



# The Market Administrator's

# BULLETIN

## CALIFORNIA MARKETING AREA

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Federal Order No. 51

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## February Pool Price Calculation

The February 2022 Statistical Uniform Price (SUP) for the California Marketing Area increased 72 cents per hundredweight (cwt) from last month to \$21.97 per cwt for milk delivered to plants located in Los Angeles County, California, the pricing point for the California Federal Marketing Order (CFMO). The SUP is calculated at 3.5 percent butterfat, 2.99 percent protein, and 5.69 percent other solids. If reported at the average tests of pooled milk (4.12 percent butterfat, 3.34 percent protein, and 5.75 percent other solids), the February SUP would be \$24.71 per cwt, which is higher than that of January by 60 cents per cwt. February's Producer Price Differential (PPD) at Los Angeles County was \$1.06 per cwt, an increase of 19 cents from last month. The February 2022 SUP at both standard and pool average tests reached new records for the fourth consecutive month.

### Product Prices Effect

All monthly average product prices in the National Dairy Product Sales Report increased from January to February. The butter price gained more than 5 cents per pound, and the cheese price rose just under a penny per pound. The dry whey and nonfat dry milk prices saw larger increases, rising roughly 7 cents and 8 cents per pound, respectively.

All component prices increased from the prior month, except for the protein price. The butterfat price improved about 7 cents per pound. The other solids price gained roughly 7 cents per pound, and the nonfat solids price rose nearly 8 cents per pound. Meanwhile, the protein price declined just under 4 cents per pound.

All class prices continued their upward trends from last month, marking the fifth straight month of increases. The Class I price saw the largest jump from January, increasing \$1.93 per cwt to \$23.74. The Class II price rose 96 cents per cwt to \$23.79, while the Class III price increased 53 cents per cwt to \$20.91. The Class IV price gained 91 cents per cwt to \$24.00, reaching the highest Federal Order Class IV price since 2000. ❖

## Pool Summary

- A total of 922 producers were pooled with an average daily delivery per producer of 66,847 pounds, an increase of 5.3 percent from January.
- Pooled milk receipts totaled 1.726 billion pounds, an increase of 4.3 percent on an average daily basis.
- Class I usage (milk for bottling) accounted for 21.3 percent of total pooled milk receipts, down 0.8 percentage points from January.
- The average butterfat test of producer receipts was 4.12 percent.
- The average true protein test of producer receipts was 3.34 percent.
- The average other solids test of producer receipts was 5.75 percent. ❖

### Class Utilization

Pooled Milk	Percent	Pounds
Class I	21.3	367,627,918
Class II	5.0	86,457,872
Class III	70.7	1,220,325,753
Class IV	3.0	51,321,367
Total Pooled Milk		1,725,732,910

### Producer Component Prices

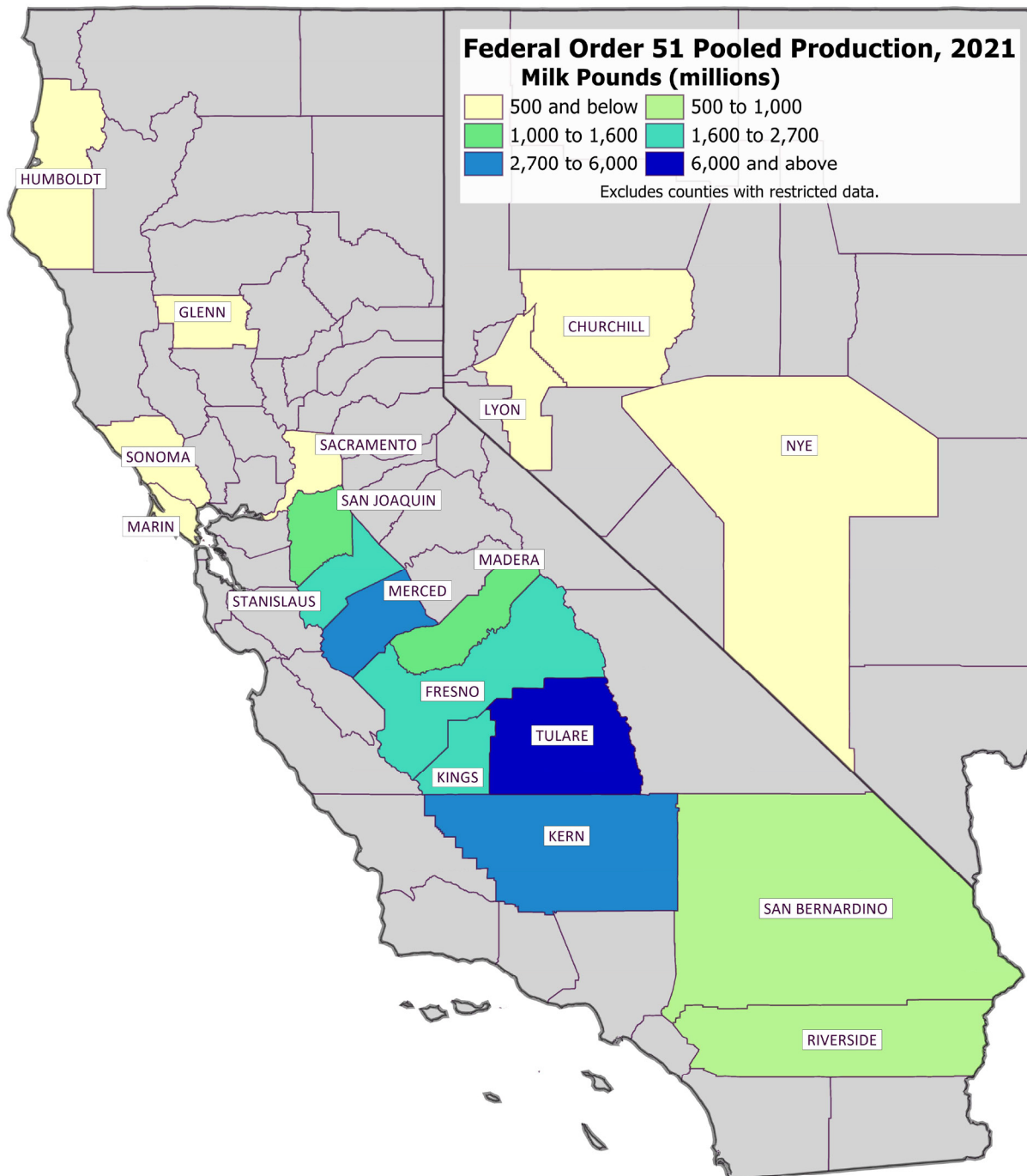
	2022	2021
	\$/lb	
Protein Price	2.3168	2.9816
Butterfat Price	3.0218	1.4376
Other Solids Price	0.5983	0.3161

