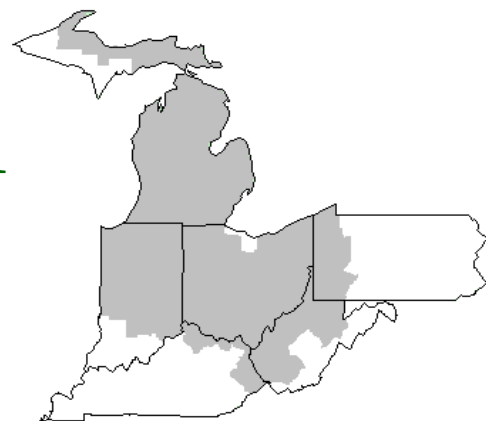


Mideast Market Administrator's Bulletin



Federal Order No. 33

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FEBRUARY 2021

Dairy News

Dairy exports on a milk-fat milk-equivalent basis totaled 643 million pounds in November, 63 million lower than October and 55 million lower than November 2019. On a skim-solids milk-equivalent basis, November exports totaled 3.670 billion pounds, 607 million lower than October but 1 million higher than November 2019. Exports of dry skim milk products were 137.1 million pounds in November, 32.2 million less than October. Exports of whey products (dry whey, whey protein concentrate, modified whey, and milk albumin) totaled 187.1 million pounds in November, 15.6 million less than October.

Dairy imports on a milk-fat basis totaled 472 million pounds in November, 56 million lower than October and 24 million pounds lower than November 2019. Notably, imports of butter were 4.0 million pounds in November, 2.7 million less than October. Imports of anhydrous milk-fat and butter oil totaled 3.1 million pounds in November, 0.6 million less than October. On a skim-solids basis, November imports totaled 431 million pounds, 60 million higher than October but 53 million lower than November 2019.

Ending stocks on a milk-fat basis totaled 14.939 billion pounds at the end of November, 1.513 billion higher than November 2019. Butter ending stocks in November totaled 251.8 million pounds, up 71.2 million (39.4 percent) from November 2019. On a skim-solids basis, ending stocks totaled 10.240 billion pounds at the end of November, 113 million higher than November 2019. For the 3 months from September through November, domestic use on a milk-fat basis was 1.7 percent above the same 3 months of 2019. On a skim-solids basis, September through November domestic use was 1.3 percent higher than the same 3 months of 2019.

Dairy Forecasts for 2021

Based on recent data and higher expected milk prices, the milk production forecast for 2021 has been raised to 226.7 billion pounds, 0.4 billion higher than last month's forecast. Milk cows are projected to average 9.410 million head, 15,000 higher than last month's forecast. Milk per cow is projected to average 24,095 per head, 5 pounds more than the previous forecast.

The forecast for 2021 dairy exports on a milk-fat basis has been raised to 9.7 billion pounds, 0.1 billion higher than last month. Expectations for butter exports are greater than last month due to U.S. price competitiveness. On a skim-solids basis, the 2021 dairy export forecast is unchanged at 48.7 billion pounds. Dairy import forecasts have been lowered on both the milk-fat and skim-solids bases to 6.6 billion pounds (-0.2 billion) and 5.5 billion pounds (-0.1 billion), respectively, due to lower expected imports of butterfat products and milk protein concentrate.

Due to an improved economic outlook, enhanced by Federal Government actions to stimulate the economy and USDA's announcements regarding purchases of dairy products, domestic demand expectations for dairy products have strengthened. The forecast for 2021 domestic use on a milk-fat basis is 222.6 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use has been raised by 0.1 billion pounds to 182.4 billion pounds. Ending stock forecasts for 2021 have been raised to 15.2 billion pounds on a milk-fat basis (+0.7 billion) and 10.3 billion pounds on a skim-solids basis (+0.1 billion).

