



The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

Peter Fredericks, Market Administrator

November 2023

Federal Order No. 51

To contact the California Marketing Area office:

Tel.: (916) 702-6455 — Fax: (833) 673-3751

Mailing Address: 181 Blue Ravine Rd Suite 120 Folsom, CA 95630

e-mail address: market.admin@cafmmo.com — website address: www.cafmmo.com

November Pool Price Calculation

The November 2023 Statistical Uniform Price (SUP) for the California Marketing Area decreased 3 cents per hundredweight (cwt) from last month to \$18.57 per cwt for milk delivered to plants located in Los Angeles County, California, the pricing point for the California Federal Marketing Order. The SUP is announced at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. When reported at the average tests of pooled milk (4.26 percent butterfat, 3.45 percent protein, and 5.76 percent other solids), the November SUP was \$21.81 per cwt, 22 cents above October. The November Producer Price Differential (PPD) at Los Angeles County was \$1.42 per cwt, a decrease of 34 cents from last month.

Product Prices Effect

Average product prices in the National Dairy Product Sales Report experienced significant fluctuations between October and November. While the butter price saw a notable decrease of approximately 21 cents per pound from the previous month, other product prices exhibited an upward trend. Specifically, the dry whey and nonfat dry milk prices rose by approximately 6 cents and 3 cents per pound, respectively. The cheese price showed a slower increase of less than a cent per pound during the same period.

The component prices exhibited similar movements as well. Notably, the butterfat price witnessed a decline of approximately 25 cents per pound compared to the previous month. Conversely, the other solids and nonfat solids prices demonstrated positive movements, each experiencing an increase of approximately 7 cents and 3 cents per pound, respectively. The protein price exhibited the most substantial improvement, rising by approximately 28 cents per pound from October to November.

The class prices experienced mixed fluctuations from October to November. The Class I price rose by 28 cents per cwt to \$21.85. In contrast, the Class II price experienced a decline of 74 cents per cwt, settling at \$21.21. The Class III price increased 31 cents per cwt, reaching \$17.15, while the Class IV price decreased by 62 cents per cwt to \$20.87. ❖

Pool Summary

- A total of 919 producers were pooled with an average daily delivery per producer of 70,871 pounds, an increase of 1.35 percent from October.
- Pooled milk receipts totaled 1.954 billion pounds, a decrease of 0.07 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 20.5 percent of total pooled milk receipts, up 0.5 percentage points from October.
- The average butterfat test of producer receipts was 4.26 percent.
- The average true protein test of producer receipts was 3.45 percent.
- The average other solids test of producer receipts was 5.76 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	20.5	400,995,362
Class II	5.3	102,626,459
Class III	71.7	1,400,250,830
Class IV	2.6	50,048,728
Total Pooled Milk		1,953,921,379

Producer Component Prices

	2023	2022
	\$/lb	
Protein Price	1.3238	2.5374
Butterfat Price	3.4608	3.3720
Other Solids Price	0.1895	0.2837

Class Price Factors

	2023	2022
	\$/cwt	
Class I	21.85	26.19
Class II	21.21	24.67
Class III	17.15	21.01
Class IV	20.87	23.30

Retail Prices for Whole Milk

Each month, the USDA-Agricultural Marketing Service (AMS)-Dairy Program publishes the Retail Milk Prices Report. The data included in the report is collected by the Federal Milk Market Administrator offices by surveying one each of the largest food store chain, the second largest food store chain, and the largest convenience store chain in selected cities¹. The report includes average prices of conventional and organic whole milk and reduced fat milk. In this article, conventional and organic whole milk will be highlighted to show retail price trends in five of the surveyed cities.

