



# The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

## Pacific Northwest and Arizona Marketing Areas

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Data for January 2017

### MARKET SUMMARIES FOR JANUARY

#### Pacific Northwest (FO 124)

Producers delivered a total of 604.0 million pounds of milk to the market during January. Daily deliveries averaged 19.5 million pounds, up 4.2 percent from December. An estimated 446 producers delivered milk to the market during the month. Daily deliveries per producer averaged 43,685 pounds, up 4.2 percent from December.

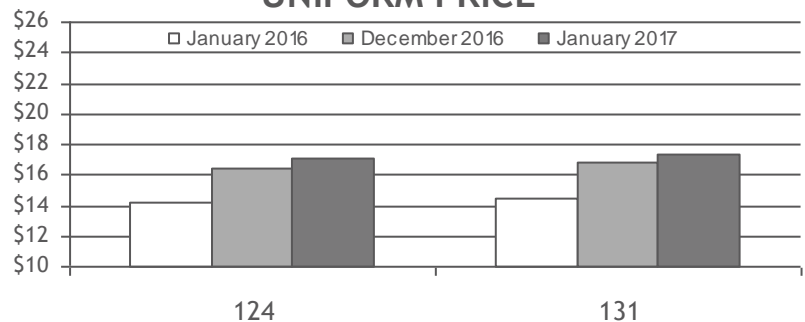
Class I producer milk during January totaled 168.4 million pounds, 27.9 percent of total producer receipts. Daily usage averaged 5.4 million pounds, up 0.3 percent from December. ▼

#### Arizona (FO 131)

Producers delivered a total of 460.3 million pounds of milk to the market during January. Daily deliveries averaged 14.8 million pounds, up 12.8 percent from December. An estimated 88 producers delivered milk to the market during the month. Daily deliveries per producer averaged 168,741 pounds, up 12.8 percent from December.

Class I producer milk during January totaled 114.4 million pounds, 24.9 percent of total producer receipts. Daily usage averaged 3.7 million pounds, up 3.3 percent from December. ▼

### UNIFORM PRICE



## Pool Quick Stats

| Producer Prices & Component Levels | FO 124   |          | FO 131   |          |
|------------------------------------|----------|----------|----------|----------|
|                                    | Dec      | Jan      | Dec      | Jan      |
| Uniform Price (at 3.5%)            | \$16.37  | \$17.03  | \$16.80  | \$17.36  |
| Uniform Price (at test)            | \$18.84  | \$19.37  | \$17.22  | \$17.88  |
| PPD                                | (\$1.03) | \$0.26   |          |          |
| Butterfat                          | \$2.3354 | \$2.5253 |          |          |
| Protein                            | \$2.6922 | \$2.1768 |          | n/a      |
| Other Solids                       | \$0.2063 | \$0.2503 |          |          |
| Uniform Skim                       |          |          | \$9.05   | \$8.90   |
| Uniform Butterfat                  |          | n/a      | \$2.3055 | \$2.5048 |
| Butterfat                          | 4.147%   | 4.134%   | 3.688%   | 3.719%   |
| Protein                            | 3.343%   | 3.325%   |          |          |
| Other Solids                       | 5.730%   | 5.732%   |          | n/a      |

### HIGHLIGHTS THIS ISSUE

- ✓ Annual Statistics
- ✓ USDA Announces Recommended Decision
- ✓ Resumption of Assessments

# Federal Order Price Summaries

## FINAL CLASS PRICES

The January 2017 Final Class Prices were calculated using AMS commodity price surveys from January 7, 14, 21, and 28, 2017. 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 |
|----------|-----------------|-----------------|----------|-----------|----------|-----------|------------|--------------|---------------|
| Dec 2016 | \$18.78         | \$19.23         | \$15.26  | \$17.40   | \$14.97  | \$2.3354  | \$2.6922   | \$0.2063     | \$0.7822      |
| Jan 2017 | \$19.35         | \$19.80         | \$16.36  | \$16.77   | \$16.19  | \$2.5253  | \$2.1768   | \$0.2503     | \$0.8465      |
| Change   | \$0.57          | \$0.57          | \$1.10   | (\$0.63)  | \$1.22   | \$0.1899  | (\$0.5154) | \$0.0440     | \$0.0643      |

