



The Market Administrator's Report

Facilitating the Efficient Marketing of Milk

Pacific Northwest and Arizona Marketing Areas

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Volume 40, No. 11

November 2014

Data for October 2014

MARKET SUMMARIES FOR OCTOBER

Pacific Northwest (FO 124)

Producers delivered a total of 502.1 million pounds of milk to the market during October. Daily deliveries averaged 16.2 million pounds, down 32.2 percent from September. An estimated 444 producers delivered milk to the market during the month. Daily deliveries per producer averaged 36,480 pounds, down 11.6 percent from September.

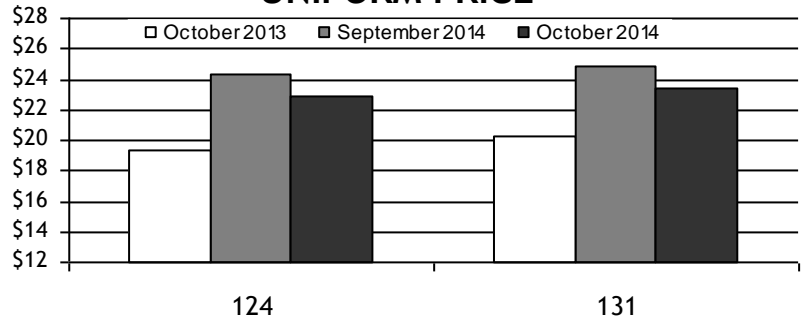
Class I producer milk during October totaled 179.7 million pounds, 35.8 percent of total producer receipts. Daily usage averaged 5.8 million pounds, up 1.6 percent from September. 🐄

Arizona (FO 131)

Producers delivered a total of 367.0 million pounds of milk to the market during October. Daily deliveries averaged 11.8 million pounds, up 4.4 percent from September. An estimated 92 producers delivered milk to the market during the month. Daily deliveries per producer averaged 128,673 pounds, up 4.4 percent from September.

Class I producer milk during October totaled 113.3 million pounds, 30.9 percent of total producer receipts. Daily usage averaged 3.7 million pounds, up 1.8 percent from September. 🐄

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Sep	Oct	Sep	Oct
Uniform Price (at 3.5%)	\$24.30	\$22.83	\$24.91	\$23.45
Uniform Price (at test)	\$26.42	\$24.79	\$24.85	\$23.45
PPD	(\$0.30)	(\$0.99)		
Butterfat	\$3.2467	\$2.8507		n/a
Protein	\$3.4991	\$3.7362		
Other Solids	\$0.4876	\$0.4670		
Uniform Skim			\$14.34	\$13.75
Uniform Butterfat		n/a	\$3.1641	\$2.9077
Butterfat	3.898%	3.882%	3.478%	3.501%
Protein	3.224%	3.224%		
Other Solids	5.717%	5.707%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ Important Dates
- ✓ Dairy Margin Protection Program Deadlines Extended
- ✓ New Web Tool

Federal Order Price Summaries

FINAL CLASS PRICES

The October 2014 Final Class Prices were calculated using AMS commodity price surveys from October 4, 11, 18, 25, and November 1, 2014. 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 III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Sep 2014	\$25.53	\$25.98	\$26.11	\$24.60	\$22.58	\$3.2467	\$3.4991	\$0.4876	\$1.2910
Oct 2014	\$26.09	\$26.54	\$21.93	\$23.82	\$21.35	\$2.8507	\$3.7362	\$0.4670	\$1.3090
Change	\$0.56	\$0.56	(\$4.18)	(\$0.78)	(\$1.23)	(\$0.3960)	\$0.2371	(\$0.0206)	(\$0.0180)

ADVANCED CLASS I PRICE

The December 2014 Advanced Price was calculated using AMS commodity price surveys from November 8 and 15, 2014. 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
Nov 2014	\$3.2216	\$13.25	\$11.92	\$13.25	\$24.06	\$25.96	\$26.41	\$12.62	\$1.4022
Dec 2014	\$2.1935	\$15.39	\$11.44	\$15.39	\$22.53	\$24.43	\$24.88	\$12.14	\$1.3489
Change	(\$1.0281)	\$2.14	(\$0.48)	\$2.14	(\$1.53)	(\$1.53)	(\$1.53)	(\$0.48)	(\$0.0533)

