



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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Data for July 2019

MARKET SUMMARIES FOR JULY

Pacific Northwest (FO 124)

Producers delivered a total of 795.4 million pounds of milk to the market during July. Daily deliveries averaged 25.7 million pounds, up 1.1 percent from June. An estimated 487 producers delivered milk to the market during the month. Daily deliveries per producer averaged 52,685 pounds, up 1.1 percent from June.

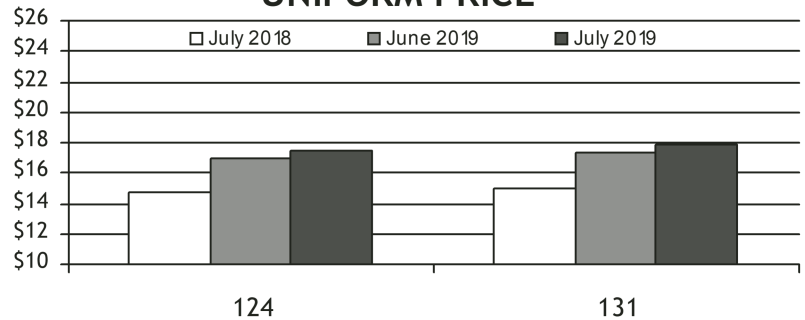
Class I producer milk during July totaled 140.7 million pounds, 17.7 percent of total producer receipts. Daily usage averaged 4.5 million pounds, up 7.4 percent from June. 🍷

Arizona (FO 131)

Producers delivered a total of 390.8 million pounds of milk to the market during July. Daily deliveries averaged 12.6 million pounds, down 8.6 percent from June. An estimated 76 producers delivered milk to the market during the month. Daily deliveries per producer averaged 165,880 pounds, down 8.6 percent from June.

Class I producer milk during July totaled 100.2 million pounds, 25.7 percent of total producer receipts. Daily usage averaged 3.2 million pounds, up 6.1 percent from June. 🍷

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Jun	Jul	Jun	Jul
Uniform Price (at 3.5%)	\$16.94	\$17.52	\$17.32	\$17.88
Uniform Price (at test)	\$18.57	\$19.21	\$17.78	\$18.36
PPD	\$0.67	\$(0.03)		
Butterfat	\$2.6579	\$2.6858		n/a
Protein	\$2.0046	\$2.4032		
Other Solids	\$0.1702	\$0.1689		
Uniform Skim			\$8.34	\$8.78
Uniform Butterfat		n/a	\$2.6505	\$2.6865
Butterfat	3.949%	3.944%	3.676%	3.686%
Protein	3.203%	3.190%		
Other Solids	5.782%	5.784%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ USDA Cheese Purchase Program Announced

Federal Order Price Summaries

FINAL CLASS PRICES

The July 2019 Final Class Prices were calculated using AMS commodity price surveys from July 6, 13, 20, and 27, 2019. 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
Jun 2019	\$18.97	\$19.42	\$17.30	\$16.27	\$16.83	\$2.6579	\$2.0046	\$0.1702	\$0.8665
Jul 2019	\$19.08	\$19.53	\$17.61	\$17.55	\$16.90	\$2.6858	\$2.4032	\$0.1689	\$0.8628
Change	\$0.11	\$0.11	\$0.31	\$1.28	\$0.07	\$0.0279	\$0.3986	(\$0.0013)	(\$0.0037)

ADVANCED CLASS I PRICE

The September 2019 Advanced Price was calculated using AMS commodity price surveys from August 10 and 17, 2019. Current and archived Advanced Price announcements are available at www.fmmaseattle.com/advance.html.

