

# THE COURIER

Monthly Newsletter

May 2017

## Sonny Perdue Sworn in as 31st Secretary of Agriculture

Sonny Perdue came by his knowledge of agriculture the old fashioned way: he was born into a farming family in Bonaire, Georgia. From childhood, and through his life in business and elected office, Perdue has experienced the industry from every possible perspective. Uniquely qualified as a former farmer, agri-businessman, veterinarian, state legislator, and governor of Georgia, he became the 31<sup>st</sup> United States Secretary of Agriculture on April 25, 2017.

Additionally, Perdue recognizes that American agriculture needs a strong advocate to promote its interests to international markets. The United States is blessed to be able to produce more than its citizens can consume, which implies that we should sell the bounty around the world. The relationship between the USDA and its trade representatives, as well as with the U.S. Trade Representative and Department of Commerce, will be vital. The work of promoting American agricultural products to other countries will begin with those relationships and will benefit us domestically, just as it will fulfill the moral imperative of helping to feed the world. Perdue has pledged to be an unapologetic advocate for American agriculture.

Under Secretary Perdue, the USDA will always be facts-based and data-driven, with a decision-making mindset that is customer-focused. He will seek solutions to problems and not lament that the department might be faced with difficult challenges.

As a youngster growing up on a dairy and diversified row crop farm in rural Georgia, Perdue never fully realized that the blessings of purposeful, meaningful work would serve him as well as they have in life.

*Sonny Perdue, cont'd on pg. 3*

## Nutrition Requirements for School Meal Programs

On May 1, 2017, U.S. Secretary of Agriculture Sonny Perdue announced that the U.S. Department of Agriculture (USDA) will provide greater flexibility in nutrition requirements for school meal programs in order to make food choices both healthful and appealing to students. Perdue signed a proclamation which begins the process of restoring local control of guidelines on whole grains, sodium, and milk.

The specific flexibilities for milk include:

- Milk is a key component of school meals, meaning schools must have more options for students who select milk as part of their lunch or breakfast.
- Perdue will direct USDA to begin the regulatory process for schools to serve 1 percent flavored milk through the school meals programs. USDA will seek to publish an interim rule as soon as possible to effect the change in milk policy.

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Harold H. Friedly, Jr.  
Market Administrator

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## Appalachian Statistical Summary

	APRIL 2017	MARCH 2017	APRIL 2016
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$17.77	\$19.06	\$16.01
Class I Price	19.45	20.30	17.14
Class II Price	14.81	16.21	13.54
Class III Price	15.22	15.81	13.63
Class IV Price	14.01	14.32	12.68
Uniform Skim Milk Price	\$9.71	\$10.89	\$8.46
Class I Skim Milk Price	11.15	12.05	9.62
Class II Skim Milk Price	6.78	8.00	5.89
Class III Skim Milk Price	7.23	7.61	6.01
Class IV Skim Milk Price	5.98	6.07	5.02
Uniform Butterfat Price	\$2.4008	\$2.4420	\$2.2426
Class I Butterfat Price	2.4823	2.4768	2.2446
Class II Butterfat Price	2.3618	2.4246	2.2446
Class III Butterfat Price	2.3548	2.4176	2.2376
Class IV Butterfat Price	2.3548	2.4176	2.2376
<b>PRODUCER MILK:</b>			
Class I	303,033,285	350,666,448	321,308,138
Class II	76,479,244	77,720,652	71,259,611
Class III	22,509,621	27,587,336	20,285,419
Class IV	78,542,671	46,731,935	73,805,239
<b>Total Producer Milk</b>	<b>480,564,821</b>	<b>502,706,371</b>	<b>486,658,407</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	63.06	69.75	66.02
Class II	15.92	15.46	14.64
Class III	4.68	5.49	4.17
Class IV	16.34	9.30	15.17

### F.O. 5 STATS FOR APRIL 2017:

**The Uniform Price** for April 2017 was \$17.77 per cwt., an increase of \$1.76 from April 2016.

**Total Class I Milk** for April 2017 was 303,033,285 pounds, a decrease of 18.3 million pounds, or 5.7 percent, compared to April 2016.

**Class I Utilization** was 63.06 percent for April 2017, a decrease of 3.0 percentage points from April 2016.

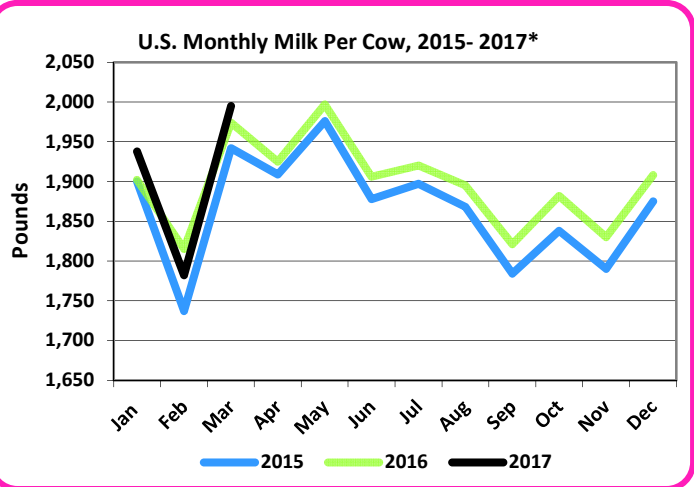
**Total Producer Milk** for April 2017 was 480,564,821 pounds, a decrease of 6.1 million pounds, or 1.3 percent, compared to April 2016.

