

# USDA 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 49, No. 6

June 2023

Data for May 2023

### MARKET SUMMARIES FOR MAY

#### Pacific Northwest (FO 124)

Producers delivered a total of 736.3 million pounds of milk to the market during May. Daily deliveries averaged 23.8 million pounds, up 23.3 percent from April. An estimated 364 producers delivered milk to the market during the month. Daily deliveries per producer averaged 65,254 pounds, down 0.7 percent from April.

Class I producer milk during May totaled 136.8 million pounds, 18.6 percent of total producer receipts. Daily usage averaged 4.4 million pounds, up 9.8 percent from April. 📉

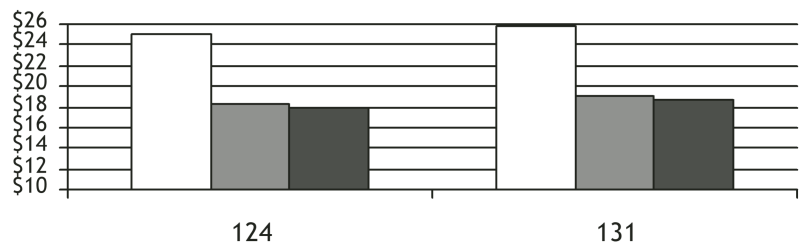
#### Arizona (FO 131)

Producers delivered a total of 428.1 million pounds of milk to the market during May. Daily deliveries averaged 13.8 million pounds, down 9.0 percent from April. An estimated 65 producers delivered milk to the market during the month. Daily deliveries per producer averaged 212,452 pounds, down 9.0 percent from April.

Class I producer milk during May totaled 110.4 million pounds, 25.8 percent of total producer receipts. Daily usage averaged 3.6 million pounds, down 0.5 percent from April. 📉

### UNIFORM PRICE

□ May 2022 ■ April 2023 ▀ May 2023



## Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Apr	May	Apr	Apr
Uniform Price (at 3.5%)	\$18.38	\$17.81	\$19.00	\$18.65
Uniform Price (at test)	\$21.24	\$20.28	\$19.63	\$19.43
PPD	(\$0.14)	\$1.70		
Butterfat	\$2.7009	\$2.7572		n/a
Protein	\$2.5603	\$1.8002		
Other Solids	\$0.2479	\$0.1877		
Uniform Skim			\$9.87	\$9.34
Uniform Butterfat		n/a	\$2.7083	\$2.7538
Butterfat	4.200%	4.174%	3.740%	3.793%
Protein	3.361%	3.326%		
Other Solids	5.798%	5.781%		n/a

### HIGHLIGHTS THIS ISSUE

- ✓ USDA Announces \$23 Million Available to Support Dairy Initiatives
- ✓ Continuation of Revision in Shipping Percentages

# Federal Order Price Summaries

## FINAL CLASS PRICES

The May 2023 Final Class Prices were calculated using AMS commodity price surveys from May 6, 13, 20, and 27, 2023. Current and archived Final Class Price announcements are available at [www.fmmaseattle.com/classcomponent.html](http://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 2023	\$20.75	\$21.20	\$19.20	\$18.52	\$17.95	\$2.7009	\$2.5603	\$0.2479	\$0.9774
May 2023	\$21.47	\$21.92	\$19.11	\$16.11	\$18.10	\$2.7572	\$1.8002	\$0.1877	\$0.9729
Change	\$0.72	\$0.72	(\$0.09)	(\$2.41)	\$0.15	\$0.0563	(\$0.7601)	(\$0.0602)	(\$0.0045)

## ADVANCED CLASS I PRICE

The July 2023 Advanced Price was calculated using AMS commodity price surveys from June 10 and 17, 2023. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advance.html](http://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
Jun 2023	\$2.7412	\$7.17	\$8.78	\$8.72	\$18.01	\$19.91	\$20.36	\$9.48	\$1.0533
Jul 2023	\$2.7757	\$5.33	\$8.94	\$7.88	\$17.32	\$19.22	\$19.67	\$9.64	\$1.0711
Change	\$0.0345	(\$1.84)	\$0.16	(\$0.84)	(\$0.69)	(\$0.69)	(\$0.69)	\$0.16	\$0.0178

# Commodity Price Summaries

### AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	Apr	May	Change
Cheese	\$1.8775	\$1.6600	(\$0.2175)
Butter	\$2.4018	\$2.4483	\$0.0465
Nonfat Dry Milk	\$1.1551	\$1.1505	(\$0.0046)
Whey	\$0.4398	\$0.3813	(\$0.0585)

### AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	Jun	Jul	Change
Cheese	\$1.6920	\$1.5677	(\$0.1243)
Butter	\$2.4351	\$2.4636	\$0.0285
Nonfat Dry Milk	\$1.1531	\$1.1712	\$0.0181
Whey	\$0.3998	\$0.3199	(\$0.0799)

## CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and a net decrease for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 22.32 cents between the May 13 and the June 17 surveys, to \$1.5291 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 1.00 cent to \$1.5792 per pound.

