

# THE COURIER

Monthly Newsletter

## Dairy Outlook

July 2021

### Dairy Forecasts for 2021

Based on recent data, milk cows are projected to average 9.500 million head in 2021, 5,000 more than last month's forecast. The upward trend in milk cow numbers is anticipated to continue through the end of the year. Based on recent data, expectations of continued drought, relatively high feed prices, and lower expected milk prices, the projected annual yield per cow for 2021 has been lowered to 24,020 pounds, 45 pounds less than the previous month's estimate.

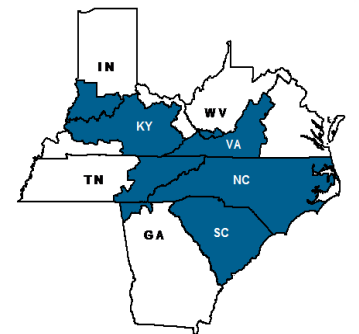
The milk production forecast for 2021 has been lowered to 228.2 billion pounds, 0.3 billion lower than last month, as lower expected yield per cow more than offsets higher expected milk cow numbers. The annual forecast for 2021 exports on a milk-fat basis is 11.1 billion pounds, unchanged from last month's projection. Due to higher expected export demand for dry skim milk products, lactose, and dry whey products in 2021, exports on a skim-solids basis are forecast at 51.3 billion pounds, 1.1 billion higher than forecast last month.

The 2021 domestic commercial use forecast on a milk-fat basis is 222.8 billion pounds, 0.1 billion lower than last month's forecast, due to lower-than-anticipated domestic use in May. The domestic use forecast on a skim-solids basis for 2021 is 181.2 billion pounds, 1.8 billion lower than last month's forecast, as lower domestic use is expected in the second and third quarters.

Price forecasts for cheese, butter, NDM, and dry whey are \$1.655 (-5.0 cents), \$1.690 (-2.5 cents), \$1.210 (-4.0 cents), and \$0.570 (-2.0 cents) per pound, respectively. Due to the lower expected wholesale prices for cheese and dry whey, the Class III price forecast for 2021 has been adjusted to \$16.80 per hundredweight (cwt), 65 cents lower than last month's forecast. Lower anticipated butter and NDM prices translate to a Class IV price of \$15.40 per cwt, 45 cents lower than last month's projection. The all-milk price forecast for 2021 is \$18.30 per cwt, 55 cents lower than the June forecast.

### Dairy Forecasts for 2022

The upward trend in milk cow numbers projected for 2021 is expected to continue into 2022. The number of cows is forecast to average 9,515 million head in 2022, an increase of 20,000 from last month's forecast and 15,000 head more than 2021.



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## Appalachian Statistical Summary

	JUNE 2021	MAY 2021	JUNE 2020
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$20.19	\$19.35	\$15.27
Class I Price	21.69	20.50	14.82
Class II Price	16.66	16.22	12.99
Class III Price	17.21	18.96	21.04
Class IV Price	16.35	16.16	12.90
Uniform Skim Milk Price	\$13.73	\$12.81	\$10.03
Class I Skim Milk Price	15.22	13.96	10.48
Class II Skim Milk Price	10.12	9.58	6.69
Class III Skim Milk Price	10.71	12.45	15.06
Class IV Skim Milk Price	9.82	9.55	6.62
Uniform Butterfat Price	\$1.9823	\$1.9977	\$1.5962
Class I Butterfat Price	2.0014	2.0095	1.3447
Class II Butterfat Price	1.9711	1.9921	1.8661
Class III Butterfat Price	1.9641	1.9851	1.8591
Class IV Butterfat Price	1.9641	1.9851	1.8591
<b>PRODUCER MILK:</b>			
Class I	281,824,287	296,403,110	322,837,812
Class II	71,454,306	69,036,601	55,496,940
Class III	31,392,212	13,227,934	1,855,656
Class IV	44,271,671	63,163,157	8,746,932
<b>Total Producer Milk</b>	<b>428,942,476</b>	<b>441,830,802</b>	<b>388,937,340</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	65.70	67.09	83.01
Class II	16.66	15.63	14.27
Class III	7.32	2.99	0.48
Class IV	10.32	14.29	2.24

### F.O. 5 STATS FOR June 2021:

#### The Uniform Price

for June 2021 was \$20.19 per cwt., an increase of \$0.84 from May 2021 and an increase of \$4.92 from June 2020.

#### Total Class I Milk

For June 2021 was 281.8 million pounds, a decrease of 14.6 million pounds compared to May 2021.

#### Class I Utilization

was 65.70 percent for June 2021, a decrease of 1.39 percentage points from May 2021.

