# The Market Administrator's

# BULLETIN

## CALIFORNIA MARKETING AREA

**Peter Fredericks, Market Administrator**

**June 2025** Federal Order No. 51

To contact the California Marketing Area office:
Tel.: (916) 702-6455 — Fax: (833) 673-3751
*Mailing Address:* 181 Blue Ravine Rd Suite 120 Folsom, CA 95630
*e-mail address: market.admin@cafmmo.com — website address*: www.cafmmo.com

## June Pool Price Calculation

The June 2025 Statistical Uniform Price (SUP) for the California Marketing Area increased by $0.29 per hundredweight (cwt) last month to $18.93 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 (4.12 percent butterfat, 3.31 percent protein, and 5.79 percent other solids), the June SUP was $21.47 per cwt, $0.30 higher than May. The June Producer Price Differential (PPD) in Los Angeles County was $0.11 per cwt, $0.04 higher than the month prior. June 2025 was the first pool using the new milk pricing formulas following the Final Decision from earlier this year.

### *Product Prices Effect*

In the latest National Dairy Product Sales Report, product prices experienced increases into June with butter having the greatest increase of 12 cents to $2.4880 per pound. The cheese and nonfat dry milk prices similarly increased by 9 and 6 cents to $1.9322 and $1.2531 per pound, respectively. The dry whey price rose by the smallest margin of 4 cents to $0.5497 per pound.

Component prices experienced mixed trends in the month of June. The butterfat price increased by the largest margin of 8 cents to $2.7378 per pound. The protein price increased by 5 cents to $2.5328 per pound. The other solids and nonfat solids price both decreased by 3 and 1 cents to $0.2914 and $1.0037 per pound, respectively.

Class prices experienced similar trends compared to last month. The Class I price decreased by the largest margin, falling 41 cents to $20.06 per cwt. The Class II price fell by 29 cents to $18.43 per cwt. The Class III price had the largest increase of 25 cents to $18.82 per cwt. Lastly, the Class IV price increased by 17 cents to $18.30 per cwt.

### *Selected Statistics*

In June 2025, the average other solids pooled component test has remained at its record high of 5.79 percent for 4 consecutive months. Class II utilization reached a record high for the month June at 159.8 million pounds, the third largest recorded since Federal Order 51 began. The June 2025 Class I utilization at the daily level increased 6.9 percent year-over-year the largest gain since June 2020.❖

## Pool Summary

- A total of 822 producers were pooled with an average daily delivery per producer of 93,572 pounds, a decrease of 3.38 percent from May.
- Pooled milk receipts totaled 2.3 billion pounds, an increase of 2.48 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 16.1 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.12 percent.
- The average true protein test of producer receipts was 3.31 percent.
- The average other solids test of producer receipts was 5.79 percent.❖

**Class Utilization**

| Pooled Milk | Percent | Pounds |
|---|---|---|
| Class I | 16.1 | 371,594,688 |
| Class II | 6.9 | 159,828,333 |
| Class III | 25.1 | 577,932,595 |
| Class IV | 51.9 | 1,198,139,039 |
| Total Pooled Milk | | 2,307,494,655 |

**Producer Component Prices**

| | 2025 | 2024 |
|---|---|---|
| | $/lb | |
| Protein Price | 2.5328 | 2.0546 |
| Butterfat Price | 2.7378 | 3.5444 |
| Other Solids Price | 0.2914 | 0.2326 |

**Class Price Factors**

| | 2025 | 2024 |
|---|---|---|
| | $/cwt | |
| Class I | 20.06 | 22.18 |
| Class I ESL Adj | 1.38 | N/A |
| Class II | 18.43 | 21.60 |
| Class III | 18.82 | 19.87 |
| Class IV | 18.30 | 21.08 |

# California 2024 Mailbox Prices

The USDA Agricultural Marketing Service (AMS) publishes the Mailbox Milk Price Report, which provides average mailbox milk prices by area within the Federal Milk Marketing Order (FMMO) system. The Mailbox Price is defined as the net price received by producers for milk, including all payments received for milk sold, and deducting costs associated with marketing the milk. The map on page 3 highlights the weighted mailbox price averages for all reported areas in the country. For more information on mailbox prices, see the published USDA AMS reports at https://mymarketnews.ams.usda.gov/viewReport/3357.

