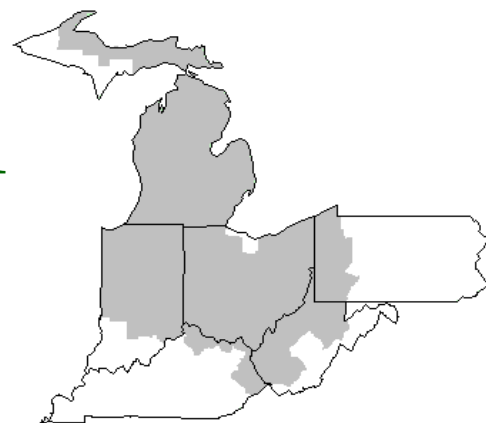


Mideast Market Administrator's Bulletin



Federal Order No. 33

David A. Hoedt, Acting Market Administrator
 Phone: (330) 225-4758 Toll Free: (888) 751-3220
 Email: clevelandma1@sprynet.com
 WebPage: www.fmmaclev.com
AUGUST 2023

Dairy Forecasts for 2023

The U.S. milk production forecast for 2023 is 227.9 billion pounds, 0.3 billion lower than last month's forecast. Lower milk cow numbers and yield per cow were forecast for 2023-Q3 and 2023-Q4. Projections for lower milk cow numbers were based on low July 1 dairy cow inventory estimates provided in the recent Cattle and Milk Production reports. The 2023 annual projection for the dairy cow inventory is 9.410 million head, 5,000 head below last month's projection. The 2023 annual forecast for milk per cow has been lowered by 30 pounds to 24,225 pounds.

Based on recent trade data showing sluggish exports of cheese, whole milk powder, dry whey, butter, and butterfat products, dairy export forecasts are projected downward for the rest of 2023. On a milk-fat basis, exports are projected at 11.1 billion pounds, 0.5 billion pounds lower than last month's projection. On a skim-solids basis, exports are forecast at 50.5 billion pounds, 0.4 billion lower than last month's forecast.

The 2023 import forecast on a milk-fat basis is 7.5 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the projection for imports is 6.5 billion pounds, unchanged from last month's projections. Expectations for imports of butter and some types of cheese are lower for the rest of 2023.

On a milk-fat basis, the 2023 domestic use projection is 223.1 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the 2023 domestic use forecast is 182.6 billion pounds, unchanged from last month's forecast.

The 2023 price forecasts for Cheddar cheese, butter, and NDM are increased to \$1.775 (+10.0 cents), \$2.495 (+6.0 cents), and \$1.175 (+0.5 cents) per pound, respectively, due to recent price strength. In contrast, the 2023 dry whey price forecast is reduced to \$0.325 per pound (-2.5 cents) based on weaker expectations for international demand.

With higher expected prices for cheese more than offsetting lower dry whey prices, the Class III milk price forecast for 2023 is adjusted to \$16.90 per hundredweight (cwt), up \$0.85 from last month's forecast. With higher expected prices for butter and NDM in 2023, the Class IV milk price forecast increased by \$0.30 to \$18.50 per cwt. The all-milk price forecast for 2023 is \$19.95 per cwt, \$0.40 higher than last month's forecast.

*Livestock, Dairy, and Poultry Outlook: August 2023, LDP-M-350, August 17, 2023
 USDA, Economic Research Service*

Dairy Forecasts for 2024

The 2024 milk cow inventory projection is decreased by 5,000 head to 9.385 million head, while the forecast for milk per cow is unchanged at 24,560 pounds. The projection for 2024 milk production has been lowered to 230.5 billion pounds, 0.1 billion lower than last month's forecast.

Dairy exports on a milk-solids basis are projected lower for 2024 compared to last month's projection. On a milk-fat basis, the export forecast for 2024 is 12.4 billion pounds, 0.2 billion below last month's forecast. In 2024, dairy exports are projected to total 53.3 billion pounds on a skim-solids basis, 0.5 billion lower than the previous month's forecast. Lower exports for butter, cheese, whey, and lactose are expected in 2024.

With lower expected imports of casein, butter, and cheese, 2024 dairy imports are projected lower in 2024 from last month's forecast at 7.5 billion pounds (-0.1 billion) on a milk-fat basis and 6.8 billion pounds (-0.1 billion) on a skim-solids basis.