## ADVANCED CLASS I PRICE

The March 2017 Advanced Price was calculated using AMS commodity price surveys from February 11 and 18, 2017. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advance.html](http://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 |
|----------|------------|----------------|---------------|-----------|--------------|-----------------|-----------------|---------------|-------------------------|
| Feb 2017 | \$2.5192   | \$8.20         | \$7.59        | \$8.20    | \$16.73      | \$18.63         | \$19.08         | \$8.29        | \$0.9211                |
| Mar 2017 | \$2.4428   | \$8.65         | \$7.30        | \$8.65    | \$16.90      | \$18.80         | \$19.25         | \$8.00        | \$0.8889                |
| Change   | (\$0.0764) | \$0.45         | (\$0.29)      | \$0.45    | \$0.17       | \$0.17          | \$0.17          | (\$0.29)      | (\$0.0322)              |

# Commodity Price Summaries

## AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

|                 | December | January  | Change     |
|-----------------|----------|----------|------------|
| Cheese          | \$1.7990 | \$1.7011 | (\$0.0979) |
| Butter          | \$2.1000 | \$2.2568 | \$0.1568   |
| Nonfat Dry Milk | \$0.9579 | \$1.0229 | \$0.0650   |
| Whey            | \$0.3994 | \$0.4421 | \$0.0427   |

## AMS COMMODITY PRICES FOR

|                 | February | March    | Change     |
|-----------------|----------|----------|------------|
| Cheese          | \$1.7027 | \$1.6889 | (\$0.0138) |
| Butter          | \$2.2518 | \$2.1887 | (\$0.0631) |
| Nonfat Dry Milk | \$1.0198 | \$0.9875 | (\$0.0323) |
| Whey            | \$0.4322 | \$0.4876 | \$0.0554   |

## 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 0.89 cents between the January 14 and the February 18 surveys, to \$1.7134 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 2.27 cents to \$1.6620 per pound.

The AMS butter price showed a net decrease of 6.90 cents between the weeks ending January 14 and February 18 from \$2.2330 per pound to \$2.1640 per pound. The AMS nonfat dry milk showed a net decrease of 4.22 cents since mid-January to \$0.9820 per pound. The average price for AMS whey showed an increase of 5.70 cents since mid-January to \$0.4940 per pound.

# Monthly Selected Statistics

| PRICE & POOL DATA                    | PACIFIC NORTHWEST |           |            |            | ARIZONA        |           |           |           |
|--------------------------------------|-------------------|-----------|------------|------------|----------------|-----------|-----------|-----------|
|                                      | Jan 2017          | Dec 2016  | Jan 2016   | Dec 2015   | Jan 2017       | Dec 2016  | Jan 2016  | Dec 2015  |
| <b>Producer Prices</b>               |                   |           |            |            |                |           |           |           |
| Producer Price Differential (\$/cwt) | \$0.26            | (\$1.03)  | \$0.43     | \$1.24     | +              | +         | +         | +         |
| Butterfat (\$/pound)                 | 2.5253            | 2.3354    | 2.3062     | 2.9057     | +              | +         | +         | +         |
| Protein (\$/pound)                   | 2.1768            | 2.6922    | 1.8169     | 1.3599     | +              | +         | +         | +         |
| Other Solids (\$/pound)              | 0.2503            | 0.2063    | 0.0371     | 0.0355     | +              | +         | +         | +         |
| Uniform Skim Price (\$/cwt)          | +                 | +         | +          | +          | \$8.90         | \$9.05    | \$6.29    | \$6.16    |
| Uniform Butterfat Price (\$/pound)   | +                 | +         | +          | +          | 2.5048         | 2.3055    | 2.4098    | 2.9426    |
| Statistical Uniform Price (\$/cwt)   | \$17.03           | \$16.37   | \$14.15    | \$15.68    | \$17.36        | \$16.80   | \$14.50   | \$16.24   |
| <b>Producer Data</b>                 |                   |           |            |            |                |           |           |           |
| Number of Producers                  | <b>446</b>        | 446       | 559        | 570        | <b>88</b>      | 88        | 95        | 95        |
| Avg. Daily Production (pounds)       | <b>43,685</b>     | 41,928    | 43,194     | 41,799     | <b>168,741</b> | 149,658   | 146,828   | 144,198   |
| <b>Producer Milk Ratios</b>          |                   |           |            |            |                |           |           |           |
| Class I                              | 27.89%            | 28.97%    | 22.05%     | 23.46%     | 24.85%         | 27.13%    | 24.91%    | 27.23%    |
| Class II                             | 7.39%             | 6.71%     | 5.45%      | 5.82%      | 8.85%          | 9.28%     | 11.09%    | 10.54%    |
| Class III                            | 29.39%            | 27.23%    | 41.29%     | 42.62%     | 25.60%         | 22.41%    | 27.18%    | 27.77%    |
| Class IV                             | 35.33%            | 37.09%    | 31.21%     | 28.10%     | 40.70%         | 41.18%    | 36.82%    | 34.46%    |
| <b>Market Shrinkage</b>              |                   |           |            |            |                |           |           |           |
| Pounds                               | 12,229,981        | 9,469,596 | 11,015,186 | 10,225,822 | 3,173,143      | 1,147,996 | 1,908,935 | 1,985,503 |
| % of Producer Milk                   | 2.02%             | 1.63%     | 1.47%      | 1.38%      | 0.69%          | 0.28%     | 0.44%     | 0.47%     |

