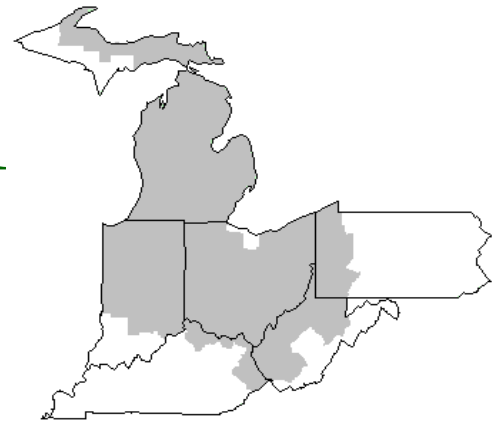


Mideast Market Administrator's Bulletin



Federal Order No. 33

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JANUARY 2022

2021 Market Summary

Producer milk receipts pooled totaled 18.6 billion pounds on the Mideast Order during 2021 an increase of 623.1 million pounds, or 3.5 percent from 2020. During 2021, there were a little less than 2.7 billion pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.28 billion pounds in February to a high of 1.77 billion pounds in July.

The number of producers pooled on the Mideast Order in 2021 averaged 3,598 per month, down 6.1 percent from a year earlier. Producer milk averaged 3.93 percent butterfat in 2021, ranging from a low of 3.79 percent in July to a high of 4.12 percent in December. The protein test averaged 3.19 percent for 2021. Protein tests ranged from a low of 3.07 percent in July, to a high of 3.32 percent in November. Other solids tests for producer milk averaged 5.77 percent for the year.

For the year, 34.7 percent of producer milk was utilized as Class I; 20.7 percent in Class II; 29.7 percent in Class III; and 14.9 percent in Class IV. The Class I utilization percentage had a low of 28.3 percent in July and a high of 41.5 percent in February. Class I milk totaled 6.5 billion pounds during 2021, down 4.5 percent from 2020. Class II milk totaled 3.9 billion pounds in 2021, a decrease of 5.1 percent from 2020. Class III pooled pounds were 5.5 billion pounds in 2021, an increase of 43.6% from 2020. Class IV milk totaled 2.8 billion pounds in 2021, a decrease of 16.4 percent from 2020.

The Class I price averaged \$18.83 per cwt for the year, a decrease of \$0.08 per cwt from 2020. The Class I price had a low of \$17.14 per cwt in January 2021 and a high of \$21.17 per cwt in December. The Class II price averaged \$16.44 per cwt, an increase of \$2.15 per cwt from the prior year. It ranged from a low of \$14.00 per cwt in February to a high of \$19.84 per cwt in December. The Class III price averaged \$17.08 per cwt, a decrease of \$1.08 per cwt from 2020. The Class III price ranged from a low of \$15.75 per cwt in February to a high of \$18.96 per cwt in May. The Class IV price averaged \$16.09 per cwt for the year, an increase of \$2.60 per cwt from a year ago. It was lowest in February at \$13.19 per cwt and was highest in December at \$19.88 per cwt.

The Statistical Uniform Price averaged \$16.70 per cwt for 2021 compared to \$15.85 per cwt in 2020. The Producer Butterfat Price averaged \$1.8904 per pound in 2021. This was an increase of \$0.1837 from 2020. The butterfat price was lowest in February at \$1.4376 per pound and was highest in December at \$2.2919 per pound. The Protein Price averaged \$2.7630 per pound in 2021. This

was a decrease of \$0.9929 from the previous year. The lowest price was in August at \$2.4582 per pound and was highest in May at \$3.1307 per pound. Other Solids Price averaged \$0.3866 per pound, \$0.2188 higher than the 2020 average. The Producer Price Differential (PPD) averaged- \$0.38 per cwt in 2021 with low of (\$1.53) per cwt in May and a high of \$0.99 per cwt in December.

