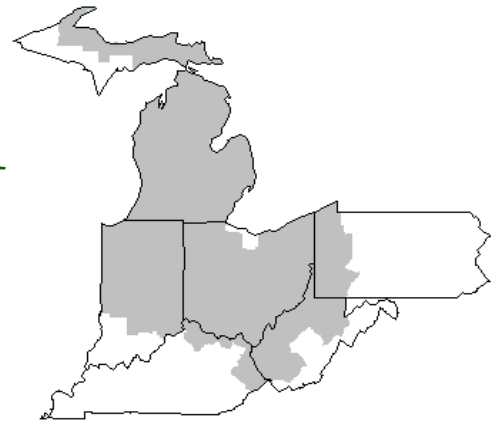


Mideast Market Administrator's Bulletin



Federal Order No. 33

Scott C. Jones, Acting Market Administrator
Phone: (330) 225-4758 Toll Free: (888) 751-3220
Email: clevelandma1@sprynet.com
WebPage: www.fmmaclev.com
MARCH 2023

Exports and Imports for Dairy Markets

In January 2023, dairy export volumes grew compared to same month in 2022, as prices were still competitive in international markets. On a milk-equivalent milk-fat basis, exports totaled 860 million pounds in January, 38 million higher than January 2022. On a milk-equivalent skim solids basis, January exports totaled 3.995 billion pounds, 587 million above January 2022. There were some products in January with notable year-over-year increases in exports from January 2022, including 150.4 million pounds of dry skim milk products (+19.4 million), 84.3 million pounds of lactose (+19.4 million), and 622.2 million pounds of other-than-American type cheese (+5.8 million).

Dairy import volumes also grew in January 2023 compared to January 2022. On a milk equivalent milk-fat basis, dairy imports were 591 million pounds in January 2023, 162 million higher than January 2022. On a milk-equivalent skim-solids basis, January imports totaled 679 million pounds, 178 million higher than January 2022. Imports in January were up year over year for some major products including 8.7 million pounds of butter (+2.4 million) and 22.2 million pounds of cheese (+0.9 million). Although the import tariffs for infant formula were put back in place in January 2023, import volumes of dairy-based preparations for infant use (which include infant formula) totaled 3.7 million pounds in January, up 1.1 million from January 2022.

In January 2023, domestic use for dairy products was lower than January 2022. On a milk equivalent milk-fat basis, domestic use totaled 17.915 billion pounds, 1.4 percent lower than January 2022. On a skim-solids basis, January 2023 domestic use totaled 15.685 billion pounds, 1.6 percent lower than January 2022.

Livestock, Dairy, and Poultry Outlook: March 2023, LDP-M-345, March 14, 2023. USDA, Economic Research Service

Outlook for Feed Prices

The January 2023 corn price was \$6.64 per bushel, up \$1.06 from January 2022. The price for alfalfa hay was \$263 per short ton, up \$48 from January 2022. The 5-State weighted-average price for premium alfalfa hay was \$328 per short ton, \$55 higher than January 2022. The soybean meal price (reported by USDA, Agricultural Marketing Service) was \$500.53 per short ton in February, up \$19.57 from February 2022. The milk-feed price ratio reported by NASS was 1.73 in January, down 0.43 points from January 2022.

Livestock, Dairy, and Poultry Outlook: March 2023, LDP-M-345, March 14, 2023. USDA, Economic Research Service

January Milk Production Up 1.5 Percent

Milk production in the 24 major States during January totaled 18.5 billion pounds, up 1.5 percent from January 2022. December revised production at 18.1 billion pounds, was up 0.7 percent from December 2021. The December revision represented a decrease of 32 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,069 pounds for January, 18 pounds above January 2022.

The number of milk cows on farms in the 24 major States was 8.93 million head, 51,000 head more than January 2022, and 9,000 head more than December 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 January totaled 2.7 billion pounds, up 39 million pounds or 1.5 percent from January 2022.

Production per cow in the Mideast states averaged 2,015 pounds for January, 21 pounds more than January 2022.

