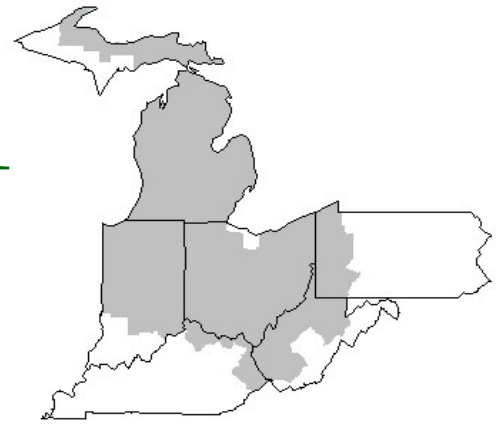


Mideast Market Administrator's Bulletin



Federal Order No. 33

Scott C. Jones, Market Administrator
 Phone: (330) 225-4758 Toll Free: (888) 751-3220
 Email: mideastorder@fmmacleev.com
 WebPage: www.fmmacleev.com
FEBRUARY 2026

Herd Size Grows Amid Historic Heifer Shortage

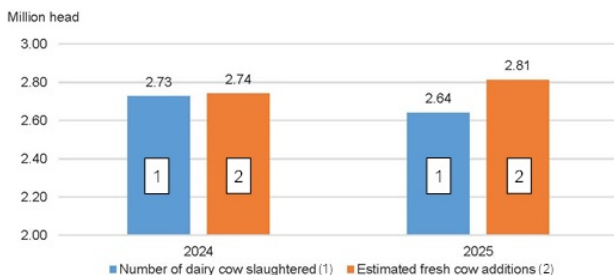
According to the most recent USDA, National Agricultural Statistics Service (NASS) Milk Production report, the average number of dairy cows in December 2025 was 9.567 million head, about 212,000 more than last year and 9,000 more than the previous month. Milk production per cow was 2,045 pounds in December, 41 pounds more than in December 2024.

Consequently, December 2025 milk production was estimated at 19.568 billion pounds, 4.4 percent higher year over year. Annual milk production in 2025 totaled 231.482 billion pounds, 2.5 percent higher than in 2024, driven by a larger average herd (+148,000 head) and higher milk per cow (+214 pounds).

Dairy cow replacement inventories continue to tighten. According to the recent USDA, NASS Cattle report as of January 1, 2026, the milk replacement heifer inventory was 3.905 million head, representing 40.8 percent of productive cows, with 2.498 million expected to calve throughout 2026, potentially entering the productive herd depending on their stage of pregnancy and producers' slaughter strategies. A year earlier, on January 1, 2025, there were 3.915 million replacement heifers, 41.7 percent of total dairy cows, with 2.501 million expected to calve. As of January 1, 2026, the milk cow inventory was approximately 9.568 million head, very close to the December average reported in the Milk Production report.

In the first 4 weeks of 2026, more dairy cows have been slaughtered compared to the same period in 2025. This early trend suggests that culling will remain elevated throughout the year. Cow inventories were larger at the start of the year, and recent data indicate that dairy farmers retained older cows in previous years to sustain milk output, creating an aging herd that now requires replacement. With milk prices falling and beef prices holding strong, producers have a greater financial incentive to remove less productive animals and focus on building a more efficient herd.

Estimated herd additions* vs. slaughtered cows

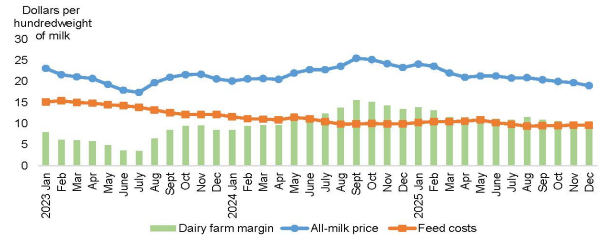


*New additions = (year-end inventory - starting-year inventory) + total cows slaughtered.
 Source: USDA, Economic Research Service calculations using information from USDA, National Agricultural Statistic Service, Cattle Report, and USDA, Agricultural Marketing Service, Actual Slaughter Under Federal Inspection Report.

