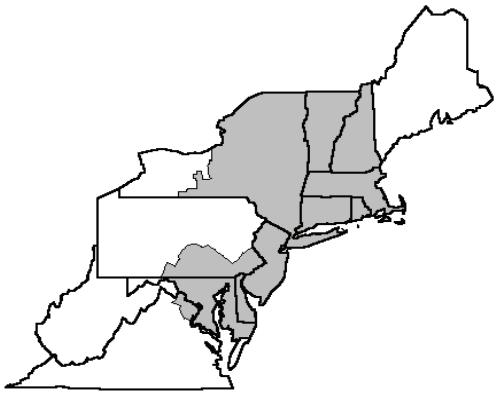

The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

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November 2025 Federal Order No. 1

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November Pool Price Calculation

The November 2025 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $17.35 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, 3.18 percent protein, and 5.79 percent other solids. If reported at the average tests of producer pooled milk, the SUP would be $20.24 per hundredweight. The November statistical uniform price was 85 cents per hundredweight below the October price. The November producer price differential (PPD) at Suffolk County was $0.17 per hundredweight, a decrease of $1.12 from the previous month.

Product Prices Effect

Commodity prices for November: the butter price fell 10 cents, the nonfat dry milk and cheese prices remained relatively unchanged, and dry whey was up 5 cents, all on a per pound basis. The commodity price changes translated to a 12-cent decrease in the butterfat price, a 5-cent increase in the other solids price, a 14-cent rise in the protein price, and no change in the nonfat solids price, all on a per pound basis.

Class Prices for November: Class I, based on prices in October, dropped $1.29; Class II decreased $1.48; Class III rose 27 cents; and Class IV decreased 41 cents, all on a per hundredweight basis. The Class III price increased from the previous month, while all other Class prices decreased. This increased the price gap between Class III and IV to $3.29 per cwt in favor of Class III; this resulted in a lower PPD than October and a negative PPD at most differential zones. The lower PPD and small increase in the Class III price created an SUP less than the previous month.

Selected Statistics

The total producer receipts, Class II utilization, Class III utilization, and average daily delivery per producer were the highest volumes in the Northeast Order for the month of November since the creation of the Order. The average producer butterfat and protein tests set new record highs for the Northeast Order; the average producer butterfat was 0.15 percentage points higher than the previous year and the average producer protein test was 0.09 percentage points higher. ❖

Pool Summary

- A total of 7,077 producers were pooled under the Order with an average daily delivery per producer of 10,432 pounds.
- Pooled milk receipts totaled 2.215 a decrease of 0.8 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.3 percent of total milk receipts, down 0.3 percentage points from October.
- The average butterfat test of producer receipts was 4.49 percent.
- The average true protein test of producer receipts was 3.38 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.3	648,887,334
Class II	26.8	594,294,874
Class III	30.0	665,132,255
Class IV	13.9	306,446,633
Total Pooled Milk		2,214,761,096

Producer Component Prices

	2025	2024
	$/lb	
Protein Price	3.0143	2.3160
Butterfat Price	1.7061	3.0623
Other Solids Price	0.3859	0.4049

Class Prices

	2025	2024
	$/cwt	
Class I	21.85	25.78
Class II	14.54	21.52
Class III	17.18	19.95
Class IV	13.89	21.12

Looking Ahead 2026

Using the Chicago Mercantile Exchange (CME) Class III and IV milk futures prices, as settled on December 26, 2025, to substitute the December Class III & IV prices, the 2025 Class III & IV prices average $18.01 per cwt and $17.37 per cwt, respectively. This resulted in decreases of $0.88 per cwt in Class III and $3.37 per cwt in Class IV from their 2024 averages. The United States Department of Agriculture's (USDA) *World Agricultural Supply and Demand Estimates* (WASDE) December 2025 report forecasts the all-milk price for 2025 to be $21.00 per cwt, the annual average Class III price $18.10 per cwt, and Class IV price $17.40 per cwt. In addition, the WASDE forecasts a 2026 all-milk average price of $18.75 per cwt, average Class III price of $17.05 per cwt, and average Class IV of $14.40 per cwt. In comparison, the CME Class III and IV milk futures prices, as settled on December 26, 2025, for 2026 months average to a Class III price of $16.91 per cwt and Class IV price of $15.04 per cwt. This article reviews some supply and demand factors and economic indicators with a look to 2026.