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

# Monthly Supplemental Statistics

| SUPPLEMENTAL DATA                        | PACIFIC NORTHWEST |             |             |             | ARIZONA          |            |            |            |
|--|-------------------|-------------|-------------|-------------|------------------|------------|------------|------------|
|  | Dec 2016          | Nov 2016    | Dec 2015    | Nov 2015    | Dec 2016         | Nov 2016   | Dec 2015   | Nov 2015   |
| <b>Number of Handlers</b>                |                   |             |             |             |                  |            |            |            |
| Pool Handlers                            | 23                | 22          | 24          | 24          | 8                | 8          | 8          | 7          |
| <i>Distributing Plants</i>               | 12                | 11          | 12          | 12          | 6                | 6          | 6          | 5          |
| <i>Supply Plants 1/</i>                  | 4                 | 4           | 6           | 6           | 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              | <b>20</b>         | 20          | 21          | 22          | <b>23</b>        | 23         | 24         | 23         |
| <b>Class I Route Disposition In Area</b> |                   |             |             |             |                  |            |            |            |
| By Pool Plants                           | 154,159,677       | 151,550,350 | 155,778,558 | 153,437,428 | 82,412,874       | 80,398,407 | 87,471,808 | 83,891,799 |
| By Producer-Handlers                     | 7,227,561         | 7,005,427   | 7,271,991   | 6,635,079   | 0                | 0          | 0          | 0          |
| By Other Plants                          | <b>12,562,384</b> | 11,848,761  | 12,450,255  | 11,424,857  | <b>8,284,298</b> | 9,414,382  | 8,074,900  | 7,719,614  |
| Total                                    | 173,949,622       | 170,404,538 | 175,500,804 | 171,497,364 | 90,697,172       | 89,812,789 | 95,546,708 | 91,611,413 |
| <b>Producer-Handler Data</b>             |                   |             |             |             |                  |            |            |            |
| % Class I Use                            | 59.65%            | 60.97%      | 64.55%      | 61.65%      | 0.00%            | 0.00%      | 0.00%      | 0.00%      |
| % of Total In-Area Route Dispositions    | 4.15%             | 4.11%       | 4.14%       | 3.87%       | 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            |                    |                    |                    |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                  | Jan<br>2017        | Dec<br>2016        | Jan<br>2016        | Dec<br>2015        | Jan<br>2017        | Dec<br>2016        | Jan<br>2016        | Dec<br>2015        |
| <b>Receipts of Milk</b>          |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Producer Milk              | 603,982,710        | 579,693,263        | 748,503,541        | 738,588,980        | 460,324,212        | 408,266,643        | 432,409,851        | 424,661,803        |
| Receipts From Other Sources      | 10,188,424         | 17,476,261         | 8,846,331          | 7,400,266          | 2,962,214          | 2,560,036          | 2,403,249          | 2,841,713          |
| Opening Inventory                | 37,382,122         | 36,301,777         | 39,209,936         | 39,672,690         | 25,956,545         | 25,238,040         | 23,560,168         | 17,690,438         |
| <b>Total To Be Accounted For</b> | <b>651,553,256</b> | <b>633,471,301</b> | <b>796,559,808</b> | <b>785,661,936</b> | <b>489,242,971</b> | <b>436,064,719</b> | <b>458,373,268</b> | <b>445,193,954</b> |
| <b>Utilization of Receipts</b>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Whole milk                       | 42,003,522         | 41,999,966         | 39,357,910         | 38,588,294         | 26,594,761         | 26,777,009         | 26,064,883         | 27,134,610         |
| Flavored milk & drinks           | 13,610,358         | 15,184,596         | 13,015,404         | 15,441,734         | 7,460,927          | 7,891,815          | 7,296,643          | 6,979,287          |
| 2% milk                          | 56,831,151         | 57,954,694         | 57,865,013         | 59,223,753         | 28,795,469         | 29,468,139         | 30,525,468         | 31,742,202         |
| 1% milk                          | 24,233,038         | 23,073,067         | 25,814,068         | 24,912,079         | 12,405,031         | 11,899,614         | 14,103,522         | 13,446,418         |
| Skim milk                        | 14,176,615         | 14,473,547         | 16,202,204         | 16,102,497         | 6,563,486          | 6,376,297          | 7,753,245          | 7,738,514          |
| Buttermilk                       | 1,427,192          | 1,473,807          | 1,338,934          | 1,510,201          | 2/                 | 2/                 | 2/                 | 430,777            |
| Class I dispositions in area     | 152,281,876        | 154,159,677        | 153,593,533        | 155,778,558        | 81,819,674         | 82,412,874         | 85,743,761         | 87,471,808         |
| Class I dispositions out of area | 11,004,099         | 12,099,034         | 10,895,705         | 13,853,774         | 30,514,789         | 30,125,437         | 24,560,024         | 25,178,529         |
| Other Class I usage              | 21,590,390         | 18,216,941         | 19,892,603         | 21,912,996         | 14,681,884         | 12,810,313         | 11,449,105         | 13,800,209         |
| <b>Utilization by Class</b>      |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Class I Use                | 184,876,365        | 184,475,652        | 184,381,841        | 191,545,328        | 127,016,347        | 125,348,624        | 121,752,890        | 126,450,546        |
| Total Class II Use               | 47,804,864         | 42,881,761         | 45,834,742         | 47,580,717         | 41,894,449         | 39,054,300         | 48,747,644         | 45,453,590         |
| Total Class III Use              | 177,943,695        | 158,174,801        | 309,401,278        | 316,649,028        | 117,945,107        | 1/                 | 117,509,553        | 119,413,829        |
| Total Class IV Use               | 240,928,332        | 247,939,087        | 256,941,947        | 229,886,863        | 202,387,068        | 271,661,795        | 170,363,181        | 153,875,989        |
| <b>Total Accounted For</b>       | <b>651,553,256</b> | <b>633,471,301</b> | <b>796,559,808</b> | <b>785,661,936</b> | <b>489,242,971</b> | <b>436,064,719</b> | <b>458,373,268</b> | <b>445,193,954</b> |

