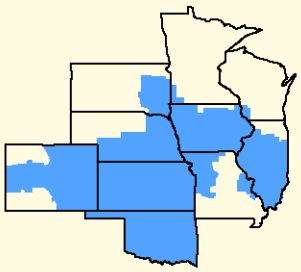
MARCH 2025

Marketing Service

Bulletin

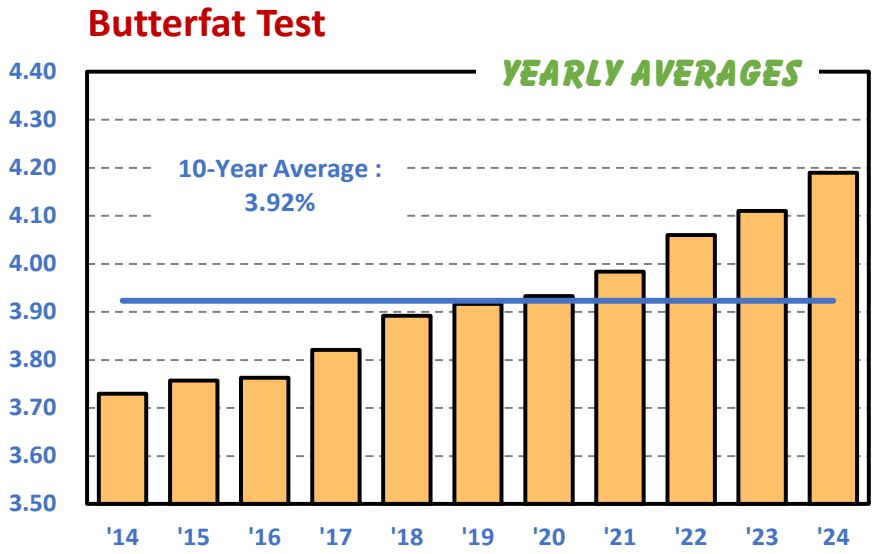
Facilitating the efficient marketing of milk and dairy products.

