



# The Market Administrator's Report

*Facilitating the Efficient Marketing of Milk and Dairy Products*

## Pacific Northwest and Arizona Marketing Areas

*William A. Wise, Market Administrator*

Volume 42, No. 11

November 2016

Data for October 2016

### MARKET SUMMARIES FOR OCTOBER

#### Pacific Northwest (FO 124)

Producers delivered a total of 614.4 million pounds of milk to the market during October. Daily deliveries averaged 19.8 million pounds, down 2.2 percent from September. An estimated 452 producers delivered milk to the market during the month. Daily deliveries per producer averaged 43,849 pounds, down 2.2 percent from September.

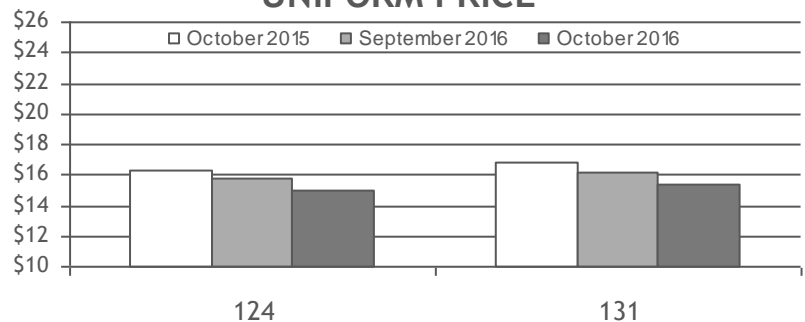
Class I producer milk during October totaled 168.7 million pounds, 27.5 percent of total producer receipts. Daily usage averaged 5.4 million pounds, down 2.6 percent from September. 🐄

#### Arizona (FO 131)

Producers delivered a total of 404.3 million pounds of milk to the market during October. Daily deliveries averaged 13.0 million pounds, up 12.4 percent from September. An estimated 89 producers delivered milk to the market during the month. Daily deliveries per producer averaged 146,543 pounds, up 12.4 percent from September.

Class I producer milk during October totaled 112.5 million pounds, 27.8 percent of total producer receipts. Daily usage averaged 3.6 million pounds, up 0.9 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%)	\$15.77	\$14.96	\$16.22	\$15.39
Uniform Price (at test)	\$17.25	\$16.69	\$16.34	\$15.62
PPD	(\$0.62)	\$0.14		
Butterfat	\$2.3082	\$2.0493		n/a
Protein	\$2.5675	\$2.2975		
Other Solids	\$0.1096	\$0.1351		
Uniform Skim			\$8.30	\$8.34
Uniform Butterfat		n/a	\$2.3447	\$2.0989
Butterfat	3.895%	4.010%	3.557%	3.613%
Protein	3.213%	3.289%		
Other Solids	5.708%	5.736%		n/a

### HIGHLIGHTS THIS ISSUE

- ✓ Overview of Hauling Charges
- ✓ USDA Invites Public Comments
- ✓ USDA Seeks Nominees for Advisory Committee

# Federal Order Price Summaries

## FINAL CLASS PRICES

The October 2016 Final Class Prices were calculated using AMS commodity price surveys from October 8, 15, 22, and 29, 2016. Current and archived Final Class Price announcements are available at [www.fmmaseattle.com/classcomponent.html](http://www.fmmaseattle.com/classcomponent.html).

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Sep 2016	\$18.46	\$18.91	\$14.66	\$16.39	\$14.25	\$2.3082	\$2.5675	\$0.1096	\$0.7097
Oct 2016	\$18.50	\$18.95	\$14.09	\$14.82	\$13.66	\$2.0493	\$2.2975	\$0.1351	\$0.7469
Change	\$0.04	\$0.04	(\$0.57)	(\$1.57)	(\$0.59)	(\$0.2589)	(\$0.2700)	\$0.0255	\$0.0372

## ADVANCED CLASS I PRICE

The December 2016 Advanced Price was calculated using AMS commodity price surveys from November 12 and 19, 2016. Current and archived Advanced Price announcements are available at [www.fmmaseattle.com/advance.html](http://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
Nov 2016	\$2.0749	\$7.79	\$6.77	\$7.79	\$14.78	\$16.68	\$17.13	\$7.47	\$0.8300
Dec 2016	\$2.1104	\$9.84	\$6.62	\$9.84	\$16.88	\$18.78	\$19.23	\$7.32	\$0.8133
Change	\$0.0355	\$2.05	(\$0.15)	\$2.05	\$2.10	\$2.10	\$2.10	(\$0.15)	(\$0.0167)

