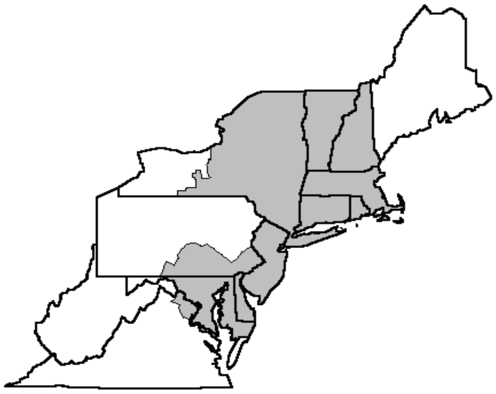

The Market Administrator's BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

March 2022 Federal Order No. 1

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March Pool Price Calculation

The March 2022 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $24.74 per hundredweight for milk delivered to plants located in Suffolk County, Massachusetts (Boston), the pricing point for the Northeast Order. The statistical uniform price is calculated at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. If reported at the average tests of producer pooled milk, the SUP would be $27.10 per hundredweight. The March statistical uniform price was $1.07 per hundredweight above the February price. The March producer price differential (PPD) at Suffolk County was $2.29 per hundredweight, a decrease of 47 cents from the previous month.

Product Prices Effect

All commodity prices reported on the National Dairy Product Sales Report increased in March. Butter increased 6 cents, nonfat dry milk rose 7 cents, and dry whey was up 1 cent, all on a per pound basis. The cheese price jumped 15 cents per pound due to a combination of a 17-cent increase in the block price and a 13-cent increase in the barrel price. The commodity price changes translated to 7-cent increases each in the per-pound butterfat and nonfat solids prices, a 1-cent increase in the other solids price, and a 40-cent jump in the protein price.

All class prices rose from the previous month: Class I rose $1.24; Class II grew 97 cents; Class III increased $1.54; and Class IV was up 82 cents, all on a per hundredweight basis. The Class IV price was the highest ever for the Order. With higher class prices, the SUP increased; it was the highest since September 2014 and the second highest ever for March. The Class III price remained the lowest of the class prices for the month, but the spread between the class prices decreased, resulting in a lower PPD.

Selected Statistics

Average daily deliveries per producer (DDP) set a record high for the month of March. The average producer butterfat test also set a record high for the month. The producer protein test was the second highest ever for March and other solids tests tied with 2020 as a record high for the month.❖

Pool Summary

- A total of 8,588 producers were pooled under the Order with an average daily delivery per producer of 8,660 pounds.
- Pooled milk receipts totaled 2.306 billion pounds, an increase of 1.0 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.2 percent of total milk receipts, down 1.8 percentage points from February.
- The average butterfat test of producer receipts was 4.09 percent.
- The average true protein test of producer receipts was 3.17 percent.
- The average other solids test of producer receipts was 5.78 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.2	673,151,797
Class II	23.4	538,212,691
Class III	30.4	701,452,779
Class IV	17.0	392,812,655
Total Pooled Milk		2,305,629,922

Producer Component Prices

	2022	2021
	$/lb	
Protein Price	2.7182	2.6954
Butterfat Price	3.0935	1.7176
Other Solids Price	0.6131	0.3652

Class Prices

	2022	2021
	$/cwt	
Class I	26.13	18.45
Class II	24.76	15.07
Class III	22.45	16.15
Class IV	24.82	14.18

Top Producing Counties—Northeast Milkshed

The top ten milk producing counties of the Northeast Order produced a combined 10 billion pounds of milk, contributing 37.0 percent to the almost 27 billion pounds produced in 2021. Over the last 20 years the top ten counties have slowly increased their contributing portion to the Northeast Order from 28.6 percent in 2001 to 36.4 percent in 2020. The total volume of pooled milk in the top ten counties also increased over the previous year, a growth of 2.4 percent over the 9.77 billion pounds in 2020, while the total pool volume increased 1.1 percent (all year-to-year comparisons are adjusted using a daily average to account for 2020 being a leap year). This rise is partially attributed to the re-pooling of milk depooled in 2020 brought on by the COVID 19 pandemic response, price dynamics, and some dumping of milk. Not all milk produced in the northeast is contained in these numbers, milk not pooled in the Northeast Order – specifically milk shipped to other federal orders, state orders, or unregulated areas – is not reflected in this article.