ADVANCED	Base 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
Aug 2019	\$2.6830	\$8.27	\$7.87	\$8.81	\$17.89	\$19.79	\$20.24	\$8.57	\$0.9522
Sep 2019	\$2.6555	\$8.49	\$7.76	\$8.87	\$17.85	\$19.75	\$20.20	\$8.46	\$0.9400
Change	(\$0.0275)	\$0.22	(\$0.11)	\$0.06	(\$0.04)	(\$0.04)	(\$0.04)	(\$0.11)	(\$0.0122)

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	June	Jul	Change
Cheese	\$1.6910	\$1.8238	\$0.1328
Butter	\$2.3663	\$2.3893	\$0.0230
Nonfat Dry Milk	\$1.0431	\$1.0393	(\$0.0038)
Whey	\$0.3643	\$0.3631	(\$0.0012)

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	Aug	Sep	Change
Cheese	\$1.8061	\$1.8153	\$0.0092
Butter	\$2.3870	\$2.3643	(\$0.0227)
Nonfat Dry Milk	\$1.0507	\$1.0391	(\$0.0116)
Whey	\$0.3622	\$0.3673	\$0.0051

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net increase in prices received for 40-pound blocks and a net decrease for 500-pound barrels. The survey of 40-pound blocks showed a net increase of 1.30 cents between the July 13 and the August 17 surveys, to \$1.8583 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 1.81 cents to \$1.7522 per pound.

The AMS butter price showed a net decrease of 3.04 cents between the weeks ending July 13 and August 17 from \$2.3943 per pound to \$2.3639 per pound. The AMS nonfat dry milk showed a net decrease of 1.30 cents since mid-July to \$1.0380 per pound. The average price for AMS whey showed a net decrease of 0.03 cents since mid-July to \$0.3676 per pound. 

