



The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

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Federal Order No. 51

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February Pool Price Calculation

The February 2025 Statistical Uniform Price (SUP) for the California Marketing Area decreased by \$0.41 per hundredweight (cwt) from last month to \$20.54 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 (4.31 percent butterfat, 3.41 percent protein, and 5.78 percent other solids), the February SUP was \$23.92 per cwt, \$0.64 lower than January. The February Producer Price Differential (PPD) in Los Angeles County was \$0.36 per cwt, \$0.25 lower than the month prior.

Product Prices Effect

In the latest National Dairy Product Sales Report, most average product prices experienced declines into February. The butter price fell roughly 11 cents to \$2.4990 per pound, while the dry whey price decreased 6 cents to \$0.6650 per pound. The Nonfat dry milk price lost roughly 5 cents to \$1.3347. Cheese was the only price to increase in February, increasing 2 cents to \$1.9077 per pound.

Component prices experienced similar trends. The butterfat price declined by the largest margin of 13 cents to \$2.8186 per pound, and the other solids price fell 6 cents to \$0.4799 per pound. The nonfat solids price decreased by 4 cents to \$1.1552 per pound. The protein price continued to experience large gains in February, increasing of 21 cents to \$2.5337 per pound.

Most Class prices observed declines in February. The Class I price increased by \$0.89, settling at \$23.37 per cwt. The Class II price fell by 50 cents to \$21.08 per cwt. Class III price decreased by \$0.16 to \$20.18 per cwt. The Class IV price experienced a decline of \$0.89 to \$19.90 per cwt.

Selected Statistics

This month's average daily delivery per producer, of 95,586 pounds, set a new record high for the month of February and for all months under Federal Order 51. The total pool volume of 2.46 billion pounds was the highest since April 2023. ❖

Pool Summary

- A total of 918 producers were pooled with an average daily delivery per producer of 95,586 pounds, an increase of 23.87 percent from January.
- Pooled milk receipts totaled 2.46 billion pounds, an increase of 24.28 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 15 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.31 percent.
- The average true protein test of producer receipts was 3.41 percent.
- The average other solids test of producer receipts was 5.78 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	15.0	369,078,449
Class II	3.9	96,283,587
Class III	39.0	958,467,845
Class IV	42.1	1,033,119,797
Total Pooled Milk		2,456,949,678

Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.5337	1.2255
Butterfat Price	2.8186	3.1031
Other Solids Price	0.4799	0.2738

Class Price Factors

	2024	2023
	\$/cwt	
Class I	23.37	20.09
Class II	21.08	20.53
Class III	20.18	16.08
Class IV	19.90	19.85

2024 Milk Production

Milk Production in California

The National Agricultural Research Service (NASS) publishes monthly milk production reports containing data on milk per cow, number of cows, and production. According to USDA’s Economic Research Service, using production data from NASS, U.S. milk production increased every year until 2021 and remained steady through 2023, as shown in the figure to the right. This trend is also reflected in California’s monthly production volumes from 2019 to 2024 as depicted in Figure 1 below.

