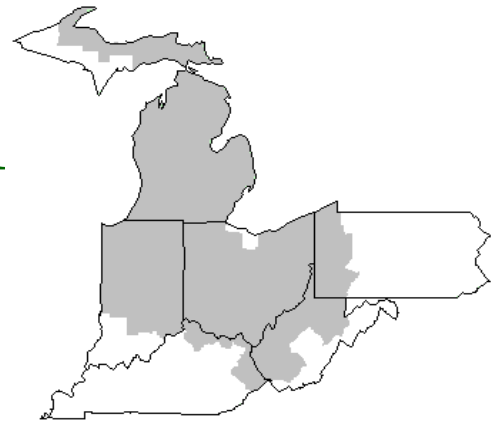


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**JULY 2023**

### Dairy Forecasts for 2023

For 2023, the U.S. milking herd is projected to average 9.415 million head, unchanged from last month's forecast. However, the milk per cow forecast for 2023 is 24,260 pounds, 20 pounds lower than last month's forecast, due in part to lower-than expected growth in milk per cow in the second and last quarters of the year. With lower yield per cow more than offsetting steady dairy cow numbers, the milk production forecast for 2023 has been adjusted to 228.4 billion pounds, 0.2 billion lower than last month's projection.

Based on recent dairy trade information, 2023 export volume forecasts were reduced from last month's forecasts. On a milk-fat basis, the annual dairy export forecast for 2023 is 11.9 billion pounds, 0.2 billion lower than last month's forecast. On a skim-solids basis, the dairy export projections were lowered by 0.2 billion to 51.1 billion pounds. Lower exports are expected for butter and lactose, but higher exports are expected for dry skim milk products.

The 2023 forecast for dairy imports on a milk-fat basis is 7.8 billion pounds, an increase of 0.1 billion from last month's forecast. On a skim-solids basis, the dairy import forecast is 6.7 billion pounds, 0.1 billion down from last month's projections. While butter import expectations are higher than last month, lower imports are expected for cheese and milk protein concentrate.

On a milk-fat basis, domestic use in 2023 is forecast at 223.2 billion pounds, up 0.1 billion from last month's forecast. On a skim-solid basis, 2023 domestic use was lowered by 0.1 billion pounds from last month's forecast to 182.7 billion pounds.

The 2023 price forecasts for Cheddar cheese and dry whey are lowered to \$1.730 (-9.5 cents) and \$0.370 (-2.5 cents) per pound, respectively. The 2023 butter and NDM price forecasts have been raised to \$2.435 (+0.5 cent) and \$1.190 (+0.5 cent) per pound, respectively, due to expected strength in demand for these products for the rest of 2023.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2023 was adjusted to \$16.70 per hundredweight (cwt), down \$1.05 from last month's forecast. With a higher expected price for butter and NDM in 2023, the Class IV milk price forecast has been increased by \$0.05 to \$18.35 per cwt. The all-milk price forecast for 2023 is \$19.95 per cwt, \$0.55 lower than last month's forecast.

### Dairy Forecasts 2024

Projections for 2024 milk supply, imports, domestic use, and ending stocks are unchanged from last month's projections. The forecast for exports on a skim-solids basis has been lowered by 0.1 billion pounds to 53.8 billion, but the forecast for exports on a milk-fat basis is unchanged at 12.8 billion pounds.

The 2024 price forecasts for Cheddar cheese and dry whey are lowered to \$1.775 (-4.5 cents) and \$0.360 (-1.0 cent) per pound, respectively. The 2024 butter price forecast is unchanged at \$2.335, while the NDM price forecast has been raised to \$1.130 (+1.0 cents) per pound.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2024 is adjusted to \$17.00 per cwt, down \$0.50 from last month's forecast. With a higher expected price for NDM in 2024, the Class IV milk price forecast has been increased by \$0.10 to \$17.45 per cwt. The all-milk price forecast for 2024 is \$19.65 per cwt, \$0.25 lower than last month's forecast.

