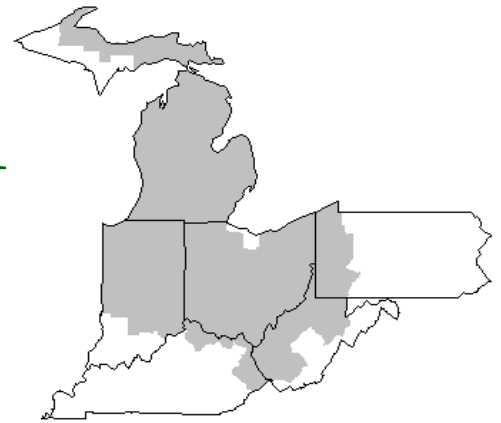


Mideast Market Administrator's Bulletin



Federal Order No. 33

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JUNE 2021

Dairy News

March dairy exports on a milk-fat milk-equivalent basis totaled 1.014 billion pounds, 172 million pounds above February and 190 million pounds higher than March 2020. On a skim-solids milk-equivalent basis, March dairy exports totaled 4.811 billion pounds, 864 million above the previous month and 923 million pounds higher than March 2020. Notably, exports of cheese totaled 81.4 million pounds in March, 14.9 million higher than February and 7.9 million higher than March 2020. Exports of dry skim products totaled 190.8 million in March, 33.0 million higher than February and 53.3 million higher than March 2020. Even though the United States faces substantial price competition from foreign competitors in whey markets, U.S. dry whey exports were robust in March; at 52.7 million pounds, they were 12.0 million higher than February and 14.4 million higher than March 2020.

In March, imports on a milk-fat basis were 589 million, 265 million pounds higher than the previous month and 103 million higher than March 2020. On a skim-solids basis, March imports were 560 million pounds, 189 above February and 59 million pounds higher than March 2020. Notably, in March, butter imports totaled 10.2 million pounds, 6.7 million pounds higher than February and 6.6 million pounds above March 2020. In March, imports for other-than-American cheese totaled 23.2 million pounds, 7.0 million pounds higher than the previous month and 4.0 million pounds above March 2020. March imports of milk protein products totaled 29.4 million pounds, 14.2 higher than February and 8.8 higher than March 2021.

During 2021-Q1, daily domestic use of most dairy products increased. On a milk-fat basis, daily domestic use totaled 586.4 million pounds, 2.8 percent higher than the 2021-Q1. On a skim-solids basis, 2021-Q1 domestic use was 497.8 million pounds, 1.1 percent higher than 2020-Q1. Daily domestic uses of cheese, butter, dry skim products, and lactose were higher in 2021-Q1 than 2020-Q1. Domestic daily use numbers for dry whey and whey protein concentrate (WPC) in 2021-Q1 were lower than 2020-Q1 of the previous year by 20.1 percent and 17.8 percent, respectively. On a milk-fat basis, March ending stocks were 18.1 billion pounds, 7.3 percent above March 2020. On a skim-solids basis, March ending stocks were 11.6 billion pounds, 0.8 percent higher than March 2020.

Livestock, Dairy, and Poultry Outlook, LDP-M-323, May 18, 2021 USDA, Economic Research Service

Dairy Forecasts 2021

The U.S. milking herd is projected to average 9.470 million head in 2021, 10,000 head higher than last month's forecast. The number of milk cows is expected to trend upward into 2021-Q3 and then decline in the 2021-Q4 due to relatively high feed prices.

Although milk-feed ratios have already fallen from 2020-Q4, dairy operations usually respond to price signals with a lag of several months. The milk per cow forecast for 2021 is 24,070 pounds, unchanged from last month's forecast. With the higher anticipated number of milk cows, the milk production forecast for 2021 has been raised to 227.9 billion pounds, 0.2 billion higher than last month's projection.

On a milk-fat basis, the annual dairy export forecast for 2021 is 10.8 billion pounds, 0.1 billion higher than last month's forecast, as exports on a milk-fat basis in 2021-Q1 were higher than expected. On a skim-solids basis, the dairy export projection has been lowered to 49.5 billion pounds, 0.3 billion lower the last month's forecast. Although exports of dry skim milk products have been robust, they are expected to decline in the second half of the year due to stronger price competition from foreign suppliers.

