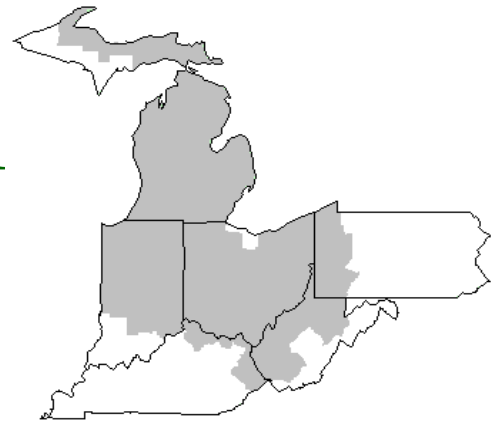


Mideast Market Administrator's Bulletin



Federal Order No. 33

Scott C. Jones, Acting Market Administrator
Phone: (330) 225-4758 Toll Free: (888) 751-3220
Email: clevelandma1@sprynet.com
WebPage: www.fmmaclev.com
FEBRUARY 2023

Dairy Forecasts for 2023

Based on the latest information of lower inventory of heifers for replacement, active dairy cow culling, relatively high forecast for feed costs, and weaker expected milk prices, the average number of milk cows is projected lower in 2023 at 9,380 million head (-25,000 head). In 2023, projection for the average milk yield is lowered by 25 pounds to 24,345 pounds per cow. The milk production forecast for 2023 is 228.3 billion pounds, 0.9 billion lower than last month's forecast.

Based on recent data and lower expected global demand for dairy products, lower exports quantities of cheese, skim milk powder, and other products is expected in 2023. On a milk equivalent milk-fat basis, the dairy export forecast for 2023 is 13.1 billion pounds, 0.2 billion lower. On a skim-solids basis, the 2023 dairy export forecast has decreased by 0.5 billion pounds to 52.1 billion. Exports on both milk-equivalent bases are expected to decline from the robust levels of 2022.

Dairy import projections for 2023 have been increased. On a milk-equivalent milk-fat basis, the dairy import forecast for 2023 is 7.3 billion pounds, up 0.1 billion pounds. On a milk-equivalent skim-solids basis, the 2023 forecast for imports is 6.4 billion pounds (+0.1 billion). Based on higher-than-expected imports in December 2022, imports of cheese and milk protein-based products are projected higher for 2023.

Based on relatively low domestic use in the fourth quarter of 2022 and expectations of lower demand for dairy products in 2023, projections for domestic use in 2023 have been lowered. The forecast for 2023 domestic use on a milk-equivalent milk-fat basis is 221.2 billion pounds (- 0.1 billion). On a skim-solids basis, the forecast for domestic use is 181.1 billion pounds (-0.9 billion).

The recent decreases in dairy product prices, weaker expected demand, and strong international price competition have put downward pressure on the 2023 price forecasts for dairy products. The 2023 price forecasts for have been lowered for Cheddar cheese, dry whey, and NDM to \$1.860, \$0.365, and \$1.225 per pound, respectively, while the butter price is unchanged at \$2.330 per pound. With lower dairy product prices expected across the board, Class III and IV milk price forecasts for 2023 have been lowered to \$17.90 and \$18.25 per cwt, respectively. The all-milk price 2023 forecast has decreased by \$0.90 to \$20.70 per cwt.

Livestock Dairy and Poultry Outlook: February 2023, LDP-M-344, February 14, 2023 USDA, Economic Research Service

USDA Sets Hearing on Proposed Amendments to the Appalachian, Southeast and Florida Federal Milk Marketing Orders

The U.S. Department of Agriculture (USDA) will hold a public hearing to consider proposals for the Appalachian, Southeast and Florida Federal milk marketing orders beginning Tuesday, February 28, 2023, at 9 a.m. CT.

USDA is seeking input on the following proposals to: • Amend the inter-market transportation credits in the Appalachian and Southeast Federal milk marketing orders (FMMOs). • Establish distributing plant delivery credits (intra-market transportation credits). • Establish assembly performance credits in the Appalachian, Southeast and Florida FMMOs. The hearing will be held at the Franklin Marriott Cool Springs Hotel, 700 Cool Springs Blvd., Franklin, Tennessee, 37067.

