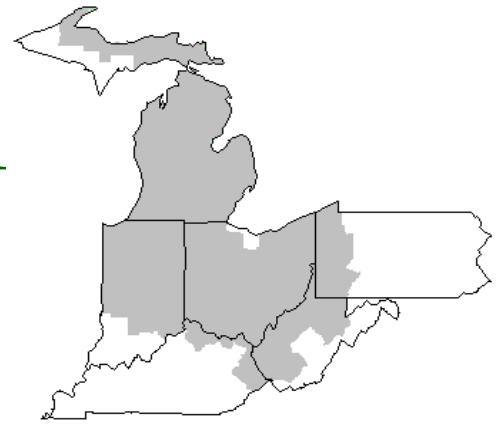


Mideast Market Administrator's Bulletin



Federal Order No. 33

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AUGUST 2024

Dairy Forecasts for 2024

Based on recent data from the USDA, NASS Milk Production report, the 2024 forecast for the dairy herd is lowered by 10,000 head to 9.340 million head. The persistent high prices for replacement dairy cows and tight supplies of dairy heifers partially offset the gains dairy farmers are expected to enjoy from improved margins. The lack of cows and heifers is likely dampening dairy herd expansion incentives. Similarly, the forecast for milk yield is reduced to 24,230 pounds per cow, 35 pounds less than the previous forecast, as the above-average temperatures and humidity levels reported in key producing regions persisted through June and July. At the same time, the low culling rates suggest that farmers are keeping the cows longer in the dairy herd, resulting in a lower milk output per cow. Consequently, the milk production forecast for 2024 is lowered by 0.6 billion pounds to 226.3 billion pounds.

Following the most recent data, the forecasts for dairy imports are revised downward from the previous forecast. The projection for 2024 imports on a milk-fat basis is at 8.7 (-0.2) billion pounds. On a skim solids basis, the projection is 6.9 (-0.1) billion pounds.

While the year-to-date data suggested strong exports, especially on a milk-fat basis, the price advantage that the U.S. exporters had earlier in the year is expected to further deteriorate. Furthermore, the lack of price competitiveness will partially erode the potential gains from the improved macroeconomic outlook for some traditional export markets (South Korea, Mexico, and the Philippines). The projections of 2024 exports on a skim-solids basis are unchanged at 48.8 billion pounds. Projections of 2024 exports on a milk-fat basis are increased to 11.5 (+0.1) billion pounds. Higher projected exports of butter and butterfat products are expected to be partially offset by lower exports of cheese, dry whole milk, NDM, and dry whey products.

Based on recent domestic use data, tighter milk supplies, and higher expected prices for most of the dairy products, the domestic use forecasts are revised downward from the previous forecast. On a milk fat basis, 2024 milk-fat milk domestic use is forecast at 222.8 (-0.8) billion pounds, and on a skim-solids basis it is forecast at 183.7 (-0.6) billion pounds.

Based on recent price movements, the 2024 wholesale prices for Cheddar cheese, dry whey, and NDM are revised upward. The new forecasts are as follows: Cheddar cheese \$1.825 (+0.50 cents), dry whey \$0.470 (+3.00 cents), and NDM \$1.195 (+1.00 cents) per pounds. However, the wholesale price forecast for butter is revised downward at \$2.990 (-1.50 cents) per pound.

With higher cheese and dry whey prices, the new forecast for Class III milk is \$18.40 per cwt, \$0.15 higher than the previous forecast. With NDM price projections offsetting lower expected butter prices, the Class IV price forecast is raised to \$20.80 per cwt, \$0.05 higher than the previous projection. The all-milk price for 2024 is now forecast at \$22.30 per cwt, up \$0.05 from last month's forecast.

*Livestock, Dairy, and Poultry Outlook: August 2024, LDP-M-362, August 16, 2024
 USDA, Economic Research Service*

Dairy Forecasts for 2025

With lower 2024 forecasts for both dairy herd size and milk per cow, the projected average size of the U.S. dairy herd in 2025 is revised downward by 15,000 head to 9.360 million head and the yield per cow is lowered by 65 pounds to 24,375 pounds. Milk production for 2025 is projected at 228.2 billion pounds, 0.9 billion pounds lower than last month's forecast.

