthly Selected Statistics

	PACIFIC NORTHWEST				ARIZONA			
PRICE & POOL DATA	Jun 2018	May 2018	Jun 2017	May 2017	Jun 2018	May 2018	Jun 2017	May 2017
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.26	\$0.00	\$0.05	(\$0.14)	+	+	+	+
Butterfat (\$/pound)	2.6692	2.6239	2.7066	2.4134	+	+	+	+
Protein (\$/pound)	1.7478	1.8609	1.7545	1.7723	+	+	+	+
Other Solids (\$/pound)	0.1128	0.0742	0.3014	0.3196	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$6.60	\$6.37	\$7.54	\$7.34
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.6659	2.6087	2.6615	2.4129
Statistical Uniform Price (\$/cwt)	\$15.47	\$15.18	\$16.49	\$15.43	\$15.70	\$15.28	\$16.59	\$15.53
Producer Data								
Number of Producers	526	526	440	445	76	76	89	89
Avg. Daily Production (pounds)	47,711	47,233	46,657	45,891	183,249	194,969	162,163	162,141
Producer Milk Ratios								
Class I	18.58%	20.26%	24.67%	25.71%	23.26%	22.98%	23.49%	24.10%
Class II	5.74%	6.85%	6.62%	7.33%	9.26%	8.99%	9.81%	9.13%
Class III	41.02%	41.51%	30.76%	29.60%	24.00%	23.81%	23.82%	23.65%
Class IV	34.66%	31.38%	37.95%	37.36%	43.48%	44.22%	42.88%	43.12%
Market Shrinkage								
Pounds	8,163,369	8,000,672	9,950,185	7,382,417	3,032,303	2,916,307	1,038,145	1,339,003
% of Producer Milk	1.08%	1.04%	1.62%	1.17%	0.73%	0.63%	0.24%	0.30%

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

Monthly Supplemental Statistics

	PACIFIC NORTHWEST				ARIZONA			
SUPPLEMENTAL DATA	May 2018	Apr 2018	May 2017	Apr 2017	May 2018	Apr 2018	May 2017	Apr 2017
Number of Handlers								
Pool Handlers	24	22	21	21	8	8	8	8
Distributing Plants	11	11	11	11	6	6	6	6
Supply Plants 1/	7	5	4	4	1	1	1	1
Cooperatives	6	6	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	22	24	22	21	25	24	22	22
Class I Route Disposition In Area								
By Pool Plants	139,545,505	134,774,037	144,841,578	138,043,950	76,133,161	80,058,114	76,528,736	73,806,329
By Producer-Handlers	6,194,259	6,164,548	7,046,875	6,371,805	0	0	0	0
By Other Plants	12,211,861	11,711,027	12,847,259	11,666,382	8,550,415	8,050,172	8,322,994	8,162,480
Total	157,951,625	152,649,612	164,735,712	156,082,137	84,683,576	88,108,286	84,851,730	81,968,809
Producer-Handler Data								
% Class I Use	48.19%	54.02%	55.16%	51.54%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.92%	4.04%	4.28%	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			
	Jun	May	Jun	May	Jun	May	Jun	May
	2018	2018	2017	2017	2018	2018	2017	2017
Receipts of Milk								
Total Producer Milk	752,886,526	770,186,686	615,869,578	633,064,445	417,807,771	459,346,473	432,973,951	447,345,641
Receipts From Other Sources	8,462,627	13,146,858	20,326,716	19,203,438	6,480,032	4,854,092	2,715,484	2,901,749
Opening Inventory	40,433,535	40,069,076	37,443,864	34,746,111	21,734,943	19,155,043	21,395,036	23,706,406
Total To Be Accounted For	801,782,688	823,402,620	673,640,158	687,013,994	446,022,746	483,355,608	457,084,471	473,953,796
Utilization of Receipts								
Whole milk	41,454,907	41,797,820	41,116,792	41,464,383	26,701,444	26,905,120	25,604,162	25,785,745
Flavored milk & drinks	8,846,660	13,869,220	10,124,207	13,914,106	3,643,710	6,216,497	4,188,025	6,963,215
2% milk	48,342,398	49,360,771	50,903,800	51,596,764	26,703,674	27,213,112	26,458,103	26,953,589
1% milk	18,584,002	21,237,895	20,602,392	22,937,447	9,264,051	10,519,676	9,732,467	11,255,077
Skim milk	11,028,002	11,752,571	12,617,736	13,303,800	4,776,454	5,278,756	4,988,007	5,571,110
Buttermilk	1,505,234	1,527,228	1,501,933	1,625,078	2/	2/	2/	2/
Class I dispositions in area	129,761,203	139,545,505	136,866,860	144,841,578	71,089,333	76,133,161	70,970,764	76,528,736
Class I dispositions out of area	10,753,990	10,837,798	11,146,194	11,079,933	26,573,744	27,408,294	29,459,046	30,103,893
Other Class I usage	20,586,553	24,064,693	24,976,658	23,166,262	11,785,209	12,564,933	13,050,664	12,075,011
Utilization by Class								
Total Class I Use	161,101,746	174,447,996	172,989,712	179,087,773	109,448,286	116,106,388	113,480,474	118,707,640
Total Class II Use	48,305,120	59,746,255	46,825,300	51,649,580	41,895,240	44,958,280	43,748,776	42,419,359
Total Class III Use	308,847,039	320,750,383	189,827,785	187,757,022	1/	109,448,408	1/	1/
Total Class IV Use	283,528,783	268,457,986	263,997,361	268,519,619	294,679,220	212,842,532	299,855,221	312,826,797
Total Accounted For	801,782,688	823,402,620	673,640,158	687,013,994	446,022,746	483,355,608	457,084,471	473,953,796

