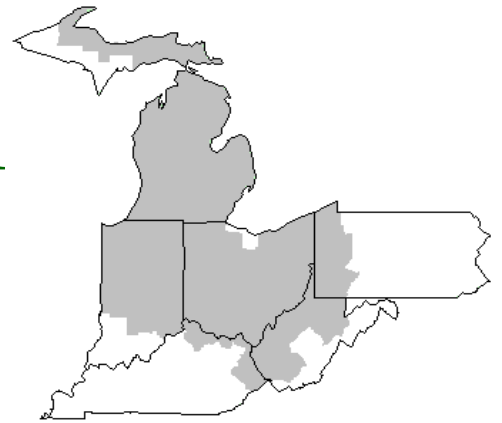


Mideast Market Administrator's Bulletin



Federal Order No. 33

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MAY 2022

Dairy Forecasts for 2022

Milk production for 2022 is projected to total 226.3 billion pounds, 0.3 billion higher than last month's forecast and about the same as 2021. Although NASS reported that the number of milk cows increased from January to February after an 8-month contraction, it is not clear if dairy herd expansion will continue throughout the year. Recent input prices for feed, fuel, and fertilizer have been high. The corn price forecast has been raised for the 2021/22 marketing season, and the soybean meal price forecast remains higher. While milk cows are forecast to average 9.370 million head for the first half of the year, they are projected to decline to 9.365 million in the second half. Annual average forecast rounds to 9,370 million head, 15,000 higher than last month's forecast. The forecast for 2022 average milk per cow is unchanged from last month's forecast of 24,160 pounds per head.

With U.S. prices for most dairy products expected to be very competitive compared to international export prices, dairy export projections for 2022 have been raised. The projection for dairy exports on a milk-fat basis is 11.5 billion pounds, 0.6 billion higher than last month's forecast. On a skim solids basis, the projection for dairy exports is 50.3 billion pounds, an increase of 0.5 billion from last month's projection. Higher exports are expected for cheese, butter, milk products, and whey products dry skim.

Imports on a milk-fat basis for 2022 are projected at 6.4 billion pounds, 0.4 billion pounds lower than last month's forecast, due to lower expected imports of butter and cheese. On a skim solids basis, the import forecast is 5.8 billion pounds, unchanged from the previous projection.

Based on recent data, the projection for 2022 domestic use on a milk-fat basis is 221.6 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, domestic use is projected to total 180.8 billion pounds, unchanged from the previous projection.

The projection for 2022 ending stocks for 2022 on a milk-fat basis is 12.9 billion pounds, 0.1 billion lower than last month's forecast, as the expected lower imports and higher exports more than offset higher milk production and lower domestic use. On a skim solids basis, the forecast for 2022 ending stocks is 11.0 billion pounds, 0.2 lower than the previous forecast, as higher expected exports more than offset higher milk production.

Due to relatively high domestic and international dairy product prices in recent weeks and higher expected exports, price forecasts for most dairy products in 2022 have been raised. Price projections for Cheddar cheese, butter, and NDM are \$2.150 (+12.0 cents), \$2.640 (+6.5 cents), and \$1.745 (+0.5 cents) per pound, respectively. Due to recent weakening in the domestic dry whey price and competitive export prices from Western Europe, the forecast for the U.S. dry whey price in 2022 has been lowered to \$0.690 per pound (-2.0 cents).

With higher projected prices for Cheddar cheese more than offsetting lower projected prices for dry whey, the Class III milk price forecast for 2022 has been raised to \$22.75 per hundredweight (cwt), \$1.10 higher than last month's forecast. With higher forecasts for butter and NDM prices, the Class IV milk price projection has been raised to \$24.05 per cwt, \$0.35 higher than the previous projection.

