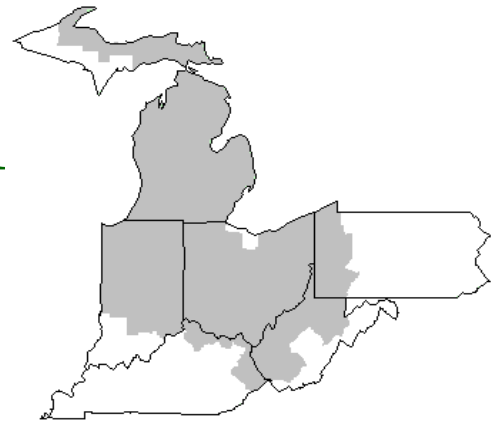


# Mideast Market Administrator's Bulletin



## Federal Order No. 33

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### Dairy Forecasts 2023

For 2023, the U.S. milking herd is projected to average 9.415 million head, unchanged from last month's forecast. However, the milk per cow forecast for 2023 is 24,260 pounds, 20 pounds lower than last month's forecast, due in part to lower-than expected growth in milk per cow in the second and last quarters of the year. With lower yield per cow more than offsetting steady dairy cow numbers, the milk production forecast for 2023 has been adjusted to 228.4 billion pounds, 0.2 billion lower than last month's projection.

Based on recent dairy trade information, 2023 export volume forecasts were reduced from last month's forecasts. On a milk-fat basis, the annual dairy export forecast for 2023 is 11.9 billion pounds, 0.2 billion lower than last month's forecast. On a skim-solids basis, the dairy export projections were lowered by 0.2 billion to 51.1 billion pounds. Lower exports are expected for butter and lactose, but higher exports are expected for dry skim milk products.

The 2023 forecast for dairy imports on a milk-fat basis is 7.8 billion pounds, an increase of 0.1 billion from last month's forecast. On a skim-solids basis, the dairy import forecast is 6.7 billion pounds, 0.1 billion down from last month's projections. While butter import expectations are higher than last month, lower imports are expected for cheese and milk protein concentrate.

On a milk-fat basis, domestic use in 2023 is forecast at 223.2 billion pounds, up 0.1 billion from last month's forecast. On a skim-solid basis, 2023 domestic use was lowered by 0.1 billion pounds from last month's forecast to 182.7 billion pounds.

The 2023 price forecasts for Cheddar cheese and dry whey are lowered to \$1.730 (-9.5 cents) and \$0.370 (-2.5 cents) per pound, respectively. The 2023 butter and NDM price forecasts have been raised to \$2.435 (+0.5 cent) and \$1.190 (+0.5 cent) per pound, respectively, due to expected strength in demand for these products for the rest of 2023.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2023 was adjusted to \$16.70 per hundredweight (cwt), down \$1.05 from last month's forecast. With a higher expected price for butter and NDM in 2023, the Class IV milk price forecast has been increased by \$0.05 to \$18.35 per cwt. The all-milk price forecast for 2023 is \$19.95 per cwt, \$0.55 lower than last month's forecast.

*Livestock, Dairy, and Poultry Outlook: June 2023, LDP-M-348, June 15, 2023 USDA, Economic Research Service*

### Dairy Forecasts 2024

Projections for 2024 milk supply, imports, domestic use, and ending stocks are unchanged from last month's projections. The forecast for exports on a skim-solids basis has been lowered by 0.1 billion pounds to 53.8 billion, but the forecast for exports on a milk-fat basis is unchanged at 12.8 billion pounds.

The 2024 price forecasts for Cheddar cheese and dry whey are lowered to \$1.775 (-4.5 cents) and \$0.360 (-1.0 cent) per pound, respectively. The 2024 butter price forecast is unchanged at \$2.335, while the NDM price forecast has been raised to \$1.130 (+1.0 cents) per pound.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2024 is adjusted to \$17.00 per cwt, down \$0.50 from last month's forecast. With a higher expected price for NDM in 2024, the Class IV milk price forecast has been increased by \$0.10 to \$17.45 per cwt. The all-milk price forecast for 2024 is \$19.65 per cwt, \$0.25 lower than last month's forecast.

