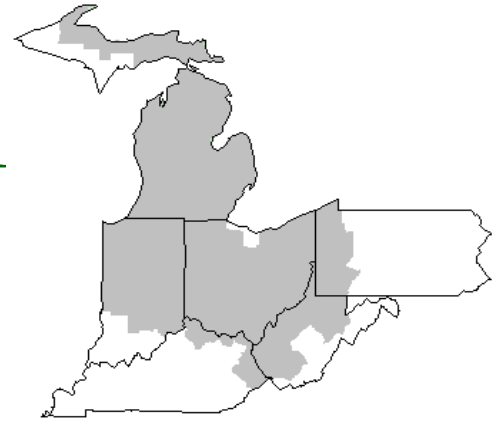


Mideast Market Administrator's Bulletin



Federal Order No. 33

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JUNE 2024

Dairy Forecasts 2024

The dairy herd forecast for 2024 is 9.345 million cows, unchanged from last month's forecast. The forecast milk yield per cow is 24,320 pounds, 10 pounds less than last month's forecast. The rounded milk production forecast remains unchanged from the last projection at 227.3 billion pounds.

Based on higher dairy imports shown in recent trade data, 2024 import forecasts have been adjusted upward from previous projections. On a milk-fat basis, imports in 2024 are forecast at 8.6 (+0.4) billion pounds, while on a skim-solids basis, they are forecast at 7.3 billion pounds, (+0.3) billion pounds. Imports of cheese, infant formula, and various others dairy products are expected to increase throughout 2024, driven by strong demand from U.S. buyers and higher expected prices on domestic dairy products.

On a milk-fat basis, dairy export shipments for 2024 are forecast at 11.2 (+0.2) billion pounds, while on a skim-solids basis they are projected at 49.3 billion pounds, unchanged from last month's forecast. Higher export volumes of cheese, and dry whey products are expected for 2024, while lower exports are expected for skim milk products and lactose.

With dairy prices projected to soar in 2024, domestic consumption is projected lower than last month's forecast. On a milk-fat basis, domestic use for 2024 is forecast at 223.9 (-0.3) billion pounds, while on a skim-solids basis it is forecast at 184.2 billion pounds, unchanged from last month's forecast.

Based on recent prices and higher expected demand, the 2024 wholesale dairy product price forecasts, in dollars per pound, have been adjusted upward as follows: Cheddar cheese \$1.790 (+9.5 cents), dry whey \$0.435 (+3.50 cents), butter \$2.970 (+3.5 cents), and NDM \$1.175 (+1.5 cents).

With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.90 per cwt, \$1.15 higher than the previous forecast. With higher butter and NDM price projections, the Class IV price forecast has been raised to \$20.50 per cwt, \$0.25 higher than the previous projection. The all-milk price for 2024 is now forecast at \$21.60 per cwt, up \$0.40 from last month's forecast.

Livestock, Dairy, and Poultry Outlook: June 2024, LDP-M-360, June 18, 2024 USDA, Economic Research Service

Dairy Forecasts 2025

For 2025, milk cows are raised by 5,000 head from the previous forecast to 9.370 million head, while yield per cow is lowered 15 pounds to 24,470 pounds. The milk production for 2025 is projected at 229.3 billion pounds, unchanged from last month's forecast, as expected milk cow numbers are offset by lower expected milk per cow.

The 2025 forecasts for dairy imports are revised upward from the previous month's forecast. On a milk fat basis, imports in 2025 are forecast at 8.2 (+0.1) billion pounds, while on a skim-solids basis imports are forecast at 7.0 billion pounds, also 0.1 billion higher than last month's projection. Imports of cheese, butter, and infant formula are expected to be higher in 2025 compared to the previous month's forecast.

Dairy exports are adjusted higher for 2025 on projected strong international demand. On a milk-fat basis, dairy export volumes are forecast at 11.5 (+0.3) billion pounds, while on a skim-solids basis they are projected at 50.5 billion pounds, also 0.3 billion pounds higher than the previous month's forecast. Higher exports of cheese, butter, and dry whey products are expected for 2025.

