

The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Steven G. Quadros, Acting Market Administrator

July 2025

Federal Order No. 1

To contact the Northeast Marketing Area offices:
 Boston, MA: phone (617) 737-7199, Albany, NY: phone (518) 452-4410, Alexandria, VA: phone (703) 549-7000;
 e-mail address: NortheastOrder@fedmilk1.com
 website address: www.fmmone.com

July Pool Price Calculation

The July 2025 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$20.56 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 \$22.55 per hundredweight. The July statistical uniform price was 40 cents per hundredweight above the June price. The July producer price differential (PPD) at Suffolk County was \$3.24 per hundredweight, an increase of \$1.90 from the previous month.

Product Prices Effect

Commodity prices for July: the butter price rose 9 cents, the nonfat dry milk price increased 3 cents, dry whey was up 2 cents, and the cheese price decreased 17 cents, all on a per pound basis. The commodity price changes translated to an 11-cent increase in the butterfat price, a 2-cent increase in both the nonfat solids and other solids prices, and a 66-cent drop in the protein price, all on a per pound basis.

Class Prices for July: Class I, based on prices in June, rose \$1.56; Class II increased 88 cents; Class III fell \$1.50; and Class IV increased 59 cents, all on a per hundredweight basis. The Class I extended shelf-life adjustment was \$1.14 per cwt, a decrease of 24 cents from the previous month. Due to Class III being the lowest class price for the month and increases in all other class prices, the PPD rose almost \$2.00 per cwt above June's. With a majority of the pooled milk utilized in classes whose prices increased, the statistical uniform price experienced a moderate increase from the previous month.

Selected Statistics

July Class II and III utilizations were the largest monthly volumes since the creation of the Northeast Order. The total producer receipts and average daily delivery per producer were the highest volumes for the month of July, and Class I utilization was the largest July volume of the past four years. The average producer butterfat and protein tests set new record highs for the month. ❖

Pool Summary

- A total of 7,253 producers were pooled under the Order with an average daily delivery per producer of 10,476 pounds.
- Pooled milk receipts totaled 2.355 billion pounds, no change from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 26.5 percent of total milk receipts, up 0.4 percentage points from June.
- The average butterfat test of producer receipts was 4.10 percent.
- The average true protein test of producer receipts was 3.13 percent.
- The average other solids test of producer receipts was 5.76 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	26.5	625,277,343
Class II	29.1	685,998,695
Class III	31.9	750,200,603
Class IV	12.5	293,898,446
Total Pooled Milk		2,355,375,087

Producer Component Prices

	2025	2024
	\$/lb	
Protein Price	1.8730	1.9466
Butterfat Price	2.8435	3.5720
Other Solids Price	0.3092	0.2571

Class Prices

	2025	2024
	\$/cwt	
Class I	23.92	24.36
Class II	19.31	21.82
Class III	17.32	19.79
Class IV	18.89	21.31

Market Update

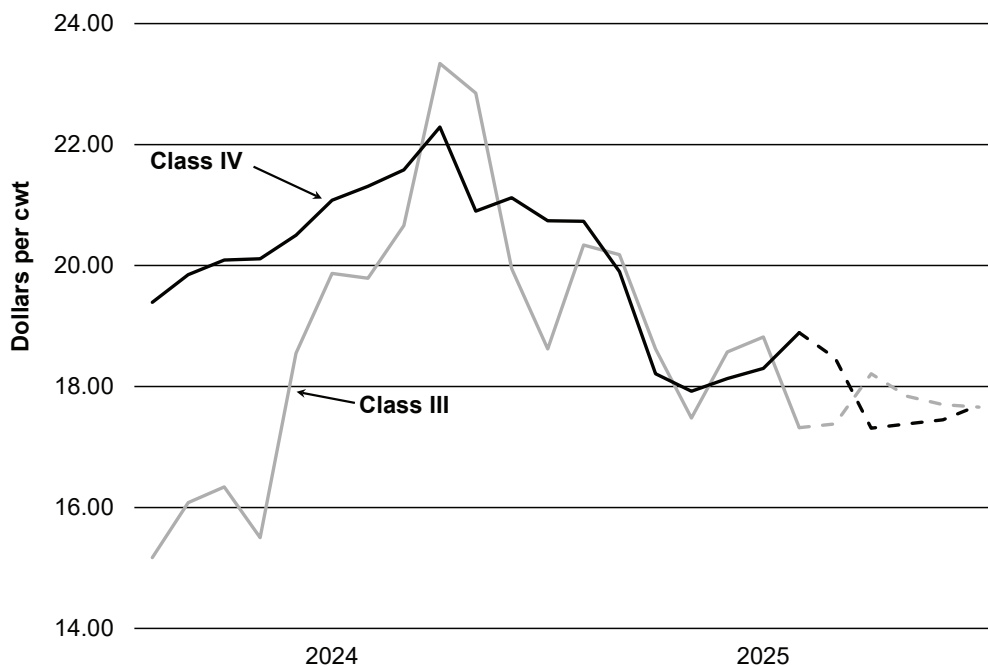
Price

From January to July 2025, the Northeast Order monthly statistical uniform price (SUP) at Boston, MA, averaged \$20.58 per hundredweight (cwt), with an average producer price differential (PPD) of \$1.82 per cwt. This is an 87-cent decrease from the 2024 monthly average (\$21.44 per cwt); currently, the 2025 monthly average PPD is 74 cents per cwt below the 2024 monthly average (\$2.55 per cwt).