CENTRAL MARKETING AREA

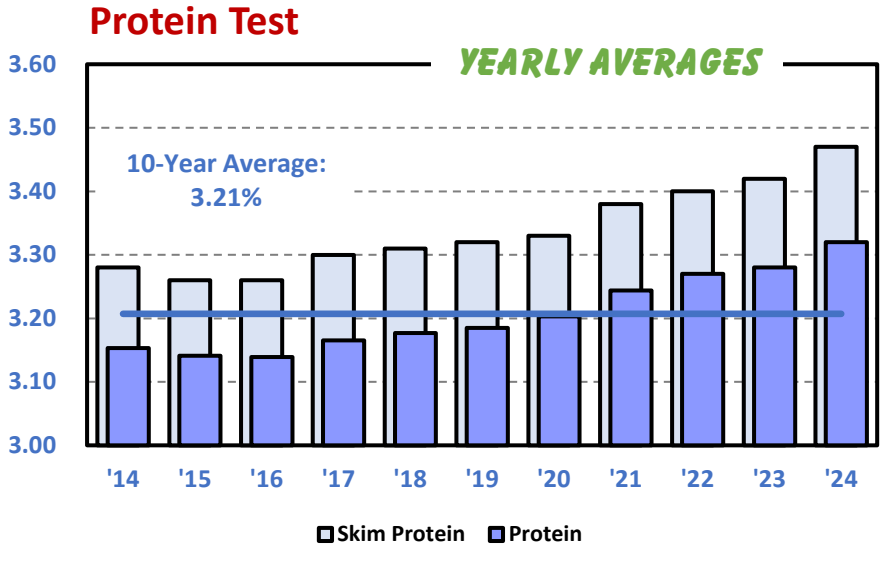


CENTRAL ORDER COMPONENT VALUES

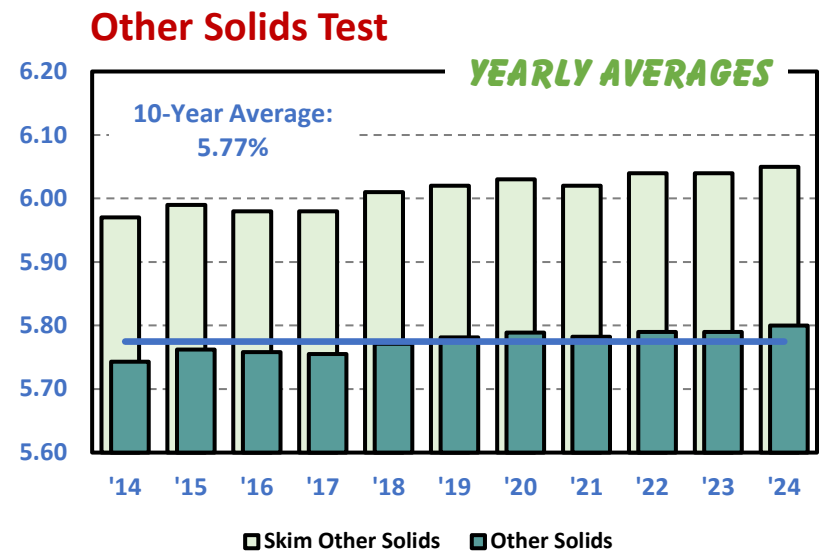
Provisions of the Central Federal Milk Order (FMO) specify minimum payments to producers based on the volume of milk marketed -- the producer price differential (PPD) -- along with payments based on the amount of components in milk marketed. Component payments to producers include those for butterfat, protein and other solids, as well as an adjustment based on the somatic cell count (SCC) of marketed milk. Since the implementation of the Central FMO, the combined value for these individual components have accounted for more than 90% of the total minimum amount due to producers.



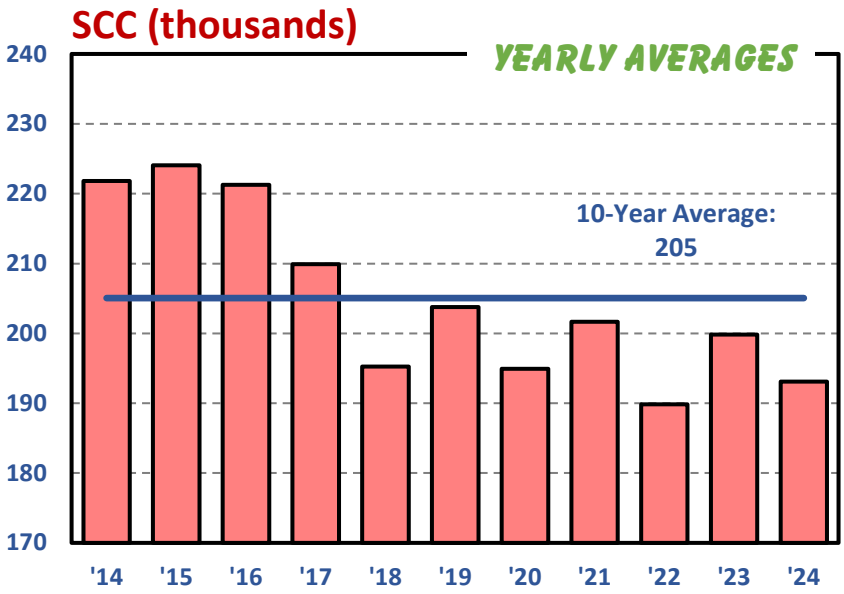
This Bulletin examines component levels in Central FMO producer milk over the last 10 years. Specifically, average annual content data for each priced component and the SCC are graphically displayed, as are 2014 through 2024 monthly averages. The *top graph* on this page displays annual butterfat test averages for Central FMO producer milk. Average annual butterfat tests bottomed out at 3.73% in 2014, and have exhibited substantial upward movement since then, posting an all-time high of 4.19% in 2024. Annual butterfat averages have had year over year increases every year, with 2024 having the largest single year increase of 0.08 percentage points.



