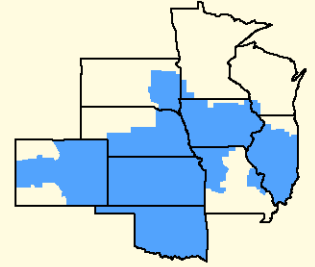


Bulletin



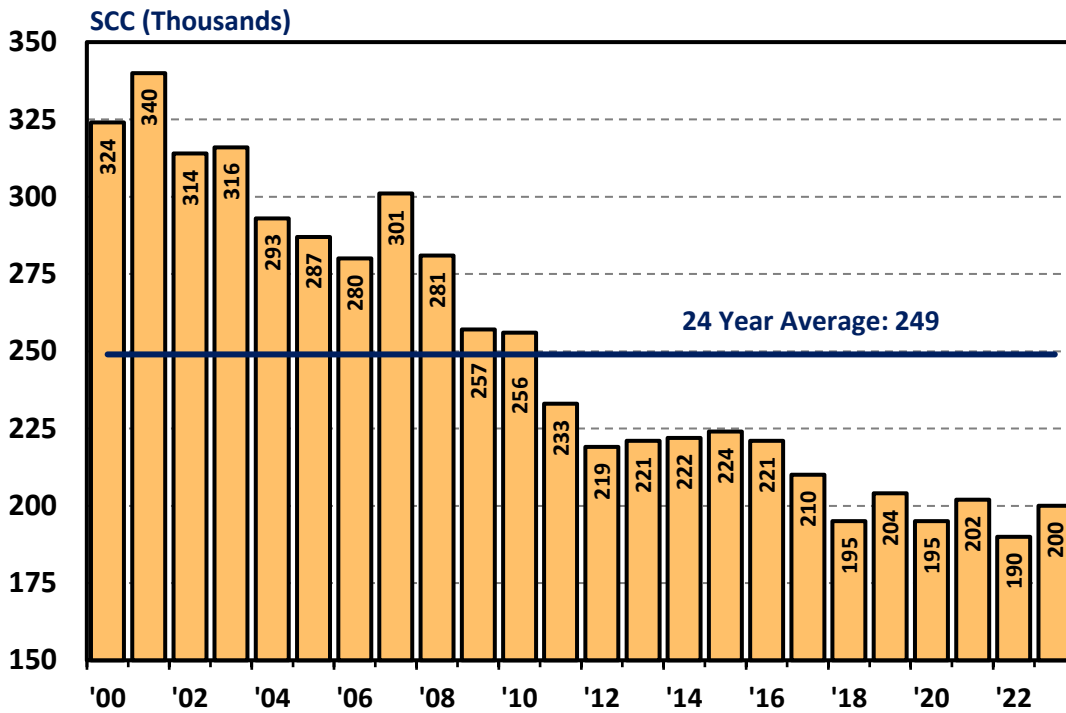
Facilitating the efficient marketing of milk and dairy products.



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; however, several states have lower maximum allowed limits:

California - 600,000; Idaho - 400,000; Oregon - 500,00; and Washington - 400,000. 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 year-average SCCs for the Central FMO since its inception in 2000. As indicated by this graph, SCCs have decreased significantly since the early years of the order's existence. With a couple of notable exceptions, the annual Central Order SCC has exhibited a persistent downward trend, averaging 249,000 over the 24 years depicted by the graph on page one. The annual SCC has been below the 24-year average during each of the last 13 years,

*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.

and has been less than the previous year in 14 of the 23 years since 2000. The 200,000 SCC average for 2023 is an increase of 10,000 compared to the previous year. 2018, 2020, 2022 have been the only years with an annual average SCC below 200,000.

The top graph on this page depicts Central Order monthly SCCs for the last 5 years (January 2019 through December 2023), and highlights the extent of the downward trend in SCCs over this period of time. This downward trend can be seen from 2019 to 2020 with only a few months being higher than the corresponding month of the previous year.