### Class Price Factors

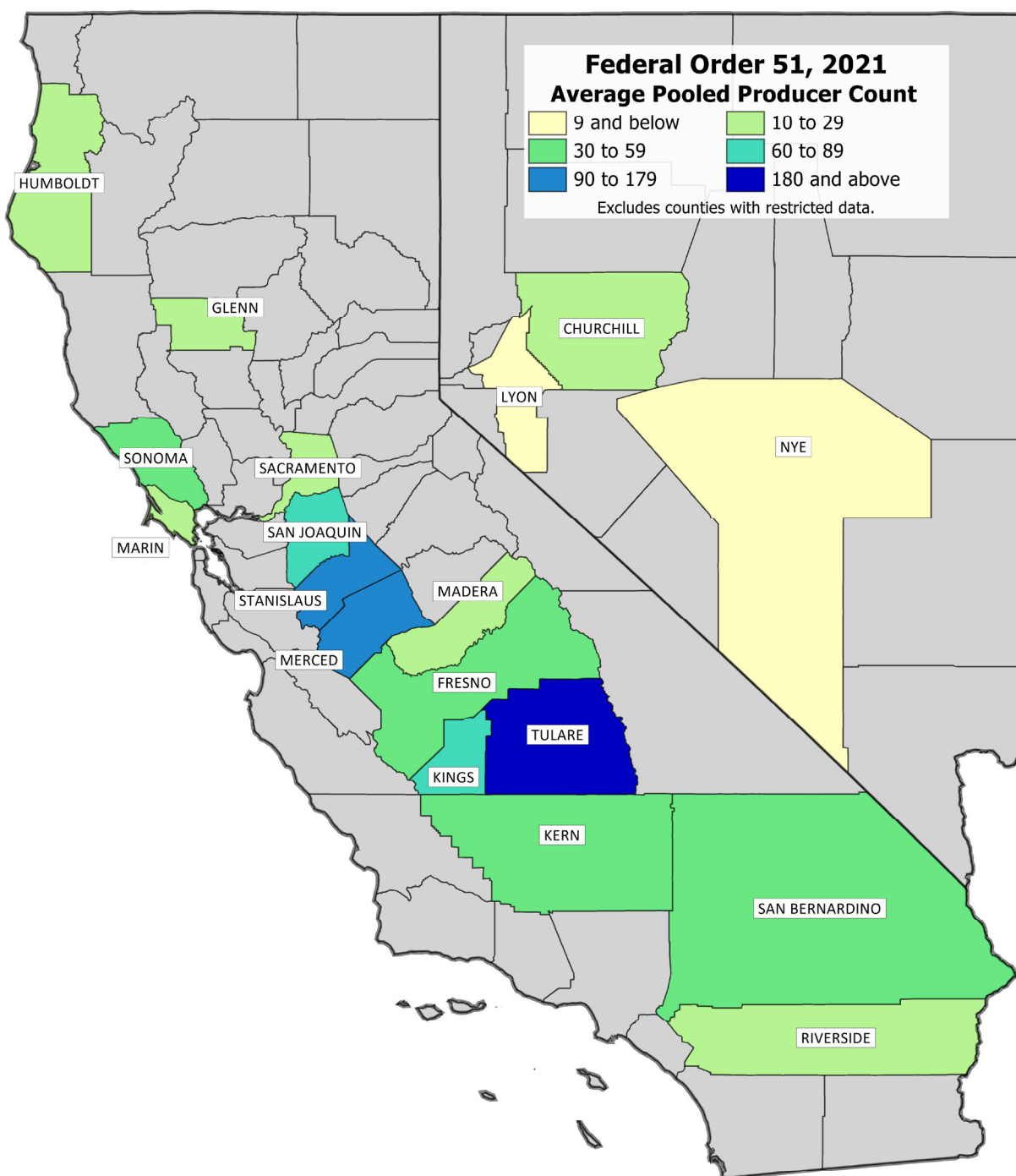
	2022	2021
	\$/cwt	
Class I	23.74	17.64
Class II	23.79	14.00
Class III	20.91	15.75
Class IV	24.00	13.19

