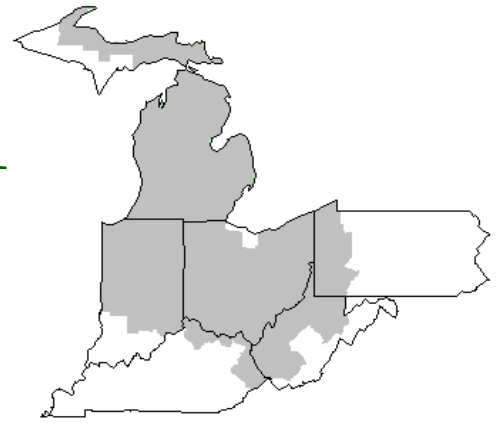


# Mideast Market Administrator's Bulletin



## 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

**JANUARY 2021**

## Dairy Forecasts for 2021

Based on recent data, the forecast for the 2021 average size of the milking herd has been raised to 9.395 million head, 15,000 higher than last month's forecast. The forecast for milk per cow in 2021 is unchanged at 24,090 pounds per head. With higher expected milk cow numbers, the milk production forecast for 2021 is 226.3 billion pounds, 0.4 billion higher than last month's forecast.

The forecasts for 2021 dairy exports have been raised from last month's forecasts to 9.6 billion pounds on a milk-fat basis (+0.1 billion) and to 48.7 billion pounds on a skim-solids basis (+0.6 billion). Exports of whey products, especially to China, are expected to continue growing. With more competitive U.S. prices, higher exports of cheese are expected. The forecast for 2021 imports on a milk-fat basis has been lowered to 6.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower expected imports of various dairy products. On a skim-solids basis, the import forecast for 2021 is 5.6 billion pounds, unchanged from last month's forecast.

The forecast for 2021 domestic use on a milk-fat basis is 222.5 billion pounds, unchanged from last month's forecast. On a skim-solids basis, the forecast for domestic use has been lowered by 0.4 billion pounds to 182.3 billion pounds. Ending stock forecasts for 2021 have been raised to 14.5 billion pounds on a milk-fat basis (+0.4 billion) and 10.2 billion pounds on a skim-solids basis (+0.2 billion).

Price forecasts for 2021 have been lowered for Cheddar cheese and butter to \$1.635 (-19.0 cents) and \$1.570 (-11.5 cents) per pound, respectively, due to recent price movements and lowered expectations for domestic demand. The NDM price forecast for 2021 has been raised to \$1.065 per pound, 1.0 cent higher than last month's forecast. The dry whey price has been raised by 4.0 cents to \$0.405 per pound, due to recent price movements and higher expectations for exports of whey products.

With the lower cheese price forecast for 2021 more than offsetting the higher dry whey price forecast, the Class III milk price forecast for 2021 is \$15.60, \$1.65 lower than last month's forecast. With the lower butter price forecast more than offsetting the higher NDM price forecast, the Class IV milk price forecast has been lowered \$0.40 to \$13.60 per cwt. The all-milk price forecast for 2021 is \$16.60 per cwt, \$1.10 lower than forecast last month.

**Source:** *Livestock, Dairy, and Poultry Outlook*, LDP-M-318, December 16, 2020  
USDA, Economic Research Service

## November Milk Production Up 3.1 Percent

Milk production in the 24 major States during November totaled 17.2 billion pounds, up 3.1 percent from November 2019. October revised production at 17.7 billion pounds, was up 2.5 percent from October 2019. The October 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 24 major States averaged 1,935 pounds for November, 41 pounds above November 2019.

The number of milk cows on farms in the 24 major States was 8.90 million head, 82,000 head more than November 2019, and 13,000 head more than October 2020.

The Mideast Marketing Area has four states represented in the 24 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.6 billion pounds, up 96 million pounds or 3.9 percent from November 2019.

Production per cow in the Mideast states averaged 1,876 pounds for November 40 pounds above November 2019.

The number of cows on farms in the Mideast states was 1.4 million head, this was 23,000 head less than November 2019.

