

The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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December 2016

Data for November 2016

MARKET SUMMARIES FOR NOVEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 556.0 million pounds of milk to the market during November. Daily deliveries averaged 18.5 million pounds, down 6.5 percent from October. An estimated 447 producers delivered milk to the market during the month. Daily deliveries per producer averaged 41,462 pounds, down 5.4 percent from October.

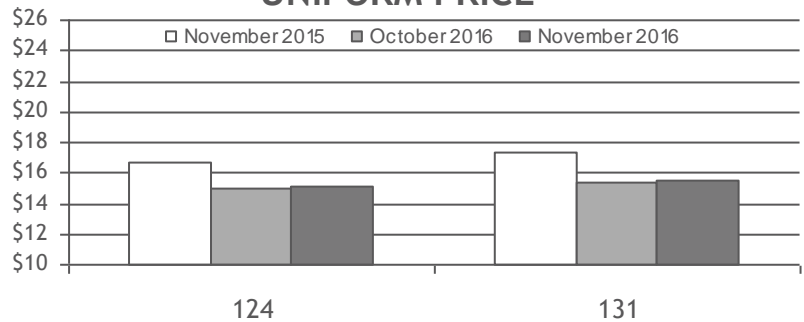
Class I producer milk during November totaled 162.8 million pounds, 29.3 percent of total producer receipts. Daily usage averaged 5.4 million pounds, down 0.3 percent from October. ▼

Arizona (FO 131)

Producers delivered a total of 378.1 million pounds of milk to the market during November. Daily deliveries averaged 12.6 million pounds, down 3.4 percent from October. An estimated 89 producers delivered milk to the market during the month. Daily deliveries per producer averaged 141,604 pounds, down 3.4 percent from October.

Class I producer milk during November totaled 112.1 million pounds, 29.7 percent of total producer receipts. Daily usage averaged 3.7 million pounds, up 3.0 percent from October. ▼

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Oct	Nov	Oct	Nov
Uniform Price (at 3.5%)	\$14.96	\$15.07	\$15.39	\$15.52
Uniform Price (at test)	\$16.69	\$17.07	\$15.62	\$15.79
PPD	\$0.14	\$(1.69)		
Butterfat	\$2.0493	\$2.1044		n/a
Protein	\$2.2975	\$2.8085		
Other Solids	\$0.1351	\$0.1750		
Uniform Skim			\$8.34	\$8.45
Uniform Butterfat		n/a	\$2.0989	\$2.1059
Butterfat	4.010%	4.069%	3.613%	3.629%
Protein	3.289%	3.275%		
Other Solids	5.736%	5.722%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Growth of U.S. Dairy Exports
- ✓ USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

Federal Order Price Summaries

FINAL CLASS PRICES

The November 2016 Final Class Prices were calculated using AMS commodity price surveys from November 5, 12, 19, and 26, 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
Oct 2016	\$18.50	\$18.95	\$14.09	\$14.82	\$13.66	\$2.0493	\$2.2975	\$0.1351	\$0.7469
Nov 2016	\$16.68	\$17.13	\$14.60	\$16.76	\$13.76	\$2.1044	\$2.8085	\$0.1750	\$0.7367
Change	(\$1.82)	(\$1.82)	\$0.51	\$1.94	\$0.10	\$0.0551	\$0.5110	\$0.0399	\$0.0102

ADVANCED CLASS I PRICE

The January 2017 Advanced Price was calculated using AMS commodity price surveys from December 10 and 17, 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
Dec 2016	\$2.1104	\$9.84	\$6.62	\$9.84	\$16.88	\$18.78	\$19.23	\$7.32	\$0.8133
Jan 2017	\$2.3374	\$9.61	\$7.07	\$9.61	\$17.45	\$19.35	\$19.80	\$7.77	\$0.8633
Change	\$0.2270	(\$0.23)	\$0.45	(\$0.23)	\$0.57	\$0.57	\$0.57	\$0.45	\$0.0500