*Livestock, Dairy, and Poultry Outlook: June 2023, LDP-M-348, June 15, 2023, USDA, Economic Research Service*

### June 2023 - Pool Summary

#### Classification of Producer Milk

	Pounds	Percent
Class I	491,640,408	36.4
Class II	96,576,054	7.1
Class III	706,803,059	52.3
Class IV	56,750,371	4.2
Total	1,351,769,892	100.0

#### Producer Prices

Producer Price Differential	\$ 2.17 / cwt
Butterfat Price	2.7605 / lb
Protein Price	1.5144 / lb
Other Solids Price	0.1266 / lb
Somatic Cell Adjustment Rate	0.00079 / cwt
Statistical Uniform Price	17.08 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES**

Federal Order No. 33

June 2023

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			480,396,908			\$10.72 / cwt	\$ 51,498,548.54
Class I Butterfat		11,243,500				2.7612 / lb	31,045,552.20
Class I Location Differential	491,640,408						(261,615.92)
Class II SNF Value				7,666,284		1.0533/ lb	8,074,896.90
Class II Butterfat		14,131,172				2.7675/ lb	39,108,018.57
Class III Protein Value			22,329,556			1.5144/ lb	33,815,879.63
Class III Other Solids Value					41,211,240	0.1266/ lb	5,217,343.04
Class III Butterfat		22,929,433				2.7605/ lb	63,296,699.79
Class IV SNF Value				4,832,959		0.9896/ lb	4,782,696.24
Class IV Butterfat		4,773,809				2.7605/ lb	13,178,099.76
Somatic Cell Value II / III / IV							<u>1,192,002.79</u>
<b>TOTAL PRODUCER MILK VALUE</b>	1,351,769,892	53,077,914	42,466,880		78,337,172		\$ 250,948,121.54
Overages						\$ 3,487.05	
Beginning Inventory & OS Charges						(250,757.52)	
<b>TOTAL ADJUSTMENTS</b>							\$ (247,270.47)
<b>TOTAL HANDLER OBLIGATIONS</b>							\$ 250,700,851.07
Total Protein Value			42,446,880 lbs.	@	\$ 1.5144		\$(64,311,843.07)
Total Other Solids Value			78,337,172 lbs.	@	0.1266		(9,917,486.01)
Butterfat Value			53,077,914 lbs.	@	2.7605		(146,521,581.60)
Total Somatic Cell Values							<u>(1,846,438.98)</u>
<b>TOTALS</b>							\$ 28,103,501.41
Net Producer Location Adjustments							\$ 1,172,975.57
1/2 Unobligated Balance Producer Settlement Fund							<u>729,000.00</u>
Total - Divided by Total Pounds			1,351,769,282 lbs		2.2197188		\$ 30,005,476.98
Rate of Cash Reserve					(0.0497188)		<u>(671,842.69)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,351,769,282		\$2.17 / cwt		\$ 29,333,634.29

**COMPONENT PRICES**

June

	<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.7605 / lb	\$3.3323 / lb
Protein Price	1.5144 / lb	3.4173 / lb
Other Solids Price	0.1266 / lb	0.4295 / lb
Somatic Cell Adjustment Rate	0.00079 / cwt	0.00117 / cwt
Nonfat Solids Price <sup>2</sup>	0.9896 / lb	1.6313 / lb

**COMPUTATION OF UNIFORM PRICE**

June

	<u>2023</u>	<u>2022</u>
Class III Price - 3.5% BF	\$14.91	\$24.33
Producer Price Differential*	<u>2.17</u>	<u>1.45</u>
Statistical Uniform Price	\$17.08	\$25.78

**CLASS PRICES**

June

	<u>2023</u>	<u>2022</u>
Class I*	\$20.01	\$27.87
Class II	18.83	26.65
Class III	14.91	24.33
Class IV	18.26	25.83

