

The Market Administrator's Report

Facilitating the Efficient Marketing of Milk

Pacific Northwest and Arizona Marketing Areas

William A. Wise, Market Administrator

Volume 38, No. 7

July 2012

Data for June 2012

MARKET SUMMARIES FOR JUNE

Pacific Northwest (FO 124)

Producers delivered a total of 451.9 million pounds of milk to the market during June. Daily deliveries averaged 15.1 million pounds, down 36.7 percent from May. An estimated 455 producers delivered milk to the market during the month. Comparisons to May 2012 are biased due to historically eligible milk not pooled in June. Daily deliveries per producer averaged 33,103 pounds, down 14.4 percent from May.

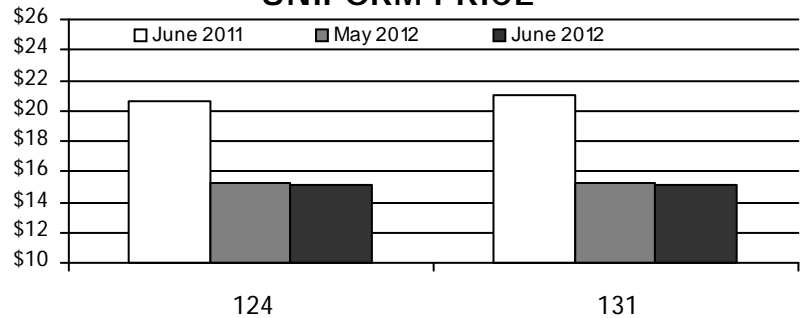
Class I producer milk during June totaled 177.3 million pounds, 39.2 percent of total producer receipts. Daily usage averaged 5.9 million pounds, down 2.0 percent from May. ▼

Arizona (FO 131)

Producers delivered a total of 391.6 million pounds of milk to the market during June. Daily deliveries averaged 13.1 million pounds, down 4.6 percent from May. An estimated 94 producers delivered milk to the market during the month. Daily deliveries per producer averaged 138,880 pounds, down 4.6 percent from May.

Class I producer milk during June totaled 105.4 million pounds, 26.9 percent of total producer receipts. Daily usage averaged 3.5 million pounds, down 2.8 percent from May. ▼

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	May	June	May	June
Uniform Price (at 3.5%)	\$15.31	\$15.06	\$15.27	\$15.18
Uniform Price (at test)	\$16.00	\$15.65	\$15.25	\$15.18
PPD	\$0.08	(\$0.57)		
Butterfat	\$1.4462	\$1.4866		n/a
Protein	\$2.7344	\$2.8952		
Other Solids	\$0.3500	\$0.3113		
Uniform Skim			\$10.50	\$10.35
Uniform Butterfat		n/a	\$1.4680	\$1.4832
Butterfat	3.704%	3.698%	3.482%	3.500%
Protein	3.127%	3.087%		
Other Solids	5.748%	5.732%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Agricultural Statistics Timeline, Part II: The Founding Period
- ✓ Mideast Order Final Decision
- ✓ Number of Producers & Pounds of Milk: May 2012

Federal Order Price Summaries

FINAL CLASS PRICES

The June 2012 Final Class Prices were calculated using AMS commodity price surveys from June 2, 9, 16, 23, and 30, 2012. Current and archived Final Class Price announcements are available at www.fmmaseattle.com/finalprice.htm.

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class II	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
May 2012	\$17.75	\$18.20	\$15.19	\$15.23	\$13.55	\$1.4462	\$2.7344	\$0.3500	\$0.9774
June 2012	\$17.14	\$17.59	\$14.32	\$15.63	\$13.24	\$1.4866	\$2.8952	\$0.3113	\$0.9252
Change	(\$0.61)	(\$0.61)	(\$0.87)	\$0.40	(\$0.31)	\$0.0404	\$0.1608	(\$0.0387)	(\$0.0522)

ADVANCED CLASS I PRICE

The August 2012 Advanced Price was calculated using AMS commodity price surveys from July 7 and 14, 2012. Current and archived Advanced Price announcements are available at 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
Jul 2012	\$1.4594	\$10.78	\$8.31	\$10.78	\$15.51	\$17.41	\$17.86	\$9.01	\$1.0011
Aug 2012	\$1.6386	\$11.21	\$8.83	\$11.21	\$16.55	\$18.45	\$18.90	\$9.53	\$1.0589
Change	\$0.1792	\$0.43	\$0.52	\$0.43	\$1.04	\$1.04	\$1.04	\$0.52	\$0.0578

