

THE COURIER

Monthly Newsletter

Dairy Outlook

September 2021

Dairy Forecasts for 2021

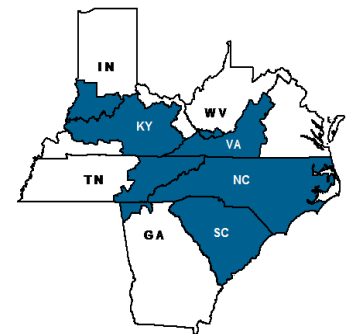
Based on recent declines in milk cow numbers and relatively high dairy cow slaughter, the forecast for the average number of milk cows in 2021 has been lowered to 9.485 million head, 15,000 below the previous month estimation. Based on the decline in milk per cow from June to July, lower milk per cow is projected for the third quarter of 2021. The projected average yield per cow in 2021 is 24,010 pounds per year, 10 pounds lower than last month's forecast. The milk production forecast for 2021 is 227.8 billion pounds, 0.3 billion less than last month's forecast.

Due to anticipated hearty demand from the international market, higher export volumes of dairy products are projected throughout the rest of 2021. The forecast for 2021 dairy exports on a milk-fat basis is 11.4 billion pounds, 0.4 billion higher than the previous month's projection. On a skim-solids basis, 2021 exports are forecast at 51.7 billion pounds, 0.2 billion higher than last month's projection. Higher exports are expected for skim milk powder, whey products, cheese, and butterfat products.

Due to recent weakness in domestic use and higher expected wholesale prices for most dairy products, the domestic commercial use forecasts for 2021 are lower than projected last month. Price forecasts for cheese, butter, and NDM are \$1.640 (+0.5 cents), \$1.690 (+4.5 cents), \$1.225 (+2.0 cents) per pound, respectively. With a higher projected wholesale price for cheese, the Class III milk price forecast for 2021 is \$16.65 per hundred-weight (cwt), \$0.10 higher than the previous month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection is \$15.55 per cwt, \$0.40 higher than last month's forecast. The all-milk price forecast for 2021 is \$18.15 per cwt, an increase of \$0.20 from last month's projection.

Dairy Forecasts for 2022

The average number of milk cows is expected to continue declining in the first half of 2022. As a result, the annual forecast has been lowered to 9,480 million head, 20,000 head lower than last month's forecast. The forecast for milk per cow is 24,330 pounds, 5 pounds lower than last month's forecast. The projection for 2022 milk production has been adjusted to 230.6 billion pounds, 0.6 billion pounds lower than last month's forecast but 2.8 billion pounds higher than 2021. The export forecast for 2022 on a milk-fat basis is 10.9 billion pounds, 0.3 billion higher than last month's forecast.



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	AUGUST 2021	JULY 2021	AUGUST 2020
PRICES: (Base Zone)			
Uniform Price	\$19.24	\$19.61	\$20.25
Class I Price	20.30	20.82	23.18
Class II Price	16.51	16.83	13.27
Class III Price	15.95	16.49	19.77
Class IV Price	15.92	16.00	12.53
Uniform Skim Milk Price	\$13.08	\$13.27	\$14.46
Class I Skim Milk Price	14.00	14.35	16.74
Class II Skim Milk Price	10.37	10.53	7.82
Class III Skim Milk Price	9.82	10.20	14.58
Class IV Skim Milk Price	9.78	9.69	7.08
Uniform Butterfat Price	\$1.8908	\$1.9434	\$1.7980
Class I Butterfat Price	1.9390	1.9930	2.0083
Class II Butterfat Price	1.8578	1.9066	1.6345
Class III Butterfat Price	1.8508	1.8996	1.6275
Class IV Butterfat Price	1.8508	1.8996	1.6275
PRODUCER MILK:			
Class I	313,204,747	287,940,295	318,119,518
Class II	58,955,593	63,088,137	66,632,188
Class III	24,041,778	23,624,042	13,208,041
Class IV	38,119,284	41,214,082	50,998,199
Total Producer Milk	434,321,402	415,866,556	448,957,946
PERCENT PRODUCER MILK IN:			
Class I	72.11	69.24	70.86
Class II	13.57	15.17	14.84
Class III	5.54	5.68	2.94
Class IV	8.78	9.91	11.36

F.O. 5 STATS FOR August 2021:

The Uniform Price

for August 2021 was \$19.24 per cwt., a decrease of \$0.37 from July 2021 and a decrease of \$1.01 from August 2020.

