



# The Market Administrator's

# BULLETIN

## CALIFORNIA MARKETING AREA

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Federal Order No. 51

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## July Pool Price Calculation

The July 2024 Statistical Uniform Price (SUP) for the California Marketing Area rose by \$0.18 per hundredweight (cwt) from the previous month, reaching \$20.84 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 (4.05 percent butterfat, 3.25 percent protein, and 5.76 percent other solids), the July SUP was \$23.31 per cwt, which is 5 cents lower than in June. The July Producer Price Differential (PPD) in Los Angeles County was \$1.05 per cwt, an increase of 26 cents from the previous month.

### Product Prices Effect

All average product prices in the National Dairy Product Sales Report increased in July compared to June, except for cheese. Prices for butter, dry whey, and nonfat dry milk each rose by 2 cents, reaching \$3.1211, \$1.1930 and \$0.4487 per pound, respectively. In contrast, the cheese price decreased by 2 cents to \$1.9717.

The component prices showed similar trends with only the protein price declining in July. Prices for other solids and nonfat solids each increased by the smallest margin each gaining 2 cents reaching \$0.2571 and \$1.0149 per pound, respectively. The butterfat price rose by 3 cents to \$3.5720 per pound. However, the protein price declined by 11 cents to \$1.9466 per pound.

All class prices increased from June to July, except for a slight decline in the Class III price. The Class I price increased by the largest margin, rising \$1.03 per cwt to \$23.21. The Class II price gained 22 cents settling at \$21.82 per cwt. The Class III price decreased by 8 cents to \$19.79 per cwt. Lastly, the Class IV price gained 23 cents to \$21.31 per cwt.

### Selected Statistics

In the months of July, Class I usage has declined year to year since 2019. However, Class I utilization in July 2024 increased 4.6 percent compared to July 2023. Additionally, the butterfat component price for July 2024 was the highest ever for the month under Federal Order 51. ❖

## Pool Summary

- A total of 889 producers were pooled with an average daily delivery per producer of 73,754 pounds, a decrease of 1.03 percent from June.
- Pooled milk receipts totaled 2.03 billion pounds, a decrease of 0.58 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 4.05 percent.
- The average true protein test of producer receipts was 3.25 percent.
- The average other solids test of producer receipts was 5.76 percent. ❖

### Class Utilization

Pooled Milk	Percent	Pounds
Class I	18.0	365,500,130
Class II	5.5	111,327,182
Class III	74.1	1,506,206,696
Class IV	2.4	49,549,011
Total Pooled Milk		2,032,583,019

### Producer Component Prices

	2024	2023
	\$/lb	
Protein Price	1.9466	1.1991
Butterfat Price	3.5720	2.7986
Other Solids Price	0.2571	0.0689

### Class Price Factors

	2024	2023
	\$/cwt	
Class I	23.21	19.42
Class II	21.82	19.12
Class III	19.79	13.77
Class IV	21.31	18.26

## Federal Order Mailbox Prices

USDA Agricultural Marketing Service (AMS) publishes the Mailbox Milk Price Report, which details the average mailbox milk prices in Federal Milk Marketing Order (FMMO) areas. The mailbox price is the net price received by producers for milk sold, including all payments including premiums, and deducting the corresponding costs of marketing the milk. These costs may include national and local promotion dues, hauling charges, cooperative dues, and California quota assessments. Overall, the mailbox price calculation seeks to include the value of milk produced within a reporting area. Milk that was pooled and not pooled is included in the estimation if such data is provided by handlers in their payroll submissions. The mailbox price reporting areas are set to state boundaries or specific geographic areas that may not exactly align with the boundaries of a Federal Order. The calculated mailbox price for California aligns with the milkshed of FO 51 and does represent a significant majority of the state's milk production.

The publication of mailbox prices is lagged three to four months to allow Federal Orders (FO) to receive all required payroll data from handlers making April 2024 the most recent month published. For more information on mailbox milk prices and data by reporting area, please revisit the January 2023 Bulletin at <https://www.cafmmo.com/publications/>

[monthly-newsletter/](#) or see the published USDA AMS reports at <https://mymarketnews.ams.usda.gov/viewReport/3357>.

