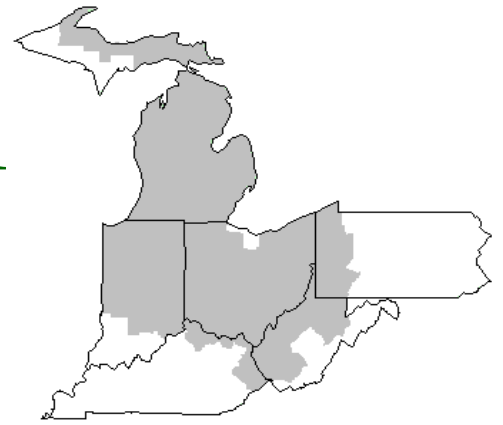


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

Scott C. Jones, Market Administrator

Phone: (330) 225-4758 Toll Free: (888) 751-3220

Email: [clevelandma1@sprynet.com](mailto:clevelandma1@sprynet.com)

WebPage: [www.fmmaclev.com](http://www.fmmaclev.com)

**FEBRUARY 2024**

## 2023 Dairy Situation

In 2023, the U.S. dairy industry experienced the reversal of the 2022 situation: whereas feed, dairy products, and farm-gate milk prices increased year over year in 2022, these prices decreased year over year in 2023. The milk and feed price dynamics in 2023 resulted in some of the poorest margins since the implementation of the Dairy Margin Coverage Program (DMC). The national milking herd in 2023 was lower than 2022, but the milk per cow was slightly higher. Consequently, total milk production in 2023 was only fractionally higher than 2022. Growth of domestic use of dairy products was robust on both milk-fat and skim-solids milk-equivalent bases. Conversely, U.S. dairy exports declined from the peak levels in 2022, driven by lack of price competitiveness as well as slowing demand for dairy products at a global level.

The all-milk price in 2023 averaged \$20.48 per hundredweight (cwt), \$4.86 lower than 2022. While the prices that dairy farmers received in 2023 were generally lower than in 2022, the decrease in average all-milk price was larger than the decrease in average feed costs. Using the proxy used by USDA, National Agricultural Statistics Service (NASS) to calculate the milk feed ratio, the feed-price proxy decreased by 8 percent from 2022 to 2023, while the all-milk price decreased by 19 percent.

Milk production in 2023 totaled 226.6 billion pounds, only marginally higher than in 2022 (+0.1 percent). Milk cow numbers in the first quarter of 2023 increased slightly from the fourth quarter of 2022, peaking at 9.444 million head in March 2023. Thereafter, they trended downward, falling to 9.357 million head in December. Milk per cow averaged 24,115 pounds in 2023, 0.1 percent higher than 2022. Milk per cow in the first half of 2023 was higher compared to the first half of 2022. However, hot weather impacted milk per cow in the late summer, contributing to a year-over-year decline in the second half of 2023.

Domestic demand for dairy products in 2023 was year-over-year higher for most of them. On a milk-fat milk-equivalent basis, 2023 domestic use increased by 1.8 percent over the previous year, in contrast to the 1.1 percent decrease in 2022. Domestic use on a skim-solids milk equivalent basis increased by 2.8 percent in 2023, compared to an 0.8 percent decrease of 2022. In 2023, there were considerable increases in domestic use of whey protein concentrate, dry whey, butter, lactose, and American type cheese relative to 2022. However, domestic use for other-than American type cheese and dry skim milk products decreased.

Livestock, Dairy, and Poultry Outlook: February 2024, LDP-M-356, February 14, 2024 USDA, Economic Research Service

## Dairy Forecast for 2024

The 2024 dairy herd size forecast has been revised upwards by 5,000 head, totaling 9,355 thousand for the year, due to higher expected milk cow numbers in the second half of the year. This small increase in the number of cows is attributed to higher expected milk prices early in the year, as milk production usually responds to changes in milk and feed prices with a lag of several months. Even with the higher forecast for milk cow numbers, they are still expected to be lower than 2023. Recent slaughter trends, together with tight replacement heifer inventories and high reported prices for dairy heifers, suggest a year-over-year decline for the dairy herd in 2024 despite lower expected feed costs, improved milk prices, and robust demand for dairy products. The forecast yield per cow is reduced by 20 pounds to 24,395 pounds based on recent data. As a result, the revised milk production forecast for 2024 is 228.2 billion pounds, a decrease of 0.1 billion from the previous month's estimate.