Dairy Margin Coverage Updates

The all-milk price in 2025 averaged \$21.17 per hundredweight (cwt), \$1.38 lower than in 2024. Throughout most of 2025, Dairy Margin Coverage (DMC) margins remained well above the \$9.50 per cwt trigger for the first 11 months. However, in December 2025, the margin declined to \$9.42 per cwt, resulting in the only indemnity payment of the year for Tier I coverage.

All-milk price vs. feed costs



Source: USDA, Economic Research Service using information from USDA, Farm Service Agency, Dairy Margin Coverage Program.

The 2026 Dairy Margin Coverage (DMC) program, reauthorized through 2031 under the One Big Beautiful Bill Act, will accept enrollments from January 12 to February 26, 2026. Key updates include expanding Tier I coverage to 6 million pounds, revising production histories based on the highest annual milk marketings from 2021 to 2023. The 25 percent premium discount for producers who choose a multi-year lock-in has been extended through 2031. These changes, implemented by USDA's Farm Service Agency (FSA), are designed to enhance financial protection for dairy farmers against milk price and feed cost volatility.

Livestock, Dairy, and Poultry Outlook: February 2026, LDP-M-380, February 17, 2026 USDA, Economic Research Service

January 2026 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	612,519,920	32.2
Class II	393,874,008	20.7
Class III	627,653,414	33.0
Class IV	266,143,951	14.0
Total	1,900,191,293	100.0

Producer Prices

Producer Price Differential	\$1.33 / cwt
Butterfat Price	1.4525 / lb
Protein Price	2.1768 / lb
Other Solids Price	0.4448 / lb
Somatic Cell Adjustment Rate	0.00070 / cwt
Statistical Uniform Price	15.92 / cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33
JANUARY 2026
MIDEAST MARKETING AREA

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			598,575,141			\$14.97 / cwt	\$89,606,698.61
Class I Butterfat		13,944,779				1.6301 / lb	22,731,384.25
Class I Location Differential	612,519,920						(1,375,937.99)
Class II SNF Value				35,682,286		0.9817 / lb	35,029,300.17
Class II Butterfat		24,927,811				1.4595 / lb	36,382,140.17
Class III Protein Value			21,810,088			2.1768 / lb	47,476,199.53
Class III Other Solids Value					36,426,769	0.4448 / lb	16,202,626.86
Class III Butterfat		24,681,013				1.4525 / lb	35,849,171.42
Class IV SNF Value				23,631,934		0.9433 / lb	22,292,003.33
Class IV Butterfat		21,648,038				1.4525 / lb	31,443,775.22
Somatic Cell Value II/III/IV							1,737,894.85
TOTAL PRODUCER MILK VALUE	1,900,191,293	85,201,641	65,512,673	175,356,307	109,843,634		\$337,375,256.42
TOTAL ADJUSTMENTS							(\$67,346.83)
TOTAL HANDLER OBLIGATIONS							\$337,307,909.59
Total Protein Value			65,512,673			2.1768 / lb	\$142,607,986.59
Total Other Solids Value					109,843,634	0.4448 / lb	48,858,448.40
Butterfat Value		85,201,641				1.4525 / lb	123,755,383.55
Total Somatic Cell Values							2,545,296.67
TOTALS							\$19,540,794.38
Net Producer Location Adjustments							\$5,682,224.93
1/2 Unobligated Balance Producer Settlement Fund							950,000.00
Total - Divided by Total Pounds	1,900,205,113					\$1.377379	\$26,173,019.31
Rate of Cash Reserve						(0.047379)	(900,291.34)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹						\$1.33 / cwt	\$25,272,727.97

COMPONENT PRICES

COMPUTATION OF UNIFORM PRICE

	January		January	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Butterfat Price	\$1.4525 / lb	\$2.9460 / lb	Class III Price - 3.5% BF	\$14.59
Protein Price	2.1768 / lb	2.3267 / lb	Producer Price Differential*	<u>1.33</u>
Other Solids Price	0.4448 / lb	0.5384 / lb	Statistical Uniform Price	\$15.92
Somatic Cell Adjustment Rate	0.00070 / cwt	0.00094 / cwt		\$20.34
Nonfat Solids Price ²	0.9433 / lb	1.2002 / lb		<u>0.51</u>