International Outlook for Dairy

In 2022, the international demand for U.S. dairy products was remarkably robust, driving export volumes higher compared to 2021. In 2022, exports increased by 15.8 percent from 2021 on a milk-fat basis and by 3.5 percent on a skim-solids basis. Notably, exports were up 48.5 percent for butter (the highest annual increase since 2013), 22.0 percent for whey protein concentrate (a record high), and 16.1 percent for lactose (a record high). Export quantities of cheese and dry whey barely decreased from 2021, while for dry skim milk products export volumes declined by 6.1 percent.

January 2023 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	548,950,941	36.0
Class II	95,576,401	10.4
Class III	704,972,186	45.2
Class IV	132,604,464	8.4
Total	1,481,563,992	100.0

Producer Prices

Producer Price Differential	\$ 1.39 / cwt
Butterfat Price	2.7713 / lb
Protein Price	2.8058 / lb
Other Solids Price	0.2343 / lb
Somatic Cell Adjustment Rate	0.00099 / cwt
Statistical Uniform Price	20.82 / cw

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

January 2023

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			536,940,929			\$13.32 / cwt	\$ 71,520,531.77
Class I Butterfat		12,010,012				3.3027 / lb	39,665,466.64
Class I Location Differential	548,950,941						(305,300.78)
Class II SNF Value				7,599,453		1.3689 / lb	10,402,891.24
Class II Butterfat		15,016,151				2.7783 / lb	41,719,372.32
Class III Protein Value			23,154,785			2.8058 / lb	64,967,695.75
Class III Other Solids Value					40,923,103	0.2343 / lb	9,588,283.03
Class III Butterfat		25,428,189				2.7713 / lb	70,469,140.17
Class IV SNF Value				11,661,607		1.1864 / lb	13,835,330.54
Class IV Butterfat		8,465,959				2.7713 / lb	23,461,712.16
Somatic Cell Value II / III / IV							<u>1,659,780.00</u>
TOTAL PRODUCER MILK VALUE	1,481,563,992	60,920,311	48,454,576		85,586,307		<u>\$ 346,984,902.84</u>
Overages					18,621.30		
Beginning Inventory & OS Charges					(247,926.70)		
TOTAL ADJUSTMENTS							<u>\$ (229,305.40)</u>
TOTAL HANDLER OBLIGATIONS							<u>\$ 346,755,597.44</u>
Total Protein Value			48,454,576 lbs	@	\$2.8058		\$(135,953,849.37)
Total Other Solids Value			85,586,307 lbs	@	0.2343		(20,052,871.73)
Butterfat Value			60,920,311 lbs	@	2.7713		(168,828,457.86)
Total Somatic Cell Values							<u>(2,599,435.42)</u>
TOTALS							<u>\$ 19,320,983.06</u>
Net Producer Location Adjustments							\$ 1,317,733.59
1/2 Unobligated Balance Producer Settlement Fund							<u>589,000.00</u>
Total - Divided by Total Pounds			1,481,563,992 lbs		1.4327911		\$ 21,227,716.65
Rate of Cash Reserve					<u>(0.0427911)</u>		<u>(633,977.53)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,481,563,992		\$ 1.39 /cwt		<u>\$ 20,593,739.12</u>

COMPONENT PRICES

	<u>January</u>	<u>2022</u>
Butterfat Price	\$2.7713 / lb	\$2.9567 / lb
Protein Price	2.8058 / lb	2.3563 / lb
Other Solids Price	0.2343 / lb	0.5249 / lb
Somatic Cell Adjustment Rate	0.00099 / cwt	0.00095 / cwt
Nonfat Solids Price ²	1.1864 / lb	1.4662 / lb

