

THE COURIER

Monthly Newsletter

Dairy Outlook

April 2020

Dairy Forecasts for 2020

Milk cow number estimates reported by NASS for January and February were higher than expected. As a result, the milk cow forecast for the first quarter of 2020 has been revised upward to 9.365 million head, 15,000 higher than last month's forecast. Due to the downturn in prices, milk cow numbers are expected to contract through the rest of the year. The annual average for the 2020 is 9.350 million head, 5,000 higher than last month's forecast. Lower expected prices will likely affect yields. Average milk per cow for 2020 is forecast at 23,765 pounds, a decrease of 15 pounds per cow.

Dairy Outlook, cont'd on pg. 3

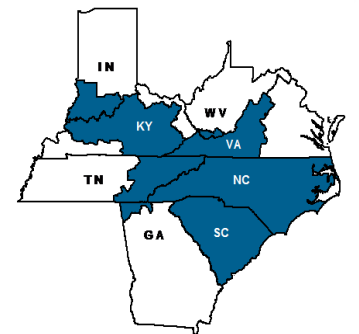
USDA Announces Coronavirus Food Assistance Program

(Washington, D.C., April 17, 2020) – U.S. Secretary of Agriculture Sonny Perdue today announced the Coronavirus Food Assistance Program (CFAP). This new U.S. Department of Agriculture (USDA) program will take several actions to assist farmers, ranchers, and consumers in response to the COVID-19 national emergency. President Trump directed USDA to craft this \$19 billion immediate relief program to provide critical support to our farmers and ranchers, maintain the integrity of our food supply chain, and ensure every American continues to receive and have access to the food they need.

The program includes two major elements to achieve these goals.

Direct Support to Farmers and Ranchers: The program will provide \$16 billion in direct support based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.

USDA Purchase and Distribution: USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat.



Harold H. Friedly, Jr.
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Appalachian Statistical Summary

	MARCH 2020	FEBRUARY 2020	MARCH 2019
PRICES: (Base Zone)			
Uniform Price	\$19.49	\$19.63	\$18.31
Class I Price	20.86	20.95	19.38
Class II Price	16.75	16.84	16.61
Class III Price	16.25	17.00	15.04
Class IV Price	14.87	16.20	15.71
Uniform Skim Milk Price	\$13.05	\$12.89	\$9.66
Class I Skim Milk Price	14.22	13.86	10.65
Class II Skim Milk Price	10.38	10.24	7.95
Class III Skim Milk Price	9.88	10.43	6.35
Class IV Skim Milk Price	8.45	9.60	7.05
Uniform Butterfat Price	\$1.9701	\$2.0553	\$2.5680
Class I Butterfat Price	2.0397	2.1649	2.6010
Class II Butterfat Price	1.9247	1.9883	2.5531
Class III Butterfat Price	1.9177	1.9813	2.5461
Class IV Butterfat Price	1.9177	1.9813	2.5461
PRODUCER MILK:			
Class I	349,039,586	301,354,355	310,211,438
Class II	60,783,655	60,280,064	64,446,415
Class III	26,850,250	20,073,909	31,833,959
Class IV	56,643,147	46,553,069	73,030,817
Total Producer Milk	493,316,638	428,261,397	479,522,629
PERCENT PRODUCER MILK IN:			
Class I	70.75	70.37	64.69
Class II	12.32	14.08	13.44
Class III	5.44	4.69	6.64
Class IV	11.49	10.86	15.23

F.O. 5 STATS FOR March 2020:

The Uniform Price

for March 2020 was \$19.49 per cwt., a decrease of \$0.14 from February 2020 and an increase of \$1.18 from March 2019.

Total Class I Milk

for March 2020 was 349.0 million pounds, an increase of 38.8 million pounds compared to March 2019.

Class I Utilization

was 70.75 percent for March 2020, an increase of 0.38 percentage points from February 2020.

