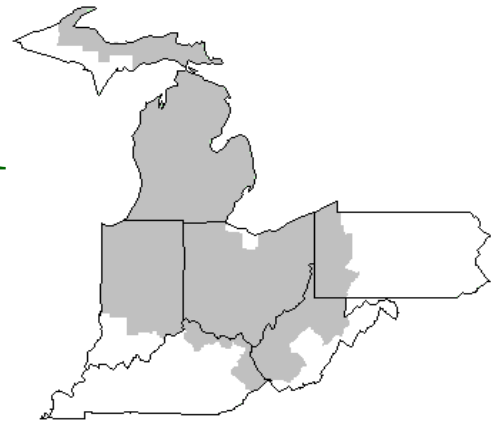


Mideast Market Administrator's Bulletin



Federal Order No. 33

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AUGUST 2021

Dairy Forecasts for 2021

Based on recent data, milk cows are projected to average 9.500 million head in 2021, 5,000 more than last month's forecast. The upward trend in milk cow numbers is anticipated to continue through the end of the year. Based on recent data, expectations of continued drought, relatively high feed prices, and lower expected milk prices, the projected annual yield per cow for 2021 has been lowered to 24,020 pounds, 45 pounds less than the previous month's estimate. The milk production forecast for 2021 has been lowered to 228.2 billion pounds, 0.3 billion lower than last month, as lower expected yield per cow more than offsets higher expected milk cow numbers.

The annual forecast for 2021 exports on a milk-fat basis is 11.1 billion pounds, unchanged from last month's projection. Due to higher expected export demand for dry skim milk products, lactose, and dry whey products in 2021, exports on a skim-solids basis are forecast at 51.3 billion pounds, 1.1 billion higher than forecast last month.

The 2021 annual projection for imports on a milk-fat basis is 6.2 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the projection for imports is 5.6 billion pounds, 0.1 higher than last month. Higher imports of cheese and butterfat products are expected due to suspension of retaliatory tariffs on products from the EU and the UK. Higher imports of milk protein products are expected based on recent trade data.

The 2021 domestic commercial use forecast on a milk-fat basis is 222.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower-than-anticipated domestic use in May. The domestic use forecast on a skim-solids basis for 2021 is 181.2 billion pounds, 1.8 billion lower than last month's forecast, as lower domestic use is expected in the second and third quarters.

Based on recent downward trends in wholesale prices for most dairy products, stronger international price competition, lower-than-anticipated domestic demand, high stock levels, and higher expected imports, wholesale price forecasts for dairy products have been lowered. Price forecasts for cheese, butter, NDM, and dry whey are \$1.655 (-5.0 cents), \$1.690 (-2.5 cents), \$1.210 (-4.0 cents), and \$0.570 (-2.0 cents) per pound, respectively.

Due to the lower expected wholesale prices for cheese and dry whey, the Class III price forecast for 2021 has been adjusted to \$16.80 per hundredweight (cwt), 65 cents lower than last month's forecast. Lower anticipated butter and NDM prices translate to a Class IV price of \$15.40 per cwt, 45 cents lower than last month's projection. The all-milk price forecast for 2021 is \$18.30 per cwt, 55 cents lower than the June forecast.

Dairy Forecasts for 2022

The upward trend in milk cow numbers projected for 2021 is expected to continue into 2022. The number of cows is forecast to average 9,515 million head in 2022, an increase of 20,000 from last month's forecast and 15,000 head more than 2021. The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast, but 315 pounds higher than 2021. The forecast for 2022 milk production has been raised to 231.6 billion pounds, 0.5 billion higher than last month's forecast and 3.4 billion pounds higher than 2021.

(continued on Page 3)

July 2021 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	499,224,549	28.3
Class II	312,447,964	17.7
Class III	682,982,031	38.6
Class IV	272,455,778	15.4
Total	1,767,110,322	100.0

Producer Prices

Producer Price Differential	\$ 0.76 /cwt
Butterfat Price	1.8996 /lb
Protein Price	2.4957 /lb
Other Solids Price	0.4181 /lb
Somatic Cell Adjustment Rate	0.00080 /cwt
Statistical Uniform Price	17.25 /cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