COMPUTATION OF UNIFORM PRICE

	<u>January</u>	<u>2022</u>
Class III Price - 3.5% BF	\$19.43	\$20.38
Producer Price Differential*	<u>1.39</u>	<u>0.96</u>
Statistical Uniform Price	\$20.82	\$21.34

CLASS PRICES

	<u>January</u>	<u>2022</u>
Class I*	\$24.41	\$21.71
Class II	21.61	22.83
Class III	19.43	20.38
Class IV	20.01	23.09

CLASSIFICATION OF PRODUCER MILK

	<u>January</u>	<u>2022</u>
	<u>Product lbs.</u>	<u>Product lbs.</u>
Class I	548,950,941	555,768,876
Class II	95,576,401	160,128,265
Class III	704,972,186	696,538,236
<u>Class IV</u>	<u>132,604,464</u>	<u>129,568,143</u>
Total	1,481,563,992	1,542,003,520

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 January 2023 was \$1.39, and the Statistical Uniform Price was \$20.82 for the month. The Statistical Uniform Price is \$0.99 lower than last month and is \$0.52 lower than January 2022. The Producer Butterfat Price of \$2.7713 per pound decreased \$0.3826 from December and is down \$0.1854 from a year ago. The Protein Price of \$2.8058 is up \$0.1490 from last month and is up \$0.4495 January 2022. The Other Solids Price in January was \$0.2343 per pound, a decrease from last month's price of \$0.2652 and \$0.2906 lower than last January. The Somatic Cell Adjustment rate for January was \$0.00099 per cwt.

January producer receipts of 1.48 billion pounds were 7.0 percent higher than December and 3.9 percent lower than the January 2023 production of 1.54 billion pounds. Producer milk allocated to Class I accounted for 37.1 percent of the total producer milk in January 2023 lower than the 39.4 percent in December, and higher than the 36.0 percent in January 2022. A total of 3,298 producers were pooled on the Mideast Order compared to 3,666 producers pooled in January 2022.

The market average content of producer milk was as follows: Butterfat 4.14%; Protein 3.27%; Other Solids 5.78% and Nonfat Solids 9.05%.

December 2022 Highlights

Total cheese output (excluding cottage cheese) was 1.20 billion pounds, 2.2 percent above December 2021 and 4.2 percent above November 2022.

Italian type cheese production totaled 514 million pounds, 3.0 percent above December 2021 and 5.0 percent above November 2022. American type cheese production totaled 482 million pounds, 2.6 percent above December 2021 and 4.1 percent above November 2022.

Butter production was 187 million pounds, 3.9 percent above December 2021 and 9.4 percent above November 2022.

Dry milk products (comparisons in percentage with December 2021) Nonfat dry milk, human - 179 million pounds, up 6.7 percent. Skim milk powder – 48.9 million pounds up 0.7 percent.

Whey products (comparisons in percentage with December 2021) Dry whey, total – 76.0 million pounds, down 0.1 percent. Lactose, human and animal - 97.0 million pounds, down 6.6 percent. Whey protein concentrate, total – 43.3 million pounds, down 7.8 percent.

Frozen products (comparisons in percentage with December 2021) Ice cream, regular (hard) – 52.2 million gallons, down 0.2 percent. Ice cream, lowfat (total) - 25.0 million gallons, down 13.0 percent. Sherbet (hard) - 1.87 million gallons, up 2.0 percent. Frozen yogurt (total) – 3.73 million gallons, down 1.6 percent.

Released February 3, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

December Milk Production Up 0.9 Percent

Milk production in the 24 major States during December totaled 18.1 billion pounds, up 0.9 percent from December 2021. November revised production at 17.4 billion pounds, was up 1.1 percent from November 2021. The November revision represented a decrease of

49 million pounds or 0.3 percent from last month's preliminary estimate.

Production per cow in the 24 major States averaged 2,032 pounds for December, 8 pounds above December 2021.

The number of milk cows on farms in the 24 major States was 8.92 million head, 38,000 head more than December 2021, but 9,000 head less than November 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 December totaled 2.7 billion pounds, up 23 million pounds or 0.9 percent from December 2021.