(continued on Page 3)

July 2024 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	568,827,779	36.8
Class II	185,114,984	12.0
Class III	725,790,856	47.0
Class IV	64,890,848	4.2
Total	1,544,624,467	100.0

Producer Prices

Producer Price Differential	\$ 1.42 / cwt
Butterfat Price	3.5720 / lb
Protein Price	1.9466 / lb
Other Solids Price	0.2571 / lb
Somatic Cell Adjustment Rate	0.00099 / cwt
Statistical Uniform Price	21.21 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2024

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			555,670,687			\$11.07/ cwt	\$ 61,512,745.05
Class I Butterfat		13,157,092				3.5497 / lb	46,703,729.47
Class I Location Differential	568,827,779						(370,668.85)
Class II SNF Value				15,545,838		1.0700 / lb	16,634,046.66
Class II Butterfat		17,929,171				3.5790 / lb	64,168,503.05
Class III Protein Value			22,868,795			1.9466/ lb	44,516,396.35
Class III Other Solids Value					42,027,051	0.2571/ lb	10,805,154.83
Class III Butterfat		26,296,168				3.5720/ lb	93,929,912.07
Class IV SNF Value				5,631,206		1.0149/ lb	5,715,110.94
Class IV Butterfat		4,598,550				3.5720/ lb	16,426,020.59
Somatic Cell Value II / III / IV							<u>1,491,894.15</u>
TOTAL PRODUCER MILK VALUE	1,394,559,831	54,499,151	43,231,077		81,528,656		\$ 361,532,844.31
Overages						2,725.13	
Beginning Inventory & OS Charges						(26,269.75)	
TOTAL ADJUSTMENTS							\$ (23,544.62)
TOTAL HANDLER OBLIGATIONS							\$ 361,509,299.69
Total Protein Value			48,558,180 lbs	@	\$ 1.9466		\$(94,523,353.17)
Total Other Solids Value			88,993,170 lbs.	@	0.2571		(22,880,144.01)
Butterfat Value			61,980,981 lbs.	@	3.5720		(221,396,064.11)
Total Somatic Cell Values							<u>(2,313,361.70)</u>
TOTALS							\$ 20,396,376.70
Net Producer Location Adjustments							\$ 1,496,895.39
1/2 Unobligated Balance Producer Settlement Fund							<u>748,000.00</u>
Total - Divided by Total Pounds			1,544,634,956 lbs.			1.4658008	\$ 22,641,272.09
Rate of Cash Reserve						(0.0458008)	<u>(707.455.78)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,544,634,956			\$ 1.42 / cwt	\$ 21,933,816.31

COMPONENT PRICES

July

COMPUTATION OF UNIFORM PRICE

July

	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
Butterfat Price	\$3.5720 / lb.	\$2.7986 / lb.	Class III Price - 3.5% BF	\$19.79	\$13.57
Protein Price	1.9466 / lb.	1.1991 / lb.	Producer Price Differential*	<u>1.42</u>	<u>2.47</u>
Other Solids Price	0.2571 / lb.	0.0689 / lb.	Statistical Uniform Price	\$21.21	\$16.24
Somatic Cell Adjustment Rate	0.00099 / cwt	0.00074 / cwt			
Nonfat Solids Price 2	1.0149 / lb.	0.9746 / lb.			

CLASS PRICES

July

CLASSIFICATION OF PRODUCER MILK

July

	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
Class I*	\$23.11	\$19.32	Class I	Product lbs. 568,827,779	Product lbs. 492,238,887
Class II	21.82	19.12	Class II	185,114,984	96,629,980
Class III	19.79	13.77	Class III	725,790,856	750,721,185
Class IV	21.31	18.26	Class IV	<u>64,890,848</u>	<u>54,969,779</u>
			Total	1,544,624,467	1,394,559,831

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 2024 was \$1.42, and the Statistical Uniform Price was \$21.21 for the month. The Statistical Uniform Price is \$0.38 higher than last month and is \$4.97 higher than July 2023.

The Producer Butterfat Price of \$3.5720 per pound increased \$0.0276 from June and is up \$0.7734 from a year ago. The Protein Price of \$1.9466 is down \$0.1080 from last month and is up \$0.7475 from July 2023. The Other Solids Price in July was \$0.2571 per pound, an increase from last month's price of \$0.2326 and \$0.1882 higher than last July. The Somatic Cell Adjustment rate for July was \$0.00099 per cwt.

