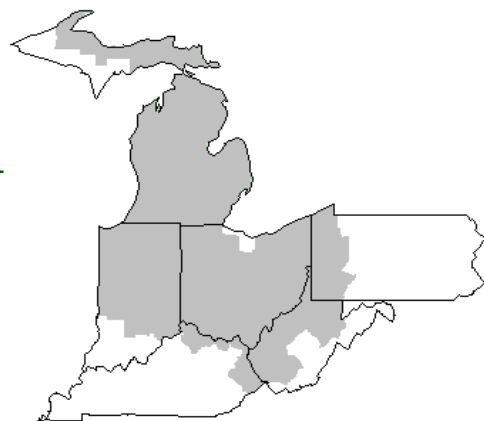


Mideast Market Administrator's Bulletin



Federal Order No. 33

Sharon R. Uther, Market Administrator

Phone: (330) 225-4758 Toll Free: (888) 751-3220

Email: clevelandma1@sprynet.com

WebPage: www.fmmaclev.com

NOVEMBER 2018

Dairy Forecasts for the Remainder of 2018

Due to growth in the dairy herd between July and August, the projected size of the dairy herd has been raised 5,000 head for the second half of 2018 to 9.400 million head; the rounded projection for 2018, however, remains at 9.400 million head. Similarly, recent growth in milk per cow motivated an increase of 20 pounds in the third quarter estimate and 5 pounds in the fourth quarter forecast, to 5,750 and 5,730 pounds per cow, respectively. With these changes, the milk production forecast for 2018 is now 218.1 billion pounds, 0.3 billion pounds higher than previously forecast.

On a milk-fat basis, the 2018 import forecast has been raised 0.1 billion pounds to 6.3 billion due to recent strength in imports of butterfat products and cheese. Exports are forecast 0.2 billion pounds higher for 2018 than last month's forecast at 10.5 billion pounds due to higher expected cheese exports. Based on relatively strong growth in domestic use in July and August, domestic use for 2018 is forecast at 212.9 billion pounds, an increase of 0.3 billion pounds from last month's forecast. With offsetting changes to supply and use, the ending stock forecast is unchanged at 13.5 billion pounds.

The forecast for imports on a skim-solids basis in 2018 has been lowered slightly to 5.6 billion pounds based on lower expected imports of MPC. Exports on a skim-solids basis are forecast 0.4 billion pounds higher than the last forecast, at 45.1 billion pounds for the year, due to recent strength in exports of NDM and whey products. With higher expected exports, the forecast for ending stocks on a skim-solids basis has been lowered to 10.8 billion pounds. The forecast for domestic use on a skim-solids basis is unchanged at 178.6 billion pounds.

Relatively small changes have been made to dairy product price forecasts for the fourth quarter of 2018. The cheddar cheese price forecast for the quarter has been lowered to \$1.585-\$1.625 per pound, while the dry whey price forecast for the quarter has been raised to \$0.420-\$0.440, both based on recent prices. Recent strength in the butter price is expected to carry through the end of the year, so the fourth-quarter butter price forecast has been raised to \$2.250-\$2.320 per pound. The NDM price forecast for the quarter is slightly higher than the last forecast, at \$0.865-\$0.905 per pound.

With a lower expected cheese price more than offsetting the higher expected dry whey price, the fourth-quarter Class III price forecast has been lowered 10 cents at the midpoint of the range to \$15.60-\$16.00 per cwt. With higher expected butter and NDM prices, the Class IV price projection has been raised 35 cents at the midpoint of the range to \$14.85-\$15.35 per cwt for the fourth quarter. These changes result in a fourth-quarter all-milk price forecast of

\$17.60-\$18.00 per cwt, 15 cents higher at the midpoint of the range than previously forecast. However, with the third-quarter all-milk price estimated lower than before, the all-milk price forecast for the year is \$16.35-\$16.45 per cwt, unchanged from last month's forecast at the midpoint of the range.

