

# THE COURIER

Monthly Newsletter

## Dairy Outlook

November 2021

### *Dairy Forecasts for 2021*

Based on recent milk production data, milk cows for 2021-Q4 are projected to average 9.400 million head, 60,000 below last month's projection. The average milk output per cow in 2021-Q4 is projected to be 5,910 pounds per head, 10 pounds less under the previous month than expected. The milk production forecast for 2021 is 226.4 billion pounds, 0.6 billion pounds lower than last month's projection.

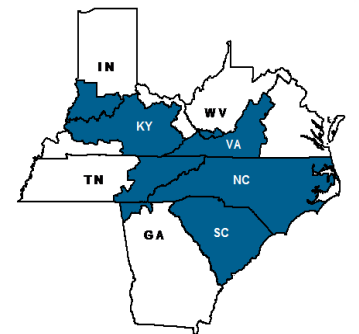
On a milk-fat basis, the 2021-Q4 projection for dairy products imports has been lowered to 1.6 billion pounds (-0.1 billion) due to lower expected imports of butterfat products. The annual forecast for 2021 imports on a milk-fat basis has been lowered to 6.4 billion pounds (-0.2 billion). Due to recent weakness in domestic use and higher expected prices for most dairy products, the forecast for 2021-Q4 domestic use on a milk-fat basis is 57.0 billion pounds, 0.3 billion lower than last month's forecast.

Annual forecasts for 2021 domestic use are 220.6 billion pounds on a milk-fat basis (-0.2 billion) and 179.5 billion pounds on a skim-solids basis (-0.5 billion). Based on recent increases in prices for butter, NDM, and dry whey, 2021-Q4 price forecasts for those products have been raised to \$1.870 (+13.5 cents), \$1.460 (+9.0 cents), and \$0.570 (+2.0 cent) per pound, respectively. The 2021-Q4 price forecast for Cheddar cheese has been lowered to \$1.730, 4.5 cents lower than the previous forecast.

With the lower projected wholesale price for cheese more than offsetting the higher dry whey price forecast, the Class III milk price forecast for 2021-Q4 is \$17.65 per cwt, \$0.25 lower than the previous month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2021-Q4 is \$18.30 per cwt, \$1.35 higher than last month's forecast. The all-milk price forecast for 2021-Q4 has been raised to \$20.00 per cwt, up \$0.20 from the previous forecast. The forecast for the year has been raised \$18.50 per cwt for all year 2021, up \$0.05 from last month's projection.

### *Dairy Forecasts for 2022*

The U.S. dairy herd is projected to continue decreasing in the first two quarters of 2022. Consequently, the annual 2022 forecast has been lowered to 9.395 million head, 55,000 head below the last month's forecast and 60,000 less than 2021.



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## Appalachian Statistical Summary

	OCTOBER 2021	SEPTEMBER 2021	OCTOBER 2020
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$19.70	\$19.37	\$17.82
Class I Price	20.48	19.99	18.60
Class II Price	17.08	16.89	13.63
Class III Price	17.83	16.53	21.61
Class IV Price	17.04	16.36	13.47
Uniform Skim Milk Price	\$13.31	\$13.11	\$12.53
Class I Skim Milk Price	14.06	13.86	13.37
Class II Skim Milk Price	10.63	10.45	8.15
Class III Skim Milk Price	11.44	10.10	16.45
Class IV Skim Milk Price	10.62	9.92	8.01
Uniform Butterfat Price	\$1.9581	\$1.9200	\$1.6365
Class I Butterfat Price	1.9761	1.8893	1.6273
Class II Butterfat Price	1.9484	1.9458	1.6458
Class III Butterfat Price	1.9414	1.9388	1.6388
Class IV Butterfat Price	1.9414	1.9388	1.6388
<b>PRODUCER MILK:</b>			
Class I	314,632,878	308,713,424	336,622,171
Class II	53,613,997	54,641,005	61,282,697
Class III	21,673,219	22,927,356	973,135
Class IV	43,791,085	32,181,120	17,885,418
<b>Total Producer Milk</b>	<b>433,711,179</b>	<b>418,462,905</b>	<b>416,763,421</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	72.54	73.77	80.77
Class II	12.36	13.06	14.70
Class III	5.00	5.48	0.23
Class IV	10.10	7.69	4.30

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

#### The Uniform Price

for October 2021 was \$19.70 per cwt., an increase of \$0.33 from September 2021 and an increase of \$1.88 from October 2020.

#### Total Class I Milk

For October 2021 was 314.6 million pounds, an increase of 5.9 million pounds compared to September 2021.

#### Class I Utilization

was 72.54 percent for October 2021, a decrease of 1.23 percentage points from September 2021.

