The Market Administrator's

BULLETIN

CALIFORNIA MARKETING AREA

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August 2026 Federal Order No. 51

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August Pool Price Calculation

The August 2026 Statistical Uniform Price (SUP) for the California Marketing Area increased by $0.08 per hundredweight (cwt) from last month to $18.00 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, 3.18 percent protein, and 5.79 percent other solids. When reported at average tests of pooled milk (4.20 percent butterfat, 3.36 percent protein, and 5.76 percent other solids), the August SUP was $19.55 per cwt, $0.11 higher than in July. The August Producer Price Differential (PPD) in Los Angeles County was $1.36 per cwt, $1.04 lower than the month prior.

Product Prices Effect

Prices in the National Dairy Product Sales Report experienced mixed trends in August. The butter price decreased by 13 cents to $1.4747 per pound. The nonfat dry milk price declined roughly 5 cents to $1.5985 per pound. The cheese price had the largest increase of about 11 cents to $1.6203 per pound. The dry whey price increased by a cent to $0.6602 per pound.

Component prices also experienced mixed trends in August. The butterfat price declined by nearly 16 cents to $1.5107 per pound. The nonfat solids price decreased just under 5 cents to $1.3456 per pound. The protein price rose roughly 50 cents to $2.8281 per pound. The other solids price increased less than a cent to $0.4052 per pound.

Class Prices in August mostly declined from July. The Class I price decreased by $2.57 to $21.56 per cwt. The Class II price declined by the largest margin of $3.18 to $18.71 per cwt. The Class III price had the only increase, rising $1.12 to $16.64 per cwt. Lastly, the Class IV price declined by $0.98, falling to $17.36 per cwt.

Selected Statistics

August 2026's butterfat price of $1.5107 was the lowest for the month of August since the Order began, while the protein price of $2.8281 was the highest for the month of August. The Class II volume of 121.95 million pounds was the largest amount for the month of August since 2020.❖

Pool Summary

- A total of 846 producers were pooled with an average daily delivery per producer of 83,890 pounds, an increase of 12.04 percent from July.
- Pooled milk receipts totaled 2.2 billion pounds, an increase of 12.98 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 17.4 percent of total pooled milk receipts.
- The average butterfat test of producer receipts was 4.20 percent.
- The average true protein test of producer receipts was 3.36 percent.
- The average other solids test of producer receipts was 5.76 percent.❖

Class Utilization

Pooled Milk	Percent	Pounds
Class I	17.4	381,911,557
Class II	5.5	121,954,838
Class III	63.4	1,394,990,859
Class IV	13.7	301,253,592
Total Pooled Milk		2,200,110,846

Producer Component Prices

	2026	2025
	$/lb	
Protein Price	2.8281	1.9646
Butterfat Price	1.5107	2.7255
Other Solids Price	0.4052	0.3204

Class Price Factors

	2026	2025
	$/cwt	
Class I	21.56	21.73
Class I ESL Adj	-0.72	0.57
Class II	18.71	19.18
Class III	16.64	17.24
Class IV	17.36	18.50

Protein Emerges as New Leader in Pool Component Values

Figure 1: Butterfat and Protein Dollar Contribution to the SUP at Average Tests

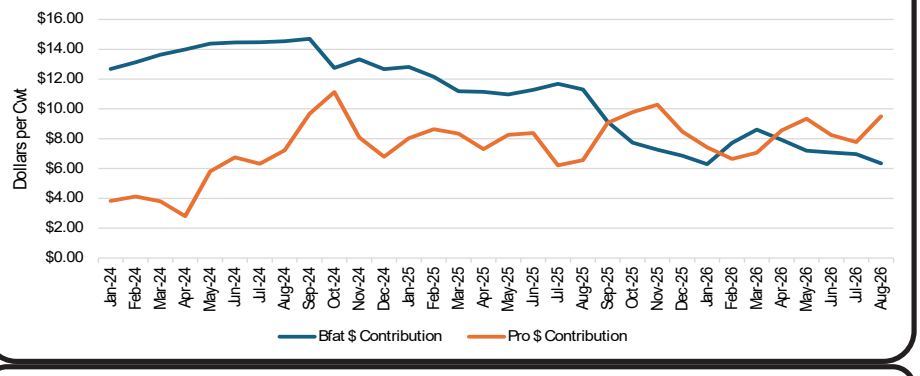


Figure 2: Contribution of Components to Statistical Uniform Price at Average Tests, 2024