Dairy Forecasts for 2019

Based on the recent increase in milk cow numbers, the forecast for the size of the milking herd has been raised 5,000 head to 9.410 million head for the year. The 2019 forecast for yield per cow has been raised to 23,525 pounds, 30 pounds higher than last month's forecast, due to recent growth and continued expectations of relatively low feed prices. With both higher expected cow numbers and higher expected yields, the milk production forecast for 2019 is 221.4 billion pounds, 0.4 billion pounds higher than the last forecast.

Strength in imports of butterfat and cheese is expected to continue in 2019. As a result, imports on a milk-fat basis are now forecast at 6.3 billion pounds for 2019, an increase of 0.3 billion pounds from the last forecast. The export forecast remains at 9.8 billion pounds for the year. The domestic use forecast has been raised 0.6 billion pounds to 217.5 billion, as strong demand is expected to continue into next year. Strength in demand is expected to contribute to a year-over-year decrease in ending stocks, which are forecast at 12.5 billion pounds at the end of 2019.

(Continued on Page 3)

October 2018 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	576,921,973	35.0
Class II	342,920,731	20.8
Class III	503,105,224	30.5
Class IV	224,501,543	13.7
Total	1,647,449,471	100.0

Producer Prices

Producer Price Differential	\$ 0.77 /cwt
Butterfat Price	2.5551 /lb
Protein Price	1.7185 /lb
Other Solids Price	0.2553 /lb
Somatic Cell Adjustment Rate	0.00078 /cwt
Statistical Uniform Price	16.30 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

October 2018

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>BUTTERFAT</u>	<u>SKIM / PROTEIN</u>	<u>NONFAT SOLIDS</u>	<u>OTHER SOLIDS</u>	<u>PRICE</u>	<u>VALUE</u>
Class I Skim Value			565,231,399			\$9.71 / cwt	\$ 54,883,968.86
Class I Butterfat		11,690,574				2.5593 / lb	29,919,686.04
Class I Location Differential	576,921,973						(343,867.93)
Class II SNF Value				29,492,294		0.7567 / lb	22,316,818.92
Class II Butterfat		25,043,180				2.5621 / lb	64,163,131.50
Class III Protein Value			16,100,376			1.7185 / lb	27,668,496.16
Class III Other Solids Value					28,903,501	0.2553 / lb	7,379,063.83
Class III Butterfat		18,867,161				2.5551 / lb	48,207,483.09
Class IV SNF Value				20,078,586		0.6990 / lb	14,034,931.66
Class IV Butterfat		8,379,296				2.5551 / lb	21,409,939.20
Somatic Cell Value II / III / IV							<u>1,430,212.44</u>
TOTAL PRODUCER MILK VALUE	1,647,449,471	63,980,211	52,451,288		94,545,724		\$ 291,069,863.77
Overages						\$ 36,448.96	
Beginning Inventory & OS Charges						47,185.15	
TOTAL ADJUSTMENTS							<u>83,634.11</u>
TOTAL HANDLER OBLIGATIONS							\$ 291,153,497.88
Total Protein Value			52,451,288 lbs	@	\$ 1.7185		\$ (90,137,538.44)
Total Other Solids Value			94,545,724 lbs	@	0.2553		(24,137,523.36)
Butterfat Value			63,980,211 lbs	@	2.5551		(163,475,837.15)
Total Somatic Cell Values							<u>(2,177,179.83)</u>
TOTALS							\$ 11,225,419.10
Net Producer Location Adjustments							\$ 1,399,082.72
1/2 Unobligated Balance Producer Settlement Fund							<u>804,000.00</u>
Total - Divided by Total Pounds			1,647,449,471 lbs		0.8151086		\$ 13,428,501.82
Rate of Cash Reserve					(0.0451086)		<u>(743,141.39)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,647,449,471		\$ 0.77 / cwt		\$ 12,685,360.43