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jun	May	Jun	May	Jun	May	Jun	May
	2018	2018	2017	2017	2018	2018	2017	2017
Producer milk								
Class I	139,912,726	156,005,159	151,907,708	162,757,871	97,182,633	105,536,264	101,707,689	107,796,944
Class II	43,231,288	52,739,464	40,763,491	46,421,381	38,677,818	41,306,481	42,486,188	40,833,857
Class III	308,845,089	319,701,503	189,439,631	187,395,170	100,283,041	109,379,451	103,152,468	105,781,858
Class IV	260,897,423	241,740,560	233,758,748	236,490,023	181,664,279	203,124,277	185,627,606	192,932,982
Other receipts								
Class I	21,189,020	18,442,837	21,082,004	16,329,902	12,265,653	10,570,124	11,772,785	10,910,696
Class II	5,073,832	7,006,791	6,061,809	5,228,199	1/	3,651,799	1/	1/
Class III	1/	1/	1/	1/	1/	1/	1/	1/
Class IV	22,633,310	27,766,306	30,626,767	32,391,448	15,949,322	9,787,212	12,337,735	15,697,459
Avg. daily producer receipts	25,096,218	24,844,732	20,528,986	20,421,434	13,926,926	14,817,628	14,432,465	14,430,505
Change From Previous Year	22.25%	21.66%	-17.51%	-18.17%	-3.50%	2.68%	-0.42%	-4.65%
Avg. daily Class I use	5,370,058	5,627,355	5,766,324	5,777,025	3,648,276	3,745,367	3,782,682	3,829,279
Change From Previous Year	-6.87%	-2.59%	1.74%	-0.78%	-3.55%	-2.19%	0.15%	0.75%

