



Pacific Northwest and Arizona Marketing Areas

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June 2020

Data for May 2020

MARKET SUMMARIES FOR MAY

Pacific Northwest (FO 124)

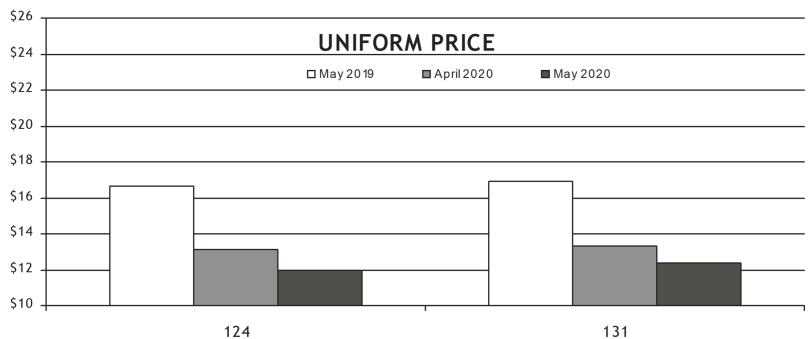
Producers delivered a total of 641.8 million pounds of milk to the market during May. Daily deliveries averaged 20.7 million pounds, down 0.1 percent from April. An estimated 366 producers delivered milk to the market during the month. Daily deliveries per producer averaged 56,564 pounds, down 0.1 percent from April.

Class I producer milk during May totaled 135.6 million pounds, 21.1 percent of total producer receipts. Daily usage averaged 4.4 million pounds, down 5.1 percent from April. ▼

Arizona (FO 131)

Producers delivered a total of 434.5 million pounds of milk to the market during May. Daily deliveries averaged 14.0 million pounds, down 4.7 percent from April. An estimated 73 producers delivered milk to the market during the month. Daily deliveries per producer averaged 192,016 pounds, down 4.7 percent from April.

Class I producer milk during May totaled 102.3 million pounds, 23.5 percent of total producer receipts. Daily usage averaged 3.3 million pounds, up 2.9 percent from April. ▼



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Apr	May	Apr	May
Uniform Price (at 3.5%)	\$13.15	\$11.97	\$13.33	\$12.38
Uniform Price (at test)	\$14.45	\$12.99	\$13.62	\$12.63
PPD	\$0.08	(\$0.17)		
Butterfat	\$1.3218	\$1.3756		n/a
Protein	\$2.4822	\$2.0918		
Other Solids	\$0.1793	\$0.1882		
Uniform Skim			\$8.69	\$7.86
Uniform Butterfat		n/a	\$1.4115	\$1.3697
Butterfat	4.033%	3.949%	3.725%	3.692%
Protein	3.224%	3.176%		
Other Solids	5.766%	5.780%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Continuation of Revision in Shipping Percentages

Federal Order Price Summaries

FINAL CLASS PRICES

The May 2020 Final Class Prices were calculated using AMS commodity price surveys from June 2, 9, 16, 23 and 30, 2020. 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
Apr 2020	\$18.54	\$18.99	\$13.87	\$13.07	\$11.40	\$1.3218	\$2.4822	\$0.1793	\$0.7795
May 2020	\$14.85	\$15.30	\$12.30	\$12.14	\$10.67	\$1.3756	\$2.0918	\$0.1882	\$0.6746
Change	(\$3.69)	(\$3.69)	(\$1.57)	(\$0.93)	(\$0.73)	\$0.0538	(\$0.3904)	\$0.0089	(\$0.1049)

ADVANCED CLASS I PRICE

The July 2020 Advanced Price was calculated using AMS commodity price surveys from June 6 and 13, 2020. 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
June 2020	\$1.3107	\$6.68	\$5.99	\$7.08	\$11.42	\$13.32	\$13.77	\$6.69	\$0.7433
July 2020	\$1.8023	\$13.29	\$6.46	\$10.62	\$16.56	\$18.46	\$18.91	\$7.16	\$0.7956
Change	\$0.4916	\$6.61	\$0.47	\$3.54	\$5.14	\$5.14	\$5.14	\$0.47	\$0.0523