(continued on Page 3)

July 2023 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	492,238,887	35.30
Class II	96,629,980	6.93
Class III	750,721,185	53.83
Class IV	54,969,779	3.94
Total	1,394,559,831	100.00

Producer Prices

Producer Price Differential	\$ 2.47 / cwt
Butterfat Price	2.7986 / lb
Protein Price	1.1991 / lb
Other Solids Price	0.0689 / lb
Somatic Cell Adjustment Rate	0.00074 / cwt
Statistical Uniform Price	16.24 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2023

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			481,138,190			\$9.88/ cwt	\$ 47,536,453.17
Class I Butterfat		11,100,697				2.7957 / lb	31,034,218.60
Class I Location Differential	468,938,049						(256,867.11)
Class II SNF Value				7,603,254		1.0711 / lb	8,143,845.39
Class II Butterfat		14,492,072				2.8056 / lb	40,658,957.18
Class III Protein Value			23,404,694			1.1991/ lb	28,064,568.58
Class III Other Solids Value					44,318,047	0.0689/ lb	3,053,513.45
Class III Butterfat		24,786,076				2.7986/ lb	69,366,312.31
Class IV SNF Value				4,773,298		0.9746/ lb	4,652,056.24
Class IV Butterfat		4,120,306				2.7986/ lb	11,531,088.37
Somatic Cell Value II / III / IV							<u>1,115,398.17</u>
TOTAL PRODUCER MILK VALUE	1,394,559,831	54,499,151	43,231,077		81,528,656		\$ 244,899,544.35
Overages						54,046.56	
Beginning Inventory & OS Charges						(133,424.86)	
TOTAL ADJUSTMENTS							\$ (79,378.30)
TOTAL HANDLER OBLIGATIONS							\$ 244,820,166.05
Total Protein Value			43,231,077 lbs	@	\$ 1.1991		\$(51,838,384.42)
Total Other Solids Value			81,528,656 lbs	@	0.0689		(5,617,324.39)
Butterfat Value			54,499,151 lbs	@	2.7986		(152,521,324.00)
Total Somatic Cell Values							<u>(1,6984,444.79)</u>
TOTALS							\$ 33,158,688.45
Net Producer Location Adjustments							\$ 1,256,206.42
1/2 Unobligated Balance Producer Settlement Fund							<u>714,000.00</u>
Total - Divided by Total Pounds			1,394,559,831 lbs.		2.2224411		\$ 35,128,894.87
Rate of Cash Reserve					(0.04898584)		<u>(683,136.78)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,394,559,831		\$ 2.47 / cwt		\$ 34,445,758.09

COMPONENT PRICES

July

	<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.7986 / lb	\$3.3600 / lb
Protein Price	1.1991 / lb	2.9116 / lb
Other Solids Price	0.0689 / lb	0.3596 / lb
Somatic Cell Adjustment Rate	0.00074 / cwt	0.00110 / cwt
Nonfat Solids Price ²	0.9746 / lb	1.6160 / lb

COMPUTATION OF UNIFORM PRICE

July

	<u>2023</u>	<u>2022</u>
Class III Price - 3.5% BF	\$13.77	\$22.52
Producer Price Differential*	<u>2.47</u>	<u>2.18</u>
Statistical Uniform Price	\$16.24	\$24.70

CLASS PRICES

July

	<u>2023</u>	<u>2022</u>
Class I*	\$19.32	\$27.87
Class II	19.12	26.66
Class III	13.77	22.52
Class IV	18.26	25.79

CLASSIFICATION OF PRODUCER MILK

July

	<u>2023</u>	<u>2022</u>
Product lbs.		
Class I	492,238,887	468,938,049
Class II	96,629,980	106,671,120
Class III	750,721,185	709,951,535
Class IV	<u>54,969,779</u>	<u>28,484,542</u>
Total	1,394,559,831	1,314,345,246

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 2023 was \$2.47, and the Statistical Uniform Price was \$16.24 for the month. The Statistical Uniform Price is \$0.84 lower than last month and is \$8.46 lower than July 2022.

The Producer Butterfat Price of \$2.7986 per pound increased \$0.0381 from June and is down \$0.5614 from a year ago. The Protein Price of \$1.1991 is down \$0.3153 from last month and is down \$1.7125 from July 2022. The Other Solids Price in July was \$0.0689 per pound, a decrease from last month's price of \$0.1266 and \$0.2907 lower than last July. The Somatic Cell Adjustment rate for July was \$0.00074 per cwt.

