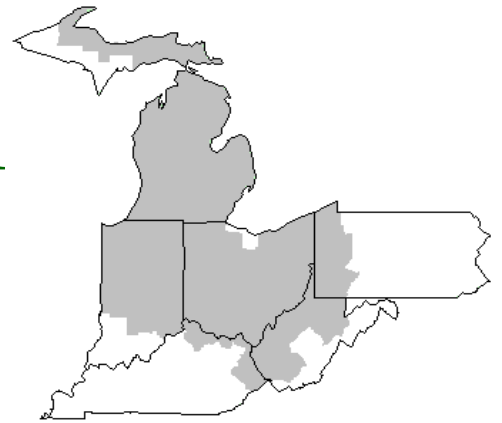


Mideast Market Administrator's Bulletin



Federal Order No. 33

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JULY 2022

Dairy Forecasts for 2022

Based on recent information, the milk cow number forecast for the second quarter of the year (2022-Q2) was adjusted to 9.405 million head, up by 5,000 but unchanged for the rest of the year. The average number of milk cows projected for 2022 rounds to 9.400 million head, unchanged from last month's forecast. Due to expected higher temperatures and dry conditions negatively affecting cow comfort, grain crops, and forage supplies and quality, projected yield per cow is lowered for the 2022-Q2 and Q3, but unchanged for Q4. Hence, the annual milk per cow projection for 2022 is 24,090 pounds per cow, 30 pounds less than last month's forecast. The milk production forecast for 2022 is 226.4 billion pounds, a decrease of 0.3 billion pounds from the previous month's forecast.

The forecast for 2022 exports on a milk-fat basis is 12.0 billion pounds, unchanged from last month's projection. On a skim-solids basis, exports are projected at 50.1 billion pounds, 0.2 billion higher than the forecast from last month due to stronger expected exports of whey products and lactose.

Import projections for 2022 are raised from the previous month due to stronger expected demand for cheese, butterfat products, and other dairy products. The 2022 import forecast is adjusted to 7.0 billion pounds (+0.4 billion) on a milk-fat basis and 6.1 billion pounds (+0.2 billion) on a skim-solids basis.

With firm demand for fat-basis products supporting stronger imports and drawing from stocks, the 2022 domestic use forecast is adjusted higher. On a milk-fat basis, it is 221.8 billion pounds, 0.2 billion higher than last month's forecast. However, on a skim-solids basis, the forecast for domestic use is 181.4 billion pounds, 0.3 billion lower than last month's forecast.

Based on expectations of relatively strong demand for dairy products, weak milk-supply growth, and the recent upward price trend, the 2022 cheese price forecast has been raised to \$2.195 per pound, 2.0 cents higher than last month's forecast. Based on relatively stronger expected domestic and international demand, price forecasts for butter and NDM have been raised to \$2.765 (+11.5 cents), \$1.755 (+4.0 cents), respectively. Due to a recent softening in domestic and international prices, the 2022 price for dry whey is forecast at \$0.640 (-1.5 cents) per pound.

With higher expected cheese prices more than offsetting weaker dry whey prices, the Class III price forecast for 2022 has been

adjusted to \$22.90 per cwt, 15 cents higher than last month's forecast. Higher anticipated butter and NDM prices translate to a Class IV projected price of \$24.65 per cwt, 85 cents higher than last month's projection. The all-milk price forecast for 2022 is \$26.20 per cwt, 45 cents above the May forecast and \$7.67 higher than the 2021 price

Livestock, Dairy, and Poultry Outlook, LDP-M-336, June 16, 2022, USDA, Economic Research Service

Dairy Forecasts 2023

The number of cows is projected to average 9.400 million head in 2023, even with 2022 and unchanged from last month's projection. With slower growth in milk per cow than previously expected, the 2023 milk per cow projection is 24,400 pounds, 20 pounds below last month's projection but 310 pounds higher than the 2022 forecast. Consequently, milk production in 2023 is projected at 229.3 billion pounds, 0.2 billion pounds below last month's forecast.

