Mideast Market Administrator's Bulletin

Federal Order No. 33

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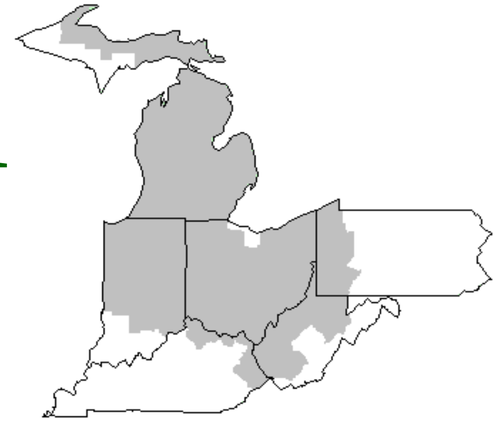

April Milk Production Up 1.2 Percent

Milk production in the 23 major States during April totaled 16.3 billion pounds, up 1.2 percent from April 2013. March revised production, at 16.7 billion pounds, was up 1.1 percent from March 2013. The March revision represented an increase of 6 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,911 pounds for April. This is the highest production per cow for the month of April since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.53 million head, 10,000 head more than March 2014.

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 2.5 billion pounds, up 8 million pounds or 0.3 percent from April 2013.

Production per cow in the Mideast states averaged 1,834 pounds for April. The number of milk cows on farms in the Mideast states was 1.36 million head.

Prices Are Forecast Lower in 2015; However Continued Strong Demand Will Moderate Price Declines Despite Higher Domestic and International Milk Production

Feed prices are likely to remain moderate compared with recent years for the balance of 2013/14 and into 2014/15. Corn prices for 2013/14 are raised in May from April and forecast at $4.50-$4.80 per bushel; the price range was narrowed at the lower end, boosting the mid-point by 5 cents. Initial forecasts for the 2014/15 year call for corn prices to decline to $3.85-$4.55 per bushel. Current-year soybean meal price estimates are raised slightly from April to $485 per ton. The initial 2014/15 soybean meal price forecast is much lower, at $355-$395 per ton. The forecast is based on higher soybean plantings and yields. April's Agricultural Prices report placed April's preliminary price for alfalfa hay at $206 per ton, above March's $191 price but below the April 2013 price of $213 per ton.

April's Milk Production report shows the January-March 2014 U.S. milk production at 51.1 billion pounds, up 1 percent from the corresponding period last year. Cow numbers are forecast at 9.255 million head for 2014, unchanged from April and only slightly higher than 2013 levels. Forecast cow numbers for 2015 are for 9.34 million head. Prices for dairy replacements are ahead of year-earlier prices, and first-quarter dairy cow slaughter trails last year. However, this is a modest expansion in light of the strong profit signals to producers. Current-year output per cow also remains unchanged in May from April at 22,280 pounds per cow. Output per cow is projected at 22,710 pounds in 2015. Continued month-over-month declines in Midwestern milk output are moderated by higher milk output in the West. Increased output per cow reflects both improved producer returns and improved forage conditions, especially in the Midwest, after last year's poor-quality harvest. Total milk production is forecast at 206.1 billion pounds this year, climbing to 212.1 billion pounds in 2015. Milk production expansion to date appears to be coming mostly from increased output per cow rather than from herd expansion.

Current-year fats basis imports are lowered 3.4 billion pounds this month based on lower than anticipated first-quarter reported imports. Lower imports of food preparation items, and to a lesser extent cheese, account for the change. The lower import pace is expected to continue into 2015. Imports on a skims-solids basis are raised to 5.4 billion pounds for the year; again, the increased import forecast is based on higher than expected first-quarter imports. Imports of casein and whey offset lower imports of milk protein concentrates. Fats basis imports are forecast at 3.4 billion pounds for 2015, unchanged from 2014. Skims-solids basis imports for 2015 are forecast at 5.1 billion pounds.

