

# THE COURIER

Monthly Newsletter

## Dairy Outlook

April 2022

### Dairy Forecasts for 2022

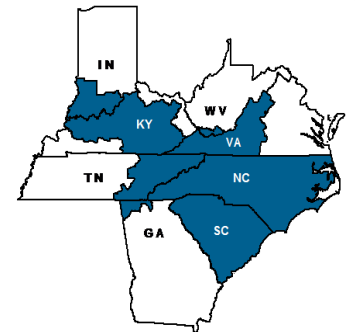
Milk production for 2022 is projected to total 226.3 billion pounds, 0.3 billion higher than last month's forecast and about the same as 2021. Although NASS reported that the number of milk cows increased from January to February after an 8-month contraction, it is not clear if dairy herd expansion will continue throughout the year. Recent input prices for feed, fuel, and fertilizer have been high. The corn price forecast has been raised for the 2021/22 marketing season, and the soybean meal price forecast remains higher. While milk cows are forecast to average 9.370 million head for the first half of the year, they are projected to decline to 9.365 million in the second half. The annual average forecast rounds to 9,370 million head, 15,000 higher than last month's forecast.

With U.S. prices for most dairy products expected to be very competitive compared to international export prices, dairy export projections for 2022 have been raised. The projection for dairy exports on a milk-fat basis is 11.5 billion pounds, 0.6 billion higher than last month's forecast. On a skim solids basis, the projection for dairy exports is 50.3 billion pounds, an increase of 0.5 billion from last month's projection. Higher exports are expected for cheese, butter, dry skim milk products, and whey products. Imports on a milk-fat basis for 2022 are projected at 6.4 billion pounds, 0.4 billion pounds lower than last month's forecast, due to lower expected imports of butter and cheese.

Based on recent data, the projection for 2022 domestic use on a milk-fat basis is 221.6 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, domestic use is projected to total 180.8 billion pounds, unchanged from the previous projection.

The projection for 2022 ending stocks for 2022 on a milk-fat basis is 12.9 billion pounds, 0.1 billion lower than last month's forecast, as the expected lower imports and higher exports more than offset higher milk production and lower domestic use. On a skim solids basis, the forecast for 2022 ending stocks is 11.0 billion pounds, 0.2 lower than the previous forecast, as higher expected exports more than offset higher milk production.

Due to relatively high domestic and international dairy product prices in recent weeks and higher expected exports, price forecasts for most dairy products in 2022 have been raised.



Harold H. Friedly, Jr.  
Market Administrator

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## Appalachian Statistical Summary

	MARCH 2022	FEBRUARY 2022	MARCH 2021
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$25.86	\$24.87	\$17.94
Class I Price	26.28	25.04	18.60
Class II Price	24.76	23.79	15.07
Class III Price	22.45	20.91	16.15
Class IV Price	24.82	24.00	14.18
Uniform Skim Milk Price	\$15.67	\$15.14	\$12.73
Class I Skim Milk Price	16.29	15.84	14.02
Class II Skim Milk Price	14.41	13.67	9.36
Class III Skim Milk Price	12.04	10.71	10.51
Class IV Skim Milk Price	14.50	13.91	8.46
Uniform Butterfat Price	\$3.0671	\$2.9314	\$1.6170
Class I Butterfat Price	3.0178	2.7877	1.4475
Class II Butterfat Price	3.1005	3.0288	1.7246
Class III Butterfat Price	3.0935	3.0218	1.7176
Class IV Butterfat Price	3.0935	3.0218	1.7176
<b>PRODUCER MILK:</b>			
Class I	343,723,870	303,332,792	332,819,654
Class II	75,335,125	50,385,186	69,348,983
Class III	38,760,439	33,426,572	25,772,433
Class IV	44,045,519	37,513,063	60,801,381
<b>Total Producer Milk</b>	<b>501,864,953</b>	<b>424,657,613</b>	<b>488,742,451</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	68.49	71.43	68.10
Class II	15.01	11.86	14.19
Class III	7.72	7.87	5.27
Class IV	8.78	8.84	12.44

### F.O. 5 STATS FOR March 2022:

#### The Uniform Price

for March 2022 was \$25.86 per cwt., an increase of \$0.99 from February 2022 and an increase of \$7.92 from March 2021.

#### Total Class I Milk

For March 2022 was 343.7 million pounds, an increase of 10.9 million pounds compared to March 2021.

#### Class I Utilization

was 68.49 percent for March 2022, an increase of 0.39 percentage points from March 2021.

#### Total Producer Milk

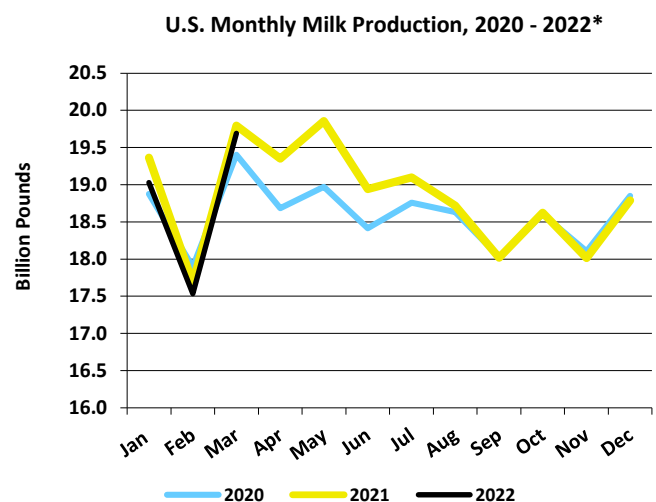
For March 2022 was 501.9 million pounds, an increase of 13.1 million pounds compared to March 2021.

