



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

Lisa K. Wyatt, Market Administrator

Volume 45, No. 10

October 2019

Data for September 2019

MARKET SUMMARIES FOR SEPTEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 623.0 million pounds of milk to the market during September. Daily deliveries averaged 20.8 million pounds, down 17.9 percent from August. An estimated 514 producers delivered milk to the market during the month. Daily deliveries per producer averaged 40,400 pounds, down 17.9 percent from August.

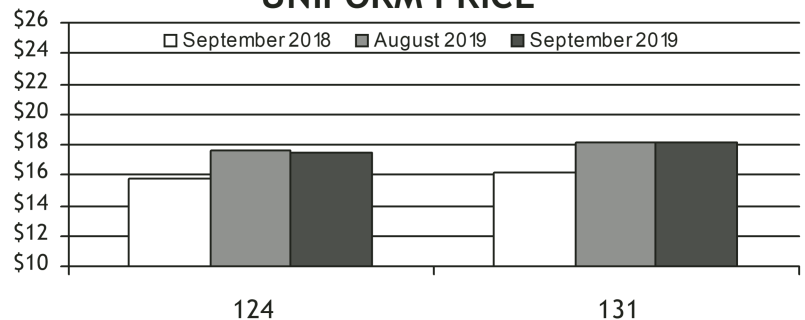
Class I producer milk during September totaled 142.2 million pounds, 22.8 percent of total producer receipts. Daily usage averaged 4.7 million pounds, up 4.8 percent from August. ▼

Arizona (FO 131)

Producers delivered a total of 335.3 million pounds of milk to the market during September. Daily deliveries averaged 11.2 million pounds, down 9.8 percent from August. An estimated 75 producers delivered milk to the market during the month. Daily deliveries per producer averaged 149,017 pounds, down 9.8 percent from August.

Class I producer milk during September totaled 101.9 million pounds, 30.4 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 1.7 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%)	\$17.60	\$17.43	\$18.11	\$18.08
Uniform Price (at test)	\$19.30	\$19.10	\$18.52	\$18.53
PPD	\$0.00	(\$0.88)		
Butterfat	\$2.6574	\$2.4982		n/a
Protein	\$2.4453	\$2.8633		
Other Solids	\$0.1730	\$0.1758		
Uniform Skim			\$9.09	\$9.55
Uniform Butterfat		n/a	\$2.6674	\$2.5332
Butterfat	3.963%	3.935%	3.660%	3.685%
Protein	3.177%	3.192%		
Other Solids	5.765%	5.741%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ USDA Appoints Members to National Dairy Promotion and Research Board
- ✓ USDA Grants Requests Feedback on Grant Programs
- ✓ Waiver of Administrative Assessment

Federal Order Price Summaries

FINAL CLASS PRICES

The September 2019 Final Class Prices were calculated using AMS commodity price surveys from September 7, 14, 21, and 28, 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
Aug 2019	\$19.79	\$20.24	\$17.60	\$17.60	\$16.74	\$2.6574	\$2.4453	\$0.1730	\$0.8570
Sep 2019	\$19.75	\$20.20	\$16.93	\$18.31	\$16.35	\$2.4982	\$2.8633	\$0.1758	\$0.8753
Change	(\$0.04)	(\$0.04)	(\$0.67)	\$0.71	(\$0.39)	(\$0.1592)	\$0.4180	\$0.0028	\$0.0183

ADVANCED CLASS I PRICE

The November 2019 Advanced Price was calculated using AMS commodity price surveys from October 12 and 19, 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
Oct 2019	\$2.5370	\$9.26	\$7.84	\$9.29	\$17.84	\$19.74	\$20.19	\$8.54	\$0.9489
Nov 2019	\$2.3955	\$10.42	\$8.32	\$10.11	\$18.14	\$20.04	\$20.49	\$9.02	\$1.0022
Change	(\$0.1415)	\$1.16	\$0.48	\$0.82	\$0.30	\$0.30	\$0.30	\$0.48	\$0.0533

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	Aug	Sep	Change
Cheese	\$1.8276	\$1.9053	\$0.0777
Butter	\$2.3659	\$2.2344	(\$0.1315)
Nonfat Dry Milk	\$1.0335	\$1.0519	\$0.0184
Whey	\$0.3671	\$0.3698	\$0.0027

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	Oct	Nov	Change
Cheese	\$1.8531	\$1.9402	\$0.0871
Butter	\$2.2665	\$2.1496	(\$0.1169)
Nonfat Dry Milk	\$1.0477	\$1.1014	\$0.0537
Whey	\$0.3684	\$0.3406	(\$0.0278)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net increase in prices received for 40-pound blocks and a net increase for 500-pound barrels. The survey of 40-pound blocks showed a net increase of 10.33 cents between the September 14 and the October 19 surveys, to \$2.0420 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 9.28 cents to \$1.8458 per pound.