## December 2020 Pool Summary

### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	587,945,745	41.4
Class II	296,585,801	20.9
Class III	260,657,016	18.3
Class IV	275,531,250	19.4
Total	1,420,719,812	100.0

### Producer Prices

Producer Price Differential	\$ 1.18 /cwt
Butterfat Price	1.5399 /lb
Protein Price	3.0282 /lb
Other Solids Price	0.2245 /lb
Somatic Cell Adjustment Rate	0.00082 /cwt
Statistical Uniform Price	16.90 /cwt

**ANNOUNCEMENT OF PRODUCER PRICES**

Federal Order No. 33

December 2020

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			574,881,674			\$16.88 / cwt	\$ 97,040,026.57
Class I Butterfat		13,064,071				1.5956 / lb	20,845,031.70
Class I Location Differential	587,945,745						(345,520.97)
Class II SNF Value				26,155,246		0.9900 / lb	25,893,693.54
Class II Butterfat		19,053,711				1.5469 / lb	29,474,185.54
Class III Protein Value			8,519,376			3.0282 / lb	25,798,374.40
Class III Other Solids Value					15,017,057	0.2245 / lb	3,371,329.31
Class III Butterfat		10,722,140				1.5399 / lb	16,511,023.36
Class IV SNF Value				24,566,724		0.9180 / lb	22,552,252.63
Class IV Butterfat		14,655,753				1.5399 / lb	22,568,394.06
Somatic Cell Value II / III / IV							<u>1,327,541.28</u>
<b>TOTAL PRODUCER MILK VALUE</b>	1,420,719,812	57,495,675	46,403,222		82,019,672		\$ 265,036,331.42
Overages						\$ 110,418.32	
Beginning Inventory & OS Charges						241,439.66	
<b>TOTAL ADJUSTMENTS</b>							\$ <u>351,857.98</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							\$ 265,388,189.40
Total Protein Value			46,403,222 lbs	@	\$ 3.0282		\$(140,518,236.90)
Total Other Solids Value			82,019,672 lbs	@	0.2245		(18,413,416.41)
Butterfat Value			57,495,675 lbs	@	1.5399		(88,537,589.91)
Total Somatic Cell Values							<u>(2,261,548.53)</u>
<b>TOTALS</b>							\$ 15,657,397.65
Net Producer Location Adjustments							\$ 1,109,835.33
1/2 Unobligated Balance Producer Settlement Fund							<u>585,000.00</u>
Total - Divided by Total Pounds			1,420,719,812 lbs			(1.2213691)	\$ 17,352,232.98
Rate of Cash Reserve						(0.0413691)	<u>(587,739.00)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,420,719,812			\$ 1.18 / cwt	\$ 16,764,493.98

**COMPONENT PRICES**

December

**COMPUTATION OF UNIFORM PRICE**

December

	2020	2019		2020	2019
Butterfat Price	\$1.5399 / lb	\$2.1952 / lb	Class III Price - 3.5% BF	\$15.72	\$19.37
Protein Price	3.0282 / lb	3.6515 / lb	Producer Price Differential*	<u>1.18</u>	<u>(0.93)</u>
Other Solids Price	0.2245 / lb	0.1341 / lb	Statistical Uniform Price	\$16.90	\$18.44
Somatic Cell Adjustment Rate	0.00082 / cwt	0.00103 / cwt			
Nonfat Solids Price <sup>2</sup>	0.9180 / lb	1.0378 / lb			

**CLASS PRICES**

December

**CLASSIFICATION OF PRODUCER MILK**

December

	2020	2019		2020	2019
Class I*	\$21.87	\$21.33	Class I	587,945,745	570,009,537
Class II	14.01	16.81	Class II	296,585,801	285,415,878
Class III	15.72	19.37	Class III	260,657,016	356,994,662
Class IV	13.36	16.70	Class IV	<u>275,531,250</u>	<u>316,797,663</u>
			Total	1,420,719,812	1,529,217,740

<sup>1</sup> Subject to Location Adjustment.<sup>2</sup> Producers are not paid on this component.**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for December was \$1.18 and the Statistical Uniform Price was \$16.90 for the month. The Statistical Uniform Price is \$0.96 higher than last month, and is \$1.54 lower than December 2019.

The Producer Butterfat Price of \$1.5399 per pound decreased \$0.0154 from November and is down \$0.6553 from a year ago. The Protein Price of \$3.0282 is down \$2.6144 from last month and is down \$0.6233 from December 2019. The Other Solids Price in December was \$0.2245 per pound, an increase from last month's price of \$0.1894 and \$0.0904 higher than last December. The Somatic Cell Adjustment rate for December was \$0.00082 per cwt.