**Figure 1: Mailbox Prices in California and All FO Average, 2024**

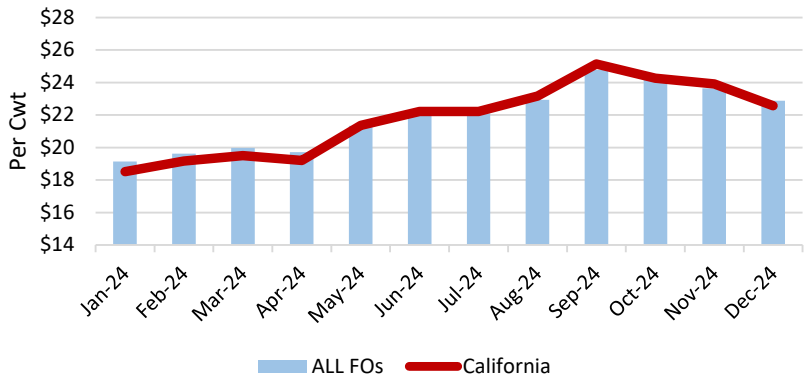
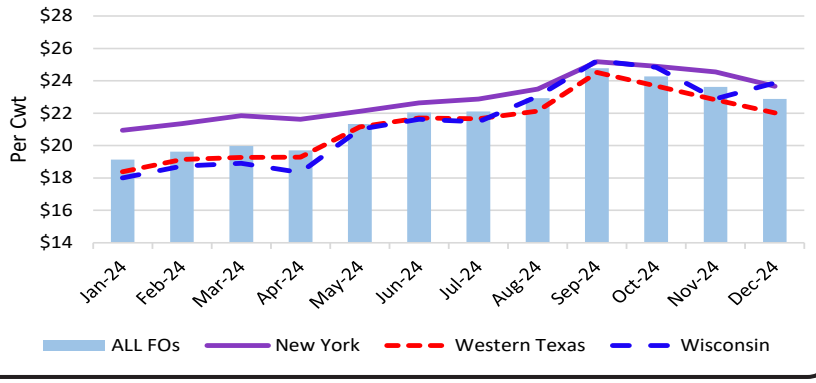



**Figure 2: Mailbox Prices in Selected Areas and All FO Average, 2024**




## *2024 Mailbox Prices*

Figure 1 illustrates mailbox prices in 2024 for California, compared to the average price for all Federal Orders (FO). The All-FO mailbox price increased throughout 2024, starting at $19.14 per cwt and rising to $24.78 per cwt in September. Towards the end of the year, prices declined to $22.88 per cwt in December, still significantly higher than prices at the beginning of the year.

The California weighted average mailbox price for the year was $21.69 per cwt, just eleven cents lower than the All-FO average of $21.80. California's mailbox price in January 2024 was $18.52 per cwt increasing to a high of $25.13 in September before declining to $22.57 in December. In six months of the twelve months, the California mailbox price was higher than the All-FO price with September having the largest difference at 35 cents. The California mailbox prices in November and August were higher than the All-FO average by 28 cents and 23 cents, respectively. Table 1 shows the mailbox prices by month in 2024 for the selected areas.

**Table 1: Mailbox Prices for Selected Areas, 2024**

| Month | California | New York | Western Texas | Wisconsin | All FOs |
|---|---|---|---|---|---|
| | | | $ Per Cwt | | |
| Jan | 18.52 | 20.94 | 18.38 | 18.00 | 19.14 |
| Feb | 19.17 | 21.36 | 19.15 | 18.73 | 19.63 |
| Mar | 19.50 | 21.85 | 19.27 | 18.91 | 19.98 |
| Apr | 19.21 | 21.63 | 19.29 | 18.34 | 19.71 |
| May | 21.36 | 22.11 | 21.15 | 21.01 | 21.33 |
| Jun | 22.21 | 22.63 | 21.70 | 21.62 | 22.04 |
| Jul | 22.21 | 22.87 | 21.66 | 21.47 | 22.10 |
| Aug | 23.16 | 23.49 | 22.13 | 23.04 | 22.93 |
| Sep | 25.13 | 25.18 | 24.51 | 25.25 | 24.78 |
| Oct | 24.26 | 24.89 | 23.68 | 24.84 | 24.28 |
| Nov | 23.91 | 24.55 | 22.82 | 22.89 | 23.63 |
| Dec | 22.57 | 23.67 | 22.02 | 23.87 | 22.88 |
| Weighted Average | 21.69 | 22.94 | 21.33 | 21.22 | 21.80 |

In addition to California, the other leading dairy producing states are New York, Wisconsin, and Texas. Of these states, New York holds the highest mailbox prices, boasting a 2024 weighted average of $22.94. Wisconsin and Western Texas had the lowest weighted averages of the group,

*(continued on page 3)*

## California 2024 Mailbox Prices *(continued from page 2)*

at $21.22 and $21.33 per cwt, respectively. Figure 2 illustrates 2024 mailbox prices for selected marketing areas.

