



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 September 2018

MARKET SUMMARIES FOR SEPTEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 610.7 million pounds of milk to the market during September. Daily deliveries averaged 20.4 million pounds, down 0.8 percent from August. An estimated 434 producers delivered milk to the market during the month. Daily deliveries per producer averaged 46,904 pounds, down 0.8 percent from August.

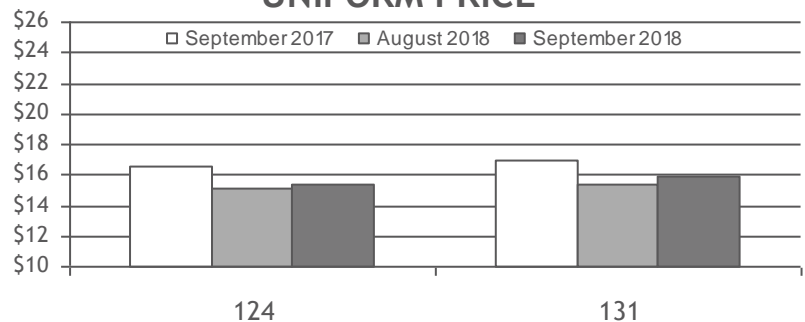
Class I producer milk during September totaled 147.7 million pounds, 24.2 percent of total producer receipts. Daily usage averaged 4.9 million pounds, up 0.02 percent from August. ▼

Arizona (FO 131)

Producers delivered a total of 353.9 million pounds of milk to the market during September. Daily deliveries averaged 11.8 million pounds, down 9.0 percent from August. An estimated 82 producers delivered milk to the market during the month. Daily deliveries per producer averaged 143,849 pounds, down 9.0 percent from August.

Class I producer milk during September totaled 100.3 million pounds, 28.3 percent of total producer receipts. Daily usage averaged 3.3 million pounds, down 2.7 percent from August. ▼

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Aug	Sep	Aug	Sep
Uniform Price (at 3.5%)	\$15.07	\$15.44	\$15.32	\$15.85
Uniform Price (at test)	\$16.27	\$17.23	\$15.51	\$16.09
PPD	\$0.12	(\$0.65)		
Butterfat	\$2.6009	\$2.5442		
Protein	\$1.6245	\$2.0029		n/a
Other Solids	\$0.1741	\$0.2098		
Uniform Skim			\$6.46	\$7.13
Uniform Butterfat		n/a	\$2.5968	\$2.5622
Butterfat	3.861%	3.997%	3.572%	3.598%
Protein	3.144%	3.251%		
Other Solids	5.751%	5.729%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Fresh Fluid Milk Purchase Program
- ✓ Monthly Statistics

Federal Order Price Summaries

FINAL CLASS PRICES

The September 2018 Final Class Prices were calculated using AMS commodity price surveys from September 1, 8, 15, 22, and 29, 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
Aug 2018	\$16.05	\$16.50	\$15.07	\$14.95	\$14.63	\$2.6009	\$1.6245	\$0.1741	\$0.6369
Sep 2018	\$16.75	\$17.20	\$15.13	\$16.09	\$14.81	\$2.5442	\$2.0029	\$0.2098	\$0.6801
Change	\$0.70	\$0.70	\$0.06	\$1.14	\$0.18	(\$0.0567)	\$0.3784	\$0.0357	\$0.0432

ADVANCED CLASS I PRICE

The November 2018 Advanced Price was calculated using AMS commodity price surveys from October 6 and 13, 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
Oct 2018	\$2.5393	\$7.71	\$6.11	\$7.71	\$16.33	\$18.23	\$18.68	\$6.81	\$0.7567
Nov 2018	\$2.5578	\$6.81	\$6.26	\$6.81	\$15.52	\$17.42	\$17.87	\$6.96	\$0.7733
Change	\$0.0185	(\$0.90)	\$0.15	(\$0.90)	(\$0.81)	(\$0.81)	(\$0.81)	\$0.15	\$0.0166

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	August	September	Change
Cheese	\$1.5544	\$1.6533	\$0.0989
Butter	\$2.3192	\$2.2724	(\$0.0468)
Nonfat Dry Milk	\$0.8111	\$0.8548	\$0.0437
Whey	\$0.3681	\$0.4028	\$0.0347

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	October	November	Change
Cheese	\$1.6753	\$1.5723	(\$0.1030)
Butter	\$2.2684	\$2.2836	\$0.0152
Nonfat Dry Milk	\$0.8536	\$0.8707	\$0.0171
Whey	\$0.4075	\$0.4379	\$0.0304

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net decrease in prices received for 40-pound blocks and a decrease for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 0.74 cents between the September 15 and the October 13 surveys, to \$1.6783 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a decrease of 18.65 cents to \$1.4505 per pound.

The AMS butter price showed a net increase of 5.23 cents between the weeks ending September 15 and October 13 from \$2.2432 per pound to \$2.2955 per pound. The AMS nonfat dry milk showed a net increase of 1.10 cents since mid-September to \$0.8732 per pound. The average price for AMS whey showed a net increase of 3.29 cents since mid-September to \$0.4367 per pound.

