



The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

Peter Fredericks, Market Administrator

June 2022

Federal Order No. 51

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June Pool Price Calculation

The June 2022 Statistical Uniform Price (SUP) for the California Marketing Area increased 16 cents per hundredweight (cwt) from last month to \$25.59 per cwt for milk delivered to plants located in Los Angeles County, California, the pricing point for the California Federal Marketing Order. The June SUP marks a new record high under Federal Order 51. 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 (3.92 percent butterfat, 3.23 percent protein, and 5.77 percent other solids), the SUP remained constant from May to June at \$27.83 per cwt. June's Producer Price Differential (PPD) at Los Angeles County is \$1.26 per cwt, an increase of \$1.04 from last month.

Product Prices Effect

Monthly average product prices in the National Dairy Product Sales Report displayed mixed movements from May to June. The butter price climbed nearly 19 cents per pound from last month, and the nonfat dry milk price gained less than a penny. On the other hand, the cheese and dry whey prices declined almost 7 cents per pound and roughly 5 cents per pound, respectively.

Similarly, changes in the component prices varied from May to June. The butterfat price appreciated nearly 23 cents per pound from May. The nonfat solids price rose almost a penny. Meanwhile, the protein price dropped just over 45 cents per pound, and the other solids price lost roughly 6 cents per pound.

All class prices improved from May to June, except for the Class III price. The Class I price increased 42 cents per cwt to \$27.97, and the Class II price rose 78 cents per cwt to \$26.65. The Class III price decreased 88 cents per cwt to \$24.33. Lastly, the Class IV price climbed 84 cents per cwt to \$25.83. The Class I, II, and IV prices reached record levels under the Federal Order.❖

Pool Summary

- A total of 846 producers were pooled with an average daily delivery per producer of 65,192 pounds, a decrease of 11.5 percent from May.
- Pooled milk receipts totaled 1.655 billion pounds, a decrease of 4.4 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 22.6 percent of total pooled milk receipts, up 0.1 percentage points from May.
- The average butterfat test of producer receipts was 3.92 percent.
- The average true protein test of producer receipts was 3.23 percent.
- The average other solids test of producer receipts was 5.77 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	22.6	374,251,217
Class II	5.9	97,926,370
Class III	67.3	1,113,623,678
Class IV	4.2	68,780,315
Total Pooled Milk		1,654,581,580

