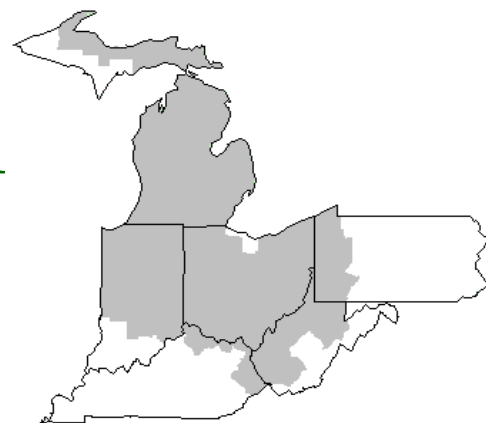


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**MAY 2023**

### Dairy Forecasts for 2023

Milk production for 2023 is projected at 228.7 billion pounds, 0.2 billion higher than last month's forecast. Milk cows are projected to average 9.400 million head, 10,000 higher than last month's forecast. The annual milk-per-cow projection decreased 10 pounds from last month at an average of 24,335 pounds per head.

Dairy export projections for 2023 are adjusted lower on increased price competition and weaker expected international demand for U.S. dairy products. The forecast for 2023 dairy exports on a milk equivalent milk-fat basis has been adjusted to 12.2 billion pounds, 0.8 billion lower than last month's forecast. On a milk-equivalent skim-solids basis, the 2023 dairy export forecast has been adjusted to 50.7 billion pounds, 1.2 billion lower than last month's projection.

Dairy import projections for 2023 are adjusted higher. On a milk-fat basis, projections for 2023 have been increased to 7.7 billion pounds (+0.3 billion). On a skim-solids basis, imports have been increased to 6.9 billion pounds (+0.4 billion). Import volumes of butter, cheese, casein, and milk protein concentrates are expected to remain strong throughout 2023.

The domestic use forecasts for dairy products have been raised for 2023. The projections for 2023 domestic use are raised from the previous month's forecast to 222.8 billion pounds (+1.2 billion) on a milk-fat basis and 183.3 billion pounds (+1.8 billion) on a skim-solids basis. Domestic demand for dairy products is projected to continue strong throughout the year, which is expected to support domestic wholesale prices for cheese, butter, and dry whey.

For 2023, the price forecast for Cheddar cheese has been adjusted up 4.5 cents from last month's forecast to \$1.855 per pound. The wholesale prices of butter and dry whey were also adjusted higher than last month's forecast, to \$2.420 (+8.5 cents), and \$0.425 (+3.5 cents) per pound, respectively. However, the price for NDM was adjusted down from last month's forecast at \$1.165 per pound (-6.5 cents) on weaker expected demand. With higher average prices expected for cheese and dry whey, the Class III milk price forecast for 2023 has been raised to \$18.25 per cwt, \$0.70 higher than last month's forecast. With lower projected prices of NDM more than offsetting higher projected prices for butter, the Class IV price forecast has been lowered to \$18.10 per cwt, down \$0.20 from the previous month's projection. The all-milk price forecast for 2023 has been raised to \$20.65 per cwt, \$0.20 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook: April 2023, LDP-M-346, April 17, 2023 USDA, Economic Research Service

### Recent Supply and Use Data

In February, the farm gate price for milk paid to farmers decreased from February 2022, while major feed costs rose. As reported by NASS in the Agricultural Prices report, the all-milk price in February 2023 was \$21.60 per cwt, down \$3.10 from February 2022. The February 2023 corn price was \$6.80 per bushel, up \$0.71 from February 2022. The price for alfalfa hay was \$266 per short ton, up \$46 from February 2022. The 5-State weighted-average price for premium alfalfa hay was \$324 per short ton, \$42 higher than February 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 1.58 in February, down 0.48 points from February 2022 and the lowest point since August 2021. During the first 12 weeks of 2023, the culling of dairy cows remained very active and generally above the comparable 12 weeks of 2022.

