

THE COURIER

Monthly Newsletter

Dairy Outlook

March 2020

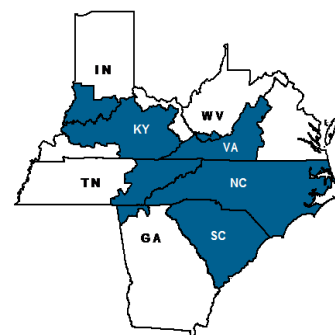
Dairy Forecasts for 2020

Based on recent milk production data, the 2020 forecast for the number of milk cows has been raised to 9.345 million head, 10,000 higher than last month's forecast. Milk per cow is now forecast at 23,780 pounds, 5 pounds lower than the previous forecast. With the higher projection for milk cows more than offsetting the lower projection for milk per cow, the milk production forecast has been raised by 0.3 billion pounds to 222.3 billion.

With relatively low exports on a milk-fat basis in January, the export forecast for 2020 has been lowered to 9.2 billion pounds, 0.2 lower than last month's forecast. The forecast for 2020 dairy exports on a skim-solids basis has been raised to 43.9 billion pounds, 0.3 billion higher than last month's forecast. Strong exports of NDM&SMP, whey products, and lactose are expected to continue. The higher forecast reflects improved access to China's markets and the impact of drought on New Zealand's dairy sector. However, with potential effects of the COVID-19, expectations for higher dairy export forecasts have been tempered.

The import forecast for 2020 on a milk-fat basis has been raised to 6.8 billion pounds as higher imports of cheese and butterfat products are expected. On a skim solids basis, the forecast for 2020 has been raised to 43.9 billion pounds, as higher imports of cheese, milk protein products, and other products are expected.

The forecast for domestic commercial use has been raised to 218.2 billion pounds on a milk-fat basis (+0.3 billion) but is unchanged at 182.7 billion pounds on a skim-solids basis. The forecast for ending stocks on a milk-fat basis has been raised to 14.1 billion pounds (+0.7 billion) and to 10.4 billion pounds on a skim-solids basis (+0.1 billion). Based on recent price weakening, higher expected milk production, and lower expectations for global demand, 2020 price forecasts for cheese, butter, and NDM have been lowered to \$1.755 (-3.5 cents), \$1.845 (-6.5 cents), and \$1.175 (-8.0 cents) per pound, respectively. With recent strengthening in the dry whey price, its forecast has been raised by 1.0 cent to \$0.355 per pound.



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	FEBRUARY 2020	JANUARY 2020	FEBRUARY 2019
PRICES: (Base Zone)			
Uniform Price	\$19.63	\$21.03	\$18.00
Class I Price	20.95	22.41	18.70
Class II Price	16.84	17.05	16.13
Class III Price	17.00	17.05	13.89
Class IV Price	16.20	16.65	15.86
Uniform Skim Milk Price	\$12.89	\$13.94	\$9.46
Class I Skim Milk Price	13.86	15.11	10.20
Class II Skim Milk Price	10.24	9.98	7.50
Class III Skim Milk Price	10.43	10.01	5.20
Class IV Skim Milk Price	9.60	9.60	7.24
Uniform Butterfat Price	\$2.0553	\$2.1639	\$2.5356
Class I Butterfat Price	2.1649	2.2355	2.5302
Class II Butterfat Price	1.9883	2.1187	2.5415
Class III Butterfat Price	1.9813	2.1117	2.5345
Class IV Butterfat Price	1.9813	2.1117	2.5345
PRODUCER MILK:			
Class I	301,354,355	344,938,775	293,249,269
Class II	60,280,064	60,333,992	60,220,356
Class III	20,073,909	18,880,680	27,003,476
Class IV	46,553,069	42,042,094	26,209,064
Total Producer Milk	428,261,397	466,195,541	406,682,165
PERCENT PRODUCER MILK IN:			
Class I	70.37	73.99	72.11
Class II	14.08	12.94	14.81
Class III	4.69	4.05	6.64
Class IV	10.86	9.02	6.44

F.O. 5 STATS FOR February 2020:

The Uniform Price

for February 2020 was \$19.63 per cwt., a decrease of \$1.40 from January 2020 and an increase of \$1.63 from February 2019.

Total Class I Milk

for February 2020 was 301.4 million pounds, an increase of 8.1 million pounds compared to February 2019.

Class I Utilization

was 70.37 percent for February 2020, a decrease of 3.62 percentage points from January 2020.

