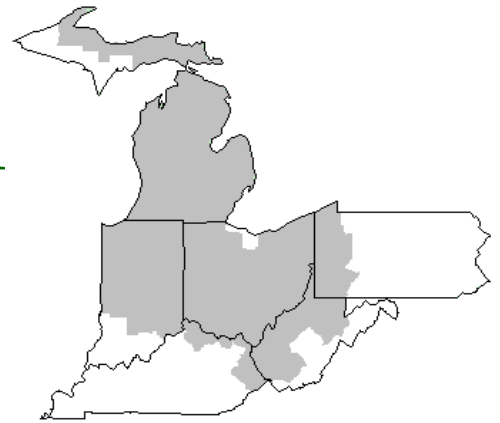


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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**FEBRUARY 2022**

## Dairy Forecasts for 2022

The number of milk cows is projected to continue decreasing in the first part of 2022. For the first half of the year, milk cows are projected to average 9.380 million head. However, in the second half of the year, they are projected to increase to 9.385 million head. The estimated number of cows for the year 2022 is 9.385 million head (rounded up to the nearest 5,000 head), unchanged from last month's projection. In 2022, average yield per cow is projected to be 24,265 pounds, unchanged from last month's projection. The milk production forecast for 2022 remains unchanged at 227.7 billion pounds.

Dairy export projections for 2022 have been lowered from the previous month's forecast. Foreign buyers may temper purchases in response to higher prices. Furthermore, if U.S. prices are higher relative to foreign export prices, this may reduce some of the expected U.S. price-competitive advantage. On a milk-fat basis, the dairy export forecast for 2022 is 11.2 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the 2022 dairy export forecast has been lowered 0.2 billion pounds to 51.8 billion. Expectations for exports of butterfat products, cheese, and dry skim milk products are lower than last month.

Due to recent strength in imports and higher anticipated domestic dairy product prices, 2022 dairy import forecasts are higher than last month's projections. On a milk-fat basis, the forecast for 2022 imports has been raised to 6.8 billion pounds (+0.3 billion). On a skim-solids basis, the forecast is 5.6 billion pounds (+0.1 billion). Higher imports are expected for cheese and butterfat products.

Projections for domestic demand in 2022 have been raised from last month's forecasts. The projection for 2022 domestic use on a milk-fat basis is 222.4 billion pounds (+0.6 billion). On a skim-solids basis, the forecast for domestic use is 180.3 billion pounds (+0.2 billion).

Due to the recent increase in dairy product prices, stronger expected demand, and expectations for only a modest increase in the global milk supply, price forecasts for 2022 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.875 (+10.0 cents), \$0.645 (+7.0 cents), \$2.300 (+36.0 cents), and \$1.550 (+4.0 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$19.65 per cwt (+\$1.50) and \$20.90 per cwt (+\$1.90), respectively. The all-milk price forecast for 2022 is \$22.60 per cwt, \$1.85 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook: January 2022, LDP-M-331, January 19, 2022 USDA, Economic Research Service

## Outlook for Feed Prices

The 2021/22 corn price projection is \$5.45 per bushel, unchanged from last month's forecast. The 2021/22 price projection for soybean meal is \$375 per short ton, \$45 higher than last month's forecast. For more information, see Feed Outlook, published by USDA, Economic Research Service. The alfalfa hay price in November was \$210 per short ton, \$3 lower than October but \$46 higher than November 2020. The 5-State weighted-average price for premium alfalfa hay in November was \$246 per short ton, \$1 lower than October but \$46 higher than October 2020.

## International Outlook for Dairy

The December publication of Dairy: World Markets and Trade, by USDA, Foreign Agricultural Service (FAS), projects that milk production for the top five major exporters will total 647.1 billion pounds in 2022, a modest increase of 0.7 percent from the total expected for 2021.

Milk production totals for the European Union (EU) and New Zealand are expected to grow by 0.7 percent and 0.5 percent, respectively. The FAS report points out that the U.S. market share of global trade in skim milk powder (SMP) has increased in recent years. Since 2014, the EU has been the dominant supplier. However, U.S. SMP exports for 2021 are expected to exceed EU shipments, making up 41 percent of the total SMP exports of the top four SMP suppliers (United States, EU, New Zealand, and Australia). The increase in U.S. market share is expected to continue in 2022.