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	May	June	Change
Cheese	\$1.5215	\$1.5846	\$0.0631
Butter	\$1.3657	\$1.3991	\$0.0334
Nonfat Dry Milk	\$1.1551	\$1.1023	(\$0.0528)
Whey	\$0.5389	\$0.5013	(\$0.0376)

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	July	August	Change
Cheese	\$1.5703	\$1.6781	\$0.1078
Butter	\$1.3766	\$1.5246	\$0.1480
Nonfat Dry Milk	\$1.1008	\$1.1588	\$0.0580
Whey	\$0.5052	\$0.4944	(\$0.0108)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed an increase in price received for 40-pound blocks and an increase for 500-pound barrels. The survey of 40-pound blocks showed an increase of 5.65 cents between the June 16 and the July 14 surveys, to \$1.6444 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed an increase of 14.29 cents to \$1.6925 per pound.

The AMS butter price showed an increase of 15.15 cents between the weeks ending June 16 and July 14 from \$1.3877 per pound to \$1.5392 per pound. The AMS nonfat dry milk showed a net increase of 5.56 cents since mid-June to \$1.1575 per pound. The average price for AMS whey showed a net decrease of 0.98 cents since mid-June to \$0.4959 per pound.

A current summary of various commodity prices is available at www.fmmaseattle.com/prices.htm. 

Agricultural Statistics: A Historical Timeline

Congress establishes the U.S. Department of Agriculture (USDA). The first Commissioner of Agriculture, Isaac Newton, lists seven duties for the new Department. The most important is gathering agricultural statistics. Crop reporters and field agents begin to play a vital role in the collection of agricultural data.

The below is excerpted from the Timeline.

Year
Population
& Farm Count

Part II: The Founding Period

1861-1866
Pop: 31,443,321
Farms: 2,044,077

In his State of the Union address to Congress, President Abraham Lincoln says, "Agriculture, confessedly the largest interest of the nation has not a department nor a bureau, but a clerkship only, assigned to it in the government...Annual reports exhibiting the condition of our agriculture, commerce and manufactures would present a fund of information of great practical value to the country." On May 15, 1862, he signs the law that creates the Department of Agriculture and calls it the "people's department." The Department begins a regular reporting series on livestock numbers, monthly crop conditions and final acreage, yield, and production estimates for principal crops.

1876
Pop: 38,558,371
Farms: 2,659,985

The Illinois field office publishes its first annual agricultural statistics bulletin, Illinois Crops of 1876. The report includes data for various crops and livestock by county.

1882
Pop: 50,155,783
Farms: 4,008,907

USDA's Division of Statistics appoints part-time state statistical agents who develop and maintain an independent corps of voluntary crop reporters.

1890
Pop: 62,947,714
Farms: 4,564,641

Herman Hollerith, a Census Bureau employee, develops the first punch card tabulation machine system. This electromechanical system punches, reads and sorts cards for tallying the massive amounts of data for the population census. Hollerith later forms his own company, which eventually merges to form the International Business Machines Corporation, otherwise known as IBM.


1896-1899
Pop: 62,947,714
Farms: 4,564,641

The list of voluntary crop reporters is expanded and renamed the Township List. The goal is to have one reporter for each agricultural township. The reports are sent directly to the Division of Statistics in Washington, D.C. USDA begins publishing the Crop Reporter as a means of communication between the Division of Statistics and the crop correspondents.

Source: USDA's National Agricultural Statistics Service. View the full Timeline at www.nass.usda.gov/About_NASS/Timeline/

Other News

USDA ANNOUNCES FINAL DECISION TO AMEND THE MIDEAST FEDERAL MILK ORDER

On June 28, 2012, the USDA announced a Final Decision which amends the Pool Plant definition of the Mideast milk marketing order. This decision is based on testimony and evidence given at a public hearing held in Cincinnati, Ohio, on October 4-5, 2011. The amendment will regulate fluid milk plants physically located within the Mideast marketing area that have a Class I utilization of at least 30 percent and whose combined Class I route dispositions and transfers into Federal milk marketing areas is greater than 50 percent as Pool Distributing Plants. See www.ams.usda.gov/news for more information. 

