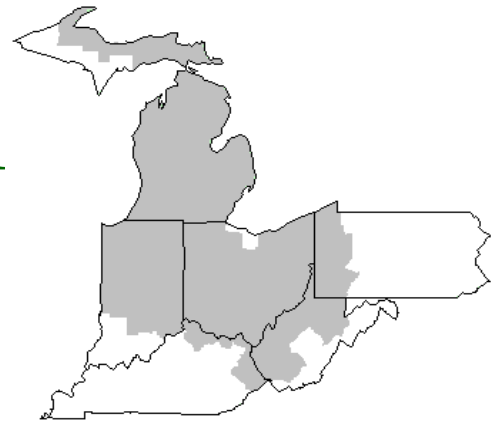


Mideast Market Administrator's Bulletin



Federal Order No. 33

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Dairy Forecasts 2022

In 2022, the U.S. milking herd is projected to average 9.400 million head, 30,000 head higher than last month's forecast. Based on recent information, the number of milk cows is expected to trend upward into 2022-Q3 and then stabilize in 2022-Q4. The milk per cow forecast for 2022 is 24,120 pounds, 40 pounds lower last month's forecast due to relative higher feed prices. With the higher anticipated number of milk cows, the milk production forecast for 2022 has been raised to 226.7 billion pounds, 0.4 billion higher than last month's projection.

On a milk-fat basis, the annual dairy export forecast for 2022 is 12.0 billion pounds, 0.5 billion higher than last month's forecast as 2022-Q1 exports on a milk-fat basis were higher than expected. On a skim-solids basis, the dairy export projection has been lowered to 49.9 billion pounds, 0.4 billion below the last month's forecast as the actual exports in 2022-Q1 on a skim basis solid were lower than anticipated, particularly for whey products. With strong international demand and relatively competitive domestic prices, exports of cheese, butter, and several other dairy products are anticipated to increase from 2021 totals.

The 2022 forecast for dairy imports on a milk-fat basis has been increased to 6.6 billion pounds, 0.2 billion pounds higher than last month's forecast. On a skim-solids basis, the dairy import forecast has been raised to 5.9 billion pounds, 0.1 billion higher than last month's projections. In 2022, imports of cheese, milk protein concentrate, and milk powders are expected to increase from 2021 totals.

On a milk-fat basis, domestic use in 2022 has remained steady from last month's forecast of 221.6 million pounds. On a skim-solid basis, 2022 domestic use was raised by 0.9 million due to higher-than-expected domestic use in 2022-Q1. The forecasts for ending stocks remained unchanged from last month's forecast, at 12.9 billion pounds on a milk-fat basis and 11.0 billion pounds on a skim-solids basis.

The 2022 price forecasts for Cheddar cheese and butter are raised to \$2.175 (+2.5 cents), and \$2.650 (+1.0 cent) per pound, respectively. Due to higher anticipated production, the NDM and dry whey price forecasts have been lowered to \$1.715 (-3.0 cents) and \$0.655 (-3.5 cents), per pound respectively. The Class III milk price forecast for 2022 remains unchanged from last month's forecast, at \$22.75 per hundredweight (cwt), as the higher expected cheese price is offset by the lower expected whey price. The Class IV milk price forecast has been lowered by \$0.25 to \$23.80 per cwt, as the lower expected NDM price more than offsets the higher expected butter price. The all-milk price forecast for 2022 is \$25.75 per cwt, \$0.05 lower than last month's forecast.

Dairy Forecasts 2023

Typically, we discuss forecasts compared to projections from the previous month. Since these are the first USDA projections for 2023, these forecasts are discussed in terms of year-over-year comparisons with 2022 forecasts.

The U.S. milking herd is projected to average 9.400 million head in 2023, unchanged from the 2022 projection. Milk per cow is projected to average 24,420 per head, a year-over-year increase of 1.2 percent. The milk production forecast for 2023 is 229.5 billion pounds, 1.2 percent higher than the 2022 projection.

