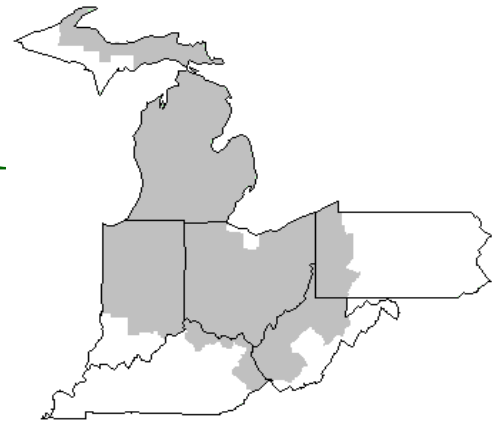


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**MAY 2024**

## Dairy Forecasts for 2024

Based on recent data from the USDA, NASS Milk Production report and improvements in the farm margins throughout the first quarter, the 2024 forecast for the dairy herd is raised by 10,000 head to 9.345 million head. In response to better-than-expected average milk yields in the first quarter and overall lower expected feed costs, the 2024 milk-per-cow forecast is raised to 24,330 pounds, 85 pounds above the previous forecast. As a result, milk production for 2024 is projected at 227.3 billion pounds, about 1.0 billion pounds above last month's forecast.

The 2024 forecasts for dairy imports are revised upward from the last month's forecast. On a milk-fat basis, imports in 2024 are forecast at 8.2 (+0.2) billion pounds, while on a skim-solids basis, imports are forecast at 7.0 billion pounds, also 0.2 billion higher than last month's projection.

Following March export data, expectations of being less competitive in the near term, and a strong U.S. dollar, the 2024 forecasts for dairy product export volumes are revised downward from the last projections. On a milk-fat basis, dairy exports are forecast at 11.0 (-0.3) billion pounds, while on a skim solids basis they are projected to 49.3 (-0.4) billion pounds. Among the main dairy products, export expectations for dry skim milk products, butterfat products, lactose, and dry whey have been lowered from the previous month.

Domestic use forecasts are raised from the April forecast. On a milk-fat basis, domestic use is forecast at 224.2 (+1.2) billion pounds, while on a skim-solids basis it is forecast at 184.2 (+1.3) billion pounds. Ending stock projections have been raised as higher expected milk production and imports—coupled with lower export projections—more than offset higher domestic use forecasts. On a milk-fat basis, ending stocks are forecast at 13.2(+0.4) billion pounds; on a skim-solids basis, they are forecast at 9.7(+0.3) billion pounds.

With recent strength in wholesale Cheddar cheese and butter prices and expectations of strong domestic demand as we enter the summer season, 2024 average prices forecast for Cheddar cheese and butter are raised from last month to \$1.695 (+7.5 cents), and \$2.935 (+1.0 cent) per pound, respectively. Conversely, with recent price movements for NDM and dry whey and weaker expected demand, the forecasts for these products are revised downward. The updated 2024 price forecast for NDM is \$1.610 (-2.0 cents) per pound, while the 2024 dry whey price is forecast at \$0.400 (-2.5 cents) per pound.

The higher price forecast for Cheddar cheese more than offsets the lower forecast for dry whey, resulting in an upward

revision for the Class III milk average price. Conversely, the Class IV milk price forecast is lowered from last month's projections, given that the increase in the price forecast for butter is not large enough to account for the lowered NDM forecast. The 2024 Class III milk price is projected to \$16.75 (+\$0.55) per hundredweight (cwt), while the Class IV milk price is projected to \$20.25 (- \$0.15) per cwt. The 2024 all milk-price forecast is projected at \$21.20 per cwt, \$0.30 per cwt higher than the previous forecast.

Livestock, Dairy, and Poultry Outlook: May 2024, LDP-M-359, May 16, 2024 USDA, Economic Research Service

## Recent Supply and Use Data

In March 2024, dairy farmers' milk-to-feed margins improved compared to March 2023 due to noticeably lower feed costs. As reported by USDA, NASS in the Agricultural Prices report, the all-milk price in March 2024 averaged \$20.70 per cwt, down \$0.30 from March 2023. The March 2024 corn price was \$4.36 per bushel, down \$2.31 from March 2023. The price for alfalfa hay was \$195 per short ton, down \$71 from March 2023. The 5-State weighted-average price for premium alfalfa hay was \$271 per short ton, \$43 lower than March 2023. The soybean meal price (reported by USDA, Agricultural Marketing Service) was \$361.8 per short ton in March, down \$122.7 from March 2023. The milk-feed price ratio reported by NASS was 2.17 in March, 0.62 points higher than March 2023. The farm milk margin above feed costs reported by the Dairy Margin Coverage program was estimated at \$9.65 per hundredweight (cwt), which is above the \$9.50 per cwt maximum Tier 1 coverage level.

