

Dairy Product Prices Statistics

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NASS

FACT FINDERS FOR AGRICULTURE
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Presentation to the Dairy Industry Advisory Committee

Overview

- **NASS Dairy Products Prices Program**
 - General History and Related Laws
 - Annual Validation and Reporters Counts
 - Weekly Survey and Reporters Counts
 - Weekly Report Preparation and Publication
 - Coverage
 - Respondent Contact
- **Confidential Data**
 - Auditor, Manufacturer, and Publication

Review of Dairy Product Prices (DPP)

History and Laws



- The beginning of the NASS DPP Program
 - BFP and AMS
 - Cheddar Cheese (1997)
 - Butter, Nonfat Dry Milk and Dry Whey (1998)
 - AMS FMMO Reform Rule (Class Prices)
- Laws related to this program
 - FMMO Reform Rule (1999)
 - Public Law 106-532 (2000)
 - Public Law 107-171 (2002)
 - AMS Interim Final Rule (July 2007)
 - AMS Final Rule (June 2008)

Dairy Products Prices

Annual Validation (AV)



- Determines eligibility for the DPP program
 - Screens operations based on commodities and specification
- Instructs operations how to complete the weekly DPP questionnaire (discuss all reporting specifications)
- Documents the operations reporting situation and all contact information
- Explains reporting expectations and requirements
- Establishes the firm's preferred method of reporting

Annual Validation Reporters



- AV interviews are completed for all operations making more than 900,000 lbs
 - Current NASS DPP Reporters
 - NASS Dairy Products – Target Commodities
- AV interviews are conducted in May and June
- DPP reporters must have completed an AV to be included in the weekly report
- New Plants

Weekly Dairy Products Prices Survey



- Non-Probability Survey
- Data collection runs Sunday – Wednesday
 - Fax, e-mail, and phone follow-up
- Collect plant level sales volume, sales dollars, weighted average price, and weighted moisture content based on survey specifications
- Check understanding of weekly reporters
- Initial NASS Field Office review of data

Weekly DPP Publication



- NASS HQ data review for reasonableness
 - Simple edit checks and advanced edit checks (% change to previous week, % change to previous report, etc.)
 - Additional data analysis (graphical analysis with comparisons to other data sources)
 - Reported data is compared with similar operations on both national and regional levels

Weekly DPP Publication



- NASS has two methods for addressing unusual data relationships
 - Operation call - backs
 - AMS data verification
- The DPP Report contains Total Volume, Weighted Average Price and Weighted Average Moisture Content (CC 500)
 - 5 weeks of data are published weekly
 - No adjustment are made for non-response (ALL data is reported)
 - Data is open for revision for the next 4 reports
 - Missing data, verification data, and plant revisions

Weekly DPP Reporter



- Reporting plant counts
 - 40 lbs cheddar blocks – 20 plants (MN/WI 7)
 - 500 lbs cheddar barrels – 16 plants (MN/WI 10)
 - Butter – 23 plants
 - NFDM – 38 plants
 - Dry Whey – 23 plants

Weekly DPP Coverage

2009	Pounds Produced (Million Lbs.)	Pounds Sold Per Specifications (Percent)
Cheddar Cheese	3,207	36%
Butter	1,573	12%
Nonfat Dry Milk	1,509	71%
Dry Whey	951	58%

Confidentiality

- U.S. Code, Title 7, Chapter 55, Section 2276
 - Information in all reports will be withheld from unauthorized disclosure and publication until the day and hour of public issuance
- What does this law mean to a auditor or manufacturer providing data to NASS?
- How does this law effect handling of sensitive market data up until publication?



Summary

- NASS Dairy Products Prices Program
 - Mandatory Surveys
 - Annual Validation
 - Weekly Survey
 - Weekly Publication
 - Analysis
 - Total Volume
 - Weighted Average Price
 - Weighted Average Moisture Content
- Confidential Data

For more Information

- NASS Website: <http://www.nass.usda.gov/>
 - Select Data and Statistics (from gray bar)
 - Select Dairy Products Mandatory Program (from About NASS Statistics)

- NASS Commodity Information Contacts
 - Joe Gaynor, Dairy Products Prices Statistician (202) 690-2168
 - Jim Collom, Dairy Products Statistician (202) 690-3236
 - Mike Miller, Milk Production Statistician (202) 720-3278
 - Dave Colwell, Cold Storage Statistician (202) 720-8784
 - Bruce Boess, Head - Poultry and Specialty Section (202) 720-3570
 - Scott Hollis, Head - Livestock Section (202) 720-3570
 - Dan Kerestes, Chief - Livestock Branch (202) 720-3570