July 2021

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			488,003,455			\$12.95 / cwt	\$ 63,196,447.42
Class I Butterfat		11,221,094				1.9790 / lb	22,206,545.06
Class I Location Differential	499,224,549						(305,256.49)
Class II SNF Value				26,662,025		1.1700 / lb	31,194,569.25
Class II Butterfat		22,839,087				1.9066 / lb	43,545,003.28
Class III Protein Value			21,026,573			2.4957 / lb	52,476,018.26
Class III Other Solids Value					39,581,912	0.4181 / lb	16,549,197.40
Class III Butterfat		23,816,614				1.8996 / lb	45,242,039.95
Class IV SNF Value				24,269,885		1.0765 / lb	26,126,531.22
Class IV Butterfat		9,012,789				1.8996 / lb	17,120,693.99
Somatic Cell Value II / III / IV							<u>1,593,050.26</u>
TOTAL PRODUCER MILK VALUE	1,767,110,322	66,889,584	54,252,984		102,118,389		\$ 318,944,839.60
Overages						2,242.20	
Beginning Inventory & OS Charges						8,619.78	
TOTAL ADJUSTMENTS							\$ <u>10,861.98</u>
TOTAL HANDLER OBLIGATIONS							\$ 318,955,701.58
Total Protein Value			54,252,984 lbs	@	\$ 2.4957		\$(135,399,172.16)
Total Other Solids Value			102,118,389 lbs	@	0.4181		(42,695,698.43)
Butterfat Value			66,889,584 lbs	@	1.8996		(127,063,453.75)
Total Somatic Cell Values							<u>(2,194,328.47)</u>
TOTALS							\$ 11,603,048.77
Net Producer Location Adjustments							\$ 1,812,334.28
1/2 Unobligated Balance Producer Settlement Fund							<u>864,000.00</u>
Total - Divided by Total Pounds			1,767,110,322 lbs			0.880640	\$ 14,279,383.05
Rate of Cash Reserve						<u>(0.0480640)</u>	<u>(849,343.91)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,767,110,322			\$ 0.76 / cwt	\$ 13,430,039.14

COMPONENT PRICES

July

	<u>2021</u>	<u>2020</u>
Butterfat Price	\$1.8996 / lb	\$1.9583 / lb
Protein Price	2.4957 / lb	5.6294 / lb
Other Solids Price	0.4181 / lb	0.1492 / lb
Somatic Cell Adjustment Rate	0.00080 / cwt	0.00129 / cwt
Nonfat Solids Price ²	1.0765 / lb	0.7959 / lb

COMPUTATION OF UNIFORM PRICE

July

	<u>2021</u>	<u>2020</u>
Class III Price - 3.5% BF	\$16.49	\$24.54
Producer Price Differential*	<u>.76</u>	<u>(8.02)</u>
Statistical Uniform Price	\$17.25	\$16.52

CLASS PRICES

July

	<u>2021</u>	<u>2020</u>
Class I*	\$19.42	\$18.56
Class II	16.83	13.79
Class III	16.49	24.54
Class IV	16.00	13.76

CLASSIFICATION OF PRODUCER MILK

July

	<u>2021</u>	<u>2020</u>
Product lbs.		
Class I	499,224,549	530,070,088
Class II	312,447,964	318,125,699
Class III	682,982,031	72,047,123
Class IV	<u>272,455,778</u>	<u>291,948,229</u>
Total	1,767,110,322	1,212,191,139

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 July 2021 was \$0.76, and the Statistical Uniform Price was \$17.25 for the month. The Statistical Uniform Price is \$0.56 lower than last month and is \$0.73 higher than July 2020.

The Producer Butterfat Price of \$1.8996 per pound decreased \$0.0645 from June and is down \$0.0587 from a year ago. The Protein Price of \$2.4957 is down \$0.0877 from last month and is down \$3.1337 from July 2020. The Other Solids Price in July was \$0.4181 per pound, a decrease from last month's price of \$0.4579 and \$0.2689 higher than last July. The Somatic Cell Adjustment rate for July was \$0.00080 per cwt.

July producer receipts of 1.77 billion pounds were 10.6 percent higher than June and 45.8 percent higher than July 2020 production of 1.21 billion pounds. Producer milk allocated to Class I accounted for 28.3 percent of the total producer milk in July 2021, lower than the 31.2 percent in June, and lower than the 43.7 percent in July 2020. A total of 3,661 producers were pooled on the Mideast Order compared to 3,437 producers pooled in July 2020.

The market average content of producer milk was as follows: Butterfat 3.79%; Protein 3.07%; Other Solids 5.78% and Nonfat Solids 8.85%.