## April 2024 Pool Summary

### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	531,506,579	39.8
Class II	102,304,900	7.7
Class III	675,053,779	50.5
Class IV	27,266,915	2.0
Total	1,336,132,173	100.0

### Producer Prices

Producer Price Differential	\$ 2.77 / cwt
Butterfat Price	3.3309 / lb
Protein Price	0.8345 / lb
Other Solids Price	0.2367 / lb
Somatic Cell Adjustment Rate	0.00077 / cwt
Statistical Uniform Price	18.27 / cwt

## ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

April 2024

### 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			519,775,231			\$10.15 / cwt	\$ 52,757,185.95
Class I Butterfat		11,731,348				3.2542 / lb	38,176,152.66
Class I Location Differential	531,506,579						(253,177.72)
Class II SNF Value				8,198,828		1.0989 / lb	9,009,692.10
Class II Butterfat		15,256,157				3.3379 / lb	50,923,526.45
Class III Protein Value			22,046,594			0.8345 / lb	18,397,882.70
Class III Other Solids Value					39,262,850	0.2367 / lb	9,293,516.57
Class III Butterfat		24,288,611				3.3309 / lb	80,902,934.37
Class IV SNF Value				2,151,369		0.9730 / lb	2,093,282.05
Class IV Butterfat		4,437,542				3.3309 / lb	14,781,008.67
Somatic Cell Value II / III / IV							1,150,717.22
<b>TOTAL PRODUCER MILK VALUE</b>	1,494,869,905	64,066,620	49,625,177		86,463,368		<u>\$ 277,232,721.02</u>
Overages					539,741.07		
Beginning Inventory & OS Charges					(225,432.11)		
<b>TOTAL ADJUSTMENTS</b>							<u>\$ 314,308.96</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							<u>\$ 277,547,029.98</u>
Total Protein Value			43,323,918 lbs	@	\$0.8345		\$ (36,153,809.55)
Total Other Solids Value			77,293,351 lbs	@	0.2367		(18,295,336.17)
Butterfat Value			55,713,658 lbs	@	3.3309		(185,576,623.43)
Total Somatic Cell Values							(1,879,488.50)
<b>TOTALS</b>							<u>\$ 35,641,772.33</u>
Net Producer Location Adjustments							\$ 1,163,702.05
1/2 Unobligated Balance Producer Settlement Fund							<u>743,000.00</u>
Total - Divided by Total Pounds			1,336,139,273 lbs		2.8102216		\$ 37,548,474.38
Rate of Cash Reserve					(0.0402216)		(537,416.46)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,336,139,273		<b>\$ 2.77 /cwt</b>		<u>\$ 37,011,057.92</u>

### COMPONENT PRICES

April

	<u>2024</u>	<u>2023</u>
Butterfat Price	\$3.3309 / lb	\$2.7009 / lb
Protein Price	0.8345 / lb	2.5603 / lb
Other Solids Price	0.2367 / lb	0.2479 / lb
Somatic Cell Adjustment Rate	0.00077 / cwt	0.00094 / cwt
Nonfat Solids Price <sup>2</sup>	0.9730 / lb	0.9774 / lb

### COMPUTATION OF UNIFORM PRICE

April

	<u>2024</u>	<u>2023</u>
Class III Price - 3.5% BF	\$15.50	\$18.52
Producer Price Differential*	<u>2.77</u>	<u>0.44</u>
Statistical Uniform Price	\$18.27	\$18.96

### CLASS PRICES

April

	<u>2024</u>	<u>2023</u>
Class I*	\$21.18	\$20.85
Class II	21.23	19.20
Class III	15.50	18.52
Class IV	20.11	17.95

### CLASSIFICATION OF PRODUCER MILK

April

	<u>2024</u>	<u>2023</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	531,506,579	488,039,131
Class II	102,304,900	153,485,033
Class III	675,053,779	725,060,322
<u>Class IV</u>	<u>27,266,915</u>	<u>268,272,538</u>
Total	1,336,132,173	1,634,857,034

