



# The Market Administrator's Report

*Facilitating the Efficient Marketing of Milk*

## Pacific Northwest and Arizona Marketing Areas

*William A. Wise, Market Administrator*

Volume 39, No. 10

October 2013

Data for September 2013

### MARKET SUMMARIES FOR SEPTEMBER

#### Pacific Northwest (FO 124)

Producers delivered a total of 602.3 million pounds of milk to the market during September. Daily deliveries averaged 20.1 million pounds, down 3.6 percent from August. An estimated 483 producers delivered milk to the market during the month. Daily deliveries per producer averaged 41,565 pounds, down 3.6 percent from August.

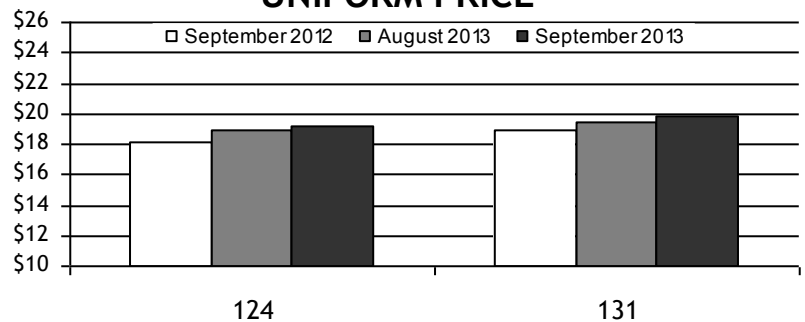
Class I producer milk during September totaled 174.2 million pounds, 28.9 percent of total producer receipts. Daily usage averaged 5.8 million pounds, down 0.02 percent from August. ▼

#### Arizona (FO 131)

Producers delivered a total of 331.8 million pounds of milk to the market during September. Daily deliveries averaged 11.1 million pounds, down 4.9 percent from August. An estimated 92 producers delivered milk to the market during the month. Daily deliveries per producer averaged 120,213 pounds, down 4.9 percent from August.

Class I producer milk during September totaled 110.9 million pounds, 33.4 percent of total producer receipts. Daily usage averaged 3.7 million pounds, down 1.1 percent from August. ▼

### UNIFORM PRICE



## Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Aug	Sep	Aug	Sep
Uniform Price (at 3.5%)	\$18.93	\$19.13	\$19.41	\$19.79
Uniform Price (at test)	\$19.77	\$20.34	\$19.38	\$19.81
PPD	\$1.02	\$0.99		
Butterfat*	\$1.5104	\$1.5196		n/a
Protein*	\$3.4775	\$3.5419		
Other Solids*	\$0.3901	\$0.3914		
Uniform Skim			\$14.56	\$14.96
Uniform Butterfat		n/a	\$1.5319	\$1.5301
Butterfat	3.738%	3.824%	3.476%	3.512%
Protein	3.123%	3.191%		
Other Solids	5.744%	5.724%		n/a

\* For September: Equivalent Prices, computed pursuant to 7 CFR, Section 1000.54.

### HIGHLIGHTS THIS ISSUE

- ✓ USDA Cancels and Postpones Selected Reports
- ✓ ERS Agriculture and Food Statistics
- ✓ Selected Prices

# Federal Order Price Summaries

## FINAL CLASS PRICES

The September 2013 Final Class II, III, and IV Prices and Producer Component Prices were Equivalent Prices, computed pursuant to 7 CFR, Section 1000.54. The September 2013 Class I Price was announced on August 21, 2013. 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
Aug 2013	\$20.78	\$21.23	\$19.27	\$17.91	\$19.07	\$1.5104	\$3.4775	\$0.3901	\$1.5868
Sep 2013	\$21.06	\$21.51	\$19.78	\$18.14	\$19.43	\$1.5196	\$3.5419	\$0.3914	\$1.6243
Change	\$0.28	\$0.28	\$0.51	\$0.23	\$0.36	\$0.0092	\$0.0644	\$0.0013	\$0.0375

