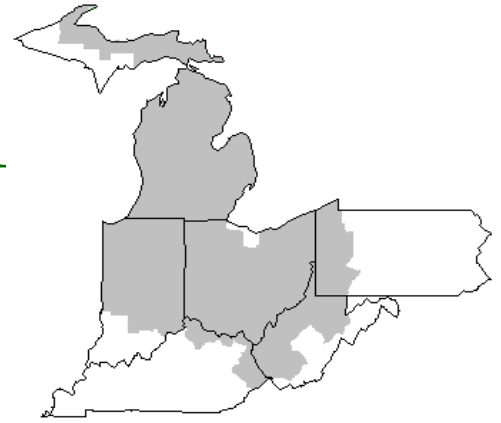


Mideast Market Administrator's Bulletin



Federal Order No. 33

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NOVEMBER 2021

Dairy Forecasts for 2021

Based on recent information showing a decline in milk cow numbers, relatively high feed costs, and relatively high culling of dairy cows, the forecast for the average number of milk cows in 2021 has been lowered to 9.475 million head, 10,000 below the previous month's forecast. Based on the decline in milk per cow from July to August, lower yield per cow is projected for the third and fourth quarters of 2021. The projected average yield per cow in 2021 is 23,960 pounds per year, 50 pounds lower than last month's forecast. The milk production forecast for 2021 is 227.0 billion pounds, 0.8 billion less than last month's forecast.

The forecast for 2021 dairy exports on a milk-fat basis is 11.8 billion pounds, 0.4 billion higher than the previous month's projection due to higher expected exports of butterfat products. On a skim-solids basis, 2021 exports are forecast at 51.4 billion pounds, 0.3 billion lower than last month's projection due to lower expected exports of dry skim milk products and whey products. On a milk-fat basis, annual dairy import projections for 2021 are unchanged from the previous month's estimates, at 6.6 billion pounds. On a skim-solids basis, the dairy import projection is 5.6 billion pounds, 0.2 billion lower than the previous month's forecast due to lower expected imports of milk protein products.

The 2021 forecasts for domestic commercial use of dairy products are lower than projected last month, mainly due to higher anticipated wholesale prices and weaker domestic demand. On a milk-fat basis, the annual forecast for 2021 domestic commercial use is 220.8 billion pounds, 1.1 billion lower than last month's forecast. The domestic use forecast on a skim-solids basis for 2021 is 180.0 billion pounds, 0.7 billion lower than last month's projection.

Based on recent price data and lower expected milk production, the wholesale price forecasts for most dairy products have been adjusted higher for 2021. Price forecasts for cheese, NDM, and dry whey are \$1.680 (+4.0 cents), \$1.245 (+2.0 cents), \$0.565 (+1.0 cent) per pound, respectively. The 2021 wholesale price forecast for butter is \$1.685 per pound, 0.5 cents lower than last month's projection.

With a higher projected wholesale price for cheese, the Class III milk price forecast for 2021 is \$17.05 per hundredweight (cwt), \$0.40 higher than the previous month's forecast. The Class IV milk price projection is \$15.70 per cwt, \$0.15 higher than last month's forecast. The all-milk price forecast for 2021 is \$18.45 per cwt, an increase of \$0.30 from last month's projection.

Dairy Forecasts for 2022

The average number of milk cows is expected to continue declining in the first quarter of 2022. As a result, the annual forecast has been lowered to 9.450 million head, 30,000 head below the last month's forecast. The projection for milk per cow is 24,305 pounds, 25 pounds lower than last month's forecast. The projection for 2022 milk production has been adjusted to 229.7 billion pounds, 0.9 billion pounds lower than last month's forecast but 2.7 billion pounds higher than 2021.

On a milk-fat basis, the export forecast for 2022 is 11.0 billion pounds, 0.1 billion higher than last month's projection due to an expected increase in butter exports. On a skim-solids basis, 2022 dairy exports are projected to total 51.8 billion pounds, unchanged from last month's forecast. Dairy imports for 2022 remained steady from last month's forecast at 6.7 billion pounds on a milk-fat basis and 5.5 billion pounds on a skim-solids basis.