# Commodity Price Summaries

## AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	September	October	Change
Cheese	\$1.7514	\$1.5830	(\$0.1684)
Butter	\$2.0775	\$1.8637	(\$0.2138)
Nonfat Dry Milk	\$0.8847	\$0.9222	\$0.0375
Whey	\$0.3055	\$0.3303	\$0.0248

## AMS COMMODITY PRICES FOR

	November	December	Change
Cheese	\$1.5860	\$1.7706	\$0.1846
Butter	\$1.8849	\$1.9142	\$0.0293
Nonfat Dry Milk	\$0.9275	\$0.9105	(\$0.0170)
Whey	\$0.3173	\$0.3706	\$0.0533

## CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a net increase in prices received for 40-pound blocks and a net increase for 500-pound barrels. The survey of 40-pound blocks showed a net increase of 24.52 cents between the October 15 and the November 19 surveys, to \$1.8207 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net increase of 23.23 cents to \$1.7763 per pound.

The AMS butter price showed a net increase of 9.16 cents between the weeks ending October 15 and November 19 from \$1.8514 per pound to \$1.9430 per pound. The AMS nonfat dry milk showed a net decrease of 0.92 cents since mid-October to \$0.9124 per pound. The average price for AMS whey showed an increase of 4.90 cents since mid-October to \$0.3744 per pound. 

# Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Oct 2016	Sep 2016	Oct 2015	Sep 2015	Oct 2016	Sep 2016	Oct 2015	Sep 2015
<b>Producer Prices</b>								
Producer Price Differential (\$/cwt)	\$0.14	(\$0.62)	\$0.82	\$0.54	+	+	+	+
Butterfat (\$/pound)	2.0493	2.3082	2.9087	2.7531	+	+	+	+
Protein (\$/pound)	2.2975	2.5675	1.7019	1.9801	+	+	+	+
Other Solids (\$/pound)	0.1351	0.1096	0.0328	0.0465	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$8.34	\$8.30	\$6.95	\$7.77
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.0989	2.3447	2.8830	2.6588
Statistical Uniform Price (\$/cwt)	\$14.96	\$15.77	\$16.28	\$16.36	\$15.39	\$16.22	\$16.80	\$16.80
<b>Producer Data</b>								
Number of Producers	<b>452</b>	452	577	458	<b>89</b>	89	97	96
Avg. Daily Production (pounds)	<b>43,849</b>	44,840	41,190	34,594	<b>146,543</b>	130,371	129,005	127,420
<b>Producer Milk Ratios</b>								
Class I	27.46%	27.56%	23.54%	35.74%	27.83%	31.02%	28.94%	29.65%
Class II	7.83%	6.98%	6.31%	9.23%	11.74%	13.31%	14.03%	13.51%
Class III	28.93%	29.73%	41.55%	4.60%	29.27%	24.90%	28.29%	33.05%
Class IV	35.78%	35.73%	28.60%	50.43%	31.16%	30.77%	28.74%	23.79%
<b>Market Shrinkage</b>								
Pounds	10,379,830	7,118,789	10,680,204	8,244,519	1,906,877	1,692,737	1,744,919	1,620,171
% of Producer Milk	1.69%	1.17%	1.45%	1.73%	0.47%	0.49%	0.45%	0.44%

