



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

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May 2017

Data for April 2017

MARKET SUMMARIES FOR APRIL

Pacific Northwest (FO 124)

Producers delivered a total of 609.6 million pounds of milk to the market during April. Daily deliveries averaged 20.3 million pounds, up 1.7 percent from March. An estimated 444 producers delivered milk to the market during the month. Daily deliveries per producer averaged 45,768 pounds, up 2.0 percent from March.

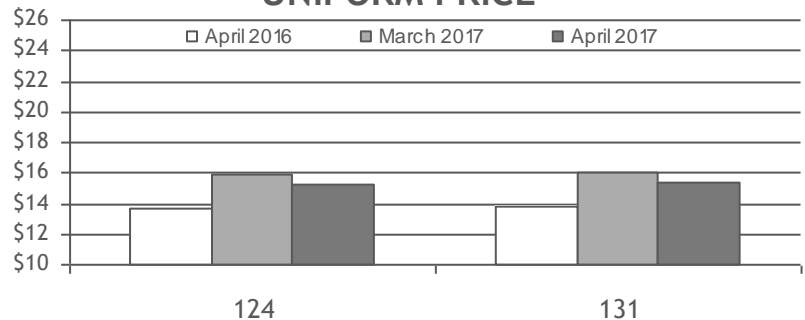
Class I producer milk during April totaled 147.4 million pounds, 24.2 percent of total producer receipts. Daily usage averaged 4.9 million pounds, down 7.5 percent from March. ▼

Arizona (FO 131)

Producers delivered a total of 441.3 million pounds of milk to the market during April. Daily deliveries averaged 14.7 million pounds, down 0.4 percent from March. An estimated 88 producers delivered milk to the market during the month. Daily deliveries per producer averaged 167,167 pounds, down 0.4 percent from March.

Class I producer milk during April totaled 101.5 million pounds, 23.0 percent of total producer receipts. Daily usage averaged 3.4 million pounds, down 6.0 percent from March. ▼

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Mar	Apr	Mar	Apr
Uniform Price (at 3.5%)	\$15.93	\$15.23	\$16.02	\$15.35
Uniform Price (at test)	\$17.62	\$16.68	\$16.18	\$15.46
PPD	\$0.12	\$0.01		
Butterfat	\$2.4176	\$2.3548		n/a
Protein	\$1.8198	\$1.6955		
Other Solids	\$0.3345	\$0.3350		
Uniform Skim			\$7.80	\$7.30
Uniform Butterfat		n/a	\$2.4263	\$2.3723
Butterfat	4.009%	3.947%	3.570%	3.550%
Protein	3.236%	3.215%		
Other Solids	5.749%	5.753%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Sonny Perdue Sworn in as U.S. Secretary of Agriculture
- ✓ Secretary Perdue Announces Undersecretary Position
- ✓ 2016 NASS Publications

Federal Order Price Summaries

FINAL CLASS PRICES

The April 2017 Final Class Prices were calculated using AMS commodity price surveys from April 8, 15, 22, and 29, 2017. 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
Mar 2017	\$18.80	\$19.25	\$16.21	\$15.81	\$14.32	\$2.4176	\$1.8198	\$0.3345	\$0.6747
Apr 2017	\$17.95	\$18.40	\$14.81	\$15.22	\$14.01	\$2.3548	\$1.6955	\$0.3350	\$0.6641
Change	(\$0.85)	(\$0.85)	(\$1.40)	(\$0.59)	(\$0.31)	(\$0.0628)	(\$0.1243)	\$0.0005	(\$0.0106)

ADVANCED CLASS I PRICE

The June 2017 Advanced Price was calculated using AMS commodity price surveys from May 6 and 13, 2017. 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
May 2017	\$2.3736	\$7.14	\$5.90	\$7.14	\$15.20	\$17.10	\$17.55	\$6.60	\$0.7333
Jun 2017	\$2.3492	\$7.34	\$6.19	\$7.34	\$15.31	\$17.21	\$17.66	\$6.89	\$0.7656
Change	(\$0.0244)	\$0.20	\$0.29	\$0.20	\$0.11	\$0.11	\$0.11	\$0.29	\$0.0323

