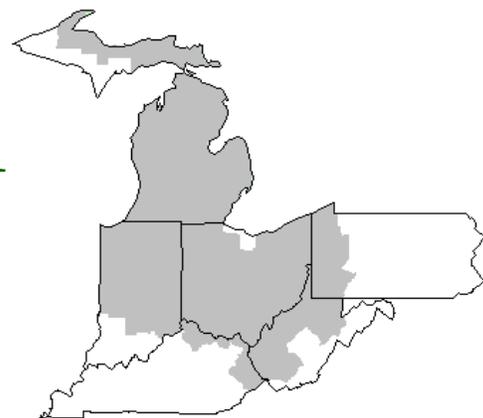


Mideast Market Administrator's Bulletin



Federal Order No. 33

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NOVEMBER 2019

Dairy Forecasts for the Remainder of 2019

Based on recent data for milk cow numbers and dairy cow slaughter, milk cows for the third quarter are expected to number 9.320 million head, 5,000 higher than forecast last month. Milk per cow for the third quarter is expected to be 5,805 pounds, an increase of 15 pounds from the last forecast based on recent data. As a result of these changes, milk production for the third quarter is now expected to be 54.1 billion pounds, 0.2 billion pounds higher than the last forecast. The fourth-quarter milk production forecast is unchanged at 53.8 billion pounds. The annual milk production forecast for 2019 is 218.2 billion pounds.

Annual import forecasts for 2019 on both the milk-fat and skim-solids bases are unchanged from last month's forecast. Greater demands for butter and butterfat products are expected to be relatively strong for the remainder of the year, and importers may have increased imports from the EU before the tariffs go into effect on October 18.

Export forecasts for the remainder of 2019 have been lowered due to lower expected exports of cheese and NDM/SMP to Mexico. The export forecast for 2019 on a milk-fat basis for the second half has been lowered 0.3 billion pounds, resulting in an annual forecast of 9.0 billion pounds. On a skim-solids basis, the export forecast for the second half of the year has been lowered, resulting in an annual forecast of 40.0 billion pounds.

The forecast for domestic use on a milk-fat basis has been raised 0.5 billion pounds for the second half of 2019, resulting in an annual forecast of 215.7 billion pounds, as consumption should respond to lower prices for butter through the end of the year. On a skim-solids basis, domestic use in the second half of 2019 is now expected slightly lower than the previous forecast, resulting in an annual forecast of 183.1 billion pounds. The forecast for 2019 ending stocks on a milk-fat basis for the year is unchanged at 13.0 billion pounds. Ending stocks on a skim-solids basis for 2019 are now projected at 10.4 billion pounds, an increase of 0.4 billion pounds from last month's forecast.

Changes in product price forecasts for the fourth quarter of 2019 are mixed. Based on recent price movements, the fourth-quarter price for Cheddar cheese has been raised by 4 cents to \$1.875 per pound, but fourth-quarter price forecasts for butter and dry whey have been lowered to \$2.145 per pound (-3.0 cents) and \$0.365 per pound (-0.5 cents), respectively. Due to recent domestic and international price movements, the NDM price forecast for the fourth quarter has been raised by 2 cents to \$1.065 per pound.

With the higher cheese price forecast more than offsetting the lower dry whey forecast, the Class III price forecast for the fourth quarter of 2019 has been raised to \$17.95 per hundredweight (cwt),

35 cents higher than last month's forecast. The increase in the NDM price forecast outweighs the decrease in the butter price forecast, resulting in a fourth-quarter Class IV forecast of \$16.10 per cwt, 5 cents higher than last month's forecast. The all-milk price for the third quarter is expected to be \$19.00 per cwt, unchanged from last month's forecast. For the fourth quarter, the all-milk price forecast has been increased by 20 cents to \$19.60 per cwt. For the year, the all-milk forecast is \$18.40 per cwt, 5 cents higher than last month's projection.

Dairy Forecasts for 2020

The forecast for the size of the milking herd in 2020 is unchanged from last month's forecast at 9.340 million head. Milk yield per cow for the year is now forecast at 23,725 pounds, an increase of 35 pounds from the last forecast, as more rapid yield growth in late 2019 should carry over into 2020. Due to the higher milk per cow forecast, the milk production forecast for 2020 has been raised by 0.4 billion pounds to 221.6 billion.

