

THE COURIER

Monthly Newsletter

Dairy Outlook

May 2023

Dairy Forecasts for 2023

For 2023, the U.S. milking herd is projected to average 9.415 million head, 15,000 head higher than last month's forecast. The milk per cow forecast for 2023 is 24,280 pounds, 55 pounds lower than last month's forecast due in part to lower-than expected growth in milk per cow in the first quarter.

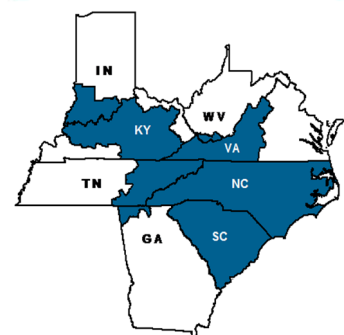
With lower yield per cow more than offsetting the expected increase in dairy cow numbers, the milk production forecast for 2023 has been adjusted to 228.6 billion pounds, 0.1 billion lower than last month's projection.

On a milk-fat basis, the annual dairy export forecast for 2023 is 12.1 billion pounds, 0.1 billion lower than last month's forecast. On a skim-solids basis, the dairy export projection was raised to 51.3 billion pounds, 0.6 billion above the last month's forecast. Higher exports are expected for dry skim milk products and cheese, but lower exports are expected for butter, butterfat products, and whey products.

On a skim-solids basis, the dairy import forecast is 6.8 billion pounds, 0.1 billion lower than last month's projections. On a milk-fat basis, domestic use in 2023 is forecast at 223.1 billion pounds, 0.3 billion higher than last month's forecast. On a skim-solid basis, 2023 domestic use was lowered by 0.5 billion pounds from last month's forecast to 182.8 billion pounds.

The 2023 price forecasts for Cheddar cheese and dry whey are lowered to \$1.825 (-3.0 cents) and \$0.395 (-3.0 cents) per pound, respectively. The 2023 butter and NDM price forecasts have been raised to \$2.430 (+1.0 cents) and \$1.185 (+2.0 cents) per pound, respectively.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2023 was adjusted to \$17.75 per hundredweight (cwt), down \$0.50 from last month's forecast.



Jason Nierman
Market Administrator

Inside this issue:

Appalachian Statistical Summary	2
April Milk Production up 0.5%	2
U.S. Monthly Milk Production, 2021-2023	2
Dairy Outlook, cont'd	3
FMMO Statistics – April 2023	4

Appalachian Statistical Summary

	APRIL 2023	MARCH 2023	APRIL 2022
PRICES: (Base Zone)			
Uniform Price	\$21.17	\$21.50	\$27.17
Class I Price	22.25	22.39	27.78
Class II Price	19.20	19.52	25.71
Class III Price	18.52	18.10	24.42
Class IV Price	17.95	18.38	25.31
Uniform Skim Milk Price	\$12.06	\$12.33	\$16.74
Class I Skim Milk Price	13.06	13.19	17.38
Class II Skim Milk Price	10.07	10.30	15.21
Class III Skim Milk Price	9.40	8.85	13.90
Class IV Skim Milk Price	8.80	9.14	14.82
Uniform Butterfat Price	\$2.7246	\$2.7439	\$3.1476
Class I Butterfat Price	2.7557	2.7592	3.1438
Class II Butterfat Price	2.7079	2.7370	3.1531
Class III Butterfat Price	2.7009	2.7300	3.1461
Class IV Butterfat Price	2.7009	2.7300	3.1461
PRODUCER MILK:			
Class I	302,891,920	337,174,957	313,843,550
Class II	67,018,073	78,776,139	58,081,279
Class III	27,166,485	25,152,819	37,094,899
Class IV	55,388,626	44,644,219	49,950,889
Total Producer Milk	452,465,104	485,748,134	458,970,617
PERCENT PRODUCER MILK IN:			
Class I	66.94	69.41	68.38
Class II	14.81	16.22	12.65
Class III	6.00	5.18	8.08
Class IV	12.25	9.19	10.89

Prices subject to location adjustments per §1005.51 and §1005.75

April Milk Production up 0.5%

Milk production in the 24 major States during April totaled 18.4 billion pounds, up 0.5 percent from April 2022.

Production per cow in the 24 major States averaged 2,055 pounds for April, 2 pounds above April 2022.

The number of milk cows on farms in the 24 major States was 8.94 million head, 36,000 head more than April 2022, but 15,000 head less than March 2023.

F.O. 5 STATS FOR April 2023:

The Uniform Price

for April 2023 was \$21.17 per cwt., a decrease of \$0.33 from March 2023.

Total Class I Milk

for April 2023 was 302.9 million pounds, a decrease of 11.0 million pounds compared to April 2022.