(continued from Front Page)

Due to recent price trends and greater expected supplies from milk production and imports, wholesale price forecasts for Cheddar cheese and butter have been lowered from last month's projections to \$1.680 (-3.5 cents) and \$1.750 (-4.5 cents), respectively. Price forecasts are anticipated to balance higher expected export demands.

Due to lower cheese price projection, the Class III milk price forecast for 2022 is \$16.75 per cwt, \$0.40 lower than the previous month's forecast. With lower butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$15.75 per cwt, \$0.20 lower than last month's forecast. The all-milk price forecast for 2022 is \$18.50 per cwt, a decrease of \$0.25 from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-325, July 16, 2021 USDA, Economic Research Service

June 2021 Highlights

Total cheese output (excluding cottage cheese) was 1.12 billion pounds, 0.2 percent above June 2020 but 2.9 percent below May 2021.

Italian type cheese production totaled 473 million pounds, 2.6 percent below June 2020 and 1.7 percent below May 2020.

American type cheese production totaled 454 million pounds, 5.1 percent above June 2020 but 5.1 percent below May 2021.

Butter production was 161 million pounds, 7.8 percent above June 2020 but 13.1 percent below May 2021.

Dry milk products (comparisons in percentage with June 2020)
Nonfat dry milk, human - 185 million pounds, up 19.8 percent.
Skim milk powder - 32.6 million pounds, down 46.1 percent.

Whey products (comparisons in percentage with June 2020)
Dry whey, total - 80.6 million pounds, down 1.3 percent.
Lactose, human and animal - 94.7 million pounds, down 7.9 percent.
Whey protein concentrate, total - 40.3 million pounds, up 0.2 percent.

Frozen products (comparisons in percentage with June 2020)
Ice cream, regular (hard) - 66.5 million gallons, down 8.6 percent.
Ice cream, lowfat (total) - 43.9 million gallons, down 7.1 percent.
Sherbet (hard) - 2.68 million gallons, down 17.5 percent.
Frozen yogurt (total) - 3.39 million gallons, down 1.3 percent.

June Milk Production Up 3.2 Percent

Milk production in the 24 major States during June totaled 18.1 billion pounds, up 3.2 percent from June 2020. May revised production, at 19.0 billion pounds, was up 4.9 percent from May 2020. The May revision represented an increase of 0.1 percent or 12 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,011 pounds for June, 27 pounds above June 2020.

The number of milk cows on farms in the 24 major States was 9.00 million head, 161,000 head more than June 2020, but 1,000 head less than May 2021.

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 June totaled 2.7 billion pounds, this was up 2.7 percent from June 2020.

Production per cow in the Mideast states averaged 1,973 pounds for June. This was a decrease of 1 pound per cow from June 2020. The number of cows on farms in the Mideast states was 1.4 million head, 33,000 head more than June 2020.

Milk Production (July 2021) USDA, National Agricultural Statistics Service

Bulletin WebPage Edition

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Featured this month are:

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

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

State	Number of Producers	Pounds of Milk (000)	June 2021 -----Weighted Averages-----				June 2020 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	879	710,140	3.78	3.10	5.81	162	632,149	3.69	3.07	5.79	168
Ohio	1,251	413,466	3.79	3.07	5.72	191	266,481	3.72	3.04	5.73	183
Indiana	658	285,816	3.81	3.10	5.86	189	236,976	3.76	3.10	5.89	177
Pennsylvania	713	90,258	3.85	3.01	5.69	229	64,875	3.79	3.01	5.66	228
New York	125	79,424	3.96	3.14	5.85	189	79,571	3.82	3.09	5.88	182
Other	152	18,391	3.88	3.07	5.76	207	10,880	3.66	2.93	5.55	213
Total/Average *	3,778	1,597,495	3.80	3.09	5.79	180	1,290,933	3.72	3.06	5.79	177

* 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
July 2021**

Marketing Area ^{1/}	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,342,917	649,185	27.7	1.57	\$18.06
FO 5 Appalachian - (Charlotte)	415,867	287,940	69.2	^{2/}	19.61
FO 6 Florida - (Tampa)	184,472	159,249	86.3	^{2/}	21.98
FO 7 Southeast - (Atlanta)	349,017	236,872	67.9	^{2/}	19.80
FO 30 Upper Midwest - (Chicago)	1,918,431	196,716	10.3	0.25	16.74
FO 32 Central - (Kansas City)	1,314,486	338,132	25.7	0.35	16.84
FO 33 Mideast - (Cleveland)	1,767,110	499,225	28.3	0.76	17.25
FO 51 California (Los Angeles)	1,840,098	381,583	20.7	0.45	16.94
FO 124 Pacific Northwest - (Seattle)	745,403	128,807	17.3	0.28	16.77
FO 126 Southwest - (Dallas)	1,044,388	297,999	28.5	1.16	17.65
FO 131 Arizona - (Phoenix)	397,061	112,112	28.2	^{2/}	17.27

^{1/} Names in parentheses are principal points of markets.