Exports on both a fats and skims-solids basis were increased in May to 13.3 and 38.7 billion pounds, respectively, for 2014. Strong first quarter export totals on both a fats and skims-solids basis account for most of the projected increases. March export results indicated single-month record-high totals. Chinese imports of both whole milk powder and skim milk powder surged in the first quarter, especially in March. Although robust global demand is expected to support high exports in 2015, higher production from competitors will likely erode U.S. exports next year. Fats basis exports are forecast to slip to 12.7 billion pounds in 2015, and skims-solids exports will also decline slightly to 38.6 billion pounds.

(Continued on Page 3)

May 2014 - Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	513,558,857	33.3
Class II	205,922,386	13.4
Class III	546,688,953	35.5
Class IV	274,686,095	17.8
Total	1,540,856,291	100.0

Producer Prices

Producer Price Differential	$ 1.47	/cwt
Butterfat Price	2.2721	/ lb
Protein Price	3.9553	/ lb
Other Solids Price	0.4897	/ lb
Somatic Cell Adjustment Rate	0.00109	/ cwt
Statistical Uniform Price	24.04	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33

May 2014

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			504,514,043			$ 19.45 / cwt	$ 98,127,981.37
Class I Butterfat		9,044,814				2.1990 / lb	19,889,546.00
Class I Location Differential	513,558,857						(223,024.77)
Class II SNF Value				17,228,598		1.8956 / lb	32,658,530.34
Class II Butterfat		17,136,901				2.2791 / lb	39,056,711.08
Class III Protein Value			16,784,194			3.9553 / lb	66,386,522.55
Class III Other Solids Value					31,387,065	0.4897 / lb	15,370,245.75
Class III Butterfat		19,316,134				2.2721 / lb	43,888,188.08
Class IV SNF Value				24,103,822		1.6919 / lb	40,781,256.46
Class IV Butterfat		10,794,456				2.2721 / lb	24,526,083.49
Somatic Cell Value II / III / IV							1,805,261.23
TOTAL PRODUCER MILK VALUE	1,540,856,291	56,292,305	47,171,444		88,314,933		$ 382,267,301.58

Overages			19,934.84	
Beginning Inventory & OS Charges			(43,386.45)	
TOTAL ADJUSTMENTS				$ (23,451.61)
TOTAL HANDLER OBLIGATIONS				$ 382,243,849.97
Total Protein Value	47,171,444 lbs	@	$3.9553	$(186,577,212.50)
Total Other Solids Value	88,314,933 lbs	@	0.4897	(43,247,822.69)
Butterfat Value	56,292,305 lbs	@	2.2721	(127,901,746.21)
Total Somatic Cell Values				(2,663,395.29)
TOTALS				$ 21,853,673.28
Net Producer Location Adjustments				$ 930,989.09
1/2 Unobligated Balance Producer Settlement Fund				597,000.00
Total - Divided by Total Pounds	1,540,856,291 lbs		1.5174460	$ 23,381,662.37
Rate of Cash Reserve			(0.0474460)	(731,074.68)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**	1,540,856,291		**$ 1.47 /cwt**	$ 22,650,587.69

COMPONENT PRICES

May	2014	2013
Butterfat Price	$2.2721 / lb	$1.7884 / lb
Protein Price	3.9553 / lb	3.3597 / lb
Other Solids Price	0.4897 / lb	0.3887 / lb
Somatic Cell Adjustment Rate	0.00109 / cwt	0.00091 / cwt
Nonfat Solids Price	1.6919 / lb	1.4549 / lb

COMPUTATION OF UNIFORM PRICE

May	2014	2013
Class III Price - 3.5% BF	$ 22.57	$18.52
Producer Price Differential*	1.47	0.37
Statistical Uniform Price	$24.04	$18.89

CLASS PRICES

May	2014	2013
Class I*	$26.47	$19.76
Class II	24.44	18.43
Class III	22.57	18.52
Class IV	22.65	18.89

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

May	2014 *Product lbs.*	2013 *Product lbs.*
Class I	513,558,857	539,206,769
Class II	205,922,386	317,138,476
Class III	546,688,953	479,660,761
Class IV	274,686,095	232,264,340
Total	1,540,856,291	1,568,270,346

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for May 2014 was $1.47 and the Statistical Uniform Price was $24.04 for the month. The Statistical Uniform Price is $0.44 lower than last month, and is $5.15 higher than May 2013.

