

The Market Administrator's

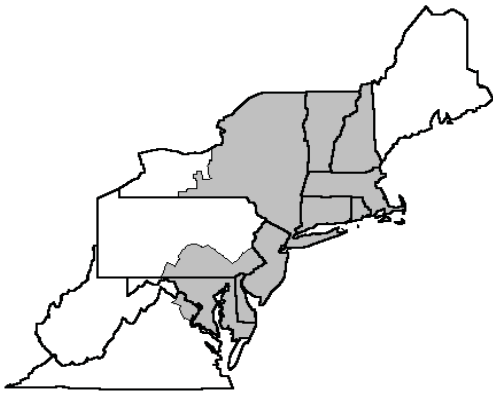
BULLETIN

NORTHEAST MARKETING AREA

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March 2021

Federal Order No. 1



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March Pool Price Calculation

The March 2021 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$16.50 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 \$18.00 per hundredweight. The March statistical uniform price was 70 cents per hundredweight above the February price. The March producer price differential (PPD) at Suffolk County was \$0.35 per hundredweight, an increase of 30 cents from the previous month.

Product Prices Effect

All commodity prices increased in March except 40-pound block Cheddar cheese. As reported on the National Dairy Product Sales Report on a per pound basis, butter jumped 23 cents, dry whey rose 5 cents, and the nonfat dry milk and combined cheese prices each increased less than 1 cent, all on a per pound basis. The slight increase in the cheese price was the result of a 2-cent increase in the barrel price, which has a higher volume, combined with the 2-cent block price decrease mentioned above. The commodity price changes translated to similar changes in the component prices. Butterfat jumped 28 cents, other solids increased 5 cents, and nonfat solids increased less than 1 cent, all on a per pound basis. The protein price dropped 29 cents per pound due to the increase in the butterfat as that is a component of the protein price formula.

All class prices increased from the previous month except the Class I price, which calculated from prices in mid-February, decreased 34 cents per hundredweight. The Class II price jumped \$1.07; Class III increased 40 cents; and Class IV rose 99 cents, all on a per hundredweight basis. The mostly higher prices, combined with the month's class utilizations, generated a higher SUP. The PPD increased and was a positive value at Boston, but producers whose milk was received at plants located in zones \$2.90 or further out would receive a zero or negative PPD.

Selected Statistics

Average daily deliveries per producer set a new record high for the Order. March Class II volume set a record high for the Order and, for the first time, topped 600 million pounds. Average producer butterfat and protein tests set new record highs for the month. ❖

Pool Summary

- A total of 8,928 producers were pooled under the Order with an average daily delivery per producer of 8,504 pounds.
- Pooled milk receipts totaled 2.354 billion pounds, an increase of 1.2 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 30.4 percent of total milk receipts, down 0.6 percentage points from February.
- The average butterfat test of producer receipts was 4.06 percent.
- The average true protein test of producer receipts was 3.18 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	30.4	716,400,018
Class II	25.6	603,068,550
Class III	25.4	596,939,229
Class IV	18.6	437,217,792
Total Pooled Milk		2,353,625,589

Producer Component Prices

	2021	2020
	\$/lb	
Protein Price	2.6954	2.8424
Butterfat Price	1.7176	1.9177
Other Solids Price	0.3652	0.1810

Class Prices

	2021	2020
	\$/cwt	
Class I	18.45	20.71
Class II	15.07	16.75
Class III	16.15	16.25
Class IV	14.18	14.87

Top Producing Counties—Northeast Milkshed

The top ten counties in terms of milk pooled on the Northeast Order accounted for 36.4 percent of all milk pooled during 2020, up from 35.9 percent in 2019 and 34.7 percent in 2018. The total volume of producer milk receipts pooled on the Order was unchanged from 2019 when adjusted for leap year in 2020. The total volume represented by the top ten counties increased 1.0 percent. Pooled milk receipts do not necessarily account for all milk produced in a county. Milk shipped to other federal orders, state orders, or unregulated areas is not included in these numbers. Additionally, a significant volume of milk was depooled during 2020, which may have impacted county rankings. Pooled volumes and farm numbers are from audited producer payroll data and adjusted for leap year, where applicable.

The accompanying table shows the top ten ranked counties for 2020 based on their volume pooled on the Order. The accompanying map presents the change in pounds pooled, farms pooled, and DDP from 2019 to 2020 for the top ten counties. It also includes the counties' prior year rank.

