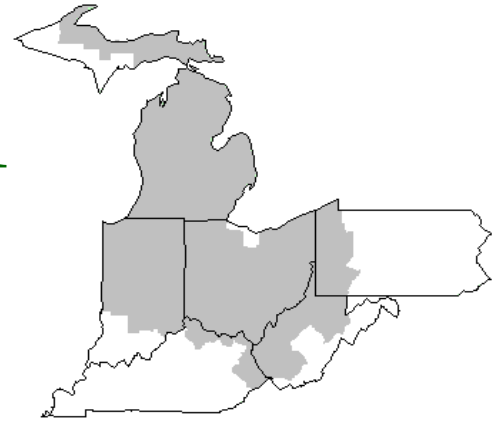


Mideast Market Administrator's Bulletin



Federal Order No. 33

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AUGUST 2022

Dairy Forecasts for 2022

Based on recent data, the projection for milk cows for 2022 is 9.400 million head, unchanged from the previous month. The projected annual yield per cow for 2022 has been lowered to 24,040 pounds, 50 pounds less than the previous month's estimate due to higher feeding costs. The milk production forecast for 2022 has been lowered to 226.0 billion pounds, 0.4 billion lower than last month.

Due to strong exports in May 2022, dairy export forecasts are projected upward in 2022. On a milk-fat basis, exports are 12.2 billion pounds, 0.2 billion pounds higher from last month's projection. On a skim-solids basis, exports are forecast at 50.5 billion pounds, 0.4 billion higher than forecast last month. With competitive prices on international markets, higher exports of NDM, dry whey products, cheese, butter, and lactose are expected throughout 2022.

The 2022 import forecast on a milk-fat basis is 7.1 billion pounds, 0.1 billion higher than last month's forecast due to higher anticipated imports of butterfat products. On a skim-solids basis, the projection for imports is 6.1 billion pounds, unchanged from last month's projections.

The 2022 domestic forecast is adjusted down due to lower-than-anticipated domestic use in May; lower domestic use is expected the second, third and fourth quarters of the year. On a milk-fat basis, the 2022 domestic use projection is 221.2 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, the 2022 domestic use forecast is 180.5 billion pounds, 0.9 billion lower than last month's forecast.

The 2022 price forecast for cheese is \$2.185 per pounds (-1.0 cent), with high stock levels contributing to the lower forecast. The price forecast for butter is \$2.780 (+1.5 cents) per pound, as demand remains strong. However, 2022 price forecasts for NDM and dry whey are unchanged from last month's forecasts, at \$1.755 and \$0.640 per pound, respectively.

The Class III price forecast for 2022 has been adjusted to \$22.80 per hundredweight (cwt), 10 cents lower than last month's forecast due to lower cheese prices. The 2022 Class IV price was adjusted to \$24.70 per cwt, 5 cents higher than last month's projection due to higher butter prices. The all-milk price forecast for 2022 is \$26.15 per cwt, 5 cents lower than the June forecast.

Dairy Forecasts for 2023

Following the 2022 forecast, milk cow numbers projected for 2023 are expected to remain steady at 9.400 million head. The forecast for milk per cow is 24,290 pounds, 110 pounds lower than last month's forecast but 250 pounds higher than 2022 forecast.

The projection for 2023 milk production has been lowered to 228.3 billion pounds, 1.0 billion lower than last month's forecast but 2.3 billion pounds above the 2022 forecast. On a milk-fat basis, the export forecast for 2023 is 11.6 billion pounds, unchanged from last month's forecast. In 2023, dairy exports are projected to total 51.0 billion pounds on a skim solids basis, 0.1 billion higher than the previous month's forecast, as strong skim exports of dry skim milk products are expected in 2023. The dairy import forecasts are unchanged from last month's projection, at 6.9 billion pounds on a milk-fat basis and 6.0 billion pounds on a skim solids basis.

Due to higher projected domestic prices and a lower expected farm milk supply, the 2023 forecast for domestic use is adjusted down. On a milk-fat basis, the annual domestic use forecast for 2023 is 221.8 billion pounds, 0.9 billion lower than the previous forecast. On a skim solids basis, the forecast for domestic use is 181.4 billion pounds, 1.1 billion lower than last month's forecast.

