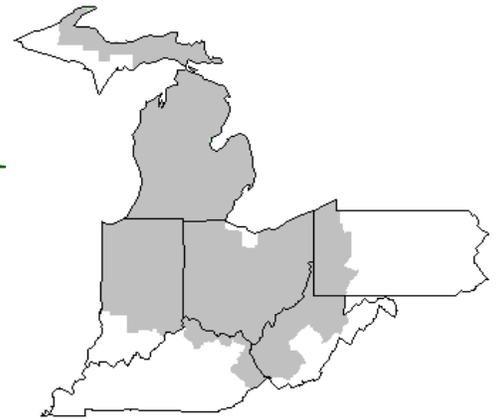


Mideast Market Administrator's Bulletin



Federal Order No. 33

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Dairy Forecasts for 2023

Milk production for 2023 is projected at 228.7 billion pounds, 0.2 billion higher than last month's forecast. Milk cows are projected to average 9.400 million head, 10,000 higher than last month's forecast. The annual milk-per-cow projection decreased 10 pounds from last month at an average of 24,335 pounds per head.

Dairy export projections for 2023 are adjusted lower on increased price competition and weaker expected international demand for U.S. dairy products. The forecast for 2023 dairy exports on a milk equivalent milk-fat basis has been adjusted to 12.2 billion pounds, 0.8 billion lower than last month's forecast. On a milk-equivalent skim-solids basis, the 2023 dairy export forecast has been adjusted to 50.7 billion pounds, 1.2 billion lower than last month's projection.

Dairy import projections for 2023 are adjusted higher. On a milk-fat basis, projections for 2023 have been increased to 7.7 billion pounds (+0.3 billion). On a skim-solids basis, imports have been increased to 6.9 billion pounds (+0.4 billion). Import volumes of butter, cheese, casein, and milk protein concentrates are expected to remain strong throughout 2023.

The domestic use forecasts for dairy products have been raised for 2023. The projections for 2023 domestic use are raised from the previous month's forecast to 222.8 billion pounds (+1.2 billion) on a milk-fat basis and 183.3 billion pounds (+1.8 billion) on a skim-solids basis. Domestic demand for dairy products is projected to continue strong throughout the year, which is expected to support domestic wholesale prices for cheese, butter, and dry whey.

For 2023, the price forecast for Cheddar cheese has been adjusted up 4.5 cents from last month's forecast to \$1.855 per pound. The wholesale prices of butter and dry whey were also adjusted higher than last month's forecast, to \$2.420 (+8.5 cents), and \$0.425 (+3.5 cents) per pound, respectively. However, the price for NDM was adjusted down from last month's forecast at \$1.165 per pound (-6.5 cents) on weaker expected demand. With higher average prices expected for cheese and dry whey, the Class III milk price forecast for 2023 has been raised to \$18.25 per cwt, \$0.70 higher than last month's forecast. With lower projected prices of NDM more than offsetting higher projected prices for butter, the Class IV price forecast has been lowered to \$18.10 per cwt, down \$0.20 from the previous month's projection. The all-milk price forecast for 2023 has been raised to \$20.65 per cwt, \$0.20 higher than last month's forecast.

Export and Import Happenings

February 2023, exports totaled 821 million pounds on a milk-equivalent milk-fat basis, 187 million lower than February 2022. On a milk-equivalent skim-solids basis, February exports totaled 3.917 billion pounds, 120 million above February 2022. There were some products in February with notable year over-year declines in exports from February 2022, including 19.2 million pounds of whey protein concentrate (-10.3 million) and 7.6 million pounds of butter (-3.6 million). On the other hand, there were some dairy products with notable year-over-year increases in exports from February 2022, including 84.0 million pounds of lactose (+20.6 million) and 35.6 million pounds of dry whey (+3.1 million).

Dairy import volumes increased in February 2023 compared to a year ago. On a milk-equivalent milkfat basis, dairy imports were 548 million pounds in February 2023, 181 million higher than February 2022. On a milk-equivalent skim-solids basis, February imports totaled 565 million pounds, 94 million higher than a year ago. Imports in February were up year-over-year for some major products, including 22.1 million pounds of cheese (+3.9 million) and 8.7 million pounds of butter (+3.2 million).

In February 2023, domestic use for dairy products was higher than a year ago. On a milk-equivalent milk-fat basis, domestic use totaled 16.654 billion pounds, 5.7 percent higher than February 2022. On a skim-solids basis, February 2023 domestic use totaled 13.787 billion pounds, 1.2 percent higher than February 2022.

