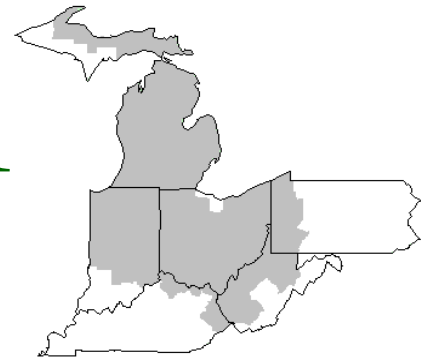


Mideast Market Bulletin



Federal Order No. 33

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September 2024

Dairy Forecasts for 2024

Based on recent data from the USDA, NASS Milk Production report, the 2024 forecast for the dairy herd is lowered by 5,000 head to 9.335 million head. Similarly, the forecast for milk yield is reduced to 24,200 pounds per cow, 30 pounds less than the previous forecast, due to a slower expected growth in milk per cow. Consequently, the milk production forecast for 2024 is lowered by 0.4 billion pounds to 225.9 billion pounds.

Following the most recent trade data, the projection for 2024 U.S. dairy products imports on a milk-fat basis is raised to 9.0 (+0.3) billion pounds. On a skim-solids basis, the projection is 6.9 billion pounds, unchanged from last month. Higher expected imports of butter and butter products more than offset lower expected imports of cheese and other dairy products.

With recent data showing strong exports, the projections of 2024 exports of dairy products are revised upward from last month's forecast. Projections for 2024 exports on a milk-fat basis are increased to 11.6 (+0.1) billion pounds, while exports on a skim-solids basis are forecast at 48.9 (+0.1) billion pounds. Higher expected exports of nonfat dry milk, casein and lactose more than offset lower expected exports of other dairy products.

Based on recent domestic use data, tighter domestic milk supplies, and higher expected prices for the main dairy products—the domestic use forecasts for 2024 are revised downward from the previous forecast. On a milk-fat basis 2024 domestic use is forecast at 222.6 (-0.2) billion pounds. On a skim-solids basis, it is forecast at 183.1 (-0.6) billion pounds.

Based on recent dairy price developments, the 2024 wholesale prices for all dairy products are revised upward. The new forecasts are as follows: Cheddar cheese \$1.930 (+10.50 cents), dry whey \$0.475 (+0.50 cents), butter \$3.000 (+1.00 cents), and NDM \$1.220 (+2.50 cents) per pound.

With higher prices across dairy products, the Class III and IV milk price forecasts are also raised from the previous month. The new forecast for Class III milk is \$19.45 per cwt, \$1.05 higher than the previous forecast. The Class IV price forecast is raised to \$21.00 per cwt, \$0.20 higher than the previous projection. The all-milk price for 2024 is now forecast at \$23.05 per cwt, up \$0.75 from last month's forecast.

Livestock, Dairy, and Poultry Outlook: September 2024, LDP-M-363, September 18, 2024, USDA, Economic Research Service

National Federal Milk Marketing Order Pricing Formula Hearing Updates

The website for the National Federal Milk Marketing Order Pricing Formula Hearing has been recently updated. The website is located at:

<https://www.ams.usda.gov/rules-regulations/moa/dairy/hearings/national-fmmpo-pricing-hearing>

Dairy Forecasts for 2025

The improved dairy margins through 2024 are likely to create incentives for farmers to increase their dairy herds in 2025. However, the tight supply of dairy heifers will moderate growth expectations in the first half of the year. Relative to last month, the forecast for the U.S. dairy herd size in 2025 is unchanged at 9.360 million head. With lower 2024 forecasts for milk per cow and expected steady increases in milk solids components, the 2025 forecast for yield per cow is lowered by 30 pounds to 24,345 pounds. U.S. milk production for 2025 is projected at 227.9 billion pounds, 0.3 billion pounds lower than last month's forecast.