Figure 1: Conventional Whole Milk Retail Prices November 2021 to November 2023

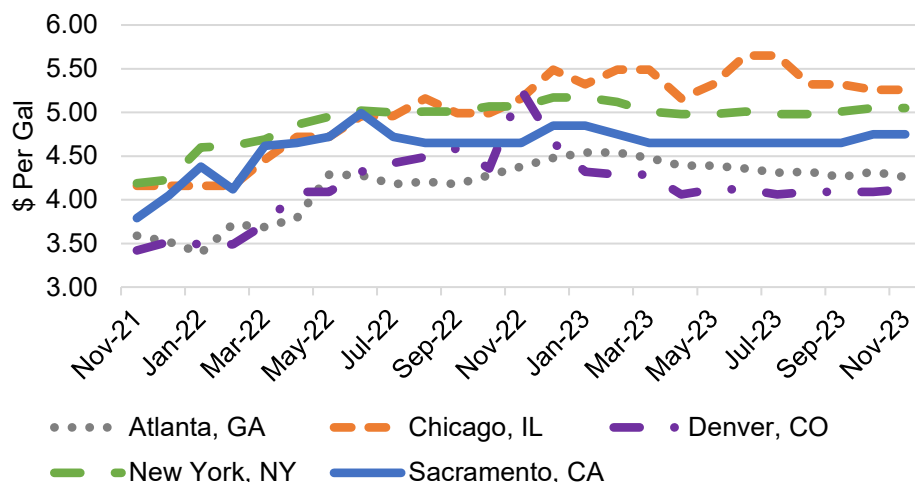
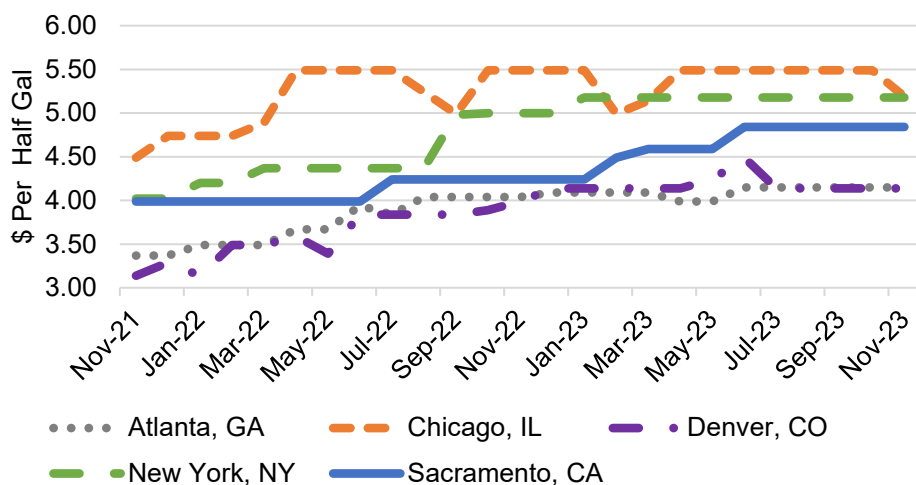


Figure 1 displays average survey prices for conventional whole milk at retail from November 2021 to November 2023. The figure depicts retail prices for five U.S. cities: Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; New York, New York; and Sacramento, California. Retail prices for conventional whole milk are higher in November 2023 than they were two years prior on November 2022. Conventional whole milk prices rose in the range of 18.7 to 26.4 percent in each location. While conventional whole milk prices are elevated compared to two years prior, most cities recorded their highest levels in late 2022 or early 2023.

Figure 2: Organic Whole Milk Retail Prices November 2021 to November 2023



While conventional whole milk prices are elevated compared to two years prior, most cities recorded their highest levels in late 2022 or early 2023.

Figure 2 portrays average survey prices for organic whole milk at retail over the last two years. Unlike the recent declines observed in conventional whole milk prices, organic whole milk prices recorded some of their highest levels in recent months. From November 2021 to November 2023, organic whole milk prices rose by as much as 31.8 percent in Colorado and as low as just 15.6 percent in Chicago. Sacramento ranked second to last of the cities based on percent change over the period with an increase

of 21.3 percent. Interestingly, changes to organic whole milk prices seem to be less frequent than those of conventional whole milk prices based on the figures.

To view the Retail Milk Prices Report or find more details on how the surveys take place, go to the USDA-AMS-Dairy Program website at: www.ams.usda.gov/resources/marketing-order-statistics/retail-milk-prices. ❖

¹ The same outlet and product brands are surveyed each month. The surveyed products are the most common brand and the prices do not represent a temporary special price. The surveys are conducted on one day between the first and tenth of each month, excluding Fridays and weekends.

Updates from the Market Administrator

Final Decision Reached on Transportation Credit Hearing

USDA has published the Final Decision on the Southeast Hearing on Transportation Credits to the Federal Register on December 1, 2023. For further details, refer to the Federal Register link: <https://www.federalregister.gov/documents/2023/12/01/2023-25879/milk-in-the-appalachian-florida-and-southeast-marketing-areas-final-decision-on-proposed-amendments>, and find the AMS message here: <https://www.ams.usda.gov/content/usda-publishes-final-decision-amendments-appalachian-florida-and-southeast-milk-marketing>.

2024 Reporting and Payment Dates

F.O 51 payment and reporting dates for 2024 have been published and can be accessed on the official website at <https://www.cafmmo.com/order/reporting-and-payment-dates/>.

Administrative Fee for November and December 2023 Waived

The administrative assessment for Order 51, as outlined in §1051.85, will be waived for November and December 2023. For more detailed information, find the letter from FO 51's Market Administrator at <https://www.cafmmo.com/>.