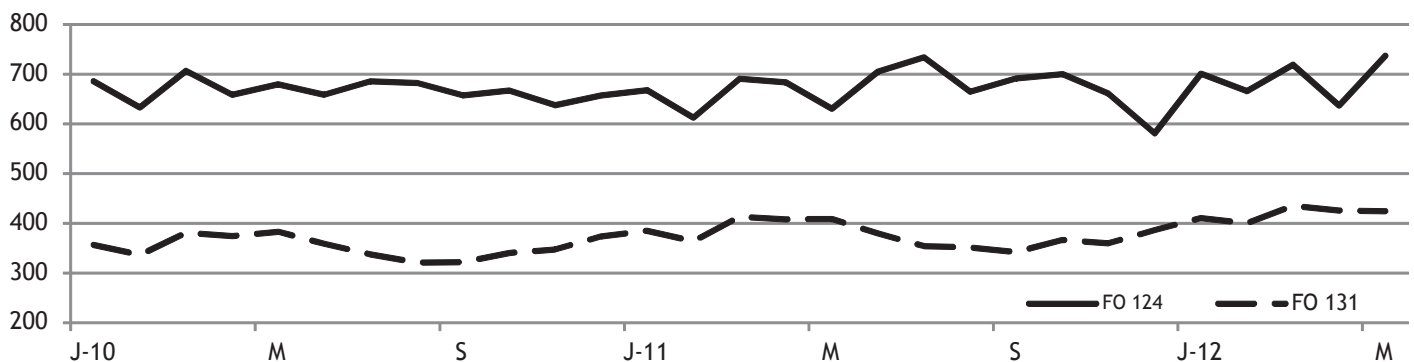


July
is National
Ice Cream Month!!

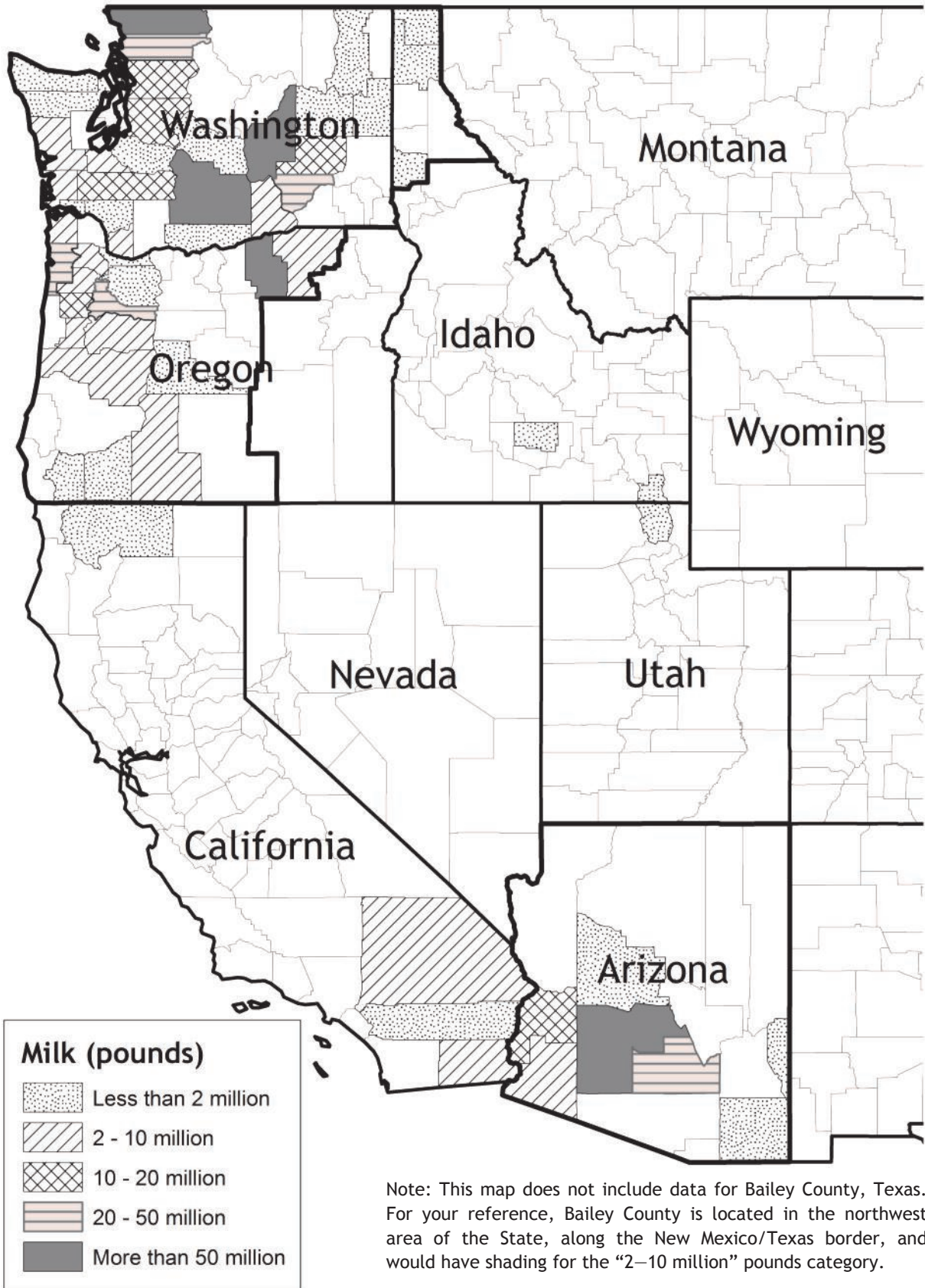
Number of Producers and Pounds of Milk: May 2012

