

THE COURIER

Monthly Newsletter

Dairy Outlook

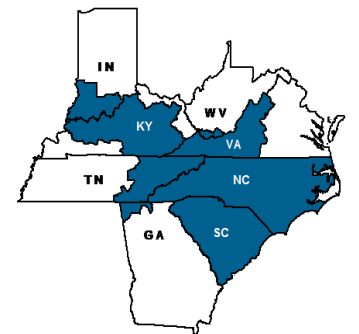
December 2020

Dairy Forecasts for the Remainder of 2020

Based on recent milk production data, the milk production forecast for the fourth quarter of 2020 has been raised significantly. The forecast for the average number of milk cows has been raised to 9.400 million head, 30,000 more than last month's forecast. The forecast for milk per cow for the fourth quarter is 5,880 pounds per head, 5 pounds higher than last month's forecast. The milk production forecast for 2020 is 222.7 billion pounds, 0.2 billion higher than last month's forecast. The forecast for dairy exports on a milk-fat basis for the fourth quarter of 2020 has been lowered to 2.1 billion pounds, 0.2 billion lower than last month's forecast, based on lower expected cheese exports. On a skim-solids basis, the forecast has been raised by 0.3 billion pounds to 11.9 billion, as higher exports of whey products are expected to more than offset lower expected cheese exports.

The forecast for fourth-quarter dairy imports on a milk-fat basis has been lowered to 1.6 billion pounds (-0.1 billion) due to lower expected imports of butter-fat products. On a skim-solids basis, the forecast for ending stocks is 10.4 billion pounds, 0.1 billion higher than last month's forecast. The forecast for 2020 fourth-quarter domestic use on a milk-fat basis is 57.8 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use is 44.4 billion pounds for the fourth quarter, 0.2 billion lower than the previous forecast. Based on recent price weakness, price forecasts for the fourth quarter of 2020 have been lowered for Cheddar cheese, butter, and nonfat dry milk to \$2.140 per pound (-15.5 cents), \$1.470 per pound (-3.0 cents), and \$1.075 per pound (-0.05 cents), respectively.

Based on recent price strength, the dry whey price forecast for the fourth quarter has been raised to \$0.380 per pound, 2.0 cents higher than last month's forecast. With the lower Cheddar cheese price forecast more than offsetting the higher dry whey price forecast, the fourth-quarter Class III milk price forecast has been lowered to \$20.35 per hundredweight (cwt), \$1.35 lower than last month's forecast.



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Appalachian Statistical Summary

	NOVEMBER 2020	OCTOBER 2020	NOVEMBER 2019
PRICES: (Base Zone)			
Uniform Price	\$19.72	\$17.82	\$20.53
Class I Price	21.44	18.60	21.54
Class II Price	13.86	13.63	16.85
Class III Price	23.34	21.61	20.45
Class IV Price	13.30	13.47	16.60
Uniform Skim Milk Price	\$14.60	\$12.53	\$12.69
Class I Skim Milk Price	16.18	13.37	13.51
Class II Skim Milk Price	8.70	8.15	9.02
Class III Skim Milk Price	18.55	16.45	12.78
Class IV Skim Milk Price	8.14	8.01	8.79
Uniform Butterfat Price	\$1.6090	\$1.6365	\$2.3683
Class I Butterfat Price	1.6656	1.6273	2.4295
Class II Butterfat Price	1.5623	1.6458	2.3265
Class III Butterfat Price	1.5553	1.6388	2.3195
Class IV Butterfat Price	1.5553	1.6388	2.3195
PRODUCER MILK:			
Class I	332,458,040	336,622,171	285,021,604
Class II	56,009,438	61,282,697	51,706,509
Class III	2,612,688	973,135	16,536,759
Class IV	44,578,750	17,885,418	32,295,299
Total Producer Milk	435,658,916	416,763,421	385,560,171
PERCENT PRODUCER MILK IN:			
Class I	76.31	80.77	73.92
Class II	12.86	14.70	13.41
Class III	0.60	0.23	4.29
Class IV	10.23	4.30	8.38

F.O. 5 STATS FOR November 2020:

The Uniform Price for November 2020 was \$19.72 per cwt., an increase of \$1.90 from October 2020 and a decrease of \$0.81 from November 2019.

Total Class I Milk For November 2020 was 332.5 million pounds, a decrease of 4.2 million pounds compared to October 2020.

Class I Utilization was 76.31 percent for November 2020, a decrease of 4.46 percentage points from October 2020 and an increase of 2.39 percentage points from November 2019.

