



# The Market Administrator's Report

*Facilitating the Efficient Marketing of Milk*

## Pacific Northwest and Arizona Marketing Areas

*William A. Wise, Market Administrator*

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June 2014

Data for May 2014

### MARKET SUMMARIES FOR MAY

#### Pacific Northwest (FO 124)

Producers delivered a total of 775.3 million pounds of milk to the market during May. Daily deliveries averaged 25.0 million pounds, up 29.7 percent from April. An estimated 583 producers delivered milk to the market during the month. Daily deliveries per producer averaged 42,900 pounds, up 5.2 percent from April.

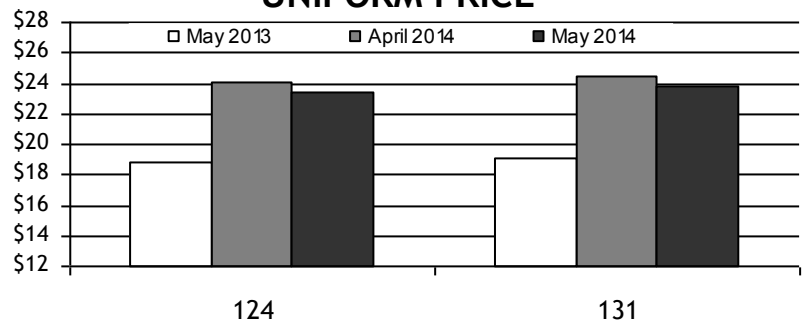
Class I producer milk during May totaled 168.8 million pounds, 21.8 percent of total producer receipts. Daily usage averaged 5.4 million pounds, down 3.0 percent from April. ▼

#### Arizona (FO 131)

Producers delivered a total of 450.8 million pounds of milk to the market during May. Daily deliveries averaged 14.5 million pounds, up 3.9 percent from April. An estimated 91 producers delivered milk to the market during the month. Daily deliveries per producer averaged 159,817 pounds, up 3.9 percent from April.

Class I producer milk during May totaled 100.6 million pounds, 22.3 percent of total producer receipts. Daily usage averaged 3.2 million pounds, down 9.2 percent from April. ▼

### UNIFORM PRICE



## Pool Quick Stats

| Producer Prices & Component Levels | FO 124   |          | FO 131   |          |
|------------------------------------|----------|----------|----------|----------|
|                                    | Apr      | May      | Apr      | May      |
| Uniform Price (at 3.5%)            | \$24.03  | \$23.42  | \$24.43  | \$23.75  |
| Uniform Price (at test)            | \$25.37  | \$24.75  | \$24.24  | \$23.57  |
| PPD                                | (\$0.28) | \$0.85   |          |          |
| Butterfat                          | \$2.1207 | \$2.2721 |          | n/a      |
| Protein                            | \$4.7089 | \$3.9553 |          |          |
| Other Solids                       | \$0.4926 | \$0.4897 |          |          |
| Uniform Skim                       |          |          | \$17.66  | \$16.40  |
| Uniform Butterfat                  |          | n/a      | \$2.1103 | \$2.2653 |
| Butterfat                          | 3.771%   | 3.788%   | 3.403%   | 3.411%   |
| Protein                            | 3.150%   | 3.157%   |          |          |
| Other Solids                       | 5.731%   | 5.727%   |          | n/a      |

### HIGHLIGHTS THIS ISSUE

- ✓ Outlook for U.S. Agricultural Trade
- ✓ June Dairy Month
- ✓ Special Feature

# Federal Order Price Summaries

## FINAL CLASS PRICES

The May 2014 Final Class Prices were calculated using AMS commodity price surveys from May 3, 10, 17, 24, and 31, 2014. Current and archived Final Class Price announcements are available at [www.fmmaseattle.com/finalprice.htm](http://www.fmmaseattle.com/finalprice.htm).

