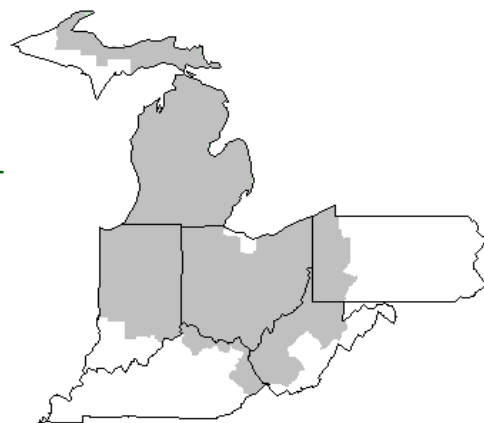


Mideast Market Administrator's Bulletin



Federal Order No. 33

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December 2023

Dairy Forecast 2023

Based on recent milk production information, the forecast for the average number of milk cows in 2023 is adjusted up by 5,000 head over last month's forecast, bringing the expected average number of milk cows to 9.400 million head. However, the yield per cow is revised downward by 15 pounds to 24,150 pounds of milk per head. Consequently, the milk production forecast for 2023 has been lowered by 0.2 billion pounds to 226.9 billion pounds.

The 2023 forecast for dairy exports has undergone adjustments from the prior month's forecasts. On a milk-fat basis, dairy exports are projected at 10.8 billion pounds, 0.1 billion pounds lower than the previous month's projection due to fewer expected exports of butter for the rest of the year. Conversely, the skim-solids basis forecast is revised upward by 0.1 billion pounds to 49.9 billion pounds as higher exports of dry whey products are expected for the rest of 2023.

On a milk-fat basis, the 2023 dairy import forecast is adjusted higher by 0.1 billion pounds to 7.5 billion pounds, driven by higher expected imports of cheese and butter. On a skim-solids basis, the 2023 dairy import forecast is adjusted lower by 0.2 billion to 6.3 billion pounds, due to lower expected imports of casein and milk protein concentrate for the rest of the year.

Domestic dairy product use in 2023 is projected 0.2 billion pounds higher than the previous forecast, reaching 222.9 billion pounds on a milk-fat basis. However, the skim-solids basis forecast has been reduced by 0.3 billion pounds to 182.5 billion pounds.

Due to recent downward trends of cheese and butter wholesale prices, the 2023 price forecast for cheese is lowered to \$1.765 (-0.5 cent) per pound, while the wholesale price for butter is adjusted to \$2.620 (-2.5 cents) per pound. The price forecast for NDM is adjusted higher to \$1.185 per pound (+0.5 cent), while the price of dry whey is unchanged at \$0.360 per pound.

Due to lower cheese prices, the Class III milk price forecast for 2023 is \$17.05 per hundredweight (cwt), down \$0.05 from the previous month's forecast. The Class IV projection is also lowered, by 10 cents to \$19.10 per cwt, as lower butter prices outweighed higher NDM prices. Consequently, the all-milk price forecast for 2023 declined 10 cents from the previous month's forecasts to \$20.60 per cwt.

Livestock, Dairy, and Poultry Outlook: December 2023, LDP-M-354, December 14, 2023 USDA, Economic Research Service

Dairy Forecast 2024

The 2024 milk cow inventory projection is decreased by 15,000 head to 9.360 million head, while the forecast for milk per cow is adjusted down by 80 pounds to 24,465 pounds. Therefore, the projection for 2024 milk production has been lowered to 229.0 billion pounds, 1.0 billion lower than last month's forecast.

The export forecast for 2024 on a milk-fat basis is 11.4 billion pounds, 0.2 billion lower than the previous month's forecast, driven by lower expected shipments of butter due to relatively higher prices. On a skim-solids basis, dairy exports for 2024 are projected to total 53.2 billion pounds, 0.1 billion higher. Expectations of NDM and dry whey exports are higher for 2024 as prices are expected to remain competitive in the international market.

On a milk-fat basis, dairy import forecasts for 2024 are raised by 0.1 billion pounds to 7.7 billion pounds, driven by expected stronger imports of butter. On a skim-solids basis, dairy imports are lowered by 0.2 billion pounds from last month's forecast to 6.5 billion pounds, mainly due to lower expected imports of milk protein concentrate and casein.

