

THE COURIER

Monthly Newsletter

Dairy Outlook

December 2021

Dairy Forecasts for the Remainder of 2021

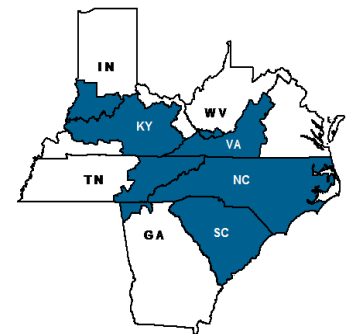
Based on recent milk production data for October and revised for September, milk cows for the third quarter of 2021 (2021-Q3) and 2021-Q4 were adjusted downward. The estimate for milk cows in 2021- Q3 is 9.451 million head, about 5,000 head lower than last month's estimate. For 2021-Q4, the number of dairy cows is projected to average 9.395 million head, 5,000 head below last month's projection. Average milk production per cow in 2021-Q4 is projected at 5,900 pounds per head, 10 pounds less than last month's forecast. The milk production forecast for 2021 is 226.2 billion pounds, 0.2 billion pounds lower than last month's forecast.

The 2021-Q4 forecast for exports on a milk-fat basis was adjusted down slightly to 2.9 billion pounds (-0.1 billion pounds) on a milk-fat basis. For the year, the export forecast is 11.8 billion pounds on a milk-fat basis (-0.1 billion pounds). On a skim-solids basis, the export forecast for 2021 is 51.5 billion pounds (+0.1 billion pounds). Compared to 2020, the 2021 export projections are substantially higher, by 2.5 billion pounds on a milk-fat basis and 4.3 billion pounds on a skim-solid basis. Exports of cheese, butter, dry skim milk products, whey products, and lactose are expected to remain strong through the remainder of the year.

On a milk-fat basis, the 2021-Q4 projection for dairy product imports has been raised to 1.7 billion pounds (+0.1 billion) due higher expected imports of cheese and butterfat products. Based on recent data for the end of October, the 2021 forecast for ending stocks has been lowered by 0.2 billion pounds to 14.7 billion pounds on a milk-fat basis.

The forecast for 2021-Q4 domestic use on a milk-fat basis is 57.2 billion pounds, 0.2 billion higher than last month's projection. On a skim-solids basis, the forecast for domestic use for 2021-Q4 is 44.8 billion pounds, 0.2 billion above the previous forecast. Annual forecasts for 2021 domestic use are 220.9 billion pounds on a milk-fat basis (+0.3 billion) and 179.3 billion pounds on a skim-solids basis (-0.2 billion). Based on recent data, 2021-Q4 price forecasts for cheese, butter, and dry whey are raised to \$1.750 (+2.0 cents), \$1.910 (+4.0 cents), and \$0.590 (+2.0 cents) per pound, respectively. The 2021-Q4 price forecast for NDM is lowered to \$1.455 per pound, 0.5 cents lower than the previous forecast. With higher projected wholesale prices for Cheddar cheese and dry whey price, the Class III milk price forecast for 2021-Q4 is \$17.95 per cwt, \$0.30 above the previous month's forecast.

Dairy Outlook, cont'd on pg. 3



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Inside this issue:

Appalachian Statistical Summary	2
October Milk Production down 0.3%	2
U.S. Monthly Milk per Cow, 2019—2021	2
Dairy Outlook, cont'd	3
USDA—COVID-19	4
FMMO Statistics – November 2021	4



Appalachian Statistical Summary

	NOVEMBER 2021	OCTOBER 2021	NOVEMBER 2020
PRICES: (Base Zone)			
Uniform Price	\$21.13	\$19.70	\$19.72
Class I Price	21.38	20.48	21.44
Class II Price	18.40	17.08	13.86
Class III Price	18.03	17.83	23.34
Class IV Price	18.79	17.04	13.30
Uniform Skim Milk Price	\$14.43	\$13.31	\$14.60
Class I Skim Milk Price	15.13	14.06	16.18
Class II Skim Milk Price	11.23	10.63	8.70
Class III Skim Milk Price	10.87	11.44	18.55
Class IV Skim Milk Price	11.66	10.62	8.14
Uniform Butterfat Price	\$2.0592	\$1.9581	\$1.6090
Class I Butterfat Price	1.9378	1.9761	1.6656
Class II Butterfat Price	2.1611	1.9484	1.5623
Class III Butterfat Price	2.1541	1.9414	1.5553
Class IV Butterfat Price	2.1541	1.9414	1.5553
PRODUCER MILK:			
Class I	326,824,891	314,632,878	332,458,040
Class II	44,890,230	53,613,997	56,009,438
Class III	29,264,147	21,673,219	2,612,688
Class IV	24,868,893	43,791,085	44,578,750
Total Producer Milk	425,848,161	433,711,179	435,658,916
PERCENT PRODUCER MILK IN:			
Class I	76.75	72.54	76.31
Class II	10.54	12.36	12.86
Class III	6.87	5.00	0.60
Class IV	5.84	10.10	10.23

F.O. 5 STATS FOR November 2021:

The Uniform Price

for November 2021 was \$21.13 per cwt., an increase of \$1.43 from October 2021 and an increase of \$1.41 from November 2020.

