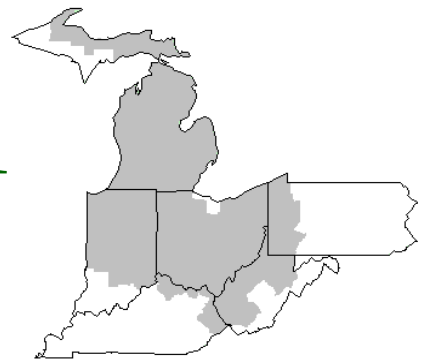


# Mideast Market Bulletin



## Federal Order No. 33

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**September 2023**

### Dairy Forecasts for 2023

The U.S. milk production forecast for 2023 is 227.9 billion pounds, 0.3 billion lower than last month's forecast. Lower milk cow numbers and yield per cow were forecast for 2023-Q3 and 2023-Q4. Projections for lower milk cow numbers were based on low July 1 dairy cow inventory estimates provided in the recent Cattle and Milk Production reports. The 2023 annual projection for the dairy cow inventory is 9.410 million head, 5,000 head below last month's projection. The 2023 annual forecast for milk per cow has been lowered by 30 pounds to 24,225 pounds.

Based on recent trade data showing sluggish exports of cheese, whole milk powder, dry whey, butter, and butterfat products, dairy export forecasts are projected downward for the rest of 2023. On a milk-fat basis, exports are projected at 11.1 billion pounds, 0.5 billion pounds lower than last month's projection. On a skim-solids basis, exports are forecast at 50.5 billion pounds, 0.4 billion lower than last month's forecast.

The 2023 import forecast on a milk-fat basis is 7.5 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the projection for imports is 6.5 billion pounds, unchanged from last month's projections. Expectations for imports of butter and some types of cheese are lower for the rest of 2023.

On a milk-fat basis, the 2023 domestic use projection is 223.1 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the 2023 domestic use forecast is 182.6 billion pounds, unchanged from last month's forecast.

The 2023 price forecasts for Cheddar cheese, butter, and NDM are increased to \$1.775 (+10.0 cents), \$2.495 (+6.0 cents), and \$1.175 (+0.5 cents) per pound, respectively, due to recent price strength. In contrast, the 2023 dry whey price forecast is reduced to \$0.325 per pound (-2.5 cents) based on weaker expectations for international demand. With higher expected prices for cheese more than offsetting lower dry whey prices, the Class III milk price forecast for 2023 is adjusted to \$16.90 per hundredweight (cwt), up \$0.85 from last month's forecast. With higher expected prices for butter and NDM in 2023, the Class IV milk price forecast increased by \$0.30 to \$18.50 per cwt. The all-milk price forecast for 2023 is \$19.95 per cwt, \$0.40 higher than last month's forecast.

### Dairy Forecasts for 2024

The 2024 milk cow inventory projection is decreased by 5,000 head to 9.385 million head, while the forecast for milk per cow is unchanged at 24,560 pounds. The projection for 2024 milk production has been lowered to 230.5 billion pounds, 0.1 billion

lower than last month's forecast. Dairy exports on a milk-solids basis are projected lower for 2024 compared to last month's projection. On a milk-fat basis, the export forecast for 2024 is 12.4 billion pounds, 0.2 billion below last month's forecast. In 2024, dairy exports are projected to total 53.3 billion pounds on a skim-solids basis, 0.5 billion lower than the previous month's forecast. Lower exports for butter, cheese, whey, and lactose are expected in 2024. With lower expected imports of casein, butter, and cheese, 2024 dairy imports are projected lower in 2024 from last month's forecast at 7.5 billion pounds (-0.1 billion) on a milk-fat basis and 6.8 billion pounds (-0.1 billion) on a skim-solids basis.

On a milk-fat basis, the annual domestic use forecast for 2024 is 224.6 billion pounds, unchanged from the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.9 billion pounds, 0.2 billion above last month's forecast.

The 2024 price forecast for Cheddar cheese and butter are increased to \$1.755 (+6.5 cents) and \$2.430 (+8.5 cents) per pound, respectively. The 2024 NDM price projection is \$1.125 per pound, unchanged from last month, while the dry whey price forecast is lowered at \$0.305 per pound (-1.0 cent) based on weaker expectations for international demand.

