

# THE COURIER

Monthly Newsletter

## Dairy Outlook

### *Dairy Estimates for the Remainder of 2019*

Based on recent milk cow and heifer statistics, the forecast of the milking herd in 2019 has been lowered 5 thousand head to 9.335 million. Due to a lower number than expected for milk per cow in June, the milk per cow estimate for the year has been lowered 15 pounds to 23,350. With these changes, total milk production for 2019 is now forecast at 217.9 billion pounds, 0.3 billion lower than the previous forecast.

Slight changes in dairy product price forecasts have been made for the remainder of 2019. Recent strength in cheese prices and growth in domestic use have motivated an increase of 2.5 cents in the Cheddar cheese price for the year to \$1.685 per pound. Domestic demand continues to support the U.S. butter price; as a result, the butter price forecast has been raised slightly to \$2.320 per pound for the year.

With slightly higher prices for cheese and whey, the Class III price for 2019 has been raised 25 cents to \$16.30 per cwt. The lower NDM price forecast has led to a decrease of 15 cents in the Class IV price forecast to \$16.30 per cwt. The all-milk price for 2019 is now forecast at \$18.30 per cwt, 10 cents higher than the previous forecast.

### *Dairy Forecasts for 2020*

Lower expected growth in milk cow numbers and higher expected milk per cow for the latter part of 2019 are expected to carry into 2020. Milk cows are forecast to average 9.335 million head in 2020.

*Dairy Outlook, cont'd on pg. 3*

## USDA Appoints Members to NDPRB

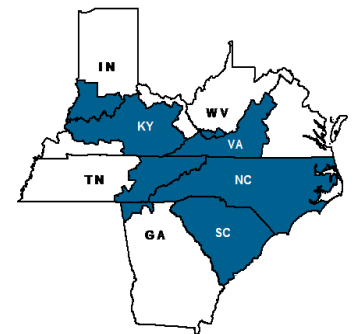
On October 23, The U.S. Department of Agriculture (USDA) announced the appointment of 12 members to serve on the National Dairy Promotion and Research Board (NDPRB). These appointees will serve three-year terms, November 1, 2019, through October 31, 2022.

Newly appointed members are: Justin F. Leyendekker, California (Region 2), Stephen D. Weststeyn, California (Region 2), Nathaniel P. Moroney, Texas (Region 4), James W. Reid, Michigan (Region 9), Joanna B. Shipp, Virginia (Region 10)

Newly reappointed are: Stephen D. Maddox, California (Region 2), Michael Oosten, California (Region 2), Arlene VanderEyck, California (Region 2), Manuel C. Caballero, Arizona (Region 3), Connie M. Seefeldt, Wisconsin (Region 6), Jennifer L. Heltzel, Pennsylvania (Region 11), Bret J. Bossard, New York (Region 12)

*USDA Appoints Members to NDPRB, cont'd on pg. 3*

November 2019



Harold H. Friedly, Jr.  
Market Administrator

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# Appalachian Statistical Summary

|                            | OCTOBER 2019 | SEPTEMBER 2019 | OCTOBER 2018 |
|----------------------------|--------------|----------------|--------------|
| <b>PRICES: (Base Zone)</b> |              |                |              |
| Uniform Price              | \$20.17      | \$20.04        | \$18.76      |
| Class I Price              | 21.24        | 21.25          | 19.73        |
| Class II Price             | 16.68        | 16.93          | 15.54        |
| Class III Price            | 18.72        | 18.31          | 15.53        |
| Class IV Price             | 16.39        | 16.35          | 15.01        |
| Uniform Skim Milk Price    | \$11.92      | \$11.42        | \$10.14      |
| Class I Skim Milk Price    | 12.69        | 12.27          | 11.11        |
| Class II Skim Milk Price   | 8.54         | 8.46           | 6.81         |
| Class III Skim Milk Price  | 10.68        | 9.91           | 6.83         |
| Class IV Skim Milk Price   | 8.27         | 7.88           | 6.29         |
| Uniform Butterfat Price    | \$2.4765     | \$2.5784       | \$2.5654     |
| Class I Butterfat Price    | 2.5710       | 2.6895         | 2.5733       |
| Class II Butterfat Price   | 2.4101       | 2.5052         | 2.5621       |
| Class III Butterfat Price  | 2.4031       | 2.4982         | 2.5551       |
| Class IV Butterfat Price   | 2.4031       | 2.4982         | 2.5551       |

