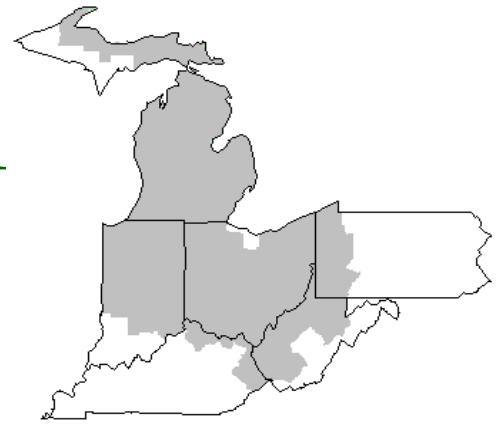


Mideast Market Administrator's Bulletin



Federal Order No. 33

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NOVEMBER 2022

Dairy Forecasts for 2022

Based on recent milk production data for 2022-Q3, the dairy herd size forecast for 2022-Q4 is adjusted downward, but output per cow was raised. Milk cows for 2022 are projected to average 9.405 million head, 5,000 cows fewer. The average milk output per cow in 2022 is projected to be 24,130 pounds per head, 20 pounds higher. The milk production forecast for 2022 was adjusted to 227.0 billion pounds, 0.1 billion pounds higher.

Based on recent trade data for 2022-Q3, the 2022-Q4 dairy export forecast was revised downward on a milk-equivalent milk-fat basis but raised on a milk-equivalent skim-solid basis. The forecast for 2022 exports on a milk-equivalent milk-fat basis is adjusted downward to 13.1 (- 0.4 billion pounds) largely on lower exports of butter and other butterfat products. On a milk-equivalent skim-solids basis, the export forecast for 2022 has been raised by 0.2 billion pounds to 52.4 billion due to higher expected exports of dry skim milk products and lactose.

The 2022 forecast for dairy products imports are adjusted lower based on recent trade data. On a milk-equivalent milk-fat basis, the 2022 projection for dairy products imports has been lowered to 7.0 billion pounds (-0.2 billion) due to lower expected imports of butterfat products projected in 2022-Q4. On a milk-equivalent skim-solids basis, the forecast for 2022 imports is adjusted to 6.4 billion pounds, down 0.1 billion pounds.

Based on 2022-Q3 quantities and 2022-Q4 higher forecasted domestic use, the 2022 forecast for dairy products domestic use is adjusted upward. On a milk-equivalent milk-fat basis, the forecast is 220.0 billion pounds, 0.5 billion higher, and on a milk-equivalent skim-solids basis the forecast is 179.8 billion pounds, 0.6 billion higher.

Based on recent declines in prices for Cheddar cheese, butter, and NDM, 2022 price forecasts for those products have been adjusted downward to \$2.100 (-0.5 cent), \$2.845 (-3.5 cents), and \$1.680 (-1.0 cent) per pound, respectively. The 2022 price forecast for dry whey remains unchanged at \$0.605.

With the lower projected wholesale price for cheese and steady dry whey price forecast, the Class III milk price forecast for 2022 is \$21.80 per cwt (-10 cents). Due to lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$24.30 per cwt (-30 cents). The allmilk price forecast for 2022 has been decreased to \$25.50 per cwt (-10 cents).

Livestock, Dairy, and Poultry Outlook: November 2022, LDP-M-341, November 16, 2022 USDA, Economic Research Service

Dairy Forecasts for 2023

The U.S. dairy herd is projected 10,000 cows fewer in 2023 at 9.415 million head. The 2023 forecast for milk per cow is 24,350 pounds, 30 pounds higher. The projection for 2023 milk production remains unchanged at 229.2 billion pounds.

Dairy exports are projected higher in 2023. On a milk-equivalent milk-fat basis, the export forecast for 2023 is 12.7 billion pounds, up 0.1 billion due to higher expected exports of cheese and butterfat products. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 52.5 billion pounds, 0.3 billion pounds higher, due to higher anticipated exports of dry skim milk products and dry whey products. On a milk-equivalent milk-fat basis, 2023 dairy products imports are forecast at 7.1 billion pounds, 0.1 billion lower, due to lower expected imports of butterfat products. On a milk-equivalent skim-solids basis, the forecast for 2023 imports are down 0.1 billion pounds at 6.0 billion pounds.