Producer Component Prices

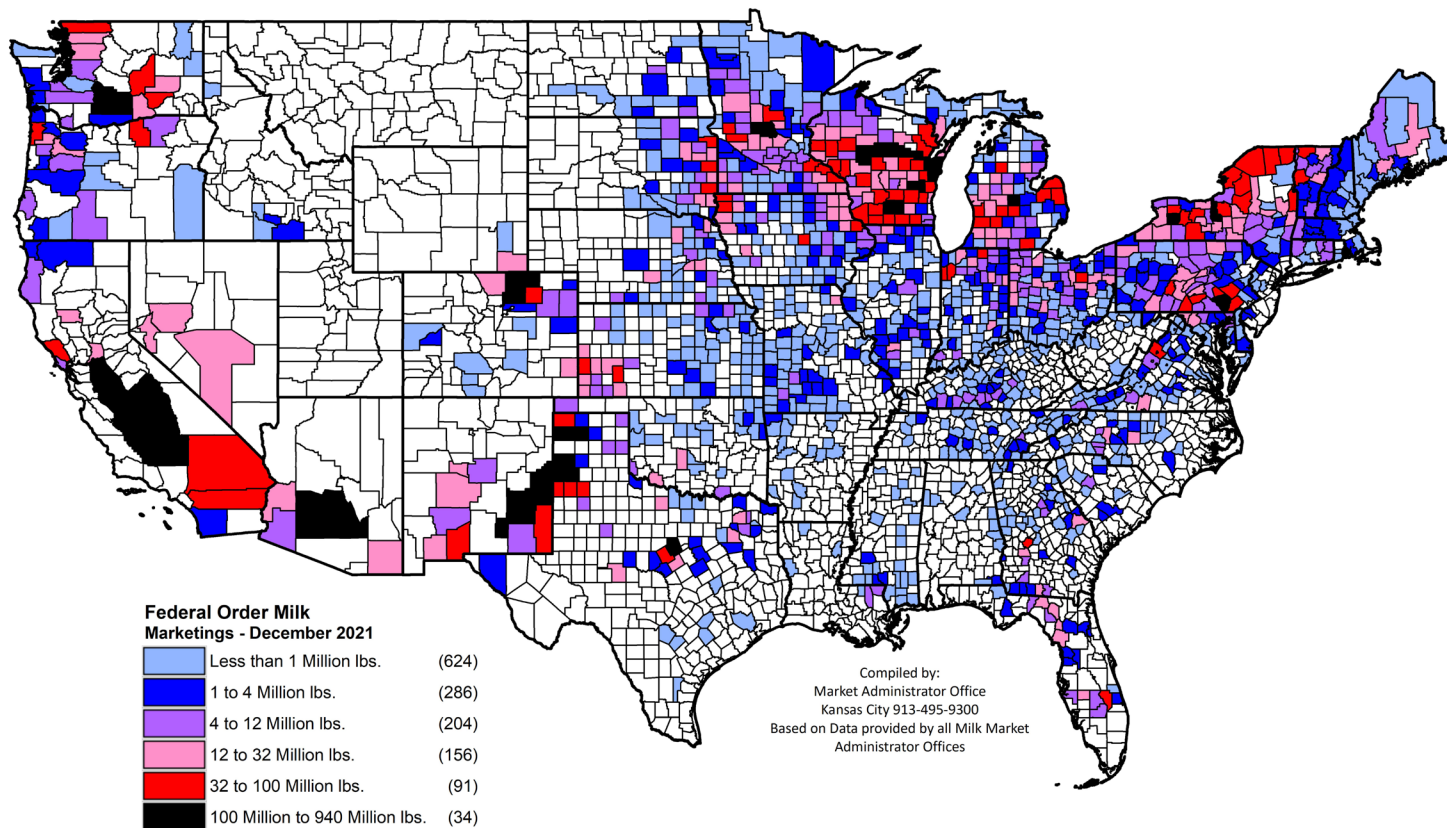
	2022	2021
	\$/lb	
Protein Price	3.4173	2.5834
Butterfat Price	3.3323	1.9641
Other Solids Price	0.4295	0.4579

Class Price Factors

	2022	2021
	\$/cwt	
Class I	27.97	20.39
Class II	26.65	16.66
Class III	24.33	17.21
Class IV	25.83	16.35

Federal Order Milk Marketings by County

Federal Order Milk Production by County, December 2021



Twice a year, the Central Milk Marketing Area (Federal Order 32) collects data from all Federal Milk Marketing Orders and creates maps depicting milk production by county across the United States. The accompanying maps illustrate the concentration of milk production within the eleven Federal Order (FO) regions for December 2021.¹ Additional maps and details can be found in FO 32's June 2022 *Bulletin* at: www.fmmacentral.com/monthly_news_letter.html.

December 2021 Production by County

The map above portrays milk production within FO areas by county for December 2021. California produced 3.33 billion pounds in December – equivalent to 19.8% of all FO milk for that month. This total comes from just eighteen counties in California. As shown on the map, the Central Valley of California – represented in black for the highest production levels by county – continues to be a leader in milk production.

¹ FO marketings included in the maps represent approximately 89 percent of total milk production in the U.S. in December 2021.