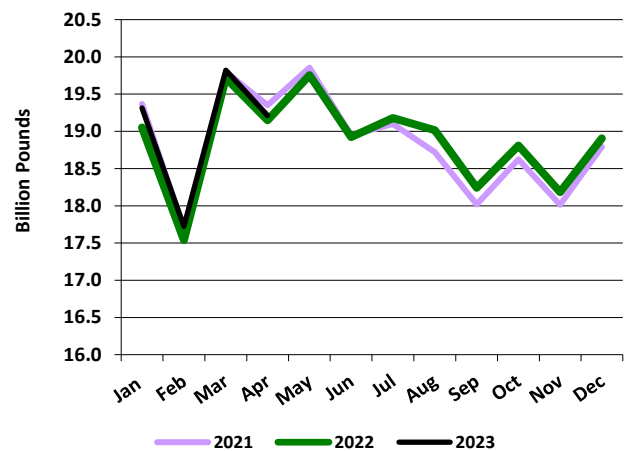
Class I Utilization

was 66.94 percent for April 2023, a decrease of 1.44 percentage points from April 2022.

Total Producer Milk

for April 2023 was 452.5 million pounds, a decrease of 6.5 million pounds compared to April 2022.

U.S. Monthly Milk Production, 2021 - 2023*



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2023 cont'd

With a higher expected price for butter and NDM in 2023, the Class IV milk price forecast has been increased by \$0.20 to \$18.30 per cwt. The all-milk price forecast for 2023 is \$20.50 per cwt, \$0.15 lower than last month's forecast.

Dairy Forecasts for 2024

Normally, dairy forecasts are compared to the previous month's projections. However, since these are USDA's first dairy forecasts for 2024, the projections will be compared to the 2023 annual forecasts. The U.S. milking herd is projected to average 9.395 million head in 2024, 20,000 head fewer than from the 2023 projection. There is an additional milking day in 2024 due to leap year. Adjusted for leap year, milk per cow is projected to average 24,570 pounds per head, a year-over-year increase of 1.2 percent. Adjusted for leap year, the milk production forecast for 2024 is 230.8 billion pounds, 1.0 percent higher than the 2023 projection.

Dairy exports on a milk-fat basis are projected to total 12.8 billion pounds in 2024, 0.7 billion higher than the forecast for 2023. On a skim-solids basis, exports are projected to total 53.9 billion pounds, 2.6 billion higher than the 2023 projection. In 2024, exports of butter, butterfat products, dry skim milk products, cheese, whey products, and lactose are expected to increase. Dairy imports on a milk-fat basis are projected to total 7.7 billion pounds in 2024, unchanged from the 2023 forecast. On a skim-solids basis, 2024 imports are projected to total 7.0 billion pounds, 0.2 billion higher than 2023.

The 2024 domestic use forecast on a milk-fat basis is 224.7 billion pounds, 1.6 billion higher than 2023. On a skim-solids basis, the 2024 projection is 182.9 billion pounds, 0.1 billion higher than 2023. In 2024, the Cheddar cheese price is projected at \$1.820 per pound, only 0.5 cent lower than 2023, while the price of dry whey is projected at \$0.370 per pound (-2.5 cents) as more milk is expected to be used for cheese manufacturing throughout 2024. In 2024, the NDM price is projected at \$1.120 (-6.5 cents).

The 2024 butter price is projected at \$2.335 per pound (-9.5 cents), as more cream volumes are expected to move into churns in 2024 on a soft export demand. The Class III milk price forecast for 2024 is \$17.50 per cwt, \$0.25 lower than the projection for 2023. The Class IV milk price projection for 2024 is \$17.35 per cwt, a year-over-year decline of \$0.95. The all-milk price forecast for 2024 is \$19.90 per cwt, \$0.60 lower than the projection for 2023.

**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



Federal Milk Marketing Order Statistics - April 2023

Federal Order	Producer Deliveries Million Pounds	Class I Producer Receipts Million Pounds	Class I Utilization Percent	Statistical Uniform Price \$/cwt
1 Northeast	2,297.3	624.0	27.2	19.77
5 Appalachian	452.5	302.9	66.9	21.17
6 Florida	207.8	170.4	82.0	23.28
7 Southeast	322.3	204.8	63.6	21.54
30 Upper Midwest	2,447.3	156.4	6.4	18.64
32 Central	1,471.4	348.4	23.7	18.45
33 Mideast	1,634.9	488.0	29.9	18.96
51 California	2,522.5	367.7	14.6	18.62
124 Pacific Northwest	577.7	120.5	20.9	18.38
126 Southwest	1,201.1	305.3	25.4	19.20
131 Arizona	455.4	107.4	23.6	19.00
All Orders	13,590.2	3,195.9	23.5	19.12

^{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.