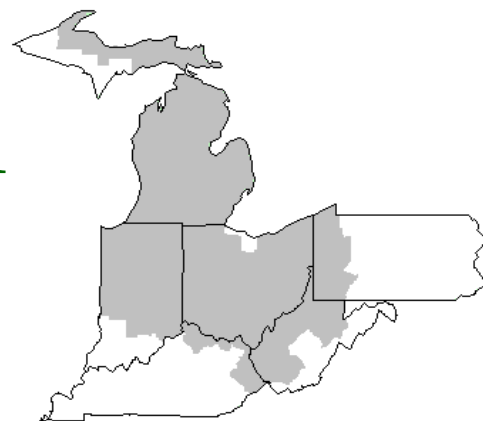


Mideast Market Administrator's Bulletin



Federal Order No. 33

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APRIL 2019

February Milk Production Up 0.6 Percent

Milk production in the 23 major States during February totaled 16.0 billion pounds, up 0.6 percent from February 2018. January revised production, at 17.5 billion pounds, was up 1.3 percent from January 2018. The January revision represented a decrease of 7 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,838 pounds for February, 21 pounds above February 2018.

The number of milk cows on farms in the 23 major States was 8.72 million head, 47,000 head more than February 2018, but unchanged from January 2019.

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 February totaled 2.5 billion pounds, down 66 million pounds or 2.7 percent from February 2018.

Production per cow in the Mideast states averaged 1,771 pounds for February, Four pounds above February 2018.

The number of cows on farms in the Mideast states was 1.4 million head, 42,000 head less than February 2018.

Recap of the 2018 Dairy Industry Situation

The simple average all-milk price was \$16.18 per cwt in 2018, a decrease from \$17.65 in 2017 and the lowest annual average since the average price of \$12.83 per cwt in 2009. Annual average prices for cheese, butter, nonfat dry milk (NDM), and dry whey fell from 2017 to 2018.

Milk production totaled 217.5 billion pounds in 2018, a modest 0.9-percent increase from 215.5 billion pounds in 2017.1 Milk cows averaged 9,385 head in 2018, down 7,000 head from 2017. Average milk per cow was 23,173 pounds in 2018, a modest increase of 1.0 percent. This compares with a compound annual growth rate of 1.3 percent from 2007 to 2017.

The relatively low ratio of milk prices to feed prices in 2018 likely contributed to the relatively slow growth in milk production. The milk-feed ratio averaged 2.04 in 2018, a decrease from 2.42 in 2017. It reached its lowest point of 1.90 in April and May. Calendar-year average prices for corn, soybean meal, and alfalfa hay were all up from the previous year at \$3.47 per bushel (+\$0.11), \$345 per short ton (+\$29), and \$174 per short ton (+\$29), respectively.

Overall, domestic use for dairy products grew slightly in 2018, by 0.7 percent on a milk-fat milk-equivalent basis and by 0.7 percent on a skim-solids milk-equivalent basis. Demand grew for both butter and cheese, continuing a multiyear trend. While domestic demand for products with high skim-solids content grew overall, it was mixed among individual products. Nonfat dry milk (NDM) and skim milk powder (SMP) collectively saw an 18.6 percent drop in domestic use, but domestic use of dry whey and whey protein concentrate (WPC) increased. Notably, most domestic use growth for products with substantial high skim-solids content occurred in the second half of the year, concurrent with drops in exports of many of the same products.

Stocks on a skim-solids basis fell 11.4 percent during the year. Specifically, there were significant declines in NDM, dry whey, and WPC stocks during the year. On a milk-fat basis, stocks grew 3.4 percent in 2018. Butter and cheese both had higher stocks at the end of 2018 than the year prior.

In the first half of 2018, dairy export growth was robust. However, it was dampened in the second half of the year as some key U.S. dairy partners imposed retaliatory tariffs on U.S. dairy product imports in response to U.S. tariffs on various goods. Mexico implemented cheese tariffs on June 5 and then increased them on July 5. Canada implemented yogurt tariffs on July 1. China implemented tariffs on most U.S. dairy products on June 16 and then included tariffs on additional dairy products on August 23. On a milk-fat milk-equivalent basis, exports in the first half of 2018 grew by 18.9 percent, but the year-over-year growth declined to 8.0 percent in the second half of the year. On a skim-solids milk-equivalent basis, exports in the first half of 2018 grew by 19.8 percent over the first half of 2017, but in the third quarter the growth rate had declined to 12.8 percent, and 2018 fourth-quarter exports were below the previous year by 12.2 percent.

