

The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

January 2024

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

January Pool Price Calculation

The January 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$19.31 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 \$22.06 per hundredweight. The January statistical uniform price was 40 cents per hundredweight below the December price. The January producer price differential (PPD) at Suffolk County was \$4.14 per hundredweight, an increase of 47 cents from the previous month.

Product Prices Effect

Commodity price changes reported on the National Dairy Product Sales Report were mixed in January. On a per pound basis, butter was unchanged, decreasing less than 1 cent. Both nonfat dry milk and dry whey increased 2 cents. The cheese price decreased 10 cents from the previous month with blocks declining 11 cents and barrels falling 9 cents. The commodity price changes translated to 2-cent increases in the nonfat solids and other solids prices, and a 32-cent drop in the protein price. The butterfat price was relatively unchanged, declining less than 1 cent. Even though the January butterfat price was slightly below the December price, it was the highest ever for the month of January.

Class price changes from the previous month also were mixed: Class I decreased \$1.28; Class II increased 16 cents; Class III declined 87 cents; and Class IV rose 16 cents, all on a per hundredweight basis. Class III remained the lowest class price. With a decrease in proportion of pooled milk utilized in the higher prices, the SUP decreased. Both the overall pool value and the value of producers' components decreased from last month, but the proportion resulted in a higher payout in the PPD, the highest ever for the month of January.

Selected Statistics

Average daily deliveries per producer (DDP) in January set a record high for the month. The Class III volume was the second highest for January. The January average producer butterfat set a record high for the Order; the protein test tied with the Order record set in November 2023. ❖

Pool Summary

- A total of 7,599 producers were pooled under the Order with an average daily delivery per producer of 9,578 pounds.
- Pooled milk receipts totaled 2.256 billion pounds, no change from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 30.7 percent of total milk receipts, up 0.4 percentage points from December.
- The average butterfat test of producer receipts was 4.32 percent.
- The average true protein test of producer receipts was 3.27 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	30.7	691,244,225
Class II	24.6	555,373,543
Class III	30.7	693,476,000
Class IV	14.0	316,134,963
Total Pooled Milk		2,256,228,731

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.1265	2.8058
Butterfat Price	2.9765	2.7713
Other Solids Price	0.2417	0.2343

Class Prices

	2024	2023
	\$/cwt	
Class I	21.73	25.66
Class II	20.04	21.61
Class III	15.17	19.43
Class IV	19.39	20.01

Market Update

For 2023, the monthly statistical uniform price averaged \$20.01 per hundredweight (cwt) with an average producer price differential (PPD) of \$2.99 per cwt. This is a 19.8 percent decrease from the 2022 monthly average (\$24.96 per cwt); the monthly average PPD decreased \$0.01 per cwt from the 2022 monthly average (\$3.00 per cwt). The SUP for the month of January 2024 (\$19.31 per cwt) was down \$0.70 per cwt, from the 2023 monthly average, and the January 2024 PPD (\$4.14 per cwt) is \$1.15 above the 2023 monthly average. Using February 14, 2024, Chicago Mercantile Exchange (CME) futures prices of Class III and IV milk and estimates of Northeast Order class utilizations, the SUP at the Boston, MA, location projects

2024 to average \$20.90 per cwt with an average producer price differential (PPD) of \$3.22 per cwt. Compared to the 2023 averages, this is an increase of \$0.89 per cwt in the SUP and \$0.23 per cwt in the PPD. CME futures prices of Class III and IV milk for the remainder of 2024 average \$17.68 per cwt and \$20.59 per cwt, respectively; the CME futures project an upward trend in SUP, PPD, and all class prices for 2024 compared to 2023.

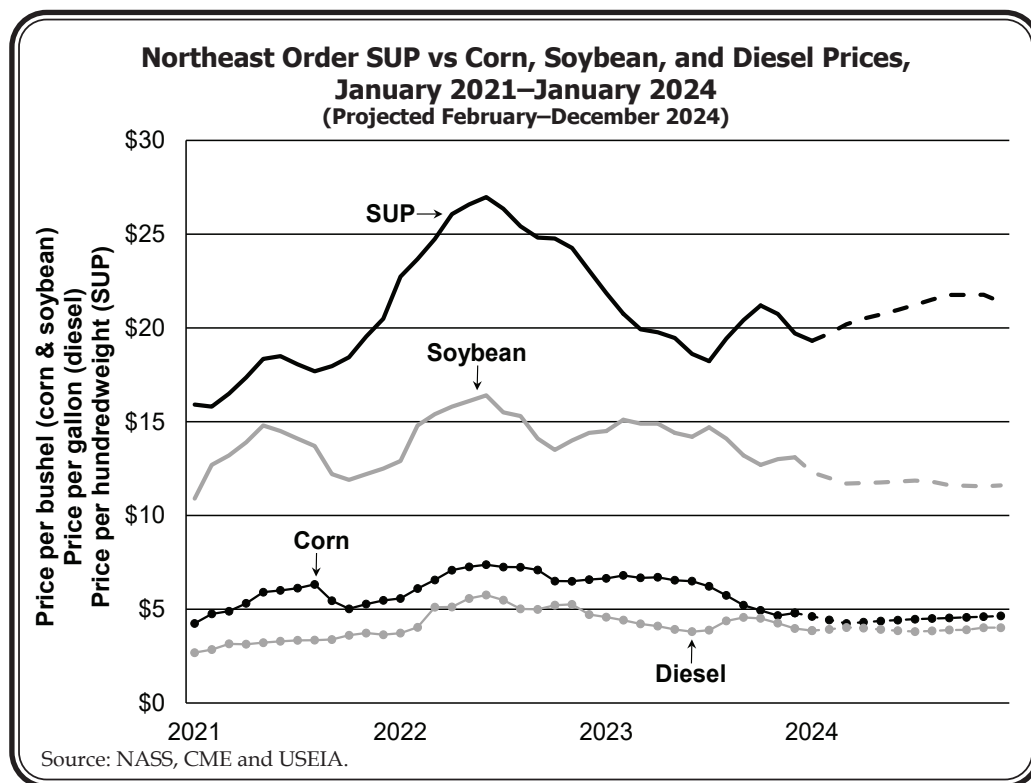
Component Prices

The 2023 monthly average per pound prices for butterfat (\$2.9615), protein (\$1.9051), other solids (\$0.1676), and nonfat solids (\$1.0076) all decreased compared to their 2022 monthly averages; other solids and protein prices fell the most at 60.0 percent and 30.1 percent, respectively. All the January 2024 component prices, except the protein price, were above the 2023 monthly averages; butterfat

was \$0.0150 per pound above, other solids \$0.0741 per pound above, nonfat solids 0.0254 above, and protein \$0.7786 per pound below. Using the February 14, 2024, CME futures of cash-settled butter for butterfat, cash-settled cheese for protein, dry whey for other solids, and nonfat dry milk for other solids to estimate the monthly average per pound component prices for 2024, butterfat averaged \$3.1922, protein \$1.62180, nonfat solids \$0.2956, and nonfat solids \$1.0879. The 2024 estimated average monthly butterfat price was 7.8 percent above the 2023 monthly average, other solids price 76.3 percent above, nonfat solids price 8.0 percent above, and protein price was 15.1 percent below.

Feed Prices

The monthly average prices of corn, soybean, and alfalfa hay as published by the USDA National Agricultural Statistics Service (NASS) for 2023 all decreased from 2022. Corn prices dropped 12.0 percent to \$5.95 per bushel, soybean prices decreased 5.3 percent to \$14.07 per bushel, and alfalfa hay prices fell 2.3 percent to \$246 per ton. December 2023 NASS prices for corn (\$4.80 per bushel), soybean (\$13.10 per bushel), and alfalfa hay (\$205 per ton) are some of the lowest prices since 2021. Estimates using February 14, 2024, CME futures for corn and soybeans (the CME does not offer futures for alfalfa hay) suggest a 2024 yearly average of *(continued on page 3)*



Estimated Prices Using CME Futures,* February–December 2024

Month	SUP	PPD	Class I	Class II	Class III	Class IV
dollars per hundredweight						
February	19.70	3.54	21.24	20.60	16.16	19.90
March	20.19	3.17	22.02	20.67	17.02	19.97
April	20.50	3.20	22.49	20.87	17.30	20.17
May	20.72	3.06	22.73	21.11	17.66	20.41
June	20.96	2.89	23.03	21.32	18.07	20.62
July	21.23	2.92	23.34	21.59	18.31	20.89

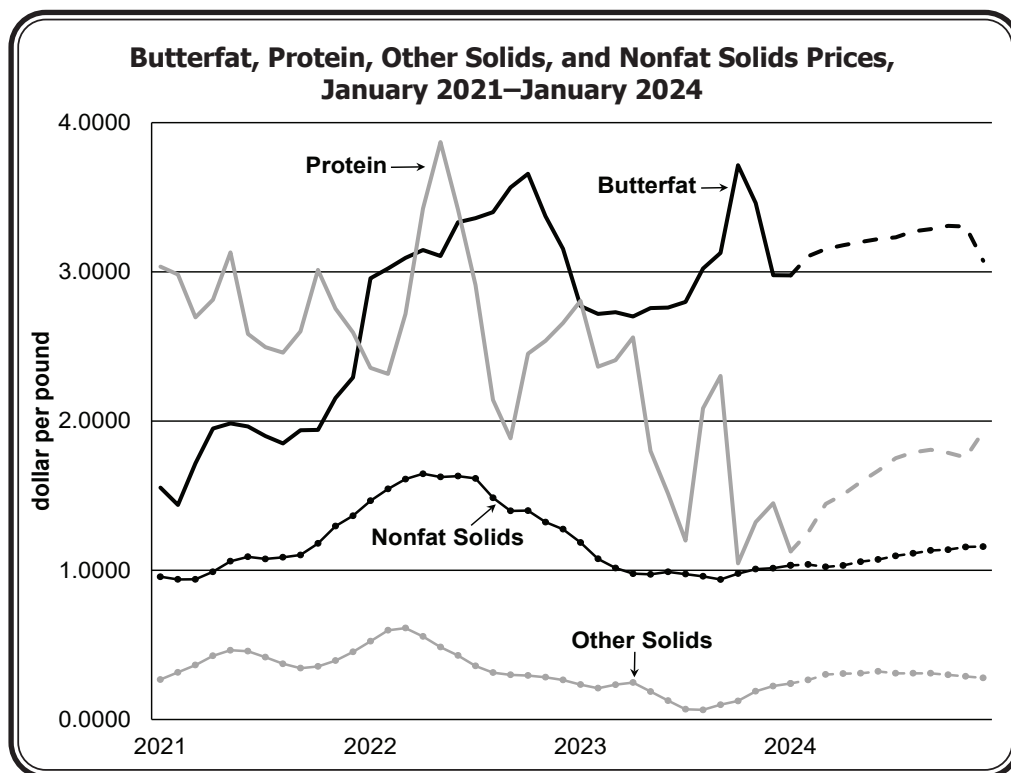
* Class III & IV prices are CME futures prices for 2/14/24. Class I, II, SUP, & PPD prices are estimates using CME futures prices. Prices in bold are announced prices.

Market (continued from page 2)

\$4.47 per bushel price for corn and \$11.77 per bushel price for soybeans. These estimated yearly averages for 2024 are below the averages for 2023, with soybeans down 16.3 percent and corn down 24.8 percent.

Diesel Price

The U.S. Energy Information Administration (USEIA) estimates the price for diesel in 2024 will average \$3.919 per gallon, a decrease of \$0.294 per gallon from 2023. The cost of diesel has slightly decreased month over month since September 2023 and is estimated to slightly increase for the next couple of months; most recently the price has fallen \$0.117 per gallon between December 2023 and January 2024 to \$3.854 per gallon.



Exports

The U.S. Dairy Export Council (USDEC) Data Hub reported dairy exports for 2023, as of December, have totaled 2,342,624 metric tons (MT). This puts the 2023 year to date dairy exports below export volumes for 2022 (2,520,638 MT). Nonfat dry milk (NFDM) remains the largest exported dairy product from the U.S., despite this the volume has decreased 2.9 percent from 2022. This drop is largely due to decreased exports to China (58.3 percent) and Southeast Asia (20.2 percent); however, Mexico continues to increase exports with a 15.9 percent (57,040

MT) year to date increase in NFDM in 2023. Cheese exports also remained below 2022 volumes (down 3.4 percent) with notable decreases in South Korea (39.8 percent), Japan (14.8 percent), Europe (28.7 percent), and South America (5.3 percent) while the following regions experienced increases: Mexico (20.0 percent), China (119.9 percent), Central America (8.5 percent), and Caribbean (8.5 percent). The third largest U.S. dairy export, whey, dropped 20.3 percent in volume from the previous year with decreases in all major exporting regions except Mexico and Eurasia. ❖

USDA Issues Final Rule for Appalachian, Florida, and Southeast Orders

On February 1, 2024, the USDA published a final rule that amends the transportation credit balancing fund provisions in the Appalachian and Southeast federal milk marketing orders (FMMOs) and establishes distributing plant delivery credits in the Appalachian, Florida, and Southeast FMMOs.

The final rule is a result of a hearing held February 28-March 2, 2023, in Franklin, TN, that highlighted a long-standing milk deficit problem in the three southeastern orders and its impact on producers, cooperatives, and handlers serving the markets. The recommended decision and request for public comment was published on July 18, 2023, and the final decision was published on December 1, 2023. As required by regulation, a producer vote was conducted to determine approval, and more than the required number of producers voted in favor; this final rule implements the changes.

The amendments to the transportation credit balancing fund provisions in the Appalachian and Southeast FMMOs update the components of the mileage rate calculation, revise the month of February from a mandatory to a discretionary payment month, revise the non-reimbursed mileage factor from 85 miles to 15 percent of the miles traveled, and increase the maximum assessment rates on Class I milk. This final rule also establishes distributing plant delivery credit provisions in the Appalachian, Florida, and Southeast FMMOs that would make marketwide service payments to qualifying handlers and cooperatives for milk shipments to pool distributing plants from farms that are year-round, consistent suppliers.

The amendments will be effective for milk marketed on and after March 1, 2024. For more information, go to www.ams.usda.gov/rules-regulations/moa/dairy/hearings/regional-apsefl-amendments-feb-mar-2023. ❖

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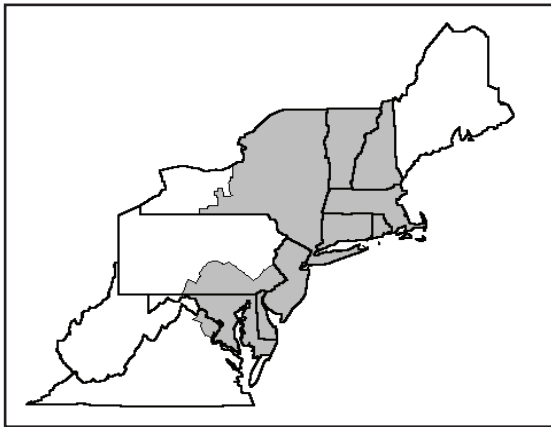
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Computation of Producer Price Differential and Statistical Uniform Price*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	674,931,369	\$11.49	\$77,549,614.30	
Butterfat	16,312,856	3.0416	49,617,182.81	
Less: Location Adjustment to Handlers			(3,067,315.34)	\$124,099,481.77
Class II— Butterfat	32,023,053	2.9835	95,540,778.66	
Nonfat Solids	49,441,040	1.1056	54,662,013.87	150,202,792.53
Class III— Butterfat	32,647,775	2.9765	97,176,102.28	
Protein	22,649,583	1.1265	25,514,755.28	
Other Solids	39,915,503	0.2417	9,647,577.13	132,338,434.69
Class IV— Butterfat	16,413,539	2.9765	48,854,898.90	
Nonfat Solids	28,358,345	1.0330	29,294,170.42	78,149,069.32
Total Classified Value				\$484,789,778.31
Add: Overage—All Classes				24,295.83
Inventory Reclassification—All Classes				(402,380.83)
Other Source Receipts	607,777			35,394.80
Total Pool Value				\$484,447,088.11
Less: Value of Producer Butterfat	97,397,223	2.9765	(289,902,834.29)	
Value of Producer Protein	73,685,390	1.1265	(83,006,591.86)	
Value of Producer Other Solids	130,322,634	0.2417	(31,498,980.62)	(404,408,406.77)
Total PPD Value Before Adjustments				\$80,038,681.34
Add: Location Adjustment to Producers				13,611,699.58
One-half Unobligated Balance—Producer Settlement Fund				883,057.28
Less: Producer Settlement Fund—Reserve				(1,102,496.40)
Total Pool Milk & PPD Value	2,256,786,033			\$93,430,941.80
Producer Price Differential		\$4.14		
Statistical Uniform Price		\$19.31		

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



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Product Prices Effect

All commodity prices reported on the National Dairy Product Sales Report increased in February. On a per pound basis, butter rose 10 cents, dry whey was up 3 cents, and nonfat dry milk increased less than 1 cent. The cheese price rose 7 cents from the previous month with blocks increasing nearly 8 cents and barrels rising 7 cents. The commodity price changes translated to a 13-cent jump in the butterfat price, a 3-cent increase the other solids price, and a 10-cent rise in the protein price. The nonfat solids price was relatively unchanged, increasing less than 1 cent. The butterfat price was the highest ever for the month of January.

Class price changes from the previous month were mixed: Class I decreased 49 cents based on the lower cheese prices in January; Class II increased 49 cents; Class III rose 91 cents; and Class IV increased 46 cents, all on a per hundredweight basis. Class III remained the lowest class price. With an increase in proportion of pooled milk utilized in the higher prices, the SUP increased. The overall pool value decreased, but the value of producers' components increased from last month, resulting in a lower payout in the PPD but it was the highest ever for the month of February.

Selected Statistics

Average daily deliveries per producer (DDP) in February set a record high for the month. The total producer receipts and Class II volume were the second highest ever for February. The Class III volume was the highest ever for the month. The average producer butterfat and protein tests set record highs for February. ❖

Pool Summary

- A total of 7,556 producers were pooled under the Order with an average daily delivery per producer of 9,854 pounds.
- Pooled milk receipts totaled 2.159 billion pounds, an increase of 2.3 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.8 percent of total milk receipts, down 0.9 percentage points from January.
- The average butterfat test of producer receipts was 4.30 percent.
- The average true protein test of producer receipts was 3.25 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.8	644,311,439
Class II	25.2	544,850,805
Class III	30.4	655,262,866
Class IV	14.6	314,805,436
Total Pooled Milk		2,159,230,546

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.2255	2.3650
Butterfat Price	3.1031	2.7178
Other Solids Price	0.2738	0.2101

Class Prices

	2024	2023
	\$/cwt	
Class I	21.24	24.03
Class II	20.53	20.83
Class III	16.08	17.78
Class IV	19.85	18.86

U.S. Milk Production

Total milk production in the United States was relatively unchanged in 2023, decreasing around 52 million pounds; for comparison, in 2022 growth was also relatively unchanged increasing 2 million pounds. Milk production in the top ten milk-producing states slightly decreased 0.1 percent when compared to 2022. The accompanying table shows the top ten states ranked by their total 2023 production and comparisons to the selected 24 states total and the 2023 U.S. total for production, cows, and milk production per cow (MPC) as reported by the USDA's National Agricultural Statistics Service (NASS).