The number of cows on farms in the Mideast states was 1.3 million head, 5,000 head more than January 2022.

Released February 22, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

February 2022 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	499,358,569	34.7
Class II	90,612,535	6.3
Class III	656,083,394	45.6
Class IV	191,672,021	13.4
Total	1,437,726,519	100.0

Producer Prices

Producer Price Differential	\$ 1.74 /cwt
Butterfat Price	2.7178 /lb
Protein Price	2.3650 /lb
Other Solids Price	0.2101 /lb
Somatic Cell Adjustment Rate	0.00091 /cwt
Statistical Uniform Price	19.52 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

FEBRUARY 2022**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			488,388,080			\$13.38 / cwt	\$ 65,346,325.10
Class I Butterfat		10,970,489				2.8190/ lb	30,925,808.50
Class I Location Differential	499,358,569						(308,163.02)
Class II SNF Value				7,181,866		1.3000 lb	9,336,425.80
Class II Butterfat		14,479,052				2.7248/ lb	39,452,520.89
Class III Protein Value			21,480,620			2.3650/ lb	50,801,666.39
Class III Other Solids Value					38,069,591	0.2101/ lb	7,998,421.10
Class III Butterfat		24,529,550				2.7178/ lb	66,666,410.98
Class IV SNF Value				17,229,308		1.0766/ lb	18,549,072.99
Class IV Butterfat		9,334,517				2.7178/ lb	25,369,350.30
Somatic Cell Value II / III / IV							<u>1,580,139.60</u>
TOTAL PRODUCER MILK VALUE	1,437,726,519	59,313,608	46,962,622		83,140,621		\$ 315,717,978.63
Overages						113,006.22	
Beginning Inventory & OS Charges						(190,930.04)	
TOTAL ADJUSTMENTS							\$ (77,923.82)
TOTAL HANDLER OBLIGATIONS							315,640,054.81
Total Protein Value			46,962,622 lbs.	@	\$2.3168		\$ (111,066,601.16)
Total Other Solids Value			83,140,621 lbs.	@	0.5983		(17,467,844.46)
Butterfat Value			59,313,608 lbs.	@	3.0218		(161,202,523.85)
Total Somatic Cell Values							<u>(2,386,874.01)</u>
TOTALS							\$ 23,516,211.33
Net Producer Location Adjustments							1,449,578.47
1/2 Unobligated Balance Producer Settlement Fund							<u>638,000.00</u>
Total - Divided by Total Pounds			1,437,726,519 lbs		1.7808526		\$ 25,603,789.80
Rate of Cash Reserve					<u>(0.0408526)</u>		<u>(587,348.66)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,437,726,519		\$ 1.74/ cwt		\$ 25,016,441.14

COMPONENT PRICES

February

	<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.7178 / lb	\$3.0218 / lb
Protein Price	2.3650 / lb	2.3168 / lb
Other Solids Price	0.2101 / lb	0.5983 / lb
Somatic Cell Adjustment Rate	0.00091 / cwt	0.00095 / cwt
Nonfat Solids Price ²	1.0766 / lb	0.9391 / lb

COMPUTATION OF UNIFORM PRICE

February

	<u>2023</u>	<u>2022</u>
Class III Price - 3.5% BF	\$17.78	\$20.91
Producer Price Differential*	<u>1.74</u>	<u>1.28</u>
Statistical Uniform Price	\$19.52	\$22.19

CLASS PRICES

February

	<u>2023</u>	<u>2022</u>
Class I*	\$22.78	\$23.64
Class II	20.83	23.79
Class III	17.78	20.91
Class IV	18.86	24.00

CLASSIFICATION OF PRODUCER MILK

February

	<u>2023</u>	<u>2022</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	499,358,569	504,736,231
Class II	90,612,535	135,338,274
Class III	656,083,394	600,829,288
<u>Class IV</u>	<u>191,672,021</u>	<u>37,708,603</u>
Total	1,437,726,519	1,278,612,396