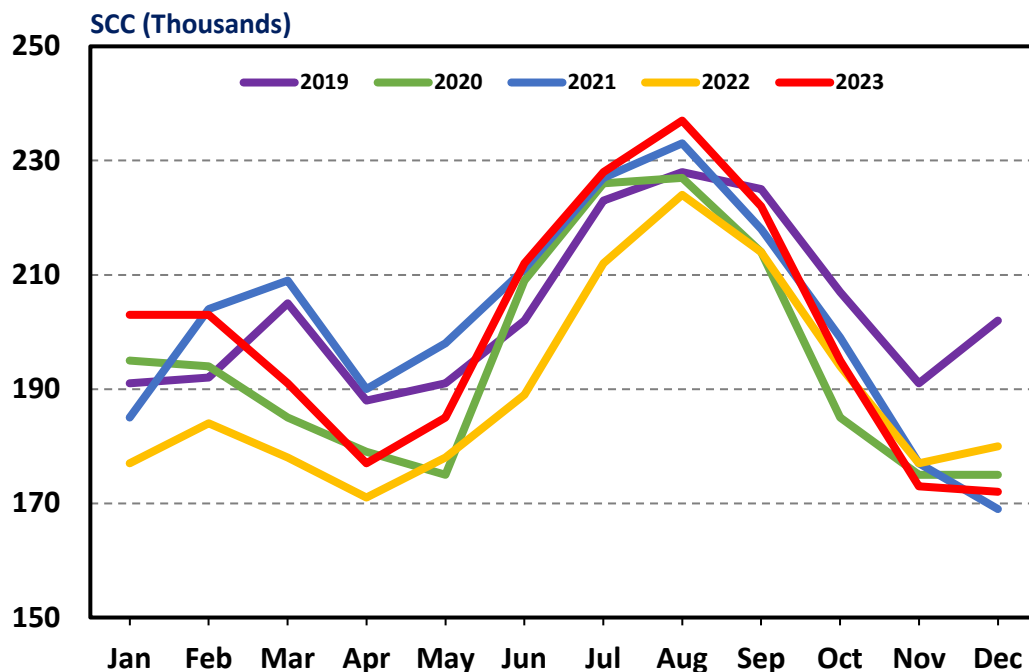
However, during 2021 the

Central Order SCC was above the corresponding month of the previous year 10 times. Thus, the SCC was above the corresponding month of the previous year 69.4% over the 36 months from January 2019 through December 2021. 2022 continued trending down with year over year decreases each month until November and December where it increased compared to the previous year. 2023 had an increase in every month except for November and December when compared to 2022.

Central Order monthly average SCCs for 2000 through 2023 are depicted by the bottom graph on this page. A

