

THE COURIER

Monthly Newsletter

Dairy Outlook

December 2022

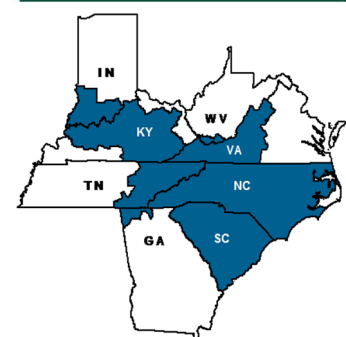
Dairy Forecasts for 2022

Based on milk production data for October 2022 and revised data for September 2022 showing more dairy cows, the dairy herd size forecast was adjusted higher, while the output per cow was adjusted downward for 2022-Q3. As a result, milk cow numbers for 2022 are projected to average 9.410 million head, 5,000 cows higher. The average milk yield per cow in 2022 is projected to be 24,125 pounds per head, 5 pounds per head lower.

The forecast for 2022 exports on a milk-equivalent milk-fat basis is adjusted upward to 13.5 (+0.4 billion pounds) largely on higher exports of butter and butteroil. The forecasts for 2022 dairy product imports are adjusted higher based on recent trade data and expectation of continued demand for imported cheese and butterfat products. On a milk-equivalent milk-fat basis, the 2022 projection for dairy product imports has been raised to 7.3 billion pounds (+0.3 billion). On a milk-equivalent skim-solids basis, the forecast for 2022 imports is adjusted to 6.5 billion pounds, up 0.1 billion pounds.

The domestic dairy use is projected to increase by the end of 2022. On a milk-equivalent milkfat basis, the annual forecast for domestic use is 221.9 billion pounds, 0.1 billion higher with lower ending stocks, while on a milk-equivalent skim-solids basis the forecast is 180.0 billion pounds, 0.2 billion higher, with lower expected ending stocks and higher imports.

The wholesale price forecasts for Cheddar cheese and butter in 2022 are adjusted higher to \$2.110 (+1.0 cent) and \$2.875 (+3.0 cents) per pound, respectively. With the higher projected wholesale price for cheese and a steady dry whey price forecast, the Class III milk price forecast for 2022 is \$21.95 per cwt (+15 cents). With a higher projected butter price and a steady NDM price forecast, the Class IV milk price projection for 2022 is \$24.50 per cwt (+20 cents). The all-milk price forecast for 2022 has been raised to \$25.65 per cwt (+15 cents).



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

| | NOVEMBER 2022 | OCTOBER 2022 | NOVEMBER 2021 |
|----------------------------------|--------------------|--------------------|--------------------|
| PRICES: (Base Zone) | | | |
| Uniform Price | \$26.24 | \$25.80 | \$21.13 |
| Class I Price | 27.49 | 26.11 | 21.38 |
| Class II Price | 24.67 | 25.73 | 18.40 |
| Class III Price | 21.01 | 21.81 | 18.03 |
| Class IV Price | 23.30 | 24.96 | 18.79 |
| Uniform Skim Milk Price | \$14.41 | \$13.55 | \$14.43 |
| Class I Skim Milk Price | 15.03 | 14.00 | 15.13 |
| Class II Skim Milk Price | 13.31 | 13.37 | 11.23 |
| Class III Skim Milk Price | 9.54 | 9.34 | 10.87 |
| Class IV Skim Milk Price | 11.91 | 12.60 | 11.66 |
| Uniform Butterfat Price | \$3.5253 | \$3.6362 | \$2.0592 |
| Class I Butterfat Price | 3.7114 | 3.6011 | 1.9378 |
| Class II Butterfat Price | 3.3790 | 3.6637 | 2.1611 |
| Class III Butterfat Price | 3.3720 | 3.6567 | 2.1541 |
| Class IV Butterfat Price | 3.3720 | 3.6567 | 2.1541 |
| PRODUCER MILK: | | | |
| Class I | 334,824,881 | 329,717,003 | 326,824,891 |
| Class II | 51,940,735 | 61,007,114 | 44,890,230 |
| Class III | 28,550,169 | 39,366,438 | 29,264,147 |
| Class IV | 26,528,392 | 30,496,287 | 24,868,893 |
| Total Producer Milk | 441,844,177 | 460,586,842 | 425,848,161 |
| PERCENT PRODUCER MILK IN: | | | |
| Class I | 75.78 | 71.59 | 76.75 |
| Class II | 11.76 | 13.25 | 10.54 |
| Class III | 6.46 | 8.55 | 6.87 |
| Class IV | 6.00 | 6.61 | 5.84 |

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

The Uniform Price
for November 2022 was \$26.24 per cwt., an increase of \$5.11 from November 2021.

Total Class I Milk
for November 2022 was 334.8 million pounds, an increase of 8.0 million pounds compared to November 2021.

Class I Utilization
was 75.78 percent for November 2022, an increase of 4.19 percentage points from October 2022.