Dairy Forecasts for 2022

The number of dairy cows is expected to continue declining in 2022-Q1 and Q2. Accordingly, the annual 2022 forecast has been lowered to 9.385 million head, 10,000 head below the last month's forecast and 65,000 less than the forecast for 2021. The 2022 forecast for milk per cow is 24,265 pounds, 15 pounds lower than last month's forecast. The projection for 2022 milk production has been lowered to 227.7 billion pounds, 0.4 billion pounds below last month's forecast but 1.5 billion pounds above 2021.

On a milk-fat basis, the export forecast for 2022 is 11.5 billion pounds, 0.1 billion higher than last month's projection due to higher expected exports of cheese and butterfat products.

December 2021 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	571,003,034	34.8
Class II	208,957,887	12.7
Class III	723,316,839	44.0
Class IV	139,171,321	8.5
Total	1,642,449,081	100.0

Producer Prices

Producer Price Differential	\$0.99/ cwt
Butterfat Price	2.2919 /lb
Protein Price	2.5937 /lb
Other Solids Price	0.4532 /lb
Somatic Cell Adjustment Rate	0.00088 /cwt
Statistical Uniform Price	19.35

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****DECEMBER 2021****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			558,498,710			\$14.20 / cwt	\$ 79,306,816.81
Class I Butterfat		12,504,324				2.1339 / lb	26,682,976.98
Class I Location Differential	571,003,034						(347,113.42)
Class II SNF Value				18,135,580		1.3578 / lb	24,624,490.53
Class II Butterfat		17,574,074				2.2989 / lb	40,401,038.72
Class III Protein Value			23,989,015			2.5937 / lb	62,220,308.22
Class III Other Solids Value					41,834,426	0.4532 / lb	18,959,361.83
Class III Butterfat		27,496,743				2.2919 / lb	63,019,785.27
Class IV SNF Value				12,243,111		1.3655 / lb	16,717,968.06
Class IV Butterfat		10,049,427				2.2919 / lb	23,032,281.75
Somatic Cell Value II / III / IV							1,756,280.54
TOTAL PRODUCER MILK VALUE	1,642,449,081	67,624,568	54,360,942		94,757,316		\$ 356,374,195.29
Overages					62,087.58		
Beginning Inventory & OS Charges					28,959.24		
TOTAL ADJUSTMENTS							\$ 91,046.82
TOTAL HANDLER OBLIGATIONS							\$ 356,465,242.11
Total Protein Value			54,360,942 lbs	@	\$2.5937		\$ (140,995,975.28)
Total Other Solids Value			94,757,316 lbs	@	0.4532		(42,944,015.56)
Butterfat Value			67,624,568 lbs	@	2.2919		(154,988,747.41)
Total Somatic Cell Values							(2,661,745.31)
TOTALS							\$ 14,874,758.55
Net Producer Location Adjustments							\$ 1,448,552.97
1/2 Unobligated Balance Producer Settlement Fund							755,000.00
Total - Divided by Total Pounds			1,642,449,081 lbs		1.0398077		\$ 17,078,311.52
Rate of Cash Reserve					(0.0498077)		(818,066.11)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,642,449,081		\$ 0.99 /cwt		\$ 16,260,245.41

COMPONENT PRICES**December**

	<u>2021</u>	<u>2020</u>
Butterfat Price	\$2.2919 / lb	\$1.5399 / lb
Protein Price	2.5937 / lb	3.0282 / lb
Other Solids Price	0.4532 / lb	0.2245 / lb
Somatic Cell Adjustment Rate	0.00088 / cwt	0.00082 / cwt
Nonfat Solids Price ²	1.3655 / lb	0.9180 / lb

COMPUTATION OF UNIFORM PRICE**December**

	<u>2021</u>	<u>2020</u>
Class III Price - 3.5% BF	\$18.36	\$15.72
Producer Price Differential*	<u>-0.99</u>	<u>1.18</u>
Statistical Uniform Price	\$19.35	\$16.90