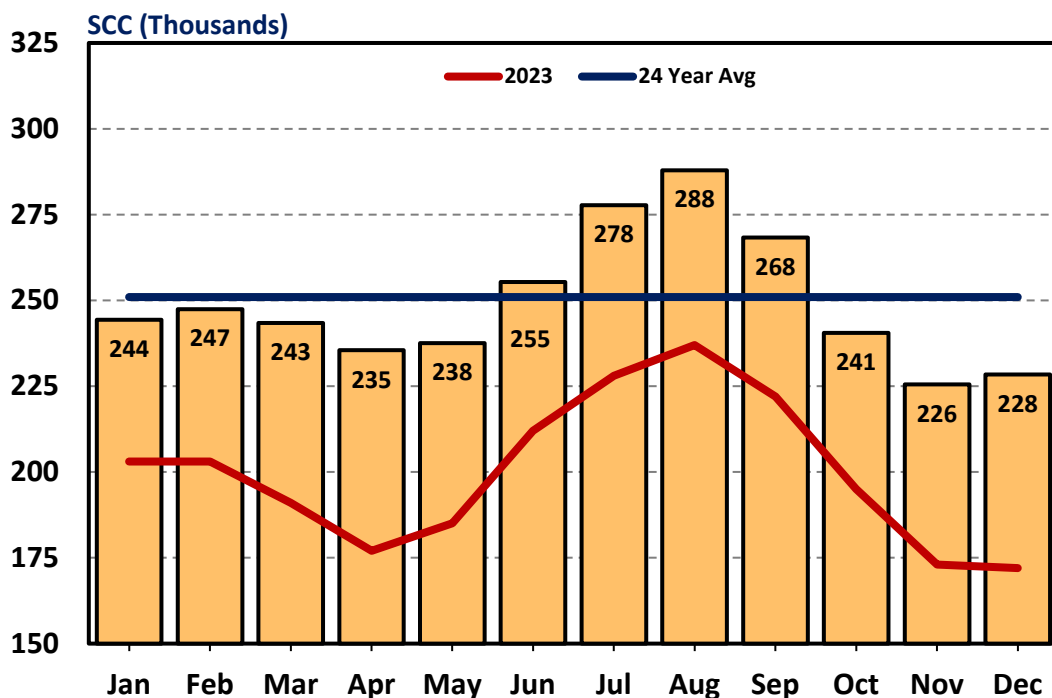
Producer Milk Somatic Cell Counts

Central Federal Milk Order



2000 - 2023 Monthly Average SCCs

Central Federal Milk Order

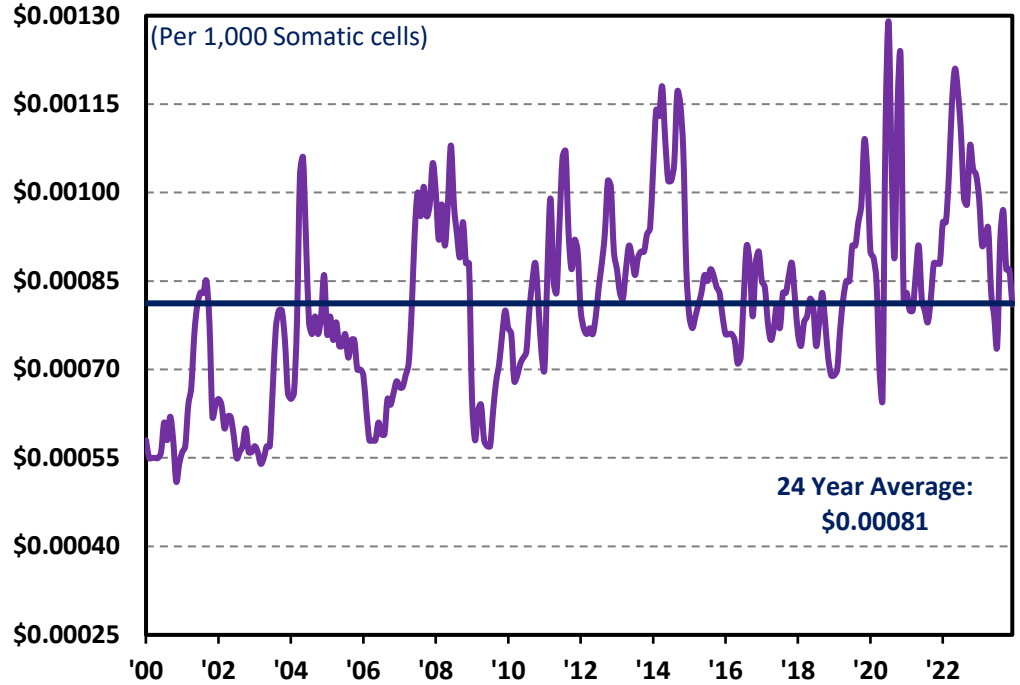


A distinct seasonal pattern is evident from the information presented in this graph, along with the top graph on this page. SCCs have been higher than the 24-year average during the warmer months, most noticeably during July through September. The lowest monthly average SCCs have been recorded during the early winter months of November and December. The 24-year average for August is the highest of any month at 288,000, while the lowest is attributable to November with a 226,000 SCC average. Monthly SCCs for 2023 are depicted by the red line on the graph.

SCC Monthly Adjustment Rates

Central Federal Milk Order

The top graph on this page details monthly SCC adjustment rates for January 2000 through December 2023. 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 \$0.00081 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.



