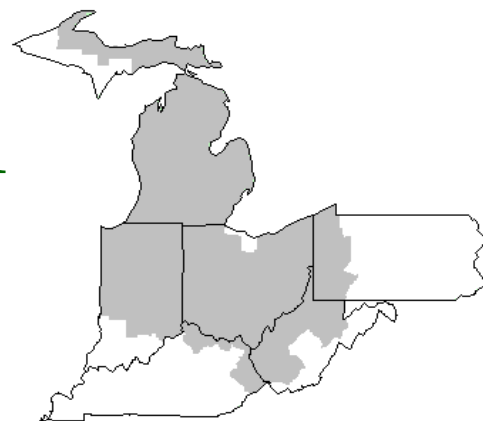


Mideast Market Administrator's Bulletin



Federal Order No. 33

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FEBRUARY 2019

2018 Market Summary

Producer milk receipts pooled totaled 20.2 billion pounds on the Mideast Order during 2018, a decrease of 638.2 million pounds, or 3.2 percent from 2017. During 2018, there were over 710.7 million pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.46 billion pounds in September to a high of 1.73 billion pounds in June.

The number of producers pooled on the Mideast Order in 2018 averaged 4,520 per month, down 9.4 percent from a year earlier. Producer milk averaged 3.84 percent butterfat in 2018, ranging from a low of 3.68 percent in July to a high of 4.00 percent in November. The protein test averaged 3.13 percent for 2018. Protein tests ranged from a low of 2.99 percent in July, to a high of 3.26 percent in November. Other solids tests for producer milk averaged 5.77 percent for the year.

For the year, 32.5 percent of producer milk was utilized as Class I; 19.5 percent in Class II; 32.2 percent in Class III; and 15.9 percent in Class IV. The Class I utilization percentage had a low of 27.6 percent in June and a high of 37.3 percent in November. Class I milk totaled 6.4 billion pounds during 2018, down 0.9 percent from 2017. Class II milk totaled 3.8 billion pounds in 2018, a decrease of 0.4 percent from 2017. Class III pooled pounds were 6.3 billion pounds in 2018, a decrease of 2.0% from 2017. Class IV milk totaled 3.1 billion pounds in 2018, a decrease of 12.3 percent from 2017.

The Class I price averaged \$16.84 per cwt for the year, a decrease of \$1.61 per cwt from 2017. The Class I price had a low of \$15.36 per cwt in March 2017 and a high of \$18.33 per cwt in October. The Class II price averaged \$14.80 per cwt, a decrease of \$1.24 per cwt from the prior year. It ranged from a low of \$13.44 per cwt in February to a high of \$15.67 per cwt in December. The Class III price averaged \$14.61 per cwt, a decrease of \$1.56 per cwt from 2017. The Class III price ranged from a low of \$13.40 per cwt in February to a high of \$16.09 per cwt in September. The Class IV price averaged \$14.23 per cwt for the year, a decrease of \$0.93 per cwt from a year ago. It was lowest in February at \$12.87 per cwt and was highest in December at \$15.09 per cwt.

The Statistical Uniform Price averaged \$15.21 per cwt for 2018 compared to \$16.56 per cwt in 2017. The Producer Butterfat Price averaged \$2.5258 per pound in 2018. This was a decrease of \$0.0886 from 2017. The butterfat price was lowest in February at \$2.3490 per pound and was highest in June at \$2.6692 per pound. The Protein Price averaged \$1.6497 per pound in 2018. This was a decrease of \$0.2185 from the previous year. The lowest price was in December at \$1.1417 per pound and was highest in September at \$2.0029 per pound. Other Solids Price averaged \$0.1474 per pound, \$0.1045 lower than the 2017 average. The Producer Price Differential (PPD) averaged \$0.60 per cwt in 2018 with low of (\$0.26) per cwt in September and a high of \$1.47 per cwt in December.

