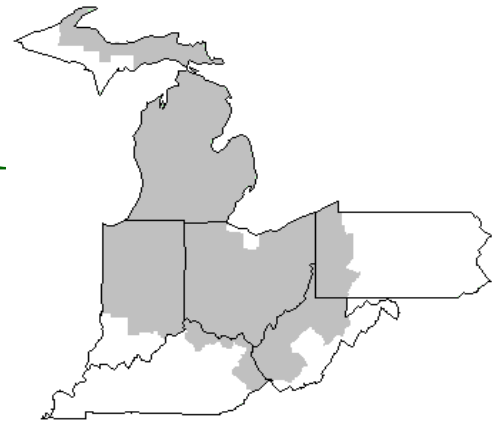


Mideast Market Administrator's Bulletin



Federal Order No. 33

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NOVEMBER 2023

Dairy Forecasts for 2023

Based on recent milk production information, the forecast for the average number of milk cows in 2023 is unchanged from last month's forecast of 9.405 million head. However, the yield per cow is increased by 15 pounds to 24,200 pounds of milk per head. With higher productivity per cow, the milk production forecast for 2023 is projected at 227.6 billion pounds, 0.1 billion higher than the previous month's projection.

Due to expected soft demand from the international market and competitive international prices from major dairy exporting regions, lower U.S. dairy export volumes are projected for the rest of 2023 compared to the previous month's projections. The forecast for 2023 dairy exports on a milk-fat basis are adjusted to 11.0 billion pounds, 0.1 billion lower. On a skim-solids basis, 2023 exports are forecast at 49.5 billion pounds, down 0.5 billion. Lower shipments of butter, NDM, and dry whey are expected for the rest of 2023.

For 2023, dairy import forecasts remained unchanged from the previous month's projection at 7.4 billion pounds, on a milk-fat basis. On a skim-solids basis, 2023 dairy imports were adjusted higher to 6.7 billion pounds, up 0.1 billion due to higher expected imports of milk protein concentrates.

Domestic use of dairy products in 2023 is projected to be higher than forecast last month as domestic consumption is expected to continue strong for the rest of 2023. On a milk-fat basis, the annual forecast for 2023 domestic use is 222.9 billion pounds, up 0.3 billion. The domestic use forecast on a skim-solids basis for 2023 is 183.4 billion pounds, up 0.8 billion.

Based on recent downward trends in cheese prices and large supplies, the 2023 price forecast for cheese is lowered to \$1.770 (-4.0 cents) per pound. Meanwhile, the wholesale price for butter is adjusted to \$2.660 (+12.0 cents) per pound due to recent record highs in spot butter prices, supported by strong domestic demand and tight supplies. The price forecast for NDM was also adjusted higher to \$1.175 per pound (+1.5 cents), while the price of dry whey was unchanged at \$0.345 per pound.

Due to lower cheese prices, the Class III milk price forecast for 2023 is \$17.05 per hundredweight (cwt), down \$0.30 from the previous month's forecast. With higher prices for butter and NDM, the Class IV milk price projection is adjusted to \$19.25 per cwt, up \$0.65. The all-milk price forecast for 2023 is \$20.70 per cwt, an increase of \$0.30.

Dairy Forecasts for 2024

This month's forecast for 2024 milk production is unchanged from the previous forecast at 230.4 billion pounds, with dairy cows and yield per cow expected to remain at 9.385 million head and 24,560 pounds per cow, respectively.

Dairy exports are expected to decline in 2024. The export forecast for 2024 on a milk-fat basis is 12.0 billion pounds, 0.1 billion lower. On a skim-solids basis, 2024 dairy exports are projected to total 52.9 billion pounds, 0.1 billion lower. In 2024, lower exports are expected for butter due to higher domestic prices, while shipments for dry whey are expected to be lower due to international competitive pressure, mainly from Oceania.

On a milk-fat basis, 2024 dairy import forecasts are raised by 0.1 billion pounds to 7.5 billion pounds, driven by expected stronger imports of butter. On a skim-solids basis, dairy imports are lowered by 0.1 from last month's forecast to 6.1 million pounds. Exports for cheese and milk protein concentrate are expected to be lower in 2024.