The AMS butter price showed a net decrease of 13.27 cents between the weeks ending September 14 and October 19 from \$2.2750 per pound to \$2.1423 per pound. The AMS nonfat dry milk showed an increase of 6.06 cents since mid-September to \$1.1073 per pound. The average price for AMS whey showed a net decrease of 4.09 cents since mid-September to \$0.3291 per pound. ▼

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Sep 2019	Aug 2019	Sep 2018	Aug 2018	Sep 2019	Aug 2019	Sep 2018	Aug 2018
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.88)	\$0.00	(\$0.65)	\$0.12	+	+	+	+
Butterfat (\$/pound)	2.4982	2.6574	2.5442	2.6009	+	+	+	+
Protein (\$/pound)	2.8633	2.4453	2.0029	1.6245	+	+	+	+
Other Solids (\$/pound)	0.1758	0.1730	0.2098	0.1741	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$9.55	\$9.09	\$7.13	\$6.46
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.5332	2.6674	2.5622	2.5968
Statistical Uniform Price (\$/cwt)	\$17.43	\$17.60	\$15.44	\$15.07	\$18.08	\$18.11	\$15.85	\$15.32
Producer Data								
Number of Producers	514	514	430	434	75	75	78	82
Avg. Daily Production (pounds)	40,400	49,229	47,340	47,273	149,017	165,269	151,226	158,214
Producer Milk Ratios								
Class I	22.83%	17.88%	24.19%	23.99%	30.39%	27.88%	28.34%	26.47%
Class II	6.01%	5.10%	6.62%	7.26%	9.42%	8.74%	12.07%	9.97%
Class III	28.89%	40.30%	29.27%	30.20%	30.05%	36.56%	27.06%	32.70%
Class IV	42.27%	36.72%	39.92%	38.55%	30.14%	26.82%	32.53%	30.86%
Market Shrinkage								
Pounds	8,338,705	11,091,614	7,559,158	6,614,575	2,325,525	3,286,324	1,547,646	3,728,221
% of Producer Milk	1.34%	1.41%	1.24%	1.04%	0.69%	0.86%	0.44%	0.93%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Aug 2019	Jul 2019	Aug 2018	Jul 2018	Aug 2019	Jul 2019	Aug 2018	Jul 2018
Number of Handlers								
Pool Handlers	23	23	21	23	8	8	8	8
<i>Distributing Plants</i>	11	11	11	11	6	6	6	6
<i>Supply Plants 1/</i>	6	6	4	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	29	31	23	23	29	29	26	25
Class I Route Disposition In Area								
By Pool Plants	128,151,467	128,221,963	134,985,968	130,398,455	77,178,411	70,770,895	79,687,162	72,595,978
By Producer-Handlers	5,632,853	6,113,284	6,353,563	6,020,299	0	0	0	0
By Other Plants	13,693,541	12,126,111	13,013,845	12,023,782	7,157,798	5,775,167	8,828,551	7,169,548
Total	147,477,861	146,461,358	154,353,376	148,442,536	84,336,209	76,546,062	88,515,713	79,765,526
Producer-Handler Data								
% Class I Use	47.05%	50.15%	52.79%	47.86%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.82%	4.17%	4.12%	4.06%	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	Aug	Sep	Aug	Sep	Aug	Sep	Aug
	2019	2019	2018	2018	2019	2019	2018	2018
Receipts of Milk								
Total Producer Milk	622,963,204	784,408,266	610,691,627	636,017,354	335,287,735	384,250,365	353,868,720	402,179,412
Receipts From Other Sources	8,663,553	9,271,522	9,845,494	7,632,368	5,968,337	14,288,254	7,613,018	7,316,456
Opening Inventory	32,244,069	35,932,022	30,445,951	32,157,332	20,516,758	17,723,407	20,853,854	24,703,522
Total To Be Accounted For	663,870,826	829,611,810	650,983,072	675,807,054	361,772,830	416,262,026	382,335,592	434,199,390
Utilization of Receipts								
Whole milk	41,322,104	43,340,553	41,496,526	43,770,875	25,760,009	27,664,911	25,989,244	27,759,864
Flavored milk & drinks	12,204,773	7,511,167	12,920,858	8,975,355	6,171,850	6,852,535	6,938,644	7,506,025
2% milk	46,946,029	48,301,579	48,830,440	50,431,914	26,243,668	27,277,698	26,506,341	27,946,797
1% milk	18,713,410	17,663,477	19,972,944	19,015,087	9,455,235	10,246,638	10,550,232	11,281,313
Skim milk	9,531,408	9,649,337	10,762,183	11,152,460	4,362,757	4,672,151	4,906,697	5,193,163
Buttermilk	1,580,044	1,685,354	1,542,080	1,640,277	448,431	464,478	2/	2/
Class I dispositions in area	130,297,768	128,151,467	135,525,031	134,985,968	72,441,950	77,178,411	74,891,158	79,687,162
Class I dispositions out of area	8,349,281	9,085,716	10,620,999	11,779,599	27,020,523	28,730,527	25,015,383	27,674,345
Other Class I usage	21,225,195	19,691,450	21,587,887	21,296,198	14,351,819	13,086,943	12,147,477	12,464,702
Utilization by Class								
Total Class I Use	159,872,244	156,928,633	167,733,917	168,061,765	113,814,292	118,995,881	112,054,018	119,826,209
Total Class II Use	41,035,084	45,238,001	42,222,993	52,104,850	33,616,514	34,957,441	44,195,386	42,627,938
Total Class III Use	179,951,114	316,411,766	178,754,734	192,078,621	101,882,039	141,876,642	1/	133,027,038
Total Class IV Use	283,012,384	311,033,410	262,271,428	263,561,818	112,459,985	120,432,062	226,086,188	138,718,205
Total Accounted For	663,870,826	829,611,810	650,983,072	675,807,054	361,772,830	416,262,026	382,335,592	434,199,390