(Continued on Page 3)

June 2022 - Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	459,890,275	34.9
Class II	118,636,428	9.0
Class III	688,186,478	52.2
Class IV	52,835,380	3.9
Total	1,319,548,561	100.0

Producer Prices

Producer Price Differential	\$ 1.45 / cwt
Butterfat Price	3.3323 / lb
Protein Price	3.4173 / lb
Other Solids Price	0.4295 / lb
Somatic Cell Adjustment Rate	0.00117 / cwt
Statistical Uniform Price	25.78 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****June 2022****COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			449,721,115			\$17.66 / cwt	\$ 79,420,748.92
Class I Butterfat		10,169,160				3.0928 / lb	31,451,178.05
Class I Location Differential	459,890,275						(240,875.09)
Class II SNF Value				9,667,025		1.7222 / lb	16,648,550.44
Class II Butterfat		14,099,945				3.3393 / lb	47,083,946.32
Class III Protein Value			21,387,516			3.4173 / lb	73,087,558.47
Class III Other Solids Value					40,081,485	0.4295 / lb	17,214,997.79
Class III Butterfat		23,665,981				3.3323 / lb	78,862,148.51
Class IV SNF Value				4,632,382		1.6313 / lb	7,556,804.75
Class IV Butterfat		3,038,153				3.3323 / lb	10,124,037.26
Somatic Cell Value II / III / IV							<u>1,611,692.61</u>
TOTAL PRODUCER MILK VALUE	1,319,548,561	50,973,239	40,902,794		76,465,569		\$ 362,820,788.03
Overages						\$ 2,930.42	
Beginning Inventory & OS Charges						131,697.54	
TOTAL ADJUSTMENTS							\$ 134,627.96
TOTAL HANDLER OBLIGATIONS							\$ 362,820,788.03
Total Protein Value			40,902,794 lbs	@	\$ 3.4173		\$(139,777,117.95)
Total Other Solids Value			76,465,569 lbs	@	0.4295		(32,841,961.94)
Butterfat Value			50,973,239 lbs	@	3.3323		(169,858,124.37)
Total Somatic Cell Values							<u>(2,444,413.50)</u>
TOTALS							\$ 18,033,798.23
Net Producer Location Adjustments							\$ 918,708.17
1/2 Unobligated Balance Producer Settlement Fund							<u>806,000.00</u>
Total - Divided by Total Pounds			1,319,548,561 lbs			1.4973686	\$ 19,758,506.40
Rate of Cash Reserve						<u>(0.0473686)</u>	<u>(625,051.68)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,319,548,561			\$1.45 / cwt	\$ 19,133,454.72

COMPONENT PRICES**June**

	<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.3323 / lb	\$1.9641 / lb
Protein Price	3.4173 / lb	2.5834 / lb
Other Solids Price	0.4295 / lb	0.4579 / lb
Somatic Cell Adjustment Rate	0.00117 / cwt	0.00082 / cwt
Nonfat Solids Price ²	1.6313 / lb	1.0908 / lb

COMPUTATION OF UNIFORM PRICE**June**

	<u>2022</u>	<u>2021</u>
Class III Price - 3.5% BF	\$24.33	\$17.21
Producer Price Differential*	<u>1.45</u>	<u>.60</u>
Statistical Uniform Price	\$25.78	\$17.81

CLASS PRICES**June**

	<u>2021</u>	<u>2020</u>
Class I*	\$27.87	\$20.29
Class II	26.65	16.66
Class III	24.33	17.21
Class IV	25.83	16.35

CLASSIFICATION OF PRODUCER MILK**June**

	<u>2021</u>	<u>2020</u>
Class I	Product lbs. 459,890,275	498,581,961
Class II	118,636,428	380,747,468
Class III	688,186,478	463,514,272
Class IV	<u>52,835,380</u>	<u>254,705,111</u>
Total	1,319,548,561	1,597,548,812

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 June 2022 was \$1.45, and the Statistical Uniform Price was \$25.78 for the month. The Statistical Uniform Price is \$0.19 higher than last month and is \$7.97 higher than June 2021.

The Producer Butterfat Price of \$3.3323 per pound increased \$0.2267 from May and is up \$1.3682 from a year ago. The Protein Price of 3.4173 is down \$0.4523 from last month and is up \$0.8339 from June 2021. The Other Solids Price in June was \$0.4295 per pound, a decrease from last month's price of \$0.4857 and \$0.0284 lower than last June. The Somatic Cell Adjustment rate for June was \$0.00117 per cwt.

