

# 2023 IAMCA Annual Meeting

## Session V - “The Future of Fluid Milk”

*View From a NE Interstate Dairy Compact Regulator*

*Dan Smith*

*September 19, 2023*

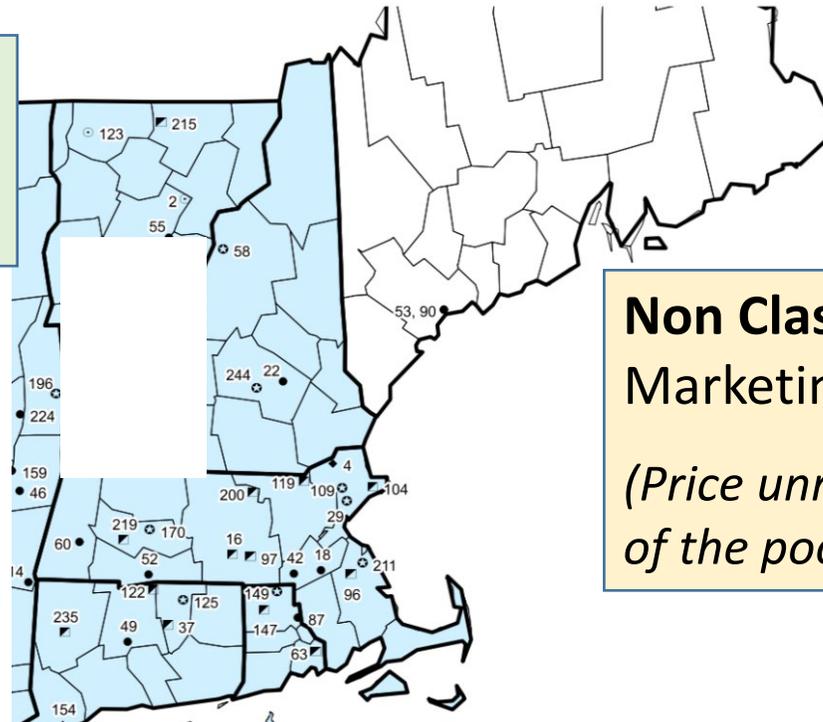
# Compact Marketing Area and Pool (1997 – 2001)

## FMMO 1 – Boston Market

NE Class I Products Produced and Sold Almost Exclusively In the New England Marketing Area

