

THE COURIER

Monthly Newsletter

Dairy Outlook

January 2021

Dairy Estimates for 2020

Based on recent milk production data, the milk production estimate for 2020 has been raised to 222.9 billion pounds, 0.2 billion higher than last month's forecast. The estimate for the average number of milk cows for 2020 has been raised to 9.380 million head, 5,000 more than last month's forecast. Milk per cow for 2020 is expected to average 23,765 pounds per head, 10 pounds more than the previous forecast. The estimate for 2020 dairy imports on a milk-fat basis has been lowered to 6.8 billion pounds (-0.1 billion) due to lower expected imports of butterfat products.

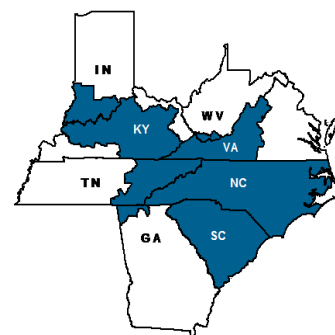
While dairy supply and use data are not yet available for December, complete 2020 price data are available, with the exception of the all-milk price. For the year, average prices for Cheddar cheese, dry whey, butter, and NDM were \$1.9236, \$0.3621, \$1.5808, and \$1.0417 per pound, respectively. The Class III and IV milk prices averaged \$18.16 and \$13.49 per hundredweight (cwt), respectively. The allmilk price estimate for 2020 is \$18.30 per cwt, \$0.05 higher than last month's forecast.

Dairy Forecasts for 2021

Based on recent data and higher expected milk prices, the milk production forecast for 2021 has been raised to 226.7 billion pounds, 0.4 billion higher than last month's forecast. Milk cows are projected to average 9.410 million head, 15,000 higher than last month's forecast. Milk per cow is projected to average 24,095 per head, 5 pounds more than the previous forecast.

Dairy import forecasts have been lowered on both the milk-fat and skim-solids bases to 6.6 billion pounds (-0.2 billion) and 5.5 billion pounds (-0.1 billion), respectively, due to lower expected imports of butterfat products and milk protein concentrate. Due to an improved economic outlook, enhanced by Federal Government actions to stimulate the economy and USDA's announcements regarding purchases of dairy products, domestic demand expectations for dairy products have strengthened.

Dairy Outlook, cont'd on pg. 3



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Appalachian Statistical Summary

	DECEMBER 2020	NOVEMBER 2020	DECEMBER 2019
PRICES: (Base Zone)			
Uniform Price	\$20.61	\$19.72	\$21.11
Class I Price	23.27	21.44	22.73
Class II Price	14.01	13.86	16.81
Class III Price	15.72	23.34	19.37
Class IV Price	13.36	13.30	16.70
Uniform Skim Milk Price	\$15.66	\$14.60	\$13.67
Class I Skim Milk Price	18.28	16.18	15.01
Class II Skim Milk Price	8.91	8.70	9.43
Class III Skim Milk Price	10.71	18.55	12.11
Class IV Skim Milk Price	8.26	8.14	9.34
Uniform Butterfat Price	\$1.5711	\$1.6090	\$2.2623
Class I Butterfat Price	1.6096	1.6656	2.3548
Class II Butterfat Price	1.5469	1.5623	2.2022
Class III Butterfat Price	1.5399	1.5553	2.1952
Class IV Butterfat Price	1.5399	1.5553	2.1952
PRODUCER MILK:			
Class I	346,999,039	332,458,040	321,867,737
Class II	58,203,145	56,009,438	56,539,741
Class III	35,114,074	2,612,688	20,505,708
Class IV	69,495,874	44,578,750	60,458,891
Total Producer Milk	509,812,132	435,658,916	459,372,077
PERCENT PRODUCER MILK IN:			
Class I	68.06	76.31	70.07
Class II	11.42	12.86	12.31
Class III	6.89	0.60	4.46
Class IV	13.63	10.23	13.16

F.O. 5 STATS FOR December 2020:

The Uniform Price

for December 2020 was \$20.61 per cwt., an increase of \$0.89 from November 2020 and a decrease of \$0.50 from December 2019.