| CLASSIFICATION OF RECEIPTS          | PACIFIC NORTHWEST |                   |                   |                   | ARIZONA           |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | Jan<br>2017       | Dec<br>2016       | Jan<br>2016       | Dec<br>2015       | Jan<br>2017       | Dec<br>2016       | Jan<br>2016       | Dec<br>2015       |
| <b>Producer milk</b>                |                   |                   |                   |                   |                   |                   |                   |                   |
| Class I                             | 168,430,267       | 167,926,854       | 165,047,395       | 173,269,623       | 114,388,752       | 110,754,017       | 107,729,394       | 115,646,149       |
| Class II                            | 44,645,209        | 38,922,846        | 40,812,365        | 43,017,509        | 40,754,242        | 37,883,208        | 47,972,690        | 44,752,401        |
| Class III                           | 177,484,962       | 157,825,574       | 309,085,046       | 314,823,537       | 117,858,921       | 91,486,629        | 117,509,553       | 117,935,810       |
| Class IV                            | 213,422,272       | 215,017,989       | 233,558,735       | 207,478,311       | 187,322,297       | 168,142,789       | 159,198,214       | 146,327,443       |
| <b>Other receipts</b>               |                   |                   |                   |                   |                   |                   |                   |                   |
| Class I                             | 16,446,098        | 16,548,798        | 19,334,446        | 18,275,705        | 12,627,595        | 14,594,607        | 14,023,496        | 10,804,397        |
| Class II                            | 3,159,655         | 3,958,915         | 5,022,377         | 4,563,208         | 1/                | 1,171,092         | 1/                | 1/                |
| Class III                           | 1/                | 1/                | 1/                | 1,825,491         | 1/                | 1/                | 0                 | 1/                |
| Class IV                            | 27,964,793        | 33,270,325        | 23,699,444        | 22,408,552        | 16,291,164        | 12,032,377        | 11,939,921        | 9,727,754         |
| <b>Avg. daily producer receipts</b> | <b>19,483,313</b> | <b>18,699,783</b> | <b>24,145,276</b> | <b>23,825,451</b> | <b>14,849,168</b> | <b>13,169,892</b> | <b>13,948,705</b> | <b>13,698,768</b> |
| Change From Previous Year           | -19.31%           | -21.51%           | 29.04%            | 1.85%             | 6.46%             | -3.86%            | 5.26%             | 3.88%             |
| <b>Avg. daily Class I use</b>       | <b>5,963,754</b>  | <b>5,950,827</b>  | <b>5,947,801</b>  | <b>6,178,882</b>  | <b>4,097,302</b>  | <b>4,043,504</b>  | <b>3,927,513</b>  | <b>4,079,050</b>  |
| Change From Previous Year           | 0.27%             | -3.69%            | -4.14%            | -0.19%            | 4.32%             | -0.87%            | 1.04%             | 3.56%             |