Due to stronger expected demand, price forecasts for 2021 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.740 (+10.5 cents), \$0.450 (+4.5 cents), \$1.605 (+3.5 cents), and \$1.100 (+3.5 cents), respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2021 are \$16.90 per cwt (+\$1.30) and \$14.10 per cwt (+\$0.50), respectively. The all-milk price forecast for 2021 is \$17.65 per cwt, \$1.05 higher than last month's forecast.

Source: *Livestock, Dairy, and Poultry Outlook*, LDP-M-319, January 19, 2021
USDA, Economic Research Service

January 2021 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	578,536,359	41.1
Class II	341,068,730	24.3
Class III	177,828,728	12.6
Class IV	308,590,546	22.0
Total	1,406,024,363	100.0

Producer Prices

Producer Price Differential	\$ (1.08) / cwt
Butterfat Price	1.5541 / lb
Protein Price	3.0355 / lb
Other Solids Price	0.2682 / lb
Somatic Cell Adjustment Rate	0.00083 / cwt
Statistical Uniform Price	14.96 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

January 2021

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			566,189,524			\$12.03 / cwt	\$ 68,112,599.74
Class I Butterfat		12,346,835				1.5809 / lb	19,519,111.46
Class I Location Differential	578,536,359						(355,804.09)
Class II SNF Value				30,112,448		1.0033/ lb	30,211,819.08
Class II Butterfat		21,090,426				1.5611/ lb	32,924,264.03
Class III Protein Value			5,758,064			3.0355/ lb	17,478,603.27
Class III Other Solids Value					10,225,432	0.2682/ lb	2,742,460.86
Class III Butterfat		7,883,063				1.5541/ lb	12,251,068.22
Class IV SNF Value				27,548,234		0.9570/ lb	26,363,659.94
Class IV Butterfat		15,268,206				1.5541/ lb	23,728,318.95
Somatic Cell Value II / III / IV							<u>1,308,243.94</u>
TOTAL PRODUCER MILK VALUE	1,406,024,363	56,588,530	45,662,610		81,288,406		\$ 234,284,345.40
Overages						\$ 0.00	
Beginning Inventory & OS Charges						14,501.92	
TOTAL ADJUSTMENTS							\$ <u>14,501.92</u>
TOTAL HANDLER OBLIGATIONS							\$ 234,298,847.32
Total Protein Value			45,662,610 lbs	@	\$ 3.0355		\$(138,608,852.70)
Total Other Solids Value			81,288,406 lbs	@	0.2682		(21,801,550.48)
Butterfat Value			56,588,530 lbs	@	1.5541		(87,944,234.46)
Total Somatic Cell Values							<u>(2,221,814.61)</u>
TOTALS							\$ (16,277,604.93)
Net Producer Location Adjustments							\$ 1,118,605.79
1/2 Unobligated Balance Producer Settlement Fund							<u>622,000.00</u>
Total - Divided by Total Pounds			1,406,024,363 lbs			(1.0339081)	\$ (14,536,999.14)
Rate of Cash Reserve						(0.0460919)	<u>(648,063.34)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,406,024,363			\$ (1.08) / cwt	\$ (15,185,062.48)

COMPONENT PRICES

January

COMPUTATION OF UNIFORM PRICE

January

	2021	2020	2021	2020
Butterfat Price	\$1.5541 / lb	\$2.1117 / lb	Class III Price - 3.5% BF	\$16.04
Protein Price	3.0355 / lb	2.9606 / lb	Producer Price Differential*	(1.08)
Other Solids Price	0.2682 / lb	0.1417 / lb	Statistical Uniform Price	\$14.96
Somatic Cell Adjustment Rate	0.00083 / cwt	0.00090 / cwt		
Nonfat Solids Price ²	0.9570 / lb	1.0665 / lb		

CLASS PRICES

January

CLASSIFICATION OF PRODUCER MILK

January

	2021	2020	2021	2020
Class I*	\$17.14	\$21.01	Product lbs.	Product lbs.
Class II	14.18	17.05	Class I	578,536,359
Class III	16.04	17.05	Class II	341,068,730
Class IV	13.75	16.65	Class III	177,828,728
			Class IV	<u>308,590,546</u>
			Total	1,406,024,363
				<u>1,745,098,276</u>

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

The Producer Price Differential for the Mideast Marketing Area for January was (\$1.08) and the Statistical Uniform Price was \$14.96 for the month. The Statistical Uniform Price is \$1.94 lower than last month, and is \$2.98 lower than January 2020.

