

The Market Administrator's

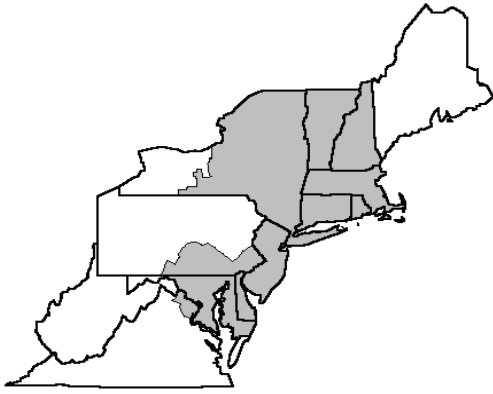
BULLETIN

NORTHEAST MARKETING AREA

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June 2024

Federal Order No. 1



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June Pool Price Calculation

The June 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$21.83 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 \$24.11 per hundredweight. The June statistical uniform price was 94 cents per hundredweight above the May price. The June producer price differential (PPD) at Suffolk County was \$1.96 per hundredweight, a decrease of 38 cents from the previous month.

Product Prices Effect

All commodity prices, as reported on the National Dairy Product Sales Report, increased in June. The butter price rose 7 cents, nonfat dry milk increased 3 cents, dry whey was up 1 cent, and the cheese price jumped nearly 13 cents with the block price rising 11 cents and the barrel price increasing 14 cents, all on a per pound basis. The commodity price changes translated to an 8-cent increase in the butterfat price, a 3-cent increase in the nonfat solids price, a 1-cent increase in the other solids price, and a 32-cent jump in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of June.

All class prices increased from the previous month: Class I, based on prices in May jumped \$1.62; Class II increased 10 cents; Class III rose \$1.32; and Class IV was up 58 cents, all on a per hundredweight basis. Class III remained the lowest class price. With the class prices increasing, the statistical uniform price rose. The spread between the higher class prices and the Class III price tightened, resulting in a lower PPD.

Selected Statistics

The Class I volume in June was the lowest ever for the month while the Class III volume was the highest ever for the month. The average producer butterfat set a record high for June. ❖

Pool Summary

- A total of 7,446 producers were pooled under the Order with an average daily delivery per producer of 9,789 pounds.
- Pooled milk receipts totaled 2.187 billion pounds, a decrease of 2.9 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 26.4 percent of total milk receipts, down 2.1 percentage points from May.
- The average butterfat test of producer receipts was 4.07 percent.
- The average true protein test of producer receipts was 3.11 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	26.4	578,315,512
Class II	24.1	527,642,183
Class III	32.8	716,462,844
Class IV	16.7	364,128,247
Total Pooled Milk		2,186,548,786

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.0546	1.5144
Butterfat Price	3.5444	2.7605
Other Solids Price	0.2326	0.1266

Class Prices

	2024	2023
	\$/cwt	
Class I	23.33	21.26
Class II	21.60	18.83
Class III	19.87	14.91
Class IV	21.08	18.26

U.S. Milk Production and Northeast Pool Volume Increase

Estimated milk production in the whole of the U.S. for the first 6 months of 2024 decreased 0.9 percent on an average daily basis from 2023, for a decline of 364.9 million pounds of milk. All percent changes from the previous year are measured on an average daily basis to account for the additional day of production added in 2024 by leap year. For the first half of 2024 (when compared to 2023) 39 states experienced a decline in milk production, according to the most recent *Milk Production* report from NASS (National Agricultural Statistics Service). Total pooled milk volume for the Northeast Order also decreased in 2024 with 2.3 percent less on an average daily basis milk pooled during the months of January through June.

Milk Production

The top ten states, ranked by total production during the first 6 months, decreased 0.3 percent on an average daily basis from 2023. The accompanying table shows the changes along with a comparison for some selected areas. Three of the top ten states reported increases over the previous year (Iowa, Wisconsin, and Washington); Wisconsin and Iowa reported increases of 294.0 million pounds and 67.0 million pounds, respectively. This was the first time Iowa has appeared in the top ten. Washington moved up from number ten to number nine, and New Mexico dropped out of the top ten; it was number nine in 2023. All other states in the top ten reported decreases.