(continued on page 3)

October 2021 - Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	545,694,868	33.8
Class II	317,139,374	19.6
Class III	585,418,440	36.3
Class IV	166,244,540	10.3
Total	1,614,497,222	100.0

Producer Prices

Producer Price Differential	\$- 0.13 / cwt
Butterfat Price	1.9414 / lb
Protein Price	3.0130 / lb
Other Solids Price	0.3560 / lb
Somatic Cell Adjustment Rate	0.00088 / cwt
Statistical Uniform Price	17.70 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

October 2021

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			534,217,282			\$12.66 / cwt	\$ 67,631,907.96
Class I Butterfat		11,477,586				1.9621 / lb	22,520,171.49
Class I Location Differential	545,694,868						(337,574.53)
Class II SNF Value				27,588,696		1.1811 / lb	32,585,008.84
Class II Butterfat		22,141,174				1.9484 / lb	43,139,863.43
Class III Protein Value			18,828,892			3.0130 / lb	56,731,451.60
Class III Other Solids Value					33,783,339	0.3560 / lb	12,026,868.69
Class III Butterfat		21,798,038				1.9414 / lb	42,318,710.97
Class IV SNF Value				14,793,475		1.1801 / lb	17,457,779.86
Class IV Butterfat		8,112,133				1.9414 / lb	15,748,894.99
Somatic Cell Value II / III / IV							<u>1,579,547.63</u>
TOTAL PRODUCER MILK VALUE	1,614,497,222	63,528,931	51,927,083		93,021,540		\$ 311,402,630.87
Overages						\$ 52,134.99	
Beginning Inventory & OS Charges						26,064.47	
TOTAL ADJUSTMENTS							\$ <u>78,199.46</u>
TOTAL HANDLER OBLIGATIONS							\$ 311,480,830.33
Total Protein Value			51,927,083 lbs	@	\$ 3.0130		\$(156,456,301.12)
Total Other Solids Value			93,021,540 lbs	@	0.3560		(33,115,668.29)
Butterfat Value			63,528,931 lbs	@	1.9414		(123,333,066.67)
Total Somatic Cell Values							<u>(2,344,405.64)</u>
TOTALS							\$ (3,770,611.39)
Net Producer Location Adjustments							\$ 1,481,516.55
1/2 Unobligated Balance Producer Settlement Fund							<u>849,000.00</u>
Total - Divided by Total Pounds			1,614,497,222 lbs			(0.0891977)	\$ (1,440,094.84)
Rate of Cash Reserve						<u>(0.0408023)</u>	<u>(658,752.00)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,614,497,222			\$ (0.13) / cwt	\$ (2,098,846.84)

COMPONENT PRICES

October

	<u>2021</u>	<u>2020</u>
Butterfat Price	\$1.9414 / lb	\$1.6388 / lb
Protein Price	3.0130 / lb	5.0146 / lb
Other Solids Price	0.3560 / lb	0.1534 / lb
Somatic Cell Adjustment Rate	0.00088 / cwt	0.00115 / cwt
Nonfat Solids Price ²	1.1801 / lb	0.8902 / lb

COMPUTATION OF UNIFORM PRICE

October

	<u>2021</u>	<u>2020</u>
Class III Price - 3.5% BF	\$17.83	\$21.61
Producer Price Differential*	<u>(.13)</u>	<u>(6.87)</u>
Statistical Uniform Price	\$17.70	\$14.74

CLASS PRICES

October

	<u>2021</u>	<u>2020</u>
Class I*	\$19.08	\$17.20
Class II	17.08	13.63
Class III	17.83	21.61
Class IV	17.04	13.47

CLASSIFICATION OF PRODUCER MILK

October

	<u>2021</u>	<u>2020</u>
Class I	Product lbs. 545,694,868	Product lbs. 591,541,160
Class II	317,139,374	362,704,207
Class III	585,418,440	85,452,639
Class IV	<u>166,244,540</u>	<u>239,420,314</u>
Total	1,614,497,222	1,279,118,320

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 October 2021 was \$-0.13 and the Statistical Uniform Price was \$17.70 for the month. The Statistical Uniform Price is \$0.58 higher than last month, and is \$2.96 higher than October 2020.