### Mailbox Prices, April 2023 to April 2024

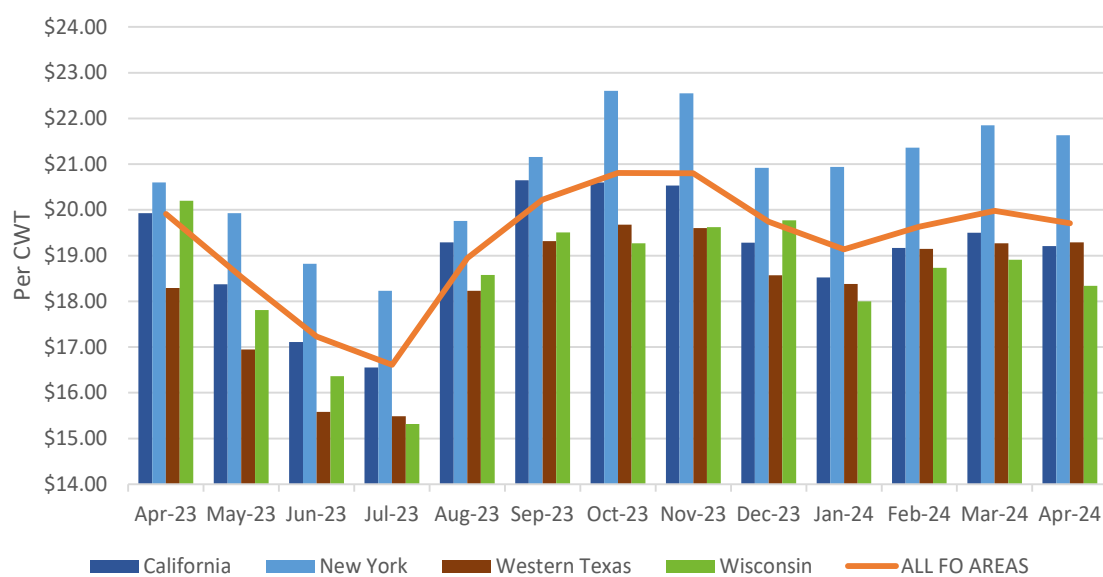
Figure 1 illustrates the changes in mailbox prices for each month from April 2023 to April 2024 for all reporting areas and the top four dairy producing states, California, New York, Western Texas, and Wisconsin. Data on Idaho is not provided as its milk market is not operated under a FO. Additionally, Eastern Texas' mailbox price is restricted therefore unable to be published.

For all reporting areas during this period the average mailbox price was \$19.33 per cwt from April 2023 to 2024. The highest mailbox price for all FO areas peaked at \$20.81 per cwt during the month of October 2023, while the lowest mailbox price was \$16.61 in July 2023. Three months out of the period, California's mailbox price was higher than the national average. The smallest margin was in April 2023, when the California mailbox price was \$19.93 and the all FO area mailbox price was \$19.91 per cwt. The largest margins occurred in August and September of 2023, when California's mailbox prices were \$19.29 and \$20.65 per cwt, respectively. This reflects a difference of 34 and 43 cents from the national averages of \$18.95 and \$20.22. California's mailbox prices have been fairly competitive, ranking second among the

top four dairy-producing areas with an average of \$19.13 per cwt from April 2023 to April 2024.

New York had the highest average mailbox price during this period at \$20.80 per cwt. Compared to the national average mailbox prices, New York's mailbox prices were higher in every month during this period. The average mailbox prices

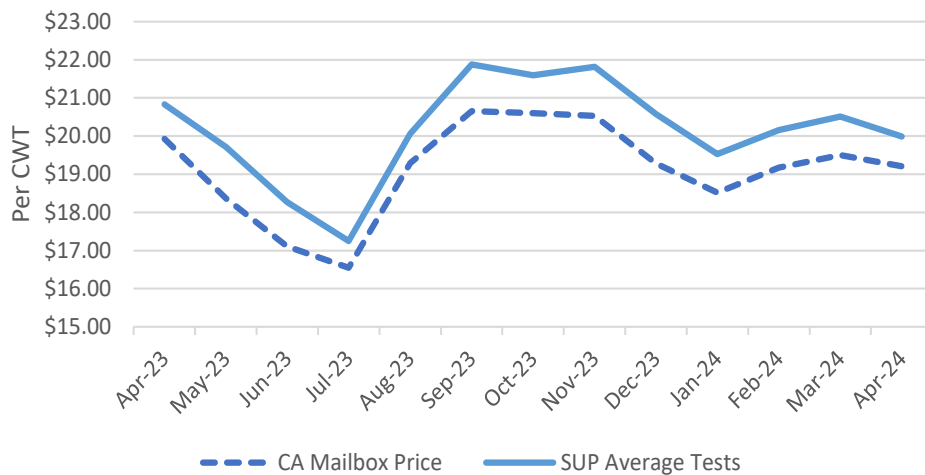
Figure 1: Mailbox Price by Selected Reporting Areas, April 2023 - April 2024



(continued on page 3)

## Federal Order Mailbox Prices *(continued from page 2)*

**Figure 2: California Mailbox Prices and SUP at Average Tests, April 2023 - April 2024**



prices. Moving into the second half of 2023, mailbox prices increased before falling slightly in November and December 2023. From January to April 2024, mailbox prices for each of these areas remained relatively constant with only minor gains through April 2024.