July producer receipts of 1.54 billion pounds were 6.0 percent higher than June and 10.8 percent higher than July 2023 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 36.8 percent of the total producer milk in July 2024, lower than 35.5 percent in June, and lower than the 35.3 percent in July 2023. A total of 3,237 producers were pooled on the Mideast Order compared to 3,291 producers pooled in July 2023.

The market average content of producer milk was as follows: Butterfat 4.01%; Protein 3.14%; Other Solids 5.76% and Nonfat Solids 8.90%.

(continued from Front Page)

The wholesale dairy product price forecasts for 2025 are adjusted upward as follows: Cheddar cheese \$1.860 (+0.50 cents), dry whey \$0.450 (+2.50 cents), butter \$2.985 (+2.00 cents), and NDM \$1.220 (+3.0 cents) per pound.

With higher prices forecast across the main dairy products, the 2025 forecasts for Class III and Class IV milk prices are revised upward to \$18.65 (+\$0.20) and \$20.95(+\$0.35) per pound, respectively. The all milk price for 2025 is now forecast at \$22.75 per cwt, up \$0.25 from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-362, August 17,2024 USDA, Economic Research Service

June 2024 Highlights

Total cheese output (excluding cottage cheese) was 1.16 billion pounds, 1.4 percent below June 2023 and 4.0 percent below May 2024.

Italian type cheese production totaled 486 million pounds, 0.1 percent below June 2023 and 3.9 percent below May 2024.

American type cheese production totaled 457 million pounds, 4.9 percent below June 2023 and 6.3 percent below May 2024.

Butter production was 169 million pounds, 2.8 percent above June 2023 but 17.3 percent below May 2024.

Dry milk products (comparisons in percentage with June 2023)
Nonfat dry milk, human – 128 million pounds, down 26.1 percent.
Skim milk powder – 60.5 million pounds, up 21.6 percent.

Whey products (comparisons in percentage with June 2023)
Dry whey, total – 81.5 million pounds, down 7.5 percent.
Lactose, human and animal – 94.8 million pounds, down 3.4 percent.
Whey protein concentrate, total – 40.6 million pounds, down 7.0 percent.

Frozen products (comparisons in percentage with June 2023)
Ice cream, regular (hard) – 66.5 million gallons, down 0.3 percent.
Ice cream, lowfat (total) – 38.4 million gallons, down 10.8 percent.
Sherbet (hard) – 1.73 million gallons, down 9.9 percent.
Frozen yogurt (total) – 4.16 million gallons, down 2.5 percent.

June Milk Production Down 0.8 Percent

Milk production in the 24 major States during June totaled 18.0 billion pounds, down 0.8 percent from June 2023. May revised production, at 18.8 billion pounds, was down 0.8 percent from May 2023. The May revision represented a decrease of 0.2 percent or 30 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,025 pounds for June, 8 pounds below June 2023.

The number of milk cows on farms in the 24 major States was 8.89 million head, 37,000 head less than June 2023, but 2,000 more head than May 2024.

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 2023.

Production per cow in the Mideast states averaged 1,970 pounds for June. This was a decrease of 21 pounds per cow from June 2023. The number of cows on farms in the Mideast states was 1.3 million head, 2,000 head more than June 2023.

Released July 23, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

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	Number of Producers	Pounds of Milk (000)	June 2024 -----Weighted Averages-----				June 2023 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	711	682,561	4.05	3.16	5.81	171	619,300	3.93	3.13	5.80	162
Ohio	1,114	366,732	3.95	3.10	5.71	200	356,012	3.93	3.16	5.78	189
Indiana	587	231,736	3.99	3.14	5.81	201	217,227	3.88	3.14	5.83	196
Pennsylvania	509	74,337	3.96	3.06	5.67	232	88,403	3.91	3.08	5.69	210
New York	116	44,719	4.19	3.14	5.76	174	44,484	4.13	3.23	5.89	168
Other	183	57,638	4.14	3.19	5.77	171	26,384	3.93	3.11	5.78	197
Total/Average *	3,220	1,457,723	4.02	3.14	5.77	186	1,351,810	3.93	3.14	5.79	178