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

# Annual Selected Statistics

| PRICE & POOL DATA                    | PACIFIC NORTHWEST |             |             |             | ARIZONA    |            |            |            |
|--------------------------------------|-------------------|-------------|-------------|-------------|------------|------------|------------|------------|
|                                      | 2016              | 2015        | 2014        | 2013        | 2016       | 2015       | 2014       | 2013       |
| <b>Producer Prices</b>               |                   |             |             |             |            |            |            |            |
| Producer Price Differential (\$/cwt) | (\$0.19)          | (\$0.20)    | \$0.31      | \$0.85      | +          | +          | +          | +          |
| Butterfat (\$/pound)                 | 2.3084            | 2.2954      | 2.3792      | 1.6634      | +          | +          | +          | +          |
| Protein (\$/pound)                   | 2.0955            | 2.2393      | 3.7935      | 3.3010      | +          | +          | +          | +          |
| Other Solids (\$/pound)              | 0.0910            | 0.1867      | 0.4684      | 0.4029      | +          | +          | +          | +          |
| Uniform Skim Price (\$/cwt)          | +                 | +           | +           | +           | \$7.11     | \$8.33     | \$15.45    | \$14.09    |
| Uniform Butterfat Price (\$/pound)   | +                 | +           | +           | +           | 2.3231     | 2.2869     | 2.3823     | 1.6686     |
| Statistical Uniform Price (\$/cwt)   | \$14.67           | \$15.59     | \$22.66     | \$18.84     | \$14.99    | \$16.05    | \$23.25    | \$19.44    |
| <b>Producer Data</b>                 |                   |             |             |             |            |            |            |            |
| Number of Producers                  | 492               | 479         | 534         | 568         | 91         | 95         | 92         | 92         |
| Avg. Daily Production (pounds)       | 43,777            | 38,011      | 40,488      | 39,742      | 149,495    | 138,083    | 142,956    | 137,444    |
| <b>Producer Milk Ratios</b>          |                   |             |             |             |            |            |            |            |
| Class I                              | 24.66%            | 29.79%      | 25.61%      | 25.74%      | 26.02%     | 27.37%     | 26.81%     | 29.40%     |
| Class II                             | 6.85%             | 8.12%       | 7.02%       | 6.43%       | 11.33%     | 11.23%     | 10.17%     | 8.58%      |
| Class III                            | 34.24%            | 21.17%      | 35.48%      | 44.52%      | 26.75%     | 25.11%     | 26.30%     | 26.69%     |
| Class IV                             | 34.26%            | 40.92%      | 31.89%      | 23.32%      | 35.90%     | 36.30%     | 36.72%     | 35.33%     |
| <b>Market Shrinkage</b>              |                   |             |             |             |            |            |            |            |
| Pounds                               | 116,967,406       | 118,661,362 | 113,409,916 | 114,475,853 | 21,708,174 | 18,218,307 | 18,314,902 | 20,327,892 |
| % of Producer Milk                   | 1.48%             | 1.79%       | 1.44%       | 1.39%       | 0.44%      | 0.38%      | 0.38%      | 0.44%      |