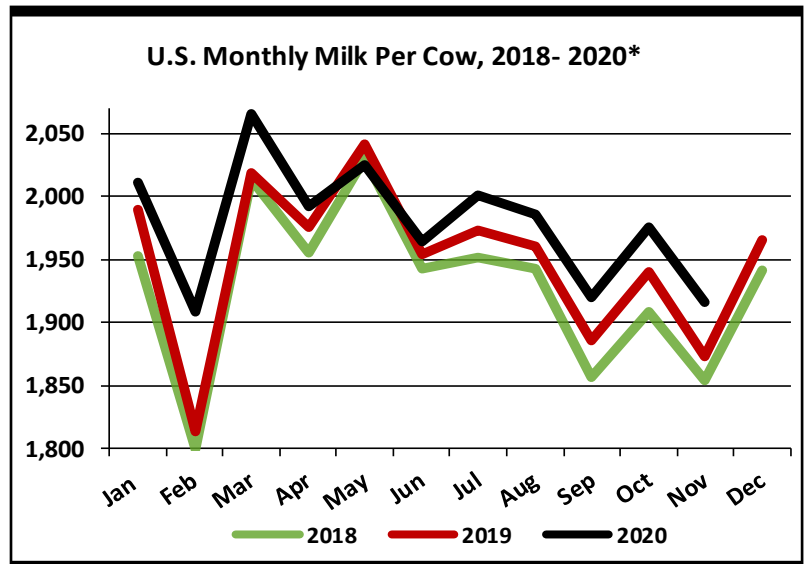
Total Producer Milk For November 2020 was 435.7 million pounds, an increase of 18.9 million pounds compared to October 2020.

November Milk Production up 3.1%

Milk production in the 24 major States during November totaled 17.2 billion pounds, up 3.1 percent from November 2019.

Production per cow in the 24 major States averaged 1,935 pounds for November, 41 pounds above November 2019.

The number of milk cows on farms in the 24 major States was 8.90 million head, 82,000 head more than November 2019, and 13,000 head more than October 2020.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

With the lower price forecasts for butter and NDM, the fourth quarter Class IV milk price forecast has been lowered to \$13.30 per cwt, \$0.15 lower than the previous forecast. Although the Class III and IV price forecasts for the fourth quarter have been lowered, the all-milk price forecast has been raised by \$0.05 to \$19.80 per cwt, due in part to changing relationships among Federal milk marketing order prices and the all-milk price. The all-milk price forecast for 2020 rounds to \$18.25 per cwt, unchanged from last month's forecast.

Dairy Forecasts for 2021

Based on recent data, the forecast for the 2021 average size of the milking herd has been raised to 9.395 million head, 15,000 higher than last month's forecast. The forecast for milk per cow in 2021 is unchanged at 24,090 pounds per head. With higher expected milk cow numbers, the milk production forecast for 2021 is 226.3 billion pounds, 0.4 billion higher than last month's forecast. The forecast for 2021 imports on a milk-fat basis has been lowered to 6.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower expected imports of various dairy products. On a skim-solids basis, the forecast for domestic use has been lowered by 0.4 billion pounds to 182.3 billion pounds. Price forecasts for 2021 have been lowered for Cheddar cheese and butter to \$1.635 (-19.0 cents) and \$1.570 (-11.5 cents) per pound, respectively, due to recent price movements and lowered expectations for domestic demand.

The NDM price forecast for 2021 has been raised to \$1.065 per pound, 1.0 cent higher than last month's forecast. The dry whey price has been raised by 4.0 cents to \$0.405 per pound, due to recent price movements and higher expectations for exports of whey products. With the lower cheese price forecast for 2021 more than offsetting the higher dry whey price forecast, the Class III milk price forecast for 2021 is \$15.60, \$1.65 lower than last month's forecast. With the lower butter price forecast more than offsetting the higher NDM price forecast, the Class IV milk price forecast has been lowered \$0.40 to \$13.60 per cwt. The all-milk price forecast for 2021 is \$16.60 per cwt, \$1.10 lower than forecast last month.

Livestock, Dairy, and Poultry Outlook, LDP-M-318, December 16, 2020,
USDA, Economic Research Service

Happy Holidays

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USDA — 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.

Federal Milk Marketing Order Statistics - November 2020

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,187.6	683.1	31.2	18.27
5 Appalachian	435.7	332.5	76.3	19.72
6 Florida	214.5	176.0	82.1	21.70
7 Southeast	375.3	258.6	68.9	19.66
30 Upper Midwest	895.6	213.0	23.8	17.91
32 Central	881.2	387.9	44.0	14.84
33 Mideast	1,248.6	575.2	46.1	15.94
51 California	1,843.1	425.8	23.1	13.79
124 Pacific Northwest	586.0	140.9	24.0	16.46
126 Southwest	910.1	340.0	37.4	14.89
131 Arizona	316.0	108.0	34.2	16.04
All Orders	9,893.7	3,640.8	36.8	16.50

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

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