Top Ten Rankings

For the third year in a row, there was no change in rankings in the top ten states in total milk production. Michigan reported the largest year-to-year increase in production of the top ten at 2.9 percent, an increase of 336 million pounds. New York had the second largest increase from the previous year at 2.8 percent, with a 433-million-pound increase in volume. Four of the top ten states reported a decrease from 2022; New Mexico fell the most at 6.7 percent, followed by California at 2.1 percent, then Pennsylvania at 0.9 percent, and lastly Washington at 0.3 percent.

Of the NASS selected 24 states, eleven reported decreases from the prior year. New Mexico reported the largest decline (6.7 percent) of the group, followed by Utah and Oregon at 3.7 percent and 3.1 percent, respectively. Once again, the largest increase reported by this group was South Dakota with 7.9 percent, Indiana had the second highest increase at 3.2 percent. The selected 24 states in total accounted for 95.8 percent of the U.S. total milk production in 2023, up 0.2 percent the prior year.

Northeast Production

Milk production in the Northeast milkshed (the area from which milk is traditionally pooled by handlers selling into the marketing area) increased 0.9 percent in 2023 and accounted for 13.6 percent of national milk production. The milkshed state reporting the largest growth was New York with 2.8 percent with Maryland second at 0.5 percent. West Virginia reported the largest decline of the milkshed (12.0 percent), followed by New Hampshire with 5.0 percent, and Massachusetts with 4.8 percent. The combined New England states reported a drop of 1.4 percent while the three largest contributing states to the Northeast Order (New York, Pennsylvania, and Vermont) reported a combined

Top Ten States Ranked by Milk Production, 2023

Rank	State	2022 million pounds	2023	Percent Change	2023	
					Cows 1,000 head	MPC# pounds
1	California	41,800	40,902	(2.1)	1,714	24,316
2	Wisconsin	31,882	32,123	0.8	1,270	25,064
3	Idaho	16,628	16,827	1.2	667	25,348
4	Texas	16,531	16,565	0.2	642	25,590
5	New York	15,646	16,079	2.8	630	25,074
6	Michigan	11,737	12,073	2.9	438	27,359
7	Minnesota	10,472	10,500	0.3	452	23,117
8	Pennsylvania	9,949	9,859	(0.9)	466	21,259
9	New Mexico	7,145	6,663	(6.7)	271	24,809
10	Washington	6,239	6,223	(0.3)	258	24,089
	Top Ten Total	168,029	167,814	(0.1)	6,808	246,025
	NASS 24 Total	216,537	216,893	0.2	8,919	24,318
	U.S. Total	226,416	226,364	(0.0)	9,386	24,117

Source: NASS, *Milk Production*.

Milk Produced per Cow.

increase of 1.2 percent from 2022. Comparatively, total milk pooled on the Northeast Order increased 1.4 percent in 2023 and totaled 27,260 million pounds.

Cow Numbers and Production per Cow

Nationally, the number of milk cows decreased 0.1 percent in 2023. The number of states showing declining cow numbers totaled 28. Nine states reported increases and the remainder had no change. Of those with increasing cow numbers, three were in the top ten states (Idaho, Michigan, & New York). South Dakota reported the largest percentage increase (8.3 percent) and grew to 195,000 head; Indiana had the second largest increase (2.7 percent) with 190,00 head. California had 18.3 percent of the 2023 total number of cows in the U.S.; Wisconsin followed with 13.5 percent. In the Northeast milkshed states, milk cow numbers increased 0.1 percent. The combined total for New York, Pennsylvania, and Vermont was up 0.2 percent from 2022, the New England states decreased 1.2 percent.

Average MPC increased 0.1 percent nationally; Alabama had the greatest increase in MPC at 31.2 percent, followed by Montana at 4.6 percent. Twelve states had MPC greater than the national average; seven of them were in the top ten. The only top-ten states below the national average were Minnesota, Pennsylvania, and California. The Northeast states increased MPC by 0.8 percent. The U.S. average milk per cow was 24,117 pounds per head in 2023; the average was 23,076 pounds per head in the Northeast states. NASS reported data for Alaska and Hawaii in a combined Other States category to avoid disclosing data for individual operations. ❖

Market Service 2023 Summary

The Market Administrator of the Northeast Order oversees a Market Services program that verifies or establishes weights, samples and tests of producer milk, and provides market information for producers who are not receiving such services from a cooperative association.

Calibration Program

One aspect of Market Services is the bulk tank calibration program. The Northeast Order operates two calibration trucks with onboard metering equipment and a supply of water. The Market Service department calibrated 119 farm bulk tanks throughout the Northeast Marketing Area milkshed in 2023. Additionally, 106 bulk tanks were checked for accuracy. In providing these services, the two trucks combined covered 18,944 miles in 2023.

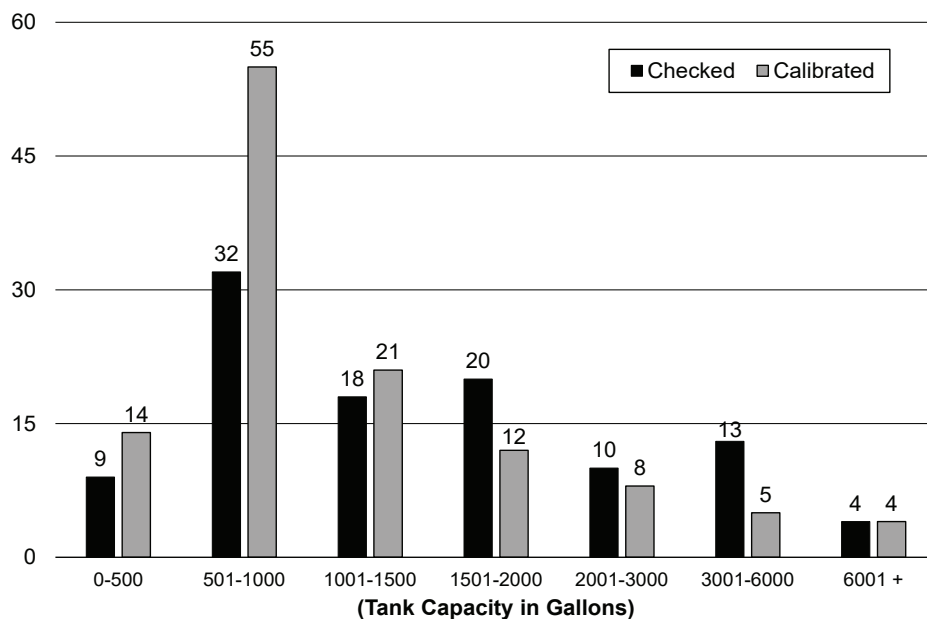
Briefly, a tank calibration involves delivering precise volumes of water and measuring the depth of water in the tank after each delivery throughout the entire capacity of the tank. Based on these measurements, with volume tolerances applied, a new and accurate bulk tank conversion chart is prepared. A tank check involves measuring the tank at about four or five different levels and comparing those readings against the conversion chart to determine the accuracy of the chart. The chart is used by milk haulers to convert the volume of the milk in the bulk tank to pounds of milk; the basis on which producers are paid.

Checks/Calibration Results

Of the 119 tanks calibrated, 10 (8 percent) were re-calibrations from being found out of tolerance on a previous check. Of the remaining 109 calibrations, 82 were new tanks installed on farms to upgrade aging equipment and the remainder were performed for other reasons such as a tank being moved, having a deteriorated chart, or by special request. Of the tanks that were recalibrated or calibrated, 66 percent were 1,500 gallon tanks or smaller.

The 163 tank checks, calibrations and re-calibrations and other support and supply services required a total at least 370 farm visits in 2023. The accompanying chart shows a breakdown of calibrations by tank size.

2023 Bulk Milk Tanks Checked or Calibrated, by Tank Capacity



Payment Test Verification Program

The Federal Order also requires the Market Administrator to verify or establish the payment tests for the non-member (independent) producers. The verification of tests is a valuable service to producers to assure accurate payments for their milk. In 2023, the Market Service department tested 18,815 samples of producer milk. Of the samples that were tested, 48 samples (0.3 percent) were determined to be outliers and were removed from any statistical comparisons to Handler payment tests. The remaining 18,374 samples were used to verify the accuracy of payment tests.

Additionally, the Market Service department laboratory staff prepared and distributed 17 sets of raw milk control samples to industry labs that conduct producer payment testing. The three-week frequency of the control sample program which was established in March of 2020 has been proven to be more efficient and still provides consistent control sample quality. These samples, with their accompanying reference chemistry values, serve as standards used to either set or verify the accuracy of baseline calibrations of infrared milk analyzers used by the industry for payment testing. Along with each new set of control samples distributed to the Northeast Market Area, the laboratory staff routinely analyzed instrument performance of data submitted by 29 industry laboratories. Of these monitored labs, 10 are performing producer payment testing. This routine laboratory monitoring assures accurate testing performance. ❖

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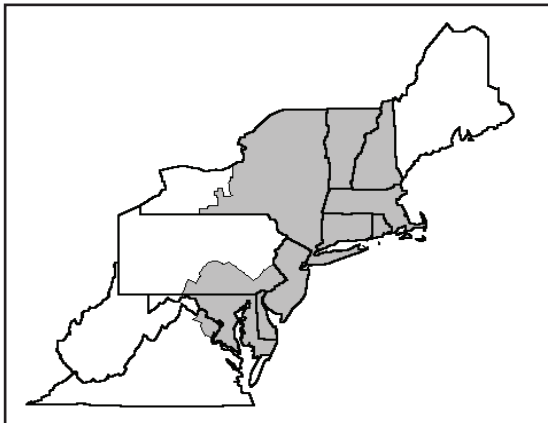
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Computation of Producer Price Differential and Statistical Uniform Price*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	629,189,750	\$11.00	\$69,210,872.50	
Butterfat	15,121,689	3.0360	45,909,447.80	
Less: Location Adjustment to Handlers			(2,869,994.80)	\$112,250,325.50
Class II— Butterfat	30,922,855	3.1101	96,173,171.34	
Nonfat Solids	48,454,615	1.1100	53,784,622.65	149,957,793.99
Class III— Butterfat	31,330,528	3.1031	97,221,761.43	
Protein	21,305,950	1.2255	26,110,441.74	
Other Solids	37,650,007	0.2738	10,308,571.89	133,640,775.06
Class IV— Butterfat	15,482,152	3.1031	48,042,665.88	
Nonfat Solids	28,240,142	1.0343	29,208,778.88	77,251,444.76
Total Classified Value				\$473,100,339.31
Add: Overage—All Classes				91,008.88
Inventory Reclassification—All Classes				(159,897.47)
Other Source Receipts	296,869			15,828.85
Total Pool Value				\$473,047,279.57
Less: Value of Producer Butterfat	92,857,224	3.1031	(288,145,251.82)	
Value of Producer Protein	70,226,541	1.2255	(86,062,625.99)	
Value of Producer Other Solids	124,614,490	0.2738	(34,119,447.36)	(408,327,325.17)
Total PPD Value Before Adjustments				\$64,719,954.40
Add: Location Adjustment to Producers				13,222,719.11
One-half Unobligated Balance—Producer Settlement Fund				934,916.66
Less: Producer Settlement Fund—Reserve				(918,650.44)
Total Pool Milk & PPD Value	2,159,527,415			\$77,958,939.73
Producer Price Differential		\$3.61		
Statistical Uniform Price		\$19.69		

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



The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

March 2024

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

March Pool Price Calculation

The March 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$20.18 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 \$23.00 per hundredweight. The March statistical uniform price was 49 cents per hundredweight above the February price. The March producer price differential (PPD) at Suffolk County was \$3.84 per hundredweight, an increase of 23 cents from the previous month.

Product Prices Effect

Commodity price changes, as reported on the National Dairy Product Sales Report, were mixed in March. On a per pound basis, butter rose 11 cents, dry whey was up 1 cent, and nonfat dry milk decreased 3 cents. The cheese price rose 1 cent from the previous month with blocks decreasing 3 cents and barrels rising 5 cents. The commodity price changes translated to a 14-cent jump in the butterfat price, a 1-cent increase the other solids price, a 3-cent decrease in the nonfat solids price, and a 10-cent drop in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of March.

All class prices increased from the previous month: Class I rose 81 cents based on higher prices in February; Class II increased 59 cents; Class III was up 26 cents; and Class IV increased 24 cents, all on a per hundredweight basis. Class III remained the lowest class price. Overall higher prices resulted in a higher SUP. The spread between the higher class prices and the Class III price increased, resulting in a higher PPD; it was the highest ever for the month of March.

Selected Statistics

Average daily deliveries per producer (DDP) in March set a record high for the month and were the second highest ever for the Order. The Class III volume was the second highest ever for the month and the third highest ever for the Order. The average producer butterfat and protein tests set record highs for March. ❖

Pool Summary

- A total of 7,458 producers were pooled under the Order with an average daily delivery per producer of 10,128 pounds.
- Pooled milk receipts totaled 2.342 billion pounds, an increase of 1.4 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 28.1 percent of total milk receipts, down 1.7 percentage points from February.
- The average butterfat test of producer receipts was 4.28 percent.
- The average true protein test of producer receipts was 3.22 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	28.1	658,693,688
Class II	25.2	588,920,574
Class III	30.9	723,306,534
Class IV	15.8	370,590,250
Total Pooled Milk		2,341,511,046

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.1265	2.4085
Butterfat Price	3.2385	2.7300
Other Solids Price	0.2881	0.2338

Class Prices

	2024	2023
	\$/cwt	
Class I	22.05	22.24
Class II	21.12	19.52
Class III	16.34	18.10
Class IV	20.09	18.38

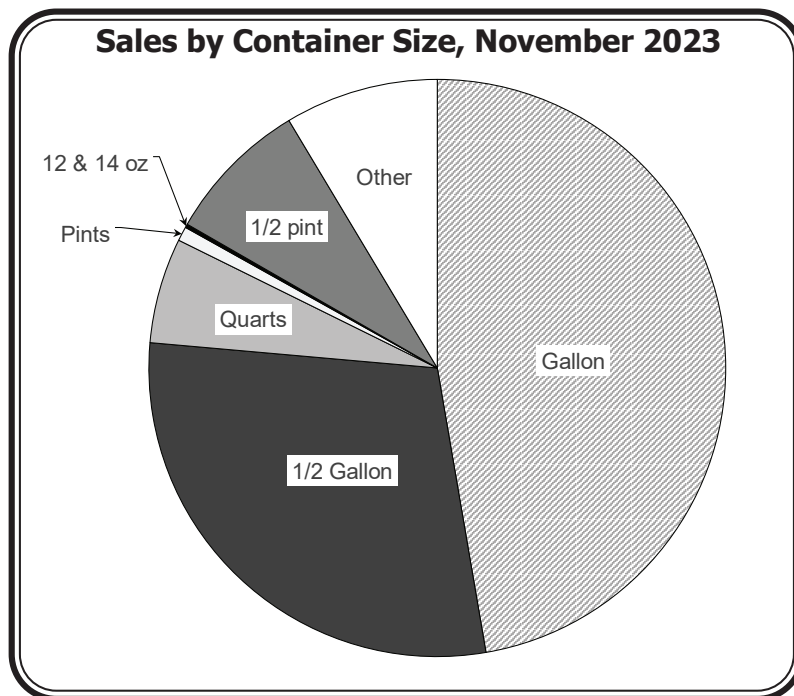
Fluid Milk Container Sales Survey

The 2023 container sales survey of Class I handlers regulated under the Northeast Order was recently completed. This survey is conducted biennially and records sales of fluid milk products by various package types and sizes for the month of November. The survey collects sales data from handlers (fully and partially regulated) under the Northeast Order that have sales of packaged fluid milk within the defined geographic region of the Northeast Milk Marketing Area. Sales reported by these handlers include those in the Marketing Area, along with sales to unregulated areas and other federal order areas. Data from responding handlers accounted for 99 percent of sales reported on pool reports, unchanged from the representation in 2021.

The survey began in 1964 and was conducted annually through 1967; since then, it has been biennial. Its purpose is to reflect bottling changes in the industry from various containers such as glass to paper and plastic, and from various sizes such as quarts to gallons and round single serve plastic containers. More recent surveys added organic products, extended shelf life (ultra and aseptic pasteurized), and additional categories in methods of distribution. It should be noted that this is only a survey, data are not verified through audit, and it is not necessarily representative of annual trends.

Container Size and Type

After declining for many years, packaged sales reported on the survey by handlers in the Northeast increased for the 2021 survey due to a combination of improved reporting percentage and the addition of plants pooled during the survey month. Sales reported on the November 2021 survey totaled 711 million pounds, up from 694 million pounds in November 2019.



The 2023 survey reflects the continued downward trend of fluid milk sales, totaling 684 million pounds.

As reported in the 2021 survey, gallons accounted for less than half of all milk sold in the Northeast at 47.3 percent, down from 47.5 percent in 2021 (see accompanying chart and table). The next largest category, half gallons, declined to 29.1 percent from 30.2 percent in 2021. Quarts came in third with 5.9 percent, up from 4.9 percent in 2021. Half pints were down from 9.4 to 8.1 percent. The round plastic 14-, 12-, and 10-ounce containers proportion declined to 0.21 percent, down from 0.25 percent in 2021. Pints remained at 0.8 percent.

Changes in proportions of type of container were reported. Glass usage decreased from 0.26 percent in 2021 to 0.17 percent in 2023. Paper, which had risen to 25.6 percent in 2021, declined to 23.0 percent in 2023.

Plastic usage increased to 76.9 percent, up from 74.1 percent in 2021. Totals may not add due to rounding.

Product Type

Wholemilk (unflavored, conventional and organic) continued to hold the largest market share, with 46.4 percent, up from 41.0 in 2021. Sales of reduced fat (2%), low fat (1%), and fat free (skim) accounted for a combined total of 44.8 percent, a decline from the last survey (49.1 percent in 2021). Flavored milk and drinks (lower fat flavored milk)

(continued on page 3)

November Sales by Container Size			
Sales by Container Size	2019	2021	2023
	Percent		
Gallon	54.1	47.5	47.3
1/2 Gallon	25.9	30.2	29.1
Quarts	4.9	4.9	5.9
Pints	0.9	0.8	0.8
12 & 14 oz	0.3	0.2	0.2
1/2 pint	8.9	9.4	8.1
Other	5.0	7.1	8.6
Total	100.0	100.0	100.0

Fluid Milk Container (continued from page 2)

had 6.2 percent of all sales, down from 6.9 percent in 2021. Buttermilk and eggnog combined accounted for 2.6 percent, a drop from 2.9 percent in the last survey.

Conventional milk accounted for 93.2 percent of all survey sales reported, up from 91.1 percent in 2021. Organic milk (included regular and flavored, whole and lower fat varieties) declined to 6.8 percent, compared with 8.9 percent in the last survey. Within the organic category, 55.5 percent was whole milk, the remaining was lower fat (reduced, low fat, and skim) products. Extended shelf life (ESL) products accounted for 22.4 percent of total sales reported, up significantly from 15.1 percent in 2021 and 5.4 percent in 2019. These changes in conventional, ESL, and organic are most likely due to the addition of certain pool plants and improved reporting rate. Within product categories, ESL accounted for 22.8 percent of whole milk, 26.7 percent of reduced fat, 14.8 percent of low fat, 21.2 percent of fat free, and 7.1 percent of flavored milk. This compares to 11.2 percent of whole milk, 20.9 percent of reduced fat, 10.9 percent of low fat, 18.2 percent of fat free, and 9.1 percent of flavored milk in 2021.