Due to the expected impact of new tariffs on imports of some dairy products from the EU, the import forecasts for 2020 have been lowered to 6.5 billion pounds on a milk-fat basis (-0.4 billion) and to 5.5 billion pounds on a skim-solids basis (-0.1 billion).

The forecast for 2020 exports on a milk-fat basis has been lowered by 0.3 billion pounds to 9.3 billion due to lower expected cheese exports. Higher exports of NDM/SMP are expected due to strong global demand and U.S. price competitiveness. Lactose exports to China are expected to increase as China takes steps to

(continued on Page 3)

October 2019 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	590,319,338	40.5
Class II	337,264,875	23.1
Class III	293,179,972	20.1
Class IV	236,935,651	16.3
Total	1,457,699,836	100.0

Producer Prices

Producer Price Differential	\$ (0.86) / cwt
Butterfat Price	2.4031 / lb
Protein Price	3.1700 / lb
Other Solids Price	0.1447 / lb
Somatic Cell Adjustment Rate	0.00098 / cwt
Statistical Uniform Price	17.86 / cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33
OCTOBER 2019

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			578,141,814			\$11.29 / cwt	\$ 65,272,210.81
Class I Butterfat		12,177,524				2.5570 / lb	31,137,928.90
Class I Location Differential	590,319,338						(286,225.51)
Class II SNF Value				29,064,55		0.9489 / lb	27,579,359.08
Class II Butterfat		24,482,155				2.4101 / lb	59,004,441.81
Class III Protein Value			9,404,927			3.1700 / lb	29,813,618.59
Class III Other Solids Value					16,923,638	0.1447 / lb	2,448,850.40
Class III Butterfat		10,046,491				2.4031 / lb	24,142,722.51
Class IV SNF Value				21,084,49		0.9186 / lb	19,368,220.78
Class IV Butterfat		9,899,762				2.4031 / lb	23,790,118.04
Somatic Cell Value II / III / IV							1,480,923.36
TOTAL PRODUCER MILK VALUE	1,457,699,836	56,605,932	46,326,428		83,862,158		<u>\$ 283,752,168.77</u>
Overages						112,910.95	
Beginning Inventory & OS Charges						35,857.84	
TOTAL ADJUSTMENTS							<u>\$ 148,768.79</u>
TOTAL HANDLER OBLIGATIONS							<u>\$ 283,900,937.56</u>
Total Protein Value			46,326,428 lbs	@	\$3.1700		\$ (146,854,776.76)
Total Other Solids Value			83,862,158 lbs	@	0.1447		(12,134,854.26)
Butterfat Value			56,605,932 lbs	@	2.4031		(136,029,715.20)
Total Somatic Cell Values							(2,487,186.80)
TOTALS							<u>\$ (13,605,595.46)</u>
Net Producer Location Adjustments							\$ 978,694.26
1/2 Unobligated Balance Producer Settlement							<u>678,000.00</u>
Total - Divided by Total Pounds			1,457,699,836 lbs		(0.8197093)		\$ (11,948,901.20)
Rate of Cash Reserve					<u>(0.0402907)</u>		<u>(587,317.47)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County,			1,457,699,836		\$ (0.86) /cwt		<u>\$ (12,536,218.67)</u>

COMPONENT PRICES**COMPUTATION OF UNIFORM PRICE**

	October			October	
	2019	2018		2019	2018
Butterfat Price	\$2.4031 / lb	\$2.5551 / lb	Class III Price - 3.5% BF	\$18.72	\$15.53
Protein Price	3.1700 / lb	1.7185 / lb	Producer Price Differential*	<u>(0.86)</u>	<u>0.77</u>
Other Solids Price	0.1447 / lb	0.2553 / lb	Statistical Uniform Price	\$17.86	\$16.30
Somatic Cell Adjustment Rate	0.00098 / cwt	0.00078 / cwt			
Nonfat Solids Price	0.9186 / lb	0.6990 / lb			

CLASS PRICES**CLASSIFICATION OF PRODUCER MILK**

	October			October	
	2019	2018		Product lbs.	Product lbs.
Class I*	\$19.84	\$18.33	Class I	590,319,338	576,921,973
Class II	16.68	15.54	Class II	337,264,875	342,920,731
Class III	18.72	15.53	Class III	293,179,972	503,105,224
Class IV	16.39	15.01	<u>Class IV</u>	<u>236,935,651</u>	<u>224,501,573</u>
			Total	1,457,699,836	1,647,449,471

* Subject to Location Adjustment.