The *lower graph* on this page details average protein content for the Central FMO over the last 10 years. Although changes in protein and butterfat content in producer milk typically follow similar patterns, data for the Central FMO indicates that this correlation is far from perfect. Average annual protein tests have exhibited an overall increasing trend on the Central FMO, rising by .18 percentage points in 10 years. Protein tests have increased in 8 of the last 10 years with 2024 seeing the largest year over year increase of 0.04 percentage points. The skim protein tests in 2024 also saw the largest increase of 0.05 percentage points.

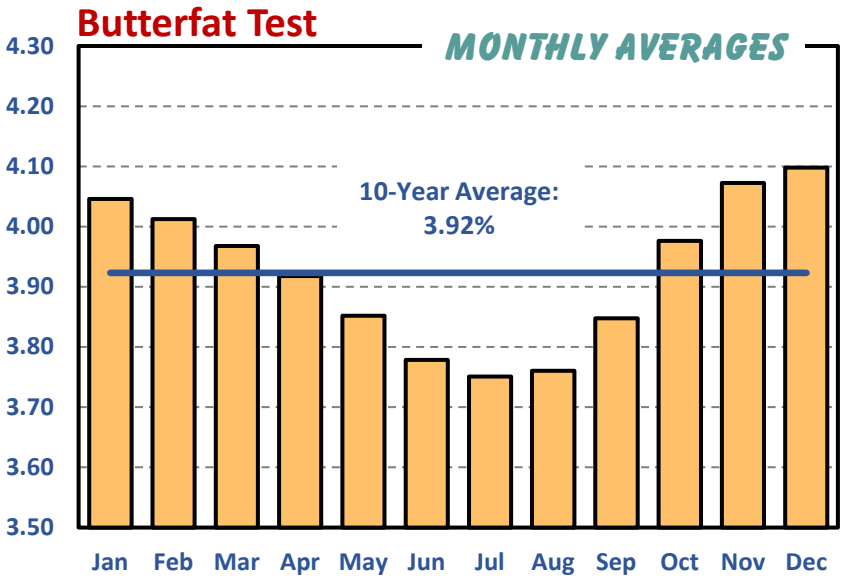


The top graph on this page depicts annual Central FMO other solids tests. As indicated by this graph, the variation in other solids content is smaller than the variance for butterfat or protein. The highest average other solids test occurred in 2024 at 5.80%, while the low of 5.74% was recorded in 2014. This reveals a high to low variance of just 0.06 percentage points compared with 0.46 for butterfat, and 0.18 for protein during this time frame. Annual other solids tests have demonstrated a slow and steady increasing tendency over the past 10 years.



The middle graph on this page displays SCC data for the Central FMO. The trend in SCCs has been downward over the past 10 years, after staying steady for the first few years of the timeline. 2014 through 2016 stayed relatively flat hovering just above 220 then saw a sharp decline over the next couple of years. From 2018 to 2024 SCCs have gone up and down but have trended downwards averaging 196. Since 2014 SCCs has decreased from 222 to 193, a -13% reduction.

Average monthly butterfat tests, depicted by the bottom graph on this page, indicates a distinctive seasonal trend. Over the past 10 years, butterfat tests have bottomed out in July at an average of 3.75%, while continuing to increase in value each month through December where it peaks at 4.10%. Conversely, the average butterfat content decreased each month between December and July during this time frame. The distinctive and consistent "stair-step" up and down pattern is evident in this graphical representation and shows the seasonality of components.