February 2023, exports totaled 821 million pounds on a milk-equivalent milk-fat basis, 187 million lower than February 2022. On a milk-equivalent skim-solids basis, February exports totaled 3.917 billion pounds, 120 million above February 2022. There were some products in February with notable year-over-year declines in exports from February 2022, including 19.2 million pounds of whey protein concentrate (-10.3 million) and 7.6 million pounds of butter (-3.6 million). On the other hand, there were some dairy products with notable year-over-year increases in exports from February 2022, including 84.0 million pounds of lactose (+20.6 million) and 35.6 million pounds of dry whey (+3.1 million).

### April 2023 Pool Summary

#### Classification of Producer Milk

|                 | <i>Pounds</i>      | <i>Percent</i> |
|-----------------|--------------------|----------------|
| Class I         | 488,039,131        | 29.9           |
| Class II        | 153,485,033        | 9.4            |
| Class III       | 725,060,322        | 44.4           |
| <u>Class IV</u> | <u>268,272,538</u> | <u>16.3</u>    |
| Total           | 1,634,857,034      | 100.0          |

#### Producer Prices

|                              |               |
|------------------------------|---------------|
| Producer Price Differential  | \$ 0.44 / cwt |
| Butterfat Price              | 2.7009 / lb   |
| Protein Price                | 2.5603 / lb   |
| Other Solids Price           | 0.2479 / lb   |
| Somatic Cell Adjustment Rate | 0.00094 / cwt |
| Statistical Uniform Price    | 18.96 / cwt   |

## ANNOUNCEMENT OF PRODUCER PRICES

### Federal Order No. 33

### April 2023

#### COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

|  | <u>POUNDS</u> | <u>BUTTERFAT</u> | <u>SKIM /<br/>PROTEIN</u> | <u>NONFAT<br/>SOLIDS</u> | <u>OTHER<br/>SOLIDS</u> | <u>PRICE</u>  | <u>VALUE</u>        |
|--|---------------|------------------|---------------------------|--------------------------|-------------------------|---------------|---------------------|
| Class I Skim Value   |               |                  | 477,341,091               |                          |                         | \$11.66 / cwt | \$ 55,657,971.22    |
| Class I Butterfat  |               | 10,698,040       |                           |                          |                         | 2.7417 / lb   | 29,330,816.30       |
| Class I Location Differential  | 488,039,131   |                  |                           |                          |                         |               | (263,041.76)        |
| Class II SNF Value   |               |                  |                           | 12,722,569               |                         | 1.1189 / lb   | 14,235,282.44       |
| Class II Butterfat   |               | 18,080,549       |                           |                          |                         | 2.7079 / lb   | 48,960,318.64       |
| Class III Protein Value  |               |                  | 23,471,201                |                          |                         | 2.5603 / lb   | 60,093,315.90       |
| Class III Other Solids Value   |               |                  |                           |                          | 42,113,807              | 0.2479 / lb   | 10,440,012.76       |
| Class III Butterfat  |               | 26,434,072       |                           |                          |                         | 2.7009 / lb   | 71,395,785.05       |
| Class IV SNF Value   |               |                  |                           | 24,154,298               |                         | 0.9774 / lb   | 23,608,410.85       |
| Class IV Butterfat   |               | 11,021,463       |                           |                          |                         | 2.7009 / lb   | 29,767,869.45       |
| Somatic Cell Value II / III / IV                                       |               |                  |                           |                          |                         |               | 1,976,564.79        |
| <b>TOTAL PRODUCER MILK VALUE</b>                                       | 1,634,857,034 | 66,234,124       | 52,718,241                |                          | 94,608,031              |               | \$ 345,203,305.64   |
| Overages   |               |                  |                           |                          |                         | 556,197.21    |                     |
| Beginning Inventory & OS Charges                                       |               |                  |                           |                          |                         | 17,723.65     |                     |
| <b>TOTAL ADJUSTMENTS</b>   |               |                  |                           |                          |                         |               | \$ 573,920.86       |
| <b>TOTAL HANDLER OBLIGATIONS</b>                                       |               |                  |                           |                          |                         |               | \$ 345,777,226.50   |
| Total Protein Value  |               |                  | 52,718,241                | lbs @                    | \$2.5603                |               | \$ (134,974,512.45) |
| Total Other Solids Value   |               |                  | 94,608,031                | lbs @                    | 0.2479                  |               | (23,453,330.89)     |
| Butterfat Value  |               |                  | 66,234,124                | lbs @                    | 2.7009                  |               | (178,891,745.51)    |
| Total Somatic Cell Values  |               |                  |                           |                          |                         |               | (2,785,323.28)      |
| <b>TOTALS</b>  |               |                  |                           |                          |                         |               | \$ 5,672,314.37     |
| Net Producer Location Adjustments                                      |               |                  |                           |                          |                         |               | \$ 1,498,025.64     |
| 1/2 Unobligated Balance Producer Settlement Fund                       |               |                  |                           |                          |                         |               | 731,000.00          |
| Total - Divided by Total Pounds  |               |                  | 1,634,857,034             | lbs                      | 0.4833046               |               | \$ 7,901,340.01     |
| Rate of Cash Reserve   |               |                  |                           |                          | (0.0433046)             |               | (707,968.30)        |
| <b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b> |               |                  | 1,634,857,034             |                          | \$ 0.44 /cwt            |               | \$ 7,193,371.71     |