July producer receipts of 1.39 billion pounds were 3.2 percent higher than June and 6.1 percent higher than July 2022 production of 1.31 billion pounds. Producer milk allocated to Class I accounted for 35.3 percent of the total producer milk in July 2023, lower than the 36.4 percent in June, and lower than the 35.7 percent in July 2022. A total of 3,292 producers were pooled on the Mideast Order compared to 3,332 producers pooled in July 2022.

The market average content of producer milk was as follows: Butterfat 3.91%; Protein 3.10%; Other Solids 5.85% and Nonfat Solids 8.95%.

(continued from Front Page)

On a milk-fat basis, the annual domestic use forecast for 2024 is 224.6 billion pounds, unchanged from the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.9 billion pounds, 0.2 billion above last month's forecast.

The 2024 price forecast for Cheddar cheese and butter are increased to \$1.755 (+6.5 cents) and \$2.430 (+8.5 cents) per pound, respectively. The 2024 NDM price projection is \$1.125 per pound, unchanged from last month, while the dry whey price forecast is lowered at \$0.305 per pound (-1.0 cent) based on weaker expectations for international demand.

The Class III milk price forecast for 2024 is adjusted to \$16.55 per cwt, up \$0.60 from last month's forecast, while the Class IV milk price forecast is \$17.80 per cwt, up \$0.35. The all-milk price forecast for 2024 is \$19.35 per cwt, \$0.25 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-350, August 17, 2023 USDA, Economic Research Service

June 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.17 billion pounds, 0.4 percent above June 2022 but 2.8 percent below May 2023.

Italian type cheese production totaled 479 million pounds, 1.3 percent below June 2022 and 0.6 percent below May 2023.

American type cheese production totaled 478 million pounds, 2.7 percent above June 2022 but 6.2 percent below May 2023.

Butter production was 163 million pounds, 2.3 percent above June 2022 but 16.4 percent below May 2023.

Dry milk products (comparisons in percentage with June 2022)

Nonfat dry milk, human – 183 million pounds, up 8.0 percent.

Skim milk powder – 37.4 million pounds, down 31.2 percent.

Whey products (comparisons in percentage with June 2022)

Dry whey, total – 83.5 million pounds, up 4.3 percent.

Lactose, human and animal – 97.8 million pounds, down 0.6 percent.

Whey protein concentrate, total – 40.1 million pounds, up 10.8 percent.

Frozen products (comparisons in percentage with June 2022)

Ice cream, regular (hard) – 67.1 million gallons, up 0.3 percent.

Ice cream, lowfat (total) – 41.8 million gallons, down 3.4 percent.

Sherbet (hard) – 1.91 million gallons, down 7.4 percent.

Frozen yogurt (total) – 4.59 million gallons, up 0.3 percent.

June Milk Production Up 0.2 Percent

Milk production in the 24 major States during June totaled 18.1 billion pounds, up 0.2 percent from June 2022. May revised production, at 19.0 billion pounds, was up 0.9 percent from May 2022. The May revision represented an increase of less than 0.1 percent or 16 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,028 pounds for June, 1 pound above June 2022.

The number of milk cows on farms in the 24 major States was 8.93 million head, 14,000 more head than June 2022, but 20,000 less head than May 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 June totaled 2.7 billion pounds, this was up 1.8 percent from June 2022.

Production per cow in the Mideast states averaged 1,990 pounds for June. This was an increase of 14 pounds per cow from June 2022. The number of cows on farms in the Mideast states was 1.3 million head, 15,000 head more than June 2022.

Released July 20, 2023, 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	June 2023						June 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	690	619,300	3.93	3.13	5.80	162	623,679	3.86	3.11	5.82	170
Ohio	1,189	356,012	3.93	3.16	5.78	189	346,322	3.85	3.08	5.72	204
Indiana	590	217,227	3.88	3.14	5.83	196	189,332	3.85	3.13	5.87	218
Pennsylvania	559	88,403	3.91	3.08	5.69	210	82,738	3.85	3.03	5.68	232
New York	98	44,484	4.13	3.23	5.89	168	67,253	4.03	3.14	5.89	200
Other	169	26,384	3.93	3.11	5.78	197	10,403	3.86	3.04	5.75	250
Total/Average *	3,295	1,351,810	3.93	3.14	5.79	178	1,319,727	3.86	3.10	5.80	192