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	October	November	Change
Cheese	\$1.5830	\$1.7596	\$0.1766
Butter	\$1.8637	\$1.9092	\$0.0455
Nonfat Dry Milk	\$0.9222	\$0.9119	(\$0.0103)
Whey	\$0.3303	\$0.3690	\$0.0387

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	December	January	Change
Cheese	\$1.7706	\$1.8052	\$0.0346
Butter	\$1.9142	\$2.1016	\$0.1874
Nonfat Dry Milk	\$0.9105	\$0.9615	\$0.0510
Whey	\$0.3706	\$0.3981	\$0.0275

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 1.23 cents between the November 19 and the December 17 surveys, to \$1.8329 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 8.47 cents to \$1.6916 per pound.

The AMS butter price showed a net increase of 15.44 cents between the weeks ending November 19 and December 17 from \$1.9430 per pound to \$2.0974 per pound. The AMS nonfat dry milk showed an increase of 5.45 cents since mid-November to \$0.9671 per pound. The average price for AMS whey showed an increase of 2.86 cents since mid-November to \$0.4030 per pound.

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Nov 2016	Oct 2016	Nov 2015	Oct 2015	Nov 2016	Oct 2016	Nov 2015	Oct 2015
Producer Prices								
Producer Price Differential (\$/cwt)	(\$1.69)	\$0.14	\$1.38	\$0.82	+	+	+	+
Butterfat (\$/pound)	2.1044	2.0493	3.1830	2.9087	+	+	+	+
Protein (\$/pound)	2.8085	2.2975	1.3205	1.7019	+	+	+	+
Other Solids (\$/pound)	0.1750	0.1351	0.0361	0.0328	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$8.45	\$8.34	\$6.52	\$6.95
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.1059	2.0989	3.1399	2.8830
Statistical Uniform Price (\$/cwt)	\$15.07	\$14.96	\$16.68	\$16.28	\$15.52	\$15.39	\$17.28	\$16.80
Producer Data								
Number of Producers	447	452	570	577	89	89	91	97
Avg. Daily Production (pounds)	41,462	43,849	41,618	41,190	141,604	146,543	139,673	129,005
Producer Milk Ratios								
Class I	29.29%	27.46%	23.44%	23.54%	29.65%	27.83%	28.44%	28.94%
Class II	7.44%	7.83%	6.85%	6.31%	12.41%	11.74%	10.00%	14.03%
Class III	26.18%	28.93%	41.86%	41.55%	21.50%	29.27%	29.23%	28.29%
Class IV	37.09%	35.78%	27.85%	28.60%	36.44%	31.16%	32.33%	28.74%
Market Shrinkage								
Pounds	8,019,851	10,379,830	17,491,547	10,680,204	2,220,798	1,906,877	2,093,663	1,744,919
% of Producer Milk	1.44%	1.69%	2.46%	1.45%	0.59%	0.47%	0.55%	0.45%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Oct 2016	Sep 2016	Oct 2015	Sep 2015	Oct 2016	Sep 2016	Oct 2015	Sep 2015
Number of Handlers								
Pool Handlers	22	22	24	22	8	8	7	7
<i>Distributing Plants</i>	11	12	12	12	6	6	5	5
<i>Supply Plants 1/</i>	4	3	6	4	1	1	1	1
<i>Cooperatives</i>	7	7	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	21	20	20	20	24	23	24	24
Class I Route Disposition In Area								
By Pool Plants	154,746,646	150,507,830	154,381,690	150,689,754	82,679,115	79,945,399	86,259,938	82,627,254
By Producer-Handlers	6,896,151	7,085,131	6,917,253	6,760,818	0	0	0	0
By Other Plants	11,990,782	11,871,312	12,182,502	12,318,924	8,276,681	8,465,333	7,770,762	7,810,276
Total	173,633,579	169,464,273	173,481,445	169,769,496	90,955,796	88,410,732	94,030,700	90,437,530
Producer-Handler Data								
% Class I Use	57.17%	64.57%	59.62%	60.48%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.97%	4.18%	3.99%	3.98%	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			
	Nov	Oct	Nov	Oct	Nov	Oct	Nov	Oct