* 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 2024**

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,287,784	622,190	27.2	2.47	\$22.26
FO 5 Appalachian - (Charlotte)	426,486	299,731	70.3	^{2/}	23.72
FO 6 Florida - (Tampa)	189,873	157,036	82.7	^{2/}	25.66
FO 7 Southeast - (Atlanta)	274,430	205,658	74.9	^{2/}	24.25
FO 30 Upper Midwest - (Chicago)	2,669,566	152,613	5.7	0.25	20.04
FO 32 Central - (Kansas City)	1,311,128	335,723	25.6	0.83	20.62
FO 33 Mideast - (Cleveland)	1,544,624	568,828	36.8	1.42	21.21
FO 51 California (Los Angeles)	2,032,583	365,500	18.0	1.05	20.84
FO 124 Pacific Northwest - (Seattle)	612,374	121,035	19.8	1.08	20.87
FO 126 Southwest - (Dallas)	1,068,447	294,492	27.6	1.65	21.44
FO 131 Arizona - (Phoenix)	283,746	93,704	33.0	^{2/}	21.48

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

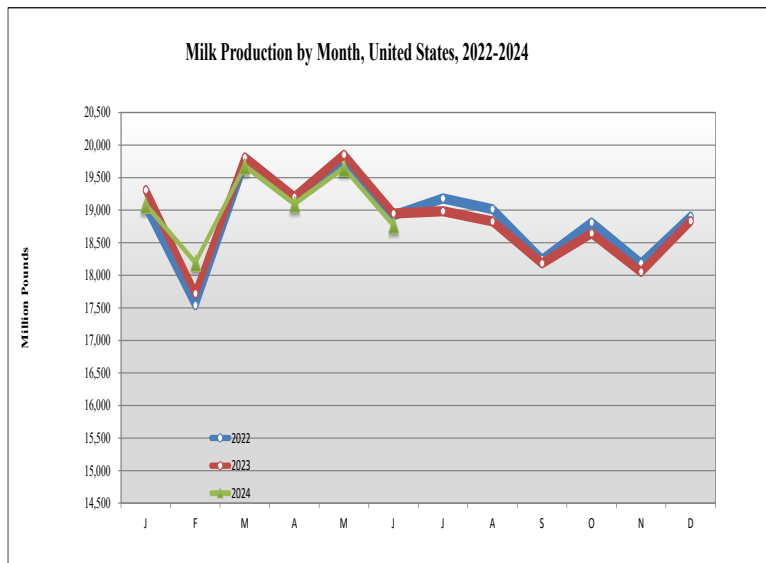
^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2024.....\$19.79 /cwt.

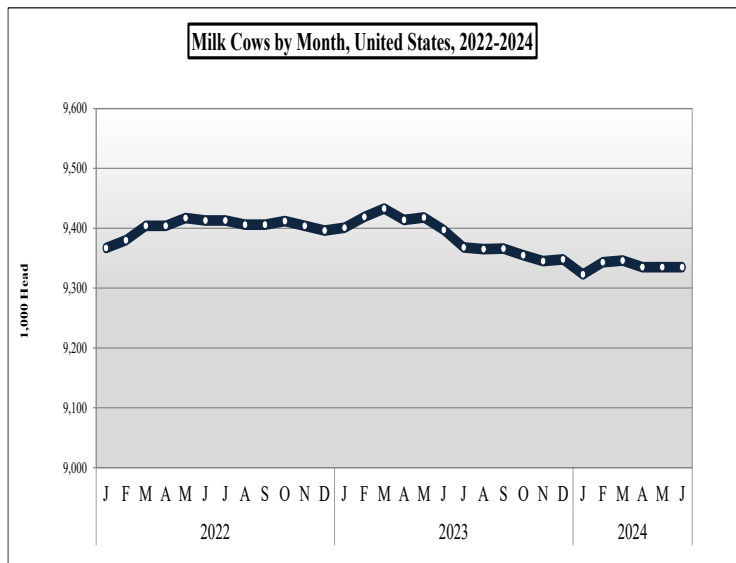
Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement
August 2024