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

Number of Producers and Pounds of Milk: May 2018

State	County 1/	Producers	Milk	State	County 1/	Producers	Milk		
ARIZONA ORDER				PACIFIC NORTHWEST ORDER (CONTINUED)					
Arizona				Washington					
	Maricopa	44	239,310,353		Adams	9	21,119,045		
	Pinal	23	180,550,880		Benton	3	7,747,952		
	Restricted 2/	6	32,739,500		Clark	4	5,003,540		
	Total Arizona	73	452,600,733		Franklin	11	55,858,839		
California					Grant	20	63,259,473		
	Restricted 3/	3	6,745,740		Grays Harbor	8	4,670,236		
Total Arizona Order					King	21	13,353,535		
					Klickitat	3	1,737,071		
					Lewis	28	10,401,605		
					Pacific	7	2,123,089		
					Skagit	30	25,025,352		
					Snohomish	19	22,025,234		
					Spokane	5	1,296,662		
					Stevens	6	1,294,289		
					Thurston	9	11,993,520		
					Whatcom	91	83,164,157		
					Yakima	56	237,773,708		
					Restricted 6/	6	3,652,595		
					Total Washington	336	571,499,902		
				Total Pacific Northwest Order				526	775,164,891
				Total for Both Orders				602	1,234,511,364
				1/ Restricted Counties Identified in Footnotes 2-6.					
				2/ Greenlee, La Paz, & Yuma, AZ and Parmer, TX.					
				3/ Imperial & San Bernardino, CA.					
				4/ Bear Lake & Latah, ID and Cache, UT.					
				5/ Columbia, Deschutes, Jackson, & Josephine, OR.					
				6/ Clallam, Cowlitz, Island, Kittitas, & Wahkiakim, WA.					

1/ Restricted Counties Identified in Footnotes 2-6.

