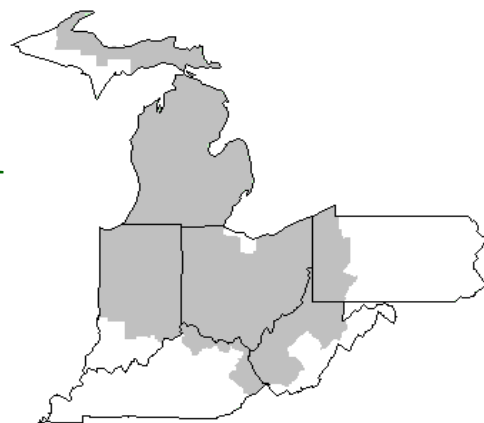


Mideast Market Administrator's Bulletin



Federal Order No. 33

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December 2022

Dairy Forecast 2022

Based on recent milk production data for 2022-Q3, the dairy herd size forecast for 2022-Q4 is adjusted downward, but output per cow was raised. Milk cows for 2022 are projected to average 9.405 million head, 5,000 cows fewer. The average milk output per cow in 2022 is projected to be 24,130 pounds per head, 20 pounds higher. The milk production forecast for 2022 was adjusted to 227.0 billion pounds, 0.1 billion pounds higher.

Based on recent trade data for 2022-Q3, the 2022-Q4 dairy export forecast was revised downward on a milk-equivalent milk-fat basis but raised on a milk-equivalent skim-solid basis. The forecast for 2022 exports on a milk-equivalent milk-fat basis is adjusted downward to 13.1 (-0.4 billion pounds) largely on lower exports of butter and other butterfat products. On a milk equivalent skim-solids basis, the export forecast for 2022 has been raised by 0.2 billion pounds to 52.4 billion due to higher expected exports of dry skim milk products and lactose.

The 2022 forecast for dairy products imports are adjusted lower based on recent trade data. On a milk-equivalent milk-fat basis, the 2022 projection for dairy products imports has been lowered to 7.0 billion pounds (-0.2 billion) due to lower expected imports of butterfat products projected in 2022-Q4. On a milk-equivalent skim-solids basis, the forecast for 2022 imports is adjusted to 6.4 billion pounds, down 0.1 billion pounds.

Based on 2022-Q3 quantities and 2022-Q4 higher forecasted domestic use, the 2022 forecast for dairy products domestic use is adjusted upward. On a milk-equivalent milk-fat basis, the forecast is 220.0 billion pounds, 0.5 billion higher, and on a milk-equivalent skim-solids basis the forecast is 179.8 billion pounds, 0.6 billion higher.

Based on recent declines in prices for Cheddar cheese, butter, and NDM, 2022 price forecasts for those products have been adjusted downward to \$2.100 (-0.5 cent), \$2.845 (-3.5 cents), and \$1.680 (-1.0 cent) per pound, respectively. The 2022 price forecast for dry whey remains unchanged at \$0.605.

The 2021-Q4 price forecast for Cheddar cheese has been lowered to \$1.730, 4.5 cents lower than the previous forecast.

With the lower projected wholesale price for cheese and steady dry whey price forecast, the Class III milk price forecast for 2022 is \$21.80 per cwt (-10 cents). Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$24.30 per cwt (-30 cents). The all-milk price forecast for 2022 has been decreased to \$25.50 per cwt (-10 cents).

Livestock, Dairy, and Poultry Outlook: November 2022, LDP-M-341, November 16, 2022 USDA, Economic Research Service

Dairy Forecast 2023

The U.S. dairy herd is projected 10,000 cows fewer in 2023 at 9.415 million head. The 2023 forecast for milk per cow is 24,350 pounds, 30 pounds higher. The projection for 2023 milk production remains unchanged at 229.2 billion pounds.

Dairy exports are projected higher in 2023. On a milk-equivalent milk-fat basis, the export forecast for 2023 is 12.7 billion pounds, up 0.1 billion due to higher expected exports of cheese and butterfat products. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 52.5 billion pounds, 0.3 billion pounds higher, due to higher anticipated exports of dry skim milk products and dry whey products. On a milk-equivalent milk-fat basis, 2023 dairy products imports are forecast at 7.1 billion pounds, 0.1 billion lower, due to lower expected imports of butterfat products. On a milk-equivalent skim-solids basis, the forecast for 2023 imports are down 0.1 billion pounds at 6.0 billion pounds.

Following 2022-Q4, lower anticipated prices for dairy products are expected to boost domestic use in 2023. On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 is 221.6 billion pounds, 0.4 billion higher. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.8 billion pounds, 0.2 billion higher.