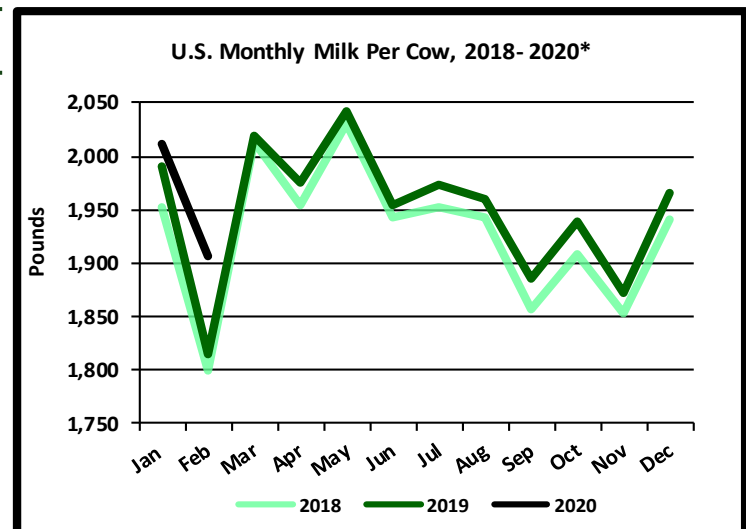
Total Producer Milk

for February 2020 was 428.3 million pounds, an increase of 21.6 million pounds compared to February 2019.

February Milk Production up 5.6 Percent

Milk production in the 24 major States during February totaled 17.0 billion pounds, up 5.6 Percent from February 2019. However, adjusting production for the additional day due to leap year causes February milk production to be up 2.0 percent on a per day basis. Production per cow in the 24 major States averaged 1,927 pounds for February, 94 pounds above February 2019.

The number of milk cows on farms in the 24 major States was 8.84 million head, 39,000 head more than February 2019, and 8,000 head more than January 2020.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

With the lower expected cheese price more than offsetting the higher expected dry whey price, the Class III milk price forecast has been lowered \$0.30 to \$16.65 per hundredweight (cwt). With lower expected prices for butter and NDM, the Class IV price forecast has been lowered by \$0.95 to \$15.75 per cwt. The all-milk price forecast for 2020 is \$18.25 per cwt, a reduction of \$0.60 from last month's forecast of \$18.85 per cwt.

Livestock, Dairy, and Poultry Outlook, LDP-M-309, March 16, 2020,
USDA, Economic Research Service

USDA Seeks Nominees for National Dairy Promotion and Research Board

The U.S. Department of Agriculture (USDA) is asking dairy producers, dairy importers and other interested parties to nominate candidates to serve on the National Dairy Promotion and Research Board. The deadline for nominations is April 17, 2020.

Secretary of Agriculture Sonny Perdue will appoint thirteen individuals to succeed members whose terms expire on Oct. 31, 2020.

USDA will accept nominations for board positions representing ten geographic regions and one importer position. Nominees for the regional positions must be dairy producers and nominees for the importer position must be a dairy importer.

The geographic regions with vacancies are: Region 1 (Alaska, Oregon and Washington); Region 3 (Arizona, Colorado, Montana, Nevada, Utah and Wyoming); 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); Region 9 (Indiana, Michigan, Ohio and West Virginia); Region 10 (Alabama, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and Virginia); Region 12 (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont); and an importer.

Newly appointed members will serve three-year terms beginning Nov. 1, 2020, through October 31, 2023.

To nominate an individual, please submit a copy of the nomination form and a signed background form for each nominee by April 17, 2020, to: Jill Hoover, Deputy Director, Promotion, Research and Planning Division, Dairy Program, Agricultural Marketing Service, USDA, 1400 Independence Ave., S.W., Stop 0233, Room 2958-S, Washington, D.C. 20250-0233, or via email at jill.hoover@usda.gov. For nominating forms and information, visit [the AMS website](#) or call (202) 720-1069.

USDA—Coronavirus Disease (COVID-19)

For the latest news from the USDA on Coronavirus Disease 2019 (COVID-19) please visit the following link for updates: usda.gov/coronavirus.

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Federal Milk Marketing Order Statistics - February 2020

Federal Order		Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1	Northeast	2,178.1	649.0	29.8	18.12
5	<i>Appalachian</i>	428.3	301.4	70.4	19.63
6	Florida	215.3	175.4	81.5	21.69
7	Southeast	358.0	259.6	72.5	20.00
30	Upper Midwest	2,247.5	212.0	9.4	17.06
32	Central	1,348.0	374.0	27.8	16.89
33	Mideast	1,703.6	524.7	30.8	17.27
51	California	1,876.7	399.6	21.3	16.88
124	Pacific Northwest	649.4	130.8	20.2	16.82
126	Southwest	937.6	333.0	35.5	17.52
131	Arizona	429.0	97.3	22.7	17.25
All Orders		12,371.4	3,456.9	27.9	17.51

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

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