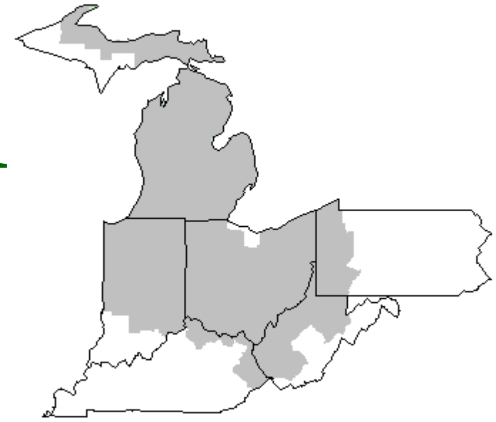
Mideast Market Administrator's Bulletin

Federal Order No. 33



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MARCH 2025

2024 Dairy Situation Recap

In 2024, U.S. dairy farmers benefited from both higher farm-gate milk prices and lower costs for the main feed inputs (corn, soybean meal, and alfalfa hay). The national milking herd continued to shrink in 2024 with dairy farmers adopting reduced slaughter rates to compensate for tight replacement dairy heifer inventories. With a higher number of older dairy cows in the national herd, milk per cow was only marginally year-over-year higher. Moreover, the discovery of Highly Pathogenic Avian Influenza (HPAI) in dairy cows in early March and its increased prevalence after September reduced milk production growth.

Consequently, total milk production in 2024 was fractionally smaller than in 2023. However, because the percentage of milk components per fluid volume of milk increased, total skim-solids production decreased at a slower rate than total milk production total and total milk-fat production actually increased (after adjusting for the leap year). Driven by year-over-year higher wholesale prices, domestic use of dairy products declined both on milk-fat and skim-solids milk-equivalent bases. The bright stars of 2024 U.S. dairy exports were total shipments of cheese, which achieved record-high levels, and butter exports which increased significantly.

The all-milk price in 2024 averaged $22.61 per hundredweight (cwt), $2.27 higher than 2023. Using the proxy used by USDA, National Agricultural Statistics Service (NASS) to calculate the milk-feed ratio, the feed-price proxy decreased by 26 percent from 2023 to 2024.

In 2024, the farm milk margin above the feed costs reported by the Dairy Margin Coverage Program (DMC) was above the $9.50 per cwt threshold that triggers payments for dairy producers who choose the highest levels of coverage for most of the year, except for January and February when it was slightly below this level. Moreover, since August the DMC margins achieved the highest levels in the program's history. The evolution of DMC margins in 2024 comes in stark contrast to 2023, when they dipped below the catastrophic level of $4.00 for 2 months and below the $9.50 threshold for another 9 months.

Livestock, Dairy, and Poultry Outlook: February 2025, LDP-M-368, February 18, 2025 USDA, Economic Research Service

January Milk Production Up 0.2 Percent

Milk production in the 24 major States during January totaled 18.3 billion pounds, up 0.2 percent from January 2024. December revised production at 18.0 billion pounds, was down 0.2 percent from December 2023. The December revision represented no change from last month's preliminary production estimate. Production per cow in the 24 major States averaged 2,054 pounds for January, 8 pounds below January 2024.

The number of milk cows on farms in the 24 major States was 8.93 million head, 54,000 head more than January 2024, and 9,000 head more than December 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 January totaled 2.7 billion pounds, up 21 million pounds or 0.8 percent from January 2024.

Production per cow in the Mideast states averaged 2,023 pounds for January, 23 pounds more than January 2024.

The number of cows on farms in the Mideast states was 1.3 million head, 3,000 head less than January 2024.