(continued on page 3)

October 2022 - Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	522,107,156	39.4
Class II	114,541,236	8.6
Class III	674,912,965	50.9
Class IV	14,564,054	1.1
Total	1,326,125,411	100.0

Producer Prices

Producer Price Differential	\$1.18 / cwt
Butterfat Price	3.6567 / lb
Protein Price	2.4512 / lb
Other Solids Price	0.2952 / lb
Somatic Cell Adjustment Rate	0.00108 / cwt
Statistical Uniform Price	22.99 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****October 2022****COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			510,486,110			\$12.60 / cwt	\$ 64,321,249.86
Class I Butterfat		11,621,046				3.5871 / lb	41,685,854.14
Class I Location Differential	522,107,156						(293,914.08)
Class II SNF Value				9,345,566		1.4856 / lb	13,883,772.86
Class II Butterfat		15,411,906				3.6637 / lb	56,464,600.05
Class III Protein Value			22,139,764			2.4512 / lb	54,268,989.53
Class III Other Solids Value					39,096,126	0.2952 / lb	11,541,176.37
Class III Butterfat		24,766,965				3.6567 / lb	90,565,360.92
Class IV SNF Value				1,150,637		1.4000 / lb	1,610,891.80
Class IV Butterfat		2,355,530				3.6567 lb	8,613,466.56
Somatic Cell Value II / III / IV							<u>1,558,299.14</u>
TOTAL PRODUCER MILK VALUE	1,614,497,222	54,155,447	43,450,191		76,460,576		\$ 344,219,747.15
Overages						\$38,680.99	
Beginning Inventory & OS Charges						(38,999.62)	
TOTAL ADJUSTMENTS							\$ (318.63)
TOTAL HANDLER OBLIGATIONS							\$ 344,219,428.52
Total Protein Value			43,450,191 lbs	@	\$ 2.4512		\$(106,505,108.18)
Total Other Solids Value			76,460,576 lbs	@	0.2952		(22,571,162.06)
Butterfat Value			54,155,447 lbs	@	3.6567		(198,030,223.07)
Total Somatic Cell Values							<u>(2,524,633.58)</u>
TOTALS							\$ 14,588,301.63
Net Producer Location Adjustments							\$ 1,116,587.63
1/2 Unobligated Balance Producer Settlement Fund							<u>524,000.00</u>
Total - Divided by Total Pounds			1,326,125,411 lbs			1.2237824	\$ (16,228,889.26)
Rate of Cash Reserve						<u>(0.0437824)</u>	<u>(580,609.53)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,326,125,411			\$ 1.18 / cwt	\$ 15,648,279.73

COMPONENT PRICES**October**

	<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.6567 / lb	\$1.9414 / lb
Protein Price	2.4512 / lb	3.0130 / lb
Other Solids Price	0.2952 / lb	0.3560 / lb
Somatic Cell Adjustment Rate	0.00108 / cwt	0.00088 / cwt
Nonfat Solids Price ²	1.4000 / lb	1.1801 / lb

COMPUTATION OF UNIFORM PRICE**October**

	<u>2022</u>	<u>2021</u>
Class III Price - 3.5% BF	\$21.81	\$17.83
Producer Price Differential*	<u>1.18</u>	<u>(0.13)</u>
Statistical Uniform Price	\$22.99	\$17.70

CLASS PRICES**October**

	<u>2022</u>	<u>2021</u>
Class I*	\$24.71	\$19.08
Class II	25.73	17.08
Class III	21.81	17.83
Class IV	24.96	17.04

CLASSIFICATION OF PRODUCER MILK**October**

	<u>2022</u>	<u>2021</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	522,107,156	545,694,868
Class II	114,541,236	317,139,374
Class III	674,912,965	585,418,440
Class IV	<u>14,564,054</u>	<u>166,244,540</u>
Total	1,326,125,411	1,614,497,222

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 October 2022 was \$1.18, and the Statistical Uniform Price was \$22.99 for the month. The Statistical Uniform Price is \$0.35 higher than last month and is \$5.29 higher than October 2021.