The all-milk price forecast for 2022 has been raised to a record high of \$25.80 per cwt, \$0.75 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook: April 2022, LDP-M-334, April 14, 2022, USDA, Economic Research Service

April 2022 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	531,417,329	34.3
Class II	155,658,985	10.1
Class III	720,587,053	46.5
Class IV	141,160,296	9.1
Total	1,548,823,663	100.0

Producer Prices

Producer Price Differential	\$ 0.49 / cwt
Butterfat Price	3.1461 / lb
Protein Price	3.4239 / lb
Other Solids Price	0.5565 / lb
Somatic Cell Adjustment Rate	0.00115 / cwt
Statistical Uniform Price	24.91 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****April 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			520,151,114			\$15.98 / cwt	\$ 83,120,148.06
Class I Butterfat		11,266,215				3.1298 / lb	35,260,999.69
Class I Location Differential	531,417,329						(327,410.62)
Class II SNF Value				13,277,028		1.6900 / lb	22,438,177.32
Class II Butterfat		14,741,057				3.1531 / lb	46,480,026.84
Class III Protein Value			23,206,600			3.4239 / lb	79,457,077.76
Class III Other Solids Value					41,744,975	0.5565 / lb	23,231,078.56
Class III Butterfat		28,118,768				3.1461 / lb	88,464,456.01
Class IV SNF Value				12,511,984		1.6470 / lb	20,607,237.66
Class IV Butterfat		8,387,892				3.1461 / lb	26,389,147.02
Somatic Cell Value II / III / IV							2,137,750.21
TOTAL PRODUCER MILK VALUE	1,548,823,663	62,513,932	50,024,778		89,610,369		\$ 427,258,688.51
Overages					141,407.22		
Beginning Inventory & OS Charges					(249.52)		
TOTAL ADJUSTMENTS							\$ 141,157.70
TOTAL HANDLER OBLIGATIONS							\$ 427,399,846.21
Total Protein Value			50,024,778 lbs	@	\$3.4239		\$ (171,279,837.40)
Total Other Solids Value			89,610,369 lbs	@	0.5565		(49,868,170.36)
Butterfat Value			62,513,932 lbs	@	3.1461		(196,675,081.47)
Total Somatic Cell Values							(3,237,123.82)
TOTALS							\$ 6,339,633.16
Net Producer Location Adjustments							\$ 1,205,542.62
1/2 Unobligated Balance Producer Settlement Fund							764,000.00
Total - Divided by Total Pounds			1,548,823,663 lbs		0.5364830		\$ 8,309,175.78
Rate of Cash Reserve					(0.0464830)		(719,939.70)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,548,823,663		\$ 0.49 /cwt		\$ 7,589,236.08

COMPONENT PRICES**April**

	<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.1461 / lb	\$1.9496 / lb
Protein Price	3.4239 / lb	2.8136 / lb
Other Solids Price	0.5565 / lb	0.4268 / lb
Somatic Cell Adjustment Rate	0.00115 / cwt	0.00086 / cwt
Nonfat Solids Price ²	1.6470 / lb	0.9902 / lb

COMPUTATION OF UNIFORM PRICE**April**

	<u>2022</u>	<u>2021</u>
Class III Price - 3.5% BF	\$24.42	\$17.67
Producer Price Differential*	<u>0.49</u>	<u>(1.34)</u>
Statistical Uniform Price	\$24.91	\$16.33

CLASS PRICES**April**

	<u>2022</u>	<u>2021</u>
Class I*	\$26.38	\$17.51
Class II	25.71	15.56
Class III	24.42	17.67
Class IV	25.31	15.42

CLASSIFICATION OF PRODUCER MILK**April**

	<u>2022</u>	<u>2021</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	531,417,329	515,355,180
Class II	155,658,985	290,454,343
Class III	720,587,053	141,874,192
<u>Class IV</u>	<u>141,160,296</u>	<u>341,775,772</u>
Total	1,548,823,663	1,289,459,487

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 April 2022 was \$0.49, and the Statistical Uniform Price was \$24.91 for the month. The Statistical Uniform Price is \$1.53 higher than last month and is \$8.58 higher than April 2021.

The Producer Butterfat Price of \$3.1461 per pound increased \$0.0526 from March and is up \$1.1965 from a year ago. The Protein Price of \$3.4239 is up \$0.7057 from last month and is up \$0.6103 from April 2021. The Other Solids Price in April was \$0.5565 per pound, a decrease from last month's price of \$0.6131 and \$0.1297 higher than last April. The Somatic Cell Adjustment rate for April was \$0.00115 per cwt.

