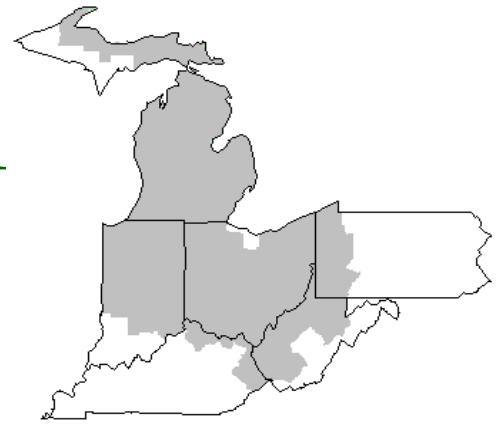


Mideast Market Administrator's Bulletin



Federal Order No. 33

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MARCH 2024

Exports and Imports for Dairy Markets

In January 2024, dairy product exports were lower than the same month a year ago. On a milk fat equivalent basis, they totaled 815 million pounds, 45 million lower than January 2023. On a skim-solids milk-equivalent basis, they totaled 3.781 billion pounds, 214 million lower than January 2023. Dairy products with a notable decrease in export volumes from January 2023 included Cheddar cheese, dry skim milk products, and lactose.

In January 2024, dairy product imports totaled 659 million pounds on a milk-fat basis, 68 million higher than January 2023. On a skim-solids basis, January imports totaled 605 million pounds, 74 million below January 2023. From January 2023 to January 2024, dairy products with a notable increase in import volumes were butter and infant formula. In the same period, dairy products with a notable decrease in import volumes were casein and milk protein concentrate.

Domestic demand for dairy products has been strengthening in recent months. From November to January, domestic use totaled 55.601 billion pounds on a milk-fat basis, 723 million pounds above the same period a year ago. Meanwhile, on a skim-solids basis, domestic use from November to January totaled 45.915 billion pounds, 608 million higher than the same period a year ago.

Livestock, Dairy, and Poultry Outlook: March 2024, LDP-M-357, March 14, 2024. USDA, Economic Research Service

January Milk Production Down 0.9 Percent

Milk production in the 24 major States during January totaled 18.3 billion pounds, down 0.9 percent from January 2023. December revised production at 18.1 billion pounds, was down 0.1 percent from December 2023. The number of milk cows on farms in the 24 major States was 8.87 million head, 49,000 head less than January 2023, and 21,000 head less than December 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 January totaled 2.7 billion pounds, down 13 million pounds or 0.5 percent from January 2023. The December revision represented a decrease of 8 million pounds or less than 0.1 percent from last month's preliminary production estimate. Production per cow in the 24 major States averaged 2,062 pounds for January, 9 pounds below January 2023.

Production per cow in the Mideast states averaged 1,998 pounds for January, 22 pounds less than January 2023.

The number of cows on farms in the Mideast states was 1.3 million head, 9,000 head more than January 2023.

Released February 21, 2024, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Dairy Margin Coverage Update

Dairy producers may enroll in the 2024 Dairy Margin Coverage (DMC) program until April 29, 2024. DMC offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. Depending upon the level of protection chosen, a participating dairy operation may receive payments triggered retroactively in January 2024. USDA Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. For more information, see the USDA, FSA web page for the Dairy Margin Coverage Program.

February 2024 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	516,434,388	40.6
Class II	106,207,153	8.4
Class III	626,684,877	49.3
Class IV	21,807,479	1.7
Total	1,271,133,897	100.0

Producer Prices

Producer Price Differential	\$ 1.88 / cwt
Butterfat Price	3.1031 / lb
Protein Price	1.2255 / lb
Other Solids Price	0.2738 / lb
Somatic Cell Adjustment Rate	0.00080 / cwt
Statistical Uniform Price	17.96 / cwt