The All Milk price—a gross monthly value per cwt representing the price farmers receive for milk at average test, calculated from United States Department of Agriculture (USDA) National Agricultural Statistics Service (NASS) surveys—generally follows a similar path to the Class III and IV prices. The most recently reported data (June 2025) show a national price of \$21.30 per cwt, a New York price of \$21.80 per cwt, a Pennsylvania price of \$21.30 per cwt, and a Vermont price of \$22.30 per cwt. The USDA's *World Agricultural Supply and Demand Estimates (WASDE)* August 2025 report projected a national All Milk price of \$22.00 per cwt for 2025 and \$21.90 per cwt for 2026.

In the past 19 months, the Class III price ranged from \$15.17 per cwt (January 2024) to \$23.34 per cwt (September 2024), and the Class IV price ranged between \$17.92 per cwt (April 2025) and \$22.29 per cwt (September 2024), with the September 2024 peaks driven by high butter and cheese prices. During this time, the gap between the two prices narrowed significantly—from \$4.22 per cwt in January 2024 to 52 cents per cwt in June 2025. The Class III price was lower than Class IV in 13 of the last 19 months, resulting in relatively higher PPDs in those months. August 27, 2025, CME futures for Class III and IV milk suggest both prices will remain close, with Class III possibly the lower of the two, through the remainder of 2025, as shown in Chart 1. Using August 27, 2025, CME futures for the remaining months of 2025 yields a 2025 monthly average

**Class III and Class IV Prices January 2024 to December 2025
(August 2025–December 2025 Projected)**



Source: NASS and CME.

Class III price of \$18.34 per cwt and a Class IV price of \$18.37 per cwt. The August 2025 WASDE report forecasts a proportional 2025 Class III price of \$18.50 per cwt and a Class IV price of \$18.95 per cwt.

Input Costs

The monthly average prices of soybeans and alfalfa hay published by NASS for January to June 2025 decreased from the 2024 monthly averages; however, corn increased. Corn prices rose 6.1 percent (\$0.26 per bushel) to \$4.53 per bushel, soybean prices decreased 7.9 percent (\$0.88 per bushel) to \$10.23 per bushel, and alfalfa hay prices fell 6.9 percent (\$12.75 per ton) to \$172.50 per ton. June 2025 NASS prices for soybeans (\$10.40 per bushel) and alfalfa hay (\$177 per ton) were lower than June 2024 prices; corn (\$4.47 per bushel) was \$0.01 per bushel above its June 2024 price.

Estimates using August 27, 2025, CME futures for corn and soybeans (the CME does not offer futures for alfalfa hay) suggest a 2025 yearly average of \$4.38 per bushel for corn and \$10.27 per bushel for soybeans. The August 2025 WASDE reported a projected 2025/2026 average farm price of \$10.10 per bushel for soybeans and \$3.90 per bushel for corn. NASS provides alfalfa hay prices for select states. In the Northeast, the June 2025 alfalfa hay price was reported at \$245 per ton in New York and \$250 per ton in Pennsylvania—both

Market Update (continued from page 2)

more than \$60 per ton above the national price.

The U.S. Energy Information Administration (EIA) estimates the average diesel price in 2025 will be \$3.658 per gallon, a decrease of \$0.103 per gallon from 2024. So far in 2025, the cost of diesel peaked in July at \$3.779 per gallon and bottomed out in May at \$3.499 per gallon. The EIA estimates prices will remain relatively flat for the rest of the year, ranging from \$3.601 to \$3.800 per gallon between August and December.

The Federal Reserve has kept the federal funds rate steady, targeting 4.25 to 4.50 percent. The current cost of borrowing has some analysts suggesting dairy farmers will forgo improvements and expansions until rates drop, thereby negatively impacting short-term milk production growth.

Demand

The Conference Board's Consumer Confidence Index (CCI) – a measure of consumers' view of the health of the economy – was 97.4 in August, down from 98.7 in July; a CCI score above 100 means consumers feel optimistic about the economy. The Restaurant Performance Index (RPI) stood at 100.0 in June, a 0.1 percentage point decrease from the previous month; values over 100 suggest market expansion. The Expectations Index, which measures the six-month outlook for restaurant operations, was 100.1 in June, indicating that restaurant owners are optimistic that their sales will improve but remain unsure about the overall economy.