April producer receipts of 1.55 billion pounds were 8.0 percent higher than March and 20.1 percent higher than the April 2021 production of 1.29 billion pounds. Producer milk allocated to Class I accounted for 34.3 percent of the total producer milk in April 2021, lower than the 39.1 percent in March, and lower than the 40.0 percent in April 2021. A total of 3,406 producers were pooled on the Mideast Order compared to 3,491 producers pooled in April 2021.

The market average content of producer milk was as follows: Butterfat 4.04 %; Protein 3.23%; Other Solids 5.79% and Nonfat Solids 9.02%.

Export and Import Data

During February, exports of some products declined year over year, including exports of 139.7 million pounds of dry skim milk products⁶ (-18.1 million) and 32.5 million pounds of dry whey (- 8.2 million). On the other hand, February year-over-year exports of some other dairy products increased, including 11.2 million pounds of butter (+3.5 million), 72.6 million of cheese (+6.1 million), and 63.4 million of lactose (+8.2 million). On a milk-fat milk-equivalent basis, dairy exports totaled 1.008 billion pounds, 166 million higher than February 2021. On a skim-solids milk-equivalent basis, February exports totaled 3.797 billion pounds, 150 million below February 2021.

In February, imports of most major dairy products increased year over year. On a milk-fat basis, dairy imports totaled 367 million pounds in February, 43 million higher than February 2021. On a skim-solids basis, February imports totaled 471 million pounds, 100 million higher than February 2021. Butter imports in February totaled 5.5 million pounds, 2.0 million higher than February 2021 but 0.9 million below the previous month. February imports for cheese totaled 18.2 million pounds, 0.2 million higher than February 2021 but 3.1 million below January 2022. Imports of milk protein products⁷ totaled 23.9 million pounds in February, 8.6 million higher than February 2021 but 1.7 million lower than January 2021.

Due to recent upward trends in dairy prices and expectations for greater domestic and foreign demand for dairy products, dairy price forecasts for 2021 have been raised. The price forecasts for Cheddar cheese, dry whey, butter, and NDM are \$1.710 (+1.5 cents), \$0.525 (+2.5 cents), \$1.730 (+11.5 cents), and \$1.160 (+2.0 cents) per pound, respectively.

For the 3 months from December 2021 to February 2022, domestic use on a milk-fat basis totaled 52.436 billion pounds, 0.9 percent higher than the 3 months from December 2020 to February 2021. On a skim solids basis, from December 2021 to February 2022 domestic use totaled 44.709 billion pounds, 1.3 percent higher than the 3 months from December 2020 to February 2021.

Source: *Livestock, Dairy, and Poultry Outlook*, LDP-M-334, April 14, 2022 USDA, Economic Research Service

March Milk Production Down 0.4 Percent

Milk production in the 24 major States during March totaled 18.8 billion pounds, down 0.4 percent from March 2021. February revised production at 16.8 billion pounds, was down 0.7 percent from February 2021. The February revision represented an increase of 8 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,113 pounds for March, 7 pounds above March 2021.

The number of milk cows on farms in the 24 major States was 8.90 million head, 68,000 head less than March 2021, but 15,000 head more than February 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 March totaled 2.7 billion pounds, down 82 million pounds or 2.9 percent from March 2021.

Production per cow in the Mideast states averaged 2,053 pounds for March, 3 pounds above March 2021.

The number of cows on farms in the Mideast states was 1.3 million head, 40,000 less than March 2021.

Released April 20, 2022, 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 2022						March 2021				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	750	728,541	4.06	3.27	5.79	151	626,165	3.98	3.25	5.80	152
Ohio	1,176	373,173	4.10	3.26	5.77	176	379,175	3.95	3.17	5.73	170
Indiana	559	192,165	4.01	3.22	5.79	184	282,552	3.94	3.16	5.73	162
Pennsylvania	570	82,512	4.07	3.15	5.68	214	88,652	4.04	3.11	5.68	209
New York	130	46,165	4.18	3.26	5.91	190	76,808	4.18	3.26	5.86	170
Other	138	11,593	4.06	3.16	5.77	221	22,388	4.24	3.16	5.80	188
Total/Average *	3,323	1,434,149	4.07	3.25	5.78	168	1,475,740	3.99	3.21	5.78	164