*Livestock, Dairy, and Poultry Outlook: June 2023, LDP-M-348, June 15, 2023 USDA, Economic Research Service*

### May 2023 Pool Summary

#### Classification of Producer Milk

	Pounds	Percent
Class I	513,601,090	32.9
Class II	95,251,812	6.1
Class III	768,465,192	49.2
Class IV	186,154,484	11.8
Total	1,563,472,578	100.0

#### Producer Prices

Producer Price Differential	\$ 2.10 / cwt
Butterfat Price	2.7572 / lb
Protein Price	1.8002 / lb
Other Solids Price	0.1877 / lb
Somatic Cell Adjustment Rate	0.00083 / cwt
Statistical Uniform Price	18.21 /

**ANNOUNCEMENT OF PRODUCER PRICES**

Federal Order No. 33

May 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			502,436,441			\$12.47 / cwt	\$ 62,653,824.24
Class I Butterfat		11,164,649				2.7259 / lb	30,433,716.72
Class I Location Differential	513,601,090						(276,291.15)
Class II SNF Value				7,461,393		1.0867 / lb	8,108,295.76
Class II Butterfat		15,395,865				2.7642 / lb	42,557,250.02
Class III Protein Value			24,620,960			1.8002 / lb	44,322,652.18
Class III Other Solids Value					44,694,261	0.1877 / lb	8,389,112.83
Class III Butterfat		26,212,318				2.7572 / lb	72,272,603.19
Class IV SNF Value				16,481,250		0.9729 / lb	16,034,608.13
Class IV Butterfat		9,700,280				2.7572 / lb	26,745,612.02
Somatic Cell Value II / III / IV							1,588,275.02
<b>TOTAL PRODUCER MILK VALUE</b>	1,563,472,578	62,473,112	49,825,542		90,454,973		\$ 312,829,658.96
Overages						18,736.96	
Beginning Inventory & OS Charges						(69,012.92)	
<b>TOTAL ADJUSTMENTS</b>							\$ (50,275.96)
<b>TOTAL HANDLER OBLIGATIONS</b>							\$ 312,779,383.00
Total Protein Value			49,825,542 lbs	@	\$1.8002		\$ (89,695,940.71)
Total Other Solids Value			90,454,973 lbs	@	0.1877		(16,978,398.43)
Butterfat Value			62,473,112 lbs	@	2.7572		(172,250,864.37)
Total Somatic Cell Values							(2,447,624.28)
<b>TOTALS</b>							\$ 31,406,555.21
Net Producer Location Adjustments							\$ 1,431,081.91
1/2 Unobligated Balance Producer Settlement Fund							742,000.00
Total - Divided by Total Pounds			1,563,472,578 lbs		2.1477599		\$ 33,579,637.12
Rate of Cash Reserve					(0.0477599)		(746,712.94)
<b>PRODUCER PRICE DIFFERENTIAL at Cuyahoga County, OH <sup>1</sup></b>			1,563,472,578		\$ 2.10 /cwt		\$ 32,832,924.18

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

	May		May	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Butterfat Price	\$2.7572 / lb	\$3.1056 / lb	Class III Price - 3.5% BF	\$16.11
Protein Price	1.8002 / lb	3.8696 / lb	Producer Price Differential*	<u>2.10</u>
Other Solids Price	0.1877 / lb	0.4857 / lb	Statistical Uniform Price	\$18.21
Somatic Cell Adjustment Rate	0.00083 / cwt	0.00121 / cwt		\$25.59
Nonfat Solids Price <sup>2</sup>	0.9729 / lb	1.6253 / lb		

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

	May		May	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Class I*	\$21.57	\$27.45	Product lbs.	Product lbs.
Class II	19.11	25.87	Class I	513,601,090
Class III	16.11	25.21	Class II	95,251,812
Class IV	18.10	24.99	Class III	768,465,192
			Class IV	186,154,484
			Total	1,563,472,578
				1,725,222,437

<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 May 2022 was \$2.10 and the Statistical Uniform Price was \$18.21 for the month. The Statistical Uniform Price is \$0.75 lower than last month and is \$7.38 lower than May 2022. The Producer Butterfat Price of \$2.7572 per pound increased \$0.0563 from April and is down \$0.3484 from a year ago. The Protein Price of \$1.8002 is down \$0.7601 from last month and is down \$2.0694 from May 2022. The Other Solids Price in May was \$0.1877 per pound, a decrease from last month's price of \$0.2479 and \$0.2980 lower than last May. The Somatic Cell Adjustment rate for May was \$0.00083 per cwt.

