

The Market Administrator's Report

Pacific Northwest Marketing Area

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September 2026

Federal Order No. 124

Data for August 2026

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AUGUST POOL PRICE CALCULATION

The August 2026 Statistical Uniform Price (SUP) for the Pacific Northwest Marketing Area was \$17.96 per cwt for milk delivered to plants a differential value of \$2.70 per cwt in King County, Washington, the pricing point for the Pacific Northwest Federal Marketing Order. The SUP is announced at 3.5 percent butterfat, 3.18 percent protein, and 5.79 percent other solids. When calculated at the average tests of pooled milk, the August SUP was \$19.87 per cwt. The Producer Price Differential (PPD), calculated as difference between the SUP and Class III price, was \$1.32 per cwt in August. The SUP was \$0.30 lower than the previous month (-1.6%), and \$0.75 lower than the same month last year (-4.0%). The August PPD was \$1.42 lower than the previous month.

SELECTED COMPONENT STATISTICS

The butterfat price in August decreased 44.6 percent from the previous year and 9.4 percent from last month to \$1.5107 per pound. The protein price increased 44.0 percent from August 2025 and 21.9 percent from the previous month to \$2.8281 per pound. The other solids price increased 26.5 percent and the nonfat solids price increased 30.3 percent from the previous year.

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks of 9.15 cents between the August 15 and September 19 surveys, to \$1.5435 per pound. The AMS butter price showed a net decrease of 4.24 cents between the weeks ending August 15 and September 19 from \$1.4836 per pound to \$1.4412 per pound. The AMS nonfat dry milk showed an increase of 22.42 cents since mid-August to \$1.7964 per pound. The average price for AMS whey showed a net increase of 0.66 cents since mid-August to \$0.6692 per pound. 🐄

CLASSIFICATION OF PRODUCER MILK IN AUGUST

Class	Percent	Pounds
Class I	17.18	113,926,722
Class II	5.77	38,228,064
Class III	48.58	322,126,105
Class IV	28.47	188,806,616
Total Producer Milk		663,087,507

PRODUCER PRICES IN AUGUST

Price	2026	2025	2024
Uniform Price (at 3.5%)	\$17.96	\$18.71	\$21.37
Uniform Price (at test)	\$19.87	\$21.65	\$24.69
PPD	\$1.32	\$1.47	\$0.71
Butterfat	\$1.5107	\$2.7255	\$3.5632
Protein	\$2.8281	\$1.9646	\$2.1756
Other Solids	\$0.4052	\$0.3204	\$0.2959

CLASS PRICES IN AUGUST

Price	2026	2025	2024
Class I	\$21.46	\$21.63	\$23.22
Class I ESL Adj	(\$0.72)	\$0.57	N/A
Class II	\$18.71	\$19.18	\$22.05
Class III	\$16.64	\$17.24	\$20.66
Class IV	\$17.36	\$18.50	\$21.58

POOL SUMMARY FOR AUGUST

- ◇ An estimated 241 producers were pooled with an average daily delivery of 88,755 pounds, up 3.2 percent from July.
- ◇ Pooled milk receipts totaled 663.1 million pounds, up 62.5 percent from July.
- ◇ Class I usage accounted for 17.2 percent of total pooled milk receipts.
- ◇ Class I daily usage averaged 3.7 million pounds, up 54.8 percent from July. 🐄