* 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 2022

<u>Marketing Area</u> ^{1/}	Producer Milk		Class I	Producer <u>Price Differential</u> (per cwt.)	Statistical <u>Uniform Price</u> (per cwt.)
	<u>Total</u> (000)	<u>Class I</u> (000)	<u>Percent</u> %		
FO 1 Northeast - (Boston)	2,281,007	670,862	29.4	1.65	26.07
FO 5 Appalachian - (Charlotte)	458,971	313,844	68.4	2/	27.17
FO 6 Florida - (Tampa)	211,518	177,474	83.9	2/	29.13
FO 7 Southeast - (Atlanta)	384,625	242,639	63.1	2/	27.35
FO 30 Upper Midwest - (Chicago)	2,349,636	201,454	8.6	0.13	24.55
FO 32 Central - (Kansas City)	1,302,224	361,043	27.7	0.23	24.65
FO 33 Mideast - (Cleveland)	1,548,824	531,417	34.3	0.49	24.91
FO 51 California - (Los Angeles)	2,026,643	393,759	19.4	0.66	25.08
FO 124 Northwest - (Seattle)Pacific	632,118	133,059	21.1	0.37	24.79
FO 126 Southwest - (Dallas)	1,189,925	327,393	27.5	1.01	25.43
FO 131 Arizona - (Phoenix)	445,144	112,829	25.4	2/	25.52

^{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.

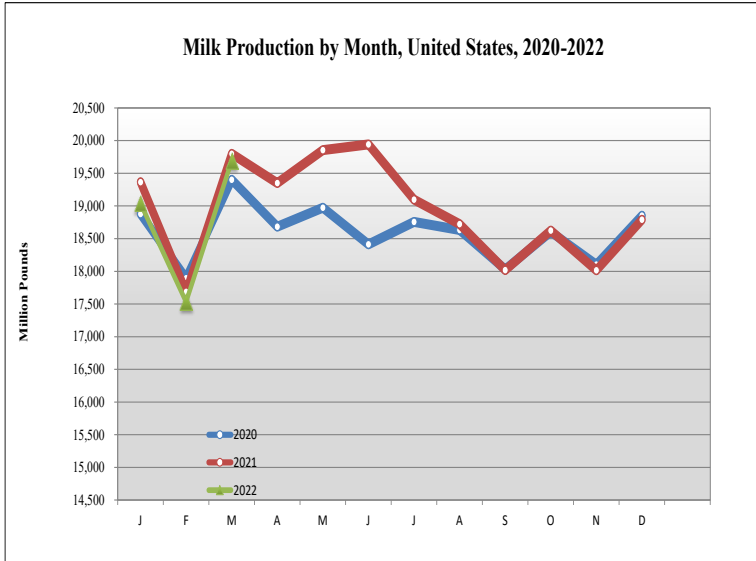
MINIMUM PARTIAL PAYMENT PRICE FOR MAY 2022.....\$24.42 /cwt.



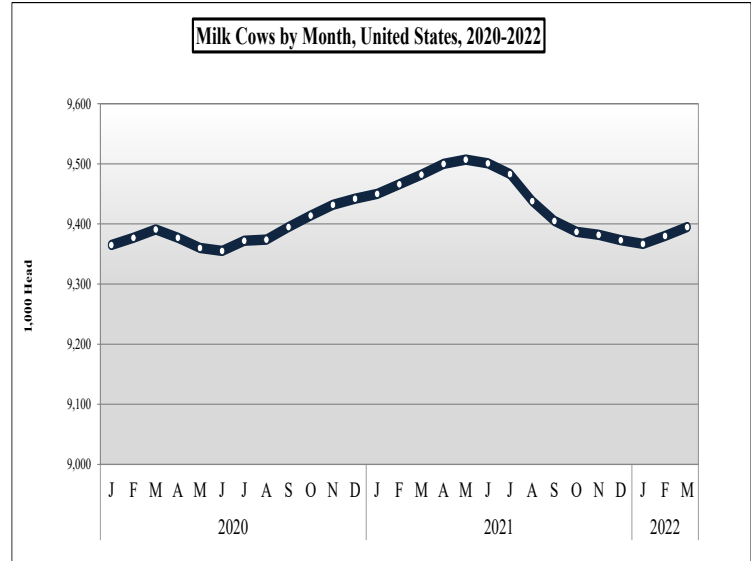
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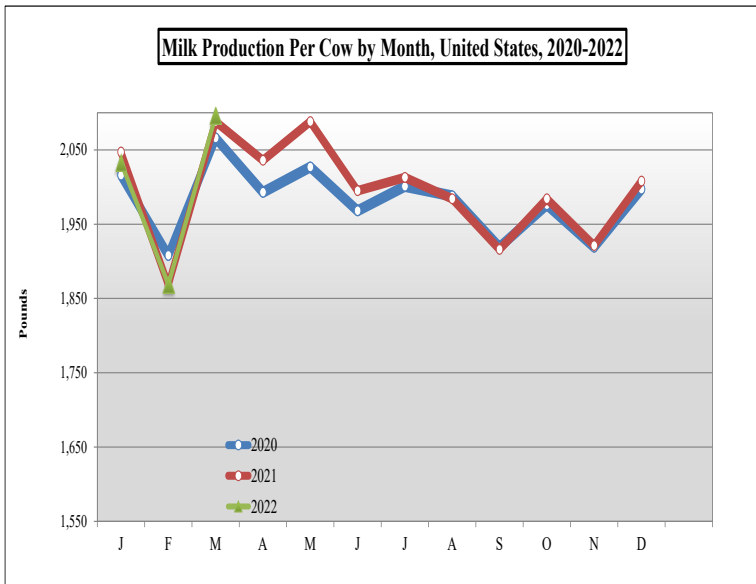
MILK PRODUCTION STATISTICS 1/