<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 April 2024 was \$2.77, and the Statistical Uniform Price was \$18.27 for the month. The Statistical Uniform Price is \$0.37 lower than last month and is \$0.69 lower than April 2023. The Producer Butterfat Price of \$3.3309 per pound increased \$0.0624 from March and is up \$0.6300 from a year ago. The Protein Price of \$0.8345 is down \$0.2920 from last month and is down \$1.7258 from April 2023. The Other Solids Price in April was \$0.2367 per pound, a decrease from last month's price of \$0.2881 and \$0.0112 lower than last April. The Somatic Cell Adjustment rate for April was \$0.00077 per cwt.

April producer receipts of 1.34 billion pounds were 12.1 percent lower than March and 18.3 percent lower than the April 2023 production of 1.63 billion pounds. Producer milk allocated to Class I accounted for 39.8 percent of the total producer milk in April 2024, higher than the 38.6 percent in March, and higher than the 29.8 percent in April 2023. A total of 3,371 producers were pooled on the Mideast Order compared to 3,352 producers pooled in April 2023.

The market average content of producer milk was as follows: Butterfat 4.17 %; Protein 3.24%; Other Solids 5.78% and Nonfat Solids 9.03%.

### March 2024 Highlights

**Total cheese output** (excluding cottage cheese) was 1.23 billion pounds, 0.1 above March 2023 and 7.6 percent above February 2024.

**Italian type cheese production** totaled 518 million pounds, 4.4 percent above March 2023 and 8.6 percent above February 2024.

**American type cheese production** totaled 491 million pounds, 2.9 percent below March 2023 but 10.0 percent above February 2024.

**Butter production** was 209 million pounds, 1.4 percent above March 2023 and 5.5 percent above February 2024.

**Dry milk products** (comparisons in percentage with March 2023) Nonfat dry milk, human - 184 million pounds, down 7.9 percent. Skim milk powder - 28.3 million pounds, down 41.7 percent.

**Whey products** (comparisons in percentage with March 2023) Dry whey, total - 79.9 million pounds, up 3.4 percent. Lactose, human and animal - 98.7 million pounds, up 2.3 slightly. Whey protein concentrate, total - 44.3 million pounds, up 2.6 percent.

**Frozen products** (comparisons in percentage with March 2023) Ice cream, regular (hard) - 66.1 million gallons, up 1.4 percent. Ice cream, lowfat (total) - 37.7 million gallons, down 12.8 percent. Sherbet (hard) - 1.88 million gallons, up 1.3 percent. Frozen yogurt (total) - 3.71 million gallons, up 0.1 percent.

**Source:** Released May 6, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)

### March Milk Production Down 0.9 Percent

Milk production in the 24 major States during March totaled 18.8 billion pounds, down 0.9 percent from March 2023. February revised production at 17.4 billion pounds, was up 2.9 percent from February 2023. The February revision represented an increase of 82 million pounds or 0.5 percent from last month's preliminary production estimate. Adjusting February production for an additional day due to leap year causes February revised production to be down 0.78 percent on a per day basis.

Production per cow in the 24 major States averaged 2,115 pounds for March, 3 pounds below March 2023.

The number of milk cows on farms in the 24 major States was 8.88 million head, 71,000 head less than March 2023, and 7,000 head less than February 2024.

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 March totaled 2.8 billion pounds, down 10 million pounds or 0.4 percent from March 2023.

Production per cow in the Mideast states averaged 2,046 pounds for March, 23 pounds below March 2023.

The number of cows on farms in the Mideast states was 1.3 million head, 6,000 more than March 2023.

Released April 22, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

**Bulletin Web Page Edition**  
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Featured this month are:

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

<b>Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State</b>											
<b>Federal Order No. 33</b>											
State	March 2024							March 2023			
	Number of Producers	Pounds of Milk (000)	-----Weighted Averages-----				Pounds of Milk (000)	-----Weighted Averages-----			
		Butterfat	Protein	Other Solids	SCC (000)	Butterfat	Protein	Other Solids	SCC (000)		
Michigan	723	719,147	4.24	3.29	5.78	153	788,235	4.12	3.26	5.78	152
Ohio	1,112	386,754	4.13	3.24	5.73	173	392,393	4.09	3.26	5.76	173
Indiana	584	239,112	4.25	3.32	5.90	186	278,120	4.09	3.26	5.81	185
Pennsylvania	626	80,038	4.18	3.18	5.69	194	86,450	4.09	3.17	5.69	205
New York	95	28,024	4.53	3.39	5.98	179	48,309	4.18	3.26	5.91	190
Other	195	67,692	4.29	3.31	5.78	153	37,750	4.14	3.24	5.62	172
Total/Average *	3,335	1,520,767	4.22	3.28	5.78	166	1,631,255	4.11	3.26	5.78	167