Dairy exports on a milk-fat basis are projected to total 11.5 billion pounds in 2023, 0.5 billion lower than the forecast for 2022. On a skim-solids basis, exports are projected to total 51.0 billion pounds, 1.1 billion higher than the 2022 projection. Among the major dairy products exported, with strong foreign demand and weaker domestic prices, exports of cheese, dry skim milk products, and whey products and milk-based drinks are anticipated to increase year over year. However, butter exports are likely to be lower.

Dairy imports on a milk-fat basis are projected to total 6.6 billion pounds in 2023, unchanged from the 2022 forecast. On a skim-solids basis, 2023 imports are projected to total 6.0 billion pounds, 0.1 billion higher than 2022. In 2023, imports of cheese, casein products, and pounds lactose are expected to increase on a year to year basis.

(Continued on Page 3)

May 2022 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	519,183,210	30.1
Class II	182,261,328	10.6
Class III	735,305,676	42.6
Class IV	288,472,223	16.7
Total	1,725,222,437	100.0

Producer Prices

Producer Price Differential	\$ 0.38 / cwt
Butterfat Price	3.1056 / lb
Protein Price	3.8696 / lb
Other Solids Price	0.4857 / lb
Somatic Cell Adjustment Rate	0.00121 / cwt
Statistical Uniform Price	25.59 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2022

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	<u>POUNDS</u>	<u>BUTTERFAT</u>	<u>SKIM / PROTEIN</u>	<u>NONFAT SOLIDS</u>	<u>OTHER SOLIDS</u>	<u>PRICE</u>	<u>VALUE</u>
Class I Skim Value			508,237,875			\$16.99 / cwt	\$ 86,349,614.95
Class I Butterfat		10,945,335				3.1573 / lb	34,557,706.19
Class I Location Differential	519,183,210						(320,800.93)
Class II SNF Value				15,464,982		1.7244 / lb	26,667,814.95
Class II Butterfat		16,774,650				3.1126 / lb	52,212,775.57
Class III Protein Value			23,136,281			3.8696 / lb	89,528,152.96
Class III Other Solids Value					42,423,460	0.4857 / lb	20,605,074.47
Class III Butterfat		30,772,896				3.1056 / lb	95,568,305.85
Class IV SNF Value				26,029,993		1.6253 / lb	42,306,547.64
Class IV Butterfat		9,494,567				3.1056 / lb	29,486,327.26
Somatic Cell Value II / III / IV							2,491,916.27
TOTAL PRODUCER MILK VALUE	1,725,222,437	67,987,448	54,644,615		99,806,930		\$ 479,453,435.18
Overages					255,319.35		
Beginning Inventory & OS Charges					670.84		
TOTAL ADJUSTMENTS							\$ 255,990.19
TOTAL HANDLER OBLIGATIONS							\$ 479,709,425.37
Total Protein Value			54,644,615 lbs	@	\$3.8696		\$(211,452,802.18)
Total Other Solids Value			99,806,930 lbs	@	0.4857		(48,476,225.89)
Butterfat Value			67,987,448 lbs	@	3.1056		(211,141,818.50)
Total Somatic Cell Values							(3,516,511.63)
TOTALS							\$ 5,122,067.17
Net Producer Location Adjustments							\$ 1,504,605.65
1/2 Unobligated Balance Producer Settlement Fund							767,000.00
Total - Divided by Total Pounds			1,725,222,437 lbs		0.4285635		\$ 7,393,672.82
Rate of Cash Reserve					(0.0485635)		(837,828.40)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,725,222,437		\$ 0.38 /cwt		\$ 6,555,844.42

COMPONENT PRICES

May

COMPUTATION OF UNIFORM PRICE

May

	<u>2022</u>	<u>2021</u>		<u>2021</u>	<u>2020</u>
Butterfat Price	\$3.1056 / lb	\$1.9851 / lb	Class III Price - 3.5% BF	\$25.21	\$18.96
Protein Price	3.8696 / lb	3.1307 / lb	Producer Price Differential*	<u>0.38</u>	<u>(1.53)</u>
Other Solids Price	0.4857 / lb	0.4645 / lb	Statistical Uniform Price	\$25.59	\$17.43
Somatic Cell Adjustment Rate	0.00121 / cwt	0.00091 / cwt			
Nonfat Solids Price ²	1.6253 / lb	1.0607 / lb			