**Class I Milk Utilized for Class I Products Sold in the New England Marketing Area 42%**

*(Price Regulated)*

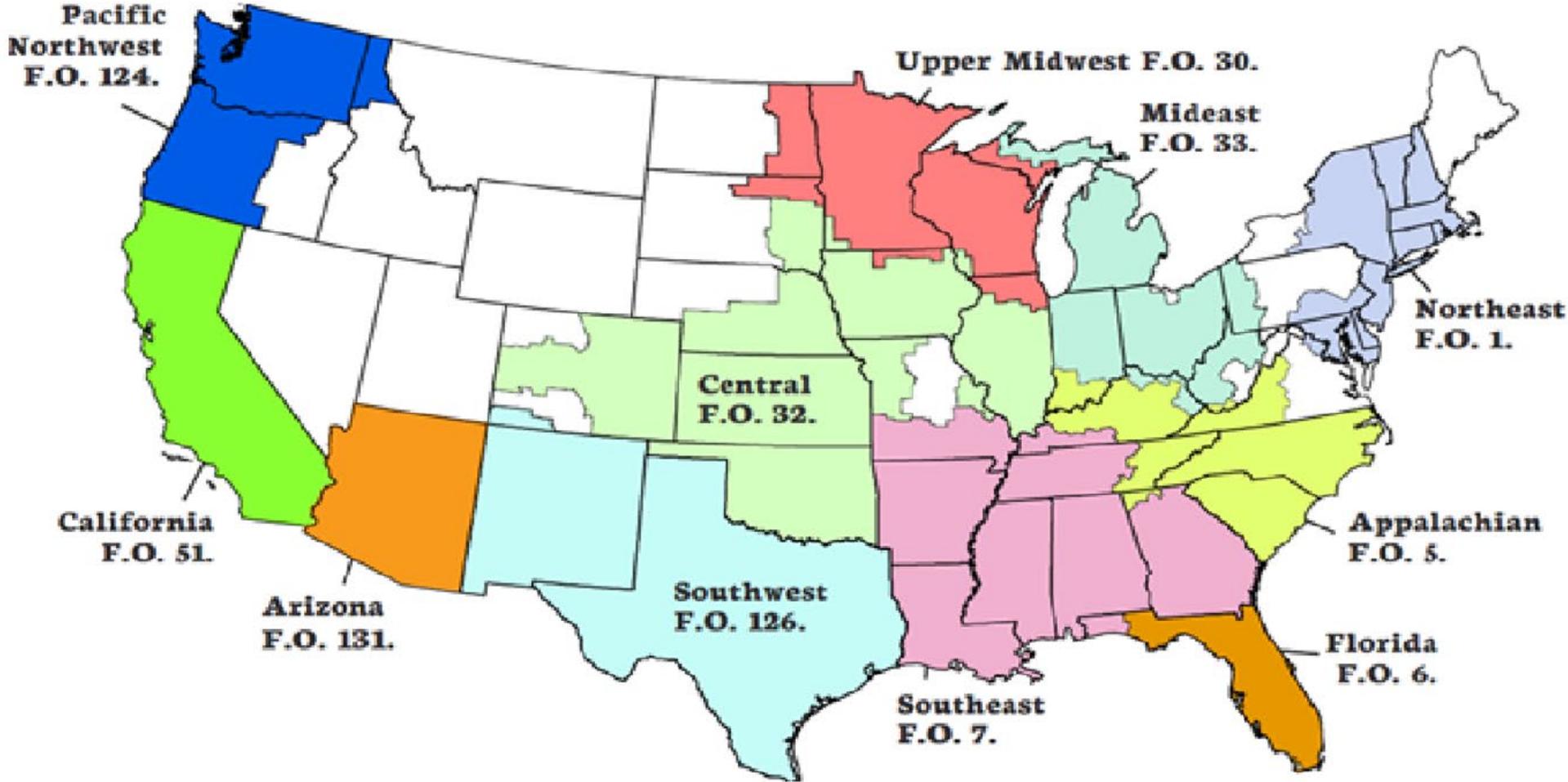


**Non Class I Milk** utilized in the Marketing Area 58%

*(Price unregulated but milk was part of the pool)*

**4200 Producers** - All NE and NY producers who supplied Compact (NE) pool plants  
**6 billion pounds of milk (28% NY)**

# FMMO Map



# FMMO 1 Pool Supply - Producers

**Table A33. Order No. 1—Number of Producers, by State, For the Year\***

	CT	DE	ME	MD	MA	NH	NJ	NY	PA	VT	VA	WV	Other NE States	Other States***	<b>TOTALS</b>
<b>2021</b>	averaged number for the year														
	71	##	177	259	78	72	##	3,217	3,924	520	##	##		492	8,810

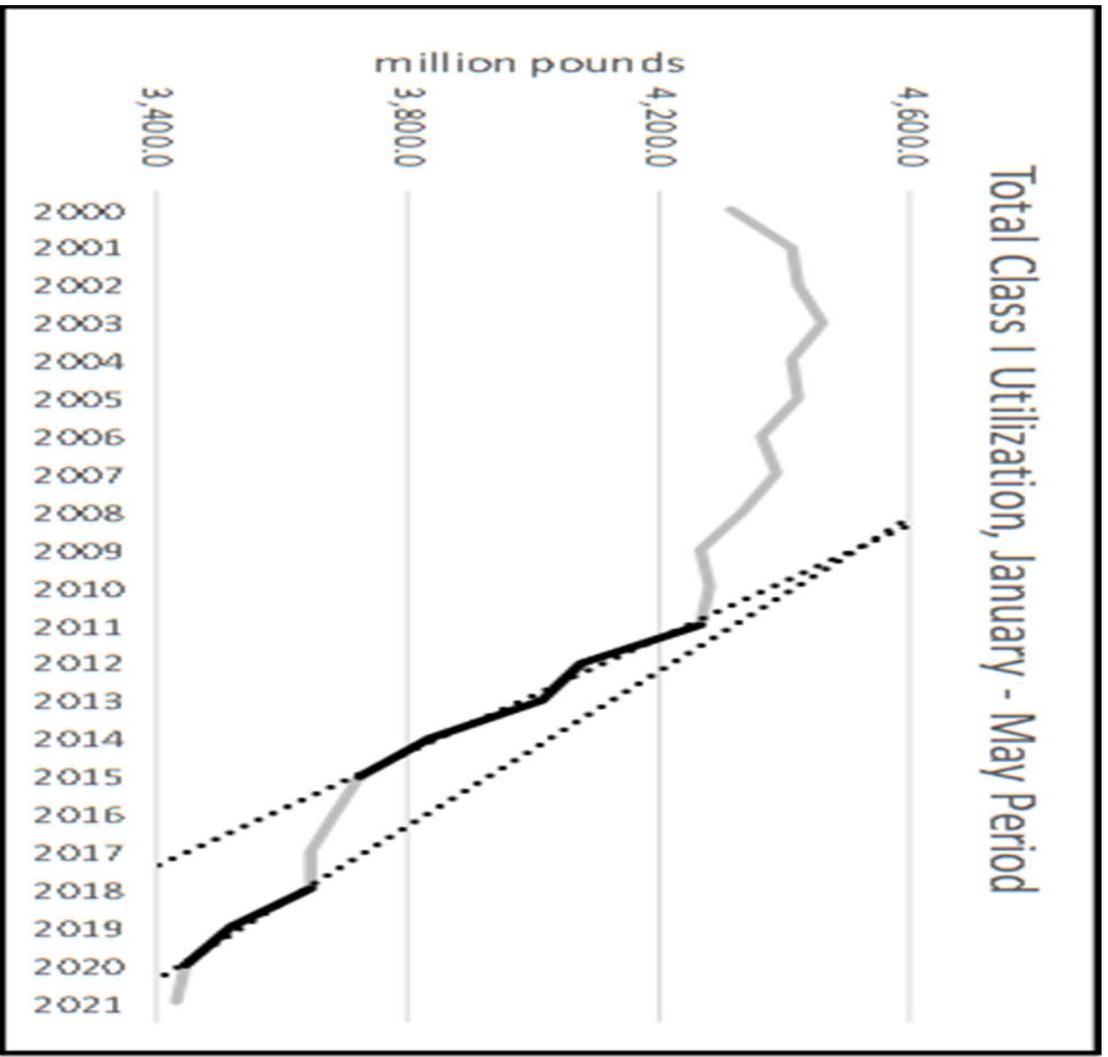
**Table A32. Order No. 1—Milk Production, by State, For the Year\***