(continued on Page 3)

July 2022 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	468,938,049	35.7
Class II	106,971,120	8.1
Class III	709,951,535	54.0
Class IV	28,484,542	2.2
Total	1,313,345,246	100.0

Producer Prices

Producer Price Differential	\$ 2.18 / cwt
Butterfat Price	3.3600 / lb
Protein Price	2.9116 / lb
Other Solids Price	0.3596 / lb
Somatic Cell Adjustment Rate	0.00110 / cwt
Statistical Uniform Price	24.70 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2022

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			458,642,758			\$16.64 / cwt	\$ 76,318,154.92
Class I Butterfat		10,295,291				3.3743 / lb	34,739,400.42
Class I Location Differential	468,938,049						(260,463.69)
Class II SNF Value				8,569,749		1.7133 / lb	14,682,550.96
Class II Butterfat		13,905,458				3.3670 / lb	46,819,677.09
Class III Protein Value			22,021,566			2.9116 / lb	64,117,991.58
Class III Other Solids Value					41,217,337	0.3596 / lb	14,821,754.41
Class III Butterfat		23,878,304				3.3600 / lb	80,231,101.44
Class IV SNF Value				2,410,953		1.6160 / lb	3,896,100.04
Class IV Butterfat		2,3334,557				3.3600 / lb	7,844,111.52
Somatic Cell Value II / III / IV							<u>1,387,881.75</u>
TOTAL PRODUCER MILK VALUE	1,314,345,246	50,413,610	40,610,274		75,910,097		\$ 344,598,260.44
Overages						30,928.28	
Beginning Inventory & OS Charges						(100,588.48)	
TOTAL ADJUSTMENTS							\$ (69,630.20)
TOTAL HANDLER OBLIGATIONS							\$ 344,528,630.24
Total Protein Value			40,610,274 lbs	@	\$ 2.9116		\$(118,240,873.76)
Total Other Solids Value			75,910,097 lbs	@	0.3596		(27,297,270.86)
Butterfat Value			50,413,610 lbs	@	3.3600		(169,389,729.60)
Total Somatic Cell Values							<u>(2,119,349.41)</u>
TOTALS							\$ 27,481,406.61
Net Producer Location Adjustments							\$ 1,092,142.09
1/2 Unobligated Balance Producer Settlement Fund							<u>637,000.00</u>
Total - Divided by Total Pounds			1,314,345,246 lbs.		2.2224411		\$ 29,210,548.70
Rate of Cash Reserve					(0.0424411)		<u>(557,822.58)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,314,345,246		\$ 2.18 / cwt		\$ 28,652,726.12

COMPONENT PRICES

July

COMPUTATION OF UNIFORM PRICE

July

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.3600 / lb	\$1.8996 / lb	Class III Price - 3.5% BF	\$22.52	\$16.49
Protein Price	2.9116 / lb	2.4957 / lb	Producer Price Differential*	<u>2.18</u>	<u>.76</u>
Other Solids Price	0.3596 / lb	0.4181 / lb	Statistical Uniform Price	\$24.70	\$17.25
Somatic Cell Adjustment Rate	0.00110 / cwt	0.00080 / cwt			
Nonfat Solids Price ²	1.6160 / lb	1.0765 / lb			

CLASS PRICES

July

CLASSIFICATION OF PRODUCER MILK

July

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
Class I*	\$27.87	\$19.42	Class I	Product lbs. 468,938,049	Product lbs. 499,224,549
Class II	26.66	16.83	Class II	106,971,120	312,447,964
Class III	22.52	16.49	Class III	709,951,535	682,982,031
Class IV	25.79	16.00	Class IV	<u>28,484,542</u>	<u>272,455,778</u>
			Total	1,314,345,246	1,767,110,322

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 July 2022 was \$2.18, and the Statistical Uniform Price was \$24.70 for the month. The Statistical Uniform Price is \$1.08 lower than last month and is \$7.45 higher than July 2021.

The Producer Butterfat Price of \$3.3600 per pound increased \$0.0277 from June and is up \$1.4604 from a year ago. The Protein Price of \$2.9116 is down \$0.5057 from last month and is up \$0.4159 from July 2021. The Other Solids Price in July was \$0.3596 per pound, a decrease from last month's price of \$0.4295 and \$0.0585 lower than last July. The Somatic Cell Adjustment rate for July was \$0.00110 per cwt.

July producer receipts of 1.31 billion pounds were 0.4 percent lower than June and 25.6 percent lower than July 2021 production of 1.77 billion pounds. Producer milk allocated to Class I accounted for 35.7 percent of the total producer milk in July 2022, higher than the 34.9 percent in June, and higher than the 28.3 percent in July 2021. A total of 3,332 producers were pooled on the Mideast Order compared to 3,661 producers pooled in July 2021.