## March Milk Production Up 1.8%

Milk production in the 23 major States during March totaled 17.5 billion pounds, up 1.8 percent from March 2016.

Production per cow in the 23 major States averaged 2,012 pounds for March, 18 pounds above March 2016. This is the highest production per cow for the month of March since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.71 million head, 72,000 head more than March 2016, and 15,000 head more than February 2017.



\*Based on entire U.S. production

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## Sonny Perdue Sworn in as 31st U.S. Secretary of Agriculture, cont'd from pg. 1

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When he was a young boy feeding the calves and plowing the fields, he was an integral part of the workforce on his father's farm. As the son of a mother who was an English teacher for 42 years, he benefitted from her teachings as well – not just by instilling in him the beliefs he still holds dear, but also by lending him an appreciation and respect for language and proper grammar. But more than anything in his life, it was the family farm which shaped Sonny Perdue. He has lived and breathed the exhilaration of a great crop and the despair and devastation of a drought. He learned by experience what his father told him as a child, "If you take care of the land, the land will take care of you."

Perdue's views on agriculture have always been shaped by his first-hand knowledge of all of its aspects, both as a farmer and as an agribusinessman. He appreciates the daily concerns and needs of American farmers, while also understanding the intricacies of global commodities markets. He is acknowledged as a national leader in agriculture, having served as a board member for the National Grain & Feed Association, and as President of both the Georgia Feed and Grain Association and the Southeastern Feed and Grain Association. Perdue has long-standing, close relationships with the leadership of the National Farm Bureau and has been recognized by the Georgia 4-H and FFA programs, among others, for his leadership in agriculture.

As the product of Georgia, a state where agriculture is the leading economic driver, Perdue recognizes that agriculture is an issue and industry which cuts across political party boundaries. He recognizes that the size, scope, and diversity of America's agricultural sector requires reaching across the aisle so that partisanship doesn't get in the way of good solutions for American farmers, ranchers, and consumers.

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## Dairy Outlook

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### ***Dairy Forecasts for 2017***

Based on recent milk production data, the milk cow forecast for 2017 is unchanged at 9.385 million head, but the yield forecast has been lowered to 23,110 pounds per head, 40 pounds less than last month's forecast.

Based on higher expected export demand, the NDM price forecast for 2017 has been raised to \$0.875-\$0.915 per pound. The butter price forecast has been lowered to \$2.115- \$2.195 per pound based upon recent price movements. The annual 2017 forecasts for cheese and dry whey prices are unchanged from last month. While the Class III milk price is unchanged from last month, the Class IV milk price has been raised to \$14.35-\$14.95 per cwt, as the higher expected NDM price more than offsets the lower expected butter price. The 2017 all-milk price forecast is \$17.35-\$17.85 per cwt.

### ***Dairy Forecasts for 2018***

With higher expected milk prices and relatively low feed prices, the milk production forecast for 2018 is 222.0 billion pounds, a 2.4-percent increase above the 2017 forecast. Milk cow numbers are forecast to average 9.425 million head for the year, and the 2017 yield forecast is 23,560 pounds per cow.

Demand is expected to grow for domestic and foreign markets.

Cheese and NDM prices are forecast higher than 2017 due to higher expected domestic and global demand. The 2018 price forecasts for cheese and NDM are \$1.640-\$1.740 and \$0.915-0.985 per pound, respectively. Due to large expected stocks at the beginning of 2018, prices for butter and dry whey are expected to be lower than 2017, at \$2.045-2.175 and \$0.475-\$0.505 per pound, respectively. The Class III and Class IV milk prices are both expected to be higher than 2017, at \$16.40-\$17.40 per cwt and \$14.40-\$15.50 per cwt, respectively. The all-milk price for 2018 is \$17.55-\$18.55 per cwt, an increase from \$17.35-\$17.85 per cwt forecast for 2017.

Full report available at: <https://www.ers.usda.gov/publications/pub-details/?pubid=83585>

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**Federal Milk Marketing Order Statistics - April 2017**

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
<b>1 Northeast</b>	<b>2,354.8</b>	<b>692.0</b>	<b>29.4</b>	<b>16.39</b>
<b>5 Appalachian</b>	<b>480.6</b>	<b>303.0</b>	<b>63.1</b>	<b>17.77</b>
<b>6 Florida</b>	<b>219.9</b>	<b>177.2</b>	<b>80.6</b>	<b>20.08</b>
<b>7 Southeast</b>	<b>501.6</b>	<b>298.8</b>	<b>59.6</b>	<b>17.97</b>
<b>30 Upper Midwest</b>	<b>3,080.2</b>	<b>257.6</b>	<b>8.4</b>	<b>15.37</b>
<b>32 Central</b>	<b>1,460.9</b>	<b>385.3</b>	<b>26.4</b>	<b>15.42</b>
<b>33 Mideast</b>	<b>1,842.6</b>	<b>502.1</b>	<b>27.3</b>	<b>15.61</b>
<b>124 Pacific Northwest</b>	<b>609.6</b>	<b>147.4</b>	<b>24.2</b>	<b>15.23</b>
<b>126 Southwest</b>	<b>1,210.6</b>	<b>342.7</b>	<b>28.3</b>	<b>16.32</b>
<b>131 Arizona</b>	<b>441.3</b>	<b>101.5</b>	<b>23.0</b>	<b>15.35</b>
<b>All Orders<sup>1</sup></b>	<b>12,202.2</b>	<b>3,207.5</b>	<b>26.3</b>	<b>15.98</b>

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