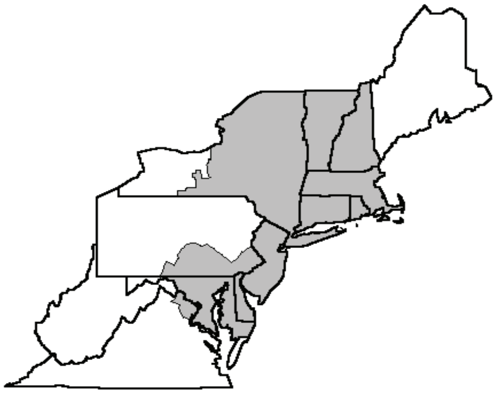

The Market Administrator's BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

December 2024 Federal Order No. 1

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December Pool Price Calculation

The December 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $21.47 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 $24.87 per hundredweight. The December statistical uniform price was $1.00 per hundredweight below the November price. The December producer price differential (PPD) at Suffolk County was $2.85 per hundredweight, an increase of 33 cents from the previous month.

Product Prices Effect

Commodity prices for December: the butter price fell almost 13 cents, the nonfat dry milk price increased nearly 2 cents, dry whey was up 4 cents, and the cheese price decreased almost 16 cents with the block price dropping 15 cents and the barrel price falling 16 cents, all on a per pound basis. The commodity price changes translated to a 15-cent decrease in the butterfat price, a nearly 2-cent increase in the nonfat solids price, a 4-cent increase in the other solids price, and a 35-cent drop in the protein price, all on a per pound basis. The nonfat solids price was the highest of the past 24 months and the other solids was the highest of the last 31 months.

All Class Prices for December decreased: Class I, based on prices in November, dropped $1.10; Class II decreased 24 cents; Class III fell $1.33; and Class IV decreased 38 cents, all on a per hundredweight basis. The Class III price had the largest decrease of all the class prices, causing the statistical uniform price to decrease from the previous month. Due to the Class III price, again, being the lowest class price and the decrease in both the protein and butterfat resulted in a higher PPD than November.

Selected Statistics

The Class II and Class III volumes, and average daily delivery per producer were the highest volumes for the Northeast Order for the month of December; total producer pounds was the second largest volume for the month since Order inception. The average producer butterfat test and average producer protein test set new record highs for the order, while the average other solids test tied for highest in order history and set a new record for the month of December. Both the average producer butterfat test and average producer protein test experienced the largest single month gain in Order history for the month of December.❖

Pool Summary

- A total of 7,359 producers were pooled under the Order with an average daily delivery per producer of 9,968 pounds.
- Pooled milk receipts totaled 2.274 billion pounds, an increase of 1.0 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.7 percent of total milk receipts, down 1.0 percentage points from November.
- The average butterfat test of producer receipts was 4.43 percent.
- The average true protein test of producer receipts was 3.33 percent.
- The average other solids test of producer receipts was 5.79 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.7	674,696,865
Class II	23.5	533,358,421
Class III	31.4	714,849,829
Class IV	15.4	351,059,674
Total Pooled Milk		2,273,964,789

Producer Component Prices

	2024	2023
	$/lb	
Protein Price	1.9637	1.4499
Butterfat Price	2.9104	2.9778
Other Solids Price	0.4493	0.2242

Class Prices

	2024	2023
	$/cwt	
Class I	24.68	23.01
Class II	21.28	19.88
Class III	18.62	16.04
Class IV	20.74	19.23

Annual Summary 2024

Total milk received from producers equaled 26.9 billion pounds in 2024, down 1.4 percent from 2023, adjusted for leap year. The annual average volume per producer continued to set record-highs, although at a slower rate than in the past 9 years and rose 180 pounds from the previous year, topping 10,000 pounds for 3 months during 2024. The year ended with 7,359 producers, a drop of 281 from December 2023; the decrease was 444 the previous year.