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

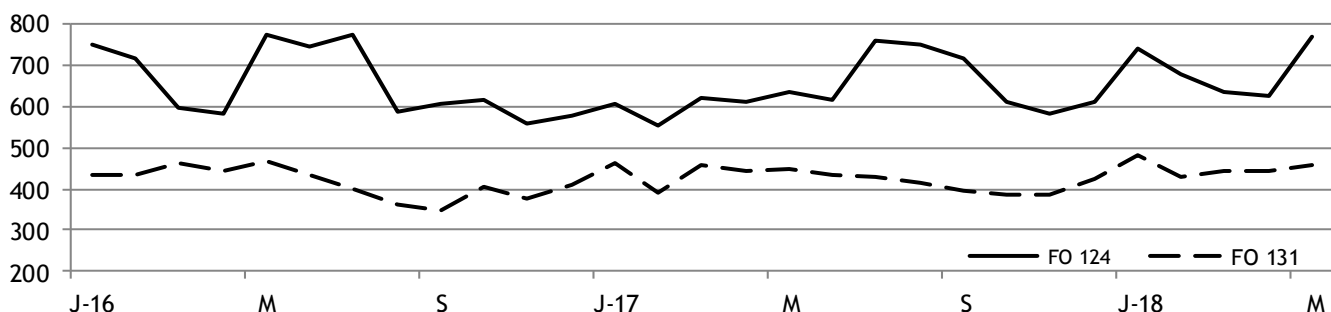
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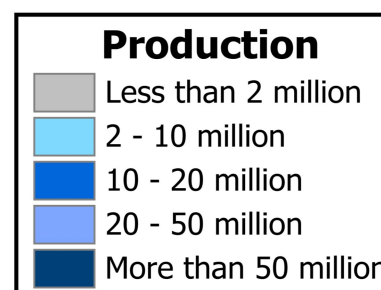
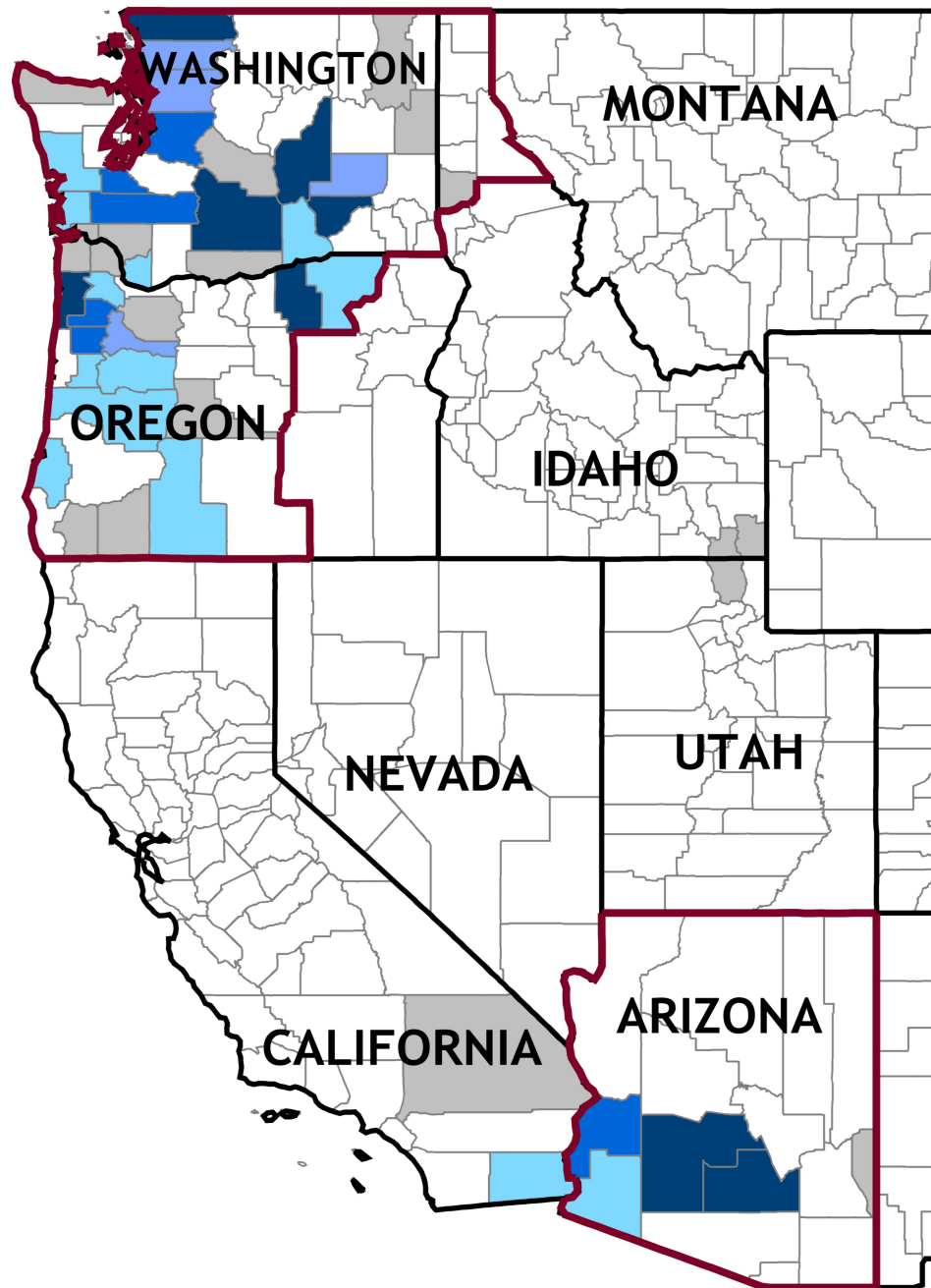
5/ Columbia, Deschutes, Jackson, & Josephine, OR.

6/ Clallam, Cowlitz, Island, Kittitas, & Wahkiakim, WA.

Pacific Northwest (FO 124) and Arizona (FO 131) Producer Milk Pooled
January 2016 - May 2018 (million pounds)



