



The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

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March Pool Price Calculation

The March 2024 Statistical Uniform Price (SUP) for the California Marketing Area increased 36 cents per hundredweight (cwt) from last month to \$17.77 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 (4.21 percent butterfat, 3.37 percent protein, and 5.78 percent other solids), the March SUP was \$20.51 per cwt, 35 cents higher than February. The March Producer Price Differential (PPD) at Los Angeles County was \$1.43 per cwt, an increase of 10 cents from last month.

Product Prices Effect

Average product prices in the National Dairy Product Sales Report experienced moderate changes in March when compared to February. The price per pound of butter rose by 11 cents to \$2.8458 while the price per pound for cheese and dry whey both increased by one cent settling at \$1.6082 and \$0.4788, respectively. Alternatively, the price for nonfat dry milk per pound declined nearly 3 cents to \$1.1863 compared to last month.

The component prices experienced mixed movements from last month. The butterfat price increased 14 cents to \$3.2385 and the other solids price rose 1 cent to \$0.2881 per pound. Conversely, the protein price declined 10 cents to \$1.1265 and the nonfat solids price decreased 3 cents to \$1.0083 per pound compared to last month.

The class prices experienced slight increases from February to March. The Class I price increased by 81 cents per cwt to \$20.90. The Class II price rose 59 cents per cwt, settling at \$21.12. The Class III price increased by 26 cents per cwt to \$16.34 and the Class IV price gained 24 cents per cwt to \$20.09. ❖



Pool Summary

- A total of 858 producers were pooled with an average daily delivery per producer of 77,699 pounds, an increase of .29 percent from February.
- Pooled milk receipts totaled 2.067 billion pounds, a decline of 1.32 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 18.4 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.21 percent.
- The average true protein test of producer receipts was 3.37 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	18.4	380,442,806
Class II	5.1	104,758,209
Class III	73.8	1,524,230,494
Class IV	2.8	57,208,265
Total Pooled Milk		2,066,639,774

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 Price Factors

	2024	2023
	\$/cwt	
Class I	20.90	21.09
Class II	21.12	19.52
Class III	16.34	18.10
Class IV	20.09	18.38

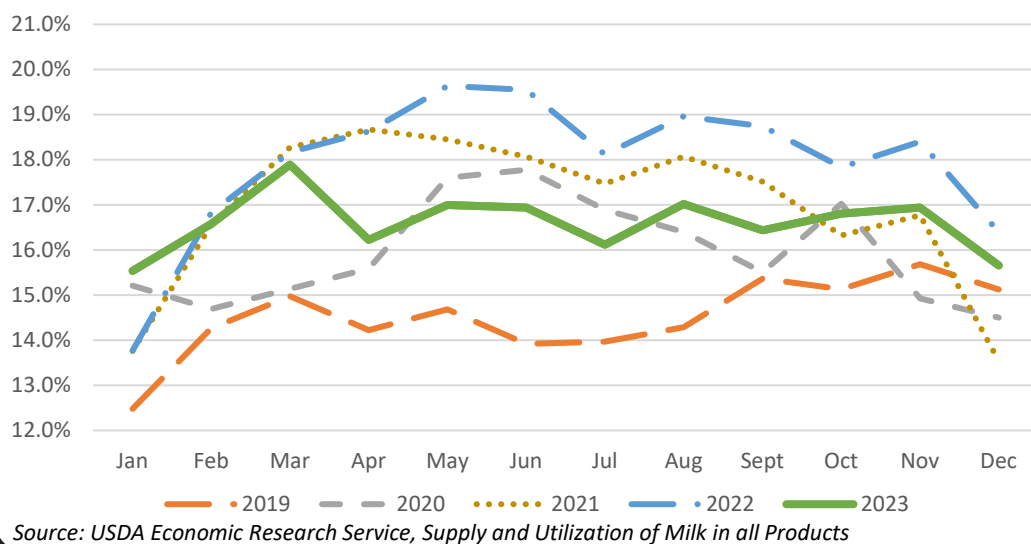
California Dairy Exports

In an increasingly inter-connected global market, the export of dairy products has continued to be a dynamic and important market outlet. Consumers worldwide have developed a demand for U.S. dairy products, with Mexico, Canada, China, South Korea, and the Philippines emerging as the top buyers, each spending millions of dollars on U.S. dairy products. As dairy exports significantly contribute to economic growth and influence dairy market prices, this article dives into the dynamic landscape of dairy exports from the top dairy producing states in the nation. The data in this article was collected from the USDA's Economic Research Service and the U.S. Census Bureau's USA Trade Online database for the years 2019 to 2023.