The Producer Butterfat Price of $2.2721 per pound increased $0.1514 from April and is up $0.4837 from a year ago. The Protein Price of $3.9553 is down 0.7536 cents from last month and is up $0.5956 from May 2013. The Other Solids Price in May was $0.4897 per pound, a decrease from last month’s price of $0.4926 and $0.1010 higher than last May. The Somatic Cell Adjustment rate for May was $0.00109.

May producer receipts of 1.541 billion pounds were 8.4 percent higher than April and 1.7 percent lower than May 2013 production of 1.568 billion pounds. Producer milk allocated to Class I accounted for 33.3 percent of the total producer milk in May 2014, lower than the 36.0 percent in April, and less than the 34.4 percent in May 2013. A total of 6,036 producers were pooled on the Mideast Order compared to 6,140 producers pooled in May 2013.

The market average content of producer milk was as follows: Butterfat 3.65%; Protein 3.06%; Other Solids 5.73% and Nonfat Solids 8.79%.

(Continued from Front Page

Fats basis ending stocks are expected to total 10.9 billion pounds by year-end. Fats basis ending stocks will likely climb to 12 billion pounds by the end of 2015. Skims-solids ending stocks were raised to 11.9 billion pounds in the May forecast for 2014 and are expected to end 2015 at 12.2 billion pounds. Continued robust international and domestic demand is expected to limit increases in stocks despite higher expected 2015 milk production.

For 2014, the price range for cheese is narrowed from April at $1.995-$2.025 per pound. Nonfat dry milk (NDM) prices have weakened in the face of foreign competition, and the forecast is lowered slightly to $1.830-$1.860 per pound as the upper end of the price range is lowered from April. In contrast, butter and whey prices are forecast higher at $1.800-$1.860 per pound, and to 63.0-65.0 cents per pound, respectively. The price increases are based on strong year-to-date demand for these products. The Class III price is bumped up slightly to $20.55-$20.85 per cwt as whey price strength more than offsets the cheese price. The Class IV price is raised to $21.25-$21.65 per cwt as butter price strength more than balances lower NDM prices. The all milk price for 2014 is projected at $22.70-$23.00 per cwt.

Cheese prices are lowered next year to $1.670-$1.770 per pound compared with this year's forecast. Higher milk production, both domestic and globally, is expected to soften prices from 2014 and into 2015. Likewise, butter prices are expected to slip to $1.615-$1.745 per pound in 2015. NDM prices are lowered to $1.605-$1.675 per pound. Whey prices are lowered to 55.0-58.0 cents per pound. The 2015 Class III milk price is forecast at $16.90-$17.90 per cwt and the Class IV milk price is forecast at $18.55-$19.65 per cwt. The 2015 all milk price is forecast at $19.70- $20.70 per cwt.

Source: *Livestock, Dairy, and Poultry Outlook* / LDP-M-239 / May 15, 2014 Economic Research Service, USDA

April 2014 Dairy Product Highlights

Total cheese output (excluding cottage cheese) was 950 million pounds, 2.2 percent above April 2013 but 1.4 percent below March 2014.

Italian type cheese production totaled 414 million pounds, 5.2 percent above April 2013 but 2.8 percent below March 2014.

American type cheese production totaled 377 million pounds, slightly above April 2013 but 0.7 percent below March 2014.

Butter production was 158 million pounds, 4.9 percent below April 2013 and 4.2 percent below March 2014.

Dry milk powders (comparisons with April 2013)

- Nonfat dry milk, human - 158 million pounds, down 1.2 percent.
- Skim milk powders - 48.8 million pounds, up 22.8 percent.