The Producer Butterfat Price of \$3.6567 per pound increased \$0.0914 from September and is up \$1.7153 from a year ago. The Protein Price of \$2.4512 is up \$0.5665 from last month and is down \$0.5618 from October 2021. The Other Solids Price in October was \$0.2952 per pound, a decrease from last month's price of \$0.2998 and \$0.0608 lower than last October. The Somatic Cell Adjustment rate for October was

\$0.00108 per cwt. October producer receipts of 1.33 billion pounds were 1.7 percent higher than September and 17.9 percent lower than October 2021 production of 1.61 billion pounds. Producer milk allocated to Class I accounted for 39.4 percent of the total producer milk in October 2022, higher than the 39.1 percent in September, and higher than the 33.8 percent in October 2021. A total of 3,423 producers were pooled on the Mideast Order compared to 3,430 producers pooled in October 2021.

The market average content of producer milk was as follows: Butterfat 4.08%; Protein 3.28%; Other Solids 5.77% and Nonfat Solids 9.05%.

(Continued from Front Page)

Following 2022-Q4, lower anticipated prices for dairy products are expected to boost domestic use in 2023. On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 is 221.6 billion pounds, 0.4 billion higher. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.8 billion pounds, 0.2 billion higher.

Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are \$1.970 (-1.5 cents), \$2.455 (+1.5 cents), \$1.405 (-9.0 cents), and \$0.485 (no change) per pound, respectively. With lower projected wholesale prices for cheese and steady prices for dry whey, the Class III milk price forecast for 2023 is \$19.65 per cwt (-15.0 cents). Due to lower NDM price forecasts more than offsetting higher butter prices forecast, the Class IV milk price projection for 2023 is \$20.35 per cwt (-65 cents). The all-milk price forecast for 2023 is \$22.60 per cwt, a decrease of 30 cents.

September Milk Production Up 1.6 Percent

Milk production in the 24 major States during September totaled 17.5 billion pounds, up 1.6 percent from September 2021. August revised production, at 18.2 billion pounds, was up 1.8 percent from August 2021. The August revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate

Production per cow in the 24 major States averaged 1,961 pounds for September, 26 pounds below September 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 19,000 head more than September 2021, but 2,000 head less than August 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

September totaled 2.5 billion pounds, down 18 million pounds or 0.7% from September 2021.

Production per cow in the Mideast states averaged 1,903 pounds for September. This was an increase of 16 pounds from September 2021. The number of milk cows on farms in the Mideast states was 1.33 million head, 23,000 head less than September 2021.

September 2022 Highlights

Total cheese output (excluding cottage cheese) was 1.14 billion pounds, 0.4 percent above September 2021 but 0.1 percent below August 2022.

Italian type cheese production totaled 491 million pounds, 3.2 percent above September 2021 and 0.5 percent above August 2022.

American type cheese production totaled 443 million pounds, 2.6 percent below September 2021 and 2.3 percent below August 2022.

Butter production was 142 million pounds, 1.4 percent below September 2021 and 1.3 percent below August 2022.

Released November 4, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)

Bulletin WebPage Edition
www.fmmacleev.com
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	September 2022 -----Weighted Averages-----						September 2021 -----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	766	625,810	3.92	3.18	5.78	173	906,640	3.85	3.15	5.75	178
Ohio	1,166	344,427	3.96	3.19	5.72	208	400,391	3.86	3.16	5.73	211
Indiana	553	170,787	3.91	3.19	5.80	220	214,301	3.79	3.13	5.78	227
Pennsylvania	616	78,477	3.91	3.10	5.64	255	74,738	3.91	3.09	5.63	261
New York	104	43,272	4.08	3.25	5.91	201	80,595	4.00	3.19	5.84	231
Other	188	40,556	3.95	3.14	5.77	207	10,717	3.84	3.11	5.70	279
Total/Average *	3,393	1,303,329	3.94	3.18	5.76	195	1,687,382	3.85	3.15	5.75	199