Top Ten Counties Pooling on the Northeast Order, 2020

Rank	County	State	Volume Pooled on Order (1,000 lbs)	Number of Farms	DDP
1	Lancaster	PA	2,313,284	1,427	4,429
2	Cayuga	NY	1,243,239	85	39,963
3	Wyoming	NY	1,000,299	95	28,769
4	St. Lawrence	NY	812,002	253	8,769
5	Genesee	NY	784,530	46	46,598
6	Franklin	PA	770,819	241	8,739
7	Franklin	VT	768,732	120	17,503
8	Addison	VT	765,398	84	24,896
9	Jefferson	NY	681,132	140	13,293
10	Onondaga	NY	633,929	55	31,492
Top Ten Total			9,773,364	2,546	10,488
Total Pool			26,874,421	8,831	8,315
Top Ten Proportion (%)			36.4	28.8	

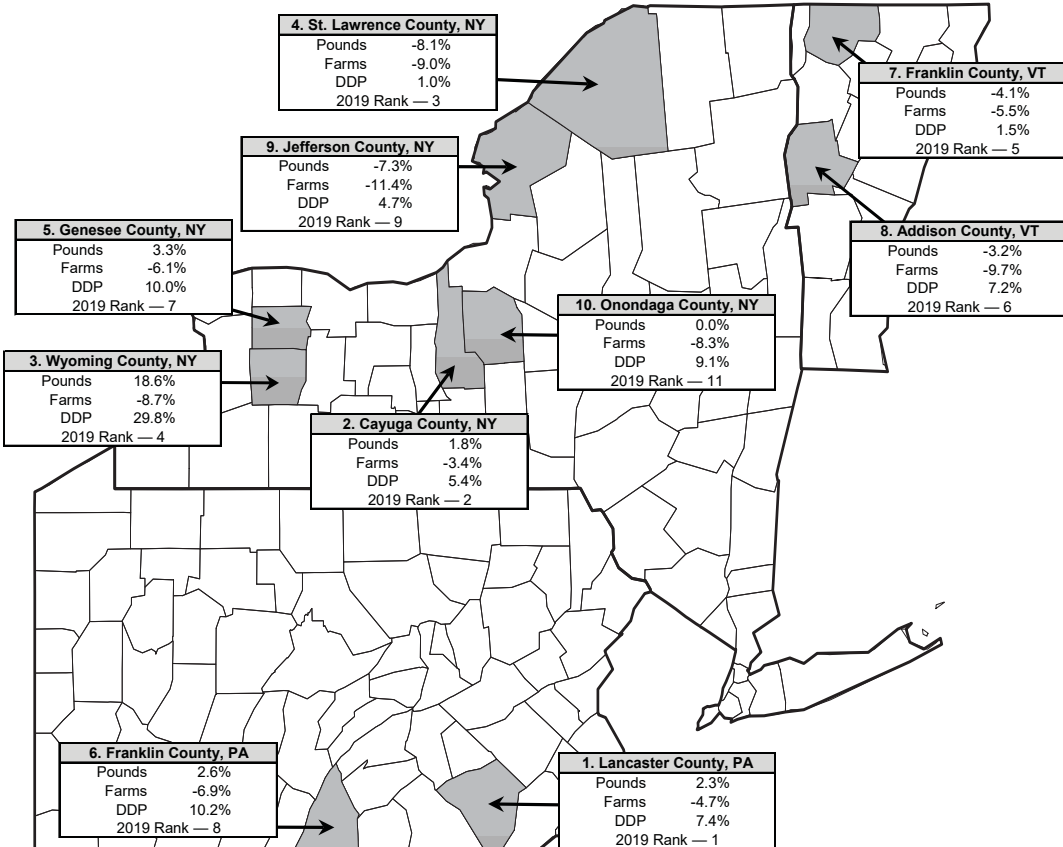
Source: Northeast Order audited producer payroll reports.

Change in Rankings

Lancaster County, PA, has led the rankings since the Order's inception and accounted for nearly double the volume of the next highest ranked county, Cayuga County, NY. The only counties whose positions were unchanged in 2020, were Lancaster (PA), Cayuga (NY), and Jefferson (NY). Wyoming County, NY, moved into the number 3 spot with an 18.6 percent jump in pooled volume, the largest increase of the top ten counties. St. Lawrence County, NY, dropped from number 3 in 2019 to number 4 in 2020 with an 8.1 percent decline in pooled volume, the largest decrease of the top ten counties.

Genesee County, NY, moved up to number 5 in 2020, from number 7 the year before. Franklin County, PA, also moved up 2 spots, from number 8 in 2019, to number 6 in 2020. Conversely, Franklin County, VT, dropped to number 7 from number 5 (continued on page

Top Ten Counties Year-to-Year Percent Change in Pounds and Farms Pooled and DDP, 2019–2020 (Pool Pounds Rank Indicated)



DDP = Daily Deliveries per Producer.

Thomas Vilsack Confirmed as Secretary

Thomas J. Vilsack was confirmed as the 32nd Secretary of the United States Department of Agriculture (USDA) on February 23, 2021, by the U.S. Senate. He was nominated by President Joe Biden to return to a role where he served for eight years under President Barack Obama.

As the 30th Secretary of Agriculture, Vilsack served between 2009 and 2017, and was the longest-serving member of President Obama's original Cabinet. Prior to his appointment, he served two terms as Governor of Iowa, served in the Iowa State Senate, and as the mayor of Mt. Pleasant, Iowa. He received his bachelor's degree from Hamilton College and his law degree from Albany Law School in New York.



Prior to returning to USDA, he served as president and CEO of the U.S. Dairy Export Council (USDEC) from 2017 until February 2021. In addition, he served as a Strategic Advisor to Colorado State University's food and water initiatives.

