The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

Peter Fredericks, Market Administrator

November 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

November Pool Price Calculation

The November 2025 Statistical Uniform Price (SUP) for the California Marketing Area decreased by $0.78 per hundredweight (cwt) from last month to $14.76 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 (4.26 percent butterfat, 3.41 percent protein, and 5.76 percent other solids), the November SUP was $17.35 per cwt, $0.73 lower than October. The November Producer Price Differential (PPD) in Los Angeles County was ($2.42) per cwt, $1.05 lower than the month prior.

Product Prices Effect

Prices in the National Dairy Product Sales Report observed split trends in November. The butter price decreased 10 cents to $1.6360 per pound. The nonfat dry milk price declined less than a cent to $1.1609 per pound. The cheese price and dry whey price increased by less than 1 cent to $1.7419 per pound and by 5 cents to $0.6415 per pound, respectively.

Component prices moved in different directions in November. The butterfat price decreased 12 cents to $1.7061 per pound. The nonfat solids and other solids prices increased less than a cent and 5 cents to $0.9124 and $0.3859, respectively. Meanwhile, the protein price had the largest increase of nearly 14 cents, reaching $3.0143 per pound.

Most Class prices decreased into November. The Class I price decreased $1.29, settling at $19.55 per cwt. The Class II price declined $1.48 to $14.54 per cwt. The Class III price rose 27 cents to $17.18 per cwt. Lastly, the Class IV price decreased by $0.41 to $13.89 per cwt.

Selected Statistics

Class II utilization was the highest recorded for the month of November. The Class II and IV prices in November were the lowest since January and February 2021, while the butterfat price was the lowest since February 2021.❖

Pool Summary

- A total of 696 producers were pooled with an average daily delivery per producer of 85,930 pounds, an increase of 6.79 percent from October.
- Pooled milk receipts totaled 1.794 billion pounds, an increase of 3.67 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 21.3 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.26 percent.
- The average true protein test of producer receipts was 3.41 percent.
- The average other solids test of producer receipts was 5.76 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	21.3	382,321,695
Class II	7.2	128,844,537
Class III	2.9	51,306,703
Class IV	68.7	1,231,741,873
Total Pooled Milk		1,794,214,808

Producer Component Prices

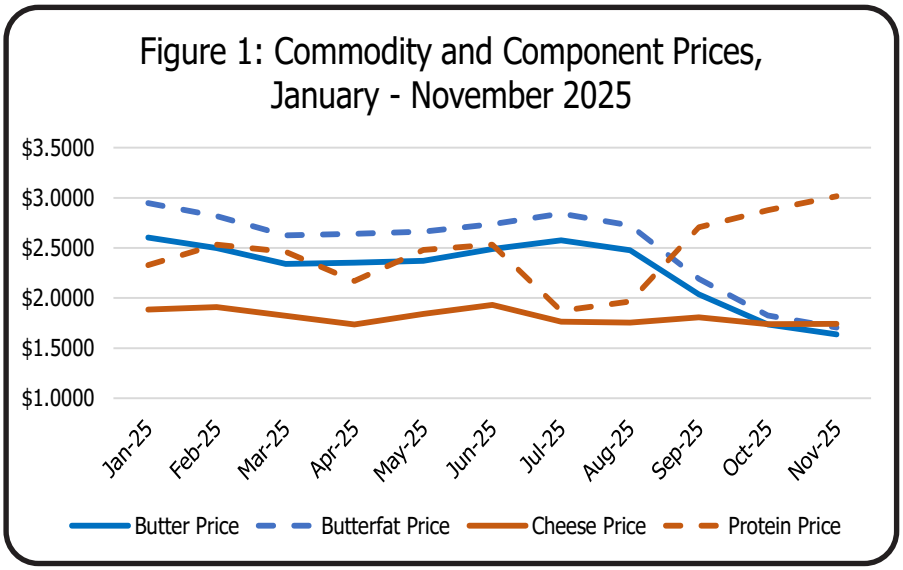
	2025	2024
	$/lb	
Protein Price	3.0143	2.3160
Butterfat Price	1.7061	3.0623
Other Solids Price	0.3859	0.4049