Domestic use is adjusted down from last month's projection. On a milk-fat basis, the domestic use forecast for 2024 decreased by 0.5 billion to 224.6 billion pounds. On a skim-solids basis, the forecast for domestic use is lowered by 0.6 billion to 182.0 billion pounds.

(continued Page 3)

November 2023 Pool Summary

Classification of Producer Milk

	Pounds	Percent
Class I	598,129,603	40.3
Class II	167,950,951	11.3
Class III	666,951,986	44.9
Class IV	52,015,029	3.5
Total	1,485,047,569	100.0

Producer Prices

Producer Price Differential	\$ 2.12 / cwt
Butterfat Price	3.4608 / lb
Protein Price	1.3238 / lb
Other Solids Price	0.1895 / lb
Somatic Cell Adjustment Rate	0.00087 / cwt
Statistical Uniform Price	19.27 / cwt

ANNOUNCEMENT OF PRODUCER PRICES**Federal Order No. 33****November 2023****COMPUTATION OF PRODUCER PRICE DIFFERENTIAL**

	POUNDS	BUTTERFAT	SKIM / PROTEIN	NONFAT SOLIDS	OTHER SOLIDS	PRICE	VALUE
Class I Skim Value			584,528,578			\$9.24 / cwt	\$ 54,010,440.61
Class I Butterfat		13,601,025				3.6666 / lb	49,869,518.27
Class I Location Differential	598,129,603						(373,270.86)
Class II SNF Value				14,323,648		1.0444 / lb	14,959,617.97
Class II Butterfat		17,253,184				3.4678 / lb	59,830,591.48
Class III Protein Value			22,136,234			1.3238 / lb	29,303,946.58
Class III Other Solids Value					38,609,593	0.1895 / lb	7,316,517.88
Class III Butterfat		26,058,253				3.4608 / lb	90,182,402.01
Class IV SNF Value				4,403,860		1.0080 / lb	4,439,090.87
Class IV Butterfat		5,795,092				3.4608 / lb	20,055,654.38
Somatic Cell Value II / III / IV							<u>1,456,738.27</u>
TOTAL PRODUCER MILK VALUE	1,485,047,569	62,707,554	49,194,024		85,752,984		\$ 331,051,247.46
Overages						52,649.67	
Beginning Inventory & OS Charges						-434,709.72	
TOTAL ADJUSTMENTS							\$ -382,060.05
TOTAL HANDLER OBLIGATIONS							\$ 330,669,187.41
Total Protein Value			49,194,024 lbs	@	\$ 1.3238		\$(65,123,048.95)
Total Other Solids Value			85,752,984 lbs	@	0.1895		(16,250,190.47)
Butterfat Value			62,707,554 lbs	@	3.4608		(217,018,302.92)
Total Somatic Cell Values							<u>(2,390,744.36)</u>
TOTALS							29,886,900.71
Net Producer Location Adjustments							\$ 1,491,827.43
1/2 Unobligated Balance Producer Settlement Fund							<u>736,000.00</u>
Total - Divided by Total Pounds			1,485,061,854 lbs			1.7848354	\$ 32,114,728.14
Rate of Cash Reserve						<u>(0.0448354)</u>	<u>(631,416.82)</u>
PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH ¹			1,485,061,854			\$ 2.12 / cwt	\$ 31,483,311.31

COMPONENT PRICES**November****COMPUTATION OF UNIFORM PRICE****November**

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Butterfat Price	\$3.4608 / lb	\$3.3720 / lb	Class III Price - 3.5% BF	\$17.15	\$21.01
Protein Price	1.3238 / lb	2.5374 / lb	Producer Price Differential*	<u>2.12</u>	<u>1.74</u>
Other Solids Price	0.1895 / lb	0.2837 / lb	Statistical Uniform Price	\$19.27	\$22.75
Somatic Cell Adjustment Rate	0.00087 / cwt	0.00104 / cwt			
Nonfat Solids Price ²	1.0080 / lb	1.3233 / lb			

