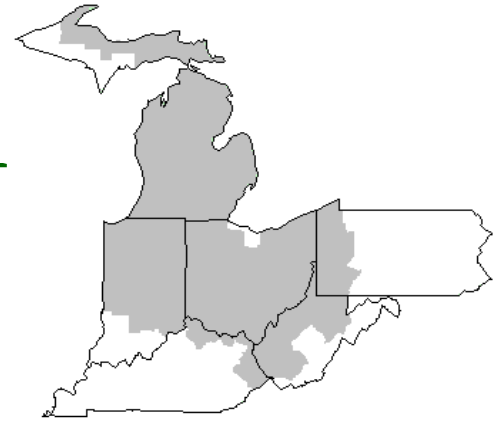
Mideast Market Administrator's

Bulletin



Federal Order No. 33

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

June 2013

Appointment of New Market Administrators

Dana Coale, Deputy Administrator of the United States Department of Agriculture's Dairy Programs has announced the appointment of three new Market Administrators. Sharon Uther has been appointed Market Administrator for the Mideast Order; Todd Wilson has been appointed Market Administrator for the Central Order (FO 32), and Patrick Clark has been appointed market Administrator for the Florida and Southeast Orders (FO 6 and FO 7).

Sharon graduated from The Ohio State University with a Bachelor of Science degree in Agriculture with a Dairy Science major and an emphasis in Agricultural Economics. She has 34 years of experience working with the USDA-AMS-Dairy Programs in the Mideast area, including many years as the pool coordinator and the last three years as the Assistant Market Administrator. Sharon grew up on a dairy farm near Norwalk, Ohio.

Todd graduated from Oklahoma State University with Bachelor of Science degree in Agricultural Economics. He has 25 years experience working with the USDA-AMS-Dairy Programs including the last four years as an Assistant Market Administrator for the Southwest Marketing Area.

Patrick graduated from the University of Kentucky with a Bachelor of Science degree in Agriculture and a Masters of Science degree in Vocational Education. He has 24 years of experience working with the USDA-AMS-Dairy Programs including the last five years as the Associate Market Administrator for the Southwest Marketing Area.

April Milk Production Up 0.3 Percent

Milk production in the 23 major States during April totaled 16.1 billion pounds, up 0.3 percent from April 2012. March production,unrevised at 16.4 billion pounds, was down 0.1 percent from March 2012.

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 April totaled 2.5 billion pounds, up 21 million pounds or 0.9 percent from April 2012.

*Due to Sequestration , administrative data will be used for all releases of the above information through the end of the fiscal year on September 30, 2013. Releases will contain milk production data only. No information on the number of cows or milk per cow will be released. Please check the NASS website at www.nass.usda.gov for any future updates on NASS programs.

Lower Feed Costs Will Improve Producer Margins Next Year, Boosting Milk Output; Strong Demand Will Keep Prices Near Current Levels

Corn prices for 2012/13 are forecast at $6.70-$7.10 per bushel—the price range was narrowed, but the mid-point is unchanged from April. Initial forecasts for the 2013/14 year call for corn prices to decline to $4.30-$5.10 per bushel. Higher expected yields and higher expected global supplies counter the slow start to this season's planting and underpin the 2013/14 forecast. Current-year soybean price estimates are unchanged from April's forecast; similarly, the soybean meal price forecasts are unchanged from April at $425 a ton. In 2013/14, soybean meal prices are forecast much lower at $280-$320 per ton. Soybean production is forecast up based on higher yields and slightly higher harvested acreage. Meanwhile, the April Milk Production report shows the January-March 2013 U.S. milk production at 50.5 billion pounds, 1.1 percent lower than the corresponding period last year. Some of the decline is due to the absence of a February 29th this year. However, some of the southern and western States are showing larger declines this year than can be accounted for by 2012's leap-day. Meanwhile, many other States are posting year over-year quarterly increases in milk production.

