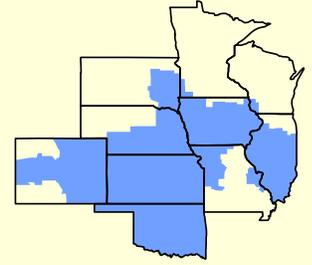


JUNE 2021

Marketing Service

Bulletin

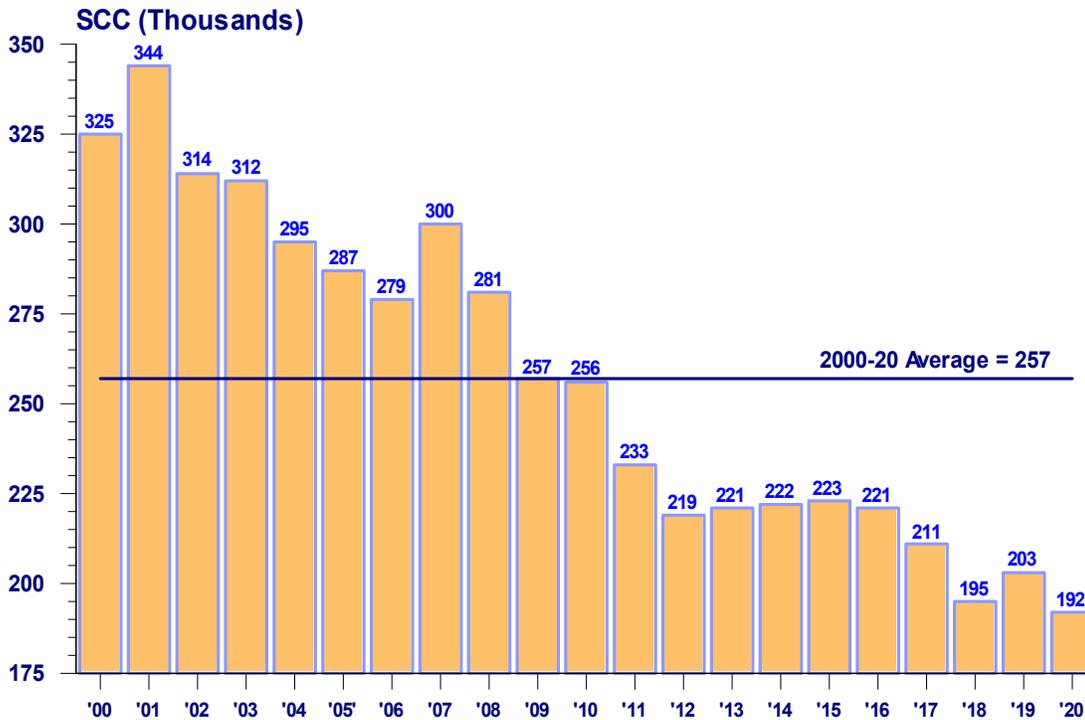
Facilitating the efficient marketing of milk and dairy products.



CENTRAL MARKETING AREA



Producer Milk Somatic Cell Counts Central Federal Milk Order



A well-known and widely-used standard for producer milk quality is the somatic cell count (SCC). SCC is a measure of the total number of cells* per milliliter in milk, and lower counts are indicative of higher quality. Somatic cells enable animals to fight infection and ensure good health, and all milk naturally contains some somatic cells. Although high SCCs can affect dairy product manufacturing yields, milk flavor and product shelf life, they generally are not a food safety or public health issue. The federal SCC regulatory limit is 750,000, except in

California which has a maximum of 600,000 cells per milliliter. However, the SCC limit in many other major dairy countries is 400,000.