Total Producer Milk

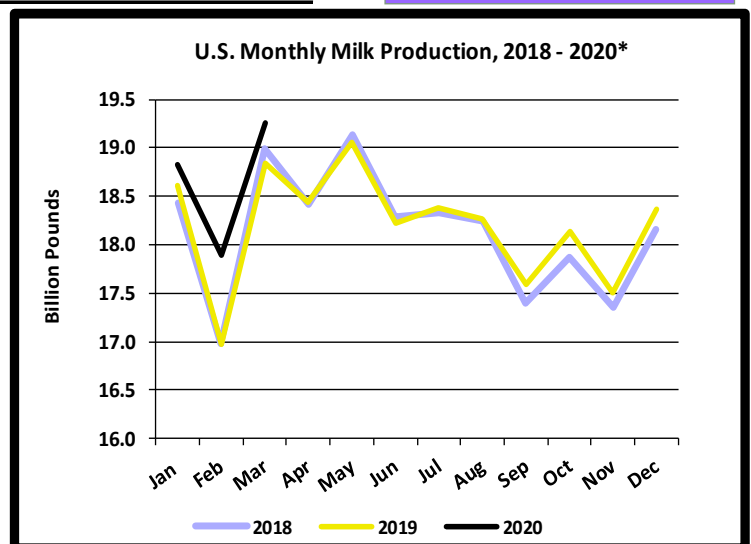
for March 2020 was 493.3 million pounds, an increase of 13.8 million pounds compared to March 2019.

March Milk Production up 2.4%

Milk production in the 24 major States during March totaled 18.3 billion pounds, up 2.4 percent from March 2019.

Production per cow in the 24 major States averaged 2,072 pounds for March, 34 pounds above March 2019.

The number of milk cows on farms in the 24 major States was 8.85 million head, 64,000 head more than March 2019, and 5,000 head more than February 2020.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

The forecast for domestic commercial use has been lowered to 217.0 billion pounds on a milk-fat basis, 1.2 billion lower than last month's forecast. The pandemic is expected to have large negative effects on cheese and butter demand. On a skim-solids basis, domestic use has been raised 0.6 billion pounds to 183.3 billion. Note that milk marketed but not processed is included in the 2020 forecasts for domestic commercial use.

Based on recent price weakening and lower expected demand, 2020 price forecasts for cheese, butter, NDM, and dry whey have been lowered to \$1.380 (-37.5 cents), \$1.430 (-41.5 cents), \$0.955 (-22.0 cents), and \$0.345 per pound (-1.0 cent), respectively. With the lower expected wholesale prices for all of the major dairy products, the Class III milk price forecast has been lowered by \$3.90 to \$12.75 per hundredweight (cwt), and the Class IV price forecast has been lowered by \$3.60 to \$12.15 per cwt. The all-milk price forecast for 2020 is \$14.35 per cwt, a reduction from last month's forecast of \$18.25 per cwt.

Livestock, Dairy, and Poultry Outlook, LDP-M-310, April 15, 2020, USDA,
Economic Research Service

USDA to Purchase Up to \$3 Billion in Agricultural Commodities

As part of President Trump and Secretary Perdue's April 17th announcement of a \$19 billion Coronavirus Farm Assistance Program, USDA today announced that it is exercising authority under the Families First Coronavirus Response Act to purchase and distribute up to \$3 billion of agricultural products to those in need. USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat products. USDA's Agricultural Marketing Service (AMS) will procure an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products and \$100 million per month in meat products to provide a pre-approved box of fresh produce, dairy, and meat products to food banks and other non-profits serving Americans in need.

An informational webinar for interested participants will be held at 2 p.m. EDT on Tuesday, April 21, 2020, to provide an overview of the program and instructions for submitting offers. Register in advance for this webinar here: <https://www.zoomgov.com/webinar/register/>. If you are unable to participate in the webinar, a recording will be available.

Email questions to USDAFoodBoxDistributionProgram@usda.gov. To receive updates by e-mail, subscribe online by visiting: "Stay up to date on USDA Food Purchases" available on the AMS Commodity Procurement website.

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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Jan-Mar Milk Production up 2.9%

Milk production in the United States during the January - March quarter totaled 56.0 billion pounds, up 2.9 percent from the January - March quarter last year.

The average number of milk cows in the United States during the quarter was 9.37 million head, 27,000 head more than the October - December quarter, and 26,000 head more than the same period last year.

Federal Milk Marketing Order Statistics - March 2020

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,365.7	731.8	30.9	17.74
5 Appalachian	493.3	349.0	70.8	19.49
6 Florida	231.7	191.0	82.4	21.64
7 Southeast	463.4	306.6	66.2	19.64
30 Upper Midwest	2,545.6	245.3	9.6	16.42
32 Central	1,444.2	426.5	29.5	16.40
33 Mideast	1,747.7	618.2	35.4	16.97
51 California	2,036.3	481.0	23.6	16.02
124 Pacific Northwest	638.3	154.9	24.3	16.11
126 Southwest	1,007.0	389.6	38.7	17.12
131 Arizona	462.5	116.8	25.3	16.56
All Orders	13,435.7	4,010.9	29.9	17.02

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

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