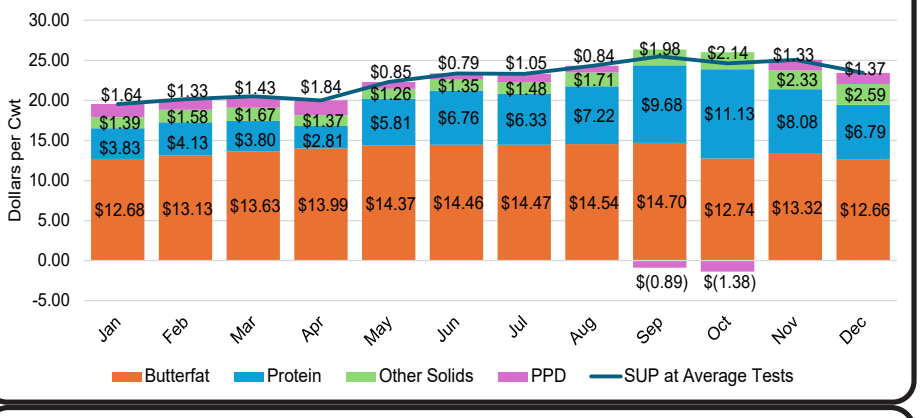


Figure 3: Contribution of Components to Statistical Uniform Price at Average Tests, 2025

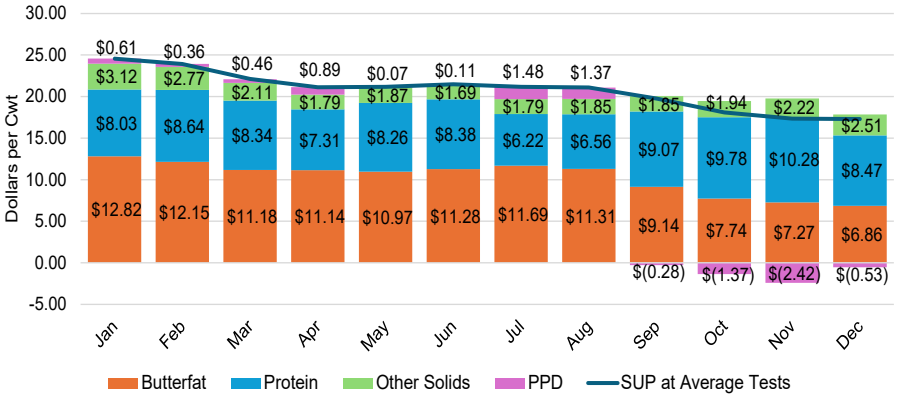
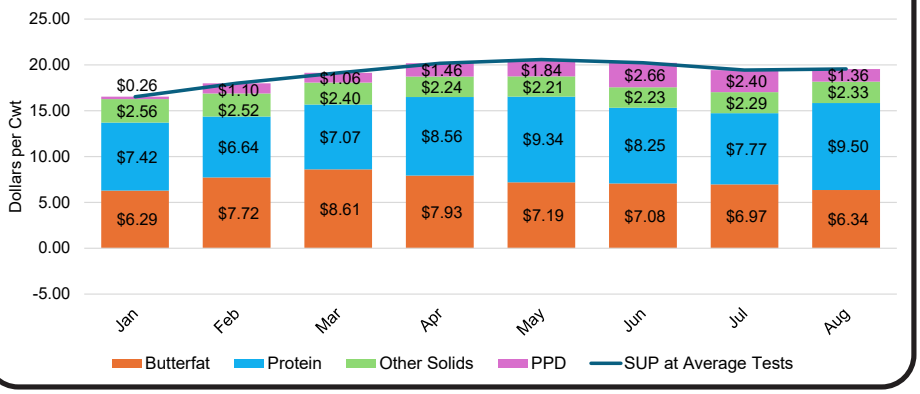


Figure 4: Contribution of Components to Statistical Uniform Price at Average Tests, 2026 to Date



Butterfat has been the dominant contributor to pool component values in Federal Order (FO) 51 for the past several years, leading protein for 21 consecutive months from January 2024 to September 2025. However, this trend changed in October 2025 as falling butterfat prices allowed protein to contribute more dollars per hundred weight (cwt) to pool component values in nine of the past eleven months.

