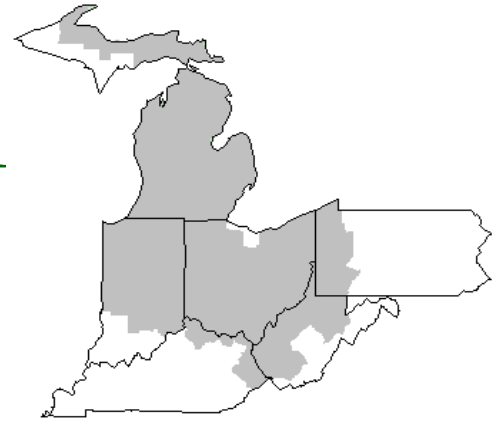


Mideast Market Administrator's Bulletin



Federal Order No. 33

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JANUARY 2024

2023 Market Summary

Producer milk receipts pooled totaled 17.8 billion pounds on the Mideast Order during 2023 an increase of 965.4 million pounds, or 5.7 percent from 2022. During 2023, there were a little less than 3.6 billion pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.35 billion pounds in June to a high of 1.63 billion pounds in April.

The number of producers pooled on the Mideast Order in 2023 averaged 3,388 per month, down 9.4 percent from a year earlier. Producer milk averaged 4.06 percent butterfat in 2023, ranging from a low of 3.91 percent in July to a high of 4.25 percent in December. The protein test averaged 3.22 percent for 2023. Protein tests ranged from a low of 3.10 percent in July, to a high of 3.31 percent in November. Other solids tests for producer milk averaged 5.79 percent for the year.

For the year, 36.0 percent of producer milk was utilized as Class I; 8.2 percent in Class II; 47.7 percent in Class III; and 8.1 percent in Class IV. The Class I utilization percentage had a low of 29.9 percent in April and a high of 40.5 percent in December. Class I milk totaled 6.4 billion pounds during 2023, up 3.0 percent from 2022. Class II milk totaled 1.5 billion pounds in 2022, a decrease of 3.5 percent from 2022. Class III pooled pounds were 8.5 billion pounds in 2023, an increase of 3.4% from 2022. Class IV milk totaled 1.4 billion pounds in 2021, an increase of 63.7 percent from 2022.

The Class I price averaged \$21.20 per cwt for the year, a decrease of \$4.46 per cwt from 2022. The Class I price had a low of \$18.62 per cwt in August and a high of \$24.41 per cwt in January. The Class II price averaged \$17.02 per cwt, a decrease of \$5.17 per cwt from the prior year. It ranged from a low of \$18.83 per cwt in June to a high of \$21.95 per cwt in October. The Class III price averaged \$17.02 per cwt, a decrease of \$4.94 per cwt from 2022. The Class III price ranged from a low of \$13.77 per cwt in July to a high of \$19.43 per cwt in January. The Class IV price averaged \$19.12 per cwt for the year, a decrease of \$5.35 per cwt from a year ago. It was lowest in April at \$17.95 per cwt and was highest in October at \$21.49 per cwt.

The Statistical Uniform Price averaged \$18.69 per cwt for 2023 compared to \$23.45 per cwt in 2022. The Producer Butterfat Price averaged \$2.9615 per pound in 2023. This was a decrease of \$0.3022 from 2022. The butterfat price was lowest in April at \$2.7009 per pound and was highest in October at \$3.7144 per pound. The Protein Price averaged \$1.9051 per pound in 2023. This

was a decrease of \$0.8187 from the previous year. The lowest price was in October at \$1.0468 per pound and was highest in January at \$2.8050 per pound. The Other Solids Price averaged \$0.1676 per pound, \$0.2512 lower than the 2022 average. The Producer Price Differential (PPD) averaged \$1.67 per cwt in 2023 with low of 0.44 per cwt in April and a high of \$2.82 per cwt in October.

