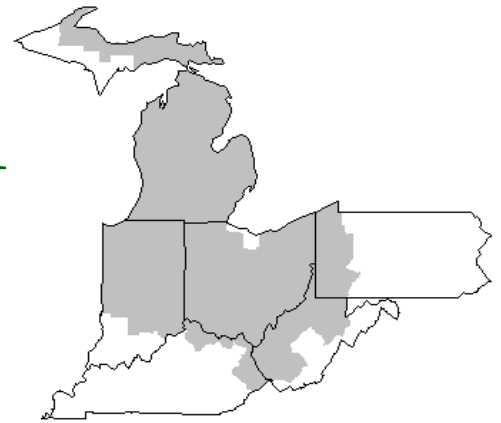


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**JULY 2021**

### Dairy Forecasts for 2021

Milk cows are projected to average 9.495 million head in 2021, 25,000 higher than last month's forecast. Based on the recent upward trend in milk cow numbers and relatively low dairy cow slaughter, milk cows are expected to continue increasing into the third quarter of 2021 (2021-Q3). With relatively high feed prices and slightly lower milk prices than expected last month, cow numbers are anticipated to level off in the second half of the year. Due to expected high summer temperatures and dry conditions affecting cow comfort and grain crops, the forecast yield per cow is lowered slightly for 2021- Q3 but unchanged for the rest of the year. Consequently, the annual milk per cow forecast for 2021 is 24,065 pounds, 5 pounds less than last month's forecast. The milk production forecast for 2021 is 228.5 billion pounds, an increase of 0.6 billion pounds from the previous month's forecast.

The forecast for 2021 exports on a milk-fat basis is 11.1 billion pounds, 0.3 billion higher than last month's projection. On a skim-solids basis, exports are forecast at 50.2 billion pounds, 0.7 billion higher than forecast last month. Expectations for cheese exports are higher due to the recent upward climb in exports and lower expected cheese wholesale prices. Expectations for butter, whey products, and lactose exports are also higher.

For 2021, the projection for imports on a milk-fat basis is 6.1 billion pounds, 0.1 billion lower than last month's forecast due to lower expected imports of butterfat products. The projection for 2021 imports on a skim-solids basis is 5.5 billion pounds, unchanged from last month. Retaliatory tariffs on some dairy imports from the European Union and the United Kingdom, which are currently suspended for a 4- month period, are assumed to resume in July.

The forecast for domestic use in 2021 on a milk-fat basis is 222.9 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use is 183.0 billion pounds, 0.2 billion lower than last month's forecast. Although ending stock forecasts for 2021-Q2 have been lowered substantially based on recent data, higher expected milk production contributes to higher stock levels at the end of the year than previously projected. The forecast for 2021 ending stocks on a milkfat basis is 15.1 billion pounds, 0.1 billion higher than last month's forecast. 10 billion pounds, 0.1 billion higher than the previous projection.

Based on the recent downward trend of wholesale cheese prices, the cheese price forecast for 2021 has been lowered to \$1.705 per pound, 3.5 cents lower than last month's forecast. Based on stronger expected domestic and international demand, price forecasts for

butter, NDM, and dry whey have been raised to \$1.715 (+0.5 cents), \$1.250 (+1.0 cent), and \$0.590 (+1.5 cents) per pound, respectively.

With the lower expected cheese price more than offsetting the higher expected dry whey price, the Class III price forecast for 2021 has been adjusted to \$17.45 per hundredweight (cwt), 25 cents lower than last month's forecast. Higher anticipated butter and NDM prices translate to a Class IV price of \$15.85 per cwt, 10 cents higher than last month's projection. The all-milk price forecast for 2021 is \$18.85 per cwt, 10 cents lower than the May forecast.

*Livestock, Dairy, and Poultry Outlook, LDP-M-324, June 16, 2021 USDA, Economic Research Service*

### Dairy Forecasts 2022

The number of cows is forecast to average 9.495 million head in 2022, 30,000 higher than last month's forecast. Year over year, the annual forecast for milk cow numbers is the same as for 2021. Milk production usually responds to changes in input costs with a lag of several months. Due to relatively high input costs and weaker expected milk prices in mid-2021, milk cow numbers in 2022 are expected to decline from the second half of 2021. The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast. The forecast for 2022 milk production has been raised to 231.1 billion pounds, 0.8 billion higher than last month's forecast.