Total Class I Milk

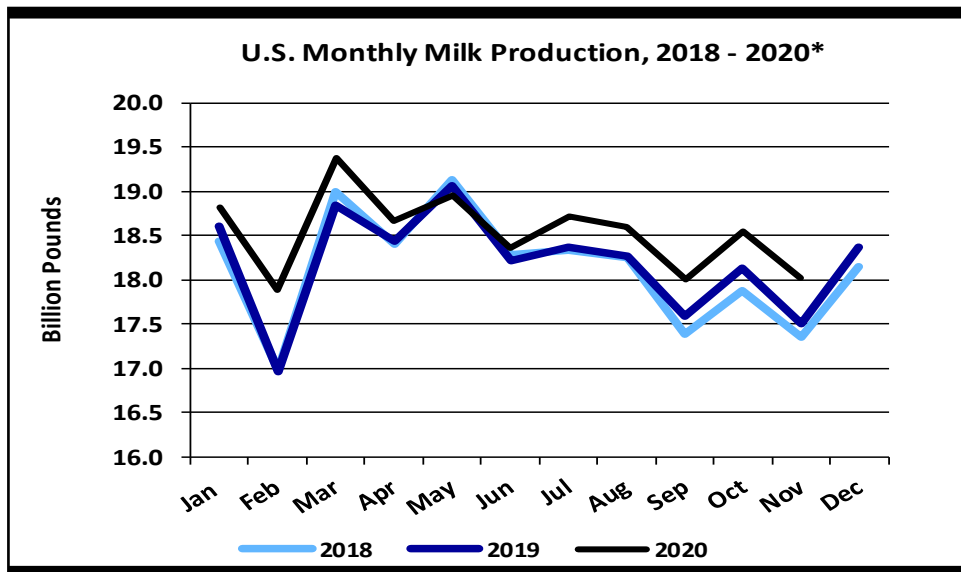
For December 2020 was 347.0 million pounds, an increase of 14.5 million pounds compared to November 2020.

Class I Utilization

was 68.06 percent for December 2020, a decrease of 8.25 percentage points from November 2020 and a decrease of 2.01 percentage points from December 2019.

Total Producer Milk

For December 2020 was 509.8 million pounds, an increase of 74.2 million pounds compared to November 2020 and an increase of 50.4 million pounds compared to December 2019.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

The forecast for 2021 domestic use on a milk-fat basis is 222.6 billion pounds, 0.1 billion higher than last month's forecast. On a skim-solids basis, the forecast for domestic use has been raised by 0.1 billion pounds to 182.4 billion pounds. Due to stronger expected demand, price forecasts for 2021 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.740 (+10.5 cents), \$0.450 (+4.5 cents), \$1.605 (+3.5 cents), and \$1.100 (+3.5 cents), respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2021 are \$16.90 per cwt (+\$1.30) and \$14.10 per cwt (+\$0.50), respectively. The all-milk price forecast for 2021 is \$17.65 per cwt, \$1.05 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-319, January 19, 2021, USDA,
Economic Research Service

ANNUAL SUMMARY			
	2020	2019	2018
PRICES AT 3.5% BUTTERFAT AT BASE ZONE (Simple Average):			
Uniform	\$18.79	\$19.40	\$17.31
Class I	\$20.31	\$20.39	\$18.24
Class II	\$14.29	\$16.76	\$14.80
Class III	\$18.16	\$16.96	\$14.61
Class IV	\$13.49	\$16.30	\$14.23
PRODUCER MILK:			
Class I	3,931,555,220	3,746,236,821	3,984,111,054
Class II	709,024,770	782,410,336	819,217,416
Class III	198,070,108	294,022,594	318,849,012
Class IV	483,251,487	503,918,773	612,291,038
Total Producer Milk	5,321,901,585	5,326,588,524	5,734,468,520
PERCENT PRODUCER MILK IN:			
Class I	73.87	70.33	69.47
Class II	13.32	14.69	14.29
Class III	3.72	5.52	5.56
Class IV	9.09	9.46	10.68
PRODUCTION:			
Average Monthly Producer Milk	443,491,799	443,882,377	477,872,377
Average Daily Producer Milk	14,540,715	14,593,393	15,710,873
Average Number of Producers	1,533	1,552	1,705
Average Butterfat Test	3.86	3.80	3.79
TOTAL VALUE AT MINIMUM PRICE:			
Value of Producer Milk at Test	\$1,033,792,011	\$1,070,709,243	\$1,031,944,634
Average Value at Test per cwt.	\$19.43	\$20.10	\$18.00

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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 - December 2020

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,281.8	727.1	31.8	17.26
5 Appalachian	509.8	347.0	68.1	20.61
6 Florida	216.3	174.9	80.8	23.18
7 Southeast	410.1	280.1	68.3	20.99
30 Upper Midwest	1,715.9	227.9	13.3	15.89
32 Central	1,085.6	411.3	37.9	16.23
33 Mideast	1,420.7	587.9	41.4	16.90
51 California	2,001.3	438.2	21.9	14.94
124 Pacific Northwest	610.7	146.6	24.0	15.52
126 Southwest	1,056.9	354.7	33.6	16.31
131 Arizona	438.4	111.0	25.3	16.24
All Orders	11,747.4	3,806.6	32.4	16.70

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

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