Select Cost Factors

Feed costs overall decreased slightly throughout 2025, and CME future prices suggest going into 2026, soybean and corn prices may experience an increase. The price of corn and soybeans decreased 8.4 percent and 2.9 percent, respectively, between January 2025 and October 2025 as reported by the National Agricultural Statistics Service (NASS). Using NASS reported prices for the first 10 months of 2025, the price for corn in 2025 averaged $4.34 per bushel. Using the available CME futures months for 2026, as settled on December 26, 2025, the average corn price is $4.60 per bushel, and a 2025/2026 forecasted price from the WASDE at $4.00 per bushel suggests some increase in corn prices in the near future. Soybean prices for 2025 are estimated to average $10.12 per bushel using data reported by NASS; 2026 CME futures indicate a price between $10.50 per bushel and $11.00 per bushel going into the new year. The WASDE forecast a 2025/2026 soybean price of $10.50 per bushel. The CME does not offer futures for alfalfa hay, which limits the ability of price projection. However, looking at trends using NASS prices throughout 2025, alfalfa hay has decreased $23 per ton between May 2025 and October, with a modest 4.3 percent increase in price ($161 to $168 per ton) from January to October.

According to the U.S. Energy Information Administration (USEIA), the cost of retail diesel rose 5.2 percent between January and November 2025, an increase of $0.19 per gallon. The USEIA reported the national average price for retail diesel in November was $3.82 per gallon, a drop of 30 cents from November 2024. The USEIA forecast diesel fuel prices to decline early 2026, predicting an average price of $3.67 per gallon in 2025 and $3.50 per gallon in 2026.

Supply Factors

The WASDE December 2025 report anticipates a 1.2 percent increase in U.S. dairy production, to an estimated 234.1 billion pounds for 2026 compared to the projected 231.4 billion pounds for 2025. For the months January to November the USDA NASS *Milk Production* reported an annual increase of 2.6 percent, on an average daily basis to account for the extra day brought on by leap year, when compared to the same period in 2024. From January to November, U.S. milk production in 2025 has increased each month above the previous year, every month has increased at least 0.5 percent over 2024 with each month between June to November seeing milk production increases between 3.3 and 4.5 percent. U.S. monthly milk per cow (MPC) in 2025 outperformed 2024 in 9 of the 11 reported months for 2025; in November 2025 MPC was 1,963 pounds per head, 41 pounds per head over November 2024.

The Federal Reserve Bank has decreased interest rates throughout later 2025, with current interest rates targeted between 3.50 and 3.75 percent. The intention in lowering the interest rate, specifically in the dairy industry, is this would decrease the cost of borrowing and encourage farmers and processors in purchasing new equipment and expanding operations, ultimately causing growth in the market.

Demand Factors

According to the U.S. Dairy Export Council (USDEC) Data Hub, skim milk powder/nonfat dry milk (SMP/NFDM) account for the largest category of dairy exports; through September, 499,470 metric tons of SMP/NFDM have been exported, a decrease of 13.6 percent from 2024. Southeast Asia and Mexico remain the two largest importers of U.S. SMP/NFDM. Mexico has experienced a 2.0 percent year-over-year decrease, while Southeast Asia imports decreased 25.5 percent. U.S. cheese exports have grown by 17.2 percent with most growth occurring in Mexico, South Korea, Central America, and Japan. The third largest dairy export, whey, also decreased 3.6 percent with some small growth in exports occurring in Mexico, Canada, and South America. By large, China still remains the largest importer of American whey, and exports have remained relatively flat.

Domestic Situation

The Conference Board's Consumer Confidence Index (CCI), a measurement of the consumers' view of the health of the economy, is at 98.4 for November, down from 98.5 in October; a CCI score above 100 means consumers feel optimistic about the economy. The Restaurant Performance Index (RPI) stood at 99.8 in October, a 0.4 percentage point increase from the previous month; values over 100 suggest expansion of the market. The Bureau of Labor Statistics

(continued on page 3)

Looking Ahead *(continued from page 2)*

reported the Consumer Price Index (CPI) increased 2.7 percent for all items in November 2025 vs November 2024. The CPI for dairy and related products decreased 1.6 percent for November 2025 relative to November 2024. All dairy product groupings included in the CPI experienced decreases: fresh whole milk prices decreased 2.3 percent, fresh milk other than whole prices dipped 0.2 percent, cheese and related products decreased 2.4 percent, other dairy and related products dropped 1.4 percent, and ice cream and related products decreased 1.7 percent. ❖

PPD Positive at Base Zone, Negative for Most Locations

The November 2025 producer price differential (PPD) at the Boston, MA, location was $0.17 per hundredweight. Milk priced at plants located in differential zones of $4.90 or lower will result in a negative PPD.