(continued on Page 3)

May 2013
Pool Summary

Classification of Producer Milk

	Pounds	*Percent*
Class I	539,206,769	34.4
Class II	317,138,476	20.2
Class III	479,660,761	30.6
Class IV	232,264,340	14.8
Total	1,568,270,346	100.0

Producer Prices

Producer Price Differential	$ 0.37	/cwt
Butterfat Price	1.7884	/ lb
Protein Price	3.3597	/ lb
Other Solids Price	0.3887	/ lb
Somatic Cell Adjustment Rate	0.00091	/ cwt
Statistical Uniform Price	18.89	/ cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

May 2013

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			529,790,652			$ 13.89 / cwt	$ 73,587,921.57
Class I Butterfat		9,416,117				1.8155 / lb	17,094,960.44
Class I Location Differential	539,206,769						(247,075.64)
Class II SNF Value				27,183,232		1.3989 / lb	38,026,623.25
Class II Butterfat		19,544,346				1.7954 / lb	35,089,918.81
Class III Protein Value			14,678,519			3.3597 / lb	49,315,420.30
Class III Other Solids Value					27,601,844	0.3887 / lb	10,728,836.76
Class III Butterfat		17,701,343				1.7884 / lb	31,657,081.82
Class IV SNF Value				20,256,333		1.4549 / lb	29,470,938.88
Class IV Butterfat		10,839,018				1.7884 / lb	19,384,499.79
Somatic Cell Value II / III / IV							1,519,965.11
TOTAL PRODUCER MILK VALUE	1,568,270,346	57,500,824	43,841,306		90,182,502		$ 305,629,091.09
Overages					20,169.57		
Beginning Inventory & OS Charges					57,833.89		
TOTAL ADJUSTMENTS							$ 78,003.46
TOTAL HANDLER OBLIGATIONS							$ 305,707,094.55
Total Protein Value			47,841,306 lbs	@	$3.3597		$(160,732,435.77)
Total Other Solids Value			90,182,502 lbs	@	0.3887		(35,053,938.51)
Butterfat Value			57,500,824 lbs	@	1.7884		(102,834,473.66)
Total Somatic Cell Values							(2,286,576.66)
TOTALS							$ 4,799,669.95
Net Producer Location Adjustments							$ 1,004,010.70
1/2 Unobligated Balance Producer Settlement Fund							637,000.00
Total - Divided by Total Pounds			1,568,270,346 lbs		0.4106869		$ 6,440,680.65
Rate of Cash Reserve					(0.0406869)		(638,080.59)
PRODUCER PRICE DIFFERENTIAL *at Cuyahoga County, OH**			1,568,270,346		**$ 0.37 /cwt**		$ 5,802,600.06

COMPONENT PRICES

May	2013	2012
Butterfat Price	$1.7884 / lb	$1.4462 / lb
Protein Price	3.3597 / lb	2.7344 / lb
Other Solids Price	0.3887 / lb	0.3500 / lb
Somatic Cell Adjustment Rate	0.00091 / cwt	0.00076 / cwt
Nonfat Solids Price	1.4549 / lb	0.9774 / lb

COMPUTATION OF UNIFORM PRICE

May	2013	2012
Class III Price - 3.5% BF	$ 18.52	$15.23
Producer Price Differential*	0.37	0.51
Statistical Uniform Price	$18.89	$15.74

CLASS PRICES

May	2013	2012
Class I*	$19.76	$17.85
Class II	18.43	15.19
Class III	18.52	15.23
Class IV	18.89	13.55

* Subject to Location Adjustment.

CLASSIFICATION OF PRODUCER MILK

May	2013 *Product lbs.*	2012 *Product lbs.*
Class I	539,206,769	511,568,958
Class II	317,138,476	301,556,012
Class III	479,660,761	561,213,301
Class IV	232,264,340	219,766,784
Total	1,568,270,346	1,594,105,055

ORDER 33 MARKET SUMMARY

The Producer Price Differential for the Mideast Marketing Area for May 2013 was $0.37 and the Statistical Uniform Price was $18.89 for the month. The Statistical Uniform Price is $0.40 higher than last month, and is $3.15 higher than May 2012.