| FINAL    | Class I (FO124) | Class I (FO131) | Class II | Class III | Class IV | Butterfat | Protein    | Other Solids | Nonfat Solids |
|----------|-----------------|-----------------|----------|-----------|----------|-----------|------------|--------------|---------------|
| Apr 2014 | \$25.55         | \$26.00         | \$24.74  | \$24.31   | \$23.34  | \$2.1207  | \$4.7089   | \$0.4926     | \$1.8328      |
| May 2014 | \$26.37         | \$26.82         | \$24.44  | \$22.57   | \$22.65  | \$2.2721  | \$3.9553   | \$0.4897     | \$1.6919      |
| Change   | \$0.82          | \$0.82          | (\$0.30) | (\$1.74)  | (\$0.69) | \$0.1514  | (\$0.7536) | (\$0.0029)   | (\$0.1409)    |

## ADVANCED CLASS I PRICE

The July 2014 Advanced Price was calculated using AMS commodity price surveys from June 7 and 14, 2014. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advanceprice.htm](http://www.fmmaseattle.com/advanceprice.htm).

| 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 |
|-----------|-----------|----------------|---------------|-----------|--------------|-----------------|-----------------|---------------|-------------------------|
| June 2014 | \$2.2356  | \$15.58        | \$15.23       | \$15.58   | \$22.86      | \$24.76         | \$25.21         | \$15.93       | \$1.7700                |
| July 2014 | \$2.4377  | \$13.26        | \$15.01       | \$15.01   | \$23.02      | \$24.92         | \$25.37         | \$15.71       | \$1.7456                |
| Change    | \$0.2021  | (\$2.32)       | (\$0.22)      | (\$0.57)  | \$0.16       | \$0.16          | \$0.16          | (\$0.22)      | (\$0.0244)              |

# Commodity Price Summaries

## AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

|                 | April    | May      | Change     |
|-----------------|----------|----------|------------|
| Cheese          | \$2.3547 | \$2.1703 | (\$0.1844) |
| Butter          | \$1.9227 | \$2.0477 | \$0.1250   |
| Nonfat Dry Milk | \$2.0191 | \$1.8768 | (\$0.1423) |
| Whey            | \$0.6774 | \$0.6745 | (\$0.0029) |

## AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

|                 | June     | July     | Change     |
|-----------------|----------|----------|------------|
| Cheese          | \$2.2029 | \$2.0334 | (\$0.1695) |
| Butter          | \$2.0176 | \$2.1845 | \$0.1669   |
| Nonfat Dry Milk | \$1.8768 | \$1.8526 | (\$0.0242) |
| Whey            | \$0.6724 | \$0.6767 | \$0.0043   |

## CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 14.31 cents between the May 17 and the June 14 surveys, to \$2.0172 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a decrease of 14.75 cents to \$2.0176 per pound.

The AMS butter price showed a net increase of 12.82 cents between the weeks ending May 17 and June 14 from \$2.0554 per pound to \$2.1836 per pound. The AMS nonfat dry milk showed a net increase of 0.70 cents since mid-May to \$1.8624 per pound. The average price for AMS whey showed a net increase of 0.43 cents since mid-May to \$0.6767 per pound.

A current summary of various commodity prices is available at [www.fmmaseattle.com/prices.htm](http://www.fmmaseattle.com/prices.htm). 

# Industry News

## OUTLOOK FOR U.S. AGRICULTURAL TRADE

*The following is an excerpt of an Electronic Outlook Report from USDA's Economic Research Service and Foreign Agricultural Service*

The fiscal year 2014 forecast for agricultural exports is revised up from the February estimate by \$6.9 billion to a record \$149.5 billion. The forecast for grain and feed exports is boosted \$4.5 billion to \$35.8 billion due to higher prices for wheat and greater volumes and prices for corn and feeds and fodders. The corn export forecast is raised \$2.1 billion to \$10.7 billion on strong foreign demand and diminished competition, especially from Argentina. Oilseeds and product exports are forecast at a record \$33.8 billion, up \$2.4 billion, driven by larger volume and higher prices for soybean and soybean meal exports. The soybean export forecast is raised \$1.8 billion to \$23.5 billion based on record sales to China. The export forecast for livestock, poultry, and dairy is raised by \$600 million to a record \$32.2 billion, with increases in dairy and beef more than offsetting declines in pork and poultry. The horticultural product export forecast is lowered \$400 million to \$34.1 billion, but still forecast at a record high.