Imports on a milk-fat basis grew 6.1 percent in 2018, with much of the growth occurring in the second half of the year. Year-over-year growth of imports on a milk-fat basis was 16.2 percent in the second half of 2018. Growth in butter imports accounted for most of this increase, with Irish butter continuing to dominate the import market. Imports of butter from Ireland increased 46.2 percent in 2018, and Ireland's share of U.S. butter imports rose to 78.3 percent. On a skim-solids basis, imports fell 9.9 percent in 2018, as imports of both WPC and lactose fell during the year.

March 2019 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	560,693,919	33.7
Class II	219,367,456	13.2
Class III	633,125,340	38.0
Class IV	251,360,251	15.1
Total	1,664,546,966	100.0

Producer Prices

Producer Price Differential	\$ 1.15 /cwt
Butterfat Price	2.5461 /lb
Protein Price	1.6303 /lb
Other Solids Price	0.2200 /lb
Somatic Cell Adjustment Rate	0.00077 /cwt
Statistical Uniform Price	16.19 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

March 2019

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			549,275,202			\$9.25 / cwt	\$ 50,807,956.22
Class I Butterfat		11,418,717				2.5870 / lb	29,540,220.91
Class I Location Differential	560,693,919						(258,035.18)
Class II SNF Value				18,681,222		0.8833 / lb	16,501,123.38
Class II Butterfat		19,121,969				2.5531 / lb	48,820,299.10
Class III Protein Value			20,336,395			1.6303 / lb	33,154,424.74
Class III Other Solids Value					36,792,054	0.2200 / lb	8,094,251.88
Class III Butterfat		21,039,088				2.5461 / lb	53,567,621.97
Class IV SNF Value				22,180,456		0.7832 / lb	17,371,733.12
Class IV Butterfat		13,805,268				2.5461 / lb	35,149,592.86
Somatic Cell Value II / III / IV							<u>1,513,446.02</u>
TOTAL PRODUCER MILK VALUE	1,664,546,966	65,385,042	53,090,327		96,174,889		\$ 294,262,635.02
Overages						\$1,782.32	
Beginning Inventory & OS Charges						2,193.14	
TOTAL ADJUSTMENTS							\$ <u>3,975.46</u>
TOTAL HANDLER OBLIGATIONS							\$ 294,266,610.48
Total Protein Value			53,090,327 lbs	@	\$ 1.6303		\$ (86,533,160.14)
Total Other Solids Value			96,174,889 lbs	@	0.2200		(21,158,475.58)
Butterfat Value			65,385,042 lbs	@	2.5461		(166,476,855.44)
Total Somatic Cell Values							<u>(2,298,548.86)</u>
TOTALS							\$ 17,779,570.46
Net Producer Location Adjustments							\$ 1,274,533.46
1/2 Unobligated Balance Producer Settlement Fund							<u>756,000.00</u>
Total - Divided by Total Pounds			1,664,546,966 lbs		1.1901199		\$ 19,810,103.92
Rate of Cash Reserve					(0.0401199)		<u>(667,814.58)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,664,546,966		\$ 1.15 / cwt		\$ 19,142,289.34

COMPONENT PRICES

March

COMPUTATION OF UNIFORM PRICE

March

	<u>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>
Butterfat Price	\$2.5461 / lb	\$2.4273 / lb	Class III Price - 3.5% BF	\$15.04	\$14.22
Protein Price	1.6303 / lb	1.8066 / lb	Producer Price Differential*	<u>1.15</u>	<u>0.02</u>
Other Solids Price	0.2200 / lb	0.0556 / lb	Statistical Uniform Price	\$16.19	\$14.24
Somatic Cell Adjustment Rate	0.00077 / cwt	0.00078 / cwt			
Nonfat Solids Price	0.7832 / lb	0.5232 / lb			