The Producer Butterfat Price of \$1.5541 per pound increased \$0.0142 from December and is down \$0.5576 from a year ago. The Protein Price of \$3.0355 is up \$0.0073 from last month and is up \$0.0749 from January 2020. The Other Solids Price in January was \$0.2682 per pound, an increase from last month's price of \$0.2245 and \$0.1265 higher than last January. The Somatic Cell Adjustment rate for January was \$0.00083 per cwt.

January producer receipts of 1.41 billion pounds were 1.0 percent lower than December and 19.4 percent lower than January 2020 production of 1.75 billion pounds. Producer milk allocated to Class I accounted for 41.1 percent of the total producer milk in January 2021, lower than the 41.4 percent in December, and higher than the 33.3 percent in January 2020. A total of 3,699 producers were pooled on the Mideast Order compared to 4,023 producers pooled in January 2020.

The market average content of producer milk was as follows: Butterfat 4.02%; Protein 3.25%; Other Solids 5.78% and Nonfat Solids 9.03%.

December 2020 Cold Storage Totals

Natural cheese stocks in refrigerated warehouses on December 31, 2020 were up 4 percent from the previous month and up 6 percent from December 31, 2019. Butter stocks were up 9 percent from last month and up 44 percent from a year ago.

Released January 25, 2021, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

December 2020 Highlights

Total cheese output (excluding cottage cheese) was 1.13 billion pounds, 0.5 percent above December 2019 and 2.6 percent above November 2020.

Italian type cheese production totaled 485 million pounds, 0.3 percent above December 2019 and 5.9 percent above November 2020.

American type cheese production totaled 461 million pounds, 1.0 percent above December 2019 and 2.9 percent above November 2020.

Butter production was 206 million pounds, 11.8 percent above December 2019 and 18.7 percent above November 2020.

Dry milk products (comparisons in percentage with December 2019)
Nonfat dry milk, human - 205 million pounds, up 24.1 percent.
Skim milk powder - 40.9 million pounds, down 36.9 percent.

Whey products (comparisons in percentage with December 2019)
Dry whey, total - 81.7 million pounds, up 2.3 percent.
Lactose, human and animal - 96.6 million pounds, up 3.2 percent.
Whey protein concentrate, total - 43.2 million pounds, up 0.2 percent.

Frozen products (comparisons in percentage with December 2019)
Ice cream, regular (hard) - 52.4 million gallons, up 11.4 percent.
Ice cream, lowfat (total) - 29.1 million gallons, up 3.7 percent.
Sherbet (hard) - 2.76 million gallons, up 34.4 percent.
Frozen yogurt (total) - 2.83 million gallons, down 3.1 percent.

Released February 4, 2021, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

December Milk Production UP 3.2 Percent

Milk production in the 24 major States during December totaled 18.1 billion pounds, up 3.2 percent from December 2019. November revised production at 17.3 billion pounds, was up 3.5 percent from November 2019. The November revision represented an increase of 56 million pounds or 0.3 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,027 pounds for December, 40 pounds above December 2019.

The number of milk cows on farms in the 24 major States was 8.92 million head, 107,000 head more than December 2019, and 12,000 head more than November 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 December totaled 2.7 billion pounds, up 117 million pounds or 4.5 percent from December 2019.

Production per cow in the Mideast states averaged 1,965 pounds for December, 40 pounds more December 2019.

The number of cows on farms in the Mideast states was 1.4 million head, 29,000 head more than December 2019.