The AMS butter price showed a net decrease of 3.13 cents between the weeks ending May 13 and June 17 from \$2.4653 per pound to \$2.4340 per pound. The AMS nonfat dry milk showed a net increase of 2.48 cents since mid-May to \$1.1728 per pound. The average price for AMS whey showed a decrease of 7.23 cents since mid-May to \$0.3184 per pound. 🐄

# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2023	Apr 2023	May 2022	Apr 2022	May 2023	Apr 2023	May 2022	Apr 2022
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	\$1.70	(\$0.14)	(\$0.09)	\$0.37	+	+	+	+
Butterfat (\$/pound)	2.7572	2.7009	3.1056	3.1461	+	+	+	+
Protein (\$/pound)	1.8002	2.5603	3.8696	3.4239	+	+	+	+
Other Solids (\$/pound)	0.1877	0.2479	0.4857	0.5565	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	9.34	\$9.87	\$15.47	\$15.04
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.7538	2.7083	3.1150	3.1456
Statistical Uniform Price (\$/cwt)*	\$17.81	\$18.38	\$25.12	\$24.79	\$18.65	\$19.00	\$25.83	\$25.52
<b>Producer Data</b>								
Number of Producers	<b>364</b>	293	322	323	<b>65</b>	65	62	62
Avg. Daily Production (pounds)	<b>65,254</b>	65,724	59,240	65,234	<b>212,452</b>	233,551	231,631	239,330
<b>Producer Milk Ratios</b>								
Class I	18.58%	20.86%	23.30%	21.05%	25.80%	23.58%	23.43%	25.35%
Class II	5.18%	5.83%	7.49%	5.90%	9.52%	12.06%	13.46%	12.94%
Class III	45.12%	28.90%	29.56%	48.41%	30.07%	25.12%	27.00%	26.31%
Class IV	31.12%	44.41%	39.65%	24.64%	34.61%	39.24%	36.11%	35.40%
<b>Market Shrinkage</b>								
Pounds	12,000,441	12,993,829	7,642,607	5,069,321	3,236,450	4,092,249	2,911,487	3,070,816
% of Producer Milk	1.63%	2.25%	1.29%	0.80%	0.76%	0.90%	0.65%	0.69%

+ Not Applicable. Preliminary data indicated in **bold**. \*Corrected: March 2022 (FO 131)