|                            |                    |                    |                    |
|----------------------------|--------------------|--------------------|--------------------|
| <b>PRODUCER MILK:</b>      |                    |                    |                    |
| Class I                    | 333,485,128        | 321,162,073        | 348,486,086        |
| Class II                   | 62,191,663         | 61,402,040         | 63,129,882         |
| Class III                  | 17,982,424         | 19,447,734         | 19,990,391         |
| Class IV                   | 29,017,109         | 40,560,100         | 36,140,538         |
| <b>Total Producer Milk</b> | <b>442,676,324</b> | <b>442,571,947</b> | <b>467,746,897</b> |

|                                  |       |       |       |
|----------------------------------|-------|-------|-------|
| <b>PERCENT PRODUCER MILK IN:</b> |       |       |       |
| Class I                          | 75.33 | 72.57 | 74.50 |
| Class II                         | 14.05 | 13.87 | 13.50 |
| Class III                        | 4.06  | 4.39  | 4.27  |
| Class IV                         | 6.56  | 9.17  | 7.73  |

## F.O. 5 STATS FOR October 2019:

### The Uniform Price

for October 2019 was \$20.17 per cwt., an increase of \$0.13 from September 2019 and \$1.41 from October 2018.

### Total Class I Milk

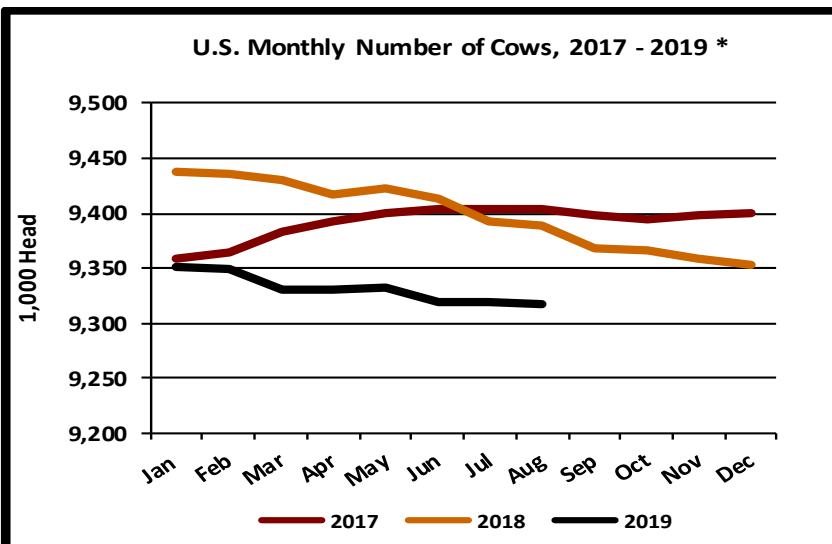
for October 2019 was 333.5 million pounds, a decrease of 15 million pounds, or 4.3 percent, compared to October 2018.

### Class I Utilization

was 75.33 percent for October 2019, an increase of 2.76 percentage points from September 2019.

### Total Producer Milk

for October 2019 was 442.7 million pounds, an increase of 104.4 thousand pounds compared to September 2019.



\*Based on entire U.S. production



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## Dairy Outlook, cont'd from pg. 1

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Milk per cow is forecast at 23,830 pounds, 105 pounds higher than last month's forecast. With higher yields expected to more than offset lower growth in the milking 9 Livestock, Dairy, and Poultry Outlook, LDP-M-305, November 15, 2019 USDA, Economic Research Service herd, milk production for 2020 is forecast at 222.4 billion pounds, 0.8 billion pounds higher than last month's forecast.

