

# THE COURIER

Monthly Newsletter

## Dairy Outlook

November 2022

### *Dairy Forecasts for 2022*

Based on recent milk production data for 2022-Q3, the dairy herd size forecast for 2022-Q4 is adjusted downward, but output per cow was raised. Milk cows for 2022 are projected to average 9.405 million head, 5,000 cows fewer. The average milk output per cow in 2022 is projected to be 24,130 pounds per head, 20 pounds higher.

The milk production forecast for 2022 was adjusted to 227.0 billion pounds, 0.1 billion pounds higher. Based on recent trade data for 2022-Q3, the 2022-Q4 dairy export forecast was revised downward on a milk-equivalent milk-fat basis but raised on a milk-equivalent skim-solid basis. The forecast for 2022 exports on a milk-equivalent milk-fat basis is adjusted downward to 13.1 (0.4 billion pounds) largely on lower exports of butter and other butterfat products. On a milk equivalent skim-solids basis, the export forecast for 2022 has been raised by 0.2 billion pounds to 52.4 billion due to higher expected exports of dry skim milk products and lactose.

The 2022 forecast for dairy products imports are adjusted lower based on recent trade data. On a milk-equivalent milk-fat basis, the 2022 projection for dairy products imports has been lowered to 7.0 billion pounds (-0.2 billion) due to lower expected imports of butterfat products projected in 2022-Q4. On a milk-equivalent skim-solids basis, the forecast for 2022 imports is adjusted to 6.4 billion pounds, down 0.1 billion pounds.

Based on 2022-Q3 quantities and 2022-Q4 higher forecasted domestic use, the 2022 forecast for dairy products domestic use is adjusted upward. On a milk-equivalent milk-fat basis, the forecast is 220.0 billion pounds, 0.5 billion higher, and on a milk-equivalent skim-solids basis the forecast is 179.8 billion pounds, 0.6 billion higher.



Jason Nierman  
Market Administrator

### Inside this issue:

Appalachian Statistical Summary	2
October Milk Production up 1.4%	2
U.S. Monthly Milk Production, 2020-2022	2
Dairy Outlook, cont'd	3
Transportation Credit Proposal: Appalachian, Southeast, and Florida	3
2023 Pool and Payment Dates	3
FMMO Statistics – October 2022	4

## Appalachian Statistical Summary

	OCTOBER 2022	SEPTEMBER 2022	OCTOBER 2021
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$25.80	\$26.53	\$19.70
Class I Price	26.11	27.02	20.48
Class II Price	25.73	26.51	17.08
Class III Price	21.81	19.82	17.83
Class IV Price	24.96	24.63	17.04
Uniform Skim Milk Price	\$13.55	\$14.73	\$13.31
Class I Skim Milk Price	14.00	15.47	14.06
Class II Skim Milk Price	13.37	14.52	10.63
Class III Skim Milk Price	9.34	7.61	11.44
Class IV Skim Milk Price	12.60	12.59	10.62
Uniform Butterfat Price	\$3.6362	\$3.5198	\$1.9581
Class I Butterfat Price	3.6011	3.4541	1.9761
Class II Butterfat Price	3.6637	3.5723	1.9484
Class III Butterfat Price	3.6567	3.5653	1.9414
Class IV Butterfat Price	3.6567	3.5653	1.9414
<b>PRODUCER MILK:</b>			
Class I	329,717,003	315,945,441	314,632,878
Class II	61,007,114	56,533,921	53,613,997
Class III	39,366,438	32,291,189	21,673,219
Class IV	30,496,287	25,762,056	43,791,085
<b>Total Producer Milk</b>	<b>460,586,842</b>	<b>430,532,607</b>	<b>433,711,179</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	71.59	73.38	72.54
Class II	13.25	13.13	12.36
Class III	8.55	7.50	5.00
Class IV	6.61	5.99	10.10

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

#### The Uniform Price

for October 2022 was \$25.80 per cwt., an increase of \$6.10 from October 2021.

#### Total Class I Milk

for October 2022 was 329.7 million pounds, an increase of 15.1 million pounds compared to October 2021.

#### Class I Utilization

was 71.59 percent for October 2022, a decrease of 1.79 percentage points from September 2022.

