

THE COURIER

Monthly Newsletter

July 2018

Dairy Outlook

Dairy Forecasts for 2018

The 2018 forecast for the average size of the U.S. milking herd is 9.405 million cows, unchanged from last month. Due to relatively slow year-over-year growth in milk per cow in recent months and lower expected margins, the milk per cow forecast has been lowered to 23,170 pounds, 15 pounds less than last month's forecast. The milk production forecast for 2018 is 0.1 billion pounds lower than last month, at 217.9 billion pounds.

Product prices for 2018 are expected lower in the second half of the year than previously forecast.

Dairy Outlook, cont'd on pg. 3

USDA Appoints Members to National Fluid Milk Board

On June 19, 2018, Agriculture Secretary Sonny Perdue announced the appointment of 10 members to fill vacancies on the National Fluid Milk Processor Promotion Board.

"Milk is produced in all 50 states and these appointees represent a cross section of the fluid milk processing industry. I know that the dairy industry will be well served by them," said Perdue.

Members serving three-year terms, July 1, 2018, through June 30, 2021, are: Brian P. Linney, Reston, Va. (Region 3); Joseph L. Carson, Martins Ferry, Ohio (Region 6); Gregory J. Schwarz, Cashton, Wis. (Region 8); Marissa H. Jarratt, Dallas, Texas (Region 9); Ann M. Ocana, Phoenix, Ariz. (Region 12); Richard L. Struble, San Marcos, Calif. (Region 15); Lewis R. Goldstein, La Farge, Wis. (At-large, processor); and Robert N. Barley, Conestoga, Pa. (At-large, general public).

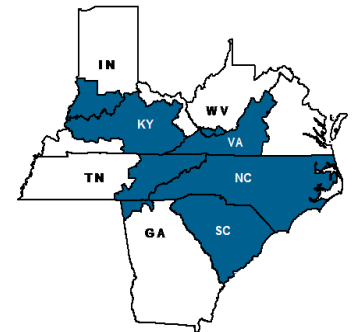
USDA Appoints Members to National Fluid Milk Board, cont'd on pg. 3

USDA Appoints Members to National Dairy Board

On July 12, 2018, Agriculture Secretary Sonny Perdue announced the appointment of 13 members to fill vacancies on the 37-member National Dairy Promotion and Research Board. Twelve appointees will serve three-year terms, November 1, 2018, through October 31, 2021. One appointee will serve the remaining portion of a vacant position, effective immediately, and expiring October 31, 2019.

Appointed members serving three-year terms expiring October 31, 2021, are: Warren L. Chamberlain, Oregon, Region 1; Brad J. Scott, Calif., Region 2; Pauline Tjaarda, Calif., Region 2; David W. Jackson, Texas, Region 4; Deb Vander Kooi, Minn., Region 5; Evan J. Hillan, Wis., Region 6; Randy G. Roecker, Wis., Region 6; Doug J. Carroll, Iowa, Region 7; Kim Korn, Idaho, Region 8; Cynthia K. Adam, Indiana, Region 9; David T. Pyle, Maryland, Region 11; and Patricia J. Bikowsky, New York, Region 12.

USDA Appoints Members to National Dairy Board, cont'd on pg. 3



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	JUNE 2018	MAY 2018	JUNE 2017
PRICES: (Base Zone)			
Uniform Price	\$17.81	\$17.20	\$18.37
Class I Price	18.65	17.84	18.71
Class II Price	15.48	14.47	16.15
Class III Price	15.21	15.18	16.44
Class IV Price	14.91	14.57	15.89
Uniform Skim Milk Price	\$8.81	\$8.45	\$9.65
Class I Skim Milk Price	9.75	9.38	10.74
Class II Skim Milk Price	6.33	5.45	6.89
Class III Skim Milk Price	6.08	6.21	7.22
Class IV Skim Milk Price	5.77	5.58	6.65
Uniform Butterfat Price	\$2.6607	\$2.5845	\$2.5883
Class I Butterfat Price	2.6414	2.5117	2.3832
Class II Butterfat Price	2.6762	2.6309	2.7136
Class III Butterfat Price	2.6692	2.6239	2.7066
Class IV Butterfat Price	2.6692	2.6239	2.7066

PRODUCER MILK:

Class I	299,316,525	330,246,130	308,479,953
Class II	71,595,992	79,824,698	81,800,164
Class III	30,672,040	29,267,937	29,126,125
Class IV	45,168,040	48,111,163	65,933,958
Total Producer Milk	446,752,597	487,449,928	485,340,200

PERCENT PRODUCER MILK IN:

Class I	67.00	67.75	63.56
Class II	16.03	16.38	16.85
Class III	6.86	6.00	6.00
Class IV	10.11	9.87	13.59

F.O. 5 STATS FOR JUNE 2018:

The Uniform Price

for June 2018 was \$17.81 per cwt., an increase of \$0.61 from May 2018.

Total Class I Milk

for June 2018 was 299,316,525 pounds, a decrease of 9.2 million pounds, or 3.0 percent, compared to June 2017.

Class I Utilization

was 67.00 percent for June 2018, an increase of 3.4 percentage points from June 2017.

