

THE COURIER

Monthly Newsletter

Dairy Outlook

July 2022

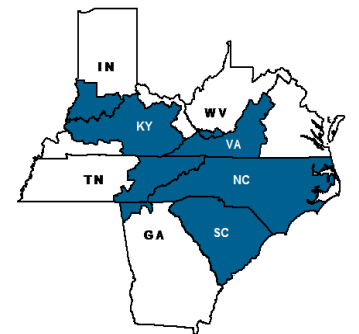
Dairy Forecasts for 2022

The projected annual yield per cow for 2022 has been lowered to 24,040 pounds, 50 pounds less than the previous month's estimate due to higher feeding costs. The milk production forecast for 2022 has been lowered to 226.0 billion pounds, 0.4 billion lower than last month.

Due to strong exports in May 2022, dairy export forecasts are projected upward in 2022. On a milk-fat basis, exports are 12.2 billion pounds, 0.2 billion pounds higher from last month's projection. On a skim-solids basis, exports are forecast at 50.5 billion pounds, 0.4 billion higher than forecast last month. With competitive prices on international markets, higher exports of NDM, dry whey products, cheese, butter, and lactose are expected throughout 2022. The 2022 import forecast on a milk-fat basis is 7.1 billion pounds, 0.1 billion higher than last month's forecast due to higher anticipated imports of butterfat products.

The 2022 domestic forecast is adjusted down due to lower-than-anticipated domestic use in May; lower domestic use is expected the second, third and fourth quarters of the year. On a milk-fat basis, the 2022 domestic use projection is 221.2 billion pounds, 0.6 billion lower than last month's forecast. On a skim-solids basis, the 2022 domestic use forecast is 180.5 billion pounds, 0.9 billion lower than last month's forecast.

The 2022 price forecast for cheese is \$2.185 per pounds (-1.0 cent), with high stock levels contributing to the lower forecast. The price forecast for butter is \$2.780 (+1.5 cents) per pound, as demand remains strong. The Class III price forecast for 2022 has been adjusted to \$22.80 per hundredweight (cwt), 10 cents lower than last month's forecast due to lower cheese prices. The 2022 Class IV price was adjusted to \$24.70 per cwt, 5 cents higher than last month's projection due to higher butter prices. The all-milk price forecast for 2022 is \$26.15 per cwt, 5 cents lower than the June forecast.



Harold H. Friedly, Jr.
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Appalachian Statistical Summary

	JUNE 2022	MAY 2022	JUNE 2021
PRICES: (Base Zone)			
Uniform Price	\$28.52	\$27.79	\$20.19
Class I Price	29.27	28.85	21.69
Class II Price	26.65	25.87	16.66
Class III Price	24.33	25.21	17.21
Class IV Price	25.83	24.99	16.35
Uniform Skim Milk Price	\$17.80	\$17.43	\$13.73
Class I Skim Milk Price	19.06	18.39	15.22
Class II Skim Milk Price	15.50	15.52	10.12
Class III Skim Milk Price	13.13	14.86	10.71
Class IV Skim Milk Price	14.68	14.63	9.82
Uniform Butterfat Price	\$3.2398	\$3.1332	\$1.9823
Class I Butterfat Price	3.1068	3.1713	2.0014
Class II Butterfat Price	3.3393	3.1126	1.9711
Class III Butterfat Price	3.3323	3.1056	1.9641
Class IV Butterfat Price	3.3323	3.1056	1.9641
PRODUCER MILK:			
Class I	287,580,230	307,747,479	281,824,287
Class II	70,735,848	73,889,378	71,454,306
Class III	33,991,931	34,925,280	31,392,212
Class IV	40,613,142	52,659,705	44,271,671
Total Producer Milk	432,921,151	469,221,842	428,942,476
PERCENT PRODUCER MILK IN:			
Class I	66.43	65.59	65.70
Class II	16.34	15.75	16.66
Class III	7.85	7.44	7.32
Class IV	9.38	11.22	10.32

F.O. 5 STATS FOR June 2022:

The Uniform Price

for June 2022 was \$28.52 per cwt., an increase of \$0.73 from May 2022 and an increase of \$8.33 from June 2021.

Total Class I Milk

For June 2022 was 287.6 million pounds, an increase of 5.8 million pounds compared to June 2021.

Class I Utilization

was 66.43 percent for June 2022, an increase of 0.73 percentage points from June 2021.