The Producer Butterfat Price of \$1.9414 per pound increased \$0.0026 from September and is up \$0.3026 from a year ago. The Protein Price of \$3.0130 is up \$0.4120 from last month and is down \$2.0016 from October 2020. The Other Solids Price in October was \$0.3560 per pound, an increase from last month's price of \$0.3445 and \$0.2026 higher than last October. The Somatic Cell Adjustment rate for October

was \$0.00088 per cwt. October producer receipts of 1.61 billion pounds were 4.3 percent lower than September and 26.2 percent higher than October 2020 production of 1.28 billion pounds. Producer milk allocated to Class I accounted for 33.8 percent of the total producer milk in October 2021, higher than the 31.5 percent in September, and lower than the 46.2 percent in October 2020. A total of 3,430 producers were pooled on the Mideast Order compared to 3,826 producers pooled in October 2020.

The market average content of producer milk was as follows: Butterfat 3.93%; Protein 3.22%; Other Solids 5.76% and Nonfat Solids 8.98%.

(Continued from Front Page)

In 2022, domestic use is projected to be lower than the previous month's forecast as wholesale prices are projected higher and milk production is projected down. On a milk-fat basis, the domestic use forecast for 2022 is 224.5 billion pounds, 1.0 billion lower than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.2 billion pounds, 0.7 billion lower than last month's forecast.

With lower projected milk production, ending stock forecasts for 2022 have been lowered. On a milk-fat basis, the forecast for ending stocks has been decreased to 15.3 billion pounds (-0.1 billion). On a skim-solids basis, the forecast has been lowered to 11.1 billion pounds (-0.2 billion).

Dairy product price forecasts for 2022 have been adjusted higher. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are raised from last month's projections to \$1.715 (+6.0 cents), \$1.755 (+2.5 cents), \$1.380 (+11.0 cents), and \$0.510 (+1.0 cent) per pound, respectively.

With higher projected wholesale prices for cheese and dry whey, the Class III milk price forecast for 2022 is \$17.10 per cwt, \$0.65 higher than the previous month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$17.15 per cwt, \$1.10 higher than last month's forecast. The all-milk price forecast for 2022 is \$19.20 per cwt, an increase of \$0.80 from last month's projection.

*Livestock, Dairy, and Poultry Outlook: October 2021, LDP-M-328, October 18, 2021
USDA, Economic Research Service*

September Milk Production Up 0.4 Percent

Milk production in the 24 major States during September totaled 17.3 billion pounds, up 0.4 percent from September 2020. August revised production, at 17.9 billion pounds, was up 0.7 percent from August 2020. The August revision represented a decrease of 75 million pounds or 0.4 percent from last month's preliminary production estimate. Production per cow in the 24 major States averaged 1,937 pounds for September, 4 pounds below September 2020. The number of milk cows on farms in the 24 major States was 8.93 million head, 48,000 head more than September 2020, but 22,000 head less than August 2021.

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 September totaled 2.6 billion pounds, up 1 million pounds or statistically no change from September 2020.

Production per cow in the Mideast states averaged 1,846 pounds for September. This was a decrease of 13 pounds from September 2020. The number of milk cows on farms in the Mideast states was 1.37 million head, 8,000 head more than September 2020.

September 2021 Highlights

Total cheese output (excluding cottage cheese) was 1.14 billion pounds, 3.3 percent above September 2020 but 0.5 percent below August 2021.

Italian type cheese production totaled 486 million pounds, 3.5 percent above September 2020 and 0.2 percent above August 2021.

American type cheese production totaled 454 million pounds, 5.1 percent above September 2020 but 0.9 percent below August 2021.

Butter production was 143 million pounds, 4.9 percent below September 2020 and 3.1 percent below August 2021.