	CT	DE	ME	MD	MA	NH	NJ	NY	PA	VT	VA	WV	Other NE States**	Other States***	<b>TOTALS</b>
<b>2021</b>	million pounds														
	418.7	##	557.2	722.4	177.3	210.2	##	13,981.9	8,117.1	2,532.8	##	##		327.7	27,045

**st Marketing Area**

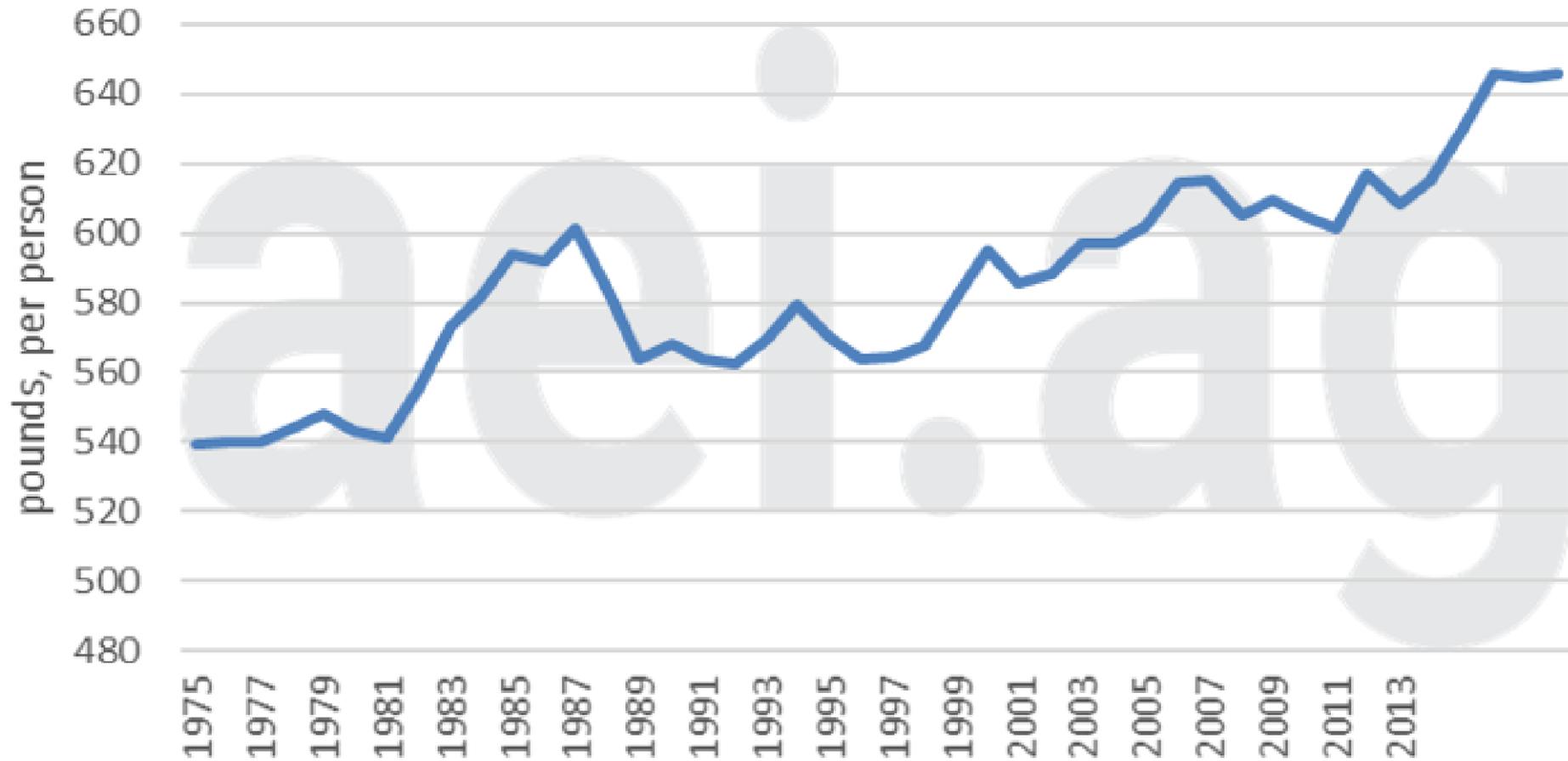
- Brian Riordon, FMMO 1 Economist, Report to the VT Legislative Dairy Task Force, October, 2021