The 2021 forecast for dairy imports on a milk-fat basis has been increased to 6.2 billion pounds, 0.2 billion pounds higher than last month's forecast. On a skim-solids basis, the dairy import forecast has been raised to 5.5 billion pounds, 0.2 billion higher than last month's projections.

(Continued on Page 3)

May 2021 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	532,017,301	37.4
Class II	343,039,962	24.1
Class III	255,561,985	18.0
Class IV	292,025,057	20.5
Total	1,422,644,305	100.0

Producer Prices

Producer Price Differential	\$ - 1.53 / cwt
Butterfat Price	1.9851 / lb
Protein Price	3.1307 / lb
Other Solids Price	0.4645 / lb
Somatic Cell Adjustment Rate	0.00091 / cwt
Statistical Uniform Price	17.43 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2021

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			520,611,186			\$12.56 / cwt	\$ 65,388,764.97
Class I Butterfat		11,406,115				1.9955 / lb	22,760,902.53
Class I Location Differential	532,017,301						(312,807.36)
Class II SNF Value				29,846,236		1.0644 / lb	31,768,333.59
Class II Butterfat		22,630,864				1.9921 / lb	45,082,944.21
Class III Protein Value			8,013,752			3.1307 / lb	25,088,653.39
Class III Other Solids Value					14,736,916	0.4645 / lb	6,845,297.48
Class III Butterfat		10,578,422				1.9851 / lb	20,999,225.52
Class IV SNF Value				26,167,544		1.0607 / lb	27,755,913.88
Class IV Butterfat		10,551,620				1.9851 / lb	20,946,020.85
Somatic Cell Value II / III / IV							1,477,269.30
TOTAL PRODUCER MILK VALUE	1,422,644,305	55,167,021	44,877,175		82,303,867		\$ 267,800,518.36
Overages					1,181.34		
Beginning Inventory & OS Charges					96,254.92		
TOTAL ADJUSTMENTS							\$ 97,436.26
TOTAL HANDLER OBLIGATIONS							\$ 267,897,954.62
Total Protein Value			44,877,175 lbs	@	\$3.1307		\$ (140,496,971.75)
Total Other Solids Value			82,303,867 lbs	@	0.4645		(38,230,146.22)
Butterfat Value			55,167,021 lbs	@	1.9851		(109,512,053.38)
Total Somatic Cell Values							(2,365,479.95)
TOTALS							\$ (22,706,696.68)
Net Producer Location Adjustments							\$ 995,435.55
1/2 Unobligated Balance Producer Settlement Fund							647,000.00
Total - Divided by Total Pounds			1,422,644,305 lbs		(1.4806414)		\$ (21,064,261.13)
Rate of Cash Reserve					(0.0493586)		(702,197.31)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,422,644,305		\$ (1.53) /cwt		\$ (21,766,458.44)

COMPONENT PRICES

May

COMPUTATION OF UNIFORM PRICE

May

	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
Butterfat Price	\$1.9851 / lb	\$1.3756 / lb	Class III Price - 3.5% BF	\$18.96	\$12.14
Protein Price	3.1307 / lb	2.0180 / lb	Producer Price Differential*	(1.53)	0.59
Other Solids Price	0.4645 / lb	0.1882 / lb	Statistical Uniform Price	\$17.43	\$12.73
Somatic Cell Adjustment Rate	0.00091 / cwt	0.00065 / cwt			
Nonfat Solids Price ²	1.0607 / lb	0.6746 / lb			

CLASS PRICES

May

CLASSIFICATION OF PRODUCER MILK

May

	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
Class I*	\$19.10	\$14.95	Product lbs.	Product lbs.	
Class II	16.22	12.30	Class I	532,017,301	557,058,735
Class III	18.96	12.14	Class II	343,039,962	352,635,861
Class IV	16.16	10.67	Class III	255,561,985	591,943,035
			Class IV	292,025,057	285,172,807
			Total	1,422,644,305	1,786,810,438

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 May 2021 was -\$1.53 and the Statistical Uniform Price was \$17.43 for the month. The Statistical Uniform Price is \$1.10 higher than last month, and is \$4.70 higher than May 2020.