Due to recent price increases, lower inventories, and higher expected domestic demand, the price forecasts for the main dairy products have been revised upwards. The adjusted forecasts, in dollars per pound, are as follows: Cheddar cheese at \$1.690 (+7.0 cents), dry whey at \$0.480 (+5.0 cents), butter at \$2.770 (+10.5 cents), and NDM at \$1.235 (+4.5 cents). With higher cheese and dry whey prices, the new forecast for Class III milk is \$17.10 per cwt, \$1.00 higher than the previous forecast. With higher butter and NDM price forecasts, the Class IV price forecast has been raised to \$20.20 per cwt, \$0.85 higher than the previous projection. The all-milk price for 2024 is now forecast at \$20.95 per cwt, up \$0.95 from last month's forecast.

## January 2024 Pool Summary

### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	628,272,380	42.0
Class II	166,135,221	11.1
Class III	637,026,963	42.6
Class IV	63,435,341	4.3
Total	1,494,869,905	100.0

### Producer Prices

Producer Price Differential	\$ 2.73 /cwt
Butterfat Price	2.9765 /lb
Protein Price	1.1265 /lb
Other Solids Price	0.2417 /lb
Somatic Cell Adjustment Rate	0.00076 /cwt
Statistical Uniform Price	17.90 /cwt

## ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

January 2024

### 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			614,497,240			\$10.24 / cwt	\$ 62,924,517.38
Class I Butterfat		13,775,140				3.0291 / lb	41,726,276.57
Class I Location Differential	628,272,380						(378,015.98)
Class II SNF Value				14,366,297		1.1056 / lb	15,883,377.97
Class II Butterfat		15,570,592				2.9835 / lb	46,454,861.22
Class III Protein Value			21,137,536			1.1265 / lb	23,811,434.28
Class III Other Solids Value					36,970,411	0.2417 / lb	8,935,748.33
Class III Butterfat		24,742,116				2.9765 / lb	73,644,908.32
Class IV SNF Value				5,113,368		1.0330 / lb	5,282,109.16
Class IV Butterfat		9,978,772				2.9765 / lb	29,701,814.89
Somatic Cell Value II / III / IV							<u>1,215,523.09</u>
<b>TOTAL PRODUCER MILK VALUE</b>	1,494,869,905	64,066,620	49,625,177		86,463,368		<u>\$ 309,202,555.23</u>
Overages					41,273.19		
Beginning Inventory & OS Charges					(281,862.57)		
<b>TOTAL ADJUSTMENTS</b>							<u>\$ (240,589.38)</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							<u>\$ 308,961,965.85</u>
Total Protein Value			49,625,177	lbs @	\$1.1265		\$ (55,902,761.89)
Total Other Solids Value			86,463,368	lbs @	0.2417		(20,898,196.01)
Butterfat Value			64,066,620	lbs @	2.9765		(190,694,294.43)
Total Somatic Cell Values							<u>(2,068,814.39)</u>
<b>TOTALS</b>							<u>\$ 39,397,899.13</u>
Net Producer Location Adjustments							\$ 1,429,505.80
1/2 Unobligated Balance Producer Settlement Fund							<u>609,000.00</u>
Total - Divided by Total Pounds			1,494,869,905	lbs	2.7719000		\$ 41,436,404.93
Rate of Cash Reserve					<u>(0.0419000)</u>		<u>(626,156.87)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,494,880,880		<b>\$ 2.73 /cwt</b>		<u>\$ 40,810,248.06</u>

### COMPONENT PRICES

	<u>January</u>	<u>2024</u>	<u>2023</u>
Butterfat Price	\$2.9765 / lb	\$2.7713 / lb	\$2.7713 / lb
Protein Price	1.1265 / lb	2.8058 / lb	2.8058 / lb
Other Solids Price	0.2417 / lb	0.2343 / lb	0.2343 / lb
Somatic Cell Adjustment Rate	0.00076 / cwt	0.00099 / cwt	0.00099 / cwt
Nonfat Solids Price <sup>2</sup>	1.0330 / lb	1.1864 / lb	1.1864 / lb