## January 2022 Pool Summary

### Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	555,768,876	36.0
Class II	160,128,265	10.4
Class III	696,538,236	45.2
Class IV	129,568,143	8.4
Total	1,542,003,520	100.0

### Producer Prices

Producer Price Differential	\$ 0.96 / cwt
Butterfat Price	2.9567 / lb
Protein Price	2.3563 / lb
Other Solids Price	0.5249 / lb
Somatic Cell Adjustment Rate	0.00095 / cwt
Statistical Uniform Price	21.34 / cwt

## ANNOUNCEMENT OF PRODUCER PRICES

### Federal Order No. 33

### January 2022

## 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			543,687,971			\$14.21 / cwt	\$ 77,258,060.68
Class I Butterfat		12,080,905				2.2860 / lb	27,616,948.82
Class I Location Differential	555,768,876						(330,458.12)
Class II SNF Value				13,867,861		1.4344 / lb	19,892,059.82
Class II Butterfat		14,220,223				2.9637 / lb	42,144,474.90
Class III Protein Value			23,036,494			2.3563 / lb	54,280,890.82
Class III Other Solids Value					40,347,368	0.5249 / lb	21,178,333.48
Class III Butterfat		27,390,805				2.9567 / lb	80,986,393.16
Class IV SNF Value				11,342,999		1.4662 / lb	16,631,105.11
Class IV Butterfat		10,221,671				2.9567 / lb	30,222,414.68
Somatic Cell Value II / III / IV							1,731,950.98
<b>TOTAL PRODUCER MILK VALUE</b>	<b>1,542,003,520</b>	<b>63,913,604</b>	<b>51,010,857</b>		<b>89,160,193</b>		<b>\$ 371,612,174.33</b>
Overages					86,152.33		
Beginning Inventory & OS Charges					150,552.65		
<b>TOTAL ADJUSTMENTS</b>							<b>\$ 236,704.98</b>
<b>TOTAL HANDLER OBLIGATIONS</b>							<b>\$ 371,848,879.31</b>
Total Protein Value			51,010,857 lbs	@	\$2.3563		\$ (120,196,882.33)
Total Other Solids Value			89,160,193 lbs	@	0.5249		(46,800,185.30)
Butterfat Value			63,913,604 lbs	@	2.9567		(188,973,352.96)
Total Somatic Cell Values							(2,671,572.84)
<b>TOTALS</b>							<b>\$ 13,206,885.88</b>
Net Producer Location Adjustments							\$ 1,291,083.55
1/2 Unobligated Balance Producer Settlement Fund							947,000.00
Total - Divided by Total Pounds			1,542,003,520 lbs		1.0016170		\$ 15,444,969.43
Rate of Cash Reserve					(0.0416170)		(641,735.60)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,542,003,520		<b>\$ 0.96 /cwt</b>		<b>\$ 14,803,233.83</b>

## COMPONENT PRICES

## January

	<u>2022</u>	<u>2021</u>
Butterfat Price	\$2.9567 / lb	\$1.5541 / lb
Protein Price	2.3563 / lb	3.0355 / lb
Other Solids Price	0.5249 / lb	0.2682 / lb
Somatic Cell Adjustment Rate	0.00095 / cwt	0.00083 / cwt
Nonfat Solids Price <sup>2</sup>	1.4662 / lb	0.9570 / lb

## COMPUTATION OF UNIFORM PRICE

## January

	<u>2022</u>	<u>2021</u>
Class III Price - 3.5% BF	\$20.38	\$16.04
Producer Price Differential*	<u>-0.96</u>	<u>(1.08)</u>
Statistical Uniform Price	\$21.34	\$14.96

## CLASS PRICES

## January

	<u>2022</u>	<u>2021</u>
Class I*	\$21.71	\$17.14
Class II	22.83	14.18
Class III	20.38	16.04
Class IV	23.09	13.75

## CLASSIFICATION OF PRODUCER MILK

## January

	<u>2022</u>	<u>2021</u>
	<i>Product lbs.</i>	<i>Product lbs.</i>
Class I	555,768,876	578,536,359
Class II	160,128,265	341,068,730
Class III	696,538,236	177,828,728
<u>Class IV</u>	<u>129,568,143</u>	<u>308,590,546</u>
Total	1,542,003,520	1,406,024,363

<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 January 2022 was \$0.96, and the Statistical Uniform Price was \$21.34 for the month. The Statistical Uniform Price is \$1.99 higher than last month and is \$6.38 higher than January 2021.

