

THE COURIER

Monthly Newsletter

Dairy Outlook

December 2019

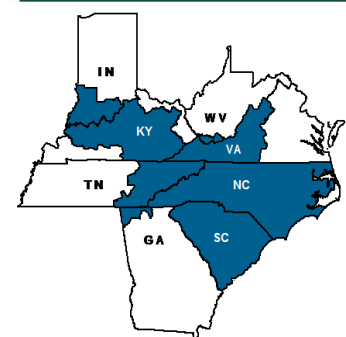
Dairy Estimates for the Remainder of 2019

Based on recent data for milk cow numbers, the 2019 fourth-quarter forecast for milk cows is 9.325 million head, 10,000 higher than last month's forecast. The annual forecast for average size of the milking herd is 9.330 million head, 5,000 higher than last month's forecast.

Based on recent data, forecasts for the cheese and butter prices for the fourth quarter of 2019 have been lowered to \$2.070 per pound (-1.0 cent) and \$2.070 per pound (-3.5 cents), respectively. The dry whey price forecast for the fourth quarter of 2019 has been raised to 0.320 per pound (+0.5 cents).

With the lower cheese price forecast more than offsetting the higher whey price forecast, the fourth quarter Class III milk price forecast has been lowered to \$19.55 per hundredweight (cwt).

Dairy Outlook, cont'd on pg. 3



Harold H. Friedly, Jr.
Market Administrator

USDA Seeks Nominees for National Fluid Milk Processor Promotion Board

The U.S. Department of Agriculture (USDA) is asking fluid milk processors and other interested parties to nominate candidates to serve on the National Fluid Milk Processor Promotion Board. The deadline for nominations is Jan. 13, 2020.

U.S. Secretary of Agriculture Sonny Perdue will appoint six individuals to succeed members whose terms expire on June 30, 2020, and one individual to fill a vacant position with a term expiring on June 30, 2022.

USDA will accept nominations for board representation in six geographic regions and one at-large position. Nominees for the regional positions and the at-large position must be active owners or employees of a fluid milk processor.

The geographic regions with vacancies are: Region 2 (New Jersey and New York); Region 5 (Florida); Region 11 (Arkansas, Iowa, Kansas, Missouri, Nebraska and Oklahoma); Region 13 (Idaho, Montana, Oregon, Washington and Wyoming); and Region 14 (Northern California). Newly appointed members will serve three-year terms from July 1, 2020, through June 30, 2023.

USDA will also accept nominations to fill a vacant position in Region 10 (Texas) to serve a two-year term expiring on June 30, 2022.

USDA Seeks Nominees for NFMP Promotion Board, cont'd on pg. 3

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Appalachian Statistical Summary



	NOVEMBER 2019	OCTOBER 2019	NOVEMBER 2018
PRICES: (Base Zone)			
Uniform Price	\$20.53	\$20.17	\$18.12
Class I Price	21.54	21.24	18.92
Class II Price	16.85	16.68	15.63
Class III Price	20.45	18.72	14.44
Class IV Price	16.60	16.39	15.06
Uniform Skim Milk Price	\$12.69	\$11.92	\$9.48
Class I Skim Milk Price	13.51	12.69	10.21
Class II Skim Milk Price	9.02	8.54	6.96
Class III Skim Milk Price	12.78	10.68	5.76
Class IV Skim Milk Price	8.79	8.27	6.40
Uniform Butterfat Price	\$2.3683	\$2.4765	\$2.5635
Class I Butterfat Price	2.4295	2.5710	2.5918
Class II Butterfat Price	2.3265	2.4101	2.5455
Class III Butterfat Price	2.3195	2.4031	2.5385
Class IV Butterfat Price	2.3195	2.4031	2.5385
PRODUCER MILK:			
Class I	285,021,604	333,485,128	352,757,721
Class II	51,706,509	62,191,663	58,879,872
Class III	16,536,759	17,982,424	22,969,011
Class IV	32,295,299	29,017,109	37,152,831
Total Producer Milk	385,560,171	442,676,324	471,759,435
PERCENT PRODUCER MILK IN:			
Class I	73.92	75.33	74.77
Class II	13.41	14.05	12.48
Class III	4.29	4.06	4.87
Class IV	8.38	6.56	7.88

F.O. 5 STATS FOR November 2019:

The Uniform Price for November 2019 was \$20.53 per cwt., an increase of \$0.36 from October 2019 and \$2.41 from November 2018.

Total Class I Milk for November 2019 was 285.0 million pounds, a decrease of 48.5 million pounds, or 14.5 percent, compared to October 2019.