Dairy Forecasts for 2024

The average number of milk cows is projected to further decline in 2024 in response to the relatively low margins experienced throughout 2023. Moreover, the average 2024 all-milk price is projected lower on a year-over-year basis. As a result, and accounting for the most recent milk cow inventory, the national milking herd is projected to average 9.350 million head in 2024, down 10,000 head from the previous forecast. The 2024 forecast for milk per cow has been revised downward by 50 pounds to 24,415 pounds. Consequently, milk production for 2024 is forecast at 228.3 billion pounds, about 0.7 billion pounds less than the previous forecast. USDA, NASS will issue its Cattle report January 31. This report will include milk cow inventory data along with dairy replacement heifer numbers. The report should give insight into the current state of the herd and indicators that will inform the outlook for much of 2024.

(Continued on Page 3)

December 2023 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	549,051,710	40.5
Class II	96,178,908	7.1
Class III	685,561,561	50.5
Class IV	26,035,215	1.9
Total	1,356,827,394	100.0

Producer Prices

Producer Price Differential	\$2.16/ cwt
Butterfat Price	2.9778 /lb
Protein Price	1.4499 /lb
Other Solids Price	0.2242 /lb
Somatic Cell Adjustment Rate	0.00081 /cwt
Statistical Uniform Price	18.20

**ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33**

**DECEMBER
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			536,300,490			\$9.95 / cwt	\$ 53,361,898.76
Class I Butterfat		12,751,220				3.4726 / lb	44,279,886.57
Class I Location Differential	549,051,710						(285,699.93)
Class II SNF Value				7,749,676		1.0867 / lb	8,421,572.93
Class II Butterfat		14,516,742				2.9848 / lb	43,329,571.50
Class III Protein Value			22,766,822			1.4499 / lb	33,009,615.21
Class III Other Solids Value					39,849,585	0.2242 / lb	8,934,276.96
Class III Butterfat		25,679,040				2.9778 / lb	76,467,045.31
Class IV SNF Value				2,020,379		1.0144 / lb	2,049,472.48
Class IV Butterfat		4,759,437				2.9778 / lb	14,172,651.51
Somatic Cell Value II / III / IV							1,255,514.53
TOTAL PRODUCER MILK VALUE	1,356,827,394	62,473,112	49,825,542		90,454,973		\$ 284,995,805.83
Overages					54,029.99		
Beginning Inventory & OS Charges					(436,415.84)		
TOTAL ADJUSTMENTS							\$ (382,385.85)
TOTAL HANDLER OBLIGATIONS							\$ 284,613,419.98
Total Protein Value			44,840,794 lbs	@	\$1.4499		\$ (65,014,667.24)
Total Other Solids Value			78,492,231 lbs	@	0.2242		(17,597,958.20)
Butterfat Value			57,706,439 lbs	@	2.9778		(171,838,234.08)
Total Somatic Cell Values							(2,083,500.94)
TOTALS							\$ 28,079,059.52
Net Producer Location Adjustments							\$ 1,203,968.08
1/2 Unobligated Balance Producer Settlement Fund							619,000.00
Total - Divided by Total Pounds			1,356,835,658 lbs		2.2038061		\$ 29,902,027.60
Rate of Cash Reserve					(0.0438061)		(594,377.33)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,356,835,658		\$ 2.16 /cwt		\$ 29,307,650.27

COMPONENT PRICES

December

COMPUTATION OF UNIFORM PRICE

December

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.9778 / lb	\$3.1539 / lb	Class III Price - 3.5% BF	\$16.04	\$20.50
Protein Price	1.4499 / lb	2.6568 / lb	Producer Price Differential*	<u>2.16</u>	<u>1.31</u>
Other Solids Price	0.2242 / lb	0.2652 / lb	Statistical Uniform Price	\$18.10	\$21.81
Somatic Cell Adjustment Rate	0.00081 / cwt	0.00103 / cwt			
Nonfat Solids Price ²	1.0144 / lb	1.2752 / lb			