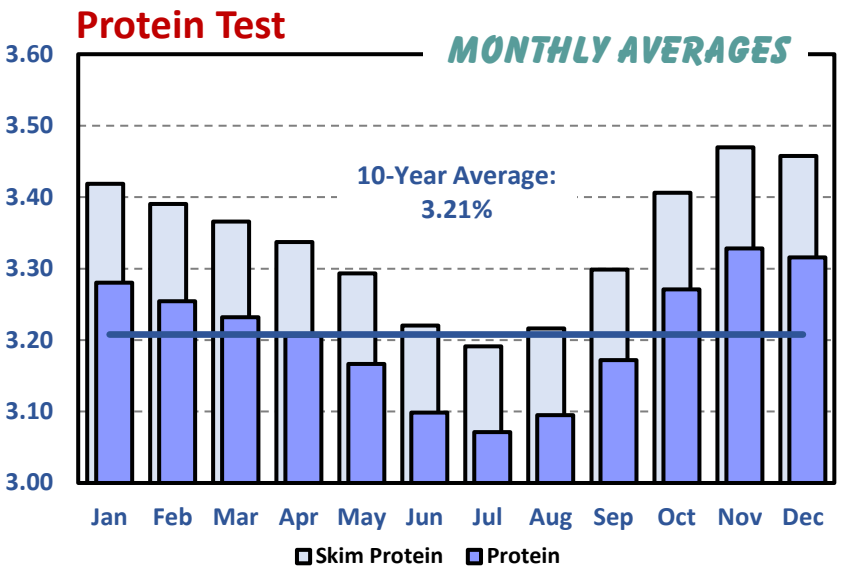


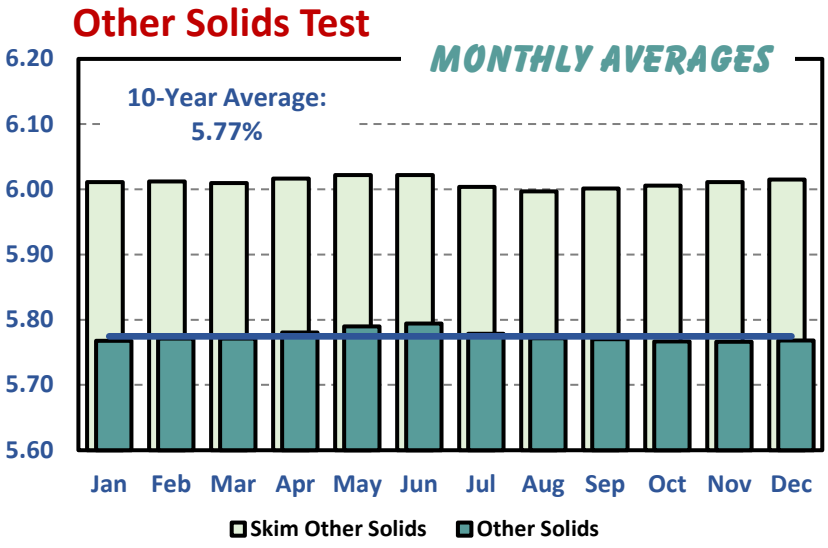
Monthly protein test averages are portrayed in the top graph on the next page. The seasonal trend for protein is similar to butterfat, with some minor idiosyncrasies. The lowest monthly average protein test over the past 10 years occurred in July, identical to butterfat. Protein tests have peaked a month earlier than butterfat, however, with the highest levels recorded in November. Similar to butterfat, protein tests decline each month after the peak and bottom out in July. July's protein test over this time frame has averaged 3.07%, while the November peak has averaged 3.33%.