State	County	Producers	Milk	State	County	Producers	Milk
ARIZONA ORDER				PACIFIC NORTHWEST ORDER (CONTINUED)			
<i>Arizona</i>				<i>Idaho</i>			
	Maricopa	68	337,173,415		Bonner, Boundary, Franklin, Latah & Lincoln, ID and Cache, UT	7	1,065,023
	Cochise, Greenlee, & Pinal, AZ and Bailey, TX	15	56,762,170	Total Idaho		7	1,065,023
	La Paz, Yavapai, & Yuma, AZ and Imperial, Riverside, & San Bernardino, CA	11	30,220,216		<i>Washington</i>		
	Total Arizona	94	424,155,801		Adams	9	18,041,723
PACIFIC NORTHWEST ORDER					Benton	3	7,025,224
<i>Oregon</i>					Clark & Cowlitz	10	7,824,330
	Benton	3	3,219,279		Franklin	11	43,858,457
	Clackamas & Multnomah	7	1,043,477		Grant & Kittitas	23	52,575,875
	Clatsop	4	2,004,375		Grays Harbor, Jefferson & Clallam	11	5,927,471
	Deschutes, Jackson & Klamath	8	5,674,065		King	25	14,154,247
	Josephine	3	1,017,681		Klickitat	3	1,377,435
	Lane	3	4,985,663		Lewis	30	11,248,330
	Linn	8	5,075,202		Lincoln & Spokane	7	1,520,120
	Marion	28	28,869,686		Pacific	8	2,458,820
	Morrow & Umatilla	9	73,668,947		Skagit	31	23,859,298
	Polk	5	10,566,950		Snohomish & Island	25	18,018,450
	Tillamook	104	45,762,297		Stevens	9	1,198,397
	Washington	12	5,198,153		Thurston & Pierce	9	10,278,547
	Yamhill	6	9,394,404		Wahkiakum	4	681,425
	Total Oregon	200	196,480,179		Whatcom	117	90,924,651
					Yakima	71	227,209,885
				Total Washington		406	538,182,685
	<i>California</i>			Total Arizona Order		94	424,155,801
	Siskiyou	3	1,388,754	Total Pacific Northwest Order		616	737,116,641
	Total California	3	1,388,754	Total		710	1,161,272,442

Pacific Northwest (FO 124) and Arizona (FO 131) Producer Milk Pooled
January 2010 - May 2012 (million pounds)