Bulletin WebPage Edition

www.fmmaclev.com

Featured this month are:

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

January 2019 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	581,578,661	37.7
Class II	212,241,327	13.8
Class III	537,626,390	34.9
Class IV	209,673,424	13.6
Total	1,541,119,802	100.0

Producer Prices

Producer Price Differential	\$ 1.50 /cwt
Butterfat Price	2.4981 /lb
Protein Price	1.1927 /lb
Other Solids Price	0.2898 /lb
Somatic Cell Adjustment Rate	0.00069 /cwt
Statistical Uniform Price	15.46 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

January 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			569,770,911			\$8.52 / cwt	\$ 48,544,481.62
Class I Butterfat		11,807,750				2.5417 / lb	30,011,758.15
Class I Location Differential	581,578,661						(324,079.27)
Class II SNF Value				18,140,259		0.8022 / lb	14,552,115.79
Class II Butterfat		17,987,869				2.5051 / lb	45,061,410.66
Class III Protein Value			17,402,397			1.1927 / lb	20,767,765.94
Class III Other Solids Value					31,144,169	0.2898 / lb	9,025,580.19
Class III Butterfat		18,347,703				2.4981 / lb	45,834,396.90
Class IV SNF Value				18,385,241		0.7757 / lb	14,261,431.45
Class IV Butterfat		12,958,884				2.4981 / lb	32,372,588.13
Somatic Cell Value II / III / IV							<u>1,180,648.42</u>
TOTAL PRODUCER MILK VALUE	1,541,119,802	61,102,206	49,475,127		88,883,422		\$ 261,288,097.98
Overages						0.00	
Beginning Inventory & OS Charges						\$(52,578.55)	
TOTAL ADJUSTMENTS							<u>(52,578.55)</u>
TOTAL HANDLER OBLIGATIONS							\$ 261,235,519.43
Total Protein Value			49,475,127 lbs	@	\$ 1.1927		\$ (59,008,983.96)
Total Other Solids Value			88,883,422 lbs	@	0.2898		(25,758,415.70)
Butterfat Value			61,102,206 lbs	@	2.4981		(152,639,420.82)
Total Somatic Cell Values							<u>(1,906,206.70)</u>
TOTALS							\$ 21,922,492.25
Net Producer Location Adjustments							\$ 1,138,784.39
1/2 Unobligated Balance Producer Settlement Fund							<u>698,000.00</u>
Total - Divided by Total Pounds			1,541,119,802 lbs		1.5416891		\$ 23,759,276.64
Rate of Cash Reserve					(0.0416891)		<u>(642,478.98)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,541,119,802		\$ 1.50 / cwt		\$ 23,116,797.66

COMPONENT PRICES

January

COMPUTATION OF UNIFORM PRICE

January

	<u>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>
Butterfat Price	\$2.4981 / lb	\$2.4531 / lb	Class III Price - 3.5% BF	\$13.96	\$14.00
Protein Price	1.1927 / lb	1.6612 / lb	Producer Price Differential*	<u>1.50</u>	<u>0.84</u>
Other Solids Price	0.2898 / lb	0.0787 / lb	Statistical Uniform Price	\$15.46	\$14.84
Somatic Cell Adjustment Rate	0.00069 / cwt	0.00076 / cwt			
Nonfat Solids Price	0.7757 / lb	0.5235 / lb			

CLASS PRICES

January

CLASSIFICATION OF PRODUCER MILK

January

	<u>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>
Class I*	\$17.12	\$17.44	Product lbs.		
Class II	15.74	14.11	Class I	581,578,661	564,850,386
Class III	13.96	14.00	Class II	212,241,327	319,543,791
Class IV	15.48	13.13	Class III	537,626,390	558,693,249
			<u>Class IV</u>	<u>209,673,424</u>	<u>260,133,130</u>
			Total	1,541,119,802	1,703,220,556

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2019 was \$1.50 and the Statistical Uniform Price was \$15.46 for the month. The Statistical Uniform Price is \$0.21 higher than last month, and is \$0.62 higher than January 2018.

The Producer Butterfat Price of \$2.4981 per pound decreased \$0.0099 from December and is up \$0.0450 from a year ago. The Protein Price of \$1.11927 is up \$0.0510 from last month and is down \$0.4685 from January 2018. The Other Solids Price in January was \$0.2898 per pound, an increase from last month's price of \$0.2775 and \$0.2111 higher than last January. The Somatic Cell Adjustment rate for January was \$0.00069 per cwt.

January producer receipts of 1.54 billion pounds were 2.1 percent lower than December and 9.5 percent lower than January 2018 production of 1.70 billion pounds. Producer milk allocated to Class I accounted for 37.7 percent of the total producer milk in January 2019, more than the 35.4 percent in December, and higher than the 33.2 percent in January 2018. A total of 4,311 producers were pooled on the Mideast Order compared to 4,721 producers pooled in January 2018.

