

# THE COURIER

Monthly Newsletter

## Dairy Outlook

April 2023

### *Dairy Forecasts for 2023*

Milk production for 2023 is projected at 228.7 billion pounds, 0.2 billion higher than last month's forecast. Milk cows are projected to average 9.400 million head, 10,000 higher than last month's forecast. The annual milk-per-cow projection decreased 10 pounds from last month at an average 24,335 pounds per head.

Dairy export projections for 2023 are adjusted lower on increased price competition and weaker expected international demand for U.S. dairy products. The forecast for 2023 dairy exports on a milk equivalent milk-fat basis has been adjusted to 12.2 billion pounds, 0.8 billion lower than last month's forecast.

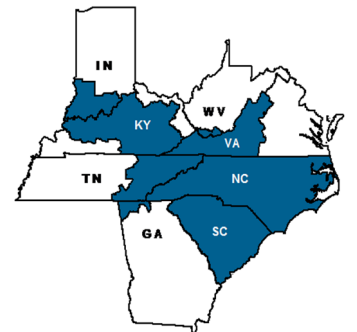
On a milk-equivalent skim-solids basis, the 2023 dairy export forecast has been adjusted to 50.7 billion pounds, 1.2 billion lower than last month's projection.

Dairy import projections for 2023 are adjusted higher. On a milk-fat basis, projections for 2023 have been increased to 7.7 billion pounds (+0.3 billion).

On a skim-solids basis, imports have been increased to 6.9 billion pounds (+0.4 billion). Import volumes of butter, cheese, casein, and milk protein concentrates are expected to remain strong throughout 2023.

The domestic use forecasts for dairy products have been raised for 2023. The projections for 2023 domestic use are raised from the previous month's forecast to 222.8 billion pounds (+1.2 billion) on a milk-fat basis and 183.3 billion pounds (+1.8 billion) on a skim-solids basis.

Domestic demand for dairy products is projected to continue strong throughout the year, which is expected to support domestic wholesale prices for cheese, butter, and dry whey.



Jason Nierman  
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## Appalachian Statistical Summary

	MARCH 2023	FEBRUARY 2023	MARCH 2022
<b>PRICES: (Base Zone)</b>			
Uniform Price	\$21.50	\$22.89	\$25.86
Class I Price	22.39	24.18	26.28
Class II Price	19.52	20.83	24.76
Class III Price	18.10	17.78	22.45
Class IV Price	18.38	18.86	24.82
Uniform Skim Milk Price	\$12.33	\$13.69	\$15.67
Class I Skim Milk Price	13.19	14.78	16.29
Class II Skim Milk Price	10.30	11.70	14.41
Class III Skim Milk Price	8.85	8.57	12.04
Class IV Skim Milk Price	9.14	9.69	14.50
Uniform Butterfat Price	\$2.7439	\$2.7657	\$3.0671
Class I Butterfat Price	2.7592	2.8330	3.0178
Class II Butterfat Price	2.7370	2.7248	3.1005
Class III Butterfat Price	2.7300	2.7178	3.0935
Class IV Butterfat Price	2.7300	2.7178	3.0935
<b>PRODUCER MILK:</b>			
Class I	337,174,957	299,377,683	343,723,870
Class II	78,776,139	61,382,065	75,335,125
Class III	25,152,819	31,176,796	38,760,439
Class IV	44,644,219	32,277,651	44,045,519
<b>Total Producer Milk</b>	<b>485,748,134</b>	<b>424,214,195</b>	<b>501,864,953</b>
<b>PERCENT PRODUCER MILK IN:</b>			
Class I	69.41	70.57	68.49
Class II	16.22	14.47	15.01
Class III	5.18	7.35	7.72
Class IV	9.19	7.61	8.78

Prices subject to location adjustments per \$1005.51 and \$1005.75

### March Milk Production up 0.6%

Milk production in the 24 major States during March totaled 18.9 billion pounds, up 0.6 percent from March 2022. February revised production, at 17.0 billion pounds, was up 1.2 percent from February 2022. .

Production per cow in the 24 major States averaged 2,116 pounds for March, 3 pounds above March 2022.

The number of milk cows on farms in the 24 major States was 8.95 million head, 44,000 head more than March 2022, and 6,000 head more than February 2023.

### F.O. 5 STATS FOR March 2023:

#### The Uniform Price

for March 2023 was \$21.50 per cwt., a decrease of \$1.39 from February 2023.