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October 2019 was \$(0.86) and the Statistical Uniform Price was \$17.86 for the month. The Statistical Uniform Price is \$0.14 lower than last month, and is \$1.56 higher than October 2018.

The Producer Butterfat Price of \$2.4031 per pound decreased \$0.0951 from September and is down \$0.1520 from a year ago. The Protein Price of \$3.1700 is up \$0.3067 from last month and is up \$1.4515 from October 2018. The Other Solids Price in October was \$0.1447 per pound, a decrease from last month's price of \$0.1758 and \$0.11.06 lower than last October. The Somatic Cell Adjustment rate for October was \$0.00098 per cwt.

October producer receipts of 1.46 billion pounds were 2.3 percent higher than September and 11.5 percent lower than October 2018 production of 1.65 billion pounds. Producer milk allocated to Class I accounted for 40.5 percent of the total producer milk in October 2019, higher than the 36.8 percent in September, and higher than the 35.0 percent in October 2018. A total of 4,147 producers were pooled on the Mideast Order compared to 4,426 producers pooled in October 2018.

The market average content of producer milk was as follows: Butterfat 3.88%; Protein 3.18%; Other Solids 5.75% and Nonfat Solids 8.93%.

(continued from Front Page)

offset the impacts of African Swine Fever. With higher expected exports of NDM/SMP and lactose more than offsetting lower expected exports of cheese, the forecast for 2020 exports on a skim-solids basis has been raised to 43.0 billion pounds, 0.4 billion higher than last month's forecast.

Ending stocks for 2020 on a milk-fat basis are now projected at 12.8 billion pounds for the year, 0.2 billion pounds lower than last month's estimate. On a skim-solids basis, ending stocks are projected at 9.5 billion pounds, a reduction of 0.3 billion pounds from the last forecast. Domestic use forecasts for 2020 have been raised on both the milk-fat and skim-solids bases to 217.8 billion pounds (+0.5 billion) and 183.8 billion pounds (+0.4 billion), respectively.

With higher expected cheese prices for the fourth quarter of 2019 carrying over into 2020 and lower expected imports, the cheese price forecast for 2020 has been raised 1.5 cents to \$1.790 per pound for the year. The dry whey price forecast for 2020 is unchanged at \$0.375. With stronger expected global demand for NDM/SMP, the NDM price forecast has been raised half a cent to \$1.040 per pound. The butter price forecast for the year is 2.5 cents lower than last month's, at \$2.20 per pound, as lower price levels in late 2019 should carry over into 2020.

With a higher cheese price forecast for 2020, the Class III price forecast is \$17.20 per cwt for the year, 15 cents higher than last month's forecast. The Class IV price forecast has been lowered 5 cents to \$16.10 per cwt for the year, as the lower butter price forecast more than offsets the higher NDM price forecast. The all-milk price forecast for 2020 is unchanged at \$18.85 per cwt.

Source: *Livestock, Dairy, and Poultry Outlook*, LDP-M-304, October 17, 2019
USDA, Economic Research Service

September Production Up 1.6 Percent

Milk production in the 24 major States during September totaled 16.8 billion pounds, up 1.6 percent from September 2018. August revised production at 17.5 billion pounds, was up 0.5 percent from August 2018. The August revision represented an increase of 32 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,913 pounds for September, 33 pounds above September 2018.

The number of milk cows on farms in the 24 major States was 8.80 million head, 11,000 head less than September 2018, but 7,000 head more than August 2019.

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 September totaled 2.5 billion pounds, the same as September 2018.