CLASS PRICES**December**

	<u>2021</u>	<u>2020</u>
Class I*	\$21.17	\$21.87
Class II	19.84	14.01
Class III	18.36	15.72
Class IV	19.88	13.36

CLASSIFICATION OF PRODUCER MILK**December**

	<u>2021</u>	<u>2020</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	571,003,034	587,945,745
Class II	208,957,887	296,585,801
Class III	723,316,839	260,657,016
<u>Class IV</u>	<u>139,171,321</u>	<u>275,531,250</u>
Total	1,642,449,081	1,420,719,812

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 December 2021 was \$0.99 and the Statistical Uniform Price was \$19.35 for the month. The Statistical Uniform Price is \$0.82 higher than last month and is \$2.45 higher than December 2020.

The Producer Butterfat Price of \$2.2919 per pound increased \$0.1378 from November and is up \$0.7520 from a year ago. The Protein Price of \$2.5937 is down \$0.1599 from last month and is down \$0.4345 from December 2020. The Other Solids Price in December was \$0.4532 per pound, an increase from last month's price of \$0.3949 and \$0.2287 higher than last December. The Somatic Cell Adjustment rate for

December was \$0.00088 per cwt. December producer receipts of 1.64 billion pounds were 1.6 percent lower than November and 15.6 percent higher than December 2020 production of 1.42 billion pounds. Producer milk allocated to Class I accounted for 34.8 percent of the total producer milk in December 2021, higher than the 33.8 percent in November, and lower than the 41.4 percent in December 2020. A total of 3,572 producers were pooled on the Mideast Order compared to 3,743 producers pooled in December 2020.

The market average content of producer milk was as follows: Butterfat 4.12%; Protein 3.31%; Other Solids 5.77% and Nonfat Solids 9.08%.

On a skim-solids basis, 2022 dairy exports are projected to total 52.0 billion pounds, 0.2 billion above last month's forecast due to the strong international demand for lactose. The 2022 dairy products imports forecast remain unchanged from last month at 6.5 billion pounds on a milk-fat basis and 5.5 billion pounds on a skim-solids basis. Although domestic dairy product prices are forecast to rise from 2021 to 2022, most are expected to remain competitive in the international markets.

Due to higher expected prices and recent softness in domestic use, forecasts for domestic use have been lowered from the previous month's forecast. On a milk-fat basis, the domestic use forecast for 2022 is 221.8 billion pounds, 0.5 billion below the previous forecast, due to expected weakness in demand for butter and anhydrous milk fat (AMF). On a skim-solids basis, the forecast for domestic use is 180.1 billion pounds, 0.7 billion lower than last month's forecast.

Ending stocks on a milk-fat basis for 2022 have been lowered to 14.5 billion pounds (-0.2 billion), as lower expected total supply and higher exports more than offset lower expected domestic use. On a skim-solids basis, the forecast for ending stocks is 10.9 billion pounds, unchanged from the previous month's projection.

Considering the lower projected milk supply, dairy product price forecasts for 2022 have been raised from last month's projections. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are \$1.775 (+1.0 cent), \$1.940 (+3.0 cents), \$1.510 (+2.5 cents), and \$0.575 (+4.5 cents) per pound, respectively.

With higher projected wholesale prices for cheese and dry whey, the Class III milk price forecast for 2022 is \$18.15 per cwt, \$0.40 higher than last month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$19.00 per cwt, \$0.30 above last month's forecast. The all-milk price forecast for 2022 is \$20.75 per cwt, an increase of \$0.50 from last month's projection.

Livestock, Dairy, and Poultry Outlook: December 2021, LDP-M-330, December 15, 2021 USDA, Economic Research Service

November Milk Production Down 0.1 Percent

Milk production in the 24 major States during November totaled 17.3 billion pounds, down 0.1 Percent from November 2020. October revised production, at 17.8 billion pounds, was up 0.4 percent from October 2020. The October revision represented an increase of 110 million pounds or 0.6 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,941 pounds for November, 3 pounds above November 2020.