CLASS PRICES

December

CLASSIFICATION OF PRODUCER MILK

December

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Class I*	\$21.76	\$24.58	Class I	Product lbs. 549,051,710	Product lbs. 545,907,753
Class II	19.88	23.11	Class II	96,178,908	87,020,555
Class III	16.04	20.50	Class III	685,561,561	688,187,263
Class IV	19.23	22.12	Class IV	<u>26,035,215</u>	<u>63,719,010</u>
			Total	1,356,827,394	1,384,834,581

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 December 2023 was \$2.16, and the Statistical Uniform Price was \$18.10 for the month. The Statistical Uniform Price is \$1.27 lower than last month and is \$3.71 lower than December 2022. The Producer Butterfat Price of \$2.9778 per pound decreased \$0.4830 from November and is down \$0.1761 from a year ago. The Protein Price of \$1.4499 is up \$0.1261 from last month and is down \$1.2069 from December 2022. The Other Solids Price in December was \$0.2242 per pound, an increase from last month's price of \$0.1895 and \$0.0410 lower than last December. The Somatic Cell Adjustment rate for December was

\$0.00081 per cwt. December producer receipts of 1.36 billion pounds were 8.6 percent lower than November and 2.0 percent lower than December 2022 production of 1.38 billion pounds. Producer milk allocated to Class I accounted for 40.5 percent of the total producer milk in December 2023, higher than the 40.3 percent in November, and higher than the 39.4 percent in December 2022. A total of 3,490 producers were pooled on the Mideast Order compared to 3,425 producers pooled in December 2022. The market average content of producer milk was as follows: Butterfat 4.25%; Protein 3.30%; Other Solids 5.78% and Nonfat Solids 9.08%.

(Continued from Page 1)

With lower expected imports of cheese and butterfat products, 2024 dairy import forecasts have been lowered on both the milk-fat basis and skim-solids basis to 7.5 billion pounds (-0.2 billion) and 6.4 billion pounds (-0.1 billion), respectively.

As domestic prices for butter and cheese are expected to be more competitive in the world markets, the 2024 dairy export forecast on a milk-fat basis has been raised 0.2 billion pounds to 11.6 billion. The export forecast on a skim-solids basis is unchanged at 53.2 billion pounds. Higher expected exports for cheese, butterfat products, and whey products are expected to offset lower expected exports of dry skim milk products.

With a lowered forecast for milk production and raised projected prices for most of dairy products, the domestic disappearance forecast for 2024 is lowered relative to the last month's projection. Overall, on a milk-fat basis, domestic disappearance has been lowered 0.9 billion pounds to 223.7 billion pounds. On a skim-solids basis, domestic disappearance has been lowered 1.7 billion pounds to 180.3 billion pounds.

Relative to 2023, with an expected increase in the cheese production capacity in 2024 the Cheddar cheese prices are expected to decline but given a robust demand for dairy products the 2024 prices for butter, NDM, and whey are expected to increase.

Based on recent movement in product prices, the average price forecasts for most major dairy products except Cheddar cheese have been raised from the previous forecast. Price forecasts for dry whey, butter, and NDM have been raised to \$0.430 (+1.0 cents), \$2.665(+7.0 cents), and \$1.190 (+1.5 cents) per pound. The price forecast for Cheddar cheese has been lowered \$1.620 (-10.5 cents) per pound.

The lower cheese price forecast more than outweighs the higher price forecast for whey, leading to a forecast for Class III milk of \$16.10 per cwt, \$0.75 lower than the previous forecast. With higher butter and NDM price forecasts, the Class IV price forecast has been raised \$0.45 to \$19.35 per cwt. The all-milk price for 2024 is now forecast at \$20.00, down \$0.25 cents from last month's forecast.

Livestock, Dairy, and Poultry Outlook: January 2024, LDP-M-355, January 19, 2024 USDA, Economic Research Service

November Milk Production Down 0.5 Percent

Milk production in the 24 major States during November totaled 17.3 billion pounds, down 0.5 Percent from November 2022. October revised production, at 17.9 billion pounds, was down 0.6 percent from October 2022. The October revision represented a decrease of 37 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,948 pounds for November, 3 pounds below November 2022.