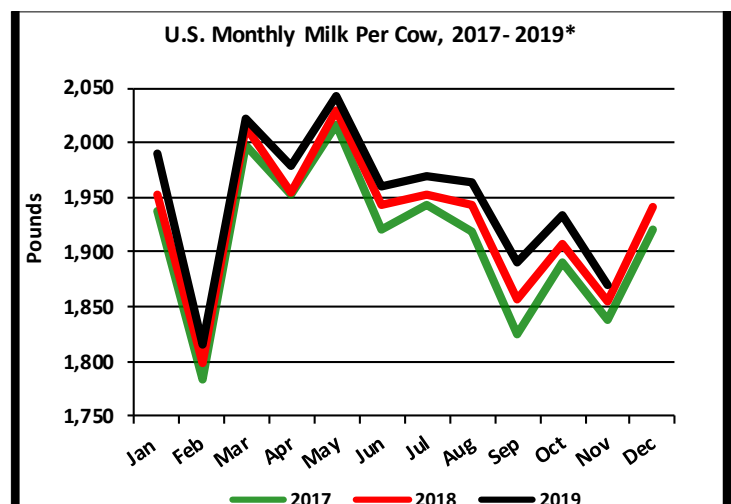
Class I Utilization was 73.92 percent for November 2019, a decrease of 0.85 percentage points from November 2018.

Total Producer Milk for November 2019 was 385.6 million pounds, a decrease of 57.1 million pounds compared to October 2019.

November Milk Production up 0.9 Percent

Milk production in the 24 major States during November totaled 16.7 billion pounds, up 0.9 percent from November 2018. Production per cow in the 24 major States averaged 1,892 pounds for November, 16 pounds above November 2018.

The number of milk cows on farms in the 24 major States was 8.81 million head, 8,000 head more than November 2018.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

With the higher NDM price The all-milk price forecast for the fourth quarter has been lowered to \$20.45 per cwt, \$0.05 lower than last month's forecast. For the year, the Class III price forecast has been lowered to \$16.95 per cwt.

Dairy Forecasts for 2020

Milk cows are forecast to average 9.335 million head, and milk per cow is forecast at 23,830 pounds. The domestic use forecasts for 2020 have been lowered to 218.7 billion pounds on a milk-fat basis (-0.3 billion) and to 183.5 billion pounds on a skim-solids basis (-0.1 billion). The NDM price forecast for 2020 has been raised substantially to \$1.230 per pound (+13.5 cents) based on recent price increases, relatively low stock levels, and higher expected exports.

Since whey products are sometimes used as a substitutes for NDM/SMP, domestic demand for whey products may increase with the higher expected NDM price. Accordingly, the dry whey price forecast has been raised to \$0.345 per pound (+2.5 cents). With higher expected demand for cheese, the 2020 cheese price forecast has been raised to \$1.865 per pound (+0.5 cents). With recent weakness in butter prices expected to extend into next year, the butter price forecast for 2020 has been lowered to \$2.020 per pound (-4.0 cents). With the higher expected prices for all major dairy product prices except for butter, the Class III price has been raised to \$17.65 per cwt (+\$0.15) and the Class IV price has been raised to \$16.95 per cwt (+\$1.00). The all-milk forecast for 2020 has been raised to \$19.40 per cwt, \$0.55 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-306, December 16, 2019, USDA, Economic Research Service

USDA Seeks Nominees for National Fluid Milk Processor Promotion Board, cont'd from pg. 1

Fluid milk processors and interested parties may submit nominations for regions in which they are located or regions in which they market fluid milk, and for the at-large member.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by Jan. 13, 2020, to: Emily DeBord, Promotion, Research, and Planning Division, Dairy Program, AMS, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233, or via email at emily.debord@usda.gov. For nominating forms and information, visit [the AMS website](#) or call (202) 720-5567.

The Fluid Milk Processor Promotion Program, or Fluid Milk Checkoff Program, develops and finances generic advertising programs designed to maintain and expand markets and uses for fluid milk products produced in the U.S. Processors marketing more than 3 million pounds of fluid milk per month pay a 20 cent per hundred-weight assessment on fluid milk processed and marketed in consumer-type packages in the U.S. The program was created and is administered under the [Fluid Milk Promotion Act of 1990 \(pdf\)](#) and the [Fluid Milk Promotion and Research Order \(pdf\)](#).

Since 1966, Congress has authorized industry-funded research and promotion boards to provide a framework for agricultural industries to pool resources and combine efforts to develop new markets, strengthen existing markets and conduct important research and promotion activities. The Agricultural Marketing Service (AMS) provides oversight to 21 boards. The oversight ensures fiscal accountability and program integrity and is paid for by industry assessments.

**APPALACHIAN MARKETING AREA
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Federal Milk Marketing Order Statistics - November 2019

Federal Order		Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1	Northeast	2,075.4	660.9	31.8	19.20
5	<i>Appalachian</i>	<i>385.6</i>	<i>285.0</i>	<i>73.9</i>	<i>20.53</i>
6	Florida	180.2	148.2	82.2	22.33
7	Southeast	336.6	260.0	77.2	20.98
30	Upper Midwest	1,617.1	235.0	14.5	19.51
32	Central	851.8	361.1	42.4	17.45
33	Mideast	1,323.2	528.1	39.9	18.01
51	California	1,656.5	385.6	23.3	17.06
124	Pacific Northwest	601.8	143.0	23.8	17.64
126	Southwest	757.5	312.8	41.3	17.48
131	Arizona	368.6	104.9	28.5	18.53
	All Orders	10,154.1	3,424.5	33.7	18.52

^{1/} Weighted average uniform prices at 3.5% butterfat at announced locations.

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