

THE COURIER

Monthly Newsletter

Dairy Outlook

July 2023

Dairy Forecasts for 2023

For 2023, the U.S. milking herd and milk production are unchanged from last month's forecast at 9.415 million head and 228.4 billion pounds, respectively.

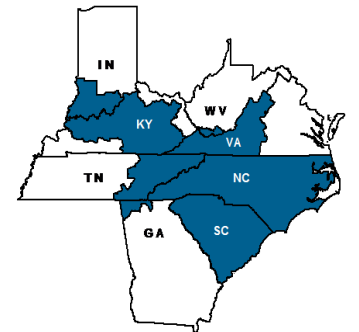
Based on recent dairy trade information, 2023 export volume forecasts were reduced from last month's projections, mainly due to lower expected butter and cheese exports. On a milk-fat basis, the annual dairy export forecast for 2023 is 11.6 billion pounds, 0.3 billion lower than last month's forecast. On a skim-solids basis, the dairy export projections were lowered by 0.2 billion to 50.9 billion pounds, reflecting lower expected exports of whey products and a number of other dairy products.

On a skim-solids basis, the dairy import forecast is 6.5 billion pounds, 0.2 billion lower than last month's projections, due to lower expected imports of milk protein concentrate.

On a milk-fat basis, domestic use in 2023 is forecast at 223.4 billion pounds, up 0.2 billion from last month's forecast. On a skim-solid basis, 2023 domestic use was lowered by 0.1 billion pounds from last month's forecast to 182.6 billion pounds.

The 2023 price forecasts for Cheddar cheese, dry whey, and NDM are lowered to \$1.675 (-5.5 cents), \$0.350 (-2.0 cents), and \$1.170 (-2.0 cents) per pound, respectively, due to large cheese stocks and rising competition in international demand for dry whey and NDM, especially from New Zealand.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2023 is adjusted to \$16.05 per hundredweight (cwt), down \$0.65 from last month's forecast. With lower expected prices for NDM in 2023 more than offsetting steady butter prices, the Class IV milk price forecast has been decreased by \$0.15 to \$18.20 per cwt. The all-milk price forecast for 2023 is \$19.55 per cwt, \$0.40 lower than last month's forecast.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	JUNE 2023	MAY 2023	JUNE 2022
PRICES: (Base Zone)			
Uniform Price	\$20.31	\$21.72	\$28.52
Class I Price	21.41	22.97	29.27
Class II Price	18.83	19.11	26.65
Class III Price	14.91	16.11	24.33
Class IV Price	18.26	18.10	25.83
Uniform Skim Milk Price	\$11.00	\$12.52	\$17.80
Class I Skim Milk Price	12.12	13.87	19.06
Class II Skim Milk Price	9.48	9.78	15.50
Class III Skim Milk Price	5.44	6.69	13.13
Class IV Skim Milk Price	8.91	8.76	14.68
Uniform Butterfat Price	\$2.7689	\$2.7524	\$3.2398
Class I Butterfat Price	2.7752	2.7399	3.1068
Class II Butterfat Price	2.7675	2.7642	3.3393
Class III Butterfat Price	2.7605	2.7572	3.3323
Class IV Butterfat Price	2.7605	2.7572	3.3323
PRODUCER MILK:			
Class I	295,057,392	317,189,778	287,580,230
Class II	67,828,490	67,113,079	70,735,848
Class III	37,773,533	39,620,947	33,991,931
Class IV	41,540,953	28,147,028	40,613,142
Total Producer Milk	442,200,368	452,070,832	432,921,151
PERCENT PRODUCER MILK IN:			
Class I	66.72	70.16	66.43
Class II	15.34	14.85	16.34
Class III	8.54	8.76	7.85
Class IV	9.40	6.23	9.38

Prices subject to location adjustments per §1005.51 and §1005.75

June Milk Production up 0.2%

Milk production in the 24 major States during June totaled 18.1 billion pounds, up 0.2 percent from June 2022.

Production per cow in the 24 major States averaged 2,028 pounds for June, 1 pound above June 2022.

The number of milk cows on farms in the 24 major States was 8.93 million head, 14,000 head more than June 2022, but 20,000 head less than May 2023.

F.O. 5 STATS FOR June 2023:

The Uniform Price

for June 2023 was \$20.31 per cwt., a decrease of \$1.41 from May 2023.