## ADVANCED CLASS I PRICE

The November 2013 Advanced Price was calculated using Equivalent Prices, computed pursuant to 7 CFR, Section 1000.54 for the week ending October 12 and AMS commodity price surveys from October 19, 2013. 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
Oct 2013	\$1.4727	\$13.22	\$14.55	\$14.55	\$19.20	\$21.10	\$21.55	\$15.25	\$1.6944
Nov 2013	\$1.6755	\$12.74	\$14.86	\$14.86	\$20.20	\$22.10	\$22.55	\$15.56	\$1.7289
Change	\$0.2028	(\$0.48)	\$0.31	\$0.31	\$1.00	\$1.00	\$1.00	\$0.31	\$0.0345

# Commodity Price Summaries

## AMS COMMODITY PRICES\* FOR FINAL CLASS PRICES CALCULATION

	August	September	Change
Cheese	\$1.7731	\$1.7961	\$0.0230
Butter	\$1.4187	\$1.4263	\$0.0076
Nonfat Dry Milk	\$1.7706	\$1.8085	\$0.0379
Whey	\$0.5778	\$0.5791	\$0.0013

## AMS COMMODITY PRICES\* FOR ADVANCED CLASS PRICES CALCULATION

	October	November	Change
Cheese	\$1.7739	\$1.7938	\$0.0199
Butter	\$1.3876	\$1.5551	\$0.1675
Nonfat Dry Milk	\$1.8008	\$1.8358	\$0.0350
Whey	\$0.5791	\$0.5757	(\$0.0034)

\* For September: Equivalent Prices, computed pursuant to 7 CFR, §1000.54.

\* Week ending 10/12: Equivalent Prices, computed pursuant to 7 CFR, §1000.54.

## CURRENT COMMODITY PRICES

Due to the lapse in Federal government funding, equivalent weekly pricing constituents were announced by the Upper Midwest Milk Marketing Order for the weeks ending September 28, October 5 and 12, 2013.

The equivalent pricing constituents were computed under authority of 7 CFR, Section 1000.54 and can be found at: <http://www.fmma30.com/>.

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

# USDA Updates

## USDA ANNOUNCES CANCELLATION AND POSTPONEMENT OF SELECTED REPORTS IMPACTED BY THE LAPSE IN FEDERAL FUNDING

On October 17, 2013, The U.S. Department of Agriculture announced that the National Agricultural Statistics Service (NASS) and World Agricultural Outlook Board (WAOB) have cancelled or postponed publication of selected USDA statistical reports impacted by the lapse in federal funding.

NASS's Crop Production and Cotton Ginnings reports and the WAOB's World Agricultural Supply and Demand Estimates (WASDE) scheduled for October 11th are canceled. The next scheduled release for these reports is November 8, 2013. Additionally, NASS's Crop Progress reports scheduled for October 7th and 15th are cancelled. NASS's Cattle on Feed and Peanut Prices reports scheduled for October 18th are postponed.

While the lapse in federal funding has ended, NASS has not been able to engage in the necessary data collection and analysis over the past few weeks. NASS is assessing its data collection plans and evaluating the timing of upcoming reports.

In a separate news release that same day, NASS announced an updated schedule for all reports originally scheduled for release in October. The Dairy Products report was moved from October 3rd to October 21st. The Milk Production report has been rescheduled from October 21st to November 1st. Both the Agriculture Prices and Cold Storage reports will be released on October 31st. The complete list of the updated schedule for October reports is available at [www.nass.usda.gov/Newsroom/Notices/10\\_17\\_2013.asp](http://www.nass.usda.gov/Newsroom/Notices/10_17_2013.asp). 

Source: USDA. National Agricultural Statistics Service. Available at [www.nass.usda.gov](http://www.nass.usda.gov).

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## AGRICULTURE AND FOOD STATISTICS: CHARTING THE ESSENTIALS

How much do you know about food and agriculture? What about rural America or conservation? USDA's Economic Research Service (ERS) has assembled more than 75 charts and maps covering key information about the farm and food sectors, including agricultural markets and trade, farm income, food prices and consumption, food security, rural economies, and the interaction of agriculture and natural resources.