The Producer Butterfat Price of $1.7884 per pound decreased $0.0343 from April and is up $0.3422 from a year ago. The Protein Price of $3.3597 is up $0.3467 cents from last month and is up $0.6253 from May 2012. The Other Solids Price in May was $0.3887 per pound, an increase from last month’s price of $0.3863 and $0.0387 higher than last May. The Somatic Cell Adjustment rate for May was $0.00091.

May producer receipts of 1.57 billion pounds were 10.7 percent higher than April and 1.6 percent lower than May 2012 production of 1.59 billion pounds. Producer milk allocated to Class I accounted for 34.4 percent of the total producer milk in May 2013, less than the 38.0 percent in April, and more than the 32.1 percent in May 2012. A total of 6,140 producers were pooled on the Mideast Order compared to 6,582 producers pooled in May 2012.

The market average content of producer milk was as follows: Butterfat 3.67%; Protein 3.05%; Other Solids 5.75% and Nonfat Solids 8.80%.

(continued from Front Page)

Beginning with the April Milk Production report, the National Agricultural Statistics Service is no longer reporting cow numbers or output per cow, at least through the end of this fiscal year. Consequently, USDA is not forecasting milk cow inventories or milk per cow. For May, the milk production forecast is unchanged from April. This year's milk production is projected at 201.8 billion pounds. The 2014 milk production forecast is 204.6 billion pounds. Improved producer margins would auger for a sizeable rebound in milk production in 2014.

Current-year fats basis imports are raised to 4 billion pounds this month based on higher than expected imports of butterfat in the first quarter. Imports for the balance of 2013 are lowered slightly. Skims-solids imports were increased for the year to 5.6 billion pounds based on continued demand for casein and milk protein concentrates. For 2014, fats basis imports were lowered to 3.9 billion pounds and skims-solids basis imports were lowered to 5.4 billion pounds, based on higher U.S. milk production in 2014 and lower milk prices.

Exports on both a fats and skims-solids basis were increased in May to 10.0 and 34.7 billion pounds respectively for 2013. Current U.S. and Oceania prices favor U.S. exports. Next year, fats basis exports are forecast to climb to 10.3 billion pounds and skims-solids basis exports are projected at 36.4 billion pounds, an increase from 2013's projected total. Continued strength in international demand and favorable U.S. prices relative to Oceania will likely keep exports firm.

This year's fats basis ending stocks were raised to 12 billion pounds for May and are forecast to decline to 11.8 billion pounds by the end of 2014. Skims-solids ending stocks were raised to 12.1 billion pounds in the May forecast for 2013 and are expected to end at 12.1 billion pounds for 2014. Continued robust international and domestic demand is expected to tighten stocks from their first-quarter levels.

For 2013, prices for cheese, butter, and nonfat dry milk (NDM) were raised based on expected second-quarter strength. Cheese prices are forecast at $1.745-$1.795 per pound, butter prices are forecast at $1.570-$1.650 per pound, and NDM prices are projected at $1.590-$1.630 per pound. In contrast, whey prices are lowered, based on current and expected whey price weakness, to 58.0-61.0 cents per pound. The Class III price is lowered to $17.80-$18.30 per cwt as whey price weakness more than offset the higher cheese price. The Class IV price is raised to $18.20-$18.80 per cwt as a result of higher NDM and butter prices. The all milk price for 2013 is projected at $19.50-$20.00 per cwt.

Next year, increased demand will likely offset greater expected production to some degree, but prices for cheese, butter and whey are forecast lower. Cheese prices are forecast at $1.675-$1.75 per pound, butter is forecast at $1.485-$1.615 per pound and whey prices are forecast lower at 56.5-59.5 cents per pound. NDM prices are forecast slightly higher at $1.585-$1.655 per pound based on continued international demand. The 2014 Class III milk price is forecast at $17.00-$18.00 per cwt, and the Class IV milk price is forecast at $17.80-$18.90 per cwt. The 2014 all milk price is forecast at $18.85-$19.85 per cwt.

