

The Market Administrator's Report

Facilitating the Efficient Marketing of Milk and Dairy Products

Pacific Northwest and Arizona Marketing Areas

Alyce L. Owen, Acting Market Administrator

Volume 44, No. 12

December 2018

Data for November 2018

MARKET SUMMARIES FOR NOVEMBER

Pacific Northwest (FO 124)

Producers delivered a total of 724.2 million pounds of milk to the market during November. Daily deliveries averaged 24.1 million pounds, down 7.6 percent from October. An estimated 522 producers delivered milk to the market during the month. Daily deliveries per producer averaged 46,242 pounds, down 7.5 percent from October.

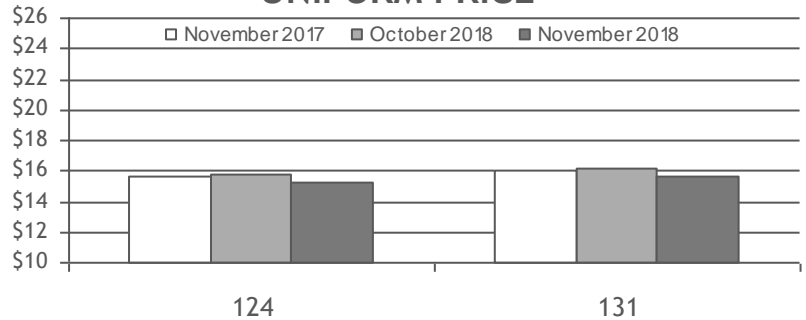
Class I producer milk during November totaled 149.8 million pounds, 20.7 percent of total producer receipts. Daily usage averaged 5.0 million pounds, down 12.8 percent from October. 📉

Arizona (FO 131)

Producers delivered a total of 414.3 million pounds of milk to the market during November. Daily deliveries averaged 13.8 million pounds, up 2.1 percent from October. An estimated 82 producers delivered milk to the market during the month. Daily deliveries per producer averaged 168,400 pounds, up 2.1 percent from October.

Class I producer milk during November totaled 108.2 million pounds, 26.1 percent of total producer receipts. Daily usage averaged 3.6 million pounds, up 3.4 percent from October. 📈

UNIFORM PRICE



Pool Quick Stats

Producer Prices & Component Levels	FO 124		FO 131	
	Oct	Nov	Oct	Nov
Uniform Price (at 3.5%)	\$15.77	\$15.22	\$16.22	\$15.69
Uniform Price (at test)	\$18.21	\$17.67	\$16.75	\$16.40
PPD	\$0.24	\$0.78		
Butterfat	\$2.5551	\$2.5385		n/a
Protein	\$1.7185	\$1.3419		
Other Solids	\$0.2553	\$0.2714		
Uniform Skim			\$7.53	\$7.02
Uniform Butterfat		n/a	\$2.5582	\$2.5469
Butterfat	4.189%	4.240%	3.715%	3.786%
Protein	3.374%	3.402%		
Other Solids	5.730%	5.738%		n/a

HIGHLIGHTS THIS ISSUE

- ✓ USDA Highlights Benefits of Improved Dairy Safety Net Tool
- ✓ USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

Federal Order Price Summaries

FINAL CLASS PRICES

The November 2018 Final Class Prices were calculated using AMS commodity price surveys from November 3, 10, 17, and 24, and December 1, 2018. Current and archived Final Class Price announcements are available at www.fmmaseattle.com/classcomponent.html.

FINAL	Class I (FO124)	Class I (FO131)	Class II	Class III	Class IV	Butterfat	Protein	Other Solids	Nonfat Solids
Oct 2018	\$18.23	\$18.68	\$15.54	\$15.53	\$15.01	\$2.5551	\$1.7185	\$0.2553	\$0.6990
Nov 2018	\$17.42	\$17.87	\$15.63	\$14.44	\$15.06	\$2.5385	\$1.3419	\$0.2714	\$0.7110
Change	(\$0.81)	(\$0.81)	\$0.09	(\$1.09)	\$0.05	(\$0.0166)	(\$0.3766)	\$0.0161	\$0.0120

ADVANCED CLASS I PRICE

The January 2019 Advanced Price was calculated using AMS commodity price surveys from December 8 and 15, 2018. Current and archived Advanced Price announcements are available at 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
Dec 2018	\$2.5286	\$5.85	\$6.42	\$6.42	\$15.05	\$16.95	\$17.40	\$7.12	\$0.7911
Jan 2019	\$2.5217	\$5.16	\$6.52	\$6.52	\$15.12	\$17.02	\$17.47	\$7.22	\$0.8022
Change	(\$0.0069)	(\$0.69)	\$0.10	\$0.10	\$0.07	\$0.07	\$0.07	\$0.10	\$0.0111