Whey products (comparisons with April 2013)

- Dry whey, total - 74.5 million pounds, down 12.8 percent.
- Lactose, human and animal - 92.2 million pounds, up 8.8 percent.
- Whey protein concentrate, total - 45.7 million pounds, up 13.0 percent.

Frozen products (comparisons with April 2013)

- Ice cream, regular (hard) - 68.5 million gallons, down 5.1 percent.
- Ice cream, lowfat (total) - 38.9 million gallons, down 33.6 percent.
- Sherbet (hard) - 3.98 million gallons, down 11.8 percent.
- Frozen yogurt (total) - 6.13 million gallons, down 21.1 percent

Bulletin WebPage Edition

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Featured this month are:

- Mailbox Prices
- 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 2014 Number of Producers	April 2014 Pounds of Milk (000)	April 2014 Butterfat	April 2014 Protein	April 2014 Other Solids	April 2014 SCC (000)	April 2013 Pounds of Milk (000)	April 2013 Butterfat	April 2013 Protein	April 2013 Other Solids	April 2013 SCC (000)
Michigan	1,561	636,923	3.69	3.09	5.73	171	642,204	3.72	3.10	5.75	158
Ohio	1,969	382,395	3.73	3.08	5.68	201	364,612	3.81	3.09	5.69	201
Indiana	1,019	173,999	3.73	3.14	5.80	207	166,315	3.86	3.13	5.80	210
Pennsylvania	895	104,596	3.86	3.09	5.72	234	95,083	3.86	3.10	5.70	243
New York	286	101,297	3.83	3.07	5.74	191	95,572	3.79	3.10	5.75	192
Wisconsin	58	6,734	3.83	3.12	5.69	207	36,949	3.77	3.13	5.74	244
West Virginia	43	2,943	4.00	3.19	5.71	249	3,657	3.91	3.18	5.71	256
Other	159	11,875	3.71	3.08	5.73	225	12,351	3.76	3.08	5.70	210
Total/Average *	5,990	1,420,761	3.73	3.09	5.72	190	1,416,743	3.77	3.10	5.74	186

* 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.

United States Department of Agriculture

Mideast Market Administrator Bulletin
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FEDERAL ORDER DATA

May 2014

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)*	2,236,251	774,821	34.6	$2.67	$25.24
FO 5	Appalachian - *(Charlotte)*	494,675	303,286	61.3	[2/]	26.45
FO 6	Florida - *(Tampa)*	224,266	194,780	86.9	[2/]	29.25
FO 7	Southeast - *(Atlanta)*	499,065	319,893	64.1	[2/]	26.83
FO 30	Upper Midwest - *(Chicago)*	3,039,066	301,025	9.9	0.43	23.00
FO 32	Central - *(Kansas City)*	1,449,319	397,668	27.4	1.01	23.58
FO 33	**Mideast - *(Cleveland)***	**1,540,856**	**513,559**	**33.3**	**1.47**	**24.04**
FO 124	Pacific Northwest - *(Seattle)*	775,340	168,783	21.8	0.85	23.42
FO 126	Southwest - *(Dallas)*	1,250,197	363,364	29.1	1.86	24.43
FO 131	Arizona - *(Phoenix)*	450,843	100,649	22.3	[2/]	23.75

[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 JUNE 2014................................$22.57 /cwt.