**CLASSIFICATION OF PRODUCER MILK**

June

	<u>2023</u>	<u>2022</u>
Class I	491,640,408	459,890,275
Class II	96,576,054	118,636,428
Class III	706,803,059	688,186,478
Class IV	<u>56,750,371</u>	<u>52,835,380</u>
Total	1,351,769,282	1,319,548,561

<sup>1</sup> Subject to Location Adjustment.<sup>2</sup> Producers are not paid on this component.**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for June 2023 was \$2.17, and the Statistical Uniform Price was \$17.08 for the month. The Statistical Uniform Price is \$1.13 lower than last month and is \$8.70 lower than June 2022.

The Producer Butterfat Price of \$2.7605 per pound increased \$0.0033 from May and is down \$0.5718 from a year ago. The Protein Price of 1.5144 is down \$0.2858 from last month and is down \$1.9029 from June 2022. The Other Solids Price in June was \$0.1266 per pound, a decrease from last month's price of \$0.1877 and \$0.3029 lower than last June. The Somatic Cell Adjustment rate for June was \$0.00079 per cwt.

June producer receipts of 1.35 billion pounds were 13.5 percent lower than May and 2.4 percent higher than June 2022 production of 1.32 billion pounds. Producer milk allocated to Class I accounted for 36.4 percent of the total producer milk in June 2023, higher than the 32.9 percent in May, and higher than the 34.9 percent in June 2022. A total of 3,326 producers were pooled on the Mideast Order compared to 3,307 producers pooled in June 2022.

The market average content of producer milk was as follows: Butterfat 3.93%; Protein 3.14%; Other Solids 5.80% and Nonfat Solids 8.94%.

## May 2023 Highlights

**Total cheese** output (excluding cottage cheese) was 1.20 billion pounds, 0.2 percent below May 2022 but 2.8 percent above April 2023.

**Italian type cheese** production totaled 486 million pounds, 2.2 percent below May 2022 but 1.4 percent above April 2023.

**American type cheese** production totaled 509 million pounds, 4.2 percent above May 2022 and 4.7 percent above April 2023.

**Butter** production was 194 million pounds, 8.1 percent above May 2022 but 1.2 percent below April 2023.

**Dry milk products** (comparisons in percentage with May 2022) Nonfat dry milk, human - 206 million pounds, up 7.0 percent. Skim milk powder - 35.4 million pounds, down 30.3 percent.

**Whey products** (comparisons in percentage with May 2022) Dry whey, total - 81.8 million pounds, up 3.2 percent. Lactose, human and animal - 94.1 million pounds, down 1.0 percent. Whey protein concentrate, total - 42.9 million pounds, up 18.0 percent.

**Frozen products** (comparisons in percentage with May 2022) Ice cream, regular (hard) - 63.9 million gallons, up 2.6 percent. Ice cream, lowfat (total) - 40.5 million gallons, down 1.7 percent. Sherbet (hard) - 1.90 million gallons, down 6.9 percent. Frozen yogurt (total) - 4.37 million gallons, down 8.2 percent.

*Released July 6, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).*

## Export and Import News

In April, dairy exports on a milk-equivalent and skim-solids basis totaled 885 million pounds, 26.9 percent lower than April 2022. Meanwhile, on a milk-equivalent milk-fat basis, dairy exports totaled 4.1 billion pounds in April, 11.0 percent lower than April 2022. Export volumes for butter, cheese, dry skim products, dry whey, and whey protein concentrate declined in April 2023 compared to April 2022.

In April, dairy imports on a milk-fat basis totaled 629 million pounds, 2.2 percent below April 2022. On a skim-solids basis, imports in April were 464 million pounds, 11.5 percent below April 2022. Import volumes for butter increased in April but declined for cheese compared to April 2022.