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Sep 2018	Aug 2018	Sep 2017	Aug 2017	Sep 2018	Aug 2018	Sep 2017	Aug 2017
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.65)	\$0.12	\$0.23	\$0.48	+	+	+	+
Butterfat (\$/pound)	2.5442	2.6009	2.8559	3.0109	+	+	+	+
Protein (\$/pound)	2.0029	1.6245	1.6988	1.5536	+	+	+	+
Other Solids (\$/pound)	0.2098	0.1741	0.2241	0.2425	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$7.13	\$6.46	\$7.03	\$7.11
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.5622	2.5968	2.8878	3.0105
Statistical Uniform Price (\$/cwt)	\$15.44	\$15.07	\$16.59	\$17.05	\$15.85	\$15.32	\$16.89	\$17.40
Producer Data								
Number of Producers	434	434	541	534	82	82	91	91
Avg. Daily Production (pounds)	46,904	47,273	44,184	45,305	143,849	158,214	145,553	146,683
Producer Milk Ratios								
Class I	24.19%	23.99%	22.24%	21.01%	28.34%	26.47%	26.34%	27.13%
Class II	6.62%	7.26%	5.52%	6.15%	12.07%	9.97%	9.26%	9.77%
Class III	29.27%	30.20%	42.00%	43.22%	27.06%	32.70%	30.76%	28.01%
Class IV	39.92%	38.55%	30.24%	29.62%	32.53%	30.86%	33.64%	35.09%
Market Shrinkage								
Pounds	7,559,158	6,614,575	9,619,806	12,224,537	1,547,646	3,728,221	1,714,872	1,320,272
% of Producer Milk	1.24%	1.04%	1.34%	1.63%	0.44%	0.93%	0.43%	0.32%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Aug 2018	Jul 2018	Aug 2017	Jul 2017	Aug 2018	Jul 2018	Aug 2017	Jul 2017
Number of Handlers								
Pool Handlers	21	23	24	23	8	8	8	8
<i>Distributing Plants</i>	11	11	11	11	6	6	6	6
<i>Supply Plants 1/</i>	4	6	7	6	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	23	23	22	20	26	25	24	23
Class I Route Disposition In Area								
By Pool Plants	134,985,968	130,398,455	127,986,660	133,974,944	79,687,162	72,595,978	80,810,749	70,883,156
By Producer-Handlers	6,353,563	6,020,299	6,544,172	6,012,041	0	0	0	0
By Other Plants	13,013,845	12,023,782	13,532,262	12,127,121	8,828,551	7,169,548	8,749,499	6,214,835
Total	154,353,376	148,442,536	148,063,094	152,114,106	88,515,713	79,765,526	89,560,248	77,097,991
Producer-Handler Data								
% Class I Use	52.79%	47.86%	52.60%	47.39%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.12%	4.06%	4.42%	3.95%	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			
	Sep 2018	Aug 2018	Sep 2017	Aug 2017	Sep 2018	Aug 2018	Sep 2017	Aug 2017
<i>Receipts of Milk</i>								
Total Producer Milk	610,691,627	636,017,354	717,102,885	749,974,318	353,868,720	402,179,412	397,360,320	413,792,429
Receipts From Other Sources	9,845,494	7,632,368	8,641,303	13,447,398	7,613,018	7,316,456	3,849,944	3,775,645
Opening Inventory	30,445,951	32,157,332	42,646,274	43,695,826	20,853,854	24,703,522	27,135,405	21,312,208
Total To Be Accounted For	650,983,072	675,807,054	768,390,462	807,117,542	382,335,592	434,199,390	428,345,669	438,880,282
<i>Utilization of Receipts</i>								
Whole milk	41,496,526	43,770,875	41,679,686	39,714,852	25,989,244	27,759,864	26,425,688	27,156,412
Flavored milk & drinks	12,920,858	8,975,355	14,015,581	8,366,063	6,938,644	7,506,025	7,478,573	7,555,726
2% milk	48,830,440	50,431,914	52,375,193	48,325,770	26,506,341	27,946,797	27,664,220	28,188,611
1% milk	19,972,944	19,015,087	22,164,362	18,598,464	10,550,232	11,281,313	11,769,288	11,929,405
Skim milk	10,762,183	11,152,460	12,516,047	11,415,767	4,906,697	5,193,163	5,547,009	5,980,595
Buttermilk	1,542,080	1,640,277	1,444,973	1,565,744	2/	2/	2/	2/
Class I dispositions in area	135,525,031	134,985,968	144,195,842	127,986,660	74,891,158	79,687,162	78,884,778	80,810,749
Class I dispositions out of area	10,620,999	11,779,599	11,666,319	23,907,924	25,015,383	27,674,345	27,661,552	29,749,817
Other Class I usage	21,587,887	21,296,198	26,469,808	25,798,010	12,147,477	12,464,702	11,524,094	13,167,158
<i>Utilization by Class</i>								
Total Class I Use	167,733,917	168,061,765	182,331,969	177,692,594	112,054,018	119,826,209	118,070,424	123,727,724
Total Class II Use	42,222,993	52,104,850	44,462,515	51,394,919	44,195,386	42,627,938	38,340,022	41,718,847
Total Class III Use	178,754,734	192,078,621	301,655,667	326,515,792	1/	133,027,038	122,362,334	116,263,030
Total Class IV Use	262,271,428	263,561,818	239,940,311	251,514,237	226,086,188	138,718,205	149,572,889	157,170,681
Total Accounted For	650,983,072	675,807,054	768,390,462	807,117,542	382,335,592	434,199,390	428,345,669	438,880,282