Production per cow in the Mideast states averaged 1,991 pounds for December, 20 pounds above December 2021.

The number of cows on farms in the Mideast states was 1.3 million head, 4,000 less than December 2021.

Milk Production (January 2023) USDA, National Agricultural Statistics Service

Bulletin Web Page Edition

www.fmmaclev.com

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	December 2022						December 2021					
	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	731	655,818	4.13	3.32	5.79	147	858,409	4.10	3.25	5.80	152	
Ohio	1,204	366,674	4.20	3.33	5.75	168	390,086	4.16	3.17	5.73	170	
Indiana	555	203,775	4.14	3.30	5.78	177	210,373	4.06	3.16	5.73	162	
Pennsylvania	636	82,745	4.17	3.23	5.66	201	83,765	4.15	3.11	5.68	209	
New York	105	43,691	4.30	3.39	5.91	177	82,341	4.22	3.26	5.86	170	
Other	160	31,889	4.16	3.27	5.77	166	17,338	4.11	3.24	5.75	211	
Total/Average *	3,391	1,352,703	4.16	3.31	5.77	161	1,642,312	4.12	3.31	5.77	165	

* 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.



**United States
Department of
Agriculture**

PRSR STD
U.S. POSTAGE
PAID
Cleveland, Ohio
Permit No. 2511

Mideast Market Administrator Bulletin
1325 Industrial Parkway North
P.O. Box 5102
Brunswick, Ohio 44212

POSTMASTER: Time Sensitive Material - Deliver Promptly

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, or call (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

**FEDERAL ORDER DATA
January 2023**

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 - (Boston)	2,308,570	690,686	29.9	2.43	21.86
FO 5 Appalachian - (Charlotte)	480,738	343,987	71.6	^{2/}	23.90
FO 6 Florida - (Tampa)	227,654	188,788	82.9	^{2/}	26.07
FO 7 Southeast - (Atlanta)	321,995	237,760	73.8	^{2/}	24.49
FO 30 Upper Midwest - (Chicago)	3,078,254	171,827	5.6	0.25	19.68
FO 32 Central - (Kansas City)	1,460,301	387,152	26.5	0.80	20.23
FO 33 Mideast - (Cleveland)	1,481,564	548,951	37.1	1.39	20.82
FO 51 California - (Los Angeles)	2,337,310	422,164	18.1	1.07	20.50
FO 124 Pacific Northwest - (Seattle)	709,377	143,959	20.3	0.75	20.18
FO 126 Southwest - (Dallas)	1,280,766	341,186	26.6	1.69	21.12
FO 131 Arizona - (Phoenix)	445,568	120,690	27.1	^{2/}	21.15

^{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 FEBRUARY 2023\$19.43 /cwt.



**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT
MARKETING SERVICE FUND**

For the Year Ending December 31, 2022

Income:

Assessments or Deductions	\$1,327,066.04
Late Payment Charges Assessed	.00
Interest Earned	571.01
Miscellaneous	<u>56,190.94</u>

Total Income \$1,383,827.99

Expenses:

Salaries and Services	\$ 802,017.96
Travel	44,177.78
Communications	23,846.86
Employer Payroll Contributions	313,935.65
Insurance	4,439.20
Contractual Expenses	23,996.27
Rent - Buildings and Equipment	69,473.71
Repairs and Maintenance	17,168.24
Supplies	47,705.83
Testing and Weighing	21,272.09
Utilities	6,639.04
Depreciation of Fixed Assets	9,569.58
Conferences and Meetings	.00
Training	1,391.97
Uncollectible Accounts	.00
Miscellaneous	326.37
Amortization of Leasehold Improvements	<u>2,827.44</u>

Total Expenses \$1,388,787.99

Net Income \$ (4,960.00)

**MIDEAST MARKETING AREA
FEDERAL ORDER 33**

**BALANCE SHEET
MARKETING SERVICE FUND**

As of December 31, 2022

ASSETS

Current Assets:

Cash and Bank Deposits	\$ 569,434.14
Investments	72,984.94
Accounts Receivable - Handlers	108,639.76
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