Method of Distribution

Internet Ordered Home Delivery, added as a category to the Methods of Distribution section in the 2019 survey, was still too small to register any percentage. Supermarket sales accounted for the largest volume at 32.8 percent (see accompanying table), down from 38.3 in 2021. Mass merchandisers (Wal-Mart, Target, etc.) were second, jumping 10 percentage points

November Container Sales Survey

Method of Distribution*	2021	2023
	Percent	
Supermarket chains	38.3	32.8
Mass merchandisers	12.7	22.7
Club Stores	6.1	6.3
Convenience stores	5.8	5.4
Drug Stores	0.3	0.2
Schools	3.5	3.4
Institutions	2.5	2.7
Wholesale distributors	23.5	22.1
Home delivery routes	0.1	0.1
Other	7.2	4.3
Total	100.0	100.0

* Sales of packaged fluid milk products from regulated handlers in the Northeast Marketing Area, unregulated areas, and other federal order areas. "Internet ordered home delivery" accounted for less than 0.1 percent.

from the last survey to 22.7 percent and surpassing Wholesale distributors who fell 1.4 percentage points to 22.1 percent. Club stores (Costco, Sam's Club, BJ's Wholesale, etc.) increased slightly to 6.4 percent from 6.1 percent in 2021. Convenience stores (not drug stores) dropped to 5.4 percent from 5.8 percent in the last survey. Sales to Institutions and Schools increased slightly to 6.2 percent from 6.1 percent in 2021. ❖

Pool Summary for All Federal Orders, January-March, 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	6,787,703,689	6,756,970,323	(1.5)	2.41	3.86	20.85	19.73
5	Appalachian	1,390,700,100	1,361,574,377	(3.2)	N/A	N/A	22.76	21.23
6	Florida	650,445,165	662,161,737	0.7	N/A	N/A	24.90	23.23
7	Southeast	922,097,628	912,064,457	(2.2)	N/A	N/A	23.31	21.73
30	Upper Midwest	8,822,779,711	7,885,686,182	(11.6)	0.25	0.37	18.69	16.23
32	Central	4,398,225,868	3,765,361,973	(15.3)	0.80	1.78	19.23	17.64
33	Mideast	4,550,576,565	4,286,779,666	(6.8)	1.31	2.30	19.75	18.17
51	California	7,536,281,384	6,099,636,066	(20.0)	1.03	1.47	19.46	17.33
124	Pacific Northwest	2,104,175,969	1,805,711,462	(15.1)	0.76	2.06	19.20	17.92
126	Southwest	3,643,813,008	3,220,797,645	(12.6)	1.68	2.27	20.11	18.13
131	Arizona	1,335,948,137	1,260,952,523	(6.7)	N/A	N/A	20.13	19.16
All Market Total/Average		42,142,747,224	38,017,696,411	(10.8)	1.18	2.01	20.76	19.14

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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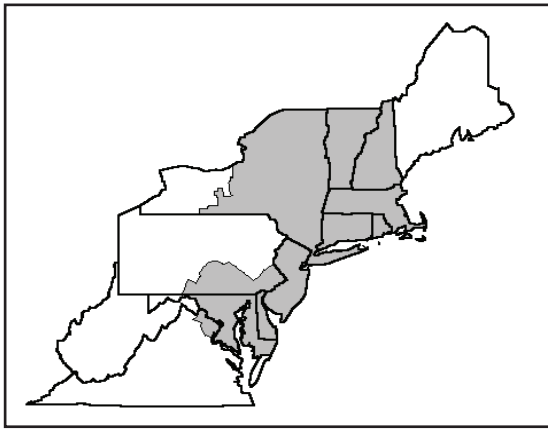
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Computation of Producer Price Differential and Statistical Uniform Price*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	642,961,067	\$11.39	\$73,233,265.53	
Butterfat	15,732,621	3.1594	49,705,642.79	
Less: Location Adjustment to Handlers			(2,967,233.35)	\$119,971,684.97
Class II— Butterfat	34,717,979	3.2455	112,677,200.93	
Nonfat Solids	52,055,567	1.1233	58,474,018.35	171,151,219.28
Class III— Butterfat	32,565,731	3.2385	105,464,119.86	
Protein	23,350,366	1.1265	26,304,187.32	
Other Solids	41,677,792	0.2881	12,007,371.93	143,775,679.11
Class IV— Butterfat	17,216,772	3.2385	55,756,516.15	
Nonfat Solids	33,216,748	1.0083	33,492,447.01	89,248,963.16
Total Classified Value				\$524,147,546.52
Add: Overage—All Classes				106,558.51
Inventory Reclassification—All Classes				65,723.70
Other Source Receipts	264,059			15,722.21
Total Pool Value				\$524,335,550.94
Less: Value of Producer Butterfat	100,233,103	3.2385	(324,604,904.05)	
Value of Producer Protein	75,443,642	1.1265	(84,987,262.77)	
Value of Producer Other Solids	135,119,734	0.2881	(38,927,995.40)	(448,520,162.22)
Total PPD Value Before Adjustments				\$75,815,388.72
Add: Location Adjustment to Producers				14,190,101.53
One-half Unobligated Balance—Producer Settlement Fund				1,005,541.26
Less: Producer Settlement Fund—Reserve				(1,086,867.47)
Total Pool Milk & PPD Value	2,341,775,105			\$89,924,164.04
Producer Price Differential		\$3.84		
Statistical Uniform Price		\$20.18		

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



The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

April 2024

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

April Pool Price Calculation

The April 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$20.09 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 \$22.81 per hundredweight. The April statistical uniform price was 9 cents per hundredweight below the March price. The April producer price differential (PPD) at Suffolk County was \$4.59 per hundredweight, an increase of 75 cents from the previous month.

Product Prices Effect

Most commodity price changes, as reported on the National Dairy Product Sales Report, declined in April. The only commodity that reported an increase was butter, which rose 8 cents per pound. Dry whey decreased 5 cents, nonfat dry milk was down 4 cents, and cheese fell 6 cents with blocks and barrels both dropping 6 cents, all on a per pound basis. The commodity price changes translated to a 9-cent increase in the butterfat price, a 5-cent decrease in the other solids price, a 4-cent decline in the nonfat solids price, and a 29-cent drop in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of April.

All class prices increased from the previous month except Class III. Class I rose 38 cents; Class II increased 11 cents; Class III decreased 84 cents; and Class IV increased 2 cents, all on a per hundredweight basis. Class III remained the lowest class price. Even though a majority of the class prices rose, their increases were not significant enough to offset the decrease in the Class III price, resulting in an overall lower pool value. The spread between the higher class prices and the Class III price increased, resulting in a higher PPD; it was the highest ever for the month of April.

Selected Statistics

Average daily deliveries per producer (DDP) in April set a record high for the month and were the third highest ever for the Order. The Class III volume was the second highest ever for the month. The average producer butterfat and protein tests set record-highs for April; the other solids test tied with the record-highs set in 2020 and 2021. ❖

Pool Summary

- A total of 7,476 producers were pooled under the Order with an average daily delivery per producer of 10,059 pounds.
- Pooled milk receipts totaled 2.256 billion pounds, a decrease of 0.4 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.2 percent of total milk receipts, up 1.1 percentage points from March.
- The average butterfat test of producer receipts was 4.26 percent.
- The average true protein test of producer receipts was 3.20 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.2	659,173,473
Class II	23.6	531,490,511
Class III	30.6	691,469,641
Class IV	16.6	373,786,604
Total Pooled Milk		2,255,920,229

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	0.8345	2.5603
Butterfat Price	3.3309	2.7009
Other Solids Price	0.2367	0.2479

Class Prices

	2024	2023
	\$/cwt	
Class I	22.43	22.10
Class II	21.23	19.20
Class III	15.50	18.52
Class IV	20.11	17.95

Manufactured Dairy Products – 2023 Summary

USDA’s National Agricultural Statistics Service recently released their *Dairy Products 2023 Summary*. This publication summarizes dairy products manufactured in the United States. The accompanying table compares selected products’ changes to 2023 from 2022 and 2018, for both the U.S. and for milk used in the Northeast Order.

Cheese Production

Nationally, total cheese production (excluding cottage cheese) grew 0.9 percent from 2022. American cheese increased 3.0 percent, Italian declined 0.8 percent, Swiss and other cheeses rose 2.2 percent, and cream (and Neufchatel) decreased 2.4 percent.

Within the other cheese category, Hispanic cheese rose 9.6 percent and accounted for 29.8 percent of this category. Brick had the largest growth from 2022, an increase of 11.2 percent, but accounted for less than 1 percent of the category. Swiss declined 4.5 percent but had the second largest percentage of other cheese with 23.6 percent. Other cheeses in this category include feta, blue/gorgonzola, Muenster, Gouda, and other varieties. Within total Italian cheese, ricotta increased a slight 0.6 percent from 2022.

When compared to five years earlier, total cheese is up 9.0 percent nationally. American increased 11.2, Italian rose 5.1, Swiss and other cheeses grew 9.3, and cream cheese was up 19.3, all on a percentage basis. Within the other types, Hispanic cheese rose 35.8 percent from 2018.

In the Northeast, milk used in making cheese increased 0.9 percent from 2022. By category, milk used in American

Dairy Product:	Total US Production of Manufactured Products		Total Northeast Order Milk Used to Manufacture#	
	2023 from:			
	2018	2022	2018	2022
	(percent change)			
Cheese				
American [^]	11.2	3.0	(3.4)	(2.5)
Italian ⁺	5.1	(0.8)	6.8	1.7
Cream and Neufchatel	19.3	(2.4)	4.6	0.2
Other [*]	9.3	2.2	6.9	11.7
Total Cheese(excludes cottage)	9.0	0.9	3.0	0.9
Butter	7.5	2.7	5.2	(3.3)
NFDM [~]	5.1	(4.4)	(4.9)	(4.3)
Yogurt	3.1	2.8	25.2	15.3

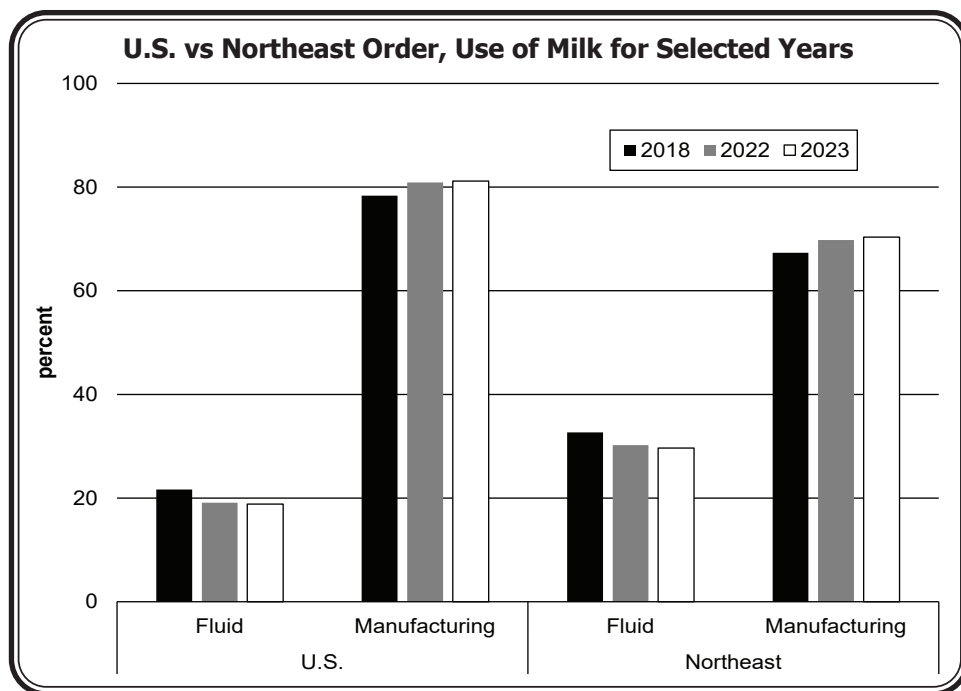
Source: USDA, NASS - Dairy Products 2023 Summary; Northeast Order pool report data.
 # Based on total milk used in manufacture of products.
 ^ Includes Cheddar, Colby, Monterey, and Jack.
 + Includes ricotta, mozzarella, parmesan, provolone, and other Italian varieties.
 * Includes Swiss, Hispanic, Muenster, Gouda, blue, brick, feta, and other varieties.
 ~ For human use; Northeast data includes some whole milk powder.

cheese decreased 2.5 percent, Italian cheese increased 1.7 percent (this figure includes ricotta that decreased 3.9 percent), cream cheese rose a slight 0.2 percent, and Swiss and other cheeses jumped 11.7 percent. Compared to 5 years earlier, milk used in making cheese in the Northeast was up 3.0 percent with Italian increasing 6.8 percent, cream cheese rising 4.6 percent, and Swiss and other growing 6.9 percent. American cheese use declined 3.4 percent compared to 2018.

Other Products

U.S. butter production increased 2.7 percent from 2022. Compared to 2018, it is up 7.5 percent. Nonfat dry milk (NFDM) decreased 4.4 percent from 2022; it was up 5.1 percent from 2018. Yogurt increased 2.8 percent from the previous year and 3.1 percent from 5 years ago. Ice cream (not shown in table) dropped 8.2 percent from 2022 and 0.4 percent from 2018. Combined evaporated and condensed (whole and skim) fell 6.5 percent in 2023, but rose 12.6 percent from 2018.

In the Northeast, milk used in butter decreased 3.3 percent from 2022. Compared to 2018, it was up 5.2 percent. Milk utilized in yogurt increased 15.3 percent from the previous year and 25.2 percent from 5 years ago. Milk used in the production of dry milk products (mostly nonfat, but does include some whole milk powder) decreased 4.3 percent from 2022 and 4.9 percent when compared to 2018. Milk utilized in ice cream (continued on page 3)



Manufactured Dairy Products (continued from page 2)

increased 5.9 percent, but declined 11.3 percent when compared to 5 years ago. Milk used in evaporated and condensed was down 16.2 percent from 2022, but up 23.8 percent from 2018.

Leading States

The top five cheese-producing states continued to be Wisconsin, California, Idaho, New Mexico, and New York. Of the states reported, Pennsylvania and Vermont remained at positions eight and 11, respectively. Wisconsin accounted for 18.8 percent of American cheese, 28.6 percent of Italian cheese, and 28.7 percent of the total U.S. dry whey. California produced 28.3 percent of all Italian cheese, 32.2 percent of butter manufactured, and 42.1 percent of nonfat dry milk, and 10.8 percent of ice cream. New York produced 19.4 percent of yogurt, more than 30 percent of all cottage cheese (low fat and creamed), 18.1 percent of sour cream, and 14.7 percent of dry whey. Not all states are represented; data cannot be disclosed when there are fewer than three plants.

Due to this, state rankings were not available for many products.

Percent of Total Milk Production

Of U.S. total milk production, 81.2 percent was used in manufactured products (18.8 percent sold for fluid use) in 2023, up from 80.9 percent in 2022 and 78.4 percent in 2018 (see chart).

In the Northeast Order, the total amount of pooled milk utilized in manufactured products equaled 70.4 percent in 2023, up from 69.8 percent in 2022 and 67.3 percent in 2018.

Number of Plants

The total number of plants equaled 1,183 in 2023, down 1.7 percent from 2022. Wisconsin led with 197, followed by New York with 119, and California with 97. In the Northeast, the states with the next highest counts were: Pennsylvania with 82, New Jersey with 49, and Vermont with 47. The total number of plants in the U.S. in 2018 was 1275. ❖

What's the Deal with Low Protein Prices?

The protein price for April 2024 was \$0.8345 per pound, the lowest since order formation and the first time since November 2000 the protein price has fallen below a dollar. Since December 2020, the protein price generally has tended downwards; this has largely been brought on by significant increases in butterfat prices and slight decreases in cheese prices. The protein price is utilized in the calculation of the Class III skim price, which recently has led to the lower Class III skim prices and, ultimately, the recent lower Class III prices.

Both the cheese price and butterfat price are used in the calculation of the protein price. The butterfat price is included in the protein price calculation to account for the butterfat value difference in cheese and butter. The cheese price has a direct relationship with the protein price (if the cheese price increases the protein price increases, if the cheese price decreases the protein price decreases), while the butterfat price has an inverse relationship (if the butterfat price increases the protein price decreases, if the butterfat price decreases the protein price increases). All else equal, a \$0.10 increase in the cheese price increases the protein price by \$0.3222 per pound and a \$0.10 increase in the butterfat price decreases the protein price by \$0.1053 per pound.

Butterfat Price

Since around 2014, demand for butter has steadily increased, brought on by a shift in the public health perspectives. This has led to an increase in butter production and record butterfat tests from producers. National butter production as reported by National Agricultural Statistics

Service (NASS) has grown from 1.855 billion pounds in 2014 to 2.115 billion pounds in 2023. The average annual butterfat test for pooled milk in the Northeast Order in 2014 was 3.78 percent and has increased year-over-year to 4.12 percent in 2023, currently January 2024 holds the record for highest monthly average butterfat test in the Northeast Order at 4.32 percent.

Total annual milk production as reported by the NASS has remained relatively flat from 2021 to 2023, staying between 226.2 billion and 226.4 billion total annual pounds for each of the three years. This stagnation comes after multiple years of significant increases and 2024 is seemingly repeating this trend with the first three months of the year echoing similar volumes in the same months of the prior three years.

The increase in the demand for butter and flat milk supply has put upward pressure on the butterfat price causing eighteen of the top twenty highest butterfat prices to occur since 2022.