CLASS PRICES

March

CLASSIFICATION OF PRODUCER MILK

March

	<u>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>
Class I*	\$17.98	\$15.36	Product lbs.	Product lbs.	Product lbs.
Class II	16.61	13.88	Class I	560,693,919	542,642,206
Class III	15.04	14.22	Class II	219,367,456	341,434,821
Class IV	15.71	13.04	Class III	633,125,340	444,282,040
			<u>Class IV</u>	<u>251,360,251</u>	<u>285,934,173</u>
			Total	1,664,546,966	1,614,293,240

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for March 2019 was \$1.15 and the Statistical Uniform Price was \$16.19 for the month. The Statistical Uniform Price is \$0.59 higher than last month, and is \$1.95 higher than March 2018.

The Producer Butterfat Price of \$2.5461 per pound increased \$0.0116 from February and is up \$0.1188 from a year ago. The Protein Price of \$1.6303 is up \$0.4527 from last month and is down \$0.1763 from March 2018. The Other Solids Price in March was \$0.2200 per pound, a decrease from last month's price of \$0.2631 and \$0.1644 higher than last March. The Somatic Cell Adjustment rate for March was \$0.00077 per cwt.

March producer receipts of 1.66 billion pounds were 12.7 percent higher than February and 3.1 percent higher than March 2018 production of 1.61 billion pounds. Producer milk allocated to Class I accounted for 33.7 percent of the total producer milk in March 2019, less than the 35.7 percent in February, and higher than the 33.6 percent in March 2018. A total of 4,284 producers were pooled on the Mideast Order compared to 4,619 producers pooled in March 2018.

The market average content of producer milk was as follows: Butterfat 3.93%; Protein 3.19%; Other Solids 5.78% and Nonfat Solids 8.97%.

February 2019 Highlights

Total cheese output (excluding cottage cheese) was 991 million pounds, 0.5 percent above February 2018 but 9.7 percent below January 2019.

Italian type cheese production totaled 440 million pounds, 3.3 percent above February 2018 but 8.3 percent below January 2019.

American type cheese production totaled 394 million pounds, 0.9 percent below February 2018 and 10.4 percent below January 2019.

Butter production was 165 million pounds, 2.9 percent below February 2018 and 12.9 percent below January 2019.

Dry milk products (comparisons in percentage with February 2018)
 Nonfat dry milk, human - 154 million pounds, down 2.6 percent.
 Skim milk powder - 35.8 million pounds, down 4.8 percent.

Whey products (comparisons in percentage with February 2018)
 Dry whey, total - 74.9 million pounds, down 16.4 percent.
 Lactose, human and animal - 98.8 million pounds, up 14.5 percent.
 Whey protein concentrate, total - 39.1 million pounds, down 0.9 percent.

Frozen products (comparisons in percentage with February 2018)
 Ice cream, regular (hard) - 51.1 million gallons, down 7.7 percent.
 Ice cream, lowfat (total) - 32.3 million gallons, down 4.7 percent.
 Sherbet (hard) - 2.59 million gallons, down 13.5 percent.
 Frozen yogurt (total) - 4.55 million gallons, down 1.6 percent.

Released April 3, 2019, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

USDA Census of Agriculture

The United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) released the 2017 Census of Agriculture results on April 11th. The full Census report includes millions of data points, including number of farms, land in farms, total value of production, demographics, and more at the national, state, and county levels.

The report, along with a number of related publications, video presentations, and searchable data query interfaces, is available on the NASS website at www.nass.usda.gov.

"We are excited to share the new Census of Agriculture data," said U.S. Secretary of Agriculture Sonny Perdue. "The Census data

will help inform decisions about ag education, research, farm programs, rural development, and much more over the next several years. Conducting the Census is part of USDA's commitment to you."

This Census report includes new information on military service, food marketing practices, and on-farm decision-making. These additions help better capture the roles and contributions of beginning farmers, women farmers, and others involved in running a farm enterprise. Data from this census as well as previous ones are easily searchable on the new online Census Data Query Tool.