The number of milk cows on farms in the 24 major States was 8.89 million head, 24,000 head less than November 2020, and 8,000 head less than October 2021.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.5 billion pounds, down 57 million pounds or 2.2 percent from November 2020.

Production per cow in the Mideast states averaged 1,881 pounds for November, 8 pounds less than November 2020.

The number of cows on farms in the Mideast states was 1.3 million head, 24,000 head less than November 2020.

Released December 20, 2021, 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:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- National Product Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33

State	Number of Producers	Pounds of Milk (000)	November 2021 -----Weighted Averages-----				November 2020 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	866	876,320	4.07	3.32	5.78	155	640,795	4.00	3.26	5.77	147
Ohio	1,175	403,981	4.13	3.33	5.77	178	274,117	4.03	3.26	5.75	165
Indiana	600	217,911	4.03	3.29	5.79	183	223,983	4.02	3.26	5.80	158
New York	192	80,421	4.19	3.32	5.85	194	42,202	4.16	3.28	5.84	175
Pennsylvania	566	76,584	4.16	3.25	5.65	225	57,432	4.11	3.20	5.67	215
Other	170	14,013	4.07	3.24	5.72	217	10,060	4.07	3.19	5.69	205
Total/Average *	3,569	1,669,231	4.09	3.32	5.77	170	1,248,589	4.02	3.26	5.77	157

* 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
December 2021**

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 - (<i>Boston</i>)	2,253,112	715,420	31.8	2.13	20.49
FO 5 Appalachian - (<i>Charlotte</i>)	452,061	331,675	73.4	^{2/}	22.08
FO 6 Florida - (<i>Tampa</i>)	214,653	179,339	83.5	^{2/}	23.97
FO 7 Southeast - (<i>Atlanta</i>)	382,327	267,519	70.0	^{2/}	22.28
FO 30 Upper Midwest - (<i>Chicago</i>)	2,262,964	223,218	9.8	0.25	18.61
FO 32 Central - (<i>Kansas City</i>)	1,223,603	382,594	31.3	0.67	19.03
FO 33 Mideast - (<i>Cleveland</i>)	1,642,449	571,003	34.8	0.99	19.35
FO 51 California - (<i>Los Angeles</i>)	1,787,040	430,847	24.1	0.97	19.33
FO 124 Pacific Northwest - (<i>Seattle</i>)	706,492	138,686	19.6	0.76	19.12
FO 126 Southwest - (<i>Dallas</i>)	1,140,349	347,597	30.5	1.41	19.77
FO 131 Arizona - (<i>Phoenix</i>)	426,582	129,920	30.5	^{2/}	20.07

^{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.