CLASS PRICES

CLASSIFICATION OF PRODUCER MILK

	January		January	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Class I*	\$20.15	\$22.38	Product lbs.	Product lbs.
Class II	13.92	21.58	Class I	612,519,920
Class III	14.59	20.34	Class II	393,874,008
Class IV	13.55	20.73	Class III	627,653,414
			Class IV	<u>266,143,951</u>
			Total	1,900,191,293
				1,620,367,567

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 January 2026 was \$1.33 and the Statistical Uniform Price was \$15.92 for the month. The Statistical Uniform Price is \$1.09 lower than last month and is \$4.93 lower than January 2025. The Producer Butterfat Price of \$1.4525 per pound decreased \$0.1236 from December and is down \$1.4935 from a year ago. The Protein Price of \$2.1768 is down \$0.2795 from last month and is down \$0.1499 from January 2025. The Other Solids Price in January was \$0.4448 per pound, an increase from last month's price of \$0.4352 and \$0.0936 lower than last January. The Somatic Cell Adjustment rate for January was \$0.00070 per cwt. January

producer receipts of 1.90 billion pounds were 12.0 percent higher than December's and 17.3 percent higher than January 2025's production of 1.62 billion pounds. Producer milk allocated to Class I accounted for 32.2 percent of the total producer milk in January 2026, lower than 35.2 percent in December, and lower than 39.4 percent in January 2025. A total of 3,274 producers were pooled on the Mideast Order compared to 3,347 producers pooled in January 2025. The market average content of producer milk was as follows: Butterfat 4.48%; Protein 3.45%; Other Solids 5.78% and Nonfat Solids 9.23%.

December 2025 Highlights

Total cheese output (excluding cottage cheese) was 1.28 billion pounds, 6.7 percent above December 2024 and 4.4 percent above November 2025.

Italian type cheese production totaled 561 million pounds, 7.4 percent above December 2024 and 5.2 percent above November 2025.

American type cheese production totaled 500 million pounds, 6.8 percent above December 2024 and 5.7 percent above November 2025.

Butter production was 204 million pounds, 2.0 percent above December 2024 and 15.0 percent above November 2025.

Dry milk products (comparisons in percentage with December 2024)

Nonfat dry milk, human - 127 million pounds, down 2.7 percent.
Skim milk powder - 43.1 million pounds, down 15.2 percent.

Whey products (comparisons in percentage with December 2024)

Dry whey, total - 69.8 million pounds, up 1.2 percent.
Lactose, human and animal - 94.8 million pounds, up 1.5 percent.
Whey protein concentrate, total - 43.6 million pounds, up 3.1 percent.

Frozen products (comparisons in percentage with December 2024)

Ice cream, regular (hard) - 48.9 million gallons, down 5.4 percent.
Ice cream, lowfat (total) - 23.5 million gallons, down 6.2 percent.
Sherbet (hard) - 1.45 million gallons, up 0.4 percent.
Frozen yogurt (total) - 2.63 million gallons, down 7.2 percent.

Released February 5, 2026, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

December Milk Production Up 4.6 Percent

Milk production in the 24 major States during December totaled 18.8 billion pounds, up 4.6 percent from December 2024. November revised production, at 18.1 billion pounds, was up 4.7 percent from November 2024. The November revision represented an increase of 3 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 24 major States averaged 2,060 pounds for December, 42 pounds above December 2024. The number of milk cows on farms in the 24 major States was 9.14 million head, 222,000 head more than December 2024, and 9,000 head more than November 2025.

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 2.75 billion pounds, up 50 million pounds or 1.9 percent from December 2024. Production per cow in the Mideast states averaged 2,041 pounds for December, 8 pounds more than December 2024. The number of cows on farms in the Mideast states was 1.37 million head, 20,000 head more than December 2024.