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

# Annual Supplemental Statistics

| SUPPLEMENTAL DATA                        | PACIFIC NORTHWEST |               |               |               | ARIZONA       |               |               |               |
|--|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2016              | 2015          | 2014          | 2013          | 2016          | 2015          | 2014          | 2013          |
| <b>Number of Handlers</b>                |                   |               |               |               |               |               |               |               |
| Pool Handlers                            | 23                | 22            | 23            | 24            | 8             | 7             | 7             | 7             |
| <i>Distributing Plants</i>               | 12                | 12            | 13            | 14            | 6             | 5             | 5             | 5             |
| <i>Supply Plants 1/</i>                  | 5                 | 5             | 6             | 6             | 1             | 1             | 1             | 1             |
| <i>Cooperatives</i>                      | 6                 | 5             | 5             | 5             | 1             | 1             | 1             | 1             |
| Producer-Handlers                        | 5                 | 5             | 5             | 5             | 0             | 0             | 0             | 0             |
| Other Plants w/ Class I Use              | 20                | 21            | 19            | 17            | 24            | 24            | 22            | 21            |
| <b>Class I Route Disposition In Area</b> |                   |               |               |               |               |               |               |               |
| By Pool Plants                           | 1,773,913,576     | 1,780,823,090 | 1,813,300,866 | 1,916,216,939 | 964,071,793   | 994,237,169   | 1,009,140,932 | 1,049,260,593 |
| By Producer-Handlers                     | 81,419,071        | 83,660,273    | 83,754,259    | 86,445,331    | 0             | 0             | 0             | 0             |
| By Other Plants                          | 141,351,390       | 139,216,649   | 132,175,223   | 116,063,781   | 95,886,517    | 89,648,919    | 93,964,645    | 83,790,342    |
| Total                                    | 1,996,684,037     | 2,003,700,012 | 2,029,230,348 | 2,118,726,051 | 1,059,958,310 | 1,083,886,088 | 1,103,105,577 | 1,133,050,935 |
| <b>Producer-Handler Data</b>             |                   |               |               |               |               |               |               |               |
| % Class I Use                            | 58.57%            | 63.16%        | 63.92%        | 68.26%        | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| % of Total In-Area Route Dispositions    | 4.08%             | 4.18%         | 4.13%         | 4.08%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

1/ Includes Cooperative Pool Manufacturing Plants.

# Annual Statistical Summary

| RECEIPTS & UTILIZATION           | PACIFIC NORTHWEST    |                      |                      |                      | ARIZONA              |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 2016                 | 2015                 | 2014                 | 2013                 | 2016                 | 2015                 | 2014                 | 2013                 |
| <b>Receipts of Milk</b>          |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Producer Milk              | 7,882,929,743        | 6,645,733,354        | 7,891,609,288        | 8,239,346,735        | 4,979,072,172        | 4,788,031,826        | 4,800,450,090        | 4,615,376,352        |
| Receipts From Other Sources      | 216,716,083          | 336,305,547          | 114,739,745          | 122,491,608          | 62,937,858           | 93,441,113           | 100,174,187          | 44,427,506           |
| Opening Inventory                | 434,403,096          | 407,684,611          | 422,404,833          | 436,086,516          | 270,802,746          | 266,928,347          | 268,400,700          | 271,683,213          |
| <b>Total To Be Accounted For</b> | <b>8,534,048,922</b> | <b>7,389,723,512</b> | <b>8,428,753,866</b> | <b>8,797,924,859</b> | <b>5,312,812,776</b> | <b>5,148,401,286</b> | <b>5,169,024,977</b> | <b>4,931,487,071</b> |
| <b>Utilization of Receipts</b>   |                      |                      |                      |                      |                      |                      |                      |                      |
| Whole milk                       | 476,425,128          | 433,173,916          | 401,682,006          | 398,234,158          | 307,302,015          | 299,095,700          | 288,829,537          | 287,433,629          |
| Flavored milk & drinks           | 154,727,337          | 150,673,969          | 145,075,511          | 147,167,476          | 82,962,315           | 69,910,114           | 66,298,812           | 64,712,675           |
| 2% milk                          | 661,716,782          | 675,054,366          | 739,176,214          | 788,324,577          | 344,337,020          | 361,822,244          | 370,462,191          | 385,776,069          |
| 1% milk                          | 284,879,264          | 301,321,672          | 283,357,003          | 299,214,869          | 149,581,606          | 164,867,586          | 171,932,932          | 182,413,665          |
| Skim milk                        | 177,741,864          | 202,482,336          | 226,683,602          | 266,194,834          | 79,888,837           | 93,701,967           | 106,659,747          | 124,119,926          |
| Buttermilk                       | 18,423,201           | 18,116,831           | 17,326,530           | 17,081,025           | 2/                   | 4,839,558            | 4,957,713            | 4,804,629            |
| Class I dispositions in area     | 1,773,913,576        | 1,780,823,090        | 1,813,300,866        | 1,916,216,939        | 964,071,793          | 994,237,169          | 1,009,140,932        | 1,049,260,593        |
| Class I dispositions out of area | 138,344,280          | 167,819,245          | 186,129,772          | 183,724,132          | 329,459,905          | 312,396,603          | 283,042,326          | 302,897,594          |
| Other Class I usage              | 237,467,103          | 246,770,517          | 229,459,300          | 217,596,106          | 151,949,259          | 140,731,419          | 143,056,545          | 156,345,857          |
| <b>Utilization by Class</b>      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total Class I Use                | 2,149,724,959        | 2,195,412,852        | 2,228,889,938        | 2,317,537,177        | 1,445,480,957        | 1,447,365,191        | 1,435,239,803        | 1,508,504,044        |
| Total Class II Use               | 599,826,730          | 608,555,451          | 613,123,257          | 615,624,142          | 580,948,429          | 547,732,108          | 501,290,259          | 406,564,605          |
| Total Class III Use              | 2,706,038,849        | 1,423,225,779        | 2,829,429,747        | 3,689,991,749        | 1,165,120,448        | 1,210,622,068        | 1,270,150,645        | 1,243,205,607        |
| Total Class IV Use               | 3,078,458,384        | 3,162,529,430        | 2,757,310,924        | 2,174,771,791        | 2,121,262,942        | 1,942,681,919        | 1,962,344,270        | 1,773,212,815        |
| <b>Total Accounted For</b>       | <b>8,534,048,922</b> | <b>7,389,723,512</b> | <b>8,428,753,866</b> | <b>8,797,924,859</b> | <b>5,312,812,776</b> | <b>5,148,401,286</b> | <b>5,169,024,977</b> | <b>4,931,487,071</b> |

