

## April Butterfat Production Report

The May 2024 National All-Jersey (NAJ) Equity Newsletter focused on the U.S. dairy industry’s rapidly increasing butterfat tests and the impact on butterfat production. Milk production and total butterfat production are no longer correlated. USDA’s National Agricultural Statistic Service (NASS) publishes the Milk Production report around the 20th to 22nd each month. The Milk Production report includes pounds of milk produced by each of the 24 Selected States and the U.S. total along with the number of milk cows and pounds of milk per cow. The Milk Production report does not include

any component data.

NASS publishes the Agricultural Price report on the last business day each month which includes the All Milk price. Each month, the NASS Regional Field Offices estimate the All Milk price for each of the 24 major milk-producing states. The All Milk price represents the gross price farmers in the state received in the given month per hundredweight (cwt) of milk sold at average fat test. The Agricultural Price report publishes the average butterfat test for each of the 24 major milk-producing states and the U.S.

The April Milk Production report showed total production declined 0.4 percent from April 2023. This marked the tenth consecutive month of year-over-year production declines. However, as is shown in Table 1, U.S. butterfat test jumped from 4.11% in April 2023 to 4.24% in April 2024. Combining the 0.13% increase in butterfat test from the April Agricultural Prices report with production volume in the Milk Production report, total butterfat production increased

### NAJ April Butterfat Report

Butterfat Production in the top 24 Milk Producing States									
State	2023			2024			Change in Butterfat Test	Change in Butterfat (Million lbs)	
	Milk Production (Million lbs)	Butterfat Test	Butterfat lbs (Million lbs)	Milk Production (Million lbs)	Butterfat Test	Butterfat Pounds (Million lbs)			
Arizona	428	3.74%	16.0	422	4.01%	16.9	0.27%	0.91	
California	3,537	4.05%	143.2	3,544	4.22%	149.6	0.17%	6.31	
Colorado	444	3.90%	17.3	442	4.05%	17.9	0.15%	0.59	
Florida	166	3.77%	6.3	185	3.91%	7.2	0.14%	0.98	
Georgia	180	3.81%	6.9	167	3.99%	6.7	0.18%	-0.19	
Idaho	1,408	4.24%	59.7	1,406	4.30%	60.5	0.06%	0.76	
Illinois	147	4.12%	6.1	149	4.25%	6.3	0.13%	0.28	
Indiana	380	4.04%	15.4	381	4.11%	15.7	0.07%	0.31	
Iowa	494	4.30%	21.2	512	4.48%	22.9	0.18%	1.70	
Kansas	360	4.14%	14.9	346	4.29%	14.8	0.15%	-0.06	
Michigan	1,007	4.06%	40.9	1,012	4.19%	42.4	0.13%	1.52	
Minnesota	874	4.41%	38.5	872	4.51%	39.3	0.10%	0.78	
New Mexico	602	3.86%	23.2	498	4.01%	20.0	0.15%	-3.27	
New York	1,342	4.17%	56.0	1,342	4.26%	57.2	0.09%	1.21	
Ohio	473	4.01%	19.0	481	4.09%	19.7	0.08%	0.71	
Oregon	221	4.20%	9.3	207	4.35%	9.0	0.15%	-0.28	
Pennsylvania	855	4.04%	34.5	851	4.15%	35.3	0.11%	0.77	
South Dakota	358	4.63%	16.6	402	4.72%	19.0	0.09%	2.40	
Texas	1,413	4.17%	58.9	1,366	4.31%	58.9	0.14%	-0.05	
Utah	174	4.02%	7.0	175	4.17%	7.3	0.15%	0.30	
Vermont	215	4.17%	9.0	207	4.33%	9.0	0.16%	0.00	
Virginia	121	3.92%	4.7	123	4.06%	5.0	0.14%	0.25	
Washington	531	4.21%	22.4	529	4.26%	22.5	0.05%	0.18	
Wisconsin	2,656	4.12%	109.4	2,722	4.23%	115.1	0.11%	5.71	
<b>Total U.S.</b>	<b>19,204</b>	<b>4.11%</b>	<b>789</b>	<b>19,135</b>	<b>4.24%</b>	<b>811.3</b>	<b>0.13%</b>	<b>22.0</b>	

Sources: USDA NASS Milk Production Report , USDA NASS Agricultural Prices Report

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2.8%, 22 million pounds, in one year. In fact, butterfat production has increased every month during the ten-month period with declining milk production.

A deeper dive into April’s individual state data shows interesting results.