Released February 21, 2025, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

February 2025 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	559,223,884	33.4
Class II	308,010,551	18.4
Class III	604,883,192	36.1
Class IV	204,774,111	12.2
Total	1,676,891,738	100.0

Producer Prices

Producer Price Differential	$ 0.64	/ cwt
Butterfat Price	2.8186	/ lb
Protein Price	2.5337	/ lb
Other Solids Price	0.4799	/ lb
Somatic Cell Adjustment Rate	0.00095	/ cwt
Statistical Uniform Price	20.82	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

FEBRUARY 2025

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			546,265,670			$13.35 / cwt	$ 72,926,466.95
Class I Butterfat		12,958,214				2.9668/ lb	38,444,429.30
Class I Location Differential	559,223,884						(337,514.46)
Class II SNF Value				27,541,833		1.2889, lb	35,498,668.52
Class II Butterfat		21,340,202				2.8256/ lb	60,298,874.76
Class III Protein Value			20,476,239			2.5337/ lb	51,880,646.76
Class III Other Solids Value					35,043,192	0.4799/ lb	16,817,227.82
Class III Butterfat		25,697,923				2.8186/ lb	72,432,165.79
Class IV SNF Value				18,293,598		1.1552/ lb	21,132,764.42
Class IV Butterfat		14,309,033				2.8186/ lb	40,331,440.39
Somatic Cell Value II / III / IV							1,999,375.36
TOTAL PRODUCER MILK VALUE	1,676,891,738	74,305,372	56,699,318		97,027,504		$ 411,424,545.60
Overages					151,203.86		
Beginning Inventory & OS Charges					(-59,174.93)		
TOTAL ADJUSTMENTS							$ 92,028.93
TOTAL HANDLER OBLIGATIONS							411,516,574.53
Total Protein Value			56,699,318 lbs.	@	$2.8186		$ (143,659,062.06)
Total Other Solids Value			97,027,504 lbs.	@	0.4799		(46,563,499.17)
Butterfat Value			74,305,372 lbs.	@	2.8186		(209,437,121.55)
Total Somatic Cell Values							(2,951,944.43)
TOTALS							$ 8,904,947.32
Net Producer Location Adjustments							1,741,679.62
1/2 Unobligated Balance Producer Settlement Fund							760,000.00
Total - Divided by Total Pounds			1,676,889,970 lbs		0.6802211		$ 11,406,626.94
Rate of Cash Reserve					(0.0402211)		(674,467.11)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,676,899,970		$	0.64/ cwt	$ 10,732,159.83

COMPONENT PRICES

	February 2025	February 2024
Butterfat Price	$2.8186 / lb	$3.1031 / lb
Protein Price	2.5337 / lb	1.2255 / lb
Other Solids Price	0.4799 / lb	0.2738 / lb
Somatic Cell Adjustment Rate	0.00095 / cwt	0.00080 / cwt
Nonfat Solids Price [2]	1.1552 / lb	1.0343 / lb

COMPUTATION OF UNIFORM PRICE

	February 2025	February 2024
Class III Price - 3.5% BF	$20.18	$16.08
Producer Price Differential*	0.64	1.88
Statistical Uniform Price	$20.82	$17.96

CLASS PRICES

	February 2025	February 2024
Class I*	$23.27	$19.99
Class II	21.08	20.53
Class III	20.18	16.08
Class IV	19.90	19.85

[1] Subject to Location Adjustment.

[2] Producers are not paid on this component.

CLASSIFICATION OF PRODUCER MILK

	February 2025 *Product lbs.*	February 2024 *Product lbs.*
Class I	559,223,884	516,434,388
Class II	308,010,551	106,207,153
Class III	604,883,192	626,684,877
Class IV	204,774,111	21,807,479
Total	1,676,891,738	1,271,133,897

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for February 2025 was $0.64, and the Statistical Uniform Price was $20.82 for the month. The Statistical Uniform Price is $0.03 lower than last month and is $2.86 higher than February 2024. The Producer Butterfat Price of $2.8186 per pound decreased $0.0274 from January and is down $0.2845 from a year ago. The Protein Price of $2.5337 is up $0.2070 from last month and is up $1.3082 from February 2024. The Other Solids Price in February was $0.4799 per pound, a decrease from last month's price of $0.5384 and $0.2061 more than last February. The Somatic Cell Adjustment rate for February was $0.00095 per cwt.

