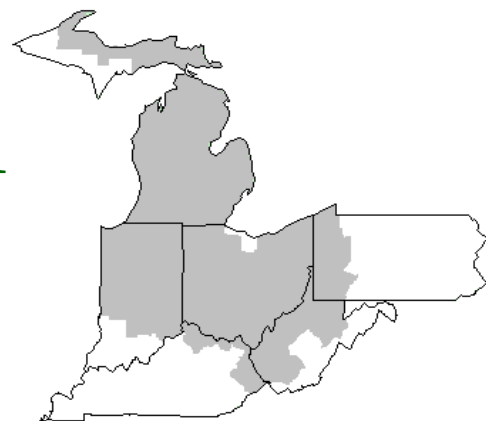


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**MARCH 2018**

### 2017 Market Summary

Producer milk receipts pooled totaled 20.2 billion pounds on the Mideast Order during 2017, an increase of 585.7 million pounds, or 3.0 percent from 2016. During 2017, there were over 595.2 million pounds of milk voluntarily depooled. Monthly producer receipts ranged from a low of 1.49 billion pounds in November to a high of 1.86 billion pounds in March.

The number of producers pooled on the Mideast Order in 2017 averaged 4,988 per month, down 6.2 percent from a year earlier. Producer milk averaged 3.78 percent butterfat in 2017, ranging from a low of 3.64 percent in July to a high of 3.95 percent in December. The protein test averaged 3.12 percent for 2017. Protein tests ranged from a low of 3.02 percent in July, to a high of 3.22 percent in December. Other solids tests for producer milk averaged 5.75 percent for the year.

For the year, 31.8 percent of producer milk was utilized as Class I; 18.9 percent in Class II; 31.8 percent in Class III; and 17.5 percent in Class IV. The Class I utilization percentage had a low of 27.3 percent in April and a high of 37.7 percent in November. Class I milk totaled 6.4 billion pounds during 2017, up 0.1 percent from 2016. Class II milk totaled 3.8 billion pounds in 2017, a decrease of 3.6 percent from 2016. Class III pooled pounds were 6.4 billion pounds in 2017, an increase of 10.0% from 2016. Class IV milk totaled 3.5 billion pounds in 2017, an increase of 4.2 percent from 2016.

The Class I price averaged \$18.45 per cwt for the year, an increase of \$1.65 per cwt from 2016. The Class I price had a low of \$17.20 per cwt in May 2017 and a high of \$19.45 per cwt in January. The Class II price averaged \$16.04 per cwt, an increase of \$1.69 per cwt from the prior year. It ranged from a low of \$14.49 per cwt in December to a high of \$17.56 per cwt in August. The Class III price averaged \$16.17 per cwt, an increase of \$1.30 per cwt from 2016. The Class III price ranged from a low of \$15.22 per cwt in April to a high of \$16.88 per cwt in February and November. The Class IV price averaged \$15.16 per cwt for the year, an increase of \$1.39 per cwt from a year ago. It was lowest in December at \$13.51 per cwt and was highest in August at \$16.61 per cwt.

The Statistical Uniform Price averaged \$16.57 per cwt for 2017 compared to \$15.03 per cwt in 2016. The Producer Butterfat Price averaged \$2.6143 per pound in 2017. This was an increase of \$0.3059 from 2016. The butterfat price was lowest in April at \$2.3548 per pound and was highest in August at \$3.0109 per pound. The Protein Price averaged \$1.8682 per pound in 2017. This was a decrease of \$0.2273 from the previous year. The lowest price was in July at \$1.2248 per pound and was highest in November at \$2.3412 per pound. Other Solids Price averaged \$0.2519 per pound, \$0.1609 higher than the 2016 average. The Producer Price Differential (PPD)

averaged \$0.39 per cwt in 2017 with low of (\$0.64) per cwt in November and a high of \$1.56 per cwt in July.

### United States Milk Production Up 1.4 Percent in 2017

The annual production of milk for the United States during 2017 was 215 billion pounds, 1.4 percent above 2016. Revisions to 2016 production decreased the annual total 31 million pounds. Revised 2017 production was up 35 million pounds from previous publications. Annual total milk production has increased 13.4 percent from 2008. Production per cow in the United States averaged 22,941 pounds for 2017, 163 pounds above 2016. The average annual rate of milk production per cow has increased 12.5 percent from 2008.