# Deep Periods of decline in Class I Utilization



- Brian Riordon, FMMO 1 Economist, Report to the VT Legislative Dairy Task Force, October, 2021

## All Dairy Products Consumption, Milk-Fat Milk-Equivalent Basis, Per Capita



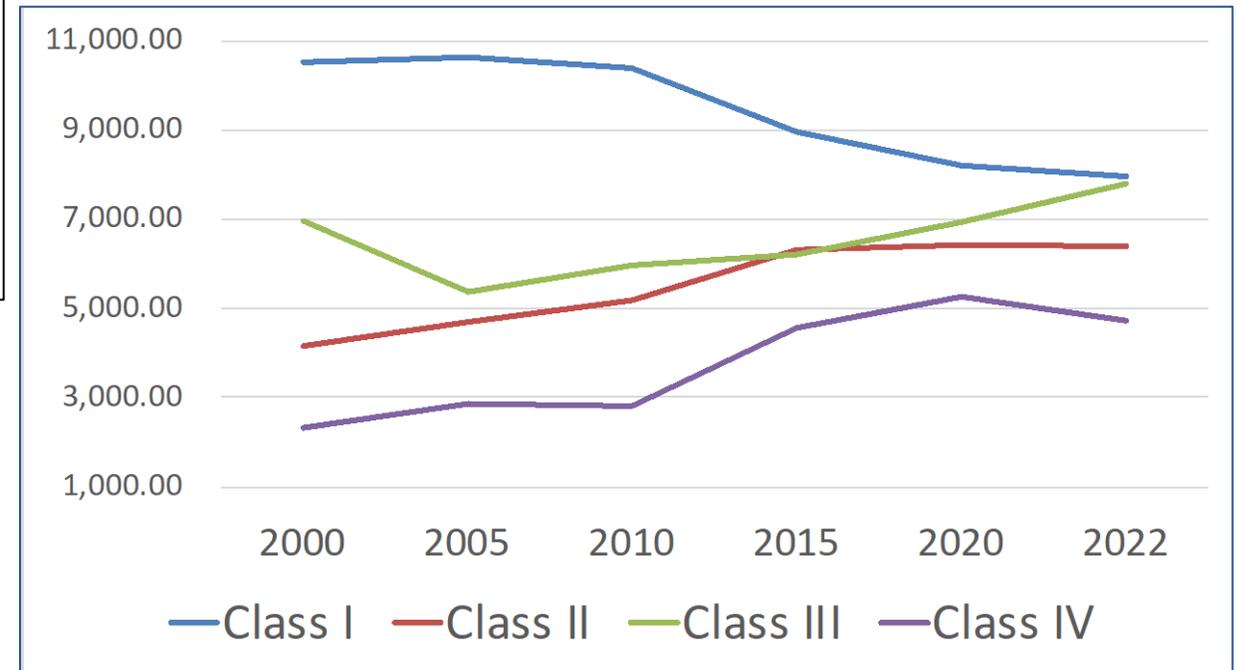
Class IV

- Brian Riordon, FMMO 1 Economist, Report to the VT Legislative Dairy Task Force, October, 2021