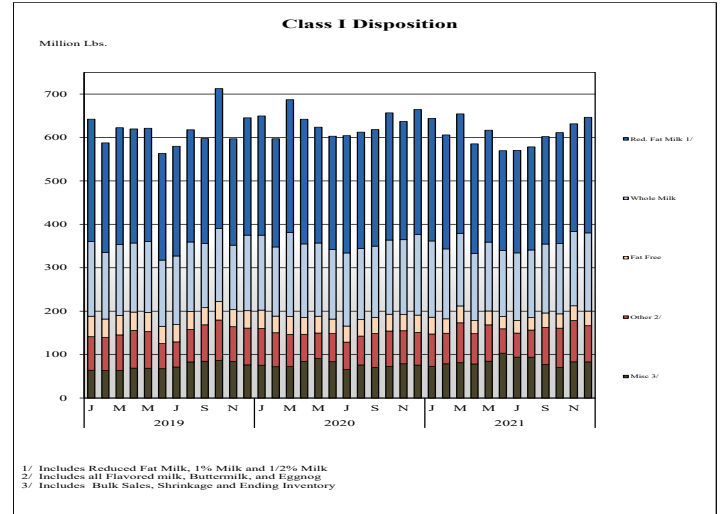
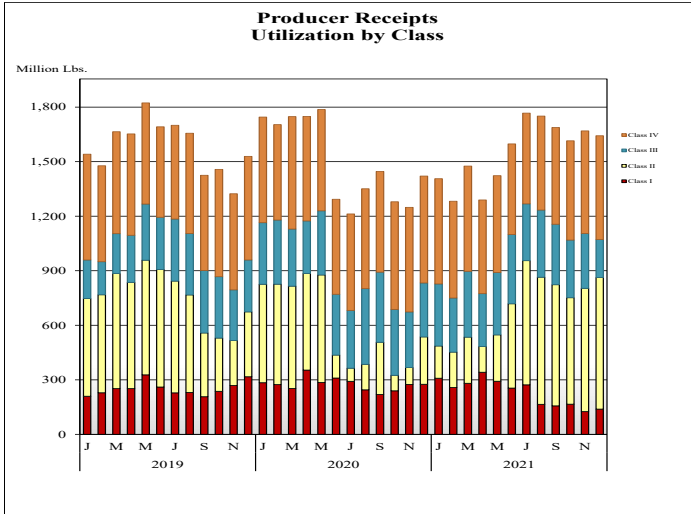
MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2022\$18.36 /cwt.



Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement
January 2022

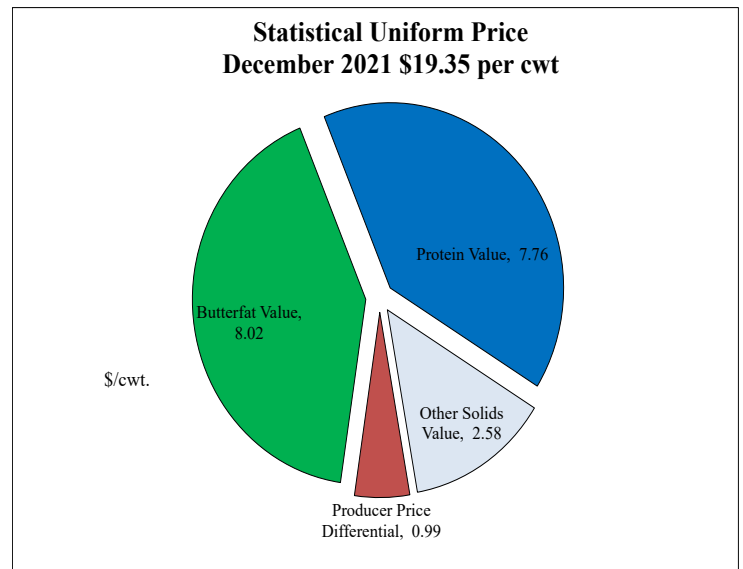
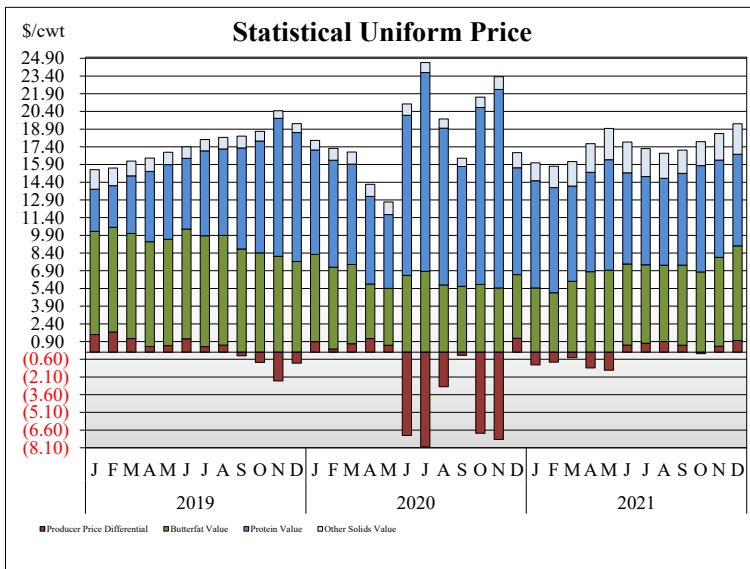
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.64 billion pounds in December 2021. The pounds allocated to Class I represented 34.8 percent of the total pounds. Producer receipts decreased 27 million pounds compared to November 2021, and were up 222 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 646.6 million pounds in December 2021, down 17.8 million pounds from December 2020. Finished products include 180 million pounds used for whole milk, 266 million pounds of reduced fat and low fat milk, and 34 million pounds of fat free (skim) milk.

