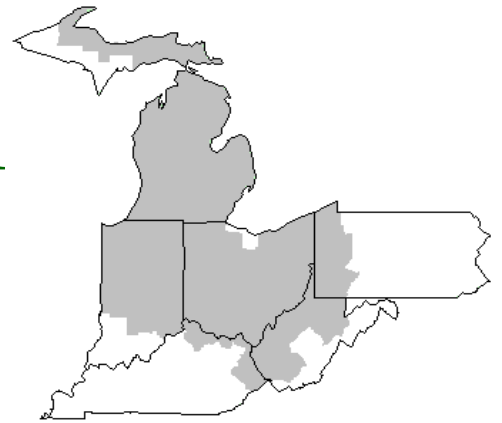


Mideast Market Administrator's Bulletin



Federal Order No. 33

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OCTOBER 2022

Dairy Forecasts for 2022

Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been increased by 5,000 head, to 9.410 million head as a more rapid pace of expansion is expected in late 2022. The projected average yield per cow in 2022 was adjusted higher for the remainder of 2022, at 24,110 pounds per year. With more cows and productivity per cow, the milk production forecast for 2022 is 226.9 billion pounds, 0.4 billion higher.

Due to anticipated strong demand from the international market and competitive domestic prices, higher export volumes of dairy products are projected throughout the rest of 2022. The forecast for 2022 dairy exports on a milk-equivalent milk-fat basis was adjusted to 13.5 billion pounds, 0.3 billion higher. On a milk-equivalent skim-solids basis, 2022 exports are forecast at 52.2 billion pounds, up 0.1 billion. Higher exports are expected for whey, lactose, and butterfat products. However, export growth of NDM is expected to be slower in 2022.

Dairy import forecasts were adjusted higher for 2022. On a milk equivalent milk-fat basis, annual dairy import projections for 2022 were adjusted up to 7.2 billion pounds, 0.1 billion higher. On a milk equivalent skim-solids basis, 2022 dairy imports were also adjusted up to 6.5 billion pounds, higher by 0.3 billion. Higher expected imports of cheese, milk protein concentrate, and casein imports are anticipated throughout 2022.

On a milk-equivalent milk-fat basis, the annual forecast for 2022 domestic use is 219.5 billion pounds, down 0.8 billion. The domestic use forecast on a milk-equivalent skim-solids basis for 2022 is 179.2 billion pounds, up 0.2 billion.

Price forecasts for cheese and butter are up at \$ 2.105 (+3.0 cents) and \$2.880 (+3.0 cents) per pound, respectively. The 2022 wholesale price forecast of NDM was unchanged at \$1.690, while the price of dry whey was down 0.005 cent at \$0.605 per pound.

The Class III milk price forecast for 2022 is \$21.90 per hundredweight (cwt), up \$0.25. The Class IV milk price projection was adjusted to \$24.60 per cwt, up \$0.15. The all-milk price forecast for 2022 is \$25.60 per cwt, an increase of \$0.15.

Livestock, Dairy, and Poultry Outlook: October 2022, LDP-M-340, October 18, 2022 USDA, Economic Research Service

Dairy Forecasts for 2023

More dairy cows are expected in the first half of 2023, and the productivity of the herd is expected to be higher. The 2023 forecast for the average number of milk cows has been increased by 10,000 head to 9,425 million head. The 2023 forecast for milk per cow was adjusted up 20 pounds per cow at 24,320 pounds. The projection for 2023 milk production has been revised to 229.2 billion pounds, 0.4 billion pounds higher.

Dairy exports are expected to be strong in 2023. The export forecast for 2023 on a milk equivalent milk-fat basis is 12.6 billion pounds, 0.2 billion higher. On a milk-equivalent skim solids basis, 2023 dairy exports are projected to total 52.2 billion pounds, 0.4 billion higher. As with 2022, in 2023, higher exports are expected for whey, lactose, and butterfat products at competitive prices in the international markets. In line with 2022, exports of NDM are forecast lower in 2023.