May producer receipts of 1.56 billion pounds were 4.4 percent lower than April and 9.4 percent lower than May 2022 production of 1.73 billion pounds. Producer milk allocated to Class I accounted for 32.9 percent of the total producer milk in May 2023, higher than the 29.9 percent in April, and higher than the 30.1 percent in May 2022. A total of 3,353 producers were pooled on the Mideast Order compared to 3,369 producers pooled in May 2022.

The market average content of producer milk was as follows: Butterfat 4.00%; Protein 3.19%; Other Solids 5.79% and Nonfat Solids 8.98%.

### Dairy News

In April, dairy exports on a milk-equivalent and skim-solids basis totaled 885 million pounds, 26.9 percent lower than April 2022. Meanwhile, on a milk-equivalent milk-fat basis, dairy exports totaled 4.1 billion pounds in April, 11.0 percent lower than April 2022. Export volumes for butter, cheese, dry skim products, dry whey, and whey protein concentrate declined in April 2023 compared to April 2022.

In April, dairy imports on a milk-fat basis totaled 629 million pounds, 2.2 percent below April 2022. On a skim-solids basis, imports in April were 464 million pounds, 11.5 percent below April 2022. Import volumes for butter increased in April but declined for cheese compared to April 2022.

During April, domestic use on a milk-fat basis totaled 18.2 billion pounds, 1.5 percent higher than April 2022. On a skim-solids basis, April domestic use totaled 15.3 billion pounds, 4.1 percent higher than April 2022. Compared to April 2022, domestic use of butter, cheese, dry skim products, and whey protein concentrate increased in April 2023 but declined for dry whey. For each month from February to April, domestic use of dairy products was higher than the same month in 2022.

Based on information from the Bureau of Labor Statistics (BLS), retail prices and sales of all dairy products in the United States increased from January to May 2023. This increase was seen for cheese, butter, yogurt, sour cream, and ice cream. According to Dairy Market News, dairy product promotions at grocery stores increased from January to May 2023 compared to the same period in 2022. The increase in dairy prices and sales could be attributed to strong domestic demand but also to rising costs of producing dairy products, among other factors.

According to the U.S. Census Bureau, sales values for grocery stores and food service increased in the first 4 months of 2023 compared to the same period in 2022. This growth could be driven by strong demand for both food at home and food away from home.

*Livestock, Dairy, and Poultry Outlook: June 2023, LDP-M-348, June 15, 2023 USDA, Economic Research Service*

### April Milk Production Up 0.5 Percent

Milk production in the 24 major States during April totaled 18.4 billion pounds, up 0.5 percent from April 2022. March revised production, at 19.0 billion pounds, was up 0.7 percent from March 2022. The March revision represented an increase of 16 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 24 major States averaged 2,055 pounds for April, 2 pounds above April 2022.

The number of milk cows on farms in the 24 major States was 8.94 million head, 36,000 head more than April 2022, but 15,000 less than March 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 April totaled 2.7 billion pounds, up 40 million pounds or 1.5 percent from April 2022.

Production per cow in the Mideast states averaged 2,005 pounds for April, up 15 pounds from April 2022.

The number of cows on farms in the Mideast states was 1.3 million head, 10,000 head more than April 2022.

*Released May 19, 2023, by the National Agricultural Statistics Service (NASS), Agricultural Statistics Board, United States Department of Agriculture (USDA).*

#### Bulletin WebPage Edition

[www.fmmaclev.com](http://www.fmmaclev.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	Number of Producers	Pounds of Milk (000)	April 2023 -----Weighted Averages -----				April 2022 -----Weighted Averages -----				
			Butterfat	Protein	Other Solids	SCC (000)	Pounds of Milk (000)	Butterfat	Protein	Other Solids	SCC (000)
Michigan	756	798,225	4.07	3.23	5.80	152	762,936	4.05	3.25	5.80	153
Ohio	1,188	409,896	4.01	3.20	5.73	176	378,153	4.06	3.24	5.78	175
Indiana	557	260,998	4.05	3.26	5.86	188	232,463	3.94	3.19	5.75	181
Pennsylvania	540	83,898	4.02	3.12	5.69	207	83,219	4.03	3.13	5.70	214
New York	108	55,600	4.18	3.26	5.86	198	81,630	4.12	3.21	5.86	179
Other	148	26,351	4.05	3.16	5.77	181	10,455	3.93	3.12	5.77	182
Total/Average *	3,297	1,634,965	4.05	3.22	5.79	169	1,548,855	4.04	3.23	5.79	168