#### Total Producer Milk

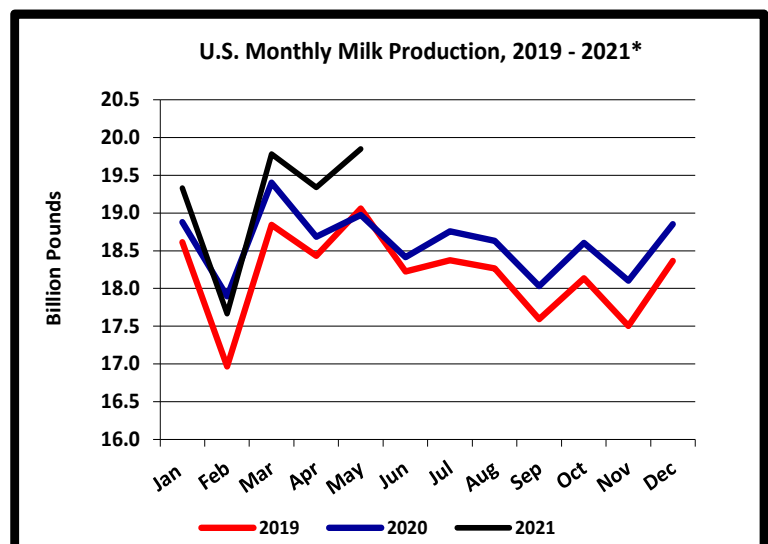
For June 2021 was 428.9 million pounds, an increase of 40.0 million pounds compared to June 2020.

## May Milk Production up 4.9%

Milk production in the 24 major States during May totaled 18.9 billion pounds, up 4.9 percent from May 2020. April revised production, at 18.5 billion pounds, was up 3.7 percent from April 2020.

Production per cow in the 24 major States averaged 2,107 pounds for May, 63 pounds above May 2020.

The number of milk cows on farms in the 24 major States was 8.99 million head, 152,000 head more than May 2020, and 5,000 head more than April 2021.



\*Based on entire U.S. production

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## Dairy Outlook, cont'd from pg. 1

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The forecast for milk per cow is 24,335 pounds, unchanged from last month's forecast, but 315 pounds higher than 2021. The forecast for 2022 milk production has been raised to 231.6 billion pounds, 0.5 billion higher than last month's forecast and 3.4 billion pounds higher than 2021.

In 2022, dairy imports on a milk-fat basis are projected to total 6.2 billion pounds 0.3 million pound higher than last month. On a skim-solids basis, 2021 imports are estimated at 5.5 billion pounds, 0.1 billion pounds higher than last month's forecast. On a milk-fat equivalent basis the annual domestic use forecast for 2022 is 226.4 billion pounds, 0.7 billion higher than the previous forecast and 3.6 billion pounds higher than 2021.

On a skim-solids basis, the forecast for domestic use is 184.7 billion pounds, 0.4 billion lower than last month's forecast but 3.5 billion above 2021. Due to recent price trends and greater expected supplies from milk production and imports, wholesale price forecasts for Cheddar cheese and butter have been lowered from last month's projections to \$1.680 (-3.5 cents) and \$1.750 (-4.5 cents), respectively. Price forecasts for NDM and dry whey are unchanged at \$1.220 and \$0.510 per pound, respectively, as effects of higher milk supplies are anticipated to balance higher expected export demands.

Livestock, Dairy, and Poultry Outlook, LDP-M-325, July 16, 2021, USDA,  
Economic Research Service

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## USDA Invests \$20.2 Million in Grants

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On July 1, 2021, the U.S. Department of Agriculture (USDA) announced \$20.2 million in grant funding for the Dairy Business Innovation (DBI) Initiatives. This program supports USDA's efforts to develop higher value uses for dairy products, diversify farmer income through processing and marketing innovation, and encourage the use of regional milk production.

DBI Initiatives provide direct technical assistance and make grants to dairy businesses. The three current DBI initiatives at University of Tennessee, The Vermont Agency of Agriculture, Food & Markets, and the University of Wisconsin are eligible for additional grant funding (up to \$18.4 million) to continue their work.

In addition, \$1.8 million will be competitively awarded to at least one new Initiative. USDA will give priority to applications that serve a geographic area not covered by an existing initiative and that cover multiple states. Initiatives must be able to draw upon existing dairy resources. Initiatives may serve a certain product niche, such as specialty cheese, or serve dairy businesses with dairy products derived from the milk of a specific type of dairy animal, including dairy products made from cow milk, sheep milk, and goat milk.

Applications must be submitted electronically through [www.grants.gov](http://www.grants.gov) by 11:59 p.m. Eastern Time on Monday, August 30, 2021. For more information about grant eligibility and previously funded projects, visit the DBI webpage at <https://www.ams.usda.gov/services/grants/dbi>.

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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](https://usda.gov/coronavirus).

**Federal Milk Marketing Order Statistics - June 2021**

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
<b>1 Northeast</b>	<b>2,232.1</b>	<b>628.2</b>	<b>28.1</b>	<b>18.50</b>
<b>5 Appalachian</b>	<b>428.9</b>	<b>281.8</b>	<b>65.7</b>	<b>20.19</b>
6 Florida	185.5	149.4	80.6	22.40
7 Southeast	363.7	234.5	64.5	20.39
30 Upper Midwest	1,283.8	187.4	14.6	17.38
32 Central	1,094.9	328.0	30.0	17.44
33 Mideast	1,597.5	498.6	31.2	17.81
51 California	1,929.3	369.2	19.1	17.30
124 Pacific Northwest	598.3	124.5	20.8	17.32
126 Southwest	968.2	288.9	29.8	18.05
131 Arizona	390.1	109.2	28.0	17.76
<b>All Orders</b>	<b>11,072.3</b>	<b>3,199.8</b>	<b>28.9</b>	<b>18.02</b>

<sup>1/</sup> Weighted average uniform prices at 3.5% butterfat at announced locations.

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