### COMPUTATION OF UNIFORM PRICE

	<u>January</u>	<u>2024</u>	<u>2023</u>
Class III Price - 3.5% BF	\$15.17	\$15.17	\$19.43
Producer Price Differential*	<u>2.73</u>	<u>2.73</u>	<u>1.39</u>
Statistical Uniform Price	\$17.90	\$17.90	\$20.82

### CLASS PRICES

	<u>January</u>	<u>2024</u>	<u>2023</u>
Class I*	\$20.48	\$20.48	\$24.41
Class II	20.04	20.04	21.61
Class III	15.17	15.17	19.43
Class IV	19.39	19.39	20.01

### CLASSIFICATION OF PRODUCER MILK

	<u>January</u>	<u>2024</u>	<u>2023</u>
		<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	628,272,380	628,272,380	548,950,941
Class II	166,135,221	166,135,221	95,576,401
Class III	637,026,963	637,026,963	704,972,186
<u>Class IV</u>	<u>63,435,341</u>	<u>63,435,341</u>	<u>132,064,464</u>
Total	1,494,869,905	1,494,869,905	1,481,563,992

<sup>1</sup> Subject to Location Adjustment.

<sup>2</sup> Producers are not paid on this component.

## ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for January 2024 was \$2.73, and the Statistical Uniform Price was \$17.90 for the month. The Statistical Uniform Price is \$0.30 lower than last month and is \$2.92 lower than January 2023. The Producer Butterfat Price of \$2.9765 per pound decreased \$0.0013 from December and is up \$0.2052 from a year ago. The Protein Price of \$1.1265 is down \$0.3234 from last month and is down \$1.6793 January 2023. The Other Solids Price in January was \$0.2417 per pound, an increase from last month's price of \$0.2242 and \$0.0074 higher than last January. The Somatic Cell Adjustment rate for January was \$0.00076 per cwt.

January producer receipts of 1.49 billion pounds were 10.2 percent higher than December and 0.9 percent higher than the January 2023 production of 1.48 billion pounds. Producer milk allocated to Class I accounted for 42.0 percent of the total producer milk in January 2024, higher than the 40.5 percent in December, and higher than the 37.1 percent in January 2023. A total of 3,516 producers were pooled on the Mideast Order compared to 3,298 producers pooled in January 2023.

The market average content of producer milk was as follows: Butterfat 4.29%; Protein 3.32%; Other Solids 5.78% and Nonfat Solids 9.10%.

### December 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.21 billion pounds, 0.9 percent above December 2022 and 4.4 percent above November 2023.

Italian type cheese production totaled 510 million pounds, 0.3 percent above December 2022 and 4.9 percent above November 2023. American type cheese production totaled 488 million pounds, 0.5 percent above December 2022 and 5.9 percent above November 2023.

Butter production was 196 million pounds, 4.4 percent above December 2022 and 18.4 percent above November 2023.

Dry milk products (comparisons in percentage with December 2022) Nonfat dry milk, human - 146 million pounds, down 12.7 percent. Skim milk powder - 48.3 million pounds down 24.3 percent.

Whey products (comparisons in percentage with December 2022) Dry whey, total - 70.4 million pounds, down 6.1 percent. Lactose, human and animal - 90.9 million pounds, up 1.7 percent. Whey protein concentrate, total - 42.1 million pounds, up 1.0 percent.

Frozen products (comparisons in percentage with December 2022) Ice cream, regular (hard) - 47.7 million gallons, down 11.1 percent. Ice cream, lowfat (total) - 24.0 million gallons, down 11.8 percent. Sherbet (hard) - 1.26 million gallons, down 25.1 percent. Frozen yogurt (total) - 3.70 million gallons, up 0.7 percent.

Released February 5, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

### December Milk Production Down 0.1 Percent

Milk production in the 24 major States during December totaled 18.1 billion pounds, down 0.1 percent from December 2022. November revised production at 17.3 billion pounds, was down 0.6 percent from November 2022.

The November revision represented a decrease of 14 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,030 pounds for December, 1 pound above December 2022.

The number of milk cows on farms in the 24 major States was 8.90 million head, 17,000 head less than December 2022, but unchanged from November 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 December totaled 2.7 billion pounds, up 23 million pounds or 0.9 percent from December 2021.

Production per cow in the Mideast states averaged 1,991 pounds for December, 20 pounds above December 2021.