National Hearing Update

The National Hearing has adjourned for the remainder of the year. The proceedings will resume on Tuesday, January 16, 2024, starting at 8:00 a.m. at the 502 Event Center located at 502 E Carmel Drive, Carmel, Indiana. In the event that the hearing is not concluded by January 19, 2024, it will reconvene at 8 a.m. ET on Monday, January 29, 2024, at the same venue. The hearing sessions are scheduled from 8:00 a.m. to 5:00 p.m. each weekday.

To stay informed, a notice reaffirming these details and outlining the procedures for the reconvened weeks will be promptly published in the Federal Register. You can access this information and other federal publications online at <https://www.federalregister.gov/>.

For comprehensive details about the proponents participating in the hearing and their proposals, refer to the official document published at <https://www.federalregister.gov/documents/2023/07/24/2023-15496/milk-in-the-northeast-and-other-marketing-areas-notice-of-hearing-on-proposed-amendments-to>. ❖

Pool Summary for All Federal Orders, January-November, 2022-2023

Federal Order		Total Producer Milk			Producer Price Differential*		Statistical Uniform Price*	
Number	Name	2022	2023	Change	2022	2023	2022	2023
		Pounds			Percent	Dollars per Hundredweight**		
1	Northeast	26,881,591,679	25,004,430,923	-0.07	3.00	2.93	24.96	20.04
5	Appalachian***	5,420,484,531	4,962,041,807	-0.08	N/A	N/A	26.42	21.67
6	Florida***	2,482,891,029	2,293,202,732	-0.08	N/A	N/A	28.42	23.71
7	Southeast***	3,912,729,515	3,228,984,466	-0.17	N/A	N/A	26.87	22.25
30	Upper Midwest	31,837,415,324	30,357,151,235	-0.05	0.28	0.29	22.24	17.40
32	Central	15,637,745,685	14,775,552,238	-0.06	1.15	1.17	23.11	18.28
33	Mideast	16,795,991,380	16,404,586,745	-0.02	1.50	1.63	23.45	18.74
51	California	22,438,808,200	24,427,047,695	0.09	1.20	1.16	23.15	18.27
124	Pacific Northwest	7,582,859,867	7,042,434,303	-0.07	1.36	1.26	23.31	18.37
126	Southwest	13,713,903,120	12,595,024,068	-0.08	1.72	1.87	23.68	18.98
131	Arizona***	4,909,581,108	4,701,160,171	-0.04	N/A	N/A	24.27	19.32
All Federal Orders**		151,614,001,438	145,791,616,383	-0.04	1.46	1.47	24.53	19.73

*Price at principal location differential in each Order at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids.

**Weighted averages for PPD and SUP prices and totals for producer milk.

***These orders are not price on components but on Skim and Butterfat

N/A = Not applicable



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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	391,136,365	\$9.34	\$36,532,136.49	
Butterfat	9,858,997	3.6676	36,158,857.40	
Less: Location Adjustment to Handlers			(822,575.29)	\$71,868,418.60
Class II— Butterfat	15,388,626	3.4678	53,364,677.23	
Nonfat Solids	8,322,605	1.0444	8,692,128.67	62,056,805.90
Class III— Butterfat	51,424,000	3.4608	177,968,179.22	
Protein	48,996,183	1.3238	64,861,147.09	
Other Solids	81,213,462	0.1895	15,389,951.05	258,219,277.36
Class IV— Butterfat	6,531,455	3.4608	22,604,059.43	
Nonfat Solids	4,181,337	1.0080	4,214,787.70	26,818,847.13
Total Classified Value			<i>Total value of milk in the pool</i>	\$418,963,348.99
Add: Overage—All Classes				11,532.52
Inventory Reclassification—All Classes				(268,378.80)
Other Source Receipts	86,305			3,381.44
Total Pool Value				\$418,709,884.15
Less: Value of Producer Butterfat	83,203,078	3.4608	(287,949,212.36)	
Value of Producer Protein	67,366,357	1.3238	(89,179,583.41)	
Value of Producer Other Solids	112,592,869	0.1895	(21,336,348.71)	(398,465,144.48)
Total PPD Value Before Adjustments			<i>Total Class III value of producer components</i>	\$20,244,739.67
Add: Location Adjustment to Producers				7,453,120.77
One-half Unobligated Balance—Producer Settlement Fund				954,962.40
Less: Producer Settlement Fund—Reserve				(905,913.72)
Total Pool Milk & PPD Value	1,954,007,684			\$27,746,909.12
Producer Price Differential		\$1.42		
Statistical Uniform Price		\$18.57		

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