December producer receipts of 1.42 billion pounds were 13.8 percent higher than November and 7.1 percent lower than December 2019 production of 1.53 billion pounds. Producer milk allocated to Class I accounted for 41.4 percent of the total producer milk in December 2020, lower than the 46.1 percent in November, and higher than the 37.3 percent in December 2019. A total of 3,743 producers were pooled on the Mideast Order compared to 3,995 producers pooled in December 2019.

The market average content of producer milk was as follows: Butterfat 4.05%; Protein 3.27%; Other Solids 5.77% and Nonfat Solids 9.04%.

## 2020 Market Summary

Producer milk receipts pooled totaled 18.0 billion pounds on the Mideast Order during 2020, a decrease of 959.3 million pounds, or 5.1 percent from 2019. During 2020, there were over 2.9 billion pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.21 billion pounds in July to a high of 1.79 billion pounds in May.

The number of producers pooled on the Mideast Order in 2020 averaged 3,831 per month, down 8.4 percent from a year earlier. Producer milk averaged 3.89 percent butterfat in 2020, ranging from a low of 3.69 percent in July to a high of 4.05 percent in December. The protein test averaged 3.16 percent for 2020. Protein tests ranged from a low of 3.01 percent in July, to a high of 3.27 percent in December. Other solids tests for producer milk averaged 5.78 percent for the year.

For the year, 37.6 percent of producer milk was utilized as Class I; 22.6 percent in Class II; 21.4 percent in Class III; and 18.4 percent in Class IV. The Class I utilization percentage had a low of 30.8 percent in February and a high of 46.2 percent in October. Class I milk totaled 6.8 billion pounds during 2020, up 3.1 percent from 2019. Class II milk totaled 4.1 billion pounds in 2020, an increase of 19.9 percent from 2019. Class III pooled pounds were 3.8 billion pounds in 2020, a decrease of 35.6% from 2019. Class IV milk totaled 3.3 billion pounds in 2020, an increase of 9.5 percent from 2019.

The Class I price averaged \$18.91 per cwt for the year, a decrease of \$0.08 per cwt from 2019. The Class I price had a low of \$13.42 per cwt in June 2020 and a high of \$21.87 per cwt in December. The Class II price averaged \$14.29 per cwt, a decrease of \$2.47 per cwt from the prior year. It ranged from a low of \$12.30 per cwt in May to a high of \$17.05 per cwt in January. The Class III price averaged \$18.16 per cwt, an increase of \$1.20 per cwt from 2019. The Class III price ranged from a low of \$12.14 per cwt in May to a high of \$24.54 per cwt in July. The Class IV price averaged \$13.49 per cwt for the year, a decrease of \$2.81 per cwt from a year ago. It was lowest in May at \$10.67 per cwt and was highest in January at \$16.65 per cwt.

The Statistical Uniform Price averaged \$15.85 per cwt for 2020 compared to \$17.20 per cwt in 2019. The Producer Butterfat Price averaged \$1.7067 per pound in 2020. This was a decrease of \$0.8021 from 2019. The butterfat price was lowest in April at \$1.3218 per pound and was highest in January at \$2.1117 per pound. The Protein Price averaged \$3.7559 per pound in 2020. This was an increase of \$1.3763 from the previous year. The lowest price was in May at \$2.0918 per pound and was highest in July at \$5.6294 per pound. Other Solids Price averaged \$0.1678 per pound, \$0.0184 lower than the 2019 average. The Producer Price Differential (PPD) averaged- \$2.31 per cwt in 2020 with low of (\$8.02) per cwt in July and a high of \$1.18 per cwt in December.

## November 2020 Highlights

**Total cheese output (excluding cottage cheese)** was 1.10 billion pounds, 0.6 percent above November 2019 but 2.7 percent below October 2020.

**Italian type cheese production** totaled 457 million pounds, 3.1 percent below November 2019 and 2.4 percent below October 2020.

**American type cheese production** totaled 449 million pounds, 3.9 percent above November 2019 but 2.8 percent below October 2020.

**Butter production** was 168 million pounds, 4.0 percent above November 2019 and 1.8 percent above October 2020.

**Dry milk products** (comparisons in percentage with November 2019) Nonfat dry milk, human - 152 million pounds, up 9.2 percent. Skim milk powder - 54.4 million pounds, up 6.8 percent.