February producer receipts of 1.68 billion pounds were 3.5 percent higher than January and 31.9 percent higher than February 2024 production of 1.27 billion pounds. Producer milk allocated to Class I accounted for 33.4 percent of the total producer milk in February 2025, lower than the 39.4 percent in January, and lower than the 40.6 percent in February 2024. A total of 3,339 producers were pooled on the Mideast Order compared to 3,372 producers pooled in February 2024.

The market average content of producer milk was as follows: Butterfat 4.43%; Protein 3.38%; Other Solids 5.79% and Nonfat Solids 9.17%.

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Dairy Forecasts for 2025

Based on recent data indicating a smaller-than-expected dairy herd size in 2024 and fewer replacement heifers as of January 1, 2025, the forecast for the 2025 dairy herd has been revised downward by 15,000 head, bringing the total to 9.375 million for the year. The yield per cow remains unchanged from the previous month's forecast at 24,200 pounds of milk per cow. As a result, the revised milk production forecast for 2025 stands at 226.9 billion pounds, a reduction of 0.3 billion pounds from the previous month's estimate but an increase of 1.0 billion pounds compared to 2024.

Dairy imports for 2025 are projected to decline, reflecting recent trade data from 2024. On a skim-solids basis, imports are expected to decrease to 7.2 billion pounds, down by 0.1 billion pounds. On a milk-fat basis, the forecast has been lowered to 8.9 billion pounds, a reduction of 0.4 billion pounds from the previous forecast. The reductions are primarily attributed to lower expected infant formula and ice cream imports, which are expected to outweigh increases in cheese and butter imports.

The dairy export forecast for 2025 has also been reduced compared to the previous month's projection. On a milk-fat basis, the export forecast has been revised downward by 0.1 billion pounds to 11.8 billion pounds. On a skim-solids basis, exports are forecast at 48.7 billion pounds, down by 0.4 billion pounds. Expected decreases in shipments of dry whey products and dry skim milk products are anticipated to more than offset projected growth in cheese and lactose exports.

Domestic dairy use for 2025 is forecast to exceed 2024 levels but has been revised downward compared to last month's projections. On a milk-fat basis, the forecast has been lowered by 0.8 billion pounds, bringing the total to 223.0 billion pounds. On a skim-solids basis, the forecast stands at 184.0 billion pounds, a decrease of 0.1 billion pounds. The downward revision reflects lower expected domestic demand.

Price forecasts for major dairy products, excluding Cheddar cheese, have been adjusted downward from previous projections. The updated forecast for Cheddar cheese stands at $1.880 per pound, an increase of 1.5 cents. The dry whey price forecast is $0.605 per pound, down by 3.5 cents. The butter price is forecast at $2.645 per pound, 5.0 cents lower, while the nonfat dry milk (NDM) price forecast has been lowered to $1.295 per pound, a reduction of 4.5 cents.

Milk price forecasts account for new updated Federal Milk Marketing Order (FMMO) formulas to take effect in June and December 2025. Despite higher cheese prices, lower dry whey prices and higher FMMO manufacturing allowances are expected to result in a reduction of the Class III milk forecast to $19.10 per cwt, $0.60 below the previous estimate. Lower butter and NDM prices, along with higher FMMO manufacturing allowances have led to a revised Class IV milk forecast of $19.70 per cwt, $1.10 below the previous projection. The all-milk price for 2025 is now forecast at $22.60 per cwt, down $0.45 from last month's estimate. The decrease in the all-milk price is not as large as the decrease in the Class III and IV prices since on average Class I differentials have been raised.