*Livestock, Dairy, and Poultry Outlook: June 2023, LDP-M-348, June 15, 2023 USDA, Economic Research Service*

## May Milk Production Up 0.8 Percent

Milk production in the 24 major States during May totaled 19.0 billion pounds, up 0.8 percent from May 2022. April revised production, at 18.4 billion pounds, was up 0.6 percent from April 2022. The April revision represented an increase of 23 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,126 pounds for May, 11 pounds above May 2022. The number of milk cows on farms in the 24 major States was 8.95 million head, 24,000 head more than May 2022, but unchanged from April 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 May totaled 2.8 billion pounds, up 30 million pounds or 1.1 percent from May 2022.

Production per cow in the Mideast states averaged 2,071 pounds for May. This was an increase of 9 pounds from May 2022.

The number of cows on farms in the Mideast states was 1.3 million head, 10,000 head more than May 2022.

*. Released June 21, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).*

### Bulletin WebPage Edition

[www.fmmacleev.com](http://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	May 2023 -----Weighted Averages-----						May 2022 -----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	757	765,869	4.00	3.18	5.79	157	866,688	3.94	3.18	5.80	161
Ohio	1,198	386,938	3.98	3.20	5.76	182	404,929	3.97	3.18	5.76	192
Indiana	594	240,489	3.96	3.20	5.83	191	266,526	3.86	3.13	5.77	200
Pennsylvania	642	93,193	3.96	3.12	5.69	203	87,592	3.93	3.08	5.69	220
New York	103	52,145	4.21	3.27	5.88	181	87,772	4.08	3.17	5.86	193
Other	163	24,798	3.99	3.15	5.76	188	11,521	3.93	3.10	5.76	231
Total/Average *	3,457	1,563,432	3.99	3.19	5.79	172	1,725,027	3.94	3.17	5.79	179

\* 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  
June 2023**

<u>Marketing Area</u> <sup>1/</sup>		<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>	2,286,040	619,200	27.1	\$3.70	\$18.61
FO 5	Appalachian - <i>(Charlotte)</i>	442,200	295,057	66.7	<sup>2/</sup>	20.31
FO 6	Florida - <i>(Tampa)</i>	189,158	155,935	82.4	<sup>2/</sup>	22.52
FO 7	Southeast - <i>(Atlanta)</i>	294,324	208,194	70.7	<sup>2/</sup>	20.96
FO 30	Upper Midwest - <i>(Chicago)</i>	2,736,358	148,881	5.4	0.36	15.27
FO 32	Central - <i>(Kansas City)</i>	1,238,923	329,020	26.6	1.73	16.64
<b>FO 33</b>	<b>Mideast - <i>(Cleveland)</i></b>	<b>1,351,770</b>	<b>491,640</b>	<b>36.4</b>	<b>2.17</b>	<b>17.08</b>
FO 51	California - <i>(Los Angeles)</i>	1,980,702	362,961	18.3	1.51	16.42
FO 124	Pacific Northwest - <i>(Seattle)</i>	602,916	123,459	20.5	1.91	16.82
FO 126	Southwest - <i>(Dallas)</i>	1,070,870	285,594	26.7	2.34	17.25
FO 131	Arizona - <i>(Phoenix)</i>	445,167	108,369	24.3	<sup>2/</sup>	17.93

<sup>1/</sup> Names in parentheses are principal points of markets.

<sup>2/</sup> Producers in these markets are paid on the basis of a uniform skim and butterfat price.