Source: *Livestock Dairy, and Poultry Outlook*/LDP-M-227/May 16, 2013 Economic Research Service, USDA

Bulletin WebPage Edition

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Featured this month are:

- Mailbox Prices
- 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

	April 2013						April 2012				
			-----------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	1,641	642,204	3.72	3.10	5.75	158	658,348	3.64	3.06	5.76	160
Ohio	2,081	364,612	3.81	3.09	5.69	201	354,611	3.69	3.10	5.74	211
Indiana	1,047	166,315	3.86	3.13	5.80	210	184,205	3.68	3.08	5.76	199
New York	288	95,572	3.79	3.10	5.75	192	135,186	3.70	3.06	5.75	200
Pennsylvania	887	95,083	3.86	3.10	5.70	243	100,876	3.78	3.11	5.72	259
Wisconsin	33	36,949	3.77	3.13	5.74	244	85,134	3.70	3.14	5.80	207
West Virginia	48	3,657	3.92	3.18	5.71	256	3,951	3.81	3.18	5.72	256
Other	105	12,351	3.76	3.08	5.70	210	20,703	3.68	3.05	5.77	211
Total/Average *	6,130	1,416,743	3.77	3.10	5.74	186	1,543,014	3.67	3.08	5.75	190

* 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

May 2013

	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)*	2,283,242	813,381	35.6	1.26	$19.78
FO 5	Appalachian - *(Charlotte)*	502,422	319,730	63.6	[2/]	20.46
FO 6	Florida - *(Tampa)*	242,563	203,227	83.8	[2/]	22.47
FO 7	Southeast - *(Atlanta)*	527,406	338,884	64.3	[2/]	20.89
FO 30	Upper Midwest - *(Chicago)*	2,846,650	312,359	11.0	0.11	18.63
FO 32	Central - *(Kansas City)*	1,226,543	396,732	32.4	0.13	18.65
FO 33	**Mideast - *(Cleveland)***	**1,568,270**	**539,207**	**34.4**	**0.37**	**18.89**
FO 124	Pacific Northwest - *(Seattle)*	749,222	185,018	24.7	0.27	18.79
FO 126	Southwest - *(Dallas)*	1,089,502	371,234	34.1	1.02	19.54
FO 131	Arizona - *(Phoenix)*	419,365	113,090	27.0	[2/]	19.11

[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 JUNE 2013...............................$18.43 /cwt.

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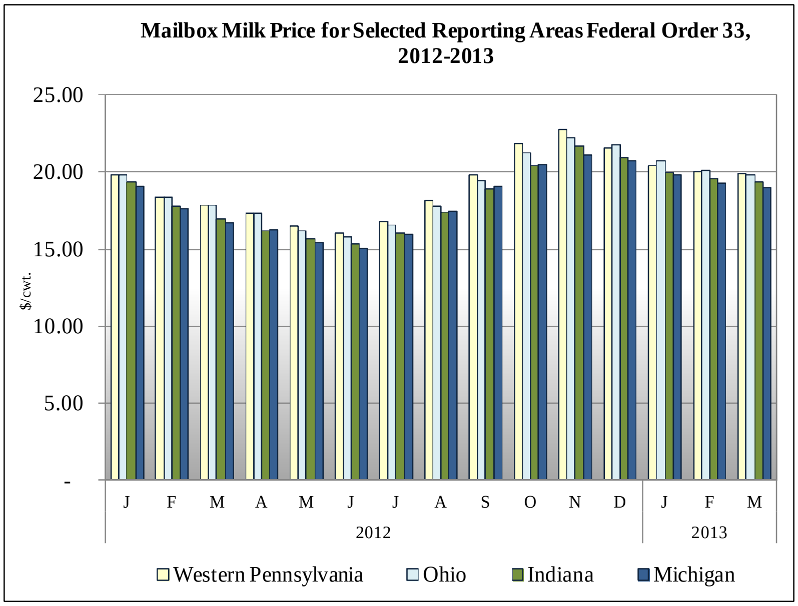
Mideast Market Administrator's
Bulletin
Supplement
Federal Order No. 33 June 2013