CLASS PRICES**November****CLASSIFICATION OF PRODUCER MILK****November**

	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Class I*	\$21.75	\$26.09	Product lbs.	Product lbs.	
Class II	21.21	24.67	Class I	598,129,603	526,960,872
Class III	17.15	21.01	Class II	167,950,951	93,232,735
Class IV	20.87	23.30	Class III	666,951,986	671,894,676
			<u>Class IV</u>	<u>52,015,029</u>	<u>25,572,752</u>
			Total	1,485,047,569	1,317,661,035

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 November 2023 was \$2.12, and the Statistical Uniform Price was \$19.27 for the month. The Statistical Uniform Price is \$0.39 lower than last month and is \$3.48 lower than November 2022.

The Producer Butterfat Price of \$3.4608 per pound decreased \$0.2536 from October and is up \$0.0888 from a year ago. The Protein Price of \$1.3238 is up \$0.2770 from last month and is down \$1.2136 from November 2022. The Other Solids Price in November was \$0.1895 per pound, an increase from last month's price of \$0.0652 and \$0.0942 lower than last November. The Somatic Cell Adjustment rate for November was \$0.00087 per cwt.

November producer receipts of 1.49 billion pounds were 0.8 percent lower than October and 12.7 percent higher than November 2022 production of 1.32 billion pounds. Producer milk allocated to Class I accounted for 40.3 percent of the total producer milk in November 2023, higher than the 39.6 percent in October, and higher than the 40.0 percent in November 2022. A total of 3,507 producers were pooled on the Mideast Order compared to 3,410 producers pooled in November 2022.

The market average content of producer milk was as follows: Butterfat 4.22%; Protein 3.31%; Other Solids 5.77% and Nonfat Solids 9.08%.

(Continued from Front Page)

Lower cheese prices are expected to persist into 2024, leading to a downward adjustment in the annual price forecast to \$1.725 per pound (-10.0 cents). Meanwhile, the 2024 price for butter is adjusted higher to \$2.595 per pound (+0.5 cent). The dry whey price forecast is revised upward to \$0.400 per pound (+2.5 cents), while the NDM price is increased to \$1.175 per pound (+0.5 cent)

Compared to the previous month's projection, the Class III milk price forecast for 2024 is adjusted down 85 cents to \$16.85 per cwt. The Class IV milk price projection for 2024 is \$18.90 per cwt, 5 cents higher. The all-milk price forecast for 2024 is \$20.25 per cwt, a decrease of 55 cents from last month's forecast.

October 2023 Highlights

Total cheese output (excluding cottage cheese) was 1.19 billion pounds, 0.8 percent above October 2022 and 3.9 percent above September 2023. **Italian type cheese production** totaled 506 million pounds, 1.4 percent above October 2022 and 5.6 percent above September 2023. **American type cheese production** totaled 474 million pounds, 0.3 percent below October 2022 but 2.5 percent above September 2023.

Butter production was 161 million pounds, 0.9 percent below October 2022 but 12.5 percent above September 2023.

Dry milk products (comparisons in percentage with October 2022) Nonfat dry milk, human - 127 million pounds, down 1.2 percent. Skim milk powder - 42.5 million pounds, down 34.9 percent.

Whey products (comparisons in percentage with October 2022) Dry whey, total - 75.6 million pounds, up 0.4 percent. Lactose, human and animal - 91.4 million pounds, down 0.1 percent. Whey protein concentrate, total - 40.3 million pounds, up 2.5 percent.

Frozen products(comparisons in percentage with October 2022)Ice Cream regular (hard)-57.9 million gallons, down 2.6 percent. Ice Cream low fat (total)-32.8 gallons, down 8.1 percent. Sherbert (hard)- 1.73 million gallons, down 20.2 percent. Frozen Yogurt (total)- 4.05 million gallons up 5.8 percent.

October Milk Production Down 0.4 Percent

Milk production in the 24 major States during October totaled 17.9 billion pounds, down 0.4 percent from October 2022. September revised production, at 17.5 billion pounds, was up 0.1 percent from September 2022. The September revision represented less than an increase of 0.1 percent or 17 million pounds from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,013 pounds for October, 3 pounds below October 2022.

The number of milk cows on farms in the 24 major States was 8.91 million head, 19,000 head less than October 2022, and 5,000 head less than September 2023.

