

THE COURIER

Monthly Newsletter

December 2017

USDA Publishes School Meals Rule

On November 29, 2017, the U.S. Department of Agriculture (USDA) provided local food service professionals the flexibility they need to serve wholesome, nutritious, and tasty meals in schools across the nation. The new School Meal Flexibility Rule makes targeted changes to standards for meals provided under USDA's National School Lunch and School Breakfast Programs, and asks customers to share their thoughts on those changes with the Department.

U.S. Secretary of Agriculture Sonny Perdue said the rule reflects USDA's commitment, made in a May proclamation, to work with program operators, school nutrition professionals, industry, and other stakeholders to develop forward-thinking strategies to ensure school nutrition standards are both healthful and practical.

USDA Publishes, cont'd on pg. 3

Fluid Milk Processor Promotion Board

On November 28, 2017, Agriculture Secretary Sonny Perdue announced the appointment of six members to serve on the National Fluid Milk Processor Promotion Board. The terms for these appointees are effective immediately and expire on June 30, 2020.

Newly appointed members are: Randell W. Eronymous, Seattle, Wash. (Region 13) and Erin S. Sharp, Cincinnati, Ohio (At-large, processor). Reappointed members are Lynne M. Bohan, Lynnfield, Mass. (Region 2); Jeffrey D. Stephens, Lakeland, Fla. (Region 5); Edward L. Mullins, Carlinville, Ill. (Region 11); and Evan L. Rainwater, Boise, Idaho (Region 14)

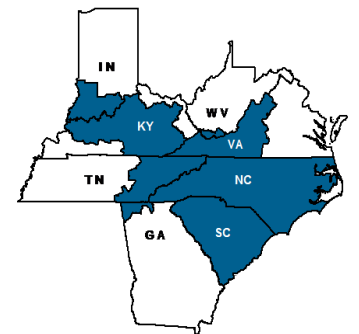
Fluid Milk, cont'd on pg. 3

Farm Exports Hit Third-Highest Level

U.S. agricultural exports totaled \$140.5 billion in fiscal year (FY) 2017, climbing nearly \$10.9 billion from the previous year to the third-highest level on record, U.S. Secretary of Agriculture Sonny Perdue announced. As it has done for well over 50 years, the U.S. agricultural sector once again posted an annual trade surplus, which reached \$21.3 billion, up almost 30 percent from last year's \$16.6 billion.

China finished the fiscal year as the United States' largest export customer, with shipments valued at \$22 billion, followed closely by Canada at \$20.4 billion. U.S. agricultural exports to Mexico reached \$18.6 billion, a six-percent gain from last year, while exports to Japan grew 12 percent, to \$11.8 billion. Rounding out the top 10 markets were the European Union (\$11.6 billion), South Korea (\$6.9 billion), Hong Kong (\$4 billion), Taiwan (\$3.4 billion), Indonesia (\$3 billion) and the Philippines (\$2.6 billion).

Farms Exports, cont'd on pg. 3



Harold H. Friedly, Jr.
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Appalachian Statistical Summary

	NOVEMBER 2017	OCTOBER 2017	NOVEMBER 2016
PRICES: (Base Zone)			
Uniform Price	\$18.63	\$18.59	\$17.48
Class I Price	19.81	19.84	18.18
Class II Price	15.32	15.95	14.60
Class III Price	16.88	16.69	16.76
Class IV Price	13.99	14.85	13.76
Uniform Skim Milk Price	\$9.79	\$9.27	\$10.46
Class I Skim Milk Price	10.68	10.07	11.19
Class II Skim Milk Price	6.58	6.84	7.47
Class III Skim Milk Price	8.23	7.63	9.74
Class IV Skim Milk Price	5.23	5.72	6.63
Uniform Butterfat Price	\$2.6227	\$2.7563	\$2.1093
Class I Butterfat Price	2.7144	2.8920	2.1089
Class II Butterfat Price	2.5616	2.6716	2.1114
Class III Butterfat Price	2.5546	2.6646	2.1044
Class IV Butterfat Price	2.5546	2.6646	2.1044
PRODUCER MILK:			
Class I	354,233,848	351,235,416	326,535,913
Class II	70,465,680	80,598,065	65,159,270
Class III	18,788,134	21,051,517	13,968,495
Class IV	35,537,616	40,217,023	29,211,383
Total Producer Milk	479,025,278	493,102,021	434,875,061
PERCENT PRODUCER MILK IN:			
Class I	73.95	71.23	75.09
Class II	14.71	16.34	14.98
Class III	3.92	4.27	3.21
Class IV	7.42	8.16	6.72

F.O. 5 STATS FOR NOVEMBER 2017:

The Uniform Price for November 2017 was \$18.63 per cwt., an increase of \$1.15 from November 2016.

Total Class I Milk for November 2017 was 354,233,848 pounds, an increase of 27.7 million pounds, or 8.5 percent, compared to November 2016.

Class I Utilization was 73.95 percent for November 2017, an increase of 2.7 percentage points from October 2017.