The Class III milk price forecast for 2024 is adjusted to \$16.55 per cwt, up \$0.60 from last month's forecast, while the Class IV milk price forecast is \$17.80 per cwt, up \$0.35. The all-milk price forecast for 2024 is \$19.35 per cwt, \$0.25 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook: August 2023, LDP-M-350, August 17, 2023 USDA, Economic Research Service

### August 2023 Pool Summary

#### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	533,869,730	38.3
Class II	123,339,631	8.8
Class III	695,122,836	49.9
Class IV	42,190,490	3.0
Total	1,394,522,687	100.0

#### Producer Prices

Producer Price Differential	\$ 0.88 / cwt
Butterfat Price	3.0218 / lb
Protein Price	2.0851 / lb
Other Solids Price	0.0648 / lb
Somatic Cell Adjustment Rate	0.00092 / cwt
Statistical Uniform Price	18.07

**ANNOUNCEMENT OF PRODUCER PRICES**

Federal Order No. 33

August 2023

**COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			522,087,329			\$9.22 / cwt	\$ 48,136,451.73
Class I Butterfat		11,782,401				2.766 / lb	32,715,014.62
Class I Location Differential	533,869,730						(282,317,.03)
Class II SNF Value				9,932,993		1.0722 / lb	10,650,155.12
Class II Butterfat		16,155,177				3.0288/ lb	48,930,800.11
Class III Protein Value			21,863,762			2.0851 lb	45,588,130.16
Class III Other Solids Value					40,424,964	0.0648/ lb	2,619,537.66
Class III Butterfat		23,587,587				3.0218/ lb	71,276,970.40
Class IV SNF Value				3,589,977		0.9599/ lb	3,446,018.91
Class IV Butterfat		3,375,035				3.0218/ lb	10,198,680.75
Somatic Cell Value II / III / IV							<u>1,239,891.36</u>
<b>TOTAL PRODUCER MILK VALUE</b>	1,394,522,687	54,900,200	43,585,907		80,617,653		\$ 274,519,333.79
Overages					231,414,.28		
Beginning Inventory & OS Charges					85,716.67		
<b>TOTAL ADJUSTMENTS</b>							\$ 317,130.95
<b>TOTAL HANDLER OBLIGATIONS</b>							\$ 274,836,464.74
Total Protein Value			43,585,907 lbs	@	\$ 2.0851		\$(90,880,974.71)
Total Other Solids Value			80,617,653 lbs	@	0.0648		(5,224,023.94)
Butterfat Value			54,900,200 lbs	@	3.0218		(165,897,424.36)
Total Somatic Cell Values							<u>(1,938,419.06)</u>
<b>TOTALS</b>							\$ 10,895,622.67
Net Producer Location Adjustments							\$ 1,230,388.91
1/2 Unobligated Balance Producer Settlement Fund							<u>755,000.00</u>
Total - Divided by Total Pounds			1,394,522,687 lbs				\$ 12,881,011.58
Rate of Cash Reserve							<u>(609,058.43)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,394,522,687		\$ 0.88 / cwt		\$ 12,271,953.15

**COMPONENT PRICES**

August

**COMPUTATION OF UNIFORM PRICE**

August

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Butterfat Price	\$3.0218 / lb	\$3.4001 / lb	Class III Price - 3.5% BF	\$17.19	\$20.10
Protein Price	2.0851 / lb	2.1417 / lb	Producer Price Differential*	<u>0.88</u>	<u>3.23</u>
Other Solids Price	0.0648 / lb	0.3146 / lb	Statistical Uniform Price	\$18.07	\$23.33
Somatic Cell Adjustment Rate	0.00092 / cwt	0.00099 / cwt			
Nonfat Solids Price <sup>2</sup>	0.9599 / lb	1.4862 / lb			

**CLASS PRICES**

August

**CLASSIFICATION OF PRODUCER MILK**

August

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Class I*	\$18.62	\$27.13	Product lbs.	Product lbs.	
Class II	19.91	26.91	Class I	533,869,730	505,582,273
Class III	17.19	20.10	Class II	123,339,631	107,707,830
Class IV	18.91	24.81	Class III	695,122,836	667,567,223
			Class IV	<u>42,190,490</u>	<u>20,277,702</u>
			Total	1,394,522,687	1,301,135,028

<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 August 2022 was \$0.88, and the Statistical Uniform Price was \$18.07 for the month. The Statistical Uniform Price is \$1.83 higher than last month and is \$5.26 lower than August 2022.