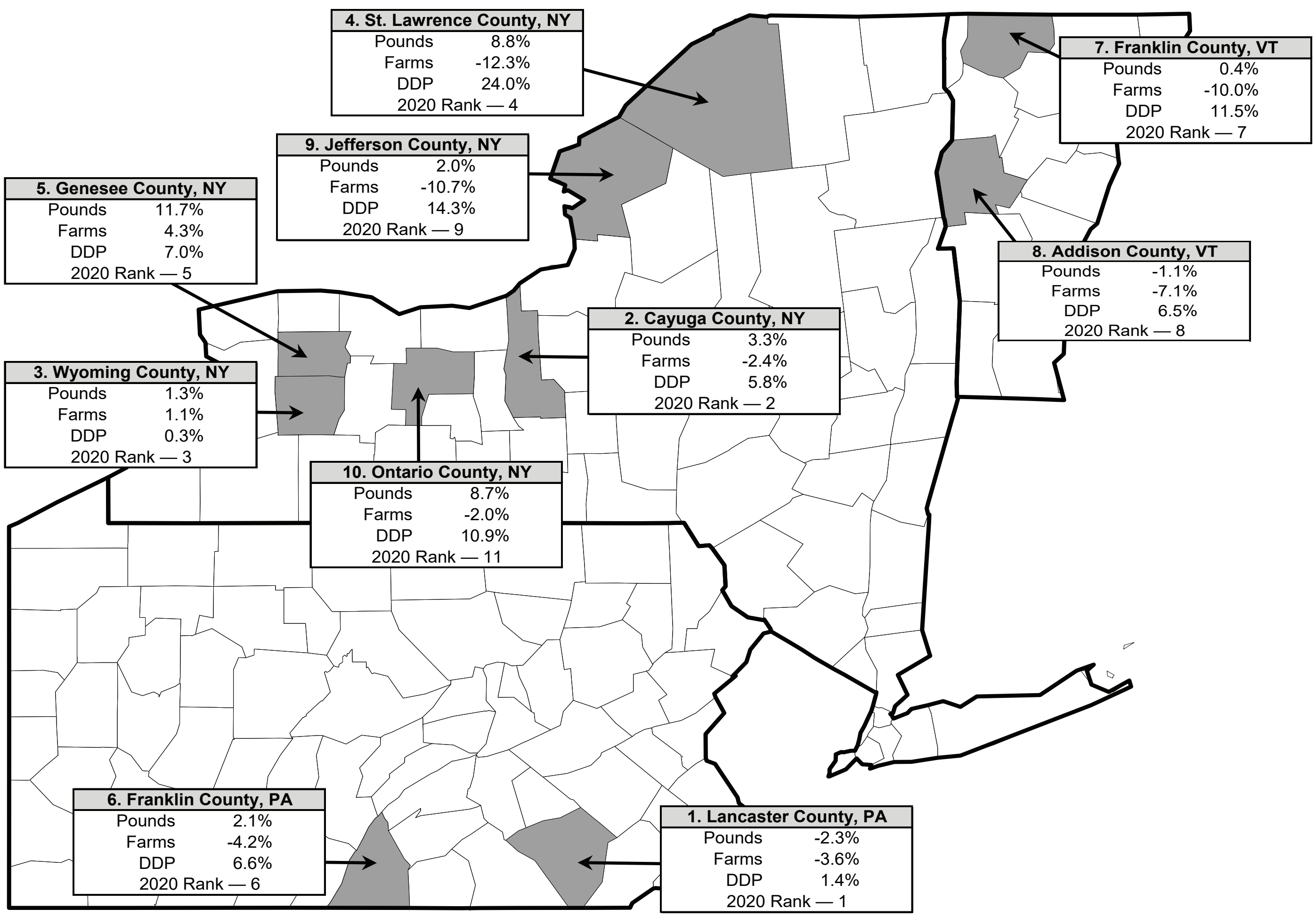
Top Ten Counties Pooling on the Northeast Order, 2021