The number of cows on farms in the Mideast states was 1.3 million head, 4,000 less than December 2021.

Released January 24, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA)

**Bulletin Web Page Edition**  
[www.fmmaclev.com](http://www.fmmaclev.com)

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	December 2023						December 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	720	634,126	4.24	3.30	5.79	148	655,818	4.13	3.32	5.79	147
Ohio	1,161	357,850	4.21	3.29	5.71	169	366,674	4.20	3.33	5.75	168
Indiana	590	186,851	4.30	3.36	5.92	173	203,775	4.14	3.30	5.78	177
Pennsylvania	665	75,704	4.24	3.23	5.66	205	82,745	4.17	3.23	5.66	201
New York	102	39,674	4.50	3.40	5.95	178	43,691	4.30	3.39	5.91	177
Other	205	62,447	4.37	3.37	5.76	153	31,889	4.16	3.27	5.77	166
Total/Average *	3,443	1,356,651	4.25	3.30	5.79	161	1,352,703	4.16	3.31	5.77	161

\* 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**

PRSR STD  
U.S. POSTAGE  
PAID  
Cleveland, Ohio  
Permit No. 2511

**Mideast Market Administrator Bulletin**  
1325 Industrial Parkway North  
P.O. Box 5102  
Brunswick, Ohio 44212

POSTMASTER: Time Sensitive Material - Deliver Promptly

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, or call (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

**FEDERAL ORDER DATA  
January 2024**

Marketing Area <sup>1/</sup>	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> )	2,256,229	691,244	30.7	4.14	19.31
FO 5 Appalachian - ( <i>Charlotte</i> )	475,182	344,517	72.5	<sup>2/</sup>	21.10
FO 6 Florida - ( <i>Tampa</i> )	229,644	189,524	82.5	<sup>2/</sup>	23.05
FO 7 Southeast - ( <i>Atlanta</i> )	320,170	244,482	76.4	<sup>2/</sup>	21.61
FO 30 Upper Midwest - ( <i>Chicago</i> )	2,629,319	168,950	6.5	0.42	15.59
FO 32 Central - ( <i>Kansas City</i> )	1,289,875	402,069	31.2	2.07	17.24
<b>FO 33 Mideast - (<i>Cleveland</i>)</b>	<b>1,494,870</b>	<b>628,272</b>	<b>42.0</b>	<b>2.73</b>	<b>17.90</b>
FO 51 California - ( <i>Los Angeles</i> )	2,073,881	417,419	20.1	1.64	16.81
FO 124 Pacific Northwest - ( <i>Seattle</i> )	608,738	134,056	22.0	2.22	17.39
FO 126 Southwest - ( <i>Dallas</i> )	1,087,057	352,217	32.4	2.56	17.73
FO 131 Arizona - ( <i>Phoenix</i> )	451,637	127,363	28.2	<sup>2/</sup>	18.81

<sup>1/</sup> Names in parentheses are principal points of markets.

<sup>2/</sup> Producers in these markets are paid on the basis of a uniform skim and butterfat price.

**MINIMUM PARTIAL PAYMENT PRICE FOR FEBRUARY 2024 .....\$15.17 /cwt.**



**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT  
MARKETING SERVICE FUND**

**For the Year Ending December 31, 2023**

**Income:**

Assessments or Deductions	\$1,330,596.91
Late Payment Charges Assessed	.00
Interest Earned	2,269.42
Miscellaneous	<u>43,350.24</u>

**Total Income** \$1,378,216.57

**Expenses:**

Salaries and Services	\$ 884,985.12
Travel	69,502.51
Communications	27,276.54
Employer Payroll Contributions	349,776.68
Insurance	4,879.80
Contractual Expenses	53,363.59
Rent - Buildings and Equipment	81,547.41
Repairs and Maintenance	14,657.19
Supplies	47,592.16
Testing and Weighing	32,881.47
Utilities	6,461.46
Depreciation of Fixed Assets	8,904.36
Conferences and Meetings	.00
Training	1,017.95
Uncollectible Accounts	.00
Miscellaneous	391.30
Amortization of Leasehold Improvements	<u>2,827.44</u>

**Total Expenses** \$1,586,264.98

**Net Income** \$ (208,048.41)

**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**BALANCE SHEET  
MARKETING SERVICE FUND**

**As of December 31, 2023**

**ASSETS**

**Current Assets:**

Cash and Bank Deposits	\$ 357,418.85
Investments	75,254.36
Accounts Receivable - Handlers	108,720.19
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