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	March	April	Change
Cheese	\$1.5551	\$1.4960	(\$0.0591)
Butter	\$2.1679	\$2.1160	(\$0.0519)
Nonfat Dry Milk	\$0.8493	\$0.8386	(\$0.0107)
Whey	\$0.5239	\$0.5243	\$0.0004

AMS COMMODITY PRICES FOR

	May	June	Change
Cheese	\$1.4884	\$1.5120	\$0.0236
Butter	\$2.1315	\$2.1114	(\$0.0201)
Nonfat Dry Milk	\$0.8294	\$0.8620	\$0.0326
Whey	\$0.5315	\$0.5124	(\$0.0191)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in prices received for 40-pound blocks and a net decrease for 500-pound barrels. The survey of 40-pound blocks showed an increase of 3.89 cents between the April 15 and the May 13 surveys, to \$1.5370 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 0.72 cents to \$1.4675 per pound.

The AMS butter price showed a net decrease of 1.58 cents between the weeks ending April 15 and May 13 from \$2.1339 per pound to \$2.1181 per pound. The AMS nonfat dry milk showed a net increase of 2.77 cents since mid-April to \$0.8603 per pound. The average price for AMS whey showed a net decrease of 2.08 cents since mid-April to \$0.5078 per pound. ▼

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Apr 2017	Mar 2017	Apr 2016	Mar 2016	Apr 2017	Mar 2017	Apr 2016	Mar 2016
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.01	\$0.12	\$0.04	(\$0.07)	+	+	+	+
Butterfat (\$/pound)	2.3548	2.4176	2.2376	2.2028	+	+	+	+
Protein (\$/pound)	1.6955	1.8198	1.8450	1.9206	+	+	+	+
Other Solids (\$/pound)	0.3350	0.3345	0.0489	0.0501	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$7.30	\$7.80	\$6.20	\$6.22
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.3723	2.4263	2.2390	2.2389
Statistical Uniform Price (\$/cwt)	\$15.23	\$15.93	\$13.67	\$13.67	\$15.35	\$16.02	\$13.82	\$13.84
Producer Data								
Number of Producers	444	445	451	448	88	88	92	93
Avg. Daily Production (pounds)	45,768	44,884	42,922	43,108	167,167	167,893	161,320	160,946
Producer Milk Ratios								
Class I	24.18%	26.59%	26.32%	28.00%	22.99%	24.33%	23.29%	24.27%
Class II	6.96%	7.22%	7.09%	8.23%	8.85%	9.18%	10.35%	10.67%
Class III	29.87%	30.42%	26.43%	27.66%	23.40%	22.57%	25.99%	25.90%
Class IV	38.99%	35.77%	40.16%	36.11%	44.76%	43.92%	40.37%	39.16%
Market Shrinkage								
Pounds	8,751,440	10,149,060	9,208,709	13,956,733	2,306,328	908,468	1,763,355	2,363,301
% of Producer Milk	1.44%	1.64%	1.59%	2.33%	0.52%	0.20%	0.40%	0.51%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Mar 2017	Feb 2017	Mar 2016	Feb 2016	Mar 2017	Feb 2017	Mar 2016	Feb 2016
Number of Handlers								
Pool Handlers	23	23	22	24	8	8	8	7
<i>Distributing Plants</i>	12	12	12	12	6	6	6	5
<i>Supply Plants 1/</i>	4	4	4	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	19	20	20	22	23	22	25	27