#### COMPONENT PRICES

April

#### COMPUTATION OF UNIFORM PRICE

April

|                                  | <u>2023</u>   | <u>2022</u>   |                              | <u>2023</u> | <u>2022</u> |
|----------------------------------|---------------|---------------|------------------------------|-------------|-------------|
| Butterfat Price                  | \$2.7009 / lb | \$3.1461 / lb | Class III Price - 3.5% BF    | \$18.52     | \$24.42     |
| Protein Price                    | 2.5603 / lb   | 3.4239 / lb   | Producer Price Differential* | <u>0.44</u> | <u>0.49</u> |
| Other Solids Price               | 0.2479 / lb   | 0.5565 / lb   | Statistical Uniform Price    | \$18.96     | \$24.91     |
| Somatic Cell Adjustment Rate     | 0.00094 / cwt | 0.00115 / cwt |                              |             |             |
| Nonfat Solids Price <sup>2</sup> | 0.9774 / lb   | 1.6470 / lb   |                              |             |             |

#### CLASS PRICES

April

#### CLASSIFICATION OF PRODUCER MILK

April

|           | <u>2023</u> | <u>2022</u> |                 | <u>2023</u>         | <u>2022</u>         |
|-----------|-------------|-------------|-----------------|---------------------|---------------------|
|           |             |             |                 | <i>Product lbs.</i> | <i>Product lbs.</i> |
| Class I*  | \$20.85     | \$26.38     | Class I         | 488,039,131         | 531,417,329         |
| Class II  | 19.20       | 25.71       | Class II        | 153,485,033         | 155,658,985         |
| Class III | 18.52       | 24.42       | Class III       | 725,060,322         | 720,587,053         |
| Class IV  | 17.95       | 25.31       | <u>Class IV</u> | <u>268,272,538</u>  | <u>141,160,296</u>  |
|           |             |             | Total           | 1,634,857,034       | 1,548,823,663       |

<sup>1</sup> Subject to Location Adjustment.

<sup>2</sup> Producers are not paid on this component.

### ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for April 2023 was \$0.44, and the Statistical Uniform Price was \$18.96 for the month. The Statistical Uniform Price is \$0.05 higher than last month and is \$5.95 lower than April 2022.

The Producer Butterfat Price of \$2.7009 per pound decreased \$0.0291 from March and is up \$0.4452 from a year ago. The Protein Price of \$2.5603 is up \$0.1518 from last month and is down \$0.8636 from April 2022. The Other Solids Price in April was \$0.2479 per pound, an increase from last month's price of \$0.2338 and \$0.3086 lower than last April. The Somatic Cell Adjustment rate for April was \$0.00094 per cwt.

April producer receipts of 1.63 billion pounds were 0.2 percent higher than March and 5.6 percent higher than the April 2022 production of 1.55 billion pounds. Producer milk allocated to Class I accounted for 29.9 percent of the total producer milk in April 2021, lower than the 33.2 percent in March, and lower than the 34.3 percent in April 2022. A total of 3,352 producers were pooled on the Mideast Order compared to 3,406 producers pooled in April 2022.

The market average content of producer milk was as follows: Butterfat 4.05 %; Protein 3.22%; Other Solids 5.79% and Nonfat Solids 9.01%.