Pounds of Producer Milk by County: May 2012



Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Jun 2012	May 2012	Jun 2011	May 2011	Jun 2012	May 2012	Jun 2011	May 2011
Minimum Class Prices (3.5% B.F.)								
Class I Milk (\$/cwt)	\$17.14	\$17.75	\$22.22	\$21.65	\$17.59	\$18.20	\$22.67	\$22.10
Class II Milk (\$/cwt)	14.32	15.19	21.37	20.63	14.32	15.19	21.37	20.63
Class III Milk (\$/cwt)	15.63	15.23	19.11	16.52	15.63	15.23	19.11	16.52
Class IV Milk (\$/cwt)	13.24	13.55	21.05	20.29	13.24	13.55	21.05	20.29
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.57)	\$0.08	\$1.49	\$2.50	+	+	+	+
Butterfat (\$/pound)	1.4866	1.4462	2.3702	2.2497	+	+	+	+
Protein (\$/pound)	2.8952	2.7344	2.9807	2.3133	+	+	+	+
Other Solids (\$/pound)	0.3113	0.3500	0.3339	0.3026	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$10.35	\$10.50	\$13.22	\$12.45
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.4832	1.4680	2.3602	2.2473
Statistical Uniform Price (\$/cwt)	\$15.06	\$15.31	\$20.60	\$19.02	\$15.18	\$15.27	\$21.02	\$19.88
Producer Data								
Number of Producers	455	616	632	515	94	94	101	100
Avg. Daily Production (pounds)	33,103	38,601	37,180	39,484	138,880	145,558	125,352	131,758
Producer Milk Ratios								
Class I	39.23%	25.35%	25.14%	29.82%	26.92%	26.42%	28.05%	28.05%
Class II	9.09%	5.65%	6.78%	6.19%	8.00%	7.33%	7.67%	7.85%
Class III	11.94%	42.16%	41.04%	45.91%	27.39%	25.19%	29.99%	26.60%
Class IV	39.74%	26.84%	27.04%	18.08%	37.69%	41.06%	34.29%	37.50%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	May 2012	Apr 2012	May 2011	Apr 2011	May 2012	Apr 2012	May 2011	Apr 2011
Number of Handlers								
Pool Handlers	25	24	25	26	7	7	7	7
<i>Distributing Plants</i>	14	14	14	14	5	5	5	5
<i>Supply Plants 1/</i>	6	5	6	7	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	17	17	17	18	23	23	22	21
Class I Route Disposition In Area								
By Pool Plants	171,652,703	162,612,685	171,640,655	169,220,775	88,416,227	90,740,604	89,819,576	93,968,414
By Producer-Handlers	7,316,718	7,028,719	7,259,036	7,165,860	0	0	0	0
By Other Plants	8,279,644	8,023,514	7,608,440	7,324,896	5,961,734	6,022,658	6,110,834	6,448,999
Total	187,249,065	177,664,918	186,508,131	183,711,531	94,377,961	96,763,262	95,930,410	100,417,413
Producer-Handler Data								
% Class I Use	66.40%	62.77%	62.34%	61.19%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	3.91%	3.96%	3.89%	3.90%	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			
	Jun	May	Jun	May	Jun	May	Jun	May
	2012	2012	2011	2011	2012	2012	2011	2011
Receipts of Milk								
Total Producer Milk	451,852,327	737,116,641	704,931,430	630,364,710	391,640,883	424,155,801	379,816,821	408,450,394
Receipts From Other Sources	8,574,216	12,309,254	15,674,113	12,290,119	4,747,176	4,138,981	13,178,288	1,880,488
Opening Inventory	25,611,353	37,836,755	37,647,255	35,861,869	21,030,554	25,324,520	20,674,642	21,619,611
Total To Be Accounted For	486,037,896	787,262,650	758,252,798	678,516,698	417,418,613	453,619,302	413,669,751	431,950,493
Utilization of Receipts								
Whole milk	32,629,955	33,627,282	31,657,798	33,070,203	23,357,854	23,608,164	22,852,969	23,278,399
Flavored milk & drinks	8,977,416	14,151,421	8,709,109	13,397,903	2,419,382	5,023,545	2,344,423	5,306,507
2% milk	67,405,014	68,203,815	66,323,286	68,270,229	31,982,751	32,444,376	32,061,163	32,904,856
1% milk	25,527,422	28,076,822	24,797,738	27,592,156	14,087,134	15,673,550	13,973,169	15,893,905
Skim milk	24,818,229	26,255,727	26,441,720	27,924,130	10,525,803	11,263,184	11,046,008	12,051,114
Buttermilk	1,397,387	1,337,636	1,367,826	1,386,034	366,168	403,408	367,296	384,795
Class I dispositions in area	160,755,423	171,652,703	159,297,477	171,640,655	82,739,092	88,416,227	82,645,028	89,819,576
Class I dispositions out of area	14,607,204	14,124,499	15,931,568	15,254,600	23,873,958	24,993,087	23,879,091	24,774,700
Other Class I usage	16,742,759	16,106,296	18,886,161	17,236,898	11,402,762	12,673,104	12,862,053	12,758,206
Utilization by Class								
Total Class I Use	192,105,386	201,883,498	194,115,206	204,132,153	118,015,812	126,082,418	119,386,172	127,352,482
Total Class II Use	47,868,912	52,903,805	54,802,736	47,488,371	32,282,848	31,754,359	29,738,861	32,759,545
Total Class III Use	53,940,341	310,801,027	292,367,270	291,024,102	107,651,106	106,852,204	113,913,114	110,118,490
Total Class IV Use	192,123,257	221,674,320	216,967,586	135,872,072	159,468,847	188,930,321	150,631,604	161,719,976
Total Accounted For	486,037,896	787,262,650	758,252,798	678,516,698	417,418,613	453,619,302	413,669,751	431,950,493