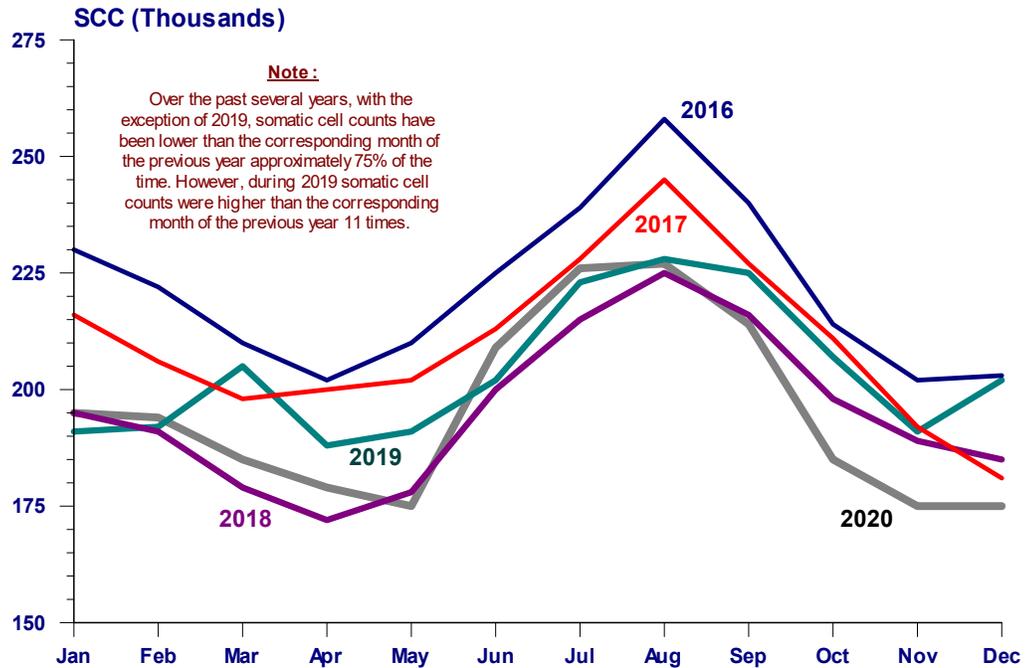
Four of the current 11 Federal Milk Orders (FMOs) adjust milk payments to producers based on the SCC in raw milk. The benchmark SCC for this adjustment is 350,000, with positive payments for SCCs below that level and negative adjustments for milk with higher counts. Price adjustments are made on a per hundredweight basis for every 1,000 SCC variation from the 350,000 standard. The magnitude of the SCC adjustment varies monthly based on the wholesale price of cheese.

The Central Order is one of the four FMOs that utilize a SCC price adjustment. The graph on this page displays yearly average SCCs for the Central FMO since its inception in 2000. As indicated by this graph, SCCs have

* The somatic cell count (SCC) is primarily composed of leukocytes, or white blood cells, that are produced by a cow's immune system to fight inflammation in the mammary gland. All milk naturally contains some somatic cells.

decreased significantly since the early years of the order's existence. With a couple of notable exceptions, the annual SCC for the Central Order has exhibited a persistent downward trend, averaging 257,000 over the 21 years depicted by the graph on page one. The annual SCC has been at or below the 21-year average during each of the last 12 years, and has been less than the previous year in 14 of the 20 years since 2000. The 192,000 SCC average for 2020 is the lowest on record for the Central Order, falling just below the previous low of 195,000 posted for 2018. 2018 and 2020 have been the only years with an annual average SCC below 200,000.

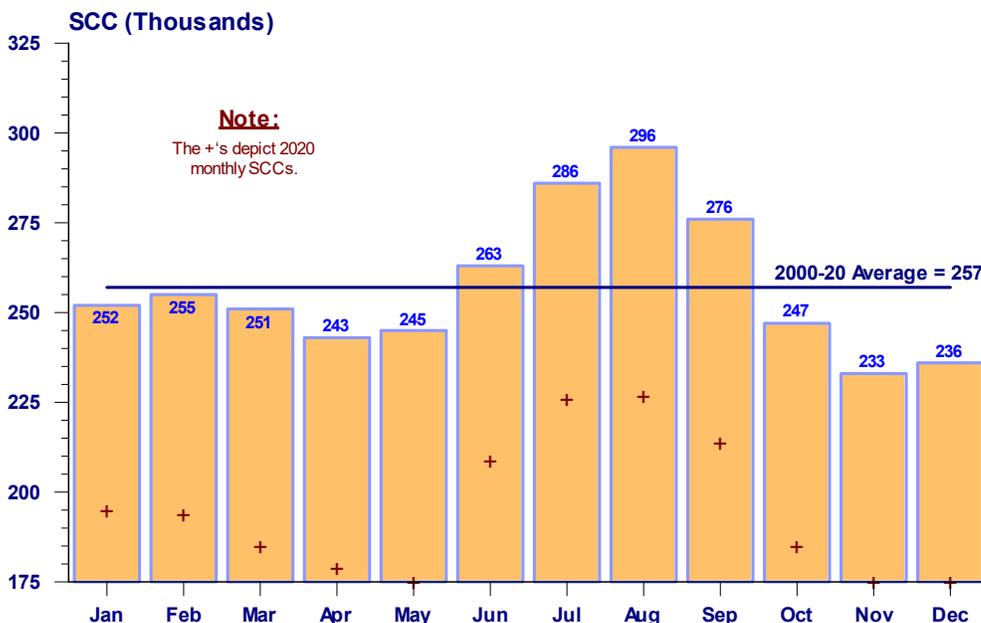
Producer Milk Somatic Cell Counts Central Federal Milk Order