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION

	September	October	Change
Cheese	\$2.3472	\$2.2914	(\$0.0558)
Butter	\$2.8525	\$2.5255	(\$0.3270)
Nonfat Dry Milk	\$1.4718	\$1.4900	\$0.0182
Whey	\$0.6725	\$0.6525	(\$0.0200)

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	November	December	Change
Cheese	\$2.3001	\$2.1872	(\$0.1129)
Butter	\$2.8318	\$1.9828	(\$0.8490)
Nonfat Dry Milk	\$1.5052	\$1.4517	(\$0.0535)
Whey	\$0.6590	\$0.6441	(\$0.0149)

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net decrease in prices received for 40-pound blocks and for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 5.07 cents between the October 18 and the November 15 surveys, to \$2.2130 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 6.46 cents to \$2.1503 per pound.

The AMS butter price showed a net decrease of 69.70 cents between the weeks ending October 18 and November 15 from \$2.6983 per pound to \$2.0013 per pound. The AMS nonfat dry milk showed a net decrease of 7.04 cents since mid-October to \$1.4414 per pound. The average price for AMS whey showed a net decrease of 0.99 cents since mid-October to \$0.6424 per pound.

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

AMS News

ORGANIC DAIRY MARKET NEWS

The following is an excerpt from the most recent Organic Dairy Market News

Organic cows continue to leave Western organic dairy herds to be sold into slaughter auctions, as some producers elect to ease back from organic dairy production. At an auction in Oregon last week, organic cows sold for slaughter continued to bring a premium over conventional cows, a premium greater than last month.

A number of organic processors are actively recruiting existing conventional dairy producers and young farmers to transition into organic dairy production. Recent high prices for conventional milk are being cited as an encouraging factor, allowing transitioning producers to receive higher than normal conventional milk pay prices during the transition process.

A factor being watched by existing organic dairy producers as well as farmers considering transitioning into organic dairy, is organic feed supplies and cost looking forward. That is leading to active evaluation of the 2014 organic feed harvest to better plan ahead for herd size and feed variables. ▼



IMPORTANT DATES

The important dates concerning the 2015 Federal order price announcements, reporting and payments are now available. Printed copies of the tables have been mailed to interested parties and electronic copies are available via the market administrator's website at www.fmmaseattle.com/dates.htm.

Two tables identify important dates specific to the Pacific Northwest (FO 124) and Arizona (FO 131) Federal Orders. One table indicates the 2015 release dates for price announcements, as issued by the Agricultural Marketing Service (AMS).

The 2015 AMS release dates are as follows:

- | <i>Advanced Prices & Pricing Factors</i> | <i>Final Class & Component Prices</i> |
|--|---|
| • Wed., December 17, 2014 | • Wed., February 4, 2015 |
| • Thurs., January 22, 2015 | • Wed., March 4, 2015 |
| • Thurs., February 19, 2015 | • Wed., April 1, 2015 |
| • Wed., March 18, 2015 | • Wed., April 29, 2015 |
| • Wed., April 22, 2015 | • Wed., June 3, 2015 |
| • Wed., May 20, 2015 | • Wed., July 1, 2015 |
| • Wed., June 17, 2015 | • Wed., August 5, 2015 |
| • Wed., July 22, 2015 | • Wed., September 2, 2015 |
| • Wed., August 19, 2015 | • Wed., September 30, 2015 |
| • Wed., September 23, 2015 | • Wed., November 4, 2015 |
| • Wed., October 21, 2015 | • Wed., December 2, 2015 |
| • Wed., November 18, 2015 | • Wed., December 30, 2015 |

The above noted prices and pricing factors will be released by USDA's Agricultural Marketing Service at 3:00 p.m. EST/EDST. ▼

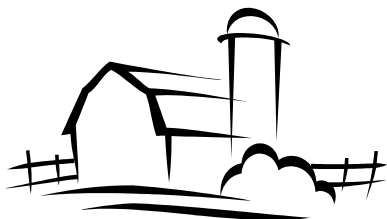
USDA News

RURAL AMERICA AT A GLANCE, 2014

On November 6, 2014, Agriculture Secretary Tom Vilsack released the following statement on *Rural America At A Glance, 2014 Edition*, an annual report by USDA's Economic Research Service:

"Today's report shows that USDA's investments in rural communities, small businesses, and people are working: rural unemployment has fallen, rural outmigration has declined slightly since last year, and rural poverty has stabilized. These trends are promising, but show that there is more work to be done and demonstrate the continued need for USDA's efforts to alleviate persistent rural poverty and expand opportunity in rural America. We have moved quickly to implement new programs and tools in the 2014 Farm Bill that spur economic development and support job creation in rural America. In addition, the *Made in Rural America* initiative helps rural businesses and manufacturers to capitalize on new demand for what is grown and made in rural America. The recently-launched \$10 billion Rural Infrastructure Opportunity Fund offers a sustainable platform for private sector investors to inject new support into needed rural infrastructure projects. These are just a few of the ways USDA is working to attract and retain a talented rural labor force, improve rural connectivity and access to information and education, move products to market, make communities more competitive, and tap into the unlimited economic potential of rural America."