**Other Assets:**

Prepaid Expenses	\$ 18,851.27
Deposits	.00

**Fixed Assets:**

Motor Vehicles	\$ 267,914.63
Accumulated Depreciation	(251,655.90)
Furniture and Equipment	25,509.50
Accumulated Depreciation	(25,509.50)
Laboratory Equipment	1,049,935.30
Accumulated Depreciation	(1,046,223.89)
Leasehold Improvements	139,115.08
Accumulated Depreciation	(136,758.88)

**Total Assets** \$ 582,571.01

**LIABILITIES AND OPERATING BALANCE**

**Current Liabilities:**

Accounts Payable - Other	\$ .00
Accrued Employee Salaries Payable	.00
Accrued Employee Annual Leave	89,603.78
Payroll Contributions and Withholdings	6,854.69

**Operating Balance** \$ 486,112.54

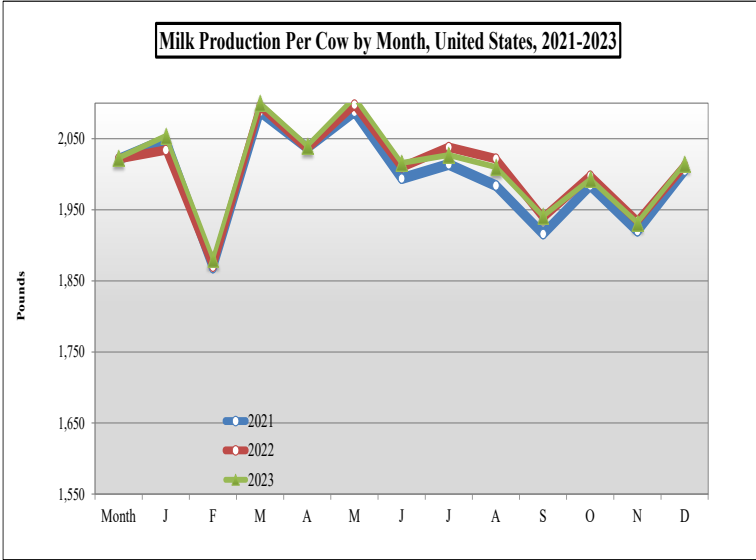
**Total Liabilities and Operating Balance** \$ 582,571.01

