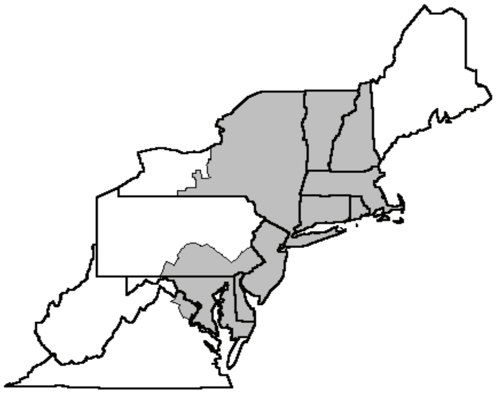

The Market Administrator's BULLETIN

NORTHEAST MARKETING AREA

Shawn M. Boockoff, Market Administrator

March 2024 Federal Order No. 1

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March Pool Price Calculation

The March 2024 statistical uniform price (SUP) for the Northeast Marketing Area was announced at $20.18 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 $23.00 per hundredweight. The March statistical uniform price was 49 cents per hundredweight above the February price. The March producer price differential (PPD) at Suffolk County was $3.84 per hundredweight, an increase of 23 cents from the previous month.

Product Prices Effect

Commodity price changes, as reported on the National Dairy Product Sales Report, were mixed in March. On a per pound basis, butter rose 11 cents, dry whey was up 1 cent, and nonfat dry milk decreased 3 cents. The cheese price rose 1 cent from the previous month with blocks decreasing 3 cents and barrels rising 5 cents. The commodity price changes translated to a 14-cent jump in the butterfat price, a 1-cent increase the other solids price, a 3-cent decrease in the nonfat solids price, and a 10-cent drop in the protein price, all on a per pound basis. The butterfat price was the highest ever for the month of March.

All class prices increased from the previous month: Class I rose 81 cents based on higher prices in February; Class II increased 59 cents; Class III was up 26 cents; and Class IV increased 24 cents, all on a per hundredweight basis. Class III remained the lowest class price. Overall higher prices resulted in a higher SUP. The spread between the higher class prices and the Class III price increased, resulting in a higher PPD; it was the highest ever for the month of March.

Selected Statistics

Average daily deliveries per producer (DDP) in March set a record high for the month and were the second highest ever for the Order. The Class III volume was the second highest ever for the month and the third highest ever for the Order. The average producer butterfat and protein tests set record highs for March.❖

Pool Summary

- A total of 7,458 producers were pooled under the Order with an average daily delivery per producer of 10,128 pounds.
- Pooled milk receipts totaled 2.342 billion pounds, an increase of 1.4 percent from last month on an average daily basis.
- Class I usage (milk for bottling) accounted for 28.1 percent of total milk receipts, down 1.7 percentage points from February.
- The average butterfat test of producer receipts was 4.28 percent.
- The average true protein test of producer receipts was 3.22 percent.
- The average other solids test of producer receipts was 5.77 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	28.1	658,693,688
Class II	25.2	588,920,574
Class III	30.9	723,306,534
Class IV	15.8	370,590,250
Total Pooled Milk		2,341,511,046

Producer Component Prices

	2024	2023
	$/lb	
Protein Price	1.1265	2.4085
Butterfat Price	3.2385	2.7300
Other Solids Price	0.2881	0.2338

Class Prices

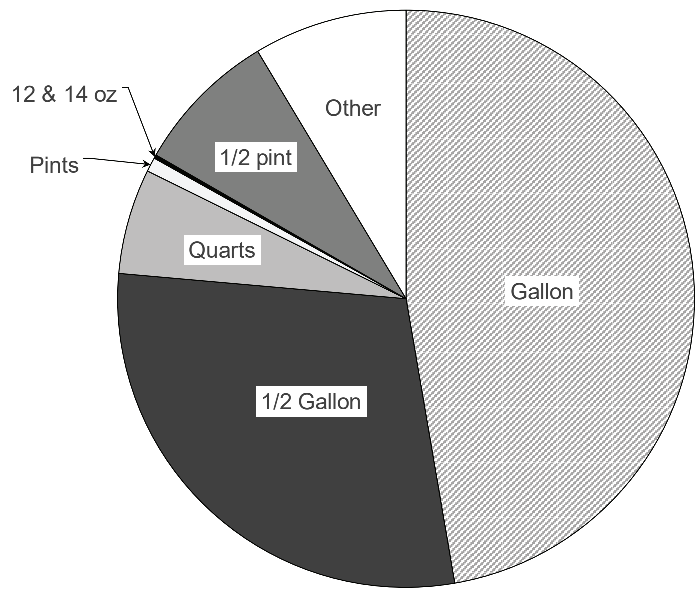
	2024	2023
	$/cwt	
Class I	22.05	22.24
Class II	21.12	19.52
Class III	16.34	18.10
Class IV	20.09	18.38

Fluid Milk Container Sales Survey

The 2023 container sales survey of Class I handlers regulated under the Northeast Order was recently completed. This survey is conducted biennially and records sales of fluid milk products by various package types and sizes for the month of November. The survey collects sales data from handlers (fully and partially regulated) under the Northeast Order that have sales of packaged fluid milk within the defined geographic region of the Northeast Milk Marketing Area. Sales reported by these handlers include those in the Marketing Area, along with sales to unregulated areas and other federal order areas. Data from responding handlers accounted for 99 percent of sales reported on pool reports, unchanged from the representation in 2021.

