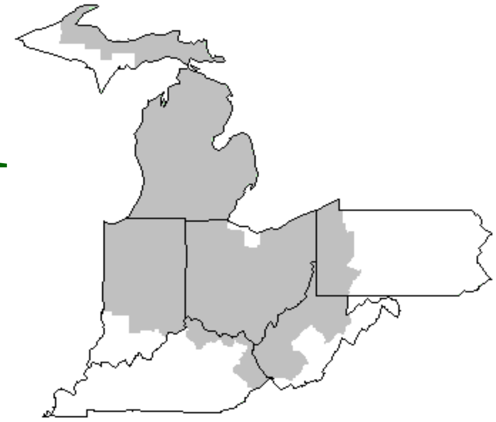
Mideast Market Administrator's

Bulletin



Federal Order No. 33

Paul A. Huber, Market Administrator
Phone: (330) 225-4758 Toll Free: (888) 751-3220
Email: clevelandma1@sprynet.com
WebPage: www.fmmaclev.com

November 2011

Organic Dairy Market News Overview (DMN)

AMS reports Total Organic Milk Products sales for August 2011, 171 million pounds, were up 7.5% from August 2010 sales and up 17.1% January through August 2011 compared with the same first eight months of 2010. Organic Whole Milk sales for August 2011, 41 million pounds, were up 7.3% compared with August 2010 and up 20.1% January through August this year compared with the same period of 2010. Organic Fat-Reduced Milk sales for August 2011, 130 million pounds, were up 7.6% compared with August 2010 and up 16.1% January through August 2011 compared with the same months of 2010.

Source: *Dairy Market News, Vol. 78, Report 44*

September Milk Production Up 1.9 Percent

Milk production in the 23 major States during September totaled 14.8 billion pounds, up 1.9 percent from September 2010. August revised production at 15.3 billion pounds, was up 2.3 percent from August 2010. The August revision represented an increase of 17 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,742 pounds for September, 12 pounds above September 2010. The number of milk cows on farms in the 23 major States was 8.47 million head, 101,000 head more than September 2010, and 1,000 head more than August 2011.

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 September totaled 2.2 billion pounds, up 3 million pounds or .1 percent from September 2010.

Production per cow in the Mideast states averaged 1,664 pounds for September, the same as September 2010. The number of cows on farms in the Mideast states was 1.3 million head, 5,000 head more than September 2010.

USDA Announces National Dairy Board Importer Appointments

Agriculture Secretary Tom Vilsack has announced the appointment of two dairy importer members to the National Dairy Promotion and Research Board.

Newly appointed members include Kenneth E. Meyers who will serve a three-year term ending Oct. 31, 2014 and Giovanna Vita who will serve a two-year term ending Oct. 31, 2013.

The Secretary selected the appointees from nominations submitted by individual importers of dairy products or by organizations representing dairy importers. USDA's Agricultural Marketing Service monitors the operation of the board.

U.S. Milk Production Continues to Climb; Prices Are Expected to Decline in 2012

Feed prices are expected to remain relatively high through the end of 2011 and into next year. Corn prices are forecast at $6.20 to $7.20 per bushel for the 2011/12 crop year. This forecast represents a small reduction from September's forecast prices and is based on higher reported carry-in stocks and slightly lower projected corn exports. Similarly, the soybean meal price forecast was lowered from September to $335 to $365 per ton for the 2011/12 marketing year, based on a lower soybean export forecast in October. Preliminary estimates placed alfalfa prices at $196 per ton in September in the face of almost 5 percent lower production in 2011. Significant relief from the current prices level is not likely until next spring.

(Continued on Page 3)

OCTOBER 2011 Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	537,707,162	38.1
Class II	256,212,580	18.2
Class III	527,842,968	37.4
Class IV	88,963,799	6.3
Total	1,410,726,509	100.0

Producer Prices

Producer Price Differential	$ 1.20	/cwt
Butterfat Price	1.9592	/ lb
Protein Price	2.9211	/ lb
Other Solids Price	0.4286	/ lb
Somatic Cell Adjustment Rate	0.00087	/ cwt
Statistical Uniform Price	19.23	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