June producer receipts of 1.32 billion pounds were 23.5 percent lower than May and 17.4 percent lower than June 2021 production of 1.60 billion pounds. Producer milk allocated to Class I accounted for 34.9 percent of the total producer milk in June 2022, higher than the 30.1 percent in May, and higher than the 31.2 percent in June 2021. A total of 3,307 producers were pooled on the Mideast Order compared to 3,816 producers pooled in June 2021.

The market average content of producer milk was as follows: Butterfat 3.86%; Protein 3.10%; Other Solids 5.79% and Nonfat Solids 8.89%.

(Continued from Front Page)

On a milk-fat basis, the export forecast for 2023 is 11.6 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the export forecast for 2023 is 50.9 billion pounds, 0.1 billion lower than the forecast of the previous month. Expectations are higher for cheese exports but lower for exports of dry skim-milk products.

For 2023, dairy imports remain unchanged on a skim-solids basis at 6.0 billion pounds. On a milk-fat basis, strong demand for butterfat products is carried forward from 2022 forecasts, and fat-basis imports are forecast at 6.9 billion pounds, 0.3 above the last projection.

The domestic use for 2023 is forecast at 222.7 billion pounds on a milk-fat basis, a decrease of 0.1 billion from the previous forecast. On a skim-solids basis, the projection is 182.5 billion pounds, 0.2 billion lower than last month.

Demand for dairy products is expected to remain strong in 2023, supporting higher prices. Price forecasts for 2023 for Cheddar cheese, butter, and NDM, are raised from last month to \$2.050 (+1.0 cent), \$2.385 (+3.5 cents) and \$1.620 (+4.0 cents) per pound, respectively. The 2023 price forecast for dry whey remains unchanged from the previous month's projection of \$0.520 per pound.

The Class III milk price forecast for 2023 is \$20.65 per cwt, 15 cents higher than the previous month's forecast due to higher expected cheese prices and steady dry whey prices. With higher butter and NDM prices, the Class IV milk price projection for 2023 is \$21.90 per cwt, 50 cents higher than last month's forecast. The all-milk price forecast for 2023 is \$23.80 per cwt, an increase of 25 cents from last month's forecast, but \$2.40 lower than the 2022 forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-336, June 16, 2022 USDA, Economic Research Service

May Milk Production Down 0.6 Percent

Milk production in the 24 major States during May totaled 18.8 billion pounds, down 0.6 percent from May 2021. April revised

production, at 18.3 billion pounds, was down 0.9 percent from April 2021. The April revision represented a decrease of 3 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,114 pounds for May, 8 pounds above May 2021. The number of milk cows on farms in the 24 major States was 8.91 million head, 84,000 head less than May 2021, but 2,000 head more than April 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 May totaled 2.8 billion pounds, down 54 million pounds or 1.9 percent from May 2021.

Production per cow in the Mideast states averaged 2,065 pounds for May. This was an increase of 26 pounds from May 2021.

The number of cows on farms in the Mideast states was 1.3 million head, 44,000 head less than May 2021.

Bulletin WebPage Edition

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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 2022						May 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	824	866,688	3.94	3.18	5.80	161	574,575	3.87	3.18	5.79	152
Ohio	1,194	404,929	3.97	3.18	5.76	192	378,986	3.85	3.14	5.73	175
Indiana	552	266,526	3.86	3.13	5.77	200	291,367	3.89	3.17	5.85	170
Pennsylvania	545	87,592	3.93	3.08	5.69	220	91,754	3.93	3.08	5.69	207
New York	144	87,772	4.08	3.17	5.86	193	66,238	4.07	3.21	5.86	171
Other	143	11,521	3.93	3.10	5.76	231	17,413	3.92	3.13	5.79	193
Total/Average *	3,402	1,725,027	3.94	3.17	5.79	179	1,420,332	3.86	3.16	5.79	167