The total value of the federal order pool is determined by the respective class prices and the volume of milk utilized in each class. For the month of November, the "total pool value" equaled $428,745,109.79. The total value of all producer components (butterfat, protein, and other solids) equaled $444,534,109.56, or roughly $15.8 million more than the total pool value (see page 4 for pool computation), leaving no value left. Since the payout to producers must equal the value of the milk utilized in the pool, a negative PPD occurs in lower differential zones since no pool value remains after paying producers for component value. This scenario occurs due to the Class I and Class II skim milk prices being set in advance, based on wholesale market prices that are less than the more current and higher wholesale prices used in the calculation of Class III and IV prices and the component prices paid to producers.

Any class price higher than the Class III price contributes to the pool of money normally returned to producers in a positive PPD. With Class II and IV prices significantly below ($2.64 and $3.29, respectively) the Class III price, and the sizeable volumes (40.7 percent) in the combined lower-priced classes, the classified value of the pool was diminished and producers received most of the pool value in their component payments. This was due, in large part, to the relatively stronger Class III protein price ($3.0143 per pound). The butter price has declined notably recently, pulling the butterfat, Class IV, and Class II prices lower.

Regardless of the level of the PPD, producers who are not members of cooperatives receive an amount represented by the SUP. Of course, each producer's SUP will vary depending on their individual component tests, location of the plant to which their milk was shipped, and other hauling, premiums, and negotiated payments. Cooperative members may receive a different price depending on their cooperative policy, though the market administrator ensures that cooperatives are paid at least the minimum SUP for all milk the cooperative marketed. ❖

2026 Payment Dates to Producers

The calendar below shows the dates for partial payments to producers that are not members of cooperatives. Partial payments are paid to producers for the milk received by pool handlers during the first 15 days of the month and are paid at not less than the lowest announced class price for the preceding month, less proper deductions authorized in writing by the producer. As required by the Order, payment must be made so that a producer receives it no later than the date shown. The table dates vary due to weekends and national holidays. The final payment date that non-member producers must be paid is dependent on the date that the statistical uniform price is announced. Each month, the date that final payments to producers must be received by is printed on the back of the Pool Price Announcement. The final payment is for the remaining milk received and is priced such that the producer should receive an average price for the entire month's milk at roughly the uniform price with adjustments for zone differential, component values, and other deductions relevant to that producer. Producers that are members of cooperatives usually receive payments at the same time, although it is not required by the Order. ❖

Required Producer Payments Under the Northeast Order

Month Milk Produced	Partial Payment Due	
	Day	Date
January	Monday	1/26/2026
February	Thursday	2/26/2026
March	Thursday	3/26/2026
April	Monday	4/27/2026
May	Tuesday	5/26/2026
June	Friday	6/26/2026
July	Monday	7/27/2026
August	Wednesday	8/26/2026
September	Monday	9/28/2026
October	Monday	10/26/2026
November	Friday	11/27/2026
December	Monday	12/28/2026

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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 Milk	631,973,252	$15.72	$99,346,195.21	
	Butterfat	16,914,082	1.9093	32,294,056.76	
Less:	Location Adjustment to Handlers			(4,741,720.94)	$126,898,531.04
Class II	Butterfat	35,012,647	1.7131	59,980,165.60	
	Nonfat Solids	53,654,634	0.9833	52,758,601.59	112,738,767.19
Class III	Butterfat	31,710,788	1.7061	54,101,775.40	
	Protein	22,466,186	3.0143	67,719,824.46	
	Other Solids	38,362,028	0.3859	14,803,906.58	136,625,506.44
Class IV	Butterfat	15,796,186	1.7061	26,949,872.95	
	Nonfat Solids	27,869,484	0.9124	25,428,117.25	52,377,990.20
Total Classified Value					**$428,640,794.87**
Add:	Value for 60(e) through 60(i)				104,314.92
	Other Source Receipts	178,739			
Total Pool Value					**$428,745,109.79**
Less:	Value of Producer Butterfat	99,433,703	1.7061	(169,643,840.65)	
	Value of Producer Protein	74,824,434	3.0143	(225,543,291.39)	
	Value of Producer Other Solids	127,875,039	0.3859	(49,346,977.52)	(444,534,109.56)
Total PPD Value before Adjustments					**($15,788,999.77)**
Add:	Location Adjustment to Producers				19,565,139.15
	One-half Unobligated Balance - Producer Settlement Fund				1,026,857.63
Less:	Producer Settlement Fund - Reserve				(1,037,599.20)
Total Pool Milk & PPD Value		**2,214,939,835**			**$3,765,397.81**
	Producer Price Differential		**$0.17**		
	Statistical Uniform Price		**$17.35**		