Figure 1 displays monthly butterfat and protein dollar contributions to the Statistical Uniform Price (SUP) at average pooled component tests from 2024 to date. Beginning in January 2024, butterfat contributed $12.68 per cwt, while protein contributed $3.83. This gap narrowed significantly through October 2024 when butterfat contributed $12.74 per cwt, and protein rose to $11.13 per cwt. In the remaining two months of 2024, the protein contribution fell sharply and maintained levels well below butterfat through August 2025. However, protein began trending upward in the following months, surpassing butterfat for the first time in October 2025 and remained elevated through January 2026 despite a downward trend. Butterfat led once again in February and March, but protein has since remained higher. In August 2026, butterfat contributed $6.34 per cwt, while protein contributed $9.50 per cwt.

The stacked bar charts shown in Figures 2 through 4 demonstrate the breakdown of monthly component contributions to the SUP in 2024, 2025, and 2026 to date. In Figures 2 and 3, the trends mentioned previously are displayed with butterfat trending higher in 2024 and into 2025, prices trending downward in 2025, and ultimately the shift in a higher protein contribution by October 2025.

In 2026, the butterfat contribution was higher than the protein contribution in February and March by $1.08 and $1.54, respectively. In the other five

(continued on page 3)

Protein Emerges as New Leader in Pool Component Values *(continued from page 2)*

months, protein has trended higher than butterfat. The smallest gap occurred in April when the protein contribution was only 63 cents higher than butterfat, and the largest gap was observed in August with the protein value surpassing butterfat by $3.16.

Considering that milk yields more butterfat than protein on a per cwt basis, the relative price of protein to butterfat must be high enough to overcome this difference and contribute more dollars to the uniform price. In September 2025, for example, the protein price exceeded the butterfat price, but it did not exceed its contribution for that month. The next article goes over price trends from 2024 through 2026.❖

Protein Leads as Butterfat Prices Fall

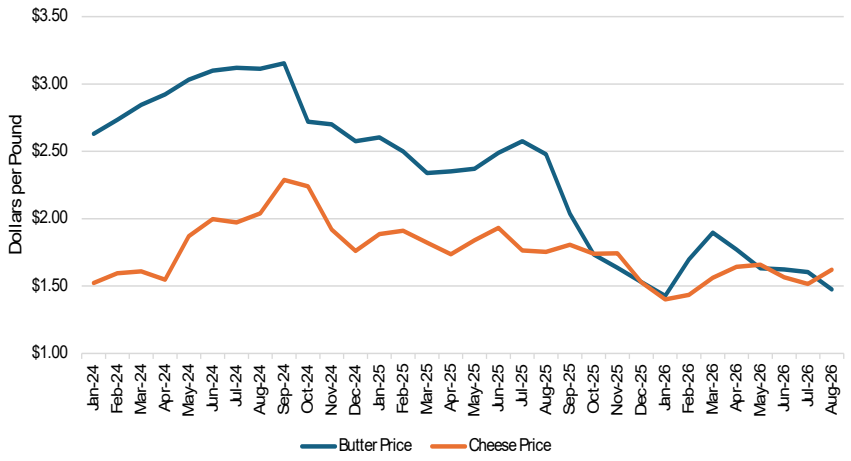
Table 1: Butterfat and Protein Prices by Month, 2024 through 2026

Month	Butterfat Price	Protein Price	Price Difference
Jan-24	$ 2.9765	$ 1.1265	$ 1.8500
Feb-24	$ 3.1031	$ 1.2255	$ 1.8776
Mar-24	$ 3.2385	$ 1.1265	$ 2.1120
Apr-24	$ 3.3309	$ 0.8345	$ 2.4964
May-24	$ 3.4636	$ 1.7349	$ 1.7287
Jun-24	$ 3.5444	$ 2.0546	$ 1.4898
Jul-24	$ 3.5720	$ 1.9466	$ 1.6254
Aug-24	$ 3.5632	$ 2.1756	$ 1.3876
Sep-24	$ 3.6114	$ 2.9249	$ 0.6865
Oct-24	$ 3.0851	$ 3.3238	$ (0.2387)
Nov-24	$ 3.0623	$ 2.3160	$ 0.7463
Dec-24	$ 2.9104	$ 1.9637	$ 0.9467
2024 Average	**$3.2885**	**$ 1.8961**	$ 1.3924
Jan-25	$ 2.9460	$ 2.3267	$ 0.6193
Feb-25	$ 2.8186	$ 2.5337	$ 0.2849
Mar-25	$ 2.6242	$ 2.4606	$ 0.1636
Apr-25	$ 2.6406	$ 2.1682	$ 0.4724
May-25	$ 2.6627	$ 2.4810	$ 0.1817
Jun-25	$ 2.7378	$ 2.5328	$ 0.2050
Jul-25	$ 2.8435	$ 1.8730	$ 0.9705
Aug-25	$ 2.7255	$ 1.9646	$ 0.7609
Sep-25	$ 2.1925	$ 2.7062	$ (0.5137)
Oct-25	$ 1.8252	$ 2.8761	$ (1.0509)
Nov-25	$ 1.7061	$ 3.0143	$ (1.3082)
Dec-25	$ 1.5761	$ 2.4563	$ (0.8802)
2025 Average	**$2.4416**	**$ 2.4495**	$ (0.0079)
Jan-26	$ 1.4525	$ 2.1768	$ (0.7243)
Feb-26	$ 1.7794	$ 1.9373	$ (0.1579)
Mar-26	$ 2.0220	$ 2.0905	$ (0.0685)
Apr-26	$ 1.8692	$ 2.5190	$ (0.6498)
May-26	$ 1.7001	$ 2.7477	$ (1.0476)
Jun-26	$ 1.6900	$ 2.4553	$ (0.7653)
Jul-26	$ 1.6668	$ 2.3202	$ (0.6534)
Aug-26	$ 1.5107	$ 2.8281	$ (1.3174)
2026 Average	**$1.7113**	**$ 2.3844**	$ (0.6730)