**Whey products** (comparisons in percentage with November 2019) Dry whey, total - 70.6 million pounds, down 5.9 percent. Lactose, human and animal - 89.8 million pounds, up 1.6 percent. Whey protein concentrate, total - 39.9 million pounds, down 1.9 percent.

**Frozen products** (comparisons in percentage with November 2019) Ice cream, regular (hard) - 53.0 million gallons, up 13.0 percent. Ice cream, lowfat (total) - 29.9 million gallons, up 2.9 percent. Sherbet (hard) - 2.36 million gallons, up 15.1 percent. Frozen yogurt (total) - 3.86 million gallons, down 0.1 percent.

Released January 6, 2021, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

### Bulletin WebPage Edition

[www.fmmaclev.com](http://www.fmmaclev.com)

Featured this month are:

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

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

State	November 2020 -----Weighted Averages -----						November 2019 -----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	928	640,795	4.00	3.26	5.77	147	672,500	4.00	3.26	5.77	156
Ohio	1,300	274,117	4.03	3.26	5.75	165	278,179	4.04	3.25	5.70	167
Indiana	617	223,983	4.02	3.26	5.80	158	205,494	4.02	3.26	5.83	164
Pennsylvania	598	57,432	4.11	3.20	5.67	215	70,671	4.11	3.22	5.63	199
New York	132	42,202	4.16	3.28	5.84	175	81,393	4.10	3.26	5.83	168
Other	147	10,060	4.07	3.19	5.69	205	14,918	4.05	3.27	5.74	208
Total/Average *	3,722	1,248,589	4.02	3.26	5.77	157	1,323,156	4.02	3.26	5.76	163

\* 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  
December 2020**

Marketing Area <sup>1/</sup>	Producer Milk		Class I	Producer	Statistical
	Total (000)	Class I (000)	Percent %	Price Differential (per cwt.)	Uniform Price (per cwt.)
FO 1 Northeast - (Boston)	2,281,783	727,078	31.8	\$1.54	\$17.26
FO 5 Appalachian - (Charlotte)	509,812	346,999	68.1	<sup>2/</sup>	20.61
FO 6 Florida - (Tampa)	216,335	174,890	80.8	<sup>2/</sup>	23.18
FO 7 Southeast - (Atlanta)	410,122	280,090	68.3	<sup>2/</sup>	20.99
FO 30 Upper Midwest - (Chicago)	1,715,899	227,905	13.3	0.17	15.89
FO 32 Central - (Kansas City)	1,085,566	411,275	37.9	0.51	16.23
FO 33 Mideast - (Cleveland)	1,420,720	587,946	41.4	1.18	16.90
FO 51 California (Los Angeles)	2,001,270	438,203	21.9	(0.78)	14.94
FO 124 Pacific Northwest - (Seattle)	610,651	146,557	24.0	(0.20)	15.52
FO 126 Southwest - (Dallas)	1,056,889	354,676	33.6	0.59	16.31
FO 131 Arizona - (Phoenix)	438,383	111,029	25.3	<sup>2/</sup>	16.24

<sup>1/</sup> Names in parentheses are principal points of markets.

<sup>2/</sup> Producers in these markets are paid on the basis of a uniform skim and butterfat price.