Total Class I Milk

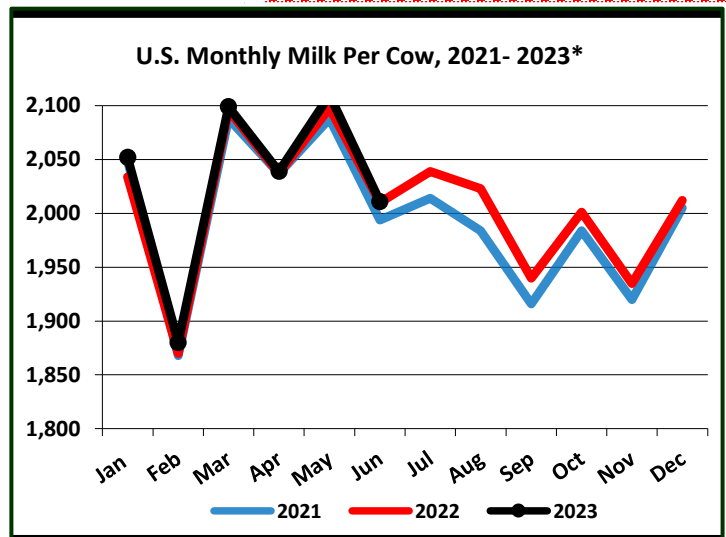
for June 2023 was 295.1 million pounds, an increase of 7.5 million pounds compared to June 2022.

Class I Utilization

was 66.72 percent for June 2023, an increase of 0.29 percentage points from June 2022.

Total Producer Milk

for June 2023 was 442.2 million pounds, an increase of 9.3 million pounds compared to June 2022.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2024

Milk cow numbers in 2024 are projected to decline to 9.390 million head, 5,000 head lower than the previous month's forecast. The forecast for milk per cow is 24,560 pounds, 10 pounds lower than last month's forecast. The projection for 2023 milk production has been lowered to 230.6 billion pounds, 0.2 billion lower than last month's forecast.

On a milk-fat basis, the export forecast for 2024 is 12.6 billion pounds, 0.2 billion lower than last month's forecasts, due to lower expected butter exports. The dairy import forecasts from last month projections are lowered to 7.6 billion pounds (-0.1 billion) on a milk-fat basis and 6.9 billion pounds (-0.1 billion) on a skim-solids basis.

The forecast for 2024 domestic use is adjusted lower. On a milk-fat basis, the annual domestic use forecast for 2024 is 224.6 billion pounds, 0.1 billion lower than the previous forecast. On a skim-solids basis, the forecast for domestic use is 182.7 billion pounds, 0.2 billion lower than last month's forecast.

From the previous forecast, the 2024 price for Cheddar cheese, dry whey, and NDM are lowered to \$1.690 (-8.5 cents), \$0.315 (-4.5 cents), and \$1.125 (-0.5 cent) per pound, respectively. Meanwhile, the 2024 butter price forecast is increased by 1.0 cent to \$2.345 per pound.

With lower expected prices for cheese and dry whey, the Class III milk price forecast for 2024 is adjusted to \$15.95 per cwt, down \$1.05 from last month's forecast. The Class IV milk price forecast remains unchanged at \$17.45 per cwt. The all-milk price forecast for 2024 is \$19.10 per cwt, \$0.55 lower than last month's forecast.

Livestock, Dairy, and Poultry Outlook, LDP-M-338, July 18, 2023, USDA,
Economic Research Service

USDA Publishes Recommended Decision Proposing Amendments to the Appalachian, Southeast, and Florida FMMOs

On July 18, 2023, The U.S. Department of Agriculture (USDA) published a Recommended Decision proposing to amend the inter-market transportation credits in the Appalachian and Southeast Federal milk marketing orders (FMMOs) and to establish distributing plant delivery credits in the Appalachian, Florida and Southeast FMMOs.

The Recommended Decision is a result of a hearing held Feb. 28 – March 2, 2023, in Franklin, Tenn., that addressed a long-standing milk deficit problem in the three southeastern orders and its impact on producers, cooperatives and handlers serving the markets. The Recommended Decision presents a package of proposals to address this chronic issue.

For more information: https://www.malouisville.com/linkeddocs/IP_Recommended_Decision.pdf

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Federal Milk Marketing Order Statistics - June 2023

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,286.0	619.2	27.1	18.61
5	Appalachian	442.2	295.1	66.7	20.31
6	Florida	189.2	155.9	82.4	22.52
7	Southeast	294.3	208.2	70.7	20.96
30	Upper Midwest	2,736.4	148.9	5.4	15.27
32	Central	1,238.9	329.0	26.6	16.64
33	Mideast	1,351.8	491.6	36.4	17.08
51	California	1,980.7	363.0	18.3	16.42
124	Pacific Northwest	602.9	123.5	20.5	16.82
126	Southwest	1,070.9	285.6	26.7	17.25
131	Arizona	445.2	108.4	24.3	17.93
	All Orders	12,638.4	3,128.3	24.8	17.14

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

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