* 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 2023**

Marketing Area ^{1/}	Producer Milk		Class I	Producer	Statistical
	Total (000)	Class I (000)	Percent %	Price Differential (per cwt.)	Uniform Price (per cwt.)
FO 1 Northeast - (Boston)	2,323,082	615,558	26.5	4.46	\$18.23
FO 5 Appalachian - (Charlotte)	431,177	288,616	66.9	^{2/}	19.85
FO 6 Florida - (Tampa)	191,277	154,898	81.0	^{2/}	21.91
FO 7 Southeast - (Atlanta)	272,202	195,665	71.9	^{2/}	20.52
FO 30 Upper Midwest - (Chicago)	2,791,458	147,323	5.3	0.41	14.18
FO 32 Central - (Kansas City)	1,259,499	319,415	25.4	2.11	15.88
FO 33 Mideast - (Cleveland)	1,394,560	492,239	35.3	2.47	16.24
FO 51 California (Los Angeles)	2,016,040	349,271	17.3	1.76	15.53
FO 124 Pacific Northwest - (Seattle)	620,872	122,787	19.8	2.42	16.19
FO 126 Southwest - (Dallas)	1,084,319	276,604	25.5	2.56	16.33
FO 131 Arizona - (Phoenix)	417,290	114,442	27.4	^{2/}	17.48

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

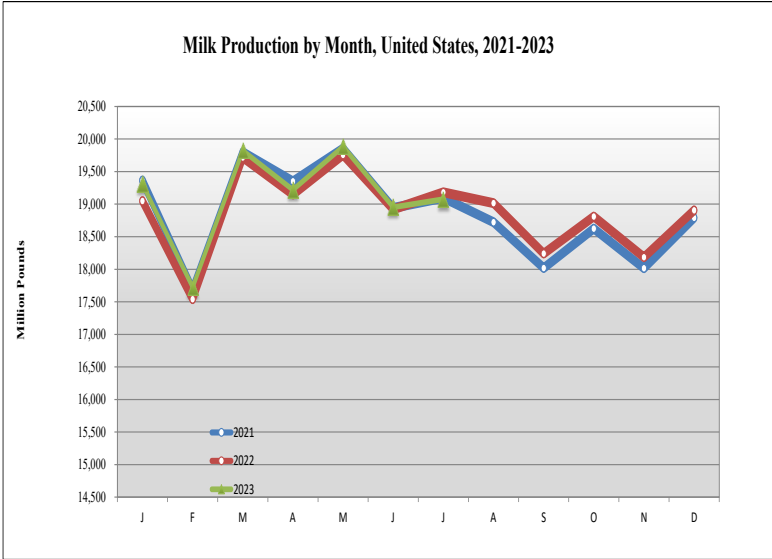
^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2023.....\$13.77 /cwt.