## March Milk Production down 0.4%

Milk production in the 24 major States during March totaled 18.8 billion pounds, down 0.4 percent from March 2021.

Production per cow in the 24 major States averaged 2,113 pounds for March, 7 pounds above March 2021.

The number of milk cows on farms in the 24 major States was 8.90 million head, 68,000 head less than March 2021, but 15,000 head more than February 2022.



\*Based on entire U.S. production

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

With higher projected prices for Cheddar cheese more than offsetting lower projected prices for dry whey, the Class III milk price forecast for 2022 has been raised to \$22.75 per hundredweight (cwt), \$1.10 higher than last month's forecast. With higher forecasts for butter and NDM prices, the Class IV milk price projection has been raised to \$24.05 per cwt, \$0.35 higher than the previous projection. The all-milk price forecast for 2022 has been raised to a record high of \$25.80 per cwt, \$0.75 higher than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-334, April 14 2022, USDA, Economic Research Service

## 2021 Annual Milk Production up 1.3 percent from 2020

The annual production of milk for the United States during 2021 was 226 billion pounds, 1.3 percent above 2020. Revisions to 2020 production increased the annual total 89 million pounds. Revised 2021 production was down 18 million pounds from last month's publication. Annual total milk production has increased 12.8 percent from 2012.

Production per cow in the United States averaged 23,948 pounds for 2021, 171 pounds above 2020. The average annual rate of milk production per cow has increased 10.2 percent from 2012.

The average number of milk cows on farms in the United States during 2021 was 9.45 million head, up 0.6 percent from 2020. The average number of milk cows was unrevised for 2021. The average annual number of milk cows has increased 2.3 percent from 2012.

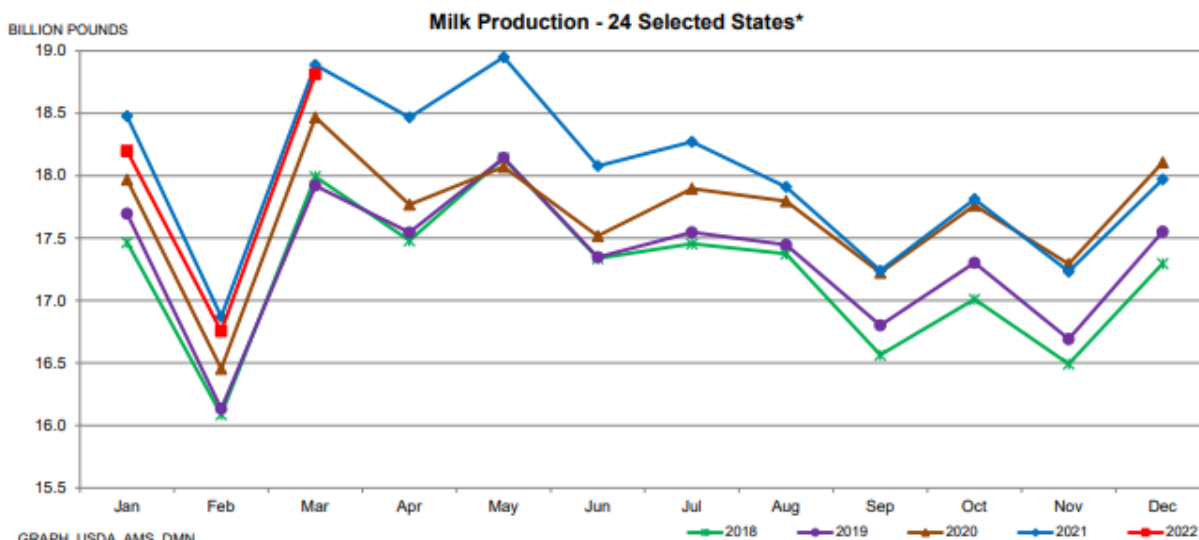
U.S. Milk Production - 24 Selected States\* (Billion Pounds)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	17.466	16.087	17.992	17.480	18.141	17.337	17.454	17.374	16.564	17.010	16.492	17.296
2019	17.696	16.133	17.920	17.545	18.141	17.346	17.546	17.446	16.801	17.302	16.691	17.551
2020	17.969	16.454	18.467	17.769	18.070	17.517	17.897	17.796	17.223	17.763	17.293	18.107
2021	18.477	16.871	18.888	18.467	18.949	18.078	18.272	17.910	17.239	17.812	17.232	17.971
2022	18.198	16.755	18.812	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

DATA SOURCE, USDA, NASS Milk Production, released 4/20/2022

NOTE: February data for 2020 adjusted to 28 day equivalents.

\* Beginning with Jan 2018, data represents 24 selected states, with the addition of Georgia to the major states tracked.



GRAPH, USDA, AMS, DMN

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**Federal Milk Marketing Order Statistics - March 2022**

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,305.6	673.2	29.2	24.74
5	<i>Appalachian</i>	<i>501.9</i>	<i>343.7</i>	<i>68.5</i>	<i>25.86</i>
6	Florida	220.3	182.9	83.0	27.77
7	Southeast	335.8	254.4	75.8	26.42
30	Upper Midwest	2,759.3	212.7	7.7	22.66
32	Central	1,334.9	380.8	28.5	23.15
33	Mideast	1,434.2	560.5	39.1	23.38
51	California	1,965.8	411.2	20.9	23.32
124	Pacific Northwest	665.9	144.0	21.6	23.49
126	Southwest	1,190.3	341.0	28.7	23.73
131	Arizona	406.9	112.1	27.6	24.66
<b>All Orders <sup>1/</sup></b>		<b>13,120.9</b>	<b>3,616.6</b>	<b>27.6</b>	<b>23.76</b>

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

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