Top Thirteen Counties for Milk Production within Federal Order Regions, December 2021

County	Production (lbs)	Percent of Federal Order Total
Tulare, CA	939,862,494	5.59%
Merced, CA	531,709,507	3.16%
Kings, CA	382,932,726	2.28%
Kern, CA	356,607,033	2.12%
Stanislaus, CA	314,504,375	1.87%
Weld, CO	278,256,353	1.65%
Hartley, TX	239,513,497	1.42%
Fresno, CA	235,015,266	1.40%
Yakima, WA	211,273,675	1.26%
Maricopa, AZ	203,546,446	1.21%
Lancaster, PA	192,328,413	1.14%
San Joaquin, CA	188,131,619	1.12%
Pinal, AZ	164,962,520	0.98%
13-County Total	4,238,643,924	25.21%
FO Total	16,815,529,762	

California Counties Remain on Top

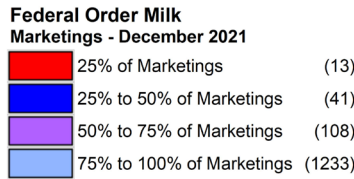
California counties again topped the list of the highest-producing counties within FO regions. In December 2021, thirteen counties marketed 25 percent of FO milk. The table on page 2 and top left map on page 3 display the FO milk marketings of these top thirteen counties during December 2021. Seven of the thirteen counties are located in California: Tulare, Merced, Kings, Kern, Stanislaus, Fresno, and San Joaquin. These seven counties produced 2.95 billion pounds of milk in December. Ranking all counties with FO marketings in ascending order, the seven largest California counties would be equivalent to the smallest 1,166 counties (83.6 percent of the 1,395 total counties).

Tulare County produced more milk than any other county in December 2021 with more than 939 million pounds, representing 5.6 percent of all FO milk. To equal this total would require the production from the smallest 940

counties. Compared to Merced County, the second ranked county for milk production, Tulare County produced 408 million more pounds of milk, or 77 percent more.

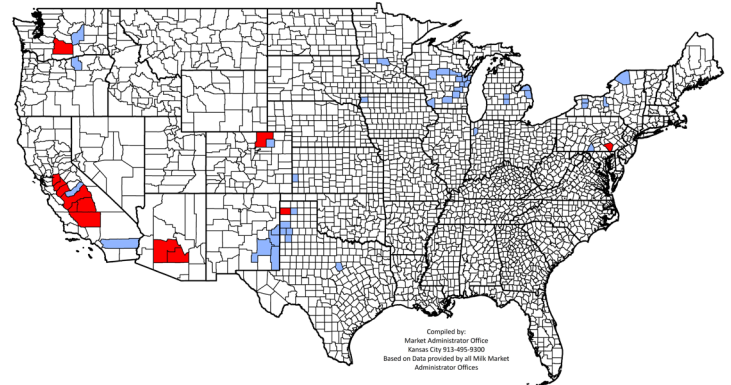
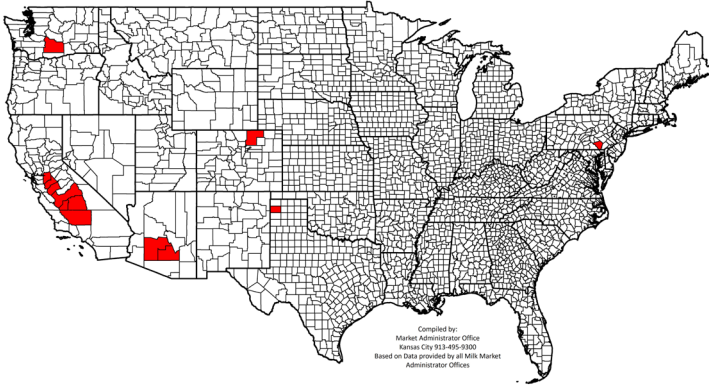
Quartiles of Production by County

The four maps below depict the counties producing 25, 50, 75, and 100 percent of FO milk in December 2021. They also illustrate high levels of concentration in December’s FO milk marketings: less than 1 percent (thirteen counties) of counties produced 25 percent of FO milk; 54 counties marketed half; and 162 counties sourced 75 percent. Five years earlier in December 2016, thirteen counties marketed 25 percent of FO milk; 59 counties produced half; and 182 counties accounted for 75 percent. The decrease in the number of counties producing 50 and 75 percent of milk in FO areas suggests milk marketings may have further consolidated over the last five years. ❖