#### Total Producer Milk

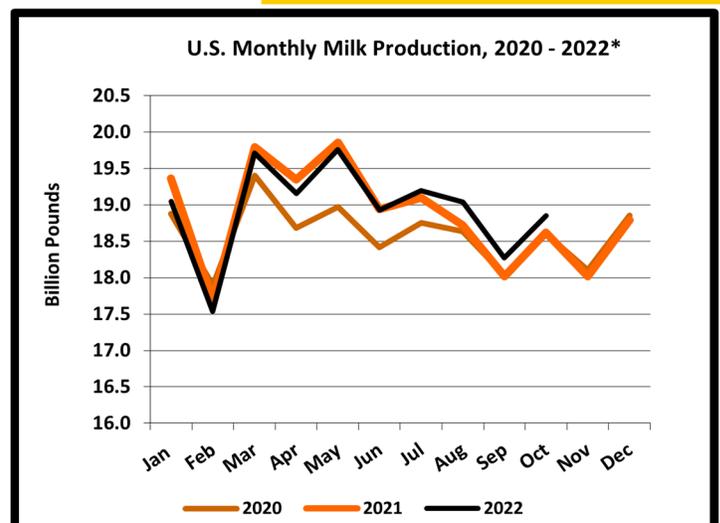
for October 2022 was 460.6 million pounds, an increase of 26.9 million pounds compared to October 2021.

## October Milk Production up 1.4%

Milk production in the 24 major States during October totaled 18.1 billion pounds, up 1.4 percent from October 2021. September revised production, at 17.5 billion pounds, was up 1.5 percent from September 2021.

Production per cow in the 24 major States averaged 2,021 pounds for October, 18 pounds above October 2021.

The number of milk cows on farms in the 24 major States was 8.93 million head, 42,000 head more than October 2021, and 1,000 head more than September 2022.



\*Based on entire U.S. production

---

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

---

### *Dairy Forecasts for 2023*

The U.S. dairy herd is projected 10,000 cows fewer in 2023 at 9.415 million head. The 2023 forecast for milk per cow is 24,350 pounds, 30 pounds higher. The projection for 2023 milk production remains unchanged at 229.2 billion pounds.

Dairy exports are projected higher in 2023. On a milk-equivalent milk-fat basis, the export forecast for 2023 is 12.7 billion pounds, up 0.1 billion due to higher expected exports of cheese and butterfat products. On a milk-equivalent skim-solids basis, 2023 dairy exports are projected to total 52.5 billion pounds, 0.3 billion pounds higher, due to higher anticipated exports of dry skim milk products and dry whey products. On a milk-equivalent milk-fat basis, 2023 dairy products imports are forecast at 7.1 billion pounds, 0.1 billion lower, due to lower expected imports of butterfat products. On a milk-equivalent skim-solids basis, the forecast for 2023 imports are down 0.1 billion pounds at 6.0 billion pounds.

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

---

## Transportation Credit Proposal: Appalachian, Southeast, and Florida

---

USDA received a formal proposal on October 28, 2022, to amend inter-market transportation credits in the Appalachian and Southeast orders and adopt new provisions to establish distributing plant delivery credits in the Appalachian, Southeast and Florida orders. The proposal was submitted on behalf of the Dairy Cooperative Marketing Agency (DCMA), which represents nine cooperatives in the region. The proponents contend the three southeastern FMMO areas have a chronic milk deficit, creating challenging marketing conditions to ensure the fluid milk needs of the orders are met. The proponents contend that inter-market transportation credits in the Appalachian and Southeast orders and distributing plant delivery credits in the Appalachian, Southeast and Florida orders will incentivize more orderly movement of milk in the southeast region.

Based on the information submitted, USDA is considering initiation of a rulemaking proceeding that would include a public hearing to collect evidence regarding proposed changes to the intermarket transportation credits in the Appalachian and Southeast orders and adoption of distributing plant delivery credits in the Appalachian, Southeast, and Florida orders.

To read more: <https://www.ams.usda.gov/rules-regulations/moa/dairy/petitions>

---

## 2023 Pool and Payment Dates

---

A list of pool and payment dates for 2023 are now available on the Appalachian Federal Marketing Order website at: <https://www.malouisville.com/linkeddocus/Order5PaymentDates2023.pdf>

**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 - October 2022



Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
<b>1 Northeast</b>	<b>2,243.8</b>	<b>677.2</b>	<b>30.2</b>	<b>24.77</b>
<b>5 <i>Appalachian</i></b>	<b>460.6</b>	<b>329.7</b>	<b>71.6</b>	<b>25.80</b>
6 Florida	218.3	185.6	85.0	27.70
7 Southeast	290.3	227.6	78.4	26.28
30 Upper Midwest	2,875.0	169.0	5.9	22.03
32 Central	1,334.6	367.6	27.5	22.79
33 Mideast	1,326.1	522.1	39.4	22.99
51 California	2,007.5	398.1	19.8	22.88
124 Pacific Northwest	614.4	136.8	22.3	23.14
126 Southwest	1,176.9	326.8	27.8	23.38
131 Arizona	407.8	114.8	28.1	24.11
<b>All Orders</b>	<b>12,955.3</b>	<b>3,455.4</b>	<b>26.7</b>	<b>23.38</b>

<sup>1/</sup> 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.