| CLASSIFICATION OF RECEIPTS          | PACIFIC NORTHWEST |                   |                   |                   | ARIZONA           |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | 2016              | 2015              | 2014              | 2013              | 2016              | 2015              | 2014              | 2013              |
| <b>Producer milk</b>                |                   |                   |                   |                   |                   |                   |                   |                   |
| Class I                             | 1,943,705,695     | 1,979,645,772     | 2,021,425,762     | 2,120,436,214     | 1,295,454,305     | 1,310,293,861     | 1,287,105,089     | 1,357,053,362     |
| Class II                            | 539,621,410       | 539,847,925       | 553,839,588       | 529,581,592       | 564,170,373       | 537,647,126       | 488,329,551       | 395,895,578       |
| Class III                           | 2,699,244,462     | 1,406,663,002     | 2,799,975,076     | 3,667,776,383     | 1,332,036,431     | 1,202,039,827     | 1,262,448,650     | 1,232,011,949     |
| Class IV                            | 2,700,358,176     | 2,719,576,655     | 2,516,368,862     | 1,921,552,546     | 1,787,411,063     | 1,738,051,012     | 1,762,566,800     | 1,630,415,463     |
| <b>Other receipts</b>               |                   |                   |                   |                   |                   |                   |                   |                   |
| Class I                             | 206,019,264       | 215,767,080       | 207,464,176       | 197,100,963       | 150,026,652       | 137,071,330       | 148,134,714       | 151,450,682       |
| Class II                            | 60,205,320        | 68,707,526        | 59,283,669        | 86,042,550        | 1/                | 1/                | 1/                | 1/                |
| Class III                           | 3,587,968         | 4,495,727         | 17,389,647        | 22,215,366        | 1/                | 1/                | 1/                | 1/                |
| Class IV                            | 381,306,627       | 455,019,825       | 253,007,086       | 253,219,245       | 183,713,952       | 223,298,130       | 220,440,173       | 164,660,037       |
| <b>Avg. daily producer receipts</b> | <b>21,538,059</b> | <b>18,207,489</b> | <b>21,620,847</b> | <b>22,573,553</b> | <b>13,604,022</b> | <b>13,117,895</b> | <b>13,151,918</b> | <b>12,644,867</b> |
| Change From Previous Year           | 18.29%            | -15.79%           | -4.22%            | 22.97%            | 3.71%             | -0.26%            | 4.01%             | 1.58%             |
| <b>Avg. daily Class I use</b>       | <b>5,873,565</b>  | <b>6,014,830</b>  | <b>6,106,548</b>  | <b>6,349,417</b>  | <b>3,949,402</b>  | <b>3,965,384</b>  | <b>3,932,164</b>  | <b>4,132,888</b>  |
| Change From Previous Year           | -2.35%            | -1.50%            | -3.83%            | -2.69%            | -0.40%            | 0.84%             | -4.86%            | -2.60%            |

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

# USDA News

## USDA SEEKS COMMENTS

The U.S. Department of Agriculture (USDA) is seeking comments on a proposal for a new industry-funded research and promotion program. The proposed Organic Research, Promotion, and Information Order would cover certified organic products and would include a range of agricultural commodities, such as fruits, vegetables, dairy, meat, poultry, breads, grains, snack foods, condiments, beverages, and packaged and prepared foods. It would also include certain non-food items and organic imports.