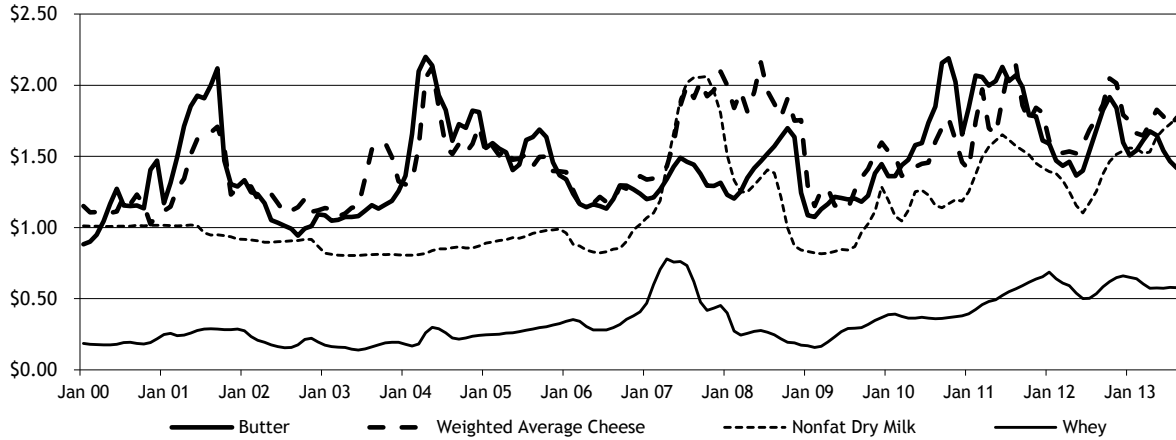
How much, for example, do agriculture and related industries contribute to U.S. gross domestic product? Which commodities are the leading agricultural exports? How much of the food dollar goes to farmers? How do job earnings in rural areas compare with metro areas? How much of the Nation's water is used by agriculture? These are among the statistics covered in this collection of charts and maps—with accompanying text—divided into the nine section titles listed above.

Visit the ERS webpage, [www.ers.usda.gov](http://www.ers.usda.gov), for full details. 