The average number of milk cows on farms in the United States during 2017 was 9.39 million head, up 0.7 percent from 2016. The average number of milk cows was unrevised for 2017. The average annual number of milk cows has increased 0.8 from 2008.

The Mideast Marketing Area has four states represented in the United States numbers used above. They are Indiana, Michigan, Ohio, and Pennsylvania. Milk production in these Mideast states during 2017 totaled 32.0 billion pounds, up 627 million pounds or 2.0 percent from 2016.

Production per cow in the Mideast states averaged 22,799 pounds for 2017, which was 319 pounds or 1.4% more 2016.

The number of cows on farms in the Mideast states in 2017 was 1.4 million head, 5,000 head more than 2016.

### February 2018 - Pool Summary

#### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	498,901,853	31.1
Class II	320,108,735	19.9
Class III	512,703,355	31.9
Class IV	273,540,132	17.1
Total	1,605,254,075	100.0

#### Producer Prices

Producer Price Differential	\$ 0.61 / cwt
Butterfat Price	2.3490 / lb
Protein Price	1.6265 / lb
Other Solids Price	0.0550 / lb
Somatic Cell Adjustment Rate	0.00074 / cwt
Statistical Uniform Price	14.01 / cwt

**ANNOUNCEMENT OF PRODUCER PRICES**

Federal Order No. 33

February 2018

**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			489,189,404			\$7.71 / cwt	\$ 37,716,503.09
Class I Butterfat		9,712,449				2.5176/ lb	24,452,061.58
Class I Location Differential	498,901,853						(250,911.28)
Class II SNF Value				28,077,844		0.5978/ lb	16,784,935.11
Class II Butterfat		18,807,807				2.3560/ lb	44,311,193.30
Class III Protein Value			16,348,818			1.6265/ lb	26,591,352.54
Class III Other Solids Value					29,759,235	0.0550/ lb	1,636,758.01
Class III Butterfat		17,991,061				2.3490/ lb	42,261,002.32
Class IV SNF Value				24,019,241		0.5352/ lb	12,855,097.80
Class IV Butterfat		16,166,830				2.3490/ lb	37,975,883.69
Somatic Cell Value II / III / IV							<u>1,445,128.91</u>
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,605,254,075</b>	<b>62,678,147</b>	<b>50,929,624</b>		<b>92,860,479</b>		<b>\$ 245,779,005.07</b>
Overages						\$ 6,634.88	
Beginning Inventory & OS Charges						(15,167.32)	
<b>TOTAL ADJUSTMENTS</b>							<u>(8,532.44)</u>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 245,770,472.63</b>
Total Protein Value			50,929,624 lbs	@	\$1.6265		\$ (82,837,033.43)
Total Other Solids Value			92,860,479 lbs	@	0.0550		(5,107,326.49)
Butterfat Value			62,678,147 lbs	@	2.3490		(147,230,967.29)
Total Somatic Cell Values							<u>(2,097,646.05)</u>
<b>TOTALS</b>							<b>\$ 8,497,499.37</b>
Net Producer Location Adjustments							\$ 1,316,007.69
1/2 Unobligated Balance Producer Settlement Fund							<u>766,000.00</u>
Total - Divided by Total Pounds			1,605,254,075 lbs		0.6590550		\$ 10,579,507.06
Rate of Cash Reserve					(0.0490550)		<u>(787,457.39)</u>
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH*</b>			1,605,254,075		\$ 0.61 / cwt		<b>\$ 9,792,049.67</b>

**COMPONENT PRICES**

February

**COMPUTATION OF UNIFORM PRICE**

February

	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Butterfat Price	\$2.3490 / lb	\$2.4274 / lb	Class III Price - 3.5% BF	\$13.40	\$16.88
Protein Price	1.6265 / lb	2.2348 / lb	Producer Price Differential*	<u>0.61</u>	<u>0.04</u>
Other Solids Price	0.0550 / lb	0.2990 / lb	Statistical Uniform Price	\$14.01	\$16.92
Somatic Cell Adjustment Rate	0.00074 / cwt	0.00084 / cwt			
Nonfat Solids Price	0.5352 / lb	0.8166 / lb			

**CLASS PRICES**

February

**CLASSIFICATION OF PRODUCER MILK**

February

	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Class I*	\$16.25	\$18.73	Product lbs.		
Class II	13.44	16.52	Class I	498,901,853	510,602,744
Class III	13.40	16.88	Class II	320,108,735	325,641,402
Class IV	12.87	15.59	Class III	512,703,355	475,931,394
			<u>Class IV</u>	<u>273,540,132</u>	<u>297,504,707</u>
			Total	1,605,254,075	1,609,680,247

\* Subject to Location Adjustment.