# Mideast Market Administrator's Bulletin

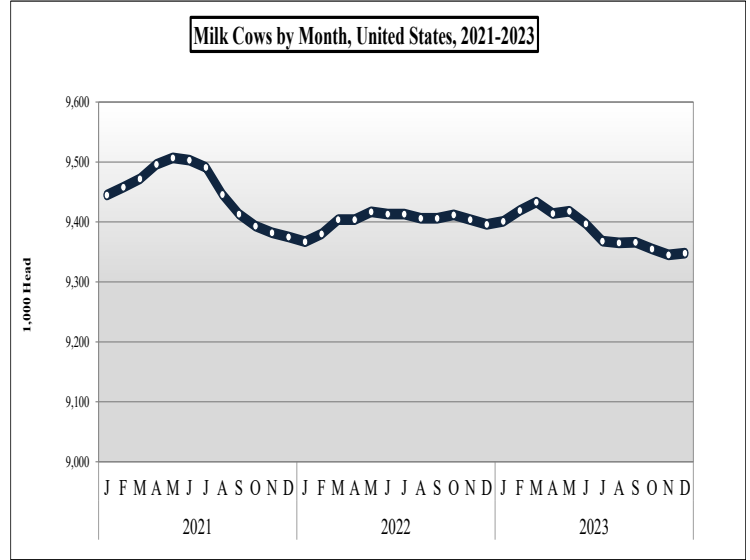
Federal Order No. 33

Supplement  
February 2024

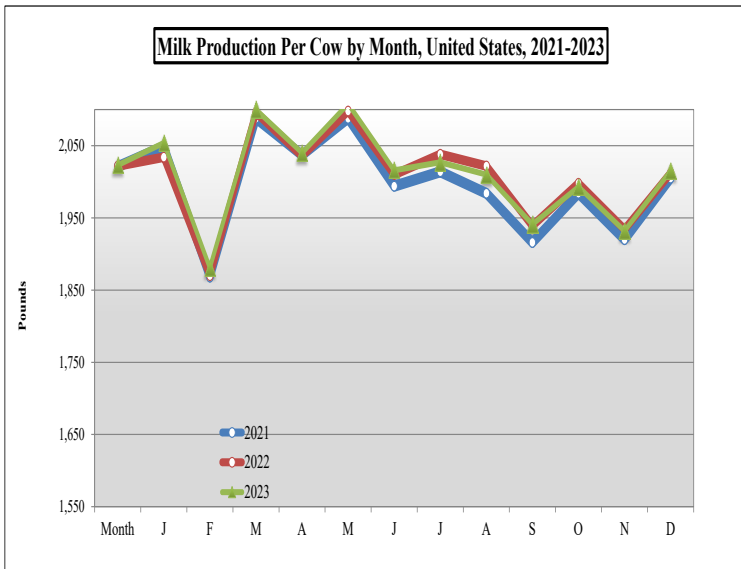
## MILK PRODUCTION STATISTICS 1/



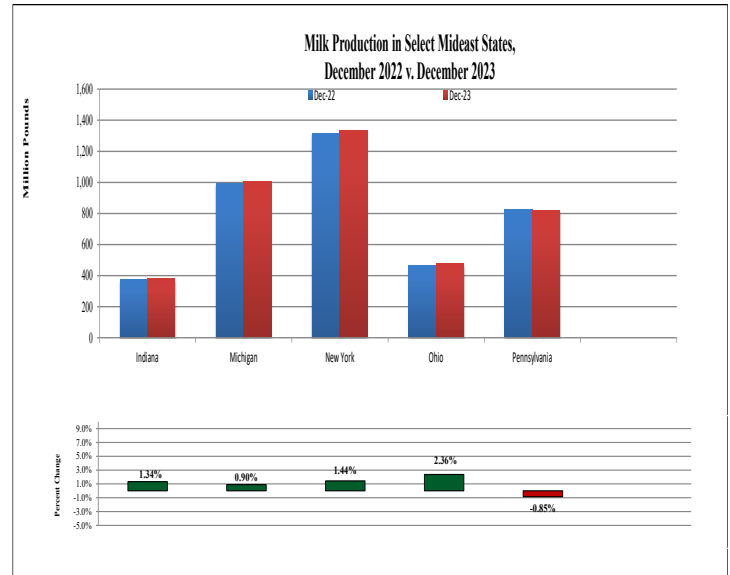
December 2023 milk production in the United States increased 782 million pounds from November 2023 to 18.8 billion pounds. December 2023 milk production in the United States was down 0.3 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.3 million head for December 2023, up 3,000 head from November 2023 and down 48,000 head from December 2022.



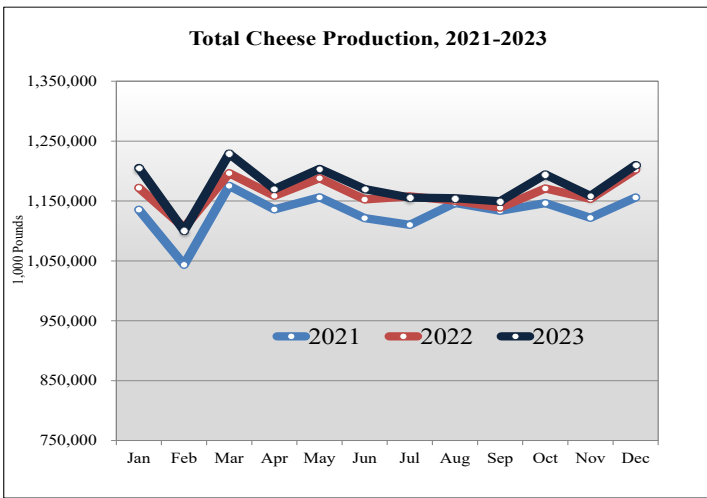
Production per cow in the United States averaged 2,015 pounds for December 2023 up 83 pounds from November 2023. December 2022 milk production per cow was up 3 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.0 billion pounds during December 2023, up 37 million pounds from the prior year. Milk production in Pennsylvania declined 7 million pounds or 0.9 percent while production in Ohio increased 11 million pounds or 2.4 percent.

