

THE COURIER

Monthly Newsletter

September 2016

USDA to Purchase Surplus Cheese

On August 23, 2016, the U.S. Department of Agriculture (USDA) announced plans to purchase approximately 11 million pounds of cheese from private inventories to assist food banks and pantries across the nation, while reducing a cheese surplus that is at its highest level in 30 years. The purchase, valued at \$20 million, will be provided to families in need across the country through USDA nutrition assistance programs, while assisting the stalled marketplace for dairy producers whose revenues have dropped 35 percent over the past two years.

"We understand that the nation's dairy producers are experiencing challenges due to market conditions and that food banks continue to see strong demand for assistance," said Agriculture Secretary Tom Vilsack. "This commodity purchase is part of a robust, comprehensive safety net that will help reduce a cheese surplus that is at a 30-year high while, at the same time, moving a high-protein food to the tables of those most in need. USDA will continue to look for ways within its authorities to tackle food insecurity and provide for added stability in the marketplace."

USDA to Purchase Surplus Cheese, cont'd on pg. 3 ➔

National Dairy Promotion and Research Order

The U.S. Department of Agriculture is amending the National Dairy Promotion and Research Order (Dairy Order) to modify the number of National Dairy Promotion and Research Board (Dairy Board) importer members. The total number of domestic Dairy Board members remains the same at 36 and the total number of importer members is reduced from 2 members to 1 member.

The Dairy Order requires that at least once every three years, after the initial appointment of importer members on the Dairy Board, the Secretary shall review the average volume of domestic production of dairy products compared to the average volume of imports of dairy products into the United States during the previous three years and, on the basis of that review, if warranted, reapportion the importer representation on the Dairy Board to reflect the proportional shares of the United States market served by domestic production and imported dairy products. The U.S. Department of Agriculture issued a proposed rule on April 1, 2016, asking for comments on the amendment.

National Dairy Promotion and Research Order, cont'd on pg. 3 ➔

USDA Seeks Nominees to the National Dairy Board

The U.S. Department of Agriculture (USDA) is asking dairy producer organizations and other interested parties to nominate candidates to serve on the National Dairy Promotion and Research Board. Nominations must be submitted by Wednesday, September 28, 2016.

USDA Seeks Nominees to the Dairy Board, cont'd on pg. 3 ➔



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	AUGUST 2016	JULY 2016	AUGUST 2015
PRICES: (Base Zone)			
Uniform Price	\$17.62	\$16.80	\$18.37
Class I Price	18.47	17.10	19.68
Class II Price	15.21	15.16	14.54
Class III Price	16.91	15.24	16.27
Class IV Price	14.65	14.84	12.90
Uniform Skim Milk Price	\$8.99	\$8.25	\$10.94
Class I Skim Milk Price	9.56	8.97	12.53
Class II Skim Milk Price	6.71	6.27	6.82
Class III Skim Milk Price	8.50	6.38	8.64
Class IV Skim Milk Price	6.16	5.96	5.14
Uniform Butterfat Price	\$2.5550	\$2.5242	\$2.2326
Class I Butterfat Price	2.6413	2.4129	2.1672
Class II Butterfat Price	2.4943	2.6034	2.2744
Class III Butterfat Price	2.4873	2.5964	2.2674
Class IV Butterfat Price	2.4873	2.5964	2.2674
PRODUCER MILK:			
Class I	348,681,298	296,136,979	316,925,397
Class II	83,139,301	74,606,607	81,444,654
Class III	12,140,742	15,201,010	21,389,829
Class IV	25,769,680	50,568,948	38,209,836
Total Producer Milk	469,731,021	436,513,544	457,969,716
PERCENT PRODUCER MILK IN:			
Class I	74.23	67.84	69.20
Class II	17.70	17.09	17.79
Class III	2.58	3.48	4.67
Class IV	5.49	11.59	8.34

F.O. 5 STATS FOR AUGUST 2016:

The Uniform Price for August 2016 was \$17.62 per cwt., an increase of \$0.82 from July 2016.

Total Class I Milk for August 2016 was 348,681,298 pounds, an increase of 31.8 million pounds, or 10.0 percent, compared to August 2015.

Class I Utilization was 74.23 percent for August 2016, an increase of 5.0 percentage points from August 2015.