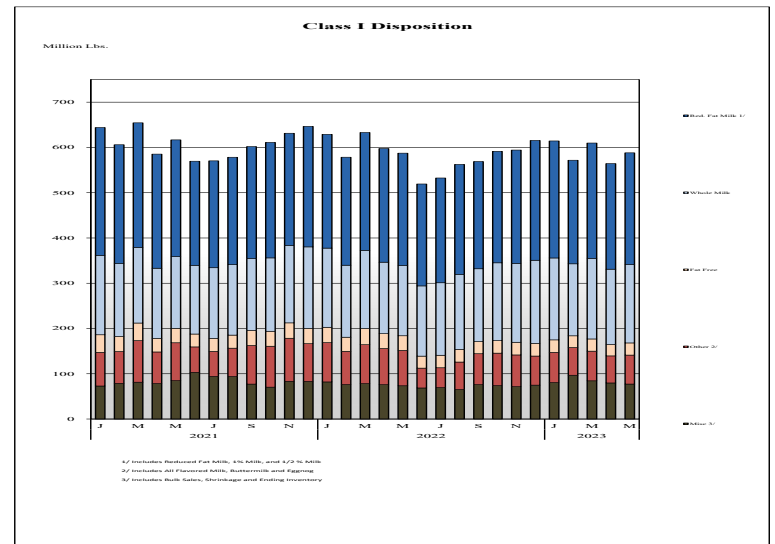
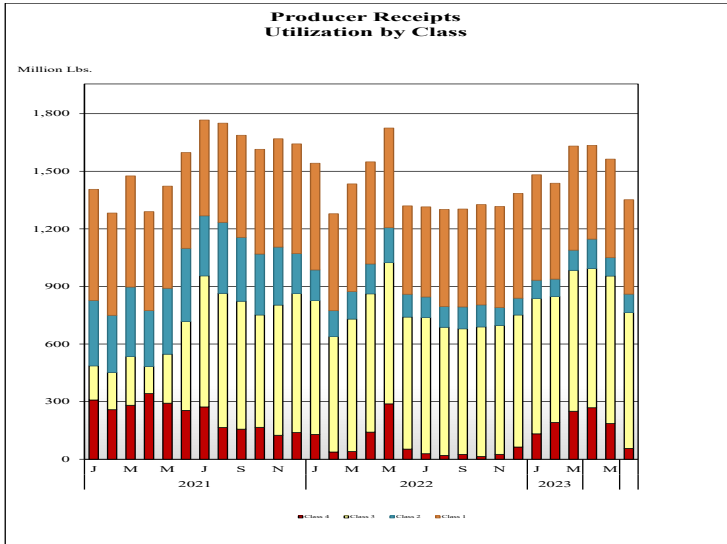
**MINIMUM PARTIAL PAYMENT PRICE FOR JULY 2023.....\$14.91 /cwt.**

# Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement  
July 2023

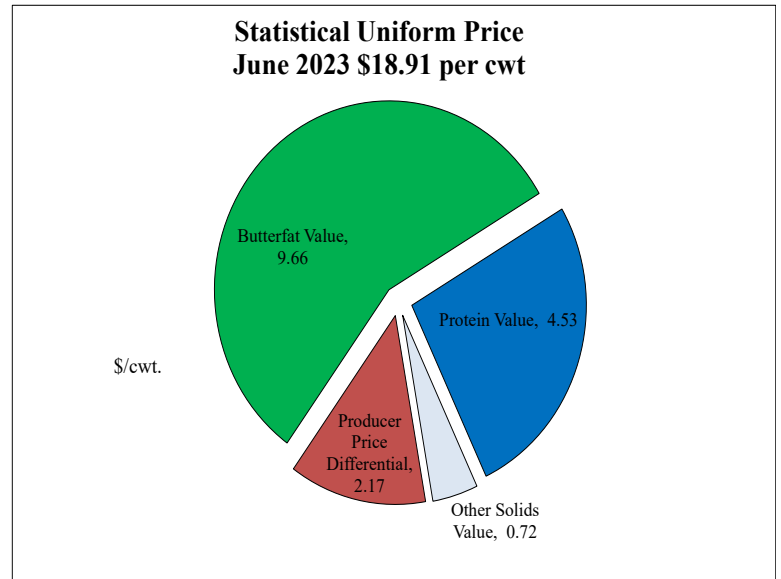
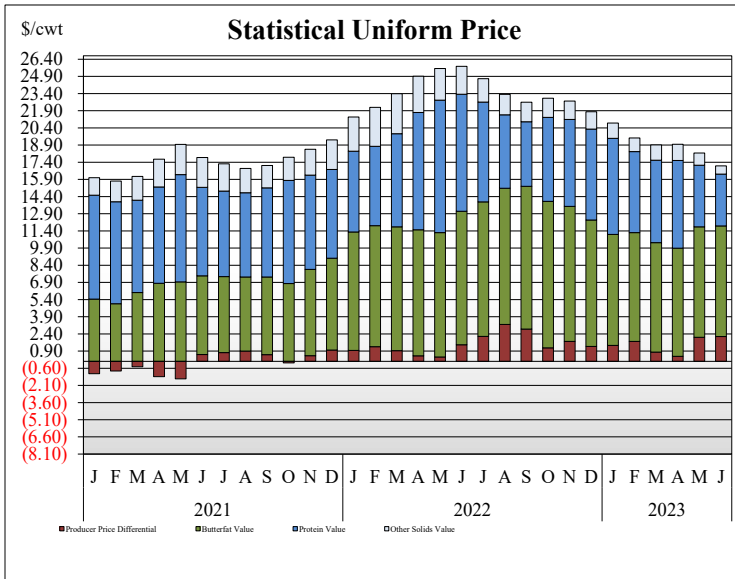
## PRODUCER MILK CLASSIFICATION