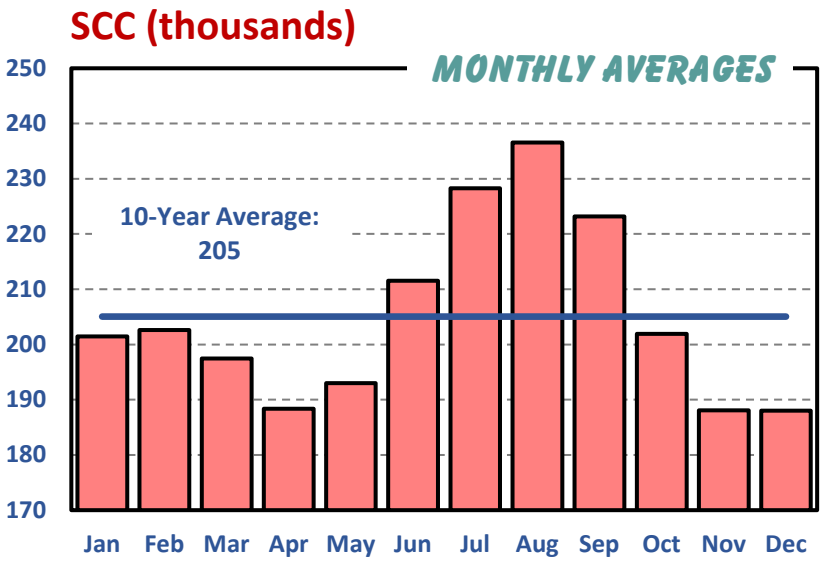
Central FMO monthly other solids tests reveal a seasonal pattern dissimilar to those for butterfat and protein, as depicted by the middle graph on this page. The peak months for other solids tests over the past 10 years has been April through June at 5.79%, while August through December registered the lowest averages at 5.77%. In addition, other solids tests have not exhibited the consistent "stair-step" up and down pattern, nor the amount of high to low variation, characterized by butterfat and protein average monthly tests. The total variance for other soilds is 0.02 percentage points, which is significantly smaller than butterfat's 0.35 and protein's 0.26.

The bottom graph on this page is a graphic representation of average monthly SCCs for the Central FMO, and the pattern depicted is substantially different from butterfat, protein, and other solids. Comparing the SCC pattern with the one for other solids reveals test changes moving in opposite directions during many months. SCCs have peaked at 237,000 during hot summer months, while are at their lowest of 188,000 during late fall and early winter.

Numerous factors can influence component levels in producer milk. As depicted by the monthly graphs in this bulletin, component content in producer milk is seasonal in nature indicating weather has a significant influence. Related to this, the geographic "footprint" (milkshed) for a FMO can also affect component content since, other things being equal, component levels tend to decrease for milk produced in hotter, more humid conditions while SCC levels tend to rise. The Central FMO milkshed has shifted over the years, and this shifting has likely had an influence on changing component levels. Additional factors such as breed selection, genetic composition of dairy herds, feeding practices, etc. are also potential explanatory influences for the component trends detailed in this bulletin.







United States Department of Agriculture

FEDERAL MILK MARKET ADMINISTRATOR
P.O. BOX 14650
SHAWNEE MISSION, KANSAS 66285-4650

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

FIRST CLASS

	Statistical Uniform Price		Producer Price Differential		Class I Utilization	
	Feb '25	Jan '25	Feb '25	Jan '25	Feb '25	Jan '25
Northeast	21.64	21.81	1.46	1.47	28.65	30.05
Appalachian	23.55	23.26	-----	-----	72.89	76.15
Florida	25.42	25.04	-----	-----	80.91	83.18
Southeast	23.90	23.79	-----	-----	69.65	79.73
Upper Midwest	20.31	20.47	0.13	0.13	6.97	7.76
Central	**20.34**	**20.50**	**0.16**	**0.16**	**28.77**	**32.06**
Mideast	20.82	20.85	0.64	0.51	33.35	39.38
California	20.54	20.95	0.36	0.61	15.02	19.06
Pacific Northwest	20.32	20.63	0.14	0.29	18.84	21.79
Southwest	21.10	21.36	0.92	1.02	26.85	30.50
Arizona	21.18	21.42	-----	-----	28.42	31.03