U.S Milk Solids Exported

Over the last 10 years, the percentage of U.S total milk solids exported has continued to grow, from an average of 12.5 percent in 2010 to 16.6 percent in 2023, according to the USDA's Economic Research Service. However, the percentage exported has fluctuated in recent years. Figure 1 displays the percentage of milk solids exported over the last five years. The average percentage of production exported in 2023 was 16.6 percent, representing a decline from 17 and 17.9 percent seen in 2021 and 2022, respectively. In terms of weight, roughly 2.25 million metric tons of milk solids were exported in 2023 versus 2.4 million the year prior, representing a decline of approximately

Figure 1: Percent of Total U.S. Milk Solids Exported, 2019 - 2023



162.6 thousand metric tons. The slight decline in exports in 2023 could be attributed to changes in international demand and supply.

California Total Dairy Exports

The U.S. Census Bureau's North American Industry Classification System (NAICS) categorizes the dairy industry as establishments that manufacture dairy products from raw milk, processed milk, and dairy substitutes. This category provides statistics on the dollar value of total dairy products exported from a state and is primarily used within the U.S., Canada, and Mexico.

Based on the NAICS data, California's dairy export value has grown roughly 29 percent from 2019 to 2023, with some other states growing at a higher rate. However, California still leads in terms of the total value of dairy products exported. In 2023, California exported roughly 2.3 billion dollars worth of dairy products. Exports from Texas and Wisconsin,

Table 1: Value of Exported Manufactured Dairy Products to Selected Countries in 2023

State of Origin	Canada	China	Mexico	Philippines	South Korea
California	\$ 89,022,534	\$ 226,294,266	\$ 506,718,997	\$ 253,298,017	\$ 115,100,941
Idaho	56,420,822	46,093,692	31,254,373	12,353,773	42,356,827
New York	80,400,955	13,551,024	27,503,579	14,971,087	3,000,569
Texas	10,087,735	59,823,658	676,246,464	5,260,561	17,560,451
Wisconsin	146,239,808	95,653,551	55,684,677	11,732,201	42,089,450

Source: US Census Bureau, USA Trade Data, NAICS Codes

California Dairy Exports *(continued from page 2)*

the state's closest competitors, reached about 915.5 and 584.2 million dollars, respectively.

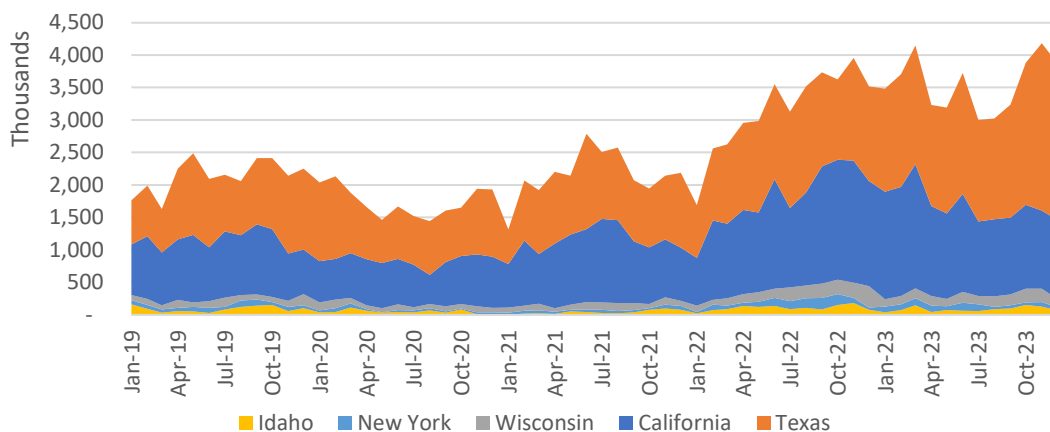
Table 1 displays a breakdown of the value of dairy products exported from the top five dairy-producing states to the countries that import the most U.S dairy products. In 2023, a significant portion of California's dairy exports were imported by Mexico and the Philippines. Texas' total dairy exports to Mexico surpassed California's.