Livestock, Dairy, and Poultry Outlook: April 2023, LDP-M-346, April 17, 2023

March 2023 Pool Summary

Classification of Producer Milk

	<i>Pounds</i>	<i>Percent</i>
Class I	542,020,989	33.2
Class II	104,988,502	6.4
Class III	734,107,388	45.0
Class IV	250,169,175	15.4
Total	1,631,286,054	100.0

Producer Prices

Producer Price Differential	\$0.81 / cwt
Butterfat Price	2.7300 / lb
Protein Price	2.4085 / lb
Other Solids Price	0.2338 / lb
Somatic Cell Adjustment Rate	0.00092 / cwt
Statistical Uniform Price	18.91 / cwt

ANNOUNCEMENT OF PRODUCER PRICES

Federal Order No. 33

MARCH 2023**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			529,789,806			\$11.79 / cwt	\$ 62,462,218.12
Class I Butterfat		12,231,183				2.7452 / lb	33,577,043.58
Class I Location Differential	542,020,989						(299,143.18)
Class II SNF Value				8,332,477		1.1444 / lb	9,535,686.64
Class II Butterfat		16,603,472				2.7370 / lb	45,443,702.87
Class III Protein Value			24,004,368			2.4085 / lb	57,814,520.34
Class III Other Solids Value					42,571,872	0.2338 / lb	9,953,303.66
Class III Butterfat		27,311,428				2.7300 / lb	74,560,198.44
Class IV SNF Value				22,546,114		1.0154 / lb	22,893,324.15
Class IV Butterfat		10,873,980				2.7300 / lb	29,685,965.40
Somatic Cell Value II / III / IV							1,846,430.01
TOTAL PRODUCER MILK VALUE	1,631,286,054	67,020,063	53,168,545		94,293,501		\$ 347,473,250.03
Overages					1,695.33		
Beginning Inventory & OS Charges					(20,618.18)		
TOTAL ADJUSTMENTS							\$ (18,922.85)
TOTAL HANDLER OBLIGATIONS							\$ 347,454,327.18
Total Protein Value			53,168,545 lbs	@	\$2.4085		\$(128,056,440.63)
Total Other Solids Value			94,293,501 lbs	@	0.2338		(22,045,820.54)
Butterfat Value			67,020,063 lbs	@	2.7300		(182,964,771.99)
Total Somatic Cell Values							(2,736,220.84)
TOTALS							\$ 11,651,073.18
Net Producer Location Adjustments							\$ 1,556,169.05
1/2 Unobligated Balance Producer Settlement Fund							746,000.00
Total - Divided by Total Pounds			1,631,286,054 lbs		0.8553523		\$ 13,953,242.23
Rate of Cash Reserve					(0.0453523)		(739,825.75)
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,631,286,054		\$ 0.81 /cwt		\$ 13,213,416.48

COMPONENT PRICES

March

COMPUTATION OF UNIFORM PRICE

March

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.7300 / lb	\$3.0935 / lb	Class III Price - 3.5% BF	\$18.10	\$22.45
Protein Price	2.4085 / lb	2.7182 / lb	Producer Price Differential*	<u>0.81</u>	<u>0.93</u>
Other Solids Price	0.2338 / lb	0.6131 / lb	Statistical Uniform Price	\$18.91	\$23.38
Somatic Cell Adjustment Rate	0.00092 / cwt	0.00103 / cwt			
Nonfat Solids Price ²	1.0154 / lb	1.6113 / lb			

CLASS PRICES

March

CLASSIFICATION OF PRODUCER MILK

March

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Class I*	\$20.99	\$24.88	Product lbs.	Product lbs.	
Class II	19.52	24.76	Class I	542,020,989	560,453,158
Class III	18.10	22.45	Class II	104,988,502	143,259,519
Class IV	18.38	24.82	Class III	734,107,388	690,042,462
			<u>Class IV</u>	<u>250,169,175</u>	<u>40,493,481</u>
			Total	1,631,286,054	1,434,248,620

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 March 2023 was \$0.81, and the Statistical Uniform Price was \$18.91 for the month. The Statistical Uniform Price is \$0.61 lower than last month, and is \$4.47 lower than March 2022.