The market average content of producer milk was as follows: Butterfat 3.84%; Protein 3.09%; Other Solids 5.78% and Nonfat Solids 8.87%.

(continued from Front Page)

Due to recent price strength trends and lower expected milk production, 2023 wholesale price forecasts for Cheddar cheese, butter, and NDM have been adjusted upward from last month's projections to \$2.070 (+2.0 cents), \$2.440 (+5.5 cents), and \$1.640 (+2.0 cents) per pounds, respectively. However, the 2023 price forecasts of dry whey are slightly down at \$0.510 (-0.5 cent) per pound, due to recent weakness in international whey prices.

Due to the higher cheese price projection, the Class III milk price forecast for 2023 is \$20.85 per cwt, \$0.35 higher than the previous month's forecast. With higher butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$22.30 per cwt, \$0.40 higher than last month's forecast. The all-milk price forecast for 2023 is \$24.15 per cwt, an increase of \$0.35 from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-337, July 18, 2022 USDA, Economic Research Service

June 2022 Highlights

Total cheese output (excluding cottage cheese) was 1.16 billion pounds, 2.7 percent above June 2021 but 2.3 percent below May 2022.

Italian type cheese production totaled 485 million pounds, 4.2 percent above June 2021 but 0.4 percent below May 2021.

American type cheese production totaled 462 million pounds, 1.0 percent above June 2021 but 4.0 percent below May 2022.

Butter production was 161 million pounds, 2.3 percent above June 2021 but 10.9 percent below May 2022.

Dry milk products (comparisons in percentage with June 2021)
Nonfat dry milk, human – 170 million pounds, down 8.6 percent.
Skim milk powder – 45.2 million pounds, down 16.6 percent.

Whey products (comparisons in percentage with June 2021)
Dry whey, total – 82.0 million pounds, up 7.4 percent.
Lactose, human and animal – 102 million pounds, up 6.3 percent.
Whey protein concentrate, total – 45.0 million pounds, up 16.9 percent.

Frozen products (comparisons in percentage with June 2021)
Ice cream, regular (hard) – 66.5 million gallons, up 0.7 percent.
Ice cream, lowfat (total) – 42.1 million gallons, down 2.2 percent.
Sherbet (hard) – 2.22 million gallons, down 15.2 percent.
Frozen yogurt (total) – 4.06 million gallons, down 4.2 percent.

June Milk Production Up 0.3 Percent

Milk production in the 24 major States during June totaled 18.1 billion pounds, up 0.3 percent from June 2021. May revised production, at 18.9 billion pounds, was down 0.4 percent from May 2021. The May revision represented an increase of 0.2 percent or 37 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,031 pounds for June, 20 pounds above June 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 65,000 head less than June 2021, but 4,000 head more than May 2022.

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 June totaled 2.7 billion pounds, this was down 1.3 percent from June 2021.

Production per cow in the Mideast states averaged 2,008 pounds for June. This was an increase of 35 pound per cow from June 2021. The number of cows on farms in the Mideast states was 1.3 million head, 42,000 head less than June 2021.

Milk Production (July 2022) USDA, National Agricultural Statistics Service

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	June 2022 -----Weighted Averages -----						June 2021 -----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	693	623,679	3.86	3.11	5.82	170	710,410	3.78	3.10	5.81	162	
Ohio	1,174	346,322	3.85	3.08	5.72	204	413,466	3.79	3.07	5.72	191	
Indiana	548	189,332	3.85	3.13	5.87	218	285,816	3.81	3.10	5.86	189	
Pennsylvania	643	82,738	3.85	3.03	5.68	232	90,258	3.85	3.01	5.69	229	
New York	170	67,253	4.03	3.14	5.89	200	79,424	3.96	3.14	5.85	189	
Other	161	10,403	3.86	3.04	5.75	250	18,391	3.88	3.07	5.76	207	
Total/Average *	3,389	1,319,727	3.86	3.10	5.80	192	1,597,495	3.80	3.09	5.79	180	