Bulletin WebPage Edition

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Featured this month are:

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

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

State	December 2020 -----Weighted Averages-----						December 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	813	679,642	4.00	3.26	5.77	146	756,367	3.97	3.24	5.79	156
Ohio	1,289	346,135	4.09	3.29	5.77	165	350,381	4.03	3.22	4.69	170
Indiana	619	254,147	4.02	3.24	5.75	153	237,482	3.99	3.22	5.78	161
Pennsylvania	623	82,511	4.11	3.19	5.66	205	81,751	4.08	3.17	5.64	199
New York	132	44,769	4.26	3.36	5.89	170	86,600	4.07	3.26	5.84	167
Other	172	13,610	4.14	3.23	5.76	193	16,596	4.03	3.23	5.73	212
Total/Average *	3,648	1,420,815	4.04	3.27	5.77	157	1,529,177	4.00	3.23	5.76	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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Department of
Agriculture**

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**FEDERAL ORDER DATA
January 2021**

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)	2,317,562	705,627	30.4	\$(0.13)	\$15.91
FO 5 Appalachian - (Charlotte)	461,620	325,771	70.6	^{2/}	17.42
FO 6 Florida - (Tampa)	225,514	175,808	79.0	^{2/}	19.26
FO 7 Southeast - (Atlanta)	396,015	268,925	67.9	^{2/}	17.59
FO 30 Upper Midwest - (Chicago)	1,035,869	212,446	20.5	(0.92)	15.12
FO 32 Central - (Kansas City)	958,697	396,252	41.3	(1.60)	14.44
FO 33 Mideast - (Cleveland)	1,406,024	578,536	41.1	(1.08)	14.96
FO 51 California - (Los Angeles)	2,014,229	413,622	20.5	(1.80)	14.24
FO 124 Pacific Northwest - (Seattle)	620,000	137,397	22.2	(1.36)	14.68
FO 126 Southwest - (Dallas)	1,052,049	357,826	34.0	(1.14)	14.90
FO 131 Arizona - (Phoenix)	352,147	104,599	29.7	^{2/}	14.98

^{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 2021\$13.75 /cwt.



**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT
MARKETING SERVICE FUND**

For the Year Ending December 31, 2020

Income:

Assessments or Deductions	\$1,314,172.95
Late Payment Charges Assessed	.00
Interest Earned	124.14
Miscellaneous	<u>160,023.99</u>
<u>Total Income</u>	<u>\$1,474,321.08</u>

Expenses:

Salaries and Services	\$ 827,863.70
Travel	23,806.88
Communications	26,011.60
Employer Payroll Contributions	291,579.03
Insurance	4,235.42
Contractual Expenses	17,290.49
Rent - Buildings and Equipment	69,307.14
Repairs and Maintenance	20,092.45
Supplies	38,137.99
Testing and Weighing	28,234.82
Utilities	5,804.09
Depreciation of Fixed Assets	75,824.53
Conferences and Meetings	.00
Training	1,781.65
Uncollectible Accounts	.00
Miscellaneous	3,206.57
Amortization of Leasehold Improvements	<u>2,827.44</u>
<u>Total Expenses</u>	<u>\$1,436,003.80</u>

Net Income

\$ 38,317.28

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**BALANCE SHEET
MARKETING SERVICE FUND**

As of December 31, 2020

ASSETS

Current Assets:

Cash and Bank Deposits	\$ 417,886.27
Investments	72,397.19
Accounts Receivable - Handlers	113,323.13
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

Other Assets:

Prepaid Expenses	\$ 15,085.11
Deposits	.00

Fixed Assets:

Motor Vehicles	\$ 267,914.63
Accumulated Depreciation	(224,942.82)
Furniture and Equipment	25,509.50
Accumulated Depreciation	(25,509.50)
Laboratory Equipment	1,049,935.30
Accumulated Depreciation	(1,034,470.36)
Leasehold Improvements	139,115.08
Accumulated Depreciation	(128,276.56)

Total Assets \$ 687,966.97

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$ 1,570.88
Accrued Employee Salaries Payable	(3,076.19)
Accrued Employee Annual Leave	88,318.11
Payroll Contributions and Withholdings	4,662.13