Wisconsin, the third largest dairy exporting state in 2023, exported most of its dairy products to Canada and China. California and Texas with their close proximity to the southern border and large dairy industries, share strong competition in exporting dairy

products to Mexico. On the other hand, California is second to Wisconsin when it comes to exports to Canada, despite Wisconsin's advantageous geographic position along the northern border. Figures 1 and 2 display these trends on an average daily basis from 2019 to 2023.

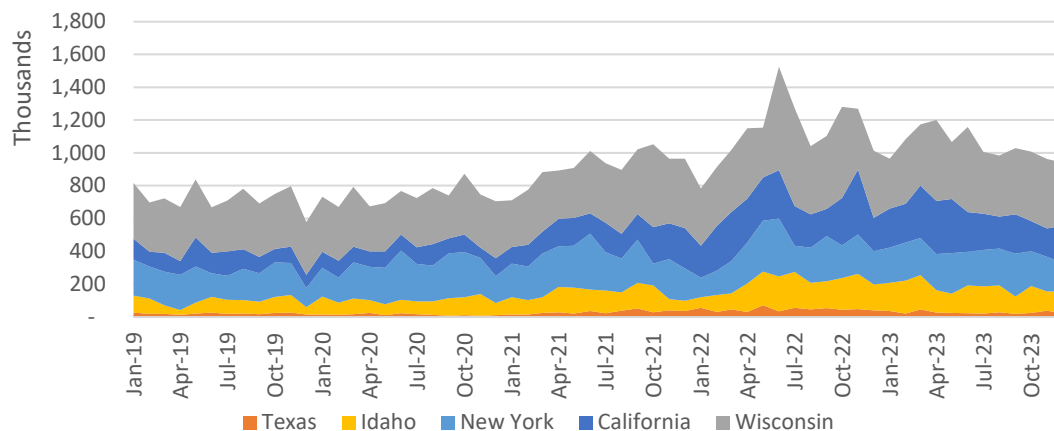
California sets itself apart from the top producing dairy states when it comes to dairy exports, as the data illustrates the substantial value of exported dairy goods. This export volume is attributed to the large dairy industry in the state that produces a significant variety of dairy products. ❖

Figure 2: Average Daily Value of Dairy Exports (\$US) to Mexico from 2019 to 2023



Source: US Census Bureau, USA Trade Data, NAICS Codes

Figure 3: Average Daily Value of Dairy Exports (\$US) to Canada from 2019 to 2023



Source: US Census Bureau, USA Trade Data, NAICS Codes

Post-Hearing Briefs Received for Pricing Formula Hearing

Post Hearing Briefs from interested parties were due in by April 1, 2024. the next step is for USDA to issue a recommend decision to the Federal Register no later than 90 days. The briefs and other hearing related documents can be found at www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmo-pricing-hearing. ❖





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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	371,066,303	\$10.24	\$37,997,189.43	
Butterfat	9,376,503	3.1479	29,516,293.79	
Less: Location Adjustment to Handlers			(786,987.35)	\$66,726,495.87
Class II— Butterfat	15,445,575	3.2455	50,128,613.66	
Nonfat Solids	8,457,402	1.1233	9,500,199.67	59,628,813.33
Class III— Butterfat	55,825,912	3.2385	180,792,215.99	
Protein	52,097,566	1.1265	58,687,908.10	
Other Solids	88,724,063	0.2881	25,561,402.58	265,041,526.67
Class IV— Butterfat	6,263,129	3.2385	20,283,143.30	
Nonfat Solids	4,846,772	1.0083	4,887,000.19	25,170,143.49
Total Classified Value			<i>Total value of milk in the pool</i> →	\$416,566,979.36
Add: Overage—All Classes				1,386.02
Inventory Reclassification—All Classes				9,645.17
Other Source Receipts	59,862			3,023.03
Total Pool Value				\$416,581,033.58
Less: Value of Producer Butterfat	86,911,119	3.2385	(281,461,658.85)	
Value of Producer Protein	69,679,791	1.1265	(78,494,284.57)	
Value of Producer Other Solids	119,542,475	0.2881	(34,440,187.06)	(394,396,130.48)
Total PPD Value Before Adjustments			<i>Total Class III value of producer components</i> ↗	\$22,184,903.10
Add: Location Adjustment to Producers				7,961,069.10
One-half Unobligated Balance—Producer Settlement Fund				392,080.00
Less: Producer Settlement Fund—Reserve				(984,247.31)
Total Pool Milk & PPD Value	2,066,699,636			\$29,553,804.89
Producer Price Differential		\$1.43		
Statistical Uniform Price		\$17.77		

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