* 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
July 2022**

<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>)	2,286,450	615,863	26.9	3.84	\$26.36
FO 5	Appalachian - (<i>Charlotte</i>)	418,950	284,627	67.9	^{2/}	28.14
FO 6	Florida - (<i>Tampa</i>)	189,208	153,836	81.3	^{2/}	30.29
FO 7	Southeast - (<i>Atlanta</i>)	305,952	213,818	69.9	^{2/}	28.71
FO 30	Upper Midwest - (<i>Chicago</i>)	2,584,284	154,206	6.0	0.41	22.93
FO 32	Central - (<i>Kansas City</i>)	1,337,035	332,935	24.9	1.79	24.31
FO 33	Mideast - (<i>Cleveland</i>)	1,314,345	468,968	35.7	2.18	24.70
FO 51	California (<i>Los Angeles</i>)	1,742,722	359,284	20.6	1.70	24.22
FO 124	Pacific Northwest - (<i>Seattle</i>)	649,880	123,892	19.1	1.96	24.48
FO 126	Southwest - (<i>Dallas</i>)	1,077,855	285,646	26.5	2.28	24.80
FO 131	Arizona - (<i>Phoenix</i>)	394,730	101,131	25.6	^{2/}	25.44

^{1/} Names in parentheses are principal points of markets.

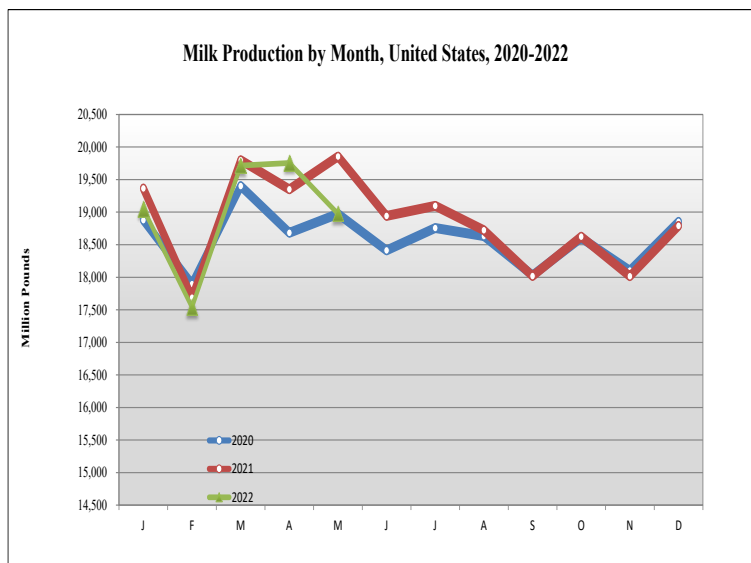
^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2022.....\$22.52 /cwt.

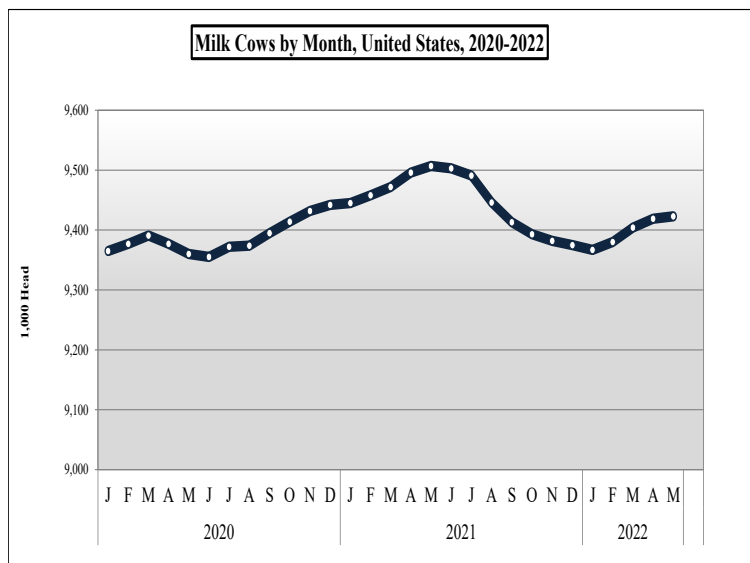
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August 2022