\* 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  
May 2023**

Marketing Area <sup>1/</sup>	Producer Milk		Class I	Producer Price Differential (per cwt.)	Statistical Uniform Price (per cwt.)
	Total (000)	Class I (000)	Percent %		
FO 1 Northeast - (Boston)	2,403,446	663,794	27.6	3.35	19.46
FO 5 Appalachian - (Charlotte)	452,071	317,190	70.2	<sup>2/</sup>	21.72
FO 6 Florida - (Tampa)	208,032	171,028	82.2	<sup>2/</sup>	23.95
FO 7 Southeast - (Atlanta)	307,428	213,814	69.6	<sup>2/</sup>	22.18
FO 30 Upper Midwest - (Chicago)	2,790,582	162,191	5.8	0.38	16.49
FO 32 Central - (Kansas City)	1,359,162	355,462	26.2	1.63	17.74
<b>FO 33 Mideast - (Cleveland)</b>	<b>1,563,473</b>	<b>513,601</b>	<b>32.9</b>	<b>2.10</b>	<b>18.21</b>
FO 51 California - (Los Angeles)	2,045,897	394,426	19.3	1.55	17.66
FO 124 Pacific Northwest - (Seattle)	736,325	136,773	18.6	1.70	17.81
FO 126 Southwest - (Dallas)	1,174,028	311,620	26.5	2.31	18.42
FO 131 Arizona - (Phoenix)	428,092	110,445	25.8	<sup>2/</sup>	18.65

<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.

<sup>3/</sup> Data not available at time of publication, please see website version for information.

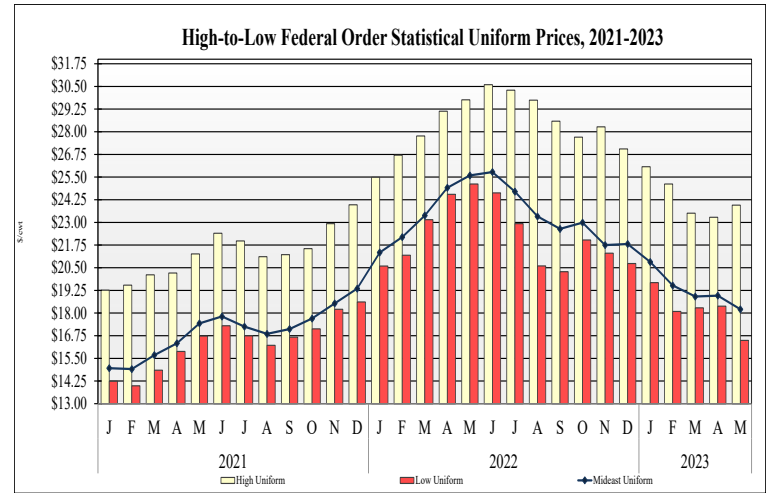
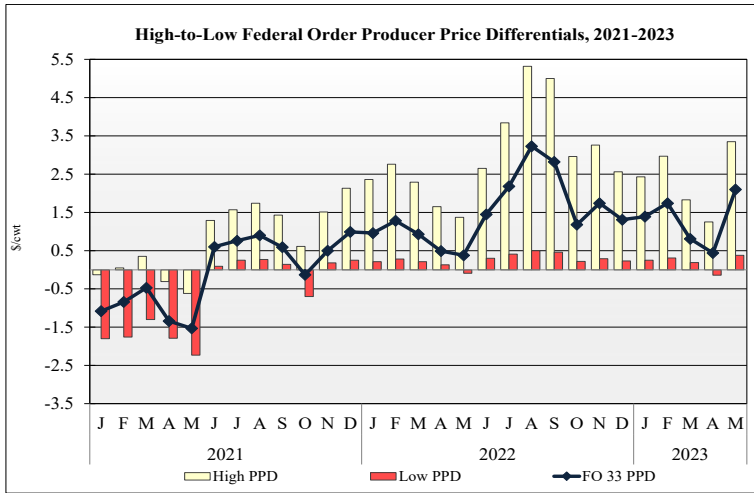
**MINIMUM PARTIAL PAYMENT PRICE FOR JUNE 2023.....\$16.11 /cwt.**



