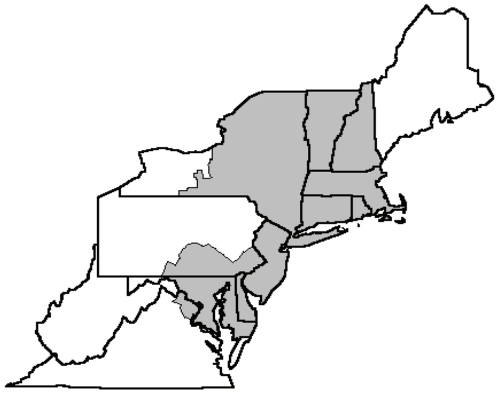

The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

February 2024 Federal Order No. 1

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February Pool Price Calculation

The February 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $19.69 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 $22.52 per hundredweight. The February statistical uniform price was 38 cents per hundredweight above the January price. The February producer price differential (PPD) at Suffolk County was $3.61 per hundredweight, a decrease of 53 cents from the previous month.

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 States Ranked by Milk Production, 2023

Rank	State	2022	2023	Percent Change	2023 Cows	2023 MPC#
		million pounds			1,000 head	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.

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 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.

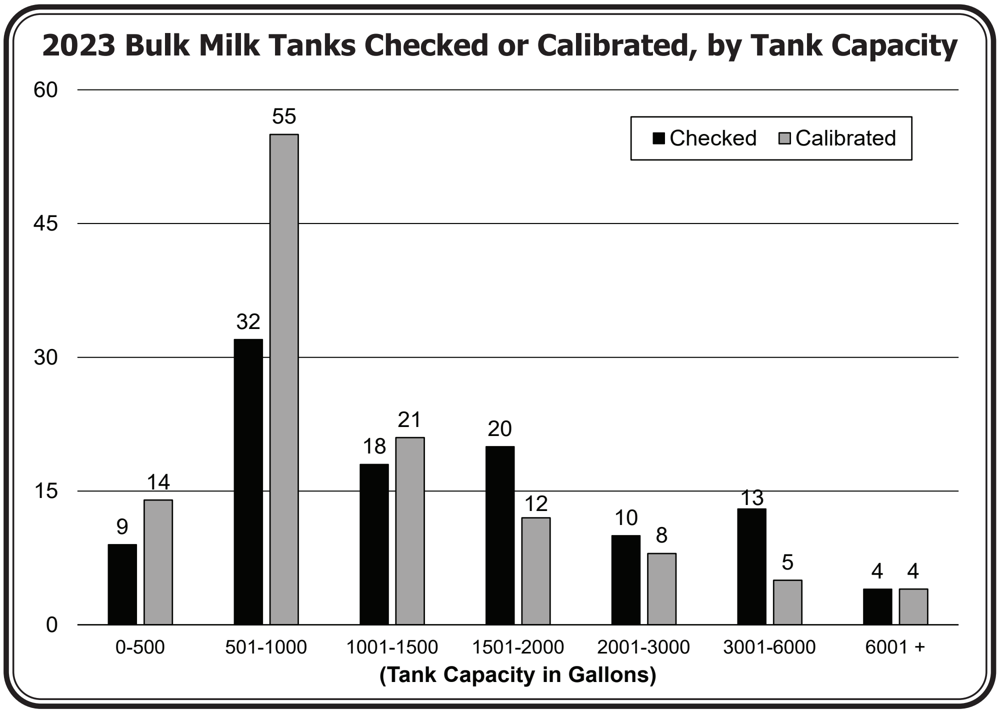
Cow Numbers and Production per Cow

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.

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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Computation of Producer Price Differential and Statistical Uniform Price*

		Product Pounds	Price per cwt./lb.	Component Value	Total Value
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.