COMPONENT PRICES

October

COMPUTATION OF UNIFORM PRICE

October

	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Butterfat Price	\$2.5551 / lb	\$2.6646 / lb	Class III Price - 3.5% BF	\$15.53	\$16.69
Protein Price	1.7185 / lb	2.1084 / lb	Producer Price Differential*	<u>0.77</u>	<u>(0.12)</u>
Other Solids Price	0.2553 / lb	0.1853 / lb	Statistical Uniform Price	\$16.30	\$16.57
Somatic Cell Adjustment Rate	0.00078 / cwt	0.00086 / cwt			
Nonfat Solids Price	0.6990 / lb	0.6357 / lb			

CLASS PRICES

October

CLASSIFICATION OF PRODUCER MILK

October

	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Class I*	\$18.33	\$18.44	Product lbs.	Product lbs.	Product lbs.
Class II	15.54	15.95	Class I	576,921,973	556,639,167
Class III	15.53	16.69	Class II	342,920,731	328,573,172
Class IV	15.01	14.85	Class III	503,105,224	383,962,229
			<u>Class IV</u>	<u>224,501,573</u>	<u>264,696,730</u>
			Total	1,647,449,471	1,533,871,298

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2018 was \$0.77 and the Statistical Uniform Price was \$16.30 for the month. The Statistical Uniform Price is \$0.47 higher than last month, and is \$0.27 lower than October 2017.

The Producer Butterfat Price of \$2.5551 per pound increased \$0.0109 from September and is down \$0.1095 from a year ago. The Protein Price of \$1.7185 is down \$0.2844 from last month and is down \$0.3899 from October 2017. The Other Solids Price in October was \$0.2553 per pound, an increase from last month's price of \$0.2098 and \$0.0700 higher than last October. The Somatic Cell Adjustment rate for October was \$0.00078 per cwt.

October producer receipts of 1.65 billion pounds were 12.7 percent higher than September and 7.4 percent higher than October 2017 production of 1.53 billion pounds. Producer milk allocated to Class I accounted for 35.0 percent of the total producer milk in October 2018, less than the 36.1 percent in September, and lower than the 36.3 percent in October 2017. A total of 4,426 producers were pooled on the Mideast Order compared to 4,866 producers pooled in October 2017.

The market average content of producer milk was as follows: Butterfat 3.88%; Protein 3.18%; Other Solids 5.74% and Nonfat Solids 8.92%.

(continued from Front Page)

On a skim-solids basis, the import forecast has been lowered 0.1 billion pounds to 5.5 billion pounds, based on lower expected MPC imports. Exports on a skim-solids basis are projected at 44.1 billion pounds for 2019, unchanged from last month's forecast. Ending stocks are forecast at 10.8 billion pounds, the same as previously forecast. The forecast for domestic use on a milk-fat basis has been raised 0.1 billion pounds to 181.6 billion, which would represent year-over-year growth of 1.7 percent from the 2018 forecast.

Small changes were made in the product price forecasts for 2019, with the largest being for the dry whey price forecast; the price was raised 3.5 cents at the midpoint of the range to \$0.385-\$0.415 per pound, based on recent domestic price strength. The cheddar cheese price forecast has been lowered to \$1.575-\$1.665 per pound. The butter price forecast is slightly higher for the first quarter, based on recent price strength; the annual 2019 projection is \$2.215-\$2.335 per pound. The NDM price forecast is unchanged at \$0.825-\$0.895 per pound.

With the higher dry whey price forecast more than offsetting the lower cheese price forecast, the Class III price forecast has been raised to \$15.30-\$16.20 per cwt. The Class IV price forecast is \$14.35-\$15.35 per cwt, unchanged from last month's forecast at the midpoint of the range. The all-milk price forecast for 2019 is \$16.85-\$17.75 per cwt, 5 cents higher at the midpoint of the range than previously forecast.

