

THE COURIER

Monthly Newsletter

Dairy Outlook

January 2022

Dairy Estimates for 2021

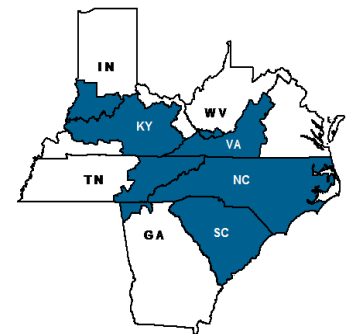
Based on recent milk production data, the estimated number of cows for the last quarter of 2021 (2021–Q4) has been reduced by 10,000 head to 9.385 million head. The yield per cow estimate for 2021–Q4 has been increased by 5 pounds per cow to 5,905 pounds per head. The milk production estimate for 2021 is 226.2 billion pounds, unchanged from last month’s forecast.

Dairy export estimates are robust for 2021–Q4. On a milk-fat basis, the 2021–Q4 estimate is 2.9 billion pounds, and the estimate for the 2021 annual total is 11.7 billion pounds, 0.1 billion lower than last month’s forecast. On a skim-solids basis, the 2021-Q4 estimate has been raised to 12.2 billion pounds, and the estimate for 2021 has been raised to 51.6 billion pounds (+0.1 billion). Expectations are higher for exports of dry skim milk products

Dairy Forecasts for 2022

The number of milk cows is projected to continue decreasing in the first part of 2022. For the first half of the year, milk cows are projected to average 9.380 million head. However, in the second half of the year, they are projected to increase to 9.385 million head. The estimated number of cows for the year 2022 is 9.385 million head (rounded up to the nearest 5,000 head), unchanged from last month’s projection. In 2022, average yield per cow is projected to be 24,265 pounds, unchanged from last month’s projection. The milk production forecast for 2022 remains unchanged at 227.7 billion pounds.

Dairy export projections for 2022 have been lowered from the previous month’s forecast. Foreign buyers may temper purchases in response to higher prices. Furthermore, if U.S. prices are higher relative to foreign export prices, this may reduce some of the expected U.S. price-competitive advantage. On a milk-fat basis, the dairy export forecast for 2022 is 11.2 billion pounds, 0.3 billion lower than last month’s forecast. On a skim-solids basis, the 2022 dairy export forecast has been lowered 0.2 billion pounds to 51.8 billion. Expectations for exports of butterfat products, cheese, and dry skim milk products are lower than last month.



Harold H. Friedly, Jr.
Market Administrator

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Appalachian Statistical Summary

	DECEMBER 2021	NOVEMBER 2021	DECEMBER 2020
PRICES: (Base Zone)			
Uniform Price	\$22.08	\$21.13	\$20.61
Class I Price	22.57	21.38	23.27
Class II Price	19.84	18.40	14.01
Class III Price	18.36	18.03	15.72
Class IV Price	19.88	18.79	13.36
Uniform Skim Milk Price	\$14.79	\$14.43	\$15.66
Class I Skim Milk Price	15.60	15.13	18.28
Class II Skim Milk Price	12.22	11.23	8.91
Class III Skim Milk Price	10.71	10.87	10.71
Class IV Skim Milk Price	12.29	11.66	8.26
Uniform Butterfat Price	\$2.2310	\$2.0592	\$1.5711
Class I Butterfat Price	2.1479	1.9378	1.6096
Class II Butterfat Price	2.2989	2.1611	1.5469
Class III Butterfat Price	2.2919	2.1541	1.5399
Class IV Butterfat Price	2.2919	2.1541	1.5399
PRODUCER MILK:			
Class I	331,674,966	326,824,891	346,999,039
Class II	47,581,371	44,890,230	58,203,145
Class III	27,190,917	29,264,147	35,114,074
Class IV	45,613,538	24,868,893	69,495,874
Total Producer Milk	452,060,792	425,848,161	509,812,132
PERCENT PRODUCER MILK IN:			
Class I	73.37	76.75	68.06
Class II	10.53	10.54	11.42
Class III	6.01	6.87	6.89
Class IV	10.09	5.84	13.63

F.O. 5 STATS FOR December 2021:

The Uniform Price

for December 2021 was \$22.08 per cwt., an increase of \$0.95 from November 2020 and an increase of \$1.47 from December 2020.

Total Class I Milk

For December 2021 was 331.7 million pounds, an increase of 4.9 million pounds compared to November 2021.

Class I Utilization

was 73.37 percent for December 2021, an increase of 5.31 percentage points from December 2020.