The market average content of producer milk was as follows: Butterfat 3.96%; Protein 3.21%; Other Solids 5.77% and Nonfat Solids 8.98%.

Market Summary and Utilization Report, December 2018

Highlights: During December 13.8 billion pounds of milk were received from Federally pooled producers. This volume of milk is 22.5 percent higher than the December 2017 volume. Regulated handlers pooled 3.9 billion pounds of producer milk as Class I products, up 10.9 percent when compared to the previous year primarily due to the additional Class I milk pooled by the new California Federal Milk Marketing area. Class I utilization decreased from last year in 8 of the 11 Federal Milk Order Marketing areas. The all-market average Class utilization percentages were: Class I = 28%, Class II = 8%, Class III = 52%, and Class IV = 12%. The weighted average statistical uniform price was \$15.31 per cwt, down \$0.51 from November 2018 and down \$0.97 from December 2017.

Federal Milk Order Marketing Area 1	Order Number	Utilization of Producer Milk in Class I			
		Receipts of Producer Milk		Change from Prev. Year	
		Total	Change from Prev. Year	Total	Change from Prev. Year
		(million lbs)	(percent)	(million lbs)	(percent)
Northeast (Boston)	001	2,218.9	-1.8	753.7	-3.1
Appalachian (Charlotte)	005	498.1	-4.3	331.6	-2.9
Florida (Tampa)	006	227.9	0.5	185.3	-0.1
Southeast (Atlanta)	007	426.1	-5.9	298.3	-6.3
Upper Midwest (Chicago)	030	2,946.6	14.1	232.3	-15.3
Central (Kansas City)	032	1,394.0	14.5	408.2	-0.7
Mideast (Cleveland)	033	1,574.8	-5.2	557.9	3.1
California (Los Angeles)	051	2,037.5	3	459.6	3
Pacific Northwest (Seattle)	124	806.8	32.2	169.4	7.4
Southwest (Dallas)	126	1,222.8	-6.8	354.9	-1.4
Arizona (Phoenix)	131	444.6	5.1	105.1	-2.9
All Market Total or Average 2		13,798.2	22.5	3,856.3	10.9

1 Names in parentheses are the major city in the principal pricing point of the market. 2 Averages are the weighted average percent change. 3 The California Federal Milk Order became effective November 1, 2018.

Source: Dairy Market News, January 21-25, 2019

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

State	December 2018 -----Weighted Averages-----						December 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	1,129	823,324	3.96	3.25	5.78	159	833,095	3.91	3.22	5.78	160
Ohio	1,494	361,573	4.02	3.22	5.67	177	412,602	3.99	3.21	5.69	166
Indiana	743	205,198	3.98	3.22	5.79	181	221,524	3.92	3.21	5.77	175
New York	182	85,041	4.07	3.23	5.70	178	94,384	4.08	3.20	5.74	138
Pennsylvania	694	83,091	4.13	3.22	5.70	211	82,186	4.12	3.21	5.72	200
Other	119	17,159	4.09	3.27	5.75	201	17,120	4.11	3.28	5.72	185
Total/Average *	4,361	1,575,384	3.99	3.23	5.75	170	1,660,912	3.95	3.22	5.75	164

* 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
January 2019**

Marketing Area ^{1/}	Producer Milk		Class I	Producer	Statistical
	Total (000)	Class I (000)	Percent %	Price Differential (per cwt.)	Uniform Price (per cwt.)
FO 1 Northeast - (Boston)	2,286,501	749,061	32.7	\$2.46	\$16.42
FO 5 Appalachian - (Charlotte)	488,029	370,092	75.8	^{2/}	17.82
FO 6 Florida - (Tampa)	231,918	199,339	86.0	^{2/}	19.78
FO 7 Southeast - (Atlanta)	439,493	333,721	75.9	^{2/}	18.27
FO 30 Upper Midwest - (Chicago)	3,059,233	243,150	7.9	0.31	14.27
FO 32 Central - (Kansas City)	1,424,978	441,604	31.0	0.97	14.93
FO 33 Mideast - (Cleveland)	1,541,120	581,579	37.7	1.50	15.46
FO 51 California - (Los Angeles)	2,019,142	483,536	24.0	1.13	15.09
FO 124 Pacific Northwest - (Seattle)	769,922	157,181	20.4	1.19	15.15
FO 126 Southwest - (Dallas)	1,181,645	385,858	32.7	1.76	15.72
FO 131 Arizona - (Phoenix)	445,884	109,711	24.6	^{2/}	15.60

^{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 FEBRUARY 201913.96 /cwt.