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	Apr	May	Change
Cheese	\$1.4026	\$1.2990	(\$0.1036)
Butter	\$1.2630	\$1.3074	\$0.0444
Nonfat Dry Milk	\$0.9552	\$0.8492	(\$0.1060)
Whey	\$0.3732	\$0.3818	\$0.0086

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	Jun	Jul	Change
Cheese	\$1.1859	\$2.0174	\$0.8315
Butter	\$1.2538	\$1.6598	\$0.4060
Nonfat Dry Milk	\$0.8395	\$0.8923	\$0.0528
Whey	\$0.3822	\$0.3674	(\$0.0148)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and an increase for 500-pound barrels. The survey of 40-pound blocks showed an increase of 94.48 cents between the May 16 and the June 13 surveys, to \$2.1646 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed an increase of 89.29 cents to \$2.0972 per pound.

The AMS butter price showed an increase of 51.18 cents between the weeks ending May 16 and June 13 from \$1.3141 per pound to \$1.8259 per pound. The AMS nonfat dry milk showed a net increase of 6.50 cents since mid-May to \$0.9047 per pound. The average price for AMS whey showed a net decrease of 1.62 cents since mid-May to \$0.3685 per pound. ▼

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2020	Apr 2020	May 2019	Apr 2019	May 2020	Apr 2020	May 2019	Apr 2019
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.17)	\$0.08	\$0.24	\$0.15	+	+	+	+
Butterfat (\$/pound)	1.3756	1.3218	2.5718	2.5375	+	+	+	+
Protein (\$/pound)	2.0918	2.4822	2.1159	1.9890	+	+	+	+
Other Solids (\$/pound)	0.1882	0.1793	0.1847	0.1990	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$7.86	\$8.69	\$8.23	\$7.79
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.3697	1.4115	2.5720	2.5459
Statistical Uniform Price (\$/cwt)	\$11.97	\$13.15	\$16.62	\$16.11	\$12.38	\$13.33	\$16.94	\$16.43
Producer Data								
Number of Producers	366	366	488	492	73	73	73	76
Avg. Daily Production (pounds)	56,564	56,609	52,025	51,104	192,016	201,560	191,814	193,138
Producer Milk Ratios								
Class I	21.13%	22.25%	18.94%	19.48%	23.54%	21.80%	23.86%	24.07%
Class II	6.78%	5.39%	5.46%	5.59%	8.27%	6.98%	8.56%	8.53%
Class III	28.60%	27.84%	40.79%	40.92%	30.84%	16.11%	28.78%	28.42%
Class IV	43.49%	44.52%	34.81%	34.01%	37.35%	55.11%	38.80%	38.98%
Market Shrinkage								
Pounds	8,261,707	6,652,157	11,406,322	12,129,293	3,408,999	1,966,662	2,951,374	3,241,736
% of Producer Milk	1.29%	1.07%	1.45%	1.61%	0.78%	0.45%	0.68%	0.74%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2020	Mar 2020	Apr 2019	Mar 2019	Apr 2020	Mar 2020	Apr 2019	Mar 2019
Number of Handlers								
Pool Handlers	19	19	23	23	8	8	8	8
<i>Distributing Plants</i>	11	11	11	11	6	6	6	6
<i>Supply Plants 1/</i>	4	4	6	6	1	1	1	1
<i>Cooperatives</i>	4	4	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	30	28	28	27	25	29	27	28
Class I Route Disposition In Area								
By Pool Plants	125,782,293	143,631,681	133,954,057	133,288,671	72,809,279	85,061,629	76,430,239	77,425,533
By Producer-Handlers	5,647,013	6,040,655	6,067,584	5,967,920	0	0	0	0
By Other Plants	14,907,921	16,425,877	12,864,130	12,160,438	7,852,020	9,502,400	8,818,953	6,811,814
Total	146,337,227	166,098,213	152,885,771	151,417,029	80,661,299	94,564,029	85,249,192	84,237,347
Producer-Handler Data								
% Class I Use	48.34%	48.83%	52.89%	53.82%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.86%	3.64%	3.97%	3.94%	0.00%	0.00%	0.00%	0.00%

Preliminary data indicated in **bold**. 1/ Includes Cooperative Pool Manufacturing Plants.