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

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Featured this month are:

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

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

State	September 2021						September 2020				
	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	879	906,640	3.85	3.15	5.75	178	769,270	3.81	3.15	5.77	170
Ohio	1,202	400,391	3.86	3.16	5.73	211	301,773	3.83	3.12	5.71	189
Indiana	588	214,301	3.79	3.13	5.78	227	212,916	3.82	3.14	5.80	188
New York	143	80,595	4.00	3.19	5.84	231	75,007	3.99	3.21	5.87	198
Pennsylvania	536	74,738	3.91	3.09	5.63	261	77,356	3.89	3.08	5.64	237
Other	156	10,717	3.84	3.11	5.70	279	9,590	3.91	3.12	5.72	250
Total/Average *	3,504	1,687,382	3.85	3.15	5.75	199	1,445,911	3.83	3.14	5.76	182

* 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
October 2021**

<u>Marketing Area</u> ^{1/}		<u>Producer Milk</u>		<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
		<u>Total</u>	<u>Class I</u>	<u>Percent</u>	<u>Price Differential</u>	<u>Uniform Price</u>
		<i>(000)</i>	<i>(000)</i>	<i>%</i>	<i>(per cwt.)</i>	<i>(per cwt.)</i>
FO 1	Northeast - <i>(Boston)</i>	2,238,697	690,403	72.5	\$0.61	\$18.44
FO 5	Appalachian - <i>(Charlotte)</i>	433,711	314,633	72.5	^{2/}	19.70
FO 6	Florida - <i>(Tampa)</i>	206,313	170,202	82.5	^{2/}	21.55
FO 7	Southeast - <i>(Atlanta)</i>	384,594	261,339	68.0	^{2/}	19.86
FO 30	Upper Midwest - <i>(Chicago)</i>	1,446,643	209,967	14.5	-0.16	17.67
FO 32	Central - <i>(Kansas City)</i>	1,049,507	371,222	35.4	-0.64	17.19
FO 33	Mideast - <i>(Cleveland)</i>	1,614,497	545,695	33.8	-0.13	17.70
FO 51	California - <i>(Los Angeles)</i>	1,895,379	409,583	21.6	-0.54	17.29
FO 124	Pacific Northwest - <i>(Seattle)</i>	577,931	134,339	23.2	-0.70	17.13
FO 126	Southwest - <i>(Dallas)</i>	902,897	337,964	37.4	-0.09	17.74
FO 131	Arizona - <i>(Phoenix)</i>	367,409	118,366	32.2	^{2/}	18.02

^{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 NOVEMBER 2021.....\$17.04 /cwt.