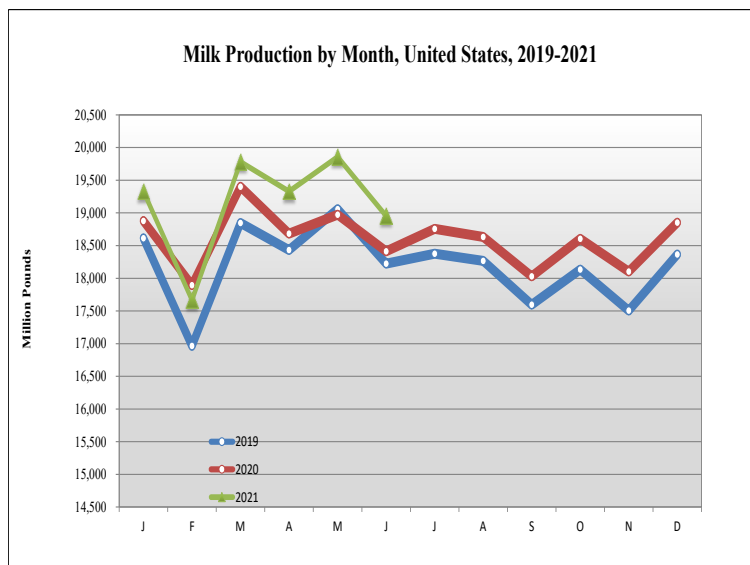
^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR AUGUST 2021.....\$16.00 /cwt.