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/

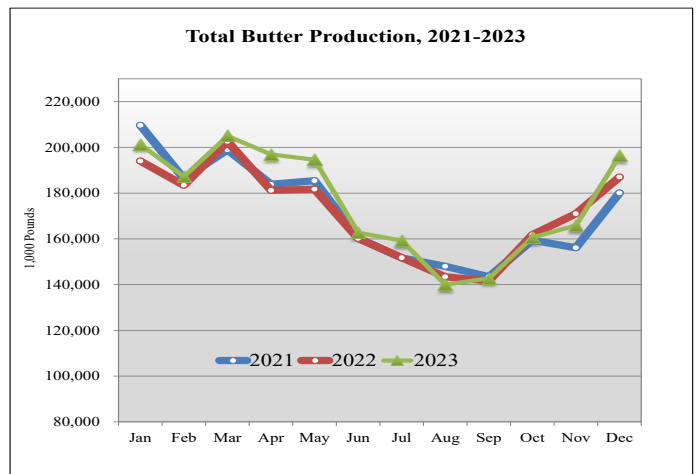
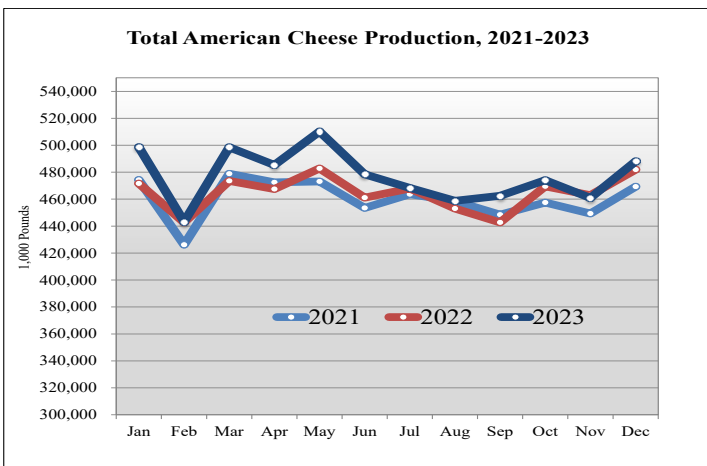


### Dairy Product Production Summary:

American type cheese production totaled 488 million pounds, 0.5 percent above December 2022 and 5.9 percent above November 2023.

Total cheese output (excluding cottage cheese) was 1.2 billion pounds, 0.9 percent above December 2022 and 4.4 percent above November 2023.

Butter production was 196 million pounds, 4.4 percent above December 2022 and 1584 percent above November 2023.



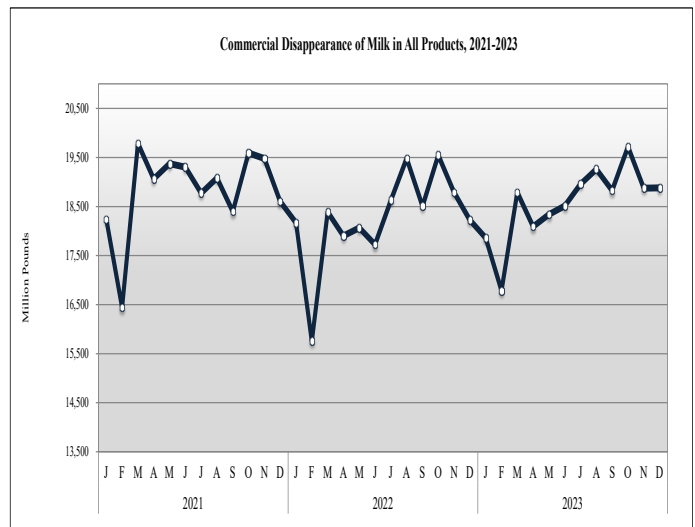
## COMMERCIAL DISAPPEARANCE 2/

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 December 2023 commercial disappearance of milk was 18.9 billion pounds, up 3.6 percent from the prior year. The cumulative disappearance total for 2023 is 223 billion pounds, an increase of 1.7 percent from the same 12-month period of 2022.

December 2023 commercial disappearance of American cheese was 466 million pounds, up 1.5 percent from the prior year.

December 2023 commercial disappearance of butter was 217 million pounds, up 25.3 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.