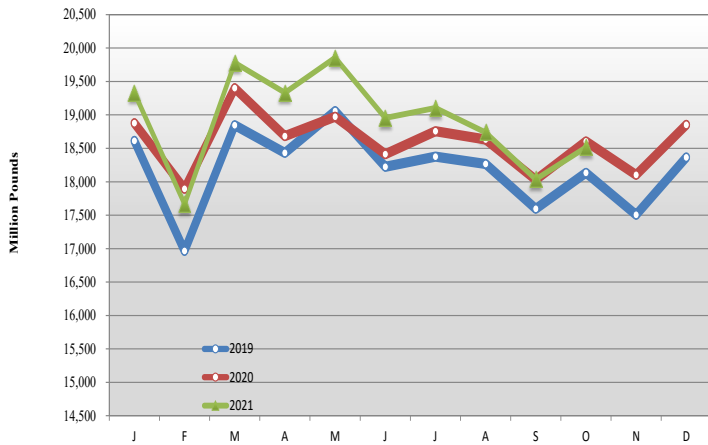
Mideast Market Administrator's Bulletin

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Supplement
November 2021

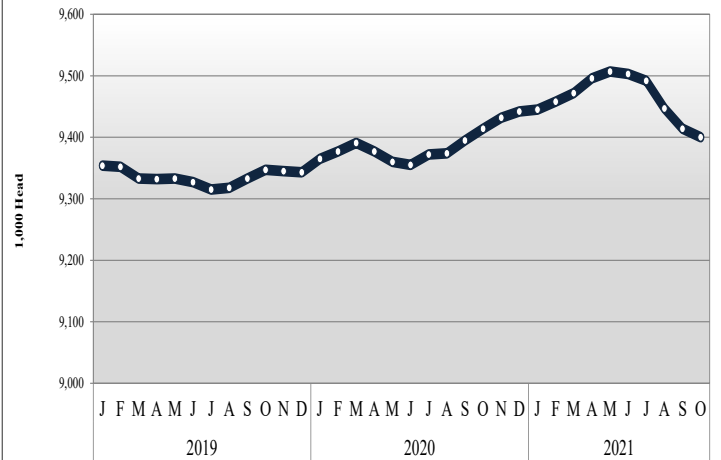
MILK PRODUCTION STATISTICS 1/

Milk Production by Month, United States, 2019-2021



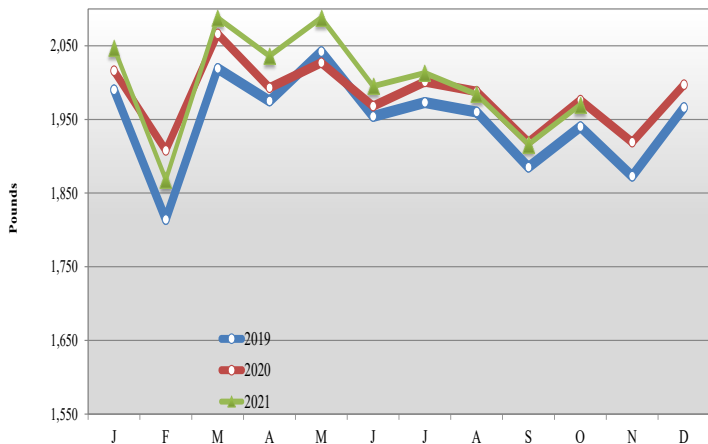
October 2021 milk production in the United States increased 477 million pounds from September to 18.5 billion pounds. October 2021 milk production in the United States was down 0.5 percent from the same month of the prior year.

Milk Cows by Month, United States, 2019-2021



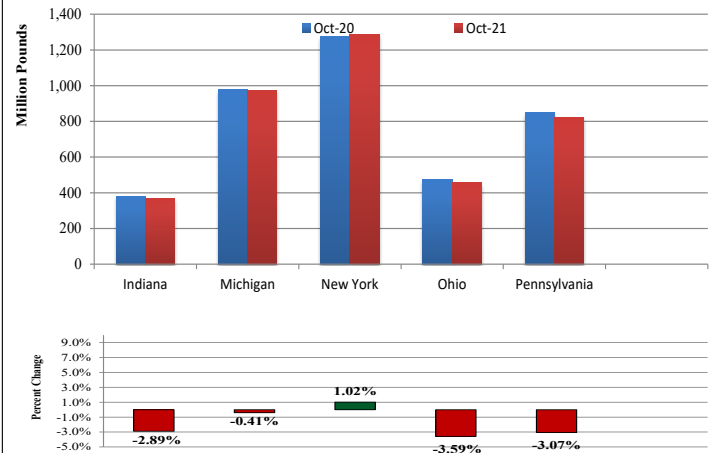
The number of milk cows on farms in the United States was 9.4 million head for September 2021, down 14,000 head from September and 14,000 head less than October 2020.

Milk Production Per Cow by Month, United States, 2019-2021



Production per cow in the United States averaged 1,970 pounds for October 2021 up 54 pounds from September 2021. October 2021 milk production per cow was down 6 pounds from the same month of the prior year.

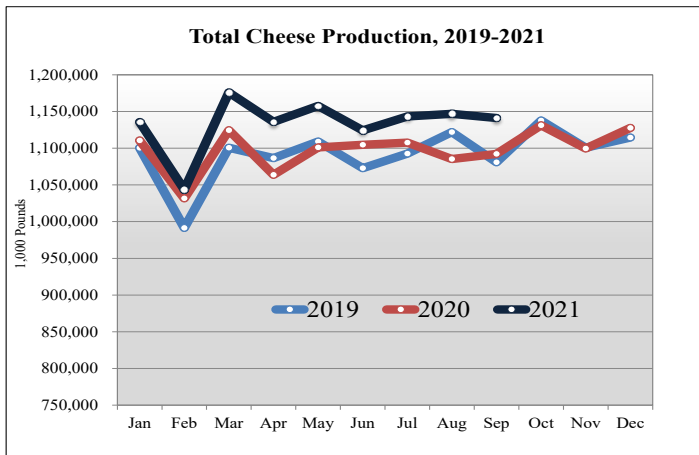
Milk Production in Select Mideast States, October 2021 v. October 2020



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during October 2021, down 45 million pounds from the prior year. Milk production in Ohio decreased 17 million pounds while production in Pennsylvania decreased 26 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/