Based on the most recent USDA's World Agriculture Supply and Demand Estimates for U.S. milk production, total U.S. milk production for 2024 was 0.5 percent less than in 2023, adjusted for leap year. Milk per cow is estimated to finish about 0.3 percent higher in 2024, but cow numbers are projected to finish 0.5 percent less than the previous year.

Prices started the year only 40 cents per hundredweight below the end of 2023 and finished the year $2.16 above the start.

The accompanying table compares selected pool statistics for 2023 and 2024; percent changes in pounds have been adjusted for leap year. The chart shows annual average utilization by class for the past 10 years.

Northeast Order Pool Statistics, 2023–2024

Pool Statistics	2023	2024	2023-24 Change
	million pounds		percent
Class I	7,861.4	7,829.1	(0.7)
Class II	6,942.6	6,835.1	(1.8)
Class III	7,961.0	8,267.0	3.6
Class IV	4,494.9	4,017.5	(10.9)
Total	27,259.9	26,948.7	(1.4)
	pounds		
DDP	9,698	9,877	1.8
	utilization percentage		change
Class I	28.8	29.0	0.2
Class II	25.5	25.4	(0.1)
Class III	29.2	30.7	1.5
Class IV	16.5	14.9	(1.6)
	dollars/cwt		percent
Class I	22.45	21.65	(3.6)
Class II	20.10	21.34	6.2
Class III	17.02	18.89	11.0
Class IV	19.12	20.75	8.5
SUP	20.01	21.44	7.1
Producer Component:			
Tests:	percent		change
Butterfat	4.12	4.22	0.10
Protein	3.18	3.21	0.03
Other Solids	5.77	5.78	0.01
Prices:	dollars/lb		percent
Butterfat	2.9615	3.2885	11.0
Protein	1.9051	1.8961	(0.5)
Other Solids	0.1676	0.3010	79.6
Nonfat Solids	1.0076	1.0635	5.5

Class Utilization Changes

The volume of milk used for Class I purposes declined only 32 million pounds (0.7 percent) from the previous year, compared to a drop of 1.3 percent in 2023. All class volume comparisons have been adjusted for leap year. Class I utilization averaged 29.0 percent in 2024, up 0.2 percentage points from 2023. The total volume of producer receipts used in Class II dropped 108 million pounds (1.8 percent); it rose 8.5 percent in 2023 and set a record high in usage. Class II utilization averaged 25.4 percent, down 0.1 percentage point.

Class III volume set a record high, increasing 3.6 percent and surpassed the record set in 2023 by 306 million pounds; utilization averaged 30.7 percent, up 1.5 percentage points from 2023. The category that includes Swiss and other hard varieties of cheese again had the most growth, followed by cream cheese. Even though milk assigned to the lowest class price (shrinkage, dumped, animal feed, lost in transit) declined, the Class III price was the lowest for all but two months of 2024. The amount of milk used in Class IV decreased 10.9 percent and accounted for an annual average of 14.9 percent utilization, a decrease of 1.6 percentage points. A significant decrease occurred in milk utilized in dried milk products, which is largely used to make nonfat dry milk.

Prices Higher Than in 2023

Even though milk production was stagnant to declining, the demand for dairy products was steady to increasing. This resulted in higher prices than in 2023, although not as high as in 2022. Exports were down 0.3 percent through November, compared to a decline of 7 percent for the same period in 2023. Cold storage stocks of natural cheese were down nearly 8 percent in November 2024 compared to the record high level in November 2023.

Commodity Prices—National Dairy Product Sales Report (NDPSR) butter prices rose 10.3 percent from 2023 and averaged $2.8870 per pound, the highest on record since federal order reform in 2000. NDPSR cheese prices averaged $1.8634 per pound, an increase of 5.9 percent with combined averages of $1.8247 for blocks and $1.8658 for barrels, increases of 0.5 and 11.06 percent, respectively.