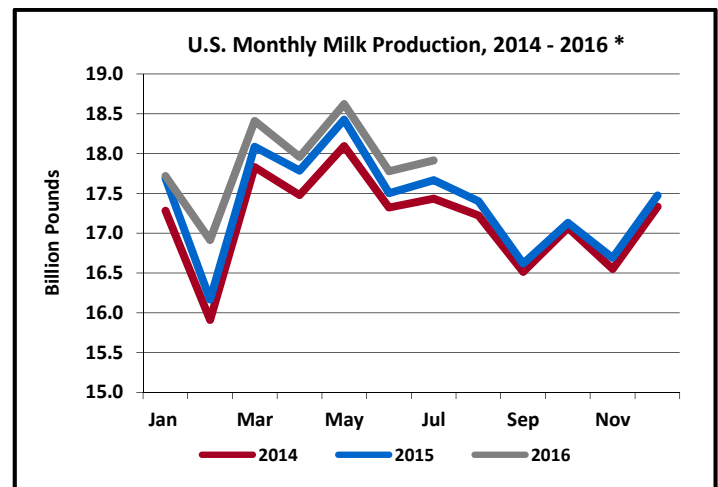
Total Producer Milk for August 2016 was 469,731,021 pounds, an increase of 11.8 million pounds, or 2.6 percent, compared to August 2015.

July Milk Production Up 1.4%

Milk production in the United States during July totaled 17.9 billion pounds, up 1.4 percent from July 2015.

Production per cow in the United States averaged 1,920 pounds for July, 23 pounds above July 2015.

The number of milk cows on farms in the United States was 9.33 million head, 18,000 head more than July 2015, and 2,000 head more than June 2016.



*Based on entire U.S. production

USDA to Purchase Surplus Cheese, cont'd from pg. 1

USDA received requests from Congress, the National Farmers Union, the American Farm Bureau and the National Milk Producers Federation to make an immediate dairy purchase. Section 32 of the Agriculture Act of 1935 authorizes USDA to utilize fiscal year 2016 funds to purchase surplus food to benefit food banks and families in need through its nutrition assistance programs.

USDA also announced that it will extend the deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy to Dec. 16, 2016, from the previous deadline of Sept. 30. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A USDA web tool, available at www.fsa.usda.gov/mpptool, allows dairy producers to calculate levels of coverage available from MPP based on price projections.

On August 4, USDA announced approximately \$11.2 million in financial assistance to U.S. dairy producers enrolled in MPP-Dairy, the largest payment since the program began in 2014.

While USDA projects dairy prices to increase throughout the rest of the year, many factors including low world market prices, increased milk supplies and inventories, and slower demand have contributed to the sluggish marketplace for dairy producers.

USDA will continue to monitor market conditions in the coming months and evaluate additional actions, if necessary, later this fall.

Release No. 0181.16

National Dairy Promotion and Research Order, cont'd from pg. 1

The Dairy Board was established under the Dairy Production Stabilization Act of 1983, as amended, to develop and administer a coordinated program of promotion, research, and nutrition education. The 37-member Dairy Board is authorized to design programs to strengthen the dairy industry's position in domestic and foreign markets. The program is financed by a mandatory 15-cent per hundredweight assessment on all milk marketed commercially and a 7.5-cent per hundredweight assessment on milk, or equivalent thereof, on dairy products imported into the United States.

The Final Rule was published in the August 12, 2016, *Federal Register* and available at www.regulations.gov.

USDA Seeks Nominees to the Dairy Board, cont'd from pg. 1

The Secretary of Agriculture will appoint 12 dairy producers to serve three-year terms beginning November 1, 2016, and ending October 31, 2019. The appointees will replace producer board members whose terms expire October 31, 2016.

USDA will accept dairy producer nominations from the following regions: Region 2 (California and Hawaii); Region 3 (Arizona, Colorado, Montana, Nevada, Utah, and Wyoming); Region 4 (Arkansas, Kansas, New Mexico, Oklahoma, and Texas); Region 6 (Wisconsin); Region 9 (Indiana, Michigan, Ohio, and West Virginia); Region 10 (Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and Virginia); Region 11 (Delaware, Maryland, New Jersey, and Pennsylvania); and Region 12 (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont). The Secretary will appoint five members for Region 2, and one member for each of the remaining regions.

For nominating forms and information, visit www.ams.usda.gov/dairy or contact Jill Hoover, Deputy Director, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave, SW, Room 2958-S, Stop 0233, Washington, D.C. 20250-0233; telephone (202) 720-1069; fax (202) 720-0285; or email at jill.hoover@ams.usda.gov.

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Federal Milk Marketing Order Statistics - July 2016

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,300.8	673.9	29.3	16.22
5 <i>Appalachian</i>	436.5	296.1	67.8	16.80
6 Florida	205.8	171.4	83.3	18.71
7 Southeast	418.1	287.3	68.7	17.20
30 Upper Midwest	2,713.0	258.6	9.5	15.34
32 Central	1,298.4	365.6	28.2	15.26
33 Mideast	1,686.1	500.1	29.7	15.45
124 Pacific Northwest	771.8	152.4	19.7	15.19
126 Southwest	1,172.0	323.0	27.6	16.11
131 Arizona	398.8	102.1	25.6	15.42
All Orders ¹	11,401.4	3,130.5	27.5	15.78

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

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