At the same time that the 2017 Census of Agriculture data is released for the 50 states, NASS is collecting Census data in the U.S. territories of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. The agency is also in the last few weeks of data collection for two Census of Agriculture Special Studies - the 2018 Census of Aquaculture and the 2018 Irrigation and Water Management Survey. These and other products, such as state, county, and congressional district profiles, will be released throughout the year.

The first Census of Agriculture was conducted in 1840 in conjunction with the decennial Census. After 1920, it was conducted every four to five years. By 1982, it was regularly conducted once every five years as it still is today, mailed to every known farm and ranch in the United States.

NASS is the federal statistical agency responsible for producing official data about U.S. agriculture and is committed to providing timely, accurate and useful statistics in service to U.S. agriculture.

Press Release No. 0047.19; Sue King, (202) 690-8122; Teresa White, (202) 690-8123

Bulletin WebPage Edition
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Featured this month are:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- National Product Prices

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

State	February 2019 -----Weighted Averages-----						February 2018 -----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	1,109	754,948	3.96	3.24	5.80	172	826,722	3.88	3.19	5.80	167
Ohio	1,522	345,540	4.01	3.19	5.71	175	382,937	3.92	3.15	5.72	175
Indiana	739	199,471	3.92	3.19	5.80	184	218,259	3.86	3.16	5.83	184
New York	201	81,060	4.05	3.20	5.74	175	84,360	3.97	3.15	5.76	153
Pennsylvania	659	74,344	4.08	3.17	5.73	208	77,419	4.03	3.14	5.75	217
Other	152	21,750	3.87	3.16	5.75	219	15,482	4.06	3.23	5.73	191
Total/Average *	4,382	1,477,112	3.98	3.22	5.77	177	1,605,180	3.90	3.17	5.78	173

* 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.



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**FEDERAL ORDER DATA
March 2019**

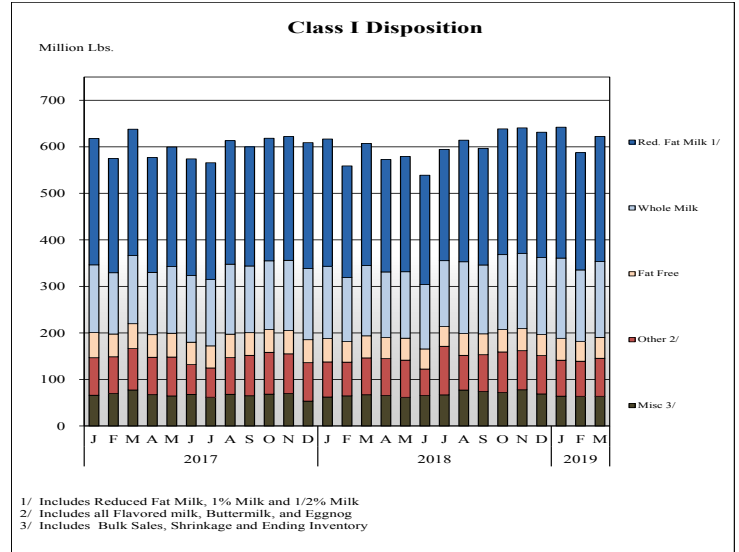
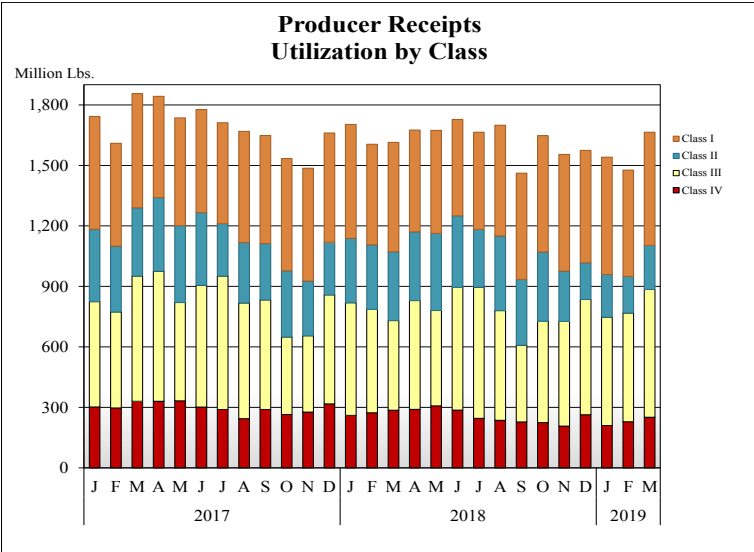
Marketing Area ^{1/}	Producer Milk		Class I	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)	Percent %		
FO 1 Northeast - (Boston)	2,318,821	709,114	30.6	\$2.13	\$17.17
FO 5 Appalachian - (Charlotte)	479,523	310,211	64.7	^{2/}	18.31
FO 6 Florida - (Tampa)	225,665	184,855	81.9	^{2/}	20.41
FO 7 Southeast - (Atlanta)	448,057	289,923	64.7	^{2/}	18.70
FO 30 Upper Midwest - (Chicago)	3,243,312	228,057	7.0	0.24	15.28
FO 32 Central - (Kansas City)	1,504,218	397,488	26.4	0.72	15.76
FO 33 Mideast - (Cleveland)	1,664,547	560,694	33.7	1.15	16.19
FO 51 California - (Los Angeles)	2,258,042	447,451	19.8	0.99	16.03
FO 124 Pacific Northwest - (Seattle)	754,230	145,866	19.3	0.75	15.79
FO 126 Southwest - (Dallas)	1,281,895	351,657	27.4	1.54	16.58
FO 131 Arizona - (Phoenix)	462,756	104,276	22.5	^{2/}	16.18