*(Continued on Page 3)*

### June 2021 - Pool Summary

#### Classification of Producer Milk

|           | Pounds        | Percent |
|-----------|---------------|---------|
| Class I   | 498,581,961   | 31.2    |
| Class II  | 380,747,468   | 23.8    |
| Class III | 463,514,272   | 29.0    |
| Class IV  | 254,705,111   | 16.0    |
| Total     | 1,597,548,812 | 100.0   |

#### Producer Prices

|                              |               |
|------------------------------|---------------|
| Producer Price Differential  | \$ 0.60 / cwt |
| Butterfat Price              | 1.9641 / lb   |
| Protein Price                | 2.5834 / lb   |
| Other Solids Price           | 0.4579 / lb   |
| Somatic Cell Adjustment Rate | 0.00082 / cwt |
| Statistical Uniform Price    | 17.81 / cwt   |

**ANNOUNCEMENT OF PRODUCER PRICES****Federal Order No. 33****June 2021****COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

|  | POUNDS        | BUTTERFAT  | SKIM /<br>PROTEIN | NONFAT<br>SOLIDS | OTHER<br>SOLIDS    | PRICE         | VALUE                 |
|--|---------------|------------|-------------------|------------------|--------------------|---------------|-----------------------|
| Class I Skim Value   |               |            | 487,700,490       |                  |                    | \$13.82 / cwt | \$ 67,400,207.71      |
| Class I Butterfat  |               | 10,881,471 |                   |                  |                    | 1.9874 / lb   | 21,625,835.48         |
| Class I Location Differential  | 498,581,961   |            |                   |                  |                    |               | (305,343.73)          |
| Class II SNF Value   |               |            |                   | 32,912,363       |                    | 1.1244 / lb   | 37,006,660.95         |
| Class II Butterfat   |               | 24,463,782 |                   |                  |                    | 1.9711 / lb   | 48,220,560.69         |
| Class III Protein Value  |               |            | 14,299,339        |                  |                    | 2.5834 / lb   | 36,940,912.38         |
| Class III Other Solids Value   |               |            |                   |                  | 26,834,432         | 0.4579 / lb   | 12,287,486.43         |
| Class III Butterfat  |               | 17,486,144 |                   |                  |                    | 1.9641 / lb   | 34,344,535.43         |
| Class IV SNF Value   |               |            |                   | 22,804,466       |                    | 1.0908 / lb   | 24,875,111.51         |
| Class IV Butterfat   |               | 7,951,537  |                   |                  |                    | 1.9641 / lb   | 15,617,613.84         |
| Somatic Cell Value II / III / IV                                       |               |            |                   |                  |                    |               | <u>1,543,450.03</u>   |
| <b>TOTAL PRODUCER MILK VALUE</b>                                       | 1,597,548,812 | 60,782,934 | 49,330,795        |                  | 92,491,775         |               | \$ 299,557,030.72     |
| Overages   |               |            |                   |                  |                    | \$ 50,783.77  |                       |
| Beginning Inventory & OS Charges                                       |               |            |                   |                  |                    | 41,529.10     |                       |
| <b>TOTAL ADJUSTMENTS</b>   |               |            |                   |                  |                    |               | \$ <u>92,312.87</u>   |
| <b>TOTAL HANDLER OBLIGATIONS</b>                                       |               |            |                   |                  |                    |               | \$ 299,649,343.59     |
| Total Protein Value  |               |            | 49,330,795 lbs    | @                | \$ 2.5834          |               | \$(127,441,175.81)    |
| Total Other Solids Value   |               |            | 92,491,775 lbs    | @                | 0.4579             |               | (42,351,983.77)       |
| Butterfat Value  |               |            | 60,782,934 lbs    | @                | 1.9641             |               | (119,383,760.64)      |
| Total Somatic Cell Values  |               |            |                   |                  |                    |               | <u>(2,227,166.37)</u> |
| <b>TOTALS</b>  |               |            |                   |                  |                    |               | \$ 8,245,257.00       |
| Net Producer Location Adjustments                                      |               |            |                   |                  |                    |               | \$ 1,257,268.81       |
| 1/2 Unobligated Balance Producer Settlement Fund                       |               |            |                   |                  |                    |               | <u>796,000.00</u>     |
| Total - Divided by Total Pounds  |               |            | 1,597,548,812 lbs |                  | 0.6446455          |               | \$ 10,298,525.81      |
| Rate of Cash Reserve   |               |            |                   |                  | <u>(0.0446455)</u> |               | <u>(713,233.65)</u>   |
| <b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b> |               |            | 1,597,548,812     |                  | \$0.60 / cwt       |               | \$ 9,585,292.16       |