* 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
October 2022**

<u>Marketing Area</u> ^{1/}		<u>Producer Milk</u>		<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
		<u>Total</u>	<u>Class I</u>	<u>Percent</u>	<u>Price Differential</u>	<u>Uniform Price</u>
		<i>(000)</i>	<i>(000)</i>	<i>%</i>	<i>(per cwt.)</i>	<i>(per cwt.)</i>
FO 1	Northeast - <i>(Boston)</i>	2,243,761	677,227	30.2	\$2.96	\$24.77
FO 5	Appalachian - <i>(Charlotte)</i>	460,587	329,717	71.6	^{2/}	25.80
FO 6	Florida - <i>(Tampa)</i>	218,322	185,638	85.0	^{2/}	27.70
FO 7	Southeast - <i>(Atlanta)</i>	290,304	227,586	78.4	^{2/}	26.28
FO 30	Upper Midwest - <i>(Chicago)</i>	2,875,030	169,016	5.9	0.22	22.03
FO 32	Central - <i>(Kansas City)</i>	1,334,627	367,626	27.5	0.98	22.79
FO 33	Mideast - <i>(Cleveland)</i>	1,326,125	522,107	39.4	1.18	22.99
FO 51	California - <i>(Los Angeles)</i>	2,007,468	398,103	19.8	1.07	22.88
FO 124	Pacific Northwest - <i>(Seattle)</i>	614,413	136,783	22.3	1.33	23.14
FO 126	Southwest - <i>(Dallas)</i>	1,176,913	326,800	27.8	1.57	23.38
FO 131	Arizona - <i>(Phoenix)</i>	407,764	114,763	28.1	^{2/}	24.11

^{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 NOVEMBER 2022.....\$21.81 /cwt.