A native of Pittsburgh, Pennsylvania, Vilsack was born into an orphanage and adopted in 1951. After graduating from law school, he moved to Mt. Pleasant, Iowa, his wife Christie's hometown, where he practiced law.

The Federal Milk Marketing Order system is overseen by USDA's Agricultural Marketing Service. ❖

Top Producing Counties (continued from page 2)

in 2019, and Addison County, VT, fell to number 8 from number 6 in 2019. Even though Onondaga County, NY, (number 11 in 2019) had no change in pooled volume in 2020, it regained the number 10 place (held in 2018) displacing Ontario County, NY, which fell to number 11 in 2020 with a decline of 1.4 percent in pooled volume.

Proportion of Farms and DDP

The proportion of farms that the top ten counties accounted for decreased to 28.8 percent compared to 29.1 in 2019. The number of farms accounted for by the top ten counties declined 7.4 percent in 2020; the average number of farms pooled on the Order overall

decreased 6.5 percent. All top ten counties reported lower farm numbers in 2020; Jefferson (NY) had the largest percent decline from 2019.

Of the top ten counties, Genesee County continued to have the least number of farms, but the highest average daily deliveries per producer (DDP) of the group. As depicted in the table, the counties with the lower number of farms tend to have higher DDP's signifying much larger operations in those counties. The average DDP for the top ten counties, as a whole, was 10,488 pounds, up 7.6 percent from 2019. The Order average DDP was 8,315 pounds in 2020, an increase of 6.8 percent from the previous year. ❖

Pool Summary for All Federal Orders, January–March, 2020–2021

Federal Order Number	Federal Order Name	Total Producer Milk			Producer Price Differential#		Statistical Uniform Price#	
		2020	2021*	Change [^]	2020	2021	2020	2021
		pounds			dollars per hundredweight			
1	Northeast	6,845,705,648	6,772,663,871	0.0	1.45	0.09	18.21	16.07
5	Appalachian	1,387,773,576	1,376,168,905	0.3	N/A	N/A	20.05	17.64
6	Florida	672,077,311	624,370,017	(6.1)	N/A	N/A	22.22	19.64
7	Southeast	1,241,104,996	1,191,064,776	(3.0)	N/A	N/A	20.32	17.74
30	Upper Midwest	7,027,548,771	2,898,751,022	(58.3)	0.17	(0.78)	16.94	15.20
32	Central	4,097,103,396	2,813,140,868	(30.6)	(0.16)	(1.33)	16.97	14.65
33	Mideast	5,196,400,124	4,164,299,870	(19.0)	0.26	(0.80)	17.39	15.18
51	California [^]	6,248,307,551	5,888,148,826	(4.7)	(0.16)	(1.62)	16.82	14.36
124	Pacific Northwest	2,057,105,804	1,810,087,550	(11.0)	(0.20)	(1.23)	16.75	14.75
126	Southwest	3,255,812,595	3,020,098,752	(6.2)	0.49	(0.91)	17.64	15.07
131	Arizona	1,334,464,126	1,027,919,608	(22.1)	N/A	N/A	17.24	15.07
All Market Total/Average		39,363,403,898	31,586,714,065	(18.9)	0.48	(0.94)	18.23	15.94

Price at designated order location.

[^] Adjusted for leap year.

N/A = Not applicable.

* During the first quarter of 2021, a significant volume of milk was not pooled on federal orders.

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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	700,112,399	\$13.87	\$97,105,589.74	
Butterfat	16,287,619	1.4460	23,551,897.07	
Less: Location Adjustment to Handlers			(3,045,399.04)	\$117,612,087.78
Class II— Butterfat	34,641,760	1.7246	59,743,179.30	
Nonfat Solids	53,033,574	1.0400	55,154,916.96	114,898,096.26
Class III— Butterfat	28,471,338	1.7176	48,902,370.14	
Protein	18,967,236	2.6954	51,124,287.89	
Other Solids	34,231,477	0.3652	12,501,335.40	112,527,993.43
Class IV— Butterfat	16,189,311	1.7176	27,806,760.58	
Nonfat Solids	39,270,832	0.9396	36,898,873.76	64,705,634.34
Total Classified Value				\$409,743,811.81
Add: Overage—All Classes				68,960.45
Inventory Reclassification—All Classes				587,531.19
Other Source Receipts	676,782			12,161.97
Total Pool Value				\$410,412,465.42
Less: Value of Producer Butterfat	95,590,028	1.7176	(164,185,432.12)	
Value of Producer Protein	74,813,954	2.6954	(201,653,531.60)	
Value of Producer Other Solids	135,846,288	0.3652	(49,611,064.35)	(415,450,028.07)
Total PPD Value Before Adjustments				(\$5,037,562.65)
Add: Location Adjustment to Producers				13,598,266.86
One-half Unobligated Balance—Producer Settlement Fund				832,342.80
Less: Producer Settlement Fund—Reserve				(1,152,988.74)
Total Pool Milk & PPD Value	2,354,302,371			\$8,240,058.27
Producer Price Differential		\$0.35		
Statistical Uniform Price		\$16.50		

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