On a milk-equivalent milk-fat basis, 2023 dairy import forecasts are up 0.2 billion pounds to 7.2 billion pounds driven by anticipated stronger imports of butter. On a milk-equivalent skim-solids basis, dairy imports were unchanged at 6.1 billion pounds

(Continued on Page 3)

September 2022 - Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	510,054,128	39.1
Class II	113,707,545	8.7
Class III	654,408,540	50.2
Class IV	25,260,669	2.0
Total	1,303,430,882	100.0

Producer Prices

Producer Price Differential	\$ 2.82 / cwt
Butterfat Price	3.5653 / lb
Protein Price	1.8847 / lb
Other Solids Price	0.2998 / lb
Somatic Cell Adjustment Rate	0.00098 / cwt
Statistical Uniform Price	22.64 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

September 2022

COMPUTATION OF PRODUCER PRICE DIFFERENTIAL

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			499,117,642			\$14.07 / cwt	\$ 70,225,852.21
Class I Butterfat		10,936,486				3.4401 / lb	37,622,605.51
Class I Location Differential	510,054,128						(293,694.35)
Class II SNF Value				9,223,866		1.6133/ lb	14,880,863.05
Class II Butterfat		14,507,017				3.5723/ lb	51,823,416.82
Class III Protein Value			20,825,452			1.8847/ lb	39,249,729.38
Class III Other Solids Value					37,844,314	0.2998/ lb	11,345,725.32
Class III Butterfat		23,820,393				3.5653/ lb	84,926,847.16
Class IV SNF Value				2,157,759		1.3984 lb	3,017,410.19
Class IV Butterfat		2,046,408				3.5653/ lb	7,296,058.44
Somatic Cell Value II / III / IV							<u>1,230,934.41</u>
TOTAL PRODUCER MILK VALUE	1,303,430,882	51,310,304	41,423,223		75,092,242		\$ 321,325,748.14
Overages						\$ 229,764.24	
Beginning Inventory & OS Charges						(336,176.66)	
TOTAL ADJUSTMENTS							\$ (106,412.42)
TOTAL HANDLER OBLIGATIONS							\$ 321,219,335.72
Total Protein Value			41,423,223 lbs	@	\$ 1.8847		\$(78,070,348.43)
Total Other Solids Value			75,092,242 lbs	@	0.2998		(22,512,654.18)
Butterfat Value			51,310,304 lbs	@	3.5653		(182,936,626.83)
Total Somatic Cell Values							<u>(1,990,334.20)</u>
TOTALS							35,709,372.08
Net Producer Location Adjustments							\$ 1,085,274.03
1/2 Unobligated Balance Producer Settlement Fund							<u>509,000.00</u>
Total - Divided by Total Pounds			1,303,430,882 lbs		0.6381401		\$ 37,303,646.11
Rate of Cash Reserve					(0.0419581)		<u>(546,894.83)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,303,430,882		\$2.82 / cwt		\$ 36,756,751.28

COMPONENT PRICES

September

	<u>2022</u>	<u>2021</u>
Butterfat Price	\$3.5653 / lb	\$1.9388 / lb
Protein Price	1.8847 / lb	2.6010 / lb
Other Solids Price	0.2998 / lb	0.3445 / lb
Somatic Cell Adjustment Rate	0.00098 / cwt	0.00082 / cwt
Nonfat Solids Price ²	1.3984 / lb	1.1027 / lb

COMPUTATION OF UNIFORM PRICE

September

	<u>2022</u>	<u>2021</u>
Class III Price - 3.5% BF	\$19.82	\$16.53
Producer Price Differential*	<u>2.82</u>	<u>0.59</u>
Statistical Uniform Price	\$22.64	\$17.12

CLASS PRICES

September

	<u>2022</u>	<u>2020</u>
Class I*	\$25.62	\$18.59
Class II	26.51	16.89
Class III	19.82	16.53
Class IV	24.63	16.36

CLASSIFICATION OF PRODUCER MILK

September

	<u>2022</u>	<u>2021</u>
Product lbs.		
Class I	510,054,128	531,599,930
Class II	113,707,545	332,542,617
Class III	654,408,540	666,729,077
Class IV	<u>25,260,669</u>	<u>156,631,380</u>
Total	1,303,430,882	1,687,503,004

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

The Producer Price Differential for the Mideast Marketing Area for September 2022 was \$2.82, and the Statistical Uniform Price was \$22.64 for the month. The Statistical Uniform Price is \$0.69 lower than last month and is \$5.52 higher than September 2021.

The Producer Butterfat Price of \$3.5653 per pound increased \$0.1652 from August and is up \$1.6265 from a year ago. The Protein Price of \$1.8847 is down \$0.2570 from last month and is down \$0.7163 from September 2021. The Other Solids Price in September was \$0.2998 per pound, a decrease from last month's price of \$0.3146 and \$0.0447 lower than last September. The Somatic Cell Adjustment rate for September

was \$0.00098 per cwt. September producer receipts of 1.30 billion pounds were 0.2 percent higher than August and 22.8 percent lower than September 2021 production of 1.69 billion pounds. Producer milk allocated to Class I accounted for 39.1 percent of the total producer milk in September 2022, higher than the 38.9 percent in August, and higher than the 31.5 percent in September 2021. A total of 3,449 producers were pooled on the Mideast Order compared to 3,583 producers pooled in September 2021.

