

THE COURIER

Monthly Newsletter

Dairy Outlook

December 2023

Dairy Forecasts for the Remainder of 2023

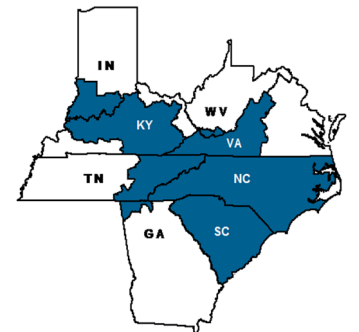
Based on recent milk production information, the forecast for the average number of milk cows in 2023 is adjusted up by 5,000 head over last month's forecast, bringing the expected average number of milk cows to 9.400 million head. However, the yield per cow is revised downward by 15 pounds to 24,150 pounds of milk per head. Consequently, the milk production forecast for 2023 has been lowered by 0.2 billion pounds to 226.9 billion pounds.

The 2023 forecast for dairy exports has undergone adjustments from the prior month's forecasts. On a milk-fat basis, dairy exports are projected at 10.8 billion pounds, 0.1 billion pounds lower than the previous month's projection due to fewer expected exports of butter for the rest of the year. Conversely, the skim-solids basis forecast is revised upward by 0.1 billion pounds to 49.9 billion pounds as higher exports of dry whey products are expected for the rest of 2023.

On a milk-fat basis, the 2023 dairy import forecast is adjusted higher by 0.1 billion pounds to 7.5 billion pounds, driven by higher expected imports of cheese and butter. On a skim-solids basis, the 2023 dairy import forecast is adjusted lower by 0.2 billion to 6.3 billion pounds, due to lower expected imports of casein and milk protein concentrate for the rest of the year.

Domestic dairy product use in 2023 is projected 0.2 billion pounds higher than the previous forecast, reaching 222.9 billion pounds on a milk-fat basis. However, the skim-solids basis forecast has been reduced by 0.3 billion pounds to 182.5 billion pounds.

Due to recent downward trends of cheese and butter wholesale prices, the 2023 price forecast for cheese is lowered to \$1.765 (-0.5 cent) per pound, while the wholesale price for butter is adjusted to \$2.620 (-2.5 cents) per pound. The price forecast for NDM is adjusted higher to \$1.185 per pound (+0.5 cent), while the price of dry whey is unchanged at \$0.360 per pound.



Jason Nierman
Market Administrator

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Appalachian Statistical Summary

	NOVEMBER 2023	OCTOBER 2023	NOVEMBER 2022
PRICES: (Base Zone)			
Uniform Price	\$22.19	\$23.05	\$26.24
Class I Price	23.15	22.87	27.49
Class II Price	21.21	21.95	24.67
Class III Price	17.15	16.84	21.01
Class IV Price	20.87	21.49	23.30
Uniform Skim Milk Price	\$10.10	\$11.36	\$14.41
Class I Skim Milk Price	10.64	12.52	15.03
Class II Skim Milk Price	9.40	9.25	13.31
Class III Skim Milk Price	5.22	3.98	9.54
Class IV Skim Milk Price	9.07	8.80	11.91
Uniform Butterfat Price	\$3.5557	\$3.4526	\$3.5253
Class I Butterfat Price	3.6806	3.0817	3.7114
Class II Butterfat Price	3.4678	3.7214	3.3790
Class III Butterfat Price	3.4608	3.7144	3.3720
Class IV Butterfat Price	3.4608	3.7144	3.3720
PRODUCER MILK:			
Class I	325,659,449	324,575,149	334,824,881
Class II	65,903,439	67,079,693	51,940,735
Class III	33,694,666	36,225,842	28,550,169
Class IV	26,078,626	24,881,412	26,528,392
Total Producer Milk	451,336,180	452,762,096	441,844,177
PERCENT PRODUCER MILK IN:			
Class I	72.15	71.69	75.78
Class II	14.60	14.82	11.76
Class III	7.47	8.00	6.46
Class IV	5.78	5.49	6.00

Prices subject to location adjustments per §1005.51 and §1005.75

November Milk Production down 0.5%

Milk production in the 24 major States during November totaled 17.3 billion pounds, down 0.5 percent from November 2022. October revised production, at 17.9 billion pounds, was down 0.6 percent from October 2022.

Production per cow in the 24 major States averaged 1,948 pounds for November, 3 pounds below November 2022.

The number of milk cows on farms in the 24 major States was 8.90 million head, 26,000 head less than November 2022, and 9,000 head less than October 2023.