The Producer Butterfat Price of \$3.0218 per pound increased \$0.2232 from July and is down \$0.3783 from a year ago. The Protein Price of \$2.0851 is up \$0.8860 from last month and is down \$0.0566 from August 2022. The Other Solids Price in August was \$0.0648 per pound, a decrease from last month's price of \$0.0689 and \$0.2498 lower than last August. The Somatic Cell Adjustment rate for August was \$0.00092 per cwt.

August producer receipts of 1.39 billion pounds were statistically equal to July and 7.2 percent higher than August 2022 production of 1.30 billion pounds. Producer milk allocated to Class I accounted for 38.3 percent of the total producer milk in August 2023, higher than the 35.3 percent in July, and lower than the 38.9 percent in August 2022. A total of 3,427 producers were pooled on the Mideast Order compared to 3,531 producers pooled in August 2022.

The market average content of producer milk was as follows: Butterfat 3.94%; Protein 3.13%; Other Solids 5.78% and Nonfat Solids 8.91%.

### Recent Dairy Supply and Use Data

According to the recent NASS Cattle report, milk replacement heifers numbered 3.65 million head as of July 1, 2023; this was 100,000 head lower than July 1, 2022. As reported by NASS in the most recent monthly Agricultural Prices report, the all-milk price in June 2023 averaged \$17.90 per hundredweight (cwt), down \$8.80 from June 2022. The June 2023 corn price was \$6.49 per bushel, down \$0.89 from June 2022. The price for alfalfa hay was \$263 per short ton, up \$18 from June 2022. The soybean meal price (reported by USDA, Agricultural Marketing Service) was \$413.46 per short ton in June, down \$32.47 from June 2022. The milk-feed price ratio reported by NASS was 1.36 in June, down 0.56 points from June 2022. The farm milk margin above feed costs, as calculated for the Dairy Margin Coverage program, declined to \$3.65 in June, \$8.27 lower than June 2022 and the lowest dairy farm margin so far in 2023.

Dairy export volumes declined in the second quarter of 2023 (2023-Q2) compared to the same quarter a year ago. In 2023-Q2, dairy exports on a milk-equivalent skim-solids basis totaled 12.9 billion pounds, 1.6 billion pounds lower than 2022-Q2. Meanwhile, on a milk-equivalent milk-fat basis, dairy exports totaled 2.7 billion pounds in 2023-Q2, 1.0 billion pounds lower than 2022-Q2. Most dairy product export volumes declined, including cheese, butter, and dry skim milk products, among others. Weaker demand from international markets such as China and Southern Asia and increased competition from New Zealand and Europe have taken a toll on U.S dairy exports.

Imports of dairy products decreased in 2023-Q2 from 2022-Q2, meaning that there was less competition for U.S. dairy products in the domestic market. In 2023-Q2, imports on a milk-fat basis totaled 1.8 billion pounds, 160 million lower than 2022-Q2. On a skim-solids basis, 2023-Q2 imports were 1.4 million pounds, 226 million below 2022-Q2.

Livestock, Dairy, and Poultry Outlook: August 2023, LDP-M-350, August 17, 2023 USDA, Economic Research Service

### July Milk Production Down 0.6 Percent

Milk production in the 24 major States during July totaled 18.3 billion pounds, down 0.6 percent from July 2022. June revised production, at 18.1 billion pounds, was up 0.4 percent from June 2023. The June revision represented an increase of 0.2 percent or 37 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,047 pounds for July, 13 pounds below July 2022.