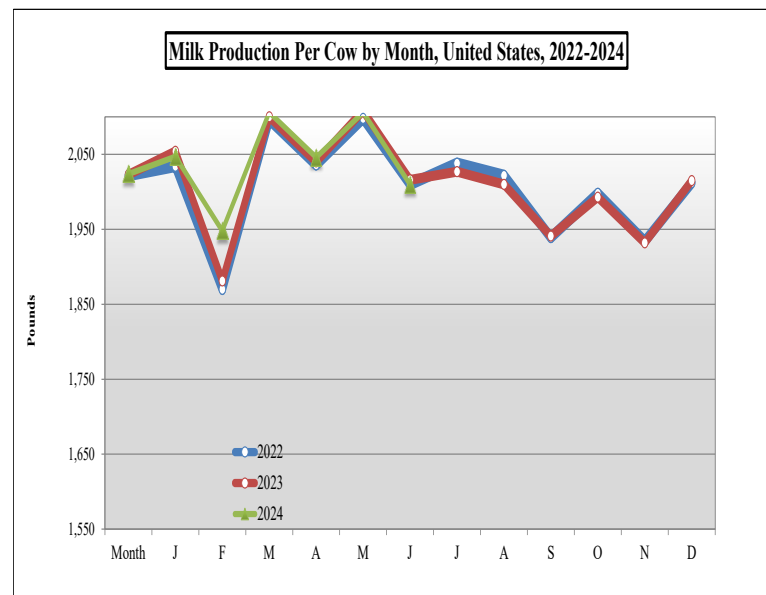
MILK PRODUCTION STATISTICS 1/



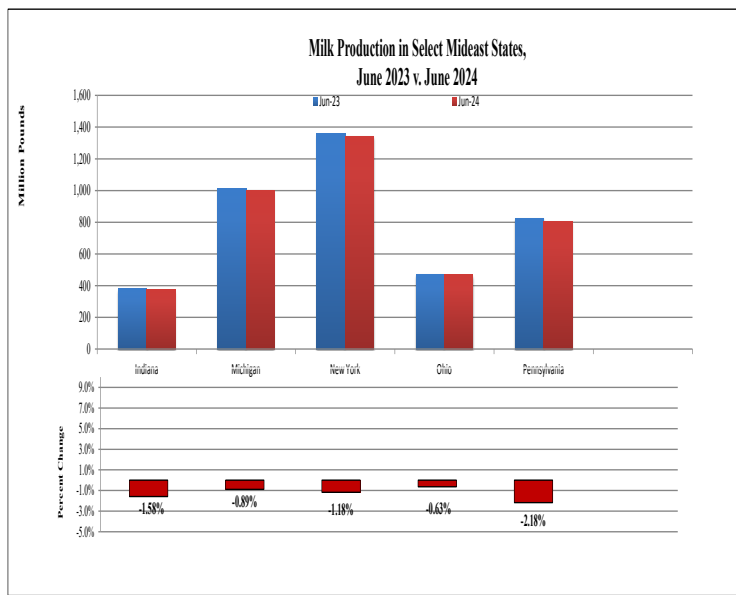
June 2024 milk production in the United States decreased 885 million pounds from May to 18.8 billion pounds. July 2023 milk production in the United States was down 1.0 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for June 2024, the same as May. June Cow numbers were 62,000 head less than June 2023.



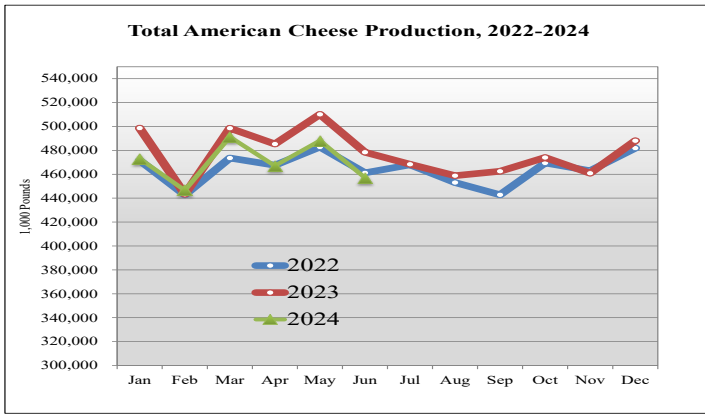
Production per cow in the United States averaged 2,029 pounds for July 2023 up 13 pounds from June 2023. July 2023 milk production per cow was down 9 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during June 2024, down 52 million pounds from the prior year. Milk production in Pennsylvania was down 18 million pounds while production in Michigan was down 9 million pounds.

