

THE COURIER

Monthly Newsletter

Dairy Outlook

October 2022

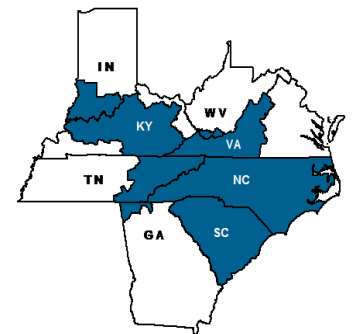
Dairy Forecasts for 2022

Based on recent milk production information, the forecast for the average number of milk cows in 2022 has been increased by 5,000 head, to 9.410 million head as a more rapid pace of expansion is expected in late 2022. The projected average yield per cow in 2022 was adjusted higher for the remainder of 2022, at 24,110 pounds per year. With more cows and productivity per cow, the milk production forecast for 2022 is 226.9 billion pounds, 0.4 billion higher.

Due to anticipated strong demand from the international market and competitive domestic prices, higher export volumes of dairy products are projected throughout the rest of 2022. The forecast for 2022 dairy exports on a milk-equivalent milk-fat basis was adjusted to 13.5 billion pounds, 0.3 billion higher. On a milk-equivalent skim-solids basis, 2022 exports are forecast at 52.2 billion pounds, up 0.1 billion. Higher exports are expected for whey, lactose, and butterfat products. However, export growth of NDM is expected to be slower in 2022.

Dairy import forecasts were adjusted higher for 2022. On a milk equivalent milk-fat basis, annual dairy import projections for 2022 were adjusted up to 7.2 billion pounds, 0.1 billion higher. On a milk equivalent skim-solids basis, 2022 dairy imports were also adjusted up to 6.5 billion pounds, higher by 0.3 billion. Higher expected imports of cheese, milk protein concentrate, and case-in imports are anticipated throughout 2022.

On a milk-equivalent milk-fat basis, the annual forecast for 2022 domestic use is 219.5 billion pounds, down 0.8 billion. The domestic use forecast on a milk-equivalent skim-solids basis for 2022 is 179.2 billion pounds, up 0.2 billion. Price forecasts for cheese and butter are up at \$ 2.105 (+3.0 cents) and \$2.880 (+3.0 cents) per pound, respectively. The 2022 wholesale price forecast of dry whey was down 0.005 cent at \$0.605 per pound. The all-milk price forecast for 2022 is \$25.60 per cwt, an increase of \$0.15.



Jason Nierman
Market Administrator

Inside this issue:

Appalachian Statistical Summary	2
September Milk Production up 1.6%	2
U.S. Monthly Milk per Cow, 2020-2022	2
Dairy Outlook, cont'd	3
Enrollment for 2023 Dairy Margin Coverage	3
FMMO Statistics – September 2022	4

Appalachian Statistical Summary

	SEPTEMBER 2022	AUGUST 2022	SEPTEMBER 2021
PRICES: (Base Zone)			
Uniform Price	\$26.53	\$27.49	\$19.37
Class I Price	27.02	28.53	19.99
Class II Price	26.51	26.91	16.89
Class III Price	19.82	20.10	16.53
Class IV Price	24.63	24.81	16.36
Uniform Skim Milk Price	\$14.73	\$16.11	\$13.11
Class I Skim Milk Price	15.47	17.15	13.86
Class II Skim Milk Price	14.52	15.53	10.45
Class III Skim Milk Price	7.61	8.50	10.10
Class IV Skim Milk Price	12.59	13.38	9.92
Uniform Butterfat Price	\$3.5198	\$3.4119	\$1.9200
Class I Butterfat Price	3.4541	3.4226	1.8893
Class II Butterfat Price	3.5723	3.4071	1.9458
Class III Butterfat Price	3.5653	3.4001	1.9388
Class IV Butterfat Price	3.5653	3.4001	1.9388
PRODUCER MILK:			
Class I	315,945,441	326,013,441	308,713,424
Class II	56,533,921	55,735,028	54,641,005
Class III	32,291,189	35,409,650	22,927,356
Class IV	25,762,056	29,587,177	32,181,120
Total Producer Milk	430,532,607	446,745,296	418,462,905
PERCENT PRODUCER MILK IN:			
Class I	73.38	72.98	73.77
Class II	13.13	12.48	13.06
Class III	7.50	7.93	5.48
Class IV	5.99	6.61	7.69

**F.O. 5 STATS FOR
September 2022:**

The Uniform Price
for September 2022 was \$26.53 per cwt., an increase of \$7.16 from September 2021.

Total Class I Milk
for September 2022 was 315.9 million pounds, an increase of 7.2 million pounds compared to September 2021.

Class I Utilization
was 73.38 percent for September 2022, an increase of 0.40 percentage points from August 2022.