Operating Balance \$ 596,492.04

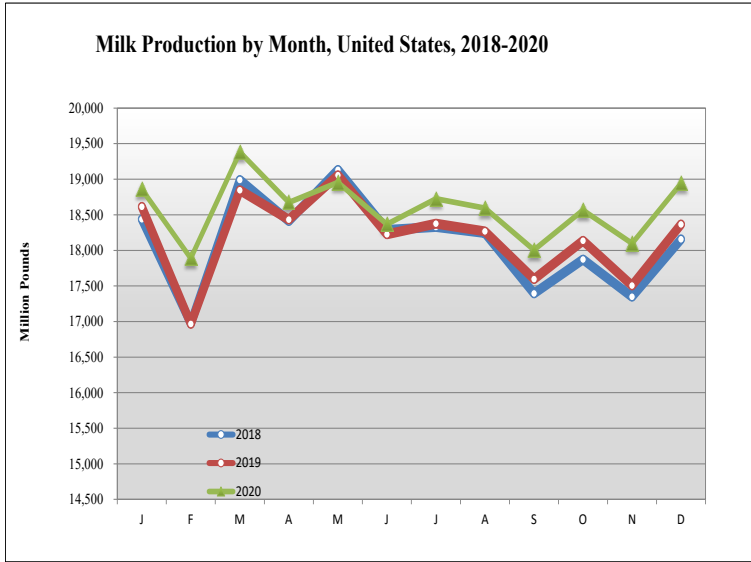
Total Liabilities and Operating Balance \$ 687,966.97