Number of Producers and Pounds of Milk: May 2018

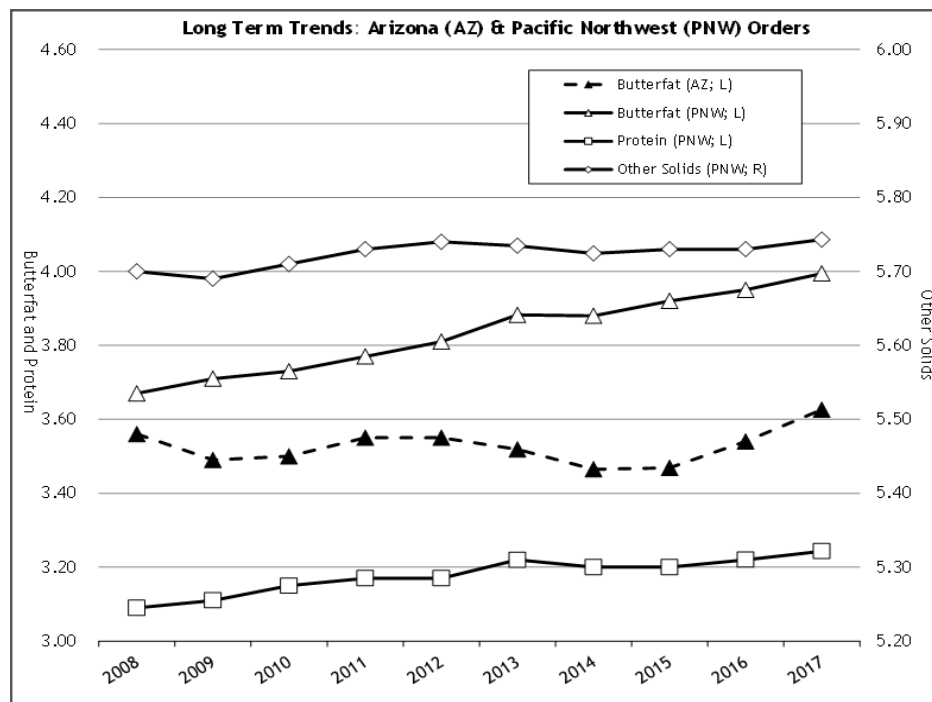


Overview of Component Tests: 2017

The market administrator's office recently published an overview of component tests of producer milk pooled on the Pacific Northwest and Arizona Federal Milk Marketing Orders. The tables summarize average tests by order, month, year, region, size-range of production, and long term trends. Producer milk values are also calculated using Federal order minimum producer prices for the respective orders at 3.5% butterfat and at test. All test and value averages are weighted averages.

The farm level data included in these tables comprises all producers and producer milk pooled on the Pacific Northwest and Arizona Orders. The data was collected from producer payrolls submitted by handlers to the market administrator's office. Components available for the Pacific Northwest Order are butterfat, protein, and other solids. Other solids are lactose and minerals. The component for the Arizona Order is butterfat. In certain months, milk production that historically qualified to be pooled on an order may not have been pooled due to price relationships. This historically eligible producer milk is not included in this analysis. Large changes in producer numbers and producer milk typically indicate those months when milk was not pooled due to price relationships. Small differences may be evident between published pool information and the data shown in this overview due to the use of partially audited payroll data.

The graph below provides one aspect of the data included in the overview.



The overview can be found at <http://fmmaseattle.com/staffpapers.html> under Component Tests/Levels of Producer Milk at the Farm Level: Pacific Northwest and Arizona Federal Orders. Please contact John Mykrantz at jmykrantz@fmmaseattle.com, if you have any questions. 🐮

Staff Papers

ANALYSIS OF MILK MOVEMENTS TO POOL DISTRIBUTING PLANTS PACIFIC NORTHWEST ORDER: NOVEMBER 2016 & APRIL 2017

The market administrator's office recently published a paper that examines milk movements (distances) between dairy farms and pool distributing plants in the Pacific Northwest, entitled "Analysis of Milk Movements from Dairy Farms to Pool Distributing Plants: November 2016 & April 2017."

The data represents milk movements for about 300 producers and 377 million pounds of producer milk associated with the Pacific Northwest Federal Milk Marketing Order. The analysis examines various subsets of milk movements, including: 1) the milkshed of the Pacific Northwest Order's pool distributing plants; 2) class of utilization at plant; 3) region of farm; 4) region of plant; 5) size-range of average daily delivery of dairy farm; and 6) size-range of average daily receipt of plant. Basic statistical measures are used to analyze the character of farms delivering milk to plants and distances from dairy farms to the plant, including: weighted averages, medians, percentiles, and standard deviations.