The number of milk cows on farms in the 24 major States was 8.92 million head, 66,000 unchanged from July 2022, but 7,000 head less than June 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 July totaled 2.7 billion pounds, this was up 2.4 percent from July 2022.

Production per cow in the Mideast states averaged 2,011 pounds for July. This was an increase of 16 pounds per cow from July 2022. The number of cows on farms in the Mideast states was 1.3 million head, 21,000 head more than July 2022.

*Released August 21, 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:

- 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 2023 -----Weighted Averages-----						July 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	695	654,975	3.91	3.10	5.80	171	641,593	3.83	3.10	5.79	180
Ohio	1,173	365,065	3.90	3.11	5.79	207	349,819	3.86	3.10	5.76	218
Indiana	575	216,569	3.88	3.10	5.85	214	177,428	3.78	3.08	5.79	230
Pennsylvania	564	82,639	3.86	3.03	5.67	238	79,612	3.79	3.01	5.66	259
New York	98	40,321	4.08	3.20	5.93	195	46,880	4.01	3.14	5.90	212
Other	181	35,117	3.94	3.09	5.79	202	18,885	3.87	3.05	5.77	239
<b>Total/Average *</b>	<b>3,286</b>	<b>1,394,687</b>	<b>3.91</b>	<b>3.10</b>	<b>5.80</b>	<b>193</b>	<b>1,314,217</b>	<b>3.84</b>	<b>3.09</b>	<b>5.78</b>	<b>204</b>

\* 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 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>	2,310,454	650,966	28.2	\$2.24	19.43
FO 5	Appalachian - <i>(Charlotte)</i>	444,834	327,179	73.6	<sup>2/</sup>	20.13
FO 6	Florida - <i>(Tampa)</i>	213,275	174,030	81.6	<sup>2/</sup>	21.84
FO 7	Southeast - <i>(Atlanta)</i>	271,519	233,974	86.2	<sup>2/</sup>	20.67
FO 30	Upper Midwest - <i>(Chicago)</i>	2,796,795	159,650	5.7	0.16	17.35
FO 32	Central - <i>(Kansas City)</i>	1,213,557	359,617	29.6	0.68	17.87
FO 33	Mideast - <i>(Cleveland)</i>	<b>1,394,523</b>	<b>533,870</b>	<b>38.3</b>	<b>0.88</b>	<b>18.07</b>
FO 51	California <i>(Los Angeles)</i>	2,100,643	402,285	19.2	0.77	17.96
FO 124	Pacific Northwest - <i>(Seattle)</i>	623,309	130,808	21.0	0.78	17.97
FO 126	Southwest - <i>(Dallas)</i>	1,123,670	328,977	29.3	1.33	18.52
FO 131	Arizona - <i>(Phoenix)</i>	363,673	115,927	31.9	<sup>2/</sup>	18.62

<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.

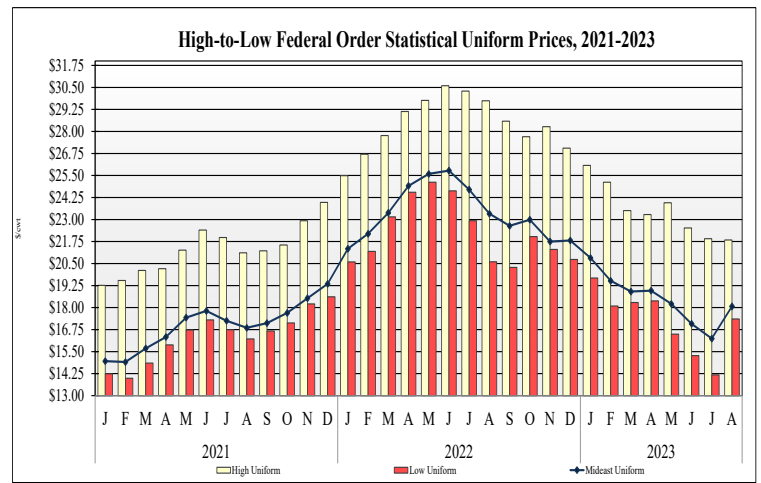
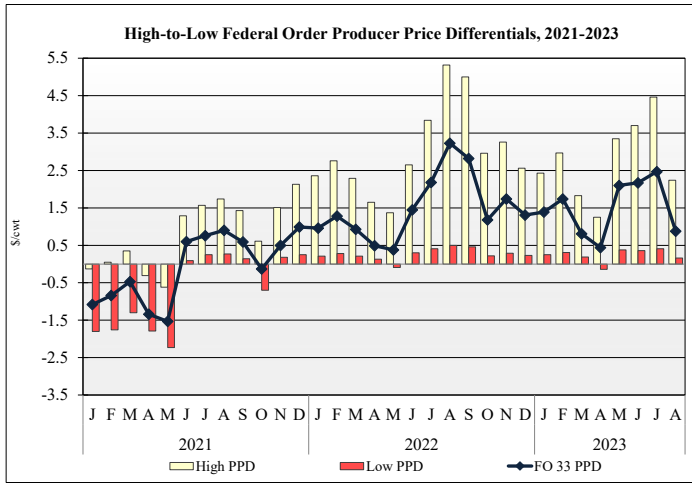
**MINIMUM PARTIAL PAYMENT PRICE FOR SEPTEMBER 2023.....\$17.19 /cwt.**

# Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement  
September 2023

## 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 2023 Federal Order 1 had a PPD of 2.24 per hundredweight (cwt), \$2.22 less than their July PPD of \$4.46 per cwt.

In August 2023 Federal Order 33 had the third highest PPD, behind Order 1 at \$0.88 per cwt, \$1.59 per cwt lower than the July PPD.

For August 2023 Federal Order 30 had the lowest PPD at \$0.16 per cwt, \$0.25 per cwt lower than the July PPD.

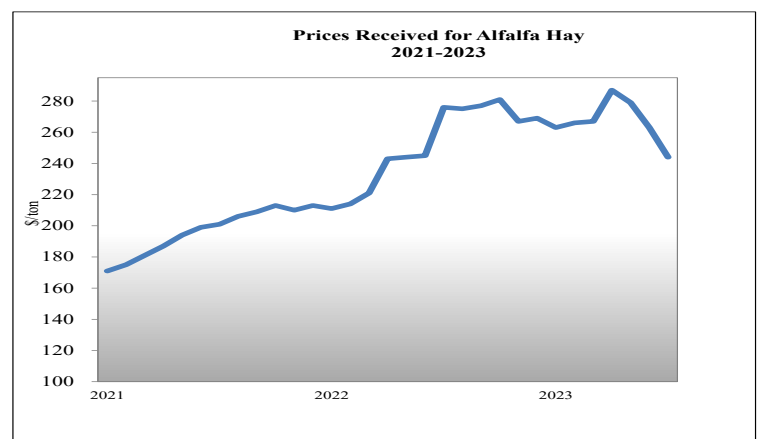
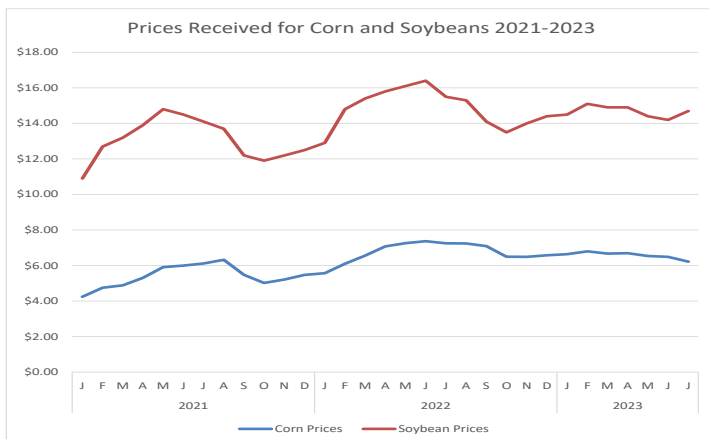
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For August 2023 Federal Order 6 had a SUP of \$21.84 per cwt, \$0.07 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$18.07 per cwt, \$1.83 per cwt higher than the previous month's SUP.

The Upper Midwest Order had the lowest SUP at \$17.35 per cwt, \$3.17 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