(continued on page 3)

October 2023 - Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	593,744,861	39.6
Class II	173,616,875	11.6
Class III	681,310,076	45.4
<u>Class IV</u>	<u>51,092,370</u>	<u>3.4</u>
Total	1,499,764,182	100.0

Producer Prices

Producer Price Differential	\$2.82 / cwt
Butterfat Price	3.7144 / lb
Protein Price	1.0468 / lb
Other Solids Price	0.1243 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt
Statistical Uniform Price	19.66 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****October 2023****COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			580,887,840			\$11.12 / cwt	\$ 64,594,77.81
Class I Butterfat		12,857,021				3.0677 / lb	39,441,483.32
Class I Location Differential	593,744,861						(355,615.26)
Class II SNF Value				14,644,342		1.0278 / lb	15,051,454.70
Class II Butterfat		18,463,804				3.7214 / lb	68,711,200.21
Class III Protein Value			22,324,868			1.0468 / lb	23,369,671.84
Class III Other Solids Value					39,617,154	0.1243 / lb	4,924,412.26
Class III Butterfat		25,756,836				3.7144 / lb	95,671,191.63
Class IV SNF Value				1,150,637		0.9781 / lb	4,304,574.10
Class IV Butterfat		2,355,530				3.7144 lb	17,205,832.55
Somatic Cell Value II / III / IV							<u>1,388,572.04</u>
TOTAL PRODUCER MILK VALUE	1,499,764,182	61,709,858	48,951,073		86,768,275		\$ 334,307,505.20
Overages						\$102,400.94	
Beginning Inventory & OS Charges						(37,887.59)	
TOTAL ADJUSTMENTS							\$ <u>64,513.35</u>
TOTAL HANDLER OBLIGATIONS							\$ 334,372,018.55
Total Protein Value			48,951,073 lbs	@	\$ 1.0468		\$(51,241,983.20)
Total Other Solids Value			86,768,275 lbs	@	0.1243		(10,785,296.57)
Butterfat Value			61,709,858 lbs	@	3.7144		(229,215,096.57)
Total Somatic Cell Values							<u>(2,286,225.11)</u>
TOTALS							\$ 40,843,417.10
Net Producer Location Adjustments							\$ 1,504,398.02
1/2 Unobligated Balance Producer Settlement Fund							<u>705,000.00</u>
Total - Divided by Total Pounds			1,499,764,182 lbs			2.8706390	\$ 43,052,815.12
Rate of Cash Reserve						(0.050639)	<u>(744,817.00)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,499,764,182			\$ 2.82 / cwt	\$ 42,307,998.12

COMPONENT PRICES**October**

	<u>2023</u>	<u>2022</u>
Butterfat Price	\$3.7144 / lb	\$3.6567 / lb
Protein Price	1.0468 / lb	2.4512 / lb
Other Solids Price	0.1243 / lb	0.2952 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt	0.00108 / cwt
Nonfat Solids Price ²	0.9781 / lb	1.4000 / lb

COMPUTATION OF UNIFORM PRICE**October**

	<u>2023</u>	<u>2022</u>
Class III Price - 3.5% BF	\$16.84	\$21.81
Producer Price Differential*	<u>2.82</u>	<u>1.18</u>
Statistical Uniform Price	\$19.66	\$22.99

CLASS PRICES**October**

	<u>2023</u>	<u>2022</u>
Class I*	\$21.47	\$24.71
Class II	21.95	25.73
Class III	16.84	21.81
Class IV	21.49	24.96

CLASSIFICATION OF PRODUCER MILK**October**

	<u>2023</u>	<u>2022</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	593,744,861	522,107,156
Class II	173,616,875	114,541,236
Class III	681,310,076	674,912,965
Class IV	<u>51,092,370</u>	<u>14,564,054</u>
Total	1,499,764,182	1,326,125,411

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 October 2023 was \$2.82, and the Statistical Uniform Price was \$19.66 for the month. The Statistical Uniform Price is \$0.28 higher than last month and is \$3.33 lower than October 2022. The Producer Butterfat Price of \$3.7144 per pound increased \$0.5880 from September and is up \$0.0577 from a year ago. The Protein Price of \$1.0468 is down \$1.2559 from last month and is down \$1.4044 from October 2022. The Other Solids Price in October was \$0.1243 per pound, an increase from last month's price of \$0.0992 and \$0.1709 lower than last October. The Somatic Cell Adjustment rate for October was \$0.00087 per cwt.