ANNOUNCEMENT OF PRODUCER PRICES
Federal Order No. 33
FEBRUARY 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			504,893,409			\$9.75 / cwt	\$ 49,227,107.38
Class I Butterfat		11,540,979				3.0235/ lb	34,894,150.01
Class I Location Differential	516,434,388						(247,714.57)
Class II SNF Value				8,707,508		1.1100lb	9,665,333.88
Class II Butterfat		14,238,620				3.1031/ lb	44,283,532.05
Class III Protein Value			20,660,685			1.2255/ lb	25,319,669.47
Class III Other Solids Value					36,414,645	0.2738/ lb	9,970,329.83
Class III Butterfat		23,931,628				3.1031/ lb	74,262,234.86
Class IV SNF Value				1,675,575		1.0343/ lb	1,733,047.23
Class IV Butterfat		4,120,260				3.1031/ lb	12,785,578.80
Somatic Cell Value II / III / IV							<u>4,817,128.30</u>
TOTAL PRODUCER MILK VALUE	1,271,133,897	53,831,487	41,702,484			73,611,552	\$ 266,710,397.23
Overages						124,627.68	
Beginning Inventory & OS Charges						(117,751.94)	
TOTAL ADJUSTMENTS							\$ 6,875.74
TOTAL HANDLER OBLIGATIONS							266,717,272.97
Total Protein Value			41,702,484 lbs.	@		\$1.2255	\$ (51,106,394.15)
Total Other Solids Value			73,611,552 lbs.	@		0.2738	(20,154,842.94)
Butterfat Value			53,831,487 lbs.	@		3.1031	(167,044,487.32)
Total Somatic Cell Values							<u>(5,605,286.56)</u>
TOTALS							\$ 22,806,262.00
Net Producer Location Adjustments							1,098,785.40
1/2 Unobligated Balance Producer Settlement Fund							<u>610,000.00</u>
Total - Divided by Total Pounds			1,271,146,858 lbs			1.928577	\$ 24,515,047.40
Rate of Cash Reserve						<u>(0.048577)</u>	<u>(617,486.41)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*			1,271,146,858			\$ 1.88/ cwt	\$ 23,897,560.99

COMPONENT PRICES

	February	
	<u>2024</u>	<u>2023</u>
Butterfat Price	\$3.1031 / lb	\$2.7178 / lb
Protein Price	1.2255 / lb	2.3650 / lb
Other Solids Price	0.2738 / lb	0.2101 / lb
Somatic Cell Adjustment Rate	0.00080 / cwt	0.00091 / cwt
Nonfat Solids Price ²	1.0343 / lb	1.0766 / lb

COMPUTATION OF UNIFORM PRICE

	February	
	<u>2024</u>	<u>2023</u>
Class III Price - 3.5% BF	\$16.08	\$17.78
Producer Price Differential*	<u>1.88</u>	<u>1.74</u>
Statistical Uniform Price	\$17.96	\$19.52

CLASS PRICES

	February	
	<u>2024</u>	<u>2023</u>
Class I*	\$19.99	\$22.78
Class II	20.53	20.83
Class III	16.08	17.78
Class IV	19.85	18.86

CLASSIFICATION OF PRODUCER MILK

	February	
	<u>2024</u>	<u>2023</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	516,434,388	499,358,569
Class II	106,207,153	90,612,535
Class III	626,684,877	656,083,394
<u>Class IV</u>	<u>21,807,479</u>	<u>191,672,021</u>
Total	1,271,133,897	1,437,726,519

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 February 2024 was \$1.88, and the Statistical Uniform Price was \$17.96 for the month. The Statistical Uniform Price is \$0.06 higher than last month and is \$1.56 lower than February 2023. The Producer Butterfat Price of \$3.1031 per pound increased \$0.1266 from January and is up \$0.3853 from a year ago. The Protein Price of \$1.2255 is up \$0.0990 from last month and is down \$1.1395 from February 2023. The Other Solids Price in February was \$0.2738 per pound, an increase from last month's price of \$0.2417 and \$0.0637 more than last February. The Somatic Cell Adjustment rate for February was \$0.00080 per cwt.