U.S. agricultural imports for fiscal year 2014 are forecast at a record \$110.5 billion, up \$500 million from February's estimate. Imports are expected to be 6.4 percent greater than in fiscal 2013. The forecast for the U.S. agricultural trade surplus in fiscal 2014 is up \$6.3 billion from February to \$39.0 billion, its second highest ever. 🐄

Source: USDA. Economic Research Service. "Outlook for U.S. Agricultural Trade", published May 29, 2014. Available at [www.ers.usda.gov](http://www.ers.usda.gov).



## JUNE DAIRY MONTH

The next time you eat a cheese sandwich, drink a glass of cold milk, have an ice cream cone or a cup of yogurt on a walk through the park, thank the dairy farmers who made it all possible. Now is a great time to do that because June is Dairy Month.

The dairy industry is an important economic engine in America. The farm value of milk production is second only to beef among livestock industries and is equal to corn. Milk is produced in all 50 states, with the major producing states in the West and North. Dairy farms, overwhelmingly family-owned and managed, are generally members of producer cooperatives.

USDA's Economic Research Service finds that major trends in U.S. milk production include a fairly slow and steady increase in production as gains in milk output per cow outweigh declines in the number of cows, and a consistent decline in the number of dairy operations, matched by a continual rise in the number of cows per operation. The USDA Census of Agriculture, released earlier this year shows four of the top five "milk cow counties" are in California with Tulare County leading the way with a reported 490,000. (The other top county is Gooding County, Idaho).

According to the International Dairy Foods Association, National Dairy Month started out as National Milk Month in 1937 as a way to promote drinking milk. It was initially created to stabilize the dairy demand when production was at a surplus, but has now developed into an annual tradition that celebrates the contributions the dairy industry has made to the world. After the National Dairy Council stepped in to promote the dairy industry June effort, the name changed to "Dairy Month." Now, many states including California, Vermont and Wisconsin have special events and observances in honor of dairy farmers and the industry.

Dairy is important to health. Through programs like Fuel Up to Play 60, the National Dairy Council provides cutting-edge nutrition information that can be used by people of all ages. You can learn more about the innovative research and promotion activities by visiting the Agricultural Marketing Service website. So no matter where your dairy comes from, thank a farmer. Dairy farming is a labor of love, but it is hard labor, and we thank everyone involved in producing the milk you drink. 🐄

Source: USDA. Available at <http://blogs.usda.gov>. Published June 12, 2014.

# Special Feature

## MILK PRODUCTION AND UTILIZATION IN THE PACIFIC NORTHWEST <sup>1/</sup>

Milk is a complex liquid and its character changes across the year. Milk markets are equally complex and their character changes across the year as well. In fact, not only does milk marketing change across the year, but it changes on a weekly basis and sometimes a daily basis according to processing plant schedules which continuously adapt to consumer product demand and maintenance needs. Because milk is produced every day of the year and is highly perishable, there is no way to hold it in inventory for very long; it must find a plant where it can be processed into a form that will preserve its best value. Finding the right plant and right form is a daily challenge for those in the dairy industry. Consumers are the ultimate beneficiaries of the complex daily logistical dance, getting the dairy products they want, when and how they want them.

Milk is a complex liquid and its components change across the year. In order of proportion, milk is basically comprised of: water (87%), other solids (5.7%), butterfat (3.8%), and protein (3.2%). The vast majority of other solids are lactose. Protein and other solids comprise nonfat solids (8.9%).

Butterfat tests fall steadily from December through August (0.3 percentage points total or 0.04 percentage points per month) before rising steadily through December (0.4 percentage points or 0.10 percentage points per month) when it peaks.

Protein follows a similar seasonal pattern to butterfat but on a slightly smaller scale and with low/high plateaus in July/August and November/December, respectively. Protein decreases by about 0.15 percentage points from its peak or about 0.02 percentage points per month before rising steeply at about 0.05 percentage points per month.