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jul 2019	Jun 2019	Jul 2018	Jun 2018	Jul 2019	Jun 2019	Jul 2018	Jun 2018
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.03)	\$0.67	\$0.63	\$0.00	+	+	+	+
Butterfat (\$/pound)	2.6858	\$2.6579	2.5287	2.6692	+	+	+	+
Protein (\$/pound)	2.4032	\$2.0046	1.4827	1.7478	+	+	+	+
Other Solids (\$/pound)	0.1689	\$0.1702	0.1422	0.1128	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$8.78	\$8.34	\$6.31	\$6.60
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.6865	2.6505	2.5546	2.6659
Statistical Uniform Price (\$/cwt)	\$17.52	\$16.94	\$14.73	\$15.47	\$17.88	\$17.32	\$15.03	\$15.70
Producer Data								
Number of Producers	487	487	523	527	76	76	82	74
Avg. Daily Production (pounds)	52,685	52,124	47,438	47,621	165,880	181,572	168,251	188,202
Producer Milk Ratios								
Class I	17.68%	16.65%	18.77%	18.58%	25.65%	22.07%	23.72%	23.26%
Class II	5.82%	5.68%	6.01%	5.74%	8.73%	8.73%	9.94%	9.26%
Class III	40.63%	41.91%	42.69%	41.02%	32.72%	33.29%	32.60%	24.00%
Class IV	35.87%	35.76%	32.53%	34.66%	32.90%	35.91%	33.74%	43.48%
Market Shrinkage								
Pounds	10,425,274	13,774,870	9,911,985	8,163,369	3,522,508	2,863,233	1,527,842	3,032,303
% of Producer Milk	1.31%	1.81%	1.29%	1.08%	0.90%	0.69%	0.36%	0.73%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jun 2019	May 2019	Jun 2018	May 2018	Jun 2019	May 2019	Jun 2018	May 2018
Number of Handlers								
Pool Handlers	23	23	23	24	8	8	8	8
<i>Distributing Plants</i>	11	11	11	11	6	6	6	6
<i>Supply Plants 1/</i>	6	6	6	7	1	1	1	1
<i>Cooperatives</i>	6	6	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	30	28	25	22	28	28	26	25
Class I Route Disposition In Area								
By Pool Plants	121,670,964	135,045,863	129,761,203	139,545,505	67,452,519	74,989,842	71,089,333	76,133,161
By Producer-Handlers	5,193,267	6,287,916	5,726,453	6,194,259	0	0	0	0
By Other Plants	12,478,714	12,935,658	12,204,554	12,211,861	6,373,363	7,025,983	7,648,290	8,550,415
Total	139,342,945	154,269,437	147,692,210	157,951,625	73,825,882	82,015,825	78,737,623	84,683,576
Producer-Handler Data								
% Class I Use	46.50%	53.02%	45.79%	48.19%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.73%	4.08%	3.88%	3.92%	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			
	Jul 2019	Jun 2019	Jul 2018	Jun 2018	Jul 2019	Jun 2019	Jul 2018	Jun 2018
Receipts of Milk								
Total Producer Milk	795,385,120	761,526,132	769,115,178	752,886,526	390,814,342	413,983,247	427,694,801	417,807,771
Receipts From Other Sources	11,685,831	9,188,569	10,274,368	8,462,627	11,188,201	11,770,034	7,380,155	6,480,032
Opening Inventory	36,694,389	38,631,126	38,868,138	40,433,535	20,508,295	21,991,884	22,302,704	21,734,943
Total To Be Accounted For	843,765,340	809,345,827	818,257,684	801,782,688	422,510,838	447,745,165	457,377,660	446,022,746
Utilization of Receipts								
Whole milk	43,850,513	40,569,222	42,684,232	41,454,907	27,383,023	25,775,538	27,311,566	26,701,444
Flavored milk & drinks	7,318,880	8,381,416	7,773,633	8,846,660	3,520,553	3,669,356	3,878,112	3,643,710
2% milk	48,370,999	45,193,424	49,202,996	48,342,398	26,604,620	25,784,724	27,266,085	26,703,674
1% milk	17,007,131	16,672,208	18,166,594	18,584,002	8,649,002	8,407,612	9,639,100	9,264,051
Skim milk	9,888,719	9,302,633	10,921,753	11,028,002	4,152,789	3,815,289	4,501,115	4,776,454
Buttermilk	1,785,721	1,552,061	1,649,247	1,505,234	460,908	2/	2/	2/
Class I dispositions in area	128,221,963	121,670,964	130,398,455	129,761,203	70,770,895	67,452,519	72,595,978	71,089,333
Class I dispositions out of area	8,694,405	8,808,731	10,903,773	10,753,990	27,204,133	27,220,595	26,456,700	26,573,744
Other Class I usage	18,691,411	18,126,356	20,236,521	20,586,553	13,083,256	11,190,891	13,287,117	11,785,209
Utilization by Class								
Total Class I Use	155,607,779	148,606,051	161,538,749	161,101,746	111,058,284	105,864,005	112,339,795	109,448,286
Total Class II Use	54,246,733	47,686,042	52,383,784	48,305,120	35,881,272	37,905,776	43,993,683	41,895,240
Total Class III Use	323,198,264	319,586,271	329,566,414	308,847,039	129,385,207	139,251,150	142,202,009	1/
Total Class IV Use	310,712,564	293,467,463	274,768,737	283,528,783	146,186,075	164,724,234	158,842,173	294,679,220
Total Accounted For	843,765,340	809,345,827	818,257,684	801,782,688	422,510,838	447,745,165	457,377,660	446,022,746

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jul 2019	Jun 2019	Jul 2018	Jun 2018	Jul 2019	Jun 2019	Jul 2018	Jun 2018
Producer milk								
Class I	140,657,837	126,787,229	144,325,637	139,912,726	100,228,737	91,383,607	101,445,064	97,182,633
Class II	46,294,648	43,224,994	46,209,538	43,231,288	34,125,441	36,151,319	42,528,733	38,677,818
Class III	323,198,264	319,176,209	328,337,009	308,845,089	127,855,472	137,828,589	139,424,644	100,283,041
Class IV	285,234,371	272,337,700	250,242,994	260,897,423	128,604,692	148,619,732	144,296,360	181,664,279
Other receipts								
Class I	14,949,942	21,818,822	17,213,112	21,189,020	10,829,547	14,480,398	10,894,731	12,265,653
Class II	7,952,085	4,461,048	6,174,246	5,073,832	1/	1/	1,464,950	1/
Class III	0	410,062	1,229,405	1/	1/	1/	2,777,365	1/
Class IV	25,478,193	21,129,763	24,525,743	22,633,310	20,866,949	19,281,520	14,545,813	15,949,322
Avg. daily producer receipts	25,657,585	25,384,204	24,810,167	25,096,218	12,606,914	13,799,442	13,796,606	13,926,926
Change From Previous Year	3.42%	1.15%	1.28%	22.25%	-8.62%	-0.92%	0.26%	-3.50%
Avg. daily Class I use	5,019,606	4,953,535	5,210,927	5,370,058	3,582,525	3,528,800	3,623,864	3,648,276
Change From Previous Year	-3.67%	-7.76%	-4.18%	-6.87%	-1.14%	-3.27%	0.23%	-3.55%