Continued on page 3

May 2024 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	526,464,001	38.3
Class II	96,014,010	7.0
Class III	728,849,377	53.0
Class IV	23,960,268	1.7
Total	1,563,472,578	100.0

Producer Prices

Producer Price Differential	\$ 0.90 / cwt
Butterfat Price	3.4636 / lb
Protein Price	1.7349 / lb
Other Solids Price	0.2181 / lb
Somatic Cell Adjustment Rate	0.00094 / cwt
Statistical Uniform Price	19.45 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2024

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			514,654,172			\$9.18 / cwt	\$ 47,245,252.99
Class I Butterfat		11,809,829				3.3154 / lb	39,154,307.07
Class I Location Differential	531,599,930						(259,915.19)
Class II SNF Value				7,590,882		1.0767 / lb	8,173,102.62
Class II Butterfat		14,644,980				3.4706 / lb	50,826,867.57
Class III Protein Value			23,388,638			1.7349 / lb	40,576,948.07
Class III Other Solids Value					42,257,111	0.2181 / lb	9,216,275.92
Class III Butterfat		25,995,971				3.4636 / lb	90,039,645.15
Class IV SNF Value				1,902,390		0.9647 / lb	1,835,235.64
Class IV Butterfat		3,572,369				3.4636 / lb	12,373,257.26
Somatic Cell Value II / III / IV							1,412,538.57
TOTAL PRODUCER MILK VALUE	1,687,503,004	56,023,149	43,799,920		79,325,076		\$ 300,593,515.67
Overages					91,634.54		
Beginning Inventory & OS Charges					18,905.12		
TOTAL ADJUSTMENTS							\$ 110,539.66
TOTAL HANDLER OBLIGATIONS							\$ 300,704,055.33
Total Protein Value			43,799,920 lbs	@	\$1.7349		\$ (75,988,481.21)
Total Other Solids Value			79,325,076 lbs	@	0.2181		(17,300,799.08)
Butterfat Value			56,023,149 lbs	@	3.4636		(194,041,778.88)
Total Somatic Cell Values							(2,247,587.94)
TOTALS							\$ 11,125,408.24
Net Producer Location Adjustments							\$ 1,212,780.35
1/2 Unobligated Balance Producer Settlement Fund							674,000.00
Total - Divided by Total Pounds			1,375,300,472 lbs		0.9461342		\$ 13,012,188.59
Rate of Cash Reserve					(0.0461342)		(634,484.28)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,375,300,472		\$ 0.90 /cwt		\$ 12,377,704.31

COMPONENT PRICES

	<u>2024</u>	<u>2023</u>
Butterfat Price	\$3.4636 / lb	2.7572 / lb
Protein Price	1.7349 / lb	1.8002 / lb
Other Solids Price	0.2181 / lb	0.1877 / lb
Somatic Cell Adjustment Rate	0.00094 / cwt	0.00083 / cwt
Nonfat Solids Price ²	0.9647 / lb	.9729 / lb

COMPUTATION OF UNIFORM PRICE

	<u>2024</u>	<u>2023</u>
Class III Price - 3.5% BF	\$18.55	\$16.11
Producer Price Differential*	<u>0.90</u>	<u>2.10</u>
Statistical Uniform Price	\$19.45	\$18.21

CLASS PRICES

	<u>2024</u>	<u>2023</u>
Class I*	\$20.46	\$21.57
Class II	21.50	19.11
Class III	18.55	16.11
Class IV	20.50	18.10

CLASSIFICATION OF PRODUCER MILK

	<u>2024</u>	<u>2023</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	526,464,001	513,601,090
Class II	96,014,010	95,251,812
Class III	728,849,377	768,465,192
<u>Class IV</u>	<u>23,960,268</u>	<u>186,154,484</u>
Total	1,375,287,656	1,563,472,578