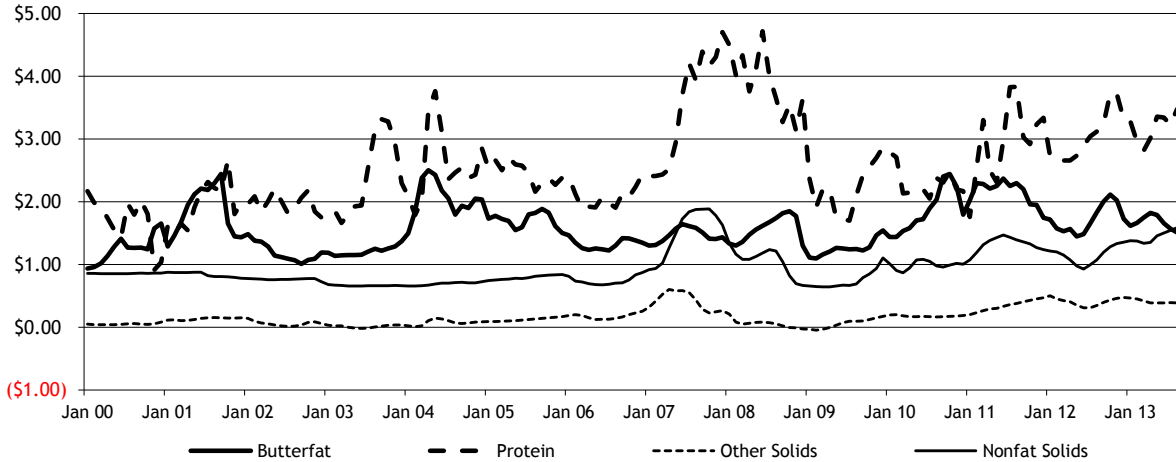


# Selected Prices: 2000 - Present

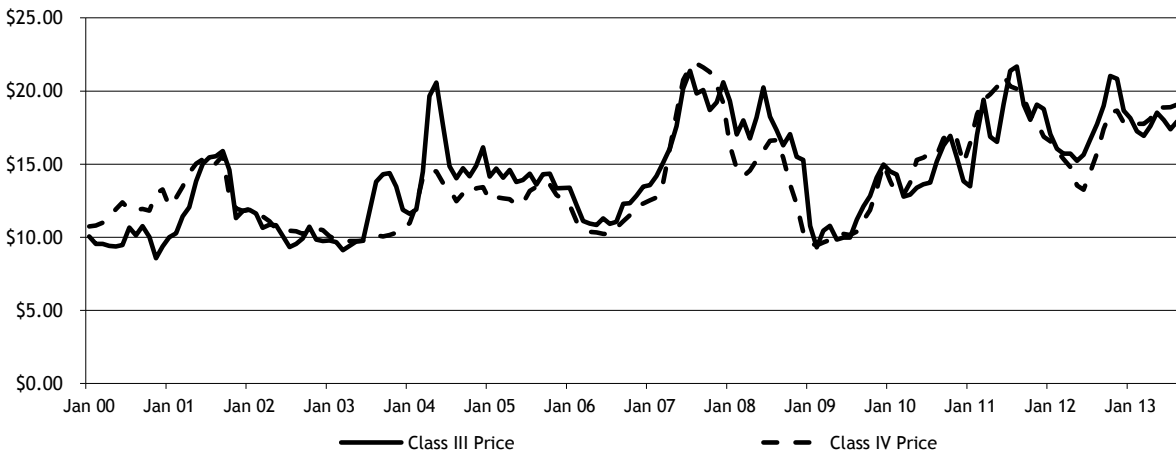
**USDA Monthly Butter, Weighted Average Cheese, Nonfat Dry Milk, and Whey  
January 2000 through August 2013**