- California and Wisconsin accounted for over one-half of the 22 million pound increase. Both states posted modest gains in milk production, but California’s butterfat test increased 0.17%, and Wisconsin moved up 0.11%.
- South Dakota has by far the highest butterfat test at 4.72%. The next closest state is neighboring Minnesota at 4.51%. South Dakota’s total butterfat production of 19 million pounds ranks 12th nationally even though their milk production ranks 15th.
- Arizona posted the largest increase at 0.27% which follows their March increase of 0.28%.

- Even though the Southeast is primarily a fluid market, the three reporting states from the region, Florida, Georgia, and Virginia, all posted double-digit gains of 0.14%, 0.18%, and 0.14%, respectively.

- No states reported declines in butterfat test, and only five states had lower total butterfat production. Each of those states (Georgia, Kansas, New Mexico, Oregon, and Texas) showed declines in cow numbers.

Because over 80% of U.S. milk production is used in manufactured products, it is important for the industry to know component production in addition to milk production. Production of milk components drives the production cheese, butter, nonfat dry milk and other commodities, which in turn are converted into the milk component values paid to producers.

Butterfat Production in the U.S. by Month								
Month	2023			2024			Change in Butterfat Test	Change in Butterfat lbs
	Milk Production (Million lbs)	Butterfat Test	Butterfat lbs (Million lbs)	Milk Production (Million lbs)	Butterfat Test	Butterfat Pounds (Million lbs)		
January	19,308	4.23%	816.7	19,088	4.35%	830.3	0.12%	13.60
February	17,718	4.21%	745.9	18,195	4.30%	782.4	0.09%	36.46
March	19,811	4.19%	830.1	19,681	4.28%	842.3	0.09%	12.27
<b>April</b>	<b>19,204</b>	<b>4.11%</b>	<b>789.3</b>	<b>19,135</b>	<b>4.24%</b>	<b>811.3</b>	<b>0.13%</b>	<b>22.04</b>
May	19,852	4.06%	806.0					
June	18,948	4.01%	759.8					
July	18,985	3.98%	755.6					
August	18,828	4.00%	753.1					
September	18,181	4.08%	741.8					
October	18,645	4.21%	785.0					
November	18,051	4.32%	779.8					
December	18,833	4.35%	819.2					
YTD	226,364	4.15%	9384.7	76,099	4.29%	3266.5		

Sources: USDA NASS Milk Production Report , USDA NASS Agricultural Prices Report

April '24 STATISTICAL BLEND PRICE		April '24 MONTHLY MILK VOLUME (Million #)		April '24 JERSEY REGULATED BLEND PRICE	
Northeast (Boston)	\$20.09	Northeast (Boston)	2,256	Northeast (Boston)	\$23.49
Appalachian (Charlotte)	\$21.80	Appalachian (Charlotte)	451	Appalachian (Charlotte)	\$25.30
Southeast (Atlanta)	\$22.27	Southeast (Atlanta)	304	Southeast (Atlanta)	\$25.70
Florida (Tampa)	\$23.94	Florida (Tampa)	219	Florida (Tampa)	\$27.91
Mideast (Cleveland)	\$18.27	Mideast (Cleveland)	1,336	Mideast (Cleveland)	\$21.94
Upper Midwest (Chicago)	\$15.95	Upper Midwest (Chicago)	1,701	Upper Midwest (Chicago)	\$19.18
Central (Kansas City)	\$17.70	Central (Kansas City)	1,246	Central (Kansas City)	\$21.08
California (Los Angeles)	\$17.34	California (Los Angeles)	2,032	California (Los Angeles)	\$17.80
Southwest (Dallas)	\$18.22	Southwest (Dallas)	1,125	Southwest (Dallas)	\$21.72
Arizona (Phoenix)	\$19.44	Arizona (Phoenix)	387	Arizona (Phoenix)	\$23.07
Pacific Northwest (Seattle)	\$18.26	Pacific Northwest (Seattle)	611	Pacific Northwest (Seattle)	\$21.17
<b>ALL FMMO MARKET AVERAGE</b>	<b>\$19.39</b>	<b>ALL FMMO MARKET TOTAL</b>	<b>11,668</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>\$22.58</b>
<p>Prices reflect Federal Order minimum blend prices for city shown.</p> <p>Prices reflect FMMO minimum prices at Jersey component values.</p>					
April, '24 JERSEY BLEND WITH ESTIMATED PROTEIN OR CHEESE YIELD PREMIUMS		April '24 DOLLAR DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE		April '24 PERCENT DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE	
Northeast (Boston)	\$23.78	Northeast (Boston)	\$3.69	Northeast (Boston)	18.4%
Appalachian (Charlotte) (includes protein prem.)	\$25.70	Appalachian (Charlotte)	\$3.90	Appalachian (Charlotte)	17.9%
Southeast (Atlanta)	\$25.70	Southeast (Atlanta)	\$3.43	Southeast (Atlanta)	15.4%
Florida (Tampa)	\$27.91	Florida (Tampa)	\$3.97	Florida (Tampa)	16.6%
Mideast (Cleveland) (includes protein premium)	\$22.49	Mideast (Cleveland)	\$4.22	Mideast (Cleveland)	23.1%
Upper Midwest (Chicago) (includes cy premium)	\$19.49	Upper Midwest (Chicago)	\$3.54	Upper Midwest (Chicago)	22.2%
Central (Kansas City)	\$21.08	Central (Kansas City)	\$3.38	Central (Kansas City)	19.1%
California (Los Angeles)	\$17.80	California (Los Angeles)	\$0.46	California (Los Angeles)	2.6%
Southwest (Dallas)	\$21.72	Southwest (Dallas)	\$3.50	Southwest (Dallas)	19.2%
Arizona (Phoenix) (includes protein)	\$23.48	Arizona (Phoenix)	\$4.04	Arizona (Phoenix)	20.8%
Pacific Northwest (Seattle)	\$21.17	Pacific Northwest (Seattle)	\$2.91	Pacific Northwest (Seattle)	16.0%
<b>ALL FMMO MARKET AVERAGE</b>	<b>\$22.76</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>\$3.37</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>17.4%</b>
<p>Includes a protein premium of \$0.05 for every 0.01% increase in protein over the market average.</p> <p>Percent difference in Jersey price with premiums, over the statistical blend price.</p>					
ESTIMATED JERSEY MILK COMPOSITION		REGULATED MILK PRICES		AVERAGE JERSEY PRICE ADJUSTMENT PER CWT: Apr-24	
Butterfat	5.11	FMMO Milkfat	\$ 3.3309	FMMO Milkfat Adjustment	\$3.18
TRUE Protein	3.91	FMMO True Protein	\$ 0.8345	FMMO True Protein Adjustment	\$0.50
Other Solids	5.73	FMMO Other Solids	\$ 0.2367	FMMO Other Solids Adjustment	(\$0.01)
Solids Not Fat (SNF)	9.64				
Cheese Yield (90% Fat Recovery, 38% Moisture)	13.53				
CME Block Cheese Price	\$ 1.61				