(continued on Page 3)

November 2022 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	526,960,872	40.0
Class II	93,232,735	7.1
Class III	671,894,676	51.0
Class IV	25,572,752	1.9
Total	1,317,661,035	100.0

Producer Prices

Producer Price Differential	\$ 1.74 / cwt
Butterfat Price	3.3720 / lb
Protein Price	2.5374 / lb
Other Solids Price	0.2837 / lb
Somatic Cell Adjustment Rate	0.00104 / cwt
Statistical Uniform Price	22.75 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

November 2022

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			515,172,544			\$13.63 / cwt	\$ 70,218,017.73
Class I Butterfat		11,788,328				3.6974 / lb	43,586,163.99
Class I Location Differential	526,960,872						(306,918.64)
Class II SNF Value				7,508,124		1.4789 / lb	11,103,764.61
Class II Butterfat		13,773,670				3.3790 / lb	46,541,230.95
Class III Protein Value			22,171,590			2.5374 / lb	56,258,192.47
Class III Other Solids Value					38,933,030	0.2837 / lb	11,045,300.63
Class III Butterfat		24,918,647				3.3720 / lb	84,025,677.72
Class IV SNF Value				2,068,263		1.3233 / lb	2,736,932.44
Class IV Butterfat		3,727,563				3.3720 / lb	12,569,342.46
Somatic Cell Value II / III / IV							<u>1,552,321.38</u>
TOTAL PRODUCER MILK VALUE	1,317,661,035	54,208,208	43,424,881		76,009,852		\$ 339,330,025.74
Overages						17,224.84	
Beginning Inventory & OS Charges						-371,046.03	
TOTAL ADJUSTMENTS							\$ -353,821.19
TOTAL HANDLER OBLIGATIONS							\$ 338,976,204.55
Total Protein Value			43,424,881 lbs	@	\$ 2.5374		\$(110,186,293.04)
Total Other Solids Value			76,009,852 lbs	@	0.2837		(21,563,994.98)
Butterfat Value			57,208,208 lbs	@	3.3720		(182,790,077.40)
Total Somatic Cell Values							<u>(2,556,660.70)</u>
TOTALS							\$ 21,879,178.43
Net Producer Location Adjustments							\$ 1,111,902.49
1/2 Unobligated Balance Producer Settlement Fund							<u>527,000.00</u>
Total - Divided by Total Pounds			1,317,661,035 lbs			1.7848354	\$ 23,518,080.92
Rate of Cash Reserve						<u>(0.0448354)</u>	<u>(590,778.60)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,317,661,035			\$ 1.74 / cwt	\$ 22,927,302.32

COMPONENT PRICES

November

COMPUTATION OF UNIFORM PRICE

November

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.3720 / lb	\$2.1541 / lb	Class III Price - 3.5% BF	\$21.01	\$18.03
Protein Price	2.5374 / lb	2.7536 / lb	Producer Price Differential*	<u>1.74</u>	<u>.50</u>
Other Solids Price	0.2837 / lb	0.3949 / lb	Statistical Uniform Price	\$22.75	\$18.53
Somatic Cell Adjustment Rate	0.00104 / cwt	0.0088 / cwt			
Nonfat Solids Price ²	1.3233 / lb	1.2960 / lb			

CLASS PRICES

November

CLASSIFICATION OF PRODUCER MILK

November

	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>
Class I*	\$26.09	\$19.98	Class I	Product lbs. 526,960,872	Product lbs. 564,007,504
Class II	24.67	18.40	Class II	93,232,735	301,751,020
Class III	21.01	18.03	Class III	671,894,676	678,434,459
Class IV	23.30	18.79	Class IV	<u>25,572,752</u>	<u>125,037,370</u>
			Total	1,317,661,035	1,669,230,353

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 November 2022 was \$1.74, and the Statistical Uniform Price was \$22.75 for the month. The Statistical Uniform Price is \$0.24 lower than last month and is \$4.22 higher than November 2020.

The Producer Butterfat Price of \$3.3720 per pound decreased \$0.2847 from October and is up \$1.2179 from a year ago. The Protein Price of \$2.5374 is up \$0.0862 from last month and is down \$0.2162 from November 2021. The Other Solids Price in November was \$0.2837 per pound, a decrease from last month's price of \$0.2952 and \$0.1112 lower than last November. The Somatic Cell Adjustment rate for November was \$0.00104 per cwt.

November producer receipts of 1.32 billion pounds were 0.6 percent lower than October and 21.1 percent lower than November 2021 production of 1.67 billion pounds. Producer milk allocated to Class I accounted for 40.0 percent of the total producer milk in November 2022, higher than the 39.4 percent in October, and higher than the 33.8 percent in November 2021. A total of 3,410 producers were pooled on the Mideast Order compared to 3,500 producers pooled in November 2021.

The market average content of producer milk was as follows: Butterfat 4.08%; Protein 3.30%; Other Solids 5.77% and Nonfat Solids 9.07%.