Production per cow in the Mideast states averaged 1,835 pounds for September, 41 pounds more than September 2018.

The number of cows on farms in the Mideast states was 1.34 million head, 37,000 head less than September 2018.

September 2019 Highlights

Total cheese output (excluding cottage cheese) was 1.08 billion pounds, 2.1 percent above September 2018 but 3.7 percent below August 2019.

Italian type cheese production totaled 469 million pounds, 4.0 percent above September 2018 and 0.4 percent above August 2019.

American type cheese production totaled 418 million pounds, 1.4 percent below September 2018 and 9.0 percent below August 2019.

Butter production was 137 million pounds, 1.2 percent above September 2018 but 0.5 percent below August 2019.

Dry milk products (comparisons in percentage with September 2018)
Nonfat dry milk, human - 123 million pounds, up 7.9 percent.
Skim milk powder - 48.8 million pounds, up 4.6 percent.

Frozen products (comparisons in percentage with September 2018)
Ice cream, regular (hard) - 59.3 million gallons, up 4.8 percent.
Ice cream, lowfat (total) - 33.9 million gallons, down 2.8 percent.
Sherbet (hard) - 2.60 million gallons, down 15.6 percent.
Frozen yogurt (total) - 3.78 million gallons, up 4.4 percent.

Source: Released November 5, 2019, 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:

- Milk Production Statistics
- Dairy Product Production
- Commercial Disappearance of Milk Products

Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State Federal Order No. 33

State	September 2019 -----Weighted Averages-----						September 2018 -----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	1,015	739,372	3.77	3.11	5.77	177	755,489	3.75	3.09	5.77	185
Ohio	1,414	329,416	3.78	3.09	5.68	199	332,865	3.77	3.08	5.72	214
Indiana	700	187,669	3.80	3.14	5.86	201	204,049	3.62	3.00	5.66	212
New York	167	83,266	3.87	3.09	5.75	195	83,883	3.83	3.08	5.75	210
Pennsylvania	668	76,014	3.88	3.11	5.69	237	78,475	3.85	3.06	5.69	252
Other	104	9,332	3.84	3.14	5.69	254	7,136	3.83	3.16	5.67	270
Total/Average *	4,068	1,425,067	3.79	3.11	5.75	190	1,461,897	3.74	3.08	5.74	201

* 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
October 2019**

Marketing Area ^{1/}	Producer Milk		Class I	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)	Percent %		
FO 1 Northeast - (Boston)	2,222,836	730,411	32.9	\$0.00	\$18.72
FO 5 Appalachian - (Charlotte)	442,676	333,485	75.3	^{2/}	20.17
FO 6 Florida - (Tampa)	217,803	180,819	83.0	^{2/}	22.00
FO 7 Southeast - (Atlanta)	384,159	299,335	77.9	^{2/}	20.65
FO 30 Upper Midwest - (Chicago)	1,960,340	239,753	12.2	(0.30)	18.42
FO 32 Central - (Kansas City)	949,763	407,374	42.9	(1.29)	17.43
FO 33 Mideast - (Cleveland)	1,457,700	590,319	40.5	(0.86)	17.86
FO 51 California - (Los Angeles)	1,845,638	482,471	26.1	(1.59)	17.13
FO 124 Pacific Northwest - (Seattle)	634,408	154,034	24.3	(1.47)	17.25
FO 126 Southwest - (Dallas)	823,990	371,792	45.1	(0.85)	17.87
FO 131 Arizona - (Phoenix)	365,008	107,225	29.4	^{2/}	18.11

^{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 NOVEMBER 2019.....\$16.39 /cwt.