The survey began in 1964 and was conducted annually through 1967; since then, it has been biennial. Its purpose is to reflect bottling changes in the industry from various containers such as glass to paper and plastic, and from various sizes such as quarts to gallons and round single serve plastic containers. More recent surveys added organic products, extended shelf life (ultra and aseptic pasteurized), and additional categories in methods of distribution. It should be noted that this is only a survey, data are not verified through audit, and it is not necessarily representative of annual trends.

Sales by Container Size, November 2023



Container Size and Type

After declining for many years, packaged sales reported on the survey by handlers in the Northeast increased for the 2021 survey due to a combination of improved reporting percentage and the addition of plants pooled during the survey month. Sales reported on the November 2021 survey totaled 711 million pounds, up from 694 million pounds in November 2019. The 2023 survey reflects the continued downward trend of fluid milk sales, totaling 684 million pounds.

As reported in the 2021 survey, gallons accounted for less than half of all milk sold in the Northeast at 47.3 percent, down from 47.5 percent in 2021 (see accompanying chart and table). The next largest category, half gallons, declined to 29.1 percent from 30.2 percent in 2021. Quarts came in third with 5.9 percent, up from 4.9 percent in 2021. Half pints were down from 9.4 to 8.1 percent. The round plastic 14-, 12-, and 10-ounce containers proportion declined to 0.21 percent, down from 0.25 percent in 2021. Pints remained at 0.8 percent.

Changes in proportions of type of container were reported. Glass usage decreased from 0.26 percent in 2021 to 0.17 percent in 2023. Paper, which had risen to 25.6 percent in 2021, declined to 23.0 percent in 2023. Plastic usage increased to 76.9 percent, up from 74.1 percent in 2021. Totals may not add due to rounding.

November Sales by Container Size

Sales by Container Size	2019	2021	2023
		Percent	
Gallon	54.1	47.5	47.3
1/2 Gallon	25.9	30.2	29.1
Quarts	4.9	4.9	5.9
Pints	0.9	0.8	0.8
12 & 14 oz	0.3	0.2	0.2
1/2 pint	8.9	9.4	8.1
Other	5.0	7.1	8.6
Total	100.0	100.0	100.0

Product Type

Whole milk (unflavored, conventional and organic) continued to hold the largest market share, with 46.4 percent, up from 41.0 in 2021. Sales of reduced fat (2 %), low fat (1%), and fat free (skim) accounted for a combined total of 44.8 percent, a decline from the last survey (49.1 percent in 2021). Flavored milk and drinks (lower fat flavored milk)

(continued on page 3)

Fluid Milk Container *(continued from page 2)*

had 6.2 percent of all sales, down from 6.9 percent in 2021. Buttermilk and eggnog combined accounted for 2.6 percent, a drop from 2.9 percent in the last survey.

Conventional milk accounted for 93.2 percent of all survey sales reported, up from 91.1 percent in 2021. Organic milk (included regular and flavored, whole and lower fat varieties) declined to 6.8 percent, compared with 8.9 percent in the last survey. Within the organic category, 55.5 percent was whole milk, the remaining was lower fat (reduced, low fat, and skim) products. Extended shelf life (ESL) products accounted for 22.4 percent of total sales reported, up significantly from 15.1 percent in 2021 and 5.4 percent in 2019. These changes in conventional, ESL, and organic are most likely due to the addition of certain pool plants and improved reporting rate. Within product categories, ESL accounted for 22.8 percent of whole milk, 26.7 percent of reduced fat, 14.8 percent of low fat, 21.2 percent of fat free, and 7.1 percent of flavored milk. This compares to 11.2 percent of whole milk, 20.9 percent of reduced fat, 10.9 percent of low fat, 18.2 percent of fat free, and 9.1 percent of flavored milk in 2021.

November Container Sales Survey

Method of Distribution*	2021	2023
	Percent	
Supermarket chains	38.3	32.8
Mass merchandisers	12.7	22.7
Club Stores	6.1	6.3
Convenience stores	5.8	5.4
Drug Stores	0.3	0.2
Schools	3.5	3.4
Institutions	2.5	2.7
Wholesale distributors	23.5	22.1
Home delivery routes	0.1	0.1
Other	7.2	4.3
Total	100.0	100.0

* Sales of packaged fluid milk products from regulated handlers in the Northeast Marketing Area, unregulated areas, and other federal order areas. "Internet ordered home delivery" accounted for less than 0.1 percent.

