

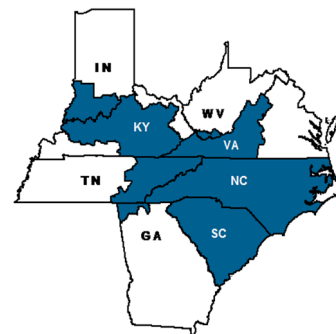
# THE COURIER

Monthly Newsletter

## Jason Nierman Announced as New Market Administrator

September 2022

Jason Nierman has been appointed as Market Administrator for the Appalachian, Southeast, and Florida Milk Marketing Orders effective September 4, 2022. Mr. Nierman began his Federal career as an Agricultural Economist in the Dairy Program in 1998. In 2004, he held the position of Agricultural Economist for the Appalachian Order until 2008, where he became an Associate Market Administrator. He has served as the Assistant Market Administrator for the Appalachian Order since 2013 and for the Southeast and Florida Orders since 2019. Mr. Nierman and the staff look forward to continuing to provide the Appalachian, Southeast and Florida dairy industries with excellent customer service.



Jason Nierman  
Market Administrator

## Dairy Outlook

### Dairy Forecasts for 2022

Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been lowered by 15,000 head, to 9.405 million head. However, the projected average yield per cow in 2022 was adjusted slightly higher, at 24,075 pounds per year.

With lower cows and steady productivity per cow, the milk production forecast for 2022 is 226.5 billion pounds, down Due to recent weakness in domestic use and higher expected wholesale prices for most dairy products, the domestic commercial use forecasts for 2022 were adjusted downward.

On a milk-equivalent milk-fat basis, the annual forecast for 2022 domestic use is 220.3 billion pounds, down 0.8 billion. The domestic use forecast on a milk-equivalent skim-solids basis for 2022 is 179.0 billion pounds, down 1.0 billion. Price forecasts for butter and NDM are \$2.850 (+6.5 cents) and \$1.690 (+2.5 cents) per pound, respectively.

Due to higher butter and NDM price forecasts, the Class IV milk price projection was adjusted to \$24.45 per cwt, up \$0.50. The all-milk price forecast for 2022 is \$25.45 per cwt, an increase of \$0.25.

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## Appalachian Statistical Summary

	AUGUST 2022	JULY 2022	AUGUST 2021
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$27.49	\$28.14	\$19.24
Class I Price	28.53	29.27	20.30
Class II Price	26.91	26.66	16.51
Class III Price	20.10	22.52	15.95
Class IV Price	24.81	25.79	15.92
Uniform Skim Milk Price	\$16.11	\$16.92	\$13.08
Class I Skim Milk Price	17.15	18.04	14.00
Class II Skim Milk Price	15.53	15.42	10.37
Class III Skim Milk Price	8.50	11.15	9.82
Class IV Skim Milk Price	13.38	14.54	9.78
Uniform Butterfat Price	\$3.4119	\$3.3744	\$1.8908
Class I Butterfat Price	3.4226	3.3883	1.9390
Class II Butterfat Price	3.4071	3.3670	1.8578
Class III Butterfat Price	3.4001	3.3600	1.8508
Class IV Butterfat Price	3.4001	3.3600	1.8508
<b>PRODUCER MILK:</b>			
Class I	326,013,441	284,627,164	313,204,747
Class II	55,735,028	59,891,228	58,955,593
Class III	35,409,650	37,178,462	24,041,778
Class IV	29,587,177	37,252,995	38,119,284
<b>Total Producer Milk</b>	<b>446,745,296</b>	<b>418,949,849</b>	<b>434,321,402</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	72.98	67.94	72.11
Class II	12.48	14.30	13.57
Class III	7.93	8.87	5.54
Class IV	6.61	8.89	8.78

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

#### The Uniform Price

for August 2022 was \$27.49 per cwt., an increase of \$8.25 from August 2021.

#### Total Class I Milk

for August 2022 was 326.0 million pounds, an increase of 41.4 million pounds compared to July 2022.

#### Class I Utilization

was 72.98 percent for August 2022, an increase of 5.04 percentage points from July 2022.

