



The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

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August Pool Price Calculation

The August 2024 Statistical Uniform Price (SUP) for the California Marketing Area rose by \$0.66 per hundredweight (cwt) from the previous month, reaching \$21.50 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 (4.08 percent butterfat, 3.32 percent protein, and 5.78 percent other solids), the August SUP was \$24.32 per cwt, which is \$1.01 higher than in July. The August Producer Price Differential (PPD) in Los Angeles County was \$0.84 per cwt, \$0.21 lower than the previous month.

Product Prices Effect

All average product prices in the National Dairy Product Sales Report increased in August compared to July, except for butter. The cheese, dry whey, and nonfat dry milk prices each increased by 7, 4, and 3 cents respectively, settling at \$2.0399, \$0.4864, and \$1.2268 per pound. In contrast, the butter price decreased by 1 cent to \$3.1139 per pound.

The component prices experienced similar trends with only the butterfat price declining into August. The protein, other solids, and nonfat solids prices each gained 23, 4, and 3 cents, respectively, settling at \$2.1756, \$0.2959, and \$1.0484 per pound. However, the butterfat price declined by roughly 1 cent to \$3.5632 per pound.

All class prices increased from July to August. The Class I price gained 21 cents settling at \$23.42 per cwt. The Class II price increased by 23 cents to \$22.05 per cwt. The Class III price rose by the largest margin of \$0.87 per cwt to \$20.66 per cwt. Lastly, the Class IV price gained 27 cents to \$21.58 per cwt.

Selected Statistics

The August 2024 protein price is the highest in FO 51 since September 2023 reaching \$2.1756 per pound. Similarly, this month's total pounds of pooled producer milk was the largest volume with over 2.2 billion pounds. Additionally, the \$0.2959 other solids price per pound is the highest since 2022. ❖

Pool Summary

- A total of 916 producers were pooled with an average daily delivery per producer of 77,921 pounds, an increase of 5.65 percent from July.
- Pooled milk receipts totaled 2.2 billion pounds, an increase of 8.86 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 18 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.08 percent.
- The average true protein test of producer receipts was 3.32 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	18.0	397,276,078
Class II	4.6	102,181,329
Class III	69.3	1,533,080,652
Class IV	8.1	180,108,897
Total Pooled Milk		2,212,646,956

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 Price Factors

	2024	2023
	\$/cwt	
Class I	23.42	18.72
Class II	22.05	19.91
Class III	20.66	17.19
Class IV	21.58	18.91

November 2023 Container Survey

The 2023 Container Sales Survey was recently published and can be found at <https://www.cafmmo.com/publications/statistical-reports/> under the "Packaged Fluid Milk Sales in Federal Milk Order Markets" section. This report is completed biennially for the month of

November. The survey data includes all fluid sales volumes from pool distributing plants by container type and size, as well as distribution channels for all categories. November of 2023's Container Sales Survey was the first report to separate Extended Shelf Life (ESL) milk in conventional and organic products. This article discusses FO 51's surveyed container sales data in relation to the national totals reported in the Container Sales Survey reports.

Conventional Fluid Milk Products Sold in FO 51

Whole milk in plastic gallons was the top-selling conventional fluid product in FO 51 with notable differences between regional and national sales percentages for various milk types. Table 1 presents the top five conventional fluid milk products sold in FO 51. Sales of whole milk products in plastic gallon

Table 1: Order 51 Top 5 Conventional Fluid Products, November 2023 Container Survey

Product	Container Size	Container Type	Pounds	Percent of FO 51 Market
Whole milk	Gal (128 OZ)	Plastic	105,649,189	26.3%
2% Reduced Fat	Gal (128 OZ)	Plastic	83,825,290	20.9%
1% Lowfat Milk	Gal (128 OZ)	Plastic	17,172,150	4.3%
Whole milk	1/2 Gal (64 OZ)	Plastic	16,570,646	4.1%
2% Reduced Fat	1/2 Gal (64 OZ)	Plastic	13,632,403	3.4%

containers represented 26.3 percent of total sales in FO 51's market. At the national level, sales of whole milk in gallon containers represented 26.9 percent of the market. Two-percent reduced fat milk in gallons accounted for 20.9 percent of sales in FO 51, compared to 21.3 percent nationally. Low-fat milk in plastic gallons represented 4.3 percent of fluid sales in California, whereas nationwide, low-fat milk in gallon containers comprised 5.4 percent of total fluid milk sales.

Organic Fluid Milk Products Sold in FO 51

Organic milk products made up 9 percent of FO 51's sales. The majority of the organic sales were ESL products accounting for 57.7 percent of the organic market and 5.4 percent of the total FO 51 market. Table 2 displays the top five ESL and High-Temperature Short-Time (HTST) organic fluid milk products in FO 51.

ESL two-percent reduced fat milk in paper half-gallon containers accounted for 2.6 percent of all fluid milk sales in FO 51, compared to 0.8 percent nationally. The second most popular organic product in FO 51 is HTST whole milk in plastic gallons, representing

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Table 2: Order 51 Top 5 Organic Fluid ESL and HTST Products, November 2023 Container Survey

Product	Container Size	Container Type	Pounds	Percent of FO 51 Market
2% Reduced fat (ESL)	1/2 Gal (64 OZ)	Paper	10,599,794	2.6%
Whole milk	Gal (128 OZ)	Plastic	6,941,842	1.7%
Whole milk (ESL)	1/2 Gal (64 OZ)	Paper	6,529,887	1.6%
2% Reduced Fat	Gal (128 OZ)	Plastic	3,548,505	0.9%
1% Low fat (ESL)	1/2 Gal (64 OZ)	Paper	1,235,669	0.3%