Selected findings of the study include:

- On average, the milk of dairy farms serving pool distributing plants in the Pacific Northwest region traveled about 100 miles to processing plants
- Milk traveled a little further in the fall (105 miles), when milk production was at its low point and demand at its peak, than in the spring (97 miles), when milk production was at or near its peak and demand was at a low point
- Larger farms in Eastern Washington are the primary source of milk that balances the demand and supply in Western Oregon and Western Washington
- All distributing plants, no matter what size, experience dramatic changes in demand between the fall and the spring and across the year

The study is available in the "Staff Papers" section of the market administrator's website via www.fmmaseattle.com/staffpapers.html. Please contact John Mykrantz at jmykrantz@fmmaseattle.com, if you have any questions. 🍷

OVERVIEW OF HAULING CHARGES FOR MAY 2018: PACIFIC NORTHWEST ORDER

The market administrator's office has recently published an overview of hauling charges associated with producer milk pooled under the Pacific Northwest Order. The overview reflects data for the month of May 2018. The overview includes a more detailed description of the data and can be found at <http://fmmaseattle.com/staffpapers.html> under Hauling Charges by Location and Size-Range of Production: Pacific Northwest Order. Please contact John Mykrantz at jmykrantz@fmmaseattle.com, if you have any questions concerning the overview. 🍷

USDA News

USDA APPOINTS MEMBERS TO NATIONAL DAIRY PROMOTION AND RESEARCH BOARD

On July 12, Agriculture Secretary Sonny Perdue announced the appointment of 13 members to fill vacancies on the 37-member National Dairy Promotion and Research Board. Twelve appointees will serve three-year terms, November 1, 2018, through October 31, 2021. One appointee will serve the remaining portion of a vacant position, effective immediately, and expiring October 31, 2019.

Appointed members serving three-year terms expiring October 31, 2021, are:

- Warren L. Chamberlain, Oregon, Region 1
- Brad J. Scott, California, Region 2
- Pauline Tjaarda, California, Region 2
- David W. Jackson, Texas, Region 4
- Deb Vander Kooi, Minnesota, Region 5
- Evan J. Hillan, Wisconsin, Region 6
- Randy G. Roecker, Wisconsin, Region 6
- Doug J. Carroll, Iowa, Region 7
- Kim Korn, Idaho, Region 8
- Cynthia K. Adam, Indiana, Region 9
- David T. Pyle, Maryland, Region 11
- Patricia J. Bikowsky, New York, Region 12

Appointed member serving a vacant term, expiring October 31, 2019:

- Michael R. Oosten, California, Region 2

More information about research and promotion programs is available on the [Research and Promotion Programs](#) page on the AMS website. 🐮

Source: USDA. Agricultural Marketing Service. Release No. 0143.18. Available at www.ams.usda.gov.

USDA TO DISCONTINUE MULTIPLE COMPONENT PRICING HEARING

On June 28, National All-Jersey (NAJ) withdrew their request for a hearing regarding the Southeast and Appalachian Milk Marketing Orders. NAJ originally submitted a proposal, on behalf of fourteen cooperative associations and four national and state trade organizations, to consider adopting multiple component pricing in the two marketing orders. Since the primary proponent on this matter has withdrawn their request, USDA will not move forward with a formal rulemaking hearing.

Information on the originally submitted proposal may be obtained from the [Dairy Program](#) website. 🐮

Federal Order Statistics for June 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)	2,326.9	680.8	29.26%	\$18.50	\$16.70
Appalachian (FO 5)	446.8	299.3	67.00%	\$18.65	\$17.81
Florida (FO 6)	190.0	160.9	84.69%	\$20.65	\$19.96
Southeast (FO 7)	420.0	284.8	67.83%	\$19.05	\$18.12
Upper Midwest (FO 30)	3,050.3	234.2	7.68%	\$17.05	\$15.40
Central (FO 32)	1,475.7	357.2	24.20%	\$17.25	\$15.53
Mideast (FO 33)	1,728.0	477.6	27.64%	\$17.25	\$15.84
Pacific Northwest (FO 124)	752.9	139.9	18.58%	\$17.15	\$15.47
Southwest (FO 126)	1,143.0	310.2	27.14%	\$18.25	\$16.43
Arizona (FO 131)	417.8	97.2	23.26%	\$17.60	\$15.70

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



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