The number of milk cows on farms in the 24 major States was 8.90 million head, 26,000 head less than November 2022, and 9,000 head less than October 2023.

The Mideast Marketing Area has four states represented in the 23 major states used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during November totaled 2.6 billion pounds, up 25 million pounds or 1.0 percent from November 2022.

Production per cow in the Mideast states averaged 1,904 pounds for November, 4 pounds less than November 2022.

The number of cows on farms in the Mideast states was 1.4 million head, 16,000 head more than November 2022.

Released December 18, 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:

- 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	Number of Producers	Pounds of Milk (000)	November 2023 -----Weighted Averages-----				November 2022 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	746	711,445	4.23	3.32	5.78	150	621,040	4.09	3.29	5.78	147
Ohio	1,169	364,326	4.16	3.30	5.72	176	353,021	4.14	3.32	5.74	172
Indiana	597	229,111	4.22	3.33	5.86	181	174,008	4.09	3.29	5.78	179
New York	104	37,391	4.49	3.41	5.96	179	44,018	4.25	3.36	5.93	178
Pennsylvania	640	77,048	4.23	3.24	5.66	203	79,538	4.13	3.22	5.65	211
Other	198	65,680	4.35	3.35	5.76	157	45,991	4.11	3.27	5.77	169
Total/Average *	3,454	1,485,001	4.23	3.31	5.78	165	1,317,616	4.11	3.29	5.77	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
December 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)	2,255,417	684,632	30.3	3.67	19.71
FO 5 Appalachian - (Charlotte)	465,920	315,107	67.6	^{2/}	21.39
FO 6 Florida - (Tampa)	212,559	176,775	83.2	^{2/}	23.62
FO 7 Southeast - (Atlanta)	308,973	224,149	72.6	^{2/}	22.01
FO 30 Upper Midwest - (Chicago)	2,688,126	163,812	6.1	0.36	16.40
FO 32 Central - (Kansas City)	1,277,594	373,423	29.2	1.75	17.79
FO 33 Mideast - (Cleveland)	1,356,827	549,052	40.5	2.16	18.20
FO 51 California - (Los Angeles)	1,990,496	399,051	20.1	1.51	17.55
FO 124 Pacific Northwest - (Seattle)	607,109	129,331	21.3	1.90	17.94
FO 126 Southwest - (Dallas)	1,045,015	320,187	30.6	2.33	18.37
FO 131 Arizona - (Phoenix)	448,208	119,437	26.7	^{2/}	19.10

^{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.