Livestock, Dairy, and Poultry Outlook: February 2025, LDP-M-368, February 18, 2025USDA, Economic Research Service

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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	January 2025 Number of Producers	January 2025 Pounds of Milk (000)	January 2025 Butterfat	January 2025 Protein	January 2025 Other Solids	January 2025 SCC (000)	January 2024 Pounds of Milk (000)	January 2024 Butterfat	January 2024 Protein	January 2024 Other Solids	January 2024 SCC (000)
Michigan	714	813,118	4.44	3.39	5.81	159	707,487	4.29	3.32	5.79	156
Ohio	1,132	381,116	4.48	3.41	5.78	174	382,240	4.23	3.30	5.72	171
Indiana	580	267,435	4.38	3.33	5.73	183	233,374	4.32	3.35	5.89	184
Pennsylvania	629	78,031	4.36	3.27	5.69	198	81,486	4.24	3.22	5.68	204
New York	113	41,300	4.69	3.48	5.92	151	28,308	4.59	3.46	6.01	181
Other	165	39,204	4.50	3.40	5.79	181	61,719	4.46	3.37	5.74	153
Total/Average *	3,333	1,620,204	4.44	3.38	5.79	169	1,494,615	4.29	3.32	5.78	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
February 2025

	Marketing Area [1/]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - (*Boston*)	2,122,123	608,069	28.6	$1.46	$21.64
FO 5	Appalachian - (*Charlotte*)	392,894	286,381	72.9	[2/]	23.55
FO 6	Florida - (*Tampa*)	201,895	163,359	80.9	[2/]	25.42
FO 7	Southeast - (*Atlanta*)	294,532	205,145	71.0	[2/]	23.90
FO 30	Upper Midwest - (*Chicago*)	2,173,911	151,463	7.0	0.13	20.31
FO 32	Central - (*Kansas City*)	1,157,404	332,990	28.8	0.16	20.34
FO 33	**Mideast - (*Cleveland*)**	**1,676,892**	**559,224**	**33.4**	**0.64**	**20.82**
FO 51	California (*Los Angeles*)	2,456,950	369,078	15.0	0.36	20.54
FO 124	Pacific Northwest - (*Seattle*)	618,029	116,433	18.8	0.14	20.32
FO 126	Southwest - (*Dallas*)	1,152,711	309,510	26.9	0.92	21.10
FO 131	Arizona - (*Phoenix*)	402,436	114,366	28.4	[2/]	21.18

[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 MARCH 2025..............................$19.90 /cwt.

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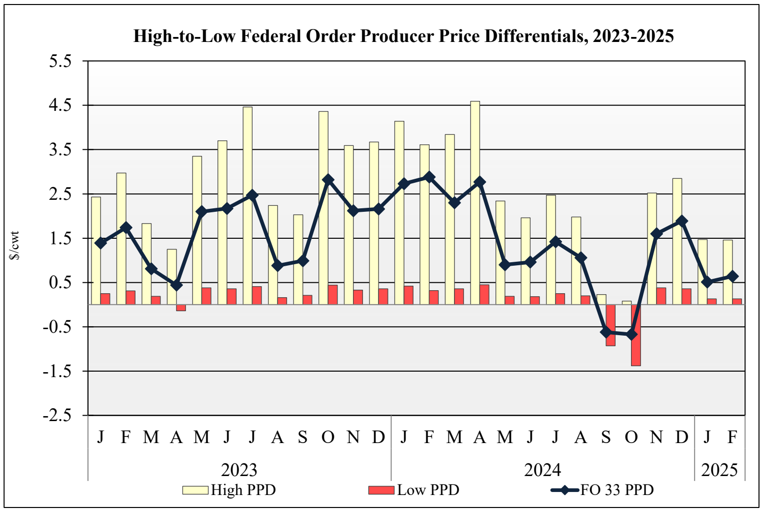
Mideast Market Administrator's Bulletin

