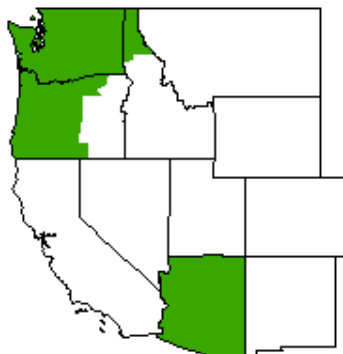


Pacific Northwest & Arizona Marketing Areas



1930 – 220th Street SE, Suite 102
 Bothell, Washington 98021-8471
 Phone (425) 487-6009
 Fax (425) 487-2775
 Homepage: fmmaseattle.com
 E-mail: fmmaseattle@fmmaseattle.com



10050 N 25th Avenue, Suite 302
 Phoenix, Arizona 85021-1664
 Phone (602) 547-2909
 Fax (602) 547-2906
 E-mail: ma@fmma.net

William A. Wise
 Market Administrator

January 2012

MARKET SUMMARIES FOR DECEMBER 2011

Comparisons to a year ago can be found in the tables on pages 6 and 7.

Pacific Northwest

Producers delivered a total of 581.0 million pounds of milk to the market during December. Daily deliveries averaged 18.7 million pounds, down 14.9 percent from November. An estimated 513 producers delivered milk to the market during the month. Daily deliveries per producer averaged 36,535 pounds, up 3.7 percent from November.

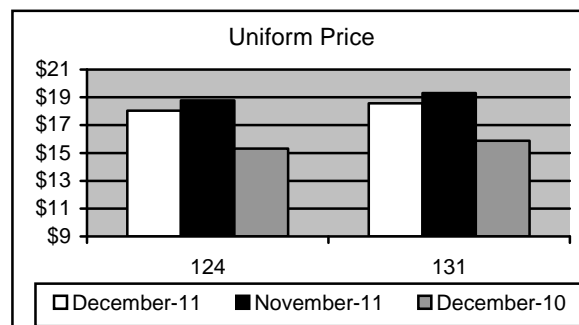
Class I producer milk during December totaled 190.6 million pounds, 32.8 percent of total producer receipts. Daily usage averaged 6.1 million pounds, down 4.2 percent from November.

Arizona

Producers delivered a total of 386.1 million pounds of milk to the market during December. Daily deliveries averaged

12.5 million pounds, up 3.8 percent from November. An estimated 98 producers delivered milk to the market during the month. Daily deliveries per producer averaged 127,081 pounds, up 3.8 percent from November.

Class I producer milk during December totaled 118.8 million pounds, 30.8 percent of total producer receipts. Daily usage averaged 3.8 million pounds, down 5.6 percent from November. ♦



Federal Order Producer Prices and Component Levels: December 2011

Producer Prices	FO124	FO131	Component Levels (%)	FO124	FO131
Uniform Price 1/*	18.05	18.57	Butterfat	3.890	3.678
Butterfat 2/	1.7443	1.7944	Protein	3.251	N/A
Protein 2/	3.3404	N/A	Other Solids	5.731	N/A
Other Solids 2/	0.4683	N/A	Nonfat Solids	8.981	N/A
PPD 1/*	-\$0.72	N/A			
Skim 1/	N/A	12.74			

N/A = not applicable. * Subject to applicable location adjustments. 1/ \$ per cwt. 2/ \$ per pound.

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, political beliefs, genetic information, 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, Office of the Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

DECEMBER 2011 CLASS PRICES

December 2011 non-advanced Class Prices were calculated using NASS commodity price surveys from December 3, 10, 17, and 24, 2011. Component prices for the month are \$3.3404 per pound of protein, \$1.7443 per pound of butterfat, \$0.4683 per pound of other solids, and \$1.2398 per pound of nonfat solids.

December 2011 Class III and IV prices at 3.5% butterfat are \$18.77 and \$16.87 per hundredweight, respectively. The December Class III price compared to November is down \$0.30. The Class III price is \$4.94 higher than in December 2010.

Class II butterfat was announced at \$1.7513 per pound. Class I skim and butterfat and Class II skim prices for December 2011 were announced on November 18, 2011. The Class II price at 3.5% butterfat is \$18.08 for December 2011.

FINAL: NASS COMMODITY PRICES

	<u>November</u>	<u>December</u>	<u>Change</u>
Cheese*	\$1.8415	\$1.8070	-\$0.0345
Butter	\$1.7824	\$1.6119	-\$0.1705
Nonfat Dry Milk	\$1.4522	\$1.4201	-\$0.0321
Whey	\$0.6380	\$0.6538	\$0.0158

* The weighted average of barrels plus 3 cents and blocks.

Current Commodity Prices -- The NASS survey of cheddar cheese prices showed a net decrease in price received for 40-pound blocks and a decrease for 500-pound barrels. The survey of 40-pound blocks showed a net decrease of 20.15 cents between the December 17 and the January 14 surveys, to \$1.5724 per pound. The survey of 500-pound barrels (**adjusted to 38% moisture**) showed a decrease of 10.18 cents to \$1.6081 per pound.

The NASS butter price showed a net decrease of 0.94 cents between the weeks ending December 17 and January 14 from \$1.5922 per pound to \$1.5828 per pound.

The NASS nonfat dry milk showed a net decrease of 2.67 cents since mid-December to \$1.4151 per pound. The average price for NASS whey showed an increase of 4.58 cents since mid-December to \$0.7020 per pound. ♦

FEBRUARY'S CLASS I PRICE ANNOUNCEMENT

On January 20, the February 2012 Class I price was announced at \$18.93 for the Pacific Northwest Order and \$19.38 for the Arizona Order. The Class I price was calculated using NASS commodity price surveys from the weeks of January 7 and 14.

The February Class III and IV advance skim prices are \$11.42 and \$11.12 per hundredweight, respectively. The butterfat portion of the Class I mover decreased 2.25 cents from \$1.7395 to \$1.7170 per pound.

The February 2012 Class II skim and nonfat solids prices were also announced on January 20. The skim price is \$11.82 per hundredweight, and the nonfat solids price is \$1.3133 pound for all Federal orders. ♦

ADVANCED: NASS COMMODITY PRICES FOR CLASS I PRICE CALCULATIONS

	<u>January</u>	<u>February</u>	<u>Change</u>
Cheese*	\$1.8102	\$1.6052	-\$0.2050
Butter	\$1.6079	\$1.5893	-\$0.0186
Nonfat Dry Milk	\$1.4419	\$1.4155	-\$0.0264
Whey	\$0.6549	\$0.6915	\$0.0366

* The weighted average of barrels plus 3 cents and blocks.