\* 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**  
**April 2024**

<u>Marketing Area</u> <sup>1/</sup>	Producer Milk		Class I	Producer <u>Price Differential</u> (per cwt.)	Statistical <u>Uniform Price</u> (per cwt.)
	<u>Total</u> (000)	<u>Class I</u> (000)	<u>Percent</u> %		
FO 1 Northeast - (Boston)	2,255,920	659,173	29.2	4.59	20.09
FO 5 Appalachian - (Charlotte)	450,888	312,266	69.3	2/	21.80
FO 6 Florida - (Tampa)	218,538	179,154	82.0	2/	23.94
FO 7 Southeast - (Atlanta)	303,729	215,262	70.9	2/	22.27
FO 30 Upper Midwest - (Chicago)	2,700,917	160,837	6.0	0.45	15.95
FO 32 Central - (Kansas City)	1,246,395	361,754	29.0	2.20	17.70
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,336,132</b>	<b>531,507</b>	<b>39.8</b>	<b>2.77</b>	<b>18.27</b>
FO 51 California - (Los Angeles)	2,031,909	395,562	19.5	1.84	17.34
FO 124 Northwest - (Seattle)Pacific	611,349	128,884	21.1	2.76	18.26
FO 126 Southwest - (Dallas)	1,125,412	338,802	30.1	2.72	18.22
FO 131 Arizona - (Phoenix)	386,693	133,238	34.5	2/	19.44

<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.

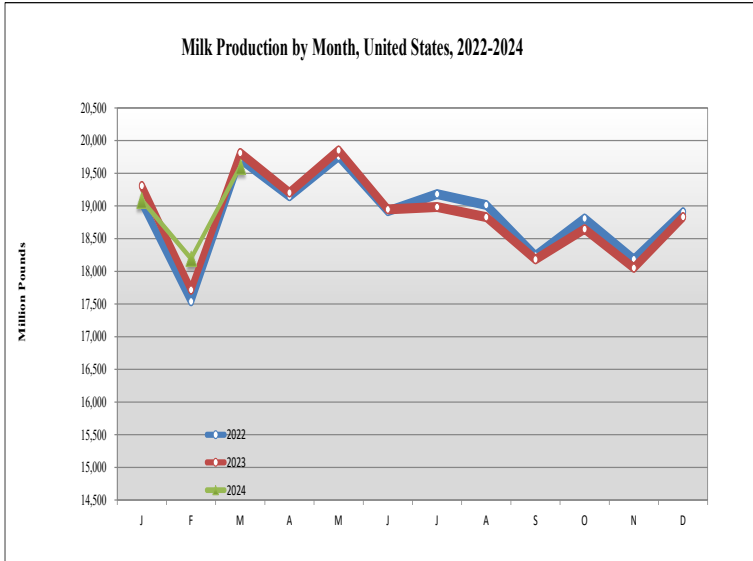
**MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2024.....\$15.50 /cwt.**



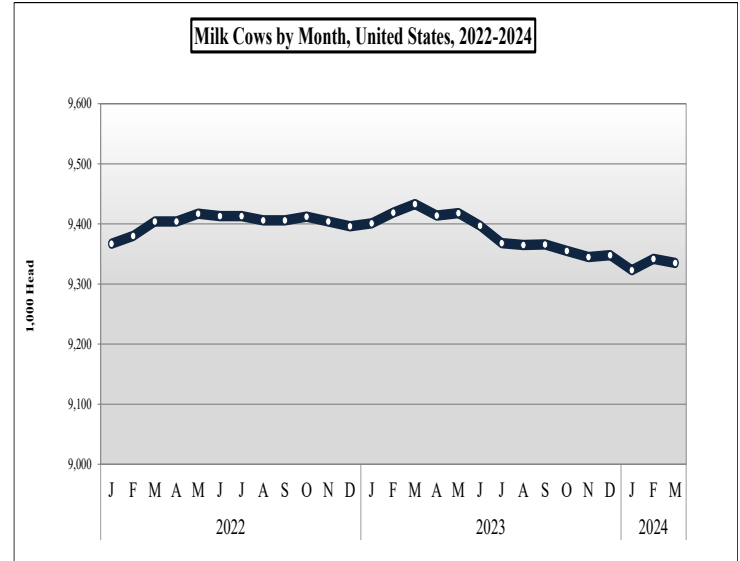
# Mideast Market Administrator's Bulletin