Cheese Price

Cheese prices have trended downward since early 2022, but have remained within a \$1.29 per pound range in the last ten years. By comparison, butterfat prices were within a range of \$2.39 per pound for the same ten-year period. Cheese production and cheese exports have been increasing and cheese production also is dealing with the aforementioned flat milk supply, but since 2014, a significant increase in cheese stocks have accumulated and could be putting downward pressure on the price. ❖

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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	643,493,423	\$11.40	\$73,358,250.22	
Butterfat	15,680,050	3.2667	51,222,019.34	
Less: Location Adjustment to Handlers			(2,939,529.40)	\$121,640,740.16
Class II— Butterfat	31,502,791	3.3379	105,153,166.09	
Nonfat Solids	46,906,828	1.0989	51,545,913.29	156,699,079.38
Class III— Butterfat	32,353,186	3.3309	107,765,227.25	
Protein	22,141,345	0.8345	18,476,952.42	
Other Solids	39,811,393	0.2367	9,423,356.68	135,665,536.35
Class IV— Butterfat	16,473,907	3.3309	54,872,936.81	
Nonfat Solids	33,529,542	0.9730	32,624,244.38	87,497,181.19
Total Classified Value				\$501,502,537.08
Add: Overage—All Classes				144,714.84
Inventory Reclassification—All Classes				(783,318.75)
Other Source Receipts	323,295			23,275.36
Total Pool Value				\$500,887,208.53
Less: Value of Producer Butterfat	69,009,934	3.3309	(319,799,484.19)	
Value of Producer Protein	72,225,104	0.4345	(60,271,849.29)	
Value of Producer Other Solids	130,364,588	0.2367	(30,857,298.00)	(410,928,631.48)
Total PPD Value Before Adjustments				\$89,958,577.05
Add: Location Adjustment to Producers				13,725,253.84
One-half Unobligated Balance—Producer Settlement Fund				986,541.15
Less: Producer Settlement Fund—Reserve				(1,108,789.36)
Total Pool Milk & PPD Value	2,256,243,524			\$103,561,582.68
Producer Price Differential		\$4.59		
Statistical Uniform Price		\$20.09		

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

The Market Administrator's

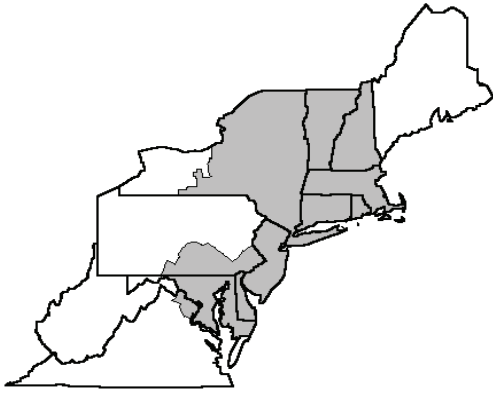
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

May 2024

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

May Pool Price Calculation

The May 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$20.89 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 \$23.46 per hundredweight. The May statistical uniform price was 80 cents per hundredweight above the April price. The May producer price differential (PPD) at Suffolk County was \$2.34 per hundredweight, a decrease of \$2.25 from the previous month.

Product Prices Effect

Commodity price changes, as reported on the National Dairy Product Sales Report, were mixed in May. The butter price rose 11 cents and the cheese price jumped 32 cents with block increasing 29 cents and barrels rising 35 cents, all on a per pound basis. Nonfat dry milk declined nearly 1 cent while dry whey fell almost 2 cents, also on a per pound basis. The commodity price changes translated to a 13-cent increase in the butterfat price, a 1-cent decrease in the nonfat solids price, a 90-cent jump in the protein price, and a 2-cent decline in the other solids price, all on a per pound basis. The butterfat price was the highest ever for the month of May.

All class prices increased from the previous month except Class I, which based on lower prices in April decreased 72 cents per hundredweight. Class II increased 27 cents; Class III jumped \$3.05; and Class IV rose 39 cents, all on a per hundredweight basis. Class III remained the lowest class price. With most of 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 III volume in May was highest ever for the Order. The average producer butterfat set a record high for May; the producer protein test ties with the record high set for May in 2023. ❖

Pool Summary

- A total of 7,470 producers were pooled under the Order with an average daily delivery per producer of 10,046 pounds.
- Pooled milk receipts totaled 2.326 billion pounds, a decrease of 0.2 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 28.5 percent of total milk receipts, down 0.7 percentage points from April.
- The average butterfat test of producer receipts was 4.16 percent.
- The average true protein test of producer receipts was 3.15 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	28.5	663,098,188
Class II	22.9	533,204,899
Class III	31.7	737,314,391
Class IV	16.9	392,833,583
Total Pooled Milk		2,326,451,061

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.7349	1.8002
Butterfat Price	3.4636	2.7572
Other Solids Price	0.2181	0.1877

Class Prices

	2024	2023
	\$/cwt	
Class I	21.71	22.82
Class II	21.50	19.11
Class III	18.55	16.11
Class IV	20.50	18.10

Top Pooling Counties – Northeast Milkshed

The top ten counties in terms of milk pooled on the Northeast Order accounted for 38.3 percent of all milk pooled during 2023, up from 37.6 percent in 2022. The total volume of producer milk receipts pooled on the Order was 27.1 billion pounds in 2023, an increase of 1.6 percent from 2022. The total volume represented by the top ten counties increased 3.6 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. Pooled volumes and farm numbers are from audited producer payroll data.

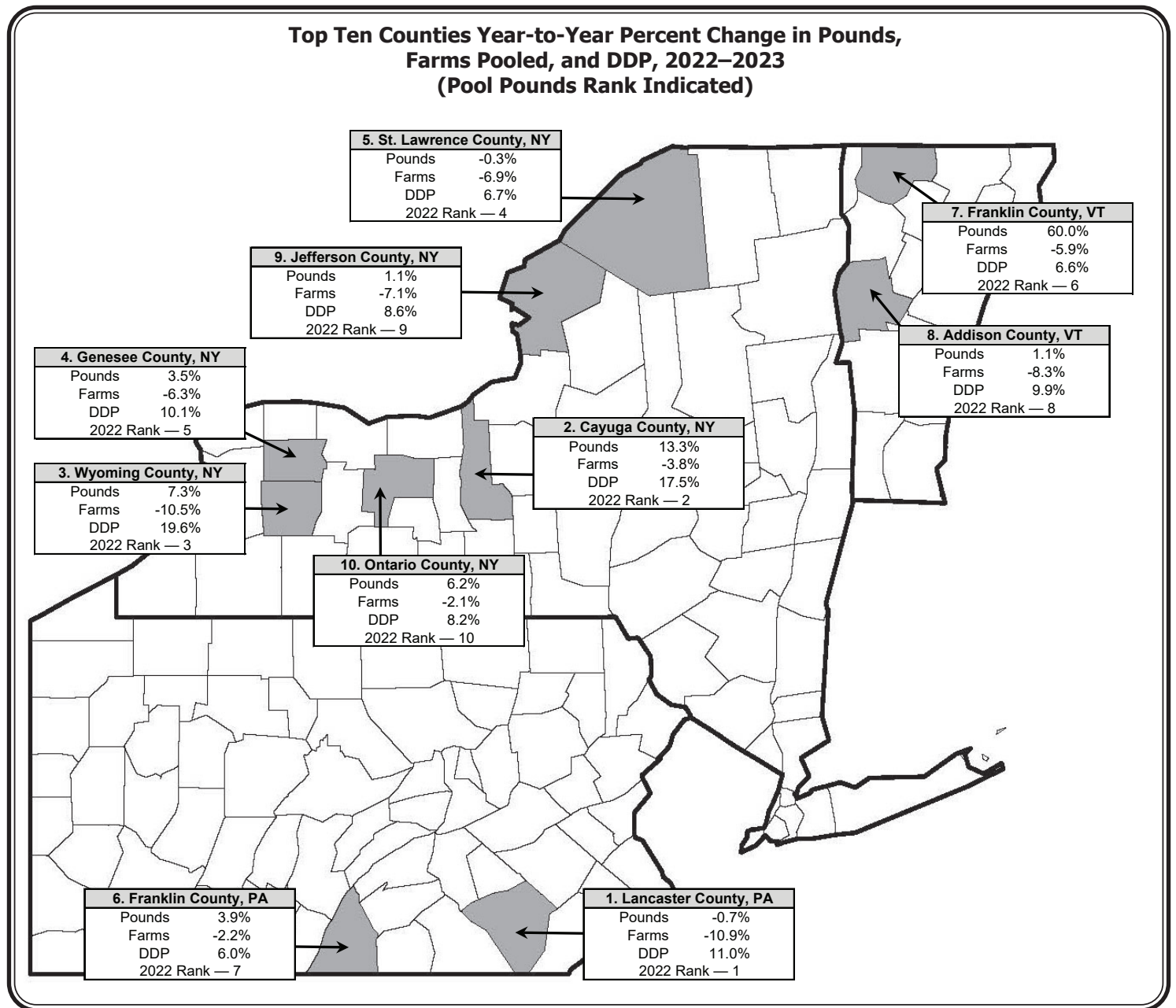
The accompanying table on page 3 shows the top ten ranked counties for 2023 based on their volume pooled on the Order. The accompanying map presents

the change in pounds pooled, farms pooled, and DDP from 2022 to 2023 for the top ten counties. It also includes the counties' prior year rank.

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 changed from 2022 were the Franklin counties in Pennsylvania and Vermont. Franklin (PA) moved up from the number 7 spot to number 6 while Franklin (VT) moved in the opposite direction. The only top ten counties whose pooled volume declined from the previous year were Lancaster (PA) and St. Lawrence (NY).

(continued on page 3)



Top Pooling Counties (continued from page 2)

Proportion of Farms and DDP

The proportion of farms that the top ten counties accounted for decreased to 28.8 percent compared to 29.3 in 2022. The number of farms accounted for by the top ten counties declined 8.5 percent in 2023; the average number of farms pooled on the Order overall decreased 7.2 percent. All top ten counties reported lower farm numbers in 2023. Of the top ten counties, Lancaster (PA) had the largest percent decline from 2022.

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 13,279 pounds, up 12.9 percent from 2022. The Order average DDP was 9,990 pounds in 2023, an increase of 9.2 percent from the previous year. ❖

Top Ten Counties Pooling on the Northeast Order, 2023

Rank	County	State	Volume Pooled	Number of	DDP
			On Order (1,000 lbs)	Farms	
1	Lancaster	PA	2,120,366	1,183	4,911
2	Cayuga	NY	1,424,520	76	51,353
3	Wyoming	NY	1,214,200	85	39,136
4	Genesee	NY	949,339	45	57,798
5	St Lawrence	NY	890,277	176	13,859
6	Franklin	PA	789,212	220	9,828
7	Franklin	VT	775,333	96	22,127
8	Addison	VT	753,732	66	31,288
9	Jefferson	NY	743,557	104	19,588
10	Ontario	NY	736,074	94	21,454
Top Ten Total			10,396,610	2,145	13,279
Total Pool			27,132,530	7,441	9,990
Top Ten Proportion (%)			38.3	28.8	

Source: Northeast Order audited producer payroll reports.

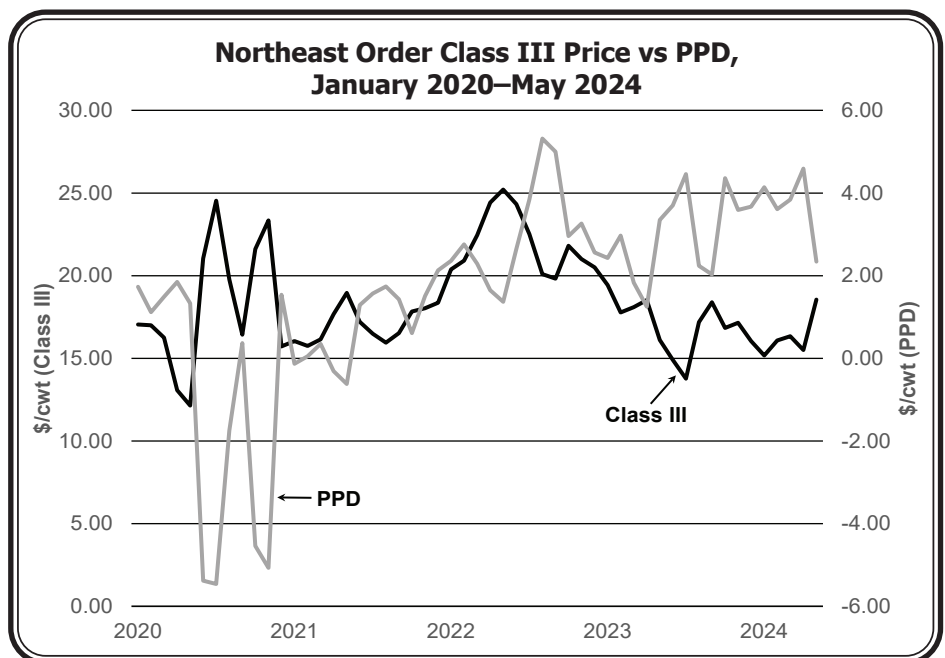
The Relationship Between Class III & PPDs

Between October 2023 and April 2024, the Producer Price Differential (PPD) in the Northeast Order remained above \$3.00 per cwt at the Suffolk County region, with April 2024 having the fourth highest PPD (\$4.59 per cwt) in the Northeast since Order formation in 2000. May 2024 broke up this seven-month long trend with an announced PPD of \$2.34 per cwt, this streak of higher-than-average PPDs was largely due to lower protein prices and higher butterfat prices that steered the Class III price down. Approximately, the PPD is the leftover amount in the pool after components are paid at the Class III level. This causes the Class III price to typically have an inverse relationship with the PPD, meaning as the Class III price increases the PPD decreases and as the Class III price decreases the PPD increases. In the Northeast Order the inverse relationship between the two prices commonly exists but situations can occur that cause the Class III price and PPD to move in the same direction. The accompanying chart demonstrates this inverse relationship from Jan 2020 to May 2024.

The Class III price is seemingly recovering; the May 2024 price is the highest in over a year. The advanced Class III skim milk pricing factor for June 2024 is the highest in eight months, and the June 17, 2024, Class III Chicago Mercantile Exchange has Class III futures

near or above \$20.00 per cwt for the next five months. This could result in lower PPDs in the near future.

Using the May 2024 pool as an example and estimating the PPD using class utilization and class prices, a 9.35 percent increase in the Class III price to \$20.28 per cwt would have resulted in a PPD of \$1.15 per cwt at Suffolk County and a PPD of \$0.00 per cwt in the lowest value differential regions in the Northeast Order. An 18.4 percent increase in the Class III price to \$21.96 per cwt would have resulted in a Class III price of \$21.83 per cwt and a PPD of \$0.00 per cwt at Suffolk County. ❖



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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	647,241,267	\$10.43	\$67,507,264.15	
Butterfat	15,856,921	3.3279	52,770,247.40	
Less: Location Adjustment to Handlers			(2,927,954.55)	\$117,349,556.99
Class II— Butterfat	32,086,665	3.4706	111,359,979.52	
Nonfat Solids	46,630,271	1.0767	50,206,812.84	161,566,792.36
Class III— Butterfat	33,086,099	3.4636	114,597,012.50	
Protein	23,226,974	1.7349	40,296,477.20	
Other Solids	42,407,724	0.2181	9,249,124.60	164,142,614.30
Class IV— Butterfat	15,662,960	3.4636	54,250,228.27	
Nonfat Solids	35,091,865	0.9647	33,853,122.19	88,103,350.46
Total Classified Value				\$531,162,314.11
Add: Overage—All Classes				57,419.43
Inventory Reclassification—All Classes				66,029.80
Other Source Receipts	291,753			10,279.32
Total Pool Value				\$531,296,042.66
Less: Value of Producer Butterfat	96,692,645	3.4636	(334,904,645.21)	
Value of Producer Protein	73,267,942	1.7349	(127,112,552.57)	
Value of Producer Other Solids	134,185,622	0.2181	(29,265,884.15)	(491,283,081.93)
Total PPD Value Before Adjustments				\$40,012,960.73
Add: Location Adjustment to Producers				14,123,107.60
One-half Unobligated Balance—Producer Settlement Fund				1,245,736.82
Less: Producer Settlement Fund—Reserve				(936,023.27)
Total Pool Milk & PPD Value	2,326,742,814			\$54,445,781.88
Producer Price Differential		\$2.34		
Statistical Uniform Price		\$20.89		

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

The Market Administrator's

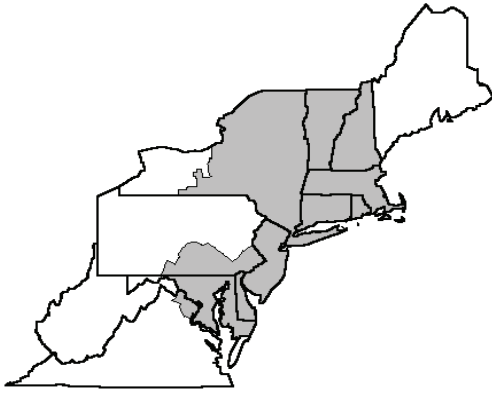
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

June 2024

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

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.

(continued on page 3)

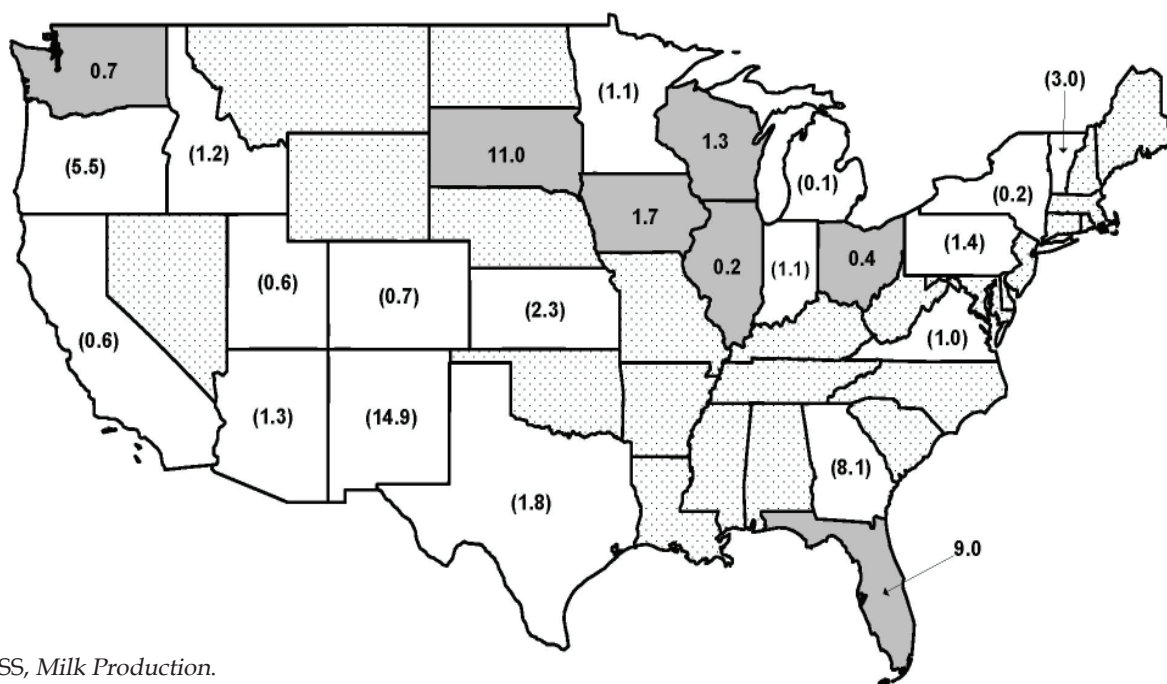
Milk Production in the Top Ten States and Selected Areas, January–June, 2023 vs 2024

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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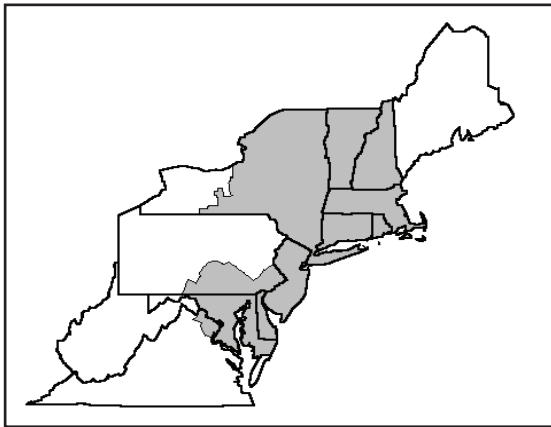
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Computation of Producer Price Differential and Statistical Uniform Price*

	<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.