February producer receipts of 1.27 billion pounds were 15.0 percent lower than January and 11.6 percent lower than February 2023 production of 1.44 billion pounds. Producer milk allocated to Class I accounted for 40.6 percent of the total producer milk in February 2024, lower than the 42.0 percent in January, and higher than the 34.7 percent in February 2023. A total of 3,372 producers were pooled on the Mideast Order compared to 3,346 producers pooled in February 2023.

The market average content of producer milk was as follows: Butterfat 4.23%; Protein 3.28%; Other Solids 5.79% and Nonfat Solids 9.07%.

Dairy Forecasts for 2024

The expectations for the average size of the U.S. dairy herd, milk per cow, and consequently, total milk production in 2024 have all been lowered relative to the last's month forecast. Several factors, such as a smaller-than-expected milking herd in January, additional downward revisions in the number of cows for 2023, and a counter-seasonal year-over-year decline in January milk per cow, contributed to these new projections. As a result, the 2024 forecast for the size of the dairy herd has been lowered to 9.335 million (-20,000) head, the forecast for milk per cow has been reduced to 24,345 (-50) pounds, and total milk production is now projected to 227.3 (-0.9) billion pounds. Milk production usually responds to prices with a lag of several months. While the lower-than-year-earlier number of milk cows in the first half of 2024 largely reflects the impact of feed costs and milk prices that occurred in the second half of 2023, the dairy herd is projected to expand in the second half of this year as the outlook for dairy farm margins is expected to improve.

Lowered prospects for milk production coupled with an overall steady demand for dairy products, offer support for higher price forecasts for Cheddar cheese and butter; in turn, they will support a higher all-milk price forecast and further improved outlook for milk-feed price ratios. However, the higher expected prices will impact the competitiveness of U.S. dairy products in the international markets and dampen the expectations for dairy exports.

Following the recent trade data and increased forecasts for butter and cheese prices, the forecast for 2024 dairy exports on a milk-fat basis has been lowered 0.6 billion to 11.1 billion. On a skim-solids basis, the 2024 dairy export forecast has also been revised downward to 50 billion pounds, 1.9 billion pounds less than the previous forecast. Overall, lack of price competitiveness for some U.S. dairy products in international markets and a weaker-than-expected international demand for dairy products support lower expectations for 2024 U.S. exports across most dairy products.

With stronger-than-expected import data in January and expected continued firm domestic demand, the forecasts for 2024 dairy imports have been increased from the previous month's forecast to 7.7 (+0.3) billion pounds on a milk-fat basis and to 6.7 (+0.3) billion pounds on a skim-solids basis.

Measured as the 3-month rolling average, domestic use for most dairy products was year-over year steady-to-higher. The forecast for 2024 domestic use on a milk-fat basis is 224.7 billion pounds, unchanged from last month's forecast. On a skim-solids basis, the forecast for domestic use is increased to 183.4 billion pounds, 1.4 billion higher than last month's forecast. Strong demand for dry whey and whey protein concentrate products support the upward revised forecast.

Based on recent strength in price data for butter and cheese, the 2024 price forecasts for butter and Cheddar cheese have been raised to \$2.800 per pound (+3.0 cents) and \$1.710 per pound (+2 cents), respectively. However, the price forecasts for NDM and dry whey have been decreased to \$1.210 (-2.5 cents) and \$0.450 (-3.0 cents) per pound, respectively, on weaker international demand.

The lower NDM price forecasts offset the higher butter price forecasts. Consequently, the Class IV milk price forecast for 2024 has been lowered by \$0.10 to \$20.10 per cwt. Conversely, the Class III milk price projection for 2024 has been raised by \$0.05 to \$17.15 per cwt, as the higher Cheddar cheese price forecasts more than offset the lower whey price forecasts. The all-milk price forecast for 2024 has been increased to \$21.25 per cwt, \$0.30 higher than the previous forecast.