Source: *Livestock, Dairy, and Poultry Outlook*, LDP-M-292, October 17, 2018
 USDA, Economic Research Service

September Milk Production Up 1.2 Percent

Milk production in the 23 major States during September totaled 16.4 billion pounds, up 1.5 percent from September 2017. August revised production at 17.2 billion pounds, was up 1.3 percent from August 2017. The August revision represented a decrease of 10 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,880 pounds for September, 30 pounds above September 2017.

The number of milk cows on farms in the 23 major States was 8.72 million head, 13,000 head less than September 2017, and 12,000 head less than August 2018.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during

September totaled 2.5 billion pounds, down 102 million pounds or 4.0 percent from September 2017.

Production per cow in the Mideast states averaged 1,779 pounds for September, 42 pounds less than September 2017.

The number of cows on farms in the Mideast states was 1.40 million head, 27,000 head less than September 2017.

September 2018 Highlights

Total cheese output (excluding cottage cheese) was 1.06 billion pounds, 3.1 percent above September 2017 but 2.0 percent below August 2018.

Italian type cheese production totaled 451 million pounds, 4.3 percent above September 2017 but 1.1 percent below August 2018.

American type cheese production totaled 419 million pounds, 3.9 percent above September 2017 but 1.7 percent below August 2018.

Butter production was 134 million pounds, 0.1 percent below September 2017 but 0.3 percent above August 2018.

Dry milk products (comparisons in percentage with September 2017)
 Nonfat dry milk, human - 106 million pounds, down 21.0 percent.
 Skim milk powder - 48.7 million pounds, up 67.3 percent.

Whey products (comparisons in percentage with September 2017)
 Dry whey, total - 71.3 million pounds, down 21.9 percent.
 Lactose, human and animal - 87.9 million pounds, down 7.4 percent.
 Whey protein concentrate, total - 42.2 million pounds, up 9.1 percent.

Frozen products (comparisons in percentage with September 2017)
 Ice cream, regular (hard) - 58.0 million gallons, down 4.3 percent.
 Ice cream, lowfat (total) - 34.6 million gallons, down 1.7 percent.
 Sherbet (hard) - 3.07 million gallons, down 6.4 percent.
 Frozen yogurt (total) - 4.41 million gallons, down 3.2 percent.

Released November 1, 2018, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition

www.fmmaclev.com

Featured this month are:

- Milk Production Statistics
- Dairy Product Production
- Commercial Disappearance of Milk Products

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33

State	September 2018 -----Weighted Averages-----						September 2017 -----Weighted Averages-----				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,161	755,489	3.75	3.09	5.77	185	824,377	3.70	3.08	5.81	171
Ohio	1,511	332,865	3.77	3.08	5.72	214	390,252	3.80	3.08	5.70	196
Indiana	771	204,049	3.62	3.00	5.66	212	212,737	3.72	3.08	5.77	197
New York	189	83,883	3.83	3.08	5.75	210	93,652	3.83	3.11	5.76	172
Pennsylvania	674	78,475	3.85	3.06	5.69	252	80,257	3.88	3.09	5.73	250
Other	117	7,136	3.83	3.16	5.67	270	15,115	3.92	3.18	5.73	215
Total/Average *	4,423	1,461,897	3.74	3.08	5.74	201	1,616,391	3.75	3.08	5.77	185

* Totals may not add due to rounding. Data provided on a one month delay basis and includes only milk from these states pooled on the Mideast order.