CLASS PRICES

May

CLASSIFICATION OF PRODUCER MILK

May

	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
Class I*	\$27.45	\$19.10	Product lbs.	Product lbs.	
Class II	25.87	16.22	Class I	519,183,210	532,017,301
Class III	25.21	18.96	Class II	182,261,328	343,039,962
Class IV	24.99	16.16	Class III	735,305,676	255,561,985
			Class IV	<u>288,472,223</u>	<u>292,025,057</u>
			Total	1,725,222,437	1,422,644,305

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 May 2022 was \$0.38 and the Statistical Uniform Price was \$25.59 for the month. The Statistical Uniform Price is \$0.68 higher than last month and is \$8.16 higher than May 2021.

The Producer Butterfat Price of \$3.1056 per pound decreased \$0.0405 from April and is up \$1.1205 from a year ago. The Protein Price of \$3.8696 is up \$0.4457 from last month and is up \$0.7389 from May 2021. The Other Solids Price in May was \$0.4857 per pound, a decrease from last month's price of \$0.5565 and \$0.0212 higher than last May. The Somatic Cell Adjustment rate for May was \$0.00121 per cwt.

May producer receipts of 1.73 billion pounds were 11.4 percent higher than April and 21.3 percent higher than May 2021 production of 1.42 billion pounds. Producer milk allocated to Class I accounted for 30.1 percent of the total producer milk in May 2022, lower than the 34.3 percent in April, and lower than the 37.4 percent in May 2021. A total of 3,369 producers were pooled on the Mideast Order compared to 3,555 producers pooled in May 2021.

The market average content of producer milk was as follows: Butterfat 3.94%; Protein 3.17%; Other Solids 5.79% and Nonfat Solids 8.96%.

(continued from Front Page)

Domestic use for dairy products is expected to increase in 2023. The domestic use forecast on a milk-fat basis is 222.8 billion pounds, 1.2 billion higher than 2022. On a skim-solids basis, the 2023 projection is 182.7 billion pounds, 1.0 billion higher than 2022. On a milk-fat basis, the ending stock forecast for 2023 is 13.6 billion pounds, 0.7 million higher than 2022. On a skim solids basis, the ending stock forecast for 2023 is 11.7 billion pounds, 0.7 million higher than 2022.

Higher milk supplies projected in 2023 and relative stable demand are expected to contribute to lower prices for the main dairy products compared to 2022 projections. The Cheddar cheese price is projected to fall to \$2.040 per pound, 13.5 cents lower than 2022, as more milk is expected to move into cheese manufacturing in 2023. The price of dry whey is projected at \$0.520 per pound (-13.5 cents) due to relatively large cheese production and competitive price pressure from foreign exporters. In 2023, the NDM price is projected at \$1.580 (-13.5 cents). The butter price is expected to decline to \$2.350 per pound (-30.0 cents), as more cream volumes are expected to move into churns in 2023.

The Class III milk price forecast for 2023 is \$20.50 per cwt, \$2.25 lower than the projection for 2022. The Class IV milk price projection for 2023 is \$21.40 per cwt, a year-over-year decline of \$2.40. The all-milk price forecast for 2023 is \$23.55 per cwt, \$2.20 lower than the projection for 2022.

Livestock, Dairy, and Poultry Outlook: May 2022, LDP-M-335, May 18, 2022

USDA, Economic Research Service

Outlook For Feed Prices

The 2021/22 and 2022/23 corn price projections are \$5.90 per bushel and \$6.75 per bushel, respectively. The 2021/22 and 2022/23 price projections for soybean meal are \$420 per short ton and \$400 per short ton, respectively.

For more information, see *Feed Outlook*, published by USDA, Economic Research Service.

The alfalfa hay price in March was \$221 per short ton, \$7 higher than February and \$44 higher than March 2021. The 5-State weighted-average price for premium alfalfa hay in March was \$269 per short ton, \$3 higher than February and \$59 higher than March 2021.

April Milk Production Down 0.9 Percent

Milk production in the 24 major States during April totaled 18.3 billion pounds, down 0.9 percent from April 2021. March revised production, at 18.8 billion pounds, was down 0.3 percent from March 2021. The March revision represented an increase of 23 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,054 pounds for April, 1 pound below April 2021.