Other Solids, primarily lactose, is the primary osmo-regulator of milk production, i.e., it regulates the water content of milk. Other Solids follows a combination of seasonal changes in daylight hours and temperature. Other Solids only varies by about 0.04 percentage points, peaking in May/June/July, then declining deeply to a low in August before steadily rising back to the average. Looking at averages across regions, slight increases are evident as you move from higher latitudes to lower latitudes. In addition, June (or "January") is typically a fickle month in the Pacific Northwest as far as weather, before summer's drier weather patterns dominate. A dip in other solids tests is fairly common in June.

While it is common to think of cows producing more milk in the spring and less in the fall, another way to understand milk is its component character. Milk changes its character across the year primarily due to changes in its water content. Milk becomes slightly more dilute in the spring (more water) and slightly more concentrated in the fall (less water). The water content of milk rises steadily from December to August (0.7 percentage points; 0.08 percentage points per month) to about 87.3% before dropping 0.16 percentage points per month to a low of about 86.6%. An examination of the ratio of component to water shows that the seasonal pattern of water content of milk matches that of the ratio for butterfat and protein. The seasonal pattern of other solids shows a steady to slightly declining level from January through July which is punctuated by a sharp rise in May. The month of May can be thought of as having the optimum combination of daylight and temperature which combine to cause the flush or peak in milk production. Between July and August there is a sharp decline in other solids followed by a steady increase through December.

Looking at milk as a whole, seasonal variation in production is pronounced. The low point of the production season typically occurs in November (97% of average production) followed by steady increases but at a decreasing rate until April. In May, as is the case with other solids, production jumps about 1.5 percentage points to 103% of average production before steadily declining through July. In August, the hottest month of the year, production plummets 5 percentage points, and then bounces back in September as temperatures moderate. From September through November, production levels decline to a season low.

*Continued on Page 5*

## Special Feature (continued)

The other side of the coin is how milk is used. Milk markets are equally complex and their character (or product mix) changes across the year. Three ways to look at how milk and its components are used in the Pacific Northwest are: 1) on a percentage basis of pounds; 2) the percentage of components; and 3) the component test. Federal orders use Classes to distinguish types of milk uses. Class I can be thought of as fluid products that a consumer would typically drink; Class II are soft products (e.g. ice cream, yogurt, cottage cheese) and products with higher butterfat content (e.g. half & half and whipping cream); Class III is primarily cheese; and Class IV is butter and dried milk products. Class III and IV can be thought of milk transformed to a storable, hard product.

The following table shows the three different ways to understand milk and its uses based on data for 2011-2013 with the effect of milk not pooled due to price removed. Under "Percent of Pounds," the annual average percent and primary drivers of changes in demand are shown along with the nature of seasonal patterns. Under "Avg. Percent of Components," the proportion of all components is shown as a percent in addition to the degree of variation across the year in percentage points. Nonfat solids are protein plus other solids, and since other solids are relatively constant, changes in protein are mirrored in the nonfat solids test. The last column shows the average butterfat and nonfat solids content of the milk used in these products and what drives the changes in tests. 🍌

For questions concerning this article, please contact John Mykrantz at 425-487-5612 or [jmykrantz@fmmaseattle.com](mailto:jmykrantz@fmmaseattle.com).