The Producer Butterfat Price of \$2.9567 per pound increased \$0.6648 from December and is up \$1.4026 from a year ago. The Protein Price of \$2.3563 is down \$0.2374 from last month and is down \$0.6792 from January 2021. The Other Solids Price in January was \$0.5249 per pound, an increase from last month's price of \$0.4532 and \$0.2567 higher than last January. The Somatic Cell Adjustment rate for January was \$0.00095 per cwt.

January producer receipts of 1.54 billion pounds were 6.1 percent lower than December and 9.7 percent higher than the January 2021 production of 1.41 billion pounds. Producer milk allocated to Class I accounted for 36.0 percent of the total producer milk in January 2022, higher than the 34.8 percent in December, and lower than the 41.1 percent in January 2021. A total of 3,666 producers were pooled on the Mideast Order compared to 3,699 producers pooled in January 2021.

The market average content of producer milk was as follows: Butterfat 4.14%; Protein 3.31%; Other Solids 5.78% and Nonfat Solids 9.09%.

### December 2021 Highlights

Total cheese output (excluding cottage cheese) was 1.16 billion pounds, 0.1 percent above December 2020 and 3.0 percent above November 2021.

Italian type cheese production totaled 485 million pounds, 1.3 percent below December 2020 but 1.3 percent above November 2021. American type cheese production totaled 469 million pounds, 1.2 percent below December 2020 but 4.5 percent above November 2021.

Butter production was 180 million pounds, 13.2 percent below December 2020 but 15.4 percent above November 2021.

Dry milk products (comparisons in percentage with December 2020) Nonfat dry milk, human - 166 million pounds, down 20.1 percent. Skim milk powder - 38.0 million pounds, down 24.9 percent.

Whey products (comparisons in percentage with December 2020) Dry whey, total - 77.2 million pounds, down 5.0 percent. Lactose, human and animal - 97.2 million pounds, up 2.3 percent. Whey protein concentrate, total - 42.9 million pounds, down 0.4 percent.

Frozen products (comparisons in percentage with December 2020) Ice cream, regular (hard) - 52.4 million gallons, down 1.9 percent. Ice cream, lowfat (total) - 28.0 million gallons, down 12.9 percent. Sherbet (hard) - 1.86 million gallons, down 33.9 percent. Frozen yogurt (total) - 2.49 million gallons, down 5.4 percent.

Released February 4, 2022, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

### December Milk Production Down Slightly

Milk production in the 24 major States during December totaled 18.0 billion pounds, down slightly from December 2020. November revised production at 17.2 billion pounds, was down 0.2 percent from November 2020. The November revision represented a decrease of

16 million pounds or 0.1 percent from last month's preliminary estimate.

Production per cow in the 24 major States averaged 2,027 pounds for December, 8 pounds above December 2020.

The number of milk cows on farms in the 24 major States was 8.88 million head, 42,000 head less than December 2020, and 8,000 head less than November 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 December totaled 2.6 billion pounds, down 65 million pounds or 2.4 percent from December 2020.

Production per cow in the Mideast states averaged 1,971 pounds for December, 7 pounds below December 2020.

The number of cows on farms in the Mideast states was 1.3 million head, 29,000 less than December 2020.

**Milk Production (January 2022) USDA, National Agricultural Statistics Service**

#### Bulletin Web Page Edition

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

Featured this month are:

- Milk Production Statistics
- Dairy Product Production
- Commercial Disappearance of Milk in All Products

### Weighted Averages - Butterfat, Protein, Other Solids, Somatic Cell Count by State

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State	December 2021						December 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	856	858,409	4.10	3.25	5.80	152	679,642	4.00	3.26	5.77	146
Ohio	1,183	390,086	4.16	3.17	5.73	170	346,135	4.09	3.29	5.77	165
Indiana	573	210,373	4.06	3.16	5.73	162	254,147	4.02	3.24	5.75	153
Pennsylvania	671	83,765	4.15	3.11	5.68	209	82,511	4.11	3.19	5.66	205
New York	142	82,341	4.22	3.26	5.86	170	44,769	4.26	3.36	5.89	170
Other	149	17,338	4.11	3.24	5.75	211	13,610	4.14	3.23	5.76	193
Total/Average *	3,574	1,642,312	4.12	3.31	5.77	165	1,420,815	4.04	3.27	5.77	157