November 2023 Container Survey *(continued from page 2)*

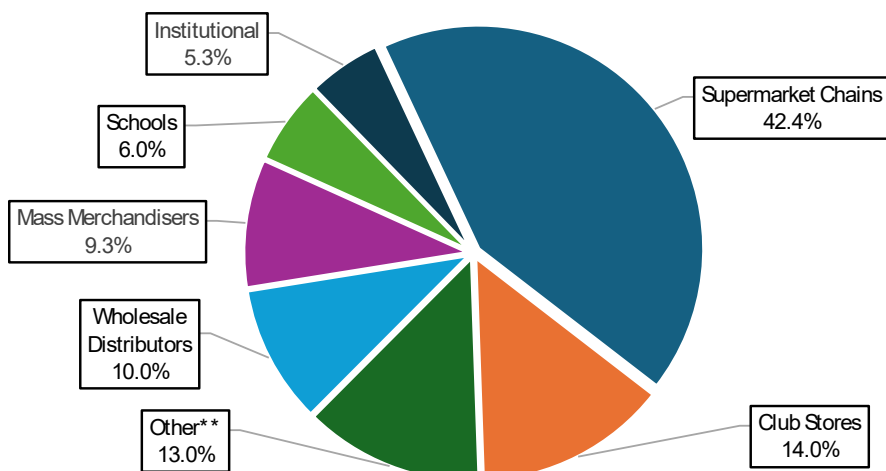
1.7 percent of the California market and only 0.9 percent nationally. Similarly, organic ESL whole milk in paper half-gallon containers accounted for 1.6 percent of FO 51 sales, whereas nationally, it made up 1 percent of the total market.

Fluid Sales Volume by Distribution Method

Figure 1, displayed to the right, shows the distribution of fluid milk sales by channel in FO 51 for November 2023. Supermarket chains captured the largest share of sales, representing 42.4 percent of all fluid milk sales in FO 51, compared to 36.1

percent across all FO areas. Sales through club store channels, such as Costco and Sam's Club, accounted for 14 percent of FO 51's fluid milk sales in November 2023, significantly higher than the national representation of 6.6 percent. Wholesale distributors represented 10 percent of fluid milk sales in FO 51, while nationally, they accounted for 12.5 percent of all fluid milk sales. ❖

Figure 1: Percentage of Fluid Milk Sales by Distribution Channel* FO 51, November 2023



* Fluid sales volume is limited to fully regulated handlers and excludes partially regulated, exempt, and producer handlers

** Includes but is not limited to drug stores, convenience stores, and internet home delivery

Pool Statistics for All Federal Orders, August 2024

Federal Order Number	Federal Order Name	Statistical Uniform Price* \$/cwt	Producer Price Differential* \$/cwt	Total Producer Milk million lbs	Utilization			
					Class I	Class II	Class III	Class IV
					%			
1	Northeast	22.64	1.98	2,273.1	28.1	27.6	30.7	13.6
5	Appalachian***	23.98	N/A	436.3	73.0	15.5	6.7	4.8
6	Florida***	25.81	N/A	213.0	82.1	15.8	1.9	0.2
7	Southeast***	24.57	N/A	278.8	79.2	15.2	3.2	2.3
30	Upper Midwest	20.86	0.20	2,561.1	6.2	1.1	92.1	0.6
32	Central	21.34	0.68	1,200.4	29.6	8.2	52.6	9.6
33	Mideast	21.72	1.06	1,595.9	37.2	13.7	43.5	5.7
51	California	21.50	0.84	2,212.6	18.0	4.6	69.3	8.1
124	Pacific Northwest	21.37	0.71	615.4	20.5	5.1	49.8	24.7
126	Southwest	22.07	1.41	1,182.4	28.1	8.5	63.0	0.5
131	Arizona***	22.14	N/A	392.1	35.0	21.9	28.2	14.9
All Federal Orders**		21.87	0.99	12,961.1	26.7	11.1	54.9	7.4

*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 or total for all Federal Orders.

***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	387,680,957	\$11.18	\$43,342,730.99	
Butterfat	9,595,121	3.6082	34,621,115.59	
Less: Location Adjustment to Handlers			(845,357.13)	\$77,118,489.45
Class II— Butterfat	15,213,279	3.5702	54,314,448.67	
Nonfat Solids	8,168,719	1.1000	8,985,590.90	63,300,039.57
Class III— Butterfat	55,243,329	3.5632	196,843,029.87	
Protein	51,638,417	2.1756	112,344,540.03	
Other Solids	89,097,640	0.2959	26,363,991.66	335,551,561.56
Class IV— Butterfat	10,277,247	3.5632	36,619,886.49	
Nonfat Solids	16,046,174	1.0484	16,822,808.81	53,442,695.30
Total Classified Value			<i>Total value of milk in the pool</i> →	\$529,412,785.88
Add: Overage—All Classes				98,822.04
Inventory Reclassification—All Classes				45,743.39
Other Source Receipts	152,616			3,933.78
Total Pool Value				\$529,561,285.09
Less: Value of Producer Butterfat	90,328,976	3.5632	(321,860,207.29)	
Value of Producer Protein	73,454,742	2.1756	(159,808,136.69)	
Value of Producer Other Solids	127,856,356	0.2959	(37,832,695.75)	(519,501,039.73)
Total PPD Value Before Adjustments			<i>Total Class III value of producer components</i> ↗	\$10,060,245.36
Add: Location Adjustment to Producers				8,618,139.23
One-half Unobligated Balance—Producer Settlement Fund				878,729.80
Less: Producer Settlement Fund—Reserve				(969,597.88)
Total Pool Milk & PPD Value	2,212,799,572			\$18,587,516.51
Producer Price Differential		\$0.84 ←		
Statistical Uniform Price		\$21.50		

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