^{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 APRIL 2019.....\$15.04 /cwt.

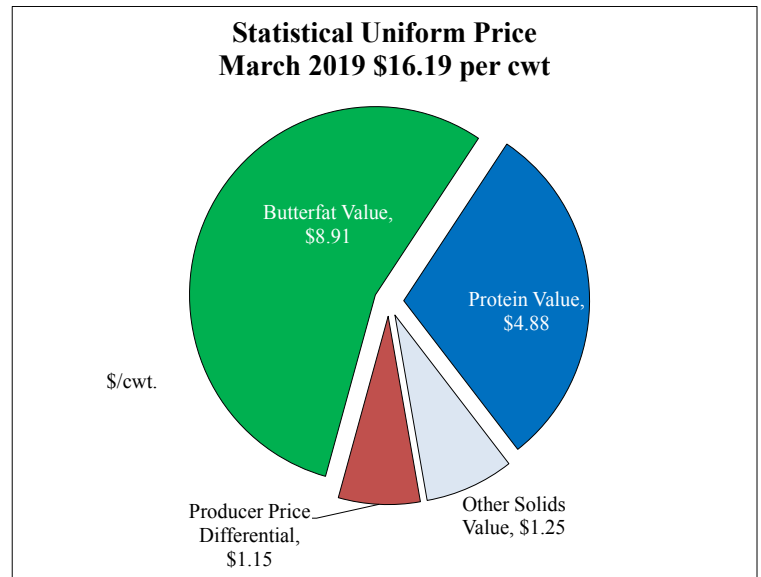
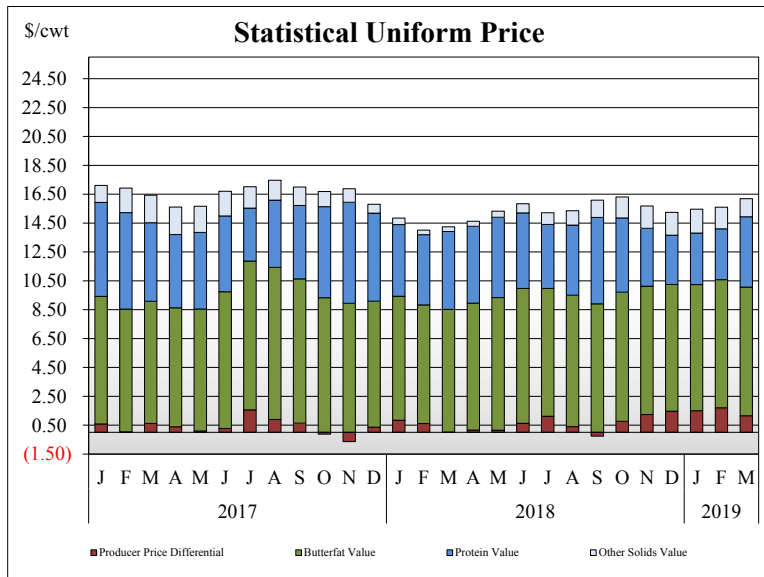
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.66 billion pounds in March 2019. The pounds allocated to Class I represented 33.7 percent of the total pounds. Producer receipts increased 187.5 million pounds compared to February 2019, and were up 50.3 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 560.7 million pounds in March 2019, up 18.1 million pounds from March 2018. Finished products include 163.1 million pounds used for whole milk, 268.1 million pounds of reduced fat and low fat milk, and 45.0 million pounds of fat free (skim) milk.