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Sep 2018	Aug 2018	Sep 2017	Aug 2017	Sep 2018	Aug 2018	Sep 2017	Aug 2017
<i>Producer milk</i>								
Class I	147,702,132	152,596,861	159,508,593	157,599,267	100,284,222	106,447,428	104,652,391	112,282,216
Class II	40,433,185	46,188,338	39,595,031	46,113,800	42,706,152	40,082,951	36,813,079	40,426,095
Class III	178,750,683	192,067,405	301,217,615	324,168,872	95,754,452	131,504,024	122,222,887	115,901,001
Class IV	243,805,627	245,164,750	216,781,646	222,092,379	115,123,894	124,145,009	133,671,963	145,183,117
<i>Other receipts</i>								
Class I	20,031,785	15,464,904	22,823,376	20,093,327	11,769,796	13,378,781	13,418,033	11,445,508
Class II	1,789,808	5,916,512	4,867,484	5,281,119	1/	1/	1/	1/
Class III	1/	1/	438,052	2,346,920	1/	1/	1/	362,029
Class IV	18,469,852	18,408,284	23,158,665	29,421,858	16,697,076	18,641,197	17,567,316	13,280,316
<i>Avg. daily producer receipts</i>	20,356,388	20,516,689	23,903,430	24,192,720	11,795,624	12,973,529	13,245,344	13,348,143
Change From Previous Year	-14.84%	-15.19%	17.94%	27.47%	-10.95%	-2.81%	14.15%	14.07%
<i>Avg. daily Class I use</i>	5,591,131	5,421,347	6,077,732	5,732,019	3,735,134	3,865,362	3,935,681	3,991,217
Change From Previous Year	-8.01%	-5.42%	-1.15%	0.88%	-5.10%	-3.15%	-2.24%	-0.96%

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

USDA News

USDA FRESH FLUID MILK PROGRAM ANNOUNCED

The U.S. Department of Agriculture (USDA) has announced plans to purchase Fresh Fluid Milk for distribution to various food nutrition assistance programs, targeting certain orders for milk in half-gallons that were not fulfilled under the contracts that were awarded by USDA on September 26, 2018. The purchase will be made under the authority of Section 32 of the Act of August 24, 1935, with the purpose to encourage the continued domestic consumption of these products by diverting them from the normal channels of trade and commerce.

Solicitations will be issued in the near future, and will be available electronically through the Web-Based Supply Chain Management (WBSCM) system. A hard copy of the solicitation will not be available. Public WBSCM information is available without an account on the WBSCM Public Procurement Page. All future information regarding this acquisition, including solicitation amendments and award notices, will be published through WBSCM, and on the Agricultural Marketing Service's (AMS) website. Interested parties shall be responsible for ensuring that they have the most up-to-date information about this acquisition. The contract type is anticipated to be firm-fixed price. Deliveries are expected to be to various locations in the United States on an FOB destination basis.

Offerors are urged to review all documents as they pertain to this program, including the latest—

- AMS Master Solicitation for Commodity Procurements (MSCP), April 12, 2017;
- 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) 720-4517 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.

To receive e-mail notification of the issuance of AMS solicitations, contract awards, and other information, subscribe online by visiting: “Stay up to date on USDA Food Purchases” available on the [AMS Commodity Procurement website](#). 🐮

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

Federal Order Statistics for September 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)	2,145.0	713.0	33.24%	\$18.10	\$16.71
Appalachian (FO 5)	444.5	308.6	69.42%	\$18.25	\$17.35
Florida (FO 6)	204.8	167.7	81.88%	\$20.25	\$19.23
Southeast (FO 7)	394.3	294.7	74.76%	\$18.65	\$17.94
Upper Midwest (FO 30)	2,156.7	224.3	10.40%	\$16.65	\$16.02
Central (FO 32)	1,074.2	384.5	35.80%	\$16.85	\$15.64
Mideast (FO 33)	1,461.8	527.1	36.06%	\$16.85	\$15.83
Pacific Northwest (FO 124)	610.7	147.7	24.19%	\$16.75	\$15.44
Southwest (FO 126)	755.9	346.0	45.77%	\$17.85	\$16.31
Arizona (FO 131)	353.9	100.3	28.34%	\$17.20	\$15.85

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



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