#### Total Class I Milk

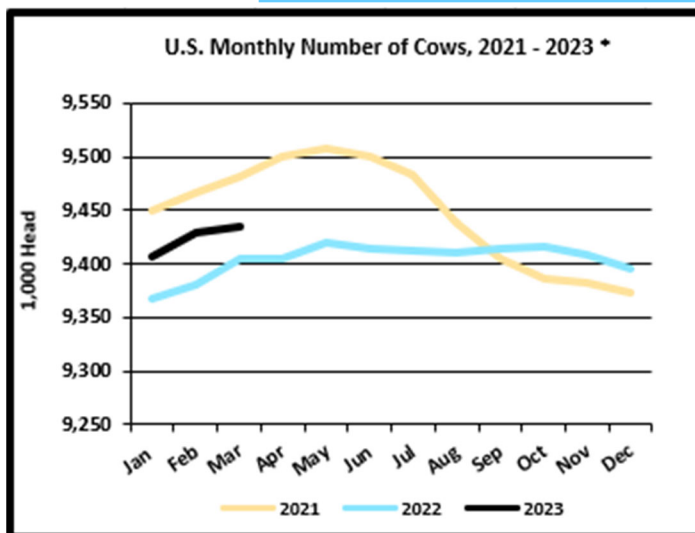
for March 2023 was 337.2 million pounds, a decrease of 6.5 million pounds compared to March 2022.

#### Class I Utilization

was 69.41 percent for March 2023, a decrease of 1.16 percentage points from February 2023.

#### Total Producer Milk

for March 2023 was 485.7 million pounds, a decrease of 16.1 million pounds compared to March 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 cont'd***

For 2023, the price forecast for Cheddar cheese has been adjusted up 4.5 cents from last month's forecast to \$1.855 per pound. The wholesale prices of butter and dry whey were also adjusted higher than last month's forecast, to \$2.420 (+8.5 cents), and \$0.425 (+3.5 cents) per pound, respectively. However, the price for NDM was adjusted down from last month's forecast at \$1.165 per pound (-6.5 cents) on weaker expected demand.

With higher average prices expected for cheese and dry whey, the Class III milk price forecast for 2023 has been raised to \$18.25 per cwt, \$0.70 higher than last month's forecast. With lower projected prices of NDM more than offsetting higher projected prices for butter, the Class IV price forecast has been lowered to \$18.10 per cwt, down \$0.20 from the previous month's projection. The all-milk price forecast for 2023 has been raised to \$20.65 per cwt, \$0.20 higher than last month's forecast.

### ***Recent Developments in U.S. Dairy Markets***

From the week ending March 11 to the week ending April 8, 2023, directions of changes for wholesale dairy product prices reported in the USDA National Dairy Products Sales Report (NDPSR) were mixed. The price for 40-pound blocks of Cheddar cheese increased 6.71 cents, while the price for 500-pound barrels (adjusted to 38-percent moisture) increased 32.22 cents. The price for dry whey also increased by 3.61 cents per pound. Meanwhile, the price of nonfat dry milk (NDM) declined 1.35 cents, and the price for butter declined by 1.30 cents per pound.

For the holiday-shortened trading week ending on April 6, the Chicago Mercantile Exchange (CME) weekly spot prices per pound averaged as follows; \$1.7656 for 500-pound barrels of Cheddar cheese, \$1.8144 for 40-pound blocks of Cheddar cheese, \$1.1438 for NDM, \$2.3281 per pound for butter, and \$0.4188 for dry whey. Most Oceania and Europe average dairy product export prices reported by USDA Dairy Market News declined from February 2023 to March 2023, except for an increase in the Oceania butter price.

According to the most recent Milk Production report published by USDA, National Agricultural Statistics Service (NASS), the estimate for U.S. milk production for February was 17.700 billion pounds, 0.8 percent above February 2022. Daily, milk production averaged 631 million pounds, 5 million pounds per day above February 2022. In February 2023, dairy cows averaged 9.417 million head, while milk per cow was 1,877 pounds, both measures above February 2022.

In February 2023, domestic use for dairy products was higher than a year ago. On a milk-equivalent milk-fat basis, domestic use totaled 16.654 billion pounds, 5.7 percent higher than February 2022. On a skim-solids basis, February 2023 domestic use totaled 13.787 billion pounds, 1.2 percent higher than February 2022.

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## Federal Milk Marketing Order Statistics - March 2023

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,360.8	695.4	29.4	19.93
5	<i>Appalachian</i>	<i>485.7</i>	<i>337.2</i>	<i>69.4</i>	<i>21.50</i>
6	Florida	223.6	184.0	82.3	23.51
7	Southeast	305.9	226.7	74.1	22.12
30	Upper Midwest	3,036.3	171.8	5.7	18.29
32	Central	1,580.2	383.4	24.3	18.48
33	Mideast	1,631.3	542.0	33.2	18.91
51	California	2,836.0	423.4	14.9	18.79
124	Pacific Northwest	739.3	141.7	19.2	18.50
126	Southwest	1,224.3	325.5	26.6	19.44
131	Arizona	473.7	124.2	26.2	19.24
All Orders		14,897.2	3,555.3	23.9	19.13

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

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