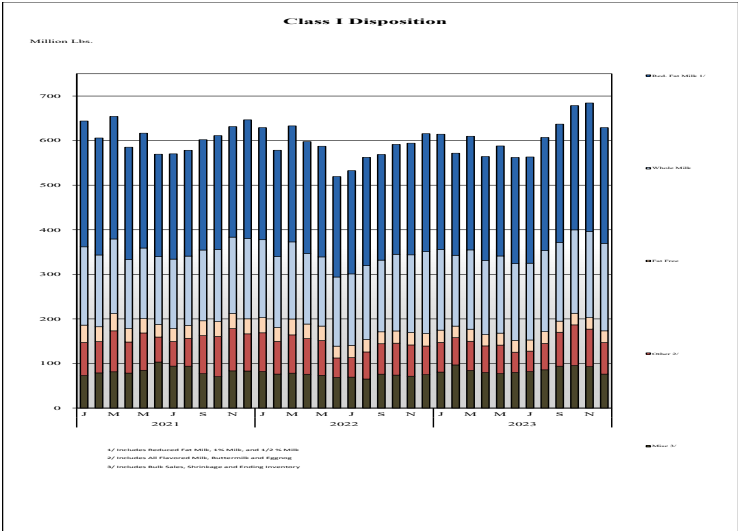
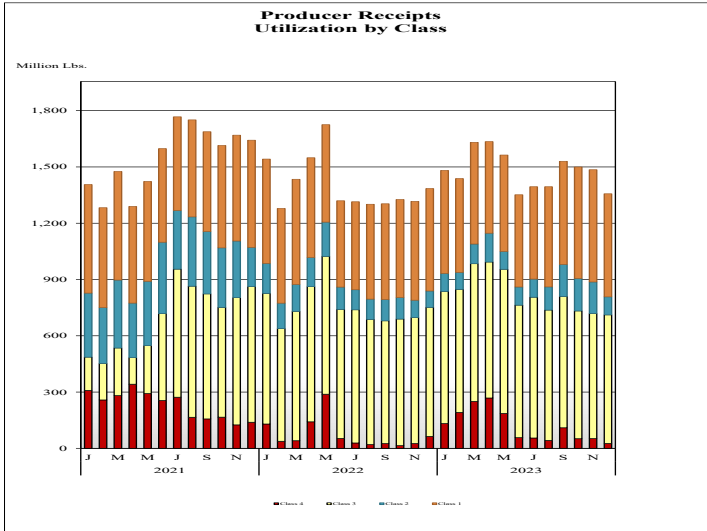
MINIMUM PARTIAL PAYMENT PRICE FOR JANUARY 2024.....\$16.04/cwt.



Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement
January 2024

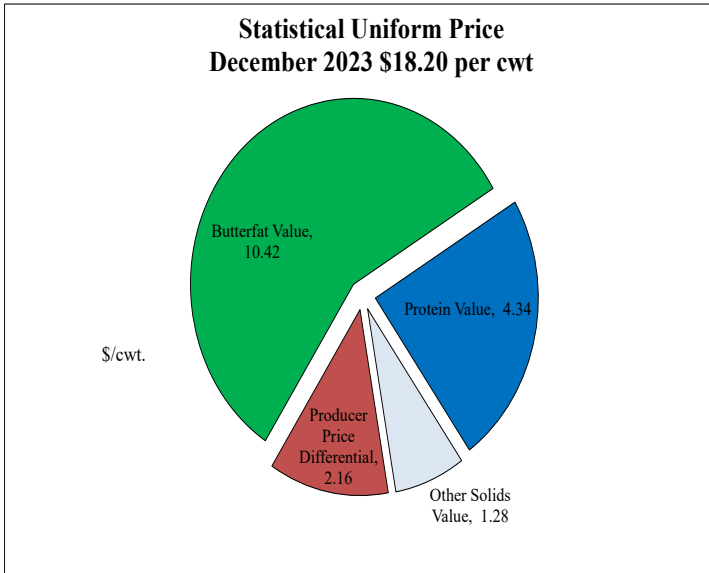
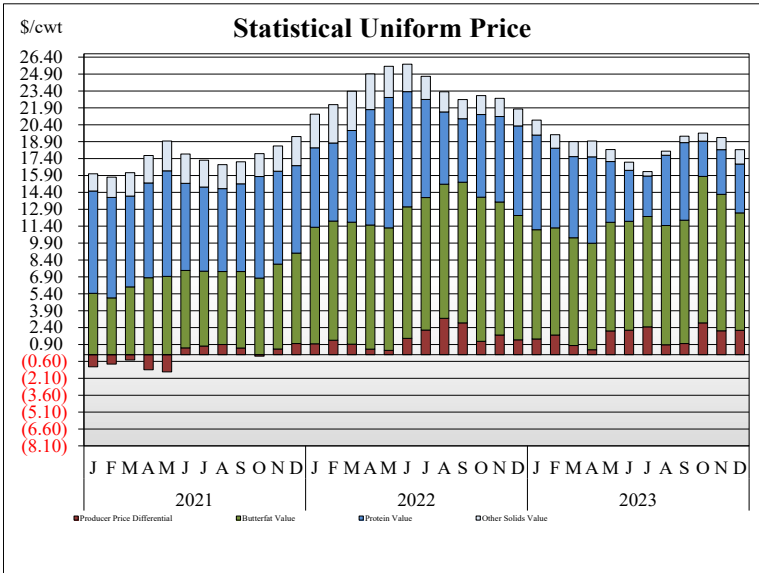
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.36 billion pounds in December 2023. The pounds allocated to Class I represented 40.5 percent of the total pounds. Producer receipts decreased 128 million pounds compared to November 2023, and were down 28 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 629.1 million pounds in December 2023, up 13.6 million pounds from December 2022. Finished products include 196 million pounds used for whole milk, 260 million pounds of reduced fat and low fat milk, and 26 million pounds of fat free (skim) milk.