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

USDA News

USDA ANNOUNCES CHEESE PURCHASE PROGRAM

On August 8, 2019 the U.S. Department of Agriculture (USDA) revealed plans to purchase three types of cheese for the National School Lunch Program and other Federal food nutrition assistance programs. The cheeses the USDA is planning to purchase are Mozzarella, Processes and Natural American Cheddar Cheese.

Solicitations for these products will be issued during September 2019 for the delivery period beginning January 1, 2020 through December 31, 2020. Solicitations will be available electronically through the Web-Based Supply Chain Management (WBSCM) system. The contract type is anticipated to be firm-fixed price with economic price adjustment. Deliveries are expected to be to various locations in the United States on an FOB destination basis.

Pursuant to Agricultural Acquisition Regulation 470.103(b), commodities and the products of agricultural commodities acquired under this contract must be a product of the United States and shall be considered to be such a product if it is grown, processed, and otherwise prepared for sale or distribution exclusively in the United States. Packaging and container components under this acquisition will be the only portion subject to the World Trade Organization Government Procurement Agreement and Free Trade Agreements, as addressed by FAR clause 52.225-5.

Offerors are urged to review all documents as they pertain to this program, including the latest—AMS Master Solicitation for Commodity Procurements (MSCP), August 2, 2019;

- Applicable commodity specification(s) identified in the subsequent solicitation(s); and
- Qualification Requirements for Prospective Contractors Selling Commodities to USDA, March 1, 2017.
- These documents are available on the AMS Commodity Procurement website.

To be eligible to submit offers, potential contractors must meet the AMS vendor qualification requirements. The AMS point of contact for new vendors is Andrea Lang who can be reached by phone at (202) 720-4237 or by email to NewVendor@ams.usda.gov. Details of these requirements are available online at: <https://www.ams.usda.gov/selling-food/becoming-approved>. Once qualification requirements have been met, access to WBSCM will be provided. Bids, modifications, withdrawals of bids, and price adjustments shall be submitted using this system. Submission of the above by any means other than WBSCM will be determined nonresponsive.

Inquiries may be directed to the Contracting Officer, Jeffrey F. Jackson, via email, at jeffreyf.jackson@usda.gov. 🐻

Source: USDA. Agricultural Marketing Service. Available at www.ams.usda.gov.

Federal Order Statistics for July 2019

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)	2,239.9	662.6	29.58%	\$20.43	\$18.83
Appalachian (FO 5)	411.4	290.9	70.71%	\$20.58	\$19.84
Florida (FO 6)	198.8	164.1	82.56%	\$22.58	\$21.75
Southeast (FO 7)	401.7	280.1	69.72%	\$20.98	\$20.25
Upper Midwest (FO 30)	2,896.8	216.0	7.46%	\$18.98	\$17.71
Central (FO 32)	1,335.1	352.3	26.39%	\$19.18	\$17.64
Mideast (FO 33)	1,700.2	515.7	30.33%	\$19.18	\$18.02
California (FO 51)	2,004.7	439.0	21.90%	\$19.28	\$17.82
Pacific Northwest (FO 124)	795.4	140.7	17.68%	\$19.08	\$17.52
Southwest (FO 126)	1,143.5	320.0	27.98%	\$20.18	\$18.47
Arizona (FO 131)	390.8	100.2	25.65%	\$19.53	\$17.88

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



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