The top graph on this page depicts Central Order monthly SCCs for the last 5 years (January 2016 through December 2020), and highlights the extent of the downward trend in SCCs over this period of time. With the exception of 2019, SCCs had been lower than the corresponding month of the previous year more than 75% of the time over the past several years. This downward trend did not continue in 2019, since SCCs were higher than the corresponding month of 2018 in every month except January. Since 2015, 39 months posted year-over-year

SCC decreases with an average drop of 13,000. During the 21 months of this time frame with year-over-year increases, the average increase was 7,000.

2000 - 2020 Monthly Average SCCs Central Federal Milk Order



Central Order monthly average SCCs for 2000 through 2020 are depicted by the bottom graph on this page. A distinct seasonal pattern is evident from the information presented in this graph, along with the top graph on this page. SCCs have been higher than the 20-year average during the summer months of June through September, particularly during July and August. The lowest monthly average SCCs have been recorded during the early

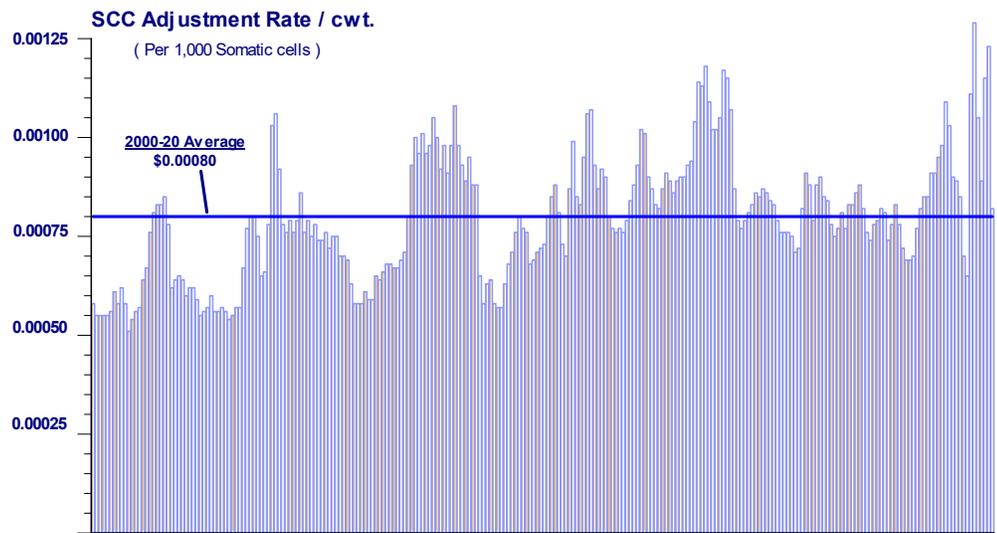
winter months of November and December. The 21-year average for August is the highest of any month at 296,000, while the lowest is attributable to November with a 233,000 SCC average. Monthly SCCs for 2020 are depicted by the pluses inside the bars of the graph on the bottom of page 2.

The top graph on this page details monthly SCC adjustment rates for January 2000 through December 2020. Milk payments to Central Order producers are adjusted for counts above and below 350,000, and these adjustments are made on a per hundredweight basis for each 1,000 variation in SCC. The adjustment rate averaged \$0.00080 during the time frame depicted by this graph, ranging from a low of 0.00051 in November 2000 to a high of 0.00129 recorded during July 2020.

The lower graph on this page depicts 2020 weighted average SCC's for Central Order producers grouped by marketing size category. The categories used in this graph increase in 250,000 pound increments up to 2,000,000 pounds per month - all marketings above that size are grouped together. This graph depicts Central Order data only; therefore, the marketings represented in each size category do not necessarily correspond to overall farm size, since producers can have marketings on more than one FMO during any given month. With that caveat in mind, the data in this graph indicates a decline in SCC of nearly 24% going from the smallest size category to the next larger size, then are relatively flat through 1,250,000 pounds.