October producer receipts of 1.50 billion pounds were 2.0 percent lower than September and 13.1 percent higher than October 2022 production of 1.33 billion pounds. Producer milk allocated to Class I accounted for 39.6 percent of the total producer milk in October 2023, higher than 35.9 percent in September, and higher than 39.4 percent in October 2022. A total of 3,495 producers were pooled on the Mideast Order compared to 3,423 producers pooled in October 2022.

The market average content of producer milk was as follows: Butterfat 4.11%; Protein 3.26%; Other Solids 5.79% and Nonfat Solids 9.05%.

(Continued from Front Page)

On a milk-fat basis, the domestic use forecast for 2024 is increased by 0.1 billion to 224.8 billion pounds. However, on a milk-equivalent skim-solids basis, the forecast for domestic use is lowered by 0.2 billion to 183.1 billion pounds.

The lower forecast for the wholesale cheese price in the last quarter of 2023 is expected to carry into next year, with the 2024 annual price adjusted downward to \$1.805 (-4.0 cents) per pound. The 2024 price for butter is adjusted to 2.655 (+10.5 cents) per pound. The dry whey price forecast is unchanged at \$0.315 per pound, and the NDM price forecast is adjusted to \$1.130 (+4.0 cents) per pound.

Compared to the previous month's projection, the Class III milk price forecast for 2024 is adjusted down 35 cents to \$17.20 per cwt. The Class IV milk price projection for 2024 is \$18.80 per cwt, 80 cents higher. The all-milk price forecast for 2024 is \$20.55 per cwt, an increase of 25 cents.

September Milk Production Down Slightly

Milk production in the 24 major States during September totaled 17.5 billion pounds, up slightly from September 2022. August revised production, at 18.1 billion pounds, was down 0.7 percent from August 2022. The August revision represented a decrease of 73 million pounds or 0.4 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,960 pounds for September, 3 pounds above September 2022.

The number of milk cows on farms in the 24 major States was 8.91 million head, 16,000 head less than September 2022, and 2,000 head less than August 2023.

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 2.6 billion pounds, up 52 million pounds or 2.0 % from September 2022.

Production per cow in the Mideast states averaged 1,908 pounds for September. This was an increase of 11 pounds from September 2022. The number of milk cows on farms in the Mideast states was 1.35 million head, 19,000 head more than September 2022.

September 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.15 billion pounds, 0.1 percent above September 2022 but 0.3 percent below August 2022.

Italian type cheese production totaled 480 million pounds, 3.4 percent below September 2022 and 0.9 percent below August 2023.

American type cheese production totaled 466 million pounds, 4.2 percent above September 2022 and 1.6 percent above August 2023.

Butter production was 145 million pounds, 2.9 percent above September 2022 and 3.3 percent above August 2023.

Released November 3, 2023, 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:

- Producer Milk Classification
- Statistical Uniform Price
- Class and Component Prices
- National Product Prices

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

State	September 2023						September 2022				
	Number of Producers	Pounds of Milk (000)	-----Weighted Averages-----				Pounds of Milk (000)	-----Weighted Averages-----			
			Butterfat	Protein	Other Solids	SCC (000)		Butterfat	Protein	Other Solids	SCC (000)
Michigan	745	787,289	4.02	3.18	5.79	169	625,810	3.92	3.18	5.78	173
Ohio	1,189	362,100	3.99	3.20	5.77	204	344,427	3.96	3.19	5.72	208
Indiana	599	199,948	3.93	3.15	5.78	206	170,787	3.91	3.19	5.80	220
Pennsylvania	619	76,614	3.97	3.11	5.65	245	78,477	3.91	3.10	5.64	255
New York	133	48,329	4.19	3.26	5.91	198	43,272	4.08	3.25	5.91	201
Other	211	55,648	4.08	3.21	5.76	189	40,556	3.95	3.14	5.77	207
Total/Average *	3,496	1,529,928	4.01	3.18	5.78	188	1,303,329	3.94	3.18	5.76	195