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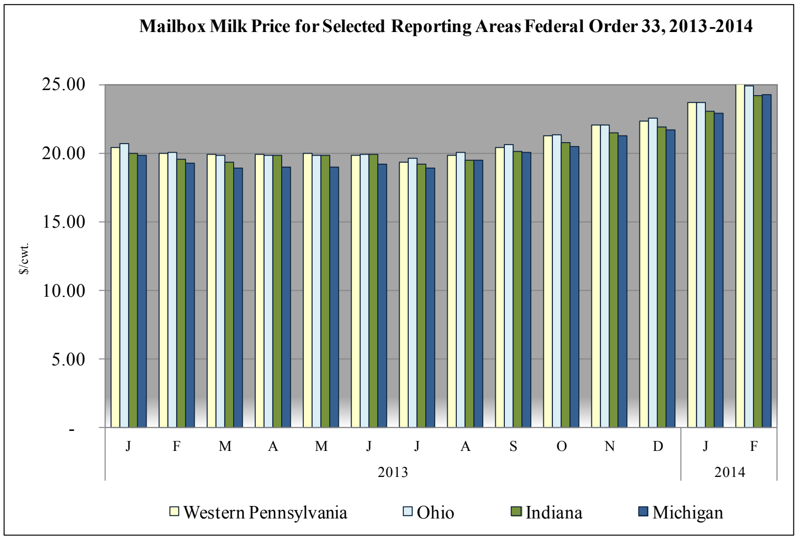
Mideast Market Administrator's
Bulletin
Supplement
Federal Order No. 33 **June 2014**

MAILBOX MILK PRICES FOR AREAS IN MIDEAST MARKETING AREA 1/

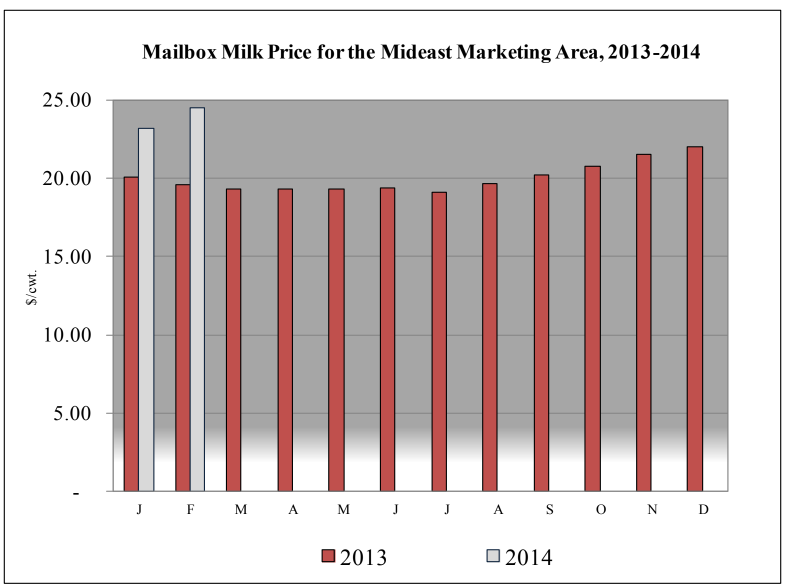


Mailbox price is the net pay price received by dairy farmers for milk. The data includes all payments received for milk sold, and all costs associated with marketing the milk. The mailbox price is a weighted average for the reporting area at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments.

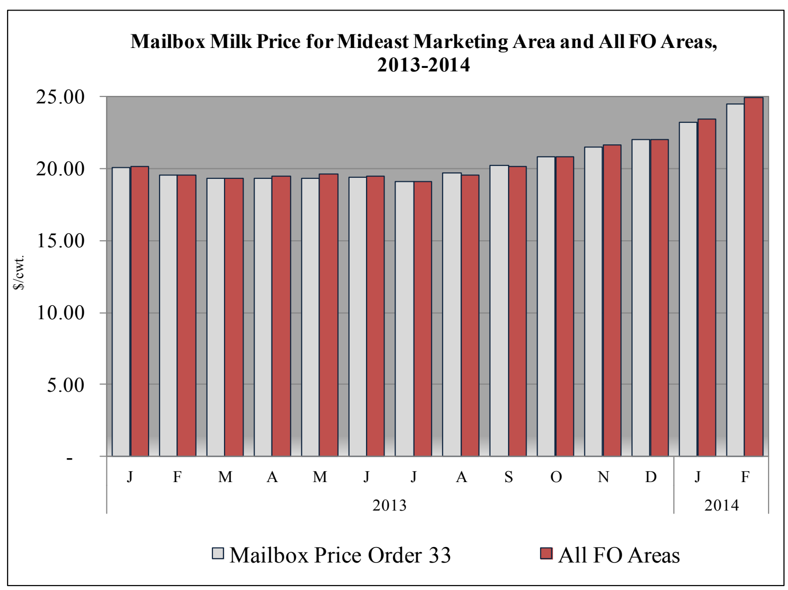
The information is shown for those areas where at least 75 percent of the milk was marketed under Federal Orders. Mailbox prices include milk not-pooled due to unusual price relationships.