Method of Distribution

Internet Ordered Home Delivery, added as a category to the Methods of Distribution section in the 2019 survey, was still too small to register any percentage. Supermarket sales accounted for the largest volume at 32.8 percent (see accompanying table), down from 38.3 in 2021. Mass merchandisers (Wal-Mart, Target, etc.) were second, jumping 10 percentage points from the last survey to 22.7 percent and surpassing Wholesale distributors who fell 1.4 percentage points to 22.1 percent. Club stores (Costco, Sam's Club, BJs Wholesale, etc.) increased slightly to 6.4 percent from 6.1 percent in 2021. Convenience stores (not drug stores) dropped to 5.4 percent from 5.8 percent in the last survey. Sales to Institutions and Schools increased slightly to 6.2 percent from 6.1 percent in 2021.❖

Pool Summary for All Federal Orders, January-March, 2023-2024

Federal Order Number	Federal Order Name	Total Producer Milk* 2023	Total Producer Milk* 2024	Change^	Producer Price Differential# 2023	Producer Price Differential# 2024	Statistical Uniform Price# 2023	Statistical Uniform Price# 2024
		pounds	pounds	percent	dollars per hundredweight			
1	Northeast	6,787,703,689	6,756,970,323	(1.5)	2.41	3.86	20.85	19.73
5	Appalachian	1,390,700,100	1,361,574,377	(3.2)	N/A	N/A	22.76	21.23
6	Florida	650,445,165	662,161,737	0.7	N/A	N/A	24.90	23.23
7	Southeast	922,097,628	912,064,457	(2.2)	N/A	N/A	23.31	21.73
30	Upper Midwest	8,822,779,711	7,885,686,182	(11.6)	0.25	0.37	18.69	16.23
32	Central	4,398,225,868	3,765,361,973	(15.3)	0.80	1.78	19.23	17.64
33	Mideast	4,550,576,565	4,286,779,666	(6.8)	1.31	2.30	19.75	18.17
51	California	7,536,281,384	6,099,636,066	(20.0)	1.03	1.47	19.46	17.33
124	Pacific Northwest	2,104,175,969	1,805,711,462	(15.1)	0.76	2.06	19.20	17.92
126	Southwest	3,643,813,008	3,220,797,645	(12.6)	1.68	2.27	20.11	18.13
131	Arizona	1,335,948,137	1,260,952,523	(6.7)	N/A	N/A	20.13	19.16
	All Market Total/Average	42,142,747,224	38,017,696,411	(10.8)	1.18	2.01	20.76	19.14

Price at designated order location. Simple average ^ Adjusted for leap year N/A = Not applicable

* Data may not be comparable to previous years due to significant volumes of milk not pooled on federal orders

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Computation of Producer Price Differential and Statistical Uniform Price*

		Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I—	Skim	642,961,067	$11.39	$73,233,265.53	
	Butterfat	15,732,621	3.1594	49,705,642.79	
Less:	Location Adjustment to Handlers			(2,967,233.35)	$119,971,684.97
Class II—	Butterfat	34,717,979	3.2455	112,677,200.93	
	Nonfat Solids	52,055,567	1.1233	58,474,018.35	171,151,219.28
Class III–	Butterfat	32,565,731	3.2385	105,464,119.86	
	Protein	23,350,366	1.1265	26,304,187.32	
	Other Solids	41,677,792	0.2881	12,007,371.93	143,775,679.11
Class IV–	Butterfat	17,216,772	3.2385	55,756,516.15	
	Nonfat Solids	33,216,748	1.0083	33,492,447.01	89,248,963.16
Total Classified Value					**$524,147,546.52**
Add:	Overage—All Classes				106,558.51
	Inventory Reclassification—All Classes				65,723.70
	Other Source Receipts	264,059			15,722.21
Total Pool Value					**$524,335,550.94**
Less:	Value of Producer Butterfat	100,233,103	3.2385	(324,604,904.05)	
	Value of Producer Protein	75,443,642	1.1265	(84,987,262.77)	
	Value of Producer Other Solids	135,119,734	0.2881	(38,927,995.40)	(448,520,162.22)
Total PPD Value Before Adjustments					**$75,815,388.72**
Add:	Location Adjustment to Producers				14,190,101.53
	One-half Unobligated Balance—Producer Settlement Fund				1,005,541.26
Less:	Producer Settlement Fund—Reserve				(1,086,867.47)
Total Pool Milk & PPD Value		**2,341,775,105**			**$89,924,164.04**
	Producer Price Differential		**$3.84**		
	Statistical Uniform Price		**$20.18**		

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