* 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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Agriculture**

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**FEDERAL ORDER DATA
October 2023**

Marketing Area ^{1/}	Producer Milk		Class I	Producer	Statistical
	Total (000)	Class I (000)	Percent %	Price Differential (per cwt.)	Uniform Price (per cwt.)
FO 1 Northeast - (Boston)	2,255,062	678,366	30.1	\$4.36	\$21.20
FO 5 Appalachian - (Charlotte)	452,762	324,575	71.7	^{2/}	23.05
FO 6 Florida - (Tampa)	215,980	176,094	81.5	^{2/}	24.99
FO 7 Southeast - (Atlanta)	295,534	227,622	77.0	^{2/}	23.64
FO 30 Upper Midwest - (Chicago)	2,661,722	166,737	6.3	0.44	17.28
FO 32 Central - (Kansas City)	1,272,172	378,328	29.7	2.19	19.03
FO 33 Mideast - (Cleveland)	1,499,764	593,745	39.6	2.82	19.66
FO 51 California (Los Angeles)	2,020,366	404,861	20.0	1.76	18.60
FO 124 Pacific Northwest - (Seattle)	609,815	137,313	22.5	2.41	19.25
FO 126 Southwest - (Dallas)	1,084,159	327,384	30.2	2.68	19.52
FO 131 Arizona - (Phoenix)	429,756	116,602	27.1	^{2/}	20.56

^{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 2023\$16.84 /cwt.



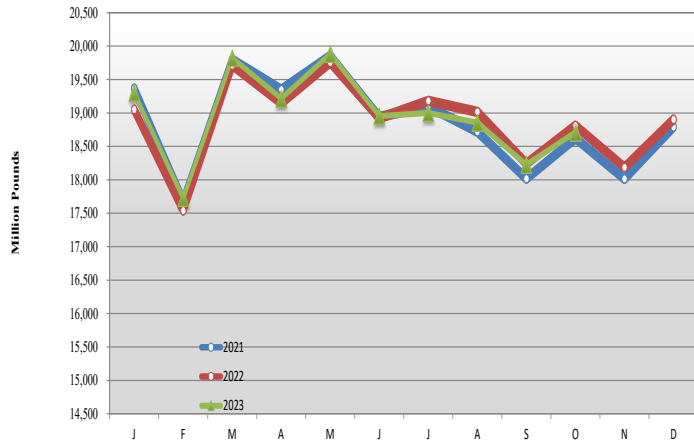
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Supplement
November 2023