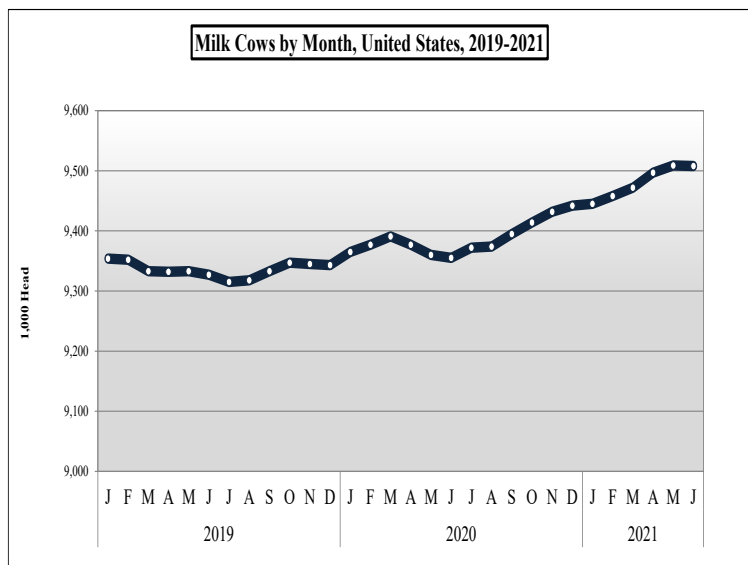
Mideast Market Administrator's Bulletin

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August 2021

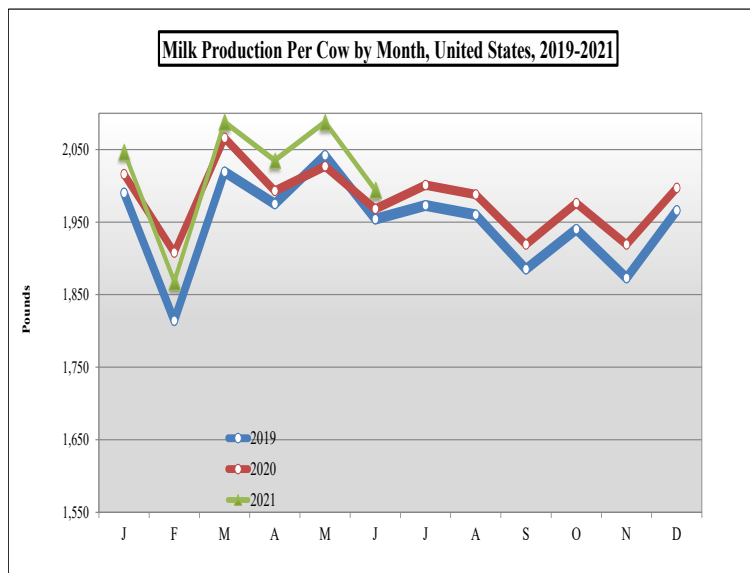
MILK PRODUCTION STATISTICS 1/



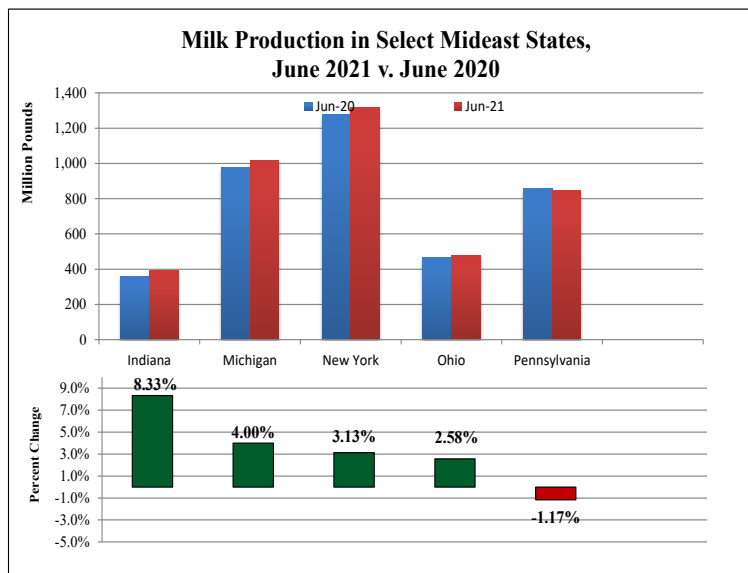
June 2021 milk production in the United States decreased 900 million pounds from May to 19.0 billion pounds. June 2021 milk production in the United States was up 2.9 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.5 million head for June 2021, down 1,000 head from May. June Cow numbers were 153,000 head more than June 2020.



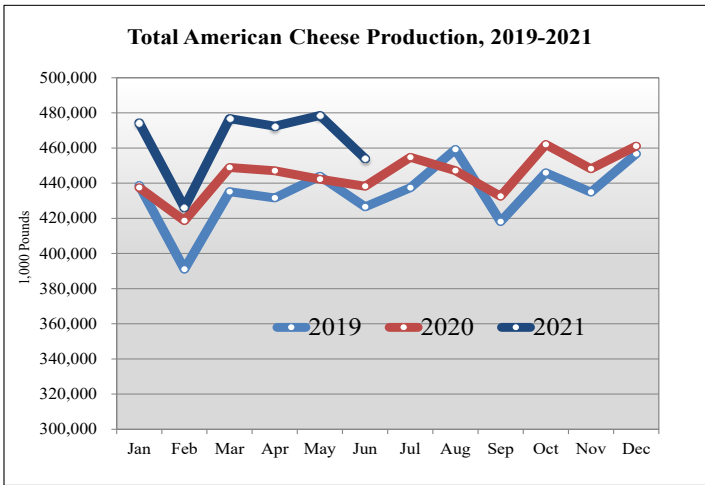
Production per cow in the United States averaged 1,994 pounds for June 2021 down 94 pounds from May 2021. June 2021 milk production per cow was up 26 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during June 2021, up 111 million pounds from the prior year. Milk production in Indiana was up 30 million pounds while production in Pennsylvania was down 10 million pounds.