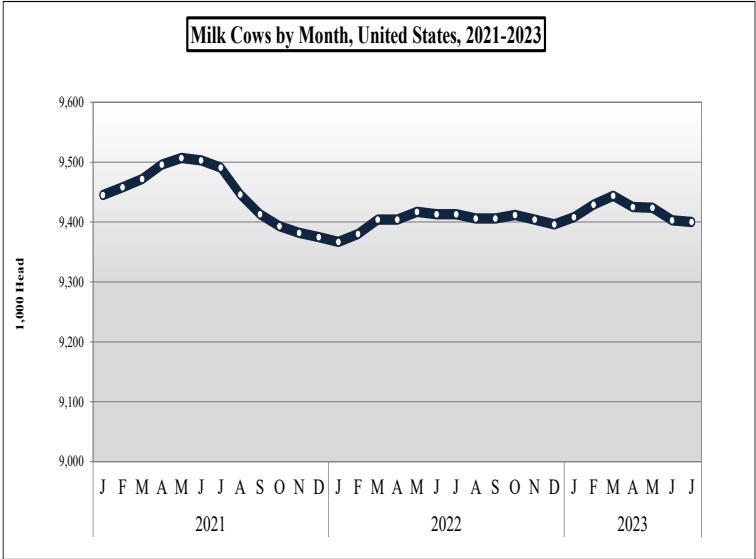
Mideast Market Administrator's Bulletin

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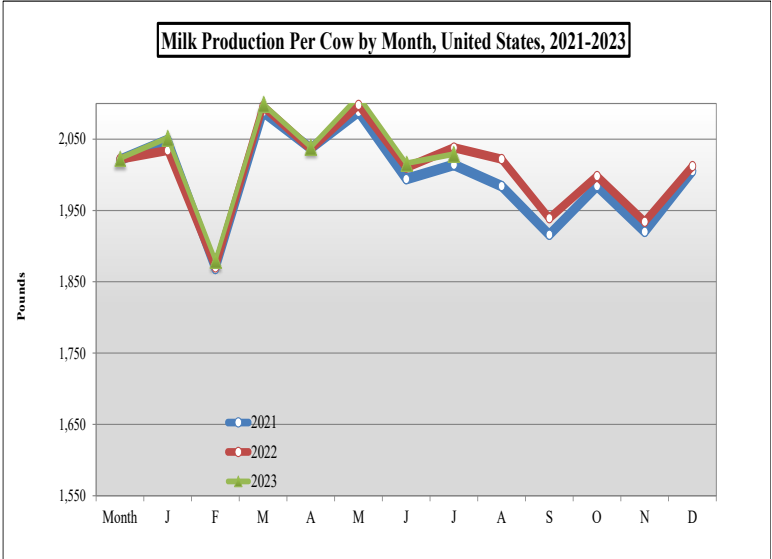
MILK PRODUCTION STATISTICS 1/



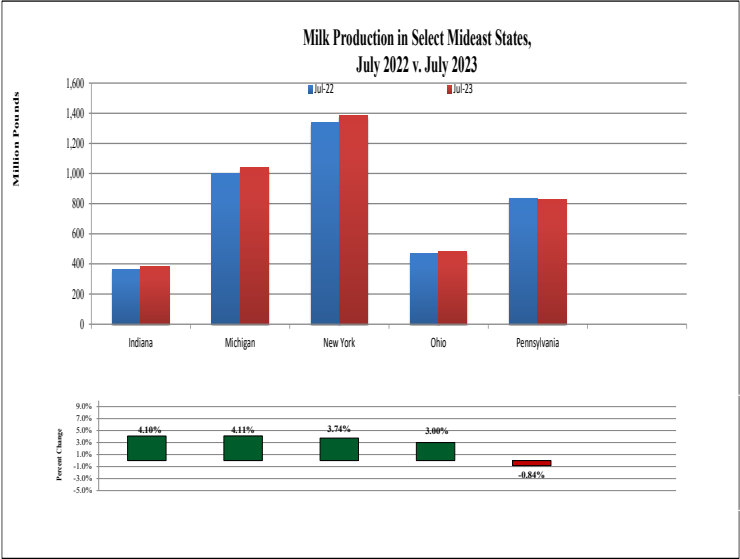
July 2023 milk production in the United States increased 122 million pounds from June to 18.3 billion pounds. July 2023 milk production in the United States was down 0.5 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for July 2023, down 3,000 head from June. July Cow numbers were 13,000 head less than July 2022.



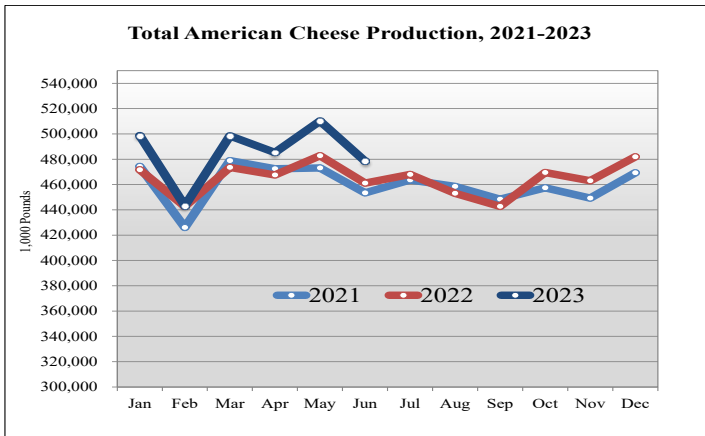
Production per cow in the United States averaged 2,029 pounds for July 2023 up 13 pounds from June 2023. July 2023 milk production per cow was down 9 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.1 billion pounds during July 2023, up 113 million pounds from the prior year. Milk production in Pennsylvania was down 7 million pounds while production in Michigan was up 41 million pounds.