**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**BALANCE SHEET
MARKETING SERVICE FUND**

As of December 31, 2018

ASSETS

Current Assets:

Cash and Bank Deposits	\$ 32,956.54
Investments	71,519.18
Accounts Receivable - Handlers	121,244.17
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

Other Assets:

Prepaid Expenses	\$ 4,371.60
Deposits	.00

Fixed Assets:

Motor Vehicles	\$ 469,914.59
Accumulated Depreciation	(413,492.49)
Furniture and Equipment	25,509.50
Accumulated Depreciation	(25,509.50)
Laboratory Equipment	1,047,540.30
Accumulated Depreciation	(909,885.84)
Leasehold Improvements	139,115.08
Accumulated Depreciation	(122,621.68)

Total Assets \$ 440,661.45

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$.00
Accrued Employee Salaries Payable	23,227.51
Accrued Employee Annual Leave	88,483.02
Payroll Contributions and Withholdings	7,556.13

Operating Balance \$ 321,394.79

Total Liabilities and Operating Balance \$ 440,661.45

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT
MARKETING SERVICE FUND**

For the Year Ending December 31, 2018

Income:

Assessments or Deductions	\$1,438,412.07
Late Payment Charges Assessed	.00
Interest Earned	907.82
Miscellaneous	<u>31,043.33</u>
<u>Total Income</u>	<u>\$1,470,363.22</u>

Expenses:

Salaries and Services	\$ 992,818.85
Travel	71,848.87
Communications	39,693.91
Employer Payroll Contributions	337,428.15
Insurance	6,383.35
Rent - Buildings and Equipment	91,003.07
Repairs and Maintenance	28,117.23
Supplies	66,593.65
Testing and Weighing	19,955.39
Utilities	9,167.30
Depreciation of Fixed Assets	102,455.32
Conferences and Meetings	.00
Training	1,218.95
Uncollectible Accounts	.00
Miscellaneous	662.90
Amortization of Leasehold Improvements	<u>2,591.99</u>
<u>Total Expenses</u>	<u>\$1,769,938.93</u>

Net Income

\$ (299,575.71)