Federal Order No. 33 *Supplement* May 2024

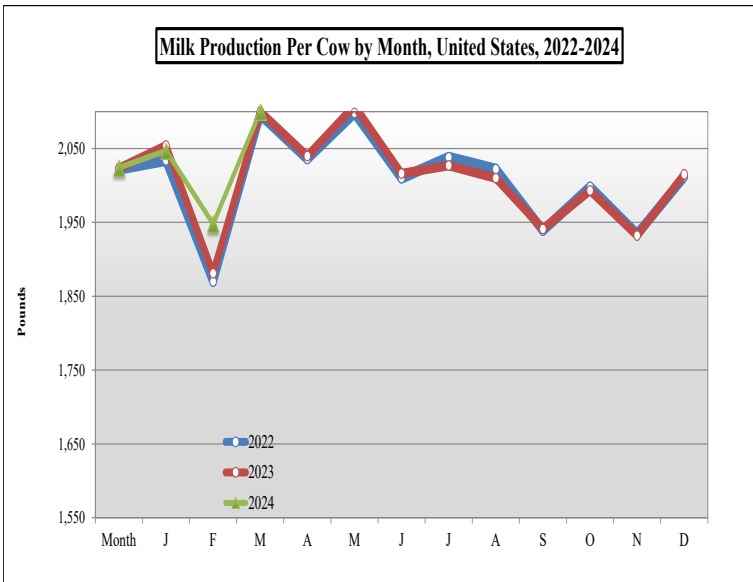
## MILK PRODUCTION STATISTICS 1/



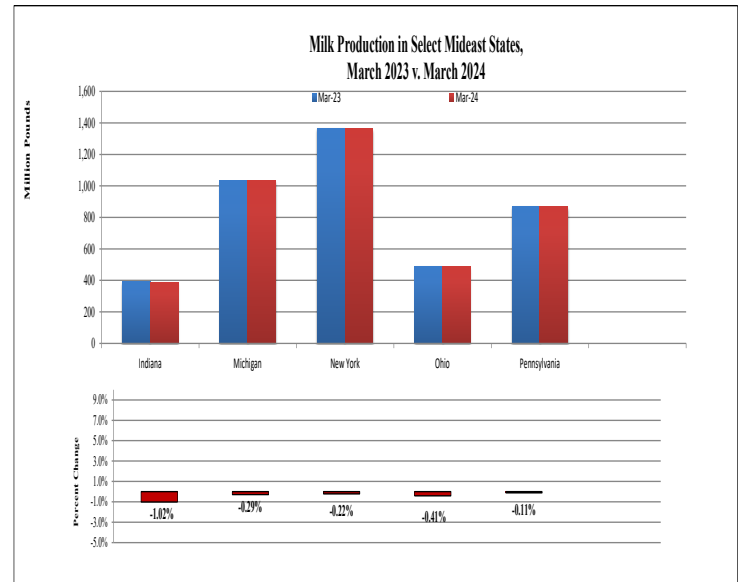
March 2024 milk production in the United States increased 1.4 billion pounds from February to 19.6 billion pounds. March 2024 milk production in the United States was down 1.0 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.3 million head for March 2024, down 7,000 head from February and down 98,000 head from March 2023.



Production per cow in the United States averaged 2,100 pounds for March 2024, up 152 pounds from February 2024. March 2024 milk production per cow was the same from the same month of the prior year.