**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for February 2018 was \$0.61 and the Statistical Uniform Price was \$14.01 for the month. The Statistical Uniform Price is \$0.83 lower than last month, and is \$2.91 lower than February 2017.

The Producer Butterfat Price of \$2.3490 per pound decreased \$0.1041 from January and is down \$0.0784 from a year ago. The Protein Price of \$1.6265 is down \$0.0347 from last month and is down \$0.6083 from February 2017. The Other Solids Price in February was \$0.0550 per pound, a decrease from last month's price of \$0.0787 and \$0.2440 lower than last February. The Somatic Cell Adjustment rate for February was \$0.00074 per cwt.

February producer receipts of 1.61 billion pounds were 5.8 percent lower than January and 0.3 percent lower than February 2017 production of 1.61 billion pounds. Producer milk allocated to Class I accounted for 31.1 percent of the total producer milk in February 2018, less than the 33.2 percent in January, and lower than the 31.7 percent in February 2017. A total of 4,657 producers were pooled on the Mideast Order compared to 5,083 producers pooled in February 2017.

The market average content of producer milk was as follows: Butterfat 3.90%; Protein 3.17%; Other Solids 5.78% and Nonfat Solids 8.95%.

### January 2018 Highlights

**Total cheese** output (excluding cottage cheese) was 1.08 billion pounds, 3.4 percent above January 2017 but 1.0 percent below December 2017.

**Italian type cheese** production totaled 470 million pounds, 3.4 percent above January 2017 and 0.5 percent above December 2017.

**American type cheese** production totaled 429 million pounds, 2.7 percent above January 2017 but 1.0 percent below December 2017.

**Butter** production was 185 million pounds, 4.3 percent above January 2017 and 9.0 percent above December 2017.

**Dry milk products** (comparisons in percentage with January 2017)  
 Nonfat dry milk, human - 162 million pounds, up 5.4 percent.  
 Skim milk powder - 45.8 million pounds, down 17.2 percent.

**Whey products** (comparisons in percentage with January 2017)  
 Dry whey, total - 89.3 million pounds, up 8.5 percent.  
 Lactose, human and animal - 94.1 million pounds, up 1.5 percent.  
 Whey protein concentrate, total - 44.3 million pounds, up 10.4 percent.

**Frozen products** (comparisons in percentage with January 2017)  
 Ice cream, regular (hard) - 56.6 million gallons, down 0.9 percent.  
 Ice cream, lowfat (total) - 30.5 million gallons, up 5.6 percent.  
 Sherbet (hard) - 2.93 million gallons, down 3.2 percent.  
 Frozen yogurt (total) - 4.76 million gallons, down 1.2 percent.

### January Milk Production Up 1.8 Percent

Milk production in the 23 major States during January totaled 17.3 billion pounds, up 1.8 percent from January 2017. December revised production at 17.0 billion pounds, was up 1.16 percent from December 2016. The December revision represented an increase of 4 million pounds or less than 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,979 pounds for January, 24 pounds above January 2017. This is the highest production per cow for the month of January since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.74 million head, 49,000 head more than January 2017, and 4,000 head more than December 2017.

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 January totaled 2.7 billion pounds, up 35million pounds or 1.3 percent from January 2017.

Production per cow in the Mideast states averaged 1,934 pounds for January, 15 pounds more January 2017.

The number of cows on farms in the Mideast states was 1.4 million head, 6,000 head more than January 2017.

### USDA Seeks Nominees for National Dairy Promotion and Research Board

The U.S. Department of Agriculture (USDA) is asking dairy producers and other interested parties to nominate dairy producers to serve on the National Dairy Promotion and Research Board. The deadline for nominations is April 9, 2018. USDA will appoint 12 individuals to succeed members whose terms expire on October 31, 2018.

Nominations are sought for board representation from 10 geographic regions. Two members will be appointed for Regions 2 and 6, and one for each of the remaining regions. New members will be appointed to serve three-year terms from November 1, 2018, through October 31, 2021.