The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

July 2024

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 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$22.26 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 \$24.31 per hundredweight. The July statistical uniform price was 43 cents per hundredweight above the June price. The July producer price differential (PPD) at Suffolk County was \$2.47 per hundredweight, an increase of 51 cents from the previous month.

Product Prices Effect

Commodity price changes, as reported on the National Dairy Product Sales Report, were mixed in July. The butter price rose 2 cents, nonfat dry milk increased nearly 2 cents, dry whey was up 2 cents, and the cheese price dropped 2 cents with the block price rising 3 cents and the barrel price decreasing 7 cents, all on a per pound basis. The commodity price changes translated to an almost 3-cent increase in the butterfat price, a nearly 2-cent increase in the nonfat solids price, a 2-cent increase in the other solids price, and an almost 11-cent drop in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of July and third highest ever for the Order.

All class prices, except Class III increased from the previous month: Class I, based on prices in June jumped \$1.03; Class II increased 22 cents; Class III fell 8 cents; and Class IV was up 23 cents, all on a per hundredweight basis. Class III remained the lowest class price. With most class prices increasing, the statistical uniform price rose. The spread between the higher class prices and the Class III price loosened, resulting in a higher PPD.

Selected Statistics

The Class II volume in July was the highest ever for the month and second highest in the history of the Order, Class III had the third highest volume for July. Both the average producer butterfat and protein set a record high for July. ❖

Pool Summary

- A total of 7,505 producers were pooled under the Order with an average daily delivery per producer of 9,834 pounds.
- Pooled milk receipts totaled 2.288 billion pounds, a decrease of 1.3 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 27.2 percent of total milk receipts, up 0.8 percentage points from June.
- The average butterfat test of producer receipts was 4.02 percent.
- The average true protein test of producer receipts was 3.08 percent.
- The average other solids test of producer receipts was 5.76 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	27.2	622,189,902
Class II	27.8	635,649,029
Class III	30.8	705,134,868
Class IV	14.2	324,810,559
Total Pooled Milk		2,287,784,358

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.9466	1.1991
Butterfat Price	3.5720	2.7986
Other Solids Price	0.2571	0.0689

Class Prices

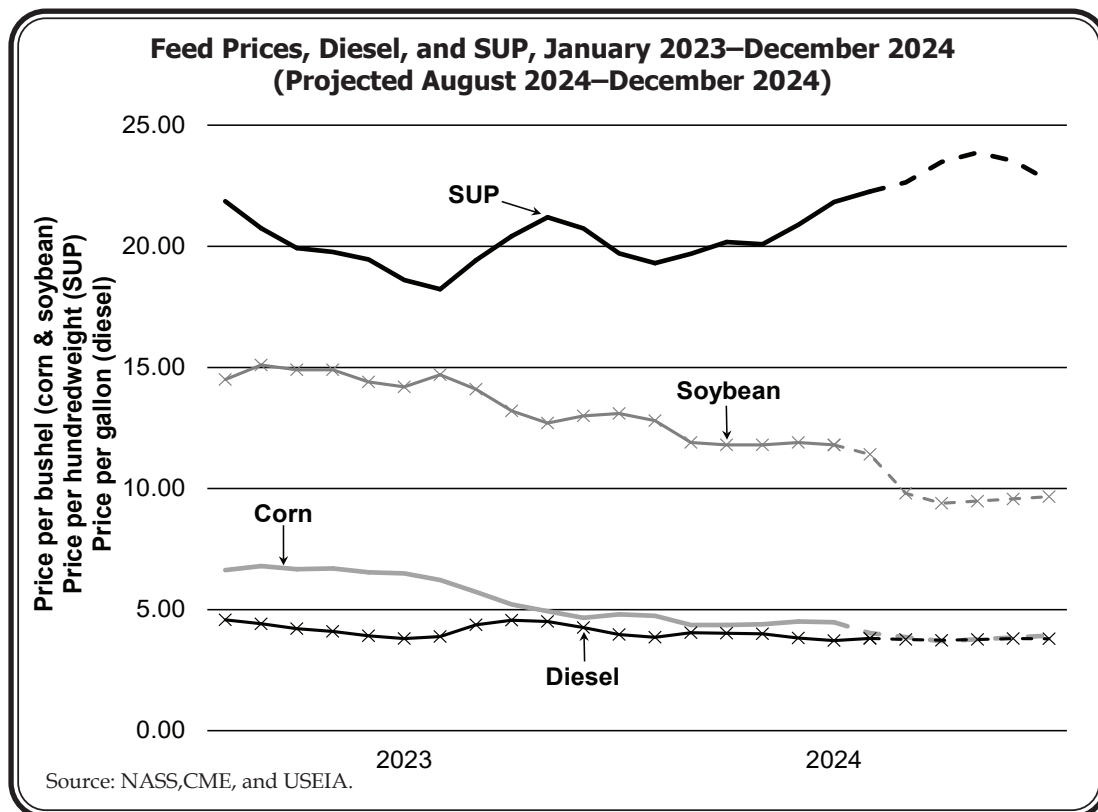
	2024	2023
	\$/cwt	
Class I	24.36	20.57
Class II	21.82	19.12
Class III	19.79	13.77
Class IV	21.31	18.26

Market Update

From January to July 2024, the monthly statistical uniform price (SUP) averaged \$20.61 per hundredweight (cwt) with an average producer price differential (PPD) of \$3.28 per cwt. This is a 60-cent increase in the SUP from the 2023 monthly average (\$20.01 per cwt); the monthly average PPD increased 29 cents per cwt from the 2023 monthly average (\$2.99 per cwt). Using August 16, 2024, Chicago Mercantile Exchange (CME) futures prices of Class III and IV milk and estimates of Northeast Order class utilizations, the SUP at the Boston, MA, location projects 2024 to average \$21.71 per cwt with an average producer price differential (PPD) of \$2.77 per cwt. Compared to the 2023 averages, this is an increase of \$1.70 per cwt in the SUP and a 22-cent per cwt decrease in the PPD. CME futures prices of Class III and IV milk for the remainder of 2024 average \$21.19 per cwt and \$21.91 per cwt, respectively; the CME futures project an upward trend in SUP and all class prices for 2024 compared to 2023.

Component Prices

For the first seven months of 2024 the monthly average per pound prices for butterfat (\$3.3184) and other solids (\$0.2497) increased compared to their 2023 monthly averages, while protein (\$1.4356) and nonfat solids (\$1.0039) decreased; butterfat and other solids prices grew at 12.1 percent (36 cents per pound) and 49.0 percent (8 cents per pound), respectively. Using the August 16, 2024, CME futures of cash-settled butter for butterfat, cash-settled cheese for protein, dry whey for other solids, and nonfat dry milk for nonfat solids to estimate the monthly average per pound component prices for 2024, butterfat averaged \$3.4379, protein \$1.7635, other solids \$0.2905, and nonfat solids \$1.0343. This represents an increase in all component prices, except protein, when compared to 2023 monthly averaged prices, the other solids price was the largest increase at 73.3 percent brought on by recent and projected increases in the dry whey commodity price.



Feed Prices

The monthly average prices of corn, soybean, and alfalfa hay as published by the USDA National Agricultural Statistics Service (NASS) for January to June 2024 all decreased from their 2023 monthly average prices. Corn prices dropped 24.8 percent (\$1.48 per bushel) to \$4.47 per bushel, soybean prices decreased 14.7 percent (\$2.07 per bushel) to \$12.00 per bushel, and alfalfa hay prices fell 19.4 percent (\$47.83 per ton) to \$198.17 per ton. June 2024 NASS prices for corn (\$4.48 per bushel), soybean (\$11.80 per bushel), and alfalfa hay (\$195 per ton) are some of the lowest prices since 2021. Estimates using August 16, 2024, CME futures for corn and soybeans (the CME does not offer futures for alfalfa hay) suggest a 2024 yearly average of \$4.16 per bushel price for corn and \$10.94 per bushel price for soybeans. These estimated yearly averages for 2024 are below the averages for 2023, with soybeans down \$3.12 per bushel and corn down \$1.78 per bushel.

Diesel Price

The U.S. Energy Information Administration (USEIA) estimates the price for diesel in 2024 will average \$3.8453 per gallon, a decrease of \$0.3683 per gallon from 2023. The cost of diesel, so far, in 2024 peaked in February at \$4.0438 per gallon and bottomed in June at \$3.7220 per gallon. The USEIA estimate the price of diesel to remain relatively flat for the rest of the year with prices between August and December to range from \$3.7308 to \$3.8054 per gallon.

(continued on page 3)

Market Update *(continued from page 2)*

Consumer Price Index

The Consumer Price Index (CPI), published by the U.S. Bureau of Labor Statistics, reported an average consumer price increase of 2.9 percent across all items in July 2024 from July 2023; food prices on average rose 2.2 percent across the one-year period. The dairy & related products category on average experienced deflation of 0.2 percent, largely due to a 2.3 percent drop in the cheese & other product prices and a 0.9 percent fall in ice cream & related product prices. Fluid milk product prices increased 1.2 percent on average, 1.3 percent in fresh whole milk and 1.1 percent in fresh milk other than whole. All other dairy & related products increased 1.1 percent on average.

Exports

As of May 2024, U.S. dairy exports in 2024 have increased by 0.2 percent for the same period in 2023, as reported by the U.S. Dairy Export Council. Nonfat dry milk (NFDN), cheese, and whey remain the three largest export groups by volume, in that order. Of the three largest export groups total NFDN exports decreased 11.4 percent year-to-date, while cheese and whey exports increased 28 percent and 3.9 percent year-to-date, respectively. Year-to-date total dairy exports to China have decreased by 16.8 percent, largely brought on by decreased exports of NFDN and whey to the country. ❖

Northeast Order Shipping Percentage Adjusted for Fall 2024

The Market Administrator received a request from two cooperatives (one of which operates an unregulated supply plant) pooling milk on the Northeast Order to lower the percentage of milk that pool supply plants and cooperative Section 1000.9(c) handlers must deliver to Class I pool distributing plants during the months of September, October, and November. It was requested that the shipping percentages specified in Section 1001.7 (c) (2) be lowered from 20 to 10 percent for the months listed until further notice. The shipping percentage during September, October, and November from 2018 through 2023 was adjusted to 10 percent in response to similar requests. Section 1001.7 (g) of the Northeast Order states that the shipping percentages under the above provision may be increased or decreased by the Market Administrator if, after conducting an investigation and soliciting comments, the Market Administrator determines that such adjustment is necessary to encourage needed shipments or to prevent uneconomic shipments. Following receipt of the request, the Market Administrator's office sent a letter to pool handlers inviting them to submit comments, data, or views regarding the request. The office reviewed the comments received and conducted an analysis of milk volumes pooled on the Order, milk utilization, and market conditions.

Monthly pool statistics continue to present a picture of declining Class I receipts for the Northeast Order, though there had been some slowing of this trend earlier in 2021. The Class I receipts for June 2024, at 578 million pounds, was the lowest volume for the month in 24 years, roughly 41 million pounds below the prior June. At 26.4 percent, Class I utilization in June was the lowest ever by percent for any month since the Order's inception.

In 2000, the year in which the 20 percent fall month shipping percentages were adopted as part of Order Reform, the Class I utilization for the months

of September, October, and November averaged 49.0 percent of the volume of milk pooled during those months. In 2023, Class I utilization for these same three months averaged 30.3 percent of the total pool—a drop of roughly 18.7 percentage points. In 2023, Class I receipts for the September through November period was 27.0 percent below the same period during the first year of the Northeast Order, in 2000. Current pool projections indicate a small increase in fall-month Class I utilization compared to spring, though not supporting a need to return to a shipping percentage higher than has been approved in recent years, at least for fall 2024.

Decision

After reviewing a variety of Northeast Order statistical data related to total pool volume, class utilization changes over time, fluid sales reports for the Order, and recent industry dynamics, together with comments submitted by parties responding to the call for comments on the requests, a reduction in the shipping percentage under Section 1001.7 (c) (2) of the Northeast Order from 20 to 10 percent for the three months of September, October, and November was approved.

Though 2024 will be the seventh year in a row that the shipping percentage will have been reduced to 10 percent, and given that the market conditions that warranted previous reductions continue to exist, potential for change to the current marketplace warrant limiting the change to the shipping percentage to 10 percent for September-November, 2024 only. As provided under the terms of the Northeast Order under Section 1001.7 (g), the Market Administrator may review the need for any further adjustment on his own initiative or at the request of interested parties. For additional information, copies of the requests, comments, and the decision, see the links on our webpage at www.fmmone.com. ❖

RETURN SERVICE REQUESTED

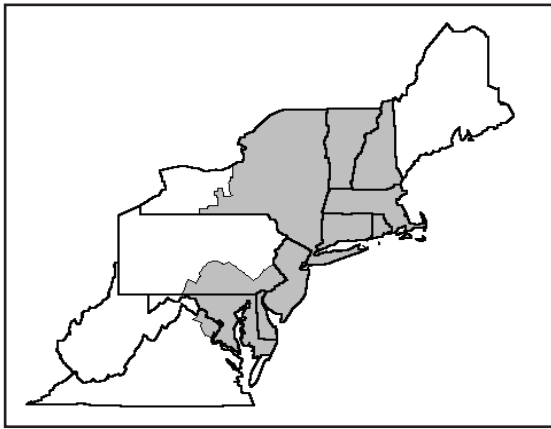
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Computation of Producer Price Differential and Statistical Uniform Price*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	606,767,960	\$12.32	\$74,753,812.67	
Butterfat	15,421,942	3.5622	54,936,041.79	
Less: Location Adjustment to Handlers			(2,735,063.90)	\$126,954,790.56
Class II— Butterfat	33,800,373	3.5790	120,971,535.00	
Nonfat Solids	55,470,133	1.0700	59,353,042.31	180,324,577.31
Class III— Butterfat	31,052,968	3.5720	110,921,201.67	
Protein	21,701,043	1.9466	42,243,250.33	
Other Solids	40,489,103	0.2571	10,409,748.38	163,574,200.38
Class IV— Butterfat	11,717,649	3.5720	41,855,442.20	
Nonfat Solids	28,864,961	1.0149	29,295,048.90	71,150,491.10
Total Classified Value				\$542,004,059.35
Add: Overage—All Classes				63,577.49
Inventory Reclassification—All Classes				(44,226.74)
Other Source Receipts	263,149			11,915.74
Total Pool Value				\$542,035,325.84
Less: Value of Producer Butterfat	91,992,932	3.5720	(328,598,753.14)	
Value of Producer Protein	70,495,093	1.9466	(137,225,748.05)	
Value of Producer Other Solids	131,752,279	0.2571	(33,873,510.94)	(499,698,012.13)
Total PPD Value Before Adjustments				\$42,337,313.71
Add: Location Adjustment to Producers				14,105,149.82
One-half Unobligated Balance—Producer Settlement Fund				1,047,656.54
Less: Producer Settlement Fund—Reserve				(975,346.60)
Total Pool Milk & PPD Value	2,288,047,507			\$56,514,773.47
Producer Price Differential		\$2.47		
Statistical Uniform Price		\$22.26		

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



The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

August 2024

Federal Order No. 1

To contact the Northeast Marketing Area offices:
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 website address: www.fmmone.com

August Pool Price Calculation

The August 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$22.64 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 \$24.95 per hundredweight. The August statistical uniform price was 38 cents per hundredweight above the July price. The August producer price differential (PPD) at Suffolk County was \$1.98 per hundredweight, a decrease of 49 cents from the previous month.

Product Prices Effect

All commodity prices (except butter), as reported on the National Dairy Product Sales Report, increased in August. The butter price fell almost 1 cent, nonfat dry milk increased 3 cents, dry whey was up nearly 4 cents, and the cheese price jumped almost 7 cents with the block price rising 3 cents and the barrel price increasing 9 cents, all on a per pound basis. The commodity price changes translated to an almost 1 cent decrease in the butterfat price, a 3-cent increase in the nonfat solids price, a nearly 4-cent increase in the other solids price, and a 23-cent jump in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of August; the nonfat solids, other solids, and protein prices are the highest so far for 2024.

All class prices increased from the previous month: Class I, based on prices in July rose 21 cents; Class II increased 23 cents; Class III jumped 87 cents; and Class IV was up 27 cents, all on a per hundredweight basis. Class III remained the lowest class price. With all 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 August was the lowest ever for the month, while the Class III volume was the highest ever and the Class II volume was the second highest ever for the month. The average producer butterfat, protein, and other solids tests all set record highs for August. ❖

Pool Summary

- A total of 7,458 producers were pooled under the Order with an average daily delivery per producer of 9,832 pounds.
- Pooled milk receipts totaled 2.273 billion pounds, a decrease of 0.6 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 28.1 percent of total milk receipts, up 0.9 percentage points from July.
- The average butterfat test of producer receipts was 4.06 percent.
- The average true protein test of producer receipts was 3.12 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	28.1	640,213,612
Class II	27.6	627,077,197
Class III	30.7	697,317,721
Class IV	13.6	308,496,271
Total Pooled Milk		2,273,104,801

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.1756	2.0851
Butterfat Price	3.5632	3.0218
Other Solids Price	0.2959	0.0648

Class Prices

	2024	2023
	\$/cwt	
Class I	24.57	19.87
Class II	22.05	19.91
Class III	20.66	17.19
Class IV	21.58	18.91

Trends in Packaged Fluid Milk Sales

The downward trend in sales of packaged fluid milk products in the Northeast Marketing Area (NMA) continues, but at a slower pace. Table 1 shows changes in sales for selected years from 2018 through 2023 and estimated for the first 6 months of 2024 in the NMA by product as reported by pool handlers regulated by the Northeast Order and by nonregulated handlers (handlers regulated by another federal order, partially regulated, exempt, and producer handlers); a complete breakdown of sales by product from nonregulated handlers is not available. Table 2 shows per capita sales for the NMA compared to the United States. Percent changes have been adjusted for leap year in 2020 and 2024.

The Northeast Marketing Area is defined under section 1001.2 of the Northeast Order and includes the entire states of Connecticut, Delaware, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont; most of Maryland and New York; and specific counties in Pennsylvania and Virginia. Its area includes many major metropolitan areas such as Boston, MA; New York, NY; Philadelphia, PA, and Washington, DC.

Sales by Product

In the July 2023 *Bulletin*, we discussed the uptick that occurred in 2020 in both whole and reduced fat (2%) milk sales and the drop in organic sales. Between 2022 and 2023, whole milk sales again displayed growth in the NMA; so far, for the first 6 months of 2024, both whole and low fat (1% sales) have increased. Organic whole milk sales rose 8.9 percent in 2023 and are up 4.0 percent in 2024, year-to-date. Organic reduced fat milk sales decreased 3.1 percent

	2018	2020*	2022	2023	2024**
	pounds of fluid milk products				
NMA	144.8	131.8	122.0	120.4	119.5
US	144.0	139.0	129.8	127.3	126.6

Sources: USDA's *Estimated Fluid Milk Products Sales Report*;
U.S. Census Bureau
*Adjusted for leap year. ^ Estimated January-June.

in 2023 and were down 6.3 percent for the six-month 2024 period.