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 October totaled 2.7 billion pounds, this was up 1.6 percent from October 2022.

Production per cow in the Mideast states averaged 1,963 pounds for October. This was an increase of 3 pounds per cow from October 2022. The number of cows on farms in the Mideast states was 1.35 million head, 19,000 head more than October 2022.

Released November 20, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).

Bulletin WebPage Edition
www.fmmaclew.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	October 2023 -----Weighted Averages-----						October 2022 -----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	735	722,095	4.11	3.26	5.78	157	635,038	4.06	3.27	5.78	155
Ohio	1,177	366,432	4.06	3.24	5.71	187	346,791	4.12	3.31	5.74	184
Indiana	598	235,375	4.11	3.28	5.87	195	174,658	4.04	3.27	5.78	193
New York	108	36,947	4.37	3.36	5.96	192	44,257	4.23	3.34	5.92	190
Pennsylvania	610	78,103	4.11	3.19	5.64	219	81,476	4.02	3.17	5.64	240
Other	210	60,710	4.22	3.29	5.76	177	43,828	3.97	3.22	5.60	229
Total/Average *	3,438	1,499,663	4.11	3.26	5.77	175	1,326,048	4.08	3.28	5.77	174

* 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
November 2023**

<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>	2,162,890	666,205	30.8	\$3.59	20.74
FO 5	Appalachian - <i>(Charlotte)</i>	451,336	325,659	72.2	^{2/}	22.19
FO 6	Florida - <i>(Tampa)</i>	211,726	173,294	81.8	^{2/}	24.08
FO 7	Southeast - <i>(Atlanta)</i>	268,172	230,272	85.9	^{2/}	22.94
FO 30	Upper Midwest - <i>(Chicago)</i>	2,595,485	169,393	6.5	0.33	17.48
FO 32	Central - <i>(Kansas City)</i>	1,225,853	374,807	30.6	1.59	18.74
FO 33	Mideast - <i>(Cleveland)</i>	1,485,048	598,130	40.3	2.12	19.27
FO 51	California <i>(Los Angeles)</i>	1,953,921	400,995	20.5	1.42	18.57
FO 124	Pacific Northwest - <i>(Seattle)</i>	582,521	135,151	23.2	1.82	18.97
FO 126	Southwest - <i>(Dallas)</i>	1,025,185	326,296	31.8	2.19	19.34
FO 131	Arizona - <i>(Phoenix)</i>	423,930	105,696	24.9	^{2/}	20.22

^{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.

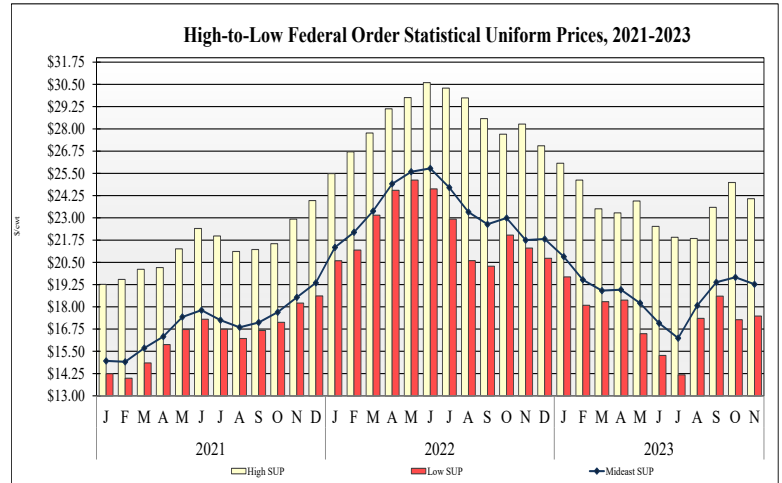
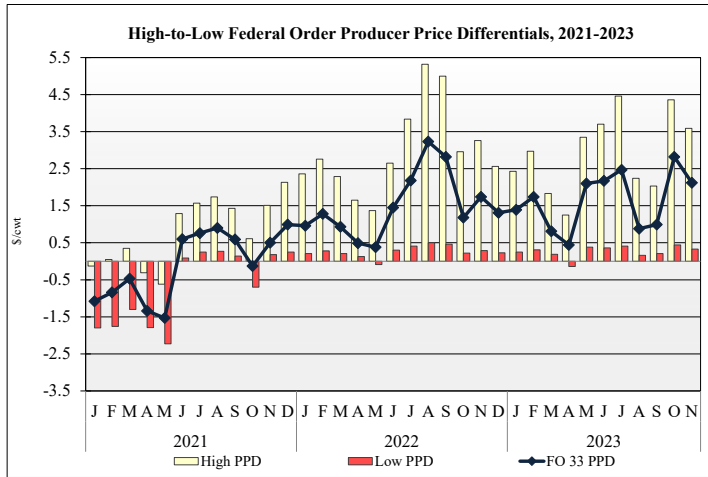
MINIMUM PARTIAL PAYMENT PRICE FOR DECEMBER 2023\$17.15 /cwt.