# Northeast Order Utilizations - Pounds

	<b>Class I</b>	<b>Class II</b>	<b>Class III</b>	<b>Class IV</b>
2000	10,513.10	4,146.90	6,963.40	2,333.50
2005	10,612.90	4,701.50	5,378.00	2,870.50
2010	10,386.50	5,181.50	5,950.70	2,814.80
2015	8,943.40	6,322.40	6,219.10	4,553.90
2020	8,210.70	6,410.00	6,936.80	5,266.60
2022	7,962.60	6,401.10	7,791.90	4,725.50

	<b>Total</b>
2000	25,956.90
2005	25,567.90
2010	26,343.50
2015	28,053.80
2020	28,844.10
2022	28,903.10



*Data From NE Statistical Handbook 2000 - Present*

## Class I Route Sales in the Northeast Marketing Area by Handlers Not Regulated Under the Order, 2018–2022

<u>Month</u>	<u>Order No. 5 Appalachian</u>	<u>Order No. 33 Midwest</u>	<u>All Other Federal Orders*</u>	<u>Partially Regulated Pounds</u>	<u>Producer- Handlers</u>	<u>Exempt Plants</u>	<u>Total In-Area Sales by Non-Regulated Handlers</u>
<b>2018 Total</b>	<b>43,318,709</b>	<b>283,592,553</b>	<b>128,214,977</b>	<b>122,976,690</b>	<b>101,726,451</b>	<b>33,734,599</b>	<b>713,564,279</b>
<b>2019 Total</b>	<b>32,816,840</b>	<b>286,493,627</b>	<b>108,046,275</b>	<b>275,547,424</b>	<b>98,882,103</b>	<b>31,925,194</b>	<b>833,711,463</b>
<b>2020 Total</b>	<b>28,957,908</b>	<b>268,468,487</b>	<b>113,868,719</b>	<b>244,785,798</b>	<b>85,461,192</b>	<b>33,100,579</b>	<b>774,642,681</b>
<b>2021 Total</b>	<b>31,745,235</b>	<b>207,431,712</b>	<b>88,521,177</b>	<b>188,295,418</b>	<b>73,021,606</b>	<b>33,391,251</b>	<b>622,408,399</b>
<b>2022 Total</b>	<b>34,965,846</b>	<b>190,335,584</b>	<b>97,922,208</b>	<b>189,665,426</b>	<b>79,603,516</b>	<b>29,955,059</b>	<b>619,458,672</b>