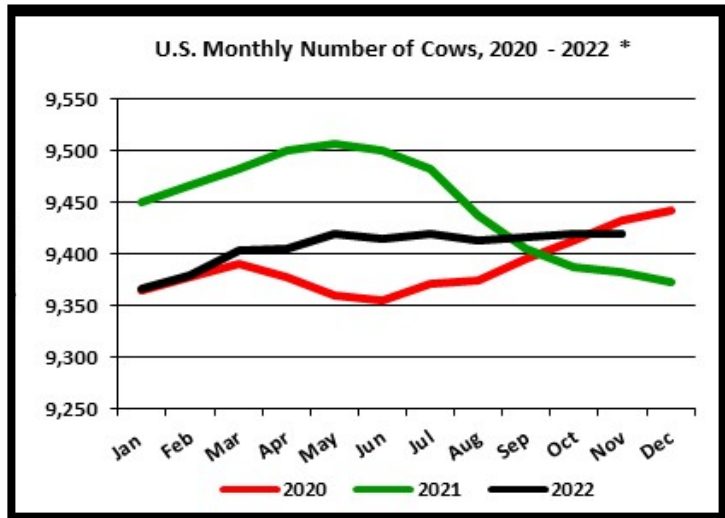
Total Producer Milk
for November 2022 was 441.8 million pounds, an increase of 16.0 million pounds compared to November 2021.

November Milk Production up 1.4%

Milk production in the 24 major States during November totaled 17.5 billion pounds, up 1.4 percent from November 2021.

Production per cow in the 24 major States averaged 1,956 pounds for November, 17 pounds above November 2021.

The number of milk cows on farms in the 24 major States was 8.94 million head, 48,000 head more than November 2021, and 1,000 head more than October 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 to be 5,000 cows more in 2023, at 9.420 million head. The 2023 forecast for milk per cow is 24,370 pounds, 20 pounds higher on slightly more rapid than previously expected growth. The projection for 2023 milk production is 229.5 billion pounds, up 0.3 billion pounds.

On a milk-equivalent milk-fat basis, the export forecast for 2023 is 13.0 billion pounds, up 0.3 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 52.3 billion pounds, 0.2 billion pounds lower, due to lower anticipated exports of lactose. Dairy product import projections for 2023 were adjusted higher, to 7.2 billion pounds (+0.1 billion) on a milk-equivalent milk-fat basis and 6.1 billion pounds (+0.1 billion) on a milk-equivalent skim-solids basis.

The 2023 projections for domestic use are up in 2023. On a milk-equivalent milk-fat basis, the domestic use forecast for 2023 is 222.0 billion pounds, 0.4 billion higher. On a milk-equivalent skim-solids basis, the forecast for domestic use is 182.2 billion pounds, 0.4 billion higher. In 2023, wholesale price forecasts for Cheddar cheese and butter were raised to \$1.995 (+2.5 cents) and \$2.465 (+1.0 cent) per pound, respectively. However, NDM, and dry whey prices were adjusted downward to \$1.375 (-3.0 cents) and \$0.465 (-2.0 cents) per pound, respectively.

With a higher projected wholesale price for cheese more than offsetting the lower price projection for dry whey, the Class III milk price forecast for 2023 is \$19.80 per cwt (+15 cents). Due to the lower NDM price forecast more than offsetting the higher butter price forecast, the Class IV milk price projection for 2023 is \$20.10 per cwt (-25 cents). The all-milk price forecast for 2023 is \$22.70 per cwt, an increase of 10 cents.

Livestock, Dairy, and Poultry Outlook, LDP-M-338, December 15 2022,
USDA, Economic Research Service



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Federal Milk Marketing Order Statistics - November 2022

| Federal Order | | Producer Deliveries | Class I Producer Receipts | Class I Utilization | Statistical Uniform Price |
|---------------|--------------------|---------------------|---------------------------|---------------------|---------------------------|
| | | Million Pounds | Million Pounds | Percent | \$/cwt |
| 1 | Northeast | 2,178.9 | 677.4 | 31.1 | 24.27 |
| 5 | <i>Appalachian</i> | <i>441.8</i> | <i>334.8</i> | <i>75.8</i> | <i>26.24</i> |
| 6 | Florida | 207.0 | 174.5 | 84.3 | 28.27 |
| 7 | Southeast | 307.2 | 228.4 | 74.4 | 26.65 |
| 30 | Upper Midwest | 2,977.3 | 170.0 | 5.7 | 21.30 |
| 32 | Central | 1,289.2 | 378.1 | 29.3 | 22.28 |
| 33 | Mideast | 1,317.7 | 527.0 | 40.0 | 22.75 |
| 51 | California | 1,989.1 | 410.9 | 20.7 | 22.35 |
| 124 | Pacific Northwest | 585.2 | 135.8 | 23.2 | 22.36 |
| 126 | Southwest | 1,112.1 | 328.5 | 29.5 | 22.98 |
| 131 | Arizona | 417.3 | 119.6 | 28.7 | 23.60 |
| | All Orders | 12,822.7 | 3,485.0 | 27.2 | 22.89 |

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

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