Class I Route Disposition In Area								
By Pool Plants	150,222,695	135,822,553	152,044,065	145,112,644	80,553,790	73,997,192	85,481,928	81,113,633
By Producer-Handlers	6,952,698	6,095,549	6,929,419	6,367,007	0	0	0	0
By Other Plants	12,136,822	11,322,269	11,644,213	11,255,003	9,057,959	8,077,965	8,087,978	7,732,790
Total	169,312,215	153,240,371	170,617,697	162,734,654	89,611,749	82,075,157	93,569,906	88,846,423
Producer-Handler Data								
% Class I Use	56.71%	55.57%	58.43%	54.82%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.11%	3.98%	4.06%	3.91%	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			
	Apr	Mar	Apr	Mar	Apr	Mar	Apr	Mar
	2017	2017	2016	2016	2017	2017	2016	2016
Receipts of Milk								
Total Producer Milk	609,623,580	619,178,089	580,732,044	598,677,671	441,319,701	458,012,389	445,244,577	464,007,939
Receipts From Other Sources	14,316,870	8,573,940	44,959,744	30,007,478	2,995,900	2,880,907	6,976,562	4,734,544
Opening Inventory	33,828,342	36,885,711	33,147,716	36,286,009	22,608,817	22,618,299	24,496,005	22,479,914
Total To Be Accounted For	657,768,792	664,637,740	658,839,504	664,971,158	466,924,418	483,511,595	476,717,144	491,222,397
Utilization of Receipts								
Whole milk	38,898,377	41,793,218	37,086,717	38,955,238	24,091,923	26,440,939	25,548,643	26,388,139
Flavored milk & drinks	13,199,678	14,602,007	12,284,144	13,667,168	7,244,199	7,563,116	7,746,590	6,996,374
2% milk	50,022,328	54,984,399	52,087,886	56,443,049	25,747,988	28,003,785	28,882,393	30,566,388
1% milk	21,880,326	23,458,550	23,768,554	25,369,560	11,158,575	12,161,265	13,230,976	13,779,468
Skim milk	12,584,558	13,805,516	14,625,923	15,969,710	5,563,644	6,384,685	6,990,904	7,751,559
Buttermilk	1,458,683	1,579,005	1,321,565	1,639,340	2/	2/	2/	2/
Class I dispositions in area	138,043,950	150,222,695	141,174,789	152,044,065	73,806,329	80,553,790	82,399,506	85,481,928
Class I dispositions out of area	10,564,423	11,517,692	10,870,454	11,631,287	28,895,548	30,719,076	24,059,950	25,007,878
Other Class I usage	18,647,910	22,668,902	18,844,092	21,041,747	11,353,732	12,753,700	10,497,491	13,494,036
Utilization by Class								
Total Class I Use	167,256,283	184,409,289	170,889,335	184,717,099	114,055,609	124,026,566	116,956,947	123,983,842
Total Class II Use	45,393,062	48,069,239	45,253,750	53,847,271	40,459,563	43,467,554	47,571,866	50,994,612
Total Class III Use	182,103,356	188,811,024	154,161,898	165,608,319	1/	103,382,318	115,708,258	120,189,844
Total Class IV Use	263,016,091	243,348,188	288,534,521	260,798,469	312,409,246	212,635,157	196,480,073	196,054,099
Total Accounted For	657,768,792	664,637,740	658,839,504	664,971,158	466,924,418	483,511,595	476,717,144	491,222,397