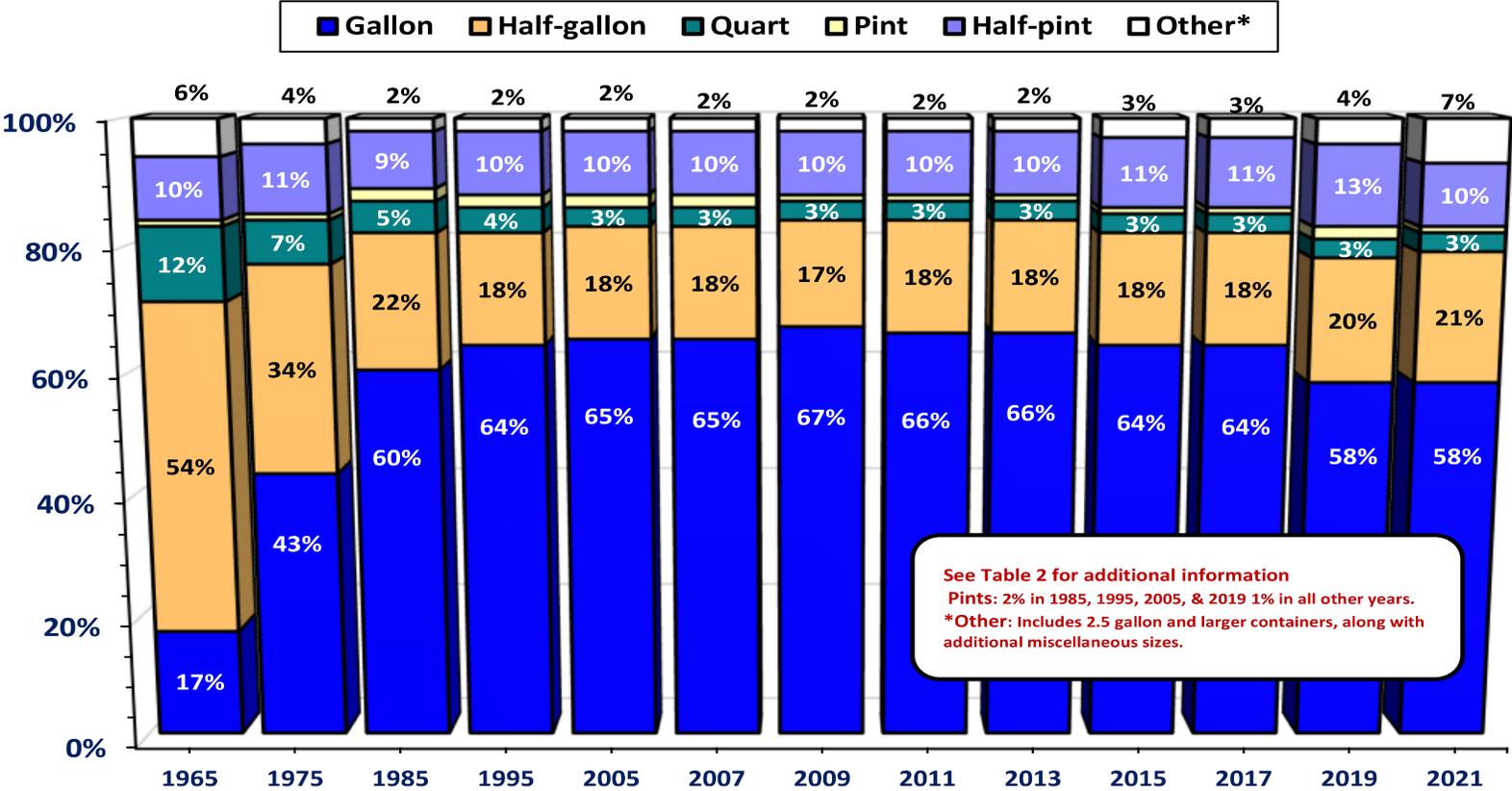
\* Includes Order Nos. 7-Southeast, 30-Upper Midwest, 32-Central, 51-California, 126-Southwest, and 131-Arizona; data for these orders has been consolidated due to fewer than 3 handlers reporting sales from these orders.

**Table 6**  
**Total Fluid Milk Products Sold By Handlers Regulated Under Federal Orders**  
**Method of Distribution-All Orders Combined**  
**November of Selected Years 1965-2021**

Year	Method of Distribution:						
	Home Delivery	Food Chain*		Institutional		Other Wholesale	Total
		Super-markets	Dairy and Convenience	Military	Schools		
	<i>----- Percent of Federal Order Total** -----</i>						
1965	28.3	N/A	N/A	N/A	N/A	N/A	100.0
1975	6.9	N/A	N/A	N/A	N/A	N/A	100.0
1985	1.5	52.6	9.4	1.2	6.8	28.5	100.0
1995	0.7	56.5	10.2	1.0	6.5	25.1	100.0
2005	0.4	48.1	9.1	1.0	6.1	35.2	100.0
2007	0.3	47.0	8.5	1.0	6.9	36.2	100.0
2009	0.3	45.2	8.6	0.9	6.9	38.2	100.0
2011	0.3	42.6	7.6	0.8	8.0	40.6	100.0
2013	0.3	40.9	8.2	0.8	8.5	41.3	100.0
2015	0.4	40.4	6.3	NC	8.0	NC	100.0
2017	0.4	36.7	5.6	NC	8.9	NC	100.0
2019	0.4	35.2	5.0	NC	9.6	NC	100.0
2021	0.4	38.6	4.6	NC	7.4	NC	100.0

