



The Market Administrator's

BULLETIN

NORTHEAST MARKETING AREA

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March 2019

Federal Order No. 1

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March Pool Price Calculation

The March 2019 statistical uniform price (SUP) for the Northeast Marketing Area was announced at \$17.17 per hundredweight for milk delivered to plants located in Suffolk County, Massachusetts (Boston), the pricing point for the Northeast Order. The statistical uniform price is calculated at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. If reported at the average tests of producer pooled milk, the SUP would be \$18.59 per hundredweight. The March statistical uniform price was 52 cents per hundredweight above the February price and \$2.11 per hundredweight above the March 2018 price. The March producer price differential (PPD) at Suffolk County was \$2.13 per hundredweight, a decrease of 63 cents per hundredweight from last month.

Product Prices Effect

Commodity product prices were mixed in March. Butter and cheese increased, while nonfat dry milk and dry whey both decreased. The butter price increased a slight 1 cent per pound, and the cheese price jumped over 14 cents per pound. Nonfat dry milk decreased 2 cents per pound and dry whey declined 4 cents per pound. These changes translated to similar increases and decreases in producer component prices. The protein price rose 45 cents per pound; the butterfat price was the highest ever for the month of March. The increase in the cheese price translated into a jump of \$1.15 per hundredweight in the Class III price. Classes I and II prices, based on data from February, also increased. The Class IV price dropped 15 cents per hundredweight.

A majority of the total milk receipts was assigned to the higher class prices, resulting in a higher SUP. With the spread between the higher and lower priced classes tightening, largely due to the increase in the Class III price, the PPD decreased.

Selected Statistics

Average daily deliveries per producer set a new record high for the Order. The average producer butterfat test set a new record for the month of March; the producer protein test tied with 2017 for a record-high for the month. ❖

Pool Summary

- A total of 10,024 producers were pooled under the Order with an average daily delivery per producer of 7,462 pounds.
- Pooled milk receipts totaled 2.319 billion pounds, an increase of 0.4 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 30.6 percent of total milk receipts, down 0.8 percentage points from February.
- The average butterfat test of producer receipts was 3.96 percent.
- The average true protein test of producer receipts was 3.13 percent.
- The average other solids test of producer receipts was 5.75 percent. ❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	30.6	709,113,728
Class II	24.3	562,725,739
Class III	27.3	634,495,390
Class IV	17.8	412,486,531
Total Pooled Milk		2,318,821,388

Producer Component Prices

	2019	2018
	\$/lb	
Protein Price	1.6303	1.8066
Butterfat Price	2.5461	2.4273
Other Solids Price	0.2200	0.0556

Class Prices

	2019	2018
	\$/cwt	
Class I	19.23	16.61
Class II	16.61	13.88
Class III	15.04	14.22
Class IV	15.71	13.04

Top Producing Counties—Northeast Milkshed

The top ten counties in terms of milk pooled on the Northeast Order accounted for 34.7 percent of all milk pooled during 2018, up slightly from 34.3 percent in 2017. Pooled milk receipts do not necessarily account for all milk produced in a county. Milk shipped to other federal orders, state orders, or unregulated areas is not included in these numbers.

Change in Rankings

The accompanying table shows the top ten ranked counties for 2018 based on their volume pooled on the Order. Lancaster County, PA, has led the rankings since the Order's inception but its share of the pool has been declining. In 2018, Lancaster County accounted for 8.5 percent of all milk pooled on the Order and 24.4 percent of the top ten total. These figures are down from 8.6 and