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Jun	May	Jun	May	Jun	May	Jun	May
	2012	2012	2011	2011	2012	2012	2011	2011
Producer milk								
Class I	177,265,221	186,892,086	177,243,411	187,989,813	105,418,369	112,050,995	106,530,415	114,572,008
Class II	41,091,298	41,679,343	47,794,528	39,044,271	31,319,009	31,082,856	29,133,991	32,075,604
Class III	53,940,341	310,754,431	289,310,460	289,406,102	107,276,636	106,852,204	113,892,602	108,658,725
Class IV	179,555,467	197,790,781	190,583,031	113,924,524	147,626,869	174,169,746	130,259,813	153,144,057
Other receipts								
Class I	14,840,165	14,991,412	16,871,795	16,142,340	12,597,443	14,031,423	12,855,757	12,780,474
Class II	6,777,614	11,224,462	7,008,208	8,444,100	1/	1/	1/	1/
Class III	0	46,596	3,056,810	1,618,000	1/	1/	1/	1/
Class IV	12,567,790	23,883,539	26,384,555	21,947,548	13,180,287	15,432,078	20,997,173	10,719,625
Avg. daily producer receipts	15,061,744	23,777,956	23,497,714	20,334,345	13,054,696	13,682,445	12,660,561	13,175,819
Change From Previous Year	-35.90%	16.93%	7.00%	-7.31%	3.11%	3.85%	5.92%	6.57%
Avg. daily Class I use	6,403,513	6,512,371	6,470,507	6,584,908	3,933,860	4,067,175	3,979,539	4,108,145
Change From Previous Year	-1.04%	-1.10%	0.40%	0.16%	-1.15%	-1.00%	0.00%	-1.46%

1/ Restricted - Included with Class IV.



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www.fmmaseattle.com

FEDERAL ORDER STATISTICS FOR JUNE

Federal Order Name (Number)	Producer Deliveries	Class I Receipts	Class I Utilization	Class I Price	Uniform Price
	<i>- million pounds -</i>			<i>- per cwt (at location) -</i>	
Northeast (FO 1)	2,024.9	772.5	38.15%	\$18.49	\$16.58
Appalachian (FO 5)	474.2	306.2	64.58%	\$18.64	\$17.45
Florida (FO 6)	227.0	185.4	81.67%	\$20.64	\$19.73
Southeast (FO 7)	550.1	345.7	62.83%	\$19.04	\$17.86
Upper Midwest (FO 30)	2,582.1	293.6	11.37%	\$17.04	\$15.70
Central (FO 32)	1,026.5	371.1	36.16%	\$17.24	\$15.38
Mideast (FO 33)	1,414.4	464.0	32.81%	\$17.24	\$15.53
Pacific Northwest (FO 124)	451.9	177.3	39.23%	\$17.14	\$15.06
Southwest (FO 126)	544.1	321.2	59.02%	\$18.24	\$16.67
Arizona (FO 131)	391.6	105.4	26.92%	\$17.59	\$15.18

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