

AMS News

ANALYSIS OF MILK MOVEMENTS IN THE PACIFIC NORTHWEST: MAY 2016

The market administrator's office recently published a paper that examines milk movements (distances) between dairy farms and milk processing plants in the Pacific Northwest, entitled "Analysis of Milk Movements from Dairy Farms to Milk Processing Plants: May 2016."

The data represent milk movements for 553 producers and 773.6 million pounds of producer milk associated with the Pacific Northwest Federal Milk Marketing Order. The analysis examines various subsets of milk movements, including: 1) the milkshed of the Pacific Northwest Order; 2) type of plant (distributing vs. manufacturing); 3) class of utilization at plant; 4) location adjustment zone of plant; 5) region of farm; 6) region of plant; 7) size-range of average daily delivery of dairy farm; and 8) size-range of average daily receipt of plant. Basic statistical measures are used to analyze the character of farms delivering milk to plants and distances from dairy farms to the plant, including: weighted averages, medians, percentiles, and standard deviations.

Selected findings of the study include:

- On average, the milk of dairy farms in the Pacific Northwest region traveled less than 50 miles to processing plants;
- No milk traveled further than 250 miles;
- Milk moving to distributing plants traveled a little under four times as far (105 miles) as milk moving to manufacturing plants (28 miles) due to the fact that distributing plants are located near urban centers, close to the majority of consumers, and manufacturing plants are typically in rural areas, closer to the dairy farms (and cows) that supply them;
- Nominal deficit regions include Western Washington and Western Oregon. The nominal surplus region, which supplied the deficit regions of Western Washington and Western Oregon, is Eastern Washington. Eastern Oregon was roughly in balance on average, neither surplus nor deficit;
- The largest plants received milk from less than 30 miles away on average while medium-sized plants drew milk from less than 100 miles away on average. The smallest plants drew milk from about 60-75 miles away on average.

The study is available in the "Staff Papers" section of the market administrator's website via www.fmmaseattle.com/staffpapers.html. Please contact John Mykrantz at jmykrantz@fmmaseattle.com or 425-487-5612, if you have any questions. 🍷

2018 MARGIN PROTECTION PROGRAM UPDATE

On August 31, 2017, USDA's Farm Service Agency announced that starting September 1, 2017, dairy producers can enroll for 2018 coverage in the Margin Protection Program (MPP-Dairy). Secretary Perdue has also utilized additional flexibility this year by providing dairy producers the ability to opt out of MPP-Dairy for 2018. Enrollment for coverage in calendar year 2018 will take place through December 15, 2017. 🍷

Source: USDA. Farm Service Agency. Release No. 0101.17. Available at www.fsa.usda.gov.