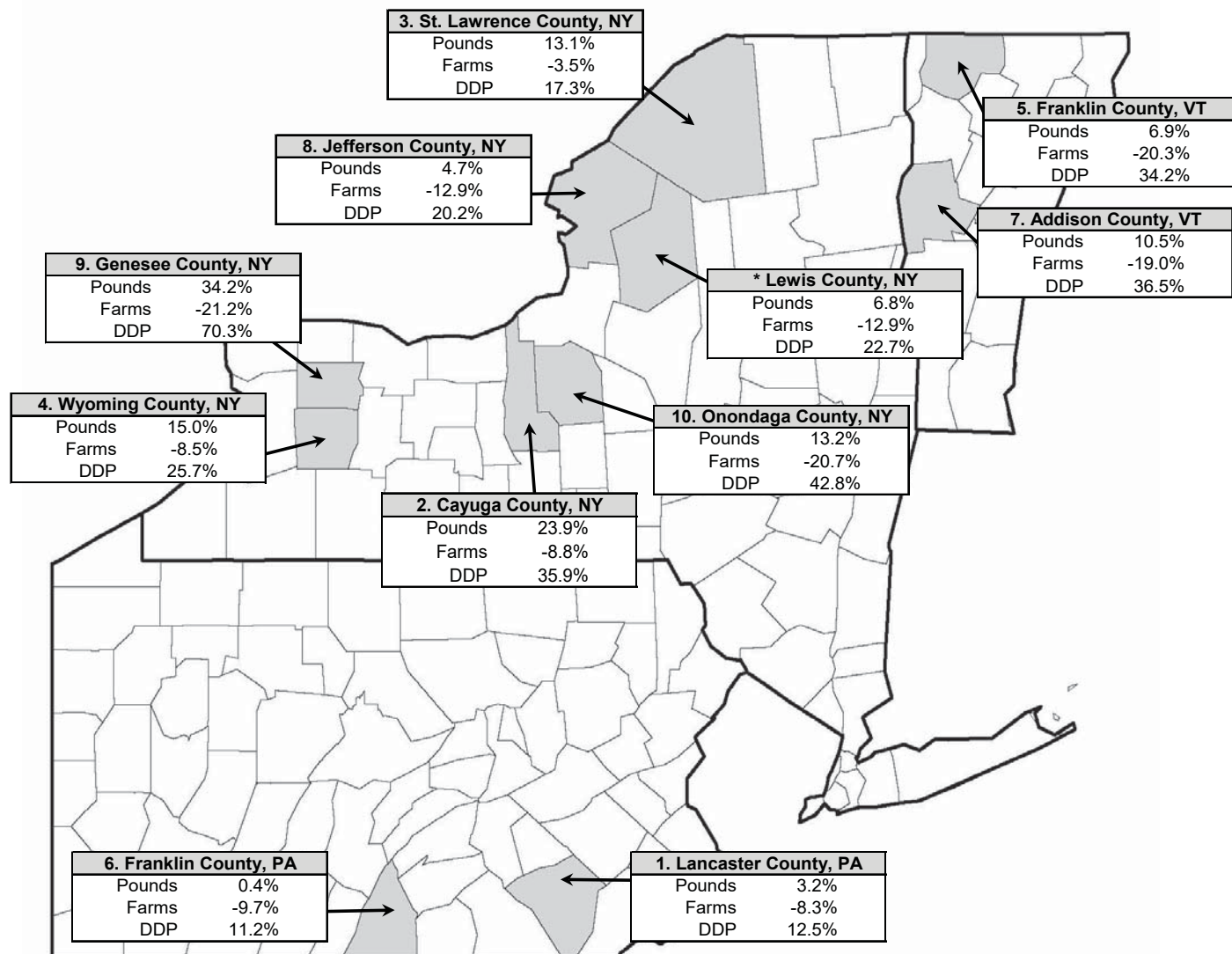
25.1 percent, respectively, in 2017. Lancaster County was one of two counties to report a decline (2.5 percent) in total pooled milk receipts in 2018.

The other county reporting a decline was Wyoming County, NY, (down 10.5 percent) that dropped from the number 3 spot to number 4 in 2018. Again, it should be noted that not all milk produced in the county is necessarily pooled on the Northeast Order. Wyoming County has milk pooled on another federal order and on a state order. Displacing Wyoming County in the number 3 position was St. Lawrence County, NY.

There also was a switch in the number 6 and 7 positions. Franklin County, PA, moved from number 7 in 2017 to number 6, bumping Addison County, VT. All other counties ranked the same as in 2017.

(continued on page 3)

**Top Ten Counties Percent Change in Pounds and Farms Pooled and DDP, 2013–2018
(Pool Pounds Rank Indicated)**



*Ranked 10 in 2013.

DDP = Daily Deliveries per Producer.

Top Producing (continued from page 2)

Proportion of Farms and DDP

Overall, the proportion of farms that the top ten counties accounted for was unchanged from the previous year. Of the top ten counties, Genesee County continued to have the least number of farms, but the highest average daily deliveries per producer (DDP). As depicted in the table, the counties with the lower number of farms tend to have higher DDP's signifying much larger operations in those counties. The average DDP for the top ten counties, as a whole, was 9,167 pounds, up 5.4 percent 2017. The Order average DDP was 7,269 pounds in 2018, an increase 4.3 percent from the previous year.

The accompanying map presents changes in pounds pooled, farms pooled, and DDP since 2013 for the 2018 top ten counties. It also includes Lewis County, NY, which was ranked number 10 in 2013, the last year it ranked in the top ten. Total pool volume increased 6.6 percent from 2013 to 2018. The average number of farms pooled dropped 14.3 percent over the same time period while DDP jumped 24.4 percent. ❖

Top Ten Counties Pooling on the Northeast Order, 2018

Rank	County	State	Volume Pooled on Order (1000 lbs)	Number of Farms	DDP
1	Lancaster	PA	2,298,846	1,525	4,130
2	Cayuga	NY	1,149,987	93	33,878
3	St. Lawrence	NY	828,429	299	7,591
4	Wyoming	NY	810,933	108	20,572
5	Franklin	VT	793,000	141	15,409
6	Franklin	PA	756,960	270	7,681
7	Addison	VT	754,621	98	21,096
8	Jefferson	NY	702,299	162	11,877
9	Genesee	NY	697,320	52	36,740
10	Onondaga	NY	619,564	65	26,114
Top Ten Total			9,411,959	2,813	9,167
Total Pooled on Order			27,104,059	10,216	7,269
Top Ten Proportion (%)			34.7	27.5	

Source: Northeast Order audited producer payroll reports.