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Apr	Mar	Apr	Mar	Apr	Mar	Apr	Mar
	2017	2017	2016	2016	2017	2017	2016	2016
Producer milk								
Class I	147,380,695	164,648,846	152,824,420	167,650,117	101,451,452	111,454,281	103,676,471	112,608,552
Class II	42,427,421	44,689,615	41,190,632	49,289,740	39,061,514	42,032,290	46,096,917	49,516,195
Class III	182,103,356	188,377,524	153,514,393	165,608,319	103,258,641	103,380,813	115,708,258	120,188,614
Class IV	237,712,108	221,462,104	233,202,599	216,129,495	197,548,094	201,145,005	179,762,931	181,694,578
Other receipts								
Class I	19,875,588	19,760,443	18,064,915	17,066,982	12,604,157	12,572,285	13,280,476	11,375,290
Class II	2,965,641	3,379,624	4,063,118	4,557,531	1/	1,435,264	1/	1,478,417
Class III	0	1/	1/	0	1/	1/	0	1/
Class IV	25,303,983	22,319,584	55,979,427	44,668,974	13,000,560	11,491,657	18,192,091	14,360,751
Avg. daily producer receipts	20,320,786	19,973,487	19,357,735	19,312,183	14,710,657	14,774,593	14,841,486	14,967,998
Change From Previous Year	4.98%	3.42%	23.82%	19.81%	-0.88%	-1.29%	4.77%	6.65%
Avg. daily Class I use	5,575,209	5,948,687	5,696,311	5,958,616	3,801,854	4,000,857	3,898,565	3,999,479
Change From Previous Year	-2.13%	-0.17%	-3.84%	1.60%	-2.48%	0.03%	-3.85%	0.66%

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

USDA News

SONNY PERDUE SWORN IN AS 31ST U.S. SECRETARY OF AGRICULTURE

On April 25, 2017, Sonny Perdue was sworn in as the 31st Secretary of the U.S. Department of Agriculture (USDA) by fellow Georgian and Associate Justice of the U.S. Supreme Court Clarence Thomas.

Secretary Perdue was born into a farming family in Bonaire, Georgia. As a youngster growing up on a dairy and diversified row crop farm in rural Georgia, Perdue never fully realized how his work on a farm would serve him as it has in life. As a younger man, he served his country in the U.S. Air Force. He then earned a Doctor of Veterinary Medicine from the University of Georgia, and put that training to use in private practice in North Carolina.

Later on, Perdue held a position on the Georgia State Senate for eleven years, eventually ascending to the position of President Pro Tempore. As a state senator, he was recognized as a leading authority on issues including energy and utilities, agriculture, and transportation. As a two-term governor of Georgia, Perdue reformed state budget priorities, helped Georgians create more than 200,000 new jobs, and promoted his home state around the world to attract new businesses.

Perdue followed these accomplishments with a successful career in agribusiness, where he focused on commodities and transportation in enterprises that have spanned the southeastern United States. He has served as a board member for the National Grain & Feed Association, and as President of both the Georgia Feed and Grain Association and the Southeastern Feed and Grain Association.

Secretary Perdue's policies and decisions will be guided by four principles. First, he will maximize the ability of the men and women of America's agriculture and agribusiness sector to create jobs and produce and sell the foods and fiber that feed and clothe the world. Second, he will prioritize customer service every day for American taxpayers and consumers. Third, USDA will continue to serve in the critical role of ensuring the food we put on the table to feed our families meets strict safety standards. Finally, Perdue will always remember that America's agriculture bounty comes directly from the land. 🐾

Source: USDA. Office of Communications. Press Release No. 0029.17. Available at www.usda.gov.

SECRETARY PERDUE ANNOUNCES CREATION OF UNDERSECRETARY FOR TRADE

Secretary Perdue has announced the creation of an undersecretary for trade and foreign agricultural affairs in the U.S. Department of Agriculture (USDA), a recognition of the ever-increasing importance of international trade to American agriculture. As part of a reorganization of USDA, Perdue also announced a newly-named Farm Production and Conservation mission area to have a customer focus and meet USDA constituents in the field. Finally, Perdue announced that the department's Rural Development agencies would be elevated to report directly to the secretary of agriculture in recognition of the need to help promote rural prosperity.

USDA's report detailing the reorganization of the department can be found on the USDA website at www.usda.gov. USDA employees and members of the public may comment on the reorganization plan by visiting the comments page hosted by the White House at www.whitehouse.gov. 🐾

Source: USDA. Office of Communications. Press Release No. 0038.17. Available at www.usda.gov.

NASS News

DAIRY PRODUCTS, 2016 SUMMARY

Total cheese production, excluding cottage cheeses, was 12.2 billion pounds, 2.8 percent above 2015 production. Wisconsin was the leading State with 26.6 percent of the production.