**United States
Department of
Agriculture**

PRSR STD
U.S. POSTAGE
PAID
Cleveland, Ohio
Permit No. 2511

Mideast Market Administrator Bulletin
1325 Industrial Parkway North
P.O. Box 5102
Brunswick, Ohio 44212

POSTMASTER: Time Sensitive Material - Deliver Promptly

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, or call (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

**FEDERAL ORDER DATA
October 2018**

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,219,294	774,595	34.9	\$1.66	\$17.19
FO 5 Appalachian - (Charlotte)	467,747	348,486	74.5	^{2/}	18.76
FO 6 Florida - (Tampa)	217,343	183,064	84.2	^{2/}	20.87
FO 7 Southeast - (Atlanta)	401,698	315,428	78.5	^{2/}	19.39
FO 30 Upper Midwest - (Chicago)	2,664,654	247,437	9.3	0.22	15.75
FO 32 Central - (Kansas City)	1,333,415	425,965	32.0	0.49	16.02
FO 33 Mideast - (Cleveland)	1,647,449	576,922	35.0	0.77	16.30
FO 124 Pacific Northwest - (Seattle)	810,164	177,493	21.9	0.24	15.77
FO 126 Southwest - (Dallas)	1,324,811	383,954	29.0	1.33	16.86
FO 131 Arizona - (Phoenix)	419,186	108,095	25.8	^{2/}	16.22

^{1/} Names in parentheses are principal points of markets.

^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR NOVEMBER 2018.....15.01 /cwt.

Mideast Market Administrator's Bulletin

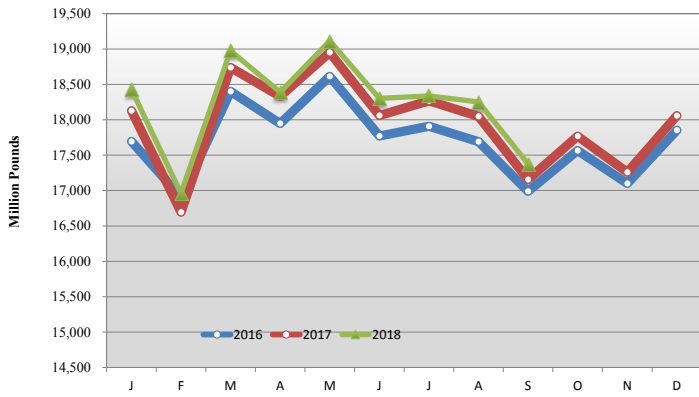
Supplement

Federal Order No. 33

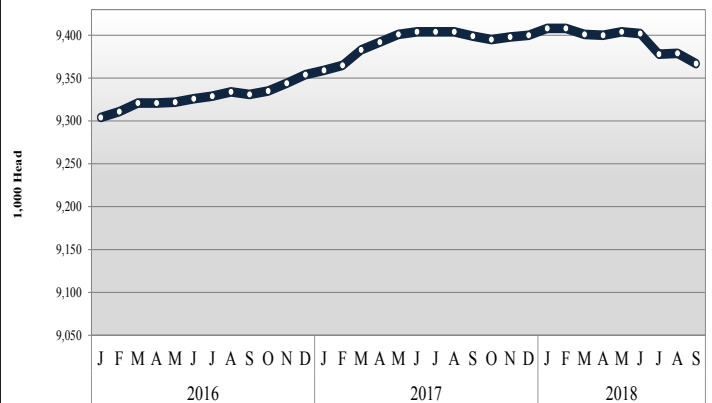
November 2018

MILK PRODUCTION STATISTICS 1/

Milk Production by Month, United States, 2016-2018



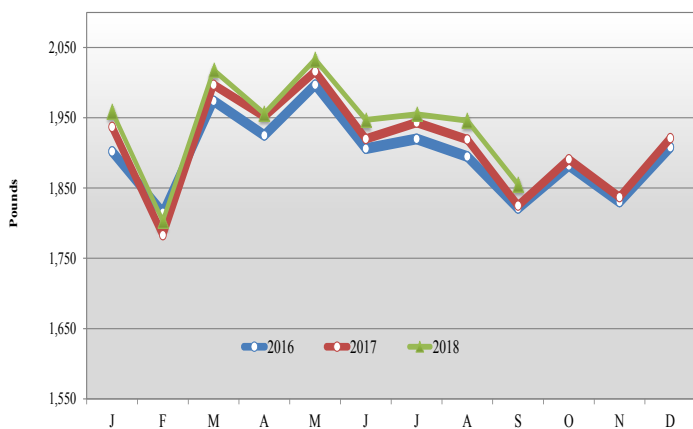
Milk Cows by Month, United States, 2016-2018



September 2018 milk production in the United States decreased 876 million pounds from August to 17.4 billion pounds. September 2018 milk production in the United States was up 1.3 percent from the same month of the prior year.