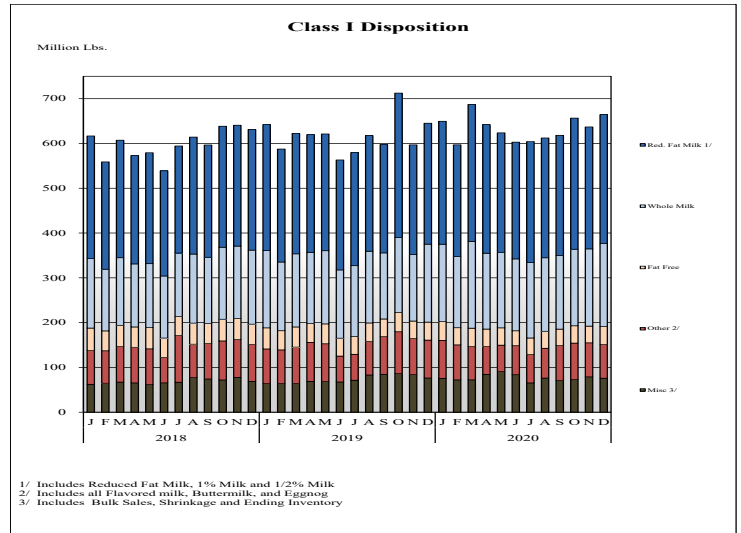
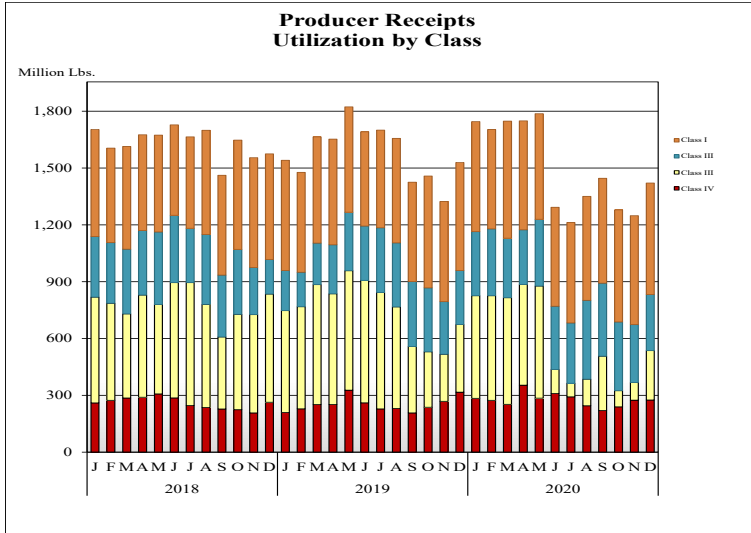
**MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2021 .....\$13.36 /cwt.**



# Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement  
January 2021

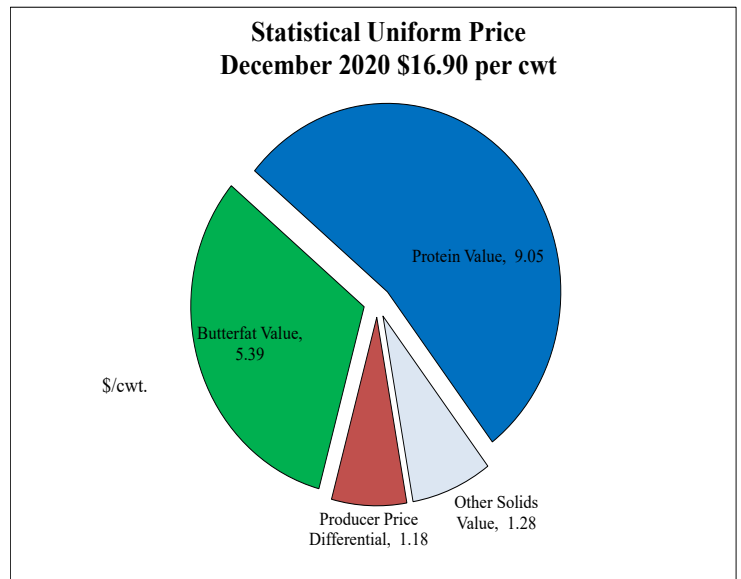
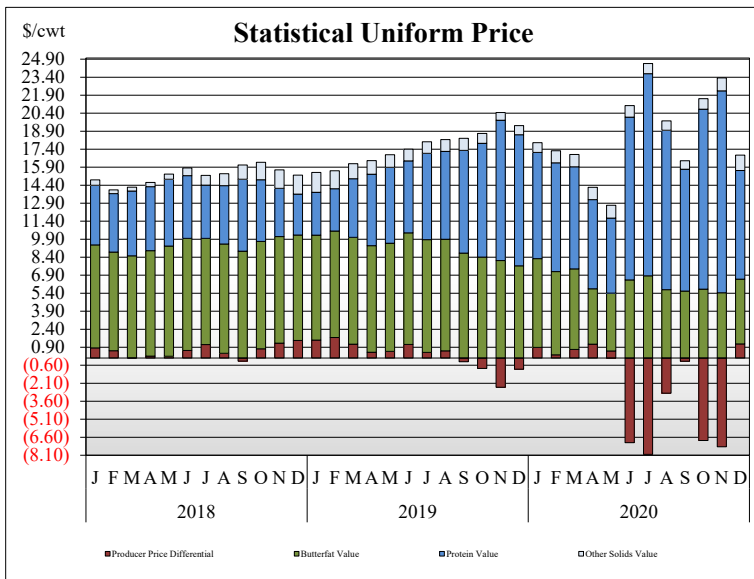
## PRODUCER MILK CLASSIFICATION



**Producer Receipts:** Producer receipts for the Mideast Order totaled 1.42 billion pounds in December 2020. The pounds allocated to Class I represented 41.4 percent of the total pounds. Producer receipts increased 172 million pounds compared to November 2020, and were down 108 million pounds from the prior year.