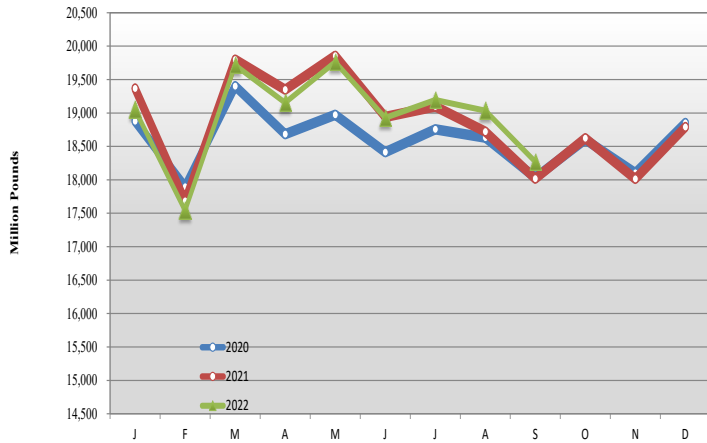
Mideast Market Administrator's Bulletin

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Supplement
November 2022

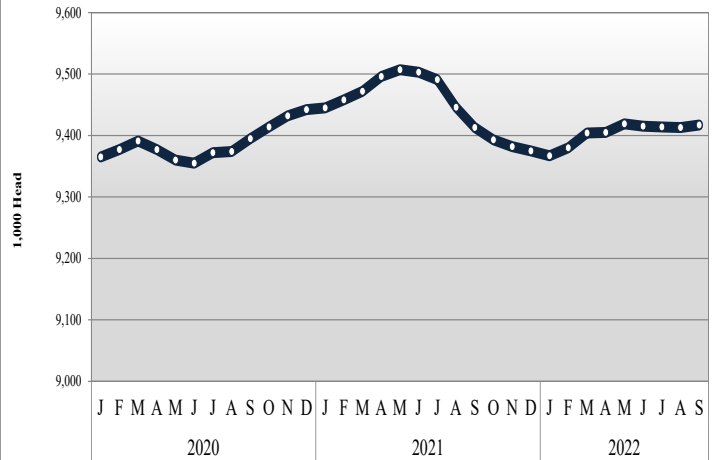
MILK PRODUCTION STATISTICS 1/

Milk Production by Month, United States, 2020-2022



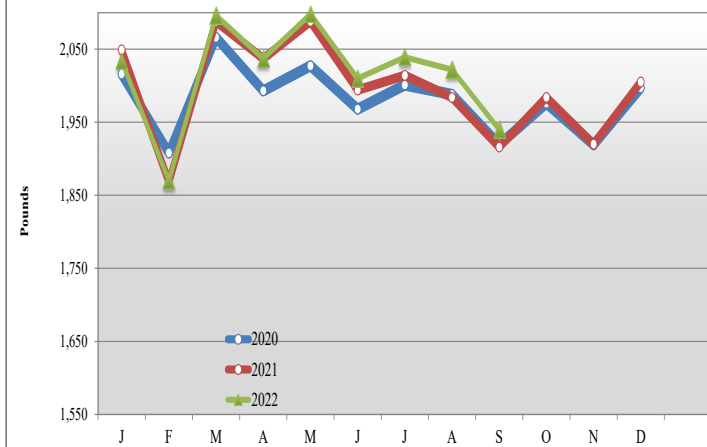
September 2022 milk production in the United States decreased 766 million pounds from August to 18.3 billion pounds. September 2022 milk production in the United States was up 1.4 percent from the same month of the prior year.

Milk Cows by Month, United States, 2020-2022



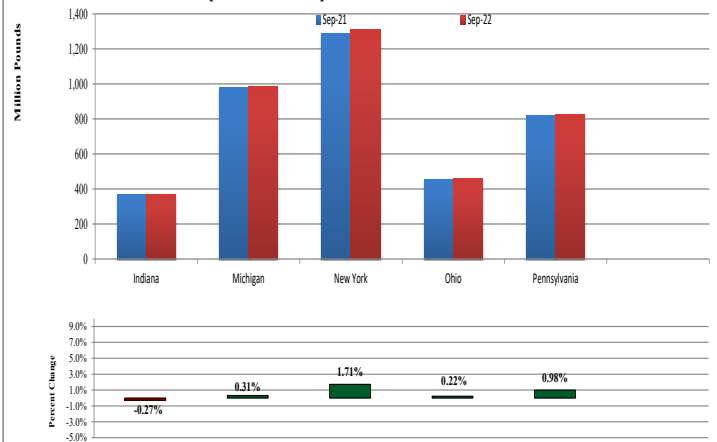
The number of milk cows on farms in the United States was 9.4 million head for September 2022, up 4,000 head from August and 4,000 head more than September 2021.

Milk Production Per Cow by Month, United States, 2020-2022



Production per cow in the United States averaged 1,940 pounds for September 2022 down 82 pounds from August 2022. September 2022 milk production per cow was up 24 pounds from the same month of the prior year.

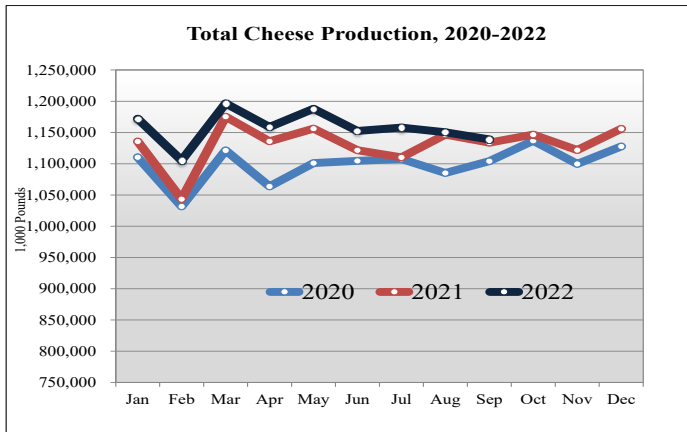
Milk Production in Select Mideast States, September 2022 v. September 2021



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during September 2022, up 33 million pounds from the prior year. Milk production in Indiana decreased 1 million pounds while production in New York increased 22 million pounds.

