



# The Market Administrator's

# BULLETIN

## CALIFORNIA MARKETING AREA

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Federal Order No. 51

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## June Pool Price Calculation

The June 2024 Statistical Uniform Price (SUP) for the California Marketing Area increased \$1.26 per hundredweight (cwt) from last month to \$20.66 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, 3.29 percent protein, and 5.79 percent other solids), the June SUP was \$23.36 per cwt, \$1.05 higher than May. The June Producer Price Differential (PPD) at Los Angeles County was \$0.79 per cwt, a decline of 6 cents from last month.

### Product Prices Effect

All average product prices in the National Dairy Product Sales Report experienced increases in June when compared to May. The dry whey price increased the smallest margin by 1 cent to \$0.4249. Butter and nonfat dry milk prices increased by 7 and 3 cents, respectively, to \$3.0983 and \$1.1770. The June cheese price showed the largest growth by 13 cents to \$1.9962.

The component prices experienced similar gains as well. Other solids and nonfat solids prices rose by the smallest margin with the other solids price gaining a cent to \$0.2326 and the nonfat solids price up by 3 cents to \$0.9991. The butterfat price increased by 8 cents to \$3.5444 per pound. The protein price increased by 32 cents per pound to \$2.0546 per pound.

All class prices increased from May to June. The Class I price rose by the largest margin of \$1.62 per cwt to \$22.18. The Class II price gained 10 cents per cwt, settling at \$21.60. The Class III price increased by \$1.32 to \$19.87 per cwt. Lastly, the Class IV price gained 58 cents to \$21.08 per cwt.

### Selected Statistics

Component tests set record highs for the month of June with the other solids test setting a new FO 51 record at 5.79 percent, the highest other solids pooled producer test since the order began. The SUP at standard tests in June 2024 was the highest since 2022. ❖

## Pool Summary

- A total of 885 producers were pooled with an average daily delivery per producer of 74,523 pounds, a decline of 4.58 percent from May.
- Pooled milk receipts totaled 1.978 billion pounds, a decrease of 2.82 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 17.6 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 3.29 percent.
- The average other solids test of producer receipts was 5.79 percent. ❖

### Class Utilization

Pooled Milk	Percent	Pounds
Class I	17.6	347,637,800
Class II	5.1	100,508,506
Class III	74.8	1,479,503,014
Class IV	2.6	50,939,397
Total Pooled Milk		1,978,588,717

### Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	2.0546	1.5144
Butterfat Price	3.5444	2.7605
Other Solids Price	0.2326	0.1266

### Class Price Factors

	2024	2023
	\$/cwt	
Class I	22.18	20.11
Class II	21.60	18.83
Class III	19.87	14.91
Class IV	21.08	18.26

# Milk Production for the First Six Months of 2024

The USDA National Agricultural Statistics Service (NASS) estimated U.S. milk production in 2023 at approximately 226.36 billion pounds. Entering the first half of 2024, estimated milk production in the U.S. from January to June decreased by 0.9 percent, or roughly 365 million pounds, on an average daily basis compared to the same period in 2023. Additionally, NASS’s selected 24 states saw a total production decrease of 0.7 percent, represented by a reduction of 159 million pounds in 2024. The following article summarizes milk production trends across the top eight dairy-leading states in the first halves of 2023 and 2024.

## Milk Production in California and the Top 8 Dairy Producing States

Table 1 at right illustrates milk production statistics from January to June of 2023 and 2024 among the top eight dairy states using production data reported by NASS. Due to the leap year in 2024, all percent changes from the previous year in the table are estimated on an average daily basis to account for the additional day of production. Overall, milk production in 2024 from the top eight dairy-producing states was nearly flat increased by only 0.1 percent from 2023, rising by approximately

**Table 1: Milk Production in the Top 8 Dairy States and Selected Areas, January to June, 2023 vs 2024**

Region	Million Lbs		Percent Change*
	2023	2024	
California	21,046	21,038	-0.6%
Wisconsin	16,025	16,319	1.3%
Idaho	8,475	8,423	-1.2%
Texas	8,469	8,366	-1.7%
New York	8,043	8,070	-0.2%
Michigan	6,049	6,077	-0.1%
Minnesota	5,275	5,246	-1.1%
Pennsylvania	5,044	5,000	-1.4%
<b>Top 8 Total</b>	<b>80,449</b>	<b>80,563</b>	<b>0.1%</b>
FO 51 Pooled Receipts	14,085	12,214	-13.8%
NASS 24 Selected	109,916	109,757	-0.7%
<b>U.S Total</b>	<b>114,841</b>	<b>114,476</b>	<b>-0.9%</b>