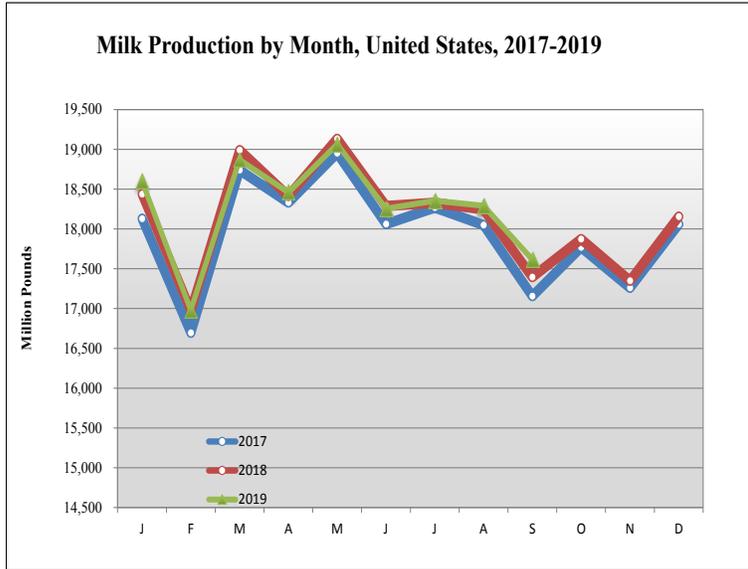


Mideast Market Administrator's Bulletin

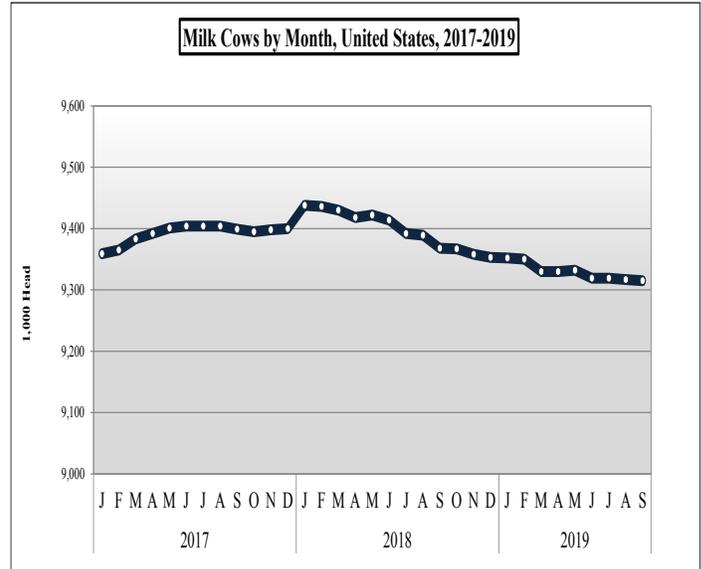
Federal Order No. 33

Supplement
November 2019

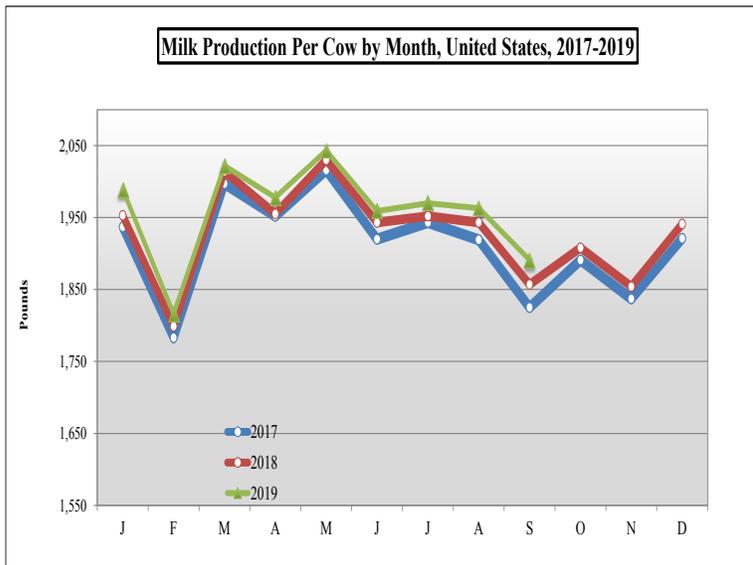
MILK PRODUCTION STATISTICS 1/



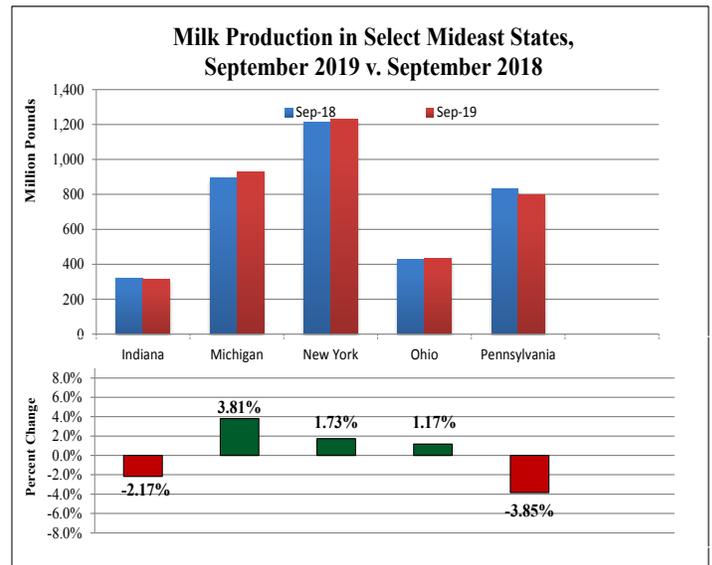
September 2019 milk production in the United States decreased 637 million pounds from August to 16.8 billion pounds. September 2019 milk production in the United States was up 1.6 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 8.8 million head for September 2019, up 7,000 head from August and 11,000 head less than September 2018.