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2023	Mar 2023	Apr 2022	Mar 2022	Apr 2023	Mar 2023	Apr 2022	Mar 2022
<b>Number of Handlers</b>								
Pool Handlers	18	20	18	18	9	9	9	8
<i>Distributing Plants</i>	12	12	11	11	7	7	7	6
<i>Supply Plants 1/</i>	3	5	4	4	1	1	1	1
<i>Cooperatives</i>	3	3	3	3	1	1	1	1
Producer-Handlers	4	4	4	4	0	0	0	0
Other Plants w/ Class I Use	<b>28</b>	27	28	31	<b>27</b>	30	29	31
<b>Class I Route Disposition In Area</b>								
By Pool Plants	113,025,387	126,216,819	123,533,191	128,560,925	73,043,439	83,523,170	76,822,885	74,454,890
By Producer-Handlers	4,744,525	5,421,632	4,429,303	4,643,591	0	0	0	0
By Other Plants	<b>9,733,060</b>	10,626,480	13,025,948	11,845,245	<b>9,739,456</b>	10,204,521	9,802,518	13,189,965
Total	127,502,972	142,264,931	140,988,442	145,049,761	82,782,895	93,727,691	86,625,403	87,644,855
<b>Producer-Handler Data</b>								
% Class I Use	42.31%	49.00%	41.42%	41.47%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.72%	3.81%	3.14%	3.20%	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			
	May	Apr	May	Apr	May	Apr	May	Apr
	2023	2023	2022	2022	2023	2023	2022	2022
<b>Receipts of Milk</b>								
Total Producer Milk	736,325,492	577,709,577	591,336,493	632,117,730	428,091,566	455,424,275	445,194,280	445,153,822
Receipts From Other Sources	32,139,757	18,871,182	27,810,806	12,697,033	46,516,506	35,520,246	6,437,626	7,594,763
Opening Inventory	43,082,248	43,275,035	38,888,866	38,408,552	23,327,551	29,644,623	20,987,001	28,586,376
<b>Total To Be Accounted For</b>	<b>811,547,497</b>	<b>639,855,794</b>	<b>658,036,165</b>	<b>683,223,315</b>	<b>497,935,623</b>	<b>520,589,144</b>	<b>472,618,907</b>	<b>481,334,961</b>
<b>Utilization of Receipts</b>								
Whole milk	44,712,830	42,683,959	41,949,065	42,248,162	27,048,713	27,504,078	26,190,907	27,474,076
Flavored milk & drinks	10,240,808	9,113,926	9,831,393	11,319,825	4,331,365	6,442,405	5,605,843	7,759,024
2% milk	41,400,199	38,767,125	44,017,704	44,586,631	24,339,614	26,252,223	24,849,450	27,190,760
1% milk	15,846,475	14,483,450	16,753,554	16,469,924	7,453,862	7,409,974	8,163,788	8,863,281
Skim milk	6,950,960	6,396,029	9,505,849	7,299,893	3,406,316	4,937,609	3,569,327	4,647,604
Buttermilk	1,687,358	1,580,898	1,698,809	1,608,756	949,974	497,150	541,786	888,140
Class I dispositions in area	120,838,630	113,025,387	123,756,374	123,533,191	67,529,844	73,043,439	68,921,101	76,822,885
Class I dispositions out of area	8,252,560	8,526,232	8,664,004	7,432,840	24,869,390	33,619,478	24,565,305	34,836,457
Other Class I usage	26,727,942	25,661,620	28,353,031	25,129,551	30,035,001	15,846,698	25,089,740	16,464,058
<b>Utilization by Class</b>								
Total Class I Use	155,819,132	147,213,239	160,773,409	156,095,582	122,434,235	122,509,615	118,576,146	128,123,400
Total Class II Use	47,523,022	43,095,529	48,492,323	41,208,530	41,931,097	56,617,650	60,927,936	59,968,318
Total Class III Use	338,989,945	166,960,640	174,851,853	310,608,269	129,649,374	114,576,109	120,590,001	118,029,419
Total Class IV Use	269,215,398	282,586,386	273,918,580	175,310,934	203,920,917	226,885,770	172,524,824	175,213,824
<b>Total Accounted For</b>	<b>811,547,497</b>	<b>639,855,794</b>	<b>658,036,165</b>	<b>683,223,315</b>	<b>497,935,623</b>	<b>520,589,144</b>	<b>472,618,907</b>	<b>481,334,961</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	May	Apr	May	Apr	May	Apr	May	Apr
	2023	2023	2022	2022	2023	2023	2022	2022
<b>Producer milk</b>								
Class I	136,773,162	120,521,968	137,771,933	133,059,293	110,445,402	107,368,142	104,318,987	112,829,260
Class II	38,112,187	33,667,113	44,274,505	37,270,608	40,759,058	54,934,997	59,908,275	57,612,545
Class III	332,248,223	166,960,640	174,789,765	306,014,772	128,712,644	114,416,661	120,202,789	117,115,687
Class IV	229,191,920	256,559,856	234,500,290	155,773,057	148,174,462	178,704,475	160,764,229	157,596,330
<b>Other receipts</b>								
Class I	19,045,970	26,691,271	23,001,476	23,036,289	11,988,833	15,141,473	14,257,159	15,294,140
Class II	9,410,835	9,428,416	4,217,818	3,937,922	1/	1/	1/	1/
Class III	6,741,722	0	1/	4,593,497	1/	1/	1/	1/
Class IV	40,023,478	26,026,530	39,480,378	19,537,877	57,855,224	50,023,396	13,167,468	20,886,999
<b>Avg. daily producer receipts</b>	<b>23,752,435</b>	<b>19,256,986</b>	<b>19,075,371</b>	<b>21,070,591</b>	<b>13,809,405</b>	<b>15,180,809</b>	<b>14,361,106</b>	<b>14,838,461</b>
Change From Previous Year	24.52%	-8.61%	-6.44%	3.50%	-3.84%	2.31%	24.78%	26.61%
<b>Avg. daily Class I use</b>	<b>5,026,424</b>	<b>4,907,108</b>	<b>5,186,239</b>	<b>5,203,186</b>	<b>3,949,491</b>	<b>4,083,654</b>	<b>3,825,037</b>	<b>4,270,780</b>
Change From Previous Year	-3.08%	-5.69%	0.41%	-0.25%	3.25%	-4.38%	-6.05%	-3.83%

1/ Restricted - Included with Class IV.