Production peaked in March 2021 at 3.724 billion pounds. A

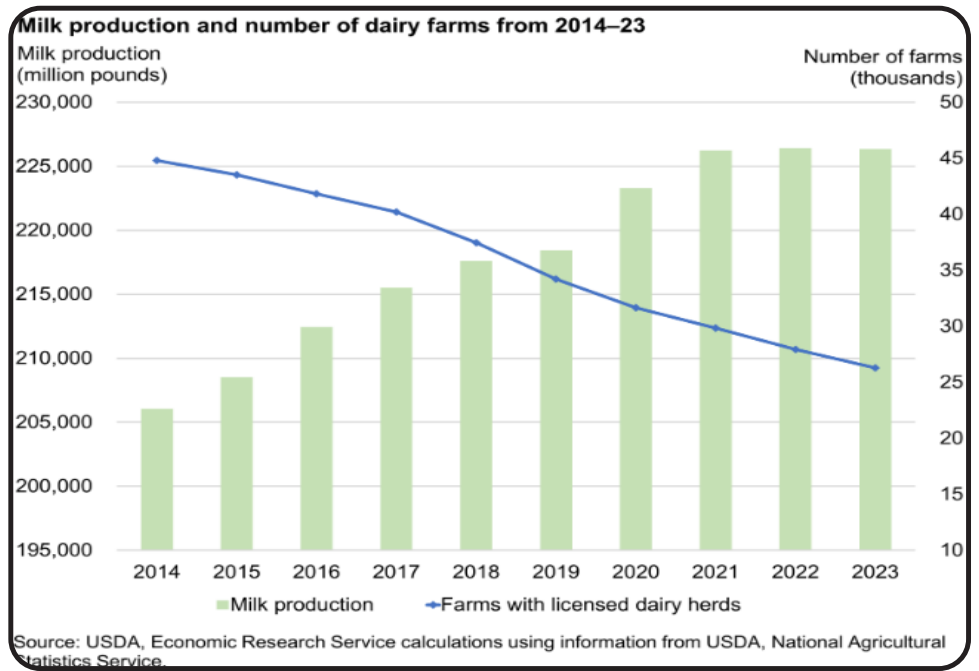
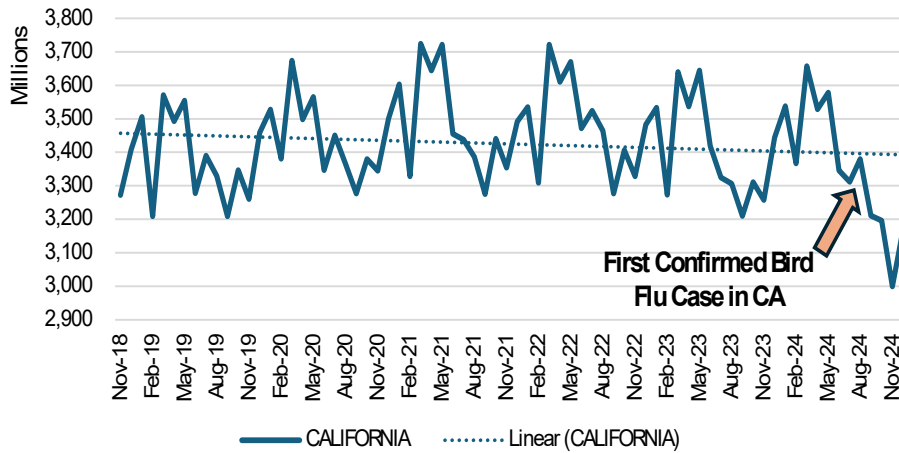


Figure 1: California Milk Production Under Federal Order 51



620 million pounds. Quarters 1 and 3 showed minor gains from the previous year, increasing by 1.1 and 0.6 percent, respectively; while Quarter 2 saw a small decline of 1.4 percent compared to 2023. Quarter 4 experienced a significant drop of 648 million pounds, or 6.5 percent.

October, November, and December each saw year-over-year declines in production of 3.5, 7.9, and 8 percent, respectively (additional year-over-year rates can be found in Table 2. However, milk production increased 5.15 percent from November to December, nearly returning to

steady trend in the state’s milk production is visible each year, with typical seasonal fluctuations, until August 2024 when the first case of Highly Pathogenic Avian Influenza (HPAI or bird flu) was reported in California. Milk production declined in the last quarter of 2024, down 6.5 percent from the same period last year. Between November 2018 and December 2024, milk production fell to a record low in November 2024, falling to 2.957 billion pounds.

Table 1 displays California’s quarterly milk production statistics for 2023 and 2024. Overall, milk production in 2024 declined by 1.5 percent, or roughly

Table 1: California Milk Production by Quarter

Quarter	2023	2024	% Change
Millions			
Q1	10,446	10,562	1.1%
Q2	10,600	10,453	-1.4%
Q3	9,841	9,903	0.6%
Q4	10,013	9,365	-6.5%
Total Production	40,900	40,283	-1.5%

(continued on page 3)

2024 Milk Production *(continued from page 2)*

the volume to September 2024 levels.

Milk Production in the Top Five States

Figure 2 illustrates milk production in the top five dairy-producing states from 2023 to 2024. California continues to have the highest milk production volume of any state, followed by Wisconsin, Texas, Idaho, and New York. California's decline in milk production in the last quarter of 2024 is clearly visible in the figure, coinciding with the confirmation of the first bird flu cases in the state, while other states began detecting first cases earlier in 2024.