Mideast Market Administrator's Bulletin

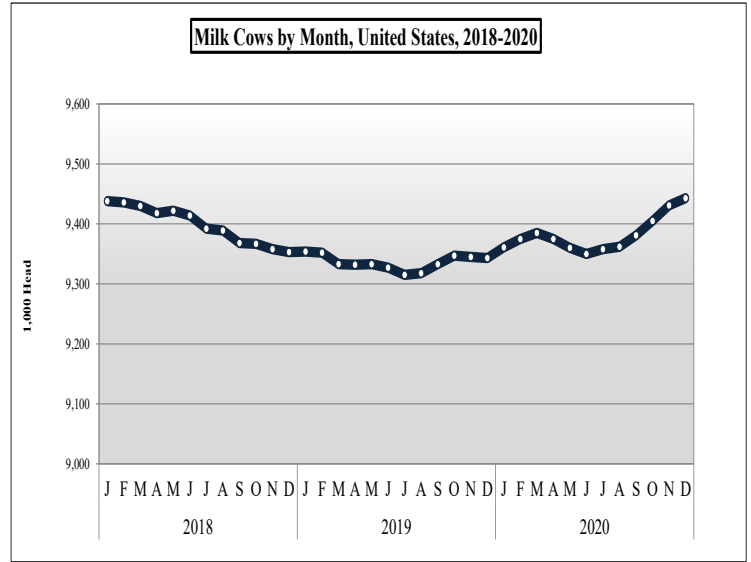
Federal Order No. 33

Supplement
February 2021

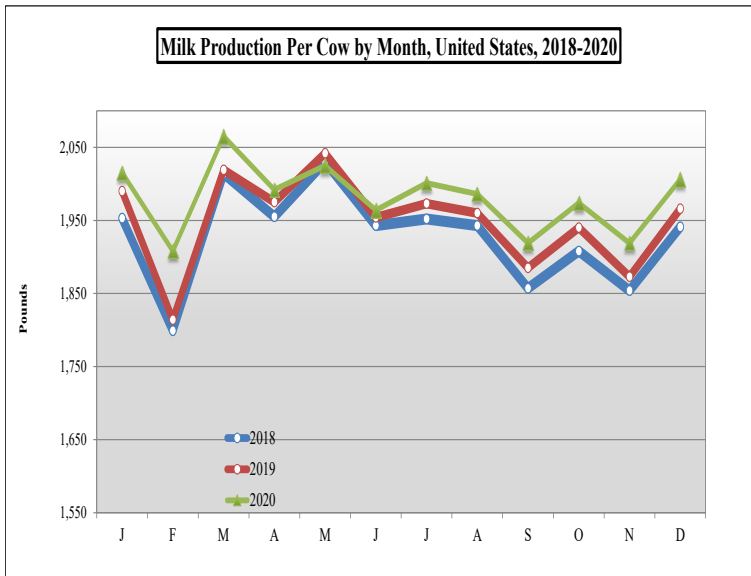
MILK PRODUCTION STATISTICS 1/



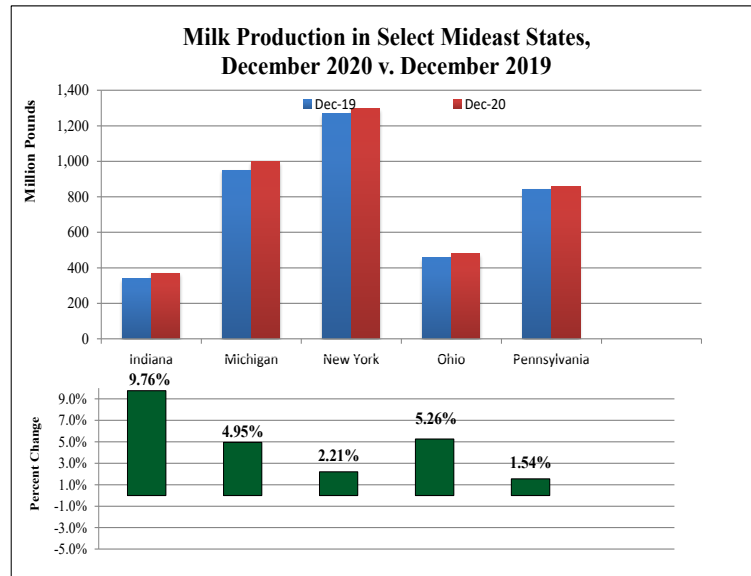
December 2020 milk production in the United States increased 843 million pounds from November 2020 to 18.9 billion pounds. December 2020 milk production in the United States was up 3.1 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for December 2020, up 12,000 head from November 2020 and up 100,000 head from December 2019.



Production per cow in the United States averaged 2,006 pounds for December 2020 up 87 pounds from November 2019. December 2020 milk production per cow was up 40 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 3.9 billion pounds during January 2020, up 43 million pounds from the prior year. Milk production in Pennsylvania declined 7 million pounds while production in Michigan increased 16 million pounds.

1/ Source: National Agricultural Statistics Service (NASS), Agriculture 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.