Whole milk has always held the largest proportion in the NMA and, except for a slight dip in 2021, that has grown over the past 5 years. In 2023, the proportion increased to 43.3 percent; it is currently tracking at 43.2 percent for the first 6 months of 2024. Reduced fat remains in second place although its proportion has dropped after peaking in 2020. The flavored milk and reduced fat products proportion declined slightly in 2023 to 6.3 percent but increased for the January-June 2024 period to 6.6 percent. The organic whole milk proportion increased to 3.4 percent in 2023 and is trending at 3.6 percent for the first 6 month of 2024. Organic reduced fat milk's proportion remains at 3.1 percent.

Per Capita Sales

Table 2 shows per capita sales for the NMA and estimated for the United States for selected years between 2018-2023 and estimated first 6 months of 2024. Per capita sales of fluid milk products continue

their downward trend while increases have occurred in other dairy products such as cheese and yogurt. Over the years, per capita sales in the NMA were close to the national average, even running slightly higher. Since 2019, NMA per capita sales have trailed US, and the spread has widened considerably with US sales remaining 5-6 percent greater than in the NMA since 2020. ❖

Product	Sales (million pounds)				Percent Change 2023 from:			Est. % Chg [^] Jan-Jun 2023-24*
	2018	2020	2022	2023	2018	2020*	2022	
Whole Milk	2,793.9	2,822.8	2,632.7	2678.7	(4.1)	(4.8)	1.7	0.9
Reduced Fat Milk	1,657.3	1,682.8	1,465.5	1416.4	(14.5)	(15.6)	(3.4)	(1.5)
Low Fat Milk	1,188.9	1,063.4	946.6	891.5	(25.0)	(15.9)	(5.8)	1.1
Fat-free Milk	683.9	512.5	406.8	371.9	(45.6)	(27.2)	(8.6)	(8.3)
Flavored Milk & Reduced Fat Products	437.4	310.0	408.1	389.7	(10.9)	26.1	(4.5)	(2.0)
Organic Whole Milk	183.9	154.2	191.5	208.5	13.4	35.6	8.9	4.0
Organic Reduced Fat Milk	236.3	168.3	197.5	191.4	(19.0)	14.0	(3.1)	(6.3)
Buttermilk/Eggnog/Other	50.9	46.2	40.9	41.9	(17.7)	(9.1)	2.5	(7.6)
Total From Pool Handlers	7,232.6	6,760.2	6,289.7	6,190.0	(14.4)	(8.2)	(1.6)	(0.5)
Sales from Non-pool Handlers	713.6	774.6	619.5	632.8	(11.3)	(18.1)	2.1	5.0
Total Sales from All Handlers	7,946.2	7,534.8	6,909.2	6,822.8	(14.1)	(9.2)	(1.3)	(0.0)

* Adjusted for leap year. ^ Based on estimated January-June 2024 sales.

Commodity Stocks

The storage of commodity products performs several important roles in smoothing out the supply and demand relationship of said product, such as providing price stability, reducing seasonal price variation, and contributing to orderly marketing. Specific to dairy, butter, cheese, and nonfat dry milk (NFDM) stocks exist and in part aid in the aforementioned tasks. These products' prices serve as input prices for the order formulas. The time of year has a significant impact on the quantity of these stocks, with most stocks increasing in times of the year when milk is flush and decreasing when milk is short.

Butter

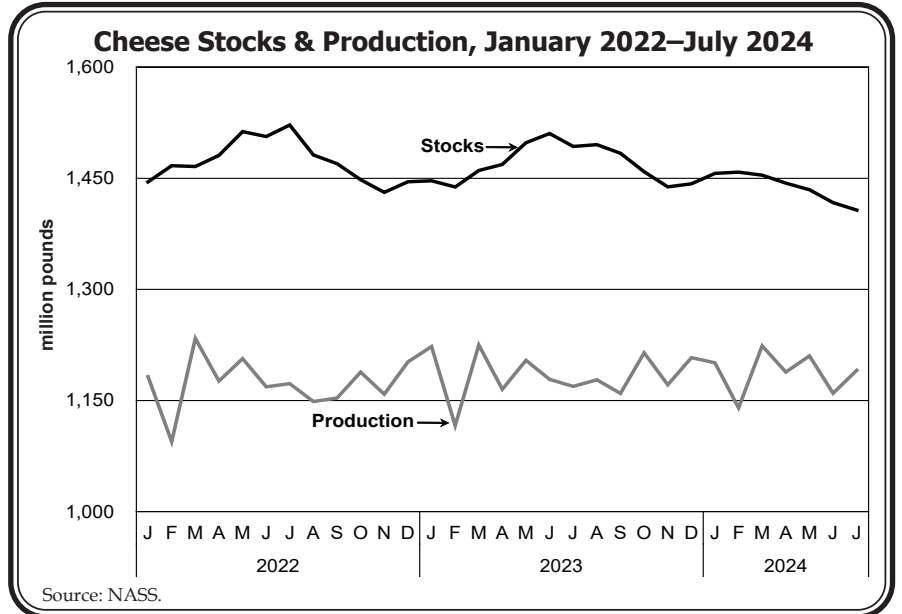
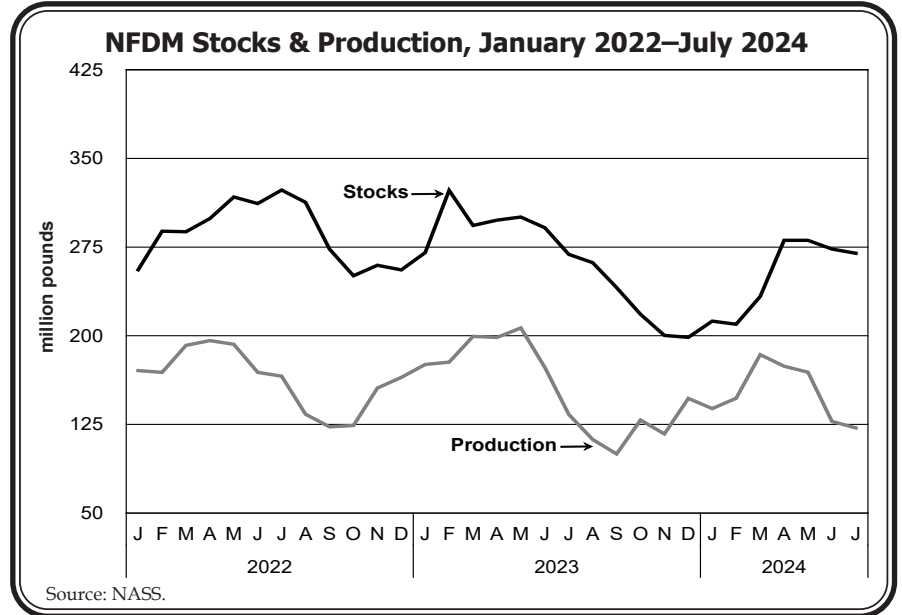
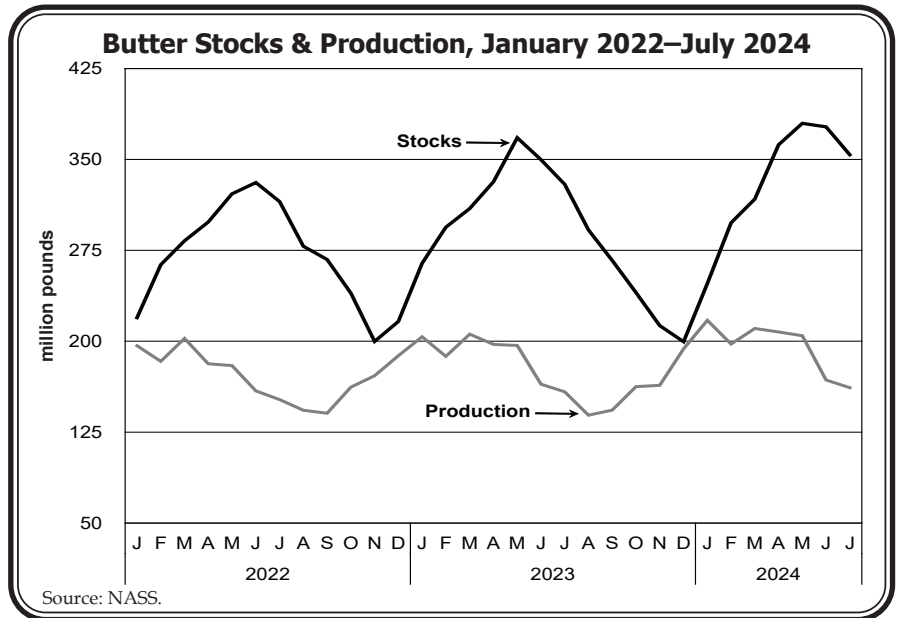
Butter stocks as reported by National Agricultural Statistics Service (NASS) increased 7.4 percent in July 2024 over July 2023, totaling 353.8 million pounds of butter in cold storage at the end of July. Since December 2022 butter stocks have almost consistently increased year-to-year while butter production, as reported by NASS, has also followed the same trajectory. Some analysts have highlighted a 23 million drop in pounds between June to July 2024, the largest difference between these two months since 2013, and this contributed to the large amount of butter exports in June and July of this year.

Cheese

Cheese stocks since April 2024 have consistently dropped year-to-year every month; in July 2024 cheese stocks fell 5.8 percent from July 2023. This contrasts with cheese production; 33.4 million more pounds of cheese were produced in January to July 2024 than in 2023 for the same length of time, with a 21.8 million pound increase in July 2024 from the year before.

NFDM

Both NFDM stocks and production have had year-to-year decreases since July 2023, except July 2024 when NFDM stocks increased 0.4 percent from the previous year while production decreased 8.6 percent. This has occurred as the price of NFDM has somewhat stabilized over the last year. ❖



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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	624,451,817	\$12.33	\$76,994,909.04	
Butterfat	15,761,795	3.6197	57,052,969.36	
Less: Location Adjustment to Handlers			(2,795,913.00)	\$131,251,965.40
Class II— Butterfat	34,056,447	3.5702	121,588,327.06	
Nonfat Solids	55,003,343	1.1000	60,503,677.30	182,092,004.36
Class III— Butterfat	30,555,631	3.5632	108,875,824.35	
Protein	21,725,620	2.1756	47,266,258.86	
Other Solids	40,199,039	0.2959	11,894,895.62	168,036,978.83
Class IV— Butterfat	11,964,108	3.5632	42,630,509.64	
Nonfat Solids	27,513,024	1.0484	28,844,654.37	71,475,164.01
Total Classified Value				\$552,856,112.60
Add: Overage—All Classes				254,221.38
Inventory Reclassification—All Classes				11,967.86
Other Source Receipts	394,698			14,056.29
Total Pool Value				\$553,136,358.13
Less: Value of Producer Butterfat	92,337,981	3.5632	(329,018,693.91)	
Value of Producer Protein	70,891,983	2.1756	(154,232,598.20)	
Value of Producer Other Solids	131,279,650	0.2959	(38,845,648.42)	(522,096,940.53)
Total PPD Value Before Adjustments				\$31,039,417.60
Add: Location Adjustment to Producers				13,901,639.17
One-half Unobligated Balance—Producer Settlement Fund				1,024,613.29
Less: Producer Settlement Fund—Reserve				(950,380.08)
Total Pool Milk & PPD Value	2,273,499,499			\$45,015,289.98
Producer Price Differential		\$1.98		
Statistical Uniform Price		\$22.64		

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

The Market Administrator's

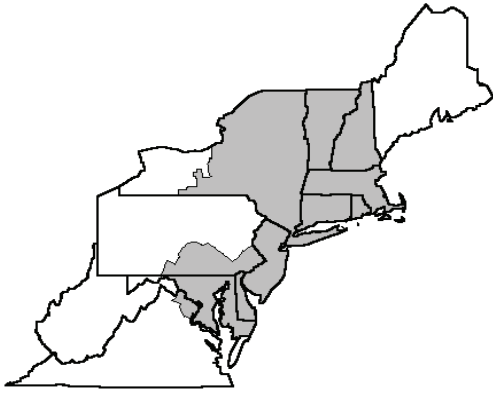
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

September 2024

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

September Pool Price Calculation

The September 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$23.57 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 \$26.56 per hundredweight. The September statistical uniform price was 93 cents per hundredweight above the August price. The September producer price differential (PPD) at Suffolk County was 23 cents per hundredweight, a decrease of \$1.75 from the previous month.

Product Prices Effect

Commodity price changes, as reported on the National Dairy Product Sales Report, all increased in September. The butter price rose 4 cents, nonfat dry milk price increased 6 cents, dry whey was up nearly 5 cents, and the cheese price increased almost 25 cents with the block price rising 22 cents and the barrel price increasing 27 cents, all on a per pound basis. The commodity price changes translated to an almost 5-cent increase in the butterfat price, a 6-cent increase in the nonfat solids price, a nearly 5-cent increase in the other solids price, and an almost 75-cent rise in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of September and third highest ever for the Order.

All class prices increased from the previous month: Class I, based on prices in August rose 28 cents; Class II increased 35 cents; Class III jumped \$2.68; and Class IV was up 71 cents, all on a per hundredweight basis. For the first time in 16 months, Class IV was the lowest class price. With all class prices increasing, the statistical uniform price rose. Due to the significant increase in the Class III price in August, the spread between the other class prices and the Class III price tightened and resulted in a lower PPD.

Selected Statistics

The Class III volume in September was the highest ever for the month and Class II volume was second highest. The average producer butterfat, protein, and other solids tests all set record highs for the month of September. ❖

Pool Summary

- A total of 7,375 producers were pooled under the Order with an average daily delivery per producer of 9,830 pounds.
- Pooled milk receipts totaled 2.175 billion pounds, a decrease of 1.1 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 29.4 percent of total milk receipts, up 1.3 percentage points from August.
- The average butterfat test of producer receipts was 4.15 percent.
- The average true protein test of producer receipts was 3.20 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	29.4	638,495,933
Class II	27.4	596,774,281
Class III	29.8	648,869,352
Class IV	13.4	290,759,474
Total Pooled Milk		2,174,899,040

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.9249	2.3027
Butterfat Price	3.6114	3.1264
Other Solids Price	0.3430	0.0992

Class Prices

	2024	2023
	\$/cwt	
Class I	24.85	22.15
Class II	22.40	19.98
Class III	23.34	18.39
Class IV	22.29	19.09

Producer Price Differential

For the month of September 2024, the Producer Price Differential (PPD) at Suffolk County was \$0.23 per hundredweight (cwt). This is, so far, the lowest PPD for 2024, and comes after a 16-month string of PPDs nearly two dollars or higher. Approximately, the PPD is the leftover value, if there is any, in the pool after components are paid at the Class III level. In the Northeast Order, PPD values have varied widely with the lowest PPD at Suffolk County occurring in July 2020 at -\$5.46 per cwt and the highest occurring in August 2022 at \$5.32 per cwt. PPDs can be negative when the value of the total components exceeds the total value of the pool. This is caused by several reasons such as a result of utilization relationships, timing of advanced and Class prices used in FO price formulas, or location of where milk is being marketed. The September 2024 PPD is negative for milk marketed in differential zones less than \$3.05 per cwt. The accompanying table highlights several differential zones by location and what the PPD is at each differential zone.

The butterfat, protein, and other solids prices at the Class III level and the PPD are all reflected in the value of the Statistical Uniform Price (SUP). This price is an estimate of what producers are expected to receive for their milk. Despite the PPD used in calculating the SUP, a low or high PPD value does not necessarily correlate to a low or high SUP. The value of the components typically has a larger impact on the price producers receive for their milk.

Due to the relationship between the Class III components and PPD, the Class III price typically has

PPD by Selected Locations, September 2024

Selected Locations	Differential*	PPD
	dollars	
Boston, MA	3.25	0.23
Newport News/Portsmouth, VA	3.20	0.18
New York, NY	3.15	0.13
Long Valley, NJ	3.10	0.08
Philadelphia, PA	3.05	0.03
Agawam, MA/Baltimore, MD	3.00	(0.02)
Frederick, MD/New Holland, PA	2.90	(0.12)
Mt. Holly Springs, PA	2.80	(0.22)
Albany/Binghamton, NY	2.70	(0.32)
Middlebury, VT	2.60	(0.42)
Syracuse, NY	2.50	(0.52)
St. Albans/Swanton, VT	2.40	(0.62)
Watertown/Rochester, NY	2.30	(0.72)
Buffalo, NY	2.20	(0.82)
Jamestown, NY	2.10	(0.92)

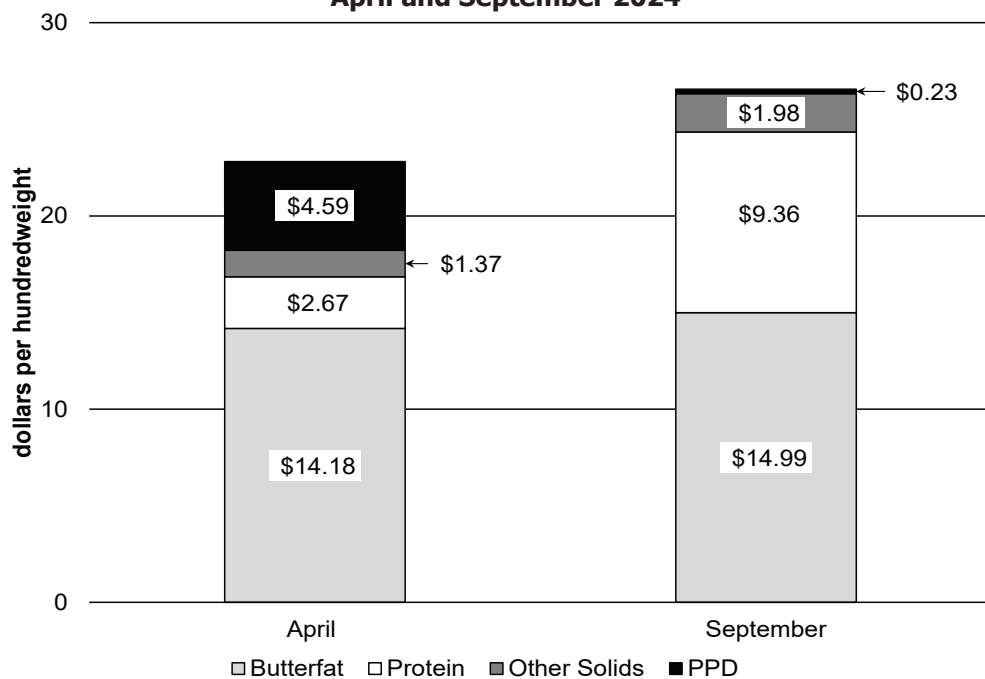
* Differentials listed apply to states included in the Northeast marketing Area. Outside of this area, differentials and prices may be above or below this range. Cities listed are for reference purposes only.

an inverse relationship with the PPD—meaning as the Class III price increases, the PPD decreases and as the Class III price decreases, the PPD increases. In the Northeast Order, the inverse relationship between the two prices commonly exists, but situations can occur that cause the Class III price and PPD to move in the same direction. For September 2024, the \$1.75 per cwt drop in PPD from August came from a significant

increase in the cheese price; this increased the protein price, which increased the Class III price. The increase in the cheese price occurred due to a tightened milk supply and increase in cheese production, which has put upward pressure on the cheese price.