Source: USDA, NASS Database

\* On an average daily basis to adjust for leap year difference in working days for February

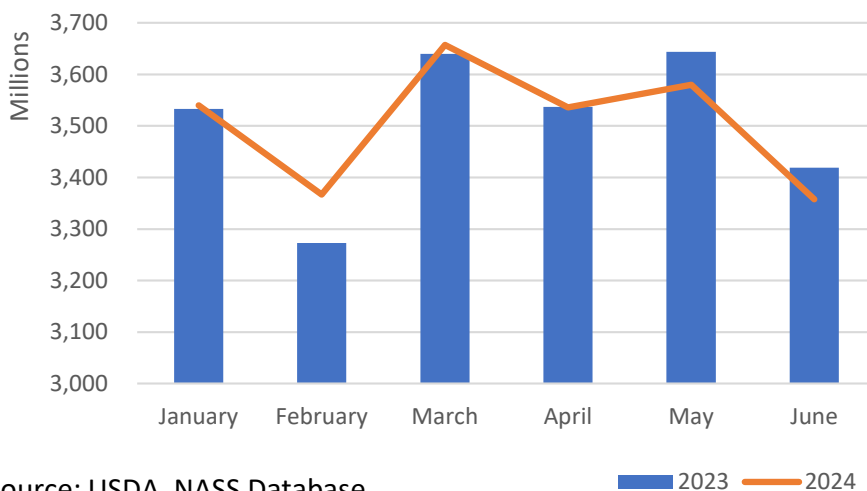
114 million pounds. These states accounted for 70.4 percent of the nation’s milk supply in the first 6 months of 2024, an increase of 0.3 percentage points.

In the first half of 2024, California’s milk production fell by 8 million pounds, reflecting a 0.6 percent decline compared to the same period in 2023. Cali-

fornia’s production accounted for 18.38 percent of the nation’s milk supply in 2024, a gain of 0.05 percentage points from 2023. Wisconsin was the only state of the top 8 dairy states to see an increase in production during these periods, with a 1.3 percent gain, equating to 294 million more pounds. Texas experienced the largest decline among the top eight states, with a drop of 1.7 percent, approximately 103 million pounds below 2023.

Figure 1 visualizes the year-over-year trends in California milk production from January to June of 2023 and 2024. Milk production

**Figure 1: California Milk Production, January to June, 2023 vs 2024**



Source: USDA, NASS Database

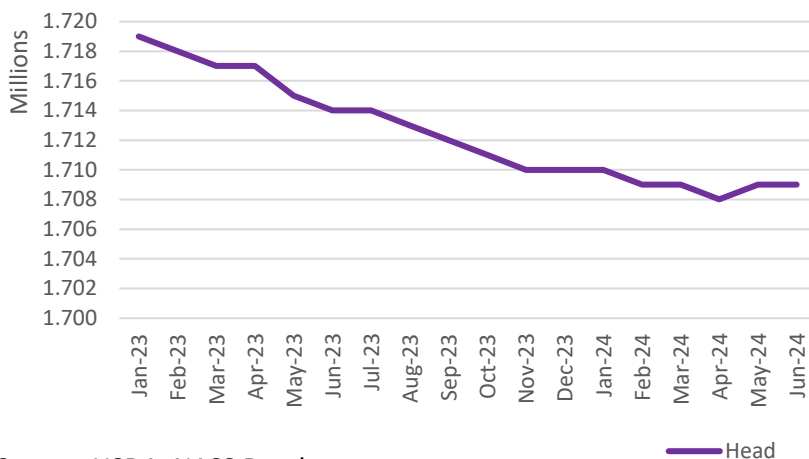
## Milk Production for the First Six Months of 2024 *(continued from page 2)*

experienced year-over-year gains from January to March but showed declines from April to June. However, the decrease in April was only 0.03 percent, or roughly one million pounds. In June, milk production declined by the largest margin, at 1.78 percent, equating to a drop of 61 million pounds. February 2024 saw the largest rise in production, boasting a gain of 2.87 percent, or roughly 94 million more pounds than February 2023. Notably, February 2024 had an additional day of production due to the leap year.

### California Herd Size and Production Per Cow

Figure 2 illustrates the number of milk cows in California from 2023 to June 2024. In 2023, the number of milk cows declined steadily from 1.72 million head in January to 1.71 million head in December. In the first half of 2024, the herd size has continued to fall, but at a slower rate, dropping by a thousand head from the start of the year.