### How Milk is Used in the Pacific Northwest 1/

| Class                         | Percent of Pounds   | Avg. Percent of Components  | Component Test  |
|-------------------------------|---|---|---|
| Class I<br>(Fluid)            | 27% (24-30%)<br>School Schedules<br>Fairly steady January-April, declines May-July, rises strongly July-August-September, stabilizes in October before rising in November and then declining in December. | Butterfat = 13%, +/-1<br>Nonfat Solids = 27%, +/-3  | Butterfat @1.8%<br>Lower when schools are in session; higher during "Eggnog Season"<br><br>Nonfat Solids @9.0%<br>Follows seasonal pattern                |
| Class II<br>(soft)            | 6% (5-7%)<br>Ice Cream<br>Generally higher in the summer, Lowest in December  | Butterfat = 14%, +/-1<br>Nonfat Solids = 6%, +/- 1  | Butterfat @8.4%<br>Higher during holidays; lowest in August; highest November-December holiday season<br><br>Nonfat Solids @8.4%<br>Opposite of butterfat |
| Class III<br>(Cheese)         | 41% (39-42%)<br>Cheese Yields<br>When component tests are falling, utilization is rising; when component tests are rising, utilization is falling   | Butterfat = 42%, +/- 2<br>Nonfat Solids = 41%, +/- 1  | Butterfat @3.9%<br>Nonfat Solids @9.0%<br>Follow seasonal pattern of milk tests   |
| Class IV<br>(Butter/<br>NFDM) | 26% (24-28%)<br>Balances all uses<br>Absorbs milk not needed for Class I and a source/outlet of/for milk to balance the yields of cheese vats   | Butterfat = 31%, +/- 3<br>Nonfat Solids = 26%, +/-2   | Butterfat @4.6%<br>Nonfat Solids @8.8%<br>Follow seasonal pattern of milk tests and skim and cream surpluses of other uses                                |
| Market                        | Ranges from 97% (November) to 103% (May) of annual average daily basis  | Butterfat = @50% Nov-Apr<br>Protein = @50% Nov-Apr<br>Other Solids = @51% Feb-Jul<br>Nonfat Solids = @51% Feb-Jul<br>Water = @51% Feb-Jul | Butterfat @ 3.79%<br>Protein @ 3.18%<br>Other Solids @ 5.73%<br>Nonfat Solids @ 8.91%<br>Water @87.30%  |

1/ Based on monthly averages for 2011-2013 with the effect of milk not pooled due to price removed.

# Monthly Selected Statistics

| PRICE & POOL DATA                       | PACIFIC NORTHWEST |          |          |          | ARIZONA        |          |          |          |
|---|-------------------|----------|----------|----------|----------------|----------|----------|----------|
|   | May 2014          | Apr 2014 | May 2013 | Apr 2013 | May 2014       | Apr 2014 | May 2013 | Apr 2013 |
| <b>Minimum Class Prices (3.5% B.F.)</b> |                   |          |          |          |                |          |          |          |
| Class I Milk (\$/cwt)                   | \$26.37           | \$25.55  | \$19.66  | \$19.56  | \$26.82        | \$26.00  | \$20.11  | \$20.01  |
| Class II Milk (\$/cwt)                  | 24.44             | 24.74    | 18.43    | 18.73    | 24.44          | 24.74    | 18.43    | 18.73    |
| Class III Milk (\$/cwt)                 | 22.57             | 24.31    | 18.52    | 17.59    | 22.57          | 24.31    | 18.52    | 17.59    |
| Class IV Milk (\$/cwt)                  | 22.65             | 23.34    | 18.89    | 18.10    | 22.65          | 23.34    | 18.89    | 18.10    |
| <b>Producer Prices</b>                  |                   |          |          |          |                |          |          |          |
| Producer Price Differential (\$/cwt)    | \$0.85            | (\$0.28) | \$0.27   | \$0.57   | +              | +        | +        | +        |
| Butterfat (\$/pound)                    | 2.2721            | 2.1207   | 1.7884   | 1.8227   | +              | +        | +        | +        |
| Protein (\$/pound)                      | 3.9553            | 4.7089   | 3.3597   | 3.0130   | +              | +        | +        | +        |
| Other Solids (\$/pound)                 | 0.4897            | 0.4926   | 0.3887   | 0.3863   | +              | +        | +        | +        |
| Uniform Skim Price (\$/cwt)             | +                 | +        | +        | +        | \$16.40        | \$17.66  | \$13.29  | \$12.71  |
| Uniform Butterfat Price (\$/pound)      | +                 | +        | +        | +        | 2.2653         | 2.1103   | 1.7948   | 1.8119   |
| Statistical Uniform Price (\$/cwt)      | \$23.42           | \$24.03  | \$18.79  | \$18.16  | \$23.75        | \$24.43  | \$19.11  | \$18.61  |
| <b>Producer Data</b>                    |                   |          |          |          |                |          |          |          |
| Number of Producers                     | <b>583</b>        | 473      | 596      | 595      | <b>91</b>      | 91       | 91       | 92       |
| Avg. Daily Production (pounds)          | <b>42,900</b>     | 40,785   | 40,551   | 40,290   | <b>159,817</b> | 153,769  | 148,658  | 150,695  |
| <b>Producer Milk Ratios</b>             |                   |          |          |          |                |          |          |          |
| Class I                                 | 21.77%            | 29.10%   | 24.69%   | 24.17%   | 22.32%         | 25.55%   | 26.97%   | 27.96%   |
| Class II                                | 6.36%             | 8.40%    | 7.74%    | 5.90%    | 8.30%          | 10.75%   | 7.82%    | 7.20%    |
| Class III                               | 41.41%            | 25.28%   | 42.25%   | 44.10%   | 25.99%         | 22.57%   | 25.37%   | 26.18%   |
| Class IV                                | 30.46%            | 37.22%   | 25.32%   | 25.83%   | 43.39%         | 41.13%   | 39.84%   | 38.66%   |