Total Class I Milk

For November 2021 was 326.8 million pounds, an increase of 12.2 million pounds compared to October 2021.

Class I Utilization

was 76.75 percent for November 2021, an increase of 4.21 percentage points from October 2021.

Total Producer Milk

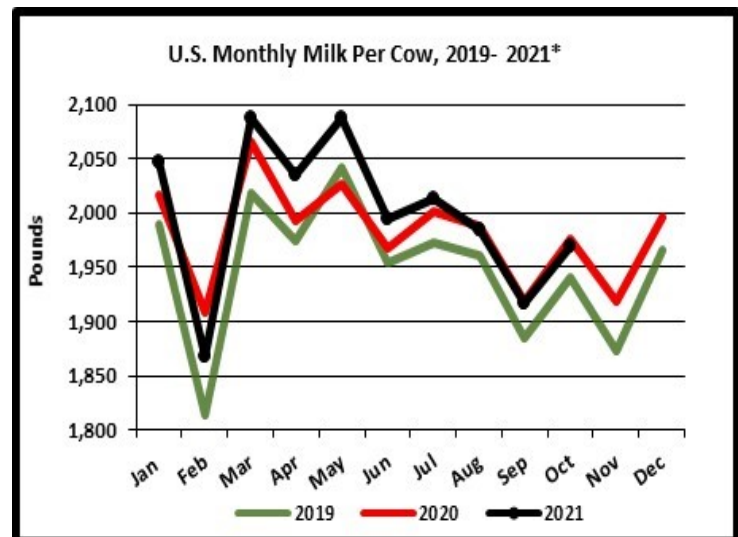
For November 2021 was 425.8 million pounds, a decrease of 7.9 million pounds compared to October 2021.

October Milk Production down 0.3%

Milk production in the 24 major States during October totaled 17.7 billion pounds, down 0.3 percent from October 2020. September revised production, at 17.3 billion pounds, was up 0.2 percent from September 2020.

Production per cow in the 24 major States averaged 1,990 pounds for October, 6 pounds below October 2020.

The number of milk cows on farms in the 24 major States was 8.90 million head, 4,000 head more than October 2020, but 15,000 head less than September 2021.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

The Class IV milk price projection for 2021-Q4 is \$18.45 per cwt, \$0.15 higher than last month's forecast. The all-milk price forecast for 2021-Q4 has been raised to \$20.45 per cwt, up \$0.45 from the previous forecast. The all-milk price forecast for 2021 has been raised to \$18.60 per cwt, up \$0.10 from last month's projection.

Dairy Forecasts for 2022

The number of dairy cows is expected to continue declining in 2022-Q1 and Q2. Accordingly, the annual 2022 forecast has been lowered to 9.385 million head, 10,000 head below the last month's forecast and 65,000 less than the forecast for 2021. The 2022 forecast for milk per cow is 24,265 pounds, 15 pounds lower than last month's forecast. The projection for 2022 milk production has been lowered to 227.7 billion pounds, 0.4 billion pounds below last month's forecast but 1.5 billion pounds above 2021. On a milk-fat basis, the export forecast for 2022 is 11.5 billion pounds, 0.1 billion higher than last month's projection due to higher expected exports of cheese and butterfat products. On a skim-solids basis, 2022 dairy exports are projected to total 52.0 billion pounds, 0.2 billion above last month's forecast due to the strong international demand for lactose.

Due to higher expected prices and recent softness in domestic use, forecasts for domestic use have been lowered from the previous month's forecast. On a milk-fat basis, the domestic use forecast for 2022 is 221.8 billion pounds, 0.5 billion below the previous forecast, due to expected weakness in demand for butter and anhydrous milk fat (AMF). On a skim-solids basis, the forecast for domestic use is 180.1 billion pounds, 0.7 billion lower than last month's forecast.

Wholesale price forecasts for Cheddar cheese, butter, NDM, and dry whey are \$1.775 (+1.0 cent), \$1.940 (+3.0 cents), \$1.510 (+2.5 cents), and \$0.575 (+4.5 cents) per pound, respectively. With higher projected wholesale prices for cheese and dry whey, the Class III milk price forecast for 2022 is \$18.15 per cwt, \$0.40 higher than last month's forecast. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2022 is \$19.00 per cwt, \$0.30 above last month's forecast. The all-milk price forecast for 2022 is \$20.75 per cwt, an increase of \$0.50 from last month's projection.

Livestock, Dairy, and Poultry Outlook, LDP-M-330, December 2021, USDA,
Economic Research Service



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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 2021

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,158.9	706.7	32.7	19.54
5 Appalachian	425.8	326.8	76.8	21.13
6 Florida	207.1	176.1	85.1	22.93
7 Southeast	376.5	268.1	71.2	21.22
30 Upper Midwest	1,922.7	218.9	11.4	18.21
32 Central	1,140.9	368.1	32.3	18.25
33 Mideast	1,669.2	564.0	33.8	18.53
51 California	2,075.7	422.4	20.3	18.76
124 Pacific Northwest	549.4	138.7	25.3	18.38
126 Southwest	1,086.8	340.8	31.4	19.06
131 Arizona	401.8	119.0	29.6	19.15
All Orders	12,014.8	3,649.7	30.4	18.99

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

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