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 May 2024 was \$0.90, and the Statistical Uniform Price was \$19.45 for the month. The Statistical Uniform Price is \$1.18 higher than last month and is \$1.24 higher than May 2023. The Producer Butterfat Price of \$3.4636 per pound increased \$0.1327 from April and is up \$0.7064 from a year ago. The Protein Price of \$1.7349 is up \$0.9004 from last month and is down \$0.0653 from May 2023. The Other Solids Price in May was \$0.2181 per pound, a decrease from last month's price of \$0.2367 and \$0.0304 higher than last May. The Somatic Cell Adjustment rate for May was \$0.00094 per cwt.

May producer receipts of 1.38 billion pounds were 2.9 percent higher than April and 12.0 percent lower than May 2023 production of 1.56 billion pounds. Producer milk allocated to Class I accounted for 38.3 percent of the total producer milk in May 2024, lower than the 39.8 percent in April, and higher than the 32.9 percent in May 2023. A total of 3,317 producers were pooled on the Mideast Order compared to 3,353 producers pooled in May 2023.

The market average content of producer milk was as follows: Butterfat 4.07%; Protein 3.18%; Other Solids 5.77% and Nonfat Solids 8.95%.

Continued from page 1

On a milk-fat basis, domestic use for 2025 is forecast at 225.3 billion pounds, unchanged from last month's forecast. On a skim-solids basis, domestic use is forecast at 185.4 billion pounds, 0.2 billion up from last month on stronger anticipated domestic demand.

The adjusted wholesale dairy product price forecasts for 2025, in dollars per pound, are as follows: Cheddar cheese \$1.795 (+13.0 cents), dry whey \$0.400 (+2.50 cents), butter \$2.945 (+3.0 cents), and NDM \$1.14, unchanged from last month forecast.

Livestock, Dairy, and Poultry Outlook: June 2024, LDP-M-360, June 18, 2024 USDA, Economic Research Service

Dairy News

In April the farm milk margin above feed costs reported by the Dairy Margin Coverage (DMC) program was estimated at \$9.60 per cwt. April was the second consecutive month when the estimated DMC margin was above the \$9.50 per cwt maximum Tier 1 coverage level. The margin was \$3.76 per cwt higher than April 2023 and slightly below the previous month. The year-over-year increase was due to significantly lower prices for the feed inputs used in the margin's calculation that offset the year-over year lower all-milk prices.

According to the most recent NASS Agricultural Prices report the prices for the main feed inputs were year over year lower in April. The corn price was \$4.39 (-\$2.31) per bushel and the alfalfa hay price was \$195.00 (-\$93) per short ton. The soybean meal price (reported by USDA, Agricultural Marketing Service) averaged \$357.68 (-\$99.57) per short ton. The all-milk price in April averaged \$20.50 per hundredweight (cwt), down \$0.10 from April 2023. The milk-feed ratio reported by NASS was estimated at 2.14, up 0.67 points from last April.

April dairy exports were year-over-year higher on both the milk-fat and skim-solids milk-equivalent bases. Dairy exports on a milk-fat basis totaled 1.032 billion pounds, 145 million higher than April 2023. On a skim-solids basis, April exports totaled 4.153 billion pounds, 20 million pounds higher than April 2023. Higher year-over-year shipments of butter, cheese, and whey protein concentrate more than offset lower shipments of nonfat dry milk, lactose, and whey products.

April Milk Production Down 0.2 Percent

Milk production in the 24 major States during April totaled 18.3 billion pounds, down 0.2 percent from April 2023. March revised production, at 18.9 billion pounds, was down 0.5 percent from March 2023. The March revision represented an increase of 78 million pounds or 0.4 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,064 pounds for April, 8 pounds above April 2023.

The number of milk cows on farms in the 24 major States was 8.89 million head, 55,000 head less than April 2023, and 6,000 less than March 2024.

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 April totaled 2.7 billion pounds, up 10 million pounds or 0.4 percent from April 2023.