Protein Emerges as New Leader in Pool Component Values

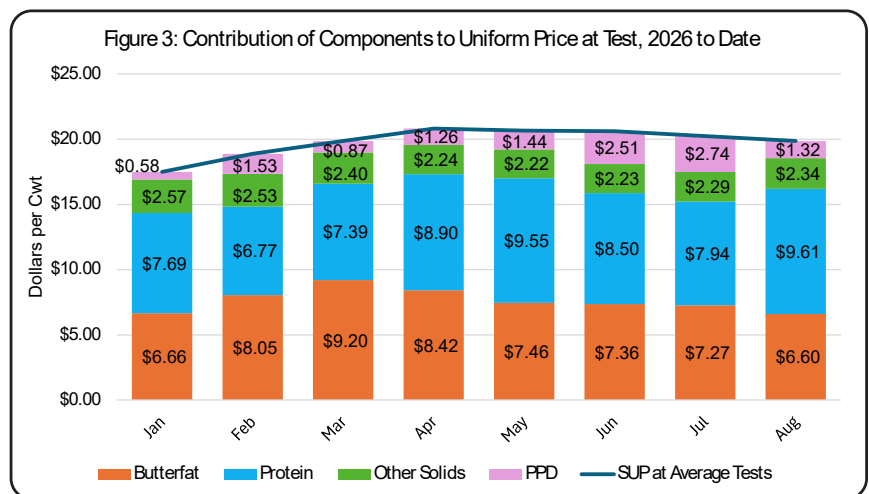
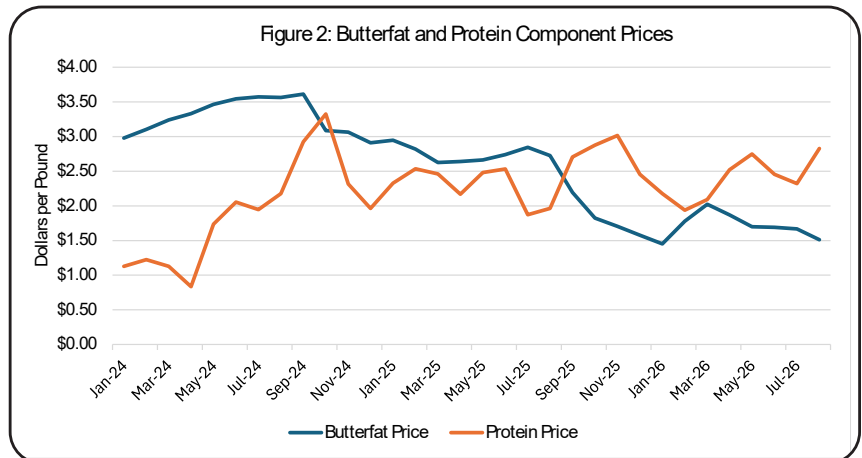
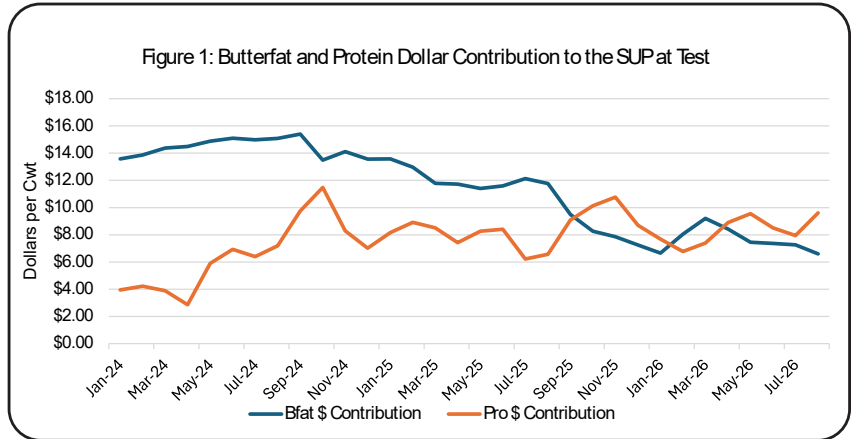
Butterfat has been the dominant contributor to pool component values in Federal Order (FO) 124 for the past several years, leading protein for 40 consecutive months from June 2022 to September 2025. However, this trend changed in October 2025 as falling butterfat prices allowed protein to contribute more dollars per hundredweight (cwt) to pool component values in nine of the past eleven months. This bulletin analyzes contribution and price relationships between butterfat and protein, as well as other solids and producer price differentials (PPD) in recent months and years for FO 124.

Figure 1 displays monthly butterfat and protein dollar contributions to the uniform price (at test) from 2024 to date. Beginning in January 2024, butterfat contributed \$13.57 per cwt, while protein contributed \$3.95. This gap narrowed significantly through October 2024 when butterfat contributed \$13.49, and protein rose to \$11.48. In the remaining two months of 2024, the protein contribution fell sharply and maintained levels well below butterfat through August 2025. However, protein began trending upward in the following months, surpassing butterfat in October 2025 and remaining higher through January 2026 despite a downward trend. Butterfat led once again in February and March, but protein has since remained higher. In August 2026, butterfat contributed \$6.60 per cwt, while protein contributed \$9.61.

Figure 2 tracks monthly component prices for butterfat and protein during these same years. Butterfat prices started high and peaked in September 2024, before entering a sustained decline through August 2026, when the price reached \$1.5107 per pound. Protein prices experienced strong initial growth through October 2024, before correcting in November and December. Since then, prices have seen continued volatility, most recently increasing to \$2.8281 in August 2026.

The stacked bar charts shown in **Figure 3** demonstrate the breakdown of monthly component contributions to the uniform price from January through August 2026. The PPD generally made the smallest contribution to the price. It is worth noting all PPDs in these months were positive values, ranging from \$0.58 per cwt in January to \$2.74 in July. The other solids contributions per cwt are somewhat steady ranging from \$2.22 to \$2.57 per cwt. Protein exceeds the butterfat contribution in six of the eight months shown, with the exceptions of February and March. The August contribution spread between the two components was \$3.01 per cwt, the largest for the year.

Considering milk yields more butterfat than protein on a hundredweight basis, the relative price of protein to butterfat must be high enough to overcome this difference and contribute more dollars to the uniform price. In October 2024, for example, the protein price did exceed the butterfat price, but it did not exceed its contribution for that month.