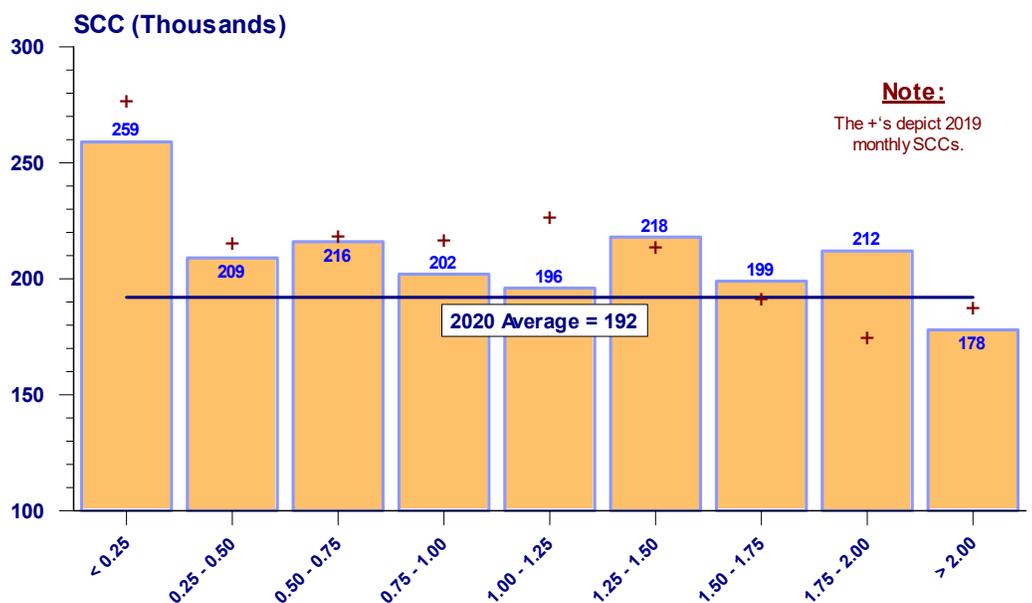
Two of the next three size categories had SSCs above the previous category, which is a deviation from the trend noted in recent years. The largest size category, over 2,000,000 pounds per month, was the only one below the 2020 market average of 192,00. This category accounted for approximately 73% of the total 2020 Central Order marketings included in this analysis. The plus signs in the accompanying graph indicated the 2019 SCC average for each size category.

SCC Monthly Adjustment Rates Central Federal Milk Order



January 2000 through December 2020

2020 SCC by Marketing Size Categories Central Federal Milk Order



Note:
The +s depict 2019 monthly SCCs.

Monthly Marketings (Million Pounds)



**United States
Department of
Agriculture**

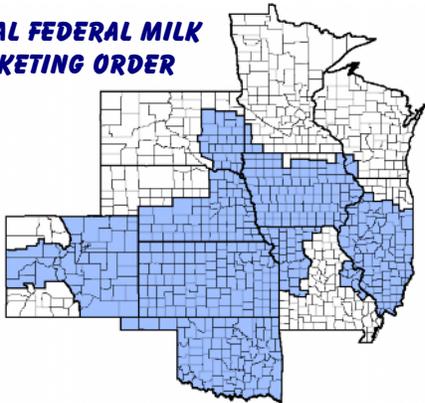
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**CENTRAL FEDERAL MILK
MARKETING ORDER**



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	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	<u>May '21</u>	<u>Apr '21</u>	<u>May '21</u>	<u>Apr '21</u>	<u>May '21</u>	<u>Apr '21</u>
Northeast	18.34	17.36	-0.62	-0.31	28.90	30.05
Appalachian	19.35	18.43	---	---	67.09	69.21
Florida	21.26	20.21	---	---	79.10	80.97
Southeast	19.52	18.46	---	---	63.80	63.14
Upper Midwest	17.52	16.65	-1.44	-1.02	21.59	22.31
Central	16.78	15.88	-2.18	-1.79	38.43	41.09
Mideast	17.43	16.33	-1.53	-1.34	37.40	39.97
California	16.73	15.91	-2.23	-1.76	19.12	21.26
Pacific Northwest	17.26	16.28	-1.70	-1.39	21.09	22.57
Southwest	17.32	16.48	-1.64	-1.19	31.61	33.75
Arizona	17.25	16.43	---	---	30.24	32.34