	2016	2016	2015	2015	2016	2016	2015	2015
Receipts of Milk								
Total Producer Milk	556,002,710	614,411,929	711,675,838	736,766,376	378,083,546	404,312,973	381,308,327	387,918,140
Receipts From Other Sources	18,326,125	9,229,145	7,925,266	8,492,237	4,292,832	6,065,365	6,588,815	3,874,148
Opening Inventory	32,768,777	34,136,109	43,634,578	42,075,603	20,967,076	20,798,826	23,984,419	22,227,143
Total To Be Accounted For	607,097,612	657,777,183	763,235,682	787,334,216	403,343,454	431,177,164	411,881,561	414,019,431
Utilization of Receipts								
Whole milk	40,321,186	41,074,374	36,925,861	37,407,476	25,463,361	26,202,343	25,259,007	26,088,951
Flavored milk & drinks	17,106,597	17,101,130	17,057,024	16,136,269	8,330,744	7,532,819	7,069,219	6,782,409
2% milk	55,222,924	56,135,012	57,010,725	57,128,900	28,259,911	29,433,205	30,021,939	31,044,790
1% milk	23,270,731	24,404,991	24,763,770	25,931,697	12,026,170	12,754,338	13,434,367	14,173,626
Skim milk	14,098,443	14,534,670	16,093,231	16,254,885	6,318,221	6,756,410	7,662,884	7,777,590
Buttermilk	1,530,469	1,496,469	1,586,817	1,522,463	2/	2/	444,383	392,572
Class I dispositions in area	151,550,350	154,746,646	153,437,428	154,381,690	80,398,407	82,679,115	83,891,799	86,259,938
Class I dispositions out of area	11,907,314	11,692,042	12,742,540	14,265,125	29,701,200	29,279,727	25,473,101	26,778,237
Other Class I usage	17,921,098	21,713,116	22,142,948	24,879,069	14,734,003	13,108,326	10,951,569	11,954,357
Utilization by Class								
Total Class I Use	181,378,762	188,151,804	188,322,916	193,525,884	124,833,610	125,067,168	120,316,469	124,992,532
Total Class II Use	45,013,152	51,736,270	52,747,945	51,005,370	48,026,403	49,962,914	38,754,118	55,207,228
Total Class III Use	145,800,238	178,062,190	299,214,517	307,516,304	1/	118,951,635	112,370,997	110,742,979
Total Class IV Use	234,905,460	239,826,919	222,950,304	235,286,658	230,483,441	137,195,447	140,439,977	123,076,692
Total Accounted For	607,097,612	657,777,183	763,235,682	787,334,216	403,343,454	431,177,164	411,881,561	414,019,431

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Nov	Oct	Nov	Oct	Nov	Oct	Nov	Oct
	2016	2016	2015	2015	2016	2016	2015	2015
Producer milk								
Class I	162,828,552	168,736,473	166,826,372	173,444,119	112,107,350	112,529,923	108,431,878	112,282,863
Class II	41,356,219	48,122,703	48,752,601	46,509,720	46,930,750	47,450,028	38,112,872	54,441,452
Class III	145,561,118	177,755,135	297,903,861	306,156,724	81,273,476	118,357,181	111,459,372	109,746,290
Class IV	206,256,821	219,797,618	198,193,004	210,655,813	137,771,970	125,975,841	123,304,205	111,447,535
Other receipts								
Class I	18,550,210	19,415,331	21,496,544	20,081,765	12,726,260	12,537,245	11,884,591	12,709,669
Class II	3,656,933	3,613,567	3,995,344	4,495,650	1/	1/	1/	1/
Class III	1/	1/	1,310,656	1,359,580	1/	1/	1/	1/
Class IV	28,887,759	20,336,356	24,757,300	24,630,845	12,533,648	14,326,946	18,688,643	13,391,622
Avg. daily producer receipts	18,533,424	19,819,740	23,722,528	23,766,657	12,602,785	13,042,354	12,710,278	12,513,488
Change From Previous Year	-21.87%	-16.61%	63.52%	46.73%	-0.85%	4.23%	2.41%	5.71%
Avg. daily Class I use	6,045,959	6,069,413	6,277,431	6,242,770	4,161,120	4,034,425	4,010,549	4,032,017
Change From Previous Year	-3.69%	-2.78%	1.18%	-1.71%	3.75%	0.06%	2.40%	-0.34%