**COMPONENT PRICES****June**

|                                  | <u>2021</u>   | <u>2020</u>   |
|----------------------------------|---------------|---------------|
| Butterfat Price                  | \$1.9641 / lb | \$1.8591 / lb |
| Protein Price                    | 2.5834 / lb   | 4.5349 / lb   |
| Other Solids Price               | 0.4579 / lb   | 0.1696 / lb   |
| Somatic Cell Adjustment Rate     | 0.00082 / cwt | 0.00111 / cwt |
| Nonfat Solids Price <sup>2</sup> | 1.0908 / lb   | 0.7354 / lb   |

**COMPUTATION OF UNIFORM PRICE****June**

|                              | <u>2021</u> | <u>2020</u>   |
|------------------------------|-------------|---------------|
| Class III Price - 3.5% BF    | \$17.21     | \$21.04       |
| Producer Price Differential* | <u>.60</u>  | <u>(7.05)</u> |
| Statistical Uniform Price    | \$17.81     | \$13.99       |

**CLASS PRICES****June**

|           | <u>2021</u> | <u>2020</u> |
|-----------|-------------|-------------|
| Class I*  | \$20.29     | \$13.42     |
| Class II  | 16.66       | 12.99       |
| Class III | 17.21       | 21.04       |
| Class IV  | 16.35       | 12.90       |

**CLASSIFICATION OF PRODUCER MILK****June**

|           | <u>2021</u>         | <u>2020</u>         |
|-----------|---------------------|---------------------|
|           | <i>Product lbs.</i> | <i>Product lbs.</i> |
| Class I   | 498,581,961         | 522,603,275         |
| Class II  | 380,747,468         | 333,927,437         |
| Class III | 463,514,272         | 126,783,372         |
| Class IV  | <u>254,705,111</u>  | <u>309,751,470</u>  |
| Total     | 1,597,548,812       | 1,293,065,554       |

<sup>1</sup> Subject to Location Adjustment.<sup>2</sup> Producers are not paid on this component.**ORDER 33 MARKET SUMMARY**

The Producer Price Differential for the Mideast Marketing Area for June 2021 was \$0.60 and the Statistical Uniform Price was \$17.81 for the month. The Statistical Uniform Price is \$0.38 higher than last month, and is \$3.82 higher than June 2020.

The Producer Butterfat Price of \$1.9641 per pound decreased \$0.0210 from May and is up \$0.1050 from a year ago. The Protein Price of \$2.5834 is down \$0.5473 from last month and is down \$1.9515 from June 2020. The Other Solids Price in June was \$0.4579 per pound, a decrease from last month's price of \$0.4645 and \$0.2883 higher than last June. The Somatic Cell Adjustment rate for June was \$0.00082 per cwt.

June producer receipts of 1.60 billion pounds were 12.3 percent higher than May and 23.5 percent higher than June 2020 production of 1.29 billion pounds. Producer milk allocated to Class I accounted for 31.2 percent of the total producer milk in June 2021, lower than the 37.4 percent in May, and lower than the 40.4 percent in June 2020. A total of 3,816 producers were pooled on the Mideast Order compared to 3,602 producers pooled in June 2020.

The market average content of producer milk was as follows: Butterfat 3.80%; Protein 3.09%; Other Solids 5.79% and Nonfat Solids 8.88%.