Monthly Statistical Summary

PACIFIC NORTHWEST

ARIZONA

RECEIPTS & UTILIZATION	May	Apr	May	Apr	May	Apr	May	Apr
	2020	2020	2019	2019	2020	2020	2019	2019
Receipts of Milk								
Total Producer Milk	641,776,899	621,568,166	787,037,503	754,288,717	434,532,970	441,415,630	434,074,677	440,355,168
Receipts From Other Sources	6,213,460	7,571,392	11,288,726	8,419,933	5,096,845	2,438,346	8,560,269	4,506,562
Opening Inventory	34,726,199	37,294,254	39,756,799	44,230,101	22,917,445	27,366,236	23,263,480	24,291,679
Total To Be Accounted For	682,716,558	666,433,812	838,083,028	806,938,751	462,547,260	471,220,212	465,898,426	469,153,409
Utilization of Receipts								
Whole milk	42,853,470	42,637,863	42,923,449	41,854,203	28,265,918	28,234,587	27,054,211	26,331,627
Flavored milk & drinks	8,244,390	7,854,867	13,011,022	12,650,424	3,780,234	3,896,264	6,210,273	7,273,836
2% milk	48,306,903	46,271,581	47,776,435	47,934,052	28,236,373	28,381,049	27,313,310	27,418,871
1% milk	19,046,288	19,374,962	19,412,142	19,734,219	8,300,478	7,908,580	9,756,065	10,426,822
Skim milk	9,445,419	8,479,237	10,216,759	10,190,251	4,036,778	3,978,618	4,655,983	4,979,083
Buttermilk	1,324,083	1,163,783	1,706,056	1,590,908	432,017	410,181	2/	2/
Class I dispositions in area	129,220,553	125,782,293	135,045,863	133,954,057	73,051,798	72,809,279	74,989,842	76,430,239
Class I dispositions out of area	9,717,840	9,534,019	10,568,822	9,823,167	28,944,266	26,124,571	27,403,700	27,546,918
Other Class I usage	16,501,894	21,116,934	23,792,157	21,424,027	13,809,393	12,838,157	15,140,758	14,669,510
Utilization by Class								
Total Class I Use	155,440,287	156,433,246	169,406,842	165,201,251	115,805,457	111,772,007	117,534,300	118,646,667
Total Class II Use	46,364,491	38,035,015	50,804,965	48,673,636	37,126,968	31,543,842	38,365,918	39,709,761
Total Class III Use	183,559,733	173,060,847	321,034,572	308,621,878	134,900,917	71,117,864	124,935,479	125,236,746
Total Class IV Use	297,352,047	298,904,704	296,836,649	284,441,986	174,713,918	256,786,499	185,062,729	185,560,235
Total Accounted For	682,716,558	666,433,812	838,083,028	806,938,751	462,547,260	471,220,212	465,898,426	469,153,409

PACIFIC NORTHWEST

ARIZONA

CLASSIFICATION OF RECEIPTS	May	Apr	May	Apr	May	Apr	May	Apr
	2020	2020	2019	2019	2020	2020	2019	2019
Producer milk								
Class I	135,637,987	138,290,146	149,091,814	146,941,620	102,282,328	96,244,047	103,554,394	106,005,433
Class II	43,480,557	33,529,769	42,973,822	42,187,562	35,951,602	30,807,902	37,178,291	37,546,458
Class III	183,559,733	173,060,847	321,034,572	308,621,628	134,002,370	71,117,864	124,913,832	125,134,813
Class IV	279,098,622	276,687,404	273,937,295	256,537,907	162,296,670	243,245,817	168,428,160	171,668,464
Other receipts								
Class I	19,802,300	18,143,100	20,315,028	18,259,631	13,523,129	15,527,960	13,979,906	12,641,234
Class II	2,883,934	4,505,246	7,831,143	6,486,074	1/	1/	1/	1/
Class III	0	0	0	1/	1/	0	1/	1/
Class IV	18,253,425	22,217,300	22,899,354	27,904,329	14,491,161	14,276,622	17,843,843	16,157,007
Avg. daily producer receipts	20,702,481	20,718,939	25,388,307	25,142,957	14,017,193	14,713,854	14,002,409	14,678,506
Change From Previous Year	-18.46%	-17.60%	2.19%	20.85%	0.11%	0.24%	-5.50%	-0.42%
Avg. daily Class I use	5,014,203	5,214,442	5,464,737	5,506,708	3,735,660	3,725,734	3,791,429	3,954,889
Change From Previous Year	-8.24%	-5.31%	-2.89%	-1.08%	-1.47%	-5.79%	1.23%	1.08%

