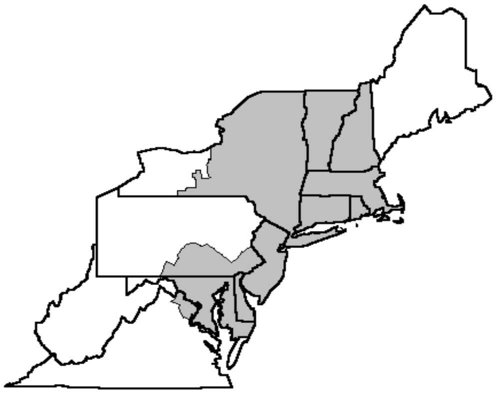


The Market Administrator's BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Acting Market Administrator

July 2019 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 2019 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $18.83 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 $19.40 per hundredweight. The July statistical uniform price was 55 cents per hundredweight above the June price. The July producer price differential (PPD) at Suffolk County was $1.28 per hundredweight, a decrease of 73 cents per hundredweight from last month.

Product Prices Effect

Similar to June, commodity product price changes were mixed in July. Butter rose 2 cents per pound while cheese jumped 13 cents per pound. Both nonfat dry milk and dry whey decreased less than 1 cent per pound. These changes resulted in a nearly 3-cent increase in the butterfat price (making it the second highest ever for the month of July) and a 40-cent jump in the protein price. The nonfat solids and other solids prices both declined less than 1 cent per pound.

All class prices increased from the previous month. The Class I price increased 11 cents, Class II rose 31 cents, Class III jumped $1.28, and Class IV increased 7 cents, all on a per hundredweight basis. Class I utilization increased from the previous month. With overall higher prices and increased utilization in the higher-priced classes, the SUP increased. The spread between the highest class and the lowest-priced class decreased resulting in a lower PPD. The July SUP was the highest since November 2015.

Selected Statistics

Average daily deliveries per producer set a new record high for the month of July. The Class IV volume was the third highest ever for the month. The average producer butterfat component test set a new record high for the month of July, while the average other solids test tied with past years for a July record high.❖

Pool Summary

- A total of 9,621 producers were pooled under the Order with an average daily delivery per producer of 7,510 pounds.
- Pooled milk receipts totaled 2.24 billion pounds, a decrease of 3.5 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.6 percent of total milk receipts, down 1.6 percentage points from June.
- The average butterfat test of producer receipts was 3.73 percent.
- The average true protein test of producer receipts was 2.97 percent.
- The average other solids test of producer receipts was 5.76 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.6	662,624,551
Class II	25.1	563,199,718
Class III	27.2	608,459,026
Class IV	18.1	405,592,213
Total Pooled Milk		2,239,875,508

Producer Component Prices

	2019	2018
	$/lb	
Protein Price	2.4032	1.4827
Butterfat Price	2.6858	2.5287
Other Solids Price	0.1689	0.1422

Class Prices

	2019	2018
	$/cwt	
Class I	20.43	18.61
Class II	17.61	15.20
Class III	17.55	14.10
Class IV	16.90	14.14

U.S. Milk Production Flat; Northeast Pooled Volume Down

Total estimated US milk production for the first 6 months of 2019 was down only 28 million pounds from the same period in 2018, relatively unchanged on a percentage basis. During the same period, the total pooled milk volume for the Northeast Order decreased 1.9 percent.