Mideast Market Administrator's Bulletin

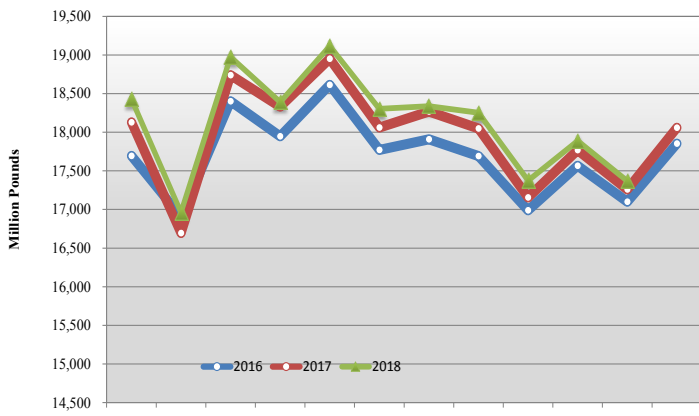
Supplement

Federal Order No. 33

February 2019

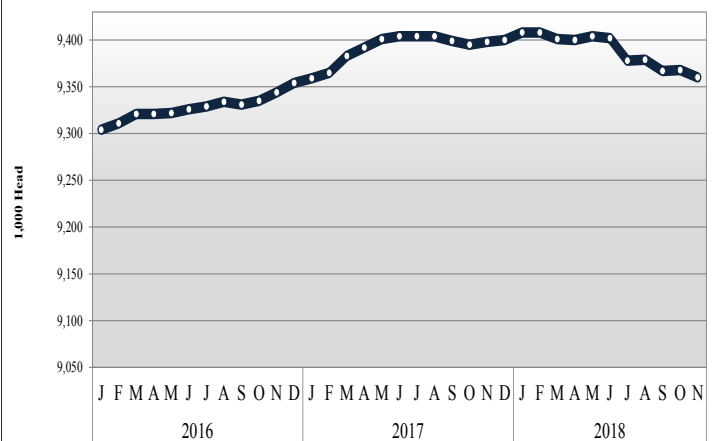
MILK PRODUCTION STATISTICS 1/

Milk Production by Month, United States, 2016-2018



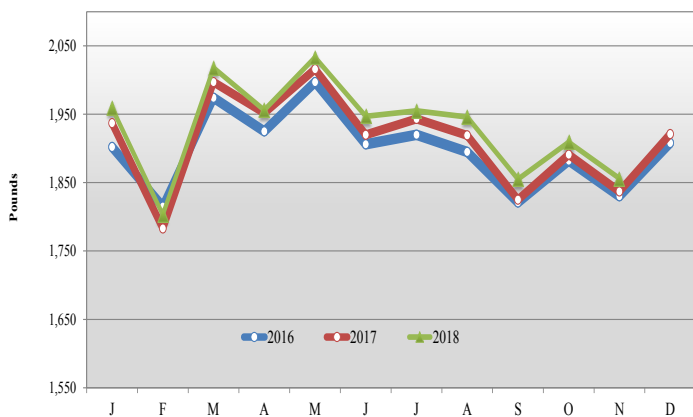
November 2018 milk production in the United State decreased 517 million pounds from October to 17.4 billion pounds. September 2018 milk production in the United States was up 0.6 percent from the same month of the prior year.

Milk Cows by Month, United States, 2016-2018



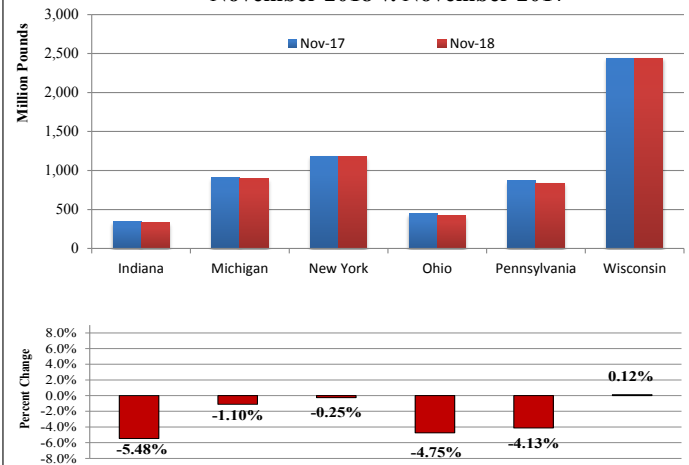
The number of milk cows on farms in the United States was 9.4 million head for November 2018, down 8,000 head from October and 38,000 head less than November 2017.

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



Production per cow in the United States averaged 1,856 pounds for November 2018 down 53 pounds from October 2018. November 2018 milk production per cow was up 19 pounds from the same month of the prior year.

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

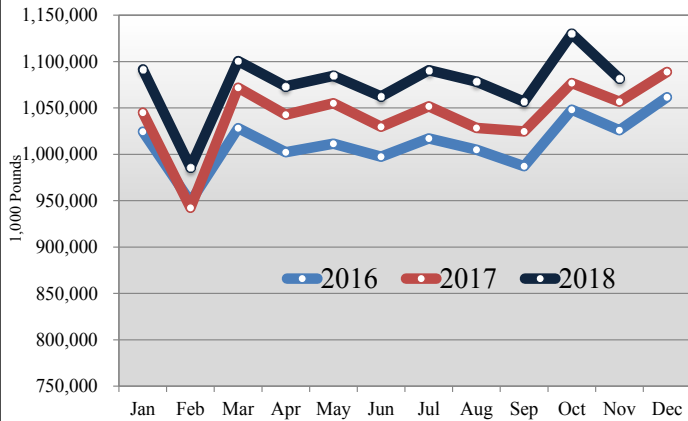


Milk production from selected states which pool on the Mideast marketing area totaled 6.1 billion pounds during November 2018, down 86 million pounds from the prior year. Milk production in Pennsylvania declined 36 million pounds while production in Ohio declined 21 million pounds.