## Federal Order 51 Pool Receipts by County

The accompanying map illustrates the total milk pooled by county on Federal Order (FO) 51 in 2021. Tulare County producers pooled more than 6.17 billion pounds in 2021, ranking as the number one producer of pooled milk for the third consecutive year. Three other counties pooled more than 2 billion pounds: Kern (3.07 billion), Merced (2.73 billion), and Stanislaus (2.16 billion). Kings County ranked fifth with 1.99 billion pounds and Fresno County ranked sixth with 1.70 billion pounds. The cumulative total from these six counties accounts for 17.83 billion pounds, 74.90 percent of all FO 51 receipts in 2021. Producers from Nevada counties pooled 729 million pounds on the Order, accounting for 3.06 percent of 2021's pool receipts. Total receipts amounted to 23.8 billion pounds, increasing by 3.76 percent from 2020. Pooled milk receipts exclude milk withheld from the FO 51 pool due to price relationships and other qualifications specified in the Order language. Accordingly, pooled receipts may not be reflective of total production trends in each region. ❖



## Federal Order 51 Average Producer Count by County



The map above depicts the average monthly number of producers pooled on Federal Order (FO) 51 in 2021. A monthly average of 183 Tulare County producers pooled milk on FO 51 in 2021, exceeding all other counties. Merced and Stanislaus counties ranked second and third, averaging 112 producers and 99 producers respectively. Kings County averaged fourth highest with 63 pooled producers, and San Joaquin posted the fifth highest average producer count with 62. Notably, Kern County averaged 45 producers (seventh most) despite pooling the second largest volume on the Order in 2021. Sonoma County had the sixth highest average pooled producer count (48), while it pooled the eleventh highest milk pounds over the year. A monthly average of 848 producers pooled milk on FO 51 in 2021, exceeding 2020's count by 5 producers. ❖



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## FIRST CLASS MAIL

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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	359,185,810	\$14.54	\$52,225,616.77	
Butterfat	8,442,108	2.7747	23,424,317.07	
Less: Location Adjustment to Handlers			(752,719.08)	\$74,897,214.76
Class II— Butterfat	10,280,940	3.0288	31,138,911.07	
Nonfat Solids	7,161,853	1.5189	10,878,138.52	42,017,049.59
Class III— Butterfat	45,422,855	3.0218	137,258,783.25	
Protein	41,365,060	2.3168	95,834,571.00	
Other Solids	70,525,722	0.5983	42,195,539.47	275,288,893.72
Class IV— Butterfat	7,038,032	3.0218	21,267,525.12	
Nonfat Solids	4,182,686	1.5450	6,462,249.94	27,729,775.06
<b>Total Classified Value</b>				<b>\$419,932,933.13</b>
Add: Overage—All Classes				89,880.73
Inventory Reclassification—All Classes				(54,658.97)
Other Source Receipts	16,039			614.29
<b>Total Pool Value</b>				<b>\$419,968,769.18</b>
Less: Value of Producer Butterfat	71,183,935	3.0218	(215,103,614.78)	
Value of Producer Protein	57,710,920	2.3168	(133,704,659.47)	
Value of Producer Other Solids	99,259,294	0.5983	(59,386,835.60)	(408,195,109.85)
<b>Total PPD Value Before Adjustments</b>				<b>\$11,773,659.33</b>
Add: Location Adjustment to Producers				6,491,987.10
One-half Unobligated Balance—Producer Settlement Fund				824,425.93
Less: Producer Settlement Fund—Reserve				(797,133.45)
<b>Total Pool Milk &amp; PPD Value</b>	1,725,748,949			<b>\$18,292,938.91</b>
Producer Price Differential		\$1.06		
Statistical Uniform Price		\$21.97		

*Total value of milk in the pool* →

*Total Class III value of producer components* →

Value from which PPD per hundredweight is calculated

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