Commodity Price Summaries

AMS COMMODITY PRICES FOR FINAL CLASS PRICES CALCULATION


	October	November	Change
Cheese	\$1.5686	\$1.4463	(\$0.1223)
Butter	\$2.2814	\$2.2677	(\$0.0137)
Nonfat Dry Milk	\$0.8739	\$0.8860	\$0.0121
Whey	\$0.4470	\$0.4626	\$0.0156

AMS COMMODITY PRICES FOR ADVANCED CLASS PRICES CALCULATION

	December	January	Change
Cheese	\$1.4507	\$1.3786	(\$0.0721)
Butter	\$2.2595	\$2.2538	(\$0.0057)
Nonfat Dry Milk	\$0.8886	\$0.8996	\$0.0110
Whey	\$0.4648	\$0.4659	\$0.0011

CURRENT COMMODITY PRICES

The AMS survey of cheddar cheese prices showed a decrease in prices received for 40-pound blocks and a net decrease for 500-pound barrels. The survey of 40-pound blocks showed a decrease of 12.06 cents between the November 17 and the December 15 surveys, to \$1.3960 per pound. The survey of 500-pound barrels (adjusted to 38% moisture) showed a net decrease of 2.97 cents to \$1.3123 per pound.

The AMS butter price showed a net increase of 0.31 cents between the weeks ending November 17 and December 15 from \$2.2514 per pound to \$2.2545 per pound. The AMS nonfat dry milk showed a net increase of 2.00 cents since mid-November to \$0.9041 per pound. The average price for AMS whey showed a net increase of 0.23 cents since mid-November to \$0.4674 per pound. 

Monthly Selected Statistics

PRICE & POOL DATA	PACIFIC NORTHWEST				ARIZONA			
	Nov 2018	Oct 2018	Nov 2017	Oct 2017	Nov 2018	Oct 2018	Nov 2017	Oct 2017
Producer Prices								
Producer Price Differential (\$/cwt)	\$0.78	\$0.24	(\$1.19)	(\$0.66)	+	+	+	+
Butterfat (\$/pound)	2.5385	2.5551	2.5546	2.6646	+	+	+	+
Protein (\$/pound)	1.3419	1.7185	2.3412	2.1084	+	+	+	+
Other Solids (\$/pound)	0.2714	0.2553	0.1644	0.1853	+	+	+	+
Uniform Skim Price (\$/cwt)	+	+	+	+	\$7.02	\$7.53	\$7.23	\$7.22
Uniform Butterfat Price (\$/pound)	+	+	+	+	2.5469	2.5582	2.5829	2.7040
Statistical Uniform Price (\$/cwt)	\$15.22	\$15.77	\$15.69	\$16.03	\$15.69	\$16.22	\$16.02	\$16.43
Producer Data								
Number of Producers	522	523	444	448	82	82	88	91
Avg. Daily Production (pounds)	46,242	49,970	43,666	43,868	168,400	164,904	145,901	137,020
Producer Milk Ratios								
Class I	20.69%	21.91%	27.29%	27.50%	26.12%	25.79%	28.41%	29.34%
Class II	5.67%	5.87%	6.71%	6.67%	7.76%	9.12%	10.19%	10.68%
Class III	41.82%	37.83%	30.58%	29.74%	28.73%	34.57%	21.19%	21.95%
Class IV	31.82%	34.39%	35.42%	36.09%	37.39%	30.52%	40.21%	38.03%
Market Shrinkage								
Pounds	10,877,874	10,362,780	5,625,970	8,363,506	1,658,649	2,868,238	1,960,554	1,490,097
% of Producer Milk	1.50%	1.28%	0.97%	1.37%	0.40%	0.68%	0.51%	0.39%