# USDA News

## USDA ANNOUNCES \$23 MILLION AVAILABLE TO SUPPORT DAIRY INITIATIVES

On June 8, 2023, the U.S. Department of Agriculture (USDA) announced \$23 million in grant funding is available to support processing capacity expansion, on-farm improvements, and technical assistance services to producers through the Dairy Business Innovation Initiatives.

The Dairy Business Innovation Initiatives provide valuable technical assistance and subgrants to dairy farmers and businesses across their regions, supporting them with business plan development, marketing, and branding, as well as increasing access to innovative production and processing techniques to support the development of value-added products.

“The Dairy Business Innovative Initiatives use their on-the-ground knowledge and their ability to target funding where it will have the most regional and local impacts to make significant improvements to the U.S. dairy supply chain,” said USDA Under Secretary for Marketing and Regulatory Programs Jenny Lester Moffitt. “This program is a great example of USDA’s efforts to build capacity from the bottom up and the middle out by supporting small and mid-sized dairy operations.”

The funds will be awarded noncompetitively to the current initiatives at the California State University Fresno; the University of Tennessee; Vermont Agency of Agriculture, Food & Markets; and the University of Wisconsin. Through the Request for Applications (RFA), the initiatives will have an opportunity to submit proposals for this year’s funding. Dairy farmers and businesses interested in the program must contact the appropriate initiative to be considered for direct technical assistance or a subaward.

AMS encourages applications to identify activities that benefit smaller farms and ranches, new and beginning farmers and ranchers, underserved producers, veteran producers, low-income, and minority individuals, and underserved communities. AMS also encourages partnerships with minority-serving institutions of higher education. For projects intending to serve these entities, applicants should engage and involve those beneficiaries when developing projects and applications.

The Request for Applications (RFA), information about grant eligibility, and a list of previously funded projects are available on the [Dairy Business Innovation Initiative](#) webpage. Applications must be submitted electronically through [grants.gov](#) by 11:59 p.m. Eastern Time on August 10, 2023.

The full announcement can be found on the AMS [website](#). 🐮

# 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, 2023.

**STATEMENT OF CONSIDERATION:** This proposed action is a continuation of the request made in May 2019 and granted in June 2019, effective from July 1, 2019, through June 30, 2020. At that time, Dairy Farmers of America (DFA) requested the Market Administrator review the request annually. As a result, each subsequent year a request for comments was issued and a continued revision was granted through June 30, 2021, 2022, and 2023.

On May 17, 2023, 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 23, 2023.

One written comment was received. Northwest Dairy Association (NDA) submitted a comment in favor of continuing the reduced shipping percentages. NDA recommends a review of market conditions in 2024. In addition, an analysis of the current and projected Federal Order 124 marketing conditions was performed by this office

Based on the comment received and analysis of available information and data, it is determined that until such time as marketing conditions warrant further review, 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, are revised to the following schedule: January - December 15 percent.

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.

If you have any questions regarding this matter, please contact this office. The full letter can be viewed on our [website](#). 🐮

# Federal Order Statistics for May 2023

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)	2,403.4	663.8	27.6%	\$22.82	\$19.46
Appalachian (FO 5)	452.1	317.2	70.2%	\$22.97	\$21.72
Florida (FO 6)	208.0	171.0	82.2%	\$24.97	\$23.95
Southeast (FO 7)	307.4	213.8	69.6%	\$23.37	\$22.18
Upper Midwest (FO 30)	2,790.6	162.2	5.8%	\$21.37	\$16.49
Central (FO 32)	1,359.2	355.5	26.2%	\$21.57	\$17.74
Mideast (FO 33)	1,563.5	513.6	32.9%	\$21.57	\$18.21
California (FO 51)	2,045.9	394.4	19.3%	\$21.67	\$17.66
<b>Pacific Northwest (FO 124)</b>	<b>736.3</b>	<b>136.8</b>	<b>18.6%</b>	<b>\$21.47</b>	<b>\$17.81</b>
Southwest (FO 126)	1,174.0	311.6	26.5%	\$22.57	\$18.42
<b>Arizona (FO 131)</b>	<b>428.1</b>	<b>110.4</b>	<b>25.8%</b>	<b>\$21.92</b>	<b>\$18.65</b>

For links to Market Administrator's webpages, see [www.fmmaseattle.com/links.html](http://www.fmmaseattle.com/links.html).

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