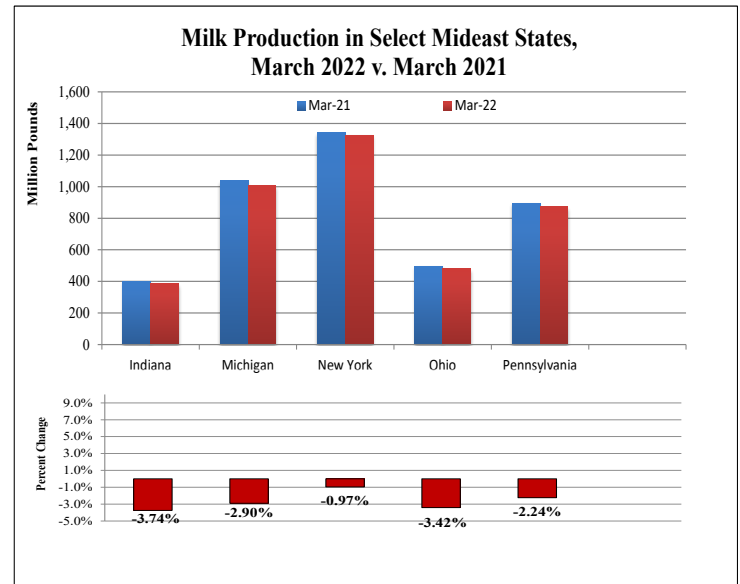
March 2022 milk production in the United States increased 2.2 billion pounds from February to 19.7 billion pounds. March 2022 milk production in the United States was down 0.5 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for March 2022, up 15,000 head from February and down 87,000 head from March 2021.



Production per cow in the United States averaged 2,096 pounds for March 2022, up 227 pounds from February 2022. March 2022 milk production per cow was up 8 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 2022, down 95 million pounds from the prior year. Milk production in Michigan was down 30 million pounds while production in Pennsylvania was down 20 million pounds or 2.24 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.