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

# Monthly Supplemental Statistics

| SUPPLEMENTAL DATA                        | PACIFIC NORTHWEST |             |             |             | ARIZONA          |            |            |            |
|--|-------------------|-------------|-------------|-------------|------------------|------------|------------|------------|
|  | Apr 2014          | Mar 2014    | Apr 2013    | Mar 2013    | Apr 2014         | Mar 2014   | Apr 2013   | Mar 2013   |
| <b>Number of Handlers</b>                |                   |             |             |             |                  |            |            |            |
| Pool Handlers                            | 22                | 24          | 25          | 25          | 7                | 7          | 7          | 7          |
| <i>Distributing Plants</i>               | 13                | 13          | 14          | 14          | 5                | 5          | 5          | 5          |
| <i>Supply Plants 1/</i>                  | 4                 | 6           | 6           | 6           | 1                | 1          | 1          | 1          |
| <i>Cooperatives</i>                      | 5                 | 5           | 5           | 5           | 1                | 1          | 1          | 1          |
| Producer-Handlers                        | 5                 | 5           | 5           | 5           | 0                | 0          | 0          | 0          |
| Other Plants w/ Class I Use              | <b>20</b>         | 19          | 15          | 15          | <b>21</b>        | 23         | 21         | 19         |
| <b>Class I Route Disposition In Area</b> |                   |             |             |             |                  |            |            |            |
| By Pool Plants                           | 150,059,515       | 152,685,874 | 159,348,559 | 161,764,575 | 83,341,075       | 87,044,497 | 89,587,806 | 90,375,071 |
| By Producer-Handlers                     | 6,199,688         | 7,246,652   | 7,261,256   | 7,014,455   | 0                | 0          | 0          | 0          |
| By Other Plants                          | <b>10,509,287</b> | 10,694,567  | 8,976,961   | 8,972,530   | <b>8,643,784</b> | 8,516,408  | 7,103,742  | 5,908,822  |
| Total                                    | 166,768,490       | 170,627,093 | 175,586,776 | 177,751,560 | 91,984,859       | 95,560,905 | 96,691,548 | 96,283,893 |
| <b>Producer-Handler Data</b>             |                   |             |             |             |                  |            |            |            |
| % Class I Use                            | 58.41%            | 61.44%      | 73.53%      | 69.02%      | 0.00%            | 0.00%      | 0.00%      | 0.00%      |
| % of Total In-Area Route Dispositions    | 3.72%             | 4.25%       | 4.14%       | 3.95%       | 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                |
|                                  | 2014               | 2014               | 2013               | 2013               | 2014               | 2014               | 2013               | 2013               |
| <i>Receipts of Milk</i>          |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Producer Milk              | 775,339,697        | 578,737,220        | 749,221,691        | 719,183,404        | 450,842,574        | 419,790,454        | 419,364,716        | 415,919,230        |
| Receipts From Other Sources      | 6,412,239          | 22,345,787         | 11,237,084         | 9,865,736          | 2,431,730          | 6,345,419          | 2,782,758          | 2,964,403          |