- Region 1, Alaska, Oregon and Washington.
- Region 2, California and Hawaii.
- Region 4, Arkansas, Kansas, New Mexico, Oklahoma and Texas.
- Region 5, Minnesota, North Dakota and South Dakota.
- Region 6, Wisconsin.
- Region 7, Illinois, Iowa, Missouri and Nebraska.
- Region 8, Idaho.
- Region 9, Indiana, Michigan, Ohio and West Virginia.
- Region 11, Delaware, Maryland, New Jersey and Pennsylvania.
- Region 12, Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont

To nominate an individual, please submit a nomination form and a signed background form for each nominee by April 9, 2018, to: Jill Hoover, Deputy Director, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave, SW, Room 2958-S, Stop 0233, Washington, D.C. 20250-0233; telephone (202) 720-1069; fax (202) 720-0285; or email at [jill.hoover@ams.usda.gov](mailto:jill.hoover@ams.usda.gov). Nominating forms and more information is available on the National Dairy Promotion and Research Board page on the AMS website.

#### Bulletin WebPage Edition

[www.fmmacleve.com](http://www.fmmacleve.com)

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 2018 -----Weighted Averages -----						January 2017 -----Weighted Averages -----				
	Number of Producers	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	1,246	892,591	3.94	3.24	5.78	170	865,080	3.83	3.19	5.77	165
Ohio	1,627	402,870	4.01	3.21	5.69	177	432,841	3.94	3.19	5.70	181
Indiana	825	215,336	3.95	3.22	5.80	188	237,461	3.88	3.19	5.74	181
New York	200	93,212	4.07	3.20	5.74	159	76,579	3.97	3.16	5.75	179
Pennsylvania	669	82,671	4.12	3.20	5.72	214	96,774	4.02	3.17	5.74	225
Wisconsin	17	2,738	4.01	3.16	5.74	170	19,072	4.13	3.31	5.75	160
West Virginia	31	1,734	4.14	3.28	5.68	235	1,863	4.11	3.24	5.66	235
Other	121	11,972	4.19	3.30	5.71	193	12,636	3.92	3.16	5.81	165
Total/Average *	4,736	1,703,124	3.98	3.23	5.76	176	1,742,306	3.89	3.19	5.75	175

\* 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 2018**

Marketing Area <sup>1/</sup>	Producer Milk		Class I Percent %	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)			
FO 1 Northeast - (Boston)	2,117,622	671,598	31.7	\$1.48	\$14.88
FO 5 Appalachian - (Charlotte)	456,960	314,303	68.8	<sup>2/</sup>	16.31
FO 6 Florida - (Tampa)	203,636	173,807	85.4	<sup>2/</sup>	18.57
FO 7 Southeast - (Atlanta)	429,423	292,267	68.1	<sup>2/</sup>	16.57
FO 30 Upper Midwest - (Chicago)	2,879,208	252,040	8.7	0.19	13.59
FO 32 Central - (Kansas City)	1,442,069	379,187	26.3	0.32	13.72
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,605,254</b>	<b>498,902</b>	<b>31.1</b>	<b>0.61</b>	<b>14.01</b>
FO 124 Pacific Northwest - (Seattle)	676,449	142,185	21.0	0.26	13.66
FO 126 Southwest - (Dallas)	1,210,586	330,513	27.3	1.20	14.60
FO 131 Arizona - (Phoenix)	428,233	101,467	23.7	<sup>2/</sup>	13.91

<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.