Milk Production in the Top Ten States, and Selected Areas, January–June, 2018 vs. 2019

Rank	State	2018	2019	Percent Change
		(million pounds)		
1	California	20,596	20,824	1.1
2	Wisconsin	15,260	15,359	0.6
3	Idaho	7,484	7,648	2.2
4	New York	7,436	7,574	1.9
5	Texas	6,461	6,874	6.4
6	Michigan	5,627	5,710	1.5
7	Pennsylvania	5,519	5,153	(6.6)
8	Minnesota	4,952	4,987	0.7
9	New Mexico	4,273	4,136	(3.2)
10	Washington	3,348	3,361	0.4
	Top Ten Total	80,956	81,626	0.8
24 Major States		104,511	104,837	0.3
Northeast Milkshed		16,598	16,201	(2.4)
Top 3 Northeast		14,306	14,088	(1.5)
U.S. Total		110,230	110,202	(0.0)

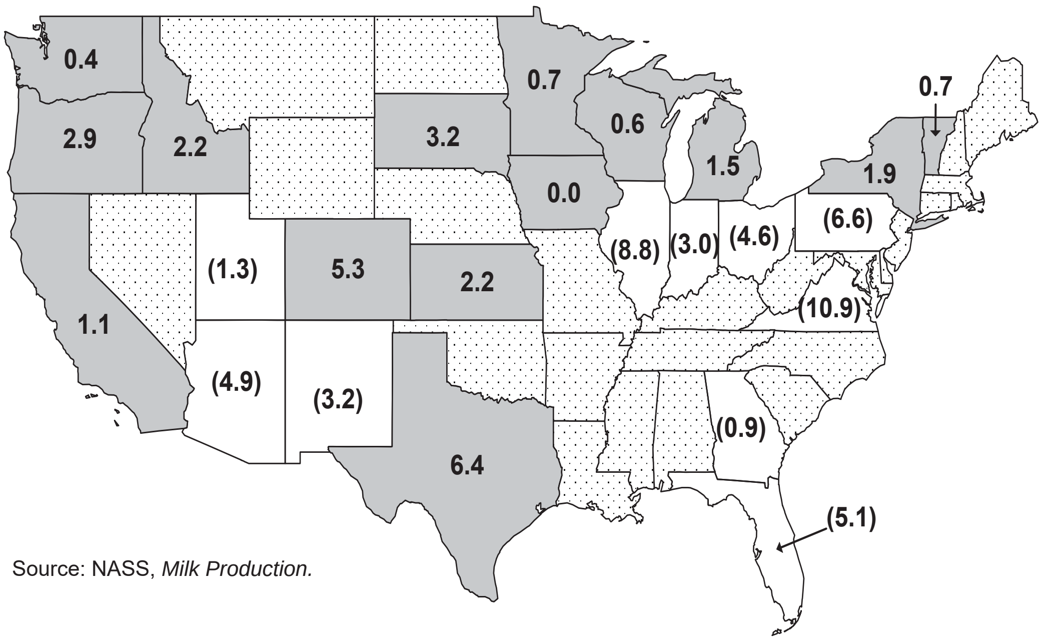
Source: NASS, *Milk Production.*

Milk Production

The top ten states, ranked by total production during the first 6 months, increased 0.8 percent from 2018. The accompanying table shows the change along with a comparison for other selected areas. Texas reported the largest increase, followed by Idaho that displaced New York in the number three spot. The only top ten states showing declines were Pennsylvania and New Mexico. Total production for the 24 major states as reported by NASS (National Agricultural Statistics Service) rose a slight 0.3 percent for January-June period compared to the previous year. Georgia was added this year to the major states.

The accompanying map shows year-to-year percent changes for the January-June period for the NASS 24 major milk production states. Of this group, Texas reported the largest increase, followed by Colorado, and South Dakota. Eleven of the 24 states reported declines: the largest in Virginia, Illinois, and Pennsylvania. In the Northeast, the states contributing to the Northeast Order milkshed had a combined decrease of 2.4 percent. The combined New England states increased a slight 0.3 percent for the period. The only Northeast milkshed states showing increases were Maine, New York, and Vermont. The top three contributing states (New York, Pennsylvania, and Vermont) had a combined decline of 1.5 percent.