#### Total Producer Milk

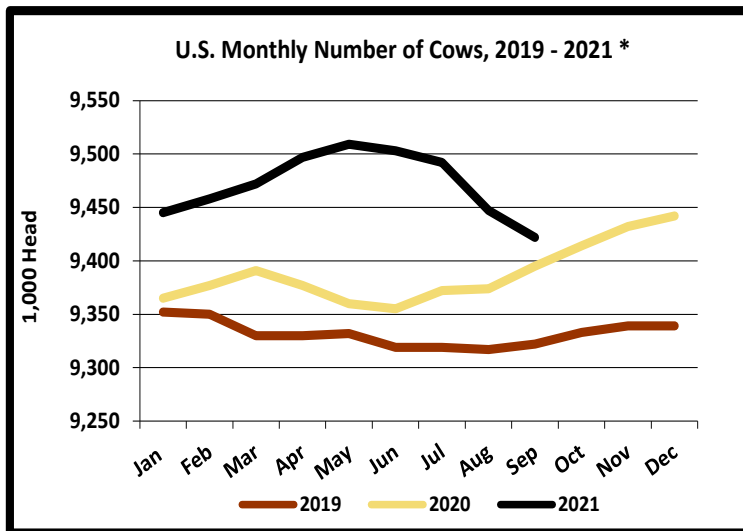
For October 2021 was 433.7 million pounds, an increase of 15.2 million pounds compared to September 2021.

## September Milk Production up 0.4%

Milk production in the 24 major States during September totaled 17.3 billion pounds, up 0.4 percent from September 2020.

Production per cow in the 24 major States averaged 1,937 pounds for September, 4 pounds below September 2020.

The number of milk cows on farms in the 24 major States was 8.93 million head, 48,000 head more than September 2020, but 22,000 head less than August 2021.



\*Based on entire U.S. production

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

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The 2022 forecast for milk per cow is 24,280 pounds, 25 pounds lower than last month's forecast. The projection for 2022 milk production has been lowered to 228.1 billion pounds, 1.6 billion pounds below last month's forecast but 1.7 billion pounds above 2021. With the substantially lower projected milk supply, dairy product price forecasts for 2022 have been raised from last month's projections. Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are \$1.765 (+5.0 cents), \$1.910 (+15.5 cents), \$1.485 (+10.5 cents), and \$0.530 (+2.0 cents) per pound, respectively.

With higher projected wholesale prices for cheese and dry whey, the Class III milk price forecast for 2022 is \$17.75 per cwt, \$0.65 higher than the previous month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$18.70 per cwt, \$1.55 above last month's forecast. The all-milk price forecast for 2022 is \$20.25 per cwt, an increase of \$1.05 from last month's projection.

Livestock, Dairy, and Poultry Outlook, LDP-M-329, November 16, 2021, USDA,  
Economic Research Service

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## USDA Invests \$20.2 Million in Grants for DBI Initiatives

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The U.S. Department of Agriculture (USDA) announced on Nov. 8, 2021 in Washington, an investment of \$20.2 million in the Dairy Business Innovation (DBI) Initiatives. DBI awarded \$18.4 million to three current Initiatives at University of Tennessee, Vermont Agency for Food and Marketing and University of Wisconsin, and \$1.8 million to the California State University Fresno.

Since its inception in 2019, DBI initiatives have provided valuable technical assistance and sub-grants to dairy farmers and businesses across their regions, assisting them with business plan development, marketing and branding, as well as, increasing access to innovative production and processing techniques to support the development of value-added products.

"These awards will expand the scope of the Dairy Business Innovation program and provide much-needed support to small dairy farms and businesses as they continue to recover from the pandemic," said USDA Under Secretary for Marketing and Regulatory Programs Jenny Moffitt. "In addition to initiatives in the Southeast, Northeast and Midwest, a new initiative for the Pacific Coast is funded, led by California State University Fresno. These DBI initiatives provide the dairy industry with additional capacity and expertise that will go beyond immediate assistance and set the stage for a more secure future."

**University of Tennessee** – The University of Tennessee's Center for Profitable Agriculture provides educational opportunities to help producers starting or expanding a dairy business in the Southeast (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) to manage financial risk by evaluating opportunities to develop and market value-added dairy products.

### Additional Information

Press Release, Release No.: 140-21, with more information can be found at: <https://www.ams.usda.gov/press-release/usda-invests-202-million-grants-dairy-business-innovation-initiatives-0>

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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 - October 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>2,238.7</b>	<b>690.4</b>	<b>30.8</b>	<b>18.44</b>
<b>5 Appalachian</b>	<b>433.7</b>	<b>314.6</b>	<b>72.5</b>	<b>19.70</b>
6 Florida	206.3	170.2	82.5	21.55
7 Southeast	384.6	261.3	68.0	19.86
30 Upper Midwest	1,446.6	210.0	14.5	17.67
32 Central	1,049.5	371.2	35.4	17.19
33 Mideast	1,614.5	545.7	33.8	17.70
51 California	1,895.4	409.6	21.6	17.29
124 Pacific Northwest	577.9	134.3	23.2	17.13
126 Southwest	902.9	338.0	37.4	17.74
131 Arizona	367.4	118.4	32.2	18.02
<b>All Orders</b>	<b>11,117.6</b>	<b>3,563.7</b>	<b>32.1</b>	<b>17.94</b>

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

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