



# Market Summary and Utilization Report, 2017

United States Department of Agriculture

Agricultural Marketing Service  
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Dairy Programs

Market Information Branch  
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**Highlights:** During 2017, 135.5 billion pounds of milk were received from federally pooled producers. This volume of milk is 1.5 percent higher than the 2016 volume pooled. Regulated handlers pooled 40.6 billion pounds of producer milk as Class I products, down 0.9 percent when compared to the previous year. Class I utilization decreased from last year in 8 of the 10 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 30%, Class II = 13%, Class III = 41%, and Class IV = 15%. The weighted average statistical uniform price was \$16.96 per cwt, up \$1.57 from 2016's \$15.38 per cwt.

## Price and Pool Statistics for Federal Milk Order Marketing Areas, 2017

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Receipts of Producer Milk		Utilization of Producer Milk in Class I	
		Total	Change from Prev. Year <sup>2</sup>	Total	Change from Prev. Year <sup>2</sup>
		<i>(million lbs)</i>	<i>(percent)</i>	<i>(million lbs)</i>	<i>(percent)</i>
Northeast (Boston)	001	27,397	1.7	8,799	-0.1
Appalachian (Charlotte)	005	5,801	4.0	4,002	3.1
Florida (Tampa)	006	2,602	-3.9	2,169	-4.4
Southeast (Atlanta)	007	5,451	1.4	3,767	-1.6
Upper Midwest (Chicago)	030	32,312	-1.3	3,244	-4.9
Central (Kansas City)	032	15,879	5.5	4,839	-0.3
Mideast (Cleveland)	033	20,241	3.3	6,430	0.3
Pacific Northwest (Seattle)	124	7,661	-2.6	1,891	-2.4
Southwest (Dallas)	126	13,092	3.2	4,217	-2.9
Arizona (Phoenix)	131	5,065	2.0	1,284	-0.6
All Market Total or Average <sup>3</sup>		135,502	1.5	40,642	-0.9

<sup>1</sup> Names in parentheses are the major city in the principal pricing point of the market. <sup>2</sup> Percentage change is based on the average daily delivery. <sup>3</sup> Averages are the weighted average percent change.

## Price and Pool Statistics for Federal Milk Order Marketing Areas, 2017

Federal Milk Order Marketing Area <sup>1</sup>	Order Number	Utilization of Producer Milk in All Classes <sup>2</sup>				Uniform Price <sup>3</sup>
		Class I	Class II	Class III	Class IV	
		<i>(percent)</i> <sup>2</sup>				<i>( \$ per cwt)</i>
Northeast (Boston)	001	32	24	26	18	17.43
Appalachian (Charlotte)	005	69	16	5	10	18.79
Florida (Tampa)	006	83	11	2	3	20.92
Southeast (Atlanta)	007	69	14	9	8	19.13
Upper Midwest (Chicago)	030	10	5	80	4	16.28
Central (Kansas City)	032	30	11	41	17	16.35
Mideast (Cleveland)	033	32	19	32	18	16.56
Pacific Northwest (Seattle)	124	25	7	34	35	16.18
Southwest (Dallas)	126	32	11	40	17	17.16
Arizona (Phoenix)	131	25	9	24	41	16.39
All Market Total or Average <sup>2</sup>		30	13	41	15	16.96

<sup>1</sup>Names in parentheses are the major city in the principal pricing point of the market. <sup>2</sup>Totals may not add to 100 percent due to rounding. Averages are weighted averages. <sup>3</sup>Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

### Methodology: Market Summary and Utilization Report

**Data:** The annual Marketing and Utilization Summary Report is created by aggregating monthly information on the handling of milk obtained from Federal Milk Marketing Order personnel.

### Definitions:

**Federal Milk Marketing Order Areas** are defined in the Code of Federal Regulations. Regulated handlers, also defined by statute, are required to submit to the Market Administrator the amounts of producer milk, in pounds, that were received in the previous month.

**Receipts of Producer Milk**, also defined by statute, is the amount of milk received by producers who meet the requirements of qualification as defined by statute. This milk is also known as eligible milk for market wide pooling. Each order has its own criteria for pool qualification and for regulated handlers. Regulated handlers, under certain circumstances and price relationships, may elect to not include certain quantities of producer milk that is eligible to be pooled on Federal Orders.

**Utilization of Producer Milk in Class I** is the amount of producer milk pooled that was utilized as Class I, i.e. milk pooled that was utilized to produce Class I Fluid Milk products.

**Utilization of Producer Milk in All Classes** is the respective amounts, shown in percentage of the total, used to produce milk products in each of the four classes of milk (Class I, Class II, Class III, and Class IV) for each of the Federal Milk Marketing Order areas for the year. These percentages may not add to 100 percent due to rounding.

**Uniform Price**, which is sometimes also termed the Blend Price, is the weighted average price, at each of the Federal Order base location cities listed. The Uniform Price reflects the weighted average price that qualifying pooled producers receive from regulated handlers. Qualifying producers are enabled to receive this price as a result of pooling handler funds through the producer settlement fund administered by each of the Federal Milk Marketing Order Administrators. This price is determined, and reported, by each of the respective Milk Market Administrators each month.

### **Calculations:**

#### **Receipts of Producer Milk**

The change from the previous year is the change, in percent, of the amount of producer milk received from each Federal Milk Marketing Order for the given month compared to the same month of the previous year.

All Market Average (or Total) line displays the total of all the producer milk pooled for the given year and the average change, in percent, of the all market total producer milk receipts.

#### **Utilization of Producer Milk in Class I**

The change from the previous year is the change, in percent, of the amount of producer milk utilized to produce Class I Fluid Milk products for each Federal Milk Marketing Order for the given year compared to the previous year.

The All Market Average (or Total) line displays the total of all the producer milk used to produce Class I Fluid Milk products for all orders for the given year and the average change, in percent, of the all market total amount of milk pounds used to produce Class I Fluid Milk products compared to the previous year.

#### **Utilization of Producer Milk in All Classes**

The All Market Average (or Total) line displays the percent of producer milk used to produce milk products in each of the four classes of milk for all Federal Milk Marketing Orders combined. Again, these numbers may not always add to 100 due to rounding.

### **Reliability:**

The AMS audit staff periodically perform on-site audits on the administration of the producer settlement funds, the amounts of producer milk pooled, and the utilization of producer milk by the four classes to ensure accurate reporting and uniform milk price information.

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**Information Contacts**

Listed below are the specialists in the Agricultural Marketing Service, Dairy Programs, Market Information Branch to contact for additional information. E-mail inquiries may be sent to [dpp@ams.usda.gov](mailto:dpp@ams.usda.gov).

Lorie Warren, Chief, Market Information..... (202) 720-4405

**Dairy Products Mandatory Reporting Program**

Patsy Emmons, Dairy Products Marketing Specialist..... (202) 720-6491

Kerry Siekmann, Dairy Products Marketing Specialist..... (952) 277-2363

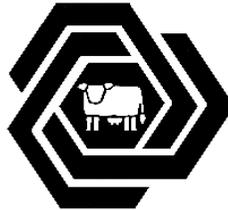
Jessica Crum, Dairy Products Marketing Specialist..... (202) 260-9091

**Federal Milk Order Information Program**

Kerry Siekmann, Dairy Products Marketing Specialist, Coordinator..... (952) 277-2363

Randal Stoker, Dairy Products Marketing Specialist..... (202) 690-1932

Daniel Manzoni, Dairy Products Marketing Specialist..... (202) 720-2352



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