(Continued on page 3)

August 2024 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	593,368,727	37.2
Class II	217,933,671	13.7
Class III	693,881,392	43.5
Class IV	90,707,986	5.6
Total	1,595,891,776	100.0

Producer Prices

Producer Price Differential	\$1.06 / cwt
Butterfat Price	3.5632 / lb
Protein Price	2.1756 / lb
Other Solids Price	0.2959 / lb
Somatic Cell Adjustment Rate	0.00102 / cwt
Statistical Uniform Price	21.72

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

August 2024

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			579,640,971			\$11.08 / cwt	\$ 64,224,219.59
Class I Butterfat		13,727,756				3.6072 / lb	49,518,761.44
Class I Location Differential	593,368,727						(368,760.51)
Class II SNF Value				18,535,426		1.1000 / lb	20,388,968.60
Class II Butterfat		19,137,826				3.5702/ lb	68,325,866.37
Class III Protein Value			22,048,488			2.1756 lb	47,968,690.49
Class III Other Solids Value					40,134,688	0.2959/ lb	11,875,854.19
Class III Butterfat		26,406,371				3.5632 lb	94,091,181.13
Class IV SNF Value				7,973,503		1.0484/ lb	8,359,420.55
Class IV Butterfat		5,393,674				3.5632/ lb	19,218,739.19
Somatic Cell Value II / III / IV							<u>1,554,971.49</u>
TOTAL PRODUCER MILK VALUE	1,595,891,776	64,665,627	50,552,520		91,985,003		\$ 385,156,912.53
Overages						87,079.72	
Beginning Inventory & OS Charges						(11,816.62)	
TOTAL ADJUSTMENTS							\$ <u>75,263.10</u>
TOTAL HANDLER OBLIGATIONS							\$ 385,233,175.63
Total Protein Value			50,552,520 lbs	@	\$ 2.1756		\$(109,982,062.52)
Total Other Solids Value			91,985,003 lbs	@	0.2959		(27,218,362.41)
Butterfat Value			64,665,627 lbs	@	3.5632		(230,416,562.12)
Total Somatic Cell Values							<u>(2,397,447.16)</u>
TOTALS							\$ 15,218,741.42
Net Producer Location Adjustments							\$ 1,534,250.04
1/2 Unobligated Balance Producer Settlement Fund							<u>802,000.00</u>
Total - Divided by Total Pounds			1,595,901,203 lbs				\$ 17,554,991.46
Rate of Cash Reserve							<u>(638,438.68)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,595,901,203		\$ 1.06 / cwt		\$ 16,916,552.78

COMPONENT PRICES

	August <u>2024</u>	August <u>2023</u>
Butterfat Price	\$3.5632 / lb	\$3.0218 / lb
Protein Price	2.1756 / lb	2.0851 / lb
Other Solids Price	0.2959 / lb	0.0648 / lb
Somatic Cell Adjustment Rate	0.00102 / cwt	0.00092 / cwt
Nonfat Solids Price ²	1.0484 / lb	0.9599 / lb

COMPUTATION OF UNIFORM PRICE

	August <u>2024</u>	August <u>2023</u>
Class III Price - 3.5% BF	\$20.66	\$17.19
Producer Price Differential*	<u>1.06</u>	<u>0.88</u>
Statistical Uniform Price	\$21.72	\$18.07

CLASS PRICES

	August	
	<u>2024</u>	<u>2023</u>
Class I*	\$23.32	\$18.62
Class II	22.05	19.91
Class III	20.66	17.19
Class IV	21.58	18.91

CLASSIFICATION OF PRODUCER MILK

	August	
	<u>2024</u>	<u>2023</u>
	Product lbs.	Product lbs.
Class I	593,368,727	533,869,730
Class II	217,933,671	123,339,631
Class III	693,881,392	695,122,836
<u>Class IV</u>	<u>90,707,986</u>	<u>42,190,490</u>
Total	1,595,891,776	1,394,522,687

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 August 2022 was \$1.06, and the Statistical Uniform Price was \$21.72 for the month. The Statistical Uniform Price is \$0.51 higher than last month and is \$3.65 higher than August 2023.