October 2011

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			528,500,132			$ 14.28 / cwt	$ 75,469,818.91
Class I Butterfat		9,207,030				2.2214 / lb	20,452,496.45
Class I Location Differential	537,707,162						(295,195.03)
Class II SNF Value				22,178,959		1.4422 / lb	31,986,494.65
Class II Butterfat		15,192,668				1.9662 / lb	29,871,823.84
Class III Protein Value			16,674,425			2.9211 / lb	48,707,662.89
Class III Other Solids Value					30,107,988	0.4286 / lb	12,904,283.64
Class III Butterfat		20,372,944				1.9592 / lb	39,914,671.86
Class IV SNF Value				7,422,470		1.3297 / lb	9,869,658.35
Class IV Butterfat		8,226,606				1.9592 / lb	16,117,566.48
Somatic Cell Value II / III / IV							1,021,265.89
TOTAL PRODUCER MILK VALUE	1,410,726,509	52,999,248	44,572,719		80,450,483		$ 286,020,547.93
Overages					130,637.27		
Beginning Inventory & OS Charges					(62,217.41)		
TOTAL ADJUSTMENTS							$ 68,419.86
TOTAL HANDLER OBLIGATIONS							$ 286,088,967.79
Total Protein Value			44,572,719 lbs	@	$2.9211		$(130,201,369.44)
Total Other Solids Value			80,450,483 lbs	@	0.4286		(34,481,077.05)
Butterfat Value			52,999,248 lbs	@	1.9592		(103,836,126.67)
Total Somatic Cell Values							(1,650,382.37)
TOTALS							$ 15,920,012.26
Net Producer Location Adjustments							$ 927,525.10
1/2 Unobligated Balance Producer Settlement Fund							649,000.00
Total - Divided by Total Pounds			1,410,726,509 lbs		1.2402501		$ 17,496,537.36
Rate of Cash Reserve					(0.0402501)		(567,818.83)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,410,726,509		**$ 1.20 /cwt**		$ 16,928,718.53

COMPONENT PRICES

	October 2011	October 2010
Butterfat Price	$1.9592 / lb	$2.4436 / lb
Protein Price	2.9211 / lb	2.4739 / lb
Other Solids Price	0.4286 / lb	0.1736 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt	0.00088 / cwt
Nonfat Solids Price	1.3297 / lb	0.9896 / lb

COMPUTATION OF UNIFORM PRICE

	October 2011	October 2010
Class III Price - 3.5% BF	$ 18.03	$16.94
Producer Price Differential*	1.20	0.62
Statistical Uniform Price	$19.23	$17.56

CLASS PRICES

	October 2011	October 2010
Class I*	$21.56	$18.58
Class II	19.41	17.57
Class III	18.03	16.94
Class IV	18.41	17.15

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

	October 2011 *Product lbs.*	October 2010 *Product lbs.*
Class I	537,707,162	546,616,502
Class II	256,212,580	245,975,328
Class III	527,842,968	501,293,510
Class IV	88,963,799	64,859,739
Total	1,410,726,509	1,358,745,079

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for October, 2011 was $1.20 and the Statistical Uniform Price was $19.23 for the month. The Statistical Uniform Price is $1.92 lower than last month, and is $1.67 higher than October, 2010.

The Producer Butterfat Price of $1.9592 per pound decreased $.2413from September and is down $0.4844 from a year ago. The Protein Price of $2.9211 is down $0.1071 from last month and is up $0.4472 from October 2010. The Other Solids Price in October was $0.4286 per pound, an increase from last month's price of $0.4053 and $0.2550 higher than last October. The Somatic Cell Adjustment rate for October was $0.00087.

October producer receipts of 1.41 billion pounds were 7.9 percent higher than September and 3.8 percent higher than October 2010 production of 1.36 billion pounds. Producer milk allocated to Class I accounted for 38.1 percent of the total producer milk in October 2011, less than the 41.5 percent in September, and less than the 40.2 percent in October 2010. A total of 6,656 producers were pooled on the Mideast Order compared to 6,906 producers pooled in October 2010.

The market average content of producer milk was as follows: Butterfat 3.76%; Protein 3.16%; Other Solids 5.70% and Nonfat Solids 8.86%.

(Continued from Front Page)

Milk production for 2011 is projected at 195.9 billion pounds, a 200-million pound increase from September's forecast. Both higher cow numbers and yield per cow contribute to rise. Despite high feed prices and continued heavy cow slaughter, the U.S. dairy herd continues to expand more rapidly than anticipated. The herd is forecast to average 9.2 million head for the year. Yield per cow has also risen more rapidly than anticipated and is forecast at 21,300 pounds, an increase from September estimates. Output per cow may not have been as diminished by the hot summer temperatures as expected. In 2012, the U.S. dairy herd is expected to contract to 9.19 million head. This forecast represents both a year-over-year decline and a decline from the September 2012 forecast. Although corn and soybean meal prices have been revised downward, they remain high by historic levels and continued expected high alfalfa prices along with lower milk prices will likely stimulate a herd reduction during 2012. These fundamentals will also limit the rise in output per cow next year, which is forecast at 21,600 pounds despite an extra milking day in 2012.