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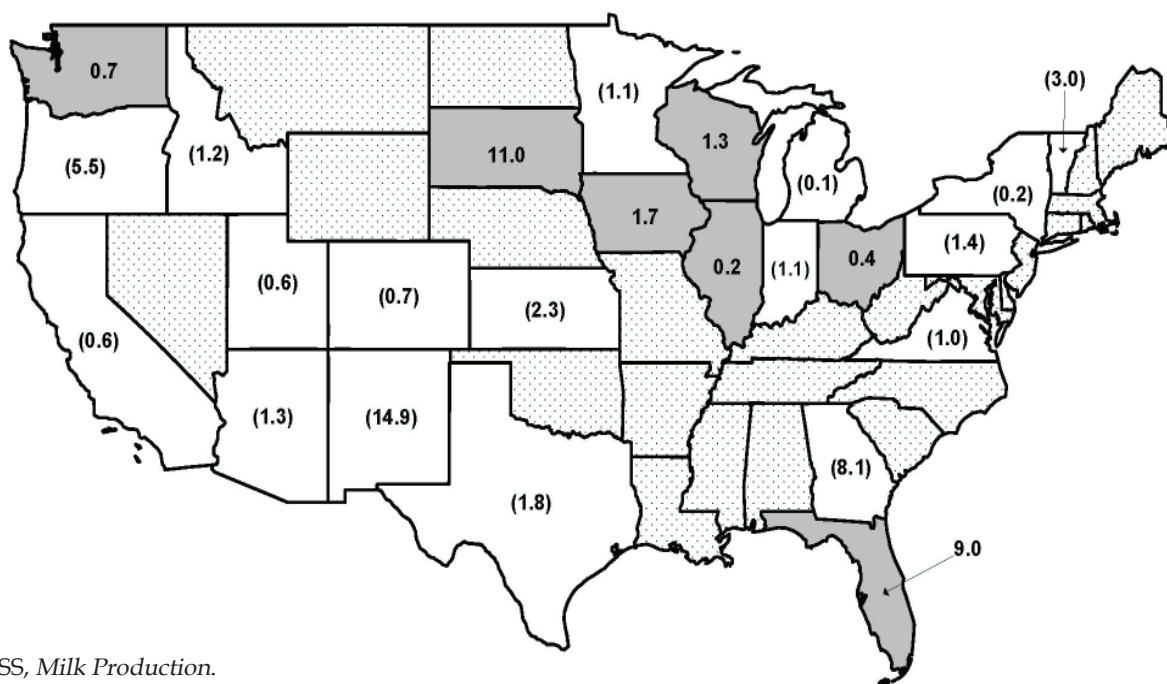
Milk Production in the Top Ten States and Selected Areas, January–June, 2023 vs 2024

Rank	State	2023	2024	Percent Change *
		(million pounds)		
1	California	21,046	21,038	(0.6)
2	Wisconsin	16,025	16,319	1.3
3	Idaho	8,475	8,423	(1.2)
4	Texas	8,469	8,366	(1.8)
5	New York	8,043	8,070	(0.2)
6	Michigan	6,049	6,077	(0.1)
7	Minnesota	5,275	5,246	(1.1)
8	Pennsylvania	5,044	5,000	(1.4)
9	Washington	3,129	3,168	0.7
10	Iowa	2,977	3,044	1.7
Top Ten Total		84,532	84,751	(0.3)
NASS 24 Selected		109,916	109,757	(0.7)
Northeast Milkshed		15,600	15,539	(0.9)
Top 3 Northeast		14,370	14,322	(0.9)
U.S. Total		114,841	114,476	(0.9)

Source: NASS, *Milk Production*.

* On an averaged daily basis to adjust for leap year.

January–June 2024 Milk Production in the NASS 24 Selected States (Year-to-Year Percent Change)



Source: NASS, *Milk Production*.

U.S. Milk Production *(continued from page 2)*

Texas experienced the largest decrease of the top ten states with a drop of 1.8 percent on an average daily basis (103.0 million pounds).

Total production for the 24 selected states as reported by NASS dropped 0.7 percent on an average daily basis (159.0 million pounds) for the January–June period compared to the previous year. Of this group, South Dakota reported the largest increase with 11.0 percent on an average daily basis (252 million pounds), followed by Florida with 9.0 percent on an average daily basis (95.0 million pounds). Seventeen of the 24 selected states reported declines; New Mexico, Oregon, Georgia, Vermont, and Kansas reported the largest drops, all in excess of 2.0 percent on an average daily basis. See accompanying map on page 2.

The states contributing to the Northeast Order milkshed had a combined decrease of 0.9 percent on an average daily basis (61.5 million pounds). All states in the Northeast Order milkshed had decreases from 2023, New York had the smallest decrease at 0.2 percent on an average daily basis (27 million pounds). West Virginia had the largest loss of production in the northeast at 12.2 percent on an average daily basis (4.0 million pounds), all other Northeast milkshed states experienced decreases between 0.5 percent to 4.6 percent on an average daily basis. The top three contributing states (New York, Pennsylvania, and Vermont) had a combined decrease of 0.9 percent on an average daily basis (48.0 million pounds).