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

# Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Sep 2016	Aug 2016	Sep 2015	Aug 2015	Sep 2016	Aug 2016	Sep 2015	Aug 2015
<b>Number of Handlers</b>								
Pool Handlers	22	22	22	22	8	8	7	7
<i>Distributing Plants</i>	12	11	12	12	6	6	5	5
<i>Supply Plants 1/</i>	3	5	4	4	1	1	1	1
<i>Cooperatives</i>	7	6	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	<b>20</b>	20	20	20	<b>23</b>	24	24	24
<b>Class I Route Disposition In Area</b>								
By Pool Plants	150,507,830	143,345,263	150,689,754	143,342,167	79,945,399	80,980,992	82,627,254	84,196,557
By Producer-Handlers	7,085,131	7,171,548	6,760,818	6,973,049	0	0	0	0
By Other Plants	<b>11,871,312</b>	12,677,831	12,318,924	11,303,846	<b>8,465,333</b>	9,244,245	7,810,276	7,263,848
Total	169,464,273	163,194,642	169,769,496	161,619,062	88,410,732	90,225,237	90,437,530	91,460,405
<b>Producer-Handler Data</b>								
% Class I Use	64.57%	60.22%	60.48%	60.23%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.18%	4.39%	3.98%	4.31%	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 2016	Sep 2016	Oct 2015	Sep 2015	Oct 2016	Sep 2016	Oct 2015	Sep 2015
<b>Receipts of Milk</b>								
Total Producer Milk	614,411,929	608,025,546	736,766,376	475,321,052	404,312,973	348,089,846	387,918,140	366,968,768
Receipts From Other Sources	9,229,145	9,632,930	8,492,237	45,519,093	6,065,365	6,105,900	3,874,148	5,293,575
Opening Inventory	34,136,109	29,770,798	42,075,603	31,941,746	20,798,826	22,845,752	22,227,143	23,464,317
<b>Total To Be Accounted For</b>	<b>657,777,183</b>	<b>647,429,274</b>	<b>787,334,216</b>	<b>552,781,891</b>	<b>431,177,164</b>	<b>377,041,498</b>	<b>414,019,431</b>	<b>395,726,660</b>
<b>Utilization of Receipts</b>								
Whole milk	41,074,374	40,452,394	37,407,476	36,777,016	26,202,343	25,151,239	26,088,951	24,461,258
Flavored milk & drinks	17,101,130	14,447,571	16,136,269	13,722,736	7,532,819	7,939,415	6,782,409	7,293,156
2% milk	56,135,012	54,844,678	57,128,900	56,566,034	29,433,205	27,923,357	31,044,790	29,243,079
1% milk	24,404,991	24,629,534	25,931,697	25,705,059	12,754,338	12,499,894	14,173,626	13,838,049
Skim milk	14,534,670	14,612,009	16,254,885	16,402,676	6,756,410	6,431,494	7,777,590	7,404,457
Buttermilk	1,496,469	1,521,644	1,522,463	1,516,233	2/	2/	392,572	387,255
Class I dispositions in area	154,746,646	150,507,830	154,381,690	150,689,754	82,679,115	79,945,399	86,259,938	82,627,254
Class I dispositions out of area	11,692,042	11,388,361	14,265,125	13,821,159	29,279,727	28,040,914	26,778,237	26,082,888
Other Class I usage	21,713,116	22,564,048	24,879,069	22,478,188	13,108,326	12,788,615	11,954,357	12,263,613
<b>Utilization by Class</b>								
Total Class I Use	188,151,804	184,460,239	193,525,884	186,989,101	125,067,168	120,774,928	124,992,532	120,973,755
Total Class II Use	51,736,270	48,435,468	51,005,370	48,260,704	49,962,914	48,418,306	55,207,228	50,749,701
Total Class III Use	178,062,190	181,034,763	307,516,304	22,231,952	118,951,635	86,683,415	110,742,979	122,983,216
Total Class IV Use	239,826,919	233,498,804	235,286,658	295,300,134	137,195,447	121,164,849	123,076,692	101,019,988
<b>Total Accounted For</b>	<b>657,777,183</b>	<b>647,429,274</b>	<b>787,334,216</b>	<b>552,781,891</b>	<b>431,177,164</b>	<b>377,041,498</b>	<b>414,019,431</b>	<b>395,726,660</b>