Federal Order No. 33 *Supplement* **March 2025**

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/

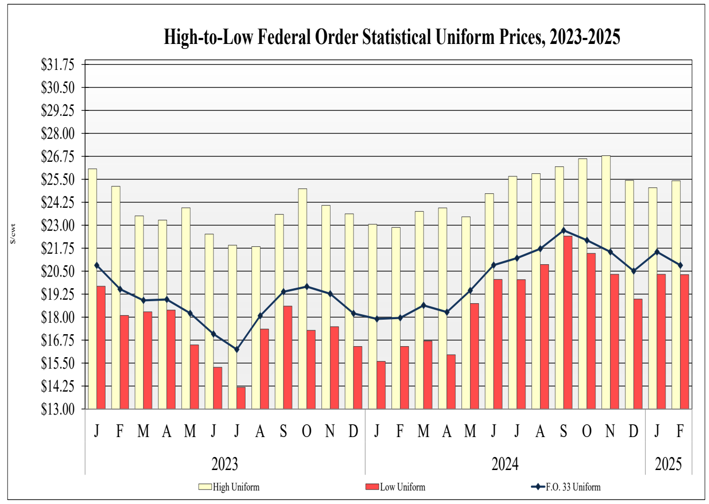


Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For February 2025 Federal Order 1 had a PPD of $1.46 per hundredweight (cwt), $0.01 lower than their January PPD of $ 1.47 per cwt.

In February 2025, Federal Order 33 had the third highest PPD, behind Order 1and Order 126, at $0.64 per cwt, $0.13 per cwt higher than the January PPD.

For February 2025, Federal Order 30 had the lowest PPD at $0.13 per cwt, the same as the January PPD.



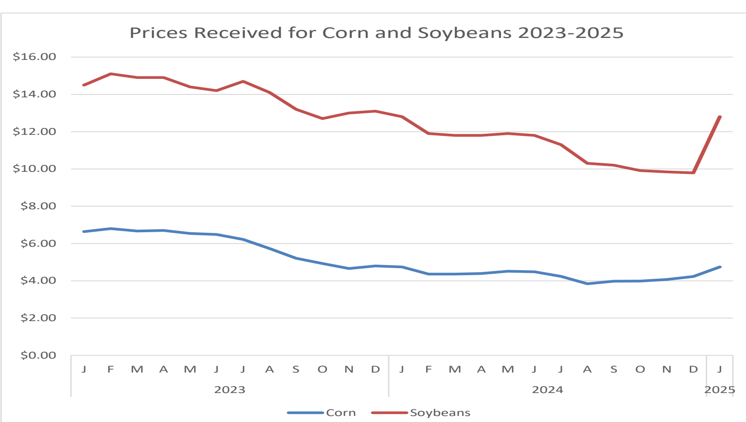
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

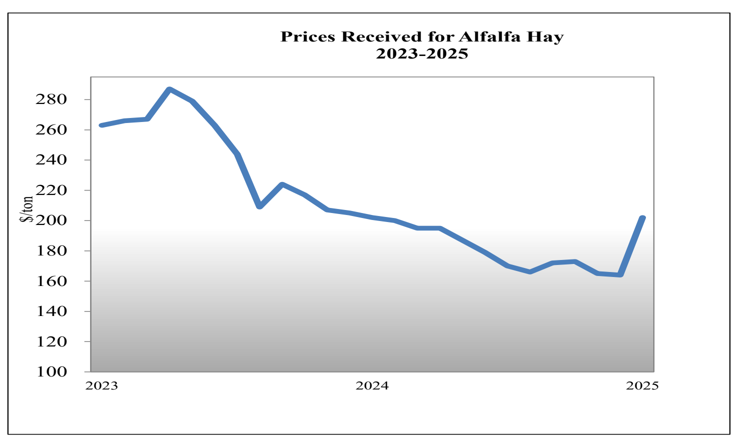
Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For February 2025, Federal Order 6 had a SUP of $25.42 per cwt, $0.38 higher than the previous month's SUP.

Federal Order 33 had a SUP of $20.82 per cwt, $0.73 per cwt lower than the previous month's SUP.

Federal Order 30 had the lowest SUP at $20.31 per cwt, $0.02 per cwt lower 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