The accompanying chart displays the SUP at test for April 2024 (\$22.81 per cwt) and September 2024 (\$26.56 per cwt) in Order 1. SUP at test was used in the chart because it is believed to more closely represent the prices producers receive for their milk. Each entry displays how much each component and PPD value contribute to the SUP at test (continued on page 3)

Component and PPD Breakdown of SUP at Test, April and September 2024



Producer (continued from page 2)

test for that month and how that distribution can differ. For April 2024, butterfat accounted for \$14.18 per cwt (62.2 percent), protein \$2.67 per cwt (11.7 percent), other solids \$1.37 per cwt (6.0 percent), and PPD \$4.59 per cwt (20.1 percent). For September 2024, butterfat accounted for \$14.99 per cwt (56.4 percent), protein \$9.36 per cwt (35.2 percent), other solids \$1.98 per cwt (7.5 percent), and PPD \$0.23 per cwt (0.9 percent) ❖.

FMMO Hearing Update

The comment period of the National Federal Milk Marketing Order Pricing Formula Hearing process concluded on September 13, 2024, and as the process continues AMS is continually updating the website. For more information please visit <https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing>. ❖

Highly Pathogenic Avian Influenza

Since the first detection of highly pathogenic avian influenza (HPAI) H5N1 in dairy cattle in March 2024, USDA has worked swiftly and diligently to assess the prevalence of the virus in the U.S. dairy herds and respond accordingly. USDA's Animal and Plant Health Inspection Service (APHIS), working closely with state officials and other federal partners, is leading efforts to prevent further spread, establish herd monitoring, and help producers enhance on-farm biosecurity measures. USDA also provides financial support to off-set costs related to production losses and enhanced biosecurity.

On April 24, USDA issued an *H5N1 Federal Order* mandating testing prior to the interstate movement of lactating dairy cattle and requires reporting of positive test results in livestock. Testing and reporting are crucial for understanding the extent of the virus and reducing further spread.

Enhanced biosecurity procedures are critical in keeping disease off farms and preventing further spread on affected farms. USDA continues to encourage biosecurity measures such as limiting visitors, cleaning and disinfecting milking equipment, avoiding the

mixing of species, and monitoring and caring for sick animals.

USDA's voluntary H5N1 Dairy Herd Status Pilot Program enables producers to monitor their herds for HPAI via a weekly bulk milk sample. Once testing demonstrates a herd is free of the virus for three consecutive weeks, the program allows shipment of cows without having to test each one, as required under the *H5N1 Federal Order*.

With recognition of the challenges HPAI H5N1 causes for producers, USDA offers financial support to help dairy producers enhance biosecurity and offset costs associated with Influenza A testing, veterinary expenses, personal protective equipment purchases, milk disposal, and milk losses. Producers can contact their Area Veterinarian in Charge or State animal health official to enroll.

More details on the *H5N1 Federal Order*, Biosecurity, and participation in the Dairy Herd Status Program and the USDA financial support programs are online at: HPAI in Livestock Animal and Plant Health Inspection Service ([usda.gov](https://www.usda.gov)). ❖

Pool Summary for All Federal Orders, January–September, 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	20,586,478,548	20,261,678,598	(1.9)	2.70	2.80	19.83	21.16
5	Appalachian	4,057,943,531	3,959,875,148	(2.8)	N/A	N/A	21.46	22.48
6	Florida	1,865,496,695	1,880,716,821	0.4	N/A	N/A	23.53	24.38
7	Southeast	2,665,278,408	2,635,031,536	(1.5)	N/A	N/A	22.02	22.96
30	Upper Midwest	25,099,944,760	22,770,219,153	(9.6)	0.27	0.24	17.40	18.60
32	Central	12,277,527,424	11,144,690,399	(9.6)	1.01	1.02	18.14	19.39
33	Mideast	13,419,774,994	13,206,811,432	(1.9)	1.44	1.49	18.58	19.86
51	California	20,452,760,385	18,079,460,654	(11.9)	1.06	0.99	18.20	19.35
124	Pacific Northwest	5,850,098,224	5,461,219,777	(7.0)	1.07	1.29	18.20	19.66
126	Southwest	10,485,680,202	9,535,738,140	(9.4)	1.74	1.64	18.87	20.01
131	Arizona	3,847,473,873	3,227,144,252	(16.4)	N/A	N/A	19.09	20.52
All Market Total/Average		120,608,457,044	112,162,585,910	(7.3)	1.33	1.35	19.57	20.76

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*

	<u>Product Pounds</u>	<u>Price per cwt./lb.</u>	<u>Component Value</u>	<u>Total Value</u>
Class I— Skim	622,905,473	\$12.74	\$79,358,157.26	
Butterfat	15,590,460	3.5863	55,912,066.70	
Less: Location Adjustment to Handlers			(2,819,324.10)	\$132,450,899.86
Class II— Butterfat	33,433,105	3.6184	120,974,347.13	
Nonfat Solids	52,770,029	1.1211	59,160,479.57	180,134,826.70
Class III— Butterfat	29,748,159	3.6114	107,432,501.45	
Protein	20,690,852	2.9249	60,518,673.03	
Other Solids	37,365,969	0.3430	12,816,527.36	180,767,701.84
Class IV— Butterfat	11,507,379	3.6114	41,557,748.53	
Nonfat Solids	26,174,125	1.1109	29,076,835.47	70,634,584.00
Total Classified Value				\$563,988,012.40
Add: Overage—All Classes				1,399.15
Inventory Reclassification—All Classes				265,723.03
Other Source Receipts	268,503			3,756.89
Total Pool Value				\$564,258,891.47
Less: Value of Producer Butterfat	90,279,103	3.6114	(326,033,952.57)	
Value of Producer Protein	69,590,089	2.9249	(203,544,051.35)	
Value of Producer Other Solids	125,622,058	0.3430	(43,088,365.99)	(572,666,369.91)
Total PPD Value Before Adjustments				(\$8,407,478.44)
Add: Location Adjustment to Producers				13,322,721.96
One-half Unobligated Balance—Producer Settlement Fund				960,810.44
Less: Producer Settlement Fund—Reserve				(873,168.59)
Total Pool Milk & PPD Value	2,175,167,543			\$5,002,885.37
Producer Price Differential		\$0.23		
Statistical Uniform Price		\$23.57		

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

The Market Administrator's

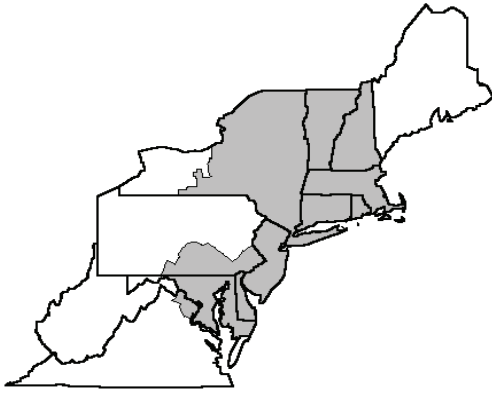
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

October 2024

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

October Pool Price Calculation

The October 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$22.93 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 \$26.24 per hundredweight. The October statistical uniform price was 64 cents per hundredweight below the September price. The October producer price differential (PPD) at Suffolk County was 8 cents per hundredweight, a decrease of 15 cents from the previous month.

Product Prices Effect

Commodity prices for October: the butter price fell 43 cents, the nonfat dry milk price increased 5 cents, dry whey was up nearly 3 cents, and the cheese price decreased almost 5 cents with the block price dropping 4 cents and the barrel price falling 6 cents, all on a per pound basis. The commodity price changes translated to an almost 53-cent decrease in the butterfat price, a 5-cent increase in the nonfat solids price, a 3-cent increase in the other solids price, and a 40-cent rise in the protein price, all on a per pound basis. The nonfat solids price was the highest of the past 21 months and the other solids and protein prices were the highest of the last 28 months.

All class prices, except the Class I price, decreased from the previous month: Class I, based on prices in September rose \$1.57; Class II decreased \$1.39; Class III fell 49 cents; and Class IV was down \$1.39, all on a per hundredweight basis. For the second month in a row, the Class IV was the lowest class price. With most class prices decreasing, the statistical uniform price decreased. Due to the Class III price not being the lowest class price and the increase in both the protein and other solids prices resulted in a lower PPD.

Selected Statistics

The Class I volume in October was the highest volume for the month in the past 4 years. The average producer butterfat test set a record high for the month of October and the average producer protein test tied for highest in order history. ❖

Pool Summary

- A total of 7,376 producers were pooled under the Order with an average daily delivery per producer of 9,772 pounds.
- Pooled milk receipts totaled 2.234 billion pounds, a decrease of 0.6 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 30.9 percent of total milk receipts, up 1.5 percentage points from September.
- The average butterfat test of producer receipts was 4.26 percent.
- The average true protein test of producer receipts was 3.27 percent.
- The average other solids test of producer receipts was 5.77 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	30.9	690,579,426
Class II	26.7	596,397,969
Class III	29.0	648,468,358
Class IV	13.4	299,011,118
Total Pooled Milk		2,234,456,871

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	3.3238	1.0468
Butterfat Price	3.0851	3.7144
Other Solids Price	0.3705	0.1243

Class Prices

	2024	2023
	\$/cwt	
Class I	26.42	22.72
Class II	21.01	21.95
Class III	22.85	16.84
Class IV	20.90	21.49

USDA Issues Final Decision Applicable in All 11 Federal Milk Marketing Orders

On November 12, 2024, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) issued a final decision on its website (<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmimo-pricing-hearing>) proposing to amend the uniform pricing formulas applicable in all 11 Federal milk marketing orders (FMMOs). This rulemaking proceeding was requested by the dairy industry to evaluate changes to the uniform pricing formulas applicable to all 11 FMMOs. The proposed changes are based on substantial input and must be approved by eligible producers in each marketing order via a producer referendum before they take effect.

Consistent with the recommended decision published in the Federal Register July 15, 2024, the final decision puts forth a package of amendments to update formulas and factors based on the evidentiary record of the proceeding. It also makes certain limited changes from the recommended decision based on public comments and reevaluation of record evidence, as follows:

1. Reduction in the delayed implementation of the revised skim milk composition factors from 12 months to 6 months;
2. Inclusion of a \$0.0015 marketing cost factor in all make allowances;
3. A modification to the methodology used to determine the nonfat dry milk make allowance; and
4. Limited changes to certain county-specific Class I differentials.

The final decision will publish in the Federal Register soon.

Following the publication of the final decision and before any changes take effect, AMS will conduct producer referendums in each of the 11 FMMOs. Producers whose milk was pooled on an FMMO in January 2024 are eligible to participate in the referendum. They will have the opportunity to vote in favor of or opposition to the

FMMOs as proposed to be amended in the final decision.

AMS will mail ballots to eligible independent producers and qualified cooperative associations. Ballots must be postmarked by Dec. 31, 2024, and returned by Jan. 15, 2025, to be counted. The referendum process is administered and overseen by AMS. Information about the referendum process has been posted to the hearing website.

Additionally, AMS will host three public webinars to further inform stakeholders of the proposed amendments and producer referendum process. These webinars will take place November 19 and November 25 at 11 a.m. ET and November 21 at 3 p.m. ET. A link to access the webinars will be provided in advance on the AMS hearing website (<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmimo-pricing-hearing>) In addition, AMS supplementary educational documents have been posted on the hearing website.

The final decision follows a 49-day national hearing held from Aug. 23, 2023, to Jan. 30, 2024, in Carmel, Indiana, where AMS heard testimony and received evidence on 21 proposals from the dairy industry. AMS issued a recommended decision on July 1, 2024, followed by its publication in the Federal Register on July 15, 2024, which began a 60-day public comment period. The public comment period ended Sept. 13, 2024, with 128 comments received and reviewed by AMS.

Copies of the final decision, information on the producer referendum process, and the entire hearing record can be found on the hearing website (<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmimo-pricing-hearing>) or obtained from USDA/AMS/Dairy Program; STOP 0225-Rm. 2530; 1400 Independence Avenue SW, Washington, DC 20250-0225. Procedural questions can be submitted to fmimohearing@usda.gov. ❖

Component Growth in the Absence of Milk Production Growth

The National Agricultural Statistic Service (NASS) has reported a daily average increase in national milk production for every year from 2009 to 2021, with each year-to-year increase ranging between 0.4 to 2.4 percent. However, growth from 2021 to 2023 has seemingly flattened, the daily average growth between 2021 to 2023 was 0.1 percent and 2022 to 2023 was 0.0 percent. In 2024, milk production from January to September decreased on a daily average by 0.7 percent when compared to the same months in 2023.

Despite stagnant growth and a slight decline in national production in recent years, component

values have reached new highs and still regularly set new records. The accompanying table compares component values from June 2014 to June 2024; despite similar producer pounds, all component values were *(continued on page 3)*

Component	June		Difference	Percent Change
	2014	2024		
	pounds			
Butterfat	79,962,188	88,939,954	8,977,766	11.23
Protein	65,581,354	68,033,537	2,452,183	3.74
Other Solds	125,643,660	126,332,588	688,928	0.55
Total Producer Pounds	2,188,322,823	2,186,548,786	(1,774,037)	(0.08)

Component Growth (continued from page 2)

significantly more ten years later. The decrease in milk production does not translate to a slowdown in dairy production but seems to be shifting the metrics of industry growth.

Butterfat

Since April 2020 the monthly average butterfat test in the Northeast Order has continuously beat out the previous year's monthly record, with only three exceptions where the butterfat percentage tied with the previous year, setting a new record high butterfat test for the month each time. January 2024, at 4.32 percent, currently holds the record in the northeast for highest average butterfat test. Experts state this increase in butterfat comes as a response to increasing butterfat prices. The yearly average butterfat price increased 96.2 percent between 2020 and 2024. This management of butterfat by farmers has allowed them to capitalize on the increased price while not increasing herd size.

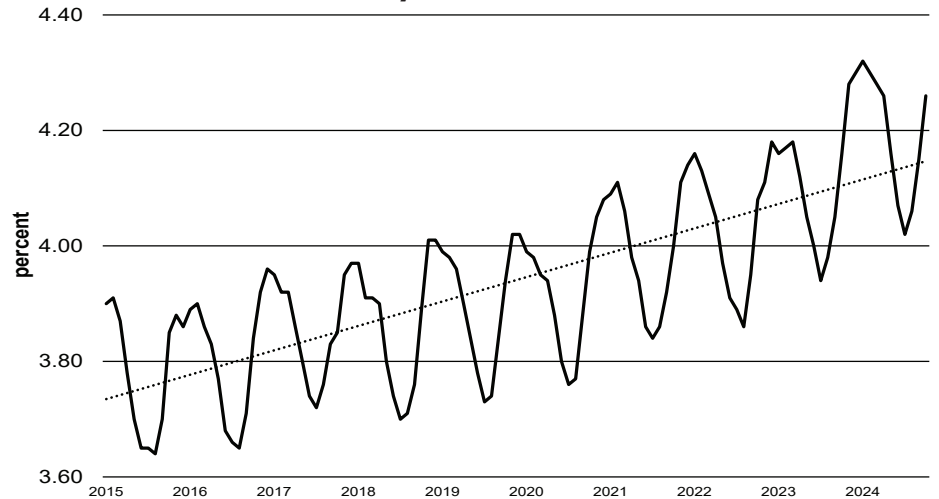
Protein

The average true protein test in the northeast has not experienced as dramatic gains as butterfat has but has still experienced a considerable increase over the last five years. In the northeast, the monthly average protein test has increased 0.08 percentage point between 2020 and 2024, October 2024 tied the northeast record high of 3.27 percent with all record months having occurred in the past year.

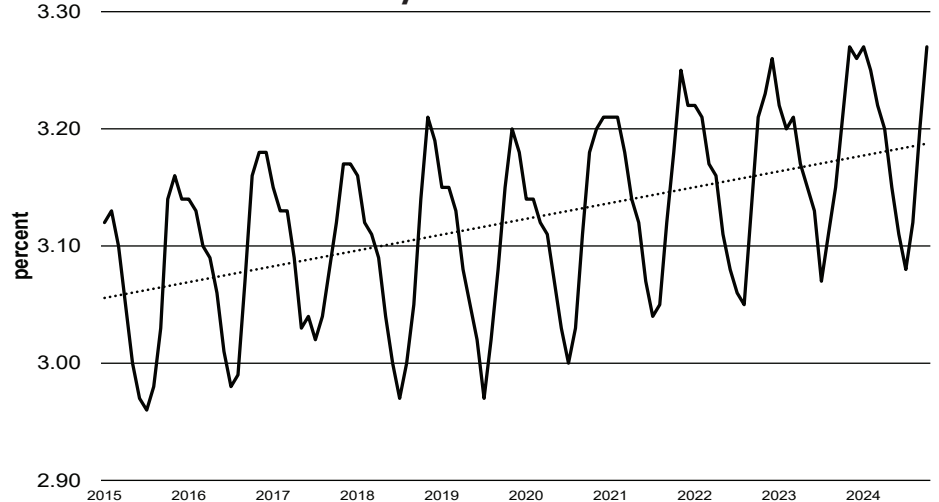
Other Solids

The average other solids test in the northeast has seen the least, but still noticeable, growth of all three component values. The yearly average of the other solids test has remained firmly around 5.77 percent in the last five years, coming after years of annual averages under 5.75 percent. ❖

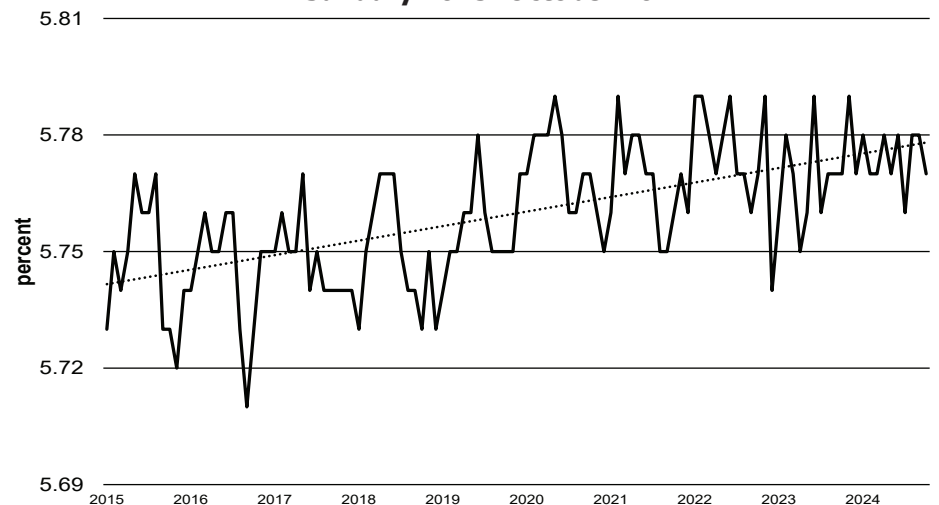
Average Butterfat by Producer Receipts in the Northeast Order, January 2015–October 2024



Average Protein by Producer Receipts in the Northeast Order, January 2015–October 2024



Average Other Solids by Producer Receipts in the Northeast Order, January 2015–October 2024



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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	673,472,441	\$14.07	\$94,757,572.45	
Butterfat	17,106,985	3.6691	62,767,238.66	
Less: Location Adjustment to Handlers			(3,043,651.66)	\$154,481,159.45
Class II— Butterfat	35,951,493	3.0921	111,165,611.51	
Nonfat Solids	52,914,741	1.1733	62,084,865.61	173,250,477.12
Class III— Butterfat	29,261,431	3.0851	90,274,440.78	
Protein	21,158,394	3.3238	70,326,270.01	
Other Solids	37,342,147	0.3705	13,835,265.48	174,435,976.27
Class IV— Butterfat	12,907,072	3.0851	39,819,607.83	
Nonfat Solids	27,017,617	1.1628	31,416,085.02	71,235,692.85
Total Classified Value				\$573,403,305.69
Add: Overage—All Classes				41,497.11
Inventory Reclassification—All Classes				(543,245.27)
Other Source Receipts	495,873			9,311.71
Total Pool Value				\$572,910,869.24
Less: Value of Producer Butterfat	95,226,981	3.0851	(293,784,759.09)	
Value of Producer Protein	73,080,776	3.3238	(242,905,883.25)	
Value of Producer Other Solids	128,833,448	0.3705	(47,732,792.52)	(584,423,434.86)
Total PPD Value Before Adjustments				(\$11,512,565.62)
Add: Location Adjustment to Producers				13,667,816.02
One-half Unobligated Balance—Producer Settlement Fund				693,083.28
Less: Producer Settlement Fund—Reserve				(1,060,458.89)
Total Pool Milk & PPD Value	2,234,843,387			\$1,787,874.79
Producer Price Differential		\$0.08		
Statistical Uniform Price		\$22.93		

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

The Market Administrator's

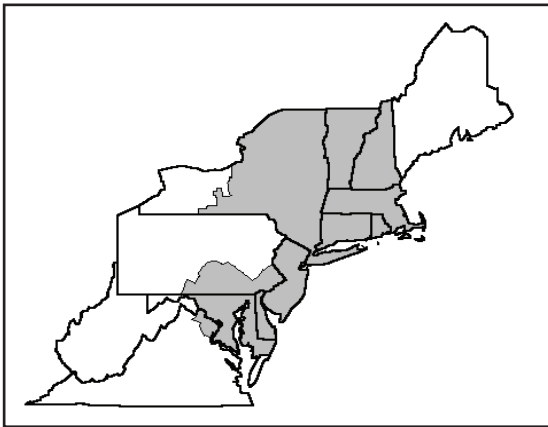
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

November 2024

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

November Pool Price Calculation

The November 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$22.47 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 \$25.77 per hundredweight. The November statistical uniform price was 46 cents per hundredweight below the October price. The November producer price differential (PPD) at Suffolk County was \$2.52 per hundredweight, an increase of \$2.44 from the previous month.