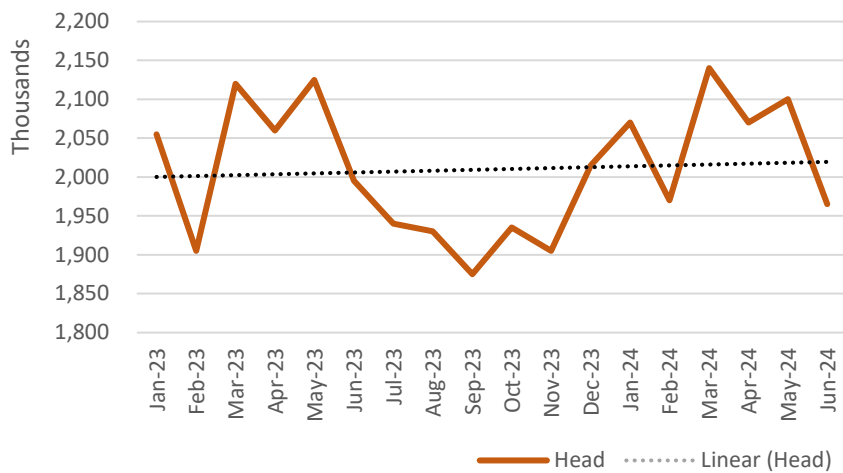
**Figure 2: Number of Milk Cows in California, January to June, 2023 and 2024**



Source: USDA, NASS Database

Notably, there was an increase of about a thousand head from April to May 2024. Figure 3 displays the milk-per-cow trend in California from 2023 to June 2024. Milk per cow in the state has remained relatively steady, fluctuating between 1,875 and 2,140 pounds. From January to April in 2024, the pounds per head increased on a year-over-year basis.

**Figure 3: Milk per Cow in California, January to June, 2023 and 2024**



Source: USDA, NASS Database

### FO 51 Pool Volume

California's total pool volume for the first 6 months of 2024 represented 58.1 percent of the 21 billion pounds produced in the state. This pool volume declined by 13.3 percent, approximately 1.8 billion less pounds from the same period in 2023. On an average daily basis, the total pool volume in the first six months of 2024 declined 13.8 percent.

For more information and data on milk production please visit <https://usda.library.cornell.edu/concern/publications/h989r321c>. ❖

## Recommended Decision for National Hearing Announced

USDA issued a Recommended Decision proposing to amend the pricing provisions in all 11 Federal Milk Marketing Orders (FMMOs), published in the Federal Register on July 15, 2024, which can be found at <https://www.federalregister.gov>. Interested parties have 60 days or September 13th, 2024, to submit comments. For more information on the hearing, please visit <https://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	338,875,502	\$10.39	\$35,209,164.66	
Butterfat	8,762,298	3.4722	30,424,451.12	
Less: Location Adjustment to Handlers			(747,042.35)	\$64,886,573.42
Class II— Butterfat	14,644,316	3.5514	52,007,823.83	
Nonfat Solids	8,048,712	1.0556	8,496,220.38	60,504,044.21
Class III— Butterfat	52,922,902	3.5444	187,579,933.87	
Protein	49,303,640	2.0546	101,299,258.75	
Other Solids	86,109,328	0.2326	20,029,029.68	308,908,222.30
Class IV— Butterfat	4,441,622	3.5444	15,742,885.01	
Nonfat Solids	4,376,806	0.9991	4,372,866.88	20,115,751.89
<b>Total Classified Value</b>			<i>Total value of milk in the pool</i> →	<b>\$454,414,591.82</b>
Add: Overage—All Classes				15,666.25
Inventory Reclassification—All Classes				105,867.65
Other Source Receipts	31,810			842.97
<b>Total Pool Value</b>				<b>\$454,536,968.69</b>
Less: Value of Producer Butterfat	80,771,138	3.5444	(286,285,221.51)	
Value of Producer Protein	65,043,384	2.0546	(133,638,136.76)	
Value of Producer Other Solids	114,505,816	0.2326	(26,634,052.81)	(446,557,411.08)
<b>Total PPD Value Before Adjustments</b>			<i>Total Class III value of producer components</i> ↗	<b>\$7,979,557.61</b>
Add: Location Adjustment to Producers				7,663,738.16
One-half Unobligated Balance—Producer Settlement Fund				844,165.95
Less: Producer Settlement Fund—Reserve				(856,359.63)
<b>Total Pool Milk &amp; PPD Value</b>	1,978,620,527			<b>\$15,631,102.09</b>
Producer Price Differential		<b>\$0.79</b> ←		
Statistical Uniform Price		<b>\$20.66</b>		

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