**Producer Receipts:** Producer receipts for the Mideast Order totaled 1.352 billion pounds in June 2023. The pounds allocated to Class I represented 36.4 percent of the total pounds. Producer receipts decreased 212 million pounds compared to May 2023, and were up 32 million pounds from the prior year.

**Class I Pounds:** Class I Disposition for the Mideast Order totaled 588 million pounds in May 2023, up 1 million pounds from May 2022. Finished products include 173 million pounds used for whole milk, 247 million pounds of reduced fat and low fat milk, and 27 million pounds of fat free (skim) milk.

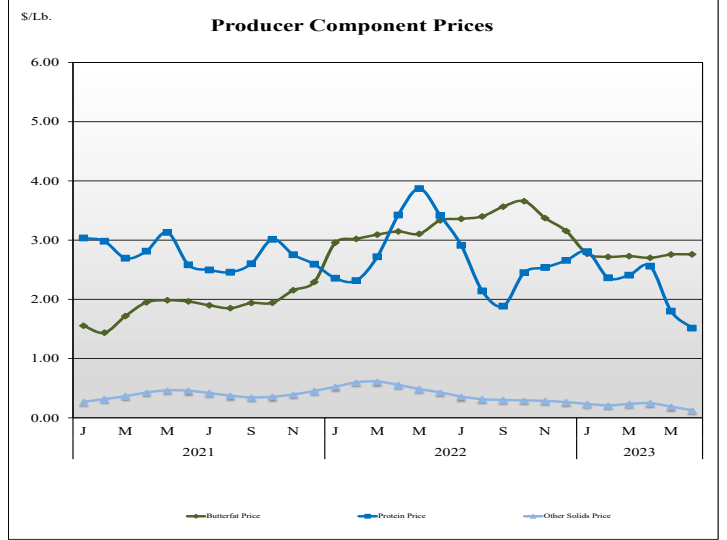
## STATISTICAL UNIFORM PRICE



**Statistical Uniform Price:** The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$17.08 per cwt for June 2023. The June 2023 SUP was \$8.70 per cwt lower than the June 2022 SUP. The June 2023 SUP is \$1.13 per cwt lower than the May 2023 SUP.

**June 2023 Statistical Uniform Price:** Using the Class III Price formula at 3.5% BF, the component values for the June 2023 SUP are: \$4.53 per cwt for protein, \$9.66 per cwt for butterfat and \$0.72 per cwt for other solids. Also included in the SUP is the \$2.17 per cwt producer price differential. (May not add to total due to rounding.)

## CLASS AND COMPONENT PRICES



## WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