Production per cow in the Mideast states averaged 2,006 pounds for April, down 2 pounds from April 2023.

The number of cows on farms in the Mideast states was 1.3 million head, 6,000 head more than April 2023.

Released May 20, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition
www.fmmaclev.com
Featured this month are:

- Producer Price Differential & Uniform Price Statistics
- Grain & Alfalfa Hay Prices

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33

State	April 2024						April 2023				
	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	708	604,448	4.19	3.26	5.80	155	798,225	4.07	3.23	5.80	152
Ohio	1,155	362,950	4.09	3.20	5.72	175	409,896	4.01	3.20	5.73	176
Indiana	580	192,314	4.18	3.26	5.87	175	260,998	4.05	3.26	5.86	188
Pennsylvania	655	81,911	4.13	3.15	5.69	205	83,898	4.02	3.12	5.69	207
New York	96	27,748	4.55	3.38	5.98	181	55,600	4.18	3.26	5.86	198
Other	172	66,717	4.29	3.29	5.77	151	26,351	4.05	3.16	5.77	181
Total/Average *	3,366	1,336,088	4.17	3.24	5.78	167	1,634,965	4.05	3.22	5.79	169

* 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
May 2024**

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)	2,326,451	663,098	28.5	2.34	20.89
FO 5 Appalachian - (Charlotte)	439,956	310,357	70.5	^{2/}	21.77
FO 6 Florida - (Tampa)	208,193	169,128	81.2	^{2/}	23.46
FO 7 Southeast - (Atlanta)	291,594	206,858	70.9	^{2/}	22.08
FO 30 Upper Midwest - (Chicago)	2,754,563	160,925	5.8	0.19	18.74
FO 32 Central - (Kansas City)	1,320,452	355,251	26.9	0.59	19.14
FO 33 Mideast - (Cleveland)	1,375,288	526,464	38.3	0.90	19.45
FO 51 California - (Los Angeles)	2,103,899	398,463	18.9	0.85	19.40
FO 124 Pacific Northwest - (Seattle)	630,826	133,055	21.1	0.97	19.52
FO 126 Southwest - (Dallas)	1,117,381	319,128	28.6	1.34	19.89
FO 131 Arizona - (Phoenix)	292,243	110,255	37.7	^{2/}	20.09

^{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.

^{3/} Data not available at time of publication, please see website version for information.

MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2024.....\$18.55 /cwt.

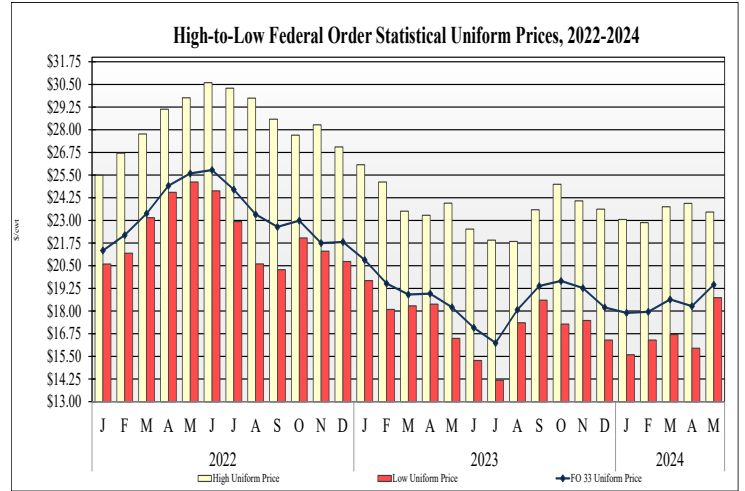
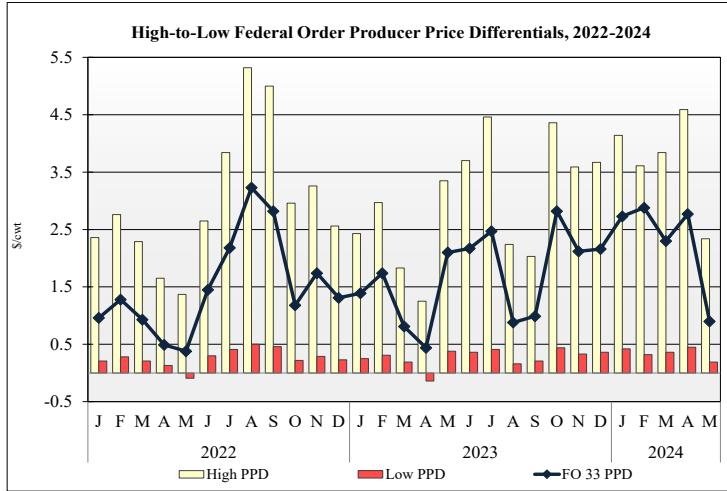


Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
June 2024

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 1/ 2/



Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For May 2024 Federal Order 1 had a PPD of \$2.34 per hundredweight (cwt), \$2.25 lower than their April PPD of \$4.59 per cwt.

In May 2024, Federal Order 33 had the fourth highest PPD, behind Orders 1, 126, and 124, at \$0.90 per cwt, \$1.87 per cwt lower than the April PPD.

For May 2024, Federal Order 30 had the lowest PPD at \$0.19 per cwt, \$0.26 per cwt lower than the April PPD.

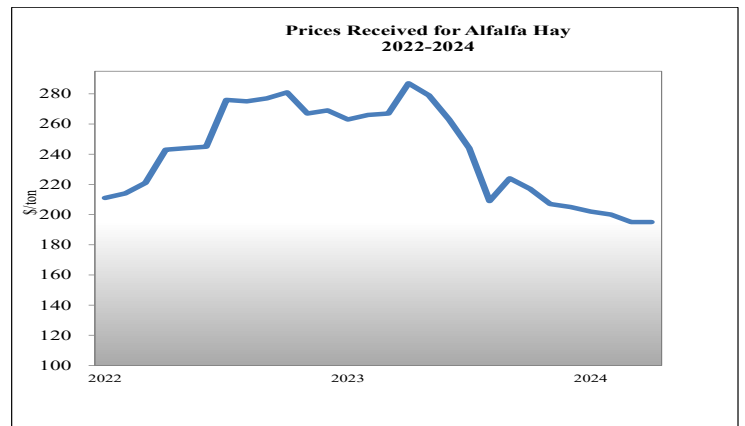
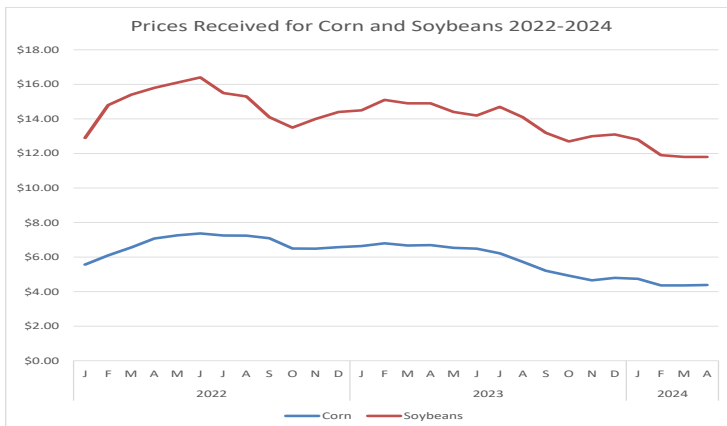
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2024, Federal Order 6 had a SUP of \$23.46 per cwt, \$0.48 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$19.45 per cwt, \$1.18 per cwt higher than the previous month's SUP.

Federal Order 30 had the lowest SUP at \$18.74 per cwt, \$2.79 per cwt higher than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



1/ Producer price differentials are subject to location adjustment.

2/ Statistical uniform prices are at 3.5 percent butterfat and subject to location adjustment.

3/ Source: USDA, National Agricultural Statistics Service