Livestock, Dairy, and Poultry Outlook: March 2024, LDP-M-357, March 14, 2024. USDA, Economic Research Service

Bulletin WebPage Edition

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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	January 2024						January 2023				
	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	713	707,487	4.29	3.32	5.79	156	715,494	4.11	3.28	5.79	151
Ohio	1,157	382,240	4.23	3.30	5.72	171	370,995	4.11	3.26	5.73	182
Indiana	587	233,374	4.32	3.35	5.89	184	226,853	4.10	3.27	5.82	195
Pennsylvania	669	81,486	4.24	3.22	5.68	204	84,883	4.10	3.17	5.67	221
New York	97	28,308	4.59	3.46	6.01	181	45,855	4.23	3.34	5.91	189
Other	171	61,719	4.46	3.37	5.77	153	37,371	4.12	3.24	5.77	184
Total/Average *	3,394	1,494,615	4.29	3.32	5.78	167	1,481,451	4.11	3.27	5.78	172

* 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
February 2024**

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)	2,159,231	644,311	29.8	\$3.61	\$19.69
FO 5 Appalachian - (Charlotte)	418,371	300,688	71.9	^{2/}	21.00
FO 6 Florida - (Tampa)	215,035	175,141	81.5	^{2/}	22.88
FO 7 Southeast - (Atlanta)	271,681	213,474	78.6	^{2/}	21.51
FO 30 Upper Midwest - (Chicago)	2,543,868	152,189	6.0	0.32	16.40
FO 32 Central - (Kansas City)	1,188,276	358,526	30.2	1.59	17.67
FO 33 Mideast - (Cleveland)	1,271,134	516,434	40.6	1.88	17.96
FO 51 California (Los Angeles)	1,959,116	379,330	19.4	1.33	17.41
FO 124 Pacific Northwest - (Seattle)	576,241	123,114	21.4	1.88	17.96
FO 126 Southwest - (Dallas)	1,020,382	313,383	30.7	2.10	18.18
FO 131 Arizona - (Phoenix)	395,354	112,661	28.5	^{2/}	19.04

^{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 MARCH 2024.....\$16.08 /cwt.

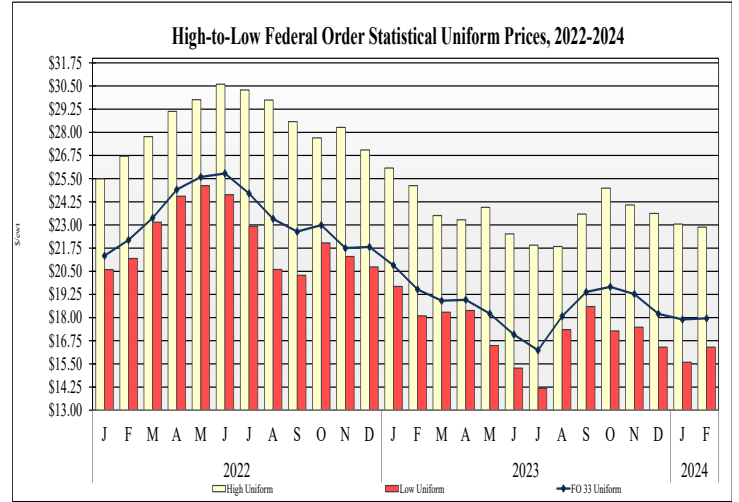
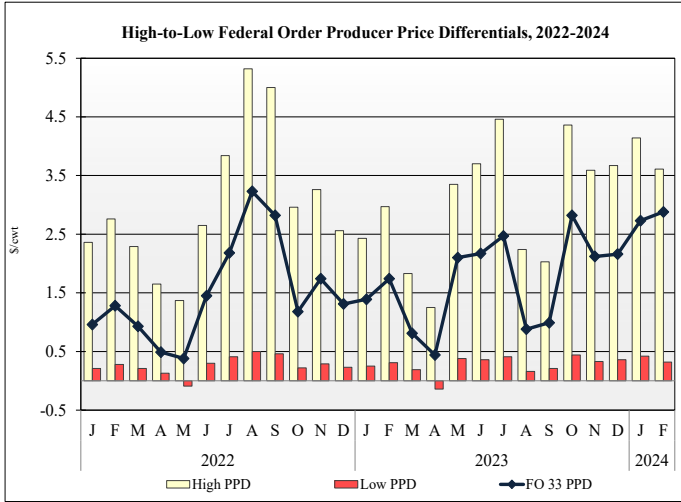


Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
March 2024

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/



Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For February 2024 Federal Order 1 had a PPD of \$3.61 per hundredweight (cwt), \$0.53 lower than their January PPD of \$ 4.14 per cwt.

In February 2024, Federal Order 33 had the third highest PPD, behind Order 1 and Order 126, at \$1.88 per cwt, \$0.85 per cwt lower than the January PPD.

For February 2024, Federal Order 30 had the lowest PPD at \$0.32 per cwt, \$0.10 per cwt lower than the January PPD.

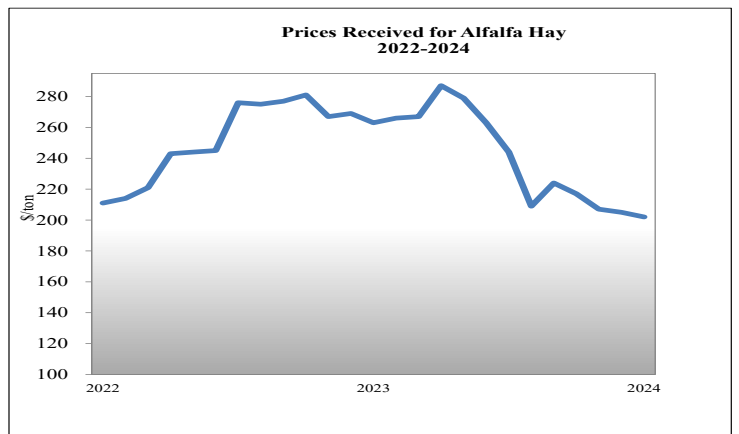
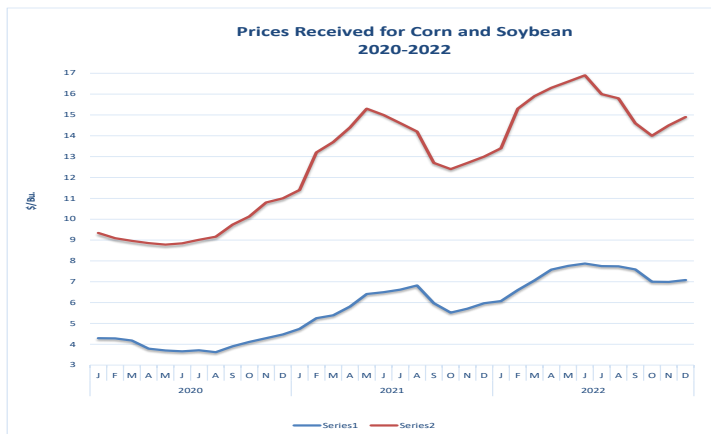
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For February 2024 , Federal Order 6 had a SUP of \$22.88 per cwt, \$0.17 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$17.96 per cwt, \$0.06 per cwt higher than the previous month's SUP.

Federal Order 30 had the lowest SUP at \$16.40 per cwt, \$0.81 per cwt higher than the previous month's SUP.

PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



2/ Producer price differentials are subject to location adjustment.

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

4/ Source: USDA, National Agricultural Statistics Service