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

DAIRY PRODUCT PRODUCTION 1/

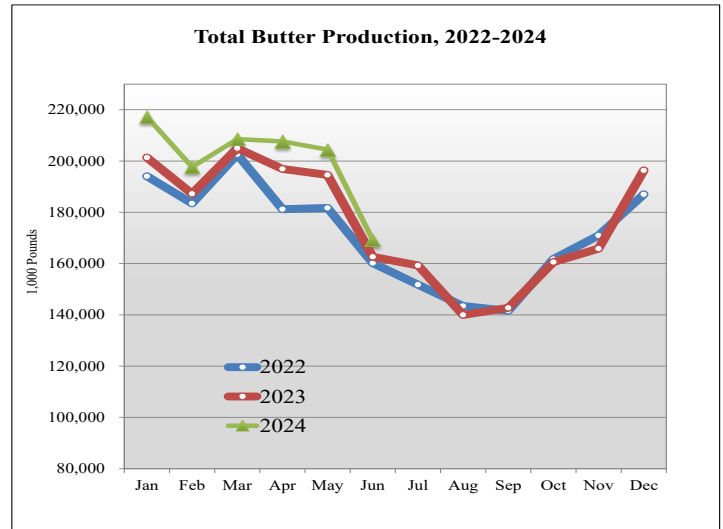
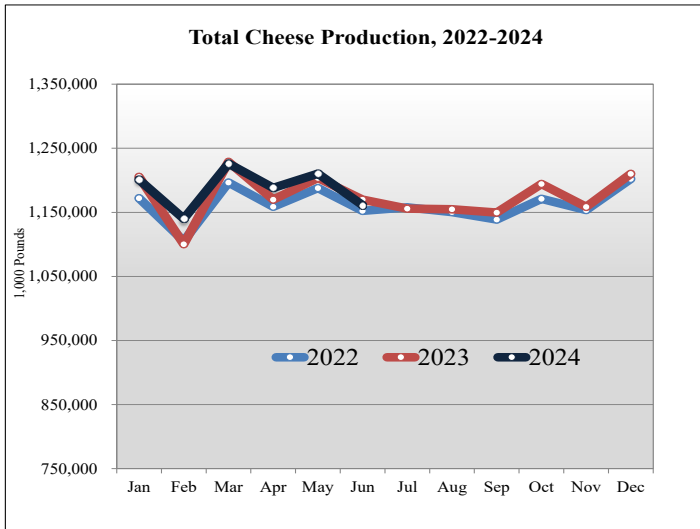


Dairy Product Production Summary:

American type cheese production totaled 457.2 million pounds, 4.9 percent below June 2023 and 6.3 percent below May 2024.

Total cheese output (excluding cottage cheese) was 1.16 billion pounds, 1.4 percent below June 2023 and 4.0 percent below May 2024.

Butter production was 169.2 million pounds, 2.8 percent above June 2023 and 17.3 percent below May 2024.



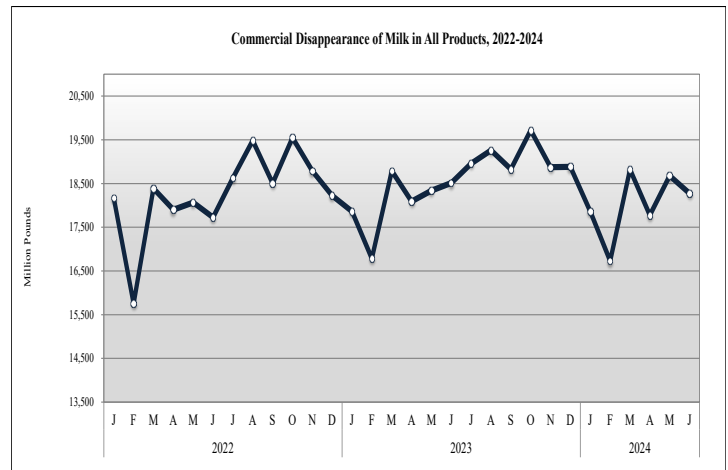
COMMERCIAL DISAPPEARANCE 2/

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 June 2024 commercial disappearance of milk was 18.3 billion pounds, down 1.3 percent from the prior year. The cumulative disappearance total for 2024 is 108.1 billion pounds, a decrease of 0.2 percent from the same 6-month period of 2023.

June 2024 commercial disappearance of American cheese was 456.5 million pounds, down 2.8 percent from the prior year.

June 2024 commercial disappearance of butter was 179.7 million pounds, down 2.0 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.