**Federal Order Butterfat, Protein, Nonfat Solids, and Other Solids Prices  
January 2000 through August 2013**

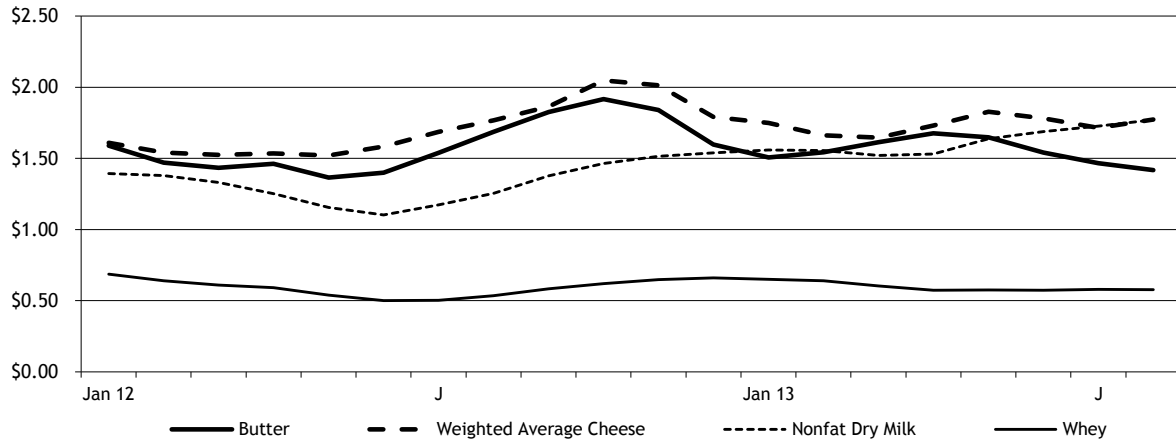


**Federal Order Class III and IV Prices @ 3.5% Butterfat  
January 2000 through August 2013**

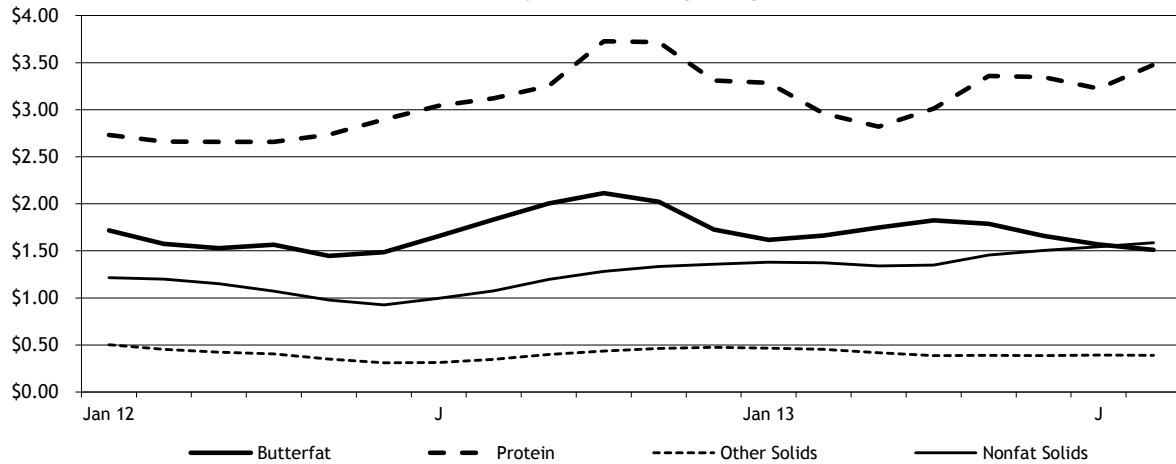


# Selected Prices: 2012 - Present

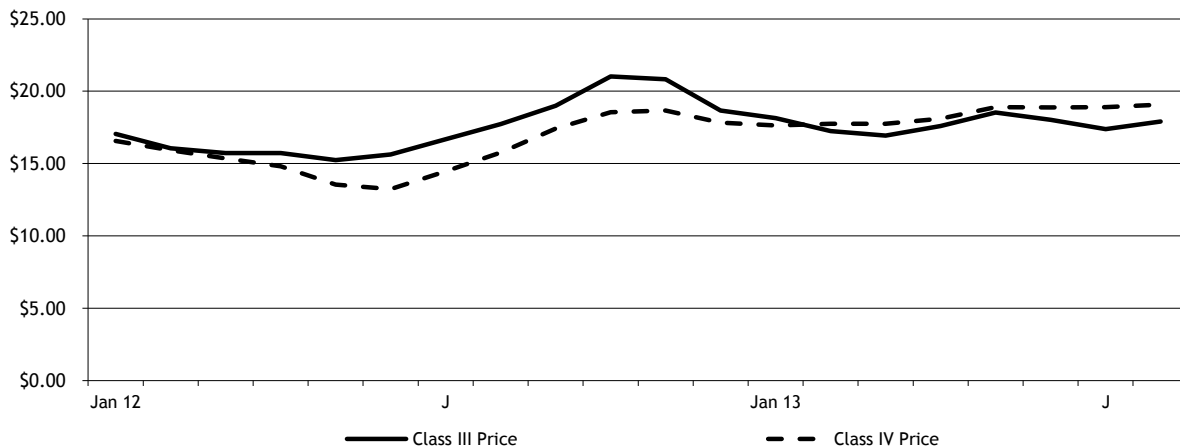
**USDA Monthly Butter, Weighted Average Cheese, Nonfat Dry Milk, and Whey  
January 2012 through August 2013**



**Federal Order Butterfat, Protein, Nonfat Solids, and Other Solids Prices  
January 2012 through August 2013**



**Federal Order Class III and IV Prices @ 3.5% Butterfat  
January 2012 through August 2013**



# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Sep 2013	Aug 2013	Sep 2012	Aug 2012	Sep 2013	Aug 2013	Sep 2012	Aug 2012
<b>Minimum Class Prices (3.5% B.F.)</b>								
Class I Milk (\$/cwt)	\$21.06	\$20.78	\$19.49	\$18.45	\$21.51	\$21.23	\$19.94	\$18.90
Class II Milk (\$/cwt)*	19.78	19.27	17.04	15.64	19.78	19.27	17.04	15.64
Class III Milk (\$/cwt)*	18.14	17.91	19.00	17.73	18.14	17.91	19.00	17.73