Rank	County	State	Volume Pooled On Order (1,000 lbs)	Number of Farms	DDP
1	Lancaster	PA	2,253,475	1,378	4,480
2	Cayuga	NY	1,280,706	83	42,275
3	Wyoming	NY	1,010,908	96	28,850
4	St Lawrence	NY	881,280	222	10,876
5	Genesee	NY	873,736	48	49,871
6	Franklin	PA	783,675	230	9,335
7	Franklin	VT	769,412	108	19,518
8	Addison	VT	755,082	78	26,522
9	Jefferson	NY	693,122	125	15,192
10	Ontario	NY	683,360	97	19,301
	Top Ten Total		9,984,756	2,465	11,098
	Total Pool		26,986,137	8,420	8,781
	Top Ten Proportion (%)		37.0	29.3	

Source: Northeast Order audited producer payroll reports.

The accompanying table shows the top ten ranked counties for 2021 based on their volume pooled on the
(continued on page 3)

Top Ten Counties Year-to-Year Percent Change in Pounds and Farms Pooled and DDP, 2020–2021 (Pool Pounds Rank Indicated)



Top Producing Counties *(continued from page 2)*

Order. The accompanying map presents the change in pounds pooled, farms pooled, and DDP from 2020 to 2021 for the top ten counties. It also includes the counties' prior year rank.

Change in Rankings

Since the Order's inception, Lancaster County, PA, has held the top spot of pooled milk production in the Northeast Order, and alone accounted for 8.4 percent of milk pooled in 2021. Lancaster County, producing 2.3 million pounds of pooled milk in 2021, led by a margin of almost 1 million pounds over Cayuga County, NY. The county also contained the largest number of farms in the Northeast Order in 2021.

Only one county changed in the ranking when compared to 2020 - Ontario County in New York replaced Onondaga County, NY, for the number ten spot. Onondaga County, NY, experienced an increase in the volume of pooled milk produced from 2020 to 2021 (2.8 percent), but Ontario County increased by 8.7 percent, producing over 30 million more pounds of pooled milk than Onondaga County. Two counties in the top ten had a decrease in volume – Lancaster County, PA, fell 2.3 percent and Addison, VT, declined 1.0 percent. St Lawrence County, NY, experienced the largest rise in pooled milk production of the top ten with 8.8 percent, producing 68 million pounds more than in 2020.

Proportion of Farms and DDP

The proportion of farms in the Northeast Order accounted for by the top ten counties increased from 28.8 percent in 2020 to 29.3 in 2021. All top ten counties reported a decrease in the number of farms from the previous year except Genesee and Wyoming, both in New York. St Lawrence and Jefferson counties in New York, and Franklin County in Vermont, lost more than 10.0 percent of their dairy farms from 2020. As mentioned before, Lancaster County, PA, had the largest number of farms, not only of the top ten, but of the whole Northeast milkshed with 1,378 farms; Genesee County, NY, continued to have the least number of farms of the top ten with 48 farms.