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

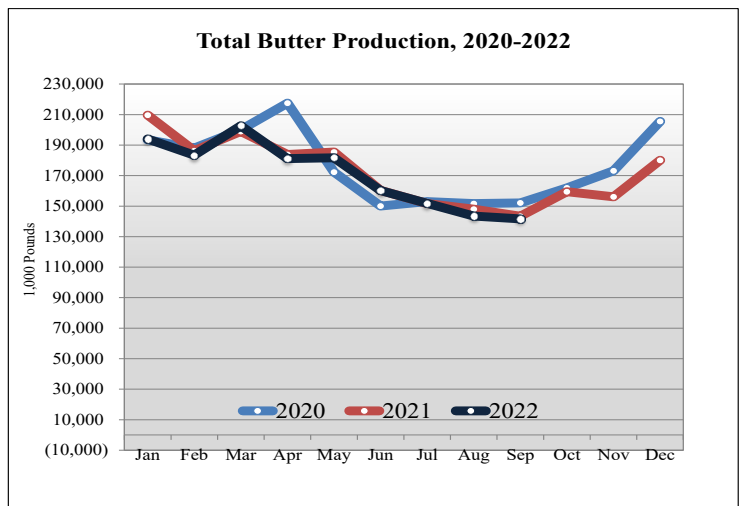
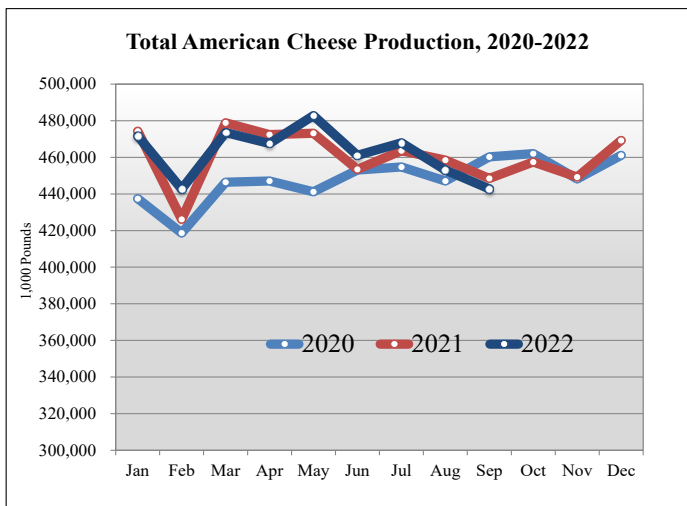


Dairy Product Production Summary:

American type cheese production totaled 443 million pounds, 1.3 percent below September 2021 and 2.3 percent below August 2022.

Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 0.4 percent above September 2021 and 1.0 percent below August 2022.

Butter production was 142 million pounds, 1.3 percent below September 2021 and 1.3 percent below August 2022.



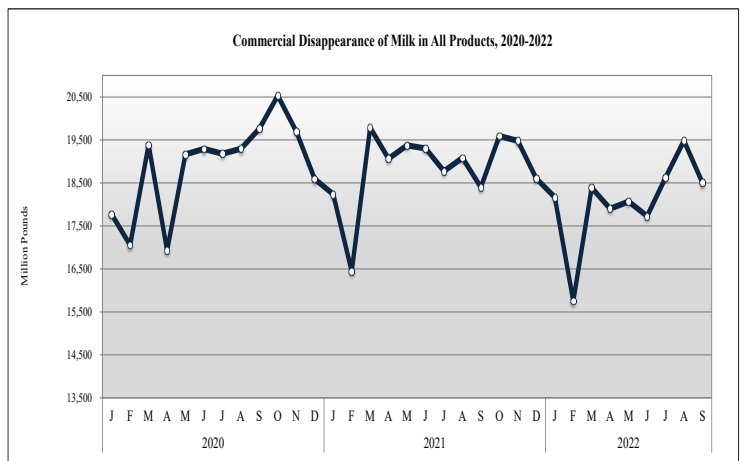
COMMERCIAL DISAPPEARANCE 2/

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 September 2022 commercial disappearance of milk was 18.5 billion pounds, up 0.6 percent from the prior year. The cumulative disappearance total for 2022 is 163 billion pounds, a decrease of 3.5 percent from the same 9-month period of 2021.

September 2022 commercial disappearance of American cheese was 425 million pounds, down 0.1 percent from the prior year.

September 2022 commercial disappearance of butter was 151 million pounds, down 18.4 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.