(continued from Front Page)

On a milk-fat basis, the export forecast for 2022 is 10.3 billion pounds, unchanged from last month's forecast. Due to strong anticipated international demand for U.S. lactose and whey products, exports are projected to total 50.7 billion pounds on a skim-solids basis, 0.7 billion higher than the forecast of the previous month.

In 2022, dairy imports on a milk-fat basis and skim-solids basis are projected to total 5.9 billion pounds and 5.4 billion pounds, respectively, both unchanged from last month's forecast. Retaliatory tariffs on some dairy imports from the European Union and the United Kingdom are assumed to remain in place.

With a stronger expected economy, domestic use forecasts for 2022 have been raised. In 2022, the domestic use forecast on a milk-fat basis is 225.7 billion pounds, an increase of 0.9 billion from the previous forecast. On a skim-solids basis, the projection is 185.1 billion pounds, 0.4 billion higher than last month. On a milk-fat basis, the ending-stock forecast for 2022 is 15.1 billion pounds, 0.1 billion higher than last month's forecast. The ending-stock projection on a skim-solids basis is 10.3 billion pounds, 0.1 billion lower than last month's forecast.

*Livestock, Dairy, and Poultry Outlook, LDP-M-324, June 16, 2021 USDA, Economic Research Service*

### May Milk Production Up 4.9 Percent

Milk production in the 24 major States during May totaled 18.9 billion pounds, up 4.9 percent from May 2020. April revised production, at 18.5 billion pounds, was up 3.7 percent from April 2020. The April revision represented an increase of 44 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,107 pounds for May, 63 pounds above May 2020. The number of milk cows on farms in the 24 major States was 8.99 million head, 152,000 head more than May 2020, and 5,000 head more than April 2021.

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 May totaled 2.8 billion pounds, up 126 million pounds or 4.7 percent from May 2020.

Production per cow in the Mideast states averaged 2,039 pounds for May. This was an increase of 30 pounds from May 2020.

The number of cows on farms in the Mideast states was 1.4 million head, 36,000 head more than May 2020.

### USDA Announces Grants for Dairy Business Innovation Initiatives

The U.S. Department of Agriculture (USDA) today announced \$20.2 million in grant funding for the Dairy Business Innovation (DBI) Initiatives. This program supports USDA's efforts to develop higher value uses for dairy products, diversify farmer income through processing and marketing innovation, and encourage the use of regional milk production.

DBI Initiatives provide direct technical assistance and make grants to dairy businesses. The three current DBI initiatives at University of Tennessee, The Vermont Agency of Agriculture, Food & Markets, and the University of Wisconsin are eligible for additional grant funding (up to \$18.4 million) to continue their work. In addition, \$1.8 million will be competitively awarded to at least one new Initiative. USDA will give priority to applications that serve a geographic area not covered by an existing initiative and that cover multiple states. Initiatives must be able to draw upon existing dairy resources. Initiatives may serve a certain product niche, such as specialty cheese, or serve dairy businesses with dairy products derived from the milk of a specific type of dairy animal, including dairy products made from cow milk, sheep milk, and goat milk. Applications must be submitted electronically through [www.grants.gov](http://www.grants.gov) by 11:59 p.m. Eastern time on Monday, August 30, 2021.

#### Bulletin WebPage Edition

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#### 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           | May 2021            |                      |                             |         |              |           | May 2020             |                             |         |              |           |
|-----------------|---------------------|----------------------|-----------------------------|---------|--------------|-----------|----------------------|-----------------------------|---------|--------------|-----------|
|                 | 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        | 780                 | 574,575              | 3.87                        | 3.18    | 5.79         | 152       | 931,706              | 3.80                        | 3.13    | 5.81         | 150       |
| Ohio            | 1,243               | 378,986              | 3.85                        | 3.14    | 5.73         | 175       | 424,223              | 3.89                        | 3.13    | 5.75         | 171       |
| Indiana         | 592                 | 291,367              | 3.89                        | 3.17    | 5.85         | 170       | 238,127              | 3.84                        | 3.13    | 5.82         | 165       |
| Pennsylvania    | 698                 | 91,754               | 3.93                        | 3.08    | 5.69         | 207       | 83,401               | 3.88                        | 3.06    | 5.68         | 194       |
| New York        | 133                 | 66,238               | 4.07                        | 3.21    | 5.86         | 171       | 88,481               | 3.91                        | 3.12    | 5.88         | 162       |
| Other           | 159                 | 17,413               | 3.92                        | 3.13    | 5.79         | 193       | 19,780               | 3.82                        | 3.07    | 5.77         | 211       |
| Total/Average * | 3,605               | 1,420,332            | 3.86                        | 3.16    | 5.79         | 167       | 1,785,718            | 3.83                        | 3.13    | 5.79         | 160       |