The *Rural America at a Glance, 2014 Edition* report can be viewed at www.ers.usda.gov/publications/eb-economic-brief/eb26.aspx. To see how USDA has invested in rural communities across the country, visit www.usda.gov/opportunities. 🐾



DAIRY MARGIN PROTECTION PROGRAM DEADLINES EXTENDED

On October 29, 2014, Agriculture Secretary Tom Vilsack, speaking at the National Milk Producers Federation annual meeting, announced extended deadlines for the dairy Margin Protection Program. Farmers now have until December 5, 2014, to enroll in the voluntary program, established by the 2014 Farm Bill. The program provides financial assistance to participating farmers when the margin - the difference between the price of milk and feed costs - falls below the coverage level selected by the farmer.

"We want dairy producers to have enough time to make thoughtful and well-studied choices," said Vilsack. "Markets change and the Margin Protection Program can help protect dairy producers from those changes."

Vilsack encouraged producers to use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. "Historical scenarios also can be explored to see how the Margin Protection Program would function should poor market conditions occur again in the future," said Vilsack. The secure website can be accessed via computer, smartphone or tablet.

The U.S. Department of Agriculture (USDA) also extended the opportunity for public comments on both the Margin Protection Program and the Dairy Product Donation Program until December 15, 2014.

"USDA is committed to creating strong opportunities for the next generation of farmers and ranchers. When dairy producers bring new family members into the business, these changes could affect safety net coverage," said Vilsack. "If our current rules hinder intergenerational changes or if improvements are needed in these programs, then we want to hear from dairy producers."

Comments can be submitted to USDA via the [regulations.gov](http://www.regulations.gov) website at <http://go.usa.gov/GJSA>.



USDA News

NEW WEB TOOL

The U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) now offers the Ag Census Web Maps application, a dynamic online tool that gives users rapid access to Census of Agriculture maps and data about crops and plants, livestock and animals, economics, farms, and operators in more than 3,000 counties across the United States.

"The Ag Census Web Maps give farmers, ranchers, researchers, planners, non-profits, and industry easy access to important data that impact nearly every aspect of agriculture," said NASS Administrator Joseph T. Reilly.

The Ag Census Web Maps application is interactive. Users can navigate to an area of interest, print the map, display and extract a county's data, download maps and accompanying data for use with common software programs, and integrate the web map services with other mapping applications to visualize and analyze 2012 Census of Agriculture data in a geospatial context. NASS developed the application in collaboration with USDA's Economic Research Service (ERS).

The Census of Agriculture provides a detailed picture every five years of U.S. farms and ranches and the people who operate them. It is the only source of uniform, comprehensive agricultural data for every state and county in the United States. Census data are used to make decisions about many things that directly impact farmers and ranchers, including: community planning, store/company locations, availability of operational loans and other funding, location and staffing of service centers, farm programs and policies.

The application includes county-level maps and statistics in five broad categories:

- Crops and plants
- Economics
- Farms
- Livestock and animals
- Operators

Information about harvested acreage, agricultural sales, enrollment in crop insurance programs, natural resources use, statistics on cattle, demographics about farmers and ranchers, and much more can be visualized and analyzed using the Ag Census Web Maps application. Anyone can access and use the Ag Census Web Maps data. An application programming interface (API) is also available for developers. The Ag Census Web Maps application is available at: www.agcensus.usda.gov/Publications/2012/Online_Resources/Ag_Census_Web_Maps/Overview. 🍂

USDA ANNOUNCES FIRST MILITARY VETERANS AGRICULTURE LIAISON

On November 14, 2014, U.S. Department of Agriculture (USDA) Deputy Secretary Krysta Harden announced Karis T. Gutter, a Marine Corps Reserve veteran and current USDA Deputy Under Secretary for Farm and Foreign Agricultural Services (FFAS), as the first USDA Military Veterans Agricultural (MVA) Liaison. The MVA Liaison will coordinate USDA leadership across the Department to provide information, resources and support for active duty military and veterans interested in agriculture. The MVA Liaison will also have authority to facilitate formal relationships between USDA and other government agencies and non-profit organizations to strengthen USDA support for veterans. 🍂

Source: USDA. Office of Communications. Release No. 0252.14. Available at www.usda.gov.



Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Oct 2014	Sep 2014	Oct 2013	Sep 2013	Oct 2014	Sep 2014	Oct 2013	Sep 2013
Producer Prices								
Producer Price Differential (\$/cwt)	(\$0.99)	(\$0.30)	\$1.06	\$0.99	+	+	+	+
Butterfat (\$/pound)	2.8507	3.2467	1.6638	1.5196	+	+	+	+
Protein (\$/pound)	3.7362	3.4991	3.4107	3.5419	+	+	+	+
Other Solids (\$/pound)	0.4670	0.4876	0.3852	0.3914	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$13.75	\$14.34	\$15.04	\$14.96
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.9077	3.1641	1.6364	1.5301
Statistical Uniform Price (\$/cwt)	\$22.83	\$24.30	\$19.28	\$19.13	\$23.45	\$24.91	\$20.24	\$19.79
Producer Data								
Number of Producers	444	579	492	482	92	92	90	93
Avg. Daily Production (pounds)	36,480	41,277	40,942	41,651	128,673	123,300	131,826	118,920
Producer Milk Ratios								
Class I	35.79%	23.88%	29.89%	28.92%	30.87%	31.64%	31.91%	33.44%
Class II	8.81%	6.18%	6.05%	7.08%	11.87%	12.41%	9.38%	10.33%
Class III	17.13%	41.71%	48.28%	49.90%	22.80%	26.18%	28.54%	29.70%
Class IV	38.27%	28.23%	15.78%	14.10%	34.46%	29.77%	30.17%	26.53%
Market Shrinkage								
Pounds	7,933,972	11,265,076	9,970,002	11,037,750	1,580,322	1,286,684	2,158,495	1,752,787
% of Producer Milk	1.58%	1.57%	1.60%	1.83%	0.43%	0.38%	0.59%	0.53%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Sep 2014	Aug 2014	Sep 2013	Aug 2013	Sep 2014	Aug 2014	Sep 2013	Aug 2013
Number of Handlers								
Pool Handlers	24	24	23	24	7	7	7	7
<i>Distributing Plants</i>	13	12	13	14	5	5	5	5
<i>Supply Plants 1/</i>	6	7	5	5	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	19	19	17	17	22	22	20	20
Class I Route Disposition In Area								
By Pool Plants	150,651,947	145,649,794	158,530,587	160,643,127	83,697,872	84,815,992	84,630,635	89,805,921
By Producer-Handlers	7,142,578	6,760,583	7,209,483	7,323,016	0	0	0	0
By Other Plants	11,080,001	12,415,074	10,254,978	9,872,167	6,876,923	7,580,270	7,147,443	6,706,342
Total	168,874,526	164,825,451	175,995,048	177,838,310	90,574,795	92,396,262	91,778,078	96,512,263
Producer-Handler Data								
% Class I Use	65.04%	62.14%	69.43%	66.98%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.23%	4.10%	4.10%	4.12%	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			
	Oct 2014	Sep 2014	Oct 2013	Sep 2013	Oct 2014	Sep 2014	Oct 2013	Sep 2013
<i>Receipts of Milk</i>								
Total Producer Milk	502,116,098	716,980,054	624,445,671	602,276,859	366,976,261	340,308,360	367,794,339	331,787,563
Receipts From Other Sources	6,713,599	7,593,785	11,425,694	9,971,922	7,015,316	9,121,065	6,137,828	4,944,423
Opening Inventory	30,447,035	37,417,525	31,904,511	30,948,099	22,837,426	22,105,388	24,654,918	21,353,849
Total To Be Accounted For	539,276,732	761,991,364	667,775,876	643,196,880	396,829,003	371,534,813	398,587,085	358,085,835
<i>Utilization of Receipts</i>								
Whole milk	34,738,088	33,356,217	34,330,180	33,091,565	24,840,468	23,636,584	24,734,083	23,163,678
Flavored milk & drinks	16,600,387	13,205,043	16,220,420	13,029,323	6,558,826	6,610,031	6,031,232	5,929,375
2% milk	62,007,050	60,648,690	67,994,804	64,599,940	31,719,647	30,225,159	32,822,120	30,689,937
1% milk	25,386,450	23,894,087	26,095,684	25,140,609	14,852,967	14,447,389	15,694,414	14,921,302
Skim milk	18,835,730	18,091,411	22,226,162	21,296,833	8,692,404	8,399,201	10,138,698	9,569,481
Buttermilk	1,446,830	1,456,499	1,451,808	1,372,317	422,245	379,508	419,595	356,862
Class I dispositions in area	159,014,535	150,651,947	168,319,058	158,530,587	87,086,557	83,697,872	89,840,142	84,630,635
Class I dispositions out of area	15,337,505	14,911,346	15,788,002	14,787,511	24,862,615	23,253,542	26,858,517	24,527,719
Other Class I usage	22,531,273	19,897,528	17,956,817	17,104,747	13,473,177	11,839,856	14,659,432	13,791,735
<i>Utilization by Class</i>								
Total Class I Use	196,883,313	185,460,821	202,063,877	190,422,845	125,422,349	118,791,270	131,358,091	122,950,089
Total Class II Use	49,163,366	49,624,433	43,842,042	49,260,374	44,248,150	43,509,549	35,191,048	34,974,842
Total Class III Use	86,000,990	299,096,020	304,284,125	302,565,905	83,669,815	89,422,866	106,343,054	100,368,584
Total Class IV Use	207,229,063	227,810,090	117,585,832	100,947,756	143,488,689	119,811,128	125,694,892	99,792,320
Total Accounted For	539,276,732	761,991,364	667,775,876	643,196,880	396,829,003	371,534,813	398,587,085	358,085,835