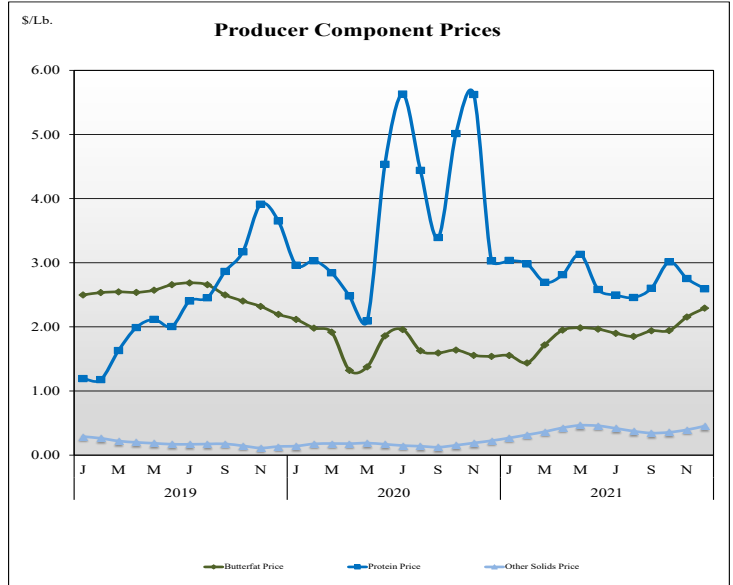
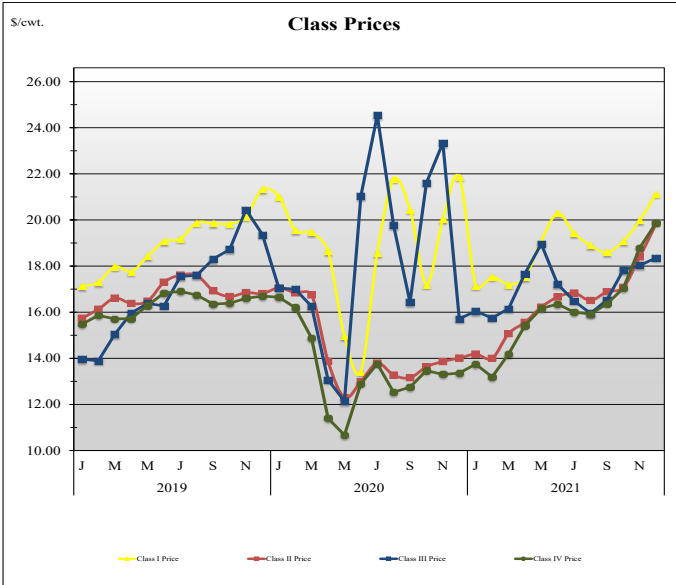
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$19.35 per cwt for December 2021. The December 2021 SUP was \$2.45 per cwt higher than the December 2020 SUP. The December 2020 SUP is \$0.82 per cwt higher than the November 2021 SUP.

December 2021 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the December 2021 SUP are: \$9.05 per cwt for protein, \$5.39 per cwt for butterfat and \$1.28 per cwt for other solids. Also included in the SUP is the \$0.99 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