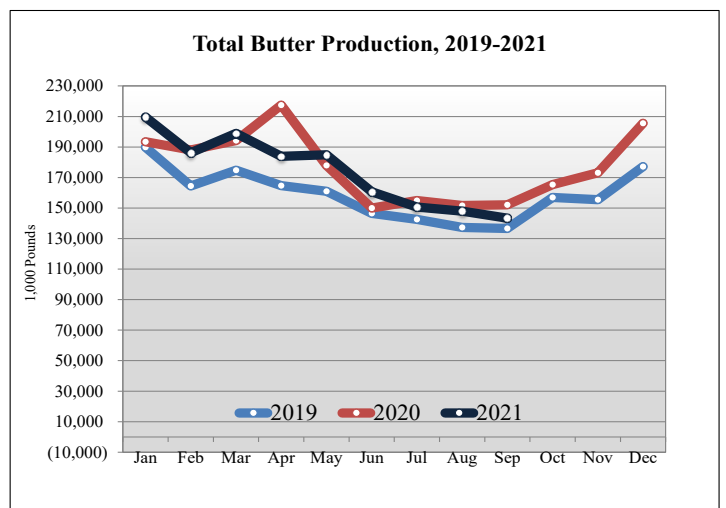
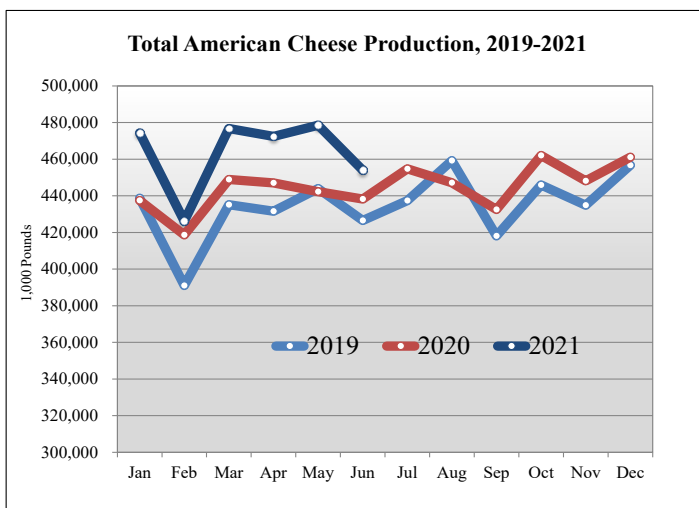


Dairy Product Production Summary:

American type cheese production totaled 454 million pounds, 5.0 percent above September 2020 and 0.9 percent below August 2021.

Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 4.4 percent above September 2020 and 0.4 percent above August 2021.

Butter production was 143 million pounds, 5.9 percent below September 2020 and 3.1 percent below August 2021.



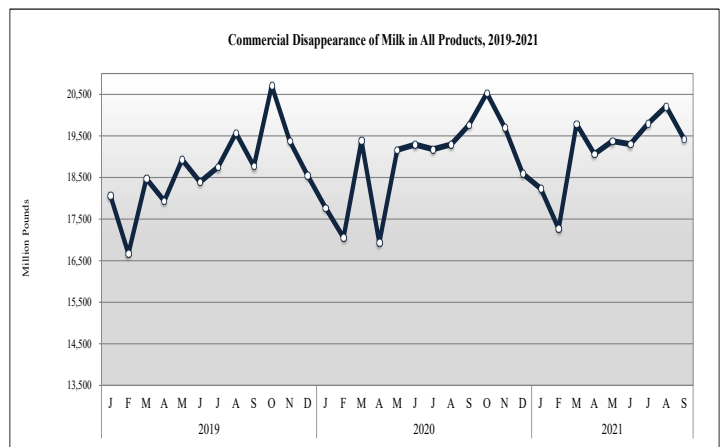
COMMERCIAL DISAPPEARANCE 2/

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 September 2021 commercial disappearance of milk was 19.4 billion pounds, down 1.7 percent from the prior year. The cumulative disappearance total for 2021 is 172 billion pounds, an increase of 2.8 percent from the same 9-month period of 2020.

September 2021 commercial disappearance of American cheese was 440 million pounds, down 2.4 percent from the prior year.

September 2021 commercial disappearance of butter was 186.6 million pounds, down 0.3 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.