

THE COURIER

Monthly Newsletter

March 2018

Dairy Outlook

Due to recent growth in milk production per cow, forecasts for milk yields have been increased for the first half of 2018, resulting in a 2018 forecast of 23,255 pounds per head, 25 pounds higher than last month's forecast. The forecast for the size of the milking herd in 2018 is unchanged at 9.415 million head. The milk production forecast for 2018 is 219.0 billion pounds, 0.3 billion pounds higher than last month's forecast.

Feed price forecasts have been raised since last month. The 2017/18 corn price forecast is \$3.15-\$3.55 per bushel, an increase of 5 cents at the midpoint of the range. The soybean meal price forecast is \$325-\$355 per short ton, an increase of \$20 at the midpoint of the range. The alfalfa hay price was \$152 per short ton in January, an increase of \$4 from December and \$26 from January 2017. Drought in alfalfa hay production areas has contributed to higher prices..

With competitive prices and recent strength in exports of cheese and whey products, the 2018 export forecasts have been raised from last month's forecast to 9.6 billion pounds on a milk-fat basis (+0.1 billion) and to 42.8 billion pounds on a skim-solids basis (+0.3 billion). Forecasts for imports have been lowered from last month's forecast to 5.7 billion pounds (-0.3 billion) on a milk-fat basis and to 5.9 billion pounds (-0.1 billion) on a skim-solids basis due to lower expected dairy-related food preparations.

Dairy Outlook, cont'd on pg. 3

USDA Seeks Nominees for National Dairy Board

The U.S. Department of Agriculture (USDA) is asking dairy producers and other interested parties to nominate dairy producers to serve on the National Dairy Promotion and Research Board. The deadline for nominations is April 9, 2018. USDA will appoint 12 individuals to succeed members whose terms expire on October 31, 2018.

Nominations are sought for board representation from 10 geographic regions. Two members will be appointed for Regions 2 and 6, and one for each of the remaining regions. New members will be appointed to serve three-year terms from November 1, 2018, through October 31, 2021.

Region 1, Alaska, Oregon and Washington.

Region 2, California and Hawaii.

Region 4, Arkansas, Kansas, New Mexico, Oklahoma and Texas.

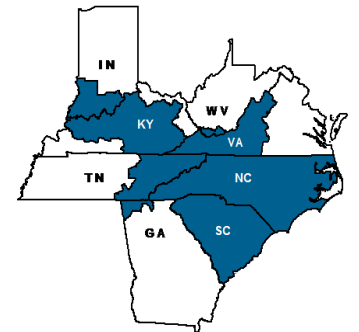
Region 5, Minnesota, North Dakota and South Dakota.

Region 6, Wisconsin.

Region 7, Illinois, Iowa, Missouri and Nebraska.

Region 8, Idaho.

USDA Seeks Nominees, cont'd on pg. 3



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	FEBRUARY 2018	JANUARY 2018	FEBRUARY 2017
PRICES: (Base Zone)			
Uniform Price	\$16.31	\$17.53	\$19.09
Class I Price	17.65	18.84	20.13
Class II Price	13.44	14.11	16.52
Class III Price	13.40	14.00	16.88
Class IV Price	12.87	13.13	15.59
Uniform Skim Milk Price	\$8.13	\$9.17	\$10.80
Class I Skim Milk Price	9.11	10.38	11.60
Class II Skim Milk Price	5.38	5.70	8.29
Class III Skim Milk Price	5.37	5.61	8.69
Class IV Skim Milk Price	4.82	4.71	7.35
Uniform Butterfat Price	\$2.4179	\$2.4816	\$2.4766
Class I Butterfat Price	2.5316	2.5215	2.5532
Class II Butterfat Price	2.3560	2.4601	2.4344
Class III Butterfat Price	2.3490	2.4531	2.4274
Class IV Butterfat Price	2.3490	2.4531	2.4274

PRODUCER MILK:

Class I	314,303,408	373,944,347	307,438,239
Class II	61,902,022	63,688,984	64,644,187
Class III	30,416,536	27,504,521	20,020,456
Class IV	50,338,179	60,611,492	39,910,189
Total Producer Milk	456,960,145	525,749,344	432,013,071

PERCENT PRODUCER MILK IN:

Class I	68.78	71.13	71.16
Class II	13.55	12.11	14.96
Class III	6.66	5.23	4.64
Class IV	11.01	11.53	9.24

F.O. 5 STATS FOR FEBRUARY 2018:

The Uniform Price

for February 2018 was \$16.31 per cwt., a decrease of \$1.22 from January 2018.

Total Class I Milk

for February 2018 was 314,303,408 pounds, an increase of 6.9 million pounds, or 2.2 percent, compared to February 2017.

Class I Utilization

was 68.78 percent for February 2018, a decrease of 2.4 percentage points from February 2017.