\* 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  
January 2022**

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 - ( <i>Boston</i> )	2,210,746	694,343	31.4	2.36	22.74
FO 5 Appalachian - ( <i>Charlotte</i> )	464,938	332,983	71.6	<sup>2/</sup>	23.72
FO 6 Florida - ( <i>Tampa</i> )	224,581	185,425	82.6	<sup>2/</sup>	25.49
FO 7 Southeast - ( <i>Atlanta</i> )	342,846	264,921	77.3	<sup>2/</sup>	24.17
FO 30 Upper Midwest - ( <i>Chicago</i> )	2,494,603	212,498	8.5	0.21	20.59
FO 32 Central - ( <i>Kansas City</i> )	1,254,988	379,183	30.2	0.71	21.09
<b>FO 33 Mideast - (<i>Cleveland</i>)</b>	<b>1,542,004</b>	<b>555,769</b>	<b>36.0</b>	<b>0.96</b>	<b>21.34</b>
FO 51 California - ( <i>Los Angeles</i> )	1,832,430	404,178	22.1	0.87	21.25
FO 124 Pacific Northwest - ( <i>Seattle</i> )	716,706	140,687	19.6	1.11	21.49
FO 126 Southwest - ( <i>Dallas</i> )	1,134,210	345,280	30.4	1.25	21.63
FO 131 Arizona - ( <i>Phoenix</i> )	433,680	118,581	27.3	<sup>2/</sup>	22.44

<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 FEBRUARY 2022 .....\$20.38 /cwt.**



**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**INCOME AND EXPENSE STATEMENT  
MARKETING SERVICE FUND**

**For the Year Ending December 31, 2021**

**Income:**

Assessments or Deductions	\$1,285,126.35
Late Payment Charges Assessed	.00
Interest Earned	16.74
Miscellaneous	<u>213,542.43</u>

**Total Income** \$1,498,685.52

**Expenses:**

Salaries and Services	\$ 831,353.65
Travel	20,869.61
Communications	26,196.33
Employer Payroll Contributions	319,963.36
Insurance	4,331.84
Contractual Expenses	21,567.33
Rent - Buildings and Equipment	67,196.75
Repairs and Maintenance	10,645.19
Supplies	41,357.05
Testing and Weighing	21,028.97
Utilities	5,970.23
Depreciation of Fixed Assets	19,992.67
Conferences and Meetings	.00
Training	2,003.06
Uncollectible Accounts	.00
Miscellaneous	753.13
Amortization of Leasehold Improvements	<u>2,827.44</u>

**Total Expenses** \$1,396,056.61

**Net Income** \$ 102,628.91

**MIDEAST MARKETING AREA  
FEDERAL ORDER 33**

**BALANCE SHEET  
MARKETING SERVICE FUND**

**As of December 31, 2021**

**ASSETS**

**Current Assets:**

Cash and Bank Deposits	\$ 541,726.22
Investments	72,413.93
Accounts Receivable - Handlers	116,671.82
Allowance for Uncollectible Accounts	.00
Accounts Receivable - Other	.00
Accrued Interest Receivable	.00

**Other Assets:**

Prepaid Expenses	\$ 9,960.23
Deposits	.00

**Fixed Assets:**

Motor Vehicles	\$ 267,914.63
Accumulated Depreciation	(233,847.18)
Furniture and Equipment	25,509.50
Accumulated Depreciation	(25,509.50)
Laboratory Equipment	1,049,935.30
Accumulated Depreciation	(1,045,558.67)
Leasehold Improvements	139,115.08
Accumulated Depreciation	(131,104.00)

**Total Assets** \$ 787,227.36

**LIABILITIES AND OPERATING BALANCE**

**Current Liabilities:**

Accounts Payable - Other	\$ .00
Accrued Employee Salaries Payable	.00
Accrued Employee Annual Leave	82,070.30
Payroll Contributions and Withholdings	6,036.11