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Oct 2016	Sep 2016	Oct 2015	Sep 2015	Oct 2016	Sep 2016	Oct 2015	Sep 2015
<b>Producer milk</b>								
Class I	168,736,473	167,598,301	173,444,119	169,884,032	112,529,923	107,985,418	112,282,863	108,820,057
Class II	48,122,703	42,467,550	46,509,720	43,861,639	47,450,028	46,338,139	54,441,452	49,595,203
Class III	177,755,135	180,739,553	306,156,724	21,883,872	118,357,181	86,683,415	109,746,290	121,297,744
Class IV	219,797,618	217,220,142	210,655,813	239,691,509	125,975,841	107,082,874	111,447,535	87,255,764
<b>Other receipts</b>								
Class I	19,415,331	16,861,938	20,081,765	17,105,069	12,537,245	12,789,510	12,709,669	12,153,698
Class II	3,613,567	5,967,918	4,495,650	4,399,065	1/	2,080,167	1/	1/
Class III	1/	1/	1,359,580	1/	1/	0	1/	1/
Class IV	20,336,356	16,573,872	24,630,845	55,956,705	14,326,946	14,081,975	13,391,622	16,604,194
<b>Avg. daily producer receipts</b>	<b>19,819,740</b>	<b>20,267,518</b>	<b>23,766,657</b>	<b>15,844,035</b>	<b>13,042,354</b>	<b>11,602,995</b>	<b>12,513,488</b>	<b>12,232,292</b>
Change From Previous Year	-16.61%	27.92%	46.73%	-33.71%	4.23%	-5.14%	5.71%	7.83%
<b>Avg. daily Class I use</b>	<b>6,069,413</b>	<b>6,148,675</b>	<b>6,242,770</b>	<b>6,232,970</b>	<b>4,034,425</b>	<b>4,025,831</b>	<b>4,032,017</b>	<b>4,032,459</b>
Change From Previous Year	-2.78%	-1.35%	-1.71%	0.82%	0.06%	-0.16%	-0.34%	1.84%

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

## USDA News

### 2016 OVERVIEW OF HAULING CHARGES BY LOCATION AND SIZE-RANGE OF PRODUCTION

The market administrator's office recently published an overview of hauling charges associated with producer milk pooled under the Pacific Northwest Order for 2016. The overview includes tables that provide the average hauling charges by State and County and size-range of production for the Pacific Northwest (FO 124) Federal Milk Marketing Order.

The data included in the overview comprises all producer milk pooled on the Pacific Northwest Order for the month of May with hauling charges. Hauling charges are based on producer payrolls submitted by handlers to the Market Administrator's office in Bothell, Washington. Several handlers identify a stop charge with, or in lieu of, a hauling charge. Stop charges were converted to a per hundred-weight basis and added onto, if any, the normal per hundredweight charge. Note that the producer composition of each May's dataset can change from year to year.

The table on page 6 shows hauling rates for 2015 and 2016 by state and county. The full overview is available on the market administrator's website via [www.fmmaseattle.com/staffpapers.html](http://www.fmmaseattle.com/staffpapers.html).

Please contact John Mykrantz at [jmykrantz@fmmaseattle.com](mailto:jmykrantz@fmmaseattle.com) or 425-487-5612, if you have any questions concerning the overview. 🐾



### USDA INVITES PUBLIC COMMENTS

On November 23, 2016, the *Federal Register* published a proposed rule ([81 FR 84510](#)) to amend the research and promotion orders—or the regulations under the orders—overseen by USDA's Agricultural Marketing Service (AMS) to provide uniform authority for the removal of board members and staff who fail to perform their duties or who engage in dishonest actions or willful misconduct. The removal provisions in 13 of the orders would be modified to allow USDA to take action necessary to ensure the boards can continue to fulfill their intended purposes with minimal disruption. Removal provisions would be added to the six orders that do not currently provide for such action.

Interested persons are invited to submit written comments concerning this proposed rule. Comments may be submitted to the internet at [www.regulations.gov](http://www.regulations.gov) and must be received by December 8, 2016. For further information contact either Laurel May or Whitney Rick of AMS' Dairy Program, via [Laurel.May@ams.usda.gov](mailto:Laurel.May@ams.usda.gov) or [Whitney.Rick@ams.usda.gov](mailto:Whitney.Rick@ams.usda.gov). 🐾

Source: USDA. Agricultural Marketing Service. Available at [www.ams.usda.gov](http://www.ams.usda.gov).

### USDA SEEKS NOMINEES FOR THE ADVISORY COMMITTEE ON AGRICULTURE STATISTICS

On November 4, 2016, USDA issued a release seeking nominations to the Advisory Committee on Agriculture Statistics. Members of this Committee advise the Secretary of Agriculture on the scope, timing, and content of periodic agricultural censuses, surveys of agriculture and other related industries. The committee also makes recommendations on the content of agriculture reports and represents the views and data needs of suppliers and users of agricultural statistics.