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 February 2023 was \$1.74, and the Statistical Uniform Price was \$19.52 for the month. The Statistical Uniform Price is \$1.30 lower than last month and is \$2.67 lower than February 2022. The Producer Butterfat Price of \$2.7178 per pound decreased \$0.0535 from January and is down \$0.3040 from a year ago. The Protein Price of \$2.3650 is down \$0.4408 from last month and is up \$0.0482 from February 2022. The Other Solids Price in February was \$0.2101 per pound, a decrease from last month's price of \$0.2343 and \$0.3882 less than last February. The Somatic Cell Adjustment rate for February was \$0.00091 per cwt.

February producer receipts of 1.44 billion pounds were 3.0 percent lower than January and 12.4 percent higher than February 2022 production of 1.28 billion pounds. Producer milk allocated to Class I accounted for 34.7 percent of the total producer milk in February 2022, lower than the 37.1 percent in January, and lower than the 39.5 percent in February 2022. A total of 3,346 producers were pooled on the Mideast Order compared to 3,394 producers pooled in February 2022.

The market average content of producer milk was as follows: Butterfat 4.13%; Protein 3.27%; Other Solids 5.78% and Nonfat Solids 9.05%.

January 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.21 billion pounds, 3.2 percent above January 2022 and 1.8 percent above December 2021.

Italian type cheese production totaled 501 million pounds, 0.4 percent below January 2022 and 1.3 percent below December 2022.

American type cheese production totaled 501 million pounds, 6.2 percent above January 2022 and 7.3 percent above December 2022.

Butter production was 201 million pounds, 3.8 percent above January 2022 and 7.3 percent above December 2022.

Dry milk products (comparisons in percentage with January 2022)
Nonfat dry milk, human - 177 million pounds, up 4.0 percent.
Skim milk powder – 42.8 million pounds, down 1.5 percent.

Whey products (comparisons in percentage with January 2022)
Dry whey, total – 77.9 million pounds, down 3.1 percent.
Lactose, human and animal – 90.7 million pounds, down 10.6 percent.
Whey protein concentrate, total – 42.6 million pounds, down 9.7 percent.

Frozen products (comparisons in percentage with January 2022)
Ice cream, regular (hard) – 53.5 million gallons, up 4.4 percent.
Ice cream, lowfat (total) – 28.9 million gallons, up 4.9 percent.
Sherbet (hard) - 2.04 million gallons, down 11.4 percent.
Frozen yogurt (total) – 3.47 million gallons, up 2.9 percent.

Released March 3, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dairy Forecasts for 2023

Milk production for 2023 is projected at 228.5 billion pounds, 0.20 billion pounds higher than last month's forecast. Milk cows are projected to average 9.390 million head in 2023, 10,000 head higher than last month's forecast. However, cow numbers are expected to decline through the year as lower numbers of replacement heifers and higher expected cull-cow prices will likely contribute on the decline of the dairy herd contribute on the decline

of the dairy herd. replacement heifers and higher expected cull-cow prices will likely contribute on the decline of the dairy herd. The milk-per-cow projection is unchanged from last month at an average 24,345 pounds per head.

Dairy export projections for 2023 are adjusted lower. The forecast for 2023 dairy exports on a milk-fat basis has been adjusted to 13.0 billion pounds, 0.10 billion pounds lower than last month's forecast. On a skim-solids basis, the 2023 dairy export forecast has been adjusted to 51.9 billion pounds, 0.30 billion pounds lower than last month's projection.

Dairy import projections for 2023 are adjusted higher. On a milk-fat basis, dairy import projections for 2023 have been increased to 7.40 billion pounds (+0.10 billion pounds). On a skim-solids basis dairy imports have been increased to 6.50 billion pounds (+0.10 billion pounds).

The domestic use forecasts for have been raised for 2023. The projections for 2023 domestic use are raised from the previous month's forecast to 221.6 billion pounds (+0.4 billion pounds) on a milk-fat basis and 180.5 billion pounds (+0.4 billion pounds) on a skim-solids basis.