**Class I Pounds:** Class I Disposition for the Mideast Order totaled 664.4 million pounds in December 2020, up 19.2 million pounds from December 2019. Finished products include 184 million pounds used for whole milk, 288 million pounds of reduced fat and low fat milk, and 40.1 million pounds of fat free (skim) milk.

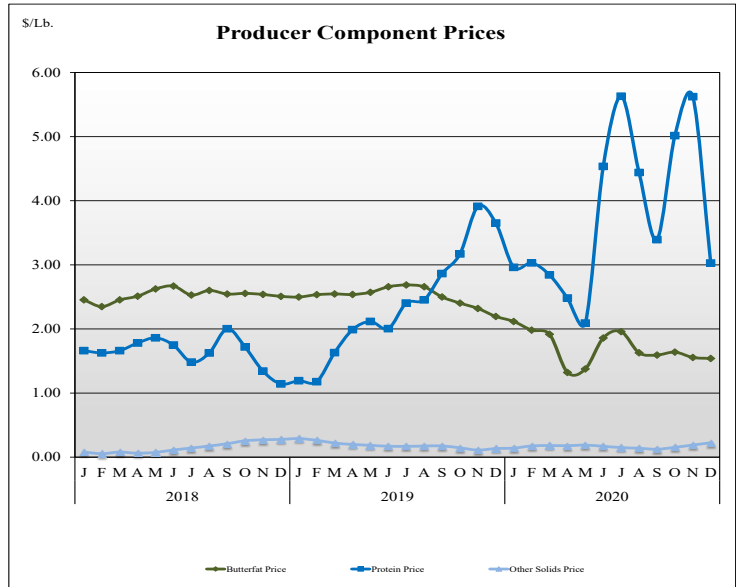
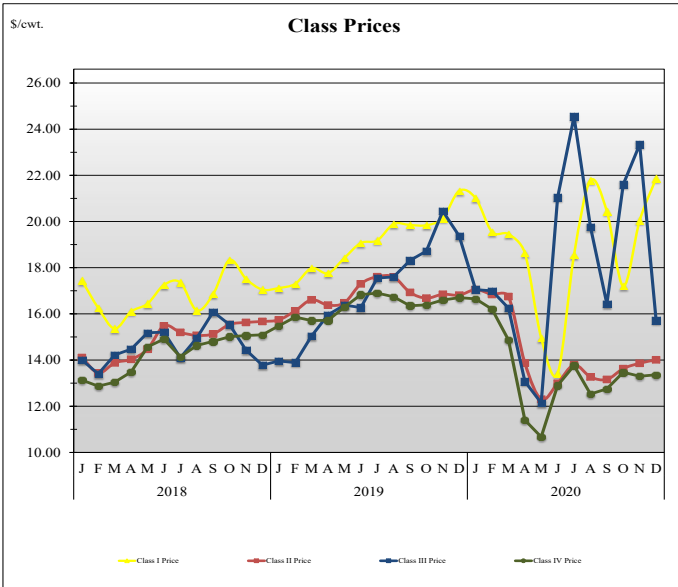
## STATISTICAL UNIFORM PRICE



**Statistical Uniform Price:** The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$16.90 per cwt for December 2020. The December 2020 SUP was \$1.54 per cwt lower than the December 2019 SUP. The December 2020 SUP is \$0.96 per cwt higher than the November 2020 SUP.

**December 2020 Statistical Uniform Price:** Using the Class III Price formula at 3.5% BF, the component values for the December 2020 SUP are: \$9.05 per cwt for protein, \$5.39 per cwt for butterfat and \$1.28 per cwt for other solids. Also included in the SUP is the \$.18 per cwt producer price differential. (May not add to total due to rounding.)

## CLASS AND COMPONENT PRICES



## WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