January–June 2019 Milk Production in the NASS 24 Major States (Year-to-Year Percent Change)



Source: NASS, *Milk Production.*

Pool Volume

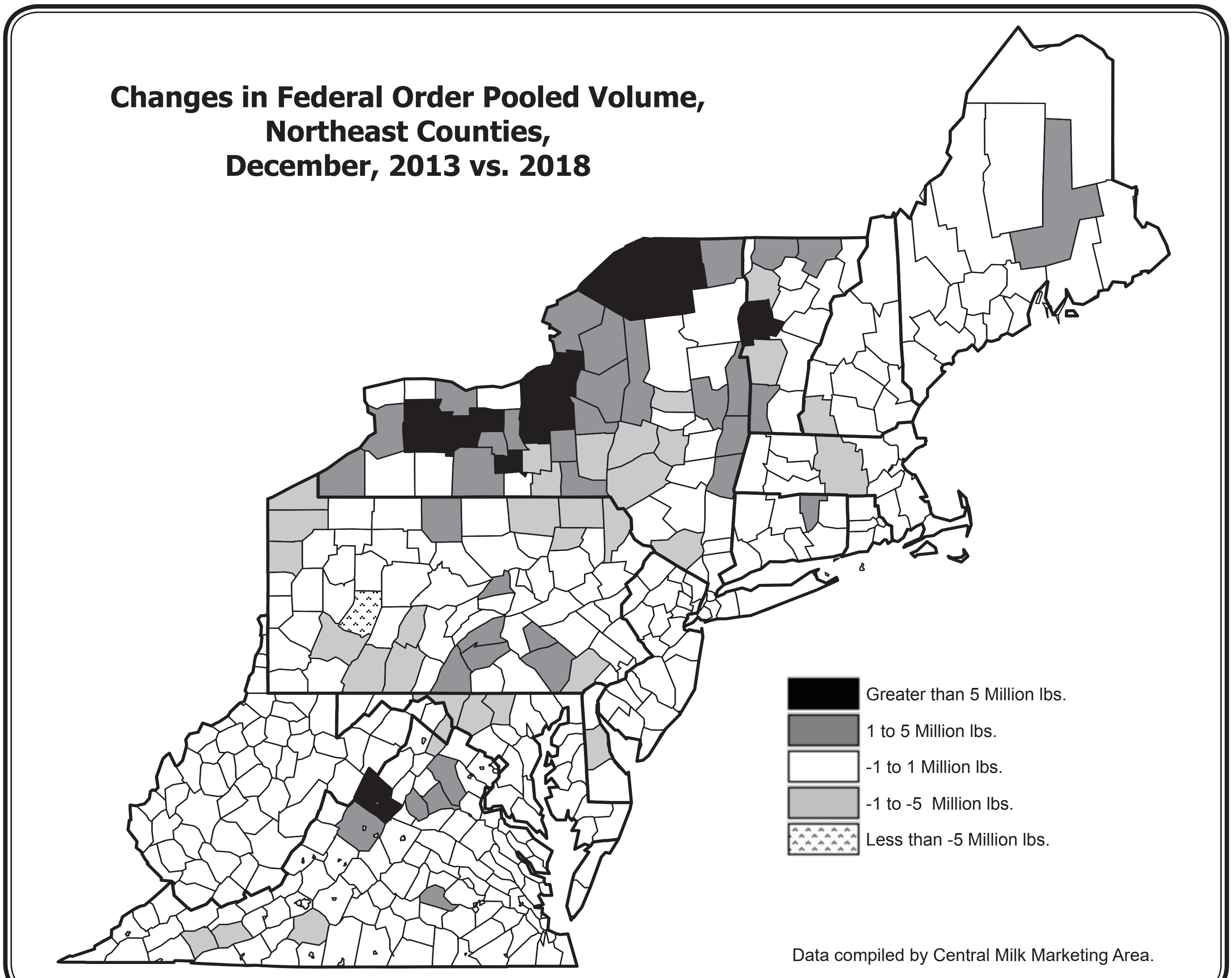
Total producer volume for the first six months for the Northeast Order was down 1.9 percent from the same period in 2018. This compares to a decrease of 0.9 percent for the 6 month period in 2018 over 2017. Based on estimated pooled volume for the last five months of 2018, total annual pooled volume is projected to decline about 1.5 percent from the previous year.❖