Western Pennsylvania includes the counties of Warren, Elk, Clearfield, Indiana, Westmoreland and Fayette, and all those counties west of these.

FEDERAL ORDER 33 MAILBOX PRICE STATISTICS



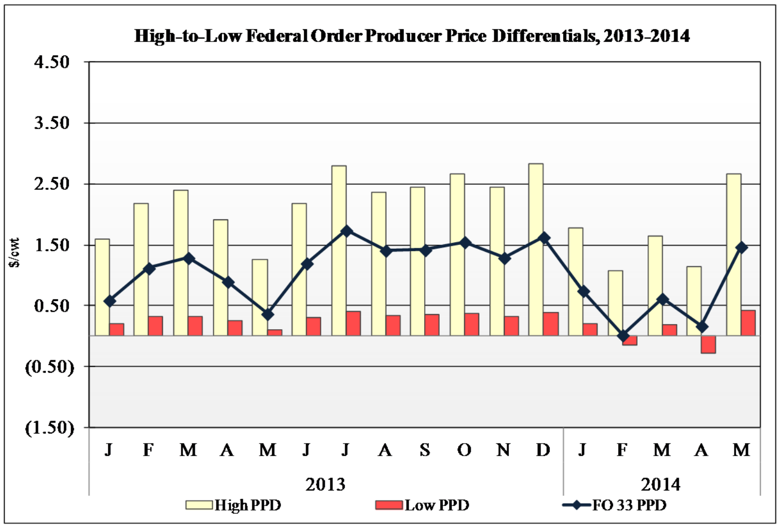
The net pay price received by dairy farmers located in states pooled on Federal Order 33 was $24.50 per hundredweight for February 2014. The February mailbox price is $1.30 higher than the mailbox price for January 2014. The February mailbox price is $4.94 higher than the February 2013 mailbox price of $19.56 per cwt.

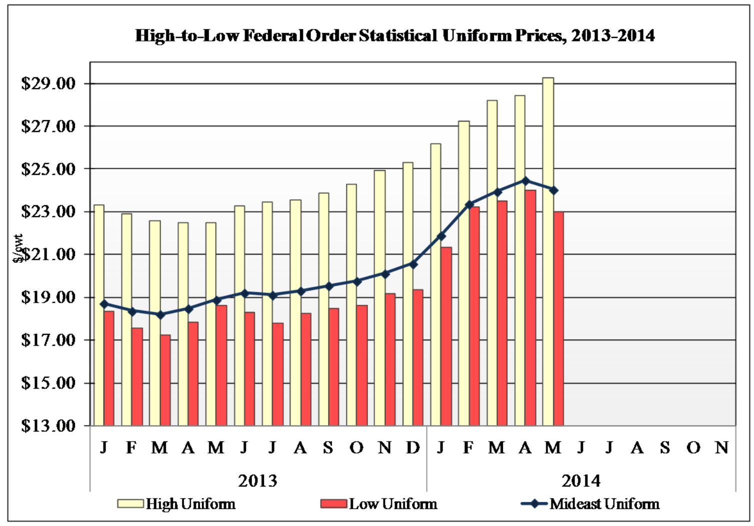


For February 2014 the net pay price received by dairy farmers located in states pooled on Federal Order 33 was $0.41 below the average mailbox price for all Federal Orders, as reported by Dairy Market News. For February 2014, the all Federal Order mailbox price was $24.91 per hundredweight, $5.35 higher than February 2013.

1/ Mailbox prices are generally released by Dairy Market News on the 10th of the third following month (January data in April).