MAILBOX MILK PRICES FOR AREAS IN MIDEAST MARKETING AREA 1/

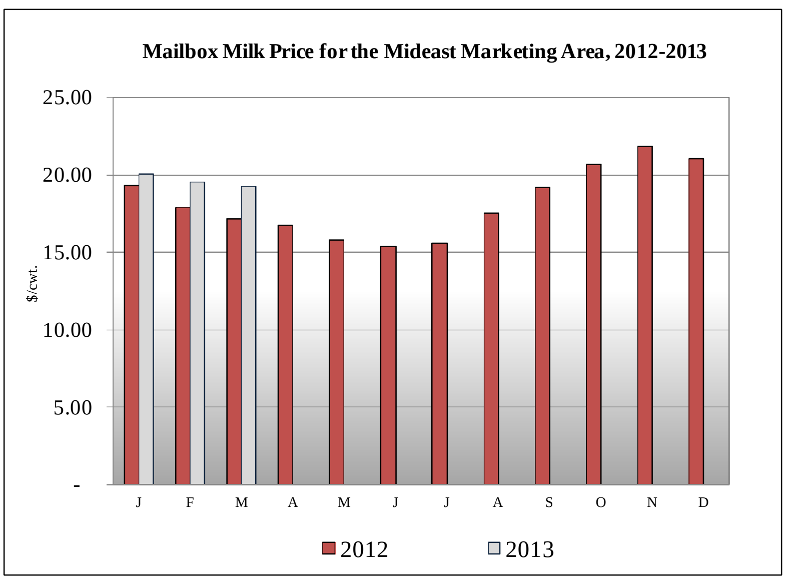


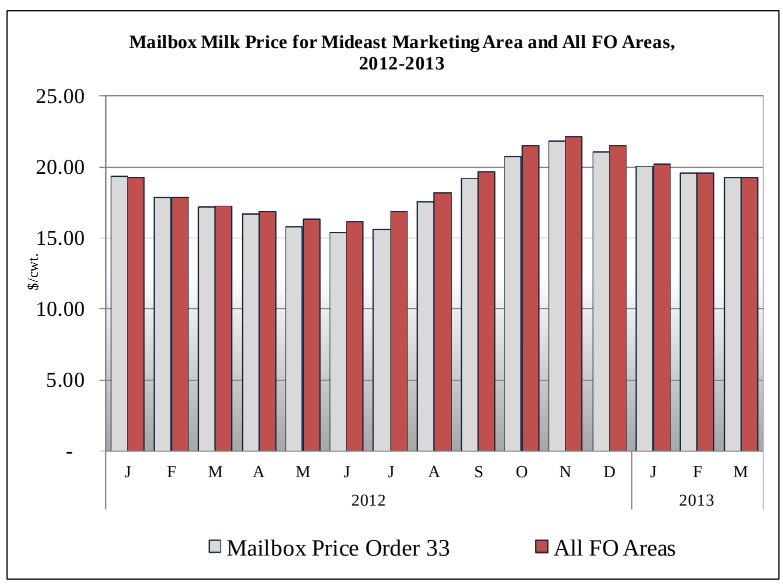
Mailbox price is the net pay price received by dairy farmers for milk. The data includes all payments received for milk sold, and all costs associated with marketing the milk. The mailbox price is a weighted average for the reporting area at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments.

The information is shown for those areas where at least 75 percent of the milk was marketed under Federal Orders. Mailbox prices include milk not-pooled due to unusual price relationships.