## March 2023 Highlights

**Total cheese output** (excluding cottage cheese) was 1.23 billion pounds, 0.2 percent below March 2022 but 11.7 percent above February 2023.

**Italian type cheese production** totaled 512 million pounds, 1.5 percent below March 2022 but 11.5 percent above February 2023.

**American type cheese production** totaled 499 million pounds, 3.2 percent above March 2022 and 12.5 percent above February 2023.

**Butter production was 205 million pounds**, 1.4 percent above March 2022 and 9.5 percent above February 2023.

**Dry milk products** (comparisons in percentage with March 2022) Nonfat dry milk, human - 200 million pounds, up 4.4 percent. Skim milk powder - 36.0 million pounds, down 16.1 percent.

**Whey products** (comparisons in percentage with March 2022) Dry whey, total - 78.0 million pounds, up 0.3 percent. Lactose, human and animal - 95.7 million pounds, up 2.3 percent. Whey protein concentrate, total - 41.4 million pounds, up 12.7 percent.

**Frozen products** (comparisons in percentage with March 2022) Ice cream, regular (hard) - 66.4 million gallons, up 0.2 percent. Ice cream, lowfat (total) - 37.9 million gallons, down 11.3 percent. Sherbet (hard) - 2.09 million gallons, down 20.2 percent. Frozen yogurt (total) - 3.20 million gallons, down 21.2 percent.

**Source:** Released May 5, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)

## March Milk Production Up 0.6 Percent

Milk production in the 24 major States during March totaled 18.9 billion pounds, up 0.6 percent from March 2022. February revised production at 17.0 billion pounds, was up 1.2 percent from February 2022. The February revision represented an increase of 48 million pounds or 0.3 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,116 pounds for March, 3 pounds above March 2022.

The number of milk cows on farms in the 24 major States was 8.95 million head, 44,000 head more than March 2022, and 6,000 head more than February 2023.

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 March totaled 2.5 billion pounds, up 53 million pounds or 2.2 percent from March 2022.

Production per cow in the Mideast states averaged 1,819 pounds for March, 14 pounds above March 2022.

The number of cows on farms in the Mideast states was 1.2 million head, 4,000 more than March 2022.

Released April 19, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

### Bulletin Web Page 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           | March 2023          |                      |                             |         |              |           | March 2022           |                             |         |              |           |
|-----------------|---------------------|----------------------|-----------------------------|---------|--------------|-----------|----------------------|-----------------------------|---------|--------------|-----------|
|                 | 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        | 751                 | 788,235              | 4.12                        | 3.26    | 5.78         | 152       | 728,541              | 4.06                        | 3.27    | 5.79         | 151       |
| Ohio            | 1,166               | 392,393              | 4.09                        | 3.26    | 5.76         | 173       | 373,173              | 4.10                        | 3.26    | 5.77         | 176       |
| Indiana         | 549                 | 278,120              | 4.09                        | 3.26    | 5.81         | 185       | 192,165              | 4.01                        | 3.22    | 5.79         | 184       |
| Pennsylvania    | 627                 | 86,450               | 4.09                        | 3.17    | 5.69         | 205       | 82,512               | 4.07                        | 3.15    | 5.68         | 214       |
| New York        | 110                 | 48,309               | 4.18                        | 3.26    | 5.91         | 190       | 46,165               | 4.18                        | 3.26    | 5.91         | 190       |
| Other           | 158                 | 37,750               | 4.14                        | 3.24    | 5.62         | 172       | 11,593               | 4.06                        | 3.16    | 5.77         | 221       |
| Total/Average * | 3,361               | 1,631,255            | 4.11                        | 3.26    | 5.78         | 167       | 1,434,149            | 4.07                        | 3.25    | 5.78         | 168       |