Released January 23, 2026, 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 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	Number of Producers	Pounds of Milk (000)	December 2025 -----Weighted Averages-----				December 2024 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	705	829,808	4.53	3.48	5.80	150	732,720	4.41	3.38	5.80	156
Ohio	1,098	427,129	4.50	3.51	5.76	165	379,005	4.41	3.38	5.73	174
Indiana	589	281,573	4.40	3.41	5.71	161	240,255	4.39	3.37	5.80	178
Pennsylvania	638	80,479	4.59	3.46	5.83	199	78,319	4.36	3.29	5.68	206
New York	107	61,890	4.56	3.37	5.62	157	35,957	4.69	3.49	5.93	161
Other	141	15,883	4.48	3.46	5.72	207	67,000	4.61	3.44	5.77	178
Total/Average *	3,278	1,696,763	4.50	3.47	5.77	159	1,533,254	4.42	3.38	5.78	168

* Totals may not add due to rounding. Data provided on a one-month delay basis and includes only milk from the 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 2026**

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)	2,341,699	676,397	28.9	2.05	\$16.64
FO 5 Appalachian - (Charlotte)	437,994	341,913	78.1	^{2/}	20.32
FO 6 Florida - (Tampa)	232,797	189,201	81.3	^{2/}	21.30
FO 7 Southeast - (Atlanta)	268,434	220,479	82.1	^{2/}	20.79
FO 30 Upper Midwest - (Chicago)	1,444,531	176,948	12.2	0.46	15.05
FO 32 Central - (Kansas City)	1,179,541	380,977	32.3	1.16	15.75
FO 33 Mideast - (Cleveland)	1,900,191	612,520	32.2	1.33	15.92
FO 51 California - (Los Angeles)	2,155,254	399,967	18.6	0.26	14.85
FO 124 Pacific Northwest - (Seattle)	522,986	134,208	25.7	0.58	15.17
FO 126 Southwest - (Dallas)	1,370,971	351,909	25.7	1.38	15.97
FO 131 Arizona - (Phoenix)	386,844	107,515	27.8	^{2/}	15.23

^{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 FEBRUARY 2026\$13.55/cwt.



INCOME AND EXPENSE STATEMENT

For the Year Ending December 31, 2025

Marketing Service Fund

Income:

Assessments or Deductions	\$1,325,100.87
Late Payment Charges Assessed	.00
Interest Earned	.00
Miscellaneous	<u>.00</u>

Total Income

\$1,325,100.87

Expenses:

Salaries and Services	\$1,325,719.34
Travel	.00
Communications	.00
Employer Payroll Contributions	.00
Insurance	.00
Contractual Expenses	.00
Rent - Buildings and Equipment	.00
Repairs and Maintenance	.00
Supplies	.00
Testing and Weighing	.00
Utilities	.00
Depreciation of Fixed Assets	.00
Conferences and Meetings	.00
Training	.00
Uncollectible Accounts	.00
Miscellaneous	.00
Amortization of Leasehold Improvements	<u>.00</u>

Total Expenses

\$1,325,719.34

Net Income

\$ (618.47)

BALANCE SHEET

As of December 31, 2025

ASSETS

Marketing Service Fund

Current Assets:

	Cash and Bank
	\$.00
Deposits	
Cash in Savings Accounts	.00
Accounts Receivable - Handlers	96,513.69
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

Other Assets:

	Prepaid Expenses
	\$.00
Deposits	.00

Fixed Assets:

	Motor
	\$.00
Vehicles	
Accumulated Depreciation	.00
Furniture and Equipment	.00
Accumulated Depreciation	.00
Laboratory Equipment	.00
Accumulated Depreciation	.00
Leasehold Improvements	.00
Accumulated Depreciation	.00

Total Assets \$ 96,513.69

LIABILITIES AND OPERATING BALANCE

Current Liabilities:

	Accounts Payable -
	\$.00
Other	
Accrued Employee Salaries Payable	.00
Accrued Employee Annual Leave	.00
Payroll Contributions and Withholdings	.00