Milk-equivalent imports for 2011 are forecast at 3.2 billion pounds on a fats basis and 5.3 billion pounds on a skim-solids basis this year, both unchanged from September's forecast. Next year, fat-basis imports are forecast unchanged at 3.2 billion pounds but skim-solids imports are expected to slide to 5.1 billion pounds, also unchanged from September's forecast. Fat-basis exports are forecast at 9.1 billion pounds for 2011, a slight downward revision from September's forecast due to lower expected butter and cheese exports. Favorable conditions in Oceania coupled with rising seasonal production are expected to pressure prices and increase competition particularly for U.S. dairy exports in 2012. Skim-solids exports are forecast at 32.6 billion pounds this year, unchanged from September. In 2012, milk-equivalent exports on both a fats and skim-solids basis are forecast to be lower than in 2011. Fat-basis exports are forecast at 8.6 billion pounds, down fractionally from September's forecast. Skim-solids basis exports are placed at 31.9 billion pounds, a decline from September's projection.

This year, domestic commercial milk use is forecast to reach 188.6 billion pounds on a fats basis and 167.8 billion pounds on a skim-solids basis. In 2012, domestic commercial use is forecast to rise to 192 billion pounds on a fats basis and 170.8 billion pounds on a skim-solids basis. Both forecasts would represent a healthy rise in use; especially for the fats basis forecast after several years of slow growth. On a skim-solids basis, the 2012 forecast would represent the second year of growth after a decline in 2010.

Overall, prices for dairy products are expected to be lower in 2012 after rising sharply in 2011. Cheese and butter prices were lowered in October based on weaker international prices. The 2011 cheese price is forecast at $1.810 to $1.820 per pound and the butter price is forecast at $1.940 to $1.970 per pound, both lower than September forecasts. Nonfat dry milk (NDM) is forecast at $1.505 to $1.525 per pound, unchanged from September. Whey is forecast at 51.5 to 52.5 cents per pound, with the upper end of the range raised slightly from last month. The whey forecast is based on expected continued robust domestic use and relatively strong exports despite higher prices. Next year, the major product prices are all expected to be lower. The cheese price is expected to be $1.665 to $1.755 per pound; the butter price is forecast at $1.600 to $1.720 per pound. The NDM price is forecast at $1.355 to $1.425 per pound, and the whey price is forecast at 45.5 to 48.5 cents per pound. The lower prices reflect larger domestic production and stronger competition overseas, which will pressure exports.

The Class III price is forecast at $18.15 to $18.25 per cwt for 2011 and $16.30 to $17.20 per cwt in 2012. The Class IV price is forecast at $19.05 to $19.25 per cwt this year and $16.30 to $17.30 per cwt next year. The all-milk price is forecast to be $20.00 to $20.10 per cwt for 2011 and to slip to $17.75 to $18.65 per cwt next Year.

Livestock, Dairy, & Poultry Outlook/LDP-M-208/October 18, 2011 Economic Research Service, USDA

Bulletin Webpage Edition
www.fmmaclev.com

Featured this month are thematic maps & charts demonstrating:

- CA and F.O. milk marketings by county - May 2011
- CA and F.O. market share by county - May 2011
- Top ten milk producing counties – May 2011 vs. May 2006

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

	September 2011							September 2010				
			-----------Weighted Averages -----------						---------Weighted Averages ---------			
State	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)		Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,780	585,408	3.61	3.05	5.71	201		558,032	3.55	3.03	5.70	204
Ohio	2,100	294,249	3.70	3.09	5.67	277		245,114	3.67	3.08	5.65	277
Indiana	1,114	159,693	3.65	3.09	5.69	251		112,412	3.64	3.07	5.68	272
Pennsylvania	1,035	97,071	3.72	3.08	5.65	325		100,406	3.72	3.09	5.65	321
Wisconsin	149	82,727	3.67	3.11	5.79	230		90,695	3.58	3.04	5.79	264
New York	337	67,280	3.69	3.05	5.69	239		121,709	3.63	3.05	5.71	231
West Virginia	55	3,427	3.84	3.21	5.60	358		3,952	3.85	3.22	5.61	361
Other	115	17,402	3.67	3.04	5.72	244		19,927	3.64	3.04	5.74	283
Total/Average *	6,685	1,307,257	3.65	3.07	5.70	238		1,252,246	3.61	3.05	5.69	242