| Opening Inventory                | 41,008,046         | 35,117,226         | 35,341,511         | 40,280,787         | 19,667,339         | 22,314,660         | 21,292,729         | 23,486,068         |
| <b>Total To Be Accounted For</b> | <b>822,759,982</b> | <b>636,200,233</b> | <b>795,800,286</b> | <b>769,329,927</b> | <b>472,941,643</b> | <b>448,450,533</b> | <b>443,440,203</b> | <b>442,369,701</b> |
| <i>Utilization of Receipts</i>   |                    |                    |                    |                    |                    |                    |                    |                    |
| Whole milk                       | 34,166,407         | 32,347,210         | 34,008,070         | 32,395,984         | 23,851,913         | 23,044,354         | 24,311,166         | 23,660,849         |
| Flavored milk & drinks           | 12,486,936         | 12,264,771         | 13,418,361         | 12,686,531         | 5,001,747          | 6,550,756          | 5,150,759          | 6,432,281          |
| 2% milk                          | 61,957,088         | 61,410,335         | 64,919,141         | 64,348,783         | 30,104,508         | 29,647,476         | 31,956,684         | 32,039,809         |
| 1% milk                          | 23,883,005         | 23,416,180         | 26,210,117         | 25,553,357         | 13,730,859         | 14,693,474         | 15,286,464         | 16,068,685         |
| Skim milk                        | 19,447,355         | 19,213,211         | 22,696,058         | 22,965,303         | 8,519,287          | 8,984,025          | 10,278,822         | 10,982,056         |
| Buttermilk                       | 1,477,526          | 1,407,808          | 1,514,491          | 1,398,601          | 413,259            | 420,990            | 394,108            | 404,126            |
| Class I dispositions in area     | 153,418,317        | 150,059,515        | 162,766,238        | 159,348,559        | 81,621,573         | 83,341,075         | 87,378,003         | 89,587,806         |
| Class I dispositions out of area | 14,866,055         | 15,494,413         | 16,019,897         | 15,433,655         | 23,798,168         | 23,659,462         | 25,190,677         | 26,055,122         |
| Other Class I usage              | 19,086,310         | 20,203,158         | 19,957,364         | 15,215,084         | 8,275,995          | 12,977,796         | 13,566,570         | 13,099,777         |
| <i>Utilization by Class</i>      |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Class I Use                | 187,370,682        | 185,757,086        | 198,743,499        | 189,997,298        | 113,695,736        | 119,978,333        | 126,135,250        | 128,742,705        |
| Total Class II Use               | 54,505,026         | 53,632,454         | 68,566,178         | 49,944,401         | 38,341,708         | 45,901,460         | 33,905,946         | 30,760,802         |
| Total Class III Use              | 323,681,324        | 158,292,461        | 317,362,027        | 318,961,705        | 117,381,792        | 94,733,530         | 106,404,532        | 110,466,807        |
| Total Class IV Use               | 257,202,950        | 238,518,232        | 211,128,582        | 210,426,523        | 203,522,407        | 187,837,210        | 176,994,475        | 172,399,387        |
| <b>Total Accounted For</b>       | <b>822,759,982</b> | <b>636,200,233</b> | <b>795,800,286</b> | <b>769,329,927</b> | <b>472,941,643</b> | <b>448,450,533</b> | <b>443,440,203</b> | <b>442,369,701</b> |