The Producer Butterfat Price of \$3.5632 per pound decreased \$0.0088 from July and is up \$0.5414 from a year ago. The Protein Price of \$2.1756 is up \$0.2290 from last month and is up \$0.0905 from August 2023. The Other Solids Price in August was \$0.2959 per pound, an increase from last month's price of \$0.2571 and \$0.2311 higher than last August. The Somatic Cell Adjustment rate for August was \$0.00102 per cwt.

August producer receipts of 1.60 billion pounds were 3.3 percent higher than July and 14.4 percent higher than August 2023 production of 1.39 billion pounds. Producer milk allocated to Class I accounted for 37.2 percent of the total producer milk in August 2024, higher than 36.8 percent in July, and lower than the 38.3 percent in August 2023. A total of 3,402 producers were pooled on the Mideast Order compared to 3,427 producers pooled in August 2023.

The market average content of producer milk was as follows: Butterfat 4.05 %; Protein 3.17 %; Other Solids 5.76 % and Nonfat Solids 8.93 %.

(Continued from page 1)

With lower milk production and higher domestic dairy product prices, the projections for 2025 imports of dairy products are revised upward from last forecast. On a milk-fat basis, imports in 2025 are forecast at 8.6 (+0.3) billion pounds, while on a skim-solids basis, imports are forecast at 7.1 (+0.1) billion pounds. Higher expected imports of cheese, butter and butterfat products, milk proteins, and other dairy products are driven by strong demand from U.S. buyers and higher expected prices on domestic dairy products.

With higher expected prices for dairy products, some U.S. products are expected to become less competitive in the international market. On a skim-solids basis, the 2025 dairy exports are forecast 49.8 billion pounds, 0.4 billion pounds lower than last month's forecast. However, on a milk-fat basis, dairy exports are projected at 11.3 billion pounds, unchanged from the previous forecast.

Domestic use forecasts for 2025 are revised from last month. On a milk-fat basis, domestic use for 2025 is forecast at 224.4 billion pounds, 0.1 billion pounds below last month's forecast. Conversely, with expected strong demand for high protein whey products, on a skim-solids basis, domestic use forecast is raised to 184.0 billion pounds, 0.1 billion pounds above the previous forecasts.

With tighter domestic milk supplies in 2025, the wholesale dairy products price forecasts for Cheddar cheese and whey are adjusted upward as follows: Cheddar cheese \$1.940 (+8.00 cents) and whey \$0.485 (+3.50 cents) per pound, respectively. The 2025 projections for butter and NDM are also revised upward as follows: butter \$3.005 (+2.00 cents) and NDM \$1.235 (+1.50 cents) per pound, respectively.

With higher prices forecast across all dairy products, the 2025 forecasts for Class III and Class IV milk prices are revised upward to \$19.60 (+\$0.95) and \$21.20(+\$0.25) per cwt, respectively. The all-milk price for 2025 is now forecast at \$23.45 per cwt, up \$0.70 from last month's forecast

Livestock, Dairy, and Poultry Outlook: September 2024, LDP-M-363, September 18, 2024, USDA, Economic Research Service

July Milk Production Down 0.2 Percent

Milk production in the 24 major States during July totaled 18.2 billion pounds, down 0.2 percent from July 2023. June revised production, at 17.9 billion pounds, was down 1.5 percent from June 2023. The June revision represented a decrease of 0.8 percent or 137 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,047 pounds for July, 2 pounds above July 2023.

The number of milk cows on farms in the 24 major States was 8.88 million head, 31,000 head less than July 2023, but 3,000 head more than June 2024.

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 July totaled 2.7 billion pounds, this was down 0.3 percent from July 2023.