The Bureau of Labor Statistics reported that the Consumer Price Index (CPI) increased 2.7 percent for all items in July 2025 versus July 2024; food prices rose 2.9 percent on average. The CPI for dairy and related products increased 1.5 percent over the same period. All dairy product groupings in the CPI increased: fresh whole milk prices rose 2.0 percent, prices for milk other than whole rose 2.9 percent, cheese and related products increased 2.3 percent, other dairy and related products increased 0.6 percent, and ice cream and related products increased 1.0 percent.

According to the U.S. Dairy Export Council (USDEC) Data Hub, skim milk powder/nonfat dry milk (SMP/NFDM), cheese, and whey were the three largest dairy product exports. SMP/NFDM accounts for the largest category of dairy exports from January to June 2025; 332,721 metric tons were exported, an 11.6 percent decrease from 2024. Southeast Asia and Mexico remain the two largest importers of U.S. SMP/NFDM. Mexico experienced a slight increase of 7,650 MT year-to-date, while

Southeast Asia declined by 31,935 MT. U.S. cheese exports grew 11.1 percent, with most growth in Central America, South Korea, and Japan. The third largest dairy export, whey, decreased 4.3 percent, with most growth in exports occurring in Mexico and Southeast Asia; by and large, China remains the largest importer of American whey at 106,293 MT year-to-date.

Production

The August 2025 WASDE report anticipates a 1.0 percent increase in U.S. dairy production – to an estimated 229.2 billion pounds in 2025, compared with 225.9 billion pounds in 2024. For January through July, NASS Milk Production reported an annual increase of 1.7 percent on an average daily basis (to account for the extra day in the leap year) compared with the same period in 2024. From January to July 2025, U.S. milk production exceeded the previous year each month; national milk production in June and July 2025 increased by more than 3.0 percent. Year-to-date national milk production through July 2025 totaled 135.0 billion pounds, 1.8 billion pounds more than 2024. The three largest milk-producing states in the Northeast had year-to-date (January–July) increases in milk production on an average daily basis: New York (1.9 percent), Pennsylvania (0.1 percent), and Vermont (0.6 percent). New York produced 152.0 million more pounds of milk from the same period last year.

NASS reported that, from January to June 2025, U.S. butter production increased 4.9 percent (55.6 million pounds) on an average daily basis to 1,261.9 million pounds, compared with the same months in 2024. Nonfat dry milk (NFDM) production decreased 1.0 percent (12.0 million pounds) on an average daily basis to 928.3 million pounds. Lastly, national cheese production increased 4.9 percent (118.5 million pounds) on an average daily basis to 7,261.5 million pounds. In the Northeast, Pennsylvania butter production decreased by an average daily 8.6 percent (4.0 million pounds) during that same comparison period, while NFDM production increased 7.0 percent (4.6 million pounds) to 73.7 million pounds. Cheese production increased 0.8 percent (2.1 million pounds) to 232.2 million pounds in New York, decreased 0.8 percent (2.5 million pounds) to 232.2 million pounds in Pennsylvania, and decreased 0.6 percent (0.6 million pounds) to 73.8 million pounds in Vermont; all on an average daily basis. ❖

RETURN SERVICE REQUESTED

FIRST CLASS MAIL

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410 or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

Computation of Producer Price Differential and Statistical Uniform Price*

		<u>Product Pounds</u>	<u>Price per cwt. / lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I	Skim Milk	609,781,039	\$14.76	\$90,003,681.36	
	Butterfat	15,496,304	2.7652	42,850,379.82	
	Less: Location Adjustment to Handlers			(4,548,825.68)	\$128,305,235.50
Class II	Butterfat	38,236,419	2.8505	108,992,912.36	
	Nonfat Solids	60,088,138	1.0744	64,558,695.47	173,551,607.83
Class III	Butterfat	31,566,069	2.8435	89,758,117.22	
	Protein	23,555,925	1.8730	44,120,247.51	
	Other Solids	43,194,495	0.3092	13,355,737.87	147,234,102.60
Class IV	Butterfat	11,318,041	2.8435	32,182,849.57	
	Nonfat Solids	26,225,948	1.0286	26,976,010.11	59,158,859.68
Total Classified Value					\$508,249,805.61
	Add: Value for 60(e) through 60(i)				2,064,390.92
	Other Source Receipts	266,760			
Total Pool Value					\$510,314,196.53
	Less: Value of Producer Butterfat	96,616,833	2.8435	(274,729,964.65)	
	Value of Producer Protein	73,795,240	1.8730	(138,218,484.57)	
	Value of Producer Other Solids	135,632,356	0.3092	(41,937,524.47)	(454,885,973.69)
Total PPD Value before Adjustments					\$55,428,222.84
	Add: Location Adjustment to Producers				20,994,194.28
	One-half Unobligated Balance - Producer Settlement Fund				996,512.16
	Less: Producer Settlement Fund - Reserve				(1,096,133.39)
Total Pool Milk & PPD Value					\$76,322,795.89
	Producer Price Differential		\$3.24		
	Statistical Uniform Price		\$20.56		