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

Monthly Supplemental Statistics

SUPPLEMENTAL DATA	PACIFIC NORTHWEST				ARIZONA			
	Oct 2018	Sep 2018	Oct 2017	Sep 2017	Oct 2018	Sep 2018	Oct 2017	Sep 2017
Number of Handlers								
Pool Handlers	24	21	22	24	8	8	8	8
<i>Distributing Plants</i>	12	11	11	11	6	6	6	6
<i>Supply Plants 1/</i>	6	4	5	7	1	1	1	1
<i>Cooperatives</i>	6	6	6	6	1	1	1	1
Producer-Handlers	5	5	5	5	0	0	0	0
Other Plants w/ Class I Use	23	23	23	20	27	25	23	22
Class I Route Disposition In Area								
By Pool Plants	147,063,307	135,525,031	150,590,517	144,195,842	80,480,632	74,891,158	81,346,873	78,884,778
By Producer-Handlers	6,784,413	5,819,372	6,484,398	6,392,329	0	0	0	0
By Other Plants	12,048,077	13,107,739	13,382,069	12,450,693	7,828,415	8,636,328	8,310,796	7,887,265
Total	165,895,797	154,452,142	170,456,984	163,038,864	88,309,047	83,527,486	89,657,669	86,772,043
Producer-Handler Data								
% Class I Use	59.43%	51.32%	54.98%	53.70%	0.00%	0.00%	0.00%	0.00%
% of Total In-Area Route Dispositions	4.09%	3.77%	3.80%	3.92%	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			
	Nov	Oct	Nov	Oct	Nov	Oct	Nov	Oct
	2018	2018	2017	2017	2018	2018	2017	2017
Receipts of Milk								
Total Producer Milk	724,156,797	810,164,239	581,631,462	609,235,706	414,263,200	419,185,775	385,179,292	386,533,583
Receipts From Other Sources	15,836,254	10,595,892	5,925,413	7,071,444	4,565,799	6,863,885	4,183,079	4,405,822
Opening Inventory	42,456,297	47,446,962	38,346,383	37,330,178	20,480,531	23,772,284	23,215,233	26,546,693
Total To Be Accounted For	782,449,348	868,207,093	625,903,258	653,637,328	439,309,530	449,821,944	412,577,604	417,486,098
Utilization of Receipts								
Whole milk	41,966,612	44,554,027	41,673,809	42,426,928	27,474,423	28,034,398	26,673,049	27,355,344
Flavored milk & drinks	16,833,829	17,000,044	16,979,081	17,660,116	8,171,374	7,718,402	8,207,289	7,498,428
2% milk	50,403,674	51,677,802	52,942,242	53,763,445	28,090,082	28,419,547	28,309,664	28,836,293
1% milk	19,446,982	20,894,498	21,300,311	22,616,173	10,608,784	11,038,851	11,288,858	11,811,870
Skim milk	10,804,411	11,332,570	12,442,018	12,696,300	5,217,409	5,269,434	5,701,907	5,844,938
Buttermilk	1,719,633	1,604,366	1,483,298	1,427,555	2/	2/	2/	2/
Class I dispositions in area	141,175,141	147,063,307	146,820,759	150,590,517	79,562,072	80,480,632	80,180,767	81,346,873
Class I dispositions out of area	11,929,420	21,725,010	11,944,782	11,647,471	26,730,067	27,891,038	28,547,084	29,017,539
Other Class I usage	20,052,729	26,971,184	23,837,133	27,625,369	13,589,956	12,312,821	14,981,840	14,534,814
Utilization by Class								
Total Class I Use	173,157,290	195,759,501	182,602,674	189,863,357	119,882,095	120,684,491	123,709,691	124,899,226
Total Class II Use	46,380,245	58,653,510	40,938,788	42,957,436	33,967,174	40,298,885	40,380,980	42,950,817
Total Class III Use	304,284,615	306,681,359	178,061,107	181,621,605	119,850,936	145,673,757	1/	84,889,472
Total Class IV Use	258,627,198	307,112,723	224,300,689	239,194,930	165,609,325	143,164,811	248,486,933	164,746,583
Total Accounted For	782,449,348	868,207,093	625,903,258	653,637,328	439,309,530	449,821,944	412,577,604	417,486,098