Class IV Milk (\$/cwt)*	19.43	19.07	17.41	15.76	19.43	19.07	17.41	15.76
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	\$0.99	\$1.02	(\$0.83)	(\$0.60)	+	+	+	+
Butterfat (\$/pound)*	1.5196	1.5104	2.0047	1.8339	+	+	+	+
Protein (\$/pound)*	3.5419	3.4775	3.2521	3.1211	+	+	+	+
Other Solids (\$/pound)*	0.3914	0.3901	0.3971	0.3462	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$14.96	\$14.56	\$12.45	\$11.80
Uniform Butterfat Price (\$/pound)	+	+	+	+	1.5301	1.5319	1.9781	1.8022
Statistical Uniform Price (\$/cwt)	\$19.13	\$18.93	\$18.17	\$17.13	\$19.79	\$19.41	\$18.94	\$17.69
<b>Producer Data</b>								
Number of Producers	<b>483</b>	483	451	439	<b>92</b>	92	95	95
Avg. Daily Production (pounds)	<b>41,565</b>	43,130	31,382	30,797	<b>120,213</b>	126,346	110,453	110,098
<b>Producer Milk Ratios</b>								
Class I	28.92%	27.88%	40.66%	43.41%	33.44%	32.17%	37.17%	37.46%
Class II	7.08%	6.22%	11.40%	11.13%	10.33%	8.83%	10.49%	10.47%
Class III	49.90%	49.37%	11.00%	8.54%	29.70%	29.47%	29.98%	30.39%
Class IV	14.10%	16.53%	36.94%	36.92%	26.53%	29.53%	22.36%	21.68%