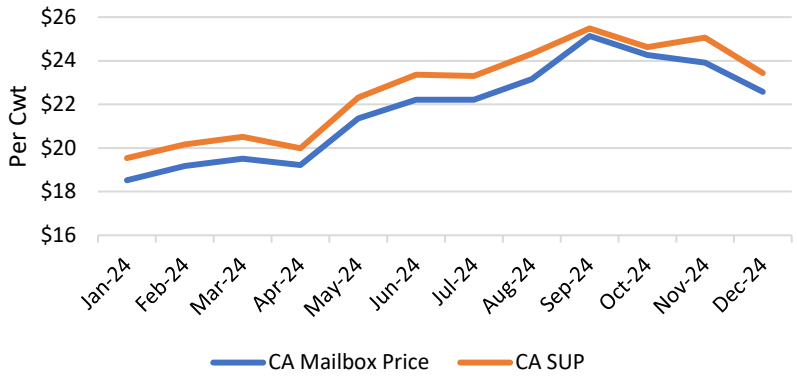
The map below displays the 2024 weighted average mailbox prices for all reported areas. Mailbox prices in the Northeast and Southeast are higher than those in California due to differences in Class I differentials and Class I utilization. For example, comparing California to New York, the average Class I utilization percentage in FO 51 for 2024 was 20.4 percent, while the FO 1 average was 29 percent. The California base differential zone in Los Angeles County is $2.80 per cwt, while the FO 1 base zone in Suffolk County is $5.10.

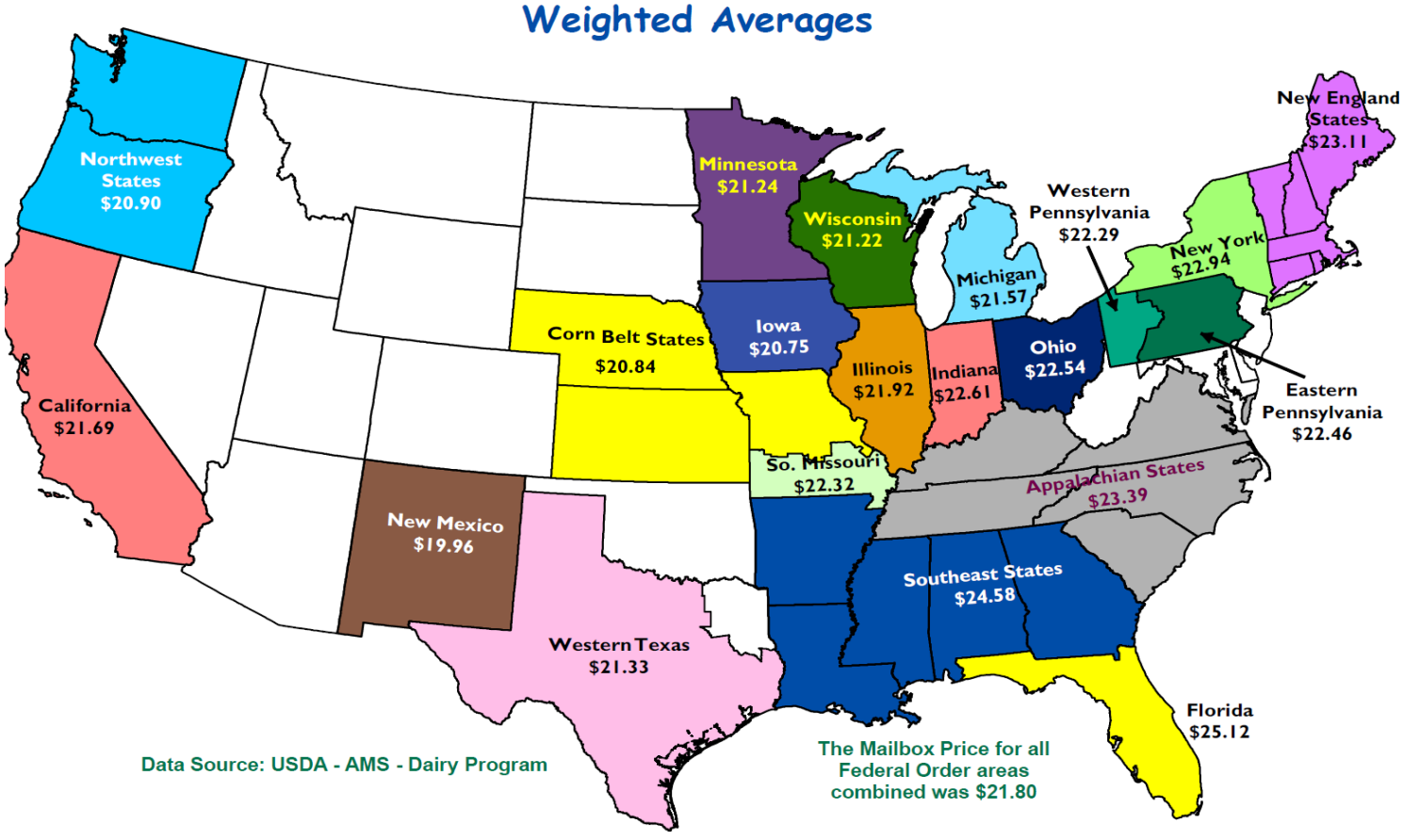
The 2025 first quarter mailbox price for California was $22.53, roughly 84 cents higher than 2024's weighted average, while being 19 cents lower than the All-FO weighted average for 2025.