**Operating Balance** \$ 699,120.95

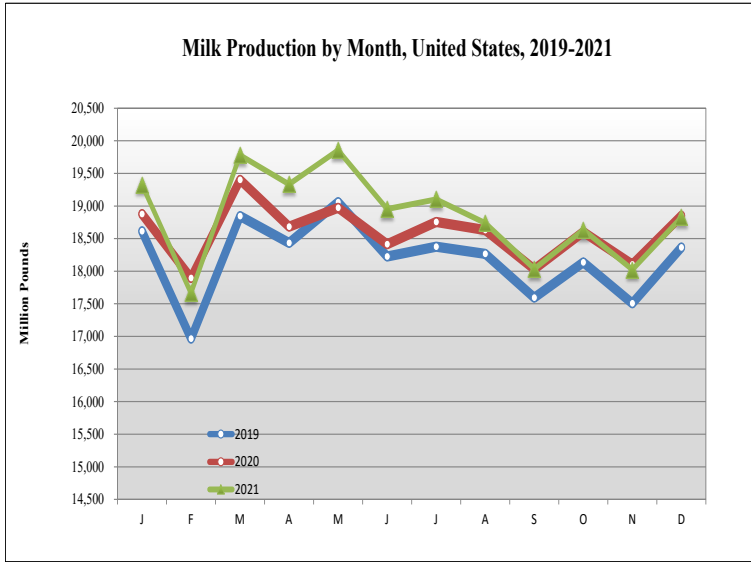
**Total Liabilities and Operating Balance** \$ 787,227.36

# Mideast Market Administrator's Bulletin

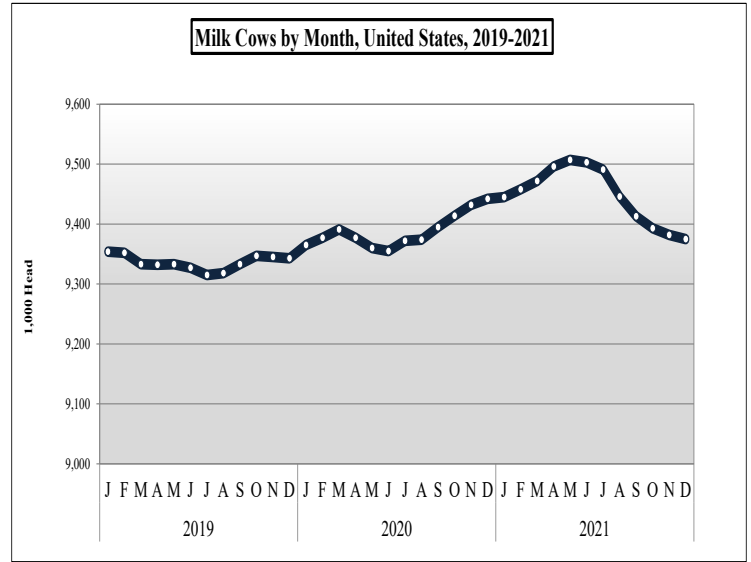
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Supplement  
February 2022