Total Producer Milk

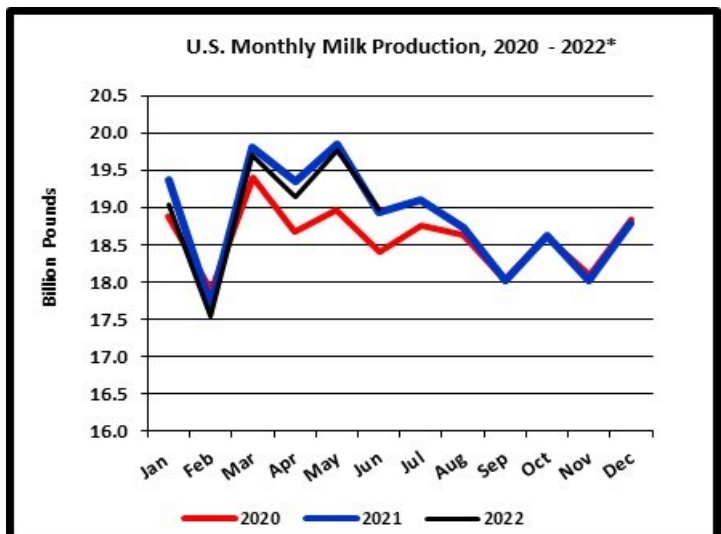
For June 2022 was 432.9 million pounds, an increase of 4.0 million pounds compared to June 2021.

June Milk Production up 0.3%

Milk production in the 24 major States during June totaled 18.1 billion pounds, up 0.3 percent from June 2021. May revised production, at 18.9 billion pounds, was down 0.4 percent from May 2021.

Production per cow in the 24 major States averaged 2,031 pounds for June, 20 pounds above June 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 65,000 head less than June 2021, but 4,000 head more than May 2022.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2023

Following the 2022 forecast, milk cow numbers projected for 2023 are expected to remain steady at 9.400 million head. The forecast for milk per cow is 24,290 pounds, 110 pounds lower than last month's forecast but 250 pounds higher than 2022 forecast. The projection for 2023 milk production has been lowered to 228.3 billion pounds, 1.0 billion lower than last month's forecast but 2.3 billion pounds above the 2022 forecast.

On a milk-fat basis, the export forecast for 2023 is 11.6 billion pounds, unchanged from last month's forecast. In 2023, dairy exports are projected to total 51.0 billion pounds on a skimsolids basis, 0.1 billion higher than the previous month's forecast, as strong skim exports of dry skim milk products are expected in 2023.

Due to higher projected domestic prices and a lower expected farm milk supply, the 2023 forecast for domestic use is adjusted down. On a milk-fat basis, the annual domestic use forecast for 2023 is 221.8 billion pounds, 0.9 billion lower than the previous forecast. On a skimsolids basis, the forecast for domestic use is 181.4 billion pounds, 1.1 billion lower than last month's forecast.

Due to recent price strength trends and lower expected milk production, 2023 wholesale price forecasts for Cheddar cheese, butter, and NDM have been adjusted upward from last month's projections to \$2.070 (+2.0 cents), \$2.440 (+5.5 cents), and \$1.640 (+2.0 cents) per pounds, respectively. However, the 2023 price forecasts of dry whey are slightly down at \$0.510 (-0.5 cent) per pound, due to recent weakness in international whey prices. Due to the higher cheese price projection, the Class III milk price forecast for 2023 is \$20.85 per cwt, \$0.35 higher than the previous month's forecast. With higher butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$22.30 per cwt, \$0.40 higher than last month's forecast. The all-milk price forecast for 2023 is \$24.15 per cwt, an increase of \$0.35 from last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-337, July 18 2022, USDA,
Economic Research Service

July Is National Ice Cream Month

Since 1984, when President Ronald Reagan proclaimed that National Ice Cream Month be celebrated annually, every July has been a focus for greater attention to ice cream in the United States with the 3rd Sunday of July each year being National Ice Cream Day. About 10 percent of all the milk produced by U.S. dairy farmers is used to produce ice cream, contributing significantly to the economic well-being of the nation's dairy industry.



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Federal Milk Marketing Order Statistics - June 2022

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,244.4	618.0	27.5	26.98
5	<i>Appalachian</i>	<i>432.9</i>	<i>287.6</i>	<i>66.4</i>	<i>28.52</i>
6	Florida	187.2	151.9	81.1	30.60
7	Southeast	348.2	216.8	62.2	28.74
30	Upper Midwest	2,487.6	163.8	6.6	24.63
32	Central	1,290.6	338.0	26.2	25.37
33	Mideast	1,319.5	459.9	34.9	25.78
51	California	1,654.6	374.3	22.6	25.59
124	Pacific Northwest	627.2	128.7	20.5	25.39
126	Southwest	1,091.8	292.7	26.8	26.04
131	Arizona	419.0	103.5	24.7	26.22
	All Orders	12,103.1	3,135.0	25.9	25.97

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

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