+ Not Applicable. Preliminary data indicated in **bold**. \*For Sep 2013: Equivalent Prices, computed pursuant to 7 CFR, Section 1000.54.

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Aug 2013	Jul 2013	Aug 2012	Jul 2012	Aug 2013	Jul 2013	Aug 2012	Jul 2012
<b>Number of Handlers</b>								
Pool Handlers	24	24	22	22	7	7	7	7
<i>Distributing Plants</i>	14	13	14	14	5	5	5	5
<i>Supply Plants 1/</i>	5	6	3	3	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	17	20	21	22	22
<b>Class I Route Disposition In Area</b>								
By Pool Plants	160,643,127	149,191,509	162,873,101	157,727,150	89,805,921	81,344,146	91,718,855	84,066,829
By Producer-Handlers	7,323,016	7,181,011	7,199,288	7,193,650	0	0	0	0
By Other Plants	<b>9,872,167</b>	10,089,456	10,080,117	8,242,271	<b>6,706,342</b>	6,518,157	6,104,716	5,368,626
Total	177,838,310	166,461,976	180,152,506	173,163,071	96,512,263	87,862,303	97,823,571	89,435,455
<b>Producer-Handler Data</b>								
% Class I Use	66.98%	68.40%	69.33%	67.77%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.12%	4.31%	4.00%	4.15%	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			
	Sep 2013	Aug 2013	Sep 2012	Aug 2012	Sep 2013	Aug 2013	Sep 2012	Aug 2012
<b>Receipts of Milk</b>								
Total Producer Milk	602,276,859	645,785,530	424,598,340	419,110,738	331,787,563	360,338,680	314,790,055	324,239,752
Receipts From Other Sources	9,971,922	11,355,714	9,217,463	14,853,908	4,944,423	4,743,823	3,752,396	5,607,295
Opening Inventory	30,948,099	32,641,602	27,366,098	29,927,478	21,353,849	17,914,590	22,360,123	18,713,563
<b>Total To Be Accounted For</b>	<b>643,196,880</b>	<b>689,782,846</b>	<b>461,181,901</b>	<b>463,892,124</b>	<b>358,085,835</b>	<b>382,997,093</b>	<b>340,902,574</b>	<b>348,560,610</b>
<b>Utilization of Receipts</b>								
Whole milk	33,091,565	35,603,455	31,077,753	33,697,003	23,163,678	24,686,834	23,127,680	24,226,233
Flavored milk & drinks	13,029,323	8,793,799	12,967,851	8,734,174	5,929,375	6,146,018	5,585,969	5,881,346
2% milk	64,599,940	68,159,753	65,206,725	69,070,155	30,689,937	32,505,704	32,138,352	33,306,381
1% milk	25,140,609	24,254,578	26,134,162	25,439,631	14,921,302	15,886,815	15,938,133	16,587,546
Skim milk	21,296,833	22,301,913	24,020,930	24,413,679	9,569,481	10,193,529	10,985,123	11,340,998
Buttermilk	1,372,317	1,529,629	1,380,496	1,518,459	356,862	387,021	349,972	376,351
Class I dispositions in area	158,530,587	160,643,127	160,787,917	162,873,101	84,630,635	89,805,921	88,125,229	91,718,855
Class I dispositions out of area	14,787,511	16,989,395	13,290,598	15,297,729	24,527,719	25,894,159	23,894,285	25,674,544
Other Class I usage	17,104,747	18,199,174	17,558,375	20,302,382	13,791,735	11,932,200	20,297,533	17,608,628
<b>Utilization by Class</b>								
Total Class I Use	190,422,845	195,831,696	191,636,890	198,473,212	122,950,089	127,632,280	132,317,047	135,002,027
Total Class II Use	49,260,374	50,130,365	52,622,891	59,614,437	34,974,842	32,515,451	33,709,885	34,548,281
Total Class III Use	302,565,905	320,697,066	46,689,460	35,803,292	100,368,584	107,043,050	95,740,030	101,313,440
Total Class IV Use	100,947,756	123,123,719	170,232,660	170,001,183	99,792,320	115,806,312	79,135,612	77,696,862
<b>Total Accounted For</b>	<b>643,196,880</b>	<b>689,782,846</b>	<b>461,181,901</b>	<b>463,892,124</b>	<b>358,085,835</b>	<b>382,997,093</b>	<b>340,902,574</b>	<b>348,560,610</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Sep 2013	Aug 2013	Sep 2012	Aug 2012	Sep 2013	Aug 2013	Sep 2012	Aug 2012
<b>Producer milk</b>								
Class I	174,199,007	180,042,493	172,655,387	181,943,025	110,933,813	115,907,775	117,009,277	121,449,833
Class II	42,637,553	40,188,374	48,387,194	46,647,031	34,261,875	31,827,474	33,024,037	33,948,364
Class III	300,510,233	318,797,138	46,689,460	35,788,304	98,537,963	106,201,927	94,359,125	98,521,227
Class IV	84,930,066	106,757,525	156,866,299	154,732,378	88,053,912	106,401,504	70,397,616	70,320,328
<b>Other receipts</b>								
Class I	16,223,838	15,789,203	18,981,503	16,530,187	12,016,276	11,724,505	15,307,770	13,552,194
Class II	6,622,821	9,941,991	4,235,697	12,967,406	1/	1/	1/	1/
Class III	2,055,672	1,899,928	0	14,988	1/	1/	1/	1/
Class IV	16,017,690	16,366,194	13,366,361	15,268,805	14,281,996	10,933,908	10,804,749	10,768,664
<b>Avg. daily producer receipts</b>	<b>20,075,895</b>	<b>20,831,791</b>	<b>14,153,278</b>	<b>13,519,701</b>	<b>11,059,585</b>	<b>11,623,828</b>	<b>10,493,002</b>	<b>10,459,347</b>
Change From Previous Year	41.85%	54.08%	-38.58%	-36.92%	5.40%	11.13%	-7.96%	-7.68%
<b>Avg. daily Class I use</b>	<b>6,347,428</b>	<b>6,317,151</b>	<b>6,387,896</b>	<b>6,402,362</b>	<b>4,098,336</b>	<b>4,117,170</b>	<b>4,410,568</b>	<b>4,354,904</b>
Change From Previous Year	-0.63%	-1.33%	-6.37%	0.31%	-7.08%	-5.46%	5.70%	0.90%

1/ Restricted - Included with Class IV.



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[www.fmmaseattle.com](http://www.fmmaseattle.com)

## FEDERAL ORDER STATISTICS FOR SEPTEMBER

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)	1,997.7	776.4	38.86%	\$22.41	\$20.58
Appalachian (FO 5)	444.8	315.0	70.81%	\$22.56	\$21.72
Florida (FO 6)	222.9	192.8	86.50%	\$24.56	\$23.86
Southeast (FO 7)	476.3	332.0	69.72%	\$22.96	\$22.10
Upper Midwest (FO 30)	2,747.5	297.8	10.84%	\$20.96	\$18.50
Central (FO 32)	1,223.1	398.3	32.57%	\$21.16	\$19.17
Mideast (FO 33)	1,299.5	530.3	40.81%	\$21.16	\$19.56
Pacific Northwest (FO 124)	602.3	174.2	28.92%	\$21.06	\$19.13
Southwest (FO 126)	989.1	356.3	36.02%	\$22.16	\$19.97
Arizona (FO 131)	331.8	110.9	33.44%	\$21.51	\$19.79

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