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Sep	Aug	Sep	Aug	Sep	Aug	Sep	Aug
	2019	2019	2018	2018	2019	2019	2018	2018
Producer milk								
Class I	142,197,530	140,235,427	147,702,132	152,596,861	101,894,815	107,138,132	100,284,222	106,447,428
Class II	37,445,919	39,983,266	40,433,185	46,188,338	31,599,808	33,572,894	42,706,152	40,082,951
Class III	179,951,114	316,140,222	178,750,683	192,067,405	100,740,619	140,464,564	95,754,452	131,504,024
Class IV	263,368,641	288,049,351	243,805,627	245,164,750	101,052,493	103,074,775	115,123,894	124,145,009
Other receipts								
Class I	17,674,714	16,693,206	20,031,785	15,464,904	11,919,477	11,857,749	11,769,796	13,378,781
Class II	3,589,165	5,254,735	1,789,808	5,916,512	1/	1/	1/	1/
Class III	0	1/	1/	1/	1/	1/	1/	1/
Class IV	19,643,743	23,255,603	18,469,852	18,408,284	14,565,618	20,153,912	16,697,076	18,641,197
Avg. daily producer receipts	20,765,440	25,303,492	20,356,388	20,516,689	11,176,258	12,395,173	11,795,624	12,973,529
Change From Previous Year	2.01%	23.33%	-14.84%	-15.19%	-5.25%	-4.46%	-10.95%	-2.81%
Avg. daily Class I use	5,329,075	5,062,214	5,591,131	5,421,347	3,793,810	3,838,577	3,735,134	3,865,362
Change From Previous Year	-4.69%	-6.62%	-8.01%	-5.42%	1.57%	-0.69%	-5.10%	-3.15%

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

USDA News

USDA APPOINTS MEMBERS TO NATIONAL DAIRY PROMOTION AND RESEARCH BOARD

On October 23, 2019, the U.S. Department of Agriculture (USDA) announced the appointment of 12 members to serve on the National Dairy Promotion and Research Board. These appointees will serve three-year terms, November 1, 2019, through October 31, 2022.