* 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

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

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

POSTMASTER: Time Sensitive Material - Deliver Promptly

FEDERAL ORDER DATA

October 2011

	Marketing Area [1/]	Producer Milk Total (000)	Producer Milk Class I (000)	Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
FO 1	Northeast - *(Boston)*	1,955,303	851,134	43.5	$2.39	$20.42
FO 5	Appalachian - *(Charlotte)*	522,566	361,610	69.2	[2/]	21.57
FO 6	Florida - *(Tampa)*	240,525	206,684	85.9	[2/]	23.77
FO 7	Southeast - *(Atlanta)*	573,950	382,448	66.6	[2/]	21.79
FO 30	Upper Midwest - *(Chicago)*	2,703,815	358,206	13.3	0.38	18.41
FO 32	Central - *(Kansas City)*	1,332,384	384,085	28.8	0.79	18.82
FO 33	**Mideast - *(Cleveland)***	**1,410,727**	**537,707**	**38.1**	**1.20**	**19.23**
FO 124	Pacific Northwest - *(Seattle)*	700,339	190,385	27.2	0.77	18.80
FO 126	Southwest - *(Dallas)*	973,940	377,136	38.7	1.82	19.85
FO 131	Arizona - *(Phoenix)*	366,587	121,374	33.1	[2/]	19.39

[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 2011..................$18.03 /cwt.