The market average content of producer milk was as follows: Butterfat 3.94%; Protein 3.18%; Other Solids 5.76% and Nonfat Solids 8.94%.

(continued from Front Page)

On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 was unchanged at 221.2 billion pounds. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.6 billion pounds, 0.2 billion higher.

The 2023 wholesale price forecasts for cheese and butter were raised to \$1.985 (+1.5 cents) and \$2.440 (+5.5 cents) per pound, respectively. The 2023 dry whey price forecast remained unchanged at \$0.485, and the NDM price forecast was adjusted to \$1.495 (-1.0 cent) per pound.

Due to higher cheese prices and steady dry whey prices, the Class III milk price forecast for 2023 was adjusted up 10 cents up to \$19.80 per cwt. The Class IV milk price projection for 2023 is \$21.00 per cwt, \$0.15 higher. The all-milk price forecast for 2023 is \$22.90 per cwt, an increase of \$0.20.

Livestock, Dairy, and Poultry Outlook: October 2022, LDP-M-340, October 18, 2022 USDA, Economic Research Service

August Milk Production Up 1.7 Percent

Milk production in the 24 major States during August totaled 18.2 billion pounds, up 1.7 percent from August 2021. July revised production, at 18.4 billion pounds, was up 0.6 percent from July 2021. The July revision represented an increase of 53 million pounds or 0.3 percent from last month's preliminary production estimate.

Production per cow in the United States averaged 2,018 pounds for August, 34 pounds above August 2021.

The number of milk cows on farms in the United States was 9.43 million head, 11,000 head less than August 2021, but 8,000 more head than July 2022.

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 August totaled 2.7 billion pounds, down 32 million pounds or 1.2 percent from August 2021.

Production per cow in the Mideast states averaged 1,983 pounds for August. This was an increase of 25 pounds from August 2021.

The number of milk cows was 1.33 million head, 36,000 head less than August 2021.

August 2022 Highlights

Total cheese output (excluding cottage cheese) was 1.15 billion pounds, 0.1 percent above August 2021 but 0.2 percent below July 2022. Italian type cheese production totaled 488 million pounds, 1.7 percent above August 2021 and 0.3 percent above July 2022. American type cheese production totaled 453 million pounds, 2.1 percent below August 2021 and 2.9 percent below July 2022.

Butter production was 144 million pounds, 2.0 percent below August 2021 and 5.0 percent below July 2022.

Dry milk products (comparisons in percentage with August 2021) Nonfat dry milk, human - 134 million pounds, up 10.1 percent. Skim milk powder - 56.0 million pounds, down 22.7 percent.

Frozen products (comparisons in percentage with August 2021) Ice cream, regular (hard) - 65.7 million gallons, up 3.9 percent. Ice cream, lowfat (total) - 41.5 million gallons, up 1.8 percent. Sherbet (hard) - 2.23 million gallons, down 4.5 percent. Frozen yogurt (total) - 4.19 million gallons, down 3.4 percent.

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

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	August 2022 -----Weighted Averages-----						August 2021 -----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	783	627,827	3.86	3.11	5.78	182	949,234	3.80	3.09	5.77	178
Ohio	1,214	349,197	3.89	3.13	5.74	224	416,226	3.83	3.10	5.73	209
Indiana	604	169,785	3.82	3.10	5.77	233	209,527	3.77	3.07	5.80	228
Pennsylvania	635	77,161	3.82	3.03	5.64	270	81,925	3.85	3.01	5.64	257
New York	110	43,928	4.03	3.18	5.92	214	83,380	3.91	3.13	5.83	222
Other	183	33,353	3.89	3.08	5.77	221	10,494	3.77	3.04	5.69	254
Total/Average *	3,529	1,301,251	3.87	3.11	5.77	207	1,750,786	3.81	3.09	5.76	198