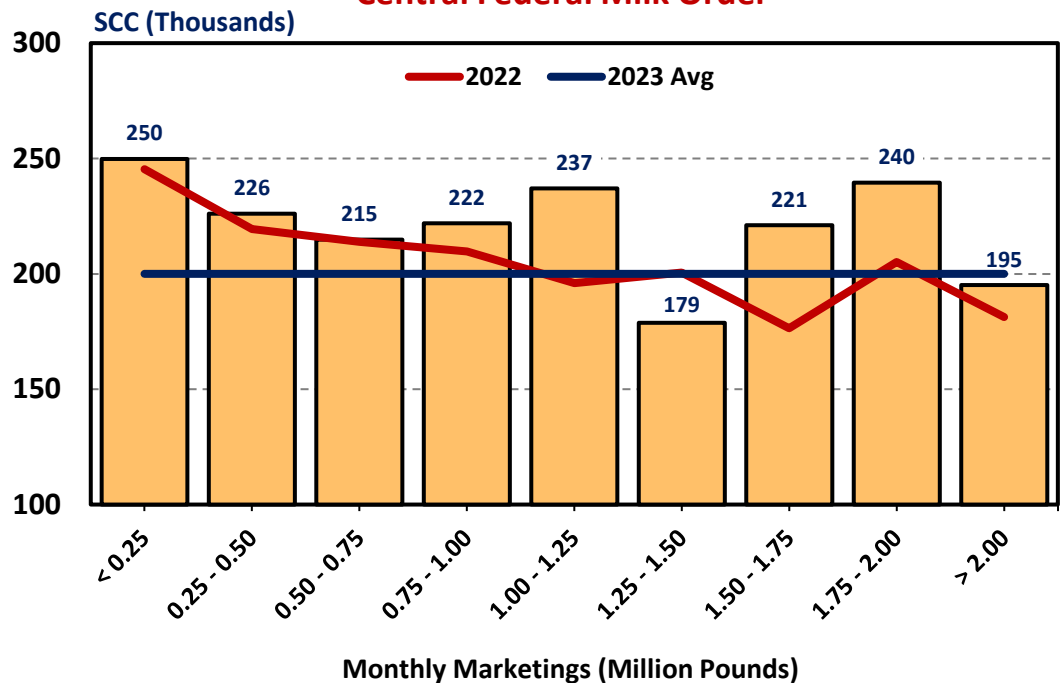
The lower graph on this page depicts 2023 weighted average SCC's for Central Order producers grouped by marketing size category. The categories used in this graph increase in 250,000 pound increments up to 2,000,000 pounds per month - all marketings above that size are grouped together. The red line represents the 2022 SCC average for each size category, and the blue line represents the average SCC for 2023.

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 SCC decrease of 24,000 (-9.6%) going from the smallest size category to the next larger size.

Every size category had an increase compared to 2022 except for the 1.25 to 1.50 million pound category that had a 22,000 SCC decrease (10.9%). The 1.50 to 1.75 million pound size category had the largest increase of 45,000 SCC (25.6%). The largest size category, with marketings of over 2 million pounds per month, accounted for over 75% of the milk in the Central Order during 2023.

2023 SCC by Marketing Size Categories

Central Federal Milk Order





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E-mail: market.administrator@fmmacentral.com
Phone: 913-495-9300

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Mar '24	Feb '24	Mar '24	Feb '24	Mar '24	Feb '24
Northeast	20.18	19.69	3.84	3.61	28.13	29.84
Appalachian	21.60	21.00	-----	-----	65.73	71.87
Florida	23.75	22.88	-----	-----	82.07	81.45
Southeast	22.07	21.51	-----	-----	65.51	75.58
Upper Midwest	16.70	16.40	0.36	0.32	5.74	5.98
Central	18.02	17.67	1.68	1.59	27.70	30.18
Mideast	18.64	17.96	2.30	1.88	38.62	40.62
California	17.77	17.41	1.43	1.33	18.41	19.36
Pacific Northwest	18.41	17.96	2.07	1.88	20.03	21.36
Southwest	18.48	18.18	2.14	2.10	28.37	30.71
Arizona	19.63	19.04	-----	-----	27.23	28.50

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