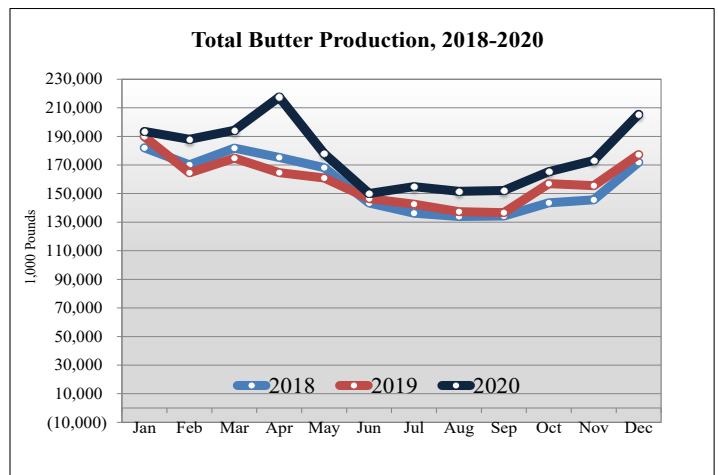
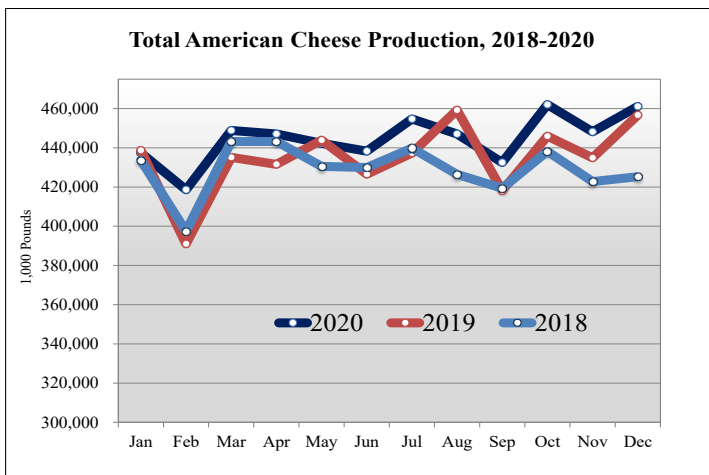
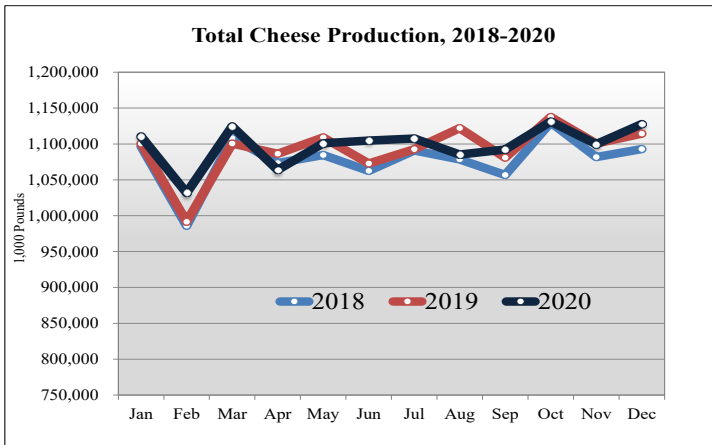
DAIRY PRODUCT PRODUCTION 1/

Dairy Product Production Summary:

American type cheese production totaled 461 million pounds, 1.0 percent above December 2019 and 2.9 percent above November 2020.

Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 0.5 percent above December 2019 and 2.6 percent above November 2020.

Butter production was 206 million pounds, 11.8 percent above December 2019 and 18.7 percent above November 2020.



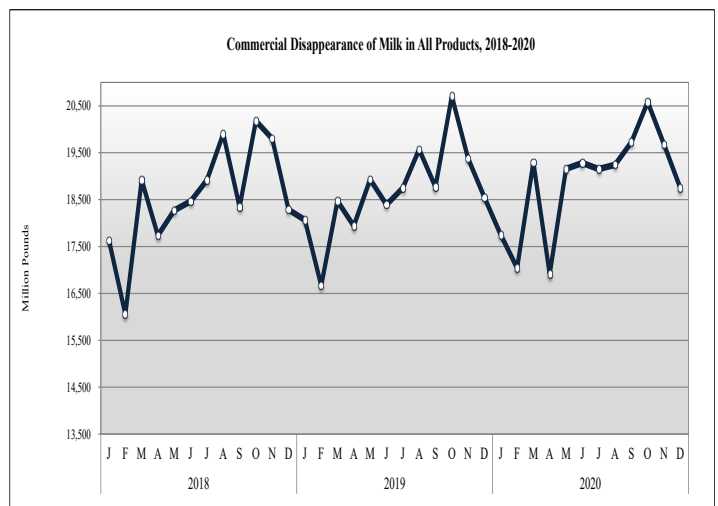
COMMERCIAL DISAPPEARANCE 2/

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 December 2020 commercial disappearance of milk was 18.7 billion pounds, up 0.9 percent from the prior year. The cumulative disappearance total for 2020 is 227 billion pounds, an increase of 1.0 percent from the same 12-month period of 2019.

December 2020 commercial disappearance of American cheese was 426 million pounds, down 5.2 percent from the prior year.

December 2020 commercial disappearance of butter was 187 million pounds, up 5.2 percent from the prior year.



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.