Class Price Factors

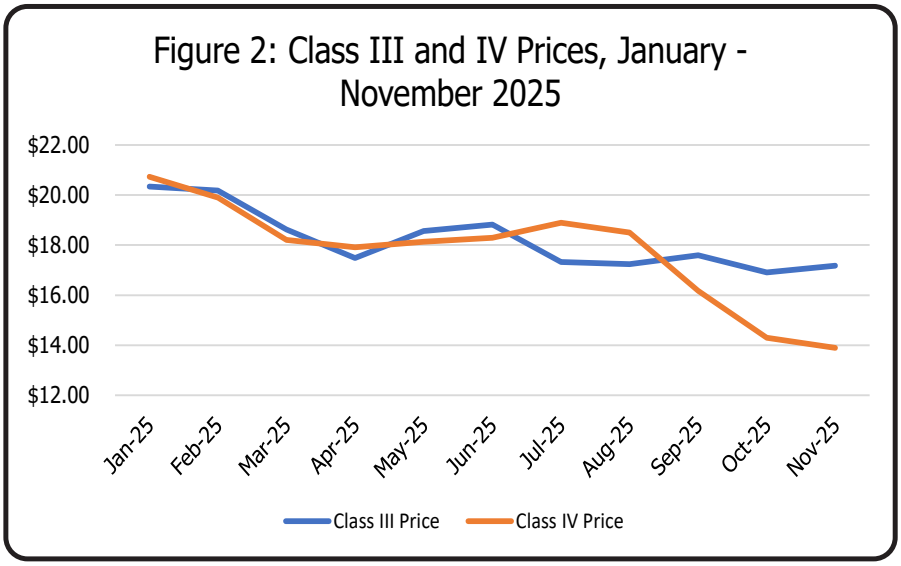
	2025	2024
	$/cwt	
Class I	19.55	24.63
Class I ESL Adj	0.01	N/A
Class II	14.54	21.52
Class III	17.18	19.95
Class IV	13.89	21.12

Producer Price Differential Trends

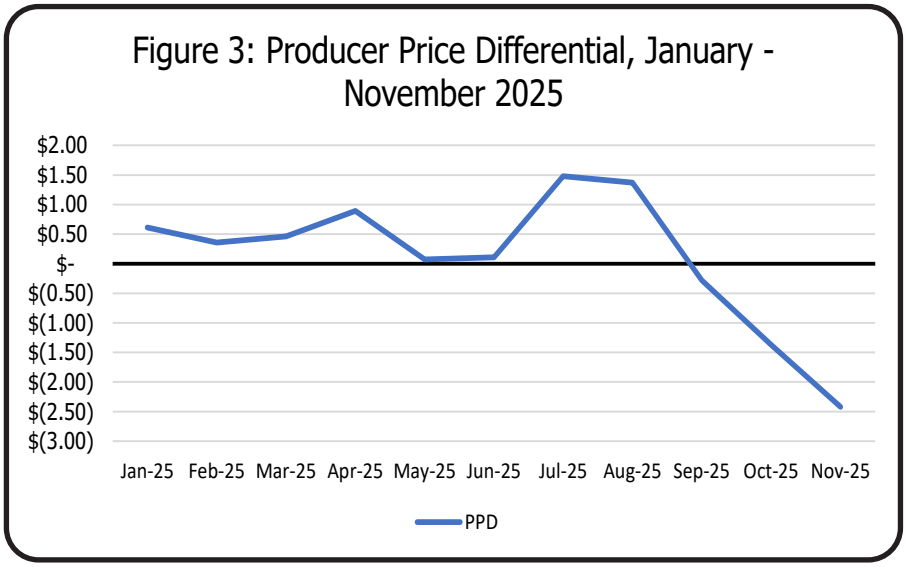
Prices have shifted significantly over the past three months compared to earlier in 2025. Butter commodity prices have been declining from July 2025's $2.5753 to November's $1.6360, while Cheese prices have remained steady throughout the year with an average year-to-date price of $1.8115. This has led the butterfat price to decline to a low of $1.7061. In contrast, due to strong cheese prices, the protein price increased to $3.0143 in November, as seen in Figure 1.