The Producer Butterfat Price of \$2.7300 per pound increased \$0.0122 from February and is down \$0.3635 from a year ago. The Protein Price of \$2.4085 is up \$0.0435 from last month and is down \$0.3097 from March 2022. The Other Solids Price in March was \$0.2338 per pound, an increase from last month's price of \$0.2101 and \$0.3793 lower than last March. The Somatic Cell Adjustment rate for March was \$0.00092

per cwt. March producer receipts of 1.63 billion pounds were 13.5 percent higher than February and 13.7 percent higher than March 2022 production of 1.43 billion pounds. Producer milk allocated to Class I accounted for 33.2 percent of the total producer milk in March 2023, lower than 34.7 percent in February, and lower than 39.1 percent in March 2022. A total of 3,330 producers were pooled on the Mideast Order compared to 3,333 producers pooled in March 2022.

The market average content of producer milk was as follows: Butterfat 4.11 %; Protein 3.26 %; Other Solids 5.78 % and Nonfat Solids 9.04 %.

February 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.11 billion pounds, 0.4 percent above February 2022 but 7.9 percent below January 2022.

Italian type cheese production totaled 460 million pounds, 1.4 percent above February 2022 and 8.0 percent below January 2023.

American type cheese production totaled 453 million pounds, 2.4 percent above February 2022 but 9.1 percent below January 2023.

Butter production was 186 million pounds, 1.6 percent above February 2022 and 7.4 percent below January 2023.

Dry milk products (comparisons in percentage with February 2022)
Nonfat dry milk, human - 178 million pounds, up 4.5 percent.
Skim milk powder – 38.2 million pounds, up 28.9 percent.

Whey products (comparisons in percentage with February 2022)
Dry whey, total – 66.5 million pounds, down 5.3 percent.
Lactose, human and animal – 83.1 million pounds, down 10.4 percent.
Whey protein concentrate, total – 36.7 million pounds, down 9.8 percent.

Frozen products (comparisons in percentage with February 2022)
Ice cream, regular (hard) – 59.1 million gallons, up 7.7 percent.
Ice cream, lowfat (total) – 32.3 million gallons, up 4.5 percent.
Sherbet (hard) – 2.31 million gallons, down 8.3 percent.
Frozen yogurt (total) - 4.29 million gallons, up 0.5 percent.

*Released April 3, 2023, by the National Agricultural Statistics Service (NASS),
Agricultural Statistics Board, United States Department of Agriculture (USDA).*

February Milk Production Up 1.0 Percent

Milk production in the 24 major States during February totaled 16.9 billion pounds, up 1.0 Percent from February 2022. January revised production, at 18.5 billion pounds, was up 1.5 percent from January 2022. The January revision represented an increase of 5 million pounds or less 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 1,892 pounds for February, 7 pounds above February 2022.

The number of milk cows on farms in the 24 major States was 8.94 million head, 54,000 head more than February 2022, and 12,000 head more than January 2023.

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 February totaled 2.5 billion pounds, up 43 million pounds or 1.8 percent from February 2022.

Production per cow in the Mideast states averaged 1,845 pounds for February, 15 pounds more than February 2022.

The number of cows on farms in the Mideast states was 1.3 million head, 11,000 head more than February 2022.

Released March 20, 2023, 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	Number of Producers	Pounds of Milk (000)	February 2023 -----Weighted Averages-----				February 2022 -----Weighted Averages-----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	757	704,376	4.13	3.28	5.80	152	648,251	4.11	3.31	5.78	154
Ohio	1,182	347,940	4.12	3.27	5.76	174	333,711	4.16	3.30	5.76	177
Indiana	539	232,100	4.09	3.26	5.79	185	171,041	4.10	3.27	5.78	185
Pennsylvania	590	75,663	4.10	3.16	5.68	212	73,020	4.12	3.19	5.68	211
New York	102	37,411	4.23	3.33	5.93	178	41,284	4.24	3.30	5.90	191
Other	156	40,117	4.15	3.24	5.76	179	11,595	4.14	3.20	5.77	228
Total/Average *	3,326	1,437,607	4.13	3.27	5.78	167	1,278,903	4.13	3.29	5.77	169

* 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
March 2023**

Marketing Area ^{1/}	Producer Milk		Class I	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)	Percent %		
FO 1 Northeast - (Boston)	2,360,841	695,390	29.4	\$1.83	\$19.93
FO 5 Appalachian - (Charlotte)	485,748	337,175	69.4	^{2/}	21.50
FO 6 Florida - (Tampa)	223,596	184,024	82.3	^{2/}	23.51
FO 7 Southeast - (Atlanta)	305,913	226,713	74.1	^{2/}	22.12
FO 30 Upper Midwest - (Chicago)	3,036,290	171,810	5.7	0.19	18.29
FO 32 Central - (Kansas City)	1,580,244	383,373	24.3	0.38	18.48
FO 33 Mideast - (Cleveland)	1,631,286	542,021	33.2	0.81	18.91
FO 51 California - (Los Angeles)	2,836,029	423,443	14.9	0.69	18.79
FO 124 Pacific Northwest - (Seattle)	739,340	141,721	19.2	0.40	18.50
FO 126 Southwest - (Dallas)	1,224,255	325,470	26.6	1.34	19.44
FO 131 Arizona - (Phoenix)	473,680	124,247	26.2	^{2/}	19.24

^{1/} Names in parentheses are principal points of markets.