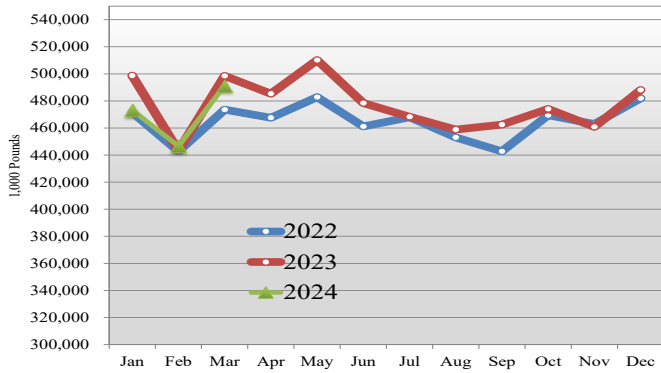


Milk production from selected states which pool on the Mideast marketing area totaled 4.1 billion pounds during March 2024, down 13 million pounds from the prior year. Milk production in Indiana was down 4 million pounds while production in Pennsylvania was down 1 million pounds or 0.1 percent.

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 American Cheese Production, 2022-2024**



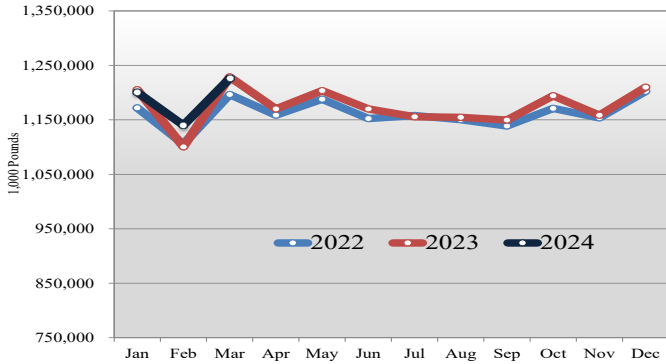
### Dairy Product Production Summary:

Total cheese output (excluding cottage cheese) for March 2024 was 1.2 billion pounds, 0.2 percent below March 2023 and 7.6 percent above February 2024.

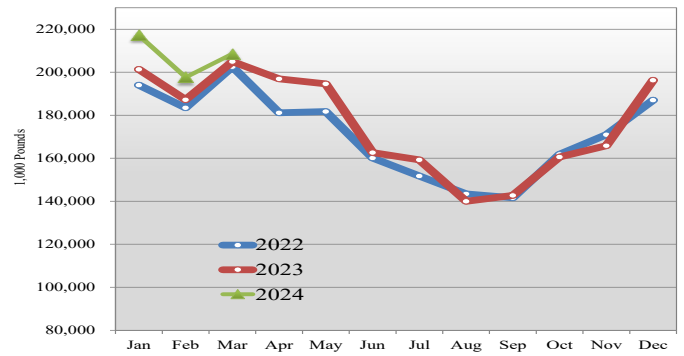
American type cheese production totaled 491 million pounds, 1.4 percent below March 2023 and 10.0 percent above February 2024.

Butter production was 209 million pounds, 1.7 percent above March 2023 and 5.2 percent above February 2024.

**Total Cheese Production, 2022-2024**



**Total Butter Production, 2022-2024**



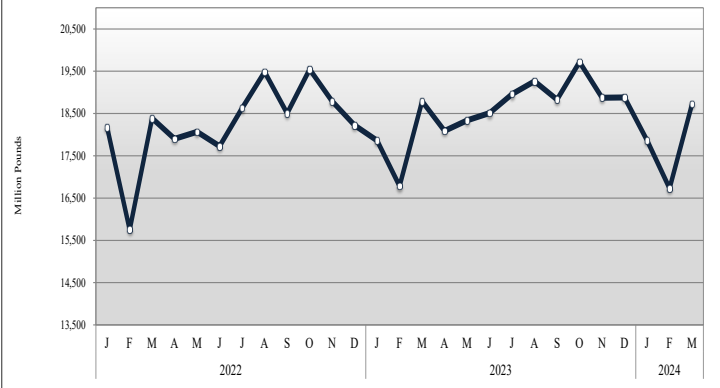
## COMMERCIAL DISAPPEARANCE 2/

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 March 2024, commercial disappearance of milk was 18.7 billion pounds, down 0.5 percent from the prior year. The cumulative disappearance total for 2024 is 53 billion pounds, a decrease of 0.2 percent from the same 3-month period of 2023.

March 2024 commercial disappearance of American cheese was 474 million pounds, up 0.9 percent from the prior year. March 2024 commercial disappearance of butter was 196 million pounds, up 0.5 percent from the prior year.

**Commercial Disappearance of Milk in All Products, 2022-2024**



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.