Figure 2: Milk Production in the Top 5 Dairy States, 2023 and 2024

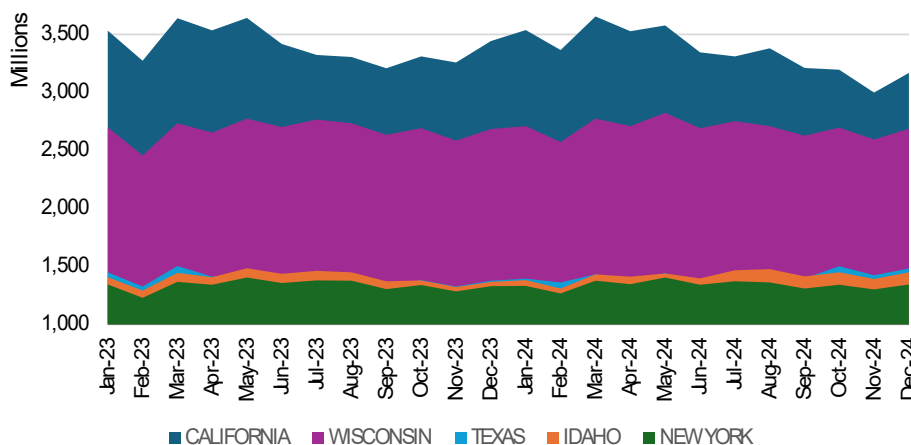


Table 2: 2024 Milk Production by Month in the Top 5 Dairy States

Month	California	Wisconsin	Texas	Idaho	New York
% Change from 2023					
January	0.1%	0.4%	-3.9%	-1.8%	-1.0%
February	2.9%	4.7%	2.6%	1.3%	3.0%
March	0.5%	1.5%	-4.9%	-0.8%	0.7%
April	-0.2%	2.0%	-3.3%	0.3%	0.4%
May	-1.8%	1.8%	-0.2%	-3.0%	0.0%
June	-2.1%	-0.4%	3.2%	-2.8%	-1.2%
July	-0.4%	-0.5%	6.1%	0.3%	-0.5%
August	2.2%	-1.0%	7.8%	2.0%	-1.2%
September	0.0%	-0.3%	5.0%	3.1%	0.5%
October	-3.5%	0.2%	8.8%	5.1%	0.2%
November	-7.9%	0.4%	7.3%	5.1%	1.2%
December	-8.0%	0.1%	7.5%	6.1%	1.2%

Table 2 presents the monthly milk production growth rates for each of the five states from 2023 to 2024. From June through September, Wisconsin's milk production declined consecutively, with the largest drop occurring in August at 1 percent year-over-year. Texas was the first state to experience bird flu outbreaks as early as December 2023. Milk production in Texas fell in January 2024 and again from March through May, with March seeing the largest decline at 4.9 percent. Idaho's milk production also decreased during the first half of 2024, with the most significant drop in May at 3 percent compared to 2023. Lastly, New York experienced some monthly declines in

milk production in 2024; however, the state has not reported any bird flu cases in its dairy herds.

In 2024, milk production was significantly affected by the spread of HPAI/ bird flu, which reduced output in dairy herds across several states due to both direct animal health impacts and broader economic disruptions. Overall, California's milk production dropped by 1.5% for the year, with the most substantial losses occurring in the fourth quarter. For more statistics on milk production please visit the Economic Research Service website at <https://www.ers.usda.gov/topics/animal-products/dairy/background>.

For more information on the current status of bird flu cases please visit the California Department of Food and Agriculture's website at <https://www.cdffa.ca.gov/ahfss/AnimalHealth/AvianInfluenza.html> or the Centers for Disease Control's website at [https://www.cdc.gov/bird-flu/situation-summary/mammals.html#:~:text=A%20multistate%20outbreak%20of%20HPAI,in%20more%20than%20200%20mammals](https://www.cdc.gov/bird-flu/situation-summary/mammals.html#:~:text=A%20multistate%20outbreak%20of%20HPAI,in%20more%20than%20200%20mammals.). ❖





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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	359,993,602	\$13.45	\$48,419,139.47	
Butterfat	9,084,847	2.9678	26,962,008.93	
Less: Location Adjustment to Handlers			(774,004.71)	\$74,607,143.69
Class II— Butterfat	10,859,617	2.8256	30,684,933.79	
Nonfat Solids	8,155,395	1.2889	10,511,488.59	41,196,422.38
Class III— Butterfat	38,831,990	2.8186	109,451,847.01	
Protein	33,308,581	2.5337	84,393,951.67	
Other Solids	55,549,018	0.4799	26,657,973.73	220,503,772.41
Class IV— Butterfat	47,028,373	2.8186	132,554,172.13	
Nonfat Solids	94,496,407	1.1552	109,162,249.36	241,716,421.49
Total Classified Value			<i>Total value of milk in the pool</i> →	\$578,023,759.97
Add: Overage—All Classes				10,775.39
Inventory Reclassification—All Classes				(45,181.46)
Other Source Receipts	97,049			2,653.93
Total Pool Value				\$577,992,007.83
Less: Value of Producer Butterfat	105,804,827	2.8186	(298,221,485.35)	
Value of Producer Protein	83,843,640	2.5337	(212,434,630.67)	
Value of Producer Other Solids	141,977,285	0.4799	(68,134,899.06)	(578,791,015.08)
Total PPD Value Before Adjustments			<i>Total Class III value of producer components</i> ↗	(\$799,007.25)
Add: Location Adjustment to Producers				9,981,987.93
One-half Unobligated Balance—Producer Settlement Fund				865,333.94
Less: Producer Settlement Fund—Reserve				(1,202,946.49)
Total Pool Milk & PPD Value	2,457,046,727			\$8,845,368.13
Producer Price Differential		\$ 0.36	← <i>Value from which PPD per hundredweight is calculated</i> →	
Statistical Uniform Price		\$ 20.54		

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