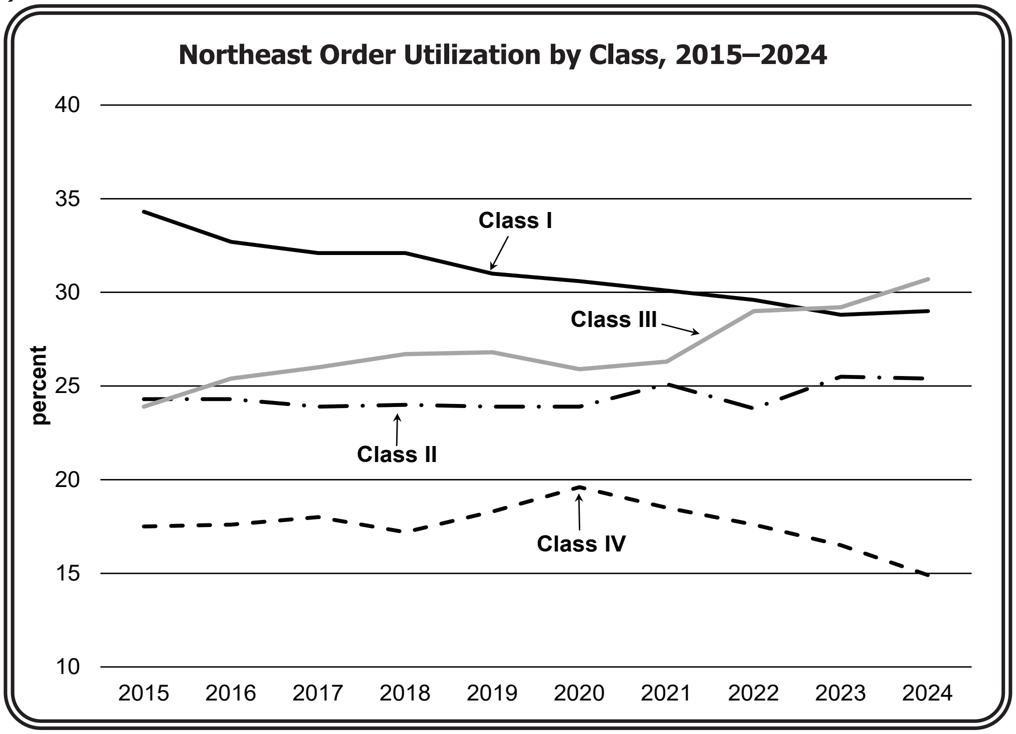
The NDPSR nonfat dry milk price increased 4.8 percent from 2023, averaging $1.2420 per pound. Dry whey prices jumped 35.8 percent from the previous

(continued on page 3)

Annual *(continued from page 2)*

year and averaged $0.4913 per pound.

Component Prices—All component price averages were above the previous year except protein. The price paid to producers for butterfat averaged $3.2885 per pound, up 11.0 percent from 2023 and the highest price since federal order reform. The annual average protein price was $1.8961 per pound, down 0.5 percent from the previous year's average. The other solids price averaged $0.3010 per pound, a jump of 79.6 percent from 2023. The nonfat solids price averaged $1.0635 per pound, an increase of 5.5 percent from the previous year.



Class Prices

Annual average class prices were considerably higher than in 2023 for all classes except Class I, which declined 3.6 percent and averaged $21.45 per hundredweight. The Class II price averaged $21.34 per hundredweight, an increase of 6.2 percent from the previous year. The Class III price averaged $18.89, a jump of 11.0 percent from 2023. The Class IV price averaged $20.75, up 8.5 percent. Overall, the statistical uniform price (blend) reported at Suffolk County, Massachusetts (Boston) averaged $21.44 per hundredweight, 7.2 percent above the 2023 average. The producer price differential (PPD) averaged $2.55 per hundredweight (at Boston) for the year, 44 cents below the 2023 average.