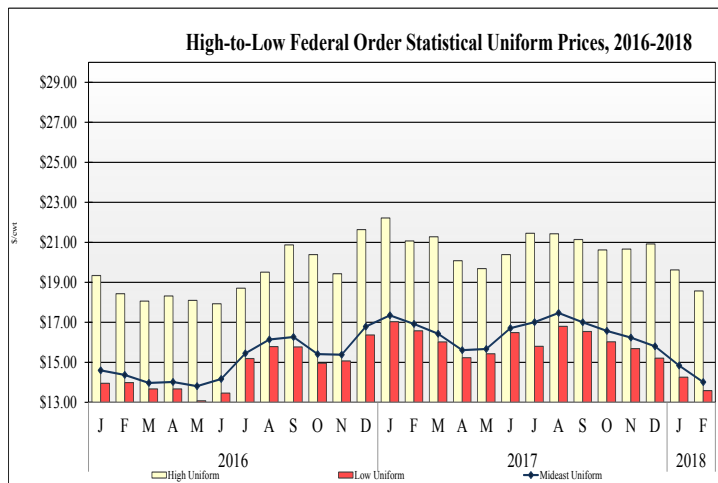
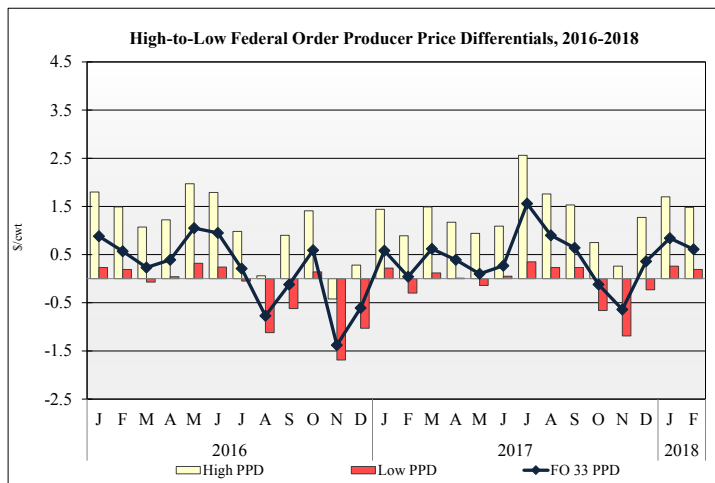
**MINIMUM PARTIAL PAYMENT PRICE FOR MARCH 2018.....12.87 /cwt.**

# Mideast Market Administrator's Bulletin

Supplement  
March 2018

Federal Order No. 33

## 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 February 2018 Federal Order 1 had a PPD of \$1.48 per hundredweight (cwt), \$0.22 lower than their January PPD of \$1.70 per cwt.

In February 2018, Federal Order 33 had the third highest PPD, behind Orders 1, and 126, at \$0.61 per cwt, \$0.23 per cwt lower than the January PPD.

For February 2018, Federal Order 30 had the lowest PPD at \$0.19 per cwt, \$0.07 per cwt lower than the January PPD.

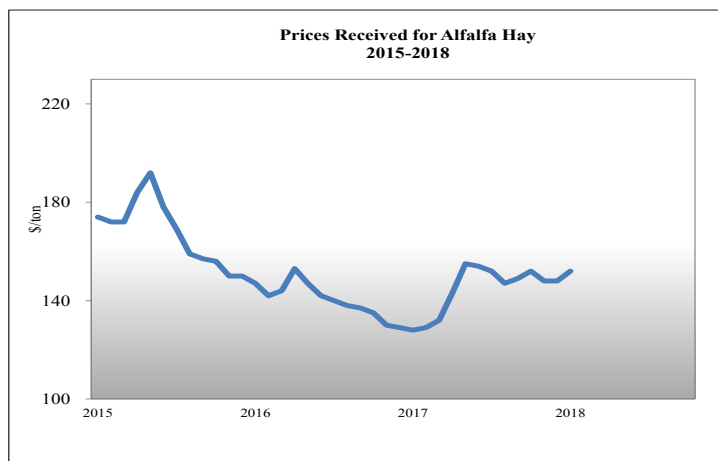
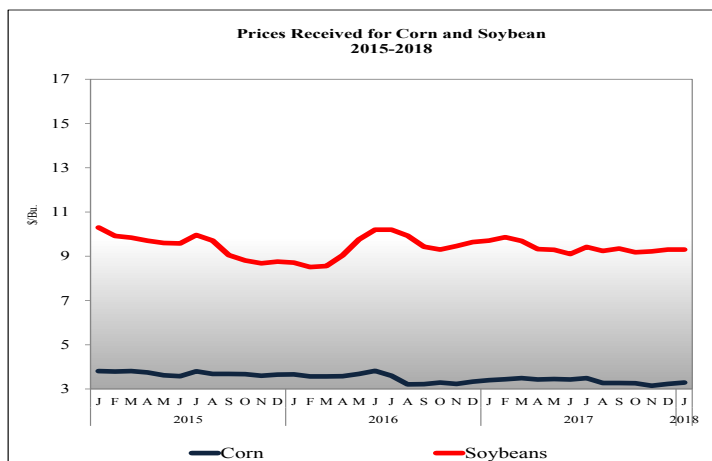
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For February 2018, Federal Order 6 had a SUP of \$18.57 per cwt, \$1.05 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$14.01 per cwt, \$0.83 per cwt lower than the previous month's SUP.

The Upper Midwest order had the lowest SUP at \$13.59 per cwt, \$0.67 per cwt lower 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