The Producer Butterfat Price of \$1.9851 per pound increased \$0.0355 from April and is up \$0.6095 from a year ago. The Protein Price of \$3.1307 is up \$0.3171 from last month and is up \$1.0389 from May 2020. The Other Solids Price in May was \$0.4645 per pound, an increase from last month's price of \$0.4268 and \$0.2763 higher than last May. The Somatic Cell Adjustment rate for May was \$0.00091 per cwt.

May producer receipts of 1.42 billion pounds were 10.3 percent higher than April and 20.4 percent lower than May 2020 production of 1.79 billion pounds. Producer milk allocated to Class I accounted for 37.4 percent of the total producer milk in May 2021, lower than the 40.0 percent in April, and higher than the 31.2 percent in May 2020. A total of 3,555 producers were pooled on the Mideast Order compared to 3,948 producers pooled in May 2020.

The market average content of producer milk was as follows: Butterfat 3.88%; Protein 3.15%; Other Solids 5.79% and Nonfat Solids 8.94%.

(continued from Front Page)

With expectations for greater domestic demand, most wholesale dairy product price forecasts for 2021 have been raised. The price forecasts for Cheddar cheese, dry whey, and NDM are \$1.740 (+3.0 cents), \$0.575 (+5.0 cents), and \$1.240 (+8.0 cents) per pound, respectively. The butter price forecast has been lowered by 2.0 cents to \$1.710 per pound. Although butter demand is anticipated to remain relatively strong, higher milk production is expected to limit upward movements in the butter price.

With higher price forecasts for Cheddar cheese and dry whey, the Class III milk price forecast has been raised by \$0.60 to \$17.70 per hundredweight (cwt). The Class IV milk price forecast has also been raised by \$0.60 to \$15.75 per cwt, as the higher NDM price forecast more than offsets the lower butter price projection. The all-milk price forecast for 2021 is \$18.95 per cwt, \$0.55 higher than last month's forecast.

Dairy Forecasts 2022

The U.S. milking herd is projected to average 9.465 million head in 2022, 5,000 less than the 2021 projection. Some contraction is expected due to relatively high feed prices and weaker milk prices. Milk per cow is projected to average 24,335 per head, a year-over-year increase of 1.1 percent. The milk production forecast for 2022 is 230.3 billion pounds, 1.1 percent higher than the 2021 projection.

In 2022, the Cheddar cheese price is projected to fall to \$1.715 per pound, 2.5 cents lower than 2021, as a greater proportion of milk is expected to move into cheese production in 2022. The price of dry whey is projected to fall to \$0.475 per pound (-10.0 cents) due to relatively large cheese production and competitive pressure from foreign exporters. Foreign price competition is expected to contribute to a decline in the NDM price to \$1.195 (-4.5 cents). The butter price is expected to rise to \$1.790 per pound (+8.0 cents) as demand increases and a smaller proportion of milk fat moves into butter production.

The Class III milk price forecast for 2022 is \$16.85 per cwt, \$0.85 lower than the projection for 2021. The Class IV milk price projection for 2022 is \$15.70 per cwt, a year-over-year decline of \$0.05. The all milk price forecast for 2022 is \$18.50 per cwt, \$0.45 lower than the projection for 2021.

Livestock, Dairy, and Poultry Outlook, LDP-M-323, May 18, 2021 USDA, Economic Research Service

April Milk Production Up 3.5 Percent

Milk production in the 24 major States during April totaled 18.4 billion pounds, up 3.5 percent from April 2020. March revised production, at 18.9 billion pounds, was up 2.2 percent from March 2020. The March revision represented an increase of 30 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,051 pounds for April, 42 pounds above April 2020.

The number of milk cows on farms in the 24 major States was 8.98 million head, 121,000 head more than April 2020, and 15,000 head more than March 2021.

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 April totaled 2.8 billion pounds, up 86 million pounds or 3.2 percent from April 2020.