\* 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  
June 2021**

| Marketing Area <sup>1/</sup>         | Producer Milk    |                  | Class I<br>Percent<br>% | Producer<br>Price Differential<br>(per cwt.) | Statistical<br>Uniform Price<br>(per cwt.) |
|--------------------------------------|------------------|------------------|-------------------------|--|--|
|                                      | Total<br>(000)   | Class I<br>(000) |                         |  |  |
| FO 1 Northeast - (Boston)            | 2,232,081        | 628,211          | 28.1                    | \$1.29                                       | \$18.50                                    |
| FO 5 Appalachian - (Charlotte)       | 428,942          | 281,824          | 65.7                    | <sup>2/</sup>                                | 20.19                                      |
| FO 6 Florida - (Tampa)               | 185,492          | 149,440          | 80.6                    | <sup>2/</sup>                                | 22.40                                      |
| FO 7 Southeast - (Atlanta)           | 363,696          | 234,549          | 64.5                    | <sup>2/</sup>                                | 20.39                                      |
| FO 30 Upper Midwest - (Chicago)      | 1,283,761        | 187,413          | 14.6                    | 0.17   | 17.38                                      |
| FO 32 Central - (Kansas City)        | 1,094,916        | 328,032          | 30.0                    | 0.23   | 17.44                                      |
| <b>FO 33 Mideast - (Cleveland)</b>   | <b>1,597,549</b> | <b>498,582</b>   | <b>31.2</b>             | <b>0.60</b>                                  | <b>17.81</b>                               |
| FO 51 California (Los Angeles)       | 1,929,304        | 369,155          | 19.1                    | 0.09   | 17.30                                      |
| FO 124 Pacific Northwest - (Seattle) | 598,303          | 124,511          | 20.8                    | 0.11   | 17.32                                      |
| FO 126 Southwest - (Dallas)          | 968,222          | 288,936          | 29.8                    | 0.84   | 18.05                                      |
| FO 131 Arizona - (Phoenix)           | 390,070          | 109,162          | 28.0                    | <sup>2/</sup>                                | 17.76                                      |

<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.