The domestic use forecast for 2020 on a milk-fat basis has been raised by 1.2 billion pounds to 219.0 billion, but the domestic use forecast on a skim-solids basis has been lowered 0.2 billion pounds to 183.6 billion. With higher expected higher domestic demand for cheese, the cheese price forecast for 2020 has been raised 7.0 cents to \$1.860 per pound for the year. With the higher expected cheese price more than offsetting the lower expected whey price, the Class III milk price forecast for 2020 has been raised to \$17.50 per cwt, \$0.30 higher than last month's forecast. The Class IV milk price forecast has been lowered to \$15.95 per cwt, \$0.15 lower than last month's forecast, as the lower butter price forecast more than offsets the higher NDM price forecast. With largely offsetting price forecasts for Class III and IV milk, the all-milk price forecast for 2020 is unchanged at \$18.85 per cwt.

Livestock, Dairy, and Poultry Outlook, LDP-M-305,  
November 15, 2019, USDA, Economic Research Service

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## USDA Appoints Members to NDPRB, cont.

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The National Dairy Promotion and Research Board is composed of 37 members, 36 members represent 12 geographic regions within the United States and 1 member represents importers. The board was established by the Dairy Production Stabilization Act of 1983 to develop and administer a coordinated program of advertising and promotion to increase the demand for dairy products and ingredients. The National Dairy Promotion and Research Program is financed by a mandatory 15-cent per hundredweight assessment on milk for commercial use and 7.5-cent per hundredweight assessment on milk imported.

More information about the board is available on the [National Dairy Promotion and Research Board](#) page on the AMS website, including a link to the Board's membership under the heading Organizational Structure.

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

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## USDA Extends Application Deadline for Milk Donation Reimbursement Program

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On November 4th, The U.S. Department of Agriculture (USDA) announced an extension of the November 6, 2019, deadline to submit Milk Donation and Distribution Plans for Fiscal Year 2019 and Fiscal Year 2020. Applications are now due no later than December 6, 2019.

Details about program eligibility and participation are available at [www.ams.usda.gov/mdrp](http://www.ams.usda.gov/mdrp). Interested partnerships must apply for Fiscal Year 2019 and Fiscal Year 2020 program participation by submitting a separate completed Milk Donation and Distribution Plan for each fiscal year by the extended deadline. Milk Donation and Distribution Plans submitted for Fiscal Year 2019 can reflect donations made from October 1, 2018, through September 30, 2019. After approval, partnerships will then be able to submit specific information to obtain retroactive reimbursement claims for Fiscal Year 2019. Plans for Fiscal Year 2019 and Fiscal Year 2020 will be approved by January 22, 2020.

**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

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**Federal Milk Marketing Order Statistics - October 2019**

| Federal Order     |                    | Producer Deliveries<br>Million Pounds | Class I Producer Receipts<br>Million Pounds | Class I Utilization<br>Percent | Statistical Uniform Price<br>\$/cwt |
|-------------------|--------------------|---------------------------------------|---|--------------------------------|-------------------------------------|
| 1                 | Northeast          | 2,222.8                               | 730.4                                       | 32.9                           | 18.72                               |
| 5                 | <i>Appalachian</i> | 442.7                                 | 333.5                                       | 75.3                           | 20.17                               |
| 6                 | Florida            | 217.8                                 | 180.8                                       | 83.0                           | 22.00                               |
| 7                 | Southeast          | 384.2                                 | 299.3                                       | 77.9                           | 20.65                               |
| 30                | Upper Midwest      | 1,960.3                               | 239.8                                       | 12.2                           | 18.42                               |
| 32                | Central            | 949.8                                 | 407.4                                       | 42.9                           | 17.43                               |
| 33                | Mideast            | 1,457.7                               | 590.3                                       | 40.5                           | 17.86                               |
| 51                | California         | 1,845.6                               | 482.5                                       | 26.1                           | 17.13                               |
| 124               | Pacific Northwest  | 634.4                                 | 154.0                                       | 24.3                           | 17.25                               |
| 126               | Southwest          | 824.0                                 | 371.8                                       | 45.1                           | 17.87                               |
| 131               | Arizona            | 365.0                                 | 107.2                                       | 29.4                           | 18.11                               |
| <b>All Orders</b> |                    | <b>11,304.3</b>                       | <b>3,897.0</b>                              | <b>34.5</b>                    | <b>18.21</b>                        |

<sup>1/</sup> Weighted average uniform prices at 3.5% butterfat at announced locations.

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