* 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
September 2022**

<u>Marketing Area</u> ^{1/}		<u>Producer Milk</u>		<u>Class I</u>	<u>Producer</u>	<u>Statistical</u>
		<u>Total</u>	<u>Class I</u>	<u>Percent</u>	<u>Price Differential</u>	<u>Uniform Price</u>
		<i>(000)</i>	<i>(000)</i>	<i>%</i>	<i>(per cwt.)</i>	<i>(per cwt.)</i>
FO 1	Northeast - <i>(Boston)</i>	2,187,069	674,960	30.9	\$5.00	\$24.82
FO 5	Appalachian - <i>(Charlotte)</i>	430,533	315,945	73.4	^{2/}	26.53
FO 6	Florida - <i>(Tampa)</i>	189,431	160,459	84.7	^{2/}	28.58
FO 7	Southeast - <i>(Atlanta)</i>	292,035	242,102	82.9	^{2/}	27.17
FO 30	Upper Midwest - <i>(Chicago)</i>	2,774,166	169,367	6.1	0.46	20.28
FO 32	Central - <i>(Kansas City)</i>	1,289,366	365,120	28.3	2.38	22.20
FO 33	Mideast - <i>(Cleveland)</i>	1,303,431	510,054	39.1	2.82	22.64
FO 51	California - <i>(Los Angeles)</i>	1,841,594	395,562	21.5	1.98	21.80
FO 124	Pacific Northwest - <i>(Seattle)</i>	610,817	139,955	22.9	2.72	22.54
FO 126	Southwest - <i>(Dallas)</i>	1,132,733	325,682	28.8	2.73	22.55
FO 131	Arizona - <i>(Phoenix)</i>	360,572	114,473	30.9	^{2/}	23.81

^{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.

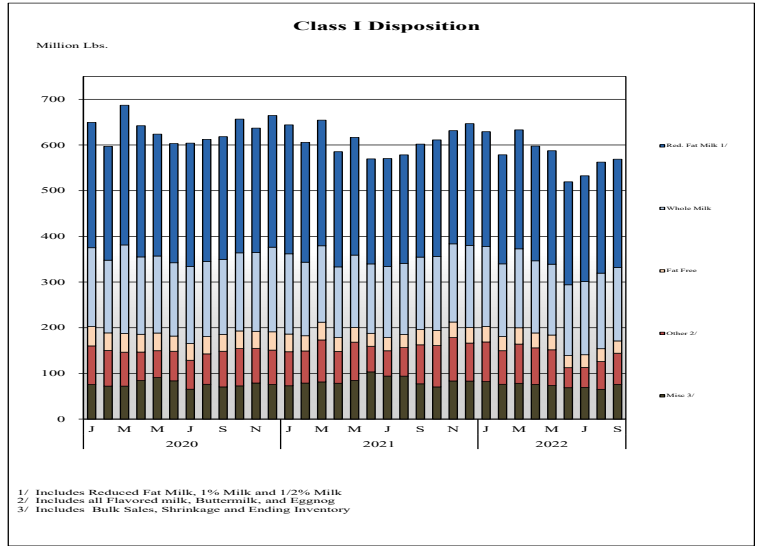
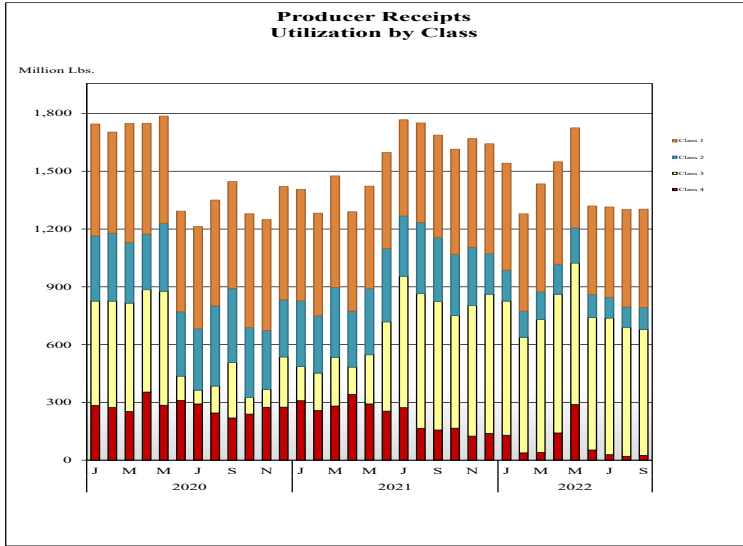
MINIMUM PARTIAL PAYMENT PRICE FOR OCTOBER 2022\$19.82 /cwt.

Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
October 2022

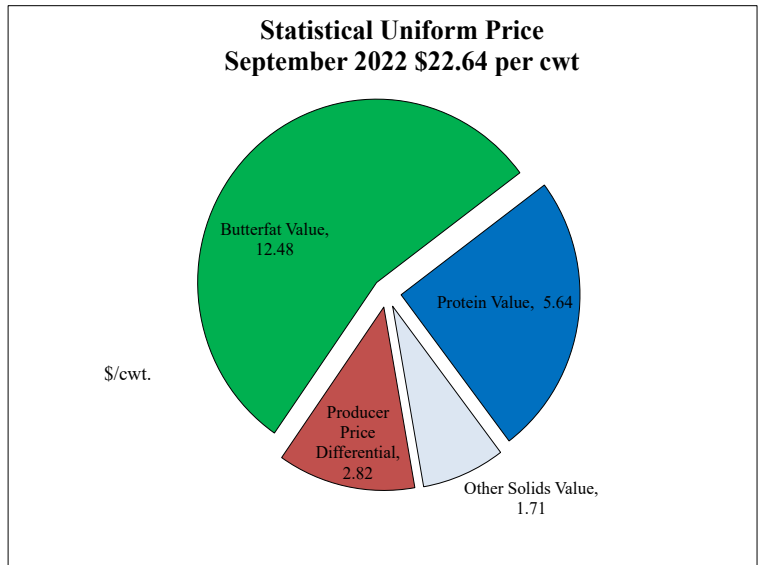
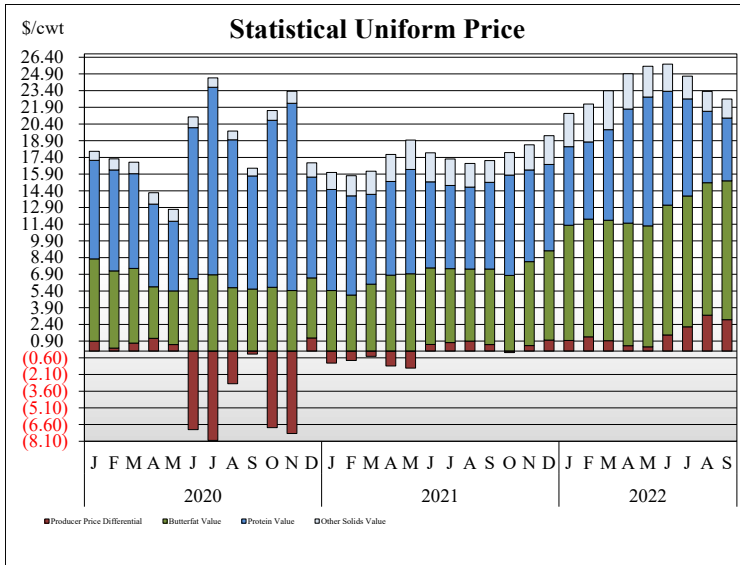
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.30 billion pounds in September 2022. The pounds allocated to Class I represented 39.1 percent of the total pounds. Producer receipts decreased 2.3 million pounds compared to August 2022, and were down 384.1 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 569 million pounds in September 2022, down 33.0 million pounds from September 2021. Finished products include 161 million pounds used for whole milk, 237 million pounds of reduced fat and low fat milk, and 27 million pounds of fat free (skim) milk.

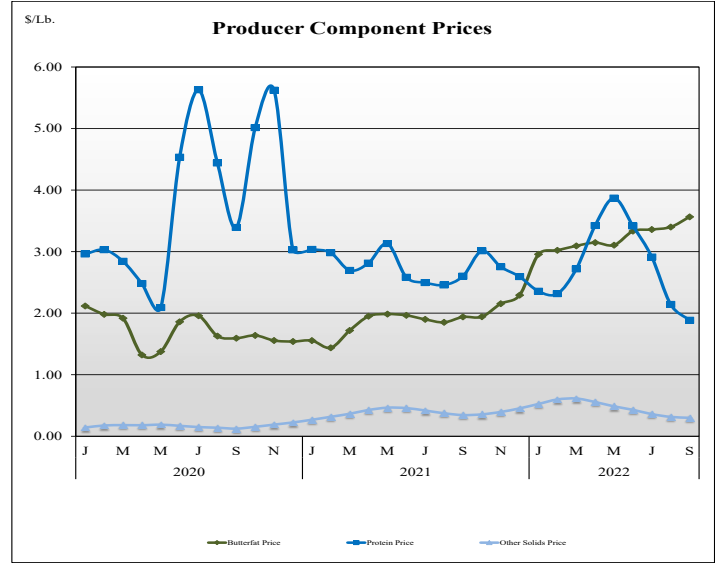
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$22.64 per cwt for September 2022. The September 2022 SUP was \$5.52 per cwt higher than the September 2021 SUP. The September 2022 SUP is \$0.69 per cwt lower than the August 2022 SUP.

September 2022 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the September 2022 SUP are: \$5.64 per cwt for protein, \$12.48 per cwt for butterfat and \$1.71 per cwt for other solids. Also included in the SUP is the \$2.82 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