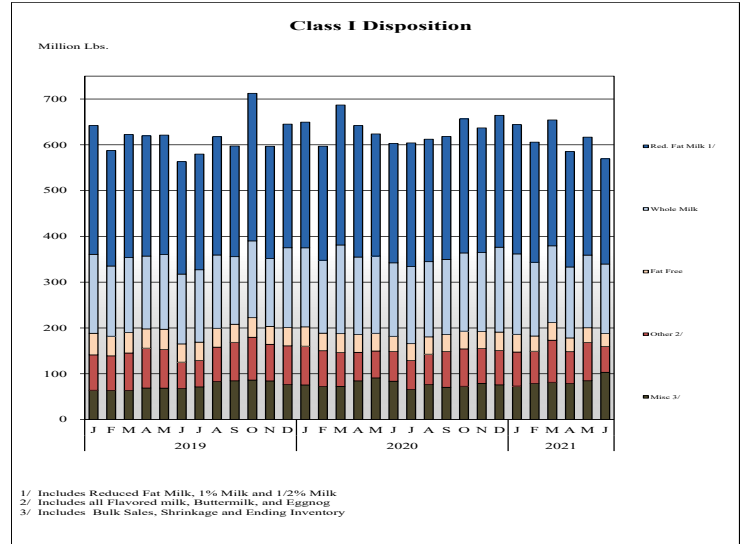
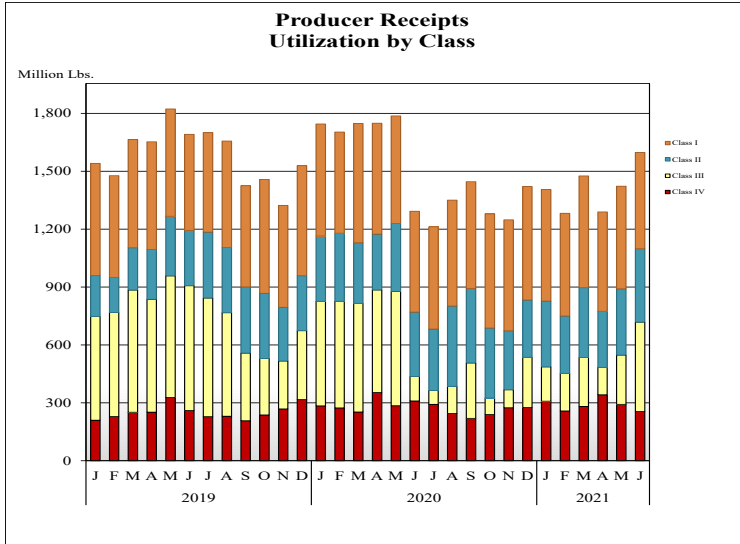
**MINIMUM PARTIAL PAYMENT PRICE FOR JULY 2021.....\$16.35 /cwt.**



# Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement  
July 2021

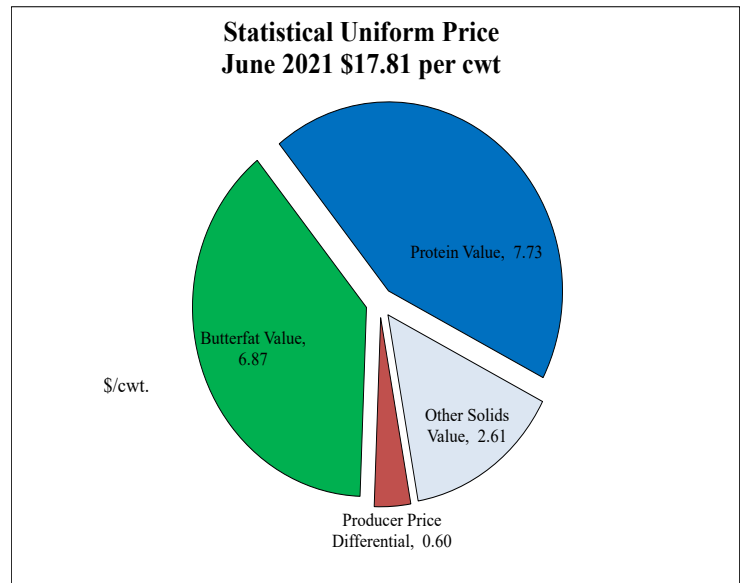
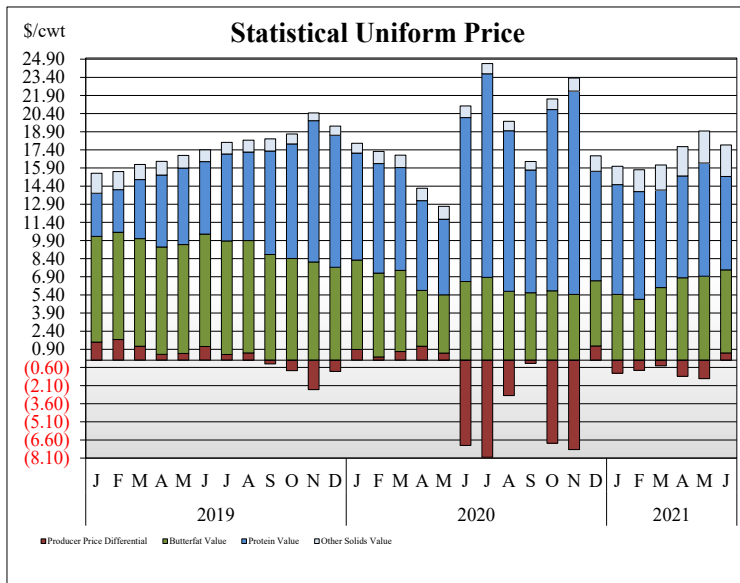
## PRODUCER MILK CLASSIFICATION



**Producer Receipts:** Producer receipts for the Mideast Order totaled 1.598 billion pounds in June 2021. The pounds allocated to Class I represented 31.2 percent of the total pounds. Producer receipts increased 175 million pounds compared to May 2021, and were up 304 million pounds from the prior year.