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

Market Administrator News

CONTINUATION OF REVISION IN SHIPPING PERCENTAGES

The following is an excerpt of a letter sent to FO 124 pool handlers.

SUMMARY: This action continues the reduction of the percentage of a cooperative association's producer milk that must be delivered to pool distributing plants to qualify its manufacturing plant for pool status. The order states that a specified percentage of producer milk must be delivered to pool distributing plants during either the current month or, on average, the immediately preceding 12-month period ending with the current month to qualify a cooperative's plant.

The purpose of this standard is to assure an adequate supply of milk for fluid consumption while enabling the continued pooling of producer milk that currently is pooled without the need for uneconomic movements of milk, which would result in disorderly marketing. To accomplish this goal, the order must reflect the needs and nature of the market.

The minimum shipping percentages applicable pursuant to this revision are: 15%, effective July 1, 2020 - June 30, 2021.

STATEMENT OF CONSIDERATION: This proposed action is a continuation of a request made in May 2019 and granted in June 2019, effective July 1, 2019. At that time, Dairy Farmers of America (DFA) requested the Market Administrator review the request annually. This proposal was originally requested by Cooperative Regions of Organic Producer Pools (CROPP), a handler regulated under the Pacific Northwest Federal Milk Marketing Order. CROPP requested the decrease of the percentage of producer milk that a cooperative association must ship to pool distributing plants to qualify its manufacturing plant for pool status, specified in section 1124.7(d), from 20 percent to 15 percent. The request also stated that with Class I sales dropping, the handler has "struggled to meet this requirement without changing routes and moving milk around".

On May 28, 2020, this office notified Federal Order 124 handlers of a Proposed Continuation of Revision in Shipping Percentages for Manufacturing Plants Operated by a Cooperative Association and invited the submission of comments, data, or views on this request by no later than June 24, 2020.

Based on the comments received and analysis of available information and data, it is determined that the percentage of producer milk that a cooperative association must deliver to pool distributing plants during the current month or, on average, the immediately preceding 12-month period ending with the current month, be reduced to 15% through June 30, 2021, at which point, marketing conditions will be reviewed to determine if 15% continues to be appropriate.

As provided in section 1124.7(g) of the Pacific Northwest Federal Milk Marketing Order, the Market Administrator may review the need for any further adjustment on the Market Administrator's own initiative or at the request of interested parties.

The full letter can be found on our [website](#). 

Federal Order Statistics for May 2020

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)	2,308.7	686.8	29.7%	\$16.20	\$13.47
Appalachian (FO 5)	462.5	317.8	68.7%	\$16.35	\$15.14
Florida (FO 6)	200.8	162.9	81.1%	\$18.35	\$17.29
Southeast (FO 7)	386.3	257.1	66.6%	\$16.75	\$15.39
Upper Midwest (FO 30)	2,778.7	220.4	7.9%	\$14.75	\$12.31
Central (FO 32)	1,393.9	380.7	27.3%	\$14.95	\$12.24
Mideast (FO 33)	1,786.8	557.1	31.2%	\$14.95	\$12.73
California (FO 51)	1,901.7	426.3	22.4%	\$15.05	\$11.95
Pacific Northwest (FO 124)	641.8	135.6	21.1%	\$14.85	\$11.97
Southwest (FO 126)	925.1	334.2	36.1%	\$15.95	\$13.01
Arizona (FO 131)	434.5	102.3	23.5%	\$15.30	\$12.38

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

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