### **California Mailbox Prices and Standard Statistical Uniform Price**

The FO51 Statistical Uniform Price (SUP) at average tests is an estimated price published for statistical and informational purposes only. Figure 2 displays a comparison between the Cali-

for Wisconsin and Western Texas were the lowest among the four areas, at \$18.49 and \$18.29 per cwt, respectively. Wisconsin's mailbox prices were lower than the national average in all months except for April and December 2023. Meanwhile, Western Texas' mailbox prices were lower in each month from April 2023 to April 2024.

Overall, the mailbox prices for each location experienced declines leading into the summer months of June and July, the two months with the lowest

fornia mailbox price and FO51's SUP at average pool tests from April 2023 to April 2024. The California mailbox price trailed slightly lower than the SUP at average tests during this period. In the months of July and August of 2023, the difference between the reported SUP and the California mailbox price had the smallest margin of 70 cents. The average mailbox price for this period was \$19.13 per cwt, while the average SUP at the pooled component tests was \$20.17 per cwt. ❖

### Pool Summary for All Federal Orders, January to July, 2023-2024

Federal Order		Total Producer Milk			Producer Price Differential*		Statistical Uniform Price*	
Number	Name	2023	2024	Change	2023	2024	2023	2024
		Pounds			Percent	Dollars per Hundredweight**		
1	Northeast	16,097,579,813	15,813,674,757	-0.02	2.86	3.28	19.80	20.61
5	Appalachian***	3,168,613,247	3,104,654,745	-0.02	N/A	N/A	21.62	21.98
6	Florida***	1,446,732,118	1,464,355,351	0.01	N/A	N/A	23.77	23.92
7	Southeast***	2,118,306,083	2,088,475,357	-0.01	N/A	N/A	22.16	22.43
30	Upper Midwest	19,588,478,383	18,581,180,840	-0.05	0.29	0.31	17.23	17.69
32	Central	9,727,225,526	8,892,227,253	-0.09	1.11	1.35	18.06	18.68
33	Mideast	10,495,235,900	10,000,546,712	-0.05	1.59	1.85	18.53	19.18
<b>51</b>	<b>California</b>	<b>16,101,424,965</b>	<b>14,246,615,387</b>	<b>-0.12</b>	<b>1.14</b>	<b>1.28</b>	<b>18.09</b>	<b>18.60</b>
124	Pacific Northwest	4,641,998,522	4,257,844,845	-0.08	1.17	1.67	18.11	19.00
126	Southwest	8,174,201,866	7,542,345,824	-0.08	1.85	1.98	18.79	19.31
131	Arizona***	3,081,921,719	2,528,184,244	-0.18	N/A	N/A	19.06	19.95
<b>All Federal Orders**</b>		<b>94,641,718,142</b>	<b>88,520,105,315</b>	<b>-0.06</b>	<b>1.43</b>	<b>1.67</b>	<b>19.57</b>	<b>20.12</b>

\*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 for PPD and SUP prices and totals for producer milk.

\*\*\*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	356,150,089	\$11.17	\$39,781,964.94	
Butterfat	9,350,041	3.5507	33,199,190.58	
Less: Location Adjustment to Handlers			(781,759.45)	\$72,199,396.07
Class II— Butterfat	15,645,662	3.5790	55,995,824.33	
Nonfat Solids	8,904,393	1.0700	9,527,700.51	65,523,524.84
Class III— Butterfat	52,980,272	3.5720	189,245,531.58	
Protein	49,572,764	1.9466	96,498,342.39	
Other Solids	87,226,309	0.2571	22,425,884.01	308,169,757.98
Class IV— Butterfat	4,277,197	3.5720	15,278,147.66	
Nonfat Solids	4,228,814	1.0149	4,291,823.34	19,569,971.00
<b>Total Classified Value</b>			<i>Total value of milk in the pool</i> →	<b>\$465,462,649.89</b>
Add: Overage—All Classes				386,882.74
Inventory Reclassification—All Classes				31,593.35
Other Source Receipts	0			0.00
<b>Total Pool Value</b>				<b>\$465,881,125.98</b>
Less: Value of Producer Butterfat	82,253,172	3.5720	(293,808,330.40)	
Value of Producer Protein	65,995,232	1.9466	(128,466,318.62)	
Value of Producer Other Solids	117,036,605	0.2571	(30,090,111.15)	<b>(452,364,760.17)</b>
<b>Total PPD Value Before Adjustments</b>			<i>Total Class III value of producer components</i> ↗	<b>\$13,516,365.81</b>
Add: Location Adjustment to Producers				7,879,764.21
One-half Unobligated Balance—Producer Settlement Fund				851,165.16
Less: Producer Settlement Fund—Reserve				(905,173.45)
<b>Total Pool Milk &amp; PPD Value</b>	2,032,583,019			<b>\$21,342,121.73</b>
Producer Price Differential		<b>\$1.05</b> ←		
Statistical Uniform Price		<b>\$20.84</b>		

Value from which PPD per hundredweight is calculated

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