Operating Balance \$ 96,513.69

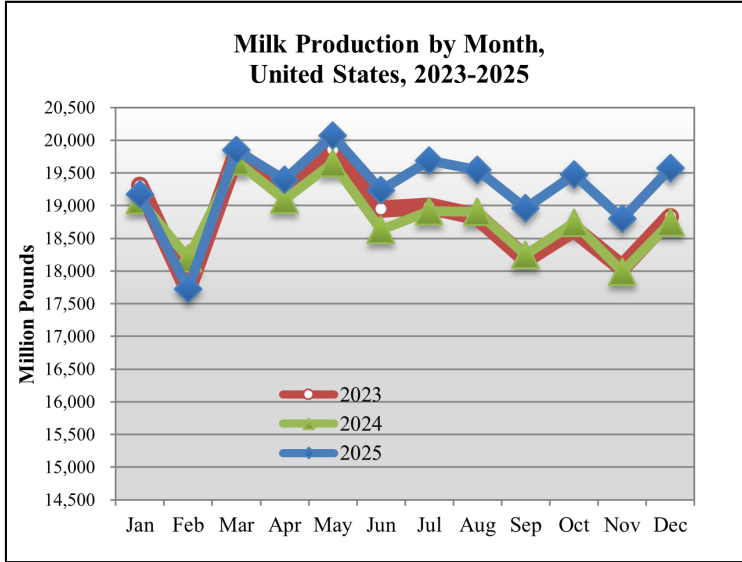
Total Liabilities and Operating Balance \$ 96,513.69