**Class I Pounds:** Class I Disposition for the Mideast Order totaled 499 million pounds in June 2021, down 24 million pounds from June 2020. Finished products include 152 million pounds used for whole milk, 230 million pounds of reduced fat and low fat milk, and 28 million pounds of fat free (skim) milk.

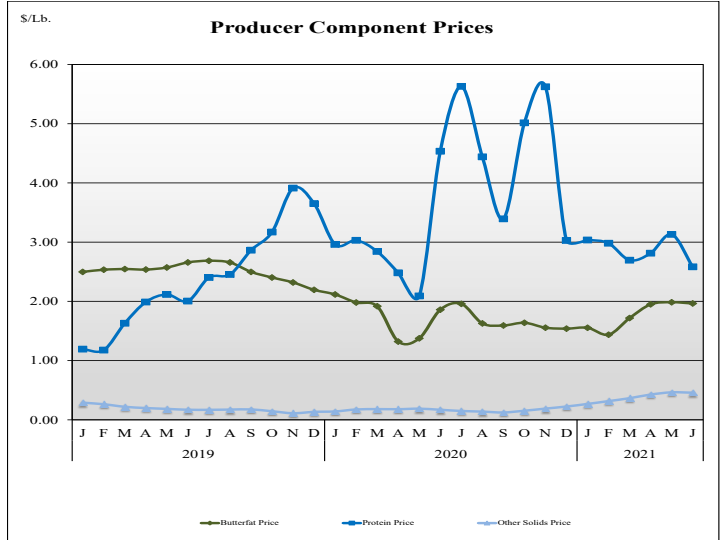
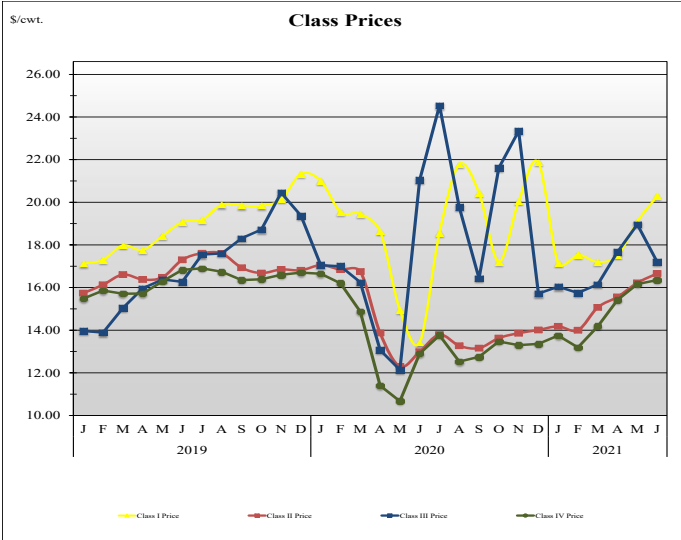
## STATISTICAL UNIFORM PRICE



**Statistical Uniform Price:** The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$17.81 per cwt for June 2021. The June 2021 SUP was \$3.82 per cwt higher than the June 2020 SUP. The June 2021 SUP is \$0.38 per cwt higher than the May 2021 SUP.

**June 2020 Statistical Uniform Price:** Using the Class III Price formula at 3.5% BF, the component values for the June 2021 SUP are: \$7.73 per cwt for protein, \$6.87 per cwt for butterfat and \$2.61 per cwt for other solids. Also included in the SUP is the \$0.60 per cwt producer price differential. (May not add to total due to rounding.)

## CLASS AND COMPONENT PRICES



## WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