Western Pennsylvania includes the counties of Warren, Elk, Clearfield, Indiana, Westmoreland and Fayette, and all those counties west of these.

FEDERAL ORDER 33 MAILBOX PRICE STATISTICS



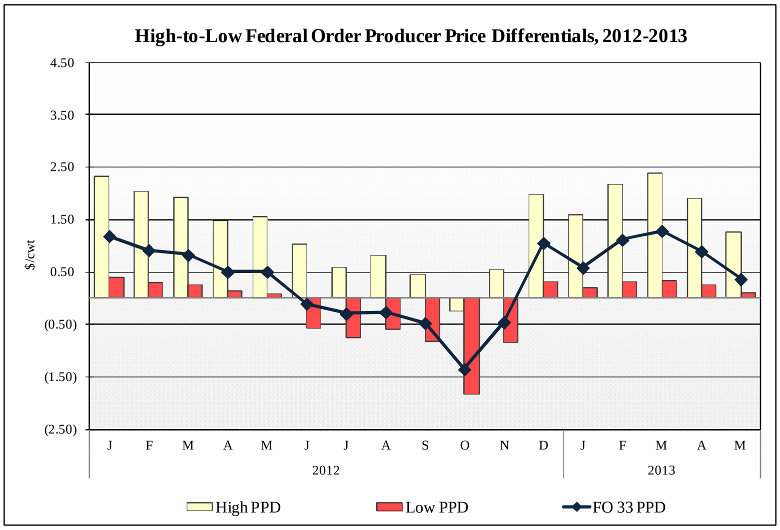


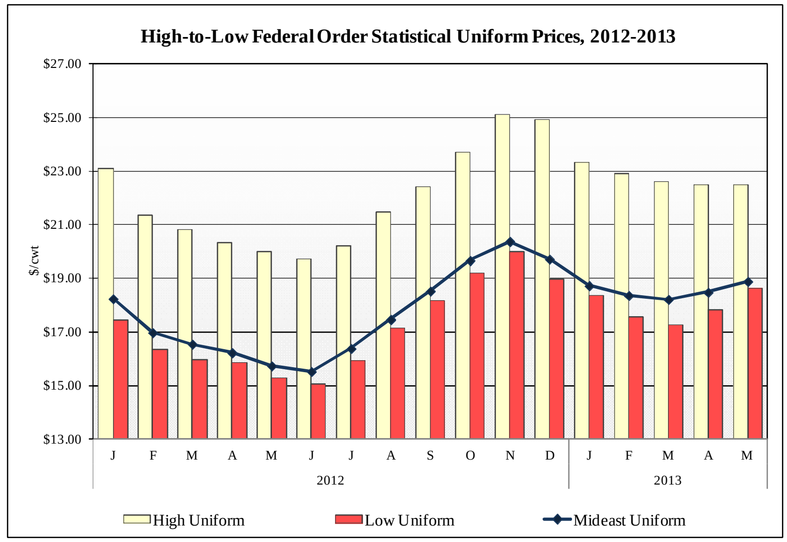
The net pay price received by dairy farmers located in states pooled on Federal Order 33 was $19.30 per hundredweight for March 2013. The March mailbox price is $0.26 lower than the mailbox price for February 2013. The March mailbox price is $2.08 higher than the March 2012 mailbox price of $17.22 per cwt.

For March 2013 the net pay price received by dairy farmers located in states pooled on Federal Order 33 was the same as the average mailbox price for all Federal Orders, as reported by Dairy Market News. For March the all Federal Order mailbox price was $19.30 per hundredweight, $2.06 higher than March 2012.

1/ Mailbox prices are generally released by Dairy Market News on the 10th of the third following month (January data in April).

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/





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

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For May 2013, Federal Order 1 had a PPD of 1.26 per hundredweight (cwt), $0.65 lower than their April PPD of $1.59 per cwt.