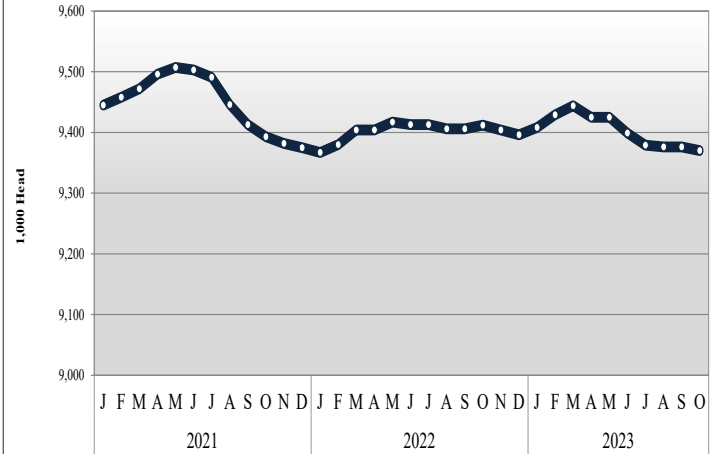
MILK PRODUCTION STATISTICS 1/

Milk Production by Month, United States, 2021-2023



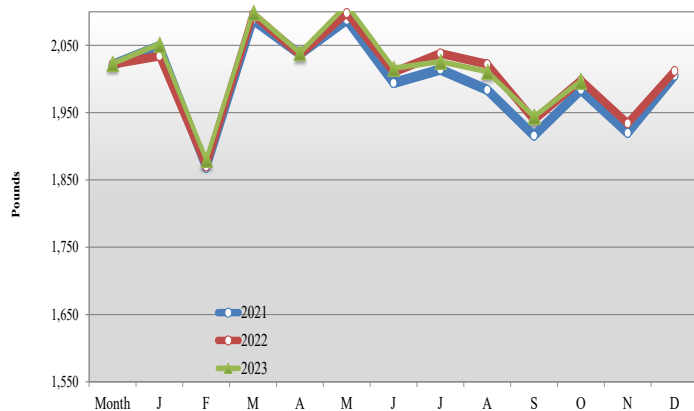
October 2023 milk production in the United States increased 483 million pounds from September to 18.7 billion pounds. October 2023 milk production in the United States was down 0.5 percent from the same month of the prior year.

Milk Cows by Month, United States, 2021-2023



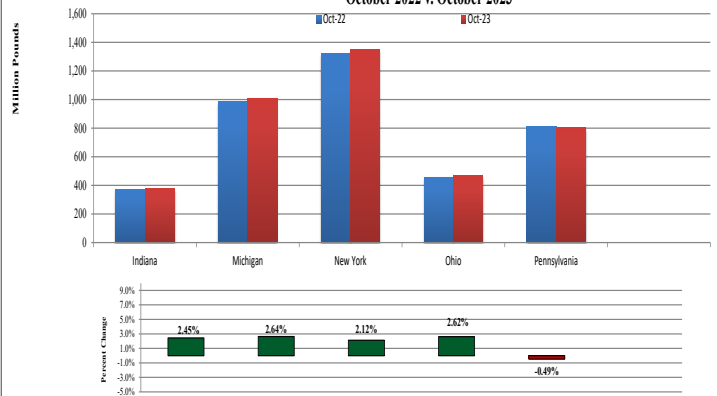
The number of milk cows on farms in the United States was 9.4 million head for October 2023, down 6,000 head from September and 42,000 head less than October 2022.

Milk Production Per Cow by Month, United States, 2021-2023



Production per cow in the United States averaged 1,997 pounds for October 2023 up 53 pounds from September 2023. October 2023 milk production per cow was down 1 pound from the same month of the prior year.

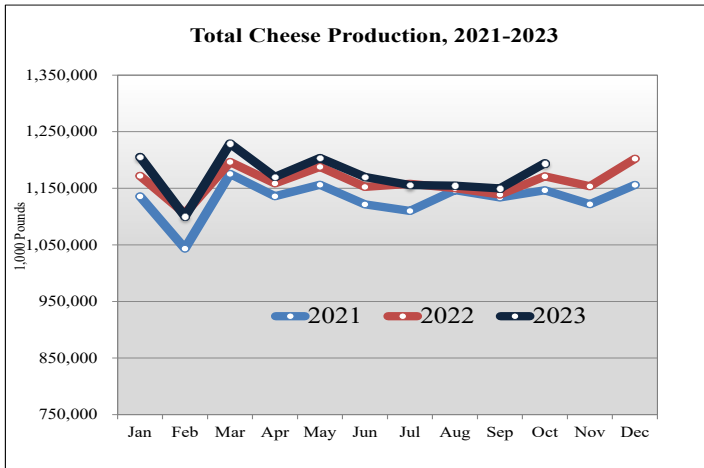
Milk Production in Select Mideast States, October 2022 v. October 2023



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during October 2023, up 71 million pounds from the prior year. Milk production in Michigan increased 26 million pounds while production in Pennsylvania decreased 4 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/