* 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 2022**

<u>Marketing Area</u> ^{1/}		<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>)	2,244,420	617,991	27.5	\$2.65	\$26.98
FO 5	Appalachian - (<i>Charlotte</i>)	432,921	287,580	66.4	^{2/}	28.52
FO 6	Florida - (<i>Tampa</i>)	187,237	151,935	81.1	^{2/}	30.60
FO 7	Southeast - (<i>Atlanta</i>)	348,236	216,758	62.2	^{2/}	28.74
FO 30	Upper Midwest - (<i>Chicago</i>)	2,487,563	163,765	6.6	0.30	24.63
FO 32	Central - (<i>Kansas City</i>)	1,290,604	337,950	26.2	1.04	25.37
FO 33	Mideast - (<i>Cleveland</i>)	1,319,549	459,890	34.9	1.45	25.78
FO 51	California - (<i>Los Angeles</i>)	1,654,582	374,251	22.6	1.26	25.59
FO 124	Pacific Northwest - (<i>Seattle</i>)	627,175	128,718	20.5	1.06	25.39
FO 126	Southwest - (<i>Dallas</i>)	1,091,838	292,691	26.8	1.71	26.04
FO 131	Arizona - (<i>Phoenix</i>)	419,017	103,468	24.7	^{2/}	26.22

^{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 JULY 2022.....\$24.33 /cwt.

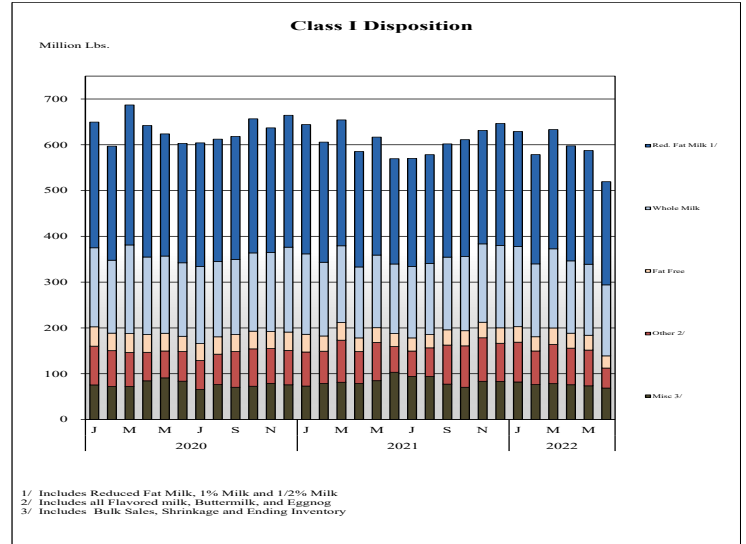
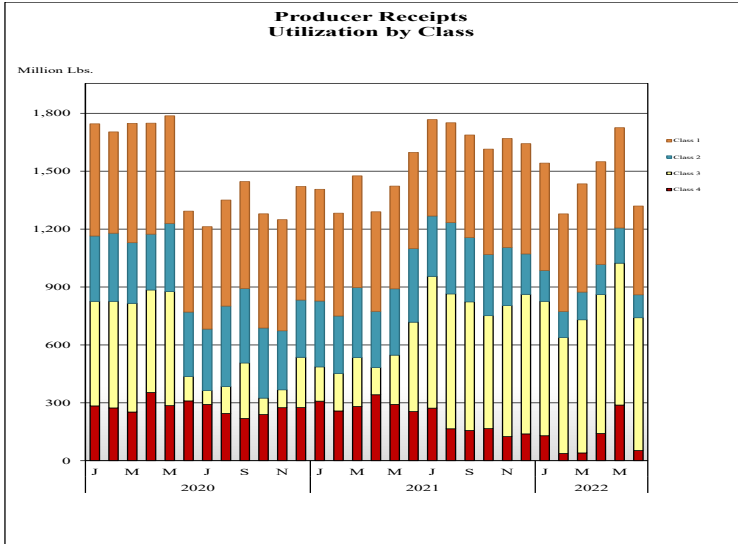