Source: *Livestock, Dairy, and Poultry Outlook*, LDP-M-345, March 14,2023 USDA, Economic Research Service

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	January 2023 -----Weighted Averages -----						January 2022 -----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	736	715,494	4.11	3.28	5.79	151	810,493	4.14	3.32	5.79	152
Ohio	1,166	370,995	4.11	3.26	5.73	182	363,610	4.17	3.32	5.77	175
Indiana	547	226,853	4.10	3.27	5.82	195	192,788	4.10	3.28	5.80	186
Pennsylvania	603	84,883	4.10	3.17	5.67	221	82,398	4.13	3.20	5.69	212
New York	103	45,855	4.23	3.34	5.91	189	79,492	4.22	3.30	5.86	184
Other	168	37,371	4.12	3.24	5.77	184	13,329	4.16	3.21	5.78	229
Total/Average *	3,323	1,481,451	4.11	3.27	5.78	172	1,542,110	4.14	3.31	5.78	167

* 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
February 2023**

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)	2,118,293	618,450	29.2	\$2.97	\$20.75
FO 5 Appalachian - (Charlotte)	424,214	299,378	70.6	^{2/}	22.89
FO 6 Florida - (Tampa)	199,196	166,210	83.4	^{2/}	25.12
FO 7 Southeast - (Atlanta)	294,190	203,521	69.2	^{2/}	23.32
FO 30 Upper Midwest - (Chicago)	2,708,235	153,075	5.7	0.31	18.09
FO 32 Central - (Kansas City)	1,357,681	348,878	25.7	1.21	18.99
FO 33 Mideast - (Cleveland)	1,437,727	499,359	34.7	1.74	19.52
FO 51 California (Los Angeles)	2,362,942	382,977	16.2	1.32	19.10
FO 124 Pacific Northwest - (Seattle)	655,459	124,340	19.0	1.14	18.92
FO 126 Southwest - (Dallas)	1,138,792	303,338	26.6	2.00	19.78
FO 131 Arizona - (Phoenix)	416,700	112,302	27.0	^{2/}	19.99

^{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.

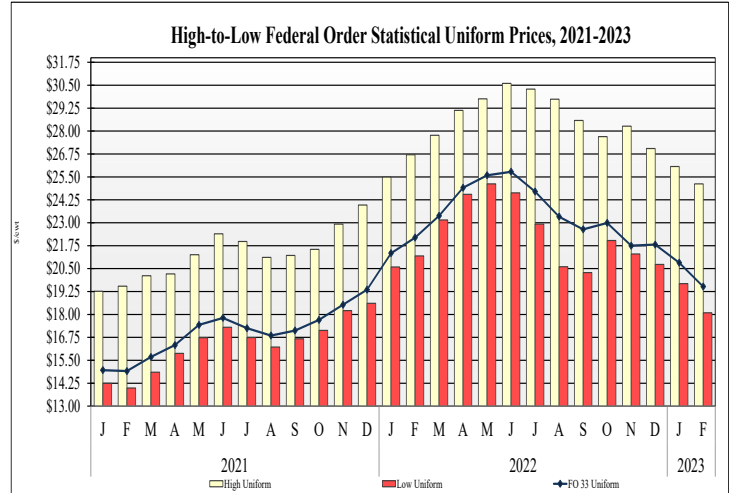
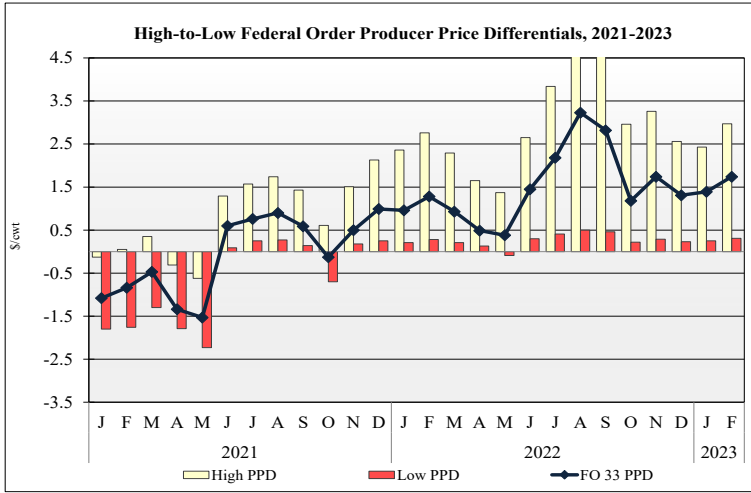
MINIMUM PARTIAL PAYMENT PRICE FOR MARCH 2023.....\$17.78 /cwt.



Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement
March 2023

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/



Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For February 2023 Federal Order 1 had a PPD of \$2.97 per hundredweight (cwt), \$0.54 higher than their January PPD of \$ 2.43 per cwt.

In February 2023, Federal Order 33 had the third highest PPD, behind Order 1 and 126 at \$1.74 per cwt, \$0.35 per cwt higher than the January PPD.

For February 2023, Federal Order 30 had the lowest PPD at \$0.31 per cwt, \$0.06 per cwt higher than the January PPD.

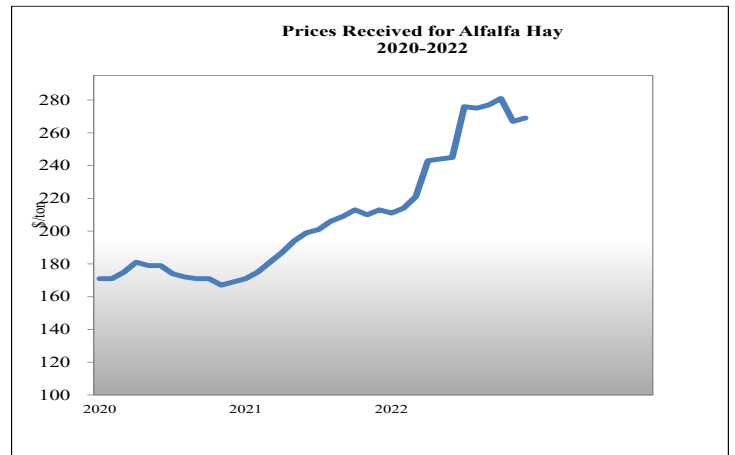
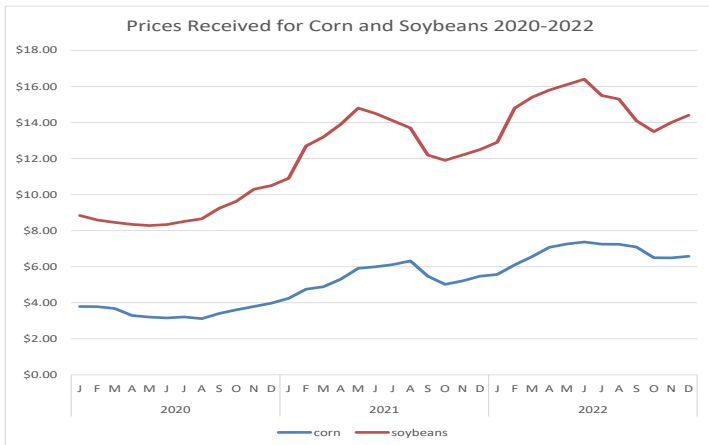
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For February 2023 , Federal Order 6 had a SUP of 25.12 per cwt, \$0.95 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$19.52 per cwt, \$1.30 per cwt lower than the previous month's SUP.

Federal Order 30 had the lowest SUP at \$18.09 per cwt, \$1.59 per cwt lower than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



2/ Producer price differentials are subject to location adjustment.

3/ Statistical uniform prices are at 3.5 percent butterfat and subject to location adjustment.

4/ Source: USDA, National Agricultural Statistics Service