USDA Annouces Available Grants

USDA announced \$1.5 million in competitive grant funding is available for the Dairy Business Innovation (DBI) Initiatives, authorized through the 2018 Farm Bill. This program supports USDA's efforts to reduce risk and develop higher-value uses for dairy products, diversify farmer income through processing and marketing innovation, and encourage the use of regional milk production. DBI Initiatives must be positioned to draw on existing dairy industry resources, including dairy

farm density and farmland suitability for dairying, as well as activities conducted by dairy industry promotion and research programs, research organizations, dairy businesses, or academic and industry stakeholders.

Applications must be submitted electronically through www.grants.gov by 11:59 p.m. EST on June 17, 2019. For more information about grant eligibility, visit www.ams.usda.gov/services/grants/dbi or contact AMSGrants@USDA.gov. ❖

Pool Summary for All Federal Orders, January–March, 2018–2019

Federal Order Number	Federal Order Name	Total Producer Milk			Producer Price Differential#		Statistical Uniform Price#*	
		2018	2019	Change^	2018	2019	2018	2019
		pounds			dollars per hundredweight			
1	Northeast	6,771,020,795	6,691,722,228	(1.2)	1.34	2.45	15.21	16.75
5	Appalachian	1,502,608,205	1,374,233,670	(8.5)	N/A	N/A	16.62	18.04
6	Florida	673,746,309	664,315,150	(1.4)	N/A	N/A	18.78	20.05
7	Southeast	1,405,745,058	1,278,392,358	(9.1)	N/A	N/A	16.96	18.44
30	Upper Midwest	8,417,311,577	9,075,041,893	7.8	0.16	0.29	14.03	14.59
32	Central	4,184,882,132	4,158,269,400	(0.6)	0.18	0.96	14.05	15.25
33	Mideast	4,922,767,871	4,682,755,792	(4.9)	0.49	1.45	14.36	15.75
51	California^	N/A	6,107,273,607	N/A	N/A	1.12	N/A	15.41
124	Pacific Northwest	2,053,898,071	2,128,510,483	3.6	0.08	1.11	13.95	15.41
126	Southwest	3,408,579,307	3,559,251,948	4.4	1.04	1.71	14.91	16.01
131	Arizona	1,351,741,566	1,322,367,775	(2.2)	N/A	N/A	14.16	15.85
All Market Total/Average		34,692,300,891	41,042,134,304	18.3	0.55	1.30	15.30	16.50

Price at designated order location.

* Price at 3.5% butterfat.

N/A = Not applicable.

^ California Milk Marketing Area (F.O. 51) became effective November 1, 2018.



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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	693,456,322	\$10.50	72,812,913.81	
Butterfat	15,657,406	2.5995	40,701,426.90	
Less: Location Adjustment to Handlers			(2,806,627.00)	\$110,707,713.77
Class II— Butterfat	33,648,825	2.5531	85,908,815.15	
Nonfat Solids	48,932,126	0.8833	43,221,746.90	129,130,562.05
Class III— Butterfat	27,900,281	2.5461	71,036,905.48	
Protein	19,875,912	1.6303	32,403,699.32	
Other Solids	36,377,953	0.2200	8,003,149.66	111,443,754.46
Class IV— Butterfat	14,686,561	2.5461	37,393,452.96	
Nonfat Solids	36,822,684	0.7832	28,839,526.13	66,232,979.09
Total Classified Value				\$417,515,009.37
Add: Overage—All Classes				141,745.46
Inventory Reclassification—All Classes				56,196.21
Other Source Receipts	208,177 Pounds			8,093.54
Total Pool Value				\$417,721,044.58
Less: Producer Component Valuations @ Class III Component Prices				(381,691,101.97)
Total PPD Value Before Adjustments				\$36,029,942.61
Add: Location Adjustment to Producers				13,272,779.78
One-half Unobligated Balance—Producer Settlement Fund				1,037,964.92
Less: Producer Settlement Fund—Reserve				(945,357.50)
Total Pool Milk & PPD Value	2,319,029,565 Producer pounds			\$49,395,329.81
Producer Price Differential		\$2.13		
Statistical Uniform Price		\$17.17		

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