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

DAIRY PRODUCT PRODUCTION 1/

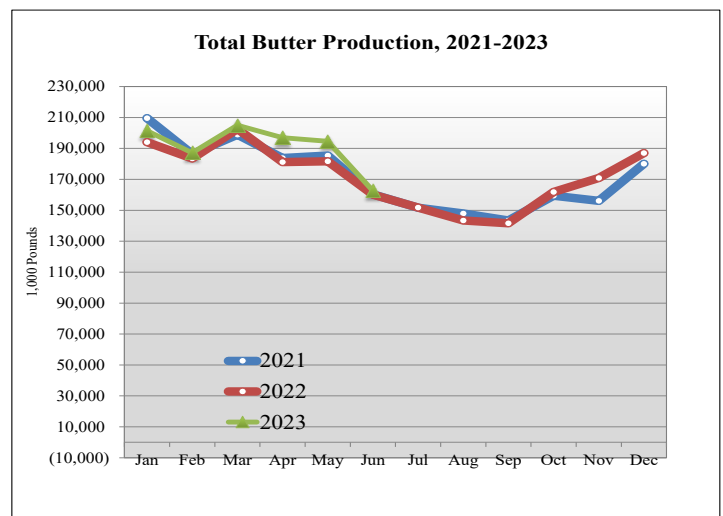
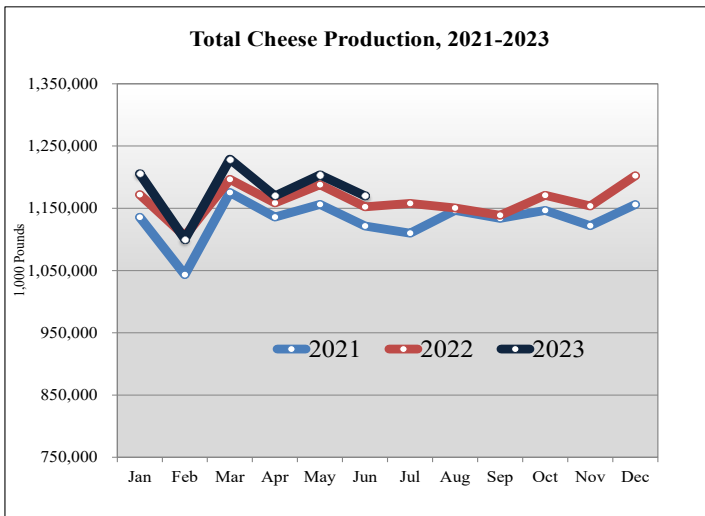


Dairy Product Production Summary:

American type cheese production totaled 478.4 million pounds, 3.7 percent above July 2022 and 6.2 percent below June 2023.

Total cheese output (excluding cottage cheese) was 1.17 billion pounds, 1.5 percent above July 2022 and 2.8 percent below June 2023.

Butter production was 163 million pounds, 1.5 percent above July 2022 and 16.4 percent below June 2023.



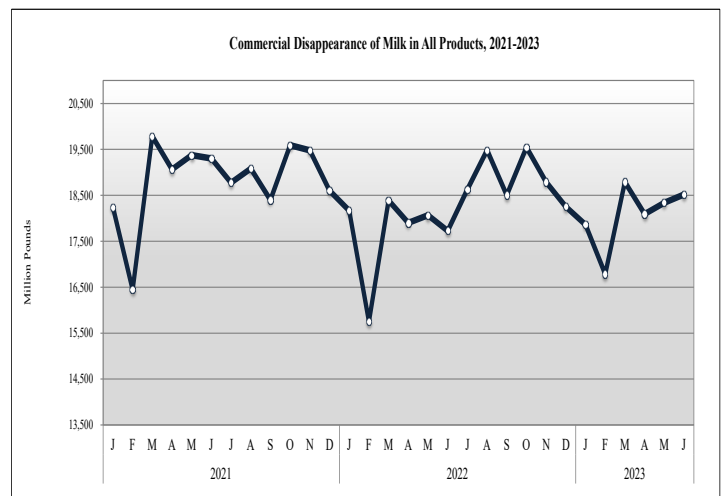
COMMERCIAL DISAPPEARANCE 2/

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 June 2023 commercial disappearance of milk was 18.5 billion pounds, up 4.4 percent from the prior year. The cumulative disappearance total for 2023 is 108.4 billion pounds, an increase of 2.2 percent from the same 6-month period of 2022.

June 2023 commercial disappearance of American cheese was 467 million pounds, up 3.1 percent from the prior year.

June 2023 commercial disappearance of butter was 184 million pounds, up 27.3 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.