Printed on recycled paper

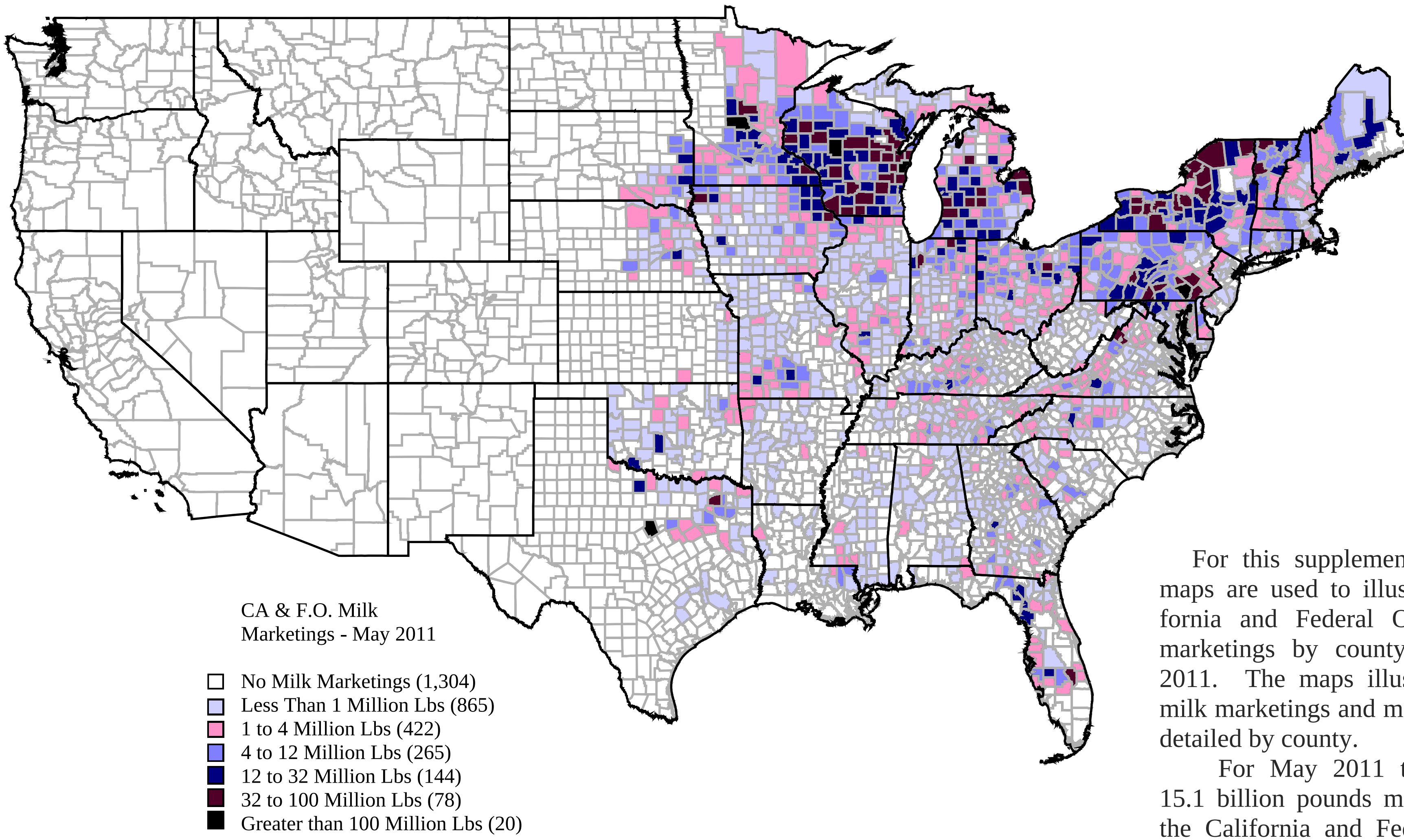
Mideast Market Administrator's

Bulletin

Supplement

Federal Order No. 33 **November 2011**

CALIFORNIA AND FEDERAL ORDER MILK MARKETINGS BY COUNTY—MAY 2011 1/ 2/

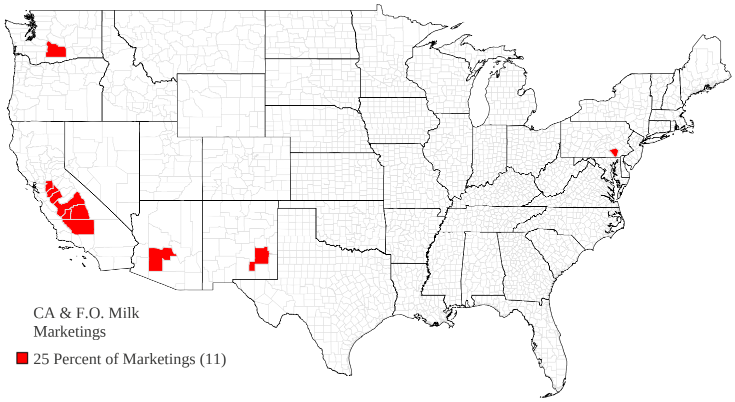


For this supplement thematic maps are used to illustrate California and Federal Order milk marketings by county for May 2011. The maps illustrate total milk marketings and market share detailed by county.

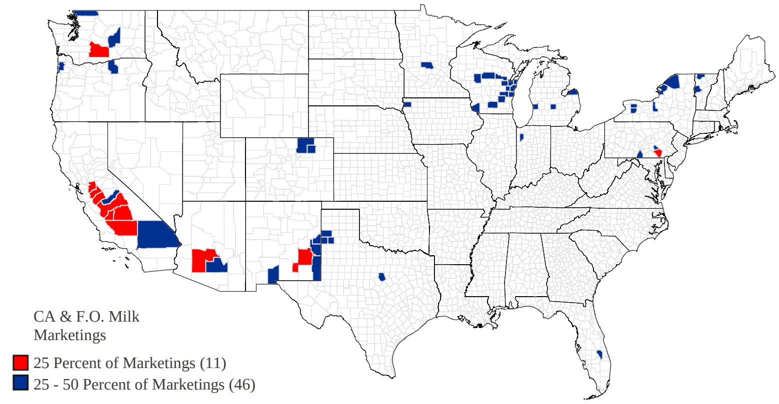
For May 2011 there were 15.1 billion pounds marketed on the California and Federal Milk Orders.

CALIFORNIA AND FEDERAL ORDER MARKET SHARE BY COUNTY - MAY 2011 1/ 2/

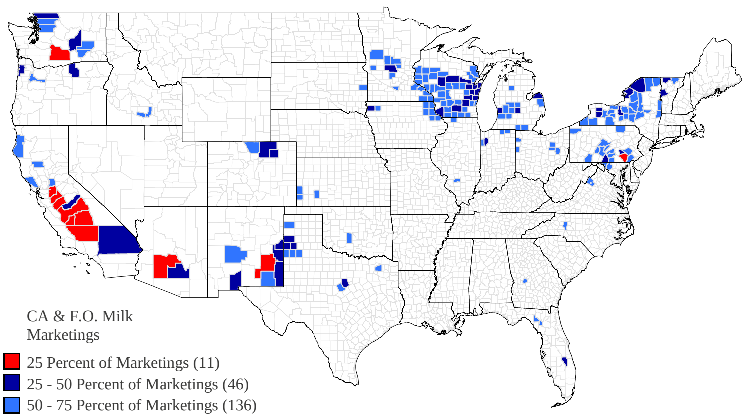
TOP MILK PRODUCING COUNTIES REPRESENTING 25 PERCENT OF CA & F.O. MILK MARKETINGS