Mideast Market Administrator's Bulletin

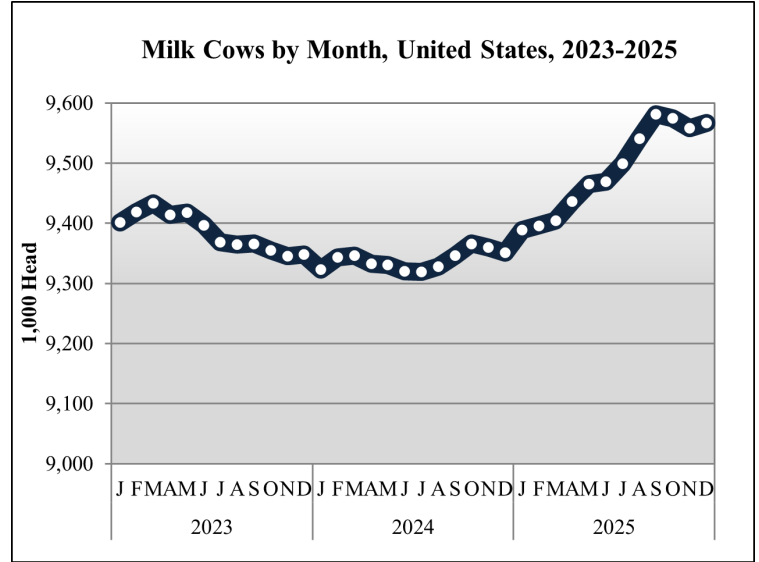
Federal Order No. 33

Supplement
February 2026

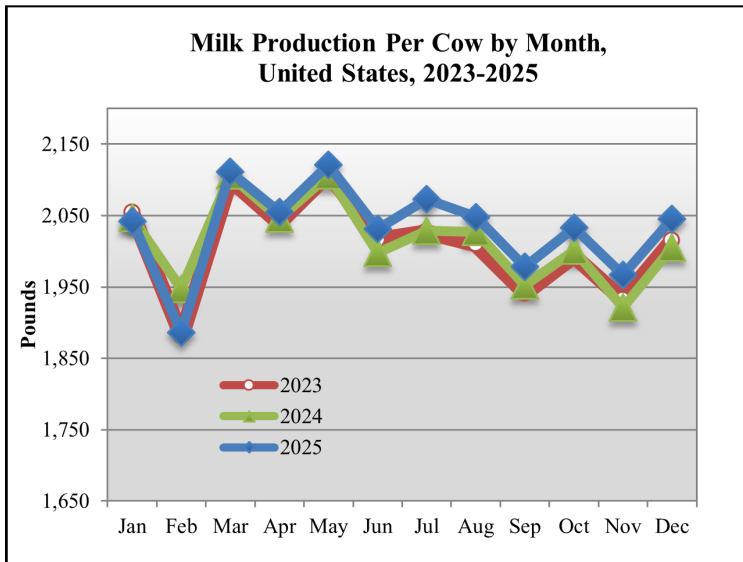
MILK PRODUCTION STATISTICS 1/



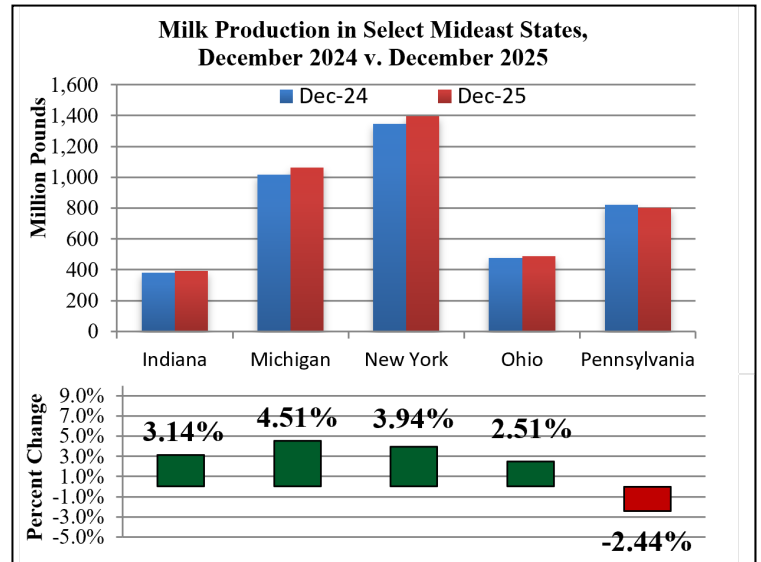
December 2025 milk production in the United States increased 772 million pounds from November 2025 to 19.47 billion pounds. December 2025 milk production in the United States was up 4.38% percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.57 million head for December 2025, up 9,000 head from November 2025 and up 216,000 head from December 2024.



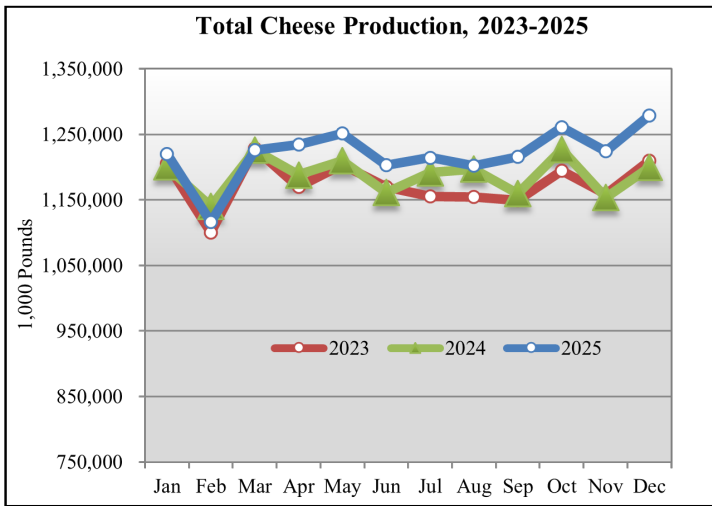
Production per cow in the United States averaged 2,045 pounds for December 2025 up 78 pounds from November 2025. December 2025 milk production per cow was up 40 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 4.15 billion pounds during December 2025, up 103 million pounds from the prior year.