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



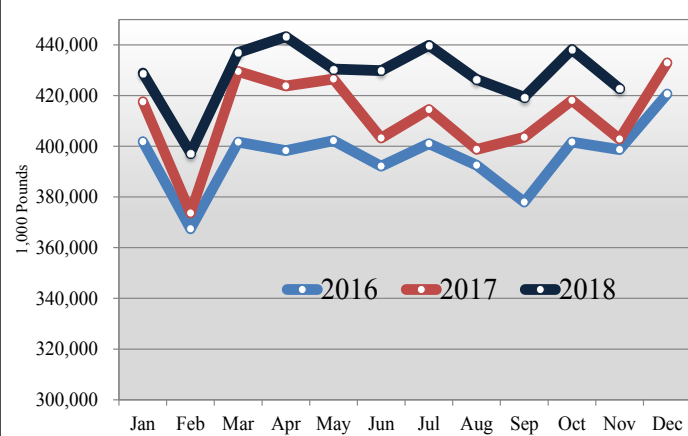
Dairy Product Production Summary:

American type cheese production totaled 423 million pounds, 2.2 percent above October 2017 and 3.5 percent below November 2018.

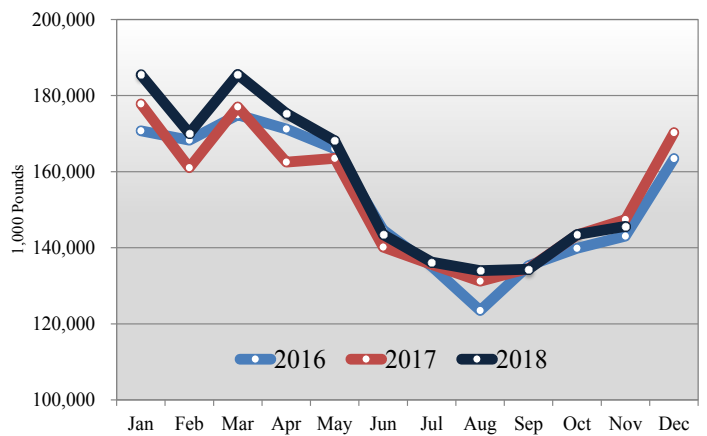
Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 1.0 percent above November 2017 and 4.3 percent below October 2018.

Butter production was 146 million pounds, 2.7 percent below November 2017 and 1.5 percent above October 2018.

Total American Cheese Production, 2016-2018



Total Butter Production, 2016-2018



COMMERCIAL DISAPPEARANCE 2/

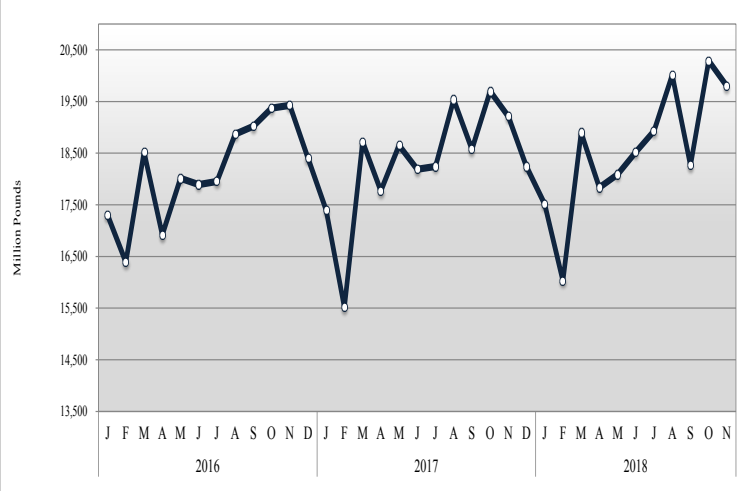
Commercial disappearance of milk in all productions represents the difference between the beginning monthly milk supply and the ending commercial stocks. Milk supply includes farm production, beginning inventory, imports and excludes milk used on the farm.

For November 2018 commercial disappearance of milk was 19.8 billion pounds, up 3.1 percent from the prior year. The cumulative disappearance total for 2018 is 204 billion pounds, an increase of 1.3 percent from the same 11-month period of 2017.

November 2018 commercial disappearance of American cheese was 433 million pounds, up 2.3 percent from the prior year.

November 2018 commercial disappearance of butter was 230 million pounds, up 8.0 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.