\* 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**  
**April 2023**

| <u>Marketing Area</u> <sup>1/</sup> | Producer Milk         |                         | Class I             | Producer<br><u>Price Differential</u><br>(per cwt.) | Statistical<br><u>Uniform Price</u><br>(per cwt.) |
|-------------------------------------|-----------------------|-------------------------|---------------------|---|---|
|                                     | <u>Total</u><br>(000) | <u>Class I</u><br>(000) | <u>Percent</u><br>% |   |   |
| FO 1 Northeast - (Boston)           | 2,297,309             | 623,989                 | 27.2                | 1.25  | 19.77   |
| FO 5 Appalachian - (Charlotte)      | 452,465               | 302,892                 | 66.9                | 2/  | 21.17   |
| FO 6 Florida - (Tampa)              | 207,819               | 170,441                 | 82.0                | 2/  | 23.28   |
| FO 7 Southeast - (Atlanta)          | 322,255               | 204,800                 | 63.6                | 2/  | 21.54   |
| FO 30 Upper Midwest - (Chicago)     | 2,447,300             | 156,379                 | 6.4                 | 0.12  | 18.64   |
| FO 32 Central - (Kansas City)       | 1,471,416             | 348,431                 | 23.7                | (0.07)  | 18.45   |
| <b>FO 33 Mideast - (Cleveland)</b>  | <b>1,634,857</b>      | <b>488,039</b>          | <b>29.9</b>         | <b>0.44</b>   | <b>18.96</b>                                      |
| FO 51 California - (Los Angeles)    | 2,522,505             | 367,744                 | 14.6                | 0.10  | 18.62   |
| FO 124 Northwest - (Seattle)Pacific | 577,710               | 120,522                 | 20.9                | (0.14)  | 18.38   |
| FO 126 Southwest - (Dallas)         | 1,201,172             | 305,325                 | 25.4                | 0.68  | 19.20   |
| FO 131 Arizona - (Phoenix)          | 455,424               | 107,368                 | 23.6                | 2/  | 19.00   |

<sup>1/</sup> Names in parentheses are principal points of markets.

<sup>2/</sup> Producers in these markets are paid on the basis of a uniform skim and butterfat price.

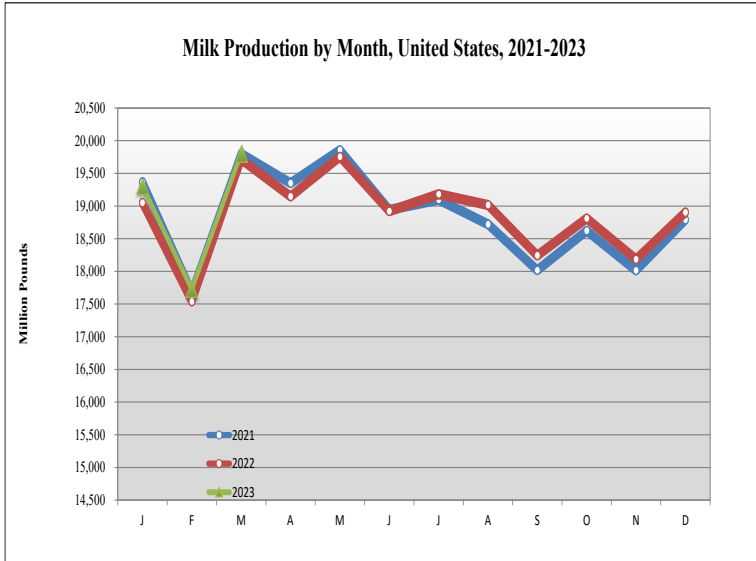
**MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2023.....\$17.95 /cwt.**



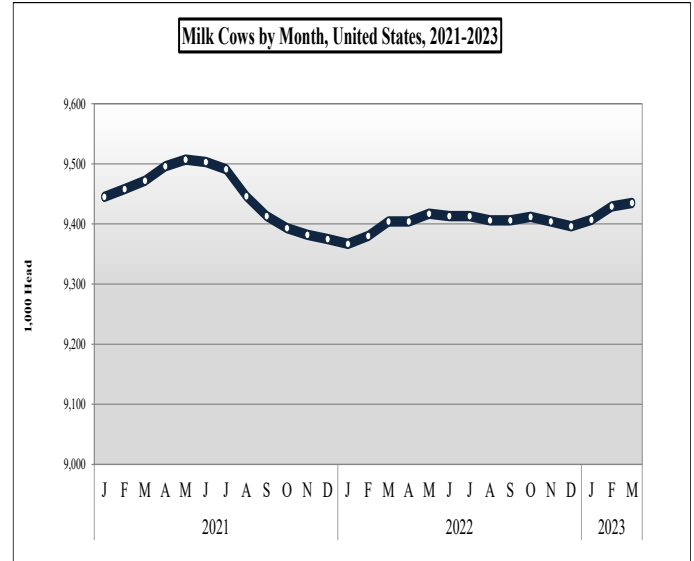
# Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement  
May 2023