Table 1 lists butterfat and protein prices from 2024 through 2026 to date. From January 2024 through August 2025, the butterfat price remained higher than the protein price. The highest price difference occurred in April 2024 at $2.4964 per pound, before narrowing until the protein price surpassed the butterfat price in September 2025. From August 2025 to August 2026, the butterfat price fell from $2.7255 to $1.5107 per pound, while the protein price increased from $1.9646 to $2.8281 per pound. As a result, the protein price was approximately $1.3174 per pound higher than the butterfat price in August 2026.

Similarly, the annual average component prices shifted during this period. In 2024, the average butterfat price was $3.2885 per pound, about $1.3924 higher than the protein average of $1.8961. The average butterfat price of $3.2885 in 2024 was the highest annual average since the Order began. In 2025, protein moved ahead of butterfat, with the annual average protein price coming in nearly one cent per pound higher than the butterfat price. In 2026 to date, the average protein price of $2.3844 per pound has surpassed the butterfat price of $1.7113 by $0.6730 per pound. This change has been driven by the decline in butter prices and the increase in cheese prices in the commodity markets, as seen in Figure 5. In Federal Order 51, farmers are paid on butterfat, protein, and other solids and changes in these price relationships affect their milk checks. Although, in recent months, farmers observed a reduced butterfat value due to lower butterfat prices, as the protein price increased, the protein value in their milk check increased.❖

Figure 5: Butter and Cheese Commodity Prices



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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	372,084,443	$15.98	$59,459,093.99	
Butterfat	9,827,114	1.7539	17,235,775.24	
Less: Location Adjustment to Handlers			(1,096,249.80)	$75,598,619.44
Class II— Butterfat	15,741,422	1.5177	23,890,756.18	
Nonfat Solids	10,022,132	1.4925	14,958,032.03	38,848,788.21
Class III— Butterfat	52,709,620	1.5107	79,628,422.95	
Protein	47,542,805	2.8281	134,455,806.83	
Other Solids	80,756,567	0.4052	32,722,560.97	246,806,790.75
Class IV— Butterfat	14,186,339	1.5107	21,431,302.32	
Nonfat Solids	27,269,645	1.3456	36,694,034.30	58,125,336.62
Total Classified Value		*Total value of milk in the pool* →		**$419,379,535.02**
Add: Value for 60 (f) through 60(j)				(594,577.81)
Other Source Receipts	33,291			
Total Pool Value				**$418,784,957.21**
Less: Value of Producer Butterfat	92,464,495	1.5107	(139,686,112.59)	
Value of Producer Protein	73,969,474	2.8281	(209,193,069.45)	
Value of Producer Other Solids	126,699,868	0.4052	(51,338,786.50)	(400,217,968.54)
Total PPD Value Before Adjustments		*Total Class III value of producer components*		**$18,566,988.67**
Add: Location Adjustment to Producers				11,283,821.25
One-half Unobligated Balance—Producer Settlement Fund				993,534.01
Less: Producer Settlement Fund—Reserve				(922,383.59)
Total Pool Milk & PPD Value	2,200,144,137			**$29,921,960.34**
Producer Price Differential		**$**	**1.36**	
Statistical Uniform Price		**$**	**18.00**	

Value from which PPD per hundredweight is calculated

* Price at 3.5 percent butterfat, 3.18 percent protein, and 5.79 percent other solids.