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/





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 2014, Federal Order 1 had a PPD of 2.67 per hundredweight (cwt), $1.52 higher than their April PPD of $1.15 per cwt.

In May 2014 Federal Order 33 had the third highest PPD, behind Orders 1 and 126, at $1.47 per cwt, $1.30 per cwt higher than the April PPD.

For May 2013 Federal Order 30 had the lowest PPD at $0.11 per cwt, $0.14 per lower than the April PPD.

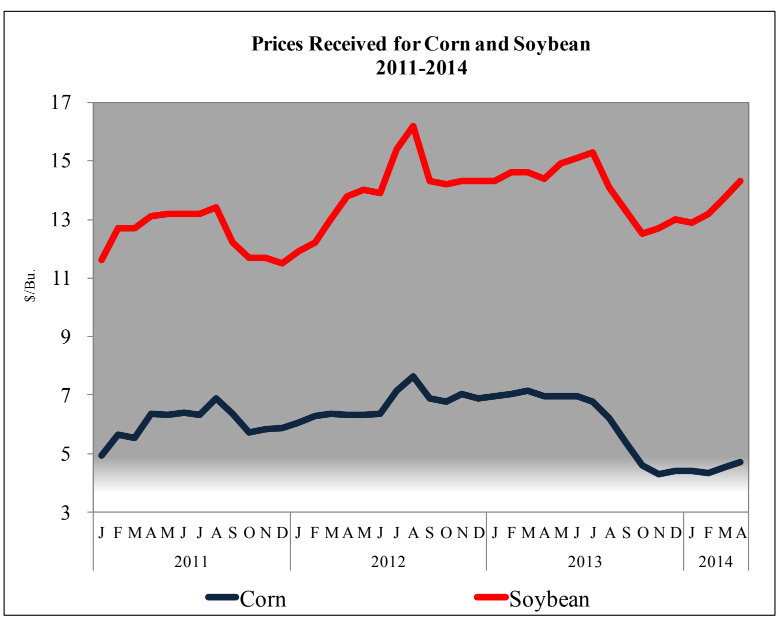
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

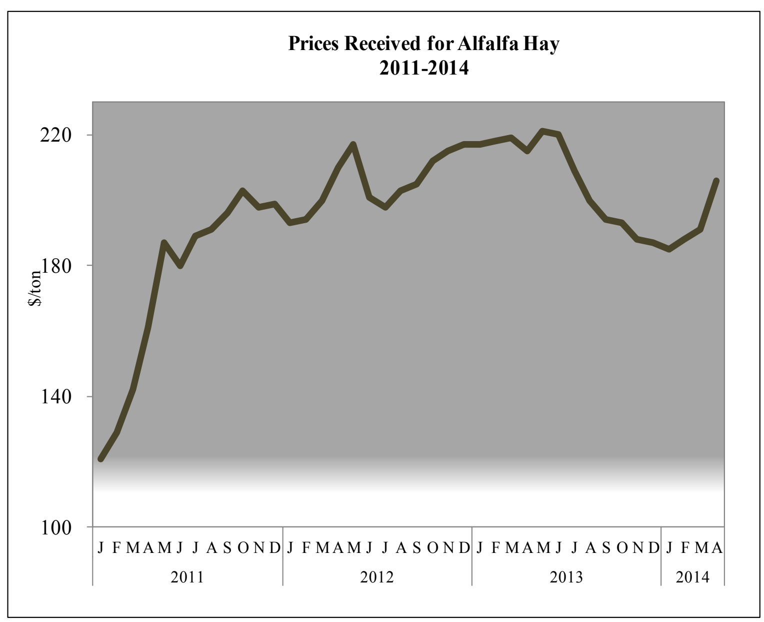
Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2014, Federal Order 6 had a SUP of $29.25 per cwt, $0.80 higher than the previous month's SUP.

Federal Order 33 had a SUP of $24.04 per cwt, $0.44 per cwt lower than the previous month's SUP.

The Upper Midwest order had the lowest SUP at $23.00 per cwt, $1.41 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