A proposed rule with information about the proposed program was published in the January 18, 2017 *Federal Register*. A 60-day public comment period, ending on March 20, 2017, follows the publication of the proposed rule.

Comments should be mailed to USDA or posted on [www.regulations.gov](http://www.regulations.gov).

Source: USDA. Agricultural Marketing Service. Release No. 006-17.

## USDA ANNOUNCES RECOMMENDED DECISION ON CALIFORNIA FEDERAL MILK MARKETING ORDER

On February 10, 2017, the U.S. Department of Agriculture (USDA) announced its recommended decision to establish a California Federal Milk Marketing Order (FMMO) that would be published in the *Federal Register* on February 14, 2017. A public inspection copy of the recommended decision was posted on the *Federal Register's* website.

The marketing area of the recommended FMMO would incorporate the entire state of California. The recommended decision is based on the evidentiary record compiled as part of a public hearing held in Clovis, California, from September 2015 to November 2015.

FMMOs are legal instruments that regulate the purchase of milk between dairy farmers and the first buyer. Where appropriate, the recommended California FMMO proposes adoption of uniform order provisions contained in the 10 current FMMOs. These uniform provisions include, but are not limited to, dairy product classification, end-product price formulas and the producer-handler definition. The proposed order would recognize the unique market structure of the California dairy industry through tailored performance-based standards to determine eligibility for pool participation. The proposed order provides for the recognition of producer quota as administered by the California Department of Food and Agriculture (CDFA).

California represents over 20 percent of all U.S. milk production and is currently regulated by a state milk marketing order administered by CDFA. Comments on the recommended decision will be accepted for 90 days after official publication in the *Federal Register*. After analyzing and considering public comments, USDA will issue a final decision.

USDA held a public meeting on February 22, 2017, in Clovis, California, to answer questions relating to how the proposed California FMMO would operate and how the public can submit comments for USDA consideration. Interested parties had the opportunity to attend in person or watch the meeting live via a webcast.

Along with issuing this recommended decision, USDA published a Regulatory Economic Impact Analysis it conducted. The entire hearing record, including the Regulatory Economic Impact Analysis, and details of the public meeting are available at [www.ams.usda.gov/caorder](http://www.ams.usda.gov/caorder).

Source: USDA. Agricultural Marketing Service. Release No. 028-17.

## RESUMPTION OF ASSESSMENTS

On January 26, 2017, the market administrator issued a letter to all handlers advising them that the administrative assessment that was waived for the milk pooled during the month of December 2016 would resume beginning with the milk pooled for the month of January 2017.

# Federal Order Statistics for January 2017

| Federal Order Name<br>(Number)    | Producer<br>Deliveries | Class I<br>Receipts | Class I<br>Utilization | Class I<br>Price          | Uniform<br>Price |
|-----------------------------------|------------------------|---------------------|------------------------|---------------------------|------------------|
|                                   | - million pounds -     |                     |                        | - per cwt (at location) - |                  |
| Northeast (FO 1)                  | 2,350.6                | 765.5               | 32.57%                 | \$20.70                   | \$18.21          |
| Appalachian (FO 5)                | 483.4                  | 352.4               | 72.88%                 | \$20.85                   | \$20.06          |
| Florida (FO 6)                    | 232.2                  | 199.0               | 85.71%                 | \$22.85                   | \$22.22          |
| Southeast (FO 7)                  | 493.3                  | 344.1               | 69.76%                 | \$21.25                   | \$20.27          |
| Upper Midwest (FO 30)             | 2,542.6                | 290.8               | 11.44%                 | \$19.25                   | \$16.99          |
| Central (FO 32)                   | 1,269.8                | 431.4               | 33.97%                 | \$19.45                   | \$17.32          |
| Mideast (FO 33)                   | 1,742.1                | 559.0               | 32.09%                 | \$19.45                   | \$17.35          |
| <b>Pacific Northwest (FO 124)</b> | <b>604.0</b>           | <b>168.4</b>        | <b>27.89%</b>          | <b>\$19.35</b>            | <b>\$17.03</b>   |
| Southwest (FO 126)                | 1,338.7                | 372.7               | 27.84%                 | \$20.45                   | \$17.97          |
| <b>Arizona (FO 131)</b>           | <b>460.3</b>           | <b>114.4</b>        | <b>24.85%</b>          | <b>\$19.80</b>            | <b>\$17.36</b>   |

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



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