The number of milk cows on farms in the 24 major States was 8.91 million head, 78,000 head less than April 2021, but unchanged from March 2022.

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 2.7 billion pounds, down 87 million pounds or 3.2 percent from April 2021.

Production per cow in the Mideast states averaged 1,990 pounds for April, unchanged from April 2021.

The number of cows on farms in the Mideast states was 1.3 million head, 43,000 head less than April 2021.

Released May 18, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition
www.fmmaclev.com
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	April 2022						April 2021				
	Number of Producers	Pounds of Milk (000)	-----Weighted Averages -----				Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	821	762,936	4.05	3.25	5.80	153	537,869	3.91	3.20	5.79	149
Ohio	1,151	378,153	4.06	3.24	5.78	175	311,819	3.87	3.15	5.72	173
Indiana	563	232,463	3.94	3.19	5.75	181	280,120	3.95	3.20	5.86	165
Pennsylvania	541	83,219	4.03	3.13	5.70	214	72,266	3.96	3.09	5.67	215
New York	153	81,630	4.12	3.21	5.86	179	64,679	4.06	3.22	5.87	168
Other	143	10,455	3.93	3.12	5.77	182	22,746	3.93	3.12	5.77	182
Total/Average *	3,372	1,548,855	4.04	3.23	5.79	168	1,289,499	3.92	3.18	5.78	163

* 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
May 2022**

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 - (<i>Boston</i>)	2,362,187	678,026	28.7	1.37	26.58
FO 5 Appalachian - (<i>Charlotte</i>)	469,222	307,747	65.6	^{2/}	27.79
FO 6 Florida - (<i>Tampa</i>)	208,030	163,388	78.5	^{2/}	29.76
FO 7 Southeast - (<i>Atlanta</i>)	365,107	230,350	63.1	^{2/}	28.07
FO 30 Upper Midwest - (<i>Chicago</i>)	2,075,006	197,679	9.5	0.13	25.34
FO 32 Central - (<i>Kansas City</i>)	1,403,475	360,115	25.7	0.01	25.22
FO 33 Mideast - (<i>Cleveland</i>)	1,725,222	519,183	30.1	0.38	25.59
FO 51 California - (<i>Los Angeles</i>)	1,788,880	402,248	22.5	0.22	25.43
FO 124 Pacific Northwest - (<i>Seattle</i>)	591,336	137,772	23.3	(0.09)	25.12
FO 126 Southwest - (<i>Dallas</i>)	1,212,478	314,894	26.0	0.64	25.85
FO 131 Arizona - (<i>Phoenix</i>)	445,194	104,319	23.4	^{2/}	25.83

^{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 JUNE 2022.....\$24.99 /cwt.

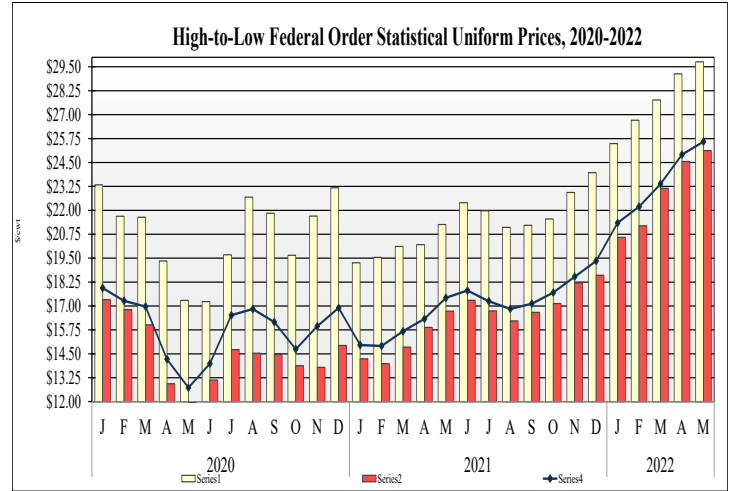
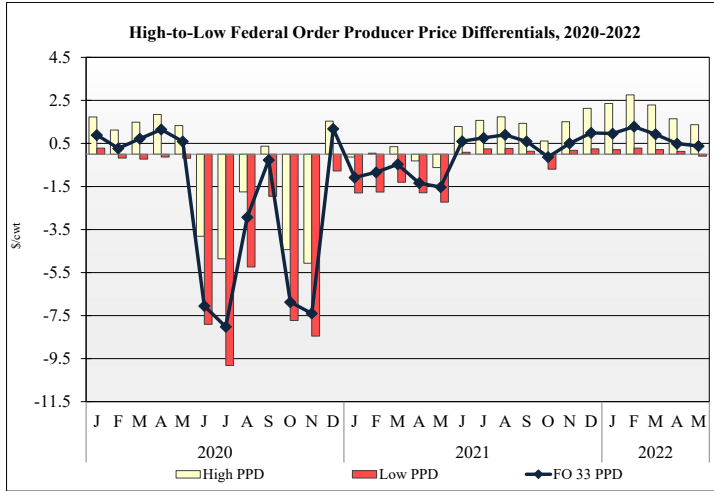


Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
June 2022

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 1/ 2/



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 2022 Federal Order 1 had a PPD of \$1.37 per hundredweight (cwt), \$0.28 lower than their April PPD of \$1.65 per cwt.

In May 2022, Federal Order 33 had the third highest PPD, behind Orders 1, and 126, at \$0.38 per cwt, \$0.11 per cwt lower than the April PPD.

For May 2022, Federal Order 124 had the lowest PPD at \$-0.09 per cwt, \$0.46 per cwt lower than the April PPD.

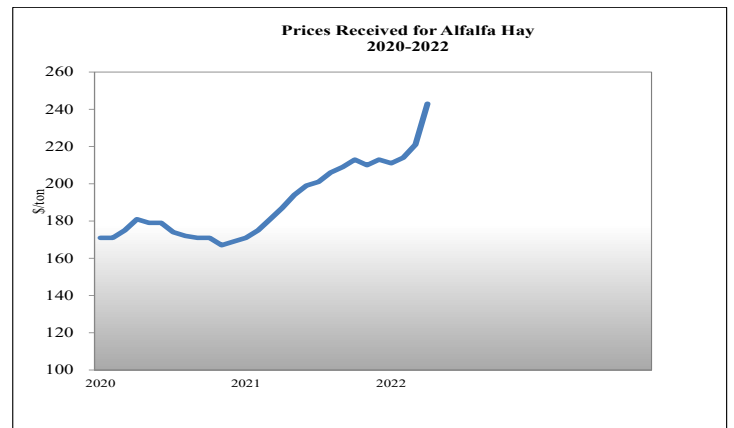
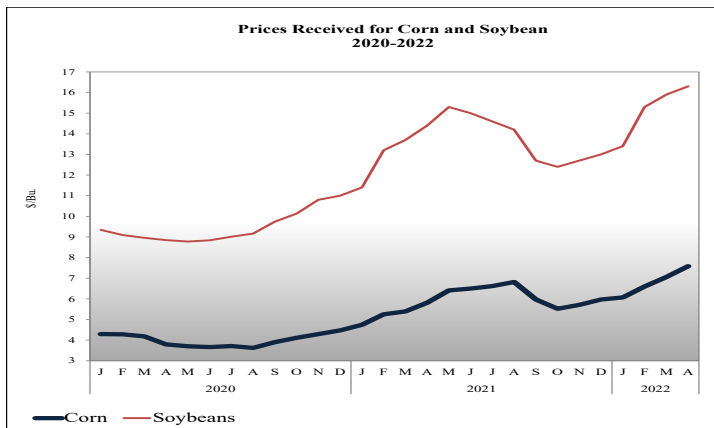
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2022, Federal Order 6 had a SUP of \$29.76 per cwt, \$0.63 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$25.59 per cwt, \$0.68 per cwt higher than the previous month's SUP.

Federal Order 124 had the lowest SUP at \$25.12 per cwt, \$0.33 per cwt higher than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



1/ Producer price differentials are subject to location adjustment.

2/ Statistical uniform prices are at 3.5 percent butterfat and subject to location adjustment.

3/ Source: USDA, National Agricultural Statistics Service