# Fluid Milk Products Sold by **Container Size**

All Federal Milk Marketing Orders

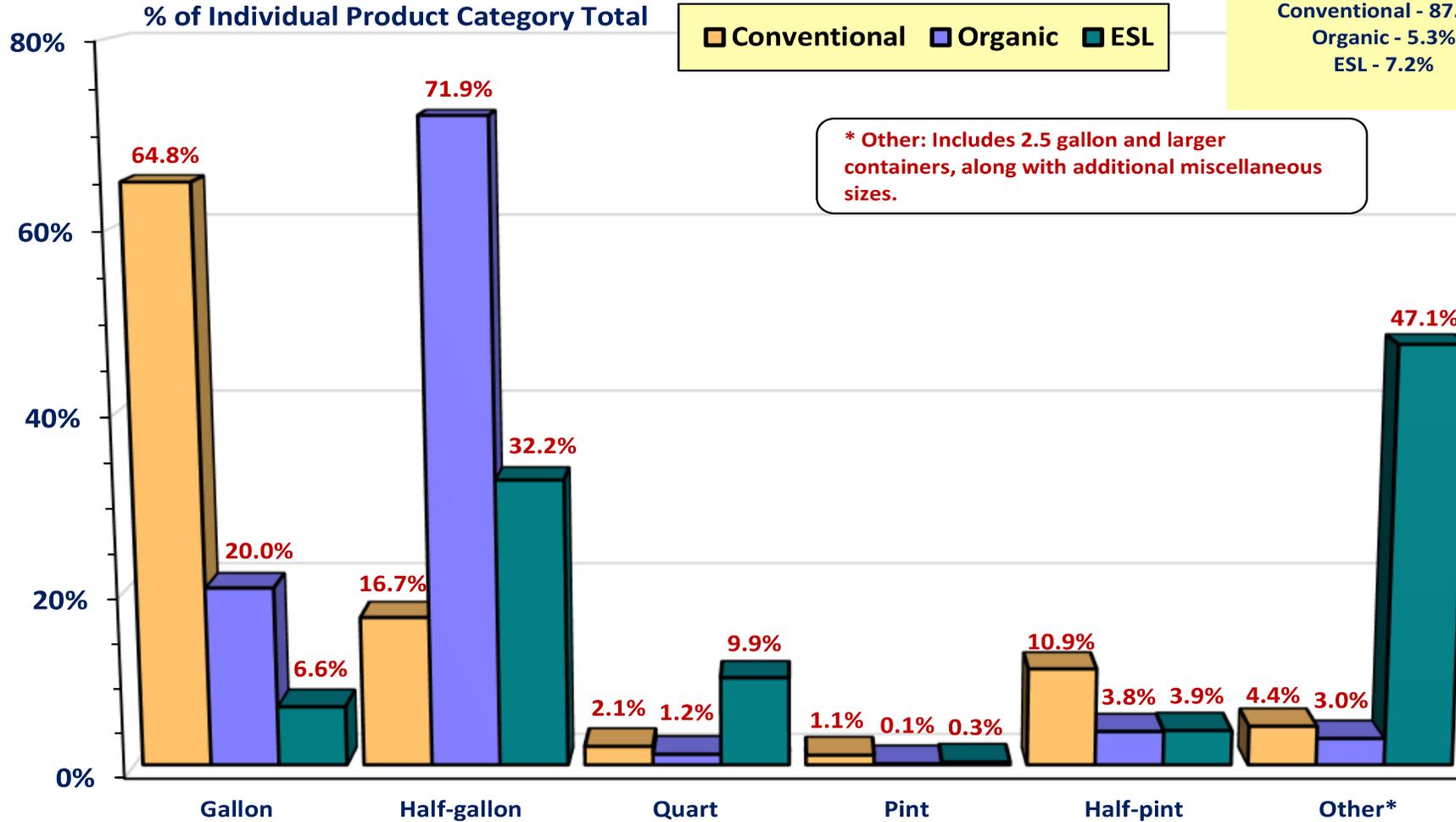


See Table 2 for additional information  
 Pints: 2% in 1985, 1995, 2005, & 2019 1% in all other years.  
 \*Other: Includes 2.5 gallon and larger containers, along with additional miscellaneous sizes.