Other Assets:

Prepaid Expenses	\$ 4,314.39
Deposits	.00

Fixed Assets:

Motor Vehicles	\$ 267,914.63
Accumulated Depreciation	(242,751.54)
Furniture and Equipment	25,509.50
Accumulated Depreciation	(25,509.50)
Laboratory Equipment	1,049,935.30
Accumulated Depreciation	(1,046,223.89)
Leasehold Improvements	139,115.08
Accumulated Depreciation	(133,931.44)

Total Assets \$ 789,431.37

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

Accounts Payable - Other	\$.00
Accrued Employee Salaries Payable	.00
Accrued Employee Annual Leave	88,913.87
Payroll Contributions and Withholdings	6,356.55

Operating Balance \$ 694,160.95

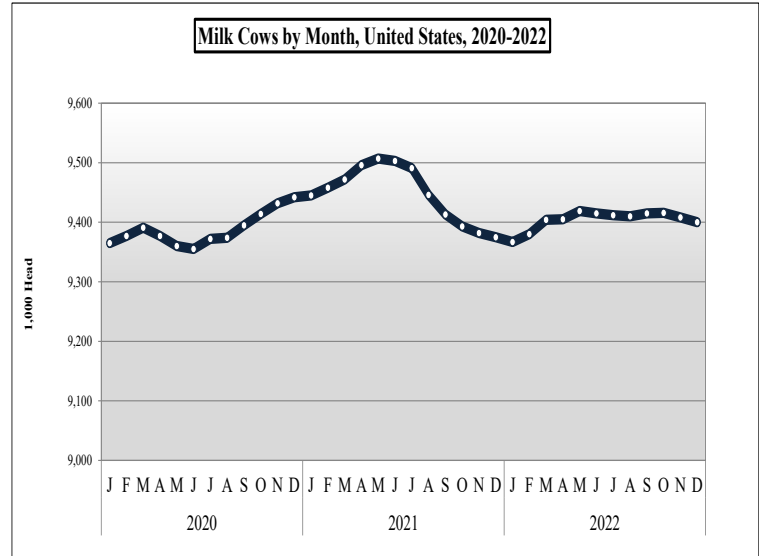
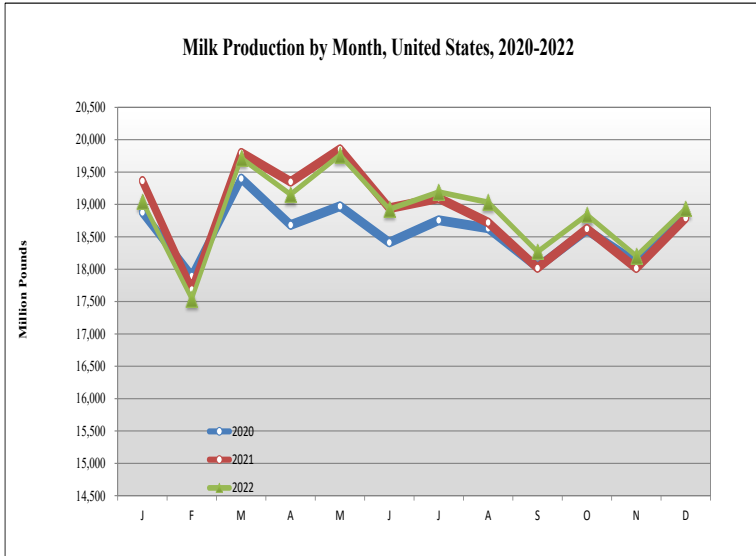
Total Liabilities and Operating Balance \$ 789,431.37