Changes in Federal Order Milk Pooled by County—Northeast Area Milkshed

In the March 2019 *Bulletin*, we discussed the top ten counties in terms of milk pooled on the Northeast Order during 2018. This *Bulletin* compares milk pooled on federal orders during December 2013 and 2018, by county, for states in the Northeast area milkshed. Data was compiled by the Central Milk Marketing Area (Federal Order #32). In next month's *Bulletin*, we will discuss national marketings by county.

The map below shows changes in milk pooled for the month of December for the years 2013 vs. 2018. The map includes all milk pooled on federal orders from each county, not just milk pooled on the Northeast Order. Some of the counties, especially those in Western New York, Western Pennsylvania, Maryland, and Virginia, have milk pooled on other federal orders such as the Mideast, Appalachian, and Southeast Orders.

Counties shaded black had the largest growth over the 5-year period. Most of them were in Northern or Western New York. Of the top ten counties with milk pooled on the Northeast Order, 6 were in that range with growth of 5 million pounds or more from 2013 to 2018. The 4 remaining top ten contributing milkshed counties had increases in the 1 to 5 million pound range. Overall, in the Northeast region, 12 counties had growth of at least 5 million pounds and 35 were in the 1 to 5 million pound range. Counties with changes ranging from 1 million to -1 million totaled 221. These counties are shown in white. In addition, there are 133 counties in the Northeast area states that had no federal order milk marketings in either of the years that are also shown in white. Those with larger declines included 33 counties in the -1 to -5 million pound range and 1 county that had decreased marketings of greater than 5 million pounds.❖



MARKET ADMINISTRATOR
302A Washington Avenue Ext.
Albany, NY 12203-7303

RETURN SERVICE REQUESTED

PRESORTED
FIRST-CLASS MAIL
U.S. Postage
PAID
Albany, NY
Permit 1011

FIRST CLASS MAIL

Computation of Producer Price Differential and Statistical Uniform Price*

		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Skim	647,573,522	$11.43	74,017,653.56	
	Butterfat	15,051,029	2.6854	40,418,033.28	
Less:	Location Adjustment to Handlers			(2,571,487.57)	$111,864,199.27
Class II—	Butterfat	32,375,225	2.6928	87,180,005.87	
	Nonfat Solids	48,133,740	0.9422	45,351,609.86	132,531,615.73
Class III–	Butterfat	24,699,553	2.6858	66,338,059.45	
	Protein	18,116,425	2.4032	43,537,392.54	
	Other Solids	34,976,796	0.1689	5,907,580.81	115,783,032.80
Class IV–	Butterfat	11,315,453	2.6858	30,391,043.71	
	Nonfat Solids	35,785,288	0.8628	30,875,546.49	61,266,590.20
Total Classified Value					**$421,445,438.00**
Add:	Overage—All Classes				18,819.26
	Inventory Reclassification—All Classes				157,512.91
	Other Source Receipts	129,718	Pounds		3,512.98
Total Pool Value					**$421,625,283.15**
Less:	Producer Component Valuations @ Class III Component Prices				(405,853,964.88)
Total PPD Value Before Adjustments					**$15,771,318.27**
Add:	Location Adjustment to Producers				12,991,757.68
	One-half Unobligated Balance—Producer Settlement Fund				957,089.29
Less:	Producer Settlement Fund—Reserve				(1,048,098.45)
Total Pool Milk & PPD Value		2,240,005,226	Producer pounds		**$28,672,066.79**
	Producer Price Differential		**$1.28**		
	Statistical Uniform Price		**$18.83**		

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