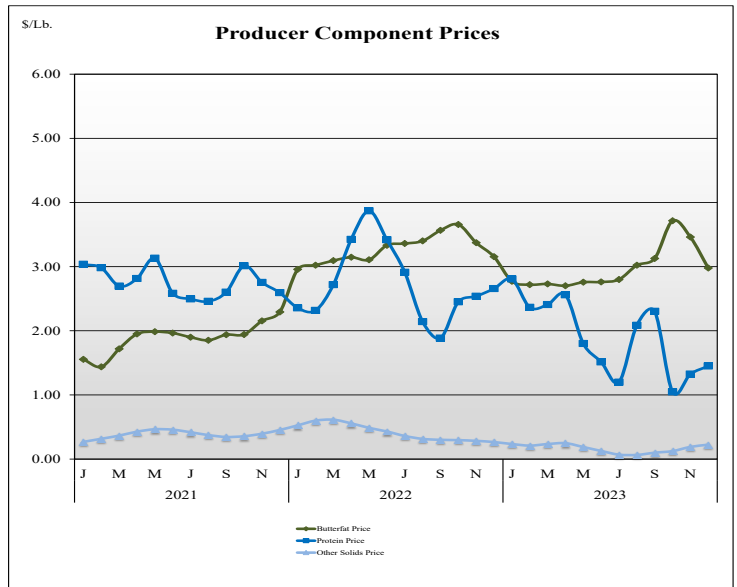
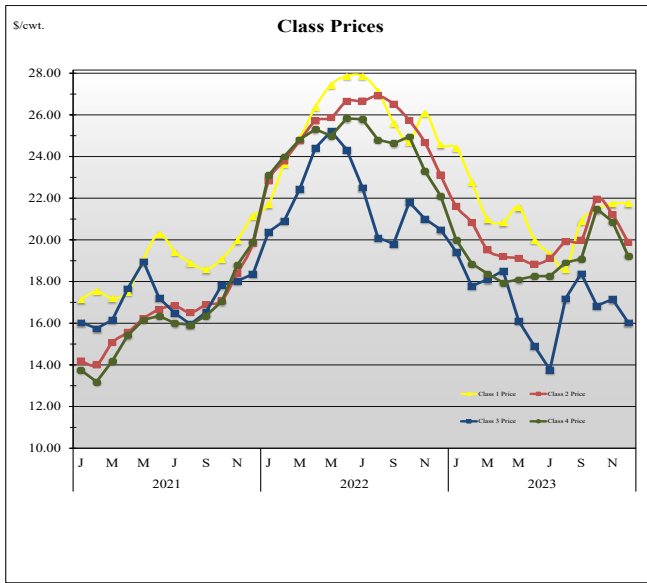
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$18.20 per cwt for December 2023. The December 2023 SUP was \$3.61 per cwt lower than the December 2022 SUP. The December 2023 SUP is \$1.07 per cwt lower than the November 2023 SUP.

December 2023 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the December 2023 SUP are: \$4.34 per cwt for protein, \$10.42 per cwt for butterfat and \$1.28 per cwt for other solids. Also included in the SUP is the \$2.16 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