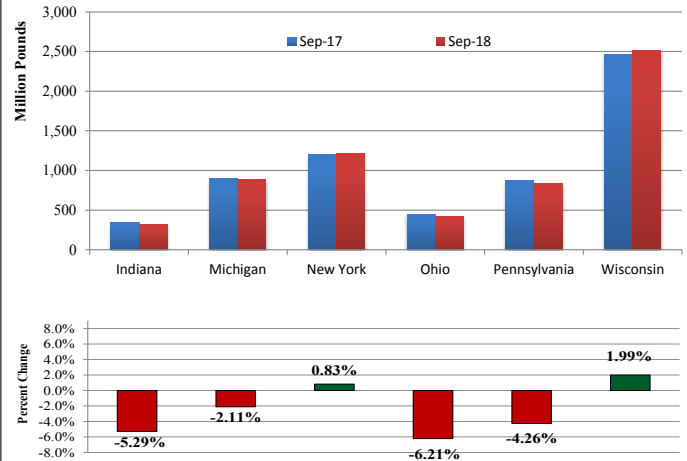
The number of milk cows on farms in the United States was 9.4 million head for September 2018, down 12,000 head from August and 32,000 head more than September 2017.

Milk Production Per Cow by Month, United States, 2016-2018



Production per cow in the United States averaged 1,855 pounds for September 2018 down 91 pounds from August 2018. September 2018 milk production per cow was up 30 pounds from the same month of the prior year.

Milk Production in Select Mideast States, March 2018 v. March 2017

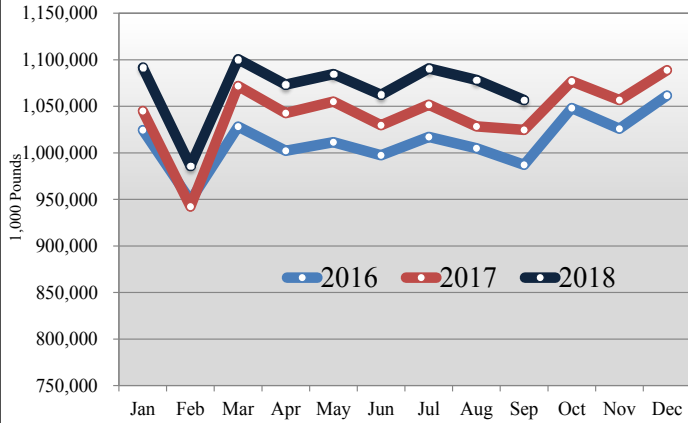


Milk production from selected states which pool on the Mideast marketing area totaled 6.2 billion pounds during September 2018, up down 43 million pounds from the prior year. Milk production in Pennsylvania declined 37 million pounds while production in Ohio declined 28 million pounds.

1/ Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA). Gaps in data in figures is due to NASS suspension of select data to meet sequestration requirements.

DAIRY PRODUCT PRODUCTION 1/

Total Cheese Production, 2016-2018



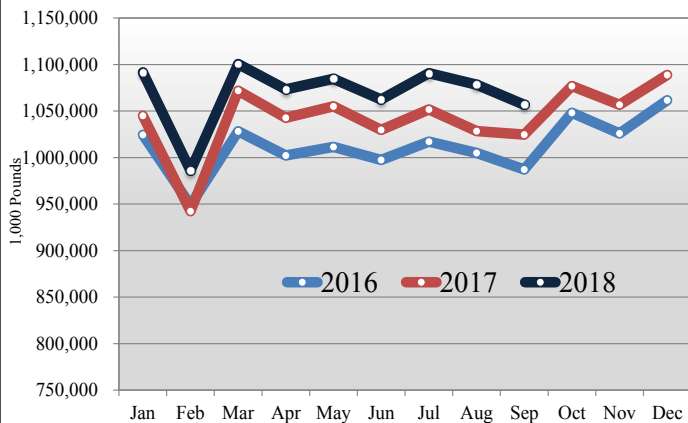
Dairy Product Production Summary:

American type cheese production totaled 419 million pounds, 3.9 percent above September 2017 and 1.7 percent below August 2018.

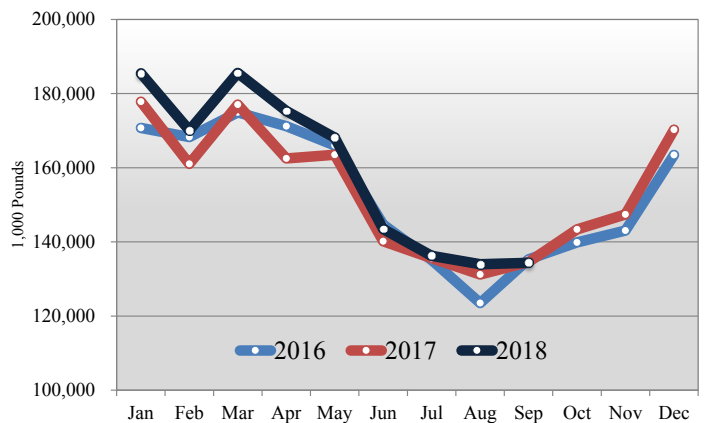
Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 3.1 percent above September 2017 and 2.0 percent below August 2018.

Butter production was 134 million pounds, 0.1 percent below September 2017 and 0.3 percent above August 2018.

Total Cheese Production, 2016-2018



Total Butter Production, 2016-2018



COMMERCIAL DISAPPEARANCE 2/

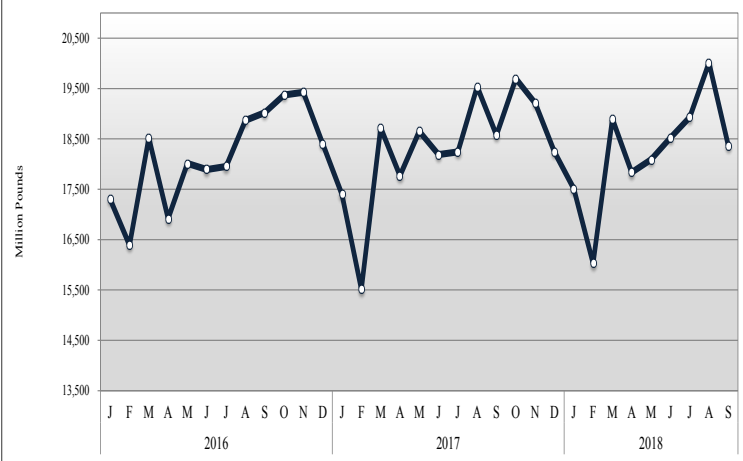
Commercial disappearance of milk in all productions represents the difference between the beginning monthly milk supply and the ending commercial stocks. Milk supply includes farm production, beginning inventory, imports and excludes milk used on the farm.

For September 2018 commercial disappearance of milk was 18.5 billion pounds, down 2.5 percent from the prior year. The cumulative disappearance total for 2017 is 151 billion pounds, an increase of 3.2 percent from the same 9-month period of 2016.

September 2017 commercial disappearance of American cheese was 418 million pounds, up 10.0 percent from the prior year.

September 2017 commercial disappearance of butter was 165 million pounds, down 12.7 percent from the prior year.

Commercial Disappearance of Milk in All Products, 2016-2018



1/ Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

2/ Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.