Total Class I Milk

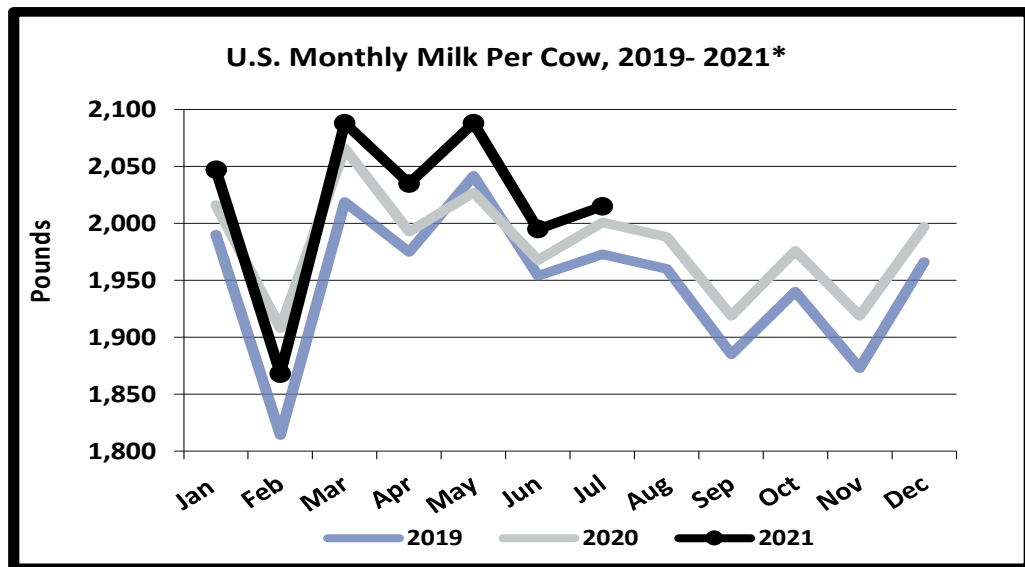
For August 2021 was 313.2 million pounds, an increase of 25.3 million pounds compared to July 2021.

Class I Utilization

was 72.11 percent for August 2021, an increase of 2.87 percentage points from July 2021.

Total Producer Milk

For August 2021 was 434.3 million pounds, an increase of 18.5 million pounds compared to July 2021.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

On a skim-solids basis, 2022 dairy exports are projected to total 51.8 billion pounds, 0.5 billion up from last month's forecast. Higher exports are expected for dry skim milk products, whey products, cheese, and butterfat products.

Except for dry whey, dairy product price forecasts for 2022 have been adjusted higher due to lower anticipated beginning stock levels, expectations of relatively strong international demand, and lower expected milk production. Wholesale price forecasts for Cheddar cheese, butter, and NDM are raised from last month's projections to \$1.655 (+2.5 cents), \$1.730 (+7.0 cents), \$1.270 (+6.0 cents), respectively, while the dry whey price forecast remains unchanged from last month's projection at \$0.500 cents per pound. With higher estimated wholesale prices for cheese, the Class III milk price forecast for 2022 is \$16.45 per cwt, \$0.30 higher than the previous month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$16.05 per cwt, \$0.75 higher than last month's forecast. The all-milk price forecast for 2022 is \$18.40 per cwt, an increase of \$0.55 from last month's projection.

Livestock, Dairy, and Poultry Outlook, LDP-M-327, September 16, 2021, USDA,
Economic Research Service

Dairy Donation Program

The U.S. Department of Agriculture (USDA) recently announced a Dairy Donation Program to facilitate timely dairy product donations while reducing food waste. Under this new program, eligible dairy organizations form partnerships with non-profit feeding organizations that distribute food to individuals and families in need. Those partnerships may apply for and receive reimbursements to cover some expenses related to eligible dairy product donations.

An eligible dairy organization is a dairy farmer, cooperative, or processor that purchases fresh milk or bulk dairy products to process into retail-packaged dairy products and accounts to a Federal milk marketing order (FMMO). The reimbursement rate will be the sum of: 1) the cost of milk used to make the donated eligible dairy product (monthly FMMO classified milk price based on the product and month of processing); 2) manufacturing cost (FMMO make allowance); and 3) transportation cost from the plant to distribution point. These reimbursements will help offset the cost for dairy products donated to food assistance programs.

Details about program eligibility and participation are available at www.ams.usda.gov/ddp. Interested partnerships must apply by completing and submitting a Dairy Donation and Distribution Plan (Plan) describing the process to be used for the donation, processing, transportation, temporary storage, and distribution of eligible dairy products. Plans will be accepted on a rolling basis and approved within 15 business days of submission. After approval, partnerships will be able to submit specific information to obtain reimbursement claims for eligible dairy products donated since January 1, 2020.

Entities participating in the MDRP will be automatically enrolled and do not need to reapply for the DDP. Supplemental reimbursements will be automatically distributed to MDRP participants who received reimbursements under the MDRP for eligible donations made since January 1, 2020. These reimbursements will equal the difference between the reimbursed values for the DDP and MDRP.

To ensure equitable participation amongst low-income and other underserved persons and communities, USDA-AMS encourages collaborations with faith-based, community-based, and non-profit organizations of all sizes.

**APPALACHIAN MARKETING AREA
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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 - August 2021

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,268.1	644.1	28.4	17.69
5 Appalachian	434.3	313.2	72.1	19.24
6 Florida	207.6	167.2	80.6	21.11
7 Southeast	361.3	259.4	71.8	19.60
30 Upper Midwest	2,076.9	201.5	9.7	16.22
32 Central	1,274.7	357.2	28.0	16.50
33 Mideast	1,750.8	516.8	29.5	16.85
51 California	2,540.6	409.8	16.1	16.59
124 Pacific Northwest	589.3	131.6	22.3	16.47
126 Southwest	1,054.7	328.1	31.1	17.33
131 Arizona	379.3	122.8	32.4	17.08
All Orders	12,937.7	3,451.6	26.7	17.06

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

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