To submit a nomination, complete the [AD-755 form](#), Advisory Committee or Research and Promotion Background Information, available as a .pdf on [www.nass.usda.gov](http://www.nass.usda.gov). Please note, the completed form must be received by November 29, 2016. 🐾

Source: USDA. National Agricultural Statistics Service. "News Release" issued November 4, 2016.

# Weighted Average Hauling Charges by State and County

## Pacific Northwest Order 1/

State & County	May 2015	May 2016	Change
<i>Cents per Cwt.</i>			
<b>California</b>			
Siskiyou	54.60	n/a	
<i>Weighted Average California</i>	<i>54.60</i>	<i>n/a</i>	
<b>Oregon</b>			
Benton	65.75	64.70	(1.05)
Clackamas	44.55	44.58	0.03
Clatsop	n/a	46.03	
Coos	3.30	3.21	(0.09)
Josephine	50.56	44.82	(5.74)
Klamath	48.70	38.08	(10.62)
Linn	72.18	57.52	(14.66)
Marion	51.53	48.96	(2.57)
Morrow	n/a	26.92	
Polk	54.60	55.66	1.06
Tillamook	n/a	22.80	
Umatilla	R	53.98	
Washington	56.56	50.67	(5.89)
Restricted - OR 2/	49.06	43.26	(5.80)
<i>Weighted Average Oregon</i>	<i>49.29</i>	<i>32.96</i>	<i>(16.33)</i>
<b>Washington</b>			
Adams	70.01	60.95	(9.06)
Benton	R	53.98	
Clark	23.87	22.95	(0.92)
Franklin	68.48	50.97	(17.51)
Grant	68.94	60.32	(8.62)
Grays Harbor	40.20	37.95	(2.25)
King	44.27	37.73	(6.54)
Klickitat	3.56	3.22	(0.34)
Lewis	59.28	56.57	(2.71)
Pacific	55.22	47.65	(7.57)
Skagit	46.89	41.27	(5.62)
Snohomish	48.33	41.30	(7.03)
Spokane	79.37	72.12	(7.25)
Stevens	88.08	77.25	(10.83)
Thurston	36.26	34.04	(2.22)
Wahkiakum	40.98	R	
Whatcom	48.68	41.01	(7.67)
Yakima	64.12	56.99	(7.13)
Restricted - WA 3/	59.27	45.52	(13.75)
<i>Weighted Average Washington</i>	<i>58.65</i>	<i>51.48</i>	<i>(7.17)</i>
<b>Pacific Northwest Order</b>	<b>57.49</b>	<b>46.62</b>	<b>(10.87)</b>

n/a = Not applicable, R=Restricted

1/ Data obtained from producer payrolls submitted by handlers. Producers with no recorded hauling charges are excluded.

2/ For 2015 & 2016, Restricted counties include: Columbia, Deschutes, Jackson, Lane, and Yamhill. Additionally, Umatilla was restricted in 2015.

3/ For 2015 & 2016, Restricted counties include: Clallam, Cowlitz, Island, Jefferson, Kittitas, and Pierce, WA, and Latah, ID. Additionally, for 2015, Benton and Lincoln, WA, and Bonner, ID, were restricted. For 2016, Wahkiakum, WA, was also restricted.

# Federal Order Statistics for October 2016

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)	2,245.1	758.5	33.78%	\$19.85	\$16.23
Appalachian (FO 5)	454.5	320.8	70.57%	\$20.00	\$18.10
Florida (FO 6)	224.2	186.3	83.09%	\$22.00	\$20.39
Southeast (FO 7)	425.8	316.3	74.29%	\$20.40	\$18.72
Upper Midwest (FO 30)	2,770.8	283.7	10.24%	\$18.40	\$15.01
Central (FO 32)	1,345.8	414.0	30.76%	\$18.60	\$15.35
Mideast (FO 33)	1,691.5	559.2	33.06%	\$18.60	\$15.41
<b>Pacific Northwest (FO 124)</b>	<b>614.4</b>	<b>168.7</b>	<b>27.46%</b>	<b>\$18.50</b>	<b>\$14.96</b>
Southwest (FO 126)	1,269.5	372.2	29.32%	\$19.60	\$16.13
<b>Arizona (FO 131)</b>	<b>404.3</b>	<b>112.5</b>	<b>27.83%</b>	<b>\$18.95</b>	<b>\$15.39</b>

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



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### Visit the MA Website

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