Production per cow in the United States averaged 1,913 pounds for September 2019 down 74 pounds from August 2019. September 2019 milk production per cow was up 33 pounds from the same month of the prior year.

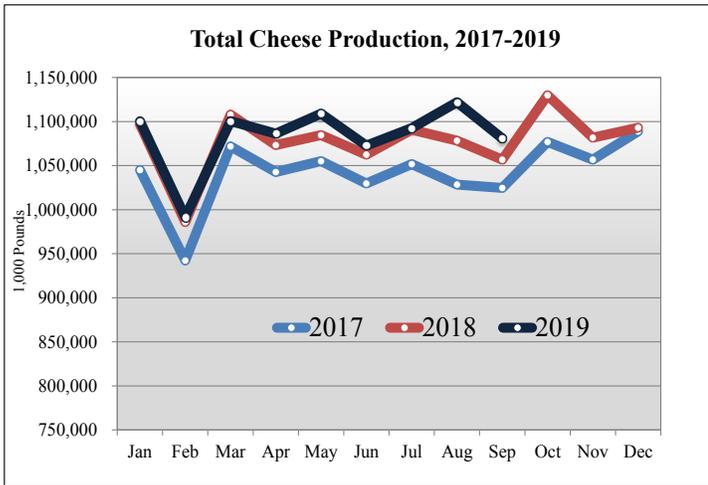


Milk production from selected states which pool on the Mideast marketing area totaled 3.7 billion pounds during September 2019, up 21 million pounds from the prior year. Milk production in Pennsylvania declined 32 million pounds while production in Michigan increased 34 million pounds.

1/ Source: National Agricultural Statistics Service (NASS), Agriculture Statistics Board, United States Department of Agriculture (USDA).

Gaps in data in figures is due to NASS suspension of select data to meet sequestration requirements.