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Supplement
July 2022

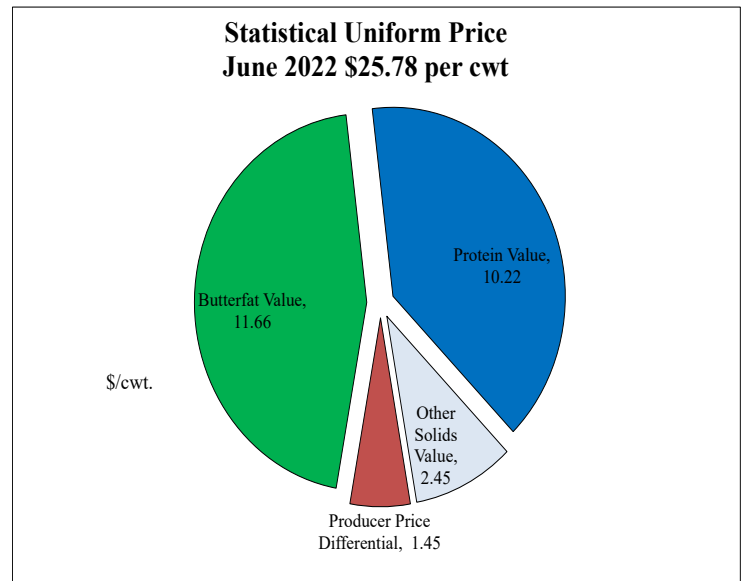
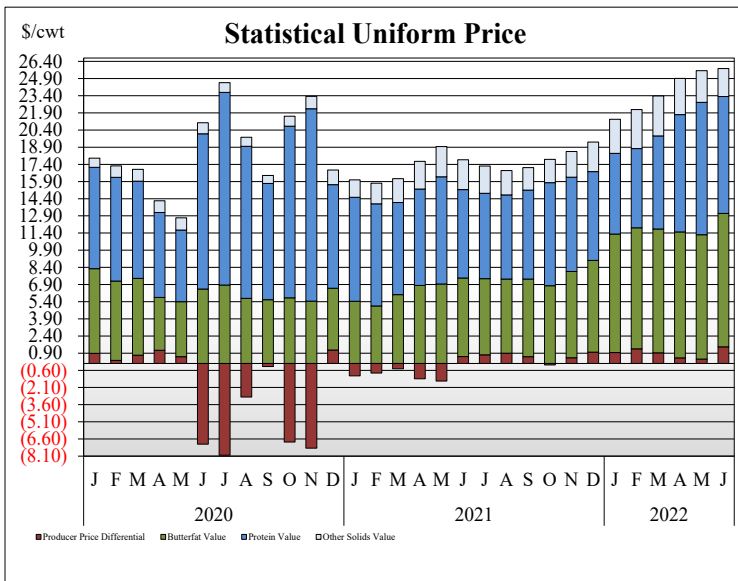
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.320 billion pounds in June 2022. The pounds allocated to Class I represented 34.9 percent of the total pounds. Producer receipts decreased 405 million pounds compared to May 2022, and were down 278 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 519 million pounds in June 2022, down 50 million pounds from June 2021. Finished products include 155 million pounds used for whole milk, 225 million pounds of reduced fat and low fat milk, and 27 million pounds of fat free (skim) milk.

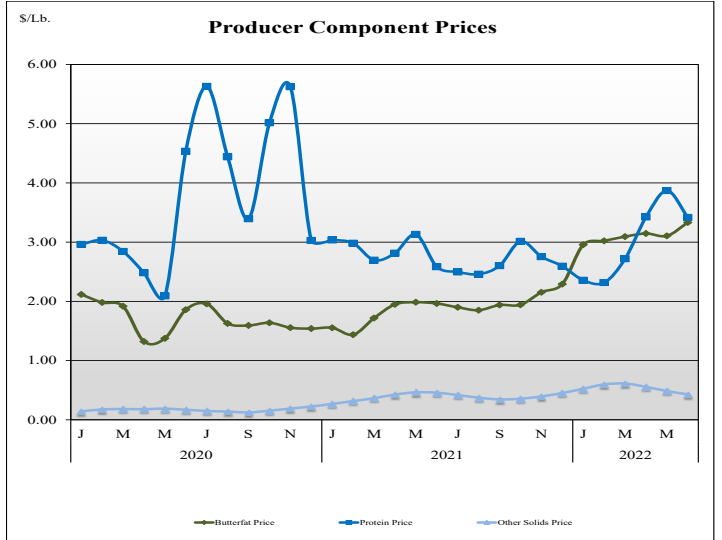
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$25.78 per cwt for June 2022. The June 2022 SUP was \$7.87 per cwt higher than the June 2021 SUP. The June 2021 SUP is \$0.19 per cwt higher than the May 2022 SUP.

June 2022 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the June 2021 SUP are: \$10.22 per cwt for protein, \$11.66 per cwt for butterfat and \$2.45 per cwt for other solids. Also included in the SUP is the \$1.45 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