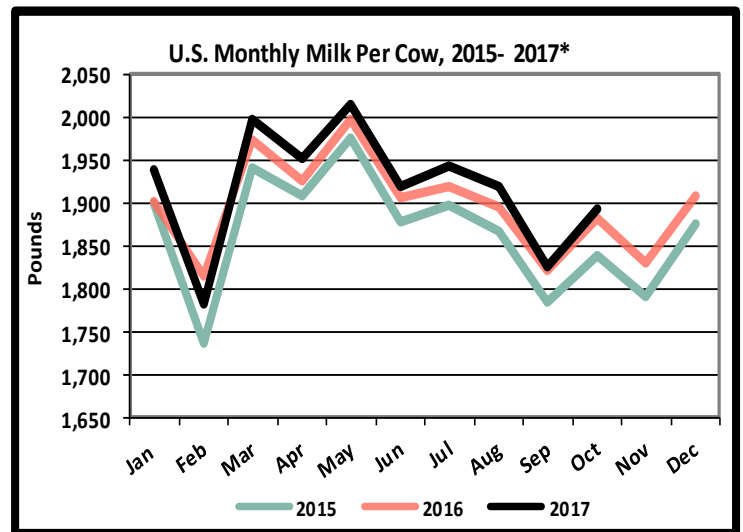
Total Producer Milk for November 2017 was 479,025,278 pounds, an increase of 44.2 million pounds, or 10.2 percent, compared to November 2016.

October Milk Production Up 1.4%

Milk production in the United States during October totaled 17.8 billion pounds, up 1.4 percent from October 2016.

Production per cow in the United States averaged 1,894 pounds for October, 12 pounds above October 2016.

The number of milk cows on farms in the United States was 9.40 million head, 65,000 head more than October 2016, but 1,000 head less than September 2017.



*Based on entire U.S. production

USDA Publishes School Meals Rule, cont'd from pg. 1

This action reflects a key initiative of USDA's Regulatory Reform Agenda, developed in response to the President's Executive Order to alleviate unnecessary regulatory burdens. Other USDA initiatives of this kind will be reflected in the forthcoming Fall 2017 Unified Agenda of Federal Regulatory and Deregulatory Actions.

The interim final rule gives schools the option to serve low-fat (1 percent) flavored milk. Currently, schools are permitted to serve low-fat and non-fat unflavored milk as well as non-fat flavored milk. The rule also would provide this milk flexibility to the Special Milk Program and Child and Adult Care Food Program operators serving children ages 6 and older. States will also be allowed to grant exemptions to schools experiencing hardship in obtaining whole grain-rich products acceptable to students during School Year (SY) 2018-2019.

This rule will be in effect for SY 2018-2019. USDA will accept public comments on these flexibilities via www.regulations.gov to inform the development of a final rule, which will address the availability of these three flexibilities in the long term.

Release No. 0157.17

National Fluid Milk Processor Promotion Board, cont'd from pg. 1

"These appointees represent a cross section of the fluid milk processing industry and I know the dairy industry will be well served by them," said Perdue.

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and five at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products.

The National Fluid Milk Program is financed by a mandatory 20-cent per hundredweight assessment on all fluid milk processed and marketed commercially in consumer-type packages in the contiguous 48 states and the District of Columbia. Processors who commercially process and market three million pounds or less per month, excluding those fluid milk products delivered to the residence of a consumer, are exempt from assessments.

Release No. 0156.17

Farm Exports Hit Third-Highest Level on Level, cont'd from pg. 1

U.S. bulk commodity exports set a volume record at 159 million metric tons, up 11 percent from FY 2016, while their value rose 16 percent to \$51.4 billion. The surge was led by soybean exports, which reached a record 60 million metric tons, valued at \$24 billion. Exports of corn, wheat and cotton all grew as well, with the value of cotton exports climbing 70 percent, to \$5.9 billion, wheat exports up 21 percent, to \$6.2 billion, and corn exports up six percent, to \$9.7 billion.

A number of other products saw significant export increases as well. U.S. dairy exports grew 17 percent to \$5.3 billion, beef exports were up 16 percent to \$7.1 billion, and pork exports rose 14 percent to \$6.4 billion. Overall, horticultural product exports increased three percent to nearly \$33.9 billion, largely driven by an eight-percent increase in exports of tree nuts, which reached \$8.1 billion, the second-highest total on record. Processed food and beverage exports rose two percent to \$39.2 billion.

Exports are responsible for 20 percent of U.S. farm income, also driving rural economic activity and supporting more than one million American jobs both on and off the farm. USDA continues to work to boost export opportunities for U.S. agricultural products by opening new markets, pursuing new trade agreements, enforcing existing agreements, and breaking down barriers to trade.

Release No. 0149.17

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Federal Milk Marketing Order Statistics - November 2017

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,180.7	766.3	35.1	17.14
5 Appalachian	479.0	354.2	73.9	18.63
6 Florida	218.1	184.0	84.3	20.66
7 Southeast	422.9	316.7	74.9	19.07
30 Upper Midwest	2,099.4	281.3	13.4	16.67
32 Central	1,015.7	412.4	40.6	15.98
33 Mideast	1,486.3	560.2	37.7	16.24
124 Pacific Northwest	581.6	158.7	27.3	15.69
126 Southwest	694.5	373.8	53.8	16.76
131 Arizona	385.2	109.4	28.4	16.02
All Orders ¹	9,563.6	3,517.0	36.8	16.85

¹ Weighted average uniform prices at 3.5% butterfat at announced locations.

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