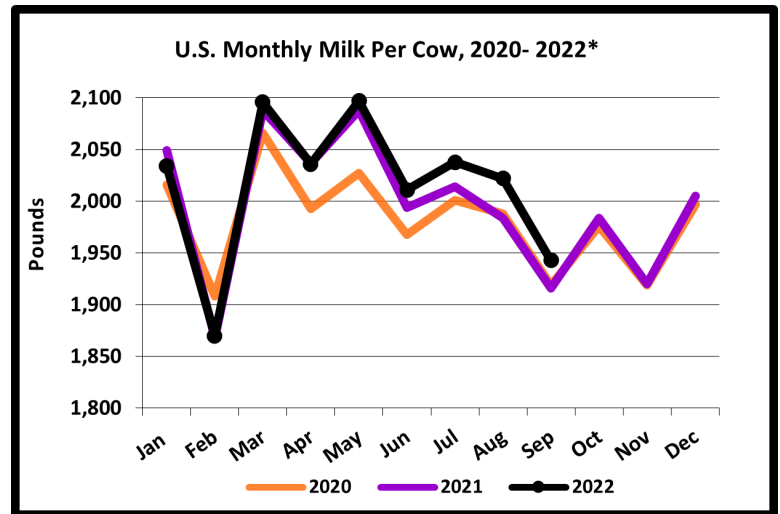
Total Producer Milk
for September 2022 was 430.5 million pounds, an increase of 12.1 million pounds compared to September 2021.

September Milk Production up 1.6%

Milk production in the 24 major States during September totaled 17.5 billion pounds, up 1.6 percent from September 2021. August revised production, at 18.2 billion pounds, was up 1.8 percent from August 2021.

Production per cow in the 24 major States averaged 1,961 pounds for September, 26 pounds above September 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 19,000 head more than September 2021.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2023

More dairy cows are expected in the first half of 2023, and the productivity of the herd is expected to be higher. The 2023 forecast for the average number of milk cows has been increased by 10,000 head to 9,425 million head. The 2023 forecast for milk per cow was adjusted up 20 pounds per cow at 24,320 pounds. The projection for 2023 milk production has been revised to 229.2 billion pounds, 0.4 billion pounds higher.

Dairy exports are expected to be strong in 2023. The export forecast for 2023 on a milk-equivalent milk-fat basis is 12.6 billion pounds, 0.2 billion higher. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 52.2 billion pounds, 0.4 billion higher. As with 2022, in 2023, higher exports are expected for whey, lactose, and butterfat products at competitive prices in the international markets.

On a milk-equivalent milk-fat basis, 2023 dairy import forecasts are up 0.2 billion pounds to 7.2 billion pounds driven by anticipated stronger imports of butter. On a milk-equivalent skim-solids basis, the forecast for domestic use is 181.6 billion pounds, 0.2 billion higher. The 2023 wholesale price forecasts for cheese and butter were raised to \$1.985 (+1.5 cents) and \$2.440 (+5.5 cents) per pound, respectively. The Class IV milk price projection for 2023 is \$21.00 per cwt, \$0.15 higher. The all-milk price forecast for 2023 is \$22.90 per cwt, an increase of \$0.20

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

Enrollment for 2023 Dairy Margin Coverage is Now Available

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These changes continue to support producers through this year's signup, which begins Oct. 17 and ends Dec. 9, 2022.

Press release with more information can be found at <https://www.fsa.usda.gov/news-room/news-releases/2022/dairy-producers-can-now-enroll-for-2023-signup-for-dairy-margin-coverage>.

**APPALACHIAN MARKETING AREA
FEDERAL ORDER 5**

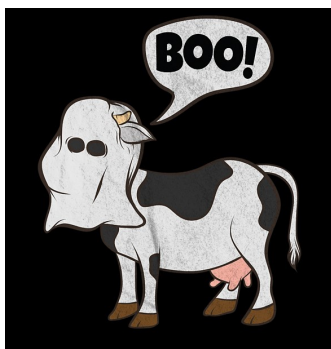
Market Administrator
PO Box 91528
Louisville KY 40291-0528

ADDRESS SERVICE REQUESTED

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

WEBSITE:
www.malouisville.com

Federal Milk Marketing Order Statistics - September 2022



Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,187.1	675.0	30.9	24.82
5 Appalachian	430.5	315.9	73.4	26.53
6 Florida	189.4	160.5	84.7	28.58
7 Southeast	292.0	242.1	82.9	27.17
30 Upper Midwest	2,774.2	169.4	6.1	20.28
32 Central	1,289.4	365.1	28.3	22.20
33 Mideast	1,303.4	510.1	39.1	22.64
51 California	1,841.6	395.6	21.5	21.80
124 Pacific Northwest	610.8	140.0	22.9	22.54
126 Southwest	1,132.8	325.7	28.8	22.55
131 Arizona	360.6	111.5	30.9	23.81
All Orders	12,411.8	3,410.7	27.5	22.68

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means of communication for program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202)720.2600 (voice and TTY). To file a complaint of discrimination, write to USDA, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (866)795.3272. USDA is an equal opportunity provider, employer, and lender.