#### Total Producer Milk

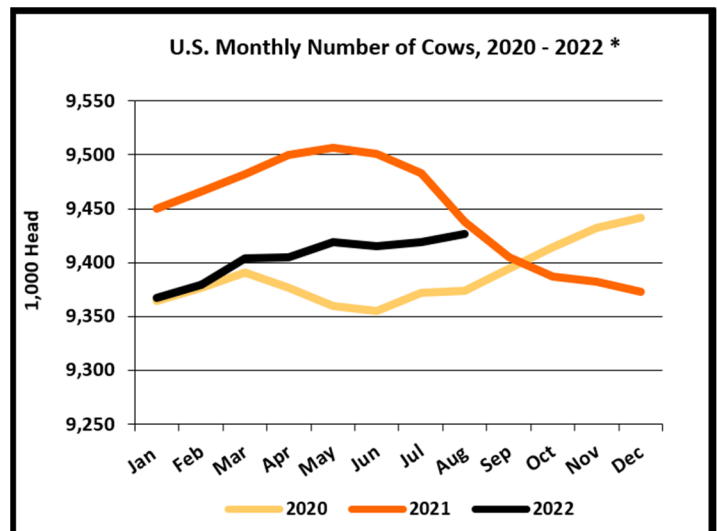
for August 2022 was 446.7 million pounds, an increase of 27.8 million pounds compared to July 2022.

## August Milk Production up 1.7%

Milk production in the 24 major States during August totaled 18.2 billion pounds, up 1.7 percent from August 2021. July revised production, at 18.4 billion pounds, was up 0.6 percent from July 2021.

Production per cow in the 24 major States averaged 2,041 pounds for August, 37 pounds above August 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 11,000 head less than August 2021, but 8,000 head more than July 2022.



\*Based on entire U.S. production

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

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### *Dairy Forecasts for 2023*

The 2023 forecast for the average number of milk cows has been lowered by 20,000 heads to 9,415 million head as the rate of growth in cow numbers is expected to slow in 2023. The 2023 forecast for milk per cow remains unchanged at 24,300 pounds. The projection for 2023 milk production has been revised to 228.8 billion pounds, 0.4 billion pounds lower.

The export forecast for 2023 on a milk-equivalent milk-fat basis is 12.4 billion pounds, 0.7 billion higher. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 51.8 billion pounds, 0.6 billion higher. As for 2022, in 2023, higher exports are expected for whey, lactose, and cheese at competitive prices in the international markets. On a milk-equivalent milk-fat basis, 2023 dairy imports forecast are up 0.2 billion pounds to 7.0 billion pounds and were adjusted up to 6.1 million pounds (+0.2 billion) on a milk-equivalent skim-solids basis.

Based on current relatively weak domestic use for dairy products, 2023 domestic use is projected lower. On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 is 221.2 billion pounds, 0.9 billion lower. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.4 billion pounds, 0.8 billion lower. Except for cheese and dry whey, dairy product price forecasts for 2023 have been adjusted higher due to expectations of relatively strong international demand and lower expected milk production.

Wholesale price forecasts for butter and NDM were raised on expected tighter supplies to \$2.385 (+1.0 cents) and \$1.505 (+5.5 cents) per pound, respectively. The 2023 Cheddar cheese price forecast was adjusted to \$1.970 (-0.5 cent) per pound. Due to higher butter and NDM price forecasts, the Class IV milk price projection for 2023 is \$20.85 per cwt, \$0.50 higher. The all-milk price forecast for 2023 is \$22.70 per cwt, an increase of \$0.20.

Livestock, Dairy, and Poultry Outlook, LDP-M-338, September 18 2022,  
USDA, Economic Research Service



**APPALACHIAN MARKETING AREA  
FEDERAL ORDER 5**

Market Administrator  
PO Box 91528  
Louisville KY 40291-0528

**ADDRESS SERVICE REQUESTED**

Phone: 502.499.0040  
Fax: 502.499.8749  
Email: nierman@malouisville.com

**WEBSITE:**  
[www.malouisville.com](http://www.malouisville.com)

## Federal Milk Marketing Order Statistics - August 2022

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,264.0	650.2	28.7	25.42
5	<i>Appalachian</i>	<i>446.7</i>	<i>326.0</i>	<i>73.0</i>	<i>27.49</i>
6	Florida	205.2	171.5	83.6	29.74
7	Southeast	320.1	248.4	77.6	28.17
30	Upper Midwest	2,896.3	167.2	5.8	20.60
32	Central	1,312.1	368.1	28.1	22.82
33	Mideast	1,301.1	505.6	38.9	23.33
51	California	1,843.3	402.4	21.8	22.38
124	Pacific Northwest	618.9	134.3	21.7	23.08
126	Southwest	1,184.6	338.9	28.6	23.16
131	Arizona	324.5	101.3	31.2	23.86
	<b>All Orders</b>	<b>12,717.0</b>	<b>3,413.9</b>	<b>26.8</b>	<b>23.25</b>

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

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