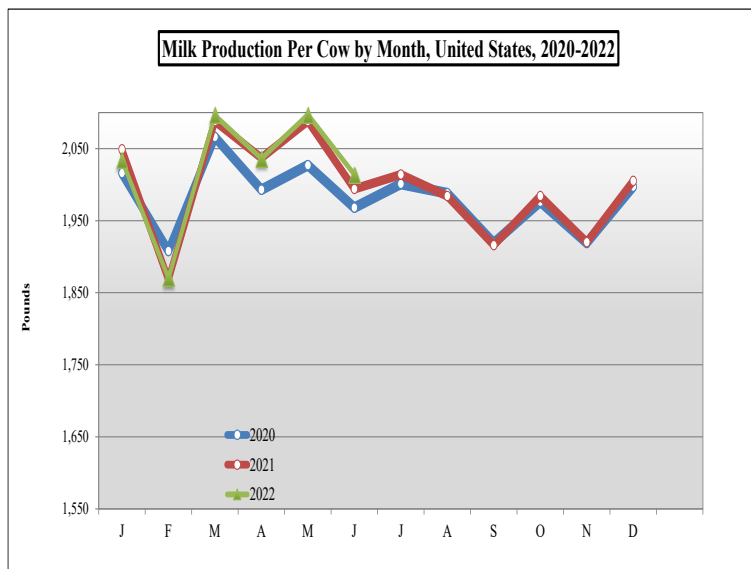
MILK PRODUCTION STATISTICS 1/



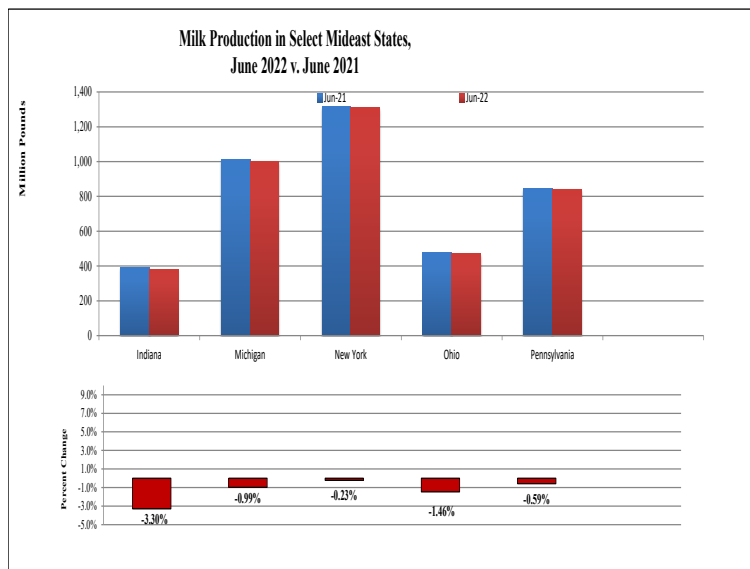
May 2022 milk production in the United States increased 505 million pounds from April to 19.8 billion pounds. June 2022 milk production in the United States was down 0.5 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for May 2022, down 9,000 head from April. May Cow numbers were 88,000 head less than May 2021.



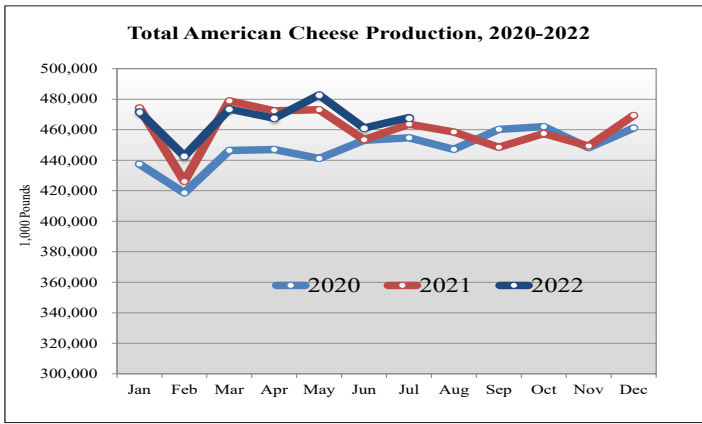
Production per cow in the United States averaged 2,011 pounds for June 2022 down 86 pounds from May 2022. June 2022 milk production per cow was up 17 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during June 2022, down 38 million pounds from the prior year. Milk production in Indiana was down 13 million pounds while production in Michigan was down 10 million pounds.