(Continued from Front Page)

Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are \$1.970 (-1.5 cents), \$2.455 (+1.5 cents), \$1.405 (-9.0 cents), and \$0.485 (no change) per pound, respectively. With lower projected wholesale prices for cheese and steady prices for dry whey, the Class III milk price forecast for 2023 is \$19.65 per cwt (-15.0 cents). Due to lower NDM price forecasts more than offsetting higher butter prices forecast, the Class IV milk price projection for 2023 is \$20.35 per cwt (-65 cents). The all-milk price forecast for 2023 is \$22.60 per cwt, a decrease of 30 cents.

Livestock, Dairy, and Poultry Outlook: November 2022, LDP-M-341, November 16, 2022 USDA, Economic Research

October 2022 Highlights

Total cheese output (excluding cottage cheese) was 1.17 billion pounds, 1.4 percent above October 2021 and 2.4 percent above September 2022. **Italian type cheese production** totaled 495 million pounds, 1.4 percent above October 2021 and 0.3 percent above September 2022. **American type cheese production** totaled 467 million pounds, 1.3 percent above October 2021 and 5.6 percent above September 2022.

Butter production was 161 million pounds, 2.0 percent below October 2021 but 14.3 percent above September 2022.

Dry milk products (comparisons in percentage with October 2021) Nonfat dry milk, human - 124 million pounds, up 2.9 percent. Skim milk powder - 56.2 million pounds, down 27.6 percent.

Whey products (comparisons in percentage with October 2021) Dry whey, total - 77.3 million pounds, up 3.3 percent. Lactose, human and animal - 97.2 million pounds, up 0.7 percent. Whey protein concentrate, total - 47.0 million pounds, up 0.8 percent.

Frozen products (comparisons in percentages with October 2021) Ice Cream regular (hard)-59.7 million gallons, up 9.3 percent. Ice Cream low fat (total)-32.4 gallons, down 8.1 percent. Sherbert (hard)- 2.16 million gallons, up 10.4 percent. Frozen Yogurt (total)- 3.38 million gallons down 5.2 percent.

October Milk Production Up 1.4 Percent

Milk production in the 24 major States during October totaled 18.1 billion pounds, up 1.4 percent from October 2021. September revised production, at 17.5 billion pounds, was up 1.5 percent from September 2021. The September revision represented a decrease of 0.1 percent or 13 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,021 pounds for October, 18 pounds above October 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 42,000 head more than October 2021, and 1,000 head more than September 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 October totaled 2.6 billion pounds, this was up 0.4 percent from October 2021.

Production per cow in the Mideast states averaged 1,969 pounds for October. This was an increase of 19 pounds per cow from October 2021. The number of cows on farms in the Mideast states was 1.33 million head, 10,000 head less than October 2021.

Released November 21, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition
www.fmmacleev.com
 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	October 2022 -----Weighted Averages -----						October 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	768	635,038	4.06	3.27	5.78	155	857,300	3.93	3.22	5.77	168
Ohio	1,184	346,791	4.12	3.31	5.74	184	370,326	3.94	3.21	5.74	192
Indiana	547	174,658	4.04	3.27	5.78	193	218,508	3.88	3.21	5.79	207
New York	102	44,257	4.23	3.34	5.92	190	80,488	4.08	3.24	5.86	210
Pennsylvania	610	81,476	4.02	3.17	5.64	240	77,139	4.02	3.17	5.64	240
Other	189	43,828	3.97	3.22	5.60	229	10,681	3.97	3.22	5.60	229
Total/Average *	3,400	1,326,048	4.08	3.28	5.77	174	1,614,443	3.94	3.22	5.76	185

* 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
November 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>)	2,178,874	677,409	31.1	\$3.26	24.27
FO 5	Appalachian - (<i>Charlotte</i>)	441,844	334,825	75.8	^{2/}	26.24
FO 6	Florida - (<i>Tampa</i>)	207,016	174,541	84.3	^{2/}	28.27
FO 7	Southeast - (<i>Atlanta</i>)	307,192	228,417	74.4	^{2/}	26.65
FO 30	Upper Midwest - (<i>Chicago</i>)	2,977,294	169,990	5.7	0.29	21.30
FO 32	Central - (<i>Kansas City</i>)	1,289,172	378,108	29.3	1.27	22.28
FO 33	Mideast - (<i>Cleveland</i>)	1,317,661	526,961	40.0	1.74	22.75
FO 51	California (<i>Los Angeles</i>)	1,989,070	410,871	20.7	1.34	22.35
FO 124	Pacific Northwest - (<i>Seattle</i>)	585,224	135,812	23.2	1.35	22.36
FO 126	Southwest - (<i>Dallas</i>)	1,112,076	328,470	29.5	1.97	22.98
FO 131	Arizona - (<i>Phoenix</i>)	417,310	119,597	28.7	^{2/}	23.60

^{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 DECEMBER 2022\$21.01 /cwt.