Newly appointed members are:

- Justin F. Leyendekker, California (Region 2)
- Stephen D. Weststeyn, California (Region 2)
- Nathaniel P. Moroney, Texas (Region 4)
- James W. Reid, Michigan (Region 9)
- Joanna B. Shipp, Virginia (Region 10)

Newly reappointed are:

- Stephen D. Maddox, California (Region 2)
- Michael Oosten, California (Region 2)
- Arlene VanderEyck, California (Region 2)
- Manuel C. Caballero, Arizona (Region 3)
- Connie M. Seefeldt, Wisconsin (Region 6)
- Jennifer L. Heltzel, Pennsylvania (Region 11)
- Bret J. Bossard, New York (Region 12)

The National Dairy Promotion and Research Board is composed of 37 members, 36 members represent 12 geographic regions within the United States and 1 member represents importers. The board was established by the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of advertising and promotion to increase the demand for dairy products and ingredients. The National Dairy Promotion and Research Program is financed by a mandatory 15-cent per hundredweight assessment on milk for commercial use and 7.5-cent per hundredweight assessment on milk imported.

For more information go to <https://www.ams.usda.gov/rules-regulations/research-promotion/dairy>. 🐄

USDA GRANTS WOULD LIKE FEEDBACK ON HOW THEY EVALUATE GRANT PROGRAMS

USDA Agricultural Marketing Service (AMS) is updating their performance measures and looking for feedback from farmers, producers, ranchers, farmer organizations, trade associations, universities, etc. for their grant programs, including the Farmers Market and Local Food Promotion Programs, Specialty Crop Block Grant Program, and Dairy Business Innovation Initiatives. Visit their website to learn more about the Performance Measures project.

You may provide your feedback at the following national meetings or through comments to <https://nasda.foundation/contact-us>:

- Rosemont, IL: October 2, 2019
- New Haven, CT: October 25, 2019
- Tallahassee, FL: October 29, 2019
- Monterey, CA: November 5, 2019

Details about the project are available at <https://nasda.foundation/amnasda-performance-measures-project>. 🐄

WAIVER OF ADMINISTRATIVE ASSESSMENT

On October 21, 2019, the Market Administrator, Lisa K. Wyatt, sent a letter to all handlers in Federal Orders 124 and 131. The content of the letter states that the 3.5-cent per hundredweight administrative assessment currently applicable to the Pacific Northwest and Arizona federal milk orders will be waived for the October 2019 delivery period. Statements issued for those months will not contain an administrative assessment charge.

The 4-cent per hundredweight deduction for marketing services under each of the above-named orders will continue to be deducted. This deduction, which is applicable to deliveries by producers who are not members of a qualified cooperative association performing marketing services, is to be withheld from producers in making payments for milk delivered during the month. 🐄

Federal Order Statistics for September 2019

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)	2,163.7	688.2	31.81%	\$21.10	\$18.78
Appalachian (FO 5)	442.6	321.2	72.57%	\$21.25	\$20.04
Florida (FO 6)	204.3	163.4	80.00%	\$23.25	\$21.85
Southeast (FO 7)	381.5	278.5	73.01%	\$21.65	\$20.52
Upper Midwest (FO 30)	2,283.9	220.9	9.67%	\$19.65	\$18.23
Central (FO 32)	1,038.2	372.9	35.92%	\$19.85	\$17.71
Mideast (FO 33)	1,425.1	524.0	36.77%	\$19.85	\$18.00
California (FO 51)	1,768.2	455.7	25.77%	\$19.95	\$17.37
Pacific Northwest (FO 124)	623.0	142.2	22.83%	\$19.75	\$17.43
Southwest (FO 126)	783.5	347.1	44.30%	\$20.85	\$18.21
Arizona (FO 131)	335.3	101.9	30.39%	\$20.20	\$18.08

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



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

E-mail the MA Office

fmmaseattle@fmmaseattle.com

Bothell Office

1930 220th Street SE, Suite 102
Bothell, Washington 98021

Phone: (425) 487-6009
Fax: (425) 487-2775



Phoenix Office

4835 E Cactus Road, Suite 440
Scottsdale, Arizona 85254

Phone: (602) 547-2909
Fax: (602) 547-2906

Visit the MA Website

www.fmmaseattle.com