Product Prices Effect

Commodity prices for November: the butter price fell 2 cents, the nonfat dry milk price increased almost 4 cents, dry whey was up 3 cents, and the cheese price decreased 32 cents with the block price dropping 25 cents and the barrel price falling nearly 38 cents, all on a per pound basis. The commodity price changes translated to a 2-cent decrease in the butterfat price, a 3-cent increase in the nonfat solids price, a 3-cent increase in the other solids price, and a nearly \$1.01 drop in the protein price, all on a per pound basis. The nonfat solids price was the highest of the past 23 months and the other solids was the highest of the last 29 months.

Class Prices for November: Class I, based on prices in October, dropped 64 cents; Class II increased 51 cents; Class III fell \$2.90; and Class IV was up 22 cents, all on a per hundredweight basis. With the decreases in the Class I and III prices being more significant than the increases in the Class II and IV prices, the statistical uniform price decreased. Due to the Class III price being the lowest class price and decreases in both protein and butterfat prices, the PPD was significantly higher than in October.

Selected Statistics

The Class II volume and average daily delivery per producer were the highest volumes for the month of November since the Order's inception. The average producer butterfat and protein tests set record highs for the Order, while the average other solids test tied for highest in Order history. ❖

Pool Summary

- A total of 7,381 producers were pooled under the Order with an average daily delivery per producer of 9,839 pounds.
- Pooled milk receipts totaled 2.179 billion pounds, an increase of 0.8 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 30.7 percent of total milk receipts, down 0.2 percentage points from October.
- The average butterfat test of producer receipts was 4.34 percent.
- The average true protein test of producer receipts was 3.29 percent.
- The average other solids test of producer receipts was 5.79 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	30.7	668,079,895
Class II	25.9	564,362,010
Class III	29.1	635,048,066
Class IV	14.3	311,122,122
Total Pooled Milk		2,178,612,093

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.3160	1.3238
Butterfat Price	3.0623	3.4608
Other Solids Price	0.4049	0.1895

Class Prices

	2024	2023
	\$/cwt	
Class I	25.78	23.00
Class II	21.52	21.21
Class III	19.95	17.15
Class IV	21.12	20.87

Looking Ahead 2025

Projections using the Chicago Mercantile Exchange (CME) Class III and IV milk futures prices as settled on December 13, 2024, suggest the statistical uniform price (SUP) will average \$21.52 per hundredweight (cwt) for 2024; this is an increase of \$1.51 per cwt from the 2023 average. This article reviews some supply and demand factors and economic indicators with a look to 2025. It is a challenge to forecast dairy prices beyond a few months; a projection of where prices are expected to go in 2025 is offered based on CME futures prices.

Select Cost Factors

Similar to 2023 feed costs overall have decreased in 2024, and CME future prices suggest going into 2025 soybean prices will continue to decrease while corn prices experience an increase. The price of corn and soybeans have decreased 19.1 percent and 22.0 percent, respectively, between October 2023 and October 2024 as reported by the National Agricultural Statistics Service (NASS). Using a combination of December 13, 2024, CME future prices and NASS reported prices, the price for corn in 2024 is expected to average \$4.29 per bushel. The CME futures price of corn for March and May 2025 are below \$4.50 per bushel, which suggests the downward trend in 2024 may not continue. Soybean prices for 2024 are estimated to average \$11.24 per bushel, with January and March 2025 CME futures indicating a price under \$10.00 per bushel going into the new year. The CME does not offer

futures for alfalfa hay, which limits the ability of price projection. However, looking at trends using NASS prices throughout 2024, alfalfa hay has decreased or remained unchanged for 8 of the 10 reported months in 2024, with a 14.4 percent decrease in price (\$202 to \$173 per ton) from January to October.

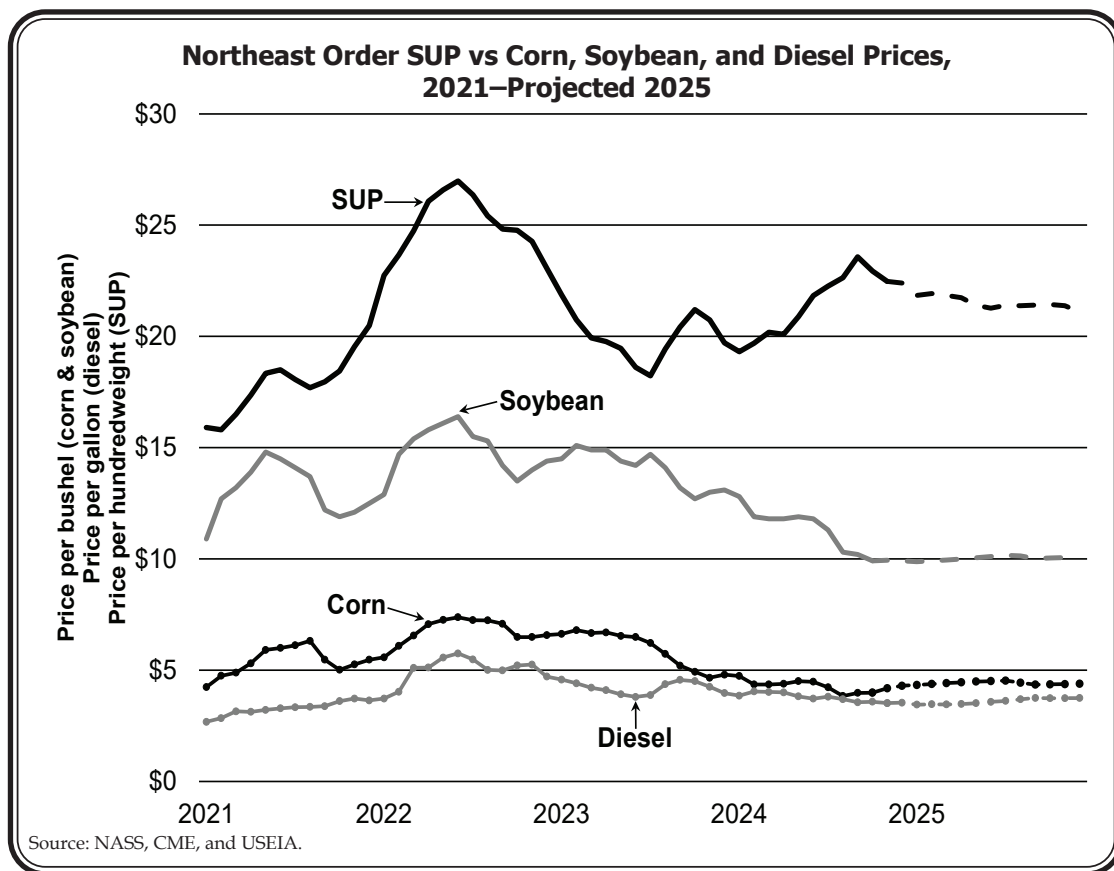
According to the U.S. Energy Information Administration (USEIA), the cost of retail diesel fell 8.6 percent between January and November 2024, a decrease of \$0.33 per gallon. The USEIA reported the national average price for retail diesel in November was \$3.52 per gallon, a drop of 70 cents from November 2023. The USEIA forecast diesel fuel prices to continually decline into early 2025, predicting an average price of \$3.77 per gallon in 2024 and \$3.61 per gallon in 2025. The accompanying graph shows the SUP, corn, soybean, and USEIA retail diesel prices since January 2021 and projected through 2025.

Supply Factors

The United States Department of Agriculture's (USDA) *World Agricultural Supply and Demand Estimates (WASDE)* December 2024 report anticipates a 0.8 percent increase in U.S. dairy production, to an estimated 228.0 billion pounds for 2025 compared to the projected 226.3 billion pounds for 2024. For the months January to October the USDA NASS *Milk Production* reported an annual decrease of 0.5 percent, on an average daily basis to account

for the extra day brought on by leap year, when compared to the same period in 2023. From January to July, U.S. milk production in 2024 has fallen each month below the previous year; however, national milk production has grown in excess of 0.2 percent for the months of August, September, and October. Yearly national milk production up to October 2024 has totaled 189.1 billion pounds, 0.4 billion pounds less than 2023. U.S. monthly milk per cow (MPC) in 2024 outperformed 2023 in 8 of the 10 reported months for 2024; in October 2024 MPC was 1,996 pounds per head, 3 pounds per head over October 2023.

(continued on page 3)



Looking (continued from page 2)

The Federal Reserve Bank has held interest rates steady at 5.5 percent throughout most of 2024, but has lowered rates a couple times in the latter half of the year with the most recent equaling 4.75 percent in November. 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, between January and October 2024, dairy exports on a total milk solids basis increased 1.9 percent vs 2023 and totaled 1,992,436 metric tons. Skim milk powder/nonfat dry milk (SMP/NFDM) account for the largest category of dairy exports through October; 641,432 metric tons of SMP/NFDM have been exported, a decrease of 5.2 percent from 2023. Southeast Asia and Mexico remain the two largest importers of U.S. SMP/NFDM. Mexico has experienced a 6.6 percent year-over-year decrease, while Southeast Asia imports decreased 2.1 percent. U.S. cheese exports have grown by 19.1 percent; most growth occurred in Mexico, South Korea, and Central America. The third largest dairy export, whey, also increased 6.0 percent with most growth in exports occurring in Mexico and Southeast Asia; by large, China still remains the largest importer of American whey.

Domestic Situation

The U.S. Bureau of Labor Statistics (BLS) reported the November 2024 unemployment rate at 4.2 percent. The unemployment rate in 2024 has gradually increased starting in early 2024, peaking at 4.3 percent in July. The Conference Board's Consumer Confidence Index (CCI), a measurement of the consumers' view of the health of the economy, is at 111.7 for November, up from 109.6 in October; a CCI score above 100 means consumers feel optimistic about the economy. The Restaurant Performance Index (RPI) stood at 100.4 in October, a 1.6 percentage point increase from the previous month; values over 100 suggest expansion of the market. The Expectations Index, which measures the six-month outlook for restaurant operations, stood at 101.2 in October; this is the first time in 7 months it surpassed 100. The BLS reported the Consumer Price Index (CPI) increased 2.7 percent for all items in November 2024 vs November 2023. The CPI for dairy and related products increased 1.2 percent for November 2024 relative to November 2023. All dairy product groupings included in the CPI experienced increases: fresh whole milk prices increased 1.8 percent,

fresh milk other than whole prices rose 2.2 percent, cheese and related products increased 0.2 percent, other dairy and related products jumped up 1.8 percent, and ice cream and related products increased 0.5 percent.

Outlook 2024

USDA forecasts the all-milk price for 2025 to be \$22.55 per cwt, and Class III and Class IV prices at \$18.80 per cwt and \$20.40 per cwt, respectively. Using December 13 CME Class III and Class IV futures, the average SUP price for 2025 is estimated to be \$21.51 per cwt. ❖

2025 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. ❖

Month Milk Produced	Partial Payment Due	
	Day	Date
January	Monday	1/27/25
February	Wednesday	2/26/25
March	Wednesday	3/26/25
April	Monday	4/28/25
May	Tuesday	5/27/25
June	Thursday	6/26/25
July	Monday	7/28/25
August	Tuesday	8/26/25
September	Friday	9/26/25
October	Monday	10/27/25
November	Wednesday	11/26/25
December	Friday	12/26/25

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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	650,751,522	\$15.56	\$101,256,936.82	
Butterfat	17,328,373	3.0751	53,286,479.81	
Less: Location Adjustment to Handlers			(2,936,844.58)	\$151,606,572.06
Class II— Butterfat	32,944,155	3.0693	101,115,494.97	
Nonfat Solids	50,466,549	1.2411	62,634,033.99	163,749,528.96
Class III— Butterfat	29,981,195	3.0623	91,811,413.49	
Protein	20,802,430	2.3160	48,178,427.86	
Other Solids	36,706,397	0.4049	14,862,420.19	154,852,261.54
Class IV— Butterfat	14,335,544	3.0623	43,899,736.36	
Nonfat Solids	28,185,339	1.1974	33,749,124.93	77,648,861.29
Total Classified Value				\$547,857,223.85
Add: Overage—All Classes				450,184.40
Inventory Reclassification—All Classes				(42,106.13)
Other Source Receipts	405,614			22,912.93
Total Pool Value				\$548,288,215.05
Less: Value of Producer Butterfat	94,589,267	3.0623	(289,660,712.34)	
Value of Producer Protein	71,576,526	2.3160	(165,771,234.18)	
Value of Producer Other Solids	126,246,602	0.4049	(51,117,249.12)	(506,549,195.64)
Total PPD Value Before Adjustments				\$41,739,019.41
Add: Location Adjustment to Producers				13,304,115.86
One-half Unobligated Balance—Producer Settlement Fund				914,083.65
Less: Producer Settlement Fund—Reserve				(1,046,971.29)
Total Pool Milk & PPD Value	2,178,978,077			\$54,910,247.63
Producer Price Differential		\$2.52		
Statistical Uniform Price		\$22.47		

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

The Market Administrator's

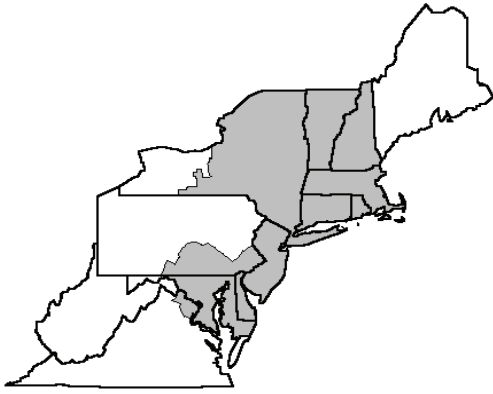
BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

December 2024

Federal Order No. 1



To contact the Northeast Marketing Area offices:
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e-mail address: NortheastOrder@fedmilk1.com
website address: www.fmmone.com

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.

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

Northeast Order Pool Statistics, 2023–2024

Pool Statistics	2023	2024	2023-24
	million pounds		Change 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

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.

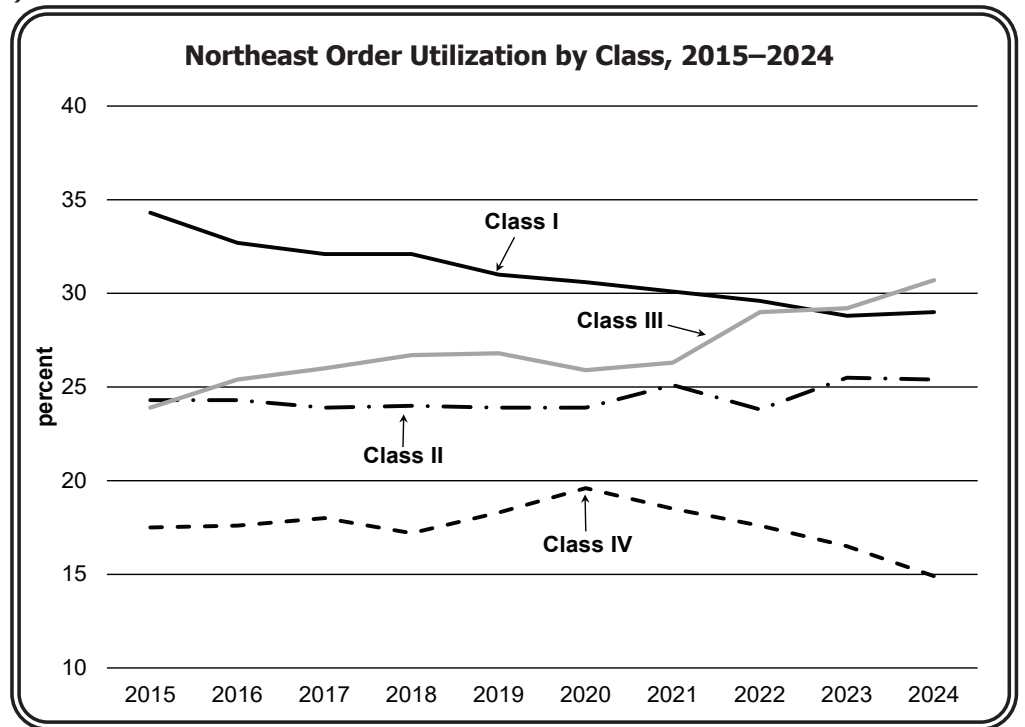
Commodity Prices—National Dairy Product Sales Report (NDPSR) butter prices rose 10.3 percent from 2023 and averaged \$2.8870 per pound, the highest on record since federal order reform in 2000. NDPSR cheese prices averaged \$1.8634 per pound, an increase of 5.9 percent with combined averages of \$1.8247 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 Number	Federal Order Name	Total Producer Milk*			Producer Price Differential#		Statistical Uniform Price#	
		2023	2024	Change^	2023	2024	2023	2024
		pounds			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.

RETURN SERVICE REQUESTED

FIRST CLASS MAIL

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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	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.