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

DAIRY PRODUCT PRODUCTION 1/

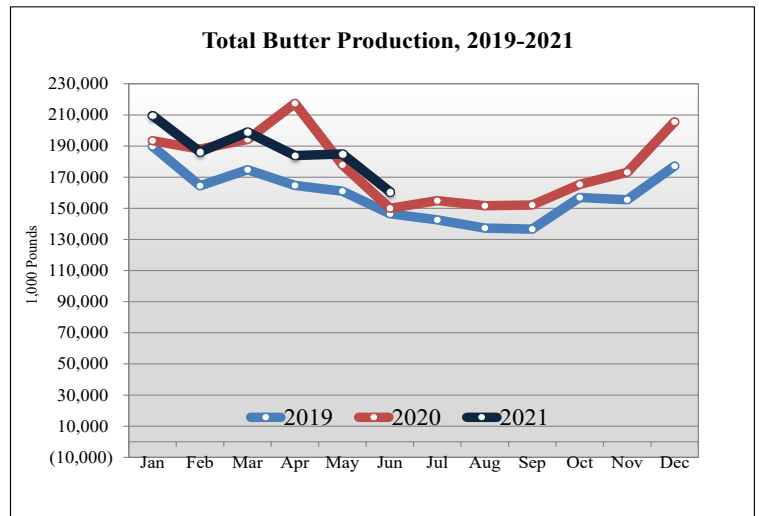
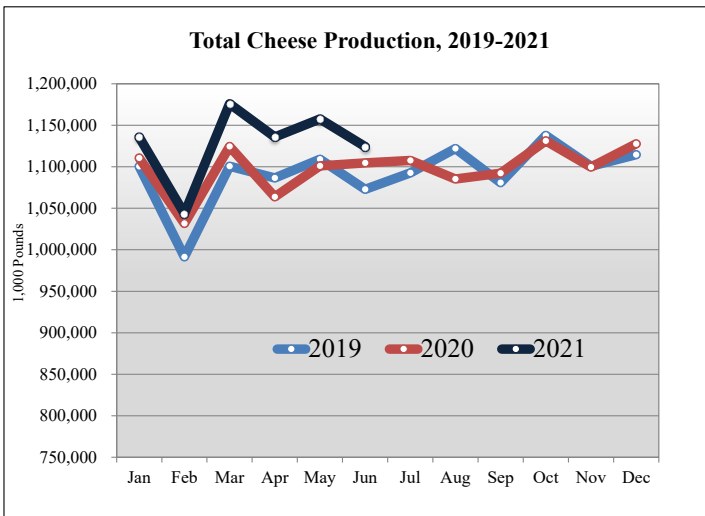


Dairy Product Production Summary:

American type cheese production totaled 453.9 million pounds, 3.6 percent above June 2020 and 5.1 percent below May 2021.

Total cheese output (excluding cottage cheese) was 1.1 billion pounds, 1.8 percent above June 2020 and 2.9 percent below May 2021.

Butter production was 160 million pounds, 7.1 percent above June 2020 and 13.1 percent below May 2021.



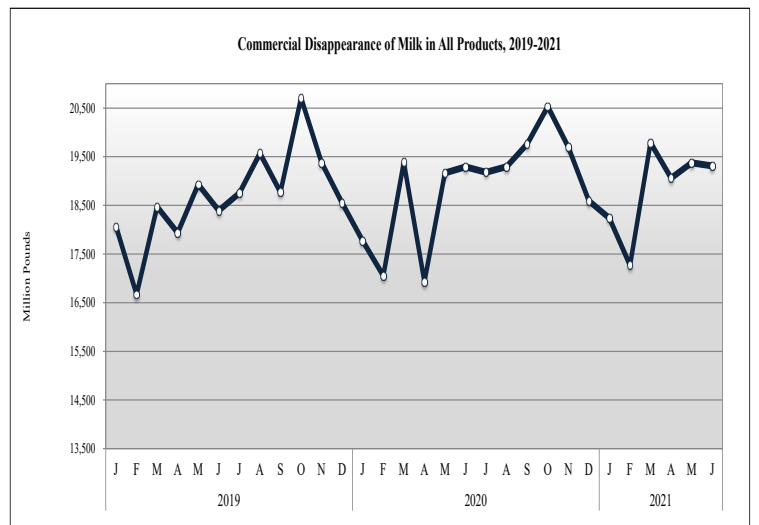
COMMERCIAL DISAPPEARANCE 2/

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 June 2021 commercial disappearance of milk was 19.3 billion pounds, up 0.9 percent from the prior year. The cumulative disappearance total for 2021 is 113.0 billion pounds, an increase of 3.1 percent from the same 6-month period of 2020.

June 2021 commercial disappearance of American cheese was 474.3 million pounds, up 3.4 percent from the prior year. The cumulative disappearance is up 7.9 % from 2020.

June 2021 commercial disappearance of butter was 168 million pounds, down 3.6 percent from the prior year. The cumulative disappearance is up 1.3 % from 2020.



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.