These price shifts have led to a sharp decline in the Class IV price to $13.89, a low not experienced since January 2021; the Class III price remains elevated at $17.18, as shown in Figure 2. The current price relationships have resulted in negative Producer Price Differentials (PPDs), shown in Figure 3. The PPD represents, on a per-hundredweight basis, the total dollars accumulated by the market wide pool (total value of milk in the pool, a value of $302,030,180.72) minus the amount paid to producers (total Class III value of producer components, a value of $354,759,826.33), as shown on page 4. For more information refer to the Federal Order 51 September 2025 monthly newsletter at https://www.cafmmo.com/publications/monthly-newsletter/.



The PPD, while often emphasized when it is negative, accounts for a relatively small share of the gross payment; the majority is driven by higher payments for components. Table 1, on page 3, illustrates an example of gross payment composition using average pool tests. In November 2025, protein contributed the largest share of the gross payment, accounting for 59.2 percent of the total, compared with just 44 percent in November 2021. The butterfat contribution to the gross payment was 41.9 percent in November 2025, relatively consistent with November 2021. Chicago Mercantile Exchange (CME) futures show that the current Class III and IV price trends are expected to continue in 2026; more information on CMEs can be found at https://www.cmegroup.com/.❖

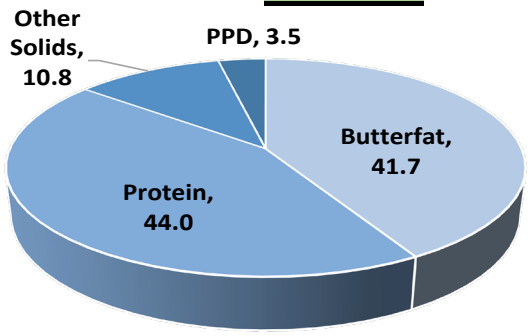


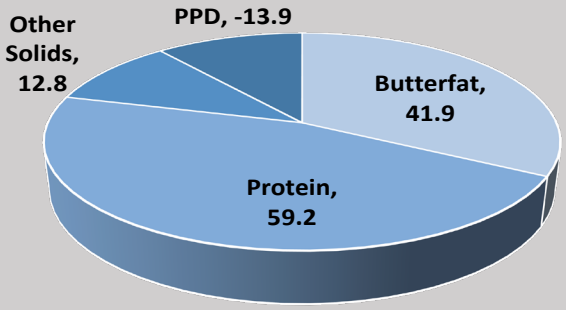
(continued on page 3)

Producer Price Differential Trends *(continued from page 2)*

Table 1: Comparison of Gross Payment* at Average Pool Tests, November 2021 and 2025

	November 2021				November 2025			
	Test Percent	*Price per pound*	*Gross Dollars*	*Contribution Percent*	*Test Percent*	*Price Per pound*	*Gross Dollars*	*Contribution Percent*
Butterfat	4.06	$2.1541	$174,912.92	**41.7**	4.26	$1.7061	$145,359.72	**41.9**
Protein	3.35	$2.7536	$184,491.20	**44.0**	3.41	$3.0143	$205,575.26	**59.2**
Other Solids	5.74	$0.3949	$45,334.52	**10.8**	5.76	$0.3859	$44,455.68	**12.8**
PPD		$0.73	$14,600.00	**3.5**		($2.42)	-$48,400.00	**-13.9**
Total Gross Payment			$419,338.64	100.0			$346,990.66	100.0
Gross Price per cwt			**$20.97**				**$17.35**	





*For a hypothetical farm producing 2,000,000 pounds of milk at pool average component tests and located at the Los Angeles base zone.