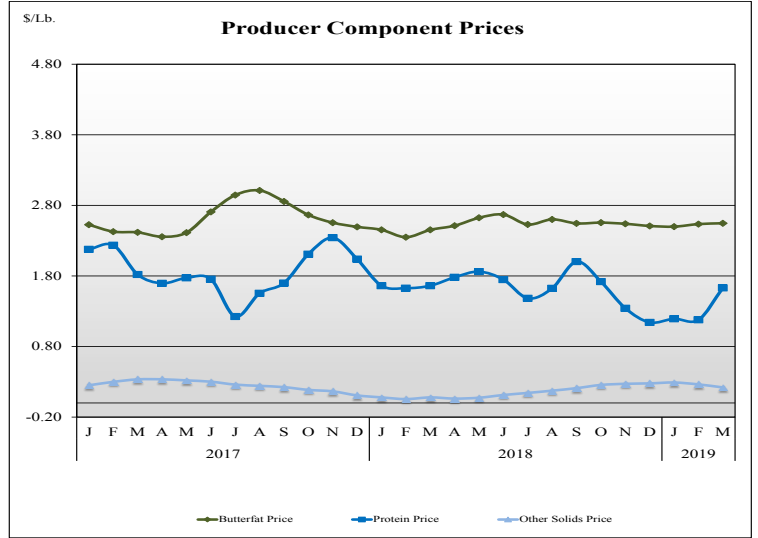
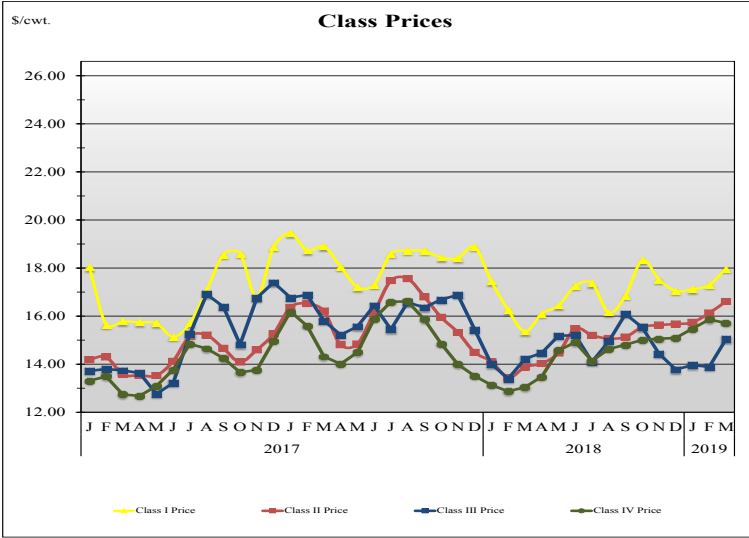
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$16.19 per cwt for March 2019. The March 2018 SUP was \$1.95 per cwt higher than the March 2018 SUP. The March 2019 SUP is \$0.59 per cwt higher than the February 2019 SUP.

March 2019 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the March 2019 SUP are: \$4.88 per cwt for protein, \$8.91 per cwt for butterfat and \$1.25 per cwt for other solids. Also included in the SUP is the \$1.15 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