DAIRY PRODUCT PRODUCTION 1/

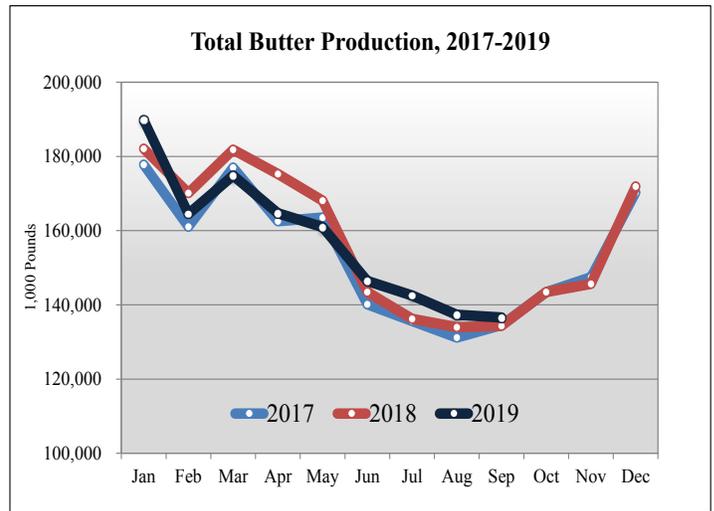
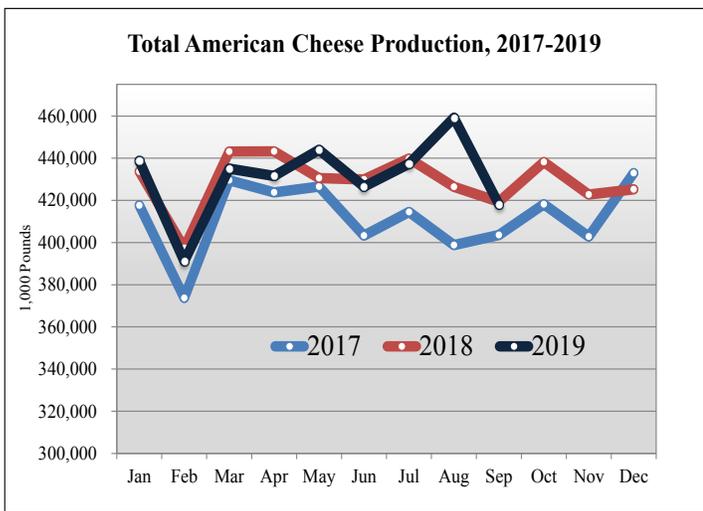


Dairy Product Production Summary:

American type cheese production totaled 418 million pounds, 1.4 percent below September 2018 and 9.0 percent below August 2019.

Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 2.1 percent above September 2018 and 3.7 percent below August 2019.

Butter production was 137 million pounds, 1.2 percent above September 2018 and 0.5 percent below August 2019.



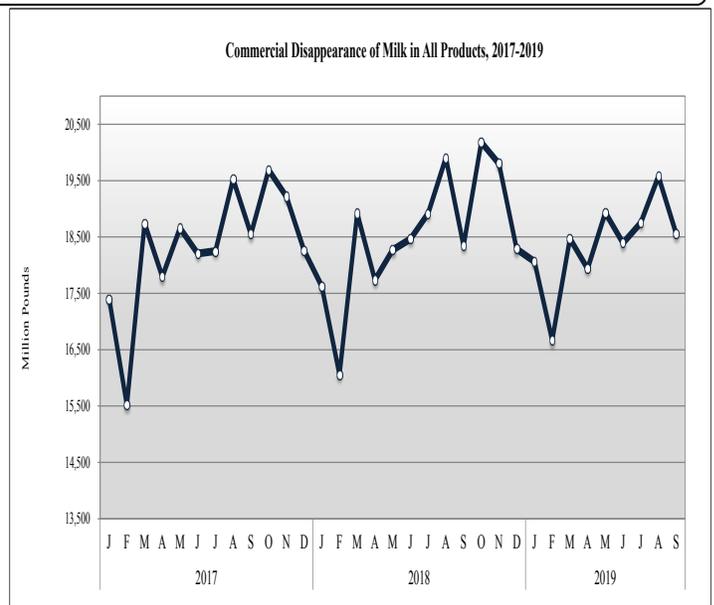
COMMERCIAL DISAPPEARANCE 2/

Commercial disappearance of milk in all productions represents the difference between the beginning monthly milk supply and the ending commercial stocks. Milk supply includes farm production, beginning inventory, imports and excludes milk used on the farm.

For September 2019 commercial disappearance of milk was 18.6 billion pounds, up 1.2 percent from the prior year. The cumulative disappearance total for 2019 is 165 billion pounds, an increase of 0.7 percent from the same 9-month period of 2018.

September 2019 commercial disappearance of American cheese was 413 million pounds, up 0.8 percent from the prior year.

September 2019 commercial disappearance of butter was 149 million pounds, down 2.4 percent from the prior year.



1/ Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).
 2/ Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.