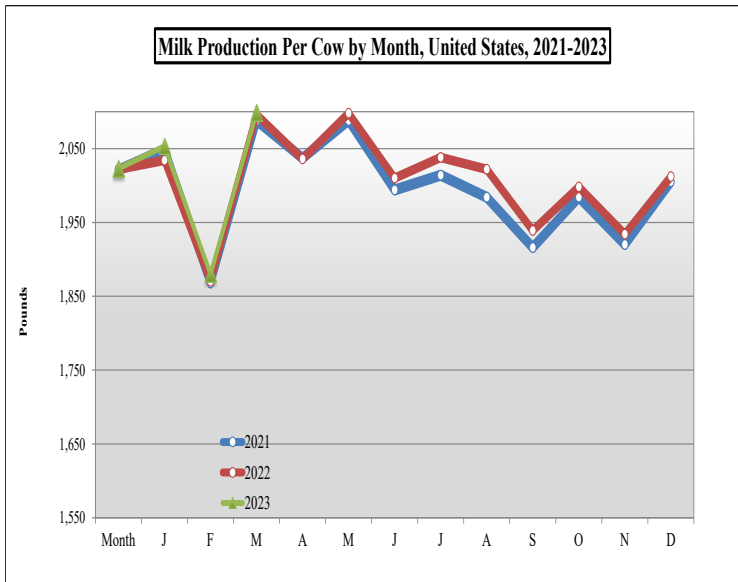
## MILK PRODUCTION STATISTICS 1/



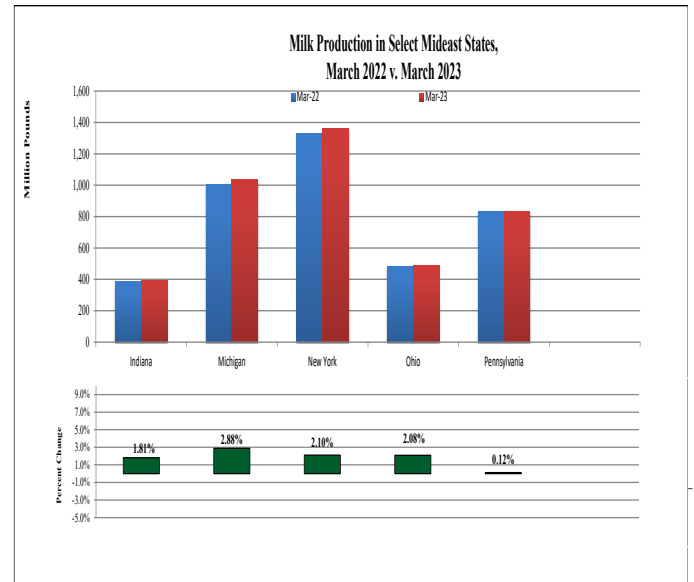
March 2023 milk production in the United States increased 2.1 billion pounds from February to 19.8 billion pounds. March 2023 milk production in the United States was up 0.5 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for March 2023, up 6,000 head from February and up 31,000 head from March 2022.



Production per cow in the United States averaged 2,099 pounds for March 2023, up 219 pounds from February 2023. March 2023 milk production per cow was up 3 pounds from the same month of the prior year.

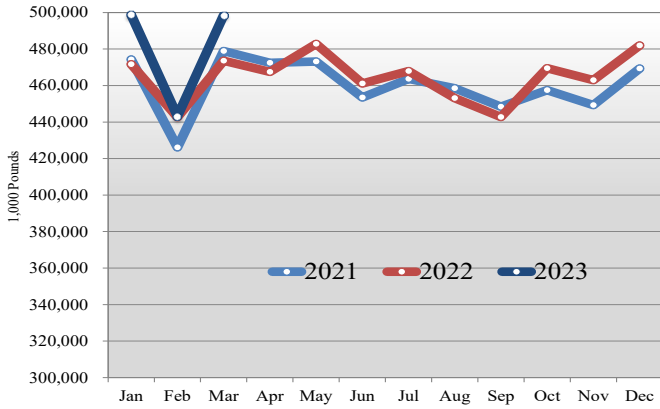


Milk production from selected states which pool on the Mideast marketing area totaled 4.1 billion pounds during March 2023, up 79 million pounds from the prior year. Milk production in Michigan was up 36 million pounds while production in Pennsylvania was only up 1 million pounds or 0.12 percent.