In May 2013 Federal Order 33 had the third highest PPD, behind Orders 1 and 126, at $0.37 per cwt, $0.53 per cwt lower than the April PPD.

For May 2013 Federal Order 30 had the lowest PPD at $0.11 per cwt, $0.14 per lower than the April PPD.

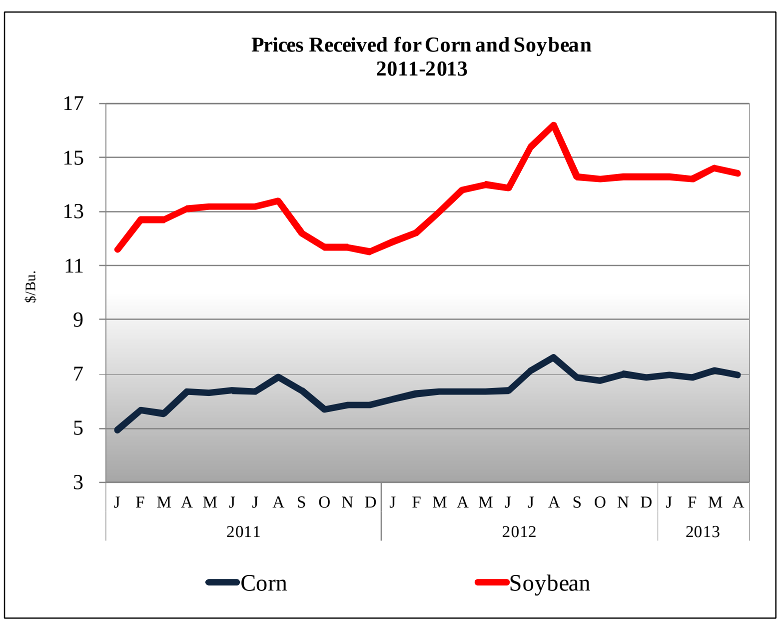
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

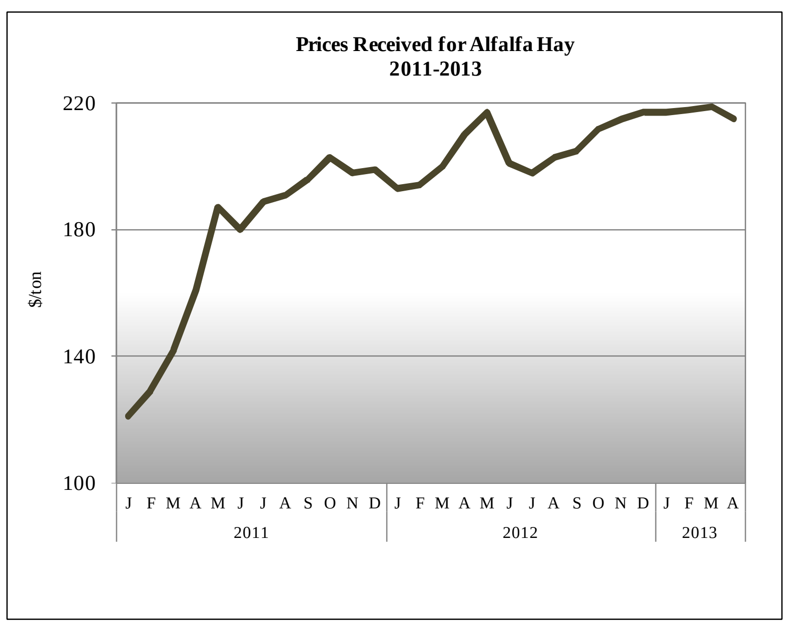
Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2013, Federal Order 6 had a SUP of $22.47 per cwt, $0.03 lower than the previous month's SUP.

Federal Order 33 had a SUP of $18.89 per cwt, $0.40 per cwt higher than the previous month's SUP.

The Upper Midwest order had the lowest SUP at $18.63 per cwt, $0.79 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