# Milk & Component Outlook - April 2024 Jersey Price Comparisons

<u>April '24 STATISTICAL BLEND PRICE</u>		<u>April '24 MONTHLY MILK VOLUME</u> (Million #)		<u>April '24 JERSEY REGULATED BLEND PRICE</u>	
Northeast (Boston)	\$20.09	Northeast (Boston)	2,256	Northeast (Boston)	\$23.49
Appalachian (Charlotte)	\$21.80	Appalachian (Charlotte)	451	Appalachian (Charlotte)	\$25.30
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<b>ALL FMMO MARKET AVERAGE</b>	<b>\$19.39</b>	<b>ALL FMMO MARKET TOTAL</b>	<b>11,668</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>\$22.58</b>

*Prices reflect Federal Order minimum blend prices for city shown.*

<u>April, '24 JERSEY BLEND WITH ESTIMATED PROTEIN OR CHEESE YIELD PREMIUMS</u>		<u>April '24 DOLLAR DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE</u>		<u>April '24 PERCENT DIFFERENCE: JERSEY MILK WITH PREMIUMS VS. STATISTICAL BLEND PRICE</u>	
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Florida (Tampa)	\$27.91	Florida (Tampa)	\$3.97	Florida (Tampa)	16.6%
Mideast (Cleveland) (includes protein premium)	\$22.49	Mideast (Cleveland)	\$4.22	Mideast (Cleveland)	23.1%
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Central (Kansas City)	\$21.08	Central (Kansas City)	\$3.38	Central (Kansas City)	19.1%
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<b>ALL FMMO MARKET AVERAGE</b>	<b>\$22.76</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>\$3.37</b>	<b>ALL FMMO MARKET AVERAGE</b>	<b>17.4%</b>

*Prices reflect FMMO minimum prices at Jersey component values.*

*Total Grade A milk volume sold under FMMO during month.*

<u>ESTIMATED JERSEY MILK COMPOSITION</u>		<u>REGULATED MILK PRICES</u>		<u>AVERAGE JERSEY PRICE ADJUSTMENT PER CWT:</u>	
	<u>Apr-24</u>		<u>Apr-24</u>		<u>Apr-24</u>
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*Prices reflect difference between Jersey price with premiums, and the statistical blend price.*

*Percent difference in Jersey price with premiums, over the statistical blend price.*