Total Producer Milk

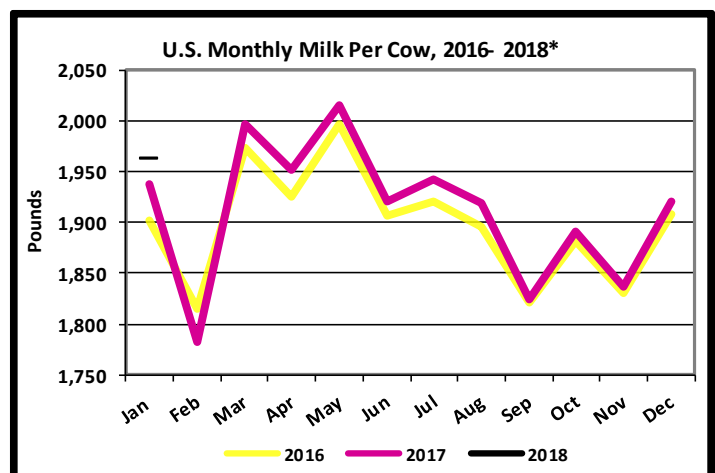
for February 2018 was 456,960,145 pounds, an increase of 24.9 million pounds, or 5.8 percent, compared to February 2017.

January Milk Production Up 1.8%

Milk production in the 23 major States during January totaled 17.3 billion pounds, up 1.8 percent from January 2017. December revised production, at 17.0 billion pounds, was up 1.1 percent from December 2016.

Production per cow in the 23 major States averaged 1,979 pounds for January, 24 pounds above January 2017. This is the highest production per cow for the month of January since the 23 State series began in 2003.

The number of milk cows on farms in the 23 major States was 8.74 million head, 49,000 head more than January 2017, and 4,000 head more than December 2017.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

The 2018 domestic use forecasts are 214.8 billion pounds on a milk-fat basis, 0.1 billion less than last month's forecast, and 181.6 billion pounds on a skim-solids basis, unchanged from last month. Ending stock forecasts are 12.8 billion pounds on a milk-fat basis, down 0.1 billion from last month. On a skim-solids basis, the ending stock forecast has been lowered to 11.3 billion pounds, 0.3 billion less than last month, due to the downward revision of beginning stocks and stronger expected exports.

Forecasts for product prices in 2018 have changed only slightly from last month. The cheddar cheese price is forecast slightly higher than the last forecast at \$1.545-\$1.605 per pound, while the dry whey price forecast has been slightly lowered to \$0.265-\$0.295. The butter price forecast has been raised to \$2.210-\$2.300 per pound, based on recent gains in prices. The NDM price forecast has been lowered to \$0.700-\$0.750 as stocks continued to build last month and global supply remains high.

The Class III price forecast for the year is slightly higher than last month's forecast at \$14.30-\$14.90 per cwt, while the Class IV forecast is slightly lower, at \$13.25-\$13.95 per cwt. Changes in Class III and IV forecasts balance each other out; therefore, the all-milk price forecast is \$15.75-\$16.35 per cwt for the year, unchanged at the midpoint from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-285, March 14, 2018
USDA, Economic Research Service

USDA Seeks Nominees for National Dairy Board, cont'd from pg. 1

Region 9, Indiana, Michigan, Ohio and West Virginia.

Region 11, Delaware, Maryland, New Jersey and Pennsylvania.

Region 12, Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont

To nominate an individual, please submit a nomination form and a signed background form for each nominee by April 9, 2018, to: Jill Hoover, Deputy Director, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave, SW, Room 2958-S, Stop 0233, Washington, D.C. 20250-0233; telephone (202) 720-1069; fax (202) 720-0285; or email at jill.hoover@ams.usda.gov. Nominating forms and more information is available on the [National Dairy Promotion and Research Board](#) page on the AMS website.

Since 1966, Congress has authorized 22 industry-funded research and promotion boards to provide a framework for agricultural industries to pool their resources and combine efforts to develop new markets, strengthen existing markets and conduct important research and promotion activities. The USDA [Agricultural Marketing Service](#) (AMS) provides oversight, paid for by industry assessments, which helps ensure fiscal accountability and program integrity.

2017 Annual Milk Production Up 1.4% From 2016

The annual production of milk for the United States during 2017 was 215 billion pounds, 1.4 percent above 2016. Revisions to 2016 production decreased the annual total 31 million pounds. Revised 2017 production was up 35 million pounds from last month's publication. Annual total milk production has increased 13.4 percent from 2008.

Production per cow in the United States averaged 22,941 pounds for 2017, 163 pounds above 2016. The average annual rate of milk production per cow has increased 12.5 percent from 2008.

The average number of milk cows on farms in the United States during 2017 was 9.39 million head, up 0.7 percent from 2016. The average number of milk cows was unrevised for 2017. The average annual number of milk cows has increased 0.8 percent from 2008.

**APPALACHIAN MARKETING AREA
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Federal Milk Marketing Order Statistics - February 2018

Federal Order	Producer Deliveries Million Pounds	Class I Producer Million Pounds	Class I Utilization Percent	Statistical Uniform \$/cwt
1 Northeast	2,117.6	671.6	31.7	14.88
5 <i>Appalachian</i>	457.0	314.3	68.8	16.31
6 Florida	203.6	173.8	85.4	18.57
7 Southeast	429.4	292.3	68.1	16.57
30 Upper Midwest	2,879.2	252.0	8.7	13.59
32 Central	1,442.1	379.2	26.3	13.72
33 Mideast	1,605.3	498.9	31.1	14.01
124 Pacific Northwest	676.6	142.2	21.0	13.66
126 Southwest	1,210.6	330.5	27.3	14.60
131 Arizona	428.2	101.5	23.7	13.91
All Orders	11,449.6	3,156.3	27.6	14.34

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