1/ Source: National Agricultural Statistics Service (NASS), Agricultural 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/

**Total American Cheese Production, 2021-2023**



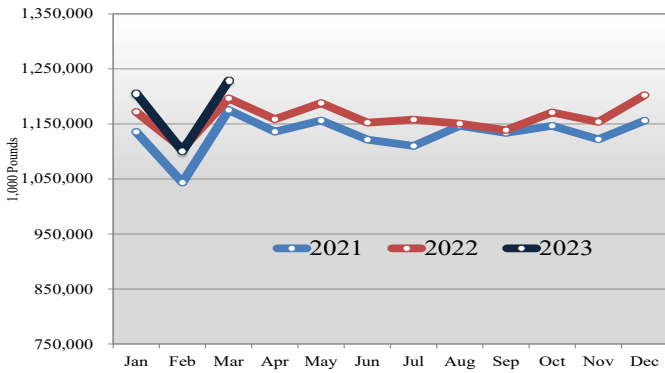
### Dairy Product Production Summary:

Total cheese output (excluding cottage cheese) for March 2023 was 1.2 billion pounds, 2.7 percent above March 2022 and 11.7 percent above February 2023.

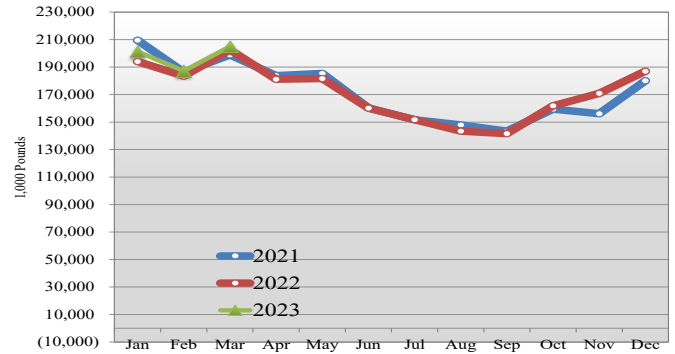
American type cheese production totaled 499 million pounds, 5.3 percent above March 2022 and 12.5 percent above February 2023.

Butter production was 205 million pounds, 1.2 percent above March 2022 and 9.5 percent above February 2023.

**Total Cheese Production, 2021-2023**



**Total Butter Production, 2021-2023**



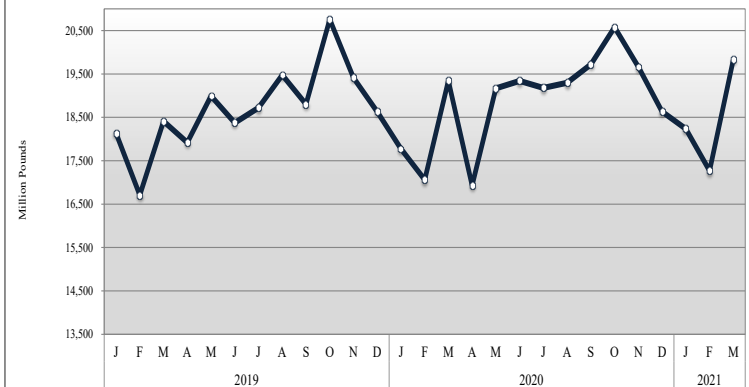
## COMMERCIAL DISAPPEARANCE 2/

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 March 2023, commercial disappearance of milk was 19.0 billion pounds, up 3.6 percent from the prior year. The cumulative disappearance total for 2023 is 53.7 billion pounds, an increase of 2.7 percent from the same 3-month period of 2022.

March 2023 commercial disappearance of American cheese was 457 million pounds, down 0.9 percent from the prior year. March 2023 commercial disappearance of butter was 211 million pounds, up 19.2 percent from the prior year.

**Commercial Disappearance of Milk in All Products, 2019-2021**



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.