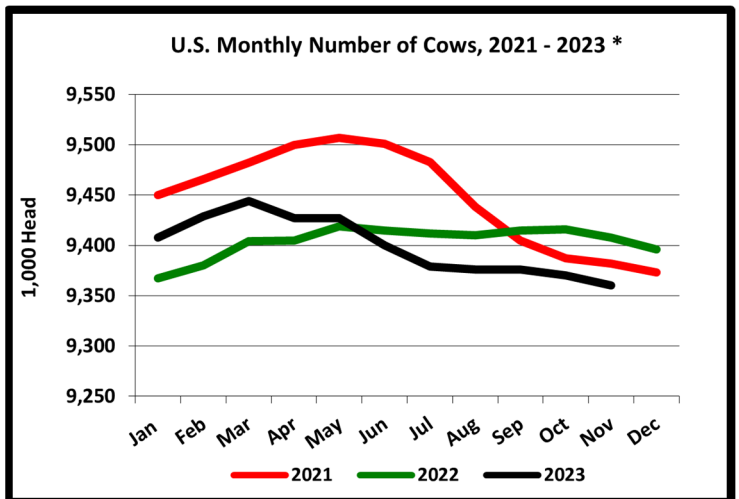
**F.O. 5 STATS FOR
November 2023:**

The Uniform Price
for November 2023 was \$22.19 per cwt., a decrease of \$0.86 from October 2023.

Total Class I Milk
for November 2023 was 325.7 million pounds, an increase of 1.1 million pounds compared to October 2023.

Class I Utilization
was 72.15 percent for November 2023, an increase of 0.46 percentage points from October 2023.

Total Producer Milk
for November 2023 was 451.3 million pounds, an increase of 9,492,003 pounds compared to November 2022.



*Based on entire U.S. production

Dairy Outlook, cont'd from pg. 1

Dairy Forecasts for 2024

The 2024 milk cow inventory projection is decreased by 15,000 head to 9.360 million head, while the forecast for milk per cow is adjusted down by 80 pounds to 24,465 pounds. Therefore, the projection for 2024 milk production has been lowered to 229.0 billion pounds, 1.0 billion lower than last month's forecast.

The export forecast for 2024 on a milk-fat basis is 11.4 billion pounds, 0.2 billion lower than the previous month's forecast, driven by lower expected shipments of butter due to relative higher prices. On a skim-solids basis, dairy exports for 2024 are projected to total 53.2 billion pounds, 0.1 billion higher. Expectation of NDM and dry whey exports are higher for 2024 as prices are expected to remain competitive in the international market.

On a milk-fat basis, dairy import forecasts for 2024 are raised by 0.1 billion pounds to 7.7 billion pounds, driven by expected stronger imports of butter. On a skim-solids basis, dairy imports are lowered by 0.2 billion pounds from last month's forecast to 6.5 billion pounds, mainly due to lower expected imports of milk protein concentrate and casein.

Domestic use is adjusted down from last month's projection. On a milk-fat basis, the domestic use forecast for 2024 is decreased by 0.5 billion to 224.6 billion pounds. On a skim-solids basis, the forecast for domestic use is lowered by 0.6 billion to 182.0 billion pounds.

Lower cheese prices are expected to persist into 2024, leading to a downward adjustment in the annual price forecast to \$1.725 per pound (-10.0 cents). Meanwhile, the 2024 price for butter is adjusted higher to \$2.595 per pound (+0.5 cent). The dry whey price forecast is revised upward to \$0.400 per pound (+2.5 cents), while the NDM price is increased to \$1.175 per pound (+0.5 cent).

Compared to the previous month's projection, the Class III milk price forecast for 2024 is adjusted down 85 cents to \$16.85 per cwt. The Class IV milk price projection for 2024 is \$18.90 per cwt, 5 cents higher. The all-milk price forecast for 2024 is \$20.25 per cwt, a decrease of 55 cents from last month's forecast.



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Federal Milk Marketing Order Statistics - November 2023

Federal Order		Producer Deliveries	Class I Producer Receipts	Class I Utilization	Statistical Uniform Price
		Million Pounds	Million Pounds	Percent	\$/cwt
1	Northeast	2,162.9	666.2	30.8	20.74
5	<i>Appalachian</i>	451.3	325.7	72.2	22.19
6	Florida	211.7	173.3	81.8	24.08
7	Southeast	268.2	230.3	85.9	22.94
30	Upper Midwest	2,595.5	169.4	6.5	17.48
32	Central	1,225.9	374.8	30.6	18.74
33	Mideast	1,485.0	598.1	40.3	19.27
51	California	1,953.9	401.0	20.5	18.57
124	Pacific Northwest	582.5	135.2	23.2	18.97
126	Southwest	1,025.2	326.3	31.8	19.34
131	Arizona	423.9	105.7	24.9	20.22
	All Orders	12,386.1	3,505.9	28.3	19.28

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

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