CLASSIFICATION OF RECEIPTS	PACIFIC NORTHWEST				ARIZONA			
	Nov	Oct	Nov	Oct	Nov	Oct	Nov	Oct
	2018	2018	2017	2017	2018	2018	2017	2017
Producer milk								
Class I	149,803,834	177,493,038	158,716,190	167,562,473	108,200,516	108,094,535	109,417,641	113,411,640
Class II	41,077,094	47,576,349	39,051,040	40,642,659	32,158,526	38,214,499	39,258,827	41,289,519
Class III	302,865,181	306,468,149	177,853,683	181,212,245	119,036,420	144,898,628	81,618,157	84,848,331
Class IV	230,410,688	278,626,703	206,010,549	219,818,329	154,867,738	127,978,113	154,884,667	146,984,093
Other receipts								
Class I	23,353,456	18,266,463	23,886,484	22,300,884	11,681,579	12,589,956	14,292,050	11,487,586
Class II	5,303,151	11,077,161	1,887,748	2,314,777	1/	1/	1/	1,661,298
Class III	1,419,434	1/	1/	1/	1/	1/	1/	41,141
Class IV	28,216,510	28,699,230	18,497,564	19,785,961	13,364,751	18,046,213	13,106,262	17,762,490
Avg. daily producer receipts	24,138,560	26,134,330	19,387,715	19,652,765	13,808,773	13,522,122	12,839,310	12,468,825
Change From Previous Year	24.50%	32.98%	4.61%	-0.84%	7.55%	8.45%	1.88%	-4.40%
Avg. daily Class I use	5,771,910	6,314,823	6,086,756	6,124,624	3,996,070	3,893,048	4,123,656	4,029,007
Change From Previous Year	-5.17%	3.11%	0.67%	0.91%	-3.09%	-3.37%	-0.90%	-0.13%

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

USDA News

USDA HIGHLIGHTS BENEFITS OF IMPROVED DAIRY SAFETY NET TOOL

More than 21,400 dairy producers opted for coverage through the Margin Protection Program for Dairy (MPP-Dairy) in 2018, up by more than 2,000 producers from the previous year. This U.S. Department of Agriculture (USDA) program was significantly updated in February by the Bipartisan Budget Act of 2018, and Agriculture Secretary Sonny Perdue said those changes attracted more producers to enroll in the safety net program or to increase their coverage.

MPP-Dairy, administered by USDA's Farm Service Agency, protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Many producers received their first MPP-Dairy payments in February 2018, and most producers who have chosen premium coverage levels of \$7, \$7.50, or \$8 have seen a payment for every month since February. For these seven months, over \$253 million in payments have been made to dairy operators.

While enrollment for MPP-Dairy has closed, USDA encourages dairy producers to consider other programs, including the [Dairy Revenue Protection Program](#), [Livestock Gross Margin Insurance for Dairy Cattle](#), [Environmental Quality Incentives Program](#), and [Conservation Stewardship Program](#). 🐄

Source: USDA. Press Release No. 0247.18. December 2018.

USDA SEEKS NOMINEES FOR NATIONAL FLUID MILK PROCESSOR PROMOTION BOARD

The U.S. Department of Agriculture (USDA) asks fluid milk processors and other interested parties to nominate candidates to serve on the National Fluid Milk Processor Promotion Board. The deadline for nominations is December 28, 2018.

Agriculture Secretary Sonny Perdue will appoint six individuals to succeed members whose terms expire on June 30, 2019. Newly appointed members will serve three-year terms from July 1, 2019, through June 30, 2022. Fluid milk processors and interested parties may submit nominations for regions in which they are located or regions in which they market fluid milk, and for the two at-large members.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by December 28, 2018, to: Emily DeBord, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233, or via email to emily.debord@ams.usda.gov. Nominating forms and more information is available on the [AMS website](#) or by calling (202) 720-5567. 🐄

Source: USDA. Agriculture Marketing Service. November 2018.



Federal Order Statistics for November 2018

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)	2,117.7	755.4	35.67%	\$18.77	\$16.62
Appalachian (FO 5)	471.8	352.8	74.77%	\$18.92	\$18.12
Florida (FO 6)	218.4	186.4	85.35%	\$20.92	\$20.12
Southeast (FO 7)	407.1	319.1	78.39%	\$19.32	\$18.71
Upper Midwest (FO 30)	2,698.6	247.8	9.18%	\$17.32	\$14.74
Central (FO 32)	1,421.6	422.7	29.73%	\$17.52	\$15.22
Mideast (FO 33)	1,554.8	579.5	37.27%	\$17.52	\$15.68
California (FO 51)	2,079.8	467.1	22.46%	\$17.62	\$15.44
Pacific Northwest (FO 124)	724.2	149.8	20.69%	\$17.42	\$15.22
Southwest (FO 126)	1,249.5	374.7	29.99%	\$18.52	\$16.07
Arizona (FO 131)	414.3	108.2	26.12%	\$17.87	\$15.69

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



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

E-mail the MA Office

fmmaseattle@fmmaseattle.com

Bothell Office

1930 220th Street SE, Suite 102
Bothell, Washington 98021

Phone: (425) 487-6009
Fax: (425) 487-2775



Phoenix Office

4835 E Cactus Road, Suite 365
Scottsdale, Arizona 85254

Phone: (602) 547-2909
Fax: (602) 547-2906

Visit the MA Website

www.fmmaseattle.com