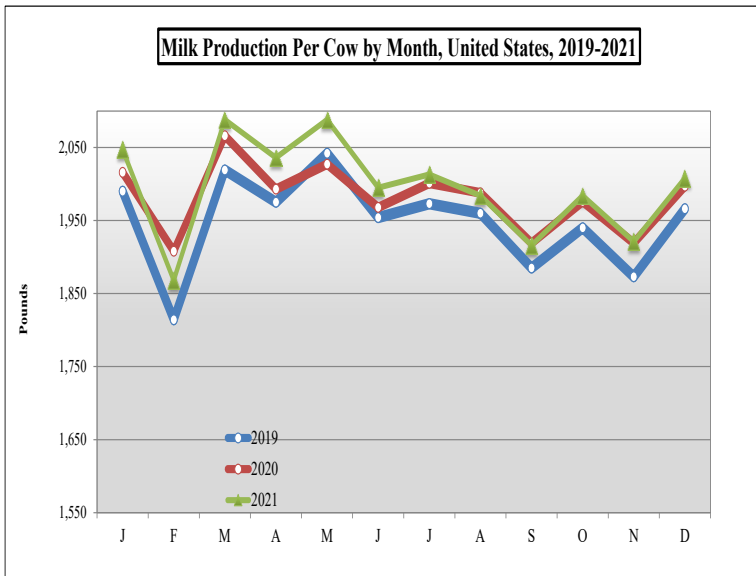
## MILK PRODUCTION STATISTICS 1/



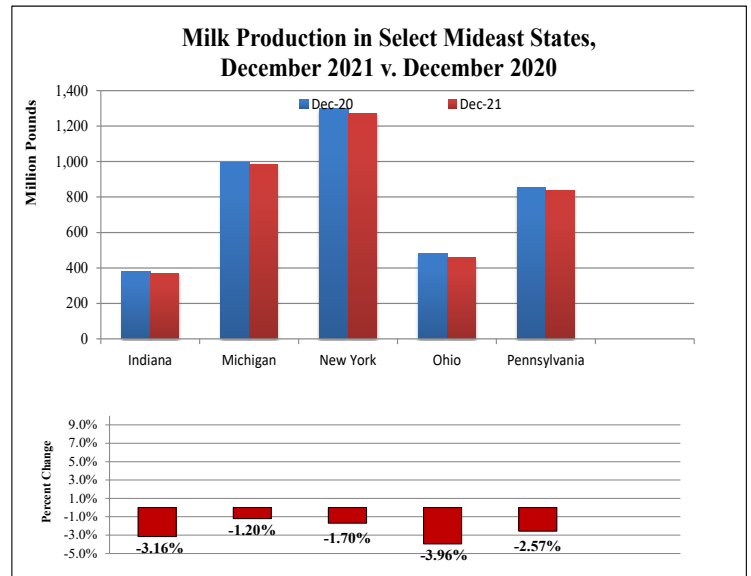
December 2021 milk production in the United States increased 801 million pounds from November 2021 to 18.8 billion pounds. December 2021 milk production in the United States was down 0.1 percent from the same month of the prior year.



The number of milk cows on farms in the United States was 9.4 million head for December 2021, down 7,000 head from November 2021 and down 67,000 head from December 2020.



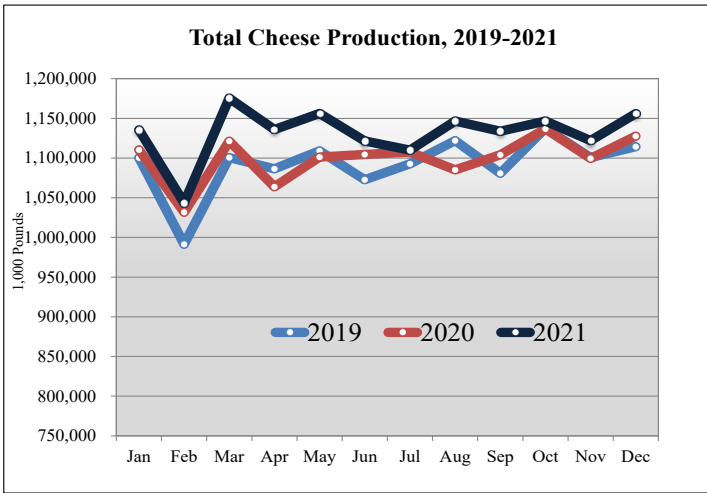
Production per cow in the United States averaged 2,008 pounds for December 2021 up 11 pounds from November 2021. December 2021 milk production per cow was up 87 pounds from the same month of the prior year.



Milk production from selected states which pool on the Mideast marketing area totaled 3.9 billion pounds during December 2021, down 87 million pounds from the prior year. Milk production in Ohio declined 19 million pounds or 4.0 percent while production in Indiana decreased 12 million pounds or 3.2 percent.

1/ Source: National Agricultural Statistics Service (NASS), Agriculture Statistics Board, United States Department of Agriculture (USDA). Gaps in data in figures is due to NASS suspension of select data to meet sequestration requirements.