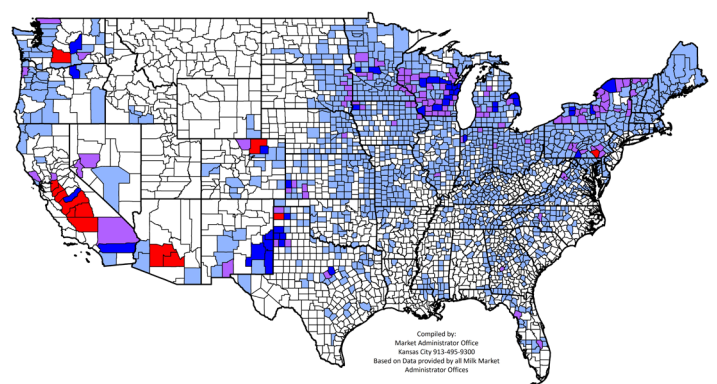
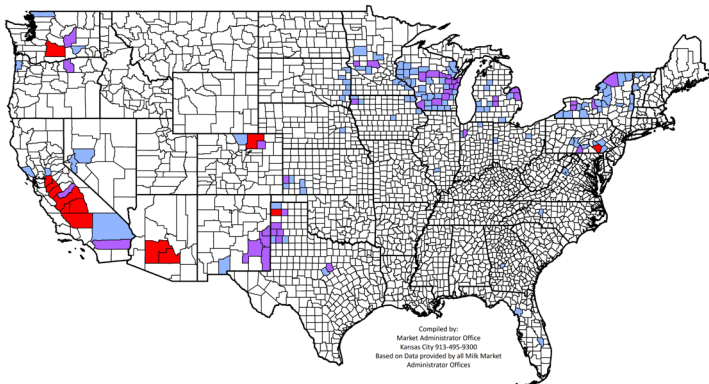
13 Counties Marketed 25% of All Federal Order Milk during December 2021

54 Counties Marketed 50% of All Federal Order Milk during December 2021



162 Counties Marketed 75% of All Federal Order Milk during December 2021

1,395 Counties Marketed 100% of All Federal Order Milk during December 2021





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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 Butterfat	365,234,667	\$17.76	\$64,865,676.86	
Less: Location Adjustment to Handlers	9,016,550	3.0938	27,895,402.39	
			(753,795.05)	\$92,007,284.20
Class II— Butterfat	10,948,172	3.3393	36,559,230.74	
Nonfat Solids	8,084,399	1.7222	13,922,951.95	50,482,182.69
Class III— Butterfat	40,050,125	3.3323	133,459,031.54	
Protein	36,428,499	3.4173	124,487,109.63	
Other Solids	64,524,198	0.4295	27,713,143.05	285,659,284.22
Class IV— Butterfat	4,787,404	3.3323	15,953,066.37	
Nonfat Solids	5,981,988	1.6313	9,758,417.03	25,711,483.40
Total Classified Value				\$453,860,234.51
Add: Overage—All Classes				79,184.79
Inventory Reclassification—All Classes				156,603.66
Other Source Receipts	58,371			2,702.58
Total Pool Value				\$454,098,725.54
Less: Value of Producer Butterfat	64,802,251	3.3323	(215,940,541.01)	
Value of Producer Protein	53,434,575	3.4173	(182,601,973.17)	
Value of Producer Other Solids	95,484,941	0.4295	(41,010,782.18)	(439,553,296.36)
Total PPD Value Before Adjustments				\$14,545,429.18
Add: Location Adjustment to Producers				6,190,691.95
One-half Unobligated Balance—Producer Settlement Fund				828,962.98
Less: Producer Settlement Fund—Reserve				(716,620.76)
Total Pool Milk & PPD Value	1,654,639,951			\$20,848,463.35
Producer Price Differential		\$1.26		
Statistical Uniform Price		\$25.59		

Total value of milk in the pool → **\$453,860,234.51**

Total Class III value of producer components → **\$14,545,429.18**

Value from which PPD per hundredweight is calculated

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