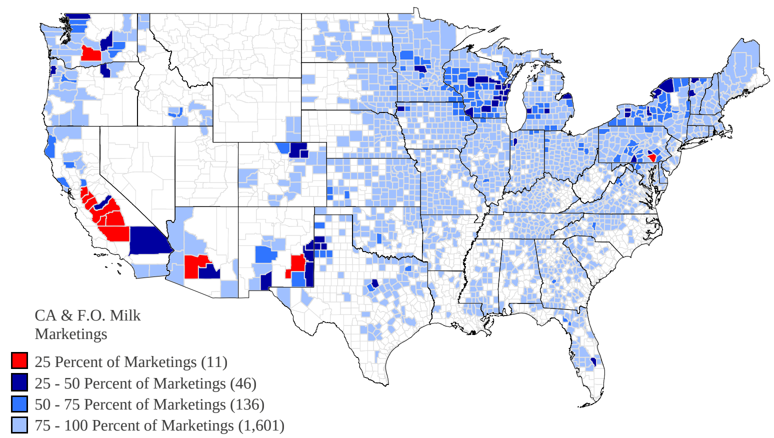
TOP MILK PRODUCING COUNTIES REPRESENTING 50 PERCENT OF CA & F.O. MILK MARKETINGS



TOP MILK PRODUCING COUNTIES REPRESENTING 75 PERCENT OF CA & F.O. MILK MARKETINGS

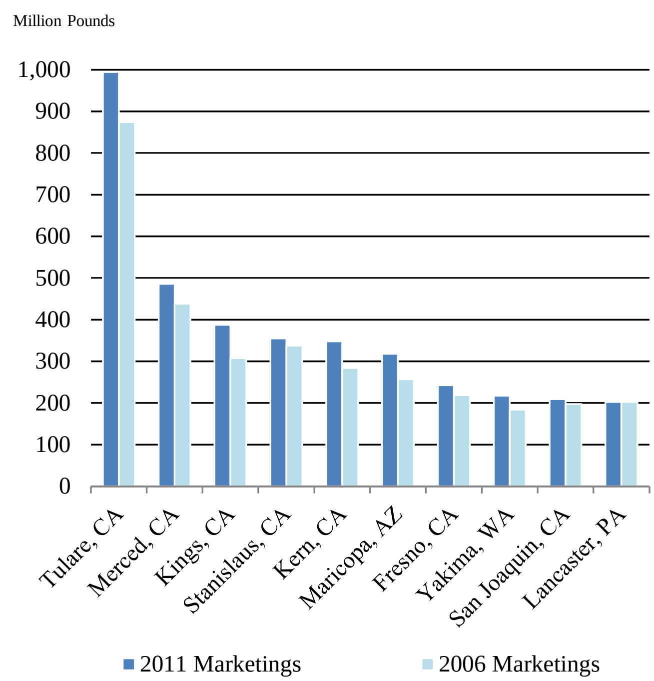


TOP MILK PRODUCING COUNTIES REPRESENTING 100 PERCENT OF CA & F.O. MILK MARKETINGS



TOP TEN MILK PRODUCING COUNTIES - MAY 2011 v. MAY 2006 1/ 2/

Rank	County, State	**May 2011 Marketings**	May 2006 Marketings	Percent Change
		pounds		*%*
1	Tulare, CA	**994,406,833**	873,822,062	13.80
2	Merced, CA	**485,778,110**	438,006,832	10.91
3	Kings, CA	**387,430,527**	307,669,509	25.92
4	Stanislaus, CA	**354,656,378**	337,669,747	5.03
5	Kern, CA	**347,826,928**	283,561,541	22.66
6	Maricopa, AZ	**317,601,935**	256,895,497	23.63
7	Fresno, CA	**242,208,658**	218,455,210	10.87
8	Yakima, WA	**217,213,163**	183,452,770	18.40
9	San Joaquin, CA	**208,959,985**	197,099,071	6.02
10	Lancaster, PA	**202,210,314**	201,938,531	0.13
		3,758,292,831	3,298,570,770	13.94



1/ Information is compiled by the Central Market Administrator's Office, Kansas City, MO.
2/ Includes milk voluntarily depooled due to price relationships.