1/ Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

DAIRY PRODUCT PRODUCTION 1/

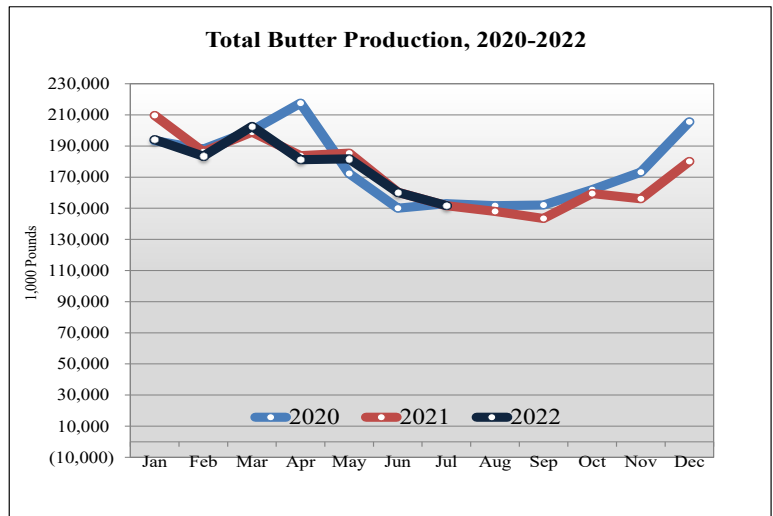
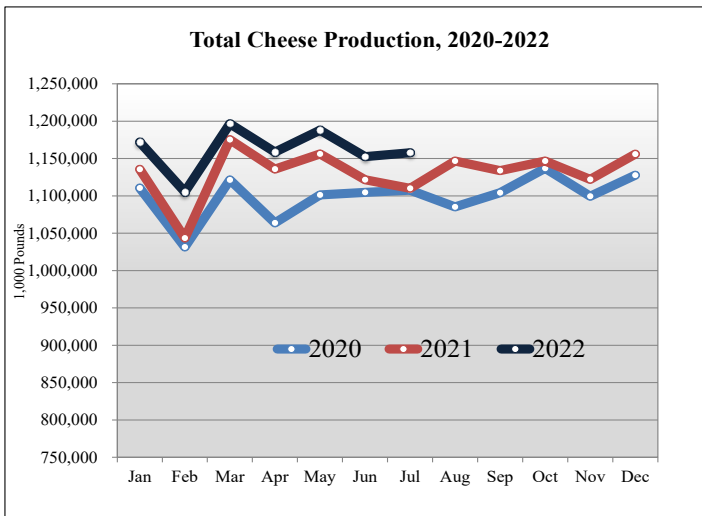


Dairy Product Production Summary:

American type cheese production totaled 468.0 million pounds, 0.1 percent above July 2021 and 1.5 percent above June 2022.

Total cheese output (excluding cottage cheese) was 1.16 billion pounds, 1.1 percent above July 2021 and 0.5 percent above June 2022.

Butter production was 152 million pounds, 3.1 percent above July 2021 and 5.3 percent below June 2022.



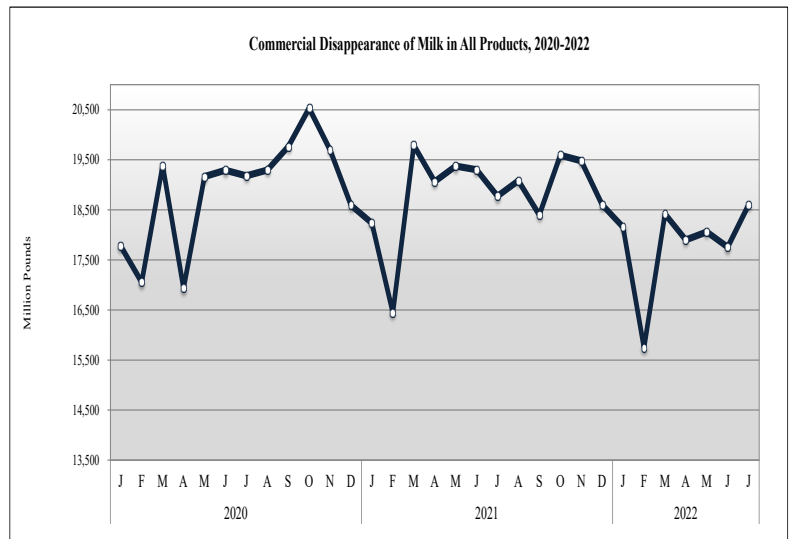
COMMERCIAL DISAPPEARANCE 2/

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 July 2022 commercial disappearance of milk was 18.6 billion pounds, down 0.9 percent from the prior year. The cumulative disappearance total for 2022 is 124.6 billion pounds, a decrease of 4.9 percent from the same 7-month period of 2021.

July 2022 commercial disappearance of American cheese was 435 million pounds, down 2.2 percent from the prior year.

July 2022 commercial disappearance of butter was 167 million pounds, up 1.2 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.