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

DAIRY PRODUCT PRODUCTION 1/

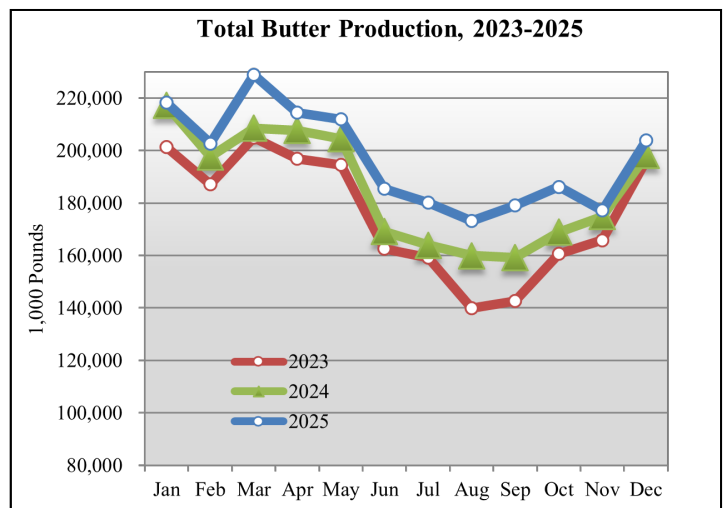
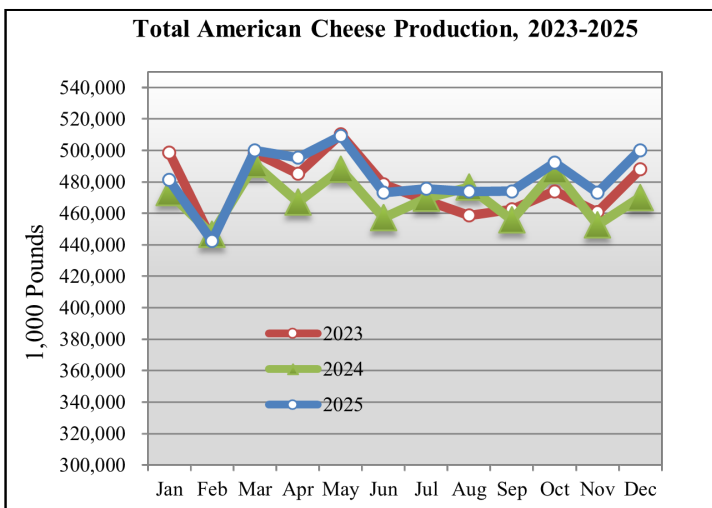


Dairy Product Production Summary:

American type cheese production in December 2025 totaled 500 million pounds, 6.4 percent above December 2024 and 5.7 percent above November 2025.

Total cheese output (excluding cottage cheese) in December 2025 was 1.279 billion pounds, 6.6 percent above December 2024 and 4.4 percent above November 2025.

Butter production in December 2025 was 204 million pounds, 2.9 percent above December 2024 and 15.0 percent above November 2025.



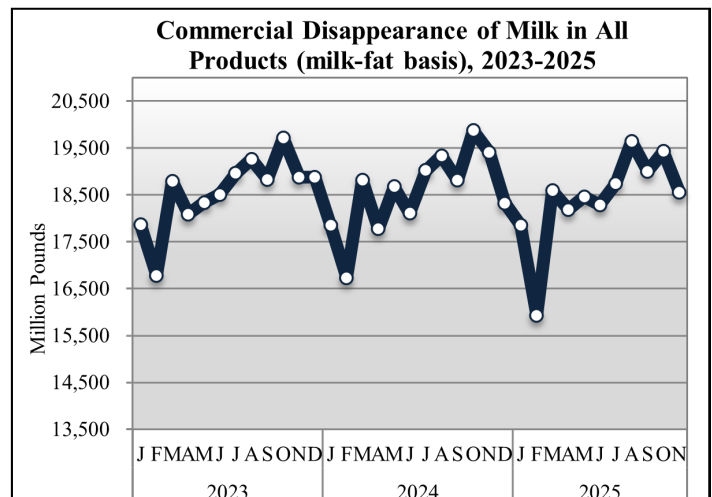
COMMERCIAL DISAPPEARANCE 2/

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 November 2025 commercial disappearance of milk was 18.56 billion pounds on a milk-fat basis, down 4.4 percent from the prior year. The cumulative disappearance total for 2025 is 202.7 billion pounds, a decrease of 0.8 percent from the same 11-month period of 2024.

November 2025 commercial disappearance of American cheese was 463 million pounds, up 5.4 percent from the prior year.

November 2025 commercial disappearance of butter was 177 million pounds, down 24.8 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.