Production per cow in the Mideast states averaged 2,011 pounds for July. This was an increase of 6 pounds per cow from July 2023. The number of cows on farms in the Mideast states was 1.3 million head, 6,000 head less than July 2023.

Released August 21, 2024, 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:

- 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	July 2024						July 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	723	742,500	4.05	3.16	5.80	180	654,975	3.91	3.10	5.80	171
Ohio	1,094	379,868	3.92	3.11	5.68	215	365,065	3.90	3.11	5.79	207
Indiana	574	244,018	4.02	3.16	5.80	223	216,569	3.88	3.10	5.85	214
Pennsylvania	650	77,256	3.91	3.06	5.65	254	82,639	3.86	3.03	5.67	238
New York	113	42,229	4.22	3.19	5.88	203	40,321	4.08	3.20	5.93	195
Other	178	58,693	4.14	3.17	5.76	184	35,117	3.94	3.09	5.79	202
Total/Average *	3,332	1,544,565	4.01	3.14	5.76	200	1,394,687	3.91	3.10	5.80	193

* 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
August 2024**

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,273,105	640,214	28.1	1.98	\$22.64
FO 5 Appalachian - (Charlotte)	436,255	318,431	73.0	^{2/}	23.98
FO 6 Florida - (Tampa)	213,037	174,894	82.1	^{2/}	25.81
FO 7 Southeast - (Atlanta)	278,823	220,935	79.2	^{2/}	24.57
FO 30 Upper Midwest - (Chicago)	2,561,066	157,717	6.2	0.20	20.86
FO 32 Central - (Kansas City)	1,200,357	355,464	29.6	0.68	21.34
FO 33 Mideast - (Cleveland)	1,595,892	593,369	37.2	1.06	21.72
FO 51 California (Los Angeles)	2,212,647	397,276	18.0	0.84	21.50
FO 124 Pacific Northwest - (Seattle)	615,421	125,989	20.5	0.71	21.37
FO 126 Southwest - (Dallas)	1,182,416	331,851	28.1	1.41	22.07
FO 131 Arizona - (Phoenix)	392,078	137,381	35.0	^{2/}	22.14

^{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.

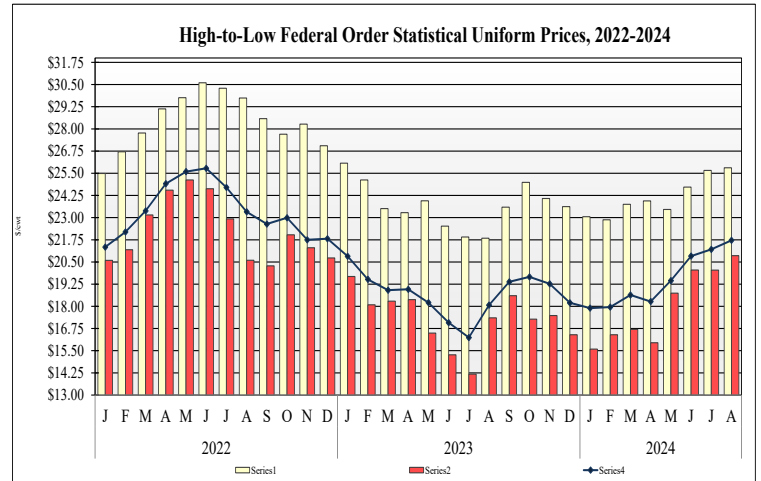
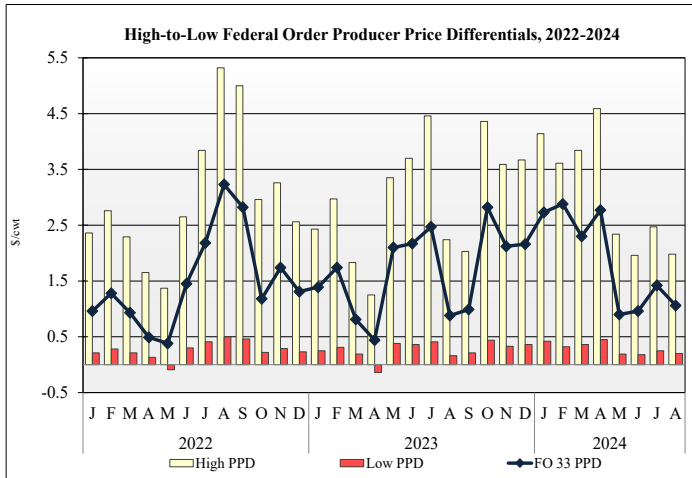
MINIMUM PARTIAL PAYMENT PRICE FOR SEPTEMBER 2024.....\$20.66 /cwt.

Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
September 2024

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/



Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For August 2024 Federal Order 1 had a PPD of 1.98 per hundredweight (cwt), \$0.49 less than their July PPD of \$2.47 per cwt.

In August 2024 Federal Order 33 had the third highest PPD, behind Order 1 at \$1.06 per cwt, \$0.36 per cwt lower than the July PPD.

For August 2024 Federal Order 30 had the lowest PPD at \$0.20 per cwt, \$0.05 per cwt lower than the July PPD.

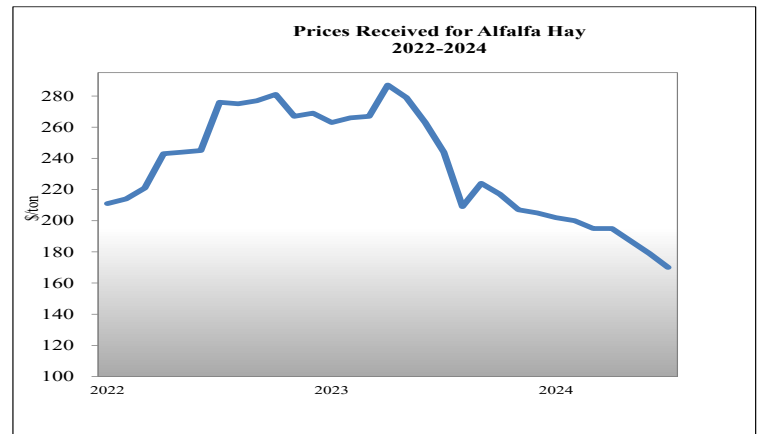
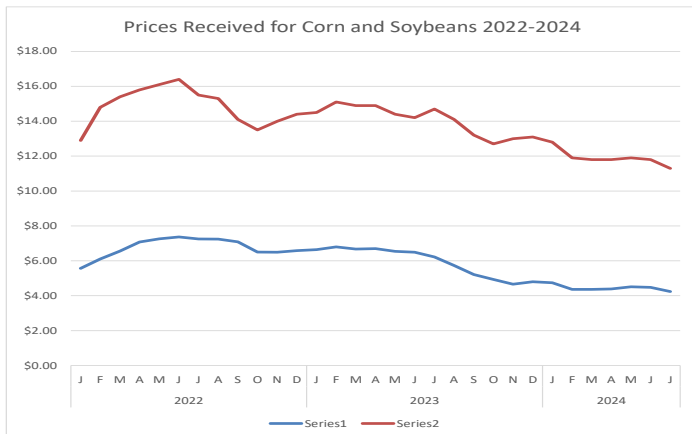
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For August 2024 Federal Order 6 had a SUP of \$25.81 per cwt, \$0.15 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$21.72 per cwt, \$0.51 per cwt higher than the previous month's SUP.

The Upper Midwest Order had the lowest SUP at \$20.86 per cwt, \$0.82 per cwt higher than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



2/ Producer price differentials are subject to location adjustment.

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

4/ Source: USDA, National Agricultural Statistics Service