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

USDA News

ERS PUBLICATION

Growth of U.S. Dairy Exports

From 2004 to 2014, the value of U.S. dairy product exports more than quadrupled, and the United States became the world's third-largest dairy product exporter, behind New Zealand and the European Union (EU). This export status was a significant change for an industry previously focused primarily on domestic rather than international demand. Demand for dairy products increased with soaring income growth in developing countries. Moreover, policies of the United States and its trading partners became more market-oriented, allowing trade that responds more to market forces.

As the United States became more of a global dairy-market player, the U.S. dairy market faced greater variability in demand and prices. In 2015, as global conditions changed, the value of U.S. dairy exports fell by almost 30 percent. The United States, as both a top producer and exporter, has a pivotal role to play, but will have to compete with other large dairy exporters such as New Zealand, the EU, and Australia to increase export market share in the future.

The full article is available at www.ers.usda.gov/publications. 🐾

Source: USDA. Economic Research Service. "Growth of U.S. Dairy Exports", LDPM-270-01 November 2016

USDA SEEKS NOMINEES FOR NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

The U.S. Department of Agriculture (USDA) is asking fluid milk processors and other interested parties to nominate candidates to serve on the National Fluid Milk Processor Promotion Board. Agriculture Secretary Tom Vilsack will appoint six individuals to succeed members whose terms expire on June 30, 2017. There are five openings in geographic regions and one opening for an at-large position. Newly appointed members will serve three-year terms from July 1, 2017, through June 30, 2020.

Fluid milk processors and interested parties may submit nominations for regions in which they are located or market fluid milk, and for at-large members. To nominate an individual, you may submit a copy of the nomination form and a signed background form for each nominee by January 6, 2017, to: Emily DeBord, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave., S.S., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233, or via email at emily.debord@ams.usda.gov. Blank forms are available at the [Fluid Milk Processors Promotion Board](#).

The full article is available on the [AMS website](#). 🐾

Source: USDA. Agriculture Marketing Service. Release No. 186-16 November 2016

*The Market Administrator's offices
wish everyone a happy holiday
season!*



Federal Order Statistics for November 2016

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)	2,174.6	752.9	34.62%	\$18.03	\$16.34
Appalachian (FO 5)	434.9	326.5	75.09%	\$18.18	\$17.48
Florida (FO 6)	225.7	187.6	83.15%	\$20.18	\$19.43
Southeast (FO 7)	414.3	326.5	78.81%	\$18.58	\$18.02
Upper Midwest (FO 30)	1,862.0	293.1	15.74%	\$16.58	\$16.24
Central (FO 32)	954.8	417.8	43.76%	\$16.78	\$15.40
Mideast (FO 33)	1,444.4	562.4	38.94%	\$16.78	\$15.38
Pacific Northwest (FO 124)	556.0	162.8	29.29%	\$16.68	\$15.07
Southwest (FO 126)	579.7	371.8	64.13%	\$17.78	\$15.96
Arizona (FO 131)	378.1	112.1	29.65%	\$17.13	\$15.52

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



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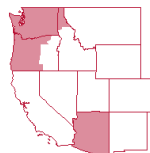
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