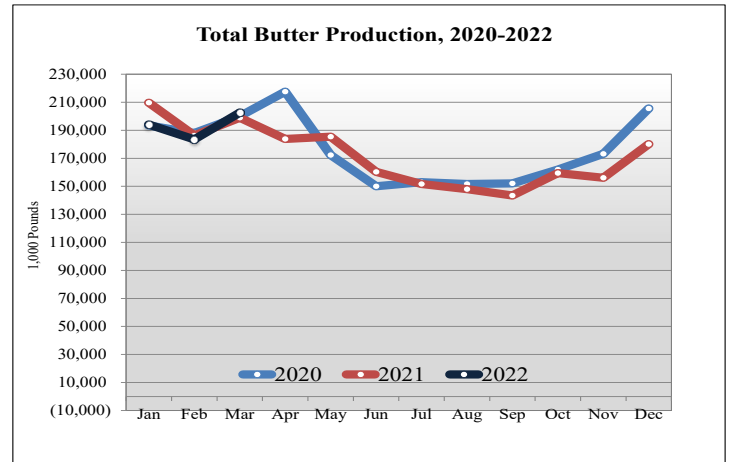
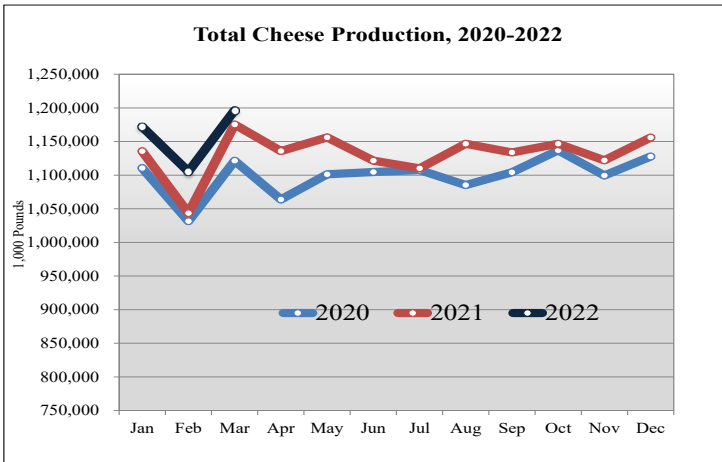
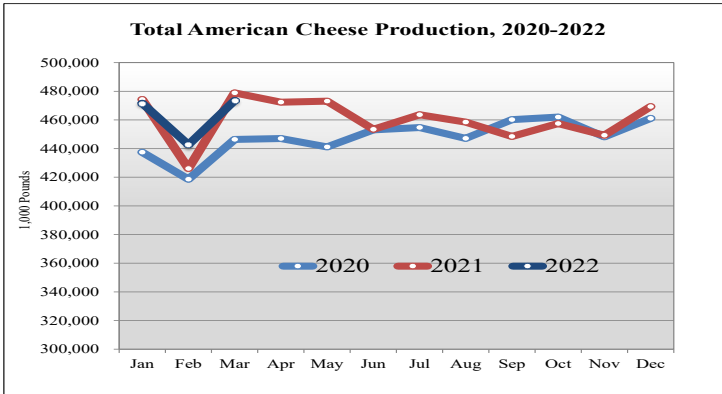
DAIRY PRODUCT PRODUCTION 1/

Dairy Product Production Summary:

Total cheese output (excluding cottage cheese) for March 2022 was 1.2 billion pounds, 1.1 percent above March 2021 and 8.3 percent above February 2022.

American type cheese production totaled 474 million pounds, 1.4 percent below March 2021 and 7.0 percent above February 2022.

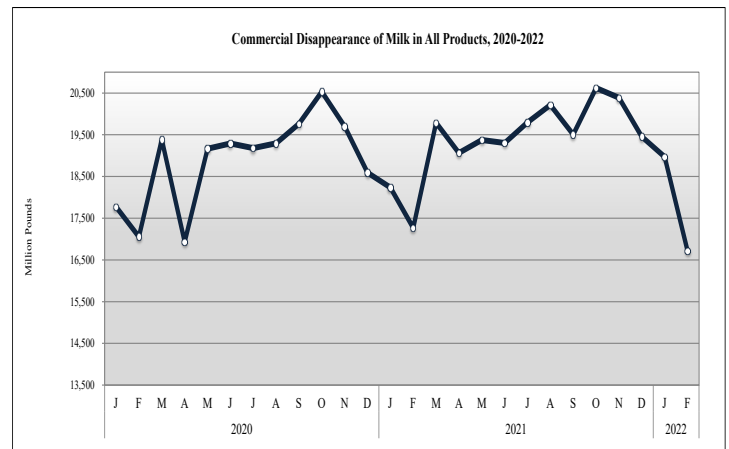
Butter production was 203 million pounds, 1.5 percent above March 2021 and 10.4 percent above February 2022.



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 February 2022, commercial disappearance of milk was 16.7 billion pounds, down 3.3 percent from the prior year. The cumulative disappearance total for 2022 is 36 billion pounds, an increase of 0.3 percent from the same 2-month period of 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.