## DAIRY PRODUCT PRODUCTION 1/

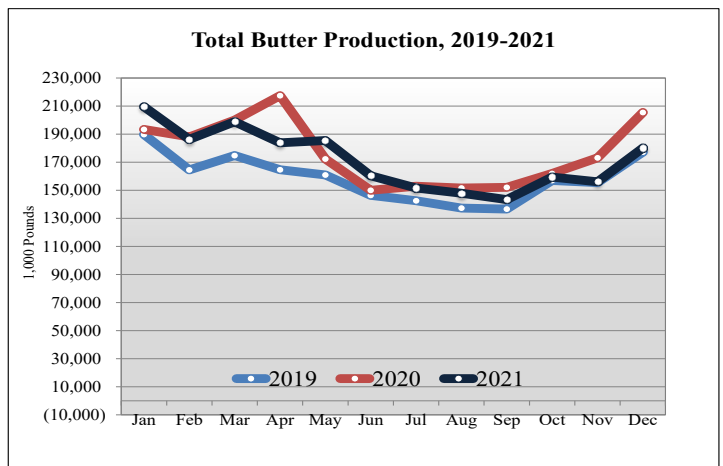
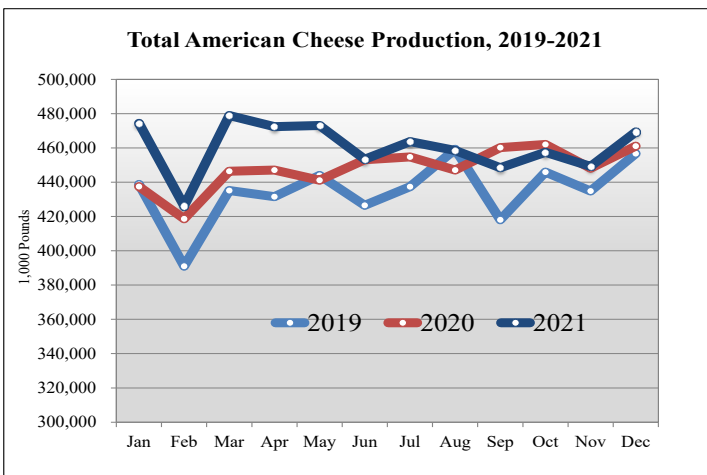


### Dairy Product Production Summary:

American type cheese production totaled 469 million pounds, 1.8 percent above December 2020 and 4.5 percent above November 2021.

Total cheese output (excluding cottage cheese) was 1.2 billion pounds, 2.5 percent above December 2020 and 3.0 percent above November 2021.

Butter production was 180 million pounds, 12.4 percent below December 2020 and 15.4 percent above November 2021.



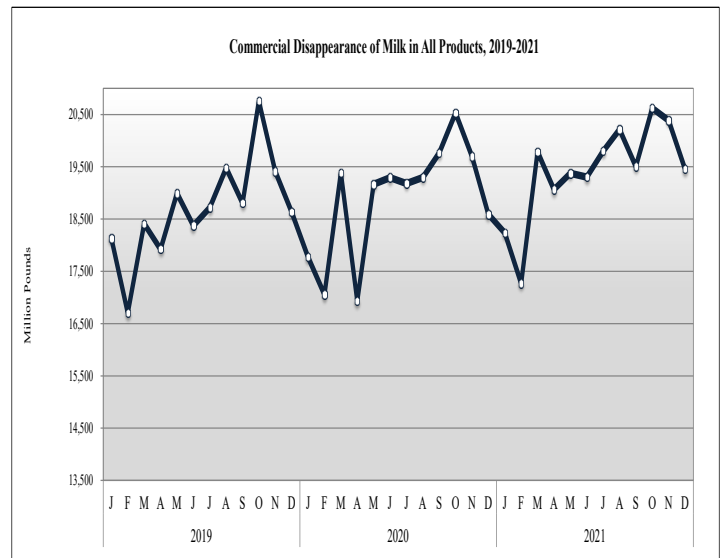
## COMMERCIAL DISAPPEARANCE 2/

Commercial disappearance of milk in all productions represents the difference between the beginning monthly milk supply and the ending commercial stocks. Milk supply includes farm production, beginning inventory, imports and excludes milk used on the farm.

For December 2021 commercial disappearance of milk was 19.5 billion pounds, up 4.6 percent from the prior year. The cumulative disappearance total for 2021 is 233 billion pounds, an increase of 2.8 percent from the same 12-month period of 2020.

December 2021 commercial disappearance of American cheese was 461 million pounds, up 4.9 percent from the prior year.

December 2021 commercial disappearance of butter was 201 million pounds, up 6.8 percent from the prior year.



1/ Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).  
 2/ Sources: NASS, ERS, FAS, FSA, Bureau of Census, and ERS calculations.