COMPUTATION OF PRODUCER PRICE DIFFERENTIAL AND STATISTICAL UNIFORM PRICE*

		<u>Product Pounds</u>	<u>Price cwt/lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I	Skim Milk	111,105,146	\$13.18	\$14,643,658.25	
	Butterfat	2,821,576	1.7259	4,869,758.02	
	Class I Differential at Location			2,989,624.42	\$22,503,040.69
Class II	Butterfat	4,361,339	1.5177	6,619,204.17	
	Nonfat Solids	3,230,575	1.4925	4,821,633.19	11,440,837.36
Class III	Butterfat	13,662,114	1.5107	20,639,355.63	
	Protein	11,177,283	2.8281	31,610,474.06	
	Other Solids	18,631,174	0.4052	7,549,351.71	59,799,181.41
Class IV	Butterfat	8,110,852	1.5107	12,253,064.10	
	Nonfat Solids	17,239,114	1.3456	23,196,951.80	35,450,015.89
Total Classified Value					\$129,193,075.35
Add: Value for \$1124.60 (f) through 60(j)				<i>Total value of milk in the pool</i>	135,578.65
Total Pool Value					\$129,328,654.00
	Less: Value of Producer Butterfat	28,955,881	1.5107	(43,743,649.44)	
	Value of Producer Protein	22,521,870	2.8281	(63,694,100.54)	
	Value of Producer Other Solids	38,354,922	0.4052	(15,541,414.41)	(122,979,164.39)
Total PPD Value Before Adjustments					\$6,349,489.61
Add: Location Adjustments to Producers					2,576,601.67
One-half Unobligated Balance - Producer Settlement Fund					157,149.61
Less: Producer Settlement Fund - Reserve					(330,485.80)
Total Pool Milk & PPD Value		663,087,507			\$8,752,755.09
Producer Price Differential at King County			\$1.32		
Statistical Uniform Price at King County			\$17.96		

* Price at 3.5 percent butterfat, 3.18 percent protein, and 5.79 percent other solids.

YEAR TO DATE POOL DATA

PRICE & POOL DATA	Number of Producers	Avg. Daily Production (pounds)	Avg. daily producer receipts (millions)	Total Producer Milk (millions)	Class I	Class II	Class III	Class IV
September	215	74,464	16.0	480.3	26.73%	6.43%	29.08%	37.76%
October	223	75,563	16.9	522.4	26.93%	7.24%	23.09%	42.74%
November	224	75,054	16.8	504.4	24.80%	7.66%	22.62%	44.92%
December	219	76,153	16.7	517.0	25.16%	6.66%	23.62%	44.56%
January 2026	222	75,993	16.9	523.0	25.66%	6.27%	24.45%	43.62%
February	107	73,070	7.8	218.9	34.25%	8.45%	54.15%	3.15%
March	163	77,289	12.6	390.5	18.49%	5.73%	73.25%	2.53%
April	158	80,888	12.8	383.4	18.48%	5.17%	75.14%	1.21%
May	149	86,301	12.9	398.6	16.20%	5.02%	78.06%	0.72%
June	147	86,205	12.7	380.2	16.22%	4.51%	78.79%	0.48%
July	153	86,042	13.2	408.1	18.04%	4.87%	74.99%	2.10%
August	241	88,755	21.4	663.1	17.18%	5.77%	48.58%	28.47%
ROUTES & PLANT DATA	Class I Route Disposition In Area (millions)			Pool Handlers			Producer- Handlers	Other Plants w/ Class I Use
	Pool Plants	Producer- Handlers	Other Plants	Distributing Plants	Supply Plants	Cooperatives		
February	103.5	3.8	11.8	12	1	3	3	28
March	117.9	4.1	12.0	13	3	3	3	29
April	111.4	4.0	11.0	12	3	3	3	29
May	113.2	3.9	12.1	12	3	3	3	30
June	106.5	4.3	13.7	12	3	3	3	31
July	110.1	4.3	13.6	12	3	3	3	31

Preliminary data indicated in **bold**.



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RETURN SERVICE REQUESTED

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FEDERAL ORDER STATISTICS FOR AUGUST 2026

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price	PPD
	- million pounds -			- per cwt (at location) -		
Northeast (FO 1)	2,413.2	624.9	25.9%	\$23.86	\$19.80	\$3.16
Appalachian (FO 5)	416.9	307.4	73.8%	\$24.36	\$22.71	+
Florida (FO 6)	203.9	166.8	81.8%	\$25.56	\$23.97	+
Southeast (FO 7)	307.4	221.8	72.2%	\$24.56	\$22.93	+
Upper Midwest (FO 30)	2,761.5	156.2	5.7%	\$21.96	\$17.24	\$0.60
Central (FO 32)	1,401.8	342.1	24.4%	\$21.96	\$18.44	\$1.80
Mideast (FO 33)	1,799.5	562.2	31.2%	\$22.56	\$18.89	\$2.25
California (FO 51)	2,200.1	381.9	17.4%	\$21.56	\$18.00	\$1.36
Pacific Northwest (FO 124)	663.1	113.9	17.2%	\$21.46	\$17.96	\$1.32
Southwest (FO 126)	1,269.3	326.5	25.7%	\$22.46	\$18.81	\$2.17
Arizona (FO 131)	309.1	107.5	34.8%	\$21.36	\$18.63	+
+ Not Applicable.						

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