### *2024 Mailbox Prices vs. SUP at Average Tests*

Figure 3 illustrates the California mailbox price and the Statistical Uniform Price (SUP) over time for 2024. The average FO 51 SUP at average tests for the year was $22.67 per cwt, roughly 91 cents higher than the California mailbox price. In both September and October, the California mailbox price was just 36 cents below the SUP at average tests, while in August 2024, the California price was lower than the SUP at average tests by the largest margin of $1.16.❖

**Figure 3: California Mailbox Price vs. SUP at Average Tests, 2024 - Current**



MARKET ADMINISTRATOR
181 Blue Ravine Suite 120
Folsom, CA 95630

RETURN SERVICE REQUESTED

**FIRST CLASS MAIL**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410 or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

## Computation of Producer Price Differential and Statistical Uniform Price*

| | Product Pounds | Price per cwt./lb. | Component Value | Total Value |
|---|---|---|---|---|
| Class I— Skim | 362,008,372 | $11.35 | $41,087,950.22 | |
| Butterfat | 9,586,316 | 2.6010 | 24,934,007.92 | |
| Less: Location Adjustment to Handlers | | | (1,097,339.78) | $64,924,618.36 |
| Class II— Butterfat | 15,423,173 | 2.7448 | 42,333,525.26 | |
| Nonfat Solids | 13,673,693 | 1.0156 | 13,887,002.59 | 56,220,527.85 |
| Class III— Butterfat | 21,432,844 | 2.7378 | 58,678,840.31 | |
| Protein | 19,614,297 | 2.5328 | 49,679,091.47 | |
| Other Solids | 33,586,925 | 0.2914 | 9,787,229.94 | 118,145,161.72 |
| Class IV— Butterfat | 48,667,152 | 2.7378 | 133,240,928.74 | |
| Nonfat Solids | 108,977,800 | 1.0037 | 109,381,017.86 | 242,621,946.60 |
| **Total Classified Value** | | *Total value of milk in the pool* → | | **$481,912,254.53** |
| Add: Value for 60 (f) through 60(j) | | | | 1,183,264.59 |
| Other Source Receipts | 84,621 | | | |
| **Total Pool Value** | | | | **$483,095,519.12** |
| Less: Value of Producer Butterfat | 95,109,485 | 2.7378 | (260,390,748.05) | |
| Value of Producer Protein | 76,432,768 | 2.5328 | (193,588,914.81) | |
| Value of Producer Other Solids | 133,524,988 | 0.2914 | (38,909,181.51) | (492,888,844.37) |
| **Total PPD Value Before Adjustments** | | *Total Class III value of producer components* | | **($9,793,325.25)** |
| Add: Location Adjustment to Producers | | | | 12,192,681.56 |
| One-half Unobligated Balance—Producer Settlement Fund | | | | 1,177,966.56 |
| Less: Producer Settlement Fund—Reserve | | | | (1,038,985.72) |
| **Total Pool Milk & PPD Value** | 2,307,579,276 | | | **$2,538,337.15** |
| Producer Price Differential | | **$ 0.11** | | |
| Statistical Uniform Price | | **$ 18.93** | | |

*Value from which PPD per hundredweight is calculated*

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