Mideast Market Administrator's Bulletin

Federal Order No. 33

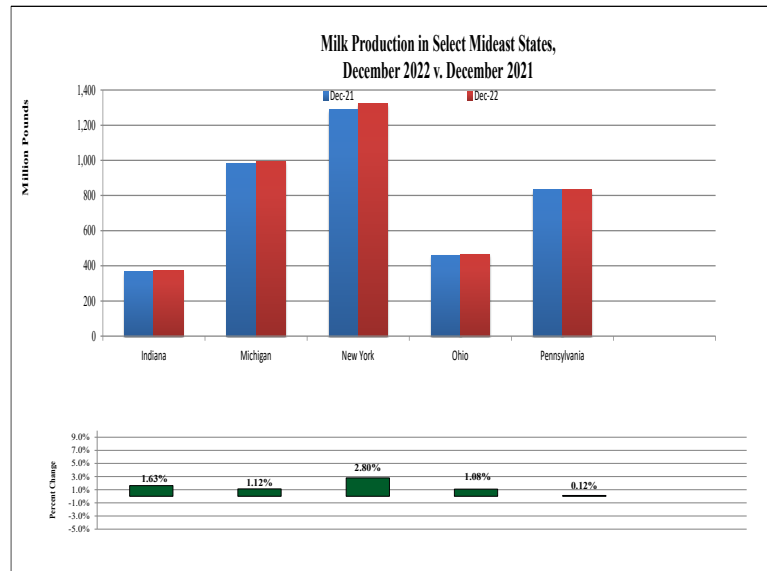
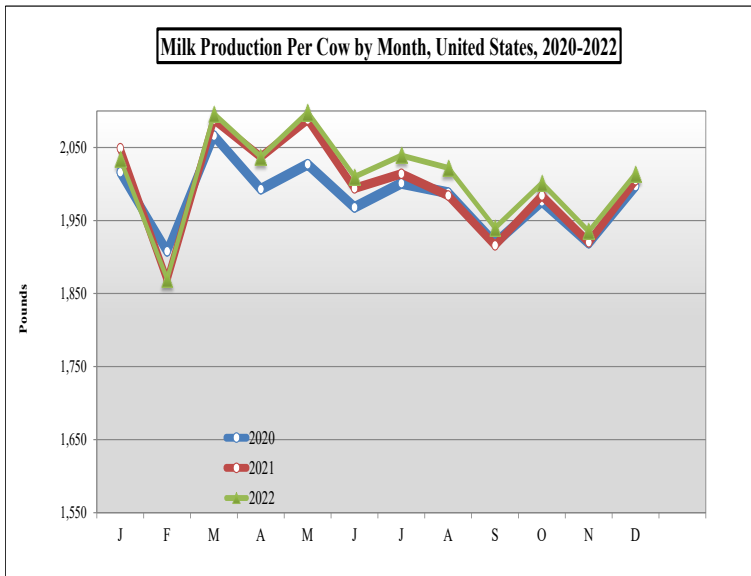
Supplement
February 2023

MILK PRODUCTION STATISTICS 1/



December 2022 milk production in the United States increased 730 million pounds from November 2022 to 18.9 billion pounds. December 2022 milk production in the United States was up 0.8 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 December 2022, down 8,000 head from November 2022 and up 27,000 head from December 2021.



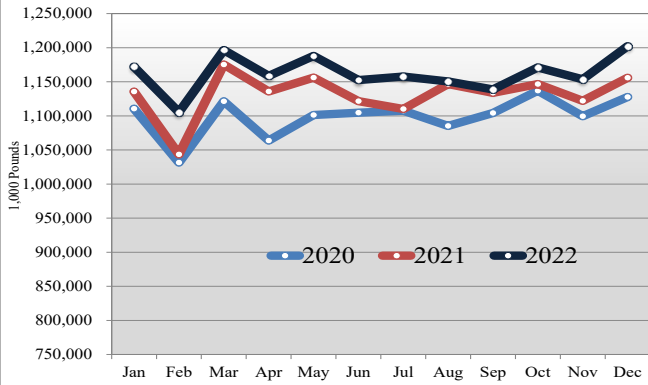
Production per cow in the United States averaged 2,014 pounds for December 2022 up 79 pounds from November 2022. December 2022 milk production per cow was up 9 pounds from the same month of the prior year.

Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during December 2022, up 59 million pounds from the prior year. Milk production in Indiana increased 6 million pounds or 1.6 percent while production in Pennsylvania increased 1 million pounds or 0.1 percent.

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/

Total Cheese Production, 2020-2022



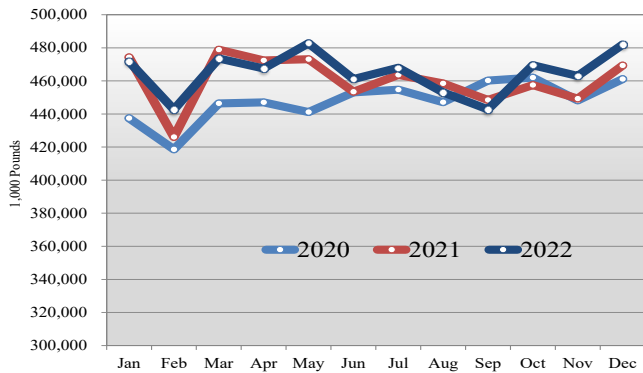
Dairy Product Production Summary:

American type cheese production totaled 482 million pounds, 2.7 percent above December 2021 and 4.1 percent above November 2022.

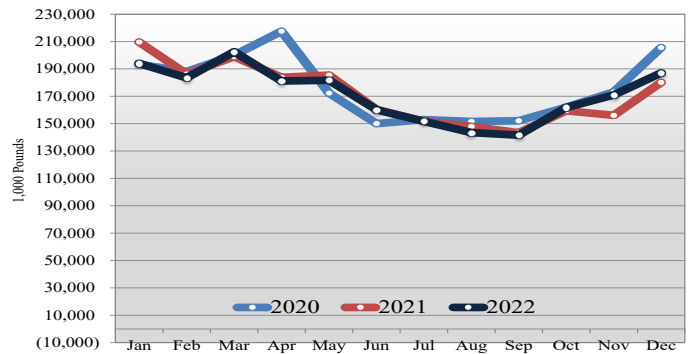
Total cheese output (excluding cottage cheese) was 1.2 billion pounds, 4.0 percent above December 2021 and 4.2 percent above November 2022.

Butter production was 187 million pounds, 3.8 percent above December 2021 and 9.4 percent above November 2022.

Total American Cheese Production, 2020-2022



Total Butter Production, 2020-2022



COMMERCIAL DISAPPEARANCE 2/

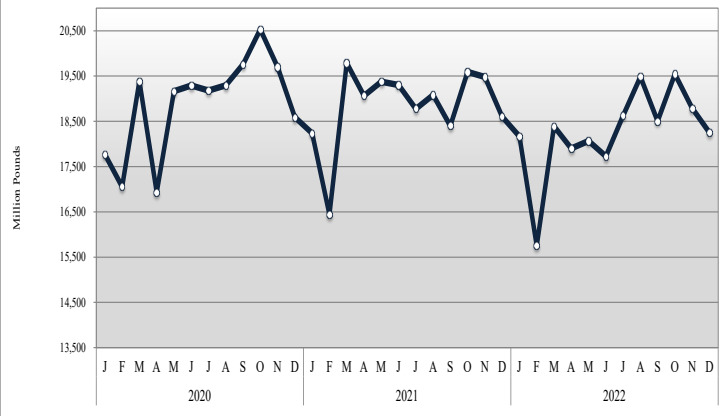
Commercial disappearance of milk in all productions represents the difference between the beginning monthly milk supply and the ending commercial stocks. Milk supply includes farm production, beginning inventory, imports and excludes milk used on the farm.

For December 2022 commercial disappearance of milk was 18.3 billion pounds, down 6.4 percent from the prior year. The cumulative disappearance total for 2022 is 219 billion pounds, a decrease of 1.0 percent from the same 12-month period of 2021.

December 2022 commercial disappearance of American cheese was 482 million pounds, up 2.6 percent from the prior year.

December 2022 commercial disappearance of butter was 187 million pounds, up 3.9 percent from the prior year.

Commercial Disappearance of Milk in All Products, 2020-2022



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.