Mideast Market Administrator's Bulletin

Federal Order No. 33

Supplement
December 2023

PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 2/ 3/



Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing.

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For November 2023 Federal Order 1 had a PPD of \$3.59 per hundredweight (cwt), \$0.77 lower than their October PPD of \$4.36 per cwt.

In November 2023 Federal Order 33 had the third highest PPD, behind Orders 1 and 126, at \$2.12 per cwt, \$0.70 per cwt lower than the October PPD.

For November 2023 Federal Order 30 had the lowest PPD at \$0.33 per cwt, \$0.11 per cwt lower than the October PPD.

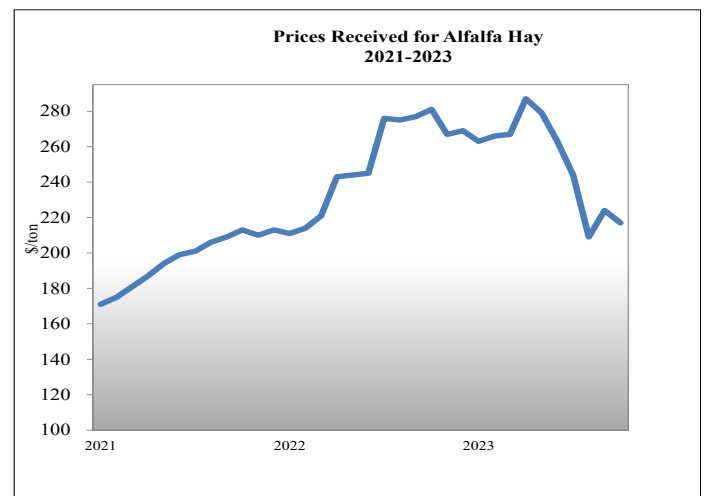
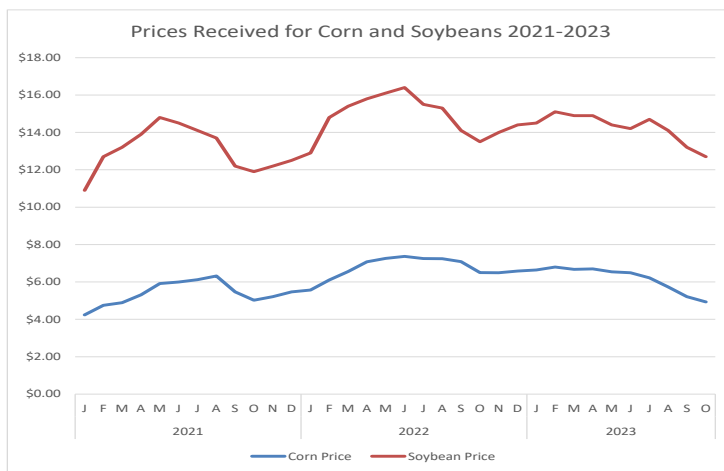
Producers in Orders 1, 30, 32, 33, 51, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For November 2023 Federal Order 6 had a SUP of \$24.08 per cwt, \$0.91 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$19.27 per cwt, \$0.39 per cwt lower than the previous month's SUP.

The Upper Midwest order had the lowest SUP at \$17.48 per cwt, \$0.20 per cwt higher 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