Total Producer Milk

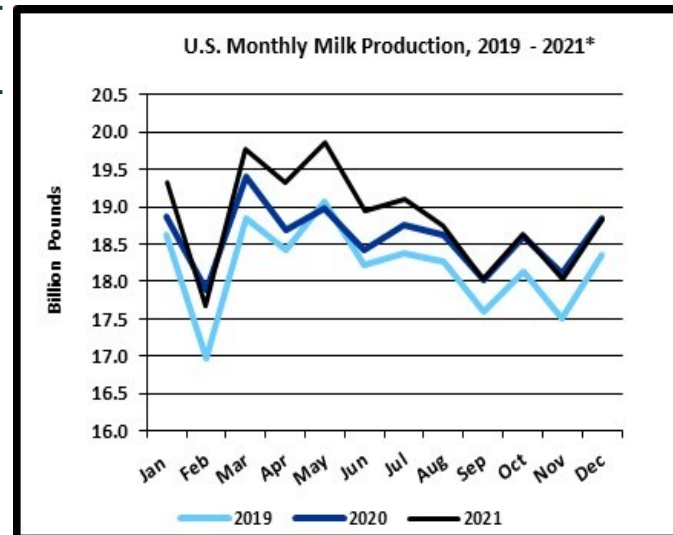
For December 2021 was 452.1 million pounds, an increase of 26.2 million pounds compared to November 2021.

December Milk Production down Slightly

Milk production in the 24 major States during December totaled 18.0 billion pounds, down slightly from December 2020.

Production per cow in the 24 major States averaged 2,027 pounds for December, 8 pounds above December 2020.

The number of milk cows on farms in the 24 major States was 8.88 million head, 42,000 head less than December 2020, and 8,000 head less than November 2021.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Due to recent strength in imports and higher anticipated domestic dairy product prices, 2022 dairy import forecasts are higher than last month's projections. On a skim-solids basis, the forecast is 5.6 billion pounds (+0.1 billion). Higher imports are expected for cheese and butterfat products. Projections for domestic demand in 2022 have been raised from last month's forecasts. Due to the recent increase in dairy product prices, stronger expected demand, and expectations for only a modest increase in the global milk supply, price forecasts for 2022 have been raised for Cheddar cheese, dry whey, butter, and NDM to \$1.875 (+10.0 cents), \$0.645 (+7.0 cents), \$2.300 (+36.0 cents), and \$1.550 (+4.0 cents) per pound, respectively. With higher dairy product prices expected across the board, Class III and IV milk price forecasts for 2022 have been raised to \$19.65 per cwt (+\$1.50) and \$20.90 per cwt (+\$1.90), respectively. The all-milk price forecast for 2022 is \$22.60 per cwt, \$1.85 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-331, January 2022, USDA,
Economic Research Service

ANNUAL SUMMARY			
	2021	2020	2019
PRICES AT 3.5% BUTTERFAT AT BASE ZONE (Simple Average):			
Uniform	\$19.34	\$18.79	\$19.40
Class I	\$20.23	\$20.31	\$20.39
Class II	\$16.44	\$14.29	\$16.76
Class III	\$17.08	\$18.16	\$16.96
Class IV	\$16.09	\$13.49	\$16.30
PRODUCER MILK:			
Class I	3,746,427,592	3,931,555,220	3,746,236,821
Class II	706,726,211	709,024,770	782,410,336
Class III	273,567,065	198,070,108	294,022,594
Class IV	562,649,447	483,251,487	503,918,773
Total Producer Milk	5,289,370,315	5,321,901,585	5,326,588,524
PERCENT PRODUCER MILK IN:			
Class I	70.83	73.87	70.33
Class II	13.36	13.32	14.69
Class III	5.17	3.72	5.52
Class IV	10.64	9.09	9.46
PRODUCTION:			
Average Monthly Producer Milk	440,780,860	443,491,799	443,882,377
Average Daily Producer Milk	14,491,426	14,540,715	14,593,393
Average Number of Producers	1,365	1,533	1,552
Average Butterfat Test	3.84	3.86	3.80
TOTAL VALUE AT MINIMUM PRICE:			
Value of Producer Milk at Test	\$1,052,767,864	\$1,033,792,011	\$1,070,709,243
Average Value at Test per cwt.	\$19.90	\$19.43	\$20.10

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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 2021

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,253.1	715.4	31.8	20.49
5 Appalachian	452.1	331.7	73.4	22.08
6 Florida	214.7	179.3	83.5	23.97
7 Southeast	382.3	267.5	70.0	22.28
30 Upper Midwest	2,263.0	223.2	9.8	18.61
32 Central	1,223.6	382.6	31.3	19.03
33 Mideast	1,642.4	571.0	34.8	19.35
51 California	1,787.0	430.8	24.1	19.33
124 Pacific Northwest	706.5	138.7	19.6	22.57
126 Southwest	1,140.3	347.6	30.5	19.77
131 Arizona	426.6	129.9	30.5	20.95
All Orders	12,491.6	3,717.8	29.8	19.93

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

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