As in previous years, the top ten beat the Northeast Order average daily deliveries per producer (DDP) by a large margin with a difference of over 2,000 pounds of milk. In contrast to having the least number of farms of the top ten, Genesee County, NY, managed to have the highest DDP of the highest producing counties and second highest in the Northeast behind Schuyler County, NY.❖

Tentative Calibration Truck Schedule, 2022

Month	Area
April	Southern PA, Northern PA, Central NY
May	Finger Lakes Region NY, Eastern NY, Connecticut
June	Central PA, Eastern NY
July	Southern PA, Northern NY, Central NY
August	Western NY, Eastern, NY
	Central PA, Eastern, NY, Maine, New Hampshire
September	Vermont
October	Southern PA, Central NY
November	Finger Lakes Region NY, Southern PA

Pool Summary for All Federal Orders, January–March, 2021–2022

Federal Order		Total Producer Milk*			Producer Price Differential#		Statistical Uniform Price#	
Number	Name	2021	2022	Change	2021	2022	2021	2022
		pounds		percent	dollars per hundredweight			
1	**Northeast**	**6,772,663,871**	**6,579,083,618**	**(2.9)**	**0.09**	**2.47**	**16.07**	**23.72**
5	Appalachian	1,376,168,905	1,391,460,368	1.1	N/A	N/A	17.64	24.82
6	Florida	624,370,017	649,877,510	4.1	N/A	N/A	19.64	26.66
7	Southeast	1,191,064,776	979,931,554	(17.7)	N/A	N/A	17.74	25.35
30	Upper Midwest	2,898,751,022	7,643,496,875	163.7	(0.78)	0.23	15.20	21.48
32	Central	2,813,140,868	3,759,775,805	33.7	(1.33)	0.83	14.65	22.07
33	Mideast	4,164,299,870	4,254,864,536	2.2	(0.80)	1.06	15.18	22.30
51	California^	5,888,148,826	5,523,930,003	(6.2)	(1.62)	0.93	14.36	22.18
124	Pacific Northwest	1,810,087,550	2,053,200,848	13.4	(1.23)	1.23	14.75	22.48
126	Southwest	3,020,098,752	3,377,449,878	11.8	(0.91)	1.34	15.07	22.59
131	Arizona	1,027,919,608	1,251,761,947	21.8	N/A	N/A	15.07	23.47
	All Market Total/Average	31,586,714,065	37,464,832,942	18.6	(0.94)	1.16	15.94	23.37

\# Price at designated order location. N/A = Not applicable.

* Data may not be comparable to previous years due to significant volumes of milk not pooled on federal orders.

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Computation of Producer Price Differential and Statistical Uniform Price*

		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Skim	657,747,659	$16.14	$106,160,472.16	
	Butterfat	15,404,138	3.0163	46,463,501.45	
Less:	Location Adjustment to Handlers			(2,844,133.20)	$149,779,840.41
Class II—	Butterfat	30,630,758	3.1005	94,970,665.19	
	Nonfat Solids	47,405,339	1.6011	75,900,688.28	170,871,353.47
Class III—	Butterfat	32,564,621	3.0935	100,738,655.10	
	Protein	22,220,049	2.7182	60,398,537.21	
	Other Solids	40,361,723	0.6131	24,745,772.40	185,882,964.71
Class IV—	Butterfat	15,600,444	3.0935	48,259,973.52	
	Nonfat Solids	35,219,809	1.6113	56,749,678.25	105,009,651.77
Total Classified Value					**$611,543,810.36**
Add:	Overage—All Classes				126,092.03
	Inventory Reclassification—All Classes				(96,504.24)
	Other Source Receipts	68,650			2,213.69
Total Pool Value					**$611,575,611.84**
Less:	Value of Producer Butterfat	94,199,961	3.0935	(291,407,579.34)	
	Value of Producer Protein	73,181,494	2.7182	(198,921,936.98)	
	Value of Producer Other Solids	133,295,875	0.6131	(81,723,701.04)	(572,053,217.36)
Total PPD Value Before Adjustments					**$39,522,394.48**
Add:	Location Adjustment to Producers				13,513,198.82
	One-half Unobligated Balance—Producer Settlement Fund				834,556.21
Less:	Producer Settlement Fund—Reserve				(1,069,652.30)
Total Pool Milk & PPD Value		**2,305,698,572**			**$52,800,497.21**
	Producer Price Differential		**$2.29**		
	Statistical Uniform Price		**$24.74**		

* Price at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.