Graph 2: *Fluid Milk Products Sold by Container Size*

# 2021 All Milk Sales by Container Size and Category

All Federal Milk Marketing Orders

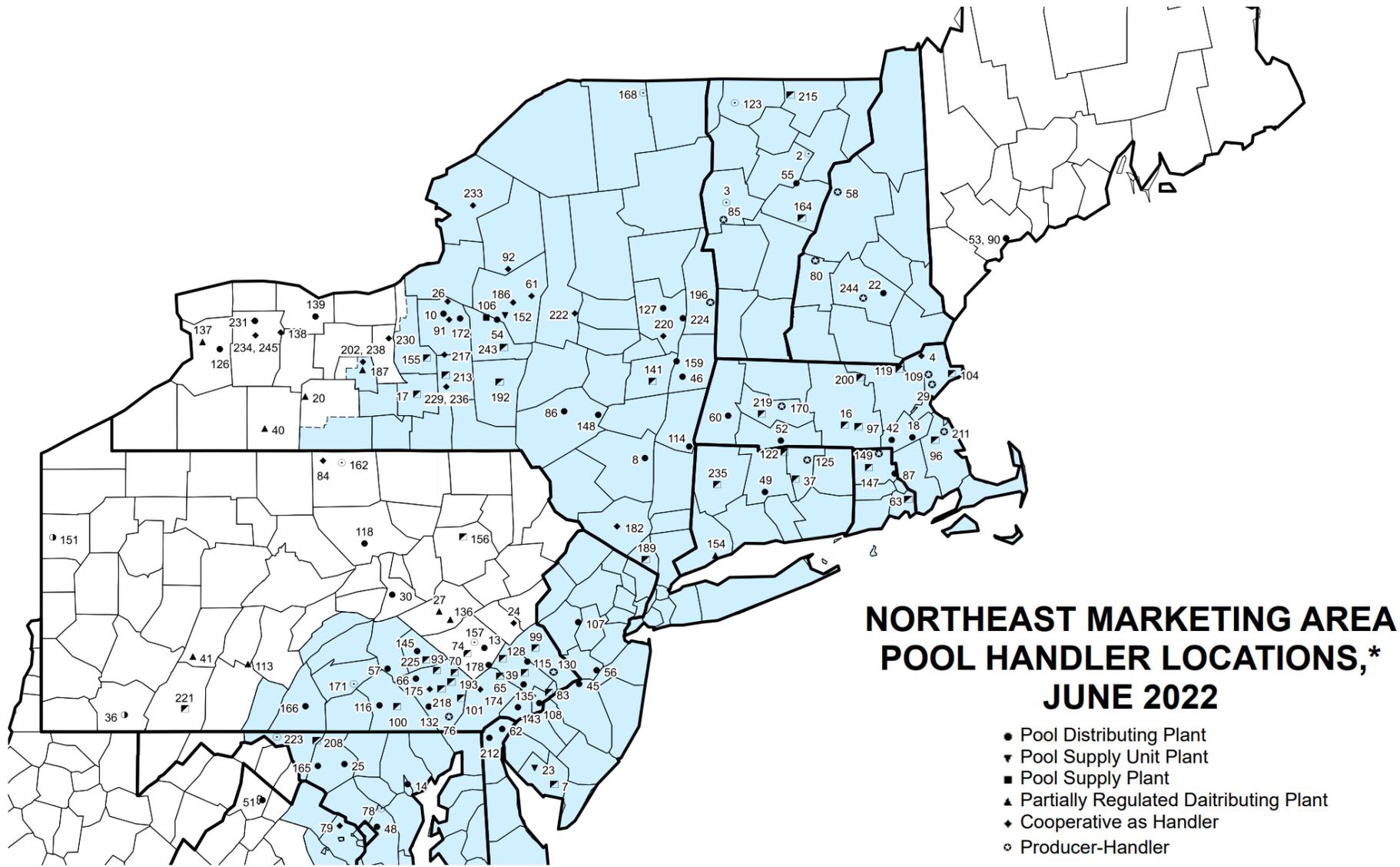


USDA AMS Packaged Fluid Milk Sales in Federal Milk Market Orders November 2021

# Number of Pool Plants



- Brian Riordon, FMMO 1 Economist, Report to the VT Legislative Dairy Task Force, October, 2021



• Dr. Christopher Wolf, Testimony Before the VT Legislative Dairy Task Force, September 12, 2022

### Graph 11: **2021 All Milk Sales by Container Size and Category**

- Products in the conventional sales category made up 87.5% of all FMMO milk sales during November 2021. Organic milk products accounted for 5.3% of this total, while ESL products were responsible for 7.2%.
- Within the conventional milk category, gallons were the overwhelming favorite container size, accounting for 64.8% of FMMO total sales during November 2021. Half-gallons (16.7%) and half-pints (10.9%) were a distant second and third in popularity, while the remaining container sizes combined for just 7.6% of total sales.
- Nearly 92% of all FMMO organic milk sales during November 2021 were in two container sizes – half-gallons with 71.9% of the total, and gallons with 20.0%. Half-pints held the largest share of the remaining container sizes, accounting for 3.8% of the organic total.
- Within the ESL category, other sizes accounted for 47.1% of all FMMO milk sales during November 2021. Half-gallon sales were second in popularity with 32.2% of the total, while quart sales accounted for 9.9%. Gallons, pints, and half-pints combined for 10.8% of November 2021 ESL total milk sales.

USDA AMS Packaged Fluid Milk Sales in Federal Milk Market Orders November 2021