Italian varieties, with 5.29 billion pounds were 4.1 percent above 2015 production and accounted for 43.5 percent of total cheese in 2016. Mozzarella accounted for 77.7 percent of the Italian production followed by Provolone with 7.6 percent and Parmesan with 7.6 percent. Wisconsin was the leading State in Italian cheese production with 30.8 percent of the production.

American type cheese production was 4.76 billion pounds, 1.3 percent above 2015 and accounted for 39.1 percent of total cheese in 2016. Wisconsin was the leading State in American type cheese production with 20.1 percent of the production.

Butter production in the United States during 2016 totaled 1.84 billion pounds, 0.6 percent below 2015. California accounted for 30.6 percent of the production.

Dry milk powders (2016 United States production, comparisons with 2015) Nonfat dry milk, for human food totaled 1.75 billion pounds, down 3.8 percent. Skim milk powders totaled 559 million pounds, up 25.3 percent.

Dry whey totaled 955 million pounds in 2016, down 2.3 percent from 2015. Lactose, for both human and animal food, was 1.10 billion pounds in 2016, up 4.7 percent from 2015. Whey protein concentrate, totaled 468 million pounds, down 5.1 percent from 2015.

In 2016, regular ice cream totaled 919 million gallons, up 2.4 percent from 2015. Lowfat ice cream decreased 0.8 percent from 2015, totaling 435 million gallons. 🐄

Source: USDA. National Agricultural Statistics Service. "Dairy Products 2016 Summary", published April 27, 2017. Available at www.nass.usda.gov.

2016 MILK PRODUCTION, DISPOSITION, AND INCOME

On April 27, 2017, USDA's National Agricultural Statistics Service (NASS) published the annual summary of 2016 data for U.S. milk production, disposition, and income.

Milk production increased 1.8 percent in 2016 to 212 billion pounds. The rate per cow, at 22,774 pounds, was 378 pounds above 2015. Arizona produced a total of 4.8 billion pounds in 2016, with an average of 24,429 pounds per cow. Oregon had an annual production number of 2.6 billion pounds, averaging 20,744 pounds per cow. Washington's 2016 production totaled 6.7 billion pounds, with an average of 24,094 pounds per cow. The annual average number of milk cows on farms was 9.33 million head, up 14,000 head from 2015.

Cash receipts from marketings of milk during 2016 totaled \$34.5 billion, 3.3 percent lower than 2015. Producer returns averaged \$16.34 per hundredweight, 5.1 percent below 2015. Marketings totaled 211.4 billion pounds, 1.8 percent above 2015. Marketings include whole milk sold to plants and dealers and milk sold directly to consumers.

An estimated 1.0 billion pounds of milk were used on farms where produced, 3.3 percent more than 2015. Calves were fed 91 percent of this milk, with the remainder consumed in producer households. 🐄

Source: USDA. National Agricultural Statistics Service. "Milk Production, Disposition, and Income 2016 Summary", published April 27, 2017. Available at www.nass.usda.gov.

Federal Order Statistics for April 2017

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)	2,354.8	692.0	29.39%	\$19.30	\$16.39
Appalachian (FO 5)	480.6	303.0	63.06%	\$19.45	\$17.77
Florida (FO 6)	219.9	177.2	80.58%	\$21.45	\$20.08
Southeast (FO 7)	501.6	298.8	59.57%	\$19.85	\$17.97
Upper Midwest (FO 30)	3,080.2	257.6	8.36%	\$17.85	\$15.37
Central (FO 32)	1,460.9	385.3	26.37%	\$18.05	\$15.42
Mideast (FO 33)	1,842.6	502.1	27.25%	\$18.05	\$15.61
Pacific Northwest (FO 124)	609.6	147.4	24.18%	\$17.95	\$15.23
Southwest (FO 126)	1,210.6	342.7	28.30%	\$19.05	\$16.32
Arizona (FO 131)	441.3	101.5	22.99%	\$18.40	\$15.35

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



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