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Oct 2014	Sep 2014	Oct 2013	Sep 2013	Oct 2014	Sep 2014	Oct 2013	Sep 2013
<i>Producer milk</i>								
Class I	179,728,621	171,216,947	186,639,206	174,199,007	113,284,104	107,682,519	117,375,345	110,933,813
Class II	44,223,320	44,327,080	37,792,517	42,637,553	43,572,847	42,242,772	34,515,241	34,261,875
Class III	86,000,990	299,076,935	301,453,107	300,510,233	83,669,815	89,089,244	104,974,818	98,537,963
Class IV	192,163,167	202,359,092	98,560,841	84,930,066	126,449,495	101,293,825	110,928,935	88,053,912
<i>Other receipts</i>								
Class I	17,154,692	14,243,874	15,424,671	16,223,838	12,138,245	11,108,751	13,982,746	12,016,276
Class II	4,940,046	5,297,353	6,049,525	6,622,821	1/	1/	1/	1/
Class III	0	1/	2,831,018	2,055,672	1/	1/	1/	1/
Class IV	15,065,896	25,470,083	19,024,991	16,017,690	17,714,497	20,117,702	16,810,000	14,281,996
<i>Avg. daily producer receipts</i>	16,197,293	23,899,335	20,143,409	20,075,895	11,837,944	11,343,612	11,864,334	11,059,585
Change From Previous Year	-19.59%	19.04%	48.13%	41.85%	-0.22%	2.57%	7.27%	5.40%
<i>Avg. daily Class I use</i>	6,351,075	6,182,027	6,518,190	6,347,428	4,045,882	3,959,709	4,237,358	4,098,336
Change From Previous Year	-2.56%	-2.61%	-2.92%	-0.63%	-4.52%	-3.38%	-4.45%	-7.08%

1/ Restricted - Included with Class IV.



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www.fmmaseattle.com

FEDERAL ORDER STATISTICS FOR OCTOBER

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)	2,142.7	811.0	37.85%	\$27.44	\$24.35
Appalachian (FO 5)	459.8	338.0	73.50%	\$27.59	\$25.97
Florida (FO 6)	237.0	202.6	85.46%	\$29.59	\$28.10
Southeast (FO 7)	413.0	334.6	81.01%	\$27.99	\$26.73
Upper Midwest (FO 30)	2,301.7	316.3	13.74%	\$25.99	\$23.71
Central (FO 32)	1,117.9	430.3	38.48%	\$26.19	\$23.46
Mideast (FO 33)	1,418.7	548.9	38.69%	\$26.19	\$23.31
Pacific Northwest (FO 124)	502.1	179.7	35.79%	\$26.09	\$22.83
Southwest (FO 126)	744.4	395.3	53.10%	\$27.19	\$24.50
Arizona (FO 131)	367.0	113.3	30.87%	\$26.54	\$23.45

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