# Mideast Market Administrator's Bulletin

Federal Order No. 33 Supplement  
June 2023

## PRODUCER PRICE DIFFERENTIAL AND UNIFORM PRICE STATISTICS 1/2/



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

Of those orders, Federal Order 1 traditionally has the highest producer price differential. For May 2023 Federal Order 1 had a PPD of \$3.35 per hundredweight (cwt), \$2.10 higher than their April PPD of \$1.25 per cwt.

In May 2023, Federal Order 33 had the third highest PPD, behind Orders 1, and 126, at \$2.10 per cwt, \$1.66 per cwt higher than the April PPD.

For May 2023, Federal Order 30 had the lowest PPD at \$0.38 per cwt, \$0.52 per cwt higher than the April PPD.

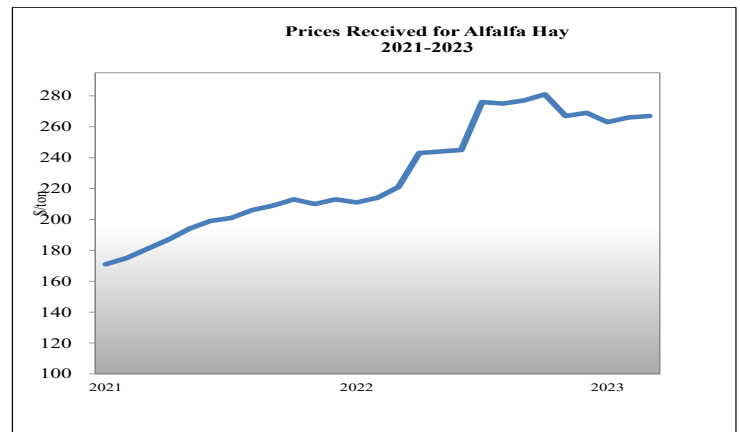
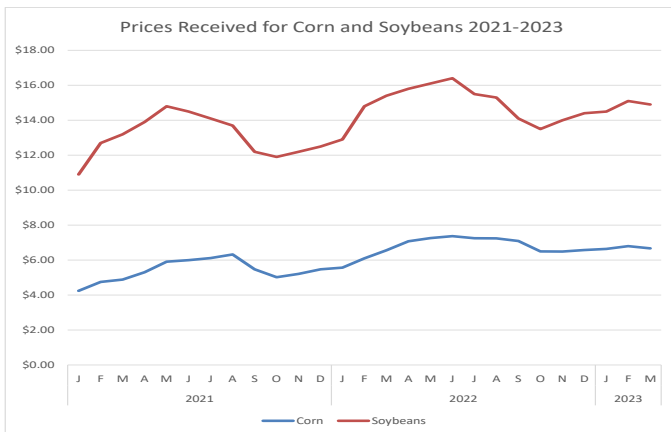
Producers in Orders 1, 30, 32, 33, 124, and 126 are paid based on component pricing; and producers in 5, 6, 7 and 131 are paid based on skim-fat pricing. The table above details the range of statistical uniform prices (SUP) paid to producers.

Of those orders, Federal Order 6 (Florida) traditionally has the highest statistical uniform price. For May 2023, Federal Order 6 had a SUP of \$23.95 per cwt, \$0.67 lower than the previous month's SUP.

Federal Order 33 had a SUP of \$18.21 per cwt, \$0.75 per cwt lower than the previous month's SUP.

Federal Order 30 had the lowest SUP at \$16.49 per cwt, \$1.89 per cwt lower than the previous month's SUP.

## PRICES RECEIVED FOR GRAIN AND ALFALFA HAY 4/



1/ Producer price differentials are subject to location adjustment.  
 2/ Statistical uniform prices are at 3.5 percent butterfat and subject to location adjustment.  
 3/ Source: USDA, National Agricultural Statistics Service