Producer Tests

The annual average producer butterfat test equaled 4.22 percent in 2024, a jump of 0.10 percentage points from 2023. Monthly record-highs were set each month and ranged from 0.06 to 0.16 percentage points above the previous monthly record. A new Order high was set in December at 4.43 percent. The annual average producer protein test was 3.21 percent, up 0.03 percentage points from the previous year. Monthly record-highs were set in 10 months of 2024 and a new Order high was set in December at 3.33 percent. The producer other solids test averaged 5.78 percent, an increase of 0.01 percentage point. The year's record high was 5.79 percent, which matched multiple occurrences in prior years.❖

Pool Summary for All Federal Orders, January–December, 2023–2024

Federal Order		Total Producer Milk*			Producer Price Differential#		Statistical Uniform Price#	
Number	Name	2023	2024	Change^	2023	2024	2023	2024
		pounds		percent	dollars per hundredweight			
1	**Northeast**	**27,259,848,011**	**26,948,712,351**	**(1.4)**	**2.99**	**2.55**	**20.01**	**21.44**
5	Appalachian	5,427,962,020	5,300,667,946	(2.6)	N/A	N/A	21.65	22.92
6	Florida	2,505,761,275	2,524,345,055	0.5	N/A	N/A	23.71	24.86
7	Southeast	3,537,957,459	3,497,490,523	(1.4)	N/A	N/A	22.23	23.47
30	Upper Midwest	33,045,277,333	28,285,111,239	(14.6)	0.29	0.20	17.31	19.09
32	Central	16,053,145,914	14,607,816,361	(9.3)	1.22	0.87	18.24	19.76
33	Mideast	17,761,414,139	18,182,080,614	2.1	1.67	1.35	18.69	20.25
51	California	26,417,543,826	23,223,944,567	(12.3)	1.19	0.85	18.21	19.74
124	Pacific Northwest	7,649,543,548	7,230,698,879	(5.7)	1.31	1.06	18.33	19.95
126	Southwest	13,640,039,564	12,641,415,510	(7.6)	1.91	1.48	18.93	20.37
131	Arizona	5,149,368,294	4,186,100,891	(18.9)	N/A	N/A	19.30	20.87
	All Market Total/Average	158,447,861,383	146,628,383,936	(7.7)	1.51	1.19	19.69	21.16

Price at designated order location. Simple average. ^ Adjusted for leap year. 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*

		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Skim	658,076,736	$14.23	$93,644,319.53	
	Butterfat	16,620,129	3.1266	51,964,495.33	
Less:	Location Adjustment to Handlers			(2,957,166.04)	$142,651,648.82
Class II—	Butterfat	33,606,962	2.9174	98,044,950.98	
	Nonfat Solids	47,695,653	1.2744	60,783,340.17	158,828,291.15
Class III—	Butterfat	32,329,562	2.9104	94,091,957.24	
	Protein	23,775,309	1.9637	46,687,574.23	
	Other Solids	41,395,473	0.4493	18,598,986.02	159,378,517.49
Class IV—	Butterfat	18,167,115	2.9104	52,873,571.50	
	Nonfat Solids	31,788,551	1.2151	38,626,268.34	91,499,839.84
Total Classified Value					**$552,358,297.30**
Add:	Overage—All Classes				39,943.39
	Inventory Reclassification—All Classes				(412,499.80)
	Other Source Receipts	513,050			26,513.19
Total Pool Value					**$552,012,254.08**
Less:	Value of Producer Butterfat	100,723,768	2.9104	(293,146,454.42)	
	Value of Producer Protein	75,619,978	1.9637	(148,494,950.78)	
	Value of Producer Other Solids	131,729,987	0.4493	(59,186,283.19)	(500,827,688.39)
Total PPD Value Before Adjustments					**$51,184,565.69**
Add:	Location Adjustment to Producers				14,039,989.11
	One-half Unobligated Balance—Producer Settlement Fund				604,179.77
Less:	Producer Settlement Fund—Reserve				(1,006,116.18)
Total Pool Milk & PPD Value		**2,274,477,839**			**$64,822,618.39**
	Producer Price Differential		**$2.85**		
	Statistical Uniform Price		**$21.47**		

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