Production per cow in the Mideast states averaged 1,988 pounds for April, 12 pounds above April 2020.

The number of cows on farms in the Mideast states was 1.4 million head, 31,000 head more than April 2020.

Released May 20, 2021, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition

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Featured this month are:

- Producer Price Differential & Uniform Price Statistics
- Grain & Alfalfa Hay Prices

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

State	Number of Producers	Pounds of Milk (000)	April 2021 -----Weighted Averages -----				April 2020 -----Weighted Averages -----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	780	537,869	3.91	3.20	5.79	149	904,044	3.86	3.17	5.80	147
Ohio	1,241	311,819	3.87	3.15	5.72	173	410,139	3.93	3.16	5.74	165
Indiana	563	280,120	3.95	3.20	5.86	165	248,765	3.88	3.15	5.81	158
Pennsylvania	616	72,266	3.96	3.09	5.67	215	82,410	3.96	3.08	5.67	188
New York	125	64,679	4.06	3.22	5.87	168	80,029	3.99	3.17	5.88	166
Other	158	22,746	3.93	3.12	5.77	182	22,306	3.84	3.10	5.78	196
Total/Average *	3,483	1,289,499	3.92	3.18	5.78	163	1,747,694	3.89	3.16	5.79	156

* 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
May 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)	2,325,480	672,170	28.9	(\$0.62)	\$18.34
FO 5 Appalachian - (Charlotte)	441,831	296,403	67.1	^{2/}	19.35
FO 6 Florida - (Tampa)	205,959	162,902	79.1	^{2/}	21.26
FO 7 Southeast - (Atlanta)	385,139	245,707	63.8	^{2/}	19.52
FO 30 Upper Midwest - (Chicago)	938,719	202,686	21.6	(1.44)	17.52
FO 32 Central - (Kansas City)	919,807	353,508	38.4	(2.18)	16.78
FO 33 Mideast - (Cleveland)	1,422,644	532,017	37.4	(1.53)	17.43
FO 51 California - (Los Angeles)	2,030,055	388,151	19.1	(2.23)	16.73
FO 124 Pacific Northwest - (Seattle)	632,022	133,323	21.1	(1.70)	17.26
FO 126 Southwest - (Dallas)	1,007,536	318,485	31.6	(1.64)	17.32
FO 131 Arizona - (Phoenix)	356,771	107,897	30.2	^{2/}	17.25

^{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.

^{3/} Data not available at time of publication, please see website version for information.

MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2021.....\$16.16 /cwt.

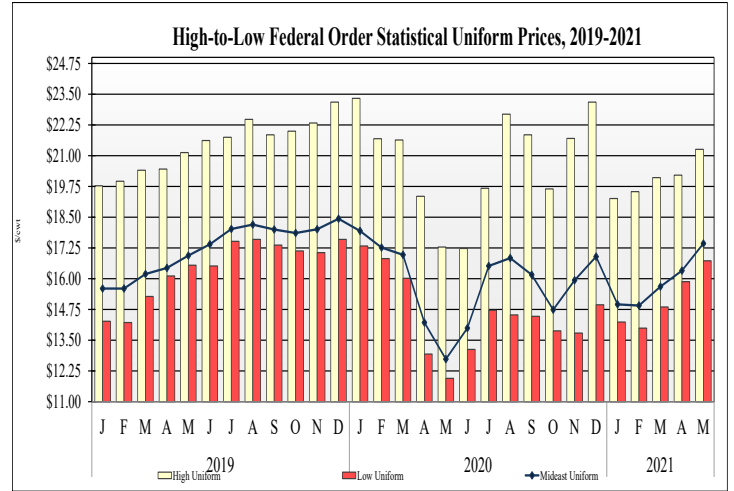
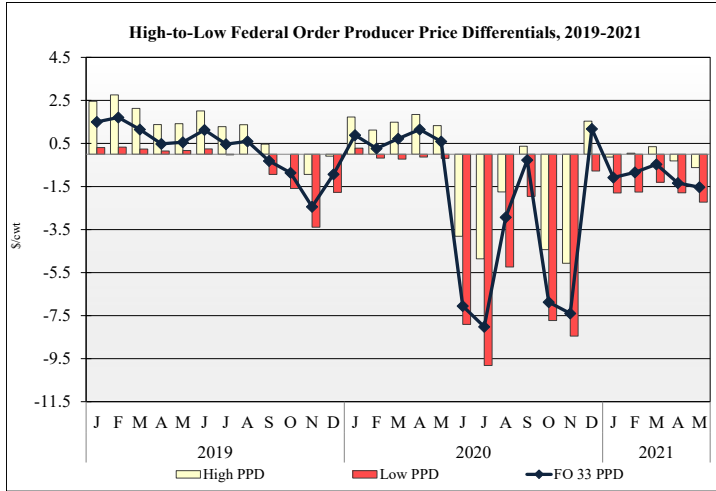


Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
June 2021

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 1/ 2/



Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For May 2021 Federal Order 1 had a PPD of $-\$0.62$ per hundredweight (cwt), $\$0.31$ lower than their April PPD of $-\$0.31$ per cwt.

In May 2021, Federal Order 33 had the third highest PPD, behind Orders 1, and 30, at $-\$1.53$ per cwt, $\$0.19$ per cwt lower than the April PPD.

For May 2021, Federal Order 51 had the lowest PPD at $-\$2.23$ per cwt, $\$0.44$ per cwt lower than the April PPD.

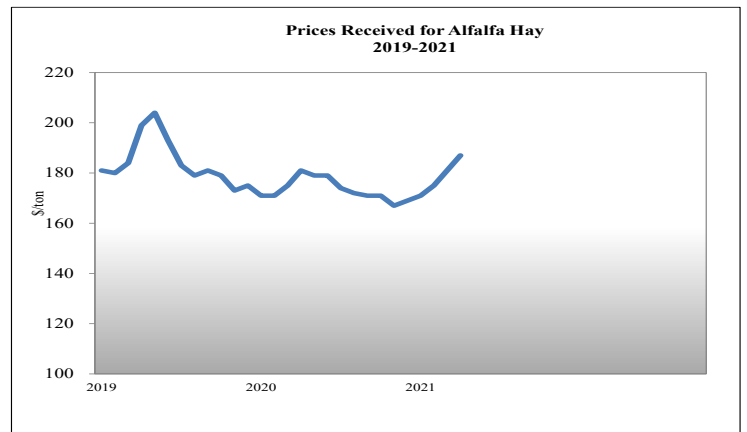
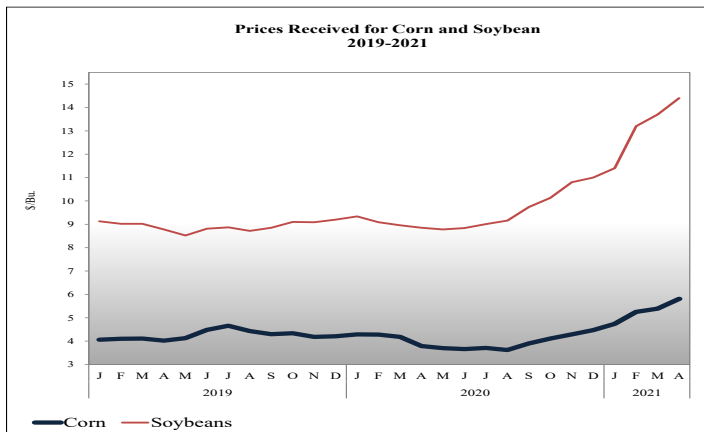
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2021, Federal Order 6 had a SUP of $\$21.26$ per cwt, $\$1.05$ lower than the previous month's SUP.

Federal Order 33 had a SUP of $\$17.43$ per cwt, $\$1.10$ per cwt higher than the previous month's SUP.

Federal Order 51 had the lowest SUP at $\$16.73$ per cwt, $\$0.82$ per cwt higher than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



1/ Producer price differentials are subject to location adjustment.
2/ Statistical uniform prices are at 3.5 percent butterfat and subject to location adjustment.
3/ Source: USDA, National Agricultural Statistics Service