Total Producer Milk

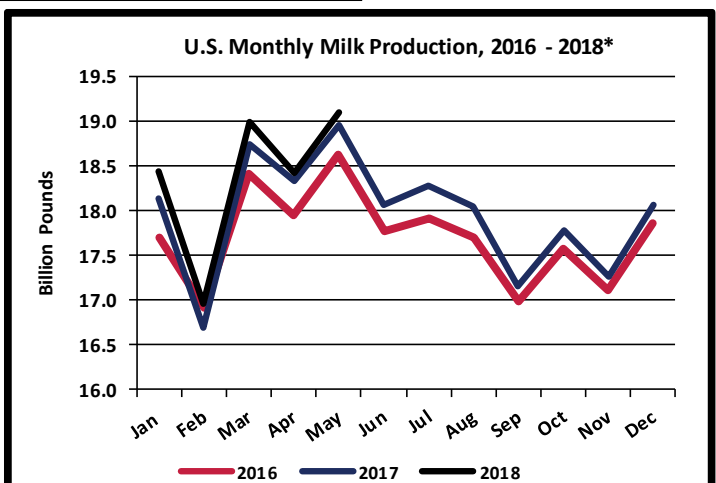
for June 2018 was 446,752,597 pounds, a decrease of 38.6 million pounds, or 8.0 percent, compared to June 2017.

May Milk Production Up 0.8%

Milk production in the United States during May totaled 19.1 billion pounds, up 0.8 percent from May 2017.

Production per cow in the United States averaged 2,031 pounds for May, 15 pounds above May 2017.

The number of milk cows on farms in the United States was 9.40 million head, 3,000 head more than May 2017, and 2,000 head more than April 2018.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Price forecasts for cheddar cheese and butter have been lowered to \$1.540-\$1.570 and \$2.245-\$2.305 per pound, respectively, due to relatively weak price data in recent weeks, high stock levels, and lower expectations for domestic demand. The price forecast for NDM has been lowered to \$0.730-\$0.760 per pound due to recent price weakness. Although dry whey prices have increased recently, the dry whey price forecast has been lowered to \$0.275-\$0.295 per pound due to lower expected exports.

With lower product prices, the Class III and Class IV price forecasts have been lowered to \$14.30- \$14.60 and \$13.65-\$14.05 per cwt, respectively. The all-milk price for 2018 is now forecast at \$15.95- \$16.25 per cwt, 70 cents lower at the midpoint of the range than the previous forecast.

Dairy Forecasts for 2019

Lower dairy prices in late 2018 and 2019 are expected to lead to a slight contraction in cow numbers in 2019. The new forecast for the size of the milking herd is 9.395 million head for the year, a decrease of 15 thousand head from last month's forecast and a year-over-year decrease of 10 thousand head. Milk per cow is forecast 20 pounds lower than last month's projection, at 23,475 pounds for the year. These changes result in a milk production forecast of 220.6 billion pounds for 2019, 0.5 billion pounds lower than last month's projection.

Lower product prices in the second half of 2018 are expected to persist into 2019 for most dairy products. The cheddar cheese price forecast has been lowered to \$1.575-\$1.675 per pound due to high stock levels and weaker expected demand. Due to higher tariffs imposed by China and competition from other global suppliers, 2019 forecasts have been lowered for NDM and dry whey to \$0.740-\$0.810 and \$0.280-\$0.310, respectively. The butter price forecast for 2019 has been raised 1 cent at the midpoint of the range to \$2.220-\$2.350 per pound.

The Class III and Class IV price forecasts are \$14.70-\$15.70 and \$13.65-\$14.75 per cwt, respectively, reductions of 60 cents and 5 cents from last month's forecast at the midpoints of the ranges. The all-milk price for 2019 is now forecast at \$16.25-\$17.25 per cwt, 45 cents lower at the midpoint than the last forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-289, July 18, 2018
USDA, Economic Research Service

USDA Appoints Members to National Fluid Milk Board, cont'd from pg. 1

Members appointed immediately to serve the remaining one-year portion of vacant appointments that expire June 30, 2019, are: Ralph H. Hallquist, Dallas, Texas (Region 4); and Rachel A. Kylo, St. Paul, Minn. (At-large, processor).

The National Fluid Milk Processor Promotion Board is composed of 15 fluid milk processors from 15 geographic regions and 5 at-large members. At least three at-large members must be fluid milk processors and at least one must be from the general public. The board was established by the Fluid Milk Promotion Act of 1990 to develop and administer a coordinated program of advertising and promotion to increase the demand for fluid milk products. More information about the board is available on the [National Fluid Milk Processor Promotion Board](#) page on the AMS website, including a link to the Board's membership under the heading Organizational Structure.

Release No. 0130.18

USDA Appoints Members to National Dairy Board, cont'd from pg. 1

Appointed member serving a vacant term, expiring October 31, 2019: Michael R. Oosten, Calif., Region 2.

The Dairy Board includes 36 dairy producer members representing 12 geographic regions within the United States and one member representing dairy importers. Dairy Board members serve three-year terms, with no member serving more than two consecutive terms. Members are selected by the Secretary from nominations submitted by dairy producer organizations, dairy importer organizations, general farm organizations, and Qualified Programs.

The Agricultural Marketing Service (AMS) provides oversight, paid for by industry assessments, which helps ensure fiscal accountability and program integrity. More information about research and promotion programs is available on the [Research and Promotion Programs](#) page on the AMS website.

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Federal Milk Marketing Order Statistics - June 2018

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,326.9	680.8	29.3	16.70
5 <i>Appalachian</i>	446.8	299.3	67.0	17.81
6 Florida	190.0	160.9	84.7	19.96
7 Southeast	420.0	284.8	67.8	18.12
30 Upper Midwest	3,050.3	234.2	7.7	15.40
32 Central	1,475.7	357.2	24.2	15.53
33 Mideast	1,728.0	477.6	27.6	15.84
124 Pacific Northwest	752.9	139.9	18.6	15.47
126 Southwest	1,143.0	310.2	27.1	16.43
131 Arizona	417.8	97.2	23.3	15.70
All Orders	11,951.3	3,042.0	25.5	16.10

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