Pool Volume

The total producer volume at time of pool for the first 6 months of 2024 for the Northeast Order decreased by 30.7 million pounds of milk from the same period in 2023. Of the 15,539 million pounds of milk produced in the Northeast milkshed in the first half of 2024, 86.4 percent (13,431 million pounds) was pooled on the Northeast Order. ❖

USDA Announces Recommended Decision

On July 15, 2024, the Recommended Decision to amend the pricing provisions in the 11 Federal Milk Marketing Orders (FMMOs) was published in the Federal Register. The Recommended Decision follows a 49-day national hearing held from August 23, 2023, to January 30, 2024, in Carmel, Indiana where USDA heard testimony and received evidence on 21 proposals from the dairy industry. It puts forth a package of amendments to update formulas and factors based on the evidentiary record of the proceeding. A plain-language summary of this proposed rule is available at <https://www.regulations.gov>.

Comments are due September 13, 2024. For more information, go to the [fmmone.com](https://www.fmmone.com) website’s link to the National FMMO Hearing. ❖

Pool Summary for All Federal Order, January–June, 2023–2024

Federal Order		Total Producer Milk*			Producer Price Differential#		Statistical Uniform Price#	
Number	Name	2023	2024	Change	2023	2024	2023	2024
		pounds			dollars per hundredweight			
1	Northeast	13,774,498,270	13,525,890,399	(2.3)	2.59	3.41	20.06	20.33
5	Appalachian	2,737,436,404	2,678,169,029	(2.7)	N/A	N/A	21.92	21.69
6	Florida	1,255,454,700	1,274,482,749	1.0	N/A	N/A	24.08	23.63
7	Southeast	1,846,104,335	1,814,045,553	(2.3)	N/A	N/A	22.44	22.13
30	Upper Midwest	16,797,019,968	15,911,614,482	(5.8)	0.27	0.32	17.74	17.24
32	Central	8,467,726,626	7,581,098,763	(11.0)	0.95	1.44	18.42	18.36
33	Mideast	9,100,676,069	8,455,922,245	(7.6)	1.44	1.92	18.92	18.84
51	California	14,085,385,308	12,214,032,368	(13.8)	1.04	1.31	18.52	18.23
124	Pacific Northwest	4,021,126,574	3,645,470,808	(9.8)	0.96	1.77	18.44	18.69
126	Southwest	7,089,883,123	6,473,898,736	(9.2)	1.73	2.03	19.20	18.95
131	Arizona	2,664,631,272	2,244,438,121	(16.2)	N/A	N/A	19.33	19.69
All Market Total/Average		81,839,942,649	75,819,063,253	(7.9)	1.28	1.74	19.91	19.80

Price at designated order location. Simple average.

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*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	564,105,105	\$11.54	\$65,097,729.12	
Butterfat	14,210,407	3.4837	49,504,794.87	
Less: Location Adjustment to Handlers			(2,587,252.55)	\$112,015,271.43
Class II— Butterfat	31,214,220	3.5514	110,854,180.90	
Nonfat Solids	45,999,583	1.0556	48,557,159.83	159,411,340.73
Class III— Butterfat	30,322,991	3.5444	107,476,809.28	
Protein	22,310,929	2.0546	45,840,034.75	
Other Solids	41,360,775	0.2326	9,620,516.29	162,937,360.32
Class IV— Butterfat	13,192,336	3.5444	46,758,915.74	
Nonfat Solids	32,560,487	0.9991	32,531,182.53	79,290,098.27
Total Classified Value				\$513,654,070.75
Add: Overage—All Classes				27,988.46
Inventory Reclassification—All Classes				109,072.23
Other Source Receipts	179,354			6,328.29
Total Pool Value				\$513,797,459.73
Less: Value of Producer Butterfat	88,939,954	3.5444	(315,238,772.99)	
Value of Producer Protein	68,033,537	2.0546	(139,781,705.13)	
Value of Producer Other Solids	126,332,588	0.2326	(29,384,959.98)	(484,405,438.10)
Total PPD Value Before Adjustments				\$29,392,021.63
Add: Location Adjustment to Producers				13,313,379.15
One-half Unobligated Balance—Producer Settlement Fund				1,077,438.65
Less: Producer Settlement Fund—Reserve				(922,967.87)
Total Pool Milk & PPD Value	2,186,728,140			\$42,859,871.56
Producer Price Differential		\$1.96		
Statistical Uniform Price		\$21.83		

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