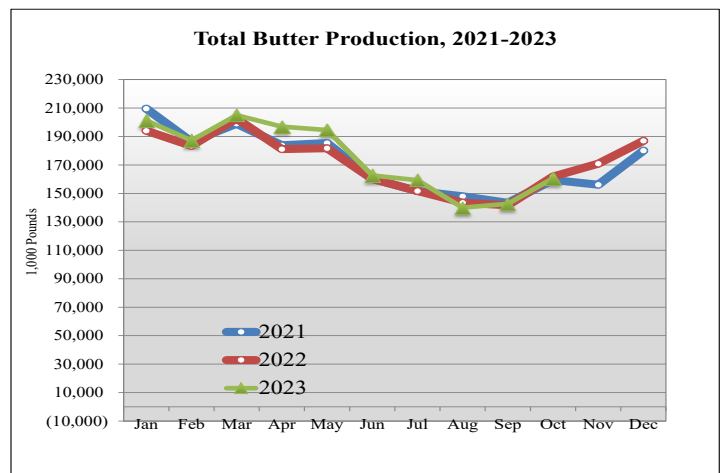
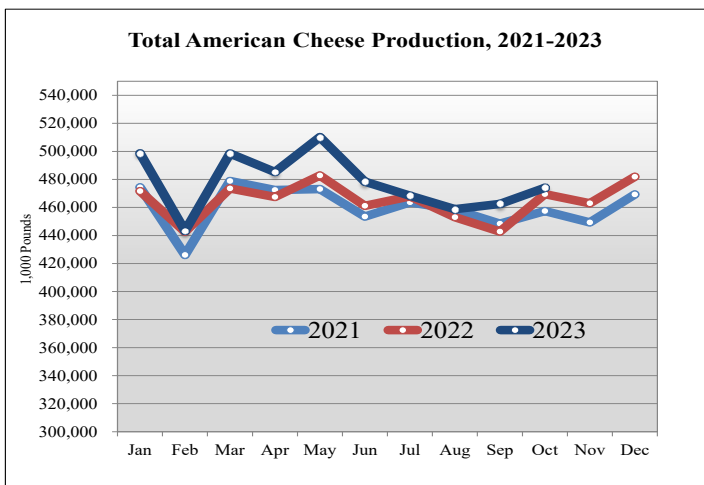


Dairy Product Production Summary:

American type cheese production totaled 474 million pounds, 1.0 percent above October 2022 and 2.5 percent above September 2023.

Total cheese output (excluding cottage cheese) was 1.2 billion pounds, 2.0 percent above October 2022 and 3.9 percent above September 2023.

Butter production was 161 million pounds, 0.7 percent below October 2022 and 12.5 percent above September 2023.



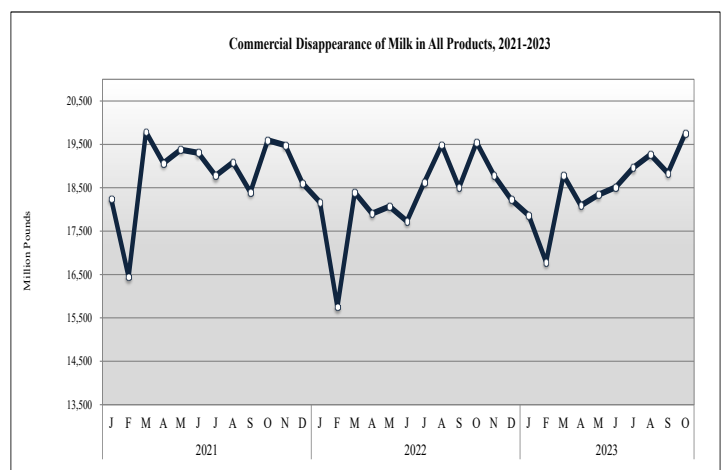
COMMERCIAL DISAPPEARANCE 2/

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 October 2023 commercial disappearance of milk was 19.8 billion pounds, up 1.2 percent from the prior year. The cumulative disappearance total for 2023 is 185 billion pounds, an increase of 1.7 percent from the same 10 month period of 2022.

October 2023 commercial disappearance of American cheese was 477 million pounds, up 1.3 percent from the prior year.

October 2023 commercial disappearance of butter was 195 million pounds, up 5.4 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.