2024 Butter Production

The United States Department of Agriculture's Dairy Products Summary Report provides annual data on the production of manufactured dairy products across the country. Using the 2024 report, this article highlights recent production trends for butter by U.S. region and selected states. The full 2024 report is available at https://share.google/gWki9Rkt7VcTmnrux.

Table 2: 2024 Total Butter Production in Selected Areas

	Thousand Pounds	Percentage		Number
Region/ State	**Butter Production**	**% of U.S.**	**YOY Production Change**	**Number of Plants**
Atantic	174,845	7.8%	2.4%	41
Central	901,999	40.3%	9.7%	37
West	1,158,748	51.8%	3.6%	19
Total U.S.*	**2,235,592**	**-**	**5.9%**	**97**
California	666,711	29.8%	-2.0%	10
Pennsylvania	81,043	3.6%	-6.7%	8
All Other States*	1,487,838	66.6%	10.7%	79

Source: USDA Dairy Products 2024 Summary Report, NASS Database
** Includes Alaska and Hawaii*

Table 2 summarizes 2024 butter production by region and selected states. Total U.S. butter production reached 2.2 billion pounds in 2024, a 5.9 percent increase from 2023. The West region accounted for 51.8 percent of the U.S. total with approximately 1.2 billion pounds, an increase of 3.6 percent from the prior year. The Central region accounted for 40.3 percent of total output in 2024, totaling 902 million pounds increasing 9.7 percent year-over-year. The Atlantic region produced roughly 175 million pounds, an increase of 2.4 percent.

California remained the top butter-producing state with 667 million pounds, or 29.8 percent of total U.S. production, despite a 2 percent decline from 2023. Pennsylvania ranked second at 81 million pounds, a 6.7 percent decrease from the year prior, yet accounting for 3.6 percent of total production. Collectively, all other states produced 1.5 billion pounds, up 10.7 percent from the previous year.❖

MARKET ADMINISTRATOR
181 Blue Ravine Suite 120
Folsom, CA 95630

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Computation of Producer Price Differential and Statistical Uniform Price*

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	Product Pounds	Price per cwt./lb.	Component Value	Total Value
Class I— Skim	372,606,679	$13.42	$50,003,816.32	
Butterfat	9,715,016	1.8863	18,325,434.68	
Less: Location Adjustment to Handlers			(1,084,729.68)	$67,244,521.32
Class II— Butterfat	13,540,657	1.7131	23,196,499.53	
Nonfat Solids	11,064,382	0.9833	10,879,606.84	34,076,106.37
Class III— Butterfat	2,049,410	1.7061	3,496,498.40	
Protein	1,848,461	3.0143	5,571,816.00	
Other Solids	2,956,690	0.3859	1,140,986.68	10,209,301.08
Class IV— Butterfat	51,202,224	1.7061	87,356,114.38	
Nonfat Solids	113,047,060	0.9124	103,144,137.57	190,500,251.95
Total Classified Value		*Total value of milk in the pool* →		**$302,030,180.72**
Add: Value for 60 (f) through 60(j)				30,052.79
Other Source Receipts	269,110			
Total Pool Value				**$302,060,233.51**
Less: Value of Producer Butterfat	76,507,307	1.7061	(130,529,116.49)	
Value of Producer Protein	61,167,388	3.0143	(184,376,857.63)	
Value of Producer Other Solids	103,275,077	0.3859	(39,853,852.21)	(354,759,826.33)
Total PPD Value Before Adjustments		*Total Class III value of producer components*		**($52,699,592.82)**
Add: Location Adjustment to Producers				9,296,188.99
One-half Unobligated Balance—Producer Settlement Fund				846,995.60
Less: Producer Settlement Fund—Reserve				(870,102.54)
Total Pool Milk & PPD Value	1,794,483,918			**($43,426,510.77)**
Producer Price Differential		**$**	**(2.42)**	
Statistical Uniform Price		**$**	**14.76**	

Value from which PPD per hundredweight is calculated

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