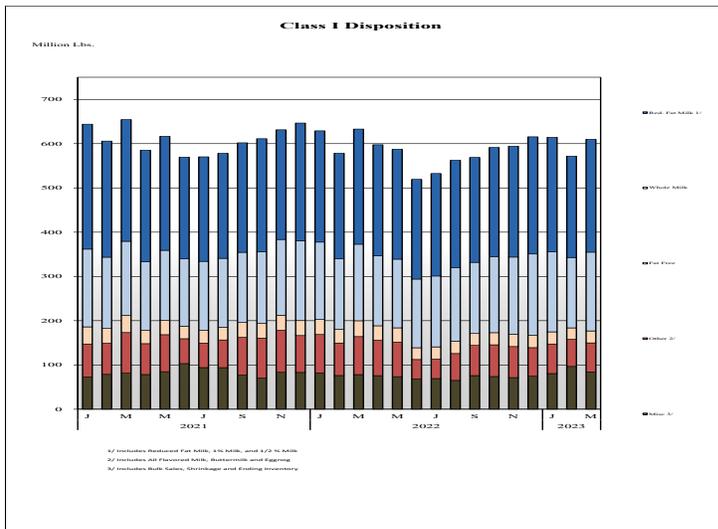
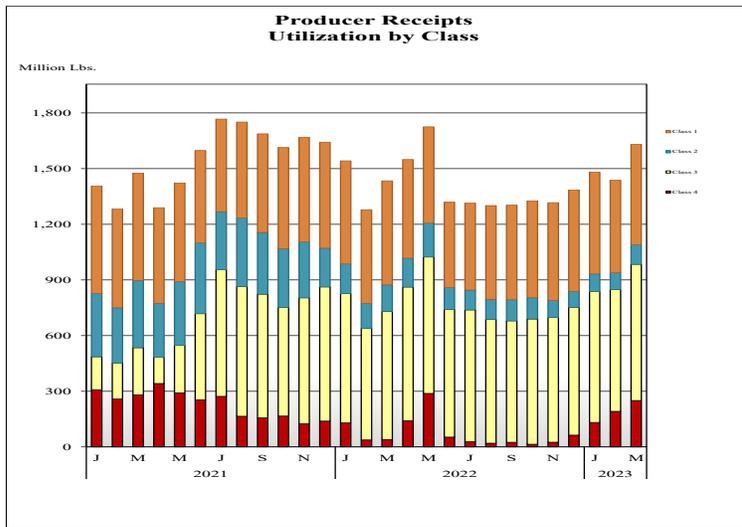
^{2/} Producers in these markets are paid on the basis of a uniform skim and butterfat price.

MINIMUM PARTIAL PAYMENT PRICE FOR APRIL 2023\$18.10 /cwt.

Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement
April 2023

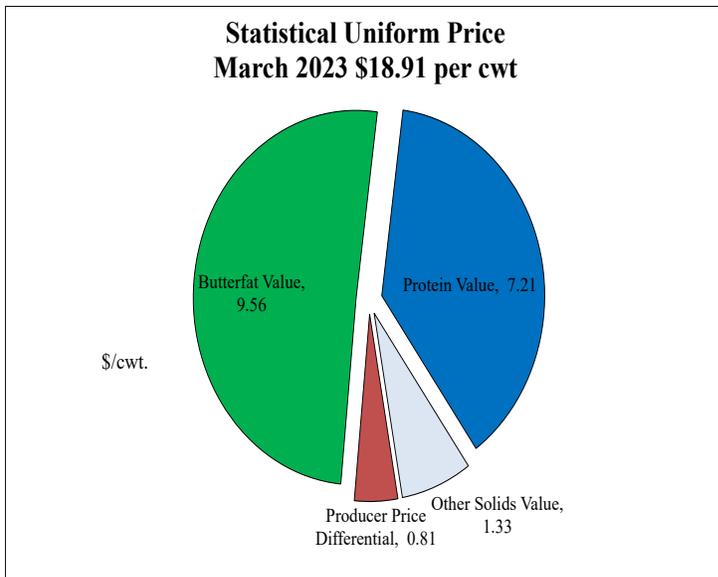
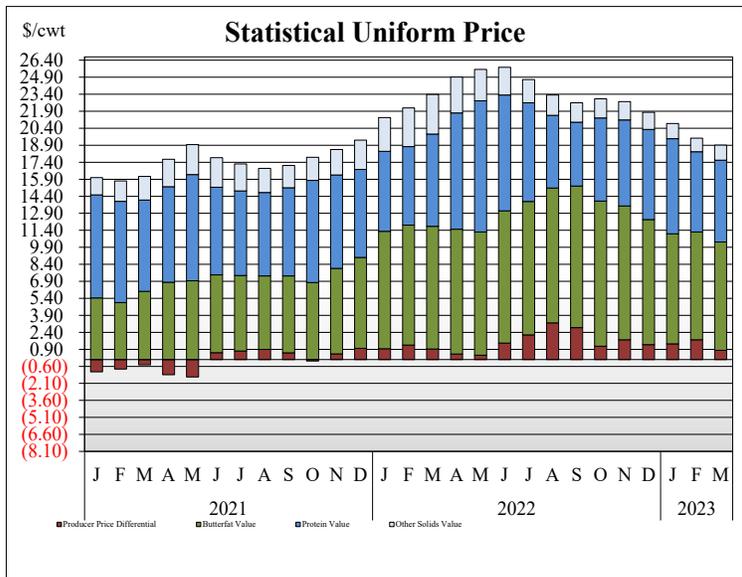
PRODUCER MILK CLASSIFICATION



Producer Receipts: Producer receipts for the Mideast Order totaled 1.63 billion pounds in March 2023. The pounds allocated to Class I represented 33.2 percent of the total pounds. Producer receipts increased 193.6 million pounds compared to February 2023, and were up 197.0 million pounds from the prior year.

Class I Pounds: Class I Disposition for the Mideast Order totaled 609.8 million pounds in March 2023, down 23.2 million pounds from March 2022. Finished products include 177.9 million pounds used for whole milk, 255.0 million pounds of reduced fat and low fat milk, and 27.0 million pounds of fat free (skim) milk.

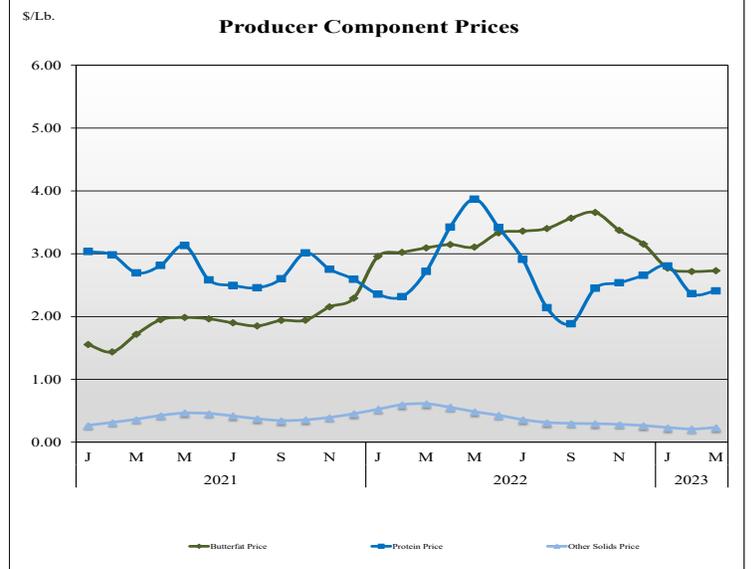
STATISTICAL UNIFORM PRICE



Statistical Uniform Price: The Mideast Federal Order Statistical Uniform Price (SUP) at Cuyahoga County, OH was \$18.91 per cwt for March 2023. The March 2023 SUP was \$4.47 per cwt lower than the March 2022 SUP. The March 2023 SUP is \$0.61 per cwt lower than the February 2023 SUP.

March 2023 Statistical Uniform Price: Using the Class III Price formula at 3.5% BF, the component values for the March 2023 SUP are: \$7.21 per cwt for protein, \$9.56 per cwt for butterfat and \$1.33 per cwt for other solids. Also included in the SUP is the \$0.81 per cwt producer price differential. (May not add to total due to rounding.)

CLASS AND COMPONENT PRICES



WEIGHTED AVERAGE NATIONAL PRODUCT PRICES