| CLASSIFICATION OF RECEIPTS          | PACIFIC NORTHWEST |             |             |             | ARIZONA     |             |             |             |
|-------------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                     | May               | Apr         | May         | Apr         | May         | Apr         | May         | Apr         |
|                                     | 2014              | 2014        | 2013        | 2013        | 2014        | 2014        | 2013        | 2013        |
| <i>Producer milk</i>                |                   |             |             |             |             |             |             |             |
| Class I                             | 168,782,560       | 168,420,887 | 185,017,500 | 173,808,251 | 100,649,350 | 107,241,751 | 113,090,206 | 116,282,389 |
| Class II                            | 49,298,953        | 48,636,011  | 57,972,603  | 42,455,072  | 37,437,746  | 45,122,241  | 32,782,493  | 29,945,023  |
| Class III                           | 321,071,307       | 146,332,777 | 316,513,400 | 317,166,845 | 117,181,203 | 94,732,324  | 106,397,103 | 108,881,157 |
| Class IV                            | 236,186,877       | 215,347,545 | 189,718,188 | 185,753,236 | 195,574,275 | 172,694,138 | 167,094,914 | 160,810,661 |
| <i>Other receipts</i>               |                   |             |             |             |             |             |             |             |
| Class I                             | 18,588,122        | 17,336,199  | 13,725,999  | 16,189,047  | 13,046,386  | 12,736,582  | 13,045,044  | 12,460,316  |
| Class II                            | 5,206,073         | 4,996,443   | 10,593,575  | 7,489,329   | 1/          | 1/          | 1/          | 1/          |
| Class III                           | 2,610,017         | 1/          | 848,627     | 1,794,860   | 1/          | 1/          | 1/          | 1/          |
| Class IV                            | 21,016,073        | 35,130,371  | 21,410,394  | 24,673,287  | 9,052,683   | 15,923,497  | 11,030,443  | 13,990,155  |
| <i>Avg. daily producer receipts</i> | 25,010,958        | 19,291,241  | 24,168,442  | 23,972,780  | 14,543,309  | 13,993,015  | 13,527,894  | 13,863,974  |
| Change From Previous Year           | 3.49%             | -19.53%     | 1.64%       | 12.86%      | 7.51%       | 0.93%       | -1.13%      | -2.30%      |
| <i>Avg. daily Class I use</i>       | 6,044,216         | 6,191,903   | 6,411,081   | 6,333,243   | 3,667,604   | 3,999,278   | 4,068,879   | 4,291,424   |
| Change From Previous Year           | -5.72%            | -2.23%      | -1.56%      | -0.82%      | -9.86%      | -6.81%      | 0.04%       | -0.37%      |

1/ Restricted - Included with Class IV.



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## FEDERAL ORDER STATISTICS FOR MAY

| Federal Order Name<br>(Number) | Producer<br>Deliveries    | Class I<br>Receipts | Class I<br>Utilization | Class I<br>Price                 | Uniform<br>Price |
|--------------------------------|---------------------------|---------------------|------------------------|----------------------------------|------------------|
|                                | <i>- million pounds -</i> |                     |                        | <i>- per cwt (at location) -</i> |                  |
| Northeast (FO 1)               | 2,236.3                   | 774.8               | 34.65%                 | \$27.72                          | \$25.24          |
| Appalachian (FO 5)             | 494.7                     | 303.3               | 61.31%                 | \$27.87                          | \$26.45          |
| Florida (FO 6)                 | 224.3                     | 194.8               | 86.85%                 | \$29.87                          | \$29.25          |
| Southeast (FO 7)               | 499.1                     | 319.9               | 64.10%                 | \$28.27                          | \$26.83          |
| Upper Midwest (FO 30)          | 3,039.1                   | 301.0               | 9.91%                  | \$26.27                          | \$23.00          |
| Central (FO 32)                | 1,449.3                   | 397.7               | 27.44%                 | \$26.47                          | \$23.58          |
| Mideast (FO 33)                | 1,540.9                   | 513.6               | 33.33%                 | \$26.47                          | \$24.04          |
| Pacific Northwest (FO 124)     | 775.3                     | 168.8               | 21.77%                 | \$26.37                          | \$23.42          |
| Southwest (FO 126)             | 1,250.2                   | 363.4               | 29.06%                 | \$27.47                          | \$24.43          |
| Arizona (FO 131)               | 450.8                     | 100.6               | 22.32%                 | \$26.82                          | \$23.75          |

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